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PROCEEDINGS AND DEBATES OF THE 93*d* CONGRESS, SECOND SESSION

SENATE—*Wednesday, March 27, 1974*

The Senate met at 12 o'clock noon and was called to order by the President pro tempore (Mr. EASTLAND).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O Lord our God, who hast so wonderfully made man and more wonderfully hast redeemed him, we thank Thee at this holy season for the wonder of Thy love. Thou dost never leave us nor forsake us.

For the life Thou givest us, with its opportunities of service and sacrifice, and for all earthly blessings we give Thee thanks. For the example of those who have tended and guided us, for those who have taught us to look to Thee for strength and wisdom, and for the enrichment of life through our fellow workers here and elsewhere we give thanks to Thee.

Above all, we praise Thee for Thy love made known to mankind in Christ Jesus, for the redemptive love of His cross, for the light immortal that shines from Him in the darkest places, and for the hope that He has brought that the kingdoms of this world are to be Thy Kingdom. Help us to accept Thy mercies with thankful hearts, and ever to walk in the way of Thy commandments; through Jesus Christ our Lord. Amen.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Heiting, one of his secretaries.

EXECUTIVE MESSAGE RECEIVED

As in executive session, the President pro tempore laid before the Senate a message from the President of the United States submitting nominations of members of the Federal Council on the Aging which was referred to the Committee on Labor and Public Welfare.

(The nominations submitted today are printed at the end of the Senate proceedings.)

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Tuesday, March 26, 1974, be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT TO 10 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the previous order, to which the Senate agreed, to come in at 11 o'clock tomorrow morning, be changed to 10 a.m. tomorrow.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER TO VOTE ON EXTRADITION TREATY WITH DENMARK ON FRIDAY, MARCH 29

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the vote on the extradition treaty with Denmark, which was scheduled for 12 o'clock tomorrow, be rescinded and that the vote occur at 12 o'clock noon on Friday next.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HUGH SCOTT. Mr. President, if the distinguished majority leader will yield, let me say that the chief exports of Denmark are dairy products. I think, if that is true, it represents the extradition of bad eggs. [Laughter.]

COMMITTEE MEETING DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the extradition treaty with Denmark, Executive U.

The PRESIDENT pro tempore. Is there objection? The Chair hears none and it is so ordered.

TREATY ON EXTRADITION WITH DENMARK

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Chair lay before the Senate Executive U, 93d Congress, 1st session.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider Executive U, 93d Congress, 1st session, the treaty on extradition between the United States of America and the Kingdom of Denmark, signed at Copenhagen on June 22, 1972, which was ordered to be read the second time, as follows:

TREATY ON EXTRADITION BETWEEN THE UNITED STATES OF AMERICA AND THE KINGDOM OF DENMARK

The United States of America and the Kingdom of Denmark, desiring to make more effective the cooperation of the two countries for the reciprocal extradition of offenders, agree as follows:

ARTICLE 1

Each Contracting State agrees to extradite to the other, in the circumstances and subject to the conditions described in this Treaty, persons found in its territory who have been charged with or convicted of any of the offenses mentioned in Article 3 committed within the territory of the other or outside thereof under the conditions specified in Article 4.

ARTICLE 2

The requested State shall, pursuant to the provisions of this Treaty, extradite a person charged with or convicted of any offense mentioned in Article 3 only when both of the following conditions exist:

1. The law of the requesting State, in force when the offense was committed, provides a possible penalty of deprivation of liberty for a period of more than one year; and

2. The law in force in the requested State generally provides a possible penalty of deprivation of liberty for a period of more than one year which would be applicable if the offense were committed in the territory of the requested State.

When the person sought has been sentenced in the requesting State, the detention imposed must have been for a period of at least four months.

ARTICLE 3

Extradition shall be granted, subject to the provisions of Article 2, for the following offenses:

1. Murder; voluntary manslaughter; assault with intent to commit murder.

2. Aggravated injury or assault; injuring with intent to cause grievous bodily harm.

3. Unlawful throwing or application of any corrosive or injurious substances upon the person of another.

4. Rape; indecent assault; sodomy accompanied by use of force or threat; sexual in-

tercourse and other unlawful sexual relations with or upon children under the age specified by the laws of both the requesting and requested States.

5. Unlawful abortion.

6. Procuration; inciting or assisting a person under 21 years of age to carry on sexual immorality as a profession; contributing to the transportation out of the country of a person under 21 years of age or at the time ignorant of the purpose in order that such person shall carry on sexual immorality as a profession abroad or shall be used for such immoral purpose; promoting of sexual immorality by acting as an intermediary repeatedly or for the purpose of gain; profiting from the activities of any person carrying on sexual immorality as a profession.

7. Kidnaping; child stealing; abduction; false imprisonment.

8. Robbery; assault with intent to rob.

9. Burglary.

10. Larceny.

11. Embezzlement.

12. Obtaining property, money or valuable securities: by false pretenses or by threat of force, by defrauding any governmental body, the public or any person by deceit, falsehood, use of the mails or other means of communication in connection with schemes intended to deceive or defraud, or by any other fraudulent means.

13. Bribery, including soliciting, offering and accepting.

14. Extortion.

15. Receiving or transporting any money, valuable securities or other property knowing the same to have been unlawfully obtained.

16. Fraud by a bailee, banker, agent, factor, trustee, executor, administrator or by a director or officer of any company.

17. An offense against the laws relating to counterfeiting or forgery.

18. False statements made before a court or to a government agency or official, including under United States law perjury and subornation of perjury.

19. Arson.

20. An offense against any law relating to the protection of the life or health of persons from: a shortage of drinking water; poisoned, contaminated, unsafe or unwholesome drinking water, substances or products.

21. Any act done with intent to endanger the safety of any person traveling upon a railway, or in any aircraft or vessel or bus or other means of transportation, or any act which impairs the safe operation of such means of transportation.

22. Piracy; mutiny or revolt on board an aircraft against the authority of the commander of such aircraft; any seizure or exercise of control, by force or violence or threat of force or violence, of an aircraft.

23. An offense against the laws relating to damage to property.

24. (*a*) Offenses against the laws relating to importation, exportation or transit of goods, articles, or merchandise.

(*b*) Offenses relating to willful evasion of taxes and duties.

(*c*) Offenses against the laws relating to international transfers of funds.

25. An offense relating to bankruptcy law.

26. An offense against the laws relating to narcotic drugs, cannabis sativa L, psychotropic drugs, cocaine and its derivatives, and other dangerous drugs and chemicals.

27. An offense relating to the:

(*a*) spreading of false intelligence likely to affect the prices of commodities, valuable securities or any other similar interests; or

(*b*) making of incorrect or misleading statements concerning the economic conditions of such commercial undertakings as joint-stock companies, corporations, co-operative societies or similar undertakings through channels of public communications, in reports, in statements of accounts or in declarations to the general meeting or any proper official of a company, in notifications to, or registration with, any commission, agency or officer having supervisory or regulatory authority over corporations, joint-stock companies, or other forms of commercial undertakings or in any invitation to the establishment of those commercial undertakings or to the subscription of shares.

28. Unlawful abuse of official authority which results in grievous body injury or deprivation of the life, liberty or property of any person.

Extradition shall also be granted for attempts to commit, conspiracy to commit, or participation in, any of the offenses mentioned in this Article.

Extradition shall also be granted for any offense of which one of the above mentioned offenses is the substantial element, when, for purposes of granting Federal jurisdiction to the United States Government, such elements as transporting, transportation, the use of the mails or interstate facilities may also be elements of the specific offense.

Upon receipt of the request for extradition, such request may be denied by the appropriate executive authority in the requested State if that authority considers that the courts in the requested State would not impose a sentence of detention exceeding four months for the offense for which extradition has been requested.

ARTICLE 4

A reference in this Treaty to the territory of a Contracting State is a reference to all the territory under the jurisdiction of that Contracting State, including airspace and territorial waters and vessels and aircraft registered in that Contracting State if any such aircraft is in flight or if any such vessel is on the high seas when the offense is committed. For the purposes of this Treaty an aircraft shall be considered to be in flight from the moment when power is applied for the purpose of take-off until the moment when the landing run ends.

When the offense for which extradition has been requested has been committed outside the territory of the requesting State, the executive authority of the United States or the competent authority of Denmark, as appropriate, shall have the power to grant extradition if the laws of the requested State provide for the punishment of such an offense committed in similar circumstances.

ARTICLE 5

The United States shall not be bound to deliver up its own nationals and Denmark shall not be bound to deliver up nationals of Denmark, Finland, Iceland, Norway or Sweden, but the executive authority of the requested State shall, if not prevented by the laws of that State, extradite such nationals if, in its discretion, it be deemed proper to do so.

If extradition is not granted pursuant to this Article, the requested State shall submit the case to its competent authorities for the purpose of prosecution.

ARTICLE 6

Extradition shall be granted only if the evidence be found sufficient, according to the laws of the place where the person sought shall be found, either to justify his committal for trial if the offense of which he is accused had been committed in that place or to prove that he is the identical person convicted by the courts of the requesting State.

In the case of a request made to the Government of Denmark, the Danish authorities, in accordance with Danish extradition law, shall have the right to request evidence to establish a presumption of guilt of a person previously convicted. Extradition may be refused if such additional evidence is found to be insufficient.

ARTICLE 7

Extradition shall not be granted in any of the following circumstances:

1. When the person whose surrender is sought is being proceeded against or has been tried and discharged or punished in the territory of the requested State for the offense for which his extradition is requested. If the charge against a person sought in Denmark has been waived, extradition may be granted only if the conditions of applicable Danish law permit.

2. When the person whose surrender is sought has been tried and acquitted or has undergone his punishment in a third State for the offense for which his extradition is requested.

3. When the prosecution or the enforcement of the penalty for the offense has become barred by lapse of time according to the laws of either of the Contracting States.

4. If the offense for which his extradition is requested is a political offense or an offense connected with a political offense, or if the requested State has reason to assume that the requisition for his surrender has, in fact, been made with a view to try or punish him for a political offense or an offense connected with a political offense. If any question arises as to whether a case comes within the provisions of this subparagraph, it shall be decided by the authorities of the requested State.

5. If in special circumstances, having particular regard to the age, health or other personal conditions of the person concerned, the requested State has reason to believe that extradition will be incompatible with humanitarian considerations.

6. In respect of a military offense.

Extradition may be refused on any other ground which is specified by the law of the requested State.

ARTICLE 8

When the offense for which the extradition is requested is punishable by death under the laws of the requesting State and the laws of the requested State do not permit such punishment for that offense, extradition may be refused unless the requesting State provides such assurances as the requested State considers sufficient that the death penalty shall not be imposed, or, if imposed, shall not be executed.

ARTICLE 9

When the person whose extradition is requested is being proceeded against or is lawfully detained in the territory of the requested State for an offense other than that for which extradition has been requested, the decision whether or not to extradite him may be deferred until the conclusion of the proceedings and the full execution of any punishment he may be or may have been awarded.

ARTICLE 10

The determination that extradition based upon the request therefor should or should not be granted shall be made in accordance with the law of the requested State and the person whose extradition is sought shall have the right to use such remedies and recourses as are provided by such law.

ARTICLE 11

The request for extradition shall be made through the diplomatic channel.

The request shall be accompanied by a description of the person sought, information as to his nationality and residence if available, a statement of the facts of the case, the text of the applicable laws of the requesting State including the law defining the offense, the law prescribing the punishment for the offense, and a statement that the legal proceedings or the enforcement of the penalty for the offense have not been barred by lapse of time.

When the request relates to a person who has not yet been convicted or has been convicted and not yet sentenced, it must also be accompanied by a warrant of arrest issued by a judge or other judicial officer of the requesting State and by such evidence as, according to the laws of the requested State, would justify his arrest and committal for trial if the offense had been committed there, including evidence proving the person requested is the person to whom the warrant of arrest refers.

When the request relates to a person already convicted and sentenced, it must be accompanied by the judgment of conviction and sentence passed against him in the territory of the requesting State, by a statement showing how much of the sentence has not been served, and by evidence proving that the person requested is the person to whom the sentence refers.

The warrant of arrest and deposition or other evidence, given under oath, and the judicial documents establishing the existence of the conviction as well as any supplementary evidence demanded by the Danish authorities under Article 6 paragraph 2, or certified copies of these documents, shall be admitted in evidence in the examination of the request for extradition when, in the case of a request emanating from Denmark, they bear the signature or are accompanied by the attestation of a judge, magistrate or other official or are authenticated by the official seal of the Ministry of Justice and, in any case, are certified by the principal diplomatic or consular officer of the United States in Denmark, or when, in the case of a request emanating from the United States, they are signed by or certified by a judge, magistrate or officer of the United States and they are sealed by the official seal of the Department of State. Any deposition or other evidence which has not been given under oath but which otherwise meets the requirements set forth in this paragraph shall be admitted in evidence as a depcsition or evidence given under oath when there is an indication that the person, prior to deposing before the judicial authorities of the requesting State, was informed by those authorities of the penal sanctions to which he would be subject in the case of false or incomplete statements.

The requested State may require that the documents in support of the request for extradition be translated into the language of the requested State.

ARTICLE 12

In case of urgency a Contracting State may apply for the provisional arrest of the person sought pending the presentation of the request for extradition through the diplomatic channel. This application may be made either through the diplomatic channel or directly between the United States Department of Justice and the Danish Ministry of Justice. The application shall contain a description of the person sought, an indication of intention to request the extradition of the person sought and a statement of the existence of a warrant of arrest or, if convicted and sentenced, a judgment of conviction against that person, and such further information, if any, as would be necessary to justify the issue of a warrant of arrest had the offense been committed, or the person sought been convicted, in the territory of the requested State.

On receipt of such an application the requested State shall take the necessary steps to secure the arrest of the person claimed.

A person arrested upon such an application may be set at liberty upon the expiration of thirty days from the date of his arrest if a request for his extradition accompanied by the documents specified in Article 11 shall not have been received. The requesting State may request, specifying the reasons therefor, an extension of the period of detention for a period not to exceed thirty days, and the appropriate judicial authority of the requested State shall have the authority to extend the period of detention. The release from custody pursuant to this provision shall not prevent the institution of proceedings with a view to extraditing the person sought if the request is subsequently received.

ARTICLE 13

If the requested State requires additional evidence or information to enable it to decide on the request for extradition, such evidence or information shall be submitted to it within such time as that State shall require.

If the person sought is under arrest and the additional evidence or information submitted as aforesaid is not sufficient, or if such evidence or information is not received within the period specified by the requested State, he shall be discharged from custody. Such discharge shall not bar the requesting State from submitting another request in respect of the same offense.

ARTICLE 14

A person extradited under the present Treaty shall not be detained, tried or punished in the territory of the requesting State for an offense other than that for which extradition has been granted nor be extradited by that State to a third State unless:

1. He has left the territory of the requesting State after his extradition and has voluntarily returned to it;
2. He has not left the territory of the requesting State within forty-five days after being free to do so; or
3. The requested State has consented to his detention, trial, punishment or to his extradition to a third State for an offense other than that for which extradition was granted.

A person who has been set at liberty, shall be informed of the consequences to which his stay in the territory of the requesting State may subject him.

ARTICLE 15

A requested State upon receiving two or more requests for the extradition of the same person either for the same offense, or for different offenses, shall determine to which of the requesting States it will extradite the person sought, taking into consideration the circumstances and particularly the possibility of a later extradition between the requesting States, the seriousness of each offense, the place where the offense was committed, the nationality and residence of the person sought, the dates upon which the requests were received and the provisions of any extradition agreements between the requested State and the other requesting State or States.

ARTICLE 16

The requested State shall promptly communicate to the requesting State through the diplomatic channel the decision on the request for extradition, and, if granted, the period the person sought has been under detention pursuant to the request for extradition.

If the extradition has been granted, the authorities of the requesting and the requested States shall agree upon the time and place of surrender of the person sought.

If the extradition has not been effected, the requested State may set the person sought at liberty within such time as required by the law of the requested State, and the requested State may subsequently refuse to extradite that person for the same offense.

ARTICLE 17

To the extent permitted under the law of the requested State and subject to the rights of third parties, which shall be duly respected, all articles acquired as a result of the offense or which may be required as evidence shall, if found, be surrendered if extradition is granted.

Subject to the qualifications of the first paragraph, the above-mentioned articles shall be returned to the requesting State even if the extradition, having been agreed to, cannot be effected owing to the death or escape of the person sought.

ARTICLE 18

The right to transport through the territory of one of the Contracting States a person surrendered to the other Contracting State by a third State shall be granted on request made through the diplomatic channel, provided that conditions are present which would warrant extradition of such person by the State of transit and reasons of public order are not opposed to the transit.

The State to which the person has been extradited shall reimburse the State through whose territory such person is transported for any expenses incurred by the latter in connection with such transportation.

ARTICLE 19

Expenses related to the translation of documents and to the transportation of the person sought shall be paid by the requesting State. The appropriate legal officers of the requested State shall, by all legal means within their power, assist the officers of the requesting State before the respective judges and magistrates. No pecuniary claim, arising out of the arrest, detention, examination and surrender of persons sought under the terms of this Treaty, shall be made by the requested State against the requesting State.

ARTICLE 20

This Treaty shall apply to offenses mentioned in Article 3 committed before as well as after the date this Treaty enters in force, provided that no extradition shall be granted for an offense committed before the date this Treaty enters into force which was not an offense under the laws of both States at the time of its commission.

ARTICLE 21

This Treaty shall be subject to ratification and the instruments of ratification shall be exchanged at Washington as soon as possible.

This Treaty shall enter into force on the thirtieth day after the date of the exchange of instruments of ratification. It may be terminated by either Contracting State giving notice of termination to the other Contracting State at any time and the termination shall be effective six months after the date of receipt of such notice.

IN WITNESS WHEREOF the undersigned, being duly authorized thereto by their respective Governments, have signed this Treaty.

Done in duplicate, in the English and Danish languages, both equally authentic, at Copenhagen this twenty-second day of June, 1972.

For the United States of America:
FRED J. RUSSELL
For the Kingdom of Denmark:

Mr. MANSFIELD. Mr. President, this treaty is noncontroversial. It was reported unanimously by the Committee on Foreign Relations.

I ask unanimous consent that the treaty be considered as having passed through its various stages up to and including the presentation of the resolution of ratification.

The PRESIDENT pro tempore. Is there objection? The Chair hears none and it is so ordered.

The resolution of ratification will be read for the information of the Senate.

The assistant legislative clerk read as follows.

Resolved, (Two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Treaty on Extradition between the United States of America and the Kingdom of Denmark, signed at Copenhagen on June 22, 1972 (Ex. U, 93–1).

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to vote on this treaty at 12 o'clock noon on Friday next.

The PRESIDING OFFICER (Mr. JOHNSTON). Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, so that Senators may have background information on the convention, I ask unanimous consent to have printed in the RECORD an excerpt from the report of the Committee on Foreign Relations which recommends that the Senate give its advice and consent to ratification of the convention.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PROVISIONS OF TREATY

The extradition treaty between the United States and Denmark was signed on January 22, 1972. According to the State Department, it follows generally the form and content of extradition treaties recently concluded by the United States. The treaty provides for the extradition of fugitives charged with any of the 28 offenses listed in Article 3. The most significant are offenses relating to narcotics and aircraft hijacking, as well as conspiracy to commit any of the offenses covered by the treaty.

It should be noted that Danish extradition law requires the inclusion of certain provisions not normally found in other U.S. extradition treaties. For example, Article 5 gives either party discretionary power to extradite its own nationals. In such cases, if extradition is denied, the requested state undertakes to try the individual when the offense is punishable under its own laws. In addition, Article 7 contains a provision under which either party may refuse to grant extradition if it will be "incompatible with humanitarian considerations."

Pursuant to the provisions of Article 20, the treaty will apply to offenses committed before, as well as after, the date it enters into force. Article 8 contains a limitation which permits refusal of extradition unless assurances are received that the death penalty will not be imposed for an offense which is not punishing by death in the country from which extradition is requested.

DATE OF ENTRY INTO FORCE

Denmark terminated the former extradition treaty in 1970 and, at the present, there is no treaty in force between the United States and Denmark. The pending treaty will go into effect 30 days after instruments of ratification are exchanged. It may be terminated by either country by giving six months notice.

COMMITTEE ACTION

The Extradition Treaty with Denmark was transmitted to the Senate and referred to the Committee on Foreign Relations on October 30, 1973. A public hearing was held on the treaty on March 19, 1974, at which time Mr. Knute E. Malmborg, Assistant Legal Adviser for Management and Consular Affairs, Department of State, testified in support of the treaty. Mr. Malmborg's prepared statement is reprinted below. Subsequently, during an executive session on the same day, the Committeee ordered the treaty reported favorably to the Senate for advice and consent to ratification.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

ORDER FOR THE RECOGNITION OF SENATOR PROXMIRE TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that after the joint leadership has been recognized tomorrow, the distinguished Senator from Wisconsin (Mr. PROXMIRE) be recognized for not to exceed 15 minutes.

THE PRESIDING OFFICER .Without objection, it is so ordered.

CONSIDERATION OF MINIMUM WAGE CONFERENCE REPORT TOMORROW

Mr. MANSFIELD. Mr. President, I would say, if I could have the attention of the Senate, that it would be the intention to proceed to the consideration of the conference report on the minimum wage bill immediately on the conclusion of the remarks of the distinguished Senator from Wisconsin (Mr. PROXMIRE) tomorrow. We will have a period for the conduct of morning business later on in the day.

INDIAN FINANCING ACT OF 1974

Mr. MANSFIELD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 1341.

The PRESIDING OFFICER (Mr. JOHNSTON) laid before the Senate the amendment of the House of Representatives to the bill (S. 1341) to provide for financing the economic development of Indians and Indian organizations, and for other purposes, which was to strike out all after the enacting clause, and insert:

That this Act may be cited as the "Indian Financing Act of 1974".

DECLARATION OF POLICY

SEC. 2. It is hereby declared to be the policy of Congress to provide capital on a reimbursable basis to help develop and utilize Indian resources, both physical and human, to a point where the Indians will fully exercise responsibility for the utilization and management of their own resources and where they will enjoy a standard of living from their own productive efforts comparable to that enjoyed by non-Indians in neighboring communities.

DEFINITIONS

SEC. 3. For the purpose of this Act, the the term—

(a) "Secretary" means the Secretary of the Interior.

(b) "Indian" means any person who is a member of any Indian tribe, band, group, pueblo, or community which is recognized by the Federal Government as eligible for services from the Bureau of Indian Affairs and any "Native" as defined in the Alaska Native Claims Settlement Act (85 Stat. 688).

(c) "Tribe" means any Indian tribe, band, group, pueblo, or community, including Native villages and Native groups (including corporations organized by Kenai, Juneau, Sitka, and Kodiak) as defined in the Alaska Native Claims Settlement Act, which is recognized by the Federal Government as eligible for services from the Bureau of Indian Affairs.

(d) "Reservation" includes Indian reservations, public domain Indian allotments, former Indian reservations in Oklahoma, and land held by incorporated Native groups, regional corporations, and village corporations under the provisions of the Alaska Native Claims Settlement Act.

(e) "Economic enterprise" means any Indian-owned (as defined by the Secretary of the Interior) commercial, industrial, or business activity established or organized for the purpose of profit: *Provided,* That such Indian ownership shall constitute not less than 51 per centum of the enterprise.

(f) "Organization", unless otherwise specified, shall be the governing body of any Indian tribe, as defined in subsection (c) hereof, or entity established or recognized by such governing body for the purpose of this Act.

(g) "Other organizations" means any non-Indian individual, firm, corporation, partnership, or association.

SEC. 4. No provision of this or any other Act shall be construed to terminate or otherwise curtail the assistance or activities of the Small Business Administration or any other Federal agency with respect to any Indian tribe, organization, or individual because of their eligibility for assistance under this Act.

TITLE I—INDIAN REVOLVING LOAN FUND

SEC. 101. In order to provide credit that is not available from private money markets, all funds that are now or hereafter a part of the revolving fund authorized by the Act of June 18, 1934 (48 Stat. 986), the Act of June 26, 1936 (49 Stat. 1968), and the Act of April 19, 1950 (64 Stat. 44), as amended and supplemented, including sums received in settlement of debts of livestock pursuant to the Act of May 24, 1950 (64 Stat. 190), and sums collected in repayment of loans heretofore or hereafter made, and as interest or other charges on loans, shall hereafter be administered as a single Indian Revolving Loan Fund. The fund shall be available for loans to Indians having a form of organization that is satisfactory to the Secretary and for loans to individual Indians who are not members of or eligible for membership in an organization which is making loans to its members: *Provided*, That, where the Secretary determines a rejection of a loan application from a member of an organization making loans to its membership from moneys borrowed from the fund is unwarranted, he may, in his discretion, make a direct loan to such individual from the fund. The fund shall also be available for administrative expenses incurred in connection therewith.

SEC. 102. Loans may be made for any purpose which will promote the economic development of (a) the individual Indian borrower, including loans for educational purposes, and (b) the Indian organization and its members including loans by such organizations to other organizations and investments in other organizations regardless of whether they are organizations of Indians: *Provided,* That not more than — per centum of loans made to an organization shall be used by such organization for the purpose of making loans to or investments in non-Indian organizations.

SEC. 103. Loans may be made only when, in the judgment of the Secretary, there is a reasonable prospect of repayment, and only to applicants who in the opinion of the Secretary are unable to obtain financing from other sources on reasonable terms and conditions.

SEC. 104. Loans shall be for terms that do not exceed thirty years and shall bear interest at (a) a rate determined by the Secretary of the Treasury taking into consideration the market yield on municipal bonds: *Provided*, That in no event shall the rate be greater than the rate determined by the Secretary of the Treasury taking into consideration the current average yield on outstanding marketable obligations of the United States of comparable maturity, plus (b) such additional charge, if any, toward covering other costs of the program as the Secretary may determine to be consistent with its purpose: *Provided*, That educational loans may provide for interest to be deferred while the borrower is in school or in the military service.

Sec. 105. The Secretary may cancel, adjust, compromise, or reduce the amount of any loan or any portion thereof heretofore or hereafter made from the revolving loan fund established by this title and its predecessor constituent funds which he determines to be uncollectable in whole or in part, or which is collectable only at an unreasonable cost, or when such action would, in his judgment, be in the best interests of the United States: *Provided*, That proceedings pursuant to this sentence shall be effective only after following the procedure prescribed by the Act of July 1, 1932 (47 Stat. 564, 25 U.S.C. 386a). He may also adjust, compromise, subordinate, or modify the terms of any mortgage, lease, assignment, contract, agreement, or other document taken to secure such loans.

Sec. 106. Title to any land purchased by a tribe or by an individual Indian with loans made from the revolving loan fund may be taken in trust unless the land is located outside the boundaries of a reservation or a tribal consolidation area approved by the Secretary. Title to any land purchased by a tribe or an individual Indian which is outside the boundaries of the reservation or approved consolidation area may be taken in trust if the purchaser was the owner of trust or restricted interests in the land before the purchase, otherwise title shall be taken in the name of the purchasers without any restriction on alienation, control, or use. Title to any personal property purchased with a loan from the revolving loan fund shall be taken in the name of the purchaser.

Sec. 107. Any organization receiving a loan from the revolving loan fund shall be required to assign to the United States as security for the loan all securities acquired in connection with the loans made to its members from such funds unless the Secretary determines that the repayment of the loan to the United States is otherwise reasonably assured.

Sec. 108. There is authorized to be appropriated, to provide capital and to restore any impairment of capital for the revolving loan fund $50,000,000 exclusive of prior authorizations and appropriations.

Sec. 109. The Secretary shall promulgate rules and regulations to carry out the provisions of this title.

TITLE II—LOAN GUARANTY AND INSURANCE

Sec. 201. In order to provide access to private money sources which otherwise would not be available, the Secretary is authorized (a) to guarantee not to exceed 90 per centum of the unpaid principal and interest due on any loan made to any organization of Indians having a form or organization satisfactory to the Secretary, and to individual Indians who are not members of or eligible for membership in an organization which is making loans to its members; and (b) in lieu of such guaranty, to insure loans under an agreement approved by the Secretary whereby the lender will be reimbursed for losses in an amount not to exceed 15 per centum of the aggregate of such loans made by it, but not to exceed 90 per centum of the loss on any one loan.

Sec. 202. The Secretary shall fix such premium charges for the insurance and guarantee of loans as are in his judgment adequate to cover expenses and probable losses, and deposit receipts from such charges in the Indian Loan Guaranty and Insurance Fund established pursuant to section 217(a) of this title.

Sec. 203. Loans guaranteed or insured pursuant to this title shall bear interest (exclusive of premium charges for insurance, and service charge, if any) at rates not to exceed such per centum per annum on the principal obligation outstanding as the Secretary determines to be reasonable taking into consideration the range of interest rates prevailing in the private market for similar loans and the risks assumed by the United States.

Sec. 204. The application for a loan to be guaranteed hereunder shall be submitted to the Secretary for prior approval. Upon approval, the Secretary shall issue a certificate as evidence of the guaranty. Such certificate shall be issued only when, in the judgment of the Secretary, there is a reasonable prospect of repayment. No loan to an individual Indian may be guaranteed or insured which would cause the total unpaid principal indebtedness to exceed $100,000. No loan to an economic enterprise (as defined in section 3) in excess of $100,000, or such lower amount as the Secretary may determine to be appropriate, shall be insured unless prior approval of the loan is obtained from the Secretary.

Sec. 205. Any loan guaranteed hereunder, including the security given therefore, may be sold or assigned by the lender to any financial institution subject to examination and supervision by an agency of the United States or of any State or the District of Columbia.

Sec. 206. Loans made by any agency or instrumentality of the Federal Government, or by an organization of Indians from funds borrowed from the United States, and loans the interest on which is not included in gross income for the purposes of chapter 1 of the Internal Revenue Code of 1954 as amended, shall not be eligible for guaranty or insurance hereunder.

Sec. 207. Any loans insured hereunder shall be restricted to those made by a financial institution subject to examination and supervision by an agency of the United States, a State, or the District of Columbia, and to loans made by Indian organizations from their own funds to other tribes or organizations of Indians.

Sec. 208. Loans guaranteed hereunder may be made by only lenders satisfactory to the Secretary, except as provided in section 206. The liability under the guaranty shall decrease or increase pro rata with any decrease or increase in the unpaid portion of the obligation.

Sec. 209. Any loan made by any national bank or Federal savings and loan association or by any bank, trust company, building and loan association, or insurance company authorized to do business in the District of Columbia, at least 20 per centum of which is guaranteed hereunder, may be made without regard to the limitations and restrictions of any other Federal statute with respect to (a) ratio amount of loan to the value of the property; (b) maturity of loans; (c) requirement of mortgage or other security; (d) priority of lien; or (e) percentage of assets which may be invested in real estate loans.

Sec. 210. The maturity of any loan guaranteed or insured hereunder shall not exceed thirty years.

Sec. 211. In the event of a default of a loan guaranteed hereunder, the holder of the guaranty certificate may immediately notify the Secretary in writing of such default and the Secretary shall thereupon pay to such holder the pro rata portion of the amount guaranteed and shall be subrogated to the rights of the holder of the guaranty and receive an assignment of the obligation and security. The Secretary may cancel the uncollectable portion of any obligation, to which he has an assignment or a subrogated right under this section: *Provided*, That proceedings pursuant to this sentence shall be effective only after following the procedure prescribed by this Act of July 1, 1932 (47 Stat. 564, 25 U.S.C. 386a). Nothing in this subsection shall be construed to preclude any forbearance for the benefit of the borrower as may be agreed upon by the parties to the loan and approved by the Secretary. The Secretary may establish the date, not later than the date of judgment and decree of foreclosure or sale, upon which accrual of interest or charges shall cease.

Sec. 212. When a lender suffers a loss on a loan insured hereunder, including accrued interest, a claim therefor shall be submitted to the Secretary. If the Secretary finds that the loss has been suffered, he shall reimburse the lender therefor: *Provided*, That the amount payable to the lender for a loss on any one loan shall not exceed 90 per centum of such loss: *Provided further*, That no reimbursement may be made for losses in excess of 15 per centum of the aggregate of insured loans made by the lender: *Provided further*, That before any reimbursement is made, all reasonable collection efforts shall have been exhausted by the lender, and the security for the loan shall have been liquidated to the extent feasible, and the proceeds applied on the debt. Upon reimbursement, in whole or in part, to the lender, the note or judgment evidencing the debt shall be assigned to the United States, and the lender shall have no further claim against the borrower or the United States. The Secretary shall then take such further collection action as may be warranted, or may cancel the uncollectable portion of any debt assigned pursuant hereto. The Secretary may establish a date upon which accrual of interest or charges shall cease.

Sec. 213. Whenever the Secretary finds that any lender or holder of a guaranty certificate fails to maintain adequate accounting records, or to demonstrate proper ability to service adequately loans guaranteed or insured, or to exercise proper credit judgment, or has willfully or negligently engaged in practices otherwise detrimental to the interests of a borrower or of the United States, he may refuse, either temporarily or permanently, to guarantee or insure any further loans made by such lender or holder, and may bar such lender or holder from acquiring additional loans guaranteed or insured hereunder: *Provided*, That the Secretary shall not refuse to pay a valid guaranty or insurance claim on loans previously made in good faith.

Sec. 214. Any evidence of guaranty or insurance issued by the Secretary shall be conclusive evidence of the eligibility of the loan for guaranty or insurance under the provisions of this Act and the amount of such guaranty or insurance: *Provided*, That nothing in this section shall preclude the Secretary from establishing, as against the original lender, defenses based on fraud or material misrepresentation or bar him from establishing, by regulations in force at the date of such issuance or disbursement, whichever is the earlier, partial defenses to the amount payable on the guaranty or insurance.

Sec. 215. Title to any land purchased by a tribe or by an individual Indian with loans guaranteed or insured pursuant to this title may be taken in trust, unless the land is located outside the boundaries of a reservation or a tribal consolidation area approved by the Secretary. Title to any land purchased by a tribe or an individual Indian which is outside the boundaries of the reservation or approved consolidation area may be taken in trust if the purchaser was the owner of trust or restricted interests in the land before the purchase, otherwise title shall be taken in the name of the purchaser without any restriction on alienation, control, or use. Title to any personal property purchased with loans guaranteed or insured hereunder shall be taken in the name of the purchaser.

SEC. 216. The financial transactions of the Secretary incident to or arising out of the guarantee or insurance of loans, and the acquisition, management, and disposition of property, real, personal, or mixed, incident to such activities, shall be final and conclusive upon all officers of the Government. With respect to matters arising out of the guaranty or insurance program authorized by this title, and notwithstanding the provisions of any other laws, the Secretary may—

(a) sue and be sued in his official capacity in any court of competent jurisdiction;

(b) subject to the specific limitations in this title, consent to the modification, with respect to the rate of interest, time of payment on principal or interest or any portion thereof, security, or any other provisions of any note, contract, mortgage, or other instrument securing a loan which has been guaranteed or insured hereunder;

(c) subject to the specific limitations in this title, pay, or compromise, any claim on, or arising because of any loan guaranty or insurance;

(d) subject to the specific limitations in this title, pay, compromise, waive, or release any right, title, claim, lien, or demand, however acquired, including, but not limited to, any equity or right of redemption;

(e) purchase at any sale, public or private, upon such terms and for such prices as he determines to be reasonable, and take title to property, real, personal, or mixed; and similarly sell, at public or private sale, exchange, assign, convey, or otherwise dispose of such property; and

(f) complete, administer, operate, obtain, and pay for insurance on, and maintain, renovate, repair, modernize, lease, or otherwise deal with any property acquired or held pursuant to the guaranty or insurance program authorized by this title.

SEC. 217. (a) There is hereby created an Indian Loan Guaranty and Insurance Fund (hereinafter referred to as the "fund") which shall be available to the Secretary as a revolving fund without fiscal year limitation for carrying out the provisions of this title.

(b) The Secretary may use the fund for the purpose of fulfilling the obligations with respect to loans guaranteed or insured under this title, but the aggregate of such loans which are insured or guaranteed by the Secretary shall be limited to $200,000,000.

(c) All funds, claims, notes, mortgages, contracts, and property acquired by the Secretary under this section, and all collections and proceeds therefrom, shall constitute assets of the fund; and all liabilities and obligations of such assets shall be liabilities and obligations of the fund. The Secretary is authorized to make agreements with respect to servicing loans held, guaranteed, or insured by him under this title and purchasing such guaranteed or insured loans on such terms and conditions as he may prescribe.

(d) The Secretary may also utilize the fund to pay taxes, insurance, prior liens, expenses necessary to make fiscal adjustments in connection with the application and transmittal of collections, and other expenses and advances to protect the Secretary for loans which are guaranteed or insured under this title or held by the Secretary, to acquire such security property at foreclosure sale or otherwise, and to pay administrative expenses.

SEC. 218. The Secretary shall promulgate rules and regulations to carry out the provisions of this title.

TITLE III—INTEREST SUBSIDIES AND ADMINISTRATIVE EXPENSES

SEC. 301. The Secretary is authorized under such rules and regulations as he may prescribe to pay as an interest subsidy on loans which are guaranteed or insured under the provisions of title II of this Act amounts which are necessary to reduce the rate payable by the borrower to the rate determined under section 104 of this Act.

SEC. 302. There are authorized to be appropriated to the Secretary (a) to carry out the provisions of sections 217 and 301 of this Act, such sums to remain available until expended, and (b) for administrative expenses under this Act not to exceed $20,000,000 in each of the fiscal years 1975, 1976, and 1977.

TITLE IV—INDIAN BUSINESS GRANTS

SEC. 401. There is established within the Department of the Interior the Indian Business Development Program whose purpose is to stimulate and increase Indian entrepreneurship and employment by providing equity capital through nonreimbursable grants made by the Secretary of the Interior to Indians and Indian tribes to establish and expand profit-making Indian-owned economic enterprises on or near reservations.

SEC. 402. (a) No grant in excess of $50,000, or such lower amount as the Secretary may determine to be appropriate, may be made to an Indian or Indian tribe.

(b) A grant may be made only to an applicant who, in the opinion of the Secretary, is unable to obtain adequate financing for its economic enterprise from other sources: *Provided*, That prior to making any grant under this title, the Secretary shall assure that, where practical, the applicant has reasonably made available for the economic enterprise funds from the applicant's own financial resources.

(c) No grant may be made to an applicant who is unable to obtain at least 60 per centum of the necessary funds for the economic enterprise from other sources.

SEC. 403. There are authorized to be appropriated not to exceed the sum of $10,000,000 for each of the fiscal years 1975, 1976, and 1977 for the purposes of this title.

SEC. 404. The Secretary of the Interior is authorized to prescribe such rules and regulations as may be necessary to carry out the purposes of this Act.

TITLE V

SEC. 501. Concurrent with the making or guaranteeing of any loan under titles I and II and with the making of a grant under title IV of this Act, the purpose of which is to fund the development of an economic enterprise, the Secretary shall insure that the loan or grant applicant shall be provided competent management and technical assistance consistent with the nature of the enterprise being funded.

SEC. 502. For the purpose of providing the assistance required under section 501, the Secretary is authorized to cooperate with the Small Business Administration and ACTION and other Federal agencies in the use of existing programs of this character in those agencies. In addition, the Secretary is authorized to enter into contracts with private organizations for providing such services and assistance.

SEC. 503. For the purpose of entering into contracts pursuant to section 502 of this title, the Secretary is authorized to use not to exceed 5 per centum of any funds appropriated for any fiscal year pursuant to section 302 of this Act.

Mr. JACKSON. Mr. President, the purpose of this measure is to provide capital on a reimbursable basis to help develop and utilize Indian resources, both physical and human, to a point where the Indians will fully exercise responsibility for the utilization and management of their own resources and where they will enjoy a standard of living from their own productive efforts comparable to that enjoyed by non-Indians in neighboring communities.

S. 1341 has been amended by the House in several respects, most of the amendments being technical. However, the House did make some substantive changes. Where the Senate version allowed the Secretary in his discretion to cancel the debts of Indians or Indian tribes owed the United States, the House added language that would require the Secretary to report the intended cancellation to the Congress, and if the Congress by concurrent resolution disapproves, the cancellation shall not become effective. The Interior and Insular Affairs Committee believes this restriction upon the Secretary necessary to preserve the authority of Congress to disapprove a proposed cancellation in a manner that is not subject to Presidential veto.

The House also deleted the provision that would have prevented the Secretary from collecting on a loan that is delinquent from per capita funds owned by the Indian borrower received after the loan was made.

The House further amended the measure by increasing the authorization for the loan guaranty and insurance program from $10,000,000 to $20,000,000. The House committee believes that this increase is justified in light of the request made by the Department of the Interior at the House hearings.

The House also added a new title V which would direct the Secretary to work with the Small Business Administration and Action to use their technical and managerial skills to develop a viable economic community on Indian reservations. This amendment is needed because the lack of business, financial, and management skills has been a reason for this failure.

Mr. President, I have discussed these amendments with the ranking minority member, Mr. FANNIN, and he concurs in my view that they are good additions to the Senate-passed bill. I think they will strengthen the measure and make it a more useful program for the benefit of our American Indian citizens.

Therefore, Mr. President, I move that the Senate concur in the amendment of the House to S. 1341.

The motion was agreed to.

Mr. MANSFIELD subsequently said: Mr. President, I ask unanimous consent that the action by the Senate on S. 1341 earlier today be vacated and that the message again be laid before the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Chair laid before the Senate the amendment of the House of Representatives.

Mr. MANSFIELD. Mr. President, I move that the Senate concur in the amendment of the House with an amendment as follows:

In section 102, insert 50 per centum in the appropriate space left blank by action of the House of Representatives.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to.

The amendment of the House, as amended, reads as follows:

Strike out all after the enacting clause, and insert: That this Act may be cited as the "Indian Financing Act of 1974".

DECLARATION OF POLICY

Sec. 2. It is hereby declared to be the policy of Congress to provide capital on a reimbursable basis to help develop and utilize Indian resources, both physical and human, to a point where the Indians will fully exercise responsibility for the utilization and management of their own resources and where they will enjoy a standard of living from their own productive efforts comparable to that enjoyed by non-Indians in neighboring communities.

DEFINITIONS

Sec. 3. For the purpose of this Act, the term—

(a) "Secretary" means the Secretary of the Interior.

(b) "Indian" means any person who is a member of any Indian tribe, band, group, pueblo, or community which is recognized by the Federal Government as eligible for services from the Bureau of Indian Affairs and any "Native" as defined in the Alaska Native Claims Settlement Act (85 Stat. 688).

(c) "Tribe" means any Indian tribe, band, group, pueblo, or community, including Native villages and Native groups (including corporations organized by Kenai, Juneau, Sitka, and Kodiak) as defined in the Alaska Native Claims Settlement Act, which is recognized by the Federal Government as eligible for services from the Bureau of Indian Affairs.

(d) "Reservation" includes Indian reservations, public domain Indian allotments, former Indian reservations in Oklahoma, and land held by incorporated Native groups, regional corporations, and village corporations under the provisions of the Alaska Native Claims Settlement Act.

(e) "Economic enterprise" means any Indian-owned (as defined by the Secretary of the Interior) commercial, industrial, or business activity established or organized for the purpose of profit: *Provided*, That such Indian ownership shall constitute not less than 51 per centum of the enterprise.

(f) "Organization", unless otherwise specified, shall be the governing body of any Indian tribe, as defined in subsection (c) hereof, or entity established or recognized by such governing body for the purpose of this Act.

(g) "Other organizations" means any non-Indian individual, firm, corporation, partnership, or association.

Sec. 4. No provision of this or any other Act shall be construed to terminate or otherwise curtail the assistance or activities of the Small Business Administration or any other Federal agency with respect to any Indian tribe, organization, or individual because of their eligibility for assistance under this Act.

TITLE I—INDIAN REVOLVING LOAN FUND

Sec. 101. In order to provide credit that is not available from private money markets, all funds that are now or hereafter a part of the revolving fund authorized by the Act of June 18, 1934 (48 Stat. 986), the Act of June 26, 1936 (49 Stat. 1968), and the Act of April 19, 1950 (64 Stat. 44), as amended and supplemented, including sums received in settlement of debts of livestock pursuant to the Act of May 24, 1950 (64 Stat. 190), and sums collected in repayment of loans heretofore or hereafter made, and as interest or other charges on loans, shall hereafter be administered as a single Indian Revolving Loan Fund. The fund shall be available for loans to Indians having a form of organization that is satisfactory to the Secretary and for loans to individual Indians who are not members of or eligible for membership in an organization which is making loans to its members: *Provided*, That, where the Secretary determines a rejection of a loan application from a member of an organization making loans to its membership from moneys borrowed from the fund is unwarranted, he may, in his discretion, make a direct loan to such individual from the fund. The fund shall also be available for administrative expenses incurred in connection therewith.

Sec. 102. Loans may be made for any purpose which will promote the economic development of (a) the individual Indian borrower, including loans for educational purposes, and (b) the Indian organization and its members including loans by such organizations to other organizations and investments in other organizations regardless of whether they are organizations of Indians: *Provided*, That not more than 50 per centum of loan made to an organization shall be used by such organization for the purpose of making loans to or investments in non-Indian organizations.

Sec. 103. Loans may be made only when, in the judgment of the Secretary, there is a reasonable prospect of repayment, and only to applicants who in the opinion of the Secretary are unable to obtain financing from other sources on reasonable terms and conditions.

Sec. 104. Loans shall be for terms that do not exceed thirty years and shall bear interest at (a) a rate determined by the Secretary of the Treasury taking into consideration the market yield on municipal bonds: *Provided*, That in no event shall the rate be greater than the rate determined by the Secretary of the Treasury taking into consideration the current average yield on outstanding marketable obligations of the United States of comparable maturity, plus (b) such additional charge, if any, toward covering other costs of the program as the Secretary may determine to be consistent with its purpose: *Provided*, That educational loans may provide for interest to be deferred while the borrower is in school or in the military service.

Sec. 105. The Secretary may cancel, adjust, compromise, or reduce the amount of any loan or any portion thereof heretofore or hereafter made from the revolving loan fund established by this title and its predecessor constituent funds which he determines to be uncollectable in whole or in part, or which is collectable only at an unreasonable cost, or when such action would, in his judgment, be in the best interests of the United States: *Provided*, That proceedings pursuant to this sentence shall be effective only after following the procedure prescribed by the Act of July 1, 1932 (47 Stat. 564, 25 U.S.C. 386a). He may also adjust, compromise, subordinate, or modify the terms of any mortgage, lease, assignment, contract, agreement, or other document taken to secure such loans.

Sec. 106. Title to any land purchased by a tribe or by an individual Indian with loans made from the revolving loan fund may be taken in trust unless the land is located outside the boundaries of a reservation or a tribal consolidation area approved by the Secretary. Title to any land purchased by a tribe or an individual Indian which is outside the boundaries of the reservation or approved consolidation area may be taken in trust if the purchaser was the owner of trust or restricted interests in the land before the purchase, otherwise title shall be taken in the name of the purchasers without any restriction on alienation, control, or use. Title to any personal property purchased with a loan from the revolving loan fund shall be taken in the name of the purchaser.

Sec. 107. Any organization receiving a loan from the revolving loan fund shall be required to assign to the United States as security for the loan all securities acquired in connection with the loans made to its members from such funds unless the Secretary determines that the repayment of the loan to the United States is otherwise reasonably assured.

Sec. 108. There is authorized to be appropriated, to provide capital and to restore any impairment of capital for the revolving loan fund $50,000,000 exclusive of prior authorizations and appropriations.

Sec. 109. The Secretary shall promulgate rules and regulations to carry out the provisions of this title.

TITLE II—LOAN GUARANTY AND INSURANCE

Sec. 201. In order to provide access to private money sources which otherwise would not be available, the Secretary is authorized (a) to guarantee not to exceed 90 per centum of the unpaid principal and interest due on any loan made to any organization of Indians having a farm or organization satisfactory to the Secretary, and to individual Indians who are not members of or eligible for membership in an organization which is making loans to its members; and (b) in lieu of such guaranty, to insure loans under an agreement approved by the Secretary whereby the lender will be reimbursed for losses in an amount not to exceed 15 per centum of the aggregate of such loans made by it, but not to exceed 90 per centum of the loss on any one loan.

Sec. 202. The Secretary shall fix such premium charges for the insurance and guarantee of loans as are in his judgment adequate to cover expenses and probable losses, and deposit receipts from such charges in the Indian Loan Guaranty and Insurance Fund established pursuant to section 217 (a) of this title.

Sec. 203. Loans guaranteed or insured pursuant to this title shall bear interest (exclusive of premium charges for insurance, and service charge, if any) at rates not to exceed such per centum per annum on the principal obligation outstanding as the Secretary determines to be reasonable taking into consideration the range of interest rates prevailing in the private market for similar loans and the risks assumed by the United States.

Sec. 204. The application for a loan to be guaranteed hereunder shall be submitted to the Secretary for prior approval. Upon approval, the Secretary shall issue a certificate as evidence of the guaranty. Such certificate shall be issued only when, in the judgment of the Secretary, there is a reasonable prospect of repayment. No loan to an individual Indian may be guaranteed or insured which would cause the total unpaid principal indebtedness to exceed $100,000. No loan to an economic enterprise (as defined in section 3) in excess of $100,000, or such lower amount as the Secretary may determine to be appropriate, shall be insured unless prior approval of the loan is obtained from the Secretary.

Sec. 205. Any loan guaranteed hereunder, including the security given therefor, may be sold or assigned by the lender to any financial institution subject to examination and supervision by an agency of the United States or of any State or the District of Columbia.

Sec. 206. Loans made by any agency or instrumentality of the Federal Government, or by an organization of Indians from funds borrowed from the United States, and loans the interest on which is not included in gross income for the purposes of chapter 1 of the Internal Revenue Code of 1954, as amended, shall not be eligible for guaranty or insurance hereunder.

Sec. 207. Any loans insured hereunder shall be restricted to those made by a financial institution subject to examination and supervision by an agency of the United States, a State, or the District of Columbia, and to loans made by Indian organizations from their own funds to other tribes or organizations of Indians.

Sec. 208. Loans guaranteed hereunder may be made by any lender satisfactory to the Secretary, except as provided in section 206. The liability under the guaranty shall decrease or increase pro rata with any decrease or increase in the unpaid portion of the obligation.

Sec. 209. Any loan made by any national bank or Federal savings and loan association, or by any bank, trust company, building and loan association, or insurance company authorized to do business in the District of Columbia, at least 20 per centum of which is guaranteed hereunder, may be made without regard to the limitations and restrictions of any other Federal statute with respect to (a) ratio of amount of loan to the value of the property; (b) maturity of loans; (c) requirement of mortgage or other security; (d) priority of lien; or (e) percentage of assets which may be invested in real estate loans.

Sec. 210. The maturity of any loan guaranteed or insured hereunder shall not exceed thirty years.

Sec. 211. In the event of a default of a loan guaranteed hereunder, the holder of the guaranty certificate may immediately notify the Secretary in writing of such default and the Secretary shall thereupon pay to such holder the pro rata portion of the amount guaranteed and shall be subrogated to the rights of the holder of the guaranty and receive an assignment of the obligation and security. The Secretary may cancel the uncollectable portion of any obligation, to which he has an assignment or a subrogated right under this section: *Provided*, That proceedings pursuant to this sentence shall be effective only after following the procedure prescribed by the Act of July 1, 1932 (47 Stat. 564, 25 U.S.C. 386a). Nothing in this section shall be construed to preclude any forbearance for the benefit of the borrower as may be agreed upon by the parties to the loan and approved by the Secretary. The Secretary may establish the date, not later than the date of judgment and decree of foreclosure or sale, upon which accrual of interest or charges shall cease.

Sec. 212. When a lender suffers a loss on a loan insured hereunder, including accrued interest, a claim therefor shall be submitted to the Secretary. If the Secretary finds that the loss has been suffered, he shall reimburse the lender therefor: *Provided*, That the amount payable to the lender for a loss on any loan shall not exceed 90 per centum of such loss: *Provided further*, That no reimbursement may be made for losses in excess of 15 per centum of the aggregate of insured loans made by the lender: *Provided further*, That before any reimbursement is made, all reasonable collection efforts shall have been exhausted by the lender, and the security for the loan shall have been liquidated to the extent feasible, and the proceeds applied on the debt. Upon reimbursement, in whole or in part, to the lender, the note or judgment evidencing the debt shall be assigned to the United States, and the lender shall have no further claim against the borrower or the United States. The Secretary shall then take such further collection action as may be warranted, or may cancel the uncollectable portion of any debt assigned pursuant hereto. The Secretary may establish a date upon which accrual of interest or charges shall cease.

Sec. 213. Whenever the Secretary finds that any lender or holder of a guaranty certificate fails to maintain adequate accounting records, or to demonstrate proper ability to service adequately loans guaranteed or insured, or to exercise proper credit judgment, or has willfully or negligently engaged in practices otherwise detrimental to the interests of a borrower or of the United States, he may refuse, either temporarily or permanently, to guarantee or insure any further loans made by such lender or holder, and may bar such lender or holder from acquiring additional loans guaranteed or insured hereunder: *Provided*, That the Secretary shall not refuse to pay a valid guaranty or insurance claim on loans previously made in good faith.

Sec. 214. Any evidence of guaranty or insurance issued by the Secretary shall be conclusive evidence of the eligibility of the loan for guaranty or insurance under the provisions of this Act and the amount of such guaranty or insurance: *Provided*, That nothing in this section shall preclude the Secretary from establishing, as against the original lender, defenses based on fraud or material misrepresentation or bar him from establishing, by regulations in force at the date of such issuance or disbursement, whichever is the earlier, partial defenses to the amount payable on the guaranty or insurance.

Sec. 215. Title to any land purchased by a tribe or by an individual Indian with loans guaranteed or insured pursuant to this title may be taken in trust, unless the land is located outside the boundaries of a reservation or a tribal consolidation area approved by the Secretary. Title to any land purchased by a tribe or an individual Indian which is outside the boundaries of the reservation or approved consolidation area may be taken in trust if the purchaser was the owner of trust or restricted interests in the land before the purchase, otherwise title shall be taken in the name of the purchaser without any restriction on alienation, control, or use. Title to any personal property purchased with loans guaranteed or insured hereunder shall be taken in the name of the purchaser.

Sec. 216. The financial transactions of the Secretary incident to or arising out of the guarantee or insurance of loans, and the acquisition, management, and disposition of property, real, personal, or mixed, incident to such activities, shall be final and conclusive upon all officers of the Government. With respect to matters arising out of the guaranty or insurance program authorized by this title, and notwithstanding the provisions of any other laws, the Secretary may—

(a) sue and be sued in his official capacity in any court of competent jurisdiction;

(b) subject to the specific limitations in this title, consent to the modification, with respect to the rate of interest, time of payment on principal or interest or any portion thereof, security, or any other provisions of any note, contract, mortgage, or other instrument securing a loan which has been guaranteed or insured hereunder;

(c) subject to the specific limitations in this title, pay, or compromise, any claim on, or arising because of any loan guaranty or insurance;

(d) subject to the specific limitations in this title, pay, compromise, waive, or release any right, title, claim, lien, or demand, however acquired, including, but not limited to, any equity or right of redemption;

(e) purchase at any sale public or private, upon such terms and for such prices as he determines to be reasonable, and take title to property, real, personal, or mixed; and similarly sell, at public or private sale, exchange, assign, convey, or otherwise dispose of such property; and

(f) complete, administer, operate, obtain, and pay for insurance on, and maintain, renovate, repair, modernize, lease, or otherwise deal with any property acquired or held pursuant to the guaranty or insurance program authorized by this title.

Sec. 217. (a) There is hereby created an Indian Loan Guaranty and Insurance Fund (hereinafter referred to as the "fund") which shall be available to the Secretary as a revolving fund without fiscal year limitation for carrying out the provisions of this title.

(b) The Secretary may use the fund for the purpose of fulfilling the obligations with respect to loans guaranteed or insured under this title, but the aggregate of such loans which are insured or guaranteed by the Secretary shall be limited to $200,000,000.

(c) All funds, claims, notes, mortgages, contracts, and property acquired by the Secretary under this section, and all collections and proceeds therefrom, shall constitute assets of the funds; and the liabilities and obligations of such assets of the fund; and all liabilities and obligations of the fund. The Secretary is authorized to make agreements with respect to servicing loans held, guaranteed, or insured by him under this title and purchasing such guaranteed or insured loans on such terms and conditions as he may prescribe.

(d) The Secretary may also utilize the fund to pay taxes, insurance, prior liens, expenses necessary to make fiscal adjustments in connection with the application and transmittal of collections, and other expenses and advances to protect the Secretary for loans which are guaranteed or insured under this title or held by the Secretary, to acquire such security property at foreclosure sale or otherwise, and to pay administrative expenses.

Sec. 218. The Secretary shall promulgate rules and regulations to carry out the provisions of this title.

TITLE III—INTEREST SUBSIDIES AND ADMINISTRATIVE EXPENSES

Sec. 301. The Secretary is authorized under such rules and regulations as he may prescribe to pay as an interest subsidy on loans which are guaranteed or insured under the provisions of title II of this Act amounts which are necessary to reduce the rate payable by the borrower to the rate determined under section 104 of this Act.

Sec. 302. There are authorized to be appropriated to the Secretary (a) to carry out the provisions of sections 217 and 301 of this Act, such sums to remain available until expended, and (b) for administrative expenses under this Act not to exceed $20,000,000 in each of the fiscal years 1975, 1976, and 1977.

TITLE IV—INDIAN BUSINESS GRANTS

Sec. 401. There is established within the Department of the Interior the Indian Business Development Program whose purpose is to stimulate and increase Indian entrepreneurship and employment by providing equity capital through nonreimbursable grants made by the Secretary of the Interior to Indians and Indian tribes to establish and expand profitmaking Indian-owned economic enterprises on or near reservations.

Sec. 402. (a) No grant in excess of $50,000, or such lower amount as the Secretary may determine to be appropriate, may be made to an Indian or Indian tribe.

(b) A grant may be made only to an applicant who, in the opinion of the Secretary, is unable to obtain adequate financing for its economic enterprise from other sources: *Provided*, That prior to making any grant under this title, the Secretary shall assure that, where practical, the applicant has reasonably made available for the economic enterprise funds from the applicant's own financial resources.

(c) No grant may be made to an applicant who is unable to obtain at least 60 per centum of the necessary funds for the economic enterprise from other sources.

Sec. 403. There are authorized to be appropriated not to exceed the sum of $10,000,000 for each of the fiscal years 1975, 1976, and 1977 for the purposes of this title.

Sec. 404. The Secretary of the Interior is authorized to prescribe such rules and regulations as may be necessary to carry out the purposes of this Act.

TITLE V

SEC. 501. Concurrent with the making or guaranteeing of any loan under titles I and II and with the making of a grant under title IV of this Act, the purpose of which is to fund the development of an economic enterprise, the Secretary shall insure that the loan or grant applicant shall be provided competent management and technical assistance consistent with the nature of the enterprise being funded.

SEC. 502. For the purpose of providing the assistance required under section 501, the Secretary is authorized to cooperate with the Small Business Administration and ACTION and other Federal agencies in the use of existing programs of this character in those agencies. In addition, the Secretary is authorized to enter into contracts with private organizations for providing such services and assistance.

SEC. 503. For the purpose of entering into contracts pursuant to section 502 of this title, the Secretary is authorized to use not to exceed 5 per centum of any funds appropriated for any fiscal year pursuant to section 302 of this Act.

STRIP MINING OPPOSED

Mr. MANSFIELD. Mr. President, I hold in my hand a letter to the editor, written by Ray Schott, of Busby, Mont., which was published in the Billings Gazette, on February 25, 1974, relative to Mr. Schott's opposition to strip mining.

He gives four good reasons why strip mining should be held to the absolute minimum insofar as the State of Montana is concerned.

I concur with his statement, and I ask unanimous consent that the letter to the editor be printed in the RECORD.

There being no objection, the letter to the editor was ordered to be printed in the RECORD, as follows:

[From the Billings Gazette, Feb. 2, 1974]

STRIP MINING OPPOSED

(By Ray Schott Busby)

I am against strip-mining coal for the following reasons:

1. Strip mining is not necessary. It amounts to only about three per cent of the nation's total supply of coal, whereas the other 97 per cent can be safely deep mined. Montana's deep coal to strippable coal ratio is 40 to 1.

2. Montana coal is low in BTU content (6,700 to 9,500 BTU per pound) as compared to the deep-mined low-sulfur coal in the East (12,200 BTU per pound). Only 25 per cent of Montana's coal in the Fort Union formation, 215 billion tons, is strippable. Because it is lower in BTU content, the mining companies will have to disturb thousands of acres of land to meet the BTU requirements of the utility companies.

3. Montana coal is high in water content, 20 to 30 per cent per ton. Using diesel fuel to haul 400 to 600 pounds of water per ton of coal is a ridiculous waste of money and another fossil fuel.

4. The best low-sulphur coal is in the East, not the Western states. Deep mines are going to close down if major strip mining in the West takes place, thus leaving many people in the East jobless because strip mining is a little cheaper than deep mining. It is a fallacy that the economy will increase. It is just a shift in the economy from one region to another. The land in the East has already been destroyed by strip mining so deep mining should be more fully developed there to maintain the economy in that region.

5. The land here is eastern Montana is used for grazing and wheat farming. We would trade long-term agricultural production for the very short-term strip mining. Strip mining isn't worth the money, the loss of land, the population gain and all the problems that come with the increased population.

ORDER FOR RECOGNITION OF SENATORS RANDOLPH AND ROBERT C. BYRD, AND FOR PERIOD FOR ROUTINE MORNING BUSINESS TOMORROW

Mr. MANSFIELD. Mr. President, I understand that there will be two more special orders tomorrow morning following the remarks of the senior Senator from Wisconsin (Mr. PROXMIRE) in that the distinguished Senators from West Virginia (Mr. RANDOLPH and Mr. ROBERT C. BYRD) will be recognized for not to exceed 15 minutes, the Senate concurring, for which I ask unanimous consent.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I further ask unanimous consent that following the remarks of the Senator from West Virginia (Mr. ROBERT C. BYRD), there be a period for the transaction of routine morning business of not to exceed 10 minutes, with statements therein limited to 3 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONFERENCE REPORT ON MINIMUM WAGE BILL TO BE LAID BEFORE THE SENATE TOMORROW

Mr. MANSFIELD. Mr. President, immediately after the close of the remarks of Senators RANDOLPH and ROBERT C. BYRD, I ask unanimous consent that the conference report on the minimum wage bill be laid before the Senate and made the pending business.

The PRESIDING OFFICER. Without objection, it is so ordered.

MINIMUM WAGE CONFERENCE REPORT

Mr. HUGH SCOTT. Mr. President, I take this time simply to say that I intend to support the conference report on minimum wage. I have long favored the various minimum wage bills as they have come before Congress during my service in both bodies. It is most desirable that we get action on this bill.

I wish it were possible to do it today instead of tomorrow in order that the bill could be signed and April figures used instead of May figures; but that appears not to be possible, I regret.

In any event, I think the bill has been worked out in reasonably satisfactory terms, although there are some things that were originally in the bill which I favored and which are not in there now; but the process is one of compromise and I think we have got a bill that we can live with.

Mr. MANSFIELD. If the distinguished Republican leader will yield, the reason why we are taking it up tomorrow is to give some members of the committee a chance to fulfill their understanding of all the intricacies which the conference report contains. So that we are coming in earlier so that we can face up to the conference report early and, hopefully, get it to the House around 12 o'clock.

Mr. HUGH SCOTT. That may accomplish the purpose that we all have in mind, and I thank the distinguished majority leader.

DEATH PENALTY

Mr. HUGH SCOTT. Mr. President, I note that the Legislature of the Commonwealth of Pennsylvania has overridden the Governor's veto in both houses of the death penalty bill. The Senate, of course, has had that under consideration, but I think it is evidence as to what is happening in the country that Pennsylvania has so acted on that bill. It is carefully constructed and applies only to very limited and very heinous offenses. So I think it should be in order that another State has so acted.

I believe the Commonwealth of Massachusetts has overridden its Governor's veto in the house, but I hear reports that the veto may be sustained in the senate.

I merely wanted to note that, because there seems to be a growing feeling in the country that in such cases as the killing of a prison guard by a prisoner under a life sentence there was no restraint on such a person and the death penalty is therefore justified. It would also seem to be proper to apply the death penalty to cases of terrorism, kidnaping, treason, and certain other offenses as to which, clearly, there is no other substantial deterrent.

ORDER OF BUSINESS

The PRESIDING OFFICER. Under the previous order, the distinguished Senator from Iowa (Mr. HUGHES) is now recognized for not to exceed 15 minutes.

FINAL REPORT ON SECRET WAR

Mr. HUGHES. Mr. President, the statement I make this morning will be a final report on the secret war.

The Senate Armed Services Committee will soon release the report of its hearings, held last summer, on the secret bombing in Cambodia and other hitherto secret military operations in Southeast Asia.

Now that this full 508-page record is to be available, I believe it is appropriate to sum up what we have learned and what still must be ascertained.

Let me say at the outset that this investigation would probably have fallen far short of completeness but for the diligence and cooperation of the distinguished acting chairman of the committee during these hearings, the Senator from Missouri (Mr. SYMINGTON), and other committee members, as well as the subsequent efforts by Senator SYMINGTON and Senator STENNIS to pry all relevant materials out of the Pentagon. The Armed Services Committee has served the Senate and the country well by pursuing this investigation as well as the others into such matters as General Lavelle's unauthorized bombing and the unauthorized transmittal of documents from the National Security Council.

I have made interim reports to the Senate on these secret operations on July 23, September 10, and December 14, 1973. I do not intend to repeat myself now, but rather to summarize the overall picture which has emerged.

The primary focus of the committee's investigation was on the secret bombing in Cambodia, which began on March 17, 1969, and continued in secret until American ground forces invaded Cambodia on April 30, 1970. Even then, this prior bombing was concealed from most Members of Congress and the American people until July 13, 1973. At least three classified reports to the Senate Armed Services Committee in 1971 and 1973 failed to mention that these raids had taken place.

Now we know that for a period of 14 months, American B–52's flew 3,630 sorties into Cambodia and dropped nearly 104,000 tons of munitions. Though these operations probably cost nearly $150 million, they were not reported to or authorized by Congress. This was in sharp contrast to the procedures followed on the also secret, but much less costly, cross-border ground operations into Laos and Cambodia, which were at least reported to the House and Senate Appropriations Committees as "classified projects."

In order to conceal the fact of these operations from all but a few in the military chain of command, an elaborate system was devised which involved the false reporting of these strikes as if they had taken place in South Vietnam.

Despite repeated requests from the committee, the Defense Department has failed to provide information on precisely who in Congress was informed in any way about these operations, or when, or by whom, or to what extent.

One of the alleged reasons for withholding news of these raids from the press and the American people was to prevent any embarrassment to Prince Sihanouk of Cambodia. The committee was told, but not provided any documentary proof, that Prince Sihanouk had "acquiesced" in the bombing. Yet I have seen no denial of the press report that even our charge d'affaires in Phnom Penh at the time was not told about the B–52 strikes. And I can report that there is no mention of Cambodian "acquiescence" in any of the still-secret documents on the start of the bombing which only recently were provided to the committee.

The facts are that Prince Sihanouk did protest some U.S. bombing, just as he protested the presence of North Vietnamese soldiers on Cambodian soil. He was, however, unable to stop these violations of his nation's territory.

Whether or not these operations saved American lives, as President Nixon has contended, Congress and the American people were denied their right to approve or disapprove this extension of the war into another country.

Regardless of the propriety of these raids, I think that few would deny the corrupting influence of a military reporting system which even in highly classified channels requires falsification.

A second focus of the committee's investigation was on the falsified reporting of strikes within Cambodia during and after the U.S. ground invasion in May-June 1970. Two witnesses testified under oath, and the Defense Department white paper confirmed, that a system of "attributed coordinates" arose in the 7th Air Force so that tactical air strikes deep inside Cambodia would be reported as taking place near the South Vietnamese border.

Pentagon and committee investigations have thus far failed to pinpoint the origin of these procedures, and no high-ranking official has attempted to justify them. In fact, when this practice was discovered by the Air Force in February 1971, it was promptly halted.

I would say in passing, Mr. President, that I am pursuing this investigation with the means available to me, and I may have more to report to the Senate at a later time.

It seems logical to assume that someone in the chain of command devised this procedure in order to conceal the fact that U.S. planes were operating far from the border regions, in close support of Cambodian forces—a charge which was several times denied by the President and Secretary of Defense during that heated summer of 1970.

General Abrams even quoted from an operational order, the full text of which remains classified, which authorized air strikes:

> In any situation which involved a serious threat to major Cambodian positions, such as a provincial capital, whose loss would constitute a serious military or psychological blow to the country.

At a time when Congress and the country were embroiled in the debate over the Cambodian invasion, and when the administration wanted to deny any military commitment to the Lon Nol regime, it was probably important to the President for the American people to be kept in the dark as to the true nature of our continuing involvement in Cambodia.

One more revelation in the published hearings is the official report on the defoliation of a Cambodian rubber plantation. The Pentagon now says:

> The defoliation in question does not seem to have been an incident which occurred by chance or by accidental winddrift. In this sense, it appears to have been a deliberate act. However, the Department of Defense has no record of ever having authorized defoliation in Cambodia, nor does the record show any inadvertent or accidental defoliations in Cambodia.

We must ask, Mr. President, who was responsible for this action and this coverup? How many other unreported or unauthorized bombings took place?

A third major area of the committee's investigation was into allegations about attacks on enemy hospitals, an act contrary to the laws of war as well as clear directives within the military chain of command.

The committee heard from three witnesses on this subject, and I introduced into the record letters from two additional men who wrote to me about hospital bombing incidents.

As a result of this testimony, the Army and Air Force have begun thorough investigations into these allegations. The evidence thus far, which deals with the information from two of the five men who came forward, raises important questions about the accuracy of these original charges.

While I still believe that the witnesses gave sincere and truthful testimony, I believe that reasonable men may differ as to their recollections of the precise circumstances and contexts of incidents which at the time seemed to involve medical facilities. And I congratulate the services for investigating these charges so fully.

For the time being, I shall leave it to others to try to reconcile the apparent conflicts in testimony. I hope that the additional investigations will provide explanations for the events which left such vivid and troubling memories in the minds of the witnesses.

What still troubles me, however, Mr. President, is whether this clear policy against the targeting of hospitals is being adequately conveyed to the members of the Armed Forces. One witness said that he had never been instructed in the laws of warfare as they related to hospitals. Another witness, whose duties for 1 year included instructing basic trainees in the Geneva Conventions, said,

> I have never heard anybody tell me or taught anybody that it was against the Geneva (conventions) to attack hospitals.

This same man called the training he received and which he passed on "very cursory."

Perhaps the lessons were given, but not drilled in. Perhaps the training syllabus from higher headquarters never made it all the way to the classroom. Whatever the reason, I believe that the services have a profound obligation to instruct military personnel in the laws of warfare in more than a "cursory" way. I hope that one consequence of these hearings will be more careful attention to these matters.

The fourth and final focus of the committee's investigation was into secret ground operations in Cambodia and Laos. This subject did not receive much attention at the time, but I believe it is of increased significance now.

We now know that cross-border operations began in Laos in 1965 and in Cambodia in 1967. The Defense Department identified at least 103 Americans who died on these missions, though witnesses before the committee put the likely figure much higher. None of the families or loved ones of these men were informed as to the truth of the circumstances surrounding their deaths until last summer.

Most of these operations apparently were ordinary reconnaissance and intelligence missions. But others were for purposes of sabotage, interdiction, and the capture of prisoners. One witness remembered at least two instances where teams totaling more than 30 people "carried weapons which are definitely not suited for reconnaissance, such as 90-millimeter recoilless rifles, 81-millimeter mortars, and other weapons." He testified:

> If you went in, you could guarantee contact.

What is most disturbing here, Mr. President, is that the Congress had acted, by law, to forbid the introduction of ground combat troops into Laos and Cambodia.

In Public Law 91–171, signed by the President on December 29, 1969, a section declared:

> In line with the expressed intention of the President, of the United States, none of the funds appropriated in this act shall be used to finance the introduction of American ground combat troops in Laos or Thailand.

Barely a year later, in Public Law 91–652, the Congress extended this prohibition to Cambodia.

> In line with the expressed intention of the President of the United States, none of the funds authorized or appropriated pursuant to this or any other act may be used to finance the introduction of United States ground combat troops into Cambodia.

Despite these clear provisions of law, American combat troops continued to go into Laos and Cambodia. According to the Defense Department white paper, there were 16 platoon-sized operations in Laos in 1970 and 13 more in the months between January 1971 and April 1972. There were also three multiplatoon operations in Laos in 1970—after the enactment of the first Cooper-Church amendment.

In Cambodia, there were 22 platoon-sized operations after January 1, 1971, plus 9 multiplatoon missions.

One witness before the committee remembered operations involving 50 to 100 men. He said that they were called slam mission—for search, locate, and annihilate missions.

Mr. President, these admissions point to clear violations of law.

President Nixon failed to inform the Congress of his widening of the war into Cambodia by B–52 strikes. He deceived the American people on April 30, 1970 when he claimed that:

> For five years, neither the United States nor South Vietnam has moved against these enemy sanctuaries.

He misled the Congress and the American people by suggesting that all U.S. forces had been withdrawn from Cambodia on June 30, 1970, and that continued U.S. air strikes would be limited to border areas for the protection of American forces.

And the evidence now available strongly suggests that he violated the law by permitting ground combat troops to continue to enter Cambodia and Laos.

There are still unresolved issues from this investigation, Mr. President, but I believe that we have done the ground work and have pointed the way to others.

I do want to mention, however, my dismay over Secretary Schlesinger's recent decision not to declassify the remaining documents provided to the committee after a 6 months' delay. These documents include many of the original papers on the initiation of the B–52 raids, the orders regarding tactical air strikes in support of Cambodian positions, and the report on the one admitted U.S. combat incursion into Laos in February 1969.

While I am not, of course, at liberty to release these documents myself, I believe it is appropriate to say that they contain new and significant information, some of which is different from previous explanations and testimony.

We may now close the books on this investigation by the Armed Services Committee, but we should not close our minds to the lessons we have learned.

These hearings have shown that we—the Congress and the American people—have been deceived, misled, and kept in ignorance about some of the most important questions of war and peace, life and death. The national security blanket which covered these actions also smothered public debate. The Congress was denied its constitutional role in declaring wars and appropriating funds.

These events also demonstrated that alleged military necessity prevailed over national and international law. The full extent of these violations of law remain to be determined, but the circumstantial evidence is strong.

Perhaps the most haunting conclusion from these hearings, as well as from the Lavelle and military spying investigations, is that American military personnel are obedient, perhaps to a fault. We have ample evidence that officers and enlisted men obeyed orders without question and sometimes without regard to existing laws and regulations.

In the midst of battle, of course, such obedience is necessary. But there are limits, in law, morality, and commonsense, to blind obedience.

Yet when Senator SYMINGTON asked Admiral Moorer last August 9 what he would do if ordered by the President to continue bombing in Cambodia after August 15, in violation of law, the Chairman of the Joint Chiefs of Staff replied:

> If I receive an order, I carry it out. If you were President and gave me an order, I would carry it out, too, Senator Symington.

Mr. President, as we all know, but sometimes forget, the oath which officers and other military personnel take on being sworn in to the service of their country is to the Constitution and the laws of the United States—not to a particular President or a military commander.

If we are to preserve our democratic system with its essential provision of civilian control of the military, we must uphold the law in these instances, as well as in any others, and punish those who violate the law.

As a result of these investigations by the Armed Services Committee, I believe that we are moving a little closer to assured civilian control of the military. High-ranking officers have been put on notice that they must act within a framework of civilian leadership and laws.

The next step is to be sure that those civilian leaders are also responsible to the principles and laws which govern them. No commander, including the Commander in Chief, should feel free to act beyond the limits of the Constitution or in violation of the laws, even if his actions may successfully be concealed for months or years.

Mr. President, I submit that we must have the capacity to learn the lessons of these past events, whatever emotional stresses may cloud our vision, if we are to assure the future of our free society.

Mr. MANSFIELD. Mr. President, I wish to comment on what the distinguished Senator from Iowa just said. First, I commend him for the diligence with which he has pursued subjects in the Committee on Armed Services and in so doing the services which he has performed for the Nation as a whole.

I listened to the Senator's speech this morning and I was very much impressed. There has been too much secrecy insofar as Southeast Asia is concerned, and there still is too much secrecy, in my opinion, covering operations in the old Indochinese States of Laos, Cambodia, and South Vietnam, as well as in Thailand.

The Senator makes reference to the defoliation. I have read in the newspapers that the effect of defoliation will last 100 years.

He did not mention it at this time, but he has mentioned previously the refugee problem which now embraces millions in the three Indochinese States. The Senator from Iowa has spoken previously about the drug culture out of Vietnam which was transplanted here.

I think that while we always will remember the ill-advised tragedy which was our involvement in Southeast Asia, I do not think we should ever forget and I hope we would remember a few things from the sacrifices, both monetary and in manpower, which this country paid for that ill-advised adventure.

Here is a U.S. Department of Commerce publication, "A Statistical Abstract of the United States, 1973," which is put out by the Bureau of the Census. The cost of the war—and it is not over with, no matter what is said—has been estimated in this Government publication—to cost $352 billion. That estimate was based on the assumption that the war would end on June 30, 1970. The war did not terminate officially until the end of 1972 or the first part of 1973. When we think of how much this war has cost us already and what it will cost us extending midway into the next century, up to and including the year 2050, I think it gives us something to remember, something not to forget.

Then, more important, when we add onto that cost the fact that 55,000 Americans lost their lives in Southeast Asia—dead Americans—303,000 Americans were wounded in Southeast Asia, and of those the estimate is that somewhere between 25,000 and 30,000 are quadriplegics or paraplegics, we begin to get an idea of just how much this war has cost us and how much we have had to put up in direct outlays and indirect outlays as well.

Even today we remain involved in Cambodia. We are sending aid and military assistance. Even today we are involved in Laos. We are sending aid and military assistance. Even today we are involved in South Vietnam. We are sending aid and military assistance. I do not know how many thousands of ex-GI's we have there who are in civilian clothing, working in that part of the world at the present time.

In addition, we have something on the order of 35,000 men in Thailand. We have at least 5,200 planes of various types. I wonder why we have a strike force of that magnitude in that country at this time if peace has truly been achieved in Southeast Asia.

Mr. HUGHES. Mr. President, if the Senator will yield, I intend to put into the Record, tomorrow or this afternoon, figures in regard to combat sorties taking place in Southeast Asia. We still have 4,000-odd men drawing combat pay in Southeast Asia——

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HUGHES. Mr. President, do I still have time left under the morning hour?

The PRESIDING OFFICER. The Senator is recognized for 5 minutes.

Mr. HUGHES. I thank the Chair, and I shall be glad to yield to the distinguished majority leader whatever time remains to me in the morning hour.

We still have over 4,000 men drawing combat pay in Southeast Asia. On one particular day planes flew some 92 sorties.

I will introduce this material into the Record probably later this afternoon, but the questions we are raising, in light of several news stories, are facts which are important to the American people.

Another question I want to raise is the fact that some highranking officers that I have described on the floor of the Senate as engaging in deceptive practices are going to be up for promotion in the very near future. I hope Members of this body, with the climate in this country about what is happening to integrity, will consider the deceptions that have been practiced and in which they have been involved when their promotions come up for action in this body.

I want to thank the majority leader for pointing out some of the aspects of the total cost, in manpower and to our economy, of this particular war, which will be going on for another 80 years, in all probability. There is no way to be able to ascertain the total cost of it, which will continue to shape and have an effect on the history of this country for 100 years, without any doubt.

I thank the majority leader for participating in this colloquy and discussion.

I shall be happy to yield the remainder of whatever time I have left to the majority leader.

Mr. MANSFIELD. Mr. President, I appreciate what the distinguished Senator from Iowa has said and thank him for transferring the remainder of his time to me. I will not use all that time, except to reiterate that we ought to remember the price we paid in that part of the world, we might not forget. As far as I am concerned, I do not want to see this country perform any more "Operations Phoenix." I do not want to see any more Mylais created. I do not want to see secrecy carried to such an extreme that the elected Members of Congress are not taken in by information which is disseminated to a few of us, because I do not think any Senator as a general practice should be given any particular information which is not available to other Senators. There is no such thing as one Senator who is more fitted to receive information than another. In this body we are all equal. We are all mature enough, I think, to be given the facts, and we are all mature enough to understand a situation which has developed, and certainly, in retrospect, to recognize that things did get out of control in this body, unfortunately for the people of this country, and the price, as I have indicated, is tremendous.

I repeat that the figures I cited about the ultimate cost of the war—provided the war had ended in 1970—are taken from an official U.S. document issued by the U.S. Department of Commerce, called "A Statistical Abstract of the United States, 1973." I would hope that people who are interested in that part of the world and what the cost has been monetarily will look up this abstract and keep it on their desks so they will be reminded of it at all times.

I thank the Senator.

TRANSACTION OF ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order there will now be a period for the transaction of routine morning business for not to exceed 30 minutes, with statements limited therein to 5 minutes.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The PRESIDENT pro tempore laid before the Senate the following communication which was referred as indicated:

Proposed Federal Campaign Reform Act of 1974

A communication from the President of the United States, transmitting a draft of proposed legislation to reform the conduct and financing of Federal election campaigns, and for other purposes (with an accompanying paper). Referred to the Committee on Rules and Administration.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the PRESIDENT pro tempore:

A resolution of the Senate of the State of Georgia. Referred to the Committee on Finance:

Senate Resolution 416

"A resolution relative to the deplorable practices of the United States Congress; and for other purposes

"Whereas, the United States Congress, at each session, continues to adopt legislation requiring the States to take various courses of action, and, upon failure to do so, a State will lose its rightful allocation of Federal highway trust funds; and

"Whereas, if Congress continues this reprehensible course of action, what little sovereignty is left to the various States will be further eroded; and

Whereas, it is only just and proper that if Congress sees fit that a certain course of action should be taken, the Congress itself should enact such legislation rather than requiring the various States to do their dirty work for them.

"Now, therefore, be it resolved by the Senate that this body does hereby express in the strongest terms possible its disgust and abhorrence of the presently existing practice of the United States Congress to require the 50 States to enact legislation under threat of having to forfeit their just share of the Federal highway trust funds which have been collected from all of the States.

"Be it further resolved that the Secretary of the Senate is hereby authorized and directed to transmit an appropriate copy of this Resolution to each House of each State Legislature, and to each and every member of the United States Congress."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. SPARKMAN, from the Committee on Foreign Relations, without amendment:

H.R. 12341. An act to authorize sale of a former Foreign Service consulate building in Venice to Wake Forest University (Rept. No. 93–752); and

H.R. 12465. An act to amend the Foreign Service Buildings Act, 1926, to authorize additional appropriations for the fiscal year 1974 (Rept. No. 93–753).

By Mr. SPARKMAN, from the Committee on Foreign Relations, with an amendment:

H.R. 12466. An act to amend the Department of State Appropriations Authorization Act of 1973 to authorize additional appropriations for the fiscal year 1974, and for other purposes (Rept. No. 93–754).

By Mr. McCLELLAN, from the Committee on the Judiciary, with an amendment:

S. 2348. A bill to amend the Canal Zone Code to transfer the functions of the Clerk of the United States District Court for the District of the Canal Zone with respect to the issuance and recording of marriage licenses, and related activities, to the civil affairs director of the Canal Zone Government, and for other purposes (Rept. No. 93–755).

By Mr. HUMPHREY, from the Committee on Agriculture and Forestry, with an amendment:

S. 2835. A bill to rename the first Civilian Conservation Corps Center located near Franklin, N.C., and the Cross Timbers National Grasslands in Texas in honor of former President Lyndon B. Johnson (Rept. 93–756).

NATIONAL NO-FAULT MOTOR VEHICLE INSURANCE ACT—REPORT OF A COMMITTEE (S. REPT. NO. 93–757)

Under authority of the order of the Senate of February 18, 1974, Mr. Hart, from the Committee on the Judiciary, submitted a report on the bill (S. 354) to establish a nationwide system of adequate and uniform motor vehicle accident reparation acts and to require no-fault motor vehicle insurance as a condition precedent to using a motor vehicle on public roadways in order to promote and regulate interstate commerce, together with minority and additional views, which was ordered to be printed.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. BUCKLEY:

S. 3241. A bill to amend chapter 85 of title 28, United States Code, relating to the censure, suspension, and disbarment of attorneys. Referred to the Committee on the Judiciary.

By Mr. MANSFIELD:

S. 3242. A bill for the relief of Wesley G. Gorrell, his wife, Laura J. Gorrell, and their daughters, Pamela Mary Gorrell and Patty Anne Gorrell. Referred to the Committee on the Judiciary.

By Mr. CURTIS:

S. 3243. A bill to amend the Tariff Schedules of the United States to provide that certain wood strips be admitted free of duty. Referred to the Committee on Finance.

By Mr. HRUSKA (by request):

S. 3244. A bill to clarify the authority of the Attorney General of the United States to exclude and deport aliens for fraudulent entry. Referred to the Committee on the Judiciary.

By Mr. BEALL:

S. 3245. A bill to amend the Department of Transportation Act in order to establish the National Transportation Safety Board as an independent agency in the executive branch of the Government. Referred to the Committee on Commerce.

By Mr. CASE:

S. 3246. A bill to amend the National School Lunch and Child Nutrition Act in order to extend existing provisions of law under which income guidelines are established for reduced price lunches. Referred to the Committee on Agriculture and Forestry.

By Mr. MOSS:

S. 3247. A bill for the relief of Mrs. Helen Kuri George. Referred to the Committe on the Judiciary.

By Mr. INOUYE:

S. 3248. A bill for the relief of Miss Rosario Y. Quijano;

S. 3249. A bill for the relief of Mr. Walter York Quijano;

S. 3250. A bill for the relief of Miss Tinh Thi Ha; and

S. 3251. A bill for the relief of Mr. Ramon Lem Quijano, Mr. Tarcisius Julian Quijano, Mr. Dennis Thomas Quijano and Mr. Paul Christopher James Y. Quijano. Referred to the Committee on the Judiciary.

By Mr. BELLMON:

S. 3252. A bill to provide additional credit facilities for farmers and other rural residents. Referred to the Committee on Agriculture and Forestry.

By Mr. MONTOYA (by request):

S. 3253. A bill to amend the Atomic Energy Act of 1954, as amended, to delete the requirement that Congress authorize amounts of special nuclear material which may be distributed to a group of nations. Referred to the Joint Committee on Atomic Energy.

By Mr. GRAVEL:

S. 3254. A bill to amend the Atomic Energy Act of 1954 to require licensees and contractors to accept greater financial responsibilities. Referred to the Joint Committee on Atomic Energy.

By Mr. TUNNEY (for himself, Mr. MAGNUSON, and Mr. COTTON) (by request):

S. 3255. A bill to provide for the labeling of major appliances and motor vehicles to promote and effect energy conservation, and for other purposes. Referred to the Committee on Commerce.

By Mr. GRAVEL:

S. 3256. A bill to provide allowanced and reduced governmental rental rates and charges for certain Alaskan employees of executive departments and independent establishments and to exempt such allowances and reductions from taxation under the Internal Revenue Code of 1954. Referred to the Committee on Finance.

By Mr. BENNETT (by request):

S. 3257. A bill to extend and improve the Nation's unemployment compensation programs, and for other purposes. Referred to the Committee on Finance.

By Mr. HUMPHREY:

S.J. Res. 198. A joint resolution to create a Joint Committee on Energy. Referred to the Committee on Government Operations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BUCKLEY:

S. 3241. A bill to amend chapter 85 of title 28, United States Code, relating to the censure, suspension, and disbarment of attornevs. Referred to the Committee on the Judiciary.

CENSURE, SUSPENSION, AND DISBARMENT OF ATTORNEYS

Mr. BUCKLEY. Mr. President, for a number of years now, members of the bench and bar and of the Congress have expressed growing concern with the courtroom conduct of attorneys. The Chief Justice himself, in a notable address to the American Law Institute in May of 1971 condemned lawyers who engage in courtroom disruptions and behave disrespectfully toward judges as "a menace and a liability, not an asset, toward the administration of justice." The Chief Justice concluded that either the courts or the legal profession should have responsibility for correcting these abuses "with rigorous powers of discipline wherever we place the responsibility."

The Chief Justice called attention to an aspect of the administration of justice which urgently calls for reform. The tactics to which the Chief Justice refers have troubled me for some time. To deal with the situation I introduced a bill in June of 1971 which would have vested in the Federal courts the power to undertake disciplinary measures and would have vested U.S. attorneys of the various Federal districts with the affirmative duty to institute and prosecute disciplinary proceedings against lawyers who misbehave.

Since introducing that measure, I have noted that organizations with a special interest in the matter are taking steps in the same direction. The Administrative Office of the U.S. Courts, for example, has recommended enactment of legislation to deal with the prosecution of contumacious attorneys. Chairman RODINO of the House Judiciary Committee has introduced a bill, H.R. 10804, incorporating the recommendations of the Administrative Office. While my own proposal differs in some respects from that introduced by Chairman RODINO, I think it would be constructive if my bill were to become part of the deliberative process seeking a constructive solution to the problem. Toward that end, I am today reintroducing my bill in the hope that it will make a useful contribution. I sent my bill to the desk, and ask that it be printed and appropriately referred, and that the text be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. The bill will be received, printed, and appropriately referred; and, without objection, will be printed in the RECORD, as requested.

Mr. BUCKLEY. Mr. President, my bill is by no means revolutionary or inconsistent with traditional due process and the right of accused persons to diligent and devoted counsel. The procedure is largely adapted from General Rule 5 as it was in effect for many years in the U.S. District Court for the Southern District of New York, somewhat changed to make it more effective. The principal changes are these:

First, disciplinary proceedings would become a matter of statute applicable nationally and uniformly rather than merely of court rules varying between the courts. The Federal courts exist by virtue of legislation enacted by Congress and Federal judges are appointed with the advice and consent of the Senate. It is appropriate that Congress protect these courts and their judges in the performance of their duties.

Second, it would become the duty of the U.S. attorney to institute such proceedings. The bill is so drawn that funds will be available for the purpose. Of course, the U.S. attorney would act only in those cases in which he believed proceedings warranted. Largely, as I understand it, because funds have not been available, there have been no disciplinary proceedings in the southern district of New York for over 2 years.

Third, the list of offenses for which discipline is authorized has been slightly broadened so as specifically to include incitement to riot and the like. Experience has shown that tactics of disorder in the courtroom and at public meetings are closely related. Obviously any discipline for such conduct is subject to the clear-and-present-danger rule which the Supreme Court has held to be applicable to all limitations on speech.

Fourth, insofar as a disciplinary proceeding resulted in the suspension or disbarment of an attorney, it would be effective in all Federal courts, and not merely the court that entered the order.

This bill would not affect the rights of attorneys to practice in the State courts. The States could use as they see fit findings made in the disciplinary proceedings provided by this bill. Assuming that it becomes law, the bill will show the determination of the Federal Government that disorder in its own courts will not be tolerated; and that attorneys who have been exended the privilege of practicing before such courts will be expected to conform with generally accepted standards of professional behavior.

The text of the bill is as follows:

S. 3241

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 85 of title 28, United States Code, is amended by adding at the end thereof the following new section:

"§ 1364. Censure, suspension, and disbarment of attorneys

"(a) Any United States district court shall have jurisdiction to make an order in a disciplinary proceeding disbarring, suspending, or censuring, or taking such other action as justice may require, with respect to any attorney who is a member of the bar of such court and has:

"(1) been convicted of a crime involving moral turpitude in any State, territory, Commonwealth, possession or the District of Columbia; or

"(2) is guilty of conduct unbecoming a member of the bar of such court. Without limiting the generality of the foregoing, conduct unbecoming a member of the bar of a United States district court shall be deemed to include fraud, deceit, malpractice, conduct prejudicial to the administration of justice, incitement to arson, riot, espionage, or sabotage or violation of the Code of Professional Responsibilities of the American Bar Association or the bar association of the State in which such United States district court has jurisdiction.

"(b) Whenever it shall come to the attention of the district court by any means that a member of its bar may have been convicted as defined in subdivision (1) or may have been guilty of unbecoming conduct within subdivision (2) of paragraph (a), the court shall refer the matter to the United States Attorney for such district. If the United States Attorney believes that the attorney has either been convicted as defined in subdivision (1) or has been guilty of unbecoming conduct as defined by subdivision (2) of paragraph (a), he should proceed against such attorney by a petition setting forth the charges against him. The district court shall make an order requiring the attorney to show cause within thirty days after service thereof on him personally or by mail of the petition and order as to why he should not be disciplined. Upon the filing of such a petition the district court may, for good cause, temporarily suspend the attorney pending the determination of the proceeding. Upon the answer to the petition, the district court may set the matter for prompt hearing before one or more of its judges, or may appoint a master to herein report his findings and recommendation. After such a hearing or report, or if no timely answer is made by the attorney, the district court shall take such action as justice may require.

"(c) In any case in which an attorney is ordered suspended or disbarred under this section, the district court issuing such order shall notify the Director of the Administrative Office of the United States Courts, who shall notify each of the other United States Courts, of the action taken. Any attorney with respect to whom an order for suspension or disbarment is issued in accordance with this section shall be prohibited from practice before any United States court during the period that such suspension or disbarment is in effect.

"(d) Whenever it appears that an attorney at law admitted to practice in the court of any State, territory, Commonwealth, possession or the District of Columbia is convicted of any crime, or is disbarred or suspended, in a United States district court, the clerk of such court shall transmit to the court of the State, territory, Commonwealth, or possession where the attorney was admitted to practice a certified copy of the judgment of conviction or order of disbarment or suspension and a statement of his last known office and residence addresses.

"(e) The authority contained in this section shall be in addition to any other authority of any United States court, or judge or justice thereof, relating to the censure, suspension, disbarment or other discipline of any attorney authorized to practice before such court, or judge or justices thereof.

"(f) Proceedings under this section shall be deemed to be proceedings in which the United States has an interest within the meaning of section 547 of chapter 35 of this title. Any indigent attorney against whom a petition has been made hereunder shall be entitled to proceed in forma pauperis in accordance with the provisions of section 753 of chapter 79 and section 1915 of chapter 123 of this title."

SEC. 2. The analysis of chapter 85 of title 28, United States Code, is amended by adding at the end thereof the following: "1364. Censure, suspension, and disbarment of attorneys."

By Mr. HRUSKA (by request):

S. 3244. A bill to clarify the authority of the Attorney General of the United States to exclude and deport aliens for fraudulent entry. Referred to the Committee on the Judiciary.

Mr. HRUSKA. Mr. President, today I introduce a bill on behalf of the Department of Justice which would amend section 241(f) of the Immigration and Nationality Act, to clarify the authority of the Attorney General to exclude and deport aliens for fraudulent entry into the United States. I ask that it be appropriately referred.

The purpose of the present section 241 (f) was to waive a single and relatively minor ground for deportation, arising out of misrepresentations in procuring entry, for aliens with a close family relative who is a U.S. citizen or an alien lawfully admitted for permanent residence.

However, because some courts have liberally read the statute, numerous deportable aliens have sought to expand the statute into a charter of amnesty—waiving all restrictions for those aliens who entered the United States through fraud. In doing this, deportable aliens have found it useful to claim that they have committed fraud in contending that they were, therefore, entitled to benefits not available to the law abiding.

The bill which I introduce today would curtail the distortion of the statute and reduce serious enforcement problems by clearly defining the scope of section 241 (f) of the Immigration and Nationality Act.

It would:

First. Limit the waiver of deportability to those who entered with an immigrant visa;

Second. Waive only the deportation ground related to the misrepresentation;

Third. Grant the waiver only in the discretion of the Attorney General, and

Fourth. Regard as lawfully admitted for permanent residence an alien who has been granted such waiver.

While I am not unalterably wed to all the provisions of this bill, I believe it serves as a worthy focal point for congressional consideration on this subject.

Mr. President, I ask unanimous consent that a copy of the Attorney General's letter of transmittal, a comparison of the existing and proposal laws and a copy of the bill be printed in the RECORD at this point.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 3244

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 241(f) of the Immigration and Nationality Act be amended to read as follows:

"(f) In the discretion of the Attorney General, the provisions of this section relating to the deportation of aliens within the United States on the ground that they were excludable at the time of any entry or admission as aliens who have sought to procure, or have procured visas or other documentation, or entry or admission into the United States by fraud or misrepresentation may be waived for an alien who was admitted or was granted adjustment of status as an immigrant or who reentered following a temporary absence after such admission or adjustment, who was otherwise admissible at the time of the fraudulent entry or adjustment, and who is the spouse, parent or child of a United States citizen or of an alien lawfully admitted for permanent residence. An alien granted a waiver under this subsection with regard to an initial entry or adjustment of status as an immigrant shall be regarded as lawfully admitted for permanent residence as of the date of waiver. For the purposes of this section, an alien shall be deemed to have been 'otherwise admissible' where no other grounds of inadmissibility existed at the time of the fraudulent entry or adjustment except:

"(1) ineligibility for the special immigrant, immediate relative, or preference immigrant status accorded him,

"(2) improper chargeability to a foreign state or dependant area for the purposes of numerical limitation set forth in section 202,

"(3) lack of a certification under section 212(a)(14), or

"(4) lack of a valid passport."

OFFICE OF THE ATTORNEY GENERAL,
Washington, D.C.

THE VICE PRESIDENT
U.S. Senate,
Washington, D.C.

DEAR MR. VICE PRESIDENT: There is transmitted herewith a legislative proposal to amend section 241(f) of the Immigration and Nationality Act, 8 U.S.C. 1251(f) to clarify the authority of the Attorney General to exclude and deport aliens for fraudulent entry into the United States.

In its present form, section 241(f) has produced considerable confusion and litigation and has impeded the effective administration of the immigration laws.

Section 241(f) waives deportability, on the ground that the alien was excludable at the time of entry because of fraudulent misstatements, for aliens with close relatives in the United States. The "ground" of excludability for misrepresentations, and consequent deportability, mentioned in section 241(f) is that set forth, in virtually identical language, in section 212(a)(19) of the Act (8 U.S.C. 1182(a)(19)). Moreover, the statute specifies that its benefits are available only to aliens who were "otherwise admissible at the time of entry." The language of the statute clearly indicates that it was enacted for the limited purpose of waiving a single and relatively minor ground for deportation—arising out of misrepresentations in procuring entry—for aliens with a close family relative who is a United States citizen or an alien lawfully admitted for permanent residence.

However, the Supreme Court, in *INS* v. *Errico*, 385 U.S. 214 (1966), read the statute as waiving deportability where the alien had entered with an immigrant visa and had evaded quota restrictions by his misrepresentation. Encouraged by this generous reading of the statute, litigants have sought to expand section 241(f) into a charter of amnesty, waiving all restrictions for those who had entered the United States through fraud. Some courts, particularly the Court of Appeals for the Ninth Circuit, have been persuaded to adopt expansive interpretations. Hundreds of cases have been developed in the administrative and judicial processes, and deportable aliens have found it useful to assert that they have committed fraud in contending that they were therefore entitled to benefits not available to the law-abiding.

A brief review of some of the typical issues that have arisen follows:

A common contention has been that an alien who entered as a nonimmigrant, and is charged with being deportable for having overstayed his authorized admission, can escape deportability by contending that he had an undisclosed intention to commit fraud and that he can insist on being charged with such fraud so that he can invoke the benefits of section 241(f). This contention was successful in *Vitales* v. *INS*, 443 F.2d 343 (9th Cir. 1971); *certiorari* granted but thereafter dismissed, apparently on ground of mootness, the alien having left the United States, 405 U.S. 983. However, after dismissal of the *Vitales* case the government persuaded the Ninth Circuit to reverse itself and to uphold a deportation order against an overstayed nonimmigrant, in *Cabuco-Flores* and *Mangabat* v. *INS*, (9th Cir., April 13 1973). Miss Mangabat has filed a petition for *certiorari* to review that decision, which is now pending before the Supreme Court.

Mr. HRUSKA. Another contention relates to aliens who have entered without inspection, and who contend that they are nevertheless entitled to a waiver of deportability under section 241(f). This contention is particularly significant in connection with surreptitous entries across the Mexican border. In *Monarrez-Monarrez* v. *Rosenberg*, 472 F.2d 119 (9th Cir. 1972) the court rejected a contention that section 241(f) could be extended to include such surreptitious entrants. The court observed:

"If petitioners' reading of section 241 (f) were adopted, no alien who illegally entered this country and who was not otherwise inadmissible could be deported by reason of his illegal entry after he acquired the requisite family ties. Congress had no such alien bonanza in mind."

A petition for *certiorari* challenging that decision was filed in *Castellon-Duarte* v. *INS*, and was denied by the Supreme Court on June 11, 1972. Supreme Court No. 72-6312. On the other hand, the Ninth Circuit has held that a person who enters without proper inspection, on a false claim to United States citizenship, can invoke the benefits of section 241(f). *Chuey* v. *INS*, 439 F.2d 244 (9th Cir. 1971); *U.S.* v. *Osuna-Picos*, 443 F.2d 907 (9th Cir. 1971). *Chuey* overruled the Attorney General's decision in *Matter of Lee*, 13 I&N Dec. 214 (1969). *Osuna-Picos* dismissed a criminal prosecution for illegal reentry following a deportation, which the court found invalid because of section 241(f).

The government's position is that an alien who enters without an immigrant visa is not "otherwise admissible" within the contemplation of section 241(f), and it is urging the same issue in regard to aliens who allege that they entered across the Mexican border on the basis of a false claim to United States citizenship, who have acquired close relatives in this country, and who contend that they are therefore exempt from deportation under section 241(f).

These and other issues involving section 241(f) have entailed a distortion of the statute and have raised serious enforcement problems. Therefore, an amendment to section 241(f) which would clearly define its scope in the following respects is being proposed:

1. the waiver of deportability would be limited to those who entered with immigrant visas;

2. only the deportation ground related to the misrepresentations would be waived;

3. the waiver would not be automatic and would be granted only in the discretion of the Attorney General;

4. upon grant of the waiver the alien would be regarded as lawfully admitted for permanent residence, eliminating an uncertainty in his status under the present statute.

In order to clarify the Congressional purpose and to eliminate existing confusion, I respectfully urge that this proposal be enacted without unnecessary delay.

The Office of Management and Budget has advised that enactment of this legislation would be in accord with the Program of the President.

Sincerely,

ACTING ATTORNEY GENERAL.

COMPARISON OF PRESENT AND PROPOSED LAW

"(f) *In the discretion of the Attorney General*, the provisions of this section relating to the deportation of aliens within the United States on the group that they were excludable at the time of *any* entry or *admission* as aliens who have sought to procure, or have procured visas or other documentation, or entry *or admission* into the United States by fraud or misrepresentation [shall not apply to an alien] *may be waived for an alien who was admitted or was granted adjustment of status as an immigrant or who reentered following a temporary absence after such admission or adjustment, who was* otherwise admissible at the time of *the fraudulent* entry *or adjustment, and* who is the spouse, parent or child of a United States citizen or of an alien lawfully admitted for permanent residence. *An alien granted a waiver under this subsection with regard to an initial entry or adjustment of status as an immigrant shall be regarded as lawfully admitted for permanent residence as of the date of waiver. For the purpose of this section, an alien shall be deemed to have been "otherwise admissible" where no other grounds of inadmissibility existed at the time of the fraudulent entry or adjustment except:*

(1) ineligibility for the special immigrant, immediate relative, or preference immigrant status accorded him,

(2) improper chargeability to a foreign state or dependent area for the purposes of numerical limitation set forth in section 202,

(3) lack of a certification under section 212(a) (14), or

(4) lack of a valid passport."

By Mr. BEALL:

S. 3245. A bill to amend the Department of Transportation Act in order to establish the National Transportation Safety Board as an independent agency in the executive branch of the Government. Referred to the Committee on Commerce.

Mr. BEALL. Mr. President, I introduce for appropriate reference a bill to establish the National Transportation Safety Board as an independent agency in the executive branch of the Government and to provide the Board with new and needed authority in the surface transportation areas. The bill would amend the Department of Transportation Act, specifically, those provisions of the 1966 act which originally established the Safety Board.

My interest in this proposal is twofold.

First is my concern over the problems we are experiencing in pipeline safety. These are problems which have been most evident in the metropolitan area of our National Capital in recent months as witnessed by the tragic loss of life due to gas explosions.

In fact, Mr. President, while on this point, I should note that since 1969, fatalities resulting from pipeline accidents have nearly tripled in number.

The growing problem of gas explosions prompted me to add an amendment to last year's DOT appropriation measure calling for a study of the safety of natural gas distribution systems.

This study is being conducted by the Office of Pipeline Safety of the Department of Transportation, hopefully with the cooperation of both the Department of Housing and Urban Development and the National Safety Transportation Board.

My second reason for submitting this legislation is a result of hearings held this year by the Senate Committee on Commerce, Subcommittee on Aviation, a subcommittee on which I serve.

These hearings have demonstrated a need for change in the basic act to clarify the independent role of the National Transportation Safety Board, an independence which not always is as evident as it should be.

Mr. President, I am convinced that the National Transportation Safety Board, within the limits of its budget and present focus, is compiling an outstanding record of service in following its mandate to protect the public from transportation accidents. It has, for example, undertaken extensive investigations of two major pipeline accidents which have occurred in the Washington metropolitan area including the one in my State which occurred in Bowie, Md.

Through the procedures set forth by the law, the Safety Board develops facts concerning specific accidents. It makes findings on these facts. It determines cause or probable cause of such accidents.

From these inquiries, the Safety Board moves to its primary function of accident prevention through a number of actions which it can take.

Included in these specific actions is the vital function of recommending corrective steps to the appropriate authorities for prevention of such accidents.

However, as the Safety Board continues to achieve an excellent performance record, we find that it also is severely limited by a lack of financial and manpower resources to adequately achive the goals initially set forth by the Congress.

For example, the Safety Board's examination of the problems involving pipeline safety is most exemplary and serves to provide significant guidelines in the area of growing public concern.

Interestingly enough, what achievements have been made are a result of an extremely small staff which obviously has a strong dedication, for the Board has been limited to two full-time employees whose responsibilities are to oversee pipeline safety on a nationwide basis.

The same is true in other modes of transportation as well. What of the highway situation?

The Safety Board does not have one

single employee in the field to work on highway safety. Not one person is assigned by the Board to a field operation to work in this critical area.

The Board cannot assign anyone. The limitations imposed upon it prevent the establishment of what obviously could be a highly useful and extremely vital role in the national effort to reduce the highway carnage.

A close look reveals the same thing in the railroad and maritime modes as well.

The chairman of the Appropriations Committee's Subcommittee on Transportation, the distinguished junior Senator from West Virginia (Mr. ROBERT C. BYRD), recognized the seriousness of this resources problem last year. He amended the budget request of the Safety Board by adding a half million dollars on a half-year basis and he included a provision for the immediate hiring of 50 technicians which were and are needed to do the job. Unfortunately, this addition was deleted in conference with the House.

Mr. President, I would be remiss if I left the impression that my bill would resolve the manpower and financial shortage confronting the Safety Board. That matter, of course, involves increased funding.

However, in order for there to be the necessary funding, I am convinced that the complete independence of the agency must be achieved. In providing this independence, as contained in my bill, the Congress would authorize the Safety Board the additional power in those areas in which it now does not enjoy adequate resources.

In the area of aviation safety, the Safety Board has full authority to investigate accidents. It has the power to hold hearings, sign and issue subpenas, to impound evidence and other such legal requirements needed to determine the cause or causes of air accidents.

The same authority does not exist, or exists only in small part, for the Safety Board in the other modes of transportation for which the Board has been given the responsibility for accident prevention. My bill provides the same authority in the areas of surface transportation that now apply to air transportation.

I am confident, Mr. President, that the inclusion of this provision to give the Safety Board the legal authority to move into the problems, for example, of rail, pipeline, and highway safety, will pave the way for adequate allocation of the resources to accomplish what Congress initially intended—a reduction of accidents in all modes of transportation.

That the Safety Board requires this authority to deal with accidents in the surface modes of transportation becomes abundantly clear when we examine the statistics involving transportation accidents and the role the Board has in its present manpower resources distribution.

In 1973, more than 61,000 Americans lost their lives in transportation accidents. That is more than all the Americans who died in 10 years in the war in Vietnam.

Of this 61,000 total, only 3-percent died in aviation accidents. Ninety-seven percent died in surface transportation accidents.

Yet, the National Transportation Safety Board's resources are reversed. The NTSB budget is divided roughly on the basis of 85 percent for aviation and 15 percent for surface investigations.

To be more specific, here are the actual numbers of 1973 dead:

Air carrier aviation	154
General aviation	1,494
Pipeline accidents	70
Maritime	2,120
Railroad	650
Grade crossing	1,116

And, Mr. President, the most devastating statistic of all is represented by the 55,600 American lives lost in highway accidents which anually bring distress and huge financial loss in virtually every community in the Nation. That is a staggering figure.

However, our emphasis in the field of safety continues to be in air transportation when it comes to congressional consideration of the Safety Board's role.

During the hearings into the activities of the Safety Board, questioning on substantive matters went primarily to aviation. Little attention was focused on highway fatalities. In fact, the hearings had a tendency to place more of an emphasis on the role of the professional aviation staff in saving lives. While this is commendable, we also need to know why there are so few professionals involved in those areas where the loss of life could be termed catastrophic, as in the case of the tragic highway toll when compared to loss of life due to aviation causes.

Unfortunately, this emphasis in the hearings simply underscores the imbalance now existing wherein we have 55,000 employees of the Federal Aviation Administration who have as their primary business safety and, on top of that, we have the National Transportation Safety Board which devotes 85 percent of its resources to its own aviation safety programs and those of the FAA.

The bill I am introducing today would begin to redress this imbalance and would authorize the Board to undertake a statewide motor vehicle accidents demonstration project. The purpose of this demonstration would be to determine if the focus by the Board on motor vehicle accidents would result in a substantial reduction in the death and damage on our highways. Under the project the Board would select a State whose geography, urban-rural population and highways, weather, and other characteristics and conditions, which the Board deems relevant, make such State representative of the conditions and highways existing in the Nation as a whole. The bill authorizes $4 million for the demonstration project.

The Board would be required to investigate in the selected State all motor vehicle accidents which involve a fatality and on a selected basis the motor vehicle accidents which do not involve a fatality.

This demonstration project and the provisions providing the Board with the authority which it now has in the aviation mode, but which are lacking in its surface investigation work, will begin to correct existing imbalances. And upon receipt of these authorities, the Safety Board should be provided with the additional resources to enable them to attack the overall transportation accident problems.

In introducing this measure, Mr. President, I do so with the dual intention of responding to what I term the real priorities for the Safety Board as illuminated through the recent hearings—an independent status with authorities broadened in those areas of critical need, such as highway and pipeline safety—and at the same time assuring the independence of the Board both in fact and in appearance. While questions of executive interference were raised during the hearings, these allegations were not advanced with respect to the substantive safety work of the Board. Indeed, there seems to be general agreement that the Board has done an outstanding job and that there has been no effort to compromise or interfere with respect to its substantive safety responsibilities.

As a result of these hearings, S. 2401 has been introduced by the chairman of the Committee on Commerce, the distinguished senior Senator from Washington (Mr. MAGNUSON), and the distinguished chairman of the Commerce Committee's Aviation Subcommittee, the distinguished junior Senator from Nevada (Mr. CANNON). Identical legislation was introduced on the House side by Representative ADAMS.

In my review of the hearings held by the subcommittee, I am convinced that there is a need for giving strength to the Safety Board through establishing it as an independent agency.

I likewise am convinced that to achieve this goal it is not necessary to drastically change the structure of the Safety Board which would be the result if legislation such as or similar to S. 2401 became law.

Thus, Mr. President, I believe it would be an error of costly proportion to "structure out" the successful five-member board system which now constitutes the National Transportation Safety Board in the hopes that through substitution of a single administrator the agency and its functions would be "depoliticized."

I was encouraged in reading Representative ADAMS' introductory remarks that he is not "completely convinced" of the desirability of placing this responsibility in a single administrator, the Congressman stated:

> On the one hand, I strongly believe in the concept of an independent agency which can speak its mind without budgetary intimidation. On the other hand, I am not completely convinced that the best way to proceed is by concentrating, in the hands of one transportation safety expert, the authority to make vital recommendations. I believe the present Board has done a very commendable job given the limitations of the legal and administrative structure in which the Congress placed it. Therefore, I believe that the actual structure of the new Agency should be the subject of testimony and careful consideration before a final decision is made.

If we are looking for independence, our best opportunity for finding it—as demonstrated by the record of countless boards, commissions, and agencies, including the Safety Board—comes with a panel of distinguished officials rather than a single administrator, who, though he might meet every requirement which could conceivably be written into law, could still be the "President's man."

Mr. President, one of the changes which I feel would not be helpful to the work of the Safety Board nor in keeping with the intent of Congress when the Board was established, is the desire for a single administrator to replace the five-member Board.

As I understand it, the proponents of this recommendation to change to what perhaps could be called a "safety czar," believe that a single administrator would be more free from the influence of the Executive branch than is the present Board.

From what I know of the Government process and the structure of various Federal organizations, whether they be independent agencies, or major departments, this is a dubious proposition. It can be argued that the Executive's strength takes stronger root when a specific function is under the control of a single appointee rather than under the direction of a commission or board serving staggered terms. A collegial Board, such as the National Transportation Safety Board, made up of an uneven number of members with staggered terms, and no more than a simple majority of whom shall be of the President's party, is obviously more resistant to White House pressures—or pressure, for that matter, from any other source—than would be a single administrator, no matter who happens to hold the office of President.

With one nomination a President could insure the implementation of his policies. Regardless of how you legislatively attempt to cut the administrative cake with slices so thin to make political affiliation meaningless, or so thick to be politically indigestible—the end result is that the cake is eaten, meaning that the single appointee is still the product of a political decision.

So, in one man, rather than a board of five individuals appointed over a period of years, we would have a 100 percent White House man with no provision at all for even so much as a minority view, let alone an opportunity for dissent.

Mr. President, the original intent of the Congress was to establish the National Transportation Safety Board as an independent agency. The legislation clearly states:

> In the exercise of its functions, powers, and duties, the Board shall be independent of the Secretary and other officers of the Department.

It was placed in the Department for administrative purposes.

However, the committee hearings demonstrated that even in Congress itself, there is confusion over the status of the Board. One of the documents of the Government Operations Committee, the committee which held the hearings and wrote the report for the act establishing the Department of Transportation and the National Transportation Safety Board, shows the Board as part of the Transportation Department and not as an independent board.

There appears to be similar misunderstanding in the minds of the public and the press. The National Transportation Safety Board in its 1971 annual report to the Congress called this to our attention as follows:

> Unfortunately, since the inception of the Board, its status within the Department has been misunderstood by the media, the public, and other government agencies. Too often it has been assumed that the Board is not independent, but a subordinate part of the Department, despite the legislative history of the Act, which makes it clear that the Board is fully independent of the Department.
>
> Although the Board is convinced that there has been no infringement upon the Board's independence by the Department, the appearance of a lack of independence, which is broadly accepted by the public is nearly as detrimental as would be actual infringement, because it serves to create doubts as to the objectivity, to clarify its status in the eyes of the public and to substantiate its independence by the manner in which it undertakes its statutory responsibilities. Nevertheless, there remains an element of doubt, prompted by its inclusion within the organization of the Department of Transportation.

I believe that we should move to eliminate this doubt and to clarify the Safety Board's status by making it a completely independent agency.

That is exactly what my bill proposes—simply to provide for the absolute independence of the National Transportation Safety Board.

Mr. President, I have spoken on the independence of the National Transportation Safety Board, the folly of the concept of a single administrator, and the Board's critical need for authorities in the surface modes similar to those it employs in aviation. All of this is important and necessary.

I would like to emphasize once again a matter which cries for attention. The Safety Board must have adequate resources to at least make a start toward reducing the appalling fatalities which take place hourly on the ground.

With passage of my bill, which will free the National Transportation Safety Board of its ties with the Department of Transportation, the record should also show that it is the sense of the Senate that the Committee on Appropriations closely study the real resources problems of the agency.

I am confident that through such scrutiny by that committee, appropriate allocations would be made of the needed funds for the Board to meet the new responsibilities imposed upon it by my legislation as well as to strengthen the existing areas of operation where it has been amply demonstrated that additional fiscal and manpower resources are required.

Mr. President, I believe we have learned from the recent hearings by the Committee on Commerce Subcommittee on Aviation that the National Transportation Safety Board has, with meager financial resources and a small staff, provided an outstanding public service in its effort to achieve a sound program of accident prevention.

We likewise have learned that what we have thought to be an independent agency, in fact, is not. Despite challenges to the contrary, I do not believe it has been demonstrated that there has been interference or influence in the safety responsibilities of the Board.

In considering legislation to achieve Board independence, we must be particularly cautious, that we do not overreact to a problem, for example, by approving such a drastic restructuring that it completely changes the concept of the Board, a Board that the record reveals has compiled a commendable record in the safety area.

Instead of overreaction, we must have a precise diagnosis of problems in Government and precise prescriptions to cure them.

The bill I offer today does just that. We will provide for the complete independence of the National Transportation Safety Board. We will provide needed legal authorities. We will provide for adequate resources in an orderly manner.

Most of all, Mr. President, we will provide for the strengthening of an institution which offers much to making America a safer place in which to live, work, and travel.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD at the end of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3245

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Transportation Safety Board Independence and Improvement Act of 1974".

Sec. 2. Section 5(a) of the Department of Transportation Act (49 U.S.C. 1654(a)) is amended to read as follows:

"Sec. 5. (a) There is hereby established, as an independent agency in the executive branch of the Government, a National Transportation Safety Board (referred to hereafter in this Act as 'Board')."

Sec. 3. Section 5(f) of the Department of Transportation Act (49 U.S.C. 1654(f)) is amended to read as follows:

"(f) In order to carry out its functions the Board is authorized to—

(1) employ experts and consultants in accordance with section 3109 of title 5, United States Code;

(2) appoint one or more advisory committees composed of such private citizens or officials of Federal, State, or local governments as it deems desirable, to advise it with respect to such functions;

(3) accept voluntary and uncompensated services, notwithstanding the provisions of section 3676 of the Revised Statutes;

(4) accept unconditional gifts or donations of money, or property, real, personal, or mixed, tangible, or intangible;

(5) make contracts with public or private non-profit entities to conduct studies related to such functions;

(6) cause an official seal to be made for the Board which shall be judicially noticed; and

(7) take such other actions as may be required."

Sec. 3. Section 5 (1) of the Department of Transportation Act (49 U.S.C. 1654(1)) is amended to read as follows:

"(1) Except as otherwise provided, in carrying out its functions, the Board (or, upon the authorization of the Board, any member thereof or any administrative law judge assigned to or employed by the Board) shall have the power to hold hearings, sign and issue subpoenas, administer oaths, examine witnesses, and receive evidence at any place in the United States it may designate.

"(2) Any court of the United States within the jurisdiction of which an inquiry is carried on may, in the case of contumacy or refusal to obey a subpena issued to any person, issue an order, requiring such persons to appear (and produce the books, papers and documents, if so ordered) and give evidence touching the matter in question; and, any failure to obey such orders of the court may be punished by such court as a contempt thereof."

Sec. 4. Section 5 of the Department of Transportation Act (49 U.S.C. 1654) is further amended by adding at the end thereof the following new subsections:

"(p) (1) In the conduct of the investigation of surface transportation accidents, pursuant to subsection (d) (4) of this section, officers, employees or agents duly designated by the Board upon presenting appropriate credentials, are authorized (A) to enter at reasonable times in a reasonable manner, any premises where any rail, pipeline or highway vehicles, facility, or equipment, involved in an accident, is located; (B) to impound temporarily such vehicle, facility, equipment, or portions thereof as may be necessary to the investigation of an accident; and (C) to inspect and test to the extent necessary such vehicle, facility, equipment, or portion thereof.

"(2) The Board is authorized to obtain, with or without reimbursement, a copy of the report of the autopsy performed by State or local officials on any person who dies as a result of having been involved in a railroad, highway, or pipeline accident and, if necessary, the Board may order the autopsy or seek other tests of such persons as may be necessary to the investigation of the accident: *Provided*. That to the extent consistent with the need of the accident investigation, provisions of local law protecting religious beliefs with respect to autopsies shall be observed.

"(q) (1) Following any investigation conducted, pursuant to subsection (d) (4) of this section, the Board shall report the facts, conditions, and circumstances relating to each accident and the probable cause thereof; such report shall be made public and be in such form and manner as may be deemed by the Board to be in the pulic interest.

"(2) No part of any report or reports of the Board relating to such accident, or the investigation thereof, shall be admitted as evidence or used in suits or actions for damages growing out of any matter mentioned in such report or reports.

"(r) In order to determine if a greater focus on motor vehicle accidents by the Board would significantly reduce the number of motor vehicle accidents and fatalities, the Board is authorized, with the approval of the Governor and in cooperation with the State transportation or highway department, to carry out a statewide motor vehicle accidents demonstration projects. In carrying out this project, the Board shall select a State whose geography, urban-rural population and highways, weather, and other characteristics and conditions, which the Board deems relevant, make such State representative of the conditions and highways existing in the Nation. The Board shall investigate in such State all motor vehicle accidents which involve a fatality and shall investigate, on a selective basis, the motor vehicle accidents which do not involve a fatality."

Sec. 5. There are authorized to be appropriated for the purpose of carrying out subsection (r) of Section 5 of the Department of Transportation Act (49 U.S.C. 1654) 4 million dollars for the fiscal year ending June 30, 1975.

Sec. 6. The amendments made by this Act shall be effective ninety days following the date of enactment of this Act.

By Mr. CASE:

S. 3246. A bill to amend the National School Lunch and Child Nutrition Act in order to extend existing provisions of law under which income guidelines are established for reduced price lunches. Referred to the Committee on Agriculture and Forestry.

Mr. CASE. Mr. President, I am introducing today legislation to continue the major improvement we made in the reduced-price lunch program last year. Traditionally school lunches have been made available free to the poor and on a reduced price basis to children of people of lower income. In the past one qualified for participation in the reduced-price lunch program if the family income was no more than 50 percent above the poverty level. Last year that was expanded to 75 percent above the poverty level to insure that working families could participate in the school lunch program.

Unfortunately this new provision of the law was not implemented until rather late in the school year. But, nonetheless, participation has been good. In New Jersey alone 67 school districts have adopted the new reduced price scale. These 67 school districts are in 19 of our 21 counties including cities such as East Brunswick, Woodbridge, Long Branch, Neptune, Clifton, Newark, and Atlantic City.

Other towns in New Jersey include Newton, Berkeley Heights, Phillipsburg, Belvidere, Folsom, Moorestown, Berlin, Haddon Heights, Woodbine, Elk Township, Kingsway, Point Pleasant Borough, Stafford Township, Franklin Township, Eatontown, Pleasantville, Bass River, Mount Laurel, Camden County, Lindenwald, Somerville, Frenchtown, Union Township, Highland Park, Middlesex-Piscataway, Woodbridge, Tuckerton, Clifton, Salem City, and Pennsville.

Approximately 15,000 children in New Jersey have been able to participate in the reduced price lunch program because of this change in the law adopted last year.

Implementation of this new program is optional. Some school districts and State food service directors have hesitated to initiate the program because they were unsure Congress would continue it. The amendment I introduce will assure continuation of the reduced price lunch program so that its efficacy can be fully tested. I think we will see, after a reasonable time has passed, that this is an important innovation of special importance to hard-pressed working families.

Last year the chairman of the Agricultural Research and General Legislation Subcommittee, Senator ALLEN, graciously accepted this amendment. And I know this proposal has warm support on the Agriculture and Forestry Committee. I hope the committee will see fit to continue the expanded reduced price school lunch program for working families.

By Mr. GRAVEL:

S. 3254. A bill to amend the Atomic Energy Act of 1954 to require licensees and contractors to accept greater financial responsibilities. Referred to the Joint Committee on Atomic Energy.

Mr. GRAVEL. Mr. President, today I am introducing a bill to repeal major portions of the Price-Anderson Act; it is the same bill which I first introduced in May 1971.

PRICE-ANDERSON SHOWDOWN THIS YEAR?

The Price-Anderson Act, which is section 170 of the Atomic Energy Act, does not expire until 1977. However, nuclear utilities are pressing for congressional action this year on its renewal or modification, according to JCAE Chairman MELVIN PRICE of Illinois.

I have long advocated repealing most of the Price-Anderson Act for reasons which I reiterated in the CONGRESSIONAL RECORD of March 20, 1974, pages 7403 and 7422.

My bill deals with the act only as it applies to the civilian nuclear power industry, not military or Government atomic operations. Furthermore, my bill retains several provisions of the present law which pertain to waivers of defense and no-fault features for civilian nuclear plants. Nuclear powerplants and fuel reprocessing facilities create a manmade hazard of truly unique magnitude and character which require retaining these existing provisions to help the injured parties.

Mr. President, so that my colleagues can examine these provisions and compare my bill with the present law, I ask unanimous consent that the text of my bill be printed at the end of these remarks as exhibit I, and the text of section 170 of the Atomic Energy Act as it now is in force be printed as exhibit II.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibits 1 and 2.)

Mr. GRAVEL. Mr. President, if Congress does repeal major parts of the Price-Anderson Act it will have to deal with an issue omitted in my bill: continuation versus termination of the Price-Anderson protection already given utilities on every nuclear plant for which the AEC has granted either a construction license or an operating license—about 100 plants in all so far. If the Price-Anderson Act is creating a public hazard, what justification is there for letting 100 plants each operate for 40 years under its provisions?

WHAT HAPPENED IN 1957?

Electric utilities were adamant in 1957 that they would grind the civilian nuclear power program to a dead halt if they had to stand liable for catastrophic accidents. I have read the floor debate in the House on July 1, 1957, where Representatives PRICE of Illinois, Cole of New York, and Van Zandt of Pennsylvania, made that point crystal clear.

Most interesting of all were the remarks of Representative CHET HOLIFIELD of California, who opposed the Price-Anderson Act in 1957, but supported its renewal in 1965. On July 1, 1957, he told the House as follows:

> I am opposing this bill because it would provide another Government subsidy to atomic power development without any commensurate benefits to tax-payers and power consumers . . .
>
> You were told a few minutes ago that this was not to protect reactor owners. It was to protect the people. I tell you that this relieves the reactor owners of their liability, and it indemnifies the survivors of any of the families of the people who have been killed by reactor explosion . . . There is only one thing that can protect you, and that is a safe reactor, or a reactor in an isolated position . . .
>
> Both a bomb and a reactor create radioactivity, deadly radioactivity, that can go through several feet of concrete and steel. In a reactor, you contain the radioactivity behind walls of concrete, steel, or lead. In a bomb, you release the radioactivity into the environment.
>
> As long as the controls work on a reactor, you are going to contain that radioactive material inside this reactor . . . The inside of a reactor becomes contaminated to a degree equivalent to the contamination of a bomb. As long as it is behind these walls, it is safe. If that reactor gets out of control and it explodes, it is spread over the environment for many miles, possibly many hundreds of miles . . .
>
> Now what do we know about the safety factors of the large commercial types of reactors which are now planned? We just do not know whether they will be safe or not because we have not built any of their contemplated size. We are shooting in the dark . . . That is why the insurance companies will not cover these reactors to the extent that the people who are building them want them covered. They do not know . . .
>
> I hold in my hand the report of the National Academy of Sciences, National Research Council . . . I read to you from pages 31 and 32 of this report "As in any other areas of human activity, accidents are bound to happen in the atomic energy program. The problem here is to set up a large enough margin of safety so that accidents that do occur are not catastrophes. The most serious possibility is that the core of a large reactor will overheat so severely as to vaporize its material completely. If the vapor were released to the air, it would spread disastrous quantities of radioactivity over thousands of square miles. Such an accident is highly unlikely in a properly designed reactor. Nevertheless, the barest chance of its happening in a highly populated area is intolerable."
>
> Are you going to cover up with $500 million worth of Government money a catastrophe that would decimate the city of Detroit, that might wipe out a hundred thousand people and injure others genetically for all time, as well as contaminate the land for an undetermined length of time? . . .
>
> I do not want to stop this reactor business. I want them to keep on making them . . . but I know what happened in the case of the Lagoona Beach [Fermi] reactor . . .
>
> I say that until they can tell you there is not going to be a blowup, you Members of Congress are taking upon your shoulders the personal responsibility for writing an indemnity bill which will give these people the coverage that they want financially, and you will have upon your hearts and upon your souls the responsibility in case there is a blowup in this field.

In the Senate there was no debate on the Price-Anderson Act at all, and it passed on a voice vote August 16, 1957.

WHAT HAPPENED IN 1965?

In 1965 the Joint Committee on Atomic Energy unanimously recommended renewal of the Price-Anderson Act, which was due to expire in 1967. On September 16, 1965, Representative Price of Illinois told the House as follows:

> We found that despite the accumulation of an impressive amount of operating data with respect to nuclear reactors and other atomic facilities, the experience in this field is not yet sufficiently great nor the technology sufficiently developed to permit one to completely rule out the theoretical possibility of a catastrophic nuclear incident . . .
>
> The potential threat of uninsurable liability, the Committee is convinced, requires an extension of the Price-Anderson legislation. Every witness representing the nuclear industry who testified during our hearings in June supported this view.

Unlike 1957, the vote in the House was a rollcall vote in 1965. It was 338 to 30 in favor or renewal, recorded in the Congressional Record of September 16, 1965, pages 24048–9. Many of the very same people will be voting on renewal again if it comes to the floor this year.

In the Senate, it was another voice vote in 1965.

THE REAL QUESTION FOR CONGRESS

A statement was made in 1956 which sums up my position. Testifying before the JCAE, the vice president of Liberty Mutual Insurance, H. W. Yount, said as follows:

> It is a reasonable question of public policy as to whether a hazard of this magnitude should be permitted, if it actually exists . . . There is a serious question whether the amount of damage to persons and property would be worth the possible benefit accruing from atomic development.

Exhibit 1

S. 3254

A bill to amend the Atomic Energy Act of 1954 to require licensees and contractors to accept greater financial responsibilities

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 2i. of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2001), is amended to read as follows:

"i. In order to protect the public, in the interest of the general welfare and of the common defense and security, the United States may make funds available for a portion of the damages suffered by the public from nuclear incidents."

(b) Section 53e. (8) of such Act is amended by striking out "and limitation of liability".

(c) Section 170 of such Act is amended to read as follows:

"Sec. 170. Indemnification and Liability.—

"a. Each license issued under section 53, 63, 81, 103, or 104 and each construction permit issued under section 185 shall have as a condition of the license a requirement that the licensee have and maintain financial protection to cover public liability claims. The Commission shall require, as a further condition of issuing a license, that an applicant waive any immunity from public liability conferred by Federal or State law.

"b. In addition to any other authority the Commission may have, the Commission is authorized until August 1, 1977, to enter into agreements of indemnification with its contractors for the construction or operation of production or utilization facilities or other activities under contracts for the benefit of the United States involving activities under the risk of public liability for a substantial nuclear incident. In such agreements of indemnification the Commission may require its contractor to provide and maintain financial protection of such a type and in such amounts as the Commission shall determine to be appropriate to cover public liability arising out of or in connection with the contractual activity, and shall indemnify the persons indemnified against such claims above the amount of the financial protection required. The provisions of this subsection may be applicable to lump sum as well as cost type contracts and to contracts and projects financed in whole or in part by the Commission. A contractor with whom an agreement of indemnification has been executed and who is engaged in activities connected with the underground detonation of a nuclear explosive device shall be liable, to the extent so indemnified under this section, for injuries or damage sustained as a result of such detonation in the same manner and to the same extent as would a private person acting as principal, and no immunity or defense founded in the Federal, State, or municipal character of the contractor or of the work to be performed under the contract shall be effective to bar such liability.

"c. In administering the provisions of this section, the Commission shall use, to the maximum extent practicable, the facilities and services of private insurance organizations, and the Commission may contract to pay a reasonable compensation for such services. Any contract made under the provisions of this subsection may be made without regard to the provisions of section 3709 of the Revised Statutes, as amended, upon a showing by the Commission that advertising is not reasonably practicable and advance payments may be made.

"d. The agreement of indemnification may contain such terms as the Commission deems appropriate to carry out the purposes of this section. Such agreement shall provide that, when the Commission makes a determination that the United States will probably be required to make indemnity payments under this section, the Commission shall collaborate with any person indemnified and may approve the payment of any claim under the agreement of indemnification, appear through the Attorney General on behalf of the person indemnified, take charge of such action, and settle or defend any such action. The Commission shall have final authority on behalf of the United States to settle or approve the settlement of any such claim on a fair and reasonable basis with due regard for the purposes of this Act. Such settlement may include reasonable expenses in connection with the claim incurred by the person indemnified.

"e. After any nuclear incident which will probably require payments by the United States under this section, the Commission shall make a survey of the causes and extent of damage which shall forthwith be reported to the Joint Committee, and, except as forbidden by the provisions of chapter 12 of this Act or of any other law or Executive order, all final findings shall be made available to the public, to the parties involved, and to the courts. The Commission shall report to the Joint Committee each year on the operations under this section.

"f. In administering the provisions of this section, the Commission may make contracts in advance of appropriations and incur obligations without regard to section 3679 of the Revised Statutes, as amended.

"g. The Commission is authorized until August 1, 1977, to enter into an agreement of indemnification with any person engaged in the design, development, construction, operation, repair, and maintenance or use of the nuclear-powered ship authorized by section 716 of the Merchant Marine Act, 1936, and designated the 'nuclear ship Savannah'. In any such agreement of indemnification the Commission may require such person to provide and maintain financial protection of such a type and in such amounts as the

Commission shall determine to be appropriate to cover public liability arising from a nuclear incident in connection with such design, development, construction, operation, repair, maintenance or use and shall indemnify the person indemnified against such claims above the amount of the financial protection required.

"h. The Commission is authorized to enter into agreements with other indemnitors to establish coordinated procedures for the prompt handling, investigation, and settlement of claims for public liability. The Commission and other indemnitors may make payments to, or for the aid of, claimants for the purpose of providing immediate assistance following a nuclear incident. Any funds appropriated to the Commission shall be available for such payments. Such payments may be made without securing releases, shall not constitute an admission of the liability of any person indemnified or of any indemnitor, and shall operate as a satisfaction to the extent thereof of any final settlement or judgment.

"i. (1) With respect to any extraordinary nuclear occurrence to which an insurance policy or contract furnished as proof of financial protection or an indemnity agreement applies and which—

"(a) arises out of or results from or occurs in the course of the construction, possession, or operation of a production or utilization facility, or

"(b) arises out of or results from or occurs in the course of transportation of source material, byproduct material, or special nuclear material to or from a production or utilization facility, or

"(c) during the course of the contract activity arises out of or results from the possession, operation, or use by a Commission contractor or subcontractor of a device utilizing special nuclear material or byproduct material.

the Commission shall incorporate provisions in indemnity agreements with persons referred to in subsection g. of this section and contractors under this section, and shall require provisions to be incorporated in insurance policies or contracts furnished as proof of financial protection, which waive (i) any issue or defense as to conduct of the claimant or fault of persons indemnified, (ii) any issue or defense as to charitable or governmental immunity, and (iii) any issue or defense based on any statute of limitations if suit is instituted within three years from the date on which the claimant first knew, or reasonably could have known, of his injury or damage and the probable cause thereof. The waiver of any such issue or defense shall be effective regardless of whether such issue or defense may otherwise be deemed jurisdictional or relating to an element in the cause of action. When so incorporated, such waivers shall be judicially enforcible in accordance with their terms by the claimant against the person indemnified. Such waivers shall not preclude a defense based upon a failure to take reasonable steps to mitigate damages, nor shall such waivers apply to injury or damage to a claimant or to a claimant's property which is intentionally sustained by the claimant or which results from a nuclear incident intentionally and wrongfully caused by the claimant. The waivers authorized in this subsection shall, as to indemnitors, be effective only with respect to those obligations set forth in the insurance policies or the contracts furnished as proof of financial protection and in the indemnity agreements. Such waivers shall not apply to, or prejudice the prosecution or defense of, any claim or portion of claim which is not within the protection afforded under the terms of insurance policies or contracts furnished as proof of financial protection, or indemnity agreements.

"(2) With respect to any public liability action arising out of or resulting from an extraordinary nuclear occurrence, the United States district court in the district where the extraordinary nuclear occurrence takes place, or, in the case of an extraordinary nuclear occurrence taking place outside the United States, the United States District Court for the District of Columbia, shall have original jurisdiction without regard to the citizenship of any party or the amount in controversy. Upon motion of the defendant or of the Commission, any such action pending in any State court or United States district court shall be removed or transferred to the United States district court having venue under this subsection. Process of such district court shall be effective throughout the United States."

Exhibit 2

Atomic Energy Act of 1954, Chapter 1, Section 2

1. In order to protect the public and to encourage the development of the atomic energy industry, in the interest of the general welfare and of the common defense and security, the United States may make funds available for a portion of the damages suffered by the public from nuclear incidents, and may limit the liability of those persons liable for such losses.

Atomic Energy Act of 1954, Chapter 14

Sec. 170. Indemnification and Limitation of Liability.—

a. Each license issued under section 103 or 104 and each construction permit issued under section 185 shall, and each license issued under section 53, 63, or 81 may, have as a condition of the license a requirement that the license have and maintain financial protection of such type and in such amounts as the Commission shall require in accordance with subsection 170 b. to cover public liability claims. Whenever such financial protection is required, it shall be a further condition of the license that the licensee execute and maintain an indemnification agreement in accordance with subsection 170 c. The Commission may require as a further condition of issuing a license, that an applicant waive any immunity from public liability conferred by Federal or State law.

b. The amount of financial protection required shall be the amount of liability insurance available from private sources, except that the Commission may establish a lesser amount on the basis of criteria set forth in writing, which it may revise from time to time, taking into consideration such factors as the following: (1) the cost and terms of private insurance, (2) the type, size, and location of the licensed activity and other factors pertaining to the hazard, and (3) the nature and purpose of the licensed activity: *Provided*, That for facilities designed for producing substantial amounts of electricity and having a rated capacity of 100,000 electrical kilowatts or more, the amount of financial protection required shall be the maximum amount available from private sources. Such financial protection may include private insurance, private contractual indemnities, self-insurance, other proof of financial responsibility, or a combination of such measures.

c. The Commission shall, with respect to licenses issued between August 30, 1954, and August 1, 1977, for which it requires financial protection, agree to indemnify and hold harmless the licensee and other persons indemnified, as their interest may appear, from public liability arising from nuclear incidents which is in excess of the level of financial protection required of the licensee. The aggregate indemnity for all persons indemnified in connection with each nuclear incident shall not exceed $500,000,000 including the reasonable costs of investigating and settling claims and defending suits for damage: *Provided, however*, That this amount of indemnity shall be reduced by the amount that the financial protection required shall exceed $60,000,000. Such a contract of indemnification shall cover public liability arising out of or in connection with the licensed activity. With respect to any production or utilization facility for which a construction permit is issued between August 30, 1954, and August 1, 1977, the requirements of this subsection shall apply to any license issued for such facility subsequent to August 1, 1977.

d. In addition to any other authority the Commission may have, the Commission is authorized until August 1, 1977, to enter into agreements of indemnification with its contractors for the construction or operation of production or utilization facilities or other activities under contracts for the benefit of the United States involving activities under the risk of public liability for a substantial nuclear incident. In such agreements of indemnification the Commission may require its contractor to provide and maintain financial protection of such a type and in such amounts as the Commission shall determine to be appropriate to cover public liability arising out of or in connection with the contractual activity, and shall indemnify the persons indemnified against such claims above the amount of the financial protection required, in the amount of $500,000,000, including the reasonable costs of investigating and settling claims and defending suits for damage in the aggregate for all persons indemnified in connection with such contract and for each nuclear incident: *Provided*, That this amount of indemnity shall be reduced by the amount that the financial protection required shall exceed $60,000,000: *Provided further*, That in the case of nuclear incidents occurring outside the United States, the amount of the indemnity provided by the Commission shall not exceed $100,000,000. The provisions of this subsection may be applicable to lump sum as well as cost type contracts and to contracts and projects financed in whole or in part by the Commission. A contractor with whom an agreement of indemnification has been executed and who is engaged in activities connected with the underground detonation of a nuclear explosive device shall be liable, to the extent so indemnified under this section, for injuries or damage sustained as a result of such detonation in the same manner and to the same extent as would a private person acting as principal, and no immunity or defense founded in the Federal, State, or municipal character of the contractor or of the work to be performed under the contract shall be effective to bar such liability.

e. The aggregate liability for a single nuclear incident of persons indemnified, including the reasonable costs of investigating and settling claims and defending suits for damage, shall not exceed the sum of $500,000,000 together with the amount of financial protection required of the licensee or contractor: *Provided, however*, That such aggregate liability shall in no event exceed the sum of $560,000,000: *Provided further*, That with respect to any nuclear incident occurring outside of the United States to which an agreement of indemnification entered into under the provisions of subsection 170 d. is applicable, such aggregate liability shall not exceed the amount of $100,000,000 together with the amount of financial protection required of the contractor.

f. The Commission is authorized to collect a fee from all persons with whom an indemnification agreement is executed under this section. This fee shall be $30 per year per thousand kilowatts of thermal energy capacity for facilities licensed under section 103. For facilities licensed under section 104, and for construction permits under section 185, the Commission is authorized to reduce the fee set forth above. The Commission shall establish criteria in writing for determination of the fee for facilities licensed under section 104, taking into consideration such factors as (1) the type, size, and location of facility involved, and other factors pertaining to the hazard, and (2) the nature and purpose of the facility. For other licenses, the Commission shall collect such nominal fees as it deems appropriate. No fee under this subsection shall be less than $100 per year.

g. In administering the provisions of this section, the Commission shall use, to the maximum extent practicable, the facilities and services of private insurance organizations, and the compensation for such services. Any contract made under the provisions of this subsection may be made without regard to the provisions of section 3709 of the Revised Statutes, as amended, upon a showing by the Commission that advertising is not reasonably practicable and advance payments may be made.

h. The agreement of indemnification may contain such terms as the commission deems appropriate to carry out the purposes of this section. Such agreement shall provide that, when the Commission makes a determination that the United States will probably be required to make indemnity payments under this section, the Commission shall collaborate with any person indemnified and may approve the payment of any claim under the agreement of indemnification, appear through the Attorney General on behalf of the person indemnified, take charge of such action, and settle or defend any such action. The Commission shall have final authority on behalf of the United States to settle or approve the settlement of any such claim on a fair and reasonable basis with due regard for the purposes of this Act. Such settlement may include reasonable expenses in connection with the claim incurred by the person indemnified.

i. After any nuclear incident which will probably require payments by the United States under this section, the Commission shall make a survey of the causes and extent of damage which shall forthwith be reported to the Joint Committee, and, except as forbidden by the provisions on chapter 12 of this Act or any other law or Executive order, all final findings shall be made available to the public, to the parties involved and to the courts. The Commission shall report to the Joint Committee by April 1, 1958, and every year thereafter on the operations under this section.

j. In administering the provisions of this section, the Commission may make contracts in advance of appropriations and incur obligations without regard to section 3679 of the Revised Statutes, as amended.

k. With respect to any license issued pursuant to section 53, 63, 81, 104a, or 104c. for the conduct of educational activities to a person found by the Commission to be a nonprofit educational institution, the Commission shall exempt such licenses from the financial protection requirement of subsection 170a. With respect to licenses issued between August 30, 1954, and August 1, 1977, for which the Commission grants such exemption.

(1) the Commission shall agree to indemnify and hold harmless the licensee and other persons indemnified, as their interests may appear, from public liability in excess of $250,000, arising from nuclear incidents. The aggregate indemnity for all persons indemnified in connection with each nuclear incident shall not exceed $500,000,000, including the reasonable cost of investigating and settling claims and defending suits for damage;

(2) such contracts of indemnification shall cover public liability arising out of or in connection with the licensed activity; and shall include damage to property of persons indemnified, except property which is located at the site of and used in connection with the activity where the nuclear incident occurs; and

(3) such contracts of indemnification, when entered into with a licensee having immunity from public liability because it is a State agency, shall provide also that the Commission shall make payments under the contract on account of activities of the licensee in the same manner and to the same extent as the Commission would be required to do if the licensee were not such a State agency.

Any licensee may waive an exemption to which it is entitled under this subsection. With respect to any production or utilization facility for which a construction permit is issued between August 30, 1954, and August 1, 1977, the requirements of this subsection shall apply to any license issued for such facility subsequent to August 1, 1977.

l. The Commission is authorized until August 1, 1977, to enter into an agreement of indemnification with any person engaged in the design, development, construction, operation, repair, and maintenance or use of the nuclear-powered ship authorized by section 716 of the Merchant Marine Act, 1936, and designated the nuclear ship Savannah. In any such agreement of indemnification the Commission may require such person to provide and maintain financial protection of such a type and in such amounts as the Commission shall determine to be appropriate to cover public liability arising from a nuclear incident in connection with such design, development, construction, operation, repair, maintenance or use and shall indemnify the person indemnified against such claims above the amount of the financial protection required, in the amount of $500,000,000 including the reasonable costs of investigating and settling claims and defending suits for damage in the aggregate for all persons indemnified in connection with each nuclear incident: *Provided*, That this amount of indemnity shall be reduced by the amount that the financial protection required shall exceed $60,000,000.

m. The Commission is authorized to enter into agreements with other indemnitors to establish coordinated procedures for the prompt handling, investigation, and settlement of claims for public liability. The Commission and other indemnitors may make payments to, or for the aid of, claimants for the purpose of providing immediate assistance following a nuclear incident. Any funds appropriated to the Commission shall be available for such payments. Such payments may be made without securing releases, shall not constitute an admission of the liability of any person indemnified or of any indemnitor, and shall operate as a satisfaction to the extent thereof of any final settlement or judgment.

n. (1) With respect to any extraordinary nuclear occurrence to which an insurance policy or contract furnished as proof of financial protection or an indemnity agreement applies and which—

(a) arises out of or results from or occurs in the course of the construction, possession, or operation of a production or utilization facility, or

(b) arises out of or results from or occurs in the course of transportation of source material, byproduct material, or special nuclear material to or from a production or utilization facility, or

(c) during the course of the contract activity arises out of or results from the possession, operation, or use by a Commission contractor or subcontractor of a device utilizing special nuclear material or byproduct material,

the Commission may incorporate provisions in indemnity agreements with licensees and contractors under this section, and may require provisions to be incorporated in insurance policies or contracts furnished as proof of financial protection, which waive (i) any issue or defense as to conduct of the claimant or fault of persons indemnified, (ii) any issue or defense as to charitable or governmental immunity, and (iii) any issue or defense based on any statute of limitations if suit is instituted within three years from the date on which the claimant first knew, or reasonably could have known, of his injury or damage and the cause thereof, but in no event more than ten years after the date of the nuclear incident. The waiver of any such issue or defense shall be effective regardless of whether such issue or defense may otherwise be deemed jurisdictional or relating to an element in the cause of action. When so incorporated, such waivers shall be judicially enforcible in accordance with their terms by the claimant against the person indemnified. Such waivers shall not preclude a defense based upon a failure to take reasonable steps to mitigate damages, nor shall such waivers apply to injury or damage to a claimant or to a claimant's property which is intentionally sustained by the claimant or which results from a nuclear incident intentionally and wrongfully caused by the claimant. The waivers authorized in this subsection shall, as to indemnitors, be effective only with respect to those obligations set forth in the insurance policies or the contracts furnished as proof of financial protection and in the indemnity agreements. Such waivers shall not apply to, or prejudice the prosecution or defense of, any claim or portion of claim which is not within the protection afforded under (i) the terms of insurance policies or contracts furnished as proof of financial protection, or indemnity agreements, and (ii) the limit of liability provisions of subsection 170e.

(2) With respect to any public liability action arising out of or resulting from an extraordinary nuclear occurrence, the United States district court in the district where the extraordinary nuclear occurrence takes place, or in the case of an extraordinary nuclear occurrence taking place outside the United States, the United States District Court for the District of Columbia, shall have original jurisdiction without regard to the citizenship of any party or the amount in controversy. Upon motion of the defendant or of the Commission, any such action pending in any State court or United States district court shall be removed or transferred to the United States district court having venue under this subsection. Process of such district court shall be effective throughout the United States.

o. Whenever the United States district court in the district where a nuclear incident occurs, or the United States District Court for the District of Columbia in case of a nuclear incident occurring outside the United States, determines upon the petition of any indemnitor or other interested person that public liability from a single nuclear incident may exceed the limit of liability under subsection 170e.:

(1) Total payments made by or for all indemnitors as a result of such nuclear incident shall not exceed 15 per centum of such limit of liability without the prior approval of such court;

(2) The court shall not authorize payments in excess of 15 per centum of such limit of liability unless the court determines that such payments are or will be in accordance with a plan of distribution which has been approved by the court or such payments are not likely to prejudice the sub-

sequent adoption and implementation by the court of a plan of distribution pursuant to subparagraph (3) of this subsection (o); and

(3) The Commission shall, and any other indemnitor or other interested person may, submit to such district court a plan for the disposition of pending claims and for the distribution of remaining funds available. Such a plan shall include an allocation of appropriate amounts for personal injury claims, property damage claims, and possible latent injury claims which may not be discovered until a later time. Such court shall have all power necessary to approve, disapprove, or modify plans proposed, or to adopt another plan; and to determine the proportionate share of funds available for each claimant. The Commission, any other indemnitor, and any person indemnified shall be entitled to such orders as may be appropriate to implement and enforce the provisions of this section, including orders limiting the liability of the persons indemnified, orders approving or modifying the plan, orders staying the payment of claims and the execution of court judgments, orders apportioning the payments to be made to claimants, and orders permitting partial payments to be made before final determination of the total claims. The orders of such court shall be effective throughout the United States.

By Mr. TUNNEY (for himself, Mr. MAGNUSON, and Mr. COTTON) (by request):

S. 3255. A bill to provide for the labeling of major appliances and motor vehicles to promote and effect energy conservation, and for other purposes. Referred to the Committee on Commerce.

Mr. TUNNEY. Mr. President, I am introducing by request on behalf of myself and Senators MAGNUSON and COTTON, the National Appliance and Motor Vehicle Energy Labeling Act of 1974. This bill, which would require that products be labeled with regard to their energy consumption characteristics, is part of the "new" energy initiative which President Nixon described in his State of the Union message.

I welcome this initiative, even though the Senate passed S. 2176 last December 10 with provisions that parallel those contained in the administration's proposal. When I introduced my appliance labeling bill almost exactly 1 year ago, and held hearings on it last summer, the administration opposed the bill as being unnecessary. The Senate, however, had the foresight to see the importance of this legislation, and overwhelmingly passed S. 2176 as a comprehensive energy conservation measure which contained mandatory labeling requirements for appliances and automobiles. I welcome the administration's belated recognition of the importance of this legislation. While I have some concern over several of the specifics of the administration's proposal, I believe their bill deserves consideration, and it is in that spirit that I am introducing it today.

In my opinion, the most important aspect of any labeling provisions is its ability to inform American consumers of the financial advantages of purchasing products which are energy efficient. When my appliance labeling bill was first introduced last spring, it focused on disclosure of the energy efficiency of the product. However, during an approximately 6-month period last year of continuous evolution of the concept, it became clear that the most effective way to provide this information is in the form of estimated annual operating costs. Thus, by providing prospective purchasers with information which is in terms of dollars and cents, purchasers can directly evaluate the tradeoffs between initial purchase price and annual operating costs. The legislation passed by the Senate last fall provides a systematic means for developing such cost data and providing it to consumers at the time of purchase in a manner which imposes no burden on manufacturers or retailers. This involves a carefully thought-out procedure, one which evolved after input was received from many manufacturers, retailers, consumer groups, and engineering experts.

One of my major concerns with the way the administration bill is drafted is that they are placing the emphasis on the development of technical data which, while perhaps of use to an air-conditioning technician, is of no practical value to consumers. My concern is reinforced by the administration's proposed label for air-conditioners which they developed under their voluntary appliance labeling program. In my opinion, such a label is useless, and could turn out to be counterproductive by giving consumers the impression that considerations of efficiency are too complicated for them to bother with.

However, since the mere introduction of this legislation is indicative of the fact that the administration is accommodating itself to the way of thinking exhibited by the Senate on this issue, there is good reason to hope that, as the administration gives more serious thought to this legislation, they will realize that it is best to have the information presented to consumers in terms of estimated operating costs. Finally, while I would have preferred that the administration demonstrate its change of course by endorsing the legislation which has already passed the Senate, I feel the bill, very definitely, is a major step in the right direction.

By Mr. GRAVEL:

S. 3256. A bill to provide allowances and reduced governmental rental rates and charges for certain Alaskan employees of executive departments and independent establishments and to exempt such allowances and reductions from taxation under the Internal Revenue Code of 1954. Referred to the Committee on Finance.

FEDERAL EMPLOYEES HOUSING

Mr. GRAVEL. Mr. President, I am introducing legislation today which speaks to a problem that apparently is unique to Alaska. This inequitable situation stems directly from a lack of appreciation by the Federal Government for exigencies of remote living in my State. Many Federal Government employees in my State understandably are required to work and live at extremely remote areas. Such duty is accompanied by considerable hardship, inconvenience and isolation, besides the obvious adversities of climate. Though one would be hard pressed to find comparable conditions in the Continental United States, anyone who has been to Alaska will agree that such difficulties are part of the job.

However, one present hardship which need not be part of the package is a financial one. Employees living in Government housing at these sites recently have had to bear exorbitant increases in their rental rates. I believe this financial burden is unintentional, and arises only out of the insensitivity of Federal law to the situation in remote Alaska. The legislation I am offering will alleviate this problem by providing compensation for these Government workers, and simultaneously remove the current anomalous financial penalty on Government workers living in Government housing in these parts of Alaska.

A brief explanation of the present system of setting the rental rates for Government housing in Alaska will clarify the Alaskan nature of this problem. Present law dictates that the Federal Government will charge its employees "reasonable" rates for residing in the housing units it provides. Reasonableness is determined by several factors, the most critical of these being the rental rates charged for "comparable" private housing in the nearest established community. I am not quarreling with this system, and I do not doubt that it works admirably in the Continental United States.

But as an Alaskan, I am compelled to argue that the criterion of "comparability" is meaningless as it is presently applied to remote worksites in Alaska. For the purpose of settling rental rates, there are only two established communities in my State—Anchorage and Fairbanks. In these cities rental rates are very high, the result of our high cost of living and an increased demand for housing. Last year the Federal Government decided to adjust the rental rates for all Government housing in Alaska in an effort to fulfill its obligations under the law. This of course meant that rental charges for Government housing would be based upon what is charged for similar dwellings in Anchorage or Fairbanks.

This was disastrous for those renting Government housing at remote parts of my State. Rental rates jumped between 30 percent and 134 percent at various remote sites. There were increases of up to 120 percent at Adak, Alaska, a tiny island in the Aleutians over 1,000 miles from Anchorage. When I consider figures such as these I am mystified that the Government decreed such outrageous rental rate increases when nothing remotely similar would be allowed for private housing under the terms of the Economic Stabilization Act. At any rate, the effect of this has been to increase the cost of living of many Alaskans by as much as 18 percent without a compensating wage acceleration.

I was troubled when I first received complaints from Alaskans working at these sites and suggested to the Office of Management and Budget that such exorbitant leaps must be caused by an aberration in the bureaucratic process.

OMB replied that they were not. I then contacted the Federal agencies with Government housing in Alaska and asked for their opinions on this matter. Almost universally the responses attested to the rigorous application of the current but inappropriate procedures for setting rental rates at these places.

Why then did the new rental rates for this Government housing loom as such an insufferable burden? Why did the complaints I received contain charges of civilian discrimination, bureaucratic ineptitude, and threats to leave public service? I believe the answer lies with the elusive concept of "comparability." With the present application in Alaska, this concept is directly at odds with what is a "reasonable" rental rate for remote Alaska; it accomplishes the exact opposite of what it intends.

In fact, Mr. Elmer E. Gangon, a past director of the Alaska Insuring Office of the Department of Housing and Urban Development, who has 35 years experience in property management, has stated in a letter to the chairman of the Interagency Housing Rental Rate Committee for Alaska that this system "is costing our Government many thousands of dollars because of the inequities that exist as they concern the housing in which—Government workers—are forced to live." Mr. Gangon says the conditions in Alaska are "absolutely different" and require a method more suitable to the State.

There are reductions in the rent for the lack of amenities at these sites, but after rental rate increases in the neighborhood of 57 percent for 12 units at Kotzebue, 69 percent for 8 units at Gakona, or a remarkable 134 percent for 10 units at Murphy Dome, these amenity reductions are not very helpful. Still, the myth persists that these reductions assure proper rates, and there are reductions in the rent for such items as lack of medical help, grocery stores, even street lights, and so on. But could these reductions ever be pertinent to a site like the Alcan Border Station where there are no stores, no school, the nearest doctor is 93 miles away and the nearest hospital, dentist, and optometrist is 300 miles. At Adak practically everything must be flown in by airplane. The air freight charges for the Aleutian Islands are very expensive because of the attendant risks involved. The result is that Government employees at Adak are forced to assume especially frgual lifestyles. Thus when the rents were increased to levels comparable to a metropolis 1,200 miles away, indigent complaints began to pour into my office. Even the travel deduction, which is the most significant, is limited to $110 and 110 miles. Such mileage and monetary limits bear little relation to the situation in Alaska where the distances to be traveled can be very great and the means of transportation often erratic.

After repeated attempts to change the procedures failed, I began to search for an allowance large enough to ease the financial pain caused by the rental rate rack. For instance, there is a substantial transportation allowance of (5 United States Code 5942) paid to Federal employees who incur significant hardship and expense in commuting to and from their worksite. It was irritating, therefore, to learn that this allowance does not apply to remote Alaska for the deceptively simple reason that the employee usually maintains his residence at his worksite. After this disappointment, it was apparent to me that the only way Alaska will receive rational treatment is for an Alaskan legislator to propose a completely new system. This is what I am doing today.

The Federal Government is admittedly constrained by present law from setting fair rental rates at these sites. Indeed, it cannot even provide an appropriate travel allowance for these public servants. My bill will rectify this by establishing a simple and efficient system for reducing rental rates for Government housing at these sites, or granting a cash payment to employees living in private housing. In a sense this legislation incorporates a travel allowance scheme by reducing rates according to the accessibility of the worksite. This will cost the Federal Government relatively little, as there are not that many employees involved; it may even prove cheaper in the long run by reducing the number of transfer requests.

Most importantly, this bill takes into account the distinct situation in Alaska, something that is not presently the case. By passing this bill the Congress will declare that these Federal workers are entitled to an allowance for the expense, hardship, or inconvenience they incur while living at these remote worksites. The easiest way to grant this allowance is to reduce the unfair rental rates of those living in Government housing, or pay the equivalent in cash to those in private housing. Using a familiar Alaskan run of thumb, if these worksites are serviced by regularly scheduled common carrier service, or are accessible by highway, the rental rates, and other charges for the use of the facilities will be reduced by one-half. If there is no regularly scheduled transportation, or highway, these charges will be cut by two-thirds. This bill provides for a new section to subchapter IV of chapter 59 of title 5 of the United States Code, and would be implemented by the President.

I am sure my colleagues in the Congress will agree that the Government worker serving his country in these wilderness areas should not be penalized for that service. My bill simply resolves nagging difficulties for which there is no clear solution under present law or procedure. The Government will remain powerless to assist these Federal employees until the Congress moves to implement the reforms embodied in this bill. By reducing the present excessive rates, and granting this allowance, the Congress can deservedly compensate these devoted public servants.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3256

A bill to provide allowanced and reduced Governmental rental rates and charges for certain Alaskan employees of Executive departments and independent establishments and to exempt such allowances and reductions from taxation under the Internal Revenue Code of 1954.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subchapter IV of chapter 59 of title 5, United States Code, is amended by adding at the end thereof the following:

"5948. Additional allowance and reduced rental rates and charges based on duty at remote worksites

"(a) An employee of an Executive department or an independent establishment who is assigned to duty at a site in Alaska so remote from the nearest established community as to require an appreciable degree of expense, hardship, or inconvenience, is entitled to an allowance for such expense, hardship, or inconvenience.

"(b) Any such employee living in quarters owned or leased by the Government of the United States at a remote worksite where there is regularly scheduled common carrier service, or which is accessible by highway, shall not pay more than one-half the rental rate for such quarters and if facilities are provided, one-half the charges for such facilities (as determined under section 5911 of this title). And such employee living in such quarters and using such facilities at such a site where there is no regularly scheduled common carrier service or highway to such site shall not pay more than one-third of that rental rate and charge. In any case in which quarters and facilities owned or leased by the Government of the United States are not available to any such employee, he shall be paid an allowance in an amount equal to the reduction in the rental rate and charge he would have been entitled to receive, if he were living in quarters and using facilities owned or leased by the Government of the United States at such site.

"(c) Allowances shall be paid and rental rates and charges reduced under regulations prescribed by the President defining and designating those sites, areas, and groups of positions to which such allowances and reductions apply. Section 5536 of this title shall not apply to any allowance paid or rental rate and charge reduced under this section."

(b) The analysis of such chapter 59 is amended by adding at the end thereof the following new item:

"5948. Additional allowance and reduced rental rates and charges based on duty at remote worksites."

SEC. 2. Any allowance paid or reduction in rental rate and charge made under section 5948 of title 5, United States Code (as added by the first section of this Act), shall be considered a cost-of-living allowance within the exemption of section 912 (2) of the Internal Revenue Code of 1954.

By Mr. BENNETT (by request):

S. 3257. A bill to extend and improve the Nation's unemployment compensation programs, and for other purposes. Referred to the Committee on Finance.

Mr. BENNETT. Mr. President, I am introducing this afternoon, on behalf of the administration, the Special Unemployment Compensation Act of 1974.

This legislation, with its emphasis on providing a comprehensive approach to those persons displaced by the energy crisis, would be a far more effective means of meeting the needs of these workers than the special legislation Congress has considered.

In May 1973, the administration gave Congress draft legislation resulting from the President's April 12, 1973, message on unemployment insurance. This proposal I submit today is the 1973 legislation with an additional title providing a temporary program of supplementary unemployment compensation protection for workers adversely affected by economic conditions over the near term. The title II of the new bill is offered in lieu of the other proposals to deal with near term unemployment resulting from the energy crisis which have been offered.

Title II of the bill would augment existing unemployment compensation programs by providing up to 13 weeks of federally financed benefits to those who worked in areas experiencing high unemployment and who exhausted benefits under the unemployment compensation laws, including the Federal-State extended benefits program. These workers would receive additional benefits because it is likely that they would encounter problems in locating other suitable employment. In addition, this title would also provide up to 26 weeks of benefits to workers in such areas who were ineligible for normal benefits because they worked in industries not now covered by unemployment compensation laws.

The proposal is based on a "trigger" concept. The program could be "triggered" on if insured unemployment in an area is at a high level, 4.5 percent, or is at a somewhat lower level, 4.0 percent, but has risen significantly—20 percent or more—over the comparable period during the year October 1972 through September 1973.

Key details of the program would be governed by the provisions of the applicable State unemployment compensation laws.

Once the special program triggered on it would continue for a minimum period of 13 weeks and persons who qualified for special benefits in that period would continue to be eligible for benefits for up to 26 weeks after the end of the period or until they exhausted their special benefits.

In addition, the bill offers increased benefit standards in title I. You will recall that, in 1969, President Nixon urged all States to set their maximum benefit standards at levels that would result in most workers receiving benefits equal to half pay. Labor Department research indicated that a maximum equal to two-thirds of the average State wage would achieve this result. The States have made limited progress in this objective up till now, with only about five—my own State of Utah among them—bringing benefit levels up to the requested level. The administration has concluded that State progress has been so limited that benefit standards in all States will probably only be raised by Federal legislation making it a requirement on the States. The Department of Labor has estimated that in fiscal year 1973, 38.7 percent of the workers on unemployment insurance nationwide were cut off from receiving their half pay because of the maximum levels set in most States.

Benefits which are high enough to maintain the economy in a particular area are an important part of the UI strategy. Yet with widespread unemployment among scientists, engineers, airline crews, auto workers, and many other relatively high-wage workers, the Nation is seeing a new type of unemployed person. The Nation is now seeing well-paid, large, vocal groups who are personally experiencing what it is like to have an unemployment benefit reduced below—in some cases, substantially below—half pay. These people are crucial to their community and State economies and large groups of them out of work may have a substantial effect on their community and State economies.

These provisions together with other improvements in the bill mean this bill offers a more comprehensive way to deal with the new types of unemployment we are facing today. I am hopeful that the Senate will give it careful consideration. I believe this is a much sounder approach to the problem of today's unemployment than a series of special programs enacted separately to meet the needs of particular groups as they arise.

By Mr. HUMPHREY:

S.J. Res. 198. A joint resolution to create a Joint Committee on Energy. Referred to the Committee on Government Operations.

CONGRESS MUST LEAD IN ESTABLISHING A NATIONAL POLICY ON ENERGY

Mr. HUMPHREY. Mr. President, few would dispute the statement that the current energy shortage caught this country pitifully unprepared to deal with it, either in the governmental or the private sector.

It is true that some emergency measures have been taken in both sectors, and the grace of God coupled with a little luck has gotten the Nation through a winter without a major catastrophe. But there have been a great many inconveniences, a great many persons have lost their jobs, and the country totters on the edge of economic imbalance because of the shortage of energy.

There is no question but that this Nation is going to have to deal with the problem of energy for the foreseeable future. A coherent governmental policy must be developed and implemented where there has been none. The people of this great country are going to have to make sacrifices and change their lifestyles if economic crisis is to be avoided.

Mr. President, I have faith in the people of this country. Given adequate and accurate information, they have been able and willing to rise to any occasion in the past in order to pull this country out of a difficult situation, whether it be in peacetime or in war.

But before we in the Government can ask the people to respond to a crisis, we must provide leadership and direction. It is up to the Congress and the administration to formulate responsible energy policy.

That leads me to my next point:

The effort of Congress to formulate a coherent and responsible policy to deal with our energy problems is seriously limited by the lack of a central reference point to assist the work of committees.

Information I obtained from the Congressional Research Service shows that of the 46 House, Senate, and joint committees, 32 held hearings on energy last year. I suggest that this is an unwieldy and intolerable situation.

There is a more efficient way for the Congress to be informed of the many aspects of the energy problem.

That is just one of the many reasons why today I am introducing a joint resolution to create a Joint Committee on Energy. This Joint Committee would not be a legislative committee, but would be a policy body where the broad questions of the energy problem could be heard and discussed and where recommendations on the issues could be forthcoming.

By establishing such a joint committee, the Congress would provide the public and the many arms of government with a focal point for the consideration and study of the multifaceted problems related to the energy shortage. One basic mission of the Joint Committee would be to serve as a central reference of analysis and recommendation in assisting the several committees of the Congress that have legislative jurisdiction over energy matters.

My resolution would call for the assembly of a professional committee staff that would provide expert recommendations on the complex questions raised by a shortage of energy. This staff would have an in-depth knowledge of the various so-called energy industries such as oil, gas, and coal. It would have the capability to investigate and analyze problems in employment policy, foreign policy, and tax structure associated with a scarcity of energy supplies. It would be a nonpartisan staff, similar to that of the Joint Economic Committee of Congress.

In carrying out its duties, the Joint Committee on Energy would investigate and study the development, use, and control of all forms of energy other than energy which is released in the course of nuclear fission or transformation.

My bill also would allow the Joint Committee on Energy to establish security measures on information furnished to the committee from sources in the private sector, and information originating within the committee, in accordance with standards used generally by the executive branch in classifying restricted data or defense information. This provision would protect the national security and would assure the confidentiality of proprietary information.

The President, under provisions of this legislation, would be required to submit an annual energy report to the Congress. This requirement would insure that the executive branch would give its considered attention to assembling into one report the many and diverse elements of the energy problems at least once a year. And it would be a strong incentive to the administration to establish a comprehensive and tightly coordinated national policy on the development, use, and control of energy.

I envision a joint committee on energy as a body that could inquire into the worldwide aspects of the energy situation, as well as our domestic needs. The committee could be a body equipped with the ability to look ahead into energy policy questions likely to be pressing this country 10 or 20 years from now. As one concrete example of such a question, I noted a recent newspaper article which said the People's Republic of China is about to become a major exporter of crude oil. The implications of China's capability to export oil in major quantities are enormous. Has the U.S. Government examined this development, to anticipate how this Nation might adjust its long-range energy policy?

This is just one of the numerous policy questions that a joint committee could examine.

Energy research and development programs are another area in which such a committee could be valuable. For instance, we do not know much about the long-term implications of offshore drilling. This is going to become increasingly important to the goal of our country becoming self-sufficient in energy. Moreover, I am concerned that our programs may focus too closely on the more conventional methods of energy production and pay too little attention to potential new sources such as solar energy.

Mr. President, this country must develop alternate energy sources for the long term. Coal liquefaction and gasification may be one such source of energy, and I know that there are programs underway to make this a more practical and cheaper process. We must make certain that the fuels produced by these methods are as harmless to the environment as possible.

The problems created by lack of energy enter into nearly every area of our society. Those forced out of work by lack of a certain source of energy know this. But too often these problems are treated as merely "unemployment" problems, and not "energy-related unemployment problems." This legislation would allow the wide spectrum of energy related problems to be considered in the development of an overall energy policy.

Mr. President, the joint resolution I I am introducing today is a logical further step in the legislative program I have presented to develop concrete programs and broad-based national policies on the use, conservation, and development of energy resources in America.

Early last year I introduced original legislation to establish a mandatory system for the fair allocation of petroleum products across the Nation. During the course of Senate action on major energy legislation in the last session, I submitted amendments to strengthen requirements for the Federal Government to meet fuel shortage problems, to investigate alleged monopolistic practices in the oil industry, to make inventories and inspect various fuel reserves in the public domain, to require the Defense Department to conserve its petroleum resources, to accelerate research and development of a wide range of potential energy resources, and to encourage various energy conservation practices by our citizens.

In the current session of Congress I have introduced the Energy Emergency Employment Act, providing for a major program of assistance and new jobs in both the public and private sectors for those out of work due to energy shortages. And I have recently submitted the Solar Energy Research Act, a revision of my earlier bill, to authorize a 5-year, $600 million Federal research and development effort to harness the tremendous energy potential of the Sun for the service of man. In addition, in the 93d Congress alone, I have joined in sponsoring over 30 bills relating to the energy situation.

Moreover, as chairman of the Consumer Economics Subcommittee of the Joint Economic Committee, I have conducted hearings this month on the gasoline situation and on gas and utility rates, and I have joined with two other subcommittee chairmen in issuing a major report reappraising U.S. energy policy and making specific recommendations on necessary reforms.

However, the difficulties encountered by Congress in enacting into law a comprehensive national program for the use, conservation, and development of energy, including a Presidential veto of major legislation, have led me to the conclusion that basic new directions are required in the Congress itself to accelerate action in achieving the goal of energy self-sufficiency for the United States.

The central requirement to which my joint resolution is addressed directly is that Congress must now have an effective mechanism in order to assume the leadership in developing national policies to solve the energy emergency of today and the energy demands of tomorrow.

Mr. President, I ask unanimous consent that a section-by-section analysis of the joint resolution to establish a Joint Committee on Energy be printed at this point in the Record.

There being no objection, the analysis was ordered to be printed in the Record, as follows:

Section-by-Section Analysis of S.J. Res. 198: To Create a Joint Committee on Energy

Section 1 states that the purpose of the resolution is to create a Joint Committee on Energy. (It is to be a permanent joint committee, but it is not empowered to report legislation nor is legislation to be referred to it.)

Section 2 sets forth the appointment of members and the organizational structure of the Joint Committee. Paragraph (a) stipulates a membership of twenty with ten Members appointed from the Senate by the President pro tempore and ten Members appointed from the House by the Speaker. Paragraph (a) also grants the leadership of both Houses full latitude in appointing members. Party ratios for each House are set at a maximum of six majority party members and a minimum of four minority party members. Paragraph 6 of Rule XXV of the standing Rules of the Senate limiting the number of Senators' committee assignments is waived (Paragraph (b)).

Paragraph (c) provides that vacancies in the membership shall not affect the functioning of the joint committee and that vacancies shall be filled in the same manner as in the case of the original appointment.

Paragraph (d) provides for the selection of a chairman and vice chairman for the joint committee at the beginning of each Congress. In even-numbered Congresses the chairman shall be selected by Senate Members of the Joint Committee from among their number and the vice chairman shall be selected by House Members of the Joint Committee from among their number. In odd-numbered Congresses, the reverse shall occur with the chairman selected by House Members and the vice chairman by Senate Members of the Joint Committee. The vice chairman is to assume the duties of the chairman in his absence.

Paragraph (e) authorize the joint committee to establish such subcommittees as it deems necessary.

Paragraph (f) provides that Members of the Joint Committee shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of their official duties outside the District of Columbia.

Section 3 requires the President to submit to the Congress a Report on Energy no later than February 15th of each year. The President's report is to be a detailed message on energy. In it, the current status of energy resources both domestic and imported is to be specified, including information about the current patterns of use, control, and allocation of energy resources. The effect of tax and tariff laws on the availability, use, and development of energy resources must be included. The current status of research and development efforts as well as future research and development plans must be outlined. Most importantly, the Nation's long term energy needs must be set forth along with plans for meeting them.

Section 4 specifies the authority and duties of the Joint Committee. It is the duty of the Joint Committee to study and investigate on a continuing basis the development, use, and control of all forms of energy other than nuclear energy, which is the responsibility of the Joint Committee on Atomic Energy. Although the Joint Committee is required to evaluate and issue a report on the President's annual Report on Energy, its investigative and study authority is not limited to the President's report. In addition to granting it general investigative and study power, Section 4 specifies for the Joint Committee certain studies and investigations it is to conduct. It is the duty of the Joint Committee (1) to study the coordination of national energy policy and (2) to examine current proposals for legislation relating to all forms of energy other than nuclear energy. The Joint Committee is specifically (3) charged with reviewing the policies and actions of executive agencies with respect to the development, use, and control of all forms of energy other than nuclear energy.

In order to carry out this oversight responsibility, the Department of the Interior is required to keep the Committee fully and completely informed about its activities relating to non-nuclear energy resources (see also, analysis of Section 7). Since a centralized energy agency has yet to be created by law, provision is made that any such administration created either as an independent agency or within an existing department shall be responsible for keeping the Committee informed about its activities.

Paragraph (b) further amplifies the Committee's duties in regard to the President's Annual Energy Report. The Joint Committee is required to evaluate the Energy Report and to submit to the Senate and the House by May 15th of each year a report of its finding and recommendations with respect to the Energy Report. The Joint Committee also may make any other reports to the Senate and the House it deems advisable.

Paragraph (c) authorizes the Joint Committee to submit to any committee of either the House or the Senate, which is considering a bill or resolution related to non-nuclear energy, a report on its findings and recommendations with respect to such bill or resolution. Although the Joint Committee does not have a legislative function, this clause allows the Committee to impart the benefit of its studies and investigations to the several committees of the House and the Senate which do have the power to report energy legislation.

Paragraph (d) requires the Joint Committee to provide, upon request and at its discretion, information and staff assistance to any committee of the Senate and the House which has jurisdiction over energy related matters.

Section 5 enumerates the powers of the Joint Committee. It is empowered to sit and act at any place or time it deems advisable. It is granted the power to subpena both witnesses and materials, to administer oaths, to take testimony, to procure printing and binding, and to make expenditures as it deems advisable.

Paragraph (b) authorizes the Joint Committee to establish its own rules of organization and procedure. However, paragraph (b) stipulates that recommendations can be reported by the Committee only by majority vote. It further stipulates that subpenas can be issued only upon approval of a majority of the committee. Subpenas may be issued over the signature of the chairman of the Joint Committee or any person designated by him or the Joint Committee. They may be served by any person designated by the chairman or by another Member of the Committee. Oaths may be administered by any Member of the Joint Committee.

Paragraph (c) authorizes the Joint Committee or any of its subcommittees to permit radio and television coverage of open hearings unless a majority of Members disapprove or a witness objects. Witnesses must be advised in advance that proceedings are to be broadcast in order to permit them to register their objections prior to their appearance.

Section 6 specifies the conditions under which the Joint Committee may hire staff and acquire outside assistance. The Joint Committee is empowered to appoint on a nonartisan basis such staff as it deems advisable, to prescribe their duties, and to fix their pay within the limits of the General Schedule of section 5332(a) of Title 5, United States Code (ratings GS1–GS18), and to terminate their employment as appropriate.

Paragraph (b) allows the Joint Committee to reimburse staff members for travel and expenses incurred in the performance of their duty outside the District of Columbia.

Paragraph (c) allows the Joint Committee to obtain assistance from outside sources, thereby supplementing its own staff resources. It is empowered to utilize the services, information, facilities, and personnel of executive agencies. The Joint Committee may also procure the temporary or intermittent services of individual consultants or consulting organizations. Such services can be obtained from individuals or organizations by fixed-fee contract, or, in the case of individuals, by employment on a per diem basis not to exceed the highest rate of basic pay set forth in the General Schedule of section 5332(a) of Title 5, United States Code (ratings GS1–GS18). Contracts let by the Joint Committee shall not be subject to the provisions of law requiring advertising. Consultants or consulting organizations shall be selected by a majority vote of the Joint Committee. Information on the qualifications of each consultant and consulting organization whose services are procured must be retained by the Joint Committee and made available for public inspection upon request.

Section 7 grants the Joint Committee additional power to secure information. The Joint Committee or its staff director, with the approval of the chairman or vice chairman, may request from any executive agency, independent board, or instrumentality of the Federal Government any information for the purpose of carrying out its duties. Any executive agency, independent board, or instrumentality of the Federal Government is directed to furnish such information as is requested by the Joint Committee or its staff director. The Secretary of the Department of Interior is also directed to furnish to the Joint Committee an inventory on energy resources.

Section 8 permits the Joint Committee to classify information originating within or supplied to the Committee in accordance with standards used generally by the executive branch for classifying restricted data or defense information. This section protects national security information to which the Joint Committee may have access. This provision is included to allay apprehension in the executive branch about supplying sensitive data to the Joint Committee.

Section 9 provides that the Joint Committee maintain a complete record of all Committee actions and record votes. All Committee records, data, charts and files shall be the property of the Joint Committee and shall be kept in the offices of the Joint Committee or in some other place as directed. The Joint Committee is also responsible for providing adequate security measures for its files and records so that the confidentiality of proprietary information is assured and national security information is safeguarded.

Section 10 provides for the funding of the Joint Committee. The Joint Committee is to be funded out of the contingent fund of the Senate from funds appropriated for it annually in the Legislative Branch Appropriations Act. Expenses shall be paid upon the presentation of vouchers signed by the chairman or vice chairman of the Joint Committee.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 2854

At the request of Mr. CRANSTON, the Senator from Utah (Mr. BENNETT) was added as a cosponsor of S. 2854, a bill to amend the Public Health Service Act to expand the authority of the National Institutes of Arthritis, Metabolic and Digestive Diseases in order to advance a national attack on arthritis.

S. 2941

At the request of Mr. BAYH, the Senator from New Mexico (Mr. MONTOYA) was added as a cosponsor of S. 2941, a bill to amend title XVIII of the Social Security Act to provide for coverage under part B of medicare for routine Papanicolaou tests for diagnosis of uterine cancer.

S. 3097

At the request of Mr. TAFT, the Senator from Maine (Mr. HATHAWAY), the Senator from Wyoming (Mr. HANSEN), and the Senator from Minnesota (Mr. HUMPHREY) were added as cosponsors of S. 3097, to amend the Rail Passenger Service Act of 1970 in order to provide for a demonstration project providing certain rail transportation for highway recreational vehicles.

S. 3131

At the request of Mr. ROTH, the Senator from Oklahoma (Mr. BELLMON) was added as a cosponsor of S. 3131, to increase the maximum tax credit allowable for a contribution to candidates for public office, and to repeal the tax deduction allowable for such contributions.

S. 3154

At the request of Mr. RIBICOFF, the Senator from South Carolina (Mr. HOLLINGS), the Senator from Pennsylvania (Mr. SCHWEIKER), and the Senator from North Dakota (Mr. YOUNG) were added as cosponsors of S. 3154, the Comprehensive Medicare Reform Act of 1974.

SENATE JOINT RESOLUTION 196

At the request of Mr. NELSON, the Senator from Pennsylvania (Mr. SCHWEIKER) was added as a cosponsor of S.J. Res. 196, designating Earth Week 1974.

SENATE CONCURRENT RESOLUTION 77—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO FUNDING FOR TRAINING PROGRAMS IN THE FIELD OF AGING

(Referred to the Committee on Labor and Public Welfare.)

Mr. CHILES (for himself and Mr. EAGLETON) submitted the following concurrent resolution:

S. CON. RES. 77

Concurrent resolution to express the sense of Congress that for fiscal year 1975 the Administration on Aging fund long-term and short-term training programs under title IV of the Older Americans Act, and for other purposes

Whereas, the Older Americans Comprehensive Services Amendments of 1973 provide clearcut authority that long-term and short-term training should not only be continued but should also be substantially expanded;

Whereas, in recognizing the need for short-term and long-term training, the Congress provided for university-based training programs in section 404 of the Older Americans Comprehensive Services Amendments of 1973 to educate students seeking a career in gerontology;

Whereas, Congress—after the Administration requested no funding for title IV training for fiscal year 1974—appropriated $10 million for this purpose;

Whereas, members of the Senate Committee on Labor and Public Welfare and the House Committee on Education and Labor have repeatedly reaffirmed the Congressional intent that long-term training of specialists and experts in the field of gerontology be continued and expanded;

Whereas, short-term training for personnel in the field of aging can only be adequately maintained if properly equipped experts are available as teachers in the field of gerontology;

Whereas, without assurance that Federal funds for long-term training will be forthcoming, the existence of most training programs in gerontology now located in universities and colleges, will be seriously threatened, undermined, and even abolished;

Whereas, universities and colleges maintaining gerontology training programs must make budgetary commitments for the academic year beginning September 1974 no later than early April 1974: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress that (1) for fiscal year 1975 the Administration on Aging fund both long-term and short-term training programs under title IV of the Older Americans Act and (2) the Administration on Aging give clear directives immediately on how these funds may be utilized to respond to the need for training students at higher educational institutions and for the purpose of covering the costs of courses in gerontology.

Mr. CHILES. Mr. President, I introduce for appropriate reference a concurrent resolution expressing the sense of Congress that the administration on aging fund long- and short-term training programs in the field of aging.

America is a young Nation, but we are also an aging Nation.

At the turn of the century there were 3 million persons in the 65-plus age category, or about 4 percent of our total population.

Today older Americans number 21 million. And they now account for 10 percent of our entire population.

Within the next quarter of a century, their numbers will increase markedly. Even under conservative projections, the forecast is for about 29 million persons in the 65-plus age category by the year 2000.

In terms of sheer numbers, then, we as a Nation should be concerned about the prospect of growing old.

And we should also be concerned about closely related issues associated with this important social force in the United States. One clearcut example is the need for competently trained personnel to respond to the many service needs—such as health, homemaking, nutritional, outreach, informational, and others—for a rapidly expanding segment of our population.

But a dearth of trained personnel continues to be one of the most pressing problems for upgrading or providing services for older Americans today. Unless action is taken now to respond to this crisis, the situation will deteriorate further.

For these reasons, I—as a member of the Senate Commitee on Aging, as well as a Senator from the State with the highest proportion of the elderly persons in the United States—consider an effective training program to be one of the cornerstones of any soundly conceived strategy for coming to grips with the daily problems confronting the elderly.

Recognizing this very crucial need, the Congress included specific authority for training in the Older Americans Act of 1965. Over the years the very modest expenditures for training have proved to be a very sound investment from the standpoint of our Nation and the elderly.

Moreover, the Congress has repeatedly expressed its intent that gerontological training programs not only be continued but also expanded.

Today, however, many of these programs—especially at the university level—are faced with a very precarious future because the administration has again requested no appropriations at all for the title IV training program. Last year, the Congress rejected the administration's short-sighted budgetary recommendation and approved funding to allow the title IV training program to continue.

In large part, this decision was the result of two hearings that I conducted for the Senate Committee on Aging on "training needs in gerontology." Those hearings presented clear and convincing evidence of the value of the training program in providing vitally needed personnel to deliver essential social services for older Americans.

I was continually impressed and moved by the compelling testimony of several students who discussed their struggles to obtain an education in the field of aging. Quite frankly, many of them would have never been able to pursue such a career if the title IV program had not been funded. As one student informed the committee:

> All I can say is that I have benefitted greatly from the financial assistance I have received through the administration on Aging. I doubt that I would have ever been able to attend as a full-time student without it. I would like to see other students have the same opportunities. I believe the field of aging really needs them.

The need for trained personnel in the field of aging is especially pressing. And this is a major reason that I have sponsored legislation to call upon the administration on aging to fund long-term and short-term training programs in gerontology at universities for the purpose of providing the pool of talent to deliver vital social services for the elderly now and in the future. Additionally, this resolution calls upon AOA to give clear and prompt directives on how these funds are to be utilized.

Time is of the essence in resolving this very critical problem.

For these reasons, Mr. President, I urge early approval of my resolution to resolve the growing uncertainty about the future of training programs in gerontology.

Mr. EAGLETON. Mr. President, it is with a sense of urgency that I join the distinguished Senator from Florida (Mr. CHILES) in introducing this resolution to call upon the Administration on Aging to continue funding for long-term and short-term training programs in the field of aging.

Last year the Congress overwhelmingly approved the Older Americans Comprehensive Service Amendments, which authorize a comprehensive social service delivery system through the establishment of planning and service areas. But if this goal is to be a reality, it will be absolutely essential for additional personnel to be trained to respond to the growing and pressing manpower needs for programs serving the elderly.

Today a critical shortage of adequately trained personnel continues to be one of the most formidable barriers for the development of a coordinated social service system for older Americans.

This point was made very forcefully in a working paper prepared by the Gerontological Society for the Senate Committee on Aging. That paper—entitled "Research and Training in Gerontology"—gave this forthright assessment:

> The gap between the need for trained personnel and the capacities of present training programs is so great that there is no danger in overtraining for several decades.

As the chairman of the Subcommittee on Aging of the Senate Labor and Public Welfare Committee—as well as a member of the Senate Committee on Aging and the Labor-HEW Appropriations Subcommittee—I have been in a unique position to assess the effectiveness of training programs in the field of aging. And it is my candid judgment that they must not only be continued but expanded.

In every region of our country there are numerous outstanding examples of the worthiness of the title IV training programs, whether they be university-based or short-term. In my own State of Missouri, the Institute of Applied Gerontology at St. Louis University was created in 1969. During the past 5 years, this program has prepared students for careers in gerontology, expanded continuing education and consultation in the field of aging, and built upon an effective research program. But, the major significance of the Institute has been at the community level.

Mr. President, we cannot allow such programs to be discontinued. Without a comprehensive training program—both long term and short term—service programs for older Americans will be seriously crippled. And, our failure to act now will undoubtedly have adverse spillover effects for the elderly tomorrow.

Once again, I wish to reaffirm my strong opposition to the administration's efforts to cut the heart out of the title IV training program by not requesting any funds for fiscal year 1975.

And for these reasons, I urge early approval of this resolution to put the Congress on record again in support of funding for short-term and long-term training under title IV of the Older Americans Act.

ELEMENTARY AND SECONDARY EDUCATION AMENDMENTS OF 1973—AMENDMENT

AMENDMENT NO. 1097

(Ordered to be printed and to lie on the table.)

Mr. DOLE submitted an amendment intended to be proposed by him to the bill (S. 1539) to amend and extend certain acts relating to elementary and secondary education programs, and for other purposes.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974—AMENDMENTS

AMENDMENTS NOS. 1098 THROUGH 1107

(Ordered to be printed, and to lie on the table.)

Mr. BROCK. Mr. President, today I submit a series of amendments which will make S. 3044, the "Federal Election Campaign Act Amendments of 1974" a more effective bill. One of the things that disturbs me most about the main title of S. 3044, title I, the public financing provision, is the effect this will have on the political parties. I fear that under the provisions of the bill, with the candidates getting money directly, the need for the party will soon evaporate. I also fear that we may see the rise of a multiparty system either because the Supreme Court will rule that all candidates must be equally funded, or because minor parties will "chip away" at the traditional parties. Under private funding, minor, usually one-issue parties, cannot normally survive because they are unable to maintain their popularity. However, under the provisions of this bill, a third party, once established, will continue to obtain funds. I foresee a real danger of losing our traditional two-party system of government and therefore I am introducing two amendments to preserve this system: one, to exempt the National and State parties from the expenditure and contributions limits and another amendment to exempt the congressional campaign committees from limits. These two amendments will, in my estimation, maintain our strong party system. The amendments are also in keeping with the suggestion by Herbert Alexander, considered the authority on money in politics, who recently wrote in an article entitled "Watergate and the Electoral Process:"

> If limitations on contributions or expenditures are felt necessary to restore public confidence in the electoral process, and a constitutional formula for such ceilings can be devised, then one adaptation from the English system of regulation merits consideration as a means of strengthening the political parties. The idea would be to limit severely amounts candidates can receive and spend, but not limit at all amounts the parties can receive and spend, even on behalf of these candidates. That would force candidates to seek and accept party help.

Our political parties have had their ups and downs, but overall, they served this Nation well. The strong two-party system simply must be maintained.

Mr. President, I have grave doubts about the wisdom of public financing. I think that the proper solution to the problem of the last election is "full and open" disclosure. This is a proven method. Read carefully the report on S. 3044. In the "Purpose of the Bill" on page 2, it reads:

> The Act of 1971 was predicated upon the principle of public disclosure, that timely and complete disclosure of receipts and expenditures would result in the exercise of prudence by candidates and their committees and that excessive expenditures would incur the displeasure of the electorate who would or could demonstrate indignation at the polls.

Did this work? The report continues:

> It was unfortunate that the new Act did not become effective until April 7, 1972, because the scramble to raise political funds prior to that date, and thus to avoid the disclosure provisions of the law, resulted in broad and grave dissatisfaction with the Act and led to a demand for new and more comprehensive controls.

In short, the only thing wrong with the "full and open" disclosure theory of the 1971 law was that it was not in force soon enough. There are, however, a few areas that can be tightened up and therefore I am submitting two amendments to insure more open and full disclosure: One, to require weekly reporting of contributions 60 days before elections and weekly reporting of expenditures 30 days before election, and two, an amendment that group contributions must be identified as to original donor and that each donor must designate the recipient of his donation at the time of making his contribution.

I believe that these full and open disclosure amendments will help the citizen make a better choice when election time rolls around. Mr. President, I am also introducing an amendment to help eliminate fraud. The amendment forbids casting false ballots, forging ballots, miscounting ballots, or tampering with voting machines.

Finally, Mr. President, I have an amendment that establishes the proper role of the Government in the election process. I believe that role is to inform people and allow them to make a knowledgeable choice. It is not to force people to give money to candidates not of their choice nor to finance those whose opinions are not of sufficient strength and character to warrant support in the free market of ideas. In this light I am introducing an amendment to substitute voters' pamphlets, actually a form of indirect public financing, for the direct public financing section of S. 3044. The proper role of Government is to inform, not to subsidize. I have enough faith in the American people to believe that given full and open disclosure, Americans will always choose the better candidate. A voters' pamphlet will help Americans make that choice.

I ask unanimous consent to have the amendments printed at this point in the Record.

There being no objection, the amendments were ordered to be printed in the Record, as follows:

Amendment No. 1098

On page 3, beginning with line 1, strike out through line 4 on page 25.

On page 26, lines 2 and 3, strike out "under section 504 of the Federal Election Campaign Act of 1971, or".

On page 54, lines 3, 4, and 5, strike out "A candidate shall deposit any payment received by him under section 506 of this Act in the account maintained by his central campaign committee.".

On page 63, between lines 10 and 11, insert the following:

"VOTERS INFORMATION PAMPHLETS

"Sec. 317. The Commission shall prepare and publish a voters information pamphlet for each State, and shall distribute the pamphlet to residential postal addresses within that State during the period beginning 35 days before the date of any general or special election held for the election of a candidate to Federal office and ending 20 days for the date of that election. The pamphlet shall contain party platforms, pictures and brief biographies of the candidates for that office, and statements by those candidates. The statement of any candidate may not exceed 1,500 words in the case of a candidate for election to the office of Vice President, Senator, Representative, Resident Commissioner, or Delegate, any may not exceed 3,000 words in the case of a candidate for election to the office of President.

On page 63, line 12, strike out "Sec. 317." and insert in lieu thereof "Sec. 318.".

On page 63, lines 14 and 15, strike out "(after the application of section 507(b) (1) of this Act)".

On page 64, line 7, strike out "Sec. 318." and insert in lieu thereof "Sec. 319.".

On page 64, line 9, strike out ", title V.".

On page 64, line 14, strike out "Sec. 319." and insert in lieu thereof "Sec. 320."

On page 71, beginning with line 20, strike out through line 2 on page 73 and insert in lieu thereof the following:

"(a) (1) Except to the extent that such amounts are changed under subsection (f) (2), no candidate (other than a candidate for nomination for election to the office of President) may make expenditures in connection with his primary election campaign in excess of the greater of—

"(A) 10 cents multiplied by the voting age population (as certified under subsection (g)) of the geographical area in which the election for such nomination is held, or

"(B) (i) $125,000, if the Federal office sought is that of Senator, or Representative from a State which is entitled to only one Representative, or

"(ii) $90,000, if the Federal office sought is that of Representative from a State which is entitled to more than one Representative.

"(2) (A) No candidate for nomination for election to the office of President may make expenditures in any State in which he is a candidate in a primary election in excess of two times the amount which a candidate for nomination for election to the office of Senator from that State (or for nomination for election to the office of Delegate in the case of the District of Columbia, the Virgin Islands, or Guam, or to the office of Resident Commissioner in the case of Puerto Rico) may expend in that State in connection with his primary election campaign.

"(B) Notwithstanding the provisions of subparagraph (A), no such candidate may make expenditures throughout the United States in connection with his campaign for that nomination in excess of an amount equal to ten cents multiplied by the voting age population of the United States. For purposes of his subparagraph, the term 'United States' means the several States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico, Guam, and the Virgin Islands and any area from which a delegate to the national nominating convention of a political party is selected.

"(b) Except to the extent that such amounts are changed under subsection (f) (2), no candidate may make expenditures in connection with his general election campaign in excess of the greater of—

"(1) 15 cents multiplied by the voting age population (as certified under subsection (g)) of the geographical area in which the election is held, or

"(2) (A) $175,000, if the Federal office sought is that of Senator, or Representative from a State which is entitled to only one Representative, or

"(B) $90,000, if the Federal office sought is that of Representative from a State which is entitled to more than one Representative.

"(c) No candidate who is unopposed in a primary or general election may make expenditures in connection with his primary or general election campaign in excess of 10 percent of the limitation in subsection (a) or (b).

"(d) The Federal Election Commission shall prescribe regulations under which any expenditure by a candidate for nomination for election to the office of President for use in two or more States shall be attributed to such candidate's expenditure limitation in each such State, based on the voting age population in such State which can reasonably be expected to be influenced by such expenditure.

"(e) (1) Expenditures made on behalf of any candidate are, for the purposes of this section, considered to be made by such candidate.

"(2) Expenditures made by or on behalf of any candidate for the office of Vice President of the United States are, for the purposes of this section, considered to be made by the candidate for the office of President of the United States with whom he is running.

"(3) For purposes of this subsection, an expenditure is made on behalf of a candidate, including a Vice Presidential candidate, if it is made by—

"(A) an authorized committee or any other agent of the candidate for the purposes of making any expenditure, or

"(B) any person authorized or requested by the candidate, an authorized committee of the candidate or an agent of the candidate to make the expenditure.

"(4) For purposes of this section an expenditure made by the national committee of a political party, or by the State committee of a political party, in connection with the general election campaign of a candidate affiliated with that party which is not in excess of the limitations contained in subsection (i), is not considered to be an expenditure made on behalf of that candidate.

"(f) (1) For purposes of paragraph (2)—

"(A) 'price index' means the average over a calendar year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics, and

"(B) 'base period' means the calendar year 1973.

"(2) At the beginning of each calendar year (commencing in 1975), as necessary data become available from the Bureau of Labor Statistics of the Department of Labor, the Secretary of Labor shall certify to the Federal Election Commission and publish in the Federal Register the percentage difference between the price index for the twelve months preceding the beginning of such calendar year and the price index for the base period. Each amount determined under subsections (a) and (b) shall be changed by such percentage difference. Each amount so changed shall be the amount in effect for such calendar year.

"(g) During the first week of January 1975, and every subsequent year, the Secretary of Commerce shall certify to the Federal Election Commission and publish in the Federal Register an estimate of the voting age population of the United States, of each State, and of each congressional district as of the first day of July next preceding the date of certification. The term 'voting age population' means resident population, eighteen years of age or older.

"(h) Upon receiving the certification of the Secretary of Commerce and of the Secretary of Labor, the Federal Election Commission shall publish in the Federal Register the applicable expenditure limitations in effect for the calendar year for the United States, and for each State and congressional district under this section.

On page 73, line 3, strike out "(b)" and insert in lieu thereof "(i)".

On page 73, line 24, strike out "section 504" and insert in lieu thereof "subsection (g); and".

On page 74, strike out lines 1 and 2.

On page 74, line 6, strike out "that Act" and insert in lieu thereof "the Federal Election Campaign Act of 1971".

On page 74, line 8, strike out "(c)" and insert in lieu thereof "(j)".

On page 74, line 10, strike out "(a) (4)" and insert in lieu thereof "(e) (3)".

On page 75, line 6, strike out "(a) (5)" and insert in lieu thereof "(d)".

On page 75, line 11, strike out "(a) (4)" and insert in lieu thereof "(e) (3)".

On page 85, beginning with line 1, strike out through line 17 on page 86.

AMENDMENT No. 1099

On page 48, line 19, strike out "and 617" and insert in lieu thereof "617, and 618".

On page 49, line 17, strike out "and 617" and insert in lieu thereof "617, and 618".

On page 49, line 23, strike out "or 617" and insert in lieu thereof "617, or 618".

On page 78, line 16, strike the closing quotation marks and the second period.

On page 78, between lines 16 and 17, insert the following:

"§ 618. Voting fraud

"(a) No person shall—

"(1) cast, or attempt to cast, a ballot in the name of another person,

"(2) cast, or attempt to cast, a ballot if he is not qualified to vote,

"(3) forge or alter a ballot,

"(4) miscount votes,

"(5) tamper with a voting machine, or

"(6) commit any act (or fail to do anything required of him by law),

with the intent of causing an inaccurate count of lawfully cast votes in any election.

"(b) A violation of the provisions of subsection (a) is punishable by a fine of not to exceed $100,000, imprisonment for not more than ten years, or both.".

On page 78, line 19, strike out "and 617" and insert in lieu thereof "617, and 618".

On page 78, after line 22, in the item relating to section 617, strike out the closing quotation marks and the second period.

On page 78, after line 22, below the item relating to section 617, insert the following:

"618. Voting fraud."

AMENDMENT No. 1100

On page 39, between lines 5 and 6, insert the following:

(h) Title III of such Act is amended by inserting after section 304 the following new section:

"REPORTING OF CONTRIBUTIONS MADE THROUGH CERTAIN COMMITTEES

"SEC. 304A. (a) No committee, association, or organization—

"(1) engaged in the administration of a separate segregated fund under section 610 or 611 of title 18, United States Code, or

"(2) which solicits and receives donations from the public and uses any part of its funds—

"(A) to encourage the election or defeat of any candidate, or

"(B) to encourage the public to urge the Congress or the President to support the enactment, amendment, or repeal of any law

may make any expenditure or contribution unless it registers as a political committee, uses only funds derived from donations designated by the donor in writing for use by that committee, association, or organization in making that expenditure or contribution, files the reports required of a political committee under section 304, and includes in its reports under that section the identification of each donor and the amount of his donation used by it in making any expenditure or contribution, together with a copy of the designation document executed by each donor whose donation is so used.

(b) The provisions of this section do not apply to the national committee of a political party.

AMENDMENT No. 1101

On page 35, beginning with line 11, strike out through line 3 on page 36 and insert in lieu thereof the following:

(3) striking out the second and third sentences of subsection (a) and inserting in lieu thereof the following: "Such reports shall be filed within ten days after the close of each calendar quarter and shall be complete as of the close of such quarter. Beginning sixty days before the date of any election, additional reports of contributions received during the preceding calendar week shall be filed each Monday until the election. Beginning thirty days before the date of any election, additional reports of expenditures made during the preceding calendar week shall be filed each Monday until the election. If the person making any contribution is subsequently identified, the identification of the contributor shall be reported to the Commission within the reporting period within which he is identified."; and

On page 36, line 4, strike out "(5)" and insert in lieu thereof "(4)".

AMENDMENT No. 1102

On page 75, between lines 4 and 5, insert the following:

"(3) This subsection does not apply to the Democratic or Republican Senatorial Campaign Committee, the Democratic National Congressional Committee, or the National Republican Congressional Committee.".

On page 77, between lines 5 and 6, insert the following:

"(e) This section does not apply to the Democratic or Republican Senatorial Campaign Committee, the Democratic National Congressional Committee, or the National Republican Congressional Committee.".

On page 77, line 6, strike out "(e)" and insert in lieu thereof "(f)".

AMENDMENT No. 1103

On page 16, line 25, beginning with "which is not", strike out through "Code," on line 1, page 17.

On page 73, strike out line 3 through line 7 on page 74 and insert in lieu thereof the following:

"(6) For purposes of this subsection, an expenditure by the national committee of a political party or the State committee of a political party, including any subordinate committees of that State committee, in connection with the general election campaign of a candidate affiliated with that party is not considered to be an expenditure made on behalf of that candidate.".

On page 74, line 8, strike out "(c) (1)" and insert in lieu thereof "(b) (1)".

On page 75, line 5, strike out "(d)" and insert in lieu thereof "(c)".

On page 76, between lines 22 and 23, insert the following:

"(4) For purposes of this section, the term 'person' does not include the national or State committee of a political party.".

AMENDMENT No. 1104

On page 63, beginning with line 11, strike out through line 5, page 6 and insert in lieu thereof the following:

"ILLEGAL CONTRIBUTIONS AND UNEXPENDED FUNDS

"SEC. 317. (a) Any contribution received by a candidate or political committee in connection with any election for Federal office in excess of the contribution limitations established by this Act shall be forfeited to the United States Treasury.

"(b) Any political committee having unexpended funds in excess of the amount necessary to pay its campaign expenditures within 30 days after a general election shall deposit those funds in the United States Treasury or transfer them to a national committee."

AMENDMENT No. 1105

On page 64, between lines 5 and 6, insert the following:

"SUSPENSION OF FRANK FOR MASS MAILINGS IMMEDIATELY BEFORE ELECTIONS

"SEC. 318. Notwithstanding any other provision of law, no Senator, Representative, Resident Commissioner, or Delegate shall make any mass mailing of a newsletter or mailing with a simplified form of address under the frank under section 3210 of title 39, United States Code, during the sixty days immediately preceding the date on which any election is held in which he is a candidate."

On page 64, line 7, strike out "318." and insert in lieu thereof "319.".

On page 64, line 14, strike out "319." and insert in lieu thereof "320.".

AMENDMENT No. 1106

On page 75, line 19, after "person" insert "other than an individual or the national committee of a political party.".

On page 75, line 22, strike out "person" and insert in lieu thereof "individual or national committee".

On page 77, line 10, strike out "No" and insert in lieu thereof "(a) No".

On page 77, beginning in line 14, strike out "Violation of the provisions of this section is punishable by a fine of not to exceed $1,000, imprisonment for not to exceed one year, or both.".

On page 77, between lines 16 and 17, insert the following:

"(b) No person may make a contribution in the form of a loan. A federally chartered bank may make a loan to or for the benefit of a candidate in accordance with applicable banking laws and regulations in the ordinary course of its business.

"(c) No political committee may accept a contribution of funds in excess of $50 unless that contribution is made by a written instrument identifying the person making the contribution.

"(d) Violation of any provision of this section is punishable by a fine of not to exceed $1,000, imprisonment for not more than one year, or both.".

AMENDMENT No. 1107

On page 64, between lines 5 and 6, insert the following:

"VOTER REGISTRATION ACTIVITY REPORTS

"SEC. 318. A committee, association, or other organization (other than an agency of the government of the United States or of any State or local political subdivision thereof) which engages in assisting individuals in registering to vote, or which registers voters, shall be organized in the manner prescribed under section 302(a), maintain the records required under section 302 (b), (c), and (d), file a registration statement with the Commission annually under section 303, and file an annual report with the Commission containing a complete list of all donations (including donations of services by individuals) received, all expenses incurred or paid, and such additional information, in such detail as the Commission prescribes. The report shall be filed with the Commission on the first day of October of each year in such form as the Commission prescribes."

On page 64, line 7, strike out "SEC. 318." and insert in lieu thereof "SEC. 319.".

On page 64, line 14, strike out "Sec. 319." and insert in lieu thereof "Sec. 320.".

AMENDMENT NO. 1110

(Ordered to be printed and to lie on the table.)

Mr. ALLEN submitted an amendment intended to be proposed by him to the bill (S. 3044), supra.

AMENDMENT NO. 1111

(Ordered to be printed, and to lie on the table.)

Mr. DOMENICI. Mr. President, I am committed to the concept of helping finance Federal elections through the use of public funds. That concept, it seems to me, is an integral component of any comprehensive approach to election reform in which strict spending limits are established and enforced. S. 3044 attempts to provide a legislative vehicle to accomplish Federal financial assistance.

I am concerned, however, that the concept of public financing in this bill has received more emphasis than its true contribution to election reform would justify. In other words, I feel very strongly that in revising our rules for the election process we should not promote public financing at the expense of other equally important aspects of that process. We should not, for example, discourage candidates from taking the merits of their candidacy to prospective voters in an effort to obtain grassroots support of the most meaningful kind—personal financial contributions. Neither should we discourage or infringe on the right of the individual to financially support the candidate of his choice, at least in amounts small enough so as not to create any obligation on the part of the recipient candidate.

S. 3044 provides grants of public funds for primary elections conditioned upon a candidate's raising a reasonable "threshold" amount and matching small private contributions with equal amounts of public funds up to the maximum spending limit. The result for primary elections is that the maximum amount of public funds a candidate can receive is 50 percent of the spending limit. Consequently, as to primaries, I am satisfied that the importance of small private contributions is recognized and addressed by this bill.

The same is not true regarding general elections. In all general elections covered by S. 3044 a candidate may receive grants of public funds up to the spending limit established for that election. This 100-percent public financing of general elections goes too far. It promotes public financing way beyond the extent necessary to rid the political system of big money and it discourages private citizen participation through small contributions.

The amendment I propose at this time would apply the principle of partial public financing to general elections. My amendment would limit the Federal subsidy provided to major party candidates to 60 percent of the overall spending limit and make corresponding reductions in the maximum public funding provided to candidates of nonmajor parties.

I am aware that there are other proposals to limit the Federal subsidy to 50 percent of the overall expenditure limit and I will support those measures. I am inclined to feel that, in view of the fact that candidates in general elections have already raised at least 50 percent of what they spent in their primaries, 60-percent limitation on public funds in the general elections would be an acceptable mixture of public and private funding. I intend to call this amendment up if those amendments limiting the Federal subsidy to 50 percent are not successful. In that event, I hope that 10-percent lower requirement for private funding will find favor with a sufficient number of my colleagues to support this mixture of public and private financing which I feel is not only desirable but imperative.

I should also mention, Mr. President, that my amendment would reduce the total drain on the Treasury to support elections. I expect and I hope that the amount collected through the tax check-off system would be sufficient to cover the cost of financing Federal elections with this limited public funding of general elections. Whatever the details the amount drawn from the Treasury for general elections would be reduced by up to 40 percent, a substantial savings to taxpayers, particularly those who do not wish to participate in financing political activities in any fashion.

I ask unanimous consent that the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 1111

On page 10, line 19, immediately after "equal to", insert "sixty percent of".

SPECIAL EDUCATIONAL SERVICES FOR HANDICAPPED DEPENDENTS OF MEMBERS OF THE ARMED FORCES—AMENDMENT

AMENDMENT NO. 1108

(Ordered to be printed and referred to the Committee on Armed Services.)

Mr. INOUYE submitted an amendment intended to be proposed by him to the bill (S. 2923) to amend chapter 55 of title 10, United States Code, to require the Armed Forces to continue to provide certain special educational services to handicapped dependents of members serving on active duty.

ADDITIONAL STATEMENTS

SENATOR BYRD QUESTIONS OUR DEALS WITH SOVIETS—ARTICLE BY HENRY J. TAYLOR

Mr. HUGH SCOTT. Mr. President, an interesting and insightful article on our colleague from Virginia (Mr. HARRY F. BYRD, JR.) may have escaped the notice of some of our Members. For this reason, I ask unanimous consent that an article by Henry J. Taylor be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SENATOR BYRD QUESTIONS OUR DEALS WITH SOVIETS

(By Henry J. Taylor)

Highly respected Sen. Harry F. Byrd, Jr., has made a Senate speech which could well put him in the black books in the U.S.S.R. But, as usual, he called a spade a spade.

Senator Byrd is not opposed to the United States-Soviet entente. A lessening of tension is a purpose he applauds. Standing in moral judgment of the Soviet is easy. Working out a way to live with them is difficult.

I myself have experienced and been an official U.S. government participant in more than 100 negotiating sessions with Soviet leaders and the miracle of President Nixon and Secretary of State Henry A. Kissinger achieving any entente is astounding indeed.

But Senator Byrd raises questions regarding the ultimate results of the twist that the Soviet has given to three 1972 U.S.-U.S.S.R. agreements—beginning with the wheat deal.

The economic failure of Communism is famous. No Communist country has ever been able to function for its people over the long haul without assistance from the free world. This is as true today as in the days of Lenin 57 years ago.

There have been eight Soviet five-year plans; none successful. The Kremlin announced the latest on Feb. 3, 1971, for the years 1971–75. Another failure. And in agriculture these repeated failures are the worst of all.

Sorely needing America's wheat and feed grains, we bailed out the U.S.S.R. The price seemed reasonable, but the immense quantity wiped out our surpluses and lifted the prices to the highest in our history.

Moreover, we provided a $300 million subsidy for the Soviet. The Kremlin bought America's wheat and feed grains largely with our own money.

We have a shortage that shows up not only in the high prices but in certain scarcities in America's foodstuffs.

The Soviet, instead, has a comfortable surplus. In fact, the Kremlin is actually offering to sell back to the United States some quantities of America's golden grain—but at current high prices. The President of the Soviet Bank for Foreign Trade is Commissar Yuri Ivanov, under Foreign Trade Minister Nikolai Patrolichav. Ivanov is trying to do this.

Then there is, as well, the Strategic Arms Limitation Talks (SALT) Agreement.

The key to atomic deterrence is the threat of an annihilating offense, not a defense against it. SALT–1 allowed the Soviet numerical superiority in three vital categories: land-based intercontinental missiles, submarine-launched missiles, missile-carrying submarines.

Our offset was our advanced technology, represented importantly by the MIRV—a multiple-warhead rocket that allows one missile to attack several targets at the same time.

But now the U.S.S.R. is developing equivalent missiles and we risk being forced into an inferior position. Where would we be if the chips were down?

Finally, there's the Lend-Lease Settlement.

Heaven knows we need gold. And next to South Africa the Soviet is the world's largest gold producer. The Kremlin has gold running out of its ears—but not to pay its World War II debt to the United States.

In common with Britain, France, etc., the Soviet has owed us the money throughout the 28 years since World War II. The U.S.S.R. debt became $2.6 billion. We agreed to settle this for $722 million—something over 25 cents on the dollar. Moreover, the Soviet contrived a settlement provision that $674 million would not be repaid unless the U.S.S.R. is granted most-favored-nation trading status typical throughout Western Europe.

With Congress currently opposing this, the U.S.S.R. may be obligated to pay merely $48 million.

Only once in a blue moon does a senator arise and, without palaver, drive right to the point, make his statement in crisp words and sit down. But Senator Byrd is the kind they don't make many of anymore and worth a good deal of anybody's time and confidence—and listening.

More power to this distinguished Virginian. For to see what is wrong and not try to right it is not the American way.

AN OPEN MARKET IN OIL

Mr. HUMPHREY. Mr. President, the continuing tight energy situation highlights the need for a reform of the structure of the oil industry. The industry consists of several related operations culminating in the marketing of refined products. The U.S. oil industry has become structured in such a manner that the "majors" have become vertically integrated and, as a group, have been accused of market manipulation.

By controlling all phases of production of refined product, the dominant firms have been successful in inhibiting the growth of independent refining interests. The difficulties of independents entering the market are manifold. In addition to the magnitude of the investment necessary for initiating such a venture, the majors are capable of controlling the flow of the crude supplies to the independents.

The Washington Post published an article by Allan S. Hoffman on March 24, 1974, in which the former member of the Justice Department Antitrust Division outlines his plan to ease the oil problem. The provocative column presents his plan for establishing a commodity exchange for domestic transactions involving crude and refined products.

Mr. President, I ask unanimous consent that this plan for a self-regulating oil market be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Mar. 24, 1974]

AN OPEN MARKET IN OIL: TO RESTORE COMPETITION

(By Allan S. Hoffman)

Although we are short of oil, we possess a surfeit of explanations of how we reached our current ex-crisis. The oil companies charge that the basic cause is a failure of government policy. The administration agrees, but only to the extent that Congress and prior administrations are to blame. The driver at the gas pump suspects the oil companies of creating the shortage to drive up prices, while the independent producers accuse the large oil companies of scheming to eliminate them. Congressional opinion, as usual, is divided, and there is a general complaint about the lack of reliable information about the oil industry.

But we do have enough information to conclude, as the Federal Trade Commission has, that the industry has structured itself in a severely anticompetitive way. It would be important to correct this situation even if we did not have our present energy "problem," but today's circumstances make it doubly important to do so.

We need not nationalize the oil companies or try to break them up in order to make them more competitive. The application of some basic economic principles to our knowledge of the industry suggests a less drastic, less difficult and politically more palatable solution—the creation of a commodity market through which all domestic sales of crude oil and refinery end products would have to be made.

The oil industry is actually composed of four related industries: (1) production of crude oil; (2) transportation of crude oil; (3) refining of crude oil, and (4) marketing of refinery end products. It is dominated by approximately 16 companies engaging in all four activities.

Industries in which the eight largest firms control more than half the business are widely regarded by economists as "near monopolies." In such industries, the leading companies tend to act together like one firm, or like a monopoly. The eight largest U.S. oil companies (Standard of New Jersey, Texaco, Gulf, Shell, Standard of California, ARCO, Standard of Indiana, and Mobil) are in the top eight positions in domestic crude oil production, crude oil reserves, refining capacity and gasoline sales, together holding more than a 50 per cent share of each. Not only does each level of the oil industry therefore have monopolistic tendencies, but the companies dominating each level are the same. It is as though General Motors, which historically has held about half the domestic auto market, dominated the mining of iron ore and steelmaking as well.

Total "vertical integration" of this sort allows the companies to apply the near-monopoly power they possess at selective points in the production process. For such companies, it is not important that any given operation be profitable so long as the entire business meets profit expectations. As the FTC has charged, the major oil companies have exploited this fact by taking maximum profits on the production of crude oil rather than at other stages of the process. The result is to make crude oil expensive for everyone but themselves.

In this way, the majors have prevented a strong independent refinery industry from coming into existence. Without independent refiners who could serve as reliable sources of supply, independent marketers are left at the mercy of the integrated oil companies. Forcing the independents to buy their basic raw material from their dominant competitors guarantees that the independents cannot challenge the commanding position of the majors. So the integrated companies have come to own almost all the nation's refinery capacity and market almost all of the nation's supply of petroleum products.

Another factor handicapping independent refiners is what economists call "barriers to entry," or obstacles discouraging new firms from coming in. Barriers to entering the auto industry are high because an enormous investment in plant and equipment, as well as a high level of promotional and advertising expenditures, is required. Barriers to entering the rubber stamp business are low because all that is needed is some inexpensive machinery.

In oil refining the barriers are necessarily high to begin with because of the large investment necessary to build a refinery. But by using almost all their crude oil themselves, the integrated companies require a prospective refiner to invest in crude oil production as well, thereby adding an extra barrier to entry into refining. Since they are doubly disadvantaged from the outset, it is not surprising that we have few independent domestic refiners.

It was such factors that prompted the FTC to file its complaint last summer against the eight largest oil companies, charging that the creation and systematic maintenance of the present industry structure was in violation of the FTC Act and seeking substantial divestiture of refineries. While this effort is encouraging, the history of such actions shows that the government has a strong tendency to lose its enthusiasm for such cases.

In 1940, for example, the Justice Department brought a comprehensive monopolization suit against the entire industry, naming no less than 366 defendants (the so-called "Mother Hubbard" case). It was finally dismissed by the government in 1951, purportedly to be superseded by a series of more limited cases. But the new cases never really materialized. A few cases were brought during the 1950s, but they were settled by weak consent judgments which many believe insulated certain anticompetitive practices from later attack. Moreover, even if the FTC pursues its case aggressively, it would be a long and complex one to win, to follow through the appeals process and to put into effect. Many, therefore, are looking to Congress for a solution.

PROBLEMS OF NATIONALIZATION

Two basic legislative approaches to reform have been suggested so far. The more drastic one, for nationalization, seems undesirable for many reasons. First, there is no evidence that the government is more capable of running so large and complex an industry than private concerns. The U.S. Postal Service should be proof enough for anyone of this.

Second, political considerations would be artificially injected into an industry which vitally affects the economy: Just picture funds for a new refinery being held back in Congress to force construction of the Three Sisters Bridge. Third, such a move would set a horrible precedent: Rich as we are, we are not rich enough to buy entire monopolies each time we feel exploited.

A more commonly advanced proposal is that the major oil companies be broken up and the industry reorganized along functional lines. This would mean reconstituting each integrated company into several separate companies, each operating at only one level (production, transportation, refining, marketing). This proposal goes to the heart of the problem, and its adoption would result in eliminating the major anti-competitive defects. Each level of the industry would have to pay its own way, without subsidy from other operations. Supplies of crude oil and refinery products would be equally accessible to all, encouraging new independent refinery capacity and independent marketers.

But there are practical obstacles to its adoption. The enormous complexity of the companies' corporate and financial structures, the legitimate interests of stockholders, lenders and employees and related difficulties would have to be resolved. This is not to say that it could not be done; it could if the necessary commitment were made. The idea has gained increased respectability in economic circles lately, and Democratic Sen. Philip A. Hart of Michigan is holding hearings on his proposed Industrial Reorganization Act, which would accomplish basic structural reform of seven of our concentrated industries, starting with automobiles and including oil. But given the power of the oil companies and of the institutional investors controlling large amounts of the companies' stock, Congress would likely be a long while in mustering the courage and determination necessary to take this step.

FORCING COMPETITION

The advantage of requiring by law that all domestic sales of crude oil and refined products be made through a new commodity exchange is that it would accomplish the same goals—and possibly some additional ones—but encounter far fewer obstacles.

Sales through familiar commodities "futures" contracts—which promise delivery of a certain quantity at a later date—would make crude oil equally accessible to all refiners and potential refiners, and at a price set by supply and demand in an impersonal market. This would likely encourage new entry into refining, adding badly needed capacity; our present shortages are the result of insufficient refining capacity as well as of insufficient supplies of crude oil. It would also create reliable sources of supply for independent marketers, who could then compete more effectively against the dominant integrated companies, as well as force the integrated companies to compete more against each other.

It would also be necessary to require that sales of refined products be made through the exchange so that integrated companies could not use profits from refinery operations to subsidize their marketing systems. Otherwise, marketing would remain unattractive for prospective new entrants, leaving the integrated companies with final control of our supply of petroleum products.

What would result is an open competitive system in which oil industry dealings would become far more visible than they are now. Some of the basic information we now lack about the industry would become available through the trading system. As with all commodities trading, brokers would require regular data on current inventories and reliable forecasts of expected supplies, which would be provided by a government agency, just as the Agriculture Department currently issues regular crop forecasts vital to trading in farm commodities.

Establishing such a system, which Congress could do under its power to regulate interstate commerce, would clearly be neither as complex nor as difficult to do as nationalizing or splitting up the integrated oil companies.

Indeed, Warren Lebeck, president of the Chicago Board of Trade, remarked in an interview last November that the nation's largest commodities exchange was considering initiating trading in petroleum. He said that oil's uncertain price situation made it a natural trading commodity for both hedging purposes—providing a form of supply insurance to major users—and speculation, both qualities of a good futures contract. (Speculators buy and sell contracts for profit rather than actually to acquire the commodity.)

The necessary price fluctuations could conceivably respond to everything from a new oil find, a new Mideast embargo, fuel conservation steps, development of alternate sources of energy, insufficient tankers for transportation or increased refining capacity being built.

Lebeck did see some difficulty in finding a convenient size for a petroleum contract—"a tank car is too small and a pipeline batch is too large," he said—and in standardizing the quality of crude oil for trading. If the Chicago board moved in this direction, he remarked, it would probably start with trading in a couple of refined products. (The New York Cotton Exchange currently trades contracts in propane, a light petroleum distillate). One would think that on an exchange devoted solely to petroleum and petroleum products, the problem of contract size and quality could be overcome—particularly considering the likely financial boon it would provide to the commodities trading business.

A number of questions naturally arise about this plan. Couldn't the majors merely bid up the price of crude oil on the exchange to preclude independent refiners? What about the record of commodities exchanges, which have been beset by charges of manipulation? How would it affect development of new oil sources? Wouldn't the middleman-broker's fees actually add to the price of oil? Would foreign oil be included?

First, the majors would be effectively restrained from artificially bidding up crude oil prices. To do so, they would have to engage in a highly visible program of bid-rigging requiring the cooperation of so many outsiders—including the many brokers transacting the trades—that it would become an open secret. Imagine oil industry executives telling their brokers, "I don't want it at $8 a barrel—I want to pay $15." Anyone who tried to keep a conspiracy of such proportions quiet would have to be naive or foolish, and the oil industry is neither.

Of course, the oil commodity exchange's rules, like those of current securities and commodities exchanges, would prohibit such price manipulation, making it subject to appropriate penalties. It is true that commodities exchanges have not always been the most honorable places, and that the Commodity Exchange Authority which is supposed to regulate them is something of a toothless tiger. But there have been many calls to increase its authority or create a new independent agency similar to the Securities and Exchange Commission. The oil plan might provide just the incentive needed to bring about reform. Otherwise, policing powers could be placed in another government agency.

All this is to say nothing of the antitrust laws that could be brought down on anyone attempting such a vast price-rigging scheme. Businesses naturally try to keep the price of their raw materials as low as possible, not as high as possible. The rigging would be almost self-evident. Direct evidence would not be needed to win such a case: The Supreme Court has held that direct evidence is not necessary in any action of this kind, that inferences from the circumstances are sufficient to prove an antitrust violation.

For these and other reasons the integrated companies would have to begin competing against each other for the crude oil they produce, trying to minimize the cost to their refineries.

COULD OIL BE HELD BACK?

Judging from past experience, oil executives might be expected to contend that any profit reductions resulting from increased competition would discourage them from exploring for new oil. But the oil exchange device should have no adverse impact on crude oil supplies. Supply would largely be determined by demand.

If demand rises, prices would go up sufficiently to attract the required production of new oil. This is illustrated in a recent issue of the Oil and Gas Journal showing that wildcatting by independents has followed profits at least since 1948. Sometimes, of course, supplies cannot be expanded swiftly enough to meet demand, the situation we have been experiencing. In such cases, the price of crude oil would likely be bid up to a point where it could again lure enough new supplies.

Some cynics might suggest that the integrated companies could intentionally withhold some supplies as an alternate way of pushing up crude oil prices and precluding independent refiners. It is possible that they could, and the market mechanism alone could not deal with this. But if some supplies were withheld, independent wildcatters would probably rush out again as prices and profit prospects rose, and encouraging too much of this certainly would not be in the interest of the majors.

The integrated companies have been helped in maintaining control of domestic oil supplies by state "prorationing" programs. Five leading oil-producing states—Texas, Louisiana, Oklahoma, New Mexico and Kansas—have such laws, by which they set permissible production levels from individual wells. The ostensible purpose is to assure that production from each well is maintained at a level of maximum technological efficiency. In practice, however, these programs have sometimes worked to limit production and prop up prices.

The federal government has helped support these state programs with the so-called "hot oil" act, which prohibits interstate shipment of crude oil produced in violation of state laws. At present all five states are permitting wells to operate at 100 per cent of their maximum efficient rate of recovery. But when and if we move out of our short-supply situation, we can expect a return to production limits.

While the commodity market plan would not reach these state laws, the federal government has the power under the "hot oil" act and under the Interstate Oil and Gas Compact to eliminate any anticompetitive consequences of these state statutes. While this power has never been exercised, it still remains available.

IMPORTS AND FEES

The question of whether foreign oil would be included under the commodity market plan cannot be answered categorically at present. We clearly cannot force oil producing nations to sell crude oil for less; we need it and are in no position to dictate price to them. But it might be possible to maintain a dual price structure on the exchange, one for domestic crude and one for oil brought in from abroad. Those with the responsibility for creating and operating the exchange would be in the best position to determine this. In any case, if and when we do achieve energy independence, foreign oil definitely should be included.

Finally, the commodity broker's fee, which is normally only a fraction of a futures contract's value, would not add significantly to the price of oil. Any fees incurred by speculators trading in contracts would be absorbed by them, not by the ultimate recipient of the commodity. The final purchaser would only pay once.

The plan, of course, is not intended as a cure-all for our energy difficulties. But it would help restore competition to the oil industry and help ease the oil problem. Moreover, it would do so in a way that might well gain wide support—on Wall Street, in the commodities business and out on Main Street, as well as among the professional reformers. It would be an important step in the right direction.

TROOP CUTS IN ASIA

Mr. CRANSTON. Mr. President, this morning I had the privilege of presenting testimony before the Senate Appropriations Committee in support of troop cuts in Asia.

Specifically, I proposed cutting our present force level in Asia roughly in half, by bringing home approximately 100,000 land-based U.S. military personnel from five Asian countries: Japan, including the Ryukyu Islands; South Korea, the Philippines, Taiwan, and Thailand.

Last September 26, the Senate passed a Byrd-Humphrey-Cranston amendment calling for a reduction of 110,000 U.S. troops from overseas by the end of calendar year 1975. That amendment was dropped in conference. The Senate Appropriations Committee, however, pursued this idea in its report of last December, stating that it would take action on its own if the Department of Defense did not act. My testimony today was intended to take this process one step further.

Mr. President, the administration has submitted an $85.8 billion defense budget, up $6.3 billion from the current level of spending. If for no other reason, the need to curb our nagging inflation compels us to look for places in the defense budget where we can make responsible cuts. I submit that troop cuts in Asia can save us literally billions of dollars without weakening either our national security or the basic defense needs of our allies.

Mr. President, I ask unanimous consent that my testimony before the Appropriations Committee be printed in the Record.

There being no objection, the testimony was ordered to be printed in the Record, as follows:

Testimony on Overseas Troop Cuts by Senator Alan Cranston

Mr. Chairman, and other members of the Committee, I am here today to follow up on my long-standing interest in overseas troop cuts and to pursue some Congressonal initiatives that we talked about last year. I'm grateful once again for the courteous attention which I never fail to receive from you.

As you know, I have long advocated substantial troop reductions in Europe. At present, the issue of European troop cuts is complicated not only by the European Security Conference and by the current round of talks between NATO and the Warsaw Pact, but also by President Nixon's recent statements on the subject. I still favor significant cuts in Europe, and I will work closely with Senator Mansfield in support of his efforts to that end.

Today I want to focus on Asia.

I propose cutting our present force level in Asia roughly in half, by bringing home approximately 100,000 land-based U.S. troops from five Asian countries. If these men are deactivated, direct manpower savings alone would amount to roughly $1 billion annually in future years. Indirect savings in support, construction, maintenance, logistics, and the like could add up to several billion dollars more per year. The balance of payments savings associated with such a cutback would be roughly $800 million a year. All of this, of course, would help fight inflation, and hence hold down the cost of future defense spending.

Before I discuss this proposal further, let me briefly review the background of my testimony today.

As you may remember, Mr. Chairman, I testified before the Defense Appropriations Subcommittee last September 12 and urged a substantial cut in the number of land-based U.S. troops stationed in foreign countries.

On September 26, the Senate passed a Byrd-Humphrey-Cranston amendment calling for a reduction of 110,000 U.S. troops from overseas by the end of calendar year 1975. That amendment was dropped in conference.

On December 13, during debate on the defense appropriations bill, I was prepared to offer an identical amendment, but I withdrew it at the suggestion of the distinguished Chairman of the Committee, Senator McClellan. During that colloquy, the Chairman reported that he and the ranking minority member, Senator Young, had held a frank discussion with the Secretary of Defense in which they told him of the Committee's intention to impose a reduction in the number of overseas troops and facilities. The Chairman then quoted to me a section of the Committee's report, which I would like to quote also:

"We have held this action in abeyance, however, upon receiving firm assurances from the Secretary of Defense that the matter is under active consideration and that recommendations will be submitted to the Committee in the very near future. The Committee intends to pursue this matter on its own and if such action is not forthcoming, it will undertake to impose overseas force reductions during fiscal year 1975."

If you remember, Mr. Chairman, you and I and the ranking minority member, Senator Young, were in substantial agreement on the desirability of cuts. You added that—

"The colloquy that we are having on the floor now in my judgment, will have some significant effect in the next few months."

Those "next few months" have passed by, Mr. Chairman, and very little has happened since we talked last.

It's time, I submit, for Congressional action.

The Defense Department tells me that the factsheet listing U.S. troops by country as of December 31, 1973, will not be ready for another week. But I understand that few changes—and none of substance—have been made since September 30.

The Pentagon apparently intends to keep U.S. forces in East Asia and the Pacific at or near their present high level—approximately the level they were at when we discussed all this last year. Such was the thrust of the testimony presented to the House Appropriations Committee on March 1.

A few minor cutbacks have been indicated, to be sure, but nothing more. In January 1973, the United States agreed to reduce its military personnel in mainland Japan, now numbering about 19,000, by about 10% over the next three years. But that amounts to only a little over 600 men a year. No reduction in U.S. personnel was announced for Okinawa, where some 38,000 U.S. troops are based. For fiscal year 1974, estimated annual operating costs of maintaining troops in Japan and the Ryukyus add up to $916 million.

For Korea, where roughly 40,000 U.S. troops remain twenty years after the Korean war, Secretary Schlesinger said that the Pentagon was considering a "mobile reserve," based in Guam and Hawaii, that would permit a slow withdrawal. That is a hopeful hint of change, but, with all due respect to the Secretary, I will believe it when I see it. I suspect it will occur any time soon only when and if Congress orders it to occur. At least for the time being, the annual operating costs of maintaining those troops in Korea will remain at about $619 million.

Elsewhere in Asia, U.S. troop strength has not changed significantly either.

In Taiwan, we still maintain about 7000 men at a cost of $139 million in FY 1974.

For the Philippines, the last count registered 16,000 U.S. troops. Operating costs for FY 1974 are estimated at $297 million.

In Thailand, there are still roughly 40,000 U.S. troops. Our annual costs there now run to about $759 million. This huge U.S. presence, of course, consists largely of U.S. airmen who formerly flew bombing missions over Indochina. Now, with Congressional and public sentiment running so heavily against renewed bombing or any other form of direct U.S. involvement, I can't see what good those men are doing there.

Altogether, Mr. Chairman, as of September 30, 1973, there were 159,000 U.S. troops stationed in South Korea, Thailand, Japan (including the Ryukyu Islands), the Philippines and Taiwan. Of those 159,000 land-based troops, I propose a cut of 100,000 over the next two years, or roughly 31% each year.

Still remaining in the area would be the other 59,000 land-based troops, plus 33,000 on our fleet in Southeast Asia and the Western Pacific, plus another 14,000 in Guam, totaling 106,000 men—over half of our current force level.

In my testimony last September, I named two main reasons why substantial troop cuts can be made in Asia. Neither reason is dependent on the relaxation of cold war tensions, which could conceivably be reversed.

One is the dramatic economic growth of our allies, and the other is the history of the vast U.S. military and economic aid program that has funneled so many U.S. resources into the hands of friendly governments around the world.

Ten years ago, for example, South Korea's GNP was $2.7 billion. In 1972 it was just under $8 billion. U.S. aid in FY 1972 through 1974 has been averaging a half a billion dollars a year, three-fifths of it military.

For the Philippines, the GNP figure ten years ago was just over $4 billion. In 1972 it was almost $8 billion. U.S. aid in FY 1972 through 1974 has been running between $101 million and $160 million, one-third to one-half of it military.

Taiwan's economic growth has been equally steady, and Japan's has been nothing short of spectacular.

Altogether, Mr. Chairman, according to figures inserted into the Congressional Record by Senator Inouye on March 6 of this year, the Administration originally requested $425,418,000 in economic and military aid for South Korea, the Philippines, Thailand and Taiwan in FY 1974. (Figures for the PL 480 program are in flux and were not included.) The foreign aid appropriations bill for FY 1974 reduced that request to a total of $264,367,000—a saving of over $161 million.

Mr. Chairman, if you add together the direct cost of maintaining troops in those five countries, plus the aid figure of $264,367,000 that I have just mentioned, the total is $2,994,367,000 for FY 1974, or just under $3 billion.

In the immediate wake of World War II,

the argument could reasonably be made that protection by U.S. troops would permit our allies to rebuild and recover from the devastation of war. But those years have long since passed. The stationing of U.S. troops abroad in such large numbers was never intended to be permanent.

Mr. Chairman, in his testimony on March 1, Secretary Schlesinger admitted that the major reason for keeping American forces in Asia at this high level "lies under the heading of political rather than military considerations." He suggested in particular that the Chinese wanted U.S. troops to remain in the region to counterbalance the Soviet presence in Asia.

Frankly, Mr. Chairman, I think this is a very dubious line of argument.

It's certainly not our job to carry out the goals of Chinese foreign policy—particularly not when it costs us $2.7 billion in FY 1974 to maintain these troops. If in fact the Chinese really do want our troops to remain in Asia, which I frankly question, a case should still be made that it is in our national interest to keep them there. I do not believe any such case can be made. The Chinese have a growing armed force of their own, and a population of close to 800 million. Let them cope with their Russian threat. Our detente with China was never supposed to mean a new form of containment of the Soviet Union, the object of our affection in our other effort to achieve detente.

Other political arguments advanced by the Administration in defense of overseas troops often center on the political stability which a U.S. military presence is supposed to provide.

For example, the then commanding general of the U.S. Military Assistance and Advisory Group in Taiwan said to the House Foreign Affairs Committee on July 8, 1973:

"American interests require that . . . a reasonable balance of power be maintained to permit the development of peace and political stability. This means that an American presence in the area is required to preclude creation of a power vacuum that would destroy any hope of such a balance."

Mr. Chairman, I think we should stop talking about "power vacuums." I think that a local government itself should be and usually is largely responsible for its own fate. For a revolution to occur, there must be severe domestic problems, not merely conspiratorial influences from abroad.

In three of the countries I have been talking about, Thailand, South Korea, and the Philippines, there have been major changes in the form of government in the last year and a half. In Thailand, dissident groups led by students succeeded in overthrowing the quasi-military dictatorship there, and as a result there is real hope for democracy. In South Korea and the Philippines, however, democracy—admittedly imperfect—gave way to martial law. Yet in none of these three cases has it been suggested that U.S. troops were responsible for the instability, nor could their mere presence have prevented it.

To the extent that the U.S. military role *does* influence domestic stability, it takes the form of military aid and military advisers. One lesson the Vietnam war should have taught us is that this form of promoting "stability" tends to become associated with the survival of one particular government or leader rather than with a stable political climate in general. To the extent that it becomes geared to the status quo, U.S. aid can and often does end up being used to put down domestic disturbances that threaten existing elites. At worst, such aid encourages recipient governments to persist in unrealistic policies, to engage in repression, and to disregard calls for reform.

The most current example is the Philippines, where the Marcos government has been using American weapons to put down the Moslem rebellion in the southern islands. Not so long ago, Thai troops used American weapons to cope with an insurgency in northeastern Thailand. And I would not be surprised if the governments of South Korea and Taiwan used American weapons in the same way at some future date.

I think we should keep our distance from that kind of "stability."

Still another defense of overseas troops comes under the heading of the so-called "tripwire theory." According to this notion, American troops are a human tripwire guaranteeing American military involvement should hostilities break out. Rational calculations that might keep us out of a war will supposedly be swept aside by the sight of American boys bleeding on the battlefield. Without such a stimulus, it is argued, we would selfishly abandon an ally to the enemy.

In my testimony before the Defense Appropriations Subcommittee last September, I argued that the tripwire theory was a poor foundation on which to base a military or a political decision. If a conflict breaks out, our response should not be based on revenge. Our policies should be designed to give us the freedom to choose whatever response is in our best national interest. American lives should not be hostage as human sacrifices to insure that we will follow a policy that may not be in our national interest.

Besides, U.S. force levels in most countries are not sufficient to meet a full-scale attack. If the purpose of the U.S. deployment is to guarantee full-scale U.S. involvement—with massive participation of our manpower in combat—then a token force would do just as well.

So I, at least, am left with the suspicion that what we are up against is another version of the familiar "bargaining chip" mentality. According to this line of thinking, we shouldn't give up anything we have. Every expensive weapon, every soldier overseas, every possession in our arsenal is supposed to represent some sort of negotiating power which can be used to force concesions from the other side.

But although the "bargaining chip" argument is often made in the name of a flexible position, it actually locks us—inflexibly—into the status quo and deprives us of the freedom to move.

Furthermore, in the case of Asian troop deployments, it's not even clear whom we are bargaining with, or for what stakes, or why.

Mr. Chairman, on July 31, 1973, eleven former U.S. government officials who held responsible positions in the field of Asian affairs wrote a letter to Congressman Esch stating that 100,000 U.S. troops could be brought home from Asia and deactivated without harming either our national security or our important interests in the area. With the Committee's consent, I would like to have this letter included at the end of my testimony.

A partial withdrawal along the lines I have suggested will not unhinge the world. It will help to free up money that could be far better spent on domestic needs—or simply left unspent, which I suppose is a new but perhaps refreshing idea.

I trust you will agree that the time has come to cut overseas troops ourselves instead of waiting for someone else to do it for us.

Thank you very much.

July 31, 1973.

Congressman Marvin L. Esch,
Cannon House Office Building
Washington, D.C.

Dear Congressman Esch: The United States is completing a significant reduction in our involvement in East Asia. We have withdrawn from direct participation in the conflict in Vietnam, and are soon to refrain from all direct combat operations in Indochina. We have also begun to establish mutually beneficial relationships with the People's Republic of China and the Soviet Union.

Because of these factors, we, the undersigned, believe that substantial reductions can be made in those military forces now deployed in East Asia and the Western Pacific. There are now 227,000 military personnel stationed in these areas, of whom 45,000 are in Thailand: 18,000 are in Japan; 5,000 are in the Philippines; 40,000 are in the Ryukyu Islands; 42,000 are in South Korea; 9,000 are in Taiwan; and 58,000 are afloat. We feel that at least 100,000 of these can be returned and deactivated with no harm either to our national security or our important interests in the area.

It is our sincere hope that Congress will take such firm and timely action as is necessary to bring our East Asian force level in line with present diplomatic realities.

Sincerely,

Robert Barnett, Former Deputy Assistant Secretary of State for East Asia and Pacific Affairs; Chester L. Cooper, Special Assistant to Governor Harriman for the Paris Peace Conference on Vietnam; Alvin Friedman, Former Deputy Assistant Secretary of Defense; Roger Hilsman, Former Assistant Secretary of Defense for Far Eastern Affairs; Townsend Hoopes, Former Under Secretary of the Air Force; Anthony Lake, Former staff member, National Security Council; Earl Ravenal, Former Director, Asian Division (Systems Analysis), Office of the Secretary of Defense; Gaddis Smith, Professor of History, Yale University, Speciality: 20th Century Diplomacy, Author of recent biography, Dean Acheson; Richard C. Steadman, Former Deputy Assistant Secretary of Defense for East Asia Affairs; and Paul C Warnke, Former Assistant Secretary of Defense for International Security Affairs.

PROBLEMS FACING HIGHER EDUCATION

Mr. BEALL. Mr. President, a recent issue of Educational Record contained a most thoughtful and timely article by Dr. Steven Muller, president of the Johns Hopkins University.

Dr. Muller discusses some of the important problems facing higher education today and urges rediscovery of principles basic to the tradition of higher education. As a member of the National Commission on the Financing of Postsecondary Education, Dr. Muller discusses some of the issues that the Commission considered.

Because of the interest of the Congress and the public in this subject, I ask unanimous consent that his thoughtful article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Restoring the Reputation of Higher Education

(By Steven Mueller)

Of all the criticism of American higher education one hears these days, two aspects are most disturbing. The first is increasing public skepticism about the usefulness of undergraduate collegiate education. The second is concern about what the standards are, if indeed there are any, by which undergraduate academic performance is judged and evaluated.

Concerns of this kind must be taken very seriously. If a significant number of the American people have serious reservations about both the utility and the integrity of undergraduate education, then the entire community of higher education is in trouble.

For decades the prevailing conviction in America has been that a collegiate education is the passport to a better job. In their efforts to attract the students they want, colleges and universities have been well aware of this conviction, and they have helped foster a public image of higher education that is principally vocational. Today so many people go to college that an undergraduate degree no longer guarantees a better job, or in fact any job. As collegiate opportunities continue to open to an even greater percentage of all those eligible, the correlation between undergraduate degree and employment, or high-level employment, will decrease even further. Even more parents will then question the use of a collegiate experience that is not followed by a good job.

There is nothing higher education can or should do to guarantee desirable employment to college and university graduates, but surely the time has come to rediscover the virtues of higher education that are not related to employment. A look at the past may help in this rediscovery.

It used to be that only a racially and economically privileged minority had access to higher education in this country. Members of this aristocracy, most of whom were young, white, wealthy, and male, were able to regard the vocational consequences of higher education as a useful but not crucial by-product. To the extent that employment was desirable, it was almost always available for these young men after they completed their higher education. A few among them who were highly talented became great achievers. In addition, a small number of very talented individuals who were not of the monied class were admitted to higher education, and as a result, found employment normally reserved for the aristocracy on the basis of both their talents and their education.

Because the college or university experience was visible, and led to top-notch employment, the relationship between the content and consequences of higher education became confused. The real relationship of higher education to vocation was blurred by the effect of an economic, social class phenomenon. Parents ambitious for their children sought higher education for them. They confused social and vocational ambition and assumed that a college or university education was the magic key to the best jobs. This assumption was partly correct, principally for social and economic reasons, and its partial validity sustained it and the confusion on which it was based.

INHERENT MERIT

Lost in this confusion was recognition that higher education has merit in its own right, apart from its vocational utility. An investment in the developing human personality, higher education is not linked inevitably to vocation. Obvious as that may be, the value of higher education beyond employment is consistently denied by most public expression. It is customary to say or hear that a college graduate who holds a low-level job is wasting his or her education.

How much truth is there in such an assertion? Is an educated waiter, cabdriver, housewife, janitor, mailman, or whatever really by definition a waste or a betrayal of intelligence and promise? A sounder judgment would be that an educated person can enjoy his or her education regardless of vocation. The primary rewards of higher education are personal and subjective. In this sense almost everyone either needs or can use higher education, whether it is needed for employment or not.

The judgment that higher education is enriching becomes even more significant in the light of another consideration. For the young aristocracy of days long gone, higher education was in substantial part preparation for leisure—leisure then reserved for the affluent. Today leisure is not only available to, but also even forced upon, almost all adult members of our society. But we are a physical and competitive people and we have sought active rather than contemplative forms of leisure. It becomes difficult to speak of the enjoyment of leisure when many people, totally unprepared for it, find it instead to be a burden and a bore. American society urgently requires democracy of leisure in the sense that all citizens should have access to constructive opportunity for self-development and purposes other than earning a living. Higher education in large part represents this opportunity.

SEEKING SELF-DEVELOPMENT

There is already much evidence of how widely and deeply felt the need for higher education is among people with leisure and without employment problems. A substantial component of continuing education is designed specifically for those who seek self-development rather than vocational training. Unfortunately, continuing education is still primarily restricted to an older segment of the population because we still think of the college generation predominantly as a prevocational multitude of the young.

All this suggests that the recovery of the reputation and appeal of higher education may rest on a new emphasis upon the utility of education for its own sake. It also suggests, with new emphasis, that the distinction now made in higher education between the college generation and the older population is probably neither valid nor useful. If education is pursued for its own sake, as an investment in self and as a seeding process for a harvest of richer leisure, then there is little logic in drawing sharp age distinctions.

USEFULNESS OF CANDOR

Obviously there is a relationship of higher education to vocation, particularly when preprofessional preparation is involved. It may be useful, however, to be more candid about the distinction between vocational preparation in higher education and the nonvocational aspects. Such candor might produce recognition that most Americans would benefit from both, and that vocational and nonvocational education can be pursued in sequence or in parallel, for two equally valid purposes. Colleges and universities would then be seen—properly and attractively—as educational resources for all, rather than as vocational training camps for the young. Of course this is not new, but a fresh and sharper emphasis on the nonvocational mission of higher education would be a healthy, overdue and desirable corrective to the self-image and the public image of the American college and university community.

The question of standards in higher education is not unrelated to considerations of the usefulness of higher education. As our colleges and universities have proliferated and expanded to serve an ever-increasing proportion of the population, the process of higher education has become highly institutionalized. Process is a significantly double-edged sword: students are often processed more than they are educated. The tendency of the campus to become a prevocational training camp in which the young are sequestered has been reinforced because this facilitated institutional management.. However, institutional characteristics have had an even greater impact on standards of judgment and evaluation.

PROPAGANDA OF DIVERSITY

There is real—and destructive—tension between the varied, individual needs of the millions of people who seek higher education and the institutional patterns and purposes of the colleges and universities to which the people turn. As institutions, American colleges and universities suffer from a self-inflicted malady of mutual imitation which is potentially disastrous. The propaganda of American higher education points proudly to a rich diversity of colleges and universities, most of which were founded to meet particular and even distinctive educational needs, and each of which claims an individual character of its own. The ever more visible truth is that the whole community of American higher education is obsessed by devotion to a single model, and that colleges and universities are less concerned with the needs of their students than with a frenzy to become as alike as possible.

Institutionally, American higher education is a hierarchy dominated at the apex by a single model, the twentieth century American research university. To a marked degree, every college or university seems to lack self-respect and self-confidence insofar as it falls short of conforming to the model of the major research university.

INSTITUTIONAL AMBITION

The most obvious symptom of this peculiar malady is publicly visible institutional ambition. Two-year institutions founded to meet special needs, often primarily vocational, seek avidly to broaden their range and become four-year institutions. Four-year institutions founded to meet the needs of undergraduates seek to offer graduate programs and become quasi universities. Universities founded for special purposes seek to become complete major research universities. Ultimate institutional status appears to consist of a full doctoral program in virtually every discipline.

Other evidence of institutional ambition is that the status of faculties is measured by the proportion of Ph. D.s—without examination of how relevant this proportion is to the purposes of the faculties. Colleges tend to boast of the number of baccalaureate recipients who go on to graduate schools, as if it were self-evident that this alone were the path of greatest honor and fulfillment. There is widespread institutional pretense that all degrees granted are alike, which is so obviously not true that no one really believes it.

THE SINGLE STANDARD

And here may be the heart of the problem. By treating the major research university as the dominant model, American higher education is well along the road of pretending that a single standard of performance can prevail throughout the entire community of colleges and universities. This could be, if colleges and universities were all alike. They are not. As a result the pretense of the single standard has produced corruption at every level.

The major research university, for example, properly presumes a higher level of both preparation and motivation among its students than should necessarily be assumed by many other types of institutions of higher education. However, when the major research universities dropped required courses in basic English some time ago, these also tended to disappear from the curricula of many other institutions. This kind of corruption works the other way also. The major research universities today are far less frequently the setters of the single standard than its prisoners. As they have expanded—in large part lest they seem too exclusive, when in fact their great task is to be intellectually highly exclusive—they have conformed to an illusory common standard which is not properly theirs. For example, because most students in higher education have no essential need for a second or third language, the major research universities tend no longer to require a third or even a second language of their students, who probably do have such an essential need. Gresham's law prevails, and the illusory common standard has begun to reduce high standards without raising lower ones. Using the words *high* and *low* at last touches bedrock.

RETURN TO STANDARDS

A return to reason and standards of integrity in American higher education requires a rediscovery of the fact that human talents and intellects vary, but that individual worth and merit bear no necessary relationship to orders of talent or intellect. A good and valuable person certainly does not necessarily possess the highest intellectual potential, nor does a brilliant intellectual necessarily rank as a good and valuable person. As unnecessary as it may seem to make explicit something so obvious, it is precisely this distinction that has been blurred within American higher education. It cannot be denied that the major research university is of a higher intellectual order than other institutions of higher education, and that it rightly should serve an academic clientele of the highest intellectual order. However, this does not make the major research university a better institution than a community college, only a different one. By the same token, intellectual standards required of necessity in the major research university are not inevitably relevant in a community college, which instead requires standards of its own, appropriate to its mission and clientele.

PURSUIT OF AN ORDEAL

Higher education cannot have it both ways. Either the academic community returns to a diverse array of colleges and universities that serve different needs and employ different standards, or the community evolves into a more homogeneous national system of like institutions that employ a common standard. Why not the latter is an obvious question. The answer lies in the tradition of American democracy. One of the ideals of that tradition is self-development for every person to the maximum individual potential. Pursuit of that ideal has prompted the opening of opportunity for higher education to a historically unprecedented proportion of the population. This ideal is difficult to serve by means of a homogeneous set of institutions committed to a common standard; the standard would either be so low as to deny full opportunity to the more gifted intellectually, or so high as to deny full opportunity to the less intellectually gifted.

The tradition of American higher education is that new and different colleges and universities were founded to meet new and different human needs. It is a sound tradition. Colleges and universities might do well to return their primary attention to the needs of their students, and to emphasize honestly that which differentiates one institution from another. In the wake of such reorientation, more honest and open distinctions could follow between research and teaching faculties. It is generally true that at major research universities, with their intellectually gifted and highly motivated students, the same faculty can be committed to both research and teaching, though problems have been obvious with this assumption. However, to extend this duality throughout most of the college and university world is nonsense, and fair neither to faculties nor to students. Unfortunately, this is being attempted.

A full and honest return to the American tradition of diversity in higher education not only would allow different types of institutions to respond vigorously to the specialized and varied needs of most of the population for some form of higher education; but it would also help to solve a number of present problems related to competition among institutions and to standards.

MORE COOPERATION

Colleges and universities would compete less for students if they could more honestly and directly appeal to more specialized and clearly defined clientele whose particular needs they could serve well. They could cooperate more effectively with each other on occasion when acknowledged differences point to complementary opportunities. There would be better reason to counter the trend toward the mega-campus, which has proven so complex to administer and so alienating in human terms, once the pretense need no longer be made that a single institution best serves a vast array of different needs.

As for standards, there is almost no limit to the benefits that would accrue from openly acknowledged and practiced differentiation. Within each institution there would be a rejuvenating challenge to set uniquely appropriate standards. Student-teacher ratios would vary widely, and appropriately. Institutional self-respect would be discovered in terms of measurement against unique criteria, not in subservience to some unattainable and illusory single model. Students could move at different stages through differentiated institutions, rather than being institutionalized in only one.

The greatest benefit of all, however, might be a return with full commitment to measurement of student performance. There is nothing invidious in evaluation of performance, but lately the myth abounds that there is, in academic terms. Athletics may be democratic, but measurement of performance is practiced without question. The analogy is far from satisfactory, but it can usefully be carried even further. The two sexes generally do not compete against each other in athletics, and their performances are judged by different standards. (The point of course is not to argue for differentiation of the sexes educationally, but only to note the accepted practice of using different standards in principle.) Different standards are commonly accepted in athletic competitions for the physically handicapped. Why is it not then possible to apply different standards to educational performance at different levels of talent? It is possible. Indeed, it is the failure to apply different standards, and the pursuit of a single standard, that may be partly responsible for recent hostility to any measurement of academic performance.

THE LOGIC OF MEASUREMENT

Higher education is designed to enable each individual to develop his or her own potential to the fullest. The logic of this is that when many entirely different human talents and gifts are involved in an array of educational activities, achievement must be measured by more than a single standard. There is no logic in denying the validity and necessity of measurement of performance. To deprive students of the challenge and reward of careful measurement of performance is corrupt pedagogy. Regrettably, corrupt pedagogy is prevalent today in American higher education. Those in higher education have cause to worry when the public questions whether mere institutionalization for several undergraduate years without clear measurement or evaluation can be represented as higher education. Integrity and candor are at stake, and so is the reputation of American higher education.

MARKET DEVELOPMENT

Mr. DOLE. Mr. President, this morning the Senators and Congressmen were hosted to the annual wheat breakfast sponsored by Western Wheat Associates, Great Plains Wheat, Inc., and the National Association of Wheat Growers. This year's event was an outstanding one, highlighted by an address, "Market Development in a Seller's Market" by Milton Morgan, chairman of the board of Western Wheat Associates.

Mr. Morgan's comments call attention to the improvement in our wheat exports and the importance of wheat in the search for world peace. To give this speech maximum exposure and distribution, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

MARKET DEVELOPMENT IN A SELLER'S MARKET

Mr. Chairman, Senator Bellmon, Ladies and Gentlemen, it is my pleasure to talk to you for a few moments this morning regarding the need to continue and strengthen our wheat market development program even during this time of a seller's market. Voices have been raised during the past few months urging an embargo on United States wheat exports. Consumers are complaining about the rapidly increasing prices of food, including bread. This is understandable but there are many good reasons why wheat exports must continue.

Indeed, our two regional market development organizations, Western Wheat Associates and Great Plains Wheat, have not locked the front door, sat in the back room with the blinds down and left the phone off the hook. Instead we have placed even greater emphasis on strengthening trade relationships with our foreign buyers to assist them in resolving the difficulties they are facing in obtaining the quantities of wheat they need under conditions of tight world food grains supplies and higher prices.

SEARCH FOR WORLD PEACE

It is difficult to arrange the priority of the many reasons that the United States should continue to export wheat and other agricultural commodities. Perhaps the most important overall reason is the positive influence these exports have had on the "search for world peace." It is now clear that agricultural exports played a very important role in the détente that has been developed between the United States and both the Soviet Union and the Peoples Republic of China. The President's mission to Moscow that led to a new era in U.S.-Soviet relations was preceded by overtures in the field of agriculture. Virtually all of the trade that has resulted from our warming relationship with the Peoples Republic of China has been in agricultural products.

Our traditional trading partners and allies have also recognized the importance of the productive capacity of United States agriculture and our ability to deliver. This was clearly evident in the uproar that followed the temporary control of soybean exports imposed last spring. Sufficient supplies become more important to our customers than higher prices.

Perhaps more important is the fact that people around the world are becoming aware of the interdependence between nations which is necessary to improve their standards of living. People everywhere are finding they need some things that only other countries can supply in sufficient quantities at reasonable prices. They need grains, food and fiber from the United States, oil from the Middle East and rubber from the Far East. We all need each other as markets for what we all can produce so that we all can afford to buy what we all want and what we all must have to survive.

BALANCE OF TRADE

Another vital reason the United States must continue to export wheat and other commodities is to regain and maintain a favorable balance of trade. We must export agricultural commodities if our consumers are to have oil, compact cars, TV sets, coffee, tea, bananas and spices. Agricultural exports during fiscal 1973 amounted to 12.9 billion dollars and this year may reach the fantastic total of 20 billion dollars. The 10 billion dollar surplus in agricultural exports over agricultural imports this year is expected to put our trade balance in the black for the first time since 1970. By the way, this surplus will be enough to pay for all of our imported energy this year.

U.S. agricultural exports are the primary reason that the American dollar is gaining strength. This is important if we are going to be able to meet the higher prices for oil and other energy materials that we must have to keep our system working. It is also significant to note that the international role of agriculture has changed from one primarily of aid to one of commercial trade.

THE BENEFITS OF FULL PRODUCTION

All farmers in the United States would much rather produce from fence to fence than to operate with acreage restrictions provided, of course, that they received a fair return for their efforts. Expanding agricultural exports have resulted in tremendous savings to the United States taxpayer. Land retirement and subsidy costs were running about 4 billion dollars annually for 40 million acres. For wheat alone, 20 million acres were annually withdrawn from production at a cost of about one million dollars.

I must point out, however, that farmers are worried over the potential effect of overproduction. We do not want to build up price depressing surpluses again. Frankly, we are quite concerned as to the extent that the predicted 2 billion bushel wheat crop this year will affect price levels in the face of rapidly escalating costs.

The cost of producing wheat has risen dramatically during the past year. Last June, a farmer in Western Nebraska paid $55 per ton for anhydrous ammonia—today he may have to pay as much as $400 per ton, if he can find it. Farm machinery is impossible to purchase off from the lot. It often takes a waiting period of 6 to 9 months to obtain a new farm truck, tractor or combine. A medium size combine, equipped to also harvest corn, now costs $37,000. Three years ago a farmer had to pay $12,000 along with a trade in of a good used combine. This year his cash cost for the same trade has risen to $17,500.

Fuel costs have more than doubled. Last spring the farmer could buy diesel fuel for 16¢ per gallon; now it costs 37¢. Last year he could buy gas for 27¢; this year 48¢ per gallon. Furthermore, there are no discounts for volume tank purchases.

These are a few examples of the many increased costs of farm inputs that require much higher prices for wheat and other commodities than 12 or 18 months ago. The continued expansion of agricultural exports is the only way the farmer will obtain adequate prices under a free marketing system.

PRODUCTION FAR EXCEEDS DOMESTIC USE

A more practical and obvious reason that we must continue to export wheat and other agricultural commodities is that our production far exceeds our domestic use. During this marketing year, the total domestic and export wheat usage is estimated at 1 billion 972 million bushels. Domestic requirements are estimated at 772 million bushels for food, feed and seed which is less than 40% of the total use. Domestic use will only utilize 38% of our estimated 1974 wheat production. The export market today is far bigger than our domestic market.

CONTINUING MARKET DEVELOPMENT IN A SELLER'S MARKET

Let me come back again to a point made as I began these remarks. Great Plains Wheat and Western Wheat Associates must continue a market development program even though we have been in a seller's market. We are concentrating our efforts in a wide range of "trade-servicing" activities. Trade servicing is aimed at resolving trade problems, developing and exchanging market information, providing technical assistance and generally improving the climate of trade. Because of the uncertainty and anxiety that characterizes the international commodity markets today, there is an unusual need to strengthen communication links between the buyers and sellers, whether government or industry. The market development cooperators are uniquely well suited to fill this role.

Market development under today's conditions could be called a "bridge to trade expansion." There are compelling reasons to believe that market development efforts will always be essentail to many commodities and that expansion of agricultural exports will continue to be a national goal. This is not a time that the market development cooperator should lock the front door. This is the time that he should install an extra phone and keep his suitcase packed.

WHERE DO WE GO FROM HERE?

While concluding my remarks, may I ask this question of everyone in this room, "Where Do We Go From Here?" Are we still in a seller's market? Or are we in the transition to a buyers' market. The price of wheat has fallen sharply during the past three weeks—over $1.00 per bushel. During this past year, we have been on a jet plane ride in the market, soaring to new highs in prices and exports. The flight has not always been smooth and has often been characterized by violent accelerations and breath-taking drops. The ride is not over. We are still roaring along at 30,000 feet but occasionally an engine falters and, as we nervously grip the armrests, we wonder "Where Do We Go From Here?"

We are still rocketing along in space, subject to sharp climbs and abrupt frightening falls. We cannot predict for sure what will happen during the next few years, or even the next few months. Too many factors that are uncontrollable and cannot be foreseen affect our situation; but we do know that we must continue to carefully plot our course and that we must use every moden facility to scan ahead for storm clouds as well as sunshine. We can do much to pilot our own ship. We have customers to service—a crop is planted and must be sold following harvest.

With your cooperation and support, we will continue to climb to new heighths, along a smooth path and to a smooth landing onward toward our next objective.

Thank you.

SENATOR CHILES ON PROCUREMENT REFORM

Mr. CHILES. Mr. President, on March 1 of this year, the Senate passed S. 2510, a bill to create an Office of Federal Procurement Policy (OFPP). The bill has been referred to the House Government Operations Committee and, with Chairman HOLIFIELD's dedicated leadership, we will probably see action on the bill by the House before the end of May.

By its prompt action, the Senate has shown a unique response to a documented need and has taken steps to fill a void in procurement direction and guidance.

Mr. Arthur F. Sampson, the Administrator of General Services Administration, who served with Chairman HOLIFIELD and myself on the Procurement Commission, is an articulate spokesman for procurement reform. He spoke to the Federal Bar Association briefing on Government Contracts on March 5, 1974 and addressed himself to the issues involved in trying to promote changes in this vital area.

The two basic goals that Mr. Sampson emphasized deal with problems that S. 2510 seeks to eliminate: Modernizing the mammoth Federal procurement system and, thereby, making it easier for the private sector to do business with the Government.

Mr. President, I ask unanimous consent that Mr. Sampson's remarks be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

REMARKS BY ARTHUR F. SAMPSON

The Procurement Commission report is over a year old. And it isn't getting any younger. Or more exciting. Or more full of potential.

Over the past year the report has generated a lot of interest. A lot of guessing, and more speeches than any of us would care to hear. I, myself, have gone out around the country—and I know some of the other commissioners have, too—much like a missionary. Selling the need for change in Federal procurement and offering the Procurement Commission report as the basis for that change.

What I've been saying is really very simple. I've been saying that all the changes needed in Federal procurement and all the changes recommended by the commission are focused on two fundamental goals:

GOAL NO. 1

We've got to modernize the mammoth Federal Procurement System. And

GOAL NO. 2

We've got to make it easier for the private sector to do business with the Federal government. All our efforts, I've said, should be devoted to these two goals.

The first goal—modernization—is really directed to the workings of the Federal procurement establishment. And it's a massive establishment—thousands of specialized employees, a $57 billion annual "output" of procurement actions, and every citizen of this country as a direct or indirect client.

In so large a system, there is bound to be some waste, some inefficiency, some conflict. We must seek them out and eliminate them. And we must search out the logic in the system. The economies we can make. That's a fundamental aim of all the procurement commission recomendations and all our work to implement them.

The second goal—making it easier to deal with the Government—is equally important. It deals not with the inner workings of the system so much as the outward face of it. It's a concern not so much for operating efficiency as for quality of product.

It's as simple as this: The easier we are to deal with, the more attractive Federal business becomes to private businessmen. The more attractive the market, the more competition. And more competition means better products and better services for the taxpayer's dollars.

These two goals are what the procurement commission is about. That's what I've been saying for the past year and I still believe it. And the responses to this view are very encouraging. There is a lot of interest and a lot of attention and a lot of concern with the Federal procurement system shared by groups such as yours and by private citizens around the country.

But what's really happening? To someone not familiar with the ins and outs of Federal procurement there wouldn't seem to be much change or much current action.

Well, that's a pretty good guess.

Sure, a lot of backscratching. A lot of pushing and pulling. A lot of coordinating. But, to date, not one single major procurement reform has come out of the process. Sound and fury. . . .

Right now GSA and the other procurement agencies are involved in a process of developing positions on all of the procurement commission's recommendations.

By Executive Order 11717 dated May 9, 1973, the President transferred to GSA certain management policy functions from OMB. In a subsequent statement on May 22, 1973, the President called on GSA to take the lead in the development of Government-wide management policy in four highly sensitive areas including procurement. This in a partnership with OMB.

In response to the President's order, we have established an office of Federal management policy at GSA.

The office has a broad charter to formulate, prescribe and assure compliance with Government-wide policies relative to the functions of procurement, financial management, property management and automated data processing. The most important procurement mission presently is the coordination of executive branch effort relative to the procurement commission report.

GSA is leading the efforts of: 14 lead agencies chairing, 74 task groups involving, more than 300 people all working to develop an executive branch position and, where appropriate, implementation for every one of the recommendations.

And a panel of recognized government procurement experts has been formed to assist in planning this effort.

Based on present schedules, we will have task group proposals for executive branch positions or position implementations on nearly 100 percent of the recommendations by the end of fiscal 1974.

And a special unit has been formed in GAO to review and report to Congress on executive branch efforts regarding the reports. So, while GSA is watching the task groups, the GAO is watching GSA.

This process of discussion and coordination *can* be useful.

Some commission recommendations need close study before developing a position and a strategy to implement them. Recommendations, for example, concerning the selection of architects and engineers, Government profit policies and independent research and development. We have the mechanism now for discussing these and other difficult issues.

There are other recommendations which require legislation and so require a careful and complete approach. In that way, when legislation is introduced, it will be fully supported and speedily enacted.

For example, we will be supporting, in the near future, legislation for a common Government-wide procurement statute, proposing bills to increase the small purchase negotiation authority from $2,500 to $10,000 and to extend the truth in negotiations act to all federal agencies.

Our coordinating procedure can be useful also in implementing those commission recommendations that do not require legislation. That do not require deep debate.

Many recommendations are subject to managerial action without legislation and without that much discussion.

Recommendations such as: A reasonably uniform approach to debriefing unsuccessful offerors, the placement of procurement in agencies, the role and authority of contracting officers, re-evaluation of ADPE equipment acquisition procedures in light of total economic cost, are but a few of perhaps 30 or 40 recommendations which are amenable to administrative action.

The interagency coordination going on now promotes consistency in decisionmaking on these recommendations.

Finally, a thorough and complete debate of issues is an educational process. The Commission report exposed some elements of the Federal procurement community to brand new issues. Thus the task groups and their position development support the goal of building a sophisticated and professional procurement workforce.

But for all its value, this interagency coordination will not result in the dramatic changes necessary—not one single major procurement reform—without the establishment of an Office of Federal Procurement Policy.

I've done a lot of talking about the OFPP issue and I'm going to continue—it's so vitally important.

Establishing an OFPP is the single most important procurement commission recommendation. And its the philosophical basis for most of the others.

Let's face it, we're running a sixty billion dollar purchasing program like a garage sale! No one at the front of the store. No one in charge. If Proctor and Gamble or General Motors or IBM ran their purchasing like that it would certainly put their stockholders out of sorts—if it didn't put them out of business altogether.

We might agree on the need for an OFPP, but how to structure it? How would it work?

First, I believe, it has to have a statutory base. That's the only way it will have permanence enough to grapple with an evolving Federal procurement system.

Senator Chiles' bill to establish an OFPP has now passed the Senate and Representative Holifield has introduced one. In substance, I support both. I do disagree, however, with the provision in the Senate bill which, in effect, gives the Congress 90 days in which to veto major policy changes proposed by the Administrator of the OFPP. To my mind, this provision is too rigid a means of coordination between the executive branch and the Congress. And it would impair the ability of the OFPP to make the major reforms we need.

But, whatever the details, the Office of Federal Procurement Policy must be established by law to make it last.

A second characteristic of an OFPP. It has to have clout.

Our Office of Federal Management Policy is directing interagency work on the Procurement Commission report. It is working and it is the only game in town. But, it works on concensus and turns to OMB as the tie-breaker.

It will never have the clout of an OFPP as the Commissioners saw it. And it shouldn't have the title.

The Office of Federal Procurement Policy has to be set up in the Executive Office of the President. To give it true directive authority in the executive branch. To give it the strength to withstand the tremendous pressures that will surround it.

Finally, the Office of Federal Procurement Policy has to be an expert group—but a small one to avoid duplication. And to avoid the tendency to get involved in procurement operations.

That's the OFPP the commissioners proposed—small, strong and set up in law.

All the interagency cooperation and coordination is fine. And we are pushing to keep the process moving ahead more quickly. But no major issues can be settled and no major reforms made until some overall procurement authority is established.

Of course, that's just the problem.

Nearly everyone is "for" an OFPP. They're for it as long as they can structure it and as long as it leaves them alone.

The OFPP is a "motherhood" issue. But even motherhood can be a bad thing under some circumstances.

Compounding that problem, there are opponents to central procurement policy authority. In spite of the success of Senator Chiles' bill in the Senate on Friday there may be a lot of lobbying in the House against an Office of Federal Procurement Policy.

A third problem. I think we've lost momentum. That's the most dangerous problem of all.

Let's look at what's at stake. We have in our hands a tremendously powerful tool. The procurement commission report. Months and months of research went into it and volumes of testimony. It proposes improvements that are realistic. Changes that can be made.

It's the most comprehensive study of Federal procurement ever done. If we let it fade out or get filed away, it's unlikely that the climate of change and the cooperation it has fostered can be reproduced for years.

If we don't act on the commission recommendations now, we'll be postponing procurement reform for five years at least.

There's never been a true constituency to push for procurement reform—it's a technical and complex subject.

We can't look to government contractors, to business in general or to the public to push for change. It's up to us in the executive branch—from contracting officers to top managers. And it's up to Congress. Passage of S. 2510 is a strong step towards reform.

We must give up our parochial views, adjust our special needs to a larger system, and see Federal procurement—for the first time—as the single, major Federal function it truly is.

We should devote all our attention to the establishment of central procurement authority to direct the policies of that system. Then we should work on the system to modernize it and make it easier to deal with.

The recommendations of the Commission on Government Procurement hold the promise of millions of dollars of savings and improved quality of service to the people.

And beyond the savings, beyond the quality of service, procurement reform offers us all who are involved in it the confirmation of our belief in good government.

GENOCIDE CONVENTION

Mr. HUGH SCOTT. Mr. President, the matter of genocide continues to be a matter of concern to many of my constituents. Past presidents of the American Bar Association just today made known to me by telegram their sentiments on this continuing controversy. I ask unanimous consent that their telegram be printed in the Record.

There being no objection, the telegram was ordered to be printed in the Record, as follows:

[Telegram]

Washington, D.C.

Senator Hugh Scott,
U.S. Senate,
Washington, D.C.:

We support the report of the Senate Foreign Relations Committee dated March 6, 1973 concerning the genocide convention and urge that the Senate advise and consent to ratification thereof.

William P. Gossett, Orison S. Marden, Robert W. Meserve, Earl F. Morris, Bernard G. Segal, and Whitney North Seymour.

NUCLEAR INDUSTRY STILL UNRESPONSIVE TO SAFETY EXHORTATIONS

Mr. GRAVEL. Mr. President, in a story entitled "AEC Warns of Shortcomings in the Nuclear Industry" by Lee Dye, the Los Angeles Times of December 26, 1973, reported as follows:

Top Atomic Energy Commission officials have warned representatives of the nuclear industry that they have not maintained the level of performance dictated by the nature of their business.

In a series of meetings across the country in recent weeks, the officials have accused the industry of counting too much on luck and not enough on quality control.

Nuclear plants are not as reliable as had been expected, and the ABC routinely discovers serious shortcomings in the industry's safety programs and frequent violations of AEC regulations, according to messages delivered to the industry.

AEC participants in the program include L. Manning Muntzing, the agency's top regulatory official; AEC Commissioner William Doub, and other top officials.

THE NIXON ADMINISTRATION ECONOMIC POLICY IS PARALYZED

Mr. HUMPHREY. Mr. President, in the face of soaring inflation, rising unemployment, and falling production, the Nixon administration continues to demonstrate its unprecedented inability to make any headway in protecting the American people from their economic nightmare.

But far worse than its failures is the administration's apparent decision to give up the fight. The President's proposed fiscal 1975 budget and annual economic report indicates an appalling apathy toward our current national economic woes and defeatism that the American people must not be asked to endure.

As the New York Times editorialized last Friday, "national economic policy appears paralyzed. . . . The beginning of a program to stop inflation requires an act of will by Government in coping with complex problems, rather than the present soggy mood, aggravated by a Watergate-logged President, in which nothing can be done."

Given this vacuum of leadership in the executive, Congress must act, and act quickly, to shore up our sagging economy, to prevent a deepening recession, and to curb inflationary pressures.

We already have several bills before Congress which are targeted to increase employment, encourage production, and fight inflation. They must be reviewed on an urgent basis by Congress and enacted. The President must not be permitted to force his defeatism on the Congress.

I believe Congress could take a major step to get the economy moving ahead by passing Senator Mondale's proposal (S. 2906) to allow taxpayers to substitute a $200 tax credit for each $750 exemption, at their own discretion. This tax cut would benefit most those who have borne the brunt of last year's inflation, our low- and middle-income taxpayers. It would also improve the progressivity of the tax system, and serve to restore taxpayer confidence which has been so severely eroded in the last year by recent revelations of tax avoidance. And Senator Mondale's proposal would provide the right amount of stimulus to a weak economy. It would give money to those taxpayers who are most likely to return it quickly into the spending stream, thus bolstering personal consumption expenditures, which have been particularly weak in the past 6 months.

Granting a tax cut now could also be anti-inflationary. George Perry, an eminent economist, argued before the Joint Economic Committee that "part of a social contract for wage moderation should include a tax reduction that would restore some of the after-tax income loss of middle- and lower-income wage earners—an attempt to raise incomes via the tax table rather than via the bargaining table."

Second, Congress has before it S. 3027, the Energy Emergency Employment Act. This legislation, which I have authored, would create a major public employment program to provide jobs for those workers who have been laid off or who are unable to find employment in the private sector as a result of declining production. If the administration had fulfilled its obligation under the Employment Act of 1946 to "promote maximum employment, production, and purchasing power," it would have included a public employment program in its budget. Yet, all the administration will admit is that if the situation deteriorates further, they have contingency plans to deal with recession. What these plans consist of is one of the best kept White House secrets.

Mr. President, it is time for Congress to act—unemployment has already reached 5.2 percent—almost 5 million American people without jobs—and most forecasters expect it to reach 6 percent by the end of the year. When and if the administration decides to propose some employment measures, they will no doubt be too little and too late.

With respect to inflation, it is clear that more than 60 percent of the increase in the Consumer Price Index in the past year has been due to price increases for food and fuel. Congress should roll back domestic oil prices as a first step toward reducing inflationary pressures. Second, one of the major causes of the food inflation has been mismanagement of agricultural policies by this administration, which resulted in creation of a wide gap between supply of and demand for the products of American agriculture.

To prevent this from happening in the future, I have proposed the creation of a national and international system of reserves of major agricultural commodities.

The reserves system which I have proposed would protect consumers and farmers from erratic changes in food prices.

It would introduce an element of stability into our highly volatile grain markets and assure our foreign trading partners that the United States is a reliable exporter of these key grains.

Mr. President, the economic trouble we find ourselves in today is by no means hopeless. Congress can pass a tax cut for working people that could stimulate production and assist those who need it most.

Congress can and should pass a public employment program to alleviate the terrible burden which is being imposed in the name of economic stabilization on unemployed workers. Congress can and should take the lead in reducing domestic oil prices and can develop a food policy which avoids the sharp swings in the availability of supply which we have experienced in the last few years.

But, as the New York Times editorial of March 22 stated:

> It is up to Congress to step into the vacuum left by White House inaction and impotence.

If we do not take the lead, it will not be done. Therefore, I urge all of my colleagues to move ahead as rapidly as possible on these and other programs and policies that the American people urgently need. Today is our moment, and we cannot let it pass without incurring the strong criticism of those who have elected us to positions of public responsibility.

Mr. President, I ask unanimous consent that the editorial from the New York Times, entitled "Inaction or Inflation," be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Inaction on Inflation

For American consumers, it is slaughter at the checkout counters and the gasoline pumps, food and fuel prices soared again in February, giving another big thrust to skyrocketing consumer prices. With last month's increase of 1.3 per cent, the cost of living has climbed 19 per cent in the past twelve months—the first double-digit rate of inflation in consumer prices since 1948. As a result, the real spendable income of workers has dropped 4.5 per cent below a year ago.

In the midst of this dangerous inflation, national economic policy appears paralyzed. Partly, this is because the speed-up of inflation is taking place while production is dropping and unemployment edging up. Policymakers are afraid to tighten fiscal and monetary policy, lest they exacerbate the recession that President Nixon has declared is not going to happen. Their liberal critics, in fact, are urging the Administration to provide at least moderate fiscal stimulus to the economy. Without stimulus, these critics warn, the hoped-for recovery in the second half of 1974 may never occur. But the Administration rejects this course, out of fear that it would worsen the inflation. Chairman Stein of the President's Council of Economic Advisers, notes that though 63 per cent of the February price increase was in the food and energy areas, inflation in other areas was also substantial, and hence "great caution is needed about measures . . . to stimulate the economy."

The Administration, having convinced itself that price-wage controls only make a bad situation worse—a point on which it needed little convincing—has no intention of trying controls again. The existing stabilization program is in process of rapid disintegration ahead of its formal April 30 expiration date. The Administration seemingly wants to retain mandatory controls only on fuel and health services, with a residue of jawboning and gentlemen's agreements in construction and a few other fields, in line with the prescription of Director Dunlop of the Cost of Living Council.

Faced with the failure of past policies, some economists—including such conservatives as Milton Friedman and the economists of the State Street Bank and Trust of Boston—are saying that if we can't lick inflation, we should join it: that is, adjust interest rates, wages, rents, contracts, and so on to reduce inflation's impact on any group in the society. What the conservatives fear is that the effort to halt inflation will involve an increase in government power over the economy sufficient to wreck the free-enterprise system.

This represents a counsel of despair. There is real danger that "indexing" all incomes so that they go up or down with the price level would cause inflation to accelerate or simply become a way of life, a senseless merry-go-round that distorts decision-making and misuses resources.

The beginning of a program to stop inflation requires an act of will by Government in coping with complex problems, rather than the present soggy mood, aggravated by a Watergate-logged President, in which nothing can be done. It is by no means impossible to devise a combination of fiscal measures to tax away windfall gains of some industries, especially oil, while providing some relief for working people, whose real incomes have been undermined by inflation. Such action may indeed be essential to prevent a wage explosion when controls lapse. The mess the Administration made of controls does not mean that such messes are inevitable. It is up to Congress to step into the vacuum left by White House inaction and impotence.

TITLE I—H.R. 69

Mr. BUCKLEY. Mr. President, events in the House of Representatives yesterday have left me saddened and concerned over the fate of hundreds of thousands of disadvantaged children in numerous larger cities across our Nation. I speak of the refusal of the House to make any changes in the unfortunate new formula drawn up by the Education and Labor Committee for the allocation of education funds under title I of the proposed extension of the Elementary and Secondary Education Act, H.R. 69. The House defeated several amendments which sought to make the formula more equitable and responsive to concentrations of poverty and educational disadvantages. The size of the votes reflects an antilarge State and major population center bias which is both surprising and dismaying.

As defined in section 101 of the 1965 legislation, the purpose of title I is "to provide financial assistance to educational agencies serving areas with concentrations of children from low income families to expand and improve their educational programs by various means which contribute particularly to meeting the special educational needs of educationally deprived children." Unfortunately, the House committee change in the allocation formula has the effect of directly undermining and changing the intent by dispersing title I funds around the country and to relatively less disadvantaged children, rather than channeling them to local educational agencies which have large numbers of needy children. Thus, those children most in need of additional educational assistance will lose some of the insufficient aid they currently receive, while children with relatively less need for such help will receive additional aid. I submit, Mr. President, that such an approach is self defeating, unwise, and should be rejected.

A major reason for this change in emphasis is the substitution of the Orshansky index as a major factor in the allocation formula. The appropriateness of this index has been strongly disputed in many quarters, and even the developer of the index, Mollie Orshansky, recommended in committee hearings that "further analysis of the formula be conducted before it is used as a poverty index." Unfortunately, this was not done. The essential problem with the index is that it does not draw a comparison between rural and urban families, but rather between farm and nonfarm families, with the main emphasis on food as a component of the family budget.

This distinction obscures and misstates the cost-of-living differences between rural and urban areas by giving little weight to the extra expenses and higher costs incurred in urban areas. Thus, the effect is to shift money to the rural areas and away from the urban areas where concentrations of poverty and the problems of education are the greatest and increasing. In addition, the number of children involved will increase under this formula by over 50 percent, thus seriously diluting the amount of money available per child.

Another change in the new formula is the reduction in the percentage of AFDC children used in determining allocations. However, in answer to questions submitted by the House Committee on Education and Labor, the Social and Rehabilitative Service of HEW asserted that AFDC data was the best available on which to base the distribution of funds:

> Although there are variations in AFDC eligibility and payment levels which do favor States with less restrictive eligibility rules and higher payment levels if AFDC data are used to allocate funds, we are unaware of any other more adequate data which is provided county-by-county on a relatively current basis (yearly) which could be used for an equitable distribution of funds.

The third unfortunate change in the formula is the imposition of a ceiling of 120 percent of the national average per pupil expenditure on the State aid rate, 50 percent of which is used as a multiplying factor in the allocation formula. This particular provision was directed in committee specifically against my own State of New York, which has a per pupil expenditure of 150 percent of the national average, as well as other urban and high cost-of-living States which are making an extra effort in the field of education.

It is asserted that a high per pupil expenditure proves that such States are wealthier and therefore should receive less. This is surely specious logic. The effect of this change is to penalize those States that are trying harder to provide a good education for their young, and to reward those States which are making relatively less effort in this field. The staffing ratio of New York exceeds the national average by 25 percent in instructional staff and 18 percent in classroom teacher staffing. This is needed not only to help provide quality education, but also to help deal with the additional education problems encountered in large urban centers.

While it is true that New York receives more dollars than other States under the present title I formula, it gets comparatively less than other States do for their children. New York receives only 19.8 percent of its average per pupil expenditure for a title I child, while such States as Minnesota and Mississipi are currently receiving 25 percent and 89.5 percent, respectively, of their per pupil expenditures. In addition, Federal funds in general account for 5.4 percent of the total expenditures in New York for elementary and secondary education, while the Federal share of Mississippi's expenditure, for example, is 26 percent. Under the proposed formula, New York State stands to lose approximately 25 percent of its current title I funds and, in New York City alone, as many as 100,000 poor children could lose the benefits of title I services.

It is thoroughly ironic, not to mention unjust, that New York State which, according to the Advisory Commission on Intergovernmental Relations, is making the highest tax effort of any State in the country and yet has one of the lowest returns of the dollars that its citizens send to Washington, should be singled out as getting too much Federal money and be legislated against for its efforts to provide quality education for all its children.

Mr. President, while all of us recognize the need for some reform in title I allocation formula, it is clear that the House committee formula does not really correct any of the shortcomings in the old formula but, on the contrary, actually creates some new, more serious inequities. In fact, it dilutes the effectiveness and subverts the purpose of title I. It simply does not make good sense, nor policy.

It is unfortunate that the committee hastily approved this formula without the requested further analysis and pertinent data, and in an atmosphere of hostility toward New York and other heavily populated areas.

It is even more unfortunate the whole House would not support commonsense and the national interest by making needed changes in the formula during floor debate on the bill.

In any case, I urge the Senate to enact a just and equitable title I formula in whatever ESEA legislation comes to the floor. I am told that the Senate Committee on Labor and Public Welfare has included a reasonable formula in S. 1539, the Senate ESEA bill. I hope that, if the formula should become an issue in conference with the House, the Senate conferees will continue to support and fight for an equitable formula.

Mr. President, we must strive to maintain the purpose of title I and to insure that very poor and disadvantaged children of our Nation, especially those in the overcrowded, psychological pressure cookers of our larger cities, receive their fair share of the educational funds voted by Congress.

AIDING FOREIGN REPRESSION

Mr. McGOVERN. Mr. President, recently in an editorial in the Columbia, Mo., Missourian, the paper praised the efforts of my colleague, Senator JIM ABOUREZK, and his efforts to amend the Foreign Assistance Act of 1973.

Most Americans are familiar with the Nixon administration's export of wheat to Russia and the imports of oil from the Middle East, but what most Americans are not familiar with is this country's involvement in other, not so publicized, imports and exports. Senator ABOUREZK has noted that, among other things, in recent years we have exported almost $3 million worth of fragmentation grenades to the national police forces of three countries, and we have exported millions of dollars worth of supplies and training aids to some of the most repressive regimes in the world for them to control their populations. We have imported hundreds of police and para-military personnel from these regimes to teach them how to build and detonate explosives, how to wipe out pockets of opposition, and how to instill fear into the minds of their fellow citizens.

Certainly, this activity falls far short of either the definition or the spirit of the intentions of our foreign aid program. Senator ABOUREZK has stated that if the American people knew about this activity, they would want it stopped immediately. I couldn't agree more.

Mr. President, I ask unanimous consent that the Missourian article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AMERICAN FOREIGN ASSISTANCE MUST NOT AID REPRESSION

If news is whatever the editor thinks it is, then editors all over the United States fell on their faces last October. For that was the month when, in a losing cause, 44 U.S. Senators voted terminate American financial support for the practice of torture in countries around the world.

The vote came on an amendment to the Foreign Assistance Act introduced by Sen. James Abourezk, D-S. Dak. Elected to national office for the first time in 1972, Sen. Abourezk is one of the few bright spots in a lackluster Congress.

In a little-noted speech Oct. 1 in support of his amendment, Sen. Abourezk reminded the Senate that from 1965 through 1972, the United States supplied $2.9 million worth of fragmentation grenades to the national police forces of three countries. In addition, the U.S. Navy paid an American firm $400,000 in 1971 for constructing and delivering new isolation cells—called tiger cages—to Con Son Island in South Vietnam.

"One would be hard-pressed to find the American humanitarian spirit in furnishing grenades and isolation cells," Sen. Abourezk said.

Sen. Abourezk went on to note that in the eyes of many people around the world, "the foreign policy of the U.S. has increasingly come to mean police power, military aid, military alliances and support for repressive and authoritarian governments as a means of creating our own definition of world stability."

It is little wonder foreigners make such a connection. The Indochina War tarnished the U.S. image badly, of course, and our support of anti-democratic governments like the one in Greece has not helped matters much, either. But our national image can only plummet to new lows as a result of a report by Richard Arens, a professor at Temple University, which Sen. Abourezk inserted in the Congressional Record.

Professor Arens maintains that last year the United States provided $2.5 million in military assistance, training and advice to the right-wing government of Paraguay. Perhaps that would not be so bad if it were not for the program of "systematic liquidation" which the Paraguayan government is presently employing against the Ache Indians, a Paraguayan minority group.

According to Professor Arens' report, which was originally published last year in The Nation, Aches "are being hunted and indiscriminately killed regardless of age, sex, or position."

The Paraguayan slaughter has been acknowledged and denounced by the Roman Catholic Church of that country and by the World Council of Churches. Professor Arens says that British and German publications have from time-to-time run various exposes documenting the extermination of the Aches. But never has an outcry been raised in the United States, not even by the U.S. Ambassador to Paraguay, who is reportedly a close friend of Paraguayan ruler, Gen. Alfredo Stroessner.

Under the circumstances, one would think nothing could be more of an incentive to such an inhumane government than a continuing flow of aid, and yet the combined total flow of aid, and yet the combined total of all American military and economic aid to Paraguay reached $11.5 million last year.

It is this sort of callous indifference to cruelty that Sen. Abourezk would like to see eliminated from the American budget. His defeated amendment reads in part: "(No funds) . . . shall be used to provide training or advice, or provide any financial support for police, prisons or other internal-security forces of any foreign government . . ." That is a sensible statement of what American policy should be.

FLORIDA REMEMBERS JOSEPH E. LEE

Mr. CHILES. Mr. President, one of Jacksonville's and Florida's most distinguished adopted sons was Joseph E. Lee. In the 47 years that he lived in this city and State, Lee established himself as a brilliant lawyer, an outstanding theologian, a captivating orator, a masterful politician, an illustrious statesman, and a social, civic, religious and fraternal leader.

Joseph E. Lee was born in Philadelphia, Pa., on September 15, 1849. He attended that city's public schools as well as the famous "Institute for Bold Youth." He obtained his law degree from Howard University School in 1873, where he was a student of the brilliant John M. Lanston, dean of the law school.

His legal career was commended in April, 1873, when he was admitted to practice before the Florida Supreme Court on the motion of Attorney General William A. Cocke. He was the first black lawyer in Jacksonville and the third one in the entire State. Lee was also one of the first, if not the first, lawyer in Florida to have a law degree. His clientele was statewide and included some of Florida's wealthiest citizens. Lee had a brilliant legal practice that lasted for 47 years and ended on March 25, 1920, when he died in his law office at 23 E. Beaver Street.

In November of 1874 Lee was elected to the lower house of the Florida legislature. He was a member of that body for the next 8 years. In 1880 he was elected to the State senate, where he served until 1882. Lee was a very active legislator, and he served on the following legislative committees: Judiciary, Privileged and Election, Engrossed Bill, and Education.

Lee's Federal appointments were as impressive as his elected record. Throughout the 1870's and 1880's he was either the Deputy Collector of Custom of the Port of St. John or the Deputy Collector of Internal Revenue of Jacksonville. He was the Collector of Customs of the Port of St. John from 1890 to 1894 and from 1897 to 1898. The last Federal appointment that he held was the Collector of Internal Revenue of Jacksonville from 1898 to 1913.

In 1884 he was nominated by his political party to be a delegate to the constitutional convention of 1885 which had to rewrite the Florida Constitution as its duty.

The achievements of Joseph E. Lee as a religious leader matched his other accomplishments. He was a member of Mount Zion African Methodist Episcopal Church where he served as the superintendent of its Sunday school. He later became a minister in his denomination and was the pastor of three of Jacksonville's most famous churches, Mount Zion, Mount Olive, and Grant Memorial. A charter member of the East Florida Conference of the AMC Church, he later served as a presiding elder.

On April 3, 1888, Lee was elected municipal judge of Jacksonville over two white candidates. He was the only black man to ever hold a judgeship in the history of Jacksonville.

As a political leader and statesman his brilliant abilities were known and respected on the local, county, and congressional levels. Joseph E. Lee was a major force in the Republican Party of Florida for almost 50 years. He was both the chairman of the Duval County Republican and secretary of the State Republican Parties for almost 40 years. At the time of his death in 1920 he was still holding these positions and delegate to the national Republican convention of that year.

Lee's contribution as an educator was made at Edward Waters College where he was a trustee of that institution for over 30 years. In this position he played a major role in the development of that institution of higher learning.

The fraternal and civic activities of this "man of all seasons" were as exciting as his other careers. Lee was the worshipful master of Harmony Lodge No. 1 and the grand messenger of the Grand Lodge of the State of Florida. He was also the grand worthy chief templar of Florida's Order of Good Templars as well as the recording secretary of the Union Benevolent Association which provides aid to the poor, aged, and the infirm.

Perhaps Lee's greatest contribution was to the youth of his days. They idolized him, not only did he both inspire and influence them during his lifetime, he also wrote his name in their minds forever. When James Weldon Johnson wrote his autobiography, "Along This Way," in 1933, he remembered the Joseph E. Lee from his youth. He wrote:

> I was in my teens when the city government was reorganized and Joseph E. Lee, a Negro and a very able man and astute politician, was made judge of the Municipal Court.

In December 1972 A. Phillip Randolph told a reporter for the New Yorker, who was writing an article on the dean of the civil rights movement, of how his father looked up to Lee and tried to influence his children to do like him. It is of interest to note that the statement by Mr. Randolph was made 52 years after the death of Joseph E. Lee.

Joseph E. Lee was truly a man of all seasons who wrote his name forever in the history of Jacksonville and Florida.

SCHOOL SMOKING ROOMS

Mr. MOSS. Mr. President, Mr. Norman Cousins has written an article entitled "School 'Smoking Rooms' Only Intensify a Problem." This article appeared in the Seattle Times on March 24, 1974. I ask unanimous consent that it be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MOSS. Mr. President, as the Senate will remember, this body and the House voted overwhelmingly to exclude the advertising of cigarettes from television and radio in an effort to halt the growth of diseases such as lung cancer, emphysema, and other maladies connected with the smoking of cigarettes. One of the particular areas of focus was to halt the appeal to young children who watch television very avidly. Unfortunately, the decrease in smoking has not been nearly as great as had been expected. And young people still seem to be getting suggestions from other forms of advertising, and particularly from examples set by their elders, so that the incidence of smoking has continued to climb among the young people.

This article deals with the failure of some of our schools to try to educate children as to the dangers of smoking and to instill some discipline to halt the growing use of tobacco by young people. The article criticizes severely the practice of a Connecticut high school which has set aside a room where students are free to smoke.

I think all of us should consider this problem and be concerned about it. Voluntary agencies of the Lung Society, the Cancer Society, and others make an effort to educate our citizenry. We should have the cooperation of our schools.

EXHIBIT 1

SCHOOL "SMOKING ROOMS" ONLY INTENSIFY A PROBLEM

(By Norman Cousins)

NEW YORK.—In the small Connecticut community where I live, the high-school authorities have reserved a large room in which students are free to smoke. There are no restrictions as to age.

The theory is that youngsters are going to smoke anyway, no matter what teachers or parents do, and that it is far better to permit the children to smoke in the open than in washrooms or behind stairways.

The trouble with this theory is that it assumes the school authorities have no choice but to yield to the inevitable. Educators do have a choice. They can use all the means at their disposal to help give their students a respect for life. For nothing the school can do is as important as educating in the fragility of human beings. It makes little difference what else a school does. If it doesn't create respect for the preciousness of life and for the need to nurture it and safeguard it, then nothing else the school teaches will have full value.

The educators who favor school smoking facilities contend there is something hypocritical about trying to prohibit smoking when so many teachers and parents find it impossible to break the habit themselves. Here, too, the flaw in the reasoning is not recognizing that the weaknesses or inadequacies of adults must not become the standard. It is precisely because such inadequacies exist that there must be a place in the society where youngsters can be exposed to standards on which there is no compromise.

As for the argument that children are bound to imitate grown-ups, it is important to remember that society has a responsibility to keep children from being harmed, no matter what adults do and no matter what examples adults may set. Once a person attains his legal age, he has a right to jeopardize his health if he wishes. Until that time society has the responsibility for protecting that individual.

With specific reference to the health hazards of smoking, it is quite positive that no amount of education will convince some youngsters that cigarettes are a serious hazard to their health—any more than any amount of education can convince some grown-ups of those hazards—but this does not mean that the school should put its seal of approval on smoking for teenagers, which is the very clear sign a school gives when it officially sets aside a room for smoking.

In our own Connecticut community, 13- and 14-year-old children have equal access to the smoking room along with 18- and 19-year-olds. The authorized smoking room thus becomes a habit-forming center for smokers.

One of the unfortunate aspects of the situation is that it undercuts those youngsters who understand the dangers of cigarettes. It is difficult enough for these nonsmoking students to exercise influence over the others without having to contend with the misguided permissiveness of school authorities.

I don't know how many high schools in the country are providing smoking facilities for young people. Not many, I hope. These schools perform no service to the youths of America or to themselves in their shortsighted effort to deal with furtive smoking. All they succeed in doing is to intensify rather than to mitigate an important national problem.

There are few more serious issues before the nation than the condition of our youth. One of the most serious aspects of the problem is that various forms of addiction are searching out younger and younger victims. Caspar Weinberger, secretary of health, education and welfare, has asserted that thousands of 12- and 13-year-old children are now becoming alcohol addicts. Does this mean that we will now have some elementary-school officials tell us they will have to be "realistic" and provide facilities so that children won't be forced to drink secretly? This is an extreme example, of course, but it may serve to indicate the absurdity of surrendering to a problem rather than focusing on new ways of trying to solve it.

What do we have to look forward to as a nation if we scuttle all standards in the upbringing of our young people?

This year the United States will spend almost $100 billion for defense purposes. What is it we are trying to defend? Real estate? Property? If our main purpose is to protect human beings, what about the harm being done to millions of young Americans through all forms of addiction? It is difficult to think of any worse damage that could be inflicted on this country than the damage we inflict on ourselves through irresponsible policies based on surrender rather than effective leadership.

CIRCUIT COURTS OF APPEALS

Mr. BURDICK. Mr. President, today the Subcommittee on Improvements in Judicial Machinery, which I am privileged to chair, commenced a series of hearings dealing with legislation which proposes to afford some immediate relief to our overburdened courts of appeals. These hearings will extend over the next several months and will relate to S. 2988 through S. 2991, which contain proposals to create additional judgeships in seven of the circuits and the recommendations of the Commission on Revision of the Federal Court Appellate System relating to the fifth and ninth circuits.

It is my desire to comment briefly on the volume of the caseload in these courts and the nature of the problems in judicial administration which arise from such a caseload, to the end that Members of the Senate may be informed of the importance of these hearings.

For several years the courts of appeals have had serious problems attempting to cope with an ever-increasing number of cases filed in these courts for appellate review. Some indication of the magnitude of the problem will become apparent by reference to certain judicial statistics over the past 20 years. In 1953, 3,226 cases were filed in the several courts of appeals which then had a total complement of 57 judges, or an average of 50 cases per judge. In 1963, the caseload had risen to 5,039 cases and the number of authorized judgeships had increased to 78, making an average of 64 per judge. However in 1973, the most recent year for which statistics are available, the total filings in these courts had risen to 15,629, which for 97 authorized judgeships resulted in an average of 161 cases per judge. Thus, in just the past 10 years, the total caseload of the courts of appeals has tripled while the number of judgeships has increased by 24 percent.

In 1973, in the fifth circuit, total filings were 2,564 which is only slightly less than the total nationwide filings in 1953. The caseload in the ninth circuit in 1973 was a close second with 2,316 cases. In recognition of the fact that a bench of 15 judges cannot handle a caseload which 20 years ago was deemed to be a sufficient caseload for 57 judges, the Commission on Revision of the Federal Court Appellate System filed with the Congress on December 18, 1973, its report recommending that both the fifth and ninth circuit be divided into two new circuits. While this recommendation concerning the fifth and ninth circuits will be considered at a later date by the subcommittee, it is imperative that the subcommittee now turn its attention to those other circuits which have experienced a correspondingly large increase in judicial business and which increase, in turn, gave rise to the Judicial Conference's recommendation that new judgeships be created to share the workload.

Only 7 short years ago when the Congress last considered a circuit court omnibus bill, a caseload of as little as 60 cases per judge in a circuit was deemed sufficient to justify the creation of an additional judgeship. By contrast, the circuits which we will consider in this series of hearings had the following filings per judge during fiscal year 1973:

First circuit	134
Second circuit	190
Third circuit	133
Fourth circuit	225
Sixth circuit	140
Seventh circuit	140
Eighth circuit	103
Tenth circuit	130

In order to maintain some relative degree of currency in their dockets, many of these courts have been forced to adopt various screening procedures whereby the least complex cases—as well as those of little merit—could be identified and decided within a minimum period of time. Lawyers in these circuits have generally accepted such procedural innovations, recognizing that the only other alternative would be an unacceptable delay in the appellate process. An appraisal of these and similar innovations adopted by some of the courts of appeals is a matter which should be considered by the subcommittee and evaluated in the light of the requirements of due process and principles of fundamental fairness.

Notwithstanding the employment of innovative and expedient procedures, many of these circuits have absorbed the ever-increasing caseloads by lengthening the time required in order to obtain a final decision from the court. In 1966 the median time interval from filing the appeal to final disposition was 8.3 months and in 1973 it was 19 months for civil cases and 15.8 months for criminal cases. It may well be true that "justice delayed is justice denied." If so, it is imperative that Congress authorize for each court of appeals a sufficient number of judges to the end that those judges, sitting on a court which employs those procedural innovations which do not sacrifice either due process or fundamental fairness, will be able to furnish appellate review without undue delay.

The concept of delay itself is somewhat nebulous. In evaluating the various statistics showing the length of time required to process a case from notice of appeal to final decision, one should bear in mind the time limitations contained in the Federal rules of appellate procedure:

Forty days are allowed for filing the record on appeal

Forty days thereafter are allowed for appellant's brief and the appendix;

Thirty days are allowed for respondent's brief; and

Fourteen days are allowed for a reply brief.

Thus, 124 days are required for the parties to get the case ready for consideration by the court. In fairness, no lapse of time can be charged to the court until the parties have performed their tasks required by the rules. However, the court does bear the responsibility for unwarranted extensions of these initial time requirements.

Beyond this initial period of 124 days the appellate procedure must allow sufficient time for the following action by the court:

The case must be set on a calendar;

Reasonable notice of the date for argument must be given;

The case must be argued or submitted on the briefs;

The judges must hold a decisional conference;

An opinion must be prepared, circulated and finally published; and

Throughout this handling by the court there must be adequate time for study of the briefs and record, independent research by the judge or his law clerk, and composition of the opinion.

In the processing of a large volume of appeals it is not unreasonable to postulate that the time required for action by the court could range from 60 to 90 days.

Thus, on the face of things, 184 to 214 days is probably the optimum time for the appellate process in the Federal courts of appeals, under present procedural rules and absent expedition by both the parties and the court.

In the 11 circuits of our Federal system, a study of those cases terminated after oral argument or submission on the briefs, discloses that the average time to complete this appellate process in fiscal year 1973, ranged from 220 days to 466 days. The average time for each circuit is as follows:

	Days
First	229
Second	220
Third	344
Fourth	284
Fifth	276
Sixth	293
Seventh	433
Eighth	245
Ninth	428
Tenth	327
District of Columbia	466

While these figures demonstrate the extent in the appellate process, elimination of this delay is not our only point of concern. For interwoven in our consideration of this whole problem, is the nature of the workload which the system imposes on the judges of these courts.

When a judge is engaged in a week of hearing oral arguments, his time is largely consumed by preparation for those arguments on 20 to 30 cases per week. He must read briefs, look at selected parts of the record or exhibits, and study memoranda prepared by his law clerks, to the end that his participation in the hearing and the conference on the case after argument will be both productive and meaningful. Thus, weeks of sittings are generally not weeks in which written opinions can be produced. If a judge has 11 weeks of sittings during a year, and if 4 weeks are vacation time, and 2 weeks are lost to holidays and annual circuit conferences, there are left only 35 weeks for work on opinions and other judicial work.

In 1973, on a national average each circuit judge wrote 36 signed opinions, 40 per curiam opinions, and participated in twice that number of opinions which were written by his two colleagues on the three-judge panel. In addition, he acted alone or joined other judges in terminating 49 cases per judge which were terminated without oral argument or submission on the briefs.

Thus, our appellate system required the average judge to produce and participate in the following decisional workload for each of the 35 weeks:

Signed opinions—1 written 2 participates	3.0
Per curiam—1.1 written 2.2 participates	3.3
Other terminations—1.4 written 2.8 participates	4.2
Total	10.5

Therefore, the appellate system expects an average judge to produce judicial decisions at a rate of two per day for 35 weeks per year. In many of the circuits, the judges have exceeded this workload in an effort to keep pace with the large caseload. At some point additional increases in the so-called productivity of these judges poses questions whether we are threatening quality in order to achieve quantity.

I have presented this broad outline of the problems of our circuit courts, in an attempt to illustrate the issues before this subcommittee in these hearings. Some of these same issues are being considered in depth by the Commission on Revision of the Federal Court Appellate System which will make its final report to Congress either this September or next year, if its time is extended. However, that Commission has already reported that in two of the circuits, the fifth and the ninth, the problem is no longer amenable to solution by creating more judgeships. Rather, it has recommended that those circuits be divided.

Mr. President, the subcommittee has already noticed its initial series of hearings to be held on March 27 and 28, and on April 4, 10, 11, and 23, at which we will examine in depth the caseload, workload, and procedures of each of the 11 circuits. If any of my colleagues desire specific information concerning the circuit which includes their particular State, I would be pleased to accommodate them.

OLD DUNBAR HIGH SCHOOL: IS IT TOO GOOD TO TEAR DOWN?

Mr. KENNEDY. Mr. President, I would like to enter in the Record an account from the Washington Star-News on March 25, concerning proposals to replace one of the oldest high schools in Washington, D.C.

Dunbar High School has become an historical landmark in the eyes of many Washingtonians because it served as the training ground for so many men and women who are today prominent Americans. Indeed, a Member of this Senate, Senator Edward M. Brooke, my colleague from Massachusetts, is a graduate of Dunbar High School, as is the District of Columbia Representative in the House of Representatives, Congressman Walter Fauntroy.

I request unanimous consent to print in the Record the March 25 article from the Washington Star-News.

There being no objection, the article was ordered to be printed in the Record, as follows:

Old Dunbar High School: Is It Too Good To Tear Down?

(By Jacqueline Trescott)

Adversaries in the long, complicated battle to save the 58-year-old Dunbar High School from the wrecking ball are lining up for the last charge.

Since 1968, when the Board of Education decided that Dunbar, built at First and N NW in 1916, had passed its prime, pro-Dunbar forces stayed on the sidelines, confident that "they'll never tear down Dunbar—why, everyone who's anyone has gone to Dunbar."

Meanwhile, moving ahead with their plans, the school board, the urban renewal agencies and anyone who approved money for the "new" Dunbar became the "enemies." Suddenly, last winter, the defense—some alumni, notably Sen. Edward Brooke and local historians and historical societies—began to realize the "enemies" meant what they said.

Then, a crushing blow from the Office of the Schools' Superintendent last Feb. 6 when Barbara Sizemore announced that 14 million to rehabilitate the old building was too much and that a new Dunbar had to be built instead. She added, "a scale replica of the old Dunbar building to be enshrined and displayed in the new building as a symbol" would be included.

The other side was incensed, saying "it was all railroaded through" and letters poured into the offices of three key Dunbar alumni, Brooke, '37, James Banks, the mayor's housing official, '45, and Del. Walter Fauntroy, '51.

The Battle of Dunbar is a daily conflict of economics and emotion. The captain of the defenders is Mary Gibson Hundley, a former Dunbar languages teacher, who has given much of her 76 years to securing the school's niche in history.

As she sat explaining her strategies, Mrs. Hundley angrily said, "don't listen to Jimmy Banks or that Barbara Sizemore, she's only been here four months . . . it's not too late until the bulldozers arrive" and then gently fingered "The Dunbar Story: 1870–1955," a book she wrote in 1965.

"The people who want to destroy Dunbar aren't judging on the right criteria. They are interested in putting up a bright shining building. They are not concerned with the accomplishments of the graduates, the people who worked there and its link to the beginnings of the District's history, said Mrs. Hundley.

"I mean, don't they understand it was THE high school. In its early days, people came from all over to teach there, Harvard graduates, Oberlin graduates and it had one of the highest salaries in the country," Mrs. Hundley, a Latin and French teacher, finished at the old M Street School in '14, Radcliffe College, cum laude, in '18 and later earned a degree from Middlebury (Vt.) College.

The Dunbar story starts in 1870. That was the year William Syphax, who is Mrs. Hundley's grandfather, and William Wormley, opened the Preparatory High School for Colored Youth in the basement of the Fifteenth Street Presbyterian Church. The school was moved to quarters in the Thaddeus Stevens, Charles Sumner and Myrtilla Miners schools and in 1891 became the M St. High School at First and New Jersey. The Dunbar building, which cost a half million dollars and was named for poet Paul Lawrence Dunbar, is within the original 10 square miles of the City of Washington.

In the days of segregated public education, Dunbar was Washington's only black academic high school.

Throughout her life, Mrs. Hundley has had a strong sense of history. Her family traces its roots to Virginia's Custis family and George Washington's slaves. Her grandfather served under nine secretaries of the Interior and was President of the Board of Trustees of the Colored Schools of Washington from 1868 to 1871.

Mrs. Hundley's deepest quarrel with her enemies centers on "their disrespect for the past. Unlike Europeans, Americans don't adopt reverence for what has been put into their value system."

Neither side is challenging the fact that Dunbar graduates have made tremendous contributions to world history. One side just values that fact a little more.

Dr. Charles Drew, the discoverer of blood plasma. Rayford Logan, the eminent historian. Folklorist and poet Sterling Brown. Artist Elizabeth Catlett. Judge William Hasties, once governor of the Virgin Islands. Robert Weaver, a former Presidential Cabinet officer. Samuel Z. Westerfield, the late ambassador to Liberia. Paul Cooke, president of D.C. Teachers College. Benetta Bullock Washington. Francis Dent, George E. C. Hayes, Frank Reeves, the lawyers who argued segregation cases before the Supreme Court. And, Charles Houston, the prominent NAACP lawyer, who argued the case, when Mrs. Hundley and her husband were blocked from moving onto 13th Street by a restrictive real estate covenant; thinks to him, they're not legal any more. They all went to Dunbar. H. Minton Francis, deputy secretary of Defense for Equal Opportunity, class of '41, and a fifth generation Dunbar graduate, argued, "There's nothing like Dunbar any more. It was a source of brain power; it has contributed to the history and lifeblood of this city. And Dunbar wasn't a school for the elite. Students from all economic classes and parts of the city went there. Brains were recognized, not money."

In his letter to Banks, Francis, who attended the University of Pennsylvania and West Point after Dunbar, asked, "since we are proud of black history and want to inspire the young black men and women of today and tomorrow, why can't we preserve Dunbar in the tradition of West Point, which enshrines the places where Lee and Grant lived? I think we should talk about inspiration, not just dollars and cents."

Former vice-superintendent of schools, Benjamin Henley, Dunbar '28, says he's "altogether for a new building and improved facilities." Says Henley, "my days at Dunbar were some of the happiest of my life and I realize there's some sort of feeling for the new building. But I think we should look ahead."

The "new" Dunbar, designed by a Dunbar graduate is a $17 million split-level tour de force, with school and stadium facilities flowing into one another.

The "old" Dunbar, a Tudor-style buildnig, which has a "non-regulation" size football field and stadium, was listed by the Afro-American Bicentennial Corporation as one of the most important structures in the city. Dunbar is scheduled on the city tour of the American Institute of Architects during its national convention in May.

In the final phase of the Dunbar campaign, the remaining tactics for the preservation forces are pressuring city officials, Congressmen and the Joint Committee on Landmarks.

Being designated by the Joint Committee is crucial and the question of Dunbar was reportedly brought up at the December and February meetings but set aside until the Committee establishes new rules for designation, which will include public hearings.

Even though the school board has authorized demolition, the Committee can still recommend that Dunbar be included in the National Register of Historic Places. Peter Smith, a field officer with the National Trust, believes that "Dunbar should be preserved. The question is how to go about it." He has talked to Banks, who is also the District's State Historic Preservation Officer.

"The feelings at Banks' office is that once the school board acted the matter was entirely out of their hands. But if it is declared a landmark, besides the prestige, the builling is available for matching grants for actual brick and mortar work, restoration, from the Park Service. And second, before it can be torn down, the President's Advisory Council on Historic Preservation, will have to have a hearing if federal funds are used for new building," said Smith.

In Superintendent Sizemore's February letter to School Board president Marion Barry, she said that Dunbar "was a reservoir of nostalgia for a segment of the D.C. populace," but the present building did not meet the building codes and if the old Dunbar were saved "the new building would have to be compromised."

Still, the school board has been harshly criticized by the preservation forces for lack of interest in social history and "doing what is expedient." In a recent issue of the New York Times, architectural critic Ada Louise Huxtaable made a similar observation. "The problem may be that Washington, the seat of history, fails to understand what history really is. At any rate, it misses the point of urban history abysmally."

In the last few months, James Banks has been accused of "letting the Dunbar matter slip right through." He was not in town last week to discuss Dunbar, but his executive assistant commented, "Mr. Banks is very concerned about Dunbar but he doesn't have any authority over the matter. The decision to raze the school was made five years ago, the appropriations have passed Congress, and Mr. Banks can't make a decision that is the work of the City Council and the school board. Some very prestigious people have written him in the last few months and they should be writing to the school board."

So the action turns to Capitol Hill. Sen. Brooke wants have a "full hearing" on the demolition, which isn't scheduled until the new building is completed two years from now. According to Brooke's aides, the senator is canvassing among the Congressmen on the District Committees to build up support for the Dunbar fight.

Mrs. Hundley has met with Del. Fauntroy who promised a full investigation. "One of our problems is that too few people were preservation conscious before a couple of years ago, when the Bicentennial chatter started," said Mrs. Hundley.

"What we are faced with now is plain politics. They're worried about urban renewal and we're worried about heritage. Those people in City Hall can do what they want to do, if it's for their advantage."

Down the street from Mrs. Hundley's modest home, filled with photograph's of her family and students from the 35 years she taught at Dunbar, is Cardozo High School. She walks to the window and looks out, speaking softly and a little wistfully, "that school was built the same year as Dunbar but they aren't planning to tear it down. I don't want to deprive children of a good education. All I want is for that building to be recognized for what went on inside, a unique education system.

"Can't they use the old building for a community center or adult education facility; that's what they did with Franklin School. This is a noble cause. That school gave the nation something no other school did in its time.

"I'm not an old fool, am I? It's just that when you leave this earth, you don't want to be remembered as someone who just cashed her checks. I want to be remembered as a fighter for something of value."

NUCLEAR SAFETY: LITTLE THINGS MEAN A LOT

Mr. GRAVEL. Mr. President, sloppy quality control could inflict a severe nuclear accident on this country. Dr. Henry Kendall, physicist at MIT, has put the problem very succinctly indeed:

> Defective workmanship can remain hidden, and surface at the time of an accident, either to cause it or to aggravate it beyond control.

Just bad weld in some piping could lead to a catastrophic loss-of-coolant accident, for instance, since the cooling system is only as strong as its weakest link.

Failure to detect defective motors could be extremely serious, too. On February 22, 1974, the AEC regulatory staff announced it is investigating the recall by Westinghouse of motors which are used in some nuclear power safety systems. The announcement said:

> It appears that some of them may not meet the performance standards claimed by Westinghouse—specifically that they can be started and come to full speed in five to six seconds under conditions ranging down to 80% of normal voltage.

Every second would be crucial in the event of a loss-of-coolant accident, for example.

In September 1973, improperly installed control rods were discovered at the Browns Ferry nuclear powerplants; fortunately, none of the plants had yet started operation.

Common construction activities like pouring and cadwelding concrete have mammoth public safety implications if the concrete is going to hold and protect a nuclear reactor vessel.

Sloppy and possibly dangerous workmanship by the architect-engineering firm has been discovered on the concrete foundation for the Midland, Mich., nuclear powerplant. According to an AEC appeal board:

> The architect-engineer did not have properly trained construction personnel to handle the vibration of the concrete, and neither it nor the applicant [utility] had quality assurance engineers on-site sufficiently knowledgeable in concrete work to recognize the deficiencies in the procedures.

Citing public safety considerations, the AEC suspended construction at Midland on December 3, 1973. After another inspection on December 7 and a meeting with Midland bankers and the chamber of commerce on December 10, the AEC reversed the construction ban on December 17.

On March 10, 1974, excessive vibration in the steam turbine of the nuclear plant at Prairie Island, Minn., required it to be shut down, again. Vibration can become an extremely serious safety problem if it leads to pipe ruptures or flying turbine blades which disable other systems.

These are just a few examples of construction and manufacturing problems. There is no sure way for the AEC to catch them all. The flaws which go undetected in nuclear powerplants are time-bombs which may bring this country to its knees in the most terrible manner some day.

NEW DEVELOPMENTS IN INDIAN LAW

Mr. KENNEDY. Mr. President, I would like to call to the attention of my colleagues an important development in the field of Indian Law—the establishment of the American Indian lawyer training program which undertakes to provide opportunities for continuing education in Indian law to the Indian lawyer. I am pleased to note that the founder of AILTP, Mr. Richard Trudell, is a former director of the Robert F. Kennedy memorial fellowship program. The memorial has worked with Mr. Trudell and his colleague, Mr. Alan Parker, in the development of the new program.

AILTP's first project has been the publication of the Indian Law Reporter, a comprehensive monthly report on developments in Indian law. Other projects contemplated by the American Indian lawyer training program are a summer intern program for Indian law students, a fellowship program to enable young Indian attorneys to practice law on reservations, and a national working conference to help tribal governments develop ways to negotiate more effectively.

It is my hope that those of my colleagues who share my interest in Indian affairs will take note of what I believe to be these promising and significant developments in the field of Indian law.

I ask unanimous consent to have two letters pertaining to this matter printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

ROBERT F. KENNEDY MEMORIAL,
Washington, D.C., March 4, 1974.
Senator EDWARD M. KENNEDY,
Old Senate Office Building,
Washington, D.C.

DEAR SENATOR: The Memorial has been helpful to Dick Trudell in launching the American Indian Lawyer Training Program. The enclosed letter has gone to all Trustees and will shortly go to various Friends of the Memorial.

As you remember, until starting this project, Dick was Director of the Fellows Program.

As ever,

RICHARD W. BOONE.

ROBERT F. KENNEDY MEMORIAL,
Washington, D.C., March 1, 1974.

DEAR SIR: I would like to call your attention to an important development in the field of Indian law.

As many of you remember, in the summer of 1972 Dick Trudell came aboard as director of the Memorial's Fellows Program. He directed that program for a year before deciding to concentrate all of his energies on work with Indians. Dick is himself a Santee Sioux and the first Indian to have passed the Bar in Nebraska.

Starting out with three ideas—the need for a monthly report on developments in Indian law, the need to upgrade the experiences of Indian law students, and the importance of making it financially possible for young Indian attorneys to return to reservations to practice law, Dick began to develop the outlines of a program, At the Memorial we worked with him on those ideas and helped arrange some initial contacts with foundations. However, the real credit for developing the American Indian Lawyer Training Program (AILTP) goes to Dick and his colleague, Alan Parker, a Chippewa-Cree from Montana.

The Indian Law Reporter, AILTP's first project, is now a reality. (See attached brochure.) Dick and Alan are currently working to secure funds for a summer intern program for Indian law students and a fellowship program to enable young Indian attorneys to practice law on reservations. Also, in mid-March AILTP will coordinate a national working conference to help tribal governments develop ways to negotiate more effectively in their own interests. Tribal judges, council representatives, Indian lawyers and law students will attend.

The American Indian Lawyer Training Program now has offices in Berkeley and in Washington, where the Memorial is providing space.

In its responsiveness to Indian self-determination and its commitment to support that goal by developing professional competence, we believe the American Indian Lawyer Training Program is unique.

The program is still in an initial stage. Dick and Alan will be working hard over the next months to make the Indian Law Reporter a piece of exemplary reporting and to launch the other projects mentioned above. Several Board Members and others close to the Memorial have already been asked to help in AILTP's development. We hope that if contacted, you will do what you can to help make the program successful.

Very sincerely,

RICHARD W. BOONE.

CANADIAN OIL—A CASE IN POINT

Mr. MOSS. Mr. President, our problems of energy needs will not go away with the lifting of the Arab embargo nor with our country's long-range plan of achieving energy self-sufficiency.

Sooner or later we must recognize that energy requirements and the methods used to meet those needs affect all the people of this earth—rich nation, poor nation—developed and underdeveloped countries.

We are concerned, and rightly so, with achieving energy self-sufficiency. But as we have just seen, with the Arab embargo, our world is now so small that one group acting on its own can affect all of us. World economies affect us all. National necessity must be served, but in the long run we should find ways to effect stabilization of world market, world trade, and world needs in a manner which will best serve all of us.

I offer as a case in point an editorial of March 15, 1974, from the Globe and Mail, Canada's national newspaper and ask unanimous consent that it be printed in the RECORD for the benefit of the Senate as food for thought.

Excessive pricing in one province at the expense of other hungry provinces is bad for Canada. In the world community, the short-sighted greed of one nation or one group of nations can adversely affect the well-being of consuming nations. Economic disruption may spread to engulf us all.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE NATION COMES FIRST

Before April 1 the federal Government has to decide that the national interest comes ahead of the demands of Alberta and Saskatchewan for every last dollar the world would pay for oil and natural gas. It would be a betrayal of all Canada if federal policy permitted Alberta to become one of the richest spots on earth while the rest of the country was beggared.

At the end of March the interim oil agreement, which held domestic oil to $4 a barrel in Canada and cushioned the price of imported oil for the East, will end. Alberta and

Saskatchewan want to move the price of their oil then to the world price, which is around $10.50 a barrel. It would be a jump that could break the rest of Canada.

Ontario Energy Minister Darcy McKeough this week, in a speech to the Legislature painted a grim portrait of what could happen and a sensible portrait of what should happen.

If the producing provinces are permitted to sell to Canada at world prices, the whole economy of the country would be distorted or damaged. Energy is a component of practically everything we produce. The manufacturing industries of Ontario would be depressed, some of them finished; there would be massive unemployment.

If the price of oil, already sharply increased, were to more than double again, how could any industry incorporate it without inflationary price increases of its products, or without going bankrupt?

That would be the immediate, chaotic effect. As damaging a one lies further down the line. The United States is bent on achieving energy self-sufficiency. If it does (and it will) there is every probability that it will maintain lower energy prices at home to give it a competitive advantage on world markets. The United States is our biggest customer. If we go to world prices now, we will build labor and capital structures based on those prices which would be hard to reverse. We would become totally uncompetitive with the United States—and they wouldn't even want our oil.

At present Canada is the most fortunate country on earth. We alone among industrial countries have enough oil and natural gas for our own needs, although at present we export half our oil and import half—a matter to be corrected with extension of national pipelines. If we hold the price of oil and of natural gas below world prices now, we have an immediate competitive advantage on world markets; and we keep the country functioning on a more or less even keel.

Mr. McKeough has long made it clear that Ontario is prepared to pay more for domestic oil, prepared to buy Alberta coal, prepared to make way for the development of secondary industry in Alberta. What he is not prepared to do, and what Ottawa cannot be prepared to do, is to sell out the interests of all the citizens of Ontario—and of other non-oil-producing provinces—to serve Alberta.

Mr. McKeough's proposal is that on April 1 domestic oil go to $6 a barrel. That would be an increase of 50 per cent; no pittance; for Alberta around $850-million or almost half that province's current annual budget. The subsidy to hold imported Eastern oil to the same $6 he would draw entirely from the oil export tax—oil money for oil money.

The Energy Minister is less set on the $6 price—although he considers it rational in relation to present world prices—than he is set on the decided price being maintained for at least two years. No matter what happens, there is going to be upheaval. But what is even more damaging is uncertainty, and this uncertainty extends to natural gas as well as oil prices.

Industry is hesitating whether to build at all or to build elsewhere. Mr. McKeough mentioned two Ontario companies that want to spend $100-million to produce needed fertilizer (and jobs), and whose plans are endangered "because of their inability to purchase natural gas". The producing provinces want more than they are entitled to for natural gas as well as oil.

The fear that oil may swiftly rise to almost $10.50 a barrel is enough to discourage much more massive industry from building at all, to create great unemployment. The price set April 1 must be well below the world price, and it must be set for two years, so that there will be security while enormous change is worked out.

Ottawa should be—Ontario is—willing to meet other Western demands in return for reasonable prices and security. If Alberta and Saskatchewan refuse to make the deal amicably, then Ottawa must use its constitutional power to impose a settlement on the basis of national necessity.

CLEAN AIR ACT AMENDMENTS PROPOSED BY ADMINISTRATION

Mr. MUSKIE. Mr. President, on Friday of last week, Environmental Protection Agency Administrator Russell Train transmitted to the Congress a series of proposed amendments to the Clean Air Act. At the time of transmittal, I indicated that my reaction was negative to those proposals which expanded the scope of pending energy emergency legislation. I also indicated I would carefully consider the other proposals out of respect for Administrator Train and the battle he had waged within the executive on behalf of clean air.

Subsequent to transmittal of these proposals, questions have been raised regarding their future. I understand that some officials in major metropolitan areas with serious air quality problems are considering relaxing present pollution control efforts on the sole basis that these amendments have been proposed. Also, I understand there is a great deal of general public concern as to the potential environmental impact for what appears to be wholesale retreat on clean air efforts.

Because Administrator Train has not yet sent to the Congress any more than the brief statement of purpose included in his transmittal letter, I have not been able to determine the specific purpose of each of the administration's proposed amendments.

There are several, however, which are sufficiently clear to be discussed at this point. These amendments, which appear to be the products of the Federal Energy Office rather than the Environmental Protection Agency, need to be placed in the perspective of the legislative process to assist those who are in doubt as to the future of the clean air program.

It is important to know that the Subcommittee on Environmental Pollution, which has legislative responsibility for consideration of these amendments, has scheduled no hearings on them nor will specific legislative hearings be scheduled in the near future.

For the past 2 years the subcommittee has been evaluating the implications of the 1970 Clean Air Act. The first result of that evaluation was S. 2772, the auto emission standards extension legislation which passed the Senate last December.

In addition, on November 15 we began our detailed evaluation of the transportation-control requirements of the law. The subcommittee has a schedule which calls for hearings in April and May to review and evaluate other issues raised by the Clean Air Act. Following conclusion of those oversight hearings, we will determine the need for and the timing of any legislation.

As to the amendments themselves, it can be said generally that they depart from the spirit of the 1970 Clean Air Act in that they substitute doubt for certainty and delay for deadlines. For example, the proposed flexibility to establish new timetables for transportation-control plans, eliminates, for all practical purposes, the usefulness and value of deadlines. By proposing two potential 5-year extensions from the 1977 deadlines for clean, healthful air and by proposing that only control measures which do not result in unreasonable social or economic change can be taken, there appears to be little possibility that major metropolitan areas with difficult problems would ever have clean air.

The need to keep tight timetables was recognized by the mayor of the Nation's most seriously polluted city when he recently called for no more than a 2-year delay in the deadlines for implementation of transportation-control plans in his area.

Mr. President, I ask unanimous consent that the statement of Mayor Thomas Bradley be printed in the RECORD following my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MUSKIE. Mr. President, inasmuch as there is no record to justify the 10-year extension proposed by the administration's bill, I would caution State and local air pollution control officials not to assume that the administration proposal is in any way a fait accompli.

Mr. President, while I have questions regarding other aspects of the Environmental Protection Agency proposal for general Clean Air Act amendments, I will withhold them until a later date when I have had an opportunity to evaluate their implications in more detail.

I would like to comment specifically on aspects of the administration's transmittal which I consider to be a gross breach of faith and which I understand were initiated in the Federal Energy Office. The provisions which relate specifically to energy emergency authority, coal conversions and auto emission extensions represent significant departures from our prior agreements. And, there is no reason whatsoever for inclusion of these proposals in this legislation at this time.

In the first place, representatives of the House and the Senate and the administration have been negotiating on a redraft of legislation to provide the administration with the necessary authority to deal with present and near-term energy shortages. All parties agreed, albeit some reluctantly, that the clean air aspects of that legislation would be identical to title II of the energy emergency legislation which the President vetoed earlier this year.

Now in the midst of those negotiations the administration has chosen to transmit a series of amendments to the Clean Air Act which change radically the thrust and impact of the energy emergency—clean air provisions. And I know of no reason why the administration should choose to transmit these amendments to those provisions at this time unless it is their intent to violate the agreement previously reached and attempt to change in major ways the provisions of title II of that bill when it reaches the floor of the House or the Senate.

I would like to discuss the administration's proposed changes in those provisions in order that my colleagues can see the extent to which this administration intends to use the Nation's deep distress with energy shortages to gut the clean air effort. The redrafted clean air features of the energy emergency bill would do the following:

First. Companies choosing to convert to coal would have until January 1, 1980, rather than January 1, 1979, to meet applicable emission control requirements.

Second. All requirements to agree to achieve "continuous" emission reductions at the end of the suspension period have been dropped and so-called intermittent control strategies—the rhythm method of pollution control—have been substituted.

Third. Any source ordered to convert would have until May 15, 1977, rather than November 1, 1974, to make a decision whether or not to convert back to oil, thus reducing the leadtime for the installation of control technology and increasing the doubt within the coal industry as to the certainty of their markets.

Fourth. The authority of the Administrator to require interim use of reasonably available clean fuels during any variance period has been modified to give the cost of use of such fuels priority over air quality requirements.

Fifth. All procedural protections relating to hearings and notification of affected State and local officials have been deleted—apparently more evidence of the administration's commitment to the concept of "new federalism".

Sixth. The new administration bill would require suspension of Clean Air Act emission control deadline—and thus air quality protective of public health—solely on the basis of the unavailability of "domestic" supplies of fossil fuels. Even as the administration is announcing success in lifting the Arab oil embargo, they would propose to make short-term environmental policy wholly dependent on the availability of domestic fossil fuel supplies.

Seventh. Coal conversions could be ordered for virtually every fossil fuel-fired electric powerplant in the country rather than the very limited few anticipated by the Energy Emergency Act. Under the Energy Emergency Act only a minimal number of facilities with existing coal use capability could have been mandated to switch to coal. Thus only a few facilities could take advantage of Clean Air Act deadline extensions. By definition the Administrator's authority was limited to those facilities which have the "capability and the necessary plant equipment" to burn coal. Under the new proposal the Administrator has to find if the necessary plant equipment to burn coal is "reasonably available" to the facility which is ordered to convert. This provision would expand the scope of the act far beyond anything anticipated. Not only would the potential havoc to the environment be enormous but the public could be ripped off for millions of dollars from crisis conversions for coal supplies or pollution control equipment.

Eighth. In addition to those aspects of the proposal which relate to coal conversion and energy shortages, the administration has also transmitted a series of amendments to the auto emission standards requirements of the 1970 act. These proposals were considered and rejected by the Congress last winter. They include a provision to extend for 3 rather than 2 years the 1975 interim standards for hydrocarbons and carbon monoxide. The amendment also includes a provision to abandon entirely the efforts to reduce oxides of nitrogen emission from new cars.

The administration bill proposes that the statutory standards and deadlines for cleanup of oxides of nitrogen be eliminated and that the Administrator set a standard based on technology, cost and energy efficiency and air quality—the same basis for determining emission control levels which existed prior to 1970 and which resulted in an increase rather than a decrease in the emissions of oxides of nitrogen from automobiles.

Mr. President, I think America needs to have the capability to utilize domestic fossil fuels. I think our utilities should have the capability to burn our coal as well as oil. And I think over the next 5 to 10 years we ought to require that major electric generating plants have the capability to burn both. But this policy need not require the sacrifice of clean air. In fact, our policy can and should require the installation of air pollution controls on all facilities which have such dual capability to insure against any reduction in air quality as a result of fuel switches. It is preposterous to suggest that the decisions of the electric utilities to utilize solely foreign oil for price and pollution control reasons in the 1960's should now be a justification for abandonment of clean air efforts. Their responsibility is to provide both electricity and clean air. This can be done with an orderly policy of coal conversion and emission control installation. And this is the kind of policy which apparently this administration is not prepared to consider.

Mr. President, as I have said before, there are matters included in this package which merit the consideration of the Congress and they will be considered at the appropriate time. In the interim, I would only caution those affected by these amendments not to assume their enactment on the basis of their transmittal or their introduction.

EXHIBIT 1

REMARKS BEFORE THE SUBCOMMITTEE ON ENVIRONMENTAL POLLUTION ON THE IMPACT OF THE AIR POLLUTION PROBLEM ON THE RESIDENTS OF THE SOUTH COAST AIR BASIN

(By Mayor Tom Bradley)

Mr. Chairman, Members of the Subcommittee, I am pleased to have the opportunity to appear before you today to discuss the impact of the air pollution problem on the residents of the South Coast Air Basin and to comment on aspects of the Clean Air Act Amendments of 1970 and possible alternatives to Environmental Protection Agency proposals for its implementation. As you know, Los Angeles is no stranger to air pollution—We have been coping with it longer, and possibly with more concerted efforts, than any other area of the Nation.

For years, we in Southern California have been growing increasingly aware that our air pollution was steadily worsening. At the same time, as our anxiety rose, there seemed no way that we could participate in a solution to the problem—it was everywhere, and yet it was regarded as a highly specialized, technological problem. First, incinerators were banned, then industry controlled, and then finally we discovered that we, ourselves, in our automobiles, represented the largest single part of this problem.

It was the automobile which gave Los Angeles its mobility, its spread out pattern of growth, and its unique quality of freedom. Now it seemed that the automobile was going to blight this good life. And we had no way of dealing, as a community, with this vehicle we had become dependent upon. It had made each of us individually free and now it threatened all of us together.

This spirit of freedom in Southern California is reflected in the fierce independence of its sovereign incorporated cities—78 of them in Los Angeles County alone. And, yet it is possible to drive through 15 cities in 30 minutes on a freeway. In light of the "balkanization" of individual local jurisdictions, control of moving sources was shifted to the State government in 1967, and we here in the troubled area were further isolated from the power to improve our situation to help ourselves.

Only in recent months, after these long years I have described, have we begun to find ways to use our local initiative to free ourselves of this blight.

A year ago January, and again in June of last year, EPA issued Transportation Control Plan proposals containing measures which were clearly untenable in Los Angeles because of our extreme dependence on the automobile. The obvious necessity of finding and providing realistic alternatives lit an unprecedented spark of cooperation among local jurisdictions in this part of the Nation.

A local agencies task force was formed, comprising representatives of Los Angeles County, the Southern California Association of Governments, the California Highway Patrol, the California Department of Transportation, the League of California Cities, the City of Los Angeles and others. In a very short period, and under the most unfamiliar and difficult circumstances, a plan of transportation controls was developed and submitted by the joint members of the task force to the EPA.

Subsequently, EPA included many of the task force's recommendations in a revised Transportation Control Plan, and added parking surcharge, parking management, and gasoline rationing measures to bring massive reduction in vehicle miles traveled (VMT), in order to achieve the National Ambient Air Quality Standards by 1977.

In the City of Los Angeles, I established a task force of Department heads to examine the new EPA proposal. Simultaneously, the local agencies task force reconvened to develop a multi-jurisdictional response.

Before discussing their findings, I would like to describe another experience which befell the City just at this time. I am referring to the energy crisis, which arrived in Los Angeles last November with a force few other major cities have felt.

The Arab oil boycott brought the City's Department of Water and Power a shocking 48% shortfall in anticipated residual oil supply for electric power generation. The Department had prepared and now hastily proposed an emergency electricity use curtailment program. Examination revealed that some mandatory measures, including a 50-hour workweek limitation and rolling blackouts, would cause massive unemployment and social disruption. I quickly appointed an Ad Hoc Committee on Energy Conservation to develop equally effective, less damaging alternative measures.

I want to impress on you how grave and how real this shortfall was at the time. It was our responsibility to regard the amount of fuel we had on hand or under contract as the sole supply we could rely upon.

Further, the day this supply would run out represented an absolute deadline. Working under these circumstances we had to develop ordinances which would minimize dislocations which seemed, at that time, inevitable. This was a sobering experience, and it taught us a great deal about the design and implementation of regulations to discourage, or curtail very basic consumption practices of our citizens.

Now, returning to our review of the most recently proposed EPA Transportation Control Plan, the City Department Head's Task Force quickly recognized the parking surcharge proposal to be extremely disruptive in its potential social and economic impact.

It takes surprisingly little curtailment to put a major dent in an expending economy. For example, we were concerned that our Phase I energy curtailment objective of 12% might bring some unemployment. Los Angeles has actually achieved a continuing 17% savings, without apparent damage. But measures intended to reduce accustomed patterns by 88%, or even 50%, as EPA has been compelled to propose, would clearly be socially and economically devastating. The grim reality we faced in our residual oil shortfall has given us, in Los Angeles, a sobering glimpse of the nature of such disruption.

How, then, can we proceed toward attainment of the National Ambient Air Quality Standards without causing severe impacts on our citizens, businesses and industries? There are forces that propose to change the Standards, themselves. I oppose such changes. No such action affecting the public health should be taken, pending the final report to this Committee of the study now under preparation by the National Academy of Sciences. While I continue to fully support the objectives of the Clean Air Act Amendments of 1970, I reluctantly agree that to avoid gutting the Act and to avoid serious economic dislocation, further amendment is necessary to provide for extension of the 1977 deadlines in regions now subject to extreme air pollution conditions. Such an extension should only be for the minimum period of additional time required to achieve the National Ambient Air Quality Standards without causing unreasonable hardship, and should be contingent upon continuing demonstration of good faith efforts on the part of the State and local governments concerned. And I think that minimum period is no more than two years.

In the meantime, we must find the most rapid and most healthful course—the critical path—to safe air quality considering not only the peak concentrations of air pollution during extraordinarily bad conditions, but the more common, lower levels which form the unnatural background environment for our growing children and our senior citizens.

I firmly believe that we in California must assume the initiative at state, regional and local levels, and in so doing, eliminate the need for increasing federal incursions in air quality control.

In this respect, we in the City of Los Angeles are instituting many new programs as incentives to the use of public transportation in an effort to bring a reduction in the use of the personal automobile. For instance, in this last month the City has adopted:

(1) An ordinance that could pave the way for an extensive system of street lanes for priority use by buses and automobiles carrying car-poolers;

(2) Designation of one lane of a major downtown street for use as contra-flow bus lane to speed commuters from our new El Monte busway through the business district to their offices;

(3) A grant applicaton for expansion of an existing program to a million-dollar computer car pool-matching program for city employees. This will soon be expanded to the private sector, to other government facilities in the civic center, and to other centers in the region;

(4) A contract with the Southern California Rapid Transit District for immediate implementation of a subscription bus program for city employees. This program will also soon be expanded to the private sector and other government employees.

In the area of near-term mass rapid transit development we are cooperating with the Southern California Rapid Transit District in preparation of a demonstration grant application to the Urban Mass Transit Administration which will test a major line-haul transit corridor featuring express bus lanes on freeways and city streets, supported by feeder services which will include dial-a-ride and jitney bus programs to enhance the attractiveness of commuting by public transportation. During off-peak hours these jitney buses and vans will provide inexpensive intra-neighborhood transportation for shoppers and others with local travel needs.

I would like to take a moment to point out that almost all of these services I have described are dependent on the availability of large numbers of new buses. Yet, as I told Senator Hart's Committee recently, buses are in woefully short supply. Production has actually declined markedly over recent years, and is dominated by ony G.M. and two lesser assemblers. One of the most significant actions the Congress could take in helping us help ourselves would be to bring about immediate and drastic increases, by whatever means, in the availability of new buses.

It is known that incentives to use public transportation will work more effectively when combined with disincentives to use of the personal automobile. But as I have mentioned, disincentives can cause serious social and economic disruption. Our City Department Heads' Task Force found the parking surcharge proposal to be very dangerous if applied as written in the EPA regulations. Disincentives are also very unpopular with all of us who are accustomed to "business as usual." For instance, we found that citizens would respond wonderfully, during the height of the energy crisis, if they considered their allotted curtailment equitable and straightforward. Where there was room for any doubt about fairness, or a lack of information, citizens became suspicious and angry. In this respect, EPA couldn't have chosen more controversial disincentives than the parking surcharge and parking management proposals. They seek to discourage use of the personal automobile by making parking, a secondary aspect of that use, scarce and expensive. This is a little like discouraging walking by forcing the walker to wear pinching shoes.

In addition to the transportation improvements I have listed, there are other areas where inadequacies would best be remedied by local initiative. I have mentioned the unprecedented cooperation between various local jurisdictions in forming the local agencies task force to develop an alternative response to EPA's Transportation Control Plan proposals. LATAC, as the group has now come to be known, has continued to meet through the recent period of changes in the Transportation Control Plan and development of the indirect source regulation proposals. While the group probably reflects a consensus of local attitudes on such matters, it is subject to criticism in two major respects: its membership is dominated by representatives of governments and agencies situated wholly within Los Angeles County, and it has no statutory power to officially adopt or implement its proposals.

At the same time, both the Transportation Control Plans and the new Indirect Source Regulations under the State Implementation Plan are clearly indicating the need for some form of basinwide authority. The California Air Resources Board has introduced legislation to augment the existing basinwide coordinating councils with membership for incorporated cities, as well as counties, and to provide for development and implementation of a plan for attainment and maintenance of acceptable air quality throughout the South Coast Air Basin. While satisfying a large portion of the EPA requirement, the ARB proposal causes us great concern in two areas:

1. Growing as it does from an attempt to deal with a single environmental problem, th proposal creates a single-purpose planning and regulatory institution. Matters of great importance in the region, such as housing, redevelopment, health care, and parks and recreation facilities, would not play a significant role in this planning.

2. Representation on the newly constituted Basinwide Coordinating Council does not adequately reflect the population of the region. Decisions made by the Council will be of critical importance to each community and county within the region.

We would prefer that the ARB proposal be reconstituted to place the new mechanism in the Southern California Association of Governments, the federally-recognized regional planning agency of record.

1. The Indirect Source Regulation could be actually "administered" by the regional planning agencies while "enforced" by the appropriate air pollution control districts.

2. In those instances when an indirect source facility is recognized as having particular socio-economic value to the community, the air pollution control district could rely exclusively upon the recommendations of the regional planning agency.

Such a reconstitution would largely resolve the problems we have cited, and would ensure that most decisions concerning these vital matters could be resolved at the local level. I consider it essential that we, at the state and local level, move with forceful initiative to provide adequate and appropriate institutions to deal with our inter-jurisdictional problems such as air pollution. It would be very unfortunate for this initiative to move to the federal level. I am not sure that they could administer a fair and effective permit program. I am sure that they should not have to do so—and it is for us to remove the necessity by managing our own problems within this basin, positively and aggressively.

If we act in good faith with such examples of local initiative, there are areas where only the Federal Government, on its part, can help to get the job done.

As you know, control of automotive emissions and the State Implementation Plans, including the Transportation Control Plans, are related under the Act. To the extent that such emissions are successfully controlled, the burden on our citizens under the Transportation Control Plan can be lessened. Yet Congress and the EPA are under continuing, intense pressure to relax regulation of new car emissions. The opposite should be the case. The President and the Congress should support the EPA forcefully in expediting development of cleaner cars. If the auto industry itself does not show real initiative, on a significant scale of action, I would propose either federal regulation or taxation based on auto weight, engine displacement, or degree of fuel consumption and exhaust emissions, or other actions the Congress may deem necessary to ensure prompt industry responses in producing cleaner vehicles.

Finally, as we ourselves became familiar with the true extent of measures that would be required to attain the National Ambient Air Quality Standards—or simply to knock down the more constant unnatural background level of air pollution that I have mentioned before, we began to grasp the extraordinary cost in dollars that would be involved. Yet, unlike the Federal Water Pollution Control Act, the Clean Air Act Amendments have no provision for support of local jurisdictions whatsoever. Let me illustrate: one interim solution to Los Angeles' need for balanced transportation opportunities would be an expanded bus fleet in conjunction with a package of freeway and street modifications. The Southern California Rapid Transit District has estimated that it might be necessary to add a new fleet of as many as 5,000 buses to meet requirements of the Clean Air Act Amendments. I think it is becoming clear that these will be needed, but 5,000 buses represent acquisition costs of approximately $320,000,000, and annual operating costs of $100,000,000.

Only the Congress can begin to fill such a need.

Another area where federal assistance will be essential involves the funding of all necessary functions of state and local government in developing and implementing all aspects of state implementation plans. Clearly, as deadlines for compliance approach, planning and implementation activities are increasing geometrically. The state and local governments cannot be expected to absorb these progressively increasing costs even as their true, index revenues are diminishing as a result of slowing economies and inflation.

The federal budget does not reflect the needs of cities to respond directly to the twin demands of the energy crisis and the failure of state and federal controls to reduce air pollution from industry and automobiles. The primary thrust should be to control pollution at the source, but the program for local air pollution control agencies is the same as last year, despite the increased demands on local air pollution control programs. Technical assistance and training are cut. Little is being spent for developing techniques for monitoring air quality.

In your telegram of invitation to testify you have expressed particular interest in alternatives to the transportation controls which may achieve the same ends. The debates which have surrounded these proposals have been time consuming, often angry exchanges. Yet we know of no other way which will as effectively bring home to all government officials, industries and citizens, their role in the problem and their respective responsibilities in solving it. Local governments do have a central role to play in the attainment and maintenance of acceptable air quality. We are now doing our best to help EPA and others to understand the implications of these new and unfamiliar regulations by applying our first-hand experience of the way things actually happen, where they actually happen.

Thank you.

DIVERSE GROUPS ENDORSE NUCLEAR POWER MORATORIUM

Mr. GRAVEL. Mr. President, the more that people understand about nuclear power today, the less they want it. The following groups have recently endorsed a nuclear power moratorium, and this is just a partial list of recent additions:

Chapter 727 of the American Assn. of Retired Persons, Tuckerton, N.J.

Local 5503 of the Communication Workers of America, Milwaukee, Wis.

Women's International League for Peace and Freedom, Philadelphia, Pa.

U.A.W. Community Action Council, Lima, Ohio.

The board of the Sierra Club, San Francisco, Calif.

The Greene County Legislature, N.Y.

The Ulster County Legislature, N.Y.

Local 525 of the Amalgamated Meat Cutters, Asheville, N.C.

The Catawba Central Labor Union, Rock Hill, S.C.

The New Jersey Friends Council, Loveladies, N.J.

Kansas Farmers Union, McPherson, Kans.

Opposition to the use of nuclear fission for energy is clearly not limited to "the environmental movement."

If the moratorium movement could match the millions of dollars which advocates of nuclear power spend on public education, there is no doubt in my mind that the American public would rapidly reject nuclear power. Informed people readily understand the grotesque implications of nuclear energy for the American way of life.

While Congress continues deferring to "experts" in the AEC and the Joint Committee on Atomic Energy, the public is consulting its own decency and commonsense, and discovering that nuclear power means a high probability of irreversible radioactive pollution, misery, and fear.

Persuasion is not a problem for moratorium advocates. Their problem is unequal access to the public's mind. In one word, the problem is money.

MACKENZIE VALLEY ROUTE FOR ALASKAN NATURAL GAS SUPPORTED BY 25 SENATORS

Mr. BAYH. Mr. President, years before the energy crisis became a national byword, when most Americans would have regarded an oil embargo and alternate day gasoline sales as fantasies, many parts of the country were already facing shortages of natural gas. In my own State of Indiana, gas utilities have had to limit new industrial customers in certain service areas for several years, and have even weighed the possibility of limiting new residential users. And, as my colleagues realize, our experience in Indiana is not atypical.

The shortage of natural gas results from a combination of factors, not the least of which is the fact that natural gas is by far the cleanest fuel currently available to American industry and consumers. It is also true that natural gas has been a relatively economical fuel, and comparatively easy to use without the refining or distribution problems that beset the oil industry.

Even as we move to develop new energy sources for the long term, natural gas must play an important role in meeting our energy requirements through the rest of this century. This is why the huge natural gas reserves in Alaska are so important to our entire national energy program.

Proven gas reserves in Alaska are in the range of 26 to 30 trillion cubic feet, or approximately 10 percent of current U.S. proven reserves. And, as is usually the case, we can anticipate that once drilling goes ahead on Alaska's North Slope that much more gas will be discovered.

Up until recently there appeared to be fairly general agreement that the most logical way to deliver Alaskan natural gas to markets in the lower 48 States would be via Canada. This approach, for which applications have been filed here in Washington, and in Ottawa, would permit the gas to enter a distribution system that would make it available throughout the country, from southern California to New England.

Ths route, which is being proposed by a consortium of pipeline companies here and in Canada, has the support of the Canadian Government, which is ready to guarantee uninterrupted shipment of U.S. gas to U.S. markets via Canada.

Last year, at the time we were weighing the best approach to delivering Alaskan oil to U.S. markets, Interior Secretary Rogers Morton was among key officials who expressed support for shipping Alaskan gas via Canada's Mackenzie River Valley. Secretary Morton, on several different occasions, said he favored construction of the line which would run from Alaska's North Slope southeasterly—picking up additional gas from Canada's Mackenzie Delta—and then southward through the Mackenzie River Valley to Caroline, in Alberta Province. At that point the line would split into several smaller lines providing natural gas from Alaska to consumers in all parts of the lower 48 States.

While Secretary Morton, whose Department will have to issue permits for the proposed pipeline to cross U.S. public lands, has previously gone on record in support of this route, the President's January energy message said:

> Interior Secretary Morton expects to receive two competing applications for the gas pipeline in the near future, one proposing construction across Alaska and the other proposing construction across Canada. I have asked the Secretary to consider these proposals carefully but promptly and to deliver a recommendation to me as soon as possible.

While applications have already been submitted for the route through Canada, it will be some months before applications are submitted for the competing approach. This approach, briefly, is to ship the gas via pipeline to southern Alaska where it would be liquefied for tanker shipment to the west coast. Not only would this delivery system mean higher fuel costs for consumers and create regional supply imbalances, it raises the unfortunate specter of natural gas exports. The provisions of the Alaskan Oil Pipeline Act passed this year in no way limit the export of Alaskan natural gas. It is obvious, if this gas is liquefied for tanker shipment, that Japan and other energy-short countries would be ready to pay premium prices for the gas.

Since Secretary Morton had made his position in support of the Mackenzie Valley route clear in the past, I and several of my colleagues felt it would be appropriate—in light of the President's comments in his energy message—to ask the Secretary to reaffirm his previously expressed position on this extremely important issue.

Thus, earlier this month, Senators CASE, GRIFFIN, LONG, MONDALE, PASTORE, TAFT and I wrote to our colleagues asking them to join us in a letter to Secretary Morton on this subject. Our purpose was to solicit from the Secretary the necessary reiteration of his position on this issue; an issue which is so important to meeting future national energy needs on an orderly and logical basis.

That letter has now gone to Secretary Morton, signed not only by the 7 of us who circulated the original letter, but by another 18 Senators. The 25 Senators sending the letter to Secretary Morton represent both parties and all parts of the country.

So that the contents of this letter may be generally known, I ask unanimous consent to print the text of our letter to Secretary Morton and the full list of signatories in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

U.S. Senate,
Washington, D.C., March 22, 1974.

Hon. Rogers Morton,
Secretary of the Interior, Department of the Interior, Washington, D.C.

Dear Mr. Secretary: We are writing in reference to one part of the President's January energy message. In his discussion of the natural gas reserves in Alaska the President said he has asked you to recommend whether the gas pipeline should be built across Canada or across Alaska.

As you know, formal applications have been filed here in Washington and in Ottawa for the necessary permits to proceed with the gas pipeline from Alaska, through Canada's MacKenzie Valley and into the lower 48 states where all parts of the country would have fair access to the gas. If the trans-Canada gas pipeline is constructed, it can carry 2 billion cubic feet of gas per day.

On the other hand, we understand that an alternative route is being considered which would involve shipping the gas to southern Alaska where it would be liquified for tanker shipment to the West Coast.

We strongly believe the national interest requires approval of the trans-Canada gas pipeline. Citizens in every part of the country will have fair access to Alaskan natural gas if the MacKenzie Valley route is selected. This is consistent with responsible national energy policy which should provide equitable treatment of all regions of the country in sharing energy resources.

Indeed, one of the broad areas of agreement during the debate on the Alaskan oil pipeline was that the gas pipeline would be built via Canada to enter a distribution system which would make the natural gas available to citizens across the country at the lowest possible cost. You acknowledged this point yourself when you told the Senate Interior Committee on May 13:

"We have recognized the clear benefits that a MacKenzie Valley route for this gas would have. . ."

That same month you were quoted as telling a Texas audience:

"I would like to see a natural gas line built through Canada to our Midwest as soon as possible."

The environmental impact statement on the Alaskan oil pipeline did raise the possibility of a gas line through Alaska. However, the impact statement reached the conclusion that "A gas pipeline through Canada to the Midwest seems to be much more feasible." This conclusion was based on strong evidence that an Alaskan gas pipeline and liquification would pose severe environmental and economic problems.

We hope sincerely that your position in support of the MacKenzie Valley route remains the same as it was in the past and would welcome a reaffirmation of your previously stated position on this issue.

Thank you and kind regards.

Sincerely,

Senators Birch Bayh, Clifford Case, Robert Griffin, Russell Long, Walter Mondale, John Pastore, Robert Taft, J. Glenn Beall, Howard Cannon, Dick Clark, Carl Curtis, Thomas Eagleton, Philip Hart, Hubert Humphrey, Jacob Javits, Thomas McIntyre, George McGovern, Claiborne Pell, Charles Percy, William Proxmire, Abraham Ribicoff, Hugh Scott, Robert Stafford, Adlai Stevenson, and Harrison Williams.

ETHICS IN POLITICS

Mr. MOSS. Mr. President, the need for a code of political ethics is evident due to charges and countercharges regarding the morality and ethics of many political personalities. The corruption uncovered in recent campaigns, and the resulting appearance to many individuals that politics is dirty business has created a low regard of many individuals who are associated with politics. This is extremely unfortunate, because most individuals who hold political office at every level of government are honest and dedicated public servants. Most politicians are not scoundrels. Most politicians do not engage in political graft. Most politicians care for the good of this country. However, because of the questionable, if not patently illegal, activities of a few politicians, a bad name has been given to a profession that should be second only to the ministry in public esteem.

The University of Utah is most fortunate to have a program that portrays a favorable image of politics. This is the Hinckley Institute of Politics. The institute, founded in 1965, is a nonpartisan educational organization that supplements existing programs in political science, history, economics and law. The institute has created respect for politics and politicians among students and the general public. It has inspired students to participate actively in politics, and has encouraged them to stand for public office.

It has convinced many individuals from all walks of life that politics is an honorable calling. Many individuals who have participated in the institute program have held, or are holding, responsible positions at every level of government. Several of these positions have been elective.

I have personally benefited from the service of several interns that have been provided by this highly successful program. I wish to commend Dr. J. D. Williams, the director of the institute, for his dedicated work to furtherance of the political awareness of all individuals who are fortunate enough to participate in this program.

Mr. President, the Hinckley Institute of Politics has recently adopted a code of political ethics. If all public servants would follow this code, the electoral process would be strengthened and the honor and dignity of all public servants would be restored to their rightful position. I commend this code to my colleagues, and ask that all persons who are involved in politics in any way give careful attention to the content of this most appropriate code.

Mr. President because of the applicable nature of this code to today's political problems, I ask unanimous consent that it be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Code of Political Ethics

PREAMBLE

One thing more important than my own election to office is the right of the people through free elections to choose a government acceptable to themselves. Furthermore, I clearly understand that a democracy cannot function without politics and politicians. Thus I pledge to conduct all aspects of my campaign in a manner which will strengthen the electoral process and bring honor and dignity to the practice of politics.

1. I pledge myself to become responsibly informed and to express my views frankly, openly, and truthfully, and to cooperate with the news media so that the public may be fully informed as to my positions. I respect the voters' right to know my stand on all the public issues in the campaign.

2. I will not intentionally misrepresent my opponent's record or position on the issues. If I inadvertently make false charges, prompt retraction will be made.

3. I will deal vigorously with the *public* issues before the electorate and will refrain from discussing the race, sex, religion, or national origin of my opponent. I will refrain from discussing my opponent's personal life except as it may bear *directly* on his or her fitness for public office.

4. I will not raise new charges or issues during the last forty-eight hours of a campaign which could have been aired earlier when my opponent would have had time to reply.

5. The contributions, in cash or in kind, the contributors and expenditures in my campaign will be fully disclosed so that voters may be informed before election day as to the sources of my financial support and the costs of my own campaign (including my own investment). I will not accept contributions of any kind which will obligate me once in office.

6. When running as an incumbent, I shall segregate as carefully as possible my official duties from my campaign activities, and not subsidize the latter with public funds intended for the former. I shall not coerce election help or campaign contributions for myself or for any other candidate from my employees or from suppliers and contractors.

7. I will not permit the use of unlawful surveillance or any other form of covert intelligence gathering against my opponent.

8. I pledge myself not to obstruct my opponent in any way from presenting his or her message to the public. Nor will I ever engineer negative demonstrations in my own meetings to convey the false impression of harassment by my opponent.

9. I pledge not to interfere in the nominating process and primary elections of another party.

10. I accept full responsibility for the conduct of those working in my campaign, and to that end I pledge firm action against any subordinate who violates any provision of this Code or the laws governing elections.

11. I pledge that, if elected I will (a) conduct my responsibilities in public office in keeping with the spirit and letter of this Code of Political Ethics, and (b) scrupulously

uphold the Constitutions of both my state and nation.

VIOLATIONS AND "MISREPRESENTATIONS" STAIN NUCLEAR RECORD

Mr. GRAVEL. Mr. President, the nuclear industry is not only failing to meet the AEC's quality control standards for nuclear powerplants, but industry is committing outright violations of AEC safety rules. Resistance to safety regulations is so strong that the industry has lied to the AEC rather than comply in several instances.

On December 26, 1973, the Charlotte, N.C., Observer revealed in an article by Wayne Nicholas that back in June, AEC inspectors at Duke Power's Oconee plant found 37 rule violations which were serious enough to endanger the public if they had gone uncorrected; these are called category II violations, the second most serious kind which can occur.

Duke Power's president, Carl Horn, was called to Atlanta to meet with the AEC's top official in the Southeast. In Washington, the AEC's deputy director of field operations said:

> Oconee's management-systems were not functioning in the way Duke represented them to us.

In May 1973, the AEC had to fine the Virginia Electric Power Co. $38,000 for a host of violations at its two Surry nuclear powerplants, including failure to report unusual safety-related events to the AEC.

"Misrepresentations" by Vepco to the AEC were reported as follows in the Charlotte, Va., Daily Progress, July 12, 1973:

> A VEPCO letter of December 14, 1972, reported 100 circuit breakers checked or verified. AEC inspection revealed only five checked . . . A VEPCO letter of December 12, 1972 reported certain valves checked and verified operable. AEC inspection found fewer valves checked than reported, and some inoperable. A VEPCO letter of December 15, 1972 declared a specific engineering study under way. AEC inspection revealed that the study had not been initiated.

There were several additional "misrepresentations" listed. A real whopper was subsequently revealed when the North Anna Environmental Coalition discovered in August 1973 that Vepco had failed to inform the AEC about an earthquake fault directly underneath its Louisa County nuclear powerplants. The construction of nuclear plants on top of faults is an undeniable violation of AEC policy, and nuclear utilities all over the country must be watching to see if Vepco gets away with it.

In Michigan, AEC inspectors discovered in August 1973 that operators at the Palisades plant of Consumers Power had knowingly released higher than normal amounts of radioactive iodine into air and water without informing the AEC; the AEC censured the company.

The record of nuclear utilities hardly inspires confidence in their determination to protect the human race from the most inherently hazardous technology ever deployed on the surface of the earth.

The Charlottesville, Va., Daily Progress has called for a nuclear power moratorium—July 12, 1973; the Charlotte, N.C., Observer has warned that it is "necessary to question the haste with which the country is rushing into nuclear power."—December 27, 1973; and the Detroit Free Press has said that:

> The rush to build nuclear power plants—has already produced more than its quota of mistakes and potentially dangerous malfunctions. The energy crisis must not become an excuse for sloppiness and indifference to public safety in the development of nuclear power plants—December 8, 1973.

COMMODITY DISTRIBUTION HEARINGS

Mr. HUMPHREY. Mr. President, I applaud the Government's decision yesterday to purchase $45 million of beef and contribute it to the commodity distribution program. Additional protein is needed in the program, and I know that this purchase will be a great boon.

It is unfortunate, however, to benefit via the back door rather than from affirmative, continuing support of the program on the part of the administration.

The Subcommittee on Agricultural Research and General Legislation, of the Senate Agriculture and Forestry Committee, is currently holding hearings on legislation of which I am a cosponsor, S. 2871, to continue the program of Government purchases of commodities for distribution to various nutrition assistance programs.

In a statement submitted for the subcommittee hearing record today, I pointed out the vital importance of maintaining the commodity distribution program administered by the U.S. Department of Agriculture, and I made several recommendations for improvements in our school food service assistance programs.

Mr. President, I find it incomprehensible that the Department is considering plans to phase out the commodity distribution program. Although we may presently be without the food surpluses on which the program was begun, the nutrition of our people, and especially that of children from lower income families, must be considered to be a high priority.

Mr. President, I ask unanimous consent that my statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR HUBERT H. HUMPHREY

Mr. Chairman, I want to express my full support to S. 2871, The Family Nutrition Act of 1974, a bill to amend the Food Stamp Act of 1964. I believe this bill, which I have joined in sponsoring, can help address urgent problems in maintaining our nutrition programs.

S. 2871 would extend, on a permanent basis, the authority of the U.S. Department of Agriculture to purchase commodities on the open market when not in surplus. Failure to extend this authority—which is scheduled to expire on June 30, 1974—would pose serious problems for programs which rely on U.S.D.A. commodities, such as the school lunch program, institutions, supplemental feeding for women and children, and domestic disaster relief.

This proposed bill will directly address a crucial need of our schools, institutions, mothers and children, and Indian reservations. Phasing out the commodity programs, as desired by the Administration, would place a major hardship on those least able to afford it and would represent only a marginal saving to the Federal Government.

The cost to the schools and institutions in picking up these programs would be far greater than that presently borne by the Federal Government under existing statutory law, because of the ability of the U.S.D.A. to buy in quantity.

It also makes a little sense to provide funds to an organization such as the Red Cross to procure and keep commodities on hand for disasters. The U.S.D.A. has greater purchasing power and should continue to make its commodities available when an emergency strikes.

The Administration's opposition to continuing the commodity purchases has been stated numerous times. Secretary Butz has indicated that, in his view, these programs should be transferred to the Department of Health, Education, and Welfare. Assistant Secretary of Agriculture Yeutter, in a January 25, 1974 memo, recommended sharp reductions and "hopefully a phaseout" of all Government purchases.

The Yeutter memo suggests that a U.S.D.A. preliminary evaluation indicates that benefits to producers from our surplus removal efforts have not been great. There is no hint in the memo, however, as to what would happen to the people under this program. The only concern is how to get out of the commodity purchase and distribution business.

This attitude reflects a near obsession on the part of the Administration with turning the Department of Agriculture into an organization concerned only with commercial agriculture. The same attitude is reflected elsewhere in the U.S.D.A.'s determination to fight the establishment of a government held grain reserve program which would help meet food commodity assistance requirements.

In spite of this attitude and the preference expressed in the Yeutter memorandum to provide funds in lieu of actual commodities, the U.S.D.A. indicated on February 15, as required by law, that in the current fiscal year it would provide agricultural commodities and other foods exclusively to the States for school service programs.

I suggest that we should not assume that the February 15 announcement represents a change of mind on the part of the Department of Agriculture. Congress must state clearly and without qualification that this is an important program which should not be allowed to die because surplus commodities are no longer available.

The need for a firm Congressional stand on this issue becomes all the more essential when we confront facts of declining levels of commodities distributed to the States—the clearest indicator of the actual policy being followed by the Department of Agriculture.

In fiscal 1973 the Department provided $70.8 million in cash and $201 million in commodities to the States. The expectation by the U.S.D.A. for this fiscal year is that 95 percent of the programmed $313 million will be provided entirely in commodities.

However, Minnesota provides a case in point where this expectation is in direct conflict with the record of quantity levels of commodities received.

In fiscal 1972 Minnesota received 27.8 million pounds of commodities worth $7.6 million, and in fiscal year 1973 the commodities received totaled an estimated 20.5 million pounds worth $5.5 million plus $1.7 million provided in cash as a substitute for commodities. In fiscal year 1974, my state expects to receive 20.2 million pounds of food but no cash.

Because of inflation and the policies of the

Administration, we will be receiving much less in total than last year. I recommend that U.S.D.A. review their programming for fiscal year 1974 on a priority basis and take steps to make certain that the total program is not cut below the level of the last fiscal year.

In addition, I believe these reduced food quantities point out the need for an escalator clause directed toward maintaining a relatively constant quantity of commodities, and I urge the Committee to consider the need for such a provision.

Two provisions of S. 2871 merit specific commendation. One would improve Federal assistance to the States for the administrative costs of food service programs. A second provision would help Indian tribes on reservations obtain critically needed food assistance.

To encourage the States to administer the programs more efficiently, federal reimbursement to the states for all administrative costs up to 62½ percent is provided. This will enable the states to do a better job in certifying the eligibility of recipients.

The bill would also adapt the food stamp program to the Indian reservation. Under the current legislation, the Secretary of Agriculture has the authority to implement a food stamp program, at a State's request, in every political subdivision of the state. Because there is legal authority for holding that the reservations are not subdivisions of the State, authority is provided to the U.S.D.A. under this bill to enter directly into agreements with tribal governments in the administration of the food stamp program. The Federal Government would also pay 100 percent of the administrative costs attributable to the reservations.

The provisions with regard to Indian reservations and tribal governments take cognizance of the legal realities, and they offer several options in terms of establishing sound food stamp programs which are needed.

Mr. Chairman, in addition to my legislative recommendation on maintaining a constant quantity of commodities for distribution, I would suggest one further provision to assist the children of "near-poor" families.

I believe the Committee should consider making permanent the action taken last year to extend the income eligibility for the reduced priced lunch program to school children up to 75 percent above the poverty guideline.

We have evidence that increasing numbers of young people are dropping out of the program, and it is believed that many of these fall just above the poverty income guideline. Making this provision permanent will urge more schools to take the necessary steps to initiate the reduced price program and encourage many students to remain in the lunch program who would otherwise drop out.

The Committee should also take note of three further problems which this bill does not presently address.

First, the school breakfast and summer feeding programs are scheduled to expire on June 30, 1975, and it would be advisable to give early consideration to extending the authorizations for these programs.

Second, a recent survey clearly indicates the need for additional food service equipment. To address this need, I believe the authorization level should be increased to $40 million, rather than permit a reversion to the permanent level of $20 million.

Third, we need to monitor closely the implementation of the special milk program.

Congress last fall changed the eligibility for participation in the special milk program as follows: "Any school or non-profit child care institution shall receive the special milk program upon their request. Children that qualify for free lunches under guidelines set forth by The Secretary shall also be eligible for free milk."

To date, the U.S.D.A. has not changed its regulations in any way to reflect this change in the law. I call on the Department to explain why this section has not been implemented, and to set forth a timetable to move ahead on implementation.

In conclusion, Mr. Chairman, I urge that consideration of the Family Nutrition Act of 1974 be expedited and that Congressional enactment of this highly important legislation be accomplished without delay.

The school lunch program has already suffered because of rising prices and Administration policies. An estimated half million participants have been lost from the school lunch program during the past year. We do not want to see the commodity program phased out with school lunch and the remaining feeding programs moved over to H.E.W.

Adequate nutrition for our people and especially the children of lower-income families remains a priority need, and it is a responsibility that we cannot shirk. This program is a small price to pay to ensure that we meet this responsibility. I strongly recommend favorable action on S. 2871 to extend the Commodity Distribution Program.

THE CONTINUING WAR IN SOUTHEAST ASIA

Mr. CLARK. Mr. President, I ask unanimous consent that testimony I gave on March 19 before the Senate Armed Services Committee on the continuing U.S. involvement in Indochina be printed in the RECORD. I am honored to join a number of other Senators, including Senators KENNEDY, CRANSTON, AND ABOUREZK, in expressing my opposition to raising the authorization ceiling for military aid to South Vietnam by $474 million.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

OPPOSITION FOR MILITARY AID TO SOUTH VIETNAM

Mr. Chairman, after 12 years of an American war in Southeast Asia—followed by a year of a "peace" that has been more the exception than the rule—it is time for Congress to make a comprehensive re-assessment of the continued U.S. involvement in Southeast Asia. More than a year has passed since the signing of the Paris treaty, yet the reports from Vietnam by American civilians, reporters, Congressmen, and military personnel lead to the conclusion that the only true withdrawal has been the withdrawal of combat troops. The American money, the American equipment—and perhaps, at times, the American direction still remain.

And that is not the intent of Congress or the American people.

There have been disturbing reports that U.S. liaison officers continue to give tactical and strategic advice to the South Vietnamese military, at least occasionally violating the Paris agreements.

Last Wednesday, Elizabeth Becker, of the Washington *Post*, reported that Major Lawrence W. Ondecker was actively directing combat activities near Kampot, Cambodia, The U.S. embassy in Phnom Penh has repeatedly denied that Americans are still giving military advice, and U.S. law specifically prohibits direct military involvement. Despite all of this, substantial evidence exists that this country still is involved in almost every phase of the continuing war in Southeast Asia.

According to the *Post* report, Major Ondecker was flown into Cambodia to supervise the defense of Kampot, now under heavy attack by rebel troops. Ondecker reportedly advised Cambodian officers in mounting a counter-attack and ordered several more helicopter gunships for infantry support through the U.S. embassy. More infantrymen were brought in, and "the top command was replaced within 24 hours." If Major Ondecker did indeed perform those activities as reported, he broke five separate federal statutes.

This story generated an angry response from the U.S. embassy. The result: Congress is left with conflicting reports and little hard information. But more than information and credibility are at stake here. The real question is whether or not the law is being broken whether or not the Administration is ignoring the clear intent of Congress, whether or not we find ourselves slipping farther and farther back into the morass of military involvement in Southeast Asia. We cannot seriously consider raising the military authorization for Vietnam when we suspect such conscious violations of the law.

I hope the Armed Services Committee can help us find out what is happening. There are so many examples of U.S. support in Southeast Asia that it is difficult to know where the investigative and legislative effort should concentrate. However, there is one document which contains a basic statement, the Paris agreement itself.

Article 4 of that agreement reads: "The U.S. will not continue its military involvement or intervene in the internal affairs of South Vietnam." Article 5 declares that: "Within 60 days of the signing of this agreement, there will be a total withdrawal from South Vietnam of troops, military advisors, and military personnel."

Of course, there have been significant violations of the Paris agreements by both sides. However, that is no justification for this country to continue military support of that aggression. There are indications that foreign aid to Hanoi has been cut significantly—even in 1972, it amounted to only one-third of our aid to Saigon.

Despite the intent of the treaty to end *all* military involvement, the total cost for military aid to South Vietnam this year alone is $1.126 million, and the Pentagon has asked Congress for a supplemental increase of $1.45 billion for now and next year. It has been estimated that when aid to Cambodia is included, the total is $2.3 billion for FY 1974 with a projected increase to $2.7 billion in FY 1975. In fact, we still are spending three times as much for military aid to South Vietnam and Cambodia as for economic aid.

Our involvement also includes CIA personnel, civilians employed by American defense contractors, and the many others who advise and work with the army of South Vietnam—the fourth largest army in the world. Some are necessary, but why must there be so many at such a great cost?

A recent New York Times article describes in detail how thousands of American personnel fit into the war effort through the supply, transportation, and intelligence systems. They build and repair jet engines, inspect and maintain trucks and machinery. They evaluate the rates of ammunition expenditure. And, they often give advice—officially and informally, military and nonmilitary.

Military aid also is channelled to South Vietnam and Cambodia through a number of unofficial devices. For example, there are reports of manipulation of Food for Peace funds.

Under one of the provisions of that program, the U.S. sells commodities for South Vietnamese piasters and then gives the money to the government to spend for military purposes. This is an obvious loophole for military aid. Estimates of the FFP funds that support the armed forces of Saigon and Cambodia range up to $300 million. By the most recent report, 80% of the proceeds in Cambodia pay for soldier salaries. South Vietnam will use all the money from the sale of its

U.S. rice to pay for government programs including the military program. As one director of CARE said, "The entire thing is little more than a way of getting around the Congressional mandate against using the American money in the war effort there." Moreover, while we feed soldiers in Vietnam and Cambodia, CARE estimates that U.S. aid to hungry children in other countries has actually declined.

As a member of the Senate Agriculture Committee, which has jurisdiction over this program, I am particularly concerned over its abuse—especially since South Vietnam and Cambodia are the only countries receiving these kinds of funds. Of course, the U.S. has officially ceased its direct military intervention in South Vietnam, and as President Nixon's 1974 budget states: "In keeping with the articles of the cease fire agreement, AID has terminated its assistance to the National Police and to the Vietnamese Corrections System."

But under the new classifications of "Public Works," "Public Administration," and "Technical Support," $15.2 million is being spent for police computer training, direct police training, police telecommunications, public safety, national police support, and corrections system support. Moreover, exhaustive Senate committee hearings, testimony of U.S. investigative teams, former U.S. intelligence personnel, former prisoners, Quaker medical staff, and Vietnamese political reform groups all have documented incidents of torture and deprivation of civil rights in Vietnamese prisons and police stations.

The South Vietnamese government has denied the widespread use of torture, and it even says that no one who is a non-violent, non-Communist dissenter is ever arrested for merely expressing a different point of view. But the estimates of political prisoners range from the 35,000 people that the State Department classifies as "civilian detainees" to 200,000—the figure suggested by the Committee to Reform the Prison System in Saigon. Hundreds of these prisoners have never been tried in a court of law nor allowed any legal representation. Night raids by security police and torture at interrogation centers seem to be a rule of operation. Many people have charged that political prisoners are reclassified as common criminals to "justify" imprisonment.

Why, then, do we continue to pour dollars and armaments into South Vietnam? Why do we continue support of a regime charged with such repression? Why are we once again putting our own credibility and reputation on the line in the face of legislation and international agreements to the contrary?

This country's relationship with South Vietnam must begin to change. The issue before us is not one of national defense or security. The request for the supplemental authorization is an attempt to negate Congress' efforts to cut back military aid to the Thieu regime. The continued support of his regime, at the old level, is simply a blank check for further abuses. An editorial from the Des Moines *Register* refers to U.S. involvement as "interference" and cites the fact that "the U.S. provides 80 per cent of the swollen budget of the Saigon government of South Vietnam. All but 1 per cent of this aid is for military and police purposes."

We have a chance now to again consider aid to Indochina. Congress should not reverse a policy decision to reduce military aid and put off once again the opportunity to initiate a real change in U.S. policy in Indochina.

Mr. President, we are playing a dangerous and expensive waiting game. There is no point in pretending that Vietnam is no longer our problem. We helped create the present situation. Our dollars continue to help imprison, bomb, and dislocate human beings, just as they did for 12 years before. But what is missing now is the support and will of the American Congress and the American people.

TO INDEMNIFY POULTRY PRODUCERS

Mr. STENNIS. Mr. President, on Tuesday of last week, two poultry producers in my State were ordered to cease operations and several others were on the brink of being so ordered, because an unacceptable level of a toxic chemical was found to be contained in several hundred thousand chickens. This chemical, Dieldrin, is contained in poultry feed purchased by these poultry producers from many sources, and the Government is convinced the particular batch of feed fed the affected poultry caused this excess concentration of Dieldrin in the poultry.

The affected poultry producers immediately contacted Mississippi's Commissioner of Agriculture who in turn contacted Members of our congressional delegation seeking a meeting that same week with the Environmental Protection Agency and the U.S. Department of Agriculture here in Washington to see what could be done about this problem. This meeting was held on last Friday.

Mr. President, almost immediately teams of Government officials visited the poultry farms affected in my State to confer with the producers and to take action to assure that no chickens containing this chemical would be marketed and possibly adversely affect the consuming public.

On yesterday, I cosponsored a bill to indemnify poultry and egg producers and processors who must remove their products from the market due to these products containing too much toxic matter.

As you know, this type of legislation is not unique, but rather is utilized often when catastrophes occur to our producers of food products. Mr. President, through no fault on the part of these affected producers millions of chickens will be destroyed. Huge sums of money will be lost by the producers, jobs will be affected and generally the economy will suffer if these losses must be sustained totally by these producers.

The bill does not seek to indemnify those who fail to abide by Department of Agriculture regulations. It is to help only the innocent producer.

Mr. President, the extent of our problem is not presently known, but at this moment Government personnel are utilizing their laboratories in Mississippi to ascertain just how serious it is. Fortunately, none of this poultry reached the market and none will, so there is absolutely no danger to the health of the public.

Millions of chickens are produced annually in Mississippi, and billions from all States are consumed annually by the public. To keep prices of these products stable, the producers must know that they can invest millions of dollars in producing poultry to feed America and still be protected if they are, through no fault of their own, required to destroy poultry which are contaminated.

The Federal Government has done an outstanding job in handling this unfortunate matter, and the poultry producers have cooperated every step of the way. It would mean financial ruin to the affected producers if they are not indemnified, and will seriously undermine the entire poultry industry in Mississippi and possibly a great part of the Nation.

Mr. President, I hope we can quickly pass this legislation and thereby prevent unnecessary losses to these producers.

HARD CHOICES IN THE NATIONAL HEALTH INSURANCE DEBATE

Mr. HART. Mr. President, on March 25 my distinguished colleague from Maine, Senator Muskie, delivered the keynote address to the New England Hospital Assembly in Boston, Mass. Senator Muskie's address discussed four areas in which difficult choices will be posed in the debate on national health insurance.

Senator Muskie suggested that comprehensive health coverage for all Americans will only be possible if we make a commitment to devote additional national resources to health. He suggested that the financing system for national health insurance must be one which distributes costs equitably among the population, relying primarily upon the tax system. He called for new systems of reimbursing health providers, such as prospective budgeting. And he pointed out that we must begin today to improve our health delivery system to meet increased demand under national health insurance.

Senator Muskie's address provides a thoughtful framework for analysis of national health insurance proposals. I ask unanimous consent that it be printed in the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

Keynote Address by Senator Edmund S. Muskie

I hope to point out today some of the hard choices that face us in fashioning national health policy. That policy will be shaped in large part by the debate on national health insurance. It is in that debate that the hardest choices will be presented.

I

The ultimate goal of national health policy should be to provide every American, regardless of geographic location or socio-economic status, with access to quality, comprehensive health care. We have a long way to go to achieve that goal. Our system is a success in many respects:

The medical professions have made great progress toward preventing and treating illness, injury, and disability.

Those who administer and support our health care system—health providers such as yourselves, and those in research, health financing, and Government—have shown initiative and dedication in giving good health care to Americans.

Many Americans, as a result, receive excellent health care, at a cost they can afford to pay. But too many Americans do not share that opportunity.

Too many Americans find that their private or Government health insurance does not cover some or all of their health bills—and as a result they suffer financial disaster or—in some cases—do without needed care.

Too many Americans are rebelling at the long-term inflation in health care costs, which our present system seems unable to control without causing inequities and dislocations.

And too many Americans find that, even when they can afford it, good health care is not available—because most communities do not have enough of the right kinds of doctors or other health personnel; or because they do not have adequate hospitals or other health facilities; or because the fragmentation of the health delivery system makes it too inefficient and complicated to provide complete care.

These problems of paying for personal health, bills, controlling health costs, and improving our health delivery system can only be solved adequately by a system of national health insurance.

It is gratifying that the *need* for national health insurance is no longer in dispute. The public, health professionals, the administration, and the Congress all agree that national health insurance is a top priority for America. But there is little agreement on the *form* that national health insurance should take.

We will go through a lengthy, spirited, and complex debate before national health insurance becomes a reality. And this debate will present a series of hard choices about national health policy:

Choices of the kinds and amounts of health cost coverage to include in national health insurance;

Choices of the mechanisms we use for financing those costs;

Choices about how to control health costs; and

Choices about how to develop a health delivery system adequate to our needs.

II

The choices most familiar to most Americans concern the benefits to be covered by national health insurance. For the most visible failure of our present system is its inadequate protection against health costs.

Over three-fourths of Americans now have private health insurance. About twenty-three million of the elderly have medicare coverage. And about twenty-seven million low-income individuals receive protection under medicaid.

But some Americans have no protection at all, for even the most basic kinds of care: thirty-eight million Americans under age 65 have no protection against hospital costs, and forty-three million have no insurance for medical care costs. *National health insurance should at least provide coverage for those who now lack it completely.*

A second standard for judging national health insurance coverage is the kinds of health services covered, and the amount of coverage for each service.

Most insurance now provides little or no coverage, for instance, for dental care, drugs, nursing services, home health, and other types of out-of-hospital care. It is no secret that services which contribute to early detection and treatment of illness, and avoid costly hospitalization, can lead to better health at lower cost but are usually not covered, and patients thus do not receive these kinds of care. So to provide the full range of health services Americans need, *national health insurance should include comprehensive benefits for catastrophic preventive, nursing, home health, and other out-patient care,* in addition to adequate hospitalization and medical coverage.

To apply these standards to the benefit coverage, however, presents the *first hard choice* about national health policy: *the extent to which we are willing to devote additional national resources to provide increased coverage where it is needed.*

We now spend 7.7% of our gross national product on health. But that proportion must rise if we are to provide adequate coverage of health costs under national health insurance.

Part of the increase would be needed to expand health services, to meet the extra demand national health insurance would generate. And part of the increase would be needed for the cost of expanded coverage itself. Some of it could be offset by cost control measures included in a national health insurance system. But the net increase must be met by increasing our national health budget.

Making that commitment to an increased national health budget will be a difficult but necessary choice to make if we are truly to provide all Americans with comprehensive coverage of health care costs.

III

National health insurance must include not only increased health coverage, but also reform of health financing. As health providers, you are all too familiar with the present financing system—dominated by the complicated and overlapping structure of "Third party payments": some provided by the Government, some by private companies; each with their own set of forms to fill out, and each with their own regulations to meet. Streamlining that system must be one goal of National Health insurance, to lessen the bureaucratic burden on patient and provider alike.

Another goal, however, is to insure that the financing system for national health insurance distributes the burden of health care costs equitably.

Each of the 80 billion dollars we spent on personal health care in fiscal year 1973, for instance, came originally from the private resources of the American people—$30 billion, or 38 per cent, from Federal, State, and local taxes channeled through government programs; $21 billion, or 26 per cent, from insurance premiums paid out in benefits by private companies; and $28 billion, or 35 per cent, in direct payments by individuals.

Each of these sources or funds—the government, private insurance, and direct payments—distributes health costs differently among the population. The burden of government taxes, of course, is spread among most citizens based roughly on income—more or less progressively and equitably. Insurance premiums spread health care costs equally among those who pay premiums to each insurance plan. And direct payments are assessed solely on the basis of consumption of health care—in other words, the consumer pays all of these charges, but only when sick or injured. Direct payments thus can impose the most inequitable burdens on patients.

Each proposal for national health insurance uses a different combination of these sources to finance health coverage. And for health care available today, each of the proposals would change the existing distribution of health costs among the financing sources.

Changing the proportion of costs paid by direct payments, insurance premiums, and tax revenues presents the second set of difficult choices in the national health insurance debate.

I had the opportunity to study some of these choices when the Senate Subcommittee on Health of the Elderly, which I Chair, held hearings this month of the effect of the administration proposal on health programs for the elderly. The administration plan—known as "CHIP," for Comprehensive Health Insurance Program—does include some increased benefits for the elderly, such as coverage of catastrophic costs and out-of-hospital prescription drugs beyond a $50 deductible. But "CHIP" would actually increase the out-of-pocket costs for most of the elderly, by raising deductibles and coinsurance for hospital stays of less than sixty days.

The net result for the elderly under "CHIP" is an unwise trade-off—the increased benefits for the aged who get catastrophic and drug coverage would be financed in part from increased direct payments by the aged for hospital stays. Thus, some of the burden of financing expanded coverage would be placed on those who can ill afford it.

This trade-off represents exactly the wrong approach, I believe, to the choices about financing presented in the national health insurance debate.

The Nation has a responsibility to provide good health care to all Americans, regardless of need. Our responsibility includes an equitable financing system for that care. And an equitable financing system must rely primarily on the tax system.

Increasing the Government's share of Health Care expenditures will be a difficult choice to make, but one I believe essential to ensure fair distribution of health costs among the population.

IV

I know that this audience has strong views on *a third set of choices in the National Health Insurance Debate: controlling health costs.*

Cost control in the health industry is made especially difficult by the structure of the financing system, with its reliance on third-party payments. Such a large portion of charges are reimbursed on the basis of actual cost by these third parties (and not by the patient directly) that normal "Free Market" forces provide no effective restraint on cost increases. And the resulting inflation has been met with heavyhanded direct federal controls.

Throughout the period of controls, hospitals and the entire health industry have in general taken a responsible attitude toward controlling costs. The rate of hospital price increases, while still high, has steadily declined over the past five years, to a rate of under 10% last year. Hospital administrators from Maine and elsewhere have written me about their sincere concern for controlling inflation in their industry as well as in others.

At the same time, your objections to the current economic stabilization program as applied to the health industry have been heard loud and clear in Washington. And you have made evident your opposition to the administration's proposal to single out the health industry for continuation of controls beyond April 30, when the Economic stabilization act expires.

For the health industry as well as for other sectors of the economy, current economic conditions allow us no choice but to maintain an active federal role in controlling inflation. For most of the economy, that role should be one of gradual decontrol, allowing the free market to correct the dislocations which developed under the administration's helter-skelter imposition of phases and freezes since 1971. But this policy of orderly decontrol must be evaluated on an industry-by-industry basis.

The special problems of health cost inflation deserve their own unique solutions. These must include a continuation of some cost control measures to avoid an unconscionably large "inflationary bulge" which would result if controls were ended all at once. But *controls on the health industry must not impose an inequitable share of the burdens of inflation. The controls must be made more flexible.*

Controls should be responsive to the persuasive arguments I have heard that the current cost of living council regulations are so complex that they impose almost impossible administrative burdens on the small hospitals; that the currently allowed 7.5% rate of price increase is, in many cases, insufficient to cover rising costs; and that the uncertainty, and unresponsiveness, of the wage and price control bureaucracy in Washington has stifled responsible planning for needed hospital expansion.

The frustration of Maine's hospital officials is acute, to say the least. It is well illustrated by the comment of one administrator who wrote me recently:

"I am completely convinced," he said, "that the bureaucracy in Washington cannot respond effectively to our problem. It simply has grown too big, too unwieldy, and too consumed with its own internal paper shuffling, red tape, and 'busy work' to respond."

In the long run, however, the problems of inflation in the health industry can only be solved by including in national health insurance an effective system for making health providers directly accountable for cost control. Effective control reform represents the third set of difficult choices in the national health insurance debate—choices on which your cooperation, and willingness to accept change, will be essential.

One hard choice will involve the degree to which national health insurance includes strong prospective budgeting provisions, or other new systems of reimbursement. Prospective budgeting, for instance, would make hospitals and other health providers responsible for planning, in advance, how to provide the most effective care within available resources. Such new approaches to reimbursement are the only alternatives to continued outside constraints on health management decisions.

Another hard choice will be what role private insurance companies play under national health insurance. Private insurance companies must be removed from their role as a buffer between health providers and fiscal reality.

These choices will be presented—and resolved—in the national health insurance debate. Their resolution will be most successful only with the full participation and cooperation of you and others in the health industry.

V

The final set of choices in the national health insurance debate concerns reform of the delivery system itself. Some needed reforms will include the development of new or neglected kinds of health services—such as HMO's, home health care, and paramedical manpower. Many of these reforms will involve changing and integrating institutional and professional structures—such as adding extended care to hospital services and expanding outpatient facilities, and integrating mental health and social services with primary health care.

On the need for most such reforms there is little dispute. And whether they will be encouraged by national health insurance will in large part be determined by the choices we make about coverage, financing, and cost control.

That brings me to *one additional set of hard choices* to make if reform under national health insurance is to be effective: *Choices about whether we are willing to devote the resources, today, to develop the improved health delivery system we will need when national health insurance begins*.

These hard choices will be presented as Congress considers the Federal health budget for fiscal year 1975. Here are some examples of how the administration's proposed budget would resolve those choices:

Eliminating support for education of allied health and public health professionals, and reducing health manpower funds generally by $320 million;

Eliminating funds for regional medical programs and comprehensive health planning; and

Again attempting to eliminate new Hill-Burton funds, and cutting all health facilities assistance by $170 million.

Overall, the administration requests that the Federal health resources budget be cut almost in half—from $1.5 billion this year to $790 million in fiscal year 1975.

I hope that we will choose a different course this year—and decide to give full Federal support to building an improved health delivery system now, while the national health insurance debate proceeds.

VI

We face many challenges in attaining our goal of providing assured, accessible, high quality health care—for all Americans. Hard choices lie ahead:

Choices about committing the additional national resources necessary to provide comprehensive care for all;

Choices about changing the distribution of funding sources for national health care, to insure that costs are spread equitably among the population;

Choices about cost controls, this year, and changing the reimbursement system, under national health insurance; and

Choices about how to begin to build, today, an adequate health delivery system.

Making these choices and others—while fashioning a sound national health insurance system—will be a difficult process.

But I am confident that America can meet that challenge.

NUTRITION FOR THE ELDERLY

Mr. KENNEDY. Mr. President, last week, the House of Representatives approved H.R. 11105, which extends the nutrition for the elderly program, title VII of the Older Americans Act, for 3 years.

The measure also increases authorization each year from $150 million currently to $150 million for fiscal year 1975, $200 million in fiscal year 1976, and $250 million for fiscal year 1977.

In the Senate, I introduced companion legislation, S. 2488, on September 26, with Senator Percy. That measure now has 26 cosponsors. Many of my colleagues who are cosponsors of this measure were among those who originally joined me in offering S. 1163, which established the older Americans nutrition for the elderly program. That bill was signed into law on March 22, 1972.

Unfortunately, because of vetoes of HEW appropriations measures, it was not until July 1973, that funds were made available to the States.

The enthusiastic support for this program around the country was evident during our authorization hearings and later in support of my amendment to raise the fiscal year 1974 appropriations by $10 million.

Now we have a detailed report from the food research and action center of the stage of implementation of the program from around the country.

As important as the level of State activity is their description of the need to expand the program to permit more low-income elderly persons to participate. At this time of high inflation, the elderly, who are forced to pay far more of their limited incomes for food than other Americans, suffer most.

I am hopeful that S. 2488 will be approved by the Senate shortly and that additional appropriations will be made available for this program.

Mr. President, I ask unanimous consent that the report of the food research and action center be printed in the Record.

There being no objection, the report was ordered to be printed in the Record, as follows:

Survey of Title VII—The Nutrition Program for the Elderly, U.S. Senate Special Committee on Aging

This report is based on a survey conducted by the Senate Special Committee on Aging with the research assistance of the Food Research and Action Center.

Despite uncertainty over funding for the program, reports from the states indicate an encouraging response and an overwhelming need for congregate meal programs for the aged. Due to Presidential vetoes, nearly a year and a half elapsed between the enactment of Title VII of the Older American Act in 1972 and the appropriation of funds. Funds for fiscal year 1974 have not yet been released by the administration. In a relatively short period of time (6 months), all states have developed programs and will soon be feeding 200,000—212,000 elderly Americans daily.

This report considers the need for a commitment to the development and expansion of the Nutrition Program for the Elderly and discusses certain problem areas including the rising cost of food, the record-keeping and reporting system, the lack of state administrative funds and the need for flexible rules in rural areas.

Thirty-two states and Guam responded to the Title VII questionnaire. All other states were polled by phone.

NEED FOR EXPANSION

When the Nutrition Program for the Elderly was enacted, the Administration on Aging estimated that the first appropriation of $100 million would serve 250,000 older Americans daily. That was only 1.25% of the elderly population (20,049,592) and 4.5% of the elderly poor. Now, however, inflation and rising food costs have caused a drop in the estimated number of meals to 200,000—212,000 daily. At a time when costs are rising sharply, fewer of the older Americans with fixed incomes can be served.

The disparity between the present reach of the program and the need is shown by the attached chart. The overwhelming majority (47) of states see a need for vast expansion. For example, in Florida there are 1.5 million elderly who need a meal program and yet the Title VII project can feed only 9,604 daily at present funding levels. Of course the reresult is that there already are waiting lists of elderly eager to participate for whom there are no meals. Despite the fact that the program is just being implemented several of the states polled recently by phone report such waiting lists or expect them soon.

Another result of limited funding is that many areas have no program at all. States have been forced to restrict geographic coverage even though thousands of needy elderly live in "non-target areas." The attached chart indicates the number of additional projects and sites, if state programs were to meet existing needs. Many states report that the popularity of the program is outstripping expectations. At one site in New Jersey, for example, 25–30 elderly were expected the first day and 169 arrived. Another site in Illinois was planning for 100 meals and is already serving 180 daily.

Another factor adding to the need for increased funding is the increase in food costs. U.S. Department of Agriculture food price indices a 31% increase in the retail price of food between March 1972, when Title VII of the Older American Act was enacted, and December 1973. The Department of Agriculture has predicted that food prices will continue to rise during 1974.

Many states expect to have to cut back on the number of meals served in the future if no increase in funds is available. Projects hardest hit so far are those with on site preparation of a central kitchen. Where projects have contracted with caterers or with restaurants, many expect substantial price increases when the contracts are renegotiated. Some states have noted a considerable difference in price per meal between those contracts arranged by the projects funded earlier then those now just getting underway. Some states polled by phone suggest a 15–25% increase just for inflation alone should be provided for the coming fiscal year.

One state expects to have to cut back 600 of its 2879 meals served daily if it receives no increase in funds, i.e. a 21% decrease in the number of elderly who can participate daily. Projecting this estimate nationwide, the program would be serving only 158,000—168,000 daily nationwide, over a third less than the original goal for first year funding.

Another inflationary pressure is the increase in fuel costs. The difficulty in obtaining gasoline has made volunteers reluctant to help with transportation. Many project budgets, particularly in rural areas, were planned relying heavily on volunteer transportation.

THE NUTRITION INFORMATION SYSTEM

The overwhelming majority of states responding (35 out of 40) felt that changes should be made in the Nutrition Information System developed by a consulting firm for the Administration on Aging as a nationwide record-keeping and reporting system. While the need for good fiscal accounting, record-keeping and statistical data was recognized, it was generally agreed that some revisions in the system should be made so that it would not serve as a deterrent to the operation of a quality program for the elderly.

Feedback from the local level indicates that the staff who deal with the forms on a daily basis feel that the system is burdensome, complicated, even ridiculous. Estimates on the amount of staff time required to fill out the forms ranged from 45 minutes per day per site to 50% of staff time. Many indicated that record-keeping should be kept at a minimum so that staff time can be spent with people. A number of projects rely heavily on volunteers to operate sites. Volunteers generally want to serve people and many do not find filling out forms rewarding, particularly when the number is excessive. Some states report that the forms are too complicated for elderly volunteers to deal with.

The cost of implementing the system is another problem pointed to by many states. Some claim that it is impossible to operate a small project with minimal staff personnel. The record-keeping requirements create added administrative costs. Many believe that such funds would be better spent on meals.

A human cost of the Nutrition Information System is its impact on elderly participants. Some report that the system reminds the older American participants of the welfare system and its red tape. Of course, if an inordinant amount of staff time and funds must be spent on paper work, the quality of the program and services will suffer.

No state questioned the need for accurate reporting from projects. Indeed, many states are concerned that the cumbersome nature of the Nutrition Information System will itself cause incomplete and inaccurate data to be collected at the local level. Many fear that the burdensome nature of the system will cause pressured local staff to fudge reporting. Such data will, of course, be of questionable value. One populous state indicates it will soon be impossible to collect all the data required.

Dissatisfication with NIS is not a new development. Results from pilot testing sites also conclusively indicated that the information and forms required were unnecessary, cumbersome, burdensome on staff, and ill-suited to many projects.

A number of states have begun to try to adapt the system to the needs at the local level. Some have developed simplified forms.

Two suggestions made by several states were:

Do away with the daily unduplicated and duplicated counts which means keeping an attendance chart for each participant and

Collect some statistical information on a sampling or demonstration basis.

The widespread dissatisfaction with N.I.S. indicates that A.O.A. should consider a revision with strong input from state and local staff.

STATE ADMINISTRATIVE FUNDS

A majority of states (22 of 34) do not expect to have adequate funds to administer and evaluate nutrition programs in the future. The Older Americans Comprehensive Services Amendments, in an amendment to Title VII, prohibited the use of Title VII funds for administrative costs after Dec. 31, 1973. An unspecified amount under § 306 of the Older Americans Act is to be used. States were almost equally divided between recommending that 5% and 10% of the state allotment under Title VII be made available for state administrative purposes.

RURAL AREAS

Several rural states have requested that special rules be established to facilitate implementing Title VII projects in rural areas.

Specific suggestion which deserve serious consideration include:

States are presently limited to spending only 20% of Title VII funds on supportive services including transportation. Projects in sparsely populated areas need flexibility either in terms of the amount of funds which can be spent or in terms of services offered. The need for reassessment has become particularly acute since some rural areas have been hit hard by the fuel crisis.

The age limit for Native American participants should be dropped to 55. Excluding infant mortality, the average age of Indians dying in the U.S. is 53 years as compared to 68½ among whites. (Public Health Service survey, 1962–67) Consequently the number of Indians who live beyond 60 is small. Some tribal organizations have received limited funding based on limited population over 60 despite the fact that there are many more truly elderly Indians between the ages of 55–60.

State	Fiscal year 1973 allocation	Population 60 plus	Percentage of 60 plus poor	Date full implementation
Alabama	1, 570, 652	475, 203	44. 9	December 1973.
Alaska	500, 000	12, 197	24. 6	June 1974.
Arizona	775, 748	233, 729	23. 8	March 1974.
Arkansas	1, 110, 948	334, 603	47. 3	Apr. 1, 1974.
California	8, 514, 078	2, 571, 747	18. 1	Do.
Colorado	881, 096	266, 890	25. 1	Mar. 1, 1974.
Connecticut	1, 379, 108	414, 991	16. 9	May 15, 1974.
Delaware	500, 000	63, 815	24. 0	April 1974.
District of Columbia	500, 000	103, 713	21. 2	February 1974.
Florida	4, 453, 370	1, 344, 185	24. 2	End of March.
Georgia	1, 800, 052	543, 299	41. 2	Mar. 31, 1974.
Hawaii	500, 000	67, 488	19. 8	May 1, 1974.
Idaho	500, 000	97, 963	30. 0	Apr. 1, 1974.
Illinois	5, 200, 388	1, 571, 497	24. 0	Apr. 30, 1974.
Indiana	2, 317, 668	701, 393	26. 4	Apr. 1, 1974.
Iowa	1, 580, 228	477, 392	28. 3	June 1, 1974.
Kansas	1, 216, 296	367, 545	28. 7	May 31, 1974.
Kentucky	1, 580, 228	476, 224	39. 9	March 1974.
Louisiana	1, 484, 456	449, 386	43. 3	End of March, early April.
Maine	526, 742	165, 124	27. 4	Mar. 31, 1974.
Maryland	1, 465, 302	443, 561	21. 9	Do.
Massachusetts	2, 940, 182	888, 972	18. 7	Apr. 30, 1974.
Michigan	3, 601, 004	1, 089, 225	24. 0	Mar. 31, 1974.
Minnesota	1, 867, 542	564, 373	26. 7	May 31, 1974.
Mississippi	1, 063, 062	320, 336	54. 3	Mar. 31, 1974.
Missouri	2, 595, 406	783, 632	31. 3	Do.
Montana	500, 000	97, 171	27. 5	October 1974.
Nebraska	833, 212	250, 396	28. 4	Mar. 31, 1974.
Nevada	500, 000	48, 844	21. 9	Mar. 30, 1974.
New Hampshire	500, 000	110, 272	25. 4	Feb. 15, 1974.
New Jersey	3, 342, 422	1, 011, 034	18. 7	Oct. 1, 1974.
New Mexico	500, 000	105, 158	35. 8	June 30, 1974.
New York	9, 308, 986	2, 813, 580	21. 7	April 1974.
North Carolina	2, 030, 354	614, 180	39. 0	Mar. 31, 1974.
North Dakota	500, 000	93, 813	27. 6	March 1974.
Ohio	4, 721, 530	1, 426, 582	25. 5	February 1974.
Oklahoma	1, 398, 262	421, 310	38. 4	Feb. 28, 1974.
Oregon	1, 063, 062	321, 207	24. 3	Apr. 1, 1974.
Pennsylvania	6, 062, 330	1, 831, 564	24. 4	Apr. 30, 1974.
Rhode Island	500, 000	147, 164	24. 9	Dec. 31, 1973.
South Carolina	948, 136	286, 272	43. 0	Mar. 15, 1974.
South Dakota	500, 000	109, 740	31. 9	Mar. 30, 1974.
Tennessee	1, 838, 810	555, 977	42. 2	Dec. 31, 1973.
Texas	4, 759, 838	1, 436, 955	34. 8	Mar. 31, 1974.
Utah	500, 000	112, 540	26. 0	April 1974.
Vermont	500, 000	66, 453	25. 7	March 1974.
Virginia	1, 781, 348	538, 034	31. 3	May 1974.
Washington	1, 522, 766	460, 089	24. 5	Mar. 31, 1974.
West Virginia	919, 406	278, 969	39. 1	Mar. 15, 1974.
Wisconsin	2, 193, 166	661, 349	24. 3	Mar. 31, 1974.
Wyoming	500, 000	43, 730	25. 2	July 1, 1974.
American Samoa	250, 000	1, 029	(*)	
Guam	250, 000	2, 550	(*)	March 1974.
Puerto Rico	852, 366	258, 661	(*)	
Trust Territory	250, 000	5, 045	(*)	
Virgin Islands	250, 000	3, 630	(*)	

*Not available.

State	Meals served daily (fully implemented) fiscal year 1973	Number who would participate if adequate funds available	Number of projects and sites with fiscal year 1973 allocation		Number of projects and sites needed to feed all who would participate	
Alabama	3,470 plus	150,000	P-6	S-72	P-12	S-250.
Alaska	600	6,000	P-6	S-15	P-25	S-300.
Arizona	1,680	25,000	P-8	S-28	P-125	S-375.
Arkansas	2,000 plus		P-9			
California	18,413	30 percent of more of elderly population	P-52	S-300	P-100	S-300.
Colorado	1,850	50,000	P-5	S-49	P-30	S-200-250.
Connecticut	3,050	46,000	P-11	S-70	P-160	S-1,000.
Delaware	1,200	2,500-3,000	P-4	S-24	P-4	S-34.
District of Columbia	1,100	10,000	P-5	S-42	P-9	S-150.
Florida	9,604	Over 1,500,000	P-19	S-118	P-2, 850	S-17, 700.
Georgia	3,740	214,066	P-8	S-72	P-18	S-162.
Hawaii	1,310	4,160	P-4	S-13	P-4	S-32.
Idaho	1,080	10,500	P-8	S-37	P-11	S-55.
Illinois	10,936	354,828	P-30	S-240	P-50	S-440.
Indiana	5,366	200,000	P-11	S-119	P-22	S-500.
Iowa	2,994	43,015	P-11	S-81	P-11	S-170.
Kansas	3,719	7,500	P-5	S-50	P-20	S-80.
Kentucky	3,270	360,459	P-7	S-49	P-15	S-200.
Louisiana	3,090	Double	P-9	S-50	P-14	S-100.
Maine	1,500	3,427	P-5	S-24	P-5	S-57.
Maryland	2,879	60,000	P-12	S-62	P-22	S-137.
Massachusetts	4,600	10,000	P-18	S-100	P-23-25	
Michigan	7,300	12-15,000	P-31	S-127	P-95	
Minnesota	4,000-4,500	13,500 easily	P-17	S-105	P-Same	S-300.
Mississippi	2,358	Great potential for expansion	P-9	S-42		
Missouri	5,390	200,000	P-9	S-100		
Montana	930	1,500	P-5	S-15	P-10	S-33.
Nebraska	1,565	2,000	P-8	S-45	P-8	S-51.
Nevada	1,150	2,000	P-10	S-20	P-14	S-29.
New Hampshire	1,205	3,000 plus	P-6	S-22	P-6	S-56.
New Jersey	6,035	300,000	P-22	S-70	P-30	S-1,500.
New Mexico	2,000-2,500	3,500 plus	P-4 or 5	S-45-50	P-10-12	S-80-90.
New York	21,000		P-19	S-250	P-Same	S-500.
North Carolina	4,641	50,000	P-24	S-100		
North Dakota	650	600	P-6	S-15	P-10	S-20.
Ohio	8,200	50 to 75,000	P-18	S-176	P-75	S-300.
Oklahoma	3,086	100,000	P-5	S-44	P-11	S-1,333.
Oregon	3,000	5,000 or more	P-5	S-60	P-3 more	
Pennsylvania	13,766	500,000 daily	P-43	S-283	P-68	S-8,000.
Rhode Island	1,000	2,000	P-6	S-15	P-6	S-27.
South Carolina	5,484	15,000	P-12	S-51	P-30	S-200.
South Dakota	1,450	38,000	P-6	S-14	P-8	S-150.
Tennesse	3,840	200,000	P-5	S-78	P-9	S-240.
Texas	10,400	250,000	P-15	S-?	P-127	S-240.
Utah	1,030	1,000 or more	P-3	S-16	P-6	S-15 or more.
Vermont	1,100	8,000	P-7	S-41	P-7	S-65.
Virginia	4,000	120,000	P-18	S-90	P-22	S-330.
Washington	2,448	10,000	P-14	S-70	P-20	S-150.
West Virginia	2,000	6,000	P-12	S-79	P-16	S-100.
Wisconsin	4,900	Thousands more	P-16	S-78	P-50 more	S-200.
Guam	310	1,500	P-1	S-7	P-1	S-19.

FUEL FOR AGRICULTURE: PROMISE VERSUS PERFORMANCE

Mr. McGOVERN. Mr. President, my Subcommittee on Agricultural Credit and Rural Electrification today completed 2 days of hearings on the farm fuel situation, as part of our general investigation of the fuel and fertilizer supply, demand, and price situation.

Every Member of this body knows that, under the allocation regulations promulgated by the Federal Energy Office, the important food and fiber production in this Nation is to receive 100 percent of requirements of gasoline, middle distillate—largely diesel fuel—and propane.

It was disturbing to learn at these hearings as many Members of the Senate have learned in repeated contact with their constituents, that agricultural needs are not getting the promised 100 percent of requirements.

Indeed, the Department of Agriculture testified that fuel supplies for farmers are "tight to very tight" in parts of 30 States, an increase of 4 States from 2 weeks ago.

I think it fair to warn, as Chairman TALMADGE of the Senate Committee on Agriculture pointed out last December, that unless adequate fuel is provided for the farmers of America, the food supply of this Nation will be reduced to the point that there will be serious talk of food rationing.

Such a situation can and must be prevented, and I urge the FEO and other appropriate agencies to do all within their power to prevent it.

Representatives of the FEO identified one of the problems and addressed themselves to a possible solution. The following statement is from the testimony of Duke R. Ligon, Assistant Administrator of FEO:

SUPPLIERS' ALLOCATION PROCESS

At the present time, there is no mechanism in the regulations for the final supplier to certify his needs back upstream in the supply chain, when his total available supply is less than the demand of agricultural customers.

We have completed a redraft of the regulations which will incorporate a procedure whereby the seller at the end of the supply chain may certify his entire agricultural requirements upstream to his supplier, until eventually all agricultural needs are certified back to the refinery level. The refiner will then be obligated to set-aside supplies of fuel necessary to meet all agricultural needs and allocate this set-aside accordingly. The remaining supplies at the refinery level are then allocated, employing the allocation fraction in the same manner that total supplies are allocated under the current system.

Mr. President, the FEO spokesmen are hopeful that they can complete this redrafted regulation within 30 days. In view of the fact that the planting season is upon us in many parts of the United States, it is my hope that such a regulation can be implemented without delay.

It is also encouraging to hear the FEO's statement that lubricating oils will be covered by high priority allocation to agriculture under subsequent new regulations, also due to be forthcoming soon.

I have had a number of letters and calls from energy users who would be affected by a proposed redefinition of the "agricultural production" category of the mandatory allocation program.

Because of the critical importance of how the end user is classified, I asked the FEO spokesman to consult with our Subcommittee prior to finalizing the new definition of agricultural production. It is my hope that this modification, too, can be completed quickly and with minimal adverse effect on the producers of food and fiber.

The following is Mr. Ligon's testimony about plans to revise the agricultural production definition:

DEFINITION OF "AGRICULTURAL PRODUCTION"

Another problem which I know is causing concern in the agricultural sector is the definition of "Agricultural Production," under the Mandatory Allocation Regulations. Specifically, the problem boils down to separating agricultural production from that production which would otherwise be included under the category of "Industrial Production."

In the redraft of the regulations to which I alluded, we are considering revising the definition of "Agricultural Production." We are currently reviewing the entire issue with the Department of Agriculture so that a fair and equitable definition can be determined. In consideration of this revised definition, it is important to realize that the additional available supplies resulting from the lifting

> of the Arab embargo will most likely allow for increased allocation to many sectors of the country including industrial production.

Another problem identified in testimony is the impact of the two-tier pricing system on cooperative and independent refiners. In his statement, Bill Brier, director of energy resources, National Council of Farmer Cooperatives, related:

> The government, by regulation, fixes the price of so-called domestic old oil at about $5.25 per barrel. This production accounts for about 70–80 per cent of the total domestic supply. Newly discovered oil and stripper oil is exempt from price controls and currently sells for about $10.35 per barrel.
>
> This policy discriminates against cooperatives and many other independent refiners because the inland refineries are often located near fields with an unusually high percentage of stripper well production. Thus, the farmer buying from a cooperative, which in some cases is his only source of supply, is paying as much as 5c to 10c a gallon more for his product than his counterpart buying from a major oil company.

The impact of sharply higher retail prices for refined petroleum products to the farmer is understood more clearly when one considers the fact that cooperatives provide nearly one-third of all the fuel consumed by agriculture.

The inequities apparent in this system strongly suggest the need for an equitable "blend price" which will treat all segments of the industry, and all consumers, on the same basis.

Mr. President, the purpose of our subcommittee's hearing was threefold:

First. To determine the energy and fuel requirements of U.S. agriculture and related industries.

Second. To evaluate the impact of the current fuels and energy shortages on U.S. agriculture.

Third. To evaluate current Federal mandatory fuel allocation regulations as they relate to both agriculture and related industries.

Due to the fact that U.S. agriculture is such a highly mechanized industry, petroleum and electricity are vital to its operation. Farming today accounts for about 3 percent of petroleum fuel and 3 percent of the electricity consumed in the United States. Major fuels used in farming are gasoline, diesel and LP gas—chiefly propane. While some natural gas is occasionally used on farms, agriculture's major uses of natural gas are manufacturing of nitrogenous fertilizers, herbicides, animal feed nutrients, and processing of farm products.

Fuel consumption in 1973 was estimated at 7.76 billion gallons as compared with 7.08 billion in 1969 and 6.47 billion in 1964. Electricity consumption on farms has doubled in the last two decades while farm numbers declined by one-half.

Estimated kilowatt hours used on farms in 1950 were 17 million, compared with 40 million in 1972. While the proportion used in farm production alone has not been estimated, use of electricity in farming has increased substantially as milking machines, elevators, augers, and other feed handling devices have been widely adopted.

By type of fuel, 4 billion gallons of gasoline, 2.5 billion gallons of diesel, and 1.3 billion gallons of LP gas were used in farming in 1973. Farm use of these fuels in 1974 will be even larger, due mainly to 20 million additional acres of cropland being brought into production.

And as one looks to future fuel requirements of U.S. agriculture, one must take note of the shifts taking place in types of fuels being used, as well as the seasonal demands for those fuels.

Diesel fuel use in farming has more than doubled since 1964. Diesel fuel accounted for 18 percent of all farm fuels in 1964 and 32 percent in 1973. The proportion of gasoline dropped from 64 percent to 52 percent, and the proportion of LP gas decreased from 18 to 16 percent over the same period. Increased numbers of diesel-powered tractors and combines have led to the shift in related quantities of fuel used by type. As of last fall, more than 80 percent of the wheel tractors purchased were diesel and the proportion is expected to increase to more than 90 percent by 1975. Fifty percent of all farm tractors are expected to be diesel powered by 1975.

While gasoline use is less seasonal due to its use in automobiles and trucks, diesel use tends to be much more seasonal, with heaviest uses coming during spring field preparation and fall harvesting periods.

LP gas for farm home and production use represented about one-fifth of LP gas sold in 1971. LP gas is used on farms for a number of purposes, including fuel for motors, for drying crops, and for brooding poultry and livestock. Use of LP gas in farming today is divided about equally between farm motors and other uses, such as crop drying, tobacco curing, and space heating.

Seasonality of agricultural use of LP gas varies by geographic region. In Midwestern States, 90 percent of that region's annual use may occur during October through December, due to corn drying In contrast, in the Appalachian and Southeast regions, July and August are the peak months of LP gas consumption, where tobacco curing is of major importance.

As for natural gas, almost 600 billion cubic feet is required to operate ammonia fertilizer plants at capacity, with another 50 billion cubic feet of gas required to meet the operational needs of Frash sulfur, potash, and phosphate producers. This 650-billion-cubic-feet requirement is less than 3 percent of the total natural gas used in the United States.

In January of this year, the Federal Energy Office issued its final mandatory fuel allocation regulations. I, and everyone on this committee, were pleased with FEO's action in giving agriculture top priority status in those final regulations. While it had initially proposed that agriculture be given only top priority in the allocation of gasoline supplies, its final regulations also added diesel and other middle-distillate fuels, which means that agriculture is now to get 100 percent of its current fuel requirements, rather than a percentage of some previous base period. These actions are not only consistent with our national interest, but recognize some of the earlier facts I related to you about shifts taking place in farm fuel uses, by type.

Also as I indicated earlier, one of the heaviest use periods for gasoline and diesel fuels in farming is about to begin namely between now and the month of June.

While a 100 percent of current requirements sounds like the most reassuring commitment one could expect to get, promise and performance sometimes differ. For instance—

USDA continues to report shortages or tight supplies of farm fuel in many States each week;

Some fuel suppliers are still requiring farmers to fill out FEO form 17, a priority user certification form which current regulations require to be filled out only by those whose annual purchases exceed 20,000 gallons, a level of consumption far in excess of most farmers.

Some major suppliers have pulled out of some rural markets or have constricted supplies to some local suppliers in deference to their own, and sometimes more profitable, independent outlets elsewhere.

An increasing number of industrial and utility firms are shifting from natural to LP gas, thus greatly increasing the demand for LP gas, a product which, as I mentioned earlier, is used very heavily in farming.

A disproportionate share of the high priority fuel business—which includes agriculture—is being handled by only a few oil companies, with little or no recognition of the problem this creates for these companies with respect to their crude oil allocations.

The fuel requirements of several agricultural related industries—fertilizers, herbicides, insecticides, transportation, and food processing and marketing firms—are reporting shortages or have been threatened with reclassification with respect to their current priority status.

Hexane, which is used in soybean crushing operations, is currently in very tight supply, with some plants reporting critically short supplies.

Lubricants for farm use, while not now in short supply, may develop into a major problem in the future unless agricultural uses are given a higher priority than presently is the case.

In addition to the problem items I have just mentioned, I think it is apparent that improvement in coordination betweed central and regional FEO offices is needed.

Resolution of these problems is critical not only for farmers, but for the petroleum industry, to the food processing and distribution industry, and to every American consumer. It is my hope that our subcommittee efforts will have been helpful in spotlighting the problem and arriving at solutions.

Mr. President, I ask unanimous consent that the text of the USDA's biweekly report on fuel, fertilizer, bailing wire, bailing twine, and transportation be printed in the RECORD.

There being no objection, the text of the report was ordered to be printed in the RECORD, as follows:

March 21, 1974.

U.S. Department of Agriculture Energy Office-Farm Fuel, Fertilizer, Baling Wire, Baling Twine, and Transportation Report

FUEL

1. *National Supply Situation for Biweekly Period Ended March 15, 1974.*

A. *U.S. Refinery Utilization.* Nearly 82 percent of capacity utilized, down from slightly over 83 percent March 1.

B. *Motor Gasoline.* Refinery production down 1.0 percent from March 1 and down nearly 4 percent from a year ago. Weekend stocks down more than 2 percent from March 1, but up 3.0 percent (6.5 million barrels) from a year ago.

C. *Distillate Fuel Oil.* Refinery production down 0.5 percent from March 1, and down nearly 17 percent from a year ago. Weekend stocks down 6.6 percent from March 1, but up over 24 percent (or 28.0 million barrels) from a year ago.

2. *General Farm Fuel Situation for Biweekly Period Ending March 21, 1974.*

A. *Gasoline and Diesel Fuel.* Situation about the same to slightly worse than two weeks ago. Total of 30 States reported gasoline supplies tight to very tight in varying numbers of counties compared with 26 on March 8. Eight of these States (Virginia, North Carolina, Mississippi, Tennessee, Ohio, Wisconsin, Minnesota, Kansas) reported some critical counties, an increase from four States two weeks ago.

Diesel fuel supplies reported tight to very tight in some areas in 16 States, up from 13 States two weeks ago. Four of these States (Mississippi, Tennessee, Ohio, Kansas) reported some critical counties, up from two States March 8.

Some States report improvement in the allocation system as distributors become better informed and State energy offices become more efficient. Following are major difficulties reported by problem States: Some distributors and suppliers requiring all farmers to file FEO Form 17's; long delays by distributor's suppliers (up to three weeks) in acting upon FEO Form 17 requests for addition fuel, thus putting farmers whose requests are refused in a precarious supply position; delays by regional and State energy offices in processing requests; inability of small farmers who purchase directly from retail outlets to get sufficient fuel.

A total of eight States (North Carolina, Tennessee, Kentucky, Indiana, Iowa, Kansas, Nebraska, Oregon) report wet weather has delayed field work. All indicate that if farmers had been able to get into the field, fuel supplies would have been inadequate to meet demand. One State (Georgia) reported land preparation was being delayed for short periods in some areas due to lack of gasoline.

First report of U.S. average farm fuel prices, supplied by States at the request of ERS, show that the farm price of gasoline increased about 29 percent, diesel fuel increased about 38 percent, and LP gas increased about 21 percent during the period November 1, 1973 to March 18, 1974.

FERTILIZER

Reports continue to show fertilizer in short supply, with nitrogen in tightest supply position. Overall, the number of States reporting supplies short to tight (usually short) is about the same as reported March 8. A total of 44 States report a nitrogen shortage, compared with 46 States two weeks ago. States reporting a phosphate shortage total 41 compared with 43 on March 8. A potash shortage was reported by 39 States compared with 38 States two weeks ago. Shortages of mixed fertilizer were reported by 42 States compared with 43 States two weeks ago. State ASCS reports show prices paid by farmers for fertilizer increased from February 18 to March 18.

Month-to-month percentage increases from October 25, 1973 (date of CLC decontrol action) to March 18 are as follows:

Kind of fertilizer	Percent price increase from Oct. 25 to Mar. 18					
	Nov. 2	Nov. 9	Dec. 10	Jan. 21	Feb. 18	Mar. 18
Nitrogen:						
Anhydrous ammonia	33	40	49	71	81	97
Ammonium nitrate	22	29	43	55	70	71
Urea	26	32	54	69	77	99
Nitrogen solution	23	34	40	57	73	80
Phosphate:						
Triple superphosphate	20	27	37	42	46	49
Diammonium phosphate	24	28	33	41	48	51
Potash:						
Potassium chloride	11	15	15	26	28	32
Mixed fertilizer	20	23	28	40	45	47

Railroads have been ordered by the ICC to deliver 1,100 covered hopper cars for fertilizer shipments out of Florida. Cars must be delivered by April and used for fertilizer service until ICC authorizes other use or until order expires May 1, 1974.

Canadian anhydrous armonia plants. U.S. anhydrous ammonia supplies could eventually be increased by 1.6 million tons (about 9 percent) annually as result of tentative plans to build four 1,250-ton-per-day ammonia plants in Alberta, Canada. Under proposed agreement by U.S. and Canadian companies, most of the plants' output would be piped into U.S. to be distributed into 15 Midwest States. Some production will be available in 1976, with all plants operative by the end of 1978.

BALING WIRE

Baling wire supply expected to be short about 30 percent if imports and domestic production continue at present rates and requirements are similar to 1973.

Estimated requirements for 1974 hay crop range from 105,000 to 115,000 tons of baling wire. Current rate of domestic wire production estimated to be about 10 percent above 1973, with baling wire imports arriving at about one-third the rate for last year.

Following price relief granted by the CLC January 25, 1974, six of the seven firms that produced baling wire in 1973 resumed production, with five of these operating at or near capacity. As a result of additional price relief and increased cost pass-through granted by CLC on February 28, two additional plants resumed production.

Retail prices for domestically produced baling wire are expected to vary from $22 to $25 per 100-pound box.

Cost of imported wire is much higher, with reported prices varying from $30 to $50 per 100-pound box.

BALING TWINE

Baling twine deficit for 1974 is estimated to be about 15 percent. However, twine imports for the period October 1973 through January 1974 were up 15 percent from last year. If imports continue at this rate, the overall shortage would be less than 15 percent. Domestic twine production is near capacity and probably cannot be increased because of shortages of petroleum feedstocks for man-made twine.

The retail price for natural fiber twine is currently over $22 per bale, with synthetic twine prices over $25. These prices are 250 percent or more above a year ago.

Normally about 75 percent of the total hay crop is tied with twine, 15–18 percent with wire, and the remaining 7–10 percent is not baled.

TRANSPORTATION

1. *Motor Carriers.* Fewer owner-operators on the road due to inability to handle increased expenses and pay for equipment. High fuel costs, reduced speed limits are blamed. Some unconfirmed reports of another truck strike by end of March. Demand for trucks by beef and pork processors down as result of drop in consumer demand.

2. *Rail Carriers.* Slight increase in diesel fuel supply, but reserve inventories decreasing. Carriers concerned about getting increased allocation of fuel to reflect increase in freight volume from 1972 and 1973.

3. *Ocean Carriers.* Fuel availability stabilized; prices about 400 percent above year ago. Reducing number of U.S. ports of call and slower speeds to conserve fuel, plus use of normal cargo space for extra fuel supplies, are causing congestion at ports. Problem aggravated by carriers moving cargo subject to higher freight rates in preference to low-rate cargo.

4. *Barge Carriers.* No major fuel supply problems.

THE RISING COST OF COLLEGE EDUCATION

Mr. RIBICOFF. Mr. President, the College Entrance Examination Board recently released disturbing new figures on the rising cost of a college education.

According to the CEEB the cost of a college education will rise again next fall making it 9.4 percent more expensive than a year ago and 35.8 percent more costly than 4 years ago.

This means that a student at a private college can expect to pay an average of $4,039 next year.

Few families can afford such rates.

As a result I have introduced, and the Senate has passed three times, legislation to grant yearly tax credits of up to $325 for the cost of a higher education. Unfortunately, the House has failed to act each time and the bill has died.

This bill, S. 18, would greatly strengthen the ability of families to finance their son's or daughter's schooling. It must be passed as soon as possible.

I ask unanimous consent that the New York Times article of March 25 concerning the CEEB report be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

College Costs Will Rise by 9.4 Percent in Fall

(By Gene I. Maeroff)

The cost of a college education, which has been causing growing anxiety among American families, will rise again next fall, making it 9.4 per cent more expensive than this year and 35.8 per cent more than it was four years ago.

A report released yesterday by the College Entrance Examination Board, based on a survey of 2,200 institutions of higher education, shows that in the coming academic year a student living on campus at an average four-year private college will have to pay $4,039, which is $346 more than this year.

Beset by mounting costs in an economy squeezed by inflation, few colleges and universities seem to be winning the battle to hold down expenses. The effect of inflation is such, according to the report, that by next fall a family will find it almost as costly to maintain a commuting student living at home as to send a student away to live at college.

"Meeting the costs of a college education is a problem more and more American families face every year," the college board says in its report. "Not only the lower-income family, but also middle-income and upper-income families are finding it increasingly difficult to meet these costs."

The report makes the following findings:

Community colleges, traditionally the least expensive type of higher educational institution, will have a larger percentage increase in tuition next year than private or public four-year colleges and universities.

Despite the fact that tuition is increasing at a faster rate at public four-year institutions than at private ones, it will still be far cheaper next fall for resident students at public colleges and universities—total cost: $2,400—than for those at private institutions—total cost: $4,039.

The cost of room and board for students living away at college, which requires the largest outlay after tuition, will be fairly similar next fall at public ($1,116) and private ($1,207) institutions.

While averages give a general indication of what the costs will be at colleges and universities, there is a wide range of individual differences.

Among the most expensive four-year private institutions, Harvard will cost $5,700 and Princeton $5,825, according to the college board report. By comparison, the State University of New York College at Brockport will cost $2,800 and Slippery Rock State College in Pennsylvania will cost $2,350.

All of the costs computed by the board, on the basis of figures it says it received from financial aid officers at the various institutions, include tuition, room and board, transportation and miscellaneous expenses including books and toiletries.

There is apparently little hope for financial relief for middle-income and upper-income families that have been complaining this year about soaring college costs and the scarcity of grants and loans. The state of Ohio has put a moratorium on tuition increases at its public institutions and the University of Michigan has reduced its tuition, but these actions do not seem to be harbingers of a trend.

The tuition-free City University of New York will remain one of the best bargains in higher education next year. Student fees at the various C.U.N.Y. units will average $100 a year. The university estimates the total annual costs of its average commuter student next fall will be $1,040.

Copies of the report, entitled "Student Expenses at Postsecondary Institutions 1974–75," are available for $2.50 each from Publications Order Office, College Entrance Examination Board, Box 592, Princeton, N.J. 08540.

The report was prepared under the auspices of the board's college scholarship service, which helps institutions of higher education analyze the financial needs of students applying for grants and loans.

Here is a sampling of the costs, subject to change between now and the fall, that resident students at institutions around the country can expect to pay during the 1974–75 academic year:

	Tuition and fees	Room and board	Total
California:			
Claremont	$3,044	$1,456	$5,100
University of California at Berkeley	640	1,830	3,290
Florida:			
Miami	2,640	1,320	4,920
Georgia:			
Georgia Tech	530	1,120	2,350
Illinois:			
Northwestern	3,180	1,400	5,280
Kansas:			
University of Kansas	$560	$1,290	$2,540
Maryland:			
Johns Hopkins	3,100	1,580	5,480
Massachusetts:			
Boston University	2,990	1,557	5,100
Brandeis	3,100	1,400	5,100
Mount Holyoke	2,950	1,550	5,100
Radcliffe	3,200	1,875	5,750
Smith	3,030	1,550	5,250
Wellesley	3,050	1,600	5,250
Minnesota:			
Macalester	2,550	1,110	4,200
New Hampshire:			
Dartmouth	3,570	1,545	5,900
New Jersey:			
Bloomfield	2,080	1,260	4,000
Fairleigh Dickinson	2,150	1,300	4,050
Stockton State	666	1,320	2,700
Rutgers	725	1,300	2,700
New York:			
Adelphi	2,650	1,337	4,537
Barnard	3,100	1,520	5,120
New Rochelle	2,300	1,400	4,440
Columbia	3,430	1,700	5,900
Hamilton	2,900	1,330	4,730
Hofstra	2,570	1,550	5,270
Post	2,460	1,300	4,610
Pace	2,200	1,775	4,395
Pratt Institute	2,600	1,600	5,500
Skidmore	3,390	1,510	5,550
S.U.N.Y. Fredonia	785	1,280	2,825
Vassar	3,165	1,350	5,065
Pennsylvania:			
Haverford	3,045	1,700	5,245
University of Pennsylvania	3,165	1,535	5,350
Tennessee:			
Fisk	1,950	1,285	3,835
Texas:			
University of Texas	366	1,300	2,400
Wisconsin:			
Marquette	2,250	1,300	4,020

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The PRESIDING OFFICER (Mr. JOHNSTON). The time for morning business having expired, the Senate will resume the consideration of the unfinished business (S. 3044), which the clerk will state.

The assistant legislative clerk read as follows:

> A bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

Mr. ALLEN. Mr. President, this afternoon at 3:30 the Senate will vote on amendment No. 1064, which would strike from the pending bill the public finance feature, which would remove any further or additional public subsidy of Federal election campaigns.

In the event that that amendment is not adopted, I plan to offer alternatively two additional amendments, one of which would eliminate the election campaigns and the primaries of Members of the House of Representatives and the Senate from the subsidy provisions of the bill, which would leave both primaries and general elections of House Members and Senate Members in the private sector, but still leave the limitations provided by the other titles of the bill as to overall campaign expenditures and maximum contributions to a campaign.

The other amendment, in the event that amendment No. 1064 fails of adoption, would be an amendment which would eliminate from the bill the subsidy of campaigns for the Presidential nomination of the various parties. This is a most important amendment, because it would prevent the going into effect of the bill's provisions which would provide up to $7.5 million for each candidate for the Presidential nomination of the major parties, and I do not believe that it is in the interest of the taxpayers or in the interest of our governmental processes to spread $7.5 million of the taxpayers' funds among each of the 15 or 20 candidates for the Presidency.

So the order in which the amendments would be offered would be first the one coming up this afternoon to strike all public financing of Federal elections, and the following amendment, in the event that is not adopted, would eliminate House and Senate Members from public subsidy, and following that would be the amendment striking Presidential primary campaigns, though we would still have the Presidential campaign for the general election which is also funded by the checkoff provision, which will make $21 million available to each of the parties if they come under the provisions of that law.

I send the additional two amendments to the desk, and ask that they be printed and remain at the desk to be called up at a later date.

The PRESIDING OFFICER. The amendments will be received and printed, and will lie on the table.

The pending question is on agreeing to the amendment (No. 1064) of the Senator from Alabama.

Mr. ALLEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call that roll.

Mr. HRUSKA. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HATHAWAY). Without objection, it is so ordered.

Mr. HRUSKA. Mr. President, today, we have on the floor a very significant bill and one with far-reaching implications. S. 3044, the Federal Election Campaign Act of 1974, is a response designed to meet problems of campaign abuse that have plagued campaigns throughout American political history. In the process of reform, however, the members of the Rules Committee have decided to go one step further and significantly, perhaps dramatically, alter the basis by which we elect our political leaders.

I am firmly committed to the goal of campaign reform. For too long, both political parties, have been plagued by campaign pressures and abuses. Whether the abuses in the 1972 campaign were more far-reaching than abuses in other campaigns or whether such abuses were magnified in such a manner as to arouse unparalleled public attention and anger is not the issue.

The point is that campaign abuse has long been a blot on our political history. Breaking the law in order to win elections is wrong in every sense of the word, both legal and moral. As the primary lawmaking body of this Nation, the Congress of the United States must do everything possible to write clear and concise laws so that candidates know exactly what they can and cannot do in a campaign.

Last year the Senate passed a campaign reform bill known as S. 372. It is a bill that had my support. This bill provided strict limitations on campaign contributions and expenditures as well as providing for other reforms in campaign practices. The House of Representatives has yet to act on a similar measure.

As the year progressed, public clamor increased and new cries were heard that further reform of campaign practices was needed. Because it appeared that many of the alleged wrongdoings associated with Watergate were tied to the raising of campaign funds, the idea occurred to alter the basis by which candidates receive funds to run their campaigns. Public financing became the banner for those who sought to reform the system.

The Senate was given an opportunity to debate this issue on the floor late last year when a group of Senators were successful in attaching a public financing amendment to the public debt limit bill. As we all know, my distinguished colleague, the junior Senator from Alabama, led an earnest and successful fight to have that amendment deleted. He was right in that effort, not because it would have been unwise and deceptive to attach such far-reaching legislation to a completely unrelated bill, but because the substance of the amendment was ill-advised and undesirable.

The Senate Rules Committee, therefore, agreed to return to the drawing boards and draft a new campaign reform bill. Now we will have an opportunity openly to debate the central question contained in that amendment: Is public financing the answer to our problems of campaign abuse, or is it a substantial part of such an answer?

In seeking to answer that question, we must first ask ourselves what kind of political system we want. I think my colleagues would agree that we want a dynamic system that is flexible to the demands of changing times, people, and attitudes. We want our electoral processes to encourage the best possible people to enter public life. We want a system that leaves room for the election of only those candidates who are qualified beyond doubt, who embrace the goals and attitudes of their constituents and who in short, consider public service to be the best way to make their contribution to life on this Earth.

Then we return again to the question: Is public financing of campaigns the only way, or indeed a wise way, in which to produce our leaders and on which to base a political system? I think not.

We can achieve campaign reform and improve our electoral processes without overturning our system of privately financed campaigns. I think S. 372 went a long way in that direction. More importantly, I have serious doubts about the efficacy of the public's being called upon to subsidize campaigns. My remarks at this time will, therefore, be devoted to title I of S. 3044.

First and foremost, I doubt whether public financing would do anything to solve problems of campaign abuse. There are several ways by which a candidate gains public exposure and indeed runs a campaign. Money is one. A candidate's ability to raise money is one measure of his viability. Public financing may remove money from categories of influence. In fact, it is the logical place to begin talk of reforming campaign practices. But, by removing money from influence, one simply focuses attention on other areas of influence, and of potential abuse and even corruption.

These other influences include manpower and publicity. A candidate needs people to help him run a campaign. In local elections, we talk of hundreds of workers. In national elections, we talk of thousands and even tens of thousands of workers.

Certainly, publicity is another factor which bears heavily on one's ability to campaign effectively. A candidate needs exposure and lots of it. There are other factors, however, which deserve mention. Organizational skill, durability, the right issues, and that winning personality—which all candidates either fancy they have or wish they have—are all subject to influence of one kind or another.

Transferring money to the public sector, instead of having it originate from private contributions, will only serve to bring greater pressure on these other important factors, including the two principal ones I have already mentioned—namely, manpower and publicity. The candidate who has immediate access to hundreds of workers will have a distinct advantage. Is the union boss who provides manpower really different from the president of the corporation who donates money? Would not a candidate who enjoys the favor of a television commentator have a distinct advantage? Public financing does not address any of these factors.

The goal of public financing is to remove the raising of campaign funds from political pressure. Under the bill, the money is collected and then doled out by the Federal Government. I need not go into a long dissertation about the dangers and problems this method could unleash.

It is common thinking that the best way to confuse a situation and snarl a program is to involve Uncle Sam. I do not see how public financing is going to be any different in this respect.

As I read the bill, if the $2 checkoff system on the income tax return does not provide sufficient moneys in the Federal Treasury to cover the demands of all eligible candidates, then Congress can appropriate additional sums. This is a most interesting proposition. We would have Members of Congress, political candidates themselves, and a President voting on appropriations or signing appropriation bills into law that can affect their campaigns and that of their opponents. I am sure that I do not have to remind my colleagues of the political pressures which could affect this procedure.

The issue against public financing can be made even more simple. The American taxpayer has been footing the bill for just about everything these days. A taxpayers' revolt is no idle joke, as all of us close to the political scene at home are painfully aware. Do we as political leaders and potential candidates have the right to ask the American taxpayer to pay for our campaigns? If I were a retired man living on a fixed income in rural America, I think I might be just a little upset if I heard my Senator or my Representative espousing the virtues of public financing. The same can be said as to any taxpayer living anywhere.

Thomas Jefferson, more than 150 years ago, put it well in these words:

> To compel a man (a taxpayer) to furnish contributions of money for the propagation of opinions which he disbelieves and abhors, is sinful and tyrannical.

That statement is fully applicable today as it was in the time of Jefferson.

Public financing denies the individual his freedom of choice. A portion of his tax dollars would be financing the campaigns of candidates he may dislike, not even know, or, worse yet, completely abhor and despise.

A candidate should pay for his own campaign. He will need the help of many friends and contributors. This does not mean that he needs to be "bought off." Good laws with proper forms for limitation of funds from any one person and for disclosure, timely and completely made, can remedy this part of the situation. Other provisions in the pending bill contain explicit remedies of that kind.

An editorial recently appeared in one of the newspapers in my State. It referred to obvious "dirty tricks" that have occurred in past campaigns, and they are not a monopoly by any of the political parties, including the two major political parties. In referring to public financing as a cure, the editor said:

> Would reformers feel any better if those tricks had been paid for by taxpayers' money instead of private funds.

Yes, we should be in the business to reform our campaign laws and procedures. Let us not be so "hell bent on reform" to the point where we lose sight of the very strengths of our political system and to the point where we invite much worse in solutions we advance than is found in the situation we seek to remedy.

Public financing of political campaigns has additional disadvantages. They include:

First. Unfair advantage to incumbents. This comes about because of the necessity to impose ceilings on campaign spending, inasmuch as taxpayers will be putting up the funds. Challengers almost invariably must spend more money than those already in office. This is so because they have so much to do toward name identification, toward making their qualifications and views known, and in general to counterbalance the many advantages held by a person already in office. Yet, by public financing, both incumbent and challenger would have identical limits on their expenditures.

Second. Under title I of the bill, the level of campaign spending would be increased particularly in House of Representatives races—435 of them every 2 years. That increase would be paid by taxpayers.

Third. Public financing would deprive many citizens of the only opportunity they have to participate in the campaign process. Many are not in a position to take part in it in any other fashion or by any other method.

This might be by reason of demands of their calling, profession, vocation, or it might be because of physical disability or health reasons. The way public financing would operate would tend to reduce or decrease citizen participation which is a valuable and vital component of a strong party system and a wholesome election process. That component would be sacrificed or heavily imperiled.

The Congress would do well to reject an untried, potentially dangerous, and objectionable feature of this bill, and should rather concentrate on those features dealing directly, effectively, and with preponderance of agreement toward correction of abuses which are so obvious and so much in need of remedy. The list is long. I enumerate some of the issues:

Public disclosure of all names and identification of contributors.

Complete and timely accounting for all campaign funds.

Limitation of contributions by an individual to any single campaign.

Limitation of expenditures by any candidate.

In this connection, it is well to note that the bill gives all candidates an option of soliciting all private contributions up to the prescribed limit contained in the bill. Therefore, it must be concluded that such sources are acceptable and in order because they can be monitored, policed, and in a disciplined way held within proper and legitimate bounds. The taxpayer should be spared the added drain on his funds and the new and more evil results which would ensue.

In referring to a comment I made earlier, it is not the source of money which results in a great many abuses and undesirable factors in campaigns and elections, it is the fact that money is used at all. At any rate, private funds, according to the committee report, are not evil in themselves as long as they are encased, modified, controlled, and supervised by public disclosure of all the names and identifications of the contributors, as long as there will be a complete and timely accounting for all campaign funds, and as long as there will be such limitations as Congress in its wisdom will seek to impose.

Other controls over contributions, such as use of checks not cash; single or central campaign treasury; prohibition of all loans to committees; prohibition of stocks, bonds, or similar assets from contributions.

Campaign activities such as distribution of false instructions to campaign workers, disruptive actions, rigging public opinion polls, misleading announcements or advertisement in the media, misrepresentation of a candidate's voting record; organized slander campaigns; legal recourse and redress against slanderous, libelous and unscrupulous attacks on public figures.

Election practices—fraudulent registration and voting, stuffing ballot boxes, rigging voting machines; forging, altering, or miscounting ballots.

There are many more items for the list. Every intent should be to make advances in each case as effective as possible. There should be an avoidance of questionable approaches, those possessing sufficient minus marks to detract from progress by unified, undivided support. Public financing is a divisive factor, a major one. It would not bear upon the solution to the long lists of ills and abuses which have plagued our system, and threaten to do so in the future unless legislation of this type will be fairly considered and enacted into law and applied.

Without it and with a concentration on those other aspects, our election process can be notably strengthened and improved.

It is my hope that as we proceed in the consideration of this measure, there will be such action taken as to delete from the bill the provisions with reference to public financing. This will remove an undesirable feature from the bill and at the same time enable the thorough consideration of other features of the election process.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

LABOR DAY RECESS

Mr. MANSFIELD. Mr. President, after discussing the matter with the distinguished minority leader, the Senator from Pennsylvania (Mr. HUGH SCOTT)—and he in turn discussed it with the Republican conference on yesterday—I brought the matter of an August-Labor Day recess to the attention of the Democratic policy committee today. The Republican conference and the Democratic policy committee have agreed that the Senate, barring extraordinary circumstances like, for example, the possibility of a sine die adjournment, will, at the conclusion of business on Friday, August 23, stand in recess until noon, Wednesday, September 4.

This is an official announcement which has been agreed to, and we will see that a card is sent to each Member of the Senate; but I want to emphasize that, as far as this recess is concerned, and any others upcoming, like the Easter and the Fourth of July recesses, they will be undertaken only if nothing in the way of an extraordinary circumstance occurs.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ALLEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The Senate continued with the consideration of the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

Mr. ALLEN. Mr. President, the pending amendment, which is to be voted on at 3:30 o'clock this afternoon, strikes from this bill, which contains five titles, the first title, title I, in which title are contained all of the provisions having to do with public financing of Federal elections.

Mr. President, this title is not needed. It is not needed for two reasons. In the first place, we have public financing of Federal elections in a strict sense; and, in the second place, regulation of campaign expenditures and contributions in the private sector has never really been tried.

Now let us explore the first statement that I made, that we already have Federal subsidy of Federal elections. We have on the book the checkoff provision, which provides for a checkoff by taxpayers of $1 in the case of a single person or $2 in the case of a couple, which amount goes into a fund which would pay for the expenses of Presidential general election campaigns.

Mr. President, it has been estimated by fiscal authorities—the statement has been made here on the floor of the Senate—that by 1976, the next Presidential election, there will be in this fund $50 million of public money, because when the taxpayer checks off the $1 or $2, it does not come out of his pocket, except in the sense that it comes out of tax moneys he is paying on his income tax. It comes out of the Government portion. It comes out of the tax liability that the taxpayer owes to the Federal Government. So this is money from the Public Treasury.

The checkoff plan, which is the existing law—not what is provided by this bill; it is already the law—provides that each major party would get, for the conduct of a Presidential election, 15 cents per person of voting age throughout the country as a subsidy by the taxpayers to carry on a Presidential election. So that there would be $42 million available to the Democratic Party and the Republican Party under existing law.

There is one catch to that, under the existing law, for a party to come under the provisions of the checkoff and to get this $21 million—and I say that $21 million is derived by multiplying the number of people of voting age throughout the country by 15 cents. That ends up somewhere in the neighborhood of $21 million or $22 million. That is available to each party. That would be a subsidy of anywhere from $42 million to $44 million for carrying on the 1976 Presidential election.

As I say, there is a catch to it in this: That in order to come under the provisions of the checkoff plan and have the Presidential election subsidized for a party, the party has to certify that they want to come under the provisions of the law, and that keeps them from accepting private contributions in any amount. There is no possible mix, as is provided in the Senate bill.

With the expense of Presidential elections that we have observed, it seems that if Presidential elections are going to be conducted on the scale that they have been conducted in the past, $21 million would not be sufficient. So it is entirely likely that neither of the parties would come under the provisions of the checkoff, because it is optional whether a man comes under it or not. He can come under the public sector or the private financing. But it seems to me that 100 percent public financing would be bad for the party, and that is one of the weaknesses of public financing. It seems to me that this would be a weakening of a political party.

How much better it would be to receive $5,400,000 in contributions than to receive $21 million or $22 million from the public treasury. I do not believe we are going to see money here authorized to the major parties come under the 1970 law on the checkoff. There is $42 million—$42 million to $44 million—by which Federal elections are already subsidized or for which money is available for subsidy.

By the way, I might add that under another title in the bill, that would not be stricken out by amendment No. 1064, is a doubling of the checkoff. So the checkoff then would be $2 for a single person and $4 for a couple. We are already taking in enough to run a political campaign. What is the use of doubling the amount? By specifying a doubling, we will have changed the whole concept of the checkoff from being a voluntary checkoff. This is Senate bill 3044 that is submitted to us to vote on. It provides for a doubling of the subsidy from $2 to $4. It provides that if a person does not check off the $2 or $4, he is then presumed to have checked it off. In other words, if he does not check it off, he is ruled to have checked it off, because he must have the checkoff to apply against him.

At my request, the Committee on Rules and Administration prepared or obtained some estimates of what these checkoffs are going to cost the Government. This is what it will cost the Government, according to estimates obtained by the Rules Committee, I assume, from the Internal Revenue Service, and appears on page 28 of the report:

> If all returns, individual and joint, should take full advantage of the one dollar checkoff, the total cost would be $117,370,000.

$117,370,000 is what would be brought into the public treasury for the political campaign or available for the political campaign.

But if the provisions of S. 3044 should get through the Senate and go through the House, and if all returns should take full advantage of the $2 checkoff, the cost would be $234,740,000. That is how much this little item of the checkoff would bring if everyone availed himself of it. But the proponents are not satisfied to leave the proposal on a voluntary basis. According to the bill—and that is all we have before us—if the taxpayer does not check it off, if he does not specify that it is not to be checked off, then the bill would make that decision for him, and that decision, naturally, would be that the money is considered to be checked off. It does not cost the taxpayer anything at that point, other than as a member of the taxpaying public. That amount is just a contribution to the public Treasury. It does not increase the taxpayer's income tax. It is simply taken from his tax liability. So there we see what is being done on the checkoff.

I am not a soothsayer, but I believe that it will not be too long before we will see an effort to raise the amount of 15 cents per person of voting age, that comes out of the checkoff, to 20 cents, or possibly 25 cents, because the candidates are not going to be satisfied with $21 million or $22 million for each party, which is already provided under existing law, without any further extension of the Federal subsidy to politicians. After all, why should the Federal Government take over the expenses—the campaign expenses—of the politicians of the country? That is what we would be doing.

Take the State of California, under this proposed law. California would be subsidized, according to the table prepared by the Committee on Rules. The candidates running in the primaries of the State would have half of their expenses—each candidate in the primary—up to $1,414,300, paid by the Government.

So $700 in the primary is what he would get out of the taxpayers' pocket, and maybe there would be 7, 8, 9, or 10 candidates in some races.

I asked a Congressman from a Western State the other day how the Senate race looked in that area. He said, "Well, there is one candidate from 1 party, and 10 candidates from the other party." Every one of those 10 would be getting a subsidy from the Federal Government, according to this bill. The Government would match the contributions it received up to $100 each. That is not so terrible, out of $700,000, for a politican in a primary.

It does not take any matching then. As soon as he gets on the ballot as a major party candidate, the Government opens up its coffers and makes a contribution to the candidate for the Senate out of the taxpayers' pockets of $2,121,450. Each major party candidate would be given that subsidy—$2,121,000; why? Why subsidize our good friends who might run for the Senate from the State of California? I use that as an example, admittedly, because it is the largest State population-wise. In New York the amount paid to each candidate of a major party would be—this does not require any matching, Mr. President, it is an outright gift by the Government for use in the campaign; I assume if he did not spend it all it would have to be refunded to the Government, if it could be located—$1,899,750 to each major party candidate for the Senate, out of the Public Treasury.

I am going to get around to the second corollary I laid down a moment ago, that we have not tried strict regulation in the private sector—this other field is so broad it is just going to take a little time to get to it—on the methods we already have of public financing.

I have talked about the checkoff which makes $42 million available to candidates for President, and about the cost of the checkoff. The approximate cost now, if everybody takes advantage of it—suppose just half take advantage of it, under the committee's plan of making them certify they do not want it or it will be checked off. If everyone took advantage of it, it would be $117 million, or, if the committee's version goes through and it is doubled, $234 million.

That is a whole lot of public financing, right there. But that is not all. Look at the campaigns also financed by recent amendments of the income tax laws. Already, under the law—of course, this bill tries to double it—it is already the law, if I am not mistaken, according to my recollection, that an individual under the present law is entitled to a tax credit of $12.50 for contributions he makes to a political candidate.

That can be in a Federal election, a State election, or county or city, I assume. It may be just for Federal elections—$12.50 as a credit; and, of course, a credit is a deduction from the tax. The credit comes off the taxes payable. If the tax bill was $100 before he applied this credit, it would take $12.50 off that amount. Well, that is fine. Then a couple has a $25 credit off of taxes. And that is all right. I do not object to that, the reason being that this provision allows an individual to make a contribution to a candidate of his own choice, someone with his views, with whom he agrees, and not, as under the legislation that is before us, requiring a taxpayer to contribute to someone whose views he disagrees with.

All right. Say the taxpayer figures he could do better going the deduction route. They provide for everyone's convenience, so if he does not want to go the credit route on his contribution, he can go the deduction route, and under the deduction route, if I recall correctly, he can take a deduction from taxable income of $50, or a couple could take a deduction of $100 from taxable income.

The bill would double that, in addition to all of this other public subsidy, so that under the committee's bill the credit would be raised up to a $25 credit for an individual or a $50 credit for a couple filing a joint return, or a deduction of $100 for an individual and $200 for a couple filing a joint return.

So, Mr. President, they have several subsidies already for Presidential elections.

Now, to focus on the generosity of the

Treasury as required by the bill to some of the politicians in California and New York, that is just the work of a piker as compared to the subsidy for those seeking the Presidential nominations of the various parties. What do they get there? Well, they are allowed to get the contributions they receive up to $250 each matched by the Federal Government, after they have collected, in contributions of that size, the sum of $250,000, which is referred to as the threshold amount. So once they get the threshold amount, which is $250,000, then they go into the Treasury and pick up a check for that amount, $250,000, and then go on blithely seeking contributions, which the Government will match, up to the astounding sum of $7.5 million—$7.5 million for candidates. Then, if a candidate gets the nomination, $21 million or $22 million is available to him.

Is this campaign reform, Mr. President? It seems to me it is just campaign lunacy—campaign prodigality, I would say. Far from cutting down on the amount of campaign expenditures, this, in all likelihood, would double the amount of campaign expenditures.

Suppose one of the candidates in the Senate—and there are several candidate for the Presidency in the Senate—about or potential—I doubt whether many candidates could collect much over $7.5 million to run for the nomination of their various parties.

Well, that should be fair for one as it is for the other. If they are all limited by the amount they can receive, what is wrong about that, leaving it in the private sector?

It would seem to me that this Federal subsidy just compounds the advantage that a well-known candidate or an incumbent in an office would have over his lesser, well-known opposition because, Mr. President, he could get more of the campaign contributions than could his lesser known opponent and then the Government will match that increased amount.

Say a little-known candidate for the Presidential nomination can raise his $1 million on which to run for the Presidency, then all the Government will match him will be $1 million, but the well-known candidate, say he gets out and gets the whole $7.5 million, what is the Government going to do for him? Why, the Government will give him $7.5 million, so that he will end up with $15 million and the lesser well-known candidate will end up with only $2 million. So he is worse off than if the Government had not interceded to help him.

So if I were a lesser-known candidate—and certainly I would be that, if I become such a candidate—I would say, "Well, do not help me in that fashion by just compounding the advantage that my better-known opponent has, because without this intervention from the public Treasury the difference would be $7½ million to my $1 million. But after you get through me on this public subsidy, the difference would be $15 million as against $2 million."

So, Mr. President, it has not helped the lesser-well-known candidate. As a part of my arithmetic, it would help the better-known candidate.

The better-known candidates, Mr. President, are those who are pushing for this bill, to get right down to brass tacks about the matter. They are not looking out for the lesser well-known candidates. That is obvious from the provisions in the bill.

Who would qualify under this?

Well, Governor Rockefeller would qualify. He would get out and raise $7.5 million in eligible contributions and the Government would then make him a present of $7.5 million.

I remember when this thing was under discussion last year, the same provisions in the same bill, in a different form, of course, but it is there, nevertheless—and I remember Governor Rockefeller's visiting here on the Senate floor. The rules of the Senate permit a sitting Governor in office, the Governor of any of our 50 States, to come in on the Senate floor. He has an automatic privilege of the floor. The Governor of my State, Governor Wallace, was on the Senate floor under that provision as was former Governor Brewer. He has been on the Senate floor under the automatic privilege of the floor that he has.

So Governor Rockefeller was here while that bill was under debate. Of course, it was only a coincidence that he was here. He probably did not know what bill was under consideration, but I remarked at that time that I noticed Governor Rockefeller was on the Senate floor and I supposed he had come down to pick up his $7.5 million check, thinking that this bill was about to pass. But it did not pass, and I doubt whether it will pass now. As a matter of fact, Mr. President, as I look about the Senate floor, I do not see anyone on the floor or in the Chair that is very strong for the bill, if at all.

I just wonder whether a whole lot of the push and drive behind this bill has not deteriorated.

Right at that point, Mr. President, I notice here that the Washington Post, which I thought was sort of the Bible for the public finance people. I thought they were in the forefront of the drive for public financing; but not so, Mr. President. I declare, I was very much pleased at the conservative approach of the Washington Post to this problem. It makes me want to reconsider my position. But I am not going to pursue that until after we have disposed of the bill before I start reassessing my position.

But the editorial, for Tuesday, March 26, 1974, the day before yesterday—that is their view right up to date—and we are talking about the bill that was passed here in the Senate back on July 30, by a vote of 82 to 8, which provided for campaign reform, but reform in the private sector. It did not provide for public financing. This is what the editorial said about that bill, S. 372. It is over there now in the House and I sort of believe, in the province of WAYNE HAYS, that he will get behind that bill or some approach to the campaign reform. But the editorial commented on that bill, as follows:

> Thus the Senate last summer sent the House a very solid bill to curb private giving and spending and to strentghen the enforcement of the election laws.

Mr. President, that was not a public financing bill we passed and that the Washington Post is talking about here.

I think that statement is worthy of being repeated:

> Thus the Senate last summer sent the House a very solid bill to curb private giving and spending and to strengthen the enforcement of the election laws.

That is just exactly what it did, Mr. President. It did curb spending. It did curb giving. It did strengthen enforcement of the election laws.

And why, before the House even acts on this bill, are we going to do a 180-degree turn and abandon the regulations in the private sector and get over into the public sector—an uncharted sea, Mr. President?

Why should we do that?

Continuing to read from the editorial:

> Today—

This is last Tuesday—

> Today, the Senate begins debate on a very ambitious bill to extend public financing to all Federal primary and general election campaigns.

Let us see, Mr. President, what the Washington Post thinks about this bill we have before us. One would think they would laud it to the skies. But, let us see what it says:

> The problem with the latest Senate bill is that it tries to do too much, too soon, and goes beyond what is either feasible or workable.

Now, Mr. President, if this amendment that will be voted on in about an hour and a half is adopted, we still have a bill covering a wide territory, but it would be more feasible and more workable without title I.

Continuing to read from editorial:

> For one thing, the bill provides for full public financing of congressional general-election campaigns, and that is clearly indigestible in the House this year, since the House leadership even chokes on the more moderate matching-grant approach embodied in the Anderson-Udall bill. The more serious defects in the Senate bill involve the inclusion of primaries.

We can meet the objections, or solve the objections, of the Post if we adopt this amendment, although I am not saying they are for it, but I am sure they are not.

This is what they say about the campaign for the nomination of the two parties:

> No aspect of the federal elections process is more motley and capricious than the present steeplechase of presidential primaries. Injecting even partial public funding into this process, without rationalizing it in any other way, makes little sense.

I certainly agree with that statement:

> As for congressional primaries, they are so varied in size, cost and significance among the States that no single system of public

support seems justifiable without much more careful thought.

So, Mr. President, I commend this editorial to the thoughtful consideration of my colleagues.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield?

Mr. ALLEN. I am delighted to yield.

Mr. HARRY F. BYRD, JR. The Senator from Alabama mentioned the legislation which the Senate passed last year. As I recall, that was a very strong piece of legislation. It was, indeed, campaign reform as I visualize it.

Mr. ALLEN. Yes. It was so praised by many people who are now pushing this bill.

Mr. HARRY F. BYRD, JR. That is a point I cannot understand. When many of the same people felt that that was such a splendid bill, such an important contribution to reforming campaign spending, why is it now that we do not even permit that legislation to go into effect before we try to branch out into another area, in a different way, and begin to take money out of the pockets of the taxpayers to finance political campaigns?

Mr. ALLEN. That is a mystery to the Senator from Alabama, also.

Mr. HARRY F. BYRD, JR. Would it not be logical to enact the legislation which the Senate has already passed, which puts a tight ceiling on campaign expenditures? It seems to me that it is important to put a ceiling on the amount of money a candidate can spend and a tight ceiling on the amount that any individual can contribute to a campaign and to see how that works out, before we talk about digging into the pockets of wage earners, taking money out of their pockets and turning it over to politicians to spend in a political campaign.

Mr. ALLEN. I certainly agree with the Senator from Virginia.

Mr. HARRY F. BYRD, JR. Another thought that occurs to me, as the able Senator from Alabama wages his fight against what I agree with him is a piece of legislation that Congress should not enact at this time, is this: The public these days does not seem to be too enamored of politicians. Do the proponents contend that the public is just demanding that money be taken out of the Federal Treasury, from any tax dollars that have been paid in after working by the sweat of their brow, and be turned over to politicians to spend as they wish in a political campaign? I can hardly believe that the working people of this Nation are very much inclined toward that.

Mr. ALLEN. Little word of any such demand has reached the ears of the Senator from Alabama. He has not heard of any such demand. Far from it. As a matter of fact, the Senator from Alabama can safely say that, based on communications he has received—and they have been in the modest thousands—the ratio has been at least 9 to 1 against any element of public financing.

Mr. HARRY F. BYRD, JR. This measure is being pushed by a certain group and by certain potential Presidential candidates, I suppose. As to the group that is pushing it, I know many of the members of that group, and the ones I have had acquaintance with are fine, conscientious people who feel that something needs to be done to get campaign spending under control; and I agree thoroughly with that view.

Mr. ALLEN. So do I.

Mr. HARRY F. BYRD, JR. I commend them for the interest they are taking in this matter. Where I differ with them is the vehicle they would use.

The Senate already has passed legislation which, while not perfect, will meet most of the objections we have had in the past about the abuse of campaign spending—namely, by putting a tight ceiling on the amount a candidate can spend and a tight ceiling on the amount any individual can contribute.

I commend and congratulate the able Senator from Alabama for the work he has done in exposing what I believe to be the fallacy of the proposal before the Senate.

Mr. ALLEN. I thank the distinguished Senator from Virginia for his contribution at this time and for his many contributions throughout the discussion and the consideration of this issue. I believe he has put his finger right on the point, that the answer to the matter of campaign reform is to have strict overall spending limits, as he suggests, and to limit the amount of individual contributions that can be made. S. 372, as passed by the Senate, does impose such a limitation of $3,000 per person, per campaign. If we had such a rule during the last Presidential election, during the last general election, we would not have had some of the abuses we did have.

So the answer is strict regulation and full disclosure of contributions and expenditures. That has not yet been tried. I feel that the proponents of this measure are trying to use the fallout from Watergate as an effort to push this type of legislation to a conclusion.

Mr. GRIFFIN. Mr. President, will the Senator yield?

Mr. ALLEN. I yield.

Mr. GRIFFIN. I commend the Senator from Alabama (Mr. ALLEN) for the argument he has presented and for the valiant effort he has made in trying to bring some light to this issue of financing campaigns out of the public treasury.

Aside from the question of public financing, most reasonable people in and out of the Senate would agree, I believe, that a number of genuine reforms in campaign financing are needed: to bring such things as milk funds under control, for example; to require that contributions come from individual citizens rather than from special interest groups; to impose a ceiling on the amount that anyone can contribute to a candidate or a campaign; and to impose realistic ceilings on the overall expenditures in any campaign.

A fundamental question is: Are we going to get any reform out of this Congress if we try to load down the many needed, genuine reforms in this bill with this very controversial public financing proposal that could sink the whole ship?

If such a bill stands little or no chance of becoming law, the question is, Who is really for reform? Is it those who press for public financing? Or those who believe public financing should be considered separately in another bill so that the genuine reforms in this bill can be pressed. It seems reasonable to appeal to those who are for public financing to handle it in separate legislation—to separate it out—as the Senator from Alabama seeks to do with his amendment, and to let it stand or fall on its own merits or lack of merit. But it should not be loaded on top of the other genuine reform measures now in this bill that should be passed and should become law.

As I was seeking to point out yesterday in colloquy with the distinguished Senator from Alabama, I do not think a lot of people realize that in the general election—if this bill were to become law as it is now drafted and presented to the Senate—all of the money for campaigns would come out of the public Treasury. I was pointing out yesterday the situation in the House of Representatives. Let us just take the House races again. I point to the House races because one can compare apples with apples in the House. Everyone represents about the same number of people, and although the expenses of campaigning did vary from district to district, there is a better comparison there than in the Senate, where there is a greater variance in the populations.

As I understand this bill, and the Senator from Massachusetts had to agree, this would happen: In the primary there is a matching arrangement; the candidate raises so much money from private contributors, and that is matched by the Treasury up to a limit of $90,000. Then, in the general election, there is no private contribution. There does not need to be any, and the whole $90,000 going into the general election campaign of each candidate nominated for a House seat would come out of the Treasury.

Mr. ALLEN. That is correct.

Mr. GRIFFIN. One of the important things, as we try to consider whether or not this is reform, is the level of expenditures that is going to be involved under this legislation. I put some figures in the RECORD yesterday. They were somewhat preliminary. I asked my staff to do some more work and they have come up with better figures and they are even more startling than the ones I had yesterday. These figures have come from three sources: The Clerk of the House, who has accumulated information about House races based on the 1972 reports; the Library of Congress, and their figures have come from Common Cause, as I understand it; and also from the GAO. It certainly should be in the RECORD and it should be of some interest, I would think, that in 1972 there were 1,010 candidates in the United States who ran in primary and general elections to seek election for the House of Representatives. The total amount spent by all of those candidates in all of those races was $39,959,276. That is what was spent in 1972 without public financing.

Now, what does the GAO estimate will be the cost for House races, out of the public treasury for the most part, if this bill is passed? Well, that information is on page 27 of the committee report. The

GAO estimates that the total cost for races in the House of Representatives, if this bill is passed and goes into effect, will be $100,307,988, or almost three times as much as the 1972 cost.

If the public understands this legislation I cannot believe they are going to think it is reform—campaign reform with this coming out of their tax dollars.

Mr. ALLEN. I think they understand it a lot better than some Members think they understand it. I think that may be the case.

Mr. GRIFFIN. I was pointing out yesterday that every candidate for the House who is nominated is then automatically entitled to receive $90,000 out of the public treasury to run his campaign. A lot of people will say, "Well, he doesn't need to spend it." I guess that is true, but if one's opponent is going to spend $90,000 out of the public Treasury, you do not have much choice other than to spend $90,000. It would greatly escalate the cost of camapigns.

To illustrate the point, I wish to put these figures in the RECORD, and they are based on information from the Clerk of the House of Representatives. In 1972, 8 percent of the candidates for the House of Representatives spent nothing—zero; 52 percent of the candidates spent less than $15,000 on their individual campaigns; and 64 percent spent less than $30,000. I am reading this slowly because I just want to make sure that this is understood. Seventy-four percent of all candidates who ran for the House in 1972 spent less than $50,000. Now, we are going to give all of them $90,000 out of the Treasury.

Mr. ALLEN. And that is to reform the election process.

Mr. GRIFFIN. That is to reform the election process. That will be great reform, will it not?

Mr. ALLEN. That is correct.

Mr. GRIFFIN. I just wish there were some of the proponents of the legislation here so we would not have to debate with ourselves these important points as time runs out and we get close to the vote. But I certainly hope our colleagues will realize what they are doing.

Mr. McGOVERN. Mr. President, will the Senator yield for a question?

Mr. GRIFFIN. I am glad to yield to the Senator from South Dakota.

Mr. McGOVERN. I am curious as to whether or not the figures the Senator is citing represent the filings of the individual candidates. Does that include what the various committees spent on behalf of the candidates? When the Senator said a high percentage of candidates running last year spent less than $50,000 is he talking about all expenditures or just those the candidates personally filed?

Mr. GRIFFIN. As the Senator knows, even though in my opinion it was not nearly strong enough, in 1972 we did have in effect a new law requiring the filing of reports in detail. For the first time Common Cause, the Clerk of the House, and others have been able to accumulate and put together the actual cost of what was involved in various campaigns.

It is my understanding that everything that was required to be filed under that law is reflected here, and that the GAO estimate is approximately on the same basis.

Mr. McGOVERN. As the Senator knows, it has been the practice over the years for candidates to file reports indicating that they spent nothing, because it was handled through committees on their behalf.

Mr. GRIFFIN. That was not true in the 1972 campaign.

The Senator from South Dakota was in the House of Representatives. The junior Senator from Michigan was in the House of Representatives. I do not know what is the cost of running for the House in South Dakota. Perhaps it is entirely different than in Michigan, but I will tell the Senator this: I ran for the House five times, and there was never a time when I or my opponent spent more than $20,000 in those House races. Usually it was less. There may have been one or two races in Michigan in which the candidates spent as much as $90,000, but that would be very rare.

Is that not true generally of the House races? The Senator is familiar with them. Of his own knowledge, would not $25,000 be a lot in those House races?

Mr. McGOVERN. It was double the amount I spent in my first race for the House of Representatives in 1956.

Mr. GRIFFIN. Just on that basis, does not $90,000 for every candidate running for the House of Representatives, coming out of the Federal Treasury, seem a little absurd?

Mr. McGOVERN. Let me say I am not an advocate of full public financing of campaigns. At some point, if it is not done by another Senator, I shall offer a modification of this bill that would make it impossible for anyone to get full public financing. What I would strongly prefer is a system where private citizens are allowed to make modest contributions to campaigns, and that would be matched by public contributions, up to a reasonable amount.

I am not going to debate with the Senator whether $90,000 is the right amount or not. It may be too high. I am not going to advocate the proposal for full public financing. I do not believe in it. I think in 1972 we demonstrated in the Democratic Presidential campaign that it was possible to raise a great deal of money from a large number of people, and do it in a very wholesome and honest way.

Mr. GRIFFIN. That certainly is true, and I think many people, of both parties, respect and admire that aspect, particularly, of the Senator's campaign for the presidency.

Mr. McGOVERN. There is a certain value in preserving at least part of this principle, because there is something to be said for providing an incentive for a candidate to take his case to the people at the grassroots. If he is offered full public financing, I do not think there is the incentive on the part of the candidate to make his appeal, particularly in taking it to the people and making his case there. On the other hand, I think we have to take steps to reduce the influence of special interest money in American politics.

So what I would like to see is a system that combines the best of both these principles—encourage the candidate to go out and raise what he can in limited, modest contributions, from as many people as possible, up to a certain agreed upon limit, and then match that with public contributions, so that we reduce the dependence of that candidate either on his own personal fortune or on special interests.

The reason I am not fully defending the bill before us now is that I intend, at some point, as I say, if some other Senator does not do it, to offer a modification to this bill which will make it more acceptable to the Senator from Michigan and others.

Mr. GRIFFIN. I certainly respect the views of the Senator from South Dakota.

Mr. CANNON. Mr. President, will the Senator yield?

Mr. GRIFFIN. I yield.

Mr. CANNON. I think there is getting to be a misunderstanding here as to what the bill actually does. The bill as it exists would not permit any candidate for Congress to get $90,000 Federal funds in a primary——

Mr. GRIFFIN. Not in a primary.

Mr. CANNON. He has to go out and demonstrate a public appeal, and there is a limit on the amount of those contributions he raises up to 50 percent and getting 50 percent matching funds. Once he wins the primary, it would be possible, under the bill, to get up to the $90,000, if that is the amount that is determined upon. The $90,000 is going to match the figure——

Mr. GRIFFIN. Will the Senator yield? Let us be clear that while matching is provided in the primary, once he is nominated, then all of the $90,000 would be public money out of the Treasury. I just want to be sure everybody understands that.

Mr. CANNON. Yes; it is not mandatory.

Mr. GRIFFIN. He does not have to get it.

Mr. CANNON. He can get it if he desires to. The Senator was complaining about the amount being extraordinarily high. Reduce the amount, then. If the Senator likes the principle, but does not like the amount, simply reduce it. I have no brief with the $90,000 figure. I thought it should more appropriately be left up to the House.

Mr. GRIFFIN. I do not think so. We are spending the taxpayers' money. I think the Senate should take a coequal responsibility in the determination of how the taxpayers' money should be spent.

Mr. CANNON. The Senator was indicating a little earlier that a participant could get $90,000 when that sum really was not needed.

Last year, in 1972, in the House, 66 of the winners spent an average of $107,378. So they really spent more than $90,000. That was in the general election. In those 66 races, the losers spent an average of $101,000, so obviously $90,000 was not overly excessive.

It is true that 97 Members who were elected—but I might point out that they got from 70 to 90 percent of the vote, so it is obvious that they did not have a tough fight—spent an average of $38,729. In a case like that, had this bill been in effect, they could not have spent more than $38,729.

Mr. GRIFFIN. I disagree with the Senator.

Mr. CANNON. The Senator may disagree——

Mr. GRIFFIN. This bill would permit every candidate to get $90,000.

Mr. CANNON. Not if they spent an average of $38,729.

Mr. GRIFFIN. But if they spent it they could get it.

Mr. CANNON. If they spent it, they could get it, but I am pointing out that the average spent was $38,729. Obviously it was not a tough race in those cases, if they got from 70 to 90 percent of the vote, which is true of them.

Mr. GRIFFIN. I certainly respect the views of the Senator from South Dakota, and two of his points have merit. But it seems to me, with all due deference, he has made some very good arguments for voting for the amendment of the Senator from Alabama, who seeks to strike title I from the bill. It seems to me the Senator from South Dakota is saying that public financing should go back to the drawing board for some more work and some more study. He is not satisfied with it himself, so I hope he will vote for the amendment.

Mr. McGOVERN. Mr. President, will the Senator yield?

Mr. GRIFFIN. I yield.

Mr. McGOVERN. I would like to direct a question to the Senator from Nevada, if he would like to comment on this point, and perhaps the Senator from Michigan would comment on it, too.

Would it be feasible to consider modifying the bill, so that the same principle we have operating in the primary would also operate in the general election? In other words, could we eliminate the possibility of 100 percent public financing, and put the whole thing, both the primary and the general election, on a matching basis, so that 50 percent of the funds would be public and 50 percent would be private? It seems to me that that is a solid compromise, one that includes the very deserving principle of public financing and also preserves the private sector.

Mr. CANNON. To answer the question as to whether it would be feasible, it certainly would be feasible, just as in the bill we provide matching for the primary. But the rationale of those of us who supported this form was that we would try to get away from private financing, and this was a direct result of the Watergate abuses. We saw what had taken place, so many people thought we ought to get away from private financing and go to public financing. That means that if we do not do it in this bill, then it is something like being a little bit pregnant. If the private financing is bad, we have a lot of it in the public. We get away from it now in the general election. There is no reason why we could not carry it on a matching basis in the general election as well as having it in the primary.

I may say in good humor to my friend from Michigan, frankly, that he suggests we eliminate this and go ahead with reform measures. We went ahead with reform measures once before, in S. 372. It is still languishing in the House a year and a half later. If S. 372 had been passed and had become law, I do not think we would be back here arguing the private versus public financing features. I think S. 372 carried a lot of reform features, which made it less likely that we would have such abuses in the private sector.

Mr. GRIFFIN. Mr. President, much as I admire the chairman and his views, I do not follow his logic at all. If he is saying that if S. 372 had become law, we would not need public financing, I do not understand how the very controversial public financing title, in essentially the same legislation, is going to make it easier to pass. The likelihood is that we will end with no reform at all. But if we will keep our focus on the fuller disclosure, the elimination of the special interest contributions, and those things that really need to be done, I think we could enact legislation that would really be reform in this Congress.

I, for one, am not ready or willing to close the door indefinitely on the concept of public financing. Perhaps it has some merit, but I certainly am not for the public financing in title I, and I must oppose it.

If we wanted to venture into public financing or the Government might provide a set amount of broadcasting time for candidates in a general election, shortening the time of campaigns, and provide a fixed amount of time for each candidate to present his case, with the Government paying for it. Television costs, we all know, are the biggest expense in a campaign.

Something like this has been done in Great Britain, and it has worked. If we took a modest step like this, it would be something that the people might accept. But they are not going to accept this.

Mr. CANNON. There are a number of reform features in the bill.

Mr. GRIFFIN. There are.

Mr. CANNON. The only importance I attach to public financing is that it gets rid of the undue influence of big contributors. A big contributor, under this bill, cannot have any undue influence and still come within the bill. That is where the reform issue comes up in public financing. It means that a candidate is not dependent upon big contributors.

Mr. GRIFFIN. The way to eliminate the big contributor is to put a definite ceiling, such as a thousand dollars, on any amount a person can contribute.

I call attention to the remarks made a few minutes ago by the distinguished Senator from South Dakota, who pointed out that in his race for the Presidency most of his support came from small contributors. I do not think we should make it impossible for people to run for the House or the Senate, or even the Presidency, by putting a limit on the amount of small contributions.

Mr. CANNON. The Senator will recall that when this matter was under discussion before, our committee was charged with reporting a bill in this session that contained a reporting feature. But at that time we did check with the Senator from South Dakota, and it developed that while he got most of his money from small contributors, still it was necessary to have seed money to operate the campaign—a Presidential campaign—and to go out and make these types of contact.

Mr. GRIFFIN. Where does the seed money come from in this bill? As I understand, in the primaries it is necessary to go out and raise the money.

Mr. CANNON. That is correct; or the candidate would have to raise it on a matching basis in the primary. But, as the Senator pointed out or provided for the RECORD, despite all the candidate's efforts to get a broad distribution, a broad base, he would still have to rely on some very large contributors to come in and provide the necessary seed money. But I do not know whether he is going to get it under this type of provision. I do not know whether this provision would be adequate in a Presidential race. At least, we put smaller limits in than we put in on S. 372, which passed the Senate overwhelmingly. The reason is that if S. 372 had been enacted, we would not have the very loopholes we are taking care of in this bill. As a result, if that bill had been passed last fall, I do not think we would have the pressure now for public financing and other reform measures. That is my personal view.

Mr. GRIFFIN. I thank the chairman for his statement and contributions to the debate. At the time of the earlier debate, in making a commitment to the Senate, it was thought that the Rules Committee would consider reporting a public financing bill, so that the Senate might have an opportunity to have this debate. I wrote the minority views against it in the report. I felt that it was an issue that should not be decided only within the Rules Committee; that it was an issue big enough and of such importance that the Senate itself should have an opportunity to debate it. After performing that function as a committee member, I now am in the position of strongly opposing title I. I do not see it as a reform; I see it as a shocking way of raiding the Public Treasury.

I think one thing ought to be mentioned in this debate, and that is that there is a provision in the tax law for a deduction of up to one-half of small contributions on one's tax return. When you are allowed that deduction, or I think it is even a credit under some circumstances, that is taking money out of the Treasury. That is public financing.

There is an important difference, however: you are able, under that system, to make your contributions and provide support to the candidates and the party of your choice. It seems to me that is an important concept that is overlooked here when we talk about financing all races out of the Public Treasury. That is taxation without representation. It means that regardless of whether you favor a candidate or a party, your tax funds are going to go toward his campaign.

I do not think most people want that, or want this Congress to enact it.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRIFFIN. Mr. President, having made reference, as I did during my remarks, to the views that I included in the committee report, I ask unanimous consent that my statement of additional views as it appears beginning on page 89 of the committee report be printed in the Record at this point.

There being no objection, the excerpt from the committee report (No. 93–689) was ordered to be printed in the Record, as follows:

Additional Views of Mr. Griffin

The astute political observer, David S. Broder, mixed a dash of homely wisdom with a reporter's cynicism when he wrote: "The only thing more dangerous to democracy than corrupt politicians may be politicians hell-bent on reform."

In many minds, the idea of "public financing" has somehow become synonymous with "campaign reform." I am concerned that the reality may be very different.

Even though I have serious doubts about the public financing aspects of this bill, I joined in voting to report it because I believe the Senate as a whole should have an opportunity to debate and decide the issues raised by Title I. Furthermore, except for Title I, the bill contains many campaign financing reforms which are clearly meritorious.

For example, I strongly support such provisions as those in other titles of the bill to create an independent Federal Election Commission, to place strict dollar limits on the amount an individual can contribute to a candidate or to campaigns in any year, to limit the amount a candidate can contribute to his own campaign, to restrict the size of cash contributions; to impose ceilings on overall campaign expenditures; and to require each candidate to use a central campaign committee and depository.

Such provisions truly represent campaign financing reforms, and they should be enacted on their own merit.

Unfortunately, public understanding has not fully penetrated a facade of attractive slogans that has surrounded the promise of public financing for campaigns. As more and more light is focused on the approach of Title I in this bill, the more realization there will be that it does not really represent "reform" at all. That will be particularly true as the people learn that "public financing" means "taxpayer financing"; and when they see that Title I would actually *increase*, not decrease, the levels of campaign spending, particularly in races for the House of Representatives.

It should be noted also that a number of needed, real reforms have not been included in this bill. For example, I believe everyone—candidates and voters alike—would welcome steps to shorten the duration of campaigns.

Robert P. Griffin.

Mr. CANNON. Mr. President, I am opposed to the pending amendment and ask the Senate to reject it. The amendment is very brief but its effect upon the bill would be to destroy it, for title I provides for the financing of Federal elections from the public funds. Without title I we would be left with the existing law as amended by the bill, S. 372, which the Senate passed last July 30 by a vote of 82 to 8.

The Committee on Rules and Administration labored long and hard to prepare this bill and it reflects days of public hearings on the subject of public financing and the reasons for proposing a system of public financing.

There is no need to repeat in detail or at great length the many arguments in support of public financing. Those arguments and the rationale are set forth at length in the committee's report beginning on page 4 and copies are on the desks of all Members of the Senate.

Excesses in contributions and expenditures evidenced in the 1972 campaigns demonstrated clearly that some candidates have no difficulty in raising vast amounts of money while others cannot raise enough to carry out an effective campaign.

The unfortunate ones either drop out or must accept contributions from wealthy individuals or special interest groups. When limits are set for contributions it becomes even more difficult for the little known candidate to raise necessary funds for even a minimal campaign.

This bill, and especially title I of the bill, offers a fair and reasonable opportunity to any citizen to seek nomination or election to Federal office if he possesses the necessary qualifications and meets the standards set by title I for public funding.

Public financing cannot be applied only to general elections because the private financing of primary elections would leave us with a situation in which the potential for a repetition of the scandals of 1972 is obvious.

A candidate could raise money from any source for use in a primary, if he had access to those sources, and, if he won he could then demand public funds to finance his general election campaign.

As the committee report states on page 6:

> Unless primary election candidates can be relieved of their excessive dependence on large amounts of public money, a system of public financing in general elections will only move the evils it seeks to remedy upstream to the primary phase of the electoral process.

The bill S. 3044 does not open the vaults of the Treasury to every candidate who enters a race. It requires him to demonstrate a genuine appeal to the electorate by raising a meaningful threshold amount in small private contributions. If he cannot meet the threshold he gets no public money.

The bill also furnishes full funding to major party nominees and only a proportionate amount to minor party candidates.

The thoroughness of the bill's provisions, the requirements which must be met prior to becoming eligible for public funds, the provision for private and public matching, and the option to go for either private or public funding careful auditing and accounting, are all evidence of the painstaking concern of the committee for the public and the use of public money.

Public financing is the only answer to corruption in the field of political finances and to restore confidence in the elective process.

I urge my colleagues to vote against the amendment.

Mr. President, on this subject, today's New York Times carries an editorial entitled "The Time Is Now" and it emphasizes the need for public financing of all Federal elections—primary and general.

Further, it stresses fairness of the pending legislation, S. 3044, in offering public financing as an optional alternative to private financing.

I ask unanimous consent to have the editorial printed at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

The Time Is Now

Now is the time for a full and fundamental cleansing of the nation's outmoded, corrupt system of financing public elections with private money. Now is the time to break the stranglehold of wealthy individuals and of self-seeking interest groups over the nation's politics. Now is the time to bring into the open sunlight of public responsibility a system half-publicly regulated and half-secret. If Congress cannot reform the nation's politics in this sordid year of Watergate, when will there be a more opportune time?

The campaign reform bill awaiting action in the Senate is an admirable measure. It has bipartisan backing as well as support from ordinary citizens across the country. Senators Mike Mansfield, the majority leader; Robert Byrd, the majority whip, and John Pastore, the party's chief spokesman on this problem, have given the bill stalwart Democratic support. On the Republican side Senator Hugh Scott, the minority floor leader, has been out in front urging action on reform.

The heart of the bill is a sharp reduction in the size of private contributions and, as an alternative, an optional form of public financing. Opposition to this reform concept comes from diverse quarters. President Nixon is opposed. Senator James Allen, Alabama Democrat, who serves as Gov. George C. Wallace's agent in the Senate, is opposed. So are the right-wing conservative Republicans led by Senators Barry Goldwater and Strom Thurmond. The biggest danger to the bill is the threat of a filibuster by Senator Allen with the backing of the Goldwater-Thurmond group. But this bluff can be called if Senators Mansfield and Scott remain firm in support of the bill.

As with any innovation, the advocates of reform are vulnerable to the criticism that they are attempting too much. But primaries as well as general elections need drastic improvement; in many one-party states, the primary provides voters with their only effective choice. It would make no sense to reform the financing of political campaigns at the Presidential level and leave House and Senate unreformed.

Rightly or wrongly, Congress as well as the Presidency suffers from a loss of public confidence in this Watergate season. The members of Congress will be making a serious miscalculation about their own political futures as well as the fate of the institutions in which they serve if they revert to business-as-usual. The people sense the need for reform, and the people's sense needs heeding.

The principles underlying the reform bill are simple: Presidential and Congressional primaries would be financed by matching grants. Thus, Presidential aspirants would have to raise $250,000 in private contributions of $250 or less before they qualified to receive the matching sum of $250,000 from the Federal Government. Like climbing steps in a flight of stairs, the candidate would qualify for another quarter-million dollars each time he raised the same amount privately. There would be an over-all limit of approximately $16 million, half public and half private, for each Presidential candidate in the primaries.

The same principle would apply to House and Senate primaries except that the limit on contributions would be lower—$100 or less—and each step in the staircase would be lower, $25,000 in Senate races and $10,000 in the House. In general elections, the matching principle would not apply. Candidates could finance their campaigns by public or private funds or any mix of the two as long as they stayed within an over-all ceiling.

The bill would not lock parties and candidates into a novel or rigid arrangement. Rather, it curbs the abuses of private financing and offers public financing as an alternate route to elected office. Since the old private route has become choked with scandal, it cannot—unreformed and unaided—serve democracy's need much longer. Now is the time to provide a public alternative.

Mr. BEALL. Mr. President, I wonder whether the distinguished chairman of the Committee on Rules and Administration, the Senator from Nevada (Mr. CANNON) would yield for a question for purposes of clarification.

Mr. CANNON. I yield.

Mr. BEALL. As I understand the provisions of this legislation with regard to public financing in the primaries, to be used in my State as an example, we are required to raise 20 percent of the primary spending limit in order to qualify for public financing, which means, as I read the chart, and Maryland would be permitted primary spending of $272,000, that in the primaries we would be required to raise 20 percent of that amount of money, which is $54,000 in order to qualify for the 50–50 participation; is that not correct?

Mr. CANNON. Yes, as I understand what the Senator stated. In other words, the voting age population of Maryland is 2,720,000. So, using the 10 cents per voting age population in the primary, the amount that could be spent in the primary election would be $272,000. The candidate would be required to raise 20 percent of that by private contributions in order to be eligible for the matching formula proposition.

Mr. BEALL. To pursue this matter further, in the State of Maryland we register by party. Assuming there are 1,600,000 voters registered, unfortunately, only 300,000 are registered as Republicans. This means that I have to raise $54,000 from 300,000 Republicans, with a limit of $100 per contribution. Is that correct?

Mr. CANNON. The Senator could raise it from all over the country, and he need not raise it just from Republicans. So he would have the opportunity to raise it from any source, but the limit would be $100.

Mr. BEALL. I would hope that my services would be so much in demand that I could attract attention from all over the country and that I could attract attention from Democrats.

As a practical matter, considering a first-time candidate, I am wondering how successful a candidate would be in raising funds from other than members of his own party if he were in a heated primary.

My next question is this: I cannot possibly see, quite frankly, if in the State of Maryland, for example, we were to have a heated primary in the Republican Party, which has only 300,000 members, how any candidate with a limit of $100 on a contribution could hope to raise $54,000 in order to qualify for the Federal participation, which would then double the amount of money he received.

I am saying that the bill as now written puts an intolerable burden—as a matter of fact, a penalty—on a candidate of what is a major party in a minor party status, so far as registration figures are concerned.

Mr. CANNON. In the first place, I cannot agree with the Senator that out of a voting-age population of 2,720,000 there are only 300,000 Republicans.

Mr. BEALL. I know that there are. I live in Maryland, and I happen to be Republican, and I know how many people are registered as Republicans. I am not only sorry but also a litle ashamed of the paucity of the people who register in that party.

Mr. CANNON. If the Senator is correct on his figures and if he feels that in the State of Maryland he could not go out and raise $54,000——

Mr. BEALL. In the primary.

Mr. CANNON. If he or some other candidate in a primary could not raise that amount, then I would say they had better not be in the race.

Mr. BEALL. I hope I will never have to spend $54,000 to be successful in a primary in the State of Maryland.

Mr. CANNON. The Senator does not have to go to the matching formula basis.

Mr. BEALL. What I am saying is that the public is financing the candidates in the Democratic Party but not the candidates in the Republican Party. So the Democratic Party continues to grow stronger while the Republican Party continues not able to take advantage of the public funds that might be available for the financing of elections. That may sound good to the Senator from Nevada, as a Democrat, but it does not sound good to me, as a Republican.

Mr. CANNON. The requirement is that a candidate demonstrate that he has some public appeal if he is going to get the Federal contribution. If he does not have that public appeal, he is not going to get the Federal contribution. If he says, "Somebody else is going to get it and I am not," the Senator from Maryland is correct. He could say, "Tax money is going to support some other candidate but not me," and that is true, if he cannot demonstrate the public support.

Mr. BEALL. But for a Democrat running in our State, the figure is not the same. He has 1,300,000 people to whom to appeal for contributions, whereas I have 300,000 people to whom to appeal, as a Republican.

Mr. CANNON. I cannot think of anyone on the Senate floor who could raise that question less legitimately than either of the Senators from Maryland, because they are both Republicans, and I think it is quite obvious that they are able to get private contributions adequate to compete in a campaign.

Mr. BEALL. But this is a nonincumbent's bill, I would hope. This bill is not to perpetuate incumbents in office, much as we would like it to be. I thought the purpose of this was to give anybody an opportunity to seek public office, in the U.S. Senate or the House of Representatives, regardless of whether he is in office at the present time.

Mr. CANNON. The Senator is not correct. This bill is not designed to give anybody the opportunity to seek public office. This is an election reform bill, to try to reform the electoral process by providing limits to reduce the influence of large contributions, and it is not directed toward either political party. So far as we can tell, it is not weighted toward either political party.

If the Senator does not like the formula, I would suggest that he offer an amendment to change it.

Mr. BEALL. I think that is a good suggestion. I accept the suggestion. But the reason why I engaged in this colloquy is that I wanted to point out that I think there are inequities. The bill as now written, keeps people from running for public office who might otherwise do so.

Mr. CANNON. May I point out, in response, that it does not keep anybody out, because nobody has to qualify and receive Federal funds. Obviously, when the Senator ran the first time, he received no Federal funds, and he was able to raise private contributions and to compete and to win. A candidate can do that at the present time, and he can do it under this bill. The bill would not change that one iota. But if one is going to compete for Federal funds under this bill, he has to demonstrate that he has some public appeal; otherwise, everybody who wanted to run would come in and say, "I want in on the pie."

Mr. BEALL. Suppose that in 1976, when I am up for reelection, we have a primary—perish the thought—and I, because I am the incumbent, might be able to go out and raise $54,000; and because I raised $54,000, I would then be entitled to another $54,000 from the Federal Treasury.

Mr. CANNON. If the Senator spends it. He is not entitled to it unless he spends it.

Mr. BEALL. It is not very difficult to spend money in an election campaign if you have it or if you know you are going to get it. Then I would be entitled to $108,000, on that basis. Is that correct?

Mr. CANNON. Oh, no. The Senator would be entitled to $54,000. If he raised $54,000, he would be entitled to a matching amount.

Mr. BEALL. So I would have $108,000.

Mr. CANNON. Yes, but $54,000 the Senator would raise from private contributions.

Mr. BEALL. The $54,000 I raised and the $54,000 that Uncle Sam would give me. I am the incumbent, and I can hope to raise $54,000 in the primary. How about the fellow challenging me in the primary? Suppose he can raise only $35,000? He is not going to get public funds. I would have a campaign financed half by my supporters and half by Uncle Sam, and any challenger would have to depend on funds that are very difficult for him to collect. So I would have a double advantage. Is that correct?

Mr. CANNON. Not a double advantage; but the ultimate assumption is correct, that a man who cannot demonstrate the public support, cannot share in the public financing. That part of the Senator's statement is correct.

Mr. BEALL. Sometimes there is a difference between demonstrating public support and collecting money. Sometimes one can get the votes but not the dollars to back up the votes.

It seems to me that by using this formula, a terrible burden is placed upon those people who might want to challenge an incumbent in a primary, and I do not think that is in keeping with the purpose of the legislation.

Mr. CANNON. If the Senator is opposed to public financing, he should vote against it.

Mr. BEALL. I started out by saying that I am not opposed to public financing combined with private financing. But I am opposed to public financing that discriminates against people who want to challenge the incumbents.

I yield to the Senator from Tennessee.

Mr. BROCK. I think the Senator is saying that whether or not it was the intent of the bill, as it is written it is an incumbent protection act, particularly in the sense of the primary. Further, if a candidate is a viable candidate and all his supporters happen to be people of low economic standing, he just does not have an opportunity to demonstrate his voter appeal, because the dollars are not there.

Mr. BEALL. That is correct.

Mr. BROCK. So he is penalized, even though he may have enormous appeal for the majority of his constituency. That is the thing here: The incumbency is perpetuated. The process is damaged. It is made almost impossible for challengers to bring any freshness into the system. That is the terrible thing about this kind of approach, and it seems to me that we can do a better job on it.

Mr. GRIFFIN. I wonder if the Senator from Maryland would agree with this observation. It seems to me if the Senator is concerned, as he well might be, about the possibility of raising funds under the present circumstances from that number of Republicans in his State, I wonder how the climate and the attitude of potential givers might be because if we pass this bill, entitled "Public Financing," and the word goes out that the Government is going to finance campaigns from now on, I wonder if the people will be interested in making any contributions, and I wonder if they will understand that it would be necessary for us to raise $54,000—is it 5,400 contributors?

Mr. BEALL. 540 contributors.

Mr. GRIFFIN. I am just wondering if it would not be a great deal more difficult than under circumstances today.

Mr. BEALL. I think it would be.

Mr. GRIFFIN. I think so, too.

Mr. BROCK. Mr. President, I wish to point out that there is another flaw in this approach, and that it is we do try to strengthen the two-party system, but the Republican Party has not been around for 200 years. It was created about 110 years ago or 115 years ago. Had this law been in effect at that time, the grave of Abraham Lincoln would be just another burial plot in the cemetery. He could not have run under this bill and could not have gotten the support. There was no such thing then as a Republican Party. He would have been the candidate of a minor party, and since the bill states that there must be established a basis in a prior election and there is no prior election for a new party, he would have none.

I wonder what would happen in the case of the Bull Moose Party in 1912, when the Bull Moose candidate ran ahead of the Republican Party candidate on a splintered ticket. What opportunity do we have in that situation? This bill freezes the practice, it freezes the incumbent, and it has the possibility of reducing the vitality of our system.

Mr. BEALL. I am really more concerned about the advantages to the incumbent. I was not concerned about the party. But as Republicans we should be concerned about our Republican Party. But it seems to me as presently written the incumbent in the case of a party where there is an imbalance in registration in the State has a tremendous advantage and I think it is an advantage no one can hope to overcome because I cannot imagine a challenger in the State of Maryland in a primary situation being able to raise the required $54,000 that would be necessary to pursue a primary campaign against an incumbent.

Mr. MOSS. Mr. President, today this Congress has the opportunity and responsibility to implement a lasting and comprehensive means to prevent corruption in politics. The "purchasing" of favors through private political contributions to campaigns has had a demeaning effect on all public officials. Acceptance of S. 3044 can go a long way toward alleviating this problem.

Last summer when the Federal Election Campaign Act of 1973 was being considered by the Senate, I indicated my support for an equitable form of public financing. Last September I testified before the Subcommittee on Privileges and Elections that emphasis in politics should be on people, not on money. I further indicated that the public would not be ill-served to have some of its tax money reserved for the assistance of political candidates to public office. Such use of our tax money would improve the representative process by enlarging its scope, and invigorating the workings of democracy.

Only last month I joined in a colloquy with several of my distinguished colleagues and pointed out that the traditional practice of campaign revenue raising is susceptible to much abuse and that an alternative to this abuse was the allowance for taxpayers to a checkoff on their Federal income tax for campaign purposes.

Last November, I was pleased that the Senate accepted an amendment to the debt ceiling bill to provide a means to publicly finance elections. However, following a compromise by the House, a filibuster in the Senate, and a historic Sunday session, opposition hardened and supporters of reform could not muster the two-thirds vote necessary to break the filibuster.

It must be emphasized that campaign financing is not a new issue. It is not being rushed through Congress. Extensive hearings have been held in the Senate. My distinguished colleagues on the Subcommittee on Privileges and Elections, and the Rules and Administration Committee have devoted many long hard hours to development of a bill that is comprehensive, but fair. S. 3044, the Federal Election Campaign Act Amendments of 1974 is such a bill. I commend my colleagues for their work in handling this delicate issue of public financing of campaigns expeditiously but with fairness to the exponents of all viewpoints.

Senator ALLEN is to be respected for his view on public financing of elections. Although I do not agree with his reasoning or conclusions regarding public financing, I certainly cannot dispute his sincerity.

I believe that Senator ALLEN is wrong in contending that title I of S. 3044 is a "raid on the Treasury." Rather, public financing as provided by this bill merely prevents special interests from buying favors and placing undue pressure on public servants. Americans now only end up paying more for campaigns than they would by having tax dollars used for campaigns. Large contributions by representatives of large corporations come from higher prices of commodities that are purchased by the consumer. The milk support price rise in early 1971 is proof of this. The only difference is that such increase in price is a subtle increase.

Certainly, I do not contend that public financing is a panacea to all of the ills of campaigns. But it is a step in the right direction. Until individuals realize that favors will not be purchased by political contributions, politics in the eyes of Americans will not be restored to a place of honor and respect. I think that public financing, although problems will occur in development of means to implement it, is one way in which this honor and respect can be returned to public service.

I ask that my colleagues join in defeating amendment No. 1064 to S. 3044. Only through this means can we indicate our commitment to prevention of corruption evident in recent campaigns.

CAMPAIGN FINANCE REFORM—A TIME FOR CLEANSING

Mr. HUMPHREY. Mr. President, the Senate has under consideration the most comprehensive campaign finance reform measure ever to come before the Congress. No single piece of legislation before the Senate in this session has the potential of the Federal Election Campaign Act of 1974 for cleaning up American politics and restoring confidence in the integrity of our political system and the individuals who work within it.

The most important feature in this legislation, which incorporates and builds on a number of recent campaign reform measures passed by the Senate, is the new provision for the public financing of Federal elections that it authorizes. I totally disagree with those who claim public financing of elections is a diversion of public funds from important public activities. If the tragic drama called Watergate, which has been unfolding for nearly 2 years in our newspapers and on our televisions, has made anything clear, it is that the public has no greater interest or priority than in assuring the integrity of those they choose as their public officials.

While I do not endorse every detail of this bill or feel it can be written on stone tablets for all posterity, I do agree completely with its basic objectives and believe its major provisions are reasonable. Obviously, any legislation of such significance will require very careful monitoring by Congress to be sure it is having the intended effects on our electoral process. This monitoring will lead naturally to the adjustments and fine tuning that always prove necessary as major new legislation is implemented.

Title I of the Federal Election Campaign Act Amendments of 1974, the public financing title, affords all candidates an opportunity to obtain a certain amount of public financing of their campaigns from the Treasury of the United States. However, to receive such assistance, they must be able to demonstrate a reasonable amount of support from the electorate in the geographic area in which they intend to run for Federal office.

To qualify for public financing assistance in the primaries, a candidate must raise a specific amount of "earnest money" from contributions of $250 or less in the case of Presidential candidates and $100 or less for Senate and House candidates.

After the required threshold level of "earnest money" has been reached, public matching funds would be available on a dollar-for-dollar basis for each contribution of $250 or less for a Presidential primary candidate and $100 or less for a Senate or House primary candidate.

In the general elections, candidates may choose to receive all private contributions and no public funding, a blend of private and public funding, or, in the case of major party candidates, exclusively public funding.

The nominee of a major party would be able to receive full public funding of his campaign for election, up to the specified campaign spending limits. Minor party nominees would be eligible for public funding up to an amount equal to the percentage of the vote their party's candidate received compared to the votes cast for the candidates of the major parties.

The bill would also increase the value of the dollar checkoff to $2 for individual and $4 for joint returns and provide that the designation be automatic, unless the taxpayer elects not to make such a designation. If the amount of designated tax payments to the fund do not result in a sufficient total amount to fulfill the entitlement of all qualified candidates, then the Congress may appropriate the additional sums needed to make up the deficit.

The bill would limit individual contributions to a candidate, or committees operating on his behalf, to $3,000 for each election. It would limit the total contribution of an individual to all candidates in any calendar year to $25,000. And, it would limit to $3,000 the contribution of a political committee to any candidate. A limit of $100 is placed on all cash campaign contributions.

While the legislation before us includes a number of other significant reforms regarding campaign finance, I believe that the provisions relating to public financing of campaigns are of the utmost importance.

I have been a vocal advocate of expanded public financing of Federal elections for many years. As one who has been involved in almost all types of Federal elections, I can appreciate, perhaps more than some others, the importance of such a change in the financing of the electoral process. It was with this in mind that I supported the dollar checkoff and authored the amendment which put it on the front of the income tax form where people could see it and use it. This was also my reason for speaking in behalf of the Kennedy-Scott public financing amendment when it came before the Senate last July.

Mr. President, if the faith of the American people in their Government is to be restored, this vital campaign finance reform legislation must be passed with its major public financing thrust intact.

There is no doubt that this reform measure is needed.

In politics, I have found that what is true is, regrettably, not always as important as what people perceive to be true. Those of us who run for office can profess that the campaign contributions we receive do not in any way control our votes, but I venture to say that not many believe it.

I have been in a number of campaigns, and I enjoy the campaigns, I like them. But the most demanding, disgusting, depressing and disenchanting part of politics is related to campaign financing. Furthermore, in national elections it is literally impossible for the Presidential and Vice-Presidential candidate to have control over or knowledge of campaign finances. All too easily you can become the victim of sloppy reporting or carelessness on the part of your committee or committees. Yet, in the public's mind, it is the candidate that is guilty of wrongdoing.

In my years of public service I have seen the cost of campaigns skyrocket to unbelievable levels.

It is time we stopped making candidates for Federal office spend so much of their time, energy and ultimately their credibility, on the telephone calling friends or committees, meeting with people, and oftentimes begging for money.

Scrounging for funds to bring your case to the electorate is a demeaning experience. The bill before us today gives us our best chance ever of cleaning up our politics.

Frankly, Mr. President, the election of public officials is too important to our Nation, and an electoral process that is above suspicion is too precious to our people, to permit elections to be decided on the auction bloc of private campaign funding. Big money, large private contributions, and the amount of money a politician can raise should not be permitted to continue as a key to election day success.

Mr. President, it is gratifying for one who has labored long in the vineyard of public campaign finance, and it should be very encouraging to all Americans, to see such a creative step toward cleansing our electoral process emerge with nearly unanimous bipartisan support from the Senate Committee on Rules and Administration. Chairman Cannon and his colleagues have done a laudable job and deserve our congratulations.

I hope that the Senate will support, in general, the committee's work, and provide the Nation with the leadership our people seek in restoring confidence in the integrity of their Government.

It is not enough to criticize corruption in politics. That is easy to do, we can all be against evil. But our constituents are demanding more than rhetoric from us, and rightly so. The American people will no longer tolerate lipservice to campaign finance reform. The time for us to act is now and the vehicle is before us. We must act positively on the Federal Election Campaign Act Amendments of 1974 and authorize the extension of public financing to all Federal elections.

Some may say, "All the politicians are doing is taking care of themselves." Others, who should know better, have called it "taxation without representation" and "a diversion of public funds from important purposes."

But, Mr. President, as one who has been to the "political wars" at the national level for 25 years, I say unequivocally that there is no more important use of public funds—no better insurance of effective representation that directly benefits our people—than to assure the integrity of our public officials and to tear away the veil of suspicion that shrouds every politician who must go to the marketplace to finance his candidacy.

Mr. BUCKLEY. Mr. President, S. 3044 includes a number of campaign reform proposals tied together in a package that we are told will satisfy the public demand for reform and at the same time solve many of the problems that face our society. Some of the proposals that have been woven into this bill have merit and deserve consideration, but those that dominate S. 3044 are so deficient as to render the bill virtually unsalvageable.

Title I of S. 3044 is, I am afraid, chief among these. It is title I, of course, which incorporates public financing of Federal elections with strict expenditure limitations. The concept of publicly financed election campaigns has been the subject of controversy in this body for some years now, but I am still far from convinced that it is an idea whose time has come or indeed, that it is an idea whose time should ever come.

The scheme incorporated into this portion of S. 3044 is quite intricate mechanically, but one that must be thoroughly understood both mechanically and conceptually before we go so far as to vote it into law.

Therefore, before I move into a discussion of what I see as the basic objections to the entire concept of public financing I would like to go over the provisions of the specific plan incorporated into title I of S. 3044.

Under title I tax money amounting to approximately $360 million every 4 years would be made available to finance or help finance the primary and general election campaigns of legitimate major and minor party candidates for all Federal offices.

A candidate seeking the endorsement of his or her party via the primary route must demonstrate his "seriousness" by raising a specified amount through private contributions before qualifying for Federal money. Once this threshold amount has been raised, however, the candidate becomes eligible for public matching funds up to the limit applicable to his race.

Candidates running in the general election for any Federal office are treated differently depending on whether they are running as major party or minor party candidates. Of some interest is the fact at the Presidential level a major party is defined as one that garnered 25 percent of the vote in the previous election.

Major party candidates may receive full public funding up to the limit applicable to their races.

A minor party candidate, on the other hand, may receive public funding only up to an amount which is in the same ratio as the average number of popular votes cast for all the candidates of the major party bears to the total number of popular votes cast for the candidate of the minor party. However, the minor party candidate must receive at least 5 percent of the vote to qualify for any funding.

Minor party candidates are allowed to augment their public funds with private contributions up to the limits set in the act and may receive postelection payments if they do better in the current election than they did in preceding elections.

The indepedent candidate or the candidate of a new minor party isn't entitled to anything prior to the election, but can qualify for postelection payments if he draws well at the polls.

This plan is expected, as I indicated a few moments ago, to cost about $360 million every 4 years. The sponsors of S. 3044 would have us believe that this money will be raised through an expanded tax checkoff provision such as the one now on our tax forms that permits us to designate that $1 of our tax money shall go to a Presidential election campaign fund.

This strikes me as one of the most objectionable features of this entire scheme. The checkoff as modified by the authors of S. 3044 is a fraud on the American taxpayer. It is an attempt to give people the feeling that they can participate in decisions that the authors of this bill have no intention of letting them participate in. This provision alone would force me to vote against S. 3044 and should be stricken along with the rest of title I.

As you may recall, the checkoff was originally established to give individual taxpayers a chance to direct $1 of their tax money to the political party of their choice for use in the next Presidential campaign.

When it was extended by the Congress last year, however, the ground rules were changed so that this year taxpayers are not able to select the party to which their dollar is to be directed. They are simply allowed to designate that the dollar should go into the Presidential election campaign fund to be divided up at a later date. Thus, while the taxpayer may still refrain from participating he may well be directing his dollar to the opposition party if he elects to participate.

A theoretical example will illustrate this. Let us assume that two candidates run in 1976 and that the money to be divided up amounts to $10 million. Half of this would go to each candidate, but let us further assume that 60 percent of this money or $6 million is contributed by Democrats. Under this set of circumstances a million Democrats would unwittingly be contributing to the campaign of a candidate they do not support and for whom they probably will not vote.

If S. 3044 passes things will get even worse. During the first year only 2.8 percent of the taxpaying public elected to contribute to the fund. This disappointing participation was generally attributed to the fact that it was difficult to elect to participate. Therefore this year the form was simplified and a great effort is being made to get people to participate.

As a result about 15 percent of those filing appear to be participating and while this increase seems to warm the hearts of those who have plans for this money it will not raise nearly enough money to finance the comprehensive plan the sponsors of S. 3044 have in mind.

Therefore they have found a way to increase participation. Under the terms of S. 3044 the checkoff would be doubled to allow $2 from each individual to go into the fund, but the individual taxpayer will no longer have to designate. Instead his $2 will be automatically designated for him unless he objects. This is a scheme designed to increase participation reminiscent of the way book clubs used to sell books by telling their members they would receive the month's selection unless they chose not to. As I recall, Ralph Nader and his friends did not like this practice when book clubs were engaged in it and one can only hope that they will be equally outraged at the proposal that Uncle Sam join in the act.

But S. 3044 goes further still. If enough people resist in spite of the Government's efforts to get them to participate, the Congress will be authorized to make up the difference out of general revenues. So, after all is said, it appears that the checkoff is little more than a fraud on the taxpayer.

Let us move from the question of the way the money needed to finance this plan will be raised to the question of the propriety of the spending limits that are an integral part of the plan.

Under section 504 of the title we are debating uniform limits are imposed on incumbent and nonincumbent candidates alike. These limits will necessarily favor incumbent Presidents, Senators, and Congressmen because any incumbent has advantages that must be overcome by a challenger trying to unseat him. To overcome these advantages a challenger must spend money.

I have already indicated that I will call up an amendment designed to overcome this problem by allowing nonincumbents to spend more than officeholders. Something of this sort strikes me as absolutely necessary at a time when Americans are skeptical enough about Government in general and elected officials in particular.

Congressional and Senate incumbents have generally been fairly safe re-election bets for a variety of reasons. Incumbency itself has been estimated to be worth 5 percentage points on election day, and I just do not think we should do anything that might be fairly interpreted as giving us an even greater lock on our seats.

The $90,000 limit on House races imposed by this bill would have a similar effect. Indeed, my own analysis of a recent Common Cause study of expenditures in 1972 convinces me that this legislation is weighed heavily in favor of incumbents and might therefore weaken the ability of our citizens to influence governmental decisions.

I have been discussing the specifics of title I and they are, of course, both interesting, and important.

They represent an attempt on the part of the Rules Committee to answer some of the specific problems that arise when one gets into the business of publicly subsidizing election campaigns.

We could discuss these specifics for days and I fear that we might find ourselves doing just that if we do not accept the Senator from Alabama's amendment to strike the entire title. The problem is that a discussion of specific attempts to overcome problems that are merely symptomatic of a faulty approach to a much larger problem are a complete waste of time.

The scheme before us today like others that have been proposed in recent years seems to be based on the assumption that private financing is an evil to be avoided at all costs.

I am afraid I have to reject that basic assumption. A candidate for public office is currently forced to compete for money from thousands or—in the case of Presidential candidates—millions of potential contributors and voters.

Viable candidates rarely have trouble raising the funds needed to run a credible campaign and, in fact, their ability to raise money is one very good gage of their potential popular support.

As Congressman FRENZEL said during hearings on public financing last year:

> While the ballot box is an essential means of measuring popular support for a candidate, political contributions give individuals and groups an opportunity to register strong approval and disapproval of a particular candidate or party.

Under our present system potential candidates must essentially compete for private support, and to attract that support they have to address themselves to issues of major importance to the people who will be contributing to their campaigns and voting for them on election day. Public financing might allow candidates to ignore these issues, fuzz their stands, and run campaigns in which intelligent debate on important matters is subordinated to a "Madison Avenue" approach to the voters.

Consider a couple of examples. During the course of the 1972 campaign, it is reported that Senator McGovern was forced by the need for campaign money to place greater emphasis on his support of a Vietnam pullout than his political advisers thought wise. They felt that he should have downplayed the issue and concentrated on others that might be better received by the electorate.

I do not doubt for a minute that the Senator's emphasis on his Vietnam position hurt him, but I wonder if we really want to move toward a system that would allow a candidate to avoid such issues or gloss over positions of concern to millions of Americans.

The need to court the support of other groups creates similar problems. Those who believe that we should maintain a friendly stance toward Israel, for example, as well as those who think a candidate should support union positions on a whole spectrum of issues want to know where a candidate stands before they give him their vocal and financial support. The need to compete for campaign dollars forces candidates to address many issues and I consider this vital to the maintenance of a sound democratic system.

Second, to the extent that these plans bar the participation of individual citizens in financing political campaigns they deny those citizens an important means of political expression. Millions of Americans now contribute voluntarily to Federal, State, and local political campaigns. These people see their decision to contribute to one campaign or another as a means of political expression. Public financing of Federal general election campaigns would deprive people of an opportunity to participate and to express their strongly held opinions.

They would still be contributing, of course, since the Senate proposal will cost them hundreds of millions of dollars in tax money. But their participation would be compulsory and might well involve the use of their money to support candidates and positions they find morally and politically reprehensible.

Third, S. 3044 and similar proposals combine public financing with strict limits on expenditures. As I have already indicated, these limits must, on the whole, work to the benefit of incumbents since they are lower than the amount that a challenger might have to spend presently in a hotly contested race if he wants to overcome the advantages of his opponent's incumbency.

Fourth, the various schemes devised to distribute Federal dollars among various candidates and between the parties has to affect power relationships that now exist. Thus, if you give money directly to the candidate you further weaken the party system. If you give money to the national party, you strengthen the national party organization relative to the State parties. If you are not extremely careful you will freeze out or lock in minor parties. These are real problems with significant policy consequences that those who drew up the various public financing proposals tended to ignore. The authors of S. 3044 merely managed to make the consequences less clear. They did not solve the problems.

Fifth, public financing will have two significant effects on third parties, neither desirable. In the first place, it will discriminate against genuine new national third party movements—such as that of George Wallace in 1968—because such parties have not had the chance to establish a voting record of the kind required to qualify for preelection financing. On the other hand, once a third party qualifies for future Federal financing, a vested interest arises in keeping it alive—even if the George Wallace who gave it its sole reason for existence should move on. Thus we run the risk of financing a proliferation of parties that could destroy the stability we have historically enjoyed through our two party system.

In addition, S. 3044 and all similar plans raise first amendment questions since they all either ban, limit, or direct a citizen's right of free speech.

In this light it is interesting to note that a three-judge panel in the District of Columbia has already found portions of the law we passed in 1971 unconstitutional. As you will recall the 1971 act prohibited the media from charging for political advertising unless the candidate certified that the charge would not cause his spending to exceed the limits imposed by the law. This had the effect of restricting the freedom both of individuals wishing to buy ads and of newspapers and other media that might carry them and, in the opinion of the District of Columbia court, violated the first amendment.

I would like to state parenthetically, Mr. President, that I intend to vote against all amendments that might ameliorate some of the constitutional objections, so that whatever is enacted will be as vulnerable as possible to judicial attack. I will do so because of my profound convictions that the bill's principal features will do our political system substantial harm.

I have already indicated in references to the specifics of title I that I fear we are debating a bill that would aid incumbents over the candidates. This is so because of the uniform spending limits that are an inherent part of this and most other public financing plans.

In addition to incumbents such plans would aid another class of candidates and therefore artificially tilt the politics of this country.

Any candidate who is better known when the campaign begins or is in a position to mobilize nonmonetary resources must benefit from these kinds of plans as compared to less known candidates and those whose supporters are not in a position to give them such help.

This is necessarily true because the spending and contributions limits even out only one of the factors that determine the outcome of a given campaign. Other factors therefore become increasingly important and may well determine the winner on election day.

Consider, for example, the advantage that a candidate whose backers can donate time to his campaign will have over one whose backers just do not have the time to donate. In this context one can easily imagine a situation in which a liberal campus-oriented candidate might swamp a man whose support comes primarily from blue-collar middle-class workers who would contribute money to their man, but do not have time to work in his campaign.

Or consider the candidate running on an issue that attracts the vocal and "independent" support of groups that can provide indirect support without falling under the limitations imposed by law. The effectiveness of the antiwar movement and the way in which issue-oriented antiwar activists were able to mesh their efforts with those of friendly candidates illustrate the problem.

David Broder of the Washington Post noted in a very perceptive analysis of congressional maneuvering on this issue last year that most members seem to sense that these reforms will, in fact, help a certain kind of candidate. His comments on this are worth quoting at length:

> . . . the votes by which the public financing proposal was passed in the Senate had a marked partisan and ideological coloration. Most Democrats and most liberals in both parties supported public financing; most Republicans and most conservatives in both parties voted against it.
>
> The presumption that liberals and Democrats would benefit from the change is strengthened by the realization that money is just one of the sources of influence on a political contest. If access to large sums is eliminated as a potential advantage of one candidate or party by the provision of equal public subsidies for all, then the election outcome will likely be determined by the ability to mobilize other forces.
>
> The most important of these other factors are probably manpower and publicity. Legislation that eliminates the dollar influence on politics automatically enhances the influence of those who can provide manpower or publicity for the campaign.
>
> That immediately conjures up, for Republicans and conservatives, the union boss, the newspaper editor and the television anchorman—three individuals to whom they are rather reluctant to entrust their fate of electing the next President.

This legislation affects the way we select our representatives and our Presidents. It affects the relationship of our citizens to their elected representatives and to Government itself. It affects the party system that has developed in this country over nearly 200 years in ways that we cannot predict.

In other words, S. 3044 affects the very workings of our democratic system and could alter that system significantly.

Those in and out of Congress who advocate public financing are selling it as a cure-all for our national and political ills. For example, the Senator from Massachusetts, Mr. Kennedy, recently went so far as to say that—

> Most, and probably all, of the serious problems facing this country today have their roots in the way we finance political campaigns . . .

This statement reminds one of the hyperbole associated with the selling of New Frontier and Great Society programs in the 1960's. The American people were asked then to accept expensive and untried programs as panaceas for all our ills.

Those programs did not work. They were oversold, vastly more expensive than anyone anticipated, and left us with more problems than they solved. Public financing is a Great Society approach to another problem of public concern and, like other solutions based on the theory that Federal dollars will solve everything, should be rejected.

I intend to support the Allen amendment to strike title I and I urge its adoption.

Mr. **HUGH SCOTT**. Mr. President, I rise in opposition to the Allen amendment which, if adopted, would strip public financing from the bill. As a member of the Rules Committee which held long hearings and markup sessions before favorably reporting the bill to the Senate floor, I support the entirely flexible and realistic approach it takes.

Supporters of the amendment claim that public financing, as proposed in title I, would place full Federal control over the election process. This is inaccurate. As a New York Times editorial said this morning:

> The bill would not lock parties and candidates into a novel or rigid arrangement. Rather, it curbs the abuses of private financing and offers public financing as an alternate route to elected office.

I hope that the Allen amendment will be soundly defeated.

Mr. **FANNIN**. Mr. President, public campaign financing as envisoned in title I of S. 3044, the Federal Election Campaign Act Amendments of 1974 represents a major effort to restructure our political and electoral process, all in the name of "campaign reform."

Most certainly none of us are opposed to reforms of existing abuses since our political system needs constant monitoring and readjustment, and the Congress has acted to correct some of those abuses. But what is proposed in title I is not a single adjustment or correction. Instead we have a whole new approach to financing Federal elections.

Mr. President, I am aware, of course, that this issue has been considered for years in Congress. In fact, I would point out that in June 1967, Russell D. Hemenway, national director of the National Committee for an Effective Congress, made these remarks at a hearing before the Senate Finance Committee and they bear repeating here today:

> The NCEC wishes to be on record as opposed to any proposal which provides direct Treasury financing of elections. We feel this would substitute the Treasury for the voluntary political contributor. To appropriate Federal funds to pay for campaigns is antidemocratic since it excludes the individual from a vital portion of the political process. It also tends to establish a political monopoly which would ultimately erode the process of free elections.
>
> Even with limitations and safeguards—the practical effectiveness of which are open to serious question—the direct subsidy vests in the national party committees an undesirable concentration of power, control, and influence which would ultimately have serious impact on the entire party system and political process. The long-range results are predictable: A lessening of public influence over party platforms and policies, and central control over the decisions and actions of candidates and over State and local party organizations. By reducing the financial dependence of parties on the rank and file constituents, the party hierarchy is insulated against the public will. The inherent dangers of stifling conformity, rigid discipline, and a self-perpetuating power structure within the major parties are obvious.
>
> It is in order here, to take a quick look at how direct Treasury financing of campaigns would operate. Suppose the two national parties were each allocated $10 million from the Treasury. Nominally, they could use this money only for certain specified costs of the presidential campaign. But would not the two national chairmen discover that their slightest whims were respected as orders by party officials, by everyone in the party from supervisors to coroner to candidates for the House and Senate?
>
> Above all, the basic principle of voluntarism is destroyed, since the individual may not determine where his money is going. Nor would he participate in many of the meaningful campaign activities for which fundraising is merely a stimulus. Politically, for the candidate and public, it is far more important to receive a hundred $1 bills than one contribution for $100.
>
> In the effort to cleanse the present system of abuses, we do not want to sterilize the political process. It will do no good to handcraft an unresponsive, bureaucratic mechanism which renders the public will speechless and impotent. The American people are now reacting against the overbureaucratic agencies of Government. At a time when every effort is being made to humanize and personalize the Government, we do not want to build the same difficulties into politics. We see in some of the election financing proposals this same pattern which has characterized much recent Federal legislation; full of good intentions, financed by Federal largess, but functionally incapable of proper administration because of rigid and uniform directives are imposed in situations requiring adjustment and flexibility.

Mr. President, we have had hearings over the years and each time we have found that the financing of election campaigns out of tax money creates many more problems than it could solve.

Mr. President, the place for campaign reform to begin is through the enforcement of the laws which we do have. As Arlen J. Large wrote in an article, "How Should We Finance Elections?" in the May 10, 1973, Wall Street Journal:

> There's not yet an obvious need to go to the extreme of taxing people to pay for the antics of barnstorming politicians, or adding their expenses to the national debt. At least that step shouldn't be taken before trying sterner enforcement of existing law.

Mr. President, I believe that this goes right to the heart of the American political process. It would be a serious infringement on the rights of the individual. For some people it would mean taking their tax money for political purposes and processes which they oppose; for others it would mean denial of their right to fully participate in the political process in the manner of their choosing.

Direct subsidies would also raise serious problems of freedom of expression. They would be a form of compulsory political activity which limited the freedom of those who would refrain as well as of those who chose to participate. When an individual is forced, in effect, to make a contribution to a political movement to which he is indifferent or which he finds distasteful, it may be fairly said that a basic freedom is being infringed. When this forced payment is combined with limits on contributions to favored candidates, political freedom is drastically limited.

Mr. President, we also have a number of unanswered questions as to how this bill would be implemented. In the American Bar Association Journal of last October, Carleton W. Sterling wrote an article, "Control of Campaign Spending: The Reformer's Paradox," which observed:

> Subsidization schemes raise a number of dilemmas. Every person desiring office cannot be subsidized, so subsidies must be awarded to those who already have demonstrated political power sufficient to warrant subsidization. Parties may gain subsidies for their candidates according to some formula linked to their support in the electorate, which must favor the established parties. Congress has considered subsidies geared to equalizing the campaign financing of the two major parties, but funds for minor parties at best would only approximate their strength among the voters.

Mr. President, this is a very real problem. It is somewhat frightening to envision a government of politicians allocating funds for the campaigns of politicians. Everyone must share the concern of A. James Reichley in the December 1973 issue of Fortune magazine, who in his article, "Financing—But Let's Do It Right," commented:

> Total Government financing would also raise the danger that at some future time a dominant political faction or party might deny the opposition the resources needed to reach the public.

Finally, Mr. President, it has been argued that only through public campaign financing can we cure the disease we call Watergate. Yet nothing in S. 3044 will change the conditions for such acts to occur if it is the desire of some individuals to subvert the political and electoral process. Regardless of where the money comes from it can still happen. In this context, then, S. 3044 will accomplish very little. To avoid the "Watergates" of the future will require strict enforcement of existing laws and the prosecution and conviction of those found guilty of such criminal acts as is happening at this very moment.

What the supporters of S. 3044 really hope to achieve is not entirely clear, but what the provisions imply is the beginning of a Federal structure to manage political campaigns and perhaps even the political process itself. It does not take much imagination to conceive of future legislation being proposed to further restrict political operations. In essence, this is a dangerous bill contrary to our tradition of political freedoms. Those who have condemned Watergate because it represented an effort to control political power have only to read this bill to see the potential for achieving the same end only then it would have the cover of law as giving support to restricting political freedom.

If the Congress can choose a formula which favors the major parties over the minor parties then it has effectively chosen to perpetuate existing political arrangements.

If Congress can manipulate funding it can do so in a way to make it impossible for groups to participate in the political process.

If the Congress can limit expenditures it can limit them to the point where the opportunity to express a view is severely restrained.

If the Congress can do all this in the name of "campaign reform" then surely we have taken a major step in eroding our political freedoms.

It is for these reasons that I oppose title I of S. 3044 and will support the amendment of the distinguished Senator from Alabama, Senator ALLEN.

Mr. TALMADGE. Mr. President, I defer to no one in acknowledging the need for election campaign reform in many areas. As a Member who has served on the Select Committee on Presidential Campaign Activities, the so-called Watergate Committee, I can vouch for that firsthand.

I have supported legislation designed to achieve campaign reform, including limiting amounts of money that may be contributed and spent in political campaigns, reporting and disclosure of campaign contributions and expenditures, and provisions for enforcement of the law to insure that the election process in our free society is not subverted.

In fact, even before Watergate and campaign reform became highly charged household words, I sponsored legislation to allow tax credits or tax deductions for modest contributions to political campaigns in an effort to broaden the base of public political support.

However, I draw the line on public financing of Federal election campaigns. This is not campaign reform. It is another blatant attempt to poke the long arm of the Federal Government into an area where it has no business.

It is an effort to destroy the freedom of the American people to choose in the election process.

It is an effort to deny the American people freedom of expression in the support or nonsupport of candidates for public office.

It would constitute a raid on the Federal Treasury, at a time when our country and hard-working taxpayers are caught in the grip of rampant inflation, when we are unable to even come anywhere near balancing the budget, and when we cannot make both ends meet on programs that are needed in our society.

What we have before us today is a program that is neither needed, desirable, or in the best national interest.

The right to vote is as sacred a right that the American people have in our free society. Voting is an expression of support of a particular candidate for public office and an endorsement of his views at the ballot box.

A citizen's contribution to the election of a particular candidate is likewise an expression of support. To make such a choice and to give such a contribution is in my estimation also a sacred right.

How a free citizen casts his vote and how he supports a candidate of his own choosing is a decision only that citizen can make. No one has a right to make that decision for him.

A citizen can support this candidate or that candidate. Or, he can choose to support no candidate. That is his right in our system of free elections.

I know of no American taxpayer who fully understood the situation who would agree to having his tax money spent on the political candidacy of a person whose views were totally repugnant to him. I certainly do not want my tax money spent that way.

Yet, that is precisely what would result from public financing of Federal election campaigns.

It is unthinkable that the Federal Government would presume to tell voters and taxpayers how they ought to contribute to political campaigns. Yet, that would be the effect of this legislation.

It would cut both ways. If I were an arch conservative, I would not want my tax dollars going to the candidacy of an arch liberal. If I were an arch liberal, I would not want my taxes supporting the candidacy of an arch conservative. Such an idea as this flies in the face of everything I understand about freedom to choose in the electoral process.

Under this proposal, the Federal Government first forces the American taxpayer to fork over his money. Then, the Federal Government takes that money and turns it over to the election campaign of a candidate who perhaps could not get even his wife to vote for him. The only way this could be avoided, would be for the citizen to evade the tax collector.

Virtually anyone can file for public office these days. I do not think hard-working people want their taxes spent to finance the campaigns of every crank or crackpot that comes along.

I join efforts to improve the election campaign process and to bring about needed reform. But, the last thing we want is for politicians to put their hands in the Public Treasury to finance their election campaigns.

I hope the Senate will kill this legislation.

Mr. KENNEDY. Mr. President, with regret, I find it necessary to oppose the McGovern amendment. I believe it would be an unfortunate backward step in our progress toward reform.

Contrary to some reports, the public financing provisions of S. 3044 are in no sense mandatory. The bill does not prohibit private financing, and it certainly does not prohibit small private contributions.

In fact, it provides strong incentives for small contributions in primaries, since it offers matching public funds only for the first $250 in private contributions for Presidential primaries and the first $100 in primaries for the Senate and House.

Private contributions also have a role to play in general elections, since major party candidates will have the option of relying entirely on private funds, entirely on public funds, or on any combination in between.

And in both primaries and general elections, the bill provides new incentives for small private contributions by doubling the existing tax credit and tax deduction available for such contributions.

In these respects, the bill recognizes the vigorous differences of opinion on the proper role of small private contributions. Some feel that such contributions are an essential method for bringing citizens into the system and encouraging popular participation in politics.

Others, like myself, feel that there are better ways to bring a person into the system than by reaching for his pocketbook, and that the best way to a voter's heart is through his opinions on the issues, not through the dollars in his wallet.

As it should be, the bill accommodates both views, letting each candidate "do his own thing," without forcing any candidate into a rigid formula for financing his campaign.

In this respect, S. 3044 is an improvement over the 1971 dollar checkoff law, which prohibits a person who accepts public funds from accepting private contributions. Under S. 3044 there is greater flexibility—a candidate can select the mix of private and public funds he wants for his campaign, such as 50–50 or 80–20, and is not obliged to accept public funds on an all-or-nothing basis.

For that reason, I am opposed to alternative proposals such as the McGovern amendment, that would turn public financing for general elections into a compulsory "mixed" system of partial public funds and partial private contributions, with or without matching grants.

Last November, in the floor debate on the public financing amendment to the Debt Ceiling Act, the Senate voted 52 to 40 against a proposal to cut the amount of public funds in half and to require the remainder to be raised in private contributions. As Senator JOHN PASTORE succinctly put it in the floor debate, in opposing such a mandatory mixture of public and private financing:

> Either we are going to have or not going to have public financing. If we are going for public financing, let us go for public financing. If we are not going to have it, let us not have it. What we have here [in the proposal for a mixed system] is a hermaphrodite.

If participation in politics through small private contributions is the goal, then the dollar checkoff is already achieving it. More than 4 million taxpayers have used the checkoff so far in 1974. At the current rate, 12 million taxpayers will have used it by the time all returns are filed on April 15. That's a world record for public participation in campaign financing, a tribute to the workability of the "one voter-one dollar" approach to public financing enacted in 1971.

Further, it is by no means clear that it is feasible for a large number of general election campaigns across the country to be run on small private contributions.

The Goldwater campaign in 1964, the McGovern campaign in 1972, and the Democratic National Committee's telethon in 1973 are good examples of successful fundraising through small private contributions, but they prove only that such fund-raising may work in the unique circumstances involved in those campaigns.

They do not prove that the method will work when every Senate, House and Presidential candidate is tapping the pool of small contributors.

The net result of such a system applied to all elections may simply be to put a premium on the best-known candidate, or the candidate who starts the earliest or who hires the best direct-mail expert as his fund-raiser.

Nor would it be desirable, in my view, to adopt a program of matching grants for small private contributions as the form of public financing for general elections.

In the case of primaries, a system of matching grants is appropriate and is the method adopted by S. 3044. In fact, matching is the only realistic method of public financing in primaries, since it is the only realistic way to identify those who are serious candidates. The candidates who deserve public funds are those who have demonstrated broad appeal by raising a substantial amount of private funds from small contributions. Thus, if we are to have any public financing of primary elections, it must be accomplished through matching grants.

In the general election, however, the nomination process has already identified the major party candidates who deserve public funds. It is appropriate, therefore, as S. 3044 provides, to give them the full amount of public funds necessary to finance their campaigns, with the option for every candidate to forego all or part of the public funds if he prefers to run on private contributions.

Thus, full public funding in the general election gives a candidate maximum discretion in running his campaign. If an extra layer of private spending is allowed, all candidates would be obliged to raise the extra amount as a guarantee that they would not be outspent by their opponents.

As a result, all candidates would be forced into the mandatory straightjacket of spending time and money to raise small private contributions, even though many candidates would prefer to spend that time and money in more productive ways in their campaigns.

A system of matching grants in general elections would be especially dangerous to the existing two-party system, since it might encourage splinter candidates—for example, a candidate narrowly defeated in a primary would be encouraged to take his case to the people in the general election as an independent candidate or as a third party candidate. Under S. 3044, by contrast, a third party candidate with no track record from a past election would still be able to obtain public funds, but only retroactively, on the basis of his showing in the current election.

Thus, in its provisions offering full public funds on an optional basis for general elections, S. 3044 avoids the waste, pitfalls, and obvious dangers to the election process of a mixed system of public-private financing or a system of matching grants, and I urge the Senate to reject the McGovern amendment.

Mr. President, in closing, let me add one further note.

Mr. President, today's New York Times contains an excellent editorial supporting the public financing legislation now before the Senate.

The editorial gives particularly strong support to two of the most important aspects of the bill—the provisions extending public financing to Senate and House election, and the provisions making public financing available for primary elections as well.

In addition, the bill praises the leaders of the Senate who have done so much to make this reform legislation possible. Senator MANSFIELD, Senator ROBERT BYRD, Senator PASTORE, and Senator HUGH SCOTT, mentioned in the editorial, have played a vital role in bringing this issue to the front burner of national debate, and I am pleased that the editorial recognizes their important contribution.

In particular, I am pleased at the editorial's clear recognition of the central role played by Senator HUGH SCOTT, the distinguished minority leader of the Senate, who has done so much to lay the genuine bipartisan groundwork that will make this reform possible.

Over the years, Senator SCOTT has been an outstanding advocate of all aspects of election reform, and all of us in the Senate can join in taking pride in the effective contributions he has made to the cause of integrity in Government and to fair, honest, and clean elections.

I ask unanimous consent that this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times, Mar. 27, 1974]

THE TIME IS NOW

Now is the time for a full and fundamental cleansing of the nation's outmoded, corrupt system of financing public elections with private money. Now is the time to break the stranglehold of wealthy individuals and of self-seeking interest groups over the nation's politics. Now is the time to bring into the open sunlight of public responsibility a system half-publicly regulated and half-secret. If Congress cannot reform the nation's politics in this sordid year of Watergate, when will there be a more opportune time?

The campaign reform bill awaiting action in the Senate is an admirable measure. It has bipartisan backing as well as support from ordinary citizens across the country. Senators Mike Mansfield, the majority leader, Robert Byrd, the majority whip, and John Pastore, the party's chief spokesman on this problem, have given the bill stalwart Democratic support. On the Republican side Senator Hugh Scott, the minority floor leader, has been out in front urging action on reform.

The heart of the bill is a sharp reduction in the size of private contributions and, as an alternative, an optional form of public financing. Opposition to this reform concept comes from diverse quarters. President Nixon is opposed. Senator James Allen, Alabama Democrat, who serves as Gov. George C. Wallace's agent in the Senate, is opposed. So are right-wing conservative Republicans led by Senator Barry Goldwater and Strom Thurmond. The biggest danger to the bill is the threat of a filibuster by Senator Allen with the backing of the Goldwater-Thurmond group. But this bluff can be called if Senators Mansfield and Scott remain firm in support of the bill.

As with any innovation, the advocates of reform are vulnerable to the criticism that they are attempting too much. But primaries as well as general elections need drastic improvement; in many one-party states, the primary provides voters with their only effective choice. It would make no sense to reform the financing of political campaigns at the Presidential level and leave House and Senate unreformed.

Rightly or wrongly, Congress as well as the Presidency suffers from a loss of public confidence in this Watergate season. The members of Congress will be making a serious miscalculation about their own political futures as well as the fate of the institutions in which they serve if they revert to business-as-usual. The people sense the need for reform, and the people's sense needs heeding.

The principles underlying the reform bill are simple: Presidential and Congressional primaries would be financed by matching grants. Thus, Presidential aspirants would have to raise $250,000 in private contributions of $250 or less before they qualified to receive the matching sum of $250,000 from the Federal Government. Like climbing steps in a flight of stairs, the candidate would qualify for another quarter-million dollars each time he raised the same amount privately. There would be an over-all limit of approximately $16 million, half public and half private, for each Presidential candidate in the primaries.

The same principle would apply to House and Senate primaries except that the limit on contributions would be lower—$100 or less—and each step in the staircase would be lower, $25,000 in Senate races and $10,000 in the House. In general elections, the matching principle would not apply. Candidates could finance their campaigns by public or private funds or any mix of the two as long as they stayed within an over-all ceiling.

The bill would not lock parties and candidates into a novel or rigid arrangement. Rather, it curbs the abuses of private financing and offers public financing as an alternate route to elected office. Since the old private route has become choked with scandal, it cannot—unreformed and unaided—serve democracy's need much longer. Now is the time to provide a public alternative.

Mr. McGOVERN. Mr. President, I have a perfecting amendment at the desk on the section the Senator from Alabama proposes to strike. I ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The amendment was read, as follows:

On page 10, line 19, following the word "to", insert the word "one half".

Mr. McGOVERN. Mr. President, the thrust of this amendment was designed by the Senator from Illinois (Mr. STEVENSON). It embraces a principle which I very strongly endorse, which is to combine the concept of public financing with limited private financing. I think something will be lost in our political process if we go entirely to the public financing of campaigns. What this amendment does, in effect, is to say that the same concept that operates in the bill before us in the primaries should operate in the general election. In other words, under the terms of the perfecting amendment I am offering, once a candidate is established as a nominee of his party, he is at that point authorized to receive one-half of the amount of expenditures that the bill permits, rather than the full amount. The remaining half he would have to go out and raise in private contributions under the restrictions that this bill implies. It would have the advantage of giving the candidate the incentive to take his case out to the people, and it would have the advantage of permitting an average citizen to make an investment in the candidate of his choice.

It would reward candidates with broad grass root support. It would strike a favorable balance between those who say, "No public financing at all," and those who want to go the whole distance with public financing. I hope very much the Senate will adopt the amendment. I hope the Senator from Alabama will see it as an improvement over the section of the bill he is proposing to strike and that he might abandon his idea on this portion of the bill.

Mr. ALLEN. The Senator understands, I am sure, that under the checkoff provision there is already available 100 percent financing up to the amount set in this bill in Presidential races. Would the Senator's amendment cut that figure in half? There already is a $21 million subsidy available to each party in 1976.

Mr. McGOVERN. It would have no bearing on that. It would relate only to the language of the present bill.

Mr. ALLEN. If all he could get is one-half under this provision, how could he then get all under the other since it is all coming out of the public Treasury? Is it not?

Mr. McGOVERN. Yes, but this bill provides for a different method to finance campaigns. It applies not only to the Presidency but all Federal offices.

I think the language would not have any impact other than to require the candidate to get one-half from private sources.

Mr. ALLEN. No, it does not say that. It says one-half from the public Treasury of his overall limit. It does not require a single dime to be paid in private contributions.

Mr. McGOVERN. That is correct; but if you wanted to spend the total amount under the bill he would have to raise one-half from private sources.

Mr. ALLEN. It looks like the candidate would have the option to proceed under the checkoff, which would give him $21 million without matching, or to proceed under this provision, which would give him $10.5 million with public funds.

Mr. McGOVERN. May I ask the Senator what would be the impact of his own amendment in terms of the checkoff system?

Mr. ALLEN. It would leave the checkoff system exactly where it is now. It would have no effect on it.

Mr. McGOVERN. I cannot see where this affects it, because it does not relate to that language.

Mr. ALLEN. The reason is that there would be no wording there at all for such provision.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senator from South Dakota have the floor after disposal of the amendment.

Mr. GRIFFIN. Mr. President, reserving the right to object, what was the request?

The PRESIDING OFFICER. That the Senator from South Dakota have the floor following the vote.

Is there objection to the request?

Mr. MANSFIELD. On the Allen amendment.

The PRESIDING OFFICER. The Chair assumed that the unanimous consent first was on the McGovern amendment.

Would the Senator from Montana restate his unanimous consent request?

Mr. MANSFIELD. I ask for the yeas and nays on the Allen amendment.

The PRESIDING OFFICER. The yeas and nays are requested.

The yeas and nays were ordered.

Mr. GRIFFIN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Michigan will state it.

Mr. GRIFFIN. What are we going to vote on first?

Mr. MANSFIELD. On the Allen amendment No. 1064.

Mr. GRIFFIN. Mr. President, will the Chair state what the vote will first be on?

The PRESIDING OFFICER. On the amendment offered by the Senator from South Dakota.

Mr. GRIFFIN. So the vote first will be not on the Allen amendment, but on the amendment of the Senator from South Dakota to the Allen amendment.

The PRESIDING OFFICER. The Senator from Michigan is correct. The vote on the amendment of the Senator from South Dakota takes precedence.

The hour of 3:30 having arrived, the Senate will proceed to vote on the McGovern amendment.

Mr. PASTORE. Mr. President——

Mr. GRIFFIN. Mr. President, I ask for the yeas and nays

The PRESIDING OFFICER. The yeas and nays are requested.

The yeas and nays were ordered.

Mr. PASTORE. Mr. President, I move to lay the McGovern amendment on the table.

Mr. KENNEDY. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, in view of the fact that we are speeding things up a little, I would hope, in the interest of expediency, that we could agree on a 10-minute vote limitation.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. GRIFFIN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GRIFFIN. The vote now is on the motion to table the McGovern amendment. Is that correct?

The PRESIDING OFFICER. The Senator is correct. The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. Fulbright), the Senator from Minnesota (Mr. Mondale), and the Senator from Missouri (Mr. Symington) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Oregon (Mr. Hatfield) is absent on official business.

I also announce that the Senator from Vermont (Mr. Aiken) is absent because of illness in the family.

I further announce that the Senator from South Carolina (Mr. Thurmond) is necessarily absent.

I further announce that, if present and voting, the Senator from South Carolina (Mr. Thurmond) and the Senator from Oregon (Mr. Hatfield) would each vote "yea."

The result was announced—yeas 75, nays 19, as follows:

[No. 89 Leg.]

YEAS—75

Allen
Baker
Bartlett
Bayh
Bennett
Bentsen
Bible
Brock
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Church
Clark
Cook
Cotton
Cranston
Curtis
Dole
Dominick
Eagleton
Eastland
Ervin
Fannin
Goldwater
Gravel
Griffin
Gurney
Hansen
Hart
Hartke
Haskell
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Inouye
Jackson
Johnston
Kennedy
Long
Magnuson
McClure
McGee
McIntyre
Metzenbaum
Montoya
Moss
Muskie
Nelson
Nunn
Pastore
Pell
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Talmadge
Tower
Weicker
Tunney
Williams
Young

NAYS—19

Abourezk
Beall
Bellmon
Biden
Case
Domenici
Fong
Hughes
Javits
Mansfield
Mathias
McClellan
McGovern
Metcalf
Packwood
Pearson
Percy
Stevenson
Taft

NOT VOTING—6

Aiken
Fulbright
Hatfield
Mondale
Symington
Thurmond

So Mr. Pastore's motion to lay on the table Mr. McGovern's amendment to Mr. Allen's amendment was agreed to.

The PRESIDING OFFICER. The question recurs on agreeing to the amendment of the Senator from Alabama (Mr. Allen), No. 1064. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. Fulbright), the Senator from Minnesota (Mr. Mondale), and the Senator from Missouri (Mr. Symington) are necessarily absent.

I further announce that, if present and voting, the Senator from Missouri (Mr. Symington) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Oregon (Mr. HATFIELD) is absent on official business.

I also announce that the Senator from Vermont (Mr. AIKEN) is absent because of illness in the family.

I further announce that the Senator from South Carolina (Mr. THURMOND) is necessarily absent.

On this vote, the Senator from Vermont (Mr. AIKEN) is paired with the Senator from Minnesota (Mr. MONDALE).

If present and voting, the Senator from Vermont would vote "aye" and the Senator from Minnesota would vote "nay."

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) and the Senator from South Carolina (Mr. THURMOND) would each vote "yea."

The result was announced—yeas 33, nays 61, as follows:

[No. 90 Leg.]

YEAS—33

Allen
Baker
Bartlett
Bellmon
Bennett
Brock
Buckley
Byrd, Harry F., Jr.
Cotton
Curtis
Dole
Dominick
Eastland
Ervin
Fannin
Fong
Goldwater
Griffin
Gurney
Hansen
Helms
Hollings
Hruska
McClellan
McClure
Nunn
Roth
Scott, William L.
Sparkman
Stennis
Talmadge
Tower
Weicker

NAYS—61

Abourezk
Bayh
Beall
Bentsen
Bible
Biden
Brooke
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cook
Cranston
Domenici
Eagleton
Gravel
Hart
Hartke
Haskell
Hathaway
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Long
Magnuson
Mansfield
Mathias
McGee
McGovern
McIntyre
Metcalf
Metzenbaum
Montoya
Moss
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Stafford
Stevens
Stevenson
Taft
Tunney
Williams
Young

NOT VOTING—6

Aiken
Fulbright
Hatfield
Mondale
Symington
Thurmond

So Mr. ALLEN's amendment (No. 1064) was rejected.

EXTENSION OF THE CHECK FORGERY INSURANCE FUND

Mr. HRUSKA. Mr. President, I ask unanimous consent that the pending bill be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 717, H.R. 6274.

The PRESIDING OFFICER (Mr. BARTLETT). The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 6274) to grant relief to payees and special indorsees of fraudulently negotiated checks drawn on designated depositaries of the United States by extending the availability of the check forgery insurance fund, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nebraska? The Chair hears none and the Senate will proceed to its consideration. The Senate will be in order.

Mr. HRUSKA. Mr. President, this is a bill to grant relief to payees and special indorsees of fraudulently negotiated checks drawn on designated depositaries of the United States by extending the availability of the check forgery insurance fund.

This measure would add new language to the Check Forgery Insurance Fund statue (55 Stat. 777; 31 U.S.C. §§ 561–64), which is a revolving fund established in the Treasury Department out of appropriated funds and which serves to reimburse payees and special indorsees whose names are forged on U.S. checks which were negotiated and paid on the forged instrument. Specifically, H.R. 6274 would add a new section 4 to permit similar payment to payees and special indorsees on forged checks drawn in U.S. dollars or foreign currencies on depositaries designated by the Secretary of the Treasury in the United States or abroad.

A deficiency exists in present law which does not allow for full relief for payees or indorsees of Government checks where forged checks are drawn on U.S. Treasury depositaries in foreign countries and paid on occasion in foreign currencies. The increased use of U.S. checks drawn on foreign depositaries and the increased incidence of forged instruments on such accounts necessitates the need for a fiscal resource from which prompt and certain relief can be made to innocent payees and special indorsees. The Check Forgery Insurance Fund currently provides relief for checks drawn in U.S. dollars, but does not now cover situations where the checks are paid in foreign currencies. The purpose of the proposed bill is to provide a recourse for claims arising under these latter circumstances.

Moreover, under present law, claimants in foreign countries must rely on the banking laws and regulations where the U.S. Treasury depositary is located. Since there are now no means for timely and efficient settlement of funds, delays as long as 2 years are frequently experienced by payees and special endorsees seeking settlement. H.R. 6274 would provide a logical and proven remedy for prompt settlement through funds retained in the check forgery fund.

Finally, it should be noted that use of the fund by the Treasurer does not relieve a forger, or transferee subsequent to the forgery, from any liability on the check, and all amounts recovered by the Treasurer as a result of such liability are credited to the fund as necessary to reimburse it.

Mr. President, this measure makes a simple revision of present law which broadens the authorized use of the check forgery insurance fund, and in certain instances by authorizing the use of foreign currencies to make proper settlement in a logical and timely fashion. I recommend its passage.

Mr. MANSFIELD. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. HRUSKA. Mr. President, I yield to the Senator from Arkansas.

Mr. McCLELLAN. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk proceeded to read the amendment.

Mr. McCLELLAN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MCCLELLAN's amendment is as follows:

At the end of the bill, add the following:

"SEC. 2(a) Section 203(j) of the Federal Property Administrative Services Act of 1949, as amended (40 U.S.C. 484(j)), is amended—

"(1) by striking out 'or civil defense' in the first sentence of paragraph (1) and inserting in lieu thereof 'civil defense, or law enforcement and criminal justice';

"(2) by striking out 'or (4)' in the first sentence of paragraph (1) and inserting in lieu thereof '(4), or (5)';

"(3) by striking out 'or paragraph (4)' in the last sentence of paragraph (2) and inserting in lieu thereof a comma and "(4), or (5)';

"(4) by inserting after paragraph (4) a new paragraph as follows:

"'(5) Determination whether such surplus property (except surplus property allocated in conformity with paragraph (2) of this subsection) is usable and necessary for purposes of law enforcement and criminal justice, including research, in any State shall be made by the Administrator, Law Enforcement Assistance Administration, who shall allocate such property on the basis of need and utilization for transfer by the Administrator of General Services to such State agency for distribution to such State or to any unit of general local government or combination, as defined in section 601 (d) or (e) of the Crime Control Act of 1973 (87 Stat. 197), designated pursuant to regulations issued by the Law Enforcement Assistance Administration. No such property shall be transferred to any State agency until the Administrator, Law Enforcement Assistance Administration, has received, from such State agency, a certification that such property is usable and needed for law enforcement and criminal justice purposes in the State, and such Administrator has determined that such State agency has conformed to minimum standards of operation prescribed by such Administrator for the disposal of surplus property.';

"(5) by redesignating paragraphs (5), (6), and (7) as paragraphs (6), (7), and (8), respectively;

"(6) by striking out 'and the Federal Civil Defense Administrator' in paragraph (6), as redesignated, and inserting in lieu thereof a comma and 'the Federal Civil Defense Administrator, and the Administrator, Law Enforcement Assistance Administration'; and

"(7) by striking out 'or paragraph (4)' in paragraph (6), as redesignated, and inserting in lieu thereof a comma and '(4), or (5)'.

"(b) Section 203(k)(4) of such Act, as amended (40 U.S.C. 484 (k)(4)),is amended—

"(1) by striking out 'or' after the semicolon in clause (D);

"(2) by striking out the comma after 'law' in clause (E) and inserting in lieu thereof a semicolon and 'or'; and

"(3) by adding immediately after clause (E) the following new clause:

"'(F) the Administrator, Law Enforcement Assistance Administration, in the case of personal property transferred pursuant to subsection (j) for law enforcement and criminal justice purposes,'.

"(c) Section 203(n) of such Act, as amended (40 U.S.C. 484(n)), is amended—

"(1) by striking out in the first sentence 'and the head of any Federal agency desig-

> nated by either such officer' and inserting in lieu thereof 'the Administrator, Law Enforcement Assistance Administration, and the head of any Federal agency designated by any such officer'; and
>
> "(2) by striking in next to the last sentence 'law enforcement' and inserting in lieu thereof 'law enforcement and criminal justice', and in the same sentence striking 'or (j)(4)' and inserting in lieu thereof a comma and '(4), or (5)'."

Mr. McCLELLAN. Mr. President, I offer an amendment to H.R. 6274 which is solely a technical amendment, to correct inadvertent omission of certain conforming amendments from the recently enacted Crime Control Act of 1973. These amendments are needed to conform the Federal Property and Administrative Services Act of 1949 to implement authority for the Law Enforcement Assistance Administration to donate surplus Federal property to a State agency for criminal justice purposes.

The Crime Control Act of 1973 was signed into law on August 6, 1973, as Public Law 93-83. It amended section 525 of the Omnibus Crime Control and Safe Streets Act of 1968 to extend authority of LEAA to donate surplus Federal property to State agencies for criminal justice purposes. This was done by amending only section 203(n) of the Federal Property and Administrative Services Act to reflect the authority of LEAA. The conference reports of both the Senate and House clearly reflected the new authority to donate surplus property (S. Rept. No. 93–349, p. 33; H. Rept. No. 93–401, p. 33):

> The Senate amendment provided LEAA with authority to donate excess or surplus federal property to State agencies thereby vesting in the grantee title to such property. The conference substitute accepted the Senate provision.

Comments by Senator Hruska and myself when the conference report was submitted to the Senate similarly reflect the intent of the legislation—see Congressional Record of July 26, 1973, at page S14746; Congressional Record of August 2, 1973, at page S15561.

Following passage of the Crime Control Act, the Law Enforcement Assistance Administration received a number of requests to utilize this authority. The LEAA attempted to provide for the equipment needs at the recently devastated Oklahoma State Prison in McAlester, Okla., by requesting the General Services Administration to donate surplus property to the McAlester State Prison. In addition, over 50 law enforcement agencies wrote and requested a total of 80 helicopters from surplus military assets. Literally hundreds of other law enforcement agencies called and requested information on how they might apply for a helicopter. The latter assets are available from the military departments at this very minute.

However, on September 24, 1973, the General Counsel of the General Services Administration advised the Law Enforcement Assistance Administration that amending section 203(n) of the Federal Property and Administrative Services Act was not sufficient to authorize the Administrator of General Services to donate surplus property for law enforcement purposes. Section 203(n) prior to its amendment by section 525 of the Crime Control Act, referred to "surplus property which the Administrator may approve for donation for use in any State for purposes of education, public health, or civil defense, or for research for any such purpose, pursuant to subsection (j)(3) or (j)(4)." The amendment added law enforcement programs as eligible for such donation. General Services Administration has concluded that section 203 (n) is not independent authority to donate surplus property for law enforcement purposes. Subsection 203 (j) and (k) required amendments as well.

The amendment I propose today perfects the operative language of subsections 203 (j) and (k) of the Federal Property and Administrative Services Act by adding the words "law enforcement and criminal justice" to subsection 203(j)(1) so as to authorize the Administrator of General Services to donate surplus personal property usable and necessary for law enforcement and criminal justice, educational, public health, or civil defense purposes. It also adds a new subsection (j)(5) to permit the Administrator, Law Enforcement Assistance Administration, upon a determination that surplus property is usable and necessary for the purposes of law enforcement and criminal justice, to allocate such property on the basis of needs and utilization for transfer by the Administrator of General Services to such State agencies recognized pursuant to regulations issued by the Law Enforcement Assistance Administration. To accommodate the addtion of this, new paragraph, paragraphs (5), (6), and (7) are renumbered (6), (7), and (8), respectively.

In addition, section 203(k)(4) of the Federal Property and Administrative Service Act is amended by adding a new clause (f) to authorize the Administrator, Law Enforcement Assistance Administration, to enforce compliance with terms and conditions on personal property donations in the same manner as other agencies designated therein. The necessity for this amendment is explained in detail in an October 23, 1973, letter from the General Counsel of the General Services Administration to the General Counsel, Law Enforcement Assistance Administration. I request unanimous consent for this letter to be inserted, in pertinent part, into the Record following my remarks.

Mr. President, the need exists today for surplus items in many law enforcement agencies in every State and territory. The only thing lacking is the perfecting authority to make the surplus helicopters and other supplies available for State and local law enforcement programs.

The technical amendment offered today assures that LEAA will be able to distribute surplus property to law enforcement and criminal justice organizations of the State without the wasteful and burdensome Federal accountability procedures now required. This was the clear intent of the Crime Control Act of 1973, and would be the law now, but for inadvertent failure to include these amendments in that act. Without the amendments, LEAA is authorized to acquire personal property items which are classified as Federal excess property. Under the provisions of 41 CFR, paragraph 101–43. 320, LEAA can only place the property on loan to its grantees for use in their grant-supported law enforcement programs. Title to Federal excess property remains vested in the Federal Government and property accountability records must be maintained by the grantee in accordance with the requirements, criteria, formats, and procedures of the lending Federal agency. The use of excess property does augment the effectiveness of the grant funded programs. However, it places a substantial administrative burden on both the grantee and the Federal agency in that elaborate accounting records must be kept; inventory and disposition procedures must be maintained to safeguard the identity and presence of the Government loaned property. Where high cost and highly durable items are involved the recordkeeping and reporting procedures may be justified to insure that the equipment will be best used in support of programs of all Federal agencies. However, in the case of low cost, expendable, consumable or low durability items the accounting procedures place an economically unjustifiable burden upon the grantee and LEAA. Items such as clothing, electrical fixtures, conduit, supplies, minor laboratory equipment are normally retained by the grantee until they are reduced to scrap. Excess property, even in this condition, must be accounted for under the Federal agencies procedures and reported to the Federal agency for rescreening as Federal excess personal property. Disposition instructions are obtained at the end of the screening period and the items are shipped to disposal points or otherwise disposed of as GSA determines.

Surplus property is property which has been offered to all Federal agencies and has not been requested by any agency during its screening period. This property, which is not needed by any Federal agency for its internal needs and ongoing programs, often is adequate and appropriate for use in State and local law enforcement programs. Surplus Federal property once donated will become State property and its management and accountability responsibility will be vested primarily in the State. Federal agency resources do not need to be expended to maintain the duplicative records, and the entire accounting procedure is simplified.

A recent specific example of the immediate potential use of the authority which Congress intended to grant in the Crime Control Act of 1973 related to the unfortunate circumstances resulting from the riots at the Oklahoma State Prison at McAlester. Approximately $250,000 worth of supplies and equipment were obtained from Federal excess and surplus inventories and used to temporarily repair the prison facility and to provide shelter and services for prisoners. The need for additional large acquisitions of property which was furnished to the Oklahoma State Prison was obtained from Federal excess inventories, because of the lack of available surplus resources. Some of the property has been incorporated into the physical plant of the prison to effect repairs; clothing was obtained for the prisoners who had possessed only the clothing they were wearing when the prison riot ensued. Although the use of excess Federal property provided a rapid and effective source of assets, it now poses a significant accountability and usage problem. If the assets could have been obtained from surplus inventories, they would now be the property of the Oklahoma State Prison, rather than the Federal Government.

An example of a proper future exercise of this authority exists in the Virgin Islands. The Virgin Islands is in desperate need of a new confinement facility on the island of St. Croix. The present prison is over 100 years old. A new prison, constructed with LEAA grant participation, is presently under construction. Due to limited funds to provide furnishings, supplies, and equipment, the Office of the Commissioner has requested LEAA to provide the property from the Federal excess or surplus. The items needed encompass the entire range of supplies and equipment necessary to furnish the prison, provide messing for prisoners, accommodate the guards and prison officials, equip rehabilitation and training facilities, as well as medical and recreational facilities. A rehabilitation and training program will be implemented if LEAA can provide the equipment for shops and classrooms. The Virgin Islands will be financially able to provide a staff if LEAA can provide the equipment. These few examples are only illustrative of the many instances where donation of surplus property to police agencies, correctional, and rehabilitative facilities and courts will enable States to fulfill property requirements of criminal justice programs.

Mr. President, I might also point out that this type of Federal authority is not unique. More than $5 billion worth of surplus property of all kinds is presently available. Last year $396.5 million worth of property was donated through State agencies for the purposes of education, public health, and civil defense. Projected surplus property donations for fiscal year 1974 are $550 million.

With the pressing problems facing the criminal justice system, authorizing donation of surplus property for law enforcement needs is a priority we must address and indeed did address when section 525 of the Crime Control Act of 1973 (Public Law 93–83) was enacted. By enacting this perfecting amendment I offer today, we will be carrying out the congressional intent of assisting States and local governments through effective use of a surplus property program for law enforcement programs.

There being no objection, the letter referred to was ordered to be printed in the RECORD, as follows:

GENERAL SERVICES ADMINISTRATION,
Washington, D.C., October 23, 1973.

THOMAS J. MADDEN, Esquire,
General Counsel, Law Enforcement Assistance Administration, Department of Justice, Washington, D.C.

DEAR MR. MADDEN: Reference is made to your request for an opinion concerning the applicability of section 203(k)(4) of the Federal Property and Administrative Services Act of 1949, as amended, to donations of personal property.

* * * * *

Section 203(k)(4) provides "Subject to the disapproval of the Administrator within thirty days after notice to him of any action to be taken under this subsection—

(A) The Secretary of Health, Education, and Welfare, through such officers or employees of the Department of Health, Education, and Welfare as he may designate, in the case of property transferred pursuant to the Surplus Property Act of 1944, as amended, and pursuant to this Act, to States, political subdivisions, and instrumentalities thereof, and tax-supported and other nonprofit educational institutions for school, classroom, or other educational use;

(B) the Secretary of Health, Education, and Welfare, through such officer or employees of the Department of Health, Education, and Welfare as he may designate, in the case of property transferred pursuant to the Surplus Property Act of 1944, as amended, and pursuant to this Act, to States, political subdivisions and instrumentalities thereof, **tax-supported medical institutions, and to hospitals and other similar institutions not** operated for profit, for use in the protection of public health (including research);

(C) the Secretary of the Interior, in the case of property transferred pursuant to the Surplus Property Act of 1944, as amended, and pursuant to this Act, to States, political subdivisions, and instrumentalities thereof, and municipalities for use as a public park, public recreational area, or historic monument for the benefit of the public;

(D) the Secretary of Defense, in the case of property transferred pursuant to the Surplus Property Act of 1944, as amended, to States, political subdivisions, and tax-supported instrumentalities thereof for use in the training and maintenance of civilian components of the armed forces; or

(E) the Federal Civil Defense Administrator, in the case of property transferred pursuant to this Act to civil defense organizations of the States or political subdivisions or instrumentalities thereof which are established by or pursuant to State law, is authorized and directed—

(i) to determine and enforce compliance with the terms, conditions, reservations, and restrictions contained in any instrument by which such transfer was made;

(ii) to reform, correct, or amend any such instrument by the execution of a corrective, reformative or amendatory instrument where necessary to correct such instrument or to conform such transfer to the requirements of applicable law; and

(iii) to (I) grant release from any of the terms, conditions, reservations and restrictions contained in, and (II) convey, quitclaim, or release to the transferee or other eligible user any right or interest reserved to the United States by, any instrument by which such transfer was made, if he determines that the property so transferred no longer serve the purpose for which it was transferred, or that such release, conveyance, or quitclaim deed will not prevent accomplishment of the purpose for which such property was so transferred: PROVIDED, That any such release, conveyance, or quitclaim deed may be granted on, or made subject to, such terms and conditions as he shall deem necessary to protect or advance the interests of the United States."

Since the provision appears as part of section 203(k), your question whether its application is limited solely to real property or whether it is applicable to both real and personal property.

It is our opinion that section 203(k)(4) relates to both real and personal property and not merely to real property. We believe that the language ". . . action to be taken under this subsection" is intended, in this instance, to relate to actions under subparagraph (i), (ii), and (iii) of (k)(4) and not as limiting the authority to subsection (k) transactions. This interpretation has prevailed at both the HEW and GSA since the Property Act was enacted in 1949. Congress is aware of such interpretation.

In July of 1956, Congress amended the Federal Property Act to provide authorization for donation for Civil Defense purposes, and the Act of July 3, 1956, which deals solely with donations of *personal property* for Civil Defense purpose specifically amended section 203(k). The legislative history indicates as the reason therefor the following:

"Section 2 provides for amending section 203(k) of the Federal Property and Administrative Services Act of 1949, as amended, to **give the Federal Civil Defense Administrator** comparable authority for enforcing compliance of terms and conditions on property donations in the same manner as the Secretary of Health, Education, and Welfare is authorized to enforce restrictions on property donated for health or educational purposes. This is a conforming amendment, **and is identical to section 5 of H.R. 7227 as** approved by the House of Representatives."

In addition, both GSA and HEW by current regulations interpret section 203(k)(4) as being applicable to both personal property and real property. It should be noted that in section 203(k)(4) the term "property" is used. In all other sections of section 203(k) the term "real property" is used when referring to property. We believe that under such circumstances the term "property" must be deemed to include both real and personal property (see section 3(d) of the Federal Property Act defining "property").

Accordingly, you are advised that section 203(k)(4) is applicable to both personal property and real property and any amendment of 203(j) should take such factor into consideration.

You have raised the further question whether in view of the amendment to section 203(j) relating to the imposition of terms, conditions, restrictions and reservations upon the use of any single item of personal property donated having an acquisition cost of $2500 or more whether an amendment to section 203(k)(4) is necessary.

We have reviewed the legislative history concerning the amendment of section 203(j), referred to above. In our view, the purpose of the amendment was to restrict in dollar terms the imposition of terms and conditions. It was not intended, nor does it, in our opinion, affect the authorizations under sections 203(k)(4). Section 203(k)(4) deals with enforcement of compliance with the terms, conditions, reservations and restrictions contained in any instrument by which such transfer was made; or to the reformation, correction or amendment of an instrument or to the granting of releases to any terms, conditions, restrictions and reservations contained in the transfer instrument.

There is nothing in the legislative history which indicates that section 203(j)(5) was intended to supercede the authorities under section 203(k)(4). Rather, as previously indicated, the express purpose was to limit the imposition of terms and conditions to donations above a certain dollar value.

GSA, as indicated in its regulations, considers section 203(k)(4) as being applicable to personal property donations notwithstanding paragraph (5) of section 203(j). At best, it would require substantial construction of section 203(j)(5) to imply authorities clearly and expressly granted under section 203(k)(4). Even if implied authority could be argued under 203(j)(5) to permit certain actions expressly authorized under 203(k)(4), under no circumstances could, in our opinion, release of restrictions imposed be implied. In addition, a failure to amend 203(k)(4) at this time, in view of the legislative history and prior interpretations, could be interpreted as a failure by Congress to authorize Law Enforcement Assistance Administration (LEAA) to take the actions authorized under subparagraphs (i), (ii), and (iii) of 203(k)(4) since in all other cases an amendment to 203(k)(4) was made.

As a practical matter, we have been informally advised by the Department of Health, Education, and Welfare that actions under 203(k)(4) are substantial, numbering in the hundreds.

In view of the opinions set forth herein, should your agency amend 203(j) and assuming that you intend to take the actions presently authorized under 203(k)(4), we would strongly recommend that an amendment be made to section 203(k)(4) to appropriately include the Administrator of LEAA.

Sincerely,

WILLIAM E. CASSELMAN, II,
General Counsel.

Mr. McCLELLAN. Mr. President, I have discussed this with the distinguished manager of the bill. I think it is an amendment that he fully understands the purpose of. So far as I know, there is no objection to it. I trust the Senator from Nebraska (Mr. HRUSKA) will accept it as proposed.

Mr. HRUSKA. Mr. President, the Senator from Arkansas has acquainted me with the amendment he has just proposed. I hesitate to accept any amendment which may slow prompt enactment of this measure. However, there are two reasons which obviate my fears of this result.

First, as the chairman has so clearly pointed out in the introduction of his amendment, it is solely a technical amendment which is intended to implement the earlier expressed will of both the House and the Senate in regard to the passage of the Crime Control Act of 1973—Public Law 93–83.

In addition, it is also my understanding that an amendment of this nature would not be fatal to a prompt, final approval of the subject bill in the House.

Therefore, I have no objection to the amendment offered by the Senator from Arkansas to the pending measure.

Mr. McCLELLAN. I thank the Senator from Nebraska very much.

The PRESIDING OFFICER (Mr. BARTLETT). The question is on agreeing to the amendment of the Senator from Arkansas.

The amendment was agreed to.

Mr. HRUSKA. Mr. President, I move that the vote by which the amendment was agreed to be reconsidered.

Mr. McCLELLAN. Mr. President, I move to lay that motion on the table.

The motion was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. McCLELLAN. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. HRUSKA. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT OF THE CIVIL SERVICE RETIREMENT SYSTEM

Mr. FONG. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 2174.

The PRESIDING OFFICER (Mr. BARTLETT) laid before the Senate the amendments of the House of Representatives to the bill (S. 2174) to amend the Civil Service Retirement System with respect to definition of widow and widower which were after line 12, insert:

SEC. 2. (a) Section 8339(f)(2) of title 5, United States Code, is amended—

(1) by deleting "greater" and inserting "greatest" in place thereof;

(2) by deleting the word "or" immediately after the semicolon at the end of clause (A);

(3) by redesignating clause (B) as clause (C); and

(4) by inserting immediately below clause (A) the following new clause (B):

"(B) the average pay of the Member; or".

(b) The amendments made by subsection (a) of this section shall apply to annuities paid for months beginning after the date of enactment of this Act.

And amend the title as so to read: "An act to amend certain provisions of law defining widow and widower under the civil service retirement system, and for other purposes."

Mr. FONG. Mr. President, the Senate reduced the period of marriage from 2 years to 1 year of wives and Members in the retirement system to become entitled to survivors' benefits under the system at the time of the death of the Member.

The House sent the bill back which had a provision in it to include the pay of the leaders of Congress who are receiving more than $42,500 to include that amount in the highest 3-year salary for retirement purposes.

Mr. President, I move that the Senate concur in the amendments of the House.

The motion was agreed to.

IMPORTANCE OF A STRONG AMERICAN MERCHANT MARINE TO OUR NATIONAL DEFENSE

Mr. MAGNUSON. Mr. President, the spokesman for 2.4 million Americans, Robert E. L. Eaton, national commander of the American Legion, recently addressed a meeting of the Propeller Club of Washington on the importance of a strong American Merchant Marine to our national defense.

While the Merchant Marine Act of 1970 has begun a dramatic increase in U.S. shipbuilding, Commander Eaton's remarks appropriately describe the critical relationship between ocean transportation and our American lifestyle.

Mr. President, I ask unanimous consent that Commander Eaton's comments be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

AN ADDRESS BY ROBERT E. L. EATON

Mr. Chairman, distinguished guests, ladies and gentlemen, I think everyone in this room is well aware that The American Legion, throughout its existence, has called for a system of national defense second to none.

It follows quite naturally that we also are on record in support of a United States privately owned merchant fleet second to none.

To have one without the other would render either ineffective.

It may come as a shock to many Americans, but the United States of America, one of the most affluent societies of human history, is a "have not" nation when it comes to adequate supplies of raw materials to keep the country moving full speed ahead. At no time in recent history has this been hammered home to us more dramatically than in the current energy crisis.

Those of us who live here in the shadow of the nation's capitol have found the drama of the energy shortage somewhat more painful than those in areas that were blessed with more adequate fuel supplies. By sweating, fretting and swearing through long lines at the gasoline station we, as individuals, have learned what it is like to be without a commodity we consider critical to our daily life routine.

My own state of Maryland originated a resolution that was unanimously adopted at our National Convention last August in Hawaii, which calls for greater utilization of United States flag merchant vessels to transport to our shores sixty-nine of the seventy-one materials deemed critical to United States industry and to national defense.

Only 4.72 percent of all those essential materials were being transported to our country on United States flag vessels. Even more startling is the fact that no United States flag tankers are carrying crude oil to United States ports—and that was true before the oil embargo.

This is pure conjecture, but what a shock it would be if the oil exporting nations lifted their embargo, and we couldn't find anyone to transport it. However, it isn't impossible as this very thing occurred during the Vietnam War and there was a period of time when supplies for our men accumulated on the docks as ships under foreign flags refused to carry it.

While I have just alluded to a hypothetical situation in the transportation of oil, the fact of the energy shortage is *not* hypothetical. It *is* hard fact, just as it is hard fact that these United States are dependent on other countries as a source of supply for varying percentages of sixty-nine of the seventy-one materials deemed critical to our economy and our defense. When a source of supply has been located, it remains a hard fact that more than 95 percent of those materials imported into the United States come into our ports under foreign flags.

This is not exactly what The American Legion had in mind in its advocacy of a privately owned United States merchant fleet second to none in the world. We rather visualized the day when America would quit playing Russian Roulette with the U.S. Merchant Fleet.

I understand, however, that the picture is not as bleak as painted by the few remarks I have made, but that genuine progress is now being realized by your vital industry as a result of the Merchant Marine Act of 1970. This ray of light that has penetrated the darkness shrouding the United States Merchant Marine virtually since World War II, was something the Legion had advocated for years. Immediately upon passage of the Act we began calling for implementation, including adequate funding to make the program workable. Now it looks like things are beginning to happen.

Reports come to me indicating the nation now is experiencing the greatest peacetime shipbuilding boom in history with some 90 large merchant ships valued at $3.6 billion, and totalling six-million deadweight tons, either under construction or on order. This, I am told, represents almost half of the deadweight tonnage of the entire active fleet of the U.S. Merchant Marine.

Hopefully the years of indifference to the need are at an end. The progress of some three years under this act has been dramatic and has seen an effective beginning of the rebuilding of the U.S. flag fleet, including freighters and tankers. Some of these new, modern ships with up to five times the carrying capacity of older vessels now are, or soon will be placed in service to help meet our growing economic and national defense demands.

Let's not tend to minimize the defense dependency upon merchant shipping. In 1973 alone, and as we know United States involvement in Southeast Asia ended in January, February of last year, making it for the most part a peacetime year for our country, the American merchant marine carried more than 10 million tons of military cargo.

Vietnam proved again one of the oldest truisms of warfare, that you can't hold ground without the infantry actually moving in and physically occupying it. Now, for an Air Force type, that is a major concession, but it happens to be a fact that we bombed the hell out of North Vietnam for a considerable period of time. When it was over all we had achieved was a well-bombed target.

Throughout it all, the territory of North Vietnam was not invaded by ground troops. It remained an effective staging area and springboard for continuing aggression into South Vietnam. To transport, equip and supply ground troops in substantial numbers, the merchant marine is, as always, indispensable.

Even when we are not engaged in conflict, there is seldom a time when we do not have substantial numbers of American troops stationed overseas and sizeable military and economic aid commitments to fill. The contention of The American Legion always has been that the United States should have the capacity to carry out its commitments, and we think that feeling is in line with ideas expressed by the administration and the President's call for self-sufficiency in energy.

As for the partnership between the military and the merchant marine industry, as vital as it is, it would seem advantageous that a system of handling military cargo might be developed that would be fair both to the industry and to the military. A cargo allocations system that could help insure the health and strength of the industry in time of peace would also insure that the fourth arm of defense would be strong and reliable in time of crisis.

I think The American Legion is as well qualified to evaluate the need for a strong merchant marine as just about any organization other than those of you who are directly connected with the industry. We are an organization of 2.7 million men and women, veterans of America's four wars of the twentieth century. All of the action in these wars was at sea or on foreign territory. Our lifeline, under peacetime conditions still is the merchant marine, for our country relies on shipping to bring in the vast supplies of materials we need just to keep going.

One of America's most knowledgeable men as far as seapower is concerned is Admiral Elmo R. Zumwalt, Chief of Naval Operations. The Admiral recently told Defense Department officials, "The Navy has a greater requirement for merchant ships than is generally realized. For example, merchant ships are absolutely required to provide the bulk of the DOD sealift and to augment our amphibious forces. . . I intend to express my belief in the need for a strong, viable U.S.-flag Merchant Marine at every opportunity."

When you have men of Admiral Zumwalt's caliber in your corner, you have a valued ally, and I'm sure there are many others in the military who share the sentiments he has expressed.

It has been a long, hard struggle to reach the condition we are savoring today as we watch a new, modern merchant fleet move from the drawing board to the shipyard and now onto the sea lanes of the world.

One step in this process is that all important move from the drawing board to the shipyard, and in this instance I am delighted to note that the bulk of work is going to United States shipyards.

It has been a long time since a National Commander of The American Legion has spoken to this group. Bill Galbraith was last, but it was in September of 1965 that then National Commander L. Eldon James addressed this club. He noted the top notch scientific and technical skills that are required by the shipbuilding industry and expressed great concern that we would lose those skills if our shipyards were not kept busy and operative.

I have noted in a fairly recent speech about the industry, delivered last December, I believe, that new ships then under contract, plus a sizeable number being converted into container liners, would provide 125,000 man-years of employment to workers in American shipyards and allied industries. This is a healthy sign, and I'm confident there is a great deal yet to come.

The need for a greater degree of self-sufficiency, while highlighted by the energy crisis, goes so much deeper than that surface manifestation when you contemplate that frightening list of essential materials for which the United States is dependent on other countries.

There simply is no other method of transporting the required quantities of these materials across vast oceans other than by ship. We of The American Legion believe that greater quantities of these materials should be transported by American Flag ship, not only as a matter of security, but as a very practical economic matter of helping to curb the flow of American dollars out of this country.

For a detailed accounting of this matter of dependency on other countries for essential materials I would refer you to the Congressional Record of February 18 of this year, pages 3225 through 3227, where in an item entitled "Beyond the Tip of the Iceberg" there is spelled out in considerable detail the problem I'm speaking of.

Here is a partial listing, just for the record: *Aluminum and Bauxite*, imported from Jamaica, Surinam, Australia and Guinea, supply about 87 percent of U.S. manufacturing requirements. *Antimony*, from South Africa, Mexico and Bolivia, a strategic commodity used in the manufacture of ammunition, alloy hardening and paint manufacture, finds the U.S. using approximately 40 percent of the world's supply while providing only about 15 percent of our needs from our own deposits.

Chromium, imported mainly from Russia, South Africa, Rhodesia and Turkey, finds the U.S. using approximately 28 percent of the world's production, and none has been mined in the United States since 1962.

Manganese, an essential to steel manufacturing, is imported from Brazil and five African nations, and the United States has almost no domestic reserves. *Tin* is imported from Malaysia, Thailand, Bolivia, Brazil and Zaire, and the United States, which consumes almost 30 percent of the non-communist world's production, has reserves equivalent to our requirements for a period of about nine months.

These are just a few of the materials we require from outside sources and we haven't even mentioned oil and energy.

Obviously, we are confronted with a critical situation with regard to these items for which we are dependent, and we are doubly jeopardized when we are dependent on foreign flags to bring these much needed materials to us.

Yes, we seem now to be on the right track to correct the deficiencies and shortcomings of our merchant marine which have accumulated over the past three decades, and not a moment too soon. Even with stepped up U.S. merchant marine ship building we still lag far behind certain other major maritime nations in merchant ship construction—notably the Soviet Union.

Facts and figures presented to the last American Legion National Convention last August revealed how rapidly the Russian merchant marine is growing as a part of the Soviet objective to rule the seas. Russia's use of its merchant marine as an international political weapon is a very real threat to our own position among the less developed nations of the world.

Although our merchant marine tonnage still is slightly greater than that of the Russians, the number of ships they have still outnumber ours by nearly three to one. The total number of U.S. privately-owned and government-owned merchant ships is about 1,020, while the latest count of Russian merchant ships is slightly over 2,700.

While many Russian ships are smaller than ours, we must recognize that each of these vessels carries the hammer-and-sickle flag as a calling card to open a nation's door and carry on subversive practices detrimental to our own cooperative relationships with these smaller nations.

Finally, with regard to fleet comparisons it is most significant to note that 63 percent of the overall world fleet is less than 10 years old. Japan has the most modern fleet with 86 percent of its vessels less than 10 years old. At the other end of the age scale comes the United States with some 50 percent of our fleet more than a quarter century old, while only six percent of the total world fleet is in that age bracket.

Is it any wonder that our overall merchant fleet has been known as the "rusty bucket brigade," even though we succeeded in carrying between 95 and 98 percent of our combat equipment and supplies to Vietnam.

I have given much emphasis to the importance of the U.S. merchant marine as an instrument of war or of national defense, and most assuredly it is a vital arm of defense.

There was a time in American history when national security was related in the public mind almost exclusively to the ability to defend the nation by force of arms.

Today we are learning, and I believe the American public is learning along with us, the very pointed lesson that national security is increasingly related to the ability of the nation to provide for its energy needs and its other strategic materials and supplies.

Every American is feeling a pinch of some kind with regard to some commodity, the availability of which may at one time have been taken for granted. Perhaps this era of shortages, inconveniences, and in some instances real hardships, is a blessing in disguise for the American people. We are learning to cope with problems we never believed we would have. I am confident that we are on the right track toward meeting these problems head-on by rebuilding and refurbishing our merchant fleet to make ouselves more nearly self-reliant in the area of transporting needed commodities to this country.

This present threat to our national security undoubtedly is a part of what Nikita Khrushchev had in mind when he threatened to sink us economically and without the need for armed conflict.

Thus, the impact of the American Merchant Marine on our daily lives becomes increasingly apparent. It should be obvious to all by this time that the merchant marine is not only a stout fourth arm of defense in time of war, but an equally vital factor in the defense and maintenance of our economic strength by bringing to us the essential elements to the survival and prosperity of our country and our own daily lives.

The American Legion salutes the U.S. Merchant Marine in its dual role as an essential element of our national security and a vital arm of transport in providing the needs for our economic survival. The American Legion is in your corner, and we believe the American people generally are going to become more and more favorably inclined toward a strong U.S. Merchant Marine as your importance in the daily lives of all of us becomes more widely known and better understood.

Thank you very much.

Now, before I relinquish this podium, I would ask Mr. Jasper Baker, President of the Propeller Club of the United States to join me here for a moment.

Mr. Baker, The American Legion has long shared the concern of the Propeller Club of the United States in promoting and supporting an American merchant marine adequate to meet the requirements of the national security and the economic welfare of the United States.

We appreciate the forthright manner in which you have pursued your total objectives and we are proud of the cooperative relationship we have enjoyed with the Propeller Club as we have sought mutual objectives for the good of these great United States of America.

In recognition of this shared effort it is my personal privilege and pleasure to present to you on behalf of The American Legion this plaque which is inscribed as follows:

The American Legion commends the Propeller Club of the United States for its outstanding and continuing contribution toward a strong, modern American Merchant Marine capable of meeting our nation's economic and defense needs.

Presented this 19th day of March, 1974, Mayflower Hotel, Washington, D.C., and attested by our National Adjutant Bill Hauck and signed by me as National Commander.

Mr. Baker, please accept this with our best wishes for the continuing success of the Propeller Club of the United States as you strive to fill a vital national need.

ORDER FOR ADJOURNMENT TO 9:30 A.M. TOMORROW AND FOR VOTE ON MINIMUM WAGE BILL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that, instead of coming in at 10 o'clock tomorrow, when the Senate adjourns tonight it stand in adjournment until 9:30 a.m. tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, that will allow us approximately 1 hour for the three special orders and morning business.

Mr. President, I ask unanimous consent that the time, at the conclusion of morning business, until 11:30 a.m., be equally divided between the Senator from New Jersey (Mr. WILLIAMS) and the Senator from Michigan (Mr. GRIFFIN) or whomever he may designate.

Mr. GRIFFIN. The minority leader, it should be.

Mr. MANSFIELD. Yes.

Or whomever he may designate; and that the vote on the conference report on the minimum wage occur at 11:30 a.m.

Mr. JAVITS. Mr. President, if the Senator will yield, there will be no objection, but I wondered whether, at that time, as I am for the report as I am the ranking member, it would be understood that the minority leader, or I, or anyone designated could assign time to anyone in opposition out of that 1 hour?

Mr. MANSFIELD. Oh, yes.

Mr. GRIFFIN. I am sure that I can speak for the distinguished minority leader in giving the Senator that assurance.

Mr. JAVITS. I thank the Senator very much.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The Senate continued with the consideration of the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

Mr. JAVITS. Mr. President, I ask unanimous consent that on the campaign financing bill, Charles Warren of my office may have the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

CAMPAIGN REFORM NOW

Mr. MATHIAS. Mr. President, the Senate has an historic opportunity before it to restore confidence in our publib institutions and public leaders, to reform our political process, and to reinvigorate political life in America on the eve of our Nation's bicentennial commemorations. I earnestly hope that we seize this opportunity courageously and imaginatively by passing the type of comprehensive, broad-based, balanced reform of Federal elections campaigns that is embodied in the pending legislation, S. 3044, the Federal Election Campaign Act Amendments of 1974.

In some ways, it is a sad commentary that we must even confront the necessity of this legislation today. By this I refer not only to the sordid realities of the Watergate experience which has so shaken the confidence of Americans in their political institutions and leaders. I also refer to the fact that most of the provisions in this bill before us have already been passed by the Senate, only to languish and wither from callous neglect. Campaign legislation has been bottled up, corked and cast out to sea to drift until it sinks forever to an unmarked grave.

Yet these are the circumstances we face, and we must make the most of them. The bill before us attempts to do just that. It combines the basic features of S. 372, which passed the Senate last summer, and a public financing amendment which passed the Senate in December. S. 372 includes restrictions on both contributions to campaigns and expenditures by campaigns. S. 372 also establishes an independent Elections Commission to oversee and enforce these Federal election laws. This independent Commission is urgently needed to insure full, fair, and expert supervision of the provisions of this legislation.

The amendment on public financing which received majority approval by the Senate in December was later filibustered to death on this floor. I opposed that filibuster because of the urgent need for the reforms embodied in this bill. I am aware, however, of the sincerity of some of my colleagues who wanted more time to study and perfect this public financing legislation. I am hopeful that these colleagues will now come forth with constructive suggestions on how to improve the bill before us.

Proposals to finance at least some of the costs of Federal elections campaigns from public funds are not a recent development. Almost 70 years ago, President Theodore Roosevelt suggested such measures in his state of the Union address to the Congress. President Roosevelt stated:

> It is well to provide that corporations shall not contribute to presidential or national campaigns and furthermore to provide for the publication of both contributions and expenditures. There is, however, always danger in laws of this kind, which from their very nature are difficult of enforcement: The danger being lest they be obeyed only by the honest, and disobeyed by the unscrupulous, so as to act only as a penalty upon honest men. There is a very radical measure which would, I believe, work a substantial improvement in our system of conducting a campaign. . . .

This proposed "radical measure" which President Roosevelt endorsed, was public financing of major campaigns.

More recently, former Ambassador and Senator Henry Cabot Lodge, who was President Nixon's running mate in 1960, sponsored specific legislation to begin partial public financing. In his recent book, "The Storm Has Many Eyes," Ambassador Lodge explains his support for this legislation:

> The talk of an 'office market' and of putting high executive and diplomatic missions on the auction block—all this breeding of suspicion and cynicism—would disappear overnight if the primary cause of the evil were obliterated at its roots. If there are no bidders, there can be no auction.

Many other distinguished Americans and recent Presidents have echoed the sentiments expressed by President Roosevelt and Ambassador Lodge.

Of course, today, we already have partial public financing. Americans who make political contributions are entitled to a tax credit of up to $25 for their contributions, or a tax deduction of up to $100. This reimbursement is a form of public financing which passed the Congress overwhelmingly and which has been helpful in encouraging and rewarding small contributions.

In addition, there is in operation the "$1 tax checkoff." Under this provision of the 1971 Revenue Act, each taxpayer can earmark $1 of his tax money to go to a special fund within the Treasury which can be used to finance the general election campaigns of candidates for the Presidency. I am pleased that the response to this measure by the American taxpayer this year has been such that it appears that there will be a sufficient amount in this special fund to cover the costs of the general election campaign of Presidential candidates in our bicentennial year. I believe that this response indicates that the American people are dedicated to ending the dominance of big money and secret contributions in political campaigns.

I do not maintain, of course, that the bill before us is perfect in every way. It provides, for example, for virtually 100-percent public financing in general election campaigns for Congress. I believe that this degree of public support is unnecessary. The goals we seek could be reached by supplying a moderate amount of public funds, and permitting candidates to supplement this public contribution by small private contributions. I believe our goal should be to insure that all serious candidates have an adequate amount of funds, but this does not mean that all such candidates must receive all their funds from public sources.

Despite this weakness, and others more minor in nature, I believe that this bill would inaugurate such vast improvement over the current way in which political campaigns are financed and conducted that it deserves our support. This is not to say that changes cannot be made. In fact, I hope that some amendments will be adopted on the Senate floor, I am sure that further changes will be made by the House, if it ever acts, and by the House-Senate conference. I hope that these will be wise changes.

In any case, however, I believe the time has come for the Senate and the Congress to work its will. Every one of us knows the realities of American politics. Every one of us knows the fine line—a line so fine it almost appears imaginary—which all candidates are forced to tread. And every one of us knows that we can enact legislation to reform campaigns.

Let us not, therefore, slash away at what little confidence and trust the public still has for public officials and the political system by playing games with this issue. Two great American traditions are at stake. Our traditional dedication to an honest, open political process responsive to the true values and beliefs of our citizens. And our traditional efforts to enlarge the political arena, and to make access to this arena more equal. The first of these traditions can be furthered by the type of provisions contained in S. 372 and this bill. But some modest, partial public financing is required to further both of these noble heritages.

For these reasons, Mr. President, I have long urged legislation of this sort. I supported the Campaign Reform Act of 1971 which made great progress in insuring full disclosure of political contributions and political contributors. I supported the Revenue Act of 1971 which included the tax checkoff and provisions for tax credits and deductions for small political contributions. I chaired, in December 1972, ad hoc congressional hearings on how we could improve our political campaign process. Partly as a result of information obtained at those public hearings, I sponsored, along with Senator Adlai Stevenson III, legislation last year which included many of the provisions in the bill before us. I testified in support of that legislation before the appropriate Senate committees. I have spoken on this subject throughout my State of Maryland and before many groups outside Maryland. I have become more and more convinced that the public wants this type of legislation, and that America needs it.

I shall, accordingly, support this bill, and I urge my colleagues to do likewise.

TO STRIKE TITLE V OF S. 3044, THE PENDING BUSINESS

Mr. MANSFIELD. Mr. President, first, I do not want to offer an amendment but I may be forced to do so.

I ask unanimous consent that title V of the pending bill be stricken. The chairman of the Finance Committee, the distinguished Senator from Louisiana (Mr. Long), whose committee has jurisdiction of the subject matter of title V, intends to give the highest priority to this proposal on the first available vehicle that originates in the House Ways and Means Committee.

Senator Long is the originator of the proposal on the tax checkoff for public financing. The action I am proposing now will assure proper treatment of this measure in the House.

Mr. GRIFFIN. Mr. President, reserving the right to object—and I do not believe I will object—but could we have a short quorum call?

Mr. MANSFIELD. Surely.

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRIFFIN. Mr. President under my reservation, I want to indicate that when the unanimous-consent request was made the other day by the distinguished majority leader, I objected not particularly because I personally opposed the request, because I certainly think that title V does appropriately belong in the jurisdiction of the Finance Committee, but because there had not been opportunity for those on this side of the aisle to know that that important step with respect to the legislation was going to be taken and that it would be taken by unanimous consent.

Now there has been notice, and those on our side who have or might have an interest have had the opportunity to register that interest. There has been no indication of opposition and, under those circumstances, I withdraw my reservation.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Montana? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. I thank the distinguished acting Republican leader.

Mr. MANSFIELD subsequently said: Mr. President, just to make sure, in connection with the unanimous-consent request I made relative to striking title V, I ask unianimous consent that it be referred to the Committee on Finance, and all amendments thereto.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. GRIFFIN. Mr. President, in connection therewith, I was going to ask that the amendments at the desk to title V also be referred.

Mr. MANSFIELD. All amendments thereto.

The PRESIDING OFFICER. The Chair observes that part of a bill cannot be referred, but it could be reduced to a separate bill and then referred.

Mr. MANSFIELD. I will undertake that responsibility, on behalf of the Senator from Louisiana (Mr. Long), and introduce a bill, which will, therefore, negate a request that it be referred to the Committee on Finance at this time.

AUTHORIZATION FOR JUDICIARY COMMITTEE TO FILE ITS REPORT ON S. 354 BY MIDNIGHT TONIGHT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Judiciary Committee be authorized to have until midnight tonight to file its report on S. 354.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER (Mr. Bartlett). The Chair, on behalf of the Vice President, in accordance with Public Law 93–179, appoints the Senator from New Mexico (Mr. Montoya) and the Senator from Massachusetts (Mr. Brooke) to the American Revolution Bicentennial Board.

SENATOR HARRY F. BYRD, JR. ON DÉTENTE

Mr. NUNN. Mr. President, my good friend and colleague, Senator Harry F. Byrd, Jr., recently made an excellent speech on the floor of the Senate concerning the policy of détente.

I invite the attention of my colleagues to four excellent editorials in newspapers regarding this speech. Senator Byrd is one of the outstanding Members of this body and his position as a Member of the Senate Armed Services Committee and the Finance Committee has given him an excellent perspective of both the national security and the financial dangers of détente.

Senator Byrd's warning to our Nation should be read by each of us in this body, and the well written editorials bring due attention to his well made points.

Mr. President, I ask unanimous consent that the following editorials be printed in the Record:

Richmond Times-Dispatch, Friday, March 15, 1974; The News, Thursday, March 14, 1974; Staunton, Va., News-Leader, Sunday, March 17, 1974; and

New York Daily News, Monday, March 18, 1974.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

AGAINST GIVEAWAYS

The policy of detente—or relaxation of tensions—with the Soviet Union is generally regarded as a signal accomplishment of a Nixon administration whose forte is foreign affairs. Yet, as U.S. Sen. Harry F. Byrd Jr. noted in a major Senate speech Wednesday, detente is looking more and more like a give-and-take proposition: we give and the Soviets take.

In an astute and comprehensive analysis, Senator Byrd said that "while the Russian leaders have signed agreements with the United States, we must remember they have received far more than they have given. This is true both in trade and in arms."

As evidence that the Soviets operate on the principle that it is more blessed to receive than to give, the Virginia senator discussed three American-Soviet agreements signed in 1972 in which the United States now appears to have gotten the short end of the stick:

(1) The grain deal. Not only did Washington sell Moscow wheat at cheap prices to bail the Soviets out of a serious crop failure, but it provided a $300 million subsidy to sweeten the deal for the Communists. So the Russians bought our wheat with our money and now they have a comfortable surplus while Americans confront rising prices and a possible shortage of bakery products. American aid on the food front also made it easier for the Russians to spend more on the weapons front.

(2) The Lend-Lease settlement. The Nixon administration agreed to let Russia settle its remaining $2.6 billion world War II debt to this nation for $722 million—or 28 cents on the dollar. But the Soviets slyly secured a proviso that $674 million would not be repaid unless they were granted most-favored-nation trading status with this nation—in other words, if American taxpayers give the Soviets special trade privileges, the Soviets will pay their debt—or a small part of their debt—to American taxpayers. Since a majority of Congress now appears to be opposed to giving Moscow most-favored-nation treatment, the Soviets may be obligated to repay only $48 million of a $2.6 billion debt.

(3) The Strategic Arms Limitation Talks. SALT–I permitted the Russians numerical superiority in land-based intercontinental missiles, submarine-launched missiles, and missile-carrying submarines. The U.S. ace in the hole was supposed to be technological superiority. But the Soviets are now feverishly developing new sophisticated weapons, including long-range missiles capable of carrying multiple independently-targeted warheads. With its technological edge rapidly being whittled away, the U.S. could find itself in a clearly inferior strategic position vis-a-vis the Soviet Union, and such a result could greatly aid the unending Communist objective of gaining worldwide dominion.

The much-publicized plight of exiled Russian novelist Aleksandr Solzhenitsyn should have reminded Americans of the basic nature of the regime with which our government is dealing. But shameful though it was, the Solzhenitsyn affair is not in itself a logical point of departure for an up-or-down decision on detente. Agreements and commerce with Russia must be judged as to whether this nation's welfare is promoted at least as much as the Kremlin's. As Senator Byrd points out, there is good reason to doubt that at present there is such a two-sided flow of benefits from detente.

All of which is not to suggest that President Nixon and Secretary Kissinger ought here and now to declare an end to detente. But it is high time that some advantages for this country were obtained from deals with the Soviets. A good place for our negotiators to start and for the Soviets to demonstrate their sincerity would be for SALT–II, now underway, to eliminate Soviet numerical superiority in missiles in favor of equality between the two superpowers.

THE HEART OF HARRY BYRD

Senator Harry F. Byrd Jr. is one of the ablest and hardest working members of the United States Senate. He does his homework. He studies the issues, accumulates the information, weighs the evidence pro and con. As a result, when he addresses himself to an issue, he does not speak lightly and his colleagues know it. They have come to recognize him as one of the leading voices of moderation in the Senate.

On Wednesday, Senator Byrd took the floor to speak on the subject of "detente" and United States defense. He subtitled it "an analysis." It was exactly that, a thorough, documented study of this most vital subject. In solemn, measured words directed at the conscience and the reason of the Senate Mr. Byrd placed the subject in historical perspective and warned of the disastrous consequences to the American people if the nation, and the Congress do not face up to the grim truth about "detente" and the aspirations of the Communist rulers.

It was one of Senator Byrd's greatest contributions as a public servant and one of the great speeches of the Senate—reasoned, analytical, ringing with conviction but devoid of extremisms, a sober call to sense and duty in the defense of the United States and the spiritual and physical liberation which it alone can defend.

If the Senate does not pay heed to what this man said, the American people are going to pay a hell of a price in blood and destruction one of these grim days because war, nuclear or otherwise, is not unthinkable to the Communists.

We could not print all of the speech on this page—it was that thorough. But we have printed those excerpts which serve to convey its sense. We have done this because what Mr. Byrd had to say should be heard by all Americans. He was discussing what must be done to keep us alive and free. No more, no less.

Read what he had to say. It is worth your time. There is nothing you need to understand half so well for it is the foundation of your freedom.

A POWERFUL WARNING ON DÉTENTE

There have been warnings from various sources to beware of the supposed détente with Russia. Another one was sounded last Wednesday on the floor of the U.S. Senate. It was by Virginia's senior Sen. Harry F. Byrd, Jr. It was what is termed a "full dress" speech, and was a detailed analysis of the economic, technological, food, monetary, and indirect military assistance this country is providing the Communist nation, and the paucity of its reciprocity.

Sen. Byrd also covered the deterioration of our military strength under the influences of détente, isolationist attitudes in Congress, and U.S. efforts to promote peace in the world through international conferences and agreements.

These short paragraphs from Sen. Byrd's astute review constitute bases for his warning which cannot be pushed under the rug:

"Today the free world is beset by troubles with weakness and disorder apparent both between nations and within nations.

"Inflation is widespread and increasing with no end in sight.

"Militant forces within nations demand and get prerogatives at the expense of the nation and other groups within the nation.

"By contrast in the Soviet Union there are no powerful militant organizations; there is little inflation although productivity is low; there are no strikes or work stoppages, only inefficiencies; their shortages are not severe and a possible food shortage was averted, thanks to the willing co-operation of the United States.

"Russia, as I see it, is playing a shrewd game.

"The Soviets have come to realize that in order to reach their goals they must utilize all the fundamental elements of national power: political power, economic power, and military power."

Sen. Byrd quoted Russian Chairman Brezhnev to show the Soviet's hypocrisy as to détente. The goal of the Communist dictatorship is worldwide domination, he told the Senate. "If we forget that fact, we imperil ourselves . . . It is the fixed star in the Soviet firmament.

"Chairman Brezhnev made this clear in June, 1972, when he said, 'Détente in no way implies the possibility of relaxing the ideological struggle. On the contrary, we must be prepared for this struggle to be intensified and become an ever sharper form of the confrontation between the two systems.'

"The United States cannot afford to accept a 'détente' which leaves open the way for global domination by the Soviet Union.

"The danger of détente is that it tends to lull the United States into a false sense of security."

Because the United States has been suffering so many internal troubles, went through the trauma of the war in Southeast Asia and then the uplifting encouragement from President Nixon's opening of doors to both of the two great Communist powers, there has been almost national blindness to the fact that the perils of Communist deceit and aggressive designs continue to exist. Wide open eyes, understanding of those perils, and rebuilding of our military strength are vital concomitants of our participation in détente.

Sen. Byrd summed it up this way:

"Let there be détente.

"But let it be based on reality—on a recognition of Russian ambitions and might, and the need for American strength—and not on wishes and unilateral concessions.

"Weakness never has been a basis for peace.

"We must never lose sight of the fact that dollars spent for American defense are an investment in world peace and stability, and that world peace and stability, in turn, are important to our own freedom and prosperity."

The Senator's address was a timely and brilliant one. It should not be blindly ignored by his colleagues, the House, the Executive Branch, or the people.

A TIMELY WARNING

The Soviet Union is playing the United States for a sucker, Sen. Harry F. Byrd Jr. (Ind-Va.) told the Senate last week. Soviet party boss Brezhnev, said Byrd, is using detente to get long-term credits, technology and sweet trade deals.

At the same time, he has been encouraging the Arab oil boycott, jamming our radio programs behind the Iron Curtain and speeding a massive arms buildup.

Byrd was joined by Sen. James Buckley (C-R-N.Y.) in noting that it is okay to bargain with the Soviets as long as we don't lose our shirts. Already we've been taken to the cleaners in the costly wheat sale, the tiny World War II debt settlement, and the arms limitation talks.

Brezhnev's 1974 tactics are identical to Nicolai Lenin's in the '20's. Facing national starvation, Lenin set the captive peasants free, temporarily, to produce the food needed to stave off rebellion. Brezh's U.S. wheat ploy is cut from the same cloth.

Lenin invented the book-burning censorship that is used today to send political dissidents to prison, asylum and exile. He used force (against Poland) just as ruthlessly as Brezhnev did in Czechoslovakia. Neither of them ever abandoned the main aim of world Communist domination.

Lenin once said that capitalists would sell the Communist the rope with which the Reds would hang them. That's just the kind of deal the Soviets are trying to pull off now. We would be fools to fall for it again.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The Senate continued with the consideration of the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

Mr. CANNON. Mr. President, for the information of the Senate, I understand that the Senator from Alabama has an amendment that he is ready to offer and on which he is willing to agree to a very short time limit. If that is so, as soon as he returns to the Chamber, we will try to have the amendment laid before the Senate and try to get a 20-minute time limitation and have another vote this afternoon.

Mr. HARRY F. BYRD, JR. Mr. President, the able Senator from New York (Mr. Buckley) gave an exclusive interview to the magazine Human Events in connection with the pending measure, S. 3044. Senator Buckley has made an in-depth study of this measure, and the questions and answers in this article are very illuminating.

I ask unanimous consent that the text of the interview be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Senator James Buckley on Campaign Reform

(The Senate is scheduled to take up campaign reform legislation this week. The bill under consideraton—S 3044—includes, among many changes, a proposal for public financing of campaigns. Sen. Buckley (C.–R.–N.Y.) has made an in-depth study of the entire measure and in the following exclusive interview discusses the numerous practical and constitutional objections to the bill.)

Q. President Nixon recently made a rather lengthy statement on campaign reform. What was your reaction to his proposals?

A. There were too many proposals included in this package to allow me to give you anything even approaching a definitive answer here, but I will say that I find myself in general agreement with the thrust of his proposals—especially as compared with those included in S 3044, the bill recently reported out of the Senate Committee on Rules and Administration.

The President's proposals seem designed to deal with the problems in our present system, while the Senate bill we will have before us shortly would scrap that system. I would be among the first to admit that our present system of selecting candidates and financing campaigns needs reform, but I am not at all convinced that we should abandon it for a scheme that would diminish citizen participation in politics and, in all probability, would create more problems than it would solve.

Q. S. 3044 is the bill that includes public financing of presidential, Senate and House campaigns, isn't it?

A. That's right. The bill that we will soon debate includes provisions that would allow candidates for any federal office to draw on tax funds to finance their campaigns. This system would replace the essentially private system now in effect and would cost the American taxpayer some $358 million every four years.

More importantly, however, this scheme presents us with grave constitutional and practical questions that I hope will be fully debated on the floor of the Senate before we vote.

Q. Why do you object so strongly to public financing?

A. I object because I am convinced that such drastic measures are needed to clear up the problems we confront, because I suspect that the proposals as drawn are unconstitutional and because if implemented they would alter the political landscape of this country in a way that many don't even suspect and very few would support.

Those in and out of Congress who advocate public financing are selling it as a cure-all for our national and political ills. For example, Sen. Kennedy recently went so far as to say that "most, and probably all, of the serious problems facing this country today have their roots in the way we finance political campaigns. . . ."

This statement reminds one of the hyperbole associated with the selling of New Frontier and Great Society programs in the '60s. The American people were asked then to accept expensive and untried programs as panaceas for all our ills.

Those programs didn't work. They were oversold, vastly more expensive than anyone anticipated, and left us with more problems than they solved. Public financing is a Great Society approach to another problem of public concern and like other solutions based on the theory that federal dollars will solve everything should be rejected.

Q. In what ways would public financing "alter the political landscape"?

A. In several very important if not totally predictable ways.

First, under our present system potential candidates must essentially compete for private support, and to attract that support they have to address themselves to issues of major importance to the people who will be contributing to their campaigns and voting for them on election day. Public financing might allow candidates to ignore these issues, fuzz their stands and run campaigns in which intelligent debate on important matters is subordinated to a "Madison Avenue" approach to the voters.

Let me give you a couple of examples. During the course of the 1972 campaign, it is reported that Sen. McGovern was forced by the need for campaign money to place greater emphasis on his support of a Vietnam pullout than his political advisers thought wise. They felt that he should have downplayed the issue and concentrated on others that might be better received by the electorate.

I don't doubt for a minute that the senator's emphasis on his Vietnam position hurt him, but I wonder if we really want to move toward a system that would allow a candidate to avoid such issues or gloss over positions of concern to millions of Americans.

The need to court the support of other groups creates similar problems. Those who believe that we should maintain a friendly stance toward Israel, for example, as well as those who think a candidate should support union positions on a whole spectrum of issues want to know where a candidate stands before they give him their vocal and financial support. The need to compete for campaign dollars forces candidates to address many issues and I consider this vital to the maintenance of a sound democratic system.

Second, millions of Americans now contribute voluntarily to federal, state and local political campaigns. These people see their decision to contribute to one campaign or another as a means of political expression. Public financing of federal general election campaigns would deprive people of an opportunity to participate and to express their strongly held opinions.

They would still be contributing, of course, since the Senate proposal will cost them hundreds of millions of dollars in tax money. But their participation would be compulsory and would involve the use of their money to support candidates and positions they find morally and political reprehensible.

Third, the proposal reported out of the Senate Rules Committee, like similar proposals advanced in the past, combines public financing with strict limits on expenditures. These limits must, on the whole, work to the benefits of incumbents, since they are lower than the amount that a challenger might have to spend presently in a hotly contested race if he wants to overcome the advantages of his opponent's incumbency.

Fourth, the various schemes devised to distribute federal dollars among various candidates and between the parties has to affect power relationships that now exist. Thus, if you give money directly to the candidate you further weaken the party system. If you give the money to the national party, you strengthen the national party organization relative to the state parties. If you aren't extremely careful you will freeze out or lock in minor parties. These are real problems with significant policy consequences that those who drew up the various public financing proposals tended to ignore.

Public financing will have two significant effects on third parties, neither desirable. In the first place, it will discriminate against genuine national third-party movements (such as that of George Wallace in 1968) because such parties haven't had the chance to establish a voting record of the kind required to qualify for financing.

On the other hand, once a third party qualifies for future federal financing, a vested interest arises in keeping it alive—even if the George Wallace who gave it its sole reason for existence should move on. Thus we run the risk of financing a proliferation of parties that could destroy the stability we have historically enjoyed through our two-party system.

Q. You say public financing raises grave constitutional questions. Are you saying that these plans might be struck down in the courts?

A. It is obviously rather difficult to say in advance just how the courts might decide when we don't know how the case will be brought before them, but I do think there is a real possibility that subsidies, expenditure limitations and contribution ceilings could all be found unconstitutional.

All of these proposals raise 1st Amendment questions since they all either ban, limit or direct a citizen's right of free speech.

In this light it is interesting to note that a three-judge panel in the District of Columbia has already found portions of the 1971 act unconstitutional.

The 1971 Act prohibits the media from charging for political advertising unless the candidate certifies that the charge will not cause his spending to exceed the limits imposed by the law. This had the effect of restricting the freedom both of individuals wishing to buy ads and of newspapers and other media that might carry them and, in the opinion of the D.C. court, violated the 1st Amendment.

Q. But Senator, according to the report prepared by the Senate Rules Committee on S. 3044, it is claimed that these questions were examined and that the committee was satisfied that objections involving the effect of the legislation on existing political arrangements were without real functions.

A. I can only say that I must respectfully disagree with my colleagues on the Rules Committee. The committee report discusses a number of compromises worked out in the process of drawing up S. 3044, but I don't think these compromises do very much to answer the objections I have raised.

The ethical, constitutional and practical questions remain.

The fact is that the ultimate impact of a proposal of this kind on our present party structure cannot be accurately predicted. S. 3044 may either strengthen parties because of the crucial control the party receives over what the committee calls the "marginal increment" of campaign contributions, or it may further weaken the parties because the government subsidy is almost assured to the candidate, thereby relieving him of substantial reliance on the "insurance" the party treasury provides. One can't be sure and that alone should lead one to doubt the wisdom of supporting the bill as drawn.

As for third parties, the effect of the bill is equally unclear. It does avoid basing support for third parties simply on performance in the last election and thus "perpetuating" parties that are no longer viable. But the proposal does not deal, for instance, with the possibility of a split in one of the two major parties—where two or more groups claim the mantle of the old party.

Q. Senator Buckley, advocates of public financing of federal election campaigns claim that political campaigning in America is such an expensive proposition that only the very wealthy and those beholden to special interests can really afford to run for office. Do you agree with this claim?

A. No, I do not.

First, it is erroneous to charge that we spend an exorbitant amount on political campaigns in this country. In relative terms we spend far less on our campaigns than is spent by other democracies and, frankly, I think we get more for our money.

Thus, while we spent approximately $1.12 per vote in all our 1968 campaigns, the last year for which we have comparative figures, Israel was spending more than $21 per vote. An index of comparative cost of 1968 reveals that political expenditures in democratic countries vary widely from 27 cents in Australia to the far greater amount spent in Israel. This index shows the U.S. near the bottom in per vote expenditures along with such countries as India and Japan.

Second, I think we should make it clear that the evidence suggests that most contributors—large as well as small—give money to candidates because they support the candidate's beliefs, not because they are out to buy themselves a congressman, a governor or a President. Many of those advocating federal financing forget this in their desire to condemn private campaign funding as an evil that must be abolished.

Anyone who has run for public office realizes that most of those who give to a campaign are honest public-spirited people who simply want to see a candidate they support elected because they believe the country will benefit from his point of view. To suggest otherwise impresses me as insulting to those who seek elective office and to the millions of Americans who contribute to their campaigns.

I don't mean to imply that there aren't exceptions to this rule. There are dishonest people in politics as there are in other professions, but they certainly don't dominate the profession.

Q. But doesn't the wealthy candidate have a real advantage under our current system?

A. Oh, he has an advantage all right, but I'm not sure it's as great as some people would have us believe.

I say this because I am convinced that given adequate time a viable candidate will be able to attract the financial support he needs to get his campaign off the ground and thereby overcome the initial advantage of a personally wealthy opponent. And I am also convinced that a candidate who doesn't appeal to the average voter won't get very far regardless of how much money he throws into his own campaign.

My own campaign for the Senate back in 1970 illustrates this point rather clearly. I was running that year as the candidate of a minor party against a man who was willing and able to invest more than $2 million of his family's money in a campaign in which he began as the favorite.

I couldn't possibly match him personally, but I was able to attract the support of more than 40,000 citizens who agreed with my positions on the issues. We still weren't able to match my opponent dollar for dollar—he spent twice as much as we did—but we raised enough to run a creditable campaign, and we did manage to beat him at the polls.

At the national level it is just as difficult to say that money is the determining factor and the evidence certainly suggests that personal wealth won't get a man to the White House. If it were the case that the richest man always comes out on top, Rockefeller would have triumphed over Goldwater in 1964, Taft over Eisenhower in 1952 and neither Nixon nor Stevenson would ever have received their parties' nominations.

What I'm saying, of course, is that while money is important it isn't everything.

Q. Wouldn't public financing assist challengers trying to unseat entrenched congressmen and senators who have lost touch with their constituents?

A. I don't like to think of myself as overly cynical, but neither am I naive enough to believe that majorities in the House and Senate are about to support legislation that won't at least give them a fair shake.

The fact is that most of the "reforms" we have been discussing work to the advantage of the incumbent—not the challenger. The incumbent has built-in advantages that are difficult to overcome under the best of circumstances and might well be impossible to offset if the challenger is forced, for example, to observe an unrealistically low spending limit.

Incumbents are constantly in the public eye. They legitimately command TV and radio news coverage that is exempt from the "equal time" provisions of current law. They can regularly communicate with constituents on legislative issues, using franking privileges. Over the years they will have helped tens of thousands of constituents with specific problems involving the federal government. These all add up to a massive advantage for the incumbent which may well require greater spending by a challenger to overcome.

Q. What kind of candidates will benefit from public financing?

A. Any candidate who is better known when the campaign begins or is in a position to mobilize non-monetary resources must benefit as compared to less-known candidates and those whose supporters aren't in a position to give them such help.

This is necessarily true because the spending and contributions limits that are an inegral part of all the public funding proposals I have seen even out only one of the factors that will determine the outcome of a given campaign. Other factors therefore become increasingly important and may well determine the winner on election day.

Thus, incumbents who are unusually better known that their challengers benefit because experience has shown that a challenger often has to spend significantly more than his incumbent opponent simply to achieve a minimum degree of recognition.

In addition, consider the advantage that a candidate whose backers can donate time to his campaign will have over one whose backers just don't have the time to donate. In this context one can easily imagine a situation in which a liberal campus-oriented candidate might swamp a man whose support comes primarily from blue collar, middle-class workers who would contribute money to their man, but don't have time to work in his campaign.

Or consider the candidate running on an issue that attracts the vocal and "independent" support of groups that can provide indirect support without falling under the limitations imposed by law. The effectiveness of the anti-war movement and the way in which issue-oriented anti-war activists were able to mesh their efforts with those of friendly candidates illustrates the problem.

David Broder of the Washington *Post* noted in a very perceptive analysis of congressional maneuvering on this issue that most members seem to sense that these reforms will, in fact, help a certain kind of candidate. His comments on this are worth quoting at length.

". . . [T]he votes by which the public financing proposal was passed in the Senate had a marked partisan and ideological coloration. Most Democrats and most liberals in both parties supported public financing; most Republicans and most conservatives in both parties voted against it.

"The presumption that liberal and Democrats would benefit from the change is strengthened by the realization that money is just one of the sources of influence on a political contest. If access to large sums is eliminated as a potential advantage of one candidate or party by the provision of equal public subsidies for all, then the election outcome will likely be determined by the ability to mobilize other forces.

"The most important of these other factors are probably manpower and publicity. Legislation that eliminates the dollar influence on politics automatically enhances the influence of those who can provide manpower or publicity for the campaign.

"That immediately conjures up, for Republicans and conservatives, the union boss, the newspaper editor and the television anchorman—three individuals to whom they are rather reluctant to entrust their fate of electing the next President."

Q. You indicated a few minutes ago that public financing will cost the American taxpayer hundreds of millions of dollars and that many Americans might be forced to give to candidates and campaigns they find repugnant.

A. That's right; it is estimated that the plan envisioned by the sponsors of S. 3044 would cost nearly $360 million every four years and other plans that have been discussed might cost even more.

Necessarily, this will involve spending tax dollars, extracted from individuals for the support of candidates and causes with which many of them will profoundly disagree. The fundamental objection to this sort of thing was perhaps best summed up nearly 200 years ago by Thomas Jefferson who wrote: "To compel a man to furnish contributions of money for the propagation of opinions which he disbelieves and abhors, is sinful and tyrannical."

Q. But won't this money be voluntarily designated by taxpayers participating in the check-off plan that has been in effect now for more than two years?

A. Not exactly. As you may recall, the check-off was originally established to give individual taxpayers a chance to direct one dollar of their tax money to the political party of their choice for use in the next presidential campaign.

When it was extended by the Congress last year, however, the ground rules were changed so that this year taxpayers are not able to select the party to which their dollar is to be directed. They are simply allowed to designate that the dollar should go into the Presidential Election Campaign Fund to be divided up at a later date. Thus, while the taxpayer may still refrain from participating he may well be directing his dollar to the opposition party if he elects to participate.

A theoretical example will illustrate this. Let us assume that two candidates run in 1976 and that the money to be divided up amounts to $10 million dollars. Half of this would go to each candidate, but let us further assume that 60 percent of this money or $6 million is contributed by Democrats. Under this set of circumstances a million Democrats would unwittingly be contributing to the campaign of a candidate they don't support and for whom they probably won't vote.

If S. 3044 passes things will get even worse. During the first year only 2.8 per cent of the tax-paying public elected to contribute to the fund. This disappointing participation was generally attributed to the fact that it was difficult to elect to participate. Therefor this year the form was simplified and a great effort is being made to get people to participate.

As a result about 15 percent of those filing appear to be participating and while this increase seems to warm the hearts of those who have plans for this money it will not raise nearly enough money to finance the comprehensive plan the sponsors of S. 3044 have in mind.

Therefore they have found a way to increase participation. Under the terms of S. 3044 the check-off would be doubled to allow $2 from each individual to go into the fund, but the individual taxpayer will no longer have to designate. Instead, his $2 will be automatically designated for him unless he objects. This is a scheme designed to increase participation reminiscent of the way book clubs used to sell books by telling their members they would receive the month's selection unless they chose not to. As I recall, Ralph Nader and his friends didn't like this practice when book clubs were engaged in it and one can only hope that they will be equally outraged now that Uncle Sam is in the act.

But S. 3044 goes further still. If enough people resist in spite of the government's efforts to get them to participate, the Congress will be authorized to make up the difference out of general revenues. So, after all is said, it appears that the check-off is little more than a fraud on the taxpayer.

This to me is one of the most objectionable features of the whole scheme. It is an attempt to make people think they are participating and exercising free choice when in fact their choices are being made for them by the government.

Q. If there are problems and you can't support public financing, just what sort of reform do you favor?

A. I said earlier that I prefer the general thrust of the President's message on campaign reform as compared to the direction represented by S. 3044. The President, unlike the sponsors of the Senate legislation we will soon be debating, seems to grasp the problems inherent in any overly rigid regulation of individual and group political activity in a free society.

We have to recognize that any regulation of political activity raises serious constitutional questions and involves limitations on the freedom of our citizens. This has to be kept in mind as we analyze and judge the various "reform" proposals now before us. Our job involves a balancing of competing and often contradictory interests that just isn't as easy as it might appear to the casual observer.

Thus, while we are called upon to do what we can to eliminate abuses, we must do so with an eye toward side effects that could render the cure worse than the disease.

I happen to believe rather strongly that this is the case with public financing and with proposals that would impose arbitrary limits on campaign spending and, thereby, on political activity.

The same problem must be faced if we decide to limit the size of individual political contributions. In this area, however, I would not oppose reasonable limits that would neither unduly discriminate against those who wish to support candidates they admire or give too great an advantage to other groups able to make substantial non-monetary contributions.

The least dangerous form of regulation and the one I suspect might prove most effective in the long run is the one which simply imposes disclosure requirements on candidates and political committees. The 1971 Act—which has never really been tested—was passed on the theory that major abuses could best be handled by full and open disclosure.

The theory was that if candidates want to accept sizable contributions from people associated with one interest or cause as opposed to another, they should be allowed to do so as long as they are willing to disclose receipt of the money. The voter might then decide if he wants to support the candidate in spite of—or because of—the financial support he has received.

The far-reaching disclosure requirements written into the 1971 Act went in effect in April 1972 after much of the money used to finance the 1972 campaigns had already been raised. This money—raised prior to April 7, 1972—did not have to be reported in detail and it was this unreported money that financed many of the activities that have been included in what has come to be known as the Watergate affair.

I feel that the 1971 Act, as amended last year, deserves a real test before we scrap it. It didn't get that test in 1972, but it will this fall. I would hope, therefore, that we will wait until 1975 before considering the truly radical changes under consideration.

On the other hand, there are a few loopholes that we can close right away. It seems to me, for example, that we might move immediately to ban cash contributions and expenditures of more than, say, $100.

Q. So you believe that "full disclosure" is the answer?

A. Essentially. But I don't want you to get the idea that disclosure laws will solve all our problems or that they themselves don't create new problems. I simply feel that they create fewer problems and are more likely to eliminate gross abuses than the other measures we have discussed.

Q. You say that "full disclosure" laws also create new problems. What kind of new problems?

A. Well, you may recall that Sen. Muskie's 1972 primary campaign reportedly ran into trouble after April 1972 because a number of his larger contributors were Republicans who didn't want it publicly known that they were supporting a Democrat. The disclosure requirements included in the 1971 Act clearly inhibited their willingness to give and, therefore, at least arguably had what constitutional lawyers call a "chilling effect" on their right of self-expression.

These were large contributors with prominent names. Perhaps their decision to give should not be viewed as lamentable in the context of the purpose of the act.

But consider the smaller contributor who might want to give to a candidate viewed with hostility by his employer, his friends and others in a position to retaliate. How about the bank teller who wants to give $10 to a candidate who wants to nationalize banks? Or the City Hall employe who might want to give $5 to the man running against the incumbent mayor? What effect might the knowledge that one's employer could uncover the fact of the contribution have on the decision to give? The problem is obvious when we remember that the White House "enemies list" was drawn up in part from campaign disclosure reports.

Still, it is a problem that we may have to live with if we are to accomplish the minimal reform necessary to "clean up" our existing system.

Q. Senator, are there any other "reforms" that you think worthy of consideration?

A. Well, there are a good many proposals being circulated that we haven't had a real chance to discuss, but I'm afraid most of them raise more questions than they answer.

S. 3044 does contain one proposal that might be worth consideration and has, in fact, been raised separately by a number of senators. Under our current tax laws a taxpayer can claim either a tax credit or a deduction for political contributions to candidates, political committees or parties of his choice. The allowable tax credit that can now be claimed amounts to $12.50 per individual or $25 on a joint return and the deduction if limited to $50 or $100 on a joint return.

The authors of S. 3044 would double the allowable credits and deductions. Sen. William V. Roth (R.-Del.) has proposed that we go even further by increasing the allowable credit to $150 per individual or $300 for those filing joint returns.

These proposals would presumably increase the incentive for private giving without limiting the freedom of choice of the individual contributor. If any proposal designed to broaden the base of campaign funding is worth consideration I would think this is it.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. HATHAWAY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. NUNN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill is open to further amendment.

Mr. ALLEN. Mr. President, I call up the amendment I have at the desk having to do with Members of the House and Senate and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

The amendment is as follows:

On page 3, line 6, strike out "FEDERAL" and insert in lieu thereof "PRESIDENTIAL".

On page 4, line 6, strike out the comma and insert in lieu thereof a semicolon.

On page 4, beginning with line 7, strike out through line 12.

On page 4, line 13, strike out "(5)" and insert in lieu thereof "(4)".

On page 4, line 17, strike out "(6)" and insert in lieu thereof "(5)".

On page 5, line 6, strike out "any".

On page 5, line 21, immediately before "Federal", strike out "a".

On page 7, line 3, strike out "(1)".

On page 7, beginning with "that—" on line 5, strike out through line 7 on page 8 and insert in lieu thereof "that he is seeking nomination for election to the office of President and he and his authorized committees have received contributions for his campaign throughout the United States in a total amount in excess of $250,000.".

On page 9, line 6, after the semicolon, insert "and".

On page 9, strike out lines 7 and 8 and insert in lieu thereof the following: " "(2) no contribution from"."

On page 9, beginning with "and" on line 13, strike out through line 19.

On page 10 beginning with "(1)—" on line 3, strike out through line 16 and insert in lieu thereof the following: "(1), no contribution from any person shall be taken into account to the extent that it exceeds $250 when added to the amount of all other contributions made by that person to or for the benefit of that candidate for his primary election.".

On page 13, beginning with line 16, strike out through line 18 on page 14 and insert in lieu thereof the following:

"Sec. 504. (a) (1) Except to the extent that such amounts are changed under subsection (f) (2), no candidate may make expenditures in any State in which he is a candidate in a primary election in excess of the greater of—

"(A) 20 cents multiplied by the voting age population (as certified under subsection (g)) of the State in which such election is held, or

"(B) $250,000.".

On page 14, line 19, strike out "(B)" and insert in lieu thereof "(1)" and strike out "subparagraph" and insert in lieu thereof "paragraph".

One page 14, line 20, strike out "(A)" and insert in lieu thereof "(1)".

On page 15, line 8, beginning with "the greater of—," strike out through line 17 and insert in lieu thereof "15 cents multiplied by the voting age population (as certified under subsection (g)) of the United States.".

On page 18, beginning with line 10, strike out through line 20.

On page 26, lines 2 and 3, strike out "under section 504 of the Federal Election Campaign Act of 1971, or".

On page 71, beginning with line 20, strike out through line 2 on page 73 and insert in lieu thereof the following:

"(a) (1) Except to the extent that such amounts are changed under subsection (f) (2), no candidate (other than a candidate for nomination for election to the office of President) may make expenditures in connection with his primary election campaign in excess of the greater of—

"(A) 10 cents multiplied by the voting age population (as certified under subsection (g)) of the geographical area in which the election for such nomination is held, or

"(B) (i) $125,000, if the Federal office sought is that of Senator, or Representative from a State which is entitled to only one Representative, or

"(ii) $90,000, if the Federal office sought is that of Representative from a State which is entitled to more than one Representative.

"(2) (A) No candidate for nomination for election to the office of President may make expenditures in any State in which he is a candidate in a primary election in excess of two times the amount which a candidate for nomination for election to the office of Senator from that State (or for nomination for election to the office of Delegate in the case of the District of Columbia, the Virgin Islands, or Guam, or to the Office of Resident Commissioner in the case of Puerto Rico) may expend in that State in connection with his primary election campaign.

"(B) Notwithstanding the provisions of subparagraph (A), no such candidate may make expenditures throughout the United States in connection with his campaign for that nomination in excess of an amount equal to ten cents multiplied by the voting age population of the United States. For purposes of this subparagraph, the term 'United States' means the several States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico, Guam, and the Virgin Islands and any area from which a delegate to the national nominating convention of a political party is selected.

"(b) Except to the extent that such amounts are changed under subsection (f) (2), no candidate may make expenditures in connection with his general election campaign in excess of the greater of—

"(1) 15 cents multiplied by the voting age population (as certified under subsection (g)) of the geographical area in which the election is held, or

"(2) (A) $175,000, if the Federal office sought is that of Senator, or Representative from a State which is entitled to only one Representative, or

"(B) $90,000, if the Federal office sought is that of Representative from a State which is entitled to more than one Representative.

"(c) No candidate who is unopposed in a primary or general election may make expenditures in connection with his primary or general election campaign in excess of 10 percent of the limitation in subsection (a) or (b).

"(d) The Federal Election Commission shall prescribe regulations under which any expenditure by a candidate for nomination for election to the office of President for use in two or more States shall be attributed to such candidate's expenditure limitation in each such State, based on the voting age population in such State which can reasonably be expected to be influenced by such expenditure.

"(e) (1) Expenditures made on behalf of any candidate are, for the purposes of this section, considered to be made by such candidate.

"(2) Expenditures made by or on behalf of any candidate for the office of Vice President of the United States are, for the purposes of this section, considered to be made by the candidate for the office of President of the United States with whom he is running.

"(3) For purposes of this subsection, an expenditure is made on behalf of a candidate, including a Vice Presidential candidate, if it is made by—

"(A) an authorized committee or any other agent of the candidate for the purposes of making any expenditure, or

"(B) any person authorized or requested by the candidate, an authorized committee of the candidate or an agent of the candidate to make the expenditure.

"(4) For purposes of this section an expenditure made by the national committee of a political party, or by the State commission of a political party, in connection with the general election campaign of a candidate affiliated with that party which is not in excess of the limitations contained in subsection (i), is not considered to be an expenditure made on behalf of that candidate.

"(f) (1) For purposes of paragraph (2)—

"(A) 'price index' means the average over a calendar year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics, and

"(B) 'base period' means the calendar year 1973.

"(2) At the beginning of each calendar year (commencing in 1975), as necessary data becomes available from the Bureau of Labor Statistics of the Department of Labor, the Secretary of Labor shall certify to the Federal Election Commission and publish in the Federal Register the percentage difference between the price index for the twelve months preceding the beginning of such calendar year and the price index for the base period. Each amount determined under subsections (a) and (b) shall be changed by such percentage difference. Each amount so changed shall be the amount in effect for such calendar year.

"(g) During the first week of January 1975, and every subsequent year, the Secretary of Commerce shall certify to the Federal Election Commission and publish in the Federal Register an estimate of the voting age population of the United States, of each State, and of each congressional district as of the first day of July next preceding the date of certification. The term 'voting age population' means resident population, eighteen years of age or older.

"(h) Upon receiving the certification of the Secretary of Commerce and of the Secretary of Labor, the Federal Election Commission shall publish in the Federal Register the applicable expenditure limitations in effect for the calendar year for the United States, and for each State and congressional district under this section.

On page 73, line 3, strike out "(b)" and insert in lieu thereof "(i)".

On page 73, line 24, strike out "section 504" and insert in lieu thereof "subsection (g); and".

On page 74, strike out lines 1 and 2.

On page 74, line 6, strike out "that Act" and insert in lieu thereof "the Federal Election Campaign Act of 1971".

On page 74, line 8, strike out "(c)" and insert in lieu thereof "(j)".

Mr. ALLEN. Mr. President, the vote that was had on the amendment to strike title I from the bill was a most encouraging vote from the standpoint of those who are opposed to public financing of Federal elections because it indicated that more than one-third of the members of the Senate oppose public financing in any form because they were willing to vote to strike from the bill any reference whatsoever to public subsidies in Federal elections, indicating that it might be difficult to pass the bill in the final analysis, and indicating the possibility that some members of the Senate would be willing to strike certain races from the public subsidy provision while leaving others.

Mr. President, the bill, in effect, while the provisions are intermingled and intermixed, really provides for a subsidy on a matching basis for House and Senate members in primaries, and then full financing of campaigns for House and Senate Members in general elections. That is one major division of the subsidy provision.

Then, the next major provision of the subsidy portion of the bill relates to subsidies with respect to the Presidential general election and the contests for the nominations for President of major parties.

So taking those subsidized races piecemeal, the amendment that has been reported, and which is the pending business of the Senate, would strike from the bill any subsidy of the U.S. House of Representatives primary races, any subsidy of U.S. Senate primary races, any subsidy of U.S. House of Representatives general campaign races, or any subsidies of U.S. Senate general campaign races. So it would leave the subsidies in the quest for the Presidential nomination, by any number of candidates, and then the Presidential election itself.

We already have the subsidy of the general Presidential election. That is already provided for in the checkoff. As I pointed out on the floor that is available to the parties in the sum of around $21 million or $22 million only if they forego private contributions.

I do not believe either party is going to come under that by certifying they will accept that in lieu of all private contributions.

Let us see, Mr. President, if the Members of the House and the Senate want to subsidize their own primary races and subsidize their own general election races. If they do, they will vote against this amendment when it comes up for a vote. If it is felt that the incumbents have advantage enough by reason of being incumbents, I do not know that that is altogether an advantage based on the polled results showing that 21 percent of the public approves of Congress. So I do not know that being an incumbent is such an advantage.

But I believe that this bill is an incumbent's bill. I believe that it is weighted heavily in favor of the incumbent in many particulars. Why is that? Well, in the first place, in the primary the Federal Treasury matches equally the contributions of up to $100 of the various candidates. It stands to reason that the incumbent, with the prestige of his office, the prestige of the many favors and accommodations he has given his constituents through the years, the fact he is so much better known than the challenger, would certainly give him the advantage in soliciting contributions of any size, contributions up to $100, or above the $100. So certainly, he is going to get contributions of more than the $100 to a greater extent than the challenger.

Now let us examine the maximum contributions; that is, those up to $100. In the first place, before the challenger in a congressional race or a senatorial race is able to get anything from the public Treasury, he has got to collect, in small contributions, 20 percent of the amount that he is able to spend in the primary. The amount he is able to spend in the primary is 10 cents per person of voting age in the political subdivision in which he is running. So, many of the challengers never would get up to that 20 percent.

Take the first State on this list, my own State of Alabama. Before a candidate could participate in public financing, he would have to collect, in small contributions of $100 or less, $46,760. It would be a very big job for a challenger, or an incumbent—either one—to collect $46,000 in contributions of $1 up to $100. Yet that is what he would have to do in order even to qualify for public funds. I think that is unfair.

But let us just assume, in round figures, that a Senator or a Congressman collected the following: Take the State of California. In the State of California it is permissible for a senatorial candidate to spend $1.417 million, half of which could be contributed.

Let us just assume that the Senator from California is opposed by a lesser known candidate, and this lesser known candidate is able to raise $100,000 in small contributions of $100 or less. Well, he can get $100,000 from the public Treasury. The incumbent, though, Mr. President, could raise the whole $700,000 in small contributions, and then the Government would give him another $700,000.

So the lesser known candidate, without the public financing, would have $100,000 to go up against the incumbent with $700,000. He would have a $600,000 spread there. But with public financing, he would get $100,000 to match the $100,000 that he had collected. However, the incumbent would get $700,000 matched.

An incumbent, then, would have $1,400,000, and the poor challenger, the lesser known challenger, would just have $200,000.

So the spread between the amount available to the challenger and the amount available to the incumbent ranges from a $600,000 differential under private financing to a differential of $1.2 million. It doubles the advantage that the incumbent already has.

Mr. CANNON. Will the Senator yield?

Mr. ALLEN. I yield.

Mr. CANNON. I think rather than for the Senator to say it doubles the advantage, it would be fairer to say it greatly reduces the advantage an incumbent would already have because of the fact that the nonincumbent is the person who would have the difficulty raising private financing.

Mr. ALLEN. That is correct.

Mr. CANNON. In this fashion, he would at least be able to get some assistance if he raises the threshold amount, but, on the other hand, if we do not put a limit on private financing, and let the person who is the incumbent raise money through whatever source or method he wished to do so, we are going to find that he will have not too great difficulty raising the campaign financing from private sources. Yet the nonincumbent challenger is going to have an extremely difficult problem of raising money from private sources to compete against an incumbent.

Mr. ALLEN. I agree with the Senator, but I believe he has the matter confused, in that where the challenger is permitted to do so on the overall limitation, we do not have to have the use of public funds to put a ceiling on the total amount, and I submit that the incumbent, being able to raise more funds, could receive the entire $700,000 for matching, and he would end up with $1.4 million; whereas the challenger, raising only $100,000, would have a differential, by reason of public financing, between him and the incumbent, from $600,000 up to $1,200,000.

Mr. CANNON. It is not quite that differential, though, because if there is no public financing, one simply places his limit. The incumbent is not going to have difficulty raising that amount, because the facts are that in the State of California, which the Senator uses as an example, the campaigns cost more than that and they have traditionally used more than that amount. So an incumbent is going to spend whatever that limit is, whether it be private or a combination of private and public; but the challenger, on the other hand, if he can only raise $100,000, if he has no public financing, will have only that $100,000 to put into the campaign.

Actually, it would be a little higher than that, because $125,000 is the triggering figure. So if he could raise $125,000, he would get matching funds of $125,000 to give him $250,000 to put into the campaign. On the other hand, if he is limited to what he can raise, and there is no public financing, he would get no money. So he would be competing with $125,000 of funds available in a campaign against an incumbent who could spend, and certainly could raise, as the facts show, $1.4 million.

Mr. ALLEN. Mr. President, I submit to the Senator that the amount by which the incumbent can outdraw, so to speak, the challenger is compounded and intensified and exactly doubled by reason of the campaign financing. So the more the incumbent receives in contributions, the more the Treasury is going to give him, up to the limit.

Mr. CANNON. Up to the matching amount.

Mr. ALLEN. So the challenger would have been better off with $100,000 as against $700,000, rather than $200,000 against $1.4 million.

Mr. CANNON. I do not know whether he would or not, because that is in exactly the same proportion, but I shall simply say that is not the proportion he would be up against if there were no public financing.

If $100,000 is all a challenger could raise, it would be a proportion of $400,000, because the incumbent in any of the big States consistently spends more than that.

Let me refer to the State of Texas, for which I happen to have figures. In the last campaign in Texas, in the general election, for example, $23 million was spent. The limit we have now, that is covered in the bill, would permit an expenditure of $778,500 in a primary election. So it is obvious that this would be quite restrictive, and thereby, by the restrictive factor alone, would limit the cost of a campaign and make it less disproportionate between the challenger and an incumbent who has more access to private funds.

Mr. ALLEN. I do not think it would be inaccurate to say—and I believe the Senator would agree with me—that the extent to which an incumbent can obtain more contributions is going to be duplicated in the Federal matching. So the incumbent receiving much in contributions would have that amount doubled, whereas the challenger would have his lesser amount doubled. That would adjust downward the difference between the two, according to the arithmetic of the Senator from Alabama, from which he sees no escape.

I feel that it is somewhat presumptuous on the part of Members of Congress to say to the American people, "We want you to finance our campaign for us. We want you to pay half the expenses of our primaries and all of the expenses of our general election. This is necessary to keep out improper influences."

I do not like the suggestion to the people which would say that Members of Congress would be susceptible to improper influences by reason of having received a $3,000 contribution from an individual. The Senator from Alabama has not received any contributions of that size. He has an amendment which seeks to cut the amount of contributions in Presidential races to $250, and in House and Senate races to $100, because that is all that the Government will match, and there must be something evil, something sinister, about that portion above that that the Government will match.

I do not believe, though, that Members of Congress and people who are of sufficient stature to run for the House and the Senate are going to allow themselves to be influenced by the receipt of a contribution of $3,000. I simply believe it is impunging the honor and integrity of Members of Congress to suggest that they would be so influenced.

Is there any law that makes a person accept a contribution that he does not want to accept? I do not know of any. Is there not some reason to believe that Members of Congress could be restrained in the amount and type of contributions they receive? It would seem to the Senator from Alabama that that might be the case.

Then, too, Mr. President, I think that there has developed among Members of the House and Senate a highly commendable restraint in the matter of the acceptance of campaign contributions.

I noticed, some weeks ago, that Representative VANIK of Ohio said that he would not accept a single contribution in his race for Congress. Not only was he not going to accept any contributions; he was not going to make any expenditures.

The distinguished senior Senator from Maryland (Mr. MATHIAS) has announced that his policy is going to be that subsequent to a certain time, which he will set, he will not accept any contribution for more than $100. So why do we have to escalate the cost of campaigning? That, I submit, is what we are doing by adding a public subsidy that is matched in primary races, and is paying 100 percent of the cost of general elections by the public treasury. It comes out of the pockets of the taxpayer, with the taxpayer not having any right to designate to whom the contribution will go.

The matter of tax credits and deductions is allowed under the present income tax laws. The reason I do not object to tax credits is that they can be spread by the taxpayer wherever he wants to spread them, and the amounts can be given to the candidates of his choice.

Having wiped out, in the matter of the checkoff, where the taxpayers can designate the party of their choice, the money all goes into a common pot and is then divided between the parties, if they come within the law.

I am glad we are going to have a test vote. I want to see how many Members want to see Uncle Sam pay the cost of their campaigns at a terrific amount, at 15 cents a person per vote in his State, in the case of a Senator, or in his congressional district, in the case of a Member of the House. How much would that be? In California, this is what would be paid to each of the Senate candidates.

I suppose the checks would be written out for them as soon as they became nominees. I hope I will be corrected if my statement is not correct. And the amounts are paid in advance; I do not believe it is on certification of expenses. If I am wrong, I should like to be corrected. I believe that the check is written first. For how much? For $221,450. Possibly there is some formula by which the candidates come by it. I am not advised as to that at the present time. I assume that as soon as the candidates are nominated, they will start to spend the money, and Uncle Sam will have to get there quickly with the money; or perhaps the senatorial candidate can be counted on to drop by the Treasury to pick up his $2 million. I expect that he will find a way to get there.

I expect he would find a way to get there. But the candidate of the Democratic Party would get a check for $2,121,000 and the candidate of the Republican Party would get a check for $2,121,000; we have already taken care of half of their primary costs, so they are getting along pretty good. The candidate for the Senate, sitting on $2 million in campaign funds—what incentive is there for him, as the Senator from South Dakota (Mr. McGOVERN) said earlier this evening, to go to the grassroots for help, for a small contribution? There would be no incentive at all.

Mr. President, we have enough apathy and disinterest in our elections now, and in my judgment this public financing of our elections would only add to and increase manifold the apathy and disinterest on the part of the American people in their elections.

Mr. President, the Senate of the United States, just a few short weeks ago, took action here in the face of strong public opinion and refused to raise the salaries of the Members of the Senate and the House of Representatives—and I was one who voted against the raise—by around $2,500. I believe that every Member of the Senate feels that the strong force of public opinion influenced his vote on that issue.

We were talking about $2,500 to each Senator at that time. But what about giving one $2 million for his election campaign? What is the public going to think about that? That is what we would provide here.

I do not believe that a public opinion that is opposed to a raise of $2,500 for Members of the House of Representatives and the Senate is going to look with a great deal of satisfaction and approval on subsidizing the election campaigns of of the Members of the House and Senate.

Let us look at some of the States, and see what the Senators would get. For the State of New York, the Senator would get a subsidy in the general election of $1,899,750 whenever he would run, and one of them will be up for reelection this November. I do not see anything to prevent this measure going into effect before the November election.

The Senator from Alabama would receive $350,000, and the Senator from Alabama does not even have opposition in the November election.

The Senator from Pennsylvania would get a subsidy of $1,236,000. The Senator from Missouri, who was here a few moments ago——

Mr. MANSFIELD. He is still here.

Mr. ALLEN. The Senator from Missouri (Mr. EAGLETON) would pick up a check for $487,650 at the start of his reelection campaign.

Mr. President, we are going to give the Senator from Missouri an opportunity tomorrow to vote against that subsidy for his race out there in Missouri. The Senator from Missouri does not believe he needs it. He thinks he will win without it overwhelmingly. I do not believe he needs that kind of a subsidy.

Mr. President, that is what the amendment would eliminate. It would leave the Members of the House of Representatives and the Senate subject to the wishes of their constituents, subject to letting the constituents have some little influence and input into their thinking, their campaigns, and their philosophy. They would be approachable by their constituents, and not just look to the public Treasury for payment of their campaign expenses.

Mr. President, put any limit you wish on overall expenditures and the Senator from Alabama can live with it. Wipe out contributions, for all the Senator from Alabama would care. Put any limit whatsoever on it. Limit contributions to $10 or $5, but leave it in the private sector. Do not turn it over to Uncle Sam. Do not have Members of Congress dipping into the public till to pay the costs of elections of Members of Congress.

Tomorrow the Members of the Senate and the House of Representatives will have the opportunity to take themselves out from under the provisions of this campaign subsidy bill.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. ALLEN. I yield.

UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, would the Senator consider the possibility of a time limitation on the pending amendment, after the vote on the conference report on the minimum wage bill tomorrow?

Mr. ALLEN. Before or after, it does not matter to the Senator from Alabama. I shall be glad to agree to any time the distinguished majority leader would say. I am ready to vote. Say 30 minutes?

Mr. MANSFIELD. Mr. President, I ask unanimous consent that at the conclusion of the vote on the conference report on the minimum wage bill tomorrow, there be a time limitation of 1 hour on the pending Allen amendment, with the time to be equally divided between the distinguished Senator from Alabama, the sponsor of the amendment (Mr. ALLEN), and the chairman of the committee, the distinguished Senator from Nevada (Mr. CANNON).

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Mr. President, with the approval of the Senator, I ask unanimous consent that, following the disposition of the Allen amendment, the distinguished Senator from Maine (Mr. HATHAWAY) be recognized for the purpose of offering his amendment.

Mr. HATHAWAY. No. 1082.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Then, with the approval of the distinguished Senator from Alabama, I ask unanimous consent that on the disposition of the Hathaway amendment, the second Allen amendment be brought up.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Would the Senator consider a limitation on that also?

Mr. ALLEN. Yes. The same order will be fine.

Mr. MANSFIELD. Mr. President, on the second Allen amendment, I ask unanimous consent that, as in the case of the first Allen amendment now pending, there be a time limitation of 1 hour, with the time to be equally divided under the same circumstances.

Mr. ALLEN. Mr. President, reserving the right to object, as I understood on the first one it would be 30 minutes to be equally divided.

Mr. MANSFIELD. Oh, I thought the Senator had suggested 30 minutes to a side. I will change the request to 30 minutes to be equally divided.

Mr. ALLEN. And 30 minutes on the other one also.

Mr. MANSFIELD. And 30 minutes on the second one as well.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. Let me state that the second amendment that the majority leader refers to would take from under the bill the presidential nomination contests.

Mr. MANSFIELD. That is in the record now. I would like to ask the distinguished Senator from Maine if he would consider a time limitation on his amendment tomorrow, and if so, of how long.

Mr. HATHAWAY. Mr. President, let me say to the distinguished majority leader that the Senator from Michigan (Mr. GRIFFIN) and I debated this matter yesterday, and I think we said just about all that we wanted to say. There are some other Senators, as I understand, who would like to speak in favor of my amendment. There may also be some who want to speak in opposition to it. I hesitate to preclude them from talking if they wish to do so.

Mr. MANSFIELD. That is a good "hesitation waltz." I agree with the Senator completely that we should have Senator GRIFFIN and others here tomorrow so that we can, maybe, arrive at an agreement then.

I thank the distinguished Senator.

Mr. HATHAWAY. I thank the distinguished majority leader.

AMENDMENT NO. 1066

Mr. HATHAWAY. Mr. President, I have an amendment here which I understand is acceptable both to the floor manager and the ranking minority member of the committee. I do not think it will take much time and it can be accepted, I hope. It is amendment No. 1066. I ask that my amendment be read.

The PRESIDING OFFICER (Mr. BARTLETT). The Chair would advise the Senator from Maine that that would take unanimous consent.

Mr. HATHAWAY. I ask unanimous consent that my amendment No. 1066 may be considered at this time.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Maine?

Mr. ALLEN. Mr. President, reserving the right to object, provided it does not replace the unanimous consent agreement given on the action on the other bill, I have no objection.

The PRESIDING OFFICER. The Chair would advise the Senator from Alabama that it will not do so.

Without objection it is so ordered, and the clerk will state the amendment.

The legislative clerk read as follows:

On page 73, beginning with line 3, strike out through line 22, and insert in lieu thereof the following:

"(b) (1) Notwithstanding any other provisions of law with respect to limitations on expenditures or limitations on contributions, the national committee of a political party and a State committee of a political party, including any subordinate committees of a State committee, may make expenditures in connection with the general election campaign of candidates for Federal office, subject to the limitations contained in subsections (2) and (3) hereof.

"(2) The national committee of a political party may not make any expenditure in connection with the general election campaign of any candidate for President who is affiliated with that party which exceeds an amount equal to 2 cents multiplied by the voting age population of the United States.

"(3) The national committee of a political party, or a State committee of a political party, including any subordinate committees of a State committee, may not make any expenditure in connection with the general election campaign of a candidate for Federal office in a State who is affiliated with that party which exceeds—

"(A) in the case of a candidate for election to the office of Senator, or of Representative from a State where a Representative is required to run statewide, the greater of—

"(i) 2 cents multiplied by the voting age population of that State, or

"(ii) $20,000; and

"(B) in the case of a candidate for election to the office of Representative in any other State, $10,000.

"(4) For purposes of this subsection—".

On page 73, line 23, strike out "(1)" and insert in lieu thereof "(A)".

On page 74, line 3, strike out "(2)" and insert in lieu thereof "(B)".

Mr. HATHAWAY. Mr. President, this amendment would strike subsection (b) on page 73 and replace it with separate limitations with respect to what a national committee and a State committee may contribute to candidates running for Federal office. Under the bill as it now stands, there is a certain amount which may be used by both national and State committees for candidates in general, but it does not specify amounts with respect to individual candidates. Under the bill as presented, the national committee could funnel all the money it is entitled to under its limit into the race of one candidate. The State committee could do likewise.

My amendment would prevent that from happening. It would be a more equitable proviso for a distribution of funds to be spent by both the national committee and the State committee.

I understand that the distinguished Senator from Nevada (Mr. CANNON), the chairman of the committee, has no objection to this amendment. I also understand that it has been cleared with the minority side and that there is no objection on that side either.

Mr. CANNON. Mr. President, do I understand correctly now that, under the terms of the amendment, the national committee could spend 2 cents per voting age population in that State but not to exceed $20,000 or not to exceed $20,000 whichever is greater, but the population formula would depend on the State or the area in which it is to be spent?

Mr. HATHAWAY. That is correct.

Mr. CANNON. In the case of the House of Representatives, the ceiling figure would be $10,000 or the 2 cents per voting age population, whichever is higher in that particular area?

Mr. HATHAWAY. The fixed amount is $10,000.

Mr. CANNON. It is a fixed amount, then, without using the 2 cents formula?

Mr. HATHAWAY. Yes. That is the ceiling, of course.

Mr. CANNON. Very well. Yes, I do understand that now correctly, and so far as this Senator is concerned, I am ready to accept the amendment.

Mr. HATHAWAY. I thank the distinguished Senator from Nevada.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Maine, No. 1066.

The amendment was agreed to.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, what is the pending business?

The PRESIDING OFFICER. The amendment of the Senator from Alabama (Mr. ALLEN) is the pending question.

PROGRAM

Mr. MANSFIELD. Mr. President, the Senate will adjourn shortly to come in at 9:30 a.m. tomorrow. There are three special orders which will take up to about 10:15 a.m. We have morning business for not to exceed 10 minutes, with statements therein limited to 3 minutes. At the hour of approximately 10:30 a.m., the Senate will start on the time limitation covering the conference report on the minimum wage bill, the vote on which will occur at 11:30 a.m.

After that vote, the pending Allen amendment will then be the order of business, with a time limitation of one half-hour, to be equally divided.

After the conclusion of that vote, the Senator from Maine (Mr. HATHAWAY) will offer his amendment. Hopefully, a time limitation can be agreed on tomorrow. I hope to discuss this matter with the distinguished acting Republican leader, the Senator from Michigan (Mr. GRIFFIN), in the morning.

Following disposition of the Hathaway amendment, the second Allen amendment will be laid before the Senate. On that amendment, there will likewise be a 30-minute time limitation, to be equally divided, as on the first Allen amendment.

So there will be votes tomorrow.

QUORUM CALL

Mr. HART. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. ABOUREZK). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT TO 9:30 A.M.

Mr. MANSFIELD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 9:30 a.m. tomorrow.

The motion was agreed to; and, at 5:06 p.m., the Senate adjourned until tomorrow, Thursday, March 28, 1974, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate on March 27, 1974:

FEDERAL COUNCIL ON THE AGING

The following-named persons to be Members of the Federal Council on the Aging for the terms indicated, new positions:

For a term of 1 year

Bertha S. Adkins, of Maryland.
Dorothy Louise Devereux, of Hawaii.
Carl Eisdorfer, of Washington.
Charles J. Fahey, of New York.
John B. Martin, of Maryland.

For a term of 2 years

Frank B. Henderson, of Pennsylvania.
Frell M. Owl, of North Carolina.
Lennie-Marie P. Tolliver, of Oklahoma.
Charles J. Turrisi, of Virginia.

For a term of 3 years

Nelson Hale Cruikshank, of the District of Columbia.
Sharon Masaye Fujii, of Washington.
Hobart C. Jackson, of Pennsylvania.
Garson Meyer, of New York.
Bernard E. Nash, of Maryland.

HOUSE OF REPRESENTATIVES—*Tuesday, March 27, 1974*

The House met at 12 o'clock noon.

The Reverend Monsignor John J. Karpinski, St. Stanislaus B & M Church, New York, N.Y., offered the following prayer:

Our Father, as we walk in these trying times, give us Your hand, for it is better than a light, or a known way.

Where we usually tread over beaten paths, give us the courage to make new trails.

While we wade along the shore, challenge us to launch out into the deep waters.

Whenever we are tempted to do what everyone else is doing, give us the morality to stand up for what is right.

Help us seek the grace to endure all trials and problems ourselves—as well as understanding of those in need.

As we consecrate our talents help us find the true reason for serving.

Heavenly Father, since we are always asking for something in our prayers, help us try and count for something in Your plan. Teach us our faith works when we do. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment concurrent resolutions of the House of the following titles:

H. Con. Res. 78. Concurrent resolution to authorize the printing of a veterans' benefits calculator; and

H. Con. Res. 397. Concurrent resolution providing for the printing of additional copies of hearings before the Subcommittee on Foreign Economic Policy entitled "Foreign Policy Implications of the Energy Crisis."

The message also announced that the Senate had passed bills and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 939. An act to amend the Admission Act for the State of Idaho to permit that State to exchange public lands, and for other purposes;

S. 2446. An act for the relief of Charles William Thomas, deceased;

S. 2893. An act to amend the Public Health Service Act to improve the national cancer program and to authorize appropriations for such program for the next 3 fiscal years;

S. 3052. An act to amend the act of October 13, 1972; and

S. Con. Res. 73. Concurrent resolution authorizing the printing of additional copies of a committee print of the Senate Select Committee on Nutrition and Human Needs.

The message also announced that the Vice President, pursuant to Public Law 85–474, appointed Mr. HRUSKA to attend the Interparliamentary Union Meeting to be held in Bucharest, Romania, April 15 to 20, 1974.

THE RIGHT REVEREND MONSIGNOR JOHN J. KARPINSKI

(Mr. WOLFF asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WOLFF. Mr. Speaker, this morning our legislative day began with an opening prayer by a dear friend of mine, Monsignor John Karpinski of New York. For 10 years, since October 3, 1964, Monsignor Karpinski has been the much respected and beloved pastor of St. Stanislaus Church in New York City. St. Stanislaus, the oldest parish serving the Polish community on the east coast, has served the Polish population well for some 102 years, and continues its fine record for service to the community.

Monsignor Karpinski has earned the trust and respect of his flock and he has been both active and effective as a Polish leader, as well as a religious leader. Evidence of this can be noted in this sampling of his offices and awards: Monsignor Karpinski is the president of the Polish Immigration and Relief Committee; the chaplain of the Sons of Poland; grand counsel of the Pulaski Association of New York and New Jersey, and the monsignor was the grand marshal of the 1970 Pulaski Day Parade in New York City.

Monsignor Karpinski, with his record of achievements, comes to the House of Representatives today as a man following the great traditions of service set by those honored Polish leaders, Pulaski and Kosciusko, who contributed so much to this Nation.

ANOTHER CHAMPIONSHIP, ANOTHER RECORD

(Mr. CLANCY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CLANCY. Mr. Speaker, Elder High School has just won another State championship and set another record for Cincinnati area high schools which is of tremendous pride to all Cincinnati sports fans and of special personal pride to me.

Elder won the AAA Ohio basketball crown last year, the first time that a Cincinnati high school had accomplished that feat. Last Saturday, they won the AAA championship again; another record for Cincinnati schools and the first time that an Ohio high school had repeated State championship play in two successive seasons since 1968 and 1969.

What is even more remarkable is that Elder High School athletes have now won four State athletic championships in 12 months. Last summer, they won the baseball championship. Last fall, their cross-country runners carried home the State meet trophy.

While all Cincinnati fans are enormously pleased with this record, I take extra pleasure in it because Elder is my alma mater.

The members of the 1974 AAA basketball championship team are cocaptains, Rick Apke and Bill Early, Kenny Brown, Tony Apro, Paul Niemeyer, Phil Bloemker, Jim Stenger, Terry McCarthy, Mike

Dwyer, Tom Dinkelacker, Mark Freese, Bill Kemper and Art Watson.

The varsity coach is Paul J. Frey; the reserve coach, Ray Bachus; the frosh coach, Tom Bushman; athletic director, Rev. Edward L. Rudemiller, and the principal is Rev. Lawrence R. Strittmatter. The scorer is Charles Kaufhold and the team chaplain is Rev. Ralph A. Westerhoff.

Student managers for the Purple Gang from Price Hill are Bob Wolfram, Mike Keyes, Terry Bryant, Nick Duennes, Barry Ellison and Steve Fessel.

Elder High School basketball record for the season just completed was 23 wins and 3 losses—an indication of the high quality of competition in the Cincinnati area. I might also point out that only four other high schools in Ohio have won consecutive championships in 52 years of play.

I am very pleased to extend hearty congratulations to all of those named above and the entire faculty and student body.

CONGRESSIONAL PAY RAISES

(Mr. DENNIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DENNIS. Mr. Speaker, the argument about congressional pay raises is apparently over for this session, but the problem of automatic raises without a congressional vote remains.

Mr. Speaker, I would like to remind my colleagues that H.R. 2154, which will solve that problem by giving every Member of the House a chance to request and demand a vote on the subject of a raise in the future, is still before us here with a discharge petition now bearing 113 names.

Mr. Speaker, I urge those who are serious about this question and believe we should have a vote on this important matter to join their names to the 113 already there subscribed.

TRIBUTE TO JOSEPH P. McNAMARA

(Mr. DEL CLAWSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DEL CLAWSON. Mr. Speaker, I would like to take a few minutes to pay tribute to one of this country's space pioneers. On April 1, Joseph P. McNamara, president of Rockwell International's Space Division will retire. Not only his company but America will miss his contributions to the national space program.

The organization he leaves developed and built all of the command and service modules for our lunar-landing program. It also developed and made the Saturn S-11—second stage of the Saturn V launch vehicle, which sent nine Apollo crews to the Moon, six of which landed. Earlier, as vice president and general manager of Rocketdyne's Liquid-Rocket Division, he directed development and production of the Saturn V's J-2 and F-1 engines. For this work, NASA awarded him the Distinguished Public Service Medal, the highest honor bestowed on a nongovernment employee.

I am proud of this native Californian and wish him and his lovely wife, Elizabeth, a long and enjoyable retirement.

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mr. MURPHY of Illinois. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

URGENT SUPPLEMENTAL APPROPRIATION FOR THE VETERANS' ADMINISTRATION

Mr. MAHON. Mr. Speaker, pursuant to the order of the House on Thursday, March 21, 1974, I call up the joint resolution (H.J. Res. 941), making an urgent supplemental appropriation for the fiscal year ending June 30, 1974, for the Veterans' Administration, and for other purposes, and ask unanimous consent that the joint resolution be considered in the House as in Committee of the Whole.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 941

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sum is appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1974, namely:

VETERANS' ADMINISTRATION

READJUSTMENT BENEFITS

For an additional amount for "Readjustment benefits", $750,000,000, to remain available until expended.

Mr. MAHON. Mr. Speaker, I move to strike the last word.

Mr. Speaker, we are here today with an urgent supplemental appropriation bill for the Veterans' Administration.

This item is lifted from a large number of pending supplemental budget requests being considered in connection with the second supplemental appropriation bill, 1974, scheduled to be considered by the House the week before Easter. Final congressional action on that bill will probably not occur before mid-May and will not be timely enough to meet the pressing needs represented by this joint resolution because certain payments must be made to veterans in early April.

I will speak just briefly on this measure and then I will yield to the gentleman from Massachusetts (Mr. BOLAND) who is the chairman of the subcommittee which has jurisdiction in this area and to the gentleman from California (Mr. TALCOTT), the ranking minority member of the subcommittee.

The Committee on Appropriations is recommending the entire supplemental budget request for an additional $750 million for veterans readjustment benefits. We appropriated the full budget amount requested for fiscal year 1974 in the amount of $2,256,000,000 in the regular bill. This amount, however, has not been sufficient due to a larger number of veterans participating in the program than originally anticipated and to a lesser extent due to the increased cost of training.

The enactment in October of 1972 of the Vietnam Era Veteran's Readjustment Assistance Act provided for payment of educational allowances in advance and for personally contacting each educationally disadvantaged veteran. These outreach activities have encouraged more veterans to utilize their educational opportunities.

Insofar as I know there is no opposition to this appropriation. It behooves us to handle this matter expeditiously so that it might become law as soon as possible.

Mr. BOLAND. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Massachusetts (Mr. BOLAND), the chairman of the subcommittee. The gentleman from California (Mr. TALCOTT) is also on the floor. Mr. BOLAND, Mr. TALCOTT, and the members of the subcommittee are the most knowledgeable Members with respect to this joint resolution.

Mr. Speaker, I yield to the gentleman from Massachusetts.

Mr. BOLAND. Mr. Speaker, this resolution is essential legislation. Without these funds the Veterans' Administration cannot make the next major payments of educational benefits to Vietnam veterans. This urgent supplemental bill will insure that these veterans will get their April checks.

When the committee considered the regular 1974 appropriation for readjustment benefits, the Veterans' Administration anticipated that about 1,860,000 veterans would take advantage of educational training. The Congress provided the full $2,526 million requested in 1974 to meet these benefit payments.

But new legislation providing for educational allowances in advance—and broader outreach activities encouraged a substantially higher number of veterans to take advantage of these important educational opportunities. The current estimate of the number of veterans in training has now increased to 2,450,000—up 584,000 above the original estimate.

Mr. Speaker, the committee has worked as quickly and expeditiously as possible to insure that these benefits will continue to flow uninterrupted to deserving veterans.

Because this legislation is urgently required, the committee lifted the $750,000,000 request from the much larger and more complex second supplemental appropriation bill. This action again demonstrates that the committee is ready to act when action is required. No veteran will miss a benefit check because this Congress has been slow to act. This resolution is needed and it is needed now.

I urge its favorable passage.

Mr. MAHON. Mr. Speaker, I yield to

the gentleman from California (Mr. TALCOTT).

Mr. TALCOTT. Mr. Speaker, I thank the gentleman from Texas for yielding.

I take this time only to concur with the gentleman from Texas and the gentleman from Massachusetts. This is really an essential joint resolution. There is no alternative. This is one of the most popular bills we have ever passed. The Vietnam veterans are in school, and their April checks will be stopped if we do not pass this legislation. We will be doing a disservice not only to the veterans, but to the Veterans' Administration and the Congress as well, if we do not pass this joint resolution promptly. The subcommittee and the committee have both unanimously approved it.

Mr. TIERNAN. Mr. Speaker, I rise in support of House Joint Resolution 941, the Urgent Supplemental Appropriation for Veterans Benefits Act. This is an important appropriation that will enable the Veterans' Administration to continue to pay educational benefits in fiscal year 1974 to enrolled veterans.

As you know, Congress previously approved the full amount originally requested by the Administration. However, the VA did not anticipate fully the demand for benefits that are now being utilized and has now come back to Congress for an additional appropriation.

Personally, I am very pleased by the results of Project Outreach in that it has encouraged more veterans to take advantage of their educational benefits. I am hopeful that even more veterans will do so in the future.

This is one appropriation no one can argue with. I am happy to give it my wholehearted support.

Mr. MAHON. Mr. Speaker, I move the previous question on the joint resolution.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the joint resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. TALCOTT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 398, nays 0, answered "present" 1, not voting 33, as follows:

[Roll No. 116]

YEAS—398

Abdnor
Abzug
Adams
Addabbo
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Arends
Armstrong
Ashbrook
Ashley
Aspin
Badillo
Bafalis
Baker
Barrett
Bauman
Beard
Bell
Bennett
Bergland
Biester
Bingham
Blackburn
Boggs
Boland
Bolling
Bowen
Brademas
Brasco
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton
Butler
Byron
Camp
Carney, Ohio
Carter
Casey, Tex.
Chamberlain
Chappell
Chisholm
Clancy
Clark
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Corman
Cotter
Coughlin
Crane
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, Ga.
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dennis
Dent
Derwinski
Devine
Dickinson
Diggs
Dingell
Donohue
Downing
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fish
Flood
Flowers
Flynt
Foley
Ford
Fountain
Fraser
Frelinghuysen
Frey
Froehlich
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Grasso
Green, Oreg.
Green, Pa.
Griffiths
Gross
Grover
Gude
Gunter
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hansen, Idaho
Hansen, Wash.
Harrington
Harsha
Hastings
Hawkins
Hays
Hébert
Hechler, W. Va.
Heinz
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holifield
Holt
Holtzman
Horton
Hosmer
Howard
Huber
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kemp
Ketchum
King
Koch
Kyros
Lagomarsino
Landgrebe
Landrum
Latta
Leggett
Lehman
Lent
Litton
Long, La.
Long, Md.
Lott
Lujan
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McKinney
McSpadden
Madden
Madigan
Mahon
Mallary
Mann
Maraziti
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Milford
Miller
Mills
Minish
Mink
Minshall, Ohio
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nedzi
Nelsen
Nix
Obey
O'Brien
O'Hara
O'Neill
Owens
Parris
Passman
Patten
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Podell
Powell, Ohio
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quie
Quillen
Randall
Rangel
Rarick
Rees
Regula
Reuss
Rhodes
Riegle
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roy
Roybal
Runnels
Ruppe
Ruth
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Satterfield
Scherle
Schneebeli
Schroeder
Sebelius
Seiberling
Shipley
Shoup
Shuster
Sikes
Sisk
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steele
Steelman
Steiger, Ariz.
Steiger, Wis.
Stokes
Stratton
Stubblefield
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Treen
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Wiggins
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wydler
Wylie
Wyman
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—0

ANSWERED "PRESENT"—1

Fisher

NOT VOTING—33

Alexander
Bevill
Biaggi
Blatnik
Carey, N.Y.
Cederberg
Clausen, Don H.
Conyers
Dorn
Erlenborn
Forsythe
Frenzel
Gray
Gubser
Hanna
Hanrahan
Heckler, Mass.
Jarman
Kluczynski
Kuykendall
Macdonald
Mitchell, Md.
Nichols
Patman
Railsback
Reid
Rooney, N.Y.
Shriver
Skubitz
Stephens
Stuckey
Teague
Williams

So the joint resolution was passed.

The Clerk announced the following pairs:

Mr. Teague with Mr. Bevill.

Mr. Rooney of New York with Mr. Skubitz.

Mr. Biaggi with Mr. Kuykendall.

Mr. Carey of New York with Mrs. Heckler of Massachusetts.

Mr. Kluczynski with Mr. Erlenborn.

Mr. Stephens with Mr. Frenzel.

Mr. Nichols with Mr. Gubser.

Mr. Reid with Mr. Conyers.

Mr. Macdonald with Mr. Don H. Clausen.

Mr. Mitchell of Maryland with Mr. Gray.

Mr. Alexander with Mr. Hanrahan.

Mr. Hanna with Mr. Cederberg.

Mr. Jarman with Mr. Forsythe.

Mr. Stuckey with Mr. Railsback.

Mr. Blatnik with Mr. Shriver.

Mr. Dorn with Mr. Williams.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks in the RECORD on the joint resolution (H.J. Res. 941) just passed, and include tables and extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

CONGRESSIONAL COMMITMENT ON PRIVACY

(Mr. GOLDWATER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GOLDWATER. Mr. Speaker, I want to take this minute of my colleagues' time to remind them of the special orders taken by myself and Congressman ED KOCH for this coming Tuesday, April 2, 1974, the purpose of the special orders is to provide the Members of the House the opportunity to discuss the evergrowing invasion of personal privacy resulting from uncontrolled and unmonitored collection, use, and dissemination of personal information by the Government and private enterprise. Quite frankly, the time has come for the Congress to develop and demonstrate a firm commitment to the protection of personal privacy, and I am confident that the discussion that is to come next Tuesday will serve to initiate just such a commitment. I urge all of my colleagues to participate in this worthy effort and discussion.

LONG-OVERDUE INCREASE IN RETIREMENT INCOME CREDIT NEEDED

(Mr. BOB WILSON asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. BOB WILSON. Mr. Speaker, there has been much talk of tax reform in Congress but, regardless of the final outcome of an "omnibus tax reform package," several items demand congressional attention this year. One of these is a long overdue increase in the retirement income credit.

Social security payments are not taxable, and the purpose of the retirement income credit was to provide comparable tax relief to other retirees. I have supported the substantial increase in social security benefits in recent years, a critical legislative action to assist the elderly in coping with our inflationary economy of the past decade. The retirement income credit has failed to keep pace, however.

The current base limit for individuals is $1,524, unchanged since 1962, and $2,286 for elderly couples, with no update since 1964. During that time social security benefits have doubled.

The legislation I am introducing today would increase the computation base from $1,524 to $2,500 for single persons and from $2,286 to $3,750 for couples. In terms of dollars and cents, this would mean a tax saving of up to $146 for single people and $220 for couples.

The elderly living on fixed incomes have been severely affected by the Government's inability to control inflation. While we debate the blame for inflation, it is paramount that we provide relief for those who have suffered most greatly.

My bill will provide tax equity for retired teachers, policemen, firemen, and Government annuitants by giving them a tax benefit comparable to that now afforded social security recipients. The Senate approved an amendment similar to this legislation last year, as a rider to another bill, but the measure bogged down because of several other controversial amendments.

As another April 15 rolls around, it is imperative that Congress give prompt attention to an immediate increase in the retirement income credit and I hope that we will be able to act favorably on this matter in the near future.

ELEMENTARY AND SECONDARY EDUCATION AMENDMENTS OF 1974

Mr. PERKINS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 69) to extend and amend the Elementary and Secondary Act of 1965, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 69, with Mr. PRICE of Illinois in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday an amendment adding a new title following title I had been agreed to. Further amendments under title I are not in order.

The Clerk will now read title II of the substitute committee amendment beginning on page 58, line 19.

The Clerk read as follows:

TITLE II—CONSOLIDATION OF CERTAIN EDUCATIONAL ASSISTANCE PROGRAMS

CONSOLIDATION OF PROGRAMS

SEC. 201. (a) The Act is amended (1) by striking out title IX and sections 809 and 811, (2) by redesignating title VIII (and all cross-references thereto) as title X, redesignating sections 801 through 808 (and all cross-references thereto) as sections 1001 through 1008, respectively, and redesignating section 810 (and any cross-reference thereto) as section 1109 and (3) by inserting after title VII the following new title:

"TITLE VIII—LIBRARIES, LEARNING RESOURCES, EDUCATIONAL INNOVATION, AND SUPPORT

"PART A—GENERAL PROVISIONS

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 801. (a) Subject to subsection (c), there is authorized to be appropriated the sum of $395,000,000 for obligation by the Commissioner during the fiscal year ending June 30, 1975, and such sums as may be necessary for obligation by the Commissioner during each of the two succeeding fiscal years, for the purpose of making grants under part B (Libraries and Learning Resources) of this title.

"(b) Subject to subsection (c), there is authorized to be appropriated the sum of $350,000,000 for obligation by the Commissioner during the fiscal year ending June 30, 1975, and such sums as may be necessary for obligation by the Commissioner during each of the two succeeding fiscal years, for the purpose of making grants under part C (Educational Innovation and Support) of this title.

(c) Except in the case of the first appropriation made under subsections (a) and (b), no funds are authorized to be appropriated under either subsection (a) or subsection (b) for obligation by the Commissioner during a fiscal year unless the aggregate amount which would be so appropriated is at least equal to the aggregate amount appropriated for obligation by the Commissioner during the fiscal year preceding such fiscal year under such subsections. No funds are authorized to be appropriated in the first bill or resolution proposing to make an appropriation under subsections (a) and (b) unless the aggregate amount which would be so appropriated is at least equal to the aggregate amount appropriated for obligation by the Commissioner during the preceding fiscal year for programs authorized by titles II, III, and V and sections 807 and 808 of the Elementary and Secondary Education Act of 1965, and title III (except for section 305 thereof) of the National Defense Education Act of 1958.

"ALLOTMENT TO THE STATES

"SEC. 802. (a)(1) There is hereby authorized to be appropriated for each fiscal year for the purposes of this paragraph amounts equal to not more than 1 per centum of each of the amounts appropriated for such year under subsections (a) and (b) of section 801. The Commissioner shall allot each of the amounts appropriated pursuant to this paragraph among Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands according to their respective needs for assistance under part B and part C of this title. In addition, for each fiscal year he shall allot from each of such amounts to (A) the Secretary of the Interior the amounts necessary for the programs authorized by each such part for children and teachers in elementary and secondary school operated for Indian children by the Department of the Interior, and (B) the Secretary of Defense the amounts necessary for the programs authorized by each such part for children and teachers in the overseas dependents schools of the Department of Defense. The terms upon which payment for such purposes shall be made to the Secretary of the Interior and the Secretary of Defense shall be determined pursuant to such criteria as the Commissioner determines will best carry out the purposes of this title.

"(2) From the amounts appropriated to carry out part B and part C of this title for any fiscal year pursuant to subsections (a) and (b) of section 801, the Commissioner shall allot to each State from each such amount an amount which bears the same ratio to such amount as the number of children aged five to seventeen, inclusive, in the State bears to the number of such children in all the States. For the purposes of this subsection, the term 'State' shall not include Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands. The number of children aged five to seventeen, inclusive, in a State and in all the States shall be determined by the Commissioner on the basis of the most recent satisfactory data available to him.

"(b) The amount of any State's allotment under subsection (a) for any fiscal year to carry out part B or C which the Commissioner determines will not be required for such fiscal year to carry out such part shall be available for reallotment from time to time, on such dates during such year as the Commissioner may fix, to other States in proportion to the original allotments to such States under subsection (a) for that year but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum the Commissioner estimates such State needs and will be able to use for such year; and the total of such reductions shall be similarly reallotted among the States whose proportionate amounts were not so reduced. Any amounts reallotted to a State under this subsection during a year from funds appropriated pursuant to section 801 shall be deemed a part of its allotment under subsection (a) for such year.

"STATE PLANS

"SEC. 803. (a) Any State which desires to receive grants under this title shall establish an advisory council as provided by subsection (b) and shall submit to the Commissioner a State plan, in such detail as the Commissioner deems necessary, which—

"(1) designates the State educational agency as the State agency which shall, either directly or through arrangements with other State or local public agencies, act as the sole agency for the administration of the State plan;

"(2) sets forth a program under which funds paid to the State from its allotments under section 802 will be expended solely for (A) the programs and purposes authorized by parts B and C of this title, and (B) administration of the State plan;

"(3) provides assurances that the requirements of section 807 (relating to the participation of pupils and teachers in nonpublic elementary and secondary schools) will be met, or certifies that such requirements cannot legally be met in such State;

"(4) provides assurances that (A) funds it receives from appropriations made under section 801(a) will be distributed among local educational agencies according to the enrollments in public and nonpublic schools within the school districts of such agencies: *Provided, however,* That substantial funds will be provided to (i) those local educational agencies whose tax effort for education is substantially greater than the State average tax effort for education, but whose per pupil expenditure (excluding payments made under title I of this Act) is no greater than the average per pupil expenditure in the State, and (ii) those local educational agencies which have the greatest numbers or percentages of children whose education imposes a higher than average cost per child, such as children from low-income families, children living in sparsely populated areas, and children from families in which English is not the dominant language; and (B) funds it receives from appropriations made under section 801(b) will be distributed among local educational agencies on an equitable basis recognizing the competitive nature of the grantmaking: *Provided, further, however,* That the State educational agency must provide assistance in formulating proposals and in operating programs to those local educational agencies which are less able to compete due to small size or lack of local financial resources; and the State plan shall set out the specific criteria the State educational agency has developed and will apply to meet the requirement of this paragraph;

"(5) provides that each local educational agency will be given complete discretion (subject to the provisions of section 807) in determining how the funds it receives from appropriations made under section 801(a) will be divided among the various programs described in section 821;

"(6) provides for the adoption of effective procedures (A) for an evaluation by the State advisory council, at least annually, of the effectiveness of the programs and projects supported under the State plan, (B) for the appropriate dissemination of the results of such evaluations and other information pertaining to such programs or projects, and (C) for adopting, where appropriate, promising educational practices developed through innovative programs supported under part C;

"(7) provides that local educational agencies applying for funds under any or all programs authorized by this title shall be required to submit only one application for such funds for any one fiscal year for all of the funds so applied for;

"(8) provides—

"(A) that, of the funds the State receives under section 801 for the first fiscal year for which such funds are available, it will use for administration of the State plan not to exceed whichever is greater (i) 5 per centum of the amount so received ($50,000 in the case of Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands), excluding any part of such amount used for purposes of section 831(a)(3), or (ii) the amount it received for the fiscal year ending June 30, 1973, for administration of the programs referred to in sections 821(b) and 831(b), and that the remainder of such funds shall be made available to local educational agencies to be used for the purposes of parts B and C; and that, of the funds the State receives under section 801 for fiscal years thereafter, it will use for administration of the State plan not to exceed whichever is greater (i) 5 per centum of the amount so received ($50,000 in the case of Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands), excluding any part of such amount used for purposes of section 831(a)(3), or (ii) $225,000, and that the remainder of such funds shall be made available to local educational agencies to be used for purposes of parts B and C,

"(B) that not less than 15 per centum of the amount received pursuant to section 801(b) in any fiscal year (not including any amount used for purposes of section 831(a)(3)) shall be used for special programs or projects for the education of children with specific learning disabilities and handicapped children, and

"(C) that not more than the greater of (i) 15 per centum of the amount which such State receives pursuant to section 801(b) in any fiscal year, or (ii) the amount available by appropriation to such State in the fiscal year ending June 30, 1973, for purposes covered by section 831(a)(3), shall be used for purposes of section 831(a)(3) (strengthening State and local educational agencies);

"(9) provides assurances that in the case of any project for the repair, remodeling, or construction of facilities, that the facilities shall be accessible to and usable by handicapped persons, and that the requirements of section 433 of the General Education Provisions Act (relating to labor standards) shall be complied with on all such projects;

"(10) provides that final action with respect to the application of any local educational agency or agencies for assistance under this title shall not be taken without first affording such agency or agencies reasonable notice and opportunity for a hearing;

"(11) sets forth policies and procedures which give satisfactory assurance that Federal funds made available under this title for any fiscal year (A) will not be commingled with State funds, (B) will be so used as to supplement and, to the extent practical, increase the fiscal effort (determined in accordance with regulations of the Commissioner) that would, in the absence of Federal funds, be made by the applicant for educational purposes, and (C) are subject to such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement and accounting for them;

"(12) gives satisfactory assurance that the aggregate amount to be expended by the State and its local educational agencies from funds derived from non-Federal sources for programs described in section 821(a) for a fiscal year will not be less than the amount so expended for the preceding fiscal year; and

"(13) provides for making an annual report and such other reports, in such form and containing such information, as the Commissioner may reasonably require to carry out his functions under this title and to determine the effectiveness of programs and projects funded under this title, and for keeping such records and affording such access thereto as the Commissioner may find necessary to assure the correctness of such reports.

"(b)(1) The State advisory council, established pursuant to subsection (a), shall—

"(A) be appointed by the State educational agency or as otherwise provided by State law and be broadly representative of the cultural and educational resources of the State (as defined in section 832) and of the public, including persons representative of—

"(i) public and private elementary and secondary schools,

"(ii) institutions of higher education, and

"(iii) areas of professional competence in dealing with children needing special education because of physical or mental handicaps, specific learning disabilities, severe educational disadvantage, and limited English-speaking ability or because they are gifted or talented, and of professional competence in guidance and counseling;

"(B) advise the State educational agency on the preparation of, and policy matters arising in the administration of, the State plan, including the development of criteria for the distribution of funds and the approval of applications for assistance under this title;

"(C) evaluate all programs and projects funded under this title; and

"(D) prepare at least annually and submit through the State educational agency a report of its activities, recommendations, and evaluations, together with such additional comments as the State educational agency deems appropriate, to the Commissioner.

"(2) Not less than ninety days prior to the beginning of any fiscal year which begins after June 30, 1974, or thirty days after the enactment of the Elementary and Secondary Education Amendments of 1974, whichever occurs later, in which a State desires to receive a grant under this title, such State shall certify the establishment of, and membership of (including the name of the person designated as Chairman), its State advisory council to the Commissioner.

"(3) Each State advisory council shall meet within thirty days after certification has been accepted by the Commissioner and establish the time, place, and manner of its future meetings, except that such council shall have not less than one public meeting each year at which the public is given an opportunity to express views concerning the administration and operation of this title.

"(4) State advisory councils shall be authorized to obtain the services of such professional, technical, and clerical personnel, and to contract for such other services as may be necessary to enable them to carry out their functions under this title, and the Commissioner shall assure that funds sufficient for these purposes are made available to each council from funds available for administration of the State plan.

"(c) The Commissioner shall approve any State plan and any modification thereof which complies with the provisions of subsections (a) and (b).

"ADMINISTRATION OF STATE PLANS

"SEC. 804. (a) The Commissioner shall not fully disapprove any State plan submitted under this title, or any modification thereof, without first affording the State educational agency reasonable notice and opportunity for a hearing.

"(b) Whenever the Commissioner, after reasonable notice and opportunity for hearing to such State educational agency, finds—

"(1) that the State plan has been so changed that it no longer complies with the provisions of section 803, or

"(2) that in the administration of the plan there is a failure to comply substantially with any such provisions,

the Commissioner shall notify such State educational agency that the State will not be regarded as eligible to participate in the program under this title until he is satisfied that there is no longer any such failure to comply.

"JUDICIAL REVIEW

"SEC. 805. (a) If any State is dissatisfied with the Commissioner's final action with respect to the approval of its State plan submitted under section 803 or with his final action under section 804(b), such State may, within sixty days after notice of such action, file with the United States court of appeals for the circuit in which such State is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Commissioner. The Commissioner thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code.

"(b) The findings of fact by the Commissioner, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Commissioner to take further evidence, and the Commissioner may thereupon make new or modified findings of fact and may modify his previous action, and shall certify to the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

"(c) The court shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

"PAYMENTS TO STATES

"SEC. 806. From the amounts allotted to each State under section 802 for carrying out the programs authorized by parts B and C, the Commissioner shall pay to that State an amount equal to the amount expended by the State in carrying out its State plan (after withholding any amount necessary pursuant to section 807(f)). Such payments may be made in installments, and in advance or by way of reimbursement, with necessary adjustments on account of overpayments or underpayments.

"PARTICIPATION OF CHILDREN ENROLLED IN PRIVATE SCHOOLS

"SEC. 807. (a) To the extent consistent with the number of children in the school district of a local educational agency (which is a recipient of funds under this title or which serves the area in which a program or project funded under this title is located) who are enrolled in private nonprofit elementary and secondary schools, such agency, after consultation with the appropriate private school officials, shall provide for the benefit of such children in such schools secular, neutral, and nonideological services, materials, and equipment, including the repair, minor remodeling, or construction of public school facilities as may be necessary for their provision (consistent with subsection (c) of this section), or, if such services, materials, and equipment are not feasible or necessary in one or more such private schools as determined by the local educational agency after consultation with the appropriate private school officials, shall provide such other arrangements as will assure equitable participation of such children in the purposes and benefits of this title.

"(b) Expenditures for programs pursuant to subsection (a) shall be equal (consistent with the number of children to be served) to those for programs for children enrolled in the public schools of the local educational agency, taking into account the needs of the individual children and other factors (pursuant to criteria supplied by the Commissioner) which relate to such expenditures, and when funds available to a local educational agency under this title are used to concentrate programs or projects on a particular group, attendance area, or grade or age level, children enrolled in private schools who are included within the group, attendance areas, or grade and age level selected for such concentration shall, after consultation with the appropriate private school officials, be assured equitable participation in the purposes and benefits of such programs or projects.

"(c)(1) The control of funds provided under this title and title to materials, equipment, and property repaired, remodeled, or constructed therewith shall be in a public agency for the uses and purposes provided in this title, and a public agency shall administer such funds and property.

"(2) The provision of services pursuant to this section shall be provided by employees of a public agency or through contract by such public agency with a person, an association, agency, or corporation who or which in the provision of such services is independent of such private school and of any religious organization, and such employment or contract shall be under the control and supervision of such public agency, and the funds provided under this title shall not be commingled with State or local funds.

"(d) If a State is prohibited by law from providing for the participation in programs of children enrolled in private elementary and secondary schools, as required by this section, the Commissioner may waive such requirement and shall arrange for the provision of services to such children through arrangements which shall be subject to the requirements of this section.

"(e) If the Commissioner determines that a State or a local educational agency has substantially failed to provide for the participation on an equitable basis of children enrolled in private elementary and secondary schools as required by this section, he shall arrange for the provision of services to such children through arrangements which shall be subject to the requirements of this section.

"(f) When the Commissioner arranges for services pursuant to this section, he shall, after consultation with the appropriate public and private school officials, pay the cost of such services from the appropriate allotment of the State under this title.

"PART B—LIBRARIES AND LEARNING RESOURCES

"PROGRAMS AUTHORIZED

"SEC. 821. (a) The Commissioner shall carry out a program for making grants to the State (pursuant to State plans approved under section 803)—

"(1) for the acquisition of school library resources, textbooks, and other printed and published instructional materials for the use of children and teachers in public and private elementary and secondary schools;

"(2) for the acquisition of laboratory and other special equipment (other than supplies consumed in use), including audiovisual materials and equipment, and printed and published materials (other than textbooks), suitable for use in providing education in science, mathematics, history, civics, geography, economics, industrial arts, modern foreign language, English, or reading in public and private elementary and secondary schools, or both, and of testgrading equipment for use in such schools, and such equipment may, if there exists a critical need therefor in the judgment of the local educational agency, be used when available and suitable in providing education in other subject matter taught in the public schools, and for minor remodeling of laboratory or other space used by the public schools for such materials or equipment; and

"(3) for (A) a program of testing students in the elementary and secondary schools, (B) programs of counseling and guidance services for students at the appropriate levels in elementary and secondary schools designed (i) to advise students of courses of study best suited to their ability, aptitude, and skills, (ii) to advise students in their decisions as to the type of educational program they should pursue, the vocation they should train for and enter, and the job opportunities in the various fields, and (iii) to encourage students to complete their secondary school education, take the necessary courses for admission to postsecondary institutions suitable for their occupational or academic needs, and enter such institutions, and such programs may include short-term sessions for persons engaged in guidance and counseling in elementary and secondary schools, and (C) programs, projects, and leadership activities designed to expand and strengthen counseling and guidance services in elementary and secondary schools.

"(b) It is the purpose of this part to combine within a single authorization, subject to the modifications imposed by the provisions and requirements of this title, the programs authorized by titles II and so much of title III as relates to testing, counseling, and guidance, of the Elementary and Secondary Education Act of 1965, and title III (except for section 305 thereof) of the National Defense Education Act of 1958, and funds appropriated to carry out this part must be used only for the same purposes and for the funding of the same types of programs authorized under those provisions.

"PART C—EDUCATIONAL INNOVATION AND SUPPORT

"PROGRAMS AUTHORIZED

"SEC. 831. (a) The Commissioner shall carry out a program for making grants to the States (pursuant to State plans approved under section 803)—

"(1) for supplementary educational centers and services to stimulate and assist in the provision of vitally needed educational services (including preschool education, special education, compensatory education, vocational education, education of gifted and talented children, and dual enrollment programs) not available in sufficient quantity or quality, and to stimulate and assist in the development and establishment of exemplary elementary and secondary school programs (including the remodeling, lease, or construction of necessary facilities) to serve as models for regular school programs;

"(2) for the support of demonstration projects by local educational agencies or private educational organizations designed to improve nutrition and health services in public and private elementary and secondary schools serving areas with high concentrations of children from low-income families and such projects may include payment of the cost of (A) coordinating nutrition and health service resources in the areas to be served by a project, (B) providing supplemental health, mental health, nutritional, and food services to children from low-income families when the resources for such services available to the applicant from other sources are inadequate to meet the needs of such children, (C) nutrition and health programs designed to train professional and other school personnel to provide nutrition and health services in a manner which meets the needs of children from low-income families for such services, and (D) the evaluation of projects assisted with respect to their effectiveness in improving school nutrition and health services for such children;

"(3) for strengthening the leadership resources of State and local educational agencies, and for assisting those agencies in the establishment and improvement of programs to identify and meet educational needs of States and of local school districts; and

"(4) for making arrangements with local educational agencies for the carrying out by such agencies in schools which (A) are located in urban or rural areas, (B) have a high percentage of children from low-income families, and (C) have a high percentage of such children who do not complete their secondary school education, of demonstration projects involving the use of innovative methods, systems, materials, or programs which show promise of reducing the number of such children who do not complete their secondary school education.

"(b) It is the purpose of this part to combine within a single authorization, subject to the modifications imposed by the provisions and requirements of this title, the programs authorized by title III (except for programs of testing, counseling, and guidance) and title V, and sections 807 and 808 of the Elementary and Secondary Education Act of 1965, and funds appropriated to carry out this part must be used only for the same purposes and for the funding of the same types of programs authorized under those provisions.

"UTILIZATION OF RESOURCES

"SEC. 832. Programs or projects supported pursuant to this part (other than those described in section 831(a)(3)) shall involve in the planning and carrying out thereof the participation of persons broadly representative of the cultural and educational resources of the area to be served. The term 'cultural and educational resources' includes State educational agencies, local educational agencies, private nonprofit elementary and secondary schools, institutions of higher education, public and nonprofit private agencies such as libraries, museums, musical and artistic organizations, educational radio and television, and other cultural and educational resources."

(b) (1) Sections 305(d) and 306 of the Act shall not apply with respect to programs and projects initially approved during any year for which funds are available for obligation by the Commissioner for carrying out title VIII of the Act (as redesignated by subsection (a)).

(2) The amendments made by this section shall not apply with respect to programs and projects initially approved during any year for which funds are not available for obligation by the Commissioner for carrying out title VIII of the Act (as redesignated by subsection (a)).

EXTENSION OF EXISTING LAW AFFECTED BY CONSOLIDATION

SEC. 202. (a) Section 201(b) of the Act is amended by inserting before the period at the end thereof the following: ", and each of the four succeeding fiscal years, except that no funds are authorized to be appropriated for obligation by the Commissioner during any year for which funds are available for obligation by the Commissioner for carrying out title VIII".

(b) (1) The first and second sentences of section 301(b) of the Act are each amended by inserting before the period at the end thereof the following: ", and each of the four succeeding fiscal years, except that no funds are authorized to be appropriated for obligation by the Commissioner during any year for which funds are available for obligation by the Commissioner for carrying out title VIII".

(2) The third sentence of section 302(a) (1) of the Act is amended by striking out "for each fiscal year ending prior to July 1, 1973,".

(3) The first sentence of section 305(c) of the Act is amended by striking out "1973" and inserting in lieu thereof "1977".

(c) (1) Section 501(b) of the Act is amended by inserting before the period at the end thereof the following: "and each of the four succeeding fiscal years, except that no funds are authorized to be appropriated for obligation by the Commissioner during any year for which funds are available for obligation by the Commissioner for carrying out title VIII".

(2) Section 521(b) of the Act is amended by inserting before the period at the end thereof the following: ", and each of the four succeeding fiscal years, except that no funds are authorized to be appropriated for obligation by the Commissioner during any year for which funds are available for obligation by the Commissioner for carrying out title VIII".

(3) Section 531(b) of the Act is amended by inserting before the period at the end thereof the following: ", and each of the four succeeding fiscal years, except that no funds are authorized to be appropriated for obligation during any year for which funds are available for obligation for carrying out title VIII".

(d) Section 1007(c) of the Act (as redesignated by section 201 of this Act) is amended by inserting before the period at the end thereof the following: ", and each of the four succeeding fiscal years, except that no funds are authorized to be appropriated for obligation during any year for which funds are available for obligation for carrying out title VIII".

(e) Section 1008(d) of the Act (as redesignated by section 201 of this Act) is amended by inserting before the period at the end thereof the following: ", and each of the four succeeding fiscal years, except that no funds are authorized to be appropriated for obligation during any year for which funds are available for obligation for carrying out title VIII".

(f) Section 301 of the National Defense Education Act of 1958 is amended by striking out "1975" both times it appears and inserting "1977" in lieu thereof, by striking out "for the fiscal year ending" after $130,500,000" in the first sentence, and by inserting in lieu thereof "for each of the fiscal years ending prior to", and by adding at the end thereof the following new sentence: "Notwithstanding the preceding two sentences, no funds are authorized to be appropriated for obligation during any year for which funds are available for obligation for carrying out title VIII of the Elementary and Secondary Education Act of 1965."

Mr. PERKINS (during the reading). Mr. Chairman, I ask unanimous consent that title II be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

AMENDMENT OFFERED BY MR. PERKINS TO THE COMMITTEE SUBSTITUTE

Mr. PERKINS. Mr. Chairman, I offer an amendment to the committee substitute.

The Clerk read as follows:

Amendment offered by Mr. PERKINS to the committee substitute: Page 81 line 18, insert "(1)" after "(a)".

Page 81, after line 24, insert the following:

(2) The third sentence of section 202(a) (1) of the Act is amended by striking out "for the fiscal year ending June 30, 1968, and each of the succeeding fiscal years ending prior to July 1, 1973,".

Mr. PERKINS. Mr. Chairman, this amendment will just take 1 minute. This is to correct an error, an omission by the Printing Office of the setaside of funds under title II of the Elementary and Secondary Education Act for the Bureau of Indian Affairs. The committee certainly intended to have this setaside included and this amendment corrects a clerical error omitting it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky (Mr. PERKINS) to the committee substitute.

The amendment to the committee substitute was agreed to.

The CHAIRMAN. Are there further amendments to title II? If not, the Clerk will read.

The Clerk read as follows:

TITLE III—AMENDMENT AND EXTENSION OF PROGRAMS OF ASSISTANCE TO FEDERALLY IMPACTED SCHOOL DISTRICTS

EXTENSION OF PROGRAMS

SEC. 301. (a) Sections 2(a), 3(b), 4(a), and 7(a) (1) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), are amended by striking out "1973" each time it appears and inserting in lieu thereof "1975". Section 413(c) of the General Education Provisions Act shall not apply to the authorization for appropriations under such sections for the fiscal year ending June 30, 1975.

(b) (1) Sections 3 and 16(a) (1) of the Act of September 23, 1950 (Public Law 815, Eighty-first Congress), are amended by striking out "1973" and inserting in lieu thereof "1975". Section 413(c) of the General Education Provisions Act shall not apply to the authorization for appropriations under such sections for the fiscal year ending June 30, 1975.

(2) Section 15(15) of such Act of September 23, 1950 is amended by striking out "1968–1969" and inserting in lieu thereof "1969–1970".

COUNTING ALL CHILDREN LIVING ON FEDERAL PROPERTY

SEC. 302. (a) Section 3(a) of such Act of September 30, 1950, is amended by striking out "and (1) did so with a parent employed on Federal property situated in whole or in part in the same State as the school district of such agency or situated within reasonable commuting distance from the school district of such agency, or (2) had a parent who was on active duty in the uniformed services (as defined in section 101 of title 37, United States Code)" and inserting in lieu thereof the following: "(other than children living on Federal property described in section 403 (1) (C))".

(b) Section 3(b) of such Act is amended by striking out "resided on Federal property, or (2)" and by striking out "(3)" and inserting "(2)" in lieu thereof.

(c) Section 5(a) (1) of such Act of September 23, 1950, is amended by striking out "(A) who so resided with a parent employed on Federal property (situated in whole or in part in the same State as the school district of such agency or within reasonable commuting distance from such school district), or (B) who had a parent who was on active duty in the uniformed services (as defined in section 102 of the Career Compensation Act of 1949),".

(d) Section 5(a) (2) of such Act is amended by striking out "residing on Federal property, or (B)".

COUNTING HANDICAPPED CHILDREN

SEC. 303. Section 3 of such Act of September 30, 1950, is amended by redesignating subsections (c), (d), and (e) (and all references thereto) as subsections (d), (e), and (f), respectively, and by inserting a new subsection as follows:

"(c) (1) In determining the number of children counted under subsections (a) and (b) for the purpose of computing the amount to which a local educational system is entitled for any fiscal year (but not for the purpose of determining eligibility under paragraph (2) of subsection (d)) the Commissioner shall count as 1½ children any child counted under such subsections who is a handicapped child as defined by section 602(1) of the Education of the Handicapped Act or who is a child with specific learning disabilities as defined by section 602(15) of such Act, and for whom such local educational agency is providing a program designed to meet the special educational and related needs of such children.

"(2) The Commissioner shall by regulation establish criteria for assuring that programs (including preschool programs) provided by local educational agencies for children counted pursuant to paragraph (1) are of sufficient size, scope, and quality (taking into consideration the special educational needs of such children) as to give reasonable promise of substantial progress toward meeting those needs, and in the implementation of such regulations the Commissioner shall consult with persons in charge of special education programs for handicapped children in the education agency of the State in which such local educational agency is located."

ADJUSTMENTS FOR REDUCTION IN STATE AID

SEC. 304. (a) Section 5(d)(2) of such Act of September 30, 1950, is amended by striking out "No" and inserting in lieu thereof "Except as provided in paragraph (3), no".

(b) Section 5(d) of such Act is further amended by adding at the end thereof the following new paragraph:

"(3) Notwithstanding paragraph (2) of this subsection, payments under this title to local educational agencies in any State may be considered as local resources of such agencies in computations under a State equalization formula for State aid to local educational agencies if, as determined by the Secretary, such formula provides appropriate recognition of the relative tax resources per child to be educated which are available to the local educational agencies."

COUNTING OF CERTAIN INDIAN CHILDREN

SEC. 305. (a) Effective from July 1, 1973, section 403(1) of such Act of September 30, 1950, is amended by adding at the end thereof the following: "Real property which qualifies as Federal property under clause (A) of this paragraph shall not lose such qualification because it is used for a low-rent housing project.".

(b) Effective from July 1, 1973, clause (A) of section 5(c)(1) of such Act of September 30, 1950, is amended by inserting after "Economic Opportunity Act of 1964" the following: "(other than any such property which is Federal property described in section 403(1)(A))".

EFFECTIVE DATE

SEC. 306. Except as provided in section 305, the amendments made by this title shall become effective July 1, 1974, except that for purposes of computing payments under such Act of September 15, 1950, for periods after June 30, 1974, such amendments shall be deemed to have been in effect since June 30, 1972.

Mr. STEIGER of Wisconsin (during the reading). Mr. Chairman, I ask unanimous consent that further reading of the title be dispensed with, that it be printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

AMENDMENTS OFFERED BY MRS. MINK TO THE COMMITTEE SUBSTITUTE

Mrs. MINK. Mr. Chairman, I offer amendments to the committee substitute.

The Clerk read as follows:

Amendments offered by Mrs. MINK to the committee substitute: On page 84, line 14, strike out "1975" and insert in lieu thereof "1977". On page 84, strike out lines 14 through 16 beginning with the word "Section" on line 14.

On page 84, line 20, strike out "1975" and insert in lieu thereof "1977". On page 84, strike out lines 20 through 23 beginning with the word "Section" on line 20.

Mrs. MINK. Mr. Chairman, I ask unanimous consent that all the amendments as read be considered en bloc, since they refer to a single subject.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Hawaii?

There was no objection.

Mrs. MINK. Mr. Chairman, the amendments which I have offered simply will conform the expiration date of the two programs which are commonly referred to as the impact aid programs to the rest of the bill. Under the bill as recommended by the committee, both the operational, Public Law 874, and the construction program, Public Law 815, were extended only for 1 year; that is, it would go to the end of fiscal year 1975.

The balance of the legislation, which deals with a number of other substantive acts in addition to the Elementary and Secondary Education Act, the original Public Law 89-10, are all extended to the end of fiscal year 1977. It would appear to me that the orderly consideration of not only impact aid but all the other matters attendant thereto should be treated in connection with further discussions with regard to the Elementary and Secondary Education Act. I would hope that the House would concur with my amendments, which would permit these laws, 874 and 815, to continue until the fiscal year 1977.

One further provision which my amendments would delete from the bill relates to the automatic extension provision, which has been made applicable in this legislation to all other parts which are affected by this bill, except for impact aid, 874 and 815.

Therefore, my amendments would delete the last sentences of both paragraphs 301(a) and 301(b)(1).

The impact aid program has been criticized often by Members of this body as well as by the administration and persons on the Committee on Education and Labor. It is not my intention by requesting that this legislation be extended to 1977 that we totally discount the necessity for further review, but I submit to this House that if we are under the gun, having only a 1-year extension, substantive detailed analysis such as I have myself recommended to the Committee on Education and Labor could not be pursued.

One of the recommendations I made entailed the necessity of the department gathering information which they did not have available, relating to only civilian "B" children who do not live on base but whose parents work for the military. My new formula required an accurate headcount of these children in order to understand the effect of the change I proposed. So, it seems to me that in order for the Committee on Education and Labor to pursue the entire question of bringing equity to some of the areas of impact aid, we will need to have adequate time to consider in depth all suggested changes and therefore these programs should be extended to 1977.

So I would urge the House to agree to my amendments, with the assurance that even the author of the amendments would be most willing and anxious to pursue the study that is implicit in the recommendations of the committee and follow through very carefully some of the suggestions which I have made earlier to the Subcommittee on Education.

Mr. BELL. Mr. Chairman, I rise in opposition to the amendments offered by the gentlewoman from Hawaii. I support without reservation the 1-year extension of impact aid that is contained in the committee bill.

Two years ago a court case in California entitled Serrano against Priest brought to the attention of the Nation the vast inequities that exist in the financing of our public schools. As a result of that case, the California Supreme Court ruled that the education of a child under the State constitution cannot be linked to the wealth of the school district where that child lives. As a result of that case and similar cases in Minnesota, New Jersey, and elsewhere, the State laws which govern the financing of schools have undergone rapid change. That change alone and the effects impact aid have on those changes is a sufficient reason to force our committee to continue its examination of this program in the next year.

Second, as a result of a number of letters sent to the Comptroller General, the General Accounting Office is undertaking a full-scale audit of the impact aid program in an effort to see if abuses do exist and to determine what effect Federal impact has on a given community. The results of that audit will be available by late December 1974. If we extend this program through 1977, then the results of the fine work which GAO is doing will be old and stale by the time the law again comes before us for revision. I might add that the request for the GAO audit was initiated by Democrats and Republicans alike, including Chairman PERKINS and Representative MEEDS.

Finally, I should note that those who fear that a full-scale review of the program will lead to its destruction are raising a fear that I feel is groundless. During subcommittee deliberations on H.R. 69, we became convinced that the payment rate for A students should be doubled and made that recommendation to the full committee. The committee decided to defer any changes and instead decided to seek a 1-year extension which will guarantee that all elements of the program will be reviewed. It is interesting to note that under the amendments accepted by the subcommittee the most heavily impacted school districts in the Nation would have received substantially more money.

In concluding, Mr. Chairman, I ask Members to vote against the Mink amendments in the interests of fairness and of sound educational policy.

Mr. MEEDS. Mr. Chairman, I rise in opposition to the amendments offered by the gentlewoman from Hawaii (Mrs. MINK). I do so reluctantly, and I do so not because I do not believe the impact aid program is not a good program. Indeed, I think it is a good program. I think it is an essential program.

However, there are at present inequities in the impact aid program, inequities which, if not cured, may result in our losing the entire program. There are instances where the Federal Government is not paying its fair share toward the education of federally impacted children.

There are school districts in this country where we are not even paying one-half of what it actually costs to educate children in heavily impacted districts where the parents of those children live on military bases and where they buy their food in ship stores or PX's and they do not pay any real estate tax or any sales tax and, because they are in the military, they are exempt in those States from income tax. Not one of the portions of the funding which should go into the payment of taxes for schools in those areas is being paid by the parents of those children. I think the Federal Government is far from meeting its obligation to the children and to the educational systems where that prevails, and it prevails in a number of places in the United States. We need to be paying more money in those instances.

There are other instances where the Federal Government is paying money where we ought not to be paying it. We ought not to be paying money in those instances because the school districts which are receiving those funds are not in any way impacted because the parents of the children in those districts are paying all of the costs of education.

A typical example is Montgomery County, Md.—the students go to school in Montgomery County and the parent works for the Federal Government in Washington, D.C. The parent pays real estate taxes in Montgomery County and pays sales taxes in Montgomery County and pays income taxes in the State of Maryland. In that instance that parent is paying all of the costs of education in the State of Maryland, and yet because that parent is working in Washington, D.C., those children are being compensated for half the cost of education in comparable districts. In other words, these are "B-out children."

Montgomery County is not the only instance. While I have used this as an illustration, there are numerous instances of this type of thing across the United States where school districts are receiving funds for children's presence when they ought not to be doing this sort of thing. I do not mean to point the accusing finger just at Montgomery County, because there are many instances where this is happening. In all probability, somewhere in the area of over $200 million is being paid in various school districts where it ought not to be paid.

The defense is made that we get good funding of, in effect, general aid to education in these districts. If that is what we want to do, let us do it straightaway and call it what it is instead of leaving ourselves subject to the charge by the administration and by every other critic of the impact aid program. Let us not leave ourselves subject to the charge that funds are being paid when they ought not to be. Let us make this program work and pay what we should pay in those instances of aid to children, and thereafter let us not pay when we should not be paying in the instances of B-out children.

Mr. ROUSSELOT. Will the gentleman yield to me?

Mr. MEEDS. I am delighted to yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for yielding.

I could not agree more with my colleague that we need to discontinue impacted aid where it is no longer justified. However, it is still difficult to answer the complaint by school administrators that constantly occurs where Federal installations and other Federal activities have a decisive impact on a school district pupil population and the school district is not able to recover the costs through property taxes.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, at the request of Mr. ROUSSELOT, Mr. MEEDS was allowed to proceed for 1 additional minute.)

Mr. ROUSSELOT. Mr. Chairman, I might say that it becomes extremely difficult to answer the charge when the school district is trying to be responsible, and they cannot recoup through the property tax, how do we answer?

Mr. MEEDS. In no instance does a B-out child, a nonmilitary, B-out child impact the district in the instance that I pointed out because they live in one district where they go to school, and yet the military installation or the Federal installation is located in another area. The withdrawal of the property tax in that instance is really one that occurs in the area where they work, and not in the area where they live, and yet the money is going where they live. That is the answer to that.

One cannot contend that the impact is occurring at some Federal installation in Washington when the people live in Montgomery County.

Mr. ROUSSELOT. I understand the point the gentleman has made, but I still do not believe we have adequately answered the problem that does exist, for many school districts who try to operate responsibly but are not able to recoup for all category B students that create an undue burden on that school district.

Mr. HICKS. Mr. Chairman, will the gentleman yield?

Mr. MEEDS. I am happy to yield to the gentleman from Washington, who has a number of impact aid children in his district.

Mr. HICKS. Mr. Chairman, many school districts all across our Nation could be faced with severe financial problems—should we refuse to extend Federal impact aid to schools serving areas heavily populated with Federal employees—both civilian and military. More than 420 Members on this floor today receive some impact aid money in their respective districts.

With this in mind, I would like to add my support to the amendments introduced by Congresswoman PATSY MINK of Hawaii that would extend Federal impact aid to these areas—not for 1 year as proposed—but for 3 years.

To extend impact aid only 1 year under the guise of "studying the program for possible revisions," is like holding a gun to its head and saying "change or else." That is hardly a fair trial for a program which has stood the test of time.

Kitsap County, in my district, is one of the most dramatic examples of the need for a strong partnership between the Federal Government and the local school district through impact aid. I am sure many of my colleagues can point to similar situations.

Already heavily impacted by Federal activity—including the Puget Sound Naval Shipyard in Bremerton, the Keyport Torpedo Station and the Bangor Annex—Kitsap County has also been selected as the home of the new Trident Submarine Base. It is a selection we are all proud of, but with the base will come many problems which must be tackled immediately.

For example, the environmental impact statement for the Trident project, released last week, indicates that the county school systems are in for an even greater influx of children from families of Federal employees. According to the report, Kitsap County can expect an increase of some 5,000 students by 1984—all directly attributable to the Trident base. This represents a 20-percent enrollment jump in federally connected pupils alone, without even considering natural growth by non-Federal families.

As you know, this figure becoms even more significant in light of the fact that our schools depend heavily on local property taxes for support. And, with a low assessed valuation per pupil because of extensive Federal property holdings in Kitsap County, these taxes have risen 73 percent since 1969. That followed a previous 3-year boost of almost 70 percent.

It is obvious that the people of this area are bearing more than their fair share of local taxes. The Federal Government can no longer continue to shirk its responsibility.

Impact aid has proven itself through the years. For every so-called abuse of the program, I can show you a hundred communities, such as Kitsap County, that count on and need these funds.

Therefore, Mr. Chairman, today I would like to urge my colleagues to give their full support to the amendments of the gentlewoman from Hawaii (Mrs. MINK) to extend impact aid for 3 years. As a former schoolteacher, I feel we can do no less if we are sincere about maintaining quality education in the affected school districts.

Mr. GILMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendments offered by the gentlewoman from Hawaii, providing for extending aid to federally impacted school districts for a full 3-year period.

While I recognize the reasons for opposition to impact aid by many Members, I ask those Members to look closely at the historical prospective and the current need for continuing Federal aid to local school districts housing Federal installations.

Impact aid was initiated as a program to relieve local school districts from the burden placed on their tax base as a result of the federally owned lands within the school districts. Federal lands are tax exempt, not only creating an untaxable block but also preventing any future growth and access to taxable lands.

We rely principally on the property tax as a source for funding education.

While this may not be the best method for providing funds for our schools—since there are inequities—it is, nonetheless, the method most commonly used.

Since the Federal Government owns lands tax free within many communities throughout our country, it is only just that the Federal Government assists in helping to fund the school systems in lieu of the untaxable Federal lands.

I do not mean to imply that the impact aid program could not stand on own merits if it were returned to us in a separate authorization next year. The probability of congressional consideration of such an authorization measure is slim. We are all aware of the enormous legislative tasks facing the House Education and Labor Committee. Impact aid programs have been discussed, debated, and researched thoroughly in the past. There is no need, therefore, at this time, for the committee to burden its heavy calendar with further consideration of the impact aid program.

By supporting the amendment before us, we will be insuring the preservation of impact aid to our school districts for 3 years—until the time when the committee will be coming forward with new proposals for aid to elementary and secondary schools. We will be eliminating the possibility of funding impact aid programs on the basis of a continuing resolution, the bain of a school administrator's existance, or the least favorable possibility of not funding the program at all, which would create havoc in many of the severely impacted school districts.

Accordingly, I urge my colleagues to join in this effort to support the extension of impact aid for the full 3 years as proposed by the gentlewoman from Hawaii so that we might insure the continuation of this program necessary to so many of our school districts.

Mr. PEYSER. Mr. Chairman, will the gentleman yield?

Mr. GILMAN. I yield to the gentleman from New York.

Mr. PEYSER. I thank the gentleman for yielding.

I should like to compliment the gentleman from New York on his statement. I also should like to raise in support of the amendment offered by the gentlewoman from Hawaii (Mrs. MINK).

My area of New York, which we discussed very well in the past day, has gained practically nothing out of this impact aid program. However, this is money for education, and there is little enough money going from this Congress to the areas of education throughout this country. I am therefore going to continue to support any program that is going to put money into education. There may be inequities in the impact aid; there may be things that should be straightened out; but, nevertheless, this is money that is helping children. It is helping education, and I strongly rise in support of it and urge my colleagues to join me.

Mr. GILMAN. I thank the gentleman from New York for his supporting remarks.

Mr. BROYHILL of Virginia. Mr. Chairman, will the gentleman yield?

Mr. GILMAN. I yield to the gentleman from Virginia.

Mr. BROYHILL of Virginia. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the Mink amendments to H.R. 69, elementary and secondary education amendments of 1974, which will extend impact aid for 3 years through fiscal year 1977 and would delete provisions in the bill which excludes impact aid from the automatic 1-year extension under the General Education Provision Act. To limit impact aid programs for only 1 year while Congress reviews this program as currently provided for in H.R. 69 while all other programs are extended for 3 years, can only indicate a strong presumption that the misunderstandings about the true purpose of this program still persist. Almost every year since 1953 it has been necessary for me to join the majority of my colleagues in defending the impact aid program against active opposition, and I find the language of H.R. 69 in this respect extremely threatening, particularly since an expiration date has been established even before the review of these programs commenced.

Impact aid represents an acknowledgment on the part of Congress that the Federal Government has an obligation to the communities in which it operates just as any private industry would which operated in a similar manner. The impact aid program enables the Federal Government to pay part of the cost of educating children of employees who work or live on tax-free property. But even if we were able to obtain full funding of the program, which we have not for many years, they would still fall far short of meeting the full obligation the Federal Government, as an employer and property owner, would have to assume were it privately owned and operated.

Many districts have suffered great economic losses from Federal acquisition of land within their boundaries. In many other districts, Federal activities causing a large influx of population have created educational burdens which would financially prostrate these communities without Federal assistance. Many of these districts have not actively sought nor do they desire Federal projects established in their midst. In many instances, the Federal Government has merely taken real estate which it found desirable for its own purpose. The educational needs of the children in many of these affected districts arise from no fault of their own. These children were simply drawn into these districts by Federal activities with their educational needs necessarily absorbed by local communities. The nontaxable activities of the Federal Government carried out in these local communities should pay their fair share of operating the local schools.

Mr. Chairman, if a review of impact aid programs must be made, it should not be done under the threat of an expiration date, nor should we intentionally jeopardize the programs by extending it for such a short time, but rather the impact aid program should be extended for the same period of time as all the other programs covered in H.R. 69. In this way, any review undertaken can receive fair and impartial treatment with adequate time devoted by the Congress to assure that the Federal Government meets its obligation to the communities in which it operates. In this regard, I have recognized for some time that the misunderstanding and confusion surrounding impact aid programs with general aid to education must be eliminated once and for all and introduced H.R. 4505 on February 21, 1973, which spells out the obligation of the Federal Government for exactly what it is, a payment in lieu of taxes with respect to real property owned by the Federal Government. Our responsibility in this Congress is quite clear in that we must provide stability and not confusion, trust and not misunderstanding, to those communities which are victims of Federal impact, without the off-again, on-again threat of a loss of revenue by extending impact aid programs through fiscal year 1977 pending an overall review. I strongly urge that these amendments be adopted.

Mr. BROTZMAN. Mr. Chairman, will the gentleman yield?

Mr. GILMAN. I yield to the gentleman from Colorado.

Mr. BROTZMAN. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the amendment introduced by the gentlewoman from Hawaii. May I just say that in my district this approach to impact aid does a tremendous amount of good.

While I hear there may be some deficiencies in the formula, yet this is a payment in-lieu of the taxes that would be collected by a school district if the Federal property were not taken off the rolls, and I find that the payment does not fully compensate the school districts for that tax loss. Accordingly, I certainly support this particular amendment enthusiastically.

Mr. GILMAN. I thank the gentleman from Colorado for his remarks.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CRANE. Mr. Chairman, I rise in support of the amendments offered by our colleague from Hawaii to extend the authorization for impact aid from one to 3 years.

To extend this program at the present time for only 1 year would be an unjust threat to the many school districts which must, through no fault of their own, depend on impact aid moneys for their very survival.

But my support of these amendments does not indicate support of the impact aid program as it now exists. In fact, I believe it would be appropriate for the Education and Labor Committee to make a thorough review of this program in the coming year, as indicated in Committee Report No. 93–805.

I am sure the committee would find, as I have on numerous occasions in my own district this past year, that impact aid funds do not help the school systems they are designed to help, and the inequities of the program have resulted in increasing hostility toward the Federal Government.

I would like to mention three incidents, all somewhat related, which have dramatized the plight of local school systems under the current impact aid formulas.

In mid-1973, the Department of the Navy announced plans to construct 350 housing units of property once used as a Nike base in Vernon Township, Ill. The housing units are needed for Navy personnel stationed at Great Lakes Naval Base and Glenview Naval Air Station.

The Navy had estimated that the housing units would add as many as 700 students to the small school system serving the area. Although school officials and local residents would not mind the additional students, they did mind, in fact they were furious, that Federal funds under the impact aid program would not meet the added costs to educate these students.

Since the school district does not have any industry to bolster its tax base, two options would have been available to the local community: Either increase the local tax substantially to meet the added costs or lower the quality of the education offered the students.

Obviously, neither of these solutions were satisfactory to a school district that prided itself on the quality of its education, but also was at the limit as far as the taxes citizens could reasonably be expected to bear.

The result was an angry outpouring of citizen protest, directed primarily at the Navy, which did not necessarily deserve the ire of the community, but with an underlying resentment toward Washington, where decisions regarding impact aid are made.

In the face of this anger, the Navy reviewed its plan and decided to relocate the housing units, with a portion to be constructed at Great Lakes and a smaller portion to be located at Fort Sheridan, following an agreement reached by the Navy and the U.S. Army.

Although the problem was thus resolved for School District 103 in Vernon Township, the relocation of these housing units has caused exactly the same kind of problems for the school districts serving Fort Sheridan, which is in my district, and Great Lakes, which is not in my district.

At this point, I would like to include with my remarks a letter from Mr. Lester Harman, superintendent of North Chicago Community High School District 123, which serves Great Lakes, and a newspaper clipping to which he refers:

BOARD OF EDUCATION, NORTH CHICAGO COMMUNITY HIGH SCHOOL,
DISTRICT NO. 123,
North Chicago, Ill., January 8, 1974.

Representative PHILIP M. CRANE,
Longworth House Office Building,
Washington, D.C.

DEAR REPRESENTATIVE CRANE: I am enclosing an article which I believe makes the best case for impact aid that I have seen to date. Evidently, it was such that Federal housing was not the financial boon to the district so often argued by opponents of impact aid.

We think school districts should provide the services for these youngsters and also believe good educational opportunities for dependents will affect the holding power and the recruitment of high quality career military personnel.

The arithmetic used by the Lincolnshire-Prairie View District when applied to North Chicago High School District 123 shows that the local citizens pay $204.45 for each 3A student in this school. Under P.L. 874, we receive $1,070.44 per child in ADA and $227.11 from State Aid to meet a $1,502.00 per capita cost.

In addition to the above quoted figures, as I have pointed out before, we have received less than ten per cent of our building costs. Thirty per cent of our enrollment is made up of 3A students and another thirty per cent of 3B students.

The suggestion that the government property be placed on the tax roles as all other businesses would be most welcome and would eliminate all of the controversy over P.L. 874 and 815.

The enclosure takes advantage of arguments used by a community and a Congressman to halt housing before it occurs and not to support claims for funding after the students are present. I believe it makes the best argument for funding of P.L. 874 of 100 per cent for 3A students and the full 100 per cent of the 50 per cent originally allowed for 3B students.

The next few days are critical for impact aid schools. We in North Chicago need your help to see that we can offer quality education for all pupils in our district with Federal government assuming their full responsibility.

Sincerely,

LESTER J. HARMAN,
Superintendent.

SOME "NIKE" HOUSING RELOCATED

(By Bill Choyke)

Residents in the Half Day-Lincolnshire area have won at least half a battle with the U.S. Navy.

The office of U.S. Rep. Philip Crane, R-Arlington Heights, announced Thursday morning that the Secretary of Navy's office in Washington, D.C. has decided to relocate 210 of the 350 units proposed for the "Libertyville Nike" site in the Lincolnshire-Prairie View School District.

In making the announcement, Ed Murname, staff assistant to Crane, said a brief communication from the Pentagon only stated the shift and noted the bulk of the units will be targeted for Great Lakes Naval Base.

"Congressman Crane is delighted that at least the first step has been made," said Murname from his Washington office. "Hopefully now the Navy can find a location for the other 140 units."

The shift in plans by the Navy climaxes a five-week wait which followed a public session at which nearly 300 aroused, angry residents chastised Navy officials and attempted an eleventh hour blockade of the proposed housing project.

"In view of the concern and interests of a lot of the citizens the result are certainly gratifying," said school board president Frank Watt after learning of the latest development. "While it's not completely done yet, certainly this is an excellent step."

Watt praised Crane's concern and work through governmental channels. "He did a lot of work," said the school board president, "and certainly the present results are due to much of his work too."

School officials and residents became upset this fall when the Navy announced it would proceed with the project at the site, south of Rte. 60 near Vernon Hills. From 500 to 700 students were projected to be generated from the 350-unit development, planned for personnel from Great Lakes and Glenview Naval Air Station.

Murname said the message from Navy officials was the first received in several weeks and left unanswered any questions regarding the remaining 140 units and the specifics of the Great Lawes relocation.

"The (school) impact will certainly be a lot less and we can handle it a lot better," said Watt. "There will still be some impact. Surely the problem with us goes back to the original concept that the money is not guaranteed. With 500 kids or 200 kids, you simply don't have the guarantee that the money will be available."

The school's chief concern was that it now costs $1,100 a year to educate each of the 1,100 students in the district. Federal money for students living on military installations of ($600 each) and state aid of $298 each would leave the school district absorbing the additional $300 cost.

"What I'd like to see done is to put the government itself on a tax payment basis along the lines of other property taxes," said Watt. "They should be paying a proportionate share."

Watt, School Supt. James McCallum and citizen representative George Nicklaus met with U.S. Navy and U.S. Department of Health, Education and Welfare (HEW) representatives in Washington in mid-October in an attempt to convince the federal departments to either abandon the Nike site or help additionally with student costs.

Shortly after the session, Crane's office announced that a public hearing would be held but offered little hope that the plan would be overturned.

"It is very difficult to change the Navy's mind in this because they are so close to getting the project under way," said Murname in early November. "You just don't stop the project that close to initiation that easily."

I believe Mr. Harman's letter points out the problem which I have described.

The third incident involves the school district which serves Fort Sheridan and which now faces the same difficulty.

A press release from School District 111 describing this situation is included:

HIGHWOOD-HIGHLAND PARK
SCHOOL DISTRICT 111,
Highwood, Ill.

NEW FORT HOUSING MOVE THREATENS DISTRICT EDUCATIONAL STANDARDS

Discussion at a March 19 committee meeting of the Highwood-Highland Park District 111 School Board of Education centered on the impact of the proposed 140 four bedroom housing units to be built by the Navy at Ft. Sheridan. The Navy's move to construct the housing at the Fort came quickly and without notice after strong public opposition forced withdrawal of its original plan to build the units in Lincolnshire Prairie View District No. 103.

Board members pointed out that this housing project would generate 235 additional children to be educated in District 111 schools—an increase of 47% in the military enrollment. "The most immediate and serious problem," said Board President Steven Amdur, "is the impact this move would have on class size. It would result in the placing of children in every nook and cranny of our present buildings—an intolerable situation that could only lead to a lowering of the educational standards we have labored to build." Board members estimate the additional student influx would lead to class sizes well above the present average of 25.

Board President Amdur went on to say that he could see no way in which the District could benefit from the sudden addition of these students. "On the contrary, the project will impose a heavy financial burden on the District and penalize the students now in the District schools," said Amdur.

One alternative mentioned was to go to the people of the District for funds to build a new building, but Board member Armand Amidei said that would be "a heavy burden for the taxpayers and they should not be asked to build classrooms for students who have been suddenly forced upon the District by an arm of the Government." Board members agreed with Amidei that it would be unfair to ask the taxpayers to shoulder this burden being imposed upon them by the Navy.

Board members expressed their displeasure with the Navy's "high-handed" attempt to make the entire project an accomplished fact before consulting with the School District. Donald Jenkins, District Superintendent, said "the Navy made the decision to build the 140 units, announced it would seek bids in April, and then came to the District to ask how it would affect the schools."

Terming the situation "grave," the Board has called an April 10 community meeting for residents to express their views on the matter. The community meeting will be held at 8:00 P.M. in the Margaret Sweeney Learning Center of the Oak Terrace School.

DONALD R. JENKINS,
Superintendent and Secretary,
Board of Education.

MARCH 21, 1974.

Mr. Chairman, the problems which local school officials in Illinois describe are certainly not unique to my district or to my State. It is, stated simply, unjust for the Federal Government to impose hardships on local communities—and the local taxpayers.

Contrast the situations which I have described in Illinois with the fact that the public school system in Fairfax County, Va., received $11,739,996 in fiscal year 1972 Public Law 81–874 funds, and Montgomery County, Md., received $6,289,767 in fiscal year 1972.

We who have temporary residences in either Fairfax or Montgomery counties may appreciate these blessings which are bestowed upon our schools but the fact remains that Federal employees in the Washington area are living on taxable property, they are paying taxes to their local schools and they are not really a burden to the local community. The truth is that Federal employees have provided the suburban Washington area with a thriving economy and the local school systems are considered among the finest in the Nation.

The inequities are obvious, Mr. Chairman. I believe it is essential for the Education and Labor Committee to review this situation and study the problems of impact aid away from the Washington area. Public hearings in adversely affected areas, the Illinois area included, could prove most informative to committee members. I hope the commitee will consider this request.

Mr. BOB WILSON. Mr. Chairman, will the gentleman yield?

Mr. CRANE. I yield to the gentleman from California (Mr. BOB WILSON).

Mr. BOB WILSON. Mr. Chairman, ever since the popular Federal impact aid to education program was established, the executive branch has been trying to phase out the program and Congress has steadfastly said "No."

The impact aid program, authorized under Public Law 815 and Public Law 874, is by far the most effective general aid to education program operated by the Federal Government. Yet, today we have before us a bill, H.R. 69, which threatens its very existence. Its provisions would continue impact aid for 1 more year through fiscal 1975, while extending the life of all other Federal educational aid programs for 3 years, through fiscal 1977. Presumably, the reason for granting only a 1-year extension to impact aid is to cause Congress to make a serious study of the program's worthiness. I, for one, would welcome such an indepth study of impact aid and its effectiveness, for I have seen it work with great success in my own area of San Diego during these past 21 years and am confident that Congress in its final analysis will determine that it should be continued. However, such an important review should not be made under the threat of a 1-year death notice hanging over the impact aid program.

Therefore, I am pleased to join in support of the amendments offered by our colleague, the gentlewoman from Hawaii (Mrs. MINK), to extend the impact aid program through fiscal 1977 to correspond with the 3-year extension of other educational aid programs.

As I mentioned before, impact aid is extremely important to public schools in San Diego County where 43 of the county's 48 school districts receive some form of impact aid, ranging from funds for a few students to more than 50 percent of the enrollments.

San Diego City schools, representing our biggest district, have 25,200 impact-aid students for which they have been receiving between $5 and $6 million annually in impact aid funds. Yet, this support covers less than half of the $966 per pupil cost of education and would have to be made up by as much as a 30-cent local tax override should impact aid be allowed to die. The other alternative would be to cut programs drastically which would be like nailing the doors of our school houses shut not only in San Diego but all other areas where impact aid flows because of heavy concentrations of Federal activities.

We must not put these local educational systems into such a precarious situation. I strongly urge adoption of the Mink amendments.

Mr. BURGENER. Mr. Chairman, I move to strike the requisite number of words and I rise in support of the amendment offered by the gentlewoman from Hawaii.

Mr. Chairman, regardless of how many of us feel about impact aid, I think we would all like to see a permanent solution and I rise in favor of the amendment because I think the 3-year period offers a much greater chance for a permanent solution than does 1 year. I think that is really the issue here. Are our chances greater of achieving a long-range solution in 3 years or will we be back next year and the year after that and the year after that with another crisis situation each time in the event we reject this amendment?

In our counties, and my principal one, San Diego, this has had an immense impact on the children and on the taxpayers. There are approximately 20 percent of the children in the San Diego Unified School District totaling some 25,000 who are military connected, either under category A or category B, and yet only 6 percent of the total budget is provided by these funds. This illustrates the magnitude of the problem in some areas.

It is extremely difficult for a school district or its governing board to plan ahead. Perhaps 3 years is too long a period, but we do not have to wait 3 years to find the solution, although most certainly one year is too short.

I respectfully submit we would be better served by adopting this amendment than by rejecting it.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. CRANE. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, I rise in support of the amendment offered by the gentlelady from Hawaii (Mrs. MINK), to extend the renewal of impact aid programs for the Nation's school districts from 1 to 3 years.

It is only fair, since all other provisions of the Elementary and Secondary Education Act are extended for 3 more years under this bill, that impact aid be extended for a similar period. In doing so, we will be sparing local school districts the difficulties involved in trying to prepare a budget without knowing for sure how much aid they will be receiving during the next fiscal year.

For many of the school districts in the areas which I represent, this weighs very heavily. Harford County, Md., the home of Aberdeen Proving Ground and Edgewood Arsenal, is heavily impacted by the presence of the military and receives over $1.7 million in impact aid. In Cecil County, the school system receives more than $400,000 in impact aid. In southern Maryland, where Patuxent Naval Air Station and Indian Head Naval Ordnance Station are located, impact aid funds make up a large portion of school budgets. Charles County received $683,000 this year, St. Mary's County received $734,000, and Calvert County received $151,000 in impact aid assistance.

Surely, we should not subject school districts such as these to the impossible task of drawing up a yearly budget without knowing whether they will be hundreds of thousands or even millions of dollars short during the coming year.

I know there are many in the House, and I am among them, who would like to see a complete review of the utility and fairness of the manner in which impact aid funds are distributed. But while we make this review, we ought to do the school systems which depend upon these funds the courtesy of assuring that the aid will continue for a reasonable period in the meanwhile, to enable them to plan their budgets with a degree of certainty.

In behalf of the many citizens of my district whose children will be greatly affected by this act, I urge the Members to vote for the amendment extending impact aid for 3 years.

Mr. O'BRIEN. Mr. Chairman, will the gentleman yield?

Mr. BURGENER. I yield to the gentleman from Illinois (Mr. O'BRIEN).

Mr. O'BRIEN. Mr. Chairman, I rise in support of the amendment offered by the gentlewoman from Hawaii.

I would like to suggest in some areas the matter needs further study. In my district we have an installation of some 25,000 acres, which acreage, would otherwise lie within three different school districts. The particular acreage, if not

Government-owned, would be extremely valuable as an industrial park and hence, a good tax producer. I find in my area the Army is leasing for a substantial return a large portion of that acreage to farmers who are growing crops and feeding cattle on it. I think in some areas we should think of a payment in lieu of taxes, perhaps in place of impact aid, where the Government is using the land as a moneymaker, rather than for an active and continuing military purpose.

I thank the gentleman for yielding.

Mr. SMITH of Iowa. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I may be one of the very few opposed to extending this program for 3 years and I am probably a voice crying out in the wilderness but I am going to say what I think anyway. I think a number of the Members are overlooking a number of important things. One is that any money that goes to some school district that is under an unfair formula is being taken away from some other school district and it may be a school district in the Members' districts, too. Most Members can point to a few school districts, the congressional district they represent, that are getting impact aid money but any time one receives some money under category B that should not be going to that school district, we must remember it is money that is coming from some other district.

I assume all Members now know there is not an unlimited amount of money for Federal aid to education. There is a limit. Whenever the budget comes up here year after year after year without money in it for category B, one way or another we squeeze the other programs to get the money for category B, so what we are doing is taking it out of title I of this same bill or title II or title VII or supplementary education or one of the other programs.

What should correct this program. During the past 7 or 8 years, we have been talking about correcting this program, but this committee just never gets around to doing it. The best way to get this program corrected and a more fair formula for only one year when the rest of the bill is for 3 years and then this program will not expire at the same time, and that will be the thing they can work on next year. I suggest if we are ever going to correct this program we had better keep it down to one year. I am amazed at the people who say we know it is not fair but let us give them three more years without change. The amendment gives impact aid the same expiration date as title I and when they come back in 3 years working on title I and with the same old impact program. I do not think this administration has not been right about many things, but when they are right about something we ought to stand with them. One thing they are right on is that category B contains an unfair formula and ought to be changed. I hope we stay with the 1 year in the bill.

Mr. BROOMFIELD. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Michigan.

Mr. BROOMFIELD. Mr. Chairman, I compliment the gentleman on his statement and would like to associate myself with his remarks.

Mr. SMITH of Iowa. We have a class C that is even worse.

Mr. STEIGER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Wisconsin.

Mr. STEIGER of Wisconsin. I join with the gentleman in opposition to this amendment.

Three years is a long time. How much work can we do in a 3-year period of extension. The only way we will get cooperation is to go with a 1-year extension. Three more years means we will do as we did in this bill. We will put all the pieces together and put in another extension of aid and say there are inequities. I concur with the gentleman's statement and congratulate him.

Mr. BELL. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from California.

Mr. BELL. Mr. Chairman, I would like to associate myself with his remarks. The gentleman did not mention this, but the GAO report comes up in December. That is another reason why we should not make the 3-year extension on the impact aid program. We should first study this report which will be available next December 1974 and then make our decision.

Mr. MAZZOLI. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Kentucky.

Mr. MAZZOLI. Mr. Chairman, I commend the gentleman for his statement in opposition to this amendment. I happen to represent part of a district which is receiving a considerable amount of funds under impact aid. Nevertheless, I do think it is important that we accept only a 1-year bill so that pressure remains on this House to correct the defects and inequities in the impact aid bill. I think that the only way any Member of Congress or member of a committee will grapple with this thorny subject is under the pressure of a 1-year life—a 1-year extension of the bill.

Mr. SMITH of Iowa. Mr. Chairman, I want to add this to those with school districts receiving money under category A; they had better watch out, because under the bill they are supposed to receive the same percentage of maximum authorization as category B. Category A has been held down to less than they deserve in order to get money for category B; so if you have an A category school district in your congressional district, they may be paying part of the bill for those who receive too much under the unfair formula in category B.

Mr. FORD. Mr. Chairman, I move to strike the last word.

It is interesting to see the gentleman from Michigan and others who do not receive impact aid in their districts, as I do not under the present distribution of impact aid funds, joining here to talk about how we have to correct the program. A good many of us would be receiving impact aid funds that are very badly needed by our school districts, but for the fact that when the same tactics that are now before the House were being used in the past, nobody stood up to the people who were talking in the name of reform for reducing the program.

When we were impacted in the district I represent in the suburbs of Detroit by the tremendous influx of war workers during the war when this program was originally put into effect, the tremendous pressure that was put on the assessments of our school system was met at a time when this program made the difference between keeping the schools open or closing them down.

Over the years the distribution formula in this program has in the name of reform been watered down constantly from one category to another to the point where that kind of problem that is created by action of the Federal Government is no longer adequately reached. For instance, according to the 22d annual report of the commissioner of Education or the Administration of Public Laws 81–874 and 81–815, the average enrollment of federally connected children for the first 17 years of this program was approximately 15 percent of the total enrollment but Federal payments only 5 percent of the operating costs of the eligible districts. However, by fiscal year 1972 the average enrollment of federally connected students was about 10 percent while the percentage of the Federal contribution to the cost of educating these children dropped to 2.4 percent. We have not been able in several years to get the gentleman from Iowa who just preceded me in the well to support the funding of part C of this bill that would give to cities that are impacted by large numbers of people living in public housing some money to support the schools that have to absorb the impact of that new burden.

The gentleman acknowledged that there is a part C, but he did not tell us that as a Member of the Appropriations Committee he opposes the funding of part C in anything except a kind of a nominal sum.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. FORD. Mr. Chairman, I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. Mr. Chairman, the gentleman is incorrect. I do not propose to fund it with a nominal sum.

Mr. FORD. How much does the gentleman propose to fund it with?

Mr. SMITH of Iowa. Zero. A nominal sum is too much because there is no difference in the educational needs of children of poor people who do not live in public housing and those who do.

Mr. FORD. Mr. Chairman, that is the position of a number of Members who come to us only in the name of making it equitable. That is the equitable way. It treats every district equally, because it takes everything away from all of them. There is no way we can argue about it, we would certainly be treating them equally, but if we are going to stand on the floor and tell the Members of this House that what we are doing is making it more equitable through reform, we are kidding ourselves—because that is not what we are doing.

There are three groups on the committee who voted to put this program in the position it is in with a 1-year extension. There are those who, like myself, are bothered by the fact that the committee has not had hearings addressed to the impact aid program alone since 1966. I am confident as a member of the subcommittee that the gentleman's promise will be kept and we will be holding hearings and we will get time, if the program is extended for 3 years like all the other programs in the bill.

There are many people on the committee who genuinely want to correct a situation such as the one which exists in Montgomery County, Maryland, which is constantly brought up to embarrass this program, but at the same time there are gentlemen sitting over here, smiling with canary feathers on their chins, who are happy to join with the reformers to put the impact aid program in a position where it is a straggler and move to slaughter this program, piece by piece.

The one thing about this program which puts it head and shoulders above all others is that the formula has never been attacked on the basis of real reasons. Members have been here in the last 2 days speaking of people being unable to understand it. The impact aid program has two virtues which none of our other programs are able to reach. One is that the formula is equitable and easy to understand for the administrators who have to work with it. Two, it in fact puts money in the schools where the kids are in the year they are there, and spends the money on them when they are in school and only if they are attending school.

Mr. Chairman, try to find those two characteristics across the board in all the other programs. These people who are talking about improving the formula are talking about improving it out of existence.

Mr. QUIE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in opposition to the Mink amendment. For many years we have been hearing that we should not just extend this act; we ought to change it. Those who support impact aid say that when we come to the appropriations, why do we not correct the inequities, because all of us agree that there are some parts of impact aid that are justified?

It is interesting to hear Members come down here and plead for extension of category A when that is permanent law. That is not involved here at all, so all those Members who are making speeches in order that category A may continue can save their breath. They do not have to make speeches about that. That is already extended permanently.

What we are talking about is category B. Category B needs to be corrected. I think there are some parts of category B which we can justify, but certainly not all of it, and especially what we call the "B outs." There is no loss of local tax funds if a person lives in a district but works in a Federal job located outside the district.

Someone mentioned that we ought to have a payment in lieu of taxes. How could there be a payment in lieu of taxes to assist a school district if none of the Federal installation is in that school district? They are not being hurt at all. If anyone in any school district works for some industry such as IBM or General Electric or what have you, and that establishment is not in the school district, they say "Oh, we do not want those people to live there; they are an impact on us."

No. It seems to me we find communities wanting individuals to live in their communities, and that is really what a Federal installation provides. When we try to close a Federal installation, do we hear people say, "We are glad to see them go, because they are such an impact on us"?

No. They are out doing everything they can to keep that installation there.

Now, what I think we should do is put our ideas to the test. All the advocates of impact aid have admitted there are some inequities in it. So we have said to them that we will extend the law for a year.

We say to them, "You do not have any pressure this year about getting the appropriation, but come on in and sit down with us in the committee during this coming fiscal year, and work out the amendments on which there is agreement."

Does anybody have any concern that impact aid which is justified will not be continued? Why, just look at these votes throughout the years. We even continue impact aid that is not justified. So we should not have any fear at all on that score.

I do not know why there are school superintendents who are sitting back there so worried. One of the reasons why they are worried is because the appropriations have been held up because there is disagreement on whether "A" should be fully funded, and if it is not cut back and fully funded, will some portion of that come from "B"?

We can eliminate that if in this next year we work out details as to what is justified and what is not justified, and write the language accordingly. Unless we do, we run the risk of phasing it out. So we would not be hit in one year with a sudden reduction of money.

We should take some time in order to reduce it. As the gentleman from Iowa indicated, under current law we are really taking the money from somebody else. They should use the money where it is needed in other parts of the country. They should only use the money which they are justified in having and let the money belonging to somebody else go to some other kids and educate them.

Mr. Chairman, I think that is what the whole argument is about here. I do not see at all why we should not be permitted to extend the act for 1 year.

Now, the committee, as the Members have noticed, did not extend title I of the act for the full period of time, as provided in the rest of the act. We limited that to 3 years, because we felt in that period of time that we could make a correction if it was needed.

However, in title I we did make a correction from the old law. We went through that yesterday. We recognized by overwhelming votes that the old law under which we are operating now is inequitable, and we made some changes. They were not the complete changes, to the point where I think we ought to have gone, but we made some changes that we can live with in the next 3 years. At the end of that time we are going to make further change.

So, Mr. Chairman, I urge that the Members who are strongly supporting continuation of impact aid permit this kind of pressure to be put on in order that those who strongly advocate it will come in and work with us in adopting amendments that will enable us to make this a program that we can all justify rather than one that is filled with inequities.

Mr. ANDREWS of North Carolina. Mr. Chairman, I move to strike the requisite number of words.

Mrs. SCHROEDER. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of North Carolina. I yield to the distinguished gentlewoman.

Mrs. SCHROEDER. Mr. Chairman, I rise in support of the amendment offered by the gentlewoman from Hawaii. I would like to make several points to explain my support.

First of all, we have heard a number of Members say there is really no reason to extend impact aid for 3 years. I think when we say that, we are forgetting about the tremendous difficulties our school administrators are faced with from year to year as they try to plan without knowing whether certain funds will be available. How can they plan without knowing whether an impact program will be refunded? Planning is so critical to education and we impair it by going on a year-to-year basis.

We are not taking into account administrators' needs, and we are looking at this bill only from our own narrow interests. We should look at Federal aid from the viewpoint of the people who will be implementing educational programs and working with these programs.

So I think the program is very, very essential, insofar as planning is concerned.

Second, we have heard a lot about instances where impact funds are misused. This is not true with regard to all or even most impact aid money. Impact aid is not unique among Federal programs. For many are abused by some. But when we find a very small portion of the impact aid money misused or Federal funds in other programs misused we should not throw out the entire program but correct the imperfections.

The committee should have oversight hearings and make administrative changes in the program. Voting for a 3-year extension does not prevent the committee from doing this.

Finally, I think we should talk about the benign neglect of funding in subsection (c). Those of us in the city who have large public housing areas that contribute no property taxes also have an impacted area that has been neglected for a long time. Our urban property owners are bearing more than their fair share of taxes because of the lack of funding in subsection (c).

This amendment deals with two of the most beneficial and far-reaching of our elementary and secondary school programs. Public Law 874 moneys reach nearly 5,000 school districts enrolling more than 2 million students. The record of accomplishments under Public Law 815—the construction program—is equally impressive. From 1951 to 1972 76,000 classrooms and other school facilities benefiting over 2,200,000 pupils, have been provided through Public Law 815.

The impacted aid programs are among the oldest Federal elementary and secondary school programs and congressional debates over the last 25 years clearly demonstrate not only the absolute need for these programs but also their proven effectiveness. There is no necessity, therefore, for me to further justify the extension of these programs—the record speaks for itself.

What is of concern to me, however—and I know it concerns many of my colleagues—is the uncertainties which have plagued these programs in recent years. Annual appropriations battles delays in funding and short authorization periods obviously have had adverse results. We all know of the great troubles brought about at State and local levels when appropriations and authorizations are tardy. And we know from our school people that one of the great goals is to achieve continuity and stability for Federal education programs—which leads in turn to more thorough planning and careful management of the Federal investment.

The committee bill, in that it extends the impacted aid programs for only 1 year, adds to the uncertainty rather than contributing to stability. I stand with my local school people who desperately want assurances of stability with respect to these programs. And I recognize that the gentlelady's amendment providing a 3-year extension of the programs, rather than a 1-year extension, offers an opportunity for this House to take the appropriate action which will provide this needed stability and reassurance.

Mr. Chairman, it seems to me that anyone who is at all interested in seeing more effective utilization, implementation and administration of Federal education programs, will support this amendment. To do otherwise will surely perpetuate and probably heighten the uncertainties and instabilities that we are all trying to avoid.

Mr. GROSS. Mr. Chairman, I move to strike the necessary number of words.

Mr. Chairman, my first question to someone conversant with this bill is the 3-year cost of this gravy train? I think we ought to have some information as to what you are proposing to do with the taxpayers' money.

Mr. BELL. Will the gentleman yield?

Mr. GROSS. I yield to the gentleman.

Mr. BELL. It is $16 billion.

Mr. GROSS. How much?

Mr. BELL. $16 billion.

Mr. GROSS. The 3-year cost?

Mr. BELL. Over a 3-year period.

Mr. GROSS. Again, how many billions of dollars?

Mr. BELL. $16 billion. Are you talking about just impacted aid? Is that correct?

Mr. GROSS. Yes. I am talking about just that. What else are we discussing right now? Well, perhaps a little later you will be able to come up with a figure, but it is rather strange that we do not know the 3-year cost of this handout.

Mr. BELL. I am sorry. There is a little confusion. It is $1.3 billion for 1 year.

Mr. GROSS. How much?

Mr. BELL. $1.3 billion for 1 year authorization.

Mr. GROSS. Then, the figure for 3 years would be about $4 billion. Is that right?

Mr. BELL. That is right.

Mr. GROSS. $4 b-i-l-l-i-o-n. Well, that ought to shock everyone. Who in the House today can tell me what the financial situation of this country will be 3 years from now, or the second year, or even next year? Can anybody tell me what the dollar will be worth and whether there will be a depression or a recession? Can somebody tell me? You are projecting $4 billion to operate this gravy train for the next 3 years, yet you do not have the slightest knowledge with what the country will be confronted, for example, in 6 months much less next year or the year after that or the third year.

I agree with my colleague from Iowa (Mr. Smith) that this ought to be extended for only 1 year, and I will go further to say that then it ought to be killed out of hand.

As I understand it, there is a school district at a base in Missouri that has been closed for years, and impacted school aid is still being handed out.

Mr. FORD. That is impossible.

Mr. GROSS. Did the gentleman wish to respond to that?

Mr. FORD. I will ask the gentleman the name of the school, because the money is allocated on an annual basis and an actual survey is made with a sheet of paper signed by the parent attesting to the place of employment of the parent and the fact that he is employed by the Federal Government.

Mr. GROSS. I do not know about that.

Mr. FORD. If the gentleman will tell us what district he is talking about, we will seen that the responsible people are prosecuted. That is a terrible accusation to make. That is fraud. We do not hear about accusations like that.

Mr. GROSS. I will tell the gentleman that I understand the former base is Camp Crowder and it has been closed for several years.

Mr. FORD. Will the gentleman yield?

Mr. GROSS. No. I do not yield to the gentleman at this time. Why do you not look into these situations?

Mr. FORD. Do you want an answer from me?

Mr. GROSS. Let me tell you why. It is because every time the Defense Department seeks to close a military base or cut off defense contracts to areas which are the beneficiaries of impacted school aid, a squeal goes up louder than that of a stuck pig.

Former Deputy Secretary of Defense Packard tried to close a number of bases and other military installations. All of you remember the wails, the howls that went up. Try to take one of these bases or installations away from Hawaii, and you will hear the squeals all the way to this country.

What we need to do is end this program and give the taxpayers of the country a break.

If for no other reason than the expenditure of $4 billion for aid to allegedly impacted schools—millions upon millions of dollars of which I am convinced is totally unjustified—I will vote against this bill.

Mr. KAZEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment offered by the gentlewoman from Hawaii (Mrs. Mink). Insofar as my own district is concerned, this money is very, very vital to several school districts, and if it were not for this money I dare say that several of them would be closed today.

So, Mr. Chairman, in the interest of better education for our children, I urge the adoption of the amendment offered by the gentlewoman from Hawaii (Mrs. Mink).

Mr. ANDREWS of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. KAZEN. I yield to the gentleman from North Carolina.

Mr. ANDREWS of North Carolina. Mr. Chairman, I thank the gentleman from Texas for yielding to me.

Mr. Chairman, let me say to the gentleman from Iowa (Mr. Gross) that I do not know what the dollar will be worth 3 years from now, but I recently heard of someone who said that he had heard all of his life that nothing could ever replace the American dollar, and he had come to the conclusion that it almost already had. So I state that to the gentleman from Iowa if it is of any value to the gentleman.

Mr. Chairman, let me say that during the 15 months that I have served on this committee I have learned that most of the bills appearing before our committee, just as is this one, are very complicated matters, and that most of the formulas involved and amendments that are proposed are likewise very complicated, but in my opinion this one is not. I think that most of what has been said today is beside the point.

What is being proposed by those who would oppose this amendment is this, as I understand it, that the GAO would conduct an investigation of the impact aid program and then report back by next December. Then the others propose that the committee should conduct hearings over the country as an addition to the report, and put these all together so as to try to improve the program. And I am for that. But the practical consequences that we are faced with is that these school districts must make up their budgets during the spring for any program that is of value to them. Knowing this, every program provided for in this bill is on a 3-year basis except this one. So what we are doing is trying to cripple this program, and if we want to cripple this program then we should do as the gentleman from Iowa (Mr. Gross) says, and simply stop it.

I do not know if I would object to that as much as some of my friends, but if we are going to do that then let us do it.

But what we are doing here by coming back with a report means that we do not know what it will be, and the first thing you know spring will be here, and then a lot of the school districts will be suffering as under title I because of uncertainty and inability to plan and to successfully utilize these funds, and we will be wasting the money.

So if we cannot plan any better than that—and we cannot do this in a year—if we are going to let this program live, then let us let it live for the entire 3 year period. And then when the report comes, why then we could make whatever changes need to be made, even within the 3 years. We are really threatening ourselves, I am certain.

I as one member on the committee would like to see the program improved, and would work for its improvement if the improvements or proposed improvements can be brought before the committee. We can hold hearings, and if necessary offer amendments, and then, as a result of that, let us come back in here and amend the bill and approve it, but let us not in effect waste the money by putting in a 1-year termination and therefore not permitting anybody to have any idea as to what is going to happen.

So, Mr. Chairman, I think that definitely in this body we should support the amendment offered by the gentlewoman from Hawaii (Mrs. MINK).

Miss JORDAN. Mr. Chairman, will the gentleman yield?

Mr. KAZEN. I yield to the gentlewoman from Texas.

Miss JORDAN. Mr. Chairman, I support the Mink amendments to H.R. 69—amendments which would extend impact aid for 3 years, instead of the 1-year extension now in the bill.

We all are familiar with the justification for the impact aid program—we all are familiar with its benefits—just benefits. When the Federal Government goes into an area, and takes property off the tax rolls, but also brings in families with schoolchildren to educate, then the Federal Government has an obligation to help pay for the education of those children.

Mr. Chairman, there is another reason for supporting the Mink amendments, in addition to helping school districts which have many service children to educate.

It is important to extend the programs of the Elementary and Secondary Education Act for like periods of time—and not jumble the act up, with some extended for 3 years and impact aid for 1 year. These programs work in conjunction—they have links—and to fracture them will hamper education, and the administration of education, all over the country.

Our educators have been living with uncertainly for too many years now—and uncertainty breeds inefficiency.

All of the evidence is in favor of the Mink amendments, and I would like to urge the House to support them.

Mr. McCORMACK. Mr. Chairman, I wish to stress my strong support for the amendments offered by the gentlewoman from Hawaii.

Mr. KAZEN. Mr. Chairman, I yield to the gentleman from South Carolina.

Mr. DAVIS of South Carolina. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the amendments offered by the gentlewoman from Hawaii (Mrs. MINK) to extend the impact aid to schools for the next 3 years. Speaking for the First District which I represent, I can say without qualification, these funds are the difference between the kind of education South Carolinians need and the kind they can pay for. These funds mean the difference between a well-balanced, meaningful program and one that has to just make do. In all reality, Mr. Chairman, these funds are the difference between night and day.

Currently, the Charleston County impact aid program has been in decline. The tendency in the district is a downgrading of the "A" students to the category of "B" students. Now there seems to be an attempt to phase out the "B" student program. In fiscal year 1974 there were 2,094 "A" classification students in Charleston County being paid at the rate of $463.28 per pupil. At the same time there were 10,853 "B" classification students being paid at the rate of $231.64. This is a decrease over past years and consequently a growing burden on the budget of the Charleston Consolidated School District. A burden that cannot be overcome with bond issues and/or other forms of revenue raising.

Charleston County residents recently consolidated the school system and have already been hit in some areas with staggering tax increases. Speaking figuratively, there are only so many straws that can be placed on the back of the camel before drastic action occurs.

In the first district the basis for funding relies upon a formula of "A" students whose parents live and work on Federal property. As the district does not have 25 percent or more of schoolchildren classified as "A" students, the First Congressional District receives 90 percent funding. Over the past 4 years, the total of "A" students has diminished and the amount of impact aid has kept a parallel.

I urge the membership to extend this measure for 3 years rather than have a sword of 1 year hanging over it. A worthwhile study cannot be undertaken, and completed to the satisfaction of this body. Nor can justice be done to the States who must rely on this money to make ends meet.

Currently, impact aid accounts for only 8 percent of a districtwide total school budget of $52,090,000. The entire first district, which by the way is very heavy in Federal employment, got only a supplemental $4.4 million from the Government last year. This $4.4 million compares with $4,380,786 in fiscal year 1972. I need not remind the Members of this House how fast inflation has eroded the dollar value. The impact aid program has not kept the pace it should have to aid the States as it could have. Therefore, I support the measure and urge all of my colleagues to do the same.

Mr. KAZEN. Mr. Chairman, I yield back the remainder of my time.

Mr. KETCHUM. Mr. Chairman, I rise in support of the amendment offered by the gentlewoman from Hawaii (Mrs. MINK).

The area that I represent in the State of California is largely rural in nature, and it is quite interesting—quite interesting—that every time someone wants to lay down a Federal installation, they pick a rural area to do it. How many of my colleagues would like to have a prison right next to their cities? They do not put them there; they put them in my district, or they put them in some other rural district.

When Congress wants to put down an Army base, a Navy base, or a Marine base, we put it down in the rural areas, and then the people move in on us.

There is absolutely no reason—absolutely no reason—for extending this Public Law 874 for only 1 year and further complicating those things that our school administrators in those areas are going through. I have no objection to having a complete and thorough hearing on Public Law 874, but the primary reason that we never get that opportunity is because the committee will not consider that single aspect. We could, perhaps, have some interesting dialog and find out exactly where we are.

Let me just give the Members a little example of my congressional district in California: Vandenberg Air Force Base, Lemoore Naval Air Station, Edwards Air Force Test Station, and China Lake Naval Weapons Test Center, with over 11,000 civilian employees that were brought to Kern County, put down in an area where there was no city, and now you want to take their Public Law 874 money away from them.

I am not saying that we cannot make some revisions in Public Law 874, but we cannot do it on the basis of 1 year.

I strongly support the amendment offered by the gentlewoman from Hawaii and urge my colleagues to do the same.

Mr. ROSE. Mr. Chairman, will the gentleman yield?

Mr. KETCHUM. I yield to the gentleman from North Carolina.

Mr. ROSE. I thank the gentleman for yielding.

I want to congratulate my colleague, the gentleman from California, for the fine statement he has made on the many points that affect rural America. I think my colleague has hit the nail on the head when he pointed out the tremendous impact that we will have on the school districts of this country if we extend this for just 1 year.

Mr. Chairman, I rise in support of the Mink amendment to H.R. 69. That amendment would extend for 3 years the impact aid program instead of the 1-year extension provided in the committee bill.

I support this amendment because I believe that the Federal Government has an obligation to help local school districts when it imposes a burden upon them. When the Federal Government decides to build an Air Force base or an Army installation in a particular school district, it removes that land from the tax rolls of that school district and at the same time it forces that school district to educate hundreds and sometimes thousands of children of military parents who are brought into that area. In effect, the local schools are told to educate more children with less tax funds.

I also support the Mink amendment because I believe that all elementary and secondary Federal education programs should be extended for the same period of time. Under H.R. 69 all other programs, except those for the handicapped, are extended for 3 fiscal years. If we only extend impact aid for 1 year as provided in the committee bill and extend all these other programs 3 years, the Congress will not have an opportunity to review all programs affecting elementary and secondary education at the same time. We must have the concurrent review in order to have Congress take as broad a look as possible at the effects of Federal aid on our elementary and secondary schools.

Mr. McCLORY. Mr. Chairman, will the gentleman yield?

Mr. KETCHUM. I yield to the gentleman from Illinois.

Mr. McCLORY. I thank the gentleman for yielding.

I want to express my support for the Mink amendment. I have the Great Lakes Naval Training Center in my district, and it has a tremendous impact on the entire area. We receive about half of the impact aid funds for the entire State of Illinois, which is both necessary and useful to the education of the children whose parents live on—or work at this and other Federal installations. The base itself is not on the tax rolls. If it were, of course, we certainly would not need any impact aid funds. But under the existing circumstances I urge the adoption of the amendment for a 3-year extension of the provisions granting section A and B impact school aid funds.

Mr. Chairman, I have spoken before on the floor of this House in support of impact school aid—and have outlined its many benefits to the children of the area which I am privileged to serve in the Congress. The presence of Great Lakes Naval Training Center covering hundreds of acres of the most valuable land in my district, coupled with the related facilities of Downey Veterans Hospital and other Federal properties, as well as nearby Fort Sheridan—contribute substantially to the taxpayers' burden in educating the sons and daughters of those who work at these Federal facilities—and many of whom live on the properties themselves.

Mr. Chairman, I would like to point out that the young students of north Chicago and Waukegan who are the principal beneficiaries of impact school aid are at the same time the most deserving—and receive the principal benefits from this highly desirable program.

Mr. Chairman, if instead of impact school aid, it were possible to restore these properties to the tax rolls, the school districts in the area comprising the 13th Congressional District would reap far greater amounts in tax revenues.

The situation as it is today excludes these valuable properties from our tax rolls and burdens the school districts with the costs of educating these school age children of families who live on and who work at these installations.

Mr. Chairman, it seems appropriate in extending the general law in behalf of elementary and secondary education that the program of impact aid should be extended for a similar 3-year period.

Mr. Chairman, I support adoption of the Mink amendment and I urge my colleagues to give this amendment their overwhelming approval.

Mr. LANDGREBE. Mr. Chairman, will the gentleman yield?

Mr. KETCHUM. I yield to the gentleman from Indiana.

Mr. LANDGREBE. I thank the gentleman for yielding.

What is the gentleman's feeling about the reports that military personnel are now being paid higher wages than people receive in the private sector?

If this is true is it not possible that people in military service could pay their fair share of the community activities where they reside?

Mr. KETCHUM. I certainly believe that the military personnel are paying their fair share in more ways than one. If one wants to put it down in terms of the dollar amount that they are being paid and the benefits that they are being paid, those are benefits that were voted by this Congress. I certainly do not object to that, particularly in view of the fact that the Congress has indicated that they want an all-volunteer military service. If they want an all-volunteer military service, they are certainly going to have to pay for it.

Mr. LANDGREBE. If the gentleman will yield further, the gentleman still has not answered my question.

If they are receiving higher pay than the private citizens in that community and there are other services that are being purchased and paid for, it would seem they would have a healthy effect on the economy rather than a drag as the gentleman might have implied.

Mr. KETCHUM. I certainly would agree with the gentleman in that respect. The individuals he is talking about work on this base and maybe they get higher pay or maybe they get lower pay, but the fact is that the U.S. Government does not pay anything in taxes on the land on which the base is located. They have impacted the schools in the area and what we are doing with impact aid is assisting the local schools to maintain the quality of education to which they are entitled.

Mr. VAN DEERLIN. Mr. Chairman, I move to strike the requisite number of words and rise in support of the amendments.

Mr. Chairman, it will surprise no one that I heartily support the Mink amendment. My home county of San Diego receives more support from impact aid than any other county in the Nation. In the San Diego City Schools District alone, local taxpayers would have to underwrite a 37.7-cents increase in property taxes to make up for the loss of this assistance. Slightly more than 20 percent of our schoolchildren are "federally connected."

At the south end of my area, along the Mexican border, is one of the most heavily impacted school districts of all—the South Bay Union School District. Its superintendent, Bob Burress, would hate to contemplate the added burden of making do without Public Law 874 funds. About 2,900 of his 5,600 pupils are from families who live or work—or both—on Government property. Impact aid represents 12 percent of the South Bay budget, and would require more than a dollar increase in property tax rate to replace.

The whole question of continuing this program is highlighted for my constituents by present Navy plans to erect 2,700 new units of housing in the hills behind Chula Vista. Because Navy families are young, they can be expected to send more than the normal share of children to our schools. The Navy itself has estimated that Chula Vista will probably have to provide two additional elementary schools to serve the new housing project—for which Federal impact aid must provide a primary source of funds.

At the very least, school administrators and citizen boards are entitled to know that they can depend on impact aid more than 1 year into the future. To reduce this program alone to 1 year in the present 3-year bill seems unacceptable.

Once again, we who represent impacted districts are indebted to the determination and skill of our colleague PATSY MINK for so strongly representing our interests, both in committee and on the House floor.

The CHAIRMAN. The question is on the amendments offered by the gentlewoman from Hawaii.

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. MEEDS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 276, noes 129, not voting 27, as follows:

[Roll No. 117]

AYES—276

Abdnor
Abzug
Adams
Addabbo
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Armstrong
Ashbrook
Badillo
Baker
Barrett
Bauman
Beard
Bennett
Biester
Bingham
Boggs
Boland
Bowen
Brademas
Brasco
Bray
Breaux
Breckinridge
Brinkley
Brotzman
Brown, Calif.
Brown, Ohio
Broyhill, Va.
Burgener
Burke, Calif.
Burke, Mass.
Burleson, Tex.
Burton
Byron
Camp
Carney, Ohio
Carter
Casey, Tex.
Chappell
Chisholm
Clark
Clausen, Don H.
Clay
Cleveland
Cochran
Cohen
Conlan
Conte
Conyers
Corman
Coughlin
Crane
Cronin
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, Ga.
Davis, S.C.
de la Garza
Delaney
Dellums
Denholm
Dent
Dickinson
Diggs
Dingell
Donohue
Downing
Drinan
Dulski
Duncan
Eckhardt
Edwards, Calif.
Eilberg
Evans, Colo.
Evins, Tenn.
Fascell
Fisher
Flood
Flowers
Flynt
Foley
Ford
Fraser
Frey
Froehlich
Fuqua
Gaydos
Gettys

Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Grasso
Green, Pa.
Griffiths
Grover
Gubser
Gude
Gunter
Guyer
Hamilton
Hammerschmidt
Hanley
Hanna
Hansen, Wash.
Harrington
Harsha
Hawkins
Hays
Hébert
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holifield
Holt
Hosmer
Howard
Hudnut
Hungate
Hunt
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Ketchum
King
Koch
Kuykendall
Kyros
Lagomarsino
Leggett
Lehman
Litton
Long, La.
Lott
McClory
McCollister
McCormack
McDade
McFall
McKay
McSpadden
Macdonald
Madden
Madigan
Mahon
Maraziti
Mathias, Calif.
Mathis, Ga.
Matsunaga
Melcher
Mezvinsky
Milford
Mills
Minish
Mink
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moorhead, Calif.
Morgan
Mosher
Moss
Murphy, N.Y.
Murtha
Myers
Natcher
Nedzi
Nichols
Nix
O'Brien
O'Hara
O'Neill
Owens
Parris
Passman
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Podell
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quillen
Randall
Rangel
Reid
Riegle
Rinaldo
Rodino
Roe
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Roush
Rousselot
Roy
Roybal
Runnels
Ruppe
St Germain
Sarbanes
Schroeder
Shipley
Shoup
Shuster
Sikes
Sisk
Skubitz
Snyder
Spence
Staggers
Stanton, J. William
Stark
Steed
Steele
Steiger, Ariz.
Stokes
Stratton
Stubblefield
Studds
Symington
Symms
Talcott
Thompson, N.J.
Thone
Thornton
Tiernan
Towell, Nev.
Udall
Van Deerlin
Vander Veen
Veysey
Waggonner
Waldie
Walsh
Wampler
Whalen
White
Whitehurst
Whitten
Wilson, Bob
Wilson, Charles H., Calif.
Wright
Wylie
Wyman
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, S.C.
Young, Tex.
Zion

NOES—129

Anderson, Ill.
Annunzio
Archer
Arends
Ashley
Aspin
Bafalis
Bell
Bergland
Biaggi
Blackburn
Bolling
Broomfield
Brown, Mich.
Broyhill, N.C.
Buchanan
Burke, Fla.
Burlison, Mo.
Butler
Chamberlain
Clancy
Clawson, Del
Collier
Collins, Ill.
Collins, Tex.
Conable
Cotter
Culver
Daniel, Dan
Davis, Wis.
Dellenback
Dennis
Derwinski
Devine
du Pont
Edwards, Ala.
Esch
Eshleman
Findley
Fish
Forsythe
Fountain
Frelinghuysen
Giaimo
Goodling
Green, Oreg.
Gross
Haley
Hansen, Idaho
Hechler, W. Va.
Heinz
Holtzman
Horton
Huber
Hutchinson
Kemp
Landgrebe
Landrum
Latta
Lent
Long, Md.
Lujan
Luken
McCloskey
McEwen
McKinney
Mallary
Mann
Martin, Nebr.
Martin, N.C.
Mayne
Mazzoli
Meeds
Metcalfe
Miller
Mizell
Moorhead, Pa.
Murphy, Ill.
Nelsen
Obey
Patten
Powell, Ohio
Quie
Rarick
Rees
Regula
Reuss
Rhodes
Roberts
Robinson, Va.
Robison, N.Y.
Rogers
Rosenthal
Rostenkowski
Ruth
Ryan
Sandman
Sarasin
Satterfield
Scherle
Schneebeli
Sebelius
Seiberling
Slack
Smith, Iowa
Smith, N.Y.
Stanton, James V.
Steelman
Steiger, Wis.
Taylor, Mo.
Taylor, N.C.
Thomson, Wis.
Treen
Ullman
Vander Jagt
Vanik
Vigorito
Ware
Widnall
Wiggins
Wilson, Charles, Tex.
Winn
Wolff
Wyatt
Wydler
Yates
Young, Ill.
Zablocki
Zwach

NOT VOTING—27

Alexander
Bevill
Blatnik
Brooks
Carey, N.Y.
Cederberg
Dorn
Erlenborn
Frenzel
Fulton
Gray
Hanrahan
Hastings
Heckler, Mass.
Kluczynski
Michel
Minshall, Ohio
Mitchell, Md.
Patman
Railsback
Rooney, N.Y.
Shriver
Stephens
Stuckey
Sullivan
Teague
Williams

So the amendments to the committee substitute were agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. MEEDS TO THE COMMITTEE SUBSTITUTE

Mr. MEEDS. Mr. Chairman, I offer an amendment to the committee substitute.

The Clerk read as follows:

Amendment offered by Mr. MEEDS to the committee substitute:

On page 87, strike all the language beginning with line 6 down through and including line 20 and substitute in lieu thereof the following:

"ADJUSTMENTS FOR REDUCTION IN STATE AID

"SEC. 304. (a) Section 5(d)(2) of such Act of September 30, 1950, is amended by striking out "No" and inserting in lieu thereof "Except as provided in paragraph (3), no".

"(b) Section 5(d) of such Act is further amended by adding at the end thereof the following new paragraph:

"(3) Notwithstanding paragraph (2) of this subsection, a State may consider as local revenue, funds received under this title in proportion to the share that local revenues for education considered under a State equalization program are of total local revenues for education."

Mr. MEEDS. Mr. Chairman, this amendment maintains the intention of the committee amendment to permit States to take into account Public Law 874 money to a school district if and to the extent that a State is equalizing educational expenditures per pupil within the State.

The background of this matter is that prior to 1966 some States were counting as local revenue up to 100 percent of all impact aid funds that were going into an impacted aid district. States were taking advantage of that loophole and were indeed counting against the school districts the total of their impact aid funds. The effect of this was to distribute through distribution formulas the impact aid dollars that the Congress was appropriating for those specifically impacted districts across the entire State, through equalization formulas that were not really equalization formulas.

The gentleman from Michigan (Mr. FORD) and I enacted an amendment in 1966 which changed that by simply saying States could not count it at all.

This is a kind of pendulum situation. The States were taking advantage of a pendulum which was way up here, and when we changed it we pushed it away over here.

It is the intention of the committee that States which are earnestly and honestly attempting to adopt equalization formulas which really equalize the cost of per pupil expenditure within a State will be allowed to count impact aid money to the extent of or in a ratio which is similar to their actual State contribution to local education. That is precisely what this amendment does.

Mr. Chairman, it may be said that the committee bill does this, too, and it does, because in effect it tells the Secretary to allow States to count these funds when they really equalize. However, it tells him to devise a formula under which it is done.

The effect of my amendment is, instead of allowing or leaving it up to the Secretary to devise that kind of a formula, we are doing it ourselves and saying it may only be considered under State equalization programs when there is an honest and earnest effort to equalize and only that share or that proportion of the local revenue is considered under a State equalization program of the total local revenues for education.

We do not want to have the States through an equalization formula taking away from the impact aid areas under the guise of equalization unless they are really equalizing and only to the extent they are equalizing.

Mr. Chairman, that is the effect of the amendment, and as far as I know, there is no opposition to it.

Mr. QUIE. Will the gentleman yield?

Mr. MEEDS. I yield to the gentleman from Minnesota.

Mr. QUIE. Mr. Chairman, I want to indicate I am in support of the gentleman's amendment.

Mr. McKAY. Will the gentleman yield?

Mr. MEEDS. I am delighted to yield to the gentleman.

Mr. McKAY. Mr. Chairman, I am in total agreement with the intent of what the gentleman is doing. I have indicated that I would offer an amendment on this. My concerns are to the question here, does this go to the fact that they would have to equalize, also?

Let me give you an example. In my State we have a basic equalization formula, but they do not take into consideration the capital or the buildings.

They also allow that you can get above the equalization formula if you tax yourselves more, what they call voting for a levy.

Mr. MEEDS. A special levy.

Mr. McKAY. But that still leaves a disproportion because one school district through a 1-mill levy can get $100, and the other school district cannot get $5 by that 1-mill levy, so that they have to tax themselves double to get the same amount of money.

Mr. MEEDS. Let me ask the gentleman if his State is guaranteeing the school districts pretty nearly, or at least equivalent to the average per-pupil expenditure in the State?

Mr. McKAY. They are to a degree.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. McKAY, and by unanimous consent, Mr. MEEDS was allowed to proceed for 2 additional minutes.)

Mr. McKAY. Mr. Chairman, if the gentleman will yield further, to continue, they get a basic equalization formula, say it is $8,000 per distribution unit, and that every classroom is guaranteed that across the State but, then, above that, for capital improvements, for busing of children——

Mr. MEEDS. For special education programs.

Mr. McKAY. All of those. Then the districts are not equalized; that is not taken into consideration.

For instance, take Salt Lake City, for example. If they wish to raise a 1-mill levy for additional educational opportunity, they can do that, but other districts are not able to.

Mr. MEEDS. Let us exclude special levies for the moment, and we will come back to that, but with respect to the rest of the gentleman's question, in other words, special education money, I think that should be considered as a part of the total State contribution.

Mr. McKAY. For equalization?

Mr. MEEDS. And even if it is not considered in the basic equalization formula, as it is not in my State, if it is still considered in special education and other matters, then I think it should be considered in the formula, so that every contribution made by the State should be able to be considered.

Mr. McKAY. The gentleman is saying that if they are making a good effort toward equalization then they can consider this as a total part of their resources?

Mr. MEEDS. That is right.

Mr. McKAY. So that in my State they could in fact, having made that first major effort, could equalize them, I take it, toward the equalization formula, and rob those units of 8–7–4 money in the formula?

Mr. MEEDS. From what the gentleman is telling me it sounds to me that they could consider a major part of their contribution, to count that as equalization.

Mr. BELL. Mr. Chairman, will the gentleman yield?

Mr. MEEDS. I yield to the gentleman from California.

Mr. BELL. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Washington (Mr. MEEDS) and I commend the gentleman for offering it.

It brings us up to date. I believe this is long overdue.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Washington. Of all the amendments made to current law by H.R. 69, I believe that this amendment and section 304 of H.R. 69 are among the most important.

When impact aid was first passed back in 1950, the pattern and practice in school finance among the 50 States was pretty chaotic. In the past 2 years, that pattern has changed very markedly. As I noted earlier, the California case of Serrano against Priest was a forerunner of the reforms that have been introduced into the whole field of school finance at the State level. Let me explain for a moment why this amendment and the section in the bill are so important.

The primary reason for impact aid is to compensate a district for the tax revenue which is lost to it, because certain properties owned by the Federal Government have been removed from the tax rolls, thereby depriving the district of x amount of income. A second reason for impact aid is to assure that children of Federal employees receive a good education wherever in the country they might happen to be employed.

As a result of the reform movement in school finance, a number of States have begun to remove the property base distinction between school districts and have begun to assure each and every school district in the State that they will receive a given level of support regardless of their taxing capacity.

In effect the State is compensating the district for the lost tax base. And, by also guaranteeing a level of funding per child, the States are assuring all children of a good education. These actions remove the original purpose for impact aid in those States which have done a good job of reforming school finance, particularly Kansas, North Dakota and Maine.

Many of these States have also set limits on how much local districts can spend per child. What happens then is that the State first guarantees a level of support and then the Feds come along and force x number of dollars into that same district. Since the district is prevented by State law from spending more than a given amount per child, there is no way that they can spend the total dollars given by the State and by the Federal Government. In effect the Federal Government has become guilty of disequalizing per pupil resources by giving impact aid districts more money than they can spend.

In summary what has happened is that a 24-year-old law has not kept pace with the times. In 1950 we were helping States to finance school districts with Federal impact. In 1974 the Federal Government through an outdated law is standing as a barrier to States which seek to reform their financing of education. I do not feel that the Federal Government should ever be in the position of blocking a major and important reform measure initiated by the States themselves. I urge my colleagues to support the Meeds amendment.

Mr. McKAY. Mr. Chairman, I have been concerned with the wording of section 5(d)—page 87 of H.R. 69, as reported—because I have felt that as reported from committee, it is cloaked in ambiguity.

I favor State equalization of aid to education, and I think it is right to include a mechanism in this bill whereby Public Law 874 moneys can be coordinated with State finance formulas in States that do equalize. However, in some States, such as Utah, with only partial equalization of education, the federally impacted districts depend on Public Law 874 moneys to compensate for low assessed property valuation. In such partially equalized States, where local education agencies must depend on a voted tax levy above and beyond the tax rate which is equalized, the impacted districts have a difficult time raising revenue. Impacted districts, with their low assessed valuation, very often must tax at a mill levy equal to, or higher than the wealthier districts which are not federally impacted. And the revenue from this high mill levy is often very low, because it is based on the lower local resources of the impacted district.

In such a situation, it is the Public Law 874 money that enables an impacted district to compensate for its paucity of local resources and achieve an expenditure level approaching that of the nonimpacted districts. To allow States with such partially equalized finance formulas to reduce State aid to impacted districts is to deprive those districts of funds that rightfully should remain in that impacted district.

I do not believe the committee intended that States could reduce State aid to local education when equalization formulas do not reflect the local resources of such districts. However, indications are that many States will attempt to reduce aid to impacted districts under such partial equalization. Therefore, I believe there is a need to amend this section of the bill to make it clear that State equalization formulas must take into consideration, and must be based on, the local resources available to a local education agency. As long as expenditures for education vary according to the wealth of local education agencies, impact aid money should not serve as a mechanism whereby States can reduce their aid to local education.

I believe the language of the amendment offered by the gentleman from Washington protects the impact districts. Therefore, I will not offer my amendment to this title of the bill, and will support this language.

Mr. PERKINS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think the members of the Committee should understand what we are doing. I understood the amendment that was offered by the gentleman in the committee, but the amendment that is before the Chamber presently I do not understand.

We did write in the impact legislation many years ago that States could not cut back on State aid because of impact funds. As I understand this amendment, and in accordance with the explanation of the gentleman from Washington, if a certain district within a State is entitled to x number of dollars, say $100,000 in impact money, the State educational authorities can say to this particular school district, you are not entitled to x number of dollars, or that $100,000 from State funds, because you are receiving impact money. We have steered away from that in the past all through the years by making it perfectly clear that impact funds could not be utilized for State funds and impact funds were in addition thereto. And the committee bill contains an amendment which carefully revises that provision.

I receive no impact in my district, but I think this amendment is of such magnitude that it should be further considered in the House Committee on Education and Labor because the State Equalization Agency, in my judgment, under this language can say without restraint to any impacted district in the Nation: You are entitled to and you are going to receive $500,000 impact funds. So we are not going to send the State money into that particular impacted district. If that is what we want to vote on here, a major change of this type, it is all right with me, but that is exactly my judgment of what this amendment does. It gives the State Equalization Authority the right to say to an impacted district:

You have already got so much impacted money; therefore, you are not entitled to any State money.

Mr. QUIE. Mr. Chairman, it seems to me that this language is necessary because some people had confusion over the language that was in the bill as it came out of our committee. The gentleman from Washington who introduced the language that was included in the committee bill has now tried to clarify it through this language. It seems to me that what he has attempted to do is what we are talking about and what we talked about in committee.

There are two States where this is really a serious problem—Kansas and North Dakota, and it was a serious enough problem that the Committee on Appropriations put language in it—I believe that was the place, or else it was in the School Lunch Act; I guess it was in the School Lunch Act where we did it—which only took care of them for 1 year, and now they have gone to equalization in their States; so the amendment does not go too far, as the gentleman from Kentucky suggests it does.

The gentleman from Washington makes it apply only to the extent of the percentage that a State does equalize, so if there is only a partial equalization, there is only a partial consideration of the impact funds as local funds.

I understand that we do not have language in the amendment which applies to the situation in Kansas. I will yield to the gentleman from Kansas to see if that would be correct—if the local school district without this language will get their money on top of their equalization. It seems to me Kansas has taken the efforts of the Rodriguez Supreme Court Decision seriously and has changed the law to make certain that there is equal education opportunity in all school districts.

I would like to yield to the gentleman from Kansas for his comments.

Mr. ROY. I thank the gentleman for yielding.

I am sorry I have not been able to see a copy of this amendment before. It is also my interpretation of the amendment, and is it the interpretation of the Chairman, that, indeed, in Kansas we consider 100 percent of local funds as in the State equalization formula, and then, indeed, we may consider 100 percent of impact aid funds in the equalization formula?

Mr. PERKINS. That is correct.

Mr. QUIE. I would say it is the local funds and the State funds together for the equalization.

And if one is 90 percent equalized, one would be able to consider 90 percent of the impact aid money in that way. If one is 100 percent equalized, then one would be able to consider 100 percent in that way.

Mr. ROY. I share that understanding with the gentleman from Minnesota and the Chairman. It is also my understanding that special educational funds or perhaps busing funds are not to be considered in the 100 percent or lack of 100 percent of equalization by the State. Is this correct?

Mr. QUIE. I could not tell the gentleman how they consider special educational funds in Kansas. I know the court decisions do not require that all funds be a part of that equalization so that if we do something special for any, it costs more money, but I am not that familiar with the Kansas law so I could not give the answer.

Mr. PERKINS. If the gentleman will yield, I would think the special educational funds the way the act is presently written could not be considered a part of it.

Mr. ROY. I thank the Chairman.

Mr. STEIGER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Wisconsin.

Mr. STEIGER of Wisconsin. Mr. Chairman, I listened to the discussion by the gentleman from Minnesota, the gentleman from Washington and also the gentleman from Kentucky, and I admit I share the chairman's confusion.

May I inquire as to what change is made by the Meeds amendment to the language that was agreed on in the committee? Why was it necessary to change that language?

Mr. QUIE. I would yield to the gentleman from Washington for that answer.

Mr. MEEDS. Mr. Chairman, as I said we are doing by specific language in this amendment what we really directed the Commissioner and the Secretary to do. We are doing it so that we know it will be done and we make a specific kind of formula rather than leaving some discretion to the Secretary. That is the only thing. In my estimation this does precisely what we directed the Commissioner to do.

Mr. SKUBITZ. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to ask the gentleman from Washington a question. Let me give the gentleman a specific example. Suppose the cost of education in a school district is $100,000 and through taxes the district raises $60,000 and the district is getting $40,000 from impact aid funds. In Kansas as I understand that district would not get any State funds or money from the equalization fund. If a State can count only 40 percent of the impacted aid funds as local contribution—then the total local contribution to the district is the difference between $100,000 and $76,000 or $24,000. Hence the school district is fully funded but it also has $24,000 in impacted aid funds and in Kansas it could not lawfully spend it. What does the gentleman's amendment do in a situation like this?

Mr. MEEDS. I do not understand that my amendment would have that effect at all. It is conceivable that under some statement of figures similar to those you have outlined the effect would be a displacement of 40 percent, but it depends on other factors. Let me illustrate the operation of my proposed amendment in this fashion.

First, let's assume that a State guarantees from State resources a flat $400 per pupil expenditure for every child in the State but then permits a local educational agency to levy its own millages on top of the State allowance. Such a plan is not equalization and would not qualify because the State aid program does not take into account the relative wealth of local school districts and their lack of equal ability to raise money for public school expenditures.

Second, let's assume that a State on the other hand has a program in which it guarantees a certain level of per pupil expenditure for each local educational agency if the local educational agency will levy a flat and uniform millage applicable to all local educational agencies and that the State general revenue will make up the difference that that local levy fails to produce. Assume further that no district could levy in excess of the level fixed. This would be a situation in which you would have 100 percent equalization and it would qualify. This would mean the State could take into account Public Law 874 funds fully.

Third, and this is where my proposed amendment tries to deal with the complexities of State equalization efforts. In effect, my amendment would allow a portion of the impact aid money to be taken into account where a State partially takes into account the local ability of each local educational agency in the State to raise revenue. In actual effect, my amendment would require that it be determined to what extent or, in actual effect, percentage—20 to 100 percent—a State placed each local educational agency on an equal basis in deriving an equal per pupil expenditure with all other local educational agencies in the State using the same local rate of taxation.

This is the object of the committee amendment and my clarifying amendment today.

Mr. SKUBITZ. Forty percent?

Mr. MEEDS. Possibly, possibly not.

Will the gentleman repeat that?

Mr. SKUBITZ. If a district raises $60,000 from local funds and $40,000 in the nature of impacted aid. It would receive no funds from the State. Isn't that correct?

Mr. MEEDS. If the cost of education were $100,000, the premise on which we started, they would get $60,000 from local revenue and $40,000 from impact aid, they have their cost of education. I do not see how or what "cost of education" means or how it comes into the premise for the hypothesis the gentleman just set up. What we are trying to determine is whether a State law, the distribution of state aid, or the treatment by a State law of the local taxing resources of a school district enables that district, with no greater taxing effort than any other district, to expend per pupil the same as any other school district in the State. The degree to which the State does this is the degree to which it may take into account Public Law 874 funds. Let me again say that this is the object of the committee amendment and my clarifying amendment today.

Mr. SKUBITZ. It was my impression that the amendment of the gentleman from Washington that a State could only take a certain percentage of the impacted aid money in determining what a district's entitlement was under the equalization act.

Mr. MEEDS. A State may only take into account Public Law 874 funds a local educational district receives in the distribution of State aid in line with the criteria I have previously described.

Mr. ROY. Mr. Chairman, will the gentleman yield?

Mr. SKUBITZ. I yield to the gentleman from Kansas.

Mr. ROY. I think it has been established if a State considers 100 percent of a local revenue resources, they may consider 100 percent of the impact aid funds in determining the amount of State aid in an equalization law.

I have just been on the phone from Kansas. We do consider 100 percent of local educational revenue, I am told, at least from home, that this is a satisfactory amendment.

The CHAIRMAN. The time of the gentleman has expired.

AMENDMENT OFFERED BY MR. M'KAY TO THE AMENDMENT OFFERED BY MR. MEEDS TO THE COMMITTEE SUBSTITUTE

Mr. McKAY. Mr. Chairman, I offer an amendment to the amendment offered by Mr. MEEDS to the committee substitute.

The CHAIRMAN. There is an amendment pending. Is this an amendment to the amendment?

Mr. McKAY. Yes.

The Clerk read as follows:

Amendment offered by Mr. McKAY to the amendment offered by Mr. MEEDS to the committee substitute: On page 87, strike all the language beginning with line 6 down through and including line 20 and substitute in lieu thereof the following:

"ADJUSTMENTS FOR REDUCTION IN STATE AID

"SEC. 304. (a) Section 5(d) (2) of such Act of September 30, 1950, is amended by striking out "No" and inserting in lieu thereof "Except as provided in paragraph (3), no".

"(b) Section 5(d) of such Act is further amended by adding at the end thereof the following new paragraph:

"(3) Notwithstanding paragraph (2) of this subsection, a State may consider as local revenue, funds received under this title in proportion to the share that local revenues for education considered under a State program providing for complete equalization of all local resources on the same support level are of total local revenues for education."

Mr. McKAY. Mr. Chairman, I agree with the thrust of what the gentleman from Washington (Mr. MEEDS) is saying. He has the right idea as far as I am concerned. I think this defines what that equalization should be. I will try to give an example.

In my State, we have a basic equalization formula, but we do not consider the tax resource; for example, one district by raising a mill could raise twice as much. He is allowed in the basic formula to go above the equalization for his students, whereas those that are now getting Public Law 874 money are not able to in that same tax effort to raise half the amount, of education for the price.

So all I am doing is defining and saying they have to consider these other tax resources to arrive at that equalization, so that no district has to tax itself twice as much to get the same level of education as the other. It is the same thing the gentleman from Washington is doing and only perfects or clarifies the Meeds amendment.

I ask the Committee to accept the amendment.

Mr. FORD. Mr. Chairman, I rise in support of the committee amendment.

Mr. Chairman, I do not think any one of us are in disagreement with the philosophical purpose of the Meeds amendment. Unfortunately, we are in some disarray, because the amendment that the gentleman from Washington (Mr. MEEDS) had printed in the RECORD that we have discussed with school people across the country is not the specific amendment that he offered here today. We have been running around at the last minute trying to find out exactly what its impact would be.

Now, back in 1966 when we held the last really extensive hearings on how the impact aid program was functioning across the country, we discovered at that time that 16 States had figured a variety of ways to, in fact, take the impact aid money away from a local district as soon as we gave it to them from the Federal Government.

There were a variety of rationales extended for this. Generally, they talked about the fact that impact aid was primarily intended as a substitute for local income, and, therefore, it should be considered for the purpose of dividing out State resources the same as other local income.

What that totally overlooks, however, is another very fundamental reason for the impact aid program. That other very fundamental reason is to provide educational money in an area where we suddenly build a military base or increase the size of the complement of personnel of a base and bring a lot of dependents into the area. At the same time, with Federal money many of the local school districts are able to absorb the impact of those additional students. This aid guarantees two things. It guarantees, one, that they are not going to diminish their local effort for those local students who are already residing permanently in the district. Also, very importantly to increase the district's income, for those that are being sent from other States, to that locale. We have education resources provided by the Federal Government so that a serviceman's dependents have an adequate educational opportunity and we avoid contributing any hardship by assigning them to this area.

There are only three States in the country that the language now in the bill is intended to reach. These are the States of North Dakota, Utah, and Kansas, and the only ones which come any place close to a State system of distribution of funds that would produce 100 percent equality across the board. Unfortunately, the Meeds amendment would operate in States like my own, in Michigan, or California—let us take California as an example.

They are under a court order to equalize educational payments for their children taught in the public school system in California. However, we are informed by the experts out there that on the basis of legislation that has so far been adopted, if it works to the optimum of everyone's expectations, it will take 23 years for them to reach that status of equality. In the meantime, the effect of the Meeds amendment without the McKay amendment would be to permit them during all of those years to siphon off the impact funds as soon as they are received by local school districts.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. FORD. Mr. Chairman, I yield to the gentleman from Kentucky.

Mr. PERKINS. Mr. Chairman, let me ask the gentleman if he understands the McKay amendment the way I understand the amendment. The State must first equalize all State and local revenues uniformly throughout the State, and then they can withhold impact money?

Mr. FORD. That is correct, Mr. Chairman. No one of us would object to a State doing that. If the State in fact has a plan that deals with every child of every public school across the State equally in dollar terms, then at that point we have no argument against them considering the impact funds. However, the gentleman understands I am sure without that the McKay amendment, the effect of the Meeds amendment and effect of a committee bill without this Meeds and McKay amendment is to literally allow this impact aid money, once it reaches a State, to be thrown into the pot and divided the same as all other resources.

There are districts where they receive something like 80 percent of their total budget from impact aid. What are we going to do if in the state capitol, they say, "Oh, ho, what a nice way for us to fall into this bonanza," if they are halfway toward equalization, they can take half the money. How do the Members think a school district can function if a State takes half of 80 percent of its budget away in 1 year. That is the effect this amendment would have if it is allowed to stand without the McKay amendment.

Mr. Chairman, I urge my colleagues to support the McKay amendment.

Mr. ROY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I find that the members of the committee apparently have differences on this. I hope they will excuse me if I say that I have difficulty understanding this particular problem. The language in the report which I just read would indicate to me that if the State is not providing 40 percent of the funds, for example, that go into a school district, then that State would be permitted, in its equalization formula, to consider only 40 percent of impact aid funds. This would bring about a great inequity in my State, and I do not think that is the purpose of the gentleman from Washington. I would like to hear the interpretation of the gentleman from Washington (Mr. MEEDS) in this regard.

Mr. MEEDS. Mr. Chairman, if the gentleman will yield, maybe we ought to set some ground rules on what is equalization. My interpretation of equalization is that a State guarantees the basic level of support which is somewhere near the average per-pupil expenditure within that State; that can come from the local sources with the State setting a millage level, or a levy level which will raise that amount; if the district goes over that amount, that local area would return that to the State, but if it does not come up to that amount the State will see that it comes up to that amount. That is what I consider a real bona fide equalization program.

If your State is doing that, and if your State in a given school district, that school district does not, by that levy that it sets, come up to that level, if your State comes in and provides that additional money, then I think it should be entitled to count as local resources that same percent against the impact aid program.

Mr. ROY. I thank the gentleman from Washington for his explanation. In other words, if the State will provide the dollars per pupil necessary to bring total funds up to 100 percent, indeed, that State may include 100 percent of impact aid funds in determining total local funds available. It is not a question of how many dollars the State is putting into the district, but how many dollars the State is committed to put into the disrict to raise 100 percent support for the sudents of that district.

Mr. MEEDS. As long as that base support is somewhere in the area of the average of per-pupil expenditure. Some States have it way down, where they call it equalization formula, but it really is not. So unless it bears some reasonable relation to the average per-pupil cost, then I do not think it should be considered as an equalization formula and counted in this.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. ROY. I yield to the gentleman from Kentucky.

Mr. PERKINS. Mr. Chairman, the thing that really disturbs me about this amendment, you have more variances and inequities within the States from the standpoint of the per-pupil expenditure than we have between the States of this country, and without the McKay amendment I do not think we give any real assurance of equalization within the States. So I think it would be bad judgment on the part of this committee, on a complicated matter of this kind, to adopt this amendment without the McKay amendment.

Mr. QUIE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, as I read the language in the committee's special report on equalization, it would successfully eliminate Utah because it says in the report that Utah is not 100 percent equalized. They permit a 10-mill variation in the local districts which must be approved by the district taxpayer. It is only partially equalized, there is no recapture provision for excess leeway revenues.

Now, it seems to me that is the difficulty with the amendment which has now been offered by the gentleman from Utah. According to tthe gentleman's amendment a State would have to be absolutely 100 percent equalized in everybody's estimation before impact aid money could be counted as a part of the local effort.

There are other States that have equalized. For instance, we have equalized in Minnesota, and I understand they have in Utah. However, it is considered here in the report as only partial, although it is just about complete equalization in Minnesota.

There are other States as well that have done that.

It seems to me that the amendment offered by the gentleman from Washington (Mr. MEEDS) is correct, to the extent that we take care of the total of our equalization. The fact that they have not fully equalized means that that portion then cannot be considered as local revenue and, therefore, it would be on top of what both the State and the local revenues provide.

So we have something that is fair to all the States, without its having to be determined by the U.S. Commissioner of Education in Washington, whether 100 percent equalization has been accomplished or not. All he has to do is to determine the percentage. So if he comes to Utah and finds they are only 90 percent equalized, they can equalize this as it should be for the 90 percent and 10 percent is added on top of it, because if a State equalizes in whole or in part, to the extent they are equalized, it is unfair to add the impact aid money on top of it for the local school district.

So for that reason, Mr. Chairman, we need to accept the Meeds amendment, and I believe, with the amendment offered by the gentleman from Utah, we would have gone beyond that which is contemplated.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Kentucky.

Mr. PERKINS. Mr. Chairman, I hope that the distinguished gentleman from Minnesota will agree that there has been a change in the paragraph we added to section 5(d)(2) since we adopted the original Meeds amendment in committee. Am I correct in that suggestion?

Mr. QUIE. Mr. Chairman, I do not know what the gentleman is referring to. Does the gentleman mean the second Meeds amendment?

Mr. PERKINS. Yes, the second amendment.

Mr. QUIE. Yes, the gentleman is correct. That is what the gentleman from Washington has proposed.

Mr. PERKINS. Mr. Chairman, I think the gentleman will agree that there should be full equalization within the States, say $1,000 per child from all sources of the State and local funds, and then a State may withhold State funds for impact aid, but not until we have uniform equalization for all children within the State.

Mr. QUIE. No. I would say that it is not going to be the State's determination; it is going to be the determination of the U.S. Commissioner of Education.

Therefore, we need the protection of the Meeds amendment in order to have it fairly administered, because if we get an absolute 100 percent equalization, we may find that none of the States qualify.

As the gentleman from Kansas said, the State of Kansas has 100 percent equalization. Well, if the U.S. Commissioner of Education says there is not 100 percent equalization, then we need the language that is provided by this amendment.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Michigan.

Mr. FORD. Mr. Chairman, I do not think the gentleman is correctly reading the new Meeds amendment. There is no reference to the U.S. Commissioner of Education in the new version.

Under the provisions of the Meeds amendment, this determination will be made by the State which is tailoring its own plan. The Commissioner has no discretion under this Meeds amendment.

Mr. QUIE. Mr. Chairman, the Commissioner has discretion in administering the law. The State would determine the percentage of its equalization, but the Commissioner is going to have to decide the matter finally, because he is going to write the regulations as to how this law is going to be implemented. The Commissioner has constantly done that. There is not a law written for which the U.S. Commissioner has not written regulations.

Mr. FORD. Mr. Chairman, if the gentleman will yield further, the fact is that the effect of the Meeds amendment is that the Commissioner could withhold all impact aid going to a particular State if that State engages in the practice of taking into account impact aid funds for the distribution of State funds.

We did hold up funds for the State of Massachusetts, the gentleman will recall, a few years ago, when they devised a plan to do this. At that time the Secretary of HEW happened to be Elliot Richardson, and he wrote the plan when he was attorney general of the State, and it went through the long process of a Federal court case.

The CHAIRMAN. The time of the gentleman from Minnesota (Mr. QUIE) has expired.

(On request of Mr. FORD and by unanimous consent, Mr. QUIE was allowed to proceed for 2 additional minutes.)

Mr. FORD. Mr. Chairman, will the gentleman yield further?

Mr. QUIE. I yield to the gentleman from Michigan.

Mr. FORD. Mr. Chairman, so the effect of the Meeds amendment is that if the State can do something that will comply with the language of this section of the statute, the Secretary has no right to withhold funds and does not pass on the wisdom of it. The language in the bill says the Secretary will decide it, but the Meeds amendment now before us does not.

Mr. MEEDS. If the gentleman will yield, I agree with the gentleman in the well. I think the amendment offered by the gentleman from Utah goes too far and requires that a State be a guarantor of 100 percent of the cost of education in a school district and would not be able to count anything unless it was guaranteeing at least that much. This is an extremely complicated area. I hope if we have any problems, we can work it out in conference, but I feel much more comfortable with what we have worked out so far without taking the amendment offered by the gentleman from Utah.

Mr. ROY. Will the gentleman yield?

Mr. QUIE. I yield to the gentleman.

Mr. ROY. Is it the gentleman from

Minnesota's understanding that if indeed a State considers 100 percent of local revenues in their equalization formula, they may consider 100 percent in Public Law 874?

Mr. QUIE. That is the intention of the Meeds amendment, and that is why I support it.

Mr. ROY. Is it the gentleman's reading of the McKay amendment that it changes this criteria or provision at all?

Mr. QUIE. It does, because today the State still has to prove equalization to the commissioner who has to administer this act. They have to give assurance in order to protect a State in the eyes of the Commissioner. Even though they say it is 100 percent, he looks at it and says that is not right, and he ought to be able to correct it to 90 percent.

Mr. ROY. I think, if that is the problem indeed, then I will oppose the amendment.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, at the request of Mr. Perkins, Mr. Quie was allowed to proceed for 2 additional minutes.)

Mr. PERKINS. If the gentleman will yield, I would like to ask the gentleman from Minnesota if he would be willing to go back to the original Meeds amendment without bringing in this new language that has confused the membership of this committee.

Mr. QUIE. I would say to the chairman if people were confused on the original language, I do not see how they can be confused now. I think the language of the Meeds amendment is excellent and it will permit impact aid to be considered fairly in those States that have moved to equalization. There are some other States that have this as well as these three States mentioned. Minnesota has it, too. The State of Minnesota is another State that will come under the Meeds amendment.

Mr. PERKINS. The gentleman will agree with me that the amendment in the bill permits the States to consider impact aid as a local resource if the States consider the tax effort of local school districts in their State legislation plans. The committee report then says that the States may consider impact aid to the same degree they contribute to education.

Mr. QUIE. I would say to the chairman that I think the Meeds amendment makes this a much more fair and equitable provision.

Mr. PERKINS. I am just asking if the gentleman would object to the original Meeds amendment and drop this new amendment?

Mr. QUIE. I do not think so. I think the gentleman from Kansas would have difficulty if we did not have this language in there.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, at the request of Mr. Smith of Iowa, Mr. Quie was allowed to proceed for 2 additional minutes.)

Mr. SMITH of Iowa. If the gentleman will yield, if the impact aid is going to be used to equalize costs throughout the State, why should not the entire State have to break the impact aid barrier instead of the individual district? For financial purposes the individual district would not be the one that is impacted, but it would be the entire State that is being treated as an impacted area.

Mr. QUIE. The district is supposedly impacted, but the State then moves to equalization. Once they have made that move then it seems to me it is only fair to consider what the school district got from the Federal Government as a part of their total revenues.

Mr. SMITH of Iowa. So the school district would be left in the same position as if they had never received impact aid. So why should not the impact requirements for qualification be statewide instead of on a district basis?

Mr. QUIE. We probably ought to get to that someday on the impact aid bill.

Mr. SMITH of Iowa. We have a problem there.

Mr. ROY. Mr. Chairman, if the gentleman will yield, I notice in reading the language in the report, starting at the bottom of page 42 and continuing on the top of page 43, that it says:

> But the impact aid can only be considered to the same extent that the State is providing for education from State sources.

Would that be negated by the amendment offered by the gentleman from Washington (Mr. Meeds)?

Mr. QUIE. I would yield to the gentleman from Washington for a reply to that question.

Mr. MEEDS. Mr. Chairman, it certainly is not my intention to negate that language. Indeed, it is to assure that that occurs that I presented this amendment.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. Chairman, the section before us is of critical importance to the over 100 school districts in Kansas receiving impact aid money.

In 1973, the Kansas State Legislature enacted a new school finance plan. Briefly stated, the plan determines, to the extent possible, the wealth of each school district, requires that this wealth be utilized, and provides for the distribution of State aid when that wealth is not sufficient to finance an appropriate school budget. In developing this plan, the legislature found it necessary to deduct certain items of wealth of particular school districts, in including 874 funds, in determining the amount of State aid to be granted to that particular school district. Impact aid moneys were treated as a local resource, along with other local revenues. This plan has proved to be most effective and is considered by many experts to be an example of a truly equalized formula. To penalize the State of Kansas for its equalization effort would be unfair and senseless. The section before us would enable the State of Kansas to count 874 moneys 100 percent.

Mr. Chairman, the language of this section recognizes the fact that the Kansas plan is a true effort toward, and achievement of, equalization.

So that my colleagues may better understand the peculiarities of the Kansas school finance plan, I would like to insert for the Record a statement of explanation written by Kansas State Senator, Senator Joseph Harder, and submitted to the Honorable Chairman of the House Education and Labor Committee for consideration:

STATEMENT OF EXPLANATION

Following the onslaught of Serrano, Rodriquez, Hatfield, Caldwell and numerous other court decisions, states became more aware of their responsibility for financing public schools. Notwithstanding the United States Supreme Court's decision in the Rodriquez Case it still appears to be evident that states cannot abrogate their responsibility for providing the funds to assure equal educational opportunity among their public schools. To equalize educational opportunities and to make available quality educational programs in each school district will almost without exception require a complete review of the method of financing public education.

Because Kansas recognized it had an obligation to improve the financing of public schools even before the court mandated finance reform in (Caldwell vs. the State of Kansas), tne Legislature appointed a special committee to study the problems. In attempting to effect a solution the committee explored various methods for financing public education. Invariably the committee was faced with the problem of how to deal with PL 874 moneys.

If the states are to be "fiscally neutral" in order to comply with standards laid down in several court decisions including *Caldwell* as it affected Kansas then the resources of school districts must be taken into account.

The special committee that worked on a new school finance plan recognized that deduction of PL 874 receipts had been voided in 1968 by the United States District Court in (Hergenreter vs. Hayden). This case arose under the old Kansas school foundation finance law which was repealed by the enactment of Sub. S.B. 92 in 1973. The committee designed the new law to be much more equalizing than the old law by requiring districts in specific enrollment categories to have a similar "local effort rate" in order to spend comparable amounts per pupil. To accomplish this purpose, the committee firmly believed that PL 874 funds had to be taken into account in order to avoid serious disequalizing effects in certain cases.

For example, it was estimated that three of the Kansas school districts which have received substantial amounts of PL 874 funds would have no, or possibly a very small, general fund tax levy under Sub. S.B. 92 if PL 874 funds were not considered as a district revenue resource. Other districts comparable in enrollment and in certain other ways would have general funds tax rates of 18 to 20 mills or more on an equalized valuation basis.

The old Kansas school finance system, i.e., before enactment of Sub. S.B. 92, was held unconstitutional on both federal and state constitutional grounds (Caldwell vs. Kansas). Among other things, the court was critical of the wide disparities in tax rates among school districts. In its effort to fashion a new finance system, the legislators who did most of the work on Sub. S.B. 92 were convinced that they could not justify a situation where a district would have no general fund tax levy or a very small one, simply because the district received PL 874 funds, and still be entitled to spend as much or more per pupil as comparable districts not receiving such funds.

Kansas' general state aid formula is designed to provide more state aid to districts with low "wealth" per pupil than to districts with high "wealth" per pupil (wealth is measured by adding the total equalized assessed valuation and taxable income of a school district). Districts with low "wealth" per pupil include those which have received relatively large amounts of PL 874 funds—they have such low "wealth" mainly because of their number of federally-impacted pupils in relation to their taxable property valuation (federal property being exempt from the property tax).

To demonstrate the points made above, consider three school districts which have received relatively large amounts of PL 874 funds. Even with such funds considered as a district revenue resource under Sub. S. B. 92, the May 23 computer application of the general state aid formula indicated the following *increases* in state aid in 1973-74 over actual aid in 1972-73 under present law:

Junction City	$892,773
Derby	1,094,416
Washburn	434,429

The state-wide average ratio of total general state aid to the total general fund budgets of all districts is tentatively estimated at 43% for 1973-74, under Sub. S.B. 92. For the three districts, the estimated state aid-to-budget ratio is:

	Percent
Junction City	54
Derby	60
Washburn	50

These ratios are well above the state average, even with PL 874 funds considered as a local resource.

The Kansas Legislature has enacted a new school finance law which is designed to improve equalization of local tax effort and of expenditures per pupil. There certainly was no intention to discriminate against districts which have received PL 874 funds, as indicated by the above figures. On the contrary, discrimination would result if PL 874 funds were not taken into account in the new general state aid formula. In one sense under the plan, the state is oblivious to the PL 874 program just as it is to the "wealth" of any individual district. The plan provides for full funding of a school district's legally adopted general fund budget. That budget, subject to certain contraints, is determined locally. To the extent that a district's resources for funding this budget increase or decrease, the state would provide more or less aid, in the amount necessary for full funding of the district's budget.

During the hearings on Sub. S.B. 92, no one representing any of the districts which receive PL 874 funds appeared before the committees to object to the way such funds are treated in the new law.

Because of the guidelines and interpretations the Federal Government has used regarding PL 874 money, I am requesting that your committee review congressional policy concerning certain aspects of the PL 874 program.

As I have indicated on many occasions, present requirements and constraints of this program have the effect of impeding the efforts of some states in developing equitable school finance plans. As an example, state school finance plans which propose a power equalizing concept involving some mixture of local taxing effort and state aid clearly are distorted by the prevailing laws, regulations, and judicial decisions relative to PL 874. Let me explain. It was the intent of Congress that PL 874 funds be provided to school districts partly to offset:

1. The impact on the school district of children of certain federal employees.

2. The revenues lost by virtue of property not being on the tax rolls. It seemed logical to impose a prohibition against reducing state aid in those districts that received PL 874 funds. Put another way, the states were not to be allowed to substitute federal aid for state aid. Such a requirement was particularly appropriate at a time when there was little effort being made by the states in school finance to equalize among districts both local tax efforts and spending levels.

The 1973 Kansas Legislature enacted a new school finance law which we refer to as a modified power equalization school finance plan. The principal element of power equalizing is to equate the taxing effort and spending authority of school districts having widely varying resources. The balancing element of such a plan is state aid.

Those who have examined the Kansas plan generally agree that if PL 874 funds of a district cannot be considered as a local resource the plan would be subject to severe distortion. In short if PL 874 had not been taken into account similar districts would be permitted to spend at similar levels but have widely varying taxing efforts.

Since PL 874 is generally considered as a kind of payment in lieu of taxes, it seems reasonable to consider such aid as being of the same general character as locally generated taxes and therefore an element of local resources. From experience in our state and others it is evident that Congress should continue PL 874 but under new guidelines. I submit the following suggestions for your consideration:

Part A of PL 874:

1. The federal government should provide payments in lieu of taxes to help compensate school districts for property that is not on the tax rolls. Persons may both live and work on federal property and their children may attend a public school which is supported largely through property taxes generated locally.

2. The impact upon the school where large numbers of federal employees reside is reflected in increased costs. One of the purposes of impact aid should be to help compensate for this added financial burden.

3. Added costs of operation to the school district occur in districts where there is considerable transience of federal employees. The costs resulting from this unique characteristic should be recognized by the federal government.

4. Some argue that aid for Part A students should be 100% reimbursable to the district because the state and/or school district patrons should not be responsible for the education costs of children for whom there is contributed no property tax and perhaps very little income tax.

5. Since PL 874 aid has been provided in substantial amounts to many school districts of this nation for a number of consecutive years, a termination of this program would have severe consequences for many school distrct budgets.

Part B of PL 874:

1. Even though families in which employment is with a federal installation may live off the premises of such installation and contribute directly or indirectly to the local property tax base, federal impact aid may be justified by the fact that the place of employment, a federal installation, is not included in the local tax base. Generally valuations of residential property alone do not adequately support a school program.

2. The impact upon the school where large number of federal employees reside is reflected in increased costs. One of the purposes of impact aid should be to help compensate for this added financial burden.

3. Added costs of operation to the school district occur in districts where there is considerable transcience of federal employees. The costs resulting from this unique characteristic should be recognized by the federal government.

4. Aid for Part B students should be provided to the extent that there is compensation for the property of the federal installation which is not on the tax rolls.

5. Even though Part B aid may be relatively meaningless to some districts because of the small number of pupils involved, yet it is important if, indeed, the state is responsible for equalizing educational opportunity and local effort.

Part A of PL 874 should be continued at 100% of entitlement under the present formula.

Part B might be amended to lower the entitlement per pupil, but should not be deleted. Whenever the Federal Government acquires land for Federal projects the number of acres is often substantial which leaves a taxing district, primarily schools, in the untenable position of having a diluted tax base from which to fund its budget.

It has been said that Federal Installations enhance the economy of a given area, but so long as real property is the base from which revenue for financing schools is derived, it is incumbent upon the Federal Government to fill the void it has created. The problems I have related are not unique to Kansas because every state in attempting to solve its school finance problems must come to grips with PL 874.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Utah (Mr. McKAY) to the amendment offered by the gentleman from Washington (Mr. MEEDS) to the committee substitute.

The amendment to the amendment to the committee substitute was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington (Mr. MEEDS) to the committee substitute.

The amendment to the committee substitute was rejected.

AMENDMENT OFFERED BY MR. STUDDS TO THE COMMITTEE SUBSTITUTE

Mr. STUDDS. Mr. Chairman, I offer an amendment to the committee substitute.

The Clerk read as follows:

Amendments offered by Mr. STUDDS to the committee substitute: On page 88, insert the following after line 14.

"IMPACT AID PAYMENTS IN AREAS EXPERIENCING DECREASES IN, OR CESSATION OF, FEDERAL ACTIVITIES

"SEC. 307. In the case of any local educational agency which experiences a decrease in the number of children determined by the Commissioner of Education under section 3 of such Act of September 30, 1950 of 10 percentum or more of such number—

"(1) during the fiscal year ending June 30, 1974, or the fiscal year ending June 30, 1975; or

"(2) during the period beginning July 1, 1973, and ending June 30, 1975;

as the result of a decrease in, or cessation of, Federal activities affecting military installations in the United States announced after April 16, 1973, the amount to which such agency shall be entitled under such Act, as computed under section 3(c) of such Act, for any fiscal year prior to July 1, 1978, shall not be less than 90 per centum of the amount to which such agency was entitled during the preceding fiscal year."

Mr. STUDDS. Mr. Chairman, I shall not take the full 5 minutes. This is a simple, fair, humane, amendment. It provides for an orderly phaseout of impacted aid money to cities and towns in this Nation which were seriously affected by the military base closings announced last spring.

The amendment provides, very briefly,

that for the next 5 fiscal years these cities and towns would not get less than 90 percent of the impact aid money that they got in the previous year. Thus, while the amount would decrease each year as it should, it would phaseout gradually instead of being cut off all at once. This orderly, gradual phaseout would save the affected school districts from massive, immediate financial crises.

The amendment has been approved in the Senate bill which has been reported from committee in the Senate. I hope very much that we can approve it in the House, and if we are unsuccessful in doing that, I hope very much that the managers on the part of the House will look with extraordinary understanding and compassion as they deal with the managers on the part of the Senate on this bill.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. STUDDS. I yield to the gentleman from Massachusetts.

Mr. BOLAND. I thank the gentleman for yielding.

Mr. Chairman, I want to commend my colleague for offering this amendment. Simply stated, the amendment seeks to remedy the injustice to impact areas that have been caught in the vortex of military closures. I do not think it is fair for these communities to be cut off precipitously.

As the gentleman from Massachusetts has pointed out, it spells disaster for many of these areas that have been caught in base closures. These announcements of closings came without advance warning. This is not the way the Federal Government ought to handle or treat these communities. It makes planning very difficult; but, more importantly, it imposes, an escalating and undue economic and monetary hardship on the affected areas. The loss of impact aid should be gradual, as suggested by the gentleman from Massachusetts. It should be phased over a reasonable number of years, and I think the years that he has included in his amendment are a reasonable period of time. This is the fair way to deal with these involved areas.

As the gentleman from Massachusetts has pointed out, a similar amendment passed the Senate on June 25 of last year. I suggest to the Members of this Committee that all fairness and equity is not embedded on the other side of Capitol Hill. I think there is some fairness and equity embedded in the chairman of the Committee on Education and Labor and the ranking minority member, and I would hope that both the chairman and the ranking member would accept this amendment.

Mr. STUDDS. I thank the gentleman for his comments.

I would point out that there are towns in this Nation on which the effect of an immediate phasing out would be absolutely catastrophic, towns that for years and years and years have had half or more of their budget dependent on impact aid.

Mr. KAZEN. Mr. Chairman, will the gentleman yield?

Mr. STUDDS. I yield to the gentleman from Texas.

Mr. KAZEN. Mr. Chairman, I happen to have one of those cities in my district where a base was closed, an Air Force base. This has had a tremendous impact on the economy and well-being of the people of that community. The unemployment rate has gone up from 10 or 12 percent all the way to 19.8 percent and the schools cannot afford to lose all of this aid they were getting because it will make it very difficult to maintain a truly good educational system. Two school districts have been vitally affected by this base closing.

I associate myself with the remarks made by the gentleman in the well and I strongly urge adoption of this amendment.

Mr. STUDDS. I thank the gentleman from Texas.

I would point out again this is not a regional or a parochial amendment. There are such towns and cities in every State in this Nation. I think there are standards of equity and decency to be followed in allowing them to make the adjustments to carry on the cost of the burdens of education and we should not force them to do that overnight.

Mr. KAZEN. I agree. An adjustment period such as the one provided by this amendment should be provided.

Mr. O'NEILL. Mr. Chairman, will the gentleman yield?

Mr. STUDDS. I yield to the gentleman from Massachusetts (Mr. O'Neill).

Mr. O'NEILL. Mr. Chairman, I concur with the remarks made by the gentleman from Massachusetts (Mr. Studds) with respect to the Cape Cod area of Massachusetts which was so badly hurt by base closings last year. There are 54 areas of the country that felt the results of those base closings. In my own area where we have the Boston Naval Shipyard some 6,200 people were laid off during the years and the bulk of them came from the suburban area of Boston, and consequently, just as the Cape Cod area of Massachusetts has been hurt, we, too, have been hurt.

I think the formula offered by the gentleman in his amendment is a worthwhile amendment and I hope the amendment will be adopted.

Mr. STUDDS. I thank the gentleman from Massachusetts.

Mr. QUIE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, Members must realize we are talking about children who are not there any more as impact. The base is closed. The present law permits them to be counted for an additional year. We can get money for a year after the children cease to be an impact. What the gentleman wants to do is give them 90 percent of the money for 5 years. What sense does that make, other than the desire of the community to keep getting the money? That is all it is. It is totally unfair.

We have got so much of a boondoggle in impact aid now I surely hope we are not going to continue to add to the boondoggle, and this certainly is a boondoggle.

Mr. PERKINS. Mr. Chairman, I simply want to reiterate what the gentleman from Minnesota stated.

Mr. O'NEILL. Mr. Chairman, will the gentleman yield?

Mr. PERKINS. I yield to the gentleman from Massachusetts (Mr. O'Neill).

Mr. O'NEILL. Mr. Chairman, I cannot concur with the statement that the gentleman made and particularly with respect to the district the gentleman from Massachusetts (Mr. Studds) has been talking about. The school is still there and it is still of the same size and most of the employees, while they are not associated with the base any more, are still living in the particular area and the community is badly hurt.

Mr. PERKINS. Let me say to our distinguished majority leader that I know the children are still there—part of them at least, but not all of them—but there is a question in my mind whether we should take 5 years to phase the payments out. Under this amendment in the first year districts would receive 90 percent of the amount they received in the previous year. And then in the 4 years thereafter they will receive 90 percent of the previous year's amount. In my judgment that duration would be entirely too long.

Since the Senate bill contains a similar provision, I think we can meet this problem in conference. I do not feel we should go along with this 5-year phaseout. The parents of those children have other employment where taxes are being paid. Furthermore, I would think this would add a tremendous cost to the impact program and will result in pulling down the payments for the A and B children because of the total cost if we add this amendment. This will be a costly amendment. I certainly would not want to agree to the amendment myself and I do not intend to support the amendment.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. PERKINS. I yield to the gentleman from Minnesota.

Mr. QUIE. Would not this be the same as a base which was in operation and some employees who had children for which they are getting impacted aid cease to be Federal employees and go to work for some private establishments? Under that situation the money ceases to go to the school district for impacted aid. Why should we accept something like this amendment?

Mr. PERKINS. Well, the gentleman is just going too far on this.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from Massachusetts (Mr. Studds) to the committee substitute.

The amendment to the committee substitute was rejected.

The CHAIRMAN. Are there further amendments to title III?

AMENDMENT OFFERED BY MR. GONZALEZ TO THE COMMITTEE SUBSTITUTE

Mr. GONZALEZ. Mr. Chairman, I offer an amendment to the committee substitute.

The Clerk read as follows:

Amendment offered by Mr. GONZALEZ to the committee substitute: Page 87, strike out line 22, and insert in lieu thereof the following:

SEC. 305. (a) (1) The last sentence of section 403(1) of such Act of September 30, 1950, is amended by inserting before the period at the end thereof the following: ", but such term does include any real property which was transferred to the United States Postal Service and was, prior to such transfer, treated as Federal property for purposes of title I".

(2) Effective from July 1, 1973, section

Page 87, line 21, insert "Certain United States Postal Service Property;" before "Counting".

Mr. GONZALEZ. Mr. Chairman, I am offering this amendment in order to restore the eligibility to those buildings that lost their eligibility to impacted aid due to the Postal Reorganization Act.

Back in 1970 when this Reorganization Act was passed one of the provisions provided that Federal buildings using more than 50 percent of their space for postal operations would be turned over to the U.S. Postal Service. On the surface this transaction appeared logical, but what was discovered later was that these buildings turned over to the Postal Service could no longer be considered Federal buildings for impacted aid purposes, according to Public Law 874, even though they housed other Federal offices.

Congress remedied this situation by adding an amendment to a manpower bill that would extend the life of these buildings as Federal buildings for impacted aid purposes for 2 years. These 2 years are now up as of fiscal year 1974.

I was contacted by one of the school superintendents in my area who advised me that the Federal building in San Antonio is not longer considered a Federal building for impacted aid purposes. By the time this was brought to my attention, it was too late to go to the committee that had drawn up the bill. This school district alone has 300 category B students whose parents work in that building, and who, as the law now stands, cannot be counted as category B for fiscal year 1974. This means that this school district stands to lose about $60,000.

I have learned that there are 130 buildings across the country that will no longer be considered Federal buildings, because of the provision in the Postal Reorganization Act and the lapse of the extension of their eligibility.

I have this list and it is available to any Member that is interested.

My amendment would allow these buildings to still be considered as Federal buildings for impacted aid. The amendment would make this permanent within the law and would recognize what we did in 1970 by the amendment.

We all understand that the purpose of impacted aid is to provide Federal financial assistance for the maintenance and operation of local school districts in which enrollments are affected by the Federal presence of activities. If we allow these buildings to lose their status we will not be following this principle. Just because a change is made on paper—a building is switched from GSA control to Postal Service control—does not change the local tax situation. The loss of a tax base on these buildings still exists. The school districts still need these funds to help in educating their young people.

I hope my colleagues will join me in approving the amendment.

Mr. KAZEN. Mr. Chairman, will the gentleman yield?

Mr. GONZALEZ. Mr. Chairman, I yield to the gentleman from Texas.

Mr. KAZEN. Mr. Chairman, I rise to associate myself with the remarks of my colleague from Texas and express my strong support of his amendment. I think the gentleman has put it very well. This was a transfer on paper. The impact is still there. Nothing has changed except the transfer of property from one governmental agency to another semigovernmental agency, but the people who work there are still Government workers.

Mr. Chairman, I can see no earthly reason to deny them the benefits everybody else in the same category—Government employees—all over this country are going to get under the impacted fund program. I thank the gentleman from Texas for presenting this amendment.

Mr. GONZALEZ. Mr. Chairman, I thank my colleague from Texas for his remarks.

Mr. BELL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, as the gentleman said, we had voted Public Law 92–277 in 1972. The purpose of that law was to give these children of that time period a 2-year phaseout, to ease the burden of the sudden loss of impact aid. This was adequate for the need. The estimate of costs of the gentleman's amendment would amount to $15 million in 1975 and an equal amount every year after that. It seems to me that it is just another of what we frequently call boondoggle. I do not think we need it. I think it is totally unnecessary, and I oppose the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. GONZALEZ) to the committee substitute.

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. GONZALEZ. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

Mr. GONZALEZ. Mr. Chairman, I demand a division.

The question was taken; and on a division (demanded by Mr. GONZALEZ) there were—ayes 15; noes 31.

So the amendment to the committee substitute was rejected.

The CHAIRMAN. Are there further amendments to title III? If not, the Clerk will read.

The Clerk read as follows:

TITLE IV—AMENDMENT AND EXTENSION OF THE ADULT EDUCATION ACT

SPECIAL PROGRAMS

SEC. 401. (a) Section 304 of the Adult Education Act is amended (1) by striking out subsection (a), and (2) by striking out of subsection (b) the following: "(b) From the remainder of such sums, the" and inserting in lieu thereof "The".

(b) Section 309 of such Act is amended to read as follows;

"USE OF FUNDS FOR SPECIAL EXPERIMENTAL DEMONSTRATION PROJECTS AND TEACHER TRAINING

"SEC. 309. Of the funds allotted to a State under section 305 for a fiscal year, not less than 15 per centum shall be used for (a) special projects which will be carried out in furtherance of the purposes of this title, and which—

"(1) involve the use of innovative methods, systems, materials, or programs which may have national significance or be of special value in promoting effective programs under this title, or

"(2) involve programs of adult education, carried out in cooperation with other Federal, federally assisted, State, or local programs which have unusual promise in promoting a comprehensive or coordinated approach to the problems of persons with educational deficiencies; and

(b) training persons engaged, or preparing to engage, as personnel in programs designed to carry out the purposes of this title."

(c) Nothing in the amendments made by this section shall be deemed to affect any program or project approved prior to the date of enactment of this Act.

COORDINATION; HIGH SCHOOL EQUIVALENCY PROGRAMS

SEC. 402. Section 306 of the Adult Education Act is amended by redesignating clauses (6), (7), (8), and (9), and all references thereto, as clauses (8), (9), (10), and (11), respectively and by inserting immediately after clause (5) of such section the following new clauses:

"(6) provide for cooperation with manpower development and training programs and occupation educational programs, and for coordination of programs carried on under this title with other programs, including right-to-read programs, designed to provide reading instruction for adults carried on by State and local agencies;

"(7) provide that such agency will make available for programs of equivalency for a certificate of graduation from a secondary school not to exceed 25 per centum of so much of the State's allotment as exceeds its allotment for the fiscal year ending June 30, 1973;".

INSTITUTIONALIZED ADULTS

SEC. 403. Section 306(a) (1) of the Adult Education Act is amended by inserting after the words "adult population" the words ", including the institutionalized,", and by inserting before the semicolon at the end thereof the following: ": Provided, That not more than 5 per centum of the funds used to carry out this Act for a fiscal year shall be used for the education of institutionalized persons".

STATE ADVISORY COUNCILS

SEC. 404. The Adult Education Act is amended by inserting immediately after section 310 thereof the following new section:

"STATE ADVISORY COUNCILS

"SEC. 310A. (a) Any State which receives assistance under this title may establish and maintain a State advisory council, or may designate and maintain an existing State advisory council, which shall be, or has been, appointed by the Governor or, in the case of a State in which members of the State board which governs the State education agencies are elected (including election by the State legislature), by such board.

"(b)(1) Such a State advisory council shall include as members persons who, by reason of experience or training, are knowledgeable in the field of adult education or who are officials of the State educational agency or of local educational agencies of that State, persons who are or have received adult educational services, and persons who are representative of the general public.

"(2) Such a State advisory council, in accordance with regulations prescribed by the Commissioner, shall—

"(A) advise the State educational agency on the development of, and policy matters arising in, the administration of the State plan approval pursuant to section 306;

"(B) advise with respect to long-range planning and studies to evaluate adult education programs, services, and activities assisted under this Act; and

"(C) prepare and submit to the State educational agency, and to the National Advisory Council for Adult Education established pursuant to section 310, an annual report of its recommendations, accompanied by such additional comments of the State educational agency as that agency deems appropriate.

"(c) Upon the appointment of any such advisory council, the appointing authority under subsection (a) of this section shall inform the Commissioner of the establishment of, and membership of, its State advisory council. The Commissioner shall, upon receiving such information, certify that each such council is in compliance with the membership requirements set forth in subsection (b)(1) of this section.

"(d) Each such State advisory council shall meet within thirty days after certification has been accepted by the Commissioner under subsection (c) of this section and select from among its membership a chairman. The time, place, and manner of subsequent meetings shall be provided by the rules of the State advisory council, except that such rules shall provide that each such council meet at least four times each year, including at least one public meeting at which the public is given the opportunity to express views concerning adult education.

"(e) Each such State advisory council is authorized to obtain the services of such professional, technical, and clerical personnel as may be necessary to enable them to carry out their functions under this section."

TECHNICAL AMENDMENTS

Sec. 405. (a) Section 313(a) of the Adult Education Act is amended by—

(1) striking out the word "There" and inserting in lieu thereof "Except as provided in section 314, there"; and

(2) striking out "and June 30, 1973" and by inserting in lieu thereof "and for each of the five succeeding fiscal years".

(b)(1) The matter preceding the colon in section 431 of the Education Amendments of 1972 is amended to read as follows:

"Sec. 431. Title III of the Elementary and Secondary Education Amendments of 1966 (the Adult Education Act) is amended by adding at the end thereof the following new section".

(3) Section 314(d) of the Adult Education Act (as redesignated by this section) is amended by striking out the word "two" and inserting in lieu thereof the word "four".

Mr. PERKINS (during the reading). Mr. Chairman, I ask unanimous consent that title IV of the committee substitute be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The CHAIRMAN. Are there any amendments to title IV?

If not, the Clerk will read.

The Clerk read as follows:

TITLE V—COMMUNITY EDUCATION

Sec. 501. The Act is amended by inserting after title VIII (as inserted by section 201) the following new title:

"TITLE IX—COMMUNITY EDUCATION DEVELOPMENT

"SHORT TITLE

"Sec. 901. This title may be cited as the 'Community Education Development Act of 1974'.

"STATEMENT OF PURPOSE

"Sec. 902. In recognition of the fact that the school, as the prime educational institution of the community, is most effective when it involves the people of that community in a program designed to fulfill their education needs, and that community education promotes a more efficient use of school facilities through an extension of school buildings and equipment, it is the purpose of this title to provide recreational, educational, and cultural community services, in accordance with the needs, interests, and concerns of the community, through the establishment of the community education program as a center for such activities in cooperation with other community groups.

"DEFINITION

"Sec. 903. For purposes of this title, a 'community education program' is a program in which a public building, including but not liimted to a public elementary or secondary school, is utilized as a community center operated in conjunction with other groups in the community, community organizations, and local governmental agencies, to provide educational, recreational, and cultural community services for the community which that center serves in accordance with the needs, interests, and concerns of that community.

"AUTHORIZATION OF APPROPRIATIONS; ALLOTMENTS TO STATES

"Sec. 904. (a) There is hereby authorized to be apropriated $12,500,000 for the fiscal year ending June 30, 1976, and $15,000,000 for the fiscal year ending June 30, 1977, to enable the Commissioner to make payments under section 906(a).

"(b)(1) From the sums appropriated pursuant to subsection (a), the Commissioner shall reserve such amount, but not in excess of 1 per centum thereof, as he may determine and shall allot such amount among the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands according to their respective needs for assistance.

"(2) Sums not reserved under paragraph (1) shall be allotted among the States (other than those provided for under paragraph (1)) by, first, allotting $20,000 to each such State and then allotting any amounts remaining among such States according to their relative populations.

"(c) The amount of any State's allotment under subsection (b) for any fiscal year which the Commissioner determines will not be required for such fiscal year shall be available for reallotment from time to time, on such dates during such years as the Commissioner may fix, to other States in proportion to the original allotments to such States under subsection (b) for that year but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum the Commissioner estimates such State needs and will be able to use for such year; and the total of such reductions shall be similarly reallotted among the States whose proportionate amounts were not so reduced. Any amounts reallotted to a State under this subsection during a year from funds appropriated pursuant to subsection (a) shall be deemed part of its allotment under subsection (b) for such year.

"STATE PLANS

"Sec. 905. (a) Any State which desires to receive grants under this title shall submit to the Commissioner a State plan, in such detail as the Commissioner deems necessary, which—

"(1) designates the State educational agency to act as the sole agency for administration of the State plan;

"(2) sets forth a program under which funds paid to the State from its allotment under section 904(b) will be used to assist them (A) to establish new community education programs; (B) to expand or improve community education programs; or (C) to maintain and carry out community education programs, except that no assistance shall be provided under this clause (C) with respect to a program which was not assisted under clause (A) or (B) during a preceding fiscal year;

"(3) provides that projects will be carried on only in the school districts of local educational agencies receiving funds under title I of the Elementary and Secondary Education Act of 1965;

"(4) provides that the State agency will at all time have on its staff a trained community education coordinator;

"(5) provides that in the selection of local educational agencies to be awarded grants under the program consideration shall be given to (A) proof of interest in the community to be served in the establishment, expansion or improvement of community education programs, (B) the recommendations of the Advisory Council, and (C) whether other Federal funding alternatives for the programs are available;

"(6) sets forth policies and procedures designed to assure that Federal funds made available under this title for any fiscal year will be so used as to supplement, and, to the extent practical, increase the level of State, local, and private funds that would in the absence of such Federal funds be made available for and in no case supplant such State, local, and private funds;

"(7) sets forth such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of, and accounting for, Federal funds paid to the State (including any such funds paid by the State to any other public agency) under the plan; and

"(8) provides for making such reports, in such form and containing such information, as the Commissioner may reasonably require to carry out his functions under this title (including any such information as the Advisory Council may request him to obtain), and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

"(b) The Commissioner shall approve any State plan and any modification thereof which complies with the provisions of subsection (a).

"FEDERAL SHARE

"Sec. 906. (a) From the amounts allotted to each State under section 904(b), the Commissioner shall pay to that State an amount equal to the Federal share of the amount expended by the State in carrying out its State plan, except that the Commissioner is authorized to pay all the costs of a program located in an economically depressed area as determined in consultation with the Secretary of Commerce and the Director of the Office of Economic Opportunity.

"(b) For purposes of subsection (a), the Federal share shall be 80 per centum in the case of a program described in clause (A) of section 905(a)(2), 65 per centum in the case of a program described in clause (B) of such section for the first year of such program, and 55 per centum for the second year, and 40 per centum in the case of a program described in clause (C) of such section.

"ADMINISTRATION OF SUCH STATE PLAN

"SEC. 907. (a) The Commissioner shall not finally disapprove any State plan submitted under section 905(a), or any modification thereof, without first affording the State educational agency administering the plan reasonable notice and opportunity for a hearing.

"(b) Whenever the Commissioner, after reasonable notice and opportunity for hearing to such State agency, finds—

"(1) that the State plan has been so changed that it no longer complies with the provisions of section 905(a), or

"(2) that in the administration of the plan there is a failure to comply substantially with any such provisions,

the Commissioner shall notify such State agency that the State will not be regarded as eligible to participate in the program provided for in the State plan until he is satisfied that there is no longer any such failure to comply.

"JUDICIAL REVIEW

"SEC. 908. (a) If any State is dissatisfied with the Commissioner's final action with respect to the approval of its State plan submitted under section 905(a) or with his final action under section 907(b), such State may, within sixty days after notice of such action, file with the United States court of appeals for the circuit in which such State is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Commissioner. The Commissioner thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code.

"(b) The findings of fact by the Commissioner, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Commissioner to take further evidence, and the Commissioner may thereupon make new or modified findings of fact and may modify his previous action, and shall certify to the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

"(c) The court shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

"ASSISTANCE TO STRENGTHEN COMMUNITY EDUCATION RESOURCES OF STATE EDUCATIONAL AGENCIES

"SEC. 909. (a) The Commissioner shall carry out a program for making grants to stimulate and assist States in strengthening the resources of their State educational agencies in the field of community education. If the Commissioner determines, upon application of a State agency, that the resources of its State education agency in the field of community education are adequate, he may permit the State agency to consider for purposes of section 906(a) that all or part of the funds available to it under this section as funds allotted to it under section 904(b).

"(b) For purposes of making grants under this section, there is authorized to be appropriated the sum of $2,100,000 for each of the fiscal years ending June 30, 1976, and June 30, 1977.

"(c) Grants under this section to the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands shall not aggregate more than $20,000 in each of the fiscal years ending June 30, 1976, and June 30, 1977. Grants under this section to the other States for each of the fiscal years ending June 30, 1976, and June 30, 1977, shall not exceed $40,000.

"TRAINING GRANTS

"SEC. 910. (a) The Commissioner may make grants to institutions of higher education to develop and establish, or to expand, programs which will train persons as community education coordinators.

"(b) There is authorized to be appropriated the sum of $2,000,000 for the fiscal year ending June 30, 1976, and the succeeding fiscal year, for making grants under this section.

"NATIONAL CLEARINGHOUSE ON COMMUNITY EDUCATION PROGRAMS

"SEC. 911. (a) There is hereby established a national clearinghouse on community education programs within the Office of Education. The purpose of the clearinghouse shall be the gathering and dissemination of information received from community education programs, including but not limted to information regarding new programs, methods to encourage community participation, and ways of coordinating community services.

"(b) There is authorized to be appropriated the sum of $200,000 for the fiscal year 1976 and each succeeding fiscal year.

"(c) The Commissioner shall establish a permanent liaison between each community education program and the Commissioner. The Commissioner shall also make available to each community education program such technical information as they may require, and this shall be coordinated with the national clearinghouse.

"ADVISORY COUNCIL

"SEC. 912. (a)(1) There is hereby established in the Office of Education a Community Education Advisory Council (referred to in this title as the 'Advisory Council') to be composed of eleven members. The members of the Advisory Council shall be appointed by the Secretary.

"(2) A substantial number of the members of the Advisory Council shall be community educators. Further, the Advisory Council shall include representatives from various disciplines to be drawn on in providing services in community school programs.

"(3) Appointments to the Advisory Council shall be completed within three months after enactment of this title. Members shall be appointed for two-year terms, except that of the members first appointed six shall be appointed for a term of one year and five shall be appointed for a term of two years, as designated by the Secretary at the time of appointment. Any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall serve only for the remainder of such term. Members shall be eligible for reappointment and may serve after the expiration of their terms until their successors have taken office. A vacancy in the Council shall not affect its powers and six members thereof shall constitute a quorum. The Commissioner shall be an ex officio member of the Advisory Council. A member of the Advisory Council who is an officer or employee of the Federal Government shall serve without additional compensation.

"(4) The Commissioner shall make available to the Advisory Council such staff, information, and other assistance as it may require to carry out its activities.

"(b)(1) The Advisory Council shall advise the Commissioner on policy matters relating to the interests of community schools.

"(2) During the six-month period following the appointment of a quorum of the Advisory Council, the Advisory Council shall be responsible for creating policy guidelines and regulations for the operation and administration of this title. In addition, the Council will create a system for evaluation of the programs. The Council shall present to Congress a complete and thorough evaluation of the programs and operation of this title for each fiscal year ending after June 30, 1975.

"PLANNING GRANTS

"SEC. 913. There is authorized to be appropriated the sum of $1,000,000 for the fiscal year ending June 30, 1975, and such sums as may be necessary for each succeeding fiscal year, to enable the Commissioner to make grants to State agencies to assist them in planning their community education programs.

"LIMITATION ON PAYMENTS UNDER THIS TITLE

"SEC. 914. (a) Nothing contained in this title shall be construed to authorize the making of any payment under this title for religious worship or instruction.

"(b) Section 432 of the General Education Provisions Act is amended by inserting after 'Emergency School Aid Act;' the following: 'Community Education Development Act of 1974;'.

"REPORTS TO THE CONGRESS

"SEC. 915. The Commissioner shall transmit to the President and the Congress annually a report of activities under this title."

Mr. PERKINS (during the reading). Mr. Chairman, I ask unanimous consent that title V of the committee substitute be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The CHAIRMAN. Are there any amendments to title VI?

If not, the Clerk will read.

The Clerk read as follows:

TITLE VII—AMENDMENT AND EXTENSION OF THE EDUCATION OF THE HANDICAPPED ACT

EXTENSION OF ADVISORY COMMITTEE

SEC. 601. Section 604 of the Education of the Handicapped Act is amended by adding at the end thereof the following new sentence: "Subject to section 448(b) of the General Education Provisions Act, the Advisory Committee shall continue to exist until July 1, 1976."

OFFICERS OF BUREAU FOR THE EDUCATION AND TRAINING OF THE HANDICAPPED

SEC. 602. (a) Section 603 of the Education of the Handicapped Act is amended by inserting "(a)" after "SEC. 603." and by adding at the end thereof the following new subsection:

"(b)(1) The bureau established under subsection (a) shall be headed by a Deputy Commissioner of Education who shall be appointed by the Commissioner and who shall report directly to the Commissioner.

"(2) In addition to such Deputy Commissioner, there shall be placed in such bureau five positions for persons to assist the Deputy Commissioner in carrying out his duties, including the position of Associate Deputy Commissioner, and such positions shall be placed in grade 16 of the General Schedule set forth in section 5332 of title 5, United States Code."

(b) (1) The positions created by subsection (b) of section 603 of the Education of the Handicapped Act shall be in addition to the number of positions placed in the appropriate grades under section 5108 of title 5, United States Code, and such positions shall be in addition to, and without prejudice against, the number of positions otherwise placed in the Office of Education under such section 5108 or under other law. Nothing in this section shall be deemed as limiting the Commissioner from assigning additional grade 16 and above General Schedule positions to the Bureau should he determine such additions to be necessary to operate programs for educating handicapped children authorized by this Act.

(2) The amendments made by subsection (a) shall become effective upon the enactment of this Act.

EXTENSION OF PROGRAM OF ASSISTANCE TO STATES

Sec. 603. Section 611(b) of the Education of the Handicapped Act is amended by striking out "and" after "1972," and by inserting before the period at the end thereof the following: ", $50,000,000 for the fiscal year ending June 30, 1974, $65,000,000 for the fiscal year ending June 30, 1975, and $80,000,000 for the fiscal year ending June 30, 1976".

(b) Section 612(a)(1)(B) of such Act is amended by striking out "1973" and inserting in lieu thereof "1976".

ADDITIONAL STATE PLAN REQUIREMENTS

Sec. 604. Section 613 of the Education of the Handicapped Act is amended by redesignating subsections (b), (c), and (d) of such section, and all references thereto, as subsections (c), (d), and (e), respectively, and by inserting after subsection (a) the following:

"(b)(1) Any State which receives funds under this title shall submit to the Commissioner for approval by one year from the date of enactment of this subsection through its State educational agency an amendment to the State plan required under section 613 (a), setting forth in detail the policies and procedures which the State will undertake to insure the education of all handicapped children and that—

"(A) all children residing in the State who are handicapped regardless of the severity of their handicap and who are in need of special education and related services are identified and evaluated, including a practical method of determining which children currently are and are not receiving needed special education and related services;

"(B) there is established a detailed timetable for providing full educational opportunity for all handicapped children, including a description of the kind and number of facilities, personnel, and services necessary throughout the State to meet this goal; and

"(C) the amendment submitted by the State pursuant to this section shall be available to parents and other members of the general public at least thirty days prior to the date of submission to the Commissioner. For the purpose of this part, any amendment to the State plan required by this subsection and approved by the Commissioner shall be considered as a required portion of the State plan.

"(2) The Commissioner shall prescribe detailed criteria to protect the confidentiality of such data and information collected by the State pursuant to this subsection;"

REGIONAL EDUCATION PROGRAMS FOR DEAF AND OTHER HANDICAPPED PERSONS

Sec. 605. Part C of the Education of the Handicapped Act is amended by redesignating sections 625 and 626 thereof as sections 626 and 627, respectively, and by inserting a new section as follows:

"REGIONAL EDUCATION PROGRAMS

"Sec. 625. (a) The Commissioner is authorized to make grants to or contracts with institutions of higher education, including junior and community colleges, vocational and technical institutions, and other appropriate nonprofit educational agencies for the development and operation of specially designed or modified programs of vocational, technical, postsecondary, or adult education for deaf or other handicapped persons.

"(b) In making grants or contracts authorized by this section the Commissioner shall give priority consideration to—

"(1) programs serving multistate regions or large population centers;

"(2) programs adapting existing programs of vocational, technical, postsecondary, or adult education to the special needs of handicapped persons; and

"(3) programs designed to serve areas where a need for such services is clearly demonstrated.

"(c) For purposes of this section, the term 'handicapped persons' means persons who are mentally retarded, hard of hearing, deaf, speech impaired, visually handicapped, emotionally disturbed, crippled, or in other ways health impaired and by reason thereof require special education programing and related services.".

CENTERS AND SERVICES TO MEET SPECIAL NEEDS OF THE HANDICAPPED

Sec. 606. Section 627 of the Education of the Handicapped Act (as redesignated by section 605) is amended by inserting at the end thereof the following: "Thereafter, for the purpose of carrying out section 621, there is authorized to be appropriated $7,250,000 for the fiscal year ending June 30, 1974, $12,000,000 for the fiscal year ending June 30, 1975, and $18,000,000 for the fiscal year ending June 30, 1976; for the purpose of carrying out section 622 of this Act, there is authorized to be appropriated $10,000,000 for the fiscal year ending June 30, 1974, $15,000,000 for the fiscal year ending June 30, 1975, and $20,000,000 for the fiscal year ending June 30, 1976; for the purpose of carrying out section 623, there is authorized to be appropriated $12,000,000 for the fiscal year ending June 30, 1974, $24,000,000 for the fiscal year ending June 30, 1975, and $36,000,000 for the fiscal year ending June 30, 1976; for the purpose of carrying out section 625, there is authorized to be appropriated $1,000,000 for the fiscal year ending June 30, 1974, and such sums as may be necessary for each of the two succeeding fiscal years.".

TRAINING PERSONNEL FOR THE EDUCATION OF THE HANDICAPPED

Sec. 607. Section 636 of such Act is amended (1) by inserting after "this part" the following: "(other than section 633)", and (2) by striking out "and" after "1972," and inserting before the period at the end thereof the following: ", $37,700,000 for the fiscal year ending June 30, 1974, $45,000,000 for the fiscal year ending June 30, 1975, and $52,000,000 for the fiscal year ending June 30, 1976. For the purposes of carrying out section 633, there is authorized to be appropriated $500,000 for the fiscal year ending June 30, 1974, and for each of the next two fiscal years".

RESEARCH IN THE EDUCATION OF THE HANDICAPPED

Sec. 608. Section 644 such Act is amended by striking out "and" after "1972," and by inserting after "1973," the following: $9,916,000 for the fiscal year ending June 30, 1974, $15,000,000 for the fiscal year ending June 30, 1975, and $20,000,000 for the fiscal year ending June 30, 1976.".

INSTRUCTIONAL MEDIA FOR THE HANDICAPPED

Sec. 609. (a) Sections 652(b)(3), 652(b)(4), and 652(b)(5) of the Education of the Handicapped Act are each amended by inserting ", by grant and contract," after "provide".

(b) Section 654 of such Act is amended by inserting after "1973," the following: ", $13,000,000 for the fiscal year ending June 30, 1974, $18,000,000 for the fiscal year ending June 30, 1975, and $22,000,000 for the fiscal year ending June 30, 1976.

SPECIAL PROGRAMS FOR CHILDREN WITH SPECIFIC LEARNING DISABILITIES

Sec. 610. Section 661(c) of such Act is amended by striking out "and" after "1971," and by inserting before the period at the end thereof the following: ", $3,250,000 for the fiscal year ending June 30, 1974, $10,000,000 for the fiscal year ending June 30, 1975, and $20,000,000 for the fiscal year ending June 30, 1976".

Mr. **PERKINS** (during the reading). Mr. Chairman, I ask unanimous consent that title VII of the committee substitute be considered as read, printed in the Record, and open to amendment at any point.

The **CHAIRMAN**. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The **CHAIRMAN**. Are there any amendments to title VII?

If not, the Clerk will read.

The Clerk read as follows:

TITLE VIII—EXTENSION AND AMENDMENT OF BILINGUAL EDUCATION ACT

EXTENSION OF THE ACT

Sec. 701. Section 703(a) of the Act is amended by inserting before the period at the end thereof the following: ", and each of the four succeeding fiscal years".

AMENDMENTS OF THE ACT

Sec. 702. (a) Section 704 of the Bilingual Education Act is amended by adding at the end thereof the following: "Where a local educational agency determines, in accordance with criteria provided by the Commissioner, that the needs of schools referred to in clause (c) have been adequately met, it may carry out programs under this title in other schools in which it determines, in accordance with such criteria, there is a major need for bilingual educational programs."

(b) The first sentence of section 705(a) of such Act is amended to read as follows: "A grant under this subsection may be made to a local educational agency or agencies, or to an institution of higher education, including a junior or community college, applying jointly with one or more local educational agencies, upon application to the Commissioner at such time or times, in such manner, and containing such information as the Commissioner deems necessary."

(c)(1) Section 705 of such Act is amended by—

(A) striking out "this title" wherever it appears in subsection (a) (except where it appears in the first sentence, in clause (4), and for the first time in clause (6)) and inserting "this subsection" in lieu thereof;

(B) striking out "this title" wherever it appears in subsection (b) and inserting "subsection (a)" in lieu thereof; and

(C) inserting at the end thereof the following new subsection:

"(d) The Commissioner may also make grants under this title to any public or nonprofit private agency, organization, or institution for the purpose of paying all or part of the cost of research or demonstration projects in the field of bilingual education, projects designed to disseminate instructional materials for use in bilingual education programs, and projects designed to provide preservice or inservice training described in section 704(b)."

(2) Section 706(a) of such Act is amended by striking out "this title" the first time it appears in such section and inserting "section 705(a)" in lieu thereof.

(3) Section 707(a) of such Act is amended by striking out "this title" and inserting "section 705(a)" in lieu thereof.

(4) Section 703(b) of such Act is amended by striking out "this title" each time it appears and inserting "section 705(a)" in lieu thereof.

Mr. PERKINS (during the reading). I ask unanimous consent that title VIII of the committee substitute be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The CHAIRMAN. Are there any amendments to title VIII?

If not, the Clerk will read.

The Clerk read as follows:

TITLE IX—AMENDMENTS OF THE GENERAL EDUCATION PROVISIONS ACT

CONGRESSIONAL STATEMENT

Sec. 801. The General Education Provisions Act is amended by inserting after section 400 the following new section:

"STATEMENT OF NATIONAL EDUCATIONAL POLICY

"Sec. 400A. The Congress reaffirms as a matter of highest priority the Nation's goal of equal educational opportunity. The Congress hereby declares it to be the Policy of the United States of America that every citizen is entitled to an education to meet his or her full potential without financial barriers and limited only by the desire to learn and ability to absorb such education. Our Nation's economic, political, and social security demand no less."

DUTIES OF REGIONAL OFFICES

Sec. 802. Section 403 of the General Education Provisions Act is amended by adding at the end thereof the following new subsection:

"(c)(1) No delegation of the functions of the Commissioner to any other officer not located in the United States Office of Education in Washington, District of Columbia, shall be approved unless expressly authorized by a law enacted subsequent to July 1, 1973, or unless the Secretary shall first have transmitted to the Congress a plan for such delegation. Such delegation shall be effective at the end of the first period of sixty calendar days of continuous session of Congress after the date on which the plan for such delegation is transmitted to it, unless within sixty days of such transmittal either the United States House of Representatives passes a resolution disapproving such plan after consideration and a report on the resolution by the Committee on Education and Labor, or the United States Senate passes a resolution disapproving such plan after consideration and a report on the resolution by the Committee on Labor and Public Welfare. Such plan shall be delivered on both Houses on the same day and to each House while it is in session.

"(2) For the purpose of paragraph (1) of this section—

"(A) continuity of session is broken only by an adjournment of Congress sine die; and

"(B) the days on which either House is not in session by an adjournment of more than three days to a day certain are excluded in the computation of the thirty-day period.".

RELATING TO AVAILABILITY OF APPROPRIATIONS

Sec. 803. (a) The heading of section 414 of the General Education Provisions Act is amended by striking out "on ACADEMIC OR SCHOOL YEAR BASIS".

(b) Section 414(b) of such Act is amended (1) by striking out "July 1, 1973" and inserting in lieu thereof "July 1, 1977", (2) by inserting "are obligated by the Commissioner and which" after "which", the second time it appears, (3) by inserting "by educational agencies or institutions" after "expended", and (4) by inserting "by such agencies and institutions" after "expenditure".

COMMISSIONER'S REPORTS; EXTENSION OF AUTHORIZATION AUTHORITY

Sec. 804. (a) Section 413 of the General Education Provisions Act is amended by striking out subsection (c) and by amending the heading to read "EVALUATION REPORTS; CONGRESSIONAL REVIEW". Section 413(a) of the General Education Provisions Act is amended by adding at the end thereof the following new sentences: "In the case of programs and projects assisted under title I of the Elementary and Secondary Education Act of 1965, the report under this subsection shall include a survey of how many of the children counted under section 103(c) of such Act participate in such programs and projects, and how many of such children do not, and a survey of how many educationally disadvantaged children participate in such programs and projects, and how many educationally disadvantaged children do not. For purposes of the preceding sentence, the term 'educationally disadvantaged children' refers to children who are achieving one or more years behind the achievement expected at the appropriate grade level for such children.".

(b) Part B of the General Education Provisions Act is amended by adding at the end thereof the following new section:

"CONTINGENT EXTENSION OF EXPIRING AUTHORITY

"Sec. 418. Unless the Congress—

"(1) in the regular session ending during the final fiscal year for which appropriations are authorized for an applicable program, or during the final fiscal year for which the authority to carry out an applicable program is granted, has passed or formally rejected legislation extending the authorization for appropriations for such program, or the grant authority to carry out such program, or

"(2) prior to July 1, 1977, by action of either House approves a resolution stating that the provisions of this section shall no longer apply,

any such authorization of appropriations or such authority is hereby automatically extended, at the level specified for the terminal year of such authorization for one year beyond such terminal year, and any such authority to carry out the program is extended for one year beyond such terminal year on the same terms and conditions and subject to the same limitations as applied in such terminal year."

PUBLICATION OF INDEXED COMPILATION OF INNOVATIVE PROJECTS; REVIEW OF APPLICATIONS

Sec. 805. Part C of the General Education Provisions Act is amended by redesignating sections 424 through 427 as sections 426 through 429, respectively, and by inserting after section 423 the following new sections:

"COMPILATION OF ASSISTED INNOVATIVE PROJECTS

"Sec. 424. The Assistant Secretary shall publish annually a compilation of all innovative projects assisted under programs administered in the Education Division, including title III and part C of title VIII of the Elementary and Secondary Education Act of 1965 in any year funds are used to carry them out. Such compilation shall be indexed according to subject, descriptive terms, and locations."

"REVIEW OF APPLICATIONS

"Sec. 425. (a) In the case of any applicable program under which financial assistance is provided to (or through) a State educational agency to be expended in accordance with a State plan approved by the Commissioner, and in the case of the program provided for in title I of the Elementary and Secondary Education Act of 1965, any applicant or recipient aggrieved by the final action of the State educational agency, and alleging a violation of State or Federal law, rules, regulations, or guidelines governing the applicable program, in (1) disapproving or failing to approve its application or program in whole or part, (2) failing to provide funds in amounts in accord with the requirements of laws and regulations, or (3) terminating further assistance for an approved program, may within thirty days request a hearing. Within thirty days after it receives such a request, the State educational agency shall hold a hearing on the record and shall review such final action. No later than ten days after the hearing the State educational agency shall issue its written ruling, including reasons therefor. If it determines such final action was contrary to Federal or State law, or the rules, regulations, and guidelines, governing such applicable program it shall rescind such final action.

"(b) Any applicant or recipient aggrieved by the failure of a State educational agency to rescind its final action after a review under such subsection (a) may appeal such action to the Commissioner. An appeal under this subsection may be taken only if notice of such appeal is filed with the Commissioner within twenty days after the applicant or recipient has been notified by the State educational agency of the results of its review under subsection (a). If, on such appeal, the Commissioner determines the final action of the State educational agency was contrary to Federal law, or the rules, regulations, and guidelines governing the applicable program, he shall issue an order to the State educational agency prescribing appropriate action to be taken by such agency. On such appeal, findings of fact of the State educational agency, if supported by substantial evidence, shall be final. The Commissioner may also issue such interim orders to State educational agencies as he may deem necessary and appropriate pending appeal or review.

"(c) Each State educational agency shall make available at reasonable times and places to each applicant or recipient under a program to which this section applies all records of such agency pertaining to any review or appeal such applicant or recipient is conducting under this section, including records of other applicants.

"(d) If any State educational agency fails or refuses to comply with any provision of this section, or with any order of the Commissioner under subsection (b), he shall forthwith terminate all assistance to the State educational agency under the applicable program affected.".

RULES; REQUIREMENTS AND ENFORCEMENT

Sec. 806. Section 431 of the General Education Provisions Act is amended by inserting before the period at the end of subsection (b) thereof "and after a copy of such standard, rule, regulation, or requirement has been mailed to each agency and organization which is currently a recipient under such program" and by adding at the end thereof the following new subsections:

"(d)(1) Concurrently with the publication in the Federal Register of any standard, rule, regulation, or requirement of general applicability as required in subsection (b) of this section, such standard, rule, regulation, or requirement shall be transmitted to the Speaker of the House of Representatives and the President of the Senate. Such standard, rule, regulation, or requirement shall, become effective not less than forty-five days after such transmission unless the Congress shall, by concurrent resolution, find that the standard, rule, regulation, or requirement is inconsistent with the Act from which it derives its authority, and disapprove such standard, rule, regulation, or requirement.

"(2) the forty-five-day period specified in subsection (d) shall be deemed to run without interruption except during periods when either House is in adjournment sine die, in adjournment subject to the call of the Chair, or in adjournment to a day certain for a period of more than four consecutive days. In any such period of adjournment, the forty-five days shall continue to run, but if such period of adjournment is thirty calendar days, or less, the forty-five-day period shall not be deemed to have elapsed earlier than ten days after the end of such adjournment. In any period of adjournment which lasts more than thirty days, the forty-five-day period shall be deemed to have elapsed after thirty calendar days has elapsed, unless, during those thirty calendar days, either the Committee on Education and Labor of the House of Representatives, or the Committee on Labor and Public Welfare of the Senate, or both, shall have directed its chairman, in accordance with said committee's rules, and the rules of that House, to transmit to the appropriate department or agency head a formal statement of objection to the proposed standard, rule, regulation, or requirement. Such letter shall suspend the effective date of the standard, rule, regulation, or requirement until not less than twenty days after the end of such adjournment, during which the Congress may enact the concurrent resolution provided for in this subsection. In no event shall the standard, rule, regulation, or requirement go into effect until the forty-five-day period shall have elapsed, as provided for in this subsection, for both Houses of the Congress.

"(e) Whenever a concurrent resolution of disapproval is enacted by the Congress under the provisions of this section, the agency which issued such standard, rule, regulation, or requirement may thereafter issue a modified standard rule, regulation, or requirement to govern the same or substantially identical circumstances, but shall, in publishing such modification in the Federal Register and submitting it to the Speaker of the House of Representatives and the President of the Senate, indicate how the modification differs from the proposal earlier disapproved, and how the agency believes the modification disposes of the findings by the Congress in the concurrent resolution of disapproval.

"(f) For the purposes of subsections (d) and (e) of this section, activities under sections 404 and 405 of this title, and under title IX of the Education Amendments of 1972 shall be deemed to be applicable programs."

FURNISHING OF INFORMATION BY STATES; DISCRIMINATION

SEC. 807. Part C of the General Education Provisions Act is amended by adding at the end thereof the following new sections:

"RESPONSIBILITY OF STATES TO FURNISH INFORMATION

SEC. 437. The State agency responsible for administration of any applicable program shall submit to the Commissioner, within thirty days of the end of any fiscal year, a report listing all the grants and contracts made under such progarm to the local educational agencies and other public and private agencies and institutions within such State during such year. The State agency shall also include in this report the total amount of funds available to it under each such program for such fiscal year and shall specify from which appropriation Act or Acts these funds were available. After submitting this report to the Commissioner, such agency shall make it readily available to local educational agencies and other public and private agencies and institutions within the State. The Commissioner must submit to the Committee on Labor and Public Welfare of the Senate and to the Committee on Education and Labor of the House of Representatives an analysis of these reports and a compilation of statistical data derived therefrom by September 15 of each year.

"PROHIBITION AGAINST DISCRIMINATION AGAINST THE HANDICAPPED

"SEC. 438. No person in the United States shall, on the ground of physical handicap, including blindness or severely impaired vision, be denied employment as a teacher in any applicable program."

APPOINTMENT OF MEMBERS OF AND FUNCTIONING OF ADVISORY COUNCILS

SEC. 808. (a) Section 443 of the General Education Provisions Act is amended by inserting "(a)" after "SEC. 433." and by adding at the end thereof the following:

"(b) Where the President fails to appoint a member to fill a vacancy in the membership of a Presidential advisory council within sixty days after it occurs (or after the effective date of the statute creating such council), then the Secretary shall immediately appoint a member to fill such vacancy."

(b) Section 446 of the General Education Provisions Act is amended by adding at the end thereof the following:

"(c) The provisions of subsections (e) and (f) of section 10 of the Federal Advisory Committee Act shall not apply to Presidential advisory councils (as defined in section 441)."

Mr. PERKINS (during the reading). Mr. Chairman, I ask unanimous consent that title IX of the committee substitute be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

AMENDMENTS OFFERED BY MR. KEMP TO THE COMMITTEE SUBSTITUTE

Mr. KEMP. Mr. Chairman, I offer two amendments, and I ask unanimous consent that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. KEMP to the committee substitute: Page 124, line 18, insert "; Protection of Paternal Rights" after "Discrimination".

Page 125, line 23, strike out the quotation mark.

Page 125, after line 23, insert the following:

"PROTECTION OF PATERNAL RIGHTS

"SEC. 439. The moral or legal rights or responsibilities of parents or guardians with respect to the moral, emotional, or physical development of their children shall not be usurped in the administration of any applicable program."

Page 124, line 18, insert "; Protection of Pupil Rights" after "Discrimination".

Page 125, line 23, strike out the quotation marks.

Page 125, after line 23, insert the following:

"PROTECTION OF PUPIL RIGHTS

"SEC. 440. No child shall participate or be used in any research or experimentation program or project, or in any pilot project if the parents of such child object to such participation in writing. All instructional material, including teachers' manuals, films, tapes, or other supplementary instructional materials which will be used in connection with any such program or project shall be available for review by the parents or guardians upon verified request prior to or during a child's enrollment or participation in such program or project. For purposes of this section, 'research or experimentation program or project, or pilot project' means any program or project in any applicable program designed to explore or develop new or unproven teaching methods or techniques."

Mr. KEMP (during the reading). Mr. Chairman, I ask unanimous consent that the amendments may be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEMP. Mr. Chairman, I rise to offer two amendments to H.R. 69 which I believe will earn the support of the entire membership of the House. Both are directed at protecting the rights of parents and pupils in any program receiving Federal funds. I offer both amendments to the General Education Provisions Act so that the two amendments will be applicable to any program run by the Commissioner of Education.

The first amendment is simply an affirmative statement that no moral or legal rights or responsibilities of parents may be usurped by any actions taken in administering an applicable program; that is one which receives Federal aid. Quite simply this means that the schools may not interfere with the rights of the parents in any way.

The second amendment is a bit more direct. This amendment states that no child may participate in an experimental program or project if the parents of that child object to such participation in writing. The amendment goes on to say that all instructional material used in the schools shall be open to review at any time by the parents of a child who is participating in a given program.

The purpose of this latter amendment is to assure that no child should be subject to untried teaching methods or techniques if, in the view of the parent, that participation would be detrimental to the child. Equally as important is the provision stating that parents shall have the right to examine the instructional materials being used. The Federal Government operates under a Freedom of Information Act. It is my belief that local school districts should as well. Regrettably, there have been instances where parents have been denied the right to examine materials used by a teacher and have been told that their child must continue to participate in an experimental program even though a parent may not believe it is in the best interests of the child.

In closing let me say that I am not opposed to new ideas and innovations in education. There is much in education that needs reform, and many good reforms have emerged in the last decade or so. It is my feeling that where the emotional health of a child is in conflict with the need to carry out a particular new program or project that the needs of that child should always come first. There will always be other ways to carry out research. The life of a child, on the other hand, occurs but once and must be protected and cherished by his or her parents and society.

I believe these amendments are needed. They are written in a way which I believe makes them workable and, I hope, acceptable to school officials. I urge your support of the amendments.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. KEMP. I yield to the gentleman from Minnesota.

Mr. QUIE. Mr. Chairman, I have examined the gentleman's amendments, and I find they are acceptable. I am willing to accept the gentleman's amendments on this side.

I want also to commend my colleague for his sensititvity to the needs of children and the responsibilities of their parents.

Mr. Chairman, Jack Kemp is an excellent member of our committee. He has been of great assistance both on education matters and labor legislation. Just recently he made valuable contributions to the successful completion to the conference on the Fair Labor Standards Act Amendments. His devotion to better education assisted in a well-thought-out manner by Federal funds has been in evidence both in the committee and on the House floor.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. KEMP. I yield to my distinguished chairman of the Education and Labor Committee.

Mr. PERKINS. Mr. Chairman, as I understand the gentleman's amendment, if a school program were initiated which provides for innovation and the parent felt the program, from a moral standpoint, or something of that kind, was not right, that parent would have a right to take the child out of that program; is that correct?

Mr. KEMP. Mr. Chairman, that is correct. They would simply give the parents the right to object to that type of a program by withholding approval of their child's participation in an experimental program.

Mr. PERKINS. Mr. Chairman, I understand the gentleman's amendments, and I see no objection to them.

The CHAIRMAN. The question is on the amendments offered by the gentleman from New York (Mr. Kemp) to the committee substitute.

The amendment to the committee substitute was agreed to.

AMENDMENT OFFERED BY MR. ASHBROOK TO THE COMMITTEE SUBSTITUTE

Mr. ASHBROOK. Mr. Chairman, I offer an amendment to the committee substitute.

The Clerk read as follows:

Amendment offered by Mr. Ashbrook to the committee substitute: Page 126, after line 16, insert:

Sec. 809. Part B of the General Education Provisions Act is amended by adding at the end thereof a new section as follows—

"PROHIBITION AGAINST USE OF APPROPRIATED FUNDS FOR BUSING

"Sec. 417. No funds appropriated for the purpose of carrying out any applicable program may be used for the transportation of students or teachers (or for the purchase of equipment for such transportation) in order to overcome racial imbalance in any school or school system, or for the transportation of students or teachers (or for the purchase of equipment for such transportation) in order to carry out a plan of racial desegregation of any school or school system."

Mr. ASHBROOK. Mr. Chairman, the language of my amendment is the precise language which the House overwhelmingly approved—by a vote of 233 to 124 on November 4, 1971—during the course of our consideration of the education bill which became the Education Amendments Act of 1972.

It prohibits the use of Federal education funds to carry out programs of forced busing, and is intended to be a deterrent to the courts and to Federal agencies in ordering massive busing in desegregation actions, because Federal funds would not be available to help carry it out.

When the House amendment came to the other body, however, it was watered down to make it completely ineffective for the purpose intended. The other body added at the end of the amendment the phrase "except on the express written voluntary request of appropriate local school officials." This sounds good, but it completely vitiates the purpose of the amendment for the simple reason that under the pressure of a court order or of an HEW compliance order a local school board in 99 out of 100 cases will make a so-called voluntary request to use Federal funds to carry out the order. The local school board would be acting with a Federal gun at its head. This language was adopted in conference, as usual, and was described as a compromise. It quite literally was such, because it completely compromised the position and intent of this House.

By adopting again the original House language we would serve notice on the other body, and to House conferees who are likely to be less than resolute in this matter, that we intend to assert the House position. Federal education funds should not serve as an incentive to those who would order forced busing nor should they be utilized for schemes which serve no educational purpose. My amendment is an assurance that these funds would not be so diverted. I urge its adoption.

Mr. MEEDS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I shall not take 5 minutes, because I think I know what the result of this will be, but clearly the record should not be left to stand, without some opposition to this amendment. The effect of it is absolutely to prevent the expenditure of Federal funds for busing.

In so doing it will prevent the utilization of Federal funds where Federal courts order busing to be utilized as a method of breaking down the dual school system. We have on the one hand the U.S. House of Representatives saying that you cannot use Federal funds to bus and, on the other hand, a Federal court saying you must bus. I think this puts us in an unconscionable and inconsistent position.

Mr. PERKINS. Will the gentleman yield to me?

Mr. MEEDS. I am delighted to yield to the chairman.

Mr. ROUSSELOT. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. (After counting), 62 Members are present, not a quorum.

The call will be taken by electronic device.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 118]

Alexander
Bevill
Blatnik
Bolling
Brotzman
Buchanan
Carey, N.Y.
Cederberg
Clark
Conyers
Dellenback
Diggs
Dingell
Erlenborn
Evans, Colo.
Fisher
Frenzel
Gray
Griffiths
Hanrahan
Hansen, Wash.
Harsha
Hébert
Heckler, Mass.
Holifield
Kluczynski
Landrum
Martin, Nebr.
Mathis, Ga.
Mitchell, Md.
Patman
Peyser
Pike
Railsback
Roncalio, Wyo.
Rooney, N.Y.
Rosenthal
Shriver
Smith, N.Y.
Steed
Steiger, Wis.
Stephens
Stokes
Stuckey
Sullivan
Symington
Teague
Ullman
Williams
Wilson, Charles H., Calif.
Zion

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Price of Illinois, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 69, and finding itself without a quorum, he had directed the Members to record their presence by electronic device, whereupon 381 Members recorded their presence, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. MEEDS. Mr. Chairman, as I said, I do not think there is any use belaboring this, but we simply ought to make the record amply clear that the effect of this amendment would be to absolutely prohibit the expenditure of Federal funds for busing at the same time that Federal courts are ordering busing, which puts us in a terribly contradictory position.

Second, and even more importantly, it would prevent the utilization of Federal funds in those areas where they are attempting through voluntary means to achieve desegregation. It would absolutely prohibit the expenditure of Federal funds, even though the people in the local area wanted to do that. I do not know how that squares with what we have always heard on the other side of the aisle about letting the local people make local decisions. I think this is a local decision. If people want to take that step, particularly toward voluntary desegregation, I think we ought to be prepared to help them out.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. MEEDS. I yield to the gentleman from Kentucky.

Mr. PERKINS. Mr. Chairman, I support the reasoning of the gentleman from Washington. This amendment should be voted down. It would prohibit, assuming it was upheld by the courts, it would prohibit the use of all Federal funds to pay for voluntary busing on the part of the local educational agencies to achieve racial balance. And if it was held valid, it would forbid Federal aid in those districts which are under court orders. The local educational agencies would have to spend their own funds for busing where those districts are under court orders. I would hope that this important piece of legislation would not be burdened with this amendment.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. MEEDS. Mr. Chairman, I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, I thank the gentleman for yielding to me. I agree with him on one point, but I would like to register one area of disagreement with him.

First, I agree with my colleague from the State of Washington that we do not need an extensive debate. This question has been debated before, specifically on the amendment voted upon on November 4, 1971.

Second, and I would say that I appreciate the gentleman yielding to me for this response to our esteemed chairman, it is not accurate to say that we prevent busing at the local level. It is only accurate to say that we prevent the use of Federal funds for busing.

I think the record should show that a community can bus all it wants to. We are simply saying here that Federal funds shall not be used for that purpose.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. MEEDS. Mr. Chairman, I yield to the gentleman from Minnesota.

Mr. QUIE. Mr. Chairman, I would want to indicate my opposition to the amendment. We went through the Emergency School Aid Act, 2 years ago. At that time we provided that as long as it was a voluntary plan in a school district, they could use it for any purpose, including transporting children, because it is possible to be taking an integrated group to a museum or some cultural activity, which I think would come under the purview of the amendment and that would be disqualified. The 1972 Emergency School Aid Act was the best possible arrangement that could be worked out.

Since the Ashbrook amendment prohibits even this sort of voluntary transportation, I oppose the amendment.

Mr. MEEDS. Mr. Chairman, we went through that before. It breaks some very fine title III programs which would probably be affected by this even though it was unintentional.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield further?

Mr. MEEDS. Mr. Chairman, I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, again I do not want to stretch out the debate, and I understand the opposition of my friend and colleague from Minnesota (Mr. QUIE). It would not be correct to say that a bus could not be used for purposes he mentioned. My amendment is limited where there are plans to overcome racial imbalance or where there are plans for racial integration.

I do not think that is correct to say that my amendment would prohibit taking students to an observation. I do not see any issue there.

Mr. QUIE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to get this last point clear. The gentleman from Ohio indicated, it is my understanding, on that first part, that his amendment covers voluntary busing to overcome racial imbalance. Under the Emergency School Aid Act, we provide for voluntary integration in the programs. Under that program, they could use the money for transporting the children in order to engage in that activity, and that is to overcome racial imbalance.

I grant the last part on the court ordered desegregation plan, but the first part does cover Emergency School Aid Act.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. QUIE. Mr. Chairman, I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, I was not objecting to the gentleman's statement. I was objecting to the suggestion that in some areas that buses were used to take students or groups, not to school operations, but say to go to a park or observatory. We have had that argument a dozen times.

It would not cover that kind of busing. It would cover where there is an order to achieve racial desegregation.

Mr. QUIE. But, that is a part of our attempt to overcome racial imbalance.

Mr. ASHBROOK. The gentleman is correct, voluntary or not. It would not be allowable to use Federal funds.

Mr. QUIE. Not be allowable; then we both understand each other.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. ASHBROOK) to the committee substitute.

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. ASHBROOK. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 239, noes 168, not voting 25, as follows:

[Roll No. 119]

AYES—239

Abdnor
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Arends
Armstrong
Ashbrook
Bafalis
Baker
Bauman
Beard
Bennett
Biaggi
Blackburn
Bowen
Bray
Breaux
Brinkley
Brooks
Broomfield
Brotzman
Broyhill, Va.
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Camp
Carter
Casey, Tex.
Chamberlain
Chappell
Clancy
Clark
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Collier
Collins, Tex.
Conlan
Cotter
Crane
Cronin
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Davis, Ga.
Davis, Wis.
Delaney
Denholm
Dennis
Derwinski
Devine
Dickinson
Dingell
Downing
Dulski
Duncan
du Pont
Edwards, Ala.
Eilberg
Esch
Eshleman
Evins, Tenn.
Fisher
Flowers
Flynt
Ford
Forsythe
Fountain
Frey
Froehlich
Fulton
Fuqua
Gaydos
Gettys
Gibbons
Gilman
Ginn
Goldwater
Goodling
Grasso
Green, Oreg.
Griffiths
Gross
Grover
Gubser
Gunter
Guyer
Haley
Hammerschmidt
Hanley
Harsha
Hays
Hébert
Helstoski
Henderson
Hillis
Hinshaw
Hogan
Holt
Hosmer
Huber
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kemp
Ketchum
King
Kuykendall
Lagomarsino
Landgrebe
Landrum
Latta
Lent
Litton
Long, La.
Long, Md.
Lott
Lujan
Luken
McCollister
McKay
Macdonald
Mahon
Maraziti
Martin, Nebr.
Mathias, Calif.
Mathis, Ga.
Mazzoli
Michel
Milford
Miller
Minish
Minshall, Ohio
Mitchell, N.Y.
Mizell
Moakley
Montgomery
Moorhead, Calif.
Murtha
Myers
Natcher
Nedzi
Nichols
O'Hara
Parris
Passman
Patten
Pettis
Peyser
Pickle
Poage
Powell, Ohio
Price, Tex.
Quillen
Randall
Rarick
Regula
Rhodes
Rinaldo
Roberts
Robinson, Va.
Roe
Rogers
Roncallo, N.Y.
Rooney, Pa.
Rousselot
Roy
Ruth
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Satterfield
Scherle
Schneebeli
Sebelius
Shipley
Shoup
Shuster
Sikes
Skubitz
Slack
Snyder
Spence
Stanton, James V.
Steed
Steele
Steelman
Steiger, Ariz.
Stubblefield
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thomson, Wis.
Tiernan
Towell, Nev.
Treen
Vander Jagt
Vanik
Veysey
Vigorito
Waggonner
Walsh
Wampler
White
Whitehurst
Whitten
Widnall
Wilson, Bob
Wilson, Charles, Tex.
Winn
Wyatt
Wydler
Wylie
Wyman
Yatron
Young, Alaska
Young, Fla.
Young, S.C.
Young, Tex.
Zablocki
Zion

NOES—168

Abzug
Adams
Addabbo
Anderson, Calif.
Anderson, Ill.
Ashley
Aspin
Badillo
Barrett
Bell
Bergland
Biester
Bingham
Boggs
Boland
Brademas
Brasco
Breckinridge
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Burke, Calif.
Burton
Carney, Ohio
Chisholm
Clay
Cohen
Collins, Ill.
Conable
Conte
Conyers
Corman
Coughlin
Culver
Danielson
Davis, S.C.
de la Garza
Dellenback
Dellums
Dent
Diggs
Donohue
Dorn
Drinan
Eckhardt
Edwards, Calif.
Evans, Colo.
Fascell
Findley
Fish
Flood
Foley
Fraser
Frelinghuysen
Gonzalez
Green, Pa.
Gude
Hamilton
Hanna
Hansen, Idaho
Hansen, Wash.
Harrington
Hastings
Hawkins
Hechler, W. Va.
Heinz
Hicks
Holifield
Holtzman
Horton
Howard
Johnson, Calif.
Johnson, Colo.
Jordan
Karth
Kastenmeier
Kazen
Koch
Kyros
Leggett
Lehman
McClory
McCloskey
McCormack
McDade
McEwen
McFall
McKinney
McSpadden
Madden
Madigan
Mallary
Mann
Martin, N.C.
Matsunaga
Mayne
Meeds
Melcher
Metcalfe
Mezvinsky
Mills
Mink
Mollohan
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Nelsen
Nix
Obey
O'Brien
O'Neill
Owens
Pepper
Perkins
Pike
Podell
Preyer
Price, Ill.
Pritchard
Quie
Rangel
Rees
Reid
Reuss
Riegle
Robison, N.Y.
Rodino
Roncalio, Wyo.
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Runnels
Ruppe
Schroeder
Seiberling
Sisk
Smith, Iowa
Smith, N.Y.
Staggers
Stanton, J. William
Stark
Steiger, Wis.
Stokes
Stratton
Studds
Thompson, N.J.
Thone
Thornton
Udall
Ullman
Van Deerlin
Vander Veen
Waldie
Ware
Whalen
Wiggins
Wolff
Wright
Yates
Young, Ga.
Young, Ill.
Zwach

NOT VOTING—25

Alexander
Bevill
Blatnik
Bolling
Carey, N.Y.
Cederberg
Erlenborn
Frenzel
Giaimo
Gray
Hanrahan
Heckler, Mass.
Kluczynski
Mitchell, Md.
Patman
Railsback
Rooney, N.Y.
Shriver
Stephens
Stuckey
Sullivan
Symington
Teague
Williams
Wilson, Charles H., Calif.

So the amendment to the committee substitute was agreed to.

The result of the vote was announced as above recorded.

The **CHAIRMAN**. Are there further amendments to title IX?

Mr. **HENDERSON**. Mr. Chairman, I ask unanimous consent to return to title VI of the bill in order that I might offer an amendment to section 602 thereof.

Mr. **BELL**. Mr. Chairman, this is not an amendment?

Mr. **HENDERSON**. Mr. Chairman, this is a unanimous-consent request that we return to title VI of the bill in order that I might offer an amendment to section 602.

The **CHAIRMAN**. Is there objection to the request of the gentleman from North Carolina?

Mr. **BELL**. Mr. Chairman, I object.

The **CHAIRMAN**. Objection is heard. Are there further amendments?

Mr. **PEPPER**. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise to ask the indulgence of the able Chairman and the House to ask two questions for purposes of clarification. We all know that about half of the crime in this country is committed by persons under 18 years of age, mostly boys. It is generally known that the great majority of those are young people who are school dropouts. I am asking the able Chairman what provision is made in this bill to enable the schools of the country to try to prevent school dropouts which usually become perpetrators of crime?

Mr. **PERKINS**. Mr. Chairman, will the gentleman yield?

Mr. **PEPPER**. I yield to the chairman.

Mr. **PERKINS**. I thank the gentleman for yielding.

Senator, I know that you have a great interest in dropout prevention programs, and I would like to explain how H.R. 69 will effect those programs.

In H.R. 69 there is a consolidation of seven separate categorical programs, including the dropout program into two broad purpose programs. These broad purpose programs are: First, libraries and learning resources; and second, innovation and support. The dropout prevention program is consolidated into the second category with title III programs, nutrition and health programs, and the program of aid to State departments of education.

The effect of this consolidation will be that States will have available to them all the funds formerly appropriated for title III innovative programs, the dropout prevention programs, and the nutrition and health programs, to be used—at the discretion of the State—for whichever of those three purposes they desire and to whatever degree of support for each that they desire.

In other words, a State could decide to use some of the funds formerly available in that State for title III innovative programs to increase support for dropout prevention programs. Or it could do the reverse, depending upon what the State determines its own needs to be.

So, depending upon these decisions of the States, there could be more money available for dropout prevention programs than there is presently.

Mr. **PEPPER**. Does the able chairman consider that this bill puts new emphasis on the schools trying to prevent dropouts?

Mr. **PERKINS**. It does. We have had a categorical program. It is consolidated in this bill, but we provide that before the consolidation can go into effect, the appropriation must be equivalent to the appropriation of last year.

Mr. **PEPPER**. I thank the able Chairman.

The **CHAIRMAN**. The Clerk will read.

The Clerk read as follows:

TITLE X—MISCELLANEOUS AMENDMENTS

AMENDMENT OF EMERGENCY SCHOOL AID ACT

SEC. 901. (a) Section 706(a) of the Emergency School Aid Act is amended (1) by striking out paragraph (3), (2) by striking out the period at the end of paragraph (1)(D) and inserting, "; or" and (3) by adding at the end of such paragraph (1) the following:

"(E) which will establish or maintain one or more integrated schools as defined in section 720(7) and which—

"(i) has a sufficient number of minority group children to comprise more than 50 per centum of the number of children in attendance at the schools of such agency, and

"(ii) has agreed to apply for an equal amount of assistance under subsection (b)."

(b) Section 706(b) of such Act is amended by inserting "(1)" after "subsection (a)".

(c) Section 710(c) of such Act is amended by inserting in paragraph (2) after "(iii)" the following: "or under section 706(a)(1)(E)". In the same paragraph insert "or activity" after "plan" the second time it appears.

(d) Section 720(7) of such Act is amended by striking "section 706(a)(3)" and by inserting "section 706(a)(1)(E)".

TREATMENT OF PUERTO RICO AS A STATE

SEC. 902. (a)(1) Sections 134(b) (as redesignated by sections 109 and 110(h) of this Act), 202(a)(1), and 302(a)(1) of the Act are each amended by striking out "Puerto Rico,".

(2) Section 202(a)(2), 302(a)(2), 307(b), 502(a)(1), 522(a), 531(c)(1)(A), and 531(c)(1)(B) of the Act are each amended by striking out "the Commonwealth of Puerto Rico," each time it appears.

(3) Sections 202(a)(1) and 302(a)(1) of the Act are each amended by striking out "3 per centum" and inserting in lieu thereof "1 per centum". Sections 502(a)(1), 522(a), and 531(c)(1)(A) of the Act are each amended by striking out "2 per centum" and inserting in lieu thereof "1 per centum".

(b)(1) Section 612(a)(1) of the Education of the Handicapped Act is amended by striking out "Puerto Rico,".

(2) Sections 612(a)(2) and 613(a)(1) of the Education of the Handicapped Act are each amended by striking out "the Commonwealth of Puerto Rico,".

(3) Section 612(a)(1) of the Education of the Handicapped Act is amended by striking out "3 per centum" and inserting in lieu thereof "1 per centum".

(c)(1) Section 303(f) of the Adult Education Act is amended by striking out "the Commonwealth of Puerto Rico," where it occurs, and by inserting "the Commonwealth of Puerto Rico," after "the District of Columbia,".

(2) Section 305(a) of such Act is amended by striking out "Puerto Rico,".

(3) Section 305(a) of the Adult Education Act is amended by striking out "2 per centum" and inserting in lieu thereof "1 per centum".

(d) Notwithstanding part A, or section 121, section 122, or section 123 of title I of the Act, the amount to be received by Puerto Rico under any such part or section for the fiscal year ending June 30, 1975, shall not exceed 50 per centum of the full amount Puerto Rico would receive (after required ratable reductions) under such part or section but for this subsection.

EXTENSION OF AUTHORIZATION OF APPROPRIATIONS FOR CERTAIN PROGRAMS

SEC. 903. (a) Section 1009(g) (as redesignated by section 201(a) of this Act) of the Act is amended by striking out "two" and inserting in lieu thereof "four".

(b) Section 303(a)(1) of the Indian Elementary and Secondary School Assistance Act is amended by striking out "1975" and inserting in lieu thereof "1977".

EXTENSION OF ADVISORY COUNCILS

SEC. 904. (a) Section 138(c) (as redesignated by section 110(h) of this Act) of title I of the Act is amended by adding at the end thereof the following new sentence: "Subject to section 448(b) of the General Education Provisions Act, the National Council shall continue to exist until July 1, 1978."

(b) Section 309(c) of the Act is amended by adding at the end thereof the following new sentence: "Subject to section 448(b) of the General Education Provisions Act, the Council shall continue to exist until July 1, 1978, except that the Council shall not exist during any year for which funds are available for obligation by the Commissioner for carrying out title VIII."

(c) Section 708(a) of the Act is amended by adding at the end thereof the following new sentence: "Subject to section 448(b) of the General Education Provisions Act, the Advisory Committee shall continue to exist until July 1, 1978.".

(d) Section 422(a) of the Education Amendments of 1972 is amended by adding at the end thereof the following new sentence: "Subject to section 448(b) of the General Education Provisions Act, the National Council shall continue to exist until July 1, 1978.".

(e) Section 716(b) of the Emergency School Aid Act is amended by adding at the end thereof the following new sentence: "Subject to section 448(b) of the General Education Provisions Act, such Council shall continue to exist until July 1, 1975.".

(f) Section 310(b) of the Adult Education Act is amended by adding at the end thereof the following new sentence: "Subject to section 448(b) of the General Education Provisions Act, the Council shall continue to exist until July 1, 1978.".

(g) Section 104(a) of the Vocational Education Act of 1963 is amended by adding at the end thereof the following new sentence: "Subject to section 448(b) of the General Education Provisions Act, the National Council shall continue to exist until July 1, 1976.".

STATUTE OF LIMITATIONS

SEC. 905. Section 1003 of the Act (as so redesignated by section 201(a) of this Act) is amended by inserting the following new subsection after "SEC. 1003.":

"(a) No State or local educational agency shall be liable to refund any payment made to it under this Act (or title I of the Elementary and Secondary Education Act of 1965) which was subsequently determined to be not authorized by law, if such payment was made more than five years before such agency is given final written notice that such payment has been determined to be unauthorized.".

Mr. PERKINS (during the reading). Mr. Chairman, I ask unanimous consent that further reading of the title be dispensed with, that it be printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

AMENDMENT OFFERED BY MR. HUBER TO THE COMMITTEE SUBSTITUTE

Mr. HUBER. Mr. Chairman, I offer an amendment to the committee substitute.

The Clerk read as follows:

Amendment offered by Mr. HUBER to the committee substitute: Page 131, immediately after line 15, insert the following new section:

AMENDMENT TO PUBLIC LAW 874

SEC. 906. Section 403(3) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), is amended to read as follows:

"(3) The term 'parent means any parent, stepparent, legal guardian, or other individual standing in loco parentis, whose income from employment on Federal property is more than 50 percent of the total combined income of such individual and the spouse of such individual.".

Mr. FORD. Mr. Chairman, I reserve a point of order against the amendment.

The CHAIRMAN. The gentleman from Michigan (Mr. FORD) reserves a point of order against the amendment.

The gentleman from Michigan (Mr. HUBER) is recognized for 5 minutes in support of his amendment.

Mr. PERKINS. Mr. Chairman, I also reserve a point of order against the amendment.

Mr. HUBER. Mr. Chairman, today we have been debating the problem of impact aid and in the debate within our Committee on Education and Labor I listened with a great deal of interest to the debate on impact aid as well as the discussions I have had with my fellow Congressmen. One of the things that seems to be recognized by people dealing with our budget is that the question of impact aid is one which is drawing a considerable amount of criticism.

My amendment is an attempt to deal with the specific problem where we have had an open end on impact aid. My amendment appeared in the Record and is intended to eliminate at least one area of controversy surrounding Public Law 874, namely the overcompensation of school districts educating children of "parents" employed on nontaxable Federal property but whose principal income is derived from employment on private (taxable) property.

The intent and spirit of Public Law 874 was to compensate local educational agencies for providing free education for children who "while in attendance at such schools resided with a parent employed on Federal property." When this law was enacted the term "employed on Federal property" definitely implied a continuous concurrence of the parent's employment on Federal property and the pupil's attendance at such schools. In order to ascertain this continuous concurrence the Administrator of Public Law 874 (U.S. Commissioner of Education) required, in the past, two membership surveys per school year, the first one at the beginning of the year and the second during the fourth school year quarter. These surveys, whose principal objective was to determine the parent's place of employment, no doubt served their purpose until 1968, when by an administrative rule, the Secretary of HEW and the Commissioner of Education decided that beginning July 1, 1968, the first membership survey would remain mandatory, while the second survey would be entirely optional. It is my impression that without a second survey, the LEA's have no way of determining if the parent is not any longer employed on Federal property, and that these LEAs continue to count the average daily attendance of his child for Impact Aid purposes. At the time the ruling to drop the mandatory second membership survey was made, the defense-related employment was coasting along the highest plateau in this Nation's history.

I can only assume that the reasons for dropping the mandatory second survey was its cost to administer and that it did not change materially the ADA count in light of the relatively steady defense-related employment picture.

Mr. Chairman, since 1968 we have been witnessing a steady drop in defense-related employment. On March 20, 1974, I inserted in the RECORD a table showing the relationship since 1968 between the employment on defense-controlled properties and the impact aid claims as reported by the Office of Education which administers the program, and the table to which I referred followed.

My distinct impression is that the decline in defense-related employment of some 30 percent between 1968 and 1972 is not reflected in the impact aid claims for the same period. The latter, as matter of fact rose some 0.5 percent while employment dropped 15.6 percent by 1970. Contrasting fiscal 1972 with 1968 we see the defense-related employment decrease by about 30 percent while impact aid claims stood only 8.2 percent below the 1968 level.

Late in 1969, the Battelle Memorial Institute completed a detailed study of the impact aid at a specific request of the U.S. Office of Education, HEW. The study shows that in fiscal 1968 about 76 percent of pupils in average daily attendance (ADA) covered by impact aid had parents employed on defense-related properties. I cannot say with certainty that this percentage held true in 1970 or 1972, but judging from the overall picture of defense activities over the 1968–72 period I assume that this percentage is roughly applicable to the period in question. On the basis of this assumption, I deduce that in 1970 the number of ADA pupils, children of defense-connected parents should have been about 319,000 less than officially reported by HEW/OE. At an average payment per "A" and "B" pupil of $214 in 1970, this suggests an overcompensation of about $68 million. In 1972 the number of ADA pupils, children of defense-connected parents, covered by impact aid as reported to HEW/OE was about 1,790,000—76 percent of total "A" and "B" pupils. This figure is about 427,000 ADA pupils in excess of the number equitable for the number of individuals employed on defense-related properties. Translated into dollars this suggests an overcompensation of about $91 million in 1972 alone.

POINT OF ORDER

Does the gentleman from Kentucky insist on his point of order?

Mr. PERKINS. I insist on the point of order. This is an impact amendment and we have already passed that title.

The CHAIRMAN. Is that the position of the gentleman from Michigan?

Mr. FORD. Yes, Mr. Chairman. I insist on the point of order. I did not press the point of order before the gentleman had an opportunity to explain what he was trying to do. I think his motives are fine, but I disagree with the result it would have. I wanted him to have an opportunity to do that; but clearly his amendment comes too late, since we have already concluded title III of the act which dealt with impact aid.

The amendment the gentleman now offers is not a peripheral or general amendment. It is a substantive amendment of the definition of a child qualifying for impact aid under the basic act covered in title III of this bill.

The CHAIRMAN. The Chair is ready to rule.

The Chair holds that while an examination of the amendment shows it would have been more appropriately offered to another title of the bill, the Chair does observe that the title which is under consideration is referred to as Miscellaneous Amendments and it amends several other acts, the Emergency School Aid Act, the Education of the Handicapped Act and others; so in view of these circumstances, the Chair is constrained to overrule the point of order.

Mr. PERKINS. Mr. Chairman, I rise in opposition to the amendment.

I will not take 5 minutes. I will only take 1 minute.

We all know what this amendment does. It simply provides that a parent must have 50 percent of his or her family's income derived from Federal employment before his or her children may be considered under the impact program.

Now, this will be an undue burden on the local educational agencies. It will be a harassment of the parents. It will be a harassment of the local educational agencies trying to develop this information.

We are going to have to inquire from all the parents just how their income is derived.

I would hope that the committee would vote down this amendment unhesitatingly, because it has no place in the impact program and it would hamstring the operation of our impact legislation and confuse the forum.

Mr. QUIE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, the gentleman from Michigan was attempting to secure additional time to finish his statement. Throughout the debate, when a Member who offers an amendment has done that, we have gone along with a unanimous consent request to extend his time.

Therefore, I yield to the gentleman from Michigan so that he might finish his statement.

Mr. HUBER. Mr. Chairman, I appreciate the courtesy of my distinguished ranking minority member of the Committee on Education and Labor. That is the fastest gavel I have seen in a long time.

Mr. Chairman, I was attempting to put into the RECORD this statement:

These figures, $68 million in 1970 and $91 million in 1972 are statistical projections, of course, yet they are startling in a sense that they suggest that the eligibility criteria for impact aid are not what they were intended to be. I would like to add that drastic decreases in federally connected employment are also in evidence for the Atomic Energy Commission and the National Aeronautics and Space Administration. These two nondefense agencies registered a drop in direct and contract employment of 15.7 and 35 percent respectively during the 1968 to 1972 period.

The apparently inflated figures for impact aid stem largely from the absence of the mandatory second membership survey, which if still in force in 1972, would have eliminated at least half of the excessive claims.

Mr. Chairman, my amendment, which would require the qualifying parent to be the principal wage earner, will eliminate the need for reinstituting the second survey as mandatory and at the same time assure that only bona fide parents earning more than half of the combined family income from employment on Federal property will effect impact aid funds flow into respective school districts.

My amendment, if part of Public Law 874–1972, would have saved the taxpayer at least $50 million or as much $90 million in fiscal 1972 alone.

I urge that all Members interested in restructuring the impact aid program will join me in voting for this amendment.

It says that the principal wage earner, in order to qualify the local educational agency for impact aid, must earn more than 50 percent of joint income through the Federal Government. Why should we allow the local educational agency to get a free ride on account of a pupil whose parent might only earn as much as 5 or 10 percent of his income on Federal property? Why does the taxpayer still have to support his children? If we want to save these funds which are so badly needed, we have a chance here in taking out of some of those funds moneys which are going to local educational agencies on account of parents who are only putting a percentage of their time, less than 50 percent, on a Federal project. The rest of the money they have been earning is in public industry. There is no justification for our tax dollars to be used to subsidize their children when they are quite capable of paying and are paying now their own taxes to take care of their kids' education.

Mr. Chairman, that is all my amendment does. It is to try to bring some sense to impact aid and put some limitation on this tremendous spending which has been going on for years.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. QUIE. Mr. Chairman, I yield to the gentleman from Kentucky.

Mr. PERKINS. Mr. Chairman, hasn't the gentleman from Michigan requested the General Accounting Office to audit the impact program with a view to its making some suggestions where he feels there has been some waste committted? Does he not feel that it would be better to wait until we get that before he comes before the Chamber with an amendment of such a broad nature as this?

Mr. QUIE. Mr. Chairman, I yield to the gentleman from Michigan (Mr. HUBER).

Mr. HUBER. Mr. Chairman, I do not agree with that. I think we should have been on our toes years ago and should not have waited for a freshman Member of Congress to start an audit of impact funds. It should have been done years ago, but it is better to close the door now than to leave it open any longer.

Mr. PERKINS. The gentleman never offered this amendment in committee, did he?

Mr. HUBER. Yes, I did, and it was defeated for some strange reason.

Mr. PERKINS. Mr. Chairman, I hope it is defeated here today.

Mr. QUIE. Mr. Chairman, I will say that the gentleman did offer his amendment in committee. I do not know how many people are involved.

It hardly seems to make sense to me, however, for a child to be an impact if the parent gets less than 50 percent of their income from Federal employment.

Mr. FORD. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman who spoke in the well used interchangeably the terms, "income from the Federal Government" and "income earned on Federal property," but his amendment does not.

The operative language in the amendment that is very mischievous is this: After describing who would be a parent for the purpose of determining their Federal connection, it says, "whose income from Federal employment on Federal property is more than 50 percent of the total combined income of such individual and the spouse of such individual."

Now, let us think of what we are talking about. It amazes me, from what I know of the background of the gentleman from Michigan, and his hatred for Government red tape and the intrusion of the Federal Government into the private affairs of American citizens, that he would propose that in every school district where they were going to make a claim for impact aid, they would require every parent and the spouse of every parent to make a complete disclosure of their sources of income. This would apply not only to the serviceman, but to the serviceman's spouse, who would be required to disclose all income from all sources to some bureaucrat, who would then try to determine, after he had winnowed out what was paid for and by whom, whether the support of the child in question was more than half from the serviceman.

Does that mean that if the serviceman is drawing a sergeant's pay and they have three children, we do not count the children if his wife is working during a part of that year as a school teacher back where they came from or is an employee in the PX and making $2 more a year than he makes?

That is not unusual, after all, particularly for an enlisted man.

Does that mean that if a man is assigned away from Federal property to work in a recruiting office temporarily or with a military unit that is not actually located on Federal property, he did not earn the money in a proper way?

The gentleman does not say in his amendment that more than one-half must be from a Federal salary; he says it must be from work performed on Federal property.

The Federal Government and the kind of people who are covered in many of our districts would be incapable of determining what portion of anybody's work today was in fact on Federal property and what portion was not.

If everybody were compressed into a barracks and they stayed there all the time, during all of their military service, it would be very simple, and perhaps that is what the gentleman visualizes.

In fact, the involvement of the kind of parents that qualifies children and school districts which these children attend indicates they are not capable of that kind of determination.

Mr. Chairman, I would just wish to ask the gentleman one final question.

Does the gentleman wish to force every parent whose child is in a school receiving impact aid to disclose the full source of income between the parent and the child and then have a family discussion in every one of those households about whether it is Mommy who supports the family or Daddy who supports the family?

Mr. Chairman, I would ask the gentleman to settle that one, if he would.

Mr. LANDGREBE. Mr. Chairman, I rise in support of the amendment.

Mr. HUBER. Mr. Chairman, will the gentleman yield?

Mr. LANDGREBE. I yield to my good friend, the gentleman from Michigan.

Mr. HUBER. Mr. Chairman, I thank the gentleman, and I appreciate the gentleman's yielding this time to me so that I might answer my distinguished colleague, the gentleman from Michigan.

As I understand the situation now, in order to qualify for impact aid, all one has to do is sign a piece of paper—just a piece of paper.

Does anybody ask, in order to qualify for impact aid, that you bring your financial records and all your statements and all your facts and figures in? Oh, no.

Today, in order to qualify for impact aid, a parent's child can bring home a piece of paper, and the parent signs it.

Mr. FORD. Mr. Chairman, will the gentleman yield so that I might answer him?

Mr. HUBER. Mr. Chairman, I would like to extend that courtesy to my comrade, if I could. However, the time belongs to the gentleman from Indiana (Mr. LANDGREBE).

Mr. LANDGREBE. Mr. Chairman, I yield to the gentleman from Michigan (Mr. FORD).

Mr. FORD. Mr. Chairman, I will ask the gentleman if he would withdraw the word, "comrade." That word kind of makes me nervous.

Mr. HUBER. Yes, Mr. Chairman.

Mr. FORD. Mr. Chairman, will the gentleman from Indiana yield?

Mr. LANDGREBE. Yes, I yield to the gentleman from Michigan.

Mr. FORD. Mr. Chairman, it is true that the parent now fills out a piece of paper, but all it says on the piece of paper is that the parent is a Government employee within one of the classes covered. It does not require that he disclose what he is paid or what the pay of his spouse might be, nor does it in any way engage in a discussion of what the spouse of that Federal employee does for a living if anything, and certainly not what that spouse's income is. Nor does it require a determination as to whether the spouse's income exceeds that of the Federal employee. Those are all new characteristics you put in the bill.

Mr. CRANE. Will the gentleman yield to me to ask a question of my colleague from Michigan?

Mr. LANDGREBE. I yield to the gentleman.

Mr. CRANE. As I understand the gentleman's amendment, if a Congressman has his family living in the Virginia or Maryland suburbs and is through outside income earning more than his congressional salary, no longer going to be counted in the impact aid formula. Is that correct?

Mr. HUBER. Will the gentleman yield?

Mr. LANDGREBE. I yield to the gentleman.

Mr. HUBER. Yes. I think there is a distinct possibility there.

I would like to make a further comment for the benefit of my distinguished colleague from Michigan. If you can sign a paper saying that you will get $600 million of Federal money, then you can probably sign a paper as to whether or not you and your wife get more than 50 percent of your money from other sources than Federal funds.

Mr. MEEDS. Mr. Chairman, I rise in opposition to the amendment.

I shall not take 5 minutes, but I want to point out very quickly the real mischief in the amendment offered by the gentleman from Michigan actually changes the whole concept of the impact aid premise.

There are some inequities in this program that I can see, but I do not think this amendment will correct any of these inequities. Indeed, it changes it from the concept that we are now calculating impact aid on, to the basis of a parent's income; it does not make any difference how much it is. The child is either impacting a school district or he or she is not impacting a school district. That should be the basis of the compensation by the Federal Government on impact aid and not how much the parent earns.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. HUBER) to the committee substitute.

The amendment to the committee substitute was rejected.

Ms. HOLTZMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to ask the distinguished chairman of the committee a question regarding the Emergency School Aid Act, which title IX of H.R. 69 seeks to amend.

Last year the East Flatbush Education Council in my district applied for a grant under the Emergency School Aid Act. Their proposal was one to explore the feasibility of a voluntary plan to prevent the public schools in the neighborhood from "tipping," that is, becoming virtually all black. The Office of Education ruled that this plan was not eligible to receive ESAA assistance because the agency guidelines forbid the funding of part-time integration plans.

It seems to me that this particular policy of the Office of Education is a perversion of the intent behind ESAA. Rather than encouraging integration, the policy would impede a community supported voluntary effort—on the part of white and black residents—to prevent the segregation of educational facilities.

I noticed that in its report on H.R. 69 the Committee on Education and Labor expressed dismay about the failure of the Office of Education to give sufficient consideration to preventive programs under ESAA.

My question is, under ESAA as it is presently written or as amended by H.R. 69, would a program such as the one I have just described be ineligible to receive grants merely because it is a part-time program, and would an amendment be required to make such a program eligible?

Mr. PERKINS. Will the gentlewoman yield?

Ms. HOLTZMAN. I yield to the gentleman.

Mr. PERKINS. The answer is no amendment would be required. The gentlewoman from New York is assured that the type of program she has described is an eligible activity under the Emergency School Aid Act, although it may be lower on the list of programs to be funded in a particular State than other more comprehensive programs.

Ms. HOLTZMAN. I thank the chairman.

AMENDMENT OFFERED BY MR. CRANE TO THE COMMITTEE SUBSTITUTE

Mr. CRANE. Mr. Chairman, I offer an amendment to the committee substitute.

The Clerk read as follows:

Amendment offered by Mr. CRANE to the committee substitute: Page 131, immediately after line 15, insert the following new section:

AMENDMENT OF TITLE X OF THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

SEC. 906. Title X of the Act, as redesignated by section 201(a) of this Act, is amended by adding at the end thereof the following new section:

FREEDOM OF CHOICE

"SEC. 1010. No local education agency shall be eligible to receive assistance under this Act, or under title I of the Elementary and Secondary Education Act of 1965, if the employment or continued employment of any teacher or administrator in its schools is conditioned upon membership in, or payment of fees to, any organization, including any labor organization or professional association."

Mr. CRANE. Mr. Chairman, the hard-line union tactics of collective bargaining and strikes are threatening to become common practice in an area that should remain free of the accompanying turmoil—the teaching profession.

Union bosses are increasingly aiming their power grab at the Nation's schools and schoolteachers, a fact that promises negative effects for schoolchildren and education in general. With the predictable merger of the National Education Association—NEA—and the American Federation of Teachers—AFT—looming on the horizon, the unions' takeover of the public school system through compulsory unionism may not be far off.

Several years ago former NEA president, George Fischer, said:

> Within 10 years I think this organization will control the qualifications for entrance into the teaching profession and for the privilege of remaining in the profession.

When Sam Lambert was inaugurated executive secretary of the NEA in 1967 he stated:

> NEA will become a political power second to no other special interest group. The farm bloc may have to take a back seat to the education bloc within the very near future.

Within the last few years we have witnessed an increasing militancy in the NEA, which has transformed the white collar association to what is now, for all intents and purposes, a union. Last year the 1.4 million member NEA staged 112 strikes to the 23 strikes of the 360,000 member American Federation of Teachers.

Proof that the NEA has almost reached the goals stated by Lambert and Fischer are the words spoken by outgoing NEA president, Catherine Barrett just last year. Mrs. Barrett stated:

> I believe we have arrived as professionals. We are the biggest potential striking force in this country and we are determined to control the direction of education.

"Controlling the profession" may mean pay raises and better working conditions for teachers, but unfortunately, it will probably not mean educational improvement. Further unionization of the profession will surely bring further erosion of community or parental control of the schools. Unionization tends to pit teachers against school boards and teachers against the community as was evidenced by the New York City teacher's union which in 1967 and 1968 opposed community control experiments in Brooklyn and Harlem. Under the leadership of union chief Albert Shanker, teachers put 1 million children out of school for 35 days by striking.

Shanker's union has responded to attempts at increased parental involvement in the schools by publicly threatening to pull teachers out of classrooms that parents come to visit. Shanker's union states:

> The notion that parents can determine the professional quality of a teacher's performance is blatantly false.

Robert J. Braun, education editor for the Newark Ledger, has written a book about the American Federation of Teachers entitled "Teachers and Power." Braun casts doubt on the assumption that teachers' unions are interested in anything other than more collective bargaining rights, job security, and further autonomy for administrative and parental control.

He points out that improving education is not among the goals of the union. "The kids will be the pawns in the game, as they always have been," states Braun. Under unionization, writes Braun, the citizen would "have even less, perhaps nothing, to say about the direction of the school to which you send your children and your tax dollar."

Union leaders predict total organization of the Nation's some 3 million teachers within the next few years. On the local level control over teachers has been gained by unions first demanding exclusive bargaining rights. The next step is to require that each teacher must pay the union a fee as a condition of work in what is known as the "agency shop."

The argument for an agency shop is that it is unfair for nonpaying teachers to benefit from the gains won through collective bargaining by union leaders. Dues, however, are not only used for bargaining activities but also as contributions by political campaigns. Teachers have frequently refused to pay dues on the grounds that they disagree with the political use to which funds have been put. The response of the unions to this refusal indicates the devastating blow that teacher unionism is dealing with the profession.

In the State of Michigan where the agency shop is most widespread, there are three teacher/union cases worth mentioning.

Mrs. Carol Applegate, an English teacher for almost 20 years in Michigan public schools was fired at the request of the Grand Blanc Education Association for refusing to pay compulsory dues.

In Detroit over 600 teachers are fighting a threatened dismissal for refusing to pay dues to the Detroit Federation of Teachers, an affiliate of the American Federation of Teachers.

Margaret Maki of Hancock, Mich., withheld her union dues, after paying them for many years, on the grounds that she disagreed with the political activities of the union and no longer wanted to be represented by it. Although 3 months from retirement, Mrs. Maki was fired at the suggestion of the Michigan Education Association.

She states:

> For 25 years I voluntarily paid dues to the MEA and was proud to belong. But I watched it evolve from a professional organization to a full fledged labor union run by men more interested in playing politics and getting people fired for refusing to pay them money. So I dropped out.

In Wisconsin, which like Hawaii has compulsory unionization, a teacher, Al Holmquist, is being sued by the local union for taking a position against compulsory unionization before the school board.

In 1962 the Florida Supreme Court decision argued against the agency shop clause because it 'is repugnant to the Constitution in that it requires the nonunion employee to purchase from the labor union a right which the Constitution has given him."

As a result of the Pennsylvania Public Employee Act, which recognizes teacher representation by a union, close to 100 strikes, more than in any other State, occurred there last year. James Scott II, the president of Pennsylvanians for Right to Work, responded to the union's demand of agency fees from teachers saying:

> Once our teachers are forced to pay tribute as a condition of teaching, it is only a matter of time before a union can force upon the tax-paying public exorbitant wage demands. Teachers will be forced to strike upon threat of losing their jobs, and in due course, end up as mere pawns in a struggle for increased union power and money.

In recent years the political clout of teachers' unions has begun to be felt as they begin to take stands on women's liberation, the Vietnam war, Supreme Court appointments and local political campaigns to the point of establishing telephone banks to defeat antiunion candidates. The NEA's political involvement has been greatly facilitated by the creation of a political action unit, the Coalition of American Public Employees. This increased political interest on the part of union leaders is an important aspect of the attempt to control totally the public school system.

Eminent scholar James Koerner in his book "Who Controls American Education?" notes that administrators often pressurize teachers into joining the union. In some States the dues checkoff method takes care of union dues. He says of the unions:

> These homogeneous organizations and likeminded people represent only one segment of the American educational community not to mention the general public. I believe that they have managed to accumulate over the years a dangerous degree of control over education and to disfranchise not only classroom teachers but academic scholars and the body politic.

We in the Congress should be more concerned lest the public schools become dominated by an outside force that is responsive not to the needs of the community or the improvement of quality education but to the union leadership. Teachers, like other public employees, should be allowed to unionize but not be required to. In the interest of the education system and the individual rights of teachers we must protect this profession from compulsory unionism. We must see to it that no teacher, or any school employee for that matter, be required to pay a fee to a union as a condition for employment.

How can we ask teachers to explain to young people our traditional ideals of freedom and individualism, that a man should follow his conscience, not the opinions of others, in making moral choices, if we permit a situation to be legally sanctioned in which they themselves lose freedom of choice?

Our moral standard of legitimate rights in a free society has always held that freedom of the individual should be limited only insofar as it interferes with the freedom of other individuals. How can teachers represent that moral standard if they themselves become pawns in a power game in which the needs of organized labor become far more important than the needs of the children in their classrooms?

No American should be forced to join a private organization as a condition of employment. This regrettable situation however, becomes even more serious when it begins to affect those upon whom we depend to teach our children and set a proper example for them. Can teachers be advocates of a free and decent society if they themselves have lost their freedom? It is difficult for me to understand how they can.

Just as labor unions, in other fields, would rather see a business close and all of its jobs eliminated rather than forego its own demands, so if we permit forced unionization of teachers we may see schools become pawns in this kind of game. We have already witnessed teacher strikes in New York, Philadelphia, and other cities. The needs of the children were clearly secondary. Teachers became more concerned with themselves than development of their product, in this case, the minds of young children.

Our educational system has many problems that it seems unable to solve. Children are scoring very poorly on tests in such basic skills as reading and mathematics. Discipline has become a national problem, and compulsory busing programs have seen the entrance of politics into the field of education. The last thing we need in American education is the heavy hand of forced unionism.

Following is a copy of the Michigan Education Association recommendations as well as an article by William Week on the subject which appeared in the Detroit Free Press on July 15, 1973:

FINAL RECOMMENDATIONS OF THE MICHIGAN EDUCATION ASSOCIATION CABINET TASK FORCE ON A STATEWIDE BARGAINING STRATEGY

NOTE.—The existence of this document was first revealed in the July 15, 1973 edition of the *Detroit Free Press*. William Meek, chief of the *Free Press'* Lansing bureau, reported that he had confirmed the document's authenticity with staff members of the Michigan Education Association. IASB notes that this document closely parallels the so-called "Michigan papers" of 1971, which were first revealed by the news media in that state and reported in the *Illinois School Board Journal*. Among the admonitions contained in that earlier strategy plan, was the caution to not depend on personnel of the National Education Association for help, because "they will be busy in Illinois this year." September, 1971 saw about 40 Illinois school districts either struck or seriously threatened up to the opening day of school.

This document has been read into the record of the Michigan House of Representatives (*House Journal* No. 88, pp. 2064–2068). The *Free Press* article was read into the record of the Michigan Senate (*Senate Journal* No. 92, pp. 1398–1400).

I. INTRODUCTION AND BACKGROUND

Because of a general MEA—wide feeling for a new collective bargaining impetus, and because of the Warren Education Associations specific requests for monetary assistance in dealing with their bargaining problems, the MEA cabinet appointed a small, ad-hoc task force to study the situation and make appropriate recommendations for a possible new and different MEA bargaining strategy.

The Committee, initially comprised of Ben Munger, Chairman, Chuck Alexander, and Don Cameron met for several days. A preliminary report was made to the cabinet and fifteen (15) Uniserv representatives on May 24, 1973. The original committee then began various revisions and additions culminating in this final recommendation to the cabinet on June 6, 1973.

II. STATEMENT OF THE PROBLEM

Local boards of education are becoming increasingly sophisticated and recalcitrant in their bargaining with local associations. They have begun to organize, hire bargaining specialists and coordinate their efforts under the banner of the Michigan School Boards Association. They no longer fear the strike as a bargaining weapon, and more importantly, they no longer fear public reaction to it.

Boards are in the process of attempting to force the bargaining pendulum in management's direction after what they consider years of teacher bargaining advantages. They are holding fast on management rights and are serious about "winning back" previous bargaining concessions.

The "Council cf 28" in Oakland County and"Task Force 36" in Wayne County present compelling evidence that boards are going on the offensive. The expansion of the MASB staff is another signal. Evidence also suggests coordinated board bargaining strategies out-state.

It is inevitable that there will be another Trenton or Reese. Unless new MEA and/or local bargaining strategies are developed, the frustrations now being felt by Warren, Trenton and other downriver locals as well as tiny out-state units, will increase and expand.

For several years now, the MEA and its locals have been dealing with new board strategies with standard techniques. Because new strategies have not developed to meet the needs of frustrated local bargainers, we are now in a somewhat defensive bargaining posture.

Part of the reason for this lack of association creativity and aggressiveness is the unwillingness of locals to band together and strike, if necessary, in order to provide a more stable and potent bargaining base. The plain fact is that up to this point most teachers have not demonstrated a willingness to inconvenience themselves for their colleagues in other locals. There is still too much "me first".

Bargaining problems are compounded by economic pressures revolving around inflation, the wage-price freeze, the failure of C and D, local voter rejections of property taxes for schools, dwindling local revenues and the public image of teachers as "well paid for working such a short year."

Because of past association successes at the bargaining table, many teachers feel entirely too comfortable financially. Because this "fat cat" syndrome exists, militancy has waned.

The public no longer views local strikes as novel. They also see teachers' salaries as being more than adequate, and tax increases are viewed as the inevitable result of teacher unions trying to make good teaching salaries even better.

Local bargaining frustrations have placed new and increased demands for solutions on the MEA without any corresponding willingness to abandon some degree of local bargaining autonomy, as in the private sector.

In spite of, all or because of, all this and more, many locals on the cutting edge are not going to stand still for bargaining status quo. They continue to expect salary increases, class size reductions, etc. This will become an expanding problem for the MEA as more and more locals become more and more frustrated. And as this occurs, there will be more questioning of MEA dues paid as they relate to MEA solutions rendered.

III. ANALYSIS OF ALTERNATIVE BARGAINING STRATEGIES

In analyzing as many alternate impasse resolutions as possible, we note that they all fit into one of three categories:

a. *Settlement Between the Two Parties*

Mutually acceptable compromise resulting in a settlement; One side or the other "gives in" also resulting in a settlement; and

Continuous bargaining with no settlement.

b. The strike or its variations

Local, regional, state or national strikes;

"Work to the rule";

Guerrilla warfare;

Blue flu, "Professional Day," etc.;

Violence, sabotage, etc., and

Mass resignations, individual resignations, etc.

c. Third party intervention

Mediation and factfinding;

Mutual agreement for binding arbitration on unresolved issues;

Legislation mandating bindng arbitration; and

Pressure by outside agencies to settle (Governor, MEA, MASB, a local legislator, side bar, etc.)

We also believe that any impasse resolution for public employees will fall into one of these categories, no matter how great the temptation for unions to continually seek some mystical solution.

It should be noted that although we view regionalized or statewide bargaining as a different approach to negotiations, these same basic impasse alternatives are present.

IV. SOME BASIC PREMISES FOR A NEW STRATEGY

A. Money, or lack of it, is not the sole cause of local bargaining frustration. Even now, many boards are, in fact, still able to squirrel away funds for contingencies.

We believe that the most critical issue facing us today is the fact that local boards are coordinating their bargaining postures on a wide range of issues, not the least of which are salaries and fringes This newly developed cohesiveness enables boards to more effectively "hard bargain."

B. Teachers are on the defensive and need to be re-excited about gut bargaining issues. They are feeling the effects of oversupply, accountablity, a tarnished public image, the Roth decision and attacks on tenure, and these pressures tend to create a "don't-rock-the-boat" attitude.

C. The short-range solution to bargaining frustration and treadmilling is a burst of dramatic, visible, militant leadership. A new bargaining thrust and strategy is essential. We believe that thrust must come from the MEA It cannot come from individual locals.

D. The long-range solution to our bargaining dilemma is legislative, not ever increasing escalation, i.e., a change in the bargaining law and/or statutory methods of resolving impasse.

E. We must not charge headlong into the boards' collective strength. The MASB and local boards expect more local strikes. They also expect, at some point, regional strikes, but only in the emotional aftermath of a mass firing in a local.

F. Organized boards will bargain meaningfully with MEA locals only when settling with the local teachers is the lesser of two or more evils they face.

G. The solution to Warren's, Trenton's and Flint's bargaining problems lies in C and D above, if it exists at all. Giving money to any local, per se, without incorporating their bargaining strategy into a total state strategy is patching at best and counter-productive at worst.

H. We believe that any new MEA state bargaining strategy should be designed to:

1. Give the MASB and its local boards something to upset their equilibrium and cause them to view settling locally as the lesser of two evils. Attack their flanks as well as their strength.

2. Give teachers a renewed impetus for gut-issue bargaining.

3. Provide time for the MEA and its more progressive locals to educate and emotionalize members for tactical *regional* strikes.

4. Provide for the effective use of public relations on a state-wide basis in order to set the stage with the public, the power structure and our membership for a broader base of impasse confrontation.

V. A SUGGESTED STATEWIDE STRATEGY (SHORT RANGE)

A. The MEA immediately exposes, with all possible statewide fanfare, "the alarming and outrageous conspiracy by local boards of education designed to roll back hard won teacher contractual rights." We also state emphatically that the MEA will not permit its members to become the unwilling targets for the MASB's drive to gut teacher contracts. In other words, the MEA steps in front—firmly and boldly.

Further, we:

1. Denounce boards for banding together in secret and unholy coalitions under the banner of MASB. (We must be ready to handle the obvious fact that the MEA locals have done it since 1965.)

2. Expose, by name and with appropriate documents for handout, the "Council of 28" in Oakland County and "Task Force 36" in Wayne County, as well as any other organized group of school boards.

3. Charge that because of the reactionary guidelines being promulgated by these board coalitions, bargaining in Wayne, Oakland, and Macomb Counties is dragging badly. In fact, because of these shocking attacks by conniving boards, the MEA states flatly that *local boards are precipitating an educational crisis next Fall*. We make *them* the culprits responsible for the crisis.

4. Announce several dramatic and aggressive MEA actions designed to thwart the heavy-handedness of local boards across the state, and at the same time challenge these recalcitrant boards to settle local contracts on reasonable terms or face the inevitable consequences. Those actions are:

a. The MEA instructs all local units to refrain from agreeing to any contract that does not meet essential contract standards, i.e. binding arbitration of grievances, agency shop, curriculum councils (or whatever).

b. The MEA is introducing into the Michigan Legislature a bill designed to amend the public bargaining act in order to safeguard the rights of teachers and protect them from a bargaining conglomerate of crazed school boards. This bill will be the "Teachers Bargaining Bill of Rights," and it calls for:

Mandatory binding arbitration of grievances;

Mandatory binding arbitration of all teacher dismissals;

The right to strike; and

Ban against hiring scabs in bargaining situations (or whatever).

This legislative component is contingent upon resolution of agency shop legislation.

c. The MEA has set October 1, 1973, as the deadline for settlement of all local contracts containing the minimal standards mentioned above, legislative action to insure our basic bargaining rights, or both.

5. The MEA announces that we are sending formal letters announcing our actions, concerns, and intentions to the MASB, State Board of Education, MASA, the Governor, MERC, etc.

6. The MEA disseminates all appropriate information to local leaders prior to this state-wide PR campaign. In addition, meetings are held, plans reviewed and issues emotionalized for possible action lated. War-

ren and Wayne County leaders assist in planning and implementing a regionalized confrontation(s) in the Fall.

7. The NEA invites other public employee unions to participate, but their agreement is neither critical nor controlling.

8. The time between now and the crisis next November is utilized to create a statewide atmosphere of grave urgency. It is also used to educate the membership and monitor their readiness for tactical regional strikes in the Fall.

9. If the "creative research" currently being conducted should indicate potential for complimentary legal action, that action should be factored into the statewide strategy for its PR value.

10. Local bargainers go to the table in each district and repeatedly accuse their board of being part of the MASB conspiracy.

VI. STATEWIDE IMPASSE STRATEGY (TACTICAL STRIKES)

If, after the appropriate crisis build-up, intervention by the Governor, etc., settlements are not secured in dramatic numbers, the MEA, on October 1, 1973, begins the coordination of tactical regional strikes designed to disrupt the educational process and keep the boards in a state of confusion while affording maximum security to our members on strike.

The MEA calls for *all* unsettled units in Wayne, Oakland and Macomb Counties to strike on October 1. We may want to consider other unsettled units going out on a regional basis. (October 1 is a Monday). The strike(s) continues through the first of the following week. The MEA then announces that all striking teachers will return to work on Friday—they do. Bargaining continues, locally and through intermediaries, over the week-end (through Monday, October 8.) The MEA announces on Monday that there will be a continuation of the strike on Tuesday (9th) if outstanding issues are not resolved. The strike continues on Tuesday. The MEA announces teachers will go back next week while bargaining continues. They do. If no settlement, out again, etc. etc., until all units are under contract.

This plan provides for:

a. Regional strikes on a staccato basis controlled by a central force (MEA).

b. Some income for striking teachers (they'll get paid while working unless boards lock them out—in which case those boards are in a bad PR posture with the public.)

c. A method for avoiding the "wait the striking ——— out" tactic, i.e. Philadelphia, Hawaii, etc.

d. Public announcements of teacher intentions prior to each strike or work segment, thus minimizing danger of public anger because kids are at school when they should be home or vice-versa.

e. Built in periods for bargaining while teachers are teaching after having returned temporarily from the strike. This should avoid the old "we won't bargain with you while you're on strike" trick.

This plan assumes:

a. Local agreement to strike regionally (a big assumption but one we believe can be obtained with help from local leadership.) This agreement is critical, and without it the tactical regional strike plan should never be undertaken.

b. Local willingness to let a central force (MEA) call the "tactical shots." In-out, etc.

c. Massive help from non-striking local leaders and staff during the regional strikes.

d. Help from progressive and militant local leadership in getting more reticent local "ready to go."

We repeat that this tactical plan depends on cooperation, coordination, consensus and trust (2 out of 3 isn't bad). Without regional commitment and agreement—forget it. To forge ahead for a few strong locals would be catastrophic. We believe it is up to the Uniserv Staff to develop appropriate plans for coordination of regional activities.

VII. GOAL ACHIEVEMENT

This plan, in our opinion, can accomplish both the short range and long range goals identified earlier.

A. Short range

It focuses statewide attention on the bargaining problem for a sustained period of time. Sustained public relations is very important.

It provides the best possible atmosphere for teacher unity on gut economic issues.

It creates artificial, but practical, deadlines for bargaining resolutions.

It seizes the initiative from local boards, exposes coordinated board activities and it places the MEA in front with the public, the state power structure, the MASB and, most importantly, our own locals and membership.

It sweeps hard-pressed locals (Warren, Trenton, Flint, etc.) into a relevant, militant campaign for bargaining success, and regonalizes both their conflict and their solution. It enables them and us to get into a larger bargaining picture, thus more effectively dealing with mutual frustrations.

B. Long range

It creates a statewide crisis atmosphere conducive to legislative action sometime in the future.

It creates statewide awareness of public employee bargaining inequities, thus enhancing chances for later public acceptance of legislative solutions.

It dramatizes bargaining problems for our membership, most of whom do not understand the dynamics of collective bargaining, and affords an opportunity for new solutions to be discussed based upon experience rather than vicarious philosophy.

It allows for better membership understanding and acceptance of a future legislative solution (mandatory interest arbitration).

VIII. PUBLIC RELATIONS PROGRAM

It is critical that the MEA speak loudly and forcefully and steadily for our members beginning right away. We feel it inappropriate and ill-advised to delay implementation of the first phase of the bargaining strategy (PR blast) *even if locals cannot ultimately "get it together" for regionalized strikes this fall.* We must set the public stage for the confrontation, but, failing to implement the last phase of the plan, at least we will have sent a shiver or two down the collective spines of a board or two, educated the public and stepped in front for the membership.

We have developed the following PR program to augment the statewide bargaining strategy through the media. We consider it minimal, and it provides for educational media PR only through September 1 (the end of the current budget year).

We have set aside newspapers as not an effective medium for this particular project. We feel that radio and TV will be much more advantageous and have, therefore, concentrated on the electronic media.

We have selected areas of the state that cover the most territory with the fewest media, to keep the costs reasonably low.

For radio: We suggest one station only in each of the following cities: Detroit, Grand Rapids, Kalamazoo, Benton Harbor, Lansing, Escanaba, Marquette, Bay City or Saginaw, Ironwood, Flint and possibly the Houghton Lake area.

For television: Two stations in Detroit (one UHF station which is carried on every cable system in Michigan), one each in Lansing, Grand Rapids, Cadillac and Marquette.

The customary negotiations pattern prevails, there will be little or no bargaining between July 15 and August 10, and therefore it would not be productive to advertise during that period. This leaves two weeks in June, two weeks in July, and two weeks in August, prior to the end of this fiscal year. We might well desire an escalated program after September 1, but that is not in the proposed budget.

Frequency: Radio—one 30-second spot per day, five days each week, for the six weeks cited above: $6,000 for time purchases, $400 for production, including a few extra tapes for the use of locals who wish to purchase their own time. Television—three 30-second spots per week for six weeks, $45,000 for air time plus $12,000 for production, plus $1,500 for duplicate tapes (including extras for locals).

Total cost for this minimal MEA program: $64,900. We believe locals will want to buy time to augment this expenditure by the MEA.

In addition, every effort will be made to utilize free coverage (press releases, etc.) during this period. Again, locals can be augmenting this coverage.

IX. PROPOSED TIMETABLE FOR IMPLEMENTATION

Wednesday, June 6.—Present final draft to the cabinet. Begin involvement of larger group in refining or changing the plan.

Friday, June 15.—Inform the staff of the details of the plan, including the material to be distributed at the subsequent press conference. This may require a unique delivery system. We do not think a staff meeting is mandatory, but it may be desirable.

Friday, June 15.—Submission to the MEA Executive Committee.

Wednesday, June 20.—Dress rehearsal for the press conference.

Tuesday, June 19.—Obtain information from the University staff and the Research section—all the information needed to construct the press conference.

Thursday, June 21.—Big press conference with Mary Kay Kosa and the Executive Secretary to announce our concerns, our anger and our predictions of a fall bargaining holocaust of some kind precipitated by the boards.

June, July and August.—Area wide staff meetings to keep the staff together on the implementation of the plan and to discuss problems that need attention.

Weekly.—Collection of information regarding the situation in the local negotiations and any new reactions by the boards. This will require a new two way communications system.

August 17.—Unsettled Units Conference. This will be played up big in the Media as a "war council".

October 1.—Implementation of the tactical strike plan.

[From the Detroit Free Press, July 15, 1973]

BIG SCHOOL TIE-UP PLANNED FOR AREA

(By William Meek)

LANSING.—A secret battle plan of the statewide teachers' union calls for a co-ordinated series of "tactical strikes" next fall to cripple school systems in large areas of Wayne, Oakland and Macomb counties, the Free Press has learned.

The strikes would begin Oct. 1 if teachers have not won favorable contract settlements "in dramatic numbers" by then, according to the strategy laid out in a nine-page planning document.

The orchestrated walkouts would be staged by locals of the 80,000-member Michigan Education Association (MEA) welded into disciplined regional strike forces by the MEA professional staff.

The strikes would follow a three-month publicity campaign estimated to cost $64,900 and designed "to create a statewide atmosphere of grave urgency," according to the bargaining blueprint.

Pegged as chief targets of the campaign are the Michigan Association of School boards (MASB) and two loosely knit groups of school boards in Oakland and Wayne counties that have joined forces in negotiating teacher contracts for next year. They are the Council of 28 in Oakland and Task Force 36 in Wayne.

MEA spokesmen confirmed the authenticity of the planning paper authored by three high level staff members reporting to the MEA staff cabinet headed by Executive Secretary Herman W. Coleman.

George C. Brown, assistant executive secretary, downplayed the importance of the blueprint and told a reporter the MEA cabinet and executive committee have approved only the propaganda portions and not the Oct. 1 strike plan.

But Coleman did not disavow any of the crisis and strike strategy, saying that regional teacher walkouts may be the only effective weapon the MEA can employ against the "collusion" of school boards that he said are acting in unison to set limits on contract benefits for teachers.

Coleman charged that school boards in at least 14 counties are acting in groups to cut back benefits teachers already have. "At some point we're going to have to break that kind of coalition," he said, "and if strikes are the only approach to the relief we need, that would be considered."

The publicity campaign was launched July 5th in press statements damning the "unholy alliances" of school boards. The statements were issued in the name of Mrs. Mary Kay Kosa, MEA president.

Brown said the campaign was sanctioned by the MEA executive committee at a spending level "much reduced" from the figure recommended in the statewide bargaining blueprint.

A short term strategy goal disclosed in the confidential plan is to whip up the emotions of teachers over contract issues and unify them "into a relevant, militant campaign for bargaining success," even in districts where no serious contract disputes exist.

The long-range goal revealed in the MEA blueprint is to prod the Michigan Legislature to act "in a crisis atmosphere" next fall to pass laws giving teachers the legal right to strike and requiring mandatory binding arbitration of grievances and teacher firings.

Public employes are now forbidden to strike under Michigan law, and binding arbitration is optional with local school districts.

Another objective apparent in the MEA strategy memorandum is to convince the rank-and-file members, who pay more than $7 million in dues annually, that MEA staffers are producing action in the face of recent setbacks at the bargaining tables.

The bargaining blueprint suggests that the state's teachers are at war—or ought to be—with citizen school boards.

At various points in the report the MEA strategists say their tactics should include "regional confrontations" and attempts to "disrupt the educational process." In dealing with local boards, the report advises: "Attack their flanks as well as their strength."

In itemizing alternative bargaining strategies, the writers list "guerrilla warfare, violence, sabotage, etc."

The plan was drafted by a three-man task force composed of Dr. Ben Munger, negotiations consultant, Don Cameron, public relations specialist, and Chuck Alexander, MEA consultant for political education.

Their final report, in its third draft, went to the cabinet, made up of the top seven MEA paid executives, on June 6 and to the executive committee June 15. Brown said the cabinet revised the blueprint to set aside the strike plan before giving it to the executive committee, but the Free Press copy was dated June 8.

"Well, it was never rewritten," Brown said.

The Uniserv division of MEA, a cadre of 91 field representatives located in 50 offices around the state; was designated to carry out the organizing elements of the plan.

According to the MEA strategists, teachers have been losing ground at the bargaining table because of both external and internal problems.

External factors include the teacher surplus, inflation, wage freezes, voter rejections of school tax proposals and the public belief that teachers are already well paid. But worst of all, said the planners, is that local school boards are banding together to oppose teacher demands.

"They have begun to organize, hire bargaining specialists and coordinate their efforts under the banner of the Michigan School Boards Association. They no longer fear the strike as a bargaining weapon," said the report writers.

"Board are in the process of attempting to force the bargaining pendulum in management's direction after what they consider years of teacher bargaining advantages," they added.

Internally, they wrote, the teacher's union is suffering from a lack of "creativity and aggressiveness" in meeting new conditions because of "the unwillingness of locals to band together and strike, if necessary, in order to provide a more stable and potent bargaining base.

"The plain fact is that up to this point most teachers have not demonstrated a willingness to inconvenience themselves for their colleagues in other locals. There is still too much 'me first.'"

Coleman confirmed that MEA is prepared to ask teachers who have no contract grievances in their own districts to go on strike in support of other locals.

Because of previous union success, said the planners, "many teachers feel entirely too comfortable financially."

Unless a strategy is developed to "emotionalize" the satisfied teachers there will be more frustration in dissatisfied locals. "And as this occurs, there will be more questioning of MEA dues paid as they relate to MEA solutions offered," said the report.

The solution proposed by the strategists is "a burst of dramatic, visible, militant leadership . . . In other words, the MEA steps in front—firmly and boldly."

The basic tactic offered by the planners was to portray crisis in school negotiations and blame it on "the alarming and outrageous conspiracy by local boards of education designed to roll back hard-won teacher contractual rights."

The blueprint tells MEA operatives to:

"Denounce boards for banding together in secret and unholy coalitions under the banner of the MASB," but it adds an advisory, "We must be ready to handle the obvious fact that the MEA locals have done it since 1965."

MEA functionaries are also instructed to: "Charge that because of the reactionary guidelines being promulgated by these board coalitions, bargaining in Wayne, Oakland and Macomb Counties is dragging badly.

"In fact, because of these shocking attacks by conniving boards, the MEA states flatly that local boards are precipitating an educational crisis next fall. We make them the culprits responsible for the crisis."

Then, "after the appropriate crisis buildup," if favorable contract settlements don't occur "in dramatic numbers," the MEA would start Oct. 1 "the co-ordination of tactical regional strikes designed to disrupt the educational process and keep the boards in a state of confusion. . ."

The plan specifies strikes "on a staccato basis controlled by a central force (MEA)," with emphasis on Wayne, Oakland and Macomb counties.

The long-range benefit of the strategy, according to its authors, is that: "It creates a statewide crisis atmosphere conducive to legislative action."

And at the right moment, according to the blueprint, MEA would introduce a "Teacher Bargaining Bill of Rights" providing for binding arbitration of grievances, the right to strike and a ban on hiring scabs in school bargaining situations.

The crisis buildup was to be financed by a $64,900 budget to pay for six weeks of radio and television advertising on stations in selected bargaining areas.

In her press statement July 5, Mrs. Kosa announced she had "advised the governor that an extremely unhealthy and volatile bargaining climate exists and that he should intervene before an ultimate crisis ensues."

There has been no response from Milliken, but Coleman said he hopes to meet with the governor soon. In the meantime, he said, MEA lawyers are researching potential legal action against school boards that have joined forces.

The bargaining blueprint noted that any "complimentary legal action" should be "factored into the statewide strategy for its PR (public relators) value."

Mr. FORD. Mr. Chairman, will the gentleman yield for a question?

Mr. CRANE. I yield to the gentleman from Michigan.

Mr. FORD. I thank the gentleman for yielding.

The gentleman gave some figures on a number of districts. He had 15 in one category.

Mr. CRANE. Four States where strikes are now legal, 15 where the law is silent, and 32, prohibitive.

Mr. FORD. That comes out to 51. Where does the gentleman get the extra State?

Mr. CRANE. The gentleman has a good question there. There are 4 States where it is legal, actually 14 States where the law is silent—I had included the District of Columbia in the count—and 32 where it is prohibitive.

Mr. FORD. So in the statistics the gentleman gives us, there is some duplication. Some will be in his category of 15, some in the 32, and also some in the 4?

Mr. THOMPSON of New Jersey. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am in a strange position of having my usual position on the subject and that of my distinguished friend, the gentleman from Illinois (Mr. CRANE) reversed. Mr. CRANE's amendment would forbid any school district from receiving aid under the Elementary and Secondary Education Act if it conditions teacher employment on membership in any organization. If anything would lead to Federal control over school matters, this amendment would. It ought to be a matter of local determination whether teachers and school administrators must or must not belong to teachers' organizations. The gentleman did not mention that in the Michigan cases which he cited the highest court of that State decided in favor of the education association.

Actually this amendment should properly be offered to a bill, which I have sponsored and had a number of days of hearings on, which would give all public employees the right to bargain collectively and thereby set a national standard. The pattern of States' laws is so confusing that even those which ostensibly give the right to strike—such as Minnesota, which has the most liberal of all the laws—do not in fact end up with that result since there is a compulsory arbitration feature involved.

Mr. CRANE. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield to the gentleman from Illinois.

Mr. CRANE. I thank the gentleman for yielding.

My amendment does not go to the question of collective bargaining. Collective bargaining is permitted, and professional and labor associations within the teaching profession are permitted. What it does do is withhold Federal moneys to those districts where that is a condition for employment.

Mr. THOMPSON of New Jersey. I say to my friend, the gentleman from Illinois, that I respect his idea, but it does not belong in an education bill; rather, it belongs in a labor bill. For instance, his amendment is so broad that it would forbid any school district from requiring teachers to join group hospitalization plans or any other organization. The amendment, by its language, is not limited to forbidding closed shops, which are forbidden in the National Labor Relations Act; rather, it applies to forbidding membership in any organization.

Mr. CRANE. Mr. Chairman, will the gentleman yield again?

Mr. THOMPSON of New Jersey. I yield briefly to the gentleman from Illinois.

Mr. CRANE. It is only with respect to the compulsory aspect, that my amendment applies. One does not have to compel people to enjoy the benefits of a group hospital plan.

Mr. THOMPSON of New Jersey. There are not in any real sense compulsory laws requiring teachers in a school to join any organizations. If they do not wish to join, they do not have to join. I say to my friend, the gentleman from Illinois, that his amendment, however well intended, is really improper in this instance, and I oppose it.

Mr. CRANE. Will the gentleman yield for just one brief response? If that is the case, then surely there can be no concern on the gentleman's part over the amendment.

Mr. THOMPSON of New Jersey. My concern, I might say to the gentleman, is that I have some pride in drafting and in appropriate legislative language; I simply do not believe in enacting frivolous amendments, and this is, indeed, in a legal as well as in a moral sense, a frivolous amendment and I oppose it.

Mr. CRANE. It is not frivolous when one gets to talking about freedom of choice. As for the draftsmanship of the gentleman from New Jersey, I think he writes exquisitely. On the other hand, with an appropriate sense of humility, I do not think my drafting is that bad. Nor is that of my other colleagues who have submitted amendments, some of which now constitute a part of this bill.

Mr. THOMPSON of New Jersey. Let me say to the gentleman that I would have preferred it if he had said I write well rather than exquisitely.

I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. CRANE) to the committee substitute.

The vote was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. CRANE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 95, noes 308, not voting 29, as follows:

[Roll No. 120]

AYES—95

Abdnor
Archer
Arends
Ashbrook
Bafalis
Baker
Bauman
Beard
Bowen
Brinkley
Broomfield
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Butler
Byron
Camp
Clawson, Del
Cochran
Collins, Tex.
Conlan
Crane
Daniel, Dan
Daniel, Robert W., Jr.
Davis, Wis.
Dennis
Devine
Dickinson
Downing
Duncan
Edwards, Ala.
Fisher
Flynt
Fountain
Goldwater
Goodling
Green, Oreg.
Gross
Gubser
Hammerschmidt
Hébert
Henderson
Hogan
Holt
Huber
Jarman
Jones, N.C.
Ketchum
King
Kuykendall
Lagomarsino
Landgrebe
Latta
Lott
Lujan
McKay
Martin, Nebr.
Martin, N.C.
Mathis, Ga.
Minshall, Ohio
Mizell
Montgomery
Moorhead, Calif.
Nichols
Parris
Poage
Price, Tex.
Rarick
Rhodes
Robinson, Va.
Rousselot
Ruth
Satterfield
Scherle
Sebelius
Snyder
Spence
Steelman
Steiger, Ariz.
Symms
Taylor, Mo.
Taylor, N.C.
Treen
Veysey
Waggonner
Ware
Whitehurst
Whitten
Winn
Young, Fla.
Young, S.C.
Zion

NOES—308

Abzug
Adams
Addabbo
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Armstrong
Ashley
Aspin
Badillo
Barrett
Bell
Bennett
Bergland
Biester
Bingham
Boggs
Boland
Bolling
Brademas
Brasco
Bray
Breaux
Breckinridge
Brooks
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton
Carney, Ohio
Carter
Casey, Tex.
Chamberlain
Chappell
Chisholm
Clancy
Clark
Clausen, Don H.
Clay
Cleveland
Cohen
Collier
Collins, Ill.
Conable
Conte
Cotter
Coughlin
Cronin
Culver
Daniels, Dominick V.
Danielson
Davis, Ga.
Davis, S.C.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dent
Derwinski
Diggs
Dingell
Donohue
Dorn
Drinan
Dulski
du Pont
Eckhardt
Edwards, Calif.
Eilberg
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fish
Flood
Flowers
Foley
Ford
Forsythe
Fraser
Frelinghuysen
Frey
Froehlich
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Grasso
Gray
Green, Pa.
Griffiths
Grover
Gude
Gunter
Guyer
Haley
Hamilton
Hanley
Hanna
Hansen, Idaho
Hansen, Wash.
Harrington
Harsha
Hastings
Hawkins
Hays
Hechler, W. Va.
Heinz
Helstoski
Hicks
Hillis
Hinshaw
Holifield
Holtzman
Horton
Hosmer
Howard
Hudnut
Hungate
Hutchinson
Ichord
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kemp
Koch
Kyros
Landrum
Leggett
Lent
Lehman
Litton
Long, La.
Long, Md.
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKinney
McSpadden
Macdonald
Madden
Madigan
Mahon
Mallary
Mann
Maraziti
Mathias, Calif.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Milford
Miller
Mills
Minish
Mink
Mitchell, N.Y.
Moakley
Mollohan
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murtha
Myers
Natcher
Nedzi
Nelsen
Nix
Obey
O'Brien
O'Hara
O'Neill
Owens
Passman
Patten
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Podell
Preyer
Price, Ill.
Pritchard
Quie
Quillen
Randall
Rangel
Rees
Regula
Reid
Reuss
Riegle
Rinaldo
Roberts
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Roy
Roybal
Runnels
Ruppe
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Schneebeli
Schroeder
Seiberling
Shipley
Shoup
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Stanton, J. William
Stanton, James V.
Stark
Steed
Steele
Steiger, Wis.
Stokes
Stratton
Stubblefield
Stuckey
Studds
Symington
Talcott
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waldie
Walsh
Wampler
Whalen
White
Widnall
Wiggins
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Wolff
Wright
Wydler
Wylie
Wyman
Yates
Yatron
Young, Alaska
Young, Ga.
Young, Ill.
Young, Tex.
Zablocki
Zwach

NOT VOTING—29

Alexander
Bevill
Biaggi
Blackburn
Blatnik
Carey, N.Y.
Cederberg
Conyers
Corman
Erlenborn
Frenzel
Hanrahan
Heckler, Mass.
Hunt
Kluczynski
Mitchell, Md.
Murphy, N.Y.
Patman
Powell, Ohio
Railsback
Rooney, N.Y.
Shriver
Staggers
Stephens
Sullivan
Teague
Williams
Wilson, Bob
Wyatt

So the amendment to the committee substitute was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. TREEN TO THE COMMITTEE SUBSTITUTE

Mr. TREEN. Mr. Chairman, I offer an amendment to the committee substitute.

The Clerk read as follows:

Amendment offered by Mr. TREEN to the committee substitute:

On page 131, immediately after line 15, insert the following new section:

Amendment to title X of the Elementary and Secondary Education Act of 1965:

SEC. 908. Title X of the Act, as redesignated by section 201(a) of this Act, is amended by adding at the end thereof the following new section:

"CONTINUITY OF INSTRUCTION GUARANTEE"

SEC. 1010. No local educational agency shall receive funds under this Act or under Title I of the Elementary and Secondary Education Act except that it has received individual pledges from each of its classroom personnel against strikes, work stoppages, or slowdowns or, alternatively, such a provision is included in any contract it may make with any organization representing such personnel.

(1) As used in this section, "local educational agency" shall include any unit receiving such funds and employing teachers.

(2) Any local education agency which is prevented from complying with this section because of the application of state law shall not be required to be in compliance with this section until 60 days following the close of the next regular session of the state legislature which commences after the effective date of this Act.

Mr. THOMPSON of New Jersey (during the reading). Mr. Chairman, we are familiar with the amendment offered by the gentleman from Louisiana (Mr. TREEN) and, therefore, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana (Mr. TREEN).

Mr. TREEN. Since the amendment was not read, permit me to explain it for a moment. It is a short amendment and adds a new provision to title X and is entitled "Continuity of Instruction Guarantee." It addresses itself to the problem of teachers' strikes, which we have had and which are growing in this country.

It provides two things, essentially; first, that no local school district may get funds under this act or under the ESEA unless the classroom personnel in that school district have either pledged in their contract not to strike or to bring about a work stoppage or, second, if their employment is governed by a collective bargaining agreement, that a provision to that effect is in the agreement.

It also provides—and this is for the States that have laws that might conflict with my amendment, and there are approximately four in that category—that these States will not be considered to be in noncompliance until 60 days following the next regular session of the legislature.

I think we need to address ourselves to the problem of teacher strikes in this country.

Mr. Chairman, let me say what this amendment does not do. This amendment does not deny to any person the right to organize, which I fully support. This amendment does not affect the right of organizations to collect dues, however that may be proper or legal in their districts. This amendment does not outlaw the closed shop. This amendment does not prohibit a group of teachers from organizing and having a collective bargaining representative and having that representative bargain with the school district.

Mr. Chairman, in my view teacher strikes are unconscionable. In the first place, most school districts cannot respond. It is not like industry, not like a company that can reduce its profits or raise prices in order to respond to labor demands. They are oftentimes in an absolutely impossible position insofar as responding to teachers' strikes is concerned.

Second, it is only the children who get hurt by teacher strikes. I think it is a terrible example to the young people of this country to have teachers fail to report when school opens or, worse yet, to go out after school is open for 5, 10, 15, and in some cases 44 days saying "We are not going to teach you until the board or the school authorities comply with our demands." That is the worst example of all to the youth of this Nation.

In addition to that, it affects many working mothers. There is no way for them to predict when their children are going to be home or not, so it affects them and their jobs.

Thirty-two States in varying degrees have outlawed or prohibited strikes. These legislatures stated they are opposed to teachers' strikes, and this includes some of the largest States. If you represent one of them, it seems to me you should approve this amendment because it reiterates what is in your State law. I will list them for your benefit. They are: Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Maine, Maryland, Massachusetts, Michigan, Minnesota, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New York, North Dakota, Ohio, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Vermont, Virginia, and Wisconsin. All say by legislative expression that teacher strikes are prohibited.

This bill actually does not prohibit teacher strikes but says that this Congress will not fund a school district under this act or under ESEA unless teachers agree to abide by the law in those States and agree further in other States that they will not strike and will not walk out.

I think it is time for this Congress to express its disgust with teacher strikes in this country.

The CHAIRMAN. The time of the gentleman has expired.

Mr. THOMPSON of New Jersey. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the rhetoric of the distinguished gentleman from Louisiana is really quite impressive until we examine it and see what is going to happen in each and every congressional district of this Nation, and in each and every school district in this Nation where, as a condition precedent to employment, the teacher has to pledge before he or she can be hired, "I will never strike. I will never walk out. I will never slow down."

Try to explain this to those teachers, try to answer the hundreds and thousands of them who will inundate you, and who will say, "We have working agreements."

Mr. ROUSSELOT. Mr. Chairman, if the gentleman will yield, has the gentleman ever been inundated?

Mr. THOMPSON of New Jersey. I have never been inundated, but the gentleman from California has, I know.

Here again, Mr. Chairman, I find myself in the unique position of being the defender of the rights of the States about their own laws. The gentleman from Louisiana (Mr. TREEN) would say something like this, "Notwithstanding the language existing in the act regarding prohibiting Federal interference, that the Federal Government shall set the conditions of employment of the teachers in each and every school district in this Nation entitled to aid under the Elementary and Secondary Education Act."

If it belongs anywhere, again, it belongs before the Subcommittee on Labor, which is discussing the right of public employees to strike; not in an education bill.

Mr. TREEN. Mr. Chairman, if the gentleman will yield, I presume the gentleman from New Jersey is either against teacher strikes, or is in favor of teacher strikes.

Mr. THOMPSON of New Jersey. I am in favor of all persons employed in any sector to have the right to bargain collectively.

Mr. TREEN. If the gentleman will yield still further, in the gentleman's State of New Jersey teacher strikes are prohibited. All we are saying, as far as the State of New Jersey is concerned, is that this Congress is not going to fund the school districts until——

Mr. THOMPSON of New Jersey. You are saying that any teacher who is hired in New Jersey, as a condition precedent to being hired, must sign a pledge never to strike, slow down, or walk out. And my teachers in New Jersey will not do that.

Mr. TREEN. I am saying that the teachers agree to teach for a certain term, for the term of that contract—and most school boards, as I understand, hire teachers on a 1-year basis, and under a 1-year contract, that they are going to teach the students for a year, and they will not strike.

Mr. THOMPSON of New Jersey. Mr. Chairman, I decline to yield further to the gentleman from Louisiana except to suggest to the gentleman that these contracts expire periodically, and under his proposal continued reemployment and the renewal of these contracts would cause teachers to be humiliated by signing an agreement that is patently absurd.

Mr. FORD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I shall not take the full 5 minutes, but I would like to call the attention of the Members of this body that existing law, which has been the law since 1965, when we first brought the Elementary and Secondary Act before the Members, states as follows:

PROHIBITION AGAINST FEDERAL CONTROL OF EDUCATION

SEC. 442. No provision of the Act of September 30, 1950, Public Law 874, Eighty-first Congress; the National Defense Education Act of 1958; the Act of September 23, 1950, Public Law 815, Eighty-first Congress; the Higher Education Facilities Act of 1963; the Elementary and Secondary Education Act of 1965; the Higher Education Act of 1965; the International Education Act of 1966; the Emergency School Aid Act; or the Vocational

> Education Act of 1963 shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, *or personnel of any educational institution, school, or school system,* or over the selection of library resources, textbooks, or other printed or published instructional materials by any educational institution or school system, or to require the assignment or transportation of students or teachers in order to overcome racial imbalance. (Emphasis added.)

The gentleman's amendment does not merely restrict the right to strike; it says that no local educational agency shall receive funds from the Federal Government until it has first received an individual pledge from each of its classroom personnel against strikes, work stoppages, or slowdowns. It does not deal with unions; it does not deal with strikes; it deals with a stituation that would not just require that new teachers take such a pledge, but every teacher in the country would have to walk in and sign such a pledge. If one single teacher in any one school district refused to sign this rediculous pledge—which does not even rise to the dignity of the pledges we saw during the McCarthy era—that school district would not qualify for title I funds.

Mr. CRANE. Mr. Chairman, I rise in support of the amendment.

Mr. TREEN. Mr. Chairman, will the gentleman yield?

Mr. CRANE. I yield to the gentleman from Louisiana.

Mr. TREEN. I thank the gentleman for yielding.

I think the gentleman from Michigan is somewhat misleading. Teachers are not going to have to walk in tomorrow and sign these. This will come up when their regular contract procedure comes up, and that would be in September of this coming year. As I understand it—I could be wrong—I do not know how this works in every district in the country, but I understand that the teachers have written contracts, and that they are on a 1-year basis. This would come up in approximately September of this year, assuming that this bill is ultimately passed, so that the teachers will come before these school districts and school authorities in order to have their contracts renewed and to write their contracts. So this is not onerous in that regard.

With respect to the gentleman's statements on the general education provisions about not interfering with curricula, I wish that were so. I wish that we did not interfere with curricula or administration, but we have done that. We do it many times in this bill itself. We have done it by adopting two amendments here today with regard to busing, with regard to racial balance. We are interfering with the administration of schools to that extent.

But my amendment does not prohibit a teacher from striking or from going out. It simply says that the school districts will get an agreement, a pledge, a solemn pledge, from these teachers that they will not walk out on these children during the school year, and these school districts must get that in order for this Congress to provide any funds for that school district.

I thank the gentleman for yielding.

Mr. CRANE. Mr. Chairman, I commend the gentleman for his amendment. I appreciate all of the arguments I have heard on this floor in opposition to the amendment representing the concerns of those who think, at least presumably, they are supporting the concept of the rights of teachers; but, on the other hand, I would urge all of the Members to consider the very essential point brought up by my colleague, the gentleman from Louisiana, and that is regarding the rights of unprotected children.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana (Mr. TREEN) to the committee substitute.

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. TREEN. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment to the committee substitute was rejected.

Mr. BADILLO. Mr. Chairman, I move to strike out the last word.

I should like to ask the chairman a question.

Mr. Chairman, I had prepared amendments designed to enhance and broaden the scope of the Bilingual Education Act, title VII of the bill before us. The amendments I am referring to would extend the act for 4 years instead of 3, with higher authorizations than those in the committee bill; establish a Bureau of Bilingual Education in USOE; expand the training of teachers for bilingual programs; and define the broad curriculum of cultural and historical studies required in any meaningful bilingual education program.

Mr. PERKINS. Will the gentleman yield?

Mr. BADILLO. I will be happy to yield to the distinguished chairman of the Education and Labor Committee.

Mr. PERKINS. Was the gentleman offering these amendments in response to testimony in the recent bilingual hearings?

Mr. BADILLO. The gentleman is correct. In 3 weeks of hearings in the General Subcommittee on Education, we have heard representatives of national education organizations and State departments of education from across the country testify to the inadequacy of Federal support for the more than 5 million children in our schools with limited English-speaking ability.

Mr. PERKINS. I agree with the gentleman that these hearings have strengthened the case for expansion of bilingual education programs. Will my colleague from New York agree that the low level of the administration's budget requests, including a cutback of $15 million in bilingual education funds for fiscal 1975, is an important part of the problem?

Mr. BADILLO. No question about it.

Mr. PERKINS. If the gentleman will yield further, I believe he knows that I have supported bilingual education and have made many efforts to get more funds released for the program. Ample evidence has been presented in the hearings to make a case for increased appropriations rather than less I hope that we can convince the administration of the importance of these programs. However, because the committee has not had time to study the gentleman's amendments, I would like to offer at this time my assurances that an expansion of bilingual education programs will be given full consideration in our deliberations for the remainder of the session, including during the conference on the pending legislation.

Mr. BADILLO. I recognize the gentleman's long-time support for bilingual education.

I thank the chairman.

Mr. YATES. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to ask a question of the chairman of the Education and Labor Committee concerning amendments to the Bilingual Education Act contained in H.R. 69.

Chairman PERKINS, some time ago I introduced a bill (H.R. 2490) which repeals the requirement now in the Bilingual Education Act that the only schools eligible for funds are those having children from families with incomes under $3,000 a year or from families receiving AFDC payments.

I did this because such a standard is unrealistic in a large city like Chicago. Almost all families in a large city—even the very poor—have incomes over $3,000, and few Spanish-speaking families place themselves on welfare.

As I understand the committee's amendment to the Bilingual Education Act, you have provided that if there are any of these very poor schools needing bilingual education within a school district they must be funded first; but then other schools needing bilingual education can be funded. Is that correct?

Mr. PERKINS. The gentleman is perfectly correct. The poorest schools must be funded first and then other schools can be funded in the order in which they are ranked as poor by the school district.

We have changed the law from saying that only the poor can be funded to saying that the poor must be funded first then others can be funded.

I would like to take this opportunity to commend the gentleman from Illinois for bringing this problem to our attention. Your dedication to expanding opportunities for bilingual education is well-known and respected.

Mr. YATES. And this is what will be followed with respect to the bilingual educational program.

Mr. PERKINS. The gentleman is exactly correct.

Mr. YATES. I thank the gentleman.

Mr. GROSS. Mr. Chairman, I move to strike the next to the last three words.

Mr. Chairman, I take this time to inquire about the $75,000 handout to each State to attend the White House conference, whatever that means.

Mr. PERKINS. Mr. Chairman, if the gentleman will yield, let me say that is the amendment that was put in the committee by the distinguished gentleman from Illinois (Mr. ERLENBORN) which provides for a White House Conference on Education.

Mr. GROSS. For what is the money to be spent? Is it for entertainment, wining and dining, otherwise known as representation allowance?

Mr. PERKINS I think the pattern along that line has been cut many years ago in connection with the White House conferences. Each State must have its own conferences before they come to Washington and that is the purpose of the expenditure of this money.

Mr. GROSS. It can go to $75,000 per State. Why do the States not take care of this?

Mr. PERKINS. We just put this in and followed the pattern of the last White House conference and there have been dozens of them. When we have a White House conference I think it will have to be promulgated from the Federal office.

Mr. GROSS. This can be spent for any purpose, is that right?

Mr. PERKINS. Only for the purpose specified for education at the State level.

Mr. GROSS. Is it not a fact of life that the States have balanced budgets and therefore more money than does the Federal Government for such purposes?

Mr. PERKINS. This will pay the expenses of the White House conference and the conferences at the State level.

Mr. GROSS. Who did the gentleman say requested this provision?

Mr. PERKINS. Well, the gentleman from Illinois (Mr. ERLENBORN), one of the distinguished Members of this body.

Mr. GROSS. But who importuned him to ask that $3,750,000 be authorized in this bill to provide for a White House conference in Washington, D.C.?

Mr. PERKINS. Well, he was involved in President Eisenhower's White House conference and he perhaps felt some good came from that.

Mr. GROSS. Well, all I have to say to the gentleman, this is outdoing the State Department in its representation allowances.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr GROSS. I yield to the gentleman from Michigan.

Mr. FORD. I am really pleased whenever the gentleman from Iowa and I are in such close agreement. The gentleman is asking exactly the same question I asked in the closed committee. If the gentleman could put together an amendment to strike this whole mess, I would be glad to support it.

Mr. GROSS. I wish I had known about this provision earlier. It is playing fast and loose with the taxpayers' money to authorize $75,000 for each of the 50 States or a total of $3,750,000 to organize delegations to send to Washington to lobby for more Federal aid to education.

The CHAIRMAN. Are there further amendments to this title? If not, the Clerk will read.

The Clerk read as follows:

TITLE XI—STUDY OF LATE FUNDING OF ELEMENTARY AND SECONDARY EDUCATION PROGRAMS

SEC. 1001. (a) The Commissioner of Education shall make a full and complete investigation and study to determine—

(1) the extent to which late funding of Federal programs to assist elementary and secondary education, handicaps local educational agencies in the effective planning of their education programs, and the extent to which program quality and achievement of program objectives is adversely affected by such late funding, and

(2) means by which, through legislative or administrative action, the problem can be overcome.

(b) Not later than one year after the date of enactment of this Act, the Commissioner of Education shall make a report to the Congress on the study required by subsection (a), together with such recommendations as he may deem appropriate.

Mr. PERKINS (during the reading). Mr. Chairman, I ask unanimous consent that this title be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The CHAIRMAN. Are there amendments to this title? If not, the Clerk will read.

The Clerk read as follows:

TITLE XII—STUDY OF NEED FOR ATHLETIC TRAINERS IN SECONDARY SCHOOLS AND INSTITUTIONS OF HIGHER EDUCATION

SEC. 1101. (a) The Secretary of Health, Education, and Welfare (hereinafter referred to as the "Secretary") shall make a full and complete investigation and study to determine—

(1) the number of athletic injuries and deaths occurring in athletic competition between schools and in any practice session for such competition, for the twelve-month period beginning sixty days after the date of enactment of this Act;

(2) the number of athletic injuries and deaths occurring (for the twelve-month period under paragraph (1) (a) at each school with an athletic trainer, at the time of such death or injury, who is certified by the National Athletic Trainers Association (hereinafter in this section referred to as "certified trainer") and (b) at each school with an athletic trainer, at the time of such death or injury, who is not certified by the Association (hereinafter in this section referred to as "noncertified trainer");

(3) the number of schools which have a certified trainer during the twelve-month period under paragraph (1);

(4) the number of schools which have student and nonstudent noncertified trainers during the twelve-month period under paragraph (1);

(5) the period of time required before a certified trainer could reasonably be available for all of the schools which have only a noncertified trainer pursuant to paragraph (4);

(6) the estimated cost to the schools included in paragraph (5) for having a certified trainer for each of the three fiscal years beginning with the first full fiscal year immediately following the period of time under paragraph (5); and

(7) appropriate certification procedures for athletic trainers for schools, such procedures to be formulated in consultation with appropriate professional organizations (including the National Athletic Trainers Association).

(b) Within fifty days after the date of enactment of this Act, the Secretary shall request each school to maintain appropriate records to enable it to compile information under paragraph (1)-(4) of subsection (a) and shall request such school to submit such information to the Secretary immediately after the twelve-month period beginning sixty days after the date of enactment of this Act. Not later than eighteen months after the date of enactment of this Act, the Secretary shall make a report to the Congress on the study required by subsection (a), together with such recommendations as he may deem appropriate. In such report, all information required under each paragraph of subsection (a) shall be stated separately for the two groups of schools under clauses (1) and (2) of subsection (c), except that the information shall also be stated separately (and shall be excluded from the group under clause (2)) for institutions of higher education which provide either of the two year programs included under section 1001(e)(3) of the Elementary and Secondary Education Act of 1965.

(c) For the purposes of this section, the term "school" means (1) any secondary school or (2) any institution of higher education, as defined in section 1001 of the Elementary and Secondary Education Act of 1965.

SEC. 1102. For the purposes of this title there is authorized to be appropriated the sum of $75,000.

Mr. PERKINS (during the reading). Mr. Chairman, I ask unanimous consent that this title be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The CHAIRMAN. Are there amendments to this title?

If not, the Clerk will read.

The Clerk read as follows:

TITLE XIII—SAFE SCHOOL STUDY

SEC. 1201. (a) The Secretary of Health, Education, and Welfare (hereinafter referred to as the "Secretary") shall make a full and complete investigation and study to determine—

(1) the incidence of crime and violence in elementary and secondary schools including trends and projections over the five-year period ending June 30, 1974. For the purposes of this paragraph, "crime and violence" means such serious criminal, violent, or disruptive behavior as the Secretary shall determine;

(2) the number and geographic location of schools, by school district and by State, affected by crime, and the rate of offenses per student population in such school districts by categories as provided in paragraph (1);

(3) the costs associated with the incidence of such crime and violence as defined by the Secretary including repair and replacement of property, expenses for the prevention of crime and violence, and the loss of staff and student time in schools;

(4) the effect of school security programs on the prevention and deterrence of such crimes and violence, and the effects such programs have upon learning and the relationship of the school to the community. For the purpose of this paragraph, school security programs include but are not limited to the use of guards, identification procedures, and technical devices;

(5) the effect of educational programs on

the prevention and deterrence of such crimes and violence.

(6) the relationships between school crime and violence in the larger urban areas selected by the Secretary and—

(A) the presence of unauthorized persons in such schools;

(B) the presence of youth groups in or around such schools;

(C) the incidence of crime and violence in the general geographic area of such schools;

(D) the incidence of narcotics traffic in and around such schools; and

(E) other sociological or psychological factors which may be causes of school crime and violence.

(b) Within thirty days after the date of the enactment of this Act, the Secretary shall request each State education department to take the steps necessary to establish and maintain appropriate records to facilitate the compilation of information under section 2, and to submit such information to him no later than seven months after the date of enactment of this Act. In conducting this study, the Secretary shall utilize data and other information available as a result of any other studies which are relevant to the purposes of this Act. Not later than thirteen months after the date of the enactment of this Act, the Secretary shall make a report to the Congress on the study required by section 2, together with such recommendations as he may deem appropriate. In such report, all information required under each paragraph of section 2 shall be stated separately and be appropriately labeled, and shall be separately stated for elementary and secondary schools, as defined in sections 1001 (c) and (d) of the Elementary and Secondary Education Act of 1965. The Secretary may reimburse each State education department for the amount of expenses incurred by it in meeting the requests of the Secretary under this section.

(c) There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this title.

Mr. PERKINS (during the reading). Mr. Chairman, I ask unanimous consent that this title be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The CHAIRMAN. Are there any amendments to this title? If not, the Clerk will read.

The Clerk read as follows:

TITLE XIV—WHITE HOUSE CONFERENCE ON EDUCATION

AUTHORITY TO CALL CONFERENCE

SEC. 1301. The President of the United States is authorized to call and conduct a White House Conference on Education in 1975 in order to stimulate a national assessment of the condition, needs, and goals of education and to obtain from a broadly representative group of citizens a report of findings and recommendations resulting from such assessment.

SCOPE OF THE CONFERENCE

SEC. 1302. (a) In carrying out the purposes of this title, participants in conferences and other activities at local, State, and Federal levels should consider all matters which they believe relevant to the broad purpose of the program, but should give special consideration to the following:

(1) Preschool education (including child care and nutritional programs), with special attention to the needs of disadvantaged children.

(2) Financing of education.

(3) The adequacy of primary education in providing all children with the fundamental skills of communication (reading, writing, spelling, and other elements of effective oral and written expression) and arithmetic.

(4) The place of occupational education (including education in propriety schools) in the educational structure and the role of vocational-technical education in assuring that the Nation's requirements for skilled manpower are met.

(5) The structure and needs of higher education, including methods of providing adequate levels of institutional support and student assistance.

(6) The adequacy of education at all levels in meeting special needs of individuals (such as the mentally or physically handicapped, economically disadvantaged, racially or culturally isolated, those who need bilingual instruction, or those who because they are exceptionally talented or intellectually gifted are badly served by regular school programs).

(b) Participants in conference activities at the State and local levels may choose to narrow the scope of their deliberations to the educational problems which they consider most critical in their respective areas, but nevertheless should be encouraged by the National Conference Committee (established pursuant to section 1303) to view such problems in the context of the total educational structure.

NATIONAL CONFERENCE COMMITTEE

SEC. 1303. (a) There is hereby established a National Conference Commitee (hereinafter referred to as the "Committee") which shall consist of thirty-five members, fifteen of whom shall be appointed by the President, ten by the President pro tempore of the Senate, and ten by the Speaker of the House. The Committee shall at its first meeting select a Chairman and Vice Chairman.

(b) The Commitee shall provide overall guidance and planning for the 1975 White House Conference on Education, may provide such assistance as it deems desirable in the organization of local and State conference activities preceding the White House conference, and shall be responsible for rendering a final report (and such interim reports as may be desirable) of the results, findings, and recommendations of the conference to the President and to the Congress not later than December 1, 1975.

(c) The Secretary of Health, Education, and Welfare, and the Commissioner of Education, shall each support the activities of the Committee through the provision of technical assistance and advice and consultation.

(d) Members of the Committee shall serve without compensation, but may receive travel expenses (including per diem of subsistence) as authorized by section 5703(b) of title 5, United States Code, for persons in the Government service employed intermittently, while employed in the business of the Committee away from their homes or regular places of business.

(e) The Committee is authorized to select without regard to the provisions of title 5, United States Code, governing appointments in the competitive civil service, and without regard to chapter 57 and subchapter 111 of chapter 53 of such title, relating to classification and General Schedule pay rates, a Conference Director and such supporting professional and clerical personnel as may be necessary to assist in carrying out its functions under this Act.

GRANTS TO STATES

SEC. 1304. (a) From the sums appropriated pursuant to section 1205 the Commissioner of Education is authorized to make grants to the States, upon application of the Governor thereof, to assist in meeting the costs of State participation in the White House Conference program (including the conduct of conferences at the State and local levels).

(b) Grants made pursuant to subsection (a) shall be made after consultation with and with the approval of the Chairman of the Committee, and funds appropriated for this purpose shall be apportioned among the States on an equitable basis, except that a basic apportionment of $25,000 shall first be made to each State, and no State shall receive an apportionment of more than $75,000.

AUTHORIZATION OF APPROPRIATIONS

SEC. 1305. There is hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this title, and sums so appropriated shall remain available for expenditure until June 30, 1976.

DEFINITION OF STATE

SEC. 1306. For the purposes of this title, the term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands.

Mr. PERKINS (during the reading). Mr. Chairman, I ask unanimous consent that this title be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

AMENDMENT OFFERED BY MR. GUDE TO THE COMMITTEE SUBSTITUTE

Mr. GUDE. Mr. Chairman, I offer an amendment to the committee substitute.

The Clerk read as follows:

Amendment offered by Mr. GUDE to the committee substitute: Page 141, after line 24, insert the following:

TITLE XV—PROTECTION OF RIGHTS OF PARENTS AND PUPILS

SEC. 1501. Meetings of local educational agencies, as defined in section 801(f) of the Act, at which any research or experimentation program or project or pilot project assisted under the Act will be considered shall be open to the public and shall provide, after reasonable notice of the time and place of such meeting, a reasonable opportunity for interested members of the public to testify with respect to such program or project. As used in this section, "research or experimentation program or project or pilot project" means any program or project designed to explore or develop new or unproven teaching methods or techniques.

Mr. GUDE. Mr. Chairman, this is the so-called sunshine amendment adapted to any meetings of local school boards where consideration is being made of federally funded programs or projects designed to explore or develop new or unproven teaching methods or techniques. It guarantees to parents that due notice will be given of such meetings, that the meetings will be open to the public and there will be the opportunity for interested parties to testify.

Mr. PERKINS. Mr. Chairman, will the distinguished gentleman from Maryland yield to me?

Mr. GUDE. Mr. Chairman, I yield to the gentleman from Kentucky.

Mr. PERKINS. Mr. Chairman, there is no objection on the part of the committee to accepting the gentleman's amendment. In fact, I feel that these meetings should be open, and I hope that we spend no further time on this particular amendment.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. GUDE. Mr. Chairman, I yield to the gentleman from Minnesota.

Mr. QUIE. Mr. Chairman, I concur in the statement of the gentleman from Kentucky.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland (Mr. Gude).

The amendment was agreed to.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. LANDGREBE FOR THE COMMITTEE SUBSTITUTE

Mr. LANDGREBE. Mr. Chairman, I offer an amendment in the nature of a substitute for the committee substitute.

The Clerk reported the amendment in the nature of a substitute for the committee substitute as follows:

Amendment in the nature of a substitute offered by Mr. Landgrebe for the committee substitute: Page 25, strike out line 22 and all that follows through page 141, line 24, and insert in lieu thereof the following:

That this Act may be cited as the "Freer Schools Act of 1974".

Sec. 2. Section 102 of title I of the Elementary and Secondary Education Act of 1965 is amended by striking out "1973" and inserting in lieu thereof "1977".

(b) Section 143(a) (1) of title I of such Act is amended by adding at the end thereof the following new sentence: "There is authorized to be appropriated to carry out this title, not to exceed $1,810,000,000 for the fiscal year ending June 30, 1974, $1,357,500,000 for the fiscal year ending June 30, 1975, $905,000,000 for the fiscal year ending June 30, 1976, and $452,500,000 for the fiscal year ending June 30, 1977."

Sec. 3. Section 141(a) (1) (A) of title I of the Elementary and Secondary Education Act of 1965 is amended to read as follows: "(A) which are designed to improve the basic cognitive skills (particularly in reading and mathematics or reading readiness and mathematics readiness) of students who have a marked deficiency in such skills and".

Sec. 4. Section 303(b) of the Elementary and Secondary Education Act of 1965 is amended by inserting after "section 301 shall" the following: ", subject to subsection (d),".

(b) Section 303 of such Act is further amended by adding at the end thereof the following:

"(d) Funds appropriated pursuant to section 301 shall be available only for the support of programs or projects designed to assist in the cognitive development of students, as opposed to their social development or behavioral modification."

Sec. 5. Title VIII of the Elementary and Secondary Education Act of 1965 is amended by adding at the end thereof the following new sections:

"PROTECTION OF PUPIL RIGHTS

"Sec. 812. (a) Nothing in this Act, or in title I of the Elementary and Secondary Education Act of 1965, shall be construed or applied in such a manner as to infringe upon or usurp the moral or legal rights or responsibilities of parents or guardians with respect to the moral, emotional, or physical development of their children.

"(b) Nothing in this Act, or in title I of the Elementary and Secondary Education Act of 1965, shall be construed or applied in such a way as to authorize the participation or use of any child in any research or experimentation program or project, or in any pilot project, without the prior, informed, written consent of the parents or legal guardians of such child. All instructional material, including teachers' manuals, films, tapes, or other supplementary instructional materials which will be used in connection with any such program or project shall be available for review by the parents or guardians upon verified request prior to a child's being enrolled or participating in such program or project. As used in this subsection, 'research or experimentation program or project, or pilot project' means any program or project designed to explore or develop new or unproven teaching methods or techniques.

"(c) No program shall be assisted under this Act, or under title I of the Elementary and Secondary Education Act of 1965, under which teachers or other school employees, or other persons brought into the school, use psychotherapy techniques such as group therapy or sensitivity training. As used in this subsection, group therapy and sensitivity training mean group processes where the student's intimate and personal feelings, emotions, values, or beliefs are openly exposed to the group or where emotions, feelings, or attitudes are directed by one or more members of the group toward another member of the group or where roles are assigned to pupils for the purpose of classifying, controlling, or predicting behavior.

"FREEDOM OF CHOICE

"Sec. 813. No local education agency shall be eligible to receive assistance under this Act if employment, or continued employment, of any teacher or administrator in its schools is conditioned upon membership in, or upon payment of fees to, any organization including, but not limited to, labor organizations and professional associations."

Sec. 6. The first sentence of section 301(b) of the Elementary and Secondary Education Act of 1965 is amended by inserting before the period at the end thereof the following: ", $171,393,000 for the fiscal year ending June 30, 1974, and $86,696,500 for the fiscal year ending June 30, 1975".

Mr. LANDGREBE. Mr. Chairman, I will not belabor the points which I made in opposition to the committee bill, but I have taken this opportunity to offer the substitute amendment that I offered to the committee last October. That bill has been printed in the Record and has been given a considerable amount of publicity around the congressional offices.

Mr. Chairman, I have amended that bill by adding the Ashbrook busing amendment which just passed here a little while ago. The substitute I offer now, would phase out ESEA over a 4-year period; phase out title II over a 2-year period.

It would restrict title I programs to basic cognitive skills, particularly reading and math. It would restrict title III to cognitive skills, as opposed to atheistic and humanistic theories which are being foisted on our boys and girls through that title.

It asserts moral and legal rights of parents with respect to the development of their children. It requires parental permission for participation in experimental programs. It prohibits the use of psychotherapy and sensitivity training. It prohibits the requirement for teachers and school employees to join any organization or teacher's union.

It does not contain the horrendous $15 million authorization for study of the purposes of compensatory education, which was authorized in the bill to be handled by this NIE, the very new National Institute of Education. I cannot believe it was founded for that purpose. Nor does it include the unconstitutional passthrough of funds to private and parochial schools as was written into the bill that we have under consideration. Nor does it have any funds at all for a White House conference.

So, without belaboring the point, I do want to remind the Members that there has been a considerable amount of interest in our educational problems in the last few years, certainly reflected by the thousands of letters which I have received, in the news editorials and so forth. So I certainly invite and urge everyone to support this substitute, and let us get education back where it belongs, back in the States and back in the local schools, and certainly again under the control of the parents and taxpayers.

Mr. TREEN. Mr. Chairman, will the gentleman yield for a question?

Mr. LANDGREBE. I yield to the gentleman from Louisiana.

Mr. TREEN. Mr. Chairman, I understand the amendment in the nature of a substitute offered by the gentleman would phase out all programs under ESEA over a 4-year period?

Mr. LANDGREBE. Over a 4-year period, right.

Mr. TREEN. Mr. Chairman, I wish to applaud the gentleman for this stand, and I will point out the fact that a number of us have introduced a bill recently that would phase out the Federal tobacco tax over a 4-year period for the purpose of permitting the States to have a source of revenue which they could use to provide for their educational needs. And that amounts to $2.3 billion per year.

So this amendment would certainly complement that legislation and phase out that tax and thereby permit the States to pick up that revenue and provide for their own educational needs rather than have the Federal Government provide it.

Mr. LANDGREBE. Mr. Chairman, I will say that I would certainly support the gentleman's bill if I had an opportunity to do so.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. LANDGREBE. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, I would like to commend the gentleman in the well, and I wish to point out that I was a cosponsor with the gentleman from Indiana of H.R. 13222, which is now the substitute, and also a cosponsor of the act calling for the repeal of the tobacco tax, which would make funds available for States.

Mr. Chairman, I think the adoption of the substitute would accomplish the purpose of putting education back where it belongs, in the State and local governments.

Mr. PERKINS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I will only say that we have marched up and down this hill before.

I will say to the Members that the amendment in the nature of a substitute should be defeated.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from Indiana (Mr. Landgrebe) for the committee substitute.

The amendment in the nature of a substitute for the committee substitute was rejected.

AMENDMENT OFFERED BY MR. DULSKI TO THE COMMITTEE SUBSTITUTE

Mr. DULSKI. Mr. Chairman, I offer an amendment to the committee substitute.

The Clerk read as follows:

Amendment offered by Mr. DULSKI to the committee substitute: page 141, immediately after line 24, add the following new title:

TITLE XIV—ETHNIC HERITAGE PROGRAM

SEC. 1401. The Act is amended by adding at the end thereof the following new title:

"TITLE XI—ETHNIC HERITAGE PROGRAM

"STATEMENT OF POLICY

"SEC. 1101. In recognition of the heterogeneous composition of the Nation and of the fact that in a multiethnic society a greater understanding of the contributions of one's own heritage and those of one's fellow citizens can contribute to a more harmonious, patriotic, and committed populace, and in recognition of the principle that all persons in the educational institutions of the Nation should have an opportunity to learn about the differing and unique contributions to the national heritage made by each ethnic group, it is the purpose of this title to provide assistance designed to afford to students opportunities to learn about the nature of their own cultural heritage, and to study the contributions of the cultural heritages of the other ethnic groups of the Nation.

"ETHNIC HERITAGE STUDIES PROGRAMS

"SEC. 1102. The Commissioner is authorized to make grants to, and contracts with, public and private nonprofit educational agencies, institutions, and organizations to assist them in planning, developing, establishing, and operating ethnic heritage studies programs, as provided in this title.

"AUTHORIZED ACTIVITIES

"SEC. 1103. Each program assisted under this title shall—

"(1) develop curriculum materials for use in elementary and secondary schools and institutions of higher education relating to the history, geography, society, economy, literature, art, music, drama, language, and general culture of the group or groups with which the program is concerned, and the contributions of that ethnic group or groups to the American heritage;

"(2) disseminate curriculum materials to permit their use in elementary and secondary schools and institutions of higher education throughout the Nation;

"(3) provide training for persons using, or preparing to use, curriculum materials developed under this title; and

"(4) cooperate with persons and organizations with a special interest in the ethnic group or groups with which the program is concerned to assist them in promoting, encouraging, developing, or producing programs or other activities which relate to the history, culture, or traditions of that ethnic group or groups.

"APPLICATIONS

"SEC. 1104. (a) Any public or private nonprofit agency, institution, or organization desiring assistance under this title shall make application therefor in accordance with the provisions of this title and other applicable law and with regulations of the Commissioner promulgated for the purposes of this title. The Commissioner shall approve an application under this title only if he determines that—

"(1) the program for which the application seeks assistance will be operated by the applicant and that the applicant will carry out such program in accordance with this title;

"(2) such program will involve the activities described in section 1103; and

"(3) such program has been planned, and will be carried out, in consultation with an advisory council which is representative of the ethnic group or groups with which the program is concerned and which is appointed in a manner prescribed by regulation.

"(b) In approving applications under this title, the Commissioner shall insure that there is cooperation and coordination of efforts among the programs assisted under this title, including the exchange of materials and information and joint programs where appropriate.

"ADMINISTRATIVE PROVISIONS

"SEC. 1105. (a) In carrying out this title, the Commissioner shall make arrangements which will utilize (1) the research facilities and personnel of institutions of higher education, (2) the special knowledge of ethnic groups in local communities and of foreign students pursuing their education in this country, (3) the expertise of teachers in elementary and secondary schools and institutions of higher education, and (4) the talents and experience of any other groups such as foundations, civic groups, and fraternal organizations which would further the goals of the programs.

"(b) Funds appropriated to carry out this title may be used to cover all or part of the cost of establishing and carrying out the programs, including the cost of research materials and resources, academic consultants, and the cost of training of staff for the purpose of carrying out the purposes of this title. Such funds may also be used to provide stipends (in such amounts as may be determined in accordance with regulations of the Commissioner) to individuals receiving training as part of such programs, including allowances for dependents.

"NATIONAL ADVISORY COUNCIL

"SEC. 1106. (a) There is hereby established a National Advisory Council on Ethnic Heritage Studies consisting of fifteen members appointed by the Secretary who shall be appointed, serve, and be compensated as provided in part D of the General Education Provisions Act.

"(b) Such Council shall, with respect to the program authorized by this title, carry out the duties and functions specified in part D of the General Education Provisions Act.

"APPROPRIATIONS AUTHORIZED

"SEC. 1107. For the purpose of carrying out this title, there are authorized to be appropriated $15,000,000 for the fiscal year ending June 30, 1975. Sums appropriated pursuant to this section shall, notwithstanding any other provision of law unless enacted in express limitation of this sentence, remain available for expenditure and obligation until the close of the 90-day period immediately following such fiscal year.".

Mr. PERKINS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. DULSKI. Mr. Chairman, the purpose of this amendment is simply to extend the authorization for the Ethnic Heritage Studies Act by adding the substance of the previous title IX as a new title XIV.

H.R. 69 strikes this program, along with the correction education services program and the consumer education program, with the committee report stating that—

> It is felt that these programs generally can be funded under other Federal laws.

I would agree that it is possible, but I do not think it is probable.

Although the Ethnic Heritage Studies Act was authorized in ESEA in 1972, no appropriations were made available until H.R. 8877 was signed last December. A $15 million sum was authorized, but the appropriation for fiscal year 1974 was set at $2.5 million, and in the brief time since enactment, it has not yet been possible to complete naming the 15-person Advisory Council, or to publish the guidelines in the Federal Register—although that is due this week—consequently, no one has been able to apply for the program. Officials are cautiously optimistic about being able to meet the June 30, 1974, deadline and to commit the funds to eligible applicants, but it will be a tight squeeze. My amendment would also permit a 90-day extension of the June 30 cutoff date, to provide a reasonable but more orderly time period in which to obligate the funds.

I would like to quote the statement of policy in the Ethnic Heritage Program Act:

> In recognition of the heterogeneous composition of the Nation and of the fact that in a multiethnic society a greater understanding of the contributions of one's own heritage and those of one's fellow citizens can contribute to a more harmonious, patriotic, and committed populace, and in recognition of the principle that all persons in the educational institutions of the Nation should have an opportunity to learn about the differing and unique contributions to the national heritage made by each ethnic group, it is the purpose of this title to provide assistance designed to afford to students opportunities to learn about the nature of their own cultural heritage, and to study the contributions of the cultural heritages of the other ethnic groups of the Nation.

It may be feasible to provide assistance for these purposes under other existing programs, but this is a program designed with specific goals, rather than being scattered among various authorities which do not aim for the same common target. It has not been funded under other Federal laws in the past; no indication is given that it will be in the future.

The modest amount of money just appropriated has not been spent yet, so there is no way of assessing the act's value. I urge an extension of the authorization for the Ethnic Heritage Studies Act to permit time to evaluate its merit.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. DULSKI. I yield to the gentleman from New York.

Mr. KEMP. Mr. Chairman, I rise in support of my distinguished colleague from western New York (Mr. DULSKI) and this very vital amendment for our community and America.

The American heritage has been greatly enriched by the cultures, backgrounds and the traditions of the countries from which our forefathers emigrated.

But for too long, we have put too much faith in the "melting pot" theory of America while ignoring the potential of encouraging an emphasis on the diversity of our traditions and their contributions to our Nation as a whole.

To my knowledge, there are few communities in the United States, if any, which have a greater awareness of ethnicity than the Greater Buffalo area which Mr. Dulski and I have the privilege to represent.

The Buffalo Commission on Human Relations has published a booklet which chronicles the history of our area's nationality and racial groups, a scholarly work which I brought to my colleagues' attention on May 8, 1972.

I have consistently supported legislation to provide funding assistance for ethnic heritage studies in our education systems at the college and university levels as well as at the elementary and secondary levels as proposed by my good friend and colleague.

As a member of the House Education and Labor Committee, I commend Mr. Dulski for his amendment, pledge my personal support for it and call upon my colleagues to approve his proposal.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. Dulski) to the committee substitute.

The amendment to the committee substitute was rejected.

Mr. de la GARZA. Mr. Chairman, I move to strike the last word.

Mr. Chairman, bilingual education projects in the south Texas area I represent are in danger of being liquidated due to the 30-percent clause in ESEA bilingual regulations. Loss of these projects would be a tragedy for my area.

There is concentrated in my congressional district the greatest number of Spanish-surnamed people in the State of Texas—possibly in the entire Southwest. Obviously this is an area where a crying need exists for bilingual education. It is a need I have worked to help meet since the time when I was a member of the Texas legislature.

The net effect of the regulation limiting the amount of money that can go to school districts within any one State is to eliminate grants to small towns. My district is full of small towns which have projects that have been funded for 1 year—and now they cannot go into a second year because of the 30-percent limitation. The regulation will make it impossible to continue successful programs.

Mr. Chairman, I protest.

And I further protest the regulation issued by the Office of Education stating that no grant under this program can be made to any grantee for a period longer than 5 years. This is in violation of the law. The General Education Provisions Act specifically prohibits any limitation being placed on the use of funds in any Office of Education project unless that limitation is contained in the authorizing legislation.

The bilingual education program affects several million children throughout the country. Their educational progress is hindered or permanently impeded by their inability to understand instruction offered in English in the standard classroom and curriculum.

It is a program of tremendous importance. Yet it has received only nominal support from the Federal Government, from the first appropriation of $7.5 million in 1966 to $53 million in fiscal 1974—far below the level authorized by Congress. And the President has requested a cutback in the budget to $35 million next year, a disastrous setback for an urgently needed program.

Funds expended under the Bilingual Education Act are not wasted. They are a sound investment that will pay handsome dividends from both an economic and a social point of view. We simply cannot afford to add to the number of educationally disadvantaged people in this Nation.

Mr. Chairman, I would like to ask the chairman of the committee a question, if I might.

We have passed that section of the bill that relates to bilingual education, but it is my understanding this legislation continues that bilingual education section in its present form. However, there have been regulations issued or published by the Department of Education that are inconsistent with this legislation. Would the chairman like to comment on that?

Mr. PERKINS. Will the gentleman yield?

Mr. de la GARZA. I yield to the gentleman.

Mr. PERKINS. Let me say to my distinguished colleague he is correct. The regulations published, in my judgment, are inconsistent with the law. However, we have the bilingual education bill pending now before the committee and we hope to do something with it within the next few weeks. We are thoroughly considering this problem and hope to expand the bilingual education program in a separate piece of legislation.

Mr. de la GARZA. I thank the chairman.

Mr. BINGHAM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, with great reluctance I have decided to vote against the final passage of H.R. 69. There is much that is good in this bill, as I pointed out in my statement on the floor on March 12, including the strengthening of many categorical grant programs for libraries, handicapped students, and bilingual education. The bill also contains in title XII the Safe Schools Study Act which Congressman Bell and I introduced and the committee has adopted. I am hopeful that the Senate conferees will work with the House to retain these provisions.

However, there are two fatal flaws in this bill. The first is the formula for distributing the bulk of the funds authorized by the bill. Title I money under this bill will be taken away from New York and distributed to other States with the result that schools in New York will lose at least $50 million in vitally needed funds next year. Despite my efforts and those of other Members of the New York congressional delegation, the House rejected amendments which would have allowed a much more equitable distribution of funds. I cannot support a bill which so heavily and unfairly penalizes my State.

The second flaw is the antibusing provision adopted by the House as an amendment to H.R. 69 on March 26. This amendment would deprive local school districts of the right to use busing even if they felt it was necessary and desirable; it would turn back the clock and undo much of the progress that has been made in integrating the Nation's schools and giving all students regardless of color an equal opportunity for a quality education. It does these things in a clearly unconstitutional manner, denying the constitutional guarantee of equal protection under the law and attempting to reverse by statute court decisions based on the Constitution. I can only hope that the Senate will show more wisdom than the House and resist this provision.

Mr. ASHBROOK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the matter of Federal funding for education is not, to borrow a phrase from the practice of law, a case of first impression. Federal funding, whether stemming from the authorizations and appropriations under the Elementary and Secondary Education Act—ESEA—or one of the other numerous Federal vehicles, is now a practice well familiar to educators. The act which we are presently considering has been in force for almost a decade. Even though funding is now well established in practice, it is not, to use another legal phrase, a settled question. In fact, the experience has raised new and important questions which were not debated in previous years.

To some, the beneficence of Federal funds for education is only in the remotest way connected to questions of education. For them, the legislative objective is to transfer to the Federal Government crucial authority over local practices. Their concern for education is real; however, the purpose in seeking these funds is built upon a deep distrust of the ability of local institutions to achieve an acceptable level of performance. It was their purpose to transfer responsibility. Further, advocates of this position are intent upon making the political impact of Washington-based associations more significant. If decisionmaking is centralized it becomes much easier, perhaps inevitable, that full-time bureaucracies, private and public, will play a relatively more important role in decisions which affect the future. There is probably no clearer example of this tendency of centralization than in the field of education where private associations and their employees are dependent to a large extent for their power on the ability to use public money to perpetuate their own position.

How have they fared? Unfortunately, quite well. The practical effect can be seen whenever a federal agent informs the decisionmakers of a local school district that its Federal funds are about to be cut off. Although the Federal funds represent only a small portion of a school district's total budget, it is in practice a crucial portion, giving the Federal Government an important, if not complete, lever over local decisions. The possibility that funds might be withdrawn is so threatening to local operations that compliance, normally voluntarily, follows. To the extent that Federal funds were intended to diminish the latitude available to local planners, the program can be judged successful.

It is interesting to note that not all who sought Federal funding did so out of a distrust for local institutional ability. Many, perhaps most, sought Federal involvement as a means to genuinely expand the latitude of local educational organizations through the availability of theretofore untapped resources, that is the Federal Treasury. Advocates, including our distinguished colleague (Mrs. Green of Oregon) are now agonizing over what has happened. It was not their intent to subvert local institutions; rather their intent was to illuminate them and make their operation easier by the access to additional revenue sources. Many, including Mrs. Green, are now very disturbed to have witnessed what the Federal Government has done to local schools. Those advocates are today urging that Federal aid continue as a funding source but that reforms be adopted at once which would prevent the Federal administrators from making their opinions local judgment. It is sad to note that the bill which we are presently considering is silent on this most important question.

As has been suggested, there have been real structural changes in the decisional systems. That is not the only criteria needed for review, however. The question of improved quality, which the well-intentioned advocate of increased Federal responsibility sought, must be asked. Did Federal funds help, directly or indirectly, to bring about a better education for those of the Nation's students touched by the funds pursuant to the ESEA? If the question is correctly answered in the negative then the Congress had better review carefully what it has done and proposes to continue.

What is the condition of American education? Has it improved in the last years, especially since Federal intervention became a reality? There are few, unfortunately, who would answer in the affirmative. There are not many days which go by where there is not a major news story, from somewhere in the Nation, which reports a decline in educational performance. If this is true nationally, and that seems to be the case, it is even truer for the young people in the inner cities where public education is in shambles.

A report last year in the New York Times noted that all but two of the city's schools reported declining scores on their reading tests. In Chicago, the Daily News found the same thing to be true, except that what was true about reading was also true about math. The College Entrance Examination Board—CEEB—has reported that for most of the past 10 years the average score of tested students has been falling. This is true, even though less students are taking the examination.

One can conclude that there has been an absolute drop in the educational level of the cream of graduated high school students. In many cities the schools are often akin to armed camps, complete with policemen to guard the traffic of students between one class and another. And what is the Federal Government's response? The bill we have before us.

The Elementary and Secondary Education Act provides hundreds of millions for all sorts of educational programs; but one gets the distinct impression that fundamentals are ignored. This is a tragedy for two reasons: First, frills are very diversionary. Second, when the Federal Government provides money for nonfundamental education it is creating a market demand for it. Local educators would probably not otherwise be attracted to these esoteric adventurers. The provision of Federal funds serves as a magnet for ambitious school administrators who wish to report to their boards that they have been doing well. The evidence? Another Federal grant for another program.

To the extent that time and resources encourage movement in this direction, which is away from fundamentals, then the Federal Government is serving as a negative influence in the effort to establish quality education for the students. Expanded State educational administrations may make it appear that there is progress but falling test scores, increasing functional illiteracy and student boredom tell another story.

The full critique of the Elementary and Secondary Education Act would require a thorough review of contemporary educational practices, theories and problems. It is beyond the purpose of these short remarks to fully explore them, although it is essential that this task be undertaken, not by would-be Federal program administrators, but by persons whose future is not dependent upon finding the current programers and planners effective. Those who would be the vested interests of present education need to be reviewed and challenged; just like anyone else. It is clear that little real oversight of ESEA has been accomplished.

WHAT DIRECTION EDUCATION?

Few people really worry about the direction of education. I am convinced that the best direction will be achieved by maximizing local control of schools. The worst possible direction will be accomplished by giving Federal bureaucrats more and more say on curriculum, sociological experimentation and faddism.

Traditionally public schools in the United States have provided what may be termed basic education; teaching the student the basic skills—reading, writing, mathematics—needed to think and acquire knowledge, and teaching the student the basic facts—of history, geography, government, et cetera—needed to form the foundation of the student's knowledge. In other words, education in the public schools was aimed at a student's cognitive development—at providing a student with the ability and factual knowledge necessary to think independently.

Historically public schools have not attempted to change or affect a student's values. Until recently, "educational" practices and programs which attempt to change a student's values and beliefs are termed affective—as opposed to cognitive. It is certainly true that certain values and beliefs are implicit in basic education. But affective education goes beyond presenting various values and beliefs, allowing the student to make up his own mind about which are true; it attempts to change the values a child may have. For example, behavior modification programs are designed to "modify," that is, to change, a child's behavior so that he acts in accordance with certain norms prescribed by whoever designed the program.

Many programs funded under title III of ESEA can be classified as affective: Programs in behavior modification, programs utilizing sensitivity training and other psychotherapeutic techniques, programs in "child advocacy"—encouraging the child to question and disagree with the values held by his or her parents.

For example, consider the following description of a program funded under title III, ESEA, listed on page 474 of *Pacesetters in Innovation* published by the U.S. Office of Education:

> Sex education will be introduced into the kindergarten through eighth grade curriculum for students in a rural area. Emphasis will be placed upon presenting information on human sexuality through an interdisciplinary approach to enhance the personal and social adjustment of the participating children. Sex information will be systematically integrated into academic subjects in the regular curriculum. Special learning situations will be constructed to facilitate student development in the areas of—(1) Achievement of sexual identity, (2) skill in the sex-linked social roles, and (3) capacity to have meaningful relationships with members of the opposite sex. Social interaction in small group situations will be stressed. Adults and children in grades K–5 will be involved in intrinsically interesting/productive activities both in the classroom and out of doors. Both a male and female adult will be present to guide the activities of the groups. Small-group counseling will be offered to sixth, seventh, and eighth grade students. Student groupings will be predominately unisexual, so that children will be able to discuss many of the problems which are of concern to the preadolescent . . .

Is this kind of stuff appropriate for kindergarten and grade school students? What if the parents object to having their children "socialized" in this manner? What of the child's right to privacy?

Should the public schools limit their programs to those providing basic education, allowing the student to choose his or her own values based upon what he or she has learned from parents and in school? Or should the public schools attempt to change the values of its students by providing programs in affective education?

These brief remarks cannot possibly touch on the various areas of Federal involvement which have been questionable at best. Again, I repeat one simple maxim: Leave control in the hands of local educators and school boards.

SOME RANDOM CRITIQUES

If a full review is not intended, a number of random points can be made. While we find nationally serious deficiencies in the learning level of basic reading and arithmetic skills, the Federal Government is providing more than $50,000,000 annually for bilingual education. After numerous studies that question the efficacy of compensatory education the Congress is now asking that the National Institute of Education—NIE—study the question. Furthermore, even without knowing the value of the program, the Congress is being asked to direct NIE to find new ways to distribute compensatory educational funds.

There is a subsidiary question regarding any evaluation studies of compensatory education. It is a national scandal the way the Federal Government asks itself whether its programs are successful. While independent studies often find varied and complex answers, the Federal evaluators by judging their own ideas and performance issue reports which more often than not would have the Congress and taxpayer believe that all is right and in order. I personally have serious reservations about the effectiveness and propriety in having the agency charged with administering a program, in turn evaluating it. It is too easy to establish an evaluative design which fails to ask fundamental questions about progress and attained results. Further, insufficient evaluation models, structured by the objectives of the administrators and not the Congress, yield evaluations which are in substance irrelevant. The legal services evaluation, for example, carried out by the GAO, employed a model designed by the program employees. GAO found the program worthy, but did so from the framework of the legal services administrators. The results are at best misleading.

Further, there are few who are not aware that there is a considerable oversupply of elementary and secondary educators. And yet there will be funds for teacher training. This is all done without any reference to the problems which have developed, especially for experienced teachers, because of the oversupply. But the Federal Government continues to encourage increasing supply by providing these training funds. With the oversupply, there is no need for this money. It is not just wasteful, but also hurtful by encouraging a waste of valuable professional resources in fields where there is already sufficient numbers and talent. Training to gain additional skills will automatically be undertaken by those seeking employment. This provision perpetrates a cruelty on those induced into the training and is unfair to those already possessing the teacher skills.

But for all these random concerns there is one which is even more disturbing. Through this bill we authorize almost $15 million a year to provide the States which come up with approved plans to tinker with their educational institutions.

This paid-for innovation, done with no purpose beyond innovation per se, has proved to be most ill-advised. Many of the programs and experiments created because there are Federal bucks available for them have actually hurt education of quality and those for whom all this is being considered—the children.

Experiments in team teaching has produced disorientation among many small children. The single teacher, as a much-needed mother or father substitute, is beginning to be reestablished, but only after Federal dollars sent local districts scrambling after teaching teams and other innovative techniques.

Faddish methodologies are tried, under the incentive that the Federal Government will pick up the tab. And while they are not always unsuccessful, let us look to the two most known by the public because of the extensive experimentation. The first is the move away from phonics as the method to learn to read. Only now is the trend well established away from the so-called look-and-say method of Dick and Jane readers. But what about the thousands, probably millions, of young people on whom the greatest experiment was tried only to be found less effective than traditional practices? It is time we stop treating the children as line items in a formula of what Mrs. Green has so aptly identified as the "educational informational industrial complex." Of course, nonphonic reading methods were not the fault of the Federal Government. They were introduced before this ESEA program was established. However, what is necessary is for this Congress to understand that millions of dollars for innovation for its own sake may very well hurt the children involved.

The headlong drive toward the "new math" is another example. After several years of fanciful rhetoric implying that third graders would be doing calculus we are finding out that they cannot add. The "new math" is now passé. But how much in Federal dollars went to further this innovation? Also, how many other, less well known, "innovations" have actually hurt schoolchildren? The day should be long passed that we believe that innovation is per se good. If anything the presumption should go to the traditional practices. Experience, refined through practice and tested by time, is usually the most dependable way in which methods are established. Central planners, whether it is in economics or educational pedagogy, do not have records in which much faith can be placed.

Let us assume for a moment that the only purpose of this bill is to provide needed resources to school districts too poor to provide a minimum educational opportunity to the young people within that jurisdiction. If one depended on the rhetoric, he could safely conclude that that is the objective. Unfortunately it is not.

William F. Buckley, Jr., in his most recent book, "Four Reforms," revives a proposal he and others have made in recent years. That is, all Federal aid programs whose purpose is to help fill a resources gap of a given locality should be limited to those States where the per capita wealth is below the national average. All States have districts and counties who fall below the average level, those States above the line should be expected to provide the resources to close the gap. The amount of money and mischief realized by passing hundreds of millions through the Federal turnstyle is too heavy a burden to place on the Nation's citizens and taxpayers, and in this instance the Nation's young. This proposal should be given a hearing.

STOP BUREAUCRATIC CONTROL

In addition, all the funds should be distributed without Federal administrators' discretion. I, for one, think that people working through their local institutions can do a pretty good job. More often than not they can avoid some of the exotic "reforms" which central planners would have them undertake. The operation of a simple formula, where money goes only to those districts of qualified need, would radically alter the operation of Federal educational funding. Actually it would almost destroy Federal bureaucracy. If the concerns raised by our distinguished colleague Mrs. Green are to be met, then reforms such as this one should be considered. It will be interesting to watch in the coming years whether the Congress will adjust to the failures of its own creature, or whether, as feared by many of us, the Congress will serve the creature it has created, thus simply insuring the continuation of an educational establishment of vested interests whose inertia and ideas prevent meaningful educational reform.

CONCLUSION

Having served on an education committee for many years, I have formulated some ideas about the direction of public education, particularly public education which is more and more affected and directed by Federal education bureaucrats. Probably the best example of this direction comes in relating an incident that happened almost 10 years ago. We forget that there are many ways we can aid education without bringing about bureaucratic intervention or control. I have always advocated a direct return of tax money to school districts without going through the HEW siphon and getting that Department's redtape and regulation. Many other Americans, including prominent educators, also favor this approach.

I joined a delegation of educators, public school, private school, and college, in a conference with the U.S. Commissioner of Education in 1965. We had worked out a plan for returning tax dollars to the States specifically earmarked for school support and an elaborate but simple system of tax credits and deductions for contributions to colleges and for tuition for parents of college students. The Commissioner admitted our program was workable, made sense and probably would be favored by the majority of Americans. However, he concluded by saying that he and the Office of Education would have to oppose it. Queried as to why, he simply said:

> Don't you realize that that system would not allow us to implement our social policies.

That is the key. By collecting the money from you, the taxpayer, and giving it back with their own social programs attached, they implement their ideas—busing, education parks, experimentation good and bad. The hapless educator and school board at the local level forfeits more and more of their responsibility for local education. ESEA has been a major vehicle in accomplishing this trend.

My distinguished colleague, Hon. Edith Green, has hit the nail on the head in an article which appeared in the New York Times on January 16, 1974. I want to read her remarks to the House because I feel she has made a most profound analysis of ESEA. Here is what she said:

[From the New York Times, Jan. 16, 1974]

Backer of Federal Aid Asks, "What Went Wrong?"

(By Hon. Edith Green)

As a long-time supporter of Federal financial aid for education, I have come to realize with much pain that many billions of Federal tax dollars have not brought the significant improvement we anticipated. There are even signs that we may be losing ground.

What has gone wrong? I believe that several unanticipated problems must be understood before we can take positive steps toward achieving the goals we have set for ourselves.

First, it seems that whenever a new problem arises, well-meaning people immediately suggest that the Federal Government should provide a solution. If the state or local school district has turned down a proposal because there are other items of higher priority, surely in the inexhaustible Federal budget money can be found. Since there is no end to the number and variety of problems in education, there has been no end to the Federal programs that have developed over the years.

The structure constantly grows and usually at the hands of people whose motive is to help.

In hearings last year, Dr. Sidney P. Marland Jr., former Commissioner of Education and Assistant Secretary for Education in the Department of Health, Education, and Welfare until his resignation last September, said:

"O.E. sprang very swiftly from a relatively small office in 1965 to an office with some $5-billion in its responsibilities and some 104 different laws and programs to administer in a relatively short period of time. . . . The whole substance of proliferation of programs in the Office of Education has reached the point where it is causing almost impossible management to keep the lines of communication, the avoidance of duplication, the infinite volumes of paper work surrounding categorical programs."

A peculiar feature of all this is that programs never seem to phase out, even after the problem has been solved or after the program has shown very disappointing results. It is almost impossible to reverse an initiative. It is also next to impossible to change formulas for allocation of funds because the decision of each Congressman is too often based on the very pragmatic question: "Will my Congressional district (or state) gain or lose?"

So, in 1974, we are still using 1960 census figures despite evidence that some districts have thousands of new students and other districts are being paid for students who departed years ago.

Second, Federal education programs suffer from a terrible lack of coherence. To begin with, several Congressmen have several different proposals for solving any particular problem. By the time the appropriate subcommittee has agreed on a draft bill, the process of political compromise may have done away with the internal unity of the new program before it is even started.

The full committee then does its work on the bill, followed by the House as a whole—a process that has a complete analog on the Senate side (usually uncoordinated with the House). A Senate-House conference then alters the bill yet further, with the result that the program lacks integral wholeness.

It may really please no one; the original author may reject it entirely; the academic community may "buy" it not because they like it, but because it promises more dollars. Ineffective responses to real needs only compound distrust in Government.

Many Congressional committees and agencies start programs unilaterally. It is always with the intent of "doing good." This results in more overlapping and duplication of effort. If the Federal Government's objective is to meet a short-range goal, the goal may well be achieved in this way. Multiagency programs, planned unilaterally, do not, however, promote long-range over-all planning. Categorical programs preclude an integrated approach to the provision of services.

BEYOND TEXTBOOK DESCRIPTION

The third problem is one that goes beyond textbook description. We have been taught in school that Congress legislates the people's will and the executive branch carries out the Congressional will. This is often far from the truth. The executive branch has grown to immense proportions and has developed its own set of plans and programs. Sometimes the plans for the executive branch and Congress coincide. But time and time again, we have found the Office of Education planning, announcing and implementing programs never contemplated in the Congressional legislation.

Often it seems that the Office of Education considers the year's appropriations to be a giant pool from which their people can transfer funds or draw, as they wish, for whatever programs they have decided to carry out. The Renewal Site Program of 1972 is but one example.

Elliot L. Richardson, then Secretary of Health, Education and Welfare, testified that the $363 million would be addressed to "reform and innovation." One of the Federal deputies in the Office of Education said, "After the needs assessment, the training program will be used to install new curriculum and to retrain staff to meet the cultural and knowledge revolution that is upon us."

One irate Congressman demanded of Secretary Richardson:

"Who told you that you can use E.P.D.A. to go out across the United States and make a needs assessment to determine what the most important needs of the schools of the country are? Who told you you had the authority to install a new curriculum?"

These and other discretionary funds are often used to do an "end run" around Congress. The impoundment of other funds for the programs is also used to thwart the will of Congress.

Fourth, if the execution is bad, even the best program is doomed. When he was the Senate majority leader, the late Lyndon B. Johnson said, "Legislation should not be examined in the light of benefits it will convey if properly administered, but by wrongs it would cause if improperly administered."

A Federal agency consists of an upper echelon of political appointees whose life spans in office are very short, and a vast underlay of permanent Civil Service bureaucrats. The top people rarely get a chance to get a real grasp on the agency before moving on. As a result, the lower level bureaucracy runs the show.

In practice, this means that regulations and guidelines are issued, laws are "interpreted," contracts are let and grants are made, by third-rank and fourth-rank officials who are remote from the college or the local school district and immune from constituency complaints. In fact, Civil Service manages to protect all who come within its purview from any serious restraint on their freedom except in rare cases of extreme malfeasance.

In addition to problems arising from the inherent isolation of centralized bureaucracy, there are the usual problems of corruption and inefficiency. Corruption wears many faces. Outright thievery or collusion is relatively rare. Far more prevalent are such practices as bypassing regulations, ignoring uncomfortable restrictions, bestowing benefits on friends or colleagues and all the known forms of logrolling.

Frequently, when officials leave Government service, they are rewarded with positions in the private sectors where they have had the most contacts—and they often receive Government contracts or grants (called "graduation presents" in the corridors of the Department of Health, Education, and Welfare) to help them along. Repeated agency promises to tighten up management practices have produced little if any change.

THE ADMINISTRATIVE MONSTER

Finally, each new program spawns at least one new administrative unit within the Government. This involves new office space, new staff of many ranks, new organization charts, new regulations. Administrative growth is a galloping cancer. Many listed as new state or city employees are there solely because of Federal funds or Federal requirements.

Out of the $5.6 billion for 1973, the Office of Education had more than $890 million in "discretionary funds." These funds amount to more than twice the total appropriations the agency had for all of its programs in 1960. This is spent in contracts and grants, research and evaluation.

Two years ago, my office did a study of O.E. contracts and grants. What we found was appalling. The General Accounting Office said the department was in absolute chaos. No one knew to whom the grants were given, for what purpose, or what were the results. More than 90 per cent of all contracts and grants from 1967 to 1972 were awarded on a noncompetitive basis.

Last year, Dr. Marland testified that there were more than 50,000 contracts and grants that required some degree of monitoring. An official of the Contracts and Grants Division estimated that 9,000 contracts and grants in the O.E. headquarters and 4,000 in regional offices had not been closed out. The closing of some has been delayed for as long as eight years.

Besides the 13,000 closeouts now outstanding, another 6,000 award files will probably never be closed out because they were in storage but cannot be located.

Who knows, then, whether the Federal dollars have been spent wisely? What are the results of the research? What kind of an evaluation was ever made? What dissemination was ever made of information gained?

Now the National Institute of Education has been established where research is to be centered. One of Oregon's leading educators says:

"Instead of finding out what's working in various states, they have to discover it all over again. There appears to be an intention to replow previously studied areas. There appears to be an intention to go for 'splashy' projects [like the NASA satellite program for Appalachia] as opposed to focusing on the 'here and now' problems of students, classroom teachers and school administrators."

It seems to me that the time has come for an "agonizing reappraisal." We can no longer afford another new program for each new problem, or another new agency for each old agency that has lost its vitality. We cannot tolerate more centralization and Federal control. We cannot afford to enlarge, or even to continue with, a huge administrative apparatus that operates out of public view and beyond public control.

The enormous Federal influence has not yet really entrenched itself, either structurally or philosophically, in the American experience. It is by no means too late to cut discretionary funds to a justifiable and manageable amount, and to do away with the myriad categorical programs. To the extent that financial assistance is required for education programs, such assistance can be supplied through outright block grants with minimum restrictions on how or for what they are spent, once a basic over-all need has been established. *Decentralization* and *general aid* are key concepts in the rehabilitation of our educational system; they and they alone permit each locality to determine its own priorities, plans and objectives—to focus on its own particular educational problems.

A LESSON ABOUT LABELS

My experience with Federal education programs over the years has taught me a profound lesson about political labels. Time was when it was easy to identify a "liberal" and a "conservative." The liberal supported increased Federal aid to education, and the conservative opposed it. But then matters got more complicated.

The liberals became those who supported assistance to certain programs, such as environmental studies or consumer education or the twentieth program for child development, but opposed assistance to the "wrong" programs, such as R.O.T.C. or block grants or funds for Federal forced busing to achieve a certain ratio, depending solely on pigmentation of skin. Conservatives became those who favored local control in certain areas, such as school districts in the South, but opposed local control in the community schools of New York.

We have come to the point where the old labels are as meaningless as the old simple formulas for political cures. If we could quit arguing about "liberal" or "conservative" and find out which programs work, children would be the beneficiaries. We have matured greatly in the past years, since Sputnik jarred our awareness. From a purely pragmatic standpoint, we should be eager to end unsuccessful programs and rid ourselves of the waste they engender. The essential lesson we have learned is that the financial resources of the Federal Government *are* necessary to our educational system, but the preservation of local control over priorities, plans and objectives is *equally* necessary. To the extent that this recognition becomes part of the national consciousness and is translated into action, we will be able to save our schools from mutilation and maintain their role as the preservers of a free, independent and enlightened citizenry.

Mr. DORN. Mr. Chairman, again to deny Federal aid to those school districts already busing is grossly unfair, absurd, and unthinkable. In South Carolina school districts have now been busing for years. Some of the busing was the result of HEW decrees and court orders. Much of it has been voluntary.

To cut off funding and penalize those who have obeyed the law would be a shocking injustice. The result will be increased property taxes on the people of South Carolina. It would be incredible to tax them further to bus schoolchildren and deny them urgently needed Federal funds.

What we need now are better and safer buses. We need more aid—not less—to the school districts that are busing.

Mr. Chairman, I shall oppose this amendment, and I urge its overwhelming defeat.

Mr. DICKINSON. Mr. Chairman, I rise in support of the amendment to make the expiration date for impact aid the same as that for other programs in the elementary and secondary education amendments.

School districts across the Nation depend on impact aid to make up for those taxes which would have been collected on property used for Federal operations if those operations had not been Federal in nature, as well as those taxes which would have been collected from parents living on Federal property who do not, therefore, pay local taxes. Impact aid is not a subsidy but a payment in lieu of taxes to the communities in which the Federal Government owns real property, and I hope my colleagues will recognize the Federal Government's obligation to help educate these federally connected children.

For too long, recipients of impact aid have been treated as unwanted stepchildren, and those school districts have been left in the lurch year after year with no real knowledge of whether or not they can expect the payment due them and what amount they will get. We should give them ample time to figure—with a certainty—these payments into their budgets, and this amendment will certainly help.

If we can see our way clear in this bill to extend the outright grant programs for a period of 3 years, I believe it is only fair to extend impact aid for the same period of time, and I urge my colleagues to pass this amendment for that purpose.

Mr. FRENZEL. Mr. Chairman, I shall support H.R. 69 as an important step forward in Federal participation in elementary and secondary education. Like any complicated bill, it has some strong points and some weaknesses, but on balance it is surely worthy of support.

The consolidation programs contained in H.R. 69 seems to me to be an important advantage. I personally look forward to the day when most of the Federal support of elementary and secondary education can be contained in a single per capita formula so each school district will be able to plan more effectively. H.R. 69 is not a definite step in this direction, but the consolidation feature is promising.

I am also especially pleased by the study in the bill of forward funding. Whatever our program failures in Federal support of education, they are insignificant in effect compared to the fact that we always appropriate education money in arrear, sometimes after the school year is over. Advanced funding is the single-best thing we do to help our school districts provide the best possible education for our children.

I regret that I had to vote against the Esch amendment on busing. I am no friend of busing, and I support the Anderson alternative. I voted for a similar provision in 1972, but, at that time, there was also a large authorization for compensatory education, and there was the hope that the Senate might restore the House bill to the condition of the President's original proposal. I strongly support that part of the Esch amendment which prohibits forced busing across district lines where the lines were not drawn for the purpose of segregation. My vote against the busing amendment means that I would have preferred the President's original proposal from 1972. Even though I voted against the Esch amendment, I will gladly vote for H.R. 69 which now includes the Esch amendment.

I congratulate the Education Committee on producing a good, overall education bill which is a great improvement. I encourage that committee to continue the process of improvement by accelerating its search for an acceptable per capita formula.

Ms. HOLTZMAN. Mr. Chairman, it is with great reluctance that I am compelled to vote against H.R. 69, a bill to extend the Elementary and Secondary Education Act of 1965.

As one who has been consistently fighting for additional funds for the children of our city, I cannot in all good conscience support a bill which would deny the schools of Brooklyn $10 million of desperately needed education funds.

New York City has a great tradition of supporting education through substantial budgetary allocations. But, despite all the resources of the State and city, everyone is aware that New York needs additional Federal assistance in order to provide the best education possible for the children of the borough.

This is the first, and I hope the last, time that I have ever had to vote against an education bill; but I could not stand idly by and allow the children of Brooklyn to be penalized by anti-New York sentiment and by sectionality of the narrowest kind.

This bill purports to be a national education bill, but how could this bill be truly national if it takes away $50 million from New York State, including $30 million earmarked for New York City?

Either the Congress is committed to educating all of the children in this country or it is not. This bill, unfortunately, does not contain a commitment to the children of New York, especially Brooklyn, who will bear the brunt of our State's loss.

As everyone is well aware, title I funds were hardly adequate to meet the pressing educational needs of our area and, yet, under this bill, these already inadequate funds are being drastically reduced. This bill is an anti-New York bill, an anti-Brooklyn bill; it is unfair and unjust. As a Representative from Brooklyn, which will lose $10 million under this bill, I cannot just sit idly by and see my district penalized.

Mrs. BURKE of California. Mr. Chairman, the experience of the Los Angeles school district has clearly demonstrated the great need for the participation of parents and other community members in the educational decisions which affect the lives of their children. In so critical an area as the education of minority and disadvantaged children, we must be absolutely sure that we are creating curricular programs which address themselves to the specific needs of students who began their formal schooling for the most part, without benefit of prior educational experiences. We must be sure that the curriculum the child must master, is developed and planned with the goal of making the most effective use of his talents. Too often these programs are developed in an administrative vacuum and do not represent any real commitments to the education of the disadvantaged, as well as to those of greater affluence. The constant focus on this issue is one of he major roles assumed by advisory councils—a role I consider to be both effective and necessary.

The Los Angeles City School District and the California Congress of Parents and Teachers are supportive of parent advisory councils as they are now constituted—mandated by title I and elected by the parents themselves, both at the district and local levels.

Parent advisory councils have worked successfully in Los Angeles since 1969. They are a direct outgrowth of district committees, formed in 1966 to gain greater input from the community, and expanded into a district advisory council in 1967. In 1971 the Los Angeles School Board mandated that all schools K–12 should have parent advisory councils.

At present, the 200-member district advisory council, made up of one representative from each of the 175 title I schools, plus representatives from other active community groups, has been subdivided into four school areas—west-central, south-central, east Los Angeles, and other portions of the city including the San Fernando Valley. This council will soon be reorganized to conform to the Los Angeles City School District's decentralization plan, of nine administrative areas. The district advisory board is important because it oversees the broader parameters of educational issues and safeguards against decisions made exclusively on local school issues.

An excellent example of the involvement of the district advisory council is the committee on vandalism organized in the west-central area to combat the rising incidence of crime by using young people from ghetto areas as resource people in the schools.

In addition to the district advisory council each title I school has its local advisory council. Members are elected in June or September of each school year. The major effect of these councils has been that the unilateral decisions regarding curriculum, textbooks, utilization of ancillary personnel, et cetera, previously made by the principal, are now made in conference with parent and other community participants to the advantage of the students served.

In addition these councils have been instrumental in: First, the development provision of in-service training for parent aides; second, the establishment of the principle that education aides must be selected from within the school service area; and third, program development, especially with regard to the development of effective counseling programs in black and Chicano schools in Los Angeles.

In 1973 the Los Angeles Unified School District conducted a study of advisory councils in all of its schools. The results clearly stated that the councils were effective but, consistently more so in schools with a Federal mandate for their operation.

I feel that the continuity and independence of these parent advisory councils would be best preserved if they are mandated in H.R. 69 and not left to the discretion of each school district, and that the parents themselves should continue selection of its own membership. Peer choice always seems to work best in such groups.

I believe that the success of the councils speaks for itself. They have proven to be an integral part of schools receiving title I funding, and they should be continued as presently constituted.

As we consider the consolidation of seven categorical programs of aid into two broad-purpose programs, it is critical that we do not lose sight of the major importance of the school libraries as a major source of support for our total school program, especially in disadvantaged areas. Under the proposed amendment to title II, the school library program will be vying for support with guidance and counseling as well as the audio-visual and other equipment programs. While there is great merit to allowing local school boards almost complete autonomy in determining how various budgets can best be utilized for specific district needs, caution must be taken and safeguards provided to insure that each program can provide at least minimum service to students.

In many school districts libraries have not enjoyed a broad base of support, especially with regard to funding for supplemental educational materials for students with special educational needs.

In Los Angeles, for example, there are no elementary libraries, staffed by credentialed librarians, except in title II schools, even though the need for this resource as the crux of the educational program in all 436 of the elementary schools in our district should be apparent. This pattern exists throughout the State, particularly in large urban school districts. The latest figures available for the State of California indicated that of the 5,506 elementary schools, 2,903 had no credentialed librarians in 1968.

In San Diego City School District, there are no elementary schools with credentialed librarians.

There are two credentialed librarians at the district level in San Francisco. The 100 San Francisco elementary schools are staffed by 31 part-time credentialed librarians—two title I schools have full-time librarians—there are three additional librarians paid from title I funds who work part-time.

Given the apparent seriousness of the situation we must insure that library resources are not further jeopardized by a funding procedure that does not guarantee parity or some safeguards in the appropriations of moneys.

In previous budgets the categorical funding formula has protected the libraries budget, however meager. I would suggest that we develop and recommend to school districts a minimum formula for fund appropriation to each program now consolidated into the broad categories. Such a formula would subvert some of the pressures likely to be felt by districts as programs with vested interest vie for support.

Mr. HARRINGTON. Mr. Chairman, I intend to vote for H.R. 69 on final passage, but with reservations.

There are important—and worthwhile—facets of H.R. 69. On June 30 of this year, the authorization for the existing programs of the Elementary and Secondary Education Act is due to expire. H.R. 69 would extend the authorization of the ESEA program for 3 years, and would, as reported by the committee and would, as reported by the Education and Labor Commitee, extend the authorization for the controversial impact aid program—whereby the Federal Government reimburses local school districts for the cost of educating the children of parents who live and/or work on Federal property—for 1 year.

TITLE I

The bill also makes a number of significant changes in the important ESEA programs, most of which I find desirable. Of particular importance are the modifications in the title I program. Title I is the single largest Federal aid-to-education program. Last year $1.8 billion was appropriated for title I, which provides financial assistance to local educational agencies for compensatory education—designed to improve the educational opportunities of children from poor areas. Last year 6 million children benefit from title I in nearly 14,000 school districts.

Under existing law, the allocations for title I are based on a formula which counts the number of children from families with incomes under $2,000, and the number of children from families with incomes in excess of $2,000 who receive payments under the Federal AFDC program. Each school district's entitlement is determined by multiplying the number of eligible children, according to the formula noted above, by one-half either the State or national average per pupil expenditure, for elementary and secondary education, whichever is higher.

As reported by the committee, H.R. 69 changes this formula, in a way that is not entirely equitable to the heavily urbanized areas that I believe need title I money most. The bill proposes that the so-called Irshansky index—which is based on family food indexes—be used as the principle determinant of qualifying children. At this years' level—the Orshansky income level rises according to inflation—children from families earning under $4,250 are eligible, together with two-thirds of the children from families with incomes above the amount on AFDC. The number of children so eligible would be multiplied by 40 percent of the State average per pupil expenditure, with a floor of 80 percent of the national per pupil average and a ceiling of 120 percent. A "hold harmless" provisions is also included to insure that no school district receives less than it did in the previous year.

According to figures supplied me by the department of education in Massachusetts, I expect that as a result of this new formula the total amount of title I funds coming to Massachusetts will be as follows:

	Millions
1970	$21.8
1971	26.4
1972	27.1
1973	32.0
1974	32.2
1975	34.2

On the basis of this information then, in absolute terms Massachusetts stands to benefit from the committee formula. On relative terms, however, and using figures supplied by the Education and Labor Committee, title I funds to Massachusetts will grow by 10 percent in the next fiscal year, while 34 States will see their share of title I funds increase by 20 percent or more. Heavily urbanized States, such as New York and New Jersey, will actually lose money.

Within the States themselves, the urbanized areas will generally be adversely affected by the committee formula. In my own State of Massachusetts, Suffolk County—which includes the city of Boston—will lose approximately 5 percent of its previous allotment. My own county—Essex—stands in relative terms to benefit, as at an Orshansky level of $4,250—this year's figure—Essex County will receive $3,195,867, more than $200,000 greater than in 1974. In percentage terms, Essex County is to receive an increase of about 7 percent over the previous year, according again to information supplied by the committee.

While my own district is to some extent benefited by the committee formula, my reservations remain. First, the Orshansky index is, I believe, slanted in favor of rural areas. In basing its income levels upon family food expenses, the formula ignores expenses borne by poor families in urbanized areas that are not duplicated in rural areas. Higher tax burdens in urbanized areas, higher medical and housing costs, transportation costs, and the generally higher cost of living, are not compensated for in the committee formula to my satisfaction. To make matters somewhat more unfortunate, as the Orshansky index rises in accordance with the cost of living, more and more of the families at first eligible from the AFDC rolls will be dropped from title I eligibility, so that after a few years AFDC will no longer be a factor at all. I do not approve of this antimetropolitan character of the formula.

For these reasons when the House considered an amendment offered by my colleague Congressman PEYSER, on March 26, I voted in favor of this amendment. The so-called Peyser amendment would have done away with the Orshansky index, and replaced it with a formula counting children from families with incomes of under $4,000 a year, as well as all AFDC children. School districts would have been protected against any loss of funds.

On another issue related to title I, however, I voted against an amendment offered by Congressman O'HARA, which while it would have increased the amount of title I funds to my congressional district by a very slight amount, would have unacceptably redistributed the funds in a way I found inconsistent with the desirable goals of the title I program. This amendment would have ended the emphasis of title I on providing funds to poor schools to help poor children, and instead directed the moneys on a straight school-age population basis, with only limited weighing of poverty levels. The error in this formula, it seems to me, is that it ignores what the specific need is of one school as opposed to the next, or what resources are available to different schools. Had this amendment passed, poor school districts would have gotten poorer, and rich richer.

Another provision of H.R. 69 relating to title I is that which authorizes the Commissioner of Education to bypass local school agencies if they are not providing title I services to children from private schools. Presently, local school districts are required to provide for participation of eligible private school children as a condition for receiving title I grants. I support the provisions of H.R. 69 in this area, although I supported necessary clarifying language, in the form of the amendment offered by Congressman MEEDS, which provides that assistance to children in private schools, under the bypass arrangement, be conditioned on the meeting of the same requirements applicable to public schools.

Before completing my discussion of title I, I would like to note what I view to be the largest problem of all—one that will not receive much discussion here today. It seems to me that much of the heated debate over this formula or that formula would become somewhat academic if we were to address the single most important impediment to title I's success—insufficient appropriations.

Title I, in the current fiscal year, is authorized at more than $3.5 billion. Yet, appropriations for this program were only $1.8 billion—about half. As is true for every one of the ESEA programs, title I is seriously underfunded. Why is it, I wonder, that every year the defense budget is funded at 90 percent or more of authorization, while education programs are lucky if they get half. Were ESEA to get even three-quarters of its authorized funding, I am sure that the edge would be taken off the debate on allocation formulas, and the educational system of our country—and our school children—would benefit greatly in the process.

GRANT CONSOLIDATION

H.R. 69 consolidates seven of the existing ESEA and NDEA titles into two broad purpose programs—but only if the appropriations levels for the combined programs exceed the total of the separate appropriations for the individual programs in the fiscal year preceding enactment.

I think this is a good approach, especially in light of my complaints about chronic underfunding of ESEA. It seems to me that the consolidation should accomplish some desireable efficiencies, although I will profess to concern that because of consolidation one interest will be played off against another. For example, in the consolidated library and instructional resources program, I can forsee that library programs would be played off against counseling, guidance, or equipment needs. Similar problems of grantsmanship could occur in the innovation and support services category.

IMPACT AID

The so-called impact aid program, first authorized by Public Law 81–874, is to be continued for 1 year by the reported out by the committee, while the successfully passed amendment offered by Congresswoman MINK extends this authorization to 3 years.

I support the impact aid program, and supported the Mink amendment, but not without reservations. To be candid, the schools in my congressional district receive close to $1 million each year from this program. At a time when local school districts are having difficulties meeting their budgets, with taxpayers rightly reluctant to suffer increased taxes, it is difficult to vote against any program which provides such broadly dispersed financial assistance to our schools. While I may question parts of the impact aid program—particularly that part, the so-called B category, whereby the Federal Government pays for a portion of the costs of education for children whose parents live on private property, and hence pay property taxes, but work on Federal property—I think that at this point in time my objections to certain mechanics of impact aid are overcome by the help it generally provides local schools.

SUMMARY

On the vote for final passage which I expect shortly, Mr. Chairman, I intend to vote for H.R. 69. I have noted some—but not all—of my objections to parts of this bill. I am somewhat displeased by the action of the House earlier today that have added an amendment of doubtful constitutionality which, in my view, is entirely extraneous to the real issues facing elementary and secondary education. To the extent that the Congress continues to allow itself to become muddled in the tangential concerns, to the extent that we continue to allow the real issues to become obscured in clouds of emotion and hollow rhetoric, then I believe that we are failing the people of this country.

Not a bad bill as far as it goes, H.R. 69 is nonetheless entirely too representative of the kind of timidity and reticence that characterizes most actions of the Congress. It is not far-reaching legislation designed to bring new concepts and new vision toward our problems in the field of education. It is a bill that modestly improves the status quo in terms of both programs and goals. I will vote for it. But I would hope this institution is capable of something better.

Mr. REID. Mr. Chairman, it is with reluctance that I will vote today for final passage of H.R. 69, the Elementary and Secondary Education Amendments of

1974, including a new formula for title I programs.

The formula in this bill would decrease those funds allotted to New York by over $50 million by next year—and would further decrease the funds the next 2 years. In 1 year alone, over 63,000 educationally deprived children in New York State presently being aided by ESEA programs would become ineligible. Many more would become ineligible in years to come. I simply cannot in conscience toss these children to the wind, and hope that somehow, some way, they will receive an education.

The committee formula provides for the distribution of funds under ESEA based on the number of children within the school district who are from families considered poor according to the so-called Orshansky definition of poverty. In addition, two-thirds of those children from families receiving an income from the AFDC program—aid to families with dependent children—in excess of the Orshansky poverty level would be included. H.R. 69 further provides that the number of children would be multiplied by 40 percent of the average per pupil expenditure in the State, with a floor of 80 percent of the national average expenditure and a ceiling of 120 percent.

The problem with this formula is that the Orshansky poverty index is based primarily on family food expenditures, and discriminates against metropolitan areas. Using food alone, as Orshansky does, to determine poverty, neglects the important consideration of housing costs, transportation costs, medical care or income taxes. In short, it lacks a cost-of-living differentiation, and does not take into account rural/urban differences or suburban/central city differences.

In addition, the formula works against those States who have been in the forefront of providing educational services for the poor, due to the 80- to 120-percent limitation. Allocations are in effect reduced by the ceiling, since the NYS per-pupil expenditure is more than 120 percent than the national average.

Finally, by the bill's failing to count 100 percent of the AFDC recipients over the poverty level—and counting only two-thirds of those recipients—States like New York who have high AFDC payments are again hurt, and needy children again lose their benefits.

I voted for the amendment, offered by Mr. PEYSER on behalf of the New York State congressional delegation, which would have changed this discriminatory formula to one more similar to the existing formula, and would have restored New York's lost funds. The amendment was defeated by the House.

In an effort to aid those local educational agencies which would have been hurt by the new bill, I then offered my own amendment, a 100-percent hold-harmless provision, which would have insured that no local educational agency could receive less funds under the new bill than it had last year—fiscal year 1974—under the old formula. My amendment, however, would not have changed the formula—it would not have significantly changed the allotments of those districts which received large, or small, increases, under H.R. 69. We had a computer print-out run, which emphasized that it would only have insured that no local educational agency would be hurt by the new bill. It was, in my view, a fair and reasonable amendment, aiming to hurt no one but to help those approximately 500 counties including many in New York who would need help.

My amendment, too, was defeated.

In addition to the inclusion of this formula, I have grave reservations over the constitutionality of at least one busing amendment which was adopted by the full House, although it had previously been rejected by the Committee on Education and Labor. This amendment, I believe, is both disruptive and inflammatory, and will do little to respond to the present mood of rational reconciliation.

So I emphasize, again, that my vote today for this bill is a very qualified one. There is great room for improvement in the bill, and I for one will do all I can to see that the conferees on the bill significantly change provisions of the formula, including adding a 100-percent hold-harmless provision for title I, so that children throughout the country will be given a true opportunity to learn.

I believe that quality education should be a right for all Americans, whether they live in a city or a suburb, in New York or California. I am hopeful that this bill will be improved as it goes through the additional stages of congressional action.

Miss JORDAN. Mr. Chairman, when President Lyndon Johnson first proposed to the Congress legislation to achieve a national goal of full educational opportunity, he said:

> Nothing matters more to the future of our country: not our military preparedness—for armed might is worthless if we lack the brain power to build a world of peace; not our productive economy—for we cannot sustain growth without trained manpower; not our democratic system of government—for freedom is fragile if citizens are ignorant.

In proposing the Elementary and Secondary Education Act of 1965, President Johnson established for the Nation a pattern of Federal aid to States, and through them to local school districts, to assist those in poverty to achieve the goal of equal educational opportunity.

In President Johnson's message to the Congress in 1965 he did not propose a program for those lacking in educational attainment. He recommended the expenditure of $1 billion for "a major program of assistance to public elementary and secondary schools serving children of low-income families." He believed the poor student deserved special assistance from the Federal Government because "the burden of the Nation's schools are not evenly distributed. Low-income families are heavily concentrated in particular urban neighborhoods or rural areas. Faced with the largest educational needs, many of these school districts have inadequate financial resources."

Upon the President's recommendation, the Congress passed the Elementary and Secondary Education Act of 1965, including title I, financial assistance to local educational agencies for the education of children of low-income families. The principal motivation behind the passage of title I was the need to provide additional financial resources to school districts which were experiencing difficulty in funding adequate educational programs due to concentrations of low-income families.

Now, 9 years after the passage of the original title I program, the Education and Labor Committee has recommended to the House amendments which would assure that title I funds are distributed to States and school districts with the largest concentrations of low-income students. The committee has considered this bill for an entire year. Proposals which would have revised the title I program so as to resemble a general aid-to-education fund and proposals to assist students who have scholastic problems, regardless of income, were heard, considered, and rejected. These proposals were rejected largely because they did not fulfill the original purposes of title I—to assist educationally deprived children of low-income families.

The question before the House of Representatives during consideration of H.R. 69 is whether the formula recommended by the committee for distribution of title I funds allots the money to where the highest concentrations of children of low-income families reside. It is possible the House may consider amendments to the committee's bill which would have the effect of drastically changing the total emphasis of the title I program under the guise of correcting the so-called inequities in the formula. I would hope the House would reject these amendments. Unless the Congress and the administration are willing to appropriate significantly more funds to the title I program than in previous years, the House should reject attempts to adopt a formula which does not concentrate scarce title I funds on children of low-income families.

H.R. 69 contains additional provisions designed to improve the Nation's elementary and secondary education system. Among them is the establishment of a new program to provide Federal assistance to State and local educational agencies to establish community education programs, and to expand and improve existing programs. By tapping the educational resources of the entire community, including local recreation departments; and by utilizing the facilities of elementary and secondary schools during off hours, each community will be able to take full advantage of its school facilities.

H.R. 69 also contains amendments to the Bilingual Education Act to assure that valuable assistance to those students who have limited English speaking ability will continue to receive Federal assistance. The non-English speaking student must bridge not only a language gap but also a cultural gap. By providing assistance for the training of teachers, expanding the eligibility criteria for schools, and authorizing the appropriations of additional funds for the Bilingual Education Act, the Congress will have assisted students to bridge the gap between the culture of their mother tongue and that of the majority of Americans.

Mr. PERKINS. Mr. Chairman, regarding the amendment to section 803 of Public Law 874 contained in H.R. 69, I would point to the explanation on page 43 of the committee report. In addition, I would say this. In Oklahoma, there are certain situations where, to qualify for a home constructed by an Indian Housing Authority, a basis for qualification is that a portion of the person's restricted land be deeded to the said Housing Authority. This in turn lifts that restriction and, in the past, it has been ruled ineligible for Public Law 874 payments. It is the intent of the committee that this property being held by the Housing Authority shall remain Federal property for the purposes of Public Law 874 qualifications and payment of Public Law 874 funds. It is not the intent of this committee that these schools be penalized as a result of the restrictions being removed from this property while said property is held by the Indian Housing Authority.

Mr. BOLAND. Mr. Chairman, today we resume consideration of H.R. 69, the Elementary and Secondary Education Amendments of 1974. The whole thrust and direction of past Federal compensatory educational assistance programs will undoubtedly be changed by the decisions we will take in the course of our deliberations.

At issue, among other topics, have been: The formula by which funds for title I compensatory programs are distributed, the continued authorization of impact aid to areas affected by decreases in Federal employment, the bypass of local educational authorities upon their failure to provide for participation of private school children in title I programs, antibusing amendments and the consolidation under broadly arranged headings of some seven categorical aid programs.

Debate of the first named issue, the title I formula, has tended to hinge on two contentions. Supporters of the committee version favor a restructuring of the present formula, which simply computes the number of children from families earning $2,000 or less per annum and children from families with income above $2,000 per annum which are receiving aid to families with dependent children—AFDC—and multiplies this figure times one-half the average State or national per pupil expenditure, whichever is higher. This computation, it is argued, tends to be dominated by the ever increasing number of AFDC children. The AFDC program is administered with great discretion by the individual States, it has been pointed out, with the wealthier States increasing the benefits and number of recipients in much greater proportion than States with lower per capita incomes.

Accordingly, the committee formula proponents have reworked the formula as follows: The number of children from families considered below the poverty level is determined by reference to the so-called Orshansky index, a complex measure of poverty adopted by the Federal Government for application in many of its assistance programs. It is tied to such factors as the number of children in the family, the sex of the head of the household and the farm or nonfarm status of the family.

The number of AFDC children in the new committee formula are also determined with reference to the Orshansky poverty level, but only two-thirds of these children are included in the formula's calculation, which goes on to multiply the total of poverty level children and the AFDC two-thirds figure by 40 percent of the State's average per pupil expenditure. The formula allows for differences among the various States by guaranteeing payment of at least 80 percent but no more than 120 percent of the national average per pupil expenditure.

The advantage of this new formula, according to the committee's report, is that it will eliminate the extreme situations where the wealthier States get such disproportionate shares of title I funds.

Members of the House Education and Labor Committee who dissent from the committee reworking of the title I formula point out that it was adopted on the basis of figures and projections which are not compatible with the way in which it allots funds. This process masks the impact the new formula will have by showing statewide gains in educational funds without noting corresponding losses by densely populated counties within the State. As a result, these members charge that the revised title I formula is antimetropolitan.

Several proposals now before us would revise the new committee title I formula so as to more directly assist children whose achievement lags behind that of their peers. The predicate of these substitute formulas is that children from families with incomes above the poverty level experience underachievement and educational disadvantage. The feeling behind these amendments is that title I funds should be directed to areas where children are having difficulties in their schooling without regard to their families' income. Only then would the title I formula assist fully in pursuing the ends of the Elementary and Secondary Education Act. It also appears that even though proponents of such amendments reject income statistics as the major correlative for learning difficulties, the principle effect of both major amendments, those of Mr. O'HARA of Illinois and Mr. PEYSER of New York, would be to reduce the high percentage concentration of funds in rural poverty areas which the committee formula would achieve while providing across-the-board increases in educational allotments with appropriate hold harmless provisions.

Mr. Chairman, I supported that version of the title I formula which appropriates funds on the basis, not only of poverty, but on the basis of learning underachievement generally. I was confident that such a formula will also continue to channel large portions of title I funds into low-income and poverty areas, but not at the cost of educationally deprived children of whatever income level. The O'Hara amendment, which I endorsed, also provided the most funds for my home State of Massachusetts and for the Massachusetts cities and counties that I represent.

In addition, I support an extension of impact aid to areas affected by Federal employment drops. The committee bill contains only a 1-year retention of this feature, which is designed to help local educational agencies adjust to sudden decreases in the school age population due to shifting of Federal employees. In my own area the city of Springfield, Mass., and its surrounding communities were aided greatly when the Springfield Armory closed in 1968. Today, citizens in Springfield and Chicopee are facing the impact of a major air base phase-down at Westover Air Force Base. I think I need only point out that more than 9,000 Air Force personnel and their families have left the Westover complex over the last 3 years to indicate how important this type of aid can be to local educational agencies which are suddenly bereft of large numbers of students. I therefor urge the passage of the amendment offered by Mr. STUDDS of Massachusetts, which would extend the period during which this crucial assistance can be offered.

It is also my conviction, Mr. Chairman, that language now contained in H.R. 69, which requires the Commissioner of Education to bypass local educational authorities for their failure to involve private school students in title I programs is both appropriate and necessary. As the law now stands, funds would be completely cut off from LEA's should they not provide for the participation of eligible private school children. The provision for a bypass would help to avoid a complete funding cut-off where an LEA cannot comply with present law because of court orders. It also appears to insure more cooperation between LEA's and private schools and more real participation in title I programs by private school children, a condition that has not been satisfactorily worked out for the 9 years that ESEA has been in operation.

On the issue of an antibusing amendment, I feel that I must support the language offered by Mr. ESCH of Michigan. His amendment is the text of H.R. 13915, the Equal Educational Opportunities Act, which passed the House on August 17, 1972, and for which I voted. It prohibits the enforced busing of children to a school other than to that which is closest or next closest to their homes.

The premise of this amendment is that the failure of a local educational authority to attain a racial balance of students in its schools is not a denial of equal protection of laws under the 14th amendment. In fact, language in the Esch amendment goes on to say that the assignment of a student to the school nearest his home is not a denial of equal protection or of equal opportunity unless the assignment is made for the purpose of segregating students on the basis of race, color, sex, national origin, or the school itself was so located as to effect segregation. The amendment will simply call a halt to the massive, highly expensive and highly explosive busing of school children in attempts to achieve numerical parity of racial or other factors within a school system. It will further encourage other initiatives toward solving the still present and cancerous problem of discrimination in American education today. It will not encourage segregation, nor was it intended that it do so.

Mr. Chairman, this issue—to bus or not to bus—is one for which a resolution can never be advanced in our time without the strong opposition of many concerned and anxious citizens. It is an issue about which normally rational men often lose their objectivity. I am one of those who feels, however, that my commitment to civil rights for all the disadvantaged and discriminated against people of our Nation is not diminished by opposition to busing. From an end toward a worthwhile and requisite goal, it has become a sort of end to itself, with a moral and political identification as strong as the goals it was originally devised to serve.

I therefore oppose busing—because of the inconvenience, because of the expense, because of the health hazards involved, and not least because it has not served the real goal for which desegregation was the means to an end—equal educational opportunities. Busing has not successfully advanced that goal, perhaps principally because of its unpopularity with citizens on both ends of the bus routes. The people of my district are overwhelmingly opposed to forced busing.

A poll taken by my staff in 1972 indicated that 83 percent are opposed to busing "to overcome racial imbalance." Further, in Massachusetts we have a racial balance law that requires no less than a 50–50 proportional representation among students. This will require the busing of some 5,000 schoolchildren next fall in Springfield, Mass., at a cost of $1 million per year. Many of those students will be quite young. All will be uprooted from their neighborhoods. The cost will be staggering and the resultant drain on school funds for quality education, drastic. Legislation must be enacted to remedy situations such as this, but it must be emphasized in addition that it must come not only because of the cost, the dangers, and the inconvenience, but because busing does not and will not afford the kind of equal educational opportunities or even the basic schooling atmosphere in which learning can be advanced.

Mr. Chairman, I feel that one additional feature of the ESEA amendments before us deserves the particular attention of this body. The committee has restructured some seven existing categorical aid programs as two broad purpose programs for distributing Federal educational funds. These consolidations will only go into effect if total appropriations for the two new programs will at least equal the total aggregate appropriations for the seven programs during the preceding fiscal year.

Quite simply, the consolidations will bring about much needed reductions in the administrative redtape that has hitherto distinguished the process by which State and local educational authorities apply for Federal educational funds. One application will replace the eight that were previously required. Two grants will be made to LEA's instead of eight.

A whole host of proposals, contracts, agreements, guidelines and related documentation will disappear or be vastly reduced. The relief afforded by this cost reduction and simplification will be enormous. This is not to say that the aims of the seven aid programs or the programs themselves have not been useful, merely that their administration would benefit by a good housekeeping. Providing for a more realistic and gageable timetable and forms with which to work will greatly ease the problems of local educational authorities in determining their budgets and target objectives early on in their fiscal schedules instead of the guessing game they have hitherto had to play in waiting on appropriations, allocation and, of course, impoundment decisions taken in Washington.

Mr. Chairman, we conclude final consideration of the ESEA amendments after long hours of debate and voting. The final form that H.R. 69 will take depends heavily upon the consideration that we give to the important features I have mentioned. I beg my fellow Members to consider carefully their positions on these issues. I feel that the overall package must be approved if we wish to continue quality education for our children—whatever the circumstances of their families—and I feel that an acceptable compromise on the problems of education today is presented in the bill as amended by us.

Mr. **BADILLO**. Mr. Chairman, I cannot in good conscience support this measure because of the manner in which it so unjustly discriminates not only against New York City but numerous other urban areas as well as the serious damage certain provisions will do to the progress made in school desegregation in the 20 years since the historic Brown against Board of Education of Topeka decision. I intend to vote against H.R. 69 to protest what I believe to be the insensitivity of the Congress to the pressing needs of urban America and the retrogressive features which will deny equal educational opportunities to millions of schoolchildren.

Although a number of very wealthy counties in this land will receive substantial increases in Federal educational assistance under H.R. 69, some 90,000 New York City schoolchildren—a large percentage of whom represent minorities and the economically and socially disadvantaged—will be deprived of the much needed title I compensatory assistance. A cruel and needless hoax will be perpetrated on those youngsters who will be dropped from the program and denied those educational benefits which may very well make the difference between a meaningful education and an inability to enter adult life on an equal basis with their peers.

What is even more troubling is the fact that this Congress, in terms of transportation, housing, education, social services, and a number of other vital areas is seriously aggravating the urban crisis and is failing to take the initiative to provide substantive solutions to urban problems. I am unable to understand the indifference of many to the complicated and varied problems being experienced by our urban centers or why millions of fellow citizens should be so seriously shortchanged when it comes to educational assistance, transportation aid, the development of much-needed housing or the implementation of vital social service programs. It is becoming apparent that urban Americans are being forced into second-class status and are being denied that help which is essential for their survival.

Further, language in this bill represents nothing more than an appeal to the tide of fear and emotionalism which typically characterizes the debate on the schoolbusing issue. I fear that the antibusing provisions of H.R. 69—which must have been greeted with choruses of delight at the White House—will seriously hamper the capacity of the courts to provide relief to those whose constitutional rights to equal educational opportunities and to a desegregated education have been violated.

As I have observed on earlier occasions, busing is no panacea and is not the best and only answer to the longstanding problem of school segregation. There are a number of devices which have been successfully employed to achieve desegregation, such as the use of attendance zones, pairing of schools, construction of new educational facilities and education parks. In the Brown decisions the Supreme Court did not mandate that busing be undertaken to achieve a racial balance in the schools and this device has only been implemented as a last resort when all other measures have failed. I have proposed legislation to remove local land-use barriers to low- and moderate-income housing outside central poor cities in order to remove the patterns of housing segregation which directly lead to segregation in the schools. However, none of those who claim to favor an integrated education and simply oppose busing on some other grounds have cosponsored or otherwise endorsed my bill.

Housing desegregation is one of the most important remedies to achieve equal educational opportunities. However, until such time as meaningful efforts are undertaken to remove these damaging artificial barriers, we must have the tools with which to achieve desegregated schools and busing is such a mechanism. However, rather than moving forward to insure that all Americans have an opportunity to secure the best possible education under the most favorable circumstances, it would appear that the House prefers to maintain the status quo. Once again the "haves" are proceeding to limit the rights of the "have nots."

It is for these very fundamental principles of justice and equality for all schoolchildren that I am compelled to oppose the ESEA amendments and to reject the distorted priorities it furthers.

Mrs. **HECKLER** of Massachusetts. Mr. Chairman, I rise to indicate strong support for H.R. 69, the Elementary and Secondary Education Amendments of 1974. I firmly believe adequate Federal aid to education is one of this Nation's highest priorities and one we should support in a very tangible way with this vote today.

Mr. PERKINS. Mr. Chairman, it has been brought to my attention that if H.R. 69 is not signed into law until May or June of this year and if the appropriations bill is much later than that, then the States may have serious difficulty in shifting to an administrative structure which can handle the new consolidations proposed in H.R. 69.

If, in fact, we do have this delay with H.R. 69 and the appropriations bill, I would like to suggest that the Office of Education arrange to receive "letters of intent" from States that they will within a few months of the beginning of fiscal year 1975 rearrange their administrative structures, and revise their State plans in order to comply with the provisions of the new consolidation title. Then, the Office would release the payments for the first quarter for these consolidations.

I believe that this course of action may help smooth the way for the consolidations.

Mr. ROY. Mr. Chairman, I rise in support of the amendment offered by my distinguished colleague from Texas (Mr. Gonzalez).

This amendment addresses itself to an inequitable situation which has come as a result of a provision in the Postal Reorganization Act of 1970, which stated that Federal buildings using 50 percent or more of their space for postal operations be turned over to the U.S. Postal Service. These buildings were formerly considered the property of the General Services Administration.

On the surface, this transfer seemed like a logical, and indeed harmless, provision. However, it was later discovered that these building could no longer be considered Federal buildings for impacted aid purposes under Public Law 874, even though they housed other Federal agencies. This in turn affected the amount of impacted aid that the various school districts received.

Under Public Law 874, "Category B" students are defined as those children whose parents either work or live on Federal property. Because of the building transfer provision contained in the Postal Reorganization Act of 1970, these parents were no longer considered as "working on Federal property" and therefore their children could no longer be counted for impacted aid purposes by local school districts.

This situation has an adverse effect on at least 40 school districts in Kansas, a list of which follows.

Relief was temporariy granted to the school districts in Kansas and throughout the country with the enactment of the manpower development and training act amendments approved by the 92d Congress. Under this bill a 2-year grace period for these school districts was provided. However, this particular provision has since expired. A permanent solution is needed.

In an effort to grant permanent relief, I joined by distinguished colleague (Mr. Gonzalez) in introducing such a bill, H.R. 12162, earlier this year. The amendment before us now is essentially the text of that bill.

I urge the Members of this body to vote for this amendment.

The list follows:

KANSAS

SECOND CONGRESSIONAL DISTRICT

Unif. S.D. No. 437, Topeka.
Unif. S.D. No. 501, Topeka.
Unif. S.D. No. 343, Perry.
Unif. S.D. No. 340, Meriden.
Unif. S.D. No. 337, Mayetta.
Oskalooka Unif. Sch. Dist. No. 341.
Shawnee Heights Unif. S.D. No. 450, Tesumseh.
Unif. S.D. No. 464, Tonganoxie.

THIRD CONGRESSIONAL DISTRICT

Shawnee Mission Rural H.S.D. No. 6.
Common S.D. No. 110, Overland Park.
Antioch C.S.D. No. 61, Overland Park.
Shawnee Common S.D. No. 27.
Roeland C.S.D. No. 92, Shawnee Mission.
Prairie S.D. No. 44.
Valley View C.S.D. No. 49, Overland Park.
Olathe Unif. S.D. No. 233.
Unif. S.D. No. 231, Gardner.
Bonner Springs Unif. S.D. No. 204.
Unif. S.D. No. 500, Kansas City.
Stanley Unif. S.D. No. 229.
Shawnee Mission Unif. S.D. No. 512.

FOURTH CONGRESSIONAL DISTRICT

Haysville Unif. S.D. No. 261.
Valley Center Unif. S.D. No. 262.
Unif. S.D. No. 260, Derby.
Maize Unif. No. 259, Wichita.
Unif. S.D. No. 265, Goddard.
Unif. S.D. No. 263, Mulvane.

FIFTH CONGRESSIONAL DISTRICT

Leon Unif. S.D. Jt. No. 205.
Douglass Unif. S.D. No. 39.
Rose Hill Unif. S.D. 394.
Andover Unif. S.D. No. 385.
Unif. S.D. No. 353, Wellington.
Unif. S.D. No. 356, Conway Springs.
Arkansas City Unif. S.D. No. 470.
Belle Plaine Unif. S.D. No. 357.
Osage City Unif. S.D. No. 420.
Unif. S.D. No. 434, Overbrook.
Unif. S.D. No. 454, Burlingame.
Marais Des Cygnes Valley D. No. 456, Melvern.
Lawrence Unif. S.D. No. 497.

Mr. DORN. Mr. Chairman, I support the Mink amendment to extend impact aid for 3 years.

The impact aid program has my strong support because I believe that the Federal Government, once it imposes a burden upon a local community, should share in bearing that burden. For instance, in many areas of South Carolina the Federal Government has decided to place military bases and installations and by placing these Federal facilities in our State, the land upon which these facilities stand has been removed from the tax rolls of local school districts. And yet, at the same time, the presence of those facilities means that more children are brought into local school districts to be educated. It would seem to me grossly unfair for the Federal Government to place local school districts at the disadvantage of having to educate more children with less money.

Therefore, I am in full support of the Mink amendment which would extend impact aid for the same period of time as the other elementary and secondary education programs.

Mr. DON H. CLAUSEN. Mr. Chairman, I rise in strong support of the amendment offered by the gentlewoman from Hawaii (Mrs. Mink) which will extend the Public Law 874 impact aid program for 3 years instead of only 1 as included in the bill.

There is no excuse for extending other educational programs for 3 years while leaving impact aid recipients hanging with an uncertain future.

This problem goes back, of course, to the continuing need to fund Federal educational programs in such a way as to allow local school administrators and teachers to be able to plan and budget in a responsible way.

If they never know what assistance they will receive they can only plan and budget by hypothetical guesswork. Then, if they receive less than they had guessed, they must cut back already started programs. If they receive more than anticipated, often they are unable to use the money as effectively as they would like to.

Public Law 874 allows the Federal Government to contribute funds in areas where the tax base is affected by Federal presence. If this assistance is not available, local tax payers must pay their own fair share and then some additional amount to make up for the Federal impact if they want to maintain a reasonable quality of educational instruction.

I recognize that the problem for Public Law 874 lies with those school districts surrounding Washington, D.C., where the Federal impact is generally beneficial rather than harmful. These school districts receive funding under the same formula as those in which the Federal impact on the tax base is detrimental.

There is no sense in ending the assistance to those areas in which it is essential, because it is nonessential in a few others. The formula can be revised to achieve a realistic assistance effort without being drastically ended.

In the meantime, while the House Committee on Education and Labor is considering this question, the Public Law 874 payments must be continued until a transition can be made.

The situation is best summed up by a letter and a resolution I have received from Mr. J. Win Payne, superintendent of the Napa Unified School District in California.

I insert the material in the Congressional Record so that it will be available to the Members of Congress while they are considering this issue.

The letter and resolution follow:

Napa Valley Unified School District,
Napa, Calif., March 11, 1974.
Congressman Don H. Clausen,
Longworth Office Building,
Washington, D.C.

Dear Congressman Clausen: Enclosed is a copy of a resolution which was unanimously adopted by the members of the Napa Valley Unified School District Board of Education. The Napa Valley Unified School District is a below average wealth district and consequently, any loss in revenue from any source would be disastrous when we are operating on an extremely tight budget. In view of the fact that impact aid is jeopardized by President Nixon's proposal to restructure federal aid to education, the members of the Board of Education felt it necessary to express their concern to insure that suitable compensation for this federal impact aid continue to be provided in any modifications to Public Law 874, or superseding legislation, such as revenue sharing.

Sincerely,

J. WIN PAYNE,
Superintendent.

RESOLUTION OF NAPA VALLEY UNIFIED SCHOOL DISTRICT

Whereas, the Napa Valley Unified School District student population of 15,535 includes 2,881 pupils, 19 per cent of the total, whose parents are in the military services or are employees of the United States of America at the Travis Air Force Base at Fairfield-Suisum, California and Mare Island Naval Shipyard at Vallejo, California; and

Whereas, the bases at which these people are stationed contribute no taxable property for the support of public services, such as fire and police protection, planning, or education; and

Whereas, the area encompassed by the Napa Valley Unified School District is largely agriculture and residential, providing a living area for the military and civilian servants of the United States described above; and

Whereas, the income of this school district is severely limited because of the relatively small amount of industrial development existing within the district; and

Whereas, these United States Government activities create a demand for housing, education, and other public services which are necessarily supplied by the people of the area by their local property taxes, as supplemented by general income and sales taxes assessed by the state government; and

Whereas, these essential services cannot be provided by the people of this area at a level equivalent to those of neighboring areas unless they tax themselves at an exorbitant level; and

Whereas, the surrounding area communities, not burdened by these inequities, are able to provide greater resources per student for education, thereby supplying superior physical materials, providing smaller class sizes, and other superior learning conditions; and

Whereas, these circumstances place a burden of inequality upon the children of the military and civil servants of the United States of America and the children of their neighbors, thus conferring a second class citizenship upon these people in direct violation of the principles of equal opportunity which are a part of the foundation of this great nation:

Now therefore be it resolved that the Napa Valley Unified School District calls upon the Government of the United States of America to:

a. Insure that suitable compensation for this federal impact, similar to that provided by Public Law 874, continue to be provided to this school district in the future; and

b. Recognize that the apparent disparity of need among some districts now receiving aid under Public Law 874 does not alter the reality of adverse federal impact upon the children of the Napa Valley Unified School District; and

c. Provide in any modifications to Public Law 874 or superseding legislation, such as revenue sharing or federal aid to education laws, suitable guarantees that the children of the Napa Valley Unified School District shall not receive an inferior education because some of their parents are serving their country.

I, the undersigned, duly authorized Superintendent and Secretary of the Napa Valley Unified School District, do hereby certify the foregoing to be a true and correct copy of a resolution adopted at a meeting of said Board on March 7, 1974, at Napa, California.

J. WIN PAYNE,
Superintendent and Secretary.

Ms. ABZUG. Mr. Chairman, in view of my deep commitment toward the original purposes of the Elementary and Secondary Education Act, I am especially disturbed that I must vote against H.R. 69 today. But I cannot be a party to the pretense that an affirmative vote for this legislation would represent. We have before us a bill which purports to increase the educational opportunities for our disadvantaged children. Yet, because of the formula adopted for the distribution of title I funds, H.R. 69 penalizes a significant segment of the very population it was designed to assist.

Because of large concentrations of economically and socially deprived children on its AFDC rolls and because of a genuine commitment to its educational programs and its AFDC programs, as reflected by the expenditure of substantial sums, New York will be severely penalized by this new formula. The schools in New York City will lose at least $30 million in title I funds. More important, the children in our urban ghettos will suffer from the error of our ways.

Apart from the injustice caused by the title I formula, the Esch amendment does further violence to our so-called concern for improving educational standards. This provision, which purports to provide "equal educational opportunities," instead seeks to preserve the status quo, as reflected in neighborhood schools, and to prevent busing. It would allow the reopening of all court or HEW ordered desegregation plans which included busing. It would, in fact, overturn Supreme Court rulings which have recognized busing as a legitimate method of achieving desegregation. By so doing, the Esch provision restricts, abrogates and dilutes the due process and equal protection clauses of the Constitution, something which the Congress has no power to do.

Mr. Chairman, H.R. 69 will not benefit our children. The Nixon administration has not asked for enough money for education nor has the Congress authorized enough money to deal with our educational problems and we have attached an antibusing rider that will turn back the education of all children, especially poor, minority children, 20 years.

Mr. DON H. CLAUSEN. Mr. Chairman, H.R. 69 is a comprehensive modernization of the original Elementary and Secondary Education Act. Some significant changes have been made but the basic thrust of the initial enactment has not been substantially altered.

While I would have gone even further than the Education and Labor Committee in turning over additional authority and flexibility to teachers and administrators in local school districts, the committee has gone at least a step in that direction and I am pleased it has done so.

TITLE I

The compensatory education programs of title I are the most important Federal educational assistance programs and, in my judgment, are substantially strengthened by H.R. 69.

One of the strongest points of the committee bill is its inclusion of a new formula for the allocation of title I funds to replace the old, out-dated formula.

The new formula is more realistic and will be more responsive to the educational needs of our Nation's students. The new formula will redress an imbalance that has occurred with the old formula that permitted many wealthier areas to receive a larger share of the allocation.

The effect of the new formula will be to change the title I allocation so that Sonoma County will be increased 29 percent, Humboldt County is up 40 percent, Napa County, 35 percent; Mendocino County, 26 percent; Lake County, 11 percent, and Del Norte County, 36 percent.

These counties, for the most part, have lower per capita incomes than wealthier counties and therefore have a greater need for title I assistance and receive a greater benefit from it.

I have personally visited title I classrooms and recognize the effects the program is having on students who need it most.

Title I has been highly endorsed by nearly every one associated with it in northern California. Mr. Thomas H. Allen, principal of McKinleyville High School wrote me that—

> Title I has provided the impetus to develop a remedial reading program and has provided additional support for our remedial math program. It has been successful and our program has continued to improve over the years.

Superintendent Mitchell Soso of the Santa Rosa City Schools has been a vigorous and articulate supporter of title I programs. He calls title I a "glowing success" and has furnished me with data showing that title I students in his district achieve a rate of educational growth exceeding that of students offered the regular curriculum.

Parents, too, endorse the program completely. Rae Campbell of Santa Rosa wrote me about her son saying:

> I have just reviewed the test scores with Martin's school counselor and have been shown the vast improvement this concentrated, individualized program has brought about in my child's learning skills. For the first time in his eight years of school he feels successful.

I hope the House will recognize this success, Mr. Chairman, and approve the full title I program as recommended by the committee.

GRANT CONSOLIDATION

The Congress can help provide the fiscal resources to meet our growing educational needs, but only State and local education authorities and the classroom teachers can effectively make the hard decisions to apply these resources in the best way to meet the needs of our children.

That is why I strongly approve the provisions in H.R. 69 which consolidate several categorical grant programs into broader, less restrictive bloc grant programs. This course of action gives a greater range of educational options to those closest to the student. I know the student will benefit greatly.

The good intentions of the Office of Education in Washington will never suffice for the understanding and knowledge of local teachers and local administrators.

BILINGUAL EDUCATION

The bilingual education assistance effort is expanded by H.R. 69 and this provision will have my full support. Bilingual education is becoming more commonly recognized as an essential element of any curriculum which serves children of limited English-speaking ability.

The committee hearings and its report on this bill clearly demonstrate the relationship between English-speaking deficiencies and a high drop-out rate. Bilingual education must not become a crutch for those whose first language is not English, it must become a vehicle for full participation in our society.

We have had some success with bilingual programs but an enormous, unmet need remains. Growing recognition of the need both within and outside the academic community will contribute to greater appreciation of the necessity for this effort.

ADVANCED FUNDING

Finally, every one of the programs in H.R. 69 has been hampered by the established and unresponsive appropriations process, that has appropriated enormous sums of money in the past, but has done so in a way that does not show the slightest recognition for the need for appropriate advanced planning and budgeting by the Nation's school districts.

The Congress must adopt—this year—the principle of "advanced funding" for education programs. The nature of the educational budgeting and administrative process is such that the ability to complete advanced planning is an integral part of the success of educational programs.

The Federal fiscal year begins on July 1 and that is the date we aim for to complete appropriations bills. But, even though the school year does not begin until September, most budgetary commitments are made by early spring.

The problem is compounded by the fact that the Congress never completes action on the appropriation on time and, in fact, educational institutions may be months into the school year before they have any specific idea of what to expect in the way of Federal assistance.

This policy, of course, is not within the scope of H.R. 69, Mr. Chairman, but we must turn our attention to it immediately if we expect the potential gains of H.R. 69 to be achieved.

In short, Mr. Chairman, H.R. 69 is a step in the right direction. Let us take that step.

The CHAIRMAN. The question is on the substitute committee amendment, as amended.

The substitute committee amendment, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. PRICE of Illinois, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 69) to extend and amend the Elementary and Secondary Education Act of 1965, and for other purposes, pursuant to House Resolution 963, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee substitute? If not, the Chair will put them en gros.

The amendments to the commitee substitute were agreed to.

The SPEAKER. The question is on the committee substitute.

The committee substitute was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. ASHBROOK

Mr. ASHBROOK. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. ASHBROOK. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. ASHBROOK moves to recommit the bill H.R. 69 to the Committee on Education and Labor.

Mr. PERKINS. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. QUIE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 380, nays 26, answered "present" 1, not voting 25, as follows:

[Roll No. 121]

YEAS—380

Abdnor
Adams
Addabbo
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Arends
Armstrong
Aspin
Bafalis
Baker
Barrett
Bauman
Beard
Bell
Bennett
Bergland
Biaggi
Biester
Boggs
Boland
Bolling
Bowen
Brademas
Brasco
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton
Butler
Byron
Camp
Carney, Ohio
Carter
Casey, Tex.
Chamberlain
Chappell
Clancy
Clark
Clausen, Don H.
Clay
Cleveland
Cochran
Cohen
Collier
Conable
Conte
Cotter
Coughlin
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, Ga.
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dennis
Dent
Derwinski
Devine
Dickinson
Diggs
Dingell
Donohue
Dorn
Downing
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Flood
Flowers
Flynt
Foley
Ford
Forsythe
Fountain
Fraser
Frelinghuysen
Frey
Froehlich
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Grasso
Gray
Green, Oreg.
Green, Pa.
Griffiths
Grover
Gude
Gunter
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hanna
Hansen, Idaho
Hansen, Wash.
Harrington
Harsha
Hastings
Hawkins
Hays
Hébert
Hechler, W. Va.
Heinz
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holifield
Holt
Horton
Hosmer
Howard
Huber
Hudnut
Hungate
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kemp
Ketchum
King
Kuykendall
Kyros
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Litton
Long, La.
Long, Md.
Lott
Lujan
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McKinney
McSpadden
Macdonald
Madden
Madigan
Mahon
Mallary
Mann
Maraziti
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Milford
Miller
Mills
Minish
Mink
Minshall, Ohio
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Murphy, Ill.
Murtha
Myers
Natcher
Nedzi
Nelsen
Nichols
Nix
Obey
O'Brien
O'Hara
O'Neill
Owens
Parris
Passman
Patten
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Podell
Powell, Ohio
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quie
Quillen
Railsback
Randall
Rees
Regula
Reid
Reuss
Rhodes
Riegle
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rostenkowski
Roush
Roy
Roybal
Runnels
Ruppe
Ruth
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Scherle
Schneebeli
Schroeder
Sebelius
Seiberling
Shipley
Shoup
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steele
Steelman
Steiger, Wis.
Stokes
Stratton
Stubblefield
Stuckey
Studds
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Wiggins
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wydler
Wylie
Wyman
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—26

Abzug
Archer
Ashbrook
Badillo
Bingham
Chisholm
Clawson, Del
Collins, Ill.
Collins, Tex.
Conlan
Crane
Goodling
Gross
Gubser
Holtzman
Koch
Landgrebe
Martin, Nebr.
Rangel
Rarick
Rosenthal
Rousselot
Satterfield
Steiger, Ariz.
Symms
Treen

ANSWERED "PRESENT"—1

Moss

NOT VOTING—25

Alexander
Ashley
Bevill
Blackburn
Blatnik
Carey, N.Y.
Cederberg
Conyers
Corman
Erlenborn
Frenzel
Hanrahan
Heckler, Mass.
Hunt
Kluczynski
Mitchell, Md.
Murphy, N.Y.
Patman
Rooney, N.Y.
Shriver
Stephens
Sullivan
Teague
Williams
Wyatt

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Moss for, with Mr. Corman against.

Until further notice:

Mr. Mitchell of Maryland with Mr. Blatnik.
Mr. Teague with Mr. Alexander.
Mr. Rooney of New York with Mr. Shriver.
Mr. Kluczynski with Mrs. Heckler of Massachusetts.
Mr. Bevill with Mr. Cederberg.
Mr. Murphy of New York with Mr. Frenzel.
Mr. Ashley with Mr. Conyers.
Mr. Patman with Mr. Blackburn.
Mr. Stephens with Mr. Erlenborn.
Mr. Carey of New York with Mr. Hanrahan.
Mrs. Sullivan with Mr. Williams.

Mr. **MOSS**. Mr. Speaker, I have a live pair with the gentleman from California (Mr. CORMAN). If he were present he would have voted "nay." I voted "yea." I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERMISSION FOR CLERK TO MAKE CLERICAL AND CONFORMING CHANGES IN H.R. 69

Mr. **PERKINS**. Mr. Speaker, I ask unanimous consent that in the engrossment of the bill H.R. 69 the Clerk be authorized to make clerical and conforming changes in punctuation, section and title numbers, cross references and the table of contents to reflect the amendments of the committee.

The **SPEAKER**. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

GENERAL LEAVE

Mr. **PERKINS**. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill (H.R. 69) just passed and include extraneous matter.

The **SPEAKER**. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

CONFERENCE REPORT ON H.R. 6186, TO AMEND THE DISTRICT OF COLUMBIA REVENUE ACT OF 1947

Mr. **ADAMS** submitted the following conference report and statement on H.R. 6186 an act to amend the District of Columbia Revenue Act of 1947 regarding taxability of dividends received by a corporation from insurance companies, banks, and other savings institutions:

CONFERENCE REPORT (H. REPT. No. 93–955)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the amendment of the Senate numbered 3 to the bill (H.R. 6186) to amend the District of Columbia Revenue Act of 1947 regarding the taxability of dividends received by a corporation from insurance companies, banks, and other savings institutions, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the amendment of the Senate numbered 3 and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

SEC. 3. (a) Part C of title VII of the District of Columbia Self-Government and Governmental Reorganization Act is amended by inserting at the end thereof the following:

"POLITICAL PARTICIPATION IN CERTAIN ELECTIONS FIRST HELD UNDER THIS ACT

"SEC. 724. (a) In order to provide continuity in the government of the District of Columbia during the transition from the appointed government to the elected government provided for under this Act, no person employed by the United States or by the government of the District of Columbia shall be prohibited by reason of such employment—

"(1) from being a candidate in the first primary election and general election held under this Act for the office of Mayor or Chairman or member of the Council of the District of Columbia provided for under title IV of this Act, and

"(2) if such a candidate, from taking an active part in political management or political campaigns in any election referred to in paragraph (1) of this subsection.

"(b) Such candidacy shall be deemed to have commenced on the day such person obtains from the Board of Elections an official nominating petition with his name stamped thereon, and shall terminate—

"(1) in the case of such candidate who ceases to be eligible as a nominee for the office with respect to which such petition was obtained by reason of his inability or failure to qualify as a bona fide nominee prior to the expiration of the final date for filing such petition under the election laws of the District of Columbia, on the day following such expiration date;

"(2) in the case of such candidate who is elected to any such office with respect to which such nominating petition was obtained, on the day such candidate takes office following the election held with respect thereto;

"(3) in the case of such candidate who is defeated in a primary election held to nominate candidates for the office with respect to which such nominating petition was obtained, on the expiration of the thirty day period following the date of such primary election; and

"(4) in the case of such candidate who fails to be elected in a general election to any such office with respect to which such nominating petition was obtained, on the expiration of the thirty day period following the date of such election.

"(c) The provisions of this section shall terminate as of January 2, 1975."

(b) The table of contents for part C of title VII of such Act is amended by inserting at the end of that part the following new item:

"Sec. 724. Political participation in certain elections first held under this Act."

(c) Section 771(e) of the District of Columbia Self-Government and Governmental Reorganization Act is amended by deleting "Part E" and inserting in lieu thereof "Section 724 and part E".

SEC. 4. (a) Section 7324(d)(4) of title 5, United States Code, is amended to read as follows:

"(4) the Mayor of the District of Columbia, the members of the Council of the District of Columbia, or the Chairman of the Council of the District of Columbia, as established by the District of Columbia Self-Government and Governmental Reorganization Act; or".

(b) Notwithstanding any other provision of law, the provisions of section 7324(a)(2) of title 5, United States Code, shall not be applicable to the Commissioner of the District of Columbia or the members of the District of Columbia Council (including the Chairman and Vice Chairman), as established by Reorganization Plan Numbered 3 of 1967.

(c) Section 741 of the District of Columbia Self-Government and Governmental Reorganization Act is repealed.

And the House agree to the same.

CHARLES C. DIGGS, JR.,
DONALD M. FRASER,
THOMAS M. REES,
BROCK ADAMS,
ANCHER NELSEN,
WILLIAM H. HARSHA,
JOEL T. BROYHILL,
Managers on the Part of the House.

THOMAS F. EAGLETON,
DANIEL K. INOUYE,
CHARLES McC. MATHIAS, JR.,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (H.R. 6186) to amend the District of Columbia Revenue Act of 1947, regarding taxability of dividends received by a corporation from insurance companies, banks, and other savings institutions, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

House Amendment No. 3 would provide that no person who is employed by the United States or by the government of the District of Columbia (including the Commissioner of the District of Columbia, the Chairman or Vice-Chairman, and members of the District of Columbia Council, as established under Reorganization Plan numbered 3 of 1967) shall be prohibited from (1) being a candidate in the first elections held under the District of Columbia Self-Government and Governmental Reorganization Act (P.L. 93–198); and (2) if such a candidate, from taking an active part in political management or political campaigns in elections to the offices of Mayor, Chairman, or member of the Council. The exemption contained in Amendment No. 3 would terminate as of January 2, 1975.

The Senate Amendment would provide an exemption from the provisions of Section 7324(a)(2) of Title 5, United States Code for the present Commissioner of the District of Columbia or member of the Council (including the Chairman and Vice-Chairman) as established by Reorganization Plan numbered 3 of 1967 in order to enable the present office holders to participate in the first elections without resigning.

The Senate Amendment would also provide an exemption from the provisions of Section 7324(d)(4) of Title 5, United States Code for the new offices of Mayor, Chairman and member of the Council as established by the District of Columbia Self-Government and Governmental Reorganization Act.

The conference substitute contains provisions of both the House Amendment and Senate Amendment as follows:

Section 3 of the conference substitute adopts the House language which would add a new section (Section 724) to the District of Columbia Self-Government and Governmental Reorganization Act. Section 724 provides that persons employed by the United States or by the government of the District of Columbia shall be permitted to be candidates in the first elections for the offices of Mayor, Chairman or member of the Council. The provisions further provide that if such employees are duly qualified candidates, they may take an active part in political management or political campaigns for such elections with respect thereto.

The exemptions are circumscribed and are intended to authorize federal and District employees to be candidates without resigning their employment. It is important to stress that participation in political management and political campaigns for such employees is limited to those who qualify as bona fide candidates. Candidacy is specifically defined in the conference substitute as the period of time from which the candidate secures a nominating petition until (a) the day following the day a person does not qualify to be a candidate by failing to secure the appropriate number of signatures; (b) 30 days after he loses in the primary election; (c) 30 days after he loses in the general election; or (d) if elected, the day he takes office.

The exemptions contained in Section 3 of the conference substitute would take effect on the day the residents of the District ratify the Charter (May 7, 1974).

The provision is intended to assure the widest possible participation in the first elections held under the self-government legislation. Section 3, however, terminates as of January 2, 1975.

While the exemption for District and federal employees terminates as of January 2, 1975, the managers intend to actively promote and support legislation assuring the widest possible participation in all District elections held subsequent to the first elections.

The managers agreed that the U.S. Civil Service Commission should be directed to review the administration and operation of this legislation to determine its effect on elections in the District of Columbia and that the Commission should report to the Congress its findings and recommendations. Since this requirement was deemed to be outside the scope of the conference, it is not included in the substitute. It is the sense of the managers that the U.S. Civil Service Commission make this type of review and analysis which shall be transmitted to the Congress on or before July 1, 1975.

Section 4 of the conference substitute adopts the Senate language which would provide an exemption from Section 7324(d)(4) of Title 5, United States Code (Hatch Act) for the offices of Mayor, Chairman, or member of the Council as established under the self-government legislation. The intent of this provision is to exempt such officeholders from the prohibition against participating in political management or political campaigns.

Section 4 would also provide an exemption from Section 7324(a)(2) of Title 5, United States Code for the Commissioner of the District of Columbia or members of the District of Columbia Council (including the Chairman and Vice-Chairman), as established by Reorganization Plan No. 3 of 1967.

This section was proposed to prevent a possible hiatus in the governance of the District of Columbia likely to occur, if during the transition period present officeholders were required to resign in order to seek elective office.

Section 4 would make such offices exempted on the day the residents ratify the Charter.

Charles C. Diggs, Jr.,
Donald M. Fraser,
Thomas M. Rees,
Brock Adams,
Ancher Nelsen,
William H. Harsha,
Joel T. Broyhill,
Managers on the Part of the House.
Thomas F. Eagleton,
Daniel K. Inouye,
Charles McC. Mathias, Jr.,
Managers on the Part of the Senate.

REQUEST FOR ADJOURNMENT TO 11 O'CLOCK A.M. ON THURSDAY, MARCH 28, 1974

Mr. McFALL. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock a.m. tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. GROSS. Mr. Speaker, reserving the right to object, might I inquire as to the legislation to come before the House tomorrow?

Mr. McFALL. Yes, if the gentleman will yield for that purpose.

Mr. GROSS. Yes, of course.

Mr. McFALL. It is the intention of the leadership to bring two pieces of legislation before the House tomorrow. I am advised that the first bill will be the minimum wage conference report. Following the completion of that business, there will be the Foreign Assistance Disaster Act, which is on the whip's slate for this week.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. ROUSSELOT. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

THE QUESTION OF IMPEACHMENT

(Mr. PASSMAN asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and include extraneous matter.)

Mr. PASSMAN. Mr. Speaker, one of my closest personal friends, a concerned citizen, a man of unimpeachable integrity, said to me forthrightly: "Why shouldn't President Nixon's requests be met?"

Here is the way he put it:

The President has requested, through his counsel, the right to participate in the impeachment proceedings before the House of Representatives Judiciary Committee. Those who would deny the President this basic fundamental right, compare the proceedings to a grand jury investigation. This is wrong because:

First. Impeachment proceedings cannot be compared to grand jury investigations.

Second. Grand jury investigations are traditionally secret and the House impeachment proceedings obviously will not be.

Third. If they are public, the President will be severely prejudiced because his counsel will not be present to cross examine witnesses to establish the truth or to introduce evidence.

Fourth. Statements made by witnesses in a public hearing may not be truthful. Thus, the case will be decided before television cameras before the President ever has the opportunity to present his side of the case.

Fifth. The President would have no recourse—there would be no opportunity for a mistrial or a change of venue.

Sixth. The denial of right to counsel would be denying a basic constitutional right guaranteed any other American.

Those who would strip the President of his right to counsel say there is no precedent for his requestioning. They are wrong because:

First. As far back as 1826, the House Judiciary Committee allowed the accused or his counsel to be present.

Second. In at least 19 separate instances, counsel for the defendant was present with the right to question witnesses and defend his rights.

Third. In one case—Judge Sherman, 1873—the committee refused to impeach because the defendant or his counsel were not present.

Fourth. In many cases, the accused has been given the opportunity to present witnesses, to cross examine, and to make statements in his own behalf.

I certainly hope my remarks will be accepted as they are intended, and that is in support of our President. My confidence in President Richard M. Nixon is firmer today than at any time since I have known him. He must be made of steel to take the harrassment and still function in a superb manner. Mr. Speaker, I was taught from childhood to stand up and be counted and never to be afraid to speak up and speak out when I thought I was right, and so long as I live, I shall pursue that course.

Mr. Speaker, I can well afford to be retired involuntarily in August for supporting principle. I can well afford to suffer humiliation for supporting principle. I can well afford to be ridiculed for supporting principle. But, I cannot afford to remain silent when I know very well that the time is overdue for those of us who know right and who want right to prevail to speak up and speak out to let the public understand that they are hearing only one side of the question about impeachment.

Therefore, repeating if I may, I cannot remain silent, I do not intend to remain silent, I am going to speak up in defense of our great President because the record is abundantly clear what this great man has done not only for this generation but for generations yet unborn. I want my views to be well recorded, and the only compensation I want is for the American public to be permitted to hear the other side of the story and to give the President the right of defense at the proper place.

Even the critics, in their calm moments, certainly should understand that President Nixon's superb performance in foreign policy may very well have saved this Nation from obliteration. Mr. Speaker, there are those who are after our President's hide, and who, insofar as I know, have never made one complimentary statement in our President's behalf. Why should not our President be given credit for what he has accomplished in many, many areas which has benefited all Americans. Why do the critics have to dwell entirely on pointing out minor deficiencies rather than great accomplishments?

Now, may I say for the record, if I should not use whatever prerogatives are mine to speak up and defend, in my opinion, the greatest President we ever had when you evaluate his accomplishments correctly, then I would be honor bound to address myself to nine principle-building fraternal organizations of which I am a member and state that I could not live up to my solemn obligation to support principle as I swore I would do on my knees; therefore, I must ask for a demit and have my name removed from the rolls rather than disgrace those who are carrying on with courage and determination the great principles handed down by our forefathers.

Mr. Speaker, we have never had a bad President, some have been better than others. We have a great President at this time, and would not our country, our conscience, our constituencies and generations that are to follow be better off if we would, on bended knee, ask the Supreme Architect of the Universe to give us the wisdom and courage to demand that our President be given proper representation at the proper places at the proper time, and then give us the courage to put a stop to this unreasonable harrassment.

A VICTORY AGAINST SPN'S

(Mr. KOCH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KOCH. Mr. Speaker, Defense Secretary James R. Schlesinger last Friday authorized the removal of separation program numbers and reenlistment code numbers from all discharge papers. As you know, the Honorable Les Aspin and I have been urging that this decision be made and we are the sponsors of legislation to effect that change. We were pleased to see that at the urging of over 50 Members of the House who were cosponsors of the bill, and through the efforts of House Armed Services chairman F. Edward Hébert, the administration changed its policy in this matter, voiding the necessity for legislation action.

At the time of discharge, a serviceman is given a discharge paper, DD form 214, Report of Separation from Active Duty, which contains a numerical code specifying the specific reason for release. The code, called separation program numbers—SPN's—can unfortunately penalize a veteran for life. The code numbers and what they designate, while intended to be confidential, have become publicly known. The consequent invasion of privacy may never end for a veteran with a prejudicial SPN. Employers who have been able to get copies of the number designation often use this information in an adverse way, undoubtedly preventing veterans from obtaining jobs when they were either equally or better qualified than the nonveteran applicant.

The SPN numbers which appear on honorable as well as undesirable and dishonorable discharges can be pejorative. In fiscal year 1973, 35,640 servicemen who received honorable or general—under honorable conditions—discharges were also branded with a SPN marking them as unsuitable. There were 21,000 identified as possessing "character and behavior disorders"; 10,000 others were labeled as suffering from "apathy, defective attitudes, and an inability to expend effort constructively," and nearly 3,000 were simply charged with "inaptitude."

Not one of these veterans was guilty of an offense under military or civilian law, and not one of them was allowed a hearing before an administrative board—nor was he permitted counsel. The SPN was in every case an arbitrary decision made by others, and the serviceman could have been completely unaware of its meaning or significance.

Under the new rules, the SPN's will be maintained in the file of the individual and releasable only at the request of the veteran.

Also, DOD regulations will provide that a veteran who would like a new discharge paper without a SPN number or reenlistment code number will be able to request it from the Defense Department as a result of this new policy.

However, I feel that it is not enough to let the veteran request a new discharge certificate. A great part of the problem has to do with the fact that veterans do not know that the SPN's exist on their discharge papers. I believe that the DOD should send without a request to all those veterans discharged since the early 1950's when SPN's were instituted, updated DD forms 214—superceding the discharge paper issued when they were discharged from the service—which would not show these SPN's or reenlistment code numbers.

I have written to Defense Secretary Schlesinger urging that he comply with this suggestion. I also believe that there can be coercion on the part of employers who request that veterans authorize the release of SPN's to them. I propose that the information not be supplied to an employer or third parties even with the veteran's consent, so as to protect the veteran against undue pressure. If my colleagues in the House concur, I would urge them also to write to Secretary Schlesinger. My letter to the Secretary follows:

House of Representatives,
Washington, D.C., March 27, 1974.

Secretary James R. Schlesinger,
Department of Defense,
Washington, D.C.

Dear Mr. Secretary: Your recent action in authorizing the removal of Separation Program Numbers and reenlistment code numbers from all discharge papers deserves congratulation and support. It is a decision which, as you know, has been urged for a long time by many Members of Congress.

However, I feel that it is not enough to merely let the veteran request a new discharge certificate. A great part of the problem has to do with the fact that veterans do not know that the SPNs exist on their discharge papers. Their employers might know it—but they do not. Consequently, it is difficult to imagine that any substantial percentage of veterans would be aware they can request new papers.

It is the responsibility of the Department of Defense to guarantee that the rights to privacy of veterans is assured. To do this I believe that the DOD should send to all those veterans discharged since the early 1950s, when SPNs were instituted, updated DD Forms 214—superceding the discharge paper issued when they were discharged from the service—which would not show these SPNs or reenlistment code numbers.

I also believe that there can be coercion on the part of employers who request that veterans authorize the release of SPNs to them. I propose that the information not be supplied to an employer or third parties, even with the veteran's consent, so as to protect the veteran against pressure.

I urge your immediate consideration of these provisions in developing your regulations on this issue and I would appreciate your advising me of your position as soon as possible.

Sincerely,

Edward I. Koch.

TODAY IN CONGRESS

(Mr. VAN DEERLIN asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. VAN DEERLIN. Mr. Speaker, if public opinion of Congress is really as low as recent polls have suggested, one reason could be that many people have no real understanding of Congress and the way in which it works.

Perhaps there would be greater appreciation of the day-to-day routine here on Capitol Hill—possibly even a rise in our public esteem—if listeners in all 50 States were to share a radio program which is broadcast only in the Washington area.

This is "Today in Congress," a 10-minute wrapup on House and Senate activities by Joseph McCaffrey, heard each evening on WMAL radio. Like many colleagues, I often catch McCaffrey's summary while driving home from the Capitol. Jointly sponsored by the Rural Electrification Co-ops and the Communications Workers of America, this program is the only one of its kind—devoted exclusively to what is happening on the Hill.

In our customary concentration on television news, it may escape attention that some kinds of reporting are still best done on radio. "Today in Congress" offers the perfect example. McCaffrey gives listeners a tightly edited report on the full gamut of committee hearings and the day's important floor action from both sides of the Hill. As its windup, we always learn what to expect as the order of business for the day following.

The program has sometimes been referred to as "The Congressional Record of the Air." In my opinion, that borders on slander. The Record itself could never be so crisp and informative. Joe McCaffrey, one of the truly experienced observers of congressional mores and manners, pares away all excess, unnecessary information and reports only what we really want—the essential facts.

By the very nature of our job, each of us is involved in only a small part of what has happened here on any given day. "Today in Congress" gives us an opportunity to get the big picture of Congress.

As one appreciative listener, Mr. Speaker, I take this occasion to thank Mr. McCaffrey, his station, and his sponsors for their invaluable service. I only wish it were available to the folks back home.

LIVESTOCK FEEDERS DO NOT HAVE IT SO GOOD

(Mr. MAYNE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MAYNE. Mr. Speaker, I was glad to hear Secretary Butz announce at the White House yesterday that the Agriculture Department will buy $45 million of beef to improve prices to cattle feeders. The President has also ordered the Defense Department to buy more beef. These steps are welcome and long overdue as indicating an awareness on the part of the administration that family livestock feeders are indeed in deep trouble and need help. By no stretch of the imagination can they be included in the President's incredible statement of last Tuesday evening that "farmers never had it so good." I sent the President a telegram the same night protesting such a statement as grossly unfair and insulting to family livestock farmers and carried my protest in person the following morning to his principal farm advisers, including Secretary of Agriculture Earl Butz.

During the past week, the White House has been flooded with solid evidence that since mid-September cattle feeders have been taking ruinous losses which are now also hitting pork producers in a declining market. A delegation came from the Sioux County, Iowa, Cattlemen's Association to Washington to prove to presidential advisers on Saturday that they are losing from $100 to $200 per head and pork producers $12 per head. They also expressed their deep concern and disappointment that the President had not yet withdrawn or qualified his very misleading statement as having no valid application to independent livestock feeders. When no action had been taken by Monday, I again wired the President demanding an explanation or retraction of his statement. Tuesday morning I was invited to meet with the President and farm organization leaders. I told the President he would be committing a grave injustice if he failed to correct the misleading impression of the Houston statement and set the record straight as to the plight of family livestock farmers. Later in the day he did indeed acknowledge his keen awareness of their problem and his determination to be of assistance in remarks to the American Agricultural Editors Association. In addition to the beef purchase announced earlier by Secretary Butz, the President called on retailers to push beef sales by lowering their present swollen profit margins for the benefit of producers and consumers alike. He also pledged we will not again go down the road to controls. Mr. Speaker, these are steps in the right direction which I hope will be of some encouragement to family farmers engaged in the feeding of livestock. The President of the United States has acknowledged that for them, things definitely are not so good.

SMALL BUSINESS LOAN CHARGE-OFFS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. CLANCY) is recognized for 60 minutes.

Mr. CLANCY. Mr. Speaker, on November 16, 1959, the Cincinnati Planning Commission, of which I was a member as well as mayor of Cincinnati at that time, recommended disapproval of the zone change for certain acreage along Hamilton Avenue in the city of Cincinnati. This disapproval occurred after hearings and after reports by the city planning commission staff, which also recommended disapproval.

The motion to disapprove, which I seconded, carried unanimous. After that date, there were additional attempts to have this property rezoned for business purposes, but they were disapproved also. However, on December 10, 1965, after a public hearing was held, the city planning commission, which was comprised of some other persons, recommended approval of the zone change for this tract of land, and it was subsequently authorized by the city council of Cincinnati. I and my colleagues had recommended disapproval for many reasons.

To name a few, this land was located in an area that had many traffic problems, and also was in an area where there were relatively few inhabitants. Further, there were large shopping areas to the north and to the south on Hamilton Avenue within a distance of a few miles. We were also aware at the time that it was disapproved, that other shopping centers were contemplated within a radius of approximately 4 or 5 miles from this site.

After the zone change was approved in 1966 by council, which was by ordinance No. 95–1966, a shopping center known as the Ashtree Shopping Center, consisting of 33 stores of various sizes, was constructed on this site.

Shortly thereafter, or perhaps before, the Small Business Administration became interested in giving direct or guaranteed loans to business establishments which were to occupy this shopping center—17 direct or guaranteed bank loans by SBA were given, and I regret to say at this time, and only after a few years, 8 of the loans have been charged off. The chargeoffs that were given to us by the Small Business Administration for this one shopping center amount to $471,690.87. In addition, there were nine businesses that are no longer in business at this shopping center, and the loans made to these individuals amounted to $222,400; $757,100 was the total amount that was given in direct loans or guaranteed loans to people who were in business at the shopping center or were to be in business at the shopping center.

My staff investigation has revealed that some who received loans did not even occupy the stores where they were expected to conduct business.

Mr. Speaker, it is shocking to reveal to my colleagues today that there are now in this shopping center only four occupants:

First, a State liquor store, which was placed there to assist in the financial difficulties of the shopping center;

Second, a food stamp distribution center;

Third, a laundry and drycleaning establishment; and

Fourth, a television and radio business.

Twenty-nine of these stores are vacant. In addition to these charged off loans and those which we believe have been charged off but we have not received the information from the Small Business Administration in Washington, there are other small business loans charged off out of the Cincinnati office for Hamilton County.

I inquired through the Honorable ROBERT G. STEPHENS, JR., the chairman of the Subcommittee on Small Business of the Committee on Banking and Currency, who was kind enough to secure for me information about the defaults of loans in Hamilton County during the last 5 fiscal years.

The following is a detailed list of borrowers concerned, the names and addresses of the companies, the Small Business Administration share of the approved loans, the names of the principals involved, and the amounts charged off:

These loans were charged off between the periods of July 1968 and June 30, 1973.

The first borrower's name and address is: Mallisa Transfer Co., 2687 Hillvista Lane, Apartment 8, Cincinnati, Ohio; the Small Business Administration share approved $25,000; and the principal and the amount charged off, Ernie Heffner, $17,203.04.

The next one is: Whaleys Sanitation, 1113 Wellspring Drive, Cincinnati, Ohio; the SBA share approved, $16,000; the principal, Alonzo Whaley; and the amount charged off, $11,927.10.

The next one is: Ashtree Village Appliance, 4781 Hamilton Avenue, Cincinnati, Ohio; the amount of SBA share approved, $60,000; the principal, Raymond P. Hughes; and the amount charged off, $61,576.97.

The next is: Village Hosiery Shop, 5033 Hamilton Avenue, Cincinnati, Ohio; the SBA share approved, $4,500; the principal, Rose M. Carr; and the amount of $4,906.65 charged off.

The next one is: A/OK PAK Corp.; $135,000 approved by the SBA; the principal, Louis Effron, president; and the amount charged off, $112,072.88.

The next is: Creative Soul, Inc., 807 North Crescent, Cincinnati, Ohio; the amount approved, $45,000; the principal, Hugh Da How, president; the amount charged off, $45,994.47.

The next is: DBA Readmore, 4503 West Eighth Street, Cincinnati, Ohio; the share approved by SBA, $25,000; the principal, William Willingham; and the amount charged off, $23,353.76.

The next is: Milford Wrecking & Paving Co., 7948 Glendale Milford Road, Camp Dennison, Ohio; the amount charged by SBA, $25,000; the principal involved, Berwile Jackson; and the amount charged off $22,992.65.

The next is: Alexander Sales Corp., Silverton Western Auto; the amount approved, $48,600; the principal, James R. Alexander; and the amount charged off, $37,375.08.

The next is: Mary Margaret Dress Shop, 4781 Hamilton Avenue, Cincinnati, Ohio; the SBA share approved, $15,000; the principal, Mary M. Maloney; and the amount charged off, $14,747.70.

The next is the Ohio Valley Private Police, Inc., 121 West Benson Street, Reading, Ohio. The amount approved by SBA, $13,500. The principal, Malcolm P. Cantrell. Amount, $3,769.23.

The next Jacques Renee of Paris Botique, 1 Corry Street, University Plaza, Cincinnati, Ohio. Amount approved by SBA, $17,500. The principal, Marilyn Mokma. Amount charged off, $17,885.93.

Next is Act One, 426 Clinton Springs Avenue, Cincinnati, Ohio. SBA share approved, $13,500. The principal, Robert L. Bradlock. The amount charged off, $13,515.05.

The next is Points East, Inc., 701 Greenwood Avenue, Cincinnati, Ohio. The Small Business Administration share, $10,000. The principal, Kenneth William McDaniel. Amount charged off, $10,174.54.

Next is International House, 593 Wyoming Avenue, Cincinnati, Ohio. Amount approved by SBA, $17,000. That is in the archives. There is a chargeoff of $17,931.10 on that loan.

Next is Something Different, 3495 Burnet Avenue, Cincinnati, Ohio. The share approved, $40,000. The principal, William Edmondson. Amount charged off, $44,421.88.

Next is H. & S. Food Mart, Ashtree and Hamilton Avenue, Cincinnati, Ohio. Amount approved, $190,000. Principal, Carl Lawrence. $191,184.72 charged off.

The next is Images, Inc., 602 Main Street, Cincinnati, Ohio. Amount approved, $31,860. Principal, James J. Schifrin, president. The amount charged off, $27,065.24.

The next is Jarrells Record Shop, 10546 Roberta Drive, Cincinnati. Amount approved, $5,400. Principal, William L. Jarrell. Amount charged off, $4,631.15.

The next is McGees Remodeling, 518 Clinton Springs, Cincinnati, Ohio. The amount approved, $10,000. The principal, Oliver George McGee. Amount charged off, $9,151.69.

The next is the Lockland Sohio Service, 1 Mulberry Court, Apartment 60, Lockland, Ohio. Amount, $7,200 approved. The principal is O. W. Calimese, Jr. The amount charged off, $5,348.91.

Next is KYRK Florist Shop, 3441 Reading Road, Cincinnati, Ohio. The amount approved, $3,700. The principal, John W. Stallworth. The amount charged off, $3,893.84.

The next is Sohio Findlay and Linn Service Station, Findlay and Linn Streets, Cincinnati. The amount approved, $10,000. The principal, William C. Craig. The chargeoff, $7,423.97.

The next is Mayor Jewelry Co. of Ashtree. Hamilton and Ashtree Avenues, Cincinnati, Ohio.

The Small Business Administration's share approved, $50,000. Principal, Nathan Zoff. The amount charged off, $28,436.27.

Next is Ashtree Village Furniture, 7885 Greenland Place, Cincinnati, Ohio. The amount approved by the Small Business Administration, $35,000. Principal, Israel Margolis. Amount charged off, $30,246.76.

Next, Super Discount Distributors, 819 Main Street, Cincinnati, Ohio. Amount approved by the Small Business Administration, $17,500. Principal, Raymond H. Grote. Amount charged off, $13,927.64.

Next, Mary Margarets Fashion, 8983 Zodiac Drive, Cincinnati, Ohio. Amount approved by the Small Business Administration, $9,000. Principal, Mary M. Maloney. Charged off, $8,228.66.

Next, Golden Lion Inns, Inc., 8797 Sturbridge Drive, Cincinnati. Small Business share approved, $35,000. Principal, John Daniel Carroll. Amount charged off, $31,854.04.

Next, the Cincinnati Kids Restaurant, 2810 Woodburn Avenue, Cincinnati. Amount approved by the Small Business Administration, $7,500. Principal, Richard Boyd, Jr., and Richard Boyd, Sr. Amount charged off, $7,990.68.

Next, the Jiffy Quick Food Shop, 3500 Rading Road, Cincinnati, Ohio. Amount of Small Business Administration's share approved, $25,000. Principal, Babe Baker Enterprises. Amount charged off, $20,733.83.

Next, Hackett Plumbing Co., 7312 Irwin Avenue, Cincinnati. Amount approved by SBA, $7,500. Principal, Robert T. Hackett. Amount charged off, $6,596.89.

Next, Village Hosiery Shop, Ashtree and Hamilton Avenue, Cincinnati, Ohio. The amount approved by the Small Business Administration, $10,000. Principal, Rose Carr. Amount charged off, $10,349.05.

Next, Act One, 426 Clinton Springs Avenue, Cincinnati, Ohio. The SBA share approved, $24,900. The principal, Robert L. Braddock. The amount charged off, $26,258.05.

Next, DBA M. & S. Pony Keg, Small Business Administration share approved, $10,000. Principal, Otis Michael Kelly. Amount charged off, $10,019.52.

Next, H. & S. Food Mart, 4781 Hamilton Avenue, Cincinnati, Ohio. Small Business Administration share approved, $50,000. Principal, once again, Carl Lawrence. Charged off, $51,209.24.

As a further result of our investigation we found that nine of these charge-offs were never listed in any city directory.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. CLANCY. I yield to the gentleman from California.

Mr ROUSSELOT. Mr. Speaker, I appreciate the gentleman yielding.

Mr. Speaker, as a member of the Small Business Subcommittee of the Committee on Banking and Currency, and the full Banking and Currency Committee, we are grateful to the gentleman from Ohio (Mr. CLANCY) for bringing these issues to the floor at this time, and especially our full committee and the subcommittee that is now investigating very thoroughly the very subject which the gentleman from Ohio is now discussing.

I especially congratulate him because it is never popular to look into what has turned out to be a very bad situation for the Federal Government when substantial guarantees are involved on either leases or for businesses that potentially were not very real businesses to begin with. It is never popular to bring up this kind of discouraging material. Those of us on the Committee on Banking and Currency, who are looking into this issue as to what the Small Business Administration has done to try to protect the Government and the public interest against the kind of thing that the gentleman is bringing out, congratulate him, and we appreciate very much the detailed and thorough manner in which the gentleman has gone into this issue to make sure that we have facts. He has taken the time to make sure it is not just rumor. He has gone into the records, and he has really tried to search very deeply for the actual facts on the subject.

We thank him.

Mr. CLANCY. I very much appreciate the gentleman's remarks.

My staff has told me that of approximately 280 loans that have been made in Hamilton County, 72 of the businesses are not found in any city directory going back as far as 1968, unless they are operating under different names or at different locations These 72 loans consisted of over $3½ million. It may have been that a loan was obtained under one name and operated under another. This we could not determine.

We do know there is a loan to a Baxter Trucking Co., whose address is given at 582 Hale Avenue, Cincinnati 45229, that received a loan for $28,000, according to the information supplied to me by the SBA.

A member of my district staff discussed this matter with one William Baxter whom we believe to be the person to whom the loan was made. He has stated that he was never in the trucking business.

Another interesting feature of one of the charged-off loans was the one given to A/OK PAK Corp., 5210 Wooster Road, Cincinnati 45226, which is listed as receiving a loan of $135,000, of which $112,072.88 was charged off. The officers of this company stated to me that they were unaware that their company was named as the entity that received the lease guarantee of $562,000. The A/OK PAK was listed as the organization that did receive the $562,000 from information that we received from the Cincinnati local Small Business Administration Office.

Another interesting development occurred upon our inquiry of a $51,000 Small Business Administration guaranteed bank loan to one William Mallory who operated the Old Time Ice Cream and Candy Shop, which is no longer in existence in the Ashtree Shopping Center. In our discussion with local Small Business Administration officials, they told me and my staff members that William Mallory is promising payments when he sells other property. This leads me to the conclusion that if the loan is not charged off, certainly payments are or were overdue. For what period of time and for what amount, I do not know. But if he does own property, I am amazed to find that there is no second mortgage being held by the SBA as security for this loan. I have received this information from the SBA officials.

The Small Business Administration was an integral part of the establishment of the Ashtree Shopping Center, shown to be located in an unprofitable area known to be turned down by experts in the Planning Commission and Cincinnati City Council on several occasions.

But for some reason unknown to me it was shoved into existence against the above mentioned experience and advice. And, to repeat, all of those who received loans are no longer doing business at this location and these loans amount to approximately three-quarters of a million dollars.

It is a public disgrace that this situation occurred in my city and it is disheartening to say the least to drive by there and to see but four stores, again to repeat, two of which are public facilities.

This has been a disgraceful waste of the taxpayers' money and I am respectfully requesting the Small Business Subcommittee to include Cincinnati among the cities which are being investigated. I am convinced that from my limited investigation, a complete field investigation is warranted in light of the long list given but especially with the mistakes made in this shopping center.

The regulations of the Small Business Administration need to be changed so that we can be assured that, at future locations where business loans are approved, there is at least a chance for success of the business and to protect the taxpayers that I represent and the taxpayers throughout the United States who have invested their hard-earned money in such projects.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. CLANCY. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, again I want to express my appreciation to the gentleman for bringing this important information to our House of Representatives and in turn to the committee. I would like to assure the gentleman I will do all in my power to make sure our subcommittee does continue the investigation in the city of Cincinnati especially as it relates to this project.

Mr. CLANCY. Mr. Speaker, I appreciate very much the interest of the gentleman and we can assure the gentleman we will cooperate 100 percent with anything the subcommittee desires to do.

Mr. ROUSSELOT. I thank the gentleman for a very detailed study.

GASOLINE CRISIS—FACT OR FICTION?

The SPEAKER pro tempore (Mr. McFALL). Under a previous order of the House, the gentleman from New Jersey (Mr. FORSYTHE) is recognized for 10 minutes.

Mr. FORSYTHE. Mr. Speaker, since last December, Americans have been confronted with an unparalleled shortage of energy. Residents of areas not adequately served by mass transit have had to wait in long gasoline lines because they have no alternative to the car for commuting. Traveling salesmen and many small businessmen are faced with the possibility of not being able to earn a living. Homeowners have experienced staggering increases in energy prices.

In the past few months, the newspapers have been filled with stories about the energy crisis. Americans have been reading all the charges and countercharges made by Members of Congress—all the rhetoric that makes splashy headlines. But I urge my colleagues to stop talking and to start thinking and acting. It is small wonder that the American public is disgusted with the "leadership" exhibited by the Congress, while the rhetoric has become so thick that the distinction between fact and fiction is often lost. I do not think anyone has really, rationally looked at the data.

In 1947, domestic production of coal peaked—and has been declining ever since. In 1949, the United States became, for the first time, a net importer rather than a net exporter of energy. Domestic production of oil peaked at 11.3 million barrels per day in 1970 and has declined since then. Similarly, in the past 4 years natural gas production has leveled off and begun to decline. Delays in licensing and siting, and the failure to implement standardization have slowed the construction of nuclear power generating stations. At the same time, the demand for energy has increased to record highs.

If one examines the total availability of all oil products, heating oil, industrial fuel, motor gasoline, and jet fuel, the intersection of the lines of decreasing supply and increasing demand comes in the late 1970's or early 1980's. At that time, unless we take positive action, a real crisis will be unleashed upon the public.

At this point, I would like to insert into the RECORD data I have developed regarding the total availability of oil:

AVERAGE DAILY SUPPLY OF ALL OIL PRODUCTS IN THE UNITED STATES

	4 weeks ending—	
	Mar. 1, 1974	Mar. 2, 1973
Domestic crude oil production	9,178,000	9,371,000
Imports of crude oil	2,118,000	2,625,000
Imports of refined product	2,687,000	3,362,000
Total	13,983,000	15,358,000

What this chart shows is that the average daily supply of oil available in the United States during the month of February 1974, was 9 percent less than that available during the same month of 1973.

However, there is something very disturbing about February's overall 9 percent shortage. The next chart I have developed will highlight what is distressing to me:

Week ended	Total domestic crude oil production	Total crude oil stocks
Dec. 14, 1973	9,072,000	251,172,000
Dec. 21, 1973	9,188,000	249,218,000
Dec. 28, 1973	9,175,000	243,371,000
Jan. 4, 1974	9,129,000	239,552,000
Jan. 11, 1974	9,093,000	239,441,000
Jan. 18, 1974	9,179,000	231,170,000
Jan. 25, 1974	9,229,000	231,515,000
Feb. 1, 1974	9,234,000	229,979,000
Feb. 8, 1974	9,212,000	234,910,000
Feb. 15, 1974	9,153,000	234,972,000
Feb. 22, 1974	9,179,000	237,597,000
Mar. 1, 1974	9,166,000	237,344,000
Mar. 8, 1974	9,140,000	240,359,000

What these figures demonstrate is that as the screws of the oil shortage turned even tighter, domestic crude oil dropped—declining by 89,000 barrels per day between January 25, 1974 and March 8, 1974.

While less oil was being produced, more of what was being pumped out was being placed in storage tanks and not refined for use. Between January 25 and March 8, the amount of crude oil in storage rose 8,844,000 barrels.

When the last tankers arrived from the Persian Gulf, American oil companies pledged to increase domestic production and, between December 14 and January 25, did so. At the same time, crude oil stocks fell as more stored oil was refined for public use.

What I cannot explain is why, as the overall oil shortage became worse, did these trends reverse themselves? Why was less oil produced? Why was more oil that could be refined, put into storage?

These figures become even more distressing if one looks at the availability of the different types of fuel oil. The overall decline in oil availability—made worse by a sudden and strange decrease in domestic oil production and by someone's decision to store oil instead of refining it—has manifested itself in a shortage of every fuel type except gasoline. I submit that the shortage confronting this Nation has been a shortage of industrial fuel, heating oil, and jet fuel—not gasoline.

During the month of February 1974, the average daily amount of refined gasoline available in the United States—domestic and imported—was 6,129,500 barrels. For the same month in 1973, the average daily supply was 6,118,250 barrels.

Thus, during the month of February 1974, we had 1 percent more gasoline than we had in February 1973 when we had no gas lines. But to get a clear picture of the overall situation one must also know how much gasoline demand has increased during this period. It is interesting to note that demand for gasoline has, according to the Independent Petroleum Association of America, increased only 1.3 percent. Combining an increased supply of 1 percent with an increased demand of 1.3 percent, the total shortfall becomes a meager 0.3 percent. If this shortage were distributed evenly across the Nation, it would represent a decreased supply of less than one half gallon per car per day.

Mr. Speaker, if this is indeed the case, why did we have long lines at gasoline stations? Why was there talk of rationing up until the very moment the Arab embargo was lifted? Why are many small business operations faced with bankruptcy? And finally, why do we need the Federal gasoline allocation system?

In view of the many questions raised by the statistics I have developed, I have asked the Federal Energy Office and the major oil companies to either show me where I am wrong or to explain the present crisis. If these figures cannot be explained by the experts, then the gasoline crisis will surely be exposed as a hoax. A hoax caused by the oil companies and worsened by the Federal allocation system. If these figures cannot be explained, someone had better be prepared to do some explaining of another sort to me and to the American people. And the explaining had better begin immediately.

It is essential, however, to point out that the data I cited on the extent of the gasoline shortage is accurate only because the demand for this product has declined due to the conservation measures adopted by the American people. Gasoline demand traditionally increases at an annual rate of 6 to 8 percent. The significantly smaller 1-year increase of 1.3 percent is the result of voluntary conservation measures that began in the last months of 1973. If demand had continued unrestrained or if we now abandon our conservation efforts, the shortage would be more severe.

Over 30 percent of our energy is wasted in one form or another—wasted in transmission, wasted in conversion from one form to another, and wasted in unnecessary usage. While we should not have a crisis we do have a shortage. Unrestrained gasoline demand, for example, could turn a negligible 0.3-percent shortage into a more serious 8.3-percent deficit. But even that is a far smaller shortage than the 15 percent previously cited by the administration. Still, an overall shortage of energy exists. What are its causes and what can be done to prevent that future crisis which lies ahead?

Part of the causal problem can be traced to Government policy—particularly tax policy.

The 27.5-percent depletion allowance enacted by Congress in 1926, which was reduced to 22 percent in 1969, has been boosted as a mechanism to encourage oil exploration. Instead of fulfilling that objective, the oil depletion allowance may have contributed to the overall energy shortage and could be a major factor in the creation of an energy crisis unless it is repealed.

One would assume that if Congress, in 1926, intended to develop an incentive to stimulate oil production, someone would have conducted an economic analysis to insure that the amount of the depletion allowance did not constitute a raid on the public Treasury. The fact is, however, that no such study was made. During the 1926 debate, Senator Reid explained his committee's proposal as follows:

> We are trying to get away from . . . uncertainties and to adopt a rule of thumb which will do appropriate justice to both the Government and the taxpayers. We find then that probably the best way to do it is to provide that an arbitrary percentage of the gross value of each year's yield be chalked off for depletion.

The debate on the Senate floor indicated that one arbitrary figure was as good as the next as several Senators offered amendments to increase the committee's 5-percent proposed allowance. One amendment even requested a 40-percent deduction. Economic justification was not a factor in the discussion as the Congress settled on a 27.5-percent depletion allowance.

Thus, from the beginning there is doubt about the economic justification of a 27.5-percent depletion allowance. The ensuing 47 years have, in my view, established the validity of that doubt. In fact, recent studies by the Treasury Department and the Library of Congress each concluded that the use of the percentage depletion allowance is of questionable significance as a method of encouraging production or retaining marginal wells. Further, the portion of the percentage depletion allowance received for foreign drilling operations has no effect on encouraging domestic production.

In the oil industry, drilling costs can immediately be written off if oil is not discovered and the company's investment in exploratory drilling fails to bring success. Thus, the Tax Code already offers protection to encourage exploratory drilling. If, on the other hand, oil is found, the company can deduct the tangible and intangible drilling costs—such as labor, materials, supplies, repairs, pipes, tanks, for example—which compose the capital costs of drilling. However, on top of these deductions, which enable the company to recover the costs of its investment, there is the percentage-depletion allowance.

Percentage depletion differs from the standard business depreciation allowance in that the amount which can be deducted under the percentage depletion allowance is not limited to the initial value of the investment. Thus, an oil company can recover the costs of its investment many times over.

The depletion allowance offers no real incentive to explore for new oil fields because there is no assistance to the company if oil is not found. The depletion allowance takes effect only when drilling is successful, and even then other mechanisms exist for recovering the costs of capital investment. The impact of the depletion allowance then is to encourage drilling into existing fields—not to encourage risky ventures in unexplored areas. It is, therefore, self-defeating. In fact, it would have cost the Government about half as much to pay for all of the dry holes drilled between 1969 and 1971 as to have allowed percentage depletion as an added bonus to existing tax incentives.

Furthermore, the operation of the depletion allowance offers the large vertically integrated oil companies, the firms which produce, refine, and market their own oil, an insidious opportunity to restrict entry into the refining industry by independent businessmen.

With the depletion allowance the major vertically integrated firms have an incentive to seek higher crude prices, since an increase in crude prices means an increase in profits because of the depletion allowance. At the same time, such concentration means that the refinery portion of the business can be run on paper thin profit margins. In other words, by boosting the prices they charge themselves, and by holding the profitability of refineries to slim margins, the major integrated oil companies can hold refinery profit margins very low, thus creating a barrier to entry into the refining business—and it is the expansion of our domestic refining capacity that is one of the most pressing needs in the years ahead.

I believe the evidence strongly suggests that the major oil companies, by using the depletion allowance to concentrate their profits in the production end of the business, deliberately allowed the naturally rising costs of refining operations to erect a barrier to entry into the refinery industry. Such a policy, of course, means that existing independent refiners could be squeezed out of the market and, in fact, it is widely reported that independent refiners were not earning competitive profits during the 1960's.

According to the Federal Trade Commission—FTC—the rate of return for refining averaged $1.03 per barrel during the 1950's. The FTC also estimates that a competitive rate of return was somewhere between 40 and 70 cents per barrel. Refining was an attractive investment in the 1950's.

Yet, during the 1960's, capital costs for refining doubled and one would thus expect that for refining to remain a profitable investment, the competitive rate of return would have to be somewhere between 80 cents and $1.40 per barrel, using FTC estimates. Similarly, one would expect the $1.03 per barrel average rate of return of the 1950's to rise commensurately. But this is not what happened. In the face of doubled capital costs, the rate of return in refining dropped 11 to 92 cents per barrel.

All of this was occurring at a time when the major oil companies were proclaiming the need to restrict the volume of oil imports into this Nation. A cry that was answered by President Eisenhower in 1959 with the institution of the oil import quota system.

Thus, an independent businessman interested in building a refinery found himself staring at shrinking refinery profit margins and at import quotas limiting his ability to get the product to run his contemplated refinery.

It is not surprising that there was an absence of independent entry into refining during the 1960's. Refining was an exclusive club that remained that way. Worse, it was a time when the Nation needed to expand its refining capacity to meet the demands of the future—the future that has become our present.

The import quota system was finally also come to scrap the percentage depletion allowance. It was ill conceived, costly, inefficient, and anticompetitive. I am pleased, therefore, that the House Ways abandoned last year and the time has and Means Committee has approved legislation phasing out the depletion allowance. I hope the committee will also reexamine our entire tax code with respect to oil exploration incentives.

The Congress should also examine the system of foreign tax credits that has been established for the oil industry. In other nations, particularly those in the Middle East, the rights to oil rich lands are generally held by the government and, therefore, royalties—which are deductible from gross income for income tax purposes—are paid to these governments. In 1951, an Internal Revenue Service ruling held that these royalty payments were to be considered as income taxes instead of royalties. The effect was that instead of being deducted from gross taxable income, which is taxed at a rate of 48 cents per dollar, these royalties are deducted on a dollar for dollar basis from actual U.S. taxes owed.

This means that instead of receiving the standard 48 cents deduction for every dollar paid in royalties the oil companies receive a $1 deduction for every $1 in royalties paid—a windfall of 52 cents per dollar.

The IRS decision certainly served the oil companies by significantly reducing their tax obligations. The decision also meant that when Middle East sheiks decide to raise royalty payments, it does not cost the oil companies a cent—all they do is subtract it from their U.S. tax obligation. The only people the IRS decision does not serve is the U.S. taxpayer who foots the bill. A bill that came to $1.3 billion in 1970—enough to pay for a lot of mass transportation. This system of direct tax credits for royalties, established by IRS for the oil companies, is nothing more than another form of foreign aid and should be stopped.

I would like to turn now to the question of pipeline control by the major oil companies. In recent weeks, there has been a great deal of discussion about how the major oil companies have conspired, because of their control of the Nation's oil pipeline system, to deny independent producers access to the pipelines, thus preventing independents from shipping their products.

Mr. Speaker, this is an example of the demagoguery, unsupported by even a shred of evidence, that has been all too prevalent in the recent past. The pipeline issue is one myth that shoud be laid to rest and at this point I would like to insert into the RECORD two paragraphs from a letter written by the Independent Petroleum Association of America to Senator STEVENSON regarding legislation he introduced to insure that independent oil producers were not denied access to pipelines controlled by the major companies.

> The Independent Petroleum Association of America is a national trade association representing approximately 4,000 independent producers of oil and natural gas in every producing region of the United States.
>
> When you introduced this bill you said that it is aimed at helping restore competition in the petroleum industry by assuring independent producers access to pipelines owned by major oil companies. This is to advise that we are not aware of any producer who is having difficulty selling or moving his crude oil and we do not believe discrimination exists in this respect. The conclusion that independent crude oil producers may have difficulty securing shipment of their oil, and are subject to discrimination by pipeline companies is not supported by the experience of independent producers.

If we are going to responsibly address the issues surrounding a national energy policy, demagoguery has no place in our discussion. Now is the time to examine the data and where questions are raised to ask them. Now is the time for action based on fact, not fiction or emotion.

One of the areas that merits a few questions has to do with price rollbacks. Clearly we do not wish to have prices so low that the price of oil is below the cost of production. At the same time, however, the consumer must not be asked to pay prices which, because of the shortage, are artificially high—and which would lead to windfall profits. Defining the difference between a reasonable profit which will encourage energy exploration and price gouging is not, however, an easy task.

As each of us knows, the oil industry and the administration have been arguing that the price rollback Congress approved would be ruinous to the industry and discourage investment. The $5.25 per barrel rollback price voted by Congress, with the provision that the President could let prices rise to a maximum of $7.09 was, for this reason, vetoed by the President.

Yet, I do not understand how this contention is consistent with other recent statements by industry and administration spokesmen. In December 1972, the National Petroleum Council, composed of representatives from leading oil companies, asserted that to retain a feasible level of energy self-sufficiency, the price of crude oil would have to rise to $3.70 a barrel in 1975. The $3.70 price was based on the assumption that the oil finding rate would be extremely low. The council said that if finding rates were higher and therefore less drilling was required, the per barrel price would be somewhat lower. However, assuming low finding rates and adjusting for inflation, the $3.70 price in today's dollars would be $4.42 per barrel. Similarly, the Independent Petroleum Association of America in August of 1972 predicted a need for a per barrel price of $4.10 in 1975. In 1974 dollars, that price would be $4.55 a barrel.

Certainly these statements do not appear consistent with the present outcry that a $5.25 to $7.09 per barrel price will be ruinous and prevent exploration. Until someone explains to me why a price of $4.42 to $4.55—in 1974 dollars—that was projected as adequate 1 year ago by the oil industry, when industry spokesmen were already warning about an impending energy crisis, is now so inadequate, I will continue to support measures designed to cut prices from their current level around $10 per barrel.

This is why I voted in favor of price rollbacks during the debate on the emergency energy bill. This is also why on the final vote on the rollback provision I cast my vote against it—for the bill, as it was written then, was a hoax. It exempted from the rollback any well producing less than 30,000 barrels a day. That, Mr. Speaker, was a loophole through which not just the kitchen sink, but the entire neighborhood could be thrown. That loophole exempted over 80 percent of the oil industry from any price rollback. To support such a provision would be to perpetrate a fraud upon my constituents. As I said earlier, now is not the time for phony gestures, now is the time for responsible action.

Now that the President has vetoed the emergency energy bill, a veto the Congress should have overriden, let us proceed to fashion a realistic measure that will give the American public meaningful relief from soaring fuel prices.

At the same time let us cease all this nonsense about the high level of oil industry profits. It was once said that in every generation there has to be some fool who speaks the truth and I suppose in every Congress there also has to be some fool who speaks the truth. The fact of the matter is that the price tag on Project Independence, energy self-sufficiency by 1980, is about $255 billion. The other facts of the matter are even less well known and are avoided even more by headline grabbing politicians.

Between 1963 and 1972, the oil industry's ratio of net income to net worth averaged about 11.8 percent, slightly below the 12.2 average for total manufacturing. In the same time period, manufacturing profits rose 96 percent while oil industry profits rose 64.4 percent. In September of 1973, the rank of the 5 largest oil companies among the 800 most profitable firms on the United States was as follows: Exxon, 138; Texaco, 221; Mobil, 298; Standard Oil of California, 331; and Gulf, 385. And what no one has even bothered to point out is that the recent increases in oil company profits that sent every headline hunter screaming, have largely been the result of profits earned on the foreign production and foreign sale of oil. In 1973, 83 percent of Exxon's increased profits were from oil produced, refined, and sold in foreign, not domestic lands.

The point, Mr. Speaker, is that the American people are being duped by those who are afraid to tell them the truth. The issue before Congress should be—at what per barrel price will there be adequate funds to finance oil exploration and is the oil industry reinvesting its profits in energy exploration or are those profits lining the company's pockets. A $255 billion investment does not happen by wishing alone, it happens when the dollars are there.

The Congress has before it a very difficult choice—to allow the oil industry to earn reasonable profits, and to tax those profits away if they are not reinvested in energy exploration—or to create a tax-supported Government energy research corporation. In either event, the ultimate cost is going to be borne by the man on the street, either as a consumer or as a taxpayer.

So let us stop talking and let us us get on with the business of developing our energy resources. Voting for slogans is no way to serve the people.

The problem with Congress today is that too many of its Members are too busy with slogans. Has anyone taken the time to point out that the United States faces a critical shortage of geoscientists, the men and women who represent the scientific talent behind energy research and development? Has anyone taken the time to ask if the present level of natural gas prices which are controlled by the Federal Power Commission are so low as to discourage investment and the expansion of exploratory drilling? The answer to both questions is no. Yet, these are central causes of the energy crisis.

Has action been taken to insure that the Government is not totally dependent on the oil industry for information with which to create a national energy policy? Again, the answer is "no."

Has anyone bothered to ask if we will really be gaining anything if we delay implementation of the 1975 clean air standards for automobiles and stick with the 1974 standards equipment? On this issue all too many Members of Congress have made up their minds and would prefer not to be confused by the facts. Nevertheless, the fact is that the 1975 automobile emission control equipment is more efficient than the 1974 equipment. General Motors, for example, predicts there will be a fuel economy gain of over 10 percent for their 1975 cars if the 1975 standards are implemented.

Has anyone taken the time to examine the special needs of small businessmen who depend on the continued operation of their vehicles? Has anyone studied the needs of commuters and traveling salesmen? Has anyone bothered to examine the needs of residents living in areas not adequately served by mass transit?

Mr. Speaker, the answer to all the questions I have raised is a resounding no. All the American people have been getting from the Congress, from the administration, and from the oil industry is talk—and more talk.

In the last 10 weeks, I have met with officials of the Federal Energy Office on five separate occasions to plead the case of my constituents. There is no question that my district has been shortchanged in the allocation system. And when I find that the total available supply of gasoline is only 0.3 percent less than it was 1 year ago, I see red. Nevertheless, I am pleased that my efforts, in conjunction with similar efforts by other members of the New Jersey delegation have resulted in an increased gasoline allocation to the State of New Jersey and to the Sixth Congressional District.

In Ocean County I worked with the board of freeholders, who had established a special energy action office, to develop the information to get more gasoline into that fast growing area. In Burlington and Camden Counties I wrote to every gasoline station in my district enclosing an FEO extra supply request form in an effort to get more gasoline for these counties. Unfortunately, my efforts have been hampered by the Federal Energy Office and the major oil companies who spend too much time studying these forms rather than processing them.

Yes, the State of New Jersey and the Sixth District will get more gasoline, and as the efforts I and other officials have undertaken come to fruition even more gas will flow into my district. But still no special consideration has been given to commuters residing in areas not adequately served by mass transit, to traveling salesmen, or to needs of small businesses whose profitability depends on keeping their vehicles rolling.

Present action, however, must be complemented by future planning. On March 8, I wrote the Federal Energy Office explaining that with the summer months approaching it was likely that many motorists would be making short trips to the seashore rather than taking longer vacations, thus creating a demand for gasoline that will be heavier than any previous year. It seems clear to me that using 1972 as the basis for allocating gasoline would result in even greater shortages in these areas.

Thus, in my March 8 letter, I asked the FEO to reevaluate its allocation program for seashore areas and to immediately commence planning for the logistics of moving additional gasoline into affected areas. To date I have not received an answer.

Mr. Speaker, mine is but one voice among 535 Members of Congress. But I intend to continue pressing for answers to my questions. I intend to continue pressing for responsible and meaningful action in the Congress and, for as long as it may exist, I intend to continue pressing the Federal Energy Office on behalf of the citizens of the Sixth District of New Jersey.

CONGRESSIONAL COUNTDOWN ON CONTROLS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. CRANE) is recognized for 5 minutes.

Mr. CRANE. Mr. Speaker, by this time it is clear to virtually every competent observer that wage and price controls are a dismal failure. Treasury Secretary George Shultz and Cost of Living Director John T. Dunlop have come part of the way by supporting a decontrolled economy, except in the areas of energy and health. By doing so it appears that they have seen the futility of the present course.

Dean C. Jackson Grayson, of the School of Business Administration of Southern Methodist University, formerly in charge of the President's program of controls, has placed the question in a proper perspective. He declares that continued controls "will prolong shortages because of the lack of increased incentive—profits—to invest and expand quickly."

He said:

> Management, labor, and capital will delay action or even flow elsewhere. The result could reach a point where arguments would be made that the Federal Government must invest to expand capacity through investment (to wit, the proposed Federal oil and gas corporation).

Dr. Grayson not only urges that wage and price controls end now but also recommends strongly against the establishment of standby authority to reimpose such controls. He states that—

> If such an energy were created . . . it would be subject to continual pressure to reimpose controls, totally or selectively. The monitors would find it almost impossible not to take "action" even when price increases represented pure demand shifts. Prices would be determined as much by politics as economics. Secondly, the "responsibility" for control of inflation would be thought to rest in the hands of this agency instead of at the more fundamental levels of fiscal and monetary policy, increased productivity, structural reform to increase competition, and widespread acceptance of individual responsibility to help control inflation.

How much has inflation increased since President Nixon imposed wage and price controls upon the economy? With the imposition of such controls, it is difficult to know in real terms, for wages, and prices cease to have the meaning which is implicit in such figures under a free market economy.

Economist Gary North notes that—

> With the imposition of controls, recorded prices no longer impart reliable information about supply and demand. Quality cutting, black markets, shortages, required extra purchases, time lost standing in line, time lost driving anywhere under the new speed limits on highways, have all combined to reduce true income even more than the statisticians indicate. And no one seems to know what statistics to use.

Consider these indications of the current confusion:

Newsweek of January 14 reports that the prestigious National Bureau of Economic Research lists overall price increases in 1973 as 5.2 percent.

U.S. News & World Report of January 28 reports that the cost of living rose 6.2 percent in 1973 and Herbert Stein, chairman of the President's Council of Economic Advisers, admits that the rate of price inflation was "about" 9 percent.

The Los Angeles Times of January 18, in a single story, reports (1) quarterly rate of price inflation, 1973: 6.1 percent, 7.3 percent, 7.0 percent, 7.9 percent—worst quarter since list in 1951: 13 percent.

Federal Reserve Bank, St. Louis Review, December 1973, reports that "average prices were up at a 6.8-percent annual rate as measured by the GNP price deflator during the first three quarters."

While the figures are not clear and precise, the trend of continuing inflation certainly is. Controls have in no way reversed this trend, but have produced dislocations in the economy, partially indicated by shortages of gasoline, paper, beef, and wheat. The longer controls remain, the more serious such dislocations and shortages will be, and the longer inflation is permitted to mount in this way.

The record of price controls goes as far back as human history. They were imposed by the Pharaohs of ancient Egypt, were decreed by Hammurabi, king of Babylon, in the 18th century B.C. and were tried in ancient Athens.

In 301 A.D., the Roman Emperor Diocletian issued his famous edict fixing prices for nearly 800 different items, and punishing violation with death. Out of fear, nothing was offered for sale and the scarcity grew far worse. After a dozen years and many executions, the law was repealed.

In Britain, Henry III tried to regulate the price of wheat and bread in 1202. Antwerp enacted price fixing in 1585, a measure which some historians believe brought about its downfall. Price fixing laws enforced by the guillotine were imposed during the French Revolution, though the soaring prices were caused by the revolutionary government's own policy of issuing enormous amounts of paper currency.

Economist Henry Hazlitt notes that—

> From all this dismal history the governments of today have learned absolutely nothing. They continue to overissue paper money to stimulate employment and "economic growth"; and then they vainly try to prevent the inevitable soaring prices with ukases ordering everybody to hold prices down.

The time for an end to wage and price controls is now. They have once again proven their inevitable failure.

THIS CONGRESS MUST FACE THE ISSUE OF TAX REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pensylvania (Mr. Heinz) is recognized for 10 minutes.

Mr. HEINZ. Mr. Speaker, since first coming to Congress in 1971, I have been convinced that comprehensive tax reform is long overdue. On January 3, 1973, therefore, I introduced H.R. 636, "the Tax Policy Review Act," a bill identical to H.R. 15230, introduced in 1972 by Congressman Wilbur Mills and Senator Mike Mansfield.

H.R. 636 was actually designed to focus attention on the need for comprehensive review of our unnecessarily complicated and totally inequitable Federal tax code and did not discriminate against churches. But despite the fact that my bill would have mandated review of nearly every tax preference over a 3-year period as a means of forcing Congress to enact tax reform, some misinterpreted H.R. 636 as an assault on deductions for contributions to churches and religious groups. This, of course, was not the case at all. Its enactment would have forced a systematic review of tax deductions ranging from the huge tax loopholes for oil companies, to special treatment for capital gains, to deductions for charitable contributions and medical expenses.

By repealing over the next 3 years more than 50 tax deductions, exemptions and credits, H.R. 636 would have forced careful congressional study of our entire tax structure. Congress then would have been required to systematically study the Federal tax code, choosing which tax preferences to reapprove, which to modify and which to eliminate. This, of course, would have been consistent with the way Congress writes nearly all Federal laws other than the tax code.

After giving my bill further study, I have concluded that tax reform would not be best achieved by using the automatic termination procedures employed in H.R. 636. Despite assurances that the Congress would examine each provision most carefully and take appropriate action before the specified termination dates, some have misconstrued the purpose of these dates, with the result that their enactment might create uncertainties and undesirable effects, particularly for churches, religious groups, educational institutions, and other nonprofit organizations. I have, therefore, abandoned my efforts on behalf of H.R. 636 and turned my support to other, more direct reform measures such as an increase in the minimum tax on income that because of loopholes totally escapes taxation.

I personally support continuation of tax deductions for contributions to socially necessary and desirable causes, and in my mind contributions to religious, charitable, and educational institutions and organizations must have highest priority. In fact, I am confident that these important and beneficial deductions will never be abolished by Congress. Rather, truly comprehensive tax reform likely will result in strengthening these deductions, just as occurred in the 1969 tax reform law. It certainly stands to reason that as we close unnecessary loopholes, such as those for "hobby farming" and oil depletion allowances, more will be contributed to churches as people seek to take advantage of strengthened tax deductions for charitable contributions.

I believe Congress must enact tax reform now, if we are to restore peoples' confidence that our system treats all of us the same, not awarding special privileges to a select few. For too long now, lower and middle income Americans have carried an unfair, heavy tax burden because tax preferences and loopholes favor wealthy individuals and giant corporations, such as the oil companies. It is a national disgrace that in 1971, 15 Americans each with incomes in excess of one-half million dollars paid absolutely no Federal income taxes even though their adjusted gross income totaled over $15 million.

That is why I will continue my efforts to see that this Congress faces up to the important and long-neglected issue of tax reform.

ARTICLE FROM JOHANNESBURG STAR COMMENTING ON AFFECTED ORGANIZATIONS BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. Diggs) is recognized for 5 minutes.

Mr. DIGGS. Mr. Speaker, I wish to insert for the thoughtful attention of my colleagues an article from the Johannesburg Star of February 21 and 23 commenting on the affected organizations bill which prohibits the receipt of money from abroad for certain organizations and whose objective is stated as being "clearly to prevent a political or semipolitical organization of which the Government disapproves from being kept alive by foreign money." I also wish to insert that part of the text of the address of the South African State President of February 1, 1974, relevant to the affected organizations bill. I would also like to insert the text of the bill. These are as follows:

Foreign Cash Aid May End

(By John D'Oliveira)

Cape Town.—Further Government action to control the Press is not contemplated in either of the two Bills aimed at increasing both the scope and the power of South Africa's security legislation.

Both the Bill to amend the Riotous Assemblies Act and the measure aimed at prohibiting certain local organizations from receiving money from abroad were read for the first time in the House of Assembly this week.

The United and Progressive parties have made it clear the measures will be vigorously opposed.

The one Bill will aim—according to its long title—at "the prohibition of the receipt of money from abroad for certain organizations . . ." and its objective is clearly to prevent a political or semi-political organisation of which the Government disapproves from being kept alive by foreign money.

It is understood that the measure will give the Minister of Justice powers to have an organisation investigated.

"AFFECTED"

A committee of three magistrates (one of whom must be a chief or regional magistrate) could be appointed to carry out a further investigation.

If a magistrates' committee investigated an organisation, the Minister could present its final report to the State President, who would have the power to declare it an "affected organisation."

Any person who interfered with or attempted to interfere with an investigation or who thwarted or attempted to thwart such an investigation would be guilty of an offence and liable to a R600 fine or one year's imprisonment or both.

It is understood that the amendment to the Riotous Assemblies Act is an attempt to modernise the legislation, to eliminate archaic definitions and to close loopholes similar to the one which allowed certain student demonstrators out of the authorities' net last year.

The new Bill makes provision for the banning of a gathering in public, irrespective of the number of people, and gives a magistrate increased powers to ban demonstrations.

We Are All "Affected"

Who is going to be affected by the Affected Organizations Bill? Almost anyone at all, to judge from its breathtaking sweep. Anybody using money from abroad to "engage in politics"—and there is no attempt to define this—could invoke a R10,000 fine and/or five years in jail.

In theory the law could affect anyone from the Boy Scouts to a mission hospital or a Black scholarships fund. And this is not necessarily as farfetched as it may sound.

Assume, say, the Scouts accepted funds from their parent body abreast to help stage a multiracial jamboree here. Assume that the bursary fund, in inviting contributions from abroad, drew attention to the lack of educational opportunity for Africans.

Engaging in politics? By the Government's standards, almost any questioning of its practices or policies is "political," and the rest could follow.

But of course, the Bill is aimed in the first instance at more obvious irritants to the Government—NUSAS, socially concerned churches, Race Relations, and bodies which help the dependents of political prisoners. The embryo African trade union movement could be "affected"; so could a highly respectable ideas forum like the US-SA Leader Exchange Programme.

Already there are a fistful of security laws to use against bodies which engage in anything like subversion. But now there is this mania about "foreign money" stirring up our social order. And so the State seeks yet more power. It seeks also to curb the individual liberty of law-abiding men to act and to organize.

Ask not who is hit by the Affected Organisations Bill. It affects us all.

Bill To Beat Cash Aid

(By John D'Oliviera)

Cape Town.—Harsh penalties—a maximum fine of R20,000 or 10 years' imprisonment or both—are provided for in the tough, new Security Bill aimed at prohibiting the flow of money from abroad to so-called "affected organisations."

This is one of the provisions of the Affected Organisations Bill, read for the first time in the House of Assembly this week.

It is clear that the measure is an extension of the improper Political Interference Act, which, inter alia, prohibited political parties from receiving money from outside South Africa. The Bill considerably extends the scope of measures aimed at the protection of State security and the present political system.

If the State President is satisfied that "politics is being engaged in by and through an organisation" with the aid of or in co-operation with or under the influence of an organisation or a person abroad, he will have the power to declare the organisation involved an "affected organisation" in the Government Gazette.

This action can only be taken if the Minister of Justice has considered a "factual report" on the organisation concerned by a committee of three magistrates.

The committee of magistrates is appointed. in turn, as a result of an investigation which the Minister of Justice is empowered to make if he suspects that an organisation or a person who directly or indirectly takes part in the organisation's affairs, is acting in contravention of the measure.

A key omission is the fact that the word "politics" is not defined in the Bill. This means that the scope of the measure is, at this stage, almost unlimited.

Once an organisation is declared an "affected organisation" no person may:

Ask for or canvass "foreign money" on the organisation's behalf.

Receive money from abroad for or on behalf of the organisation or receive or in any other manner handle or deal with such money with the intention of handing it over, or causing it to be handed over to such an organisation or with the intention of using it or causing it to be used on behalf of such an organisation.

Bring, cause to be brought, or assist in bringing, into South Africa any money for or on behalf of an affected organisation or in any other way handle money for or on behalf of an affected organisation.

Money in possession of an affected organisation at the time it is so declared may not be disposed of in any way—except that, within one year of an organisation's declaration as an affected organisation, the money may be paid to a registered welfare society which is not an affected organisation.

Contravention of these provisions of the Bill carries a maximum first-conviction penalty of a R10,000 fine or five years' imprisonment, or both. In the case of a second or subsequent conviction the maximum fine rises to R20,000 and imprisonment up to 10 years.

Naked Lust for Power—IV

The most damning indictment of the Riotous Assemblies Bill came this week from a defender of it. The Deputy Minister of Justice, Mr. Kruger, introducing the measure in Parliament, left no doubt whatsoever that this arrogant, meddlesome, autocratic and jittery Government is against protest, period.

The Bill has very little to do with curbing riots and avoiding mayhem, and a great deal to do with shutting people up. Mr. Kruger gave the game away in his speech.

He complained that people often attended a gathering just because it was not illegal, which makes it clear that the Government is not going to put up with even such a basic democratic right as listening-in to dissident views.

And he justified the need for more sweeping powers by explaining that a remembrance service at 4 pm could become a silent protest at 4:30 pm. So even silent protest is more than this Government can tolerate now?

Perhaps the most chilling thing of all, though, is to discover that the Government has come so far along the road to totalitarianism, so close to being a police state, that Mr. Kruger obviously cannot see anything wrong with the "reasons" he vouchsafes for the new legislation.

There is no sign of any awareness whatsoever that he is trampling upon a basic right.

We are left with the alarming thought that his Government . . . neurotically possessed by power-lust and self-induced fear—no longer knows nor cares what democracy is.

No one should be surprised at that.

It has been practicing for totalitarianism for a quarter of a century. Steady and continuous erosion of the Rule of Law has brought us to the donga of dead freedoms that we see now.

An article on Page Nine today reveals exactly how great has been Nationalist depredations into individual liberty.

The Government has restricted our right to speak, to meet, to hear all views. Through censorship it has barred us from the world of new ideas. It has introduced detention, house arrest, banishment, all without trial. It has extended hugely the number of forbidden topics. It has substituted Ministerial decree for judicial judgment.

It hires informers to spy on its citizens. It punishes without giving reasons. It uses commissions to conduct secret investigations into its people. It has given to us policemen and its faceless officials authority that once belonged to the courts.

And its naked lust for still more power will not be satisfied until it can order and control the movement—and the minds—of every last one of us. Be warned.

House of Assembly

(By Bernardi Wessels)

The United Party battled for nearly five hours yesterday to amend two clauses in the contentious Riotous Assemblies Amendment Bill in a vain attempt to curb the Bill's sweeping powers.

But the Deputy Minister of Justice, Mr. Jimmy Kruger, held firm. He rejected the amendments and said during the protracted debate that the Bill would only satisfy him as it stood.

The Deputy Minister refused to listen to the urgings of Mr. Mike Mitchell, the UF spokesman for justice, to insert in Clause One of the Bill a definition of a "public place".

The Opposition said that as it stood, the Bill went too far and made unnecessary intrusions on the privacy of individuals who could not in any way be involved in the Bill.

Though repeatedly called on to do so. Mr. Kruger would not give specific examples of situations which he would be unable to cover by accepting Opposition amendments.

The Bill defines a gathering as being made up of any number of people and deletes the previous definitions of a public gathering and a public place.

Any gathering, anywhere, may be banned in terms of the Bill.

Mr. Kruger was charged by Mr. Lionel Murray, MP for Green Point, with wanting to control the entire country and with having declared a state of emergency without officially declaring one.

At one stage of the heated debate, Mr. Vause Raw, UP MP for Durban Point, accused the Government of "playing politics with security of South Africa".

SCOFFED

Mrs. Suzman said that in other countries the police maintained law and order and did not need the powers the Government was asking for.

Later, in dealing with Clause Two, Mr. Kruger conceded to Mr. George Hourquebie, United Party MP for Musgrave, that bridge games and board meetings could be affected by the Bill.

Nationalist had until then scoffed at United Party arguments on this score.

Mr. Hourquebie said that Mr. Kruger's approach—to wait and see how the courts dealt with the situation—was an extraordinary way of legislating.

Mr. Mitchell said that he was not concerned with bridge parties, but with the "myriad" private meetings which took place in any area and which would be affected by a blanket ban on "any gatherings", as allowed by the Bill.

"Is the Minister saying that he will declare a blanket ban and then exclude legitimate meetings? Is this the kind of restriction on lawful proper and private activities that is desired by the Government?" he asked.

State President's Address

(Mr. Speaker and members proceeded to the Senate Chamber to attend the ceremony of the opening of Parliament, and on their return,

(Mr. Speaker took the Chair and read prayers.)

Mr. Speaker stated that at the opening ceremony he had received a copy of the State President's Address to members of the Senate and of the House of Assembly, which was in the following terms:

Mr. President and Members of the Senate:

Mr. Speaker and Members of the House of Assembly:

I am glad to welcome you to this the Fifth Session of the Fourth Parliament of the Republic of South Africa.

South Africa has not only maintained its international position but is expanding its relations and contacts with the outside world, despite certain limiting factors. Anti-South African activities abroad are acquiring greater sophistication and financial support. Use is also being made of international pressures, which are directed not only against Western countries cooperating with South Africa, but particularly against countries in Africa, thus inhibiting the full and open development of inter-governmental relations with more African states. The Government has nevertheless persisted in its efforts and has succeeded in extending contacts and co-operation not only in Africa but also in the wider international spectrum. Additional diplomatic missions have been and are being opened, and more ministerial and other government visitors come to the Republic every year.

I hope to have the honour soon of welcoming His Excellency General Alfredo Stroessner, President of Paragauy, to our country.

The renewed outbreak of hostilities between the Arab States and Israel led to the decision by the Arab oil-producnig countries to impose an oil embargo on several countries including South Africa, Portugal and Rhodesia. One of the reasons given for cutting off Arab oil supplies to South Africa is the alleged active part this country is supposed to have played in the recent Middle East war. Our policy of non-participation in the disputes of others is however traditional and well known, and South Africa has in fact played no part in that war. We like many others, firmly believe that world peace and economic progress can best be served by an equitable solution acceptable to both sides. We sincerely hope that the present moves will lead to positive results.

Events during the past year have again underlined the intricate network of relations and the interdependence in important matters between the Republic and its neighbouring States. The oil crisis has shown how one or more members of this group cannot isolate themselves from the effects of events threatening to disturb the economy of the others.

The Customs Union Agreement provides a framework within which there is an increasing amount of contact at ministerial and official level for tackling common problems in the economic field.

We have noted with abhorrence the actions of terrorists in Southern Africa and elsewhere, actions which have caused death or serious injury to innocent human beings.

Terrorism is a world-wide phenomenon which knows no boundaries, and it is to be strongly deplored that the international community is still unable to agree on action against it. Indeed, some Governments and international organizations give material help to terrorists, and efforts are being made at international forums to make certain forms of terrorism legitimate. It must be expected that terrorist activities involving better and more sophisticated weapons, will increase.

The United Nations continues to pass, by large majorities, even more virulent resolutions against South Africa, while turning a blind eye to the positive developments in this country.

Towards the end of 1973, the Security Council saw fit to end the Secretary-General's contacts with the Government of South Africa—contacts aimed at finding common ground with South Africa on the future of South-West Africa. The United Nations, created to ensure peace and good will amongst nations, is fast becoming an instrument for the fabrication of anti-South African propaganda and hatred. It is to be hoped that common sense will yet prevail and that it will be realized that by artificially creating a situation of confrontation the organizaton is defeating its own aims and undermining its principles.

A number of pressure groups in South Africa are trying to bring about unconstitutional political, social and economic changes in this country. These groups do not have in mind normal evolutionary change; they are bent upon radical, even revolutionary, political activities. Implicit in their call for change is the threat of internal violence.

A disturbing feature about the activities of these pressure groups is that practically all their funds emanate from abroad, in some cases from quarters which finance terrorist movements.

It has therefore become necessary for the Legislature to consider measures to ensure that these pressure groups do not succeed in artificially creating a particular political climate internally, and to prevent them from presenting a one-sided and distorted image of South Africa abroad and from accepting money from outside the borders of South Africa to further a cause which cannot find sufficient financial backing in the country itself.

LABOR—FAIR WEATHER FRIEND—XVI

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Speaker, the AFL–CIO created and underwrites the cost of the Labor Council for Latin American Advancement, which is supposed to be akin to the A. Phillip Randolph Institute. As far as I can tell, the first act of this new organization was to attack me, for reasons that are wholly unclear to me or anybody else, save a few enemies of mine who seem to enjoy considerable authority in the LCLAA.

One of those probably responsible for the attack on me was Franklin Garcia, who is one of the LCLAA's officers. And he certainly is in good part responsible for the refusal or failure of that organization to give me any response to my protests of their unfair and underhanded tactics, or retract the lies that they have issued about me.

Franklin Garcia is of course no A. Phillip Randolph, though he might like to think himself as such a person. It is not that he has not had a hard time. Lord knows, anybody who has ever tried to organize and maintain a union in the unfriendly legal and managerial waters of Texas has had a tough time. It is that Franklin Garcia is just not as big a man as he needs to be in order to see his ambitions fulfilled.

I think that one quality of greatness is the ability to remember who your friends are.

Franklin Garcia started his labor career in Dallas, Texas. I used to visit Dallas back in the fifties and early sixties, and it is true that in those days Dallas remembered Joe McCarthy well, and many fine citizens saw Communists under every bed, and on every bookshelf—and certainly in every union hall. Poor old Franklin, struggling in that poisoned atmosphere, could find no politician who would help out in any way, or even talk to him. I guess I must have been about the first politician who ever deigned to talk to Franklin Garcia in private, let alone refuse to hide the fact that I knew him.

It was not necessary for me to do this; no matter how vaulting my ambitions might be, I knew that in no conceivable election in this century, or possibly the next, could I ever win Dallas County. In fact, when I campaigned there, the local political reporters could not believe I was serious. But hopeless odds never deterred me from doing anything, so I campaigned in Dallas.

And I held out a hand of friendship to poor old struggling Franklin Garcia, though I could never hope to gain anything from it—because I believed in labor unions then and now.

Since those cold and bitter days, Franklin Garcia has found a measure of success. He has moved to San Antonio. He has organized some locals—and that is good. But he has also traveled to the Soviet Union to visit his brethren there, and somehow undergone other experiences that have caused him to forget the past, when his life was more difficult.

Maybe Franklin changed his mind about me because I have not always fought his struggles. But I am only one man, and cannot do more than one mortal. Whatever the reason, I now find that Franklin has forgotten who his one political friend was, back in the days when he needed one—anyone. It is such forgetfulness that undercuts great ambitions.

I have never harmed Franklin Garcia in any way. He knows that I have supported labor always, including the days when doing so positively damaged me. But now I find that he wants to paint me as a union buster. Why is this? One reason could be that poor old Franklin is, among other things, an ingrate.

Where are you, Franklin—Donde Estas, Frankolino—Franklin is not directly translated in Spanish? No Te Oigo.

EMPLOYER SUPPORT OF THE GUARD AND RESERVE WEEK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Mississippi (Mr. MONTGOMERY) is recognized for 5 minutes.

Mr. MONTGOMERY. Mr. Speaker, this past Monday I rose to remind my colleagues of Vietnam Veterans' Week, March 29 through April 4. Today I would like to call attention to an equally important observance. That is Employer Support of the Guard and Reserve Week, April 1 to 6. This special week has been designated by Deputy Secretary of Defense Clements to call attention to the need of employers to allow their employees to participate in active duty for training without losing vacation time they have earned. The fact that over 180,000 employers in the Nation do allow full participation by their employees in Guard and Reserve responsibilities has helped to make the Reserve components an important and equal partner in our Armed Forces.

As I have said many times before the citizen-soldier is the best buy the American taxpayer can obtain as far as our national defense is concerned. We, of course, must continue to have active duty forces, but the Reserve components can and are filling an important part of our total manpower needs for defense.

Mr. Speaker, the fact that a large number of American employers will allow their employees to participate in Guard and Reserve responsibilities without losing normal vacation time is an important incentive to Guardsmen and Reservists. However, there are other incentives which only we in the Congress can and must provide if the Reserve components are to remain a viable part of the Armed Forces.

I refer to such measures as full-time coverage under the servicemen's group life insurance program, retirement at age 55 following 20 years of creditable service, survivors benefits, and enlistment and reenlistment bonuses. I am prime sponsor of all these legislative proposals in the House. I am pleased to note that the House passed the SGLI proposal last year and the matter is now under active consideration in the Senate. Only a few days ago, the gentleman from New York (Mr. Stratton) gave us assurances that his subcommittee would soon be looking into the possibility of enlistment and reenlistment bonuses for reservists and guardsmen. I am pleased that at last we are moving forward on these proposals and urge my colleagues to support these bills.

Mr. Speaker, again, I remind my colleagues of the importance of making note that April 1 to 6 will be Employer Support of the Guard and Reserve Week.

CONGRESSMAN DRINAN SPONSORS MEDICARE REFORM ACT OF 1974

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. Drinan), is recognized for 20 minutes.

Mr. DRINAN. Mr. Speaker, prospects of national health insurance legislation in the immediate future are obscured by fundamental disagreements in the Congress over the extent of benefits to be provided, the degree of Federal involvement, the means of financing and cost sharing and the mechanism for providing protection from catastrophic illness. Older Americans face the highest incidence of illness and disability. Their population is increasing faster than the rest of the population. At present they represent 10 percent of the population and an astonishing 20 percent of the poor. Their median income is less than one half of their younger counterparts and 85 percent of them have at least one chronic condition. Older Americans cannot and should not wait any longer for congressional action to resolve the inability of the present medicare program and other programs to provide comprehensive quality health care.

For the past 2 years the American Association of Retired Persons and the National Retired Teachers Association which have the largest membership organizations representing older Americans, have devoted their efforts to the need for comprehensive quality health care as a matter of basic entitlement of the elderly. I am today introducing the Comprehensive Medicare Reform Act of 1974 which incorporates their recommendations and represents a culmination of efforts to provide full health insurance to older Americans.

This legislation builds upon the existing medicare program with the aim of improving and extending it from a limited program to a national health plan for the aged and disabled. I feel that this legislation will serve as a model for future national health insurance programs.

The bill provides for unlimited inpatient and outpatient hospital coverage, unlimited skilled nursing facility services, intermediate care facility services and home health care services. Taking into consideration the fact that dental problems, eye trouble and the need for prescription drugs all increase in old age, the bill would include coverage of dental care, prescription drugs, medically necessary devices such as eyeglasses, hearing aids, prosthetic devices and walking aids as well as the services of optometrists, podiatrists, and chiropractors. It would also include the cost of ambulances and other emergency transportation.

I have been particularly interested in securing the coverage of outpatient prescription drugs under medicare. At present total charges for prescription drugs run three times higher for older Americans than for the younger population. This represents the need for expensive maintenance drugs by the elderly who more than any other segement of the population suffer from heart conditions, strokes, arthritis, diabetes, and cancer.

The out-of-pocket payment for health care costs in 1972 by the elderly was three times the amount paid by nonsenior citizens. In 1969 medicare met 46 percent of the elderly's health bill but today it meets only 42 percent of that cost. The decline is due to inflation and weaknesses in the medicare structure which need to be strengthened.

The Comprehensive Medicare Reform Act would provide a new structure. It would broaden the program to include a full range of medical services and it would improve the administration of the medicare progam while attempting to control health costs.

Parts A and B of medicare would be combined into a single integrated program with a single trust fund. Financing would come out of general revenue. The requirement for premium payments and the deductable would be eliminated.

Coverage would extend for the first time to all persons over age 65, including public employees, teachers, policemen, and firemen.

The legislation includes an innovative provision for the coverage of catastrophic illness based upon an income related ceiling.

The legislation incorporates all present medicare cost control and utilization review provisions with payment being made only to participating providers who have filed an agreement with the Secretary of the Depatment of Health, Education, and Welfare.

The additional cost of the medicare reform measure upon enactment would be approximately $3 billion in increased Federal cost. This could be met by general revenues. In his health message to the Congress the President indicated that the $6 billion Federal costs of his national health insurance program could be financed out of general revenue with no additional taxes. The cost of this program would be met in the same way.

Enactment of this legislation would provide a security to which the aged are entitled. No period of life requires such a spectrum of health services as that of old age. The current Federal and State efforts are unable to provide many of these vital health components. The Comprehensive Medicare Reform Act of 1974 is designed to meet these pressing needs.

60 MINUTES: ON THE MILITARY DISCHARGE SYSTEM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. Stokes) is recognized for 10 minutes.

Mr. STOKES. Mr. Speaker, I wish to take this opportunity to commend the excellent special report on our military discharge system which was aired on CBS News' "60 Minutes" March 24, 1974. This is an important and topical issue which deeply affects the lives of hundreds of thousands of Americans. With 27 of my colleagues I have introduced H.R. 12144 to remedy many of the current inequities so clearly demonstrated by "60 Minutes." I urge my colleagues to read the following transcript of the broadcast, to become more familiar with this issue and to join me in sponsoring legislation to remedy the lack of due process and the abundance of harm which is part of current discharge procedures:

Officer. Good morning, Privates.

Privates. Good morning, sir.

Officer. At ease, Privates. Keep your eyes on me. Privates, your Marine Corps careers are at their very beginning. Nevertheless, it is essential that you are aware of the various ways that it can eventually end.

Wallace. The military itself takes pains to warn the soldiers, like these Marine recruits, about the value of an honorable discharge.

Officer. There are five types of discharges given by the Marine Corps. They are: Honorable . . . General . . . Undesirable . . . Bad Conduct . . . and Dishonorable. The only type of discharge that you should be actively seeking is an Honorable one. Any discharge other than Honorable could adversely affect you for the rest of your life.

Wallace. One way in which a less than honorable discharge can plague a man is by giving him a tough time in the job market. Most Government agencies and many large companies ask veterans about their discharges. Some employers look on a bad discharge as tantamount to a prison record.

Then as recruits also learn they may one day want veterans benefits. Most men with undesirable or bad conduct discharges, and all with dishonorable discharges are cut out of all VA benefits. And that means everything from unemployment insurance right after they get out of the service to the GI Bill for Education, to medical benefits.

Most bad discharges it turns out are handed out to the men who can least afford the economic consequences, the poor, the high school dropout, the Chicanos and blacks . . . like Thomas Aiken who lost an eye fighting in Vietnam.

In 1968, Private Thomas Aiken who had already won a Bronze Star in Vietnam was hit by shrapnel in his eye and chest during bloody fighting like this around Khe Sanh. According to the Army, once back in the United States, Aiken persistently refused to obey orders. But according to Aiken, a piece of shrapnel, still lodged in his right eye, was giving him serious trouble. Over the following months Aiken went AWOL seven times.

Aiken. I left because I couldn't take it no more. After coming back from Vietnam, being wounded, almost dying, to be harassed the way I was. Sergeants kicking my bunk, pulling me out of bed, officers challenging me knowing I can't strike them. Like if I strike them I could go to jail for a year. All these things. And after a while it got to a point where I was like losing my mind. And if I didn't get away from the Army, from that type of life, I felt myself—I would go crazy or hurt somebody or hurt myself. So I had to leave and come home and get my mind together.

Wallace. Finally, after three court-martials, Aiken accepted an undesirable discharge. But that time his right eye could only distinguish day from night. Over the months that followed he applied to the Veterans Administration Office in New York for benefits. He was turned down because of his undesirable discharge.

Aiken. The way it went, I had to go to different doctors. I finally had to go to a city hospital. And they tried, they tried their best to save it. When I went in there they told me that there was a possibility that I had to lose the eye, that I may lose the eye because it was that bad. And they tried to save it but they couldn't. They told me they had to take it out.

Anything less than an honorable discharge you can't get work nowhere. Right now, I can't get work anywhere. I've been to the telephone company. I've been to the gas company. I've been to the—I've been everywhere. Everywhere. I've been to United Parcel, I've been everywhere. And I served. I went to Vietnam. I'm not downing anybody that didn't go. The way I feel now I wish I didn't go. But I did go. I am one of those that did go. One guy when I was in the VA, he told me that I couldn't even get a flag when I die. You know, the flag they give you to put over your coffin. He said I couldn't even get a flag. That's how bad it was. That's what I can't get, I can't get nothing from them.

Wallace. Tom Aiken had been warned about the consequences of an undesirable discharge. But, former Private George Austin found out there is one discharge problem that soldiers are never warned about. Austin served in the Air Force. His discharge papers have "honorable" written on them. Supposedly just as good as any other veterans. But after getting out of the service he was turned down for veterans preference jobs at two federal agencies. He had to settle for a clerical job he really didn't want at an Oakland, California hospital.

In 1970, Austin had enlisted in the Air Force. He wound up at Travis Air Force Base near Oakland. He was never formally disciplined in the military, though he did take part in a number of non-violent, off-base, peace demonstrations. Finally, his commanders decided it would be better for both Austin and the Air Force if he left. He agreed to go, but only with an honorable discharge.

It was almost two years after getting that discharge that Austin finally heard news reports about something called "Service Separation Numbers" . . . three number codes stamped on the discharge papers of every veteran giving the reason for the discharge.

There are hundreds such numbers, many of them unfavorable . . . covering everything from homosexuality to bedwetting. George Austin's number is 265 which, if you know the code, and many employers do, stands for "personality and character disorder."

What is the character and personality disorder that you have?

Austin. It's beyond me. I don't have a character disorder.

Wallace. Do you have any idea why they would put that on there?

Austin. Well, I would say to notify my prospective employer that possibly identify me as one who took part in anti-war—anti-war—in the anti-war movement in general.

Wallace. As a kind of troublemaker maybe?

Austin. No. As—just to penalize me for my political beliefs. It should have been explained to me that my discharge papers would be coded and this number would be put on. I was led to believe that I was going to get an honorable discharge under honorable conditions and that was the only condition of my discharge. And that was the sort of bargaining that went on and I accepted it. It looked good to me.

Captain. It's my understanding that you're going to be charged with some offenses of Absent Without Leave, is that correct?

Private. Yes, sir.

Wallace. But the standard case, the typical case of a man with discharge problems is this one. A young man, eighteen years old, in trouble with the military for what in civilian life could be a minor offense. Following standard procedure, his military counsel tells him that he can waive his right to a court-martial and take an undesirable discharge instead.

Captain. Well, I'm going to tell you about an undesirable discharge, also, so that I'll make sure that you understand it. In all probability you will not receive any rights, benefits or entitlements from the Veterans Administration. . . .

Wallace. The advantage to the military is that it enables them to get rid of troublemakers . . . to fire them, as it were, without having to go through the rigamarole and expense of a court martial. The advantage to the soldier is that it gets him out immediately. And despite all the warning about bad discharges, that is all the young soldier usually wants . . . out.

Captain. Why do you want to do this? This is a bad discharge from the service.

Private. I just don't like the Army.

Captain. Do you particularly care what type of discharge you get?

Private. Not now.

Wallace. That was just like the case of Joseph Meyers, who lives with his parents in the rundown Kensington section of Philadelphia. These days he manages the small, barely profitable family grocery store. And back in 1969, when he was seventeen, Joe dropped out of high school, volunteered for the paratroops and wound up with the 82nd Airborne at Ft. Bragg, North Carolina. He says that he liked military life, but then, as his mother tells it, trouble struck back home. First, with this fifteen-year-old brother.

Mrs. Meyers. He had come home on weekends and found the problem of his brother being on drugs. And he and his brother were very close at the time. And he seemed to be able to handle him better than the father. At the time all this was going on, my mother was dying of cancer. And Joseph was very close to his grandmother. And in fact, he was there constantly with her.

Joe Meyers. I tried to go through the regular Army channels to get stationed closer to home or to get a hardship discharge.

Wallace. And what happened?

Joe Meyers. I got ran around in circles for about three or four months more.

Wallace. As the Army tells it, Joe didn't produce convincing enough evidence to back up his request. As Joe tells it, his immediate superiors refused to listen to his case.

Joe Meyers. So I went to my Captain. He says, "Well, I can't do nothing about it." But he says, "The best bet is to go AWOL. Turn yourself in. You'll get stationed closer to home where you'll get discharged from".

Wallace. Who told you this?

Joe Meyers. My Captain.

Wallace. Told you to go AWOL?

Joe Meyers. Right.

Wallace. Joe went AWOL . . . Absent Without Leave. He came home twice and stayed home for a total of three months. Did he help by going AWOL, truly, Mrs. Meyers?

Mrs. Meyers. Well, it really helped me. I felt that it was helping me and I knew how much he was trying to help his brother.

Wallace. And then what happened?

Joe Meyers. Then I was apprehended by the police.

Wallace. Here?

Joe Meyers. Right.

Wallace. And then what did they do with you?

Joe Meyers. They let me sit in jail for about a month. In the regular stockade or jail, the same thing as jail, I imagine. I'd never been in jail before. And I was pretty upset.

Wallace. An Army lawyer then offered Joe that choice between an immediate undesirable discharge from the service or a court-martial which might have meant more time in the stockade. And Joe was quick to accept the discharge.

Well, now, today, Joe's younger brother is in prison, his mother has had a heart attack, and Joe Meyers has discovered what he had been told about a bad discharge is all too true.

Joe Meyers. Well, I really didn't think it would have that much of an impact on my life as it had, you know.

Wallace. How much of an impact has it had?

Joe Meyers. Well, I could have used it to go to school, right.

Wallace. You mean you would have gotten help from the GI Bill?

Joe Meyers. Right.

Mrs. Meyers. He wanted to go into business administration. That's what he wanted.

Wallace. So no help from the Government on that.

Mrs. Meyers. And we couldn't afford to send him to school.

Wallace. Right. And what about getting jobs?

Joe Meyers. It's hurt me getting jobs too.

Mrs. Meyers. I feel he deserves another chance. He was only a boy.

Wallace. There is one hope for another chance. One way for veterans to try and get a bad discharge or a separation number changed. Each of the Services has a Board which sits in Washington to hear such appeals. One morning a few weeks ago, Joe Meyers met in the Pentagon with a Red Cross representative, who was going to help him present his case to the Army Review Board.

Advisor. All right, I want you to try and be relaxed as you can. The Army Board is made up of five Colonels. You want to be careful about one thing, they're men with long experience in the service and your best hope in there is to be completely honest with them.

Wallace. But relatively few veterans make such appeals. They know that only sixteen percent of those who try are successful.

Many familiar with the system feel that what is really needed are not more lenient appeal boards, but a drastic change in the whole system of military discharges.

Beverly Hills Attorney, Richard Fox, has, for a fee, represented scores of men with discharge problems. He thinks the military should be just like any other employer.

Fox. For example, if any major corporation, Xerox, IBM, CBS, either discharges one of its employees or the employee quits, you don't have to go around for the rest of your life with a discharge certificate from that corporation. Why can't the armed forces just give a discharge without characterizing it?

Wallace. And then if the company wants to know more about you?

Fox. Then they can get your permission to look into their background, the same way as a company is authorized, if you apply for employment with it, to check with your previous employers. You give your consent to the company to do this by virtue of the fact that you have applied for the employment.

Wallace. Though many in the military continue to defend the discharge system, there seems to be a growing number of officers who feel that changes need be made. That's what we found while talking to the five Colonels who sit on the Air Force's Discharge Review Board.

Should a young man, who was a very young and immature man, who did certain things wrong, should he have that tagging him for the rest of his life? Should he have it in his record?

Colonel. That's a difficulty. We realize that this hurts the individual. But Mike, you've got to understand that every individual when he came into the service was an immature young man. I also was eighteen years old. I find that it is—to earn an honorable discharge is a very simple thing. You must go to some trouble to earn an other than honorable discharge.

WALLACE. But Colonel Errol Franklin questioned the practice of putting those coded separation numbers on discharges.

Col. FRANKLIN. When the future employer looks at this——

WALLACE. He immediately knows.

Col. FRANKLIN. Right away, he's tagged you. And I don't think this is fair. I don't think that if I'm a homosexual, I don't think that a man ought to look on my discharge and look at that number and say, "Oh, he's a homosexual." I don't think that's right.

WALLACE. Midway in our discussion, Major General Jean Holm, who commands the Board, came in. And I asked her what she thinks about the discharge system?

Gen. HOLM. Well, I have kind of mixed feelings on it. I think maybe we need a new look at the way we do it.

WALLACE. Why is it necessary to go about it a different way? What's wrong with the way it's done now, General Holm?

Gen. HOLM. Because I don't like the idea of the man having to carry around these kinds of discharges in his hand for the rest of his life. Or until he gets it changed.

WALLACE. You mean——

Gen. HOLM. I'm merely questioning, as I think we ought to, because these cases bother us. I've been here since last March. And I think it bothers everyone who sits and listens to these cases.

FLORIDA'S "POLITITHON 1970"

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, I understand the House will be considering again soon the matter of reforming our system of financing political campaigns. It has seemed to me that we could deal with at least part of this problem if we would provide for public service efforts to give the voters more information about all the candidates competing for election in a particular campaign.

Education television could be utilized for this purpose much more than it has in the past. We had a very successful effort in Florida in the 1970 campaign which demonstrated what could be done if we were to provide the incentive and financial support for similar efforts throughout the country during each major election.

I would like to insert after my remarks and call to the attention of the House the following excellent account of the Florida "Politithon 1970" written by Dr. Art Pollock, chairman of the Liberal Arts Division at Brevard Community College in Melbourne, Fla.:

PUBLIC BROADCASTING AND POLITICS: FLORIDA'S "POLITITHON 1970"

(By Art Pollock)

Art Pollock, who earned his Ph.D. in communication from Florida State University in 1972, is chairman of the Liberal Arts Division at Brevard Community College, Melbourne, Florida.

Born of a desire to reduce the spiraling costs of present-day election campaigns, on October 28, 1970, the State of Florida pioneered an innovative political campaign broadcast beamed over noncommercial radio and television stations throughout the state. Backed by state legislative mandate, funded by a $25,000 grant from the Florda State Department of Education, and produced by public television station WPBT of Miami, *Politithon '70* was presented as an open-ended broadcast forum, running in excess of four hours and featuring candidates for statewide office as well as an explanation of the seven proposed amendments to the Florida constitution listed on the November 3 ballot.

The information is presented in the belief that those concerned about the relationship between politics and television can learn from the Florida experiment. On that supposition, the following pages offer a retrospective look at *Politithon '70*, including events leading up to the broadcast, a descriptive account and assessment of the program itself, post-program reactions and effects, and some closing commentary on the future of noncommercial political broadcasting.

BACKGROUND

Florida's efforts to maintain the strict nonpartisan nature and appearance of its noncommercial television system had historically denied stations the right to program political candidates under state law:

None of the facilities, plant or personnel of any educational television system which is supported in whole or in part by state funds shall be used directly or indirectly for the promotion, advertisement or advancement of any political candidate. . . .

In 1967, however, the Florida legislature moved to loosen this restriction to enable "experimental" programming of candidates during the 1968 and 1970 general elections. (Assurance that noncommercial broadcasters were never federally restricted from airing political candidates and that state restrictions were of doubtful legality came when the Maine Supreme Court overturned a restrictive statute similar to Florida's in that state's noncommercial television regulations.)

As mandated, Florida's first experimentation with this form of programming occurred during the 1968 general elections. With the national Nixon-Humphrey-Wallace presidential contest claiming top attention, Florida had only modest interest in its own statewide general election ballot. Races for State Supreme Court seats and for a term on Florida's Public Service Commission drew little attention, a fact which left the spotlight open for an unusually competitive campaign for the United States Senate seat of retiring George Smathers. The battle between Edward Gurney, a conservative Republican Congressman and Leroy Collins, a progressive former Democratic Governor of Florida during the Eisenhower years, was expected to be the feature attraction in Florida's first noncommercial television experiment in political candidate programming.

Initial plans to have four hour-long debates between the senatorial contestants fizzled out when Gurney's campaign staff decided to accept for only two of the four proposed programs. As a result, the State Educational Television and Radio Advisory Council settled on half-hour programs for each of the three State Supreme Court races and an additional half-hour program featuring nominees for the Public Service Commission. While these 1968 programs drew neither the interest nor the critical acclaim that *Politithon '70* would receive two years later, they gave Florida a head start in political programming on noncommercial television.

Growing out of the same advisory council meeting at which final plans were set for the 1968 experimental broadcasts was a suggestion that future legislation might even further liberalize Florida's laws regarding political broadcasts on noncommercial television. Florida House Speaker Ralph Turlington had favored using two of the allotted hours spurned by the Gurney campaign to present a program on current issues of importance to the state legislature, boosting such as being equally as educational as the programs involving candidates for election. Although many agreed, opinion prevailed that the spirit of the 1967 legislation called for exposure of candidates alone in the experimental broadcasts. Prior to the meeting's adjournment, however, State Superintendent of Education Floyd Christian suggested the possibility of future state legislation specifically aimed at allowing programming of the nature Turlington supported. What ultimately followed in the 1970 legislature was Turlington's House Bill 3851, which generally allowed all forms of balanced political broadcasting on Florida's noncommercial stations and lifted as well the experimental clause attached to the 1967 legislation as it pertained to the 1968 and 1970 elections. The new proposal passed in the Florida House of Representatives and in the Florida Senate and became effective July 1, 1970.

The advisory council lost no time, meeting on June 26 to determine just how the new ruling could be best implemented in the 1970 general election. Two basic ideas for broadcast presentation emerged. The first provided for 11 separate hours of broadcasting, with the time to be divided among statewide candidates qualifying for the November general election. A second idea called for a 4-to-5 hour continuous broadcast, again featuring all statewide candidates bidding for office on November 3. The council decided upon the latter recommendation, and all Florida noncommercial stations were invited to submit proposals. Interested parties were required to include in their proposals: (1) a detailed list of production costs; (2) consideration for compatibility with radio simulcasting; (3) provision for compliance with Federal Communications Commission broadcast regulations; (4) potential for informing a broadcast audience about the candidates and the election issues; and (5) potential for demonstrating the value of a statewide educational broadcasting service. Proposals were submitted by three noncommercial Florida stations, WPBT of Miami, WJCT of Jacksonville, and WEDU of Tampa.

Accompanying the council's mid-July award of the broadcast grant to WPBT were some specific suggestions for station officials. These included recommendations pertinent to radio coverage of the program and to the use of film documentaries. The former reaffirmed the council's intent to provide for radio simulcasting and suggested the incorporation of appropriate audio cues into the WPBT format, while the latter suggested possible incorporation of film documentary concepts into the WPBT format to help give listener-viewers a clearer picture of Florida's top offices of government.

On July 28, two weeks after the advisory council's decision to go with the WPBT proposal, the state cabinet voted its final approval of the expenditure of $25,000 in State Department of Education moneys specifically budgeted for noncommercial political broadcasting in 1970. The anticipated cabinet consent came in a 5-to-1 vote.

THE BROADCAST

In the two months that followed the signing of the contract by WPBT president George Dooley and state education chief Christian, the Miami station arranged for personnel and facilities to stage the innovative broadcast. The program would originate from Miami Beach Auditorium, site of the Florida-produced *Jackie Gleason Show*, and public TV stations in Pensacola, Tallahassee, Gainesville, Jacksonville, Tampa, Orlando, and Miami would carry the program. Noncommercial radio stations in Tampa and Tallahassee would simulcast the proceedings and, in addition, commercial stations in areas where noncommercial programming was unavailable could also arrange to carry the broadcast. According to WPBT officials, this put *Politithon '70* in reach of virtually every Floridian.

Actual program content for the marathon

production would include for each statewide office on the ballot; a two minute color film describing the duties of the particular office; introduction of candidates for that office; delivery of a statement by each candidate; questions from members of representative statewide organizations selected to sit in the studio audience; questions solicited from the general public; and finally, for United States Senate and gubernatorial contenders, a summary statement from each candidate. One informative feature for listeners and viewers not familiar with the background of the candidates was the concept of introducing each candidate with a brief sketch of his career attainments. Prepared by the production staff in conjunction with each candidate or his designated aide, each script attempted to present information accurately, crisply, and fairly. Only the gubernatorial segment of the program prefaced these sketches with a feature that added little to potential listener-viewer information gain. Prior to the reading of the biographical introduction prepared for each of the nominees for Governor, respective Lieutenant Governor candidates preceded their running mates on stage with introductory remarks of their own. Unsurprisingly subjective, pompous, and even rambling, these additional "introductions" suffered in comparison with the far more credible and enlightening flow of potentially instructive facts supplied when the scripted introductions were used alone.

Another program segment embodying high informational value was presented midway in the broadcast, detailing the seven proposed amendments to the Florida constitution. Each proposed amendment was assigned to one of the seven regional broadcast announcers participating in *Polititthon*. Each announcer in turn read his assigned amendment as it appeared on the ballot and briefly explained the issue. The proposals were discussed in both formal and lay wording. While such proposed amendments as approval of the vote for eighteen year-olds received considerable prebroadcast publicity, the majority of proposals listed on the ballot had been either infrequently or superficially discussed during the campaign by Florida news media. By presenting new information and by complementing previous campaign discussion of the proposed amendments, this feature offered prospects for increasing the number of well-informed voters.

On the other hand, time blocks set aside for personal statements by the candidates did not always reflect such high potential for information gain. Candidates' opening statements, for example, were often little more than polished bits of campaign rhetoric prepared and practiced in advance of *Polititthon '70's* airing. In contrast, candidates' closing statements, which followed each question-answer segment, were more spontaneous and, as a result, potentially more instructive.

The question-answer segments themselves gave listener-viewers opportunity to form personal opinions about the candidates and their stand on various political issues involved in Florida's 1970 general election campaign. This particular feature was most effectively presented in the gubernatorial segment of the program, when each candidate had a total of 16 questions to answer. By comparison, only 3 questions each for the Public Service Commission candidates and the contenders for state cabinet positions seemed barely adequate.

REACTION/EFFECT

For several days after its airing, Florida newspapers accorded considerable attention to *Polititthon '70*, the obvious focal point of late October campaign activity. An Associated Press broadcast-reaction piece contained positive quotes on the program from the chairwoman of the Democratic Party in Florida, from the program's moderator, and from a Florida State University professor of government. *The Miami Herald* editorially labeled *Polititthon '70* in the tradition of the "highest standard of media public service" and the *St. Petersburg Times* pronounced it deserving of "a permanent spot in the politics of the state that gave it birth." An October 31 editorial in the *Orlando Sentinel* called the program "public television at its best," and *The Tampa Tribune* expressed "hope that the trailblazing Polititthon becomes a standard. . . ."

The Corporation for Public Broadcasting (CPB), interested enough to organize a Miami-based coincidental telephone survey to find the size of the October 28 audience, announced that 304,235 persons had watched the broadcast. "For what it was—an entire evening of dispensing information about candidates and offices . . . ," executive producer Jerome Schnur called the achieved audience "a very creditable figure." Although potentially the most useful assessment of *Polititthon '70*, the survey proved to be one of the least telling. While it came up with percentage figures for the audience in each of the seven cities from which the telecast emanated, as well as each hour's share of the audience in each city, such figures were rendered of little or no significance due to the absence of other bases for comparison. The CPB survey did not reveal how *Polititthon '70* fared against opposing commercial programming. There were no research efforts provided by CPB to compare a station's *Polititthon* share of the audience with its anticipated or normal share of viewers. And finally, although the CPB survey figure that 304,235 persons watched the broadcast, no breakdown of the viewing audience was undertaken to determine such things as how many registered voters were among the viewing audience, how much information listeners attained from the program, or how, if at all, voting was affected by the televised appearance of statewide candidates. Executive producer Schnur's inclination to label the audience figures "creditable" could hardly be called an objective observation.

By another standard, however, that of personal listener-viewer response, reaction to the program was undoubtedly greater than usual. According to WPBT's boast, "Channel 2 has been deluged with mail from viewers, without one single negative comment." Similar boasts by other stations carrying the broadcast seemed to verify WPBT's claims that audience response, in the form of letters and telephone calls, was overwhelmingly laudatory, suggesting far greater audience interest in *Polititthon '70* than in regularly scheduled noncommercial programming.

In addition to favorable audience response, *Polititthon '70* also received critical peer acclaim. In April 1971, the University of Georgia's School of Journalism honored *Polititthon '70* (and CBS–TV's *60 Minutes*) with prestigious George Foster Peabody Radio and Television Awards in the television news category, calling the Florida production "a model form and structure for future political programming, utilizing public broadcast facilities at modest and reasonable cost." *Saturday Review*'s 1971 Television Awards similarly honored the program "for demonstrating public television's unique opportunities for pre-election presentation of candidates and issues at extraordinarily low cost."

COMMENT

While *Polititthon '70* was deserving of much of the general acclaim it received for its efforts in presenting this preelection special, there were certainly weaknesses and inadequacies inherent in the production. For example, the program's length of over four consecutive hours was probably ill-advised. Listeners and viewers would indeed have had to be diligent to tune in at seven p.m. and remain interested, or even awake, past eleven o'clock. The production would probably have been far more attractive if spread over a series of evenings in shorter doses of time. Moreover, its informational function would have been greatly improved. Expecting an audience to recall anywhere near a totality of the information about every candidate and all the proposed constitutional amendments on the statewide ballot was indeed unrealistic. Then too, the program certainly came too late in the campaign. Many voters interested enough to tune in and stay with the program probably had their minds made up about the races at so late a stage in the campaign. For candidates who wished to impress the undecided, or even change the minds of those who were previously committed to an opposing candidate, *Polititthon '70* was too near the end of the campaign to offset the overall "images" previously established through the extensive use of commercial media. In addition, its lateness in the campaign did little to lessen candidate expenditures, the impetus for this state-funded project.

While much of Florida's *Polititthon '70* production concept could be retained, other interested states could easily modify some aspects of this type programming to accommodate their own needs and to achieve ultimate campaign impact in noncommercial political telecasts. For example, the one-night marathon programming concept could yield to a series of shorter broadcasts, ranging in time from before a state's first primary election to a final telecast just before the general election in November. Under this concept, states with an extensive election ballot and many candidates running for each office, could focus on fewer offices and candidates per broadcast and, on selected programs, could additionally feature discussion and debate on key issues, referendum questions, and proposed constitutional amendments. Far less imposing on listener-viewers than a single marathon broadcast, a series of programs would give more extensive and individualized attention to the featured offices and realistically afford those tuned in with a potentially more distinct and lasting impression of the candidates and their stand on issues. A series of broadcasts would also give "polititthon" type programming an opportunity to play a part earlier in campaigns, having a chance for greater possible impact on voter decisions and upon the ultimate goal of helping to reduce excessive campaign expenditures. With these potential benefits to be derived, there is no reason why the production concept of a statewide broadcast such as *Polititthon '70* could not be of equal or greater benefit when implemented at the local and national levels as well.

FACING UP TO GUN CONTROL

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, sooner or later the Congress is going to have to face up to the necessity of legislation to end the growing public danger that exists because of the widespread possession of guns, particularly cheap handguns, by the most lawless elements in our society.

The upsurge in shootings of law enforcement officers and the continued high level of crimes against private citizens, ranging from ordinary muggings to first degree murder, committed with handguns all compel the obvious conclusion that the existing legal framework is inadequate to protect the public from the lawless gunslingers.

Hardly a day passes that I do not read in the newspapers of Akron, Ohio, which is only a medium size city, about some new senseless killing brought about because some deranged, desperate or just plain drunk individual had quick access to a handgun. Only last week in Akron, an 18-year-old youth was indicted for an utterly senseless murder committed in the course of an attack on a completely strange husband and wife at a shopping center. Ironically, the youth was in violation of a parole from a previous sentence for murder for which he was tried as a juvenile delinquent.

The opponents to gun control laws take the position that what is needed is to impose stiffer penalties for crimes committed with guns. How blind can you get? The youth in the case I have just referred to already faces a possible death penalty. How can you get any stiffer penalty than that? Ohio already has stiff penalties for possession of concealed weapons. Obviously, this law had not the slightest effect on that crime or thousands of others.

Last September 8 was my 55th birthday. It was also the day a 19-year-old constitutent was stopped by the police for hot rodding. When the policemen started toward his car, he raised a rifle to the window. Understandably, the police did not wait to ask questions. He was shot and killed. Afterward, it was learned that the young man was a drug addict and had already been in the hospital several times for treatment.

At the end of these remarks, I intend to offer for the RECORD a copy of a letter I received from the girlfriend of that 19-year-old written to me on the day after he died. Her touching plea is poignantly epitomized in one sentence of her letter:

> If only that 19 year old boy hadn't had a gun.

Of course, we have laws on the books prohibiting the sales of guns to certain classes of persons, including those convicted of serious crimes and those having records of certain types of mental illness. Obviously, these laws are inadequate, as both of the cases I have cited so tragically demonstrate.

Mr. Speaker, the plain unvarnished truth is that there are just too many guns, especially handguns floating around in our country and that it is almost incredibly easy, and cheap, for anyone to buy a handgun.

I think it is high time we punctured the absurd myths that have been propagated by the irrational elements of the antigun control lobby. These myths are epitomized in the frequently seen bumper sticker which says "When Guns Are Outlawed Only Outlaws Will Have Guns." This slogan sets up a beautiful "straw man," by implying that someone is trying to outlaw all guns. I know of no significant movement in this country to ban the possession of all guns.

On the other hand, there is a significant body of opinion in favor of requiring registration of guns and limiting the right of registration and possession in the case of persons who have a record of prior convictions, mental illness, drug addiction, or other special characteristics which would make it clearly dangerous for them to possess guns.

Anyone who says that kind of gun control will not work either ignores or is unaware of the experience of areas where such laws have been in effect for a very long time. The city of New York, as is well known, has a law which requires all guns to be registered within 72 hours and makes it a felony to possess an unregistered gun. While this is still no guarantee that guns will not find their way into the hands of the wrong people, it is no coincidence that the number of crimes committed with guns in New York City is far lower than in any other major city in the country.

In England, where even more rigid controls on guns have been in effect for many years, and where even the police are restricted from carrying guns except in extraordinary circumstances, the murder rate for the whole country is lower than the murder rate in most of the States and even most of the smaller cities in the United States.

An interesting contrast is offered by FBI statistics which indicate that relatively more people are murdered in Southern cities of the United States than in other metropolitan areas. For example, FBI statistics show Atlanta leading the Nation in 1972 with 23 killings per 100,000 population. Of 43 metropolitan areas reporting 12 or more homicides, 42 were located in Southern and border States.

One reason for this, according to Dr. Eugene Czajkoski, chairman of the Criminology Department at Florida State University, is the general absence of, or less stringent, gun-control legislation in southern cities, as compared with northern cities.

Each Member of Congress will, of course, have to determine for himself what the attitude of his constituents is to the problem of gun control. However, I believe a consensus is developing across the country on this subject and, if my own district is any indication, it is a consensus in favor of reasonable gun-control legislation.

Tabulations have just been completed on the responses to the fourth annual questionnaire that I have mailed to all of the residences in the 14th Congressional District of Ohio. The figures are based on a return of 11,500 questionnaires containing answers by 18,990 men and women. Sixty-one percent of these answering indicated that they felt that all guns should be registered or that all private ownership of guns should be prohibited. An additional 18 percent favored a ban on the sale of cheap handguns. Only 13 percent felt that the right to own guns should not be restricted in any way. The exact question asked in the questionnaire and the percentages of answers are as follows:

[In percent]

	His	Hers	Total
Which of the following statements is closest to your views on gun control legislation?			
(a) The right to own guns should not be restricted in any way	14	11	13
(b) There should be a ban on the sale of cheap handguns but no controls on other guns	20	16	18
(c) All guns should be registered by their owners and there should be strict penalties for possession of unregistered guns	49	59	54
(d) All private ownership of guns should be prohibited	5	8	7
(e) Undecided	2	4	3

The House and Senate both have pending bills to ban the ownership of handguns, except guns designed for sporting purposes. While far from being a solution, these bills would help lead us in the right direction. It is time we started to press for their enactment.

The text of the letter from my constituent that I referred to follows:

SEPTEMBER 12, 1973.

DEAR MR. SEIBERLING: Today is a sad day. My friend is dead. They buried him today. Shot down by police bullets.

I'll try to make my point and tell the story. Lonnie Helmick, of 450 Stevenson Ave., Ellet, was hotrodding in the area. The police were called. They stopped Lonnie, and when they started towards his car, he raised a rifle to the window. Lonnie was shot just below the left eye.

That was Saturday, Sept. 8. He died yesterday. 19 years old.

The police reports didn't tell all, though. Lonnie was a dope addict. Only 10 years old and he'd already been in Fallsview several times. Mostly to "burn out" from his drugs. (A drunk would "dry out").

Lonnie wasn't a bad person. You must believe me. Before drugs, he was like the most wonderful person on earth.

If Lonnie hadn't had a gun, he'd be alive right now. And maybe in a hospital burning out from all the drugs that left needle marks all over his body.

If only that 19 yr. old boy hadn't had a gun. Please do something to ban all the guns. I know that you already know all the violence.

Now I see that the J. C. Penny Co. is having a sale on all their firearms. I think it's sickening.

If guns were not so easily obtained, another friend would be alive today. She shot and killed herself, purposely, last month.

Please vote to ban all guns.

Years ago, Lonnie Helmick got hurt. Inside. Too deep for any doctor to ever see. All these years it was like Lonnie was looking for a painkiller. Through all his Booze & Drugs. I guess now he finally found it. I just don't believe it was necessary.

Please vote for a strict gun control law.

Sincerely,

DEBI ELLEN BECKET, age 17.

TOOL REPLACEMENT BY SELF-EMPLOYED WORKERS FROM METRIC CONVERSION

(Mr. McCLORY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. McCLORY. Mr. Speaker, antimetric forces and other such groups think that the strongest argument they have against the present bill, H.R. 11035—Metric Conversion Act—is that there is no economic provision for the worker. Ergo, they insist that the legislation be rewritten to provide workers with metric tools—at the taxpayer's expense.

In the face of the fact that most large

corporations and small industries that have converted or are in the process of conversion have provided free of charge the new tools their employees need, the antimetric groups move to their next contention that it is the self-employed worker who will bear the brunt of conversion and will suffer the most. I think that it would be instructive to look at this charge and see just how true to false it may be.

While it is impossible to determine precisely how many self-employed workers will be faced with tool replacement cost resulting from metric conversion, some rough estimates can be made by examining data from the Bureau of Labor Statistics—BLS. The BLS reports that in 1973 the U.S. labor force numbered 89.8 million workers. Of that number, 5.3 million self-employed.

Breaking down this total of self-employed workers, BLS provides the following figures for those trades that are "measurement sensitive" in regard to tools:

Trade:	*Workers*
Carpenters	200,000
Other construction trades	327,000
Cabinet makers	12,000
Machinists, etc	5,000
Metal craftsmen	10,000
Auto mechanics, etc., including repairmen	126,000
Other mechanics	102,000

Of these categories, the first three would seem to me minimally impacted, needing primarily new rules and squares. Most construction tools—saws, hammers, screwdrivers, pliers, trowels, shovels, and so forth—are not "measurement sensitive."

The remaining four categories, totaling approximately 243,000 persons, that is, about one-fourth of 1 percent of the total labor force, include those self-employed workers who might encounter substantial tool replacement needs during the conversion period to metric.

It should be noted that about half of these are auto mechanics, many of whom probably have some metric tools already because of the large influx of foreign cars in this country in the past 20 to 25 years.

While there undoubtedly are other classes of self-employed persons who ultimately may find it necessary to replace some tools, those with significant needs should fall in the categories listed above.

In conclusion, it is obvious that the charge that the Nation's workers will be hurt by a change to metric measurement because of the tremendous costs of tool replacement is for the most part untrue and misleading. There probably is not a person in the country who would not like to receive a free box of metric tools. However, in the legislation at hand, H.R. 11035, we are advocating a gradual conversion so that costs will be minimal to everyone. Most importantly, we are insisting that costs fall where they may. Thus, there is no need for mischievous amendments to be added to the present legislation, especially when they would result in burdening the taxpayer.

THE CRIMINAL JUSTICE INFORMATION SYSTEMS ACT OF 1974

(Mr. McCLORY asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. McCLORY. Mr. Speaker, recently I introduced a bill to regulate the dissemination of criminal justice records (H.R. 13164). This legislation is necessary to guarantee that no individual's rights to privacy is intentionally or unintentionally violated by the Government.

Federal, State, and local law enforcement agencies collect information on many individuals in the performance of their duties. In the past decade, rapid advances in technology have made the collection and dissemination of this information more far-reaching and effective than ever before. I do not believe that police agencies are using criminal justice information in any improper way. However, the potential for abuse is great.

While we must be vigilant to protect the rights of those individuals who come in contact with the criminal justice system, we must be equally vigilant to protect society in general. We must not hinder or obstruct any law enforcement agency from effectively combating crime in the name of protecting individual privacy.

There are those who would deny valuable police information to the very agency that collected it. I believe that no record should be sealed up and hidden from view if the possibility exists it may be valuable in a criminal investigation. I believe that a police department should be able to use all of its files to screen an applicant for employment in that police agency.

Furthermore, I believe that certain agencies of both the Federal and State government must use criminal justice information to make certain that the integrity and reputation of that government agency remains intact. State licensing and regulating agencies need access to certain types of police records if they are to effectively protect the public welfare.

This legislation, along with other proposals on this subject, will be carefully considered by the Committee on the Judiciary. I believe that the bill I have introduced will aid the committee in reaching a fair, effective and balanced final recommendation on this important subject.

HEARINGS URGED ON NIXON ACTION AGAINST BEEF CONSUMER

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I have today written to Congresswoman Leonor Sullivan, chairman of the Consumer Affairs Subcommittee of the Banking and Currency Committee, asking her to hold hearings on the issue of newly announced beef price supports. The Nixon administration yesterday announced that it had decided to purchase $45 million worth of beef to alleviate a depression in the prices of this commodity.

This move immediately caused meat and grain prices to soar, and I feel that this is an assault on the ability of the consumer to purchase his basic subsistence needs.

I find this policy incredibly inconsistent, since the President has insisted on no price controls on food in order to allow competition to bring prices down. Yet, now, when the prices are finally dropping, the administration is stepping in and buying millions of dollars' worth of meat to keep the prices high.

What is even more ironic, is that this move comes shortly after the Department of Agriculture's announcement to terminate its surplus commodity program to institutions, since no surplus commodities now exist. The administration is determined to assist big agrobusiness at the expense of the poor. It is willing to purchase foods at market value in order to bolster farm prices, while it refuses to purchase these same foods for the needy.

The administration continually talks about the benefits of the law of supply and demand—and lets it occur when it helps the big farmer. However, when supply and demand would favor the consumer, the administration takes action to raise prices to profit the big farmer, and lets the consumer suffer.

I would urge my colleagues to join in pressing for hearings and legislation on this vital matter, so we can once and for all determine the intentions of the Nixon administration with regard to its food distribution and purchasing policies, and protect the consumer against them.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

Mr. Shriver (at the request of Mr. Rhodes), through April 6, on account of official business.

Mr. Mitchell of Maryland (at the request of Mr. O'Neill), for today, on account of illness.

Mr. Frenzel (at the request of Mr. Rhodes), through April 3, on account of official business.

Mr. Corman, for today after 4:30 p.m., on account of official business.

Mr. Cederberg (at the request of Mr. Rhodes), for today, on account of illness in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Cohen) to revise and extend their remarks and include extraneous material:)

Mr. Forsythe, for 10 minutes, today.

Mr. Crane, for 5 minutes, today.

Mr. Heinz, for 10 minutes, today.

(The following Members (at the request of Mr. Stark) to revise and extend their remarks and include extraneous material:)

Mr. DIGGS, for 5 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. MONTGOMERY, for 5 minutes today.
Mr. DRINAN, for 20 minutes, today.
Mr. STOKES, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. MADDEN to revise and extend his remarks.

Mr. MCKAY to revise and extend his remarks made in the committee today on H.R. 69.

(The following Members (at the request of Mr. COHEN) and to include extraneous material:)

Mr. SYMMS.
Mr. WINN.
Mrs. HECKLER of Massachusetts.
Mr. BROWN of Ohio in two instances.
Mr. ANDERSON of Illinois in two instances.
Mr. ESHLEMAN.
Mr. CLANCY.
Mr. MCCLORY in three instances.
Mr. WYMAN in two instances.
Mr. HOSMER in two instances.
Mr. STEELMAN.
Mr. CHAMBERLAIN.
Mr. DELLENBACK.
Mr. CRANE in five instances.
Mr. MCCOLLISTER in 12 instances.
Mr. FROEHLICH.
Mr. ARENDS in two instances.
Mr. HUBER.
Mr. BOB WILSON in three instances.
Mr. STEIGER of Arizona.
Mr. RHODES.
Mr. BRAY in three instances.
Mr. BROWN of Michigan.

(The following Members (at the request of Mr. STARK) and to include extraneous material:)

Mr. DINGELL in five instances.
Mr. RARICK in three instances.
Mr. GONZALEZ in three instances.
Mr. BRASCO in 12 instances.
Mr. MILFORD.
Mr. FUQUA in five instances.
Mr. STOKES in five instances.
Mrs. BOGGS.
Mr. DRINAN in three instances.
Mr. GUNTER.
Mr. HARRINGTON.
Mr. REID.
Mr. GIAIMO in 10 instances.
Mr. ROYBAL.
Mr. WALDIE in three instances.
Mr. BURTON.
Mr. BINGHAM in five instances.
Mr. MAHON.
Mr. HAMILTON in 11 instances.
Mr. STARK in five instances.
Mr. PICKLE in three instances.

SENATE BILLS AND CONCURRENT RESOLUTION REFERRED

Bills and a concurrent resolution of the Senate of the following titles were taken from the Speaker's table and under the rule, referred as follows:

S. 939. An act to amend the Admission Act for the State of Idaho to permit that State to exchange public lands, and for other purposes; to the Committee on Interior and Insular Affairs.

S. 2446. An act for the relief of Charles William Thomas, deceased; to the Committee on the Judiciary.

S. 3052. An act to amend the Act of October 13, 1972; to the Committee on the Judiciary.

S. Con. Res. 73. Concurrent resolution authorizing the printing of additional copies of a committee print of the Senate Select Committee on Nutrition and Human Needs; to the Committee on House Administration.

BILL PRESENTED TO THE PRESIDENT

Mr. HAYS, from the Committee on House Administration, reported that that committee did March 26, 1974, present to the President, for his approval a bill of the House of the following title:

H.R. 13025. An act to increase the period during which benefits may be paid under title XVI of the Social Security Act on the basis of presumptive disability to certain individuals who received aid, on the basis of disability, for December 1973, under a State plan approved under title XIV or XVI of that act, and for other purposes.

ADJOURNMENT

Mr. STARK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 17 minutes p.m.), the House adjourned until tomorrow, Thursday, March 28, 1974, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2093. A letter from the President of the United States, transmitting a draft of proposed legislation to reform the conduct and financing of Federal election campaigns, and for other purposes (H. Doc. No. 93-247); to the Committee on House Administration and ordered to be printed.

2094. A letter from the Under Secretary of Agriculture, transmitting a draft of proposed legislation to further amend the Agricultural Marketing Act of 1946; to the Committee on Agriculture.

2095. A letter from the Assistant Secretary of Defense (Comptroller), transmitting a report that no use was made of funds appropriated in the Department of Defense Appropriation Act, 1974, or the Military Construction Appropriation Act, 1974, during the first half of fiscal year 1974, to make payments under contracts in a foreign country except where it was determined that the use of foreign currencies was not feasible, pursuant to section 736 of Public Law 93-238 and section 109 of Public Law 93-194; to the Committee on Appropriations.

2096. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to further amend and extend the authority for regulation of exports; to the Committee on Banking and Currency.

2097. A letter from the Secretary of Health, Education, and Welfare, transmitting notice of the proposed delegation of certain authorities to act by the Commissioner on Aging to officers of the Department of Health, Education, and Welfare not directly responsible to him, pursuant to 42 U.S.C. 3011(a); to the Committee on Education and Labor.

2098. A letter from the Commissioner of Education, Department of Health, Education, and Welfare, transmitting his comments on the national uniform standards suggested by the National Commission on the Financing of Postsecondary Education, pursuant to section 140(d) of Pubic Law 92-318; to the Committee on Education and Labor.

2099. A letter from the Secretary of Commerce, transmitting the annual report of the Foreign-Trade Zones Board for fiscal year 1973, together with the reports covering the same period of Foreign-Trade Zones Nos. 1, 2, 3, 5, 7, 8, 9, 10, and 12, and subzones 3-A and 9-A, pursuant to 19 U.S.C. 81p(c); to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 13053. A bill to amend the Public Health Service Act to improve the national cancer program and to authorize appropriations for such program for the next 3 fiscal years, and for other purposes (Rept. No. 93-954). Referred to the Committee of the Whole House on the State of the Union.

Mr. DIGGS: Committee of conference. Conference report on H.R. 6186. (Rept. No. 93-955). Ordered to be printed.

Mr. LONG of Louisiana: Committee on Rules. House Resolution 1016. Resolution providing for the consideration of H.R. 11989. A bill to enhance the public health and safety by reducing the human and material losses resulting from fires through better fire prevention and control, and for other purposes (Rept. No. 93-956). Referred to the House Calendar.

Mr. YOUNG of Texas: Committee on Rules. House Resolution 1017. Resolution providing for the consideration of S. 2770. An act to amend chapter 5 of title 37, United States Code, to revise the special pay structure relating to medical officers of the uniformed services (Rept. No. 93-957). Referred to the House Calendar.

Mrs. SULLIVAN: Committee on Merchant Marine and Fisheries. H.R. 8101. A bill to authorize the Secretary of Transportation and the Secretary of Defense to detail certain personnel and equipment to the Fish and Wildlife Service; with amendment (Rept. No. 93-958). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of the XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of California:

H.R. 13760. A bill to terminate the Airlines Mutual Aid Agreement; to the Committee on Interstate and Foreign Commerce.

By Mr. BERGLAND (for himself and Mr. BLATNIK):

H.R. 13761. A bill to declare that certain federally owned lands within the White Earth Reservation shall be held by the United States in trust for the Minnesota Chippewa Tribe, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BRADEMAS:

H.R. 13762. A bill to amend the Internal Revenue Code by increasing the personal exemption from $750 to $850 and for other purposes; to the Committee on Ways and Means.

By Mr. CARNEY of Ohio:

H.R. 13763. A bill to limit the quantity of iron and steel scrap which may be exported from the United States to 6 million tons annually during the next 3-year period; to the Committee on Banking and Currency.

By Mr. CRONIN:

H.R. 13764. A bill to prohibit the exportation of fertilizer from the United States until the Secretary of Agriculture determines that an adequate domestic supply of fertilizer exists; to the Committee on Banking and Currency.

By Mr. DANIELSON:

H.R. 13765. A bill to extend the act of October 15, 1971, providing for the creation of a limited copyright in sound recordings, and for other purposes; to the Committee on the Judiciary.

By Mr. DAVIS of South Carolina:

H.R. 13766. A bill to extend certain programs under the Economic Opportunity Act of 1964, and for other purposes; to the Committee on Education and Labor.

By Mr. DELLUMS:

H.R. 13767. A bill to amend the Budget and Accounting Act of 1921 to provide for investigations and expenditure analyses of the use of public funds; to the Committee on Government Operations.

By Mr. DENHOLM:

H.R. 13768. A bill to repeal that portion of the Emergency Highway Energy Conservation Act establishing a national maximum speed limit; to the Committee on Public Works.

By Mr. DRINAN:

H.R. 13769. A bill to amend the Social Security Act to extend entitlement to health care benefits on the basis of age under the Federal medical insurance program (Medicare) to all persons who are citizens or residents of the United States aged 65 or more; to add additional categories of benefits under the program (including health maintenance and preventive services, dental services, outpatient drugs, eyeglasses, hearing aids, and prosthetic devices) for all persons entitled (whether on the basis of age or disability) to the benefits of the program; to extend the duration of benefits under the program where now limited; to eliminate the premiums now required under the supplementary medical insurance benefits part of the medicare program and merge that part with the hospital insurance part; to eliminate all deductibles; to eliminate copayments for low-income persons under the program, and to provide, for others, copayments for certain services or items but only up to a variable income-related out-of-pocket expense limit (catastrophic expense limit); to provide for prospective review and approval of the rates of charges of hospitals and other institutions under the program, and for prospective establishment (on a negotiated basis when feasible) of fee schedules for physicians and other practitioners; to revise the tax provisions for financing the medicare program and increase the Government contribution to the program; and for other purposes; to the Committee on Ways and Means.

By Mr. EVANS of Colorado:

H.R. 13770. A bill to strengthen interstate reporting and interstate services for parents of runaway children; to conduct research on the size of the runaway youth population; for the establishment, maintenance, and operation of temporary housing and counseling services for transient youth, and for other purposes; to the Committee on Education and Labor.

By Mr. FREY:

H.R. 13771. A bill to provide for a Veterans' Administration Hospital in Brevard County, Fla.; to the Committee on Veterans' Affairs.

By Mr. FROEHLICH:

H.R. 13772. A bill to amend the Internal Revenue Code of 1954 to extend the head of household benefits to unremarried widows and widowers, and individuals who have attained age 35 and who have never been married or who have been separated or divorced for 1 year or more, who maintain their own households; to the Committee on Ways and Means.

By Mr. GUNTER:

H.R. 13773. A bill to establish a commission to review the proposed closing of any military installation; to the Committee on Armed Services.

By Mr. GUYER:

H.R. 13774. A bill to provide standards of fair personal information practices; to the Committee on the Judiciary.

H.R. 13775. A bill to amend the Social Security Act to prohibit the disclosure of an individual's social security number or related records for any purpose without his consent unless specifically required by law, and to provide that (unless so required) no individual may be compelled to disclose or furnish his social security number for any purpose not directly related to the operation of the old-age, survivors, and disability insurance program; to the Committee on Ways and Means.

By Mr. HANNA:

H.R. 13776. A bill to amend title 18 of the United States Code to penalize the seeking or acceptance of clemency in furtherance of a scheme to obstruct justice; to the Committee on the Judiciary.

By Mr. JOHNSON of Pennsylvania:

H.R. 13777. A bill to promote and regulate interstate commerce by requiring no-fault motor vehicle insurance as a condition precedent to using any public roadway in any State or the District of Columbia; to the Committee on Interstate and Foreign Commerce.

By Mr. McEWEN:

H.R. 13778. A bill to repeal the Occupational Safety and Health Act of 1970; to the Committee on Education and Labor.

By Mr. MINISH:

H.R. 13779. A bill making an appropriation for fiscal year 1975 for the expenses of the National Institute of Neurological Diseases and Stroke in connection with dystonia; to the Committe on Appropriations.

H.R. 13780. A bill making a supplemental appropriation for fiscal year 1974 for the expenses of the National Institute of Neurological Diseases and Stroke in connection with dystonia; to the Committee on Appropriations.

By Mr. MINSHALL of Ohio:

H.R. 13781. A bill to terminate the Airlines Mutual Aid Agreement; to the Committee on Interstate and Foreign Commerce.

By Mr. PRICE of Texas:

H.R. 13782. A bill to amend title XI of the Social Security Act to repeal the recently added provision for the establishment of Professional Standards Review Organizations to review services covered under the medicare and medicaid program; to the Committee on Ways and Means.

By Mr. REID (for himself, Ms. Abzug, Mr. Brasco, Mr. Brown of California, Mr. Cotter, Mr. Dellums, Mr. Edwards of California, Mr. Harrington, Mrs. Heckler of Massachusetts, Mr. Helstoski, Ms. Holtzman, Mr. Moss, and Mr. Waldie):

H.R. 13783. A bill to investigate the relationships between those persons engaged in the provision of accounting services to major oil companies and said companies, to require integrated major oil companies to file with the Federal Trade Commission accounting reports for each and any of their four levels of operation, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. REID (for himself and Mr. Clay):

H.R. 13784. A bill to amend the Social Security Act to extend entitlement to health care benefits on the basis of age under the Federal medical insurance program (medicare) to all persons who are citizens or residents of the United States aged 65 or more; to add additional categories of benefits under the program (including health maintenance and preventive services, dental services, outpatient drugs, eyeglasses, hearing aids, and prosthetic devices) for all persons entitled (whether on the basis of age or disability) to the benefits of the program; to extend the duration of benefits under the program where now limited; to eliminate the premiums now required under the supplementary medical insurance benefits part of the medicare program and merge that part with the hospital insurance part; to eliminate all deductibles; to eliminate copayments for low-income persons under the program, and to provide, for others, copayments for certain services or items but only up to a variable income-related out-of-pocket expense limit (catastrophic expense limit); to provide for prospective review and approval of the rates of charges of hospitals and other institutions under the program, and for prospective establishment (on a negotiated basis when feasible) of fee schedules for physicians and other practitioners; to revise the tax provisions for financing the medicare program and increase the Government contribution to the program; and for other purposes; to the Committee on Ways and Means.

By Mr. RIEGLE (for himself, Ms. Holtzman, Mr. Rosenthal, and Mr. Stokes):

H.R. 13785. A bill to amend the Social Security Act to establish a program of food allowance for older Americans; to the Committee on Ways and Means.

By Mr. ROY:

H.R. 13786. A bill to amend title II of the Social Security Act to provide that increases in monthly insurance benefits thereunder (whether occurring by reason of increases in the cost of living or enacted by law) shall not be considered as annual income for purposes of certain other benefit programs; to the Committee on Ways and Means.

By Mr. SCHERLE:

H.R. 13787. A bill to amend chapter 5 of title 37, United States Code, to revise the special pay structure relating to medical officers and other health professionals of the uniformed services; to the Committee on Armed Services.

By Mr. SLACK:

H.R. 13788. A bill to amend title 38 of the United States Code to make certain that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits; to the Committee on Veterans' Affairs.

By Mr. STEELMAN:

H.R. 13789. A bill to amend title 38 of the United States Code to extend the veterans' educational assistance delimiting period from 8 years to 9 years in order to insure that no veteran loses his educational assistance entitlement while Congress considers legislative proposals extending such delimiting period to more than 9 years; to the Committee on Veterans' Affairs.

By Mr. STEIGER of Arizona (for himself and Mr. Rhodes):

H.R. 13790. A bill to authorize the Secretary of the Interior to make grants to assist States in developing and implementing land use planning policies, to provide land use planning directives to Federal agencies for planning of the public lands, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mrs. SULLIVAN (for herself, Mr. Murphy of New York, Mr. Clark, Mr. Jones of North Carolina, Mr. Biaggi, Mr. Studds, Mr. Anderson of California, Mr. Snyder, Mr. Forsythe, and Mr. Pritchard):

H.R. 13791. A bill to amend section 2 of title 14, United States Code, to authorize icebreaking operations in foreign waters pursuant to international agreements, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. TAYLOR of Missouri:

H.R. 13792. A bill to authorize the Administrator of the Environmental Protection Agency to promote to Assistant Surgeon General commissioned officers of the Public Health Service assigned to the Agency; to the Committee on Interstate and Foreign Commerce.

By Mr. BOB WILSON:

H.R. 13793. A bill to amend the Internal Revenue Code of 1954 to increase the credit against tax for retirement income; to the Committee on Ways and Means.

By Mr. ANDREWS of North Dakota:

H.R. 13794. A bill to provide for the control and eradication of noxious weeds, and the regulation of the movement in interstate or foreign commerce of noxious weeds and potential carriers thereof, and for other purposes; to the Committee on Agriculture.

By Mr. ASPIN:

H.R. 13795. A bill to prohibit any State or unit of local government from imposing a property tax on any railroad right-of-way or roadbed used in interstate commerce; to the Committee on the Judiciary.

By Mr. CLEVELAND:

H.R. 13796. A bill to amend the Small Business Act to provide for loans to small business concerns affected by the agency shortage; to the Committee on Banking and Currency.

H.R. 13797. A bill to amend title 23 of the United States Code to authorize a grant program for research and development of alternative fuels for motor vehicles; to the Committee on Public Works.

By Mr. DELLUMS:

H.R. 13798. A bill to provide for disclosure of information by executive departments to committees of Congress; to the Committee on Armed Services.

H.R. 13799. A bill to provide for the receipt of testimony and information from executive agencies and bodies; to the Committee on the Judiciary.

By Mr. DUNCAN:

H.R. 13800. A bill to amend the Internal Revenue Code of 1954 to provide an exemption from income taxation for cooperative housing corporations, condominium housing associations, and certain homeowners' associations; to the Committee on Ways and Means.

By Mr. ESCH:

H.R. 13801. A bill to extend and improve the nation's unemployment programs and for other purposes; to the Committee on Ways and Means.

By Mr. HAMMERSCHMIDT:

H.R. 13802. A bill to establish improved nationwide standards of mail service, require annual authorization of public service appropriations to the U.S. Postal Service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. REUSS (for himself, Ms. Abzug, Mr. Badillo, Mr. Boland, Mr. Brasco, Mr. Brown of California, Mr. Carney of Ohio, Mrs. Chisholm, Mr. Clay, Mr. Culver, Mr. Dominick V. Daniels, Mr. Eckhardt, Mr. Edwards of California, Mr. Eilberg, Mr. Fauntroy, Mr. Ford, Mr. Harrington, Mr. Hechler of West Virginia, Mrs. Heckler of Massachusetts, Mr. Hinshaw, Miss Holtzman, Mr. McSpadden, Mr. Moakley, Mr. Moss, and Mr. Podell):

H.R. 13803. A bill to amend the Internal Revenue Code of 1954 and the Social Security Act to provide income and payroll tax relief to low-income and moderate-income taxpayers; to the Committee on Ways and Means.

By Mr. REUSS (for himself, Mr. Riegle, Mr. Rosenthal, Mr. Roybal, Mr. Ryan, Mr. Seiberling, Mr. Stark, Mr. Studds, Mr. Vigorito, Mr. Williams, Mr. Charles H. Wilson of California, Mr. Won Pat, Mr. Yatron, and Mr. Thompson of New Jersey):

H.R. 13804. A bill to amend the Internal Revenue Code of 1954 and the Social Security Act to provide income and payroll tax relief to low-income and moderate-income taxpayers; to the Committee on Ways and Means.

By Mrs. HECKLER of Massachusetts:

H.J. Res. 954. Resolution designating the song "America the Beautiful" the Bicentennial hymn for 1976; to the Committee on the Judiciary.

By Mr. JARMAN:

H.J. Res. 955. Joint resolution requiring the President to submit to Congress a report concerning importations of minerals which are critical to the needs of U.S. industry; to the Committee on Ways and Means.

By Mr. JOHNSON of Pennsylvania:

H.J. Res. 956. Joint resolution proposing an amendment to the Constitution of the United States to provide for a single 6-year Presidential term; to the Committee on the Judiciary.

By Mr. PEPPER:

H.J. Res. 957. Joint resolution to authorize the President to issue a proclamation designating the week in November which includes Thanksgiving Day in each year as "National Family Week"; to the Committee on the Judiciary.

By Mr. SLACK:

H.J. Res. 958. Joint resolution requiring the President to submit to Congress a report concerning importations of minerals which are critical to the needs of U.S. industry; to the Committee on Ways and Means.

By Mr. WALDIE (for himself, Mr. Cohen, Mr. Harrington, Ms. Burke of California, and Mr. Gude):

H.J. Res. 959. Joint resolution to authorize the President to proclaim the last week in June of each year as "National Autistic Children's Week"; to the Committee on the Judiciary.

By Mr. BRADEMAS:

H. Con. Res. 451. Concurrent resolution to express the sense of Congress that for fiscal year 1975 the Administration on Aging fund long-term and short-term training programs under title IV of the Older Americans Act, and for other purposes; to the Committee on Education and Labor.

By Mr. DOWNING:

H. Res. 1012. Resolution to express the sense of the House with respect to the allocation of necessary energy sources to the tourism industry; to the Committee on Interstate and Foreign Commerce.

By Mr. NELSEN (for himself and Mr. Fraser):

H. Res. 1013. Resolution authorizing the printing as a House document of the proceedings incident to the presentation of a portrait of Hon. Charles C. Diggs, Jr.; to the Committee on House Administration.

By, Mr. OWENS (for himself, Mr. Cederberg, Mr. Chappell, Mr. Gilman, and Mr. Matsunaga):

H. Res. 1014. Resolution to express the sense of the House with respect to the allocation of necessary energy sources to the tourism industry; to the Committee on Interstate and Foreign Commerce.

By Mr. OWENS (for himself, Ms. Abzug, Mr. Cleveland, and Ms. Schroeder):

H. Res. 1015. Resolution to amend the Rules of the House of Representatives to provide for the broadcasting of meetings, in addition to hearings, of House committees which are open to the public; to the Committee on Rules.

PETITIONS, ETC.

Under clause 1 of rule XXII,

416. The SPEAKER presented a petition of the Borough Assembly, Greater Anchorage Area Borough, Alaska, relative to an urban planning study for watershed management in the Cook Inlet region of Alaska which was referred to the Committee on Public Works.

EXTENSIONS OF REMARKS

SUPPORT FOR THE NATIONAL SUMMER YOUTH SPORTS PROGRAM

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. PEYSER. Mr. Speaker, on February 27, I introduced, with Mr. Clay and Mr. Bell, a bill to extend the national summer youth sports program. Yesterday I was joined by 34 cosponsors in reintroducing this bill.

One of my constituents, Mr. Warren Jackson, has worked in this program and is an active supporter of the program. I am enclosing an article which he wrote and which other Members should be interested in reading.

A Common Cause for Good Helps Bridge Party Lines

(By Warren Jackson)

A portion of what America is supposed to be about came to the nation's capital to crystallize, for the American people and its legislative leaders, how a successful federally funded program can work if it is administered properly and if those involved really and truly do "give a damn."

In the past five years, on an annual budget of $3 million, 105 collegiate institutions have directed the National Summer Youth Sports Program (NSYSP) under the auspices of the National Collegiate Athletic Association.

The program tries and has been successful in practically all instances of providing for the nation's disadvantaged the basic fundamentals of athletic instruction coupled with educational and cultural enrichment.

The portion of America I mentioned earlier came to Washington to support a new bill for continuance of the NSYSP. Some talked and some listened. The bill is being co-sponsored by Rep. Peter Peyser (R-N.Y.), Rep. Bill Clay (D-Mo.) and Rep. Alphonzo Bell (R-Calif.).

Peyser's tenacity and bulldoggedness on NSYSP has to be admired. A year ago he filed a request for the program's continuance. It never got out of committee. This year with assistance it appears he might make it through committee and towards a possible vote.

PEYSER EMPHATIC

In his opening remarks, Peyser was emphatic in his personal endorsement. "If all federal money was spent as well as it is in this program (NSYSP), this country would be in much better shape."

Bill Clay also put things into perspective when he said, at the televised press conference with Howard Cosell, "When we speak of the disadvantaged, meaning the blacks, Spanish and the poor whites, we no longer can speak and act on strict party lines."

"When people and their futures are at stake we cannot have any permanent friends nor permanent enemies—just permanent interests."

Also sponsoring a bill for the continuance of the NSYSP under the current Office of Economic Opportunity umbrella is an interested and dedicated individual in chairman of the House Subcommittee on Equal Opportunity, Augustus Hawkins of California.

IMPRESSIVE CREW

Among those who came to talk in favor of the bill was the chairman of the administrative committee of the NSYSP, Dr. William Exum, a graduate of the University of Wisconsin and now director of athletics at Kentucky State University. Dr. Exum introduced Walter Glass, athletic director at Pepperdine College in Los Angeles, and Dr. Warren Giese, dean of the health and physical education program at the University of South Carolina. Dr. Giese is being mentioned as a possible candidate for the governorship in that state against Atty. Gen. William Westmoreland.

Also appearing and testifying were Jim Wilkinson, controller of the NCAA and director of NSYSP, yours truly and two members of the Ohio State Rose Bowl Championship, quarterback Cornelius Green and All-America defensive halfback Neal Colzie.

Exum, Wilkinson, Jackson, are black: Glass, Giese, are white. The purpose is a common cause—retention of something that works.

Facts and figures don't lie. Five years of the program has seen 208,000 kids, who might not have had any place to go during the summer, go through it. Five years of this program has seen 13,500 jobs provided for many who would not have been employed. In a given year, over a six-week period, 792,000 hot meals are given to kids whose only meal could be those, and 40,000 kids get medicals—for some it's their first introduction to a doctor or a dentist.

To really bring it home, Green and Colzie were asked about the program. Both had been invited because they have participated as members and/or instructors in the program.

COLZIE HITS HOME

Colzie, speaking to the panel of congressmen that included Reps. Shirley Chisholm, Harley Staggers, Jamie Benitas, Clay, Hawkins, and Peyser, made the same kind of impact he does on a runaway halfback or when he snares an errant pass from a rival quarterback. "I didn't know anything about white folks when I left junior high school, except what some people had told us, 'You meet them in an alley and you beat 'em up'.

"It was different for me. It touched me (the program) when I needed help. I met a white guy who got to know me and I got to know him. We went together to the program each day, not he in an El Dorado and me walking. I learned by exposure to these white kids on my level what some of it was about. It's a fresh start outside of the family life," he said.

Cornelius Green was just as candid and impressive. "I was one of the deprived, I grew up in the Dunbar area of Washington, D. C. If I and kids of today, didn't have the program, I and they would have been looking for trouble . . . trouble, 'cause there was nothing else.

"This program is needed because it stops trouble—troubles in narcotics, drugs, and a lot of other stuff—I don't see how it can be stopped."

Amen . . .

ESTABLISHMENT OF A MILITARY INSTALLATION CLOSING COMMISSION

HON. BILL GUNTER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. GUNTER. Mr. Speaker, the Office of Management and Budget has directed each branch of the military to conduct a study showing the impact of contracting out 10 percent, 20 percent, and 30 percent of the jobs currently being performed by civilians. If these jobs are contracted out it could end up costing the American taxpayers millions of dollars and cause severe hardships for the workers and their families.

The study was directed with the view of adopting such a plan ostensibly as a cost-saving measure. However, I am skeptical of the OMB's concern for saving money. After all, this is the same agency and the same Mr. Ash that have submitted to the Congress a $300 billion Federal budget. In addition, the General Accounting Office has in the past found that such a move would result in a net increase in the cost of doing the work, not a savings.

It is time that the Congress take more than a rubber-stamp role in these very important decisions. These actions will have an enormous disruptive effect on the local economies and on the persons concerned. In Florida alone there are 27,284 civilians holding jobs at military installations. The contracting out of 30 percent of these jobs would affect nearly 8,200 workers. When the families of these individuals are considered the figure swells to 32,000 affected persons.

It is for these reasons, Mr. Speaker, that I am today introducing legislation to establish a Commission to review the proposed closing of any military installation, the termination of any military activity, or the reduction of the military or civilian complement of an installation by more than 20 percent. The Commission will be composed of 17 members: the Secretary of Defense or his designee; the Secretary of the Army or his designee; the Secretary of the Navy or his designee; the Secretary of the Air Force or his designee; the chairman of the Armed Services Committee of the Senate and three other Members of the Senate appointed by the President pro tempore of the Senate, one of whom shall be from the minority party; the chairman of the Armed Services Committee of the House of Representatives and three other Members of the House of Representatives appointed by the Speaker of the House, one of whom shall be from the minority party; the Secretary of Labor or his designee; the Comptroller General of the United States or his designee; and three members from private life appointed by the President.

Any substantial alteration of military operations has many and varied ramifications for the local communities. The establishment of this Commission will allow for a far more open discussion of these proposed changes and will more accurately reflect the many concerns involved.

COST OVERRUNS

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. ASPIN. Mr. Speaker, Litton Industries is seeking an extra $350 million, excluding inflation, to cover cost overruns on its new program to build 30 destroyers for the Navy.

Available evidence indicates that the Navy will totally cave in to Litton's demands.

According to the Navy's latest report to the Congress the Pentagon has already conceded $200 million to Litton in calculating its current estimate. A letter accompanying the report from Deputy Defense Secretary William P. Clements, Jr. says:

> Anticipated contract increases . . . will be in excess of $350 million.

The total cost of the 30-ship program will now be $3.227 billion or $107.6 million per ship. I should emphasize, Mr. Speaker, that the $350 million increase does not include any allowance for inflation, but only the fruits of Litton's mismanagement and waste at its new Pascagoula, Miss. shipyard. Mr. Speaker, this disclosure is new evidence that Litton has completely fouled up this new shipyard.

The problem is that rather than the stockholders paying for Litton's blunder, the taxpayers are being asked to pick up a mighty hefty tab.

The $350 million technically represents the difference between the "target" and "ceiling"' of Litton's contract. The report to Congress concedes that Litton's proposal is at "about ceiling prices."

Last October 29 Litton asked for the change in the contract known as the reset proposal which amounts to an automatic contract price increase. The contract allows Litton to ask for such a price increase on a one-time basis.

Mr. Speaker, I am urging the Navy to get tough with Litton and not to give them an extra dime. Big corporations like Litton must be punished, not rewarded for their mistakes.

I have also learned, Mr. Speaker, that the delivery of some of the ships could now be up to 5 months late. The report to Congress says that work on four ships is behind schedule because of "Littons inability to hire enough new people to support the planned manning for ship construction and the virtual elimination of overtime work to allow workers to use mass transit and car pools during the energy crisis."

Cost overruns on the program now total $646.6 million—$296.1 million of which has been caused by inflation. The cost per ship has grown from $86 million to $107 million per vessel.

This huge increase and delay so early in the program should be a signal to the Navy that big trouble lies ahead.

Rather than knuckle under to Litton's

demands, the Navy should get tough. If Litton loses money on the contract, it will be a good lesson on the practice of free enterprise—poor performance is rewarded by losses.

FREEDOM OF INFORMATION ACT AMENDMENTS SUPPORTED

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, 2 weeks ago the House passed our bill, H.R. 12471, that would make a number of highly important amendments to the original Freedom of Information Act of 1966 (5 U.S.C. 552). The overwhelming 383 to 8 vote of approval of this measure has been noted in a recent editorial from the St. Louis Post-Dispatch, which has a long record of advocacy and protection of the public's "right to know." I commend this editorial to our colleagues of both bodies and include it at this point in the RECORD:

CHECKS ON SECRECY

In a gratifyingly strong show of support for public access to information about the public's business, the House of Representatives, by a 383-to-8 vote, has approved amendments to the 1966 Freedom of Information Act. The revisions would help to offset the arbitrary withholding of information by executive agencies by:

Reversing a Supreme Court decision that forbids federal judges to inspect defense and foreign policy documents to see whether they are being improperly kept secret under the law.

Requiring federal agencies to publish indexes of their decisions so that a seeker of documents knows what to ask for.

Scheduling of deadlines that agencies would have to meet in responding to informational inquiries or in fighting them in court.

Granting authority to judges to order the Government to pay lawyers' fees for a citizen who wins an access to information case in court.

Of the new provisions, the most important is the one allowing the courts to review classified documents to see whether they are being legally withheld from Congress or the public. Under the Supreme Court ruling of January, 1973, members of the House of Representatives had been denied access to information about a nuclear test in Alaska on the ground that it was part of a package classified by the executive and that a federal judge had no authority to inspect the documents privately to determine if the executive had exceeded his authority.

To allow such a decision to stand would lead to the absurd result that the President can bar access to any information merely by putting it in the defense or foreign policy categories and stamping it secret; and even Congress, which makes the laws that also set policy for the executive, would be powerless to find out about activities of the government of which it is a part.

The other proposed changes in the law are all designed to prevent executive agencies from continuing to use tactics of delay and evasion which they have developed as means to frustrate access to information. The Senate should quickly act on the House-passed bill in order to check the all too prevalent trend of arbitrary secrecy in government.

PLATFORM OF THE NATIONAL YOUNG DEMOCRATS

HON. THOMAS M. REES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. REES. Mr. Speaker, I would like to include in the RECORD excerpts from the National Young Democrats' platform which was approved at their recent national convention. My constituent, Susan Kohn, served as chairman of the platform committee, and all of us in the district are proud of her leadership both in Los Angeles and at the national level.

The excerpts follow:

The year 1973 finds our nation in a crucial time which demands basic political reform, a greater concern for the individual and his or her rights, and an immediate reordering of priorities. While in this decade we have seen serious attempts at peace abroad and for better foreign relations, domestic affairs strain toward crisis level.

As the economic situation worsens, as the dilemma of military spending becomes entangled with the scandalous cost-overruns by mammoth military contractors, as many of the federally-funded social service programs are scrapped, as the interests of the average citizen are subordinated to those of the powerful and monied, each citizen might well question what kind of administration now holds the reins of government.

Where there should have been progress, there is now confusion and distrust. Where there should have been cooperation and unification, there is definite division between those holding power and those subject to that centralized power. Where confidence and understanding should be, there is incredulity and disillusionment.

We as Young Democrats seek to dispel this atmosphere of distrust and helplessness fostered by the misuse of power at the federal level. We want the government returned to the people—a government which serves people who are ready to bring about their own self-improvement through the many opportunities offered by a government which wants the well-being and fulfillment of all its citizens.

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MIDDLE EAST

The Young Democrats of America condemns the actions of other nations who do not conform with the true ideals of democracy and who suppress human dignity and rights. Those nations and states which guarantee democracy, free trade union movements, freedom of speech, freedom of the press, freedom of religion, and those freedoms which are integral to basic human rights and dignities deserve and are in need of the support of those nations and organizations which legislatively, constitutionally or, in fact, guarantee similar freedoms.

There exists at least one situation where such a free and democratic state is threatened by aggression. Its very existence is forceably threatened on a daily basis.

This situation is now confronting the state of Israel. We as Young Democrats will work for and support a U.S. Middle East policy which will bring an end to world wide Arab terrorism; continues to give Israel economic assistance; insures the supply to Israel of arms sufficient for its defense; begins a program of regional economic and technical development to better the life of Arabs and Palestinian refugees; and we strongly urge the U.S. not enter into a big power agreement to bring about direct negotiations between the Arab states and Israel so that a permanent peace can be achieved which is consistent with the principles of freedom and democracy.

SOVIET JEWRY

The government of the Soviet Union is currently engaged in a concerted effort to deny the political and religious rights of its Jewish citizens. It has not permitted Jews to celebrate many of their sacred rites and has denied them the opportunity to receive an education in their own cultural and religious heritage. We are appalled at the treatment of Soviet Jews by the Soviet government.

We urge the government of the Soviet Union to grant to Soviet Jewry the political and religious freedoms granted by its Constitution to all citizens of that nation, including the rights to travel freely throughout the country and abroad, to engage in gainful and meaningful employment and to establish ties with Jews in all other parts of the world. We further urge that the government permit them to emigrate to Israel or any other nation.

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CONVERSION OF THE ECONOMY

While the war has ended according to the President, the request for military funds has been increased in the budget request for fiscal 1974. The Congress must hold the line on military expenditures and reallocate those funds to the domestic programs which have had to wait while the senseless war went on. Housing, transportation, education, and ending of environmental abuses are substantial areas where the Democratic Party must insist on placing these funds. The needs of the elderly and the poor must be made high priorities in our actions. We have neglected our duties to improving our society too long.

* * * * *

CAMPAIGN FUNDING

We in America must eliminate the formula that wealth equals power and influence. Reform is urgently required. Recent events have emphasized how dangerous such a combination can become.

The public has a right to know in the smallest amounts the sources of political funds and how they are spent. Unfortunately, all recent attempts to strengthen disclosure laws have not proven effective. We urge the following action: 1. full and total disclosure of campaign contributions and the subsequent disposal of funds; 2. the name, amount contributed, and occupation of all contributions exceeding $10.00; 3. such report should be readily available to the public; 4. committees must be required to report amounts spent for any and all candidates they support.

We as Democrats must recognize that the political process costs money and we must be individually prepared to share a reasonable portion of these expenses in order that the processes remain open to all. States should be urged to adopt income tax check off campaign funding schemes so that an unbiased and influence free fund for political purposes can be established. Electronic media must also be regulated as to amounts of air time granted to candidates. Adherence to these laws should be insured by vigorous, impartial, and independent enforcement of *all* campaign spending laws.

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HEALTH INSURANCE FIELD

There is a national health crisis. The President and leaders of the Congress have warned of the pending disaster in the 70 million dollar a year health care industry despite massive sales of private health insurance and the enactment of federally financed programs such as Medicare and Medicaid, most expenditures for personal health services must be born out-of-pocket by the patient at the time of illness or as a debt thereafter. The private health insurance industry has failed to control costs, has ignored problems of the quality of services, has severely distorted the way health care is delivered by narrowly defining the context in which services are covered. The result has been a raging inflation of health costs at rates approaching 15% annually, with hospital costs rising 100% and physicians fees 50% faster than the cost of living. At the same time, the health of the American people, as measured by such items as infant mortality and life expectance, has declined in recent years in comparison with the health of persons in other nations. Health services are unavailable in many parts of the country, especially in the city and rural areas. The quality of care, when available, varies widely and there are virtually no safeguards to protect the consumer.

The Young Democrats of America recommend the development and adoption of a unified and coherent national health strategy to deal adequately and simultaneously with the interrelated problems of manpower, quality, lack of effective delivery systems, financing and consumer participation. The national health strategy should include a comprehensive program of national health insurance which provides universal entitlement of all Americans under the same program, comprehensive health benefits which cover the full range of accepted diagnostic and preventive and rehabilitative services, an equitable system of financing based upon the strength of the entire national economy and resulting funds to be administered by a public agency accountable to the President and the Congress, strong fiscal incentives to move the health care system towards organized programs of patient care and to pay for all services on the basis of predetermined annual budget, a program of resources development which can serve as a catalyst to change the health care system. It should be an integral part of the overall plan with sufficient money to improve manpower, facilities, and planning, and to stimulate new concepts in patient care and systems organization. The Health Security program for national health insurance embodied in the Kennedy-Griffith bill is found to meet these criteria and is, therefore, endorsed by the Young Democrats of America as the plan most likely to make the promise of decent health services a right and reality for the American people.

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AMNESTY

Some 30,000 American citizens are being deprived of their right to live in the country in which they were born due to their moral convictions against an illegal and undeclared war in South East Asia. Therefore, we the Young Democrats of America gathered in convention urge a policy which would unconditionally enable these deprived citizens to return to their homeland with the assurance that their return will not be restricted.

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STRIP MINING

In many areas of this Nation those engaged in the practice of strip mining have demonstrated gross irresponsibility as to the environment. Although there are some good laws presently on the books dealing with such forms of ecological devastation, they are, for the most part, ignored by industry and not properly enforced by the governing agencies. Stronger and more far-reaching laws are needed.

Therefore, we urge the Congress and the various State legislatures to enact laws which will insure the cessation of all current strip mining in areas where such mining will do irrepairable harm to the ecological balance and to the living creatures dependent on that area for their existance.

We further urge that action shall be taken by the state and federal governments to begin immediately the reclamation of said lands damaged prior to the enactment of controls. These laws should also include protections against erosion during the mining and specific provisions to require the return of the land mined to a condition of ecological balance equal to its condition prior to strip mining.

WIRETAPPING

It is the accepted belief of this convention that the rights of the individual must be secure from reduction and expeditious usurpation. The Constitution of the United States specifically guarantees "The right of the people to be secure in their persons, houses, papers and effects against unreasonable searches and seizures shall not be violated," and no warrants shall be issued but upon probable cause supported by oath or affirmation, and particularly describing the place to be searched and the persons or things to be seized.

We recognize that such guarantee is necessary to protect an individual's presumption of innocence and to maintain the government's responsibility of burden of proof from those who would politically repress. It has been noted that certain governmental agencies are eroding this basic guarantee at an ever accelerating pace through such recently undertaken powers, contrary to said guarantee, as "Stop and Frisk," and "No Knock," wiretapping, and government surveillance of individuals exercising constitutional prerogatives among others.

In addition to the purely philosophical inconsistencies real physical repressions and transgressions have been noted with alarming increased frequency. The cause for alarm is real in that such abuses are not confined to an isolated geographical area nor perpetrated by merely a single level of law enforcement, but have been committed by federal agents as well as state and local police officials in all regions of our nation. Such abuses have not been limited merely to those who were indictable given "due process" guarantees. It is the studied conclusion of this convention that clear and present danger to the sanctity of the individual, and, therefore, to our constitutional government will exist until such measures as do exist are interpreted within the strictest confines of the First Amendment.

We, therefore, strongly urge all who support basic Democratic principles and the philosophy of the Democratic Party take whatever steps they are able to immediately eliminate not only those practices known as "Stop and Frisk," "No Knock," wiretapping and surveillance, but also expeditious police techniques that, in fact, cause the subordination of the individual's rights and freedoms.

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NEWSPERSONS SOURCES

The free flow of information is necessary for an informed public and democratic government. Traditionally 1st, 5th, and 9th amendment provisions cover freedom of the press. However, different courts and judges around the country have been choosing to ignore this fact. This assault on our basic rights has become serious enough to have innocent men imprisoned in violation of their constitutional protection.

A newsperson is anyone who gathers news for any type of news media, newspaper, magazine, house organ, television (local and national), radio, or does research, photography, writing, editing, procuring, compiling, reiterating, disseminating, transmitting, broadcasting, interpreting, or publishing news.

The Young Democrats support and will actively seek legislation to prevent any newsperson from being compelled by any court, commission, committee, department, bureau, or governing body, or any government official to disclose the source of any confidential information or not to disseminate confidential information procurred or obtained for publication or broadcast.

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CONGRESSMAN RIEGLE

We wish to express our welcome and support of Congressman Donald W. Riegle, Jr. of the state of Michigan. In February 1973, Congressman Riegle announced his affiliation with the Democratic Party. He has repeatedly expressed his belief in youth recognition and the need for party unity. He has expressed his desire for open political processes within the party organization. He has demonstrated his ability to work for his district, his state, and his nation. The Young Democrats of America, gathered in convention, do hereby formally and officially welcome Congressman Donald W. Riegle, Jr. to our Party.

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CAMPAIGN PRACTICES

The findings of the Senate Select Committee on Presidential Campaign Activities up to this time do not constitute an indictment of either political party; rather these findings indicate the great harm which can be done to our Democratic institutions when those in power seek to circumvent traditional party processes to maintain power.

Richard Nixon has impounded funds previously appropriated by Congress for domestic programs. He has either directly or indirectly, through the failure to monitor the activities of appointed Presidential advisers, brought about a crisis in public trust. He has conducted clandestine bombing and other acts of warfare against essentially defenseless peoples. He has turned his back on the poor, on the aged, and on the racial minorities while at the same time proclaiming that he supports generous programs of assistance for persons unable to work. He has imposed a complex set of controls on the United States economy and these controls have failed for the average consumer while corporate profits soar to record levels.

Public faith in our system of governmental checks and balances has been crippled by the interpretation of this administration as being more important than and unaccountable to legislative and judicial branches of government.

It is premature to draw any conclusions at this time. However, we endorse the current efforts of the Senate Select Committee on Presidential Campaign Activities to inform the public on what the committee discovers. It must be remembered that only the first round of these hearings is over and that there will be further inquiries into corrupt election practices, illegal fund-raising, "dirty-tricks" and the like as it relates to all political parties.

Therefore, the Young Democrats of America formally censure President Nixon for his past and present reluctance to fully cooperate with the officially designated and empowered legislative and judicial commissions enfranchised to investigate these aforementioned incidents.

Further, should high crimes and misdemeanors be proven, proper legal proceedings shall be instituted.

Finally, the Young Democrats of America urge the President to initiate a new policy of full and complete co-operation and disclosure of all information necessary to quickly alleviate the credibility crisis which is plaguing the Unted States government at home and abroad.

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CONCLUSION

It would be naive to think that after Watergate is behind us and the truth is known, that all will be well with the American body politic. It is apparent by now that our political, economic, and social system is afflicted by serious ills. The evil influence of big money; the callous acts of insensitive bureaucracy; the prevailing belief in success measured in terms of money; the shameful treatment of the elderly; an economic system seemingly out of control; a nation that has become almost nonchalant about bombing, killing, and maiming defenseless people; a removal from spiritual values and the advance of hedonism, greed, and self-gratification fostered by a pervasive consumer ethic; the shameful waste of natural resources by our insatiable demands for energy; all these things will be with us after Watergate. We do not have the solutions to these problems. We can only dedicate ourselves to a sincere effort to solve these difficult tasks.

A truly successful democracy requires the merger of two principles: majority rule and representation, and respect for minorities. Though there is no formal equation through which this can be achieved, the actions of the Democratic Party must continue to be guided by the basic truth of these principles. We, as Young Democrats, seek to bring the spirit of these truths to all facets of our society.

THE AMERICAN FARMER

HON. LESLIE C. ARENDS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. ARENDS. Mr. Speaker, the importance of the American farmer in our national economy and our way of life is too often ignored and too little understood.

I include a statement in the RECORD, recently delivered before the Agriculture Council of America by my constituent, Mr. Thomas H. Roberts, Jr., president of DeKalb AgResearch, Inc., of De Kalb, Ill. His brief comments are well worth reading.

The comments follow:

THE AMERICAN FARMER

American agriculture, during the past few years, has often been the target of public criticism.

We have seen agriculture criticized for the government production controls that were once necessary to avoid disastrous overproduction. Farmers have often been criticized for receiving government subsidy payments that, in reality, are more of a subsidy for the American consumer, helping provide him with low-cost food.

Farmers, because they are at the beginning of the food production chain, are often blamed for increases in food costs. And often, farmers and ranchers are accused of tainting the meat and vegetables they produce with growth stimulants and pesticides and of polluting the environment with fertilizers.

Most of these criticisms are not justified. They are often based on misinformation and misunderstanding.

If anything, farmers have helped hold the line on increasing food costs—the farmer receives less of the food dollar today than he did 20 years ago.

The farmer is perhaps the nation's original environmentalist. He began decades ago to preserve the land through improved cultural practices and to improve the soil's fertility through the wise use of fertilizers. The American farmer, traditionally has treated his resources wisely so his land will still be productive when the next man is ready for it.

The farmer is too important to our economy for us to take him lightly. All Americans need to understand and be aware of this importance. They need to understand how a healthy agriculture translates into a healthy economy, with personal benefits for everyone.

But the American farmer needs a favorable public image and favorable legislation that will help him survive as the world's most efficient food producer. For this to be accomplished, the American public needs to fully understand the farmer and his important industry.

The American public must be told that the food they eat is of better quality than ever before in history. They must be told that the food they eat is being produced in greater quantities than ever before in history. And they must be told that they will continue to receive an adequate supply of wholesome and nutritious food products if the American farmer has the opportunity to continue doing what he likes to do best.

These are some of the things to which American agriculture must address itself. And these are the areas in which the Agriculture Council of America is directing its efforts. Their purpose is to tell the story of American agriculture to the public—to acquaint every American with this important and vital industry.

We at DeKalb AgResearch, Inc. support these efforts. We congratulate the ACA for its progress in this direction and we pledge our assistance in the future.

It is with this thought in mind that De Kalb dedicates to the Agriculture Council of America a new 27½ minute movie, entitled "The American Farmer." It is our hope that, through the combined efforts of the ACA, DeKalb and other member groups, we may succeed in telling the story of the American farmer to the American consumer.

CONSTITUENT'S BRAVERY CITED

HON. LARRY WINN, JR.

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. WINN. Mr. Speaker, today's news shows far too many instances of people not wanting to "get involved." We hear of crime victims who are left to fend for themselves while passersby go right on about their business. Just last week in London, business went on as usual in a nearby street and park while a gunman fired numerous shots at the car carrying Princess Anne and her husband to Buckingham Palace. Stories about those who do get involved, while few and far between, are often overlooked.

Recently, however, an article came to my attention which I feel deserves a great deal of further publicity. The story involves one of my young constituents, Bart Ehrman, who, by "getting involved," helped save a woman and her son from injury and possible death.

I am submitting this article from the Lawrence Daily Journal-World for publication in the RECORD as one way of commending Bart for his brave actions. I sincerely hope that what he did will serve as an example for other young people.

LAWRENCE YOUTH RESCUES WOMAN, BOY FROM AUTO

Bart Ehrman, son of Mr. and Mrs. Richard L. Ehrman, 1013 W. 27th, Lawrence, recently made front-page news in Chicago newspapers after rescuing a woman and her son from a run-away car in the heart of the city.

Ehrman, a freshman major at Chicago's Moody Bible Institute, was walking down Chicago Avenue at 6 p.m. Feb. 26, when he heard a woman screaming for help. The brakes on her car had failed, and she was frantically trying to dodge other vehicles while running red lights in Chicago's busy intersections.

"I ran after the car, but it took me about a block to catch up with it," reported Ehrman. "Then the lady threw open her door, so I jumped in. The emergency brake was broken and the gears wouldn't jam into park, so I just tried to avoid the traffic." By then the vehicle had slowed down to less than 20 miles per hour, so Bart rammed it into a police paddy wagon parked by the side of the road, and brought the car to a stop.

Ehrman, a graduate of Lawrence High School, was the 1973 Kansas State 5A Debate champion and was active on his high school tennis and baseball teams.

FOOD STAMPS FASTEST GROWING WELFARE

HON. ROBERT J. HUBER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. HUBER. Mr. Speaker, it is a well known fact that although Federal programs are usually initiated on a modest basis, they tend to grow as the years go by as various parts of the program are amended and expanded. Such seems to be the case with the food stamp program. U.S. News & World Report recently pointed out in their issue of March 25, 1974, that this program will shortly be providing subsidies for 1 in every 14 Americans. In my view, this matter deserves the most careful attention of my colleagues. We should be thinking as to how best to control this growing expenditure. The article follows:

FASTEST-GROWING WELFARE

Almost unnoticed in a time of general prosperity, one rapidly expanding federal welfare program will soon be providing subsidies for 1 in every 14 Americans.

It's the food-stamp program, which offers, to needy people, stamps that can be used just like money in stores to buy food. Officials say no other Government welfare program has grown as fast over the past decade.

Started in 1961 when about 50,000 people received stamps, the program has shown its most spectacular expansion since 1967, as the Pictogram on these pages shows.

[Pictogram not printed in Record.]

By mid-1975, under the budget proposed by President Nixon, 15.8 million Americans will be receiving stamps valued at 7.2 billion dollars.

Actually, people participating in the program in the year starting July 1 will pay 3.3 billions themselves for the stamps which they receive—leaving the U.S. Government to pick up the tab for the remainder.

Add in the costs of other food welfare programs, such as school-lunch aid, and the Government will spend close to 6 billion dollars of taxpayers' money on food subsidies next year.

Officials say that the stamps, by adding to the demand for food, may increase somewhat the general level of food prices.

PLAN'S GROWTH

The stamp program now is expanding in all directions. For one thing, the value of stamps that needy people can buy has been increased—to $142 a month for a family of four in January, up from $116. In addition, more families were brought into the program by raising the amount of income that could be earned while still qualifying for stamps.

So high has the ceiling been raised, in fact, that people not usually considered "needy" may qualify. For example, officials of Ingham County, Mich., say that one third to one half of all recipients there are students at Michigan State University.

With new areas added steadily, just about every city and county in the U.S. will be participating by mid-1975.

Amounts paid for food stamps by recipients depend on income—families with no income getting stamps free, those earning $473 a month paying $118 for stamps worth $142.

What's ahead? If President Nixon has his way, the growth in food stamps may come to an end. A plan presented to Congress would give each State the option of continuing the present program, or substituting direct cash payments to the needy in an amount equal to the bonus value of the food stamps they would have received.

"JUSTICE"—AFTER THIS WORD FROM OUR SPONSOR

HON. DALE MILFORD

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. MILFORD. Mr. Speaker, on March 24, 1974, the Dallas Times Herald printed an outstanding editorial authored by Mr. Felix R. McKnight. It is entitled "The Worst Watergate Scar."

I feel strongly that this editorial has a significant message for every Member of this Congress. I am including it in the RECORD for each to read:

> THE WORST WATERGATE SCAR
>
> Of all the scars to be left by Watergate, none will be more permanent than the irresponsible violation of institutions and disciplines designed to safeguard the rights of individuals.
>
> In prejudice some treasured old cornerstones of justice have crumbled.
>
> Grand jury proceedings have been openly leaked; prosecuting staffs have spilled incriminating information to their favorite newsmen; erstwhile respected congressmen have succumbed to the electric lure of network television to prejudge before the fact.
>
> No one, including once irreproachable Rep. Wilbur Mills, wants to wait for orderly processing of facts before constituted bodies in pressing the case against Richard M. Nixon.
>
> If Nixon were any other lowly defendant, he would have a gut cinch for a change of venue because of the unceasing flow of pre-trial accusations and insinuations made on the hour by government officials, members of the Congress and some elements of the media.
>
> But Richard Nixon has no other place to go. The House of Representatives files the charges; the U.S. Senate conducts the trial.
>
> The San Francisco Examiner reminds that all members of the House of Representatives are in effect prospective grand jurors. If this Judiciary Committee decides to press impeachment proceedings against President Nixon, it will be up to the Congressmen to weigh the evidence and vote or reject an indictment in the form of specific charges.
>
> Will those congressmen who have been going around telling newspapermen and television interviewers they believe the President should be removed from office, or resign—which amounts to the same thing—will they be allowed to vote on the indictment in spite of their recorded advance bias?
>
> They will.
>
> And so will U.S. senators, who will be sitting as a trial jury if the House votes an indictment. Including those you have seen on television solemnly insinuating guilt of the President.
>
> There is something dreadfully wrong in the prospect, something quite alien to the traditional spirit of American justice. Those members of Congress who have been prejudicing the President are reminiscent of the outlaw kangaroo court that vowed "a fair trial before the hanging."
>
> We do not speak in defense of Richard Nixon, who will have to speak to alleged improprieties, tax violations and lack of control and discipline of a wayward staff. We speak in defense of a system, of institutions, that are far bigger than an individual.
>
> Vice Chairman Mills of the Joint Committee on Internal Revenue Taxation, the body investigating Nixon's challenged income tax returns, went on the CBS Face the Nation show and predicted that the President will be out of office by November—shoved out by the tax investigation and pressure.
>
> And then Rep. Mills charges that Nixon owes some $350,000 in back taxes because of improper deductions—citing Sen. Russell Long of Louisiana, chairman of the joint committee, as the source of the information.
>
> Whereupon, Sen. Long promptly denied it, saying, "I have never attempted to fix a figure on the amount of taxes the President may owe on his returns." Further, Sen. Long added that there has been no "proof of fraud on the part of the President."
>
> But all of it had been said on national television and reported in every daily newspaper. The pre-trial knife had slashed again.
>
> Out of respect for the badly battered judicial process and its presumption of innocence until guilt is proven, congressmen should keep their opinions to themselves or disqualify themselves as jurors. The rest of us, the majority, still have respect for constitutionally ordered rights under law—whether it be the accused Nixon or Joe Blow.

CHARLES HADLEY AND OPERATION BIG VOTE

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. LEHMAN. Mr. Speaker, recently citizens and leaders of Miami, Fla., gathered for a testimonial luncheon in honor of the father of "Operation Big Vote." A civic effort put together to sell the citizens of Miami on two recent bond issues by Charles Hadley.

Those who attended were paying homage to a man who volunteered and then performed over and beyond the call of duty.

In the words of one of Hadley's coworkers on the campaign, Alva Chapman, president of the Miami Herald:

> He is an extremely competent, dedicated Miamian and rendered great service to this community in helping the civic committees explain the importance of these bond issues to the future of this great community.
>
> Without Hadley's participation and leadership, it is unlikely that any significant amount of the $120 million in bonds passed by the City of Miami in recent years would have been approved.
>
> He is an outstanding Miamian and I was proud to be his associate in these civic endeavors.

Prominent attorney Bill Colson was the master of ceremonies and told of the difficulties he had convincing Charles Hadley to agree to help. Colson explained:

> Charlie feared the bond issue would pass and all of the monies would go to beautifying downtown Miami, Flagler street in particular. The Committee then sat down and re-wrote the priorities for the Bond issue. . . . After this was done Mr. Hadley took the responsibility for the bond issue in the predominantly black precincts. . . . The bond issue passed 3 to 1 in all of his precincts.
>
> When I am asked by executives seeking to save their decaying cities who have recently had bond issues defeated what they should do. I say simply, Find you a Charley Hadley.

For over a year Charles Hadley worked without pay to pass the issue. He was successful and the city of Miami received a needed financial transfusion. Without men like Charles Hadley, Miami and this country would be in very bad shape.

Perhaps the most fitting tribute to Charles Hadley is the last line on the plaque he was presented at the luncheon. "Thank you from the city of Miami."

OHIO INAUGURATES WOMB TO THE TOMB WELFARE STATE

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. ASHBROOK. Mr. Speaker, following a recent decision by an Ohio Federal court, a pregnant woman in Ohio can now collect aid to dependent children—ADC—for her unborn child. According to the Mansfield News Journal, an expectant mother, from the time of verification of pregnancy to the time of delivery, can collect more than $700 in ADC payments.

This incredible decision brings to fruition a goal long sought after by our liberal social planners. As is stated in the News Journal:

> A welfare state based upon a concept of assistance "from the womb to the tomb" is now reality.

Following is the complete text of the March 17 news article:

> WELFARE PAYMENTS START AT PREGNANCY
>
> (By Joan Brown)
>
> A welfare state based upon a concept of assistance "from the womb to the tomb" is now reality.
>
> The Ohio Department of Public Welfare, in complying with a December, 1973, Ohio federal court decision in Stuart vs. Canary, can pay pregnant mothers as much as $100 each month in Aid to Dependent Children for a child conceived but not yet born.
>
> From the time that a pregnancy is medically verified, which may be as early as six weeks, until the time of delivery, a pregnant woman can collect more than $700 in Aid to Dependent Children (ADC).
>
> Miss Ruth Strong, director of the Richland County Welfare Department, explains that before the Stuart-Canary decision an expectant mother with children would not have received any special ADC allowance because of her new pregnancy. When the child was born, however, she could apply for additional assistance.
>
> The opinion of the court, however, was that "the absence of other living children shall not bar a pregnant woman from eligibility for Aid to Dependent Children."
>
> "What this means is that any woman of any age who can provide a medical statement verifying her pregnancy and meet all other eligibilty requirements, may receive Aid to Dependent Children," says Miss Strong.
>
> Specifically, this can mean a mother may receive funds under the federal program for a "child" that not only is unborn but may not yet have indicated "life" through "quickening."
>
> Miss Strong, who indicates she has just received a guideline from the state welfare department, says a single pregnant woman with no children and no income could receive an ADC grant of $73 a month and an additional $20 for nutritional needs.
>
> A married expectant couple could receive an ADC grant of $141 a month plus an addi-

tional $20 for special need. An expectant woman with three children would receive $201 plus $20. All the qualified women could also receive Medicaid assistance and possibly food stamps.

"We have 15 women who may now be eligible for this program," notes Miss Strong.

CONGRESSMAN CHAMBERLAIN'S 1974 ANNUAL DISTRICT QUESTIONNAIRE

HON. CHARLES E. CHAMBERLAIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. CHAMBERLAIN. Mr. Speaker, as has been my custom over the years, I am pleased to report the results of my annual questionnaire which was conducted by mail and printed in several district newspapers during the past few weeks and just tabulated by computer.

Responding to this survey, Michigan's Sixth District residents indicated that, based on information to date, a majority feel that President Nixon should neither be impeached nor resign, although those favoring such action constitute a significant percentage. On the question of impeachment, 33 percent favored it and 58 percent opposed it—and, on the question of resignation, 34 percent supported and 57 percent opposed the President resigning.

Other areas of strong opinion showed 70 percent were opposed to gasoline rationing, 68 percent felt antipollution controls should be temporarily eased to help alleviate the energy crisis, and 51 percent did not want election campaigns to be financed with tax dollars.

On the question relating to national health insurance programs, a clear majority want Federal assistance to help meet the costs of catastrophic illness, but there was a definite reluctance to support the nationalization of health insurance.

The poll also provided an opportunity to "rate" spending priorities, and only in the area of mass transit was there a willingness to spend more, with 65 percent making it clear that they want less spent for model cities programs. A majority of respondents urged that the same or less be spent on consumer protection, national defense, drug abuse prevention, education, and environmental programs.

While the statistical results are indeed significant, Mr. Speaker, the added comments on moral values and the disillusionment with the integrity of both businesses and Government were emphatic and perhaps carried a message of greater meaning than the percentages themselves.

Mr. Speaker, these comments—several thousand—made me feel that our people are aroused about their country. This recognition of and identification with the problems by our citizens is not only a wholesome indication, but an essential first step toward finding solutions. With such public concern, constructive change has to follow:

I include the results of this survey in the RECORD so that others may be aware of the sentiment being expressed by the people of Michigan's Sixth Congressional District:

CONGRESSMAN CHAMBERLAIN'S 1974 ANNUAL DISTRICT QUESTIONNAIRE

[Figures in percent]

	Yes	No	Not sure
1. Do you think gasoline should be rationed now?	14	70	16
2. Should anti-pollution restrictions (such as auto-emission controls) be eased temporarily to help solve our energy problems?	68	24	8
3. Based on information to date, if you were a member of this Congress would you vote to impeach the President?	33	58	9
4. Do you think the President should resign?	34	57	9
5. Should Federal election campaigns (Presidential, Senatorial and Congressional) be financed by tax dollars?	31	51	18
6. If we were to have a national health insurance program, what basic concepts would you prefer:			
New program of health care for the poor to replace Medicaid	[1] 19		
Additional tax credits for premiums for private insurance	[1] 33		
Programs to help meet costs of catastrophic illness	[1] 52		
Requirement that employers provide health insurance for employees	[1] 25		
Complete nationalization of health insurance	[1] 24		
7. With respect to priorities, do you feel we should spend more, less, or the same for:			

	More	Less	Same	Not sure
Mass transit	59	14	20	7
Consumer protection	44	13	36	7
National defense	21	35	39	5
Drug abuse prevention	38	13	42	7
Education	35	14	45	6
Environmental programs	27	26	40	7
Model cities	7	65	20	8

[1] Note: Since question 6 allowed multiple choice answers, percents do not add up to 100 percent.

Data released: Mar. 27, 1974.

INTRODUCTION OF LAND USE PLANNING LEGISLATION

HON. SAM STEIGER

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. STEIGER of Arizona. Mr. Speaker, it has become apparent that the intelligent planning of land use is vital to our getting the most out of our vast real estate resources in the future.

Today, I am joining with my colleague from Arizona (Mr. RHODES) in introducing the Land Use Planning Assistance Act.

At the present time there are 11 States that have passed land use laws. I believe that before the Federal Government jumps in with stringent land use regulations, we should study the impact of these laws on land within the States that have them—what problems are being encountered, and what success land use planning is having in meeting State goals.

I support the concept of land use planning. I believe that the Federal Government certainly has a responsibility to encourage the States to develop overall plans. We must preserve our wilderness areas. We must clean up our environment. We also must fashion our land use policies so that the economies of the States affected can remain strong.

It has been traditional in America for States and localities to regulate use of land through zoning and State laws. I feel that this responsibility should remain at that level. The legislation introduced today would provide an incentive for States to adopt a comprehensive land use policy—and would provide Federal assistance and grants to develop such plans. It provides an added incentive for the States to include local units of Government in planning and carrying out land use program and policies.

I feel that this is no field to act in haste on, and I would hope that the House Interior Committee will make a thorough study of land use plans in effect today—with field hearings to get the local impressions—and that the needs and experiences of localities would be taken into full consideration when land use legislation is being drawn up.

CUBA HAS EARNED ITS OSTRACISM

HON. BILL GUNTER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. GUNTER. Mr. Speaker, in response to inquiries from many members of the Greater Miami and Florida Latin community regarding my position on resumption of diplomatic and economic relations with Communist Cuba, I would like to make the following statement:

A few people in responsible positions, who should know better, are suggesting that the United States renew diplomatic and economic relations with the Castro Communist Government in Cuba.

They compare such a course to recent steps to change our relationship with the Soviet Union and Communist China. Such a comparison however, must not be made. Castro remains a revolutionary prophet committed to revolutionary policy throughout the Western Hemisphere. His answer to economic and political problems in Latin America is revolution. Recent history is replete with examples of attempts by Castro and his followers to overthrow democratic government.

The American people, as well as I, do not want to offer the hand of friendship to a ruthless government headed by a tyrant who keeps the Cuban people in the deepest depths of despair, hunger, misery, pain, and death, denying them liberty and freedom that we in America enjoy as a matter of course.

There are more than 100,000 political prisoners held in Castro's jails. More than 20,000 have been killed before firing squads.

Thousands have died in the waters of the Gulf while attempting to reach freedom.

While thousands of the more fortunate have fled their homeland to find sanctuary in the United States, many thousands have found it impossible to get the necessary papers to leave.

Others work, fight, and die in their homeland trying to liberate her from the clutches that today oppress her.

For these reasons, I cannot support any initiatives to restore diplomatic relations with Cuba. We would have nothing to gain.

The day will come when Cuba's civil liberties and her democratic and Christian ideals will be restored, and this nation will be reintegrated into the order of the democratic people of the free world.

LAND USE PLANNING ASSISTANCE ACT

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. RHODES. Mr. Speaker, I have today joined with my colleague from Arizona (Mr. STEIGER) in introducing the Land Use Planning Assistance Act. This is an area of critical need, and I urge my colleagues to take the opportunity to review this new piece of legislation.

I support land use planning and believe that we should encourage and assist the States and localities in developing reasonable approaches to the use of land. We need to preserve the natural beauty of our wilderness areas as well as balance environmental and ecological concerns with orderly urban growth.

I believe that States and localities are best suited to develop and implement land use plans. Traditionally, the States and localities have controlled zoning and other uses of land and I feel strongly that the responsibility should remain with them.

Under the legislation I have introduced today, States which adopt a land use policy and create a land use planning agency would be eligible for grants to develop and implement a land use plan. The bill also provides an incentive to the States for including local units of government in the development and implementation of the land use plans. In addition, States are authorized and encouraged to cooperate on an interstate basis in planning, policies and studies for land use in interstate areas of critical environmental concern and key facilities.

At the present time there are 11 States with their own land use planning legislation. It is important that we evaluate the experience of these States with this type of legislation. The Federal Government should encourage States to develop land use plans, but should not itself enact hasty legislation which puts the Federal Government in the business of regulating and controlling land within the States. I would urge the members of the House Interior Committee to conduct field hearings throughout the country to determine the needs of the States and their experience under existing land use laws.

GOP CHIEF A HERALD OF LIBERTY

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. SYMMS. Mr. Speaker, in recent years many people in America have come to believe that both major political parties have abandoned all principle in a mad rush for power through expedient politics. In many respects this has been the case. However, I would like to point out that one arm of the Republican Party—the young Republicans—are still proud to stand firmly by the traditional principles of the Constitution and individual liberty. Late last year the Ft. Lauderdale Sun-Sentinel carried a story on Dick Smith, chairman of the Young Republican National Federation. I think that Mr. Smith correctly points out the proper role of the Republican Party in that it should be a vehicle to support the cause of liberty and not remain just an entity unto itself.

Mr. Speaker, the newspaper story that I refer to reads as follows:

GOP Chief a Herald of Liberty

(By Jennie Phipps)

Dick Smith hung up the phone, swore he'd get the truth out of the Dept. of Health, Education and Welfare yet, and settled back with a Schlitz to tell how he, one of the country's chief protagonists of conservative Republicanism, thinks.

As national chairman of the Young Republican Nation Federation (YRNF), an organization for Republicans under 40 years old, Smith holds one of the most powerful posts in the GOP.

Philosophically speaking, he calls himself a "classical liberal, in the Jeffersonian sense. Today," he concludes, "they call such people conservatives."

His mission of the moment, recently, was to find out from HEW just how much fuel the country is using in the midst of a power crisis to transport school children, and to point out this figure to the nation.

Telephoning Washington from his Fort Lauderdale office, he wasn't having much success obtaining the information, and his bad luck only fanned the flame of his dislike for big government and welfare programs.

FREE SYSTEM A MOTIVATION

"There is no incentive for people to produce, if you are a slave of the state," he said.

"God doesn't guarantee anything. The magic of this country is that you are free to get it yourself. If you are free, human ability will surface to the top. If the person doesn't have the drive or the ability, they wouldn't surface to the top anway.

"All the welfare system ever did was get more and more people on welfare. Do you know anybody who ever starved to death? Do you know anybody who knows somebody who has starved to death? Of course you don't, because it doesn't happen here. An American comes to his neighbor's aid when he is in trouble. The government doesn't need to do it.

"People have the freedom not to be poor," Smith continued. "They have the freedom to be the best of what their capabilities are. Some people just have greater abilities than others. It shows up in what they do in life.

"I have a very very strong belief in freedom of the individual and the free enterprise system. I think any kind of social engineering is one more piece of government meddling. Our history has shown that the basic American philosophy has been stronger than the egg brains."

HIS POLITICS NOT POPULAR

Smith, born in Charleston, W. Va., still has a little piece of a mountain twang and wouldn't mind a bit being tagged with "country boy made good" image. He's quick to point out that he worked his way through the University of Miami, and he adds that his conservative views didn't make him the most popular student in his liberal political science classes.

"You don't find as many left wing ideologues in college as you did when I was in school," the 33-year-old said. "Their attitude has changed because more of them have already been out in the world. They've had to take responsibility and they've started paying taxes."

While he's a staunch supporter of tax cuts and fewer bureaucrats, one budget and personnel reduction he can't justify is in the defense department.

"In the light of Soviet buildup, a first line military strength is the most important tool in maintaining our individual freedom. If you are going to deal with the Russians or any Communists, you have to deal with them with a feeling of strength.

"I think you have to keep in mind when you are dealing with those people that their ultimate goal is our conquest. If the Russians gain first strike capabilities, they are either going to strike first or blackmail us. It's nice to talk about everybody getting along, but there have always been bullies."

One of this country's biggest mistakes, he adds, was its failure to do a complete job in Vietnam. "It's a damn shame that we didn't go in there and win and get out. We had the capability to go in there and win it and wipe them out. Instead, we let a bunch of our guys get shot," he said disgustedly.

"The Communists are chipping away at the base of our society. If we let them keep doing that, pretty soon they are going to get to the core and have us."

Earlier this year, Smith made national news when he recommended, as the spokesman for Young Republicans, that the country not support Halloween collections by UNICEF. "That was his finest hour," a colleague said, passing by the door as the conservative commented further.

"UNICEF would be fine if all the money were going to countries friendly to us, but it's not. It's a fraud upon the people who give their pennies. No society can exist if it persists in helping those who want to destroy it."

The YRNF is the most conservative arm of the Republican party, Smith pointed out proudly. He was elected its head nearly unanimously at the national convention of the half-million-member organization in July.

PARTY HELPS WITH CAUSES

The YRNF has been known to criticize the President for his liberal stands. "We're the more idealistic arm of the party. To me, the Republican Party is not an entity within itself. It is a vehicle to support a cause. The cause of freedom of the individual and the free enterprise system," Smith said.

BAN THE HANDGUN—XXXVI

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. BINGHAM. Mr. Speaker, the following article, reprinted from the

March 15 edition of the New York Times, tells of the kind of brutal gun assaults that are commonplace in America. Handguns must be kept out of the hands of the vengeful, irrational, and vigilante elements of our society, and that can be done in the long run only by keeping them out of the hands of private citizens generally:

FROM THE POLICE BLOTTER

A 21-year-old Bronx man was shot dead in Harlem shortly after 1 A.M. by an unidentified woman while standing on the sidewalk in front of 2321 Eighth Avenue, near 125th Street. The victim was identified by the police as David Tate of 1-4 West Farms Square Place. He was shot once in the chest by the woman, who was described as between 17 and 19 and heavy-set. . . . A 27-year-old Brooklyn man was shot and seriously wounded at 2:30 A.M. during a dispute with an unidentified man in Norah's Lounge, a bar at 167 Greenpoint Avenue. The victim, identified by the police as Robert Rabatin of 653 Leonard Street, was admitted to Greenpoint Hospital with a back wound.

REASONS FOR CERTAIN AUTHORIZATIONS

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. CARTER. Mr. Speaker, many of us who are members of the "Dauntless Dozen"—more or less—on the Public Health and Environment Subcommittee are frequently verbally chastised for certain authorizations of appropriations. However, this group often uses the strong arm of the GAO to see that funds are wisely and well spent.

As for our motivation, I submit the following little poem to this fearless forum to shed light on the reasons for our authorizations:

Today upon a bus I saw a lovely maiden with golden hair
I envied her, she seemed so gay, and I wished I was so fair
When suddenly she arose to leave, I saw her hobble down the aisle
She had one foot, and wore a crutch but, as she passed, a smile.
I have two feet, the world is mine.
Oh God, forgive me when I whine.
And when I stopped to buy some sweets, the lad who sold them had such charm
I talked to him—he said to me, it's nice to talk to men like you
You see, he said, I'm blind.
Oh, God, forgive me when I whine,
I have two eyes, the world is mine.
Then walking down the street, I saw a child with eyes of blue
He stood and watched the others play, it seemed he knew not what to do
I stopped for a moment, then said: "Why don't you join the others, dear?"
He looked ahead without a word, and then I knew he could not hear.
Oh, God, forgive me when I whine,
I have two ears, the world is mine.
With feet to take me where I'd go,
With eyes to see the sunset's glow,
With ears to hear what I would know,
Oh God, forgive me when I whine,
I'm blessed indeed, the world is mine!

BOG AMENDMENTS

HON. JOHN DELLENBACK

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. DELLENBACK. Mr. Speaker, tomorrow I intend to introduce a bill proposing these important changes in the basic opportunity grant program. The first would allow the Office of Education to carry over funds that are unspent this year to increase the size of grants for the coming year. Because the Office of Education should be publishing the payment schedule for next year in the coming few weeks, I am hopeful our committee can act on this legislation before the Easter recess.

Under the present law, any money not spent on BOG's during this school year must be reallocated among those students who received a grant this year. In practical terms, this could require hunting down approximately 300,000 students who have already completed a year in school to give each of them a rather small check. I know of no one who seriously suggests this would be a wise use of Federal student aid dollars.

The second portion of the bill changes the date before which the Office of Education must submit to Congress the proposed family contribution schedule for the following year. This schedule outlines the details of how a student's family and personal income and assets are evaluated in the process of determining eligibility for a grant and the amount of the grant.

The law now allows the Commissioner to submit his proposal as late as February 1 of each year. I propose that this date be moved forward to the preceding July 1. I understand that the Commissioner is agreeable to that date and is already planning to get the family contribution schedule to us by then.

The bill would also change the date by which Congress could pass, if it wishes, a resolution of disapproval of the proposed family contribution schedule. Now Congress has until May 1—far too late for the application forms to be designed, printed, and distributed to students who are already making their plans for college by that time. My bill would move that date forward to the preceding October 1. That date would give us the same 90 days to evaluate the proposed schedule as we have under present law.

The third portion of the bill changes the way in which social security education benefits are computed in determining a student's grant. Presently, all of these benefits are assumed to be available to meet a student's educational costs, and so his BOG is reduced accordingly.

Now that we have had experience with this provision, and understand better the complicated way in which a widow's or disabled person's children qualify for these benefits, we know that the present required computation causes a substantial hardship on the family by expecting a most unreasonable family contribution in these cases. This bill would allow social security education benefits to be treated as "family" income instead of "student" income often making a very substantial increase in the amount of BOG awarded to these students.

Mr. Speaker, I submit that there really should be no controversy about the need for this bill. I earnestly hope and fully expect that we can get it before the House in the very near future.

NATIONAL PARK SYSTEM MOVES AHEAD WITH PUBLIC TRANSIT IN THE PARKS

HON. ALAN STEELMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. STEELMAN. Mr. Speaker, as the energy crisis bears down ever more indelibly upon us, it is encouraging to see the efforts of one branch of the Federal Government, notably the National Park Service, being strongly directed toward the reduction of fuel consumption. Several years back this agency began, rather experimentally, inaugurating the use of public transportation systems in several parks. Building on that experience, and coupling with it the pressing need to conserve fuel and a commitment to reduce the adverse impact of too many private cars within the parks, the ingredients for the success of public transit in the parks looks ever more promising.

I believe my colleagues of the House and the many readers of the CONGRESSIONAL RECORD would find it of interest to read the comments on this matter made recently by Mr. Ronald H. Walker, Director of the National Park Service.

The article follows:

NATIONAL PARK SERVICE PROVIDES ENERGY-SAVING TRAVEL METHODS FOR PARK VISITORS

National Park Service Director Ronald H. Walker announced today he has ordered all 298 National Park Service areas to develop "detailed plans for helping Americans visit the national parks with a minimum use of gasoline and other forms of energy."

"I am confident that we can develop new ways—matched with systems now in use—to help reduce gasoline consumption in getting to parks and to reduce private auto traffic within the parks as well," Walker said.

The plans, covering all areas managed by the National Park Service, an agency of the Department of the Interior, should be complete within a month, he said.

In spelling out the challenge to the National Parks posed by short supplies of gasoline, Walker said, "We think that there will be little change in park visitation this year, but Americans will take shorter trips and will stay longer in each park that they visit. Visitation should increase greatly in those areas close to urban centers, and 205 of them are less than 100 miles from such cities. The National Parks have got to be ready to make this new pattern of visitation work—to provide energy-saving ways of seeing the parks and to make the extended visits more meaningful to the visitor.

"In many ways I think this new trend will be a real blessing for the park visitor. Get away from your automobile and there is a whole new world of beauty and discovery waiting in the parks. Part of our new effort will be to make sure the trails and other backcountry facilities are ready for increased use."

Walker noted that alternate transportation systems have already gone into operation to conserve park resources while saving fuel. These range from the horsedrawn vehicles serving visitors to the Lyndon B. Johnson National Historic Site in Texas to the mini-trains carrying visitors to widely spaced points of interest in Mesa Verde National Park in Colorado.

Shuttle buses bring visitors to Dinosaur National Monument, Colorado-Utah; Yosemite Valley in California; the Shark Valley area of Everglades National Park, Florida; Mount McKinley National Park in Alaska; and Grand Canyon National Park, Arizona, where an expanded bus fleet of 12 vehicles will serve the west rim when the visitor season gets into full swing this spring.

Mini-vans will carry visitors through the Carl Sandburg Home National Historic Site in North Carolina, while a similar system saves gasoline at Point Reyes National Seashore in California.

National Park Service boats will carry visitors to Rattlesnake Island from the Visitor Center at Fort Mantanzas National Monument in Florida while at the other end of the nation, boats were used to bring in the vehicles which carry people from point to point in Stehekin Valley of the North Cascades National Park in Washington—a valley otherwise inaccessible by automobile.

Some energy-saving solutions are new, like the electric bus being tested in the National Capital Parks to provide quiet, pollution-free travel within the city of Washington, D.C. Others are old, like the fleet of pre- 1937 buses which are used in Glacier National Park to move visitors over the road from Lake McDonald to Logan Pass, a road too narrow for more modern vehicles.

Walker said that the National Park Service is working with the Department of Transportation and the Department of Housing and Urban Development to provide mass-transit links between the railroads and the New York Gateway recreation areas, and to extend the existing tourmobile service in Washington's National Capital Parks.

Stressing that mass transit systems help to protect the environment of the park from damage associated with heavy automobile traffic, Walker was optimistic about the Service's ability to meet the challenge.

"No matter how long the gas shortage continues," Director Walker said, "Americans know that they must reduce wasteful uses of energy which now sees six percent of the world's people using thirty percent of the world's energy. We can save energy and at the same time make sure that Americans are not denied the privilege of enjoying their National Parks, Recreation Areas, Monuments and Historic Sites. We'll preserve our heritage by giving people new and better ways to see the most glorious places in America—the National Parks."

PASSAGE OF S. 3228

HON. MARJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 26, 1974

Mrs. HOLT. Mr. Speaker, I would like to take this opportunity to commend this body for the swift passage of S. 3228 which brings immediate assistance to those families of men who are at last being brought home for final honors.

I read with great sadness and a sense of disbelief, the newspaper article, which brought the plight of these families to the attention of the Nation. It is only just that we offer every possible assistance to spare these families from unnecessary financial hardships which might be attendant upon personal funeral arrangements for their men.

We watched with joy as our prisoners returned to their homes last year, and we will watch with sorrow as these other heroes are accorded their last services. I know that my colleagues join me in gratitude that we were able to be of a small measure of assistance to their courageous families.

There is no possible compensation for their loss, but I would hope that our actions will at least have let them know that America has not forgotten what we owe to them and to their sons.

PROPOSALS TO IMPROVE CENTRAL CITIES UNVEILED

HON. RICHARD T. HANNA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. HANNA. Mr. Speaker, I wish to bring to the attention of my colleagues proposals for diverting private investment capital into the Nation's central cities. Following is a March 11, 1974, press release issued by FNMA outlining the proposals.

The proposals are ideas that grew out of a private industry "think tank" on housing problems sponsored by FNMA last year under the title of "Forum One." The organizer and director of Forum One was Albert M. Cole,, former Administrator of the Housing and Home Finance Agency—predecessor of HUD—and now a Washington attorney.

Some of the proposals are highly controversial. This is not an expression of support for the proposals. I do, however, feel that the problems they are concerned with are vital ones and that these proposals deserve our attention and study.

PRESS RELEASE FROM FEDERAL NATIONAL MORTGAGE ASSOCIATION

WASHINGTON.—A far reaching new concept for diverting private investment capital into the nation's central cities, coupled with new ways to encourage the involvement of financial institutions with central city consumers, was unveiled today at a press conference in the offices of the Federal National Mortgage Association.

Fannie Mae Chairman and President Oakley Hunter made plain, however, that his participation in the press conference did not indicate his or his company's support for the proposals. He acknowledged that many of them would be highly controversial.

The outline of the new proposals was sketched by Albert M. Cole, former administrator of the Housing and Home Finance Agency (predecessor to the U.S. Department of Housing and Urban Development) and now a Washington attorney. Cole was the organizer and director of a private industry "think tank" on housing problems sponsored by Fannie Mae last fall under the title of Forum One.

"What we are presenting here today are some ideas that grew out of Forum One," Hunter said. "To many, they may be considered too farout to be worthy of consideration. And it may be that they are ahead of their time. But we believe that at the very least they are worthy of serious public discussion. They address themselves to a problem which must be faced, and it cannot be faced by the government alone—it must be faced by the nation's financial institutions and by the general public."

As outlined by Cole, the basic concept is this: A new federal corporation, operating without appropriated funds, and known as the Central Cities Corporation, would designate certain sections in major metropolitan areas as "Central Cities Projects." This would be done only with the certification of the city involved.

The Central Cities Corporation would be a strongly consumer-oriented agency whose function would be both to facilitate the financing for, and protect the consumer interest in, private development in Central Cities Project areas.

Local governments such as cities and counties would issue tax-exempt bonds which would be traded to banks, savings and loan associations and other financial institutions such as mortgage bankers, in exchange for mortgages. The Central Cities Corporation would monitor these transactions to assure that the conditions of the exchange were fair to not only the local government and the financial institution, but the public as well.

These tax-exempt bonds, Cole said, would then be sold to the general public not only through traditional market mechanisms but also by the financial institutions on an over-the-counter basis, in denominations no smaller than $1,000. The proceeds from the sale of the bonds would have to be invested in the Central Cities Project area—either in housing or commercial or industrial developments. The sale of tax-exempt bonds to the public on an over-the-counter basis is a major departure from the present method of marketing these securities, Cole said. They would be exempt from registration by the Securities and Exchange Commission.

"Hopefully," Cole said, "this system would utilize the negotiated margin between tax-exempt and mortgage rates to provide a continuing means of transferring the moneys represented by older low yield mortgages into current funds for lending in the projects in the inner city. In one sense, it is a subtle 'variable rate,' and could have the effect not only of providing a large volume of housing funds, but also eliminate factors tending to require high rates on home loans generally."

Cole stressed two other important aspects of the legislation, both of them included only in skeletonized, conceptual form.

One would provide that financial institutions could purchase the individual homes of elderly people, many of them living in insecure neighborhood surroundings. These persons would be enabled to buy or rent in safe, secure housing in Central Cities Project areas.

The other provision would develop a new type of protection for the property rights of an inner city consumer who elected to enter into an ongoing credit relationship with the lending institution which loaned him the money for his home. Under this program, the consumer could go to the lender and borrow money for an automobile or household appliance or other consumer good and have the balance added on to the home loan. The lending institution would be required to carry on a family financial planning program with the family and would be obliged not to allow the homeowner to over-obligate himself. Other lenders could also loan to the affected family, but would be unable to place any liens on the homeowner's property to enforce their demands for payment.

IMPEACHMENT EFFORTS ARE ON SHAKY GROUND

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. BOB WILSON. Mr. Speaker, certainly one of the critical questions with which the House must deal this year, first through its Judiciary Committee, and then, if the evidence is deemed sufficient, as the whole House is the definition of an impeachable offense. A recent commentary by columnist Richard Wilson, which appears in the February 18 San Diego Union, is excellent food for thought and I wish to share his observations with my House colleagues.

Mr. Wilson's article follow:

IMPEACHMENT EFFORTS ARE ON SHAKY GROUND

(By Richard Wilson)

The American Civil Liberties Union, which is lobbying for the impeachment of President Nixon, contends that he can be removed from office for causes not confined to "narrow violations of the law." In its brief on this subject, ACLU convincingly rebuts itself on one point by reciting the circumstance that no official of the executive branch of government has ever been impeached except for specific violations of law.

The two who were impeached by the House, President Andrew Johnson and Secretary of War William W. Belknap, were both accused of specific violations of law and neither was removed from office by the Senate. This might seem to be legalistic niggling were it not for the fact that if the impeachment procedure is to go forward, a stage is likely to be reached when one or more specific key charges will be subjected to vote.

In President Johnson's case it all came down to three charges, two of them specific on law violation and a third of a general nature, and the vote on each was 35 guilty to 19 not guilty, which was one less than the number necessary for conviction.

In the case of Belknap, though he had resigned, he was impeached on specific charges of bribery of which the Senate held him guilty, but in a sense acquitted him by voting against removing him from office. What the past procedure illustrates is the legislative tendency to focus on specific issues, and this is not confined to impeachment but is a common occurrence. Decisions of a broad nature may turn on test votes. The question of what is impeachable and what is not has therefore become the most important matter before the House Judiciary Committee.

The realization that on the basis of present evidence, conviction of the President of a violation of law is on shaky grounds has led to the projection of the issue onto the broader base of betrayal of trust and excesses of power. But experience suggests that, in a showdown, Congress will desire something more specific than the formation of the "Plumbers unit," or the "secret" bombing of Cambodia or creating the atmosphere of "oppression" on which to hang an impeachment vote.

Unless the House Judiciary Committee can bring forth what amounts to an indictment of the President for specific violations of law, its case will not be in its strongest posture.

Given the present prospect that the Senate, on the basis of existing evidence, would fail substantially short of even a majority for conviction, (two-thirds is required) it is hard to see how the ACLU argument can sensibly prevail with doubtful congressmen. Those who vote in the House for impeachment—except for the committed anti-Nixonites—will be uncomfortable without a specific reason, and even more so if the present attitude in the Senate continues, and the prospect is against conviction of President Nixon and his removal from office.

As the Judiciary Committee studies the question, its problem will not become any easier. It will see that in the absence of specific law violation, the Senate has been skittish about removing judges from office. ACLU itself points out that of the 12 men impeached by the House of Representatives, only four were convicted.

Of the nine federal judges who have been impeached in all history, only four were actually removed from office.

It is clear that the last of them, in 1936, was acquitted of specific criminal charges, but nevertheless was removed from office on general principles. He had, however, been charged by the House with specific crimes such as acceptance of bribes and evasion of income taxes, and it was the exploration of these alleged offenses which caused the Senate to decide that he had brought his court into scandal and disrepute.

So it is not so much the legalities of the matter as the record that in practice the removal from office of any official would be doubly difficult in the case of a President as contrasted with some obscure federal judge.

The practicality of the matter is that, unless President Nixon can be exposed to a strong indictment that he violated the criminal law by obstructing justice and authorizing illegal acts, the impeachment case against him will be on shaky grounds.

NORTHEAST CATHOLIC HIGH SCHOOL

HON. RICHARD S. SCHWEIKER

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Wednesday, March 27, 1974

Mr. SCHWEIKER. Mr. President, Northeast Catholic High School of Philadelphia recently placed first in the National Model United Nations Championship hosted by Georgetown University here in Washington.

Northeast Catholic won out over competition from 300 high schools from the United States, Canada, Mexico, Puerto Rico, and Western Europe. A total of 2,000 students participated, and the Philadelphians defeated Miramonte High School of Orinda, Calif., for first place. Their award was presented by Deputy U.S. Ambassador to the United Nations W. Tapley Bennett.

Like all of the participants, Northeast Catholic was assigned a representative country's point of view on international affairs. Judges from Georgetown's school of foreign service determined which shcool did the best job of portraying the policies of the Government it was representing. The students from Northeast Catholic represented the United States, and as one judge stated: their "portrayal—made me proud to be an American."

Mr. President, Pennsylvania is proud of Northeast Catholic.

WASHINGTON NEWSLETTER

HON. EDWIN D. ESHLEMAN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. ESHLEMAN. Mr. Speaker, I will be sending a newsletter to my constituents within a few days. I wish to include the contents of that newsletter in the RECORD at this point.

WASHINGTON SPOTLIGHT—REPORT FROM YOUR CONGRESSMAN ED ESHLEMAN

BELIEVE IT OR NOT

At the height of the energy crisis when Americans were waiting in long lines to get gasoline, the Saudi Arabian ambassador to the United Nations was insisting that our state Department furnish him easy access to unlimited supplies of gas. It seems that he was upset by the fact that his staff was having trouble obtaining fuel for the ambassadorial automobile; trouble meaning that they, too, were having to wait in line.

That request, coming from a diplomat whose nation led the embargo of crude oil from the Middle East, seems something less than a model of delicacy. In fact, it should qualify the ambassador for someone's "nerve of the year" award.

QUESTIONNAIRE QUIPSTERS

One of the interesting things about sending out a questionnaire is the comments that you receive when they come back. This year the commentary has ranged from objective to obscene and from intellectual to infuriated. But all of it helps me get a better feel for what's on people's minds.

Someone in my office even suggested that the pay raise question was the subject of the smiles in the picture at the right. Aides Bob Walker and Tom Bucher are shown looking at the questionnaire returns with me and the suggestion was that we had just found the one constituent in favor of the salary hike.

But if the pay hike was unpopular, the poll, itself, was not. This year's return was the biggest I have ever received, so big, in fact, that my staff and I were buried in an avalanche of polls for several weeks.

INFLATIONARY INFECTION

A sore that has been festering on the national scene for too long is runaway prices. Inflation has been eating into our paychecks, unchecked, for nearly a decade. Congress has talked a lot about the problem, but really has been unwilling to "take the bull by the horns."

It is apparent to many Americans that the partial wage and price control program enacted so hastily by Congress a couple of years ago has been a failure. The time has come for Congress to let supply and demand govern the marketplace. Giving the consumer rather than the Government the power to regulate prices now can be seen as a reasonable alternative to the intolerable cost-of-living jumps under the control program.

But the chief action Congress could take as an anti-inflation measure is to get a grip on Federal spending. As it now stands, Federal taxes are a double-barreled burden. Not only are they the burden felt on April 15, but because they are used to finance the big spending schemes that fuel inflation, the same taxes take another chunk of cash out of everyone's pocketbook. If Congress would just curb its spending habits enough to balance the national budget, each family budget would be easier to manage.

WHO'S SORRY NOW

In a bulletin from the UAW, credit is given to the Nation's labor lobbyists for pushing the postcard registration bill along in Congress. With all the potential for mischief contained in that legislation, I wonder if the labor movement will be so quick to claim it if sometime in the future it results in some fraudulent elections.

Or, will this be another case of forgetfulness on the part of labor, like forgetting who pushed through the bill that shackled us with unworkable wage and price controls.

ECONOMIC DIFFERENCES

You may have heard it before, but the following definition of economic systems is so descriptive, I think it bears repeating. The definition illustrates the effect of each system on a small, two-cow farm.

Under socialism, you milk the cows, the government confiscates the milk, gives you a receipt and a little of the milk back; under communism, the government milks the cows, seizes the milk and then shoots the cows; under nazism, the government seizes the cows and shoots you; under bureaucratism, a federal inspector comes to milk the cows and then throws the milk away; under capitalism, you sell one of the cows and buy a bull.

ENERGY A-PLENTY

According to a report issued this month by the Department of the Interior, coal holds a vast potential as a primary energy source for the future.

The study says that there are 3 trillion tons of coal in the earth's crust within the United States. That figure represents 80 percent of our known fossil fuel resources. Some is deeply buried; other deposits are at or near the surface. It is estimated that about one-half of the total amount could be recovered with modern technology while still providing adequate environmental safeguards.

The question is how the vast supplies of coal can best be used to meet our energy needs. One choice is to burn the coal directly, but much of it has a high-sulphur content meaning this method of usage would aggravate our pollution problems.

Another suggested way to make coal work for us is to convert it into clean synthetic oil. The yield would come to two barrels or more per ton of coal. That would mean potentially 4 trillion barrels of oil made from coal—about seven times the world's proven reserves of oil.

Conversion to clean gas is an additional alternative. This method would yield about 32,000 trillion cubic feet of gas—approximately 10 times the amount of recoverable natural gas now available to the nation.

The coal study alone indicates to me that energy independence is an attainable goal for the United States. All we have to do is be willing to try.

ROAD TO RUIN

A former Assistant Secretary of Defense, Dr. Warren Nutter, says there are three roads to ruin: alcohol is the most expensive, women the most pleasant, and economic planning the most certain.

WASHINGTON VISITORS

Springtime is when many groups decide to hold their legislative meetings in the Nation's Capital. Other organizations from which representative constituents have stopped by to see me in recent weeks have included the Pennsylvania Farmers, the American Legion, and the Lancaster-Lebanon School Superintendents.

A Washington visit is not a bad idea for fuel conscious folks in Lancaster, Lebanon and Chester Counties. With a light foot on the accelerator and a minimum of driving once you get into D.C., you can come and get back home on one tank of gas. And, there is a wealth of things to do for everyone in your Nation's Capital. Don't hesitate to get in touch with either of my district offices if you want some advice on what to see and do on a Washington tour.

COST PER GALLON

If you are upset by the increasing cost of a gallon of gasoline—and who can blame you for that—you might also be interested in what you are paying for a gallon of other prominent items in many budgets. The following list compiled by the New York Times Company, does not mean much because the products differ so greatly in production expense and the like, but still it is rather interesting.

Gallon of beer, $2.50; gallon of catsup, $2.90; cough syrup, $25.00; Mr. Clean, $4.00; distilled water, $.95; mayonnaise, $3.95, and vinegar, $2.90.

BUDGET BULGE

From the days when our country was founded until the middle of World War II, Federal spending totaled $300 billion.

Next year's budget recommendation is for more than $300 billion for that single year.

And, I remember coming into the Congress seven years ago when there was concern about breaking the $200 billion barrier.

You have to wonder how much further the tax dollar can be stretched before it snaps back and gives us all a stinging.

TAX HELP

Experts appearing before the Senate Committee on Aging have testified that as many as one-half of all elderly taxpayers may be overpaying their Federal taxes. Among the reasons given were that some older citizens are overwhelmed by tax law complexities, others are baffled by the government forms and many are simply unaware of legitimate deductions, exemptions and credits.

To help correct that final problem area, the committee has produced a checklist of itemized deductions meant to provide the information older Americans need to figure their taxes. It is not an exhaustive summary, but it could be a useful item, and it is somewhat unique in that it was printed in large type to make it easier for elderly persons to read.

Committee spokesmen have pointed out that the checklist might be very useful to younger taxpayers, too. It is available for 35c from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402 (stock number 5270-02228).

FUELISHNESS

There was a Congressman who heard from a constituent this winter complaining that the fuel shortage has done wonders for her landlord. "Without doing anything," she said, "he's gone from being cheap to patriotic."

BILL MAILLIARD—RESPECTED LEADER

HON. DAN KUYKENDALL

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, March 25, 1974

Mr. KUYKENDALL. Mr. Speaker, the House of Representatives lost one of its finest Members when our colleague Bill Mailliard resigned to assume the post of Ambassador to the Organization of American States.

Bill has done a remarkable job as ranking Republican on the House Foreign Affairs Committee. As the ranking minority member on the Foreign Affairs Committee, Bill has earned the respect of Members on both sides of the aisle because of his good judgment and sound leadership.

Bill Mailliard was very helpful when I first came to office as a new Member of the House of Representatives. I shall be eternally grateful for his willingness and eagerness to always be available to those of us who wished to learn. This is a trademark of Bill Mailliard.

I am confident that Bill will continue his career of public service with great distinction and I wish him well in the years ahead.

A STEP SHORT OF IMPEACHING

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. BINGHAM. Mr. Speaker, the growing power of the executive branch has made it increasingly difficult to respond effectively to Presidential abuses of power; an outraged citizenry can only wait, helplessly, until the next election. Presidential impeachment is a drastic, tedious, and involved process that has been attempted only once in our history.

Last May, I proposed a constitutional amendment providing for an alternative between inaction and impeachment. It would give to the Congress the power, by a two-thirds vote in both Houses, to call for a new Presidential election when it determines that the President has lost the confidence of the people to so great an extent that he can no longer effectively carry out the duties of his great office. My distinguished colleague from Wisconsin (Mr. REUSS) has introduced a similar resolution, and resolutions authorizing the Congress to order new elections where the President has been found guilty of certain offenses have been introduced by Mrs. GREEN, Mr. OBEY, and Mr. UDALL.

Reprinted herewith, from the March 5 edition of the New York Times, is a thoughtful article by Tom Wicker advocating a similar approach:

A STEP SHORT OF IMPEACHING

(By Tom Wicker)

The muddled and dangerous political situations in Britain and Israel should be a caution to those who have been glibly promoting the idea of parliamentary government in the United States. On the other hand, the criminal indictment of four men who were once Richard Nixon's closest personal and political aides—not to mention all the other Nixon men implicated by indictment or guilty pleas—raises again the troublesome question of accountability in American government.

In most parliamentary democracies, Mr. Nixon might long since have been voted out of office, not necessarily for any specific offenses of his own, but for the generalized offense of having brought into power men who had violated the public trust and broken the law they were supposed to uphold, as well as for having brought the Government and the office of the Presidency into disrepute and disarray.

In the American system, outraged citizens can only wait three years—in this case—for the opportunity to turn Mr. Nixon's party (not even Mr. Nixon himself) out of office; or they can depend upon Congress to move the legal and political uncertainties of impeachment to the distasteful point of a forced removal, not only of the head of government but of the head of state.

Impeachment is, at best, a lengthy, cumbersome and sweeping process; it might be inappropriate for some relatively minor transgressions by a President, and in some cases it might be too difficult politically even for important offenses. But it is all the Constitution provides for. Therefore, might it not be that the most important institutional reform needed is some guarded version of the "no-confidence" vote that enables parliamentary democracies, in times of great stress, to dismiss governments and get new ones?

This is a matter that deserves long and careful consideration before anything is done; because Mr. Nixon is right that the Presidency ought not to be vulnerable to public opinion polls. No reform ought to make it possible for a President to be removed or censured merely for doing unpopular things; nor to be dissuaded from doing something likely to be unpopular by the threat of Congressional retaliation.

In a stable democracy, however, the no-confidence vote does not necessarily provide a swinging door for governments to be shuttled in and out. After all, it has been 34 years since the British Parliament turned a Government out of office by such a vote—and then it was the Government of Neville Chamberlain in one of the dark periods of World War II. Winston Churchill, on the other hand, was master at provoking no-confidence votes that failed—in effect, providing him with recurrent showings of support.

While mere popularity should not be the criterion for keeping or evicting a government, moreover, a leader in a democracy does have to retain substantial support if he is to be an effective leader. Incidentally, the proper response to Mr. Nixon's contention that the Presidency "should not be hostage to what happens to the popularity of a President," is the question: but can Mr. Nixon still govern effectively, whatever the polls show? And could a two-thirds vote in the Senate for his removal possibly be obtained if he were merely unpopular, and not charged with serious offenses as well?

The two-thirds vote—a familiar constitutional safeguard, necessary, for instance, to override Presidential vetoes—should be the key to a no-confidence amendment to the Constitution. Upon a resolution of no confidence, which should contain specified charges either of official misbehavior or of inability to govern effectively, if two-thirds of those voting in each house concurred, the following would be set in motion:

1. The President and those he had appointed to the executive branch would become a caretaker government, pending:

2. A special Presidential election to be held on the first Tuesday after ninety days had elapsed following the no-confidence vote.

3. The winner of the special election, who could be the caretaker President, would be sworn in as President immediately afterwards, would have the option of retaining or dismissing anyone then in the executive branch, and would serve as President until the next regularly scheduled Presidential election.

Admittedly, this is a general idea rather than a precise proposal and it has obvious disadvantages. It does not provide much time, or a method, for an opposition party to select a ticket—or for the in-party to choose a candidate other than the caretaker President. If the latter was a candidate, he would have at least some of the advantages of incumbency, despite the no-confidence vote.

Nevertheless, the present anomalous situation suggests the utility of this or some other device short of impeachment, but safeguarded against casual or frivolous use, by which Americans could choose to change their Government when the need for change had been formally stated by Congress.

HELP: DOCTORS NEEDED

HON. HAROLD V. FROEHLICH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. FROEHLICH. Mr. Speaker, one of the most disturbing contemporary trends in the American medical profession is the emigration of doctors from smalltown practices to larger community hospitals and multiple-doctor clinics. Increasing emphasis on specialization, personal desires for more leisure time and expectations of inadequate compensation have encouraged young doctors to seek employment outside of rural areas leaving many small communities without sufficient medical services. Small towns and villages, however, still offer the advantages of strong community support, friendly atmospheres, and beautiful surroundings which are often lacking in urban areas.

This trend away from rural communities has become apparent in my home State of Wisconsin and, most recently, in the community of Tigerton which I have the honor of representing in Congress. The village of Tigerton—population 750—supports a 26-bed hospital with its own X-ray facilities, operating room, medical laboratory, examining rooms, pediatrics section, and medical clinic. Unless a doctor is found, the Tigerton Hospital-Clinic will close its doors on May 1, 1974, when its present doctor leaves after 25 years of dedicated service. The loss of this service will leave only two doctors in a 60-mile spread between Clintonville, Shawano, and Wausau, and patients from Tigerton and the surrounding area will have to report to these cities for normal and emergency hospital treatment. Moreover, Tigerton will lose its second largest employer and the center of volunteer activities.

Tigerton area citizens recently formed a local health planning committee with the objective of attracting two doctors to the community. Letters have been distributed throughout Wisconsin and the Midwest inviting doctors interested in working with friendly people and enjoying fresh air, clean water, and outdoor activities to contact local officials. The activities of the area health planning committee indicate the strong community support a doctor would enjoy and the urgent need for medical service in Tigerton. Hopefully, someone will answer Tigerton's call for assistance.

I want to take this opportunity to insert in the Record the following article from the February 15, 1974 issue of the Shawano Evening Leader:

[From the Shawano (Wis.) Evening Leader, Feb. 15, 1974]

TIGERTON CITIZENS FIGHT TO SAVE SMALL HOSPITAL, CLINIC

The Village of Tigerton faces the bleak prospect of losing not only its one doctor, but because of his leaving, their 26 bed hospital as well.

Many members of this community of 750 find a double loss such as this a bit hard to imagine and have embarked on an all-out campaign to preserve what they call a vital need and a major industry.

Dr. Lawrence Heise, has operated the Tigerton Clinic and Hospital since 1953 and has been an area doctor since 1950. He has decided to leave the village to open a practice in another community.

The doctor is slated to leave on May 1 and after that time the hospital will be rendered virtually inserviceable because of laws requiring a doctor to admit patients.

Representatives from local service groups, churches and a number of concerned citizens have banned together and formed a area health planning committee to deal with their health crisis.

The expressed purpose of the committee is to woo at least two doctors to the Tigerton area thereby retaining their own hospital.

The first order of business undertaken by the committee was to meet with Northeastern Wisconsin Area Health Planning Commission on Jan. 23. Those attending the meeting expressed disappointment that more positive results failed to grow out of the meeting.

Robert O'Dell, a committee director, explained this disappointment was due to trends medicine is taking today. "According to the commission the trend of health planning is to phase out small community hospitals such as ours and the formation of large centralized hospital complexes. They feel that we in the more rural areas can be adequately serviced by an ambulance fleet," he said.

The Tigerton group found this explanation not at all suited to the trends in the Tigerton area and set out to solve their own problems.

They have begun a concentrated letter campaign in which they hope to blanket the entire midwest if necessary to find doctors for their community.

Doctors in the State of Wisconsin have already been contacted by letter and an extensive newspaper and television campaign is in the planning stage.

Their appeal is simple and to the point. The letter frankly states "We in the Tigerton area are in need of your help. Our community urgently needs two physicians. We have the facilities, and a community which would be most inviting for any doctors interested in working with friendly people and enjoy fresh air, clean water and outdoor activities."

O'Dell noted one of the hardest problems in the United States is getting doctors for small community and rural areas.

They plan on pushing the availability of the Tigerton Hospital to the limit. "Our area is unique to most of those others in the U.S. in the respect that we have our own hospital. For this reason we should be able to guarantee any doctor plenty of work," he said.

Work is the one major reason the present doctor is leaving after 25 years. The city pharmacist Joseph Gwidt, a consulting member of the hospital staff felt the work load is too much for one doctor. Hiese in his early 50's would prefer cutting back on the amount of time it normally takes to service the hospital and his extensive clinic practice also located in the hospital. This has prompted his decision to leave Tigerton for a multiple doctor clinic practice in Clintonville.

When he leaves in May there will be only two doctors in a 60 mile spread between Clintonville, Shawano and Wausau; Dr. F. L. Litzen in Gresham and Dr. Deo Almazar in Wittenberg.

The hospital is the main reason for the high work load and stands as a comforting haven to those people reaching the elderly stages, young parents with children, or those who have health problems that need constant monitoring. Their only other alternative is a long, high speed ambulance ride to Shawano, Wausau or Clintonville.

Statistics for the year 1973 are interesting for a community this size. A total of 495 patients were admitted with a daily census figure of seven persons in bed care. A total of 67 babies were born in the facility which boasts an adequate pediatrics section.

The hospital has its own x-ray section, operating room which can handle several types of major surgery, several examining rooms, its own lab which has service from Marshfield hospital for the more complicated analysis.

One of the most appealing things available to a doctor team is the location of the clinic in the hospital basement, which solves the patient transportation problems that plague many clinic-hospital arrangements. The clinic also serves as the emergency room.

Loss of the hospital will affect the community in another way that could have even more far reaching effects on the surrounding area—an economical loss.

The hospital is the second largest industry in the area topped by the Tigerton Lumber Co. About 30 people are employed and the combined impact on the community involves about $500,000 if it had to be replaced.

Gwidt also referred to the social impact of losing the hospital. It has been the center of many community projects by service clubs and much of its equipment and furnishings were provided in this way. A 14-member hospital auxiliary would be disbanded, again depriving many of community input.

The hospital has been state inspected and approved as well as certified by Medicare.

Russell Kostrzak, chairman of the new health committe summed up the area's feelings in the closing remarks of the letters mailed to doctors:

Closing the hospital, "would be not only a catastrophe for the community but also for the thousands of people in the immediate area who have come to depend on the fine service which our medical facilities have been able to offer.

"We believe that our community and area could very easily support two physicians, with each having adequate free time to enjoy our recreational facilities."

The Village of Tigerton faces a fight many other communities are facing and have already faced. They claim the trends of medical planning are missing the mark completely.

Because they have chosen to live apart from the high speed commuter-computer frenzy of population centers and centralized medicine, somewhere are medical men who feel the same.

They fight to remain captains of their own lives and destinies, not lost somewhere in the sterile halls of the depersonalized system.

TIGERTON HOSPITAL AND CLINIC,
Tigerton, Wis., February 6, 1974.

DEAR DOCTOR: We, in the Tigerton area are in need of your help. Our community urgently needs two physicians. We have the facilities and a community which would be most inviting for any doctors interested in working with friendly people and enjoy fresh air, clean water, and outdoor activities.

For the past few years our Hospital & Clinic has been served by one physician in Tigerton and he has decided to join a clinic in another community, which would leave us without a physician as of May 1, 1974. Obviously, without a physician, we would be unable to continue operating our hospital which is currently approved by Medicare and has state certification. This would not only be a catastrophe for the community, but also for the thousands of people in our immediate area who have come to depend on the fine service which our medical facilities have been able to offer.

We believe that our community and area could very easily support two phsyicians, with each having adequate free time to enjoy our recreational facilities.

We would be very happy to arrange a meeting with any physicians, who may wish more information regarding our hospital, clinic or community and invite them to call collect (715) 535-2115 and speak to Miss Jean Sambs or contact us by mail.

Sincerely yours,
RUSSELL KOSTRZAK,
Chairman, Area Health Planning Council, Tigerton Hospital and Clinic, Inc.

BREAKTHROUGH IN SOLAR ENERGY TECHNOLOGY AT UNIVERSITY OF CHICAGO

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. McCLORY. Mr. Speaker, the following article, which appeared in the March/April 1974, edition of the University of Chicago magazine, concerns a recent breakthrough in the way solar energy is gathered. The new solar energy collecting unit is an invention of Prof. Roland Winston and it is capable of 10 times as much energy concentration as the general level of sunlight without diurnal tracking of the sun. This makes the unit practically applicable as a power source. Demonstration models will be built at the University's Enrico Fermi Institute and at Argonne National Laboratory. I know that because of the energy crisis the invention of new energy producing technology is of high interest to my colleagues and I commend it to your attention:

SOLAR POWER NEARER IN WINSTON BREAKTHROUGH

Roland Winston, associate professor in the Department of Physics, the Enrico Fermi Institute and the College, set out in 1966 to develop a new type of collector for Cherenkov radiation. Today he winds up having invented a device which may prove to be of considerable importance in solving the world's energy shortage.

Mr. Winston (SB'56, SM'57, PhD'63) recalled, at a departmental colloquium on campus earlier this year, how he worked out the mathematics for an "ideal collector" of the faint Cherenkov light, which is emitted by charged particles traveling faster than light (in a medium) and is useful in identifying energetic electrons. The collector turned out to be composed, in cross section, of two tilted parabolas.

Enter Robert G. Sachs, professor in the Department of Physics and the Fermi Institute, who last year took over the reins as director of Argonne National Laboratory. In the course of meetings with an Argonne planning group working on possible energy sources, Mr. Sachs remembered the Winston light collector project and suggested to Mr. Winston that it might be adapted for the collection of solar energy.

Previous efforts to harness the sun's energy had not produced practical results, in part because stationary collectors could concentrate only about three times as much energy as the general level of ambient sunlight. The Winston collector, lined with a thin reflective film, was capable of ten times as much energy concentration as the general level of sunlight (figured roughly, under ideal conditions, as one kilowatt per square meter), without diurnal tracking of the sun. It had, therefore, the potentiality of being practically applicable as a power source.

Mr. Winston and his collaborators at Argonne received in January a go-ahead, in the form of research grants, from the Atomic Energy Commission and the National Science Foundation. Following the prescribed pattern of feasibility studies, test models and demonstration installations, the solar collector is expected to be ready to put the sun to work.

The light collector obviously will not play a role in this year's energy crunch, but if the energy squeeze is viewed as a long-term phenomenon—which it is—the Winston apparatus may become valuable on one or both of two levels, one longer-range than the other. The device is capable of converting enough sunlight so that it may ultimately be used as a primary source for the generation of electricity, but its development for this purpose will take a while. In the shorter haul it may be possible to develop units for the heating (and also cooling) of individual homes and other buildings.

One of Mr. Winston's key contributions in working out his ideal collector was his abandonment of the notion that the collector would necessarily be governed by the principles of conventional imaging optics. His light concentrator would have, in optical terms, and extremely low *f* number—0.5. The *f* number is a concept familiar, at least in approximate terms, to anyone who operates a camera; it represents the relation between the brightness of the image and the size of the aperture. No ordinary camera can achieve as small an *f* number as 0.5, but this is because of the necessity of creating an image. If the imaging requirement is dropped, Mr. Winston found, the ultimate *f* number can be obtained.

Mr. Winston's chief collaborator in the early stages of his work was Henry Hinterberger, formerly chief engineer of the Fermi Institute's cyclotron; he is now at the National Accelerator Laboratory at Batavia, Illinois. More recently Riccardo Levi Setti, professor of physics, became an enthusiastic proponent of the application of ideal collectors to solar energy.

Another difficulty encountered in previous efforts to make use of solar radiation was the apparent motion of the sun. It was possible to build tracking equipment like that used in an observatory, where it keeps the telescope trained on its objective. But this represented tremendous added complications—and cost factors. Mr. Winston worked out a simpler solution to this problem: adapt the collector in the form of a trough, so that the sun "follows" the collector, rather than the reverse.

Not all the problems are now solved, of course. One difficulty is that the sun (1) doesn't shine at night, (2) is weak at the start and ends of the day, and (3) on cloudy days lacks a good deal of its sunny day punch. The answer, obviously, is energy storage, and there are many methods of storing energy, including batteries.

The whole effort has been a course of scientific ecumenism for Mr. Winston. In the course of the work he found himself studying a number of subjects outside his own field of physics—optics, astronomy, and even human anatomy and marine biology. After he had completed his initial studies on the shape of the "ideal collector" he learned in a conversation with Mr. Levi Setti, who also has a considerable interest in biology, that, more than 100,000,000 years ago, nature had perfected in the horseshoe crab very much the same parabolic collector, in the form of the receptor units (ommatidia) of the animal's compound eyes. He had read of the phenomenon in a journal.

Messrs. Levi Setti and Winston, working with Donald Park, a research assistant at Fermi, acquired and studied a horseshoe crab; the work confirmed Mr. Levi Setti's recollection, and Mr. Winston later acknowledged ruefully that if he had been aware of the eyes of the *Limulus* earlier it would have saved him a year of work.

Even the cone cells in the human eye, which can detect the presence of even a few photons, use the same structural principle, he learned from Jay Enoch, of Washington University School of Medicine, who is an expert on the optics of vision.

And while the Atomic Age has yet to reach its zenith, the Solar Age may already be dawning.

GREAT GRAIN ROBBERY OF 1972

HON. ELLA T. GRASSO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mrs. GRASSO. Mr. Speaker, at a hearing sponsored by me on March 2 in New Britain, Conn., representatives of the baking industry in my State, along with concerned consumers, provided valuable insight into the hardship and suffering that are resulting daily from high costs for needed commodities. Skyrocketing family food prices are the painful result.

It is no secret that last year food prices rose some 16 percent. Moreover, the Agriculture Department predicts that food will cost 12 to 16 percent more by the end of this year. All who share my deep concern for the plight of the American consumer have decried the "Great Grain Robbery of 1972" in which the sale of some 440 million bushels of wheat to the Russians left our stores seriously depleted, causing the price of wheat to more than triple in less than 2 years, and resulting in higher prices at the supermarket.

Those who testified at my hearing touched upon these areas and more. They registered distrust and frustration with the conflicting reports of grain supplies that have surfaced recently. Many echoed my call for an embargo on wheat exports until we are sure that we have enough of this needed grain for domestic consumption this year. Those who delivered testimony painted a very real picture of the disastrous effects inflation is having on their businesses and their daily lives.

Alan Parker, president of the Nutmeg Bakers Supply Co. in New Haven, Conn., predicted that unless something is done about runaway prices, one-third of the bakers in our State will go out of business in the next 3 months. Mr. Parker reported that flour selling for $14 per 100-pound bag at the beginning of the year was going for $18 per bag at the time of the hearing. Before the Russian grain deal, the same size bag sold for $7 or $8, he said. Moreover, soybean oil shortening that sold for 16 cents a pound 1 year ago went up to 26 cents a pound by last November and cost over 50 cents a pound at the time of the hearing earlier this month. Mr. Parker, whose company has been supplying bakers in my State for over 50 years, indicated that, due to price increases in the past 18 months, over 100 major bakeries and more than 300 smaller ones nationally went out of business with a loss of over 10,000 jobs.

Dominic Cassone, president of Cassone's Bakery, Stamford, Conn., noted that prices for bakery ingredients are rising so fast that bakers can hardly keep pace. Benjamin Price, president of Cousin's Bakery in New Britain, reported that in the 20 days preceding the hearing the price of sugar rose $5 per 100 pounds. Indicating that Agriculture Secretary Earl Butz has ruled out dollar-a-loaf bread, Price queried, "Does he mean he's pushing for 85 cents?"

Fred Schro, president of the Marchigiano Bakery in New Haven, said he hoped the American people would learn from the mistake of the Russian wheat deal, while John Rader, of the Reymond Baking Co. in Waterbury, expressed concern with conflicting reports on the grain situation. Fred Wolfe, president of Wolfe's Baking Co. in New Haven, questioned how long consumers would put up with necessary increases in bakery product prices. He called for immediate disclosure of wheat supplies and exports, and urged that adequate domestic supplies be conserved. Mr. Wolfe expressed the view that the Export Priorities Act, which I introduced earlier, is an excellent basis for such action.

Bertha Groski, president of the Connecticut Bakers Association, echoed the sentiments of many of her colleagues at the hearing in recommending an immediate embargo on wheat exports. She questioned how much longer bakers would be able to absorb cost increases.

Michael LaRose, director of the Senior Citizen's Center in New Britain, provided an example of how inflation, particularly spiraling food prices, is having a devastating effect on the meager budgets of our senior citizens, who are trying to exist on fixed incomes while living costs skyrocket. According to Mr. LaRose, increased costs will lead to either a reduction in the nutritional content or an increase in expense to the elderly for meals provided to them in the New Britain area under a program established with funds from the Federal nutrition program for the elderly. The admirable intent of Congress is thus being seriously undermined by spiraling inflation.

Albert Science, deputy director of the Norwalk Economic Opportunity, NOW, Inc., indicating that bread is a staple for many Americans, noted that high food prices had a particularly harmful effect on low-income families. Mrs. Arlene Stange, representing the Junior Women's Club of Plainville, spoke as a mother of four children and a consumer when she said that prices for food are increasing at such a rapid rate that middle-income families just barely get by.

Also testifying at the hearing was New Britain Mayor Stanley J. Pac, who called for a replenishing of our grain reserves to stabilize prices.

Mr. Speaker, the message coming from my hearing is unmistakable: Something must be done now to curb spiraling inflation, particularly in the food sector. Time and again I have called for a commodity policy in the Agriculture Department that recognizes the plight of the consumer. Such a policy at this time would require an embargo on wheat and other grain exports until we know that there is enough grain for domestic consumption. Yet, time and again the Department has refused to follow this reasoned track, and has instead provided questionable assurances that echo the hollowness of erroneous grain supply predictions for last year and the year before.

It is my opinion that, as Mr. Wolfe suggested at the hearing, the Export Priorities Act I introduced could serve as a basis for a sensible agricultural policy—one which takes the consumer into account. This is as it must be.

An amendment to the Export Administration Act of 1969, the bill would require the Secretary of Agriculture to determine the quantity of raw and certain refined agricultural products that will be available in a crop year. He would then determine the amounts needed for domestic consumption, with a reasonable quantity to allow for a carryover supply of the products, including an amount for disaster relief and other emergencies. The remaining quantity of the commodity would be available for export.

Under this mandate the Agriculture Department would have to insure that domestic commodity needs are met. There would be far less chance of excessive exports depriving our people of badly needed food and food stuffs.

Only by requiring the Secretary of Agriculture to set out the commodity situation anticipated for the coming year—emphasizing domestic needs and dealing with these needs as a priority—can we assure that the people of Connecticut and all Americans will have a sufficient variety of foods at reasonable prices.

PROVIDING EMERGENCY GENERATORS IN HOUSING FOR THE ELDERLY

HON. FERNAND J. ST GERMAIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. ST GERMAIN. Mr. Speaker, older Americans, senior citizens, the elderly—all merely catch phrases describing our parents, our grandparents, and all those a generation removed from us who strove and labored in good faith to make a better life for us. In recognition of our great debt to them they must be now accorded every dignity, consideration, and ease which we can provide. It has always been one of my prime concerns to seek constant improvement in the lifestyle of older Americans. I call the attention of my fellow Members to a resolution passed in the General Assembly of the State of Rhode Island and approved by the Governor on the 7th day of February 1974, memorializing Congress to provide emergency generators in all housing for the elderly:

RESOLUTION—STATE OF RHODE ISLAND

Resolution memorializing Congress to provide emergency generators in all housing for the elderly.

Whereas, the housing for the elderly in many instances are above three floors and the elderly during a power failure are unable to use the elevators, and physically unable to

> use the stairs, emergency generators are necessary; now, therefore be it
>
> *Resolved,* That the general assembly of Rhode Island and Providence Plantations, now requests the congress of the United States to provide for emergency generators in all housing for the elderly; and be it further
>
> *Resolved,* That the Secretary of state be and he is hereby respectfully requested and directed to transmit duly certified copies of this resolution to the President of the Senate of the United States, the speaker of the House of Representatives, and to the Rhode Island delegation in Congress.

DO NOT GAMBLE WITH SUMMER YOUTH JOBS

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. STOKES. Mr. Speaker, the GAO has released a report, compiled at my request, which documents a misuse of Federal funds by the city of Cleveland in its operation of summer youth employment programs in 1973.

The report reveals that the same cold, callous, calculated political manipulation of Federal funds which permeated the model cities program stifled the summer job program for work-hungry inner-city teenagers.

For years the summer youth employment program was run by the Cleveland Board of Education. But in 1972 Mayor Perk requested control of the program and, according to the Malek Memos, the White House OK'd the transfer as part of President Nixon's reelection strategy. Cleveland City Hall, however, did not operate the jobs program in 1972, relying instead, through a subcontract, on the board of education with its long experience and success.

But in 1973, the city of Cleveland, with no prior experience and completely inadequate preparation, took over two-thirds of the summer youth employment program. The result was a patronage bonanza and a bureaucratic snafu of near-monumental proportions. Ineligible youths from families whose incomes exceeded poverty levels drew checks that rightly belonged to poor youths—and often for doing no work at all.

A great number of youths—1,765 of them—were given $110,866 for working more than the permissible number of hours. Every day of the summer, youths were bused to distant worksites only to find little or no equipment waiting for them and frequently no supervisors. The program was designed to provide meaningful, supervised work experiences for low-income students who would otherwise find no jobs and earn no spending money. But these young people very often considered the work they were given both demeaning and meaningless.

The crowning failure of the city program was the payroll system. Some youths were paid before they did any work, while others sometimes had to wait 2, 4 and even 8 weeks after the time they were supposed to receive their checks. In fact, some still have received no checks.

The GAO has concluded:

> The large number of errors created a climate for even more errors and the city was not equipped to handle the problem.

The GAO has found some defects also in the Board of Education's share of the program but overall it was far superior to the city's.

Congress never intended that the poor and disadvantaged inner-city youth, for whom they earmarked these summer job funds, be treated as political pawns. I intend to see that this disgraceful misuse and abuse of Federal funds by an inept, inexperienced and insensitive administration does not occur again.

I have written to Secretary of Labor Peter Brennan urging him to return the summer youth employment program to the experienced and substantially successful Cleveland Board of Education. The Cleveland Plain Dealer agrees that this should be done. I wish to reprint here their editorial strongly endorsing this urgently needed action.

[From the Cleveland Plain Dealer, Mar. 15, 1974]

DON'T GAMBLE WITH JOB PROGRAM

> The only encouragement the city of Cleveland might find in the General Accounting Office's report on the city's administration of the federal summer job program last year is that it would be hard to do worse.
>
> Rather than taking that bet though, the U.S. Department of Labor should return the job program to the school system, which had run it until last summer.
>
> Control of jobs is a powerful political weapon, and there is evidence that the summer program was shifted from the schools to the city to benefit Republican Mayor Perk.
>
> It's time to stop playing politics and to recognize the city's inability to run the program efficiently. The summer job program is supposed to give young men and women from poor families the chance to earn some money and acquire work experience. It is not supposed to be an introductory course in political patronage.
>
> The GAO report gives the Labor Department the evidence it needed to compare the efficiency of the programs operated last year by the city and by the school system. Though the school system, which had about one-third of the jobs, was not perfect, it was far, far ahead of the city.
>
> The Labor Department may have to find some face-saving device for the city, but nonetheless it should act quickly so that the summer job program can be organized and ready to go by the end of school. Counselors must be hired and trained, work applications must be taken and screened, jobs and applicants must be matched up. The time to do it is within the next few weeks, and the responsibility is the Labor Department's.

11500 BANANAS ON PIKE'S PEAK

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. HOSMER. Mr. Speaker, now that the Arabs seem in a mood to call a recess in their blackmailing of the United States, I hope we do not invite them to do it again.

But the House Interior Committee is considering H.R. 11500, the bill that would prohibit the surface mining of much of our most accessible coal reserves. If we enact this bill, we will be sending the Arabs a signal that we are not serious about becoming self-sufficient in energy. When we cut back on our coal supply, that is an open invitation for them to do the same with our oil supply.

On the other hand, if we develop our great coal reserves fully, we can tell the Arabs to stick the oil in their oases.

Enacting H.R. 11500 would be as crazy as trying to grow bananas on Pike's Peak, but a good deal more dangerous to our national welfare.

MISSION TO MOSCOW

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. BINGHAM. Mr. Speaker, Secretary of State Henry Kissinger is at this moment in Moscow engaged in intensive discussions with the leaders of the Soviet Union on a wide array of critical problems in international relations. In pursuit of détente the Secretary is expected to discuss arms limitations, the Middle East and trade with Soviet Communist party leader Leonid Brezhnev. On the eve of the Secretary's departure, two warnings were sounded in the United States which underlined one of the most important points at stake in these discussions. On March 21, Rabbi Israel Miller, chairman of the Conference of Presidents of Major Jewish Organizations, and Stanley Lowell, newly elected chairman of the National Conference on Soviet Jewry, issued a joint statement on behalf of nearly 40 member organizations and hundreds of local community councils urging the Secretary "to unequivocally state the view of the American people in regard to emigration of Soviet Jews." The full text of the statement follows:

> On the eve of the departure of the Secretary of State to the Soviet Union, the American Jewish Community has received alarming reports of a severe decline in the emigration of Soviet Jews. This Soviet effort to shrink the movement of Jews to Israel and elsewhere is contrary to ongoing efforts to expand.
>
> Mindful of the impact of pending trade legislation on the emigration of Soviet Jews, we therefore choose this moment to endorse the strongest possible legislation by the Congress, which will assist an unhampered and unrestricted emigration. We unanimously state our support for the Jackson Amendment, now before the Senate, which was overwhelmingly passed by the House of Representatives.
>
> We have requested the Secretary of State to continue this Administration's efforts, and to unequivocally state the view of the American people in regard to emigration of Soviet Jews. We trust that the Secretary will convince the Soviet Union that the roots of the problem and the resolution of the issues are in Moscow.

On March 24, nationally syndicated columnist Joseph Kraft developed this same point, concluding that easing the conditions for emigration of Soviet Jews is "an extremely narrow concession to ask in return for easier (trade) credits." I commend both these cogent and powerful statements to the attention of my colleagues in the belief that many of us share the hope that Secretary Kissinger will return from this latest mission with heartening news of a Soviet decision to fully observe the internationally guaranteed right of emigration. The Kraft column follows:

[From the Washington Post, Mar. 24, 1974]

(By Joseph Kraft)

MISSION TO MOSCOW

Overwhelming evidence argues that the Soviet leaders are eager to cut a deal with Henry Kissinger on his visit to Moscow this week. The question is on what terms.

For Dr. Kissinger, for the first time, goes to Moscow representing a President in deep trouble at home. So there is an inevitable temptation to go for an arrangement which serves the President's short-term domestic interest as distinct from the longer-term national interest.

The best evidence of the Soviet mood lies in a recent intelligence analysis of statements made by 14 different Soviet leaders over the past eight months. The analysis shows that all of them line up behind party boss Leonid Brezhnev in favoring cooperation between Moscow and Washington.

Only two—President Nikolai Podgorny in a speech on July 31 and Marshal Andrei Grechko, the defense minister, in a speech on Jan. 6—stressed the risks of easing tension. Several others—including the party ideologists Mikhail Suslov, who emphasized Chinese maneuvers against detente in a speech on Dec. 6—seem surprisingly favorable to Big Two harmony. Mr. Brezhnev himself, in a speech in Alma-Alta on March 15, surveyed all the possible dangers and then asserted, "We will continue to advance firmly down the road" of cooperation.

That analysis is reinforced by Dr. Kissinger's conversations with Soviet Ambassador Anatoliy Dobrynin. Mr. Dobrynin returned to Washington after a couple of weeks of talks in Moscow early last week. After seeing Dobrynin, Kissinger told his Thursday news conference that he was "reasonably confident" about the upcoming talks.

The guess here is that Dobrynin laid out for the Soviet leadership President Nixon's grave impeachment problems, with a warning that Mr. Nixon might not be in the White House for long. Apparently the reaction of the Russians was to try to make a deal now with the President they know, rather than to have to begin all over again later on.

In these conditions, with the Russians evidently keen for a deal, the important thing is not to get a quickie cosmetic undertaking which will go no further than helping Mr. Nixon in his immediate problems at home. What counts is to make arrangements that lead on to further agreements for future Presidents, and the momentum needs to be maintained in at least two separate areas.

Arms control is one. In the Moscow summit of 1972, the Big Two reached an agreement to limit the absolute number of offensive and defensive nuclear launchers. The logical next step is a qualitative limitation that would restrict the number of multiple warheads, or MIRVs, which each side can use in a single launcher.

But if the agreement only applies to numbers of launchers with MIRVs, the Russians, who have far larger weapons, would gain a distinct advantage. That is why Defense Secretary James Schlesinger has been insisting that any agreement should achieve "essential equivalence", which means that Dr. Kissinger needs to go beyond limiting multiple warheads to arrangements that put a lid on Russia's massive build-up.

A second area of discussion involves progress toward more freedom in the Soviet Union. The Russians are cooperating with the United States in part because they want to import American technology on favorable credit terms. Since they want special favors, it is legitimate for the United States to set special conditions.

The one condition on which there has been American agreement so far is Sen. Henry Jackson's stipulation that Moscow ease up on conditions for emigration. That seems to many people, including this writer, an extremely narrow concession to ask in return for easier credits. But since it is the only demand that has surfaced, it ought to be hammered home. At a minimum, in other words, Dr. Kissinger needs to come back from Moscow with Soviet agreement that there should be an end to harassment of those who want to emigrate and an undertaking as to numbers permitted to leave.

These conditions for agreement may seem too tough to President Nixon and Dr. Kissinger and other recent converts to the concept of detente with the Soviet Union. In fact they are minimal. Anything less will merely represent a cosmetic agreement, designed to help Mr. Nixon battle against impeachment by a trip to the summit in Moscow. The thought to bear in mind is a statement made by Dr. Kissinger, that he wanted to "conclude the building of a structure which we can pass on to succeeding administrations."

MICHEL'S WATCHDOG IDEA

HON. LESLIE C. ARENDS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. ARENDS. Mr. Speaker, a few years ago the House Republican task force on congressional reform and minority staffing under the chairmanship of our colleague, Congressman JAMES C. CLEVELAND, of New Hampshire, published a series of recommendations in a volume entitled, "We Propose: A Modern Congress."

My colleague from Illinois, Congressman ROBERT H. MICHEL, was a contributor to this study, and one of his recommendations was that reforms be instituted which would give the minority party in any Congress a more effective investigative role. Mr. MICHEL sponsored legislation in the House (H.R. 9252) on June 21, 1965, and in succeeding Congresses to implement this recommendation.

On February 29, 1974, Mr. MICHEL and Mr. CLEVELAND in a joint statement before the Select Committee on Committees made the following proposal: That when both the executive and legislative branches are under the control of the same political party, a select committee in the House under the control of the minority party be automatically created, funded, and vested with wide-ranging investigatory authority.

The idea of a watchdog committee is beginning to generate more interest in the light of recent events. On March 23 the Peoria, Ill., Journal Star endorsed the proposal editorially. Under leave to extend my remarks in the RECORD, I include this editorial herewith. It should provide much food for serious thought on both sides of the aisle:

[From the Peoria (Ill.) Journal Star, Mar. 23, 1974]

MICHEL'S WATCHDOG IDEA

It must be admitted that Congressman Bob Michel has looked a bit ahead from the dust-storm now going on in Washington, and taken a position that makes more sense for a GOP legislator than the reactions of many others these days.

Michel has had the guts to look beyond Watergate to the situations that have often prevailed in Washington—and try to remedy it in future.

There have been rocks turned over before that demanded extensive investigation—but went no further.

Naturally, those were times when both the President and the Congress were in the grasp of the same party.

Bob Michel's idea is that there should be a permanent watchdog committee chaired by the minority party as a key investigative operation of the Congress.

He has pointed out the doctrine of this Congress that the administration can't investigate itself. He has taken the principles which the Congress has proclaimed and practiced regarding Watergate, and said, "Now let's apply these principles to ourselves and on a permanent basis", in effect.

He says that by their own moral pronouncements in the past year clearly the majority party in Congress cannot "investigate itself", and clearly such levels of power must be subject to inquiry just like the President.

His answer: which ever is the minority party ought to automatically control a permanent watchdog committee—just as Democrat-controlled committees have investigated and are investigating the Republican President.

It does seem that if those active in this affair have been sincere in their principles and moral pronouncements—and not merely opposition political opportunists—they would have to agree with our Congressman.

And, indeed, if we are faced with a landslide election this year, some such watchdog restraint will be badly needed in Congress for Congress—lest we have a real power runaway there.

The truth is, if they think about it, such a set-up might save Democrats from themselves next year.

As we said, more prophetically than we knew on the eve of the 1972 election, in advice to emotional young partisans:

If you think you'll be frustrated if you lose an election, you haven't seen anything. You may win one. That's when you can really get hurt.

That's of course, is when you have awesome responsibility—and also when there is the greatest hazard of going off the deep end.

We've seen it too many times. We don't need it again in 1974.—C. L. Dancey.

LAWS OF NATURE VERSUS LAWS OF MAN

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. DINGELL. Mr. Speaker, I insert in the RECORD today an article from the April/May publication, National Wildlife, which offers comments on the historical prelude to laws Congress has enacted "to conserve and protect" species of wildlife, fish, birds and plants. I would only point out that there are many other laws Congress has enacted with the purpose of preserving the various wildlife habitats and species of all wildlife which are not mentioned in the following article:

LAWS OF NATURE VERSUS LAWS OF MAN

(By George Reiger)

From the time of the Babylonians down to the present day, governments have been passing countless laws ostensibly designed to protect wildlife. Within the past decade, however, an event took place unprecedented in man's complex and often disastrous relationship with the other creatures on this planet. For the first time, a body politic—specifically, the U.S. Congress—actually passed a law to protect endangered wildlife with no other motive than a genuine wish to see something rare and wonderful saved for its own sake.

In the past, laws touching upon wildlife have hardly been so altruistic. The Egyptians, Jews, Greeks and Romans all created laws apparently bearing on wildlife protection. But every one of these laws was preoccupied with the welfare of the lawmaker, not wildlife. There were taboos, for instance, against the casual killing of wild cattle in some early societies—but only because the cattle were to be saved for sacrifices during religious festivals, or used for ceremonial entertainments such as the "bull dances" of Crete. The Semitic prohibition against the slaughter or eating of swine may have incidentally protected some lingering bands of wild pigs. But the law was created primarily to eliminate swine cults once prevalent throughout the Middle East.

Ironically, the more legal or religious interest man has taken in some species, the more disastrous the consequences have been to the wildlife concerned. The Egyptians, for example, venerated hawks (the sun god Ra was hawk-headed) and ibises (the diety Thoth was an ibis). Eventually, such worship led to wholesale destruction of these birds by worshippers throughout Egypt. In the late 1960s, an underground gallery was discovered holding more than a million mummified ibises!

Historically, the privileged classes—priests and aristocracy—have been entitled to use certain species of wildlife considered "above" the common man. Lion hunting in Mesopotamia was strictly a royal sport. In medieval times, the nobility in Europe were entitled to hunt deer; the common folk hunted rabbits. In England, all sturgeon "belonged" to the crown and if a commoner caught one, he was expected to turn it over to the authorities. While some of these laws seem politically unjust today, they did serve the purpose of providing certain wildlife with some measure of protection. Doubtless one reason why there are still wild boar in densely-settled Belgium, or wolves in Spain, is that the larger mammals of Europe have traditionally been hunted by limited numbers of privileged people. Indeed, since World War II greater recreational opportunity for every man has done more to threaten wildlife in Europe than all the hunting by royalty and clergy in centuries past.

One factor that forever changed man's attitudes about non-egalitarian restraints on trapping, hunting and fishing was the discovery of the New World. Whereas deer, grouse and sturgeon were food and game fit only for the likes of kings in the Old World, they were everyone's meat in America—first through necessity, then out of custom and a faith that every man had the right to any resource he could gather through his own initiative. Clearly, in fact, the growth of democracy in the New World is linked to the earliest settlers' contact with forest, water and wildlife resources that seemed inexhaustible. A New England farmer with a musket might some years kill more deer than an old English king would see in a lifetime. And Captain John Smith intentionally dramatized this contrast between Old World and New World when he wrote, after one of his early visits to the Chesapeake Bay, that "we had more Sturgeon than could be devoured by Dog or Man." The sturgeon, interestingly enough, is now extinct in the Chesapeake.

As traditionally exclusive wildlife values were overturned, that overturning contributed to the emerging philosophy of independence that finally led to "the great experiment," as American democracy came to be known. However, while there were enormous human benefits in that experiment, the results for wildlife were little short of disastrous. By the time of the Revolution, the slaughter of deer was so widespread that it became necessary to impose closed seasons in every colony but Georgia.

Unless such laws can be enforced, though, they are merely curious footnotes in history. And since Massachusetts was the only colony to set up a system of wardens or "deer reeves" in 1738—and since by then in America it was every man's right to own a gun and take whatever game he desired—poaching became a vigorous tradition. As early as the 1640s, Plymouth Colony governor William Bradford warned of the precipitous decline of waterfowl in New England. In 1710, Massachusetts passed a law prohibiting the use of boats to pursue ducks and geese. The main idea behind this measure was to give the birds some respite during the summer moult, when they are unable to fly.

Even the history of offshore fishing features early legislation that gives the appearance, at least, of being conservation-minded. In 1668, Massachusetts passed a law that no cod could be killed or dried for sale in December or January. Another law specified that no mackerel could be caught before June, except for barter while fresh. Such restrictions may have given the great schools of sea fishes some respite during a part of the year, and even protected certain species during spawning. Yet, U.S. statesman Elihu Root once pointed out that those laws actually had little to do with conservation. Rather, he said, they derived from a belief that roe-laden fish were inferior items of trade that would ruin the fame and value of slat-fish barrels bearing the Massachusetts seal. Thus, like most colonial laws affecting game birds and mammals, the early restrictions on fisheries were less concerned with the future of wild species than they were with the fortunes of the men who enacted them.

The primary responsibility for regulating and protecting wildlife has always rested with the state governments, under whose jurisdiction resident species of animals fall. During the mid-1980's, however, when the excessive use and abuse of all natural resources began to weigh heavily on the nation's conscience, the American people began to look increasingly to Washington for leadership. And often, they were disappointed. The momentum for creating the Yellowstone National Park in 1872 came from a handful of men dedicated to saving its unique attributes and wildlife. But the idea literally had to be sold to Congress. The legislators were persuaded that more long-term money could be made out of a tourist industry bringing people on the new railroads to see the geysers and hot springs than was to be made out of cutting up and selling the mineral formations to the highest bidder.

In this century, the extinction of the passenger pigeon and the near miss with the bison also helped persuade Congress to act on a number of laws aimed at perpetuating all game birds and animals. Again, however, the motive was rarely altruistic. While guilt over past losses contributed to those first turn-of-century successes, a desire to perpetuate birds and animals for sport and a possible return to market use lay at the core of the effort.

Still, those turn-of-the-century laws represented a momentous change in the course of wildlife history in America. After all, while the nation was establishing a system of refuges primarily to give respite to migratory waterfowl, it was also offering sanctuary to a host of birds and mammals not considered in the original plans for such a system.

By mid-century, fueled by the loss of the heath hen and the Carolina parakeet, as well as the successful fight to save the trumpeter swan and the wood duck, there arose a popular feeling of interest and attachment for all creatures in jeopardy. In support of such sentiments, the first U.S. domestic law exclusively concerned with the welfare of all endangered wildlife came into being in 1966. In that year, to quote from the Endangered Species Act, Congress declared that "one of the unfortunate consequences of growth and development in the United States has been the extermination of some native species of fish and wildlife" and "serious losses in other species of native wild animals." Consequently, Congress pledged the nation "to conserve and protect, where practical, the various species of native fish and wildlife, including game and non-game migratory birds, that are threatened with extinction."

In enacting the landmark omnibus legislation, the House and Senate cited historical, educational and scientific considerations—but *not*, significantly enough, economic factors. That charitable posture was further reinforced in 1973 by the passage of an expanded Endangered Species Act that strengthened all previous statutes. For the first time, moreover, it provided federal funds for endangered species programs administered by the states.

Unfortunately, Congress enthusiasm for saving wildlife was not matched by its generosity. Over the next three and one-half years, the federal government will spend no more than $10 million in cost-sharing programs with the states—and quite possibly a good deal less. Then too, it remains to be seen whether state and local agencies will be able to develop effective programs. In recent years, federal cost-sharing ventures into education, welfare and other local services have produced a disappointing number of good programs.

For all that, though, the heartening flurry of legislative activity in the wildlife field indicates that the American people have passed an important turning point. By creating truly benevolent laws, the nation has at last turned away from its determinedly self-centered view of the world to one that recognizes man's proper role as its custodian.

SOME ADDITIONS

HON. DONALD D. CLANCY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. CLANCY. Mr. Speaker, on March 19, I spoke in high praise of the third annual congressional scholarship program which is sponsored by the First and Second Congressional Districts of Ohio and the Greater Cincinnati Chamber of Commerce.

Four names were omitted from the list of persons who participated in that program. I wish to add the names of Dave Cawdrey, of North College Hill High School; Jean and Dave Cooper, and Mike Wiater.

AFTER THE EMBARGO—TWO VIEWPOINTS

HON. JEROME R. WALDIE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. WALDIE. Mr. Speaker, the oil from the Middle East is apparently on its way again. Production levels are being increased by the Arab suppliers and tankers are either steaming for Middle Eastern ports or leaving them bound for U.S. refineries.

President Nixon has told us that the "crisis" is over, but the "problem" remains.

There is serious question in many minds, however, whether or not the crisis did indeed occur—or, was it in fact a contrivance designed to boost gasoline and fuel oil prices in order for oil company profits to increase markedly.

As if to dramatize the dichotomy of views on the "oil shortage" there appeared in today's newspapers two widely divergent opinions on the state of the Nation's petroleum problems now that the Arab embargo is over.

One view is that of Christopher T. Rand, of Kensington, Calif. Writing in the New York Times today, Mr. Rand questions the severity of the shortage this past winter.

On the other hand, we have the views of Keith J. Fanshier, publisher of the Oil Daily, who warns that the "crisis" is far from over.

Mr. Speaker, I think it instructive and informative to read these two articles and I wish to submit them for the RECORD:

[From the Oil Daily, Mar. 26, 1974]

SUMMER WILL HAVE ITS OWN PROBLEMS

(By Keith Fansher)

The 1973–74 Winter is turning out to be one of those perverse late and delayed ones, in which a considerable run of relatively low temperatures strikes after the season as a whole has been mild, and after the industry had just about written off the season as regards any further strong demand for fuel oil.

Although now the industry has plenty of fuel oil to finish out the season, maybe too much, these stocks are now being drawn down more rapidly than was true in much of the main part of the season. To some extent, this might be regarded as good in the industry because some suppliers are reported to have too much fuel for efficient, economic handling, owing to the hitherto slower-than-expected-earlier demand.

Stocks of distillate fuel in primary storage are now some 143 million barrels, which exceeds a year earlier by 28 million barrels, or 20%.

Meanwhile, the great enigma is whether stocks of gasoline—in fact, total petroleum stocks—will take a sharp fall-off in the next few months from the feared over-reaction of the public to the Arab embargo lifting. If the public drops its conservation performance as a result of this easing, then any help that supply would get from it would rapidly evaporate. Both public and industry need to maintain their conservation stance. So does the government, in its oil position.

It should be remembered constantly that the government still has not enacted any real fundamental, long-range national energy policy, and urgently needs to do so. In other words, legislators as well as the common citizen, and the industry itself, should follow constructive patterns in this whole energy problem, especially now and in the next few months.

Psychologically, literally everybody, from low to high, has been so eagerly seeking a ray of light on the problem that there is danger of being too ready to accept a moderate action as being the answer to the hopes. This is what make the new Arab move dangerous. It could make this nation too complacent. Better we should all remain cautious and wary, even at the cost of continuing discomfort. It should be kept in mind that what has happened before—arbitrary cut-off action from Persian Gulf courses—could be repeated.

Stated otherwise, there are no miracles, and literally no security, in depending on other nations and peoples. The lesson of what has happened is that the U.S. must be the master of its own fate in energy—that vital answer to survival in the world of the present and the future. Complacency in this context could be our worst enemy. In fact, hasn't the country been too complacent about future energy needs and resources already, and for years?

And isn't this exactly the element which has caused us to be too unready and has brought us trouble when the long approaching crisis became reality?

It seems appropriate in this situation to paraphrase a famed quotation from Shakespeare's great play, King Richard III: "Now is the winter of our discontent made glorious summer by this new Arab action." We would submit that it should not be expected too easily that our winter's problems should turn too easily into summer's solutions. For summer is sure to bring its own problems.

The prime difficulty seen at present is that production of all this country's petroleum products is currently considerably below what it should be, owing to the fact that much of the total refining capacity is not being utilized as a consequence of the requirement that considerable crude oil be shuttled from the refineries of numerous companies that are crude-comfortable to other refining companies in serious need of crude.

How long this dislocation will continue it is difficult to be sure. It is just one more of the many intangibles, unsettlements and unknowns that are plaguing the general petroleum supply situation of the U.S.

[From the New York Times, Mar. 27, 1974]

AFTER THE OIL EMBARGO

(By Christopher T. Rand)

KENSINGTON, CALIF.—During the winter, when Americans endured bitter cold and parked in long lines at the few gasoline stations that remained open, production of domestic crude oil and natural-gas liquids was running at a reasonable level, imports of oil products averaged 2.8 million barrels a day, and crude oil imports were up 11 per cent from the previous winter.

Despite the Arab embargo, this nation's crude oil and oil products situation hardly worsened, contrary to the more pessimistic predictions.

On March 1, the United States had almost 805 million barrels of crude, unfinished and finished oils in stock, an increase of 7.8 per cent above figures for a year ago.

United States demand for crude oil has been increasing by only 6 per cent a year and the nation's refineries have been running so close to the supply of crude that they could not have used up more than 8 million barrels, or 3 per cent, of the nation's crude oil stocks between Dec. 7 and March 1, according to American Petroleum Institute statistics.

During this period one real lapse of supply did occur, in the middle of February, when American crude oil imports, which had been averaging 2.4 million barrels a day in January, dipped to a daily rate of 1.8 million barrels. This is curious in that it did not occur at Thanksgiving, when the Liberian vessel Sidney Spiro steamed into San Francisco laden with the last shipment of pre-embargo Arab oil to America. Nor did the lapse occur gradually. The imports dropped off sharply, then picked up again just as sharply.

This suggested that the supply problems of the United States consumer had nothing to do with the Arab embargo.

Evidence to support this suggestion has been provided by the International Longshoremen's Association, which has demonstrated through a study of tanker movements that the Persian Gulf countries must have been exporting at least 20.73 million barrels of crude oil a day in December—over a million barrels more a day than industry sources were claiming.

What the Arabs have apparently done, successfully, is to use, primarily for political and commercial ends in Europe, the threat of an embargo rather than a real one. They have helped influence Europeans, and President Nixon, to exert diplomatic efforts in favor of an equitable peaceful resolution of the Arab-Israeli conflict.

They have driven a wedge between the major international oil companies and France, Italy, West Germany, Great Britain, Japan, India and other oil-importing countries, all of which in the last four months have greatly accelerated the dispatching of officials, quasi-governmental and private delegations to Iraq, Iran, Libya, Kuwait, Saudi Arabia, Abu Dhabi and Algeria in quest of oil for cash, weapons, spare parts, expertise and industrial plants.

Now the Arabs have gained substantial if ephemeral financial success, have largely set aside the threat of embargo, have shown appreciation to Western governments for their evenhanded approach to the dispute with Israel, and have relegated the quibbling and haggling to oil-poor Syria.

Western European countries have gained stature, too, by showing that they do not need to go through the international oil companies to acquire Middle Eastern oil.

President Nixon has preserved his status as an international peacemaker. American oil companies continue to enjoy deluxe cooperation from the Government, and those oil concerns that possess shares of Middle Eastern oil concessions as well reaped very good earnings in 1973.

As a group, except for the Gulf Oil Corporation their profits have grown by more than 9 per cent per year since 1967 and they seem destined to do even better this year.

Only the consumer, especially the American consumer, has really suffered from this winter's exercise in international commercial diplomacy. He has finally won back the gasoline he had in October but he is paying the companies 30 per cent more for it.

In fact, the only unfinished business of the so-called crisis is for the Administration to do something for the consumer, to honor some of the consumers' specific wishes.

Although the Government has neglected to form a cohesive and just energy policy over the past generation, although it has utterly failed to take any initiative to acquire and thoroughly audit oil industry costs, reserves and inventory data, it has the capacity to do so now.

At the very least, President Nixon and the Federal Energy Office must roll back crude oil and petroleum-product prices to pre-October levels. They must give up the campaign to end regulation of the price of natural gas piped across state lines, because this is the only area of domestic petroleum activity in which the Government is not subservient to the oil industry.

They must also become prepared to enter the business of importing, storing and refining crude oil—as European governments are doing—if crude-oil imports and refinery runs do not pick up.

This is the bare minimum that the consumer must demand before this winter fades into history and takes its lesson with it.

REPORT ON BILINGUAL EDUCATION

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. ROYBAL. Mr. Speaker, the enactment of the Bilingual Education Act in 1968 marked an important beginning, but it was only the first step toward cultural awareness and equal education. With the advantage of hindsight, we can see how slow and painful the process of change has been. Today we are still confronted by the lack of adequate funding for bilingual programs.

As one of the coauthors of this act, I have worked to correct this inequity. Last year the administration proposed only $35 million for title VII bilingual programs which the House Appropriations Committee increased to $45 million. During debate on the Labor-HEW bill for fiscal 1974, I offered an amendment to raise bilingual funding to $60 million. Although the amendment lost on the House side, we were able to increase its budget to $50.3 million in the Labor-HEW conference report.

But even this increased effort failed to reach a significant portion of children who should be served. With an estimated 5 million children in need of this program, only 143,000 were reached during fiscal 1974, representing at the most 3 percent of the total eligible population.

Given this opportunity gap, we should be extremely cautious of any proposed cutbacks. The fiscal 1975 budget calls for a $15.35 million cutback in title VII projects, and a drop in number of children served. Some may argue that this slash is softened somewhat by the $9.7 million outlay of fiscal 1973 impounded funds. This type of argument is an example of doublethink applied to the budget process. As a result of this impoundment an estimated 30,000 eligible children were not served during fiscal 1973. Even if we add this money it would still mean a severe cutback for title VII projects for fiscal 1975.

In the case of the emergency school aid program, the proposed budget recommends a dismantling of ESAA, with no assurance that bilingual funds will be included in new legislation promised by the administration. Without this guarantee as much as $10 million a year in bilingual funding may be lost—$9.1 million for fiscal 1973 and $9.9 million for fiscal 1974.

To put the proposed cutbacks in perspective, let us compare the fiscal 1975 budget with this year's spending. For fiscal 1974 Congress appropriated $60.3 million for both title VII and ESAA bilingual projects; but for fiscal 1975 the administration recommends only $35 million, representing a 42-percent cutback. This $25.3 million slash contradicts an internal OE recommendation for title VII projects alone of $60 million for fiscal 1975 and $80 million for 1976.

Now we are being asked to ignore recent findings by the U.S. Civil Rights Commission, about the educational neglect of Mexican-American children and the exclusion of this minority group from school decisionmaking. In my own State of California, it is estimated that the ratio of Spanish-speaking students to teachers is 152 to 1, while for Anglos the ratio is 20 to 1. Further, according to a 1972 survey by the Los Angeles Unified School District, there are only 3 percent Spanish surnamed school staff serving nearly 24 percent Latino students at the elementary and secondary levels. Clearly these figures indicate an institutional failure to meet bilingual educational needs. It would seem to me that similar findings apply to other children facing language barriers in our school system.

The administration's 42-percent cutback runs counter to these Federal findings, and represents a serious reversal of our 1968 commitment which pointed to the "urgent need—for comprehensive and cooperative action" by Federal as well as local and State levels. We must return to that commitment, particularly in light of the recent Lau decision.

This decision ranks in importance with the 1954 Brown ruling in mandating equal educational opportunity for all children. It has taken nearly two decades to gain national recognition of the problems of language discrimination in this country and the need for bilingual/bicultural education. The Supreme Court in Lau concluded that English—only classes failed to meet the educational needs of children whose dominant language is other than English, and that supplemental programs are necessary to protect the students' right to equal educational opportunity.

In passing the Bilingual Education Act, Congress realized the national scope of the issue and the Federal responsibility to develop a "comprehensive and cooperative" action plan with State and local school officials. To withdraw that cooperation now would weaken—and perhaps even sabotage—the aim and significance of Lau. Unless an increased Federal commitment is made, millions of children will continue to be denied equal education and economic opportunity in this country.

It seems ironic that while we haggle over whether to spend $60 or $35 million a year for bilingual education, this country spends a staggering half a billion dollars or more a year to support educational efforts abroad through U.S. foreign aid programs, including contributions to multilateral development banks.

I offer these figures not as an argument against aid to developing nations but to show the frightening gap in our Federal commitment and responsibility to our 5 million children who need bilingual education. There is no excuse for this lack of funding priority for this program, particularly in the light of the Lau decision. I urge my colleagues to join me in supporting a more effective level of funding for bilingual education.

The Lau decision has another important aspect which bears directly on Federal responsibility. In order to carry it out, the Department of Health, Education, and Welfare must increase its administrative enforcement and compliance responsibilities to assure that State and local school officials comply with the Lau mandate. This will likely mean additional funding for these investigative and enforcement activities, as well as congressional scrutiny of HEW's performance in this area.

In addition, Congress must probe into the affirmative action program of the U.S. Office of Education to insure that the Spanish-speaking and other language minorities are properly represented. These minority employees must be involved in every phase of the Office's policymaking as well as participate in the formulation of bilingual goals and program priorities.

In a January 23, 1974, letter to Commissioner John Ottina, I raised the issue of OE's "serious lack of employment opportunity." On the basis of this agency's own data, I found that for the Office of Education as a whole, the Spanish-speaking held 44 out of a total of 2,588 positions, representing only 1.7 percent. In the school systems division, this group held just 8 out of a total of 430, representing 1.8 percent. In the higher education division, they held 3 out of a total of 458, representing 0.6 percent.

I believe the Lau decision offers us a challenge to expand our horizons of cultural understanding and educational opportunity. Bilingual education should become for all citizens a resource—a necessary ingredient of American education and society. I hope that you share with me in sustaining this effort as a Federal responsibility. To achieve this requires cooperative and binding ties between Federal and local school officials, as expressed in the 1968 act. Cutbacks will not fulfill the ideals and purpose of this act but only hasten its demise. Join me in the call for a stronger Federal commitment to bilingual education as a national educational goal.

CONCURRENT RESOLUTION TO SUPPORT FUNDING FOR TRAINING IN THE FIELD OF AGING

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. BRADEMAS. Mr. Speaker, I am introducing today a resolution calling upon the Administration on Aging to continue financing of long-term and short-term training programs in the field of aging.

And I take this action, Mr. Speaker, because the Nixon administration has requested no funds for fiscal 1975 for the training programs supported under title IV of the Older Americans Act.

Last year Congress overwhelmingly approved the Older Americans Comprehensive Services Amendments, which authorize a comprehensive social service delivery system through the establishment of planning and service areas. But if this goal is to become a reality, it will be essential for additional personnel to be trained to respond to the growing and pressing needs for programs serving the elderly.

For today a critical shortage of adequately trained personnel continues to be one of the most formidable barriers to the development of a coordinated social service system for Older Americans.

And that is why, Mr. Speaker, title IV of the Older Americans Comprehensive Services Amendments, which was enacted last year, continued authorization for both long- and short-term training of personnel in the field of aging.

The shortages of trained personnel in the aging field was illustrated forcefully in a paper prepared by the Gerontological Society, entitled "Research and Training in Gerontology."

Said the Gerontological Society paper:

> The gap between the need for trained personnel and the capacities of present training programs is so great that there is no danger in overtraining for several decades.

In every region of our country there are numerous outstanding examples of the worthiness of the title IV training programs, whether they be university-based or short term. In Missouri, the Institute of Applied Gerontology at St. Louis University was created in 1969. During the past 5 years, this program has prepared students for careers in gerontology, expanded continuing education and consultation in the field of aging, and contributed to the building of an effective research program. But the major significance of the institute has been at the community level.

Last year, Mr. Speaker, the Select Subcommittee on Education, which I have the honor to chair, visited the Ethel Percy Andrus Gerontology Center in Los Angeles which is supporting outstanding work in training, as well as research, in the aging field.

Once again, Mr. Speaker, I affirm my strong opposition to the Nixon administration's efforts to cut the heart out of the title IV training program by not requesting any funds for fiscal year 1975.

And for these reasons, I urge early approval of this resolution to put Congress again on record in support of adequate funds for short-term and long-term training under title IV of the Older Americans Act.

AGRIBUSINESS GOES MULTINATIONAL

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Ms. ABZUG. Mr. Speaker, in the last few months many Americans have become aware, perhaps for the first time, of the extent and reason American companies build facilities, operate plants, and generally conduct business outside of the United States. Because of the energy crisis and the belief of many Americans that it was engineered by the large multinational oil companies, we have all become aware of the tax loopholes, benefits, and shelters that accrue to these companies through foreign investment.

However, as will become clear upon reading the article I am inserting, this problem is not limited to the oil companies. It is even now extending to food production. Although there are no farms in my district there are over 465,000 people who are trying to eat on what their ever-shrinking wages will buy.

If there was ever a time for the Congress to seriously get down to the business of corporate tax reform it is now.

I commend to the attention of my colleagues the following article that appeared in the winter, 1974 issue of People and Land:

FOOD IMPERIALISM—AGRIBUSINESS GOES MULTINATIONAL

(By George L. Baker)

Mention the Del Monte Corp. and you don't automatically conjure up images of Anaconda Copper or United Fruit extracting profits from undeveloped countries. Not yet at least. But soon we shall be able to add Del Monte and a host of other American food companies to the roster of extractive industries that pluck countries clean as a chicken.

American food production appears to be moving lock, stock and tractor to outposts in Asia, Africa and Latin America. Agricultural chemical companies, farm equipment manufacturers, cattle feeders, corporate farmers, packing and processing magnates, banks and speculators are all joining the internationalization of farming. Their plants and farms are called "offshore production units," a choice of language that tells us much about how they view their investments abroad.

No matter where you turn, the evidence is mounting that overseas farms and factories are turning world agriculture into a kind of extension service for American corporations. From 1960–70, American foodstuffs and tobacco companies increased their overseas employment by 222 percent, compared to a 7 percent domestic increase.

In Argentina, the largest exporter of feed grains is Cargill, Inc., the Midwestern giant that figured so prominently in the Russian wheat deal. In Hawaii, pineapple, the state's number two agricultural product, is rapidly being phased out as Del Monte and Dole move on to the Philippines, Thailand and Kenya. Helped by investments from Green Giant, Taiwan has emerged as a major exporter of vegetables, including mushrooms, whose appearance in our markets threatens to ruin domestic producers.

A threatened domestic agriculture is by no means the whole story. The agribusiness giants would have us believe that their efforts abroad will result in jobs for everyone and the eradication of hunger, poverty and illiteracy. A more likely outcome is that agribusiness mechanization will displace rural farm workers and drive up unemployment in both city and country in the Third World.

Foreign sources of capital (i.e., American capital) needed to pay for expensive farm equipment will become increasingly important and make these nations increasingly dependent. The presumed cornucopia of increased food production will either be exported or priced out of reach of those who need it most. And who knows what will happen to the ecosystems of Third World countries when new seeds are introduced and chemical fertilizers and pesticides are sprayed with a free hand?

As the world's largest canner of fruits and vegetables, the San Francisco-based Del Monte corporation epitomizes the worldwide sweep of the American food business. In addition to canning and selling everything from applesauce to zucchini, it owns or operates 132,700 acres here and abroad and employs 40,000 people.

Its direct investments abroad total $60 million and it has sales organizations in 100 countries. In the U.S. it has over 100 processing plants canneries, ranches and distributing centers. Overseas it has processing plants or plantations in 17 nations. It has its own trucking operations and cargo ships and is completely integrated both horizontally and vertically.

United States tax laws make overseas food production an attractive business. The Westrn Hemisphere Trade Corporation gimmick, for instance, allows corporations doing business in Latin America to have their income taxed at 34 percent rather than the customary corporate rate of 48 percent.

Then there's the preference for income derived from less developed countries, as explained by a feed-lot operator from Fresno and Ethiopia: "If you take an approval investment, approved by the host country and leave it productively employed for ten years, you can bring it back to this country and have it taxed at a capital gains rate. In other words, you can allow profits to pile up and at the end of ten years, you can bring them back for next to nothing in taxes." U.S. tax laws also permit any corporation to deduct taxes paid to host countries from its U.S. taxes.

In 1972, Del Monte had a total federal tax liability of only $11.7 million on worldwide sales of $820 million.

A more equitable tax structure might have saved the jobs of 5,000 pineapple workers in Hawaii. Stokely-Van Camp has already closed out there, and Del Monte and Dole will follow suit by 1975. The reason? In Hawaii, the minimum wage for a pineapple worker is $2.69 an hour. In the Philippines it is 10 cents an hour. Yet, as a U.S. Tariff Commission investigation pointed out, "these firms (Del Monte and Dole) market the imported product at the same prices that they ask for their domestically canned pineapple."

When American farmworkers are driven off the land by international agribusiness, they have simply little choice but to migrate to the cities. A vision thus emerges of an America that is an urban fortress, with all the world as its garden.

The rationale of the corporations, of course, is that their operations will ultimately feed and clothe half of the world's population which goes to bed hungry every night. "Our business isn't just canning," writes Chairman Eames in Del Monte's annual report, "it's feeding people."

But which people? A fresh pineapple airlifted from the Philippines to Japan may satisfy somebody's desire for exotic fruit, but it does little to nourish those who cut and pack the fruit. And when agribusiness creates markets in the host countries, the appeal is to those who can already afford the products and not to those who most need them.

Another aspect of the hunger business is the capital trap awaiting countries which have little but food and raw materials to barter for goods and money. The U.N. Economic Commission for Latin America reported that the new private capital transfer to Latin America from 1951 to 1963 came to $6.9 billion, while the net transfer from Latin America to the U.S. was $11.9 billion—not exactly the kind of flow that encourages independent national status.

American agribusiness is in large part responsible for this situation, thanks to its effort to replace subsistence or collective farming with highly capitalized, highly mechanized operations that fit into the agribusiness structure like a plow into a furrow. The real question is: Can the world afford it?

COMPETITION NEEDED IN THE OIL INDUSTRY

HON. RICHARD T. HANNA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. HANNA. Mr. Speaker, on March 21, I called to the attention of the House the dramatic ill-effects of the vertical integration that exists in the oil industry. I maintained that the direct consequence of this arrangement was to put the burden of resource shortages almost entirely on the independent operators at every stage in the production process. I urged the House Committees on Judiciary and on Interstate and Foreign Commerce to take a hard look at this phenomenon.

I wish at this time, Mr. Speaker, to refer the Members to a very sound and valuable article on this subject. The article, appearing in the Washington Post on Sunday, March 24, was written by Mr. Allen Hoffman. Mr. Hoffman also points to the vertical integration as the principle problem, from the national interest point of view, in the oil industry. He discusses the possibility of legislation to break up the companies and raises the problem of stockholder rights. Those rights are a legitimate concern, but may not be an insurmountable obstacle to a forced breakup. In any case, Mr. Hoffman goes on to suggest that the way to restore competition—and, therefore, we assume, protect the public interest—is to put the buying and selling of crude oil and its byproducts into a commodities market arrangement. In this format, the price of crude would be set—and, of course, would fluctuate—by bidding in an open free market rather than in corporate board rooms.

Whether or not such an arrangement will lead to lower gasoline prices for the consumer is an open question, Mr. Speaker and, for that matter, it may not be the most important issue involved here. What is more fundamental, I believe, is public confidence. It would be foolish to argue that existing commodities markets are free from manipulation and adverse side effects. On the other hand, a commodities market, even with all its attendant problems, may very well be preferable to the status quo and might stem the tide of public outrage that could lead to crippling regulation, such as that affecting the railroad industry, which is the direct result of an outraged public reacting to a shortsighted and "public be damned" corporate attitude.

PROBLEMS AND SOLUTIONS IN A GLOBAL ECONOMY

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. HAMILTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include my Washington Report entitled "Problems and Solutions in a Global Economy":

PROBLEMS AND SOLUTIONS IN A GLOBAL ECONOMY

The current oil crisis and recent food shortages remind us of the impact that the economies of other nations have upon the American economy. The unprecedented surge in international demand for American agricultural products improved our sales and helped the recovery of our trade balance, but it also caused food prices to rise significantly at home. The oil embargo made us aware that, although we are less dependent upon foreign supplies than most industrial nations, our economy could be quickly and adversely affected by the action of other countries.

These two experiences indicate how rapidly a global economy is emerging. World trade boomed to $280 billion worth of goods in 1970 and may reach $500 billion by 1980. Economic policy in one country affects the economic growth, employment levels and the rate of inflation in other countries. Buying and selling technology internationally is big business today. Only a small fraction of the 160 nations of the world are self-sufficient in energy, and no country has all the raw materials needed by a modern industrial society. Of 13 basic industrial raw materials needed by a modern economy, the United States is dependent upon import for more than one-half of its supplies of four of these commodities, and by the end of the century will be dependent on foreign sources for its supply for all but one (phosphate) of the 13 raw materials.

For years we have been trained to think only about the impact of our country on other countries. Now we must think also about their impact on us. And this fundamental shift, logical as it now seems, was not really foreseen in all its dimensions until these food and oil shortages hit us. As a result, in addition to our traditional concern to assure access for our products in foreign markets, we (and other nations, too) are showing increasing concern about access to foreign sources of supply for key materials.

While we have always promoted exports of our goods abroad, we have now begun to show a tendency to limit the export of commodities in short supply. When the booming world-wide demand for our soybeans rose to record heights, and exports began to jeopardize domestic supply, temporary controls were imposed on exports of soybeans. Export pressures, combined with price controls imposed to combat inflation, led to shortages of steel scrap and logs. To protect domestic supplies of food and steel, and to ease inflationary pressure, the United States imposed export controls.

In allocating any product between markets abroad and those in the United States, the American consumer should come first, and the advantage of exports should always be weighed against their impact on the supply and price of the commodity at home.

Nevertheless, the use of export controls presents several problems. They are inconsistent with our efforts to expand exports and offset the trade deficit. (We lost about $500 million in exports because of the controls in 1973.) The United States, and most other countries, are under real pressure to expand exports in order to pay for the increased cost of oil. The use of export controls only encourages other countries to put controls on their materials and makes it more difficult to nurture good relations abroad. (France called our soybean controls "American aggression.")

It has become apparent that a practical accommodation on access to supplies is just as desirable as access to markets. No country will gain from economic warfare between producing and consuming nations over the supply of raw materials. Upcoming trade negotiations take on even more significance than in the past because, not only must barriers to imports be reduced, but procedures must be found to handle the increasing resort to export controls. More effective ways of insuring the efficient allocation of resources simply must be worked out.

The United States should take several steps. We should assert that access to supplies, as well as to markets, is a major trade objective. We should explore reciprocal agreements, which assure our access to the supplies of a producing country, and assure the producing country access to our markets. We should enter into safeguard arrangements with producing countries to protect each country from the disruptive influence of excessive increases in imports or exports. The President should have the authority to apply sanctions against unjustifiable export controls, including the denial of aid and the prohibition of credit and foreign investment, thus putting countries on notice that they cannot wage economic warfare on us with impunity.

The emerging global economy will challenge us with all sorts of new problems, like the questions of shortages, access to raw materials and export controls mentioned here, and they should propel us toward, not a "go it alone" policy, but a multinational attempt to build a more effective world economic order.

ABOUT 65 PERCENT DISAPPROVE OF NIXON

HON. PHILLIP BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. BURTON. Mr. Speaker, I would like to share with you and my colleagues in the House of Representatives the results of a poll taken by the Novato Advance, a newspaper in Marin County, Calif., to find out how its readers felt about President Nixon.

Mr. George A. Barnwell, the distinguished publisher of the newspaper, was kind enough to send me the results. The poll shows that two-thirds of those responding disapproved of the way Nixon is handling the presidency, and that 60 percent favored either his resignation or impeachment.

Mr. Barnwell commented in his letter to me that:

> I hope this information will be of value to you in determining the actions Congress should take.

Mr. Barnwell's readers were furnished the poll results in two articles: the first appeared in the Novato Advance on Wednesday, February 6, 1974; the second, February 13.

PRELIMINARY NIXON POLL RESULTS: 65 PERCENT DISAPPROVE OF NIXON

A heavy majority of Advance readers favor either the resignation or impeachment of President Nixon, preliminary results of an Advance poll show. A final tally will be published next week.

Close to 300 returns had been returned as of this morning; most had been counted. Only 15 (or 5 per cent) gave Nixon unqualified approval.

Not only do 64.6 per cent of the returns disapprove of the way Nixon has handled the Presidency, but 61.2 per cent favor his resignation and 61.5 per cent his impeachment. The majority of those sending in returns were Republicans.

Thus Novato once regarded as a community of Nixon Democrats has become a town of anti-Nixon Republicans. (In 1972, Novato voted for Nixon, although registered Democrats outnumbered Republicans.)

Here are the results so far:

NIXON ADMINISTRATION

Do you generally approve the way Nixon has handled the Presidency?—100 (35.4 per cent).

Do you generally disapprove the way Nixon has handled the Presidency?—182 (64.6 per cent).

RESIGNATION

Do you favor Nixon's resignation?—174 (61.2 per cent).

Are you opposed to his resignation?—110 (38.8 per cent).

IMPEACHMENT

Do you favor the impeachment of Nixon?—172 (61.5 per cent).

Are you opposed to his impeachment?—106 (38.5 per cent).

WHAT MOST CLEARLY RESEMBLES YOUR FEELINGS ABOUT NIXON?

(Several people marked more than one.)

I'm for Nixon right or wrong—15 (5 per cent).

Watergate has been blown out of proportion—85 (28 per cent).

I'm for straightening out the mess in Washington, no matter whom it hurts—201 (67 per cent).

Of those returning votes 40 or 14.2 per cent were in the 18–30 age group; 176 or 62.6 per cent in the 31–55 age group; and 65 or 23.2 per cent in the over-56 age group.

A total of 156 indicated they were female or 56 per cent; while 122 or 44 per cent said they were male.

115 or 47.7 per cent said they were Democrats; 126 or 52.3 per cent said they were Republican.

The Advance Nixon poll does not pretend to be a scientific sampling. There was no testing of the questions. However the questions approximate those used in national polls.

POLL SKEWED

The poll is skewed by the obvious distortion in the audience responding to the poll. The under-30 age group is under-represented—only 14.2 per cent. Republicans are over-represented. Official registration lists show Democrats leading Republicans here by almost 10 per cent. There are 6167 registered Democrats in the city and 5560 Republicans as of last October.

Thus the poll probably over-represents the more elderly, conservative section of the community. This reflects the fact that it has been generally found that the average regular newspaper reader tends to be older than the average person. Younger persons tend to be lighter readers.

Despite this bias, what stands out in the Advance poll is the profound disenchantment with Nixon that exists. Obviously many registered Republicans have crossed over to express their dissatisfaction with the President.

The poll shows a disturbing disillusionment in the political processes of the country. Reaction to the President is strong—many of the returns calling him "crook," "liar," "thief."

Defenders of Nixon cite his record, particularly in the field of foreign policy. Some however claim this success is mostly due to Secretary of State Henry Kissinger rather than Nixon.

As expected, some of the defenders of Nixon suspect a gang-up on the President by the press.

TYPICAL COMMENTS

Some typical comments of those who favor resignation or impeachment are:

"A change is needed—now! I believe the president is deeply implicated in unprecedented acts of malfeasance."

"It's disgraceful about his non-payment of taxes. I believe his only aim is to enrich himself and family. I say expose him and make him pay!"

"President Nixon has misused the power of the Presidency and been unfaithful to the Constitution. He must be removed from office."

Some disapproved of Nixon, but were frightened of the consequences of his ouster. Said one resident:

"I don't trust Nixon and think he's dishonest. He has a lot of nerve to keep pulling the things he does. However I'd feel insecure if he were impeached or resigned."

Those who support Nixon are equally strong in their convictions:

"I think Nixon has been tried and convicted by the press and TV media. If guilty, should be prosecuted. Let the Congress and courts do it, not Nixon haters."

"The good things he has accomplished far outweigh the bad ones."

"The dirty linen has been exposed, let's get on with the running of the country."

FOREIGN VS. DOMESTIC POLICY

Typical judgments on the quality of his domestic and foreign policies are these:

"Feel his foreign policy has been good, but his domestic policy has been a disaster. Only history will tell."

"Nixon has done well in foreign affairs but domestically he has failed. He should resign to avoid impeachment and its tremendous cost."

Unexpectedly, most readers did not make much of a distinction between resignation and impeachment. Most returns had either both categories marked or opposed. However some of the comments sought to differentiate their views more clearly:

"I favor the House of Representatives initiating impeachment proceedings. This will give Nixon his day in court and give him a chance to clear himself."

"His resignation would prove nothing. Impeachment proceedings would determine his guilt or innocence."

"I feel that if Nixon resigns, we will never know the truth. The House should prefer impeachment charges, and the Senate should either convict or clear him."

"The mediocrity of Vice President Ford has frightened me into reversing my position on impeachment or resignation. I feel Nixon thought Ford's nomination would do exactly this thereby saving the Presidency and his ego."

A check of the returns seems to indicate there was no wholesale attempt to stuff the ballot box, although a handful of votes seem suspicious. However the size of the return and the emphatic manner in which the people spoke tend to obliterate any impact such attempts might have had.—G.B.

DISAPPROVE OF NIXON: FINAL RESULTS IN NIXON POLL

Final results in the Advance Nixon poll show a slightly more conservative pro-Nixon tinge than in the preliminary tally published last week, however readers responding still disapprove of Nixon by almost two-thirds and favor either his resignation or impeachment by 60 per cent.

The original form to fill out and bring to the Advance was published two weeks ago. More than 325 readers participated in the poll.

As already noted the results are skewed, because an analysis of the returns show that younger readers or voters under 30 are under-represented as well as registered Democrats.

Many of the individual comments sent in by readers were published last week. Here's the final tally:

Do you generally approve the way Nixon has handled the Presidency? Yes—120 (36.9 per cent); No—205 (63.1 per cent).

Do you favor the impeachment of Nixon? Yes—194 (60.4 per cent); No—127 (36.9 per cent).

What most nearly resembles your feelings about Nixon?

1. I'm for Nixon right or wrong—16 (4.9 per cent).
2. Watergate has been blown out of proportion—98 (29 per cent).
3. I'm for straightening out the mess in Washington, no matter whom it hurts—223 (66.1 per cent).

Of those responding 42 or 13 per cent were in the under-30 age group; 199 or 61.3 per cent in the 31–55 age group; and 82 or 25.7 per cent in the 56 and over group.

Democrats totalled 138 or 49.4 per cent and Republicans 141 or 50.6 per cent, while women composed 180 or 55.9 per cent and men 142 or 44.1 per cent.

The results are being sent to the White House and California's congressional delegation.

WOMEN IN BANKING—THE NEW YORK BANK FOR SAVINGS SETS AN EXAMPLE

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. RANGEL. Mr. Speaker, there is no area of the business or professional world which has been more identified as a male preserve than banking. Yet banking, like other areas of business, is beginning to be influenced by the increased presence of women in positions of responsibility.

The Women's Movement for Equality in Employment has coalesced to the point whereby an all-women's bank is to open soon as a shining example that women do not have to be trapped within a narrow specialized hierarchy in the business world.

But, really, it is nothing new.

The New York Bank for Savings has long shown that women can do and hold top management positions within the operations of New York's first savings institution.

Just last week, with the naming of Mrs. Estelle Coleman, an assistant secretary, as the new manager at the bank's offices at 600 Madison Avenue, the bank now has four women branch managers.

Other office managers—all assistant vice presidents—are Ms. Evelyn Blackstone, 72d and Third Avenue, Ms. Theresa Gradenwitz, 34th Street and Herald Square, and Ms. Rose M. Lavelle, 46th Street and Lexington Avenue. Ms. Coleman also established a first by becoming the first black woman in the mutual savings bank's system in New York State to serve as manager of a branch office. Other women assistant vice presidents in key banking roles include Ms. Mary D. Fragoletti and Ms. Jean W. Sheehan.

Further evidence of the recognition The New York Bank for Savings shows women is the recent transfer of Ms. Florence Kaye, an assistant vice president, to branch operations. She will serve as assistant to Ms. Phyllis S. Haniotis, a senior vice president who is director of branch operations for the bank's 14 branches and one of the highest ranking women in the banking industry in the State.

Another top woman officer for the bank is Ms. Frances Levenson who is director of urban housing.

And among the bank's assistant secretaries, the following are women: Ruth M. Brauchi, Estelle Coleman, Dorothy Groom, Margaret Riley, Paula B. Roman, Catherine Sarullo, Clarie M. Smith, Joan C. Tangney, Helen T. Williams and Gloria B. Wilson.

Indeed, the Women's Movement has long been moving within The New York Bank for Savings.

Alfred S. Mills, chairman of The New York Bank for Savings Board of Trustees said:

> We have always been cognizant of our obligation to make promotions on ability and not discriminate against women or relegate them to lower level positions.

NUTRITION PROGRAM FOR THE ELDERLY

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. EDWARDS of California. Mr. Speaker, I rise to comment on a very important piece of legislation enacted by this body on Tuesday, March 19, 1974. I refer to H.R. 11105, the nutrition program for the elderly which we have extended for 3 years and have funded to the extent of $250 million.

It would be gratifying, although obviously incorrect, to say that this program is a complete answer to the widespread and serious problems of undernourishment and isolation among the elderly in our country. Recent investigations by Senator McGOVERN's Select Committee on Nutrition and Human Needs indicate that real hunger exists among a startling and shameful number of older Americans. Part of the reason for this is economic and other reasons come from the isolation and resulting apathy that is the lot of so many elderly people. Sometimes people are simply unable to provide nutritious meals for themselves because of the infirmities of age. This program does not solve those problems, but it is directed toward the causes of undernourishment among this group. While tomorrow there will still be hungry elderly people in America, because of this program their number will be reduced.

I am pleased and proud to report that just recently in Alameda County in my congressional district, the meals for the elderly program has begun again and will be providing one hot meal a day to those over 60 who need this program. The meals will be served in centers where those who join the program will find not only a hot, well-balanced and palatable meal, but the companionship and friendship that gives people a reason for enjoying life. In Santa Clara County the program is an ongoing one.

Congress has exhibited its understanding that a health problem, caused not only by economic need but by personal and psychological needs cannot be alleviated simply by providing an economic answer. We must, of course, provide the financial support for the program, but we also recognize the necessity of companionship among the elderly. This legislation views the individual aged American as a person, not simply as a statistic that outlines the number of hungry in our country. We need more such legislation.

WATERGATE AND THE POLITICIAN

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. WOLFF. Mr. Speaker, on March 3, 1974, the management of television station WPIX in New York City delivered an editorial on a subject that has been on the minds of citizen and Representative alike since last year; that is, the effect of the Watergate scandal and subsequent indictments on all politicians and on politics in general. I believe that the WPIX editorial reflects a most rational and reasoned approach to the problem and I would like to insert the text for the benefit of all the Members. The editorial follows:

[WPIX Editorial]

WATERGATE AND THE POLITICIAN

One can only guess at when the Watergate scandal will be over. We hope the guilty will be punished, but even more important for the nation, it will be a relief to see that dark cloud, which now hovers over all politicians, begin to lift and disappear.

A number of things suggest that the respect which the average citizen has traditionally had for his representatives has been a casualty of Watergate. A recent survey showed that only 21 per cent of the people interviewed expressed respect for the Congress. No less than 28 representatives and six senators have announced that they will not run for re-election this year. That is more retirements than there have been in any election for the past quarter of a century, and it is expected that there will be even more before election day.

In our conversations with elected officials at the local level, there is very real concern that the fall-out from Watergate, the Cheap Shot that "all politicians are crooks, anyway" will hamper the working of state and city governments.

It seems to the Management of WPIX that all of us have an obligation to re-think this question. When we blame all politicians for the excesses of a few politicians, we do great harm to our government, and thus, to ourselves The fact is that most politicians are dedicated public servants who work long hours, generally for less than they could earn in private life, to serve their constituents.

It is unfortunate that it will usually be the good and conscientious politicians who will decide that public service isn't worth the grief that goes with it. The demagogues, and there are some of them, couldn't care less what the voters think of them.

Watergate is a very serious matter, and the guilty should be punished fully. But if we let our revulsion for that illegal act affect our thinking about our entire political system, the people who will be punished the most for Watergate will be the citizens of our country.

We don't believe that should happen.

NOMINATION OF DR. LUTHER H. HOLCOMB TO THE FEDERAL COMMUNICATIONS COMMISSION

HON. GEORGE H. MAHON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. MAHON. Mr. Speaker, in my opinion the President made an excellent decision when he nominated to the Federal Communications Commission Dr. Luther H. Holcomb of Dallas, Tex., and Washington, D.C.

I have observed the career of Dr. Holcomb over a period of years. He is a man of great talent, a man of fairness, a man who works effectively at the job of serving his fellow man. I have no doubt but that Dr. Holcomb will do an outstanding job as a member of the Federal Communications Commission.

I was pleased to read in the March 16 Dallas Morning News an editorial in commendation of the appointment of Dr. Holcomb, and I wish to place the editorial in the RECORD:

HOLCOMB TO FCC

In announcing he will nominate Dr. Luther H. Holcomb, former Dallas clergyman and civic leader, to the Federal Communications Commission, President Nixon is choosing an outstanding public servant.

As vice-chairman of the Equal Employment Opportunity Commission, Dr. Holcomb repeatedly has demonstrated fair and forthright leadership in establishing employment practices that benefit all segments of the population.

In the nine years that he has served on that commission, Dr. Holcomb has been instrumental in establishing civil rights in employment that have helped end discriminatory hiring practices.

Yet he continued to observe one principal guideline, which he noted in a Dallas speech a few years ago: The EEOC would not be party to abuses of the law by employees who might hide behind equal employment provisions.

"We still must have as a standard the willingness to work," he said.

Dr. Holcomb was named to the EEOC by President Johnson in 1965. He came to Dallas in 1946 as pastor of the Lakewood Baptist Church, and in 1958 became executive director of the Greater Dallas Council of Churches, the post he held when appointed to the government post. During the two decades he was in Dallas, he served on many local, state and national boards concerned with health, education, religion and welfare.

Senate approval of his nomination to the new post would be to the benefit of the country.

AMERICAN INDUSTRY GOES METRIC

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. TEAGUE. Mr. Speaker, the metric system is increasingly coming into use in the United States. Among the leaders in making the change from the English system of weights and measures to the metric system is American industry.

Those companies who are making this change to the metric system are doing so for two basic reasons. One is that the metric system is much easier to work in, once the few basic principles have been learned. The other reason is that in order to remain competitive in foreign markets, American products must meet the requirements of those markets, and an important requirement today is that our products are made to metric specifications.

As examples of American firms who

have already begun the conversion I would like to mention three. One is from the aerospace industry, one is from the automobile industry, and one is from the food industry. A press release and two news stories describe who these companies are and how they plan to go about making the change to the metric system.

The materials follow:

GENERAL MOTORS CORP.,
Washington, D.C., April 13, 1973.

Hon. OLIN E. TEAGUE,
Chairman, House Committee on Science and Astronautics, U.S. House of Representatives, Washington, D.C.

DEAR MR. TEAGUE: General Motors recently put into effect a policy of conversion to the metric system of measurement on all new engineering projects. We believe our conversion can be effected without disrupting production through this voluntary program, coordinated among all GM divisions, staff and suppliers by a special section of the GM Engineering Staff.

I think you may be interested in the attached release.

Sincerely,

JAMES M. MORRIS.

NEWS RELEASE

DETROIT.—In keeping with the long-term movement toward more general use of the metric system, here and abroad, General Motors President Edward N. Cole stated that "the rate of implementation to the metric system within GM will be governed by the release of new parts, metrically dimensioned, and by the normal phasing out of in-production parts."

The GM guidelines include:

1. New developments will be metric from the start. This includes items now in development stage.
2. Service parts now in production will remain as is.
3. Supplier coordination will be implemented as required.
4. In the interim before complete metrification is accomplished some capital equipment with dual measuring capability will be required.

Coordination of the entire program will be handled by the GM Engineering Staff.

ROCKWELL ANNOUNCES METRIC CONVERSION

Rockwell International Corporation has announced its intention to convert to metric usage.

Willard F. Rockwell, Jr., Chairman and Chief Executive Officer, said, in announcing the change:

"Ninety percent of the world's population, conducting three-quarters of its trade, uses the metric system. That 90 percent is buying and selling to each other and they're increasingly cool to the products of the 10 percent who don't use the same system.

"Common sense dictates that this country make the decision to go metric. We at Rockwell International want to be in the vanguard of this change."

Rockwell said the company is acting now, rather than waiting for Congressional metric legislation to take effect, because "with the United States in the position of being the only major nation not yet committed to the metric system, delays can seriously affect our industrial position in the world."

He said coordination with other U.S. industries and other nations will be aided by the company's charter membership in the American National Metric Council.

C. J. Meechan, vice-president of research and engineering for Rockwell International, will be in charge of the program to adopt the International System of Units.

It will take an estimated 10 years for the system to become predominant in all divisions of the corporation, Rockwell said. Each division will be responsible for detailed planning and implementation of the conversion.

Rockwell said preliminary planning was initiated in 1972 and some divisions already are making use of the metric system, and added that company employees will be encouraged to use metric units, where appropriate, in company documents.

U.S. WINE MAKERS TO GO METRIC

(By Richard M. Harnett)

SAN FRANCISCO.—The American wine industry is planning to go metric, which means that the traditional "fifth" will become three-quarters of a liter—and the familiar half gallon and gallon will disappear entirely.

U.S. wine officials recently attended a meeting with their counterparts in the European Common Market trying to work out an agreement on uniform sizes for international trade.

Attorney Jefferson Peyser, representing American wine makers, said there was almost unanimous agreement to cut the "great proliferation" of wine bottle sizes now used down to seven standard sizes.

"We have been trying to accomplish this for years in the American wine industry," Peyser said in an interview.

"We are now convinced it is one of the most important things to get done."

Americans who order imported wine in a restaurant usually do not know that they are getting a 24-ounce bottle instead of the 25.6 bottle they would get if they ordered an American "fifth." In buying a case of foreign wine, this is equivalent to one less bottle per case.

The "standard" bottle for U.S. wine is now the fifth of a gallon, 25.6 ounces. The comparable metric bottle will be the three-fourths liter, or 25.36 ounces.

Most other new sizes would be only slightly different from the most common of the 16 sizes now allowed under U.S. regulations. The half a fifth (12.8 ounces) would become a three-eighths liter (12.68 ounces). The "split" (6.4 ounces) would become three-sixteenths of a liter (6.34 ounces).

Wine guzzlers who drink half-gallon and gallon jugs would have to get used to buying a liter and a half (50.72 ounces compared to 64 in the half gallon) or three liters (101.44 ounces compared to 128 in a gallon).

The change to metric wine "involves a little retooling" by U.S. wineries, said Peyser. "The switch would be accomplished within two years after it is adopted."

HON. BILL MAILLIARD

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 25, 1974

Mr. BOLAND. Mr. Speaker, I would like to add my voice to those of my colleagues in recognition of the accomplishments of a gentleman whom I have had the pleasure of knowing and working with ever since we both arrived on Capitol Hill 21 years ago.

Although we have not always been on the same side of the fence on issues, I have come to respect Bill Mailliard's good judgment and dedication and value highly his friendship.

The House is losing a man of uncommon stature whose experience and expertise in the field of foreign affairs will be sorely missed in these Chambers. But our loss will certainly be the Organization of American States' gain as he leaves us to become Permanent U.S. Representative to the OAS. I cannot think of a more qualified individual, both in knowledge of the area and in his ability to handle the sensitive diplomatic problems inherent in the position. He has already distinguished himself in this capacity as a ranking member of the House Committee on Foreign Affairs and as an adviser and delegate to numerous international conferences, including the 18th session of the United Nations General Assembly. The growing importance of our relations with the member countries of the OAS certainly cannot be underestimated which makes having an individual with William Mailliard's qualities in this position so vital.

I am confident my colleagues in the House will want to join me in expressing appreciation for his many years of distinguished service and in extending to him our best wishes for a fruitful new career.

THE DIFFICULT STRUGGLE TO ACHIEVE MODEST PRISON REFORMS IN NEW YORK

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. BADILLO. Mr. Speaker, last fall I called to our colleagues' attention one of the country's most unique corrections education programs, the establishment of a new State college in New York solely for prison inmates. The New York State Department of Correctional Services and the State University of New York were working together to develop plans to establish a college at the Bedford Hills correctional facility where both male and female prisoners would study on a full-time basis toward 2-year liberal arts or science degrees.

Certainly this proposal represented a hallmark in the effort to achieve not only meaningful reforms in corrections policy, but a worthwhile and substantive rehabilitation effort for those prisoners who would be participating in the program. It was proposed to meet a basic and crying need for large numbers of prison inmates who would otherwise leave their cells without adequate educational preparation for a return to civilian life and it offered real hope and promise.

Tragically the initial enthusiasm was short lived as the New York State Legislature, in one of its more ill-conceived actions, is attempting to eliminate the $500,000 requested in the Governor's budget. The attitude in Albany appears to be one of disregard for the need for the rehabilitation of prisoners in order to cut down on the high rate of recidivism. A frighteningly large number of the legislators seem to have a completely punitive outlook on the situation and oppose constructive efforts to properly prepare prisoners for their return to society.

Last Saturday's New York Times carried a very timely and perceptive editorial on this issue. I commend it to our colleagues' consideration and also urge members of the New York State Legislature to carefully reflect on it before rejecting this worthwhile proposal:

Recycling Prisoners

The state's prison-reform efforts still seem largely confined to the semantics of giving to penal institutions the new label of correctional facilities. Since wishing alone can't convert a jail into a place of rehabilitation, there was a flicker of hope in the proposal by Chancellor Ernest L. Boyer of the State University to create a college for prisoners. The plan, regrettably, has proved too sensible and too humane for the Legislature, which is trying to kill it by eliminating a projected $500,000 appropriation from Governor Wilson's budget.

The plan would involve no new construction. An existing facility at Bedford Hills, in Westchester County, is ideally suited for establishment of a two-year, degree-granting college. Qualified inmates, eligible for minimum security, would be selected from prisons throughout the state.

The real reason for the negative response to this sound idea is not its cost, which is hardly more than that of more traditional but less effective training programs inside prisons. Rather, the concept has fallen victim to the vindictive notion that any constructive effort at rehabilitation represents a coddling of criminals.

Indulgence of that regressive view is as impractical as it is inhumane. Inmates who would be eligible for the college are obviously those who will, before long, return to freedom. If they left jail with the marketable fruits of a real education, they would be far less likely to be a burden and potential threat to society.

Although in grave danger, the college plan should not be considered dead. It has been approved by the Board of Regents and by the Governor. Support by more enlightened legislators could revive Dr. Boyer's plan by placing it on the supplemental budget. Its potential is too self-evident to permit its abandonment.

FOUR "TRAILBLAZERS" ATTAIN EAGLE RANK

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. GAYDOS. Mr. Speaker, it is always a pleasure to stand before the House and commend to my colleagues the accomplishments of young Americans. In this instance, it is to recognize four "Trailblazers," members of Troop 510, Boy Scouts of America, from my 20th Congressional District of Pennsylvania, who have attained the highest rank in scouting—Eagle Scout.

These young men—William J. Daw IV, Perry Lara, David A. Lewis, and Steven E. Neely—were advanced to this level during a Court of Honor conducted by the troop in the Windover Hills United Methodist Church in South Park Township. It is no easy task to achieve this rank. Stringent requirements must be met before one can wear the Eagle Scout insignia. Those who do, wear it proudly, for it symbolizes the highest qualities of young Americans and I have no fear for the future of our Nation if it lies in the hands of Eagle Scouts.

I also would like to take this opportunity to pay tribute to the leaders of Troop 510, who have given so much of their private life to molding the character of young boys today to be the leaders of tomorrow. Richly deserving of public recognition are men such as Phillip E. Neely, scoutmaster; Donald G. Schneider, William Prosser, Robert Weis, Edward Farrell, and Francis P. Nix, Jr., assistant scoutmasters; Ewell Menge, institutional representative; Dale S. Dunn, committee chairman, and Salvatore Benanti, G. E. Buddle, James Brickett, Alson Crow, William J. Daw III, Thomas Eleftheriou, William Halsey, Carl Hoge, Michael Kasyan, Peter Lara, Lawrence Marculaitis, David Ellis, and Greg Hoge, committee members.

Mr. Speaker, it is with great pride I call the accomplishments of Troop 510 and its members to the attention of my colleagues. I know they join me in wishing the "Trailblazers" will continue to show others the way for many years to come.

CASE FOR A FEDERAL OIL AND GAS CORPORATION—NO. 14

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. HARRINGTON. Mr. Speaker, Mr. Lee White is a former Chairman of the Federal Power Commission and one of the country's foremost authorities on energy policy. He is also the originator of the proposal to create a federal oil and gas corporation, a "Tennessee Valley Authority" for the natural gas and petroleum industry. I have introduced legislation in the House to implement Mr. White's proposal.

Last month, in the Los Angeles Times, Mr. White explored some of the potential values and objections often cited in connection with the Corporation idea. No one can speak with more authority on the Corporation concept, and I would like to take this opportunity to introduce his remarks into the Record.

The article follows:

[From the Los Angeles Times, Sunday, Feb. 3, 1974]

A TVA-Type Competitor for Petroleum Industry

(By Lee C. White)

The Tennessee Valley Authority, launched 40 years ago, has demonstrated that the federal government can operate efficiently in the energy field without destroying or weakening private enterprise in that industry. This country needs a counterpart of the TVA in funding, producing and managing oil and gas deposits on behalf of the people who own them. It is an idea whose time has come.

Geologists believe that 60% to 75% of all oil and gas yet to be discovered in the United States is on publicly owned land. There is no reason why at least part of these valuable resources should not be discovered and developed by a government corporation for use by their owners—the citizens.

Until now, the government has permitted privately owned corporations to exploit these resources by bidding for the right to go on public lands and explore for petroleum. Less than 5% of the petroleum areas on public lands has been thus leased.

Unfortunately, the administration of this program has been wretched. Leases requiring prompt development have been so loosely enforced that in the Gulf of Mexico there are tracts for which bidders paid the government more than $750 million, but from which not a drop of fuel has been marketed even though oil and gas in commercial quantities have been found.

A Federal Oil and Gas Corp., while no panacea, would make a significant contribution to easing our basic and continuing energy problem. Nor is the idea as novel as it seems. The United States is the only major industrial nation that leaves all the handling of petroleum to privately owned corporations, whose management must be responsive to stockholder, as distinguished from national priorities.

A Federal Oil and Gas Corp., as proposed in pending legislation, would:

Explore for and develop petroleum resources to meet national needs, not to maximize profits.

Develop and use the most advanced methods to minimize damage to the environment in all phases of the petroleum process.

Provide, for the first time in our history, complete and accurate information for public and government on the costs of producing oil and gas, as well as other data on the petroleum business.

Manage discovered reserves to reduce U.S. reliance on foreign petroleum sources.

Sell petroleum in a way that insures that a fair share goes to independent refiners and distributors, thus promoting a truly competitive industry.

Provide a competitive spur to the privately owned oil industry.

There was comparatively little need to consider major alternatives to our privately operated petroleum industry as long as the country's needs were being met. However, when things go wrong as they obviously have recently, the system must be reexamined.

The advantages of a government oil corporation are many. Energy shortages may exist for decades. In this situation, there should be an energy-producing organization motivated not by profits, but by national needs. There is nothing inherently wrong with the profit incentive, but where the product is as essential to national well-being and security as energy, at least part of the country's effort to provide it ought to be motivated by America's security, and the needs of the public.

Environmentally, a government corporation would help assure that trimming or delaying our goals is done in the most acceptable way. Residents along the Atlantic and Pacific coasts, where offshore drilling probably will be stepped up, should have more confidence in the operations of a public corporation required by law to use the most advanced protective techniques than in those of a profit-making oil company.

Protecting independents in the oil business could be insured by requiring the federal corporation to allocate a fair share of its crude oil to them. Private companies naturally find it difficult to do this themselves. As one oil executive said: "There's no place in our corporate charter, the Constitution, the law, or the Bible where it says we majors must protect and preserve our competitors." He's probably right, but Congress ought to change things so the independents can stay in business as competitors of the majors.

There undoubtedly will be opposition from the oil industry to the proposed government corporation. But the industry ought to welcome the competition and the chance to show it can do a better job than a government agency. This competitive spur to the oil industry may be the best feature of a government oil corporation.

Objections include the assertion that the Postal Service and Amtrak do not augur well for another big government corporation. Apart from the merits of that argument, the TVA is a closer analogy. Though still somewhat controversial, TVA has long since ended any dispute over its electric generating operations. It is among the country's leaders, and has worked harmoniously with private, municipal, and cooperatively owned utilities.

The Bonneville Power Administration is another example of an efficient energy agency run by government. I am confident that a federal oil corporation could be as successful as TVA and Bonneville.

Nor would such a public corporation be the first step toward nationalizing the oil industry, any more than TVA meant the end of the private electric utility industry as predicted by some in the 1930s.

No one can claim that creation of a Federal Oil and Gas Corp. is the single, dramatic solution to this country's energy needs for the next 20 years. But I think it is a minimal step that should be taken without delay.

We can no longer permit ourselves to be totally dependent for basic energy supplies on private industry that has failed to develop our resources in a way that meets national needs and protects consumers.

ANOTHER BLOW STRUCK FOR OMBUDSMEN, H.R. 7680

HON. WAYNE OWENS

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. OWENS. Mr. Speaker, one of the most frustrating cases it has been my opportunity to try to solve is a case which involves the Customs Service, the Department of Health, Education, and Welfare, the Environmental Protection Agency, and the Department of Transportation. In the end the Wonnacott family, not only constituents but also close friends of mine, were ready to give up on the Government. I was reminded of a man who told me in Milford, Utah, 2 years ago that he had had it with Government agencies. "You can't lick them!" he said. "And you can't beat them. Hell," he said, "you can't even join them!" In frustration, I decided, for what it is worth, simply to insert this case into the RECORD as outlined for me in a letter. The Wonnacott family may have struck a blow for my legislative ombudsman proposal, H.R. 7680. A legislative ombudsman could get to the bottom of these cases and would have the power to cut redtape and solve them and hopefully restore some of the individuality to the Federal administrative process:

MARCH 19, 1974.

Congressman WAYNE OWENS,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN OWENS: The following is an account of a severe hardship created by well-intentioned laws, the value of which has been partially destroyed by cumbersome regulation, compounded by multiple governmental agency administration.

CASE HISTORY

1. In March of 1973 a new Opal Kadett-Holiday was purchased from the Stratemann Company in Dortmund, Germany by an American Citizen—Nancy Joy Wonnacott, a medical technologist employed at Knappschafts Hospital.

It was expected at that time the car would be used in Germany for a considerable length of time and that it would not be exported to the United States. Hence a European model was acquired, with little realization of the foolhardiness of such a move.

2. In November 1973 with some 30,000 kilometers on the odometer and with a desire to return to the states, Miss Wonnacott requested, by long-distance telephone, the judgment of her parents on the question of whether to sell the vehicle or have it sent to America by ship. Her parents, little realizing that a problem of acceptance into the United States might occur, recommended that she ship the car, and forwarded money to accomplish it.

3. On the advice of A.A.A. Miss Wonnacott was referred to the firm of Hermann Ludwig in Dusseldorf, which firm arranged shipment on MS Luise Leonhardt-Bremen to Los Angeles, with all parties unaware of the implication of such a shipment.

4. Miss Wonnacott returned by air early December 1973.

5. She, with a companion, flew to Los Angeles on January 3, 1974 after notification that the car had arrived at Berth 178, Williams, Dimond and Company, P.O. Box 997, Wilmington, California 90744.

6. On her arrival she was informed by U.S. Customs that release required a Customs Brokerage Bond, inasmuch as the vehicle lacked a "Certificate of Conformity" issued by the Department of Health, Education and Welfare or by the U.S. Environmental Protection Agency (DOT SHIELD).

7. Miss Wonnacott's parents on being advised of the dilemma, took the following action to determine what need be done to satisfy the ninety day's bond compliance of U.S. Customs:

a. Contacted Custom's office, Wilmington, California Jim Lysaght (213) 548–2532, American Customs Brokers (213) 547–0809, Howard Hartry Customs Brokers (213) 830–1010

Failure to execute bond required General Order Storage after January 21st at $20.00 daily charge, which was negated by action further described herein.

b. Contacted Department of Transportation (Joseph Zemaitis) 450 Golden Gate Ave., San Francisco, California 94102 (415) 556–6415 who forwarded several documents including U.S. Department of Transportation HS Form 189 showing twenty-six "typical areas" where a vehicle not manufactured for the U.S. market does not comply. He sent in addition a copy of Federal Motor Vehicle Safety Standards underlined on page 19 which states that "The National Highway Traffic Safety Administration is not in a position to advise as to the modifiactions necessary to bring any particular vehicle into conformance. The original manufacturer is best qualified to do this."

c. Contacted Regional Buick Opel at Thousand Oaks, California. No one was able to identify specifically what needed to be done to the car to affect compliance. The latter agency contacted Roger Szydlowski, General Motor Overseas Operation Air National Vehicle Safety Director. They later reported that the vehicle would likely require at least the following:

Chrome trim replaced, estimated $200–300.
Emission package, 300.
New head lamps, ?.
New seat belts, 80.
New windshield, 150.
New brake hose, 40.

d. Talked to Ray Bullock, Service Manager of Hayes Bros. Buick-Opel, Salt Lake City, Utah to determine their ability to make any necessary changes and satisfy the U.S. Customs Inspecting Officer at Denver. He referred Mr. Wonnacott to Art Rumsey, Service Manager of Simpson Buick, Downey, California. An earlier sad experience at conversion within ninety days discouraged any hope that sensible modifications could be accomplished and the customs bond satisfied.

e. Next solicited assistance from the Office of Congressman Wayne Owens and Senator Moss and visited them in Washington D.C. hoping for clearer instructions or hardship waivers.

f. Was referred to The Department of Transportation which in turn referred Mr. Wonnacott to the Environmental Protective Agency. No help was forthcoming.

g. Unable to be certain that changes could be consummated to satisfy a custom's bond and to avoid a twenty dollar daily storage charge, a check in the amount of $756.26 was sent to Williams, Dimon and Company requesting the car be returned to Germany.

h. The car was Laden on Board the Bertha Fisser on February 15, 1974.

i. A refund of $227.69 has been received from Williams, Dimond and Company (25% on returned cargo).

j. Insurance and licensure has been cancelled and payment refunded.

k. A representative of a legal firm in Dortmund, Germany has been asked to assist in the hoped-for sale of the vehicle and final resolution of the fiasco.

l. Total outlay for this sad adventure is approximately $1,500.

The greatest tragedy has been the emotional trauma to a hapless young girl, and the knowledge that such an incident could happen to citizens of a country such as ours.

Sincerely,
CLARENCE E. WONNACOTT.

CIVILIAN GRADE CREEP AT THE PENTAGON

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. ASPIN. Mr. Speaker, civilian grade creep at the Pentagon—the tendency for bureaucracy to become increasingly more topheavy—cost the taxpayers at least $400 million annually, according to a Library of Congress report that was prepared at my request.

This year's costs for Pentagon civilian grade creep are actually lower than last year's by about $30 million. But, the taxpayer can take little solace in this slight decline in the high cost of grade creep—the defense budget is still $400 million higher than it should be. In fact, in the last 2 years this phenomenon has cost the taxpayers a total of $830 million.

The Library of Congress report compares the fiscal year 1964 distribution of civil service ranks with the fiscal year 1973 grade structure. The total number of employees working on June 30, 1973, is used to arrive at the Library of Congress estimate and all pay raises are added. The report demonstrates that the cost of the 1964 grade structure at today's employment level and including all pay raises would still be $400 million lower. For example, the study notes that since 1964 the number of civil servants who had the rank of GS–13 or above has increased from 8.2 to 10.3 percent.

The Library reports that—

> It must be emphasized that these figures represent crude averages and only approximate the amount actually spent . . . According to our calculations, therefore, grade creep would currently account for an increase in the annual DOD civilian payroll of approximately $400 million.

As many of my colleagues may know, Defense Secretary James R. Schlesinger has expressed concern about civilian grade creep in his posture statement to Congress. He told us that—

> As with other federal agencies, the Department of Defense has over the long-term experienced a persistent rise in the average grade of civilian position.

Mr. Schlesinger reports that a program begun in 1971 to slow grade creep has had "encouraging results."

Mr. Speaker, unless the Pentagon reduces its costs, Congress should cut the cost through a specific amendment to the defense budget. Beginning this year, Congress in the Defense Department authorization bill set a limit on the number of Defense Department civilian employees that the Pentagon can hire.

The report follows:

THE LIBRARY OF CONGRESS,
CONGRESSIONAL RESEARCH SERVICE,
Washington, D.C., March 4, 1974.

To Honorable Les Aspin, Attention: Bill Broydrick.
From Robert L. Goldich, Analyst in National Defense.
Via Chief, Foreign Affairs Division.
Subject Impact of Grade Creep on Department of Defense Civilian Pay.

This memorandum is provided in response to your request of February 22, 1974, for an analysis of the impact of grade creep on Department of Defense civilian pay. Mr. Broydrick indicated that he desired us to isolate the effect of grade creep in the DOD civilian workforce since FY 1964, by determining what total civilian pay would be if the present DOD civilian work force were graded according to the FY 1964 grade distribution and paid on FY 1974 pay scales. This therefore consists of an updating of a similar analysis done for your office dated September 26, 1973, using then current pay scales and grade distributions.

Using the most recent data, the attached tables contain computations of total pay of the FY 1973 General Schedule (GS) total workforce based on FY 1973 and FY 1964 grade distributions, both according to the FY 1974 pay scale. As stated in our previous analysis, *it must be emphasized that these figures represent crude averages and only approximate the amounts actually spent.* According to our computations, the FY 1973 DOD GS workforce, graded on FY 1973 scales and paid on FY 1974 scales, would produce a total payroll of $7.63 billion yearly. The same total number of employees, graded on FY 1964 scales and paid on FY 1974 scales, would produce a total annual payroll of $7.23 billion. According to our calculations, therefore, grade creep would currently account for an increase in the annual DOD civilian payroll of approximately $400 million.

You will recall that the cost of grade creep in the DOD GS payroll calculated in our previous analysis was approximately $430 million. The decrease since then reflects a slight decrease in the total number of DOD GS employees—from 607,850 to 591,012—and a slight decline in the number of such employees in the higher grades. For example, the percentage of GS employees in grade GS–11 has declined from 12.08% at the end of FY 1972 to 11.82% at the end of FY 1973, and the percentage of GS–12's has declined from 10.07% to 9.90%.

PAY OF DEPARTMENT OF DEFENSE GENERAL SCHEDULE (GS) CIVILIAN EMPLOYEES GRADED ON FISCAL YEAR 1973 GRADE STRUCTURE AND PAID ACCORDING TO FISCAL YEAR 1974 PAY SCALES

Grade	Percentage of total GS employees [1]	Number in grade [1]	Current pay [2]	Total pay of individuals in grade [3]
GS–1	0.61	3,621	$5,578	$19,980,678
GS–2	2.75	16,267	6,249	101,652,483
GS–3	8.76	51,757	7,050	364,886,850
GS–4	13.22	78,145	7,918	618,752,110
GS–5	13.38	79,055	8,859	700,348,245
GS–6	5.59	33,021	9,874	326,049,354
GS–7	9.12	53,884	10,965	590,838,060
GS–8	2.01	11,884	12,133	144,188,572
GS–9	11.44	67,628	13,385	905,200,780
GS–10	1.10	6,497	14,717	95,616,349
GS–11	11.82	69,834	16,138	1,126,981,092
GS–12	9.90	58,536	19,246	1,126,583,856
GS–13	6.56	38,765	22,744	881,466,464
GS–14	2.53	14,974	26,671	399,371,554
GS–15	1.06	6,256	$31,089	$194,492,784
GS–16	.12	698	36,000	25,188,000
GS–17	.02	137	36,000	4,932,000
GS–18	.01	53	36,000	1,908,000
Total	100.00	591,012	----------	7,628,377,231

[1] As of June 30, 1973. Office of the Assistant Secretary of Defense (Comptroller). Directorate for Information Operations. Aug. 29, 1973.

[2] Pay of 4th step of each grade as of Oct. 1, 1973 (current pay scales), defined by the Civil Service Commission as average step within grade for comparability purposes.

[3] Number in grade multiplied by pay.

PAY OF DEPARTMENT OF DEFENSE GENERAL SCHEDULE (GS) CIVILIAN EMPLOYEES GRADED ON FISCAL YEAR 1964 GRADE STRUCTURE AND PAID ACCORDING TO FISCAL YEAR 1974 PAY SCALES

Grade	Percentage of total GS employees [1]	Number in grade [2]	Pay [3]	Total pay of individuals in grade [4]
GS–1	0.09	532	$5,518	$2,935,576
GS–2	1.96	10,408	6,249	65,039,592
GS–3	12.46	73,640	7,050	519,162,000
GS–4	16.99	100,413	7,918	795,070,134
GS–5	13.12	77,541	8,859	686,935,719
GS–6	5.41	31,974	9,874	315,711,276
GS–7	8.62	50,945	10,965	558,611,925
GS–8	1.37	8,097	12,133	98,240,901
GS–9	11.58	68,439	13,385	916,056,015
GS–10	1.09	6,442	14,717	94,806,914
GS–11	11.12	65,721	16,138	1,060,605,498
GS–12	8.00	47,281	19,246	909,970,126
GS–13	4.87	28,782	22,744	654,617,808
GS–14	2.26	13,357	26,671	356,244,547
GS–15	.94	5,556	31,089	172,730,484
GS–16	.09	532	36,000	19,152,000
GS–17	.02	118	36,000	4,248,000
GS–18	.01	59	36,000	2,124,000
Total	100.00	591,012	----------	7,232,262,515

[1] As of June 30, 1964. Directorate for Statistical Services. Office of the Secretary of Defense. Oct. 22, 1964.

[2] The number of individuals in a GS work force totaling 591,012—the overall strength for end of fiscal year 1973—who would be in the grade noted if the fiscal year 1964 grade distribution were applied to the fiscal year 1973 force level. Numbers may not add to total due to rounding.

[3] Pay of 4th step of each grade as of Oct. 1, 1973 (current pay scales), defined by the Civil Service Commission as the average step within grade for comparability purposes.

[4] Number in grade multiplied by pay.

NATIONAL AUTISTIC CHILDREN'S WEEK

HON. JEROME R. WALDIE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. WALDIE. Mr. Speaker, I am pleased today to introduce a resolution authorizing the President to proclaim the last week in June, each year, as "National Autistic Children's Week."

The merits of this event can be brought clearly to mind by the tragedy that is autism. This strange disease, which effects four persons in every 10,000, limits the power of these children to function appropriately in society. While they appear as problem free children at first glance, their ability to communicate and relate is severely impaired by mental disorders affecting speech and perceptual skills. Consequently they become isolated and deprived. Educationally and medically theirs is a plight not provided for in most jurisdictions.

Mr. Speaker, this resolution will serve these children in two ways. First, it will provide needed publicity to make parents of autistic children aware of the various services available to them. And it will bring the problems of autistic children to the American people, which will, in turn, help the fundraising efforts of the National Society for Autistic Children. These funds will be used for desperately needed medical research, and provide services for these children.

I urge the Congress to give rapid consideration to this resolution.

Mr. Speaker, I request permission to have the resolution printed in the RECORD.

H.J. RES. 959

Joint resolution to authorize the President to proclaim the last week in June of each year as "National Autistic Children's Week"

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating the last week in June of each year as "National Autistic Children's Week", and calling the attention of the people of the United States to the plight of the autistic child, and the services which are available to help such children and their families.

BEST WISHES TO AMBASSADOR WILLIAM S. MAILLIARD

HON. GARNER E. SHRIVER

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. SHRIVER. Mr. Speaker, I am very pleased to join in this sendoff tribute to our friend and distinguished colleague, Bill Mailliard, as he starts another phase of his public service career. After more than 21 years of service in the U.S. House of Representatives, Bill has been asked by the President to assume the important duties as our Ambassador to the Organization of American States. He will be a great Ambassador.

All of us are familiar with Bill Mailliard's experience and expertise in the field of the international interests of our Nation. In his position as ranking minority member of the House Foreign Affairs Committee, he has displayed a rare ability to obtain the compromises and statesmanlike attitudes necessary to a truly bipartisan foreign policy for this country.

While he will be difficult to replace here in this House, his abilities might better serve our national interests in his new position. The Secretary of State has announced new purposes and goals for our policies toward our Latin American neighbors. It will take knowledgeable leadership at all levels of diplomacy to achieve these new goals and to form better relationships with these countries. Bill Mailliard knows Latin America. He knows its problems and its strengths. He likes its people. He will represent us well.

So while saddened to lose his services and friendship in the House of Representatives, we wish you well, Bill, and pledge to you our cooperation and support in your new responsibilities.

NATIONAL EDUCATION GOALS AND PRIORITIES

HON. DALE MILFORD

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. MILFORD. Mr. Speaker, I would like for my constituents, particularly those involved in the field of education, to have every opportunity to communicate with me concerning this important work.

I have a compilation of discussions and questions that have been submitted to me by various groups along with some of my own thinking.

In order for all citizens of the 24th District of Texas to be made aware of these discussions, I am including the report in the RECORD:

NATIONAL EDUCATION GOALS AND PRIORITIES

GENERAL

I feel very strongly that we must have, as a major national commitment, the education of every person to the limit of his ability to learn. Almost all of us have children or grandchildren—or plan to at some time. Our young are our future. In them lies the destinies of this nation.

In Congress, education must be considered for federal funding along with other programs on a year-to-year basis and take its place among the priorities established. Among long-range goals, education must be a major continuing commitment at all levels of government, not just in Washington.

In a political campaign, it is very easy for a candidate to promise the moon. It is "good politics" to make every special interest group, professional group, or ethnic and religious segment, believe that the candidate will champion "their cause". I have never done this, either in a political campaign or during my tenure in office. My goal is to see that all segments are fairly represented and considered within the perspective of the entire national legislative program.

ISSUES IN THE 1974 CONGRESSIONAL ELECTION

Issues in an election are a nebulous phenomenon. Candidates raise issues, the media raise issues, and lobbyists raise issues. More often than not, the real issues are never discussed during an election campaign. Real issues are often complex, boring and unpleasant to face.

While a "candidate" may never have to face the real issues, your Congressman must.

As far as I am concerned, only the voters can really identify issues. The candidates, the lobbyists and the press each have a self-interest. I want to know the issues—as you see them.

Lobby and representative groups of the education field have submitted questionnaires to me, detailing issues and priorities which they say are your issues and priorities.

I shall list them, in the order presented to me, along with a short general statement in reply.

ISSUES IDENTIFIED BY THE DALLAS EDUCATORS POLITICAL ACTION COMMITTEE—DEPAC

1. Will I support federal funding of one-third of the total cost of education: My answer: No. We had the Library of Congress Economic Analyst research this possibility. The cost would be an additional $12.3 billion annually. Putting it another way, it would increase your income tax three per cent, or increase the federal deficit by fifty per cent.

2. Would I support collective bargaining for public employees? My answer: Yes, and I pointed out that public employees already have the right to collective bargaining. All they have to do is organize.

3. Would I support the allocation of funds for educational projects to eliminate the stereotyped presentation of women's roles in society? Note: I asked DEPAC to further explain the question and give examples. The DEPAC committee gave the content of textbooks as an example wherein the roles of males were predominent. They explained that the federally-funded project, referred to in this question, would, among other things, require publishers to print books that give equal emphasis to the sexes.

My answer: No. While I am a strong advocate for equal rights for all citizens, I would never want to see a government bureaucrat dictating either to publishers or to educators the content of text books.

4. Would I support funding of bi-lingual and bi-cultural education? My answer: Yes, enthusiastically.

5. Would I support mobility and protection of teacher retirement funds? My answer: Yes, I introduced H.R. 2919, a workers pension re-insurance bill which contained a portability section.

6. Would I support a copyright law revision? My answer: Yes.

7. How do I feel about National Health Insurance? My answer: I have introduced H.R. 5039, a National Health Insurance Bill.

ISSUES IDENTIFIED BY TEXAS STATE TEACHERS ASSOCIATION

1. How do I stand on ESEA Amendments on 1973? My answer: I favor the original House Bill with an amendment to extend impact aid through 1978.

2. What is my stand on NEA's proposal for federal funding of ⅓ of the cost of all education? My answer: (Same as DEPAC question).

3. What is my position on Metric Conversion? My answer: I am co-sponsor of HR 11035, a bill to convert to the metric system within 10 years.

4. Do I favor a Mobile Teachers Retirement Act. My answer: Yes, (see also answer in DEPAC question).

5. Would I favor Retirement income tax credit? My answer: Yes.

6. Would I favor Copyright Revision? My answer: Yes.

7. What is my position on Impoundment Control? My answer: An impoundment control bill has already passed both the House and is now in joint conference. I am generally in favor of impoundment control but the wording of the bill will be extremely important lest there be unintentional interference with other laws.

THE ISSUES AND PRIORITIES, AS I SEE THEM?

In establishing issues and priorities, one must also be pragmatic by facing the world as it is, rather than how we would like for it to be. Herein lies the main difference between a candidate and a Congressman.

A Candidate can be idealistic with little regard for practicality. He has nothing to lose, A Congressman knows that he will have to deliver anything promised.

With the foregoing in mind and the statements made in the general section of this report, the priorities and issues from my standpoint are as follows:

1. Re-orienting Federal aid to Elementary and Secondary Education.

Presently federal aid is involved in a number of grant programs that concern day-to-day operations of schools. Massive controls and guidelines have created a bureaucratic nightmare for both the federal government and the schools. Even the daily routines of teachers are burdened with petty details brought on by federal edicts.

I would like to see federal aid projects limited to basic educational research, demonstration programs, statistical studies and other programs of general and equal assistance to all schools in the Nation.

2. Re-distribution of direct federal aid.

If federal aid is continued for use in day-to-day operations of elementary and secondary education, I think that this aid should be distributed on a pre-student basis. Consideration of welfare-oriented problems are creating another bureaucratic nightmare and establishes the school administrations as another "welfare board". Welfare matters should be taken care of outside the school system.

3. Return to the neighborhood school concept.

I am in favor of legislation or, if necessary, a Constitutional amendment to assure that every child has the right to attend his neighborhood school. This stance is by no means racially inspired. Instead, my concern is for the child and his development of a "sense of community".

We stress the child's development as an individual. The next important step, in building both character and good citizenship, is the development of his "sense of community". This of course is then followed by his development of national pride.

Pulling an elementary school child out of his immediate neighborhood (and nearby playmates) to inject him into another neighborhood is damaging to that important stage of development.

Racial integration, which I fully support, will only be possible by raising the economic levels of minority citizens. Through job opportunities, vocational training and other projects that will allow increased income. In this manner, any citizen may live in any neighborhood of his choice.

THE ISSUES AND PRIORITIES AS YOU SEE THEM

As stated earlier, you are really the expert. Only the voter can really establish issues and priorities. Please make the issue known to me, as you see them.

RED CROSS CERTIFICATE OF MERIT TO NANCY B. KEELER

HON. RICHARD T. HANNA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. HANNA. Mr. Speaker, I am taking this opportunity to commend Ms. Nancy B. Keeler, of Lakewood, Calif. Ms. Keeler has been named to receive the Red Cross Certificate of Merit, the highest award given by the American Red Cross to a person who saves a life by using skills learned in a Red Cross course.

On June 4, 1973, Ms. Keeler passed a parked truck and a group of excited bystanders. She saw that a 9-month-old child, placed in the seatbelt of the truck while his father was absent for a few minutes, had been accidentally strangled by the belt. Ms. Keeler placed the infant, who showed no life signs, on the sidewalk and began to administer mouth-to-mouth resuscitation. She continued until the unconscious child resumed breathing. The child was taken to a hospital and released later, completely recovered. Without doubt, Ms. Keeler's use of her skills and knowledge saved the child's life.

Ms. Keeler utilized her training and

intelligence to save another human life. Her concern for others as exemplified by her actions of last June 4 is commendable. On behalf of myself and my constituents, I am pleased to take this opportunity to express our pride and gratitude to Ms. Keeler.

FAREWELL TO H. R. GROSS

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. CRANE. Mr. Speaker, it is with a feeling of profound regret that we have learned of the resignation later this year of Representative H. R. GROSS of Iowa, after 25 years of distinguished service in the House. The Nation will lose the services of an honorable man, one who has stood tall in the halls of this body during his 25 years of service.

In its farewell tribute to Mr. GROSS, the Wall Street Journal suggested that we in this body consider passing H.R. 144. In every Congress, House Resolution 144 has been submitted by Mr. GROSS. It is a bill requiring Congress to pay off the national debt. Unfortunately, it has not yet been successful.

The Des Moines Register and Tribune, in announcing his retirement, said he had become a symbol of incorruptible integrity and independence in a Congress where these qualities are not always admired by the leadership.

The story noted that:

> The leadership frequently steamrolled bills through, over the vigorous protests of Gross, but he was seldom, if ever, ignored in discussions of controversial legislation. Sam Rayburn and Joe Martin used to make it a practice to "find out what Gross thinks about it."

In another article concerning H. R. GROSS, the National Observer, in its issue of March 23, 1974, noted that:

> He once questioned the cost of John Kennedy's eternal flame; he didn't think Winston Churchill should be made an honorary American citizen, unless he helped pay off our war debts. He's one of a kind, the last of the gadflies. And this is his final year in Congress. After 25 years he's retiring.

The National Observer interviewed H. R. GROSS and asked him whether the Government was still spending—and wasting—too much money. He replied:

> Why, it's perfectly obvious. It's offering a $304 billion budget with a built-in deficit of $10 billion. It won't hold at $10 billion either, because it never does. That's spending too much money.

When he was asked if we were getting more for our money from the Federal Government than when he first came to Congress in 1949, he replied:

> Hell no. This budget calls for 22,000 or 25,000 more employees.

Concerning his fellow Members of Congress, Mr. GROSS noted that:

> It's their fault as much as anyone else's. The situation in this country is one of collapse, unless something happens very soon. The obvious answer is: Get back to a balanced budget. We ought to be paying off the Federal debt; should have been doing it all these years. Balance the budget. Retire the debt. Hold the line.

In an era when politicians are in growing, and often deserved, disrepute, H. R. GROSS stands out as a man of unquestioned honor and integrity. It has been a privilege for me to serve with him in this body and I know that I speak for most of my colleagues in saying that we—and the Nation—will miss him.

I wish to share with my colleagues the interview with H. R. GROSS which appeared in the National Observer of March 23, 1974, and insert it into the RECORD at this time:

H. R. GROSS: WE'RE ONLY "ALLEGEDLY AFFLUENT"

Most members of the House of Representatives are faceless time-servers, interested mostly in getting re-elected and keeping out of trouble. The spectacular exception is Harold Royce (H.R.) Gross, the curmudgeonly, nit-picking, penny-pinching Republican congressman from Iowa. He once questioned the cost of John Kennedy's eternal flame; he didn't think Winston Churchill should be made an honorary American citizen, unless he helped pay off our war debts. He's one of a kind, the last of the gadflies. And this is his final year in Congress. After 25 years, he's retiring. He wants, he says, to go fishing, expecting that while he's gone the country will go the rest of the way to hell in a hand basket.

He was interviewed in his Capitol Hill office by The Observer's James M. Perry.

Congressman, I thought I'd ask this question, and then duck: Is the Government still spending—and wasting—too much money?

Why it's perfectly obvious. It's offering a $304 billion budget with a built-in deficit of $10 billion. It won't hold at $10 billion either, because it never does. That's spending much too much money.

Are we getting any more for our money from the Federal Government than we did when you first came here in 1949?

Hell no. This budget calls for 22,000 or 25,000 more Federal employes.

I suppose you can remember balanced budgets?

There has been damned few of them since I've been here. Years ago, though, there was a very different climate here. There was a real concern about the gap between tax revenues and spending. Roosevelt, back in his balmiest days, warned that if Congress went beyond an $85 billion debt, the country would be in real trouble. Today we're approaching $500 billion—half a trillion of Federal debt.

Congress doesn't care?

Not much. It's their fault as much as anyone else's. The situation in this country is one of collapse, unless something happens very soon.

What must we do?

The obvious answer: Get back to a balanced budget. We ought to be paying off the Federal debt; should have been doing it all these years. Balance the budget. Retire the debt. Hold the line.

Did you expect Richard Nixon would bring in all these deficit budgets?

I hope for something else. I never dreamed he'd come in this year with what I believe is his fifth red-ink budget.

Where's the most money wasted?

Everywhere, but particularly in foreign aid. Do you realize that, aside from the war costs in Southeast Asia, we have spent $260 billion for foreign aid. I didn't say million. I said BILLION!

And have you opposed all that foreign aid all these years?

Not all of it. I didn't get to Congress until 1949. But I've opposed every dollar of it ever since.

You don't think any of it was justified?

Not really. I would have voted for a minimal amount for Korea and a few selected places, but certainly not $260 billion worth. The best evidence of what it hasn't done is in the few friends we have around the world today. We've spent $260 billion, and where do we have a solid ally? Look at NATO today. It's a shambles. It's a pretty sad situation, after having dumped $260 billion around the world.

But didn't we pay for the recovery of Europe and Japan?

It helped them—and they've never paid their loans in full.

And didn't our aid stave off communism? That's what people say.

That's easy to say. It's just an assumption, and I'm not sure it's so. What I know are the facts of life today, and that's that we don't have any dependable friends.

Can you go back over the years and recall a memorable victory in cutting waste, reducing spending?

I don't have to go back years. I just have to go back to Jan. 23, when I led the fight that defeated the fourth replenishment, to the tune of $1.5 billion, for the soft-loan window of the World Bank, better known as the International Development Association. If you can believe it, our Government went over to Nairobi and committed the taxpayers of this country to put $1.5 billion into the capital fund of this soft-loan window outfit.

What's a soft-loan window?

It's loans to these countries for 40 or 50 years. They don't pay anything for 10 years, and then they pay almost nothing for the next 10 years. After that, maybe they pay 3 per cent. Maybe. These loans are so soft they'll never be repaid. These, in fact, are grants in disguise, and I'm just tired of bleeding the taxpayers of this country for them.

But we're a big affluent country. Can't we help countries that aren't so big and rich?

Allegedly affluent. Do you know that this big, allegedly affluent country of ours has a public and private debt, as of last Dec. 31, of 3 trillion, 200 billion dollars? That's *net*, public and private. That much debt is unmanageable.

What are the consequences? Another Depression?

Yes. Last time, the dollars were so dear you couldn't get hold of one. This time, they're going to be so cheap you won't be able to get enough of them. In terms of purchasing power, the 1939 dollar is worth 31.8 cents today.

Why are we in this trouble?

Improvident spending. Mismanagement of Government. Spending money we don't have for a lot of things we don't need.

What did you think of the way members of Congress tried to get a nice pay increase?

Not just members of Congress. Federal judges too and top-level employes of the executive department and the supergrades in the civil service. And they tried to get it through without a vote. I fought it, and it was finally knocked out in the Senate.

Don't members of Congress, and these other people, deserve a pay increase? They haven't had one for several years.

They got a 41 per cent increase four years ago. And this one was for 25 per cent, over three years.

Don't they deserve it?

Not on the basis of the way they've been working. They ought to be hungry over here, instead of being overpaid. And Federal judges aren't suffering and neither are Cabinet officers.

Doesn't a decent salary make a man a little more honest?

Did you notice any more honesty in Government after the 41 per cent increase?

I guess not.

All right. And don't forget that the President's pay was increased 100 per cent in 1969. Remember?

People say Congress is so impotent.

That's right. Nothing gets done. You know we can't go on piling up debt, paying so much interest. We can't go on—and maintain this form of Government. If you can't retire this debt by orderly means, then it will be retired by disorderly means or unusual means.

How would that happen?

By devaluation, revaluation, or outright repudiation. You might have a little money in the bank and one fine morning you might wake up and find that each one of your dollars was now worth 50 cents. The other 50 cents would have been confiscated.

THAT'S PRETTY POWERFUL STUFF

Sure it is. You know there's a statute on the books right now, stand-by legislation, that provides the President can issue an edict to take over all the credit in this country?

What was Congress thinking about when it gave the President that kind of authority?

What was Congress thinking about when it give him all the rest of the delegated authority? How in hell did he get all this authority? Because Congress gave it to him, that's how. I say to my colleagues, stop your bellyaching and your wailing and groaning about the President usurping all this power. He hasn't usurped it. You gave it to him!

The point is, the President can't spend a ——— dime. He can't impound a penny—unless we give it to him. Congress ought to get a mirror and take a look at itself.

But they know what they've been doing.

Deep in their hearts, they know it. But this is the easy way. This makes life more comfortable.

So what they've done is take the heat off themselves when it comes time to make uncomfortable political decisions?

Exactly right. Why, can you think of any one item the President ought not to take care of more than fixing the pay of members of Congress? But Congress gave it to him. They gave him power no President ever ought to have.

From what you say, you must believe conditions are more perilous in this country now than ever before.

They are.

I'm an old man now, but I have children and grandchildren. I worry about them. I wonder whether they're going to enjoy the liberties and the freedom I have known. This is the finest form of Government man has ever devised, but it's been badly mismanaged—by Democrats and by Republicans.

So why are you retiring?

If I served one more term, I'd be scraping 78 years. I'd like a little time to do the things I've been unable to do. I've worked hard at this job. I'm tired of late meals every night and so is my wife. And I'm tired of the frustrations. They happen every day around here now, and they're getting hard to take. Once in a while you win one. Most often, though, you lose. I'd like to go fishing.

REFORMS NEEDED

HON. GILBERT GUDE

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. GUDE. Mr. Speaker, in the March 9 issue of Saturday Review/World the fired Watergate prosecutor, Archibald Cox, comments on our Judiciary Committee's "awesome task" and makes an excellent case for a thorough reform of campaign financing. As a backer of such reform, I commend Professor Cox' views to the House:

EFFECTS OF WATERGATE

(By Archibald Cox)

Granted the debilitating effects of the Watergate scandal, the fact remains that if we will it so, Watergate can be made a turning point and therefore a blessing. Above all, it has shocked out of legthargy the conscience of the nation. Possibly my view is too self-centered and too much influenced by the moving letters I still receive, but it seems to me that the "firestorm"—to borrow a phrase from Gen. Alexander Haig—that exploded over the weekend of October 21–22 had its source in the longing of countless simple, direct, and moral people for a new measure of candor, simplicity, and rectitude in the conduct of government.

The turn of events was extraordinary. On a Friday and Saturday the President announced that he was discharging the special prosecutor, terminating independent investigation of the Watergate affair and related offenses, and refusing to produce relevant tapes and documents in accordance with the order of a court. The public outcry forced an immediate, 180-degree turnabout. Within days the court was assured that the tapes and documents would be produced. Within weeks the independence of the Watergate Special Prosecution Force was restored, the staff was retained unimpaired, and a vigorous and independent special prosecutor was appointed.

This sequence of events demonstrates better than any other occurrence within memory the extent of this country's dedication to the principle that ours is a government of laws and not of men. It gave proof of the people's determination and ability to compel their highest officials to meet their obligations under the laws as fully and faithfully as others. On this occasion, as so often in our history when fundamental questions were at stake, the people had a far better sense of the goals of the enterprise and the needs of the nation than those claiming wider experience and greater sophistication.

The spirit is there. The power is there. The question is whether those who seek to be political leaders have the wit and will to evoke that spirit, articulate it, and take measures to restore confidence in the integrity of the government.

What measures? To answer this question, one is driven back to simplicities so obvious that to express them seems banal. Yet we risk forgetting the truths we do not avow.

First and foremost, we must restore to government a stronger appreciation of the line separating fundamental judgments of right and wrong in the conduct of government and political life, on the one side, from mere political loyalties and political opinions, on the other.

Too many of us grew up in an atmosphere of positivism and relativism in which the assertion of moral imperatives was taken as proof of ignorance and naivete, at least among those wishing to be supposed persons of experience and sophistication. Others took the imperatives for granted, supposing that the fundamentals would look out for themselves. The cynics found justification in Leo Durocher's "Nice guys finish last" or in presidential aide Charles Colson's "It's only hard-nosed politics." One way or the other, success in gaining power took precedence, and personal or party loyalty became a justification for silently going along with, if not actually participating in, wrongdoing.

I do not essay the role of Jeremiah or assume moral superiority. For me the worrisome figures in the Watergate story were not the major actors who planned or sanctioned the break-in or managed the cover-up; their fault is too great and their weakness too apparent. The stage was also peopled with relatively minor figures who made wrongs possible by going along in silence, by cutting sharp verbal corners, or by otherwise emulating the Three Monkeys: "Hear No Evil, See No Evil, Speak No Evil." Over and over again I found myself wondering, "Would I have done better? I hope so, but in all honesty I cannot be too sure." The moral imperatives will not take care of themselves. We need to articulate and nurture them in the center of political life. It was the gradual erosion of the moral limitations to legitimate power that led to increasing abuse of the necessary agencies for gathering intelligence.

THE HOUSE JUDICIARY COMMITTEE now confronts the awesome task of recommending whether the President of the United States should be impeached. The Constitution does not limit the grounds for impeachment to criminal offenses. The constitutional phrase "high crimes and misdemeanors" almost surely was intended to include some kinds of misfeasance or non-feasance in office that are impeachable wrongs against the people even though not technically indictable offenses. In addition to finding facts, therefore, the Judiciary Committee must articulate standards defining morally unacceptable behavior in the conduct of the presidency. This process of definition involves answering some prickly questions: Is it tolerable or a high offense against the personal security and liberty of the whole people for a President to encourage formation of a force of irregular agents in his executive offices—agents who operate outside the regularizing rules and procedures of established agencies, and who will engage in wiretapping and burglaries in order to effectuate administration policy and political objectives? Clearly, the President has a constitutional duty to see that the laws are faithfully executed. Should we say a President has violated that duty by looking the other way when there is suspicion or perhaps evidence of criminal misconduct—including obstruction of justice on the part of the party's officials and his own senior aides? Is it violation of presidential duty for him to forgo directing and receiving regular reports upon a thoroughgoing investigation and, later, for him to withhold any real cooperation from those conducting such an investigation?

Believe me, I do not imply that the predicates of these questions represent the actual facts. The evidence may show more or less. My only point is that beyond the excitement of possible new disclosures and the drama of deciding whether to impeach or not there lies the arduous task of defining minimum standards of behavior in the conduct of the presidency, the violation of which inflicts too grave a wound upon the health of the body politic to be accepted even from one popularly elected.

It is important that the Judiciary Committee and also we ourselves recognize this fact. The committee's ability to articulate the standards of conduct by which the President's discharge of his duties is to be judged may well determine whether the proceedings are a constructive step in rebuilding confidence in the integrity of government or, contrariwise, fall into the kind of rancorous partisan quarrel that characterized the impeachment of Andrew Johnson. The standards set could well affect the behavior of public men and the people's confidence in our form of government far into the future. Successful performance of the committee's task will require the vision to achieve, and the skill to articulate, a broad, nonpartisan consensus.

There are other, simpler steps that can be taken to restore an abiding sense of the moral limits that make political power legitimate. One is the thorough-going reform of campaign financing.

Since our early history, political candidates have relied upon private contributors to supply the financial sinews of a successful campaign. The image that guides us is a picture of voluntary gifts, some large and many small, motivated by loyalty to principle or disinterested concern for good government. At a time when government had fewer functions and relatively little effect upon business failure or success, when there were fewer regulatory agencies and only limited "goodies" to dispense, the image did not greatly distort the truth.

In some cases the image still represents reality. By and large, however, two developments have radically altered the entire context of election financing.

First, the costs of running for office have multiplied geometrically.

Second, there are more and more businesses activities vitally affected by government decisions. Hardly anyone can say today that he does not have, and will not have, some matter that will be influenced by government actions. These facts confront both those who raise money and those who give it. Both also know that those who make government decisions involving the donor may learn of the gift, and who can say how the decisions might be affected?

The vice is epitomized by the Milk Producers and ITT affairs. The Associated Milk Producers arranged to contribute a political fund of several hundred thousand dollars to be controlled (if my memory is right) by presidential assistants. About the same time, the support price of milk was raised sharply—a reversal of previous policy. And the attorney general, who had been and again would be the President's campaign manager, twice rejected recommendations for criminal antitrust prosecutions (although) he did authorize a milder civil complaint).

An ITT subsidiary gave a large guarantee—certainly one of two hundred thousand, and perhaps four hundred thousand dollars—in order to bring the Republican National Convention to San Diego at the same time as major antitrust suits were pending in the courts and ITT officials were busily lobbying to block government appeals or secure a favorable settlement. The cases were settled. Later, both ITT and government officials went to considerable lengths not to disclose the extent of ITT's contacts with the government and of White House involvement in the handling of ITT's anti-trust cases.

I do not mean to charge bribery or improper influence either directly or by snide insinuation. My point is just the reverse. We do not know in either instance, and perhaps we can never know, what motives influenced the contributions or the government's action. And this is the real evil.

A system of political financing that contemplates contributions made or accepted under such circumstances destroys confidence in the integrity of government, even when decisions are made by men of the nicest conscience. We are too skeptical a people to believe that contributions made by those having urgent business before the government are always made without hope of advantage and always received without some practical appreciation. By the nature of the system, therefore, suspicion is inevitable and universal, both when suspicion is justified and when it is not. To restore confidence in the integrity of government requires a new method of financing political campaigns. The old method was good for its day, but now that government touches so many large donors' business interests it generates public distrust even when untainted by corruption.

The Milk Producers and ITT affairs are not unique. Gulf Oil, American Airlines, Braniff Airways, and 3M are just a few of the corporations that made vast contributions during the 1972 campaign. Nor do the corrupting consequences cease with the risk of improper influence upon government decisions, be it actuality or false but inevitable suspicion. To hide the connection, cash was often used, laundered through foreign accounts. Records were falsified. Sometimes executives actually paid over contributions and were then reimbursed by equivalent cash bonuses from their corporate employers.

The outlines of the remedy are plain enough. As voters we should insist that Congress enact legislation along the lines of the Udall-Anderson bill outlawing private contributions and providing federal funds to finance campaigns for President, Vice President, senators, and representatives.

Enactment would go far to eliminate the occasion for vast contributions by men or companies directly interested in government decisions. Outlawing them would dispel one source of private cynicism and public distrust. Public financing would also help to quiet the growing fear that soon only very wealthy or corrupt men can aspire to public office. The monetary cost would be a trivial fraction of the annual federal budget.

To describe public financing as a handout to wasteful publicity and frivolous candidates is to ignore what we should be purchasing: confidence in the integrity of government decision making, an indispensable ingredient of self-government yet a trust that we cannot share under modern conditions so long as political campaigns are financed largely by those whose business and financial success depends upon favorable action by the beneficiaries of their support.

The objection is sometimes raised that prohibiting private campaign contributions violates the freedom of speech guaranteed by the First Amendment. Money is indeed necessary in order to make speech effective. Those of few or modest means can make themselves heard only by pooling their resources. Even so, spending money is one step removed from speech, and the contributor is a second step away because he is using money to promote not his own speech but another's.

Nor can it fairly be said that ideas would be suppressed or opportunities for speech be restricted. Everyone would be left free to speak and write as an individual. Except for the very wealthy, everyone would be left free to spend money in disseminating his personal expressions. As for parties and candidates, the public susbidy would merely replace the private contributions. The opportunities to travel, to buy space or time in the media, to leaflet and advertise, would remain. The relative size of expenditures by one or another candidate might be affected, but the First Amendment has never been supposed to guarantee those able to raise the most money the greatest opportunity for organized political expression.

There is more difficulty, I think, in making just provision for candidates outside the major parties. The favored solution is to provide funds based upon the minor party's vote in the last election, but there have been presidential elections in which this would have been hopelessly out of proportion to the importance of the new party: 1856, 1860, 1912, 1924, 1968—others might add additional campaigns. New parties are major sources of pressure for change as well as new ideas. Perhaps the opportunity for them to develop could be preserved by providing means to demonstrate potential support, and, therefore, entitlement to public funds beyond what they received in the previous election—and by allowing them alone to seek and spend private contributions. The problem is by no means insoluble. Certainly it is not enough to justify continuing a method of financing elections that contribute so much distrust of government.

Near the beginning I spoke of the erosion of confidence in the institutions of government. Under governmental institutions as democratic as ours the erosion means our loss of confidence in ourselves.

We have indeed learned much about ourselves in recent decades. The quick conquest of a continent and the Horatio Alger story bred a folklore of endless resources and easy success. For all but the unfortunate, technology and industrial organization poured out a seemingly endless flow of material comforts. American might in two wars led us to suppose that our power extended to the farthest reaches of the globe. Recent decades dispelled these illusions. Our cities became unlivable. The succession of new cars, new television sets, and new refrigerators proved a wasteland. Our power in the world is limited. We have lost our innocence and have learned our capacity for evil; witness the bombs dropped on Southeast Asia and the gap that still exists between our pretenses and practices in the treatment of blacks, Chicanos, and American Indians.

It takes honesty and courage to face these facts, but those whose realism leads them to despair suffer their own form of illusion. The men and women who sought freedom across the seas, who crossed the prairies and the great plains to conquer the mountains and build gardens in the desert, knew the costs, the struggles, the defeats, and the disappointments. They knew their fallibility and capacity for evil. But our forebears also had the greater insight for a vision of the ultimate perfectability of man and the greater courage to pursue their vision even when they knew that neither they nor their children nor their children's children could wholly achieve it. Edward Everett Hale voiced the true spirit of the American dream: "I am only one,/But still I am one./I cannot do everything./But still I can do something;/And because I cannot do everything./I will not refuse to do the something that I can do."

We are here to keep the dream alive.

RESURGENCE OF THE HOUSE IN FOREIGN AFFAIRS

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. BINGHAM. Mr. Speaker, readers of the CONGRESSIONAL RECORD may be interested in the following article which was published in the March 1974 edition of the Democratic Leader, the official publication of the New York State Democratic Party. It contains my assessment of the increasing importance and effectiveness of the House Foreign Affairs Committee.

THE GROWING ROLE OF THE HOUSE FOREIGN AFFAIRS COMMITTEE

(By Jonathan B. Bingham)

Item: One of the most important bills passed by the 93rd Congress in its first term was the War Powers Act. The House Foreign Affairs Committee played a major role in the development of this legislation; as worked out in Senate-House conference, the final version of the bill was much closer to the bill as drafted in the House Foreign Affairs Committee than it was to the Senate bill.

Item: On December 4th, the Foreign Affairs Committee reported out the $2.2-billion military aid bill for Israel by a vote of 31–1 having previously beaten back an effort to cut the authorization some 25%, by a vote of 16–5. The House, and later the Senate, went along with the Committee's recommendation.

Item: In its draft report the special House committee headed by Dick Bolling of Missouri which is reviewing House committee jurisdictions, recommended that the Foreign Affairs Committee handle foreign trade and tariff legislation, instead of the uniquely powerful Ways and Means Committee.

Item: During 1973 several visiting prime ministers and heads of state, including Mrs. Golda Meir, King Hussein of Jordan and the Shah of Iran, met privately with the committee, thus paying their respects.

These four items suggest how far the Foreign Affairs Committee has come since the pre-World War II days when it was considered one of the least desirable committee assignments in the House. By the time I was elected to the House in 1964, Foreign Affairs was already sought after (it took me four years to get the assignment), and today it is even more so. Because of our keen interest in its work, there are four New York Democrats in the Committee, Ben Rosenthal, Lester Wolff, Ogden Reid, and myself.

Ben Rosenthal heads the Subcommittee on Europe. His appointment in 1971 was made possible because of a new Democratic caucus rule limiting members to one subcommittee chairmanship. This reform which the Democratic Study Group (an informal but effective organization of liberal Democrats) fought hard to achieve, resulted in the designation of four outstanding younger Democrats to chair Foreign Affairs Subcommittees: in addition to Ben, they are Don Fraser of Minnesota, John Culver of Iowa, and Lee Hamilton of Indiana.

One of my most satisfying experiences since coming to the House was participating in the drafting of the War Powers Bill in the Subcommittee of National Security Policy and Scientific Developments. Several of us on the Subcommittee came to the hearings and then the "mark-up" sessions on this legislation with differing points of view. Chairman Clem Zablocki of Wisconsin originally opposed any attempt to limit the President's power to make war because he feared (correctly) a Presidential veto. Some members felt that the Congress could stop a Presidential war only by "joint resolution," requiring a Presidential signature or the votes to override a veto. My own approach was a bill to provide that either Senate or House could veto a Presidential war. (I had been an early critic of Senator Javits' bill, which had passed the Senate overwhelmingly in 1972 and again in 1973; that bill attempted to define the situation in which the President could start a war—a dangerous undertaking, full of pitfalls—and gave the Congress only one tool to stop the President with an automatic 30-day cut-off of the President's authority to act unless the Congress specifically authorized the war.)

After concluding its hearings, our subcommittee met for several days of "mark-up". Thanks to another reform achieved by the Democratic Study Group, these meetings were open to the press and public, but there was no grandstanding. Instead, through the give and take of open-minded discussion, a new bill was hammered out which most members of the subcommittee could agree on. It was basically this bill which was eventually enacted into law by passage over the President's veto. This bill side-stepped the treacherous business of trying to spell out the President's powers and gave the Congress a second tool with which to stop a Presidential war (in addition to the automatic cut-off after a specified number of days): it provided that such a war could be stopped at any time by passage of a concurrent resolution which does not require the President's signature.

The day of the vote to override was a historic one. Opponents of the bill on prior rollcalls had included some two dozen liberal Democrats, who feared the bill somehow gave a kind of sanction to Presidential wars, as well as over 100 Republicans and southern Democrats who supported Nixon's view that the bill unduly limited the President's power. Along with other subcommittee members, I had concentrated my efforts before the vote on persuading the small liberal group that their fears were unwarranted and they should support the drive to override. In the end most of them did so.

In supporting the $2.2 billion aid bill for Israel, the Foreign Affairs Committee was responding to a Presidential request. But on another phase of aid to Israel, the committee has taken the initiative, with no assistance from the Administration.

Early in 1972 Senator Muskie in the Senate and I in the House proposed that the United States should provide Israel with substantial help in the gigantic task of absorbing the tens of thousands of Jewish refugees coming from the Soviet Union. To gather relevant data, I headed a mission to Vienna and Israel. The Foreign Affairs Committee and eventually the Congress went along with the idea, and $55-million was appropriated. Again in 1973, I initiated action, this time to provide an additional $35-million and the final foreign aid appropriation bill included that amount.

As I write this article for the Democratic Leader, I am on a 747 jet flying back to the Middle East, heading a fact-finding mission for the Near East Subcommittee. We expect to meet with leading officials in Egypt, Jordan and Saudi Arabia, as well as in Israel. In addition to hearing what they have to say, and getting first-hand the assessment of other knowledgeable people in the area, we will certainly want to convey to Arab leaders the mood of the Congress and of the American people: that the U.S. will continue to supply Israel with the wherewithal to defend herself against Arab aggression, that the U.S. is not going to be deterred from this policy by the Arab oil boycott, and that the U.S. is now alerted to the danger of being dependent on Arab oil and will vigorously pursue the development of other energy sources.

Needless to say, the concerns of the Foreign Affairs Committee are worldwide. One of its major preoccupations has been the scope and direction of U.S. aid for undeveloped countries. This past year the Committee originated a new approach emphasizing training and technical assistance in basic areas such as agriculture, education and health, rather than more generalized economic aid programs. This approach was accepted by the Administration and adopted by the Congress. Hopefully, it will lead to more imaginative and more useful programs which will command wider support both where the help is needed and where the taxpayers must pay for it.

The Committee is also working away at the monumental task of improving the prospects for peace and progress through strengthening international organizations. Our Subcommittee on International Organizations and Movements, under the chairmanship of Minnesota's Don Fraser, has been leading a fight to restore America's reputation as a nation that lives up to its commitments under international law. One aspect of this fight is to see that we pay our dues to international organizations on time; another is to repeal the "Byrd Amendment" which prevents the President from complying with America's obligation to support the U.N. sanctions program against Rhodesia.

Thus, in recent years, the House Foreign Affairs Committee, under the leadership of its popular chairman, Dr. Thomas Morgan of Pennsylvania, has demonstrated a new interest and a new capability in contributing to the development of U.S. foreign policy, in authorizing the needed funds and overseeing the proper conduct of that policy.

THE GREAT PROTEIN ROBBERY: NO. 23—THE STUDDS-MAGNUSON 200-MILE FISH BILL

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. STUDDS. Mr. Speaker, support continues to grow for the Studds-Magnuson 200-mile fishing bill. Daily, I receive unsolicited endorsements and testimonials that dramatically point up the need for enactment of the Studds-Magnuson bill now—while we still have fish to protect. We cannot afford to wait for the Law of the Sea Conference to reach agreement on mutually acceptable international fish conservation agreement. We must pass the interim Studds-Magnuson bill now to begin to regulate and conserve the valuable marine resources in our 200-mile offshore waters.

Mr. Speaker, the following editorial from the Gloucester, Mass., Daily Times was sent to me by a stranger who is as concerned as I am about the desperate plight of our domestic fishermen. As the editorial points out the purpose is to "Buy time when time needs to be bought." For the further information of my colleagues, I would like to enter this well-written editorial into the RECORD at this point:

[From the Gloucester (Mass.) Daily Times, Mar. 19, 1974]

PROTECTING A NATURAL RESOURCE—FISH

You can intellectualize the issue of a 200-mile limit all you want, and debate its international consequences to death in the process.

But that doesn't make the words of these Gloucester fishermen go away:

"By the time they get anything through both houses of Congress, all the fish will be gone—" fisherman John B. Parisi.

"Some days it's like New York City out there. It doesn't take long with the trawls they make and pretty soon everything is gone—" Capt. Sam Parisi.

"They have smaller mesh in their nets and they get even the little ones—" Capt. Nick Sanfilippo.

What the fishermen are talking about is the overfishing of the offshore fishing banks, Georges, Jeffreys and Browns, from which local fishermen have traditionally taken their catch.

They are being swept clean by the Russians, Japanese, Poles and others, whose fishing methods contrast with our own about as dramatically as a sophisticated stereo contrasts with a windup victrola.

To the fishermen the issue is simple—at the rate the fish are being taken, soon there will be no more for them to catch.

A 200-mile limit, reserving to the United States the management of those natural resources contained within, including fish, is what they see as the answer. But they don't expect such a law to pass.

The reason is that to those schooled in international law the issue is not a simple one. The United States has traditionally rejected any claims to territorial jurisdiction beyond the agreed upon international 12-mile limit.

There is another practical argument advanced by some west coast fishermen and some from the Gulf of Mexico. They often fish in waters within 200 miles of the shores of other countries. So they fear that if this country enacted a unilateral 200-mile limit, others would retaliate with similar limits and the U.S. fishermen would be hurt.

The long-range answer may be a compromise yet to be negotiated by the United Nations Law of the Sea Convention beginning this June in Venezuela.

But that is a 134-nation body and any meaningful compromise will be years in the making and the ratifying.

Meanwhile, the fish are being taken faster than they can reproduce, the haddock, the cod, even the herring on which the other fish feed.

The fish supply, like all natural resources, is finite. It can run out. With the present rate of fishing. It will run out.

International relations, on the other hand, are flexible. After all, the art of diplomacy is to reverse one's self without seeming to, to recognize that which one vows he will not recognize.

Claims to a 200-mile limit are a case in point. The United States does not recognize the claims of any country to 200-mile limits.

The United States government has agreed to pay the fines levied on U.S. fishermen by the governments of Peru and Ecuador, claiming the limits are invalid, but the United States also pays the Brazilian government to police American boats fishing within 200 miles of the Brazilian coast.

Still, that stops short of all-out recognition of a 200-mile limit.

But the Studds-Magnuson bill now in Congress stops short of an absolute claim to 200 miles of territorial waters. It does not prohibit foreign vessels from entering the 200-mile limit, as they are prohibited from entering the 12-mile limit without permission.

Reciprocal claims to 200-mile limits by other countries would not impede the free passage of American naval vessels outside the 12-mile territorial waters of other nations, for instance, unless the naval vessels were fishing as they went.

It does not even prohibit foreign vessels from fishing between the 12-mile limit and the 200-mile limit.

What the bill does is to lay claim to this country's right to manage the natural resources, the taking of fish within 200 miles. Foreign fishermen might well be granted the right to fish in these waters, but by our rules such as to what specie might be taken and with what mesh size.

It's true that the legislation protects the domestic fisherman from the full brunt of competition he cannot meet.

But it is more than just protectionist legislation. It is conservationist, too. It is aimed at conserving fish so that 10 years from now, or 20, there will be fish in the ocean for American fishermen, Russian fishermen, Japanese fishermen, to catch and for the people of the world to eat.

The Studds-Magnuson bill may not be the best solution in the world—it doesn't claim to be more than an "Interim solution." Eventually a specie approach may be judged better and adopted internationally. Well and good.

For now though, the Studds-Magnuson bill appears to be the best short-range solution at hand. It will buy time when time needs to be bought.

VIETNAM VETERANS WEEK

HON. GARRY BROWN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. BROWN of Michigan. Mr. Speaker, a continuing concern for helping Vietnam veterans help themselves is needed in this country, and all those that actively support such endeavors are to be commended.

I would like to take this time to congratulate the National League of Cities and the U.S. Conference of Mayors on their combined efforts over the past 3 years to increase our veterans' educational, training and job opportunities. This kind of prompt and effective, worthwhile involvement this year includes a special, nationwide Vietnam Veterans Week, from March 29—designated Vietnam Veterans Day by the Congress—to April 4.

We must note this special week, not only as a time of tribute to the men who have so faithfully served our country in the face of disheartening odds, but as a week of work, planning, and dedication to improving the benefits and opportunities available to our exservicemen.

The Vietnam veteran has put his life on the line for his country. Yet, among the many obstacles facing him has been the adverse public reaction to the Vietnam war, which subsequently has made civilian readjustment more difficult than for the nationally accepted "returning heroes" of World War II.

The returning GI has not received benefits comparable to those offered after World War II, when veterans had a majority of tuitions and fees paid directly by the Federal Government. Today's higher tuition and living cost discourages GI program participation by the neediest veterans. These veterans are often precluded from partaking of some benefits because of the travel or expenses involved.

Measures, such as the program planned by the Mayors' Conference, must be welcomed and supported in an effort to ameliorate many of the hardships inflicted upon veterans. As a member of the delegation from Michigan, a State with 255,000 Vietnam era veterans in 1972, joining three other States with the largest group of ex-GI's, I have supported the bill calling for a 13.6-percent increase in the allowances of all participants in the veterans' programs of education, training and rehabilitation administered by the Veterans' Administration.

I also introduced a bill last year creating a National Cemetery System within the Veterans' Administration, a move fulfilling the dreams of many veterans. Eligible for interment in the national cemetery are all veterans, including personnel dying while in active service, members of Reserve components who die while in service or while undergoing treatment for a service-connected injury, active ROTC cadets, and citizens of the United States who served in the Armed Forces of countries allied to the United States in a war in which the United States participated. The bill also authorizes the VA Administrator to conduct a comprehensive study of the relationship of the National Cemetery System to existing veterans' burial benefits.

I have sponsored concurrent resolutions calling for the withholding of any aid, trade or recognition with Hanoi and the Vietcong until Vietnam peace agreement provisions are adhered to concerning our POW's and MIA's, and also strongly protesting the treatment of U.S. servicemen formerly held prisoners by the North Vietnamese.

Undoubtedly, the time is long overdue to respond to the special needs of the Vietnam era veteran, and we must opt for taking the initiative over mere rhetoric.

During this Vietnam Veterans' Week, mayors across the country will ask for representatives of business, education, service organizations, and recent veterans to form a task force that will plan open houses, speakers, orientation tours and information distribution, and coordinate existing educational and job opportunity programs. During this week, more factual data and helpful counseling will be available than ever before to veterans from coast to coast.

The Vietnam veterans must know they have not been forgotten, and we must lend our support to the Mayors' Conference in the struggle to successfully integrate these able and courageous men back into American society.

THOSE ALTRUISTIC SONS OF THE DESERT

HON. FRANK J. BRASCO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. BRASCO. Mr. Speaker, the October war against Israel caused many a shock in the West, especially among Israel's friends, because so many individuals, organizations and nations turned their backs on the beleaguered Jewish state. A number of harsh accusations have been hurled since then at Israel and her few remaining friends by such sources.

A number of third world-type nations accuse Israel of being imperialist and colonialist, despite her long established, successful policy of modest foreign aid with "no strings attached." Some extremely liberal groups in the United States have taken her to task for not "understanding the plight of the Arab refugees." A few columnists beat dead horses with loud, indignant cries, calling Israel everything from "a Junker state" to "an outpost of colonial aggression."

As one consistently fascinated by the noxious and far-fetched, I find these atrocities against logic intriguing. History notwithstanding, these critics are worthy of study for what they choose to ignore as much as for what they say. The American public, burdened by the highest energy prices on record, might be interested in some facts not featured in the aforementioned columns.

To begin with, the world is paying staggering sums of money to a few nations for Mideast oil. Billions of dollars are being demanded by Arab oil countries from the developed world, and even from nations of the undeveloped world, which, of course, cannot afford to pay. Ironically, a number of these developing states who are being victimized by Arab oil blackmail are those very same nations who turned away from Israel, breaking diplomatic relations with her in hope of Arab favoritism.

The next question is, what is happening to this mass of capital? Are our burnoosed brethren dashing forth from their air-conditioned tents, eager to spread some wealth around to millions of impoverished cousins? Are they practicing that virtue of charity to one's fellows so ardently and forthrightly demanded by a substantial portion of world opinion? Are they at least making substantial contributions to ease the plight of millions of Moslems living on the edge of starvation in that part of the world?

Sad to say, such is not the case. Little of this immense wealth is being used for international aid and development projects. United Nations agencies sponsoring development and refugee projects, largely funded by the United States, report increasingly rich Arab States contribute but a fraction of money being spent on such programs in their own area. Evidently wealthy Arabs do not believe charity begins at home. Most of these funds are provided by nations struck hard by the recent Arab oil embargo. Evidently, Arab States believe it best to extract vast sums for oil from these nations while allowing them to fund charity work for poor Arabs.

UNICEF, for example, supported entirely by voluntary contributions from governments and private organizations, spends about $5.4 million a year in 16 Middle East countries. Arab countries contributed $871,000 to UNICEF last year. Saudi Arabia, world's largest oil producer, accounted for $30,000 of that. However, UNICEF spent $500,000 in that same country last year, largely on manpower training programs.

Who could be the largest UNICEF donor? Curiously and surprisingly enough, it is the United States, which gave $15 million last year.

Another example is UNRWA, a voluntary U.N. organization which aids Palestinian refugees. Its last year's budget was $63 million, of which $2 million was contributed in cash by Arab nations. Two countries, Libya and Saudi Arabia, accounted for nearly half the Arab cash contribution. Fifteen other Arab countries gave slightly more than Norway's $750,000.

There, then, is a fascinating pattern for the average American spending close to 60 cents for a gallon of gasoline to contemplate. When writing out that next check for home heating oil, they might give a passing thought to these poor sons of the desert.

Of course, this state of affairs does not spill over into truly vital areas of need these countries must cope with, such as arms. Many oil-rich nations have gone on military hardware buying sprees, spending hundreds of millions of oil royalty dollars on new military toys. Here we have some fascinating revelations, particularly in the area of French arms sales to such countries. Actually, the Middle East is swarming with French airplanes—one reason the French have worked so hard to undercut the United States in that area.

I support American involvement in charitable and development efforts abroad, but within reason. Surely this state of affairs is tailor-made to make us reconsider our commitments. Surely there is no reason why money-swollen Arab oil countries cannot absorb development project costs in their own areas of the world. Surely the American taxpayer need not bear this burden any longer.

It is worth thinking about, especially when foreign aid pleaders toil on Capitol Hill, asking America to foot the bill for such undertakings.

MATTHEW NIMETZ ON IMPEACHMENT

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. KOCH. Mr. Speaker, it was with great pleasure that I opened this morning's New York Times and turned to the Op Ed page and found an article authored by Matthew Nimetz entitled "Impeachment and Law." Matthew Nimetz is an old friend and a scholar. He is presently a partner in the firm of Simpson Thacher & Bartlett, was a staff assistant to President Johnson, and a law clerk to Justice John M. Harlan, Supreme Court of the United States. His brilliance is exhibited in the thoughtful article which discusses the constitutional question of whether the impeachment of a President is subject to judicial review. The article follows:

[From the New York Times, Mar. 27, 1974]

IMPEACHMENT AND LAW

(By Matthew Nimetz)

An important national debate is now focused on the constitutional phrase "high crimes and misdemeanors," the standard for impeachment.

A broadly accepted standard is needed to give legitimacy to a vote of impeachment and a subsequent conviction of President Nixon, but there is a second reason why care must be taken in formulating the standards and procedures to be applied in impeachment proceedings—to withstand a challenge in the courts.

Little public attention has been paid to the possibility that the standard for impeachment might be resolved in our traditional forum for dealing with constitutional questions, the Federal court system.

Certainly the constitutional language, granting "sole power of impeachment" to the House and "sole power to try all impeachments" to the Senate, does not appear to contemplate judicial involvement. But if the President wishes to fight impeachment with all the legal weapons in his arsenal, an appeal to the courts should be expected.

At this stage one can only speculate about the scope and context of such an extraordinary legal action. Nothing like it would have been conceivable at the time of the Andrew Johnson impeachment, or indeed at any time until the activist decisions of the United States Supreme Court under Earl Warren. For throughout most of our judicial history the courts have tended to stay out of the "political thicket," and impeachment seems, at first glance, to be within the sole authority of the Congress. In fact, the Court of Claims so held in 1936. But today we cannot be so sure.

In Baker v. Carr, decided in 1962, the Supreme Court held that reapportionment of state legislatures was a matter with which the courts were capable of dealing. Although the questions there were far removed from impeachment, the Court opened the door to judicial involvement in political questions previously thought beyond its reach.

The Court said that even when a decision is constitutionally committed to another branch of Government, the question whether a particular action exceeds the authority committed "is itself a delicate exercise in constitutional interpretation, and is a responsibility of this Court as ultimate interpreter of the Constitution."

Of course, Baker v. Carr and its reapportionment progeny are not strictly in point.

A closer case, decided in 1969, involved the House decision to refuse to seat Adam Clayton Powell because of alleged misconduct. The Supreme Court, in reversing a lower court, which refused to hear the case, said that the judiciary should not shrink from deciding whether the House had applied the proper standard to exclude a member.

The issue, the Court held, was really not political at all: It did not involve legislative "policy" but simply required reading a provision of the Constitution and determining its meaning, pre-emeninently a judicial function.

The similarities to our present situation are rather striking. Of course, this argument depends on reading the Powell case for all that it might be worth, but this is how constitutional law is often made.

If these two cases are unsettling, let us ask why impeachment should not under certain circumstances be a proper subject for judicial review.

Consider an outrageous case: The President is impeached solely because he held prayer breakfasts in the White House. Shouldn't the President be able to seek a declaratory judgment, an injunction or some other relief on the ground that this was simply not an impeachable offense?

This is an extreme example. But once we concede the possibility of judicial consideration of the standard for impeachment or due process in the Congress's procedures, the specter * * * real. There are no final answers here. We are speculating about novel questions under our Constitution. But one thing seems certain: If the question whether the judiciary can review impeachment is presented, it can be answered definitively only by the Supreme Court.

Anyone who doubts that had better reread Marbury v. Madison, in which the doctrine of judicial supremacy was first enunciated. How ironic it would be if the decisions of the Warren Court helped to maintain President Nixon in office; how even more ironic if the Court under Warren E. Burger were to take the narrow view of its constitutional power that Mr. Nixon advanced in making judicial appointments and refused to review his impeachment and conviction.

AN UNNECESSARY SHORTAGE

Hon. Yvonne Brathwaite Burke

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mrs. BURKE of California. Mr. Speaker, the following article by my colleague, Congressman CHARLES RANGEL, indicates the effect of the energy crisis on the economy and gives an indepth analysis of the situation. I insert Congressman RANGEL's article into the RECORD and commend him for sensitivity regarding the energy crisis.

The article follows:

AN UNNECESSARY SHORTAGE

(By Representative CHARLES B. RANGEL)

Harlem-born Charles B. Rangel represents New York's Nineteenth Congressional District, which includes East Harlem and the upper west side, in the U.S. Congress. A practicing attorney since 1960, he is a member of the House Committee on D.C. Home Rule and the House Judiciary Committee—which is currently conductng hearings on possible impeachment of the president. Congressman Rangel won the Bronze Star and Purple Heart in Korea, served two terms in the New York State Assembly, ran for president of the New York City Council, and has held numerous government legal posts, receiving appointments from former Attorney General Robert Kennedy and former President Lyndon Johnson. He is presently associated with many legal and civil rights organizations. An extensive legal background and many years of government service render this Harlem-born Democrat highly qualified to analyze and critique the government's handling of the energy crisis.

This nation's inability to develop a national energy policy is the major reason why we are faced with the current energy crisis. As late as 1952 the National Commission on Materials Policy urged that a national energy policy be coordinated by one agency, which would research and analyze energy needs. However, this agency was never created, and during the two decades and more that have passed since this recommendation was made, the nation's energy policies have been "guided" by various federal agencies with overlapping and sometimes conflicting powers.

To say the least, the Nixon administration denied an oil shortage was even forthcoming. And it has yet to develop an energy program that is essential to our immediate and long-range well-being.

Such leadership has characterized the administration's mishandling of the energy matter from the beginning. In the past three years, seven different people have been "in charge" of energy policy. And before 1971 no one dealt specifically with energy policy. The Nixon administration refused to implement a mandatory allocation prorgam, even after thousands of independent gasoline service stations and small refiners had to close down because they lacked petroleum supplies. Four years ago a Nixon cabinet task force recommended abolishing the Oil Import Control program. If this program had been abolished, it would have allowed a greater amount of foreign oil to be imported, and it would have lessened the depletion rate of our own domestic reserves. However, Nixon failed to act on this recommendation. So now we have both limited domestic reserves and a limited chance to meet our needs in the world markets.

ARAB OIL

The Arab embargo has not helped matters for us, except to finally alert us to the fact that there is a national fuel shortage in America. It is difficult to determine the exact extent of America's dependency on Arab oil because the federal government does not regularly monitor the amount of Arab oil imported on products that are refined abroad by U.S.- or foreign-based corporations, which do a great deal of business in this country. Estimates do show, however, that about 25 percent of all our oil imports have come from Arab sources, which represents about 10 percent of our total oil consumption. Comparatively, for some European nations and Japan the embargo has spelled potential disaster, since their dependency on Arab oil is greater than ours. (The United Kingdom receives 70–80 percent of their oil from Arab sources, France receives 70–80 percent, Germany receives 70 percent, and Japan receives 40 percent.)

Although the United States makes up only 6 percent of the world's population, it uses 35 percent of the world's energy supply. A significant reason for this disproportionate amount of energy consumption is the enormous demand for goods, including powered appliances, to maintain high standards of living. Americans, however, must begin to realize that it requires large amounts of energy (crude oil and petroleum products) to manufacture all those goods and power those appliances. Furthermore, they must be aware that the point has been reached in which conspicuous consumption of energy must be reduced and some material inconveniences accepted.

The embargo represents a loss of approximately 3 million barrels of oil per day or about 16 percent of our estimated 19 million barrels per day needed to accommodate our average needs this winter. The approximate 3 million barrels per day deficit includes all the nation's primary petroleum needs for crude oil and distillate and residual fuel. The embargo also makes it extremely difficult to acquire additional petroleum, and in places in which stocks do exist prices have skyrocketed. Prior to Nixon's decision in December to boost energy prices, the composite profit of the oil industry showed a substantial 63 percent increase from September 1972 to September 1973.

THE HIGH COST OF REFINING

While oil companies are making tremendous profits during this fuel shortage, the public is being gouged by retail prices, which are set according to the wholesale price increases on all sources of energy. Noticeably, wholesale energy prices had increased 47 percent for 1973 as of last November.

The control of the oil industry over petroleum and other sources of energy, through all stages of exploration, refinement, and retail prices establishment, is far too dominant, and is exercised without adequate federal regulation.

According to the cost of living Phase IV guidelines, increases in prices are initiated by the refiners. If the refiners' costs increase, the increase is passed on to the wholesaler, who passes it on to the retailer. Finally it reaches the public. The increase of prices for petroleum products throughout the nation is subject to the increased costs of refiners. Curiously, most refineries are owned by major oil companies. The refiner has two excuses for increasing his prices: the increase in the cost of imported petroleum, or the increase in the cost of domestic crude petroleum. In both cases the refiners could also have taken steps to lessen the increases.

When the president's task force recommended abolishing the Oil Import Control program in 1970, it should have been done. The program required using our domestic oil reserves, while it limited importation of oil from other countries. But the program would have decreased the oil companies' profits, so Nixon ignored the recommendation. Thus, as long as the oil companies have the president on their side, they will continue to drain our domestic reserves and to reap even bigger profits.

In November 1972 the Department of the Interior sent telegrams to all major refineries requesting that they increase output from 89 percent of capacity to 93 percent of capacity. The refineries refused to do this, although it was well within their ability. This would have diminished the crisis by a large extent.

Obviously, legislation providing for direct federal regulation of petroleum and petroleum processing must be enacted by Congress to prevent future crises, and to guard against the United States' vulnerability to oligopolistic practices by oil companies.

GOVERNMENT INSENSITIVITY

The impact of the energy crisis is affecting and will continue to affect every one of us, in every aspect of our lives. The planning that is underway for dealing with the energy crisis is being conducted without any sensitivity or concern for the special needs, such as heating, of the inner-city poor. The secretaries of the Department of Housing and Urban Development (HUD) and the Department of Health, Education, and Welfare (HEW), and the director of the Office of Economic Opportunity should all be present at meetings of the president's energy advisory committees. Essentially, the president has spoken only of actions citizens can take to help during the crisis. He has failed to say what impact the crisis will have on America, particularly the American inner-city poor.

It is in unemployment that the urban poor most strongly feel the result of the energy crisis. They are aware that the decline in per capita industrial production means subsequent dismissals and layoffs for them. Predictions on how high unemployment may go range from 6 percent to 8 percent. In minority communities, in which unemployment is usually at least double the national average, unemployment may reach 20 percent.

Job losses will continue as long as the petroleum shortage continues. The industries hit hardest are those that use steel, aluminum, copper, plastics, and synthetic textiles, as well as travel and travel-oriented companies. This means there will be fewer sales for "mom-and-pop" stores, restaurants, and fast food businesses, which are common in minority communities.

In the health area the oil shortage will take a great toll. Again, the urban poor will be affected. To a large extent, they will suffer because of insufficient heating.

More needs to be learned about the effects of lower temperatures on health. HEW says that lower temperatures will mean—

Increased basal metabolic, heart, and respiratory rates, and increased transmission of respiratory illness from crowding in a small area for warmth:

A need for increased caloric intake;

Schools will close, which may prevent some children from getting their only well-balanced meal;

Increased probability of illness to vulnerable groups such as pregnant women, infants, school-aged children, the chronically ill, the elderly, and the poor, because of nutritional deficiency;

Hazards to personal safety from conversion to alternative heating methods, which might result in suffocation from emissions, explosions, fire, or electrical danger;

Increased mental illness, suicide, serious crime, alcoholism, and drug abuse;

Aggravation of the chronic diseases, the most common being hypothyroidism, peripheral vascular disorders, arthritis, severe constricting chest pains, and diabetes.

CHANGING LIFESTYLE

The effect of the energy crisis on the economy as a whole will be an increase in the rate of inflation. Although the economics of energy and its impact on growth is not widely understood even by economists, it is apparent that as energy shortages continue production will decrease and the prices of scarcer products will increase. For example, making plywood requires a great deal of intensive energy materials. If there are fewer energy sources, plywood production will have to be decreased. Thus, the price of what is produced will increase, and every business using plywood will have to increase its price to account for the increase in the price of plywood. Therefore, the plywood used in the construction of apartment buildings will cost more to buy and will increase the cost per apartment. And the rent for the apartment will also be affected. This kind of price increase chain will affect many industries and businesses, and all consumers.

The environment will also reflect changes resulting from the energy crisis. Abundant amounts of high-sulphur fuels, such as coal, will be used to compensate for the lack of petroleum products for use by industries, office building, schools, and apartment buildings.

In short, everyone and every sector of society will definitely be affected in one way or another by the energy crisis. Such an outcome is inevitable.

NEED FOR MAJOR HEALTH-CARE REFORM FOR THE ELDERLY

HON. OGDEN R. REID

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. REID. Mr. Speaker, I have introduced major health legislation to reform the medicare program for senior citizens and disabled Americans.

Mr. Speaker, many of us are all too well aware of the drastic need for reform in the health field, especially as it regards the elderly in our Nation. We know, for instance, that the average out-of-pocket health expenditure for those over 65 was $1,100 last year, or more than twice as much as the average expenditure of $441 for the total population.

We know also that 85 percent of those over 65 have at least one chronic condition; 80 percent have some sort of arthritis. Dental problems, hearing and eye problems, and the need for prescription drugs increase dramatically over the age of approximately 60. Drug costs for older Americans run almost three times the price of those for the younger population.

We know that 28 percent of our health care went to our senior citizens, although they make up only 10 percent of the population.

Finally, we know that some 18 percent of our senior citizens live in poverty, including over 600,000 in New York State. Their median income is barely half that of other Americans.

Knowing these things—and more—I do not believe that we can continue to ask our senior citizens to wait—either for a new health system, or for new legislation, or for more band aid remedies, or for any more promises. I believe it is time that we accepted our responsibility to act—not talk—to help those who need help and to guarantee them the right to decent health.

The bill I have introduced (H.R. 13518) would provide health-care benefits to all older Americans as a matter of right. It would broaden the medicare package to meet the many presently uncovered needs of senior citizens and to extend the duration of those benefits which are now limited. It would reduce the out-of-pocket expenditures of those eligible, and would establish a program of catastrophic health insurance protection for senior citizens.

The bill would merge parts A and B of medicare and the State-run medicaid programs into a single comprehensive plan which would cover all Americans over age 65. It would eliminate present premium payments and deductibles; for catastrophic illnesses, it would provide nominal coinsurance payments based on income, for those able to pay, with a maximum out-of-pocket expenditure limit of $750. Coverage would be expanded to include, among other things, unlimited inpatient and outpatient hospital care, unlimited skilled nursing and intermediate care facility services, unlimited physician and dental services, outpatient prescription drugs, eyeglasses, hearing aids, and other necessary medical equipment, and numerous other services.

I am including, as of possible interest, a factsheet prepared by the National Retired Teachers Association/American Association of Retired Persons on this bill. The factsheet follows:

MAJOR FEATURES OF THE COMPREHENSIVE MEDICAL REFORM ACT OF 1974

I. PURPOSE

To improve and restructure the Medicare program so as to:

Provide health care benefits to all older Americans as a matter of entitlement;

Broaden the benefit package to meet the full range of medical services needed by older Americans;

Extend the duration of those benefits which are limited under the present program;

Reduce the out-of-pocket personal health care expenditures of those eligible for Medicare coverage;

Establish a program of income-related catastrophic protection;

Improve the administration of Medicare; and

Control increases in health care costs.

II. STRUCTURE

A single, integrated program of comprehensive health insurance for the aged and disabled, fully financed through social insurance taxes, comparable taxes on unearned income, and general revenues.

A single, expanded benefit structure (combining Parts A and B of Medicare) with a single trust fund. Requirements for premium payments and deductibles are eliminated. Co-insurance provisions are adjusted so that while persons who can afford to pay will do so up to a predetermined maximum level, cost will not be a deterrent to quality health care.

Provision under the expanded Medicare program of all care and services for the aged presently covered by the Medicaid program.

III. ENTITLEMENT

Extended to all persons 65 years of age or older regardless of insured status under the Social Security or Railroad Retirement cash benefit programs, so long as the individual is a citizen (or national) of the United States or a legal resident alien.

Allows all individuals presently covered under Medicare because of special circumstances (such as disability) the full benefits of the expanded program.

IV. REIMBURSABLE SERVICES

Unlimited *inpatient* hospital coverage—

Includes pathology and radiology services; and

Includes 150 days of care during a benefit period for a psychiatric inpatient undergoing active diagnosis or treatment of an emotional or mental disorder.

Unlimited outpatient hospital coverage.

Unlimited skilled nursing facility services with no requirement for prior hospitalization.

Unlimited intermediate care facility services, effective July 1, 1978.

Unlimited home health services with no requirement for prior hospitalization.

Certain services offered by public or non-profit private rehabilitation agencies or centers and public or non-profit private health agencies.

Unlimited physicians' services, including major surgery by a qualified specialist and certain psychiatric services.

Unlimited dental services.

Outpatient prescription drugs—including biologicals such as blood, immunizing agents, etc.—subject to certain limitations to insure quality control.

Medically necessary devices, appliances, equipment and supplies, such as: eyeglasses, hearing aid, prosthetic devices, walking aids. Also included are any items covered under present law.

Services of optometrists, podiatrists and chiropractors.

Diagnostic services of independent pathology laboratories and diagnostic and therapeutic radiology by independent radiology services.

Certain mental health day care services.

Ambulance and other emergency transportation services as well as non-emergency transportation services where essential because of difficulty of access.

Psychological services: physical, occupational or speech therapy; nutrition, health education and social services; and other supportive services.

V. COST SHARING

No periodic premium payments.

No deductibles.

Initial co-insurance payments (based upon type of service) are as follows:

Type of Service [1]

1. inpatient hospital services.
2. skilled nursing facility.
3. home health services.
4. physicians' services.
5. dentist services.
6. mental health day care.
7. diagnostic out-patient services of independent laboratory or of independent radiology services.
8. devices, appliances, equipment and supplies.
9. drugs.
10. ambulance services.

Co-insurance Payments [2]

1. $5 per day.
2. $2.50 per day.
3. $2 per visit.
4. $2 per visit.[3]
5. 20% of approved charge.[4]
6. $2 per day.
7. 20% of approved charges.
8. 20% of approved charges.
9. $1 per each filling or refilling.
10. 20% of approved charges.

VI. CATASTROPHIC PROTECTION

The Co-insurance payments are subject to a catastrophic protection feature related to family income categories. Initial income ranges are as follows:

Income class	Single individual	Family of 2	Family of 3	Family of 4 or more
1	0–$2,110	0–$2,730	0–$3,340	0–$4,280
2	$2,111–3,160	$2,731–4,090	$3,341–4,460	$4,281–5,340
3	3,161–4,740	4,091–5,450	4,461–5,570	5,341–6,410
4	4,741–6,330	5,451–6,810	5,571–6,980	6,411–7,480
5	Above 6,330	Above 6,810	Above 6,980	Above 7,480

Persons in income class 1 not subject to coinsurance.

Persons in income classes 2 through 5 subject to nominal coinsurance payments (based on type of covered service) up to determined out-of-pocket expenditure limit for each income class.

Initial maximum liability limits are as follows:

Income class and out-of-pocket expenditure limit

1—no payment.
2—$125.
3—$250.
4—$375.
5—6% of annual income or $750 whichever is less.

Individual can claim out-of-pocket payments for the last quarter of the preceding year in calculating the annual out-of-pocket expenditure limit for the current year.

Any expenditures incurred for services furnished in excess of the coverage limit for certain psychiatric and skilled nursing facility services can be credited, along with co-insurance payments, in determining an individual's out-of-pocket expenditures.

NOTE.—Income ranges for the different income classes and out-of-pocket expenditure limits are subject to annual revision in accordance with the Consumer Price Index.

VII. REIMBURSEMENT POLICIES

Payments are made only to a "participating provider" (one that has filed a participation agreement with the Secretary of HEW) except for emergency services.

"Providers" include not only institutions but also independent practitioners and suppliers of drugs or medical appliances.

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[1] subject to statutory definition.

[2] recomputed each year on formula cited in section 1824.

[3] payment for combined multivisit as in the case of surgery or obstetrical care would be 10% of approved charge.

[4] no payment for oral examination and prophylaxis including fluoride application, X-rays and other preventive procedures.

An institutional provider is treated as the provider of *all* institutional services to its patients.

Reimbursement to a participating institutional provider based upon a predetermined schedule of patient care charges.

Schedule of charges must be based on a system of accounting and cost analysis in conformity with prescribed standards.

Periodic interim payments will be made to institutions during the accounting year on the basis of cost projections, with final adjustments based on the approved schedule of charges.

Reimbursement for services of physicians, dentists, optometrists, podiatrists, chiropractors and other non-institutional services of licensed professional practitioners will be paid in accordance with annually predetermined fee schedules for their local areas.

Fee schedules will be established through negotiations among representatives of government, providers and consumer interests.

Final fee schedules to be established only after public hearings.

Participating providers must agree to accept the Medicare payment (plus any co-insurance payment) as the full charge for their service.

The Secretary of HEW is required to make public for each local area the established fee schedules and the names, professional fields and business addresses of participating practitioners.

Payments to health maintenance organizations are retained as provided for in the 1972 Social Security Amendments.

The definition of HMO is broadened to include medical foundations.

VIII. FINANCING

A single trust fund will be established by merging the two trust funds under the present program.

In addition to hospital insurance taxes and returns from trust fund investments, a government contribution can be authorized for whatever amount is estimated as necessary by the Board of Trustees of the trust fund.

Pending Congressional action on the appropriation, the Managing Trustee of the trust fund is empowered to borrow from the federal treasury.

THE PROTECTORS: HOW PEOPLE ARE RESCUING THREATENED WILDLIFE

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. DINGELL. Mr. Speaker, many individuals are participating in the various preservation programs to save endangered species and the staff of the April–May magazine, National Wildlife, as published by the National Wildlife Federation, has compiled the following informative report on these conservation efforts:

THE PROTECTORS: HOW PEOPLE ARE RESCUING THREATENED WILDLIFE

(By the staff of National Wildlife)

From Maryland to the Rocky Mountains, from the wilderness of northern Minnesota to the sunny shores of Florida, hundreds of Americans are doing more than just talking about endangered species. They are working hard to save them. Some of these individuals are employed by a government agency or affiliated with a university; the work of others is supported in some measure by public or foundation funds, and some go it alone. In any case, rescuing wildlife is far more than just a job to individuals like the scientists profiled on these pages. It is a lifelong personal commitment.

THE PRAIRIE CHICKEN PEOPLE

It is the hour before dawn on a crisp April morning in central Wisconsin, and out in 50,000 acres of Buena Vista marshland near Plainfield, the volunteers stir restlessly in their cramped blinds. Their muscles are sore, their toes are numb and their eyes are strained from peering through spotter scopes into the night. Then, from deep in the grasslands comes a low cooing sound, followed by another, and another. Suddenly, the occupants of the blinds are oblivious to their aches and pains, intent instead on the stirring and rustling of creatures only vaguely discerned in the gathering daybreak. From all points now, a murmuring and gobbling swells, punctuated by an occasional whoop. All at once, the booming begins: a ragged volley of hollow mating calls that roll out across the prairie for miles.

Some observers have compared the sound to a musical jug or an octarina. Others liken it to the low notes of an English horn. But although it bears some resemblance to all three, the unmistakable booming of the male *Tympanuchus cupido pinnatus*—the northern greater prairie chicken—has no equivalent in the natural world. It is a vigorous, melodious, hauntingly clear cry. And no matter how seasoned the spectator in the blind, hearing those first robust boomings of spring is always a renewed thrill.

As it happens, about 6,000 observers have experienced that thrill in the Plainfield area during the past 25 years or so. Biologists, housewives, farmers, hunters, businessmen, doctors and students, they have worked together to collect field data on the prairie chicken that is needed to help prevent its disappearance. For *Tympanuchus cupido* is one of the nation's threatened species—a classic example of how habitat loss leads to animal depletion. Thanks in large part to two resident Wisconsin scientists, however, the flamboyant bird's future now seems safer than it has in many years. Fran and Fred Hamerstrom, biologists, crusaders and rugged individualists, are the nucleus of the remarkable public mobilization that has made that prognosis possible.

To conservationists the world over, the Hamerstroms are known simply as "the prairie chicken people." There is something appropriately irreverent about that designation. At a time rife with doomsday prophecies, the movement to save the prairie chicken in Wisconsin has consistently been marked by a refreshing strain of gentle self-mockery. After all, an unavoidable hint of "the little old lady in tennis shoes" shadows this improbable alliance of ordinary folks and barons of industry. But no one mines the eccentric vein more profitably for humor than the prairie chicken people themselves. "Good works," Fred Hamerstrom is fond of saying, "don't have to be done in a sepulchral atmosphere."

Certainly the Hamerstroms themselves do not work in such an atmosphere. Although they are products of proper Bostonian upbringings, Fred and Fran have remained determinedly unconventional ever since they migrated to the Midwest some 40 years ago. Both were already strong conservationists by the time they fell under the spell of the renowned naturalist Aldo Leopold at a conference in New York in the early 1930s. Not long after, they followed Leopold back to Wisconsin, where they eventually signed on with the state's pioneering conservation department. They have remained in Wisconsin ever since.

Surrounded on three sides by prairie chicken grasslands, the Hamerstroms live in an unpainted farm house that was partially built before the Civil War—and never quite finished. In that rustic setting, they have nourished owls, marsh hawks, flying squirrels, golden eagles and two children. There, they have also conducted the landmark research studies that provide many of the underpinnings for effective management of prairie chickens today.

Once, *Tympanuchus cupido* thrived not only in Wisconsin but all across the lush sea of grass that covered the entire midsection of America. An excellent gamebird, it was found in such abundance a century ago that market hunters shipped their kills back East by the ton. But it was farming, not hunting, that altered the bird's habitat and left just scattered local populations on the midwestern prairies. The lesser prairie chicken is even more obscure than the northern greater bird; small populations are found only in arid regions of the southern plains. Another subspecies of the 14-inch bird—Attwater's greater prairie chicken—is listed as an endangered species and only several thousand are left on the coastal prairie of Texas.

In the nineteenth century, as intensive agriculture swept westward, the particular combination of grasslands required by the northern greater prairie chicken in Wisconsin disappeared. For nesting and rearing cover, the female needs a mixture of broad-leaved herbaceous plants; for male booming, on the other hand, and to facilitate sexual display and mating, open space and short cover are necessary. In pursuit of this dwindling habitat, the prairie chicken population moved northward, where lumbering and fires had created suitable new rangeland. But as reforestation moved down from the north in Wisconsin, and as farming steadily moved up from the south, the chicken was trapped in the pockets of marshland that remained in between. Theoretically, however, as long as the marshland is not entirely destroyed by agriculture or forestation it will continue to provide suitable habitat for the 1,000 or so prairie chickens left in Wisconsin. That is the proposition to which Fran and Fred Hamerstrom have devoted the better part of their lives.

Early in their investigations, funded by the state, the Hamerstroms concluded that a good modern equivalent to natural prairie chicken habitat is open pasture for springtime booming, unmowed grasslands for nesting and cornfields, sedge pockets and small brush patches for wintering. The Buena Vista Marsh could have provided both in abundance. By the early 1950s, however, intensive farming once again began to squeeze the chickens out. And it was during this period that the National Wildlife Federation began sponsoring annual prairie chicken conferences in the dozen midwestern states where the bird is found. At the same time, the Hamerstroms realized that it was "now or never" for *Tympanuchus*. But the bird was still too obscure to elicit widespread public concern.

Even so, the Hamerstrom's research had produced a formidable body of facts about the bird's comings and goings. In a period of a dozen years, the hardy couple and cadres of volunteers had banded more than 2,000 prairie chickens and plotted countless maps defining booming grounds and brooding areas. Frustrated by the difficulties of identifying banded birds, Fran even adapted a new technique from falconry known as "imping"; after trapping a cock, she cut off a tail feather near the base, dipped a brightly-painted substitute in glue and slipped it into the hollow shaft of the old feather. All the while, the Hamerstroms continued staffing their canvas blinds in the marsh with volunteers, who took detailed notes on the behavior of the chickens in the fields.

As a result, the Hamerstroms were able to show that prairie chickens are territorial creatures whose mating and survival needs are ill-served by intensive grazing or plowing, and also by uncontrolled brush growth. With that evidence in hand, the Hamerstroms and their research associate, O. E. Mattson, proposed that the state conservation department proceed to acquire grassland reserves scattered throughout the Buena Vista and Leola marshes. Then, the Hamerstroms embarked on a campaign to mobilize public opinion—and private money—to facilitate acquisition of land which could be leased to the state and managed for the prairie chicken.

At first the public's reaction was indifference, but when one organization in Madison known as the Prairie Chicken Foundation started purchasing hundreds of acres of grassland, the tide began to turn. Two years later, in Milwaukee, a group of wealthy industrialists formed the *Society of Tympanuchus Cupido Pinnatus, Ltd.*, a deceptively jocular foundation that in short order added more than 3,000 acres of grassland to the prairie chicken reserves. With that, the movement began snowballing in Wisconsin and, by now, more than 10,000 acres have been set aside at a total cost of more than $500,000. In recognition of the Hamerstrom's central role in the movement, the National Wildlife Federation named them "Conservationists of the Year" in 1970.

The prairie chickens do not realize they have been given a new lease on life, of course. But most of the observers who flock to the marshlands around the Hamerstroms' farm each spring do. Listening to the ebullient booming, they are filled with a sense of wonder. And watching the cocks strut magnificently across their individual territories, whirling, displaying and thumping their feet, the Hamerstroms, too, are still awed by it all.

"After the cocks blow up their great air sacks and erect their tail and ear feathers," Fran Hamerstrom enthuses, "they stand up very straight and strut around like little mechanical dolls. When the hens finally come out, they act extremely demure—as if there were no cocks around. At the peak of the breeding season, the spectacle is tremendous. You're surrounded by this symphony of booming. The sun is just coming up. And there's a mist over the marshes. . . . It's really incredibly beautiful."

TRACKING THE GREEN TURTLE

Silently, ponderously, they have been forging their way across vast stretches of ocean water for millions of years. Through a mysterious combination of navigational skill and strength, the enormous Atlantic green turtles (*Chelonia mydas*) are able to negotiate monumental annual migration routes that stretch, for many, as far as the coastal waters of Brazil to Ascension Island some 1,500 miles away. It is one of the most mind-boggling phenomena in the natural world. And no one understands it better than Archie Carr, a professor of zoology at the University of Florida and a leading advocate of international cooperation to save the imperiled green turtles from extinction.

A disciplined scientist and an eloquent writer—most notably in his acclaimed book on the green turtle, *So Excellent A Fishe*—Carr first became captivated by deep-sea turtles one night many years ago. It was then that he watched a female hawksbill haul herself ashore and, glistening in the light of a half-moon, methodically proceed to lay her eggs. In the years since, Carr has been preoccupied with finding out how such creatures manage to get from place to place.

Back in the 1950s, Carr warned that although the green turtle was then in no immediate danger of extinction, it will support no resurgence of the turtle fishing industry. It seems almost certain that, with modern means of refrigeration and food preservation, the pathetic remnant of the once-teeming hordes will be pursued until the animal is "back against the wall." Tragically, his prediction has long since come true. Today, the green turtle is in serious trouble. In Florida, the insatiable demands of the restaurant industry for soup compounded of the green turtle's delectable meat has all but wiped out the state's offshore turtle colony. Throughout the Caribbean—where only 15,000 breeding females are left—and in the turtle's other nesting colonies off the coasts of the Guineas, Ascension Island and Australia, the hapless reptile is under attack from commercial industries.

When Carr first became involved in the turtle's plight, the gaps in man's knowledge of the animal were so great that few people even realized its survival was threatened. Over the years, though, Carr's intensive long-distance tagging and recovery studies have revealed much about the turtle's natural history. Still, the facts come painfully slow. Except for the brief times when they are hatching and laying eggs, the green turtles spend their entire lives in the water. They feed on the fast-growing submarine vegetation found offshore. They even breed in the water. And their longevity is such that it takes decades to follow one female long enough to determine her cyclical breeding habits. Consequently, it will be some time before Archie Carr can draw many definite conclusions about the navigation systems that guide the green turtles, again and again, to lay their eggs on the same beaches where they themselves were hatched.

Happily, Carr's crusade to focus world attention on the turtle's precarious condition has reaped more immediate dividends. His thesis is simple enough: the Atlantic green turtle's only hope for survival rests on international concern and cooperation. "No turtle can be given a sure survival outlook merely by protecting it within the frontiers of one country," he stresses.

The first effort to generate shared multinational responsibility was undertaken by the Caribbean Conservation Corporation, a non-profit foundation headquartered in Costa Rica. Under its auspices, a dozen countries and islands joined hands 16 years ago in "Operation Green Turtle," a joint effort to restock green turtles in their natural colony areas. "The green turtle poses one of the most complicated survival problems of all—including the blue whale," Carr cautions. Though no dramatic results have been realized, Carr remains hopeful—but wary. "The huge problems of international commerce make regulation and enforcement almost impossible," he says. "And, with habitat disappearing and markets expanding, the protective efforts *must* be accelerated." Perhaps, Carr adds, "with the signing of the International Endangered Species Treaty of 1973, they will be."

BUGGING THE COUGAR

In the rugged cattle country of the American west, many stockmen and sportsmen still damn *felis concolor* as a "nuisance" and a "varmint." But for the better part of a decade now, Maurice G. Hornocker, 43, has dedicated himself to keeping the fabled western cougar, or mountain lion—once the most widely-distributed mammal in the Western hemisphere—from joining its eastern cousin on the endangered species list. Frequently with only a veteran hunter and two red bone hound dogs as companions, the wiry leader of the Idaho Cooperative Wildlife Research Unit at the state university in Moscow has logged thousands of miles in pursuit of the secretive predator which is still hunted in some states. He has weighed, measured and examined nearly 300 cougars in a campaign to obtain data that is needed, Hornocker says, "if this species is to be preserved and intelligently managed."

As part of his intensive studies of the mountain lion's solitary way of life, Hornocker and his colleagues frequently "shoot" the cats with tranquilizers—and then bug them with small radio transmitters. After recovering from the effects of the drugs, the lions again roam freely, though much of the time they are electronically tracked on foot (often by snowshoes) or from airplanes.

Eventually, perhaps, Hornocker's elaborate studies will provide the kind of objective evidence that is needed to eliminate, once and for all, the frontier hang-ups that still pin the "bad guy" label on this most magnificent of American cats.

THE WOLF MAN

They do not call him "the wolf man" without good cause, for 37-year-old L. David Mech specializes in tracking timber wolves throughout northern Minnesota's remote Superior National Forest. Since 1968, he has pinpointed the location of nearly 80 radio-tagged wolves in a dozen different packs more than 3,000 times.

The intensive population studies have enabled Mech and his associates in the Interior Department's Endangered Wildlife Research Program to keep close tabs on the whereabouts, pack sizes and hunting habits of the 400 or so threatened wolves remaining in the wilderness area. Somehow, Mech has also found time to write more than 100 books, monographs and articles (including one for National Wildlife, February-March 1968) about his favorite subject.

One of the country's few genuine experts on the timber wolf's feast-or-famine existence, Mech has had a firsthand look at the process of "survival of the fittest." In both Minnesota and the Isla Royale National Park in Lake Superior, he has watched wolf packs track down hundreds of prey, ranging in size all the way up to deer and moose.

First, the wolves run their target into the ground. Then, they close in for the kill. Finally, Mech says, they settle down for an orgy of eating that can last two days or more and add as much as 20 pounds in weight to individual wolves. But Mech's examination of wolf kills prove that the young, the aged and the infirm are the primary targets of the much-maligned predators. In some parts of the country, pressure to restore wolf bounties in order to "save the deer" is still strong. Mech remains convinced, however, that "the wolf is a natural foe of the biggest deer hazard of all—overpopulation."

TRANSPLANTING TROUT

He is definitely not your average holiday trout fisherman. Instead of taking fish out of a stream and popping them into his creel, ichthyologist Robert Behnke helicopters them from one stream to another. It's all part of a concerted effort to save several species and subspecies of endangered trout in the mountains of the West.

From their vulnerable concentrations in a few fragile creeks in the Rockies, Behnke and his co-workers have successfully transferred populations of Greenback, Apache and Gila trout into some two dozen other waterways. By thus dispersing the exotic fish, the scientific samaritans have significantly reduced the chances of their extinction, and enhanced the prospects for increased reproduction. Stationed with the Colorado Cooperative Fishery Unit at Colorado State University in Fort Collins, associate professor Behnke, a 43-year-old native of Connecticut, has studied fish as far afield as Russia and as close to home as the Mianus River, which flows right past his hometown of Stamford.

WHOOPERS' STEPFATHER

After working for nearly 30 years as a wildlife biologist, Ray Erickson is one of the foremost pioneers in a field that, even now, is considered "new." In 1942, he was on the team that began the landmark trumpeter swan restoration project at the Malheur National Wildlife Refuge in southeastern Oregon. Then, in the mid-1950's, Erickson became alarmed over the plummeting population of the whooping cranes that wintered in Texas. Through experiments with the whooper's close relative, the sandhill crane, Erickson and his fellow researchers demonstrated that they could take eggs from the nests of wild whoopers in Canada and hatch them artificially at the Patuxent Wildlife Research Center in Maryland. Today, their "egg napping" program promises to help the cranes avert extermination.

Currently, as assistant director in charge of endangered species research at Patuxent, the 56-year-old father of three is involved with many different kinds of endangered species. But his first love remains the whooper. And without any doubt, the future of that regal bird is brighter now than it was when Ray Erickson developed his special commitment, nearly 20 years ago.

FEDERAL FINANCING OF ELECTIONS WRONG

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. BOB WILSON. Mr. Speaker, in view of the renewed debate over public financing, the following column by Richard Wilson, which appeared in the February 24 San Diego Union, is particularly apt. There is no question that campaign reform legislation, to prevent a reoccurrence of the abuses of the 1972 campaign, is urgently needed. It is important, however, that we weigh all the ramifications before we seriously consider asking the American taxpayers to foot the bill for Federal election campaigns. I urge my colleague's careful consideration of Mr. Wilson's observations:

Federal Financing of Elections Wrong

(By Richard Wilson)

The big money is already assembling—$23 million of it so far—and the prospective presidential backers are rallying (meeting with Sen. Edward Kennedy, among others) for another go at multi-million dollar politics.

The time has come to head off the big blowout through the federal financing of election campaigns. Right?

No, absolutely wrong, notwithstanding the proposed reforms of Common Cause, the League of Women Voters, and AFL–CIO. This is one instance where liberal wisdom collides with fairly impressive scholarship to the contrary.

It seems so simple. Ambassadorships are "sold." "Milk money" in large sums goes to politicians who will fight for higher prices.

High officials are caught in sleazy deals to win favors for generous contributors. A big corporation seeking favor at the highest level finances a national political convention.

This is enough to show, it is argued, that political money and public policy have become so adhesive that they must be ripped apart once and for all if decency and honesty are to be restored to politics.

A complex scheme for public financing supported by Sen. Kennedy and others died in the closing days of Congress last December. It would have established a new system of federal campaign subsidies for candidates in congressional elections and presidential primaries, and broadened existing law to make public funding mandatory for presidential nominees.

Now a new attempt is under way in the House and Senate to revive the legislation making the public generally foot the bills for presidential and other federal campaigns. President Nixon, doubting if Congress will finally act on such a broad proposal, is understood to be preparing a new campaign reform program.

Sen. Kennedy has not placed all his faith in the prospect for a federally financed presidential election in 1976. He has met with a California real estate developer who is a kind of informal spokesman for well-to-do liberals who provided funds for both Sen. Eugene McCarthy in 1968 and Sen. George S. McGovern in 1972.

These are the people who financed the anti-war politics of the '60s and the '70s, and the fact they are becoming active again is good illustration of why public financing of presidential campaign won't work.

A number of scholars of politics in the academic world have pointed out that rich patrons find ways to support causes, and there are many ways to advance the cause of Kennedy without organizing a formal campaign for him.

The same is true of organized labor. It is in a position to contribute highly valuable "volunteer" services without violating any campaign spending laws, existing or planned.

If federal financing is made the law, the advantage will go to him who can command the most "volunteer" support, which organized labor is better able to provide than any existing campaign organization.

Second to that powerful force come the cause-oriented organizations capable of mobilizing manpower and creating publicity-supporting candidates with whom they agree, and with or without direct political participation.

Fundamentally, there is a fallacy in the argument of those who argue that good causes and campaigns collapse for lack of money. More often it is the other way around; strong causes and candidacies attract money.

Contrary to the liberal wisdom, there is no showing that money has been decisive in presidential elections.

COLLEGE REFORM

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. ASHBROOK. Mr. Speaker, the role of the Federal Government in education continues to grow. Many private institutions of higher education depend on various types of Federal aid to keep their doors open. When the issue of reform of higher education is raised, it is often discussed in terms of more Federal tax dollars going to the various colleges and universities which usually results in a further compounding of the original problems.

Jeffrey Hart, a professor at Dartmouth College and a syndicated columnist, has suggested four areas in which universities could reform. In his words—

> If these reforms were instituted, the colleges and universities would not only balance their books, they would be better educational institutions.

I do think Professor Hart's suggestions merit the attention of those concerned with the problems of higher education. It is time for some new approaches.

At this point I include in the RECORD Professor Hart's column "Colleges Need Reform" from the Bellevue Gazette Bellevue, Ohio of February 7, 1974:

[From the Bellevue (Ohio) Gazette Feb. 7, 1974]

Colleges Need Reform

(By Jeffrey Hart)

The dire financial plight of numerous private colleges and universities recently percolated to the front pages, the news being that a sudden leap in fuel oil prices had pushed a number of prestigious institutions even more deeply into the red.

But the financial problem have been endemic for years. Not surprisingly—think of Weimar, or the French exchequer under Louis XVI—they are but a reflection of deeper issues that are not economic at all.

William F. Buckley has just published a fine book proposing Four Reforms for the nation; more modestly, I propose four that just might save many colleges and universities.

ANY SUBJECT AT ALL IS SUITABLE

1. Drastically cut the number of courses offered.

Since World War II, the college course has metastacized to the point where virtually any subject matter at all is now deemed suitable for B.A. credit. This has occurred for several reasons.

First of all, the elective system itself has a built-in relativistic bias. In the not too distant past, Western culture had a fairly clear idea of what an educated person should know and be, and the liberal arts curriculum reflected that image. The elective system, which in many or most institutions allows you to take just about what you want, is but one symptom of the fact that no governing idea shapes the modern curriculum. No principle of exclusion appears to exist. Swahili or moviemaking gets the same B.A. credit as American history or the study of Latin. Things that not long ago would be considered mere private hobbies now become the subject matter for college courses, and, naturally, courses therefore proliferate.

Frankly, I see no reason why a liberally educated person in 1974 should not be firmly required to study the classical and Christian roots of Western civilization, and then—so that he can have some sort of intelligent grasp of the world he lives in—be required to take certain courses in history (including the history of science and technology), economics, and modern languages.

Another cause of course proliferation: During the last decade or so, faculties began to be absurdly coddled. One friend of mine, teaching on the undergraduate level, took it into his head to offer a course in Moliere and Shakespeare, with French as a prerequisite. He taught it to two students, I think: an exhilarating experience, no doubt, but since he was making around $20,000 a year, wildly luxurious. Much less valid courses have proliferated under the banner of "relevance."

I propose that departments offer a core curriculum of basic subjects, things that anyone in that discipline should know. The whimsical stuff could very well be pursued by faculty and students meeting informally and on their own time.

STOP THE SCHOLARSHIPS

2. Second reform. Partly because they are competing for the best high school graduates, and partly for humanitarian do-good reasons, the better institutions have been handing out scholarships in a big way. This should largely cease. No one should in effect be paid $5,000 a year to go to college. Scholarships should to a considerable degree be converted into long-term loans.

3. Third reform. Cut back on academically irrelevant programs of all kinds. Universities have tended to become cultural and community centers, much to the gratification of their sense of self-importance. But these programs are expensive. Also, it may be illuminating for a student to spend a year in a slum doing social work, but it is not clear that he should do it on university time.

4. Fourth reform. Cut back drastically on administration. The average institution of higher education has five or six times the administrative staff it had 25 years ago, often without an increase in student body. On the typical campus, several deans now function as lay psychoanalysts and handholders. Others manage ethnic relations, and so on. All this is fact, and should be dispensed with.

If these reforms were instituted, the colleges and universities would not only balance their books, they would be better educational institutions.

HOUSE OF REPRESENTATIVES—*Thursday, March 28, 1974*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Let the wicked forsake his way and the unrighteous man his thoughts; and let him return unto the Lord and He will have mercy upon him; and to our God, for He will abundantly pardon.—Isaiah 55: 7.

Almighty God, our Heavenly Father, who of Thy great mercy hast promised forgiveness of sins to all those who with hearty repentance and true faith turn unto Thee, have mercy upon us; pardon and deliver us from all our sins; confirm and strengthen us in all goodness; and bring to us a new life, a new hope, and a new glory.

May Thy gracious spirit so dwell in us that we may love Thee with all our hearts and our neighbors as ourselves, that the grace of understanding and good will may live in us and that all envy, all harshness, and all ill will may die.

So shall we follow Him who is the true and living way to peace on Earth and good will among men. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 6274. An act to grant relief to payees and special indorsees of fraudulently negotiated checks drawn on designated depositaries of the United States by extending the availability of the check forgery insurance fund, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2747) entitled "An act to amend the Fair Labor Standards Act of 1938 to increase the minimum wage rate under that act, to expand the coverage of the act, and for other purposes."

The message also announced that the Senate agrees to the amendment of the House to the amendment of the Senate with an amendment to a bill of the Senate of the following title:

S. 1341. An act to provide for financing the economic development of Indians and Indian organizations, and for other purposes.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 2174. An act to amend the civil service retirement system with respect to the definitions of widow and widower.

The message also announced that the Vice President, pursuant to Public Law 93–179, appointed Mr. MONTOYA and Mr. BROOKE to the American Revolution Bicentennial Board.

ECONOMIC STABILIZATION PROGRAM

(Mrs. HOLT asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. HOLT. Mr. Speaker, there are 32 days remaining for the Economic Stabilization Act. Thirty-two days in which to reflect on the economic impact of the Cost of Living Council. I have had letters from every sector of my district—the hospital administrators, food industry representatives, small businesses, and giant corporations—and they all have expressed identical views: this country must return to a free market economy without the stifling restrictions imposed by Federal edict.

Our continuing growth is entirely dependent upon economic emancipation from bureaucratic controls. We must restore balance to the traditional forces of supply and demand which have provided this Nation with the strongest economy ever known in the world. A review of current marketplace controls provides retrospective confirmation of the inability of the Federal Government to stabilize wages or prices without disastrous results. The past year has seen spiraling inflation, shortages of basic commodities, lack of capital expansion money, and growing consumer frustration and anger—and all of this can be laid at the foot of chaotic and uncertain Federal authority.

Mr. Speaker, the time for decision is now. I urge my colleagues to join me in supporting the termination of the economic stabilization program.

PERMISSION FOR SUBCOMMITTEE ON CENSUS AND STATISTICS TO SIT DURING DEBATE TODAY

Mr. WHITE. Mr. Speaker, I ask unanimous consent that the Subcommittee on Census and Statistics of the House Post Office and Civil Service Committee be permitted to sit during the debate under the 5-minute rule today.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

THE PEOPLE WANT ACTION

(Mr. GUDE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GUDE. Mr. Speaker, the people want constructive, responsible action on a number of gnawing problems. They want reform of campaign financing. They want a more efficient and responsive Government—such as the report of the Select Committee on Committees promises. And they want budget responsibility so that one of the root causes of inflation—Government spending—can be attacked.

The House has approved budget reform legislation. The Senate has passed campaign financing reforms. But if we do not move ahead in our respective bodies to provide final passage of this legislation, we will deserve the rating of the recent Harris poll which showed that only 21 percent of the American people are satisfied with the work we are doing. The people are ashamed of us. And I am ashamed.

We, in this House, must move forward quickly on campaign financing reform. The leadership must bring these reforms to a vote or, I would guess, be labeled "Watergate hypocrites" by the people.

Our minority leader has said that Congress is closer to revitalizing itself than at any time in history, and I hope he is right. The people want action.

PERMISSION FOR COMMITTEE ON RULES TO FILE PRIVILEGED REPORTS

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

CONFERENCE REPORT ON S. 2747, FAIR LABOR STANDARDS AMENDMENTS OF 1974

Mr. PERKINS. Mr. Speaker, pursuant to the unanimous consent request previously obtained, I call up the conference report on the bill (S. 2747), to amend the Fair Labor Standards Act of 1938 to increase the minimum wage rate under that act, to expand the coverage of the act, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of March 26, 1974.)

Mr. PERKINS (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement of the managers be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The SPEAKER. The gentleman from Kentucky (Mr. PERKINS) will be recognized for 30 minutes, and the gentleman from Minnesota (Mr. QUIE) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Kentucky (Mr. PERKINS).

Mr. PERKINS. Mr. Speaker, today we have before the House for the second time in the 93d Congress a conference report that will provide an increase in the minimum wage for thousands of Americans who have not had a raise since 1967.

Coming to this point in the process has been the result of the efforts of many Members of this body, but I must call particular attention to the efforts of the chairman of the General Subcommittee on Labor (Mr. DENT). JOHN DENT has over the past years worked untiringly to see that thousands of people who work at the minimum wage are provided with an opportunity to keep their heads above water.

Mr. Speaker, the entire subcommittee must be commended for its efforts, but if it were not for the leadership of JOHN DENT, AL QUIE, JOHN ERLENBORN, and PHIL BURTON we would not be here today voting on this most important piece of legislation.

The conference report provides that the minimum wage be increased to $2 an hour effective May 1, 1974, for all nonagricultural workers who were covered by the act prior to the 1966 amendments. This rate is increased to $2.10 on January 1, 1975, and to $2.30 on January 1, 1976.

Nonagricultural workers newly covered by the 1966 amendments and by the 1974 amendments would have a $1.90 an hour minimum applied initially, with subsequent raises to $2, $2.20, and $2.30 an hour on January 1 of the next 3 years.

Covered agricultural employees would get $1.60 an hour initially. They would enjoy 20 cents per hour increases on January 1 of each of the next 3 years, and would get $2.30 an hour on January 1, 1978.

The conference report extends coverage of the minimum wage to the following: Federal, State, and local employees, domestic service employees, retail and service employees, conglomerate employees (in agriculture), telegraph agency employees, motion picture theater employees, logging employees, and shade-grown tobacco processing employees.

One of the most controversial issues in the conference was the overtime coverage for employees engaged in fire protection and law enforcement activities. The conference report provides that beginning on January 1, 1975, such employees must be paid overtime compensation for employment in excess of 240 hours in any 28-day work period, or 60 hours in any workweek; beginning January 1, 1976, in excess of 232 hours in any 28-day work period, or 58 hours in any workweek; and, beginning January 1, 1977, in excess of 216 hours in any 28-day work period, or 54 hours in any workweek.

The Secretary of Labor is required to conduct a study of the average tours of duty of such employees in 1975, and from that data derive an overtime compensation formula to be applied to such employees beginning on January 1, 1978. A complete overtime exemption is provided for any fire department, police department, or correctional institution with fewer than five employees.

Another controversial section of the legislation is the section relating to employment of students. The conference report provides for the employment of full-time students—regardless of age but in compliance with applicable child labor laws—at wage rates less than those prescribed by the act in retail and service establishments, agriculture and institutions of higher education at which such students are enrolled. Students may be employed at a wage rate of not less than 85 percent of the applicable minimum wage rate or $1.60 an hour, $1.30 an hour in agriculture, whichever is the higher, pursuant to special certificates issued by the Secretary. Such special certificates shall provide that students shall, except during vacation periods, be employed on a part-time basis, not to exceed 20 hours in any workweek.

Section 24 also provides that the Secretary may waive the minimum wage and overtime provisions of the act with respect to a student employed by his elementary or secondary school, where such employment constitutes an integral part of the regular education program provided by the school and is in accordance with applicable child labor laws.

The conference report contains long overdue raises for thousands of workers. It is a piece of legislation that is essential, and I urge the House to adopt it.

Mr. DENNIS. Will the gentleman yield?

Mr. PERKINS. I yield to the distinguished gentleman from Indiana.

Mr. DENNIS. I thank the distinguished chairman for yielding to me.

I was among those who voted for this bill when it passed the House. One of the things that persuaded me to do so was the fact that overtime provisions were not applied to local policemen and firemen. I understand that is no longer true in the conference report. They are subject to those overtime provisions. The smaller cities and towns—and I represent many of them, as do many others here—feel that is an exceedingly serious matter. So do the local property owners and taxpayers who have to meet the demand.

I would like to ask the distinguished chairman of the committee what has been done in that regard and why it is that we could not stay with the House version that did protect our local people in that respect.

Mr. PERKINS. Let me say to my distinguished friend from Indiana that the conference broke up on the first day over this one issue of overtime as far as the policemen and firemen are concerned. There is an exemption here. We finally did have to compromise on this one issue, but I do not feel that the compromise went very far myself.

For instance, in the case of Montgomery County, their firemen and their policemen will be exempt under this compromise. Any fire department or police department or correctional institution that employs less than five employees will be exempt.

Mr. DENT. Will the chairman yield to me?

Mr. PERKINS. I yield to the distinguished chairman of the subcommittee (Mr. DENT).

Mr. DENT. Mr. Speaker, I would appreciate it if the gentleman from Indiana would wait until I finish explaining the changes, because many Members were very anxious, just as I was myself, about that section of the bill. I will answer that at a later time when I get the floor and have an opportunity to explain the matter.

Mr. DENNIS. Will the gentleman yield to me further?

Mr. PERKINS. I yield to the gentleman from Indiana.

Mr. DENNIS. I will be very interested, of course, in hearing a full explanation of the distinguished gentleman from Pennsylvania, but I would like to point out that I have a letter here received this morning from the National League of Cities and the U.S. Conference of Mayors which indicates that they are definitely still unsatisfied.

I might say to the chairman that the mayors of the two largest cities in the area that I have the honor to represent, both of whom are distinguished ornaments of the gentleman's party, expressed to me the fact that they are quite dissatisfied with this legislation.

Mr. PERKINS. Let me say in response to the gentleman that we worked long hours and diligently to try to resolve this problem in a way that is fair to all parties.

Mr. HAYS. Mr. Speaker, will the gentleman yield?

Mr. PERKINS. I yield 1½ minutes to the distinguished gentleman from Ohio (Mr. HAYS).

(By unanimous consent, Mr. HAYS was allowed to speak out of order.)

ELECTION REFORM LEGISLATION

Mr. HAYS. Mr. Speaker, John Gardner, the head of Common Cause, had another one of his numerous news conferences this morning, and he took the leadership of the House to task on the subject of election reform.

Mr. Speaker, he and his minions have ignored the fact that the committee is engaged in the markup of a bill. As I pointed out earlier to the Newspaper Association over in the Senate building, that if we took his bill, in toto, as we did 2 years ago in the way of a substitute, that he would be back in next year saying it was a lousy bill, because that is the only way he can raise money.

The truth of the matter is that we would be better off if we had Edgar Bergen and Charlie McCarthy here holding press conferences instead of John Gardner, because at least Edgar Bergen was funny. But old John, when he holds a press conference, and I have just talked to one of the representatives of one of the big networks, and he said that old John did it again this morning, and he did it before my committee. He said that when old John holds a newspaper conference he reads from a prepared statement, and then if he is asked any questions concerning it he has to lean down to Wurtheimer or Jack Conway to find the answer, and then he straightens up and says what those people have told him to say. Whereas, if Edgar Bergen and Charlie McCarthy were holding the press conference we would not have to have them go through that long procedure, because the dummy could say right away what the ventriloquist was saying to him, and so there would not be a lot of waste of everybody's time.

This guy would be bad enough himself if he was not in such a big conflict of interest himself, but this is a way of life for him, because he went through and bankrupted the Urban Coalition, and when he got all of their dough then he set up another one called Common Cause, and there are a lot of suckers who send their money to him, and we cannot do much about that.

But we will bring in a bill one of these days, and you will have a chance to vote on it.

I will say this in conclusion: That he is like a lot of other people around here—he does not have any pragmatic knowledge as to the facts of life in any field whatever, especially in politics, but if he wants to get some, and he wants to come to Ohio in the next couple of years, and I sort of had half a mind not to run, but if he will come there in a year or two and will come to my district and establish residence, I will see that he is helped to get a petition prepared, and the filing fee paid, and will contribute the maximum amount allowed under the law if he will run against me, and I will teach him some of the facts of political life.

Mr. QUIE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, you will note in the conference report that all of the conferees signed the conference report. Some of the Members have since heard from their municipalities, and they are unhappy with the agreement, regarding the unique overtime provisions for police and firemen.

One thing I can assure the Members is that the Fire Fighters Union was also unhappy with what we agreed to.

Whenever you have a controversy of this nature, and one side is happy, then you know you have not done your job very well.

But, as the Members will recall, we exempted the police and firemen from overtime coverage in the House bill. If we could have come back with the identical exemption for police and firemen we would have. However, the Members will recall that the Senate bill contained a provision requiring time and one-half for hours worked in excess of 192 hours in a 28-day period during the first year after passage, scaled down in the fifth year to 160 hours. We did not accept that language, we accepted something part way between the Senate version and complete exemption. The Members will note that the conference report begins with 240 hours for a 28-day period the first year, 232 hours the second year, and 216 hours the third years. These hours are greater than the provisions contained in the Senate bill.

Further, the hours in a 28-day period for the fourth year and subsequent years, will be based on the average practice in 1975, as determined by a study by the Secretary of Labor. With respect to the question of what hours are included as hours on duty, the Secretary has been instructed to adopt regulations, so we will have to wait to see what implementing the new and unique provisions of the report which depart from the standard hours of work concept of FLSA will be.

The other compromise we had to make was over the question of the historic ratio for student certificates in the retail and service industries. We dropped the historic ratio entirely from the House bill. However, by way of compromise in the conference we agreed that employers who were in business prior to the enactment of this bill would have the greater of three options if they sought to obtain certificates for more than four students under the student differential. Those options are: the greatest number they had since that 12-month period to May 1961; the number they had the previous year; or one-tenth the total hours of employment of all employees in the establishment.

I think, as one who pushed hardest to get rid of the historic ratio base for student certificates, that was a good compromise. To me, we reached an honest compromise, one that we can live with, and one that the administration, I am confident, will find acceptable. That being the case, having fought this for such a long period of time, and knowing that some employees will be dependent on the minimum wage for the amount they will receive, I urge my colleagues to support this conference report in order that we can get it to the White House before this week is out.

Mr. MIZELL. Mr. Speaker, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from North Carolina.

Mr. MIZELL. I thank the gentleman for yielding.

Mr. Speaker, I would like to direct a question to the ranking member of the General Labor Subcommittee (Mr. QUIE) with respect to section 6 of the conference report, "Federal and State employees."

That section departs from the standard FLSA "hours of work" concept for public agency employees who are engaged in fire protection and law enforcement "activities." Was it the intent of the conference committee to cover by such language employees who are engaged in the rescue-ambulance services—activities of a public agency?

Mr. QUIE. The gentleman is correct that provision, section 6(c), is intended to cover those employees directly employed by a public agency who are engaged in rescue or ambulance activities which are substantially related to fire protection or law enforcement activities. In some instances these rescue or ambulance crews are a part of the fire or police department. In other cases they must be under a separate department of the same public agency, but their activities substantially include rescue and ambulance work associated with fire protection and law enforcement. In that case these employees are covered by the unique provisions of section 6(c). However, if the employer was covered by the overtime provisions of section 7 of the act prior to these amendments, then its employees would not by operation of the conference report be brought under section 6(c). That section only related to the treatment for overtime purposes of employers newly covered by section 6 of the act.

Does the chairman of the General Labor Subcommittee (Mr. DENT) concur in that understanding?

Mr. DENT. That is correct.

Mr. QUIE. I thank the gentleman.

Mr. MIZELL. I thank the gentleman for yielding and I thank the gentleman from Pennsylvania, the chairman, for his comments.

Mr. DENNIS. Mr. Speaker, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Indiana.

Mr. DENNIS. Mr. Speaker, it seems to me as a philosophical matter that the trouble with the gentleman's argument that we compromised the overtime provision is that we had already compromised everything else and this was just about the only thing that was left, and now we have compromised it away, too.

I have been watching this bill for several years and we have had all these youth differentials and coverages for domestics and municipal employees, and finally we get down to the overtime, and I voted for the bill the other day, but as I say I just wonder whether these things were really important, because perhaps we should not have compromised them, and if they were not important at all, what have we been arguing about for the last 2 or 3 years? Maybe the gentleman from Pennsylvania (Mr. DENT) has been right all along.

Mr. QUIE. I would say to my friend, the gentleman from Indiana, that if we wanted to tie up the conference and just refuse to have any agreement I think we could have done that and stayed exactly with the House position, but any time we go to conference we have to work out some compromise, which is just what we did.

Mr. BELL. Mr. Speaker, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from California.

Mr. BELL. Mr. Speaker, I commend the gentleman in the well for his efforts on behalf of the minimum wage bill. I think it is a very fine bill.

Also, as I think politics has been described, as the gentleman said, politics is the art of the possible.

Mr. PERKINS. Mr. Speaker, I yield 14 minutes to the gentleman from Pennsylvania (Mr. DENT).

Mr. DENT. Mr. Speaker, I hope I do not need the 14 minutes. I think we are all pretty well acquainted with the substance of the Act, but it is interesting to note, and I would like the gentlemen to hear this, no person in his right mind goes to a conference with an absolute position that nothing can be changed by the other body. That apparently was the position the other body had when it came to the matter of the firemen and the policemen. However, let us look at the scoreboard.

We the House Members were able to take every substantive provision in dispute and at no time did we give the other body precisely those provisions as they were contained in their legislation. We prevailed without a word change in the minimum wage for the nonagricultural employees covered prior to 1966. The Senate bill provided alternative wage rates and timing schedules. The House position prevailed.

On increases for nonagricultural employees covered by the 1966 and 1974 amendments, again the Senate had different rates and timing. The House bill prevailed all the way.

On the minimum wage increase for agricultural workers, the Senate bill also provided a different timing schedule. The House prevailed in the conference.

On domestic service employees, the House provision prevailed. And then on a motion from one of the minority Members the Senate provision, which just repeated the provision of law as it now is in the Social Security Act, was made part of the agreement, so both the Senate provision and the House provision are in the conference report, as alternative tests, as they appeared in the two separate bills.

I think the gentleman from Minnesota gave the Members a clean interpretation of what happened in student employment. What we really did was widen the opportunity for students to secure employment. We retained the provision that the Secretary of Labor does have now in the law to set up certain special wages without regard to the minimum wage when it is a special case of apprenticeship, learners, or messengers. That has not been changed.

For students, we allow four or less employees to be put on without the traditional precertification by the employer. And in the main Members will find that the greatest number of employees per employer are in the four or under classification.

We also gave the right to the establishment to use the corresponding month of any high year from this year backwards to determine the proportion of student employment to which the establishment is entitled.

We also went further and said that if the highest ratio for the corresponding month of any year was less than 10 percent of the total employment then the establishment would be permitted to use the figure of 10 percent, provided other unemployment would not be thereby created as a result.

So what we have done, we have opened up opportunities if employers really want to employ students. We have practically removed most of the restrictions, except that with respect to a dropout who would not enter into some training job or apprentice job. He would not be permitted to work full time for a subminimum wage. I think that is a philosophy and a policy this House has repeatedly stood for in the years I have been handling minimum wage matters.

On the matter of retail and service establishments, the bill came out of our committee with July 1 as the effective date for the step down from $250,000 to zero in all those "chain" establishments—not the mom and pop, they are not touched at all; however, the House voted to make the step downs commence July 1, 1975.

The Senate provision was half way in between, and so we compromised and came to January 1, 1975; so that was not a complete surrender of the House position.

The most important, of course, the one subject matter that seems to be uppermost in the minds of all the Members of this House is the question of overtime coverage for police and firemen. As I started to say in my remarks, we can work on legislation in a conference and we will finally get to the one item that either creates a deadlock or we have to work out a compromise. The one item, of course, was the great difference between the House position and the Senate position on overtime for police and firemen. Our bill removed all overtime for police or firemen. The Senate bill put them into the act all the way down to an average 40 hours a week.

The Senate Member from Pennsylvania, Senator SCHWEIKER, offered a compromise. We did not accept the compromise. It reduced it down to 44 hours. We then offered them a compromise of our own.

They would not accept our compromise and we broke up in a deadlock after an all-day and evening meeting.

We had heard from certain quarters that they would like to have this bill this week. We also heard that it was reasonably certain that the House version would be acceptable to all concerned. So we tried again later to get to this one point.

I believe that the compromise is very much in favor of the House position in the matter, because we stopped above where they started to reduce hours. We took the provision that the Senate had and amended it. They had adopted it overwhelmingly and they would not give up on the policeman being covered absolutely down to 40 hours.

We then arrived at a compromise for the firemen going from 60 to 58 to 54 in the 3d year, with the result of a study made by the Secretary of Labor determining the level of hours, but not more than 54 for the 4th year. It will be determined on the national basis of the work schedules of the firemen on one hand and of the policemen on the other, because we know that the conditions that obtain in the firefighters' work schedules are completely different than those worked by policemen.

Yet, we applied to the police the exact same formula that we applied to the firemen. We believe that under the conditions we were faced with, a situation that plainly told the Members of the House that unless we did something for firemen and policemen, the Senate would move to deadlock the conference.

Mr. BURGENER. Mr. Speaker, will the gentleman yield?

Mr. DENT. Mr. Speaker, I yield to the gentleman from California.

Mr. BURGENER. Mr. Speaker, I thank the gentleman for yielding to me; I appreciate it very much.

Mr. Speaker, if I may ask a question specifically about firefighters, and without passing judgment on the conference report, I am trying to understand it. I understand that we received an avalanche of mail from firefighters, city managers, city councilmen, counties and so forth. The firefighters were worried about their jobs; the city governments were worried about the taxpayer.

It is my understanding at the present time that many of our cities use the platoon system where a firefighter works 24 hours on and 24 hours off. They work 11 shifts per month. If we multiply 11 shifts times 24 hours, that is 264 hours per month.

It is my understanding, as I read the conference report, that by 1977, instead of 264 hours, they will be limited to 216 hours. Therefore, the city will be obliged, or the public agency, to pay 48 hours overtime; or in the other case, to reduce the amount of firefighters.

Mr. Speaker, I want to make sure I understand it correctly.

Mr. DENT. Mr. Speaker, I would say that on a strict interpretation of this act, the gentleman is right. However, he must understand the tour of duty and how that tour of duty is expressed will determine whether the 268 hours are all duty time, or tour of duty time, because, under the regulations, the Secretary of Labor establishes appropriate tour of duty regulations.

Mr. QUIE. Mr. Speaker, will the gentleman yield?

Mr. DENT. Mr. Speaker, I yield to the gentleman from Minnesota.

Mr. QUIE. Mr. Speaker, I think it would be well if we read at this point what is in the conference report. It says:

> The conference substitute departs from the standard FLSA "hours of work" concept directed primarily at industrial and agricultural occupations and adopts an overtime standard keyed to the length of the tours of duty, thereby reflecting the uniqueness of the firefighting service. The Secretary is directed to adopt regulations implementing these new and unique provisions, including regulations defining what constitutes a tour of duty.

So would it not be correct that the gentleman from California would have to wait until he gets the regulations from the Secretary in order to get the full answer to his question?

Mr. DENT. Mr. Speaker, that is exactly correct.

But I tried to give him an answer. I agreed that the assessment the gentleman had made of this situation would be right, but the tour of duty regulations by the Secretary of Labor will be the criteria that will determine whether or not there will be overtime or whether there will not be overtime in periods of regularly scheduled employment.

The SPEAKER. The time of the gentleman from Pennsylvania (Mr. DENT) has expired.

Mr. QUIE. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. DENT).

Mr. HOSMER. Mr. Speaker, will the gentleman yield?

Mr. DENT. I yield to the gentleman from California.

Mr. HOSMER. Mr. Speaker, my understanding of the parliamentary situation is that this conference report, of course, must be voted either up or down; there is no possibility for amendment?

Mr. DENT. The gentleman is correct.

Mr. HOSMER. And I understand further that insofar as the police and firemen issue is concerned, there is nobody who can have any assurance that a ruling or a regulation of any particular kind will or will not come out of the regulatory authority, which leaves those of us from the western part of the United States, at least, who are concerned with this matter in a position, I believe, that is untenable.

Therefore, Mr. Speaker, speaking for myself, I will have to vote against the conference report.

Mr. DENT. Mr. Speaker, the gentleman asked me a question, and then he made a statement.

What question does the gentleman wish me to answer?

Mr. HOSMER. Well, I just wanted to make that statement, that is all.

Mr. DENT. Well, I might say to the gentleman that there is not any assurance, looking at it the other way either. There is not any Member in this room who would hazard a guess that the Secretary, who has been making these determinations on other occupations under the minimum wage law, would refuse to make this determination under this very, very serious part of the act.

I have confidence that the Secretary of Labor will make the determination.

I will say, Mr. Speaker, that the League of Cities has not as an organization opposed this, according to its own spokesmen, that is, to me personally and to my staff which has been dealing with them in the last 3 weeks. But they said there would be some Mayors who would issue a statement, and probably some other officials would issue opposing statements. However, it is my understanding that as an organization they would have to go back to their membership, because this is an entirely different proposal than that which was voted on earlier.

Mr. HOSMER. Mr. Speaker, if the gentleman will yield further, I will point out that we in the West know what our people want. They want Congress to handle this; they do not want it handled by some bureaucrat downtown. For that reason, I am sure that many of us must vote against the conference report.

The SPEAKER. The time of the gentleman from Pennsylvania (Mr. DENT) has expired.

Mr. PERKINS. Mr. Speaker, I yield 1 additional minute to the gentleman from Pennsylvania (Mr. DENT).

Mr. DENT. Mr. Speaker, let me answer the gentleman from California (Mr. HOSMER).

I think it is very important that this House grasp what we are talking about.

I do not know whether there is one or whether there are two or three, but I will guarantee the Members that there are not many fire departments in the entire United States that operate on one single standard of hours of labor, duty time, and off-duty time. There are just as many formulas for firefighters as there are firefighters.

So we could not expect this Congress or the Members of this Congress to write a formula that would not injure some of them and do too much good for others. We have no way of doing that.

Why do the Members think we accepted the 5-man department cutoff? The cutoff, frankly, will exempt 60 or 70 percent of all the fire companies in the United States.

We only have 207,000 firefighters.

Mr. HOSMER. Mr. Speaker, I can only repeat that we know what our firemen and policemen and our people in the West want us to do.

Mr. DENT. Mr. Speaker, I now wish to clarify some potential ambiguities in the conference report.

With respect to section 17, Substitute Parents for Institutionalized Children, the conference report erroneously contains the word "or" when discussing the category of children to whom the exemption speaks. The correct word is "and," which is conjunctive, and which requires that the children be orphans or one of whose natural parents is deceased, and who are enrolled in the institution and reside in residential facilities of the institution.

In section 27, Economic Effects Studies, the conference committee intends that the Secretary conduct studies of the special exemptions in section 13 of the act which have been preserved, and not those exemptions which will be repealed by the 1974 amendments.

With respect to section 14, the student employment provisions, I wish to reiterate that the term "employer" is defined in the statute and was not chosen without being mindful of legislative intent. It does not appear in the relevant student employment provisions of existing law, so the Secretary cannot be guided by past practice.

We intend by the use of the term "employer" that the Secretary look to the highest level of person acting directly or indirectly in the interest of an employer in relation to an employee; that is, the highest structure of ownership or control. We intend, for example, that a controlling conglomerate or a chain be considered the employer when the Secretary determines whether one of its subsidiaries or establishments is employing less than five—or more than four—students pursuant to special certificates. See *Phillips* v. *Walling*, 324 U.S. 490 and *Mitchell* v. *Bekins Van and Storage Company*, 352 U.S. 1027.

Mr. Speaker, I include a discussion of the differences between the Senate bill and House amendment, along with the resolutions of those differences. I also include a summary sheet of the final proposals.

The material follows:

MINIMUM WAGE INCREASE FOR NONAGRICULTURAL EMPLOYEES COVERED PRIOR TO 1966

The House bill provided $2.00 an hour on the effective date; $2.10 an hour beginning January 1, 1975; and $2.30 an hour beginning January 1, 1976.

The Senate bill provided alternative wage rates and timing schedules.

The House provision prevailed in the Conference.

MINIMUM WAGE INCREASES FOR AGRICULTURAL EMPLOYEES COVERED BY EXISTING LAW

The House bill provided $1.60 an hour on the effective date; $1.80 an hour beginning January 1, 1975; $2.00 an hour beginning January 1, 1976; $2.20 an hour beginning January 1, 1977; and $2.30 an hour beginning January 1, 1978.

The Senate bill provided alternative wage rates and timing schedules.

The House bill prevailed in Conference.

DOMESTIC SERVICE EMPLOYEES

The Senate bill defined a domestic service employee as one employed in a household who receives $50 or more for such service in any calendar quarter.

The House bill defined a domestic service employee as one who is employed in such service for more than 8 hours in the aggregate in any workweek.

The Conference Committee combined both provisions to establish alternative tests for coverage.

MINIMUM WAGE INCREASES FOR AGRICULTURAL EMPLOYEES COVERED BY EXISTING LAW

The House bill provided $1.60 an hour on the effective date; $1.80 an hour beginning January 1, 1975; $2.00 an hour beginning January 1, 1976; $2.20 an hour beginning January 1, 1977; and $2.30 an hour beginning January 1, 1978.

The Senate bill provided alternative wage rates and timing schedules.

The House bill prevailed in Conference.

OVERTIME EXEMPTION FOR POLICE AND FIREMEN

The House bill provided a complete overtime exemption for police and firemen.

The Senate bill provided ultimately for an average 40-hour workweek for police and firemen.

This difference was the most difficult to resolve since the Conferees from both Houses insisted on their respective provisions.

I believe the final conference agreement is more in accord with the sense of the House of Representatives, than with the Senate; and applaud the House Conferees for reflecting this view.

The conference substitute provides—effective January 1, 1975—for overtime compensation for tours of duty in excess of 240 hours in a work period of 28 days. This averages out to 60 hours in a 7-day period. There is no magic to either the 7-day period or the 28-day period. The Secretary is given wide latitude in implementing appropriate regulations in this unique area of employment coverage and rather than look to the traditional 7-day workweek, he may look to any work period between 7 and 28 days. This allows for maximum scheduling flexibility.

Effective January 1, 1976, the average is reduced to 232 hours in a work period of 28 days; and, effective January 1, 1977, to 216 hours in a work period of 28 days. Again, a work period of less than 28 days will be accorded proportionate treatment with respect to maximum hours.

Effective January 1, 1978, and thereafter, the maximum hours will be based on a study of 1975 data by the Secretary.

The conference substitute also provides that police or fire departments with fewer than 5 employees are totally exempt from the overtime provisions.

EMPLOYMENT OF STUDENTS

Existing law imposes a strict limitation on the maximum number of students a retail or service establishment may employ at a subminimum wage rate. Basically, the test is based on student hours of employment vs. total hours of employment in any such establishment in the 1960–61 period.

The Senate bill retained this test.

The House amendment eliminated it.

The conference substitute is a fair compromise between both provisions. It makes student employment much more accessible to a retail or service establishment and yet, provides safeguards to assure that student employees will not displace full-time members of the labor force.

Essentially, a retail or service establishment may employ a number of students at a subminimum wage rate not to exceed (a) the proportion applicable to the establishment in the preceding year, (b) the maximum proportion to which the establishment was ever entitled, or (c) a proportion equal to 1/10 of the establishment's total workforce—whichever is the *greater* proportion.

Thus, an establishment which is currently or which was ever entitled to employ students under certification in excess of 10% of its workforce may retain that proportion; and one which has been limited to less than 10%, may now utilize up to that proportion. Of course, the "substantial probability" treat remains.

It is also significant that an "employer" will be able to employ 4 or fewer students at a subminimum wage rate without being encumbered by the traditional pre-certification procedure and also, that educational institutions will be able to employ thier own students without having to follow this procedure.

RETAIL AND SERVICE ESTABLISHMENTS

The House bill reduced the ceiling on annual dollar volume of sales applicable to minimum wage and overtime exemptions for "chain" retail and service establishments under the following schedule: effective July 1, 1975, reduced from $250,000 to $225,000; effective July 1, 1976, reduced from $225,000 to $200,000; and effective July 1, 1977, the exemption would be repealed.

The Senate bill had the same phase-out figures, but provided an effective date beginning January 1 of each corresponding year.

The Conference Committee adopted the effective date of January 1, recognizing that the original House bill provided a phase-out one year earlier and that the January 1 date represented a perfect compromise among all the various provisions.

STUDY

The Senate bill directed the Secretary to conduct a continuing study, and report periodically to the Congress, one means to prevent curtailment of employment opportunities among manpower groups which have had historically high incidences of unemployment (such as disadvantaged minorities, youth, elderly, and such other groups as the Secretary may designate).

The House bill had no similar provision. But the House conferees, recognizing the concerns of many of our House colleagues about these problems, readily agreed to the Senate provision.

EFFECTIVE DATE

The Senate bill provided an effective date for the 1974 amendments of the 1st day of the first full month after the date of enactment.

The House bill provided an effective date of the 1st day of the second full month after the date of enactment.

The Conference Committee adopted an effective day of May 1, 1974, which is the House provision, assuming the legislation is signed before the end of this month.

S. 2747: SUMMARY OF THE FAIR LABOR STANDARDS AMENDMENTS OF 1974

A. INCREASE IN THE MINIMUM WAGE RATE

Category of coverage

Nonagricultural employees covered under the minimum wage provisions of the Fair Labor Standards Act prior to the effective date of the 1966 amendments (including Federal employees covered by the 1966 amendments.)

Hourly rate and effective date: $2.00, May 1, 1974; $2.10, January 1, 1975; $2.30, January 1, 1976.

Category of coverage

Nonagricultural employees covered under the minimum wage provisions of the Fair Labor Standards Act by the 1966 amendments and 1974 amendments.

Hourly rate and effective date: $1.90, May 1, 1974; $2.00, January 1, 1975; $2.20, January 1, 1976; $2.30, January 1, 1977.

Category of coverage

Agricultural employees covered under the minimum wage provisions of the Fair Labor Standards Act.

Hourly rate and effective date; $1.60, May 1, 1974; $1.80, January 1, 1975; $2.00, January 1, 1976; $2.20, January 1, 1977; $2.30, January 1, 1978.

B. EXTEND COVERAGE OF THE ACT

Minimum wage coverage will be extended to the following:

Federal employees.
State and local employees.
Domestic service employees.
Retail and service employees.
Conglomerate employees (in agriculture).
Telegraph agency employees.
Motion picture theater employees.
Logging employees.
Shade grown tobacco processing employees.

Overtime coverage will be extended to the following:

Federal employees.
State and local employees.
Domestic service employees.
Retail and service employees.
Seasonal industry and agricultural processing employees.
Telegraph agency employees.
Hotel, motel, and restaurant employees.
Food service employees.
Bowling establishment employees.
Nursing home employees.
Transit (local) employees.
Cotton ginning and sugar processing employees.
Seafood canning and processing employees.
Oil pipeline transportation employees.
Partsmen and mechanics in certain vehicle sales establishments.

BRIEF-SECTION-BY-SECTION ANALYSIS

Section 1.11. *Short Title.*—Provides that the act may be cited as the "Fair Labor Standards Amendments of 1974."

Sections 2 and 3. *Nonagricultural Employees.*—Provides a minimum wage rate for nonagricultural employees covered by the act prior to the effective date of the 1966 amendments, and Federal employees covered by the 1966 amendments, of not less than $2 an hour begining May 1, 1974, not less than $2.10 an hour beginning January 1, 1975, and not less than $2.30 an hour beginning January 1, 1976.

Provides a minimum wage rate for nonagricultural employees covered by the 1966 and 1974 amendments to the act of not less than $1.90 an hour beginning May 1, 1974, not less than $2 an hour beginning January 1, 1975, not less than $2.20 an hour beginning January 1, 1976, and not less than $2.30 an hour beginning January 1, 1977.

Section 4. *Agricultural Employees.*—Provides a minimum wage rate for agricultural employees covered by the act of not less than $1.60 an hour beginning May 1, 1974, not less than $1.80 an hour beginning January 1, 1975, not less than $2 an hour beginning January 1, 1976, not less than $2.20 an hour beginning January 1, 1977, and not less than $2.30 an hour beginning January 1, 1978.

Section 5. *Government, Hotel, Motel, Restaurant, and Food Service Employees in Puerto Rico and the Virgin Islands.*—The minimum wage rate for hotel, motel, restaurant, food service, and Government of the United States and the Virgin Islands employees in Puerto Rico and the Virgin Islands shall be in accordance with the applicable rate in the United States.

Other Employees in Puerto Rico and the Virgin Islands.—Provides for an increase of $0.12 an hour on wage orders presently under $1.40 an hour, and $0.15 an hour on wage orders $1.40 or more an hour, effective May 1, 1974. Provides additional annual increases of identical amounts until the wage order rates are in conformance with applicable rates in the United States. In the case of an agricultural employee whose hourly wage is increased (above that required by wage order) by a subsidy paid by the Government of Puerto Rico, the increases shall be applied to the sum of (1) the wage rate and (2) the amount of the subsidy.

Provides for the establishment of special industry committees to recommend minimum wage rates for employees newly covered by the 1974 amendments (including employees of the Government of Puerto Rico and its political subdivisions). The recommended rates cannot be less than 60 per centum of the rates applicable to U.S. employees covered by the 1966 and 1974 amendments, or $1 an hour, whichever is higher.

With respect to other employees covered under wage orders, the rates cannot be less than 60 per centum of the otherwise applicable rates in the United States, or $1 an hour, whichever is higher. Employees of the Government of Puerto Rico and its political subdivisions are subject to this provision only in the initial establishment of wage order rates pursuant to the recommendations of special industry committees.

Provides further that, special industry committees recommend the minimum wage rate applicable in the United States except where pertinent financial information demonstrates inability to pay such rate. Also, that a court of appeals may upon review of a wage order specify the minimum wage rate to be included in the wage order.

Section 6. *Federal and State Employees.*—Amends definitions of the act to permit the extension of minimum wage and overtime coverage to Federal, State, and local public employees. Provides limited overtime coverage for employees engaged in fire protection or law enforcement activities and employees of correctional institutions. Beginning January 1, 1975, such employees must be paid overtime compensation for employment in excess of 240 hours in any 28-day work period (the equivalent of 60 hours in any workweek); beginning January 1, 1976, in excess of 232 hours in any 28-day work period (58 hours in any workweek); and, beginning January 1, 1977, in excess of 216 hours in any 28-day work period (54 hours in any workweek).

The Secretary of Labor shall conduct a study of the average tours of duty of such employees in 1975, and from that data derive an overtime compensation formula to be applied to such employees beginning January 1, 1978.

A complete overtime exemption is provided for any fire department, police department or correctional institution with fewer than 5 employees.

Section 7. Domestic Service Workers.—States a finding of Congress that domestic service in households affects commerce and that the minimum wage and overtime protections of the act should apply to such employees. This section prescribes therefore, the minimum wage (not less than $1.90 an hour beginning May 1, 1974, not less than $2.00 an hour beginning January 1, 1975, not less than $2.20 an hour beginning January 1, 1976, and not less than $2.30 an hour beginning January 1, 1977) and overtime (compensation for hours worked in excess of 40 per week) rates applicable to such employees. If such employee resides in the household of the employer, minimum wage compensation only is required. The provision does not apply to a person who, on an intermittent basis, provides baby sitting services, or who provides companion services. A domestic service employee is described as one who either is engaged in domestic service employment more than 8 hours in the aggregate in any workweek, or receives from his employer for such employment wages of at least $50 in any calendar quarter.

Section 8. Retail and Service Establishments.—Reduces and ultimately repeals the "dollar volume" test for coverage of retail and service establishments of a "chain" under the minium wage and overtime provisions of the act. Effective January 1, 1975, the minimum wage and overtime provisions of the act will apply to such establishments with gross annual sales or services of $225,000 or more; and effective January 1, 1976, gross annual sales or services of $200,000. Beginning January 1, 1977, all such retail and service establishments will be subject to the minimum wage and overtime provisions of the act.

Section 9. Tobacco Employees.—Retains a limited overtime exemption for employees engaged in activities related to the sale of tobacco. Overtime compensation must be paid for employment in excess of 10 hours in any workday and 48 hours in any workweek for a period or periods not to exceed 14 workweeks in the aggregate in any calendar year. Without this section, the limited overtime exemption would be ultimately repealed by section 19.

Also repeals the present minimum wage exemption for employees engaged in the processing of shade-grown tobacco.

Section 10. Telegraph Agency Employees.—Repeals the minimum wage exemption for employees of small telegraph agencies, and reduces and ultimately repeals the overtime exemption for such employees. During the first year after the effective date of the 1974 amendments, overtime compensation must be paid to such employees for hours worked in excess of 48 per week; during the second year, for hours worked in excess of 44 per week; and thereafter, for hours worked in excess of 40 per week.

Section 11. Seafood Canning and Processing Employees.—Reduces and ultimately repeals the overtime exemption for employees engaged in the processing and canning of seafood. During the first year after the effective date of the 1974 amendments, overtime compensation must be paid to such employees for hours worked in excess of 48 per week; during the second year, for hours worked in excess of 44 per week; and thereafter, for hours worked in excess of 40 per week.

Section 12. *Nursing Home Employees.*—Amends the overtime exemption for nursing home employees to provide an overtime exemption for employment up to 8 hours in any workday and up to 80 hours in any 14-consecutive-day work period. This coverage is identical to that for hospital employees. The present overtime exemption for nursing home employees is for employment up to 48 hours in any workweek.

Section 13. *Hotel, Motel, and Restaurant Employees and Tipped Employees.*—Reduces the overtime exemption for employees (other than maids and custodial employees in hotels and motels) employed in hotels, motels, and restaurants. During the first year after the effective date of the 1974 amendments, overtime compensation must be paid to such employees for hours worked in excess of 48 per week, and thereafter, for hours worked in excess of 46 per week.

The overtime exemption for maids and custodial employees in hotels and motels is reduced and ultimately repealed. During the first year after the effective date of the 1974 amendments, such employees must be paid overtime compensation for hours worked in excess of 48 per week; during the second year, for hours worked in excess of 46 per week; during the third year, for hours worked in excess of 44 per week; and thereafter, for hours worked in excess of 40 per week.

With respect to tipped employees, the tip credit provision of the act is not to apply unless the employer has informed each of his tipped employees of the tip credit provision and all tips received by a tipped employee have been retained by the tipped employee (either individually or through a pooling arrangement).

Section 14. *Salesmen, Partsmen, and Mechanics.*—Provides an overtime exemption for any salesmen primarily engaged in selling automobiles, trailers, trucks, farm implements, boats, or aircraft if employed by a nonmanufacturing establishment primarily engaged in the business of selling such vehicles to ultimate purchasers. Also provides an overtime exemption for partsmen and mechanics of automobile, truck, and farm implement dealerships.

Section 15. *Food Service Establishment Employees.*—Reduces and ultimately repeals the overtime exemption for employees of food service establishments. During the first year after the effective date of the 1974 amendments, overtime compensation must be paid to such employees for hours worked in excess of 48 per week; during the second year, for hours worked in excess of 44 per week; and, thereafter, for hours worked in excess of 40 per week.

Section 16. *Bowling Establishment Employees.*—Reduces and ultimately repeals the overtime exemption for employees employed in bowling establishments. Beginning 1 year after the effective date of the 1974 amendments, such employees must be paid overtime compensation for hours worked in excess of 44 per week, and beginning 2 years after the effective date, for hours worked in excess of 40 per week.

Section 17. *Substitute Parents for Institutionalized Children.*—Provides an overtime exemption for couples who serve as houseparents of children who are institutionalized by reason of being orphaned or having one deceased parent. Further provides that such employed couples must receive cash wages of not less than $10,000 annually, and reside on the premises of the institution and receive their board and lodging without cost.

Section 18. *Employees of Conglomerates.*—Precludes the availability of the minimum wage exemption presently applicable for certain employees employed in agriculture to a controlling conglomerate with an annual gross volume of sales made or business done in excess of $10 million, if the conglomerate materially supports the employing agricultural entity.

Section 19. *Seasonal Industry Employees.*—Existing law provides an overtime exemption for employment in seasonal industries up to 10 hours in any workday or 50 hours in any workweek for not more than 10 workweeks during the calendar year. Existing law also provides an overtime exemption for employment in agricultural processing up to 10 hours in any workday or 48 hours in any workweek for not more than 10 workweeks during the calendar year. In the case of an employer who does not qualify for the overtime exemption under both categories the exemption is extended to 14 workweeks during the calendar year for the category under which he does qualify.

The overtime exemption for employment in seasonal industries is reduced to 48 hours in any workweek for not more than 7 workweeks beginning on the effective date of the 1974 amendments, not more than 5 workweeks beginning January 1, 1975, and not more than 3 workweeks beginning January 1, 1976. The overtime exemption for employment in agricultural processing is reduced to not more than 7 workweeks beginning on the effective date of the 1974 amendments, not more than 5 workweeks beginning January 1, 1975, and not more than 3 workweeks beginning January 1, 1976. In the case of an employer who does not qualify for the overtime exemption under both categories, the exemption is reduced from 14 workweeks during the calendar year to 10 workweeks during 1974, to 7 workweeks during 1975, and to 5 workweeks during 1976. Effective December 31, 1976, the overtime exemptions are repealed.

Section 20. *Cotton Ginning and Sugar Processing Employees.*—Repeals the current overtime exemption and provides a limited overtime exemption for certain employees engaged in cotton ginning and sugar processing as follows:

	Hours of work permitted during each such workweek without payment of overtime compensation		
Annual workweeks	1974	1975	1976 and thereafter
6 weeks	72	66	60
4 weeks	64	60	56
2 weeks	54	50	48
2 weeks	48	46	44
Balance of year	48	44	40

Section 21. *Transit Employees.*—Reduces and ultimately repeals the overtime exemption for any driver, operator, or conductor employed by an employer engaged in the business of operating a street, suburban or interurban electric railway, or local trolley or motor bus carrier. During the first year after the effective date of the 1974 amendments, overtime compensation must be paid to such employees for hours worked in excess of 48 per week; during the second year, for hours worked in excess of 44 per week; and thereafter, for hours worked in excess of 40 per week. In determining the hours of employment of such an employee, hours employed in charter activities shall not be included if (1) the employee's employment in such activities was pursuant to an agreement or understanding with his employer arrived at before engaging in such employment, and (2) if employment in such activities is not part of such employee's regular employment.

Section 22. *Cotton and Sugar Services Employees.*—Retains a limited overtime exemption for certain employees engaged in cotton ginning and sugar processing activities. Overtime compensation must be paid for employment in excess of 10 hours in any workday and 48 hours in any workweek for a period or periods not to exceed 14 workweeks in the aggregate in any calendar year. Without this section, the limited overtime exemption would be ultimately repealed by section 19.

Section 23. *Motion Picture Theaters, Logging Crews, and Oil Pipeline Transportation Employees.*—Repeals the minimum wage exemption for employees of motion picture theaters, and logging employees, but retains the overtime exemption for such employees. Also repeals the overtime exemption for employees of oil pipeline transportation companies.

Section 24. *Employment of Students.*—Provides for the employment of full-time students (regardless of age but in compliance with applicable child labor laws) at wage rates less than those prescribed by the act in retail and service establishments, agriculture, and institutions of higher education at which such students are enrolled. Students may be employed at a wage rate of not less than 85 per centum of the applicable minimum wage rate or $1.60 an hour ($1.30 an hour in agriculture), whichever is the higher, pursuant to special certificates issued by the Secretary. Such special certificates shall provide that such students shall, except during vacation periods, be employed on a part-time basis (not to exceed 20 hours in any workweek). In the case of an employer who intends to employ five or more students under this section, the Secretary may not issue a special certificate unless he finds the employment of any such student "will not create a substantial probability of reducing the full-time employment opportunities" of other workers. In the case of a retail or service establishment, the number of students employed under such certificates may not generally exceed (a) the proportion applicable to the establishment in the preceding year, (b) the maximum proportion to which the establishment was ever entitled, or (c) a proportion equal to ⅒ of the establishment's total workforce, whichever is the greater.

In the case of an employer who intends to employ less than five students under this section, the Secretary may issue a special certificate if the employer certifies to the Secretary that he is not thereby reducing the full-time employment opportunities of other workers. The certification requirements are not applicable to the employment of full-time students by the educational institutions at which they are enrolled. Sections 15 (Prohibited Acts) and 16 (Penalties) of the act would be applicable to an employer who violated the requirements of this section. A summary of the special certificates issued under this provision is required to be included in the Secretary's annual report on the act.

Section 24 also provides that the Secretary may waive the minimum wage and overtime provisions of the act with respect to a student employed by his elementary or secondary school, where such employment constitutes an integral part of the regular education program provided by the school and is in accordance with applicable child labor laws.

Section 25. *Child Labor.*—The employment of children under age 12 in agriculture is prohibited unless they are employed on a farm owned or operated by their parents or guardians, or on a farm exempt from the minimum wage provisions of the act. Children 12 or 13 years of age may work in agriculture only with the written consent of their parents or guardians or if their parents or guardians are employed on the same farm. For persons 14 years of age or older, prior consent is not required for employment in agriculture.

Any person who violates the child labor provisions of the act or applicable regulations, is subject to civil penalties. The Secretary is permitted to require employers to obtain employee's proof of age.

Section 26. *Suits by the Secretary.*—Authorizes the Secretary to sue for back wages (which he can do now) but also to sue for an equal amount of liquidated damages without requiring a written request from the employee. The Secretary could also sue even though the suit might involve issues of law that have not been finally settled by the courts. In the event the Secretary brings such an action, the right of an employee provided by section 16(b) of the act to bring an action on behalf of himself, or to become party to such an action would terminate, unless such action is dismissed without prejudice, on motion by the Secretary.

Section 27. *Economic Effects Studies.*—In addition to and in furtherance of the requirements of section 4(d) of the act, the Secretary is required to conduct studies on the justification or lack thereof for each of the exemptions provided by sections 13(a) and 13(b) of the act. Such studies shall include an examination of the extent to which employees of conglomerates receive the sections 13 (a) and (b) exemptions and the economic effect of their inclusion in such exemptions. The report on the study would be due not later than January 1, 1976.

The Secretary is also directed to conduct a continuing study on means to prevent curtailment of employment opportunities for manpower groups which have had historically high incidences of unemployment (such as disadvantaged minorities, youth, elderly, and such other groups as the Secretary may designate).

Section 28. *Nondiscrimination on Account of Age in Government Employment.*—Extends the provisions of the Age Discrimination in Employment Act to an employer with 20 or more employees. Also extends the provisions of the act to State and local governments and their related agencies.

States a policy of nondiscrimination on account of age in the Federal government, and authorizes the U.S. Civil Service Commission to enforce that policy.

Section 29. *Effective Date.*—Provides that the effective date of the 1974 amendments shall be May 1, 1974.

Mr. QUIE. Mr. Speaker, I yield 5 minutes to the gentleman from New York (Mr. Kemp).

Mr. KEMP. Mr. Speaker, I rise in support of the conference report of the Fair Labor Standards Amendments of 1974.

It is a constructive, compromise bill which I urge the President to sign as soon as possible following what I am sure will be a successful vote here today.

As a conferee, a member of the Education and Labor Committee and a representative of constituents who have, for the most part, wholeheartedly urged the passage of this vital legislation, I now recommend its forthwith passage by the Members of this body.

These are measures which are long overdue for the low-income working people of my district in western New York and throughout our Nation.

Far too many of our citizens, through no fault of their own, are in a daily struggle with severe hardships as the result of repeated, upward surges in the cost of living.

I will continue to fight for more restraint in the spending of the people's tax dollars because of my unwavering conviction that a lack of fiscal and monetary restraint is the chief cause of rising inflation.

But while we proceed toward more fiscal responsibility, we cannot ignore those working men and women who suffer most from the effects of inflation.

I believe each of us in the Congress and all Americans owe a debt of gratitude to the distinguished chairman of the committee and House conferees, Mr. Perkins; our ranking minority chairman, Mr. Quie, and Mr. Dent, the chairman of the General Labor Subcommittee, with whom I had the privilege of cosponsoring the higher minimum wage, still intact in the conferecne report before us.

The skill and expeditious work of these gentlemen and my fellow conferees in both the House and Senate are, in my judgment, a tribute to the responsiveness of the Congress to an urgent need of the people this legislation will assist.

Mr. QUIE. Mr. Speaker, I yield 1 minute to the gentleman from Indiana (Mr. Dennis).

Mr. DENNIS. I thank the gentleman for yielding.

I am not suggesting to the House that they necessarily ought to vote with the National League of Cities or that I am necessarily going to do, either, but I would like to point out to the gentleman from Pennsylvania (Mr. Dent) that maybe he has later advices than I have, but I have a letter in my hand from the National League of Cities dated March 27, 1974, and signed Allen E. Pritchard, Jr., executive vice president, which at least states that they are against this conference report and ask to vote against it. They say it is coming up today here.

Mr. DENT. I thank the gentleman for that information.

I might say that figures do not lie, but liars figure. That is not the story they told me.

I tried to get a compromise that would accomplish what they desired. As the gentleman from Minneosta has so plainly stated, the firemen are not happy because they did not think they got anything out of this, and if the cities are unhappy, too, then this must be the best compromise you can possibly achieve.

Mr. QUIE. Mr. Speaker, I have no further requests for time.

Mr. PERKINS. Mr. Speaker, I yield 4 minutes to the gentleman from California (Mr. Burton).

Mr. BURTON. Mr. Speaker, I shall not consume all of my time. When you have the votes you do not need oratory.

I would like the Record to reflect with reference to the protective services the most vigorous, effective and determined role of leadership played by our distinguished colleague from New York, Mario Biaggi, who I must say was very effective on the House side of this conference and was more responsible, probably, than all of the rest of our conferees for the improvements we have made in the way of life of firemen and policemen, as a result of this bill.

I yield to him at this point.

Mr. BIAGGI. I thank the gentleman for yielding.

Mr. Speaker, I rise in support of this conference report. It is long overdue as a nationwide resolution of some very serious problems. The universality of it has been accepted as a basic principle. To exempt policemen and firemen is paradoxical and an absolutely untenable position. We find ourselves lauding their contribution on the one hand and on the other hand trying to exempt them from very basic benefits they are entitled to.

Mr. Speaker, I am proud to be a part of this legislative process and strongly urge that this conference report be voted affirmatively.

Mr. QUIE. Mr. Speaker, will the gentleman yield?

Mr. BURTON. I yield to the gentleman.

Mr. QUIE. Mr. Speaker, one thing I know our colleagues have wondered about is whether the House conferees stood by the House position. We have had minimum wage legislation before us many times previously, and I want to say to my colleagues the gentleman from California (Mr. Burton) never wavered once in standing by the House position. He never threw out a hint that we should go away from it. I only want to give my congratulations to him for the stalwart way in which he handled himself.

Mr. BURTON. I thank the gentleman.

Mr. QUIE. Mr. Speaker, I yield 2 minutes to the gentleman from Kansas (Mr. SEBELIUS).

Mr. SEBELIUS. Mr. Speaker, I thank the gentleman for yielding.

May I propose a question to the gentleman or to the subcommittee chairman on the subject of small towns. I have hundreds of them in my district where they have one or two employees and one of them may also be the town marshal who works 8 hours a day. It looks like he is exempt that way, but he is also the water commissioner and is on call if a watermeter breaks. What is the situation of that employee in those small towns?

Mr. QUIE. Mr. Speaker, I would say that as the town constable, he is exempted, but I would imagine that all the work he does, as reading watermeters, would not be. In other words, he is not exempted from the overtime provision in his nonpublic safety duties.

Mr. SEBELIUS. Oh.

Mr. QUIE. I would assume that he would be exempted in his hours he spends in his work as a constable, but he would not be exempted in the hours he spends reading watermeters.

Mr. SEBELIUS. The problem is that he is always on call because we might have a water main break.

Mr. QUIE. On the question of the duty hours, that is going to be determined by the Secretary of Labor, as I indicated before—the definition of duty hours as it relates to sleep and eating time.

Mr. KAZEN. Mr. Speaker, will the gentleman yield for a question?

Mr. SEBELIUS. I yield to the gentleman from Texas for a question.

Mr. KAZEN. Mr. Speaker, I would like to find out about this May 1 starting date under this bill, because the cities have already gotten their budgets made out, and they are right in the middle of their year. I am just wondering what effect raising the minimum wage on the first of the month here, just a month from now, is going to have on the budgets of a lot of these towns and cities.

Mr. SEBELIUS. I would say to the gentleman from Texas that when I was mayor of the community I mentioned before, we had to virtually rob Peter to pay Paul in order to pay for our employees.

Mr. QUIE. Mr. Speaker, if the gentleman will yield, if the gentleman is referring to the police and firemen overtime provisions here, the effective date is January 1, 1975.

Mr. KAZEN. That may be so, but what about the other employees who are involved?

The SPEAKER. The time of the gentleman has expired.

Mr. QUIE. I yield 1 additional minute to the gentleman from Kansas.

Mr. Speaker, will the gentleman yield?

Mr. SEBELIUS. I yield to the gentleman from Minnesota.

Mr. QUIE. Mr. Speaker, in reply to the inquiry of the gentleman from Texas, may I say that the other employees are covered on the first day of the second full month after the passage of this act. So when we talk about May 1, if the President signs this bill this week, as I hope the President will, then it will go into effect the 1st of May.

Mr. KAZEN. If the gentleman will yield further, the police and firemen may not be covered on that day, but the other municipal employees will be covered on May 1, as far as this salary raise.

Mr. QUIE. That is right.

Mr. KAZEN. And this will occur when the towns and cities are right in the middle of their budgetary year, and without them having made any provision for this.

Mr. QUIE. Mr. Speaker, if the gentleman will yield still further, I would say to the gentleman from Texas that if any employee is getting less than $2 an hour, that I would not feel as sorry for the taxpayers in that case as I would for those employees.

Mr. KAZEN. The trouble is that this is a real problem with many small towns and communities. The gentleman from Minnesota may not have a lot of small towns and communities such as I have.

Mr. QUIE. Yes, I do. I hope those employees are already receiving at least $2 per hour.

Mr. SEBELIUS. Mr. Speaker, I am not so concerned as to the minimum wage. In fact, I voted for this bill when we sent it over to the Senate, but I must say that in view of the overtime provisions I will have to vote against it now because of the extreme burden this places on so many of these small towns and communities.

The SPEAKER. The time of the gentleman has again expired.

Mr. BIAGGI. Mr. Speaker, I rise to urge my colleagues to support the minimum wage conference report. It is a good report on a good bill and the time has come to put ourselves on record for the workingman in this country, who clearly deserves the benefits this bill will give him.

I want to speak particularly to the excellent conference provision concerning public safety personnel—policemen, firemen, and correctional officers. This is a section I worked hard for as a member of the conference committee and as a cosponsor of this legislation.

I believed it essential from the start of our consideration of the minimum wage bill in the general Subcommittee on Labor, of which I am a member, to give equal treatment to all public employees. I was very gratified to see the committee and then the full House include public employees under the minimum wage bill. By doing so, we have rectified a great injustice.

However, I was disturbed that public safety personnel were not granted full coverage under the overtime provisions. I think they are fully entitled to it. These employees—particularly the police, whose experience I am intimately familiar with as a former policeman with 23 years of experience—are some of our most vital public servants. They and firemen and correction officers are the only public servants who lay their lives on the line for the people they protect making the ultimate sacrifice.

I believe that to leave them out of overtime coverage altogether is grievously wrong. I had planned to introduce an amendment in committee to correct this injustice, but concluded it would speed passage of the minimum wage bill to work for acceptance of the Senate amendment in conference.

I recognized there exists a real problem for financially hard-pressed cities in being required to pay the extra moneys which overtime coverage would involve. Speaking as a representative of one of the most fiscally overburdened cities in the country, New York City, I understand their problem. Consequently, I worked for a formula which would make the transition to somewhat higher costs for cities gradual and acceptable and one which would not throw them into fiscal chaos.

Consequently, police, fire, and correctional officers will receive overtime beginning on January 1, 1975, for only those hours worked above an average of 60 per week in a 4-week (28-day) period. In January 1976 the number of hours before overtime becomes effective will drop to 58, and in January 1977 to 54. In recognition that we are headed down the road to a full commitment to overtime pay, the Secretary of Labor is authorized to study the 1975 data in 1976 to devise a formula for 1978 and beyond. And, finally, those departments with five or fewer employees are exempted in recognition of their special circumstances. I think this is a responsible compromise between the threat of fiscal hardship for the cities and the undeniable rights of public safety employees.

If, in the long run, cities are put in difficult circumstances by this provision, then I think the answer is not to deny the rights of public safety employees but to seek aid in the Congress for the extra costs. Indeed, I think the Congress has not been generous enough with our cities on a whole range of needs, and that sooner or later we must face up to doing something about it. We certainly cannot pretend that the way to solve this problem is to not recognize the legitimate rights of policemen, firemen, and correctional officers.

I am satisfied our commitment to equal treatment is clear and that the burden for the cities has been taken into account. I think the formula is a good one. I urge the House to adopt the conference report without delay.

Mr. FRENZEL. Mr. Speaker, with great reluctance, I am supporting the minimum wage conference report now pending before the House. I am extremely disappointed that the House conferees were unable to maintain the exclusion of fire and police employees from the conference report, but I know the difficulties that they encountered.

A complete exclusion may have been impossible. But I think the conferees did about the next best thing in attempting to limit the devastating effect of overtime payments on municipal governments.

In the debates on the similar minimum wage bill last year, I pointed out that communities in my district would become liable for millions of dollars of overtime or extra labor costs as a result of including fire and police under the overtime provisions of the Fair Labor Standards Act. I further pointed out that the municipalities within my district were subjected to a tax levy limitation by the State of Minnesota. The added liability, combined with the levy limitation, means that the municipalities' only alternatives are fewer firemen and less fire protection, or a reduction in some other vital municipal service.

I will vote for the conference report today in the hope that the added financial liabilities can be avoided because of the language developed in the conference committee. I am also relying very strongly on the language contained in the various committee reports that sleep time, meal time, and relaxation time will not be counted as active duty hours for the purposes of the overtime provision of the conference report. And I hope that the Secretary of Labor will issue regulations that will minimize the damage to these municipal budgets.

Mr. Speaker, my only objection to the previous minimum wage bill in this House was the unfair burden which these overtime provisions placed on municipalities within my district. I have no objection to other features of the bill, and do support it. I only hope that the fire and police overtime is not interpreted at some later date in a way that will force municapalities to reduce their fire protection service.

Mr. DORN. Mr. Speaker, I fully support the bill now before us to increase the minimum wage. It is a question of justice, Mr. Speaker. The cost of living for the American family has increased at a fantastic rate. Housewives are shocked by the almost daily increase in the basic commodities.

Surely it is time for the Congress to approve an increase in the minimum wage. Fairness and equity demand it. It is the right thing to do, and now is the time. The cost of gasoline, heating oil, food, clothing and the other essentials bear little resemblance to last year's prices, and the end is not in sight. This Nation can wait no longer in approving a long overdue adjustment in the minimum wage. Mr. Speaker, I urge overwhelming approval of the Fair Labor Standards Amendments of 1974.

Mr. DOMINICK V. DANIELS. Mr. Speaker, I rise in support of the Fair Labor Standards Amendments of 1974. Every time this issue comes up we hear the same old rhetoric dredged up from the very first debate on minimum wage. Increasing the minimum wage, opponents say, will only drive more and more men and women out of work. Yet all the statistics, all the data show that the Fair Labor Standards Act is one of the most economically successful legislative acts in America's history.

By setting a floor below which workers may not be paid, the law keeps wages flowing into the economy. Moreover, the argument that the wage increases are passed off to consumers simply is not true if the original history of the act has any validity. The Fair Labor Standards Act was passed at a time when a few major companies were commanding huge profits while their employees were taking home starvation wages.

The minimum wage law was and continues to be a means of assuring a fair distribution of the common effort by labor and management to produce and provide the wealth of America. All wealth is the product of the workingman, whether he works in the factory, in an office, a board room, at a drafting table, a drill press, a desk, or on the road, whether he wears a blue collar, a white collar, or no collar at all.

It is the work of a hundred million Americans that has created our wealth, not the capital of a relatively few financiers and industrialists.

Mr. Speaker, the workers of America deserve a fair shake. The Fair Labor Standards Amendments of 1974 reaffirm Congress resolve that it will guarantee as fair a distribution of America's wealth as is possible.

Mr. PERKINS. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

Mr. BURTON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 345, nays 50, answered "present" 1, not voting 36, as follows:

[Roll No. 122]

YEAS—345

Abzug
Adams
Addabbo
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Arends
Aspin
Badillo
Bafalis
Barrett
Bell
Bennett
Bergland
Biaggi
Biester
Bingham
Boggs
Boland
Bowen
Brademas
Brasco
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Buchanan
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Chisholm
Clancy
Clark
Clausen, Don H.
Clay
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Conable
Conte
Corman
Cotter
Coughlin
Cronin
Culver
Daniels, Dominick V.
Danielson
Davis, Ga.
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dennis
Dent
Derwinski
Dickinson
Dingell
Donohue
Dorn
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Flood
Flowers
Foley
Ford
Forsythe
Fountain
Fraser
Frelinghuysen
Frey
Froehlich
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Ginn
Gonzalez
Grasso
Gray
Green, Oreg.
Green, Pa.
Griffiths
Grover
Gubser
Gude
Gunter
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hansen, Idaho
Hansen, Wash.
Harrington
Harsha
Hastings
Hawkins
Hays
Hechler, W. Va.
Heinz
Helstoski
Henderson
Hicks
Hillis
Hogan
Holifield
Holtzman
Horton
Howard
Hudnut
Hungate
Hunt
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kemp
King
Koch
Kyros
Landrum
Latta
Leggett
Lehman
Lent
Litton
Long, La.
Lott
Lujan
Luken
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McKinney
McSpadden
Macdonald
Madden
Madigan
Mahon
Mallary
Mann
Maraziti
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Milford
Miller
Minish
Mink
Minshall, Ohio
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Montgomery
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nedzi
Nelsen
Nichols
Nix
Obey
O'Brien
O'Hara
O'Neill
Parris
Passman
Patten
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Podell
Preyer
Price, Ill.
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Rinaldo
Roberts
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rostenkowski
Roush
Roy
Roybal
Runnels
Ruppe
Ruth
St Germain
Sandman
Sarasin
Sarbanes
Scherle
Schneebeli
Schroeder
Seiberling
Shipley
Shoup
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steele
Steelman
Steiger, Wis.
Stokes
Stratton
Stubblefield
Stuckey
Studds
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wydler
Wylie
Wyman
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—50

Abdnor
Archer
Armstrong
Ashbrook
Baker
Bauman
Beard
Broyhill, Va.
Burgener
Burleson, Tex.
Butler
Byron
Camp
Clawson, Del
Collins, Tex.
Conlan
Crane
Daniel, Dan
Daniel, Robert W., Jr.
Devine
Downing
Fisher
Flynt
Gettys
Goldwater
Goodling
Gross
Hinshaw
Holt
Hosmer
Huber
Hutchinson
Ketchum
Lagomarsino
Landgrebe
McClory
Moorhead, Calif.
Poage
Powell, Ohio
Price, Tex.
Rarick
Robinson, Va.
Rousselot
Satterfield
Sebelius
Spence
Steiger, Ariz.
Symms
Treen
Wiggins

ANSWERED "PRESENT"—1

Ryan

NOT VOTING—36

Alexander
Ashley
Bevill
Blackburn
Blatnik
Bolling
Carey, N.Y.
Conyers
Diggs
Eilberg
Erlenborn
Fish
Frenzel
Gilman
Hanna
Hanrahan
Hébert
Heckler, Mass.
Kluczynski
Kuykendall
Long, Md.
Mills
Mitchell, Md.
Owens
Patman
Reid
Riegle
Rooney, N.Y.
Rosenthal
Shriver
Stephens
Sullivan
Vander Jagt
Williams
Wright
Wyatt

So the conference report was agreed to.

The Clerk announced the following pairs:

Mr. Rooney of New York with Mr. Hébert.
Mr. Mitchell of Maryland with Mr. Patman.
Mr. Carey of New York with Mr. Blackburn.
Mr. Diggs with Mr. Blatnik.
Mr. Kluczynski with Mr. Hanrahan.
Mr. Bevill with Mr. Vander Jagt.
Mr. Alexander with Mr. Frenzel.
Mr. Reid with Mr. Kuykendall.
Mr. Riegle with Mr. Williams.
Mrs. Sullivan with Mr. Shriver.
Mr. Conyers with Mr. Hanna.
Mr. Rosenthal with Mr. Owens.
Mr. Stephens with Mr. Ashley.
Mr. Eilberg with Mr. Fish.
Mr. Mills with Mr. Erlenborn.
Mr. Wright with Mr. Wyatt.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DENT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the conference report just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

PERSONAL EXPLANATION

Mr. GILMAN. Mr. Speaker, I ask unanimous consent that immediately following the House vote on rollcall 122 on the bill S. 2747, the Fair Labor Standards Amendments of 1974 conference report, the RECORD show that at the time of that vote I was attending a meeting of the national leaders of veterans' organizations concerning veterans' affairs of importance to our Nation, causing me to be inadvertently delayed for that vote. Had I been present I would have voted "aye" in support of this measure.

The SPEAKER pro tempore. Without objection, the gentleman's statement will appear in the RECORD.

There was no objection.

PERSONAL EXPLANATION

Mr. FISH. Mr. Speaker, I ask unanimous consent that immediately following rollcall 122, the House vote today on S. 2747 on the Fair Labor Standards Amendments of 1974, the RECORD show that during the vote I was attending a meeting of the national leaders of veterans' organizations concerning matters of importance to our national interest, causing me to be inadvertently delayed for that vote. Had I been present I would have voted "aye."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 7724, AMENDING PUBLIC HEALTH SERVICE ACT

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 7724) to amend the Public Health Service Act to establish a national program of biomedical research fellowship, traineeships, and training to assure the continued excellence of biomedical research in the United States, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

Mr. RONCALLO of New York. Mr. Speaker, reserving the right to object, may I ask the chairman what changes there are on the House bill made by the amendment?

Mr. STAGGERS. Mr. Speaker, if the gentleman will yield, the House bill is exactly the same as it was.

Mr. RONCALLO of New York. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia? The Chair hears none, and appoints the following conferees: Messrs. STAGGERS, ROGERS, SATTERFIELD, DEVINE, and NELSEN.

PERMISSION FOR COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE TO FILE REPORT ON H.R. 12993

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may have until midnight tonight to file a report on H.R. 12993, broadcast license renewal.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

APPOINTMENT AS MEMBERS TO AMERICAN REVOLUTION BICENTENNIAL BOARD

The SPEAKER. Pursuant to the provisions of section 10(a), Public Law 93-179, the Chair appoints as members of the American Revolution Bicentennial Board the following Members on the part of the House: Mrs. BOGGS, of Louisiana, and Mr. BUTLER, of Virginia.

FOREIGN DISASTER ASSISTANCE ACT OF 1974

Mr. PEPPER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 992 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 992

Resolved, That upon the adoption of this revolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12412) to amend the Foreign Assistance Act of 1961 to authorize an appropriation to provide disaster relief, rehabilitation, and reconstruction assistance to Pakistan, Nicaragua, and the Sahelian nations of Africa. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment recommended by the Committee on Foreign Affairs now printed on page 2, line 24 through page 3, line 17 of the bill, notwithstanding the provisions of clause 7, rule XVI. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Florida (Mr. PEPPER) is recognized for 1 hour.

Mr. PEPPER. Mr. Speaker, I yield 30 minutes to the able gentleman from Ohio (Mr. LATTA), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 992 provides for an open rule with 1 hour of general debate on H.R. 12412, a bill to amend the Foreign Assistance Act of 1961.

House Resolution 992 also provides that it shall be in order to consider the amendment recommended by the Committee on Foreign Affairs now printed on page 2, line 24 through page 3, line 17 of the bill, notwithstanding the provisions of clause 7, rule XVI of the Rules of the House of Representatives (the germaneness provision).

The purpose of H.R. 12412 is to authorize $115 million for famine and disaster assistance to the Sahel region of Africa, and for disaster relief and emergency recovery needs in Nicaragua and Pakistan. An appropriation for these three regions was included in the 1974 foreign assistance appropriations bill (H.R. 11771) which passed Congress in December 1973.

H.R. 12412 also amends the Foreign Assistance Act of 1961 by requiring advance notification to the Congress of any proposed modifications of debts owed to the United States.

Mr. Speaker, I urge the adoption of House Resolution 992 in order that we may discuss and debate H.R. 12412.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I think the most important part of this bill is the nongermane amendment that the Committee on Foreign Affairs inserted. I have reference to section 4, beginning on page 2, of the bill. I think it is so important, Mr. Speaker, that I will read it in toto.

The section reads as follows:

> The Secretary of State shall keep the appropriate committees of Congress fully and currently informed of the ongoing status of any negotiations with any foreign government regarding the cancellation, renegotiation, rescheduling, or settlement of any debt owed to the United States by any such foreign government under the Foreign Assistance Act of 1961. The Secretary of State shall transmit to the Speaker of the House of Representatives, and to the chairman of the appropriate Senate committee, the text of any international agreement proposing a modification in the terms of such debt no less than thirty days prior to its entry into force, together with a detailed explanation of the

interest of the United States in such modification.

(b) No debt authorized under the Foreign Assistance Act of 1961 owed to the United States by any foreign government may be canceled, renegotiated, rescheduled, or settled in any manner inconsistent with the legislative authorization applicable to the original debt as modified by any subsequent amendment, except as provided in this section.

Mr. Speaker, I think this provision is long overdue, and I wish to commend the Committee on Foreign Affairs for bringing it to our attention.

Mr. Speaker, I have no requests for time, and I reserve the balance of my time.

Mr. PEPPER. Mr. Speaker, I have no requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. MORGAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12412) to amend the Foreign Assistance Act of 1961 to authorize an appropriation to provide disaster relief, rehabilitation, and reconstruction assistance to Pakistan, Nicaragua, and the Sahelian nations of Africa.

The SPEAKER. The question is on the motion offered by the gentleman from Pennsylvania (Mr. Morgan).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12412), with Mr. Mazzoli in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Pennsylvania (Mr. Morgan) will be recognized for 30 minutes, and the gentleman from New Jersey (Mr. Frelinghuysen) will be recognized for 30 minutes.

The Chair now recognizes the gentleman from Pennsylvania (Mr. Morgan).

Mr. MORGAN. Mr. Chairman, it is not every day that the House has an opportunity to reduce an appropriation it has already voted by nearly one-quarter.

That is what H.R. 12412—to authorize disaster relief and emergency recovery assistance—will do.

And of course this legislation will help millions of needy people. It falls within the great tradition of humanitarian measures which the House has supported in the past when natural disasters have struck at home and abroad.

In this case, we are dealing with three areas of the world which have suffered true disasters—drought in the Sahel of Africa, the earthquake which devastated the capital of Nicaragua, and the floods in Pakistan.

First of all, let me point out that what we are authorizing here does not involve any new appropriations.

The House already has voted the money. What this bill does is to allow the appropriation to go forward.

Furthermore, this bill cuts the appropriation by nearly one-quarter—from $150 million to $115 million—a reduction of $35 million.

A second feature of H.R. 12412 is that it tightens congressional oversight over any softening of the terms on foreign debts owed to the United States through loans authorized under the Foreign Assistance Act of 1961. It does so by requiring 30 days advance notification to the Congress.

I will relate briefly the background on this bill and then describe its provisions.

As Members may recall, the Congress last December passed the fiscal 1974 foreign assistance appropriations bill (H.R. 11771). H.R. 11771 included $150 million for disaster assistance for the Sahel, Pakistan, and Nicaragua.

The disaster assistance appropriation was passed with a requirement saying the funds "shall be available only upon enactment into law of authorizing legislation." Therefore it is necessary to have the authorizing legislation which is before us today.

The Foreign Affairs Committee heard witnesses in connection with this authorizing legislation and conducted a careful inquiry. There is absolutely no doubt that true tragedies have been inflicted by nature on these poor lands. Millions of people suffered and property damage was huge.

I am glad to report that the initial American response to all three disasters seems to have been prompt and effective. We are now in the emergency followup state.

The committee found that in all three areas the countries themselves are laboring hard to overcome the impact of the catastrophies.

Also, in all three places there have been substantial donations by others in the international community, totaling much more than the contributions by the United States.

In the Sahel of Africa, according to figures supplied to the committee, total international disaster and recovery assistance so far has amounted to some $361 million of which $232 million is from other foreign contributors and $129 million is from the United States.

In Nicaragua, total postdisaster aid from the international community has been some $90 million to date of which $54 million is from non-U.S. donors.

In Pakistan, the contributions from the international community so far exceed $108 million, of which nearly 60 percent is from donors other than the United States.

Concerning the provisions of this bill, the situation is that the executive requested $50 million for Sahel, $85 million for Pakistan, and $15 million for Nicaragua. The appropriation passed by Congress contains these full amounts.

The Foreign Affairs Committee, in H.R. 12412, as amended, has approved the $50 million for Sahel and the $15 million for Nicaragua.

However, the committee determined that $35 million could be cut from the $85 million appropriated for Pakistan without impairing the disaster relief and recovery efforts or the good U.S. relations with Pakistan. A more detailed statement on the reduction is in the committee report.

So in sum, H.R. 12412 as amended authorizes $115 million, a $35 million reduction from the appropriation.

The committee amendment also deletes language proposed by the executive which would have exempted the disaster assistance from the restrictions and prohibitions of the Foreign Assistance Act and any other law.

The final feature of the committee amendment, which is section 4 of H.R. 12412 as reported, is not related to disaster assistance. However, I believe it will find strong support from Members who wish to strengthen congressional oversight over debts which foreign countries owe us. It was adopted following committee discussion of the way in which the executive branch disposed of the Indian rupee debt owed to the United States.

The language of the amendment is self-apparent. It requires the President to give Congress 30-day advance notice on any proposed agreement which would waive or reduce any debt owed to the United States under the Foreign Assistance Act.

To conclude, Mr. Chairman, I strongly and urgently urge passage of this disaster relief and emergency recovery assistance bill.

The need is great.

Its passage will be in our long and outstanding humanitarian tradition.

And it will not require a penny of new appropriations. Rather, it will cut a substantial amount off appropriations already voted.

Mr. FRELINGHUYSEN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in strong support of this disaster relief bill. I know of no substantial opposition to it. There was an individual opponent within the committee.

This bill recognizes major disasters in three different geographic areas—$15 million is to be authorized to help cope with the consequences of the earthquake in Nicaragua in December 1972—$50 million is to help cope with the disastrous drought, which unfortunately still continues, in the Sahel area of Africa; $50 million is to be used in Pakistan.

It so happens that when the bill was approved by the committee last month I was in Pakistan. While there I had an opportunity for some first-hand discussions about the nature of that disaster, and the response to it, both by the Pakistanis, by international agencies, and by individual countries.

My only regret about this bill, Mr. Chairman, is that it does cut an amount of $35 million from the $150 million that was appropriated last January. It seems to me that this maneuver is simply dividing the need into two segments. We say, in effect, that some of this can be described as disaster relief, and some should be considered as economic assistance. If that is true, I would suppose that we should be cutting the amount which is to be made available for the

African countries which are suffering from drought.

The committee report, on page 6, points out that $35 million to be made available for Africa is for what is called medium-term recovery programs, mainly for food and feed grain production, and livestock herd improvement.

The same kind of development assistance is needed in Pakistan as a direct consequence of the disastrous floods which that country suffered.

There really is no question but that the need is there. We are simply saying those programs that had been designed for Pakistan were reprogramed as a result of the floods in Pakistan, and reprogramed to South Vietnam. The committee also said that we should now take the so-called medium-term needs of Pakistan under the economic aid umbrella. Of course, we can do that, and I hope we will recognize the needs are very real. But it does not seem to me that we should be congratulating ourselves too much in cutting funds which obviously could be put to use in a country where the needs are very real.

One obvious result of the cuts is that only limited funds will be available to finance imports of raw materials, spare parts, machinery, and other goods needed to help repair Pakistan's ravaged economy.

So, as I say, Mr. Chairman, I fully support this authorization. It is an unusual situation that we are asking for an authorization when the appropriation has been made months ago. But I hope that we will support the bill overwhelmingly.

Mr. MORGAN. Mr. Chairman, I yield such time as he may consume to the gentleman from Indiana (Mr. HAMILTON).

Mr. HAMILTON. Mr. Chairman, I rise in support of H.R. 12412, a bill to authorize an appropriation to provide disaster relief, rehabilitation, and reconstruction assistance to Pakistan, Nicaragua, and the Sahelian nations of Africa.

Although the House has already appropriated $150 million for disaster aid to these three areas, I believe that the action of the Committee on Foreign Affairs to reduce the amount and authorize an appropriation of only $115 million is warranted, does not affect essential disaster relief efforts and serves well our tradition of trying to respond as best we can to human tragedies and natural calamities wherever they may occur.

The bill before us intends that $50 million will be available for Pakistan, $15 million for Nicaragua, and $50 million for the countries of Sahel Africa. The difference between the amount appropriated and the amount for which an authorization is now requested is absorbed entirely in the proposed Pakistan program.

Mr. Chairman, the $35 million cut in the disaster aid request for Pakistan is not designed to affect, in any way, our concern over the extensive floods in that country which caused well over $400 million worth of damage to life, home, agriculture, industry, communication networks and the elaborate system of canals and irrigation works.

Pakistan is an important friend of the United States in the Middle East and South Asia regions, and it is in our national interest to continue to respond to its development needs to the extent possible. When the August 1973 flood hit, it was only natural that we would try to do what we could to help, especially because of the impressive and quick commitment the Pakistani Government made to recovery efforts. I believe the $50 million requested in this bill provides essential disaster relief aid to a country in need of our aid at a time when it was beginning to show significant signs of economic and political recovery from the traumatic events of 1971, which included the independence of Bangladesh, a former province of Pakistan, and Pakistan's military defeat at the hands of India.

PAKISTAN'S PROGRAM

The original Executive request of $85 million for Pakistan under the disaster assistance appropriation included:

The sum of $40 million in commodity import loan funds to finance imports from the United States of raw materials, spare parts, fertilizer, pesticides, pharmaceuticals and other goods to help repair Pakistan's ravaged economy;

The sum of $22 million in grants for reconstruction of small rural facilities including schools, hospitals, clinics, roads, and handpumps for drinking water; and

The sum of $23 million to reimburse other AID accounts which were drawn down to meet the Pakistan emergency.

The three most important reasons for cutting this program are:

First, a sizable proportion of the $40 million commodity import loan and of an agricultural production loan of $18 million were proposed for fertilizer imports. It is highly unlikely that many of these funds will be spent during fiscal 1974 because of our embargo on fertilizer exports and the general worldwide shortage of fertilizer.

Second, several of the items proposed in the disaster relief proposal for Pakistan should be properly included in the regular program of long-range economic development for Pakistan rather than under the "disaster" heading.

Third, the $35 million reduction represents the amount in the original preflood Pakistan program which was reprogramed away from Pakistan after the floods and probably was allocated to South Vietnam.

If the Agency for International Development needs more funds for Pakistan during fiscal year 1974 to deal effectively with the disaster relief projects, then the Agency should reprogram to Pakistan funds previously earmarked for that country prior to the floods.

Mr. Chairman, I think that our committee's careful consideration of this request has improved the bill which we present today and insures that reasonable sums of money are made available for worthwhile and important disaster relief work in Sahel Africa, Pakistan, and Nicaragua. The United States has long demonstrated a commitment to respond to people in desperate need of help and people who have demonstrated a will to help themselves.

I urge my colleagues to support this bill and thereby provide funds to supplement the self-help efforts of the peoples of these regions.

Mr. FRELINGHUYSEN. Mr. Chairman, I yield such time as he may consume to the gentleman from Michigan (Mr. BROOMFIELD).

Mr. BROOMFIELD. Mr. Chairman, I urge passage of the bill before you, H.R. 12412. It would authorize disaster relief, rehabilitation and reconstruction assistance to the Sahelian nations of Africa, to Nicaragua and to Pakistan.

The amount recommended—$115 million—is $35 million less than the $150 million appropriated last year subject to enactment of authorizing legislation.

As noted in the committee report, three great disasters in different parts of the globe have created an urgent need for economic and humanitarian assistance. There was a devastating drought in the Sahel of Africa, an earthquake in Nicaragua and floods in Pakistan.

Successive years of drought have brought human misery and economic devastation to the six countries of the Sahel—Mauritania, Senegal, Mali, Upper Volta, Niger, and Chad. The Foreign Assistance Act of 1973 authorized $25 million for the emergency and recovery needs of the Sahel. This bill provides an additional $50 million of which about $15 million would be used to expand efforts to ease the immediate impact of the drought. The remaining $35 million would be used for medium term recovery programs such as food and feed grain production and livestock herd improvement.

In Nicaragua, the $15 million recommended by the committee would be used to convert temporary wood shelters into permanent low-cost homes housing 50,000 people. The Nicaraguan Government also would put $15 million into the project.

Our assistance to Pakistan—the committee recommends $50 million—will be used for reconstruction of rural facilities and the importation of essential relief supplies and other goods needed to repair Pakistan's flood ravaged economy.

This legislation is needed, Mr. Chairman, and the amount recommended is well justified. I urge approval of the bill.

Also, Mr. Chairman, I would like to remind my colleagues that the drought in Africa has extended beyond the six countries of the Sahel region. Today drought and famine have spread over much of Ethiopia, one of our country's true friends in Africa.

The depth of the Ethiopian tragedy was recently revealed to many of us on the Foreign Affairs Committee by our former colleague, the retiring Ambassador to Ethiopia, E. Ross Adair. Last week, Ambassador Adair met with a number of us from the committee and we learned first hand from Ross of the scope of the disaster in that ancient land.

The United States, along with other nations, has been providing emergency aid. The gravity of the situation requires that we continue to send humanitarian assistance to our Ethiopian friends. We should continue to help them in their efforts to survive the famine and rebuild for the future.

I urge the administration to maintain

a constant review of the needs of the Ethiopian people for disaster relief and to do everything possible to assist them in this time of need.

Mr. FRELINGHUYSEN. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Chairman, while I supported this bill in committee and intend to vote for it here today, I want to call your attention to yet another disaster in Africa. Recent events have demonstrated that the drought in the sub-Saharan region of Africa is more extensive than the six nations commonly referred to as the Sahelian nations of Africa, which will receive assistance through this legislation. In fact, the drought stretches from Senegal on the west coast all the way to Ethiopia on the Red Sea.

Reports indicate that the famine in Ethiopia—one of America's firm friends—has affected nearly 2 million farmers and herdsmen, killing thousands. The Ethiopian Government has mobilized its limited resources. Some grain and other relief supplies have been provided by the United States and other nations and international agencies.

Last week a number of us had an opportunity to discuss the famine in Ethiopia with our former colleague, the retiring Ambassador to Ethiopia, the Honorable E. Ross Adair. Those of us who know Ross as I have since I came to Congress, and especially those of us who had the pleasure of serving with him when he was ranking minority member of the Committee on Foreign Affairs, have come to rely heavily upon his judgment. He assured us that the situation in Ethiopia is very serious and that our humanitarian assistance continues to be urgently needed and appreciated.

Mr. Chairman, in addition to supporting the bill wholeheartedly, I wish to express concern over the parliamentary situation that faces us which prohibits specific authorizations of funds to cover the disaster afflicting Ethiopia. I am wondering if the distinguished chairman of the full committee, the gentleman from Pennsylvania (Mr. MORGAN) would permit me to direct a question or two to his attention.

Mr. MORGAN. Certainly.

Mr. DERWINSKI. Mr. Chairman, I would ask the gentleman from Pennsylvania, would I be correct if I stated that had the parliamentary situation allowed us to consider it, that our committee would have favorably looked at the possibility of proper assistance to alleviate the drought conditions in Ethiopia as well?

Mr. MORGAN. The gentleman from Illinois is correct. But because the appropriation bill limited us to three specific areas—Pakistan, Nicaragua, and the Sahel region—we did not provide an express authorization for Ethiopia.

Mr. DERWINSKI. Is there a possibility that the Senate might be able to rectify this situation?

Mr. MORGAN. I will say to the gentleman from Illinois that, in my opinion, the Committee on Foreign Affairs would have no objection to that; and I doubt whether the Committee on Appropriations would object. If the condition in Ethiopia can be considered as part of the problem of the Sahel disaster area, there would be some reason for some assistance there. If not, of course, there is $15 million that has been authorized and appropriated for the contingency fund. I think some of those funds could be used in Ethiopia in an emergency in the next few months. So I think something could be worked out for Ethiopia. I understand that $2 to $3 million would be of great benefit in trying to solve the problem there. If such funds should not be taken out of the funds authorized for the Sahel, they could be taken out of the contingency fund.

Mr. DERWINSKI. I thank the chairman of the committee.

Mr. Chairman, I support the bill, and I yield back the remainder of my time.

Mr. FRELINGHUYSEN. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio (Mr. WHALEN).

Mr. WHALEN. Mr. Chairman, I rise in support of this legislation, which it seems to me is more than justified in the light of America's long tradition of humanitarian assistance to people in times of catastrophes. We have been told of the devastating effect of the drought in the Sahel, of the flood in Pakistan, and of the terrible earthquake in Nicaragua. Our Government, fortunately, was able to provide emergency assistance to the peoples immediately affected. Now, we are asked to participate in the work of rehabilitation and rebuilding.

This is not the normal kind of development assistance which we regularly consider in the context of AID's normal program. Rather, this is a special effort which follows our long history of responding to grave situations which require extraordinary measures. I support this legislation and hope that my colleagues will join me in voting it approval.

Mr. FRELINGHUYSEN. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the bill now before us, the Foreign Disaster Assistance Act of 1974.

The distinguished chairman of the House Foreign Affairs Committee, Mr. MORGAN, and my colleagues on the House Foreign Affairs Committee have underscored the urgent need for this legislation, assisting the disaster-ridden areas of Pakistan, Nicaragua, and Africa.

I would only add some thoughts concerning our responsibilities abroad. While our domestic needs certainly are pressing, we should not forsake the millions of needy people throughout the world.

Since we are the most affluent Nation in the world, it is often difficult for us to conceive of the dire plight of the less fortunate people in other lands.

Nonetheless, we have always been generous in fulfilling our responsibilities to mankind. I doubt that the momentary inconveniences and shortages now afflicting our citizens has in any manner dampened our great American humannitarian spirit.

Accordingly, I ask my colleagues to consider America's moral obligations as a leader in the family of nations and vote to support the passage of H.R. 12412.

Mr. FRELINGHUYSEN. Mr. Chairman, I have no further requests for time.

Mr. MORGAN. Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. HANNA).

Mr. HANNA. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise in support of this legislation and wish to associate myself with the remarks of the gentleman from New York. Disasters that take human life and dislocate masses of people such as have been experienced in Nicaragua, Pakistan, and the African Sahel, cause us to reflect on our role as a nation in the family of man. I am not unmindful that the problems and needs of many Americans are acute, nor am I suggesting any diminution of our attention to those problems. I will suggest, however, that even with these problems in mind ours is a better lot by far than that of the countries mentioned above. These particular crises cry out for humanitarian response. Who, we must ask, is in the best position to respond? Certainly the answer is the United States. We must not fail to respond with a sharing of our lot with those victims of earthquake, flood, or drought where no other relief is forthcoming to match the magnitude of the problem.

Mr. DU PONT. Mr. Chairman, I wonder how many of us here today can really imagine what it means to a nomadic herdsman to have his wells dry up and his few crops fail when the rains do not come. I wonder how many can imagine the devastating cost to poor farmers when all their planted acreage is washed away. And, I wonder how many can imagine the sheer devastation of a large city razed to the ground with its buildings smashed and crumpled and fires blazing in all directions.

The peoples of the Sahel nations in Africa, of Pakistan, and of Nicaragua have experienced these disasters. They are pulling themselves up with their own resources as well as they possibly can. We have helped in this effort and are now asked to help a little more. Our Government was able to meet emergency needs through our regular AID programs which provide funds for such urgent purposes. But the costs of rehabilitation and reconstruction are far larger, and accordingly we are asked to approve special funds for these purposes. It seems to me that we ought to find the means to provide $115 million requested in this legislation.

It should be borne in mind that these funds have already been appropriated. In fact, we approved the appropriation last December of $150 million for these purposes. Today we are called upon only to review what might be considered an oversight and thus to authorize expenditure of already appropriated funds. The Foreign Affairs Committee, having considered this matter carefully, recommends authorization and I hope that my colleagues will join with me in approving it.

Mr. BIESTER. Mr. Chairman, I rise in strong support of H.R. 12412, the Foreign Disaster Assistance Act.

This legislation will provide the required authorization for approximately $115 million in funds already appropriated in further response to recent calamities abroad—the drought in the Sahel region of Africa, the earthquake in Nicaragua, and the floods in Pakistan.

Each of these natural disasters has brought extensive destruction and death, and anyone who has witnessed these or any other such tragedies knows how desperately outside assistance is needed and welcomed.

My service on the Africa Subcommittee, visits to several African nations last year, and discussions at that time and since then with many African leaders has underscored to me the extreme significance of that aid which is earmarked for the Sahel. While in Africa last summer I had discussions with officials involved in relief efforts and others close to problems brought about by the drought. I had an opportunity to visit a fringe area of the Sahel and witness the absolute depths to which this disaster has reduced these proud people. The cumulating effects of many months of negligible rainfall has had a devastating impact on the frugal existence of the population.

The $50 million allocated for the Sahel in this authorization has a twofold thrust: to help with short-term assistance for more immediate needs and long-term assistance to initiate agricultural productivity and replenish depleted livestock.

Reports reaching us from Ethiopia describe an increasingly desperate situation there, as well, from severe drought. Since Ethiopia is not technically a part of the Sahel, no provisions have been made in the legislation for assistance to that nation. The magnitude of the problem here has only been belatedly recognized, and the longer we wait to respond the graver the consequences become. We should be taking immediate steps to aid the Ethiopian people in their relief efforts. Here, as in the Sahel, tremendous logistical problems hinder effective relief measures. This cannot deter us, however, from doing all in our power to alleviate the suffering of millions of people and offer them some hope in their uncertain future.

The $50 million to Pakistan will provide basically agricultural and construction assistance to help rebuild the country's economy in the wake of last summer's extensive flooding. This aid will supplement earlier postflood help from the U.S. Government and private sources in our country.

Nicaragua's receipt of $15 million as a low-interest, long-term loan will go toward the construction of permanent housing for the thousands left homeless after the 1972 earthquake.

Mr. Chairman, I urge my colleagues to extend this critical assistance to the Sahel, Pakistan, and Nicaragua.

Mr. BUCHANAN. Mr. Chairman, I rise in support of H.R. 12412, a bill to authorize an appropriation of $115 million for disaster relief purposes in Nicaragua, Pakistan, and the Sahel countries of Africa.

In the past year or so, these areas have experienced extreme hardships and untold devastation because of earthquakes, floods, and famine. We are asked today to help these states in the process of disaster relief and reconstruction and rehabilitation.

Mr. Chairman, I believe it is in our national interest to try to help these states for several reasons. First, these countries are friends of the United States. Pakistan, for instance, is one of the few countries in its region which has stood by the United States in the past several years.

Second, U.S. assistance would complement the remarkable self-help efforts the nations involved are making to deal with the dislocations and hardships caused by these calamities. Pakistan is again a case in point. The entire country was mobilized after the August floods to deal with the emergency relief needs of the affected population and regions. The Government diverted some $100 million of funds that would have gone to important development projects to help pay for relief needs. The total flood damage was upward of $400 million. Such courageous decisions to divert essential development funds cannot be taken lightly in a state where development needs are so great and where every project supported by the Government was chosen over dozens that must wait for possible future funding.

Third, the impressive response from other states around the world to these disasters is commendable and the United States should participate in this international effort. Well over $100 million has already been contributed to Pakistan to help with the reconstruction and emergency relief needs. Her Arab neighbors, for example, contributed well over $10 million immediately following the floods and they are now making large commitments to Pakistan's pressing development needs. The states of Europe have also been concerned with and committed to the process of rehabilitation in Pakistan.

International involvement in the relief effort was initially given strong leadership by the United Nations representative in the country. The U.N. helped coordinate emergency relief efforts and kept all donor countries advised of developments as the flood waters moved south. The U.N. representative's efforts helped insure that relief needs got to the places where they were needed, that redtape was minimized and that international efforts were not duplicated. In fact, people from around the world are pointing to this effort in Pakistan as the best organized disaster relief program ever conducted.

Finally, Mr. Chairman, I believe that the longstanding commitment of the United States to try to provide humanitarian relief to people in need is a tradition that we support and one worthy of continuation. We can no longer extend aid on the scale that we have in some past years. We know this and recipient states also know this. But we should continue to assist others whenever possible. We can and should do so here.

I urge your support of this disaster relief bill which provides essential relief and reconstruction aid to friends in need.

Mr. ANDERSON of Illinois. Mr. Chairman, I rise in support of H.R. 12412, which authorizes $115 million in famine and disaster assistance to the Sahel of Africa, and disaster relief and emergency recovery needs in Nicaragua and Pakistan. Title IV of the fiscal 1974 Foreign Assistance Appropriations Act provided for these disaster assistance funds, contingent upon the subsequent enactment of an authorization bill. On January 25 of this year, the Administrator for the Agency for International Development, the Honorable Daniel Parker, submitted an official request to the Congress, pointing out that these funds are urgently needed due to the damage caused by the Pakistan flood, the Nicaraguan earthquake, and the drought which has struck the Sahelian nations of Africa. Specifically, this legislation authorizes $65 million for the disaster relief and recovery needs of Pakistan and Nicaragua, of which $50 million will be available for Pakistan and $15 million for Nicaragua; and another $50 million in famine and disaster relief to the African Sahel.

Mr. Chairman, this is, indeed, an urgent supplemental authorization since we did not anticipate these disasters at the time we acted on the fiscal 1974 authorization, and the situation in the countries affected is critical. As the committee report points out, the stricken countries themselves are working hard to overcome the impact of the catastrophes, and other countries in the world are giving relief assistance.

In Pakistan, for instance, of the $108 million contributed to the relief effort thus far, 60 percent has come from countries other than the United States; of the $90 million contributed to Nicaragua from the international community to date, about 70 percent has come from countries other than the United States, though it should be noted that another $8.4 million in contributions has been made through the private donations of Americans; and, in the Sahel region, the United States has contributed about 36 percent of the total contribution from the international community. I think this perspective is necessary in considering the bill before us today. While the United States is maintaining its humanitarian tradition as a leader in international disaster relief, we are by no means shouldering the entire burden.

I think it should also be pointed out in considering this authorization that the $115 million involved is not necessarily all for grant assistance, and that it will be up to AID to determine how much of the authorization will take the form of long-term loans. The administration's original request of $150 million for these three countries included $40 million in loan funds for Pakistan and a $15 million loan to Nicaragua.

Finally, Mr. Chairman, it should be noted that the committee's authorization request is $35 million less than the administration's request, a 23-percent reduction.

In conclusion, Mr. Chairman, I urge adoption of this authorization which I feel is both a reasonable request and an urgently needed one.

Mr. DRINAN. Mr. Chairman, I wholeheartedly support the legislation before us now to authorize an appropriation to provide disaster relief, rehabilitation, and reconstruction assistance to three of the most needy sections of the world.

The floods in Pakistan, an earthquake in Nicaragua, and the devastating drought in the Sahel of Africa are, unfortunately, only the tip of the iceberg of human suffering. The money we authorize today will, hopefully, assist millions of people in averting the worst impact of the natural disasters which beset them. This legislation reminds us as citizens of the United States that we should continue, and expand, the humanitarian tradition of assisting those most in need.

The bill before us authorizes $65 million for diaster relief and emergency economic recovery needs in Pakistan and Nicaragua, distributed $50 million for Pakistan and $15 million for Nicaragua, and $15 million for famine and disaster assistance to the Sahel. The appropriations measure passed in December 1973, subject to the passage of the authorizing legislation before us, had authorized a $150 million total, and this authorization is $35 million less than that total. The $35 million reduction, which applies to Pakistan, is recommended by the committee based on their belief that the cut will not adversely affect relief and reconstruction efforts in Pakistan. The committee also believes that the cut will not impair the good relations between the United States and Pakistan, and notes that some items in the proposed $35 million should more properly be included in a normal long-range economic development program rather than under a disaster relief program.

The present appropriation is made in addition to $47.8 million in official assistance and $1.2 million cash, foods, and medicines from private American donors which Pakistan received immediately after the August-September floods of 1973 uprooted nearly 5 million people, destroyed much farm lands, and did hundreds of millions of dollars of damage to Pakistan's economy. The report notes that the total postdisaster aid to Pakistan so far exceeds $108 million, of which nearly 60 percent has come from donors other than the United States, including a $13 million from Arab countries.

The Managua, Nicaragua, earthquake of December 23, 1972, killed approximately 10,000 people, left more than 20,000 people homeless, and destroyed countless houses, schools, hospitals, and office buildings. To date, Nicaragua has received a total of some $90 million, including $27.6 million in U.S. Government assistance and $8.4 million in private American donations. The present appropriation of $15 million will be used to convert temporary wood shelters into 10,000 permanent low-cost homes housing 50,000 people. The Nicaraguan Government will also put $15 million into the housing project.

The years of drought in the Sahelian countries of Africa—Mauritania, Senegal, Mali, Upper Volta, Niger, and Chad—exceed the capacity to imagine human suffering of most Americans. The drought continues in 1974 unabated. The United States has already given $129 million to the starving 25 million people of the Sahel. The worldwide contribution approximately $361 million. The $50 million we authorize today will provide $15 million for short-term programs to ease the effect of the drought on the people and the surviving livestock in the Sahel, and $35 million for longer-range recovery programs, including food and grain production and livestock herd improvement.

I urge my colleagues to support this bill. Such support is only the beginning of our recognition of our obligations as a rich and healthy country to those less fortunate in this world.

Mr. RANDALL. Mr. Chairman, when the vote on the Disaster Assistance Act was taken I voted in the affirmative which caused some of my colleagues to construe this as a departure from a long established pattern of opposition to foreign aid.

Accordingly, I take this time not to make an explanation or an apology because I believe that in consideration of the context of a measure, a vote should always speak for itself.

I make these remarks to point out that in consideration of H.R. 12412 the House today encounters a rather unique situation. This is true because the House, last December, had already approved under the foreign aid appropriations bill a greater amount than is being authorized today. At that time, near the end of 1973, I voted against the foreign aid appropriations bill, which as we so well recall is always handled by the gentleman from Louisiana (Mr. PASSMAN). I voted against that appropriation bill as I have over the years, without a single exception.

But taken within the context of last year's foreign aid appropriations bill the authorization bill that we are considering today is a reduction of disaster relief under or below the figures appropriated in December. Bear in mind that $150 million has already been appropriated. Early last winter I cast a negative vote. Today for these same purposes only $115 million is authorized to accomplish the same result. Accordingly an affirmative vote today is an economy vote.

As I previously observed, these remarks are not by way of apology. I say that because we are not considering a foreign aid bill today even though the title of this bill states it is an amendment to the Foreign Assistance Act of 1961.

As H.R. 12412 provides no economic assistance in the accepted use of that term, or military assistance, or developmental assistance with its attendant concessional loans, interest free. Rather this is disaster relief.

Today we are acting to help some human beings that have suffered three great calamities in three different countries—severe floods in West Pakistan; a devastating earthquake in Nicaragua, and a widespread drought in Sahelia in the middle of Africa.

As to Pakistan, the floods of August and September of 1973 resulted in the loss of homes of nearly 5 million people. The most productive farmland was ravaged.

In Nicaragua 2 days before Christmas on December 23, 1972, an earthquake struck Managua and killed over 10,000 people. This earthquake left more than 200,000 homeless.

The Sahelians of Africa listing from west to east are Mauretania, Senegal, Mali, Upper Volta, Niger, and Chad. These countries have suffered from not just 1 year of but successive years of drought. This drought situation has brought indescribable human misery. The desert has been creeping down from the north. They are out of water. What is happening is that these suffering humans try to journey to cities for relief. Some die en route, some die just outside the cities. Others survive long enough to live for a while in camps. Death by starvation has run into the millions.

Mr. Chairman, I opposed the International Development Fund because it involved well over a billion dollars. It was economic assistance pure and simple which has not proved successful or productive in the past.

However, a distinct line should be drawn between over a billion dollars in foreign aid and a little over $100 million of disaster relief. The bill today is to ease human suffering. It is an expression of our country's long humanitarian tradition. In a word, it is really charity.

Moreover, there is no way these funds can wind up in the hands of some foreign bureaucrats and be denied the use for which they were intended. As is true so often with foreign aid most of this funding will go for food. The assurance that we have that this money will not be misdirected, is that it will be administered by voluntary agencies including such church groups as the Baptists, the Methodists and the Catholics. That should be reassurance enough for all of us.

The CHAIRMAN. There being no further requests for time, the Clerk will read.

The Clerk read as follows:

H.R. 12412

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Foreign Disaster Assistance Act of 1974".

SEC. 2. Chapter 5 of part I of the Foreign Assistance Act of 1961 is amended by inserting immediately after section 451 the following new section:

"SEC. 452. DISASTER RELIEF. The Congress affirms the response of the United States Government in providing (a) disaster relief, rehabilitation, and reconstruction assistance in connection with the damage caused by floods in Pakistan, (b) disaster relief, rehabilitation, and reconstruction assistance in connection with the earthquake in Nicaragua, and (c) famine and disaster relief and rehabilitation and reconstruction assistance in connection with the drought in the Sahelian nations of Africa. There is authorized to be appropriated to the President, in addition to funds otherwise available for such purposes, $150,000,000 to remain available until expended notwithstanding the provisions of Public Law 93–240, for use by the President for such assistance, under such terms and conditions as he may determine notwithstanding any prohibitions or restrictions contained in this or any other Act."

Mr. MORGAN (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

> Committee amendment: On page 1, strike out line 8 and all that follows down through line 14 on page 2 and insert the following:
>
> SEC. 452. DISASTER RELIEF ASSISTANCE.—There is authorized to be appropriated, in addition to other sums available for such purposes, $65,000,000 for use by the President for disaster relief and emergency recovery needs in Pakistan and Nicaragua, under such terms and conditions as he may determine such sums shall remain available until expended.
>
> SEC. 3. Section 639A(b)) of the Foreign Assistance Act of 1961 is amended by striking out "$25,000,000" and inserting in lieu thereof "$75,000,000".

Mr. GROSS. Mr. Chairman, I move to strike the necessary number of words.

Mr. Chairman, there may not be substantial opposition to this bill, as the gentleman from New Jersey (Mr. FRELINGHUYSEN) said, and there will be no substantial concern for the taxpayers on the part of the proponents of this legislation.

Mr. Chairman, contrary to the title of this bill the Foreign Disaster Assistance Act, it is really a disastrous bill to relieve the American public of more money.

No less than $50 million is earmarked for Pakistan, a country which has been hosting a gaggle of Moslem potentates who have been roasting us for a long time. What with the Arab countries piling up oil dollars extracted from us, can they not spare a few to help their coreligionists? Let them find out if blood is as thick as oil. We tilted toward Pakistan once. It is about time we straightened up.

Nicaragua is getting a $15 million cut out of this piece of cake. The committee was told that the Nicaraguan:

> GNP (Gross National Product) increased during 1973 by about 3 percent largely due to the high prices in the export sector. The activity in the industrial sector is up to 95 percent of pre-earthquake levels; employment in the commercial sector . . . was at 75 percent of pre-earthquake levels as of June 1973. Three new shopping centers are in operation and one more is under construction.

Now we are going to finance low-cost housing with a loan to Nicaragua. It will be repaid, if ever, over 40 years with interest at 2 percent for the first 10 years and 3 percent for the remaining 30 years. I suggest the Members ask their constituents what they think of that kind of financing for housing.

This $115 million, Members of the House, will be borrowed by your Government and mine, and I understand there is to be an offering of Government securities to the public today or in the immediate future which will be at 8-percent interest.

Finally there is $50 million for Africa. The drought on that continent, the committee was told, was due to the continuous southward advance of the Sahara Desert:

> It is estimated that about 250,000 square miles of arable land have been forfeited to the desert in the last 50 years.

The $50 million will have as much chance in turning back the desert as Canute had in turning back the sea—and he did it with his bare hand.

This bill also delegates to the President the authority to spend the $115 million. I thought we were concerned here about delegations of power to the President, any President of this country. If this bill is passed, you who vote for it, will be delegating additional power to the President of the United States, whoever he may be.

We have natural catastrophes in this country—floods, earthquakes, tornadoes, shore erosion. If disaster strikes your area, do not waste time with futile appeals to the Government for help. Just plant a flag, declare it independent, denounce the United States, and apply for foreign aid. The results will be better and much quicker.

Mr. KETCHUM. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I am delighted to yield to my friend, the gentleman from California (Mr. KETCHUM).

Mr. KETCHUM. Mr. Chairman, I thank the gentleman from Iowa for yielding.

Am I correct that the United States in the recent disturbances between Pakistan and India took the part of Pakistan? Was it Pakistan or India? It was Pakistan, I believe.

Mr. GROSS. The United States?

Mr. KETCHUM. Yes.

Mr. GROSS. On which side did we fall?

Mr. KETCHUM. Well, I do not really know from time to time; but it seems to me the U.S. Government was supplying the Government of Pakistan in that disturbance. Am I incorrect?

Mr. GROSS. The gentleman is correct.

Mr. KETCHUM. Did I not read somewhere just recently that our great ambassador to India forgave a $3 billion loan to India?

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. GROSS was allowed to proceed for an additional 3 minutes.)

Mr. KETCHUM. Mr. Chairman, will the gentleman yield further?

Mr. GROSS. I yield to the gentleman from California, but first let me say that the gentleman is correct—the U.S. Government wiped out India's debt to this country.

Mr. KETCHUM. I have no further questions. It just seems strange to me that we are sort of playing both sides against the middle here.

Mr. GROSS. Of course, we do that all the time. We are peddling arms to both sides in the Middle East, as we were before the war in October. We are today the biggest arms peddlers in the Middle East. We have no compunction about indulging in duplicity as a matter of so-called foreign policy, none whatever. The U.S. Government is perfectly willing to drain the pockets of the American taxpayers as in this legislation in order, as they say, to implement the policy and practice of duplicity.

Mr. TREEN. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Louisiana.

Mr. TREEN. I take this opportunity to ask the chairman of the committee a question. I am concerned about the statement of the gentleman in the well, which seems to indicate that the $50 million that we are to provide for the African nations will be directed to trying to turn back the drought that apparently he says is caused by the Sahara Desert moving south.

Frankly, I have not made up my mind on this bill, but I am concerned for what purpose these funds are going to be put, really.

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman.

Mr. MORGAN. Mr. Chairman, the first part of our assistance last year was for immediate relief. About $15 million or more out of the $50 million in this bill will also be for immediate relief; for food and so forth.

Mr. TREEN. How much did the gentleman say?

Mr. MORGAN. $15 million. The rest, together with contributions from other countries, would provide resources for intermediate disaster help. For example, some studies are being undertaken to determine if this drought situation can be cured on a permanent basis. Some of the funds will be used for studies; others to correct the condition, if it can be corrected. There is some hope it can be corrected.

Mr. TREEN. Does this have to do with irrigation or to move people on to arable lands?

Mr. MORGAN. We do not know exactly what has to be done at this point, but certainly the vegetation has to be restored in some way to stop the spreading of the desert. Better planning in organizing human settlements in that area will also be involved.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Maryland.

Mr. BAUMAN. I would like to ask a question of the gentleman from Iowa. I heard some remarks made earlier about the moral obligation on the part of the United States to meet emergencies, such as this bill addresses itself to.

Does the gentleman from Iowa have any idea about moral obligations on the part of Members of Congress toward their constituents? As I understand the figures, they pay roughly everything they earn from January 1 to May 20 each year in Federal, State and local taxes, before they can even spend money on themselves. Is there any moral question raised by that kind of statistic?

Mr. GROSS. Of course, there is no obligation on the part of taxpayers of the country to undertake this kind of program or any of the rest of the foreign giveaway programs.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. GROSS was allowed to proceed for an additional 1 minute.)

Mr. GROSS. Mr. Chairman, a majority of the Members present today, will, I am sure, vote for this bill. I hope that when they go back week after next to their constituents during the Easter recess, they will brag about how they got rid of another $115 million abroad and in the process delegated more power to the President. They should not bellyache if their constituents ask why the President has so much power; just tell them you voted on March 28 for another foreign aid bill and to hand more power to the President to spend the money as he sees fit.

Mr. Chairman, this bill is another contribution to the inflation that is wrecking the country. It is facing financial disaster. It is time for another Disaster Relief Act—for Americans.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from Alabama.

Mr. BUCHANAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I propose to vote for this bill.

I do so even though foreign aid is unpopular in Birmingham, Ala., because I know full well that there is not a man, woman, or child in my congressional district; there is not a Democrat; there is not a Republican; there is not a liberal; there is not a conservative who would have me vote for children to starve to death.

Mr. Chairman, I tell the Members that we cannot say this about every piece of legislation that comes out with a foreign aid tag on it, but we are dealing here with emergencies and urgent critical human needs. I tell the Members that literally, without the help that is in this bill, some people will starve to death who would not starve to death if they do receive the assistance we are giving.

Mr. Chairman, this is an international effort. It is not only a U.S. effort. Other countries are also following this example of the American people and contributing to this kind of disaster relief. I want the Members to understand what they are doing in this bill. They are talking about human need and talking about whether or not people will starve.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. Mr. Chairman, I yield to the gentleman from Illinois.

Mr. DERWINSKI. Mr. Chairman, I thank the gentleman from Alabama for making a very valid point. This is an emergency bill. This disaster in parts of Africa has been coming on for a number of years. It will take years to combat it.

Mr. Chairman, there are various international organizations behind it. I think it is a very practical, positive, humane thing for the United States to be in the forefront of this humanitarian effort.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. Mr. Chairman, I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. Mr. Chairman, a question has been raised just now as to whether there is any moral obligation on our part to respond to disasters. I would hope the answer to that question should be self-evident.

Mr. Chairman, I would hope that we would respond to disaster, not only in this country, but throughout the world where real, serious human need exists. None of these countries, I might point out, as the gentleman from Iowa intimated, are denouncing the United States.

Mr. Chairman, I would hope we never feel that we are so hard put, the taxpayers are so hard pressed that we find ourselves unable to respond on a humanitarian, moral basis.

Mr. BUCHANAN. Mr. Chairman, I thank the gentleman. I will only say that if I were to ask the people of my district whether I should support foreign aid, 95 percent would say "no." But, if I were to say, "Do you want the United States to meet urgent human needs, including preventing the starvation of men and women, boys and girls," the answer would be 100 percent "yes." I am positive of it, and that is what we are talking about here today. I urge the passage of this legislation.

The CHAIRMAN. The question is on the first committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the second committee amendment.

The Clerk read as follows:

Committee amendment: On page 2, after line 14, insert the following:

SEC. 4(a). The Secretary of State shall keep the appropriate committees of Congress fully and currently informed of the ongoing status of any negotiations with any foreign government regarding the cancellation, renegotiation, rescheduling, or settlement of any debt owed to the United States by any such foreign government under the Foreign Assistance Act of 1961. The Secretary of State shall transmit to the Speaker of the House of Representatives, and to the chairman of the appropriate Senate committee, the text of any international agreement proposing a modification in the terms of such debt no less than thirty days prior to its entry into force, together with a detailed explanation of the interest of the United States in such modification.

(b) No debt authorized under the Foreign Assistance Act of 1961 owed to the United States by any foreign government may be cancelled, renegotiated, rescheduled, or settled in any manner inconsistent with the legislative authorization applicable to the original debt as modified by any subsequent amendment, except as provided in this section.

The CHAIRMAN. The question is on the second committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. If there are no further amendments, under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. MAZZOLI, Chairman of the Committee of the Whole House on the State of the Union, reported that the Committee having had under consideration the bill (H.R. 12412) to amend the Foreign Assistance Act of 1961 to authorize an appropriation to provide disaster relief, rehabilitation, and reconstruction assistance to Pakistan, Nicaragua, and the Sahelian nations of Africa, pursuant to House Resolution 992, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 276, nays 124, not voting 32, as follows:

[Roll No. 123]

YEAS—276

Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Arends
Ashley
Aspin
Badillo
Barrett
Bell
Bennett
Bergland
Biaggi
Biester
Bingham
Boland
Bolling
Bowen
Brademas
Brasco
Breaux
Breckinridge
Brooks
Broomfield
Brotzman
Brown, Calif.
Buchanan
Burgener
Burke, Calif.
Burke, Mass.
Burton
Butler
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chamberlain
Chisholm
Clark
Clausen, Don H.
Clay
Cleveland
Cohen
Collins, Ill.
Conte
Conyers
Corman
Cotter
Coughlin
Cronin
Culver
Daniels, Dominick V.
Danielson
Davis, Ga.
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Dellums
Dennis
Dent
Derwinski
Dingell
Donohue
Drinan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fish
Flood
Foley
Ford
Forsythe
Fraser
Frelinghuysen
Fulton
Fuqua
Gettys
Giaimo
Gibbons
Gilman
Gonzalez
Grasso
Gray
Green, Oreg.
Green, Pa.
Griffiths
Grover
Gubser
Gude
Guyer
Hamilton
Hanley
Hanna
Hansen, Idaho
Hansen, Wash.
Harrington
Harsha
Hawkins
Hays
Hechler, W. Va.
Heinz
Helstoski
Hicks
Hillis
Hogan
Holifield
Holtzman
Hosmer
Howard
Hunt
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jordan
Karth
Kastenmeier
Kazen
Koch
Kyros
Leggett
Lehman
Lent
Long, Md.
Luken
McClory
McCloskey
McCormack
McDade
McFall
McKay
McKinney
Macdonald
Madden
Madigan
Mahon
Mallary
Maraziti
Martin, Nebr.
Mathias, Calif.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Mills
Minish
Mink
Mitchell, N.Y.
Moakley
Mollohan
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Nedzi
Nelsen
Nix

Obey
O'Hara
O'Neill
Owens
Passman
Patten
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Podell
Powell, Ohio
Preyer
Price, Ill.
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Rinaldo
Robison, N.Y.
Rodino
Roe
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rostenkowski
Roush
Roy
Roybal
Ruppe
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Schneebeli
Schroeder
Seiberling
Sisk
Slack
Smith, Iowa
Smith, N.Y.
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steele
Steiger, Wis.
Stokes
Stratton
Stubblefield
Studds
Symington
Talcott
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Treen
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Widnall
Wiggins
Wilson, Bob
Wilson, Charles, Tex.
Winn
Wolff
Wydler
Wylie
Yates
Yatron
Young, Ga.
Young, Ill.
Young, Tex.
Zablocki
Zwach

NAYS—124

Abdnor
Andrews, N.C.
Archer
Armstrong
Ashbrook
Bafalis
Baker
Bauman
Beard
Bray
Brinkley
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Byron
Camp
Chappell
Clancy
Clawson, Del
Cochran
Collier
Collins, Tex.
Conable
Conlan
Crane
Daniel, Dan
Daniel, Robert W., Jr.
Denholm
Devine
Dickinson
Dorn
Downing
Dulski
Duncan
Fisher
Flowers
Flynt
Frey
Froehlich
Gaydos
Ginn
Goodling
Gross
Gunter
Haley
Hammerschmidt
Hastings
Henderson
Hinshaw
Holt
Huber
Hudnut
Hungate
Hutchinson
Ichord
Jarman
Jones, Okla.
Jones, Tenn.
Kemp
Ketchum
King
Lagomarsino
Landgrebe
Landrum
Latta
Litton
Long, La.
Lott
Lujan
McCollister
McEwen
McSpadden
Mann
Martin, N.C.
Mathis, Ga.
Michel
Milford
Miller
Minshall, Ohio
Mizell
Montgomery
Moorhead, Calif.
Myers
Nichols
O'Brien
Parris
Poage
Price, Tex.
Rarick
Roberts
Robinson, Va.
Rogers
Rose
Rousselot
Runnels
Ruth
Satterfield
Scherle
Sebelius
Shipley
Shoup
Shuster
Skubitz
Snyder
Spence
Steed
Steelman
Steiger, Ariz.
Symms
Taylor, Mo.
Taylor, N.C.
Teague
Towell, Nev.
Waggonner
Whitten
Wyman
Young, Alaska
Young, Fla.
Young, S.C.
Zion

NOT VOTING—32

Bevill
Blackburn
Blatnik
Boggs
Carey, N.Y.
Diggs
Erlenborn
Fountain
Frenzel
Goldwater
Hanrahan
Hébert
Heckler, Mass.
Horton
Kluczynski
Kuykendall
Mitchell, Md.
Patman
Reid
Riegle
Rooney, N.Y.
Rosenthal
Shriver
Sikes
Stephens
Stuckey
Sullivan
Waldie
Williams
Wilson, Charles H., Calif.
Wright
Wyatt

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Horton for, with Mr. Blackburn against.

Mrs. Heckler of Massachusetts for, with Mr. Kuykendall against.

Mr. Frenzel for, with Mr. Goldwater against.

Until further notice:

Mr. Rooney of New York with Mr. Bevill.

Mr. Mitchell of Maryland with Mr. Riegle.

Mr. Sikes with Mr. Stuckey.

Mr. Hébert with Mr. Shriver.

Mr. Carey of New York with Mr. Wyatt.

Mr. Diggs with Mr. Reid.

Mr. Kluczynski with Mr. Williams.

Mr. Stephens with Mr. Erlenborn.

Mrs. Sullivan with Mr. Hanrahan.

Mr. Charles H. Wilson of California with Mr. Waldie.

Mr. Wright with Mr. Fountain.

Mrs. Boggs with Mr. Blatnik.

Mr. Rosenthal with Mr. Patman.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MORGAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. WYDLER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WYDLER. Mr. Speaker, I take this time for the purpose of asking the majority leader concerning the schedule for the balance of this week and the schedule for next week.

Mr. O'NEILL. Mr. Speaker, will the gentleman yield?

Mr. WYDLER. I yield to the distinguished majority leader.

Mr. O'NEILL. I thank the gentleman for yielding.

The program for the House of Representatives for the week of April 1, 1974, is as follows:

Monday is Consent Calendar day, with nine funding resolutions from the House Administration Committee.

House Resolution 937, Committee on Internal Security;

House Resolution 886, Committee on Interior and Insular Affairs;

House Resolution 916, Committee on Interstate and Foreign Commerce;

House Resolution 920, Select Committee on Small Business;

House Resolution 945, Committee on Ways and Means;

House Resolution 952, Committee on Foreign Affairs;

House Resolution 957, Committee on District of Columbia;

House Resolution 987, Committee on Public Works; and

House Resolution 1003, House Information Systems.

There will be four suspensions:

S. 969, publication of constitutional rights of Indians;

S. 1836, American Hospital in Paris incorporation amendment;

S. 2441, American War Mothers incorporation amendment; and

H.R. 13515, Librarian of Congress retirement.

Tuesday is Private Calendar day, and there are nine suspensions:

H.R. 12925, supplemental maritime authorization;

H.R. 12627, *Miss Keku* documentation;

H.R. 8586, sale of S.S. *Independence*;

H.R. 11223, sale of C-4's in Guam trade;

H.R. 12208, movement by barge;

H.R. 10942, Migratory Bird Convention with Japan;

H.R. 13542, abolish position of Commissioner of Fish and Wildlife;

H.R. 8101, Defense personnel to Fish and Wildlife Service; and

H.R. 10972, tax on bows and arrows.

Then there will be S. 2770, pay structure for medical officers and other health professionals, under an open rule, with 1 hour of debate.

On Wednesday and the balance of the week we will have:

H.R. 13163, Consumer Protection Act, subject to a rule being granted, and I understand they are asking 2 hours of open debate on that; and

H.R. 12565, Defense Departmental supplemental authorization for fiscal year 1974, subject to a rule being granted, and I understand they are also asking 2 hours of open debate on that.

Conference reports may be brought up at any time, and any further program will be announced later.

Mr. WYDLER. Mr. Speaker, just to make sure, am I correct that I understand the gentleman did say the business of this week is concluded?

Mr. O'NEILL. The business of this week is concluded.

ADJOURNMENT TO MONDAY, APRIL 1, 1974

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. GROSS. Mr. Speaker, reserving the right to object, and I shall object, I should like to inquire about H.R. 10972, the tax on bows and arrows. Does the gentleman happen to have any further information on that bill? Where is the revenue to go and how much revenue is involved?

Mr. O'NEILL. All I can tell the gentleman, if he will yield, is that this is postponing the tax for 6 months.

Mr. GROSS. I wonder if we can afford to lose that revenue for 6 months?

Mr. O'NEILL. As things are now I would be not greatly concerned. I understand it goes to the Federal Aid to Wildlife Restoration Fund.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday of next week.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PERSONAL EXPLANATION

Mr. DANIELSON. Mr. Speaker, during the proceedings of Monday, March 25, 1974, I was unavoidably absent when four yea-and-nay votes were taken. For the record, I now state how I would have voted on these questions had I been present:

Rollcall No. 107: Passage of H.R. 8747, to repeal section 274 of the Revised Statutes of the United States relating to the District of Columbia, requiring compulsory vaccination against smallpox for public school students. I would have voted "yea."

Rollcall No. 108: Motion to recommit H.R. 12109. I would have voted "nay."

Rollcall No. 109: Passage of H.R. 12109, to amend the District of Columbia Self-Government and Governmental Reorganization Act to clarify the provision relating to the referendum on the issue of the advisory neighborhood councils. I would have voted "yea."

Rollcall No. 110: Passage of H.R. 12832, to create a Law Revision Commission for the District of Columbia, and to establish a municipal code for the District of Columbia. I would have voted "yea."

PERSONAL EXPLANATION

Mr. SYMINGTON. Mr. Speaker, on rollcall 119, on the so-called Ashbrook amendment, I was recorded as being absent. I was present and voted "nay" and I would ask unanimous consent that my statement to that effect may be placed in the permanent RECORD.

The SPEAKER pro tempore (Mr. THORNTON). Is there objection to the request of the gentleman from Missouri?

There was no objection.

PERSONAL EXPLANATION

Mr. DEVINE. Mr. Speaker, on rollcall 112, a quorum call, I was present and I inserted my card in our modern electronic device and I pushed the button but apparently the device failed to record. I was present and I would ask unanimous consent that my statement be included in the permanent RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

HOPE FOR SPEEDY ENACTMENT OF SECTION 410(b)

(Mr. JARMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JARMAN. Mr. Speaker, today I have introduced a bill providing for the enactment of section 410(b) as an amendment to the Federal Aviation Act of 1958. Let me now detail the justification for this proposed legislation.

Mr. Speaker, the national interest of the United States is being seriously and adversely affected by the fuel crisis as it restricts and jeopardizes the U.S.-flag foreign and overseas air transportation system. The entire U.S.-flag industry engaged in foreign and overseas air transportation—scheduled services, supplemental charter services, and all-cargo services—is caught in an economic emergency, beyond the control of managements which, if not temporarily aided by the U.S. Government, appears to be headed toward a wide-ranging disruption of services which would be severely adverse to our national interests. The continuation of these foreign and overseas U.S.-flag services, which it has taken decades to build up to their present position of supremacy, is required in the best interests of the commerce of the United States, its Postal Service, and our national defense. Such services must be preserved at all costs and the proposed amendment to the Federal Aviation Act in section 410(b) appears to be the only viable solution to this current problem.

Inflation in the price of fuel has struck the entire spectrum of the United States air transportation industry. But in no area has the problem been as severe as it is for all classes of the U.S.-flag carriers providing international air services. That is because these carriers are dependent upon foreign fuel which is not subject to the United States price control mechanism. Airplanes which fly to foreign and overseas destinations must buy fuel there to continue their flights or to return, and prices abroad now charged have reached intolerably high levels.

Further, most United States international airlines use "bonded" fuel for United States originating flights, and some are almost entirely dependent upon this type of fuel. Bonded fuel has not been made subject to price controls and the prices for it, too, have almost trebled in 1 year. The FEO—Federal Energy Office—has recently proposed regulations which may ameliorate that problem but their implementation is still to come. Even if such implementation is fully carried out, however, the problem of fuel prices still remains acute because there is no way for the United States to impose price controls on foreign fuel. Carriers such as Pan American and TWA are heavily dependent upon such fuel—in Pan American's case such fuel purchased in foreign countries constitutes 53 percent of its total requirements in 1973.

Using May 1973, as a base index of 100, prices in Paris, Berlin, Frankfurt, and London had reached indices in early February 1974, of 229, 210, 235, and 234, respectively. Per-gallon costs at some points have reached incredible proportions: New Delhi—88.42 cents, Ankara—62.58 cents, and Casablanca—65.90 cents. What is even worse, foreign prices are expected to rise, not recede.

The jeopardy to the national interest is most serious. The preservation of our U.S.-flag certificated operators is vital to our own best interests. Thousands of jobs are at stake and the balance of payments is importantly affected through the ability of these U.S.-flag carriers to earn foreign currencies and to sell their services abroad. The continuance of the dominant sales position of U.S.-built aircraft and parts on a worldwide basis would be most adversely affected by a dismantling of these air services. The Postal Service on which so much of the economic and cultural activity of our country depend would be crippled, and our vital national defense interest would be most seriously jeopardized if such a dismantling took place. The ability of civilian foreign and overseas air services to serve our Military Establishment in the event of national emergency with reserve equipment, with trained operating know-how, and as an instrument of national policy where required are crucial to our own well-being and survival as a world power.

National policy simply does not permit the loss of this important asset of our Nation; or the alternative of either turning over the bulk of foreign air transport to foreign carriers—largely owned or supported by foreign governments—or of reliance upon slow surface ocean shipping.

The continuance of the international air transport system of the United States, therefore, requires the speedy enactment of section 410(b).

THE ECONOMY AND THE PRESIDENCY

(Mr. KOCH asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. KOCH. Mr. Speaker, this statement is addressed to our Nation's business and financial leaders—many who undoubtedly do not share my party affiliation or liberal views. But that is of no moment since the issue here is not a partisan one. The issue is the country's economic strength in which we all have a stake.

The current high rate of inflation is one of the most serious problems Americans face. The fiscal and monetary bureaucrats can still sit astride the beast but they clearly are not in control. The result is uncertainty based on the Federal Government's failure to develop and articulate a coherent policy toward the country's economy. Even now during an economic slowdown, the consequences of inflation keep credit demand and costs high and the forecast for the latter part of 1974 promises even more inflationary problems.

The Federal Government is likely for a combination of political motives to maintain an "inflationary tilt" in its fiscal and monetary policies. How can we expect a President under threat of impeachment—whose conduct and language has so demeaned his Office and destroyed his credibility—to provide the leadership necessary to deal effectively with inflation, recession, energy shortages, international monetary policy, and related problems.

Surely our business and financial leaders must see that the absence or distrust of Presidential leadership is the gravest threat to our country's economic well-being. Whatever their private views on Watergate may be, I hope they will come forward now and urge that the President either resign or abandon his divisive and obstructionist tactics with respect to impeachment proceedings.

These are able and powerful men—many of them live or work in my own congressional district—and though they have no constitutional or statutory responsibiliy in the present crisis, their individual and collective voices have enormous influence. It is time they were heard—for the sake of their shareholders, their depositors, their employees and most important, for the sake of America's future and the peace and prosperity which Richard Nixon seems willing to sacrifice in order to save himself.

I have sent a copy of these remarks to a number of business and financial leaders in my congressional district. I hope my colleagues will make a similar appeal to their respective business communities.

ADMIRAL MOORER IS COMING HOME

(Mr. NICHOLS asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. NICHOLS. Mr. Speaker, as every Member of this body is well aware there are forces today both domestic and throughout other parts of the world who would like to see a reduction of military strength in the United States. I am sure that some Members of this body are genuinely sincere in their belief that we have indeed achieved the beginning of an era of peace in the world, and for this reason they would counsel major reductions in appropriations which go to prepare for the adequate defense of this country.

But there are other forces, Mr. Speaker, throughout the world who would like nothing better than to see America become a third-rate military power and I am oftentimes apprehensive lest this doctrine be followed by those of us who have the responsibility for defending the greatest country on the face of this Earth.

In these turbulent times we need, more than ever, men of integrity, men of credibility, and this Nation is indeed fortunate to have such a man in Adm. Thomas H. Moorer, Chairman of the Joint Chiefs of Staff.

Admiral Moorer is the very epitome of credibility, and his testimony time and time again before the House and Senate Armed Services Committees has been impeccable.

Admiral Moorer is a Navy man in the finest tradition. His leadership and deep sense of devotion to his country reflecting a quarter century of command and association with world leaders engenders confidence and faith in him among both the military and civilian leaders throughout the world. In this day when our image is so important the admiral is a man of unfaltering kingly bearing complemented by the genuine warmth and humility of his native southland.

Admiral Moorer was appointed to his present position in 1970; was reappointed in 1972, and by every yardstick of measure he is deserving of being extended.

Admiral Moorer's nobility of character and his deep sense of devotion to his country exemplifies the finest qualities of America. I am pleased to join other Members of this body in strongly recommending to the administration that this outstanding military leader and great patriot be retained in his present command as Chairman of the Joint Chiefs of Staff.

I insert the following article:

[From the Birmingham (Ala.) News, Mar. 24, 1974]

The Admiral Is Coming Home From "Sea"

(By James Free)

Washington.—He's too busy to think much about it now, but some time after Adm. Thomas H. Moorer's second two-year term as Chairman of the Joint Chiefs of Staff expires on June 30, he wants to take his first vacation in seven years.

"A good part of that long-postponed vacation will be spent back home in Alabama," said Moorer in an interview. "That's where our roots are." (Moorer was born at Mt. Willing, Ala., 62 years ago, and his family also lived in Montgomery. His wife, the former Carrie Ell Foy, is from Eufaula, and their legal address is listed as 402 Barbour Street, Eufaula.)

"There are many things that I look forward to doing when I have the time to spare," he said. "I won't be bored. I'm way behind with my three favorite kinds of recreation: fishing, hunting and golf."

His first order of business after his tour as Chairman of the Joint Chiefs, Moorer continued, will be putting his official records in order for the Naval Historical Center and the counterpart division of the Department of Defense.

Moorer was appointed Chief of Naval Operations in 1967, after commanding, in turn, the Pacific Fleet, and the Atlantic Fleet along with North Atlantic Treaty Organization naval forces. His elevation to the highest command the nation can bestow—his present position—came in 1970. (Under present law, the Joint Chiefs Chairman can serve only four years. The Chiefs of the individual armed services serve two-year terms, and can be re-appointed only once.)

Moorer's years of top leadership in the Navy and with the Joint Chiefs covers most of the country's longest war, in Vietnam, and a period of drastic changes in the size of our armed services, and in the weapons and kind of combat involved.

That is one reason why his official records will be important to future students of naval and military operations. "I really have had little chance to look over the materials in my rather voluminous files," said Moorer. "The task probably will take several months."

The Admiral said he has no plan for writing an autobiography or a book of memoirs. "When I get through with reviewing the record I think I'd want to get away from paperwork for a while."

Neither does he have specific plans for retirement years.

"We likely will do some travelling" he said, "but I know we will not change residences fairly often as we have done in moving to different assignments in the past. Carrie and I have moved 26 times, some of the locations we went to more than once. The longest we have ever been in one place is here, on my present assignment."

In the postwar period when many persons downgrade a career in the armed services, would Moorer recommend it to young men and women today?

"Assuming they had the physical and mental capacity," the Admiral replied, "I certainly would. There is the opportunity to associate with fine people, not only in this country but in other countries as well. And if one is technically oriented, there is the experience of working with the finest equipment.

"While I am partial to the Navy experience, there is a great variety of choices, also, in the Air Force, Army and the Marines. One will never make a great deal of money in the armed services, but there is a feeling of achievement and opportunity for service.

"I know there is a current tendency toward disrespect for those in authority. But it would be a disaster if young people stay away from careers in the government. And by that I mean not only the armed services and the federal government, but the state, county and city governments as well. The public should not only encourage such careers for young people, but also insist on proper recognition for all public servants."

Very shortly, the Navy will participate in sweeping mines, etc., in the Suez Canal, preparing it for re-opening to world commerce. The aim is not so much removing the mines, as in making sure that they are made harmless. "It will be a complex job," said Moorer, "but not nearly so complex as what we have done in clearing the port of Haiphong, North Vietnam."

When the Suez Canal is reopened the immediate effect, so far as seapower is concerned, will be to add to advantages that the Soviet Union already has in the vast Indian Ocean.

"The Soviet Navy," said Moorer, "uses ports in Somalia, Iraq and on the coastal islands, but its own nearest base has been in Vladivostok, some 8,000 miles distant. With Suez open, their distance problem is vastly reduced.

"Our nearest Navy base is Subic Bay, in the Philippines, which is 5,000 miles distant. That's why our budget request for $29 million for improvements on the island of Diego Garcia, almost in the center of the Indian Ocean, is so important. We propose to dredge what is essentially an atoll harbor, such as we sometimes utilized in the Pacific in World War II, to lengthen the runway and put in fuel storage facilities. The island is uninhabited, so there is no problem of displacement or community relations."

Moorer said he finds it difficult to understand why some newspapers and a few legislators are critical of U.S. arrangements with Great Britain for use of Diego Garcia for refueling and anchorage.

"There has been no outcry or criticism of the Soviets for their plans to simplify naval operations in the Indian Ocean," said Moorer. "But when the United States does something along the same line, there is great hue and cry. It is a strange double standard!

"We are not building up a new fleet. We are not establishing any giant base. I doubt if any more than 500 men would be stationed there. As it is now, there is no place in the entire Indian Ocean where we can send ships or aircraft without permission from the host country on a case by case basis. That is unduly restrictive."

OIL PRICE INVESTIGATION FROM CARIBBEAN REFINERIES

(Mr. MELCHER asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. MELCHER. Mr. Speaker, there may have been some instant profits made by some major oil companies that produced offshore crude oil and sent it to

Puerto Rico or elsewhere in the Caribbean for refining and brought back gasoline, diesel fuel, or heating fuel for sale in the United States.

The Cost of Living Council set price ceilings on crude oil produced in this country either onshore or offshore from the Outer Continental Shelf. It is roughly $5.25 per barrel. On the theory of cost pass through the final retail price of gasoline or other products was allowed an oil company based on the average cost of crude oil plus other costs. The $5.25 price for domestic crude is substantially lower than foreign crude oil prices resulting in lower prices for the refined product than if the products came from only high priced foreign crude oil.

I have had doubts that a two-tiered policy—where part of the oil going to a refinery is price controlled and part uncontrolled—would work because oil is by its very nature a slippery product hard to completely keep track of. If any product could ooze into and through a loophole, I felt oil would find it.

Such a condition may have existed, or still exists, in the case of $5.25 crude oil produced from offshore oil lands shipped to Puerto Rico or other Caribbean refineries and the refined products from that oil sold in the United States for the same prices as if the oil had cost just as much as imported oil costing $9 to $18 per barrel.

That would indeed be instant profit, double your money by oil taking a Caribbean cruise.

I have asked the Federal Energy Office for an explanation, and the General Accounting Office to investigate if U.S. oil has been making such a trip and if any laws have been evaded or broken.

LESS MEN IN MILITARY SERVICE

(Mr. LANDGREBE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LANDGREBE. Mr. Speaker, on Wednesday morning I was privileged to attend a briefing with the Secretary of Defense, Mr. Schlesinger. Among the vital information that was revealed to us, the most exciting was the fact we have now 1.4 million men less in the military forces than we had in 1968. To me, this is 1,400,000 more reasons why I should support President Nixon.

COMMON CAUSE AND CAMPAIGN REFORM

(Mr. DENT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DENT. Mr. Speaker, I would like the gentleman from Maryland (Mr. Gude), who just finished speaking, to listen to my remarks. They are pertinent to the very subject he was discussing.

Mr. Speaker, as chairman of the Subcommittee on Election Reform, I served on a study group that worked for 2 years to provide this House with legislation 2 years ago. We came to the floor with a reform bill. I doubt if there is a single Member of this Congress who has looked at that piece of legislation, because when we arrived on the floor for action, Common Cause had given its bill to two Members of this House. This House ignored the work of the subcommittee; it ignored the work of the full committee; and passed a bill that not 1 percent of the Members of this House knew what was in it.

Do the Members know what was buried in that Common Cause bill? Watergate and everything that smells from it. The Watergate incident came only because this House ignored the work of its committee.

Now, we have studied again. I have held hearings; my committee has held hearings for the last year and a half, and again we are stuck with a proposition that if I bring this proposition to the floor, any Member who voted for it ought to be driven out of the House physically and bodily.

Do the Members know what Common Cause wants? It wants to give us $90,000 out of the Treasury for every candidate in the primary election; $90,000 for a runoff and $125,000 out of the Treasury of the United States for the general election. Setting aside the runoff, every Member of Congress who receives $42,500 for his job, and a total of $85,000 for 2 years, would get $215,000 just to run for office. I do not blame the Members for applauding, it is the best thing that has ever happened to them.

But very seriously, the committee is not going to be stampeded. It is going to come here with the work done by the Democrats and the Republicans on the committee to give this House the kind of reform legislation we can live with. We are not going to be stampeded by anybody who wants to write our laws; anybody, especially those who receive a minimum, by their own account, Common Cause's own account—I have been invited to be a member, incidentally—of $3,750,000 a year from its 250,000 membership at the lowest dues rate of $15, and $25 million at the highest dues rate of $100 a year. Any figure between these limits received by Common Cause will amount to more than over 60 percent of the Congress spends to be elected to the Congress.

PERSONAL EXPLANATION

Mr. FOUNTAIN. Mr. Speaker on rollcall No. 123, H.R. 12412, the Foreign Disaster Assistance Act of 1974, I was unavoidably detained on the telephone and did not hear the call and was not present on the floor in time to vote.

I would like the Record to show that had I been present, I would have voted "No."

PERSONAL EXPLANATION

Mr. HUNT. Mr. Speaker, yesterday on the final passage of H.R. 69, the Elementary and Secondary Education Act, I was unavoidably detained. Had I been here, I would have voted "Aye" on the bill. I ask that the Record reflect that position.

IMMACULATA COLLEGE, NATIONAL WOMEN'S COLLEGE BASKETBALL CHAMPIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. Ware) is recognized for 5 minutes.

Mr. WARE. Mr. Speaker, a few days ago, well-deserved congratulations were offered on the House floor to North Carolina State University, the NCAA basketball champion.

However, they are not the only national basketball champion. We in Pennsylvania are equally proud of our own national basketball champion. On March 23, in Manhattan, Kans., Immaculata College, located in my district, won the Association of Intercollegiate Athletics for Women basketball crown by defeating, 68 to 53, a fine team from Mississippi College for Women.

Incidentally, Immaculata also had an exciting final game, coming back from 15 points behind to edge William Penn College of Oscaloosa, Iowa, 57 to 55.

This is the third title in a row for the Mighty Macs. To coach Cathy Rush, to cocaptains Theresa Shank and Denise Conway, and to the entire team, I extend my congratulations for this outstanding achievement.

I also ask my colleagues from North Carolina to join me in urging a playoff between these two exciting national basketball champions.

VIETNAM VETERANS DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. Cronin) is recognized for 5 minutes.

Mr. CRONIN. Mr. Speaker, tomorrow America observes for the first time Vietnam Veterans Day to honor the almost 7 million veterans of the Vietnam era. These veterans participated in what may have been the most psychologically grueling war in the history of the United States. Its physical toll was awesome—disabling over 340,000 vets.

Many of the vets from the Vietnam era experienced difficulty upon their return to the United States; employment opportunities have not been abundant and inflation has made the GI bill inadequate. The attitude of the American public, which can only be described as fear resulting from a lack of knowledge of the war, made it difficult for the veterans to adjust to the United States. In other eras, when our boys were greeted by a joyous country and gloried in America's pride of their victory. The end of the Vietnam war triggered no such excitement and jubilation. Instead, many vets were criticized for going to Southeast Asia, forced accusations of participating in atrocities, and are rumored to be drug addicts.

Traditionally America has honored her troops who put their lives in jeopardy in service to their country. The men and women who served in Vietnam are certainly deserving of the same respect. Congress has taken the leadership in engendering this respect by passing the legislation designating Vietnam Veterans

Day. We are also working on legislation to adjust educational benefits for Vietnam vets to keep pace with inflationary trends, as well as other bills designed to help all veterans. I urge every American to consider for a moment on Friday the contributions of the vets in Vietnam in helping to preserve democracy and the ideals of Americans everywhere, and to reflect upon their importance to all Americans.

TRADE WITH NATIONS OF AFRICA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. DIGGS) is recognized for 5 minutes.

Mr. DIGGS. Mr. Speaker, I would like to insert for the thoughtful attention of my colleagues a list issued by the World Council of Churches in December 1972 containing the names of corporations directly involved in investment in or trade with South Africa, Namibia, Zimbabwe, Angola, Mozambique, and Guiné-Bissao. The list follows:

WORLD COUNCIL OF CHURCHES—DECEMBER 1972

(First list of corporations directly involved in investment in or trade with South Africa, Namibia, Zimbabwe, Angola, Mozambique and Guiné-Bissao)

In August 1972, the Central Committee of the World Council of Churches adopted the following resolutions:

"The World Council of Churches, in accordance with its own commitment to combat racism, considering that the effect of foreign investments in Southern Africa is to strengthen the white minority regimes in their oppression of the majority of the peoples of this region, and implementing the policy as commended by the Uppsala Assembly (1968) that investments in 'institutions that perpetuate racism' should be terminated:

"(a) *instructs* its Finance Committee and its Director of Finance:

"(i) to sell forthwith existing holdings and to make no investments after this date in corporations which, according to information available to the Finance Committee and the Director of Finance, are directly involved in investment in or trade with any of the following countries: South Africa, Namibia, Zimbabwe, Angola, Mozambique and Guiné-Bissao; and

"(ii) to deposit none of its funds in banks which maintain direct banking operations in those countries.

"(b) *urges* all member churches, Christian agencies and individual Christians outside Southern Africa to use all their influence including stockholder action and disinvestment, to press corporations to withdraw investments from and cease trading with these countries."

A first list of Dutch, Swiss, U.K. and U.S.A. corporations directly involved in investment in or trade with South Africa, Namibia, Zimbabwe, Angola, Mozambique and Guiné-Bissao is herewith published as a contribution towards the implementation of the above resolutions by the World Council of Churches, the member churches, Christian agencies and individual Christians.

This is a first list; it has been compiled from the following sources—

The Netherlands: Kairos Working Group.

Switzerland: The book "Suisse—Afrique du Sud. Relations économiques et politiques" published by Centre Europe—Tiers Monde.

United Kingdom: Anti-Apartheid Movement—London, U.K.

United States: The periodical "Africa Today" published by Africa Today Associates—founded by the American Committee on Africa.

We shall be grateful to receive additions and/or corrections.

December 1972, Department of Finance and Central Services.

WORLD COUNCIL OF CHURCHES—DECEMBER, 1972

(First list of corporations directly involved in investment in or trade with South Africa, Namibia, Zimbabwe, Angola, Mozambique and Guiné-Bissao

THE NETHERLANDS

AKZO, Berkel's Patent, Blydenstein-Willink, Bos Kalis, Grasso, Heineken, Hollandsche Beton, Internatio/Müller, Lindeteves-Jacoberg, Mulder's Rollend Materieel, Ned. Scheepvaart Unie, Nijverdal-Ten Cate, Philips, Unilever, V.R.G.—Papier.

SWITZERLAND

AG Adoph Saurer, Alusuisse, Schweizerische-Aluminum AG, BBC, Aktiengesellschaft—Brown, Boveri & Cie., Ciba-Geigy, AG, Continentale Linoleum Union, Danzas AG, Basel, F. Hoffmann-La Roche & Co., Gebr. Sulzer Aktiengesellschaft.

Hasler Holding AG, Holderbank Financière—Glarus AG, Nestlé Alimentana + Unilac Inc., Oerlikon-Bührle Holding AG, Reisebüro Kuoni, Zürich, Sandoz AG, Schindler Holding AG, Schweizer Rück-Compagnie Suisse de Réassurances, Swissair, Zürich.

A.C.E. Machinery H., A.D. International, A. P. V. Holdings, Aaronson Bros., Aberdare Holdings, Aberdeen Cnstrct. Gp., Aberfoyle Plants, Acrow (Engineers), Adwest Group, Albright & Wilson.

Alkan (M. L.), Allen (Edgar) & Co., Allied Breweries, Allied Colloids Mfg., Allied Suppliers, Amalg. Metal Corp., Amalg. Power Engine, Anchor Chemical, Anderson Mayor, Armitage Shanks Gp.

Armstrong Equipment, Ashe Chemical, Aspro-Nicholas, Assoc. Biscuit Mnfs., Assoc. Book Publish., Assoc. Engineering, Associated Portland Cem., Automotive Product, Averys.

B.B.A. Group, B.P.B. Industries, BTR, Babcock & Wilcox, Baird (Wm.) & Co., Baker Perkins Hlds., Baring Bros. & Co., Barrow Hepburn Gp., Barton & Sons, Bassett (Geo.) Hldgs.

Beales (J.) Ass. Cos., Bear Brand, Beaumont Properties, Beautility, Beecham Group, Beralt Tin and Wolfram, Berger, Jenson & N., Bestobell, Bifurcated Engin., Birmid Qualcast.

Black & Edginton, Blackwood Hodge, Blundell Permoglaze, Bolton Textile Mill, Bond Street Fabrics, Bonochord, Boosey & Hawkes, Bovril, Bowater Corporation, Bowring (C. T.) & Co.

Bowthorpe Holdings, Brent Chemical, Brit. Amer. Tobac. Inv., Brit. & Comwlth. Ship., Brt. Elec. Traction, Brit. Ins. Callenders', British Leyland Mtr., British Match Corp., Brit. Mohair Spinners, British Oxygen Co.

British Petroleum, British Printing Corp., British Ropes, British Steel Construct., British Steel Piling, British Vita Co., Brockhouse (J.), Brooke, Bond Leibig.

Brown Bayley Steels, Brown (David) Corp., Brown (John) & Co., Bulmer (H. P.), Bunzl Pulp & Paper, Burmah Oil, Burns-Anderson, Bydand.

C.C.L. Systems, Cadbury Schweppes, Caledonia Invests., Canning (W) & Co., Caravans Internat., Carpets Internl., Cavenham, Centrovincial Estates, Chamberlain Phipps.

Charter Consol., Charterhouse Group, Chloride Elec. Stor., Chrysler Corporation, Chrysler U.K., Chrysler Overseas, Chubb & Son, Clarke, Chapman–John Thompson, Clarke, Nicholls & Coombs, Clarkson Inter. Tools.

Clayton Dewandre, Clayton, Son & Co., Coates Bros. & Co., Coats Patons, Cohen (A.) & Co., Cohen (G.) 600 Grp., Collett (J.), Collins (W.) Sons & Co., Comml. Un'n Ass. 30, Commonwealth Dev. Finance.

Cons. Gold Fields, Consol. Tea & Land, Cons. Tin Smelters, Cope Allman Internl., Cory (Wm.) & Son, Costain (Richard), Court Line, Courtaulds, Crabtree Electrcl. Ind., Crittall-Hope Eng., Crown House, Cussons Group.

Davidson & Co., Davy Ashmore, Dawson & Barfos, Dawson (J.) Holdings, Decca, Delta Metal Co., Derby Corporation, Desoutter Bros., Dickinson Robinson, Distillers, Dorman Smith Hldgs., Doulton and Co., Dowty Group, Drake & Cubitt Hldgs., Dunlop Holdings, Duport.

EMI, E.R.F. (Holdings), Eagle Star Insurance, East Rand Consd., East Sussex Eng., Ebonite Container, Elect. & Indus. Secs., Ellerman Lines, Elliott (B.) & Co., Emu Wool Industries, English Calico, Eucalyptus Pulp Mills, Evans of Leeds, Eveready S. Africa, Ever-Ready (G. Brit.).

Fairey Co., Fenner (J. H.) Co., Ferranti, Finlay (James) & Co., Firth Cleveland, Firth (T.) & J. Brown, Fisons, Fodens, Foseco Minsep, Fram Group, French (Thomas), French (W. & C.).

Gany, General Accid. Fire, General Electric, General Motors Corp., Gestetner Holdings, Gibbs (A.) & Sons, Gill & Duffus, Glaxo Group, Glynwed, Goblin (B. V. C.).

Goode, Durrant & M., Great Universal Stores, Greening (N.) & Sons, Green's Economiser, Gripperods Holdings, Griqualand Expl. & F., Guardian Ryl. Exchange, Guest, Keen & Nettle, Guest, Keen & Nettle (Overseas), Guest, Keen & Nettle, (U.K.), Guthrie Corporation.

Hall Engineering, Hall Thermotank, Halstead (James) (Hld.), Hammond (L.) Holds., Hampton (C. & J.), Hargreaves Group, Harris & Sheldon Gp., Harrisons & Crosfield, Hawker Siddeley Group, Hazell (Quinton), Head, Wrightson, Henderson (P.C.).

Herbert (Alfred), Heywood Williams Gp., Hickson & Welch, Hield Brothers, Highams, Hill Samuel Group 31, Hopkinsons Hldgs., Howden (Alex) Hldgs., Hudson (Robert), Hudson's Bay Co., Hunslet (Holdings), Hunting Gibson, Hutchinson.

Illingworth Morris, Imperial Chemical, Imp. Tobacco Group, Inchcape & Co. Indust. & Comm. Fin., Inter. Combus. Africa, Inter. Combust,, Int. Compressed Air, Int. Computers (Holdings), Int. Distillers & Vint., International Paint.

Jacks (William) & Co., Jessel Securities, Johnson, Matthey, Johnson-Richards.

Kangol, Kent (George).

L.R.C. International, Laing (John) & Son, Laird Group, Lamont, J. H.) & Co., Lamson Industries, Laporte Indust. (Hlds.), Laurence, Scott, Lead Industries Group, Legal & General Ass., Lep Group, Limmer Holdings, Lindustries.

Lisbon Electric Trams, Lister & Co., Lloyd (F.H.) Hldgs., Lloyds & Scottish, Locker (Thomas), Lockwoods Foods, Ldn. Merchant Secs., London Shop Prop., Lonrho, Low & Bonar Group, Lucas (Joseph) Ind.

Manbre & Garton, Manders (Holdings), Marchwiel Holdings, Marks & Spencer, Marley, Marshalls (Halifax), Mather & Platt, Matthews Wrightson Holdings, May & Hassell, Melbray Group, Mercury Securites, Metal Box Co.

Metal Box Overseas, Metal Closures, Midland Aluminum, Minet Holdings, Mitchell Construction, Mitchell Cotts Group, Monotype Corp. Montagu Trust, Morgan Crucible Co., Murray (D. & W.).

Nairn-Williamson, Negretti & Zambra, Neill (James) Hldgs., Newey & Taylor, Newman-Tonks, Newton Chambers, North (James) & Sons, Norvic Shoe, Norwest Holst.

Ofrex Group, Oldham Intern'l, Orion Insurance, Osborn (Samuel), Ozalid.

Page-Johnson Build., Parkinson Cowan, Peare Assurance, Pearson (S) & Son, Pegler (Hattersley), Peninsular & Oriental, Permali, Phoenix Assurance, Photo-Me Intnl.

Pilkington Brothers, Pitman (Sir Isaac), Plesey Co., Portal Holding, Powell Duffryn, Pratt (F.) Engineering, Price Forbes (Hldg.), Pritchard Cleaners, Provincial Insurance.

R.C.F. Holdings, R.F.D. Group, Racal Electronics, Randalls Group, Rank Organisation, R'Ks Hovis McDougall, Ransome Hoffman Pollard, Ransomes Sims and Jeff, Reckitt & Coleman.

Redland, Reed International, Reeves & Sons, Renold, Rentokil Group, Revertex Holdings, Reyrolle Parsons, Rio Tinto Zinc Corpn., Rotaflex (G.B.).

Rotary Hoes, Rotork, Rowntree Mackintosh, Royal Insurance, Royal Sovereign Pencil, Ruberoid, Runciman (Walter), Rush & Tompkins Gp.

S.G.B. Group, Sadis, Sagit Trust, Sale Tilney & Co., Salter (George), Samuel Properties, Sandeman (Geo. G.), Sanderson Kayser, Sanderson, Murray & Elder Hlds.), Scapa Group, Seddon Diesel Veh.

Selection Trust, Selincourt, Sena Sugar Estates, Serck, Shell Transport & T., Showerings V.P. & W., Sheffield Twist Drill, Siebe Gorman Hldgs., Slemssen Hunter, Simon Engineering, Sirdar.

Slater, Walter, Secs., Slater, Walker, Sec. (South Afr, Smith & Nephew Ass., Smith & Wellstood, Smiths Industries, Somic, S. African Distilleries, South West Africa, Spear & Jackson Int., Spillers, Staflex International, Staplegreen Ins. Hlds.

Staveley Industries, Steel Group, Steetley Co., Stenhouse Toldings, Stocklake Holdings, Stone-Platt Indust., Storey Brothers, Stothert & Pitt, Stroud Riley & Co., Sun Alliance & London, Sunley (Bernard) Inv., Swan Hunter Group.

T.P.T., Tanganyika Concess., Tarmac, Tate & Lyle, Taylor, Woodrow, Tecalemit, Telephene Rentals, Thomson Organisation, Thorn Elect. Indus., Tilling (Thomas), Tobacco Securities, Towles.

Tozer, Kemsley & M., Trafalgar House Inv., Transport Develop., Trust Houses Forte, Tube Investments, Turner & Newall.

Unigate, Unilever, Union International, Utd. City Merchants, Utd. Dominions Trust, Utd. Wire Group, Univ. Grinding.

Vantona, Vickers.

Walker Crosweller, Ward & Goldstone, Weir Group, Wellcome Foundation, Wellman Engineering, West (Allen) & Co., Westinghouse Brake, Whessoe.

Whitbread & Co., Wiggins Teape Wilkes (James) Wilkinson Sword, Willons Francis, Wills(Geo.) Hldgs. Wilmot-Breeden (Hld.) Wimpey (George).

Winget Gloucester, Wiseman (M.) & Co., Witter (Thomas), Wolf Elec. Tools, Wood Hall Trust, Woodall-Duckham Woodhead (Jonas) Woolcombers (Hldgs.).

Yarrow & Co.

UNITED STATES

Abbott Laboratories, Addressograph-Multigraph, Allied Chemical Corp., Allis-Chalmers Corp., Amer. Cyanamid Co., American Express, American Home Products, American Metal Climax.

American Motors Corp., Ampex Corp., Anderson Clayton & Co., Armco Steel Corp., Armour, Ashland Oil, Inc., Atlantic Richfield Co., Automated Building Components.

Baxter Laboratories, Beckman Instruments, Black & Decker Mfg. Co., Boeing Co., Booz, Allen & Hamilton, Inc., Borden, Inc., Borg-Warner Corp., Bristol-Myers Co., Bucyrus-Erie Co., Burlington Industries, Burroughs Corporation.

Carnation Co., Caterpillar Tractor Co., Celanese Corp., Champion Spark Plug Co., Chesebrough-Pond's Inc., Chicago Bridge & Iron, Chicago Pneumatic Tool, Chrysler Corporation, Cities Service Co.

Clark Equipment Co., Clark Oil & Refining, Coca-Cola Co., Colgate-Palmolive Co., Collins Radio Co., Combustion Engineering, Continental Corp., Control Data Corp., Crane Company, Crown Cork & Seal Co., Cutler-Hammer, Inc.

Dart Industries, Deere & Company, Del Monte Corp., Donaldson Co., Dow Chemical, Dun & Bradstreet Inc., du Pont (E. I.) de Nemours.

Eastman Kodak Co., Emery Air Freight Corp., Engelhard Minerals & Chem.

Factor (Max) & Co. C1 A, Ferro Corporation, Firestone Tire & Rubber Co., F.M.C. Corp., Ford Motor Co.

Gardner-Denver Co., General Electric Co., General Foods Corporation, General Motors, General Tire & Rubber, Gerber Products Co., Getty Oil Co., Gillette Co., Goodyear Tire & Rubber, Grace. (W. R.) & Co., Grolier Inc., Gulf Oil Corp.

Halliburton Co., Harnischfeger Corp., Helena Rubinstein Inc., Heller (Walter E.) Int'l., Hewlett-Packard Co., Holiday Inns Inc., Honeywell Inc., Hoover Co., Hyster Company.

I N A Corp., Ingersoll-Rand Co., Inmont Corp., Int'l. Bus. Machines, Int'l. Flavors & Fragrances, International Harvester, Int'l. Minerals & Chem., International Tel. & Tel., Interpublic Group of Co.'s Inc., ITT.

Johns-Manville Corp., Johnson & Johnson, Joy Manufacturing.

Kaiser Industries Corp., Kellogg Co., Kimberly-Clark Corp.

Lilly (Eli) & Co., Litton Industries Inc., Lykes Youngstown Corp.

Maremont Corp., Masonite Corp., McGraw-Hill, Inc., McKee (Arthur G.) & Co., Merck & Company, Metro-Goldwyn-Mayer, Miles Laboratories, Inc., Mine Safety Appliances Co., Minnesota Mining and Mfg., Mobil Oil Corp., Monsanto Co., Moore & McCormack Co., Motorola, Inc.

Nalco Chemical Co., National Cash Register, Newmont Mining Corp., Norton Company.

Oak Electric-netics, Ocean Drilling & Exploration, O'okiep Cooper Co., Otis Elevator Co., Owens-Corning Fiberglas, Ozite Corp.

Pan American World Airways, Parker Pen Co., PepsiCo, Inc., Pfizer, Inc., Philip, Morris, Inc., Phillips Petroleum, Pioneer Systems, Polaroid Corporation, Procter & Gamble Co., Publishers Co., Inc.

Revlon Inc., Richardson-Merrell, Inc., Robertson (H.H.) Co., Rockwell Manufacturing Co., Rohm & Haas Co.

St. Regis Paper Co., Schering-Plough Corp., Schlumberger Ltd., Scholl, Inc., Scripto, Inc., Searle (G.D.) & Co., Simplicity Pattern Co., Singer Co., Skelly Oil Co., Smith (A.O.) Corp.

Smith Kline & French Lab., Sperry Rand Corp., Squibb Corp., Standard Brands Inc., Standard Oil Co. of California, Standard Pressed Steel Co., Sterling Drug, Inc., Sun Oil Company, Sybron Corp.

Tampax Incorporated, Tenneco, Inc., Texaco, Inc., Thompson (J Walter) Company, Tidewater Marine Service, Timken Company, Tokheim Corp., Trans World Airlines, TRW Inc., Twentieth-Century Fox Film (aa).

Union Carbide Corp., Uniroyal, Inc., United Aircraft Corp., United Artists Theatre Circuit, U.S. Industries, U.S. Steel Corp., Universal Leaf Tobacco, Upjohn Company.

Van Dusen Air, Inc., Vendo Company.

Warner-Lambert Co., Westinghouse Elec. Corp., Weyerhaeuser Co., White Motor Corp., Woolworth (F. W.), Woolworth (F. W.) Ltd. ADR.

This first provisional list is certainly incomplete, not only in that it covers only four countries but also as to the Corporations listed in respect of those four countries.

It is foreseen that supplementary lists and, if necessary, corrections, will be issued from time to time as further information is secured.

LABOR—FAIR WEATHER FRIEND—XVII

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. Gonzalez) is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Speaker, Organized labor is like any other human organization; it is made up of individuals. Some are good—in fact the vast majority are good, decent, law-abiding people who want only to work and be decently paid, to live a decent life, and have their rights respected. A few are not so good.

I am reluctant to judge any one of my fellow human beings, because I know I have my own share of failings. But yesterday I was discussing the strange forgetfulness of Franklin Garcia, who seems always to be at the center of things when labor folks get together in San Antonio. That is not to say Franklin is the master of labor's San Antonio house. That would be far from the truth. But he seems always to be in the middle of a few who utter vague charges about what I have not done lately. This has been going on for about 3 years now, and I have not said anything about it.

My friends in the labor movement say that when old Franklin starts out on these diatribes they ask him for some specifics, but none are forthcoming, so they really don't pay much attention to Franklin's charges, and I have not either.

Now I do not deny the right of anybody to say whatever he thinks, because that is a privilege that I exercise regularly. But what I cannot understand is that when I run into Franklin Garcia, as I do on occasion, he seems very friendly—like a long-lost brother. Then later on, I hear that he has been throwing verbal knives in my direction.

So why is it that this guy exudes warmth and friendship when we meet face to face? It seems hypocritical for old Franklin to be so nice one day, to my face, and to go out the next day and use all his strengths and skills to embarrass and undermine me. That is behavior that I cannot understand in anybody, in or out of labor.

If Franklin is really my friend, he will use his power and influence in the Labor Council for Latin American Advancement to retract its lies about me. But I know that in a recent meeting of the four or five guiding spirits of that organization, he made no such effort in my behalf. No, far from it. Good old Franklin, who likes to be friendly when he sees me in public places, just went right along and told his pals that I was no good, as has been his private custom for these many years.

There is an old maxim that actions speak louder than words. I have heard warm sounds from Franklin Garcia, but his private actions belie all that. I will know that he is a friend when he does more than just say so.

POSTCARD REGISTRATION—WILL IT REALLY HELP?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. Holifield) is recognized for 5 minutes.

Mr. HOLIFIELD. Mr. Speaker, we will soon be asked to vote on H.R. 8053, the Voter Registration Act. As you know, this bill would establish a postcard registration system for Federal elections with registration forms automatically distributed by the Postal Service to all postal address residents in the United States at least once every 2 years.

I have read the committee's report on H.R. 8053 and discussed the bill with officials of Los Angeles County. Our county board of supervisors have grave reservations about the probable adverse effects which this bill will have on the election process in Los Angeles County. The National Association of Counties has passed a resolution in opposition to the bill.

The report of the committee does not include an estimate of the costs involved in the proposed postcard registration system. The bill would authorize $50 million, presumably for the first year of operation. I note, however, that the additional views included within the report carry estimates much higher than $50 million.

Mr. Speaker, I commend the Committee on House Administration for the desire to liberalize voter registration and to increase participation in the election process. While H.R. 8053, if enacted, might possibly make some improvement in a few States. I do not believe that it will help us in California where our problem is simply voter apathy.

We have a system by which almost anyone can become a deputy registrar. These deputy registrars have a double incentive to register the maximum number of voters. In addition to their interest in a particular political campaign they are actually paid a small sum for each person registered. They go door-to-door, they are familiar with the forms, and they assist the elderly and those who are not proficient in English in completing the registration forms.

The 1972 primary and general elections were more intensely worked than any elections that I can remember, especially by the McGovern forces. I know of people who were personally contacted at home at least three times. Organized labor and other organizations carried out intensive registration drives.

In spite of this effort, Mr. Speaker, only 69 percent of the voting age population in my district registered to vote. Because of the problems pointed out by the Los Angeles County Board of Supervisors, many of those would, I fear, find themselves disenfranchised on election day due to erroneous or incomplete forms.

Mr. Speaker, I am afraid that H.R. 8053 will hurt the very people that it is intended to help. The minority groups, the illiterate and semiliterate who are at the bottom of the economic heap and whose voices need to be heard on election day. I agree with the Los Angeles County Board of Supervisors that we would perhaps accomplish much more by giving the money we will spend on a postcard system to the counties and States so that they can operate a person-to-person registration system such as California's.

I insert the position of the Los Angeles County Board of Supervisors and the resolution of the National Association of Counties in the Record at this time:

Department of Registrar—Recorder,
Los Angeles, Calif., March 21, 1974.
Hon. Chet Holifield,
Representative in Congress, House Office Building, Washington, D.C.

Dear Congressman Holifield: I wish to express my concern to you regarding House Resolution 8053, Federal Postcard Registration Act.

The Los Angeles County Board of Supervisors has adopted a position to oppose postcard registration on three occasions, July 23, 1973, January 8, 1974, and February 26, 1974. Enactment of H.R. 8053 would create serious problems as discussed below:

1. CONFUSION TO THE VOTER

There are over three million voters already registered in Los Angeles County. Since H.R. 8053 provides for mailing postcards to each household, persons would receive a card regardless of whether they were registered or not. Receipt of the cards would create confusion for the registered voter who would not know whether or not he should return the card in order to be registered for both federal and state elections. Each incoming card, furthermore, would have to be checked to insure that a voter was not registered twice. Double listings could result in potential fraud, duplicate mailings of sample ballots, double mailing of campaign literature, and unnecessary costs.

An especially important consideration is that a prospective voter could mail a federal postcard to an election official and assume he would be eligible to vote for state and local as well as federal elections. This confusion could exist until the voter arrived at his polling place on election day and discovered that he was eligible to vote for federal races only.

2. DUAL FILE

The creation of a dual file, necessitated by implementation of the federal bill, would create administrative problems in the revision of computer programs and extensive testing to insure that election registration and tabulation files are free from error and fraud. Federal election registrants would have to re-register at least every two years, while state and local registration is permanent. Although state law might eventually be brought into conformance with the federal law, there is no assurance as to when this might happen.

It is estimated that over five million federal postcards will be distributed by the postal service in Los Angeles County. This assumption is based on the fact that 1970 Cenus figure projected to January, 1973, showed that there were 2.5 million households in Los Angeles County. Delivery of at least two postcards per household would result in five million postcards mailed.

3. VOTER DISENFRANCHISEMENT

This great volume of postcards for Los Angeles County would have to be handled by computer in order to assign voters to one of the 8400 voting precincts. The name and complete address of the voter, including street number, direction (North, South, East, West), apartment number, correct designation (street, avenue, place, road, etc.), town and zip code, must be given on the card or it is rejected by the computer.

Transposition of street numbers in an address can make an enormous difference in the voting area to which a voter is assigned. Our experience with self-executed change of address cards submitted to us for processing reveals an error factor of approximately 35 percent. These errors occur because the cards are illegible, incorrect, or incomplete.

Costs escalate rapidly when a record has to be manually processed because of incorrect data. If any discrepancies are not resolved before election day, voters are disenfranchised. In many instances, the problem might be resolved too late to notify the voter of the polling place where he can cast his ballot.

The absence of a deadline for transmittal of postcards to the election officials would undoubtedly mean that a majority of the responses would be received very close to the election when interest in candidates and issues is at its peak. Receipt of tens of thousands of postcards to be cleared during a period when major election functions are being performed, such as sample ballot mailing to 3.5 million voters, supplying 8400 polling places and precinct officers with election day equipment and supplies, preparation of ballot materials for use on election day, will have an adverse effect on the conduct of an election.

The Los Angeles County Board of Supervisors and this department favor programs to achieve maximum voter participation, but the possibility of voter confusion and administrative defects with H.R. 8053 would probably result in decreased voter participation. Voter confusion on election day will create an obstacle to voting rather than strengthening the electoral process.

In my opinion, the funds authorized to carry out the provisions of H.R. 8053 could be better spent by subsidizing improved voter registration programs in the 50 states. Los Angeles County is considering various alternatives to provide additional registration services in low registration areas, in densely populated areas, and high traffic areas, to name a few. Voter registration is one of our primary responsibilities and we are constantly searching for ways to improve this service to the voters of Los Angeles County.

To summarize, voter confusion, administrative chaos, and voter disenfranchisement are the primary reasons for which I urge and request your opposition to this bill.

Very truly yours,
Leonard Panish,
Registrar-Recorder.

RESOLUTION—VOTER REGISTRATION BY MAIL

(Adopted by the National Association of Counties on July 25, 1973)

The United States Senate has passed legislation entitled the Voter Registration Act (S. 352) establishing a national voter registration administration and requiring voter registration through the mail. The legislation currently is being considered by the House Committee on Administration.

The legislation as passed by the U. S. Senate would:

1. establish new federal agency within the U. S. Bureau of the Census to administer a voter registration program, collect and analyze information concerning elections and provide assistance to election officials concerning registration and election problems;
2. provide registration forms to be sent through the U.S. Mail to be returned to State, County and Local registrars for processing;
3. authorize funds to cover the costs of the mail registration process.

The rationale for this legislation appears to be based on a premise that registration is an obstacle to voting. It is estimated that almost 80% of the qualified voters presently are registered. Legislation would attempt a 100% registration. The legislation is aimed therefore at a few states although it will affect all states across the board.

County officials want to commend the authors of this legislation for their interest and concern in liberalizing voter registration. We share these same goals. However, we are concerned that the legislation does not meet the real needs and creates additional problems. We believe emphasis should be placed on developing minimum standards for registration and conduction of elections for federal, state and local elections. The office of federal elections is conducting research on voter registration procedures; state experimentation on voter registration by mail has begun, local initiative in developing alternative methods of reaching potential voters is increasing. Legislation at this point is premature.

In addition to this concern, NACO has specific problems with the legislation which includes:

1. Potential for disorder, and confusion at the polls is very great;
2. This chaos would cause disenfranchisement of eligible voters;
3. Unnecessary duplication of registration processes for persons already registered will lead to greatly increased costs;
4. Increased costs can also be foreseen in pre-election preparation and the election day process itself.
5. Possibilities of fraud are unlimited.
6. The election process is rendered more vulnerable to political mischief.

The National Association of County Recorders and Clerks consists of election officials from many states. They deliberated these matters at length and urged NACO to adopt this resolution.

FOREIGN INVESTMENT STUDY ACT OF 1974

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. CULVER) is recognized for 5 minutes.

Mr. CULVER. Mr. Speaker, I rise today to introduce the Foreign Investment Study Act of 1974.

In January and February of this year the Subcommittee on Foreign Economic Policy, which I chair, held hearings on foreign investment in the United States. The purpose of those hearings was to determine the extent of foreign investment in this country, its impact on the economy, and the need for a national policy. The hearings made it unmistakably clear that existing information on foreign investment is wholly insufficient and that, therefore, it is impossible to determine its implications for the United States with any degree of precision, or to set a rational policy course.

The inadequacy of existing information is demonstrated by the fact that the Department of Commerce places total direct foreign investment in the United States at the end of 1972 at $14.5 billion, whereas a recently conducted academic study on this subject estimated that direct foreign investment in manufacturing, mining, and petroleum alone was $38 million. To cite another instance of conflicting data, when the subcommittee commenced its hearings in January, the Government was saying that the increase in direct foreign investment in the United States during 1973 was around $1.5 billion. In early February this estimate was raised to the $2 billion range. In contrast, in the middle of February the Conference Board, a prestigious business research organization, reported that latter figure of $2 billion for the 9-month period March through November of 1973 alone.

The difficulty in obtaining information on foreign investment in the United States was pointed up by Mr. Del van Horn, director of the Iowa Development Commission. All "foreign"—non-Iowa—corporations are required to file an annual report with the Secretary of State. There is nothing on the form to indicate whether or not a particular investment originated from within or outside the United States. In searching through the 5,147 reports, it was determined that 28 of the companies appeared to have some ownership from outside the United States, whereas the list of foreign investors that is made public by the Department of Commerce shows only two corporations in Iowa that are foreign controlled. However, the method of determining foreign interest is so inadequate and unreliable that the numbers could be radically different and in fact are currently quite meaningless.

Peter Flanigan, executive director of the Council on International Economic Policy, testified before the subcommittee that the administration's policy toward foreign investment was one of neutrality—neither encouragement nor restriction. However, given the existing state of information, we have no concrete body of evidence upon which our Government can properly base an informed judgment on this issue.

The past year has witnessed expressions of citizen concern from various parts of the country. The Midwest has been rampant with rumors of foreign purchase of large agricultural holdings and transportation facilities. Investigations by various sources have neither confirmed nor fully dispelled these rumors. Concern has also been raised over the foreign acquisition of large American corporations such as Texasgulf and Gimbels, and over foreign penetration of U.S. natural resources, such as timberland and coal mines. The administration's open-door policy has failed to give adequate consideration as to whether or not these various expressions of citizen concern are legitimate or fanciful.

Another finding of the hearings was the hodgepodge of State and Federal restrictions on foreign investment. At different times during this country's history, and to different degrees, foreign ownership has been restricted in communications, air transportation, atomic energy, hydroelectric power, and various kinds of shipping. Moreover, the various States regulate foreign investment in land, banking, and insurance to varying degrees. Consideration must be given to the need and feasibility for consistent and/or coordinated State and Federal policies toward foreign investment.

The last benchmark survey on direct foreign investment was undertaken by the Department of Commerce in 1959. The foregoing exposition is evidence of the vital need for an indepth study of foreign investment in the United States.

The Foreign Investment Study Act of 1974 would provide for such a survey. It would direct the President to: First, collect information on foreign investment in the United States; second, appraise the implications for the United States; third, compare the policies of other nations toward foreign investment; fourth, review existing State and Federal regulations; fifth, evaluate alternate policies toward foreign investment; and sixth, consider the international implications of those alternate policies.

Whereas the 1959 benchmark survey concentrated mainly on direct foreign investment in manufacturing, this survey would also include portfolio investment and investment in agriculture and natural resources. As to the specifics of the survey, the bill would include investigation of: the nature and rate of foreign investment; motivations for and the processes of foreign investment in the United States; impact on specific geographic areas and economic sectors and on employment and personnel practices. Finally, the bill would require a report on the adequacy of the existing collection of information on foreign investment and the desirability of establishing an annual reporting requirement and releasing more information into the public domain.

An interim report would be due 1 year after enactment of the bill and a complete report 2 years after enactment. In the interim it is imperative that the Congress and State legislature monitor developing trends, assemble more reliable data, and be ready to take appropriate action. It is critically important to have all the facts in this area so that evenhanded policies can be adopted in the overall national interest and avoid the danger of impulsive reaction based on fragmentary evidence.

It is hoped that this legislation and the forthcoming survey will provide the information necessary to give the American people an accurate picture of the extent and implications of foreign investment in this country. In addition, it should give the Government the basis on which to set a rational policy toward foreign investment and strengthen its capability to deal realistically with this complex matter.

The text of bill follows:

H.R. 13814

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Foreign Investment Study Act of 1974".

SEC. 2. (a) The President shall conduct a study of foreign direct and foreign portfolio investment in the United States. In conducting such study, the President shall—

(1) compare foreign direct and foreign portfolio investment activities in the United States with investment activities of American investors abroad, and compare the impact of such foreign activities in the United States with the impact of investment activities of Americans abroad;

(2) determine the nature and rate of foreign direct and foreign portfolio investment in the United States and compare such nature and rate with the nature and rate of foreign investment in other countries specified by the President;

(3) determine the reasons that foreign investors are undertaking direct investment in the United States, and compare such reasons with reasons that foreign investors are investing in other countries specified by the President;

(4) determine the processes and mecha-

nisms through which foreign direct and foreign portfolio investment is established in the United States, the financing methods used by foreign investors, and the effects of such methods on American financial markets;

(5) (A) determine the extent of foreign direct investment in the United States in the form of acquisitions or takeovers of existing American enterprises, and in the form of new facilities or of joint ventures with American companies, (B) determine the effects of foreign direct investment on United States business competition, and (C) compare the material obtained under this paragraph with similar material for other countries specified by the President;

(6) determine the impact of foreign direct investment on specific geographic areas and economic sectors of the United States which have been or are being affected by a disproportionately high share of foreign investment, and compare policies of other countries specified by the President resulting from the impact in those countries of foreign investment in similar areas and sectors of those countries;

(7) determine the impact of foreign direct and foreign portfolio investment in the United States on United States national security, energy resources, balance of payments and trade, agriculture (and other real estate), and international economic position;

(8) determine the effect of foreign direct and foreign portfolio investment in the United States on levels of employment and personnel practices in the United States, and on activities of foreign and American management executives employed by foreign investors in the United States;

(9) determine the effect of Federal, regional, State, or local laws, regulations, controls, and policies on foreign direct and foreign portfolio investment activities in the United States, and compare such effect of similar regulations promulgated by other countries specified by the President for foreign investment in such countries;

(10) evaluate the costs and benefits and determine the various international implications of alternate policy choices available to the United States regarding foreign investment in the United States; and

(11) study the adequacy of United States disclosure and reporting requirements for foreign direct and foreign portfolio investment in the United States, and compare such requirements with similar requirements of other countries for foreign investment in such countries.

(b) In conducting the study of foreign investment in the United States pursuant to subsection (a), the President shall (1) encourage participation by representatives of United States industry, agriculture, labor, science and technology, academic institutions, consumer organizations, and any other group he deems suitable; and (2) consult with State and local governments, and to the extent practicable, with foreign governments and international organizations.

Sec. 3. (a) The President may procure the temporary or intermittent services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code. Persons so employed shall receive compensation at a rate to be fixed by the President, but not in excess of the maximum amount payable under such section. While away from his home or regular place of business and engaged in the performance of services in conjunction with the provisions of this Act, any such person may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 (b) of title 5, United States Code, for persons in the Government service employed intermittently.

(b) The President shall reimburse any Federal agency for services provided in conjunction with the program authorized in this Act.

Sec. 4. The President shall submit to the Congress an interim report one year after the enactment of the Act, and a full and complete report within two years after such date of the enactment. Each such report shall contain the findings made under each of the eleven aspects of the study authorized by section 2(a) of this Act, together with such recommendations the President considers appropriate.

Sec. 5. There is authorized to be appropriated $1,500,000 for the fiscal year ending June 30, 1975, and $1,500,000 for the fiscal year ending June 30, 1976, to carry out the purposes of this Act.

RISING PRICES, TAXES, MAKE TAX RELIEF VITAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. Reuss) is recognized for 10 minutes.

Mr. REUSS. Mr. Speaker, yesterday with 37 cosponsors I introduced H.R. 13803 and 13804, identical bills to provide approximately $10 billion in income and payroll tax relief to low- and moderate-income people.

The cosponsors are: Ms. Abzug, Mr. Badillo, Mr. Boland, Mr. Brasco, Mr. Brown of California, Mr. Carney of Ohio, Mrs. Chisholm, Mr. Clay, Mr. Culver, Mr. Dominick V. Daniels, Mr. Eckhardt, Mr. Edwards of California, Mr. Eilberg, Mr. Fauntroy, Mr. Ford, Mr. Harrington, Mr. Hechler of West Virginia, Mrs. Heckler of Massachusetts, Mr. Hinshaw, Miss Holtzman, Mr. McSpadden, Mr. Moakley, Mr. Moss, Mr. Podell, Mr. Riegle, Mr. Rosenthal, Mr. Roybal, Mr. Ryan, Mr. Seiberling, Mr. Stark, Mr. Studds, Mr. Vigorito, Mr. Williams, Mr. Charles H. Wilson of California, Mr. Won Pat, Mr. Yatron, and Mr. Thompson of New Jersey.

This tax relief is vital to help the majority of taxpayers—those with incomes of $15,000 a year or less—recover from the ravages of rising prices and heavier tax burdens.

In today's Washington Post, Hobart Rowen pointed out that the average wage earner's purchasing power dropped 4 percent in 1973. Rowen called for a tax reduction to help workers regain lost purchasing power without resorting to inflationary large wage increases.

The February issue of the Tax Foundation's Monthly Tax Features included a graphic illustration of the effect of price and tax increases on purchasing power since 1966.

The text of both articles follows:

[From the Washington Post, Mar. 28, 1974]

Lost Purchasing Power

(By Hobart Rowen)

Prices, as we all know, have shot ahead so rapidly in the past year that the real purchasing power of the average city wage-earner has fallen behind. As former budget director Charles L. Schultz reminds us, this has not been the typical pattern in most of the post-war inflations.

What usually happens is that wages go up two or three per cent more than the price level as labor shares in growing productivity. Thus, until the present period, the average worker—while complaining about rising prices—hasn't really suffered from them.

But last year was different. Wages not only never caught up with inflation, but by the end of last month, the average wage-earner's paycheck was worth about four per cent less than a year before in terms of what it would buy.

That simple fact helps to explain why consumer spending has been sluggish (people are carefully watching how they dish out the declining supply of their dollars).

Perhaps even more importantly, the decline in real purchasing power contains a potentially explosive bombshell for the economy: if labor leaders attempt to recover that lost purchasing power for their constituents through a whopping wage increase, that might set off a self-defeating new wage-cost inflationary push.

Recently, United Steelworkers President I. W. Abel—an increasingly important figure in policymaking labor circles—told the Joint Economic Committee that "economic justice would dictate that workers wages reflect at least increases in the cost of living plus productivity." That would suggest a minimum of 12 per cent.

The question, of course, is whether it is a practical goal to recover from a broad range of industries the inflationary thrust that has been provided mostly from food and fuel prices.

Shultz, who is genuinely concerned about the way in which inflation has been robbing weekly paychecks, said in Senate testimony the other day that "any attempt to recapture this lost purchasing power solely through accelerated wage increases will be doomed to defeat, as the jump in wage costs leads to a new round of price increases outside of the food and energy sector of the economy. If that happens, serious inflation will be with us for some years to come."

Why have wage increases been relatively modest despite the price explosion? In 1973, first year wage and benefit settlements in the non-farm part of the economy averaged only 7.1 per cent, compared with 8.5 per cent in 1972, and 13.1 per cent in both 1970 and 1971.

One reason, of course, is that we did have a controls system in an effect, and an unusually skilled negotiator in the person of Cost of Living Council Director John T. Dunlop running it.

But beyond that, as economist Arthur M. Okun has pointed out, "while the cost of living has a genuine impact on what wage increase the worker wants, needs, and deserves, the ability to pay of employers is also an important factor in the actual wage decision."

In other words, in an economy which began to show signs of softening as early as the second quarter of last year, most employers (outside of the petroleum and food industries) weren't racking up the kind of profits that could support wage boosts covering skyrocketing food and fuel prices.

If Okum is offering a logical explanation of wage moderation in 1973, it would suggest that wage moderation should continue in 1974. After all, the economy will be even weaker this year than last, and while there will be some shift in the profit picture, the over-all earnings of industry are expected to slip.

But logic won't necessarily prevail. First of all, the rise in inflation is more dramatic. The "double-digit" or Latin American type of inflation has already arrived and is certain to get worse, putting increased pressures on labor leadership to deliver fatter wage packages. With the elimination of all wage controls by April 30, the psychological restraint of the 6.2 per cent ceiling—especially on unorganized labor—will be absent

This doesn't alter the fact that many industries, or companies within an industry, won't be able to sustain a 12 per cent wage increase—and that suggests that the era of labor peace which has been a useful by-product of the controls period could also be at an end.

Privately, important labor officials recognize this fact, but wonder whether they will be able to contain their rank-and-file. Some early signals of what may lie ahead will come in Abel's negotiations with the steel and non-ferrous industries beginning next month, and then with the first nation-wide bargaining in mid-July by the communications and electrical workers with AT & T. Important negotiations will follow in the aerospace, clothing, shipbuilding, airline, mining, shipping and railroad industries.

All of this points to the wisdom of studying the "social contract" idea first put forward by George Perry of the Brookings Institution—the notion that real income might be raised by tax reduction rather than unusually large wage bargains.

Labor's first reaction to Perry's suggestion was to brush it off as impractical wooly-headed thinking by an unpractical professor. A wage raise negotiated by union leadership, to be sure is evidence that union leaders are earning their own salaries. But in today's complicated and tender economic relationships, anything that would restore lost purchasing power without kicking off a new round of inflation deserves everybody's unemotional consideration.

[From the Monthly Tax Feature, February, 1974]

The Case of the Vanishing Pay Raise

How can you get a 50 percent pay boost in eight years and still have less than you started with? Thank higher taxes and inflation. The higher pay means higher taxes. Inflation, encouraged by soaring Federal budgets and enormous deficits, does even more damage.

A person earning $10,000 in 1966, whose pay raises totalled $5,000 by 1974, would now be earning $15,000. But taxes and inflation put today's $15,000 salary through a wringer that leaves the breadwinner with about $159 less in purchasing power than he had eight years ago.

The figures do not apply to those whose raises totalled much more than 50 percent. For example, Federal civilian employees and private construction workers received nearly a 75 percent increase in the eight-year period; they are clearly better off.

But many millions of employees in such fields as wholesale and retail trade, manufacturing and some services find themselves worse off in terms of what their money will buy. For those on fixed incomes, the picture is even bleaker.

Here's how the evil combination of taxes and inflation works. Take a family of four with one earner and $10,000 income in 1966. Start where the taxes start, with the amounts withheld from a year's paychecks. The Federal income tax came to $1,013. Despite some reduction in the tax, its bite on the larger salary is $1,685. The Social Security tax has been increased from $277 to $772.

State income tax collections, which amounted to less than 8 percent of Federal income tax collections in 1966, now take more than 15 percent. On average the $78 state tax on $10,000 income in 1966 has risen to $257 on $15,000 in 1974.

The total of income and payroll taxes, over $1,300 greater, does not include city taxes withheld in many parts of the country. Nor does this example attempt to show separately the many other taxes to be paid from the after-tax take home pay of $8,632 in 1966 and $12,286 in 1974.

While taxes have reduced that $5,000 pay increase to $3,654, look at what inflation has done to the remaining take home pay. In the past eight years the dollar has lost nearly 45 percent of its purchasing power. In terms of 1966 dollars, today's take home pay of $12,286 equals only $8,473 or $159 less than the take home pay of $8,632 in 1966.

Here's how the combination works out on that $10,000-a-year man of 1966, who has seen his $5,000 pay raise turn into a $159 loss. Assume that he is still married and his two children under 21:

	1966	1974
Salary	$10,000	$15,000
Taxes withheld:		
Federal income	1,013	1,685
Social Security tax	277	772
State income tax	78	257
After tax income:		
In current dollars	8,632	12,286
In 1966 dollars	8,632	8,473
Loss in purchasing power		159

The loss in purchasing power is even greater in higher income brackets (see accompanying chart). A $20,000-a-year person in 1966 may be 50 percent higher at $30,000 but his buying power is $386 less than it was. A $50,000-a-year man, on the same basis, is $2,477 worse off.

NET CHANGE IN AFTER-TAX PURCHASING POWER
1966-74

Salary 1966	50 percent salary increase 1974	Increase in taxes 1966–75	Loss to inflation 45 percent	Net loss in purchasing power
$5,000	$7,500	$480	$2,031	$11
$10,000	15,000	1,346	3,813	159
$15,000	22,500	2,110	5,607	217
$20,000	30,000	3,119	7,267	386
$30,000	45,000	5,844	10,228	1,072
$50,000	75,000	12,275	15,202	2,477

Note: Taxes and inflation work hand in glove to give incomes a beating. The chart above shows how they can knock down even a hefty 50-percent increase in income in the past 8 years. Tax Foundation, Inc. based the figures on a 4-member family with 1 breadwinner, and pay raises totaling 50 percent since 1966.

PENNSYLVANIA DELEGATION ADDRESSED BY JAMES F. TRESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. Clark) is recognized for 5 minutes.

Mr. CLARK. Mr. Speaker, I have just heard a very worthwhile and enlightening talk presented to the Pennsylvania congressional delegation here in the Capitol. This talk was given to us by James F. Tress, vice president of housing, PAHRA. Mr. Tress is also the Beaver County housing authority administrator in Beaver County, Pa.

The talk follows:

Address by James F. Tress

Thank you for this opportunity to express the housing comments on behalf of PAHRA.

There is no need to historically review low-rent housing programs, but to express our dilemma in housing with a few background comments.

The public housing program started in 1937 and has had the distinction of running at low speed for nearly 40 years. In this period it has managed a little better than one million units in comparison to 64 million total dwelling units in the country. In contrast Pennsylvania's situation has not faired any better. For various reasons, including vested interest, the program has been held down to lower levels. In most cases it is due to lack of national purpose.

During this 40 years, housing authorities have been subjected to program changes, shifts in program emphasis, attacks on financial solvency and numerous changes in operating directions.

In 1965 one of the many new approaches to try to solve the housing problems of the poor was a program to permit HUD to finance leasing by local housing authorities of privately owned housing, new and old, in clusters or individual units. The idea was to get away from "project" image, mix racial group, and give private enterprise a cut at this program and pay local taxes—162,000 housing units in the Nation are under contract in eight years, and only 5,219 in Pennsylvania. This figure includes 1,721 new and 3,498 used.

In the administration's budget for fiscal year 1975 it is proposed to virtually eliminate the public housing program, change the old leasing program, and interject the new section 23 leasing section. These changes will affect housing in the following manner:

1. New section 23 does not focus housing assistance on needs of the lowest income families, particularly the elderly.

2. New section 23 does not extend use of tax-exempt bonds issued by public agencies, of securing the investment credit.

3. New section 23 does not provide national ground rules which maximum initiative and responsibility are vested in local government and public agencies and particularly landlord-tenant relationships.

4. New section 23 does not provide workable and sound method for involving the private investor, the housing developer and private landlord in a cooperative relationship with the public agencies that each perform the task he is best equipped and skilled to undertake.

5. New section 23 does not provide sound method for initiating new housing opportunities for low-income families in locations related to employment and community services.

We believe the existing section 23 legislation of the Housing Act of 1937 should be retained substantially as it now exists. The regulations as proposed by the administration are not in conformity with the intent of the existing section 23 leasing program as passed by Congress.

The next point I want to draw to your attention is the much taunted housing allowance program. This has been defined as a general system of grants to low-income households intended to be spent largely on housing. The housing allowance program is in the experimental stage using the "demand experiment", "supply experiment", and the "administration agency experiment". Title I of 1965 act initiated two programs which suggested the increased popularity of housing allowance concept, section 23, leased public housing, and rent supplement program.

It is ironic that new section 23 HUD rules are being initiated prior to the experiments being completed, without regard to families or elderly. I suggest reference to "the first annual report" of these experiments dated May 1973 by HUD. Conclusions are not even suggested in this report.

This supports the premise that no changes should be made in housing production methods until these experiments are finalized and reviewed for effect. This project date should be 1976.

The third subject that is more than critical is the total freeze on funds for construction and operating fund reduction. Pennsylvania housing authorities have lost over 112 projects representing $227,432,000.00 for 8,593 units. Of these units 5,767 elderly and 2,272 family and 104 leased units were lost. These figures are as of March 1, 1973 survey. With this freeze has been the loss of extensive modernization funds. Without these funds some older projects will slip to substandard condition, just as modernization begins to roll, funds were frozen. The appropriated modernization funds for F.Y. 1974 and 1975 amount to 20 million dollars. This amount is totally inadequate.

Prototype cost method for distributing operating funds for housing authorities will be generally accepted if the "urban institutes" proposed operating formula for improved management is properly funded. Funding proposals are again short by at least 50 million dollars. Also, formula will be accepted if:

1. Utilities are always separated from formula.
2. At least $13.00 spread for further testing and validity.
3. Appeal procedure through HUD by LHA.
4. Study must be updated every three years.
5. Control measures will take new factors when source information changes each year (i.e. population, average local government wages, etc.).

Arbitrary policy decisions by O.M.B., disarray of HUD policy and occasional legislative setbacks have taxed housing authorities to the breaking point.

We are pleading for relief in behalf of the elderly and families that are being served. After over thirty years and 68,000 housing units under management in Pennsylvania there is need to more than survive. There are over 46,500 elderly and 205,000 family members that must be provided standard and safe housing, and waiting families that need housing.

Thank you for this opportunity. I hope we will be able to answer your questions.

NICARAGUAN ASSISTANCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Murphy) is recognized for 10 minutes.

Mr. MURPHY of New York. Mr. Speaker, today with the passage of the significant Foreign Disaster Assistance Act (H.R. 12412), the United States once more has joined with the world community of nations in helping those people and nations who are in dire need. A total of $115 million is being provided in overall disaster assistance to help ease the monumental economic burden caused by the destruction in three massive calamities—the drought in the African Sahil, the floods in Pakistan, and the earthquake in Nicaragua. Certainly this specific bill is one more example of the efforts of the U.S. people to ease human suffering, and I congratulate my colleagues in their support of this legislation.

May I outline what this bill does specifically for the valiant country of Nicaragua, one of the greatest friends the United States has in this hemisphere? More than 200,000 Nicaraguans were left homeless after this disasterous earthquake struck a few hours before Christmas in 1972. This bill authorizes $15 million to finance the construction of 10,000 permanent low-cost housing units for 50,000 Nicaraguan people who have up to now been living in make-shift temporary shelters. To be converted by this act are many of the temporary wooden shelters, erected on an emergency basis in Managua shortly after the earthquake, under a U.S. grant of $3 million.

I would like to emphasize for my colleagues and constituents alike, that the Nicaraguan Government in this case is carrying its share of the load—it will make a similar contribution of $15 million toward this important task.

A summary of the emergency relief and rehabilitation assistance to Nicaragua which has gone before this is also appropriate. Due to the fact that the Nicaraguan peoples, so brilliantly led by Gen. Anastasio Somoza, have done so much to help themselves, additional aid has come into Nicaragua from throughout the world. Not enough, of course, to restore the devastated country and Managua to a "before" condition, but enough to help where the top priorities had to be met to give the people the critical subsistence and medical aid that they needed to continue.

Almost 70 countries in addition to the United States, and 9 international organizations have participated in the splendid relief activities that have gone on since the earthquake. This aid from the international community had no ideological orientation or strings, and it was in excess of $14.3 million. This generous sum was in the form of emergency relief cash and commodity grants from these donor nations and from private foreign organizations.

The U.S. effort itself, has already passed the $36 million mark in cash and commodity grants—our $12.6 million plus over $8.4 million from the private sector. Reconstruction loans to date are around $15 million.

Let me emphasize that the international emergency aid that I have highlighted here is in addition to the many normal programs that had been for years, and continue to be, ongoing, but which have been modified to meet the changing requirements and priorities of the disaster.

In conclusion, I would like to take this opportunity to congratulate General Somoza and all the people of Nicaragua on a job well done, and I know that my colleagues join with me in wishing them continued success in the future.

DANIELSON SAYS RECREATIONAL VEHICLE INDUSTRY DESERVES FUEL ALLOCATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. Danielson) is recognized for 5 minutes.

Mr. DANIELSON. Mr. Speaker, the fuel shortage has had a serious impact upon many economic activities, but few industries have been hurt as badly as the recreational vehicle industry. That is unfortunate, because the recreational vehicle industry provides employment for many thousands of our people, both directly and indirectly, and affords many Americans a welcome opportunity to travel, camp, and enjoy outdoor recreation in our beautiful country.

I have written to William Simon, the Administrator of the Federal Energy Office, urging that his Office keep the needs of the recreational vehicle industry in mind in the development of future plans to deal with our fuel shortage. For the benefit of my colleagues, I am inserting the text of my letter into the Record:

House of Representatives,
Washington, D.C., March 28, 1974.

Mr. William E. Simon,
Administrator, Federal Energy Office, New Executive Office Building, Washington, D.C.

Dear Mr. Simon: In dealing with the petroleum shortage, the Federal Energy Office has adopted a policy which places the major burden of our fuel deficit on the motorist, in order that industry and agriculture will have as much fuel as possible to provide for continued production, employment, and prosperity. We must protect industry and agriculture; that is a valid and wise policy which I commend.

I am convinced, however, that within the area of motor vehicle transportation, additional categories of use should be recognized and fuel allocations should be made to meet their real needs. There is one subdivision of the motor vehicle industry which has been devastated by the fuel shortage—the recreational vehicle industry. I am advised that, of 67 recreational vehicle plants which were operating in Southern Califorina in the autumn of 1973, only 2 are open at the present time, and those are working on a part-time basis. Few other industries have suffered so much due to the fuel shortage.

I am very hopeful that, in developing methods of dealing with our petroleum shortages in the future, the importance of the recreational vehicle industry will be fully recognized. That is an industry which directly employs thousands of people, and which indirectly creates jobs for many thousands more.

Camping, hiking and travelling are wholesome family activities. America has magnificent resources for outdoor recreation, including our outstanding system of National, State, local and private parks and campgroups. These resources not only provide wholesome recreation for hundreds of thousands of Americans, but, as a direct consequence, they provide employment and business opportunities are an important part of our economy.

Hopefully, the fuel shortage will not put an end to the use and enjoyment of these great national resources.

The main reason for the great economic hardship upon the recreational vehicle industry is that the public is highly uncertain about gasoline supplies, and is fearful that recreation and vacation travel will be severely curtailed. Under such circumstances, the purchase of a recreational vehicle is deemed by some to be an unwise investment at the present time.

The best antidote for this pessimism among those who wish to purchase a recreational vehicle would be a forthright and candid estimate of the gasoline situation as it will affect them in the coming months and years, so that the public can guage its purchases of vehicles upon the best information available, rather than rumors and scare-stories.

I request your consideration of this matter and would appreciate your comments.

Very truly yours,

George E. Danielson,
Member of Congress.

LEGISLATION ON PRESIDENTIAL PARDON POWER

(Mr. HANNA asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. HANNA. Mr. Speaker, I am introducing today legislation which I believe will make a positive contribution not only to the legitimacy of current investigations surrounding Watergate-related matters, but also to the long-range adequacy and integrity of our criminal justice system. This legislation will make it a crime either to seek or accept Executive clemency as part of a scheme to commit any offense against the United States or to impede, obstruct, or influence any proper inquiry under the authority of the United States—including inquiries by either House of the Congress. The punishment for committing such a crime would be $5,000 or 5 years in prison, or both.

Mr. Speaker, it is all too unfortunately clear that we are living in unprecedented times. We have heard sworn testimony in the recent Senate hearings that agents of the U.S. Government allegedly discussed Executive clemency with criminal defendants in return for denying other agents of the United States information relevant to criminal investigation. In the midst of an inquiry into possible grounds of impeachment, questions have been put to the President concerning whether those who might otherwise be witnesses against him could expect or hope for clemency for their own crimes if the President remained in office. The answer to such questions has been ambiguous at best. For the President to say that clemency has not and will not be "offered" begs the question, for the central issue is whether or not clemency will be granted and for what reasons.

The Watergate case, Mr. Speaker, shows the inevitable strain put upon our criminal justice system when the possibilities of criminal behavior reach into the very offices of those charged with enforcement of the law. One healthy and essential response has been the establishment of investigatory authority independent of the normal channels of executive procedures—both in the Office of the Special Prosecutor and in the committees of the Congress. But it is nevertheless true, Mr. Speaker, that these other, albeit independent, investigatory authorities may be proceeding under a cloud of expectations of clemency which is encouraging those implicated in crimes to be less forthcoming than they otherwise might be. Even if such expectations have no basis in fact at all, they may nevertheless still be held by desperate men. And even if we are mistaken in our suspicions, the American public has the right to be assured in advance that the effort and cost expended in this and any analogous future case will not turn out to be a sham.

It is true, Mr. Speaker, that many of the acts which would be a part of a scheme which also included the seeking or acceptance of executive clemency would already fall afoul of the criminal law. But it is not at all certain that the seeking or acceptance of clemency as part of such a scheme would constitute a new or separate offense under existing law.

Suppose, for example, that an original Watergate defendant, enticed by slim expectations of executive clemency which were initiated by Presidential aides, failed to be forthcoming. Suppose further that the alleged scheme among the President's aides was carried to its logical extreme by recommendations to the President for clemency supported by falsified documentation. And, finally, suppose that the scheme resulted in the person's receiving clemency from a misled President. It is clear, I would think, that the President's aides would be culpable in such a situation. It is less clear that, after receiving clemency for his original crimes, such a defendant would be liable for a new crime—accepting a pardon as part of a scheme in which he frustrated justice.

The simple fact of the matter, Mr. Speaker, is that, while current developments bring this potential sequence of events squarely within legislative contemplation, it was probably unthinkable to earlier draftsmen of our criminal code that such a scheme involving use of the pardon power would ever arise. This likelihood, coupled with the healthy tendency to interpret the criminal law narrowly, makes it important that what might be provided for only uncertainly in the law now, be stated specifically henceforth.

In short, Mr. Speaker, there presently exists the possibility of a kind of reverse immunity: rather than mitigating criminal penalties for the purpose of facilitating criminal investigation, the potential perversion of the pardon power raises the specter of alleviating such penalties in order to impede justice. The American people deserve a clear statement by Congress which specifically deters such behavior.

One of the reasons why our criminal statutes have not specifically taken cognizance of abuses of the pardon power may be because of fear of raising difficult constitutional questions. After careful study, Mr. Speaker, I am persuaded that the statute which I am proposing today avoids those issues and is perfectly constitutional.

The second section of article I of the Constitution provides:

> The President . . . shall have power to grant reprieves and pardons for offsenses against the United States, except in cases of impeachment.

This provision has been interpreted to give the President plenary power and to prohibit Congress from limiting the effect of a pardon or from excluding a class of persons from its operation. Ex parte Garland, 4 Wall. (71 U.S.) 333 (1867). To George Mason's warning in the Constitutional Convention that a future President might use the pardon power for "crimes which were advised by himself" or "to stop inquiry and prevent detection," the Constitution's response seems reasonably clear: the Congress may impeach the President but may not take away his power to grant a pardon.

Despite the severe limitations placed on Congress ability to legislation in this area, the bill I am proposing today meets the constitutional tests set forth—even when given their broadest interpretation. To begin with, there is no direct disability placed upon the President himself; even if he were a party to the scheme out of which the clemency grew, he would not be culpable under this statute. Any potential "chill" upon the exercise of the President's constitutional power would continue to emanate only from the constitutionally provided for impeachment procedure.

Second, neither can it be said that the proposed statute limits the effects of a Presidential pardon. In its broadest sense, a pardon removes all legal disabilities arising from the commission of a particular offense. Ex parte Garland, 4 Wall. (71 U.S.) 333 (1867). But it does not and cannot operate upon offenses other than those which are the subject of the clemency. Cf. *Carlesi* v. *New York*, 233 U.S. 51 (1914). Under the statute offered for consideration by the House, the effects of any clemency granted by the President for the commission of a prior offense would remain fully operative and would not in the least be impaired. To be sure, the potential recipient of executive grace might be discouraged from participating in such a scheme to obstruct justice or from culminating his participation in such a scheme by accepting a pardon. But it is difficult to see how such a person could raise the existence of the pardon power as a shield for the purpose of engaging in a scheme to abuse the very same power.

Third, the essence of the proscriptions upon Congress interference with the pardon power is that "Congress [cannot] inflict punishment beyond the reach of executive clemency." Ex parte Garland, 4 Wall. (71 U.S.) 333, 381 (1867). Not only does the bill which I have introduced today leave the effects of executive clemency fully operative, but it also defines a crime which itself is fully subject to the President's pardon power. There would be nothing in this bill which would theoretically prevent a continuous string of pardons for violating the prohibition against accepting a pardon as part of a scheme to obstruct justice.

Fourth, Mr. Speaker, it is true that the Supreme Court has, on historical grounds, distinguished between a recipient's ability to refuse or accept a pardon and his inability to refuse a commutation of sentence. Compare *Burdick* v *United States*, 236 U.S. 79 (1915) with *Biddle* v. *Perovich*, 247 U.S. 480 (1927). The apparent reason for the distinction may be in the fact that a pardon affects legal status and a commutation does not; thus, in the latter instance, the clemency is an act which affects the public welfare only and cannot generally be refused. But even if this distinction were still generally applicable today, it would hardly provide a basis for saying that receiving commutation as part of one's scheming to obstruct justice is not a voluntary act. The very requirement that the receiving or agreement to receive be part of a scheme belies any assertion of nonvoluntariness.

Fifth, and finally, Mr. Speaker, we should recognize that those who would make absolutes out of every grant of power in the Constitution propose not a constitutional system—but a tyranny. It has long been recognized that grants of constitutional power and privilege are always tempered by the essential design and purpose of our constitutional structure, by reservations of power and privilege in other persons and branches of

Government, and by the crucible of events.

Thus, for example, strict administrative regulations surround application for executive clemency, and in recent years most, if not all, instances of clemency have occurred pursuant to those regulations. Moreover, despite the fact that most State constitutions contain provisions similar to the Federal Constitution, the National Advisory Commission on Criminal Justice Standards and Goals has recommended that—

> States enact *legislation* detailing procedures (1) governing the application by an offender for the exercise of the pardon powers, and (2) for exercise of the pardon powers.

In sum, Mr. Speaker, the grant of the clemency power to the Executive hardly forecloses all legislative activity. Our task remains that of seeking ways to prevent abuses, and infringements on legislative and judicial prerogatives. Any attempt to blanketly use the few words in article II to prevent proper and constructive legislation by Congress in this area is simply to misread the Constitution, misinterpret history, and misserve the American public.

Mr. Speaker, I am hopeful that the distinguished Judiciary Committee will see the wisdom of reporting favorably on this relatively easy legislation at the earliest opportunity. Its enactment will help assure the American public that in the months ahead, full justice will finally be done.

AN INTERNATIONAL INSTITUTE FOR TECHNOLOGY TRANSFER

(Mr. HANNA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HANNA. Mr. Speaker, today I am presenting results of a staff study to establish a U.S. International Science and Technology Transfer Institute. Utilizing a global telecommunications mechanism, the Institute would permit instantaneous exchange of scientific and technical information between experts in the United States and users in other nations. The global telecommunications mechanism would utilize the existing satellite communications capability of NASA and existing systems and extend the use of services embodied in current leased-lines telecommunications networks.

The urgency and rationale for creation of the Institute are almost self-evident. Let me give you a few reasons.

First, invariably all studies of development demonstrate that the achievement and maintenance of economic growth are contingent upon creation of a science and technology infrastructure. The recent ascendance of Japan, Korea, Brazil, and Taiwan verify this notion. Looking further back into history, we see the correlation between the post-war development of Europe and the Marshall plan which infused these nations with large-scale economic aid and technical assistance. The United States has a demonstrated technical expertise. For humanitarian reasons alone this expertise should be made available to less-developed nations to hasten their industrialization and their efforts to apply technologies appropriate to their cultures and national objectives.

A second motive compelling attention to the proposal is the need to inject greater order and fiscal responsibility into our amorphous foreign and international aid and technical assistance programs, especially those dealing with science and technology and research and development. The Nation has a wide variety of bilateral, multilateral, and nongovernmental programs to aid the nations of the world and to support the exchange of information and scientific and technical personnel. My staff recently began to inventory the expenditures of all agencies with overseas science and technology programs. Two startling facts arose. First, the agencies were not able to tell us how much they spent and where. Second, after our prompting we obtained preliminary data and learned that 24 agencies had foreign science and technology responsibilities during the fiscal year 1974. Their total expenditures approach $1 billion.

But all the available evidence indicates that these efforts are not coordinated: many duplicate each other. Even worse, they do not really constitute a judicious expenditure of public funds since more often than not these programs do not enable a foreign scientist, engineer, or technician to obtain in a timely and expeditious manner, the information he needs to solve his immediate problems.

A third reason prompts introduction of this proposal. It is increasinlgy evident that the economic welfare of the United States is directly affected by the activities of developing countries which have made rapid technological progress or that are producers of commodities in world demand. It is evident also that the present diffused international technology transfer processes do not serve to enhance our relations with these nations especially in our mutual efforts to discover and utilize natural resources found abroad.

The most dynamic increase in markets for U.S. industrial products and services are in those developing countries which already account for about 14 percent of all U.S. exports. That the developing countries are a major source of raw materials of critical importance to the Nation is highlighted by the current energy situation. With the spectacular increase in the price of oil, the burden has been placed on U.S. technology not only to help generate exports to pay for the increased cost of oil imports but also to assure access to materials which are in world short supply.

A fourth reason, of equal significance, is the truth of the well-worn adage—"trade follows the flag." In order to strengthen our economic position we must establish new markets abroad. The transfer of technical information to other countries will undoubtedly hasten the creation of new outlets for American industry and commerce. This will alleviate the drain in our balance-of-payments problem which results from insufficient demand for American technology and our growing dependence upon foreign suppliers.

Mr. Speaker, many of my colleagues will ask—why should we create another mechanism for technology transfer? We should ask, "What is wrong with our existing institutions?"

Mr. Speaker, I can state unequivocally that there is no adequate mechanism in the U.S. Government to respond to this challenge.

I have closely followed the attention that the National Academy of Sciences and National Academy of Engineering have given in their most recent reports to problems of industrialization and technology transfer in the developing nations. These reports describe vividly the complexity of the problem and demonstrate the need for developing indigenous skilled personnel and an improved capacity to absorb technical information. But I have been disappointed with the recommendations made in these reports. These agencies are correct in reporting that far more research is required to understand problems of development and to establish priorities for science and technology growth. But research alone is insufficient.

Furthermore, several recent studies recommend the creation of multilateral institutions to conduct research and support the exchange of paper information among developing nations. I contend that if these efforts are to bear fruit, research, study, and information exchange must correspond directly to the immediate needs of the recipient nations. Furthermore, the operations and activities of multilateral think-tanks would undoubtedly be hamstrung by the political and bureaucratic jockeying for power which all too frequently vitiates the effectiveness of international organizations.

What about the quality of our existing institutions?

The Agency for International Development has done outstanding work in the areas of agriculture, health, population, and education. But AID serves developing countries. As the developing countries gain access to world capital markets, especially through earnings from exports of materials such as oil or manufactures, they are forced to sever their relationships with AID and thus their principal technology transfer link with the United States. The Foreign Assistance Act limits AID scientific and technological assistance to 40 countries.

Thus remaining outside of AID technical assistance efforts are the oil-rich countries of the Middle East. Taiwan, Malaysia, Mexico, Argentina, Venezuela, with other countries such as Korea, Brazil, and Nigeria, soon to join their ranks. However, these are precisely the countries which are the most interested in developing technical ties with the United States and which have the resources to become major trading partners with the United States.

The United States has begun to push disjoined basic science-oriented bilateral and multilateral activities with some of these countries. However, in the meantime, commercial competitors, such as Japan, Germany, and France have been vigorously conducting negotiations with a number of developing countries, including certain of the oil-rich countries, for the transfer particularly of industrial technologies. Germany and Japan have made use of the close ties between their foreign affairs agencies in the government and manufacturers associations which had been nurtured in the post-World War II era. In the case of France, prominence is given to the Ministry of Industry and Commerce which supervises scientific and technological research.

More concerted action in this field by the U.S. Government, with a clear congressional mandate and with adequate funding is long overdue.

The need for new institutional arrangements within the United States to deal with the post-AID countries has been long recognized. In January 1970, the then Secretary of State, Mr. Rogers, wrote to the AID Administrator, and called for remedial action. He said:

> At present there is no adequate institutional mechanism for identifying . . . opportunities and for facilitating relationships at the technical level among Government agencies, universities, industrial concerns, and other private organizations of the United States and the post AID countries . . .
>
> I consider the repair of these deficiencies to be a matter of some urgency.[1]

It was decided to send a mission to Iran, as an example of an oil-rich country, where AID had terminated its operations, to explore the need for establishing a mechanism for developing technical cooperation. Dr. Lewis M. Branscomb, vice president for science of IBM, who at that time was Director of the National Bureau of Standards headed the mission. On the basis of talks with top-ranking officials of the Iranian Government and with Iranian industrialists, scientists and educators, the Branscomb mission urgently recommended that the U.S. Government set up an institution to promote technological transfer to countries, such as Iran, that no longer were seeking financial assistance from AID. The report emphasized that this would serve a broad range of National interests, both governmental and private, and should not be regarded as a form of charity, stating:

> Even though a nation may have reached the stage of self-sustaining development, it does not follow that technical assistance is no longer required. Indeed, as personal incomes mount and popular expectations rise, and as the economy begins to demand a more complex pattern of industrial infrastructure, the need for some types of technical help grows.
>
> The public benefits associated with strengthened U.S. commercial, as well as scientific and international, relations with Iran justify the United States Government's financing the supporting service and other costs necessary to ensure that Iran and similar countries are aware of, and have access to, U.S. public and private institutional capabilities on a reimbusable basis, and that these institutions maintain their competence to respond. To the extent that more tangible U.S. self-interest in technical cooperation can be demonstrated the use of U.S. public funds to share the cost of technical cooperation is justified. Such investments should not be regarded as "aid", any more than Department of Commerce sponsored trade fairs are "aid". . .
>
> The growing political and commercial importance of the relationship to the United States as a whole justifies investments by the United States Government to foster our ability to help the host country to identity and get access to responsive U.S. technical services".[2]

The Branscomb report, released in April 1972, advocated approval of the administration's proposal to reform the Agency for International Development by creating the International Development Institute—IDI. This institution would have had authority to provide technical assistance to all developing countries on a reimbursable basis in relation to each particular country's financial position. The Foreign Assistance Act of 1973 rejected the IDI proposal, however, and also rejected a proposal adopted by the House which would have provided AID with a fund of $3 million to develop economic and technical cooperation with the oil-producing developing countries and with other countries not eligible for financial help on concessional terms. The basis for eliminating the House proposal appeared to be a decision that AID should concentrate on its primary mission of relieving human misery through programs mainly in the sectors of agriculture, education, and population as well as disaster relief.

For other reasons, a somewhat similar situation has developed in our relations with the countries in Latin America and the Caribbean. In seeking to improve relations with those countries, the Secretary of State in meeting with the other American foreign ministers at Mexico City on February 23, 1974, proposed an inter-American Commission on Technology. Mindful of AID's priorities in its program for Latin America, the Secretary suggested that the program would be designed to deal mainly with education, housing, and agriculture.

The Secretary did not specifically refer to industrial technology in his proposal In the final form in which the proposal was approved by the foreign ministers with U.S. approval included industrial technology was given primary emphasis. The communique issued on February 24, 1974, at Mexico City stated:

> With respect to "Transfers of Technology", the Foreign Ministers agreed to promote policies facilitating transfers of both patented and unpatented technical knowledge among the respective countries in the fields of industry as well as education, housing, and agriculture, taking into account conditions prevailing in each country and in particular the needs of the Latin American and Caribbean countries for introduction of new manufacturers for greater utilization of the human and material resources in each country, for increased local technical development and for creation of products for export.

The Inter-American Commission for Technology was to be composed of leading scientists and experts from all the Americas and would report to governments on the basis of regular meetings.

Whether a new commission is to be created or whether some existing entity within the Organization of American States is to be assigned the functions agreed by the foreign ministers is now being actively explored. However, if the commitment on the part of the United States is to be more than another exercise of high-sounding declarations followed by long periods of neglect, as the Secretary said in his speech at Mexico City in reference to past pledges by the U.S. Government, the U.S. Government must be prepared to follow up on recommendations forwarded to it by the Inter-American Commission on Technology or whatever the new institution may be called in the future when it is established.

Mr. Speaker, my proposal to establish an International Science and Technology Transfer Institute would alleviate some of these problems. The Institute would be established as an autonomous entity linked to the National Science Foundation. The Foundation is uniquely suited to this task; its Director, Dr. Stever, is the President's science adviser and has been delegated responsibilities for civilian foreign and international science formerly implemented by the Office of Science and Technology.

The Institute would be governed by an interagency council comprised of all U.S. agencies having susbtantial foreign and international science and technology responsibilities: The NSF, the Departments of Health, Education, and Welfare, State, and Commerce; and the Office of Technology Assessment. Nongovernmental agencies, such as foundations with experience in development programs abroad, would sit as nonvoting but advisory members of the council.

The staff of the Institute would inventory and coordinate the dissemination to other nations of all nonclassified and nonproprietary governmental scientific and technical information. It would also establish a mechanism to provide the recipient countries, on a reimbursable basis, with referrals and access to copyrighted and proprietary information and consulting services of American industrial firms.

Staff of the office would be preeminent scientific and technical personnel as well as communications specialists, especially those familiar with problems surrounding the diffusion of technology.

The staff would also identify and coordinate the telecommunications systems to be used in transferring information. Intelsat, NASA systems and prototype models, and microwave communications systems would be used. The user mechanism for communications would involve voice, slow scan video, teletype, facsimile, computer retrieval, and interactive television and cathode ray devices. A unique feature of the system would be its interactive nature—permitting, in effect, dialogue between sender and recipient. All nations of the world are already linked by extensive telephone communications systems. We would expect great use of this mechanism, especially of leased-lines. The communications system would operate 24 hours a day.

What types of information would be

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[1] Cited in "Technical Cooperation with Iran," a Report to AID by a Mission headed by Dr. Lewis M. Branscomb, dated April 11, 1972, p. 5. NTIS Acct. No. PB 212-397.

[2] Op. cit.

transferred? Several examples come to mind. Research reports as well as discrete bits of information would be included. Examples from the numerous existing communications networks are those of the Advanced Research Projects Agency, COPE—for social program information—and Medline—for medical research and health diagnostic service. The Institute would also investigate linking participating nations in some of the more innovative and interactive satellite communications networks.

Examples here include NASA's ATS-F satellite system, to be launched April 14, 1974, to provide interactive communications in education, health, and career counseling for the Rocky Mountain area and a similar application of the same system in India for educational television. Investigation can also be made of incorporating into the service the facilities of the Lister Hill National Center for Biomedical Communications. This system now serves Alaska and New England. A similar network is being planned for Micronesia, the Trust Territory of the Pacific Islands, and American Samoa. Ground stations on at least three islands will be linked to the major medical, educational, and library resources of the University of Hawaii via the ATS 1 satellite.

The mechanism I envision is not wholly unilateral. We have had a number of discussions with officials of other nations who express their financial and political support for the proposal.

In developing this concept we are aware of the two important caveats expressed by development experts. First, that existing technology taken "off the shelf" is not well suited to the development needs of all nations. And second, that the indiscriminate import of foreign technologies by developing countries has not met with uniform success because imported technologies can aggravate problems arising from mass unemployment and maldistribution of incomes.

To alleviate this problem we would foresee the establishment of counterpart matching institutes in the participating countries. Staffed with teams made up of indigenous personnel we would hope to achieve better understanding of requirements surrounding the transfer of information. These experts would also help foreign nationals to formulate questions and coordinate the flow of information through the system.

We would expect the U.S. agencies participating in the Council of the Institute to provide venture capital to support the organization in its formative stages. After a few years the Institute would become a self-supporting world bank for the transfer of technology.

During its first stage the Institute would operate on a demonstration basis. We would develop feasibility or demonstration projects with those nations most eager to utilize American technical knowledge. We would hope to begin with demonstration projects in the major oil producing countries: the Arabic world, Indonesia, and Colombia. We chose these countries because of the interest their officials have expressed in the proposal and for the mutuality of our economic and technical interests.

As the Institute demonstrates its feasibility we would expect it to assist in the exchange of interdisciplinary assistance teams, composed of both government and private experts to assist in projects requiring long-term on-site assistance.

We would expect the Institute to eventually become self-supporting through subscriber fees. And as it demonstrates its excellence we envision the enlargement of participation to include other countries as well as regional international organizations.

In conclusion, I should like to remark that our consultations with experts on this topic have generated several other anticipated uses for the Institute. It is conceivable that the facilities of the Institute could be utilized by international development agencies in assessing the need for support of science and technology or economic development projects. Another anticipated use would be as an international emergency center—facilitating the transmission of information and assistance in national or international disasters. And it seems likely that the information base and communications capabilities of such an institute would serve in the conduct of international technology assessments. I hope my colleagues in the House will study this proposal carefully and join in its sponsorship.

AID TO OLDER AMERICANS

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I have issued a booklet which contains helpful information to older Americans, particularly those living in the borough of Manhattan. It is the kind of information which would be helpful to older Americans wherever they live, with the appropriate changes reflecting the particular congressional district.

I have had a number of requests from Senators, Members of Congress, and other interested parties for copies of the booklet. I am setting it forth with the thought it would be of interest to our colleagues.

The material follows:

CONGRESSMAN EDWARD I. KOCH REPORTING ON AID FOR OLDER AMERICANS

(A guide for senior citizens in Manhattan, second edition)

WASHINGTON, D.C., *April 1974.*

DEAR FRIEND: Almost one million older Americans live in New York City today. As a senior citizen, you are part of an important and special group in our city. You have made many valuable contributions to New York and you are owed the means for living a dignified life in your golden years.

In Congress, I have proposed legislation to improve and expand government benefits and services for the aged. These measures are outlined on pages 4, 5 and 6 of this booklet. I hope you will work with me to obtain the enactment of this legislation.

While new bills are needed, a number of good programs already exist. Because many people don't know about the opportunities and benefits available to them, I have prepared this guide for senior citizens. In the following pages you will find many agencies listed. Please understand that because of space limitations and because new organizations are continually being formed, I have not been able to mention all the agencies giving help and providing worthwhile opportunities. The omission of an agency should not suggest that it is any less helpful.

I hope this booklet is helpful. And, I hope you will join in the effort now underway to reach out to those elderly citizens not receiving the benefits they deserve. If you know of such a person or if you have any questions or problems on any matter, please write, call or stop by my office at 26 Federal Plaza.

Sincerely,

EDWARD I. KOCH,
Member of Congress.

LEGISLATION FOR THE ELDERLY

It is almost two years since the White House Conference on the Aging made important recommendations for improved and expanded government services for the elderly particularly in the areas of adequate income and health benefits. The need to carry out these programs is made all the more pressing today by the hardships caused by rampant inflation.

Since I have been in Congress, I have worked with my colleagues to enact sorely needed legislation for the elderly. This year I cosponsored amendments to improve and expand the Older Americans Act which were signed into law in May 1973. Among other innovations, this law provides for a comprehensive social services system, model projects to solve some of the every day problems of the elderly, an older workers community employment project, an expansion of the Foster Grandparent program and a strengthening of research in the area of aging.

The Agricultural and Consumer Protection Act was signed into law in August 1973. It permits needy persons over 60 and their spouses to use food stamps to purchase meals at senior citizen centers and other nonprofit eating establishments.

A recently enacted 5.9% social security increase will become effective July 1974. However, both the House and Senate have increased that amount so as to make it an 11% cost-of-living increase. This two-step increase in benefits would consist of a 7% increase payable in March 1974, with the full 11% increase effective in June 1974. Hopefully, the President will have signed that bill by the time you read this.

The following list briefly describes some of the legislation I am sponsoring:

H.R. 23—To create a National Health Care program.

H.R. 698—To increase the personal income tax exemption to $1200.

H.R. 702—To allow tenants of houses or apartments to deduct their proportionate share of taxes and interest paid by their landlords.

H.R. 705—To amend the IRS Code to provide a full exemption from the employee's tax and an equivalent reduction in the self-employment tax for individuals 65 and older.

H.R. 709—To make available to medicare patients prescription drugs not covered under that program, eyeglasses and hearing aids.

H.R. 710—To provide for the payment of attorney's fees incurred by an individual who successfully challenges a decision to deny, reduce, or limit Federal or State benefits.

H.R. 715—To establish a single tax schedule for all individual taxpayers, regardless of their marital status.

H.R. 1492—To ensure that veterans' pensions are not reduced because of increases in social security benefits.

H.R. 2037—To provide increased employment opportunities for middle-aged and older workers.

H.R. 2038—To authorize the establishment of an older worker community service program.

H.R. 2252—To strengthen and improve the Older Americans Act. Public Law 93-20, signed May 5, 1973.

H.R. 4004—To ensure that recipients of Federal and State public assistance and other aid programs will not have their payments reduced because of increases in monthly social security benefits.

H.R. 5465—To provide neighborhood health care centers for medicaid patients.

H.R. 8955—To authorize an experimental program to provide care for elderly individuals in their own homes.

H.R. 9096—To provide free or reduced-rate transportation and new and improved transportation programs for the elderly and disabled.

H.R. 9820—To encourage owners of commercial buildings and transportation facilities by tax incentives to remove existing architectural and transportational barriers with respect to the elderly and disabled.

H.R. 11123—To provide for nutrition programs for the elderly.

H.R. 11715—To permit an individual receiving social security benefits to earn outside income without losing any of those benefits.

H. Res. 459—To create a Select Committee on Aging.

H.J. Res. 420—To proclaim a National Grandparents Day. A similar version passed the Senate, Nov. 15, 1973.

INCOME

Social security benefits

Social Security is money you have earned and set aside in a special trust fund during your working years. You are entitled to receive this money in monthly installments after you retire, or are disabled, or you are the widow or widower or dependent of a deceased person entitled to social security benefits.

You may receive retirement insurance at age 65, or reduced benefits if you retire at age 62. The wife of a man receiving social security benefits is entitled to wife's insurance when she reaches age 62, even if she herself has not worked. You may receive disability benefits if you become permanently disabled at any age. Your family is entitled to survivor's benefits and funeral expenses if you die. There are many benefits under the Social Security Act to which you may be entitled and which you may learn about at your local Social Security office.

You must apply to your local Social Security office to receive benefits. They will compute the exact amount of the benefits to which you are entitled. In Manhattan, the Social Security offices are located at:

4292 Broadway (near 183rd St.), 923-2510.
101 West 144th Street, 234-7100.
230 West 125th Street (bet. 7 & 8 Aves.), 749-1000.
1657 Broadway (near 52nd St.), 586-1616.
39 Broadway (near South Ferry & Wall St.), 264-9400.

Supplemental security income

The new SSI program—Supplemental Security Income—beginning January 1974 will establish a basic cash income for needy persons who are 65 or older, or blind, or disabled. Those who are now receiving public support assistance will automatically be transferred to this program. Those who are not receiving any assistance should, if they think they might be eligible, apply for it.

Persons who receive social security benefits might also be eligible for SSI payments. The Social Security Administration and the States are now working together to see that these new monthly payments are sent automatically to those eligible in January 1974.

Local Social Security offices are receiving applications from persons who think they might be eligible for these federal programs. If you receive SSI benefits, you will not be eligible for food stamps.

FOOD STAMPS

You can increase your food purchasing power with food stamps, which allow you to buy extra food at most food stores. You are eligible if you are over 60 and your income and assets do not exceed the following limits after January 1, 1974.

Number in family:	*Net monthly income*	*Allowable assets*
1	$183	$1,500
2	260	3,000

Other low income families might also be eligible if their income does not exceed these limits. To apply, find the office nearest you by calling 433-3404. When you apply, bring with you if possible your rent receipts, wage statements, bankbooks, checking statements and medical expense receipts.

This is not charity. Just as we give subsidies to businessmen, the elderly are entitled to this form of "buying power".

Meals delivered to home

The following are some of the centers that deliver meals to persons who cannot leave their homes:

Church of St. Paul & St. Andrew, Nutrition & Health for Senior Citizens, 263 West 86th Street, 877-6222.

Gold Star Senior Citizens Club, 62 West 127th Street, 722-4766.

Henry Street Urban Life Center, 334 Madison Street, 962-1100.

Hudson Guild, 441 West 26th Street, 524-6700.

Stanley Isaacs Neighborhood Center, 415 East 93rd Street, 427-1100.

Hot lunch information

For information where hot lunches are served to eligible senior citizens call:

Department of Social Services, 250 Church Street, 553-5997.

Jewish Association for Services for the Aged, 222 Park Avenue South, 677-2530.

Some senior citizen centers in the city will shortly be receiving Title VII money under the Older Americans Act for a special lunch program. Call the senior citizen center in your area for specific information.

HEALTH CARE

Medicare

Medicare is a federal health insurance program for those 65 and older, regardless of income. It consists of two parts. Part A provides for hospital insurance, some nursing home and home care. It is free but you must apply for it. Part B costs $6.30 a month and you must apply for it. It will pay for most doctor's services, as well as hospital laboratory and radiology services, ambulances, out-patient hospital benefits and some home and health benefits.

All persons 65 and older who qualify for monthly social security or railroad retirement benefits are eligible, including those who still work and do not receive monthly benefits. You apply at your local Social Security office, preferably within three months of your 65th birthday. Bring with you your social security card and your birth certificate. The local offices in Manhattan are listed on page 7 of this booklet.

Medicaid

Medicaid is a program of medical assistance for the needy person and must be applied for. It is a federally-aided and state administered program. It pays what Medicare does not for those eligible for both programs.

For those eligible for public assistance, medicaid pays medical bills and related services. It covers costs for physicians, dentists and other professionals, hospitals, nursing homes, out-patient or clinic services, home care, drugs, eye glasses, etc. For those not eligible for public assistance, it only covers 80% of doctor's fees, hospital and nursing home care, and clinic and laboratory services.

Those eligible are medically needy persons over 65 who meet certain requirements, persons on public assistance, and those whose medical bills exceed 25% of their income if they are hospitalized for catastrophic illness. The Bureau of Medical Assistance, 330 West 34th Street, 594-3050 will send application forms, If you apply in person, you will need to show your name, address, social security number, age, annual income, amount of savings, and other liquid assets.

Those who are eligible for Supplementary Security Income payments will automatically receive Medicaid.

Information on Nursing Homes, Convalescent Care and Home Health Services

For information and referral on nursing home care, convalescent care and homemaker services call:

Information Bureau, Community of Greater New York, 225 Park Avenue South, 775-5000.

Catholic Charities, 1011 First Avenue, 371-1000.

Federation of Protestant Welfare Agencies, 281 Park Avenue South, 777-4800.

Jewish Association for Services for the Aged, 222 Park Avenue South, 677-2530.

Department of Social Services, 401 Park Avenue South, 340-5897.

Foster Homes for Adults, 109 East 16th Street, 460-1111.

Greenwich House Health Clinic, 27 Barrow Street, 242-4140.

Visiting Nurse Service, 107 East 70th Street, 535-1100,

Cancer Care, 1 Park Avenue, 679-5700,

Chelsea Village Home Care, St. Vincent's Hospital, 620-2045.

Adventist Nurse, 227 West 46th Street, 757-8500.

Mental Health Programs

For information on health care call:

Mental Health Association of Manhattan and the Bronx, 1440 Broadway, 564-0550.

Geriatric Health Service, Bellevue Hospital, First Avenue & 30th Street, 561-4821.

Karen Horney Clinic, 329 East 62nd Street, 838-4333.

Service Program for Older People, 136 West 91st Street, 724-3000.

Widows Consultation Center, 136 East 57th Street, 688-8850.

HOUSING

Senior citizen rent increase exemption program

In rent-controlled apartments only, citizens 62 and older are entitled to a rent reduction if they meet all of the following requirements:

You have received a notice of rent increase effective on or after January 1, 1973 and the section number on the bottom left hand corner of the notice reads: 24, 25, 33.5, 33.6, 33.7 or 33.8.

You do not receive public assistance.

You are the head of a household.

The total disposable income of your household does not exceed $5,000 per year.

The increased rent is more than one-third of total household disposable income.

To apply, call your district office for a Rent Increase Exemption Form:

Upper Manhattan, 2828 Broadway (110th Street), 633-6800.

Lower Manhattan, 2 Lafayette Street, 12th Floor, 566-7970.

Real property tax reduction

Senior citizens 65 years and older who own property in New York City may obtain a 50% reduction on real property taxes if you meet all the following:

The income of the owner was no more than $6,000 for the year preceding the date of application. A couple must compute their combined income: gifts or inheritances may be omitted.

The owners have held the title of the property for at least 5 years before application for exemption.

The property is used for residential purposes only, and is the legal residence of the owner and occupied in whole or in part by the owner.

Owners must apply at the Real Property Assessment Dept., Municipal Building, 566–3400 and file applications between February 1 and March 15. Bring with you the deed to the property, proofs of age, legal residence and income for the past year. If one of the owners shown on the deed is deceased, a copy of the death certificate is needed. A city tax bill is helpful, but not necessary.

For inquiries and applications for public housing and emergency housing problems:

New York City Housing Authority, Applications Office, 5 Park Place, 233–8878.

NYS Division of Housing and Community Renewal, 2 World Trade Center, 869–0470.

NYC Housing & Development Administration, 100 Gold Street, 566–4440.

For complaints on housing:

Rent and Housing Maintenance, 215 West 125th Street, 960–4800.

TRANSPORTATION

Reduced fare card

All persons 65 and older who are not employed full time are eligible for a Reduced Fare card which provides half-fares on subways and buses in non-rush hours. To obtain the card, call the Reduced Fare Information Office, 305 Broadway, 566–0580 to find the location nearest you to pick up your card. Bring with you any document showing your age, such as a birth certificate. If you lose your card, call to obtain a replacement card.

Buses: Show your card and deposit half-fare in the box.

Subways: Show your card to the agent, buy a full-fare token and ask for a return trip ticket. Use the token on your way in. On your way home, give the ticket to the agent, show him your half-fare card and enter through the exit gate free. You must use the return trip ticket on the same day.

Tickets are good all day Saturday, Sunday and holidays until midnight; Weekdays from 10 a.m. to 4 p.m. and 7 p.m. to midnight.

EMPLOYMENT AND VOLUNTEERING OPPORTUNITIES

American Red Cross, 150 Amsterdam Avenue (66th St.), 787–1000.

Council Workshop for Senior Citizens, Nat'l Council of Jewish Women, 915 Broadway, 674–8010.

Dept. of Social Services, Div. of Volunteer Services, 109 East 16th Street, 8th Floor, 460–8456.

Elder Craftsmen Shop, 850 Lexington Avenue, 535–8030.

Federation Employment & Guidance Service, 215 Park Avenue South, 777–4900.

Foster Grandparents, 250 Broadway, 233–1713.

Jewish Association for Services for the Aged, 222 Park Avenue South, 677–2530.

Mayor's Office for Volunteers, 250 Broadway, 566–5950.

Mature Temps, Inc., Am. Association of Retired Persons, 1114 Avenue of the Americas, 869–0740.

New York State Dept. of Labor, Division of Employment, 370 Seventh Avenue, 563–7660.

The Path Program, 154 West 14th Street, 242–9050.

Retired Senior Volunteer Program, 105 East 22nd Street, 254–8900.

Action Groups

The Gray Panthers, 626 Riverside Drive, 368–2945.

Committee of Aging & Disabled for Welfare and Medicaid, 160 West 71st Street, Suite 21, 874–0300.

Congress of Senior Citizens of Greater New York, 13 Astor Place, 673–5120.

National Retired Teachers Association, Am. Association of Retired Persons, 555 Madison Avenue, 758–1411.

LEGAL ASSISTANCE

You may need to consult a lawyer or use legal services during your retirement years. You may ask family or friends to recommend an attorney, or call the NYC Bar Association at 682–0606. If you cannot afford to retain an attorney, you may contact:

Community Action for Legal Services, 335 Broadway, 966–6600.

Legal Aid Society, 11 Park Place, 227–2755.

MFY Legal Services, 214 East 2nd Street, 677–0400.

HOMEMAKER SERVICES

The New York State Employment Office provides cleaning services to older people for hourly wages. You may call your Manhattan Household Office, if possible several days in advance, at 247 West 54th Street, 765–6700. Some of the following agencies also provide such services and have volunteers who help older people free of charge with simple housework, shopping, errands, obtaining food stamps and just visiting.

Catholic Charities, 1011 First Avenue, 371–1000.

Department of Social Services, 401 Park Avenue South, 340–5897.

East Harlem Committee on Aging, 312 East 109th Street, 427–0048.

East Midtown Services to Older People, 11 East 29th Street, 889–1620—(Aides do no housework—escort, shopping and errand services available.)

ILGWU, Retirees Service, 201 West 52nd Street, 265–7831.

Jewish Association for Services for the Aged, 222 Park Avenue South, 677–2530.

Nurse & Placement Office, NYS Employment Service, 444 Madison Avenue, 688–0540.

The Path Program, 154 West 14th Street, 242–9050.

Project Ezra, 195 East Broadway, 982–3080.

Project Find, 160 West 71st Street, Rm. 2M, 874–0300.

Project Pilot I, 136 West 91st Street, 787–8106.

Project Pilot II, 1250 Amsterdam Avenue (121st St.), 666–7426.

Search and Care, 316 East 88th Street, 860–4145.

Selfhelp Community Services, 44 East 23rd Street, 533–7100.

Service Program for Older People, 136 West 91st Street, 724–3000.

Visiting Nurse Service of New York, 107 East 70th Street, 535–1100.

Local colleges

Barnard College, 606 West 120th Street, 280–2033.

Columbia University, 116th Street and Broadway, 280–2391.

Hunter College, 695 Park Avenue, 360–2875.

STORE DISCOUNTS

Many stores in Manhattan offer special rates and discounts for seniors. A list may be obtained from Ms. Maria E. Redo, Community Concerns for Senior Citizens, Inc., New York City Office for the Aging, 250 Broadway, New York, New York 10007, 566–0154.

Medicines: East Side

Burstein Pharmacy, 1284 First Avenue (69th St.), 861–0338, 10% discount on all purchases for own use.

Clayton & Edwards, 1327 York Avenue. (71st St.), 1004 Lexington Ave. (72d St.), 737–6240, 10% discount on sundry items.

Falk Surgical Corp., 259 East 72nd Street, 1439 Third Avenue (82nd St.), 744–8080, additional discounts where possible.

Prescriptions Exclusive, 1229 Third Avenue (71st St.), 249–1050, 10% discount.

Star Pharmacy, 1514 First Avenue (79th St.), 737–4324, 10% discount for personal use items—no sale items.

Super-Val Discounts, 1109 Lexington Avenue, 628–3148, 10% discount on health & beauty aids.

Medicines: West Side

Caral Discount, 2146 Broadway (75th St.), 595–8138, 5% discount.

Hartley Chemist, 1219 Amsterdam Ave. (120th St.), 749–8480, 10% discount.

Mario Drug Company, 2345 Broadway (85th St.), 874–7111, 10% discount.

Taft Pharmacy, 1080 Amsterdam Avenue (113th St.), 864–8600, 10% discount.

Hearing Aids

E. J. Korvettes Optical Dept., 575 Fifth (47th St.), 10% discount.

Food: East Side

McDonald's 70th Street at Second Avenue, 10% discount.

Woolworth Stores, Hot Food Specials—$1.09:

1. 170 East 42nd Street.
2. 1529 Third Avenue (86th St.).
3. 976 Third Avenue (57th St.).
4. 120 East 14th Street.

Food: West Side

Canterbury Dried Fruits, 2282 Broadway (82nd St.), 874–1354, 10% discount on certain items.

Hunam Taste Restaurant, 2270 Broadway (82nd St.), 724–9499, 5% discount.

Red Apple, 2285 Broadway (82nd St.), 877–7844.

Stark's Restaurant, 2140 Broadway (75th St.), 595–0775, 15% discount.

Willie's Meat Market, 2274 Broadway (81st St.), 877–1580, 10% discount.

LEISURE TIME

Things to do in New York City—Discounted and free

Sports

Yankees: 50c admission for home games with Reduced Fare Transportation Card.

Mets: 50c admission on advertised "senior citizen" days.

Aqueduct Racetrack: Tuesdays during track season, 50c for persons over 60 with any I.D. before the 4th race.

Golf courses: New York City Parks Administration issues permits for senior citizens 62 and older to play at city courses for $1 weekdays. Call 472–1003.

Entertainment: Movies, Theater, Opera and Ballet

Movies: Loew's RKO, Skouras, Century, Interboro, Walter Reade theaters have discount passes that allow persons over 65 to attend cinema at reduced rate. Rugoff Cinema discount card permits you to attend any weekday matinee for $1. To obtain discount card contact NYC Office for the Aging, 250 Broadway, 566–0154.

City Center of Music and Drama:

Discounted events. To be put on mailing list write to: Senior Citizens Programs, The City Center, 130 West 56th Street, New York, New York 10019.

For $2.50 rush tickets on a space available basis call about 6 p.m. the day of the performance. Call for City Center Opera, 246-8989; for Lincoln Center New York State Theater 877–4727.

Metropolitan Opera—Lincoln Center. For $4.00 rush tickets available ½ hour before curtain time call 595–6700 the day of performance.

Mannes College of Music, 157 East 74th Street, 737–0700. Most concerts are free. Half-price tickets are available for senior citizens for fall Sunday afternoon concerts.

Loom Light Opera of Manhattan, Jan Hus Theater, 351 East 74th Street, 535–6310. $1 discount.

Times Square Theater Center, Broadway and 47th Street. Half-price tickets available to Broadway and Off-Broadway shows on day of performance.

Museums

The Jewish Museum, 1109 Fifth Avenue (92nd Street), 749–3770. Free with Reduced Fare Card.

Library and Museum of the Performing Arts, Lincoln Center, 111 Amsterdam Avenue, 799–2200. Call for schedule of free concerts.

Metropolitan Museum of Art, Fifth Avenue and 82nd Street, 879–5500. Free on weekdays.

Museum of the City of New York, Fifth Avenue and 104th Street, 534–1672. Free. Also free concerts November through June on Sundays at 2 p.m.

Museum of Modern Art, 11 West 53rd Street, 956–7078. 75¢ with Reduced Fare Card.

The Museum of Primitive Art, 15 West 54th Street, 246–9493. Free with Reduced Fare Card.

Planetarium, Central Park West and 79th Street. $1.25 with Reduced Fare Card.

Summer vacations

Vacations for the Aging, 255 Park Avenue South, 777–5000, ext. 855.

Radio and television programs

The Sixth Age, WNYC (830 am) Sunday, 12:30 p.m. For and about older New Yorkers.

Senior Citizen Forum, WFUV (90.7 fm) Sunday, 5 p.m.

Check with television stations for free tickets to live broadcasts.

Call the Mayor's Office for the Aging, 566–0154, from time to time for upcoming events.

Education

City University of New York. Persons 65 and older are admitted free to undergraduate courses on a space available basis. Contact the Office of Admission Services, 875 Sixth Avenue, 790–4581 for information.

Fordham University, College at Sixty, Columbus Avenue and 69th Street, 956–7100.

Metropolitan Museum of Art, Fifth Avenue and 82nd Street, 879–5500. "Teaching Art: The Senior Citizens Volunteer Training Program" offers a course on the use of the museum's slide library, research library, projectors and art exhibits. Volunteers who have taken the course may give art lectures with slides at Senior Centers. Limited classes, next session in fall. Write Lowry Sims, Department of Community Programs, Metropolitan Museum.

New School for Social Research, Institute for Retired Professionals, 66 West 12th Street, 675–2700, ext. 375.

NYC Community College, Institute for Older Adults, 300 Jay Street, Brooklyn, New York, 643–8150. Offers courses at various community and senior centers.

SENIOR CITIZEN CENTERS

The following can refer you to senior citizen centers in your area:

Catholic Charities, 1011 First Avenue, 371–1000.

Central Bureau for the Jewish Aged, 31 Union Square West, 924–5454.

Federation of Protestant Welfare Agencies, 281 Park Avenue South, 777–4800.

Golden Ring Council of Senior Citizens, 22 West 38th Street, 947–2019.

HRA Division of Senior Citizens, 109 East 16th Street, 460–8389.

Mayor's Office for the Aging, 250 Broadway, 566–0154.

N.Y. Section, Nat'l Council of Jewish Women, 9 East 69th Street, 535–5900.

NY Association of Senior Centers, 225 Park Avenue South, 777–5000, ext. 855.

NYC Parks Administration, Golden Age Centers, 447–5290.

The Salvation Army, 120 West 14th Street, 243–8700.

IMPORTANT PHONE NUMBERS

Call your local police precinct for non-emergencies:

6th Precinct, 233 West 10th Street, 741–4811.

9th Precinct, 321 East 5th Street, 741–9311.

10th Precinct, 230 West 20th Street, 741–8211.

13th Precinct, 230 East 21st Street, 741–5811.

17th Precinct, 167 East 51st Street, 826–3211.

19th Precinct, 153 East 67th Street, 472–9711.

23rd Precinct, 177 East 104th Street, 860–6411.

Save 911 for real emergencies.

Abandoned Cars, 964–1800.

Air Pollution Complaints, 966–7500.

Ambulance, 911.

A.S.P.C.A., 876–7701.

Block Association Info, 566–7930.

Building & Heating Complaints, 960–4800.

Cars Towed Away, 541–5220.

Child Abuse Complaints (day) 431–4080, (night) 286–055.

Civilian Complaint Review Bd., 673–6001.

Consumer Complaints, 964–7777.

Dead Animals, 566–5318.

Drugstore (24 hrs. 50th St. & Broadway), 265–3546.

Doctor's Emergency Service, 879–1000.

Electric or Gas Failure, 260–3000.

Family Court, 460–8772.

Health Dept. Info., 566–7711.

Human Rights Info, 566–5050.

Hydrant, broken or open, 966–7500.

Mayor's Action Center, 566–5700.

Noise Complaints, 966–7500.

Park Dept. Complaints, 472–1415.

Poison Control, 340–4494.

Potholes in Street, 964–2110.

Rape, 374–7636.

Rent Control Info, 566–5054.

Sanitation Complaints, 964–1800.

Sewer Back-up, 966–7500.

Shelter, Emergency, 344–5241.

Street Light Out, 784–4717.

Street Sweeping, 566–5656.

Suicidal Feelings, 736–6191.

Suspected Narcotics Dealer, 374–6636.

Telephone Customer Service, 889–9937.

Transit Info, 999–1234.

Welfare, Emergency Info, 344–5241.

Weather Report, 936–1212.

CONGRESSMAN EDWARD I. KOCH ASKS YOUR OPINION

This questionnaire is being distributed by Congressman Edward I. Koch. Its purpose is to determine some of the needs of the elderly of the city of New York with the objective of working on the city, State and Federal levels to improve the quality of life of our senior citizens. Your name and individual answers will remain confidential.

1. What is your total monthly income?

Social security.

Other.

2. What portion of your monthly income do you use for:

Rent.

Food.

Medical expenses.

Transportation.

Entertainment.

3. Do you have a telephone?

4. If you have a telephone, is it a "limited use" phone ($3.50 a month + 7.1¢ per call)?

5. How many times a week do you use city buses and subways?

6. Do you use senior citizen reduced transit rates?

7. How often do you use a taxi?

8. Would a special taxi or limousine service picking you up at home and taking you to a destination in your community be helpful if available at a flat rate of 80¢ to $1.00?

9. If yes, for what purposes would you use this service?

MEDICAL CARE

10. Are you on Medicare?

Part A (hospitalization).

Part B (doctor's fees).

Are you on Medicaid?

11. Are you insured by a private health insurance company?

12. Has a health insurance company cancelled any of your insurance policies because of age or illness?

13. How often do you visit a doctor?

14. Have you been hospitalized during the past year?

If so, for how long?

Was this hospital stay covered by insurance?

15. Do you use a hearing aid?

If you do not use a hearing aid, is it because you cannot afford one?

16. How much did you spend on drugs during the last 12 months which was not covered by medicare or medicaid?

17. Have you ever had to call or use an ambulance?

COMMUNITY ACTIVITIES

18. How do you spend your leisure time? Do you go to the following? How often each week?

Senior citizen centers.

Church/synagogue gatherings.

Library.

Parks.

Watch television.

Be with friends.

Museums.

Movies.

Theater/opera/concerts.

Other (indicate).

19. Do you attend a church or synagogue?

If so, does it have an active senior citizens group?

If yes, do you participate in its activities and what do you do?

20. Do you participate in a food program at a community center or senior citizens center in the city? Yes. No.

If yes, how many times a week?

Which center do you attend?

Is it well run?

How could it be improved?

21. What type of community facilities do you think there should be more of?

22. Do you attend any type of educational or skill training program?

If no, would you like to?

23. Approximately how many hours a day do you watch television?

24. What kind of programs would you like to see more of?

WORK

25. Are you employed at this time?

If so, how many hours a week?

What do you do?

26. If you are now working, will retirement be mandatory at age 65—or if you are retired, was retirement mandatory at 65?

27. Would you like, or would you have liked, to continue working?

Yes.

No.

Full time.

Part time.

Doing what?

28. If you are now retired, what were you doing before retirement?

29. While working, did you change jobs and lose pension benefits?

If yes, how many years had you worked for which you were accruing pension rights?

30. Do you receive a pension now?

How many years did you have to work before becoming eligible for that pension?

31. Do you feel that there were times when you could not get a job when you were in your late 40s, 50s and 60s because of a company's pension considerations?

32. Do you do volunteer work?

If so, how many hours a week?

Describe briefly.

CONSUMER PROBLEMS

33. Were you ever denied a loan, a mortgage, or another credit transaction because of your age?

Yes.

No.

If yes, please list banks and companies and describe the situation.

34. Were you ever told you could not rent a car because of your age?

Yes.

No.

If yes, please give the name of the agency.

35. Were you ever sold a defective hearing aid or other therapeutic physical device?

Yes.

No.

If yes, were you able to return it, and get it repaired or have your money refunded?

If no, please give the name and address of the dealer.

36. Have any other consumer goods or services been denied to you because of your age? Please be specific.

37. Have you ever been personally assaulted?

Yes.

No.

If yes, where?

38. Has your apartment ever been broken into?

39. Did you lose any benefits such as food stamps as a result of increases in social security?

Yes.

No.

40. Do you receive food stamps?

Yes.

No.

If not, why not?

41. If you use food stamps, were you ever treated rudely when you attempted to purchase items with food stamps?

Yes.

No.

If yes, please give the name of the store.

COMMENTS

Name.

Address.

Age.

(You may leave out your name if you prefer. However, I would like your name in the event a follow-up is necessary.)

IN BEHALF OF RHODESIA

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, from the pen of William F. Buckley, Jr., there is a column on Rhodesia which appeared on Sunday, March 24, in the Washington Star-News. It is entitled "An Experiment To Save Rhodesia?" It provides a commonsense discussion of the problems of representative government in Rhodesia.

Mr. Buckley's column explains carefully the fact that the overwhelming majority of the black population of Rhodesia prefers an accommodation with the present government of Rhodesia to a terrorist government of the kind which would be imposed by neighboring African States under Communist sponsorship.

Admittedly, the Rhodesian Government should make a stronger effort to bring about an accommodation with the black population which promises a permanent solution and satisfies the more rational elements of world opinion. The efforts by some well intentioned Americans which encourage the downfall of the present Rhodesian Government show no comprehension of the chaos which would result from a terrorist-Communist takeover. It is time for commonsense in dealing with Rhodesia—commonsense in Britain, commonsense in the United Nations, commonsense in the United States.

Rhodesia is, to all intents and purposes, an independent nation. The British have recognized the sovereignty of territory after territory without question. The Labor government refused to accept independence for Rhodesia and ran to the United Nations which voted sanctions. The United States thought it had to trail along. The United States has problems enough of its own without helping to bring about the downfall of a friendly government.

AN EXPERIMENT TO SAVE RHODESIA?

(By William F. Buckley Jr.)

SALISBURY, RHODESIA.—They will tell you in Rhodesia that the terrorists are under control, and that there is nothing to fear. In fact they are not under control, and the situation threatens to get worse, as why should it not with the Soviet Union beginning to compete with Red China in sending arms to the terrorists, and with assorted Protestant bishops standing by more or less to baptize a movement that is becoming as fashionable as the Black Panthers and the Viet Cong.

But overwhelmingly the black population of Rhodesia is anti-terrorist. There are complicated reasons for this. The first (and least obvious) is that black leaders do not share the revolutionary turn of mind of the terrorists and their backers. They see no advantage whatever in exchanging rule by a white elitist government headed by Ian Smith, for a black ideological government headed by Peking or Moscow or its surrogates. For another, while they desire—indeed demand—change, they have not, yet, abandoned hope that orderly change will come under the non-violent pressure of the predominantly 95 percent black native population. But this, I am led to believe, must come soon.

Drastically compressed, here is the chronology of events, which are racing to a conclusion of sorts.

In 1965, the Rhodesians declared their independence of Britain. Almost immediately, the United Nations voted sanctions, which got progressively more stringent after supplementary resolutions in 1966 and 1968. In 1969, Prime Minister Ian Smith promulgated a constitution which would in effect have guaranteed white supremacy through the century and beyond.

In 1971, Smith and British Foreign Minister Sir Alec Douglas Home initialed an agreement calling for constitutional reform and additional opportunities for black political power. The agreement was subject to ratification by the black community which, in the finding of the so-called Pearce Commission the following spring, said No.

Probably it was a mistake not to implement the agreement anyway, for strategic reasons. But this was the electric political moment in Rhodesia, when the blacks saw the papers' headline: Black Rhodesians Veto Westminster Pact. Things would never be the same again.

Gradually it has dawned on the white community that the critical man in their midst is a mild-mannered Methodist bishop, in his early forties, called Abel Mozarewa. He is said to be relatively without guile, and that's not all good—he is a procastinator, an ambiguist, inexperienced in the unholy ideological ambitions of many of his fellow liberationists.

On the other hand, no one suspects him of corruption of any kind, and I accept it as true that he has for the moment the singular power to prevent universal bloodshed in Rhodesia.

For how long? That is the dark question. There are secret negotiations going on at this moment between the bishop and Ian Smith. Smith is a man of quite extraordinary personal valor, who has become the symbol of white supremacy. Actually he is no more a white supremacist than George Wallace proved to be, when the social attitude changed. He is a good politician, but it is feared that at this moment he underestimates the resolve of the black majority to effect substantial change.

And it is above all feared that if the bishop does not succeed in budging Smith, others—who would then declare *impatiently* their independence of Mozarewa—will embark on violent action. This would destroy Rhodesia.

Smith tells his lieutenants that it would be political suicide for him to yield too much. So the question arises: Is Smith statesman enough to avoid political suicide—by leading the white intransigents towards reconciliation and organic progress? The betting is that he could not persuade his own ministers to conciliate, but that if he went to the white voters, he would earn their support.

One hopes so. Not only in order to avoid catastrophe, but to indulge a valid social experiment. If a country 95 percent black is willing to give the white, advanced 5 percent the major creative political and educational role for a specified period of time, so as to ascertain whether greater progress might not thereby be made than under the lash of the black nationalism of some of Rhodesia's neighbors, then a quality of moderation might wax its way into African affairs which would be instructive not only for the black population of Rhodesia, but everywhere.

And it is in any case difficult for a visitor to Rhodesia to count lightly the benefit of reconciliation for the white population, men and women of extraordinary charm and apparent good-will.

VICE PRESIDENT FORD PRESENTS ROA'S MAN OF THE YEAR AWARD TO THE HONORABLE GEORGE MAHON

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, the Honorable GERALD R. FORD, Vice President of the United States, presented to the Honorable GEORGE MAHON of Texas, chairman of the House Appropriations Committee, the ROA's Minute Man of the Year 1974 Award in Washington on March 22. This award is made annually to "the citizen who has contributed most to the national security of the United States of America." This deserved honor to a distinguished legislator who is in his 40th year in Congress came at the association's annual banquet during its midwinter conference. In accepting the award, Representative MAHON pledged his continued efforts toward peace through strength.

As a part of his presentation, Vice President FORD read the citation accompanying the award. It follows:

Whereas, throughout more than 30 years of service in the National Congress of the United States—

His devotion to the highest concept of duty to country;

The courage and independence of his leadership for adequate preparedness which is necessary to National Security;

The steadfastness of his dedication to the Citizen-Defender tradition;

The clarity of his judgment to insure strength, effectiveness and high morale to the Nation's military forces;

Confidence to his generation;

Inspiration to posterity; and

Safety to this Nation's institutions and ideals.

Therefore, be it resolved, that in recognition of his extraordinary service to the United States, this Association proudly recognizes George H. Mahon as the Citizen of 1974 who has contributed most to the National Security shared by every American citizen in these times.

Before reading the citation, Vice President Ford made these extemporaneous remarks:

Vice President Ford's Remarks in Presenting the Minute Man of the Year Award to Representative Mahon

George Mahon, Helen Mahon, distinguished members of Congress, distinguished members of the military, ladies and gentlemen, it's a wonderful occasion for me to have an opportunity to participate in the Minute Man Award to a very dear and very old friend of mine. I have an opportunity tonight to participate in paying tribute to a very great American and to also participate in an occasion by an outstanding organization, ROA, of which I am privileged to be a member.

Subsequently, I am going to read the words that have been put together by those who are paying tribute to our Minute Man of the Year.

If I could be a bit nostalgic for a minute, I would like to talk about your honoree, a man I have known and a man for whom I have the utmost respect. He came to the Congress some 14 years before I did. I think his total service is 40 years or thereabouts. But I had the privilege of serving with him for 25 years in the House of Representatives. Fourteen of those years I served with your honoree as a member of the House Committee on Appropriations, twelve in the intimate association as a member of the Defense Appropriations Subcommittee.

But during those years, that span of the time, we had an association that was far broader than just the workaday responsibilities of a committee that has some significance as far as our national security is concerned. My wife Betty and I learned to know and love not only George but Helen. We had the opportunity of being with them on many occasions that had nothing to do with the business of the day, and I think I can say without any hesitation or reservation that there's no finer family in the National Capital than George and Helen Mahon.

I know from intimate association why you picked George Mahon for this award tonight, why you picked him as the Minute Man of the Year. Because for a period of 12 years when I was lucky enough to get on the Defense Appropriations Committee in January of 1953, I served day after day—I think our schedule went something like this, from 10 to 12 and from 2 to 4, five days a week, five months a year.

And in that experience it was my privilege to see one of the most skillful interrogators and some of you in this audience have had the other end of his interrogation, but I have also seen him as a member of a subcommittee and as a member of a full committee, he's an able conciliator in trying to find the right answers and the best results.

And I have also listened to him as an effective spokesman for the handiwork of a subcommittee and a full committee. I don't mean to imply that George and I have always agreed. We've had our battles. We've had our differences, but the wonderful thing about our association has been that our friendship was far more important than our differences; and as we went through the process of disagreeing, we learned that what was best for the country was far more enduring than those differences.

As a freshman member of the House in 1950, I was a rather persistent attendant on the floor of the House. I hadn't gotten any responsibilities that took much time, I might add, and so I listened to the pros. I listened to those who had responsibilities, and if you'll go back to a Congressional Record of some time in the spring of 1950, you can read a speech made by your honoree tonight, the speech that I heard in person. Now, we hear a lot of speeches from the floor of the House that no one pays much attention to and for good reason.

Many of which I have made. But, nevertheless, on this occasion as a freshman, I listened to our distinguished guest tonight, and I knew that many times—and I won't repeat it tonight—but it was one of the most effective and persuasive speeches that I've heard and from that moment on, it was my personal position that there was a man who deserved any and all recognition that would come to him in the later years of his service to our country in the House of Representatives.

And what has that service been? I know there are some in the Congress and some outside, perhaps a few in the press, who would say that George Mahon, because of the position that he held for many, many years as Chairman of the Subcommittee on Defense Appropriations, was a man of war. I happen to think that George Mahon by his actions, his votes and his leadership is a man of peace.

Let me explain why I think that. It's my conviction that you achieve peace and you maintain peace by strength, and George Mahon has been an advocate of strength in our national defense.

I have been in that subcommittee when George cut a little bit. Most of the time he was right, not always. I think he would admit it, too. On the other hand, I have been in that subcommittee when he was adding a bit, despite one President or another President's budget request. Most of the time George was right. But the net result of, I think it's 30 years on the subcommittee, isn't it, George? Thirty-four—the longest service in the history of the Congress as a member of the Defense Appropriations Subcommittee. George Mahon is exemplified by his votes, his actions, a man of peace by dedicating himself to a policy of strength rather than weakness.

Before concluding and reading those wonderful words on that plaque, let me speak about the problem we have in 1974. Probably the most important part of the budget that is supplemental and in the budget for '75 is the request of the Department of Defense for what is needed and necessary not to wage war but to preserve the peace.

All of you can have a most significant impact. Enough transpires in the Congress in 1974 so that we can continue as a nation, a guardian of peace, the deterrent of war, and as you spread out from Washington, D.C., to every one of the 50 states, you can be the greatest salesmen for a policy in the Defense Department that will maintain peace not only now but five and ten years from now.

If we fail, you and me and others, in this mission this year, we could lead this nation to a time of peril and hazard that we can avoid if we are strong. You have many friends, and I have a few, but every person that we see, if we can say a word, a sentence, a paragraph; if we can maximize our effort to support what is proposed by men like Tom Moorer and his associates at the Joint Chiefs, it's the best investment I know for the maintenance not only in '74 but in '84.

And so I say to you as I turn now to the reading of what has been said on behalf of George, I plead with you to be the missionaries in the hinterlands, to be advocates of strength for peace for our time and the decades ahead.

The response by Congressman Mahon follows:

Honorable George Mahon Response to Presentation of ROA Award

I am overwhelmed by the honor which has been bestowed upon me tonight. I am humbled by the opportunity of having my name added to the incomparable list of previous recipients. To receive the annual ROA award in the presence of such a stellar company and from the hands of the Vice President who has been a very warm and favorite friend and co-worker of mine through many years in Washington is indeed a heartwarming experience. Thank you, Jerry; I mean, thank you, Mr. Vice President! It has been a great privilege to work with you over the years for a strong defense program—for a reserve program adequate to meet the needs of the Nation.

Let me say to you reservists and your friends that I shall seek to be brief and keep platitudes to a minimum. In truth, there is not much I can say that you don't already know. We don't suffer from a lack of information. The problem is more that of motivation and dedication.

We face a different world than we did even last year at this dinner. We are in the midst of dramatic change. Suddenly we find ourselves short of about everything from fuel to bailing wire. And dramatic changes in the military are apparent for all to see.

The Administration is requesting at this session of Congress for the Department of Defense a total of $99 billion. $6 billion of this is a supplemental request for the current fiscal year. These astronomical figures prompt me to say that we may have about reached the ceiling on defense budgets, short of an outbreak of war in which we participate.

Fiscal restraints which confront us mean that military personnel, already reduced markedly, will probably be reduced further. This has been compelled by the fact that personnel costs for the all-volunteer force have skyrocketed and will continue to take more than 50 percent of the defense dollar. This means that funds for adequate modernization are going to be harder and harder to get.

And I emphasize this: we are confronted with a $304 billion overall national budget. We are spending at a high rate and plunging further in debt with every passing hour. Note this too. The pressures for more and more non-defense spending on health, education, food stamps and all the social programs are becoming increasingly more irresistible to Administration and Congress alike.

Oh, sure, we all know that self-survival is the first law of men and nations, but that doesn't mean that it isn't becoming increasingly difficult to get needed dollars for defense. Let's face it; those in and out of government who plead for more and more non-defense spending occupy the center of the stage in the public mind.

What do we do? We have got to accommodate to a smaller active defense force. It will have to be better equipped and better trained. And the defense establishment must be operated in such a credible way that it will have greater support from the American people—and the United States Congress.

When the bomb ended the war with Japan it was said that the next war might be over in less than a week. There seemed to be no place for a reserve force. Massive retaliation was the order of the day. Fortunately, for many valid reasons, we have recovered from that misconception. Events have totally exploded it.

There was a time when it was *not* absolutely vital for the reserves to be fully equipped and fully trained. That time is over.

From henceforth the reserve must be fully equipped, fully trained and ready for combat. In the light of a smaller active force, that has to be the name of the game from here on out. The number of units in the reserves that do not relate directly to combat must be held to a minimum. Note this: It is important that we have adequate numerical strength in both the combat and support units.

It is clear that with the draft ended it is going to be more difficult to get the men and it is going to be more difficult to get support for the funds to fully modernize and equip the reserves. This is not going to be an inexpensive operation. I warn that we must discount the magnitude and the importance of this problem.

Yet there is no cause to despair. If the reserves do a good job and if their requirements are properly presented to the American public by officials of government and the media, the people will respond to their own self-interest, and self-interest—the national interest—is what I am talking about. The people must have reason to have faith that their interests are paramount in every military program. I am confident that goal can be achieved.

Your organization has been a tremendous asset to the nation through the years in your unwavering support of a strong national defense. Year in and year out you have been welcomed before the Committee which I head, and your voice has been heard. But your responsibility today is vastly greater than ever before. You can and, may I say, you must play a major role in meeting the challenge.

Let me say again that I am overwhelmed by the honor you have bestowed upon me tonight. Thank you so very much. Let me pledge my very best efforts in working with you, and with my colleagues, and all our people in support of an adequate active force and a combat-ready reserve force, designed to make a major contribution to the peace and security of the nation and the world.

The Reserve Officers Association, composed of more than 80,000 members, is chartered by Congress to work for all matters pertaining to the national security. It has earned an enviable record of accomplishment during its long history and is nationally recognized for its leadership in the work for sound defense for America.

A FEDERAL OIL AND GAS CORPORATION: THE LESSONS FROM FOREIGN EXPERIENCE AND THE TVA

(Mr. HARRINGTON asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HARRINGTON. Mr. Speaker, only about 12 months ago, mention was first heard here in Congress of a proposal to create a Federal Oil and Gas Corporation—a "Tennessee Valley Authority" whose goal would be to compete with the major oil companies and produce petroleum and natural gas at reasonable prices for consumers. Thanks to individuals like Mr. Lee White, former Chairman of the Federal Power Commission, and Mr. Frank Frisk of the American Public Power Association, legislation was formulated to create the Corporation.

In the Senate, Senators STEVENSON and MAGNUSON have conducted hearings and staff discussions on the concept, and are hoping to report an Oil and Gas Corporation proposal to the floor this year. Here in the House, Mr. White and Mr. Frisk appeared before the New England Congressional Caucus at my suggestion, and secured support for the Corporation approach from congressional spokesmen like the majority leader, Mr. THOMAS P. O'NEILL, JR., and Congressman SILVIO CONTE, an expert on energy policy within the Republican Party. These gentlemen, together with other Members of Congress, have joined me in submitting Corporation legislation to the House.

In exploring the Corporation idea, it has seemed to me that an in-depth examination of similar operations in other industrialized nations, as well as of our own Tennessee Valley Authority, would be useful. Today, I am pleased to make public such a study. "A Federal Oil and Gas Corporation: The Lessons From Foreign Experience and the TVA" surveys Government participation in energy production in five developed countries: Britain, Canada, France, Germany, and Italy. It was conducted at my request by Mr. Kent Hughes of the Economics Division of the Congressional Research Service.

As a prelude to the study, I would point out that establishment of a Federal Oil and Gas Corporation would serve four primary purposes. First, the Corporation would develop publicly owned oil and gas resources in order to satisfy national energy needs rather than to maximize private sector profits. Second, the Corporation would develop oil and gas rights to stimulate maximum economic competition in various aspects of the petroleum business. Third, the Corporation would provide the public and the Government with knowledge of the actual cost of producing oil and gas, so that appropriate public policy can be set to best manage the Nation's energy resources. Fourth, the Corporation would provide the public and the Government with accurate indications of the extent of our energy reserves so that any future attempts to trigger public panic by underreporting available supplies could be met with reliable information.

This legislation is not the first step to nationalizing the American petroleum industry. Instead, its supporters, concerned that the petroleum industry is drifting steadily toward heavier concentration and anticompetitive behavior, wish to provide a competitive spur to the domestic petroleum industry, and develop a yardstick by which the performance of the petroleum industry can be judged. Many critics of the oil and gas industry have reservations about nationalization, because a public monopoly would have many of the flaws exhibited by private monopoly. But public ownership aimed at increasing competition, together with vigorous antitrust action of the kind formally initiated against the oil companies by the Federal Trade Commission last summer, would protect against the effects of monopoly altogether.

Mr. Hughes' study is a balanced look at the Corporation concept, not a prejudgment of its merits. He explores the questions of whether a Federal Oil and Gas Corporation could effectively break into the United States' already highly structured industry, attract the necessary skilled personnel and the needed capital, explore for and find adequate energy reserves, function in accord with desired congressional accountability, operate with sufficient efficiency, and legitimately serve as a comparative "yardstick" by which to judge private profit-making efforts in the energy field. His findings and conclusions are sure to constitute a unique contribution to the Corporation debate.

At this point, Mr. Speaker, I would like to insert this document into the RECORDS:

A FEDERAL OIL AND GAS CORPORATION: THE LESSONS FROM FOREIGN EXPERIENCE AND THE TVA

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Part I. The proposed corporation

At least since the summer of 1973, the question of energy supply has become a major challenge to public policy. With the start of the Arab oil embargo, the American public has been deluged with bits and pieces of information about the oil industry, the potential for solar power, the possible growth in nuclear power, the intricacies of the catalytic converter and a host of other matters. There has been no shortage of proposed solutions to the problem of energy shortages.

The Federal Government is already deeply involved in the oil and gas industry. Substantial oil and gas reserves lie within the public domain, natural gas is already a regulated industry. In addition, the Federal government has used tax incentives to encourage exploration for oil and gas and subjected oil products to the general price guidelines of Phase IV. In the face of an apparently long run problem, proposed solutions have run the gamut of possible federal action. More federal funds are being sought for research and there are a host of tax proposals. Some have suggested treating the entire oil and gas industry (or segments thereof) as a regulated public utility.

The purpose of the present inquiry is to explore yet another alternative—the creation of a federal oil and gas corporation. What would be involved in setting up such a corporation? What kind of pricing policy would it follow? And most importantly is it really feasible?

Because corporations can take on almost infinite variety of forms and the tests for feasibility are so broad, the author has limited the present inquiry in two general ways. On the one hand, the particular corporation to be examined will be that contained in H.R. 12104 introduced by Congressmen Conte, O'Neill, Harrington, Cotter, Moakley and Studds. On the other, the author will explore the economic viability of such a corporation in light of the experience of selected foreign countries and with an eye to the major federal power corporation that already exists—the Tennessee Valley Authority.

A Proposed Corporation

In an age of conglomerates and multinational firms, one does not need to belabor the potential complexity of any such corporation. The Federal Oil and Gas Corporation (hereafter the Corporation) is no exception to this general rule. Rather than present a detailed analysis of each and every facet of the Corporation, what follows is an attempt to answer the three basic questions asked about any corporate entity. What can the corporations do? Who controls the corporations? What are the economic policies of the corporation—its pricing procedures, capital financing policy and so forth?

Powers of the Corporation

1. *Exploration for oil and natural gas*—The Corporation is granted very extensive powers in the field of exploration for oil and natural gas. The Corporation may explore for oil and gas on Federal, State, foreign or private lands (Sec. 34(c) (8)). According to the bill, the corporation will not be involved in the development of oil shale resources nor the possible exploitation of geothermal power.

To provide the Corporation with a quick entry to the development field, it will be granted special privileges in the exploration of Federal lands. "To the extent necessary to carry out its authorized activities", the Corporation may request the right to develop oil or gas on Federal Lands. When a federal authority is inviting bids for leases or exploratory rights, the Corporation can request up to 50% of any rights offered. The federal authority must grant the Corporation such rights within 90 days and without requiring any payment. Considering the extensive oil and gas reserves that lie within the public domain, the Corporation would have ample opportunity to initiate exploration.

2. *Development of oil and gas*—In addition to exploring for oil or gas, the Corporation can bring a field to full development. The Corporation is clearly empowered to find the fields, drill the wells and bring the oil or gas to point of sale at the well head.

3. *Pipelines and Refining*—The Corporation may operate pipelines or construct refineries, but as a last resort. Only if the Corporation is unable to sell crude oil "in a manner which will promote competition among suppliers of crude oil" will pipelines and refining become possibilities (Sec. 34(h) (1)).

4. *Research*: The Corporation is granted quite broad powers in the area of research and development. Looking beyond oil and gas, the Corporation can conduct research on plentiful, non-polluting supplies of energy regardless of source. Although there is no enumeration of potential sources, the specific subsection would seem to incorporate such matters as solar and geothermal energy as well as coal gassification. (Sec. 34(c) (11).)

5. *Joint Ventures*: The Corporation is specifically allowed to enter into joint exploratory, development or research ventures with both public bodies and private corporations.

What emerges is a Corporation with broad authority to explore and drill for oil and gas. The Corporation has equally broad powers to sell oil and gas to pipeline operators or private refiners. Corporation research projects can involve any fuel that promises a nonpolluting answer to the energy shortage.

Beyond that point, the Corporation's powers become much more circumspect. The construction and operation of pipelines or refineries are not to be the major focus of the Corporation's activities. Nor does there appear to be any thought of distributing oil or gas directly to consumers.

Control and the corporation

With any public corporation the question of public accountability and control properly becomes a key consideration. As a new entrant in the oil and gas industry, the Corporation will no doubt attract the continuing attention of the Legislative and Executive branches of the Federal Government, of the Federal court system and of State and Local Governments.

Congressional control

The Congress will be able to exert all its traditional controls over the ongoing operations of the Corporation. The five man board of directors must be appointed by the President, but with the advice and consent of the U.S. Senate. Any member of the Board may be removed by a joint resolution of the Senate and House (Sec. 34(c) (8)).

Various reports and documents must be filed with the Congress on the Corporation's financial and business activities.

Except for certain trust funds such as that for Social Security, Congress exercises its power of the purse in a two step process. Authorizing legislation from one of the legislative committees ordinarily precedes action by the real purse strings bodies—the committees on Appropriations.

Authorizing legislation has the effect of determining the form in which money can be spent and setting an overall limit to expenditures. Appropriations committees cannot change the form of an authorization bill, but may decide to appropriate a considerably smaller amount of funds than that contained in an authorizing bill—or in fact may decide to appropriate no funds at all.

The bill under consideration would authorize the Corporation to spend fifty million dollars a year for ten years. Any money appropriated by the Appropriations Committee under this authorization would remain available until actually spent.

The Corporation does have some authority over its own financing. The corporation may raise money for capital expenditures through bonds sold on the private market or in some instances to the U.S. Treasury. The bonds may or may not carry a U.S. government guarantee and are to be callable at the option of the Corporation.

The Corporation is specifically made subject to the Government Corporation Control Act. Passed in 1946, covered government corporations are required to submit annual, business type budgets to the Congress. In addition, the financial transactions of the Corporation would be subject to audit by the Government Accounting Office.

In fact, the Corporation is subject to all the traditional controls of Congress—advice and consent of the Senate, the power of the purse, oversight hearings and the GAO.

Executive control

The President is specifically empowered to appoint the Board of directors, designate a Chairman of the board, and pick all subsequent directors. In addition to the reports and budget documents required under the Federal Corporations Control Act, the Corporation must report at least once a year on its "operations, activities, and accomplishments". (Sec. 34(m)) (The Chairman of the Senate and House Committees on Appropriations and Commerce will also receive a copy.)

Considerable consultation with the Secretary of the Treasury is also required before Corporation bonds or other obligations can be sold on the private market. (Sec. 34(f) (4))

The Corporation is also subject to a host of government laws and regulations—safety, environment, national defense and so forth. To the extent that the President can influence these laws and regulations he can influence the Corporation.

Control by the courts

Although the bill is silent on the questions of Sovereign immunity and the specific jurisdiction of the Court of Claims, the Corporation is designed to be subject to essentially the same judicial controls as other corporations. In particular, the Corporation can sue or be sued in its Corporate name. (Sec. 34(e) (2)) However, the Corporation may be exempted from State or local laws and hence state or local courts if the State Law would "impede its ability to" achieve its stated purpose. (Sec. 34(1))

Control: A summary

The proposed Federal Oil and Gas Corporation Act has sought to balance the desirability of commercial flexibility against the need for public accountability.

Through a suspension of the civil service rules, grants of authority to seek debt financing, and the creation of a business type corporate structure, the Corporation has much more flexibility than a standard government agency. On the other hand, most of the traditional Congressional controls are retained. Standards of performance, frequent reporting requirements, and the operation of the Corporation in an environment of existing federal laws, subject the Corporation to the scrutiny of the Executive branch and the public.

Economic Policy: A Series of Questions

Public enterprise in the developed countries has always been shrouded in political and intellectual controversy. Is it needed? Is it a desirable form? How can one judge its efficiency? Should it follow general commercial practices? If not subject to the rigors maximization, what policies should it follow? How will it price its goods and what standards will be used for capital investment? In areas of policy the bill provides only very general answers to these questions.

Capital policy

The Corporation is designed to receive a yearly appropriation for Congress for the next ten years. Beyond that sum, long term capital financing will have to be found in the private market place. The presence of government guarantees will aid in the process, but the pressure to earn a return large enough to satisfy any bond obligations will certainly be present.

Most private corporations rely on both equity capital and private borrowings for their capital needs. The equity, usually in the form of common stock, need never be paid back. Nor does the common stock impose any legal obligation to pay dividends. The Corporation would operate in a roughly similar manner. As drafted, the bill provides the Corporation with an initial capitalization and does *not* require payments of interest nor amortization of the principal.

No specific standards are set for determining an acceptable rate of return on investment or mandating a particular benefit cost criteria for investments. The Corporation, cannot, however, invest in whatever it choses. Its area of investment is clearly limited to the oil and gas industry—with a distinct emphasis on exploration, development and research.

Pricing Policy

No area of public regulation has engendered more academic controversy than the question of developing a proper guide for pricing policy. The same unsettled dispute still exists over the pricing policies of publicly owned corporations. Should the public corporation follow essentially commercial practices? And if so, exactly what practices?

No one policy has been followed by existing public corporations operating in basically privately owned economies. There is, however, a general trend to covering all costs. For instance, the nationalized coal and gas industries in England must cover all costs as must the Tennessee Valley Authority.

Deciding to cover all costs does not end the controversy. What costs are to be included? A federally owned corporation generally does not pay insurance premiums nor is it usually subject to state, federal or local taxes. It may of course make payments in lieu of taxes. And then there is the question of capital. If the public corporation is to be both an efficient producer and a valid yardstick to measure the performance of private firms, must standard depreciation rules be followed?

The bill under consideration does contain some guidelines for pricing. All sales by the Corporation are to be at "fair and reasonable prices . . . designed to promote competition among suppliers" of energy resources. (Sec. 34(i)(1)) Although not actually subject to the taxing power of state and local governments, the Corporation will make payments in lieu of property taxes. In addition, the natural gas activities of the Corporation will be subject to regulation by the Federal Power Commission just as if it were a private business.

A Summing Up

The proposed Corporation would presumably concentrate its energies on the exploration for gas and oil and in research on nonpolluting energy sources. The Corporation would be granted considerable autonomy in financing, labor policy and investment decisions. Public control over the Corporation would be exerted through the continuing power of Presidential appointments, the whole gamut of Congressional checks and the regulatory power of the Federal Power Commission.

Part II: *The oil and gas industry in five developed countries*

From the start of the Republic, the U.S. government has been involved in the creation of public enterprises. The Post Office is one of the oldest if not always the proudest example of public involvement in the business world.

Over the course of American history, the government has chosen a variety of methods to deal with the private sector. Standards of conduct, rules of disclosure, limits on monopoly power, and direct regulation of whole industries have all become part of the American business scene. The tax laws, import controls, export subsidies and a host of other measures have also helped set the flow of private business energies—sometimes to encourage, sometimes to discourage, sometimes to supplement, sometimes to supplant private activities.

The general outlines of the proposed Federal Oil and Gas corporation are fairly clear. Existing legislation provides a sketch of corporate activities, financing and pricing policies. But the question remains, can we do it? Is it possible to create an economically viable Federal Oil and Gas Corporation in the United States? Are the petroleum reserves available? Can a fledgling corporation attract and hold the requisite technical talent? Is public financing a viable procedure? Can a public enterprise be run in an efficient manner? Can a public enterprise be used to bring competitive pressures on private firms?

And to what extent can a public enterprise be used as yardstick to evaluate the performance of the private sector?

In an attempt to gain answers to these problems, two major avenues of empirical research appear promising. On the one hand, the history of the American experience with public enterprise should be examined. On the other hand, a number of foreign governments have rather extensive involvement with their oil and gas industry. The pattern of their involvement may provide valuable clues about the economic efficiency of public enterprises.

Below is a brief summary of the approaches used by a number of developed economies in dealing with the energy field. A subsequent section will provide a brief review of the possible economic lessons from the experience of the Tennessee Valley Authority.

The United Kingdom

Energy policy in the United Kingdom has been an interesting amalgam of public corporations, tax incentives, minority participation in a major oil firm and a market left open to the large international oil companies.

A wave of nationalization followed the Labor party victory in the aftermath of World War II. The National Goal Board was established in 1947, the British Electricity Authority in April 1948 and the Gas Council in 1949. Although these new bodies brought greater public control and more co-ordination to energy policies, the nationalizations were built on a base of existing public regulation or municipal ownership.[1]

At this time, domestic energy supplies were almost entirely built around coal. Gas was made from it and coal was relied upon to fire the steam driven electric plants.

British policy toward liquid hydrocarbons—specifically oil and natural gas—has been conditioned by a long time scarcity of domestic supplies and turn of century British ambitions. Only recently have the discoveries in the North Sea raised the possibility of a Texas by the Thames sort of situation.

British Petroleum

Originally known as the Anglo-Persian Oil Company, British Petroleum has become one of the largest of the international oil companies. The history of British Petroleum reaches back to the turn of century when a venture of William D'Arcy, an Australian grown rich on gold mining, struck oil in what is now Iran.

Faced with the steady conversion of ships to oil fuel, Britain became increasingly concerned about its dependence on an American dominated market. Winston Churchill, acting as First Lord of the British Admiralty, entered into a long term Navy contract with Anglo-Persian. At the same time, the British government invested some two million pounds in the enterprise.

Despite a large interest in British Petroleum (currently 49 percent) the British government has taken ". . . no active part in the actual management or even in shaping the long-range policy of the company". ". . . Government members of the board have some narrowly defined rights of veto to be exercised only in certain circumstances".[2]

Although direct interference in the affairs of British Petroleum have been rare, the government has provided BP with investment funds, guaranteed markets and used the diplomatic resources of the British crown to open up opportunities for new sources of crude oil.[3]

The Domestic Market for Petroleum and Natural Gas

The domestic market for petroleum products has been left in private hands and those of British Petroleum, with BP controlling about 25 percent of the total market.[4] The government has the legal power to exert considerable pressure on oil and gas prices because it controls the prices of various substitute energy forms—particularly coal and electricity made from coal.

In an attempt to locate domestic supplies of crude oil, Britain has relied on cash grants for exploration and various tax breaks for capital expenses.

"Losses including relief for capital expenditures not allowed currently . . . can be carried forward indefinitely against subsequent profits of the same trade".[5]

North Sea Developments

The discovery of natural gas in the North Sea has led to a rush of exploration. Under leasing policies of the British Government, "all the major international oil companies were participating, together with four entirely state owned corporations—the Italian public petroleum enterprise known as ENI, the British Gas Council and the National Coal Board and ERAP (an enterprise of the French government)—and several private companies with no previous oil industry connection".[6]

In 1970, oil was discovered in the North Sea. The long range energy outlook for Britain and her North Sea neighbors looks increasingly bright.

Canada

Up to the present time (early 1974), Canada has chosen a relatively free market solution to its oil and gas industry. Rather than establish its own federal hydrocarbon corporation, Canada has used tax expenditures, export controls, and production controls to encourage exploration and regulate supply. Direct government participation in exploration was limited to those situations "where private companies feared to tread." The near future may, however, bring about a radical departure from this policy—the government of Canada has committed itself to present legislation to establish a national oil and gas corporation.

Canada, like the United States, governs through a federal system. Control over mineral resources is thus split between the federal and the provincial authorities. Provinces control mineral rights on their land and have the power to regulate production. The national government in Ottawa controls interprovincial flows of resources, the development of mineral rights in the Territories and any foreign trade in oil and gas.

Traditionally, Ottawa has operated through a Department of Energy, Mines and Resources (hereafter EMR). For the most part, EMR has busied itself with mapping, geological surveys and the marketing of minerals. As of 1971, however, EMR was charged with the responsibility of advising the government on national energy policy.[7] In 1959, the National Energy Board (NEB) was established "to remove decisions on pipeline construction and natural gas exports from the political arena."[8] The NEB reports directly to EMR.

Exploration in the off-shore areas is regulated by the EMR while the Department of Indian and Northern Affairs (DINA) controls mineral rights in the northern territories.

Provincial regulation of the oil and gas industry is extensive. "The regulatory devices of the provinces includes statutes and regulations dealing with conservation aimed primarily at the prevention of waste, the regulation of the spacing of wells and strict control over drilling and production practices. Each of the five oil producing provinces with the exception of British Columbia, has specific legislation dealing with prorationing of production to market demand."[9]

Despite the split in authority, the Canadian government has relied largely on tax expenditures and export controls to bolster its oil and gas industry. Like Australia, Canada has permitted the large, vertically integrated, international, mostly American oil companies to have extensive access to the Canadian market. ". . . a small group of foreign-controlled companies has virtually complete control of petroleum marketing in Canada."[10] There is also significant foreign participation in oil and gas pipelines, coal

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Footnotes at end of article.

mining, uranium mining and exploration for new petroleum reserves.

In terms of tax incentives, Canada has combined liberal deduction provisions with an oil depletion allowance. "Exploration, intangible drilling and lease acquisition and retention costs are deductible when incurred. Any excess of these costs over production income may be offset against refining, marketing or transportation income and any excess over total corporation income may be carried forward indefinitely".[11] In Canada, depletion is based on ⅓ of net production profits. (The American system allows a depletion deduction of 22 percent of gross income.)

Ottawa has made one direct entry into the oil and gas industry. Convinced that potential reserves existed on some artic islands but unable to induce private capital to take the risks, the Canadian government formed Panarctic Oils, Ltd. in the mid-1960s. A controlling 55 percent of the common stock was in private, mostly Canadian hands. The remaining 45 percent is vested in the government. Four senior civil servants are members of Panarctics board of directors—two from DINA, one from the Department of Public Works and one from EMR. According to one commentator, "Panarctic is managed entirely according to the techniques and concerns of the private business community and in ways which give it no unfair commercial advantage over other private companies which are engaged in oil exploration".[12] There is no indication that the company has been used to preempt opportunities open to other companies or that the government presence has led to either inefficiencies or uncontrolled growth.

The history of oil and gas discovery in Canada is rich but relatively short. From the first major discoveries in 1947, Canada has proved to have some of the richest fields in the world. As of 1972, however, 80 percent of Canada's production was concentrated in one Province, Alberta.

The concentration of oil resources in Canada's largely agrarian West coupled with the power of the provincial governments has created a potential problem for Ottawa and the more industrial east. Although Canada is self-sufficient in petroleum on a net basis, this involves substantial exports of oil and natural gas from the West to the United States and substantial imports by Eastern Canada. The result is a mixture of potential self-reliance and dependence on imports. As oil revenues continue to rise, there may be a steady shift of national wealth from the eastern provinces to the western.

The oil crisis, the existing predominance of American based international oil companies and growing Canadian nationalism have all influenced the Canadian government's decision to seek legislation establishing a federal oil and gas corporation. In the absence of a concrete proposal, it is impossible to compare the Canadian model with that proposed in the federal oil and gas corporation bill. But with the example of Panarctic at hand, one might expect a combination of Canadian government presence with an emphasis on business efficiency.

France

Compared to the American and British experiences, France was a relatively late entrant into the oil and gas industry. Despite the example of oil poor Britain and her own obvious need for oil in World War I, it was not until 1920 that France secured some oil concessions. It was as part of the San Remo agreement that France acquired a share of German interests (relinquished by the Treaty of Versailles) in Iraq.[13] "Since this acquisition was of a straight political nature, without emerging as part and parcel of an industrial development as it had done in Britain, the French government had also to provide a structure in the sphere of refining and distribution which could cope with the crude oil to which it was entitled".[14]

The French responded to the challenge by establishing the Compagnie Francaise des Petroles (hereafter CFP). From the start, the French government held a minority position in the company. The percentage has risen over time from an original 25 percent[15] to 35 percent ownership and 40 percent voting control.[16] At the same time, the French government established the Compagnie Francaise de Raffinage (hereafter CFR). The majority control was vested in CFP with the French government having a direct 10 percent interest.[17]

The government also acts directly in the industry through a number of wholly owned companies and government agencies. The Bureau de Recherches de Petroles (hereafter BRP) is a ". . . financially autonomous public agency . . . subsidized by the State and empowered to undertake initial surveying and general information projects . . ."[18] National entities also supply heavy drilling equipment and have struck oil in France.[19]

All this is *not* to say that the French government is the sole actor in the French oil and gas industry. The international oil giants are heavily involved in both the refining and distribution of oil in France. France does not rely solely on its direct participation in the industry to regulate the oil giants. In 1928, the year in which CEP was founded, the French government was granted monopoly power over the oil industry. Although the government has chosen to delegate that power to private refineries and distributors, the original legislation set the basis for rather extensive controls. Government corporations are favored through import restraints, refining and marketing regulations, and direct subsidies.

The French also use tax incentives to encourage exploration by private firms. The government will allow an oil company a reserve that is defined by a combination of gross sales and net profits. To retain the reserves, ". . . such amounts must be reinvested within 5 years . . ." in fixed assets, exploration for oil and gas or ". . . in certain companies approved by the government". If the funds are not reinvested, they become subject to taxation as ordinary income.[20]

French government intervention in the oil and gas industry does not end with direct participation, import controls, subsidies and tax incentives. The Ministry of Finance has the power to regulate prices. However, "only ceiling prices are set and actual market prices in the past have frequently fluctuated well below the ceiling".[21]

Like the Canadians and the Australians, the French have used a panoply of indirect controls. Import restrictions, price controls, and tax incentives are all part of the French policy structure. They have also allowed a number of the giant international oil companies to compete within their borders. But through both majority and minority ownership, France has taken the path to public enterprise. How have these enterprises faired? Have they saved French interests at a reasonable price or has the penchant for Gallic grandeur put a heavy burden on the pocket book of the French consumer?

French policy has long been set in terms of assuring a national stake in world oil supplies. She has sought to have the French companies (chiefly CEP and Elf/ERAP)[22] (a) control crude oil reserves roughly equal to domestic French consumption; (b) maintain 50 to 60 percent of the petroleum product market within France and (c) to refine and market abroad an amount equal to foreign participation in the French market.

The price of this policy has been persistent intervention in the oil and gas industry. From the start, France had to intervene on behalf of its own enterprises that were to compete with the large international firms. ". . . because CFP's position had to be buttressed, all other companies too had to work within a system of safeguards which made it exceedingly dirigiste all around, but also remarkably remunerative for the companies operating within it".[23]

The French public firms have attracted considerable managerial talent and do compete with the giant international firms around the world. CFP, after all, has become the world's 8th largest integrated oil firm. It must operate on limited home country reserves and in response to a number of national objectives that do not strictly reflect a profit maximization model.

German Oil and Gas Industry

Relative to other Western European countries, West Germany has followed a largely free market policy with regard to the oil and gas industry. Not only are all sectors of the business—exploration, refining and distribution—open to private firms, but all three are in fact dominated by the large international firms.

Nor has Germany attempted to invoke price controls, price ceilings or other price limitations. Prices have been left to the market.

This is not to say that petroleum poor Germany has been without state activity in the oil and gas industry. Tax expenditures, loans, subsidies and direct state participation in the oil and gas industry have all formed a part of German policy.

The costs of any geophysical surveys and dry wells can be charged off immediately against any tax liability. Productive wells can be depreciated at an accelerated rate.[24] And there is special provision for the foreign investments of German oil companies.

In addition to tax expenditures, Germany has recently (1970) offered low interest loans for oil and gas exploration. For German firms, the loans may cover up to 75 percent of any exploration expenditures. Should the endeavor be unsuccessful, the unpaid balance of the loan can be converted into a direct subsidy. Even if successful, certain financial circumstances can justify converting up to 50 percent of the loan into a subsidy.[25]

Up to the present time, the German state has participated in the oil and gas industry through the ownership or partial ownership of a number of corporations. The keystone of its direct participation is Veba, a holding company that administers "the operations of firms in the chemical, power, glass, and trade/transportation" industries.[26]

The state also controls the Rheinisch-Westfaelisches Electrizitaestswerk AG (hereafter RWE), the Federal Republic's major power producer. RWE in turn "is an active participant in the oil industry through its full ownership of Union Rheinische Braunkoheln Kraftstoff AG (hereafter UK Wesserling) and its 48 percent ownership of Gelsenberg. U.K. Wesserling gives the government control over a major refinery in the German market while Gelsenberg AG, like Veba, is a holding company, with interests in petroleum, chemicals, nuclear power, and trade and transportation. It "is practically the only German independent with sizeable foreign oil concessions."[27]

With holdings concentrated in Libya, recent political events have reduced the production from the Gelsenberg fields (jointly held with Mobil oil) and deterred any further exploration.

Oil now constitutes some 55 percent of all German energy needs. With extremely limited domestic resources, small German firms, and little state intervention Germany has become extremely dependent on foreign oil and on the large international firms. German companies control about 25 percent of the domestic petroleum market but had limited control over foreign supplies.

In an effort to put more of the domestic

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oil and gas industry in German hands, the Federal Republic has encouraged overseas exploration and attempted to merge separate German oil companies into one large firm.

Encouragement to foreign exploration came first. In 1969, the Federal Republic established the Deutsche Erdoelversorgungagesellschaft mbH (hereafter DEMINEX). Capital shares of 18.5 percent are owned by VEBA, Gelsenberg, UK, and Wintershall AG. The bulk of the remaining shares are controlled by state owned or state controlled firms. Only Wintershall AG is neither state owned or controlled.

Funds for DEMINEX have come from government loans and grants. DEMINEX is exploring on a world wide basis and has concessions ranging from Canada to Indonesia.[28]

The Federal Republic is currently (February 1974) attempting to merge all the German oil and gas companies into one large, integrated firm. This "super-VEBA" [29] would ideally combine VEBA, Gelsenberg, and Wesserling, and a number of other companies into one firm.

The result would be the second largest company in the German Republic. The combined firm would also have clear control over the new exploration company, DEMINEX.

Financing for the scheme seems far from certain and the privately controlled firm of Wintershall AG, is a reluctant partner at best. Wintershall's controlling parent, Badische Anilin and Soda-Fabrik (hereafter BASF) "has categorically rejected a participation of its subsidiary in a "super-VEBA." [30] Wintershall is so "closely related with the parent company that its extraction from the company set-up would complicate BASF's entire chemical production program." [31]

Throughout most of the post-war world, the Federal Republic appears to have been relatively inactive in the world wide scramble for oil and gas. The international companies ruled the German roost. The state does not seem to have used its direct participation in the oil and gas industry to act either as a yardstick for the performance of other firms nor as a method of securing a firmer access to crude oil supplies.

Italy

Italy has followed the usual European pattern of mixing tax incentives, price controls, reliance on the large international firms and direct participation in the oil and gas industry.

Refining capacity is largely in private hands although the state also runs and constructs refineries. The government has set limits on capacity and also controls the percentage of capacity that can be used at any one time. The construction of new refineries is further complicated by the need to acquire a local permit—something that has become more difficult as a result of growing environmental concerns.

Distribution of gasoline is in the hands of a number of the large international firms as well as the state owned Ente Nazionale Idrocarburi (hereafter ENI). Price controls based on historical costs have created a persistent profit squeeze in the light of general inflation and world shortages. Because of these pressures, BP has already withdrawn from the Italian market and Shell is attempting to follow suit.

Italian tax incentives for the oil industries are different from those of most developed countries. Rather than following the quick write off or depletion allowance approach, Italy will exempt from national income taxation, 50 percent of the income from oil or gas production in the Italian waters or in Italy's continental shelf—as long as the income is reinvested in exploration for oil or gas in areas of Italy that are not reserved to ENI. A similar exemption coupled with a requirement for further exploration exists with regard to oil or gas produced in southern Italy or Sicily.[32]

And then there is ENI—explorer for oil around the world, refiner of oil and distributor of gasoline and natural gas, constructor of pipelines and refineries, maker of textiles and the owner of motels. ENI has served both as an international company and an agent for national development.

The roots of ENI reach back to the early days of Italian fascism. Failure at the peace table following World War I, led Italy to form the Azienda Generale Italiana Petroli (hereafter AGIP) in 1926. As an exploration and production company, AGIP's first twenty years proved to be relatively unproductive. It did secure control of "some medium sized oil companies",[33] in Rumania and obtained a temporary foothold in the Iraqi oil fields. Azienda Italiana Petroli Albanesi (hereafter AIPA), a subsidiary of the Italian state railways, had developed limited sources of Albanian crude oil that were brought within AGIP's ambit. Although potentially rich, AGIP sold its Iraqi concession because Mussolini ". . . was short of foreign exchange and . . . could no longer face the substantial financial effort involved in exploration".[34]

It was in the distribution of petroleum products (gasoline, fuel oil and kerosene) that AGIP met its greatest success. By the beginning of World War II, AGIP supplied about 25 percent of the Italian market (including some preferential markets in the Italian colonies).

Following the French example, the Italian government attempted to increase the amount of crude oil refined within its borders. In 1932, Italy gave customs preference to domestic refineries by raising the duties on imported refined products. Italian refineries were also ". . . assured a market since imports were allowed only if and when the home-refined products had been disposed of".[35] In 1936, the Azienda Nazionale Idrogenazione Combustili (hereafter ANIC) was formed to refine the heavy Albanian crude. Formed by AGIP (25%), AIPA (25%) and the privately held Montecatini (50%), ANIC eventually created a joint refining venture with ESSO and was itself merged into ENI.

ENI and Enrico Mattei

A good deal of literature on ENI has focused not so much on its economic activities as on the political career of its first President, Enrico Mattei. A former businessman and Italian partisan, Mattei was installed as the head of AGIP at the end of World War II. Cleverly exploiting new Italian oil discoveries by AGIP and publicly challenging the international oil giants, Mattei built first AGIP and then ENI into a major force in world oil and gas.

In 1953, Italy moved to consolidate its various oil and gas activities in ENI with Mattei in charge.

From the start ENI became a vertically integrated oil and gas corporation. Through STANIC, the joint venture with Esso (now Exxon) [36] ENI had initial refining capacity. AGIP explored for oil both at home and abroad and was a major distributor of petroleum products for the Italian market. ANIC was involved in petrochemicals and other divisions were involved in transmission of natural gas, construction of refineries and drilling for oil.

The Societa Nazionale Metanodotti (hereafter SNAM) was originally active in distributing Po Valley natural gas under the AGIP label. "Built up from scratch by Enrico Mattei", SNAM has spawned two other major divisions of ENI, SNAM Progetti and SIAPEM.

At present, ENI is involved in the complete petroleum cycle, natural gas, nuclear energy, petrochemicals, motels and such diverse enterprises as textiles and compressors. SIAPEM, the main ENI "company in oil drilling, [and] construction and assembly of industrial plant and piping" competes everywhere with the large private enterprises.[37] Another subsidiary, SNAM Progetti, is a top quality petroleum engineering that competes around the world for the design and construction of oil and gas pipelines.[38]

ENI has never been simply a business-as-usual operation. In response to pressures from the Italian state, ENI has at times acted as an industrial development agency rather than strictly a national oil and gas corporation. Although many of the international oil companies have also become conglomerates none have had the specifically developmental concern of ENI.[39]

ENI and the proposed Federal Oil and Gas Corporation

What does the Italian experience have to say about the possibility of establishing an American Federal Oil and Gas Corporation. Has ENI proved to be viable? Has she met the technical exigencies of a sophisticated industry? What pricing policies has she followed? Does ENI meet the test of economic efficiency? Does ENI provide a yardstick for judging the international oil firms? Has she regulated the internationals through active competition?

Viability

If viability depends on a continued existence, ENI has certainly proved to be viable. Despite the political and economic uncertainties that have plagued post-World War II Italian life, ENI has grown and prospered. Operating from an extremely slender crude oil basis, ENI has survived the competition of the international oil giants. No doubt, a key to the early survival of ENI was the discovery of domestic gas fields in the Po Valley.[40] In terms of domestic crude, an American federal oil and gas corporation would be far more favorably situated. Public lands in the United States appear to be rich in liquid hydrocarbons as well as oil bearing shale.

ENI, however, was built on the basis of a number of other state ventures into the oil business.[41] As envisioned in H.R. 12104, the American Federal oil and gas corporation would be largely involved in exploration and production. Markets for crude would have to be found in either independent refineries or through sales to the largely American based international oil firms.

And what is the price of gas? "ENI bases the price of one cubic meter of its natural gas on the price of the quantity of fuel oil needed to produce the same amount of heat".[42] The price of fuel oil, however, includes a substantial tax. ENI presented a variety of defenses for not pricing at cost of production. But the result was the same—substantial profits were channeled into ENI coffers. These profits in turn supported a number of less profitable ENI ventures.

Fuel oil: ENI has a virtual monopoly on Po Valley methane gas. In the area of fuel oil, however, it is only one of many suppliers. During the era of Po Valley gas, ENI's dependence on natural gas profits which in turn were tied to the price of fuel oil probably exerted an upward influence on fuel oil prices.[43] With the Po Valley deposits nearly exhausted, ENI's fuel oil policies will presumably undergo some modification.

Gasoline: The pump prices of Italian gasoline is largely influenced by the amount of tax. The cost of the gasoline itself has been quite low in the not-too-distant past. Starting from the high tax base, the government has considerable leeway to influence the size and timing of any changes in gas prices. One student of ENI, felt that AGIP had clearly exploited tax decreases to claim a commercial success.[44]

Efficiency? With a complex firm like ENI, the first question must be efficiency at what? On the one hand, ENI has been asked to act as a development agency and a savior for failing companies—burdens not thrust upon her privately held competitors. On the other hand, some ENI divisions compete head on with private firms and more than hold their own. ENI has not been successful in finding

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extensive oil and gas resources in Italy—but that is not a clear measure of efficiency either. The practice of publishing consolidated balance sheets and an early and long-standing policy of company secrecy, have made strict comparisons with private companies—whose costs are also closely held secrets—even more difficult.[45] A final answer must be held in abeyance.

The Yardstick? In absence of published data, it is hard to know exactly what sort of a yardstick ENI would make. ENI does not pay national income taxes, but substantial portions of its income are returned to the state as dividends.[46] No doubt, ENI's active participation in all phases of the oil industry has increased the government's potential knowledge of oil company economics. Such knowledge could form the basis of intelligent regulatory policy, price controls, or tax incentives. However, during the Mattei period at ENI (Mattei died in a plane crash in 1962), the books were probably as closed to the government as they were to the public.[47] But the potential for knowledge was always there.

ENI as a new force: A challenge to the Seven Sisters

Has ENI effectively regulated the international oil giants through the force of competition? At one time, ENI broke with the standard international oil profit sharing formulas in an attempt to secure its own supplies of crude. AGIP's presence coupled with price controls has resulted in what can only be termed an "overly" competitive squeeze on the distribution network of the internationals inside of Italy.[48] ENI has been a competitive factor—how big a factor it is hard to say.

Part III. The Tennessee Valley Authority: A model government corporation?

The preceding summaries have shown that a number of foreign governments have chosen to intervene directly in the search for energy resources. Two of the five studied have state oil and gas corporations, two have minority interests in oil and gas corporations, and one is pledged to introduce legislation to establish such a corporation in early 1974.

All of the foreign governments were responding in part to the circumstances of their particular national economy. Smaller markets, a different legal tradition, resource scarcities, the dominance of the privately owned seven sisters, wars and depressions have all played a part in bringing governments into the search for oil and gas.

In most cases, the economic performance of the foreign state-run oil companies has been difficult to judge. The literature is relatively scant, data are often closely guarded and even the standards for judgment are in flux. Some state companies are asked to act as development agencies and some may act as employers of last resort—combining the role of oil and gas company with that of public service employer.

Whatever the final judgment on their economic performance, the foreign state run oil companies exist, they have survived and they are clearly able to compete with the large international oil companies.

What does all this say for American policy? Are condiitons here that much different from the rest of the Western World? And could a U.S. Federal Oil and Gas Corporation be economically viable in these different circumstances?

To a considerable extent the American government is already involved in the oil and gas industry. Special tax provisions have been adopted to encourage the exploration for oil and gas. The government has a long term experience in the regulation of natural gas prices and more recent regulations have covered the pricing and distribution of petroleum.

In most countries, ownership of the surface soil does not convey control of the subsurface mineral rights. Such rights are ordinarly vested in the Crown or State. Although this is not the case in the United States, the American public lands are massive and rich in mineral resources. Substantial deposits of oil and gas as well as oil bearing shale are to be found on land owned by the U.S. government. At present, the U.S. government follows a practice of competitive or negotiated bidding for leases to exploit mineral riches of the public lands rather exploring itself.

The international oil companies that appeared to present such an obstacle to Italy's Mattei have a very different relationship with the American government. For one thing, most of the large integrated oil combines are American based multinational companies. Among the "seven sisters" only British Petroleum and Royal Dutch Shell are not American in origin. With abundant domestic reserves of coal, and rich publicly owned reserves of oil, the American government has an obvious bargaining lever with the oil multinationals that would be denied to many other countries.

Foreign governments also have a longer and much deeper involvement in their respective economies. The exigencies of the great depression, the demands of a world war, the legacies of failed dictatorships and socialist pressures for nationalization have put many corporations in the hands of foreign governments. The British government is responsible for running railroads, generating electricity, selling gas, mining coal and currently controls most of the British Steel Industry. Italy controls a host of industries—partly through the growth of ENI (the state oil combine) and partly through the acquisition of failing private firms. France drills for oil and sells gas. She also manufactures automobiles. And municipal governments in the United States are heavily involved in generating electricity, distributing natural gas, supplying water and operating telephone systems.

American experience with federally run industries is much narrower. Massive loan programs of the Reconstruction Finance Company characterized both the Great Depression and World War II. But this did not involve operational control. For instance, the Government financed a major expansion of domestic synthetic rubber capacity. The plants themselves, however, were constructed and run by private rubber companies on a cost plus basis.

There is the postal service—but until recently the postal service was run as a government agency rather than a corporation and was forced to provide a number of services below cost. Even in the area of power generation the government has generally mixed regulation with direct operation by government agencies. The major exception to this general rule is the Tennessee Valley Authority.

The history of the Tennessee Valley Authority dates at least to World War I. In an effort to meet the industrial demands of war, the Federal Government constructed two nitrate plants, a steam power plant and Wilson Dam at Muscle Shoals all in the Tennessee Valley.

There followed a considerable controversy about what to do with the government nitrate and power facilities. In 1928, Congress passed a bill to establish a regional development and power authority in the Tennessee Valley—President Coolidge vetoed the bill. A similar bill was vetoed by President Hoover in 1931. A third such bill was signed by President Roosevelt in 1933.

The Tennessee Valley Authority was specifically designed to have much of the flexibility of a private enterprise. Instead of establishing another government agency, Congress created a public corporation, freed the corporation from normal civil service employment rules and gave the corporation relatively large amounts of fiscal discretion.

The corporation was to be run by a three man board of directors who would serve overlapping nine year terms. Most of the day to day management of the TVA was to be delegated to a General Manager.

In an effort to guard against the political spoils system and to secure qualified people on a fair basis, the Congress has subjected most government agencies to the requirements of the U.S. Civil Service Commission. But the TVA was to be different. Congress was "afraid to have the Authority's employees selected by an outside agency on the ground that this would mean applying a test which no man engaged in that particular business in a private way would apply . . ."[49] As a result of using the private business standard, the board was given the power to remove any employee at its discretion.[50]

With flexibility went the potential for greater political play in hiring. Congress guarded against this through explicit language in the statute making hiring and promotion a function of merit and efficiency. Violations were to be handled through summary dismissals. Board members themselves were to be removed by the President should they violate the prohibitions against political favoritism.

How well does this system work? Commentators generally agree that the TVA hiring procedure has been free from political influence.[51] But what about procedure? The sheer difficulty of establishing a personnel policy, recruiting and promoting individuals and properly determining skill needs could stagger any new enterprise—public or private. TVA took civil service as a model and then adjusted for its own needs. For instance, throughout its formative years, TVA had "no formal promotion procedures", not even public announcements of vacancies. Again, the standard of private business was followed rather than that of a government agency.

Capital

By the end of World War II, the TVA had already spent hundreds of millions of dollars, built numerous dams, constructed a number of steam plants and helped establish an extensive municipally owned system of distribution for electric power.

In establishing TVA, Congress was faced with three basic alternatives for funding the new authority. Congress could choose from its armory of various appropriation weapons—granting limited or extensive autonomy to the TVA. A grant of authority to float bonds would have been another possibility. Congress could also have forced TVA to rely largely on internally generated revenues—much as major corporations have come increasingly to rely on internally generated funds.

Congress took a leaf from all three books to give TVA flexibility and yet retain Congressional control. TVA was granted limited authority to issue bonds, the rights to spend its own revenues on certain kinds of operations and[52] regular appropriations.

Appropriations come in all sorts of legislative packages. Ranging from permanent appropriations to closely detailed annual appropriations, Congress has considerable scope in granting fiscal flexibility to agencies of the Government. In the case of the TVA, Congress mixed annual appropriations with very general language. Congress combined adherence to the private business standard in giving the TVA considerable flexibility yet preserved for itself the right to have an annual look at any new and controversial program.

In terms of initial capital, TVA depended neither on its own resources nor on the private capital market. Public funds provided the initial basis for construction of new plant and equipment.

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Price: What charge for electricity?

According to the original statute, TVA was not primarily established to sell electricity. Its primary purposes were to prevent floods and maintain navigation—and only then to devote its attentions to the generation of power.

But the choice of pricing policy centered almost entirely around electricity. Congress had been silent on the matter other than to indicate that the price had to cover the costs generating and transmitting the electricity. From the outset, TVA attempted to expand its market through lowering prices. A combination of an elastic demand for electricity and steadily decreasing costs allowed the TVA to follow a low price policy and still cover its costs. Private companies had operated in the Tennessee Valley for some time—why had not they seen the profit potential in lower prices? The answer probably lies in the combination of TVA's developmental mission and the government backing that allowed TVA to take risks that might have been unacceptable to a private concern. After all, the demand curves that populate economics text books are not writ large in real life circumstances. Imperfect market studies, estimates of income elasticities, economic projections and a feel of the market can only give a most imperfect picture of the economic future. A lowered price may bring substantial benefits or financial disaster. In any case, the TVA price strategy was not only successful in financial terms but also brought substantial benefits to consumers throughout their eight state area of service.

CONTROL: FLEXIBILITY WITH FETTERS

TVA was and remains different from other agencies of the federal government. It is exempted from the civil service, has a certain power to raise funds through issuing bonds, can spend its own receipts and has relatively broad discretion in spending appropriated funds.

But TVA is not now nor has it ever been a truly independent corporation. The board of directors is appointed by the President rather than by stockholders. From the start, Congress had maintained an annual review of the TVA. Subsequent to the passage of the Government Corporation Control Act of 1945, the TVA submitted a business type budget to the Bureau of the Budget (now the Office of Management and Budget) and to the Congress. In addition, Congress has held investigatory hearings on the TVA—a type of scrutiny applied to few if any private corporations.

Congress has found no major difficulties in keeping the TVA under control. It has from time to time limited its ability to borrow as well as the ambit of its geographical growth. Such "requirements have clearly limited the freedom of the" . . . TVA. Whether they have impaired its advantages as an agency of administration is still a matter of dispute.[53]

The Yardstick Debate: Does the TVA Rule Have a Full 36 Inches?

The average private company has to wrestle with an array of taxes, capital costs, operating expenses and the clamor of investors for a reasonable return on the investment. To what extent is TVA subject to the same pressures? And to what extent can the TVA performance be used to measure the performance of private power companies?

As noted above, the TVA pays a fixed percentage of its revenues in lieu of taxes. The percentage is somewhat below the average amount paid by private firms—and of course TVA does not pay federal income tax.

Capital costs is another area in which TVA differs from a strictly private firm. Some TVA capital comes directly from Congress. Interest payments on government bonds are generally lower than private corporate bonds because the risk of default is less. These two items would tend to understate TVA costs compared to those of a private firm. On the other hand, TVA is in the process of paying the government back for all the capital it has invested. A private corporation need never pay back its equity holders—a distinct advantage over TVA's financial situation.

The TVA is under an obligation to cover all its power costs. However, the determination of those costs, particularly capital costs, is a far from simple matter. It is the multi-purpose hydroelectric projects that have precipitated so much controversy. When a dam improves navigation, provides irrigation for crops, and power for electricity, how much of the dam's cost should be allocated to the generation of power? The allocation of joint costs among a number of products is seldom a simple procedure. To the extent that the TVA depends on hydro-electric power, there will be controversy over the allocation of joint costs and thus over the extent to which TVA could act as a proper yardstick for private firms. No such problem exists however, with regard to TVA's steam facilities.

So what kind of comparisons can be made? TVA's costs are not exactly the same as those of a private firm. If electricity were extensively regulated by the federal government, no doubt the TVA experience would provide a rich source of data on current and capital costs, potential profits and general market conditions. But there does appear to be at least an extra inch or two in the TVA yard.

Part IV. Summary and conclusions

The preceding sections have raised a host of questions about the operation of a federal oil and gas corporation. And the essay has found no neat and easy answers to any of these questions. Foreign experience always grows out of a particular resource endowment, a specific economic situation and a different cultural and institutional context. Nor is the development of a large river valley always a clear guide to discovering new oil fields. But despite these difficulties, the policies and programs that have been examined above do suggest some tentative conclusions.

Feasibility

Unlike many countries, the United States has a highly developed oil and gas industry. Not only do American based firms dominate the American market, but until very recently they exercised almost complete control over the world supply of oil and gas. The United States has extensive refining facilities, a massive distribution network for fuel oil, home heating oil, and gasoline. And the bulk of America's oil and gas comes from domestic sources. Except for some government reserves, all the fields, refineries, and other facilities are in private hands. Can a federal oil and gas corporation break into this highly developed industry?

Can a new federal corporation attract qualified personnel, obtain sufficient capital, find fields and establish a satisfactory market?

Personnel: In H.R. 12104, the federal oil and gas corporation would be freed from the restraints of the Civil Service Act. The proposed corporation would thus be able to hire more quickly, promote more expeditiously and structure a salary scale closely related to market conditions.

The TVA was similarly freed from the civil service rules but saw fit to emulate many of its practices. Regardless of the influence of this imitation, TVA succeeded in attracting qualified personnel. From the limited operation with minimal power generation facilities, TVA quickly grew into large concern that not only generated power but also constructed many of its own facilities.

ENI, the Italian state company, showed a similar meteoric growth. From a base largely tied to the distribution of petroleum produts, ENI has become vertically integrated company that encompasses every phase of the petroleum cycle. ENI subsidiaries construct oil pipelines, refineries, and other facilities in full competition with the best private companies.

CFP, the French national company, and the nationalized industries in England have frequently attracted top quality management talent. Apparently the pull of public service and the opportunity to operate on a large scale have continued to create a strong attraction for many managers.

None of these experiences from abroad or from our own past is really "on all fours" with the situation that confronts a Federal Oil and Gas Corporation. The TVA came on the stage in the midst of the Great Depression. ENI grew out of the ashes of Italy's defeat at war. In both situations, the rate of skilled unemployment was high. The opportunity for challenging employment must have brought many applicants. In addition, ENI was built on years of AGIP's experience. Although largely unsuccessful, the twenty years of on again off again exploratory effort by AGIP provided ENI with some kind of a starting point.

As for France and England, the civil service traditions have always been stronger than they are in the United States. Smaller national markets also make government monopolies all the more challenging.

What does all this say about hiring skilled personnel and qualified management in present day America? The specifics of the various markets for the variety of skills needed in exploring and drilling for oil are well beyond the scope of this essay. One can observe that since the world oil industry is basically Anglo-American, the existing pool of skilled personnel is mostly English speaking. In addition, America is reputed to suffer from serious unemployment or underemployment of technical personnel—particularly those in the hard sciences. Presumably some of these individuals could adapt their skills to the needs of the petroleum industry.

Good management is always in demand By whatever design, Washington has always attracted at least a fair share of that talent. Particularly new ventures, novel programs, and efforts that speak to the national interest have been magnates for the mix of talent, service and personal ambition that is the hallmark of Washington's best managers.

By all appearances, the corporation could be staffed quickly and with well qualified people.

Capital: The public pocket or the private purse—the dilemma that confronts any public corporation. TVA started with appropriations, earned revenues and spent them, and eventually secured the right to borrow funds from the public. ENI started with existing facilities, a large government appropriation and extensive "profits" from its pricing of natural gas. CFP quickly came to earn its own way—but at the price of having the rules of the economic game tipped so that both private and public participants did well.

It is quite possible that the corporation would follow a similar path. Appropriations would start the corporation and continue so as to exert control. If successful in developing oil and gas fields, the corporation could become increasingly dependent on revenue from sales. In any case, capital for a public corporation is a matter of political will rather than the exigencies of the private capital market.

The market: In present circumstances (February 1974), it is hard to imagine there *not* being a market for petroleum products. It is easy to forget that only a few years ago oil imports were strictly limited so as to protect the domestic fields. What if there is a glut of crude? Will the government find itself in the position of lobbying with itself to re-impose import quotas?

Perhaps so. Should the world again become awash in oil, the operation of all domestic firms might have to be justified on other than strictly economic grounds. The needs of national defense and the value of energy independence would then have to be more seriously weighed.

There's oil in them thar hills. But which hills? Given the right personnel, adequate capital and a potential market, will the federal oil and gas corporation find the oil? To this author's understanding, oil exploration is basically a proposition of knowledge of geology, capital and patience. A combination of qualified personnel and existing governmental expertise should manage the geologic problems. The capital should be available. Given the extensive oil deposits on public lands, the answer to "which hills?" should be possible to find.

In sum, the federal oil and gas corporation appears to be an economically viable proposition.

The public corporation—can it be controlled?

There is always the fear that public agencies, public corporations, and bureaucracies are simply here to grow. The literature on organizations seeking to grow—in power, size or profitability—is already legion. There is every reason to suspect that the managers of a federal oil and gas corporation will be always looking to new fields—oil and otherwise—to conquer.

Are there controls to keep such a corporation in bounds? There are many possible controls, several of which are explicitly included in H.R. 12104. First, there is the traditional power of the purse. Appropriations can be made annual, legislative committees can hold oversight hearings, new legislation can be passed, audits may be conducted. The Executive branch can act through executive order, Office of Management and Budget recommendations, and the general suasion of national policy. And for this particular oil and gas industry there would also be the Federal Power Commission. And the courts are an ever present check on public action.

The proposed corporation would face a large and established industry. And the whole energy field appears to be technologically dynamic. Atomic power, solar energy, the winds and the sea may provide further checks on the expansion of this particular corporation.

This is not to say that the establishment of a Federal Oil and Gas Corporation will not have profound implications for the American economy. Shortages of fuel oil have already created a structure for the allocation of oil and gas. With the advent of federal production, the allocatory power of the federal government could be greatly enhanced. With an economy still greatly dependent on oil, the government might find itself in a position to determine the direction of future economic growth. The Ministry of International Trade Investment (hereafter MITI) in Japan used its control over imports to exert just such power over certain industries. For in energy poor Japan, control over imports meant control over energy.

With a nod to the possibilities of an unknown future, one would have to say that the Federal Oil and Gas Corporation could be kept well within the American system of checks and balances. The history of TVA certainly suggests such a course. Congressional hearings, new legislation and a steady hand on the purse strings all kept TVA under public control. There is no reason why the new corporation should have a different experience.

Efficiency—Can a public corporation meet a private standard?

An ideal situation for comparing efficiency is the existence of a public and private firm competing on roughly equal terms in the same market. In the purely competitive world of economic theory, the two corporations would both be equally efficient or one would not survive. In any case, some type of clear judgment could be made. There is no particular reason why a public firm with some monopoly power could not act in a capitalistic manner. If it did, we might compare the balance sheets of public and private firms and (accountants willing) make some sort of judgment about their relative efficiency.

The difficulty is that public corporations are usually founded because the market is not functioning in a politically acceptable way. In some cases, private capital will not take risks that the authorities want it to take. The result may be a limited venture like Pan Arctic in Canada or the establishment of major corporation as with the CFP in France. Or the existence of a natural monopoly (roughly a situation in which costs decrease steadily up to the point that the relevant market is satisfied) may lead to public corporation.

In the type of situation mentioned above, there is often no private measure of efficiency. In some cases, one can ask how have private companies performed in situations with less risk (Panarctic) or how a truly competitive firm would behave if it were to determine the policies of a public monopoly?

In many cases, however, the public corporation is burdened with many tasks not shared by its private counterparts. Stricter environmental standards, economic development missions, public employment responsibilities, counter cyclical capital constraints and the constant pressure of the press and politicians are a few of the factors that may be different for the public corporation

It is hard to say exactly how many of these kinds of burdens will be vested upon the proposed oil and gas corporation. The Conte bill does exhibit a definite solicitousness for the environment. To the extent that that adds constraints to the corporation's actions, it may appear less efficient than its private competitor.

The indications from the foreign experience and the record of the TVA are both encouraging. Despite the political pressures and the added responsibilities, many of the ENI subsidiaries have been able to compete on a world wide basis. The TVA successfully cut prices, grew, prospered, and made a significant contribution to the economic development of an eight state area.

Efficiency in the new corporation?—probably.

The yardstick?

To what extent will the proposed Federal Oil and Gas Corporation operate under conditions similar to those of a private concern? Will the new corporation provide an accurate yardstick by which the performance of private concerns can be measured?

In terms of state and local taxes, the proposed corporation will pay just as if it were a private corporation. Not only does this add to the local tax roles, but it makes the private and public operations more directly comparable. Federal income tax on corporate profits is quite another matter. Like the TVA, the new corporation will probably not pay federal taxes. To make the public corporation more comparable with a private body, the tax liabilities, insurance and other costs would have to be computed and incorporated in a reconstructed set of books. The procedure does imply a host of accounting decisions in a field which does not yet boast of uniformity, but it could certainly be done.

Capital costs would also be different for the public and private corporation. For the public corporation, initial capitalization will come from the public coffers rather than from internally generated funds or the capital market. Capital raised through government guaranteed bonds, another avenue open to the public corporation, will come at a somewhat lower price than would funds raised without a guarantee.

Operating costs should be rather similar. Private and public firms will basically have to compete on the same market for drilling equipment, fuel, and labor. Without knowing more about the actual labor or contracting practices of the proposed corporation, it is difficult to make a more specific evaluation.

Beyond the bare bones of costs and accounting, the public and private corporations will operate in very different environments. Although both will be subject to political controls, the persistent scrutiny of the public corporation by Congress and the Executive branch will almost surely impose added expenses on the new corporation.

Probably there will not be a strict 36 inches in the public corporations yardstick, but will 33 or 40 do just as well? For many purposes, the rough comparisons that can be made between public and private operations should be a considerable aid to decisions on the true cost of production, regulation, tax incentives, or the need for price controls. In this sense, the public corporation would provide a valuable measurement tool.

Regulation through competition

Much has been made of the role of TVA in extending electric service and lowering the rates for electricity. By taking the risk of lower rates, the TVA found a market that the private companies had been unable or unwilling to reach.

Any final judgment on the hypothesis of regulation through competition demands a series of judgments about the degree of monopoly in the oil and gas industry, the potential behavior of private firms, and the probable role of the government corporation.

How then does all this come out? Keeping in mind the tentative nature of any judgments, the evidence suggests that a Federal Oil and Gas Corporation would certainly be economically viable. There is no reason why it could not run at a high level of technical competence and general efficiency. It will not necessarily provide an exact yardstick by which to measure the performance of private corporation, but should put the government in a position to make "ball park" judgments about the operation of the industry.

FOOTNOTES

[1] William G. Shepherd, *Economic Performance Under Public Ownership: British Fuel and Power*, Yale University Press, New Haven and London, 1965, p. 6.

[2] Paul H. Frankel, Mattei: *Oil and Power Politics*, Praeger, New York and Washington, 1966, p. 34.

[3] Ibid., p. 35.

[4] *An Energy Policy for Canada: Phase I, Vol. II.*, The Minister of Energy, Mines and Reserves, Ottawa Canada, 1973, p. 242.

[5] House of Representatives, Committee on Ways and Means, *General Tax Reform*, Part 9 of 11, February 26, 1973, Gov't Print. Off., 1973, p. 1430.

[6] Information Service, *Oil: the United Kingdom*, Information Service, England, July 1971, p. 3, ERAP is owned by the French government.

[7] Judith Maxwell, *Energy from the Arctic: Facts and Issues*, Canadian American Committee, Washington 1973, p. 65.

[8] Ibid., p. 65.

[9] *An Energy Policy for Canada: Phase I*—Vol. II, Minister of Energy, Mines and Resources. Ottawa, 1973, p. 316.

[10] Ibid., p. 219.

[11] House of Representatives, Committee on Ways and Means, *General Tax Reform* (Part 9 of 11) GPO, Washington 1973, p. 1426.

[12] *An Energy Policy . . . op. cit.*, p. 247.

[13] Paul H. Frankel, *Mattei: Oil and Power Politics*, Praeger, New York, 1966, p. 36.

[14] Ibid., p. 36.

[15] Richard L. Gordon, The Evolution of Energy Policy in Western Europe: the Reluctant Retreat from Coal. Praeger, New York, 1970, p. 39.

[16] An Energy Policy for Canada: Phase I, Vol. II, The Minister of Energy, Mines and Resources, 1973, p. 240.

[17] Gordon, *op. cit.*, p. 39.

[18] Service de Press et d'information, *France and Petroleum,* Ambassade de France, New York, 1961, p. 9.

[19] Ibid., p. 9.

[20] House of Representatives, Committee on Ways and Means, *General Tax Reform* (Part 9 of 11), GPO, Washington 1973, p. 1427.

[21] Kent Hughes, "Public Regulation of the Oil and Gas Industry in France, Italy, and Germany: A Brief Sketch," Congressional Research Service, November 30, 1973, p. 3.

[22] ERAP—Entreprise de Recherches et D'Activités Petrolières.

[23] Frankel, *op. cit.,* p. 165.

[24] The House of Representatives, Committee on Ways and Means, *General Tax Reform* (Part 9 of 11) GPO, Washington, 1973, p. 1427.

[25] Ibid., p. 1427.

[26] Department of State Airgram, The National German Oil Company, Bonn 8767 Department of State, Bonn., August 13, 1973, p. 8.

[27] Ibid., p. 8.

[28] Ibid., p. 10.

[29] Ibid., p. 1.

[30] Ibid., p. 11.

[31] Ibid., p. 3.

[32] House of Representatives, Committee on Ways and Means, *General Tax Reform,* (Part 9 of 11), GPO, Washington 1973, p. 1428.

[33] Paul H. Frankel, *Mattei: Oil and Power Politics,* Praeger, New York, 1977, p. 37.

[34] Ibid., p. 37.

[35] Ibid., p. 39.

[36] An acronym combining Standard Oil of New Jersey and Azienda Nazionale Idrogenazione Combustile. (STANIC)

[37] Galeazzo Santini, *ENI, The Famous Stranger,* Successo, April 1970, p. 100.

[38] Ibid., p. 103.

[39] Dow Votaw, *The Six Legged Dog: Mattei and ENI—A study in Power,* University of California Press, Berkeley and Los Angeles, 1964.

[40] Ibid., pp. 10 to 14.

[41] Frankel, op. cit., pp. 174 to 181.

[42] Votaw, op. cit., p. 34.

[43] Ibid., p. 37.

[44] Ibid., p. 38.

[45] Ibid., pp. 39 to 44.

[46] Ibid., p. 63.

[47] Ibid., p. 28.

[48] Hughes, op. cit., p. 4.

[49] Herman Finer, The TVA: Lessons for International Application, DA Capo Press, New York, 1972 (original publication in 1944), p. 135.

[50] Ibid., p. 135.

[51] Ibid., p. 136.

[52] Ibid., pp. 188–189.

[53] Clair Wilcox, *Public Policies Toward Buisness,* Richard D. Irwin, Inc. Homewood, Ill., 1966, p. 572. Also see, Richard Hellman, *Government Competition in the Electric Utility Industry,* A Theoretical and Empirical Study, Praeger, New York, 1972.

MARCH 29: VIETNAM VETERANS DAY

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. HANLEY. Mr. Speaker, tomorrow March 29, has been proclaimed Vietnam Veterans Day, a day devoted to those Americans who served in Vietnam and who now seem destined to become the "forgotten" Americans.

No brass bands and cheering crowds greeted most of these men as they returned from Vietnam, rather they returned to a Nation that was determined to forget the horror and the trauma of the Vietnam war. Now these veterans find they are caught in the struggle between those who wish to forget, and those of us who cannot forget.

The situation of our Vietnam veterans today is one hardly befitting those who have given so much for their country.

The unemployment rate for these veterans is almost 10 percent, and in lower income areas of the country it is over 20 percent; it is sad, indeed, that so many of those men who fought on the battle lines of Vietnam are now locked in a new battle on the unemployment lines of America.

If we can ever hope to put our Vietnam veterans to work we must do all we can to help them get a good education. Unfortunately, the GI bill has not always proved adequate for these young veterans; only 21 percent of our eligible Vietnam vets are now enrolled in college programs as compared to 50 percent of the eligible vets after World War II. The House took a great step forward last February 19 when it approved a 13.6-percent increase in the educational assistance benefits available under the GI bill. I hope that this increase will turn the tide and free our newest veterans from their struggle, but I fear that it will not. We must move to assure each Vietnam veteran an equal opportunity; this task is not an easy one, but it is our duty.

Though unemployment and lack of educational assistance are two of the most acute problems facing our Vietnam veterans today there are also difficulties in the areas of housing and medical care. I believe that if we are to identify, understand, and eliminate these problems then we must make the Veterans' Administration more responsive to the needs of these vets.

Our Nation suffered greatly because of the Vietnam war, but no Americans sacrificed more than those who served. Over 56,000 Americans gave their lives in Vietnam, 564 more spent years confined in the prison camps of the North, 1,354 are still missing and over 340,000 returned home disabled. Our Nation's Vietnam veterans have given more than any nation could ask, they have sacrificed enough, now it is time for us to move forward as a nation to assure these men that they have not been forgotten.

I have heard many say that the Vietnam war was a war without heroes; I believe that every Vietnam vet is a hero in his own right for having answered his country's call, for having served his country well in what was perhaps the most unpopular war in our history and for having the courage to come home to a nation that no longer seems to care.

I am proud of our Nation's veterans and I am proud of our Nation's efforts, both public and private, to help these men in their time of need, but I believe that the job is far from finished and that every American must join this effort.

I do not believe that we can enjoy the fruits of peace until we have secured for every Vietnam veteran the rights he deserves and the benefits he has earned.

Mr. Speaker, my prayers are with those veterans who have still not returned to our shores and with those who are struggling here at home.

America has ahead of her the great goal of assuring every veteran a good job and a decent wage and what a great day it will be when that goal is finally reached.

It is my hope that every American will join in this effort and that tomorrow we as a nation can think of all our Vietnam veterans and what they have done for us, and all that we can do for them.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. Mitchell of Maryland (at the request of Mr. O'Neill), for today, on account of illness.

Mr. Rosenthal (at the request of Mr. O'Neill), for today through Thursday, April 11, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Kemp) to revise and extend their remarks and include extraneous matter:)

Mr. Ware, for 5 minutes, today.

Mr. Kemp, for 15 minutes, today.

Mr. Cronin, for 5 minutes, today.

(The following Members (at the request of Mr. Breckinridge) to revise and extend their remarks and include extraneous material:)

Mr. Diggs, for 5 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. Holifield, for 5 minutes, today.

Mr. Culver, for 5 minutes, today.

Mr. Reuss, for 10 minutes, today.

Mr. Clark, for 5 minutes, today.

Mr. Murphy of New York, for 10 minutes today.

Mr. Danielson, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Koch and to include extraneous matter, notwithstanding the fact that it exceeds 3¼ pages of the Congressional Record and is estimated by the Public Printer to cost $329.25.

Mr. Harrington and to include extraneous matter notwithstanding the fact that it exceeds two pages of the Record and is estimated by the Public Printer to cost $1,619.75.

(The following Members (at the request of Mr. Kemp) and to include extraneous material:)

Mr. Broyhill of Virginia in two instances.

Mr. Dellenback in two instances.

Mr. Gude in five instances.

Mr. Roncallo of New York in two instances.

Mr. Minshall of Ohio.

Mr. Wyman in two instances.

Mr. Archer in two instances.

Mr. Ashbrook in five instances.

Mr. J. William Stanton.

Mr. Shoup in two instances.

Mr. Cohen in two instances.

Mr. Shuster.

Mr. Baker.
Mr. Derwinski in two instances.
Mr. Mizell in five instances.
Mrs. Heckler of Massachusetts in two instances.
Mr. Mallary.
Mr. Gilman in two instances.
Mr. Kemp in three instances.
Mr. Parris in 10 instances.
Mr. Brown of Ohio.
Mr. Hosmer in two instances.
Mr. du Pont.
Mr. Hogan in two instances.

(The following Members (at the request of Mr. Breckinridge) and to include extraneous material:)

Mr. Natcher.
Mr. Gonzalez in three instances.
Mr. Rarick in three instances.
Mr. Moss.
Mr. Symington.
Mr. Jarman.
Mr. Addabbo in two instances.
Mrs. Boggs.
Mr. Ichord.
Mr. Hungate.
Mr. Gunter.
Mr. Anderson of California in two instances.
Mr. Drinan in two instances.
Mr. Evins of Tennessee in two instances.
Mr. Stokes in five instances.
Mr. Brinkley.
Mr. Dent.
Mr. Nix.
Mr. Bingham in three instances.
Mr. Waldie in two instances.
Ms. Holtzman in 10 instances.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 2174. An act to amend certain provisions of law defining widow and widower under the civil service retirement system, and for other purposes; and

S. 2747. An act to amend the Fair Labor Standards Act of 1938 to increase the minimum wage rate under that act, to expand the coverage of the act, and for other purposes.

ADJOURNMENT

Mr. BRECKINRIDGE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 25 minutes p.m.), under its previous order, the House adjourned until Monday, April 1, 1974, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ET CETERA

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2100. A letter from the Assistant Secretary of Defense (Installations and Logistics), transmitting a report on Department of Defense procurement from small and other business firms during July–November 1973, pursuant to section 10(d) of the Small Business Act, as amended [15 U.S.C. 639(d)]; to the Committee on Banking and Currency.

2101. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to transfer to the Secretary of Health, Education, and Welfare research and evaluation authority contained in the Economic Opportunity Act of 1964; to the Committee on Education and Labor.

2102. A letter from the Secretary of Transportation, transmitting a statement concerning a delay in the presentation of legislative proposals providing for the recovery of the costs of the airport and airway system from airway users; to the Committee on Interstate and Foreign Commerce.

Received From the Comptroller General

2103. A letter from the Comptroller General of the United States, transmitting a report on the examination of the financial statements of the Tennessee Valley Authority for fiscal year 1973, pursuant to 31 U.S.C. 851 (H. Doc. No. 93–248); to the Committee on Government Operations and ordered to be printed.

2104. A letter from the Comptroller General of the United States, transmitting a report on problems in the Department of Housing and Urban Development's homeownership opportunities program for low-income families; to the Committee on Government Operations.

2105. A letter from the Comptroller General of the United States, transmitting a report on housing allowances and the experimental housing allowance program being conducted by the Department of Housing and Urban Development; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SISK: Committee on Rules. House Resolution 998. Resolution to amend the House Rules regarding the making of points of no quorum, consideration of certain Senate amendments in conference agreements or reported in conference disagreement, request for recorded votes and expeditious conduct of quorum calls in Committee of the Whole, and postponement of proceedings on suspension motions, and for other purposes. (Rept. 93–959). Referred to the House Calendar.

Mr. SISK: Committee on Rules. House Resolution 1018. Resolution providing for the consideration of House Resolution 998. Resolution to amend the House Rules regarding the making of points of no quorum, consideration of certain Senate amendments in conference agreements or reported in conference disagreement, request for recorded votes and expeditious conduct of quorum calls in Committee of the Whole, and postponement of proceedings on suspension motions, and for other purposes. (Rept. No. 93–960). Referred to the House Calendar.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 12993. A bill to amend the Communications Act of 1934 to provide that licenses for the operation of broadcasting stations may be issued and renewed for terms of 4 years, and for other purposes; with amendment (Rept. 93–961). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of California (for himself, Mr. Brown of California, Mr. Boland, Mr. Huber, Mr. Won Pat, Mr. Dent, Mr. Mollohan, Mr. Waldie, Mr. Eilberg, Mr. Charles H. Wilson of California, Mr. Sarbanes, Mr. Froehlich, Mrs. Collins of Illinois, Mr. Biester, Mr. Roybal, Mr. Rees, Mr. Wolff, Mrs. Burke of California, Mr. Badillo, Mr. Roe, Mr. Burgener, Mr. Moakley, Mr. Stark, Mr. Helstoski, and Mr. Whitehurst):

H.R. 13805. A bill to require the testing of certain motor vehicles to determine the lowest average octane rating of gasoline which can be used without knocking in such vehicles, to require the production and marketing of gasoline having a specified average octane rating, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ANDERSON of California (for himself, Mr. Riegle, Mr. Edwards of California, Mr. Harrington, Ms. Holtzman, Mr. Matsunaga, Mr. Sandman, Mr. Lent, and Mr. St Germain):

H.R. 13806. A bill to require the testing of certain motor vehicles to determine the lowest average octane rating of gasoline which can be used without knocking in such vehicles, to require the production and marketing of gasoline having a specified average octane rating, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ASPIN:

H.R. 13807. A bill to dispose of antimony from the national stockpile; to the Committee on Armed Services.

By Mr. BROOMFIELD:

H.R. 13808. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. BROTZMAN:

H.R. 13809. A bill to amend the Wild and Scenic Rivers Act by designating segments of certain rivers in the State of Colorado for study as potential components of the National Wild and Scenic Rivers System; to the Committee on Interior and Insular Affairs.

By Mr. BROWN of Ohio:

H.R. 13810. A bill to establish a Consumer Protection Agency in order to secure within the Federal Government effective protection and representation of the interests of consumers, and for other purposes; to the Committee on Government Operations.

By Mr. CAREY of New York:

H.R. 13811. A bill to create a national system of health security; to the Committee on Ways and Means.

By Mr. COHEN:

H.R. 13812. A bill to amend title II of the Social Security Act to increase the amount of outside earnings which (subject to further increases under the automatic adjustment provisions is permitted each year without any deductions from benefits thereunder, and to revise the method for determining such amount; to the Committee on Ways and Means.

By Mr. CRONIN:

H.R. 13813. A bill to amend title 5, United States Code, to provide that persons be apprised of records concerning them which are maintained by Government agencies; to the Committee on Government Operations.

By Mr. CULVER (for himself, Mr. Zablocki, Mr. Wolff, Mr. Yatron, Mr. Harrington, Mr. Ryan, Mr. Steele, Mr. Whalen, Mr. Gilman, Mr. Davis of Georgia, Mr. Burke of Florida, and Mr. Vander Jagt):

H.R. 13814. A bill to direct the President to conduct a study of foreign investment in the United States and to report to Congress the results of such study, including in such study and report a comparison of implications of foreign investment in the United States with implications of foreign investment in other countries, an analysis of the regulation of foreign investment in the United States and in other countries, and a consideration of alternative policy options concerning foreign investment available to the United States, taking into account the U.S. national interest as it relates to the protection of domestic economic interests and to the fostering of commercial intercourse between nations; to the Committee on Foreign Affairs.

By Mr. DELLENBACK (for himself, Mr. Quie, Mr. Biaggi, Mr. Huber, Mr. Kemp, Mr. Erlenborn, and Mr. Esch):

H.R. 13815. A bill to amend section 411 of the Higher Education Act of 1965 to improve the awarding of basic educational opportunity grants under such section, and for other purposes; to the Committee on Education and Labor.

By Mr. EVANS of Colorado:

H.R. 13816. A bill to amend the act authorizing the Fryingpan-Arkansas Federal reclamation project, Colo., in order to increase the amount authorized for such project (act of August 16, 1962; 76 Stat. 389) and to authorize construction of a second 100-megawatt unit at the Mt. Elbert Pumped Storage Powerplant site of such project; to the Committee on Interior and Insular Affairs.

By Mr. FINDLEY:

H.R. 13817. A bill to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. FREY:

H.R. 13818. A bill to provide for the termination of certain oil and gas leases granted with respect to land located in the Ocala National Forest; to the Committee on Interior and Insular Affairs.

By Mr. GINN:

H.R. 13819. A bill to amend title XI of the Social Security Act to repeal the recently added provision for the establishment of Professional Standards Review Organizations to review services covered under the medicare and medicaid programs; to the Committee on Ways and Means.

By Mr. HANLEY:

H.R. 13820. A bill to amend the Small Business Act to provide low-interest operating loans to small businesses seriously affected by a shortage in energy-producing materials; to the Committee on Banking and Currency.

By Mr. HARRINGTON:

H.R. 13821. A bill to repeal economic sanctions against Cuba which are contained in certain acts of Congress; to the Committee on Foreign Affairs.

By Mr. HARRINGTON (for himself, and Mr. Young of Georgia):

H.R. 13822. A bill to amend the Natural Gas Act to secure adequate and reliable supplies of natural gas and oil at the lowest reasonable cost to the consumer, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HELSTOSKI (for himself, Mr. Bingham, Mrs. Chisholm, Mr. Forsythe, Mr. Frelinghuysen, Miss Holtzman, Mr. Podell, and Mr. Roe):

H.R. 13823. A bill to direct the Comptroller General of the United States to conduct an annual audit of each interstate transportation authority which has been established pursuant to an interstate compact or agreement that has been approved by Congress; to the Committee on Government Operations.

By Mr. JARMAN:

H.R. 13824. A bill to amend section 410 of the Federal Aviation Act of 1958 to provide financial assistance during the energy crisis to U.S. air carriers engaged in overseas and foreign air transportation; to the Committee on Interstate and Foreign Commerce.

By Mr. KASTENMEIER:

H.R. 13825. A bill to establish administrative and governmental practices and procedures for certain kinds of surveillance activities engaged in by the administrative agencies and departments of the Government when executing their investigative, law enforcement, and other functions, and for other purposes; to the Committee on the Judiciary.

By Mr. KASTENMEIER (for himself, Mr. Rodino, Mr. Conyers, Mr. Danielson, Mr. Drinan, Mr. Mezvinsky, Mr. Mazzoli, Mr. Mitchell of Maryland, Mr. Railsback, Mr. Smith of New York, Mr. Sandman, Mr. Cohen, Mr. Fish, Mr. Biester, and Mr. Coughlin):

H.R. 13826. A bill to establish an independent and regionalized U.S. Parole Commission, to provide fair and equitable parole procedures, and for other purposes; to the Committee on the Judiciary.

By Mr. McDADE:

H.R. 13827. A bill to protect the public health and welfare by providing for the inspection of imported dairy products and by requiring that such products comply with certain minimum standards for quality and wholesomeness and that the dairy farms on which milk is produced and the plants in which such products are produced meet certain minimum standards of sanitation; to the Committee on Agriculture.

H.R. 13828. A bill to direct the Secretary of the Treasury to determine if bounties, grants, or export subsidies are paid by foreign countries with respect to dairy products imported into the United States, and for other purposes; to the Committee on Ways and Means.

By Mr. MOAKLEY (for himself, Mr. Hechler of West Virginia, Ms. Holtzman, Mr. Sarbanes, Mr. Pepper, Mr. Harrington, Mr. Tiernan, Mr. Yatron, Mr. Won Pat, Mr. Carney of Ohio, Mr. Eilberg, Mr. Luken, Ms. Abzug, Mr. Seiberling, Mr. Drinan, Mrs. Collins of Illinois, and Mr. Metcalfe):

H.R. 13829. A bill to provide assistance and full-time employment to persons who are unemployed and underemployed as a result of the energy crisis; to the Committee on Education and Labor.

By Mr. MOSS (for himself, Mr. Eckhardt, Mr. Helstoski, and Mr. Corman):

H.R. 13830. A bill to establish national goals for the effective, fair, inexpensive, and expeditious resolution of controversies involving consumers, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. PEYSER:

H.R. 13831. A bill to provide for the establishment of an American Folklife Center in the Library of Congress, and for other purposes; to the Committee on House Administration.

By Mr. PICKLE:

H.R. 13832. A bill to amend the Emergency Petroleum Allocation Act of 1973 with respect to the base period for purposes of allocation to independent marketers; to the Committee on Interstate and Foreign Commerce.

By Mr. RHODES:

H.R. 13833. A bill to incorporate the U.S. Submarine Veterans of World War II; to the Committee on the Judiciary.

By Mr. STAGGERS:

H.R. 13834. A bill to provide standby emergency authority to assure that the essential energy needs of the United States are met, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ULLMAN:

H.R. 13835. A bill to amend section 6420 of the Internal Revenue Code of 1954 to treat timber operations as farming, for purposes of the excise taxes on special fuels and gasoline; to the Committee on Ways and Means.

By Mr. KARTH:

H.J. Res. 960. Joint resolution requiring the President to submit to Congress a report concerning importations of minerals which are critical to the needs of U.S. industry; to the Committee on Ways and Means.

By Mr. LATTA:

H.J. Res. 961. Joint resolution requiring the President to submit to Congress a report concerning importations of minerals which are critical to the needs of U.S. industry; to the Committee on Ways and Means.

By Mr. BROTZMAN (for himself, Mr. Buchanan, Mr. Goldwater, Mr. Gubser, Mr. Mathias of California, Mr. Rees, Mr. Roybal, Mr. Talcott, Mr. Bob Wilson, Mr. Gibbons, Mr. Derwinski. Mr. Price of Illinois, Mr. Hillis, Mr. Myers, Mr. Shriver, Mr. Winn, Mr. Hogan, Mr. Mitchell of Maryland, Mr. Conte, Mr. Harrington, Mrs. Heckler of Massachusetts, Mr. Esch, and Mr. Riegle):

H. Res. 1019. Resolution to create a Committee on the Environment; to the Committee on Rules.

By Mr. BROTZMAN (for himself, Mr. Zwach, Mr. Randall, Mr. Sebelius, Mr. Thone, Mr. Dominick V. Daniels, Mr. Forsythe, Mr. Helstoski, Mr. Roe, Ms. Abzug, Mr. Fish, Mr. Kemp, Mr. King, Mr. Rangel, Mr. Smith of New York, Mr. Podell, Mr. Andrews of North Dakota, Mr. Regula, Mr. Devine, Mr. Dent, Mr. Williams, Mr. Mann, Mr. Spence, Mr. Pickle, and Mr. Pritchard):

H. Res. 1020. Resolution to create a Committee on the Environment; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials, were presented and referred as follows:

[*Omitted from the Record of March 27, 1947*]

398. By the SPEAKER: Memorial of the Senate of the State of Rhode Island and Providence Plantations, relative to homes for the elderly; to the Committee on Banking and Currency.

[*Submitted March 28, 1974*]

399. Also memorial of the Legislature of the State of Georgia, relative to Professional Standard Review Organizations; to the Committee on Ways and Means.

SENATE—*Thursday, March 28, 1974*

The Senate met at 9:30 a.m. and was called to order by Hon. Adlai E. Stevenson III, a Senator from the State of Illinois.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O Lord our God, in whom we live and move and have our being, help us to use wisely this new day which Thou hast given us. In hard tasks grant us the grace of perseverance. In difficult problems help us to press onward until solutions are found. In all our efforts help us to "Abhor that which is evil; cleave to that which is good. Be kindly affectioned one to another with brotherly love; in honour preferring one another; not slothful in business; fervent in spirit; serving the Lord." Bring us to evening with nothing to make us ashamed, with nothing to regret, with nothing badly done, and with peace in our hearts.

In Thy holy name we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The second assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., March 28, 1974.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. ADLAI E. STEVENSON III, a Senator from the State of Illinois, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. STEVENSON thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Wednesday, March 27, 1974, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONSIDERATION OF MEASURES ON THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent to call up Calendar Nos. 725, 726, and 730.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ANIMAL HEALTH RESEARCH

The Senate proceeded to consider the bill (H.R. 11873) to authorize the Secretary of Agriculture to encourage and assist the several States in carrying out a program of animal health research, which had been reported from the Committee on Agriculture and Forestry with amendments, on page 1, line 7, after the word "of", insert "fresh water fish and shellfish"; on page 2, line 4, after the word "poultry;", insert "to minimize losses of livestock and poultry due to transportation and handling;"; on page 3, line 12, after the word "the", where it appears the second time, strike out "advisory board" and insert "Advisory Board"; on page 4, line 12, after the word "the", where it appears the second time, strike out "advisory board" and insert "Advisory Board"; in line 21, after the word "exceed", strike out "$20,000,000" and insert "$40,000,000"; on page 7, after line 6, insert:

(f) The Secretary is authorized to conduct an inventory of all horses in the United States.

In line 11, after the word "exceed", strike out "$15,000,000" and insert "$20,000,000"; in line 20, after the word "the", where it appears the second time, strike out "advisory board" and insert "Advisory Board"; in line 24, after the word "exceed," strike out "$10,000,000" and insert "$15,000,000"; on page 8, line 14, after the word "the", strike out "advisory board" and insert "Advisory Board"; in line 24, after the word "payment", strike out "or" and insert "of"; on page 9, line 10, after "Sec. 9." insert "(a)"; in the same line, after the amendment just stated, strike out "At a time and in a manner to be designated by the Secretary, the" and insert "The"; in line 11, after the word "dean", strike out "and" and insert "or"; in line 12 after the word "will", strike out "be directed to appoint a local committee to review" and insert "have prepared"; in line 18, after the word "proposals", strike out "reviewed by the local committees and"; in line 22, after the word "general", strike out "outlines" and insert "guidelines"; at the beginning of line 23, insert "(b)"; on page 10, line 8, after "Sec. 10.", insert "(a)"; at the beginning of line 13, insert "(b)"; after line 19, insert:

(c) Each recipient of Federal assistance under this Act, pursuant to grants, subgrants, contracts, subcontracts, loans, or other arrangements, entered into other than by formal advertising, and which are otherwise authorized by this Act, shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

And, on page 11, after line 6, insert:

(d) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall, until the expiration of three years after completion of the project or undertaking referred to in subsection (c) of this section, have access for the purpose of audit and examination to any books, documents, papers, and records of such recipients which in the opinion of the Secretary or the Comptroller General may be related or pertinent to the grants, subgrants, contracts, subcontracts, loans, or other arrangements referred to in subsection (c).

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

AUTHORIZATION FOR SALE OF A FORMER FOREIGN SERVICE CONSULATE BUILDING

The bill (H.R. 12341) to authorize sale of a former Foreign Service consulate building in Venice to Wake Forest University, was considered, ordered to a third reading, read the third time, and passed.

FACILITIES NAMED IN HONOR OF FORMER PRESIDENT LYNDON B. JOHNSON

The Senate proceeded to consider the bill (S. 2835) to rename the first Civilian Conservation Corps Center located near Franklin, N.C., and the Cross Timbers National Grasslands in Texas in honor of former President Lyndon B. Johnson, which had been reported from the Committee on Agriculture and Forestry with amendment on page 2, line 4, after the word "and", strike out "consideration" and insert "considered"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress amended, That the first Civilian Conservation Corps Center, known as the Arrowood Civilian Conservation Corps Center, located near Franklin, North Carolina, is redesignated as the Lyndon B. Johnson Civilian Conservation Corps Center, and the Cross Timbers National Grasslands, located in Wise and Montague Counties, Texas, is redesignated as the Lyndon B. Johnson National Grasslands.

SEC. 2. Any law, regulation, document, map, or record of the United States in which reference is made to the Arrowood Civilian Conservation Corps Center or to the Cross Timbers National Grasslands shall be held and consideration to be a reference to the Lyndon B. Johnson Civilian Conservation Corps Center and the Lyndon B. Johnson National Grasslands, respectively.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from Pennsylvania.

Mr. HUGH SCOTT. Mr. President, I yield back my time.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from West Virginia (Mr. RANDOLPH) is to be recognized.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the time be transposed and that the distinguished Senator from Wisconsin (Mr. PROXMIRE) be recognized.

The ACTING PRESIDENT pro tempore. Without objection, the Senator from Wisconsin is recognized for not to exceed 15 minutes.

Mr. PROXMIRE. I thank the distinguished majority leader.

WHAT'S RIGHT ABOUT OUR FEDERAL GOVERNMENT? WOMEN'S RIGHTS AND OPPORTUNITIES

Mr. PROXMIRE. Mr. President, this is the second of a series of speeches I am giving on what is right about our Federal Government. Of course there is plenty wrong with the Congress, the President, and even the courts. Everyone knows that. And the polls indicate that the majority of people believe that there is far more wrong than right. I emphatically disagree.

We have made remarkable progress in this Government in the past 15 years—bipartisan-Republican-Democratic progress. It is continuing and at a remarkably rapid pace.

Earlier this week I discussed the immense progress the Federal Government has made in the past 15 or 20 years in contributing to improved education in this country.

Today I take on the progress we are making in women's rights and opportunities.

In all honesty Mr. President, a strong case can be made that our progress has been so limited that we cannot point to it with pride. But we have made progress. We are on our way. Women have a far better opportunity now than ever before in American history to get a job—to defend their legal rights and to aspire to equal treatment in pay and prestige with men. We have gone a long way to provide the legal framework—the vital political foundation for progress. But we have gone almost nowhere in making the opportunity a reality.

Consider this Chamber—The U.S. Senate—as an example. We have 102 Members in this powerful legislative branch of the U.S. Government. How many women? None. Of the 50 Governors of our States how many are women? None. Of the mayors of our biggest cities, how many are women? None. There are no women on the Supreme Court, none in the President's Cabinet. There are 12 women in the 435-Member House of Representatives, a few, a very few scattered here and there in position of power and influence in the administration, but very few, indeed.

Some say the real power in this country is still in business. That may be. How do women fare in business in this country? In American business the situation is even worse. Recently Fortune magazine made a study of women in big business. They took the thousand largest firms in America. They took the three top paid officers in each business, and added every director in the business who earned more than $35,000 a year. They thus assembled the 6,000 top people—the cream of American business. What did it show? Were 10 percent or 600 women? No. Were 1 percent or 60 women? No, again. There were only 11 women among these 6,000 policymaking officials in American business, and only 1 of those 11 had been able to work her way in the usual manner to a top position in the firm. The rest had inherited the position by birth or marriage.

We could make the same depressing case of overwhelming discrimination against women in the professions—in medicine, law, religion, television, newspapers. You name it. Wherever power is in this country. Men overwhelmingly occupy all or just about all the posts.

Why is this? Is it because women do not have it? Do they lack ability, intelligence, force, judgment? Of course not. The prime minister of Israel is a woman. Of India—another distinguished woman. In Russia most of the doctors are women.

Repeatedly, where given anything like a chance, women have shown they can do every bit as good a job as men.

Now this failure to use the talent of half of our population is a serious national waste.

All of us know how much we need leadership—intelligent, sensitive, competent leadership everywhere in America—in government, in the law, in medicine, in business. But by cheating women of the opportunity to contribute their ability we have been seriously weakening our country.

With all this bad news about what is wrong, how can I call this a speech about what is right with the Federal Government? The answer, of course, is that now at long last—just in the past few years we have begun—only begun—but that beginning represents a solid and vital contribution to women's rights and opportunities.

1961—STATUS OF WOMEN COMMISSION

In 1961 President Kennedy noted that—

> Continuing prejudice and outmoded customs act as barriers to the full realization of women's basic rights.

In an effort to change this situation, he established the President's Commission on the Status of Women to advise him on what we needed to do as a nation to overcome discrimination against women.

EQUAL RIGHTS AMENDMENT—1972

Today, just 13 years later, I believe that this Nation can take pride in the progress we have made toward achieving full legal equality and economic opportunity for American women. State and local laws that discriminate against women are being challenged in the courts and overturned. Congress has passed the Equal Rights Amendment to the Constitution, and it has already been ratified by 33 States. The Equal Employment Opportunity Commission has enforcement powers with which to stop discrimination against women on the job. Prohibitions against sex discrimination have been extended to employees of educational institutions, governmental agencies, and businesses and unions with more than 15 workers.

In fact, there has been something of a legal revolution in the field of women's rights in the last decade, and I would like to take some time today to summarize the most important changes and their impact on women's lives.

Mr. RANDOLPH. Mr. President, will my able colleague yield?

Mr. PROXMIRE. I am delighted to yield.

Mr. RANDOLPH. The Senator from Wisconsin (Mr. PROXMIRE) is correctly sketching developments within our country from the standpoint of opportunities for and contributions of women in many spheres of public, and certainly civic and private endeavors.

It is appropriate, as a point of historical perspective, to add a footnote illustrating the progress that has been made in achieving political and economic justice for women. In 1854, three young women employed as copyists in the U.S. Patent Office were threatened with loss of their jobs. A member of Congress wrote to the Secretary of the Interior, Robert McClelland, on behalf of one of them, and received the following response:

> There is every disposition on my part to do anything for the lady in question except to retain her, or any of the other females who work in the rooms of the Patent Office. I have no objection to the employment of females in the performance of such duties as they are competent to discharge, but there is such obvious impropriety in the mixing of sexes within the walls of a public office that I have determined to arrest the practice.

The "lady in question" lost her job. But she went on to distinguish herself a few years later in a job situation considered exclusively male. The lady's name was Clara Barton. Her work on the Civil War battlefields and as founder of the American Red Cross made her one of the most illustrious women in our Nation's history.

Mr. PROXMIRE. I thank the distinguished Senator from West Virginia for this dramatic demonstration of contributions that women have made in the past, in spite of the enormous prejudice they have suffered for so long. The Senator has been a leader in the efforts to secure equal opportunity for women.

EQUAL PAY ACT—1963

Two pieces of legislation in particular have contributed enormously to ending economic discrimination against women in the past 10 years. The Equal Pay Act of 1963 requires men and women to be paid equally for jobs requiring equal skill, effort, and responsibility. Although it originally applied only to those persons covered by the Fair Labor Standards Act, the Higher Education Act of 1972 extended its protection to executive, administrative, and professional employees, including teachers. Furthermore, a landmark decision by the Supreme Court in 1970 held that women performing work which is "substantially" equal to that of men should receive the same pay, a decision which greatly broadened the scope and authority of the act.

Under the Equal Pay Act, which is administered by the Wages and Hours Division of the Department of Labor, complaints can be handled quickly, often without litigation, and the name of the complainant can remain anonymous. From June 1964 to June 1972, $44.5 million was found due to 108,000 employees under this statute.

The Equal Pay Act does not cover equal opportunity, hiring, firing, promotion, seniority, or conditions of employment. These areas come under the prohibitions against sex discrimination by employers, public and private employment agencies, labor unions, and labor-management programs included in title VII of the Civil Rights Act of 1964.

EQUAL EMPLOYMENT OPPORTUNITIES ACT OF 1972

The Equal Employment Opportunity Act of 1972 extended the coverage of title VII to Government employees and employees of nonreligious educational institutions. In addition, it granted the Equal Employment Opportunities Commission (EEOC), which administers title VII, the power to file suit against employers in Federal District courts in cases of sex discrimination if its efforts at conciliation fail. Previously the authority of EEOC was limited to investigations. It now has enforcement powers.

The EEOC has issued guidelines on sex discrimination which bar hiring based on sex stereotypes, classifications, or labeling of "men's jobs" or "women's jobs," and advertising under male or female headings. The guidelines also specify that exemptions for jobs in which sex is a bona fide qualification should be interpreted very narrowly. For example, it is legal to advertise for a female actress to play a female part, but not to advertise for female secretaries on grounds that women are better secretaries than men. Furthermore, the guidelines prohibit employers from using so-called State "protective" laws which limit or prohibit women's employment in certain jobs, hours, and working conditions, as a reason for refusing to hire women for such jobs.

In the 9 years since title VII went into effect, the EEOC has declared a number of discriminatory practices, illegal under the Civil Rights Act. Employers are no longer permitted to refuse to hire women with pre-school age children unless they also refuse to hire men with pre-school age children. Separate pension plans for men and women are illegal, as are separate seniority lists for male and female employees. Moreover, an employer must treat a woman's pregnancy as a disability—she can no longer be fired or forced to resign at any specified month in her pregnancy.

The Equal Employment Opportunity Act of 1972 extended the coverage under title VII to all Federal employees, but women in the Federal service are also protected by a series of Executive orders banning sex discrimination by all Federal agencies, and in contracted Federal projects as well. Under an Executive order issued in December 1971, contractors with 50 or more employees, and a contract of $50,000 or more, must take affirmative action to set goals and timetables for the employment of women in job categories where they have been underutilized. The Office of Federal Contract Compliance has the power to withhold valuable contracts from firms which do not comply with the Executive order's provisions.

OTHER FEDERAL ACHIEVEMENTS

These are the major Federal legislative achievements to date. In addition, there have been a number of smaller, but important victories for women's rights. The separate women's branch of the Coast Guard Reserve has been eliminated, creating one Reserve composed of both men and women who are enlisted and commissioned under exactly the same conditions.

The Small Business Administration Act has been amended to prohibit the Small Business Administration from practicing sex discrimination.

And the Comprehensive Manpower Act prohibits discrimination against women in the expenditure of Federal "manpower" funds.

The Equal Rights Amendment to the Constitution is in a class by itself. Introduced in every Congress since 1923, it reads:

> Equality of rights under the law shall not be denied or abridged by the United States or by any State on account of sex.

The Congress passed the Equal Rights Amendment in March 1972, and in the following months many State legislatures have acted quickly to ratify it. Although the drive for ratification has been slowed by a mobilized opposition, 33 States have already ratified the amendment. Eighteen have either tabled it or voted it down; and only one State, Nebraska, has rescinded its ratification. Only five more ratifications are needed for adoption—six, if Nebraska's action is upheld.

A significant part of the opposition to the equal rights amendment has come from organized labor, which feared giving up the protective laws regulating working hours and conditions for women. However, many States are already reviewing their wages and hours regulations, extending equal protection to men, or revising statutes to insure that they discriminate against neither sex. Last fall, the AFL–CIO reversed its position and promised to support the drive for ratification. Labor support for the amendment has already proved crucial to its success in several States.

Of course, laws cannot eliminate deeply rooted attitudes and social prejudices overnight. But taken together the statutes and Executive orders of the last decade have had a profound effect on the elimination of discrimination against women. More legislation is needed—particularly in the area of pension and retirement benefits and in the extension of retail credit and mortgage transactions—but today women have a choice. They can fight illegal discrimination with the authority of the law on their side. The report of the President's Commission on the Status of Women summed up the ideal toward which we are working. It concluded that—

> Women can only be given real opportunity by being offered real choices, each one under written by fair laws and fair practices and a social climate that ensures that each life pattern will be considered a feasible and dignified one.

To sum up, this country has lost much in leadership and talent by 20 years of consistent discrimination against women. That discrimination continues in an overwhelming exclusion of women from positions of real power and influence in America. But now, at last, the Federal Government has began to act.

The Equal Pay Act of 1963, the Equal Opportunities Act of 1972, and the Equal Rights Amendment of 1972 have set this Government squarely on the path of full protection of women's rights and the legal basis for an explosion of women's opportunities. We will be a better country because of it. Once again the Federal Government has done something right and provided another basis for Americans to be proud of their Government.

ORDER OF BUSINESS

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, how much time remains to the distinguished senior Senator from Wisconsin?

The ACTING PRESIDENT pro tempore. One minute.

Mr. MANSFIELD. If the distinguished Senator from Wisconsin will allow me to yield that 1 minute to the distinguished senior Senator from West Virginia, I will yield the 15 minutes allotted to his colleague from West Virginia (Mr. ROBERT C. BYRD), and the Senator will have ample time to speak this morning on a subject dear to his heart.

Mr. RANDOLPH. I thank the distinguished majority leader.

SENATOR RANDOLPH ADVOCATES INCREASED USE OF COAL AS MAJOR ANSWER TO NATION'S ENERGY NEEDS—URGES ACTION NOW ON ENERGY EMERGENCY LEGISLATION

Mr. RANDOLPH. Mr. President, I address these remarks to the very important subject of coal—coal in vast supply, coal capable of being mined and processed for the benefit of the people of the United States in the years ahead. I feel that it is important to document this record, rather than to speak quickly or even to have colloquy, as I have been privileged to have in the past in the Senate during certain debates.

I know that we realize—Members of Congress and a large portion of the population which is knowledgeable on this subject—that coal will have an increasingly important role in determining the future energy strength of our country. We know that we have a chemically rich, abundant coal supply throughout the United States. This coal base can be strengthened if we are enlightened and move forward on a broad front, with further technology development, but increased use of this fossil fuel.

Today the domestic energy void is largely filled in our country by oil imported from the Middle East and other sections of the world. We must have help as we move to the forefronts of technology, because our goal is attainable but it is not yet attained, and with the capability of coal to meet the self-sufficiency, in large degree, of the American people in fuels and energy, this goal can be achieved. We have—and I stress this with vigor—though I do not speak loudly, Mr. President, but I speak earnestly—underground in this land of ours one-half of the known coal reserves of the entire world. I would ask that Senators visualize this situation, and they will understand that enough coal is here to satisfy our energy needs for at least 500 years.

Mr. President, we are not talking about something that has only a value in easing the energy crisis, or whatever we call it, with which we have been afflicted for many months. We are familiar with the fact that the United States has only 5 percent of the world's crude oil reserves, while the Middle East holds a mammoth 67 percent. I repeat: We have in this country only 5 percent of the crude oil reserves. The Middle East, I emphasize, has 67 percent.

But I hope we will also consider, when we have weighed those figures, that America has four times more energy available in coal than the Middle East has in oil. I repeat, Mr. President, that in this country we have four times more energy available through coal than the Middle East has in all its oil deposits.

If we are determined to move away from the influence—frankly, the domination, the captivity—of oil-rich nations overseas, we are going to have to do in this country that which we should have done long ago: have a major shift to electricity generated from coal as well as nuclear power. It is necessary that this be done. It is inevitable that it be done.

Coal is now used for only 17 percent of our energy needs. It can serve as the chemical feed stock for the production of synthetic premium fuels. These include, of course, natural gas and oil and methanol.

Any high degree of energy self-sufficiency will require unprecedented growth in coal production from today's 590 million tons to almost 2 billion annual tons by 1985. Such potential growth presents a staggering challenge to the coal industry; but it is comparable to that for nuclear electric power.

Simply stated, the coal industry is technologically deficient and this deficiency is becoming more apparent as Americans demand more coal to meet our country's energy needs. Expert skills are needed in systems analysis, research management, and technical areas as diverse as process chemistry and environmental monitoring. Frankly, the coal industry lacks the technology to mine enough coal. And, once coal is mined, the technology to make its use completely acceptable is still lacking.

Technological deficiency is only one reason why a nation so rich in coal now finds itself short of energy. There are also many complex social, economic, and political factors slowing coal's expanded use and we must clear them away. Unless we can quickly advance the technologies for mining, transporting, and burning coal and then master the techniques for converting it to synthetic natural gas and oil, our energy self-sufficiency cause is lost. There then would be insufficient fuel of all kinds to meet this Nation's needs.

Research programs underway ultimately should provide the solutions to these problems. And I personally believe that decisions being made today in Washington, and in corporation boardrooms across the land, will accelerate the pay-out of the lengthy research and development cycle.

I question whether money will be a major obstacle—at least if recent experience is an indication. Last December, for example, the Chairman of the Atomic Energy Commission, Dr. Dixy Lee Ray, submitted a report to the President outlining how $10 billion can be most profitably spent on energy research—not on atomic research but on energy research—in the United States.

Many of the programs that she selected, Mr. President, had their focus on coal, and many of the recommendations have been included in the Federal budget.

What is more important, perhaps, is the virtual unanimity on this program in what I call the circles that include the Congress of the United States and those within the administration at various levels who have studied these matters. We have had, of course, the more or less current discussions within Congress, and we have had in those discussions sometimes very severe confrontations as we have come, let us say, into a certain problem with the President of the United States on energy research funding.

Whether we spend $10 billion, as Dixy Lee Ray has indicated, or whether we spend $20 billion, as I have advocated, over a period of 10 years rather than $10 billion over 5 years, is not the crux of what I am indicating here today. It is, however, a challenge that we have the development of results-oriented institutions brought into this picture. We must meet the challenge, and there are several possibilities that are now under active consideration in the Congress, leading to what I believe will be the eventual creation of a Federal Energy Research and Development Administration. An interim step is, of course, the Senate's national fuels and energy policy study which has been proposed as an interdepartmental energy research management project.

Industry and the utilities have, of course, through the Electric Power Research Institute, stated their strong views and made their contributions.

There remains, however, the monumental task of resolving their respective roles in the centralized national programs which I know, in the interest of efficiency and the dollars being well spent, must come into being.

Past research efforts in the United States, for example, have been seriously flawed by the inability of officials to assess the coal industry as a coal delivery system—it is important to underscore this—that the coal delivery system extends from the mine face to the point of the end-use product—a concept that is inherent in nuclear power development. As a result, most of the efforts have been aimed at only a fraction of the industry's technology needs—utilization—even though key subsystems, such as extraction, call for major improvement.

We lost time and momentum when, in the early 1950's, the administration in power during that period stopped funding and thereby stifled the then ongoing research into synthetic liquid fuels and into coal gasification. These programs had been authorized and funded by the U.S. Congress in the middle 1940's, during that period of World War II when the German submarines were rapidly destroying much of our fuel and energy supplies in oceanic transportation.

Mr. President, I say to you only as a matter of record that I remember that period because it was my responsibility as a member of the House of Representatives to sponsor with the late and great Senator from Wyoming, Mr. O'Mahoney, this program of the development of synthetic fuels. At that time we were faced with the menace of the U-boats along the eastern coast of the United States and other coastal and deeper waters. The U-boats were stopping the flow, then, of needed oil into the United States. When Senator O'Mahoney and I authored this legislation, it promised a real breakthrough.

It is not too important, but I remember that on Monday I read in the Chicago Daily News a news story and saw a photograph indicating that Governor Walker of Illinois was placing gasoline into an automobile, the gasoline having been made by Illinois coal, and after doing so, he drove off and apparently had a pleasant ride.

I am not comparing West Virginia alongside of Illinois in a development of this kind, but more than 30 years ago we were using West Virginia coal in aircraft which was processed into aviation fuel. I recall very well with Arthur C. Hyde, flying from Morgantown, W. Va., 175 miles, to the Washington National Airport in a single-engine plane fueled with aviation fuel made from West Virginia coal.

The Senator now presiding, (Mr. STEVENSON) knows, of course, of the vast coal deposits yet untapped in Illinois.

I mention that development for the purpose of indicating that what we were doing then was stopped—stopped as it has always been in the United States of America, apparently when a crisis passes. People become complacent and apathetic. They say, "Let us go back to doing business as usual."

Yes, those programs were broad in nature, programs which touched Colorado oil shale, programs which touched West Virginia coal, programs which touched gasification in Alabama, projects in different parts of the country. We had breakthroughs and the pilot projects were in being but the funding was stopped because the problem of World War II was over.

The Presiding Officer (Mr. HASKELL) has knowledge of the vast oil shale areas of his State.

So today I feel strongly the necessity for doing that which it will be easier not to do. It will be easy to say that the energy crisis has abated.

Yes, of course the Arab embargo is lifted, but I say to you, Mr. President, it is only a probationary embargo. Even the leaders of those countries of the Middle East indicate that they will try it out only until June. In other words, they can do exactly what they want to do. They have the power to do it. That power is not retained in the United States of America.

In 1961, when pleading for action in the Senate, I said that each year we delayed was perhaps 1 year nearer disaster from the standpoint of the energy requirements of the United States. We knew then that Kuwait could fail us, that Venezuela could fail us, and that the Middle Eastern countries could fail us.

That, in part, is exactly what happened.

I have no desire to speak of those who are at fault. We have failed, including the administrations, the Congresses, those who produce our energy supplies in this country. And certainly to a degree the American people must be held responsible because they have recognized, even though they do not always speak of it, that this condition which I have delineated in part, the problems then, and now could have been settled by positive programs.

Mr. President, how much time remains?

The PRESIDING OFFICER (Mr. HASKELL). The Senator has until 10:19, which will be 14 minutes from now.

Mr. RANDOLPH. I thank the Chair.

Mr. President, because past research priorities have failed to match the industry's needs, production now acts as a major bottleneck in the American coal delivery system. Today, this subsystem is strained to its limits and unless better extractive tools are developed—and developed soon, customer demand for doubled production in 1980—that is what we hope for—and trebled production in 1985—the consensus estimate of future demand—will surely be unachieveable if not ignored.

Such failures dramatize why system analysis—the discipline that made space flight and nuclear power development possilbe—must share a vital role in shaping future energy research programs. This capability must be strengthened in our national research institutions to guarantee the smooth performance of our coal delivery system. We must not, at this crucial time, allow bottlenecks in coal's expansion toward the goal of energy self-sufficiency.

Redundancy and overlapping in research efforts must also be eliminated, except that in attaining so imperative a goal it is necessary to pursue parallel paths.

We do not need to move ahead in one program as opposed to another. Yes, our task is enormous. The stakes are very high for the strength of this country and the well-being of our people. Each new discovery gives us not only the opportunity, but the challenge to coordinate is here.

Our task is so enormous and the stakes are so large that we must build on every discovery. We cannot afford to waste scarce time and talent reinventing work already in process or that has been completed by others. Perhaps our major handicap is assuming it has to be American if it is of any value. In fact, prevailing attitude unfortunately is to discount international developments. For example, intermediate grade synthetic gas or ammonia is being produced from coal by the Koppers-Totzek system at some 20 overseas locations. Since 1970, eight gasifiers have been built in India, one in Greece, and six in South Africa. The Office of Coal Research is pursuing one demonstration project that is only partially related and the Atomic Energy Commission is pumping $4 million into the Livermore Radiation Laboratory to develop a coal research capability.

It is essential that we utilize existing facilities and build on current research programs to the maximum extent possible. For example, encouraging decisions have been made within the Department of the Interior to expand coal gasification programs at the Morgantown, W. Va., Energy Research Center, where significant gasification research has been done over a period of years. In this regard, I am gratified that Secretary of the Interior Rogers C. B. Morton will be visiting Morgantown tomorrow to tour this center and review its vital projects.

Meanwhile, there is work to be done on several needed systems for the longer term—such as the magnetohydrodynamic—MHD—generator. It is so great that perhaps the most efficacious mechanism eventually may be to spread this development among the coal-producing nations. If this system is to be successfully developed major breakthroughs will have to be made in technique and materials. Through cooperative ventures timely advances in technology of this scale can be achieved.

But we must develop the research institutions and funding mechanism so we can proceed not 5 years from now but in 1974. There is, for example, no task more important than civilizing coal combustion so that its impact on the environment is minimized. This is imperative, for until coal can be used without endangering human health or property, only that fraction of our coal reserves that is low in sulfur can contribute to easing the energy shortage.

We must upgrade our technologic capability for removing sulfur from coal before it is used and from the flue gas after combustion.

In the short term, it appears that a flue gas scrubber—ideally, one that reuses its reagents and yields a useful byproduct—will provide the best interim solution to this very complex problem. The Federal Government, therefore, must assure that the large sums of money required to prove-out these technologies are available as soon as possible so that coal's traditional customers can continue to use coal and that coal can be used in the degree I have mentioned today, a tremendously important instrument for the strength of this country.

I find the conclusions of the Environmental Protection Agency's hearings on sulfur oxide control technology disturbing. Our national objective is successful achievement of equitable energy and environmental goals. This will require the cooperation of the electric utility industry. The Environmental Protection Agency concluded in January 1974, however, that—

> (1) . . . some utilities . . . have applied greater efforts to defending their lack of progress or to attempting to change existing emission requirements than they have in controlling SO_x emission.
>
> (2) . . . Vendors . . . generally offer guarantees for these systems that are comparable to the guarantees provided for other equipment purchased by a utility . . . guarantees now offered vendors are appropriate; . . . the utility creating the pollution must assume the remaining risks associated with control of that pollution.
>
> (3) . . these costs, while substantial, are reasonable and will not impose an undue burden on either the electric utility industry or its customers.

Such a "wait and see" attitude I cannot defend. I find it very difficult to understand. I believe there is ample basis for reassessing whether present air quality and emission standards will have what some people call an "overkill."

We must not stand by and watch large numbers of our coal production base evaporate because there are some unreasoning people who will not accept the facts.

There is a clear need for an examination of the scientific evidence that serves as the basis for present ambient air quality and emission standards.

In August 1973, the Senate Public Works Committee contracted with the National Academy of Sciences-National Research Council to examine this evidence for sulfur oxides, particulates, carbon monoxide, nitrogen oxides, and photochemical oxidants—hydrocarbons. Their report, which is due in July 1974, will serve as a basis for an in-depth review by the committee and Senator MUSKIE'S Subcommittee on Environmental Pollution.

But in the long run, we must develop the means of removing the impurities from the coal prior to combustion—if coal products are to replace the oil and natural gas used by the majority of our industries today. I am encouraged by the potential I mentioned for low-Btu coal gasification in removing the impurities from the coal and converting coal to a form suitable for the needs of large industrial customers. This would free significant quantities of natural gas and oil distillates for high priority uses.

I am also encouraged by the immediate potential of solvent refined coal for steam boiler use. This semisolid product—manufactured by dissolving coal in a coal-derived solvent, filtering out the ash and chemically removing the sulfur—is, of course, low in sulfur, low in ash, and provides about 16,000 Btu's per pound. What is more, its technology is sufficiently advanced to permit rapid commercial use.

But while we push for the early development and commercial marketing of these technologies, there are many applications for the use of coal in its natural state.

The White House has implemented regulations that would prohibit utilities from switching from coal to oil and also bar increases in oil blending. These regulations are a positive step in the development of a rational energy policy consistent with the goal of what I have called the need for energy self-sufficiency—but they are only a first step. I believe that, in the final analysis, steps should be taken leading toward the use of coal as the primary fuel under every large utility and industrial boiler capable of burning coal, unless air quality is so endangered as to present a threat to public health—which I, of course, would be against. To this end, legislation is under active consideration by Congress that would require such conversions be made to the extent practicable, after balancing energy needs against environmental requirements. However, no source would be allowed to "materially contribute to a significant risk to public health," and all sources would have to comply with applicable emission limitations as soon as an adequate coal supply with a suitable sulfur content would become available.

I also submit that every new large industrial unit constructed should have a coal-burning capability. Industrial uses account for the largest fraction of the Nation's energy use. A program of industrial conversion to coal would go far in conserving petroleum fuels and feedstocks. In order to enable the maximum use of coal for power generation and to accomplish the conversions from oil back to coal, however, we must be in a position to meet demand for this fuel—consistent with equitable environmental policies.

According to press reports, the American Public Health Association estimates that if utilities switch to coal without adding pollution controls, some 21 million people in urban areas face the risk of a 45-percent increase in chronic respiratory disease. On the other extreme, full installation of flue gas treatment by 1980, which is impracticable, would cost an estimated $5.4 billion.

As you realize, I have been talking in generalities about supply and demand. But there is a recent Cornell University study commissioned by Dr. Dixy Lee Ray and the Atomic Energy Commission that goes far in quantifying coal's future role in meeting the Nation's energy needs.

It stresses that if the United States is to meet projected 1985 demand of 124.9 quadrillion British thermal units per year and hold oil and gas imports to their 1970 level, 43.1 quadrillion of those British thermal units must come from coal. And, the report is careful to emphasize this contribution from coal—which translates into a trebling of last year's 590 million ton production needed even after oil production is increased 25 percent and nuclear reactors are brought on line as fast as possible.

As a result of the shift back to coal, questions about the coal industry no longer focus on market demand. Rather, the hard question being asked is: What is the coal industry's capacity to expand?

Production will not be as easy to expand as in the past, for we no longer have a large "surge" capability. Massive unemployment no longer characterizes coal regions—unemployment that would provide a ready pool of labor for crisis-type expansion.

Being a complex, machine-oriented mining technology—with its attendant safety, engineering and geological restrictions—coal mining no longer lends itself to rapid expansion.

We should know that the implementation of the Coal Mine Health and Safety Act—as necessary as its passage was and continues to be—dealt a blow to underground mine productivity. Output per man hour dropped precipitously with the passage of the act in 1969 to about 30 percent below its historical level.

If we are to meet the future demand attendant to self-sufficiency, new technologies must be developed to counteract this trend. Such a doubling or trebling of production cannot be achieved with a 20-year-old technology that is—by today's standard—well into its sunset years. Means must be found to funnel more Federal, industry, and vendor dollars into needed technologies in this vital sector of the coal system.

These developments include: Continuous transportation; automated continuous mining that resolves the problems of roof control, protection from explosion, and a control system that eliminates the need for miners at the face; rapid extraction technology, degasification of both the coal seam and the strata ahead of mining; explosion suppression and fire control devices; and alternate energy sources for mobile equipment—everything, in essence, needed to make mining as safe and efficient as possible.

Finally, the Nation cannot afford to lose any current production if a serious strain is necessary to nearly triple our production by 1985. But that is the implicit threat posed by surface mining bills now before the Congress. I am concerned as we work to finalize legislation. What I fear is that, in the guise of regulation, the Congress will pass a bill that will prohibit the extraction of coal in many regions where realistic and responsible reclamation is possible.

As threatening as prohibitory surface mining legislation may be to coal's production base, there is already in effect a law which, if enforced vigorously, will have an even more chilling effect on the Nation's fuel supplies. I refer to the Clean Air Act of 1970, and more importantly, to the even more stringent State air quality implementation plans already approved by the Environmental Protection Agency.

According to a study commissioned by EPA, the sulfur emission standards imposed by the States under the act, if enforced, will, by 1975, prohibit the burning of 324 million tons of coal which normally would be burned that year. Such tonnage is 54 percent of the coal expected to be consumed in 1975 and its replacement by oil would seriously worsen the national energy emergency.

The gross misuse of desperately needed fuel, stemming from the act's implementation is a major reason why pressure is building on the Public Works Committee for a relaxation of air quality standards and compliance schedules. Citizens should not be cold so that oil and natural gas needed to heat homes and power diesels can be burned under boilers in powerplants and factories. Nor can we afford to bar coal in utility plants when there is no oil to spare.

This, I suggest, is the regulatory environment that must be developed if the coal supply system is to meet our country's energy demands. Truly, the required national commitment to coal is significant and possessed of a very high priority.

Again, it is my conviction that the United States can meet the projected national demand for coal, but I am presupposing the availability of the three central factors of production—men, capital, and reserves.

Given the national will to develop coal, our reserves are not a deterrent to expansion. The reserves are so vast that they are equal to any foreseeable demand level.

Manpower, however, is quite another story. Attracting, training, motivating, and retaining the skilled work-force capable of manning the coal supply system of the future is a crucial problem the coal industry must face. This is especially true in the underground segment, particularly in skilled and professional classifications. There were, for example, less than 200 mining engineers graduated last year—so few that one coal mining company was willing to hire all the graduates. Something must be done to bridge this critical shortage and the shortages of supervisors and skilled underground workers as well.

Capital attraction is also a troubling concern. National Petroleum Council projections set capitalization requirements for coal mining at $9 to $14 billion by 1985. Added to this is projected coal transportation investment needs of $6 billion—or about one-sixth of the total capital funds the railroads must spend in this period.

When you consider present capitalization of the industry—about $4 billion—the raising of these sums seems at first to be almost an impossible task. But, with coal's strengthening market position, this level of investment appears to be achievable.

The coal industry now realizes that it can no longer rely on its traditional mainstay for growth; that is, the internal generation of capital. It knows it must turn to the money markets for its capital needs, and it believes that given the energy demand associated with energy self-sufficiency, coal should become attractive for equity investment of debt financing.

From my perspective, these are the central areas that must be covered as we consider coal through 1985. There are few major industries that can equal its potential. But there are many loose ends we in Congress must tie before this growth becomes a certainty.

Reason dictates that at some point coal will be the cornerstone of the Nation's energy policy. We have but two real choices for meeting our incremental energy demand. There has been a turning to nuclear electric power, but there are genuine restraints which must be weighed. And there remain nonelectric energy demands. Coal, however, provides a guaranteed supply of energy free from the threat of political or military disruptions. We have not discovered or developed in this age of energy shortages its equal in terms of abundance or chemical richness. Coal can be burned as a solid or converted into gas and liquid products ranging from the crudest of oils to aviation jet fuel and petrochemical feedstocks. And, with expanded R. & D. programs, coal promises to supply significant quantities of future synthetic and environmentally acceptable fuels.

More importantly, through a permanent national commitment to coal as our country's primary fossil fuel, this abundant, relatively untapped domestic energy resource can provide the critical constant which, to now, has been missing in our energy supply/demand equation. When this commitment is consummated, both by Government and the consuming public, we will have signaled to the world our resolve to solve the U.S. energy problems and not only assure more energy supplies and security but, also, to permit cooperation with other nations.

Mr. President, today we are recognizing the opportunity for the use of coal that will not be damaging to environmental quality. There are approximately 46, 47, or 48 power generating plants along the east coast of the United States, and of that number approximately 23 can be converted from oil to the use of coal without any detrimental health effects or impairment of environmental quality. We have had a voluntary program of some 10 plants to do this. But of the 46 or 47, with the 23 I have mentioned, we can release approximately 200,000 barrels of oil—not a month, not a week, but a day. It is possible that with other power-generating plants throughout the United States, we can release—that is, we can conserve—approximately 500,000 barrels of oil a day.

Mr. President, I have felt the responsibility to discuss this important problem in the Senate.

Mr. President, I remind colleagues who have an intense interest and who are studying this problem, that in the United States of America we must realize that it is important today to pass reasonable emergency energy and fuels legislation. If it was important a month ago, if it was important 2 months ago, if it was important 6 months ago or a year ago, it is important today. It will be important tomorrow.

I say today that I am confident the Congress will approve another energy emergency bill despite continuing disagreement between the administration and congressional sponsors on the provisions of the legislation. And I make this statement after having participated yesterday in a late afternoon negotiating session in which I joined Senator HENRY JACKSON, Representative HARLEY STAGGERS, and other Members of Congress in meeting with Federal Energy Administrator William Simon and Budget Director Roy Ash.

Subsequent to the President's disheartening veto of the Energy Emergency Act, those of us who were involved in writing this measure have carried forward extensive negotiations with the administration to develop a measure which could be passed by Congress and approved by the President. Our conferences have concluded and there is agreement on many provisions. However, there is disagreement between sponsors of the bill and the administration on fundamental issues of public policy, including provisions for unemployment compensation, protection of service station dealers and distributors, and loans to small businesses and home owners. These are provisions strongly supported in Congress and designed to aid persons caught in the squeeze of the energy emergency. Despite these disagreements, I am confident the Congress will act swiftly to approve another measure which will include a standby emergency authority to cope with the energy crisis.

I reiterate, the lifting of the oil embargo is conditional. It could be reimposed at any time. The need for action to cope with the energy crisis is as great now as in months past. It is a challenge that calls for cooperation and reasoning. The American people have a right to expect that we act in the interest of the public welfare—and we act now.

TRANSACTION OF ROUTINE MORNING BUSINESS

The **PRESIDING OFFICER.** Under the previous order there will now be a period for the transaction of routine morning business for not to exceed 10 minutes with statements limited therein to 3 minutes.

Mr. **ROBERT C. BYRD.** Mr. President, I ask unanimous consent that remarks made during the transaction of routine morning business be limited to 5 minutes instead of 3 minutes each.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House had passed a joint resolution (H.J. Res. 941) making an urgent supplemental appropriation for the fiscal year ending June 30, 1974, for the Veterans' Administration, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE JOINT RESOLUTION REFERRED

The joint resolution (H.J. Res. 941) making an urgent supplemental appropriation for the fiscal year ending June 30, 1974, for the Veterans' Administration, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

IMPEACHMENT PROCEDURES

Mr. **GRIFFIN.** Mr. President, I intend to address myself for a few minutes to the matter of the possibility of an impeachment trial in the Senate of the United States.

I confess that I approach the particular point of my remarks with some reluctance because I realize that it is unusual for a Member of one House of Congress to comment on procedures in the other House of Congress. However, the impeachment process under the Constitution is an extraordinary and unusual process—much different from the legislative process established under the Constitution.

Surely, there is no question that if the House of Representatives were to impeach the President of the United States and if there were to be a trial in the Senate of the United States, that would be a very traumatic experience—not only for the Congress—but for the country and, indeed, the whole world.

Few in or out of the Senate would deny that the Nation and the world can do without that experience—unless it is necessary. And it should be recognized that whether a trial in the Senate becomes necessary could depend to a significant degree on how the House discharges its responsibilities and the procedures that it chooses to follow in discharging those responsibilities.

The 14th amendment to the Constitution may not be strictly applicable in the case of the possible impeachment of a President of the United States. But surely most Americans—and particularly those who are ardent advocates of civil rights—should be interested in the concept of due process for anyone who is accused—even the President of the United States.

I make these points by way of approaching an issue now pending before the House Judiciary Committee that presumably will be decided in the near future. Let me emphasize that I venture to comment on this issue, not as a defender of the President and not as a spokesman for the President, but as one who in his own mind, at least, has tried to be objective in the past about this whole matter, and who will seek fervently to be objective in the future.

Aside from the legalisms and technical arguments that can be raised about whether or not the counsel for a person accused in an impeachment proceeding in the House of Representatives should be present and have the opportunity to cross-examine witnesses, it seems to me that it is in the national interest and in the interest of fairness to get to the truth as quickly as possible.

I do not think that anyone familiar with trials in any forum would deny that the opportunity for cross-examination does work very effectively in the interest of getting to truth and getting out the facts.

From time to time, I have been critical of the White House because it has not been forthcoming in providing some items of evidence which, at least, on the surface it would appear should have been provided. But just as it is appropriate to criticize the White House for not being as forthcoming as it might be, Congress is on trial too, as this very serious matter of impeachment is considered.

Mr. President, one major point of my remarks is to call attention to a document published on August 11, 1970, by the Committee on the Judiciary of the House of Representatives entitled "Legal Materials on Impeachment." In this Judiciary Committee document, there appears on pages 32 through 35 a memorandum concerning the role of counsel for the accused and related procedural matters.

I read now from a portion of that document:

"MEMORANDUM ON THE ROLE OF COUNSEL AND RELATED PROCEDURAL MATTERS

"This memorandum is submitted in response to the request of the Committee, and sets forth the views of counsel to Mr. Justice Douglas as to the function of Respondent's counsel in a House Judiciary Subcommittee inquiry under an impeachment resolution, and the proper procedure to be followed. In undertaking this task, we have examined among other things the actual transcripts of every such proceeding occurring in this century involving judicial officers, including those concerning Judges Archbald, Cooper, Louderback, Moscowitz, Ritter, Watson and Johnson.

"One point is overwhelmingly clear. The Judiciary Committee and its Subcommittees have established procedures which have proved remarkably effective in insulating these inquiries from partisan political influence and sensationalism. As the late Judge Sumners, who presided over most of these inquiries, repeatedly noted, the mission of the Subcommittee is to make a careful report disclosing the facts upon which the full Committee and, if necessary, the House can pass judgment.

"To achieve this goal, these rules have become well established in proceedings related to the impeachment power:

"1. Respondent and his counsel may attend every session at which evidence is taken, or at which arguments are addressed to the Subcommittee.

"2. Respondent, personally and through counsel, may cross-examine all witnesses and call witnesses on his own behalf."

Mr. President, the memorandum is much more lengthy than that and contains other points. It was signed and submitted by Simon H. Rifkind, counsel for Justice Douglas. It was issued during the course of the House committee's consideration of an impeachment resolution directed at Justice Douglas. I ask unanimous consent that the entire document be printed in the RECORD immediately following my remarks.

Mr. President, based on the research of Justice Douglas' counsel, which was never challenged, the precedents clearly accord the accused's counsel the legal right to appear in such proceedings and to examine witnesses.

But, as I have indicated before—aside from legal arguments and the technical precedents—is it not in the interest of everyone to find out as early as possible, and on the best information available, whether a trial in the Senate is necessary?

That is why I venture to comment, although with reluctance, and call the attention of the Senate to this interesting and, I think, very important document. It is a document which I hope we will not need to review at some future time—when the Senate might be called upon, not only to examine charges presented in articles of impeachment, but also to examine whether or not the procedure followed in bringing those charges to the Senate has been in accordance with the Constitution.

Mr. President, I ask that an article which appeared in the March 26, 1974, edition of the Washington Post—and which, incidentally, did not mention the 1970 Judiciary Committee document—be printed following the earlier insertion.

There being no objection, the document and article were ordered to be printed in the RECORD, as follows:

MEMORANDUM ON THE ROLE OF COUNSEL AND RELATED PROCEDURAL MATTERS

This memorandum is submitted in response to the request of the Committee, and sets forth the views of counsel to Mr. Justice Douglas as to the function of Respondent's counsel in a House Judiciary Subcommittee inquiry under an impeachment resolution, and the proper procedure to be followed. In undertaking this task, we have examined among other things the actual transcripts of every such proceeding occurring in this century involving judcial officers, including those concerning Judges Archbald, Cooper, Louderback, Moscowitz, Ritter, Watson and Johnson.

One point is overwhelmingly clear. The Judiciary Committee and its Subcommittees have established procedures which have proved remarkably effective in insulating these inquiries from partisan political influence and sensationalism. As the late Judge Sumners, who presided over most of these inquiries, recently noted,[1] the mission of the Subcommittee is to make a careful report disclosing the facts upon which the full Committee and, if necessary, the House can pass judgment.

To achieve this goal, these rules have become well established in proceedings related to the impeachment power:

1. Respondent and his counsel may attend every session at which evidence is taken, or at which arguments are addressed to the Subcommittee.

2. Respondent, personally and through counsel, may cross-examine all witnesses and call witnesses on his own behalf.

3. Hearings are *judicial* in style, marked by a court-like eliciting of competent testimony from sworn witnesses, subject to rigorous cross examination. In no instance in this century has any witness[2] before a Subcommittee empowered to subpoena and swear witnesses been permitted to make a rhetorical statement or even to file a written statement of his views. Congressmen whose charges precipitated the inquiry have in no case testified as witnesses—presumably because they would not ordinarily have first-hand evidence to contribute. Such Congressmen have been allowed to address executive sessions solely for the purpose of providing lists of witnesses and stating what they are expected to testify to. Where this has occurred, Respondent and his counsel have been furnished with a transcript of those remarks prior to the resumption of hearings. *Cooper* Hearing, 69th Cong., 2d Sess., Feb. 23, 1927, pp. 104–105.

4. Respondent is free to make an unsworn statement, to be sworn and appear as a regular witness, or to respond exclusively through counsel. Choice of approach has always been left to him. In no case has a Respondent been *summoned* to a hearing, or called to the stand by an adverse party.

5. The question whether hearings are to be open to the public or not has likewise been left to Respondent and his counsel,[3] resulting in a general practice of holding *closed* hearings.

6. Documents submitted to the Subcommittee are kept in strictest confidence, protected against "general inspection." *Moscowitz* Hearing, 71st Cong., 1st Sess., March 18, 1930, p. 44. On one rare occasion when information from documents submitted to the Subcommittee was disclosed in the press, the Subcommittee indicated its extreme displeasure, and took action to insure there would be no repetition. *Moscowitz* Hearing, at p. 45.

7. Only those documents properly placed in the record after suitable scrutiny and testing become part of the "record" which becomes public only when published in final form by the Committee. All materials not so formally placed in the record remain confidential.

* * * * *

Since the established procedure is judicial in nature, with the usual safeguards afforded by our jurisprudence and with counsel fulfilling the same role it performs in civil or criminal litigation, the function of counsel is a familiar one. Counsel may:

1. Attend any hearing at which evidence is taken, or factual or legal arguments made.
2. Examine and cross-examine witnesses.
3. Adduce testimonial or documentary evidence, and make legal or factual arguments.
4. Have the benefit of process to compel the attendance of witnesses and the production of papers.
5. Examine all materials submitted to the Committee, including exculpatory or otherwise helpful matter.
6. Have timely access to previous statements by witnesses called to testify.
7. Receive free daily transcript of proceedings.

• • • • •

A prime function of the Judiciary Committee historically has been to separate the wheat from the chaff, promptly disposing of allegations which are baseless on factual or legal grounds. A great many of the more than fifty impeachment resolutions introduced in our history have been quickly and cleanly disposed of on the Judiciary Committee's finding that Respondent:

Has not been guilty of any acts which in contemplation of the Constitution were high crimes or misdemeanors,

The evidence does not call for the interposition of the constitutional process of the House with regard to impeachment.

In 1843, for example, President John Tyler was charged with "aiding to excite a disorganizing and resolutionary spirit in the country." The Committee wasted little time on that charge. During the Civil War, allegations against a member of the Supreme Court were handled so discretely that we do not now know his name or the nature of the charges. Following the war, wild charges by "Impeachment" Ashley that President Andrew Johnson was implicated in the assassination of Lincoln were exposed as baseless by the Committee.

In performing this mission, the Committee has available a broad spectrum of procedures. In this century, inquiries have focused upon specific, highly particularized charges that a judge had improperly shared a receiver's fee set for a former law partner, conspired with parties as to cases over which he later presided, wilfully evaded federal income taxes, or committed some other criminal act. The task was simply to ascertain the facts.

Where, however, charges are made which are not susceptible to factual exploration, as where there is no dispute about the facts or where the Subcommittee is called upon to construe uncomplicated documents, there is no need for hearings. Similarly, where charges have been made which, even if true, would not warrant impeachment, no lengthy fact-finding process is necessary.

Summary disposition of this kind of allegation is particularly important when Respondent is a member of the Supreme Court. Otherwise, intolerable opportunities for harassing individual Justices would be available to those wishing to hamstring the Court, punish Justices with whose decisions they disagree, or exploit charges for their publicity value or for partisan purposes.[4]

Accordingly, the Committee as a preliminary matter should ascertain which, if any, of the charges can be disposed of without further ado.

The allegation involving the Justice's recent book is surely one. The First Amendment to the Constitution flatly precludes inquisition by Congress into a book, or into any person's beliefs. In addition, the charges directed at the book are based upon a grotesque distortion of what it actually says, and no factual testimony is needed to resolve that issue. The Subcommittee members can read the book for themselves. Moreover, plain statements in the book itself, in Respondent's judicial opinions, and in his other writings decisively refute the contention that he has incited the Nation, or some part of it, to violent rebellion.

A second allegation which ought to be quickly disposed of concerns the reprint in *Evergreen Review*. Not only do the foregoing considerations apply to this allegation as well, but the documentary materials submitted to the Subcommittee conclusively prove that Respondent had nothing to do with the selection of *Evergreen Review*, as a publishing vehicle, and still less with choice of the other contents of that issue of the magazine.

Summary disposition is also appropriate

Footnotes at end of article.

with respect to the article in *Avant-Garde*. The suggestion that a Justice may not publish an article in a periodical owned by a person formerly convicted of crime is frivolous. Moreover, documentary materials submitted to the Subcommittee conclusively prove that when the decision to publish the article was made, Respondent had no reason to believe that one Ralph Ginzburg had any association with the magazine, and that when the link was later discovered, Respondent disassociated himself entirely from the publication. Totally untenable is the suggestion that in the absence of any substantial personal relationship between a judge and one who publishes a single article of his, the judge's participation in a later case involving another magazine is somehow an impeachable offense, or even a matter warranting criticism.

Indeed, each of the allegations whose crux is that Respondent ought not to have engaged in such extracurricular activities as writing, speaking, or service on behalf of charitable or educational enterprises must be dismissed as frivolous. We have shown that dozens of distinguished federal judges, including many now sitting, engage in precisely such practices, without criticism or censure. The Subcommitte would hardly be justified in conducting hearings into Justice Douglas' activities in this area when, for example, the present Chief Justice of the United States, while a federal judge, has served on the board of a charitable foundation and been compensated for such service, participates in programs of the same Center for the Study of Democratic Institutions, and speaks and writes widely on matters likely to come before him for adjudication.

And would it be not be unseemly for the Subcommittee seriously to entertain such charges when the Senate has just confirmed the nomination to the Supreme Court of a federal judge who admittedly served as a paid director of a profit-making corporation, as a trustee of three charitable foundations, and as executor of several estates for which he received $8500.

We do believe it would not be inappropriate for the Subcommittee, should it wish to do so, to hold hearings on the allegations that Respondent, through his association with the Albert Parvin Foundation, was somehow guilty of "the practice of law," "intervened" in the Dominican Republic on behalf of persons seeking gambling concessions, and is a close personal associate of "gangsters" and other underworld persons. Each of these allegations, while demonstrably false, is susceptible to fact finding. And those who have advanced the charges should have an opportunity, and indeed are under a duty, to produce competent evidence in support of those factual assertions—or else withdraw them. If they do not have the decency to do so, the Subcommittee should, after examining the evidence, lay the charges to rest in a fashion which will satisfy the American people.

We are prepared to do whatever is necessary to help the Subcommittee ascertain the truth. To do so is our client's instruction, and that has been the historical function of counsel in this kind of inquiry.

Respectfully submitted.

SIMON H. RIFKIND,
Counsel for Mr. Justice Douglas.

WASHINGTON, D.C., June 1, 1970.

Of Counsel:

GERALD D. STERN.
DANIEL P. LEVITT.

FOOTNOTES

[1] See, for example, his statement in the *Louderback* proceeding that

Its purpose is to try to discover the facts and to make a record upon which the Judiciary Committee, in the first instance, and the House, in the second instance, can pass judgment on the matter. Hearings, 72d Cong., September 6, 1932, p. 2.

[2] Other than the respondents.

[3] See Judge Sumners' statement in the *Louderback* proceeding, at pp. 2–3. In the inquiry into the conduct of Judges Johnson and Watson, Chairman Kefauver stated that the matter was up to the Subcommittee, but acceded to Respondents' wish that hearings be closed. Hearing, 79th Cong., 1st Sess., May 3, 1945, at pp. 5–6. In the *Moscowitz* inquiry, hearings were held in closed session at the request of Respondent's counsel, the reknowned John W. Davis.

[4] To demonstrate the vulnerability of the Court, we note that one right wing extremist group is now circulating scurrilous literature attacking the present Chief Justice of the United States, Warren E. Burger. Many of the charges precisely track those advanced against Mr. Justice Douglas. These include the allegation, accurate but meaningless, that the Chief Justice has been an active participant in functions of the Center for the Study of Democratic Institutions, and that in his extra-judicial activities, he has often commented upon matters likely to come before him for adjudication. To our knowledge, this group has not yet focused upon the Chief Justice's association with such elemosynary enterprises as the Mayo Foundation or the Smithsonian Institution. But the risk is clear: If the lodging of charges like those alleged against Mr. Justice Douglas must lead inexorably to full-length hearings, the courts, the Congress and the Nation face serious disruption.

PROBERS SEEK MIDDLE PATH ON ST. CLAIR

(By Richard L. Lyons)

The House Judiciary Committee is seeking a middle path past the unpleasant alternatives of appearing unfair or letting the President's lawyer share control of its impeachment inquiry.

The problem arose last week when President Nixon's counsel, James D. St. Clair, asked permission to cross-examine and present his own witnesses at committee hearings or at pre-hearing sessions where the staff takes sworn testimony.

This is a standard part of due process in court trials. But committee Chairman Peter W. Rodino (D-N.J.), insisted that the investigation is not an adversary proceeding like the court trial of a person accused, but an inquiry searching for truth. It is generally likened to a grand jury inquiry, where lawyers for those under investigation are not permitted to take part. If Mr. Nixon is impeached by the House, his trial would take place in the Senate.

Republicans solidly defended St. Clair's request to take part, and felt they could win public opinion on this issue of fairness, even if they could not on the White House's resistance to committee requests for tapes for its inquiry.

Rep. Jack Brooks (D-Tex.), one of the bluntest of committee members, said St. Clair shouldn't be permitted "to sit there putting the evil eye on witnesses, divulging what goes on and delaying proceedings. He hasn't been very helpful so far."

But there is a widespread feeling among members that the committee must not only be fair, but give the appearance to the country of being fair in its deliberations as to whether for the first time in history a President should be removed from office.

Public confidence in the committee's proceedings is vital to acceptance of its conclusions. Rep. James Mann (D-S.C.) said "legal purists" might say "Keep St. Clair out," but the need to be fair might require letting him in.

The comparison to a grand jury is inexact, because these bodies are chosen from all citizens by lot and operate in strict secrecy.

Rodino appears in no rush to force a decision on the issue and apparently will let it simmer until next week to see if an acceptable middle ground can be found. The committee staff is preparing a legal brief on the issue.

One proposal suggested in cloakrooms is to let St. Clair cross-examine and present witnesses in the late stages when the staff presents its evidence to the committee. He would not take part in the preliminary stages where the staff takes depositions sworn statements from witnesses that might be presented at committee hearings.

Rep. Charles Wiggins (R-Calif.) called this unfair, saying St. Clair could not cross-examine a statement.

Another proposal is for the staff to take no depositions but rest its case on tapes and documents. That would eliminate the issue of permitting St. Clair to take part in depositions.

Brooks suggested that St. Clair be permitted to send up a statement and suggest witnesses that the committee or its staff might call, but he would not give St. Clair equal standing with the committee staff as a participant.

A couple of the President's most outspoken critics suggested that St. Clair might be given access to the committee if the President in return turned over 42 tapes the committee had requested. But committee elders rejected a "deal."

Republicans do not claim that St. Clair has a legal right to participate but contend that the privilege has been extended in several impeachment cases involving federal judges.

Rep. David W. Dennis (R-Ind.) researched the precedents and sent a letter to committee colleagues saying that the privilege to appear and cross-examine has been "extensively granted, not as a matter of right, but as a matter of essential fairness, and in aid of a complete investigation."

In recent days, Vice President Ford and House Speaker Carl Albert spoke out on opposite sides of the issue.

Ford said in an interview that he thought the President could win this issue because the American people understand fairness. "While the public may not be with the President when he adamantly refuses a request for documents or reluctantly gives in to one," said Ford, "I think the President is on the right side of this issue."

Albert, interviewed on the Public Broadcasting Service last night, said: "The role of the White House attorney should be very limited . . . because there is no trial here. I have tried to keep the House from making this . . . an adversary operation.

Albert also turned down a request from Rep. John Conyers (D-Mich.) that he seek television time to respond to Mr. Nixon's criticism of the committee for requesting more White House information than he thinks it needs. Albert said he feared this would push the inquiry toward an "adversary confrontation."

Chairman Rodino said Rep. Edward Hutchinson (R-Mich), the committee's senior Republican, also rejected a proposal by Wiggins that the dispute over the 42 tapes be resolved by having Ford and Albert jointly screen out material not relevant to the inquiry Rodino and Hutchinson insisted that this was the responsibility of the committee. The suggestion for a neutral third party to screen the tapes was floated two weeks ago as an idea Mr. Nixon was considering.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the ACTING PRESIDENT pro tempore (Mr. STEVENSON):

A resolution of the General Assembly of the State of Georgia. Referred to the Committee on Labor and Public Welfare:

"S. RES. 301

"A resolution urging Congress to repeal the Professional Standard Review Organization Law; and for other purposes

"Whereas, Section 249f, Title XI of the Social Security Act, Public Law 92-603, Professional Standard Review Organization (PSRO), was enacted by the Congress of the United States in 1972 without due consideration and careful deliberation by both its bodies; and

"Whereas, operation of Professional Standard Review Organization will cause great harm and financial hardship to the elderly and poor people of our country because of its unrealistic requirements on physicians to practice their profession based on standards and norms approved by the Department of Health, Education, and Welfare; and

"Whereas, these segments of our population will suffer greatly if denied medical care and hospitalization deemed necessary by their physician but not in conformance with HEW standards based on averages and medians rather than human needs; and

"Whereas, this law may well inhibit the great advancement seen in American medicine during this century of progress in conquering many of man's dread diseases.

"Now, therefore, be it resolved by the General Assembly of Georgia that this body notify the Congress of the United States that the Professional Standard Review Organization Law is ill-conceived legislation, harmful to the public and pernicious in its effect on the practice of medicine.

"Be it further resolved that the Congress be urged to repeal the Professional Standard Review Organization Law as quickly as possible to prevent the damage it will cause to the public and the American health care system.

"Be it further resolved, that this Assembly encourage Georgia physicians to continue the ethical practice of their profession, to maintain the privacy and confidentiality of their patients' records, to retain their right to make medical decisions based on their own professional judgement, and to support the existing system of peer and utilization review available in hospitals and nursing homes, medical societies and associations, and the Georgia Medical Care Foundation.

"Be it further resolved that the Secretary of the Senate is hereby authorized and directed to transmit an appropriate copy of this Resolution to the Secretary of the Senate of the United States, to the Clerk of the House of Representatives of the United States, and to each member of the Georgia Congressional Delegation."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McCLELLAN, from the Committee on Appropriations, without amendment:

H.J. Res. 941. A joint resolution making an urgent supplemental appropriation for the fiscal year ending June 30, 1974, for the Veterans' Administration and for other purposes (Rept. No. 93-759).

By Mr. CANNON, from the Committee on Rules and Administration, with an amendment.

S. Res. 295. Resolution authorizing supplemental expenditures by the Select Committee on Nutrition and Human Needs for inquiries and investigations (Rept. No. 93-761).

By Mr. JACKSON, from the Committee on Interior and Insular Affairs, with amendments:

S. 1017. A bill to provide maximum Indian participation in the government and education of the Indian people; to provide for the full participation of Indian tribes in certain programs and services conducted by the Federal Government for Indians and to encourage the development of the human resources of the Indian people; to establish and carry out a national Indian education program; to encourage the establishment of local Indian school control; to train professionals in Indian education; to establish an Indian youth intern program; and for other purposes; (Rept. No. 762), together with additional views.

REPORT ENTITLED "'SMALL BUSINESS ASPECTS OF SELECTED RECOMMENDATIONS OF THE COMMISSION ON GOVERNMENT PROCUREMENT—REPORT OF A COMMITTEE (S. REPT. NO. 93-760)

Mr. HATHAWAY. Mr. President, I submit on behalf of the distinguished chairman of the Select Committee on Small Business (Mr. BIBLE), a report entitled "Small Business Aspects of Selected Recommendations of the Commission on Government Procurement." I ask unanimous consent that the report be printed together with individual statements of: The Senator from Georgia (Mr. NUNN), the Senator from Louisiana (Mr. JOHNSTON), the Senator from South Dakota (Mr. ABOUREZK), the Senator from Colorado (Mr. HASKELL), and the Senator from Delaware (Mr. ROTH).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATHAWAY. Mr. President, in conformance with Senate Resolution 58 of February 20, 1950, which created and authorized the Small Business Committee to conduct research and investigations of all problems of American small business enterprise, it herewith submits a report on its current investigatory work in the field of Government contracting. During the past year, among other things, the Government Procurement Subcommittee of the Small Business Committee concentrated on the recommendations of the Commission on Government Procurement bearing on small business. In hearings on May 17 and 18 and October 10 and 11, the subcommittee focused on certain specific recommendations concerning:

First, the establishment of new standards for measuring the performance of procuring agencies and their prime contractors in using small business;

Second, the small business subcontracting program;

Third, small business aspects of the Commission's recommendation for creation of a central Office of Federal Procurement Policy and the consolidation of the two primary procurement statutes.

As you will recall, the Commission on Government Procurement completed its 2½-year study with a report to the Congress early last year. The Commission had undertaken an extensive review of the procurement policies and procedures of all agencies carrying on contracting activities. As a result of this work, it made 149 recommendations contained in a four volume work covering all of the major aspects of the Government procurement field.

In a chapter of the report of the Commission entitled "Procurement from Small Business," the Commission made three recommendations. The first two of these—establishing new standards for annually measuring the performance of the procuring agencies and their prime contractors in using small business, and testing of mandatory small business subcontracting to determine feasibility—were specifically considered in the hearings and are discussed in detail in that report. A third recommendation which suggested the need for review of procurement programs to make small business participation more effective was addressed to the executive branch and did not appear appropriate or necessary for legislative consideration. Therefore, the subcommittee has undertaken and completed an immediate review of that part of the report which was most relevant and vital to small business procurement.

In addition to these recommendations on small business procurement, the subcommittee also turned its attention to two other general recommendations which were considered to have considerable small business impact. These are the recommendations for the creation of a central Office of Federal Procurement Policy and a consolidation of the Armed Services Procurement Act of 1947 and the Federal Property and Administrative Services Act of 1949. Both of these recommendations have far-reaching and valuable implications. The Senate has already taken action on the recommendation for the creation of an Office of Federal Procurement Policy in passing S. 2510 on March 1, 1974. The bill is currently under consideration in the other body, and it is my hope that it will shortly be acted upon favorably. As is discussed in our committee's report, we see great benefits to the procurement community generally and small businesses specifically in the creation of such an office.

Likewise, the consolidation of the two principal procurement statutes holds great promise in reducing unnecessary complexity and diversity. While it may not be possible to simplify the field of Government procurement to the extent we would really like, nevertheless this would surely be a significant step in the right direction.

In a total Government expenditure of about $50 billion on procurement, the share of contracts going to small businesses has been a constant and abiding concern to this committee. We have seen the total share rise and fall over the years. Various reasons are given to explain why or why not small business fared as it did in a particular year. Our position has constantly been, however, that the maximum effort should be expended to interest small business in Government contracts. We believe that basically Government contracts can and do provide opportunities for a business to grow and contribute to the competitive marketplace. In this way the small business, the Government, and the economy are all helped.

It is in this context that we feel that the first recommendation concerning small business is so important. We wholeheartedly agree that new standards should be developed for determining what is a fair share of the contracts for small business as required by the Small Business Act. As is evident in the committee report and certainly in the hearings on which the report is based, this will not be easily accomplished. We agree that mere numbers and percentages based on the total procurement effort do not give a complete or accurate picture of how effective the small business procurement program really is. It does not reflect the contractual opportunities for small businesses never before placed in their reach. It does not reflect the money the Government saves in contracting with small business instead of its larger brethren. Nor does it reflect the numbers of small businesses which have tried and failed to contract with the Government because the Government was unaccustomed or unwilling to deal with small business for a particular service or commodity.

There are many small businesses that contract almost exclusively with the Government and thrive on these opportunities. At the same time, we know that there are many other small businessmen who could contract with the Government, but will not because of their unfamiliarity with, or their disdain for, the complexity of the procurement process. We are seeking, as was, I believe, the Commission on Government Procurement, to remove the unnecessary impediments in the contracting procedures so that more small businesses will be attracted to and receive the benefits of Government contracting. To this end, we submit our report entitled "Small Business Aspects of Selected Recommendations of the Commission on Government Procurement."

In conclusion, Mr. President, I ask unanimous consent that a synopsis of the report's findings and the Committee recommendations be printed in the Record at the conclusion of my remarks.

Without objection, it is so ordered.

I—CONCLUSION

The Subcommittee finds that there is indeed a need for new standards for determining whether small businesses are receiving a fair proportion of the total Government contracts as required by the Small Business Act. The general statistics of the percentage and value of contracts awarded to small business give little evidence of the real problems of a small businessman in seeking a Government contract.

They fail to disclose how small business is really faring in competing with large business.

I—RECOMMENDATION

Based on these findings and conclusions, the Committee recommends the procuring agencies commence assessing the proportion of contracts being awarded to small business contractors within individual industries, at least on a temporary limited test basis.

II—CONCLUSION

A report on procurement should be made in lieu of that now required of the Department of Defense in Section 10(d) of the Small Business Act. The report should include, as a minimum, the value of the total procurement for each agency; the value of the contracts awarded to small business; value of contracts to small business in such broad fields as construction, services, and supplies; the number of total and partial small business set-asides declared within the same broad fields identified above; the number of small business set-asides cancelled prior to award of a contract; the value of the contracts awarded to small business as a result of set-asides; and the number of certificates of competency issued.

II—RECOMMENDATION

Furthermore, it is recommended that legislation be adopted requiring a unified report from all procuring agencies of statistics pertaining to small business procurement and disposal sales on a semi-annual basis be made to the Congress.

III—CONCLUSION

The present standard contractual provision urging the prime contractor to use his best efforts in placing the subcontracts with small business has produced disappointing results. The statistics would indicate that the subcontracts which have been awarded to small business would probably have gone to those sources regardless of the contractual admonition.

The recommendation of the Commission on Government Procurement for further testing of the mandatory subcontracting contractual requirement has merit. Surely this technique should be used where appropriate. However, it appears to the Subcommittee that the circumstances under which it can be used are quite limited. It would not be appropriate in those contracts where the Government has little knowledge of the small business potential for obtaining subcontracts.

Nor do the other alternatives of goals, profit incentives, or subcontract set-asides provide the complete solution for encouraging the prime contractor to subcontract with small business whenever possible. Different alternatives might be used in different circumstances. Surely, the goal technique has greater latitude, yet it provides a lesser inducement to modify present subcontracting practices.

III—RECOMMENDATION

From these findings and conclusions, the Committee endorses the Commission's recommendation for further testing of the mandatory small business subcontracting concept, but recommends that other alternatives be explored. To this end, your Committee proposes that small business subcontracting be further encouraged, with greater emphasis being given to the contractor's past efforts in small business subcontracting in negotiated contracts as well as formally advertised contracts.

IV—CONCLUSION

The Committee finds substantial support for the proposed creation of a Federal Procurement Policy Office, so long as the Office is comprised of a small group of highly trained individuals who would confine their operations to procurement policy assessment and formulations.

IV—RECOMMENDATION

The Committee endorses the recommendation for the creation of an Office of Federal Procurement Policy. We agree with the reference in this statement that the Office should be created by legislation. We have not considered, however, and offer no comment on, the placement of the Office within the organizational framework of the Executive department.

V—CONCLUSION

The duality in the present framework of major procurement statutes creates a system from which flows multiple and diverse regulations. This substantially contributes to the complexity of the procurement process to the detriment of small business contractors. Consolidation of the Armed Services Procurement Act of 1947 and the Federal Property and Administrative Services Act of 1949 into a single procurement statute applicable to all procuring agencies would particularly benefit the small business segment of the contracting community.

V—RECOMMENDATION

Your committee supports the recommendation of the Commission on Government Procurement for the enactment of a single procurement statute.

EXECUTIVE REPORTS OF COMMITTEE

Mr. TUNNEY. Mr. President, as in executive session, I report favorably from the Committee on Commerce sundry nominations in the National Oceanic and Atmospheric Administration which have previously appeared in the Congressional Record and, to save the expense of printing them on the Executive Calendar, I ask unanimous consent that they lie on the Secretary's desk for the information of Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations, ordered to lie on the desk, are as follows:

Warren K. Taguchi, and sundry other persons, for permanent appointment in the National Oceanic and Atmospheric Administration.

By Mr. COOK, from the Committee on Commerce:

Robert I. Price, and sundry other officers, for promotion in the Coast Guard; and

Rear Adm. William F. Rea III, Commander, Atlantic Area, and Rear Adm. Joseph J. McClelland, Commander, Pacific Area, to be Commander, Atlantic Area, and Commander, Pacific Area, U.S. Coast Guard, with the grade of vice admiral while so serving.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. HUGH SCOTT:

S. 3258. A bill to provide for displaying for public viewing at the Arlington National Cemetery, the names of certain deceased veterans. Referred to the Committee on Veterans' Affairs.

By Mr. TAFT:

S. 3259. A bill to amend the Rail Passenger Service Act of 1970 in order to authorize certain use of rail passenger equipment by the National Railroad Passenger Corporation. Referred to the Committee on Commerce.

By Mr. COOK:

S. 3260. A bill for the relief of Doctor Gustavo Scioville. Referred to the Committee on the Judiciary.

By Mr. TOWER:

S. 3261. A bill to reform the conduct and financing of Federal election campaigns, and for other purposes. Referred to the Committee on Rules and Administration.

By Mr. TAFT:

S. 3262. A bill to direct the Secretary of the Army, acting through the Chief of Engineers, to provide a facility for a whitewater canoe-kayak slalom course adjacent to the site of Captain Meldahl Locks and Dam, Ohio River. Referred to the Committee on Public Works.

By Mr. PERCY (for himself and Mr. JAVITS):

S. 3263. A bill to amend title 5, United States Code, with respect to the retirement of certain law enforcement and firefighting personnel, and for other purposes. Referred to the Committee on Post Office and Civil Service.

By Mr. MATHIAS (for himself, Mr. EAGLETON, Mr. BARTLETT, Mr. DOMENICI, Mr. INOUYE, Mr. STEVENSON, and Mr. TUNNEY):

S. 3264. A bill to regulate the conduct of campaigns within the District of Columbia for nomination or election to the offices of mayor, councilman, and member of the School Board by establishing expenditure and contribution limitations applicable to such campaigns, by establishing requirements for reporting and disclosure of the financing of such campaigns, by establishing an independent agency of the District of Columbia to administer election laws generally, and for other purposes. Referred to the Committee on the District of Columbia.

By Mr. NELSON:

S. 3265. A bill to increase the fees and reduce the financial hardships for those individuals who serve on grand or petit juries in district courts. Referred to the Committee on the Judiciary.

By Mr. McINTYRE (for himself, Mr. SPARKMAN, Mr. BENNETT, Mr. TOWER, Mr. PROXMIRE, Mr. WILLIAMS, Mr. BROCK, Mr. BROOKE, and Mr. PELL):

S. 3266. A bill to establish a Commission on Electronic Fund Transfers. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. JACKSON (for himself, Mr. MAGNUSON, Mr. RANDOLPH, Mr. MUSKIE, and Mr. METZENBAUM):

S. 3267. A bill to provide standby emergency authority to assure that the essential energy needs of the United States are met, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. DOMENICI (for himself and Mr. MONTOYA):

S. 3268. A bill to authorize the Secretary of Defense and the Administrator of the National Aeronautics and Space Administration to transfer or loan certain artifacts of the Nation's space program to the International Space Hall of Fame at Alamogordo, N.M. Referred to the Committee on Aeronautical and Space Sciences.

By Mr. CLARK:

S. 3269. A bill to amend title 38, United States Code, to increase the annual income limitations applicable to disability and death pensions and to dependency and indemnity compensation for dependent parents. Referred to the Committee on Veterans' Affairs.

By Mr. SPARKMAN (for himself, Mr. TOWER, and Mr. JOHNSTON):

S. 3270. A bill to amend the Defense Production Act of 1950, as amended. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. MOSS:

Senate Joint Resolution 199. Joint resolution designating the square dance as the national folk dance of the United States of America. Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HUGH SCOTT:

S. 3258. A bill to provide for displaying for public viewing at the Arlington National Cemetery, the names of certain deceased veterans. Referred to the Committee on Veterans' Affairs.

Mr. HUGH SCOTT. Mr. President, tomorrow is National Vietnam Veterans Day. I would like to express my personal admiration and thanks to the American veterans who served in that very difficult war.

On February 17, 1967, the Arlington National Cemetery changed its requirements for burial eligibility. The regulations for admission are now limited to the following persons: first, persons dying on active duty; second, recipients of the Medal of Honor; third, certain specified veterans who have held high elective or appointive government office; fourth, retired members of the armed service who are qualified to receive compensation and are carried on official service retired lists, and fifth, spouses and dependents of one to four above.

Many veterans have a strong desire to be buried at Arlington National Cemetery. Unfortunately, present space limitations severely limit those who may qualify. This means that many veterans of the Vietnam war and veterans of earlier service will never meet the present requirements. I feel very sincerely that all veterans of the armed services who have served honorably should be allowed the opportunity to be permanently memorialized in our principal national cemetery at Arlington.

Therefore, I am today introducing a bill which would provide for public display at the Arlington National Cemetery of the names of certain deceased veterans.

The bill provides that upon request of the spouse or next-of-kin of the deceased veteran, his or her name would be appropriately displayed at the cemetery. The only qualifications would be: the veteran must have died on active duty, or the veteran must have served on active duty at least 90 days and was discharged or released under honorable conditions, or the veteran was discharged or released from active duty for a service-connected disability, and his or her death must have occurred on or after February 17, 1967.

This recognition certainly should be available to those veterans who would not otherwise meet the burial requirements for Arlington National Cemetery.

I would like to call on all my fellow Senators, from both sides of the aisles, to join with me in sponsoring this bill.

By Mr. TAFT:

S. 3259. A bill to amend the Rail Passenger Service Act of 1970 in order to authorize certain use of rail passenger equipment by the National Railroad Passenger Corporation. Referred to the Committee on Commerce.

AMTRAK PASSENGER EQUIPMENT EMERGENCY ASSISTANCE BILL

Mr. TAFT. Mr. President, I introduced a bill to ease Amtrak's shortage of passenger cars by making available those cars still owned by railroads participating in Amtrak.

The energy crisis has simultaneously demonstrated the importance of adequate passenger rail service and put a severe strain on Amtrak's limited resources. As the price of gasoline soared and its availability became increasingly problematical, many people all over the Nation turned from their automobiles to passenger trains for intercity travel. Amtrak's revenue for November 1973 was over 50 percent higher than that for November 1972, and the trend continues.

This turn away from the automobile as a means of intercity travel is of advantage to everyone. For the traveler, the greater comfort and safety of the train permit a more pleasant journey. For the Nation, the enormous superiority of the train over the car, in terms of efficient use of fuel and reduction of pollutants, is of great benefit.

But, however desirable this change is, it has in fact created for Amtrak a serious shortage of passenger cars. In 1924, the United States had over 24,000 passenger trains each day; today, Amtrak has in its total inventory less than 2,000 railway passenger cars. And of these, so many are in poor condition that 500 are consistently out of service for rebuilding or repair.

This shortage is having a serious impact on the service Amtrak provides. Two weeks ago, Mr. Roger Lewis, the president of Amtrak, announced that two planned additional trains—one New York to Chicago, the other Chicago to Los Angeles—had been canceled because of lack of passenger equipment. Ohioans were looking forward to the additional service which the New York-Chicago train would have provided for them; I am certain the States represented by many of my colleagues were equally disappointed.

Amtrak is striving to locate and purchase additional equipment. However, in my investigation of this problem, I found one source of passenger cars which, under current legislation, Amtrak cannot touch: passenger cars which were retained for their own use by the railroads which joined Amtrak. Under current law, there is no way Amtrak can obtain use of these cars, even under the current emergency conditions.

Accordingly, I have introduced a bill which will amend section 402 of the Rail Passenger Service Act of 1970, so that under circumstances of urgent need the participating railroads must sell or lease to Amtrak any equipment they possess which Amtrak finds usable.

The current inventories of four such railroads—the Union Pacific, Burlington-Northern, Santa Fe, and Delaware and Hudson—contain 40 modern, lightweight cars: 17 coaches, 9 sleeping cars, 8 diners, and 6 lounge cars. All of these cars are in excellent condition, and suitable for immediate use without being shopped. These 40 cars alone would be of significant help to Amtrak during the current shortage—they would permit the institution of both of the trains Mr. Lewis recently canceled. Let me also note that none of this equipment is currently used in regular passenger service; and that other railroads, in addition to the four I surveyed, should also have some equipment available.

This bill is not intended to strip any railroad of equipment it wants to keep. I am aware that several railroads—the Union Pacific and Santa Fe in particular—desire to continue to own passenger equipment as symbols of their pride in their railroads. This is well and good; and they would only be required to lease this equipment to Amtrak as an emergency measure, until Amtrak begins receiving new equipment within the next 2 or 3 years.

This bill will, I believe, be of significant assistance not only to Amtrak but to all the people of this Nation, as they seek alternatives to the automobile. In view of the emergency conditions, and the need to have this equipment available by this summer, I hope that my colleagues will support me, and that the committee will give it urgent consideration.

I ask unanimous consent the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3259

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 402(a) of the Rail Passenger Service Act of 1970 is amended (1) by inserting "(including rail passenger equipment)" after "facilities" in the first sentence, and (2) by inserting after "purposes of this Act" in the second sentence the following: "or in the case of rail passenger equipment if requested by the Corporation after determining there is an urgent need therefor".

By Mr. TOWER:

S. 3261. A bill to reform the conduct and financing of Federal election campaigns, and for other purposes. Referred to the Committee on Rules and Administration.

Mr. TOWER. Mr. President, today I am introducing the Federal Campaign Reform Act of 1974. The bill generally encompasses President Nixon's election campaign reform proposals as outlined in his message delivered to the Nation on March 8. As one package, it represents the most comprehensive set of reform proposals yet to be offered. It does not subject the political process to the abuses that would naturally flow from public financing of Federal elections as envisioned by S. 3044.

I need not dwell on the necessity for campaign reform that works. What I do wish to emphasize now are the specific ways in which this bill is in the Nation's best interest.

First, this bill requires each candidate to designate a single political committee, which would ultimately receive all contributions made in his behalf. That committee would make all expenditures by check from a designated federally chartered bank. These provisions would substantially ease the administrative burden of enforcing compliance with campaign laws.

Second, a candidate's political committee would be prohibited from accepting more than $3,000 from an individual donor in any Senate or House election, and not more than $15,000 in any Presidential election. All contributions from any kind of organization would be prohibited, except those made by national committees or political action groups.

Third, comprehensive and timely reporting and disclosure requirements are imposed upon political committees and political action groups. For example, political action groups would be required to disclose the ties their principal officers have to political parties.

Fourth, an independent Federal Election Commission is established with the independence necessary to effectuate the provisions of the bill.

Fifth, the bill provides real safeguards against express or implied intimidation or coercion used against corporate employees and union members in soliciting campaign contributions.

Sixth, specific prohibitions against so-called "dirty tricks" are provided. Such activities have no proper role to play in any campaign, and this bill successfully draws the line between constitutionally protected campaign activity, and activity which is universally recognized as intolerable.

Seventh, a shortening of Presidential campaigns, and a corresponding reduction in the costs of campaigning, are provided for by prohibiting the holding, before May 1 of an election year, of Presidential primaries or conventions at which delegates to the national nominating convention are selected.

A central theme of the bill is the restoration of the dignity and power of the individual donor to a proper role in political campaigns. For too long, big organizations have run roughshod over the wishes of their individual members. Implicit intimidation or coercion has often been used to compel contributions which cannot fairly be characterized as voluntary. Individual contributors have often been misled as to the true nature of the political action groups to whom they gave. Individuals have also felt of insignificant value in campaigns, because of the enormous contributions made by many organizations.

The ascendancy of the power of faceless organizations in campaigns is unhealthy. It leads to unfair and unrepresentative influence on the part of the few who manipulate the many. Individuality is a hallmark of America that has made it great. It promotes that diversity of thought and influence so necessary to a thriving and robust democracy.

This bill dignifies and encourages each individual to participate actively in Federal elections. It assures each voter that he will not be harassed, intimidated, or misled by political action groups representing narrow and special interests. It assures each voter that his contribution will count as much as others.

I must admit that I have philosophical reservations about placing limitations on an individual's privilege to determine the amount of his personal contribution. There even might well be constitutional problems with such a congressional mandate. However, as I have previously stated, excesses can and have occurred. Thus, absent judicial reversal of the concept, such limitations are inevitable and represent a significant part of this reform package.

Mr. President, I shall consider offering this bill as a substitute amendment for S. 3044 in substantially the same form as I am introducing it today. Therefore, I urge my colleagues to review it carefully. I ask unanimous consent that the text of the bill and section-by-section analysis be printed in the RECORD at this time.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 3261

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Campaign Reform Act of 1974".

DEFINITIONS

SEC. 2. When used in this Act—

(1) "election" means (A) a general, special, primary, or runoff election, (B) a convention or caucus of a political party held to nominate a candidate, (C) a primary election held for the selection of delegates to a national nominating convention of a political party, (D) a primary election held for the expression of a preference for the nomination of persons for election to the office of President, and (E) the election of delegates to a constitutional convention for proposing amendments to the Constitution of the United States;

(2) "candidate" means an individual who seeks nomination for election, or election, to Federal office, whether or not such individual is elected, and, for purposes of this paragraph, an individual shall be deemed to seek nomination for election, or election, if he has (A) taken the action necessary under the law of a State to qualify himself for nomination for election, or election, to Federal office, or (B) received contributions or made expenditures, or has given his consent for any other person to receive contributions or make expenditures, with a view to bringing about his nomination for election, or election, to such office;

(3) "Federal office" means the office of President or Vice President of the United States; or of Senator or Representative in, or Delegate or Resident Commissioner to, the Congress of the United States;

(4) "political committee" means the committee designated by a candidate to receive contributions and make expenditures, on his behalf in connection with any election;

(5) "contribution" means—

(A) a gift, subscription, loan, advance, deposit of money or, anything of value, made for the principal purpose of influencing (i) the nomination for election, or election of any person to Federal office or as a presidential or vice-presidential elector; or, (ii) the result of a primary held for the selection of delegates to a national nominating convention of a political party or for the expression of a preference for the nomination of persons for election to the office of President; or, (iii) the election of delegates to a constitutional convention for proposing amendments to the Constitution of the United States;

(B) a contract, promise, or agreement, in writing, whether or not legally enforceable, to make a contribution for any such purpose;

(C) the payment, by any person other than a candidate or political committee, of compensation for the personal services of another person which are rendered to such candidate or committee without charge for any such purpose; and

(D) notwithstanding the foregoing meanings of "contribution", the word shall not be construed to include services provided without compensation by individuals volunteering a portion or all of their time on behalf of a candidate or political committee;

(6) "expenditure" means—

(A) a purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value, made for the principal purpose of influencing (i) the nomination for election, or election, of any person to Federal office, or as a presidential and vice-presidential elector; or, (ii) the result of a primary held for the selection of delegates to a national nominating convention of a political party or for the expression of a preference for the nomination of persons for election to the office of President; or, (iii) the election of delegates to a constitutional convention for proposing amendments to the Constitution of the United States; and

(B) a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure;

(7) "national committee" means the duly constituted organization which, by virtue of the bylaws of a political party, is responsible for the day-to-day operation of that political party at the national level, as determined by the Commission;

(8) "person" means an individual, partnership, committee, association, corporation, labor organization, political action group, political committee, national committee, and any other group of persons;

(9) "State" means each State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States;

(10) "organization" means any group of two or more persons, except that such term does not include a political committee or a national committee;

(11) "foreign bank" means any bank not chartered by the United States or any State;

(12) "Commission" means the Federal Election Commission;

(13) "loan" means any extension of credit, including the extension of credit for goods furnished or services rendered;

(14) "major party" means a political party whose candidate for the office of President in the preceding presidential election received, as the candidate of such party, 25 percent or more of the total number of popular votes received by all candidates for such office;

(15) "political action group" means any committee or association, other than a national committee or a political committee, which accepts or makes contributions in an aggregate amount in excess of $1,000 for elections in any calendar year;

(16) "supervisor" means any individual having authority, in the interest of an employer, to hire, transfer, suspend, lay off, recall, promote, discharge, assign, reward, or discipline other employees, or responsibly to direct them or to adjust their grievances, or effectively to recommend such action, if in connection with the foregoing the exercise of such authority is not of a merely routine or clerical nature, but requires the use of independent judgment;

(17) "union official" means any constitutional officer, any person authorized to perform the functions of president, vice president, secretary, treasurer, or other executive functions of a labor organization, any member of its executive board or similar governing body; any shop steward, any elected official or any key administrative officer, whether elected or appointed (such as a business agent, head of department or major unit, and organizer who exercises substantial independent authority), of a labor organization; and

(18) "labor organization" means any organization of any kind, or any agency or employee representation committee or plan, in which employees participate and which exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment, or conditions or work.

FEDERAL ELECTION COMMISSION

SEC. 3. (a) There is established an independent commission to be known as the Federal Election Commission which shall be composed of the chairmen (or their delegates) of the national committees of all major parties who shall serve without the right to vote and five members who shall be appointed by the President with the advice and consent of the Senate. No more than three of the five apopinted members shall be from the same political party.

(b) Appointed members of the Commission shall serve for terms of five years, except that, of the members first appointed—

(1) one of the members shall be appointed for a term of one year;

(2) one of the members shall be appointed for a term of two years;

(3) one of the members shall be appointed for a term of three years;

(4) one of the members shall be appointed for a term of four years; and

(5) one of the members shall be appointed for a term of five years.

(c) An appointed member may be reappointed to the Commission only once. An individual appointed to fill a vacancy occurring other than by the expiration of a term of office shall be appointed only for the unexpired term of the member he succeeds. No member shall be removed except for neglect of duty or malfeasance in office.

(d) (1) The Commission shall elect a Chairman and a Vice Chairman from among its members to serve for terms of two years each. The Chairman and the Vice Chairman shall not be affiliated with the same political party. The Vice Chairman shall act as Chairman in the absence or disability of the Chairman, or in the event of a vacancy in that office.

(2) A vacancy in the Commission shall not impair the right of the remaining members to exercise all the powers of the Commmission. A majority of the voting members of the Commission shall constitute a quorum, provided that no quorum may be composed entirely of members from one party.

(e) The Commission shall transmit annually a report to the Congress and to the President concerning the action it has taken; the names, salaries, and duties of all individuals in its employ; and shall make such further reports on the matters within its jurisdiction.

(f) The principal office of the Commission shall be in or near the District of Columbia, but it may meet or exercise any or all of its powers in any State.

(g) The Commision shall appoint a General Counsel and an Executive Director without regard to the provisions of title 5, United States Code, governing appointments to the competitive service to serve at the pleasure of the Commission. The General Counsel shall be the chief legal officer of the Commission. The Executive Director shall be responsible for the administrative operations of the Commission and shall perform such other duties as may be delegated or assigned to him from time to time by regulations or orders of the Commission.

(h) The Commission shall have an official seal which shall be judicially noticed.

(i) The Chairman of the Commission shall appoint and fix the compensation of such personnel as are necessary to fulfill the duties of the Commission in accordance with the provisions of title 5, United States Code; except that five officers and employees may, under this provision, be compensated at rates not in excess of the rates prescribed for GS-18 under section 5332 of title 5, United States Code.

(j) The Commission may obtain the services of experts and consultants in accordance with section 3109 of title 5, United States Code.

(k) The provisions of section 7324 of title, 5, United States Code, shall apply to members of the Commission notwithstanding the provisions of subsection (d) (3) of such section.

(l) Section 5315 of title 5, United States Code, is amended by adding the following paragraph:

"(98) Members, Federal Election Commission (5)"

(m) Section 5316 of title 5, United States Code, is amended by adding the following paragraph:

"(133) Executive Director, Federal Elections Commission."

POWERS OF COMMISSION

SEC. 4. (a) The Commission shall have the power—

(1) to require, by special or general orders, any person to submit in writing such reports and answers to questions as the Commission may prescribe; such submission shall be made within such reasonable period and under oath or otherwise as the Commission may determine and no person shall be subject to civil liability to any person (other than the Commission or the United States) for disclosing any information required by the Commission;

(2) to administer oaths;

(3) to require, by subpoena, the attendance and testimony of witnesses and the production of all documentary evidence relating to the execution of its duties;

(4) in any proceeding or investigation to order testimony to be taken by any deposition before any person who is designated by the Commission and has the power to administer oaths and, in such instances, to compel testimony and the production of evidence in the same manner as authorized under paragraph (3) of this subsection;

(5) to pay a witness the same fees and mileage as are paid in like circumstances in the courts of the United States;

(6) to prescribe rules and regulations, require the keeping of books and records, and conduct such examinations and investigations as it shall deem necessary to carry out the functions and duties imposed by this Act; and

(7) to delegate any of its functions or powers, other than the power to make regulations and the power to issue subpoenas, to any officer or employee of the Commission.

(b) Any United States district court within the jurisdiction of which any inquiry is carried on, may, upon application of the Attorney General, in case of refusal to obey a subpena or order of the Commission issued under subsection (a) of this section, issue an order requiring compliance therewith; and any failure to obey the order of the court may be punished by the court as a contempt thereof.

(c) Until the appointment of all of the members of the Federal Election Commission and its Executive Director, and until the transfer provided for in this subsection, the Comptroller General, the Secretary of the Senate, and the Clerk of the House of Representatives shall continue to carry out their responsibilities under title I and title III of the Federal Election Campaign Act of 1971 as those titles existed on the day before the date of enactment of this Act. Upon the appointment of all the members of the Commission and its Executive Director, the Comptroller General, the Secretary of the Senate, and the Clerk of the House of Representatives shall meet with the Commission and arrange for the transfer, within thirty days after the date on which all such members are appointed, of all records, documents, memorandums, and other papers associated with carrying out their responsibilities under title I and title III of the Federal Election Campaign Act of 1971 as they exist on the day before the date of enactment of this Act.

DUTIES OF THE COMMISSION

SEC. 5. (a) It shall be the duty of the Commission—

(1) to develop and furnish to the person required by the provisions of this Act prescribed forms for the making of the reports

and statements required to be filed with it under this Act;

(2) to prepare, publish, and furnish to the person required to file such reports and statements a manual setting forth recommended uniform methods of bookkeeping and reporting;

(3) to develop a filing, coding, and cross-indexing system consonant with the purposes of this Act;

(4) to make the reports and statements filed with it available for public inspection and copying, commencing as soon as practicable but not later than the end of the second day following the day during which it was received, and to permit copying of any such report or statement by hand or by duplicating machine, as requested by any person, at the expense of such person: *Provided*, That any information copied from such reports and statements shall not be sold or utilized by any person for the purpose of soliciting contributions or for any commercial purpose;

(5) to preserve such reports and statements for a period of ten years from date of receipt, except that reports and statements relating solely to candidates for the House of Representatives shall be preserved for only five years from the date of receipt;

(6) to prepare and publish annual reports including compilations of (A) total reported contributions and expenditures for all candidates, political committees, political action groups and other persons during the year; (B) total amounts expended according to such categories as it shall determine and broken down into candidate, party, and nonparty expenditures on the National, State, and local levels; (C) total amounts expended for influencing nominations and elections stated separately; (D) total amounts contributed according to such categories of amounts as it shall determine and broken down into contributions on the National, State, and local levels for candidates and political committees; and (E) aggregate amounts contributed by any contributor shown to have contributed in excess of $500;

(7) to prepare and publish from time to time special reports comparing the various totals and categories of contributions and expenditures made with respect to preceding elections;

(8) to prepare and publish such other reports as it may deem appropriate;

(9) to assure wide dissemination of statistics, summaries, and reports prepared under this Act;

(10) to make from time to time audits and field investigations with respect to reports and statements filed under the provisions of this Act, and with respect to alleged failures to file any report or statement required under the provisions of this Act; and

(11) to report apparent violations of law to the appropriate law enforcement authorities.

(b) The Commission shall encourage, and cooperate with, the election officials in the several States to develop procedures which will eliminate the necessity of multiple filings by permitting the filing of copies of Federal reports to satisfy the State requirements.

(c) It shall be the duty of the Commission to serve as a national clearinghouse for information in respect to the administration of elections. In carrying out its duties under this subsection, the Commission may enter into contracts for the purpose of conducting independent studies of the administration of elections. Such studies may include, but shall not be limited to, studies of—

(1) the method of selection of, and the type of duties assigned to, officials and personnel working on boards of elections;

(2) practices relating to the registration of voters; and

(3) voting and counting methods. Studies made under this subsection shall be published by the Commission and copies thereof shall be made available to the general public upon the payment of the cost thereof.

(d) (1) The Commission shall compile and furnish to the Public Printer, not later than the last day of March of each year, an annual report for each political committee and for each political action group which has filed a report with it under this Act during the period from March 10 of the preceding calendar year through January 31 of the year in which such annual report is made available to the Public Printer. Each such annual report shall contain—

(i) a copy of the statement of organization, together with any amendments thereto, of the political committee as required under section 7, or of the political action group as required under section 10;

(ii) a copy of each report filed by such political committee under section 8 or by such political action group under section 11 from March 10 of the preceding year through January 31 of the year in which the annual report is so furnished to the Public Printer.

(2) The Public Printer shall make copies of such annual reports available for sale to the public by the Superintendent of Documents as soon as practicable after they are received from the Commission.

ORGANIZATION OF POLITICAL COMMITTEES

SEC. 6. (a) Each candidate shall designate in every election one political committee to receive campaign contributions. No political committee shall receive campaign contributions for more than one candidate. No political committee shall receive anything of value on behalf of any person seeking nomination or election to any State or local office. Every political committee shall have a chairman and a treasurer. No contribution and no expenditure shall be accepted or made by a political committee at a time when there is a vacancy in the office of chairman or treasurer thereof. No expenditure shall be made by a political committee without the authorization of its chairman or treasurer, or their designated agents.

(b) Each candidate shall designate one federally chartered bank as his campaign depository. The political committee of that candidate shall maintain a checking account at that designated depository. No expenditure may be made by a candidate's political committee except by check drawn on that account, other than petty cash expenditures as provided in subsection (c).

(c) A candidate's political committee may maintain a petty cash fund out of which it may make expenditures not in excess of $50 to any person in connection with a single purchase or transaction. A record of petty cash disbursements shall be kept in accordance with requirements established by the Commission.

(d) Every person who receives a contribution in excess of $10 intended for a political committee shall, on demand of the treasurer, and in any event within five days after receipt of such contribution, render to the treasurer a detailed account thereof, including the amount, the name and address (occupation and the principal place of business, if any) of the person making such contribution, and the date on which received. All funds of a political committee shall be segregated from, and shall not be commingled with, any personal funds of officers, members, or associates of such committee.

(e) It shall be the duty of the treasurer of a political committee to keep a detailed and exact account of—

(1) all contributions made to or for such committee;

(2) the full name and mailing address (occupation and the principal place of business if any) of every person making a contribution in excess of $10, and the date and amount thereof;

(3) all expenditures made by or on behalf of such committee; and

(4) except for petty cash disbursements as described in subsection (c) the full name and mailing address (occupation and the principal place of business, if any) of every person to whom any expenditure is made, the date and amount thereof and the name and address of, and office sought by, each candidate on whose behalf such expenditure was made.

(f) It shall be the duty of the treasurer to obtain and keep a receipted bill, stating the particulars, for every expenditure in a single transaction made by or on behalf of a political committee in excess of $50 in amount. The treasurer shall preserve all receipted bills and accounts required to be kept by this section for periods of time to be determined by the Commission.

(g) Any political committee shall include on the face or front page of all literature and advertisements soliciting funds the following notice:

"NOTE: It is a violation of the Federal criminal code for any person to intimidate, threaten, or coerce, or attempt to intimidate, threaten, or coerce any person for either making a contribution, or failing to make a contribution, in any election."

"A copy of all reports filed with the Federal Election Commission are (or will be) available for purchase from the Superintendent of Documents, United States Government Printing Office, Washington, D.C. 20402."

(h) The political committee designated by a candidate nominated by a political party for election to the office of President shall be the political committee of the candidate nominated by that party for election to the office of Vice President.

REGISTRATION OF POLITICAL COMMITTEES; STATEMENTS

SEC. 7. (a) Each political committee shall file with the Commission a statement of organization, within ten days after its organization. Each such committee in existence at the date of enactment of this Act shall file a statement of organization with the Commission at such time as it prescribes.

(b) The statement of organization shall include—

(1) the name and address of the committee;

(2) the area, scope, or jurisdiction of the committee;

(3) the name, address, and position of the custodian of books and accounts;

(4) the name, address, and position of other principal officers, including officers and members of the finance committee, if any;

(5) the name, address, office sought, and party affiliation of the candidate whom the committee is supporting;

(6) a statement whether the committee is a continuing one;

(7) the name and address of the federally chartered depository designated by the candidate who designed at the political committee;

(8) a statement of the reports required to be filed by the committee with State or local officers, and, if so, the names, addresses, and positions of such persons; and

(9) such other information as shall be required by the Commission.

(c) Any change in information previously submitted in a statement of organization shall be reported to the Commission within a ten-day period following the change.

REPORT BY POLITICAL COMMITTEES

SEC. 8. (a) Each treasurer of a political committee supporting a candidate for election to Federal office, shall file with the Commission reports of receipts and expenditures on forms to be prescribed or approved by it. Such reports shall be filed by each treasurer of a political committee during a nonelection year of the candidate who designated that political committee, on the tenth day of March, June, and September. Such reports shall be filed by each treasurer of a political committee, during an election year of the candidate who designated that political committee, on the tenth day of each month and on the fifth day next preceding the date on which the election is held.

(b) Each report under this section shall disclose—

(1) the amount of cash on hand at the beginning of the reporting period;

(2) the full name and mailing address (occupation and the principal place of business, if any) of each person who has made one or more contributions to or for such committee or candidate (including the purchase of tickets for events such as dinners, luncheons, rallies, and similar fundraising events (within the calendar year in an aggregate amount of value in excess of $100, together with the amount and date of such contributions;

(3) the total sum of individual contributions made to or for such committee or candidate during the reporting period and not reported under paragraph (2);

(4) the total amount of proceeds from (A) the sale of tickets to each dinner, luncheon, rally, and other fundraising events; (B) mass collections made at such events; and (C) sales of items such as political campaign pins, buttons, badges, flags, emblems, hats, banners, literature, and similar materials;

(5) each contribution, rebate, refund, or other receipt in excess of $100 not otherwise listed under paragraphs (2) through (4);

(6) the total sum of all receipts by or for such committee or candidate during the reporting period;

(7) the full name and mailing address (occupation and the principal place of business, if any) of each person to whom expenditures have been made by such committee or on behalf of such committee or candidate within the calendar year in an amount or value in excess of $50, the amount, date, and purpose of each such expenditure and the name and address of, and office sought by, each candidate on whose behalf such expenditure was made;

(8) the full name and mailing address (occupation and the principal place of business, if any) of each person to whom an expenditure for personal services, salaries and reimbursed expenses in excess of $100 has been made, and which is not otherwise reported, including the amount, date, and purpose of such expenditure;

(9) the total sum of expenditures made by such committee or candidate during the calendar year;

(10) the amount and nature of debts and obligations owed by or to the committee, in such form as the Commission may prescribe and a continuous reporting of their debts and obligations after the election at such periods as the Commission may require until such debts and obligations are extinguished; and

(11) such other information as shall be required by the Commission.

(c) The reports required to be filed by subsection (a) shall be cumulative during the calendar year to which they relate, but where there has been no change in an item reported in a previous report during such year, only the amount need be carried forward. If no contributions or expenditures have been accepted or expended during a calendar year, the treasurer of the political committee shall file a statement to that effect.

ORGANIZATION OF POLITICAL ACTION GROUPS

SEC. 9. (a) Every political action group shall have a chairman and a treasurer. No contribution shall be accepted or made by or on behalf of a political action group at a time when there is a vacancy in the office of chairman or treasurer thereof. No contribution shall be made for or on behalf of a political action group without the authorization of its chairman or treasurer, or their designated agents.

(b) Every person who receives a contribution in excess of $10 for a political action group shall, on demand of the treasurer, and in any event within five days after receipt of such contribution, render to the treasurer a detailed account thereof, including the amount, the name and address (occupation and the principal place of business, if any) of the person making such contribution, and the date on which received. All contributions received by a political action group shall be segregated from, and may not be commingled with, any other funds of that group.

(c) It shall be the duty of the treasurer of a political action group to keep a detailed and exact account of—

(1) all contributions made to or for such group;

(2) the full name and mailing address (occupation and the principal place of business, if any) of every person making a contribution in excess of $10, and the date and amount thereof;

(3) all payments made by or on behalf of such group; and

(4) the full name and mailing address (occupation and the principal place of business, if any) of every person to whom any payment is made the date and amount thereof.

(d) It shall be the duty of the treasurer to obtain and keep a receipted bill, stating the particulars, for every payment made by or on behalf of a political action group in excess of $100 in amount, and for any such payment in a lesser amount, if the aggregate amount of such payments to the same person during a calendar year exceeds $100. The treasurer shall preserve all receipted bills and accounts required to be kept by this section for periods of time to be determined by the Commission officer.

(e) Each political action group shall designate one federally or State chartered bank as its campaign depository, and maintain a checking account thereat. No contribution may be made by a political action group except by check drawn upon that account.

(f) No supervisor or union official shall serve as a principal officer of a political action group.

(g) Any political action group shall include on the face or front page of all literature and advertisements soliciting funds the following notice:

"Note: It is a violation of the Federal Criminal Code for any person to intimidate, threaten, or coerce, or attempt to intimidate, threaten, or coerce any person for either making a contribution, or failing to make a contribution, in any election."

"A copy of all reports filed with the Federal Election Commission are (or will be) available for purchase from the Superintendent of Documents, United States Government Printing Office, Washington, D.C. 20402."

(h) No political action group shall use a name closely related or confusingly similar to the name of a labor organization or employer within the jurisdiction of the National Labor Relations Act, as amended, 49 Stat. 449 (29 U.S.C. 141, et seq.).

REGISTRATION OF POLITICAL ACTION GROUPS: STATEMENTS

SEC. 10. (a) Each political action group which anticipates receiving contributions or making contributions during the calendar year in an aggregate amount exceeding $1,000 shall file with the Commission a statement of organization, within ten days after its organization or, if later, ten days after the date on which it has information which causes the group to anticipate it will receive contributions or make contributions in excess of $1,000. Each such group in existence at the date of enactment of this Act shall file a statement of organization with the Commission at such time as he prescribes.

(b) The statement of organization shall include—

(1) the name and address of the group;

(2) the names, addresses, and relationships of affiliated or connected organizations;

(3) the area, scope, or jurisdiction of the group;

(4) the name, address, and position of the custodian of books and accounts;

(5) the name, address, and position of other principal officers, including officers and members of the finance committee, if any;

(6) a statement of any payments received by a principal officer from a political party organization during the last five years;

(7) a statement of any office or formal leadership position held by a principal officer in a local, State, or national political party organization during the last five years;

(8) a statement of all principal officers who, during the last five years, served as a delegate in any local, State, or national political party caucus or convention. Such statement shall specify the nature of each political party caucus or convention attended, and the place and dates of such attendance;

(9) a statement of the approximate number of unpaid hours worked in the most recent calendar year by each principal officer on behalf of a local, State, or national political party organization. Such statement shall specify the name and address of each political party organization for whom each prinpal officer worked without compensation.

(10) the name, address, office sought, and party affiliation of (A) each candidate whom the committee is supporting, and (B) any other individual, if any, whom the committee is supporting for nomination for election, or election to any public office whatever; or, if the committee is supporting the entire ticket of any party, the name of the party;

(11) a statement whether the group is a continuing one;

(12) the disposition of residual funds which will be made in the event of dissolution;

(13) name and address of the depository designated by that group;

(14) a statement of the reports required to be filed by the group with State or local officers, and, if so, the names, addresses, and positions of such persons; and

(15) such other information as shall be required by the Commission.

(c) Any change in information previously submitted in a statement of organization shall be reported to the Commission within a ten-day period following the change.

(d) Any group which, after having filed one or more statements of organization, disbands or determines it will no longer receive contributions or make contributions during the calendar year in an aggregate amount exceeding $1,000 shall so notify the Commission.

REPORTS BY POLITICAL ACTION GROUPS

SEC. 11. (a) Each treasurer of a political action group supporting a candidate or candidates for election to Federal office shall file with the Commission reports of contributions received and contributions made on forms to be prescribed or approved by it. Such reports shall be filed on the tenth day of March, June, and September, in each year, and on the fifteenth and fifth days next preceding the date on which an election is held, and also by the thirty-first day of January. Such reports shall be complete as of such date as the Commission may prescribe, which shall not be less than five days before the date of filing.

(b) Each report under this section shall disclose—

(1) the amount of cash on hand at the beginning of the reporting period;

(2) the full name and mailing address (occupation and principal place of business, if any) of each person who has made one or more contributions to such group (including the purchase of tickets for events such as dinners, luncheons, rallies, and similar fundraising events) within the calendar year in an aggregate amount of value in excess of $100, together with the amount and date of such contributions;

(3) the total sum of individual contributions made to such group during the reporting period and not reported under paragraph (2);

(4) the total amount of proceeds from (A) the sale of tickets to each dinner, luncheon, rally, and other fundraising event; (B) mass collections made at such events; and (C) sales of items such as political campaign pins, buttons, badges, flags, emblems, hats, banners, literature, and similar materials;

(5) each contribution rebate, refund, or other receipt in excess of $100 not otherwise listed under paragraphs (2) through (4);

(6) the total sum of all receipts by such group during the reporting period;

(7) each contribution made to a political committee;

(8) the amount and nature of debts and obligations owed by or to the group, in such form as the Commission may prescribe and a continuous reporting of their debts and obligations after the election at such periods as the Commission may require until such debts and obligations are extinguished; and

(9) such other information as shall be required by the Commission.

(c) The reports required to be filed by subsection (a) shall be cumulative during the calendar year to which they relate, but where there has been no change in an item reported in a previous report during such year, only the amount need be carried forward. If no contributions have been accepted or made during a calendar year, the treasurer of the political action group shall file a statement to that effect.

FORMAL REQUIREMENTS RESPECTING REPORTS AND STATEMENTS

SEC. 12. (a) A report or the statement required by this Act to be filed by a treasurer of a political committee or political action group shall be verified by his oath or affirmation, taken before any officer authorized to administer oaths.

(b) A copy of a report or statement shall be preserved by the person filing it for a period of time to be designated by the Commission in a published regulation.

(c) Consistent with the purposes of this Act, the Commission shall, by published regulations of general applicability, prescribe the manner in which contributions and expenditures shall be reported.

Such regulations shall provide that they be reported in separate schedules. In determining aggregate amounts of contributions and expenditures, amounts reported as provided in such regulations shall not be considered until actual payment is made.

REPORTS ON CONVENTION FINANCING

SEC. 13. Each committee or other organization which—

(1) represents a State, or a political subdivision thereof, or any group of persons, in dealing with officials of a national political party with respect to matters involving a convention held in such State or political subdivision to nominate a candidate for the office of President or Vice President, or

(2) represents a national political party in making arrangements for the convention of such party held to nominate a candidate for the office of President or Vice President, shall, within sixty days following the end of the convention (but not later than twenty days prior to the date on which presidential and vice-presidential electors are chosen), file with the Commission a full and complete financial statement, in such form and detail as it may prescribe, of the sources from which the committee or other organization derived its funds, and the purposes for which such funds were expended.

CONTRIBUTIONS

SEC. 14. (a) No political committee, national committee, or political action group shall accept a contribution exceeding $10 in value unless it is accompanied by a form, authorized by the Commission and completed by the donor, which indicates: (1) the donor's name and address; (2) the political committee or national committee which is to receive the contribution; or, in the case of a contribution received by a political action group, an express authorization for the political action group to use the contribution in any election as it sees fit; (3) when the contribution is not cash or its equivalent, a description of the contribution and a good faith estimate of its reasonable value; and (4) such other information as the Commission may require.

(b) All contribution forms completed pursuant to subsection (a) shall be given to the appropriate political committee or national committee or political action group. All such forms shall be retained or delivered to the Commission as it may require.

(c) No political committee, national committee or political action group shall receive a contribution in the form of property whose value exceeds its basis for income tax purposes under the Internal Revenue Code of 1954.

(d) No political committee, national committee, or political action group shall receive a cash contribution in excess of $50.

(e) Except for individuals, political action groups and national committees, no person shall make any contribution.

(f) No person shall make a contribution in the form of a loan. However, this subsection shall not prohibit a candidate from receiving a loan of money from a federally or State chartered bank made in accordance with the applicable banking law and regulations and in the ordinary course of business.

(g) No person shall make a campaign contribution in the form of a check, or other commercial instrument, drawn on a foreign bank.

(h) No person shall directly or indirectly make a contribution in the name of another person, and no political or national committee or political action group shall knowingly accept a contribution made by one person in the name of another person.

(i) No political action group shall make a contribution except from funds received in the form of individual contributions.

(j) No political action group shall make a contribution except in the form of cash or its equivalent.

CONTRIBUTION SOLICITATION

SEC. 15. (a) No supervisor or union official shall solicit contributions on behalf of a political action group, national committee, or political committee.

(b) No person shall intimidate, threaten, or coerce, or attempt to initimidate, threaten, or coerce any person for either making a contribution, or failing to make a contribution, in any election.

CONTRIBUTION LIMITATIONS

SEC. 16. (a) No political committee shall receive any contribution from any individual which, when added to the sum of all other contributions made by that individual, exceeds $3,000 in connection with any election, except as provided in subsection (b).

(b) No political committee shall receive a contribution from any individual, which when added to the sum of all other contributions from that individual exceeds $15,000 in connection with an election in which the candidate seeks nomination for or election to the office of President or Vice President of the United States. For purposes of this subsection, contributions to a candidate seeking election to the office of the Vice President shall be attributed to a candidate of the same political party seeking election to the office of the President. For purposes of calculating the $15,000 limit, all contributions made to a candidate in all elections in which he seeks nomination for the office of the President shall be aggregated.

(c) No individual shall make a contribution to a political action group during any calendar year which, when added to the sum of all other contributions made by that individual during that year, exceeds $25,000.

(d) This section shall not apply to a contribution given by a candidate or his immediate family as defined in section 608 of title 18, United States Code.

EXCESS CONTRIBUTIONS

SEC. 17. (a) Any contribution received in excess of the limitations established in Section 16 shall be forfeited to the United States Treasury.

(b) Any political committee having unexpended funds within seven days after a general election shall either give that excess to the United States Treasury, or to a national committee.

EXPENDITURE LIMITATIONS

SEC. 18. No person shall make any expenditure on behalf of a candidate except a political committee.

VOTER REGISTRATION

SEC. 19. Any organization that registers voters with the aid of paid workers and intends to make payments exceeding $1,000 during a calendar year shall be subject to the following reporting and disclosure rules:

(1) Every such organization shall file a statement of organization with the Commission, within ten days after its organization. Each such organization in existence at the date of enactment of this Act shall file a statement of organization with the Commission at such time as it prescribes. The statement of organization shall include: (A) the name and address of the organization; (B) the name and address of the chairman and treasurer; and (C) the name, address, and position of other principal officers.

(2) Every such organization shall have a chairman and a treasurer;

(3) The treasurer of such organization shall keep a detailed and exact account of anything of value given to the organization, and anything of value spent in conducting a voter registration drive.

(4) The treasurer of such organization shall maintain a list of all persons who in aggregate give anything of value exceeding $500 to the organization during a calendar year, and a list of all persons to whom aggregate payments were made exceeding $500 in value during a calendar year. Such lists shall be disclosed to the Commission, at least once yearly, but the Commission may require more frequent reporting by regulations. The Commission may require the treasurer of an organization to provide such additional information as it deems necessary. The Commissioners shall make public all information received from organizations pursuant to this section in a form it deems proper.

This section shall not apply to registration drives conducted by a State or any other unit of government.

CAMPAIGN PRACTICES

SEC. 20. No person shall commit any of the following acts in any election with the specific intent of either misleading voters or disrupting a candidate's campaign, provided that those acts are likely to succeed in either misleading voters or disrupting a candidate's campaign:

(1) directly or indirectly convey false instructions to a campaign worker;

(2) place misleading advertisements in the communications media, as that latter term is defined in section 102 of the Campaign Communications Reform Act. P.L. 92-225, 86 Stat. 3;

(3) impede or obstruct the entry of any person lawfully entitled to attend a campaign rally;

(4) utter a false oral or written statement concerning any material fact about a candidate;

(5) order goods and services on behalf of a candidate without his authorization;

(6) prevent a candidate from speaking through the use of loud and boisterous noise.

OBSTRUCTING AN ELECTION OR RESIGNATION

SEC. 21. No person shall knowingly:

(1) obstruct, impair, or pervert the lawful conduct of an election or the registration to vote at an election;

(2) offer, give, or agree to give anything of value to another person for or because of any person's voting, refraining from voting, voting for or against a candidate, or registering to vote at any election;

(3) solicit, demand, accept, or agree to accept anything of value for or because of any person's voting, refraining from voting, voting for or against a candidate, or registering to vote at any election; or

(4) give false information to establish his eligibility to vote at any election.

CRIMINAL PENALTY FOR KNOWING VIOLATIONS

SEC. 22. The knowing violation of any provision of this Act is punishable by a fine of not more than $100,000, imprisonment for not more than ten years, or both.

PRESIDENTIAL PRIMARY ELECTIONS AND NOMINATING CONVENTIONS

SEC. 23. No primary election, convention, or caucus of a political party for the selection of delegates to a national nominating convention in which a Presidential candidate shall be nominated shall be held in any State before May 1 of a year in which a Presidential election shall be held.

MISCELLANEOUS AMENDMENTS

SEC. 24. (a) Title III of the Federal Election Campaign Act of 1971, Public Law 92-225, 86 Stat. 3, is hereby repealed.

(b) Section 610 of title 18, United States Code, is hereby repealed.

(c) Section 315(a) of the Communications Act of 1934 (47 U.S.C. 315(a)) is amended by inserting after "public office" in the first sentence thereof the following: ", other than Federal elective office (including the office of Vice President)."

(d) Title I of the Federal Election Campaign Act of 1971, Public Law 92-225, 86 Stat. 3, is amended by substituting "Federal Election Commission" for "Comptroller General" wherever that latter term may appear.

EFFECT ON STATE LAW

SEC. 25. Nothing in this Act shall be deemed to invalidate or make inapplicable any provision of any State law, except where compliance with such provision of law would result in a violation of a provision of this Act.

PARTIAL INVALIDITY

SEC. 26. If any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the validity of the remainder of the Act and the application of such provision to other persons and circumstances shall not be affected thereby.

EFFECTIVE DATE

SEC. 27. The provisions of this Act shall become effective on December 31, 1974, or sixty days after the date of enactment of this Act, whichever is last.

SECTION-BY-SECTION ANALYSIS

Section 2 is the definition section. Several of the definitions are taken from the Federal Election Campaign Act of 1971, such as "election", "candidate", and "Federal office." § 2(1), (2), (3). "Contribution" is defined generally speaking, as anything of value made for the *principal* purpose of influencing certain elections § 2(5). That definition is intended to exclude from its coverage gifts made to encourage persons to register and to vote, or other gifts to "issue oriented" groups or national committees whose principal purpose is not to influence the election of a particular candidate, but to affect elections or the election process as a whole. "Expenditure" is similarly defined. § 2(6).

Additionally, "contribution" is defined to exclude vague and uncertain oral commitments to make a contribution § 2(5) (B).

The terms "national committee", "organization", "foreign bank", "Commission", and "loan", are specially defined. § 2(7), (10), (11), (12), (13).

"Political committee" and "political action group" have specialized meanings. § 2(4) (15). The former is defined as a candidate's sole campaign committee, and the latter is defined as a parallel organization that may collect and make contributions, but not expenditures.

"Supervisor", "union official", and "labor organization" are also new definitions in the bill, and are defined largely in language taken from the National Labor Relations Act and the Landrum-Griffith Act. § 2(16), (17), (18).

Section 3 would establish a five-member bipartisan independent Federal Election Commission with the chairman of the national committees of the major political parties serving as non-voting members.

Section 4 enumerates the powers of the Commission. It would have full authority to investigate all campaign and election offenses, promulgate rules and regulations, publish reports, and issue subpoenas, which would be enforced by the Attorney General.

Section 5 sets forth the duties of the Commission. It would publish reports of contributions, expenditures, and payments and statements required to be made by political committees and political action groups. It would audit such reports and report apparent violations of law to the Department of Justice. Additionally, the Commission would make studies and serve as a clearinghouse for information in respect to the administration of elections.

Section 6 sets forth the required organization of a political committee. A candidate may have only one such committee which would ultimately receive all contributions made on his behalf; that committee could act only on behalf of that candidate. Each candidate would designate one federally chartered bank to serve as the campaign depository for the political committee. Except for petty cash expenditures of $50 or less, all expenditures would be made by check drawn on a checking account at the campaign depository.

The treasurer of a political committee would be required to keep detailed records concerning every person making a contribution in excess of $10, and all expenditures made.

On the face of all solicitation literature, a political committee would be requested to notify the recipient that any threats or coercion used against him for either making or failing to make a contribution violates federal law; and that a copy of all reports filed with the Federal Election Commission would be publicly available for purchase.

It is also required that the political committee of a presidential candidate be the political committee of his vice presidential running mate. No such requirement is imposed in primary campaigns.

Section 7 imposes upon a political committee a duty to register and to file statements disclosing its officers and the campaign depository used by it.

Section 8 imposes upon political committees a duty of reporting to the Federal Election Commission. Generally speaking, such reports must disclose the names and addresses (occupation and the principal place of business, if any) of all persons either making aggregate contributions in excess of $100, or to whom expenditures have been made exports must be filed in March, June, and September during non-election years, and monthly during election years.

Section 9 imposes organization requirements on political action groups. Those groups must have a chairman and treasurer, and keep records of all contributions received or made by them in excess of $10. A detailed record of payments must also be maintained.

A political action group must designate a single federally or state chartered bank to serve as its campaign depository. All contributions made by a political action group must be made by check drawn on its account.

No supervisor of employees or union official may serve as a principal officer of a political action group. That prohibition is designed to minimize the likelihood of implied intimidation or coercion in the solicitation of contributions from employees or union members.

All literature and advertisements of political action groups in soliciting funds must contain the same notice as is required of similar solicitations by political committees, as described in Section 6.

No political action group may use a name closely related or confusingly similar to the name of a labor organization or employer.

Section 10 imposes a duty upon political action groups to register and to file statements with the Federal Election Commission. A statement must contain a full disclosure of the relationship between principal officers of the group and political party organizations. Other information required in a statement is of a routine nature.

Section 11 imposes upon political action groups a duty of reporting to the Federal Elections Commission similar to the duty imposed upon political committees. Such reports must be filed quarterly, and contain a list of all persons making contributions in excess of $100 in aggregate amounts, together with the amount and date of such contributions. All contributions made by political action groups must also be reported.

Section 12 establishes certain formal requirements respecting reports and statements.

Section 13 requires certain reports to be filed with the Federal Election Commission concerning convention financing.

Section 14 imposes the following rigorous restrictions upon the making of contributions:

(1) All contributions in excess of $10 must be accompanied by a form authorized by the Commission and completed by the donor, which indicates: (1) the donor's name and address; (2) the political committee or national committee which is to receive the contribution; or, in the case of a contribution received by a political action group, an express authorization for the political action group to use the contribution in any election as it sees fit; (3) when the contribution is not cash or its equivalent, a description of the contribution and a good faith estimate of its reasonable value; and (4) such other information as the Commission may require;

(2) No contribution shall be received in the form of appreciated property;

(3) No cash contribution shall be received in excess of $50;

(4) Only individuals, political action groups, and national committees may make contributions;

(5) No person, except a candidate, may make a contribution in the form of a loan;

(6) No person shall make a campaign con-

tribution in the form of a check, or other commercial instrument, drawn on a foreign bank;

(7) No person shall directly or indirectly make a contribution in the name of another person, and no political or national committee or political action group shall knowingly accept a contribution made by one person in the name of another person; and

(8) No political action group shall make a contribution except from funds received in the form of individual contributions.

Section 15 prohibits a supervisor or union official from soliciting contributions on behalf of a political action group, political committee, or national committee. Section 15 also makes it a crime to intimidate, threaten, or coerce, or attempt to intimidate, threaten, or coerce any person for either making a contribution, or failing to make a contribution, in any election.

Section 16 establishes the following contribution limitations:

(1) No political committee may receive individual contributions in excess of $3,000 in any Congressional election or in excess of $15,000 in any Presidential election. Contributions in Presidential primaries are aggregated for purposes of calculating the $15,000 limit.

(2) No individual can make a contribution to a political action group during any calendar year which, when added to the sum of all other contributions made by that individual during that year, exceeds $25,000.

(3) These limitations would not apply to a contribution given by a candidate or his immediate family. Existing law, which is not repealed, places limits of $25,000, $35,000 and $50,000 respectively on the amount a candidate for nomination for or election to Representative, Senator, or President may receive from his personal funds and the funds of his immediate family.

Section 17 provides that illegal contributions be forfeited to the United States Treasury. It also provides that any political committee having unexpended funds seven days after a general election either give that excess to the United States Treasury, or to a national committee.

Section 18 prohibits any person, except a political committee, from making expenditures on behalf of a candidate.

Section 19 requires certain organizations that conduct voter registration drives with the use of paid workers to file certain reports of organization and financing with the Federal Election Commission.

Section 20 makes it a crime to commit so-called "dirty tricks" with the specific intent to mislead voters or disrupt a campaign coupled with a likelihood of success. The following acts committed with the requisite intent and the requisite likelihood of success are specifically prohibited:

(1) directly or indirectly convey false instructions to a campaign worker;

(2) place misleading advertisements in the communications media, as that latter term is defined in section 102 of the Campaign Communications Reform Act. P.L. 92–225, 86 Stat. 3.

(3) impede or obstruct the entry of any person lawfully entitled to attend a campaign rally;

(4) utter a false oral or written statement concerning any material fact about a candidate;

(5) order goods and services on behalf of a candidate without his authorization;

(6) prevent a candidate from speaking through the use of loud and boisterous noise.

Section 21 makes it a crime to obstruct, impair, or prevent any election or the process of registration.

Section 22 establishes severe criminal penalties for the knowing violation of provisions of the Act. Maximum punishment is a $100,000 fine and 10 years imprisonment.

Section 23 prohibits holding Presidential primaries or conventions at which delegates are selected before May 1 of a year in which a Presidential election is held.

Section 24 repeals the Equal Time Amendment of the Communications Act of 1934 for federal elections. Other minor changes in existing law are also made.

Sections 25–27 are all technical provisions.

By Mr. PERCY (for himself and Mr. JAVITS):

S. 3263. A bill to amend title 5, United States Code, with respect to the retirement of certain law enforcement and firefighting personnel, and for other purposes. Referred to the Committee on Post Office and Civil Service.

LEGISLATION TO INCREASE RETIREMENT BENEFITS FOR FEDERAL LAW ENFORCEMENT PERSONNEL

Mr. PERCY. Mr. President, today I am introducing legislation which will increase the retirement benefits now accorded to Federal law enforcement personnel, and as a result, offer the hope of improving our law enforcement efforts at the Federal level.

Federal law enforcement is basically a young person's profession. Because of the constant risks involved, young men, with quick but calm reactions, are necessary both for their own safety and for the safety of others. Thus, it has been the policy of Federal law enforcement to encourage keeping the personnel young by encouraging early retirement. This policy was adopted by the Congress in 1948 when it provided a computation formula for their retirement more generous than that available to other Federal employees. This was done not as a reward for hazardous duty, but rather as a means to make early retirement, with resultant shorter service, economically feasible.

Therefore, in 1948, when the computation multiplier for Federal employees in general was 1½ percent of the average salary for each year of service, the Congress enacted legislation providing a 2-percent multiplier for law enforcement personnel. This provided a 33-percent differential between the multiplier factor for regular Government employees and that of the Federal law enforcement personnel. In 1969, the law was changed to provide that the percentage would be multiplied by the average of the high 3 years of pay instead of the average pay over the entire number of years of service.

Since 1948, the computation formula has been upgraded for regular Government employees to almost 2 percent, while the initial 2 percent for law enforcement personnel remained unchanged. As a result, the differential over 30 years of service is only 7 percent, or 3¾ percent over 20 years.

At the present time, very few law enforcement personnel retire prior to age 55, because for them it is not economically feasible. This results in older men staying on, sometimes performing with considerably less than peak efficiency, but unable to be dismissed because of civil service. This is contrary to the purpose of having a relatively young force.

The underlying purposes of the legislation I am offering today can be summarized as follows:

First, to assist Federal law enforcement agencies and offices in maintaining a relatively young, vibrant, and effective work force. To achieve this objective, we must make it economically feasible for law enforcement personnel to retire at an early age.

Second, to make the recruitment programs for these agencies and offices competitive with local, State, and county law enforcement agencies and firefighting agencies.

It is not the purpose of this legislation to reward our law enforcement and firefighting personnel for performing their duties well; rather it is to acknowledge that the everyday physical and psychological stress which they must endure all too often results in early fatalities and serious injuries, not ordinarily encountered by other dedicated public servants.

In addition, the responsibilities of certain classes of law enforcement officials covered by this legislation cause them to be exposed to physical assault and violence almost unparalleled in the history of the affected agencies. John R. Bartels, Jr., Administrator of the Drug Enforcement Administration, speaking before the Treatment Alternatives to Street Crime Conference meeting at the White House on September 11, 1973, noted:

> Despite our progress, the narcotics traffic continues on the street and *violence* is becoming endemic to it. Incidents of shootings and other deadly assaults appear regularly on my daily operations reports. Within the past year, two agents, Frank Tummillo of New York and Emir Benitzi of Fort Lauderdale, Florida, were murdered in the line of duty. Other DEA agents have been wounded and permanently disabled. The violence not only affects law enforcement officers but has involved drug users, and occasionally, innocent bystanders. "Ripping off" a buyer has become commonplace. Another indication of the new violence is the sharp rise in the number of firearms seized in conjunction with drug arrests. *It is my firm belief that drug law enforcement is the most difficult and most hazardous law enforcement activity undertaken today.* (Emphasis added.)

Based on figures compiled by DEA, assaults on Federal narcotic officers have increased from 9 in fiscal year 1969 to 24 in fiscal year 1973. Already in the first 8 months of fiscal 1974, 31 agents have been the victims of assaults. The rate of assaults per agent in the field have increased from 0.129 in fiscal year 1969 to more than 0.2 presently. The assault rate on a monthly basis has increased from less than 1 per month in the period of 1968–71, to 1.75 in fiscal year 1972 and 2 per month in fiscal year 1973. The following two charts break down those figures in a manner that illustrates all too clearly the rising trend in assaults of DEA officers:

Assaults over time

Fiscal year 1969	9
Fiscal year 1970	10
Fiscal year 1971	11
Fiscal year 1972	21
Fiscal year 1973	24
Fiscal year 1974 (to Mar. 10, 1974)	31
Total	106

	Number of assaults	Number of agents (end of fiscal year)	Rate of assault incidents per agent in field
Fiscal year:			
1969	8	618	0.0129
1970	10	730	.0137
1971	11	1,162	.0095
1972	21	1,210	.0174
1973	24	1,190	.0202
1974 (to Mar. 10)	31		

Mr. President, I ask unanimous consent that a detailed explanation of these figures—found in "Violence in Drug Law Enforcement," a special report just released by DEA—be appended at the close of my remarks.

Such violence is not confined to the investigative activities of drug enforcement agents employed by DEA. A recent report issued by the FBI entitled "Analysis of Assaults on Federal Officers—1973 Uniform Crime Report"—a copy of which is attached for the RECORD—amply demonstrates the widespread growth of violence encountered by special agents of the FBI in the performance of their official duties.

One hundred and seventy-three special agents of the FBI were assaulted in the line of duty during 1973 as compared to 126 special agents assaulted in 1972. In 1972, there was also a corresponding increase over 1971 when 95 special agents were assaulted. These assaults can be severe, and tragic. One agent last year was victimized by a hand grenade thrown into the living room of his home. Another agent was shot and killed in the line of duty while pursuing bank robbery fugitives.

In light of the problems of violence encountered by a substantial number of our Federal investigators on almost a daily basis, as well as other unique hardship situations, it is critical that our agencies maintain a staff of relatively vigorous and young men and women capable of carrying out the Government's criminal law enforcement programs. Similarly, our Federal firefighters often risk their lives on what might be considered routine responses to a fire on Federal property or elsewhere. Older personnel, because of the stringent physical requirements of their position and the unusual mental, emotional stresses encountered in the performance of their duties, often cannot perform at peak efficiency. What is needed is a strong incentive for comparatively early retirement. It is to this end that I offer this legislation.

There now is substantial experience and data which demonstrate that the objective of legislation which Congress enacted 25 years ago has not been realized. The incentive has been removed. Only a small number of eligible employees have taken advantage of the early retirement opportunity at age 50 or prior to reaching age 55. The reason is eminently clear—it is not financially worthwhile for law enforcement and firefighting personnel to retire with 20 or 25 years of service at the present rate of computation. Most of these individuals are thought to be too old, by contemporary standards, to begin a second career; at best, they have fewer opportunities even in less demanding occupations. This bill will make it economically feasible for these employees to retire before reduced proficiency and stamina make them greater risks to themselves and others.

The measure is designed to benefit approximately 56,000 Federal personnel. If enacted, it would accomplish the following five objectives, all of which I consider desirable and necessary:

First: The bill changes the method of computing retirement annuities, increasing the computation rate from the present 2 percent of average pay multplied by the years of service to 2½ percent for 20 years of service plus the same figure of 2½ percent for every year over 20.

Second: The bill includes uncontrollable overtime worked by law enforcement officers as part of their base pay credited to them.

Third: The bill would require mandatory retirement for an otherwise eligible law enforcement officer or firefighter at age 55, or upon completion of 20 years of service, whichever occurs later. It does, however, allow the agency to retain an employee until age 60 if it so desires.

Fourth: The bill will not cause any serious drain on our already overburdened Federal treasury. The cost of this legislation is estimated at $778 million (plus interest) over a 30 year period, or approximately $48.2 million per year. At the same time there is a corresponding increase in employee contribution from 7 percent to 7½ percent. The present unfunded liability of the retirement fund will not be increased by the total amount since the existing financing provision of the law will amortize the cost, thus precluding any growth in fund deficiencies attributable to this bill.

Fifth: The bill gives the Federal agency or office employing law enforcement or firefighting personnel the authority to set minimum and maximum entry ages.

Mr. President, I am aware of action taken by the House on September 20, 1973, approving a similar bill, H.R. 9281, by an overwhelming vote of 299 to 93. The measure I am introducing differs in three respects, two major and one minor:

(a) Whereas the House bill would provide only a 2 percent multiplier for every year after 20 years service, this bill would continue the 2½ percent multiplier for that period.

(b) The uncontrollable overtime feature of the House-passed bill is made retroactive to 1/1/70. This should be an added incentive to some of the agents of advanced years to retire. Since 1970, there has been a great deal of uncontrollable overtime as drug-related law enforcement activity has increased.

(c) The effective date of the bill is changed from 12/31/73 to 12/31/74 due to the delay in enactment. This is purely technical in that it makes the application of the bill prospective rather than retrospective to last year.

Mr. President, in view of the unique public interests involved in the enactment of this bill, I would respectfully suggest that this legislation is deserving of expeditious consideration.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

[From the Office of Public Affairs, Drug Enforcement Administration, Mar. 15, 1974]

VIOLENCE IN DRUG LAW ENFORCEMENT

I. Introduction.

II. Statistical breakdown.

III. Causative factors—assaults on agents: Arrest, robbery, compromise of agent identity, surveillance, and others.

IV. Alleged assaults by agents.

V. DEA training to protect agents and public: Basic agent classroom instruction, practical application, firearms training, and in-service and advanced training.

VI. Regulations under which special agents operate.

VII. Conclusion.

I. INTRODUCTION

During the last several years, policy makers have become increasingly sensitive to the changing patterns of abuse and traffic in narcotics and dangerous drugs. This report deals with another developing trend in the drug traffic which has thus far attracted less attention; that is, the increasing risk of violence incident to the enforcement of the nation's drug laws. This problem is of special concern to the Drug Enforcement Administration because DEA * Agents have been victims of numerous assaults—including severe physical beatings, shootings, and deaths.

This study was designed to provide the most comprehensive data available concerning assault trends and patterns over a five-year period. It also includes data concerning several instances in which Drug Enforcement Agents have been accused of unprovoked assaults on citizens. Hopefully, it will provide a total context in which the problem of violence in drug law enforcement can be studied.

Sources

In an effort to study the assault problem, two primary sources were searched. The first of these was the Shootings File maintained by the DEA Office of Inspection. This file contains reports of all discharge of firearm incidents by Special Agents and includes several assault cases. However, assaults in which Agents did not fire their weapons were not covered in this source. Thus, a second primary data source, the Assaults on Agents File, a compilation of all assault incidents, was also studied. These two sets of files were the most tangible and comprehensive sources that could be found.

DEFINITION

Since the Shootings File and Assaults on Agents File included accidental shootings and assaults on Agents independent of their official duties, a definition of what constituted a true "Agent assault" was formulated. Within the scope of this paper, an assault to a DEA Agent is defined as the intentional use of physical force or weapon against an Agent or the attempted use of force or weapon against an Agent who is on duty. This includes all work done from the initial contact with a suspect, to negotiation, surveillance, arrest and any other related enforcement work.

Using this definition, 106 assault incidents were identified in the two sources studied. No assaults were omitted which fit the above definition. It is important to note, however, that the definition includes attempted assaults as well as those which resulted in actual injury. In many cases in which an assault was attempted, the Agent escaped serious injury only through a last-minute reaction to the assault or because of extremely good fortune. For instance, in many cases guns were fired at Agents but missed their mark. In other cases, weapons were aimed at Agents but mis-fired. To avoid discussion of such potentially deadly circumstances would be to overlook many cases relevant to the whole assault picture. Once the assaults were identified via the two basic sources, the corresponding case file in which the assault was identified was studied.

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* In view of the reorganization which merged the Bureau of Narcotics and Dangerous Drugs, Bureau of Customs narcotics experts, and other agencies into DEA, all references to activities of BNDD prior to July 1, 1973 will nevertheless be referred to as DEA activities.

II. STATISTICAL BREAKDOWN

The 106 assault incidents reviewed provided certain basic overall statistics. Although the most revealing statistics concern the circumstances of the assault, it is worthwhile to begin this review with some basic figures.

Assaults over time:	
Fiscal year 1969	9
Fiscal year 1970	10
Fiscal year 1971	11
Fiscal year 1972	21
Fiscal year 1973	24
Fiscal year 1974 (to 3-10-74)	31
	106

Every domestic DEA region experienced at least one assault between 1968 and the present. There were geographical concentrations noted, however, in New York, Miami, and California.**

Three points can be made concerning assaults over time. First, DEA experienced monthly assault rates of 1.75 and 2.00 in FY 72 and FY 73. Second, this rate of nearly two assaults per month over a two-year period is considerably higher than the monthly assault rate of .79 which DEA averaged from May 1968 through June 1971. Third, when looking at the number of DEA Special Agents assigned to regional offices or task-force duty, these statistics indicate that from FY 69 through FY 73, DEA had the highest assault rate per Agents in field offices in FY 73. This is demonstrated in the following chart:

	Number of assaults	Number of agents (end of fiscal year)	Rate of assault incidents per agent in field
Fiscal year:			
1969	8	618	0.0129
1970	10	730	.0137
1971	11	1,162	.0095
1972	21	1,210	.0174
1973	24	1,190	.0202
1974 (to Mar. 10)	31		

Situation

A significant statistical breakdown in the assault cases concerns the situation breakdown. In most of the incidents, the assault that occurred fell into one of several larger patterns, usually dependent on the phase of enforcement activity that was going on. The categories themselves and the number of assaults in each are listed below.

Situations:	*No. of assaults*
Arrest	56
Robbery of agent	25
Surveillance	6
Compromise of agent identity	7
Other	12
Total	106

Place of assault

Private residence	28
Motel	3
Auto	28
Outdoor area	31
Other	16
Total	106

Weapons used by defendants

Firearm	70
Auto	11
Physical attack	18
Other	7
Total	106

Injuries

The number and type of actual injuries sustained by DEA Agents and cooperating officers are listed as follows:

Death	3
Gunshot wound	20
Physical attack	30
Total	53

III. CAUSATIVE FACTORS—ASSAULTS ON AGENTS

The situations in which Agents are subject to possible assault have been broken into categories which generally follow the development of a narcotics or dangerous drug enforcement case. Selected case situations are presented in this Section, subdivided into the following categories: Arrest, Robbery, Compromise of Agent Identity, Surveillance, and Other.

Arrest

Analysis of available statistics indicate that Agents are most often in peril during arrest situations. This appears logical in that potential defendants have the most to lose at this particular point in the case being developed against them. They are at once confronted with the startling fact that they have made the gross error of dealing with undercover Agents instead of bona fide criminals, that they are soon to be deprived of their freedom, and that they will probably lose a substantial part of their illicitly-gained wealth.

A significant number of assaults committed upon Agents during arrest situations occur in defendants' residences. Section 6641.12 of the Agents Manual provides that all persons to be arrested should be considered as potentially armed and dangerous and states that persons prone to violence (which potentially is everyone) should be arrested at a time and location that would minimize the possibility of violence and guarantee the arresting officers the necessary superiority, DEA urges its Agents to follow these guidelines, but recognizes that satisfactory development of a prosecutable case often necessitates that the Agent enter the potentially dangerous lair of the defendant. Likewise, arrests of defendants from automobiles is potentially dangerous and discouraged, but nevertheless necessary on occasion.

Below are synopses of selected cases in which the Agent—and often accompanying police officers—was assaulted at the time he was effecting arrest of defendants.

Arrest situations (examples)

During a joint DEA/Los Angeles Police Department investigation, two armed men were observed taking a package into a West Hollywood apartment and saw activities indicating the "cutting up" of a large quantity of powder. Officers obtained a search warrant and made a forced entry into the apartment, at which time one defendant faced them with a M-2 carbine. A second defendant, armed with a Luger, also was in the apartment. Officers fired, killing one defendant and wounding the other, who jumped from a window of the third-story apartment. The defendant who jumped is in custody at a hospital. Seized at the apartment were almost 5 pounds of brown heroin, more than 5 pounds of cutting material, and a .38 automatic with a silencer. Subsequent investigation led to the seizure of about 25 additional pounds of cutting material in a nearby apartment. (Los Angeles, California—March 10, 1974)

On March 4, 1974, Special Agents of the Detroit Regional Office arrested three defendants and seized 12 ounces of Mexican heroin and four ounces of cocaine at Toledo, Ohio. DEA was assisted by Toledo, IRS, Secret Service and city and county narcotics units. One Special Agent, acting in an undercover capacity, was physically assaulted during the arrest and required brief hospital treatment. No shots were fired.

Following two previous sales of PCP to an undercover Agent, an attempt was made to arrest two suspects. As a DEA Agent identified himself and approached the driver's side of the Dodge van in which they were riding, the suspect accelerated. The DEA Agent jumped aside to avoid being struck but a Michigan State Police Officer, approaching the vehicle from the other side, was dragged several feet before he could release his grip on the passenger door handle. A Detroit Police Officer, seeing the other Officers in trouble, fired one round from his pistol at the van. A rear tire subsequently deflated completely immobilizing the vehicle after it had traveled a short distance. The suspects resisted arrest, were subdued, and required treatment for minor cuts on the head. No one was injured as a result of the shooting. (Detroit, Michigan—February 15, 1974)

Three cocaine traffickers opened fire on arresting DEA Agents and Las Vegas Police. Police Officers returned fire and the suspects, when apprehended, were in possession of two hand guns and six ounces of cocaine. No one was injured and no shots were fired by DEA Agents. (Las Vegas, Nevada—February 11, 1974)

A DEA Special Agent met two defendants in the basement of their residence for the purpose of purchasing three ounces of heroin. The Agent left the residence on the pretext of getting the money for the heroin. As he reapproached the residence, he gave the arrest signal and one defendant was arrested at the door. The Agent then entered the basement with gun in hand, announced his presence as a Police Officer, informed the second defendant that he was under arrest and ordered that he place his hands on the wall. The defendant reacted violently and then thrust himself at the Agent. During the grappling battle that ensued, the Agent's weapon discharged striking the floor, causing no injuries. During the altercation, the defendant made an attempt to reach and destroy the evidence which was on the table. He was finally subdued with the assistance of two other Agents. (Detroit, Michigan—January 24, 1974)

A routine traffic check of a Texas licensed vehicle by the Coos County Sheriff's Department, Oregon, revealed the vehicle was registered to a Texas DEA fugitive. Surveillance of the vehicle resulted in issuance of two Oregon State search and seizure warrants. Nine defendants, four men and five women, were apprehended, including two DEA fugitives. Approximately forty firearms were seized from the two residences. These include two machine guns, one revolver with a silencer and one sawed-off shotgun. Three pipe bombs and an electronically detonated bomb were also seized. (Oregon—January 19, 1974)

During negotiations undercover DEA Agents were able to persuade two defendants to bring along their source of supply to be a party to the anticipated transaction. When the arrest signal was given and after the undercover Agents identified themselves as DEA Special Agents, the source of supply reached for his loaded .25 caliber Titan automatic pistol in his waistband and attempted to resist arrest. The undercover Agents were able to prevent him from discharging his weapon. The Agents had accepted delivery of one pound of brown heroin and two ounces of cocaine. (Phoenix, Arizona—January 9, 1974)

One Special Agent and two state and local police officers were serving a search warrant and arrest warrant on a defendant. Intelli-

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**Although DEA Agents assigned abroad have been frequently assaulted and some severely injured, no data relative to these incidents is included in this paper. The quasi-operational status accorded to DEA Agents by some foreign countries—often on an informal basis—precludes DEA from detailing the violence encountered on these assignments.

gence was received that firearms were probably located in the residence where the search and arrest were to take place. After surveillance was established, the Agent and state and local police officers entered the house. The Agent saw the defendant facing him with an automatic pistol in his hand. The Agent identified himself and the defendant tried to shoot him. In a brief gunfight the defendant was wounded in the hand. An expended round was found in the breech of his weapon. (San Francisco, California—June 1, 1973)

Three DEA Agents and one Customs Agent were attempting to arrest a fugitive as he was seated in his car with the motor running. The Agents, who had access to two vehicles, parked one car behind the defendant and one to his left. Approaching the subject from his driver's side, two of the Agents announced their identity. At this time, the fugitive pulled a gun, fired at the Agents, and sped away in his car. (Puerto Rico—July 5, 1972)

Three Special Agents and two FBI Agents entered the house of a dangerous defendant to make an arrest. The defendant, who was hiding in the closet, began firing at them. In an ensuing gun battle the Agents were shot and the defendant killed. (Miami, Florida—October 18, 1970)

Three DEA Agents and two state and local officers entered a house to arrest a man and woman who were part of a heroin operation. After identifying themselves the Agents began searching for the violators in the house; one of the defendants fired at the Agents from the bedroom door. In this case, one of the state and local officers was injured. (Kansas City, Missouri—May 20, 1970)

Special Agents had planned to surveil a suspect as he picked up a package containing heroin in an apartment building and arrest him as he left the building with the drugs on his person. When he reached his car, the arresting Agents pulled along side of the suspect and announced to the violator that he was under arrest. The government vehicle passed the defendant and one Agent jumped from it in front of the suspect's vehicle in an attempt to arrest him on foot. The suspect accelerated his own vehicle and attempted to run the Agent down. Although the Agent was not injured in this case, the defendant's motive was clear. (New Orleans, Louisiana—August 24, 1969)

A narcotics investigation is frequently concluded when a defendant makes delivery of a controlled substance to an undercover Agent and the defendant is placed under arrest. There are several commanding reasons for a case to be ended in this manner, among them being the reduced necessity for placing large sums of government money in the defendant's hands. Once given over to the defendant, the money then becomes an evidentiary exhibit and is not available for further use by DEA until the case is concluded in the Courts.

There are numerous incidents which occurred when defendants directly involved in negotiation resisted arrest. In several of these cases the suspects reacted by reaching for their guns, creating a volatile set of circumstances in which someone, either defendant or Agent, was always shot. In other cases, the defendants were not armed and used whatever was available to them to counter the arrest. In some instances the resistance was physical. In one case an Agent was hit with a mop handle, and in another a defendant let two police dogs loose to attack the Agents.

There is a second pattern which concerns defendants not involved in the buy itself but who attacked the Agents. In some cases the attack was made by a defendant who was working a counter-surveillance against the Agents, and in other cases Agents were assaulted in an immediate follow-up attempt to make a further seizure and/or arrest.

Robbery

Another major category of assaults is the robbery of undercover Agents during negotiations for a drug purchase. Incidents of this type resulted in several serious injuries, including the killing and wounding of Special Agents and officers of other agencies.

The most dramatic factor about all of the robbery assaults is that in each of the incidents a gun was drawn on the enforcement officers, and in a large majority of the cases shots were fired

In the most serious incident, an Agent was killed in a hotel room as defendants tried to rob him of $160,000. An Agent was seriously wounded in this case also. (New York City—October 12, 1972) In each of the other cases, defendants tried to rob the Agents by pulling weapons on them, creating a situation of potential injury or death even in those cases in which Agents were not injured.

An undercover DEA Special Agent was robbed of $850 official advance funds and his service revolver while attempting to purchase one ounce of cocaine. Two violators were involved, one of whom was armed with a revolver. Defendants were apprehended and $751 of official advance funds and the Agent's service revolver were recovered the following day. (Bronx, New York—February 28, 1974)

DEA Agents were working with local police who were utilizing a local police department $10,000 flash roll. During the undercover meeting, the suspects attempted to rob the undercover Agent. When the DEA Agents and officers closed in for the arrest, one of the defendants drew a weapon and fired one round at a DEA Special Agent, missing him. The Agent then fired back at the defendant, also missing. At this point, the local officers opened fire on the defendants and their vehicle. One defendant was shot in the arm (not seriously) and all three then gave themselves up with no further resistance. Recovered from the defendants' vehicle was a .32 caliber automatic with one round expended. (San Mateo, California—February 8, 1974)

A DEA Task Force Agent was robbed of $1250 by two armed subjects while attempting an undercover purchase of heroin. A number of shots were exchanged between the defendants and Agents. Both defendants were subsequently arrested after fleeing in a government vehicle which they crashed. They were charged with attempted murder and armed robbery. At one point during the robbery, a gun was held at the head of the DEA Agent. He escaped from the subjects by jumping out of the car; one subject attempted to shoot the Agent at very close range but the weapon mis-fired. The subjects fired at the Agent as they were fleeing in the government car and attempted to run over one of the surveilling Agents. The Agents returned the defendants' fire. (Chicago, Illinois—January 9, 1974)

Compromise of agent identity

Another major assault category concerns those cases in which the Agent's identity was compromised. At one point in these incidents the suspected trafficker either knew or suspected that the person he was dealing with was, in fact, a narcotics Agent.

Seven of the 106 assault cases fell into this compromise category and resulted in seven Agent injuries including two Agents shot. However, as in the other categories, the potential for injury was even greater than the injuries received by the Agents. In addition to actual compromise assaults, several threats against Agent lives were also found in the sources studied. These were not included because no actual assault was attempted. Still, it should be stated that the number of compromises of Agent identity is not limited to the seven assaults noted here, and that the scope and seriousness of this problem is not completely contained in this Section.

With few exceptions, all of the compromise assaults took place during some sort of negotiation. At least three of these instances occurred in or near bars frequented by personnel sympathetic with the defendant. In one of these cases the bar was owned by the defendant's father. The assault occurred when four defendants, apparently suspicious of the two Agents they were dealing with, beat them up. A gun was pulled on the Agents and a murder was attempted, but the gun misfired. (St. Louis, Missouri—December 30, 1968) In another case the negotiation broke down when the suspect accused the Agent of being a "Fed" and hit the informant with a club. Other personnel in the bar came to the defendant's assistance in the ensuing struggle. (Jersey City, New Jersey—December 29, 1970) In the third incident an Agent was working in an area frequented by several persons under investigation. The Agent was talking with a subject outside a bar in an attempt to arrange a drug purchase, when two acquaintances of the suspect walked by and compromised the Agent's identity; the Agent was then struck in the face by the subject. (Des Moines, Iowa—February 17, 1973)

One compromise assault occurred independent of a negotiation. In that incident an Agent was trying to verify the address of a defendant whom he had helped to arrest about a month before. The Agent went to the apartment house to obtain this verification from the mailbox, and was spotted by the defendant who started to fight with him. (New York City—April 17, 1972)

Surveillance

This category concerns those assaults made against surveillance Agents. These cases resulted in several Agents being injured, one of whom received a fractured skull. In a minority of the cases firearms were used and in all of the cases the potential for serious injury was present. The assaults in this category differ from those previously discussed because they did not occur through direct contact between Agents and suspects; rather they grew out of the fact that a surveillance Agent became noticed, not necessarily as an Agent per se, but as some suspicious person.

One of the most significant items in the surveillance assaults is that the assault was attempted by the defendant in a minority of the cases. In one incident an Agent following a defendant in his car was spotted as being suspicious and shot at by the man he was surveilling. (Miami, Florida—May 18, 1970) In another, a Special Agent recognized a defendant and also began following him in his car. The suspect, becoming aware that he was being followed, forced the Agent to the side of the road and hit him in the head with a tire iron, causing a skull fracture. (New York City—September 21, 1972) In other cases the Agents were attacked, not by the suspects, but by hostile personnel in the area. One took place when a group of DEA Agents and state/local police were surveilling a club frequented by the defendant. The undercover Agents were also at the scene. However, the assault itself took place when the Agents aroused some of the patrons, who shot and threw rocks at one of the Agents. (Austin, Texas—February 14, 1970)

Another case occurred when a group of surveillance Agents were watching a street in a Mexican section of a large city. Two Agents and a state/local officer were in their car when some of the citizens in the area came out of the apartments and began to physically attack the Agents. (Los Angeles, California—September 26, 1969)

Finally, two Customs Agents were conducting a surveillance in a joint Customs/DEA case when two carloads of young men parked next to their car, jumped out, and yelled obscenities. One of the subjects detected that the Agents were law enforcement officers and began a physical assault. Other Agents had to be called in to stop the incident. (December 28, 1972)

Other assault categories

The final category of assault cases consists of twelve incidents, many of which proved to be extremely serious. In several episodes DEA Special Agents and other officers were shot, and in others Agents were beaten, including one who received a fractured skull. Also included is one case in which a DEA Agent was shot and killed.

Two Special Agents were working on a surveillance when they noticed a reckless driver who almost ran down two pedestrians. The Agents halted the car and arrested the driver. Upon arrival at the police station the defendant refused to exit the car, became violent, and struck one of the Agents. (Baltimore, Maryland—April 19, 1972)

Agents attempted to arrest two men who had just beaten a third individual. The defendants resisted arrest and one of them hit an Agent's head with his fist, causing a cut that required four stitches. (Seattle, Washington—September 13, 1972)

A defendant managed to obtain official funds, through an informant's error, without delivery of the drugs. When the Agent tried to recover the funds, the defendant shot at him. (New Orleans, Louisiana—October 13, 1972)

A more serious assault took place along the Mexican border when a DEA Agent and a Customs Agent were negotiating with two defendants for a purchase of a kilogram of heroin and a half pound of cocaine. At this meeting, both parties understood that no money was to be exchanged but that the narcotics would be brought so the Agents could see them. When the Agents picked up the drugs to examine them, one of the defendants thought he was being robbed and shot one Agent in the arm, the other in the hip. (Yuma, Arizona—July 6, 1972)

An Agent was at a phone booth when a defendant with two accomplices approached the Agent and hit him with a blackjack. This assault was provoked by the Agent having earlier prevented the defendant from severely beating, and perhaps killing, an informant. (Kansas City, Missouri—November 11, 1972)

A defendant struck a Special Agent following a preliminary court hearing. In this case, the incident was provoked because the Agent, upon leaving the courtroom, noticed a woman (the defendant's girlfriend) taking his picture. When he approached the woman, the defendant struck him. (Gainesville, Florida—August 4, 1972)

A lone individual approached and began to physically attack four Special Agents who were walking together on a sidewalk. The attack came without provocation. During the assault, the assailant became self-destructive, hitting his head against a car while yelling for sympathy from a gathering crowd which was hostile to the Agents. The local police had to be called in to break up the incident. (Baltimore, Maryland—October 28, 1972)

IV. ALLEGED ASSAULTS BY AGENTS

Throughout the history of DEA and its predecessor agencies, several allegations of wrongful conduct by Federal Agents have been made. The most recent cases have been widely covered by the media and DEA has made only careful and abbreviated response in deference to the rights of all concerned. Some of the matters covered in the synopses below are still under investigation. Nevertheless, the circumstances surrounding the incidents are set out as objectively, impartially, and completely as possible.

Kearny, New Jersey—Febfuary 28, 1974

An informant advised DEA Special Agents and New Jersey State Police officers that a fugitive named John Tully, possibly using the name "Carmine," lived in an apartment at 111 Windsor Street, Kearny, New Jersey. Tully is wanted on a Federal warrant charging sale of cocaine and on State warrants charging him with five murders.

On February 28, 1974, an individual who strongly resembled Tully was seen by a state officer entering the Kearny, New Jersey address. The suspect's name was listed on utility company and motor vehicle records as Carmine Ricca.

No attempt was made to apprehend the man inside the confined spaces of the apartment building, since he was already a suspect in five murders. At about 8:00 P. M., February 28, 1974, the man left the area of his residence driving a Volkswagen Kharman Ghia. When he was followed, he began speeding and running red lights and stop signs.

As he apparently was attempting to turn the wrong way on a one-way street, he was blocked by a vehicle occupied by two DEA Special Agents and a State Police Officer. All officers approached the suspect vehicle, identified themselves verbally and with badges and told the man to get out of his car. The man nodded as if he understood and then accelerated, spinning one DEA Agent around and knocking the other into the air with the left front of the vehicle. The second Agent, who earlier drew his service revolver, discharged one round from the weapon when he was knocked into the air by the car. The suspect vehicle continued around a corner for about 25 yards and came to a stop after striking two parked cars.

It was then noted that the man in the Kharman Ghia had been struck in the left side of the face with the bullet from the DEA Agent's gun. The man was hospitalized and was found not to be the fugitive Tully.

Both Agents struck by the car were treated and released from the hospital; but the second Agent struck was later admitted to the hospital overnight for further treatment of bruises, abrasions and shock.

Mr. Ricca has been charged with assault on two Federal officers.

Hammond, Indiana—February 8, 1974

On February 8, 1974, Agents assigned to the DEA Task Force in Hammond, Indiana, conducted surveillance of the Smith Bizzell Funeral Home in Gary, Indiana. The purpose of the surveillance was to gather intelligence relative to an organization known as the "Family." "Family" members were expected to be present at the funeral of Van Lott. Lott was slain on February 5 and his funeral was scheduled for 1:30 P.M. on February 8.

Two Special Agents arrived in the vicinity of the funeral home at about 2:10 P. M. One Agent got out of the official Government vehicle which was driven by a second Agent. He walked to a position opposite the funeral home and began taking video tape recordings of individuals coming out of the side door of Smith Bizzell. Several news photographers and reporters standing on the east side of Washington Street were approached by one or more men who had come out of Smith Bizzell. According to witnesses, the newsmen were verbally berated and told to leave the area. The DEA Agent witnessed the confrontation and began walking toward Washington Street so that surveillance officers would be in a better position to cover him.

The DEA Special Agent-In-Charge (SAIC) for Hammond was parked in his official vehicle in an adjacent parking lot. He became concerned for the Agent's safety and got out of his car and walked toward the general area where the Agent was photographing. The SAIC reports that he saw several individuals carrying what he believed to be concealed weapons. He also stated that he heard verbal abuse being directed at the newsmen. The SAIC attempted to signal the Agent to leave the area. The Agent saw the SAIC walk near his position, but did not hear him. When the SAIC got to the southeast corner of 23rd and Washington, he was confronted by a man later identified as William Hanyard. Hanyard was accompanied by an unidentified black man. According to the Agent, Hanyard pushed him and then punched him. The Agent stated that he ducked to avoid Hanyard's punch and was struck a glancing blow on the lower lip. The Agent recalled that he heard a gunshot immediately after Hanyard's punch. The SAIC said that he saw Hanyard assault the Agent and also observed a man standing to the rear of the Agent. According to the SAIC, the man behind the Agent was holding a gun. The SAIC took his service revolver out of his coat pocket and aimed it at the man behind the Agent. The SAIC recalled that his gun then discharged. He felt that the gun fired as a result of his being pushed or struck from behind by an unidentified person.

William Hanyard stated that he pushed the Agent, but did not take a swing at him. He said that he pushed the Agent with his left hand and then looked slightly to his left where he observed a black man pointing a gun at him. Hanyard ducked to avoid being shot and heard the gun discharge.

The bullet from the SAIC's gun creased Hanyard's right hip and struck Albert Griffin (Elimi Olorunfunmi) in the chest. Griffin had been standing on the west side of Washington, south of 23rd Street. Hanyard was taken to Methodist Hospital where he was treated for a slight gunshot wound and released. Griffin was pronounced dead on arrival at Methodist Hospital.

Collinsville, Illinois—April 23, 1973

Special Agents of the former Bureau of Narcotics and Dangerous Drugs, then assigned to the former Office of Drug Abuse Law Enforcement, and local officers have been accused of wrongfully entering residences in search of narcotics and otherwise terrorizing residents.

The entire Collinsville matter was investigated by the Federal Bureau of Investigation, the United States Attorney's Office, and a United States Grand Jury. The Agents involved have been indicted by a Federal Grand Jury and are currently on trial before an Illinois Federal Court for violation of civil rights and perjury. The trial began March 6, 1974 and is on-going. Further comment at this time would be inappropriate.

Humboldt County, California—April 4, 1972

An April 4, 1972, based on evidence that Mr. Dirk Dickenson was involved in a conspiracy to illegally manufacture a controlled substance, a warrant of arrest was issued by a United States magistrate. During undercover discussions with a co-conspirator, it was learned that Dickenson had a cabin in an inaccessible area and that he was in possession of fire-arms. In order to quickly reach the location of the suspected clandestine laboratory, the officers utilized a helicopter clearly marked "U.S. Army."

As the helicopter was landing, Dickenson was observed outside the cabin. The officers pinned their badges on their jackets and coats. When the officers left the aircraft to serve the warrant a combination of cracking noises of the engine and the falling down of a State officer led three others to conclude that he had been shot by gunfire from the cabin.

The officers ran to the cabin, and Dickenson was seen to go out the rear door, jump from a porch to the ground and run away. Special Agent Clifton shouted for Dickenson to stop, saying "Halt—police." As explained by Special Agent Clifton, believing that an officer had been shot, that Dickenson was armed and that he was headed for a wooded area where it would be difficult and dangerous to apprehend him, the Agent fired one shot from his service revolver which struck Dickenson.

Subsequently, a full investigation was conducted by DEA's Office of Inspection, by the United States Attorneys Office in San Francisco, and by Humboldt County Prosecutor's Office. Based on the investigation and a thorough research of the applicable law, the Federal agencies concerned, that is, DEA, the United States Attorney, the Civil Rights Division and the Criminal Division of the Department of Justice, concluded that no Federal criminal charges should be brought against Special Agent Clifton.

However, Special Agent Clifton has been indicted by the State of California in Humboldt County on charges of second degree murder and involuntary manslaughter. The case is now pending before the California courts and Special Agent Clifton has been placed on restricted duty, which does not involve any enforcement activities.

V. DEA TRAINING TO PROTECT AGENTS AND PUBLIC

Basic agent classroom instruction

During the ten-week Basic Agent Training Program students receive a total of 530 hours of instruction for an average of over 10 hours per working day. These trainees receive 200 hours of classroom work of which 49 hours are in the law-related subjects of Rules of Federal Criminal Procedure, Law of Arrest, Evidence, Search and Seizure, Trial Practices, and Mock Trial.

As part of the instruction, students are provided with a copy of the handbook on the *Law of Search and Seizure* prepared by the Criminal Division of the Department of Justice. Students are also provided with a copy of the Agents Manual in which all enforcement policies and procedures are comprehensively outlined. In conjunction with detailed instruction on the legal subjects mentioned above, students receive instruction which emphasizes the need for thorough prior planning and detailed briefing of all Agents prior to a raid; the need to exercise good judgment; the extent of an Agent's authority and restrictions upon it; pre-raid reconnaissance; the need for the establishment of clear-cut lines of command and control at a raid site; proper visual identification of participants, and other related topics. In summary, the instruction stresses that raids must be carried out in a manner that is legally correct, with full respect for the civil rights and human dignity of persons involved, and in such a way so as not to reflect discredit upon DEA.

Practical application

In addition to the classroom instruction a substantial portion of the 330 non-classroom hours is devoted to problems which simulate actual field situations and are designed to teach the trainees the practical application of the legal and constitutional theory they learn in the classroom. Two full days of training are devoted to exercises on Raid Planning and Execution. In order to successfully complete the training program, in addition to academic proficiency, students must demonstrate an ability to apply the instruction they received in realistic situations while operating under psychological and physical stress. Students are continuously observed and evaluated by counselors, instructors, class coordinators, and supervisory personnel of the National Training Institute. Any indication that a student might be prone to disregard legal and/or moral considerations while carrying out enforcement duties in an exercise situation would be considered valid grounds for removal. An average of 10% or more of the students in each program have been asked to resign or have been terminated based primarily on the results of this close observation and evaluation effort.

Firearms training

An Agent's use of firearms is the ultimate use of force in the accomplishment of his mission. This is an area which is most susceptible to civil liability, and throughout the nation, the negligent or improper use of firearms by law enforcement personnel has received attention from the courts and citizenry. DEA has not only a moral obligation, but a legal responsibility, to insure that its Agents are properly trained in how to use, and most importantly, when and when not to use, a firearm to execute their constituted authority. In this regard, firearms training conducted at the National Training Institute has as its ultimate goal, to train personnel undergoing Basic Agent training in the justifiable, proper and safe use of firearms for the protection of the Agent and public whom he is serving and protecting. In accomplishing this goal, the training conducted is progressive; it provides initially for familiarization with the weapons, their safe handling and the fundamentals of marksmanship; secondly, developing reflexive actions and responses supplementing the initial phases of training; and finally decision-making in various types of situations, including physiological and psychological stress in which visual and auditory cues are given to elicit a reaction or response from the trainee. In this latter phase, considered the most important, the trainee utilizes all previously acquired knowledge and skills in situations requiring them to make a determination whether the use of their firearm is justified and if so, the most effective way to use it.

In-service and advanced training

To reinforce the job-related knowledge of our Agents in the field, the National Training Institute provides post-graduate training in key subject areas as part of the inservice training program. Supervisors and potential supervisors attend a two-week supervisory training school conducted at the Adult Education Center of the University of Maryland sponsored by the National Training Institute. Some of the areas covered in the curriculum include applications of the Controlled Substances Act and a panel discussion with members of the Office of Chief Counsel concerning legal matters pertinent to the participants' enforcement duties.

VI. REGULATIONS UNDER WHICH AGENTS OPERATE

A substantial part of the DEA Agents Manual deals with the issue, care, and use of firearms by DEA Special Agents. Excerpts from pertinent Sections of this Manual are quoted below and require no explanation.

Section 6163. Normally, while on enforcement duty, Agents will be armed at all times. Undercover work, appropriate compliance investigations, or other unusual circumstances, may, at times, exempt Agents from the requirement that they be armed. Agents will be expected to use discretion and good judgment in this matter.

Section 6163.2(A). It will be the duty of the Regional Firearms Officer to insure that the Agents of his Region are properly trained to utilize those firearms which they are authorized to carry and use. Before any Special Agent is authorized to carry or utilize any firearms, Administration owned or personally owned, the Regional Firearms Officer will certify in writing that the employee is competent and proficient in the use of the firearm.

Section 6163.33(A)(1). Shotguns will be authorized for use only in specific enforcement situations.

Section 6163.35(A)(1). Semi-automatic rifles, automatic rifles, and sub-machine guns will not be authorized for use in normal enforcement situations. The occasion where the use of these weapons would be justified would be so rare as to be unique in the history of the Administration. The use of these weapons cannot be justified by the lack of previous proper investigative planning or the lack of suitable, less lethal, weapons. (Their use must be approved by the Regional Director in every case.)

Section 6163.35(A)(2). Semi-automatic rifles, automatic rifles and sub-machine guns will never be utilized solely for the purpose of "show of force" or any other type of intimidation.

Section 6163.37(B). An Agent in an undercover situation or some other enforcement activity may carry more than one sidearm providing that the Agent's proficiency with the firearms and the firearms themselves have been certified by the Regional Firearms Officer.

Section 6163.5. Any Agent will not shoot at any person except to protect his own life or that of some other person. Agents will not fire at fleeing suspects or fleeing defendants. Agents will not fire at a fleeing automobile being used simply as a means of escape. The firing of warning shots is prohibited. Agents will not remain passive in a threatening situation. However, the Agent will insure that he has made an accurate assessment of the situation in considering the use of firearms. Firearms will not be utilized to coerce or intimidate suspects or defendants who are not threatening an Agent or another person. An Agent who is not carrying an authorized firearm in an enforcement situation (including an undercover operation) will notify the other personnel involved in the situation of that fact. Otherwise, in an enforcement situation all Agents may presume that their fellow personnel are armed.

Section 6163.51(A). An Agent who discharges a firearm and wounds any person, suspect or otherwise, will make a detailed oral report of the incident to his Regional Director immediately subsequent to fulfilling any demands the situation requires. Such demands may consist of (but are not limited to) pursuing uncaptured suspects, seeking medical aid for the wounded, and securing evidence. Immediately subsequent to orally reporting to the Regional Director, the responsible Agent will prepare a fully-detailed report of the incident on a DEA-6, Report of Investigation. (B) Firearms utilized in a shooting incident will be surrendered to another law enforcement agency at the scene of the shooting, if required by local law. Diplomacy must be utilized by the Agent in this type of situation to prevent an unnecessary breach of rapport between DEA and the law enforcement agency in question. Anytime an Agent surrenders a firearm to other law enforcement officials he will obtain a receipt for that firearm. If such firearm is not immediately surrendered to another law enforcement agency the firearm and the spent cartridges will be placed in an identified lockseal evidence envelope, and turned over to the appropriate Regional or District Evidence Custodian who will retain them pending any investigations of the shooting. At the conclusion of any investigation the firearm will be released under receipt to the Regional Firearms Officer for disposition. If such firearm is not surrendered at the scene of the shooting, it will be surrendered along with the spent cartridges at a later appropriate time as requested by another law enforcement agency. (C) An Agent involved in a shooting incident should respond only to proper inquiries of other authorities and restrict comments only to the facts. (D) The Regional Director, at his discretion, may take custody of any firearm, DEA-owned or DEA authorized, which was utilized by an agent in a shooting incident. (E) The Regional Director will report to the Assistant Administrator for Enforcement by telephone any injuries resulting from a discharge of firearms involving DEA personnel. Such reports will be confirmed by teletype. The Regional Director or his designee will also notify the Office of Inspection at Headquarters or the local Inspection Field Office by telephone. (F) When a person is shot by a DEA Agent, the Agent will be placed on limited duty. Such duty will consist of no participation in surveillance, arrests, or searches; no development of new enforcement matters; maintaining a presence within the DEA office; and such other restrictions that may be dictated by the Administrator. Limited duty will continue for an appropriate period of time, dependent on the circumstances and investigation necessary to determine the facts of the incident. These investigations are highly sensitive in nature and will be afforded top priority for timely completion. The placement of an Agent on limited duty after a person has been shot by him is not to be construed as a disciplinary action; this is done for the protection of both the Agent and DEA. (G) Initial assignment to limited duty for an Agent will not exceed thirty days. Extensions beyond that period must be approved by the Administrator, or in his absence the Deputy Administrator, and will be limited to fifteen day intervals.

Section 6163.52(A). Whenever an Agent discharges a DEA authorized firearm, either on or off duty, he must immediately make on oral report to his Regional Director. The only exception to this rule is when discharging of the firearm is a part of normal firearms training or practice. (Accidental firings occurring during training or practice will be reported if personal injury or property damage results.) The Regional Director will make a telephone report to the Office of Inspection at headquarters or call the local Inspection Field Office. The responsible Agent will follow up his oral report with a detailed written report on a DEA–6, Report of Investigation, setting forth the reasons for firing the weapon. (B) When an officer of another law enforcement agency accidentally or intentionally discharges a firearm during a joint investigation (with DEA) the Office of Inspection at Headquarters or the local Inspection Field Office will be notified by telephone or TWX. (C) When appropriate, local authorities should be notified of the circumstances surrounding the discharge of firearms.

Section 6163.53(A). The Agent shall refrain from making any unnecessary display of his sidearm or holster. However, it is not intended that the Agent shall necessarily keep his firearm concealed during an imminent arrest situation. (B) On those occasions when Agents are authorized to carry shoulder weapons (such as shotguns or rifles) great caution must be taken to avoid an unnecessary display of these weapons in public. (C) Agents engaged in undercover operations must use good judgment in displaying any firearms they may be carrying. Display of firearms in an undercover situation can provoke a shooting incident, can tip off the suspect as to the location of the firearm on the Agent's body, and can serve as the basis for an entrapment defense by the suspect. (D) Care should be taken by all Agent personnel in displaying firearms or holsters in those areas of DEA offices where the public is permitted. (E) Dry firing of any firearm in DEA offices is prohibited. (F) Promiscuous flourishing of firearms is prohibited.

VII. CONCLUSION

Although DEA, and its predecessor agencies, have expanded in size since 1968, the statistics indicate that the relative frequency of assaults on Agents is increasing at an even greater rate. It is difficult to assign specific causes for this increased violence, but review of case files by DEA Headquarters experts indicates that violence is frequently encountered in cases dealing with low-echelon violators and relatively small amounts of drugs as well as in those cases involving significant traffickers and drug quantities. Likewise, violence is often encountered when undercover transactions of the so-called less dangerous drugs are involved. DEA Agents have learned the hard way that the marihuana dealer is just as likely to be armed and dangerous as the heroin wholesaler. Fear of arrest is probably the most compelling reason for a defendant to perpetrate an assault on an Agent; but this is closely followed by the intense profit motive which is characteristic of all dealers in narcotics and dangerous drugs.

The statistics reflected in this report are disturbing. But it is more disturbing to try and estimate the true number of assault incidents. Narcotics Agents have become somewhat cavalier about the dangers of their profession. For example, DEA does not define assault in this paper to include mere threats on an Agent's life. Agents are so frequently threatened that it would be impractical to maintain the statistics. Likewise, there are surely a large number of cases—again, never reported—when a defendant points a gun at an Agent and the Agent merely tells him to put the thing down. These things happen frequently during undercover negotiations and they are not considered within the strict definition of assault which we have employed for the purposes of this paper. Further, Agents are continually exposed to danger simply because of their proximity to the most violent elements of society. DEA files are replete with reports detailing assaults on Agents when the only provocation was their presence within a hostile community.

In addition to its domestic responsibilities, DEA also maintains offices in 39 foreign countries and in 59 foreign cities. Agents assigned to these offices have also been assaulted and injured. The quasi-operational status accorded DEA Agents by some foreign governments, often on an informal basis, though, precludes DEA from detailing the violence encountered on these assignments.

As indicated in the Training and Regulations Sections of this paper, DEA is doing everything possible to teach its personnel how to avoid a dangerous confrontation and how to handle one if it is unavoidable. The very nature of narcotics investigation, however, does not allow Agents the contentment of security. Every assignment, no matter how routine, is potentially dangerous—and often deadly. DEA Agents are expected to react to these explosive situations in a calm and reflexive manner. To do otherwise not only imperils their safety, the safety of their fellow Agents, but often the public as well. Agents must make instant decisions—often life and death decisions—without the luxury of time which others may later have to analyze their conduct.

By Mr. MATHIAS (for himself, Mr. Eagleton, Mr. Bartlett, Mr. Domenici, Mr. Inouye, Mr. Stevenson, and Mr. Tunney):

S. 3264. A bill to regulate the conduct of campaigns within the District of Columbia for nomination or election to the offices of Mayor, Councilman, and member of the School Board by establishing expenditure and contribution limitations applicable to such campaigns, by establishing requirements for reporting and disclosure of the financing of such campaigns, by establishing an independent agency of the District of Columbia to administer election laws generally, and for other purposes. Referred to the Committee on the District of Columbia.

Mr. MATHIAS. Mr. President, I introduce for myself and every member of the Committee on the District of Columbia including the chairman, Senator Eagleton, Senator Bartlett, Senator Domenici, Senator Inouye, Senator Stevenson and Senator Tunney, the "District of Columbia Election Finance and Conflict of Interest Act," a bill to regulate the conduct of campaigns within the District of Columbia for nomination or election to the offices of Mayor, Councilman, and member of the School Board by establishing expenditure and contribution limitations applicable to such campaigns, by establishing requirements for reporting and disclosure of the financing of such campaigns, and by establishing an independent agency of the District of Columbia to administer election laws generally and financial disclosure requirements for candidates and elected officials of the District of Columbia government. Mr. President, I ask unanimous consent that this measure be referred to the Committee on the District of Columbia.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MATHIAS. Mr. President, on May 7, the citizens of the District of Columbia will go to the polls for the purpose of deciding whether or not they shall exercise some measure of self-government over their own affairs. I know it is the hope of the overwhelming majority of the Senate and the other body that a representative local government as embodied in the Home Rule Charter will be adopted by the citizens of our Nation's Capital on May 7. First of all, with the adoption of the charter, the Congress will be relieved of the responsibility for the day-to-day government of the District of Columbia. But more significantly, the adoption of the charter will mean that a substantial degree of necessary political reform will occur within this city. Unfortunately, the era of political reform will not actually commence in the District of Columbia until January 1975 when the newly elected government takes office. Between now and then, however, District citizens, conditioned upon their approval of the Home Rule Charter, will undertake the process of electing the members of the new Mayor-Council form of government. And it is the impending electoral process which gives rise to this bill. For the fact is that the current District of Columbia election laws are dangerously weak or silent when it comes to the regulation of election campaigns for the newly established offices.

I am delighted that this bill enjoys bipartisan support and the cosponsorship of each member of the Committee on the District of Columbia. I would like to emphasize at this point that we are not introducing this bill because we think it is perfect as it stands, but because each of us endorses the view that regulation of the upcoming election campaigns is a task of the Congress that cannot be left undone; that it is in the interest of all the citizens of the District and the Nation to have the integrity of the electoral process of the Nation's Capital insured; and that not only must this new election system be fair, honest, and open, but it must also be believed to be so.

One of the greatest problems facing our Nation today is the eroding confidence of the American people in our political system. We cannot ignore the fact that our current political campaign process corrupts our principles, our leaders and ourselves. Neither can we be blind to the fact that too many of our citizens across this Nation believe, rightly or wrongly, that government at all levels is operated mainly for the benefit of big money interests who contribute enormous sums to political campaigns.

Having taken the step toward providing a substantial delegation of administrative and legislative authority to an elected mayor and council, the Congress now has an obligation to make certain that the progression from a Government appointed by the President and confirmed by the Senate to one selected by the people and responsible to the people is not marred by abuses which could shake public confidence in the new government that is supposed to serve the people. I would hope and expect, however, that after the new mayor and council members are in office they would promptly review campaign financing laws we shall enact this year and initiate, where appropriate, any changes which they find necessary or desirable based on their experience in this year's campaigns. But in 1974, the Congress must take on this responsibility.

The objectives of this bill are very simple. First, to establish campaign financing practices which will generate confidence among District citizens in the integrity of the officials they select to govern them. Second, to insure that qualified candidates will not find their access to the political arena seriously conditioned by their financial resources. Third, to create an electoral process which promotes broad and active participation in the political system by citizens. Fourth, to remove a large part of the corrosive influence of big money and the abuses rooted in secrecy from the political campaigns and the new governing process. And fifth, to provide financial disclosure for candidates, elected officials and certain other officials of the District government as a means for lessening public distrust and improving the political process.

SUMMARY OF MAJOR PROVISIONS

Creates and assigns specific authority and tasks to a District of Columbia Elections and Ethics Commission as an independent agency of the District of Columbia Government. It is composed of seven members who shall serve for a term of 6 years each. Members are appointed by the Mayor with the approval of the Council, except for the appointments taking place in 1974. The 1974 appointments which expire upon action by the elected Mayor and Council are as follows: three members shall be appointed by the Commissioner; three by the Chairman of the Council with the approval of the Council; and one by the Comptroller General. Appointments in succeeding years will be made by the Mayor with the approval of the Council. The Mayor shall appoint members of the Commission from a list of nominations furnished to him by a nominating committee established by this bill.

Gives new and specific definition to: candidates, political committees, contributions, expenditures, and related terms.

Establishes new reporting procedures for the election process.

Establishes financial disclosure requirements for candidates, and public officials (including elected and certain appointed officials of the District Government).

Requires each candidate to designate one political committee as his or her central campaign committee and defines the role of this committee.

Establishes limits on contributions by an individual to a candidate and a limit on total political contributions by an individual during a calendar year.

Limits campaign expenditures of a candidate, including the amount a candidate or his or her family may make from personal funds, and the amount a person may expend on behalf of a candidate.

Limits cash contributions to $20 and requires candidates and political committees to report cash contributions weekly to the Commission.

Requires that expenditures must be made by check or money order—other than petty cash expenditures not in excess of $50.

Declares that elective and public office is a public trust and that any effort to realize personal gain through official conduct is a violation of that trust, and sets forth certain actions which must be taken in potential conflict-of-interest situations.

Mr. President, I recognize that there may be some who will come forward to say that this bill is too strong and that some may feel that it does not go far enough. I would only say that we look forward to receiving additional constructive comments on this legislation during public hearings which will be conducted by the Senate District of Columbia Committee. I might add that what we are seeking through this legislation is a standard which will make democracy in the District of Columbia more democratic. For myself, I will say that the only way to surmount the criticism raised by a public which has become distrustful of all politicians and is losing faith in our political process is to undertake meaningful political reform. As I have advised this body on an earlier occasion, I personally plan to take the following steps in my own campaign this year:

First, I will accept no cash contributions for my own campaign.

Second, I will permit no cash expenditures by my campaign organization by others on my behalf.

Third, I will solicit small contributions only.

Fourth, I shall not accept any contribution of more than $100 from any one individual.

Fifth, I will accept contributions from groups or organizations only if such contributions represents donations of $100 or less from specified individuals, or if the organization certifies that its contribution does not include more than $100 from any single individual.

Sixth, I will not accept the benefit of any donation in excess of $100 given to any group or organization and earmarked for my campaign.

Seventh, I will report every contribution—no matter how small—to the appropriate Federal and State authorities at regular intervals throughout the campaign.

Eighth, I will report every expenditure, no matter how small, to the appropriate Federal and State authorities at regular intervals throughout the campaign.

Ninth, I will establish one central campaign committee, and it will control all receipts and expenditures of my campaign.

Tenth, I shall abide by the expenditure ceilings—10 cents per voter in the primary and 15 cents per voter in the general election—which were passed by the Senate in July and now languish unattended in the House.

I am convinced that if the Congress will enact a serious campaign financing reform bill this year then we shall be taking a giant step toward guaranteeing that the election system in the District of Columbia shall remain fair, open, and honest.

By Mr. NELSON:

S. 3265. A bill to increase the fees and reduce the financial hardships for those individuals who serve on grand or petit juries in district courts. Referred to the Committee on the Judiciary.

THE JURY FEE SYSTEM

Mr. NELSON. Mr. President, Congress should act now to correct one of the little-noticed, but fundamental inequities of our Federal judicial system: The financial hardships endured by those who serve on juries. This inequity has been dramatized most recently by the Watergate scandals. It is not difficult to understand.

Those who serve on Federal grand and petit juries normally receive $20 a day for their public service. The operative law provides that the court overseeing the jury's work may raise the fee to $25 after the jury has been sitting for more than 30 days on one case. But that meager sum represents the absolute maximum which any individual can receive for service on a Federal grand jury or a petit jury.

For some people—especially those who are retired, unemployed or living on subsistence wages—a maximum daily fee of $25 may not cause additional financial hardship.

Nor will that fee cause additional hardships for those, such as Federal Government employees, whose employer continues to pay the individual his full salary or wage while he sits on the jury. But many, if not most people do not share this good fortune. For these individuals, the $20 represents not only their only income while they sit on a jury; it also represents a substantial decrease in their average daily income. The results are predictable. For these individuals and their families, jury service requires personal financial sacrifices. These financial sacrifices can be quite considerable when the individual's jury service extends for many months.

The experience of the Watergate grand juries provides a dramatic illustration of the problem. The first grand jury was empaneled in early June 1972 and is still sitting. During its first 17 months of deliberations, the jurors were paid only $20 for each day they sat. In November, 1973, the Court authorized an increase in the juror's fees to $25 a day. For some this daily fee has been their only source of income for each day of sitting. Others have tried to maintain their regular employment by working after normal business hours. But for most, the daily fee means a substantial decrease in the income the juror was earning before he began jury service.

For these individuals, the economic strain has been difficult—and, in some cases, unbearable. Already two jurors have been forced to leave their regular jobs. Another juror on the second Watergate grand jury—which was empaneled in early 1973—was forced to resign from the grand jury because his regular business "was going down the drain."

The experiences of the Watergate grand jurors confirm two basic points about jury service in general. First, for those who do serve on juries, a personal financial sacrifice is often required. This sacrifice can become considerable if, as in the case of the Watergate grand juries, the jury sits for a long time. Second, the limited juror's fee means that many citizens in the middle and upper income levels can be—and often have been—excused from jury service because the personal financial sacrifice is just too great. The result is that juries frequently do not reflect a true cross section of the community. This, in turn, means that a primary purpose of the jury system—to include all segments of the community in the judicial process—is frequently frustrated.

This situation should not be tolerated by Congress. The Watergate grand jurors—like those who serve on other grand and petit juries—play a fundamental role in our judicial system. These individuals are the ones who make basic decisions as to whether a fellow citizen should be prosecuted for a serious crime, whether an accused should be found guilty of a crime, and, in civil cases, whether an injured party can find some relief in the courts.

Individuals should not be required to endure financial hardship in order to exercise one of the great privileges and duties of American citizenship. Service on grand and petit juries should be a realistic opportunity for every citizen—regardless of his or her earning power. Yet, as a practical matter, service on a jury is often feasible only if a citizen is willing to accept personal financial sacrifice—a choice which many citizens cannot and will not make.

To correct this situation, I am introducing legislation today which would virtually eliminate the financial obstacles to a citizen's service on a Federal grand or petit jury. Specifically, this legislation would affect two basic changes in the operative law.

First, the legislation would gear the juror's daily fee to his earning power. Jurors would be paid $25 for each day of service—a slight increase from the $20 authorized in the preinflationary law—unless the juror's average daily earned income is greater than that at the time he is selected for jury service. In the latter case, the juror will receive a daily fee which amounts to his daily earned income. But in no event could the jury fee exceed $100 a day.

Jury service, however, should never become a profitmaking venture. In some cases employers continue to pay their employees while they sit on a grand or petit jury. To prevent abuse, and waste, the juror's fee would not be paid if he were paid or earned his normal income for those days he serves on a jury. This provision would thus insure that no citizen receives more than his regular earned income when he sits on a jury.

Second, the legislation would raise the level of reimbursement for expenses which the juror incurs.

The present law provides only 10 cents a mile for every mile traveled by the juror from his home to the courthouse. In the District of Columbia, where bus fare is 40 cents, this means that the juror has to live at least 4 miles from the courthouse before he can be reimbursed for a bus ride to the courthouse. The reimbursement schedule contrasts with the Senate's own rules, which allow each witness who appears before a committee 20 cents a mile for the distance traveled. (Senate rule 69.)

The legislation would also increase the subsistence allotment if a juror is required to remain away from home at night. The present law provides $16. In today's inflationary times, this is inadequate to insure each juror a decent meal and a decent place to stay overnight. Accordingly, the bill would increase the subsistence allotment to $20 for each day the juror is required to stay away from his home. At a time when annual inflationary rates of more than 8 percent have resulted in skyrocketing prices, this small increase seems entirely reasonable.

It is impossible, of course, to forecast precisely how much this legislation will cost. However, based on past experience and the income scales of those eligible for jury service throughout the Nation, this legislation will probably cost no more than $10 million—a small sum to preserve a fundamental privilege and duty of citizenship.

I. THE CONSTITUTIONAL IMPORTANCE OF JURIES

There can be little question that the present schedule of jury fees requires change. To understand fully the need for this change, it is first necessary to recognize the importance accorded to grand and petit juries in our constitutional scheme of justice. When the Founding Fathers drafted the Constitution in the late 18th century, the jury system was well established in England. The basic purpose of the jury system was to insure that a group of ordinary citizens, chosen at random from among the community, would determine the facts which would govern decisions in both criminal and civil trials. Writing in the 17th century, the English historian Blackstone had praised the use of juries in criminal trials as part of a strong barrier "between the liberties of the people and the prerogative of the Crown" because "the truth of every accusation . . . [must] be confirmed by the unanimous suffrage of twelve of his equals and neighbors indifferently chosen and superior to all suspicion." (4 W. Blackstone, *Commentaries on the Laws of England*, 349–50 (T. Cooley ed. 1899).) Juries provided the same barrier against arbitrary actions in civil cases when a citizen was sued by the government or a fellow citizen.

The Founding Fathers, like Blackstone, recognized that a just legal system requires the use of juries. The Constitution reflects that recognition.

The fifth amendment provides, in pertinent part, that—

> No person shall be held to answer for a capital, or otherwise infamous crime, unless on a presentment or indictment of a Grand Jury, except in cases arising in the land or naval forces, or in the Militia, when in actual service in time of War or public danger; . . .

It is thus the constitutional responsibility of a grand jury to determine whether probable cause exists to believe that a crime has been committed. In making that determination, the grand jury must consider all the available evidence; it must weigh that evidence and judge whether, on balance, a particular individual has in fact probably committed a crime.

The significance of the grand jury's role in our judicial system should not be underestimated. The grand jury insures that a group of citizens representing a cross section of the community will investigate serious crimes and decide which ones shall be prosecuted. Every individual suspected of committing a serious crime is thereby assured that the initial and critical judgment of whether to prosecute is made by his fellow citizens. As a Federal court has stated:

> The constitutional requirement of an indictment or presentment as a predicate to a prosecution for capital or infamous crimes has for its primary purpose the protection of the individual from jeopardy except on a finding of probable cause by a group of his fellow citizens, and is designed to afford a safeguard against oppressive actions of the prosecutor or a court." *United States* v. *Cox*, 342 F. 2d 167, 170 (5th Cir. 1965).

The roles of the petit jury are equally important in rendering final judgments in criminal and civil cases. As with the grand jury, the functions of the petit jury are mandated by the Constitution.

Article III, section 2 of the Constitution provides that:

> The trial of all crimes, except in cases of impeachment, shall be by Jury; . . .

The sixth amendment adds, in pertinent part, that:

> In all criminal prosecutions, the accused shall enjoy the right to a speedy and public trial, by an impartial jury of the State and district wherein the crime shall have been committed . . .

An accused is therefore assured that the question of his innocence or guilt will be decided by a group of his fellow citizens. A conviction cannot be secured through the machinations of a prejudiced judge or an overzealous prosecutor.

The Supreme Court recently articulated the fundamental importance of this function of a petit jury in a criminal case:

> The guarantees of jury trial in the Federal and State Constitutions reflect a profound judgment about the way in which law should be enforced and justice administered. A right to jury trial is granted to criminal defendants in order to prevent oppression by the Government. Those who wrote our constitutions knew from history and experience that it was necessary to pro-

> tect against unfounded criminal charges brought to eliminate enemies and against judges too responsive to the voice of higher authority. The framers of the constitutions strove to create an independent judiciary but insisted upon further protection against arbitrary action. Providing an accused with the right to be tried by a jury of his peers gave him an inestimable safeguard against the corrupt, overzealous prosecutor and against the compliant, biased or eccentric judge . . . [T]he jury trial provisions . . . reflect a fundamental decision about the exercise of official power—a reluctance to entrust plenary powers over the life and liberty of the citizen to one judge or to a group of judges. Fear of unchecked power . . . found expression in the criminal law in this insistence upon community participation in the determination of guilt or innocence. *Duncan* v. *Louisiana*, 391 U.S. 145, 155–56 (1968).

In short, the jury in criminal cases helps protect against the development of a police state where the legal process can be manipulated to attain arbitrary criminal convictions.

Juries also play a valuable role in the disposition of civil cases. Again, the jury's responsibility here is set forth in the Constitution. The seventh amendment states that:

> In Suits at common law, where the value in controversy shall exceed twenty dollars, the right to trial by jury shall be preserved, and no fact tried by a jury, shall be otherwise reexamined in any Court of the United States, than according to the rules of the common law.

Thus, in civil controversies, just as in criminal cases, the jury determines the facts which govern the court's judgment. Here, too, every citizen is guaranteed that the ordinary citizen's sense of fairness—not a technical or arbitrary reading of the law—will be the foundation of the legal process. The historic and critical importance of this right to trial by jury was explained almost 40 years ago by Supreme Court Justice Sutherland:

> The right of trial by jury is of ancient origin, characterized by Blackstone as "the glory of the English law" and "the most transcendent privilege which any subject can enjoy" (Bk. 3, p. 379); and as Justice Story said (2 Story on the Constitution § 1779), ". . . the Constitution would have been justly obnoxious to the most conclusive objection if it had not recognized and confirmed it in the most solemn terms." With, perhaps, some exceptions, trial by jury has always been, and still is, generally regarded as the normal and preferable mode of disposing of issues of fact in civil cases at law as well as in criminal cases. Maintenance of the jury as a fact-finding body is of such importance and occupies so firm a place in our history and jurisprudence that any seeming curtailment of the right to a jury trial should be scrutinized with utmost care. *Dimick* v. *Schiedt*, 293 U.S. 474, 485–86 (1935).

The importance of grand and petit juries in our judicial system, then, is not a mere abstraction. It is a fact of life.

II. CONGRESSIONAL CONCERN WITH JURY FEES

Congress has long been concerned with the personal financial sacrifices which jury service can impose on citizens. Decades ago, Congress decided that, as a matter of statutory policy, the Federal Government should pay daily fees for those who serve on Federal juries. See for example, 44 Stat. 323 (1926). Periodically, these fees have been increased to account for rises in the cost of living. See, for example, 63 Stat. 411 (1949); 82 Stat. 62 (1968).

Two basic concerns have motivated Congress to provide fees for citizens who serve as jurors.

First, a citizen should not endure undue economic burdens when he or she serves on a jury. As the Supreme Court has observed:

> Jury service is a duty as well as a privilege of citizenship. *Thie* v. *Southern Pacific Co.*, 328 U.S. 217 (1946).

This service, moreover, is not an option available to citizens to choose if and when they please. Nor can a citizen negotiate a salary or the terms under which he will operate. Jury service, and the conditions under which it is performed, are made compulsory by law.

For these reasons, numerous courts have held that jurors are not employees of the Government. (See, for example, *Silagy* v. *New Jersey*, 105 N.J. Super. 507, 253, A.2d 478 (1969); *Hicks* v. *Guilford County*, 267 N.C. 364, 148 S.E. 2d 240 (1966); *Jochen* v. *County of Saginaw*, 363 Mich. 648, 110 N.W. 2d 780 (1961); *Seward* v. *County of Bernalillo*, 61 N.M. 52, 294 P.2d 625 (1956); *Bd. of Commissioners* v. *Evans*, 99 Colo. 83, 60 P.2d 255 (1936). But see *Industrial Comm.* v. *Rogers*, 122 Ohio St. 134, 171 N.E. 35 (1930).) Juror's fees, then, are not compensation for services performed; rather, juror's fees are a gratuity granted by the Government to help defray the expenses incurred by jury service. (*Jochen*, *supra*, 363 Mich. at 668, 110 N.W.2d at 784 (concurring opinion).)

This purpose of juror's fees is reflected in the legislative history of laws which provide fees for Federal jurors. In 1949, Congress decided to raise a juror's fee—not because the Government is obligated to compensate jurors for their service but because, as a matter of policy, the Government should minimize the personal financial sacrifice which a citizen endures when he or she serves as a juror. In reporting out legislation, a House committee explained this purpose of increased jury fees:

> The Committee is convinced that existing rates of jury allowances are clearly inadequate. . . . Indeed, the unreimbursed personal expenses of service on Federal juries have been so great that it is becoming increasingly difficult for the courts to obtain suitable jurors, truly representative of the community, without subjecting the citizenry to severe financial hardships. The situation has been found to be particularly acute for workers who earn their livelihood by the day and who must for that reason forego their regular earnings during the time while they are serving as jurors. It is essential that these people should be called for jury service if the jury system is to function properly.—House Rept. #960 (June 30, 1949), as quoted in 1949 *U.S. Code Cong. Service*.

Jury fees were raised most recently in 1969. During the House debate on the proposed legislation, it was made clear that fees were increased not to compensate jurors for their service but, as Representative Machen explained, so that jury service would be "less burdensome and exemptions because of economic hardship might be reduced to a minimum." (114 CONGRESSIONAL RECORD 3999 (1968).)

In other words, juror fees are intended to reduce the personal financial losses incurred by those who serve on juries.

Juror fees are also designed to serve a second primary purpose: to help assure that juries represent a true cross section of the community. To appreciate the importance of this second purpose, it should be remembered that a jury must be impartial if it is to fulfill its constitutional role. The Supreme Court has held that impartiality can be assured only if juries are chosen under a system which would enable the jury to represent a cross section of the community. (*Williams* v. *Florida*, 399 U.S. 78, 100 (1970); *Brown* v. *Allen*, 344 U.S. 443, 474 (1953).) A jury selection system which arbitrarily excludes one class of citizens from jury duty undermines the ability of juries to represent a fair cross section of the community. (*Norris* v. *Alabama*, 294 U.S. 587 (1935).) Moreover, the effect is the same even if the exclusion is not intended. (*Smith* v. *Texas*, 311 U.S. 128, 130–32 (1940).)

To insure that juries do represent a cross section of the community and that all citizens do have the opportunity to serve on juries, the Judicial Conference of the United States proposed in 1967 that jury fees be increased. The Conference stated that the increased fee "will make it possible for many citizens of modest means to perform jury duty without undue financial hardship. Consequently juries will become more representative of the entire community." (42 F.R.D. 353, 367 (1967).) In response to the Conference's proposal, Congress amended the existing law in 1968.

The basic purposes of the amendments are set forth in a declaration of policy:

> It is the policy of the United States that all litigants in Federal Courts entitled to trial by jury shall have the right to grand and petit juries selected at random from a fair cross section of the community in the district or division wherein the court convenes. It is further the policy of the United States that all citizens shall have the opportunity to be considered for service on grand and petit juries in the district courts of the United States, and shall have an obligation to serve as jurors when summoned for that purpose. 28 U.S.C. § 1861.

The amendments made many changes in the jury selection process. The amendments also increased the juror's fees. In explaining these amendments, a House committee stated that their—

> . . . aim is to assure all litigants that the potential jurors will be selected at random from a representative cross section of the community and that all qualified citizens will have the opportunity to be considered for jury service. . . .
>
> As long as there are significant departures from the cross-sectional goal, biased juries are the result—biased in the sense that they reflect a slanted view of the community they are supposed to represent.
>
> House Rept. #1076 (Feb. 6, 1968), quoted in 1968 *U.S. Code Cong. and Admin. News*.

The legislative history thus makes clear that the increased juror fees were designed, among other things, to limit the number of citizens who would be excused from jury service because of financial hardship.

The sad fact is that congressional concerns with jury fees have failed to produce legislation which really does eliminate the basic financial burdens of jury service. Under existing law, those who will serve on Federal juries—like those who have served on the Watergate grand juries—will be subject to personal financial risks. For some, the financial hardship may prove considerable. For others, the prospect of personal financial loss may entirely preclude their selection as jurors. As a result, many juries do not represent a true cross section of the community.

III. CONCLUSION

Congress should no longer condone this state of affairs. Jury service was never intended to be a financial albatross of citizenship. Jury service was never designed to require each citizen to make a difficult choice between fulfilling a constitutional obligation and earning the income to which he or she is accustomed.

Rather, jury service was designed to be an honor and a responsibility which would devolve upon every citizen—regardless of his or her earning power. People do not have to pay needed money out of their own pockets in order to exercise the right to vote or other duties and privileges of citizenship. Jury service should not be an exception. Jury service should be a real opportunity for every citizen so that juries can be impartial bodies representing a true cross section of the community.

Unless Congress moves expeditiously to change juror's fees, however, the viability of this constitutional purpose remains in doubt.

Mr. President, I ask unanimous consent to insert in the Record the text of the legislation offered today.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3265

A bill to increase the fees and reduce the financial hardships for those individuals who serve on grand or petit juries in district courts

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Jury Fee Act of 1974".

Sec. 2. (a) The first sentence of section 1871 of title 28, United States Code, is amended to read as follows:

"Grand and petit jurors in district courts shall receive the following fees, except as otherwise expressly provided by law:

"For actual attendance at the place of trial or hearing and for the time necessarily occupied in going to and from such place at the beginning and end of such service or at any time during the period of such service, $25 per day, or, if greater, the juror's average daily salary, wage, or other earned income received during the twenty work days immediately preceding the beginning of such juror's service, except that any juror receiving not more than $25 per day who is required to attend more than thirty days of hearings on the same grand or petit jury may be paid, for each day after the thirtieth day of such hearings, in the discretion and upon the certification of the trial judge, or, in cases involving grand juries, the chief judge of the district court for the district in which the grand jury is sitting, an additional fee of $5 per day. The additional fee may be paid retroactively by way of reimbursement. In any case in which a juror is paid a daily fee based on his average daily salary, such fee shall be reduced if the juror is paid by his employer or otherwise earns income, or both, for those days in which such juror is required to sit on the jury by an amount which is equal to the amount paid by his employer or otherwise earned on each such day. Notwithstanding the preceeding provisions of this section, no grand or petit juror shall be paid any amount in excess of $100 per day for service on a grand or petit jury."

(b) Section 1871 of such title is further amended—

(1) by striking out "10 cents" both places it appears and inserting in lieu thereof "20 cents"; and

(2) by striking out "$16" and inserting in lieu thereof "$20".

Sec. 3. The amendments made by this Act shall apply in the case of any grand or petit jury impaneled on or after the date of enactment of this Act.

By Mr. McINTYRE (for himself, Mr. Sparkman, Mr. Bennett, Mr. Tower, Mr. Proxmire, Mr. Williams, Mr. Brock, Mr. Brooke, and Mr. Pell):

S. 3266. A bill to establish a Commission on Electronic Fund Transfers. Referred to the Committee on Banking, Housing and Urban Affairs.

INTRODUCTION OF LEGISLATION TO ESTABLISH AN ELECTRONIC FUND TRANSFER SYSTEMS COMMISSION

Mr. McINTYRE. Mr. President, I am today introducing legislation establishing a Commission on Electronic Fund Transfers. I am pleased to add the names of my distinguished colleagues, Senator Sparkman, Senator Bennett, Senator Proxmire, Senator Tower, Senator Williams, Senator Brock, Senator Brooke, and Senator Pell. It is significant to note the bipartisan support that this measure has drawn. I am hopeful that this atmosphere will prevail as the bill moves through the legislative process.

Our payments mechanism—the system used to transfer funds from one individual or business to another—is constantly changing and developing. The concept of electronic funds transfer systems is the newest of a long series of developments. In early times, affairs of finance were conducted through bartering. Then came coins, currency, checks, and finally credit cards. Each has advantages over the other, yet all have substantial drawbacks. Currency is not safely transmitted through the mail, nor is it practical in transactions involving large sums. The sheer volume of checks that pass through our banking system is staggering. It has risen from 16 billion in 1966 to 23 billion a year currently, not including the billions of checks issued by the Federal Government.

Faced with this situation, both industry and government have made attempts to apply modern computer and communications technology to the needs of the payments mechanism. Experimental programs and pilot projects are already in progress in various locations. In some of these programs, computers and data transmission systems are being utilized to perform some of the traditional functions of clearinghouses which sort and process paper checks. Thus, for example, some individuals are today receiving payroll deposits and are paying some of their bills electronically. Experiments involving the use of this technology in retail transactions are also in progress. Results to date are inconclusive.

The future of EFTS is a matter on which the experts disagree. Some contend that we are about to enter into a cashless and checkless society. They stress the possible cost savings available through the use of electronic transfers. The total annual cost of clearing paper checks and using cash in our economy has been approximated at $10 billion, or about 1 percent of our gross national product. At present, the average paper check is cleared through a multistage process involving a substantial amount of manual labor. Processing costs have been estimated to be at least 16 cents per check.

Others say that the changes will come more slowly and that the older methods will always continue to play a dominant role. They argue that paper systems may ultimately prove to be more efficient than certain electronic systems. Moreover, the advantages which the average consumer can expect to receive are by no means clear, and early marketing studies have not demonstrated a strong demand for at least some of the possible electronic services. For example, many consumers are concerned about computer errors and a possible loss of financial control which automation may cause. They like to see their paycheck and review their bills before they are paid. Many would be upset to see computers take over full control of these functions. Only time, and the free play of the marketplace, can decide which electronic services are truly needed and desired by consumers.

But however fast things may change, there is nothing simple about the issues which are posed by these developments. Moreover, no single source can supply whatever answers may ultimately emerge. Consumers, businesses, and government are all properly concerned. Among the business organizations necessarily involved are not only banks and thrift institutions, but also retailers, insurance companies, credit card issuers, equipment suppliers, communications common carriers, and indeed every business entity which is at all involved in offering or using payments services. State and Federal regulatory agencies concerned with banking, communications, and a number of other industries will also play a role. Of paramount importance are the interests and needs of individual consumers, as well as business users.

The questions which must be resolved are as varied as the interests which make up our society. How can the individual protect his financial privacy from unauthorized intrusion if a computer is capable of recalling every transaction in which he was involved at the touch of a button? How is he to be protected against errors and various fraudulent practices which may develop? Will the new electronic systems be developed to meet the needs of the ultimate users, or merely to simplify the work of those operating the systems? How will competition among those affected by EFTS developments be preserved?

The Congress is also properly concerned with another group of questions—those concerning the appropriate role for the Government to play in these developments. To what degree should various Government agencies be involved in either operating or regulating aspects of electronic transfer systems? Will premature Government involvement encourage needed developments or merely distort market forces? What agencies should be involved, and what relationships should they have with each other?

Specifically, the study will take into account, among other things:

First. The need to preserve competition among financial institutions and other business enterprises using such systems;

Second. The need to prevent unfair or discriminatory practices by any financial institution or business enterprise using or desiring to use such systems.

Third. The need to afford maximum user and consumer convenience;

Fourth. The need to afford maximum user and consumer rights to privacy and confidentiality;

Fifth. The need to assure that the Government be involved to no greater degree than is necessary.

Sixth. The impact of such systems on economic and monetary policy and on all segments of our society, from large businesses to individual consumers;

Seventh. The implications of such systems on the availability of credit;

Eighth. The implications of such systems expanding internationally and into other forms of electronic communications; and

Ninth. The need to protect the legal rights of users and consumers.

The last item, the need to protect the legal rights of users and consumers, is of paramount importance. We have all seen where the potential for abuse of such a system can lead us.

These questions are just a few of those which can and should be asked by the EFTS Study Commission which would be established by this bill. The Commission will be composed of a broad spectrum of members representing the views of government, industry, and the consumer. It will be dominated by no single interest, and will seek all relevant viewpoints.

The projected inquiry is a broad one—but so would be the impact of proceeding without addressing all the difficult questions posed by the development of EFTS. It may very well be that the Commission will decide that the best way for Government to proceed is to await the verdict of the marketplace. The consumer may well be able to speak more effectively to diverse competing institutions through the free market system than he can to a distant regulatory body, to a commission, or even to Congress. But if legislation or regulatory action is needed, to protect either the consumer's privacy or his economic freedom of choice, or to prevent these developments from adversely affecting free competition, we in Congress should be the first to know.

Like many of my colleagues, I have become skeptical when someone mentions study commissions. They can be costly and they can be ineffective. Many a well-funded commission has foundered on the shoals of political reality. However, the commission that I am proposing today could save us money.

Currently, millions of research dollars are being expended by various Federal agencies with partial jurisdiction over the issues presented by EFTS. The same holds true for the private business community. The studies are overlapping and little or no information is being shared. I envision this commission functioning as a "clearing house" where information can be received and disseminated thereby reducing the overall cost and the potential for duplication of effort. It can be invaluable in assuring that all concerned, whether private industry or Government agencies, act only after the answers to the vital questions posed are more certain than they are today.

Mr. President, this body has been accused at times of reacting instead of acting and of doing too little too late. The bill that I am proposing today will give us the opportunity to act in advance and in an orderly fashion. The revolutionary nature of electronic fund transfers and the activity currently taking place mandates the need for immediate attention. I am hopeful that the bill will move swiftly through the legislative process in the bipartisan spirit that is in evidence today.

Mr. President, I ask unanimous consent that the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3266

A bill to establish a Commission on Electronic Fund Transfers

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

ESTABLISHMENT

SECTION 1. There is established the Commission on Electronic Fund Transfers (hereinafter referred to as the "Commission") which shall be an independent instrumentality of the United States.

MEMBERSHIP

SEC. 2. (a) The Commission shall be composed of 16 members appointed by the President as follows:

(1) the Chairman or a member of the Board of Governors of the Federal Reserve System, or his designate;

(2) the Secretary of the Treasury, or his designate;

(3) the Comptroller of the Currency, or his designate;

(4) the Chairman or a member of the Federal Home Loan Bank Board, or his designate;

(5) the Administrator or Deputy Administrator of the National Credit Union Administration, or his designate;

(6) one individual who is an official of a State agency which regulates banking, thrift, or other similar financial institutions;

(7) five individuals who are officers or employes of, or who otherwise represent, banking, thrift, or other business entities including retailers, including one representative each of commercial banks, thrift institutions, retail users of electronic fund transfer systems, suppliers of equipment or services for such systems, and non-banking institutions offering credit card services.

(8) five individuals from private life who are not affiliated with and do not represent any banking, thrift, or other financial institutions, including but not limited to credit unions, retailers, and insurance companies, and that such individuals are clearly identifiable as representing the public and consumers best interests. Nor shall such individuals have any substantial investment in any financial institution.

(b) The President shall designate a Chairman from among the members of the Commission. Any vacancy in the Commission shall not affect its powers but shall be filled in the same manner in which the original appointment was made.

FUNCTIONS

SEC. 3. (a) It shall be the function of the Commission to conduct a thorough study and investigation and to recommend appropriate administrative action and legislation necessary in connection with the possible development of public or private electronic fund transfer systems, taking into account, among other things:

(1) the need to preserve competition among the financial institutions and other business enterprises using such a system;

(2) the need to prevent unfair or discriminatory practices by any financial institution or business enterprise using or desiring to use such a system;

(3) the need to afford maximum user and consumer convenience;

(4) the need to afford maximum user and consumer rights to privacy and confidentiality;

(5) the impact of such a system on economic and monetary policy;

(6) the implications of such a system on the availability of credit;

(7) the implications of such a system expanding internationally and into other forms of electronic communications; and

(8) the need to protect the legal rights of users.

(b) The Commission shall establish a clearinghouse for information on or relating to electronic funds transfer systems for the public, President and Congress.

(c) The Commission shall make such interim reports of its findings and recommendations as it deems advisable and shall transmit to the President and to the Congress not later than 2 years after the date of enactment of this Act a final report of its fundings and recommendations; including all hearing transcripts, staff studies, and other material used in preparation of the final report. Sixty days after transmission of its final report the Commission shall cease to exist.

ADMINISTRATION

SEC. 4. The Commission—

(1) may appoint and fix the compensation of an Executive Director, and such additional staff personnel as he deems necessary, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, but at rates not in excess of the maximum rate for GS–18 of the General Schedule under section 5332 of such title;

(2) may procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code, but at rates not to exceed $100 a day for individuals.

(3) shall conduct and transcribe open public hearings at such times and places and otherwise secure such information as may be necessary to the performance of its functions.

COMPENSATION

SEC. 5. (a) A member of the Commission who is an officer or employee of the United States shall serve as a member of the Commission without additional compensation, but shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred in the performance of his duties as a member of the Commission.

(b) A member of the Commission who is not otherwise an officer or employee of the United States shall be compensated at a rate of $150 per day when engaged in the performance of his duties as a member of the Commission, and shall also be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of his duties as a member of the Commission.

ASSISTANCE OF GOVERNMENT AGENCIES

SEC. 6. (a) Each department, agency, and instrumentality of the executive branch of the Government, including independent agencies, is authorized and directed to furnish to the Commission, upon request made by the Chairman, such data, reports, and other information as the Commission deems necessary to carry out its functions under this Act.

(b) The head of any department, agency, or instrumentality of the United States may detail such personnel and may furnish such services, with or without reimbursement, as the Commission may request to assist it in carrying out its functions.

AUTHORIZATION OF APPROPRIATIONS

SEC. 7. There are authorized to be appropriated without fiscal year limitations such sums, not to exceed $2,000,000, as may be necessary to carry out the provisions of this Act.

By Mr. JACKSON (for himself, Mr. MAGNUSON, Mr. RANDOLPH, Mr. MUSKIE, and Mr. METZENBAUM):

S. 3267. A bill to provide standby emergency authority to assure that the essential energy needs of the United States are met, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

STANDBY ENERGY EMERGENCY AUTHORITY AND CONTINGENCY PLANNING ACT

Mr. JACKSON. Mr. President, I introduce for appropriate reference the "Standby Energy Emergency Authority and Contingency Planning Act."

On March 6, the President vetoed the Energy Emergency Act which among many other things, would have required a rollback in oil prices. The President based his veto message primarily on the oil price rollback.

The Senate failed to override the President's veto by a vote of 58 in favor to 40 against on March 6.

Following the veto, Congressman STAGGERS, chairman of the House Interstate and Foreign Commerce Committee, and I undertook a series of discussions with the administration to ascertain whether agreement could be reached with the administration on the provisions of an Energy Emergency Act the President would support. These negotiations have sought to develop an agreed-upon bill to provide most of the authority contained in the Energy Emergency Act which the President vetoed on March 6.

Discussions were concluded yesterday without a final and comprehensive agreement having been reached. These discussions did, however, demonstrate that there is a consensus within the administration that the executive branch requires standby emergency authority to deal with the prospect of recurring energy shortages.

While concurrence was reached on most aspects of the bill, fundamental differences on a number of major issues of public policy—unemployment compensation, restraints on oil prices, loans to homeowners, disclosure of confidential oil industry data, and protection of distributors and service station dealers—made full agreement with the administration impossible.

The bill passed by the Congress and vetoed by the President had important provisions on each of these subjects, and I could not agree to any bill which deleted or rendered these provisions meaningless.

NEED FOR EMERGENCY AUTHORITIES AND CONTINGENCY PLANNING

Mr. President, expeditious passage of a new bill is necessary because of the major risks the Nation faces in relying upon oil imported from nations whose leaders view and use oil as a political weapon. There are no grounds for confidence that the Arab oil embargo will not be reimposed in the weeks and months ahead as swiftly and with as little notice as it was imposed last fall. We must be prepared for such an eventuality. Indeed, our visible preparedness for and reduced vulnerability to the threat of embargo reduces the probability of imposition of an embargo.

The critical shortages the American people experienced this past winter could well be with us again later this spring and this summer. The essential social and economic interests of the Nation are dependent upon an assured supply of equitably priced oil. These interests must not be placed in uncertain and unpredictable foreign hands. Reliance and overdependence on insecure sources of high-priced supply is a policy which can only be followed if we are fully prepared to reduce consumption and get by with less petroleum during periods of short supply which others may impose upon us.

Contingency plans and standby authority to deal fairly and equitably with shortages and in a manner which will maintain employment and the economy are essential.

At the present time, there is no authority in Federal law for the implementation in peacetime of programs necessary to deal with acute energy shortages. During this winter's embargo, Federal policy was dependent upon requests for voluntary public action and a very broad interpretation of the Petroleum Allocation Act which in some respects far exceeded the scope and purpose of that act.

Mr. President, in the future we cannot continue to rely on voluntary exhortations for sacrifice as our only means to deal with shortages. We must act to increase supply. We must have a policy of energy conservation. We must also have at hand contingency plans which can be rapidly and effectively implemented if we are to retain economic and political independence. Standby authority and contingency planning to deal with critical shortages will continue to be essential to maintaining our national security and our freedom of action until we attain the capability for energy self-sufficiency.

The bill I am introducing today accommodates the administration's requests to the fullest extent possible within the context of our negotiations. It is patterned after the bill previously vetoed by the President. Changes in the bill include incorporation of a number of technical changes, deletion of the price rollback provisions contained in the conference report, and conversion of the major provisions of the bill into standby authorities which may be exercised only in periods of critical shortages.

PRICING OF PETROLEUM PRODUCTS

Mr. President, the adverse impact of acute fuel shortages arising from the Arab embargo has been a highly visible national problem which has touched nearly every citizen. The lifting of the embargo offers a tenuous and uncertain prospect of reducing the shortfall between supply and demand. What will not be reduced, however, are the extraordinary price levels attained by petroleum and petroleum products. What is not affected is the potential for comparable increases in the near future. Less apparent than a line at a gas station, but equally damaging to the Nation's well being, is the erosion of the family budget and the stimulus to accelerated nationwide inflation which will result from the unchecked upward movement of petroleum prices. For that reason, responsible legislation which authorizes responses to critical energy shortages must also authorize responses to equally critical energy price increases.

In the past 6 months, the Wholesale Price Index for crude oil and refined petroleum products has risen by over 50 percent. Fuel price increases represented 27 percent of the total increase in the cost of living during the past year. As startling as these figures may be, they nonetheless are considerably lower than those increases which would have occurred had price controls been nonexistent.

Now, however, the Senate Banking and Currency Committee has found it inadvisable to extend these price controls on the grounds that a free market can more efficiently set prices. It is an appealing argument, particularly in view of our experience with most price controls as employed by this administration.

However, for so long as the international oil market remains a politicized cartel there is no free market. For so long as the policy of the OPEC cartel is a world price determinant, there is no free market. For so long as the volume of oil available to U.S. oil companies is dependent upon the policy of the internationals, there is no free market. For so long as domestic production is restrained by shortages of drilling rigs, pipe, and pumps, there is no free market.

Consequently, until such time as domestic self-sufficiency is attained through increased production and a reduction in demand growth, we cannot rely upon the market place to function effectively to regulate supply, demand, and prices. For that reason, it is imperative that public policy provide for: First, an accelerated effort to increase domestic energy supplies; second, a continuing program to further energy conservation; third, the employment of price regulation when necessary to prevent unacceptable inflationary pressures on the national economy and intolerable energy prices for the consumer.

Already, Mr. Simon is predicting gasoline prices as high as 80 cents per gallon in the next few months. Thus, in less than a year, consumers face a doubling of petroleum costs; yet, they can still expect to experience inadequate supplies.

Clearly, this is an outrageous situation. It is one thing to pay high prices in return for unlimited energy. It is another to pay the same exorbitant prices and to remain energy deficient.

Within the past year, gasoline costs to consumers have risen three times and fuel oil six times as fast as the costs of all other goods and services. It is imperative, therefore, that some kind of price control authority for petroleum be continued for the near future. It is particularly necessary in the light of current administration policy which has effectively nullified past conservation efforts and increased supplies of gasoline at the service station only by dipping into inventories. Such a policy will inevitably increase consumption while supplies are still limited, and thus unnecessarily drive up prices.

The rationale announced by the administration for their policies is that exorbitant prices will reduce demand. We have recently seen the cruel results of such policies in the case of propane, when rural low-income and retired persons were forced to spend as much as 75 percent of their incomes on propane fuel and were consequently faced with a choice between hunger and cold. We cannot tolerate the extension of this experience throughout the industrial and consumer sectors of our economy, which are so dependent on petroleum.

It is absolutely necessary, therefore, that the President's existing authority for petroleum price controls be exercised by the President as soon as possible and that he employ that authority when the public welfare requires it. For this reason, such a provision is included in the bill I introduce today.

The President, in his veto message, asserted that the price rollback required in the conference report would undermine incentives to develop new domestic energy resources. For reasons I set out at length during the Senate's debate on this legislation, I do not accept the administration argument.

The new bill, however, does go a long way toward accommodation with the administration. It does not require a rollback of prices to any specified level, but it does reiterate the intention of Congress, stated unambiguously in the Emergency Petroleum Allocation Act, that the President control the prices of crude oil and petroleum products. This legislation allows the President broad latitude in determining specific ceilings but it requires him to support any price ceiling or change in a price ceiling with a detailed analysis of the impact of prices upon supply and demand, upon consumers and upon employment.

The legislation I am introducing also ends the exemption from regulation of that 14 percent of domestic oil which is produced from stripper wells. This exemption was twice voted by Congress in the mistaken anticipation that it would provide a price incentive for stripper wells of perhaps 50 cents or a dollar per barrel. Since the exemption was enacted last fall, the average price of such crude oil has, however, risen from $4.25 to $10.35 per barrel. Spokesmen for the Administration have repeatedly requested an end to the stripper well exemption, and I am happy to accommodate them on this matter.

The bill also provides specific relief for consumers who have been victimized by increases in propane prices, wholly out of proportion to the increase in raw-material costs. It makes absolutely clear the intention of Congress that all raw materials for propane, whether produced from oil wells, gas wells, or refineries, be price controlled, and that price passthroughs be allocated among the various products of petroleum according to their historical price relationships.

Mr. President, testimony before the Subcommittee on Multinational Corporations of the Foreign Relations Committee has revealed that the multinational oil companies are making unbelievable windfall profits on their overseas producing operations. Aramco, a wholly owned affiliate of four U.S. majors, is now recording net profits of $4.50 per barrel. These incredible profits are not only passed on to American consumers in the form of price increases for imported oil, which the administration has exempted from price controls, but, through the depletion allowance and the foreign tax credit, they produce an additional tax windfall for the companies at the expense of the U.S. Treasury.

The bill I am introducing today will limit domestic price passthroughs on oil imported by the multinationals to the increases resulting directly from higher taxes and royalties paid to foreigners, less whatever reduction in U.S. tax liabilities might result from the higher base for depletion and foreign tax credits. No such passthrough limitation, however, is imposed on imports of oil from nonaffiliates, so that this requirement will not undermine the competitive position of independent refiners and marketers who must obtain their oil in world markets at arms-length.

By Mr. DOMENICI (for himself and Mr. MONTOYA):

S. 3268. A bill to authorize the Secretary of Defense and the Administrator of the National Aeronautics and Space Administration to transfer or loan certain artifacts of the Nation's space program to the International Space Hall of Fame at Alamogordo, N. Mex. Referred to the Committee on Aeronautical and Space Sciences.

Mr. DOMENICI. Mr. President, today I am introducing a bill that will play a vital role in the development of the International Space Hall of Fame located at Alamogordo, N. Mex. This bill would authorize the Secretary of Defense and the Administrator of the National Aeronautics and Space Administration to transfer or loan space artifacts to the International Space Hall of Fame.

Recently the New Mexico State Legislature appropriated $1.8 million for construction of the hall of fame and the primary site development. I was very encouraged by the actions of the State legislature in that their effort shows a sincere commitment to the establishment and promotion of the International Space Hall of Fame.

New Mexico has long been one of the leading centers for space flight research and development. The bill I am introducing will allow the hall of fame to utilize such artifacts that have played such a vital role in our space history. I would like to briefly cite some of New Mexico's major space accomplishments:

Dr. Robert H. Goddard, space propulsion pioneer, tested rockets near Roswell, N. Mex., in the early 1930's;

Dr. Wernher von Braun and his team of 160 German scientists tested and fired more than 60 V–2 rockets at White Sands Proving Ground in the late 1940's and early 1950's;

Dr. James P. Henry and associates from the aeromedical laboratory of Wright Field sent monkeys into space in closed cabins on Aerobee rockets in 1951 and 1952. In 1954 a Navy rocket fired from White Sands Proving Ground returned photographs from space of a tropical storm. The first manmade objects to escape the Earth were metal pellets launched into orbit around the Sun by a shaped charge from the nose of an Aerobee above White Sands in 1967;

The NASA White Sands Test Facility conducted propulsion tests of the Apollo service and lunar modules. The Apollo escape system was tested at White Sands Missile Range, using Little Joe II rockets. Test of the Apollo guidance system, providing for pinpoint landings on the Moon, and simulated reentry of Apollo command module couches were accomplished at Holloman Air Force Base; and

In 1945, the first atomic fission explosion at Trinity site near Alamogordo heralded future space propulsion for deep space exploration.

The basic intent of the International Space Hall of Fame is to honor astronauts, cosmonauts, and scientists of the world who achieved in space exploration. The hall of fame received the close cooperation of Dr. C. Starke Draper, president of the International Academy of Astronautics, when a resolution was submitted at the annual meeting in Baku, U.S.S.R., to have the academy select the first hundred candidates for the hall of fame.

I am confident that with the passage of this legislation, New Mexico will be able to offer the general public a much needed source of historical knowledge concerning our space research and development programs.

By Mr. CLARK:

S. 3269. A bill to amend title 38, United States Code, to increase the annual income limitations applicable to disability and death pensions and to dependency and indemnity compensation for dependent parents. Referred to the Committee on Veterans' Affairs.

INCREASE IN INCOME LIMITATIONS FOR VETERANS AND THEIR DEPENDENTS

Mr. CLARK. Mr. President, today I am introducing legislation to increase the annual income limitations applicable to veterans' disability and death pensions and to dependency and indemnity compensation for dependent parents.

This measure would accomplish two things: First, it would restore to the veterans' pension rolls people who have been dropped because of increases in social security, and, secondly, it would allow many people to adjust to future income changes by making gradual reduction in veterans' pensions as other income increases.

There are few people in this country who have not felt the impact of inflation. When the cost of living and the price of food go up as fast as they have over the last months, every segment of American society suffers. But there are some people in this country who inevitably suffer more from inflation—those with fixed income, especially the elderly, veterans, and their dependents.

Last December Congress approved legislation providing a 10-percent cost-of-living increase in veterans' and widows' pensions for non-service-connected disabilities. Those eligible for that increase should be getting it now. However, many others who were expecting an increase found themselves cut off from their pensions altogether in January.

The non-service-connected veterans' pension is based on the amount of outside income an individual receives, including 90 percent of the income received by social security beneficiaries. Because of a social security increase in January 1973, many veterans and widows had their pensions reduced or abruptly terminated this past year because the social security increase raised them above the maximum income limitation. Unless legislation is passed during this session of Congress, many will face that prospect again next year as a result of the new two-step, 11-percent social security increase that already has begun to take effect.

Right now, the maximum income limitation for a single veteran, a widow, or for a dependent parent is $2,600 a year, and it is $3,800 a year for a veteran with a dependent, a widow with a dependent, or for two dependent parents. As it now stands, a single veteran receives a maximum monthly pension of $143 if his outside income is $300 a year or less. The minimum pension of $28 a month is paid to a veteran whose income is $2,600, and no pension is paid at all if annual income exceeds this amount.

This simply is not fair. A veteran who earns $2,600 a year would get an annual pension of $336—for a total annual income of $2,936. Yet a veteran who earns $2,601 a year—just $1 more—would receive no benefits from the Veterans' Administration.

A veteran, or a widow, with a dependent who exceeds the income limitation of $3,800 is affected in much the same way. A widow with a dependent can find her pension cut by more than $500 annually, and a veteran with a dependent who exceeds the income limitation can lose more than $460 annually.

For individuals who live on fixed incomes, this loss creates a serious hardship. A more equitable approach would eliminate the VA pension gradually as outside income increases instead of completely cutting it off. This way the pensioner would not suffer from an abrupt loss of income. Instead, he would be able to adjust to the reductions gradually, in small increments.

It is important to note that the Senate has passed similar legislation before. Most recently, the Senate adopted S. 275 which would provide a $400 increase in maximum annual income limitations for eligible veterans and their survivors. The legislation which I am introducing today would have the same effect.

Mr. President, the Government has the ability to provide needed relief to veterans and their survivors. I know there are formidable barriers to the passage of this legislation. The President has opposed it and, in the past, the House of Representatives has failed to approve it. But if we are prepared to make the difficult decisions, the decisions that will most help people, then this legislation should receive the attention of every Member of Congress.

Mr. President, I ask that the bill and a schedule listing the current rates and the rates as they would be adjusted under this bill be printed in the RECORD.

SUMMARY OF CLARK BILL

First. Increase the maximum annual income limitations by $400 for eligible veterans and their survivors receiving pensions.

Second. Increase the maximum annual income limitations of "old law" pensioners by $400.

Third. Increase the maximum income limitations by $400 for parents receiving dependency and indemnity compensation.

Fourth. Increase the maximum unearned income limitation by $400 for children without parents who are receiving VA pensions.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 3269

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (b)(1) of section 41 of title 38, United States Code, is amended as follows:

(1) by striking out in the second sentence "$2,600" and inserting in lieu thereof "$2,700";

(2) by inserting after the second sentence a new sentence as follows: "For annual income in excess of $2,700 up to and including $3,000, the monthly rate shall be $4."; and

(3) by striking out in the last sentence "$2,600" and inserting in lieu thereof "$3,000".

(b) Subsection (c) of section 415 of such title is amended as follows:

(1) by striking out in the second sentence "$2,600" and inserting in lieu thereof "$2,700";

(2) by inserting after the second sentence a new sentence as follows: "For annual income in excess of $2,700 up to and including $3,000, the monthly rate shall be $6"; and

(3) by striking out in the last sentence "$2,600" and inserting in lieu thereof "$3,000".

(c) Subsection (d) of section 415 of such title is amended as follows:

(1) by striking out in the second sentence "$3,800" and inserting in lieu thereof "$4,000";

(2) by inserting after the second sentence a new sentence as follows: "For annual income in excess of $4,000 up to and including $4,200, the monthly rate shall be $5."; and

(3) by striking out in the last sentence "$3,800" and inserting in lieu thereof "$4,200".

SEC. 2. (a) Subsection (b) of section 521 of title 38, United States Code, is amended as follows:

(1) by striking out in the second sentence "$2,600" and inserting in lieu thereof "$2,800";

(2) by inserting after the second sentence a new sentence as follows: "For annual income in excess of $2,800 up to and including $3,000, the monthly rate shall be $8"; and

(3) by striking out in the last sentence "$2,600" and inserting in lieu thereof "$3,000".

(b) Subsection (c) of section 521 of such title is amended by striking out "$3,800" each time it appears and inserting in lieu thereof "$4,200".

SEC. 3. (a) Subsection (b) of section 541 of title 38, United States Code, is amended by striking out "$2,600" each time it appears and inserting in lieu thereof "$3,000".

(b) Subsection (c) of section 541 of such title is amended by striking out "$3,800" each time it appears and inserting in lieu thereof "$4,200".

SEC. 4. Subsection (c) of section 542 of title 38, United States Code, is amended by striking out "$2,000" and inserting in lieu thereof "$2,400".

SEC. 5. The annual income limitations governing payment of pension under the first sentence of section 9(b) of the Veterans' Pension Act of 1959 hereafter shall be $2,600 and $3,900, instead of $2,200 and $3,500, respectively.

SEC. 6. This act shall take effect on the first day of the second calendar month which begins after the date of enactment.

Income not over—	Current rate	Proposed rate
Veteran alone:		
$300	$143	$143
$400	140	140
$500	137	137
$600	134	134
$700	131	131
$800	128	128
$900	124	124
$1,000	120	120
$1,100	116	116
$1,200	112	112
$1,300	108	108
$1,400	103	103
$1,500	98	98
$1,600	93	93
$1,700	87	87
$1,800	81	81
$1,900	75	75
$2,000	69	69
$2,100	63	63
$2,200	57	57
$2,300	50	50
$2,400	43	43
$2,500	36	36
$2,600	28	28
$2,700	0	20
$2,800	0	12
$2,900	0	8
$3,000	0	8
Veteran with dependent:		
$300	154	154
$400	154	154
$500	154	154
$600	152	152
$700	150	150
$800	148	148
$900	145	145
$1,000	142	142
$1,100	139	139
$1,200	136	136

Income not over—	Current rate	Proposed rate
$1,300	$133	$133
$1,400	130	130
$1,500	127	127
$1,600	124	124
$1,700	121	121
$1,800	118	118
$1,900	115	115
$2,000	112	112
$2,100	109	109
$2,200	106	106
$2,300	103	103
$2,400	100	100
$2,500	97	97
$2,600	94	94
$2,700	90	90
$2,800	86	86
$2,900	82	82
$3,000	78	78
$3,100	74	74
$3,200	70	70
$3,300	65	65
$3,400	60	60
$3,500	55	55
$3,600	50	50
$3,700	45	45
$3,800	39	39
$3,900	0	33
$4,000	0	27
$4,100	0	21
$4,200	0	15
Widow alone:		
$300	96	96
$400	95	95
$500	94	94
$600	93	93
$700	90	90
$800	87	87
$900	84	84
$1,000	81	81
$1,100	78	78
$1,200	75	75
$1,300	72	72
$1,400	69	69
$1,500	65	65
$1,600	61	61
$1,700	57	57
$1,800	53	53
$1,900	49	49
$2,000	45	45
$2,100	41	41
$2,200	37	37
$2,300	33	33
$2,400	29	29
$2,500	25	25
$2,600	21	21
$2,700	0	17
$2,800	0	13
$2,900	0	9
$3,000	0	5
Widow with dependent:		
$300	114	114
$400	114	114
$500	114	114
$600	114	114
$700	114	114
$800	113	113
$900	112	112
$1,000	111	111
$1,100	110	110
$1,200	108	108
$1,300	106	106
$1,400	104	104
$1,500	102	102
$1,600	100	100
$1,700	98	98
$1,800	96	96
$1,900	94	94
$2,000	92	92
$2,100	90	90
$2,200	88	88
$2,300	86	86
$2,400	84	84
$2,500	82	82
$2,600	79	79
$2,700	76	76
$2,800	73	73
$2,900	70	70
$3,000	67	67
$3,100	64	64
$3,200	61	61
$3,300	58	58
$3,400	55	55
$3,500	51	51
$3,600	47	47
$3,700	44	44
$3,800	44	44
$3,900	0	44
$4,000	0	44
$4,100	0	44
$4,200	0	44
1 parent:		
$800	110	110
$900	107	107
$1,000	104	104
$1,100	101	101
$1,200	97	97
$1,300	93	93
$1,400	89	86
$1,500	85	85
$1,600	80	80
$1,700	$75	$75
$1,800	69	69
$1,900	63	63
$2,000	57	57
$2,100	50	50
$2,200	43	43
$2,300	36	36
$2,400	28	28
$2,500	20	20
$2,600	12	12
$2,700	0	4
$2,800	0	4
$2,900	0	4
$3,000	0	4
2 parents together:		
$800	74	74
$900	74	74
$1,000	74	74
$1,100	73	73
$1,200	72	72
$1,300	70	70
$1,400	68	68
$1,500	66	66
$1,600	64	64
$1,700	62	62
$1,800	60	60
$1,900	58	58
$2,000	56	56
$2,100	54	54
$2,200	52	52
$2,300	50	50
$2,400	48	48
$2,500	46	46
$2,600	44	44
$2,700	42	42
$2,800	40	40
$2,900	38	38
$3,000	35	35
$3,100	32	32
$3,200	29	29
$3,300	26	26
$3,400	23	23
$3,500	20	20
$3,600	17	17
$3,700	14	14
$3,800	11	11
$3,900	0	8
$4,000	0	5
$4,100	0	5
$4,200	0	5
2 parents not together:		
$800	77	77
$900	75	75
$1,000	73	73
$1,100	71	71
$1,200	68	68
$1,300	65	65
$1,400	62	62
$1,500	58	58
$1,600	54	54
$1,700	50	50
$1,800	46	46
$1,900	42	42
$2,000	38	38
$2,100	34	34
$2,200	30	30
$2,300	26	26
$2,400	21	21
$2,500	16	16
$2,600	11	11
$2,700	0	6
$2,800	0	6
$2,900	0	6
$3,000	0	6

By Mr. SPARKMAN (for himself, Mr. TOWER, and Mr. JOHNSTON):

S. 3270. A bill to amend the Defense Production Act of 1950, as amended. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. SPARKMAN. Mr. President, I am introducing a bill to amend the Defense Production Act of 1950, for myself, Mr. TOWER and Mr. JOHNSTON.

The Defense Production Act is important and time tested legislation supporting programs vital to our national security. In the Defense Production Act the Congress addressed the need for diverting certain materials and facilities from civilian use to military and related purposes, to develop preparedness programs, and to provide for the expansion of productive capacity and supply.

I ask unanimous consent that a copy of the bill be printed in the RECORD at this time. I also ask unanimous consent that a copy of the letter transmitting the administration's proposal for extending the Defense Production Act be printed in the RECORD following the bill.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 3270

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 717(a) of the Defense Production Act of 1950, as amended (50 U.S.C. App. 2166(a)), is further amended by striking out the date "June 30, 1974" and inserting in lieu thereof the date "June 30, 1976."

GENERAL SERVICES
ADMINISTRATION,
Washington, D.C., March 1, 1974.

Hon. GERALD R. FORD,
President of the Senate, U.S. Senate, Washington, D.C.

DEAR MR. PRESIDENT: There is forwarded herewith a draft bill "To amend the Defense Production Act of 1950, as amended."

The bill would extend the Act for two years, changing its termination date from June 30, 1974, to June 30, 1976.

The Defense Production Act is important and time-tested legislation supporting programs vital to our national security. In the Defense Production Act the Congress addressed the need to divert certain materials and facilities from civilian use to military and related purposes, to develop preparedness programs, and to provide for the expansion of productive capacity and supply.

Title I of the Act provides authority to give priority treatment to vital defense contracts and to allocate materials and facilities for defense programs. It is under this authority that the Defense Materials System and the Defense Priorities System have been established. The regulations for these systems not only serve current defense needs in the short-supply conditions that characterize today's market but also provide basic arrangements that could be extended as required by any foreseeable national defense emergency.

Continuing operations under these regulations also provide a corps of experienced specialists who would be a nucleus for the rapid and efficient expansion of the priorities and allocations system that would be needed in time of any future industrial mobilization.

Title III of the Act provides needed authority for the expansion of the Nation's productive capacity to meet its defense needs. It includes authority to make loans and loan guarantees to private business enterprises for the expansion of capacity, the development of technological processes, and the production of essential materials, including the exploration, development, and mining of strategic and critical metals and minerals. This Title also authorizes the guarantee of loans to finance the performance of defense contracts.

One provision of Title VII is the basic authority for the National Defense Executive Reserve—a pool of individuals with proven executive talents who have undergone special training and have agreed to enter Government Service if ever an emergency should require their rapid mobilization.

Title VII also provides authority under which defense contractors may, with the approval of the President, enter into voluntary agreements serving defense purposes without violating the antitrust laws.

The Defense Production Act is the cornerstone of the present legal structure for insuring preparedness to meet crises requiring the mobilization of the Nation's industrial and material resources. GSA therefore strongly urges prompt and favorable consideration of this draft bill.

The Office of Management and Budget has advised that there is no objection to the submission of this legislative proposal to the Congress, and that its enactment would be in accord with the program of the President.

Sincerely,

ARTHUR F. SAMPSON,
Administrator.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 1835

At the request of Mr. HARTKE, the Senator from New Jersey, (Mr. WILLIAMS), was added as a cosponsor of S. 1835, a bill to amend title 38, United States Code, to increase the maximum amount of servicemen's group life insurance to $20,000 to provide full-time coverage thereunder for certain members of the Reserves and National Guard, to authorize and conversion of such insurance to veterans' group life insurance and for other purposes.

S. 2801

At the request of Mr. PROXMIRE, the Senator from Tennessee (Mr. BROCK) was added as a cosponsor of S. 2801, to amend the Food, Drug, and Cosmetic Act with respect to safe vitamins and minerals, and for other purposes.

S. 2813

At the request of Mr. BENTSEN, the Senator from South Dakota (Mr. McGOVERN), the Senator from Utah (Mr. BENNETT), the Senator from Mississippi (Mr. EASTLAND), the Senator from Maryland (Mr. MATHIAS), and the Senator from Louisiana (Mr. JOHNSTON) were added as cosponsors of S. 2813, to establish within the Department of the Treasury, an agency for energy adjustment to administer a guaranteed Government loan program for adjustments necessary to convert to a petroleum-scarce economy.

S. 2854

At the request of Mr. CRANSTON, the Senator from Tennessee (Mr. BROCK) was added as a cosponsor of S. 3234, a bill to authorize a vigorous Federal pro- Act to expand the authority of the National Institute of Arthritis, Metabolic and Digestive Diseases in order to advance a national attack on arthritis.

S. 3056

At the request of Mr. HASKELL, the Senator from Wyoming (Mr. HANSEN) was added as a cosponsor of S. 3056, to authorize the Secretary of Agriculture to amend retroactively regulations of the Department of Agriculture pertaining to the computation of price support payments under the National Wool Act of 1954 in order to insure the equitable treatment of ranchers and farmers.

S. 3234

At the request of Mr. HUMPHREY, the Senator from Rhode Island (Mr. PELL) was added as a cosponsor of S. 2854, a bill to amend the Public Health Service gram of research and development to assure the utilization of solar energy as a major source for our national energy needs, to provide for the development and commercial use of solar technology and to establish an Office of Solar Energy Research in the U.S. Government.

SENATE JOINT RESOLUTION 173

At the request of Mr. DOMINICK, the Senator from New York (Mr. JAVITS) was added as a cosponsor of Senate Joint Resolution 173, to authorize and request the President of the United States to appoint a national commission for the control of epilepsy and its consequences.

SENATE JOINT RESOLUTION 181

At the request of Mr. DOMINICK, the Senator from New Hampshire (Mr. McINTYRE) was added as a cosponsor of Senate Joint Resolution 181, establishing the National Coin Week.

SENATE RESOLUTION 300—SUBMISSION OF A RESOLUTION TO ESTABLISH LEGISLATIVE REVIEW SUBCOMMITTEES IN THE STANDING COMMITTEES OF THE SENATE

(Referred to the Committee on Rules and Administration.)

LEGISLATIVE REVIEW SUBCOMMITTEES: NO MORE "PASS IT AND FORGET IT" LEGISLATION

Mr. HUMPHREY. Mr. President, last week the Senate passed historic legislation to reform the budgetmaking procedures of Congress.

Among the provisions of the budget reform bill was a title strengthening the ability of Congress to carry out its legislative review and oversight function.

Under that title, we authorized the committees to use modern and innovative techniques in reviewing and appraising how the executive branch carries out laws we have passed in Congress. We agreed to equip the General Accounting Office with better physical and legal tools for assisting Congress in that process. And we instructed the Comptroller General to advise Congress on means of improving its performance of this important duty.

During debate on that title, I introduced with my distinguished colleague from Maryland (Mr. BEALL) a modified version of an amendment I had offered earlier. It proposed the establishment of legislative review subcommittees in the standing committees of the Senate, and it set forth a system designed to assure that each Federal program would be reviewed in the Senate at least once every 5 years, and hopefully every 3. This was a logical extension of the provisions of the budget reform bill, and of the intent of its authors.

I was gratified and encouraged, Mr. President, by the kind response given to the amendment. The distinguished Senator from West Virginia (Mr. ROBERT C. BYRD) graciously promised that, as chairman of the Subcommittee on Standing Rules of the Committee on Rules and Administration, he would see that a prompt hearing was held on our proposal if it would be reintroduced as a resolution amending the Standing Rules of the Senate.

With that promise in mind, I submit such a resolution today.

During the debate on the amendment last Friday, three other Senators also offered their support as cosponsors of such a resolution.

They are the Senator from Delaware (Mr. BIDEN), the Senator from Tennessee (Mr. BROCK), and the Senator from Maine (Mr. MUSKIE). I am happy to include them as cosponsors of the resolution I offer today.

Mr. President, I wish to repeat the descripion I offered on Friday, outlining the provisions of the resolution.

It provides for three possible means of fulfilling the legislative review and evaluation responsibilities of the Senate.

The first method, which we hope would be used most often, would be accomplished by having the committee that holds jurisdiction over a program assign responsibility to a subcommittee to review and evaluate it, with the assistance of the legislative review subcommittee established under our resolution.

If, however, this subcommittee, given program evaluation responsibility by the committee of jurisdiction, fails to carry out its responsibility in 3 years, the duty would automatically revert to the subcommittee on legislative review.

If that subcommittee, too, failed to carry out the responsibility within 1 year after having received it, the Senate would request the Comptroller General to have the program reviewed and to submit a report to the appropriate standing committee.

The Committee on Appropriations would be exempt from the requirements of the resolution.

Mr. President, the new rule would assure that every program we enact and every law we pass would be subject to review and evaluation once in every 3 years at best, and at a minimum every 5 years.

For too long, the Senate, with its tremendous workload and responsibilities in the areas of writing new legislation, has failed to adopt a reliable, systematic means of carrying out its oversight responsibilities on past legislation.

It is true that a subcommittee here, a committee there, does from time to time single out a particular program and call in for hearings the executive branch administrators who run the program and some citizens directly affected by it, and perhaps some outside specialists who are knowledgeable in its operation.

But as a rule, our fulfillment of this important responsibility has been weak and irregular. In general, we have too often fallen into the habit of "pass it and forget it" lawmaking. This is a bad habit to allow to persist. We must break it and form some good habits instead.

I believe there is no better time than now to adopt better habits where this important legislative function is concerned. We have just passed a major reform in our methods of handling the Federal budget each year, and I earnestly hope that we will soon pass a final version after conference with the House of Representatives.

From so great an achievement as this, the reform of our budgetmaking procedures, it should be a relatively easy matter to revitalize our performance of the duty to oversee and review the laws we have passed and the programs we have instituted in the past.

There are other reforms and improvements still needed beyond this, to be sure. I refer my colleagues to my bill, S. 2992, the Modern Congress Act, as an outline of some of the major needs as I see them. The resolution I offer today is drawn from one of the 11 titles in that bill.

Mr. President, prompt consideration of the legislative review subcommittee concept, as the next step in the modernization of this great institution of Congress, would be most appropriate.

I ask unanimous consent that the text of the resolution be printed in the Record.

There being no objection, the resolution was ordered to be printed in the Record, as follows:

A Resolution To Establish Legislative Review Subcommittees in the Standing Committees of the Senate

Whereas there is imposed upon the standing committees of the Senate the duty to conduct analysis, appraisal and evaluation of the programs, policies and procedures of the United States Government, in carrying out the Laws enacted by Congress; and

Whereas that duty has been fulfilled unevenly and sporadically and there are many programs that have been too long neglected as the object of Congressional oversight proceedings in the Senate:

Now therefore be it

Resolved that the Standing Rules of the Senate are amended by adding at the end thereof the following new rule:

"Rule XLV.

"Legislative Review Subcommittees.

"1. Each standing committee shall establish a subcommittee on legislative review. The purpose and duty of such subcommittees shall be to assist the Senate in—

"(a) its analysis, appraisal and evaluation of the application, administration, and execution of those laws, or parts of laws, the subject matter of which is within the jurisdiction of the committee of each such subcommittee, and in particular, in its analysis, appraisal and evaluation of any order, regulation, rule, certificate, code of fair competition, license, notice, or similar instrument, issued, prescribed, or promulgated in the administration and execution of such laws or parts of laws, and

"(b) its formulation, consideration and enactment of such modifications of or changes in those laws, and of such additional legislation, as may be necessary or appropriate.

"2. In the case of a committee having one or more subcommittees to which the committee has given responsibility for considering and making recommendations with respect to subject matters within the subject jurisdiction of the committee, the Subcommittee on Legislative Review of that committee shall assist that subcommittee in reviewing and studying the application, administration, and execution of those laws, or parts of laws, which are within such responsibility. Any such subcommittee shall make a report on the results of its review and study at least once every three years. In the event the subcommittee has not made a report within a three-year period, the Subcommittee on Legislative Review of the committee shall make such review and study, and submit a report thereon to the committee, not later than one year after the subcommittee having such responsibility was to have made such report. In the case of any subject matter not within the responsibility of any particular subcommittee of the committee, the Subcommittee on Legislative Review of that committee shall make such review and study with respect to such subject matter and submit a report thereon to the committee not less than once every third year.

"3. In any case in which the Subcommittee on Legislative Review has not submitted a report to be prepared by it under paragraph (2) of this Rule within the period of time provided in that paragraph, the Comptroller General shall, within one year after the last day on which the subcommittee report was to have been submitted, make such study and report the subcommittee was to have made, and submit a report thereon to the committee.

"4. The provisions of this rule do not apply to the Committee on Appropriations of the Senate.

"5. Nothing in this Rule shall be construed as precluding any Legislative Review Subcommittee of the Senate from conducting hearings and engaging in other deliberations jointly with such committees or subcommittees of the House of Representatives which the House may designate to conduct the analyses, appraisals and reviews required under this Rule."

ADDITIONAL COSPONSOR OF A RESOLUTION

Senate Resolution 281

At the request of Mr. Inouye, the Senator from Virginia (Mr. Harry F. Byrd, Jr.) was added as a cosponsor of Senate Resolution 281, to express the sense of the Senate with respect to the allocation of necessary energy sources to the tourism industry.

ADDITIONAL COSPONSORS OF A CONCURRENT RESOLUTION

Senate Concurrent Resolution 68

At the request of Mr. Javits, the Senator from South Carolina (Mr. Hollings), the Senator from Hawaii (Mr. Inouye), the Senator from South Carolina (Mr. Thurmond), the Senator from New Jersey (Mr. Williams), the Senator from Indiana (Mr. Bayh), the Senator from Florida (Mr. Gurney), the Senator from Wyoming (Mr. Hansen), the Senator from Rhode Island (Mr. Pastore), the Senator from Wisconsin (Mr. Proxmire), the Senator from Ohio (Mr. Taft), and the Senator from North Dakota (Mr. Young) were added as cosponsors of Senate Concurrent Resolution 68, to express the sense of Congress regarding Americans missing in action in Indochina.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974—AMENDMENTS

AMENDMENT NO. 1112

(Ordered to be printed, and to lie on the table.)

Mr. FANNIN (for himself and Mr. Tower) submitted an amendment, intended to be proposed by them, jointly, to the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

AMENDMENT NO. 1113

(Ordered to be printed, and to lie on the table.)

Mr. BAYH. Mr. President, I have long been concerned with the growing public cynicism and loss of confidence in government. More than 3½ years ago I introduced two bills aimed at establishing new standards of conduct for public officials, the Judicial Disqualification Act and the Omnibus Disclosure Act. Both were outgrowths of lessons learned during the debates over the qualifications of Supreme Court nominees.

Day after day banner headlines furnish new disclosures which continue to undermine the already shaky faith of our citizens in their government in general, and which erode public confidence in the integrity of public officials and the electoral process in particular. The callous subversion of the political process represented by the Watergate affairs is a national tragedy of major proportions.

Too many good Americans believe the tactics of Watergate are business as usual in the political and governmental process. Bugging, burglary, bribery, and perjury are not acceptable in the political process. It is a national tragedy that such acts are accepted and associated as part of the political process in the public mind today.

The bill presently under consideration will go a long way toward meeting the responsibility of the legislative branch to act to correct the abuses which became so starkly evident in the 1972 campaign. Many Members of the Senate have worked long and hard in developing the provisions of this comprehensive legislation, most particularly the distinguished chairman of the Rules Committee and manager of the bill, Mr. Cannon. This is an excellent bill and has my full support.

There is, however, one additional aspect of campaign practices which Watergate revealed which I believe should be covered in a comprehensive bill and this involves what have come to be known as "dirty tricks." Almost a year ago when I introduced my own omnibus bill, the Campaign and Election Reform Act of 1973, I thought that a provision to prohibit such practices was necessary, and I would hope that the amendment that I am now offering to S. 3044 would be accepted.

My amendment would provide that any candidate for Federal office, or his employee or agent, who fraudulently misrepresents himself as speaking, writing, or otherwise acting on behalf of any other candidate or party if the effect is or may be to damage that candidate, is guilty of a felony and may be fined up to $50,000 or imprisoned for up to 5 years or both.

I ask unanimous consent that the text of the amendment be printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 1113

At the appropriate place insert the following new section:

SEC. —. Whoever, being a candidate for federal office, as defined herein, or an employee or agent of such a candidate,

(a) fraudulently misrepresents himself or any committee or organization under his control as speaking or writing or otherwise acting for or on behalf of any other candidate or political party or employee or agent thereof on a matter which is or may be damaging to such other candidate or political party or employee or agent thereof; or

(b) willfully and knowingly participates in or conspires to participate in any plan, scheme, or design to violate paragraph (a) hereof, shall, for each such offense, be fined not more than $50,000 or imprisoned not more than five years or both.

AMENDMENT NO. 1114

(Ordered to be printed, and to lie on the table.)

Mr. HUDDLESTON submitted an amendment, intended to be proposed by him, to Senate bill 3044, supra.

AMENDMENT NO. 1115

(Ordered to be printed, and to lie on the table.)

Mr. CHILES submitted amendments, intended to be proposed by him, to Senate bill 3044, supra.

AMENDMENT NO. 1118

(Ordered to be printed, and to lie on the table.)

Mr. CLARK submitted amendments, intended to be proposed by him, to Senate bill 3044, supra.

AMENDMENT NO. 1120

(Ordered to be printed, and to lie on the table.)

Mr. BARTLETT submitted an amendment, intended to be proposed by him, to Senate bill 3044, supra.

DEVELOPMENT OF CERTAIN MINERALS ON PUBLIC LANDS—AMENDMENTS

AMENDMENT NO. 1116

(Ordered to be printed, and referred to the Committee on Interior and Insular Affairs.)

Mr. GOLDWATER submitted amendments, intended to be proposed by him, to the bill (S. 3085) to provide for the development of certain minerals on public lands, and for other purposes.

AUTHORIZATION OF APPROPRIATIONS FOR THE DEPARTMENT OF STATE—AMENDMENT

AMENDMENT NO. 1117

(Ordered to be printed, and referred to the Committee on Foreign Relations.)

U.S. AMBASSADORS

Mr. MUSKIE. Mr. President, 2 months ago our relations with Thailand were severely strained as a result of CIA meddling in Thailand's internal affairs without the knowledge, much less the approval, of the new American Ambassador, William Kinter. To add to the embarrassment, the Ambassador happened to be an ex-employee of the CIA.

This is not the first time an American Ambassador has been surprised to learn of free-wheeling activities by agencies which the Ambassador is, in theory, supposed to control. For every incident reported in the press, it is likely there are many unreported situations where the Ambassador has been kept in the dark about U.S. Government activities he should have known about. Four years ago, for example, the FBI office in Paris was instrumental in bugging or tapping columnist Joseph Kraft while he was in France. The American Ambassador at the time—along with Mr. Kraft and the rest of the American people—found out about it only last year through the press.

On Harry Truman's desk was a sign which read: "The Buck Stops Here." The amendment I am introducing today stops the in-country buck with the Ambassador. It would vest in him responsibility for the activities of all U.S. agencies within his country and would make those agencies responsible to the Ambassador—with the single exception of military operational commands.

The text of the legislation, which I plan to offer within the Foreign Relations Committee as an amendment to the fiscal year 1975 State Department authorizations bill, is derived from President Nixon's letter of December 9, 1969, concerning the responsibilities of Ambassadors. It is but a restatement of a similar letter sent by the late President Kennedy to all American Ambassadors. Since neither letter had the force of law, all too often these Presidential directives have been ignored, both by Ambassadors and by aggressive or ambitious representatives of other agencies.

I believe that approval of this legislation will do much to bring about a unified voice for our country abroad and end the recurring breakdowns of command and control in our country's official overseas establishments. It will provide backbone for the Ambassador where backbone is needed and induce much-needed caution on the part of other agencies when caution is called for. Any agency acting without the Ambassador's knowledge and consent will act at its own peril. And the Ambassador acts at his peril if he fails to stay informed, in command, and in control.

It is high time for Congress to assign full responsibility to the Ambassador—by law—for all U.S. operations within his country and, in turn, to make all American departments and agencies responsible to the Ambassador. Mr. President, at this time I ask unanimous consent to have printed in the RECORD the text of the amendment.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 1117

At the end of the bill, add the following new section:

AUTHORITY OF AMBASSADORS

SEC. 7. The Act entitled "An Act to provide certain basic authority for the Department of State", approved August 1, 1956, as amended, is further amended by adding at the end thereof the following new section:

"SEC. 16. (a) The United States Ambassador to a foreign country shall have full responsibility for the direction, coordination, and supervision of all United States Government officers and employees in that country, except for personnel under the command of a United States area military commander.

"(b) The Ambassador shall keep himself fully and currently informed with respect to all activities and operations of the United States Government within that country. He shall insure that all Government officers and employees in that country, except for personnel under the command of a United States area military commander, comply fully with his directives.

"(c) Any department or agency having officers or employees in a country shall keep the United States Ambassador to that country fully and currently informed with respect to all activities and operations of its officers and employees in that country. The department or agency shall also insure that all of its officers and employees, except for personnel under the command of a United States area military commander, comply fully with all applicable directives of the Ambassador."

ESTABLISHMENT OF A NATIONAL ENERGY INFORMATION SYSTEM—AMENDMENT

AMENDMENT NO. 1119

(Ordered to be printed, and referred to the Committee on Interior and Insular Affairs.)

Mr. HARTKE submitted an amendment, intended to be proposed by him, to the bill (S. 2782) to establish a National Energy Information System, to authorize the Department of the Interior to undertake an inventory of U.S. energy resources on public lands and elsewhere, and for other purposes.

ADDITIONAL COSPONSORS OF AN AMENDMENT

AMENDMENT NO. 1039

Mr. GURNEY. Mr. President, on March 20, my distinguished colleague from Kansas (Mr. DOLE) and I submitted Amendment No. 1039 to S. 354, the no-fault insurance bill. I ask that the following Senators be added as cosponsors of this amendment: the Senator from Pennsylvania (Mr. SCOTT), the Senator from North Carolina (Mr. HELMS), the

Senator from California (Mr. TUNNEY), and the Senator from Illinois (Mr. STEVENSON).

In addition, Mr. President, I ask that a copy of the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 1039

On page 64, line 25, after the word "located", insert: "except that a vehicle having less than four wheels may be specifically excluded, at the option of a State establishing a no-fault plan for motor vehicle insurance in accordance with title II of this Act, from the requirements and benefits of such plan".

On page 101, line 23, delete the word "or".

Between lines 23 and 24 add the following:

"(2) a deductible not to exceed an amount deemed reasonable by the insurance commissioner of such State for each individual if he sustains injury while he is operating a motor vehicle having less than four wheels, is a passenger on such a vehicle, or both; or".

On line 24 change "(2)" to "(3)".

NOTICE CONCERNING NOMINATION BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

S. John Cottone, of Pennsylvania, to be U.S. attorney for the middle district of Pennsylvania for the term of 4 years. (reappointment)

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Thursday, April 4, 1974, any representations or objections they may wish to present concerning the above nomination, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

NOTICE OF HEARINGS ON WARRANTLESS WIRETAPPING AND ELECTRONIC SURVEILLANCE

Mr. KENNEDY. Mr. President, next week the Subcommittee on Administrative Practice and Procedure, together with the Subcommittee on Constitutional Rights and the Foreign Relations Subcommittee on Surveillance, will begin a series of hearings on warrantless wiretapping and electronic surveillance. The first two hearings will be held on Wednesday, April 3, and Monday, April 8.

I ask unanimous consent that the release announcing the hearings be inserted in the RECORD at this point.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

SENATORS KENNEDY, MUSKIE, AND ERVIN ANNOUNCE OPENING OF WIRETAP HEARINGS

Senators Edward M. Kennedy, Edmund S. Muskie and Sam J. Ervin, Jr. today announced the opening of joint hearings on warrantless wiretapping and electronic surveillance.

The joint hearings will be held by the Judiciary Subcommittee on Administrative Practice and Procedure, chaired by Senator Kennedy; the Foreign Relations Subcommittee on Surveillance, chaired by Senator Muskie; and the Judiciary Subcommittee on Constitutional Rights, chaired by Senator Ervin.

The first day of hearings will be held Wednesday, April 3, in Room 2228 Dirksen Office Building, at 10:00 a.m. The second hearing will be held Monday, April 8, in Room 4221 Dirksen Office Building, at 10:00 a.m.

The witnesses scheduled to testify include:

Wednesday, April 3: Elliot L. Richardson, former Attorney General; Ramsey Clark, former Attorney General.

Monday, April 8: Senator Lowell P. Weiker, Jr.

Additional hearings will be held following the Congressional recess. During these hearings the Subcommittee will invite testimony from present and former officials of the Departments of Justice and State, representatives of the press, public interest groups, legal authorities, and victims of warrantless wiretaps.

The joint hearings follow an intensive five-month investigation conducted by the three Subcommittees. They will focus on the historical background of warrantless electronic surveillance; the "national security" concepts on which it has been justified; the practices and procedures of the Justice and State Departments and other agencies in conducting and authorizing electronic surveillances without court orders; and the cases of the wiretapping of 17 government officials and newsmen, plus others, which have recently come to light.

It is expected that the hearings will result in the development of new legislation and improved administrative guidelines.

HEARING ANNOUNCEMENT ON S. 813 AND H.R. 7730

Mr. JACKSON. Mr. President, I wish to announce a hearing by the Public Lands Subcommittee of the Interior and Insular Affairs Committee on S. 813 and H.R. 7730, bills to authorize the Secretary of the Interior to purchase property located within the San Carlos mineral strip.

The hearing will be held on April 10, 1974 at 10 a.m. in room 3110, Dirksen Senate Office Building. Those who wish to testify or submit a statement for inclusion in the hearing record should contact Steven P. Quarles, special counsel to the committee, at 225–2656.

ADDITIONAL STATEMENTS

THE CONTINENTAL SHELF

Mr. FANNIN. Mr. President, on July 23, 1969 the Special Subcommittee on the Outer Continental Shelf was constituted by the chairman of the Senate Interior Committee, Senator JACKSON. At that time Senator METCALF was designated its chairman. Under his capable and dedicated leadership, the special subcommittee held 8 days of extensive hearings. Those proceedings resulted in a comprehensive hearing record of almost 900 pages, covering virtually every issue related to establishment of a seaward boundary of the U.S. Outer Continental Shelf.

From this thorough investigation was drawn the report of the special subcommittee, issued on December 21, 1970 with the unanimous support of the members of the subcommittee. One of its most significant conclusions was:

> We adopt the view of the American Branch of the International Law Association regarding the seaward limits of the legal Continental Shelf. That position is not only consistent with the wisest of policy preferences, but more importantly soundly interprets the present law. It holds that "rights under the 1958 Geneva Convention on the Continental Shelf extends to the limit of exploitability existing at any given time within an ultimate limit of adjacency which would encompass the entire continental margin."[1]

Further elaborating on that position, the special subcommittee report stated:

> We construe the heart of our sovereign rights under the 1958 Geneva Convention to consist of the following:
>
> (1) The exclusive ownership of the mineral estate and sedentary species of the entire continental margin;
>
> (2) The exclusive right to control access for exploration and exploitation of the entire continental margin; and
>
> (3) The exclusive jurisdiction to fully regulate and control the exploration and exploitation of the natural resources of the entire continental margin.[2]

Ever since that time members of the Interior Committee and others have been urging the administration to issue leases for mineral development beyond the 200-meter isobath, not only because of our certainty that under international law the United States has every right to do so, but more importantly because we need the energy. From time to time State and Defense Department officials have browbeaten the Interior Department into a hesitancy to issue leases beyond 200 meters, claiming that in their opinion U.S. rights in such areas were in question. That position was addressed in the report of the special subcommittee as follows:

> (1) The offer to renounce our sovereign rights beyond the 200-meter isobath could cast a cloud on our present title to the resources of our continental margin;
>
> (2) The renunciation of our sovereign rights to the resources of our continental margin beyond the 200-meter isobath in no way guarantees the willingness of the international community to redelegate functionally to us the same rights we would renounce, and
>
> (3) Our sovereign rights to explore and exploit our continental margin, although reaffirmed by the 1958 Geneva Shelf Convention, are nevertheless inherent rights which have vested by virtue of the natural extension beneath the sea of our sovereign land territory. Our sovereign rights to the resources of this area are not dependent upon the acquiescence and approval of the international community. To renounce these inherent rights and to ask that they be re-

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[1] Outer Continent Shelf. Report by the Special Subcommittee on Outer Continental Shelf to the Committee on Interior and Insular Affairs, U.S. Senate. December 21, 1970. Pages 15–16.

[2] Report by the Special Subcommittee on Outer Continental Shelf. Page 29.

turned in part to us merely requests the international community to give us that which, *ipso facto* and *ab initio*, is rightfully ours to begin with.[3]

Clearly those overtures on the part of the State and Defense Departments were politically motivated by concern over the impact of leasing beyond the 200-meter isobath on the forthcoming International Law of the Sea Conference. As has been repeatedly pointed out in Interior Committee staff reports related to United Nations preparation for the Law of the Sea Conference, only a few landlocked countries oppose the principle that coastal States have existing rights to control mineral resources development over their entire continental margin. For example:

> . . . the trend during the summer of 1971 discussion of the U.N. Seabed Committee concerning the limits of coastal state jurisdiction was toward a 200-mile boundary. Only a handful of land-locked and shelf-locked nations expressed opposition to broad limits of national jurisdiction over seabed resources. The majority of nations preferred 200 miles or the outer edge of the submerged land continent.[4]

Mr. President, on March 28 of this year the Interior Department will hold an oil and gas lease sale of certain Outer Continental Shelf lands off the Louisiana coast in the Gulf of Mexico. Of the tracts in that sale, at least 23 extend beyond the 200-meter depth contour.

Senator Metcalf is to be congratulated for his persistent yet patient leadership in asserting that not only does the United States have existing rights under international law to lease beyond the 200-meter isobath, but also that it is in the national interest for the United States to do so. Thus, 56 months after Senator Metcalf began his investigations as chairman of the Special Subcommittee on the Outer Continental Shelf, and 39 months after its report was issued, the Interior Department has finally seen the light.

This should be a proud day for America and a gratifying day for Senator Metcalf. We salute him for his tireless efforts which have been so effective in prodding the administration into action.

Mr. HANSEN. Mr. President, I was not a member of the Special Subcommittee on the Outer Continental Shelf. However, serving on the Senate Interior Committee has made clear to me the need for development of the vital mineral resources off our coasts. At a time when U.S. companies are being nationalized abroad, when imported supplies of critical raw materials are becoming increasingly undependable, our offshore resources hold particular promise. It would be sheer folly to forfeit our existing rights to our Continental Shelf. Therefore, I am in complete accord with the position taken by the Special Subcommittee on the Outer Continental Shelf.

I would like to second the distinguished Senator from Arizona (Mr. Fannin) in commending Senator Metcalf for his important efforts—both before and after the special subcommittee issued its report—to encourage the Interior Department to proceed with leasing beyond the 200-meter isobath. For his continued diligence and patience since the special subcommittee was constituted, the American people owe him a great deal. I am proud to commend him for his leadership in this area.

Mr. JOHNSTON. Mr. President, although not a member of the Senate when the report of the Special Subcommittee on the Outer Continental Shelf was issued, I have had opportunity to participate in the deliberations of the Subcommittee on Minerals, Materials, and Fuels chaired by Senator Metcalf. I heartily concur in the assessment expressed by my colleagues that Senator Metcalf has played a vital role in bringing about increased leasing of Outer Continental Shelf lands, and I congratulate him for his important contributions to alleviating the energy crunch through such leasing.

It is with particular pleasure that I rise today to commend my colleague from Montana. The offshore lease sale to which he has so significantly contributed is off the coast of my own State of Louisiana. The citizens of Louisiana will benefit from the additional jobs, capital investment, and greater onshore development that will occur as a result of this lease sale. So the State of Louisiana owes a special debt to Senator Metcalf for his continued leadership in this area. Accordingly, I congratulate him personally, and on behalf of the people of Louisiana, for his untiring efforts in this regard.

Mr. MOSS. Mr. President, although I am no longer a member of the Interior Committee, I had the privilege of serving on the Special Subcommittee on the Outer Continental Shelf and completely support the conclusions expressed in its report of December 1970. As a member of that subcommittee I am delighted to join my colleagues in congratulating its chairman, Senator Metcalf, for his important work in this area. Oftentimes the administration turned a seemingly deaf and uncooperative ear to his counsel. At last, however, the Interior Department has scheduled the OCS lease sale so long recommended by my distinguished colleague from Montana. I congratulate him for this important achievement.

That accomplishment is all the more significant because, as my colleague Senator Fannin has pointed out, some have argued against it on the grounds that it might jeopardize international negotiations. On the contrary, I quote from the first Interior Committee staff report on the law of the sea that—

> There has been a substantial diminution of the prospects for international acceptance of the administration proposal calling for the nations of the world to renounce their sovereign rights in their continental margins beyond the 200-meter depth contour. A majority of coastal nations represented on the U.N. Seabed Committee have adopted a position on the outer limits of exclusive national jurisdiction over seabed resources more consistent with the position taken by the Special Subcommittee on the Outer Continental Shelf.

The U.S. Government must protect the concerns of its nationals by insuring them their right to explore and develop the natural resources on our continental margin beyond the 200-meter isobath.

Thanks to the leadership of the distinguished Senator from Montana (Mr. Metcalf) a major step has been taken in the direction of making those assurances.

Mr. BELLMON. Mr. President, I congratulate my distinguished colleague from Montana for the role he has played in encouraging administration action on OCS leasing beyond the 200-meter depth contour. While serving under his chairmanship on the special Subcommittee on the Outer Continental Shelf, it became clear to me that such action would not be prompt in coming. As the years went by following issuance of the special subcommittee report, Senator Metcalf persisted in his efforts to encourage Interior Department leasing of OCS tracts far offshore. It is a tribute to his patient and skillful leadership that the March 28 lease sale has been scheduled. I salute him for his success in the area of development of resources on our entire continental margin.

Senator Metcalf has also pioneered in another related area, that of deep seabed mining. I have cosponsored his bill, S. 1134, the Deep Seabed Hard Mineral Resources Act. It applies a similar principle to resource development on the high seas that the special subcommittee called for with respect to resources on the continental margin beyond the 200-meter isobath. The special subcommittee report phrased it this way:

> Prior to adoption of a seabed treaty . . . the U.S. Government should provide measures designed to insure protection of investors who desire to exercise present high seas rights to explore and exploit the wealth of the deep seabed beyond the limits of the submerged land continent.

Senator Metcalf has been pressing for action on S. 1134 throughout the Interior Committee's extensive hearings on the bill. I hope that the leadership abilities he directed to OCS mineral development will achieve equal success for S. 1134.

OMB IMPOUNDMENT REPORT

Mr. ERVIN. Mr. President, I call to the attention of the Senate the latest report by the Office of Management and Budget under the Federal Impoundment and Information Act, as amended.

This report lists the amount of appropriated funds which the administration had in reserve as of February 4, 1974.

Because of the interest in the issue of impoundment of appropriated funds, I ask unanimous consent that the OMB report be printed in the RECORD for the information of the Senate.

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[3] Report by the Special Subcommittee on Outer Continental Shelf. Page 29.

[4] *The Law of the Sea Crisis.* A Staff Report on the United Nations Seabed Committee, the Outer Continental Shelf and Marine Mineral Development. Committee on Interior and Insular Affairs, United States Senate. December 1971. Page 5.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

EXECUTIVE OFFICE OF THE PRESIDENT,
Washington, D.C., February 19, 1974.

Hon. GERALD R. FORD,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: The enclosed report is submitted pursuant to the Federal Impoundment and Information Act, as amended. In accordance with that Act, the report is being transmitted to the Congress and to the Comptroller General of the United States, and will be published in the Federal Register.

Sincerely,

ROY L. ASH,
Director.

BUDGETARY RESERVES AS OF FEBRUARY 4, 1974

The apportionment and reservation of funds process

The Antideficiency Act (31 U.S.C. 665) requires, with certain exceptions, that all appropriations, funds, and contract authority be apportioned so as to: prevent obligation of funds in a manner which would require deficiency or supplemental appropriations; achieve the most effective and economical use of amounts made available; provide for contingencies; and effect savings. The Act also requires that apportionments shall be reviewed at least four times each year, and it authorizes reapportionments and the establishment of reserves. The authority granted by this Act is exercised by the Director of the Office of Management and Budget under authority delegated by the President.

Apportionments specifiy the amounts that may be obligated during specific time periods, usually within the current fiscal year. In some cases, specific provisions of law provide that funds should be available over a period longer than one year. In cases where the amount of contract authority available a year in advance is specified by law, a distinction is made in the accompanying report (Attachment D) between the 1974 and 1975 programs.

The practice of withholding some amounts—"reserving" them—from apportionment, either temporarily or for longer periods, is one of long-standing and has been exercised by all recent administrations as a customary part of financial management. The Antideficiency Act authorizes the withholding of funds from apportionment to provide for contingencies or to effect savings made possible by or through changes in requirements, greater efficiency of operations, or other developments subsequent to the date on which the funds were made available. When funds are, by law, made available beyond the current fiscal year, they are generally not fully apportioned in the current year. The unapportioned part is withheld to be released later for use in subsequent years, as required.

In some legislative and appropriation actions, the Congress has required the withholding of specialized funds. For example, the 1973 Agriculture-Environmental and Consumer Protection Appropriation Act (Public Law 92-399) explicitly required that an amount be placed in reserve pending an administrative determination of need. In other cases, notably the 1974 Labor-HEW Appropriations Act (Public Law 93-192), Congress has authorized the withholding from obligation and expenditure of specified amounts or percentages of appropriated funds. A table showing the amounts withheld under Public 93-192 is Attachment A to this report.

In this case, and in instances in which statutory restrictions prevent the use of funds during the fiscal year, the amounts are not considered a part of availability and are therefore not included in the listings of reserves.

In yet another case, Congress has made funds available only upon the arrival of certain contingencies. The 1974 Supplemental Appropriations Act (Public Law 93-245) sets aside a contingency reserve for the Interior Department's Office of Oil and Gas which is to become available only upon enactment of emergency energy legislation.

These Congressional directives are, however, the exception rather than the rule. Most reserves are established at the initiative of the Executive Branch and are based on operational knowledge of the status of specific projects or activities. For example, when a particular objective can be accomplished at less cost than had been anticipated when the appropriation was made, a reserve assures that savings can be realized and, if appropriate, returned to the Treasury. In other cases, apportionments sometimes await (1) development by the affected agencies of approved plans and specifications, (2) completion of studies for the effective use of the funds, including necessary coordination with the other Federal and non-Federal parties that might be involved, (3) establishment of a necessary organization and designation of accountable officers to manage the programs, or (4) the arrival of certain contingencies under which the funds must by statute be made available (e.g., certain direct Federal credit aids when private sector loans are not available). From time to time, reserves are established for the purpose of conforming to the requirements of other laws. An example is the Executive's responsibility to stay within the statutory limitation on the outstanding public debt.

Most, but not all, funds provided by the Congress are subject to the apportionment process. Subsection (f) of the Antideficiency Act authorizes a series of exemptions. Temporary continuing appropriations are exempt from the apportionment process (Public Law 93-52, as amended, Section 103). Appropriations provided under such temporary continuing appropriation acts are usually indefinite in amount. In addition, some laws establish funding arrangements which are either outside the apportionment process or require Executive determinations before they become subject to apportionment. The Federal Water Pollution Control Act of 1972 (Public Law 92-500), for example, vests discretion in the Administrator of the Environmental Protection Agency to allot less than the maximum amounts authorized by the Act.* Under the provisions of the Act, authority to make contracts, does not exist until the allotment is made. Consequently, fund availability (budget authority) exists only when allotments are made and only allotted funds move through the apportionment process. At this date, funds authorized by the Federal Water Pollution Control Act have been allotted on the following basis (dollars in billions):

	Authorized	Allotted	Unallotted
Fiscal years:			
1973	5	2	3
1974	6	3	3
1975	7	4	3

Funds for the Department of Housing and Urban Development present two unique situations with respect to the apportionment of funds. An appropriation for five subsidized housing programs is provided under the account "Housing payments." This appropriation is requested for the payments coming due within a given fiscal year for housing subsidy programs for which long-term commitment authority has been authorized. Fund availability is represented only by the balances of the appropriated amounts; it does not represent the balance of the commitment authority which may extend from 30 to 40 years. Since reserves are established only on the basis of fund availability, and since funds appropriated for this program are needed for liquidation at an early date, no reserves have been established for the subsidized housing programs.

Funds for the Rehabilitation loan program of the Department of Housing and Urban Development have been the subject of litigation in the District Court for the District of Columbia. A total of $37,218,000 is involved, representing estimated repayments and interest not subject to appropriation action. The amount at issue includes funds which have not yet been—and may not be—received during the current fiscal year.

The amount of funds apportioned or held in reserve at any one time is heavily dependent upon events both preceding and following initial apportionment actions. Key among the predecessor events is the passage of the annual appropriation bills. Apportionments for most Federal programs are made within 30 days of enactment of the appropriation bills. The earlier in the fiscal year these apportionments occur, the greater is the chance that reserves will accompany them. Early in the fiscal year, program and project plans are incomplete and allowances need to be made for contingencies which may occur later in the year. As administrative plans are completed and other events occur during the year, the need for reserving funds diminishes. Thus, for any one fiscal year, the amount in reserve is relatively low at the beginning of the year (reflectng primarily multi-year funds), peaks 30 days after passage of most of the appropriation bills, and then steadily diminishes as the end of the fiscal year approaches.

Reserves as of February 4, 1974

All but $3.7 billion of the $11.8 billion in reserve for 1974 is accounted for by reserve actions in three years: Federal aid highways ($3.4 billion), emergency security assistance for Israel ($2.2 billion), and programs of the Department of Defense ($2.5 billion). Virtually all of the $6.3 billion in reserve for 1975 is in the Federal aid highways account and other highway programs.

The $4.4 billion increase in budgetary reserves for the 1974 program reflects the passage of ten regular appropriation bills and a supplemental appropriation bill since the September 30 report, which included apportionments and reserves for only the three appropriation bills then enacted.

Reserve actions have been initiated in some programs and amounts in reserve increased in others principally to await completion of 1974 program and project plans and to meet contingencies during the 1974 program-year. In the case of programs which have been provided obligational authority beyond the current fiscal year, reserves have been established to ensure that funds will be available beyond FY 1974 as needed. In addition, reserve actions have been taken in some programs to set aside funds to be used later in the year to meet increased pay costs and thus eliminate the need for supplemental appropriations.

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*Whether the discretion exists at the allotment stage or at some later stage is now before the courts.

Report required by law

This report is submitted in fulfillment of the requirements of the "Federal Impoundment and Information Act," as amended, which provides for a report of "impoundments" and certain other information pertaining thereto. This report lists the budgetary reserves that were in effect as of February 4, 1974.

The Antideficiency Act requires that all apportionments be reviewed at least quarterly, and that reapportionments be made or reserves be established, modified, or released as may be necessary to further the effective use of the funds concerned. Thus, in answer to item Number 5 of the Federal Impoundment and Information Act, the period of time during which funds are to be in reserve is dependent in all cases upon the results of such later review.

Attachment D lists, by agency, all accounts for which some funds are reserved. An asterisk (*) identifies those accounts added to the listing since the last report (i.e., such accounts contained no reserves on September 30, 1973). The listing:

Presents the amount currently apportioned for the fiscal year 1974:

Presents the amount in reserve as of February 4, 1974:

States whether the amount reserved will be legally available for obligation in fiscal year 1975;

Indicates the date of the reserve action and the effective date of the current reserve;

Presents a code which relates to the reason for the current reserve action, without necessarily exhausting all possible reasons; and

Presents a code which indicates the estimated fiscal, economic, and budgetary impact of the current reserve.

Codes used in the remainder of this report relating to the reasons for and estimated fiscal, economic, and budgetary impact of the reserve actions are described in Attachments B and C. The codes and footnotes listed for each entry relate to conditions which were in effect as of the date of the reserve action.

1974 LABOR/HEW APPROPRIATIONS—FUNDS WITHHELD FROM OBLIGATION AND EXPENDITURE

The 1974 appropriations act for the Departments of Labor, and Health, Education, and Welfare, and related agencies (P.L. 93-192) contains the provision that "not to exceed $400 million, . . . may be withheld from obligation and expenditure. . . ." The appropriation provision may be reduced by more than five percent. In addition, the conference report (H.R. 93-682) establishes dollar limitations for the reductions that may be made to specified programs.

The following table shows the effect of the amounts withheld from programs receiving appropriations under this act. A comparison is drawn between amounts authorized to be withheld in the conference report and actual amounts withheld, as reflected in the 1975 Budget Appendix:

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

[In thousands of dollars]

	Authorized to be withheld (conference report)	Amounts withheld (1975 budget)	Difference
HEALTH			
Health Services and Mental Health Administration:			
Mental health	26,874	9,567	−17,307
Health services planning and development[1]	17,509	25,937	−16,649
Health services delivery[1]	2,800		
Health manpower[1]	22,277		
Preventive health services	4,936	0	−4,936
Subtotal	74,396	35,504	−38,892
National Institutes of Health:			
National Cancer Institute	27,560	23,706	−3,854
National Heart and Lung Institute	15,145	13,365	−1,780
National Institute of Dental Research	2,278	1,607	−671
National Institute of Arthritis, Metabolism and Digestive Diseases	7,972	6,486	−1,486
National Institute of Neurological Diseases and Stroke	6,250	5,042	−1,208
National Institute of Allergy and Infectious Diseases	5,700	3,596	−2,104
National Institute of General Medical Sciences	8,838	8,449	−389
National Institute of Child Health and Human Development	6,512	5,357	−1,155
National Eye Institute	2,081	1,684	−397
National Institute of Environmental Health Sciences	1,443	482	−961
Research resources	6,672	5,153	−1,519
John E. Fogarty International Center	237	0	−237
National Library of Medicine	877	0	−877
Subtotal	91,564	74,927	−16,637
Total, health	165,960	110,431	−55,528
EDUCATION			
Office of Education:			
Elementary and secondary education	96,725	94,979	−1,746
School assistance in federally affected area	16,584	16,584	0
Education for the handicapped	5,325	5,325	0
Occupational, vocational, and adult education	26,354	26,354	0
Higher education	29,167	29,167	0
Library resources	8,585	3,688	−4,897
Educational development	4,487	4,487	0
Salaries and expenses	93	93	0
Total, education	187,320	180,677	−6,643
WELFARE			
Social and Rehabilitation Service:			
Grants to States for public assistance	2,500	2,500	0
Social and rehabilitation services	7,775	7,775	0
Subtotal	10,275	10,275	0
Office of Child Development:			
Child development (total)	15,500	9,020	−6,480
Total, welfare	25,775	19,295	−6,480
RELATED AGENCIES			
Corporation for Public Broadcasting	2,500	[2] 2,250	−250
Office of Economic Opportunity	17,315	[3] 9,800	−7,515
Total, related agencies	18,815	12,050	−7,765
Total, HEW and related agencies	398,870	322,453	−76,416

[1] The 1974 activities of these programs are divided between Health Services Administration and health resources in the 1975 budget appendix.

[2] This withholding does not appear in the 1975 budget appendix.

[3] In the 1975 budget appendix, this figure is shown as an unobligated balance lapsing.

REASON FOR CURRENT RESERVE

Code 1. "To provide for contingencies" (31 USC 665(c)(2)).

Code 2. "To effect savings whenever savings are made possible by or through changes in requirements, greater efficiency of operations, or other developments subsequent to the date on which such (funds were) made available" (31 USC 665(c)(2)).

Code 3. To reduce the amount of or to avoid requesting a deficiency or supplemental appropriation in cases of appropriations available for obligation for only the current year (31 USC 665(c)(1)). This explanation includes amounts anticipated to be used to absorb or partially absorb the costs of recent pay raises grant pursuant to law.

Code 4. "To achieve the most effective and economical use" of funds available for periods beyond the current fiscal year (31 USC 665(c)(1)). This explanation includes reserves established to carry out the Congressional intent that funds provided for periods greater than one year should be so apportioned that they will be available for the future periods.

Code 5. Temporary deferral pending the establishment of administrative machinery (not yet in place) of the obtaining of sufficient information (not yet available) to apportion the funds properly and to insure that the funds will be used in "the most effective and economical" manner (31 USC 665(c)(1)). This explanation includes reserves for which apportionment awaits the development by the agency of approved plans, designs, specifications.

Code 6. The President's constitutional duty to "take care that the laws be faithfully executed" (U.S. Constitution, Article II, Section 3):

Code 6a—Obligation at this time of the amount in reserve is likely to contravene law regarding the environment; or the amount in reserve is being held pending further study to evaluate the environmental impact of the affecting projects (activities) as required by law.

Code 6b—Existing tax laws and the statutory limitation on the national debt are not expected to provide sufficient funds in the current and ensuing fiscal years to cover the total of all outlays in these years contemplated by the individual acts of Congress.

Code 6c—Action taken consistent with the President's responsibility to help maintain economic stability without undue price and cost increases.

Code 6d—Amount apportioned reflects the level of obligations implicitly approved by the Congress in its review of and action on the appropriation required to liquidate obligations under existing contract authority.

Code 6e—Other. See footnote for each item so coded.

Code 7. The President's constitutional authority and responsibility as Commander in Chief (U.S. Constitution, Article II, Section 2).

Code 8. The President's constitutional authority and responsibility for the conduct of foreign affairs (U.S. Constitution, Article II, Section 2).

Code 9. Other. See footnote for each item so coded.

Code 10. Not applicable or no reason required. (In most cases where a previous reserve has been apportioned in its entirety.)

ESTIMATED FISCAL, ECONOMIC, AND BUDGETARY EFFECT

I. Same effect as set forth in the most recently submitted budget document, of which this item is an integral part.

II. The reserve action will bring the budgetary impact of this program to a level nearer or equal to that contemplated in the most recently submitted budget document and contribute to the reduction of inflationary pressures.

III. The change from the previous reserve is expected to contract the budgetary impact of this program and contribute to the reduction of inflationary pressures.

IV. The release or reduction of the previous reserve will facilitate use and expenditure of the available funds consistent with current program needs and economic conditions in the area affected.

V. Other. See footnote for each item so coded.

VI. Not applicable or no explanation required. (In most cases where a previous reserve has been apportioned in its entirety.)

SUMMARY OF BUDGETARY RESERVES

[In millions of dollars [1]]

Agency	Amount as of— Sept. 30, 1973	Amount as of— Feb. 4, 1974
1974 PROGRAM		
Executive Office of the President		1
Funds appropriated to the President	96	2, 507
Department of Agriculture	1, 173	1, 091
Department of Commerce	63	59
Department of Defense—military	1, 143	2, 514
Department of Defense—civil	1	4
Department of Health, Education, and Welfare	23	381
Department of Housing and Urban Development	456	823
Department of the Interior	162	219
Department of Justice	14	14
Department of Labor		21
Department of State		86
Department of Transportation	3, 838	3, 817
Department of Treasury	22	23
Atomic Energy Commission	27	
Environmental Protection Agency		95
General Services Administration	258	38
National Aeronautics and Space Administration	2	2
Veterans' Administration	43	
Other independent agencies:		
National Science Foundation	4	
Small Business Administration	31	31
All other	90	89
Total	7, 446	11, 813
1975 PROGRAM		
Department of Agriculture		140
Department of the Interior	75	190
Department of Transportation		5, 994
Total	75	6, 324

[1] Details may not add due to rounding.

BUDGETARY RESERVES

[In thousands of dollars]

[General notes.—Amounts in parenthesis indicate actions superseded by later apportionment actions. An asterisk (*) indicates an account added to the list since the last report. An account without an entry in the amount apportioned column indicates no apportionment has been made for fiscal year 1974]

	Amount apportioned	Amount in reserve	Available beyond fiscal year 1974?	Date of reserve action	Effective date of reserve	Reason for current reserve (see code)	Estimated fiscal, economic, and budgetay effect (see code)
Executive Office of the President—Funds appropriated to the President:							
Appalachian Regional Commission: Appalachian Regional Development Programs	(209, 000)	(225, 000)	Yes	June 29, 1973	July 1, 1973	5, 6c	I
	(320, 395)	(40, 000)	Yes	Sept. 12, 1973	Sept. 12, 1973	5, 6c	I
	325, 747	40, 000	Yes	Oct. 23, 1973	Oct. 23, 1973	5, 6c	I
Agency for International Development: Prototype desalting plant		(20, 000)	Yes	Apr. 7, 1972	July 1, 1973	5	I
	(1)	20, 000	Yes	Jan. 29, 1974	Jan. 29, 1974	5	I
Foreign Military Credit Sales*	78, 940	246, 060	No	Jan. 23, 1974	Jan. 23, 1974	5	I
Emergency Security Assistance for Israel*		[2] 2, 200, 000	No	Feb. 1, 1974	Feb. 1, 1974	5	I
Council on Environmental Quality and Office of Environmental Quality*	1, 930	536	No	Nov. 7, 1973	Nov. 7, 1973	5	I
Special Action Office for Drug Abuse Prevention:*							
Salaries and expenses	(3, 800)	(1, 200)	No	Dec. 26, 1973	Dec. 26, 1973	5	I
	5, 000		NA	Jan. 11, 1974	Jan. 11, 1974	10	VI
Pharmacological research*	(400)	(19, 600)	No	Dec. 26, 1973	Dec. 26, 1973	5	I
	20, 000		NA	Jan. 11, 1974	Jan. 11, 1974	10	VI
Special Fund*	(1, 300)	(24, 700)	No	Dec. 26, 1973	Dec. 26, 1973	5	I
	26, 000		NA	Jan. 11, 1974	Jan. 11, 1974	10	VI
National Security Council*	2, 502	300	No	Nov. 16, 1973	Nov. 16, 1973	5	I
The Inter-American Foundation: Inter-American Foundation	(5, 000)	(35, 652)	Yes	June 12, 1973	July 1, 1973	4	V[3]
	(5, 000)	(35, 735)	Yes	Dec. 4, 1973	Dec. 4, 1973	4	I
	10, 000	(3)	NA	Jan. 28, 1974	Jan. 28, 1974	10	VI[4]
Department of Agriculture:							
Agriculture Research Service: Construction		1, 520	Yes	June 29, 1973	July 1, 1973	4, 6b	I
Animal and Plant Health Inspection Service:							
Animal and plant health inspection service*	317, 083	878	No	Nov. 23, 1973	Nov. 23, 1973	1	I
Animal quarantine station*	130, 000	64	Yes	do	do	5	I
Extension service: Extension service*	201, 429	3, 200	No	do	do	2	I
Foreign Agriculture Service: Salaries and expenses, special foreign currency program	1, 000	1, 240	Yes	May 23, 1973	July 1, 1973	4	I
Agricultural Stabilization and Conservation Service:							
Salaries and expenses*	(256, 626)	(2, 619)	No	Nov. 23, 1973	Nov. 23, 1971	1	I
	256, 443	2, 802	No	Jan. 21, 1974	Jan. 21, 1974	2	I
Rural environmental assistance program 1973–74	( )	(210, 500)	No[5]	Jan. 26, 1973	July 1, 1973	6b	I
Rural Environmental Assistance Program—1974–75	90, 000	85, 000	Yes	Nov. 23, 1973	Nov. 23, 1973	4	I
Emergency Conservation Measures*	20, 453	10, 000	Yes	do	do	1	I
Water Bank Act Program		(11, 391)	Yes	Jan. 26, 1973	July 1, 1973	6b	I
	10, 006	11, 645	Yes	Nov. 23, 1973	Nov. 23, 1973	6b	I
Cropland Adjustment Program*	50, 300	1, 600	No	do	do	2	I
Commodity Credit Corporation: Administrative expenses*		(497)	No	do	do	1	I
	[6] 39, 631	269	No	Dec. 21, 1973	Dec. 21, 1973	1	III
Rural Electrification Administration: Loans		456, 103	Yes	Jan. 26, 1973	July 1, 1973	2, 6b, 6c	I
Farmers Home Administration:							
Rural Water and Waste Disposal Grants		(120, 000)	Yes	Jan. 26, 1973	do	6b, 6c	I
		(150, 304)	Yes	Nov. 23, 1973	Nov. 23, 1973	6b, 6c	I
	30, 000	120, 304	Yes	Nov. 28, 1973	Nov. 28, 1973	6b, 6c	I
Rural Housing for Domestic Farm Labor Grants		(1, 621)	Yes	Jan. 31, 1973	July 1, 1973	5, 6b	I
	(750)	(1, 831)	Yes	Sept. 10, 1973	Sept. 10, 1973	5, 6b	V[7]
	1, 000	9, 081	Yes	Nov. 23, 1973	Nov. 23, 1973	5, 6b	I
Mutual and Self-Help Housing Grants		(832)	Yes	Sept. 22, 1972	July 1, 1973	4	I
	3, 832	1, 001	Yes	Nov. 23, 1973	Nov. 23, 1973	4	I
Rural Housing Insurance Fund		(133, 000)	Yes	Jan. 26, 1973	July 1, 1973	4	I
	[8] 1, 435, 035		NA	Sept. 12, 1973	Sept. 12, 1973	10	VI
Soil Conservation Service:							
Resource Conservation and Development*	24, 189	4, 439	Yes	Nov. 23, 1973	Nov. 23, 1973	4	I
Watershed Planning*	13, 268	535	Yes	do	do	4	I
River Basin Surveys and Investigations*	16, 587	60	Yes	do	do	4	I
Watershed and Flood Prevention Operations*	169, 448	17, 454	Yes	do	do	4	I
Agricultural Marketing Service:							
Marketing services, no-year	(1, 422)	(818)	Yes	June 11, 1973	July 1, 1973	4	I
	(1, 812)	(818)	Yes	Sept. 26, 1973	Sept. 26, 1973	4	I
	1, 812	1, 101	Yes	Jan. 22, 1974	Jan. 22, 1974	4	I
Perishable Agricultural Commodities Act Fund	(1, 416)	(58)	Yes	June 11, 1973	July 1, 1973	4	I
	1, 460	270	Yes	Dec. 26, 1973	Dec. 26, 1973	4	I

See footnotes at end of table.

BUDGETARY RESERVES—Continued

[In thousands of dollars]

[General notes.—Amounts in parenthesis indicate actions superseded by later apportionment actions. An asterisk (*) indicates an account added to the list since the last report. An account without an entry in the amount apportioned column indicates no apportionment has been made for fiscal year 1974]

	Amount apportioned	Amount in reserve	Available beyond fiscal year 1974?	Date of reserve action	Effective date of reserve	Reason for current reserve (see code)	Estimated fiscal, economic, and budgetary effect (see code
Department of Agriculture—Continued							
Forest Service:							
Forest protection and utilization*	(3,791)	(2,128)	Yes	Nov. 2, 1973	Nov. 2, 1973	4	I
	3,846	2,073	Yes	Jan. 2, 1974	Jan. 2, 1974	4	I
Construction and land acquisition*	52,196	1,315	Yes	Nov. 2, 1973	Nov. 2, 1973	5	I
Youth Conservation Corps*	(6,693)	(3,307)	Yes	Nov. 9, 1973	Nov. 9, 1973	4	I
	6,893	[9] 3,107	Yes	Jan. 11, 1974	Jan. 11, 1974	4	I
Forest roads and trails and roads and trails for States/1974 program	(.....)	(278,398)	Yes	Mar. 28, 1973	July 1, 1973	4, 6b, 6d	I
	(117,164)	(208,934)	Yes	July 16, 1973	July 16, 1973	4, 6d [11]	I
	(123,558)	(342,894)	Yes	Nov. 2, 1973	Nov. 2, 1973	4, 6d	I
	131,815	334,636	Yes [10]	Jan. 23, 1974	Jan. 23, 1974	4, 6d	I
Forest roads and trails and roads and trails for States—1975 program		140,000	Yes	Nov. 2, 1973	Nov. 2, 1973	6d	I
Brush disposal	(18,657)	(26,601)	Yes	June 8, 1973	July 1, 1973	5	I
	25,000	21,554	Yes	Nov. 2, 1973	Nov. 2, 1973	4	V [12]
Forest fire prevention	275	109	Yes	June 8, 1973	July 1, 1973	4	I
Department of Commerce:							
General administration: Special foreign currency program*	1,885	1,055	Yes	Dec. 21, 1973	Dec. 21, 1973	2	II
Office of Assistant Secretary for Science and Technology: Scientific and technical research and services*	131,485	11,934	Yes	Dec. 27, 1973	Dec. 27, 1973	5	I
Social and Economic Statistics Administration: 1974 Census of Agriculture		(1,360)	Yes	Nov. 24, 1972	July 1, 1973	2, 4	I
	1,300		NA	Sept. 12, 1973	Sept. 12, 1973	10	VI
Domestic and International Business:							
Financial and technical assistance, trade adjustment assistance*	15,000	11,780	Yes	Dec. 21, 1973	Dec. 21, 1973	2	I
International Activities, Inter-American Cultural and Trade Center	292	5,067	Yes	June 26, 1973	July 1, 1973	4, 5	I
Participation in United States Expositions (Spokane Ecological Exhibition)*	7,575	[13] 1,105	Yes	Oct. 5, 1973	Oct. 5, 1973	4, 5	I
Office of Minority Business: Minority Business Development, no-year		(16,768)	Yes	Jan. 26, 1973	July 1, 1973	4, 6b	I
	(9,080)	(14,330)	Yes	July 24, 1973	July 24, 1973	5	I
	26,752		NA	Oct. 16, 1973	Oct. 16, 1973	10	VI
National Oceanic and Atmospheric Administration:							
Operations, Research, and Facilities [14]		(31,005)	Yes	June 28, 1973	July 1, 1973	2, 4, 6b	I
	(29,868)	(2,392)	Yes	July 19, 1973	July 19, 1973	2, 4, 6b	I
	(30,082)	(2,178)	Yes	Sept. 26, 1973	Sept. 26, 1973	2, 4	I
	(406,694)	(2,178)	Yes	Dec. 27, 1973	Dec. 27, 1973	3	I
	416,981	2,178	Yes	Jan. 16, 1974	Jan. 16, 1974	3 [15]	I
Satellite Operations [16]		(727)	Yes	June 28, 1973	July 1, 1973	5	I
	727		NA	Dec. 27, 1973	Dec. 27, 1973	10	VI
Promote and Develop Fishery Products and Research Pertaining to American Fisheries	(7,191)	(3,159)	Yes	Mar. 29, 1973	July 1, 1973	4, 5, 6a	I
	(7,336)	(3,111)	Yes	July 26, 1973	July 26, 1973	4, 5, 6a	I
	7,450	3,027	Yes	Dec. 21, 1973	Dec. 21, 1973	4, 5, 6a	I
Coastal zone management*	−5,200	6,800	Yes	Dec. 21, 1973	Dec. 21, 1973	4	I
National Bureau of Standards:							
Plant and facilities		1,850	Yes	Nov. 24, 1972	July 1, 1973	2, 4, 6b	I
Research and technical services, no-year		3,812	Yes	May 7, 1973	do	5, 6b	I
Construction of facilities	(......)	(740)	Yes	Jan. 26, 1973	do	4, 6b	I
	539	231	Yes	Dec. 21, 1973	Dec. 21, 1973	1	I
Maritime Administration:							
Ship construction	(......)	(34,000)	Yes	June 29, 1973	July 1, 1973	4	III
	(9,137)	(24,863)	Yes	July 27, 1973	July 27, 1973	4	IV
	304,953	5,500	Yes	Dec. 21, 1973	Dec. 21, 1973	2	II
Research and development		5,000	Yes	Jan. 18, 1973	July 1, 1973	4,6b	I
State marine schools		127	Yes	Nov. 24, 1972	do	4	I
Federal ship financing fund	(2,582)	(1,446)	Yes	June 27, 1973	July 1, 1973	5	I
	4,026		NA	Oct. 11, 1973	Oct. 11, 1973	10	VI
Department of Defense—Military:							
Procurement:							
Missile procurement, Army, 1973–1975	(......)	(2,500)	Yes	Feb. 5, 1973	July 1, 1973	4	I
	163,382		NA	Sept. 11, 1973	Sept. 11, 1973	10	VI
Procurement of aircraft and missiles, Navy, 1973–1975	(......)	(13,281)	Yes	June 29, 1973	July 1, 1973	5	I
	(946,747)	(13,281)	Yes	Sept. 6, 1973	Sept. 6, 1973	5	I
	878,276		NA	Jan. 28, 1974	Jan. 28, 1974	10	VI
Aircraft procurement, Air Force, 1972–1974	(415,551)	(143,492)	No	Sept. 7, 1973	Sept. 7, 1973	5	I
	368,478		NA	Nov. 1, 1973	Nov. 1, 1973	10	VI
Aircraft procurement, Air Force, 1973–1975	(1,076,916)	(160,556)	Yes	Sept. 7, 1973	Sept. 7, 1973	5	I
	1,224,500		NA	Nov. 1, 1973	Nov. 1, 1973	10	VI
Shipbuilding and conversion, Navy, 1971–1975	(......)	(145,672)	Yes	Nov. 24, 1972	July 1, 1973	4	I
	892,655		NA	Sept. 11, 1973	Sept. 11, 1973	10	VI
Shipbuilding and conversion, Navy, 1972–1976		(427,212)	Yes	Nov. 24, 1972	July 1, 1973	4	I
	738,000	148,081	Yes	Sept. 11, 1973	Sept. 11, 1973	4	I
Shipbuilding and conversion, Navy, 1973–1977		(763,300)	Yes	June 29, 1973	July 1, 1973	4	I
	992,000	408,512	Yes	Sept. 11, 1973	Sept. 11, 1973	4	I
Shipbuilding and conversion, Navy, 1974–1978*	2,711,300	826,800	Yes	Jan. 28, 1974	Jan. 28, 1974	4	I
Military Construction:							
Military construction, Army		(70,304)	Yes	June 27, 1973	July 1, 1973	5	I
	(648,440)	(90,954)	Yes	Aug. 16, 1973	Aug. 16, 1973	5	I
	(648,020)	(95,488)	Yes	Dec. 27, 1973	Dec. 27, 1973	5	I
	(762,670)	(558,958)	Yes	Jan. 18, 1974	Jan. 18, 1974	5	I
	1,184,957	138,956	Yes	Jan. 24, 1974	Jan. 24, 1974	5	I
Military construction, Navy		(68,133)	Yes	June 27, 1973	July 1, 1973	5	I
	(385,805)	(65,858)	Yes	Aug. 14, 1973	Aug. 14, 1973	5	I
	(334,948)	(64,674)	Yes	Oct. 11, 1973	Oct. 11, 1973	5	I
	(336,468)	(64,754)	Yes	Oct. 16, 1973	Oct. 16, 1973	5	I
	(336,848)	(64,774)	Yes	Nov. 14, 1973	Nov. 14, 1973	5	I
	(338,174)	(64,439)	Yes	Dec. 17, 1973	Dec. 17, 1973	5	I
	412,974	598,931	Yes	Jan. 9, 1974	Jan. 9, 1974	5	I
Military construction, Air Force	(......)	(51,607)	Yes	June 27, 1973	July 1, 1973	5	I
	(180,860)	(49,773	Yes	July 20, 1973	July 20, 1973	5	I
	(141,224)	(39,009)	Yes	Aug. 14, 1973	Aug. 14, 1973	5	I
	(160,501)	(39,409)	Yes	Oct. 16, 1973	Oct. 16, 1973	5	I
	(171,972)	(29,937)	Yes	Jan. 7, 1974	Jan. 7, 1974	5	I
	218,426	232,760	Yes	Jan. 17, 1974	Jan. 17, 1974	5	I

See footnotes at end of table.

BUDGETARY RESERVES—Continued

[In thousands of dollars]

[General notes.—Amounts in parenthesis indicate actions superseded by later apportionment actions. An asterisk (*) indicates an account added to the list since the last report. An account without an entry in the amount apportioned column indicates no apportionment has been made for fiscal year 1974]

	Amount apportioned	Amount in reserve	Available beyond fiscal year 1974?	Date of reserve action	Effective date of reserve	Reason for current reserve (see code)	Estimated fiscal, economic, and budgetary effect (see code)
Military construction, Defense agencies	(------------)	(58,415)	Yes	Feb. 15, 1973	July 1, 1973	5	I
	(8,000)	(58,215)	Yes	Aug. 23, 1973	Aug. 23, 1973	5	I
	(8,957)	(56,615)	Yes	Oct. 16, 1973	Oct. 16, 1973	5	I
	(10,277)	(54,895)	Yes	Nov. 14, 1973	Nov. 14, 1973	5	I
	(10,277)	(53,904)	Yes	Nov. 17, 1973	Nov. 17, 1973	5	I
	(15,133)	(49,048)	Yes	Jan. 9, 1974	Jan. 9, 1974	5	I
	15,133	46,763	Yes	Jan. 24, 1974	Jan. 24, 1974	5	I
Military construction, Army National Guard	(------------)	(102)	Yes	June 14, 1973	July 1, 1973	5	I
	(3,051	(------------)	NA	Aug. 16, 1973	Aug. 16, 1973	10	VI
	8,943	29,300	Yes	Jan. 18, 1974	Jan. 18, 1974	5	I
Military construction, Air National Guard	(------------)	(17)	Yes	May 29, 1973	July 1, 1973	5	I
	(5,280)	(17)	Yes	Sept. 6, 1973	Sept. 6, 1973	5	I
	(5,280)	(------------)	Yes	Oct. 23, 1973	Oct. 23, 1973	10	VI
	4,278	16,000	Yes	Jan. 18, 1974	Jan. 18, 1974	5	I
Military construction, Army Reserve		(7,109)	Yes	Mar. 8, 1973	July 1, 1973	5	I
	(25,423)	(7,109)	Yes	Sept. 10, 1973	Sept. 10, 1973	5	I
	(29,909)	(2,623)	Yes	Nov. 8, 1973	Nov. 8, 1973	5	I
	34,709	38,523	Yes	Jan. 18, 1974	Jan. 18, 1974	5	I
Military construction, Naval Reserve		(3,943)	Yes	May 3, 1973	July 1, 1973	5	I
	(17,640)	(1,842)	Yes	Aug. 8, 1973	Aug. 8, 1973	5	I
	(18,657)	(915)	Yes	Nov. 8, 1973	Nov. 8, 1973	5	I
	20,099	22,373	Yes	Jan. 14, 1974	Jan. 14, 1974	5	I
Military construction, Air Force Reserve		(850)	Yes	June 20, 1973	July 1, 1973	5	I
	(2,415)	(850)	Yes	Sept. 6, 1973	Sept. 6, 1973	5	I
	(2,444)	(821)	Yes	Oct. 23, 1973	Oct. 23, 1973	5	I
	(3,444)	(9,821)	Yes	Jan. 18, 1974	Jan. 18, 1974	5	I
	10,089	3,176	Yes	Feb. 1, 1974	Feb. 1, 1974	5	I
Defense Civil Preparedness Agency: Research, shelter survey, and marketing*	24,617	1,100	Yes	Nov. 27, 1973	Nov. 27, 1973	5	I
Special foreign currency program:							
Special foreign currency program, Defense, 1972–74		(2,477)	Yes	Dec. 18, 1972	July 1, 1973	5	I
	3,169	2,051	No	Aug. 31, 1973	Aug. 31, 1973	5	I
Special foreign currency program, Defense, 1973–1975		(400)	Yes	Dec. 4, 1972	July 1, 1973	5	I
	2,998	400	Yes	Sept. 6, 1973	Sept. 6, 1973	5	I
Department of Defense—Civil:							
Corps of Engineers:							
General Investigations		(150)	Yes	June 29, 1973	July 1, 1973	5	I
	65,084	150	Yes	Sept. 15, 1973	Sept. 15, 1973	5[17]	II
Construction		(783)	Yes	June 29, 1973	July 1, 1973	5	I
	(9,100)	(333)	Yes	July 27, 1973	July 27, 1973	5	I
	(9,175)	(258)	Yes	July 30, 1973	July 30, 1973	5	I
	1,114,829	258	Yes	Sept. 15, 1973	Sept. 15, 1973	5[17]	II
Flood control, Mississippi River and tributaries		(750)	Yes	June 29, 1973	July 1, 1973	5	I
	(151,819)	(750)	Yes	Sept. 15, 1973	Sept. 15, 1973	5[17]	II
	166,419	750	Yes	Jan. 26, 1974	Jan. 26, 1974	5	I
Soldiers' and Airmens' Home: Capital outlay*	2,165	612	Yes	Jan. 4, 1974	Jan. 4, 1974	5	I
Panama Canal: Canal Zone Government, capital outlay		(700)	Yes	Sept. 8, 1972	July 1, 1973	5	I
	36	81	Yes	Sept. 14, 1973	Sept. 14, 1973	1	V[18]
Wildlife Conservation:							
Wildlife conservation, Army	(598)	(107)	Yes	June 14, 1973	July 1, 1973	1	I
	606	342	Yes	Jan. 31, 1974	Jan. 31, 1974	1	I
Wildlife conservation, Navy	(60)	(8)	Yes	June 14, 1973	July 1, 1973	1	I
	69	22	Yes	Oct. 3, 1973	Oct. 3, 1973	1	I
Wildlife conservation, Air Force	(124)	(40)	Yes	June 14, 1973	July 1, 1973	1	I
	124	20	Yes	Jan. 22, 1974	Jan. 22, 1974	1	I
Salaries and expenses: Cemeterial expenses, Army	14,448	2,053	Yes	Sept. 14, 1973	Sept. 14, 1973	5	I
Department of Health, Education, and Welfare:							
Health Services Administration:							
Health services delivery *	915,869	2,250	Yes	Feb. 4, 1974	Feb. 4, 1974	5	I
Indian health services *	(94,372)	(91,626)	No	Nov. 28, 1973	Nov. 28, 1973	5	I
	185,998		NA	Feb. 4, 1974	Feb. 4, 1974	10	VI
Indian health facilities	(3,482)	(848)	Yes	June 27, 1973	July 1, 1973	5	I
	(34,815)	(20,593)	Yes	Nov. 28, 1973	Nov. 28, 1973	5	I
	55,320	88	Yes	Jan. 30, 1974	Jan. 30, 1974	5	I
National Institutes of Health:*							
Research resources*	126,941	1,378	No	Jan. 18, 1974	Jan. 18, 1974	3	I
Buildings and facilities*	1,000	23,701	Yes	Jan. 18, 1974	Jan. 18, 1974	5	I
Mental health*	827,193	13,194	No	Jan. 28, 1974	Jan. 28, 1974	1	I
Health Resources Administration:							
Health manpower*	734,635	5,370	No	Feb. 4, 1974	Feb. 4, 1974	3	I
Health services planning and development*	555,997	6,228	No	Feb. 4, 1974	Feb. 4, 1974	3	I
Assistant Secretary for Health:							
Office of International Health; Scientific Activities Overseas (Special foreign currency program)*	13,505	21,714	Yes	Jan. 30, 1974	Jan. 30, 1974	4	I
Elementary and secondary education*	2,025,168	1,746	No	Jan. 17, 1974	Jan. 17, 1974	1	I
Higher education, 1974–1976*	238,000	237,000	Yes	do	do	4	I
Higher education, no-year		(1,889)	Yes	Nov. 30, 1972	July 1, 1973	5	I
	346,118	8,788	Yes	Jan. 17, 1974	Jan. 17, 1974	4	I
Office of Education:							
Library resources*	163,124	4,897	No	Jan. 18, 1974	Jan. 18, 1974	3	I
Educational development*	15,675	32	Yes	do	do	1	I
Educational Activities Overseas, special foreign currency program		(16)	Yes	Apr. 6, 1972	July 1, 1973	5	I
	2,539		NA	Jan. 17, 1974	Jan. 17, 1974	10	VI
Social and Rehabilitation Service:*							
Research and training overseas*	3,700	7,490	Yes	Jan. 18, 1974	Jan. 18, 1974	4	I
Social Security Administration:							
Limitation on salaries and expenses*	1,879,000	13,580	No	Feb. 4, 1974	Feb. 4, 1974	1	I
Limitation on construction (Trust fund)		(12,095)	Yes	Apr. 27, 1972	July 1, 1973	4, 5	I
	(12,679)	(19,973)	Yes	Aug. 21, 1973	Aug. 21, 1973	4, 5	I
	(15,614)	(17,425)	Yes	Nov. 30, 1973	Nov. 30, 1973	4, 5	I
	17,646	15,393	Yes	Feb. 4, 1974	Feb. 4, 1974	4, 5	I
Special Institutions: Howard University*	9,132	11,490	Yes	Jan. 17, 1974	Jan. 17, 1974	4	I
Office of Human Development: Child Development*	419,910	6,480	No	Jan. 18, 1974	Jan. 18, 1974	3	I

See footnotes at end of table.

BUDGETARY RESERVES—Continued

[In thousands of dollars]

[General notes.—Amounts in parenthesis indicate actions superseded by later apportionment actions. An asterisk (*) indicates an account added to the list since the last report. An account without an entry in the amount apportioned column indicates no apportionment has been made for fiscal year 1974]

	Amount apportioned	Amount in reserve	Available beyond fiscal year 1974?	Date of reserve action	Effective date of reserve	Reason for current reserve (see code)	Estimated fiscal, economic, and budgetary effect (see code)
Department of Housing and Urban Development:							
Housing Production and Mortgage Credit: Non-profit Sponsor Assistance		6,530	Yes	Apr. 15, 1973	July 1, 1973	5, 6b, 6c	I
Community Development:							
Model Cities Program*	(50,055)	(100,012)	Yes	Nov. 26, 1973	Nov. 26, 1973	6c	V[19]
	75,055	75,012	Yes	Nov. 30, 1973	Nov. 30, 1973	6c	IV
Grants for Neighborhood Facilities*		48	Yes	Nov. 27, 1973	Nov. 27, 1973	6c	I
Open Space Land Program	( )	(27,730)	Yes	Mar. 8, 1973	July 1, 1973	6b, 6c	I
		55,161	Yes	Nov. 9, 1973	Nov. 9, 1973	6c	I
Grants for Basic Water and Sewer Facilities	( )	(400,175)	Yes	Jan. 26, 1973	July 1, 1973	6b, 6c	I
		401,734	Yes	Nov. 27, 1973	Nov. 27, 1973	6b, 6c	I
Urban Renewal Fund*	(613,500)	(311,314)	Yes	Nov. 26, 1973	Nov. 26, 1973	6c	V[19]
	643,500	281,314	Yes	Nov. 30, 1973	Nov. 30, 1973	6c	IV
Public Facility Loans	( )	(20,000)	Yes	Jan. 26, 1973	July 1, 1973	6b, 6c	I
	24,888	(20)	NA	June 20, 1973	do	10	VI
Community Planning and Management: New Community Assistance Grants*		1,799	Yes	Nov. 16, 1973	Nov. 16, 1973	6c	I
Office of Interstate Land Sales Registration: Interstate Land Sales	(1,460)	(1,981)	Yes	June 20, 1973	July 1, 1973	4	I
	1,849	1,379	Yes	Dec. 12, 1973	Dec. 12, 1973	4	III
Department of the Interior:							
Office of Territorial Affairs: Trust Territory of the Pacific Islands*	71,550	800	Yes	Jan. 2, 1974	Jan. 2, 1974	5	I
Bureau of Land Management: Public lands development roads and trails—1974 program.	(4,000)	(8,961)	Yes	June 8, 1973	July 1, 1973	6d	I
	5,205	18,961	Yes	Oct. 3, 1973	Oct. 3, 1973	6d	I
Public lands development roads and trails—1975 program		10,000	Yes	Oct. 3, 1973	Oct. 3, 1973	6d	I
Oregon and California grant lands		(1,150)	Yes	June 8, 1973	July 1, 1973	4, 5	I
	28,750	5,243	Yes	Oct. 2, 1973	Oct. 2, 1973	5	II
Bureau of Indian Affairs:							
Road construction—1974 program	57,060	20,000	Yes	Sept. 12, 1973	Sept. 12, 1973	6d	II
Road construction—1975 program		75,000	Yes	Sept. 12, 1973	Sept. 12, 1973	6d	II
Bureau of Outdoor Recreation:							
Land and water conservation	(208,168)	(61,422)	(21)	June 8, 1973	July 1, 1973	6b	I
	(297,223)	(57,568)	(21)	Nov. 3, 1973	Nov. 3, 1973	5, 6b, 6d	I
	324,763	30,000	(21)	Feb. 2, 1974	Feb. 2, 1974	4, 6d	I
Office of Territorial Affairs*	72,350	[22] 800	Yes	Feb. 2, 1974	Feb. 2, 1974	5	I
Geological Survey: Payments from proceeds, sale of water, Mineral Leasing Act of 1920	(23)	(27)	Yes	May 6, 1973	July 1, 1973	4[24]	I
		26	Yes	Nov. 19, 1973	Nov. 19, 1973	4	I
Bureau of Mines: Drainage of anthracite mines	200	3,575	Yes	June 8, 1973	July 1, 1973	4, 5	I
Bureau of Sport Fisheries and Wildlife:							
Migratory bird conservation account (receipt limitation)	(9,000)	(981)	Yes	do	do	4	I
	(12,000)	(981)	Yes	Aug. 23, 1973	Aug. 23, 1973	4	I
	21,771		NA	Nov. 2, 1973	Nov. 2, 1973	10	VI
Federal aid in wildlife restoration	45,300	7,863	Yes	June 8, 1973	July 1, 1973	4, 5	I
Federal aid in fish restoration and management	14,565	2,339	Yes	do	do	4, 5	I
National wildlife refuge fund	4,620	4,003	Yes	do	do	4, 5	I
Proceeds from sales, water resources development projects	15	4	Yes	June 8, 1973	July 1, 1973	4, 5	I
National Park Service:							
Parkway and road construction/1974 program	(16,338)	(34,160)	Yes	do	do	4, 6d[25]	I
	(16,338)	(229,610)	Yes	Oct. 1, 1973	Oct. 1, 1973	4, 6d	II
	51,183	108,115	Yes	Nov. 2, 1973	Nov. 2, 1973	4, 6d	II
Parkway and road construction/1975 program		105,000	Yes	do	do	4, 6d	II
Planning and construction	(28,100)	(14,500)	Yes	July 30, 1973	July 30, 1973	4	I
	(79,675)	(14,500)	Yes	Nov. 2, 1973	Nov. 2, 1973	4, 5	I
	79,675	14,500	Yes	Jan. 29, 1974	Jan. 29, 1974	4,5	I
Operation, management, maintenance, and demolition of federally acquired property	(17)	(65)	Yes	June 8, 1973	July 1, 1973	4, 5	I
	15		NA	Nov. 2, 1973	Nov. 2, 1973	10	VI
Bureau of Reclamation:							
Construction and rehabilitation	(16,970)	(1,055)	Yes	June 8, 1973	July 1, 1973	5	I
	226,857	1,055	Yes	Sept. 15, 1973	Sept. 15, 1973	5[26]	I
Operation, maintenance, and replacement of project works, North Platte project	(27)	100	Yes	June 6, 1973	July 1, 1973	6e[28]	I
Upper Colorado River Basin Fund	(9,072)	(1,390)	Yes	June 8, 1973	July 1, 1973	5	I
	64,911	1,164	Yes	Sept. 15, 1973	Sept. 15, 1973	5	I
Department of Justice:							
Bureau of Prisons: Buildings and Facilities		(36,411)	Yes	Jan. 26, 1973	July 1, 1973	5, 6b	I
	45,823	13,594	Yes	Sept. 19, 1973	Sept. 19, 1973	5, 6b	I
Department of Labor:*							
Employment Standards Administration: Special benefits*	284,300	20,706	No	Jan. 17, 1974	Jan. 17, 1974	1	V[29]
Department of State:*							
Acquisition, operation, and maintenance of buildings abroad*	62,484	44,521	Yes	Dec. 31, 1973	Dec. 31, 1973	4	I
Assistance to Refugees from the Soviet Union*		36,500	No	Feb. 2, 1974	Feb. 2, 1974	5	I
International Boundary and Water Commission, United States and Mexico: Construction*	15,681	4,983	Yes	Dec. 18, 1973	Dec. 18, 1973	5	I
Department of Transportation:							
Office of the Secretary: Transportation, planning, and research and development		(5,300)	Yes	June 30, 1973	July 1, 1973	4, 6b	I
	34,353		NA	Sept. 14, 1973	Sept. 14, 1973	10	VI
U.S. Coast Guard: Acquisition, construction, and improvements	(30,946)	(10,609)	Yes	July 12, 1973	July 12, 1973	4, 6b	I
	(109,168)	(12,099)	Yes	Sept. 14, 1973	Sept. 14, 1973	4, 6b	II
	102,889	19,396	Yes	Dec. 27, 1973	Dec. 27, 1973	4, 6b	II
Federal Aviation Administration: Civil supersonic aircraft development termination.		(3,575)	Yes	Jan. 23, 1973	July 1, 1973	4, 6b	I
	3,600	3,033	Yes	Sept. 10, 1973	Sept. 10, 1973	4	I
Civil supersonic aircraft development		(2,153)	Yes	Jan. 18, 1973	July 1, 1973	4, 6b	I
	800	2,755	Yes	Sept. 10, 1973	Sept. 10, 1973	4	I
Grants-in-aid for airports (airport and airway trust fund)	13,000	2,000	Yes	Sept. 14, 1973	Sept. 14, 1973	5	I
Facilities and equipment (airport and airway trust fund)		(207,631)	Yes	Jan. 18, 1973	July 1, 1973	4, 6b	I
	293,075	261,919	Yes	Sept. 12, 1973	Sept. 12, 1973	4	I
Research, engineering, and development (airport and airway trust fund)		(10,000)	Yes	Jan. 18, 1973	July 1, 1973	4, 6b	I
			NA	Sept. 14, 1973	Sept. 14, 1973	10	VI
Federal Highway Administration:							
Highway beautification	(41,977)	(11,521)	Yes	June 29, 1973	July 1, 1973	4, 5	I
	50,000		NA	Sept. 15, 1973	Sept. 15, 1973	10	VI
Darien Gap Highway		(545)	Yes	Jan. 18, 1973	July 1, 1973	4, 5	I
	17,661		NA	Sept. 14, 1973	Sept. 14, 1973	10	VI
Highway-related safety grants	(10,459)	(7,897)	Yes	June 29, 1973	July 3, 1973	4, 5	I
	13,229		NA	Sept. 15, 1973	Sept. 15, 1973	10	VI

See footnotes at end of table.

BUDGETARY RESERVES—Continued

[In thousands of dollars]

[General notes.—Amounts in parenthesis indicate actions superseded by later apportionment actions. An asterisk (*) indicates an account added to the list since the last report. An account without an entry in the amount apportioned column indicates no apportionment has been made for fiscal year 1974]

	Amount apportioned	Amount in reserve	Available beyond fiscal year 1974?	Date of reserve action	Effective date of reserve	Reason for current reserve (see code)	Estimated fiscal, economic, and budgetary effect (see code)
Department of Transportation—Continued							
Federal Highway Administration—Continued							
Federal-aid highways—1974 program	(1,617,000)	(2,791,841)	Yes	June 29, 1973	July 2, 1973	4, 5, 6a, 6c	I
	(4,742,497)	(3,414,149)	Yes	Sept. 14, 1973	Sept. 14, 1973	6a, 6c	I
	4,741,018	3,414,619	Yes	Feb. 1, 1974	Feg. 1, 1974	6a, 6c	I
Federal-aid highways—1975 program	[30] (6,010,000)						I
		5,958,500	Yes	Feb. 1, 1974	Feb. 1, 1974	4, 5	I
Rail-crossings-demonstration projects	(22,322)	(3,053)	Yes	Sept. 15, 1973	Sept. 15, 1973	5	I
	21,700	75	Yes	Feb. 1, 1974	Feb. 1, 1974	5	I
Territorial highways	4,000	1,602	Yes	June 29, 1973	July 1, 1973	4, 6c	I
National scenic highways—1974 program*		10,000	Yes	Feb. 1, 1974	Feb. 1, 1974	5	I
National scenic highways—1975 program*		10,000	Yes	Feb. 1, 1974	Feb. 1, 1974	5	I
Trust fund share of other highway programs—1974 program	(6,973)	(15,793)	Yes	June 29, 1973	July 3, 1973	4, 5	I
	(28,120)		NA	Sept. 15, 1973	Sept. 15, 1973	10	VI
	27,993	10,000	Yes	Feb. 1, 1974	Feb. 1, 1974	5	I
Trust fund share of other highway programs—1975 program		25,000	Yes	Feb. 1, 1974	Feb. 1, 1974	5	I
Forest highways trust fund	(24,000)	(47,604)	Yes	June 29, 1973	July 1, 1973	2, 4, 6c	I
	26,000		NA	Sept. 14, 1973	Sept. 14, 1973	10	VI
Public lands highways	(5,000)	(27,000)	Yes	June 29, 1973	July 1, 1973	2, 4, 6c	I
	5,000	5,000	Yes	Sept. 14, 1973	Sept. 14, 1973	4, 6c, 6d	I
Right-of-way revolving fund	(48,000)	(74,782)	Yes	June 29, 1973	July 2, 1973	4, 5	I
	48,000	77,116	Yes	Feb. 1, 1974	Feb. 1, 1974	4, 5	I
National Highway Traffic Safety Administration:							
State and Community Highway Safety	(26,993)	(1,290)	Yes	July 2, 1973	July 2, 1973	1	I
	66,771		NA	Sept. 13, 1973	Sept. 13, 1973	10	VI
Traffic and highway safety	(56,068)	(2,000)	Yes [31]	Sept. 14, 1973	Sept. 14, 1973	5	I
	86,405	2,000	Yes	Jan. 24, 1974	Jan. 24, 1974	5	I
Construction of compliance facilities	(32)	(9,018)	Yes	Jan. 19, 1973	July 1, 1973	4, 5	I
	(32)	18	Yes	Sept. 14, 1973	Sept. 14, 1973	5	V
Trust Fund Share of Highway Traffic Safety Programs	(16,848)	(2,580)	Yes	July 2, 1973	July 2, 1973	1, 5	I
	96,167		NA	Sept. 13, 1973	Sept. 13, 1973	10	VI
Federal Railroad Administration:							
Emergency Rail Facilities Restoration	27,100	7,648	Yes	July 27, 1973	July 27, 1973	2	I
High Speed Ground Transportation Research and Development		(15,000)	Yes	Jan. 19, 1973	July 1, 1973	4, 6b	I
			NA	Sept. 14, 1973	Sept. 14, 1973	10	VI
Grants to the National Railroad Passenger Corporation		(10,000)	Yes	Jan. 19, 1973	July 1, 1973	4, 6b	I
	(54,900)	(48,100)	Yes	Sept 13, 1973	Sept. 13, 1973	4, 6b	V
	103,000		NA	Nov. 23, 1973	Nov. 23, 1973	10	VI [33]
Urban Mass Transportation Administration: Urban Mass Transportation Fund	(941,300)	(210,853)	Yes	July 6, 1973	July 6, 1973	4b, 6b	I
	985,550		NA	Sept. 14, 1973	Sept. 14, 1973	10	VI
Department of the Treasury:							
Office of the Secretary: Construction, Federal Law Enforcement Training Center	383	21,517	Yes	June 6, 1973	July 1, 1973	5	I
Bureau of Accounts: Subsidy payment to environmental protection authority*	75	1,188	No	Nov. 29, 1973	Nov. 29, 1973	2	V [34]
Atomic Energy Commission:							
Operating expenses	(3,164,739)	(16,900)	Yes	Sept. 15, 1973	Sept. 15, 1973	5	I
	(3,174,154)	(7,500)	Yes	Nov. 19, 1973	Nov. 19, 1973	5	I
	3,181,086		NA	Dec. 21, 1973	Dec. 21, 1973	10	VI
Plant and capital equipment	(48,470)	(1,830)	Yes	June 8, 1973	July 1, 1973	5	I
	(637,577)	(9,750)	Yes	Sept. 15, 1973	Sept. 15, 1973	5	I
	(637,912)	(9,400)	Yes	Nov. 4, 1973	Nov. 4, 1973	5	I
	(643,812)	(3,500)	Yes	Nov. 9, 1973	Nov. 9, 1973	5	I
	(645,812)	(1,500)	Yes	Nov. 12, 1973	Nov. 12, 1973	5	I
	677,312		NA	Jan. 10, 1974	Jan. 10, 1974	10	VI
Environmental Protection Agency*							
Research and development*	(8,696)	(9,700)	Yes	Oct. 19, 1973	Oct. 19, 1973	5	IV
	(183,612)	(3,700)	Yes	Nov. 23, 1973	Nov. 23, 1973	5	IV
	184,312	3,000	Yes	Jan. 29, 1974	Jan. 29, 1974	5	IV
Abatement and control*	(17,804)	(3,850)	Yes	Oct. 19, 1973	Oct. 19, 1973	5	IV
	(266,514)	(16,850)	Yes	Nov. 29, 1973	Nov. 29, 1973	5	IV
	287,574	91,850	(35)	Jan. 29, 1974	Jan. 29, 1974	5	IV
General Services Administration:							
Real property activities:							
Sites and expenses, public building projects		(22,206)	Yes	Jan. 26, 1973	July 1, 1973	4	I
	22,000	15,500	Yes	Nov. 29, 1973	Nov. 29, 1973	4	I
Construction, public building projects		(234,309)	Yes	Jan. 26, 1973	July 1, 1973	2, 4	I
	73,653	20,803	Yes	Nov. 29, 1973	Nov. 29, 1973	4	I
Property management and disposal: Operating expenses, sale of rare silver dollars		(4,000)	Yes	Nov. 30, 1972	July 1, 1973	4	I
	3,400	1,386	Yes	Sept. 5, 1973	Sept. 5, 1973	4	I
Operating expenses, special fund		(850)	Yes	June 26, 1973	July 1, 1973	4, 5	I
			NA	Aug. 16, 1973	Aug. 16, 1973	10	VI
National Aeronautics and Space Administration: Research and development		(2,200)	Yes	June 8, 1973	July 1, 1973	5	I
	(2,860,194)	(9,300)	Yes	Nov. 16, 1973	Nov. 16, 1973	5	I
	2,867,294	2,200	Yes	Jan. 23, 1974	Jan. 23, 1974	5	I
Veterans' Administration:							
Medical prosthetic research		(3,648)	Yes	Feb. 15, 1973	July 1, 1973	5	I
	85,099		NA	Nov. 23, 1973	Nov. 23, 1973	10	VI
Construction, major projects		(34,710)	Yes	June 13, 1973	July 1, 1973	5	I
	114,626		NA	Nov. 23, 1973	Nov. 23, 1973	10	VI
Construction, minor projects		(5,000)	Yes	Dec. 20, 1972	July 1, 1973	5	I
	66,685		NA	Nov. 23, 1973	Nov. 23, 1973	10	VI
Other independent agencies:							
District of Columbia:							
Loans for capital outlay, metropolitan area sanitary sewage work funds		(300)	Yes	Aug. 7, 1972	July 1, 1973	4	I
	3,900	5,300	Yes	Sept. 5, 1973	Sept. 5, 1973	4	I
Loans for capital outlay, sanitary sewage		(4,285)	Yes	Aug. 7, 1972	July 1, 1973	4	I
	29,000	24,035	Yes	Sept. 5, 1973	Sept. 5, 1973	4	I
Loans for capital outlay, water fund		(2,360)	Yes	Aug. 7, 1972	July 1, 1973	4	I
	8,000	7,460	Yes	Sept. 5, 1973	Sept. 5, 1973	4	I
Loans for capital outlay, highway fund	11,900	5,956	Yes	Sept. 5, 1973	Sept. 5, 1973	4	I
Loans for capital outlay, general fund		(6,758)	Yes	Jan. 26, 1973	July 1, 1973	4	I
	176,500	29,526	Yes	Sept 5, 1973	Sept. 5, 1973	4	I
Foreign Claims Settlement Commission: Payment of Vietnam and USS Pueblo Prisoner of war claims	9,125	7,229	Yes	July 12, 1973	July 12, 1973	5	I
American Revolution Bicentennial Commission: Commemorative activities fund		(5,690)	Yes	Nov. 28, 1972	July 1, 1973	5	I
	4,556	3,510	Yes	Feb. 1, 1974	Feb. 1, 1974	5	I

See footnotes at end of table.

BUDGETARY RESERVES—Continued

[In thousands of dollars]

General notes.—Amounts in parenthesis indicate actions superseded by later apportionment actions. An asterisk (*) indicates an account added to the list since the last report. An account without an entry in the amount apportioned column indicates no apportionment has been made for fiscal year 1974]

	Amount apportioned	Amount in reserve	Available beyond fiscal year 1974?	Date of reserve action	Effective date of reserve	Reason for current reserve (see code)	Estimated fiscal, economic, and budgetary effect (see code)
Other independent agencies—Continued							
National Science Foundation: Salaries and expenses	(56, 900)	(3, 500)	Yes	June 8, 1973	July 1, 1973	2	I
	(620, 845)	(13, 900)	Yes	Nov. 23, 1973	Nov. 23, 1973	5	I
	634, 745		NA	Dec. 6, 1973	Dec. 6, 1973	10	VI
Occupational Safety and Health Review Commission: Salaries and expenses*	4, 296	445	No	Jan. 14, 1974	Jan. 14, 1974	1, 2	V [36]
Railroad Retirement Board:							
Limitation on railroad unemployment administration fund	8, 578	4, 822	Yes	July 1, 1973	July 1, 1973	4	I
Limitation on salaries and expenses*	20, 830	500	No	Jan. 9, 1974	Jan. 9, 1974	1	I
Small Business Administration: Business loan and investment fund	(173, 100)	(41, 316)	Yes	June 29, 1973	July 1, 1973	2, 4, 6b	I
	(178, 100)	(48, 294)	Yes	Aug. 31, 1973	Aug. 31, 1973	2, 4	I
	348, 700	31, 094	Yes	Sept. 27, 1973	Sept. 27, 1973	2, 4	I
Water Resources Council: Water resources planning	8, 611	27	No [37]	Aug. 24, 1973	Aug. 24, 1973	2	I
Temporary study commissions: Commission on American Shipbuilding, salaries and expenses*	205	57	NA	Dec. 10, 1973	Dec. 10, 1973		II [38]

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[1] Funds have not been apportioned while awaiting the completion of negotiations with the Government of Israel.

[2] Funds reserved pending Presidential allocation and decisions.

[3] The amount apportioned is consistent with the limitation on the foundation's activities according to Public Law 93–52 as amended.

[4] Funds in excess of $10,000,000 are not available in fiscal year 1974 pursuant to Public Law 93–240.

[5] The 1973–74 rural environmental assistance program funds lapsed on Dec. 31, 1973. The Sept. 30 report incorrectly listed the funds as available beyond fiscal year 1974.

[6] The amount apportioned in this account is also apportioned in the Agricultural Stabilization and Conservation Service, salaries and expenses account.

[7] The amount apportioned in this account is required to finance a loan approved at the end of fiscal year 1973.

[8] This apportionment action was inadvertently excluded from the Sept. 30 report.

[9] The fiscal year 1974 appropriation provides for program operation for the summer of calendar year 1974.

[10] Fiscal year 1972 contract authority in the amount of $24,600,000 will lapse on June 30, 1974.

[11] Code 6d was inadvertently excluded from the Sept. 30 report.

[12] Anticipated deposits are currently estimated at $5,000,000 more than anticipated in the budget estimates submitted to the Congress in January 1973

[13] Funds are being held in reserve to cover operating costs during the exhibition period.

[14] This account title was changed from "Research, Development, and Facilities" on Dec. 31, 1973.

[15] The reserve is to be applied against increased pay costs when transfer authority is approved by Congress.

[16] This account was combined with the operations, research, and facilities account on Dec. 31, 1973.

[17] Reason code 1 was incorrectly applied to the entries in the Sept. 30 report.

[18] The reserve was made at the request of the Canal Zone Government as a contingency for possible future inspection services.

[19] The reserve action will increase the program level to a level greater than that contemplated in the most recently submitted budget document.

[20] The apportionment releasing the reserve was incorrectly excluded from the Sept. 30 report.

[21] The reserve in each apportionment includes $30,000,000 of contract authority which becomes available at the 1st of each fiscal year and expires at the end of each fiscal year; all other funds are available beyond 1974.

[22] The apportionment of funds in reserve is temporarily deferred until sufficient information is available for implementing the new public land survey program. The new program was funded for the 1st time in the 1974 supplemental (Public Law 93–245) enacted Jan. 3, 1974.

[23] The Department of the Interior has no present plans for the use of these funds which are available only for the development of water wells on public lands.

[24] Reason code 5 was incorrectly included in the Sept. 30 report.

[25] Reason code 4 was inadvertently excluded from the Sept. 30 report.

[26] Reason code 6b was incorrectly included in the Sept. 30 report.

[27] No improvements are currently necessary. (See footnote 23.)

[28] 66 Stat. 754 requires that certain miscellaneous revenues be deposited in a special fund to provide for the replacement of the project works and to defray annual operating and maintenance expenses when necessary.

[29] The reserve, made at the request of the Department of Labor, does not change expected payments for benefits as estimated in the latest budget document. The reserve reflects reimbursements from other agencies in excess of the amounts estimated in the budget document. The release of the reserve would increase availability above expected needs. The reserve is available for benefit payments if required benefit payments exceed current estimates.

[30] This amount is potentially available for use under 1975 contract authority; the amount to be made available to each State for obligation in 1975 is anticipated to be announced by the Department of Transportation on July 1, 1974.

[31] The Sept. 30 report incorrectly reported the reserve as unavailable beyond fiscal year 1974.

[32] $9,000,000 was rescinded in the 1974 Department of Transportation Appropriation Act. It is now included in the traffic and highway safety account.

[33] The amount apportioned is the full amount legally available until action is taken on the amendment to the Rail Passenger Service Act of 1970.

[34] The reserve is required because the Congress previously provided permanent, indefinite authority (Public Law 92–500) for the subsidy payment. The funds in reserve will be written off in fiscal year 1974.

[35] Contract authority of $75,000,000 expires at the end of fiscal year 1974; $16,850,000 is available beyond fiscal year 1974.

[36] This reserve action was taken at the request of the Occupational Safety and Health Review Commission due to hiring delays. The reserve is available as a contingency against an increase in future contested citations.

[37] The Sept. 30 report incorrectly reported the reserve as available beyond fiscal year 1974.

[38] The Commission on American Shipbuilding (authorized under the Merchant Marine Act of 1970, Public Law 91–469) was terminated on Dec. 20, 1973. The funds in reserve will be written off in fiscal year 1974.

ALCOHOLISM

Mr. HUGHES. Mr. President, the Congress, in recent years, has made historic advancements in legislation for a coordinated national program to control the disease of alcoholism. However, even the best conceived and funded national program would be foredoomed to failure without strong leadership in the field at the community level.

In the progressive city of Cedar Rapids in my native State of Iowa, one of the outstanding leaders in that community's program to control alcoholism is a highly successful businessman and civic leader, Mr. Sutherland Cook. Sud Cook has a special understanding of this disease and a special compassion for those afflicted because he is himself a recovered alcoholic.

On January 10 of this year, Mr. Cook presented a paper on alcoholism to the Linn County, Iowa, Medical Society. This was no dull lecture, but a deeply personal statement, full of first-hand knowledge, wisdom and understanding. I would like to share it with my colleagues who have repeatedly evidenced their concern about this grievously serious problem in our society. I therefore ask unanimous consent that Mr. Cook's remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

MR. COOK'S REMARKS ON ALCOHOLISM

Sometime in the late 1950's the American Medical Association officially declared alcoholism to be a disease. Since that time, although there has been a growing acceptance of the disease concept, there has been no generally agreed-upon description of the etiology of the malady nor of its treatment.

The medical profession tends to treat it chemically with tranquilizers and sedatives, and is dismayed to see its alcoholic patients get worse.

Psychologists and psychiatrists tend to search for the childhood trauma that produced the deviant behavior, but fail to get their patients to put the cork in the bottle, and are dismayed to see their patients get worse.

The clergy tend to moralize with their alcoholic parishioners, and when they invoke God's help through prayer, they are dismayed to see get them get worse.

What kind of a disease is this then that does not respond to a straight medical approach, nor to a straight psychological approach nor to a straight spiritual approach?

Well, Alcoholics Anonymous believes it is a triple disease, a disease of the body, and of the mind, and of the soul, and that the treatment of only one part of the malady to the exclusion of the other two parts is not only unproductive but counter productive. Although it is thought that the alcoholic is physically allergic to alcohol, there is no known medicine or chemical that can be used with benefit. Medically, the only thing you can do for the alcoholic is to "get the booze out and the nutrition in". The drinking alcoholic typically is nervous, anxious, and may have trouble eating and sleeping. "Can't we at least relieve his symptoms with a tranquilizer or sedative to make him more comfortable?" you ask. This is in accord with medical tradition and sounds humane, but the answer is "Absolutely No!" By making him comfortable you destroy nature's God given incentive to do something about his drinking. Alcohol is a tranquilizer and a sedative. This is exactly how the alcoholic has been treating himself for years. His motto has been like Du Pont Corporation's "Better Living Thru Chemistry", and he will welcome the addition of new mood altering substances that don't smell, that he can carry easily with him on his person, and that have the full authority of his new enabler, the doctor. There is absolutely NO danger that he may become addicted or psychologically dependent upon these mood altering substances. Believe me, he is already dependent upon any mood altering substance for control of his tensions, tremors, and anxieties.

But what about the most advanced cases of alcoholism who are hospitalized and in danger of going into convulsions or delerium tremens? These represent only about 3% of the problem and should not be used as an excuse to treat the other 97% chemically. Furthermore, Doctors Knott and Beard of the Memphis Institute find that magnesium sulphate (not a tranquilizer) accompanied by "talk down" is more effective and safer than the traditional sodium dilantin for convulsive alcoholics. True, your alcoholic patients may have a variety of medical problems as a by-product of their alcoholism which you will have to treat. Indeed, according to Dr. Harold A. Mulford, Director of Alcohol Studies Department at the University of Iowa, that is why the medical profession actually does see 75% of all alcoholics every year, to treat them for their accidents, such as broken legs and lacerations, and for their nutritional problems such as gastritis and fat liver. A fifth of bourbon contains 2,500 calories, and the alcoholic is not hungry for other food that has the full range of nutrients he needs. Therefore, most of medical problems associated with alcoholism are accidents and/or nutritional, and the only treatment available to the medical doctor for the primary alcoholism is to remove the alcohol and stimulate a nutritionally balanced diet. The physical allergy to alcohol is untouchable and remains with the alcoholic for the rest of his life.

What about the psychiatrist and psychologist? Is their search for childhood trauma wrong? Not entirely. A.A. indeed probes the past. We make "searching and fearless moral inventories of ourselves". We write it down. We admit it all to qualified people. We make lists of people we have harmed. We make direct amends to such people. Notice, however, that although we are concerned with the past, our concern is with what we have done or failed to do in relation to our conscience, but NOT with what other people have done or failed to do to us. We believe the downward progression of our destructive drinking is related to our deteriorating performance in the rest of our lives. Excessive drinking produces bad performance and bad performance produces excessive drinking, thus a downward, uncontrollable spiral. How to stop it? The drinking must be interrupted 100% with no switch to other mood altering chemicals AND a change in performance must be started at once. The empathic understanding experience and example of other recovering alcoholics is almost mandatory. Thus, the mental obsession to drink can be held in abeyance. I say held in abeyance, rather than cured, because it can all be triggered off again by even the smallest amount of alcohol or other mood altering chemical or by a serious violation of the alcoholic's personal code of performance. Thus, the desireability of the recovering alcoholic keeping regular contact with A.A. friends and group.

Now the clergy. Are they wrong in thinking alcoholism to be a moral problem? Certainly not! Indeed, it is wrong to drink yourself to death. Indeed, it is wrong to lie about your drinking which alcoholics universally do. Alcohol is really an anesthetic and the important part of the brain that is anesthetized is that part that has to do with inhibitions. With our inhibitors anesthetized we are allowed to do, or not do, all sorts of things which violate our conscience. The alcoholic, although he may try hard to mask it, typically is drowned in guilt. And rightly so! He is indeed a sinner in the old fashioned sense of the word. Where the clergy err is usually on the side of acting as if alcoholism is ONLY a moral problem, and in their lack of empathic understanding of how the alcoholic feels, and the language and experience to reach him. In A.A. we identify our own personal conception of what is good, right, just, beautiful, truth, mercy, knowledge, and love. Some of us call this concept GOD. All of us turn our lives and wills over to this personal concept, and we try on a daily basis to improve our performance in relation to this Higher Power. This suggested path of endeavor produces within the alcoholic sufficient good feelings about himself, his fellowman, and the world in which he lives, so that he does not have to try to produce good feelings chemically anymore. It is NOT an act of will power; quite the opposite. The evil of alcohol has defeated his will and he surrenders to and becomes dependent upon the goodness of his Highest and Best Power, which many of us call God.

Now, because there really is not very much the medical doctor can do for the primary alcoholism, what is the position of the medical profession in relation to the alcoholic? Of prime importance because:

1. You treat in your offices and hospitals more alcoholics in a year's time than all the other helping professions combined . . . some 75% every year. You therefore, have the golden opportunity to identify them. The alcoholic himself, typically, will not, probably can not. Curiously his family mistakenly feels that they have a vested interest not to identify him.

2. The general public believes that you ought to do something for the alcoholic and are beginning to pass laws to change the handling of the alcoholic from the legal profession to the medical profession. You will have to deal with this problem whether you want to or not, or whether you are prepared for it or not.

3. Rightly or wrongly, you are enshrouded with an aura of knowledge, skill and authority, and what you say and do carries a great deal of weight.

What then should you medical doctors and psychiatrists do about the alcoholic?

1. Identify him! Nothing can be done until he is identified. He will surely die well ahead of his time if you do not. It is a terminal disease. It is wrong not to identify him, wrong morally, wrong economically, wrong socially, wrong for him, wrong for his family, and wrong for your own immortal souls!

2. Restrict your treatment to the accidental and/or nutritional by-products of his alcoholism. There is nothing medically that you can properly do for his alcoholism other than keeping the mood altering chemicals, including alcohol, out and stimulating his nutrition.

3. Use your really massive authority to get him to Alcoholics Annonymous, if he can go one full day without mood altering chemicals on his own, or get him to an alcoholic rehabilitation center if he can not put together one full day. Most of us can, a few of us really can not. This includes the use of the County Involuntary Hospitalization Commission in a very few stubborn cases.

And now in conclusion, let me say that one of the two founders of A.A. was a medical doctor, Dr. Bob S. of Akron, Ohio. Dr. Wm. Silkworth. Psychiatrist of Towne Hospital for Alcoholics, New York City, was an integral part of formulating the A.A. approach to this heretofore hopeless disease. We should have no quarrel with the medical profession. We need you desperately, and believe you need us. The last step of A.A.'s "12 Suggested Steps of Recovery" reads. . . .

"Having had a spiritual awakening as the result of these steps, we tried to carry this message to alcoholics, and to practice these principles in all of our affairs."

And that is what I am doing here tonight. Many thanks!

AIRPLANE CRASHWORTHINESS

Mr. HARTKE. Mr. President, during the past several years, I have worked to promote auto safety. Much of that effort has gone toward legislation which makes cars safer places to be in the event of a crash. While this work is far from completed, the fact is that we have made significant progress during the last few years.

Unfortunately, there has been little attention focused on the need to improve the crashworthiness of airplanes. It is usually said that flying is the safest means of transportation. While that may be true, it could be made a lot safer.

Fifteen hundred Americans died in air crashes in 1972, but as more people take planes to get where they are going, there will inevitably be more crashes and more fatalities.

On the one hand, we can do something to improve the technology which enables pilots and air controllers to avoid crashes; but on the other hand, we can do far more to assure that people have a better chance to survive in the event a crash does occur.

Mr. President, it was just this point which was emphasized in a series of reports presented on the CBS Morning News last fall. I ask unanimous consent that the transcript of these reports be printed in the RECORD.

There being no objection, the transcript was ordered to be printed in the RECORD, as follows:

[From the CBS Morning News, Sept. 25, 1973]

AIRPLANE CRASHWORTHINESS

RUDD. Every time there's a commercial airline crash in this country, a lot of people get upset about the dangers of flying. Well, they're wrong. Flying is safer than a lot of other ways of getting around, but it could be made even safer. The Morning News staff has produced a four-part series on that subject. David Henderson is the reporter, and here's the first one.

[Excerpt: Delta Airlines commercial.]

HENDERSON. Commercial airlines spend millions of dollars looking after their public image; and if the carriers could get their way, this is how they'd like you to see them. [Excerpt: Olympic Airways commercial.] It might be stretching the truth to say flying is all this much fun; however, it's no exaggeration to say that, next to walking, there's no safer form of transportation available than flying commercially. Fifty thousand people were killed in automobile accidents last year. Yet, less than 1,500 Americans died in air crashes. The safety record owned by the commercial airlines is even better; only 154 fatalities in accidents involving regularly scheduled flights.

But as safety experts point out, that's only half the story. With more people taking planes to get where they're going, by the year 2000 there may well be one major air disaster each day with a corresponding increase in airline deaths. The experts say the major problem is that planes are built only to fly; the warning is they should also be built anticipating a crash.

It looked like 1972 was going to be one of the safest years in aviation history; it looked that way until December 8th, when this United Airlines 737 crashed near Midway Airport in Chicago. Fifteen people survived the accident, but 45 were killed. All but two of the deaths occurred to those on board the plane. Investigators termed the crash "survivable." They say the forces on impact were not great enough to kill all the passengers.

Enough of the aircraft survived to protect many of those people seated inside. The crash investigation continues, but CBS News has been told, privately, that some of the fatalities were unnecessary, that some of those people who should have made it out didn't.

Manufacturers have spent millions of dollars perfecting the fleet of jet aircraft in commercial use today. Before any airline would buy one of these multi-million dollar machines, strictly controlled safety checks had to first be passed. Crash prevention—keeping the equipment in flight—is the philosophy here. Unfortunately, the fact is there is no possible way to avoid fatal airline crashes. The carriers can and do work at keeping accidents at a minimum, but that is the best they can do.

INSTRUCTOR. A flight path is tangent to the slope. . . .

HENDERSON. So, across the country there's a small group of people who work in a field loosely described as "the study of crash worthiness." How to make airline accidents less fatal. At Arizona State University there's a two week crash safety course taught in the spring and fall. It's not generally open to University students, and the instructors are not all college professors. To get into the class, these men had to first show they had an aviation background. Most are military personnel engaged in flight research and operations. The people who teach here come from across the country. They all have practical aviation experience, with backgrounds in engineering and safety. Harry Robertson, a licensed pilot and professional crash investigator for 15 years, is the assistant director of the program.

ROBERTSON. We make a premise at the beginning that, regardless of how few accidents we may have, that there are always going to be some accidents. . . . And our training starts the minute the accident starts to take place. And we cover the transmission of these forces through the airplane; how they get into the seats, how they get into the people, how the airplane itself behaves; how their livable space, for example, might be reduced and why; and how they might be oriented to better sustain the acceleration levels that are transmitted to them.

HENDERSON. What you are seeing is a crash test conducted by the flight safety foundation for the government in 1965. The aircraft used is a Constellation, the 747 of its day. The plane was partially fueled, and then by remote control flown directly into the side of a mountain. Researchers hope to simulate what would happen in a real crash. Cameras and instruments placed both in and outside of the craft recorded the test. Safety experts say what happened here could be applied to present day commercial jets. What they learned was that many lives could be saved in airplane crashes if certain changes were made in the way planes were built.

Some of the suggestions are easy enough to follow; but as the carriers themselves point out, researchers don't have to pay the bills for running a commercial airline. What it's come down to is that airplanes are built to safety minimums; and there is a possibility that the industry is settling for a final product that should be much improved. Improvement to some means building a jet that should stay reasonably intact through a crash—and that's the subject of tomorrow's report.

David Henderson, CBS News.

QUINN. We have an item this morning which falls into the "Oh, no you don't, buster!" department. Apparently the city of Weehawken, New Jersey, needs a street sweeper because the streets are too narrow to use trucks to sweep them with. But traditionally, sweet stree—street sweepers—sorry—are men; and naturally that makes you immediately want to say, "Wait just a minute, women can sweep the streets just as well as men."

Well, of course they can, but that's not the point. The point is that the public works chairman, Charles Miller, says he's looking for a woman to fill the job. Street sweeping is generally considered a menial task, but the chairman feels that a woman would be more diligent at it and work harder. Just like a woman would be better at being stewardess or a nurse or a maid; you know, jobs that men just couldn't possibly do well at all. Charles Miller thinks he's pulled a fast one. "Oh, no, you don't, buster!"

ANNOUNCER. The time now—13 minutes past the hour.

[Announcements.]

[From the CBS Morning News, Sept. 26, 1973]

HUGHES RUDD. A lot of people apparently still go around saying that if the Lord had intended human beings to fly, he'd have put wings on their backs. And we make that assumption because, although this is the air age, the great majority of Americans have never been in an airplane. But for those who do get into airplanes, here's another in our series on airline safety—reported by Dave Henderson.

DAVE HENDERSON. The Wright Brothers spent years perfecting their strange-looking creation before they got it to fly. Today, billion-dollar corporations turn out jet aircraft assembly line style, and the worry is no longer whether the final product will fly, the criteria is that when it does, it does so at a minimum expense to its owners.

The industry has spent millions on systems to avoid accidents and crashes. New metals have been developed that can better handle in-flight stresses and loads. Yet, every part that goes into a modern day jet can be made stronger, and thereby made to make it through a crash in better shape. But the industry says the present way of doing things is good enough.

SPEAKER. We don't design an airplane to fly into a mountain or fly into a cement wall, obviously. But we design our plane assuming that a landing gear could fail, there could perhaps be some other factors that would cause the landing to be something other than normal.

HENDERSON. Why don't you build an airplane interior that can withstand greater forces?

SPEAKER. We could build one. We could build one However, it would be extremely uneconomical to operate. And consequently, only a very limited number of people in the United States could afford to fly that airplane. Therefore we would not have an aircraft industry or an airline industry as we know it today.

SECOND SPEAKER. We could make this sphere that you're sitting in in such a manner that you could drop it off the Empire State Building and whomever was in it would survive. But it would be such a heavy thing it would never get off the ground.

HENDERSON. So it's a factor, in making airplanes safer, of spending money.

SECOND SPEAKER. Spending money is a factor in making it safer. Just spending money doesn't give you a safe airplane. You've got to spend it intelligently.

HENDERSON. On December 29th of last year, an Eastern Airlines L–1011 jetliner crashed killing 99 of the 176 people on board. The accident took place in the Florida Everglades, outside of Miami, as the plane was preparing to land.

Crash investigators on the scene reported it was a miracle that more passengers did not die, because as the big jet hit the ground it almost completely disintegrated. Small pieces of the aircraft were found strewn over a half-mile area. Yet ironically, it was probably this disintegration that prevented more persons from losing their lives.

The forces that cause a plane to crumble, that twist a human being to death, that pushing and pulling is measured in G's, G standing for gravity. Each person is held to the earth by a force of 1–G, one gravity. Therefore it's obvious that in actual pounds a G is different to each human.

Scientists believe that a person could live through a crash where the forces on his body do not exceed 40–G's and do not last for more than a second.

SPEAKER. The secret is that if you can provide an individual enough time to slow down, then you can place low levels on that individual, low acceleration levels, and he can survive it without any problem.

You imagine an aircraft running into a vertical wall—the very nose of the airplane might perhaps have a million G's on it, but the tail back there might only experience a hundred or maybe less than that, because it has more time to stop as the rest of the fuselage crushes.

HENDERSON. Government regulations require that airplane seats be able to withstand a force of 9–G forward in a crash. And although the human body can take four times as great a shock, the seat makers told us they were satisfied with present rules.

Ray White is president of the Hardman Seat Company. His firm turns out a final product that exceeds Government standards.

RAY WHITE. We've never had—I'm quite sure of this—we've never had a seat tear loose in a crash. The seats have held to the tracks. The tracks certified in excess of the seat, which is normal. And the seats just withstand. The theory being that if a crash impact tears the seat loose that any surviving passenger that wasn't killed on impact would be killed as the seat hurtled forward, they'd become lethal in themselves.

HENDERSON. A number of seat manufacturers and the airlines told us that thousands of dollars have been spent on developing newer, safer seats. However, it didn't take long to discover that the money didn't go for building a new product, a large percentage of the funds went for designing the same seat over again, so airline interiors won't all look alike. The carriers have an interest in cosmetics, they want their planes to look nice.

Now, however, safety experts say we're paying a price for esthetics. Overhead baggage racks, modern galleys and clothing compartments in anything but normal operation these items have shown a knack for collapsing, and getting in the way.

SPEAKER. The entire kitchen storage area with the wall essentially—on which everything is mounted, was completely gone from that area of the plane. So I imagine that all flew through the cabin as well.

HENDERSON. It wasn't theory being talked about here, it was survivors of the December 8 Chicago crash, telling the public hearing what happened as they hit the ground.

WOMAN. It seemed quiet for a few seconds and then there was another surge of power as we were crashing into something—at the time I did not know what. The plane seemed to swerve, the overhead bins broke loose, the buffet inserts broke loose. And there were several small impacts. And there was a screeching of metal. And then it was very quiet.

HENDERSON. Isabell Burgess of the National Transportation Safety Board was in charge of the hearing. We talked with her later. It just seems like a lot of these problems, of seats ripping loose and overheads coming down, and galleys flying around, are just recurring year after year after year. How does that happen?

ISABELL BURGESS. That's perfectly true, because recommendations have been made, tests have been made, but nothing major has really been done in this field, I'm sorry to say.

Henderson. The commercial aviation industry is convinced that today's planes are built to strict enough regulations. They are satisfied that passengers are well protected. On the other hand, safety engineers are equally convinced that the rules should be beefed up along with the planes.

But they're willing to leave the strength questions alone. The battle, the safety people want to win, is over post-crash fires: What kills most people in air accidents. And that's the subject of tomorrow's report.

David Henderson—CBS NEWS.

Rudd. Wow! [on seeing a plane enveloped in flames]

We'll be back with a real good skate, right after this.

Announcer. The time now—14 minutes before the hour.

[Announcements.]

[From the CBS Morning News, Sept. 27, 1973]

Quinn. Today we have Part III of a four-part series on airline safety. The series attempts to examine exactly how safe flying is today, and if you hate to fly as much as I do you'd probably rather just listen to this one.

Henderson. Crash investigators will tell tell you that there are many unnecessary deaths in aircraft accidents. Many people who should be able to make it out of a crippled jetliner never get the chance. In most cases it's because post-crash fires get to them first. Such fires are common in airline accidents. This United Air Lines jet landed short of the runway in Salt Lake City; and even though everyone onboard survived the crash impact, 45 people were killed, cremated, before they had a chance to escape. A detailed investigation was made of this accident, and out of it came recommendations to strengthen and redesign jet fuel systems. But few of the suggestions were ever adopted. The Federal Aviation Administration and the airlines justify that decision by reminding us that there have been no repeats of the Salt Lake City tragedy.

The fuel used in commercal jetliners is a type of kerosene, and it's stored in tanks located in the wings. At any one time, from five to 50,000 pounds of fuel can be found in the tanks; which according to most safety people are well placed, being at the farthest point possible from the passengers. The wings are built hollow to hold a maximum amount of fuel. Insulated cables carry the fuel to engines. The cables are made from rubber covered with asbestos and steel. In rear-engine jets the tubing is pulled through the coach cabin, either in the wall space or beneath the floor. The criticism is that all fuel lines should be made stronger and able to stretch beyond today's limits. Tanks should be greatly reinforced.

Finally, researchers say that fuel valves should be self-sealing, so that if they are broken off in a crash the opening closes and prevents excess fuel from gushing out. It's not sufficient to change any one factor by itself; putting in extra-strength fuel bladders but leaving out special valves means a fault still exists in the system, and one fault will cause as great a fire as if you'd done nothing.

C. O. Miller, director, FAA: Well, I think the main improvements in—aviation safety, design-wise pertaining to the fire problem would rest with the design of the fuel tank and its associated plumbing. Very much within the state of the art today, thanks to a lot of U.S. Army research primarily, are ways to restrict the flow of fuel following the crash, restrict it from going out lines that may be broken; indeed, restrict it from coming out of fuel tanks.

Henderson. Aircraft manufacturers refer to extra-strength fuel cells and self-sealing valves as "experimental" systems not yet ready for commercial aviation. They say that, considering the state of the art, present fuel systems are satisfactory; adding that a majority of the proposed changes ignore economic requirements and are therefore unacceptable.

Boeing's Jack Nickols. I don't consider it a compromise. I think that our job is to provide mass transportation at the safest level that is possible.

Henderson. Is it at the safest level?

Nickols. For mass transportation, yes.

Henderson. A non-profit group, The Flight Safety Foundation, conducted this test for the government in 1966. They crashed a fully fueled DC–7 into a mountain, and prepared the test to simulate an accident where the passengers could survive the impact forces. The landing gear was broken off, the wings were smashed; it's believed that a jet would react in the same way. It didn't take the scientists long to establish that fire occurs very quickly in a crash. Cameras also recorded the test from inside the plane. Dummies are badly tossed, but even the ones that would have sustained injuries judged to be non-fatal, fire would have prevented any escape. Smoke is a related fire problem. Many times a plane will not burst immediately into flame; it will first smolder. And the resulting smoke can incapacitate passengers, slow evacuations, cost precious seconds. Recently there have been charges made that poisonous gases are emitted when modern jetliners burn. Traces of hydrochloric gas, carbon monoxide and cyanide gas have been found in autopsies conducted on air crash victims. But the fact is that, although these gases are produced and so slow aircraft evacuations, they are not the cause of death. Ninety-nine out of one hundred times the passenger died either from the crash impact or in the resulting fire. The gases appeared later.

In every instance, whether talking about extra strength fuel cells or redesigned airplane fuel systems, both the airline industry and the FAA told us that present systems are adequate, the best possible considering the state of the art. However, aircraft engineers and researchers, many of them in the government, told us that test and development programs for failsafe fuel systems have either been canceled or short-changed. Again, the deciding factor was money and the unwillingness to spend it.

Tomorrow, a look at a couple of ways engineers say air travel could be made safer.

David Henderson, CBS News.

Rudd. A French diver says that he's located the aircraft which was carrying bandleader Glenn Miller from London to Paris in 1944 when it disappeared. The diver says he's located the Air Force transport in about 33 feet of water in the English Channel between Boulogne and Calais. And he verified that it was the Miller plane by sending an engine serial number to the United States. Miller was head of the Air Force Band at the time of his death. In the late thirties and early forties he was one of the most popular of the big bands with such hits as "Tuxedo Junction," "Moonlight Serenade," and "Pennsylvania 6–5000."

Announcer. Now 13 minutes after the hour.

[Announcements.]

[From the CBS Morning News, Sept. 28, 1973]

Rudd. That Chicago plane crash which killed the wife of E. Howard Hunt and 42 others last December was caused by pilot error according to the National Transportation Safety Board. The term used by the Board was "the captain's failure to exercise positive flight management," resulting in the jet losing air speed, stalling and crashing. Michele Clark of CBS News was among those killed. There had been rumors of sabotage in the crash, triggered in part by the fact that Mrs. Hunt, wife of the convicted Watergate burglar, was carrying $10,000 in cash. This led a free-lance journalist into speculating that the crash somehow was caused deliberately. But CBS News has now learned that the flight recorder, which was recovered from the crash, includes the taped voice of the pilot saying—just before the end—"I'm sorry."

Airline safety has been the subject of three reports on this broadcast this week, and today we have the fourth, reported by David Henderson and produced by Rick Kaplan.

Henderson. Contrary to what many industry people believe, the airline business will not go bankrupt if aircraft are built with crash safety in mind. We asked engineers in all areas of the aviation industry if they could come up with a few easy ways to better crash-proof a jet. Surprisingly, few of the experts thought it would help much to strengthen the aircraft shell. In fact, they said, if that's all that were done, it would make a jet more dangerous because all the crash forces would be transferred to the passengers inside. We found a debate exists over whether seats should face forward or back; but in either case it was suggested that the seatbelts currently in use be made wider with a shoulder harness added to prevent side-to-side movement. That seemed like a simple enough request, so we asked industry people for their opinion.

FAA's Jack Nichols.We could certainly put shoulder belts in if they were desired.

Henderson. Why don't you think they are desired?

Nichols. Because I don't wear them in my own car, and I suspect that I would not wear them in an airliner. I don't think that, in my own case, that I would feel a bit safer with one on.

Martin W. Taylor. Continental Air Lines. I'm sure that if we strapped our passengers in as the astronauts are strapped in when they take off on one of the moon shots, that the individual passenger would be safer but we wouldn't have any passengers.

Henderson. Safety experts told us that, although it would be an inconvenience for the passenger, it would certainly be safer to prohibit carry-on baggage, making people check everything. That means fewer items would be available to fly dangerously around the cabin in an accident; and it would mean there was no longer any need for overheads and baggage racks, considered to be a hazard in themselves. Nevertheless, the greatest problem researchers found with today's commercial jets was that, in an emergency, you can't get all the passengers out fast enough.

This Boeing 747 is making an emergency landing at the San Francisco airport. Two hours before, while taking off from this same runway, the big jet struck approach light piers protruding from the water in San Francisco Bay. Angle irons actually penetrated the plane's fuselage, and a number of people were injured. Authorities ordered the plane to drop fuel and come in for repairs. The passengers were thoroughly briefed for the emergency evacuation they soon would have to make. The jet bounced as it first touched the ground; a landing gear failed; the fire extinguished itself as quickly as it began. Emergency exits were opened all around the plane; inflatable slides came out, and the passengers began jumping to the ground. Yet, even with advanced briefings, it took more than six minutes to get everyone out. If the accident had been more serious, if there had been fire, that time would have been fatal for many.

Yet this jet, like all commercial jets, had to first pass a government run evacuation test. The manufacturers of every aircraft are ordered to prove that a full planeload of passengers can exit within 90 seconds. But the normal test is not like the ones seen here.

Normally a jet is in perfect condition, with no seats or cushions blocking aisles. The test passengers are perfectly calm. The typical exercise in no way simulates a real emergency situation. This drill was specially set up by the FAA; a crash-tested Constellation was used. It took more than four minutes to get everyone out. Safety people say that under anything but perfect conditions, no present day commercial jet can be evacuated any faster.

Still, the Federal Aviation Administration says the present system is good enough, an answer frequently given when we ask why something couldn't be changed. The FAA stresses that, rather than work on better ways to exit a jet, the emphasis should be on cutting down on post-crash fires, the reason for needing to evacuate quickly. On the other side are safety experts who say it's foolish to ignore fast evacuation research.

It's wrong to look at the crash safety problem and see it as a battle between business and research. Aircraft manufacturers like Boeing and Lockheed turn out a truly superior product; they'd rather spend their money on ways to avoid accidents, and that logic is certainly tough to knock. Tough until you listen to aviation engineers, who say it's impossible to prevent fatal airline accidents. They say it's time the industry became more realistic; the best way to cut down on commercial airline deaths is to better protect passengers in crashes.

David Henderson, CBS News.

Rudd. We'll be back with a new look at some old news after this.

Announcer. The time now—exactly 16 minutes after the hour.

[Announcements.]

NATIONAL VETERANS DAY

Mr. THURMOND. Mr. President, on February 28, I introduced S. 3079, a bill to reinstate the 11th of November as "National Veterans Day." It was referred to the Judiciary Committee.

November 11, 1918, was our first "Armistice Day." This day represented a benchmark in American history, because it signified the end of World War I, "a war to end all wars." In 1954, the name of the date was changed to "Veterans Day," and veterans of all wars were memorialized on November 11. For over four decades, the American people paused on the 11th of November to pay solemn tribute to all veterans.

Legislation was enacted in 1968 to change "Veterans Day" to the fourth Monday in October. The law became effective in 1971.

While the rationale behind the change in the law may have been admirable, that is, to provide a 3-day holiday for Government workers, I fear that the result has been less than intended. A symbol of patriotism and honor for our Nation's veterans has been diminished.

For more than 40 years, the meaning of November 11 was ingrained in the American spirit. It evoked a patriotic response that few National celebrations have ever commanded.

I remember well the moment of silent respect, the tolling of the bells, or the ring of the siren, which marked our Nation's tribute to our veterans at 11:00 a.m. each November 11. In all parts of our country, November 11 represented a time of rededication to the principles of freedom and peace.

Mr. President, I hope the Congress will restore November 11 as National Veterans Day, and thereby return to the American people a National symbol of our freedom.

Thirty-seven States now disregard the Monday holiday law on the State level; and in their jurisdictions, "Veterans Day" is celebrated on November 11. Several other jurisdictions anticipate a change in the law in the next several weeks. The time has come for the Congress to recognize the will of the people in this matter.

In his January 28 message on Veterans, President Nixon recommended this course of action. His views are enlightening, and I quote his recommendations to the Congress:

> For most Americans, Veterans Day is traditionally associated with November 11th of each year. That was the day more than half a century ago when an historic and dramatic ceasefire was achieved in the First World War.
>
> Legislation approved in 1968, however, changed the traditional observance of Veterans Day from November 11 to the Fourth Monday of each October. That change, while well intended, has stirred up considerable confusion and not a small amount of resentment.
>
> In many places—including the Tomb of the Unknowns in Arlington National Cemetery—there are now dual observances of Veterans Day, while in others, observances are held not in October but on November 11. *Thirty-one State legislatures have now enacted resolutions declaring that within their jurisdictions November 11th will be officially observed as "Veterans Day"*. In addition, all of the major veterans organizations have indicated their strong support for returning to the November 11th observance.
>
> In view of the confusion which has arisen and in view especially of the position taken by the veterans themselves, *I believe it would be wise to repeal the 1968 change in the Veterans Day observance. I therefore urge the 93rd Congress, as part of its effort to honor our veterans, to enact legislation restoring November 11th as the official date for the entire Nation to commemorate Veterans Day.*

Mr. President, as a member of the Committee on Veterans' Affairs, I have consulted other members of that Committee as to their views. Veterans across the Nation have contacted individual Senators about this issue.

I personally conferred with both the chairman of the Veterans' Affairs Committee, Senator Hartke, and the ranking minority member, Senator Hansen, about this matter. Both agree that the overwhelming sentiment of America's veterans is to seek this course of action.

Mr. President, I am pleased that Senators Hartke, Hansen, Stafford, Talmadge, Hughes, Randolph, and Helms, have joined as cosponsors of this legislation.

Mr. President, for the benefit of my colleagues, I ask unanimous consent that correspondence which I have received from National veterans' organizations be printed in the Record at the conclusion of my remarks.

There being no objection, the material was ordered to be printed in the Record, as follows:

Veterans of Foreign Wars
of the United States,
Washington, D.C., March 1, 1974.

Hon. Strom Thurmond,
Member, Committee on the Judiciary,
U.S. Senate, Washington, D.C.

My Dear Senator: A priority goal of the Veterans of Foreign Wars for 1974 is Congressional approval of a bill to change Vetrans Day back to November 11 as a Federal holiday. The V.F.W. position is contained in a copy of enclosed V.F.W. mandate No. 127 approved by the delegates to our most recent National Convention, held in New Orleans, Louisiana last August, representing our 1.8 million members.

According to the latest information, thirty-seven states now celebrate Veterans Day on November 11 as a state holiday. Two states, Mississippi and Oklahoma, made no change from November 11 to correspond with the Federal Holiday Act, which changed Veterans Day to the fourth Monday in October. Thirty-five States have voted to shift Veterans Day back to November 11 during the last several years. A copy of the listing of these states is enclosed.

This evidence above makes a strong case for immediate and favorable consideration of one of the bills before your Judiciary Committee (S. 41, S. 552, S. 618) which propose to change Veterans Day back to the traditional November 11.

It is strongly urged that your full Committee, or your appropriate subcommittee of jurisdiction, on these Veterans Day proposals (Federal charters, holidays, and celebrations) take up and consider Veterans Day proposals at the earliest opportunity.

With kind personal regards, I am

Sincerely,

Francis W. Stover,
Director, National Legislative Service.

Enclosures.

Restore Veterans Day to November 11

RESOLUTION NO. 127

Whereas, fighting in World War I ended at 11:00 a.m. on the 11th day, the 11th month in 1918 (November 11, 1918). Two years later, France and England chose November 11th, then known universally as "Armistice Day", as the time for placing an "unknown soldier" of that war, in each of the Nation's highest places of honor. On November 11th in 1921, an American soldier whose name was "known only to God" was buried at Arlington National Cemetery; and

Whereas, in the year 1926, Armistice Day was made the official name for paying tribute to our World War I veterans for their dedication in serving our country in time of battle, and obtaining peace on November 11, 1918. Twelve years later in 1938, another Congressional resolution made the November 11th date a national holiday and observance; and

Whereas, two years after this national holiday was proclaimed, World War II broke out in Europe and shattered our country's dreams. On June 1, 1954, Congress, acting on a proposal by Representative Edwin K. Rees of Kansas, changed Armistice Day to Veterans Day; President Dwight D. Eisenhower signed this bill on November 11, 1954 to keep the historic date of November 11th a memorial tribute; and

Whereas, the 90th Congress of the United States passed legislation in 1968 to change the historic observance of Veterans Day to the fourth Monday of each October. The President of the United States signed this public law No. 90-363 into law on June 28, 1968. This new date causes many of the nation's Veterans to still recognize November 11th, with some that recognize the new date of October, and still many carry out their patriotic duty recognize both dates; now, therefore

Be it resolved, by the 74th National Convention of the Veterans of Foreign Wars of the United States, that we reaffirm our position to restore Veterans Day back to November 11th.

A Listing of States That Have Shifted Veterans Day Back to November 11

Alaska, Arizona, Arkansas, California, Connecticut, Florida, Georgia, Idaho, Illinois.

Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Michigan, Mississippi (made no change from Nov. 11), Missouri.

Montana, Nebraska, Nevada, New Hampshire, New Mexico, New York, North Carolina, North Dakota, Oklahoma (made no change from Nov. 11).

Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Vermont, Virginia, West Virginia, Wisconsin, Wyoming.

DISABLED AMERICAN VETERANS,
March 14, 1974.

Hon. Senator STROM THURMOND,
New Senate Office Building,
Washington, D.C.

DEAR SENATOR THURMOND: The Disabled American Veterans commends you for your efforts to restore the official observance of Veterans' Day to November 11th of each year, and for your introduction of S. 3079 to achieve this objective.

The members of our organization strongly support this legislation in accordance with the enclosed resolution #109 which was unanimously adopted by the delegates in attendance at our most recent National Convention. We thank you, again, for your unceasing efforts in behalf of America's veterans.

Sincerely yours,
CHARLES L. HUBER,
National Director of Legislation.

Enclosure.

RESTORATION OF NOVEMBER 11TH AS VETERANS DAY

RESOLUTION NO. 109—LEGISLATIVE

Whereas, by Presidential Decree the Federal government has set the fourth Monday of October as Veterans Day and discontinued November 11th as Armistice Day, and

Whereas, several states of these United States have changed the fourth Monday of October, called Veterans Day, back to November 11th; NOW

Therefore, be it resolved, that the Disabled American Veterans in National Convention assembled at Miami Beach, Florida, August 12–18, 1973, supports the enactment of legislation which would change Veterans Day from the fourth Monday of October back to November 11th.

THE AMERICAN LEGION,
Washington, D.C., March 14, 1974.

Hon. STROM THURMOND,
U.S. Senate, Dirksen Senate Office Building, Washington, D.C.

DEAR SENATOR THURMOND: The American Legion is grateful to you for introducing S. 3079, to return Veterans Day to its traditional date of observance, and for your efforts in obtaining all but two members of the Senate Committee on Veterans Affairs as co-sponsors of this measure.

Thirty-six states have enacted legislation to restore the observance of Veterans Day to November 11 within their jurisdictions and more are expected to do so within the next few months. Two, Oklahoma and Mississippi, never changed their state laws to conform with the Federal Act. This makes a total of thirty-eight states in which more than two thirds of our Nation's veterans reside that will observe Veterans Day on November 11 this year.

Unless the Congress changes the Federal Act, it appears that the time will soon come when Federal employees will be our only citizens who celebrate Veterans Day on a date other than November 11. We hope that you and the co-sponsors of S. 3079 can persuade your colleagues on the Judiciary Committee to favorably consider this proposal without further delay.

By copy of this letter I am also thanking the other co-sponsors for their support of this legislation.

Sincerely yours,
HERALD E. STRINGER,
Director, National Legislative Commission.

THE MILITARY ORDER OF THE WORLD WARS,
Washington, D.C.

Hon. STROM THURMOND,
U.S. Senate,
Washington, D.C.

DEAR SENATOR THURMOND: Thank you very much for introducing S. 3079 in the U.S. Senate, an act to return Veterans Day to 11 November.

As you know The Military Order of the World Wars is heartily in favor of this move. In fact we also hope that Memorial Day will be returned to 30 May and ask that your support be given to this project. Perhaps both actions can be handled simultaneously.

If the Order can assist you in these endeavors, please call on us.

Sincerely,
FRED A. KAPS,
Lt. Col., AUS-Ret., Commander-in-Chief.

VETERANS DAY

Mr. HASKELL. Mr. President, the Senate and House of Representatives of the second regular session of the 49th Colorado General Assembly have adopted Senate Joint Resolution No. 5 memorializing the Congress to return the date of observance of Veterans Day to November 11. Legislation concerning this holiday is now pending in the Judiciary Committee. I submit this memorial for the consideration of my colleagues and ask unanimous consent that it be printed in the RECORD.

There being no objection, the memorial was ordered to be printed in the RECORD, as follows:

MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO ENACT LEGISLATION RETURNING THE OBSERVANCE OF VETERANS DAY TO NOVEMBER 11

SENATE JOINT MEMORIAL NO. 5

Whereas, November 11 is the anniversary of the armistice which ended hostilities in World War I; and

Whereas, November 11 became known as Veterans Day in 1954 so that all former members of the armed forces of the United States might be remembered and honored; and

Whereas, The celebration of Veterans Day on November 11 had become a time of reflection and prayer in the United States; and

Whereas, This national holiday should not be sacrificed for the benefit of a three-day weekend; now, therefore, Be It Resolved by the Senate of the Forty-ninth General Assembly of the State of Colorado, the House of Representatives concurring herein:

That the Congress of the United States is hereby memorialized to enact legislation returning the observance of Veterans Day to November 11.

Be It Further Resolved, That copies of this Memorial be sent to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States and to each member of Congress from the State of Colorado.

THE VIETNAM VETERANS

Mr. INOUYE. Mr. President, Americans who supported our participation in the Vietnam war and those who opposed it, in their understandable desire to forget Vietnam, have forgotten the Vietnam veteran in the process. Although tomorrow has been designated "Honor Vietnam Veterans Day" by the Congress and the President, our words of celebration will ring hollow in the ears of the 3 million veterans of Vietnam. For these brave soldiers are presently denied GI benefits comparable to the benefits received by veterans of World War II—including myself and my coauthors of the Comprehensive Vietnam Era Veterans Educational Benefits Act (S. 2789)—Senators MCGOVERN, MATHIAS, and DOLE.

Our longest, bloodiest, most costly and least popular war saw 7 million Americans enter the armed services, 3 million of whom served in Southeast Asia. Of these, 56,000 died and 340,000 were wounded. The first of the American soldiers to fight in Vietnam came home over 10 years ago; the last came home 1 year ago. The homecoming these courageous, battle-weary soldiers received was unlike any welcome that greeted veterans of past foreign wars, for it was not a heroes' welcome.

Admittedly, the POW's, upon their release by the North Vietnamese, were celebrated with intensive media attention, pomp and circumstance, Presidential declarations, congressional congratulations, and public displays of national gratitude—all well deserved. But those less-celebrated veterans who were not captured are also back home from the war that nobody wanted and nobody won. They have received an ambiguous welcome at best.

While they were in Vietnam, fighting and risking their lives, they were unsure who was supporting them and many of them were unsure why they were there. They have come home to high unemployment rates, prolonged readjustment problems, bureaucratic snarls in the VA, and administration hypocrisy on the issue of veterans' benefits. Accordingly, the vet has aggravated doubts as to national gratitude for his sacrifice and as to whether his sacrifice was worthwhile.

To quote Carl McCarden, a Green Beret who served as adviser to Ellsworth Bunker and later as commissioner of New York City's Mayor's Office for Veterans Action:

> Vietnam veterans bought a dream. They largely bought the star-spangled dream of serving one's country and trusting the judgment of those in power to do the right thing. Tragically and inexcusably, that dream has disintegrated into a nightmare.

The coauthors of S. 2789, along with over one-third of the Senate, have determined not to forget the Vietnam veteran and to help rekindle the dream of a just America. We have further determined that the true Honor Vietnam Veterans Day will be the day the President signs into law legislation which will bring veterans' benefits to a level comparable to benefits received by veterans of past wars. The Comprehensive Vietnam Era Veterans Educational Benefits Act will do just that and it will grant an equal opportunity to all Vietnam era veterans to utilize their benefit entitlements.

The inadequacy of the present GI bill has been documented by numerous studies. Every working man and woman who has a child in college recognizes that the $1,980 in educational benefits received by a vet is insufficient to pay for tuition, fees, books, rent, food, transportation, and other living expenses. A recent study by the National College Entrance Examination Board shows that the cost next fall for a student's tuition, room, and board will average $2,400 at public colleges and universities and $4,039 at private institutions. This means that the average student vet must earn $500 per year before counting other living expenses to attend a public college and over $2,000 to go to a private school. These high expenses fall most heavily on married vets who have family responsibilities as well. Because of this inadequacy only 13.4 percent of those married vets eligible to use the GI bill are currently enrolled.

Even with the increase in benefits of 13 percent which the House has voted, the majority of vets will fall short of college expenses.

The adequacy of post-World War II benefits can be attested to by the high utilization of the GI bill between 1945 and 1949. At 1946–50 prices a veteran could afford to go to almost any college in the country. Over 7.8 million World War II veterans used the GI bill. I used the GI bill to receive my education, as did all of the major sponsors of the Comprehensive Vietnam Era Veterans Educational Benefits Act, numerous other Senators, Congressmen, Governors, mayors, and other elected officials.

The post-World War II GI bill provided a monthly cash supplement and paid a veteran's tuition, fees, and book costs up to $500 per year. An equivalent tuition payment today would be at least six times that figure. Yet, today's vet gets no tuition assistance. The supplemental cash payment of $75 per month to a World War II vet is more comparable to today's $220 per month payment. Without a tuition payment, however, today's vet can hardly afford to attend school, even in States which have low tuition public institutions.

Are we willing to waste this great national resource—millions of brave, dedicated, mature young men and women—and to deny them the opportunity for an education and full participation in our Nation's economy, politics and future? I do not believe that we are.

This Nation spent $120 billion in support of the Vietnam war. That huge sum of money was requested by Democratic and Republican Presidents and voted by Representatives and Senators of both parties. Support for the war and opposition to it were not matters of partisan politics. Nor should support for a better GI bill be a partisan issue.

I supported the war during its early years before I came to realize its futility and injustice. When it finally ended for our country, I joined in prayerful thanks. Now I must express my bewilderment over the fact that many who voted billions of dollars for bombs and bullets, who sent our young men to risk life and limb in our Nation's service, who set the policies which disrupted the lives of these veterans, have as yet not seen fit to raise their voices in support of comprehensive reform of the GI bill. President Nixon's veterans messages have been especially disappointing. His proposals for increased benefits are clearly inadequate.

This year's proposed defense budget is $85.8 billion. President Nixon calls this astronomical figure "the minimum required to insure the preparedness of American forces, to provide for the development of future weapons and to offset the erosion of defense purchasing power resulting from pay and price increases." I submit that a strong defense will not be provided unless we take from that high defense outlay sufficient funds to give our veterans a fair deal and to protect the vet from price increases. If the Vietnam vet tells his younger brother to stay out of the armed services or risk being forgotten, in the era of the volunteer army, we will have no volunteers and no defense at all.

The U.S. Senate, which will commemorate Honor Vietnam Veterans Day by beginning hearings on veterans' benefits, must take up the mantle of leadership. We must instruct the American people in the rightness of improved veterans' benefits. We must pass S. 2789, the Comprehensive Vietnam Era Veterans Educational Benefits Act, to provide adequate assistance to those brave young men who fought what we hope will be our last war. We must equalize the treatment of all veterans so that each may use his or her entitlements to prepare for a better future. Then we must insist that the full Congress and the President of the United States stand behind this program in the interest of fairness and justice.

This morning's Jack Anderson column eloquently echoes my concern on our current course of action in regard to veterans' benefits. I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, March 28, 1974]

VIETNAM VET IS FORGOTTEN AMERICAN

(By Jack Anderson)

They called it peace with honor and said our men would come home on their feet, not on their knees. Just a year ago this week, the last combat troops were withdrawn. Now thousands of veterans find they are flat on their faces.

Vietnam was a war with no glory and, for the men who fought there, no heroes. Many of the young soldiers who risked their lives in the rain forests and rice paddies of Southeast Asia remain alienated from the society that sent them to a war most Americans neither wanted nor like to remember.

The memories are painful, and the process of forgetting has been harsh on the men who came back from Vietnam. The regrettable result: the Vietnam veteran has become today's forgotten American.

He came home to a cold welcome. He found his peers had taken the available jobs, his elders regarded him with suspicion and his government was interested only in cutting veterans' benefits.

The educational benefits of the GI bill, which helped two generations of vets complete their schooling, are now laughably inadequate. Even these small benefits get entangled in the bureaucratic red tape which snarls the Veterans Administration. Scores of former service men have complained to us that their college checks arrive too late or not at all.

GI loans for home purchases, which gave birth to clusters of small but adequate suburban residences across the nation, are virtually worthless in today's inflated real estate market.

Despite half-hearted efforts by the government, many veterans have found they cannot find decent jobs. In hard purchasing power, according to the VA's own private calculations, a single Vietnam vet buys $203 less with his government check than did his father after World War II. Married vets are even worse off.

Disabled veterans tell us they don't receive adequate treatment, training or compensation. But the darkest cloud hanging over the Vietnam vet is the drug problem. An internal government memo reports that the American public "assumes that all Vietnam era veterans have abused drugs and this makes them more skeptical when it comes to hiring the younger veteran."

There's no denying many GIs came to rely on drugs in Vietnam, some to relieve the pain of wounds, others just to escape the cruel realities of war. The treatment centers promised by the Pentagon have fallen woefully short. They aren't even open to men who received "less than honorable" discharges, although these men often are the ones who most need treatment.

Facing a hostile world that offers them insufficient benefits and few opportunities, some vets have fallen back on their chemical crutches.

Many veterans complain that President Nixon behaved as if the only men who served in Vietnam were the 600 POWs. While he was hosting them in a tent on the White House grounds, he gutted programs that would help the soldiers who didn't get captured.

He slashed disability compensation for severely disabled vets, opposed GI educational increases as "excessive and inflationary," impounded funds voted by Congress to help colleges enroll vets, cut funds for a "mandatory job listing" program intended to give vets first crack at over a million jobs, and vetoed special burial and health benefits for veterans.

In one celebrated case, the President's budget managers tried to save money by cutting out funds for cooling veterans hospitals in the summer. The Senate responded with a vote to cut off the air conditioning at the Office of Management and Budget. The hospital cooling systems were hastily restored.

The President paid brief attention to the veterans in 1972 when he was running for reelection. The "Veterans Mobile Outreach" program, for instance, sent vans to assist veterans three months before the election. The scheduling and publicity were handled, not by the VA, but by the President's campaign committee. Veterans have charged that the vans visited areas where the President needed votes, not where veterans needed assistance.

But perhaps the biggest obstacle for the returning veterans is the Vietnam war itself. America hasn't yet recovered from the war. The nation was torn apart, and the wounds are deep and slow in healing.

Professional counseling was desperately needed, but seldom provided, for those returning from combat to a country in the midst of rapid social change. The forlorn veteran, suddenly shorn of his uniform and confronted with the conflicts of a nation in turmoil, had nowhere to turn.

It is odd that a country that won't forgive those who refused to serve in Vietnam also refuses to reward those who did their duty. But the veteran is a living symbol of that war, a reminder to his fellow Americans of a pain they would rather forget.

So in a sense, the forgotten veteran has become the last victim of the Vietnam war.

Footnote: Dozens of Massachusetts vets are planning to come to Washington on March 29 to sell apples on street corners. "Project Apple" is patterned after the post-World War I action of veterans.

OCEAN POLICY AND THE COASTAL ZONE

Mr. STEVENS. Mr. President, recently, it was my privilege to participate in the first major national conference on coastal zone management, entitled "The Coastal Imperative," sponsored by the Department of Commerce's National Oceanic and Atmospheric Administration in Charleston, S.C.

With all of the talk recently about the difficulties of the proposed national land use legislation, it is good to see the new National Coastal Zone Management program get off to such a good start. For after all, Mr. President, our coastal lands and waters are our Nation's most valuable geographical asset, and our land and water use policies for these areas will certainly prove whether our country can protect any of its critical areas in the years immediately ahead.

The Charleston conference was, I believe, an important milestone in our national land use concern because it brought together all of the many diverse groups of interests now involved in the conflict over how we use our coastal lands and waters. The issues which separate developers, local and State governments, industrialists, recreation interests, environmentalists and all the rest were openly discussed.

One of the most important contributions of this conference came from Senator ERNEST F. HOLLINGS of South Carolina, the chairman of the Commerce Subcommittee on Oceans and Atmosphere. As ranking minority member of this subcommittee, it has been my pleasure to work with FRITZ HOLLINGS for a number of years. Together, we put in many hours of legislative efforts over the past 5 years on the Coastal Zone Management Act, the Marine Mammal Protection Act, the Marine Protection and Sanctuaries Act, and numerous other ocean-related bills which have become law.

Recently, the Senate passed unanimously Senate Resolution 222, authorizing a national ocean policy study. Both Senator HOLLINGS, who has been named chairman of the study, and I will have the opportunity to work with all members of the Commerce Committee plus a group of representatives from seven other standing committees of the Senate in examining a wide range of national ocean policy and program issues. In my opinion, as Senator from the State of Alaska, which has the Nation's longest ocean coastline and which depends in great measure upon the ocean for its healthy economy, nothing could be more important for the country than to develop a sound, rational policy toward the ocean. I believe the ocean policy study will allow the Senate to provide the leadership on this question.

Mr. President, I ask unanimous consent that the remarks of my colleague, Senator HOLLINGS, at the Coastal Zone Management Conference, be printed in the RECORD in their entirety. I think his views are extremely pertinent, not only to national ocean policy, but particularly from the standpoint of one concerned about land-use policy as well.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

OCEAN POLICY AND THE COASTAL ZONE

This conference today signifies an end as well as a beginning. Hopefully, it brings to an end a long and often bitter struggle, many times against great political odds, to create and fund a Coastal Zone Management Program for this country. It is the beginning of one of the most challenging jobs that Americans have ever faced.

There could be no more fitting location for this Conference. Where we meet was once the waterfront. Slips and creeks and marshes were filled around us over a 200-year period to create this beautiful port city. It worked so well that now everybody in America, and industry from Germany, all want to fill the remaining slips, the creeks, the marshes, to build themselves a beautiful city or beautiful industry. But, of course, there must be a halt somewhere. The beautiful development has brought along the attendant ugly problems. The Ashley River at Primrose to the west of us, where I learned to swim, has become polluted. The Cooper River to the east of us, due to a hydroelectric project upstream, has become silted, and ocean-going vessels have difficulty docking. The urban sprawl on the other side of the Battery down at the point of Charleston is marooned by a bottleneck of transportation. There is no room for a causeway, save in the marsh, to free the flow of traffic.

The problems are not insurmountable. This city has moved with an excellent sewage treatment plant; and oyster beds, that were closed 47 years ago because of pollution, last year were reopened for the first time. The value of the beds is estimated at $60 million. And we move with alarm to protect some of the most productive waters in the nation. If you eat crabs and oysters in one of Washington's famous restaurants, don't think they are from the Chesapeake Bay—most likely they come from Beaufort, South Carolina. There was no Coastal Zone Management Plan in the Chesapeake Bay; there was no Coastal Zone Planning in Hampton Roads, Virginia, so that some Maryland and Virginia oyster and crab men have now moved to the South Carolina marshlands. If we don't step in quickly with Coastal Zone Management in South Carolina, then the South Carolina fishermen will, in turn, with their Maryland and Virginia colleagues, be forced to join the shrimpers in Brazil.

There will be no need at this conference for a long-range Paul Revere to be summoned to witness and spread the alarm. All we need do is walk outside and look at the bumper stickers on the cars in the street. The sticker "SAVE THE WANDO" signifies a confrontation between homeowners and State Ports Authority developers. While the local and State development boards cry "jobs", a recreational resort and the National Audubon Society struggle to preserve a pristine estuary in Beaufort County, south of Charleston. And let us emphasize that the conflict and interest in this area is not simply local. For while these struggles ensue, Canadians a thousand miles away cry, "Remember the Grand Strand. We are counting on South Carolina for our beaches." More than 70,000 Canadians visit the Myrtle Beach area at this time of year. And the country of Kuwait, 12,000 miles away, comes running with its millions to invest in a South Carolina coastal island just 30 miles from this meeting. Everywhere—from near and far—the cry is for a policy. But there is no Coastal Zone policy in South Carolina.

The road to Charleston has been long and rocky. For over a decade we have nibbled at the oceans. Only today do we become hooked. The President with the Navy Cross, John F. Kennedy, launched the first study. Thereafter, in 1966, a bi-partisan, inter-dependent, inter-disciplinary group of government and private citizens worked and studied to produce a report entitled "Our Nation and the Sea". This Commission on Marine Science, Engineering and Resources, more commonly known as the Stratton Commission, back in 1969 identified ocean policy as beginning with Coastal Zone policy. It was even bold enough to suggest the Coast Guard as having an interest in the coastal waters and in the Coastal Zone. Then the political fodder "hit the fan". The Transportation Department immediately marched the Coast Guard admirals before the committees of Congress to affirm that they were not interested in the coast—their primary function was transportation. And the Land Use supporters moved to put the oceans into the Department of the Interior. While the Stratton Commission had finalized its study and was ready to report during the last months of the Johnson Administration, they thought it wise to withhold the report and have it submitted to a new President who could take it on as a new initiative with a four-year follow-through. But John Erlichman, the Land Use Lawyer, said "No," over his dead body. "We won't have an ocean program; we won't have a Coastal Zone program; we won't have any program but mine—Land Use."

The Attorney General, John Mitchell, was kind enough to listen. I took my experts, Julius Stratton, chairman of the Ford Foundation, and Dr. Ed Wenk, executive secretary of the National Council on Marine Resources and Engineering Development, and we went directly to see the Attorney General, who brought his expert, John Whitaker. I explained the wonderful opportunity that the President, a former Navy man, had in launching a far-reaching program in the oceans which could benefit all mankind. The Attorney General agreed; President Nixon agreed, and Reorganization Plan No. 4, instituting the National Oceanic and Atmospheric Administration, was launched under the able leadership of Dr. Robert White.

But the fight had just begun. Reorganization Plan No. 4 did not include the Coast Guard. The President did not establish an independent Agency. And when we started with the Coastal Zone Management Bill, we had to fight the White House, the OMB and the Department of the Interior every inch of the way. President Nixon finally signed the Act into law in October of 1972, but OMB promptly gutted the program by providing zero dollars. And so the agency which prides itself on fiscal responsibility provided zero dollars for a program written into law and provided $20 million for the Land Use bill that has yet to pass the House, much less become law. So back at it we went. Only by forced feeding from the Senate Appropriations Committee last fall and sympathetic leadership from Mel Laird and Dick Fairbanks of the White House, do we meet here today.

These historical facts are cited, not to open old wounds, but to give this conference perspective. Coastal Zone Management and Land Use Management are one and the same thing. They are both, in a sense, Land Use Management. But the Coast Zone is restricted, or qualified, or especially affected. The Coastal Zone is affected by the coastal waters which are part of the world's oceans. Like love, the Coastal Zone is a very splendid thing. Its ecosystem is a splendid relationship between ocean and beach, between marshlands and uplands, and between man and his environment. I wish I was an oceanographer or marine biologist so I could wax eloquently for a good 20 minutes about the beauty and delicate nature of the Coastal Zone. As a politician, I can give you only the people's side. Everybody wants Coastal Zone Management. But substantial groups fear and are suspicious of Land Use Management.

In fact, we in Coastal Zone Management often cannot use the expression "Land Use." When Land Use is mentioned, large groups in America immediately visualize the horror of national zoning. Land Use to them means whether a certain tract will be classified residential or business; whether there will be a funeral home in a residential area, or whether the approaches for a mammoth airport will be placed over "my quiet nook." Land Use means every local zoning headache over and over again; and there is but one thing the average citizen is sure of—he doesn't want to have to deal with Washington on his own property. But he may have to in the Durham, New Hampshire, area. For at Durham, an oil refinery has been planned. If the view of the citizens at Durham prevails, there will be no refinery at Durham. But, of course, Durham is not alone. The communities adjacent to Durham also have moved to block the refinery. The coast of New Hampshire is closing up. And the same thing is happening elsewhere. New Jersey has serious questions about deepwater ports. Delaware has halted development of heavy polluting industry in its coastal zone. And a Maryland county hangs out the unwelcome sign for oil refineries. So in the middle of environmental panic, suddenly there is the energy crisis.

When I first started working on Coastal Zone legislation, it was looked upon as a nice thing, not a necessary thing. We raised the specter of the year 2000 with 225 million Americans coming down to the sea and asked the obvious questions: What was to be done about urban sprawl? Where would we locate water-consuming industries and energy facilities? What about the fisheries? The recreational areas? The ports authorities? And how were we to locate these compatibly? We were looking ahead. Today we are looking behind. Already in commission are 30 supertankers that have no United States ports of call. Already should have been constructed offshore nuclear power plants. And with the oil shortage, we are only now looking at our hole card, the outer continental shelf along the Atlantic Coast. Because of the energy crisis, the pressure for offshore drilling, offshore power plants, and deepwater ports all create national needs and conflicts now in the coastal zone.

Somewhere along the coast in the Northeast, we are going to have floating nuclear power plants, offshore oil and gas drilling and a deepwater port. There will be give and take between energy and environment. Neither need suffer. But neither can stand delay. If coastal states don't move, the Federal Government will be compelled to move for them. Coastal Zone Management is no longer merely desirable—it is necessary—*now*.

And so it is that we meet—charged with the acceleration of Coastal Zone Management to solve an overdue problem. Coastal Zone Management charged with keeping the states ahead of the Federal Government. Coastal Zone Management charged with assisting the states in maintaining a flexibility in their state approaches. Charged with reordering the Federal role so as to respond to the state guidelines rather than the customary issuance of "thou shalt" directives from Washington. And charged with proving that we in the Coastal Zone are the Land Use supporters' best friend. Because if this Coastal Zone Management Act Program falters and fails, then we can forget about a National Land Use Act for some years to come.

We in the United States Senate have been to the top of the mountain and have seen the other side. The demands of the energy crisis could not await committee jurisdictional disputes and the intransigence of seniority fiefdoms. The Energy Policy Study organized three years ago was able to deliver last year a two-thirds vote or more on each of the facets of energy, whether it be conservation, administration, research and development, or emergency provisions. Now the committee chairmen and the leadership of the Senate have moved as one to institute the National Ocean Policy Study. This Study was sponsored by each of the 17 committee chairmen within the Senate. It was approved unanimously two weeks ago, and on the heels of this Conference we will be organized, taking the fruits of your deliberations here on Coastal Zone problems and considering new legislation. The consummate problems of deepwater ports, energy facility sitings, offshore drilling, population growth, fishing and more than any, the overriding national need to protect our coastal and marine environment, will receive decisive treatment by a group ready to lead. All we need is for you at this Conference to point the direction.

The oceans, the quality of life in the Coastal Zone, offer us the prospect of innovation and renewal. In a time of national drift, our challenge holds out opportunity. At a time when the future of the species is by no means guaranteed, it offers the hope of human survival. Your government has made a commitment with the Coastal Zone Management Act. In this room are the minds and talents capable of fulfilling this commitment.

DOUBLE STANDARD ON EXECUTIVE SALARY INCREASES BY COST OF LIVING COUNCIL

Mr. PROXMIRE. Mr. President, the salary increases for 1973 of many top U.S. corporate executives are not only outrageous but appear to violate the regulations laid down by the Cost of Living Council itself. As the proxy statements of America's giant corporations are published day by day the reasons why the administration's wage-price, economic stabilization program is an abject failure are seen in spades. While the ordinary, hard working, American wage and salary worker has been held to a 5.5-percent wage increase or less, some of the top executives of America's largest corporations have routinely received 20 to 50 percent cash salary and bonus increases in 1973 over 1972.

WRITTEN TO DUNLOP

As vice chairman of the Congressional Joint Economic Committee and the rankink Democrat on the Senate Banking, Housing and Urban Affairs Committee, which has jurisdiction over wage-price legislation, I am especially interested in this matter.

I have written a letter to Mr. John Dunlop to say that not only does this situation violate every standard of fair play Americans have come to expect of their Government, but it appears to be in direct violation of the rules of the Cost of Living Council itself. It ruled in August that increases for executives in the "executive control groups" would also be limited to the 5.5 percent general guideline applying to working men and women in general.

REASON WHY LEGISLATION WAS KILLED

If the President and his administration want to know why they have lost credibility and why even the limited wage-price legislation they propose has not got the proverbial snowball's chance in you know where of passing Congress, they need only look at their one-sided, biased, and even scandalous administration of the program. This was one of the major reasons the legislation was killed in the Senate Banking Committee Tuesday.

While the wages and salaries of ordinary American families did not even keep pace with the rise in prices, the cash salary, bonus, and other payments to General Electric's Jack Parker went up from $264,045 to $390,500 or a 50-percent boost.

And men like Robert K. Heimann of American Brands ($217,374 to $299,897), John J. Riccardo of Chrysler ($243,580 to $343,310), and Reginald Jones of General Electric ($231,674 to $312,528), got annual boosts of 40 percent.

The salaries of many of the top drawer American executives like Henry Ford and Richard Gerstenberg of GM, have not yet been published.

These increases are not only shocking but they indicate a prejudiced, unjust, uneven, and biased administration of the laws, regulations, and wage-price program

DON'T COUNT THIS ONE

When this situation occurred after the first year of the program, I held a series of hearings which resulted in the administration issuing its August guidelines for the so-called executive control groups. But as has so often been the case with the administration in the past, where the perquisites or salaries or prices of the giant corporations and their executives are at stake, the double standard applies.

When it comes to executive pay raises, the Cost of Living Council acts like the proverbial imbiber who, while allegedly on the wagon, asserted every time he took an alcoholic nip, "We won't count this one."

Mr. President, I ask unanimous consent that a copy of the letter I wrote to Dr. Dunlop, dated March 15, and the article and table from the March 25 New York Times, be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

March 25, 1974.

Dr. John T. Dunlop,
Director, Cost of Living Council,
Washington, D.C.

Dear John: I'm enclosing an article from the New York Times today which details the huge salary, bonuses, and other payments received during 1973 by the top executives of American business.

This is a scandalous situation. If you want to know why your new proposals don't have a snow ball's chance in you know where, this details it in spades.

The average earner has been limited to 5.5 percent or less. And your "executive control group" guidelines allegedly do the same for management. But here you will find increases in one year of 20, 40, 45 and 50 percent.

Such an unfair, biased, and prejudiced, administration of the program has resulted in its abject failure. It is an economic disaster.

This has helped to ruin the credibility of the government as much as any one action.

I would appreciate a reply in which you

tell me what you expect to do about this matter under your guidelines. I would like to know how one man can get a raise of $125,000 in one year which is more than the entire annual income of 10 American families.

With best wishes.

Sincerely,

WILLIAM PROXMIRE,
U.S. Senator.

FOR THOSE AT THE TOP, RAISES IN 1973 EXCEEDED 5.5 PERCENT

(By Robert E. Bedingfield)

Compensation for the nation's top corporate executives continued to grow last year and at a rate well in excess of the general 5.5 per cent set under the Government's economic stabilization program for executives as a group.

Among the more than 50 big companies that have reported information on senior executives' salaries to shareholders, National Cash Register gave the fattest raise in 1973. It awarded a $132,155 increase to $275,000 to William S. Anderson, its president. Last July he became chief executive officer as well, when Robert S. Oelman, who has been chairman since 1960, announced he would retire this year.

It will be some weeks before the bulk of the proxy statements are in and the full story is told as to which executives got the most pay last year. But the winner among the companies reporting to date appears to have been Frank T. Cary, chairman of the International Business Machines Corporation. I.B.M. paid Mr. Cary a salary of $200,000, and supplemental awards of $246,900 in 1973. A limited number of I.B.M. executives receive supplemental awards for "extraordinary achievement."

ROCKWELL IS SECOND

Willard F. Rockwell Jr., who last month gave up the post of chief executive officer of the Rockwell International Corporation to Robert Anderson, received a total cash remuneration last year of $423,333.

Third spot among the top earners of the first companies reporting was taken by John W. Hanley, president of the Monsanto Company, who collected $406,900 in salary and bonus payments. When Mr. Hanley left the Procter and Gamble Company in November, 1972, where he had been executive vice president, he obtained a contract guaranteeing him a minimum $125,000 cash bonus for each completed year of employment during the three years 1973–75.

The others in the top 10 so far were: Russell DeYoung, chairman of Goodyear, $395,070; Mr. Anderson, president of Rockwell International, $393,586; Lynn A. Townsend, chairman of Chrysler, $393,440; William S. Paley, chairman of Columbia Broadcasting, $385,481; Robert W. Sarnoff, chairman of RCA, $375,000; Harry Bridges, president of Shell Oil, $365,000, and Arthur R. Taylor, president of Columbia Broadcasting, $350,381.

NO DEFERRED COMPENSATION

These figures represent the actual cash compensation paid in 1973—salaries, bonuses or other awards, but they do not include compensation earned in 1973 on which payment is deferred until future years.

The General Motors Corporation has not yet issued its proxy statement disclosing individual executive salaries, but among its executives sharing the $112.8-million in bonuses it paid last year, Richard Gerstenberg, its chairman, certainly must have been the winner.

In 1972, Mr. Gerstenberg was the highest paid corporate officer in the land. In addition to his salary of $300,000, he received a cash award of $251,575, an award in stock valued at $251,550 and $15,000 in a savings and stock-purchase grant.

Mr. Gerstenberg at the end of 1972 was listed in the company's proxy for the 1973 stockholder's meeting as holding 17,919 shares of G. M. stock, directly and beneficially in three trusts, in which he retains a reversionary interest. During 1973, G. M. paid dividends of $5.25 a share.

Until 1972, when Mr. Gerstenberg overtook him, Harold S. Geneen, chairman of the International Telephone and Telegraph Company, was American industry's highest paid executive. His $402,311 salary in 1972 was supplemented by other awards of $411,000.

The Cost of Living Council took a hard look late last summer at the big salary increases and bonuses some companies had been giving their officials. It issued rules requiring that every company subject to wage controls establish an "executive control group" that included all officers and employes who served as company directors.

The Council ruled that effective last Aug. 31, salary increases for executives in this executive control group could not average more in any fiscal year than the 5.5 per cent standard that applied to wage increases for employe groups in general. At the same time, the council said that bonus payments to executives could not exceed the level of bonus payments normally made to officers in any given company.

Until the Council acted, executives could be included in employe groups that included all of a company's workers. Under the old arrangement it was possible for a company to stay within the 5.5 per cent limit on wage increases by giving executives raises of 20 per cent, for example, and assembly line workers increases of only 3 per cent.

EXECUTIVE COMPENSATION—THE FOLLOWING TABLE LISTS CASH REMUNERATION, INCLUDING SALARIES AND BONUSES PAID DURING 1973 AND 1972, FOR TOP EXECUTIVES OF THE LEADING U.S. CORPORATIONS THAT SO FAR HAVE REPORTED TO THEIR SHAREHOLDERS IN 1974 PROXY STATEMENTS

	Cash remuneration	
Company: Name and title	1973	1972
AMF, Inc.: Rodney C. Gott, chairman	$204,167	$200,000
Amer. Brands: Robert K. Heimann, chairman-president	299,897	217,374
American Can: William F. May, chairman	221,571	221,571
American Standard: William A. Marquard, president	220,500	200,000
Armstrong Cork: James H. Binns, president	219,440	208,000
A.T. & T.:		
John D. deButts, chairman	325,738	256,250
Robert D. Lilley, president	266,513	212,500
Avco Corp.:		
James R. Kerr, president	180,000	300,000
Kendrick R. Wilson, Jr., chairman	140,000	190,000
BankAmerica Corp.: A. W. Clausen, president	209,900	209,400
Bankers Trust N.Y.: William H. Moore, chairman	220,000	220,000
Bethlehem Steel:		
Stewart S. Cort, chairman	300,000	291,670
Lewis W. Foy, president	245,000	220,000
Carrier: Melvin C. Holm, chairman	240,654	233,231
Caterpillar: W. H. Franklin, chairman	250,000	233,333
Celanese:		
John W. Brooks, chairman	287,167	264,500
Peter H. Conze, vice chairman	200,000	181,500
Charter N.Y. Corp.: Gordon T. Wallis, chairman	189,583	160,417
Chase Manhattan: David Rockefeller, chairman	230,000	230,000
Chem. N.Y. Corp.: Donald C. Platten (president since Sept. 1, 1973)	172,917	133,333
Chrysler:		
Lynn A. Townsend, chairman	393,400	311,140
John J. Riccardo, president	343,310	243,580
C.I.T. Financial: Walter S. Holmes Jr., chairman	196,333	183,591
Columbia Broadcasting:		
William S. Paley, chairman	385,481	385,000
Arthur Taylor, president	350,481	------------
Columbia Gas: John W. Partridge, chairman	216,000	201,667
Continental Can: Robert S. Hatfield, chairman-president	225,000	210,000
E.I. duPont de Nemours:		
Charles B. McCoy, chairman	330,510	228,280
Edward R. Kane, president (elected president 1972)	268,590	231,960
Eastern Air Lines: Floyd D. Hall, chairman	243,975	227,300
First Chicago Corp (First National Bank of Chicago): Gaylord Freeman, chairman	276,850	262,160
First National City:		
Walter B. Wriston, chairman	253,599	239,052
William I. Spencer, president	204,971	200,000
GAF Corp: Jesse Warner, chairman-president	200,000	200,000
General Electric:		
Reginald H. Jones, chairman	312,528	231,674
Jack S. Parker, vice chairman	390,500	264,045
Herman L. Weiss, vice chairman	271,500	262,545
General Tel. & Elec.:		
Leslie H. Warner, chairman	275,000	251,442
Theodore H. Brophy, president	206,154	188,923
B.F. Goodrich:		
O. P. Thomas, chairman	$367,850	$350,000
H. B. Warner, president	203,250	187,500
Goodyear:		
Russell DeYoung, chairman	395,070	298,350
Charles J. Pilliod, president	263,556	207,722
IBM: Frank T. Cary, chairman (president in 1972)	446,900	394,549
International Paper: Paul A. Gorman, chairman-president	269,231	250,000
Johns-Manville: W. R. Goodwin, president	235,114	201,850
Kaufman & Broad:		
Eli Broad, chairman	198,758	181,840
Eugene S. Rosenfeld, president	204,610	184,506
Kraftco:		
William O. Beers, chairman	320,913	263,809
O. Everett Swan, president of Kraft Foods	209,833	181,892
Loews:		
Laurence A. Tisch, chairman	208,000	208,000
Preston R. Tisch, president	208,000	208,000
Monsanto:		
John W. Hanley, president	406,900	281,900
Charles H. Sommer, chairman	303,475	272,283
J. P. Morgan & Co., Inc.:		
Ellmore C. Patterson, chairman	248,000	223,500
Walter H. Page, president	213,000	189,500
National Cash Register:		
Robert S. Oelman, chairman	275,000	215,000
William S. Anderson, president (elected president on May 17, 1972)	275,000	142,845
National Distillers: D. C. Bell, president	214,914	207,413
Polaroid: E. H. Land, chairman-president	199,509	159,970
PPG Industries:		
R. F. Barker, chairman	314,888	294,720
J. J. Neubauer, president	272,416	252,540
Ralston Purina: R. Hal Dean, chairman	265,155	247,500
RCA Corp:		
Robert W. Sarnoff, chairman	375,000	341,667
Anthony L. Conrad, president	258,333	250,000
Rockwell International:		
Willard F. Rockwell Jr., chairman	423,333	310,000
Robert Anderson, president	393,586	295,000
Shell Oil: Harry Bridges, president	365,000	325,000
Tenneco, Inc.:		
N. W. Freeman, chairman	289,060	248,580
R. E. McGee, president	217,170	191,220
Texaco: Maurice F. Granville, chairman	266,752	212,450
Travelers Corp.:		
Roger R. Wilkins, chairman	204,676	250,400
Morrison H. Beach, president	209,100	169,050
Union Carbide:		
F. Perry Wilson, chairman	280,000	250,000
William S. Sneath, president	205,000	175,000
Union Oil Co. of California: Fred L. Hartley, president	294,583	251,500

Company: Name and title	Cash remuneration	
	1973	1972
United Aircraft:		
Arthur E. Smith, chairman	$365,000	$304,999
Harry J. Gray, president	318,846	257,500
United States Steel:		
Edgar B. Speer, chairman	266,667	225,000
Wilbert A. Walker, president	245,833	225,000
Wells, Rich Green, Inc.: Mary Wells Lawrence, chairman	$310,595	$284,127
Westinghouse Electric:		
D. C. Burnham, chairman	281,250	326,250
R. E. Kirby, ex. vice president	212,497	247,498
J. W. Simpson, ex. vice president	216,242	243,742

THE ENERGY ADJUSTMENT ACT, S. 2813

Mr. BENTSEN. Mr. President, I would like to add as cosponsors to my bill, S. 2813, Mr. McGOVERN, Mr. BENNETT, Mr. EASTLAND, Mr. MATHIAS, and Mr. JOHNSTON.

S. 2813 is a bill to establish within the Department of the Treasury, an agency for energy adjustment to administer a guaranteed Government loan program for adjustments necessary to convert to a petroleum-scarce economy.

Mr. President, the recent removal of the oil embargo against the United States has not diminished the need for effective action which will minimize the economic effects of the energy crisis. We are moving from an economy of petroleum abundance to one of petroleum-scarcity. Much of our manufacturing capacity was constructed in reliance on cheap petroleum products. Those days are at an end. S. 2813 provides the assistance necessary to protect jobs and the production of our factories; as our economy adopts. The program as outlined in S. 2813 will help keep factories and plants open, production lines moving and American workers off unemployment compensation welfare rolls.

Since this proposal will help move our Nation toward energy self-sufficiency by providing the loans for installation of energy conserving equipment, for conversion to coal and other more abundant resources and where necessary new product lines not as dependent upon cheap petroleum products.

I urge expeditious action on this bill.

VIETNAM VETERANS DAY

Mr. PERCY. Mr. President, about a year ago we welcomed our POW's home. They had borne a tremendous burden, and we demonstrated our thanks with great fanfare. We had parades in their honor. The President entertained them at the White House. Everywhere they went they received a hero's welcome, and every effort was made to help them adjust to the changes which had taken place in America during their absence.

In contrast, most of the 7 million soldiers who returned from Vietnam during the previous decade had been greeted with indifference. Often they were treated as though they somehow were to blame for the war. They came home to discover that a friendly helping hand was just as elusive as the enemy they had pursued in Southeast Asia.

They returned from a war which cost us tens of thousands of lives and tens of billions of dollars, from a war which caused bitter divisiveness here at home. As our military involvement in Southeast Asia drew to a close, we all wanted to put that episode of our history behind us. But in trying to forget an unpopular war, we were forgetting those who had sacrificed for it.

The veterans of the Vietnam era have faced a very difficult readjustment. They have had to reestablish family and social life in a society whose complexity seems to grow geometrically. Many of them returned with drug problems or with physical disabilities.

The most pressing problem has been finding a job. The war drew heavily on those who had not been in a position to go to college, perhaps not even to finish high school. Naturally, when they came home, many of them were not prepared to face the competition for jobs. Many of today's veterans are forced to take dead-end jobs.

In the last couple of years the Congress has begun to respond to some of these grave problems with legislation to provide improved medical care and rehabilitation. Efforts have been made at the Government and local levels to provide counseling and job placement services. But there is still much that needs to be done.

Tomorrow is Vietnam Veterans Day. We should use the occasion to focus on what we still need to do to pay them proper tribute. Educational benefits, for example, must be improved. My own bill to extend the eligibility and entitlement limits of the GI bill is one step in this direction. The full name of the GI bill is the GI bill of rights, and it is unfortunate that only about half of the Vietnam-era veterans have exercised their rights by taking advantage of these benefits.

We owe a great debt to our Vietnam veterans. They answered the call to duty, whether they wanted to or not, and fought in a difficult war halfway around the world. We must demonstrate our gratitude to them by providing benefits which will equip them to meet society's challenges and to compete for decent jobs. It is the very least we can do.

FEDERALISM AND NATIONAL NO-FAULT LEGISLATION

Mr. GOLDWATER. Mr. President, I am compelled to oppose S. 354, the national no-fault legislation now on the Senate calendar, not on grounds of policy, but on grounds of the Constitution. For if S. 354 is not squarely in conflict with the textual provisions of the Constitution, it is surely an infringement of the spirit of that document.

Mr. President, S. 354 is a gross invasion of the basic concept of federalism, the principle that the several States are to be preserved as independent bodies having important authorities over the many subjects which concern the people in the ordinary course of their daily affairs. The concept of federalism is not an afterthought which followed the creation of the Constitution, but rather is an integral part of the structure of our Government thoughtfully implanted in our basic charter by the Founding Fathers.

Federalism is one of the fundamental checks and balances which the framers of the Constitution embedded in our Government. Yet, S. 354 is destructive of this principle on at least three counts. First, the bill imposes over 10 novel and untested requirements in a field in which the States themselves are presently quite active and have not enjoyed any fair time to complete their tasks. Second, the proposed Federal law would abrogate constitutional provisions of at least nine States. Third, it would mandate administration of the Federal standards by State, not Federal, officials, an unprecedented idea.

Mr. President, the first fatal flaw of S. 354 is that it does not give the States an opportunity to legislate their own remedies in the area of automobile insurance reform even though each of the States is now actively engaged in implementing or considering laws in this field. Without allowing the States any fair time for experimentation and development of a range of answers to the public's need for motor vehicle insurance reform, the Federal Government would interrupt the momentum underway in the States and preempt all State laws with a single new set of Federal requirements. Before any adequate time for learning which standards are best suited for the people in particular States and which plans have the least mistakes, S. 354 would plant down in all the States a system which is untested in even one of them.

Not one State out of the 20 which now has adopted some form of no-fault motor vehicle insurance matches the requirements of S. 354 or the laws of any other of the States. The report of the Senate Committee on Commerce on S. 354 remarks that no two no-fault statutes "are the same even as to the basic elements of benefit levels and lawsuit restrictions."

Unfortunately, the committee report fails to comprehend the true significance of this fact in its relationship to the Federal system and turns this discovery topsy-turvy on its head as a fallacious reason for enacting a uniform Federal plan.

What should be noted by the advocates of a national no-fault program, if they are to pay more than lipservice to the idea of federalism, is that they are circumscribing and handicapping continued research and experimentation by the States in the automobile insurance area by imposing an entirely unproven system upon them. A true respect for the principle of federalism would follow a policy of restraint from mandating requirements upon the several States which are generally untried among any sizable number of them.

Mr. President, I propose to Congress today that we erect a new system for the guidance of our own conduct which should precede any efforts to legislate in areas which history and policy have traditionally reserved for the jurisdiction of State and local governments. Before venturing into new situations which abrogate long-standing State practices and jurisdiction, Congress should conscientiously examine precedents for what we are proposing among the usage of the States themselves.

Congress should ask of itself whether many States had ever put into practice the requirements we plan to ask all States to adopt. We must inquire whether these identical rules were proven feasible in day-to-day administration of similar laws. We must examine whether the proposed requirements actually achieved the purposes intended by Congress when these requirements were used by the States already living with them. Congress also should deliberate on the nature and significance of the interest which States may have in retaining their present practice.

Mr. President, these suggested principles for self-restraint by Congress are not academic. They are crucial to the continued health of the Federal system as a living feature of America's political system. And, if applied to the provisions of S. 354, we can see that this bill is completely at odds with a proper respect for federalism. In the words of Justice Powell, upholding the Texas system of financing public education out of local property taxes:

> It would be difficult to imagine a case having a greater potential impact on our federal system than the one now before us, in which we are urged to abrogate systems . . . presently in existence in virtually every State. *San Antonio School Dis. v. Rodriguez*, 411 U.S. 1, at 44 (1973).

Not only does S. 354 require the States to adopt an automobile insurance system untried in any of them, but it proposes to establish national restrictions before anyone can know very much about the operations of the 20 reform laws which States have already adopted. In fact, of those laws which the Senate Commerce Committee is willing to recognize as "genuine no-fault laws," only four have been in operation as long as 1 year. Surely, this is no solid empirical basis on which to erect a formidable national law.

Mr. President, the proponents of a national no-fault law view this question from the other side of the coin. They argue that the absence of a uniform system throughout the Nation leaves the American motorist helpless as he drives from State to State. This argument is no more than a strawman. It is simply not true. The American motorist has insurance protection wherever he drives in the United States, and in fact, in Canada, also. The private insurance industry has voluntarily revised their automobile insurance contracts automatically so that motorists are guaranteed full legal protection anywhere in the United States or Canada. This extension of coverage by the Nation's automobile insurance companies means that American motorists will have no worries as to whether or not their insurance policies will meet the legal requirements of another State. The Nation's motorists are fully protected.

Mr. President, in order that my colleagues may see for themselves the great gap between the requirements of S. 354 and anything that has been tested and proven at the State level to date, I ask unanimous consent that a table comparing S. 354 with current State law be printed in the RECORD at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. GOLDWATER. The second ground, Mr. President, on which I believe that S. 354 invades State sovereignty is by destroying express provisions now contained in nine State constitutions prohibiting limits on the right of recovery in tort. For example, article 18, section 6 of the Arizona constitution provides that—

> The right of action to recover damages for injuries shall never be abrogated, and the amount recovered shall not be subject to any statutory limitation.

Yet, the very essence of S. 354 is that it restricts the tort lawsuit remedy for automobile accident injuries. Though Congress arguably may, under the Supremacy Clause, possess the theoretical power required to abrogate these provisions of State constitutions, it is without question an affront to the dignity of States as important bodies in their own right to run roughshod over their constitutions in any case, such as this, where there is no showing of any infringement by State law or custom of any constitutional right of citizens. In this respect, S. 354 would make a mockery of federalism.

Though the preceding features of the no-fault bill would conflict with the spirit, if not the specific constraints of the Constitution, there is a third aspect of the bill which clearly runs counter to both the expectations and text of the Constitution. As incredible as it seems, S. 354 would compel each of the 50 States to administer the Federal insurance system established by the bill. The bill does not condition the availability of Federal assistance on the option of the State taking certain action; nor does it provide for Federal administration of the Federal law. Instead, S. 354 provides that each State must administer the Federal system. No other interpretation can be given to the bill, because unless it compels administration by the States, it would create an unconscionable situation in which State law has been preempted and American motorists are left without any motor vehicle insurance coverage at all.

Mr. President, I call upon my col- Bicentennial of American independence, I ask that we should address ourselves to what our forefathers meant when they conceived a new nation for this land.

Federalism is not a shibboleth. To comprehend its true meaning, we must return to the words of the Founding Fathers at the Constitutional Convention and in the Federalist Papers. Tested against the original principles followed by the framers, S. 354 falls far short of constitutional demands.

Mr. President, federalism is engraved in the Constitution from the very nature of its creation to the proposed extent of Congress' powers, James Madison reminds us in the Federalist 39 that the Constitution resulted from the unanimous assent of the several States that are parties to it. Thus, if we look at the original article VII, we see that the Constitution was established only "between the States so ratifying the same."

This assent and ratification was given neither by the decision of the people as composing one centralized nation, nor by that of a majority of the States. It resulted from the unanimous assent of the several States that are parties to it. Seen in its true light, Madison explains:

> Each State, in ratifying the Constitution, is considered as a sovereign body independent of all others . . . In this relation, then, the new Constitution will, if established, be a *federal* and not a *national* constitution.

From the enumeration of powers to Congress in article I, Madison also proves the purpose of the Founding Fathers to regard the States as distinct sovereignties left with important powers of their own. The new government will be one, according to Madison, in which "the local or municipal authorities form distinct and independent portions of the supremacy, no more subject, within their respective spheres, to the general authority than the general authority is subject to them, within its own sphere." The national government's jurisdiction, Madison assures his readers:

> Extends to certain enumerated objects only, and leaves to the several States a residuary and inviolable sovereignty over all other objects.

In the Federalist 40, Madison reaffirms the plan of the framers in alloting Congress' powers that these powers "should be limited, and that, beyond this limit, the States should be left in possession of their sovereignty and independence."

In the Federalist Papers 17 and 45, Hamilton and Madison respectively describe this reserved sovereignty of each State as encompassing "numerous and indefinite" powers, extending "to all the objects which in the ordinary course of affairs, concern the lives, liberties, and properties of the people, and the internal order, improvement, and prosperity of the State."

Further basis for the recognition of federalism as an inherent and considered plan of the framers is demonstrated by article I, section 3. In Federalist 62, Madison writes that the equal vote allowed by this provision to each State in the Senate "is at once a constitutional recognition of the portion of sovereignty remaining in the individual States, and an instrument for preserving that residuary sovereignty:" Large and small States together ought "to guard, by every possible expedient, against an improper consolidation of the States into one simple republic." This theme, that giving the States an equal vote in one branch of the legislature is essential to their preservation, flows through the records of the Constitutional Convention from start to finish.

But the design of the framers is not merely one of placating the States. There is a much deeper, underlying purpose which the framers had in mind. For the brilliant men who founded this government were as much concerned with the dangers of a tyrannical Congress as they were with a despotic king.

Thomas Jefferson is quoted in the Federalist 48 as writing that the concentration of all the powers of Government in the legislative body "is precisely the definition of despotic government. It will be no alleviation that the powers will be exercised by a plurality of hands, and not by a single one. One hundred and seventy-three despots would surely be as oppressive as one."

So in the Federalist 28, Hamilton states:

> It may safely be received as an axiom in our political system that the State governments will, in all possible contingencies, afford complete security against invasions of the public liberty by the national authority.

And so in Federalist 44 and 46, Madison points to the expectation of the framers that the State governments will be "ever ready" to mark the invasion of their rights and prerogatives by Congress and "to sound the alarm to the people * * *." Active and strong State governments were viewed by Madison as an essential "intermediate body" between Congress and the people who would watch the conduct of Congress for innovations which misconstrue or enlarge its powers beyond due limits.

In Federalist Papers 17 and 45, both Hamilton and Madison tell of how the existence of a great corps of distinct State and local officers administering local programs will be an essential part of preserving influence with the people by the States. Consistent with this principle, Madison specifically rejects in Federalist 39 the concept that local authorities "may be controlled, directed, or abolished by—the national legislature—at pleasure."

But, S. 354 would control local authorities. It would be a precedent for drafting State officials into administering all sorts of Federal programs. It could transform our system of several independent State governments into one supreme central government.

Mr. President, if we allow the civil administrators of the States to be manipulated in this way; if we grasp from the States their responsibility over domestic local matters touching the great majority of people in fields which the States themselves are at this moment actively pursuing; and if we thrust upon the States schemes which are as yet unproven and untested by any great number of them, there will eventually be no States left to maintain the Federal system and the plans of the Founding Fathers. All will have been absorbed into one massive national creature, devouring of all else and alien to the most careful designs of the architects of our constitutional government.

EXHIBIT 1

COMPARISON OF 10 REQUIREMENTS OF S. 354 WITH CURRENT LAW

(1) Work Loss Benefits. (A) S. 354 requires that all of a victim's work losses must be paid, including at least; (1) up to $1000 a month, and a total ranging from $17,101 to $35,135 unless the state lowers the maximum work loss to $15,000; (2) reimbursement for replacement of services the victim would have performed personally but for the accident; (3) up to $1000 for funeral and burial expenses; and (4) compensation for surviver's loss. (B) Only 2 States would come up to the level of S. 354, Michigan and New York.

(2) Medical Benefits. (A) S. 354 requires that all reasonable charges for medical treatment and care must be paid. (B) Only 2 States would come up to the level of S. 354, Michigan and New Jersey.

(3) Emergency Health Services. (A) S. 354 requires that all reasonable charges must be paid. (B) No States would conform with this requirement.

(4) Medical and Vocational Rehabilitation Services. (A) S. 354 requires that all reasonable charges must be paid. (B) Only 2 States would satisfy this requirement, Michigan and New Jersey.

(5) Economically Disadvantaged Individuals. (A) S. 354 requires that each state provide automobile insurance coverage to all economically disadvantaged individuals who cannot afford to pay ordinary premium rates. (B) Only 1 State would meet this requirement, Hawaii.

(6) Restrictions of Right to Sue. (A) S. 354 does not permit law suits for victim's economic loss unless the loss exceeds the basic restoration benefits described in paragraphs (1) through (4), the injuries were intentional, or in the case of liability of uninsured motorists. No cause of action is allowed for bodily injury except for: (1) death; (2) serious and permanent disfigurement or other serious and permanent injury; (3) more than 6 months of total disability. (B) No States would satisfy this requirement.

(7) Assigned Claims. (A) S. 354 requires that each State must provide a system for the payment of assigned claims. (B) Only 7 States would satisfy this requirement, Massachusetts, Connecticut, New Jersey, Michigan, Nevada, Kansas and Hawaii.

(8) Comparison of Prices. (A) S. 354 requires that each State's Insurance Commissioner shall provide the means to permit purchaser of insurance to compare prices being charged by insurers for no-fault benefits and tort liability coverage. (B) No States would satisfy this requirement.

(9) No-Fault Between Insurance Companies. (A) S. 354 requires that a no-fault system operate in each State between insurance companies as well as between motorists. (B) Only 4 States would meet this requirement, Maryland, Michigan, Arkansas, and Texas.

(10) Priorities for Payments of Benefits Among Multiple Sources. (A) S. 354 requires that each State implement the system of priorities for determining which source will pay for the basic restoration benefits decribed in (1) through (4) in cases in which more than one source is available. (B) Only 1 State meets the wording of S. 354 for this requirement, Michigan.

ONE HUNDRED AND TWENTY-FIFTH ANNIVERSARY OF WILLIAM JEWELL COLLEGE

Mr. SYMINGTON. Mr. President, on February 27, 1849, Gov. Austin King of Missouri, signed the charter for the first men's college west of the Mississippi River. Founded by Baptists, the college was located in Liberty, now a suburb of Kansas City, but then a small settlement that stood alone among sparse pioneer settlements and Indian villages. Kansas City itself had not been chartered. Liberty was important as one of the outfitting posts for the long trek across the western prairie.

In this year, 1974, that college still is providing leadership in American education. I am pleased to have this opportunity to salute William Jewell College in its 125th anniversary year as it celebrates a year-long festival of achievement.

William Jewell College has an illustrious history and a no-less-illustrious present. One of the few colleges educating leaders on the frontier, the college had a significant impact on the growth of Missouri and the West. A residence and hospital for troops during the Civil War, a citadel of learning in time of peace. William Jewell College established a reputation for academic integrity and Christian commitment throughout the last century. It built upon its tradition in our present century, becoming a charter member of its accrediting association, sending a high percentage of its graduates on to the best graduate and professional schools, and developing educational and cultural programs that marked it as an unusual educational establishment. Indeed, so many of its graduates earned places in "Who's Who" listings that by the 1940's William Jewell College was widely known as the campus of achievement.

In the current decade, under the leadership of President Thomas S. Field, the college has built upon its tradition of excellence to offer still more educational leadership to Missouri and the Nation. A pacesetting new curricular program called education for individual achievement has been designated as an antidote to the widespread depersonalization observed in contemporary American life.

A cooperative program has been developed with Regent's Park College of Oxford University. A premier fine arts series has brought some of the world's best performing artists to the Midwest. A championship tradition in athletics and forensics has been embellished even further. Education of a professional leadership for American society has been furthered.

Since its founding 125 years ago, the campus of achievement has earned a significant place in the history and current growth of American higher education. As a part of this year's celebration, I am pleased to offer this tribute to William Jewell College.

THE CONCORDE

Mr. BENTSEN. Mr. President, during the congressional debate in 1971 over development of a U.S. supersonic transport, a great deal was made by SST proponents over the challenge posed to U.S. aviation by the Concorde SST being developed by France and Great Britain. I was not persuaded by this argument at the time and I believe recent events have shown that it has even less currency today.

Those of us who argued against the SST felt that if it could not meet the test of securing private financial support for its development costs then it was not likely to meet the test of winning aviation industry support necessary for its production. The Anglo-French Concorde, I believe, is a good case in point. The British and French Governments have sunk more than $2.5 billion into development of the Concorde and to date the only customers for the production model have been Air France and British Airways—two state-owned airlines that seem to have very little choice in the matter.

When one considers the state of the U.S. airline industry today—with the new wide body jets actually being retired from service by many airlines—we can only be thankful that our airlines are not faced with the additional burden of attempting to capitalize the purchase of a new supersonic transport.

The decisions of the marketplace may seem harsh at times, but I believe that the private sector has a proven record of providing the United States with the best technology, at an affordable price and in harmony with the all-economic forces that are played in a free economy.

Mr. President, I ask unanimous consent that a recent editorial on the SST from the Houston Post and an article from the March 23 issue of Business Week magazine may be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From Business Week, Mar. 23, 1974]

More Turbulence for the Concorde

The Anglo-French supersonic airliner, the Concorde, seems headed for its biggest crisis since 1964, when Harold Wilson's Labor government tried to cancel the plane on first taking office. Now, Tony Benn, Secretary of State for Industry in the new Wilson minority government, who regards himself as a Concorde partisan, has given Parliament facts that suggest that the cheapest thing to do with the Concorde would be to scrap it now. Firm sales to date still total only nine, all to Concorde's "captive" state-owned customers, British Airways and Air France.

Nobody in Paris was talking for the record on Benn's remarks, but the French did not appear to consider them a serious threat. "The cost problems of the Concorde have been long known and already discounted," says one high French official. Another speculates that Benn's remarks may be part of a broadly orchestrated effort to get a better deal for Britain in renegotiating its entry into the Common Market. British haggling on the Concorde, in this view, would put pressure on the French to allow Britain a better deal on farm prices. The French government announced on Feb. 19 that it favored continuation of the Concorde, including production of three aircraft in addition to the 16 now authorized, plus new fuel tanks to increase range.

LOST POUNDS

Benn, however, told Parliament that there is no hope that Britain and France will be able to recover any part of the $2.5-billion development cost of the Concorde through a levy on sales. He added that further development spending to improve the aircraft's performance, as urged by the Concorde's manufacturers, would also be lost, that production of any number of Concordes sold would result in further huge losses per plane, and that operation of the aircraft could possibly cost British Airways "many millions of pounds" annually in lost profits.

Benn emphasized that the new Wilson government had made no decisions about the Concorde's future. "In view of the size of the sums of public expenditure involved and the importance of the decisions that must now be made," Benn said, "I thought it right to place these facts before the House [of Commons] and the country before any decisions are reached." The failure of the Concorde, he told a press conference, would be "a national tragedy."

RAMIFICATIONS

Despite the disclaimer, Benn's statement sounded ominous. To Michael Heseltine, Minister for Aerospace in the Heath government, which was voted out of office on Feb. 28, Benn's statement seemed likely to do "the maximum possible harm and the minimum possible good" to the Concorde unless he intended to cancel the project. And seasoned London aerospace industry observers read the statement as preparing the ground for a possible cancellation attempt.

If the Wilson government does eventually press for cancellation, a head-on Anglo-French row seems inevitable. When Wilson last tried this tack, in 1964, he was advised that to cancel unilaterally might violate the treaty setting up the project.

MOUNTING COSTS

Benn's figures indicate that to cancel now would cost the British taxpayer $190-million. Merely to complete the 16 aircraft being built would cost the British public purse $480-million to $570-million. The French proposal for three additional planes and longer-range fuel tanks would raise the ante to between $510-million and $675-million. And, according to Benn's figuring, if 100 Concordes were built and sold, the British share of the production losses would reach $280-million to $580-million.

The Concorde's manufacturers—British Aircraft Corp., Rolls-Royce (1971), Aerospatiale, and Snecma—want to improve the Concorde's engines and change its wing design as well as add extra fuel tanks, which they forecast would make possible sales of about 130 Concordes by the early 1980s. Benn's statement disputes this, nothing the effects of both the temporary fuel shortage and other unresolved issues could "reduce sales substantially." British Aircraft had no comment, but the London *Times* summed up: "The gloomiest government report on the Concorde ever."

[From the Houston Post, Mar. 18, 1974]

Supersonic Phoenix

Americans who assumed that the SST had been killed off by Congress and who thought that the financial flop of the Concorde had justified the killing may be interested to know that the government is now spending $20 million in a three-year study seeking modifications of the SST to make it environmentally safe. Department of Transportation scientists report that the SST's environmental problems can be overcome within 10 years "without great cost."

This seems to overlook the fact that DOT is concentrating its scientists and millions on a plane that will serve no more than one-half of one per cent of all Americans—those few who fly overseas and would pay double and triple fares to cut three hours off the flight. The news comes at a time when Americans by the millions are in daily, practical need of better commuter trains and buses, of better mass transit systems and railroads, of motor vehicles that will use the least possible amount of fuel.

When the SST was voted down by Congress in March 1971, it had already cost more than $1 billion—86 per cent of it federal money. Then the administration asked for another $83.5 million in shut-off funds to cushion the shock of curtailment for the corporations working with the government on the project. But by May—three months after the vote to end the development plan—the administration was trying to have the $83.5 million diverted to revive work on the prototype.

Economists as well as environmentalists were fighting the SST. Walter W. Heller, former chairman of the President's Council of Economic Advisers, said then: ". . . the SST dismally fails the fundamental tests of the market place. The benefits will go mostly to the high-income and business travelers—for whom a three-hour instead of a six-hour crossing is meaningful—while the risks and costs will be borne by the taxpayers, most of whom will never fly the SST."

Britain and France forged on, finished their Concorde at costs running 500 per cent higher than estimates, and have not been able to persuade a commercial airline in this country to take one, even on a rental basis. The finished Concorde—a beautiful bird—is not economically feasible; it will never pay its development costs; no single Concorde will pay for itself even if flying with every seat filled on every flight.

Now the administration is asking for a comparatively modest appropriation for railroad research, while Congress and DOT expect railroads to make a comeback and become self-supporting with old tracks and obsolescent passenger cars. In contrast, Europe and Japan have been running fast, modern trains for years. And France is developing the Aerotrain. It clocked 234 m.p.h. on a test track outside Orleans last week. It runs on a cushion of air, and the French expect it to revolutionize rail travel.

SENATE ADOPTS NEW WAY OF HANDLING BUDGET

Mr. PERCY. Mr. President, an article by Philip W. McKinsey in the Christian Science Monitor of March 18 appropriately reflects the background and content of the congressional budget reform bill that the Senate passed last week. The article points out that the impetus for congressional budget reform came as a result of the President's 1973 challenge to Congress over the impoundment of funds. It reports accurately the evolution of our bill, from a rigid, disciplined bill, to one whose procedures are more flexible, but "still have enough teeth in them to make a real change in the way Congress handles fiscal policy." I commend this article and ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Senate Eyes New Way of Handling Budget

(By Philip W. McKinsey)

Washington.—An historic overhaul of the way Congress handles the budget—designed to impose stern fiscal discipline as Congress votes spending and taxing measure—is nearing the final stages.

The Senate will vote this week on a comprehensive measure setting up new budget committees in each House, establishing spending targets, and forcing Congress to reconcile national outgo with income before adjourning for the year.

A companion bill already has passed the House, and key legislators figure the final version can be enacted before this summer. It would take only partial effect next year but would be fully in operation by the following year.

"This is the most important budget reform since 1921 when Congress created the Budget Bureau in the executive branch," says Sen. Charles H. Percy (R) of Illinois, a prime backer of the legislation.

BATTLE STARTED IN 1972

The battle for better budget control got started in 1972 after President Nixon, charging Congress with exceeding the budget by some $8 billion in the face of inflation, impounded funds wholesale and enraged the Congress.

But Congress was in no position to insist that all the funds it had appropriated be spent, since members recognized that the total was too high. The need to impose new spending disciplines on Congress before confronting the President on the spending issue gave birth to the proposals now ready for adoption.

The first proposals attempted to set rigid spending ceilings early in the year for each category of spending. However, it was recognized that Congress could not realistically be forced into an iron mold, and the final proposals are more flexible. But they still have enough teeth in them to make a real change in the way Congress handles fiscal policy.

The start of the fiscal year would be changed from July 1 to Oct. 1. Then as soon as Congress receives the president's budget in February, new budget committee's in each house would go to work. They would make their own study of the president's budget, decide whether it was too high or too low in view of economic conditions, and recommend their own targets for total spending.

In addition, a target for each category of spending such as education or defense would be set. A new congressional office of the budget or a joint Senate-House staff would be created to provide more staff expertise in Congress.

Then as each appropriation bill came up, it would be debated in view of where it fit into the total spending figure. Congress would vote more for one measure and less for another than the original targets. But in the end, before Congress adjourned, it would have to vote one final "reconciliation" measure.

VAST DIFFERENCE

This contrasts strongly with the present system, where each appropriation bill is simply voted through on its own and if the total ends up billions over the president's budget—too bad.

An important innovation is that new "back door" spending which now escapes the annual appropriations process altogether would come under the spending ceilings. Back door refers to such programs as social security, veterans benefits or student loans, which, once authorized, must be spent automatically, whatever the amount. The money would still have to be spent, but if it exceeds estimates, some cuts would have to be made elsewhere.

There is a major Senate-House difference on impoundment yet to be settled. The House would permit the president to impound funds unless either body vetoes the impoundment. The Senate prohibits presidential impoundment.

IMPORTANT CHANGE

The Senate bill contains another important innovation. It sets up a procedure for Congress to rescind spending authority approved in the past but which now seldom gets reviewed. Each year there is about $300 billion worth of "carryover" where some economies

The Senate committee report disputes the idea that all overspending has resulted from congressional largess. Often the overspending results from the president submitting for political reasons a budget he knows will be hard to stick to, then asking for supplemental appropriations later.

GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, over the past quarter century a series of arguments have been advanced in behalf of Senate ratification of the Genocide Convention. These arguments are just as compelling today as they ever were.

The Genocide Convention has a very simple aim: to prevent the annihilation of racial, ethnic, national, or religious groups. Drafted in the aftermath of World War II, while the memory of the Nazi atrocities against the Jewish people remained fresh, the Genocide Convention became the first major human rights convention to pass the United Nations General Assembly unanimously.

While murder remains a crime in all societies, this treaty seeks to formalize genocide as a crime under international law. It recognizes that the integrity of all the world's peoples is a concern that goes beyond national borders. The destruction of any group—racial, religious, ethnic, or national—is a loss for all mankind.

Mr. President, this treaty draws upon the best traditions of our country. It deserves our wholehearted and enthusiastic endorsement. I urge my colleagues not to let another session of Congress end without affirmative action.

MAINE

Mr. MUSKIE. Mr. President, this morning's edition of the New York Times contained a sensitive short essay on what my home State of Maine means to one refugee from urban America. Her thesis, "Maine makes sense," makes sense to me and to share her wisdom with my colleagues, I ask unanimous consent that her article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MAINE MADE SENSE

(By Sandra Garson)

FIVE ISLANDS, MAINE.—People kept telling me I had guts to move to Maine. Frankly, I thought I had common sense, for I wanted to play where I understood the rules of the game.

I had already tried and abandoned a gaggle of life-styles: my Philadelphia heritage, the bittersweet Big Apple, world travel and expatriation (not glamorous but depressing, even if you speak the language)—so at a ripened 29 it seemed time to stake my claim to being what I was: an American, whatever that meant.

The nineteenth-century passion for going West didn't move me, for I, born in the mid-twentieth, suspect that God strategically placed America's major geological fault in California in order to replay His wipe-out of Gomorrah easily. So I went East to a state of mind, and landed in the state of Maine. Suddenly the jigsaw locked. Maine made sense.

Recently Bridgton voted to reduce to almost zero the taxes on land left untouched for the appreciation of passing townspeople when it was learned that local landowners had been forced to sell or develop land merely to bear the tax burden. A human being understands that.

The comfort of comprehension, something mid-nineteen-seventies Americans fear they have bartered to Beezlebub to get away from it all, has not been lost up here because Maine has never tried to get away.

As adamant as the tall pines and time-washed cliffs of her spine, it refuses to be moved one millimeter from the human condition.

Some people call its residents Mainiacs, but they are intensely sane. They know there is no getting away and so they adapt to life, setting out humane values and goals. They are the tortoises in the great race, but it is perhaps their Yankee genius that by not moving one inch they have gotten away from all that is troubling everyone else.

With less civilization there are fewer discontents. There are more chances to get in touch. Up here on this hardline landscape, nature whittles life down to human scale, peeling off the question marks.

Guerrillas in a war of attrition against the highly charged forces of nature and the well-equipped arm of "progress," Maine's people live in that constant state of alert that novelists say is exhilarating. When they lie down to sleep at night they know what it means to survive the measure of a day. Nothing is more worth knowing.

I understand better what it means to be human when I have to spend three hours chopping wood for a fire to keep warm than when I have to drive six times around the block trying to park and then get a ticket because it's the wrong day for the right side of the street. The other day a woman came into the general store and handed Ray a dollar. She had just gotten home and noticed that he had given her too much change.

Maine is what this country must have been all about once. I was an immigrant to this land, a single woman homesteader. Yet nobody posed tacky questions. Rather, they let me hang myself out and seeing that my pursuit of happiness wasn't inimical to their life or liberty they called me "friend" and "neighbor."

Democracy grows here because people need each other to survive. Here the town meeting is a bridge between neighbors. Decisions are not relegated to politicians. Self-determination is the Yankee way, and in Maine I have come to learn what that means.

On the agenda of my last town meeting were votes on a moderator, $500 to retain counsel to determine the rights of townspeople to certain water access, and $378 for transportation services for the elderly.

I have seen the past and it works. The present is out of order. Maine satisfies my human longing for consistency. I live now in a house that has stood by the sea for 150 years, in a village incorporteed since 1716 and among people who still do what humans are supposed to do. Maine people not only endure, they prevail. On this terrain they have no choice. And they have chosen this terrain.

In moving here from New York to join them, I did not abandon a sinking ship as some thought. I merely satisfied my own needs. Maine, the vast undeveloped country making possible the exploration of human alternatives, was not out of the question for the urban me because in desperation I dared pose the big question: Do I want to lead and understand my one and only life?

GOOD THINGS ABOUT AMERICA

Mr. HUGH SCOTT. Mr. President, the latest issue of U.S. News & World Report brings good news. In an article entitled, "Good Things About America," the magazine points out that despite the many doubts and problems we are currently facing as a Nation, at least one group of U.S. citizens realizes that this country still offers the best possible way of life.

The group they refer to represents more than 6 million immigrants from all parts of the world. Their comments tell the story. I ask unanimous consent that this revealing article be printed in the Record.

There being no objection, the atricle was ordered to be printed in the Record, as follows:

Good Things About America

Through the Eyes of New Citizens

At a time when most Americans are beset by doubts or dismay at the state of the nation, one group of U.S. citizens still sees the country's weaknesses as relatively unimportant in comparison with its strengths.

These people are the more than 6.3 million immigrants, from virtually all countries of the world, who have come to the United States in the past 20 years, either to flee oppression or simply to better their chances in life.

To get an idea of how these Americans typically view their adopted land in a troubled time, staff members of "U.S. News & World Report" probed the reactions of four persons who have become naturalized citizens in recent years.

Over all, as these new Americans see things—

The U.S. is still a nation that offers unparalleled freedom—not only in politics but in social mobility, economic advancement and personal life.

They like the sheer size of America, its wide choice of careers and places to live, its readiness to assimilate foreigners, and the feeling of belonging to a society established to serve and protect the individual.

Immigrants do have complaints about the U.S., too.

They tend to believe that America is too permissive toward criminals and dissenters. Some miss the more-leisurely pace of life or the security offered by rigid conventions or social structures they left behind them.

Yet, these Americans are inclined to discount somewhat the turmoil over Watergate, inflation and shortages as being exaggerated in light of conditions elsewhere. In their view, the U.S. is still a nation that lives up to its historic pledge of liberty, justice and the pursuit of happiness for all.

"IN AMERICA, AN INDIVIDUAL HAS VALUE"

Los Angeles.—Had he remained in South Korea, Norrie S. Yuh says, he probably could have taken over his family's prosperous dairy business and enjoyed special status as a son of the Government's former Minister of Reconstruction.

Instead, he completed his education in the United States and Switzerland, became a U.S. citizen and at the age of 33 has worked his way up to the ownership of a travel agency and a small export-import firm in Los Angeles.

Why did he give up a privileged role in Korea for an uncertain future here? He replies:

"It's not because the money is here—I could make a living back there—the thing is that here people speak freely."

In Korea, Mr. Yuh says, a prominent person could get in trouble just for speaking to a member of a political party opposing the regime. By his account, news media are censored or controlled by the Government, people must register to move from one city to another and businessmen have to bribe officials to get the many licenses and permits they need.

"I know when I call Korea, all calls are taped," Mr. Yuh says. "I have even been called on by two men from Korean intelligence who played back a tape of a telephone conversation I had with my mother, and they wanted me to explain the meaning of some remarks we made."

But in America, he believes, "there is complete freedom." He adds, "Maybe some people abuse that freedom, but even if you do abuse it, you're left alone as long as you don't break the law."

As an example of what he considers abusing freedom, Mr. Yuh cites the calls for the impeachment of President Nixon so soon after his overwhelming re-election.

"The business of immorality is overpublicized," he says. "This kind of situation you find in other countries—maybe worse than here—but they don't talk about it."

Mr. Yuh also enjoys the social liberties that Americans often take for granted.

"My father wanted me to marry a certain person whom I had never met," he says. "But here I married the girl I wanted—my secretary. If that sort of thing happened in Korea, everyone would talk. It was a marriage not properly arranged."

Mr. Yuh thinks America's racial problems are no worse than mutual antagonism between Koreans and Japanese living in each other's countries. He says:

"There are prejudices in every country. But this country has the least discrimination against minorities. I strongly believe that I was more discriminated against in Switzerland than over here."

Mr. Yuh feels he has equal opportunity, and prefers that to being part of a privileged class. "In this country, you get what you work for," he maintains. "I don't think that is valid in any other country. Unless you have good connections or influence, you probably will not succeed. If I make it here, the credit comes to me. There, no matter what I did, I would still be only the son of Mr. So-and-so."

What it all boils down to, Mr. Yuh, is this:

"In America, an individual has value. He is recognized as a human being, equal to any other. There is respect for the value of one person."

"LIFE IS MORE EXCITING HERE"

New Kensington, Pa.—After more than 16 years in this country, Francesca Mognini early this year was sworn in as a U.S. citizen in Pittsburgh, Pa., 20 miles from her suburban home.

"Now I become an American," she said as she sat on a courtroom bench, waiting for the ceremony to begin. "But already I have been living like an American."

For Mrs. Mognini, 50, and her husband Cassio, 57, "living like an American" has been much like their life in Italy. Here, as in Italy, Mr. Mognini has tried to ply his trade as a shoemaker, then turned to construction labor. In both countries, Mrs. Mognini has gone to work whenever her husband was laid off, and at present she supplements the family income by working as a seamstress in her home.

"If Cassio was still working construction in Italy, we could make a living," says Mrs. Mognini. "But we could never own a house or a car. Only rich people have those things, because it's a small country and there isn't too much work."

During their first few years in the U.S., the Mogninis had to support two school-age children on $2,000 a year or less. But now Mr. Mognini brings home at least $200 a week when he is working steadily. Last year, they paid off the small frame house that they bought shortly after they arrived and have been renovating ever since.

"The real-estate lady and the man at the bank were so nice to us, even though we didn't have any money," says Mrs. Mognini. "They said because we were hard-working people we could have the house. In Italy, you have to know somebody or own property."

But they also met a fast-talking salesman a short time later who pressured them into buying $1,200 worth of faulty aluminum siding for their home. They got a lawyer who won an out-of-court settlement.

"Some people try to cheat you in every country," says Mr. Mognini. "Here, at least the lawyer could do something about it."

The Mogninis are sending their 23-year-old son to drafting school and paying tuition for their 30-year-old married daughter to become a trained beautician.

"In Italy," says Mrs. Mognini, "most children have to drop out of school and work because their families need money."

Mrs. Mognini also enjoys the more relaxed atmosphere in American homes. "In Italy, if my husband tells me to do something, I have to do it to keep the peace," she says. "Here I do it because I like to. And if I tell him I want to go dancing, I go."

A little democracy sometimes causes friction in the family, she says, but in this country "husbands and wives understand each other better—when we're working together and making decisions together, it makes us better friends."

Mrs. Mognini says she likes the variety and the livelier pace in America, although she adds that "life is more exciting here, but there's more worrying, too."

She says she has never run into ethnic discrimination.

"My son-in-law is Polish," she says. "We have all kinds of friends—Hungarian, Irish—and we will get along fine. The only people who call us 'Dago' are our Italian friends, and it's just for fun."

HERE YOU CAN BE ALMOST ANYTHING

Washington, D.C.—Marcelo R. Fernandez is a Cuban refugee who believes the great American ideal of freedom is already a reality in many ways.

"I don't mean just political freedom," he says. "I mean the freedom to choose."

Mr. Fernandez, 35, fled Cuba via the Brazilian Embassy in 1961, immediately after the abortive invasion at the Bay of Pigs. He says he was one of many Cubans who had stockpiled arms and awaited word to help the invaders, "but the word never came."

An economist by training, he has been a citizen since 1967 and works as an assistant to the superintendent of schools in Washington, D.C.

Says Mr. Fernandez:

"If I had stayed in Cuba and co-operated with the Government, I might have ended up in the same sort of position I'm in now. Or I could have kept on resisting and been shot."

This immigrant relishes the wide variety of careers offered in America.

"In many countries, there are only six or seven professions you can go into," he says. "Here, you can be almost anything, if you're able to do the work." He recalls:

"My father was a very successful man in Cuba, and because I was his son I had to conform to other people's ideas. Here, I am myself."

Having lived through the turmoil of revolution in Cuba, Mr. Fernandez is particularly impressed by America's political resilience. He observes:

"Look at the young people who used to be rioting. Now we have given them the vote, and they have a greater stake in society. In many countries, when one class or group gets upset, they just rise up and start their own repressive system."

Mr. Fernandez went to a park across the street from the White House the day President John F. Kennedy was shot, "because it looked like the Government had fallen, and

I wanted to see how the people would react." What he saw was this:

"People were going to church to pray. They were very sad, but no one was worried that things were going to collapse. In Latin America, everyone would have run home, because there would be a revolution."

Mr. Fernandez says the healing of rifts created by civil disturbances in the past decade shows "a great capability for love and compassion." By comparison, he maintains, "Latin Americans carry grudges and call it pride, but really it's compensation for their weaknesses."

Mr. Fernandez has also found Americans "very tolerant of foreigners," citing the quick reconciliation with Japanese Americans after World War II and the acceptance of German-born Henry Kissinger as Secretary of State.

"Once I criticized a taxi driver in Spain," he says, "and he told me to go back where I belonged if I didn't like his driving. Here, my accent is more noticeable, but people never say things like that to me."

Such tolerance is a sign that "Americans are becoming more mature and less arrogant," Mr. Fernandez thinks. "Since the difficulties in Vietnam and at home, we no longer act like we have all the answers for the rest of the world."

Watergate, he feels, will point up the nation's strength in the long run.

"Everyone knows these things happen at least as much in other countries," he says. "But we are able to get them out in the open in this country and perhaps keep them from happening again."

America's main drawback? Mr. Fernandez believes the pressures of the nation's economic competition produce excellence but are dehumanizing in some ways. Again, he recalls a recent trip to Spain:

"I went to visit a cousin I hadn't seen in 20 years, and he embraced me and kissed me. I remembered how an American friend of mine went to the airport to meet his son—who had been in Vietnam—and they just shook hands.

"I'm afraid, 10 or 15 years from now, I'll act like that toward my daughter."

Still, Mr. Fernandez would rather live in America than anywhere else in the world.

"For me, it's better to choose the way I want to live. I like the excitement of our wide-open, changing society."

"WHAT I LIKE IS THE FREEDOM"

NEW YORK CITY.—When the Yugoslavian Government confiscated his family's farmland and factories in 1947, Paul Konstantinovic began searching for two things that Americans often take for granted: political freedom and the right to own his own business.

On his seventh try, he escaped from Yugoslavia in 1958, only to spend seven frustrating years in France.

Now, after eight years in America, this 41-year-old refugee is a U.S. citizen and proud owner of an auto-repair shop in New York City.

Despite some grumbles about the attitudes of his fellow Americans, he declares, "I'm living a much better life here in every way." He says:

"I would never be able to be a manager or an independent businessman in Yugoslavia. I would always be working for someone else, because I am not a Communist."

Even in France, immigrants were barred from owning a business, he says. And he adds: "If you were a foreigner living in Nice, you couldn't get a permit to go and work in Paris."

Mr. Konstantinovic says of America:

"What I like is the freedom. You are free to do any type of business you can work at. And you can move about freely. There are no problems."

Recalling the discrimination he encountered as a foreigner in France, this refugee-turned-businessman says:

"When I hire people, I don't mind where someone comes from. In the U.S., people don't ask what race or religion you are or what your nationality is. They ask you, 'What do you know how to do?' "

Three years ago, Mr. Konstantinovic bought as an investment a $6,500 country house on Long Island, which he has fixed up until it is worth $36,000. Some day he would like to move out of the big city, but in the meantime he gets satisfaction out of working—frequently a 12-hour day—to provide little luxuries such as a recent $200 trip to Ohio for his son.

Even the basics of American life were luxuries for him once.

"In America, we can have meat two or three times a day," he says. "In Europe, we'd have it on Sundays and maybe three times during the week."

Despite his own long hours, he feels most Americans are too businesslike.

"In Europe, we talked more of cultural affairs," he says. "We also discussed vacations. Here, it's only business, business, business!"

Mr. Konstantinovic, whose apartment has been burglarized, is concerned, too, about lawlessness, strikes, racial troubles and the welfare situation. He warns:

"If the turmoil does not stop, people will want a strong man. Hitler, Mussolini and Napoleon came into power that way."

Although he feels the nation may be too permissive, he is optimistic:

"America is still an enterprising country. All the troubles we have here will settle down."

FARM COOPERATIVES TO EXPAND ENERGY AND FERTILIZER SUPPLY SOURCES

Mr. McGOVERN. Mr. President, on March 13, 1974, an announcement was made by the National Council of Farmer Cooperatives that 19 of the Nation's major farm supply cooperatives have formed an international trading company to search for additional sources of energy. This newly formed trading company, known as International Energy Cooperative, Inc., hopes to negotiate directly with the major oil producing countries to obtain needed supplies of fuel required to meet U.S. farm and rural energy needs.

Mr. President, I would like to request unanimous consent that this announcement be printed in the RECORD at the end of my remarks.

I would also like to call attention to another announcement made March 15, 1974, by Farmland Industries, Inc., and Alberta Ammonia Ltd., regarding plans for the construction of four new anhydrous ammonia fertilizer plants in Canada and a pipeline from those plants to some 15 U.S. Midwest States.

Both of these announcements dramatically illustrate the importance of farm cooperatives. Farm cooperatives, own and operate eight refineries which supply between 30 and 40 percent of the fuel needs of their 1.5 million farmer members in the United States.

The recent actions announced in these two public announcements are of the utmost importance to all Americans for the future supply of fuel and fertilizer will determine our Nation's supply of food and and fiber.

Now that all available cultivable acres of cropland in the United States are now in production, future increases in total production will have to come from increased yields per acre. And to increase yields, increases in fuel and fertilizer supplies will be required.

Mr. President, I want to take this opportunity to commend our Nation's farm cooperatives for these new undertakings, which are so vital to our Nation's future food and agriculture capabilities.

I also want to request unanimous consent to have the Commodity News Service Wire story of March 15 about the Farmland Industries—Canadian nitrogen plant construction printed in the RECORD following the International Energy Cooperative Agreement.

There being no objection, the announcement and wire service article were ordered to be printed in the RECORD, as follows:

FARMER COOPERATIVES FORM INTERNATIONAL TRADING COMPANY

WASHINGTON, D.C.—March 13—Nineteen of the nation's major farm supply cooperatives have formed an international trading company to undertake a broad-based search for sources of energy.

The organization, known as International Energy Cooperative, Inc. (IEC), will attempt to negotiate directly with major oil producing countries for supplies needed by cooperatives to meet farm and rural energy needs.

IEC Chairman Sigved Sampson, president of Midland Cooperatives, Inc., Minneapolis, said that during the 1973 energy crunch farmer cooperatives found they couldn't rely on historical suppliers as they had done in the past.

"We realized then," said Sampson, "that if we were to adequately supply farmers with fuel for food production, we'd have to form our own trading company to find more reliable suppliers."

To achieve its objectives, the International Energy Cooperative will: purchase energy supplies—both crude oil and finished products; trade agricultural commodities; explore the possibility of operating jointly-owned food processing and marketing enterprises in the host country; explore the possibility of building and operating jointly-owned refineries; and provide the latest in food production technology to trading partners.

Farmer cooperatives currently supply about 30 percent of the total fuel used on U.S. farms. One-third of their supply is refined in their own refineries, and two-thirds is bought as finished product. They own about 10 percent of their crude oil supplies.

NEGOTIATIONS IN PROGRESS

IEC President Jack Thrasher, chief executive officer of National Cooperative Refinery Association, McPherson, Kansas, said that the trading company is currently negotiating with six major oil producing countries in Africa and the Middle East for crude oil and other supplies.

"From our discussions," said Thrasher, "we've found that these countries like dealing directly with a farmer-owned U.S. trading company. And, since most are developing countries, they like the agricultural technology and production know-how that we can bring them through the IEC."

Thrasher said that cooperative owners of the International Energy Cooperative believe that they can operate on the same scale as a major oil company.

In addition to Thrasher and Sampson, other officers of the IEC include: Secretary-Treasurer, Don R. Armstrong, executive vice president of Farm Bureau Services, Inc., Lansing, Michigan; and Assistant Secretary-Treasurer, Bill Brier, director of energy resources, National Council of Farmer Cooperatives, Washington, D.C.

The International Energy Cooperative will be temporarily headquartered in Washington, D.C. It will be staff-supported initially by the National Council of Farmer Cooperatives until a full-time IEC staff is hired.

The nineteen farmer cooperatives owning IEC include: Agway Inc., Syracuse, New York; CENEX, St. Paul, Minn.; CF Industries, Inc., Chicago; FCX, Inc., Raleigh, N.C.; FS Services, Inc., Bloomington, Ill.; Farm Bureau Services, Inc., Lansing, Mich,; Farmland Industries, Inc., Kansas City; Fruit Growers Supply Company, Van Nuys, Cal.; Gold Kist Inc., Atlanta; and Indiana Farm Bureau Cooperative Assn., Indianapolis.

Also: Land O'Lakes, Inc., Minneapolis; Landmark, Inc., Columbus, Ohio; MFC Services, Jackson, Miss.; Midland Cooperatives, Inc., Minneapolis; Missouri Farmers Association, Inc., Columbia, Mo.; National Cooperative Refinery Association, McPherson, Kan.; Southern States Cooperative, Inc., Richmond, Va.; Texas City Refining, Inc., Texas City, Texas; and Tennessee Farmers Cooperative, LaVergne, Tennessee.

FARMLAND AND CANADIANS JOIN FORCES TO BUILD GIANT FERTILIZER COMPLEX

KANSAS CITY.—In a "hands-across-the-border" transaction that should eventually ease, if not eliminate, the fertilizer squeeze facing Midwestern farmers, Farmland Industries, Inc., and Canadian officials today announced tentative agreement of an anhydrous ammonia project that will ultimately produce some 1.5 million tons of nitrogen fertilizer products annually.

Announced were plans to build four ammonia plants in the Province of Alberta, Canada. The first two plants are to be on stream in 1976. Each plant will produce 1,250 tons a day and the product will be channeled by pipeline into position to serve farmers and ranchers in 15 Midwest States.

When completed, the complex will be the largest fertilizer manufacturing facility in the world.

Farmland officials headed by President Ernest T. Lindsey and representatives of Alberta Ammonia, Ltd., announced the agreement in Calgary, Alberta, Canada, today.

Estimated investment in the facilities, including working capital, will be about $325 million. This includes the four 1,250-ton-a-day ammonia plants and a 1,200-mile ammonia pipeline.

The pipeline will extend from the plant site in southern Alberta to a tie-in with existing pipeline facilities in north central Iowa.

Alberta Ammonia will own and finance the facilities in cooperation with Canadian and American banks. Farmland will be retained by Alberta Ammonia to build and operate the plants.

Lindsey said Farmland has agreed to market the output of the plants and to provide the downstream storage and facilities to handle the ammonia on a "as-produced" basis.

Farmland will construct eight new 30,000-ton storage facilities at locations along the pipeline route. In addition, Farmland will commit some $75 million to finance construction of urea, nitrogen solution and ammonium nitrate production facilities along the pipeline. These plants will be planned to come on stream as the pipeline is completed.

Natural gas producers headed by Great Basin Petroleum, Ltd., Sulpetro, Ltd., and Canadian Western Natural Gas, Ltd., will be responsible for the development of natural gas reserves, gathering systems and transmission pipelines to the plant site. Some 200 million cubic feet of gas will be needed to operate the four nitrogen plants each day.

Since natural gas supplies for such industrial purposes as nitrogen plants are on the wane in the United States, fertilizer production using Canadian gas is logical and beneficial, the Farmland executive said. "Our joint venture with Canada will free U.S. gas for such vital jobs as home heating, even as we produce more fertilizer for our farmers," Lindsey added.

Farmland Industries, headquartered in Kansas City, Mo., is owned by 2,100 local farmer cooperatives in 15 Midwest States. It is a major supplier of fertilizer, petroleum, feed and farm supplies to some 500,000 farmers and ranchers.

FOOD RESERVES

Mr. HUMPHREY. Mr. President, the March 27 issue of the New York Times includes a very comprehensive article on the subject of food reserves.

It outlines the main arguments raised at the recent hearings of the Senate Agricultural Subcommittee on Agricultural Production, Marketing and Stabilization of Prices, including the central question as to whether the grain business will be subject to an unfettered world market, or will the United States stockpile in bumper years as insurance against poor crop years, famine abroad and skyrocketing domestic prices.

While the question may be academic this year, this assumes that exports will continue at a high level, Bumper crops elsewhere or a dimming of detente could change the export picture and cause prices to plummet.

The article does not, in my view, adequately explain that the Government has asked our farmers to maximize production, and they have responded by making the necessary investments. All of our usable land has been brought back into production in order to step up production.

While these steps make sense from a production standpoint, we must be aware that we have increased the vulnerability of farmers. We should assure that the Government shares in the risks it has asked our farmers to take.

In spite of this qualification, the article is most informative and I commend it to the attention of this body.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE QUESTION OF STOCKPILING GRAIN DEBATED IN SENATE

(By Seth S. King)

WASHINGTON.—Should the United States, in bumper crop years, stockpile wheat, feed grains, and soybeans as insurance, in poor crop years, against famine abroad and skyrocketing grain prices at home?

Or should the Government, as Agriculture Secretary Earl L. Butz contends, stay out of the grain business and let an unfettered world market regulate the supply while American grain farmers continue to benefit from unlimited agricultural exports?

Or are these questions largely academic this year, when there may be hardly enough grain left over to satisfy the demands of a world population 60 per cent larger than 20 years ago, let alone establish a reserve?

Or when American farmers are expected to plant all the land now available and the long range weather forecasters are asking if this is the year when the 20-year drought cycle begins after the dust bowl years of the early nineteen-thirties and fifties.

The great debate over a grain reserve began another round last Thursday when a Senate Agriculture subcommittee again took up the matter.

THE ONLY ARGUMENT

The creation of a new grain reserve was the only farm policy argument being made this year, when grain farmers were making more money than they ever had before and when they were more concerned with finding enough fuel and fertilizer to plant some of the largest crops since World War II.

Government-owned stock piles of grains quickly become potent factors in the world market. When supplies are pulled down by crop failures and world demand pushes grains prices up, a reserve hangs over the market. Grain buyers know that if these prices go high enough, the Government will sell from the reserve and bring prices down. This, in theory, benefits the consumer.

But in years when surpluses accumulate and prices slide, the Government would be required to buy for the reserve. This would raise market prices and benefit the grain farmers.

Also, when the reserve accumulates, the taxpayers must pay the storage costs. In the nineteen-fifties when American farmers produced backbreaking surpluses, these storage costs ran as high as a million dollars a day.

Memories of those days when farmers had to turn over most of their crops to the Government through the price support program are still painfully fresh.

But today those price-depressing surpluses are all gone. The price support loans have been ended. Virtually all of the bumper crops that American grain farmers grew since 1972 have been consumed in the United States or sold abroad and grain prices are still the highest in history.

In the debate over a grain reserve there was no suggestion that it would be needed to prevent food shortages in the United States. This country, with its enormous farm capacity, exports from 20 to 60 percent of its grain crops.

The Government could always insure enough food for Americans simply by limiting these exports. But without a grain reserve the poorer countries could go hungry in years of drought and crop failures.

Before the committee is a bill by Senator Hubert H. Humphrey, joined by seven other Democrats and a Republican, that would require the Agriculture Secretary to buy stocks of wheat, corn, grain, sorghum, barley, oats, rye, and soybeans when the "carryover," the amount of these crops left over at the end of a crop year, reach specified levels.

When demand indicates that these carryover stocks would be reduced below these specified levels, the Agriculture Secretary would also be required to order export licenses for the sale abroad of such crops. When the stockpiles were above these levels, the Agriculture Secretary would be authorized to sell them at specified prices in the open market.

The prices the Agriculture Secretary could pay to acquire reserve stocks would be set at the "target" or subsidy price set by Congress under the new agriculture law. This means the purchases could be made only in years of abundance, when the market price would drop to or below the target prices. This year grain prices are two or three times higher than the target prices.

"No country can afford to be without a grain reserve, even the United States," Mr. Humphrey said recently. "The hungry people in the world need the security of a reserve in the years when their crops fail. We must get a stored supply here so the United States can remain a reliable exporter. The American farmers are entitled to a price stabilizing reserve when there are surpluses. And the consumer is entitled to protection against the skyrocketing grain prices that are inflating our food costs."

LEVELS ARE NEGOTIABLE

Mr. Humphrey said the bill's levels for Government purchases, as well as the price levels at which the Government could buy, were "negotiable."

The carryover of wheat and corn from the 1973–74 crops are already below the required acquisition levels in his bill. But the prices are too high for the Agriculture Secretary to act.

"It would be very difficult in the immediate future to start another reserve." Mr. Humphrey conceded. "But Mr. Butz is forecasting record corn and wheat crops this fall. If he's right, we could start building reserves next year."

FARM GROUPS OPPOSED

Under the existing law the Agriculture Secretary has the authority to purchase grains or acquire them through crop loans when the market plunges. The Commerce Secretary also has the authority now to license or ban exports should American supplies drop too far.

But Senator Humphrey insisted that now there was nothing to compel these steps. He also said that export regulations were so loosely drawn that all they required was the reporting of exports, which could be out of the United States before it was known they were gone.

Many of the larger farm organizations are opposed, at least in this year of soaring prices, to any large-scale grain stockpiling by the Government.

At its recent meeting in Omaha, the National Association of Wheat Growers wrangled most of the day over the grain reserve question and was able to agree only a resolution directing the organization's national board to keep its eyes on the question.

But such non-Government organizations as the National Planning Association, the Overseas Development Council, and the Brookings Institution, have been urging an American grain reserve and the participation of the United States in an international stockpiling program.

Dr. Butz is fiercely proud of this country's farm export efforts this year, noting that the amount gained from farm exports offset the amount America had to spend for petroleum imports.

"Food reserves are important," he recently told the Senate Finance Committee. "Such questions as how they are to be acquired, where they are stored, and how they are dispensed must be explored. But to talk of building up reserves before we have talked about making sense in production is to put the cart before the horse."

All sides in the grain reserve argument are agreed that 1974 will be the year of the test. Acreage restrictions have been removed and American farmers are expected to plant virtually all of the land they have left for crops.

LARGE CROP EXPECTED

If the weather is normal and there is enough fertilizer, this should yield enough wheat, corn, and soybeans by autumn to start a reserve. At the same time the large grain producing countries, such as the Soviet Union, Canada, Australia, and Argentina, are also expected to reap large crops.

But Lester R. Brown, a senior fellow at the Overseas Development Council, questions, as do some other agricultural economists, the Agriculture Department's optimistic estimates for 1974 crops.

"Grain stocks in the exporting countries are at the lowest levels in 20 years," Mr. Brown said.

At the same time, he noted, there are 50 per cent more people in the world than 20 years ago.

"If we couldn't rebuild reserves in 1973, when we had record grain crops in the United States, when can we do it?" he asked. "If we do not take advantage of any surpluses we may get this year, we may not have the chance again for years."

ANNIVERSARY HYMN

Mr. HARTKE. Mr. President, I had the honor to receive the lyrics to an Anniversary Hymn written by a constituent of mine, Mr. Ira Frantz. In this day of political, economic and social unrest in the world, it seems most fitting to bring it to the attention of my colleagues.

As we prepare for our 200th Anniversary, we must renew our spirit and enthusiasm for the ideals upon which our great Nation was founded. In "America Lead On!" Mr. Frantz has captured the spirit of America in lyrics.

The last line of Mr. Frantz's anniversary hymn seems to sum up best the spirit which our great Nation must pursue during the next 100 years:

> May he who wills that wars shall cease,
> Use thee to give life, health and peace,
> Learning and liberty, To all humanity.

Mr. President, I ask unanimous consent that the text of "America Lead On]" by Ira Frantz be printed in the Record.

There being no objection, the hymn was ordered to be printed in the Record, as follows:

America Lead On! (An Anniversary Hymn)

(By Ira H. Frantz)

America, beloved land!
Both wealth and power dost thou command;
From coast to coast, men find at hand
Vast opportunity.
Thy rock-walled mountain canyons sheer,
And lakes of sky-blue waters clear
Enhance thy dignity,
Beauty and majesty.

Thy birth men proudly celebrate,
Two centuries have made thee great,
Land of free men, but contemplate
Thy past, and humble be.
To Red men this land once belonged;
Both Red and Black men thou hast wronged
By wars and slavery,
Deceit and cruelty.

Let now both these great peoples share
In all that makes this land so fair,
And may the nations everywhere
A trusted friend find thee.
Be this thy purpose high and good,
That earth become one neighborhood,
Of people strong and free,
Secure and free as thee.

May future ages, bright, confess
American trustworthiness.
May justice, truth and righteousness
Ever thy glory be.
May he who wills that wars shall cease
Use thee to give life, health and peace,
Learning and liberty
To all humanity.

SOUTH DAKOTA ENVIRONMENTAL CONFERENCE

Mr. McGOVERN. Mr. President, I ask unanimous consent to print in the Record the final section of the Proceedings of the Conference on Environmental Issues which I sponsored in Sioux Falls, S. Dak. on January 12, 1974.

This section includes the final group of statements by some of the panelists, the personal statements submitted for the record, and two new articles by the press on this conference.

There being no objection, the material was ordered to be printed in the Record, as follows:

Seminar I: Coal Mining and Power Development

(By Brent M. Haglund)

We in South Dakota presently find ourselves neighbors to a great stampede. We are on the fringes of the great coal rush of the 1970's. An abundant, previously little-exploited resource is now generating a potential for more social disruption, more air pollution, more capital investment, and more land disturbance than any of the great historical gold rushes.

Our society has generated the demand and this fine area of the nation will pay an inordinately large share of the cost. The matters of demand and cost should both concern us in our planning of a more rational energy policy for this nation. But to act intelligently on these questions we need information such as that available from our panel members.

I am happy and eager to open this first discussion of the day, Coal Mining and Power Development. Present here beside me are a group of competent, involved men who will provide us with information and opinions on the magnitude and potential of these problems.

Summary of Remarks

(By Patrick J. Godsil)

In my remarks I will focus on two main points: (1) EPA's conceptual relationship to the land use decision making process; and (2) some examples of EPA activities in South Dakota which relate directly or indirectly to Agriculture and related land use issues.

Land use decisions should conceptually involve balancing the many competing forms of land use against the carrying capacity of the land. But first the land's carrying capacity must be defined by society in terms of its social, economic, and environmental goals

The land has a finite capacity to absorb man's activities without exhibiting detrimental effects. Also there is a finite manner in which land may be used without causing detrimental effects on the associated air and water systems. In the Rocky Mountain-Prairie Region the air, land and water resources are fragile. Consequently, the natural capacity to absorb man's activities is quite limited. The visible remains of the Oregon Trail tracks stand witness to this fact.

Therefore, society must define the land's carrying capacity in its own terms. When this "new" capacity is threatened then procedures are followed which allocate land resources among competing uses. And frequently (especially in terms of environmental quality) there is a need to undertake remedial measures to achieve society's defined carrying capacity.

Within this general framework the role of the Environmental Protection Agency can be defined as it relates to the land use decision process. EPA is responsible for assuring that state and local governments establish ambient standards for air and water quality. These standards serve the purpose of defining the environmental framework or constraints in which land use decisions can be made. Once appropriate standards are established planning processes must then relate these ambient environmental objectives to the physical, social and economic factors of the land use decision process. Where needed the planning process will also define the remedial measures, such as wastewater treatment, required to meet ambient standards. Finally, a major role of EPA is to establish the administrative mechanisms to implement necessary remedial measures including enforcement procedures to achieve environmental objectives.

The following examples illustrate activities of the EPA in South Dakota which relate to agriculture and land use issues.

For the past three years EPA has financially supported a water quality management study of the Cheyenne River Basin—Black Hills region. Water pollution resulting from overgrazing and loss of streamside vegetation and from winter grazing and feedlots involve basic land use issues relating to rural residential development, agricultural practices, and highway construction.

The towns of Lead and Deadwood in conjunction with the Homestake Mining Company have applied for wastewater treatment construction funds to abate pollution of Whitewood Creek. The decision of where and how to treat the combined wastes involves competing values and uses of surrounding agricultural land.

EPA is in process of reviewing the final Environmental Impact Statement for the Oahe Irrigation Project. This issue involves the ability of the project to achieve water quality standards and other environmental objectives.

EPA is in the process of implementing a National wastewater discharge permit program. Permits to discharge are required for animal feedlot operations and will effect the location, design and operation of such operations.

SEMINAR IV: THE PRAIRIE ECO-SYSTEM

Moderator: Lee McCahren, President, Dakota Environmental Council, Vermillion, S.D.

Panelists: Gilbert Blankespoor, Biology Dept., Augustana College, Sioux Falls, S.D.; John Popowski, Secretary, S.D. Dept. of Game, Fish & Parks, Pierre, S.D.; Clyde Brashier, Chrmn., Division of Science & Mathematics, Dakota State College, Madison, S.D.; Marilynn Kelm, Chrmn., South Dakota Board of Environmental Protection, Sioux Falls, S.D.

Participants: Larry Green, Pheasants Unlimited, Madison, S.D.; Vic VanBallenberghe, S.D. Chapter. The Wildlife Society,

Since this summer is to deal with the prairie ecosystem, it is important that, at the outset, we understand what we mean when we speak of the prairie ecosystem. I suppose that the word "prairie" conjures up in the minds of most people an image of a flat, treeless, intrinsically uninteresting expanse of land which extends for untold miles in every direction. And the prairie as it exists today does have something about it that is uninteresting. During the growing season the prairie vegetation consists of a patchwork of a few monoculturally-grown crop species and during the winter season the prairie is often completely devoid of vegetation as a result of having been turned "belly-up" by industrious farmers who are already looking forward to the next growing season.

But those of us who have a fondness for the history of middle America and those of us who have studied the plants and animals in the "nooks and crannies" of middle America have a completely different concept of the prairie ecosystem. To us the prairie ecosystem includes unique communities of plants and animals which once existed across the whole of middle America from the Rocky Mountains to Ohio, and from north-central Minnesota to Oklahoma (1). These communities were dominated by perennial grasses with such strange-sounding names as big bluestem, little bluestem needlegrass, dropseed, buffalo grass and blue grama, Scattered among the grasses were a host of non-grass species, none very important by virtue of their numbers, but all very important, nevertheless, because their presence made a contribution to ecological stability and as Robert Betz suggests made walking through a native prairie infinitely more beautiful and exciting than walking through a field of wheat or a bluegrass pasture (2).

But native prairie communities are now largely non-existent and to "sniff out" their location requires a kind of prescient sixth-sense. The few small prairie remnants which still do exist are likely to be found along railroad rights-of-way, in road-side ditches in old cemeteries. Small bits of prairie continue to exist in some farmland areas because some feature of the topography prevents their being plowed up. Each year some of the remaining prairie remnants are plowed up or are destroyed by herbicide sprays or by being overgrazed.

Just how important are native prairies as a natural resource? Ought South Dakotans be concerned about the existence or non-existence of native prairie vegetation? Can an ecosystem type whose present areal extent is so small have any real importance? In light of the fact that farm policy in this country is now geared towards food scarcity rather than food "surplus" (3) is there any rational way to justify the growing of prairie vegetation instead of wheat and corn?

People who are convinced about the importance of preserving native prairie ecosystems usually present an apologetic which has two main thrusts. One of the thrusts focuses on esthetics while the other suggests that native prairies are important for scientific and theoretical reasons. I want to review some of the arguments presented not because I think they are unfamiliar to you but because I think it is important that we be reminded of them from time to time.

There are those who say that technological man has reached the point in his history at which he no longer needs nature. The implication of such an idea is that he can function perfectly well in an environment that is almost totally artificial, an environment, for example, which consists mostly of glass and steel and concrete. Whether or not such human beings exist, I do not know. My intuitive guess is that such is not the case. I would rather believe that the spirit of man retains its sensitivity to the natural world and, indeed, that it is not possible for man to have a meaningful existence apart from the natural world.

Robert Brower (4), writing about the larger concept of wilderness puts it this way: "Wilderness is a bench mark, a touchstone. In wilderness we can see where we have come from, where we are going, how far we've gone." One aspect of the natural world which is important to most of us, I think, is the diversity which it offers. Hugh Iltes (5) describes the importance of diversity in this way: "Anyone of us, if not blind, who has hunted for prairie flowers in Illinois, fished in the Mississippi . . . or tried to find a tree growing in Brooklyn, knows that life's diversity is what keeps the world from becoming dull." As one deals with the topic of esthetics, one experiences a sense of frustration because it does not seem to be possible to quantify something which one intuitively feels to be extremely important. I might add, parenthetically, that it would seem to be imperative that some sort of quantification of the esthetic be developed if studies involving cost-benefit ratios of proposed projects are to be at all valid.

The notion that native prairies are important from a scientific point of view can easily be defended. The importance has to do with the nature of ecosystems in general. An ecosystem consists of both living and non-living parts or components. One way to approach the undertsanding of an ecosystem is to look at the relationships which exist among the components. In a natural ecosystem these relationships, though complex, are well-defined and in balance. We are only now beginning to understand these relationships. We have so much to learn about energy flow, nutrient cycling, population dynamics and a host of other ecological principles. The important point to stress is that very likely much of what we have yet to learn will be important for man's own survival for man himself is an ecosystem component. Whenever a natural vegetation type is lost, a large number of plants and animals are lost and a large potential to learn something more about ecosystem structure and function is lost.

What might the microorganisms in the prairie sod have yet to teach us about soil fertility? What might the prairie phlox and the prairie gentian have yet to teach us about competition among plants? What might the prairie grasses have yet to teach us about the efficient conversion of solar energy to the energy of foodstuffs? What have the insects of the prairie yet to teach us about biological control? There is another scientific reason why the existence of natural ecosystems is important. In man's mad scramble to dominate he has broken almost every ecological principle and has seriously despoiled most ecosystems. Natural ecosystems, then, can serve as standards against which the extent of the damage can be assessed and on the basis of which restorative procedures can be ascertained.

If one agrees that the continued existence of the native prairie ecosystem is warranted, then one is faced with the question as to how this can be brought about. There are basically two approaches. The first involves the location and preservation of prairie remnants and the second involves efforts to restore native prairie vegetation on land areas where it once existed. I conclude with the following recommendations most of which involve either prairie preservation or prairie restoration.

1. Efforts to locate and preserve prairie remnants should be coordinated on a statewide basis. Such efforts could be patterned after those of the International Biological Program and might well make use of earth satellite imagery.

2. Particular attention should be paid to those prairie remnants which occur on state and federally-owned land. In those cases where the natural vegetation is in a state of deterioration, money and man-power should be made available for the purpose of initiating and sustaining management procedures.

3. Efforts should be made to organize a vigorous chapter of the Nature Conservancy in South Dakota. The Nature Conservancy is an organization whose stated purpose is the preservation of natural ecosystems. Through the efforts of Dr. David Holden at South Dakota State University the Nature Conservancy has recently been able to purchase a tract of land south of Brookings known as the Sioux Prairie. But the Conservancy in South Dakota suffers from a lack of manpower and in my opinion much could be accomplished in the way of prairie preservation if this were not the case.

4. Our efforts to promote environmental education must be redoubled on a state-wide basis. As many of you know, I think, the state Council on Environmental Education has responsibility for implementing a state plan for environmental education. It is to be hoped that increased environmental awareness on the part of school children will include a new understanding of and appreciation for native prairie vegetation. Such an increased appreciation might conceivably be translated into efforts by school districts to purchase prairie remnants which then could serve as nature centers and outdoor classrooms.

5. Since prairie remnants are so few in number, the future existence of prairie vegetation of any substantial areal extent is dependent on the successful completion of restoration projects. Although much needs to be learned about prairie restoration, a number of efforts have met with considerable success. Notable among these efforts are those expended at the University of Wisconsin Arboretum at Madison, Wisconsin. A perusal of the proceedings of two recently-held conferences on prairie preservation and restoration (6,7) will convince the reader that a considerable body of data on prairie restora-

tion is available. In the upper Midwest the efforts of the Federal Wildlife Service people to restore native prairie on certain Waterfowl Production Areas might serve as models for similar restoration projects. The possibility of using highway ditches for restoration projects merits consideration.

6. Proposed land-use legislation which construes the preservation of natural areas to be a legitimate land use deserves to be supported at both the state and national level.

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Presentation by John Popowski, Secretary, South Dakota Department of Game, Fish and Parks, Pierre, S. Dak.

Although the science of wildlife management is only 40 some years of age, it is a discipline that has reached maturity with a reasonable degree of wisdom. We know *what* the basic forces and conditions that affect various wildlife populations are, and we know *what* the management techniques necessary to support those objectives are.

Of course, I am not saying that the science of wildlife management is perfect—anymore so than is the science of medicine—there are problems for which we do not have solutions. For example, we know that South Dakota's pheasant population could be considerably increased, and maintained, by adding and improving nesting cover and winter cover over a 40,000 square mile range. We also know that the cost of providing that cover is beyond wildlife management's present capability.

The wildlife manager, in his efforts to promote a healthy and varied wildlife community, strives to overcome esesntially the same obstacles that face the environmentalist: economic feasibility, public acceptance, special interest influence, and last but not least, the voracious appetite of our society to consume natural resources.

In the time alloted to me here it's impossible to list, let alone detail, all the issues that affect the management of South Dakota's wildlife resources. I have mentioned pheasants and touched upon habitat as the primary factor that governs their future. But habitat, in fact, is the regulator of all wildlife and fish . . . and habitat is a product of the land.

The land, therefore, remains our most precious resource. We have seen devaluation of the U.S. dollar abroad, drouth in India and Africa, poor fishing conditions off the coast of Peru, a U.S. balance-of-payments deficit and our need for crude oil from other nations. All of which sound like a jumble of newspaper headlines.

But if you add them up, you have the reason why the United States is a grain exporter to the world. Consumers have already felt the pinch; wildlife will be feeling it as more habitat is cleared to produce grain in exportable quantities. We will all probably benefit in our standard of living, certainly South Dakotans will, but it is going to be at a cost we might want to consider.

Habitat and pheasants only begin a list of wildlife-related issues. Here are some others:

I have said the wildlife manager faces the obstacle of public acceptance. Nowhere is that more obvious than in the issue of predator control. Somewhere between the anti-hunting and trapping approach and the kill-everything-that-walks approach is the logical approach.

We do not, as has been suggested by some persons, ignore the non-game species of wildlife. Two such species that I can readily think of are the black-footed ferret, and if you will, the mourning dove.

Anti-hunting attitudes have been expressed with greater frequency in recent years, and now I see that a local television station a commercial is being aired that expresses an anti-trapping message. The announcer on this commercial, and it is a commercial since donations of money are solicited, states that fur coats are a luxury. For the wearer they may be, but for the trapper it's the harvest of a renewable natural resource.

It would be negligent of me to appear on a panel discussing the environment without mentioning our waters. Lakes, particularly natural prairie lakes such as we have in South Dakota, are living ecosystems. And like anything living, they will eventually die. You know the Surgeon General has warned that smoking cigarettes is harmful to your health . . . might cause you to die sooner. Civilization is harmful to a lake's health . . . ours will cause them to die sooner.

There are ways that we can stall the death of our lakes: better watershed management (land use planning), chemical rehabilitation, rough fish removal and controlled lakeshore development.

As Secretary of the Department of Game, Fish and Parks, my responsibility includes not only fish and wildlife but also forestry and outdoor recreation. And there are environment-related issues in these fields, too.

The overuse of parks and recreation areas by large numbers of summer visitors has diminished the quality of the individual's outdoor experience, and threatened the natural beauty of some parks. To preserve any semblance of park atmosphere and unspoiled nature, we have found it necessary to limit the number of campers that may use a park at any one time. And to avoid depriving picnickers, bird watchers and hikers, we have found it necessary to restrict campers to camping areas only.

Forest management seems to be a subject that many people misunderstand. To some, forest management means fire protection and *no* cutting of trees. Both of these philosophies, carried to the ultimate, would destroy the forest and all the wildlife within it.

The issue that I have saved for last concerns land acquisition. Our Department buys land from willing sellers only, for wildlife production and outdoor recreation. This would include land that is intended for park purposes, waterfowl marsh, lake access, and many others. We have been criticized for buying certain parcels of land through the purchase, in all cases, is for public benefit. Some of the areas that I refer to are key areas to the preservation of an environment that we all want . . . keys to an environment that this conference seeks to enhance.

Characterization of Prairie Lakes and Their Problems

(Statement of Dr. Clyde Brashier, Dakota State College, Madison, S. Dak.)

Prairie lakes are not pristine pure. They probably never were. But they are certainly less pure now than ever before.

Prairie lakes are somewhat unique in character. They are quite different from the cold deep lakes of northern Minnesota and northern Wisconsin and even some in northern South Dakota which still show relatively few effects of pollution. Our prairie lakes are much more delicate. The prairie lakes are typically quite shallow and become very warm during the summer. Most of them are too shallow to achieve a thermocline as do the deeper and colder lakes of northern Minnesota. But similar to most of the lakes throughout the rest of the United States, they have become plagued with problems of pollution and destruction in recent years. Because of their characteristics and location, they are perhaps more vulnerable to the effects of pollution than are most other types of lakes. Because they are shallow they are subject to siltation damage and many have become filled with mud in recent years. Many are now marshes, and others have completely disappeared. If you fly over eastern South Dakota in a small plane, you can see the outlines of a number of old lakes that no longer exist. Many of these may have died naturally, but the death of many was speeded up by our activities.

The watersheds of most prairie lakes are being intensively farmed. This farmland is subject to heavy soil erosion, especially during heavy spring run-offs and high intensity rainstorms. Many farmers now farm by recommended conservation practices which means that they plow on a contour, and in areas with relatively steep grades they have their farms terraced. This, however, does not completely stop soil erosion and in a heavy downpour considerable quantities of soil are still lost from the land.

According to the U.S. Soil Conservation Service standards, up to five tons of topsoil per acre per year may be lost from eastern South Dakota farms without any damage to the land. Many farms do not meet the five-ton standard in their farming operations. Better conservation practices are needed on the farms to reduce topsoil loss to an absolute minimum. This is needed in many cases to save the land and especially to save the lakes.

I believe it is possible to save our prairie lakes. The use of contour plowing, terracing where necessary, the development of meandering grassed waterways, a move toward a grassland economy on land immediately adjacent to the lake feeder-streams, the proper application of fertilizer, and the more extensive use of minimum tillage techniques are all practices that can result in less silt and less nutrients getting into the lakes from farms.

As I mentioned earlier, prairie lakes get warm. This coupled with an abundance of nutrients from farm and feed-lot runoff and from domestic and industrial sewage causes heavy green pea-soup algal blooms during most summers. Because of their lack of depth, and consequently their lack of volume, nutrients become concentrated in them rather easily producing a highly enriched condition. In deeper, colder lakes nutrients sometimes become trapped in water layers near the bottom, the so-called nutrient trap, and are effectively removed from the area of algal growth that eventually produces the bloom. But this is not the case with most prairie lakes. Although a number of algae have been found causing the blooms, most of them are caused by the blue-green alga *Aphanozomenon*. The high water temperatures speed up growth of the algae; then the algae die; then the high temperatures also speed up the breakdown of the dead algae. This causes the lakes to become foul-smelling and unpleasant to be near. This occurs in some South Dakota lakes almost every summer. Occasionally the effect of this abundant production of hydrogen sulfide, which causes the foul odor, also causes people on the lake to become ill. In 1968, we had two of our Lake Madison researchers hospitalized because of it and a coin collection in a cabin on the lakeshore turned black as the silver reacted with the noxious gas.

Because of their shallow and warm characteristics, some prairie lakes can become euthrophic and subject to heavy algal blooms even with the introduction of small amounts of nutrients. These lakes have a delicate balance between maintenance and destruction. That delicate balance of many of the prairie lakes is rapidly being upset. At the present time it seems that where there are people and farms the lakes are being destroyed. Now there are some of us that don't think this is necessary. Many scientists and laymen consider this inevitable and accept it as a fact of life. "Lakes are born to die" is a statement you often hear. But we're speeding up their death much too soon. It is without doubt inevitable that the prairie lakes will be destroyed as long as we continue the current practices of dumping domestic sewage and industrial wastes into them and allowing them to become enriched with nutrients from farms and feedlots.

Many people simply refuse to accept this premature destruction of our lakes as inevitable and are promoting better conservation practices in farming and are pushing for new ideas concerning the disposal of domestic and industrial wastes. But for this promotion to succeed will require more than just words. The leaders of our communities and our state have to start action programs to stop the pollution practices. I know that more studies are necessary. But we don't have to know every last detail about these lakes to start clean-up programs. Once the action programs are begun, I believe we will find that most people are interested in the salvation of the lakes and will help. But the programs have to start and the people have to become involved.

One thing that we have found in dealing with groups whose activities adversely affect the lakes is this: A total lake restoration program needs to be started. If you approach a group of lakeshore cabin owners and ask them to stop waste waters and other materials from the cabins from entering the lake, they immediately point to city sewage effluent, feedlots and farms that are contributing to lake pollution. If you approach another group you again get the same response. And so we have found that if you use a total approach to solving the pollution problems of a lake, you can get better cooperation from all concerned groups.

One thing we can be sure of is that we must stop polluting the lakes and begin clean-up programs. Another one or two decades of inaction, even though many words may be spoken or written about the need for action, may seal the doom for many of our most prized prairie lakes.

Prairie Ecosystem—Air Pollution

(By Marilyn Kelm, chairman, South Dakota Board of Environmental Protection)

The first federal legislation which attacked air pollution was the Clean Air Act of 1963. It was mainly concerned with interstate air pollution problems, but it did provide funds so states and localities could expand their control programs.

However, it was not until the Air Quality Act of 1967, that a meaningful start was made in controlling air pollution. Very briefly, these amendments to the Clean Air Act of 1963 set in motion a regional approach. Air quality control regions were designated for some 100 major metropolitan areas of the country. The rationale for this was that where people are concentrated—where people live, work in factories, drive cars, where power is produced—this is where air pollution occurs. Procedure was outlined in the Act whereby each region sets its own standards for the five pollutants named by the federal government. When the standards were approved, the region formulated an implementation plan which told how and when the standards would be met.

There were a couple of problems that arose under this procedure. First, businesses and industries threatened to leave a region and move to a non-designated area, if stringent air quality controls were imposed. Secondly, different standards and compliance schedules, sometimes within a state, created a competitive disadvantage for some companies.

Three areas in South Dakota were named in air quality control regions. The Sioux Falls Region consisted of Minnehaha, McCook, Lincoln, and Turner counties in South Dakota, and adjoining counties in Minnesota and Iowa. Union County was part of the Sioux City Region. Butte, Meade, Lawrence, Pennington, Custer, and Fall River Counties made up the Rapid City Region. Before the process of setting standards and formulating implementation plans could begin in South Dakota, the Clean Air Act was again amended. The three designated Regions remain, however, with the rest of the state making up a fourth Region.

With the Clean Air Amendments of 1970, sweeping changes were made to clean up the country's air. The Clean Air Amendments of 1970 made important changes that dealt with the weaknesses of the 1967 Act. The federal government, through the EPA, would now establish standards for six pollutants, that would be uniform for the entire country. In addition, the responsibility for formulating implementation plans were given to each state. The Clean Air Amendments of 1970 are the basis for the program and action in the field of air pollution control in South Dakota.

There are six pollutants for which federal standards have been set. They are sulfur oxides, particulates, photochemical oxidants, hydrocarbons, nitrogen oxides, and carbon monoxide. The standards for each are the maximum total amounts of a specific pollutant permitted in the ambient air.

Under the provisions of the Amendments of 1970, the Air Pollution Control Commission in South Dakota formulated an Implementation Plan in late 1971. Hearings were held and the final Implementation Plan was submitted to the EPA in May, 1972. Only six of the fifty states' plans were approved by the EPA. South Dakota's plan was basically acceptable, however, some legal authority required by the federal Act was not present in South Dakota statutes. Governor Kneip requested that the necessary legal authority be delegated to the Air Pollution Control Commission. The Implementation Plan was then approved. Incidentally, South Dakota's Clean Air Act was amended during the 1973 Legislative Session to give the Air Pollution Control Commission the legal authority required by the federal Clean Air Amendments of 1970.

The provisions of the Implementation Plan went into effect on July 10, 1972. It provided that all air pollution sources be in compliance within one year, July 10, 1973, except for the wood waste burners in the Rapid City Region, which were given until January 10, 1974, to be in compliance.

The Implementation Plan addresses itself to the six pollutants, but in addition, South Dakota's air pollution rules include pesticide control and control of odors. In an agricultural state, such as we are, these are very important provisions.

When the Implementation Plan was formulated in 1971, the four Regions in the state were prioritized I, II, and III for each pollutant, with III being the best rating. The four Regions are rated III for all pollutants, with one exception. The Sioux Falls Region has a II rating for particulates. This means the standard is being exceeded for this pollutant.

It should also be noted that the samples for particulates in the Rapid City Region were taken in Custer State Forest prior to 1971, and showed a very low particulate level. Since 1972, particulate testing has been done on a regular basis in Rapid City. The samples show that the average particulate level is far above the standard. It may be necessary to change the Region to a priority II, or even I.

The Implementation Plan also said that all existing sources that were in compliance would be issued a permit to operate; and, any source that could not meet the deadline of July 10, 1973, had to request a variance, which could be issued for up to one year by the Board of Environmental Protection. (On July 1, 1973, under Executive Reorganization, the Board of Environmental Protection assumed all the functions of the Air Pollution Control Commission.) Variances are renewable, however, according to the Implementation Plan, every source in the state must be in compliance by July 31, 1975, or cease to operate.

Last fall, the Board of Environmental Protection held hearings on the applications for permits and variances from all the air pollution sources in the state. There were over 1200 applications. Many of the sources were in compliance and were given a permit. Those not in compliance were given a variance and put on a schedule for acquiring and installing air pollution equipment.

Citizen participation is an essential ingredient in the air quality program in South Dakota because we operate with a limited staff and budget. Suspected violations should be reported to the Department of Environmental Protection for investigation. Environmentalists can also assist the Board by attending hearings on variance and permit requests and reporting their observations of air pollution sources in their locality. It is as important to note those in compliance as those who are not. With the cooperation of citizen environmentalists and operators of air pollution sources, South Dakota can easily attain the goal of clean air for all its citizens by July 31, 1975.

Statement on Behalf of NCRLC

(By Fr. Leonard Kayser)

Again and again today we have heard: "What do the people want? What does society want?" Very simply, dear people, we are here perhaps seeking "What *ought* to be." What ought to be concerns values, what is right and good; and to these basic values, I speak.

MOTHER EARTH

Man is mortal in relation to the earth; man is immortal in relation to God. The earth is finite and so are her resources: the basic elements of air, soil, water, and fire are limited, though they are recyclable ad infinitum under proper sybiotic conditions. Nature herself is well balanced, but man has disturbed that tender balance. He does this as soon as he considers only one aspect of his environment apart from the others.

JUDEO-CHRISTIAN HERITAGE: A COVENANT OF STEWARDSHIP

The Book of Genesis states for all time man's place in the world. "Let us make man in our image, after our likeness . . . let them have dominion . . . over all the earth . . . I have given you every plant yielding seed . . . you shall have them for food." Genesis 1/26 & 29.

This trust and stewardship of air, soil, water and fire was given to all men. Representative government, even freely choosen, does not change that trust or the corresponding responsibility of all the people to hold possession of the earth. Those who control or keep for their own use, amounts of property or goods in excess of their own needs, in a way thieve it from those who are thus prevented from obtaining or keeping ownership of, the means of livelihood for themselves and their families.

THE SECULAR GOSPEL

We have legitimized our gospel of technological growth, progress, and know-how by depleting our capital of natural resources. We are beginning to realize this is inefficient management of resources. As Mr. Ernst Habicht suggested this morning, our short term focus has forgotten our most precious resource, human beings.

Many educators and project directors would have us believe that financial incentives alone will motivate us to provide for the production, exchange, and distribution of goods and services. This necessarily leads to a love of things instead of a love of men who have superior social and spiritual needs. It generates a growing loss of human freedom. The economic factors are not more important than the kind of world we want to live in. Freedom comes at a cost, not at a profit. Nor does freedom allow that a few make the decisions involving the lives and well-being of large numbers of people. This is especially so when it advances the economic gain of only or primarily those some few.

What proves efficient in RPM's or units per hour, is not necessarily efficient growth of the human spirit. Senator McGovern's film this morning portrayed that extremely well. It has often proven to be just the opposite in man hours lost on the job because of frustration caused by a real sense of slavery to technology. Efficiency and economic feasibility must be defined in terms of how it makes our lives better. In all this there is no substitute for some kind of ownership in the means of production by every laborer. Even animals can be fed a completely balanced ration of feed and yet be in a state of malnutrition. Human bodies may be well fed and clothed while at the same time be dying in spirit. What is true of individuals is even more true of a society or a generation of men.

THE DIGNITY OF MAN: REGULATION

Expertise in advertising has made us very dependent on life's comforts. Luxuries of the recent past have become necessities for all of us. At the same time we have come to realize that we cannot afford all these necessities, even economically, simply through non-availability of resources. This may be due in large measure to manipulated supply after artificial demands have been created.

When man lives only for today and for his own personal concerns, he regresses. Life's goals lie always in the future, generally in the future of others. This is why, not merely economics, but human values with their social and spiritual dimensions, must prompt our use of every earthly and human resource so that the lives of future generations will be freer than ours.

NCRLC POLICY: THE FAMILY

National Catholic Rural Life Conference's policy has always been to encourage the good which will advance truly human values. It has been convinced that this is the better way to control or eliminate questionable programs and policies. However, there are and need be exceptions. In 1964, the Conference included the following reflection in a policy statement: "NCRLC has consistently and vigorously supported the purposes of the Federal Reclamation Program. These purposes, expressed in the basic reclamation law, are briefly stated: the promotion of the family farm and prevention of land and water monopoly. Under this 60 year old program millions of acres of arid and semi-arid West have been brought under irrigated production at the cost of billions of dollars of federal funds . . . Recent study, however, of reclamation legislation and administration, persuade us that the family farm and anti-monopoly objectives of this program are being frustrated. In a number of reclamation projects the chief benefits have gone, or threaten in the future to go, not to family farmers but rather to exceedingly large landowners."

In conclusion then, the earth is not meant to be consumed but gardened. Man himself must never be only an instrument for consumption. Man is in process of becoming a new creature and in this process of redemption, must bring a new order of justice and peace to all. We cannot arrive at such a day unless we first have this order and freedom of spirit within ourselves. Man must be lord of his own life through regulation of his conduct, or be doomed to be ruled by some one or some thing else.

STATEMENTS SUBMITTED FOR INCLUSION IN THE PROCEEDINGS ON BEHALF OF INDIVIDUALS AND ORGANIZATIONS (LISTED IN ALPHABETICAL ORDER)

STATEMENT BY MRS. ERVIN BAYNE, HARROLD, S.D.

The following comments are what we believe about the proposed Oahe Irrigation Project.

The morale behind the Oahe Irrigation Project plan appears to be: robbing Peter to pay Paul, under the disguise of progress. Proponents would have us believe the completed project would make South Dakota a land of Utopia for business; employment; farming; and recreation. While it's true new jobs will be created during the building process, the over-all end result will create more hardships and problems than exists presently. The projects high finance costs will result in higher rates for land, machinery, pasture rent and taxes; real estate, transportation, and utilities; which in turn will escalate business and farming costs, thus ending in higher food costs to consumers.

Small business' and small family farms cannot exist under rising prices; increased wages; and OSHA requirements. So, no employment there—only hardships for those squeezed out. When this happens large corporations and conglomerates can move in and monopolize the food industry—causing still higher food costs which will dig deeper into South Dakotans pockets. Sully countians are already feeling the effects, in higher taxes.

The agriculture, livestock, and wildlife production loss on the 110,000 degraded acres required for project facilities cannot be gained through irrigating 190,000 acres. That is taking (1) acre for project facilities to irrigate (1 4/5) acres.

South Dakota's short growing season cannot be changed. Spring's cold windy weather and Summer's hot windy weather can destroy millions spent on irrigation. If what we read about weather modification is true then money spent on further tests to perfect the experimentation would benefit more people than the irrigation project will.

The irrigation project will interrupt the livelihood of too many people: jeopardizing their economic, environmental, and social welfare to enhance the livelihood of others in another territory.

Prices offered by the Bureau of Reclamation aren't in conjunction with what displaced people would have to pay for other land; nor compensation for upheaval and relocating.

Aside from those who will be displaced there will be disruption of mail, school bus, and farm to market routes; township roads closed; splitting land ownership patterns; farmers having to travel many miles to land across the ditch; aquifers and wells drained; increased mosquito breeding; and flooding where there has never been flooding before.

The Flood Act bill drew such comments as, "people should be disuaded from living in flood-prone areas". Some folk aren't living in flood-prone areas; but if the Oahe Irrigation Project is built, as planned, our place and many others will become endangered during flash floods. The Rapid City, flood disaster should be taken as a warning. Those broken dams intensified the cause. They may have seemed like progress, for awhile; but were all those deaths, pain and hardships suffered by the people involved worth the progressive years? Is progress for a few years worth disaster in later years?

There is no absolute certainty Oahe project will be to the betterment of South Dakotans, in the long-run. So, why let the Bureau of Reclamation gamble with our stability? Other steps less risky can be taken to combat food shortage. The Government can cut food quotas sent to other countries; it can let farmers put set aside acres back into production; individual farmers can be assisted in water development programs etc. to go into diversified farming, if they choose; irrigation dams can be built nearer the farms to catch rain, snow, and springs run off; also, treated sewage drainage. More people can plant gardens and truck patches to supplement the food supply. Stricter curtails should be placed on certain welfare recipients. The past food costs versus continued increased wages, increased welfare payments, increased social security payments etc. have caused too many people to depend on commercial and Government provided foods.

Should the completed Oahe project not succeed, many millions of dollars will have been wasted and many people will have been put through inconveniences, hardships and disappointments to no avail. Our once productive land will be raped and ravished never to return to it's original resourcefulness.

NOTE.—The comment about irrigation dams should read; irrigation dams can be built in low areas, nearer the farms, to catch rain, snow and springs run-off; also treated sewage drainage. The water supply can be supplemented with water from wells.

STATEMENT OF BLACK HILLS CONSERVANCY SUB-DISTRICT

DEAR SENATOR MCGOVERN: You are well aware that our concern and efforts for the environment span nearly a decade as we have conscientiously tried to respond to and relay the concerns of the people of the Black Hills area. The very creation of our Sub-District is evidence in itself of the concern of the people of the Black Hills area for water conservation and development.

The compilation of the Black Hills Area Resources Study, the authorization for planning and later for operation of the Black Hills Area Resource Conservation and Development Project, the grant from the Environmental Protection Agency to develop a water quality management plan, and the research project to test a non-aqueous waste disposal system at Mount Rushmore are but a few of the fruits of the cooperation between your efforts in Washington and ours in the Black Hills. This is why we feel this open channel of communication is so vital.

Your conference touches a couple of responsive chords. First is the development of the Oahe project. Again we would like to give our unqualified support of this vital program. The shortsightedness of the American public is currently manifesting itself in the alarming prospect of an energy crisis, and I would hope we would not be so shortsighted and foolish as to retard the development of this and other good projects which will help us avoid a "food crisis." We thought an energy crisis could never happen, so let's not kid ourselves that a food or water crisis cannot.

We have every confidence in the officials of the Oahe Conservancy Sub-District that they will direct this project to the efficient and effective use of the water and land involved, which will be to the benefit of our entire state, nation, and world. As a renewable resource, we feel that the maximum use should be made of our water resources, which is what the Oahe project does.

Secondly, we are interested in the potential coal development in western South Dakota and eastern Wyoming. We feel the development of this resource is inevtiable and that it can be done with proper land conservation practices and water conservation techniques. We are also interested in any potential water importation that may be required to facilitate the coal development. We have been in contact with both the federal and state agencies involved to assure that maximum benefit can be achieved from any project developed. Your assistance to this end will be greatly appreciated.

Please be assured we are continuing to strive for the best use of the water and related resources in the Black Hills area.

Statement by Richard Brown, Rock Rapids, Iowa

I welcome the opportunity to present my views on the topics to be discussed at this conference.

As a citizen of the United States I am concerned about the location, extraction and use of our mineral and other natural resources. Past decades have shown how people have utilized natural resources for short term gain at a rate which could not permit the continued use or enjoyment of that resource. This was true of the exploitation of the upper midwest white pine forests to the destruction of the soil protecting prairie sod of the great plains areas. The grazing lands of the west from Montana to Arizona were used by numbers of livestock now known to cause irreparable harm to these grasslands, associated wildlife and reduction in future use value. We have seen some of our major and minor waterways turned into natural waste disposal facilities in the name of progress and National industrial development. These are simply a few of the many occurrences of the American people showing what disregard many have for the future of this country as an enjoyable place to live, enjoyment of the beauty and productiveness of our natural resources.

The development of the large and important coal deposits in South Dakota, North Dakota, Wyoming and Montana provide yet another opportunity to demonstrate the disregard for natural resource management and proper utilization. If the need exists for development and extraction of these deposits then I feel it is imperative that these resources be utilized. However, I feel technology exists which if utilized could enable the development and use of these deposits with little environmental or resource degradation or waste. I also feel that the economic use of these deposits must justify and bear the cost of protection measures to air, water, environment and reclamation of the areas laid waste by the use processes. If the economic use of these or any other resource will not offset the costs of protecting the environment and other resources the need of the American people is not sufficient to allow such a project to begin.

Technical expertise is available to plan the orderly removal, use of these deposits and reclamation of the land areas. This technical ability exists through the land grant universities and existing Federal, State and local agency personnel. Development of these coal fields should be regulated to require the use of acceptable procedures without a program of subsidizing by the American people.

In this same vein I would hope the Federal Government will step up the input in developing other sources of energy. Solar energy and nuclear fusion systems should receive immediate emphasis as safe, non-polluting sources of energy that do not consume our limited supply of fossil fuels.

Soil is one of our most vital natural resources and its proper use should be the concern of all thinking citizens of this country. The protection of this soil resource is vital to everyone. I feel financial assistance to agricultural producers for a portion of the cost of protecting the soil resources is justifiable due to the financial situation of most agricultural commodities. Producers are usually unable to pass the cost of this protection to the product sold.

The assistance to these producers should be at the Federal level to alleviate undue burden on a local or regional situation when the concern and dependence is on a national scale.

Regulation of land use and protection of the the soil resource should be provided through State legislation and supervised by existing State organizations. Land use needs on a national scale should of course be included in the regulations of individual states. Regulation of land use must be implemented to provide an orderly development and maintain land areas sufficient for essential land uses. Compatible land uses may also be segregated to provide a more harmonious existence for all.

Statement of Vern W. Butler, Secretary, Dept. of Natural Resource Development, Pierre, S. Dak.

"PRIORITY OF WATER USES IN THE MISSOURI RIVER BASIN"

During the questioning period following the third seminar, Mr. Ray Linder, Brookings, asked the following question:

"Please list in order those water uses which will be discontinued when Missouri mainstem flows are reduced for meeting the coal oriented water demands in Wyoming, Montana, and North Dakota."

In answering this question, Mr. Holum indicated the federal government had not established a full list of priorities for uses of the mainstem waters, but the federal government had in authorizing the Oahe Unit guaranteed that sufficient water would be available for the project.

I concur in this answer, but would like to expand upon it by providing some additional explanation. While Congress had not provided a full list of priorities, it did in Section 1(b) of the 1944 Flood Control Act (58 Stat. 888) establish the policy that waters used for beneficial consumptive use, present or future, in States lying wholly or partly west of the ninety-eighth meridian would take precedence over use for navigation. This is the essence of one of the famous O'Mahoney-Millikin Amendments worked out in the compromises between upstream and downstream states in the Missouri River. Another of the compromises as given in Section one of the 1944 Act was that ". . . it is hereby declared to be the policy of Congress to recognize the interests and rights of States in determining the development of the watersheds within their borders and likewise their interests and rights in water utilization and control . . ."

For the past thirty years, all water resources planning in the Missouri River Basin has recognized these principles and has been so oriented. In 1951, the MBIAC published a report on Adequacy of Flows in the Missouri River. Long-term (1898 to date) streamflow estimates were derived for Sioux City and other points on the river. These studies showed long-term average annual flows of 24,593,000 acre-feet at Sioux City at the 1949 level of development. In the MBIAC Framework Study and subsequent studies, the depletions between 1949 and 1970 were determined. This showed Sioux City flows at 1970 level of depletions to be 21,821,000 acre-feet or about 2.8 million acre-feet of depletions between 1949–1970.

The framework studies conducted in 1965–1968 showed estimated depletions above the 1949 level of development to reach about 11.5 million acre-feet by 2020. At this level of upstream development, navigation would be cut back so that out of 71 years of record only 15 years would have a full eight month season, 45 years would have a six month or longer season, and 13 years would have no navigation. With the projected upstream depletions, average annual power generation would be reduced from the present 9,230 million KW hours to 5,864 million KW hours. All other downstream needs for M&I water supply and water quality management would be met.

Subsequent studies by the Corps and Bureau completed just within the past few weeks shows that the general depletions estimated for the Framework Study are not being made as fast as initially estimated (example, Garrison and Oahe Irrigation Projects are being delayed) and that the generous allowances provided can take care of any reasonable coal development projected. In these latest studies based on current NGPRP projections, three levels of coal development are being considered, one at 0.7 million acre-feet depletions (reasonable minimum depletion), a second at 1.4 million acre-feet (most likely depletion), and a third at 3.0 million acre-feet (reasonable maximum depletion). The two lower ranges fall within the depletions anticipated in the framework studies while the third exceeds the Framework Study projections only after the year 2040.

I conclude that sufficient water is available for upstream beneficial consumptive use including both a reasonable maximum coal development and irrigation and is somewhat beyond the 11.5 million acre-feet of depletions (1949–2020) considered in the Framework Study. This assumes navigation service must take a cut and that hydropower production will also be reduced. The limit of depletions is reached only when water available for navigation reaches zero.

I further believe that it is the affected States, not the federal agencies, that determines what the beneficial consumptive uses will be under the laws of the States. This is a policy that must be upheld if present and future water users are to be protected. I would hope that Congress will not allow this important issue to be glossed over in any hasty action triggered by the so-called energy crisis.

Statement by Connie C. Cotton Turkey-Clay Watershed District in Vermillion, S. Dak.

Considerable progress in soil and water conservation has been made in South Dakota since federal assistance became available in the 1930's. Most of the practices have been done on a piecemeal, individual farm basis. Because of this, the efforts of the good conservation-minded landowner have all too often been negated by the actions or indifference of his neighbors. Heavy thundershowers with rapid water run-off and enormous sheet erosion soil losses unfortunately are still the normal occurrence. Our rivers run muddy and our lakes and sloughs fill with silt.

Public Law 56, the Small Watershed Act, administered by the Dept. of Agriculture's Soil Conservation Service was enacted to try to meet and overcome the aforementioned problem. Any natural drainage area of less than 250,000 acres can be included in a Small Watershed Project. Some states have made good use of this Act, but S. Dak. has accomplished very little to date. In some states the Soil Conservation Service has attempted to drain and bring into crop production some heavily wooded creek bottoms and some water areas. This has aroused the ire of environmentalists and brought much unfavorable publicity upon all Small Watershed projects. Unfortunately many environmentalists after reading an unfavorable write-up on one of these projects quickly condemns all Small Watershed projects without ever bothering to investigate for themselves or to consider the alternatives.

Here in S. Dak. we badly need to keep our thin topsoil in place and to let as much rainfall as possible soak into the ground. The soil and water that whooshes down to the Mississippi Delta is part of our capital and we can ill afford to lose it. The cost of fertilizer to replace the minerals lost alone would stagger the imagination. This, by itself, should be incentive enough for any reasonable person to want to stop these losses. The Small Watershed Act is the soundest and most practical way presently available to accomplish this. However, many changes need to be made in the application of that Act to make it more effective, namely:

1. The Soil Conservation Service needs to be beefed up with personnel and funds.

2. Private engineering and construction firms need to be hired by the Soil Conservation Service on a contract basis to augment and speed up their work.

3. Greater public participation in all aspects of Small Watershed projects is needed especially in planning, management, land use, and cost sharing. Reasonable environmental objections need to be met. Public benefits should accrue from the use of public funds. It is unreasonable to expect participating landowners alone to pay for public benefits. It is equally unreasonable for participating landowners alone to benefit from public funds. Mutually agreeable compromises need to be worked out.

4. Administrative practices and procedures need to be greatly speeded up. It takes much too long at present to bring a project to completion. From organization of a Watershed District to completion of the Watershed Project should not take over ten years.

5. Watershed Districts need to be organized and Watershed Projects need to be completed in a greatly accelerated scale if there is to be any significant reduction in soil and water losses in the lifetime of those farming today.

Aldo Leopold in Conservation—A Bird That Flies Faster Than the Shot We Aim At It despaired "There is as yet no social stigma in the possession of gullied farms, a wrecked forest, or a polluted stream, provided the dividends suffice to send the youngsters to college." Louis Bromfield in his fine book *Pleasant Valley* said "A good farmer in our times has to know more about more things than a man in any other profession. He has to be a biologist, a veterinary, a mechanic, a botanist, a horticulturist, and many other things, and *he has to have an open mind, eager and ready to absorb new knowledge and new ideas and new ideals*. The Conservation Movement has come a long way since Leopold and Bromfield wrote these words. The times are right for a great expansion in soil and water conservation. Minimum tillage practices are a step in the right direction. They are gaining widespread acceptance. The energy crisis will provide further incentive. Land Use Regulations are coming very soon. Conservationists need to participate in their formulation and execution to see that these regulations are both sound and practical. The Soil Conservation Districts should have supervision over agricultural land. I am optimistic about the future and I will end this statement with a hopeful message "Expect the best from a man and he will do his best to live up to your expectations."

Statement of Cresbard Reservoir Association

This area will not be benefitted by the Oahe Project, rather, it will take a loss directly opposite to what the project professes to accomplish. The Cresbard Reservoir and surrounding areas will lose large amounts of valuable lands, tax base, osthetic values, family farm units and be faced with a number of inconveniences relating to roads, access to lands, etc. We believe that in a large part, the damaging aspects of this project have been ignored or overlooked and must be promptly corrected before further acquisition of land takes place in order to provide a minimum of loss or damage to those areas that are not benefitted by the project.

We further believe the continued refusal to clearly answer our questions related to these problems is unnecessary as certainly they are not questions which should not be answered before construction on the proposed Cresbard Reservoir can begin. We offer the following suggestions in regards to these problems:

Minimum land use: We see no related need for some 9000 acres of land to be acquisitioned to provide a 2700 acre reservoir. We want this acreage reduced and we want an accurate map of what is intended for acquisition so our people can plan ahead what they need to do. We expect open and clear explanations to all activities involved in this project.

Roads: We know locally what we need for roads, so all we need is an answer from those responsible (yes, they will be provided). We would request entry of a copy of our road discussions for your records.

Texas: The relation of tax base loss or gain on the Oahe Irrigation project will occur completely within the Oahe Conservancy Sub District. Consequently the Sub District will have the responsibility to equalize the related Tax Base problems. We will be glad to aid in any additional law considerations needed to correct this problem. We have had some assurance from the Sub District that efforts will be made to help this situation.

Trees: Certainly at this time, after considerable discussion on this matter, the Bureau of Reclamation can say yes, an equal number of new trees will be planted on some of the additional acres acquisitioned beyond the high water mark. All parties involved should make an effort to pass a law requiring this tree loss to be replaced in the state of South Dakota.

Sub Impoundment: The Sub Impoundment on the South Paul Creek will replace some recreational loss the area will take and is so situation that the over flow system can serve a dual purpose both to regulate the water depth in the Sub Impoundment as well as provide a drop from the ditch to the reservoir proper. Thus providing a reasonable cost relationship for the Bureau of Reclamation and the Dept. of Game, Fish, and Parks. Enough data is available at this time to say yes, it will be provided.

We further believe that unless these things are agreed upon before construction and become a part of that construction, "traditionally speaking" they never will occur. We are mutually agreed under our Constitution and by-laws that these considerations are reasonable and are prepared to resist individually and collectively in order to accomplish a fair consideration for our community and county. We voice no objection to the project in making these statements, but express hope that full consideration will be given all people affected so the project can be constructed within time limit goals.

We appreciate this opportunity to express our thoughts and hope they are thought provoking.

The Bureau of Reclamation, Huron, S. Dak.

The September 12, 1973 board of directors meeting of the Cresbard Reservoir Canal and Land Owners Association reached unanimous agreement on the following:

The Cresbard Reservoir Association is primarily composed of members who hold the major fee title lands within and beyond the proposed Cresbard Reservoir site, which is a part of the Oahe Irrigation Unit. Members of this association, the Cresbard community and Faulk county, not being beneficiaries to any great extent and after joint meetings with the Cresbard Consolidated School District Board, County Commissioners, members of Faulk County government, Oahe Sub-District Board and members of the Bureau of Reclamation do hereby make the following jointly agreed upon request.

In order to protect the health, welfare and general economy of the community and to fully serve the needs of the local people, the local school board, township and county government, recognition and joint consideration are necessary by the Bureau of Reclamation and the State Highway Department of the actual need of no less than two major crossings north of the dam site and one minor service crossing to the north part of the reservoir proper. These are existing Highway 20, County Road No. 2 (½ mile west, 1 mile north, and 3 miles west of Cresbard), and the service road to be north to county line or no more than 2 miles south of county line.

We further state with all due respect to the individuals and agencies that may be involved, this association under it's constitution and by-laws and in accordance with Public Law 91–646 referred to as the Federal Acquisition Policy Act of 1970 and adopted in full by the State of South Dakota, that no decisions which affect it's membership, the Cresbard community, the county of Faulk or the Oahe Conservancy Sub District of which it is a part, should be made by any agency or member of any federal or state government without when necessary, the advice or assistance of the aforementioned local and state groups or the full knowledge of this association, the local school board, county government and the Oahe Sub-District Board.

Position Paper for the Proposed Cresbard Reservoir & Land Owners Association

I. Land: Accepting that the indicated loss to Faulk County and the Cresbard Community will exceed benefits of the Oahe Irrigation Unit, this association will seek all ways and means to minimize those losses thru a minimum land use approach.

II. Taxes: Recognizing inequities created by loss of tax base, this association will direct its efforts by seeking ways and means to replace those tax losses by the beneficiaries of the project.

III. Coordination: Recognizing that all parties and all levels of government are needed to consider these local problems, the association will seek to coordinate all such group efforts to accomplish the recognized needs of each.

IV. Environment: Recognizing that damage will occur to fish, wildlife, natural, and unnatural conditions this association will seek full and proper replacement of such losses including the losses of approximately 60 acres of planted forest and 30 acres of natural protected forest growth.

V. Legal Rights: Recognizing the vast loss of private land containing many family farm units which were planned to remain in future family operation, this association will retain qualified legal counsel dealing with its membership's individual problems and such counsel where needed in community and county problems and will ask all involved groups, local, state and federal to recognize these problems and assist in this effort to provide minimum loss to the community.

Statement of Larry D. DeMers and Barry H. Dunn, Brookings, S. Dak.

As environmentally concerned citizens, we would like our opinions and expressions to become part of the written record of your "Conference on Environmental Issues," which we attended. We would like to stress that every question is an environmental question, and only the different priorities that we may have, be they economic, social, political or biological, determines our positions on these questions. The environmental concept is a total one, for an environment deals with all of the aspects of an organisms surroundings, not just his biological surroundings. With these considerations in mind, we would like to express our opinions on the topics of three of four seminars held.

As South Dakotans we are extremely sensitive to the possible adverse effects that strip mining and power production in neighboring states may have on our own state. We are thinking in terms of air and water quality and especially the effects on water availability to South Dakota after thousands of acre/feet of water each year are used in the cooling processes of large power plants. This is of vital interest to us both, as both our families have agricultural interests in the western half of the state. We suggest extensive research by all interested federal and private organizations into all aspects, economic, social and biological of coal mining and power development. After this research is concluded, we demand wise and careful administration of these natural resources that belong to all of us, and not just the power companies and their eastern customers.

We support Land Use Planning policies with several key thoughts. Planning must be done with the utmost care and research into all aspects of the situation in question. It should not become bent on its own completion and ignore changing opinion, needs and new information. Planning should be dynamic process and not tie the hands of succeeding generations with outdated, irrational projects and plans. a good example of which is the Oahe project, our next concern.

Why should our lives, our land and our children's land be unalterably changed from its natural state to an artificial one, decided upon almost 30 years ago by an administrative decision that we had no input into? We demand a moratorium on the Oahe project to completely reaccess the true need, effects, and desirability of this inane project. Instead of holding the Federal Government to its words when it took those 500,000 acres of land along the Missouri, that is to irrigate along the James River, why not stop and look at the true effects upon our total environment and not be blinded by the $340 million figure that is waved in front of us like a Playboy centerfold, but like the centerfold is just paper and in no way represents the loss over the next generations of energy, manpower and twisted production needs. Who is to say that in 10 years the needs of the world will be for cereal grains (which is grown very successfully there now) and not for the corn and alfalfa that would be grown if an irrigation project is completed?

We hope, Senator McGovern, that you will use your influence to stop the Oahe project.

Statement of Prof. L. O. Fine, Plant Science Department, South Dakota State University, Brookings, S. Dak.

I wish to offer a comment for the "Addendum" portion of the January 12 Environmental Conference. It pertains to Dr. Brashier's statement that—"silt and fertilizer are accelerating the death of our prairie lakes," or words to this effect. I share wholeheartedly Dr. Brashier's concern and I agree that siltation is a major contributor. The indictment of fertilizer as a nutrient contributor is not on a very solid base, however. If fertilizer erodes with the main mass of the soil, a 50 lb. per acre nitrogen addition to the plowed layer of topsoil is about 1/120 of the native soil nitrogen already present, and thus would impact on a lake only to the extent of 1/120 as much as the naturally existing soil nitrogen. The fraction for a 50 lb. P_2O_5 application of phosphorus would be about 1/70 of the naturally occurring soil phosphorus.

Statement of Gary D. Gilbert, Carpenter, S. Dak.

I request this testimony be submitted for permanent record on the Environmental Conference held at the Downtown Holiday Inn, Sioux Falls, South Dakota.

I would like to take this opportunity to express my personal thank-you for your *growing concern* about the Initial Stage, Oahe Unit, Pick-Sloan, Missouri River Basin Program of South Dakota. I believe, that the sponsoring of this environmental conference shows your concern for a better South Dakota for both the generations living and the future generations.

As you already know, there is rapid growing opposition to the Oahe Unit from various groups and many select individuals throughout the project area. I have conducted my own extensive research on the project. As I'm sure you've heard, the story of why haven't the people on the land (Family Farmers) brought forth opposition to the project before this time. Through my individual contacts with the Bureau of Reclamation, I have repeatedly gotten the run-a-round with its representatives telling me the information is not available or not of my interest etc.

Before the release of the Final Environmental Impact Statement, I was promised a copy. When the statement was finally filed, the Holidays had shortened the review period by 10 days. After calling the Regional Bureau Office at Billings, Montana to ask why only 250 copies were printed, I was given every excuse from poor printing equipment, to being told the Oahe Unit was of low government priority. Our review period, should be lengthened to facilitate needed time for adequate review to assure intelligent comments to the CEQ.

As you have already recognized, the family farm is the sum total of the stability of South Dakota's economy. The Oahe Unit, if completed, will not only destroy 110,000 fertile reproductive areas, to irrigated 190,000 but will cause a long term threat to the 190,000 acres. Due to the uprising cost of equipment, fuel, interest, and high management requirements for irrigation, what will become of the 190,000 fertile acres. Sufficient information and studies have not been conducted as to the soil's acceptability of repeated water applications. What happens to the land adjacent to irrigated land that is susceptable to rising root zone water containing salt? What will ditches do to underground water supplied? I've seen the results stemming from the Garrison Project in North Dakota. The outcome is not very pretty.

Who's paying for the irrigation project? The public is not aware that their power rates will undoubtly be increased time and time again to pay for 90% of the project.

The James River is another shakey portion of the project. The ditches will be dug and the project will need a drain so we *must* destroy one of the only natural rivers we have left. The Bureau calls it a dirty old meandering river, but it's natural and beautiful to many that enjoy the natural wild life it employs.

With inflation continuing at such a fast pace, the benefit-to-cost-ratio of the project is rapidly decreasing. The projects cost now is $1,369 per acre. I sincerely believe that the Oahe Unit will never be able to pay for itself.

Before summarizing, I would briefly like to mention many other portions of the project which have raised good valid questions which cannot be answered. What will the loss of 110,000 acres do to the tax base in individual counties and townships? What happens to the many roads that are closed? What does the loss of a large natural lake (Byron) mean to Huron and the surrounding area? What does the loss or disruption of hundreds of family farms do to South Dakota's economy? Will corporate farming be a threat because of high capital investment to irrigate? Many other important questions roll in my mind and seemingly cannot be answered. Lastly, why is the Oahe such a hush-hush matter?

In summarizing my testimony, I honestly believe that a moratorium should be called on the Oahe Unit until independent and qualified individuals of *various* professions have fully and truthfully examined the *adverse* as well as the beneficial claims of the project. For 25 years the information has been with-held and covered over smoothly to make even the worst look good. Let's not whisper anymore about the Oahe Question!

Statement of Virgil Gilbert, Carpenter, S. Dak.

I would like to make a few statements regarding the development of the Oahe Project. During the years and years of planning and promotion of the project, a very limited amount of information was widely known. I believe the general public still fails to realize the scope of the project or the impact of this development on the natural resources, and on the social and economic conditions of the existing family farm system and rural communities of the area.

Over the years we have heard nothing but great benefits from the project, no adverse effects. Such benefits as economic boom unlimited supply of high quality water, increase fish and wild life. In the farming business it is highly competitive if some one wants to irrigate, that is his business. If my neighbor wants to buy a new tractor that is his business. I expect him to pay for it which he does. I don't believe I or anyone else should have to pay for anyones irrigation through our power bill.

We are all concerned about our natural resources. I believe the destruction of 110,000 acres of good productive land, one large and only lake in Beadle County, and the near by area, namely, Lake Byron. Channeling of the James River and destruction of a large number of family farmsteads and disreputing the operation of many more is certainly distruction of our natural resources.

No study has been made of the economic, social or environmental tax loss to the areas affected. Even the Bureau of Reclamation admits this might encourage Corporation farming. If so, won't our food supply some day be in the hands of a few, the same as our oil supply is right now. Then what will be the outcome? Corporations will control production, processing, and marketing of the food which we need for our salvation.

I would also like to draw your attention to the loss of electric energy. All of this will have to be replaced by higher cost from other sources. There will be an annual loss of 199,000,000 K.W. from water lost that will not be going through the generators. 43,000,000 K.W. for pumping which amounts to 242,000,000 K.W. This total is equal to the amount of electricity that is used in 10 Rural Electric Coop the last year. Besides another 43,000,000 K.W. which will be used if 50% of the irrigation is by the sprinkler system.

I believe with the weather modification programs being studied in our area and the state, plus the new varieties of grains and forages we have nowadays and we know they will improve, we can't afford to experiment with our productive land in South Dakota and take any chances of ruining it forever. Finally, to spend $1,369 per acre to get the water to the land plus $10.80 per acre for water and operation maintenance cost per year. Cost of the equipment and operation expenses is surely going to lead the financial disaster for this part of South Dakota.

Statement of Dana C. Jennings, Madison, S. Dak.

Your environmental conference in Sioux Falls Saturday was one of the best I've attended. It was remarkable for the number of women attending, and for the proportion of young people of both sexes. Thank you for calling it.

May I insert the following statements into the record:

1. This nation's philosophy toward exploiting natural resources seems to be—and has been for 40 years at least—let's steal from our grandchildren and let them pay for it. This attitude must be reversed to let's conserve for our descendants for all time and pay our own bills.

2. As I mentioned in our short conversation, the world has been on a collision course with resource extinction at an exponentially rising rate. At our present rate of increasing demand, the world will be all out of oil in 20 years, natural gas in 22 years and coal in 111 years (if we transfer more of the load to coal, we'll use it up that much sooner.) If vast new discoveries should suddenly increase our reserves 500%, with the world demand continuing to increase at its present exponential rate, this will extend the day of reckoning only 39 years for coal, 27 years for gas and 30 years for oil. [The limits to growth, Meadows & others, 1972, Potomac Association, 1707 L St., NW., Washington, D.C. 20036.] This clearly means that even if the current energy crisis is soon solved, we are heading for trouble, fast, not only as a nation but as a world. And of course the U.S. is the worst offender. We've got to reduce not just our rate of increase but our actual consumption. This requires a worldwide change of attitude from consumption to conservation.

3. It seems that the environmentalists and the energy people confront each other in a spirit of intransigency, the one saying thou shalt not dig, the other saying to hell with the earth. Is there some way we can adopt the attitude; we need the energy and we must preserve our environment. Let's see how we can extract the energy with minimum damage.

4. As Rev. Del Lind said to me at the conference, "It's irresponsible free enterprise plus technology that have shafted us."

Keep up the good work.

STATEMENT OF ROY LARSGAARD, PRESIDENT, SOUTH DAKOTA ASSOCIATION OF CONSERVATION DISTRICTS, FAIRFAX, S. DAK.

In response to your announcement of the January 12, 1974 "Conference on Environmental Issues" I am submitting this written statement.

Your announcement and the agenda convey the thought that environmental protection and economic development are two significant national goals; that activities or regulations related to environmental protection which stifle economic well being are not acceptable alternatives in the long run; that these two goals while competing at their extremes, can be made compatible by rational thinking, legislation and administration.

The operation of Conservation Districts is a prime example of such a rational approach. Forty years ago Districts were criticized, by some, as being overly evangelistic in publicizing the need for soil and water conservation. However Districts have gained wide acceptance by the cooperative, voluntary program we have administered. Conservation has been applied with concern for sustained protection of the natural and of man's environment; concern for the farmer's and rural community's economic welfare; and concern for the national need of current and sustained food and fiber production.

We are pleased to see the recent development of interest by the public in protecting the natural environment, but we become alarmed at the irrational extremes that certain individuals, organizations, agencies, legislatures, and even the courts have gone in ignoring man's total environment for the sake of minor or indeterminate benefits to the natural environment.

While the National Environmental Protection Act expresses concepts that Conservation Districts can approve; the administration and interpretation of the Act leaves much to be desired.

Part of the confusion and shortages (energy, food, water) that are apparent, or potential, on the national scene are in my judgment due to irrational, short sighted and dictatorial administration of NEPA.

Actions by EPA in fostering outside citizens groups to bring suit under NEPA have caused delays, hardship and financial loss to local rural residents who are seeking to implement watershed protection programs. Rural people need these projects in order to benefit the natural environment, to improve their well being and for the development of South Dakota.

The concept of environmental impact statements for the purpose of identifying environmental impacts, public disclosure, and agency analysis has been subverted by using it as a method to veto or delay needed projects. Under the guise of legitimate comments on these statements, material has been submitted which is irrelevant and contains half truths and generalizations.

The matter is further complicated in that these comments take on the status of veto power over the thoroughly investigated and locally accepted project plan. Adverse comments submitted by agencies and organizations whose representatives have never viewed the project, and whose comments are based on conjecture and generalization should not be permitted to terminate or cause undue delay of worthwhile projects.

In short this means that water resource development programs and natural resource conservation efforts have been tied up by the indecision, inadequate guidelines, and bureaucratic red tape created by NEPA.

The courts have added to the confusion by allowing most anyone with the word "environment" on their lips to cause an injunction to be issued thereby delaying or terminating a project. The proof of such assertions should rest in part, at least, on those making them; not entirely on project sponsors.

We believe Congress needs to take a hard look at the results of their NEPA handywork. The simplistic approach of considering the "status quo" as most desirable for man's environment needs to be questioned. Maintaining the "status quo" ignores the complicated inter-relationship of the factors that make up our environment; that is our well being. This is not the area in which to advocate sledge hammer arbitrary regulations or procedures, even if well intended, for the protection of the environment. Congress needs to advocate a more evolutionary assimilation of environmental actions which will permit our development and our economy to move forward. To move forward while considering environmental impacts—reducing adverse impacts—correcting or improving the existing environment.

To move development forward, in this setting, even with occasional environmental set backs (which in most cases can be corrected) will do much toward stemming the tide of bad news (shortages, rationing, etc), reduce national confusion and put the nation back on track.

Recently the South Dakota Conservation Commission prepared a document on "Land Conservation and Development Policy." I'm enclosing a copy as representative of the thinking of Conservation Districts.

I appreciate the opportunity to submit these comments; I hope they will be helpful, and that the Conference is a success.

STATE LAND CONSERVATION AND DEVELOPMENT POLICY

INTRODUCTION

South Dakota land area, of some 49,611,904 acres, is for all practical purposes fixed. Eighty point one per cent (39,952,900 acres) is in private ownership. Federal lands total 3,345,740 acres, state lands 1,578,633 acres and Indian tribal and individual land 4,734,629 acres. The general welfare of the people of South Dakota is heavily dependent on land, for its agricultural productivity, its mineral resources, its natural beauty and its allied resources of water, natural vegetation and wildlife.

The purpose of this policy for land conservation and development is to make use of the land while maintaining its productivity for the economic, the physical and the environmental well being of its people now and in the future.

The authority for the State Conservation Commission to develop and implement a state policy for land conservation and development is contained in 38-8, subsection (6) of the Natural Resources Conservation District Law.

The policy of the State relating to the conservation and development of land and related resources is stated in 38-8-1 of the Conservation District Law as follows:

"It is hereby declared to be the policy of this State and within the scope of this chapter to provide for the conservation of the soil and soil resources of this State, and for the control and prevention of soil erosion, and for the prevention of flood water and sediment damages, and for furthering the conservation, development, utilization and disposal of water, and thereby to preserve natural resources, control floods, prevent impairment of dams and reservoirs, assist in maintaining the navigability of rivers and harbors, preserve wildlife, protect the tax base, protect public lands and protect and promote the health, safety, and general welfare of the people of this State."

This document has been developed by the State Conservation Commission in order to continue and update the above policy by means of identifying certain specifics and by prescribing a broad method or process for implementing the State policy. In updating its policy for the use of its land and water resources, the State of South Dakota will:

1. Consider all land and water use in the light of providing for people's needs while sustaining quality in the environment.

2. Insure that the ecological effects are considered for all land and water conservation or development proposals.

3. Provide for coordinated development of its land and water resources including the protection of critical areas and areas with unique natural resource values by advocating the development of state, county and multicounty plans based on the subseqeunt principles.

SCOPE

1. The scope of this State Land Policy shall extend to the conservation development and use of all land, both public and private within the state.

2. The purpose of this State Land Policy is to insure environmental protection to all lands and waters within the State; to provide coordinated planning and use of such land; to provide for the protection of areas of critical environmental concern; to insure its implementation through plans for present and future land use prepared by public agencies in effecting their authorizations, and by private individuals and organizations in pursuing their conservation and development goals.

PRINCIPLES

1. Private ownership of land is a right to the extent that its use does not infringe upon the rights of others, including future generations, or become a public nuisance or a menace to public health and safety. In meeting

public needs or in implementing these principles, access to or use of privately owned property will be subject to reimbursement to the landowner. When compliance with any land use regulation requires the establishment of special public benefit measures by private individual or organization, incentives will be provided by the public.

2. Multiple land use, subject to the rights of the owner, will be a goal. If compatible uses of the owner, will be a goal. If incompatible uses exist or are apparent a compromise solution will be sought.

DEFINITIONS

a. Multiple use means that equal priority is given to all possible uses of land and water resources, not necessarily the combination of uses that give the greatest monetary return, but the uses that best meet the indicated present and future needs of the people.

b. Predominant land use is a modified form of multiple use pertaining to various private (i. e. agriculture, industry, business, etc.) and public (i.e. transportation, parks, utilities, housing) activities which by their nature or purpose indicates an existing, or planned, predominant use of the concerned parcel of land. However, predominant land use differs from single purpose use in that it does involve development of uses other than predominant use including protection of the environment.

c. Single purpose or limited use means the preservation of unique, rare, or relic areas of historical, archaeological, natural, or scenic value.

3. Land disturbing activities for public and private uses and developments shall provide for the control of soil erosion by wind and water, the minimizing of deleterious effects upon the natural or existing environment.

4. Land development plans and their implementation are to provide for consideration of the long term environmental effects of the land as well as the economic, physical and social well being of the individuals and communities concerned.

5. Land use and land use practices shall be in accordance with land capabilities in order to maintain its productivity, prevent excessive soil erosion, siltation, pollution to lakes and streams, and damage to public or private facilities.

6. Flood plain land use shall be restricted to developments that provide protection to: human life, the economy, and the natural environment.

7. Research will be sought for problems of land conservation and development and control of natural erosion for which solutions are not readily available.

8. Informing and educating both children and adults that land is a finite resource basic for man and all his activities will be fostered as a continuing process.

9. In the assessing of land for taxing purposes consideration will be given to encouraging those uses and management practices necessary to provide a quality life for people and provide for conservation and environmental protection.

10. A State Land Use Plan developed with citizen participation which will include measures and regulations for its implementation shall be developed. This plan shall be based upon an inventory providing information on the amount, distribution, nature and condition of the land, water, and environmental resources; and the present and future needs of people for these resources. Objectives of the plan will include the conservation of the productive capacity of the land and water resources, and the protection of the natural environment, while providing for the present and the future economic, physical and spiritual well being of the people of this state.

IMPLEMENTATION

1. This policy statement will be submitted to the Legislature of the State of South Dakota for its adoption. This adoption to include the directing of all agencies and political subdivisions of State Government, with authorities and responsibilities for land and land use, to be cognizant of the policy and utilize their forces and authorities to implement this policy.

2. The Conservation Commission will review this policy annually at its January meeting for the purpose of considering progress in implementing the policy and to consider revisions.

3. The advisory committee which was instrumental in developing this policy will be retained as continuing advisors to the State Conservation Commission as needed.

EXPLANATORY NOTES FOR PRINCIPLES OF LAND CONSERVATION AND DEVELOPMENT

(1) This principle recognizes that the implementation of a policy of land conservation and development will be subject to the right of private property. However, while recognizing the right of private property as paramount, it also recognizes the obligation of good stewardship of the land. In the event that misuse of the land causes damage, or is a menace, to others; public intervention to correct the situation is indicated.

Public intervention to regulate land use or treatment; to acquire for public use; or preserve through public ownership will involve reimbursement of the private landowner to the extent of the infringement or loss of the private property right. Incentives (i.e. tax relief, cost-sharing, etc.) are indicated in event public needs for land use and treatment require special use or treatment; the net effect of which is an economic loss to private individual or organization.

(2) This principle recognizes that land can be used for more than one purpose. That its use for all applicable purposes is to be considered and attempted. The principle also recognizes that some land uses are competing especially when an attempt is made to accord them equal priority. In this event a category of a predominant land use, is recognized. However, by definition, predominant land use requires that action be taken to develop land uses other than the predominant use and to provide for the protection of the natural environment.

Finally for special purposes such as those mentioned, single purpose preservation may be needed.

(3) While this principle applies to all land uses and treatment, its thrust is aimed at such activities as mining, top soil removal, highway construction, developments of airports, etc. The principle encompasses conservation considerations (i.e. soil erosion, water pollution) and treatment during both the operations or construction stage and the condition of the land surface following the cessation of operations, or completion of construction. Further legislation and regulations such as now provided by the "Surface Mining Land Reclamation Act" may be needed to implement this principle.

(4) This principle is directed toward land development (i.e. housing, industrial, commercial) which involves disturbing the land surface; presents a hazard from water pollution (i.e. soil erosion, inadequate sanitary and waste disposal); effects the environment (i.e. loss of open space); effects the economy and use of surrounding areas (i.e. restrictions in use of agriculture lands for dairies, feedlots, etc., or increases taxes for special districts such as water, fire, and sanitary); results in social and community problems (i.e. substandard developments and (or) substandard housing caused by inattention to soil conditions, water table, flood hazards, building and development standards; existing facilities such as airports, industrial developments, etc.)

The principle implies that development plans provide full disclosure of site conditions and corrective measures to recitify any inadequacies or hazards. Further that decision makers (i.e. planning commission, county commission, city councils) take into account not only the on-site effects of the development but the immediate and future effects on the surrounding lands, developments, and the community. Legislation and regulation may be necessary for implementation.

(5) This principle applies to all land uses and development, but is directed mainly at agricultural and other extensive land uses. The concern expressed here is that the land remain productive by use of conservation measures which will also maintain or improve the natural environment.

The development of land use regulation or Erosion and Sediment Control Legislation will be necessary to implement this principle.

(6) This principle is limited to use of flood plain lands. A separate principle was developed because the special significance in terms of loss of life and property caused by intensive flood plain developments. Regulations including, exclusion, special use, special building codes, etc., may be involved in implementing this principle.

(7) This principle recognizes that there is a continuing need for research in the technical, economic, social and governmental aspects of land conservation and development.

Funding by Federal, State, and local government may be needed to further implement the principle.

(8) Many problems in land conservation and development result from a lack of knowledge and a lack of appreciation for the factors and considerations that are involved in land use and treatment. This principle recognizes the need for a continuing effort to educate all people in the subject of natural resource conservation and development. Implementation through teacher training and funding may be needed.

(9) Policies and procedures used in taxing real property can have a significant effect on land use. Other states have witnessed the effects of poorly planned and (or) uncoordinated land developments. Land assessments based on these developments continue and (or) accelerate this uncoordinated, unregulated, often sub-standard conditions. Developers lured by low prices for land beyond city limits initiate housing and commercial developments in a leap frogging manner. Open spaces (i.e. agriculture) surrounding these developments may be assessed on their apparent potential for such development even though the landowner wants the land to remain in its present use. This results in economic hardship to the landowner, resulting in eventual sale of the property, economic instability for the community, idle land, and loss of open space. Incentives should be considered to retain class 1, 2, and 3 for agricultural purposes.

This principle implies that planning and tax assessment needs to be coordinated in order to provide for orderly growth of our communities and our State, while providing equitable tax assessment. Legislation to provide tax equity, orderly development, and protection of extensive land use (i.e. agriculture, forestry, recreation) may be needed.

(10) This principle embodies all the foregoing principles. These principles provide state policy for land conservation and development for use in developing a State Land Use Plan.

STATEMENT OF MRS. HELEN METZINGER, PIERRE, S. DAK.

Although I was unable to attend these meetings, I would like to express my personal appreciation for the opportunity afforded all of us by the exchange of opinions regarding especially, the above stated issue.

After a great deal of consideration and as a result of past experience of personal involvement in complete loss of our home, ranch and farm operations in the Oahe Project, I must go on record as being opposed to the Oahe Irrigation Unit, primarily on the basis that too many acres of land will be taken out of production, off the tax roles, and too many families will be forced to lose their entire operations, as well as those who will suffer disruption and loss of acreage, only to benefit a relatively few.

I also question the evaluation of the Oahe Irrigation Unit since the so-called benefits will be realized in an area which is already in a highly productive region of the State.

The biggest industry in South Dakota is farming, and very possibly always will be, because of our geographic location. It does not seem likely that raw materials will be shipped in and manufactured goods will be returned from here, to more densely populated areas. It would seem wise, then, to conserve and reserve the industry, rather than deplete and forfeit more and more of our productive land to one project after another.

South Dakota, and especially Central South Dakota, has already sacrificed enough from it's chief industry for the sake of progress and benefit for others. We cannot be satisfied for our loss nor repaid, by continuation of land acquisition. It is most ironic that we are now being asked to forfeit our farms and ranches for the sake of improving other farms and ranches. This, in any language would appear discriminatory.

The practice of land acquisition is becoming much too common and most selfish.

I have lived on a farm and in South Dakota all my life. I have witnessed the struggle of farm families trying to exist in all stages of our economy. It is fantasy to conclude those farm families who are supposedly to benefit from this project will be able to do so, or that more farms will be created by this project. There are no figures to support the theory that irrigators realize more profit than dry land farmers. I fail to see then, who will profit from this project, so costly, but the contractors and the Agency which propagates its office.

It is truly the youth of South Dakota, interested in agriculture, who are the real losers. Statistics tell us that most of our farmers are old men. Farm economy does not allow young men into the business easily, unless they inherit the family farm. The average farm boy, would, in most instances, inherit as many debts as he would equity in the average family farm.

The capital required to begin a career in farming is preposterous. The capital required to begin or continue a career in irrigation farming is impossible.

The possibility to obtain a farm or ranch is a rare opportunity, even with capital available. The chances of paying for a farm in one lifetime, is a thing of the past. Now we see that it takes more than one generation on the same farm to accomplish this feat. So not only the present owners suffer the loss of land, but the inheritable rights of their son's is lost, also.

Under the threat and intimidation of a project to acquire land for public use, it is always possible to buy a certain amount of land (as is the case of land already purchased in the Blunt Reservoir tract) because there is always those people who can be influenced to sell for reasons such as retiring, relocating, or because they simply accept the fact that they can do nothing to prevent the loss of their farms. Under this guise, the public is led to believe the action of a few to sell their land is an assent toward overall approval. This same land would have been swallowed up on the open market, overnight, and for more money than has been paid heretofore, by the Bureau of Reclamation, and an opportunity would have been created for a young farmer.

Land is expendable. No one has figured out a way to make any more, but every agency seems to be working on a way to take it out of private ownership and place it in public use. The threat of land acquisition surrounds us everywhere.

This abdominable practice must come to a halt. Private enterprize built this nation. The conclusion of this practice will destroy it.

We were a young family when we lost our lands in the Oahe Project. I know we will never recover from that loss. We now have sons who desperately look for an opportunity to engage in farming and ranching. They have been denied that opportunity by our loss. I have learned to forgive what has happened to us, but I cannot forgive what our loss has cost our sons, and now I can see this happening again to the sons of other families who are threatened by still another project.

There really is an impact to humanities to be considered and I seriously doubt that much attention or concern is given to study of same. I emphasize again, that land acquisition is becoming much too commonplace.

Besides our losing our farm, my Father lost his in the Big Bend Project. My aunt lost her house in Rapid City in the Urban Renewal Development Act. Now we are threatened a second time with losing sizable acreage from another farm for the Oahe Irrigation Unit Proposal.

We who have forfeited our inalienable rights for the benefit of others are the forgotten people. No one has shown concern for our welfare nor considered what the effects of this has been. Before such time that more people are asked to make sacrifices, there is a moral duty to make a thorough evaluation of the "costs" of this project to conclude beyond a shadow of a doubt that it is worthy of the price.

I believe also, it is the moral duty of every public official to conduct a study of same and make an honest evaluation known to the public. So far, the public has been spoon fed to believe this project is worthy and very little publicity has been given to the contrary.

In closing, I would like to call attention to the ironically direct contradiction in Land Use recommendations and the Oahe Irrigation Unit Proposal. Land Use recommends conservation of farm lands for future generations. The Oahe Irrigation Unit proposes destruction of entire farm lands, wetlands, natural scenic areas, and all else in the way, to fulfill its purpose of enhancing another area of slightly more than equal proportions.

I urge you to hold subsequent hearings so that every consideration may be given before this project goes any further.

I sincerely support a moratorium on the Oahe Irrigation Project until every question is answered.

Statement of Richard A. Schleusener, Director, Institute of Atmospheric Sciences, South Dakota School of Mines & Technology, Rapid City, S. Dak.

Thank you for your letter of 10 December inviting me to attend a state-wide conference on environmental issues scheduled to be held on 12 January in Sioux Falls.

Your announcement of 1 December invites written comments for inclusion in the record of the conference. I am enclosing a copy of a memorandum for the record prepared by Dr. B. L. Davis of our staff documenting evidence for pollution effects on precipitation processes. This document, and the attached news clipping from the *Rapid City Journal* prepared by Dick Rebbeck, explains some of the reasons for the concern that I have that far too little emphasis is being given to studies on possible cloud and weather changes that can result from pollution from industrialization. This is an area for which I believe substantially more research support is essential if we are to deal intelligently with the requirements for increased energy and understand the physical effects of the particulates that will be produced from burning of fossil fuels.

A Summary of the Effects of Urban- and Combustion-Produced Aerosols on Precipitation Processes

(By B. L. Davis)

1. INTRODUCTION

A number of studies in the past 10 year period has produced substantial evidence that inadvertent modification of the weather may take place both from the urban "heat island" effect as well as from various types of aerosols produced by urban industrial processes and agricultural burning techniques. Most evidence suggests a positive effect (that is an increase in precipitation) due to the process of aerosol entrainment into clouds. However, there has been other direct observational evidence with regard to agricultural burning techniques, as well as less obvious evidence from urban produced aerosols, that under certain meteorological conditions precipitation may be suppressed by the action of the pollution produced.

The information collected during the past several years does not represent an overwhelming body of support for one stand or another, but considering present state of interest and attention for this problem such information will likely be gained within the next few years. There is at this time, however, sufficient evidence to show that inadvertent weather modification is a very likely reality, and which is further complicated by the types of weather systems present in the various geographical areas under consideration. The summary below is not exhaustive, but attempts to provide both the positive and the negative aspect of this type of inadvertent weather modification in so far as such data are documented through formal publication or by presentation in professional meetings sponsored by organized scientific societies.

2. EVIDENCE IN FAVOR OF INCREASES IN PRECIPITATION

The now well-known "LaPorte precipitation anomaly" is probably the most well-documented evidence in favor of marked increases in precipitation downwind from a pollution source that has ever been collected. This study was initiated by S. A. Changnon, Jr. in 1968 and resulted in several conclusions concerning the precipitation processes over the town of LaPorte Indiana, some 30 miles downwind of the Chicago-Gary, Indiana industrial complex. It was his conclusion (Changnon, 1968) that notable precipitation increases began about 1925 and resulted in a 31% increase in total precipitation, 28% increase in thunderstorm activity, and 240% increase in hail incidences. These increases showed a definite correlation with the production of steel and haze-smoke days in Chicago. There was no study, however, of the types of particles that may have caused the increase in precipitation.

The LaPorte anomaly was challenged by Holzman and Thom (1970) with the major argument in their analysis being a lack of objectivity by the observer, and changes in observers at the LaPorte weather station. The original conclusions of Changnon was later supported by a surface water flow analysis of the Kankakee River by Hidore (1971). Changnon (1969) also summarized data of a preliminary nature showing similar increases in precipitation in the cities of Chicago, St. Louis, Tulsa, Washington, and New York City.

In a more recent paper Huff and Changnon (1972) summarized more comprehensive studies on precipitation over Chicago, Cleveland, Houston, Indianapolis, New Orleans, St. Louis, Tulsa, and Washington with the following general findings:

"Substantial evidence was found that both thermal and aerosol inputs can lead to increased precipitation from existing storm systems. Overall, evidence indicated that the thermal effect (heat island) may be the more important of the two stimulation factors."

In addition it was observed that these data supported the Chicago-LaPorte anomaly validity. It was noted that the most pronounced effect was on days with moderate to heavy natural rainfall and that the anomalies were most pronounced in the warm season. Evidence from the St. Louis part of the study also included the observation that "inadvertent weather modification mechanisms reacted differently in wet and dry years, with indications of a suppression effect in dry summers."

It was further observed in an associated study by Changnon and Huff (1973) that the severity of storm in the vicinity of St. Louis, Missouri, would be further enhanced downwind of the major urban industrial area. These increases included the number of thunderstorm days, the number of discrete thunder periods, and duration of thunder periods.

Using a two-sided t-test Hobbs *et al.* (1970) demonstrated a strong positive correlation between industrial sources of cloud condensation nuclei (CCN) and above-average rainfall for the period 1947–1966 in comparison to the period 1929–1946. The CCN production in 1929, 1946, and 1966 from pulp mills in Washington State is indicated by the respective pulp production for these years: 500, 4,000, and 11,000 tons respectively.[1] The mean annual precipitation for some areas increased by more than 30% during the second period.

These results are in substantial agreement with the METROMEX data in that increases in precipitation result from pollution incorporated into clouds when an *excess* of low-level moisture is available.

3. EVIDENCE IN SUPPORT OF A NEGATIVE (DECREASE) EFFECT ON PRECIPITATION

The early observations on the negative aspects of modification of clouds by pollution were summarized by Schaefer (1969) with regard to agricultural burning techniques in Puerto Rico, Africa, and the Hawaiian Islands. In these studies direct observation of the depth and precipitating characteristics of clouds in the vicinity of smoke plumes from agricultural burning resulted in the following conclusion:

"I pointed out the large difference noticeable even then between the "raininess" of the clouds upwind of the island and those which formed over the land after entraining the polluted air from San Juan, the sugar fields and refineries, the cement mills, and the myriads of charcoal pits which dotted the island, each sending out its plume of bluish smoke. In our studies in the vicinity of Puerto Rico we observed that in many instances trade wind clouds would start raining by the time the clouds formed a vertical thickness of not more than a mile while those over and more immediately downwind of the island often reached three times that thickness without raining."

Schaefer noticed similar phenomenon over Africa in which large cumulus clouds would attain a height of 35,000 ft. thickness without producing any rain. Large extensive ice crystal plumes (anvils) extended from the cloud hundreds of miles downwind but no glaciation was observed in the side turrets indicating a deficiency of ice nuclei at temperatures warmer than the homogenous nucleation threshold of -40C. It was stated that

"Thus it appears that the precipitation process was being controlled almost entirely by coalescence and that so many cloud droplet nuclei were being entrained into the cloud from the fires below that the coalescence process was impaired so that no rain developed."

In the Hawaiian Islands Schaefer observed similar effects in which he states:

"Similar effects have been observed on a smaller scale in the Hawaiian Islands. During the trade wind cloud regime clouds which form over sugar fields when they are burned prior to harvest are actually larger than the surrounding clouds, but they have never been observed to rain even though the smaller ones nearby produce showers."

It is also important to note in this same article by Schaefer that in the continental U.S. ice nuclei were being added to the atmosphere from urban sources which often resulted in widespread low level ice clouds which would produce only drizzle or no rain at all.

Kocmond and Mack (1972) studied the effects of cloud and aitken nuclei downwind of the town of Buffalo, New York. It was their observation that cloud nuclei would often form downwind of the pollution source as much as 15 miles with significantly higher counts than closer to the observed source. It was suggested that photochemical processes may have been responsible for producing the additional cloud nuclei. In this study the cloud droplet spectrum was also measured upwind and downwind of the pollution source. It was their conclusion in one comparison that:

"The average drop radius in cloud 3 was significantly smaller than the upwind cloud and the drop size distribution was narrower. Cloud 3 therefore may have been considerably more stable than the cloud 1 (all other things being equal) and hence less likely to precipitate."

Not all of the data obtained by Kocmond and Mack gave such conclusive evidence of the shift to smaller droplet sizes but other comparisons showed little if any effect. It was suspected by them that some of the changes were lost due to differences in sampling time of the various clouds.

In addition to the previous quotation of Huff and Changnon dealing with the possible suppression effect in dry summers, Auer (1972), also obtained information from the same METROMEX study, offered the following implications:

"In cases where the air mass remained stagnant over a densely inhabited industrialized region, a significant proportion of all cloud and aitken nuclei may be anthropogenic suggesting that convective clouds forming in the plumes of contaminated air would be highly continental in their microstructure and possibly less efficient in forming precipitation than their 'country cousin' clouds outside the contaminated air, other things being equal."

Similar climatological implications were reached by Lawson (1973) in his analysis of recent METROMEX data in which he states:

"The results from analyses of our case studies of 23, 13, and 9 August 1971 supported by the climatological inferences of Huff *et al.* (1971) and Huff and Changnon (1972) seem to indicate that under the 'dry' synoptic regime of these case studies the immediate area of major urban build up may not be a region of precipitation stimulation and may actually serve to inhibit the precipitation process at that location. When considered over a climatologically significant period it is suggested that the presence of elevated aerosol layers and entrainment mechanism associated with elevated stable layer inhibit convective cloud activity."

Studies made by Squires (1958), Squires and Twomey (1960), Twomey and Warner (1967), and Fitzgerald (1972) have shown that cloud microstructure may be controlled to considerable extent by both updraft speed and the presence of cloud condensation nuclei. On the basis of these studies, one can conclude, as did Fitzgerald and Spyers-Duran (1973), that cloud condensation nuclei may modify warm clouds and their precipitation processes significantly. It was also noted by the latter authors in their analysis of some of the METROMEX data that downwind clouds "are composed of a higher concentration of proportionally smaller droplets and have a smaller dispersion of droplet sizes than superficially similar upwind clouds." It was further suggested by Fitzgerald and Spyers-Duran in their conclusions that on the basis of coalescence calculations such as those of Twomey (1966) that the time for the formation of drizzle and precipitation size drops is greatly increased by the decrease in mean droplet size. This should result in an increase in continentiality of the cloud base microstructure and therefore also result in a suppression of the precipitation development in such warm clouds.

Finally, some larger-scale, long term conclusions were made by Changnon (1973) with regard to thunderstorm frequencies in the eastern portion of the United States. It was observed by Changnon in his analysis of the data that there was a significant decrease in the number of thunderstorm days in the east coast, midwest, and gulf coast zones, and, less strikingly, in the Rocky Mountain zone of his data. These decreases lie in the range of 5 to 15% in the continental United States. It was concluded by Changnon;

"The generally accepted man-made increase in atmospheric particulates in the 20th-century would greatly increase the number of condensation nuclei which in turn would lead to many more small cloud droplets (Braham, 1973), and greater in-cloud colloidal ability. Gunn (1964) and Warner and Twomey (1967) have hypothesized that regional hemispheric, or even global increases in condensation nuclei from man-made aerosols would lead to an increase in nonprecipitating clouds and a decrease in rainfall. Such conditions would also be expected to lead to a decrease in convective motions and activity with a consequence being a decrease in thunderstorms."

4. CONCLUSIONS

In nearly all of the cases referred to in the sections above the investigators performed some type of statistical test to indicate that the data had a significant reliability to strengthen the conclusions of their arguments. There have been portions of the data analyzed (such as in Changnon's "anomaly" studies of many of the southeastern cities of the country) which show that either there is no statistical support of positive or negative effects of urban produced aerosols or that insufficient data had yet been collected to provide statistical reliability to the conclusions. It can safely be said, however, that considerably more of the results *do* have statistical reliability and suggest strongly that weather may be positively or negatively modified by anthroprogenic aerosol sources. The difference in the conditions surrounding a positive effect as compared to a negative effect have not yet been adequately determined. The meager information now at hand lending this type of distinction suggest only that the quantity of moisture present in the lower atmosphere is likely the most important influence determining whether the effects will be positive or negative.

Of utmost importance in any analysis is consideration of *both ice nuclei* and *cloud condensation nuclei*, because in continental clouds it is probable that some combination of quantities of these two types of nuclei produce the observed effect. Very little has been determined with regard to quantities of these types of nuclei in the Metromex and other studies conducted to date.

In our opinion the evidence is sufficient to warrant considerable attention to such problems, and in particular to establish proper count measurements of such nuclei in areas downwind from anticipated industrial or urban sources of pollution; such, then, would be a logical approach to the development of the coal-fired generators of the Montana, Wyoming, and North Dakota region.

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[1] A large kraft mill will produce 10^{18} CCN per second!

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Can Coal Development Cause Decrease in Great Plains Rainfall?

(By Dick Rebbeck)

You don't hear much about what coal development might lead to by way of decreasing Northern Great Plains rainfall. Maybe you should. And maybe you will, if scientists can find someone to sponsor research into the question.

It's a serious question. There's enough evidence around already to indicate urban and industrial activities inadvertently change the weather—decreasing precipitation in dry climates, for one thing, according to Dr. Richard Schleusener, director of the Institute of Atmospheric Sciences (IAS) at Rapid City.

But so far, he hasn't had much luck interesting environmental agencies in research to define what might happen here in the wake of upwind coal development leading to electric power generation and industrialization.

"I consider this a problem of high import to the state," he said.

Using part of a $70,000 appropriation passed by the last legislation, the institute, located at South Dakota School of Mines and Technology, is starting to monitor "small particle" air pollution around Rapid City.

"Small particles" can provide condensation nuclei for the process of conversion from vapor to liquid to ice nuclei and on to precipitation.

Observations over the years indicate Rapid City's air abounds in such condensation nuclei, much of material originating in urban and industrial activities. Before the State Cement Plant cleaned up its stacks, IAS observations found "a significant number of nuclei" in the smoke plume.

Air pollution doesn't have to be visible to put condensation nuclei into the air. IAS Researcher Briant Davis explains that electrostatic precipitators, or other air pollution abatement procedures, can remove most large particles but gasses escape, and as they move downwind their molecules joint into clusters until they form particles in a process of conversion to condensation nuclei.

It's entirely possible, he elaborates, to have more particles downwind than at the stack and a potential for inadvertent weather modification despite compliance with air quality regulations on particulate matter at the discharge point.

"One of the unknowns is how many condensation nuclei get through air pollution control filtering of particulates," Schleusener says in discussing some of the things he hopes IAS research can get into.

Some of the other puzzles relate to observations that air pollution apparently increases downwind precipitation in a humid climate but decreases it in a dry one.

Weather research in the St. Louis metropolitan area showed fewer but larger raindrops and higher rainfall rates under humid conditions downwind from major urban-industrial centers. The reverse situation prevailed under dry conditions.

Another study concluded that an "increase in man-made aerosols would lead to an increase in non-precipitating clouds and a decrease in rainfall."

A worldwide examination of thunderstorm activity found the more industrialized parts of the globe were seeing fewer thunderstorms, perhaps because conductivity of the air is reduced by an increased load of particulates from air pollution.

"That's one piece of circumstantial evidence," Schleusener acknowledges in summarizing that "there is getting to be more and more evidence that changes are taking place" in weather due to man's activities.

"We know very well that when we burn something we produce condensation nuclei," he says.

Smoke from, say, a few burning pine cones immediately produces a cloud over Yellowstone hot springs under certain atmospheric conditions, he offers as a demonstration.

It is also known that automotive engines, industrial processes and other uses of combustion add nuclei to the air that are not visible.

Some of the questions IAS scientists want to get at deal with the effects of these materials on cloud processes, and what effect an increase of coal burning in Wyoming and Montana might have on changing this region's weather.

"We don't know," Schleusener confesses. Neither does anyone else.

Official interest by environmental agencies apparently ends with standards as set for obvious hazards—sulphur oxide, particulates such as dust and dirt, haze, carbon monoxide, photo-chemical oxidants, hydrocarbons and nitrogen oxide.

There are no air quality standards for condensation nuclei or ice particles as they might involve significant changes in weather downwind from pollution sources.

"People in the field see this but it's not generally recognized," Schleusener comments.

With a "small particle" sampler, IAS personnel are testing air around Rapid City "to see where the city's products are going downwind."

In addition to a particle "count," records are made of humidity, air temperature and wind direction and speed. Later, researchers hope to refine their observations to specific precipitation processes.

In initial readings, the charts show what everyone assumes, that the air is much cleaner upward from Rapid City than it is downwind.

The concern, though, is that this plus greatly increased coal burning farther upwind might well be a "potential problem that is not now receiving attention," Schleusener says.

Statement of Franklin W. Schlueter

I do have some thoughts that I would like to feel are included in some of the issues that you will be considering:

1. The big dams on the Missouri, plus power.

a. The Corps of Engineers, who are still locked in the military concrete of the mental confusion, always want to put a big dam on the mainstem of a river, while they are talking about conservation of soil.

b. Soil conservation occurs when you put a lot of little dams back up the fields, where the soil is actually being eroded, to prevent it from being flooded down into the main dam.

c. Twenty-five or thirty years ago South Dakota got sold a bill of goods in the big dam problems, when they flooded land that someone said was not worth too much, in order to build the big dam to save flooding downstream. It always absolutely amazed me that people downstream would watch rivers flooding over, tearing hell out of countryside, and yet they rush right down as close to the river as they can to build a new house or set up a new factory that pours other waste into that water, besides being pushed downriver in an annual flood.

d. This is supposed to give us cheaper power. I have never noticed my light bill in my home or office being reduced at any time when the power that was produced by the dams was supposed to be saving me and giving to me a cheaper power. I am helping to pay the taxes that pay for the dams. These taxes constantly go up, together with my monthly light bills. I believe that we are now reaching a fifteen percent (15%) increase shortly to go into effect on our light bills, together with the usual increase in taxes. I just can't see how we can slow down inflation or stop inflation when you raise my light bill.

e. These dams are producing certain amounts of electric power.

We now have an era of power shortages. At the same time we are talking about pumping water over a hill to come down into an Oahe project for irrigation. No one has ever stated right out to tell us the percentage of power that will be subtracted from the power producing capabilities of the dam, in order to pump this water up over the hill to start it flowing toward the Oahe Irrigation Project. Taking the water from the dam to do the irrigating means less water available for all of the other purposes and needs and priorities of the water. If we as people are willing to concede the use of power to pump water over the hill and provide the irrigation, or we are willing to concede the anticipated costs of establishing an irrigation program, then fine, let's go ahead. All I have noticed so far is a great deal of concealment and little games played to try to keep the public from finding out or knowing just what the hell the Corps of Engineers really are trying to do.

I neither oppose the Oahe Project nor do I support it. We just haven't had enough facts. I have heard approximately 200,000 acres will be subject to irrigation. If average farm affected by this are 500 acres, this will improve 400 farms. Instinct tells me that most of the farms that lie north of Huron, from what I have heard, will average between 800 and 1200 acres, so possibly we are talking about improving from 200 to 300 farms. If the general public is willing to spend the tax money and accept the tax increases, in order to help from 200 to 350 farmers in South Dakota, I'm all for that. If we could be told what is the total amount that will be spent on this project. Then we can figure out whether or not it is worth going ahead and doing it. We would also be able to determine whether or not the expenditure of the electrical power to put the water into the irrigation project, compared to other needs that draw upon the power that is now in existence, are worthwhile. We should also determine whether or not the dams are producing power at the full capacity and if they are not, should be advisable to place them at full capacity, and then the power be used to help the big cities, as our needs are more distant from South Dakota than those currently being supplied. It would be nice if I could have my light bill reduced, in as much as it does not appear that our taxes are going to be reduced.

f. Directing our attention to the question of navigation that we were promised prior to the Corps of Engineers installing the dams on the mainstem. There isn't a single lock on any one of the large dams providing navigation for South Dakota or this country in any of the big dams. Until now about the only thing that we had to navigate out of this country would be grain, that could be shipped to the downstream cities. This might have some value for a cheaper method of transporting our grain out of our grain producing areas.

g. If our lignite coal ever moves from being sub-marginal product, to a point where it would pay to mine it, we would then have something definitely to navigate out of this country. Navigation out is insufficient and not efficient way to take advantage of transportation. We still have to have something to navigate into the country, in order to make economic feasibility to transportation, such that investors will invest in the necessary boats and equipment to travel up and down the stream, and to hire the men and people that it takes to run an operation like this for private investors. The railroads are gradually and completely withdrawing from this part of the country, either by closing, abandoning, or tearing up tracks at key points around the state, so that we will still have to rely on trucks to navigate grain to the mainstem, or if we lose gas and oil, to go by horse and buggy again.

h. Creation. From this point all you have to do is take a look at the map of this state and see what problems the family who wants to go on a picnic, or a sportsman has, who wants to get to a lake that has no decent access roads or places convenient for the recreation that we want to be able to enjoy. As a goose hunter, I am still annoyed by the managers of a dam that raise and drop water, at whatever mysterious formula that they are using, that covers up a sand bar, pushes geese out of the area that I am hunting in. During the goose season there is no irrigation going on, definitely no navigation going on, compoundment of water should have occurred during the winter and spring, and irrespective of what some of our so called game experts say, each year I notice fewer ducks and geese in our recreation area.

i. Another point of irrigation. Some of our game experts saying that we have very fine fishing. I don't believe these people have put a rod and reel in the water when they say that. Apparently our game experts have forgotten to tell the fish to breed and to reproduce and to produce other little fish, and their natural life cycle has been completely fouled up by the other governmental experts that are trying to decide how many tons of water to put through today.

j. As to the use of water. Each of them have irreconcilable demands for the amount of water that is impounded. We must assess our priorities. Even as to this. We must also foresee possible problems in the future as to irrigation. The usual leeching of soil that occurs, as well as soil runoff. It appears to me that constantly increasing rural population, variable soil must be religiously protected. I do not know what the experts would say. It would appear to me that a multitude of small dams constructed on sites on the land, to tend to hold the soil, together with good crop management, terracing the hillsides, which is usually much too expensive for the individual to do. But a multitude of small impoundments of water would naturally increase a water cycle in rainfall, that could possibly eliminate the need of irrigation. Many small impoundments of water would also naturally tend to increase the normal water table. I believe it is also one of the problems in irrigation, of having the constant problem of fertilizing. I would assume this would be by chemical process. Isn't this one of the things that is killing our water now, for those people who must use it downstream? I have never seen any article directed to this point, which I feel in the future will be a very serious psychological problem.

k. Other than recreation, I feel it may be important for us to fully investigate the possible value during a day of constantly increasing meat prices, an investigation to be made to determine whether or not we could harvest fish as food from these current existing dams, and what is the best management to produce the most food, as from this food source. Also, what would happen when we return some water after it has picked up different chemical properties from fertilization and whatever runoff may be returning to the mainstem? What effect would it have upon natural life, including the fish, ducks, geese? It also would be interesting to know your investigation has been made to determine whether enough sufficient food from this source could be developed, in order that we might make an intelligent judgment as to cost versus feeding anticipated world population, and how many years will it supplement the diet of people who are living then. Has anyone ever made comparative analysis to determine use of water to produce grasses to raise beef, as against the use of water to produce an increased number of bushels of grain, for the use of water to produce food in the form of fish?

l. I do not know if it is possible to extend power lines from the dams into the lake city area where power is needed. Is there enough power available from these dams that would be any effective help to those people? If this were done, will this create further power shortages for the areas now served by the electrical power currently generated from these dams? In view of petroleum fuel shortages, I believe we can anticipate an increased number of people converting from gas or oil to electrical heat in homes and industry. Is there and will there be enough power in the current areas available, at a cost that is economically feasible for the average homeowner and businessman to make use of the electrical power for such heat purposes? Will it be necessary for the public to put some type of controls in private industry engaged in "public utilities", or will they be free to get everyone converted to this type of power, and then start cracking us by further increasing our power or light bills? It always makes me quietly burn when I notice Northwestern Public Service Company report of how much money they returned to their investors, as a result of my increased light bill, when much of their power comes from the facility that is being paid by my taxes to produce that power. The original rationale was that this would give us cheaper power.

m. As to the development of our coal fields. I can see where this would produce a good economy for our state. But is not one of the problems basically, that there are other coal fields that have a much better product, where there are already existent mines that are producing this product? That with a smaller amount of economic help, could produce needed coal fuels, that would actually be a net saving to the taxpayer by approaching it from this basis. Or are we in such desperate straits that we must develop a coal that frankly does not burn very well? Is it possible to use the sub-marginal product in our land here in South Dakota, in such way that it will not pollute our air and produce sufficient energy to bring it out of the sub-marginal category? I can't help but remember the World War II costs of producing manganese at something like $4.00 a ton, to effectuate a 95¢ value manganese. Because of the necessity and exigencies of war, economics was not a question. Navigation will produce a cheaper method of taking fossil fuel where it is needed in the more heavily populated areas. Would we not still have a problem of transportation of these fuels to the mainstem, where they can be navigated? As far as the promises for recreation. In all of these different Corps of Engineer projects. I think priority as to recreation as against food for future world population, necessary energy and fuels to continue a comfortable existence, it is basically seen that recreation must fall by the wayside. It is my understanding that there will be many additional thousands of acres flooded in our current Oahe Project, to produce areas for wildlife. This is wonderful, except when you flood these acres, are you not taking possibly areable land out of productive capabilities that could produce additional beef or grains? How much of our land is going to be put to a swamp in order to raise a few ducks?

2. For the past fifty (50) years, in order to conserve soil and stop the wind from blowing it all away, we have been using a lot of common sense in development of shelter belts across South Dakota and the Great Plains areas. I wonder if it isn't time for use

to change some of our concepts on these shelter belts. Could we now go in and start planting, not fruit or berries or food producing plants in these shelter belt areas, or increase the number of shelter belts? Also looking forward to the future, for building needs to build homes. What programs are we developing that will raise the type of lumber, oak, walnut and other scarcer materials, in a long range plan?

a. I would like to propose for consideration a program throughout the entire mid country, that we start now paying some farmer a reasonable amount of money, say $100.00 a year for a ten (10) year program, giving him a net of $1,000.00 over ten (10) years, for the use of sixteen (16) feet of his land across each quarter, and then this becoming more or less public domain land.

In this land we plant rows of the type of trees that will be needed in building homes 20–25 years from now. Also, that we plant nuts, fruits, berries, food producing trees, that over the next 4 or 5 years will start to produce crops of food.

I would suggest that each person on welfare be granted a picker's permit, that these families could go out into these particular belts in the public domain land and harvest the food that was there. That the rest of us, upon the payment of a small fee of $5 or $10.00 a year, could also secure a picker's permit.

This would certainly be a boost to natural life. With each hunting license we could also sell a special permit that would permit a hunter to go upon these type of identifyable strips of land in pursuit of game.

As to what type of nut, fruit or berry to plant. I believe we would have to depend upon our agricultural schools within the various areas to determine which are the most feasible type of plants to put upon these strips.

The young people could be employed through youth employment, be engaged in going upon these strips of land during the summer to plant these different strips, and after planting, to be employed to go out to maintain these strips. Here again we are providing jobs for people, as well as possible resources of food for those who will go out and collect it, as well as possible future lumbering uses.

I note that the conference January 12, 1974, is a conference on environmental issues.

Is this basically educative program, or possibly propagandistic type of program as to why we should be interested in the Oahe Project? If this is so, then I wish to address my thoughts to another possible issue.

The ripping up of the soil to make the canals from the river to where the water is to basically start to flow down the hill, irrigating land in between will cause how much of a problem for the normal, natural flow of people back and forth across this state, with the possible future economic development of these areas. Impact will occur. How deep are the ditches that are to be dug? Will we be able to run roads across or over them? It's like sitting down with a group of county commissioners. A road is to be run down through our county, we have to determine how many metal passes must go under the road and how many field access must be built from the road, and how badly are we going to disturb the current land use and ownership by running a road down through the middle of a man's land, where he will not be able to farm the other half. Now we have determined this, we must then compare the public good and the best good for the overall public and mankind, as compared to a few individuals, who may suffer. The right of eminent domain is the final issue. It is true that a few farmers would be flooded out, a few farmers will be cut in half, but compare the number of farmers there as against the number of farmers who will have benefit from the navigation and the irrigation, is something that we can and overall must determine.

Is it not true that once irrigation begins, large farm holdings begin to break up? Is it not true that a man on a farm and family on a farm, is not able to work as much land once irrigation begins? How much will the individual farmer, after he has reduced his landholding, have to spend in order to put irrigation upon his land? Once this land is irrigated, what types of food are going to be produced? If we are going to become truck farmers, such as the irrigated lands in California produce, what is the cost of taking the foodstuff produced to the cities or populated areas where it will be consumed? In view of petroleum shortages, are we not going to be restricted in the fast transportation movement by trucks? We will not be able to rely upon the slower transportation of navigation.

I am not too enthused or enthusiastic about large corporations owning and having large landholdings here in South Dakota. Once we begin to really get irrigation into our area, does this not in fact, economically encourage corporate farming? Can we go into irrigation without destroying the small family farmer?

Statement of Lewis H. Schmitger, Harrold, S. Dak.

I am writing in regard to the Oahe Project. I believe this project should be stopped. I live in Sully County, where we will lose 41,000 acres and taxes of $50,000. These taxes will have to be paid by the rest of the people of Sully County. Sully County will not get any benefits from the project.

Sully County lost land in the Oahe Dam, which we have not received any benefits from yet.

It will be a hardship on our schools because of the loss of tax-base. Also our roads will be closed and we will have to drive miles to get to the other side.

There are several farms where the owners will not have to move, but they still lose part of their farms. I have 11 quarters of which I will lose 5 quarters in the reservoir; we will not have a good unit left. It takes all our pasture land and excellent alfalfa ground. There is not any land to replace this in our area. Therefore we will not be able to raise any livestock.

It does not make sense to take 110,000 acres of good productive land to irrigate 190,000 acres, part of which received Disaster payment because of too much rain in 1972.

The Bureau says that few people will be hurt by this project. I know of 30 Farmers that will have to move, others will lose land, and the rest of Sully County will have to pay higher taxes. It looks to me like a lot of people will be hurt by the project.

So far there hasn't been much information to the people of Sully County or to the people of South Dakota. All you read or hear about are the benefits, you don't hear or read about opposition to this project, even though there is a lot.

Statement of Gary Sharp, Aberdeen, S. Dak.

The following is a statement which I gave at the Upper Missouri Water Users Assoc. Convention, on Nov. 28, 1973 in Rapid City, S.D., on behalf of the Oahe Conservancy Sub-District & West Brown Irrigation District:

Distinguished guests, delegates, members, ladies and gentlemen, friends of water development, I would first of all like to thank those responsible for giving me the honor and opportunity to speak to you on behalf of the Oahe Conservancy Sub-District and the West Brown Irrigation District.

I will be presenting to you, my thoughts about this project in the eyes of the young farmer.

The present main feeling of mine and many, many other young farmers in my area of Brown County, S.D. is disappointment.

Let's turn back the clock to approximately 25 years ago, officials in Government, my Father and Grandfather, and their neighbors began talking about this vast project and being able to irrigate within 10 years from that date.

In the meantime, my Grandfather has passed away without ever seeing irrigation in our area, my Father has become quite active in the pursuit, and I started college, testified for this project at Field Hearings and at Washington, D.C.—being hopeful and quite confident that I would be able to irrigate upon returning to the family farm after college and a hitch with Uncle Sam.

Well, I've graduated from college, served in the Air Force, returned to the family farm this past June—and we're still talking about 10 years.

I know many people that have virtually devoted their life to this project and just at the time that we're close to water, someone or some group puts a burr under the saddle.

At present, it's the environmentalist. Well, I too, am concerned about environment—in fact I am also an environmentalist, I'm a farmer—in my opinion a farmer is the true environmentalist, rather than the so-called environmentalist.

Farmers create environment for wildlife. This coming spring I will be planting 13.5 acres of trees, paying taxes on this land for the rest of my life, and never realize anything from this land but environment.

I have two power lines going across two quarters of my land, they're miserable to farm around, and I don't like them—but they're for the betterment and convenience of people like you and I. Just because I don't like to farm around them nor do I like the land that they use, are complaints that do not outweigh the wealth they bring to my area.

The same holds true for the Oahe Irrigation project. This project will greatly improve the James River in Eastern S.D. The environmentalists are stating that this will destroy the wildlife population. On the contrary, the James River has less than a foot drop in Brown County, So. Dak., As a result the river floods many acres the majority of the time prohibiting farming of this land and destroying wildlife. Contrastingly, this past summer when our county experienced one of the worst droughts in history, having less moisture than the "dirty thirties" the James River was bone dry—this kind of condition didn't do much for our crops nor wildlife—destroy wildlife? I would guess so!

This project would leave many of the Oxbows in the river and establish many more wildlife refuges and areas than at present. There will be bridges constructed across the James and the other canals that we won't think will be exactly in the correct locations, but it's just like an interstate highway system; the entry roads may not be positioned exactly where we would like them to be, but once you're on, who's going to deny the wealth of the over-all system?

I've been trying to stress the improvement of the environment for you and I through water development more specifically the Oahe Irrigation Project for South Dakota.

You see, I am concerned about the environment—I am a Father of a new son and I would like to be assured that his environment will always be healthy. I feel that water development is one of the keys to a healthy and lasting environment.

In addition to environment, I feel water development will give my neighbors and I, as young farmers, financial security, more diversified farming, increased crop production, resulting in increased livestock production, increased electrical energy, and encourage and increase more industry. These are just a few of the benefits that would effect the young farmer and the area.

Speaking of the increase in crop and livestock production, a few years ago we heard a large amount of conversation concerning overproduction or surplus food; you don't hear that anymore, do you? I feel that the days of food surpluses are gone in this world and we *need* more food production. Let's not permit our food supplies to ever be in the situation as our oil supplies are today!

Concerning industry, I know of many young men and women who would dearly love to remain in our area and State if only they could find the jobs and opportunities which other states offer.

In general, water development and more specifically the Oahe Irrigation project would be a huge boom for our entire area and State, not just for the young farmer, but, rather, everyone.

Some question the cost of progress. The Oahe Irrigation Project is to be developed by the Federal Gov't. and 85% of the total cost will be repaid by the sales of power. In Nebraska, there are more acres developed by *Private* money *each* year, than the *total* acres involved in the Oahe project.—People wonder why many persons, including myself, are disappointed—We're ready for water, we've been ready for many years and just when we're getting close some new group appears and wants another study.

We've had studies concerning this project for over 25 years, and we've even had moratoriums calling for more studies while a different study is being conducted. Kind of hard to believe isn't it? You can talk yourself out of loving mankind if you try hard enough!

We're *ready* for water—we *want* water—let's get water and realize its worth—it is my sincere hope and prayer that when my 6 month old son is ready to farm that *he* is not told, "another 10 years"! I'm quite confident that that won't happen. There certainly can't be *4* generations of disappointment, can there?

Statement of Robert Sharp

As a Board member of the West Brown Irrigation District, I am pleased to be able to assure you and your Committee that there is every bit as much support for our Irrigation Project as there has ever been. To my knowledge there has been virtually no complaints from future irrigators. They are disappointed that the project is not progressing as fast as they would like it to.

As you know, we just came through the driest period ever recorded for our area. During this period, it was common talk to discuss what it would be like if we only had water to put on our crops.

I might also point out, that while the people of Aberdeen and other towns in our area, have been a little reluctant to take an active part in pushing for the project, there is no doubt about their strong support.

We do hear a few people voice their opposition to this project. When we look at the facts, we find that this is a small group of so called environmentalists that are not, (except in rare cases), affected by the Project. We, who have followed and supported this project from the beginning, with a constant awareness for an improved environment, will be disappointed if this small group can slow this great project by even one day.

The people of our area and especially the members of the Board of the West Brown Irrigation District, sincerely appreciate your strong support in the past for this and all other sound development projects for South Dakota! We have confidence of your continued support. We are hopeful that we can actually be irrigating in the near future.

Statement of City of Sioux Falls on Its Water Supply, by Earl McCart, Commissioner of Water, Sioux Falls, S. Dak.

The Survey and published report of the United States Geological Survey (See U.S.G.S. Water Supply Paper No. 2024, pp. 46–47) states that the City of Sioux Falls has a sufficient water supply in the aquifer from Sioux Falls to Dell Rapids to supply its needs only to the year 1995.

There are three possible sources of water for the citizens of Sioux Falls. These are:

1. A pipeline from the Missouri River either above or below Fort Randall Dam pumping water to the City.

2. A dam in the vicinity of Flandreau, S.D. storing spring flood waters for year round use.

3. A reservoir on Slip Up Creek with water pumped from the Big Sioux during periods of excess flow and returned to the Sioux Falls Water System as needed during periods of low or no flow in the Sioux.

REQUEST OF THE CITY OF SIOUX FALLS

I. That the Corps prepare an indepth Environmental Statement as to the impact both positive and negative of a pipeline from the Missouri River to Sioux Falls. The environmental degradation of the pipeline should be zero and conversely the recreational benefits will also be zero along the pipeline, but we urge the Corps to also consider the energy depletion to dehydrate the rock to concrete, the transportation energy use to build the pipe, transport it to the site and install it. Also the continuing energy depletion to raise the water from the lower elevations near the Fort Randall site and transport it via pipeline to Sioux Falls as a part of their impact statement.

II. Environmental Impact of a dam in the Flandreau area. We request that the Corps research an indepth Environmental Impact Statement with specific emphasis to the effect on the two state area between Sioux Falls and the Missouri River. This would include specific reference to the fauna and the effect of stabilizing free flowing stream as opposed to the spring ice breakup flood. It should include an indepth survey on the possibility of reestablishment of crustation and mollusk populations, the effect of dilution with increased summer flow on siltation and agricultural run off.

We urge the Corps to tabulate the areas in the two state area that are in a native state and to estimate how many of these acres would be taken out of natural growth and be put to row crops if spring flooding were eliminated. This should be a negative impact and should not be used positively to increase Benefit Cost ratio.

The Corps is urged as a part of this Environmental Impact Statement to utilize E.R.T.S. imagery to establish a base for siltation load on the Big Sioux as a function of time of year and correlated with upstream flooding.

The Corps is urged to determine the degree of fishery enhancement if increased flow is released from the Flandreau Dam in times of maximum siltation load, i.e., after flash flooding in Split Rock, Skunk Creek, or Rock Rivers, to minimize adverse aquatic environmental damage due to the siltation.

We urge the Corps to study in depth ways and means that exposed land behind the Flandreau Dam after seasonal water release, can be made more compatible for wildlife. This could be pot hole type construction with hammock type embankment above the high water mark to provide predator free nesting areas in spring and stock type dams, to maintain green areas and wildlife habitat during periods of draw down.

We further urge the Corps and other Federal agencies to report in depth changes positive or negative that may be expected with free stabilized flow on the flora with specific references to the possible demise of the American and Siberian Elm to Dutch Elm Disease and the make up of the wooded areas following this.

III. We further urge our Congressional delegation, and the Executive branch of the government to take a leadership role in ascertaining how best water can be supplied to the 100,000 citizens in Sioux Falls and the Sioux River Basin by resolving and coordinating the studies and recommendations of the Corps of Engineers and the Bureau of Reclamation on either a pipe line from the Missouri, a Dam in the Flandreau Area or the Slip Up Creek Dam and Pump Station.

Statement of South Dakota Council for Environmental Education, July, 1969–January, 1974, by Sarah Eklo, President, Mobridge, S. Dak.

The South Dakota Council for Environmental Education was organized in 1969 by men and women who recognized the needs for a better understanding of our environment and the delicate balances which exist in all parts of it. These men and women were willing to go beyond the bounds of job descriptions or personal convenience to assure that these needs will be met. More than that, many of them traveled to meetings, classes, or environmental conferences at their own expense in order to gain a more comprehensive view of the whole problem. Others gave unstintingly of their time beyond office hours without compensation because of their concern that the many environmental abuses be recognized and corrected.

Several definite actions were taken by the Council which proved beneficial and effective with no additional cost to the taxpayer. When we reached the point of making application for federal funding we were designated as the Governor's Council for Environmental Education—not as a new state bureaucracy or expense, but at the request of the people based on the accomplishment of the Council during its short period of existence. The fact that we received the $50,000.00 grant requested was also based on the progress in environmental education which had already been made in the state.

Documents to support this progress are available for inspection. They include:

1. Articles of Incorporation and By-laws.
2. Governor's letter.
3. Scrapbooks.
4. Files of correspondence.
5. Materials developed in the Title III projects.
6. Programs of the workshops developed and carried out in 1973.
7. Membership list.
8. Publications.

It will be easily observed that each member group or organization has enriched the Council and environmental education efforts in the state, while at the same time being enriched themselves by reason of their participation. New channels of communication have been opened. Some of the effects of our efforts are having nation-wide impact.

Now we have come to the point where we can no longer carry out our objectives without financial support from the state. We believe the understanding of the relationship between environmental harmonies and economic harmonies in South Dakota are too vital to all of us to gamble on the vagaries and inconsistencies of federal funds. However, we will continue to seek funds we are eligible for in federal programs. We will also seek support and funding at local levels.

We are convinced that environmental education, far from being a cost, will be the most lucrative investment we can make. As we come to understand the interdependencies of the environmental and economic well-being of our communities, state, and nation we will experience a new wealth in being and living which reaches into every area of life.

Statement of South Dakota Livestock Feeders Association, Sioux Falls, S. Dak., by Denny Oviatt, Executive Secretary

Since it is not possible for representatives of the South Dakota Livestock Feeders Association to appear in person at these hearings, we would like to submit to you for inclusion in your records the following statement of a resolution passed by the South Dakota Livestock Feeders Association at the last annual meeting held in Sioux Falls, South Dakota on Thursday, November 29, 1973:

RESOLUTION NO. 19—LAND USE

Whereas, Increased public attention is being focused on land use, with environmental and recreational considerations receiving disproportionate emphasis; and

Whereas, The right to own and use land for private purposes is basic to the American way of life and to our economic system; and

Whereas, Land is perhaps our most vital natural resource, upon which we depend for food, clothing, shelter and recreation;

Therefore, this association holds:

(1) That Government interference with the right of the individual to own and use land should be kept to the minimum consistent with the overall public interest;

(2) The dominant government role in connection with land use should rest with local and state governments.

(3) The role of the Federal Government should be limited to that of overall coordination and technical assistance;

(4) That the use of land for food production should be given high priority, consistent with the need for ever-expanding production; and

(5) That freedom of ownership and land management be recognized as essential to a strong, healthy, and productive agriculture.

We thank you for the time and privilege accorded our association and for your considerations on our behalf.

Statement of James Sperry

I am James Sperry, the operator of a family farm and at present the entire labor force of this farm. This fact prevents me from appearing in person today.

It is my opinion that the people who are presently opposing construction of Oahe are not operators of family farms, but oppose the project for various private and selfish reasons. They have banded together and hung the environmental label on themselves because of the recent favorable climate for environmental causes. I believe this opposition to be a very small group, making a very large noise and with the same people attending many meetings over the state.

Some of the objectors to the project claim it will damage wildlife. I suggest that upon completion of Oahe and its wildlife areas there will be more fish and game animals than at present. It is always interesting to me that these objectors only want to save the birds and deer until hunting season opens.

It is my sincere belief that our nation's food supply could be in a situation similar to our energy supplies presently, if orderly developments such as Oahe are to be delayed or halted. I blame the energy crises on the environmentalists and on the Congress for yielding to such a very small but vocal group. Let us not take that chance with our future food supplies.

I urge an early start on construction, and the people who have valid objections should be heard and considered, but let the project proceed at a rapid pace.

Statement of Larry D. Tschetter, Hitchcock, S. Dak., Channelization and Irrigation

I am a farmer in Beadle County and would like to make the following comments on irrigation and channelization:

I would like to say; If a farmer can irrigate without disrupting or destroying other farmers or farming operations, I can't see where he would be doing anything wrong, providing the land is adaptable to irrigation and he manages it properly. I don't believe we have the right to waste land or ruin it for future generations. I am referring to the Oahe project which would destroy good agricultural land, farms, farming operations, natural wetlands, a natural river, opportunities for young farmers in areas where land is acquired and the stability of areas affected by land acquisition.

I am inclined to believe that smaller pipe line type of irrigation projects near Lake Oahe would be much more feasible and less disruptive to the land and other farmers and these smaller type of projects should have priority as they can be more carefully analyzed before constructing the Oahe Unit to make sure that it won't be a disastrous mistake.

Analysis of irrigations projects shouldn't be done by Bureau of Reclamation because, naturally, they are most anxious to construct such projects as there would be huge sums of money for them to utilize in various different ways and it would naturally guarantee work for the Bureau for many years.

I also believe a moratorium should be placed on construction of the Oahe Unit and there should also be a moratorium placed on land acquisition activities of the Bureau of Reclamation for the purpose of acquiring land for the facilities of the Oahe Unit.

The moratorium should be held to allow for an independent analysis of the project to be conducted by professionals and learned people, including individuals competent in the areas of systems, ecology, wildlife biology and ecology, geology, rural sociology, economics, family farming, history and clergy. Such an independent analysis then should be made known to the public.

It is very plain that channelization will have many adverse effects on the people and the environment. Some of the disruptions and losses resulting from the digging of ditches, particularly from the Oahe project would be disruption of present mail routes, bus routes, farm to market patterns; seventy percent of the township roads where main canals cross, wells and aquifers will be drained; and hardship and inconvenience to farmers having to travel many miles to land just across the ditch.

If people are concerned with raising more food, they should be concerned that 110,000 acres of productive agricultural and grazing land will be out of production many years before the land, which is to be irrigated, is actually in production. Construction time is scheduled for 17 years.

Crop and Livestock Reporting Service statistics indicate that irrigation, on an average, will about double production over dryland in South Dakota. For example, corn for grain on dryland from 1965 to 1972 yielded 46.7 bushels per acre on an average. Corn for grain on irrigated land averaged 87.4 for the years 1965 through 1971. No statistics were available for irrigated corn yields in 1972. When considering that 110,000 acres will be taken to irrigate 190,000 acres, it is evident that not much production will actually be gained by the Oahe Project. The increased production may be eventually realized, but at a tremendous cost, which will assure future generations a debt that has to be repaid. I believe the cost of the Oahe Project, if constructed, will double or triple. It is historic that cost overruns on water resource developments are very common. At this time, we can't really be sure that Oahe is the golden future as the promotors claim.

Statement of United Family Farmers, Inc. Carpenter, S. Dak.

We express our sincere appreciation for your invitation to participate in this vital conference on Environmental Issues. We welcome the opportunity for an exchange of information relating to all environmental matters in general and especially those dealing with the Oahe question, with which we are most immediately concerned.

Our careful study of all data and information available to us has left us with a great number of questions about the proposed Oahe project. Some of the questions which are foremost in our minds and we know in the minds of many other South Dakotans are hereby presented to you. We respectfully urge that the following questions, among others, be discussed and answered at this and subsequent public meetings.

1. The Missouri River Basin Commission, a Presidential State-Federal River Basin Commission, has strongly recommended a Level B Study of the entire James River Basin to study the river basin and to integrate all previous studies of the Basin, and to adopt and implement a plan for the coordinated use, of all resources (including soil, water, wildlife and other economic resources) of the Basin to provide maximum public benefits at minimum costs. Is this study unnecessary? If it is unnecessary or undesirable, why so? If it is necessary or desirable, why wouldn't it be wiser to await the results of that broader study to explore the several alternatives it may reveal than to now irreversibly commit these precious resources to a less than best (thus relatively wasteful) use?

2. Why have financial considerations and economic feasibility studies leading to the determination of the benefit-cost ratio been omitted from the Final Impact Statement?

3. Stripping away the fictions, what is the real basis for the "use it or lose it" concept as applied to impounded water? Who might lose it? To whom might it be lost? Is there any reason to actually believe the water would be committed to a use or uses having less public benefits than the irrigation project contemplates? Considering the total loss of 110,000 acres of land for farming purposes, the cost in dollars, and the expenditure and loss of energy, what more wasteful alternative uses of the water can soberly be conceived?

4. Conceding that it is always desirable to increase efficiency of food production, wouldn't it be of greater public benefit to invest these $340,000,000+ in an irrigation project at one or more sites in the United States which are more suitable to irrigation? What will be the net increase in food production when you take 110,000 acres totally out of production for all time and increase food production capacity on this 190,000 acres only in some years over the life of this project in this sub-humid area? Where are the figures to support this conclusion?

5. Where are the power production features and facilities of the Oahe Diversion Project which were mentioned in house document 163 (the report from Department of Interior to Congress in 1967)? Have they been deleted from the project? If so, why and on whose authority?

6. What are the secondary environmental impacts of the project arising out of

a. Furnishing water to several South Dakota towns and cities?

b. The anticipated agribusiness developments?

Why aren't these projections fully developed as a part of the final impact statement?

7. Will you please provide us a comprehensive list of all studies by any Federal, State or local government agency and any academic or scientific agency (government or

private) of the James River Basin treating Biological, Ecological, Geological, and Soils, Engineering, Hydrological, Archeological, Sociological, Recreation, Aesthetic, Economic, Navigation and other aspects of the basin environment?

8. What studies has the Bureau of Reclamation made or relied upon in regard to the aquatic ecosystems which are the basis of food chains for flora and fauna (both microscopic and macroscopic) in the James River Basin?

9. Who are the primary beneficiaries of the project? What portion of total costs will they repay? How was this determined? What portion of total costs will Missouri River Electric Power repay? How was this determined? What benefits will they receive from the project?

10. How does the Bureau of Reclamation calculate Recreation and Fish and Wildlife benefits? Please produce the figures whereby these conclusions were reached.

11. Why doesn't the Department of Interior hold the Oahe and like projects for construction in time of economic recession to stabilize a sagging economy rather than to further stimulate an already dangerously inflationary economy?

12. Why has not the Final Impact Statement given serious consideration to the very real possibility that Oahe irrigation water, under new technology acquired since the project was conceived, and which (employing sprinkler irrigation) could be used to benefit a much larger area.

13. How successful has the Bureau of Reclamation been in other Missouri River Basin Projects in estimating total project costs? For example, in the Garrison Project, what was the estimated cost of those phases now completed? What has been the actual cost? Does the Bureau of Reclamation dispute as inaccurate the statistics compiled in an article published in South Dakota Experiment Circular 110 by Otto Nervik and others insofar as they compare estimated costs of Missouri River Basin Irrigation Projects to actual costs and projected repayment to actual repayment? If so, in what respects? What, if any, new techniques or methods has the Bureau employed in the Oahe Project to prevent the same errors from occurring here?

14. What evidence is there that there will be more family farms in the irrigated areas than there now are in the irrigated areas and the areas from which the 110,000 acres is taken for rights of way? Please produce the statistical information revealing the effect of other Bureau of Reclamation projects on the number of family farms existing in the various project areas immediately before and five to twenty years after construction.

15. What sources of capital will be available for family farmers who invest in irrigation development?

16. We have heard that the Oahe Reservoir is silting in a greater rate than was anticipated when the reservoir was constructed. Is this rate being recorded? What are the figures and your interpretation of them?

We realize these questions cannot all be fully answered at this conference. To the extent that they cannot be fully treated here so as to provide full public disclosure of the answers, we urge that subsequent public meetings be held. We believe the best possible vehicle for reliably informing South Dakotans and others rightfully concerned with the Oahe problem is a full hearing on the final impact statement after an opportunity for a careful study thereof has been made. We respectfully urge that such hearing be set and that it be accomplished before any further administrative action on the project is taken.

[Reprint of Economics Newsletter, Oct. 11, 1973, by Prof. Robert L. Vertrees, Economics Dept., So. Dak. St. Univ., Brookings, S.D.]

What To Expect From New Federal Planning Procedures

On August 3, President Nixon approved new principles and standards for federal agencies to follow when planning for the use of water and related land resources.

Like their predecessors, the newly-adopted planning procedures will be used by all federal agencies that are involved in regional or river basin planning or in the planning of federal and federally-assisted programs and projects which directly influence the use of water and related land resources. The new principles and standards will not be binding upon state and local units of government. They are, however, intended to be broad and flexible enough to accommodate the goals and objectives of these units and to provide them with a useful guide to resource planning.

The new principles and standards revise former federal procedures along eleven different lines. Each of these lines of revision cannot be dealt with in this newsletter. Yet their general nature can be summarized, and some speculative comments can be offered about what to expect from the new federal planning procedures.

The new principles and standards will require that the beneficial and adverse effects of alternative plans for programs and projects be measured in either monetary or nonmonetary terms. The expected effects from each alternative plan will then be displayed in order to depict their influence upon two basic objectives: (1) the enhancement of national economic development, and (2) the inhancement of environmental quality. When appropriate, beneficial and adverse effects of separate alternatives will also be displayed in order to show their influence upon the development of particular regions and upon the distribution of income, employment, and other social opportunities among different groups of people.

Each of the two basic objectives listed above is to be given equal consideration through the complete display of beneficial and adverse effects of separate alternatives. The new principles and standards do not, however, prescribe any hard and fast rules about which of these two objectives is to be given top priority when choosing among alternative plans. Nor do the principles and standards specify the priority that should be assigned to effects upon the development of regions or to effects upon the distribution of various measures of social well-being. Rather than specifying such rules, the new procedures set forth detailed and systematic procedures which should allow both public and private parties to participate in the planning process and eventually arrive at final choices among alternative plans.

What, then, are the most significant general outcomes to expect from the recently adopted federal principles and standards? It appears to the author that these outcomes can be summarized as follows.

1. The new procedures will augment the National Environmental Policy Act of 1969. The environmental quality objective will call for explicit consideration of the environmental impacts of proposed programs and projects. An improved balance between economic development and environmental quality should be attained and sustained. More persons who have been trained in the natural sciences will be required in the planning and evaluation process in order to study the environmental impacts. Many of these impacts will have to be expressed in nonmonetary terms.

2. The new procedures will reflect mounting social and political concerns about which regions and groups gain the benefits and pay the costs of public programs and projects. Similar to environmental impacts, the regional and distributional effects to public endeavors are often difficult to measure in monetary terms. Therefore, economists and other social scientists involved in the evaluation of alternative plans will likely have to become more adept in expressing beneficial and adverse effects in nonmonetary terms.

3. The evaluation of alternative plans in accordance with the new principles and standards will have to be accomplished through a team effort. Persons trained in the natural, social, and technical fields will have to coordinate their individual contributions to the planning process. Additional training in this process will then likely be necessary for persons whose basic trainings in the separate academic fields.

4. In sum, the new procedures will allow an improved system of multi-objective planning to evolve, but they will not specify the priorities to assign to any of the objectives. The new federal procedures encourage a wide range of agencies and interest groups to state their priorities and preferences. Therefore, the new system should provide improved means to arrive at compromise solutions that resolve the often conflicting desires of different parties. As these desires change over time, so will the priorities that are placed upon the objectives of national development, environmental quality, regional development, and social well-being.

These new principles and standards have been published in the "Federal Register," Sept. 10, 1973, Vol. 38, No. 174, Pt. III. Copies may be obtained from the U. S. Water Resources Council, 2120 L Street, N. W., Washington, D.C. 20037.

Statement on Environmental Issues by the West River Conservancy Sub-District, Kadoka, S. Dak.

The following statement is prepared as a result of a discussion of these issues at a meeting of the Board of Directors on January 7, 1974.

1. Development of large coal fields. We are concerned with the environmental effects of this development, particularly as it may affect water quality. However, we believe these effects have often been overstated, and we hope that decisions will be made on the basis of fact, rather than emotion.

We believe the development of these fields is inevitable, and we believe it is counterproductive to try to stop it. We believe the development should be done with the least possible environmental damage and with fair treatment of the owners of the surface rights to the land.

We believe that South Dakota has an excellent strip-mining reclamation law. It is our earnest hope that federal law will not override this state law. Our state legislature has made an honest effort to take care of this situation, and we think this effort should be give an adequate trial. We feel these things are better managed from the state level than from the federal level.

2. Land Use Planning. We feel the only role that should be played by the federal government in land use planning is the encouragement of this planning at the local and state levels. Therefore, we are completely opposed to the use of sanctions in any form by the federal government. In spite of all denials, sanctions allow federal bureaucrats to dictate planning. A good case in point is the highway sign law and the way it was enforced by the Department of Transportation against state and local judgement.

We believe the nation needs a strong program of soil and water conservation. As a part of this we need a good sediment control program to protect our lakes, streams, and reservoirs from both natural and man-caused erosion. Thus, this sub-district has been working for a sediment research and demonstration project for years. We feel this project should have federal participation because findings of this project could apply to the entire Missouri River Basin.

We hope E. P. A. feedlot run-off guidelines will be applied on the basis of actual facts, learned from agricultural research, rather than on an emotional basis.

3. Irrigation and Channelization. We do not agree with those who maintain that irrigation is bad. We feel that, in general, irrigation improves the environment for both man and wildlife. The claim that irrigation destroys our natural streams is mostly based on emotion. In fact, our intermittently dry streams usually do not provide a good environment for wildlife or mankind.

We look at channelization cautiously. It may be that it is not justifiable except to clear natural channels that have become clogged with sediment and debris.

4. Prairie Eco-System. We hope that educational programs in range management, such as used by the U.S. Soil Conservation Service, will be continued. In our opinion, this is the best method for ensuring proper use of our native rangelands.

In general, we believe that conservation through education is better, and will accomplish more in the long-run, than mandatory controls. Therefore, we believe governmental controls in this area should be held to the bare minimum. Those which are necessary should be applied slowly and carefully so we may learn what is sound as we go.

We deplore the "instant" experts on environment and ecology. Often these people do not even understand the difference between the two words. They often ignore economic and social effects of their proposals. They often promote concepts which would override the right of private ownership of property and that would seriously injure our economic system. They often use environmental impact statements to prevent progress, rather than to ensure that progress is sound. They want to use a sledgehammer to drive the environmental tack.

We hope the direction of federal environmental law and regulation will be rerouted to a more sensible direction than has been the case during the last few years.

LESTER E. HETZEL,
Chairman, Board of Directors.

OUTLINE OF SEDIMENT CONTROL RESEARCH PROJECT AS PROPOSED BY THE WEST RIVER CONSERVANCY SUB-DISTRICT, 1972

I. OBJECTIVES

A. To determine most economically feasible and practicable sediment control program in geologic erosion areas of South Dakota with application throughout the Missouri River Basin.

II. BENEFITS

To be expected from application of research findings:

A. Stabilize eroding land.
B. Reduce damage to soil resource.
C. Reduce sedimentation of reservoirs, lakes, and streams.
1. Stockwater dams.
2. Missouri River Reservoirs.
a. Extend period of return on $1.2 billion national investment in 6 mainstem dams.
b. Reduce damage to recreational facilities.
c. Improve fishery habitat of reservoirs.
D. Streams.
1. Improve fishery habitat.
2. Improve aesthetics of natural stream areas.
3. Improve water quality for.
a. Domestic use.
b. Municipal and industrial use.
c. Irrigation use.
E. Lakes.
F. Wildlife habitat development.
1. Waterfowl.
2. Deer.
3. Others.
G. Agricultural development—eventual use as
1. Hayland.
2. Rangeland.

III. LOCATION AND DESIGN OF RESEARCH PROJECT

A. Location—SCS Land Resource Area 60.
1. Jackson County.
a. Badlands.
b. River breaks.
B. Design
1. Determine simple, least costly engineering methods.
2. Develop agronomic methods.
3. Develop cost estimates for sediment control program.
a. in Badlands.
b. in South Dakota.
c. in Missouri River Basin.
4. Determine environmental impact of proposed program.

IV. GROUPS AND ORGANIZATIONS THAT COULD BE INVOLVED

A. Water Conservancy Sub-Districts.
B. State Colleges.
1. Engineering.
2. Agronomy.
3. Range.
4. Economics.
5. Biology.
6. Others.
C. State Conservation Commission.
D. Water Resources Commission.
E. U.S. Forest Service.
F. Soil Conservation Service.
G. Corps of Engineers.
H. Bureau of Reclamation.
I. Environmental Protection Agency.
J. Others.

V. FINANCING POSSIBILITIES

A. Titles II, III or V of the Rural Development Act of 1972.
B. Environmental Protection Agency.
C. U.S. Water Resources Council.
D. South Dakota Water Resources Institute.
E. REAP special practices.
F. Conservancy Sub-Districts.

[Reprinted from the "East River Guardian", February, 1974]

ENVIRONMENTAL ISSUES AIRED AT CONFERENCE

More than 700 persons jammed the downtown Holiday Inn, Jan. 12, for a statewide Conference on Environmental Issues sponsored by Sen. George McGovern.

The day's program included four seminars, each dealing with different aspects of environmental and natural resource development.

COAL MINING AND POWER DEVELOPMENT

The first panel dealt with the development of the coal resources of the Missouri Basin and the power to be generated by this coal.

Panelists included Merlin Tipton, associate geologist of South Dakota; Ken Holum, former assistant secretary, Department of Interior; Dr. Ernst Habicht, scientist for the Environmental Defense Fund, and James Grahl, manager of Basin Electric Power Cooperative.

Holum said that coal resources of the region must be developed in an acceptable manner to meet the massive energy requirements of the future.

"The administration goal of energy self-sufficiency is not attainable by 1980. The technology simply does not exist," he said.

Habicht charged that the "price of electricity is too low" and electric consumers must be faced with the full costs of developing coal for electric and gas production. He said the Bureau of Reclamation is participating in a "giveaway" of water rights to big corporations for use in future development of coal gasification and industrial purposes.

Grahl outlined the leadership that his cooperative has given towards strip mine reclamation in connection with Basin's lignite burning generating plant in central North Dakota.

He said that "Basin Electric's directors were working farmers to whom the prudent use of land and its conservation for the use of future generations are of daily concern and importance."

Basin Electric in its contract with Consolidated Coal Co. proposed the inclusion of provisions for the return of the spoil banks to the contours of rolling countryside, and for participation by Consol and Basin Electric in an experimental planting program.

Grahl said that this is being done and the experience has demonstrated that spoil banks can be graded into acceptable contours at relatively low cost, but the restoration of these lands to a condition that will support grass or other desirable vegetation is another matter.

North Dakota state law now requires the replacement of up to two feet of surface soil material after the spoil banks have been graded and contoured, and then a revegetation program of grasses, shrubs or trees. Research, in cooperation with the U.S. Department of Agriculture, is continuing to seek successful planting efforts.

The Basin Electric manager said, "It seems probable that the restoration of strip-mined lands in North Dakota to an acceptable appearance and productive use should prove feasible from a cost standpoint, but there is much to be learned about the effects of strip-mining on soil structure and productivity, underground water courses and other aspects."

He urged that those organizations and individuals who are so deeply concerned about adverse effects of strip-mining in our western states devote a much larger portion of their efforts than they have to getting an adequate, effective, well-organized research program under way on mined-land rehabilitation by experienced institutions like the Northern Great Plains Research Center.

AGRICULTURE AND LAND USE

Soil and water conservation, Environmental Protection Agency feedlot run-off guidelines and purposes and effects of proposed land use legislation were topics discussed by panelists Steve Quarles, Senate Committee on Interior and Insular Affairs; Pat Godsil, Environmental Protection Agency, and Dr. Allyn Lockner, secretary of the South Dakota Department of Environmental Protection.

Quarles discussed land use legislation now pending before Congress and Godsil reviewed the work of the Environmental Protection Agency.

Dr. Lockner, in his presentation on land use issues in South Dakota, said that several land use issues have been identified in South Dakota.

"It has been maintained that the existing land use problems should be corrected or alleviated through land use planning and regulation. It is also alleged that potential land use problems should be prevented through such planning and regulation. Several specific problems requiring land use plans and regulations have been identified," he said, "which are caused by population growth and mobility, the sharpened competition for land by alternative uses and new environmental constraints."

Lockner said that successful land use planning and regulation is not achieved by merely passing a law and appropriating tax dollars for planning, administering and enforcing land use control.

He concluded that, first, people must decide if there is a need for land use planning and regulation in South Dakota. Then, a determination must be made on the uses to be planned and regulated and the procedure for getting the job done.

"Shall the desired land uses be achieved by our using foresight, thoughtful analysis and planning, or shall those land uses be achieved only after we are outraged and mad at the desecration of the South Dakota land we see?" he asked.

IRRIGATION AND CHANNELIZATION PROPOSALS

The impact of irrigation development in South Dakota was the major topic of discussion on the first panel of the afternoon session. Seminar attendance and audience participation was at a peak for this discussion. About one hour was taken for questions to panelists Preston Funkhouser, Oahe Project manager; Dr. Larry Fine, F. F. Kerr and Dr. Nels Granholm, all from South Dakota State University.

Funkhouser, in reviewing the progress of the much discussed Oahe Irrigation Project, said that the release of the final approved environmental impact statement is "significant to all of us.

"For those who have seen a quarter of a century of planning go into the project, it means we are finally on the threshold of development. For those interested people who commented on the original draft, it means a better statement and for all of us concerned with the environment it is an assurance for environmental protection and enhancement during and after construction," he said.

Funkhouser commented on the most controversial aspects of the project which included the amount of land needed for the project, return flows from both the Garrison and Oahe units which will utilize the James River, and plans for handling the return flows on the James River.

Dr. Fine and Faye Kerr, both of SDSU, discussed the benefits of irrigation, suitability of soils in the irrigation area and the results of irrigation experiments at several demonstration farms.

Dr. Nels Granholm, also from SDSU, raised several questions about the development of the Oahe project.

"How much is all this going to cost us?" he asked. He challenged the benefit-cost ratios used to determine the feasibility of the project and suggested that new feasibility policies of the National Water Commission might more accurately reflect the true costs of the project.

Granholm concluded that a moratorium on project development as suggested by the United Family Farmers and others is justified in order that the project may be evaluated using new discount rates. He urged all citizens to become more informed on water resource development.

During the question-answer period Ken Holum, former assistant secretary of Interior, pointed out that electric power rates charged by the Bureau of Reclamation could go up immediately as much as 20 per cent if the Oahe project is not built. He said that if the project is halted the non-interest bearing costs of the irrigation development would be shifted to interest-bearing costs to be charged to power users.

"The reason for this," Holum said, "is that $40 million of the total investment in Oahe dam was used to provide irrigation pumping facilities." If not used for irrigation this investment would revert to power features at interest bearing costs and would be paid by electric users.

Holum said that only 2½ per cent of the total generating capacity of the Missouri River dams is allocated for Oahe project pumping purposes. If not used for irrigation, the power would be a relatively small amount for the Bureau of Reclamation to use in meeting the power needs of its customers beyond 1977.

THE PRAIRIE ECO-SYSTEM

Panelists on the final seminar of the day reviewed problems associated with the Prairie Eco-System including air pollution, wildlife's future, problems with our prairie lakes and our native grasslands.

Panelists were Dr. Gilbert Blankespoor, Augustana College; John Popowski, Department of Game, Fish and Parks; Dr. Clyde Brashier, Dakota State College, and Marilyn Kelm, South Dakota Board of Environmental Protection.

Brashier, in commenting on prairie lake problems, said, that fall plowing and fall fertilizing are two contributing factors to lake deterioration.

Fall plowing, he said, aids siltation and fall fertilizing enriches the lakes with nutrients during spring run-off. The enriched lake then promotes abundant algae growth which turns the water green and foul-smelling during the hot summer months.

Brashier said he thought that the "cart was before the horse" when we promote central water system development around lakes, before the sewage disposal facilities are built to handle the increased water usage.

He urged immediate action programs to stop the pollution and start the cleaning of our lakes.

McGovern Sees Changes, Solutions From Energy Crisis

Rural states in the Great Plains may come through energy hardships better than other states because its people "have known that our progress and the quality of our lives are inextricably bound to the land, to its wise use, and to its protection," Sen. George McGovern says.

Addressing a conference in Sioux Falls, Jan. 12, which he called to discuss growth and environmental protection, McGovern said that although the national energy crisis will work profound changes on South Dakota and neighboring states, it can be helpful in the long run "if this crisis brings us to see the need to change our profligate ways."

The South Dakota senator suggested that, although energy problems have shifted emphasis in environment "away from what is safest or cleanest and toward what is fastest," the long-term trend may be the reverse. "Just perhaps," be suggested, "the energy crisis will inspire changes in our attitudes and patterns of consumption that will get this nation behind environmental concerns as we have never been before."

McGovern called for a "new calculus" in determining growth, and cited rail transportation and coal development as examples. He said:

"From the standpoints of land conservation, reduced fuel consumption and clean air, we should be promoting railroad and mass transit systems wherever they can be used to move both goods and people. But here in South Dakota, and many other places, what freight trains there are must often be held down to around 10 miles an hour because the trackbeds are so bad."

In the major cities, he pointed out, "efficient rail and mass transit systems are still the exception rather than the rule. We have spent lavishly to prop up this or that foreign ruler over the years, but when it came to our own transportation systems, we have impounded, postponed and refused."

Pointing out the "vast deposits of low sulphur coal" in the Dakotas, Montana and Wyoming, McGovern said, "I think we have no choice but to develop those resources to meet relatively short-term and medium-term needs," with careful attention to environmental considerations.

"We must intensify our attention to the most environmentally sound methods of mining that coal, and then requiring that the land be restored to its original state when the work is done." McGovern said. "It means, second, that we must accelerate research on steps to use coal more cleanly—including such processes as MHD, gasification, and liquefication. And it means, third, that we are better protected if the mining and using is done by companies which are native to the area, and staffed by people of the area, than we are if the industry's giants come in to take what they can and then move on."

McGovern said that even new coal development must be seen "as a transitional step on the way to energy sources totally separate from these finite fossil fuel reserves. We should attach the highest possible priority to research on solar, hydrogen and geothermal energy sources."

[Reprinted from the "S.D.S.U. Collegian," Jan. 16, 1974]

Oahe Project Becomes Oahe Problem

(By Peggy Curry and Mary Klinkel)

South Dakota has long accepted the "Golden Future" lavel given the Oahe Irrigation Project but recent developments have led some to look at the project as the Oahe Problem.

Set for construction this year, questions have been raised about the project concerning its environmental impact (salinity factor wildlife habitation, etc.), increased electrical energy expenditures as well as a question as to how many people will actually benefit from the project.

A group of 120 farm families has organized under the United Farm Families banner in urging a moratorium on the irrigation project to consider these and other questions.

George Piper, UFF president and a Carpenter, S.D. farmer, told the Collegian that their initial efforts for coverage from media on these problems was denied by news services across the state.

"Nobody would listen or have anything to do with what we were saying," explained Piper, who is included in the 50 farm families who were or will be forced to sell their land to the project purposes.

Then last fall, Tim Schreiner, then News Editor of the University of South Dakota student newspaper, wrote several articles explaining the questions posed by UFF. Following this exposure, television stations and other media sources began to cover the UFF efforts.

Since this coverage, controversy has blossomed around the project.

The issue seems to be growing into a political issue although no major politician in South Dakota has yet advocated the moratorium asked for by the UFF.

But politicians are keeping an eye on the issue and the controversy. As Senator George McGovern told the Collegian recently when reiterating his support for the irrigation project, "But I'm keeping an open mind on the subject."

ENVIRONMENTAL CONFERENCE

McGovern told the Collegian last Saturday at an environmental conference he sponsored in Sioux Falls, "I want to say quite frankly that I have always supported the Oahe Project and I intend to continue supporting it until I see compelling evidence to the contrary."

At McGovern's Conference on Environmental Issues, the controversy over the irrigation project saw confrontation between proponents and opponents of the present plan.

The conference was sponsored by McGovern to discuss in seminar and question and answer periods various environmental issues including strip mining for low grade coal in the Dakotas, agriculture and land use. But the seminar focusing on irrigation and channelization generated the most interest. UFF members, the project proponents and various government officials were on hand to discuss the irrigation issue.

McGovern stated that he had sponsored the event to hear both sides of the questions.

He told the Collegian, "If there are changes to be made to meet some of these criticisms raised by the UFF and others, we ought to make these changes now."

The irrigation and channelization seminar included talks by four individuals.

Preston Funkhouser, Oahe project manager, noted two important points for consideration in his remarks: the amount of land affected by the project and return flows to the James River.

Operational waste and surface runoff will accomplish a small part of return flows to the James River, Funkhouser said. But no definite return flow plan has been decided upon, he added, nor will it be until five years after initiation of the project.

Funkhouser pointed out that "the Bureau of Reclamation does not force a project on people," but added later during the question-answer period that, in his opinion, "a decision to defer (initiation of the project) is a decision not to build."

Panelist Nels Granholm of State University's electron microscope lab emerged as an opponent of the project declaring himself in favor of the moratorium.

Granholm feels that there is no question about the returns of the project, but asks how much it will really cost. He quoted several government and other official groups in his prepared statement.

Granholm noted that the President's National Water Commission (NWC) concluded, in its final report released in June 1973, that "subsidation of new irrigation projects is not justified on either social or economic grounds . . ." and "should be discontinued."

Granholm's statement also included conclusions from U.S. House of Representatives Report No. 93–530 on stream channelization, the Missouri River Basin Commission, and the Environmental Protection Agency.

The House report on stream channelization stated that "The fears raised by many concerned citizens about the adverse effects of channelization are not imagined or exaggerated. They reflect the real and extensive environmental damage which results from many channelization projects." The report also related that the principal federal agencies sponsoring channelization, including the Bureau of Reclamation, have "not given adequate consideration to the adverse environmental effects of channelization projects which they have supported."

The Missouri River Basin Commission (MRBC) was concerned with the influence of large blocks of irrigation in the Garrison and Oahe areas on water quality of the James River. It reported that return flows from irrigation "could be detrimental at times in terms of contributing to dissolved solids and salts," but also considered possible beneficial effects of importing water from the Missouri River by augmenting low flows and regulating and diluting current high dissolved mineral concentrations. The MRBC requested additional investigations to determine water quality requirements of the James River Basin.

The Environmental Protection Agency (EPA) has reviewed the Oahe Unit draft Environmental Impact Statement and has assigned a Category 3 to this review, stating "We feel that four areas of impacts have not been adequately covered in the statement, namely: water quality, flooding potential, wildlife, and economics . . . with a Category 3, EPA takes issue with the proposed action unless major changes or additions are made which will adequately protect the environment." The EPA has not had time to review and comment upon the Final Environment Impact Statement, according to Pat Godsil, Chief of Planning, Air and Water Programs, EPA Region VIII.

Godsil told the Collegian that the EPA statement on the final EIS would come probably at the end of January. Godsil added that there would be areas of that final EIS which would be hard to explain such as the impact on water quality.

The Bureau of Reclamation claims that the projects will provide better quality water. However, the EPA statement on the draft EIS said that the water quality at Huron and downstream will be decreased. The percent concentration of total dissolved solids (TDS) will jump from 490 parts per million (ppm) to 916 ppm, after dilution with Oahe Unit water. Although this falls within South Dakota standards of 1000 mg/1, it violates Public Health Service (PHS) drinking water standards of 500 mg/1. This may be legal, but it certainly will not provide better quality water as the EIS said.

Granholm's statement also included the facts that the Federal Bureau of Sport Fisheries and Wildlife has gone on record opposing James River channelization, and the Wildlife Society, a professional association with members in more than 60 countries, opposes alteration programs that cause permanent damage to the physical and biological resources of wetlands and streams.

Granholm related that total 1974 monetary allocation to the project is $338,199,000, which represents a 64% cost overrun relative to the $205,790,000 total cost at project authorization. The cost overrun of the Army Corps of Engineers Oahe Dam projects was 359%, said Granholm.

Granholm pointed out that according to the Final Environmental Impact Statement (FEIS), 295.2 million kilowatt-hours of electrical energy will be expended per year in addition to energy being consumed for food production. The FEIS also stated that electrical energy "could be retrieved if a higher use developed. Other power sources, possibly thermal, may have to be developed to supply existing customers." Granholm asks, "Will the increased productivity of the irrigated lands justify the total energy expenditure?"

Granholm concluded that the request for a moratorium on land acquisition and construction of the Oahe Unit is a valid one. He believes that the Oahe Unit should undergo a reevaluation, a reformulation and a resubmission to Congress for reauthorization.

Larry Fine, Plant Science Department, State University, considered the suitability of the soil that will be affected by the project.

Salinity, the amount of soluble materials in the soil, can adversely influence agriculture if the percentage is too high, said Fine.

Fine noted that total salinity is related to the amount of nitrates in the soil. Where nitrate content is high, as in irrigated fields, salinity is high. During a question-answer period following panelists' remarks, Fine acknowledged the possibility of nitrate poisoning of water resulting from increased nitrate levels.

Fine concluded his remarks by stating, "Surely salt will be released but I feel it will be minimal." Later in a telephone interview he said salinity content of the James River should be "manageable" and "not overwhelming" during much of the year.

Fine stated during his talk that the salinity questions were questions for considerable discussion. He said that at present some questions of chemical content and possible reactions could be answered with "developing technology."

The relationship of cost and return was examined by F. F. Kerr, Extension Water Resources Specialist, State University. Using data obtained from irrigating test farms in the Oahe area, Kerr showed that monetary gain from irrigation is dependent on the prices a farmer pays for irrigation costs and the money the farmer receives for his crops each year.

On the one side, the Federal Bureau of Reclamation states that the project, authorized by the Pick-Sloan Program in 1944, will irrigate 190,000 acres of land in central South Dakota. But UFF and the EPA say that the disadvantages of the irrigation unit might outweigh the advantages.

The Bureau of Reclamation states that the $300 million project will provide water from the existing Lake Oahe on the Missouri River to irrigate 190,000 acres of farmland. In the final Environmental Impact Statement (EIS) released by the Bureau, it was stated that better quality water will be available to municipalities and five new recreational locations will be established.

The statement also said that over 6,000 acres will be created for wildlife, while 120 river-miles on the James River will be modified to 54 miles. In addition, 28,000 acres of upland will be purchased for wildlife habitat.

A total of 110,000 acres will be purchased by the Bureau in central and northeast South Dakota in order to irrigate the 190,000 acres. Fish and wildlife areas will need 40,000 acres, while canals, pumping stations, and reservoirs will occupy 150,000 acres for former agricultural and grazing lands.

The UFF wonders if it is worth all the land and money involved. The Bureau says that landowners will be affected in addition to 160 cabins along Lake Byron near Huron. Also, the UFF is worried about the impact of wildlife and water quality in the area.

BACKGROUND

The project was first proposed in the late 1800's. Congress approved the Oahe Irrigation Project in 1944, as a part of the Pick-Sloan Program. Pick-Sloan combines federal programs in ten states. These programs were set up to provide power, water, and recreational facilities in mid-America.

This gave the Federal Bureau of Reclamation power to purchase land needed to hold reservoirs, canals, and pumping facilities. A 214-mile ditch, from Pierre to Aberdeen, will be the main canal, with three large reservoirs along the route in which water will be stored. An additional 1000 miles of smaller canals will transport the water from Aberdeen to the irrigable land in the James River Valley.

The UFF points out that permanent destruction, to large amounts of agricultural land and water resources of the area from project development is imminent. The loss of irreplaceable property would adversely affect the opportunity of an undetermined number of farm families throughout the project area, the group said.

"At this time, we have no idea how many farms would be unable to continue as a social and economic units as a result of project construction," said Piper. "Not only will individual farms be lost, we have no thorough understanding of the social and economic impact of the project on rural communities such as Sully County which will lose 41,000 acres and 30 farm families," he said.

The Bureau's EIS stated that new job opportunities will become available after the project is completed, due to increased crop and livestock production caused by the irrigation. Opponents of the Oahe are asking, "What of the people forced off their farms due to the irrigation right-of-way?"

A young Carpenter, S.D. farmer asked Funkhouser at Saturday's conference about a 1964 Bureau of Reclamation claim that irrigable land for 500 small farm families would be available. He asked Funkhouser if this were true.

Funkhouser replied that he thought this may have been a miscalculation and that excess land would not be available for sale until 10 years after the first water is declared available for the project purposes.

Granholm, in his report, made reference to a statement by the President's National Water Council which read, "The federal reclamation program has never succeeded in producing family farms owned, operated and occupied by farm families . . ."

UFF members also point to a reclamation project in California which was found to bring a greater reliance on corporate farming.

In discussion following the seminar, a Carpenter farmer who will lose his land, stated, "It is impossible to start again. After you've built farm buildings, dugouts and other things, you just can't relocate again."

Kenneth Gilbert, a young farmer in the Oahe project area, states that "costs to individual farmers for irrigation under large project development, such as the Oahe Unit, do not appear to be within the economic capacity of the existing system of agriculture in the area. If young independent farmers cannot make the investment, who will make this project succeed?"

For, although farmers in the area will have the advantage of irrigating their soil, the cost itself may be prohibitive. According to an Agricultural Economics report in North Dakota (where a similar project is taking place), a center pivot sprinkler system would average $31,040 for a quarter section of land.

In addition, necessary drainage could cost an average of $40 per acre. Farmers in the area who do not want the water will still be required to pay for it, under federal law.

The South Dakota Agricultural Corp and Livestock Reporting Service states that only 0.4% of South Dakota's agricultural land will be irrigated by this project. But it will cost taxpayers an average of $1,369 for one acre of land.

The financing of the $300 million project will not be handled by the farmers alone. Users of Missouri Basin power will also be affected because of the electrical energy output from the Missouri.

The project in North Dakota, Garrison Diversion, will take 499 million kilowatt-hours away from the Garrison Dam, which is also on the Missouri River. The Oahe Irrigation Project will reduce capacity at Oahe by 271 million kilowatt-hours. So the Missouri River will lose at least 870 million kilowatt-hours of energy.

Piper has raised the question, "What effect may a high cost overrun on construction have on electrical rates during the repayment period?" He has asked who would have first priority to the water if a drought or a year of light snow occurred, the irrigators or those serviced by the Missouri River electrical energy output.

Claiming that the $300 million is too low of an estimate for the total projected cost, the UFF cites the 359% cost overrun on the Oahe Dam.

Other problems involved will be the disruption of present mail routes, school districts, and farm-to-market patterns.

In the Final Environmental Statement, the Bureau of Reclamation, in summary, states that the overall impact of the Oahe Irrigation Project on waterfowl and wildlife "will be beneficial."

However, the UFF and the EPA are urging a second look at the final results on wildlife and fisheries. At a recent meeting, Piper commented on the wildlife production after construction of the irrigation project.

"Habitat takes time to become established; wildlife populations take time to develop. When I inquired as to what is the present land use of the wildlife enhancement areas, I was told that the present land use of much of the area is unknown."

"How can any valid decision be made in wildlife production if we first do not know what land use changes must occur," asked Piper, who holds a Ph.D. in zoology. "We cannot be certain that habitat will be established on new lands. We have no certainty that reproducing populations will develop."

"What is the validity of the direct annual economic benefit placed on wildlife enhancement, based on such an uncertainty for wildlife production," he asked.

In an EPA letter to the commissioner of the Bureau of Reclamation, it is asked, "What will the effect of a five or ten year lag (while construction is taking place in the area) have on animals dislocated from present habitat and forced into competitive displacement on adjoining lands? Riverine species such as mink, beavers, etc. will eventually be lost."

There is also worry about endangered species of animals being eliminated altogether. The whooping crane, golden and bald eagles, and the peregrine falcon are included. The EPA letter states that "the endangered species might be lost entirely if the lag time is great, or if displacement from one area to another is not successful.

New fish and wildlife development areas are to be set up at 18 locations to replace natural woody habitat and wetlands lost through construction of the project. Actual wetlands will occupy 12,300 acres out of the total 40,000 acres to be acquired for wildlife. From this 40,000 acres, 5,980 acres are already wetlands. Therefore, the state is gaining 6,322 acres for fish and wildlife.

But construction of the Oahe Irrigation Project will destroy 16,060 acres of wetlands so, there is an actual net loss of 9,738 acres of wetlands.

Drainage from the irrigated lands will run into the James River, according to the Bureau. The EPA letter asks consideration of the effects of this after the James River is straightened.

The environmental impact statement (EIS), issued by the Bureau, states that, after the project is completed, flooding in the irrigation area and lower downstream should be less severe. This does not take into account the flooding potential effects of the Garrison Project, upstream from the Oahe Project. However, the North Dakota Project also calls for diverting water from the Missouri into the James.

"The compound effects that this project could have on overall James River flooding in the Oahe Unit project area and downstream have not at all been considered," the EPA letter said. "We believe that the downstream, flooding potential has not been sufficiently addressed in the draft EIS, and that the cumulative impact of both projects could create flood situations of much larger proportions than currently exist."

Mr. McGOVERN. Mr. President, the large coal reserves of the Dakotas, Montana, and Wyoming are being viewed with increasing envy by most of the major energy corporations in this country. Where, more than a century ago, the first settlers arrived to build ranches and turn the soil, now these corporations plan to strip the soil and consume the coal. They would use the guise of an "energy crisis" to obtain one-sided legislation to favor their conquest.

Rural America and the Nation are being given a tough choice: will it be energy from strip-mined coal, or the food from the farms and ranches that would otherwise be gobbled up? We cannot have both at the same time—if strip mining is to be the unchecked technique. It is crucial that we fully understand the nature of this choice.

Mr. Stephen E. Bossi has presented these issues clearly and bluntly in the March 1974 issue of "Catholic Rural Life." I ask unanimous consent to reprint it in the RECORD, and commend it to the reading of all.

WASHINGTON FARM FRONT

(By Stephen E. Bossi)

STRIPPING THE LAND FOR ENERGY

The energy crisis of the last few months has brought home to all of us our dependence on limited energy resources and on a delivery system that can pick and choose between alternative sources. In calling for the United States to become "energy independent" by 1980, President Nixon placed great importance on exploiting our nation's vast reserves of coal. There is no question that coal can do much to meet our short term energy needs. The question yet to be decided is, "Which coal?"

Current estimates place the total coal resources of the United States at over three trillion tons, about half of which is economically recoverable using current or potentially available techniques. Even allowing for increased levels of consumption, these reserves are sufficient to last for over 500 years. Coal is recovered in two ways, depending on the depth of the deposit: by surface or strip mining and by deep mining. According to the U.S. Bureau of Mines, only about 45 billion tons of our reserves can be recovered by strip mining. The vast majority will have to be deep mined.

The quality of the available coal varies. The chemical composition of the coal itself determines how much heat is derived and what chemicals are given off in waste. One of the most common elements found in low quality coal is sulfur, which, when burned, becomes sulfur oxide. Sulfur oxide in the air mixes with moisture to form sulfuric acid, a highly toxic and dangerous chemical. For this reason, air quality standards have been established to restrict the amount of sulfur oxide which can be discharged from burning coal. Obviously, the most desirable coal are those which are low in sulfur content. National data indicate that most coal, about 30 to 1, having a sulfur content of one percent or less is recoverable only by deep mining. Although there are still large quantities of this low sulfur coal in the Appalachian region, the bulk of it is found in the Western states of Colorado, Wyoming, Utah and New Mexico. There are large coal deposits in the Mid-west, but most of them contain over two percent sulfur and are therefore limited in usefulness.

The importance of these facts for rural people lies in how this coal will be mined. Congress is currently considering legislation which would regulate the surface mining of coal and ban its use in certain areas. Reasons for proposing controls are obvious to anyone who has visited a strip mined area. Surface vegetation and top soil are completely removed and only under certain conditions can reclamation restore productivity.

Surface water and vital underground aquifers are generally contaminated beyond safe use for either domestic purposes or irrigation. The lives and safety of rural people are jeopardized by slides from unstable piles of overturned soil and by the movement of giant machinery. All of these costs are borne by rural communities and are not included in the market price of the coal produced.

The legislation now pending before Congress is aimed at controlling and even eliminating most of these consequences. For the first time it would require strip mining companies to obtain the permission of the surface owner before they begin operation. The Senate version of the bill would prohibit stripping for coal that is owned by the Federal government when the surface land is privately owned. The House bill would charge a $2.50 per ton reclamation fee. This would be used to carry out reclamation of abandoned mine areas, meet the requirements of the Coal Mine Health and Safety Act, and provide benefits to the victims of black lung.

In spite of the merits of these proposals, the energy crisis now stands in the way of those who are supporting this effort. We are being told that strip mining must be permitted to proceed at an accelerated pace in order to meet new fuel demands. Set aside are the facts which clearly point to the importance of improving our recovery of deep mined coal which is lower in sulfur, more extensive in total quantity and still available in the Appalachian region close to the consumer markets along the East Coast.

The only argument supportive of strip mining over deep mining is that the operating costs per ton of coal produced is lower. On close analysis, however, one learns that the initial capital investment in strip mines is higher than that for deep mines and that the greatest savings are in the reduced labor overhead. The resulting lower market prices for strip mined coal has the further effect of forcing deep mine operators to cut corners in order to remain competitive.

So there you have it. If current attitudes prevail, our Nation's response will be subsidized by rural people in many ways: despoiled communities, valuable farm and range land lost to productive uses, contaminated irrigation and domestic water, reduced mining employment, and hazardous working conditions for those remaining in mining jobs. Moreover, these attitudes persist in a time of pending food shortages, when our whole country should be demanding that every acre of productive land be preserved at all costs. Rural concerns must remind the energy radicals that food is far more important than strip-mine coal!

NUCLEAR POLICY DEBATE

Mr. McINTYRE. Mr. President, recent statements by the Secretary of Defense, James Schlesinger, and requests for fiscal year 1975 funds for the development of high-accuracy missiles raise disturbing questions about a new defense strategy which could be destabilizing and could heat the arms race afresh.

This question is extremely complex, but of vital and fundamental importance to us all. Our survival, and the survival of mankind, may well depend on the direction of the nuclear strategies of both the United States and the Soviet Union.

Because of the importance of this issue, I urge all my colleagues to give careful consideration to the arguments developed on both sides. In this spirit of increased debate and awareness, I commend to my colleagues' attention the transcript of the Advocates television broadcast on the question, "Should we develop highly accurate missiles and emphasize military targets rather than cities?"

Mr. President, I ask unanimous consent that the transcript be printed in the Record.

There being no objection, the transcript was ordered to be printed in the Record, as follows:

Should We Develop Highly Accurate Missiles and Emphasize Military Targets Rather Than Cities?

Participants: Advocate Robert Ellsworth (pro).

Henry Rowen, President (1967–1972), Rand Corporation.

Geoffrey Kemp, Fletcher School of Law and Diplomacy.

Advocate Barry Carter (con).

Herbert Scoville, Former Deputy Director C.I.A.

Morton Halperin, Deputy Assistant Secretary, U.S. Department of Defense, 1966–1969.

Moderator: Evan Semerjian.

Announcer. Good evening, ladies and gentlemen, and welcome to THE ADVOCATES, the PBS Fight of the Week. Tonight's debate is coming to you from Boston's historic Faneuil Hall.

Semerjian. Ladies and gentlemen, may I have your attention, please.

Announcer. Moderator Evan Semerjian has just called tonight's meeting to order.

Semerjian. Good evening, ladies and gentlemen, and welcome to THE ADVOCATES. Tonight we debate a change in U.S. nuclear strategy proposed by the Secretary of Defense and our specific question is this: Should we develop highly accurate missiles and emphasize military targets rather than cities? Advocate Robert Ellsworth says, "Yes."

Ellsworth. A strategy of targeting cities and innocent civilians is a strategy based on the threat of genocide, an immoral policy. It's a dangerous bluff; it's a policy that must be rejected. To argue for accurate missiles aimed at military targets, I have with me tonight Professor Henry Rowen, former President of the Rand Corporation, and Professor Geoffrey Kemp of the Fletcher School of Law and Diplomacy.

Semerjian. Thank you. Advocate Barry Carter says "No."

Carter. We oppose this dangerous proposal because we do not want to see nuclear war made more likely, because the last thing we need now is an escalation of the arms race with the Soviet Union. With me tonight are Herbert Scoville, former Deputy Director of the C.I.A., and Morton Halperin, former member of Dr. Henry Kissinger's staff.

Semerjian. We welcome tonight two new advocates. Robert Ellsworth was a Congressman from Kansas from 1961 to 1967, a special assistant to President Nixon and United States Ambassador to NATO. Barry Carter is a Washington attorney, who was formerly a member of Henry Kissinger's staff. We'll be back to these gentlemen for their cases in a moment, but first a word of background on tonight's question.

(Film). For the past decade our strategic policy with respect to the Soviet Union has been one of deterrents through what is known as assured retaliation, or mutual assured destruction, or M.A.D., as you will hear it referred to tonight. The idea is that enough of our nuclear warheads are aimed at Soviet cities and enough of theirs at our cities, to make a first strike by either country an act of suicide. An act of suicide because neither side has the capacity to launch a first strike that will destroy the other side's ability to retaliate. The destruction of both sides is therefore assured if either side attacks. Now, this policy of nuclear deterrents is under review, and recently Defense Secretary Schlesinger has suggested a new strategy. He's asked Congress for money for research on highly accurate missiles which could be used against such targets as power dams, military bases and missile silos. And he has indicated that while the United States has always targeted some Soviet military sites as well as cities, we have recently changed the emphasis toward military targets and away from their cities. In explaining the need for this, Mr. Schlesinger has appealed for an alternative to a policy providing suicide or surrender as its only options.

Semerjian. In debating these specific proposals for research on new weapons and a shift in targeting emphasis, we're taking up as well some basic policy questions. Is our past policy of mutual destruction inadequate or obsolete as a deterrent for nuclear war? Would this new strategy increase the deterrent or weaken it? And finally, what effect would such a shift in our strategy have on the arms race and the future of the Strategic Arms Limitation Talks between the United States and the Soviet Union? And now to the cases, Mr. Ellsworth, why should we develop highly accurate missiles and emphasize military targets rather than cities?

Ellsworth. Our case tonight rests on three main points. First, a strategy of nuclear deterrents which emphasizes the deliberate targeting of cities is a strategy which is based on the threat of genocide. That strategy is immoral, and it is a continuing source of fear and hostility. It must be rejected. Second, the strategy of deterrents which emphasizes military targets rather than cities is not only more effective as a deterrent and less objectionable as a policy, it's also a strategy which fully preserves the stability of the American-Soviet nuclear balance. And third, we will show that more accurate missiles will permit fewer and smaller nuclear weapons on both sides and will therefore permit greater discrimination between threats to innocent, blameless people on the one hand and military targets on the other hand. To testify to the importance of more accurate missiles and an emphasis on military targets instead of cities, I call Professor Henry S. Rowen.

Semerjian. Professor Rowen, welcome to The Advocates.

Rowen. Thank you.

Ellsworth. Mr. Rowen served in the Defense Department in the Kennedy and Johnson administrations. He was President of the Rand Corporation, and he's now Professor of Public Management at Stanford University. Professor Rowen, advocates of mutual assured destruction would have us respond to any nuclear attack by killing several hundred million Soviets and by destroying Soviet society. What do you think of that?

Rowen. Well, it is a policy of genocide, there's no question about it. It's a policy that follows from the sort of reasoning that says killing people is good, killing weapons is bad. But it really means incinerating hundreds of millions of people in the United States or in the Soviet Union and Western Europe. It's a policy that could result in . . . it would be worse than a thousand Hiroshimas.

Ellsworth. But if that kind of a policy preserves the peace, then what's wrong with it?

Rowen. Well, it's a policy based on bluff. We would never want to do that. It's a policy that assumes that the world is a rational place, but we know that the real world is not entirely rational, that accidents occur, mischance occurs, and there are going to be many countries—there are five today—with nuclear weapons. There will be others. In such a world we cannot have only a response, say, to a nuclear attack or an accident which is suicidal or genocidal.

Ellsworth. Actually, though, has mutual assured destruction—that is, targeting cities only—been official United States policy?

Rowen. No, it hasn't been. We've long had an option to just attack military targets. While it hasn't received a great deal of publicity that is, in fact, the case. What is not new is the plan. What is new is the technology, technology which permits much greater discrimination between attacking cities and attacking military targets.

Ellsworth. But wouldn't more accurate

missiles on our part create a fear on the part of the Soviet Union that we would be more likely to use them in case of a crisis and thereby make war more likely?

Rowen. Well, presumably that fear would be based on the assumption that the United States could totally destroy the Russian strategic nuclear force. There's no real possibility of this happening. Much of the Soviet force is at sea—950 Russian missiles can be at sea according to agreement—which are untargetable even by the most accurate American missiles, so there is no real possibility of that. That's not a fear which has ground in reality.

Ellsworth. Aren't we talking about a new arms race?

Rowen. Well, what do we mean by a new arms race? Let me show you some figures. There's an arms race going on—a budgetary arms race. The United States isn't a runner. We must be in the stands watching it. This chart shows what has happened to the United States budget for strategic forces, offensive and defensive, since 1961 through 1974, both in current dollars and constant dollars—that is, corrected for price changes. As you can see, this budget has gone down really very remarkably since 1961, down by 60% in constant dollars. There's a slight increase proposed by the administration for 1975. Yet this is a period in which there have been revolutionary changes in weapons, many new types of weapons, ICBMs, Polara submarines and many others. We have managed—and this new technology has managed to permit, has been consistent with a reduction in our strategic budget, and I see no reason why the technology we're discussing tonight of accuracy and small warheads is going to drive this curve upward. I believe that it will not.

Ellsworth. But actually, even if lower yield warheads and more accurate warheads did cost more, would they be desirable in themselves?

Rowen. I believe that they would be. They would permit substituting small nuclear warheads for large ones, and in some instances, non-nuclear warheads for nuclear ones. That means that we would become—I believe we'll be less dependent on nuclear weapons, that we can raise the nuclear threshold, but most importantly, the moral position is important, the moral aspect is crucial, and that is that we would become—it would make it possible for us to make this discrimination between attacking people and attacking military targets.

Semerjian. All right, thank you, Mr. Ellsworth. Let's go to Mr. Carter, who is eager to ask you some questions. Wait a minute, Professor Rowen. He's got some question for you.

Carter. Mr. Rowen, it seems, then, that we all agree that the President now has a number of targeting options available and could easily have more, including attacks on military targets, so he's not faced with the option of genocide or surrender, is he?

Rowen. The weapons that we have had have been largely very large warheads and have been rather inaccurate so that many attacks on military targets would have spillover effects from radioactive fallout which could cause enormous civil damage.

Carter. You say that the missiles today are relatively inaccurate. Public sources indicate that the Minute Man missile at least has an accuracy of approximately one quarter nautical mile or less, where it will land within 1,500 feet of its target or less. Isn't that fairly close to the target?

Rowen. Missile accuracy has been improving, and it's still true—and I believe that this is widely accepted—that a major attack could produce very great civil damage. This seems to be a very undesirable consequence.

Carter. Let's try to clarify the issues, though. We agree, then, the President already has a number of options, so the issues seem to be (1) what should the U.S. say publicly about keeping the devastation of nuclear war limited, and (2) should the U.S. develop these highly accurate missiles. Let's discuss limited war first. Do you believe we should only target military targets and not target cities at all?

Rowen. I think it is undesirable for us to target cities. I see no way for either side to have the capability of causing enormous damage to cities eliminated, but I think that that—I cannot conceive of the circumstances in which it would be to our interest, or for that matter, to the Russian interest, to cause vast civil damage to the other.

Carter. But isn't it true that a lot of military targets are very close to cities—the Pentagon, the Kremlin, Air Force bases—and that, in fact, most military targets are very close to cities?

Rowen. I wouldn't say most, but there are obviously some important military targets that are close to cities.

Carter. Would you target those targets?

Rowen. I think this is a matter of detailed planning that would have to be looked at on a case by case basis.

Carter. Well, let's not call it detailed planning. If you're going to target those, then you're eventually going to also be targeting cities. It doesn't matter to a Soviet civilian whether you're attacking the military command center in the Kremlin or whether you're attacking the civilian command center in the Kremlin, does it?

Rowen. I don't think the Kremlin is exactly the most interesting target to plan on destroying. We ought to have somebody we can negotiate with in a crisis and in a conflict. The point is that with greater accuracy it is possible to make this distinction which you regard as important, and that is precisely because some important military targets, some military bases, including even some missile sites, in some cases are near cities.

Carter. So you are going to be targeting these targets right close to cities. If we don't want to attack the Pentagon or the Kremlin, what about Logan Airport which is right in the middle of Boston's suburbs? Would you target Logan Airport, which B-52s can land at, F-4s can land at, and the rest?

Rowen. There are many, many types of targets, there are many, of course, in a battlefield, there are many conceivably at sea. It seems to me that one would have to get down to rather specific cases in order to identify . . . I don't know the circumstances in which Logan Airport might be a plausible target.

Carter. So you made a strong policy against attacking cities and avoiding civilian fatalities, but you're not willing to say whether or not you're going to target military bases smack-dab in the middle of cities, or whether you're going to not target them at all.

Rowen. Oh, it's conceivable. It's conceivable under some circumstances if the technology, if the technology would permit this without causing vast civilian damage in which that might make sense. I would not reject that possibility.

Carter. Fine. Let's consider your table here for a second. Is it not true that there are three things that this table seems to mislead us on. Number one, it doesn't include all strategic forces cost—for instance, communication, support, intelligence and the rest. The Brookings would put the cost of our strategic forces up in the fifteen to twenty billion category. Number two, that it includes defensive forces which we know were limited under SALT, so what this shows is the benefit of SALT agreements, not new programs. And number three, that in fact we ought to show the line going up today because Secretary Schlesinger just asked for a seven hundred million dollar increase.

Rowen. First, with respect to the SALT, for one thing, just to happen, was signed in 1972. As you can see, most of the decrease took place before that.

Carter. And since SALT, is it not true that the budget appropriations for offensive forces, which is what we're talking about tonight, has gone up, and Secretary Schlesinger wants to increase those?

Rowen. I said that the budget for 1975 was a request for increase, a slight increase in the historic scale, very minor.

Carter. Right.

Rowen. There are various ways of measuring the size of the strategic budget, all of the ways I'm aware of, including Brookings, they would show a sizeable decrease.

Carter. In offensive forces?

Rowen. The budget for offensive forces, absolutely.

Semerjian. All right, let's go back to Mr. Ellsworth.

Ellsworth. Professor Rowen, what would be the effect of deploying highly accurate warheads, the effect of doing that on the Strategic Arms Talks, which are now in session in Vienna between the United States and the Soviet Union?

Rowen. Well, I doubt very much that it would have a major effect on those discussions. But I do think that it offers one possibility, and the possibility is this: that we say to the Russians that our own missile force is becoming a more accurate one, and this renders obsolete—this will render obsolete—the Russian fixed force in silence. It's just very clear that this would happen, that they should consider retiring that force, that we have the same prospect, the same problem: we should consider retiring our missile force and perhaps our land-based fixed missile force, that we should possibly do this by agreement. This might be a positive development within SALT then.

Semerjian. All right, Mr. Carter, back to you.

Carter. Isn't the present accuracy of our missiles such that today we can attack cities, power plants, dams, all the things that you mentioned except for large numbers of Soviet missile silos, and isn't that what you're really planning to do, to develop accuracy to attack large numbers of Soviet missile silos?

Rowen. I think we should have a silo retirement program, not a silo attack program. The fact is that there are many targets which, if attacked with the weapons that now exist, the civil damage would really be quite sizeable, and that seems to me something that should be reduced and eliminated.

Carter. Mr. Rowen, I don't think that's responsive. Aren't the missiles that you're talking about going to be very effective for attacking large numbers of Soviet silos?

Rowen. They may be, in which case I believe that the Russians and we should sit down and agree that we will do away with and retard these forces which are inevitably going to become vulnerable forces. There's no way that that can be prevented.

Carter. But that's the only thing that they really can do that your other forces can't do, the present forces can't do.

Rowen. Oh, on the contrary, on the contrary, on the contrary. What these other forces, these existing forces do, is to kill millions of innocent civilians if they were ever to be used.

Semerjian. All right, Professor Rowen, I want to thank you very much for being with us tonight. Thank you.

Ellsworth. The importance of our nuclear strategy from an international point of view is something our next witness understands very well. He was a research associate at the International Institute for Strategic Studies in London, Mr. Geoffrey Kemp.

Semerjian. Mr. Kemp, welcome to The Advocates.

Kemp. Thank you.

Ellsworth. Mr. Kemp is an Associate Professor now of International Politics at the Fletcher School here in Boston and has been Executive Secretary of the Harvard-M.I.T. Arms Control Seminar. Professor Kemp, how do most countries view the United States-Soviet nuclear relationship?

Kemp. Well, I think they feel that the United States is beginning to fall behind.

Ellsworth. Why is that?

Kemp. They look at trends, not just trends in strategic budgets and weapon systems, but overall trends in terms of military capabilities and political capabilities. In particular, they look at the trends in Soviet defense expenditure, which have gone steadily up since 1965. They look at the trends in the Soviet expenditure on strategic forces, which have been consistently higher than the United States equivalent since 1965. They look at the whole array of weapon systems the Soviet Union will have the capacity to deploy in the mid-1980s which will have a very effective capability against the land-based U.S. forces. And I think it's important at this stage to stress and reverse a myth that's sometimes put about, namely that the Soviet Union follows meekly behind the United States, responding to programs that the United States has adopted. The Soviet Union has been the innovator in many of the advanced technologies we're talking about. It was the Soviet Union that first developed intercontinental ballistic missiles, medium range ballistic missiles, intermediate range ballistic missiles, anti-ballistic missile systems, and fractional orbital bombardment systems. Similarly, I think if we look at the recent Middle East war, it's perfectly clear that the Soviet Union has developed a very effective and very sophisticated array of non-nuclear weapons that can be used in real conflict areas where real wars occur.

Ellsworth. Professor Kemp, if the Soviet Union has and will continue to develop this powerful and sophisticated strategic capability, what is the military doctrine, the Soviet military doctrine, that might guide its use?

Kemp. I think it's very important to stress that the Soviet strategic doctrine is seen as part and parcel of an overall political strategy. They do not plan their strategic forces in a vacuum. These forces, together with their non-nuclear forces, are designed to serve political, military, and economic goals. They're very sensitive to the fact that they can use military power for political uses in areas of vital interest to the West. Furthermore, if you go into the writings on Soviet military doctrine, and particularly their strategic doctrine, they talk about the possibility that nuclear war could occur. This doesn't mean to say that they want it or they'd like it, but they believe it could happen. After all, the're sitting there faced by not just the United States but China and Britain and France, who they regard as possible hostile adversaries. And in this set of circumstances they plan in their doctrine a war-waging capability. This distinction, and the important point to make, is that part of the Soviet overall strategic deterrents posture includes the capacity to engage in a war-waging fight.

Ellsworth. If, as you say, our allies and neutral countries view the U.S. as falling behind, what would be the political consequences of this?

Kemp. Well, I think that if the United States does not adopt some of the programs that Secretary Schlesinger has suggested and if it were to fix itself upon a counter-city strategy, then the credibility in the United States overall political presence and its nuclear guarantee would continue to diminish. This could have two very important implications which I think we should bear in mind. First, it might encourage those countries, such as Japan, or countries in Western Europe, to, in the case of Europe, beef up, or in the case of Japan, begin to develop a serious nuclear capability. Or second, and perhaps more worrying from the United States perspective, it mighe force countries of vital interest to the United States to reach individual accommodation with the Soviet Union, and this could only erode not only the United States interest but the interests of those powers themselves.

Semerjian. All right, Mr. Ellsworth. Let's go to Mr. Carter for some questions.

Carter. Dr. Kemp, as I understand it, you're supporting the Schlesinger proposal for large yield, high accuracy missiles.

Kemp. I'm supporting the proposals that suggest increasing accuracy on United States missile systems and the various back-up programs that go along with that, yes.

Carter. Those programs which, as defined by Richard Nixon in two different statements, budget statements, include larger yield warheads. Now, I understand that there have been a lot of inoperative statements out of the White House, but as of January of this year the talk by President Nixon and in every budget statement by Secretary Schlesinger is for larger yield. That's what you're supporting.

Kemp. I am supporting an overall strengthening in the United States strategic forces, including the capability to more accurately target counter-force options.

Carter. Fine. The accuracy . . . We've heard a lot about fatalities this evening. The accuracy of the Minute Man missile today is roughly 1,500 feet. The kind of accuracy we're talking about is about 600 feet, a savings of about 900 feet. If we talk about larger nuclear weapons, bombs at least eight to fifty times the power of Hiroshima, how much safer do you, as a civilian, feel being 600 feet away from ground zero of a bomb eight to fifty times the size of Hiroshima?

Kemp. You know, you don't have to put these high yield warheads on these more accurate missiles.

Carter. Oh, you're not supporting the proposal that the United States develop the technology to have high yield warheads, yes.

Kemp. I am supporting the proposal that the United States develop the technology to have high yield warheads, yes.

Carter. But not on accurate missiles.

Kemp. But how we'll actually deploy those missiles, in what particular programs, has yet to be discussed.

Semerjian. Professor, let me ask you a question to see if I undersatnd you. I take it that you are in favor of developing accurate missiles so that our target concentration would be on Soviet military targets rather than Soviet cities, is that right?

Kemp. I, like Professor Rowen, would like to see more flexibility cranked into the United States war plan.

Semerjian. Well, is it for the purpose that I've just stated?

Kemp. That is certainly a purpose, yes.

Semerjian. Well, if the Soviet Union, then, knows that to be our purpose because we would rather not destroy cities and would rather concentrate on targets, wouldn't the Soviet Union, then, have an incentive to move its military targets closer to their cities?

Kemp. Not necessarily. It seems to me that the most likely emphasis would be to move their missile systems to sea, where they're much safer.

Semerjian. Go ahead, Mr. Carter.

Carter. Why, if we're talking of larger or even smaller yield warheads—we're not sure what, it seems, on the other side—if we're talking about them, why doesn't the United States just aim at military targets far away from cities? Aren't there missile silos a long way from a city? Aren't there arctic air bases? Why do we have to try to take out a Logan air base, say, in Minsk or some other Soviet city?

Kemp. Well, I'm saying that there are a whole series of contingencies which you could plan for if you had a large strategic inventory. I'm not here . . .

Carter. But can't you with our present forces with accuracies of 1,500 feet destroy every kind of target except large numbers of Soviet missile silos? What else can't you destroy?

Kemp. That's perfectly correct. I think you can. The point that I'm stressing is that the ability to target some of these missile silos—I don't say all of them—is certainly an additional armor in the hands of the Presidents, but the point that I'm trying to stress is that what we're trying to discuss is the philosophy.

Carter. Oh no, but let's . . . I'm always confused by philosophy until I know the details, and the details that I understand is that first, if we're going to develop large bombs, they're fifty times the power of Hiroshima and I hope they don't land anyplace near a Soviet city. Secondly is what you said the only purpose of these weapons, except for saving lives somehow, is to destroy Soviet missile silos, something we can't do today. How wise of a policy is it to want to destroy large numbers of Soviet missile silos?

Kemp. The capacity to threaten large numbers of Soviet missile silos certainly has advantages, if you are not totally threatening their entire force structure which, as Professor Rowen pointed out, we are not. We can't because they have so many missiles at sea.

Carter. According to the U.S. defense budget, we're spending two and a half billion dollars on anti-submarine warfare, and the number is estimated to go up to five billion dollars. If you were in the Pentagon, and you saw the U.S. embarking on a program to take out your missile silos and spending four to five billion dollars on anti-submarine warfare, wouldn't you begin to wonder just what U.S. intentions were, that maybe we were seeking a first strike, and as a result, that you would embark on your own programs to build up your forces?

Kemp. I think the Soviet decision to embark on their own programs is not taken based on an assessment of what's going on in the Pentagon. That's one factor I'd agree with you. There are many other factors as well, and what we have to do this evening is put out on the table those other factors, these political factors.

Semerjian. Let's go back to Mr. Ellsworth.

Ellsworth. Professor Kemp, if the United States actually deployed highly accurate missiles aimed at military targets, would that strengthen or weaken the deterrents of war?

Kemp. I think it would strengthen the deterrent factor because it would provide the United States with a more credible capability from which to negotiate from a position of strength. This in turn would enhance the credibility of the United States strategic guarantee to its allies, which has broadbased political ramifications as well as very specific military ones.

Semerjian. All right, Mr. Carter, back to you.

Carter. I'm still confused. The threat to take out Soviet missile silos, along with an active program to get their submarines, is somehow going to not scare the Soviets into entering into new arms programs? It is not going to insist that they can accept limits in SALT because they need new programs to feel safe.

Kemp. I would hope it would make the Soviet Union very serious about negotiating with SALT to settlement.

Carter. Oh, but can you limit accuracy and yield in SALT? I've heard that there's no way to limit them, so once we start down that road, it's something we can't limit, and therefore the Soviets need matching or compensating programs.

Kemp. I don't know that we can't limit it. It seems to me that's something that the negotiators have currently been discussing and will continue to discuss. Of course it's complicated. I agree with you, but to say that it can't be done is to my mind a very sort of pessimistic outlook to take.

Carter. How can we tell what the accuracy of Soviet missiles are if we're going to limit them, when we're not sure what the targets are? If it lands in the middle of the ocean, do we know if they're right on target, or if they're a hundred yeards off?

Kemp. Because if you restrict the numbers of launches on either side and make restrictions on certain throw-weights, then by definition it follows that you can hold down the numbers of aiming points that would be highly accurate.

Carter. So the way to stop this is by having limits on number of launches, which means that we can't test our new missiles, they can't test any of their new missiles, we can't test our new warheads. That's a proposal that's never been proposed in SALT, never gotten anywhere as far as I know, according to John Newhouse.

Kemp. Well, we already have a proposal to freeze launches in SALT I.

Semerjian. All right, thank you, Mr. Carter. Professor, I want to thank you very much for being with us tonight.

Kemp. Thank you.

Semerjian. Thank you.

Ellsworth. Now, our witnesses have shown why it's desirable to develop accurate missiles—that is, to reduce potential damage—and to be able to pose a believable threat which discriminates between innocent, blameless people, on the one hand, and military targets on the other. And we have shown exactly why strategic policy which emphasizes threats of the annihilation of millions of innocent civilians is immoral. It is a throwback to the dark ages. It must be rejected.

Semerjian. Thank you. For those of you who may have joined us late, Mr. Ellsworth and his witnesses have just presented the case in favor of developing highly accurate missiles and emphasizing military targets rather than cities. And now for the case against, Mr. Carter, the floor is yours.

Carter. The whole idea of our strategic policy is to avoid nuclear war with its millions of fatalities. The backbone of this deterrence is assured retaliation, the ability of either side to make a major attack or to make the attack by the other an act of suicide. We can do that. Only five to ten percent of our warheads can literally wipe out the Soviet Union today. We've heard it proposed tonight that the United States should develop new, highly accurate missiles. Ironically enough, this proposal in the name of humanity and flexibility would make nuclear holocaust much more likely. First, it puts our strategic policy squarely behind the myth that nuclear war can be fought neatly and cleanly on a limited scale. Second, by presenting the threat of destroying large numbers of Soviet missile silos, these missiles would feed the paranoia of hard-liners in the Kremlin, increasing the chance that in a crisis the Soviets would decide that the best course would be to launch a first strike against us as their way to survive. If increasing the likelihood of nuclear war weren't enough, developing these missiles will also stimulate an arms race and make it more difficult to negotiate further limits in SALT. In short, this proposal is not only unnecessary but it's downright dangerous. With me tonight, as my first witness, is Dr. Herbert Scoville.

Semerjian. Dr. Scoville, welcome to The Advocates.

Scoville. Thank you.

Carter. Dr. Scoville is a former Pentagon atomic scientist and Deputy Director of the Central Intelligence Agency. Dr. Scoville, what should be the primary objective of our strategic policy?

Scoville. The overriding objective of our strategic policy should be to avoid nuclear war. Even a limited nuclear war is so dangerous and can create such great damage, and it also has a risk of escalating into a full-scale confrontation that we must avoid it at all cost. What we should be doing is not learning how to fight nuclear wars better, but how to avoid them more surely.

Carter. We've heard a lot this evening about the inhumanity of attacking cities. Why do we target cities at all?

Scoville. Well, we target cities because the only way we know now to avoid nuclear war is to deter its occurrence, and we need to have the capability to attack cities to deter an all-out aggression on the part of the Soviet Union. We can't risk the situation that some irrational person—and in this I disagree with Professor Rowen—we can't risk that an irrational person could think that he could get away with a nuclear strike just by the fact that we might retaliate by firing a missile at one of his silos, which probably would be empty anyway.

Carter. We're bombarded today by Pentagon press releases about a growing Soviet strategic build-up. Just what is the strategic balance today?

Scoville. Well, the strategic balance unfortunately is that we are very equal, but both sides in the post-SALT atmosphere have continued to build up and add to their strategic forces as if there had been no SALT agreement whatsoever. However, Mr. Kemp would lead us to believe that the Soviets were the only ones that were doing this and that it was just—and this is what the Pentagon puts out all the time in order to increase their budget. The actual facts are that in 1972 when the SALT agreement was reached, we had about 5,000 to 6,000 warheads which could be fired at the Soviet Union, and the Soviet Union had about 2,200. Now, two years later, we have increased that number to 7,100, while the Soviets still have only 2,300. In 1977—and even by official Pentagon figures—we will have increased our number to about 10,000, and the Soviets will still be less than 4,000. In other words, our lead is still increasing and will increase through 1977.

Carter. About a rate of three a day we're deploying these warheads, it seems. Let's talk about developing highly accurate missiles. What could they possibly do that we can't do now?

Scoville. The only thing that a more accurate missile than what we have today can do is it can threaten to be able to knock out a very large proportion of the Soviet ICBM force, and this is, of course, a very dangerous thing.

Carter. Well, does it make any sense to want to attack large numbers of silos?

Scoville. No, in fact, it is extremely dangerous to have this capability for two reasons. One, it will look to the Soviet Union as if we were trying to get a capability for striking first at their force and knocking it out before it can attack us. Furthermore, because our missiles will have this capability, it provides a tremendous incentive for the Soviets to beat us to the gun and try to knock out our missiles first, so by having this capability we are increasing the likelihood that the Soviets will attack us first.

Carter. Scary words. If we did deploy this program which is going to destabilize things and all, somehow it was suggested that our budget was going to go down. What would be the cost of developing and deploying such missiles like this?

Scoville. Well, the cost would be astronomical if we really followed through on all of these programs. The Minute Man III program, which is now nearing completion, involved a changing of 550 missiles, about half the force. This cost about six billion dollars. If we went through with these programs on the entire Minute Man force, it would probably be a minimum of ten or more billion dollars, and if we started on the Poseidon as well and the submarine missiles, which are incidentally now being proposed to do this by Secretary Schlesinger, maybe another ten billion dollars. Never know where it's going to end.

Semerjian. All right, thank you, Mr. Carter. Mr. Ellsworth, your witness.

Ellsworth. Dr. Scoville, I have to agree with you that the horror of a nuclear exchange where cities are involved is a very powerful deterrent. This deterrent is based on the proposition that rational men do not lightly contemplate suicide, don't you agree?

Scoville. That's right.

Ellsworth. Well, itsn't it true . . .

Scoville. Irrational ones too probably.

Ellsworth. But isn't it true that there are powerful people in the world who are irrational?

Scoville. Yes.

Ellsworth. And that some day there might be some of them in positions of actual power in the Kremlin.

Scoville. Yes.

Ellsworth. Or that in some other way deterrents might fail.

Scoville. That's absolutely right, but I have a feeling that an irrational leader would be more likely to launch an attack if he thought he could get away by having our retaliation limited to a strike against his missile sites than if he thought his whole society might be destroyed.

Semerjian. Well, Dr. Scoville, let me ask you this question, see if I understand you.

I take it you're against the idea of our developing more accurate missiles. Is that right?

Scoville. That's right.

Semerjian. Now, what if you learned tonight that the Soviet Union was doing just that? Would you change your mind?

Scoville. No, I don't believe our getting more accurate missiles is the answer to the Soviets achieving this capability. Both of us having this capability is far worse than one of us having it. By our having accurate missiles we're not protecting our missiles. We're just making them a more attractive target to the Soviets' accurate missiles.

Semerjian. Go ahead, Mr. Ellsworth.

Ellsworth. Now, Dr. Scoville, if, for any reason, there should be, say, a one missile strike on a minor target in the United States—and that's only for the purposes of discussion because of course I don't concede that there is a minor target in the United States from that standpoint—but if, for any reason, deterrence has failed and there should be, say, a one missile strike on a minor target in the United States, what should the United States do? Should we retaliate massively by blasting their cities?

Scoville. Of course not, and we don't have that requirement today. We have a capability to retaliate in any number of a wide variety of forms. Frankly, I hope we wouldn't retaliate directly with a nuclear strike. I would hope we try to avoid further nuclear weapons, but certainly we don't have to retaliate by striking at all our cities, at all the Russian cities.

Ellsworth. Welcome to our side. Beautiful. In light of what you have just said, what is the use of talking about targeting cities?

Scoville. The use of targeting cities is that the Soviet strike might not be such a limited strike, and there might be—there is a real need to deter an all out strike against the U.S. If we had said we would not target Soviet cities, what is there to prevent the Soviets from threatening to destroy our cities? Certainly not aiming at another missile.

Ellsworth. So that what you're saying is that in any case below an all-out attack by the Soviet Union on American cities and on American societies, in any Soviet attack short of that, why, a cities-targeting strategy on the part of the United States is simply a bluff. Is that correct? Do I understand you correctly?

Scoville. No, it's not a bluff, it's an attempt to deter them from initiating this action. What we would do in any circumstances, I don't know, but the Soviets have to assume, if we have that capability, that that's what might happen and therefore they would hesitate very strongly to take such action.

Ellsworth. But in light of what you have said, that we wouldn't do that, then it is a bluff to threaten cities.

Scoville. No, you've gone way beyond what I said. You mentioned one missile being fired at a target in this country, and I said that I didn't think that was the kind of thing that the Soviets would ever think we would retaliate by hitting all their cities.

Ellsworth. Let me see if I understand you. I did say one missile, and at the other end of the spectrum, you said an all-out Soviet attack on the United States. Where would you draw the line in between those two at the point at which you would not retaliate with an all-out spasm attack against the Soviet society?

Scoville. I have no idea at what point—under what circumstances—we would ever initiate such an attack, but the threat that that attack could occur should deter the other side from ever contemplating such an action.

Ellsworth. An all-out attack.

Scoville. Yes.

Ellsworth. But military targeting, under your doctrine that you've just spelled out under cross-examination, is important.

Scoville. I think we have sufficient ability today to target military targets, and I'm not for throwing that capability away.

Ellsworth. But you can see that it is important. But it is important for us to have.

Scoville. To have some capability, yes but we do not need the additional capability which Secretary Schlesinger is seeking by getting more accurate missiles.

Ellsworth. All right, that to one side for the moment . . .

Semerjian. All right, let's go back to Mr. Carter. You'll have another chance at him, Mr. Ellsworth.

Carter. Dr. Scoville, if we didn't keep as one of our options the ability to attack cities, isn't there a danger that if we only said we're going to take out military targets, and ones not near cities, that the Soviets might think certain measures were ones they might take? For instance, weren't they willing to give up whole armies to attack Hitler? Weren't the United States willing to give up armies and fleets to take on the Japanese and the Germans in World War II? Military targets are expendible, aren't they?

Scoville. Yes, exactly, and I don't see how the threat that we might fire a missile at a Soviet ICBM site is much of a deterrent. I don't see how that deters either a rational or an irrational person. I think you have to have something much stronger than just attacking a missile site.

Semerjian. All right, back to you, Mr. Ellsworth, for one question.

Ellsworth. Isn't the alleged Soviet fear that silo killers would constitute a capability to knock out their nuclear force ridiculous in view of the fact that they have so many submarines which we can't even target?

Scoville. No, I don't think it's ridiculous. I grant you that I think that it's very unlikely that one would ever visualize that kind of an attack. I find these scenarios very silly, but we are spending billions of dollars, as has been mentioned, on anti-submarine warfare, and we worry about the Soviets doing just this very thing to us. I don't see why the Soviets shouldn't worry about our doing it.

Semerjian. All right, Dr. Scoville, I want to thank you very much for being with us tonight. Mr. Carter, your next witness, please.

Carter. My next witness is Morton Halperin.

Semerjian. Mr. Halperin, welcome to The Advocates.

Carter. Mr. Halperin was former Deputy Assistant Secretary of Defense in the Pentagon under Robert McNamara and former senior staff member and Assistant for Planning to Dr. Henry Kissinger's National Security Council staff. Dr. Halperin, we've heard a lot tonight about the argument that highly accurate missiles would save a lot of lives. Do you agree?

Halperin. No, I don't. I think the only way to really save lives is to avoid a nuclear war. If there is to be any kind of a limited nuclear exchange, then the key element in how many people are killed will be whether targets near cities are hit. With the current warheads which we have and the current accuracies, if both sides only target only targets far away from cities, there would be relatively little damage. If both sides target military targets near cities, there would be very great damage. Increases in the accuracies of our missiles would not change that fact. There would still be very large civilian damage if we attacked targets near cities, and relatively little if we did not. And increasing warheads, which is what the administration proposes to do, increasing the size of warheads, would of course increase civilian casualties whatever targets we attacked.

Carter. Well, I can't help thinking that maybe the proponents' position tonight is somewhat like the proverbial ostrich with its head in the sand. Even if we could design a targeting strategy which would keep Soviet fatalities low by staying away from cities, are we sure that the Soviets would also stay away from cities?

Halperin. Of course we cannot. The Soviet military doctrine talks about hitting cities as well as hitting military targets, but I think we cannot be sure that our strategy would be that. We simply do not know what the political leadership on either side would do, confronted with a major crisis or the beginning of the use of nuclear weapons.

Carter. Do you feel that we need these high accuracy missiles to meet the alleged Soviet buildup in their ability to take out our missiles?

Halperin. No, I do not believe that we—either in terms of deterrents or for political reasons—need to match that Soviet capability. We have the capability to deter a Soviet attack by threatening the destruction of a wide range of different targets in the Soviet Union. We have more than enough destructive capacity now, and I do not believe there is any reason why, even if the Soviets begin to move towards an accurate missile capability, we need to do the same.

Carter. You know, speaking of the Soviets, if we deploy these highly accurate missiles, how do you think the Soviets will react?

Halperin. I think they would react the way the United States reacted in 1969 when we conjured up the fact that the Soviets were moving in that direction. Secretary Laird, remember, said that the Soviets were going for a first strike capability and there's no doubt about it. This despite the fact that the Soviets showed no signs of being able to target our undersea missiles of which we had more than 650. It is, I think, the case that political leaders on both sides tend to be excessively paranoid about what the other side is doing, and I think it is very likely that the Soviets would react to our talking about developing accurate missiles with the belief that we were after their land-based missile force and that they would have to respond to that.

Carter. Okay, you've had extensive experience in the SALT negotiations. Based on your experience, how do you think the SALT negotiations will be affected by this Soviet buildup, excuse me, by U.S. buildup in high accuracy missiles?

Halperin. Well, I think it's very unlikely that one can negotiate limitations on missile accuracy. What I think is dangerous about the new doctrine in relation to the SALT talks is the philosophy which says that the United States needs to have a flexible military capability for nuclear war and the ability to take out Soviet missile silos, because I believe that if you make that the criteria for an arms control agreement, then it will be impossible to get agreement in the American government on a sensible SALT position and impossible to negotiate such an agreement with the Soviet Union. Only if both sides are prepared to accept an agreement which simply assures the deterrent on each side do I think it is possible that one can negotiate limits on offensive forçes.

Semerjian. Make this a brief question and answer.

Carter. All right. What do you think is the result of emphasizing limited war?

Halperin. I think the result is to make nuclear war seem more plausible, more reasonable, more humane, and hence to make it more likely.

Semerjian. All right, thank you, Mr. Carter. Mr. Ellsworth, your witness.

Ellsworth. Mr. Halperin, if deterrents fail and war breaks out, isn't it desirable to be able to respond on a limited level and negotiate for termination?

Halperin. I would hope that we would try to negotiate before we responded, but I certainly agree that we should have the capability for a wide range of different responses. I believe we have had that capability since the early 1960s and we should continue to have it.

Ellsworth. And you believe that it is desirable.

Halperin. I believe that it is desirable. I do not believe it depends on increasing the accuracy of our warheads, nor do I believe it depends on increasing the size of our warheads, both of which are recommended by Secretary Schlesinger.

Ellsworth. Correct, but you don't insist on our renouncing any capability of targeting any target other than cities, is that correct?

Halperin. On the contrary, I would insist that we should have such a capability . . .

Ellsworth. You agree that we should emphasize military targets.

Halperin. No, I believe that we should emphasize a full range of targets. We should emphasize to the Soviet Union, for the purpose of deterrents, our ability to attack whatever targets in the Soviet Union we would have to attack in the face of whatever attack . . .

Ellsworth. But you don't object to our having other options, but you just object to our spending money on accuracy, is that correct?

Halperin. I don't object so much to the money, I object to the accuracy because I think it stimulates the arms race, because it makes it harder to negotiate a SALT agreement, and because it makes nuclear war seem limited, makes the possibility of limiting nuclear war seem more likely, and I think that encourages military leaders on both sides to think about nuclear options.

Ellsworth. But you said a moment ago that you found the range of options, including military targeting options, to be highly desirable, did you not?

Halperin. That's right, but that's very different from emphasizing the fact that we're planning on fighting a limited nuclear war which very easily slips into saying that we believe that a nuclear war can be limited.

Ellsworth. Nobody is urging the fighting of a limited nuclear war, but you do agree with us that it's appropriate and beneficial and desirable for the United States to have a range of targets including military targets to a substantial degree.

Halperin. Absolutely.

Ellsworth. Yes.

Semerjian. But I don't think he agrees with you, Mr. Ellsworth, that the targeting of cities should be abandoned. I think that's the difference.

Ellsworth. I understand that, I understand that.

Halperin. And I don't believe that we need either accurate warheads—more accurate warheads—or large warheads, which is the essence of what Secretary of Defense Schlesinger . . .

Ellsworth. And your objection to accurate warheads runs to the accurate warheads whether they are linked with increased yield, or with decreased yield. Is that correct?

Halperin. If they were linked with decreased yield, which of course is not the proposal, they would be less objectionable.

Ellsworth. That's Professor Rowen's proposal.

Halperin. That's right, and I think that . . .

Ellsworth. That's what I'm asking you about.

Halperin. I find that less objectionable than the other, but I find accuracy unnecessary for this purpose because if we're going to attack military targets in a very limited strike, there are many military targets far away from cities.

Ellsworth. On the question of accuracy linked with decreased yield, you concede that one of the classic aims of arms control is to limit damage in case war should break out, do you not?

Halperin. Absolutely.

Ellsworth. And don't you think that increased accuracy with decreased yields is desirable from that point of view?

Halperin. But one has to weigh that against the danger that it stimulates the arms race and increases the likelihood of nuclear war, and in balancing those I would argue that it is undesirable.

Semerjian. Well, Mr. Halperin, what if tomorrow Leonid Brezhnev said, "I believe in a more humane Soviet policy, and from now on the Soviet Union will no longer target American cities. We will target only military targets with accurate missiles." Would you change your mind about what our policy should be?

Halperin. I would still say we should have the capacities the Soviets would continue to have to not target cities, but I would be glad to respond to that by saying that we would not be the first to launch large attacks at the other side's cities, which I believe should be our policy. I cannot imagine any circumstances in which the United States should initiate military attacks on cities.

Semerjian. And then if you said that, Mr. Brezhnev would probably change his mind, right? Go ahead, Mr. Ellsworth.

Halperin. But of course I think the point is that neither side can count on these guarantees sticking once nuclear weapons are used in a nuclear exchange.

Semerjian. Go ahead, Mr. Ellsworth.

Ellsworth. But still you don't resist the idea of having the whole range of options available.

Halperin. I resist the notion that accuracy and large warheads are a part of that, but I do not . . .

Ellsworth. Didn't you write in 1963, "There is also a need for extremely accurate systems that can arrive at pre-targeted locations and hunt out targets and destroy them"? Did you write that or not?

Halperin. Your research is better than mine. I searched for that article and couldn't find it.

Ellsworth. You did write that.

Halperin. We have the kind of accuracy that I was talking about. When I wrote that article, our accuracies were much worse than they now are. We now have the capacity to attack Soviet missile silos in small numbers, we have the capacity to attack other Soviet targets, and I believe we have the kind of flexibility that I was suggesting then.

Ellsworth. Let me ask you the question that I asked Dr. Scoville. Isn't the alleged Soviet fear that silo killers on our part would constitute a capability to knock out their nuclear force ridiculous in view of the fact that they have so many submarines which we can't even target?

Semerjian. Make this very brief.

Halperin. It is a ridiculous fear which both sides have exhibited in the past and I fear are likely to exhibit in the future.

Semerjian. All right, let's go to Mr. Carter.

Carter. Mr. Halperin, other than developing highly accurate missiles, do you have some proposals for what we might do today in the present strategic situation?

Halperin. Yes, my proposal would be the one that has already been put forward by Professor Rowen: namely, I think the urgent task at SALT should be to try to negotiate very substantial reductions and perhaps the total elimination of fixed land-based missiles on both sides.

Carter. And is that helped or hurt by developing highly accurate missiles?

Halperin. I think it's hurt insofar as the proposal that the Secretary of Defense puts forward encourages the military to believe that they can get what they would call war-fighting capability with those missiles and hence, I think, would be less likely to be willing to give them up in a negotiations.

Semerjian. All right, back to you, Mr. Ellsworth.

Ellsworth. If we pursue—if the United States, as a policy, leans in the direction which you yourself have suggested and which our side strongly urges, that we veer away from the contemplation of targeting cities, then doesn't that increase our credibility, for example, of our nuclear guarantees to our allies, particularly Germany and Japan?

Halperin. I don't believe that at all. I think that the basic credibility of our nuclear guarantees to the Germans and the Japanese in particular has to do with the nature of our political relationships with those countries, has to do with the presence of American military forces in Western Europe and in or around Japan. I don't believe that anybody but more than a handful of people in any of those countries pay attention to this kind of detail about nuclear weapons. I believe that, therefore, it is our political relationship with them and the credible guarantee and the credible perception in the Kremlin that we are concerned about their security which is what is the backbone of the deterrent.

Ellsworth. So that our nuclear forces and our nuclear doctrine and our nuclear strategy and our strategy of deterrents in your opinion have virtually no—or at least an insignificant—effect on German and Japanese perceptions of our nuclear guarantee and therefore what it is on our part would have no effect on their tendency to develop nuclear weapons on their own.

Semerjian. Very quick answer.

Halperin. I think that's true within very wide limits. As long as we have forces roughly comparable to the Soviet Union, I think the details just don't matter to them.

Semerjian. All right, Mr. Halperin, I want to thank you for appearing on The Advocates. Thank you, gentlemen. That completes the cases, and now it's time for each of you to present your closing arguments. Mr. Carter, could we have yours, please.

Carter. Our insurance policy against nuclear war is the fact that we have several times the destructive power we could conceivably use, and the Soviets know it. We could destroy military targets or population centers or both, and the Soviets know it. That's how deterrence works. We all agree we need to negotiate mutual reductions in arsenals; the last thing we need is new, high accuracy missiles. They do nothing for us except to allow us to threaten large numbers of Soviet missile silos. This is the one thing which could tempt the Soviets to consider striking first in a crisis, which will spur a new, expensive arms race and which will undermine the SALT negotiations. The proponents have called our deterrent immoral. I can think of nothing more immoral than something which makes nuclear war sound effective, which makes nuclear war sound attractive, and that is what their proposal does. This country is not wealthy enough, nor are the risks of nuclear war remote enough, that we can afford to develop these high accuracy missiles. Vote no on tonight's proposal.

Semerjian. Thank you. Mr. Ellsworth.

Ellsworth. All of us tonight have a common goal: to deter nuclear war. We all agree that the cost of war has to be so great as to prevent either side from embarking on it. This to Mr. Carter means it must be the threatened destruction of Soviet cities, and I say that it is not only a genocidal policy but an unbelievable one. Both to the Soviets and to the rest of the world we contend that the risks of nuclear war are so great that the Soviets would be equally deterred by our ability to retaliate on military targets at a lesser, more humane level. More importantly, the two sides tonight differ on what to do if deterrence fails. The horrible event of an accidental or irrational outbreak of war, be it by an insane dictator, accident, or miscalculated escalation from conventional war, it is irresponsible for us not to do everything in our power to prepare for that event and to try to limit and minimize its damage in every possible way. For that purpose we advocate the targeting of military sites and the development of more accurate missiles.

Semerjian. Thank you, gentleman. And now it's time for you in our audience to get involved. What do you think on tonight's question? Should we develop highly accurate missiles and emphasize military targets rather than cities? Send us your "yes" or "no" vote on a letter or postcard to The Advocates, Box 1974, Boston 02134. We'll tabulate your votes and make the results known to members of Congress and others interested in this topic. As much as it affects this country's ability to avoid a nuclear holocaust, we can say that no question The Advocates had debated is more important than this one. And for the same reason it's important that you help make your views known to the government. Now, remember the address: The Advocates Box 1974, Boston 02134.

Now, recently The Advocates debated the question, "Should the government institute coupon rationing of gasoline now?" Of the more than 11,000 viewers who sent in their votes, only 12% said yes, that rationing should be instituted now and that the price of gasoline should be controlled to assure no increase in profits for the oil companies, and a tremendous 88% said no, that letting prices rise freely is an equally effective and less complicated way of controlling demand than gas rationing.

RETURN TO COMPETITIVE MARKET SYSTEM

Mr. ALLEN. Mr. President, the Senate Committee on Banking and Currency has voted 11 to 4 to defer consideration of an extension of authority of the Cost of Living Council to continue the 31 month experiment with peacetime controls of wages and prices. I notice, however, that Dr. Dunlop expects some form of legislation in this area to be considered by the Senate before April 30, 1974.

The question of continuing controls is of paramount interest to those of us who are deeply concerned about trends toward total control of the economy by the Federal Government. In this connection, I am indebted to my close personal friend Mr. Ollie Delchamps, Jr., of Mobile, Ala., one of the State's most distinguished citizens and an eminently successful businessman, for calling my attention to an article by Dr. C. Jackson Grayson, Jr., entitled, "Let's Get Back to the Competitive Market System," which was published in the November-December 1973 issue of the Harvard Business Review.

Mr. President, Dr. Grayson is currently dean of the School of Business Administration of Southern Methodist University in Dallas, Tex. He writes from the perspective of one who, as we all know, served as head of the Price Commission in phase II of President Nixon's economic stabilization program. Dr. Grayson presents a timely and persuasive argument in support of our free enterprise system. He warns that private enterprise has surrendered too much of its freedom to public authority and he is much concerned over the ambivalent attitude of many proponents of free enterprise, by the leadership of organized labor, and by the public, concerning the trend toward governmental control of the economy.

Dr. Grayson writes convincingly of the ultimate consequences of the current trend toward centralized control. These consequences, as they relate to the individual, are vividly portrayed in the following quotation from Edward Gibbon:

> In the end, more than they wanted freedom, they wanted security. They wanted a comfortable life and they lost it all—security, comfort, and freedom. When the Athenians finally wanted not to give to society, but for society to give to them, when the freedom they wished for most was freedom from responsibility, then Athens ceased to be free.

Mr. President, regardless of how one may feel about the continuation of wage-price controls, I think it safe to say that a final decision should not be made without sober reflection on Dr. Grayson's dire warnings. I believe Dr. Grayson's views on this subject need a wider audience. With this object in mind, I ask unanimous consent that the article to which I have referred be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Let's Get Back to the Competitive Market System

(For years, some economists and historians have been predicting the eventual collapse of capitalism in the United States, and the emergence of a perfectly planned government-regulated economy. We have already reached the stage where private enterprise has surrendered much of its freedoms to public authority. And, with the aid of inflation and price controls, we are quickly approaching the point where it will be too difficult either to give up the controls or to manage the economy that has been created. This is a problem not only for businessmen and labor leaders but also for each individual who is concerned to preserve a way of life that is worth caring about.

Mr. Grayson writes about his beliefs in the private enterprise system, having observed our economy from a unique point of view. He served as Head of the Price Commission in Phase II of President Nixon's Economic Stabilization Program, and is now Dean of the School of Business Administration of Southern Methodist University in Dallas, Texas.)

(By C. Jackson Grayson, Jr.)

For almost 15 months during Phase II of the Economic Stabilization Program, I served as the chairman of the Price Commission. Exercising control over most of the nation's price system, I saw the complex, capitalist economy from a most unusual observation post.

From this experience, and from what has happened since, I am personally convinced that our economic system is steadily shifting from a private enterprise, free-market economy to one that is centrally directed and under public control.

Price and wage controls such as we have experienced in Phases I through IV have helped to extend the degree of public control and to accelerate the rate of change. At some point—and I predict that, at the present rate, this point may be reached in about 15 to 20 years—the essential characteristics of a competitive, private enterprise system (nonregulated prices, profit motive, risk taking, collective bargaining) will no longer make up the economic engine that drives our system.

I am not saying that there is and will continue to be public regulation of the private enterprise system. Since 1930, we have had that—a mixed public-private system. But, in the 1970's, the pendulum of the mix has been swinging further, and faster, toward central control.

Call it what you will—managed capitalism, socialism, a planned economy, a postindustrial state—the end result will be the virtual elimination of the free-market system as we now know it. There will be no signposts or traffic lights. We will simply shift over to another kind of system.

The resulting system will probably not have widespread public ownership of production and distribution, but it will have public control. General Motors will not die, but neither will it remain a capitalistically motivated and directed enterprise. Rather, it will operate as an organization designed to implement *public* economic, political, and social policy.

Impetus for this trend has not come from a group of revolutionists, and only partly from leftists, liberals, youth, intellectuals, and socialists. Instead, it has come from the public at large, from the Congress, and, perhaps most surprisingly, from the actions of many labor and business leaders.

I feel that this current threat to our free, competitive economy should seriously concern us, not only because I strongly believe in that system, but also because of the effect its loss would have on the social character of the United States.

In this article I attempt to identify what the current shifts away from freedom are and why they are a cause for alarm, and to suggest courses of action that businessmen, labor leaders, and legislators could take to help reverse the clear and present trend.

WARNING SIGNS

The trends I see can be summarized as follows:

Business and labor are too often seeking to reduce rather than to encourage competition in their markets.

Continuing price and wage controls are leading the public to believe that central planning and control are superior, mandatory, desirable.

Americans, in distrusting the market system, are demanding more economic benefits from the federal government and are seeking ways to insulate themselves from the impact of economic change.

In addition, international economic interdependencies are complicating our privately controlled market system. As recent balance-of-payments and exchange-rate problems, demonstrate, closed economics are a thing of the past. Inflation can be exported and imported, increasing the call for more centrally coordinated economic policies between and inside nations.

Business seeks protection

Consciously and unconsciously, businessmen themselves are adding to the probability of greater centralization of economic control by seeking ways to reduce market competition—the very keystone on which the capitalist system rests.

Normally, competition is curtailed either by private monopoly power or by government protection. It is still unclear whether large corporations have sufficient power to control markets, reduce competition, and "administer" prices. Our internal studies at the Price Commission did not provide any evidence that prices were being administered by corporations. But, clearly, we did not have sufficient time to make a full study of this issue.

We did have time, however, to observe innumerable instances in which business turned to government to seek forms of assistance which, in effect, would reduce competition—for example, asking for imposition of subsidies and tariffs, occupational licensing, fair trade laws, and import quotas.

Excerpts from letters written to me at the Price Commission by businessmen serve as illustrations:

"I do not advocate any program of isolation, but I do think it is good business for us to protect our national economic situation in the face of stiff and competitive foreign trade." (A steel company)

"We need government protection because we can't compete against the big companies." (A consumer goods company)

"If you break our fair trade laws, the market will be chaotic." (A cosmetics company)

"We can't survive if you let cheap products in from foreign countries." (A shoe manufacturer)

"We must have minimum milk prices if we are to have an orderly market." (A dairy products company)

"If we allow liquor prices to fluctuate freely, competition will be ruinous and the Mafia might move in." (An alcoholic beverages company)

Another way some businesses are hampering the free-market system is by not using the age-old competitive tool of reducing prices as a way to increase their sales.

Again, to quote from my 1972 mail:

"In all my years in business, I have never reduced prices to hurt a competitor." (A retail food supplier)

"Why did I raise my prices? My competitor did. I always go up when he does." (A chemical company)

Of course, this attitude is not shared by all businessmen. After the Price Commission authorized a cost-justified price increase, one businessman told me, "You gave us a price increase. I wish the market would."

My point, however, is that far too few companies are exploring market flexibility by reducing prices. And yet, when we ordered some companies to reduce prices because they had violated regulations, several reported that they experienced increased volume and a higher total profit.

But the reluctance to reduce prices is also understandable. Several heavy-industry companies reported that they feared competing too aggressively on price because they would capture a larger market share, drive out smaller companies, and be subject to Justice Department or competitor antitrust suits. Efficient stevedoring companies argued they would drive out smaller businesses if they held prices down. And after the Russian wheat sale drove flour prices up, small bakeries urged us to force large bakeries to raise their bread prices.

The threat of continuing price controls has compounded the price-reduction problem. Many companies report hesitancy to reduce prices for fear of being caught with a low "base price" in future freezes and phases. This was clearly demonstrated in Phase III, when freeze "talk" actually accelerated price increases.

Finally, I was surprised to find that the majority of businessmen with whom I talked wanted Phase II controls continued. The most commonly stated reason was fear of union power. The argument was that the balance of power has swung so far toward the unions that businessmen feel they can no longer negotiate successfully. Accordingly, they choose price controls over wage disputes, they prefer regulation to the problems freedom poses.

So does labor

In the model of the free market, it is axiomatic that competitive behavior is required not only of business but also of labor. There must be competition in wages as well as in prices. More and more, however, it's not turning out that way.

Like big business, big labor tries to use government or private power to protect itself against such natural effects of competition as layoffs, dislocations, wage reductions, and advancement by competition.

Whether labor has too much power was not an issue we studied at the Price Commission during the control period. But many instances in which noncompetitive labor practices were driving costs up were reported to us as justifications for price increases—featherbedding in railroads and docks, restrictive work rules in construction and shipping, and rules barring more efficient methods in construction and printing.

An October 1971 staff report of the Bureau of Domestic Commerce estimates such extra costs in construction at $1 billion to $3 billion annually, in railroads at $700 million to $1.2 billion, in printing at $400 million to $600 million, in supermarkets at $250 million to $400 million, and in trucking at $275 million to $400 million.

These restrictive, noncompetitive work practices are usualy defended by labor on humanitarian grounds. Without judging the merit of that position, I can definitely say that these practices drive costs up and usually result in higher unit labor costs, higher domestic prices, and reduced competitive abilities abroad.

Just as business often does not see price reductions as necessary and competitive, so labor does not see wage levels as connected to successful or unsuccessful competition in the free-market system. Nor does labor see the natural relationship between productivity and the wages that a company can afford to pay. Companies report mounting pressure from labor for increased compensation, regardless of the productivity of individual workers or of the nation as a whole. Labor's typical demands include increased minmum wage levels, "catch-up" wage increases, fixed productivity rates, tandem wage agreements, and annual pay increments.

For example, in late 1971, workers in the coal industry, which has had productivity decreases in recent years, received nearly a 14% wage increase settlement. The Price Commission, in one of its most important decisions, ruled that this practice would lead to further cost-push inflation and, despite the 14% wage settlement, allowed the coal industry to submit only a 5.5% wage cost as justification for price increases. This practice was then followed for all companies throughout Phase II.

As a result of this "5.5 rule," two things happened. Some companies suffered reduced profits. But other companies bargained harder at the table because they knew they could not "pass on" more than 5.5%. In fact, some companies reported privately that they were pleased with the rule because it gave them a bargaining weapon greatly needed to withstand labor's pressures.

There is little question that if labor settlements, on the average, rise faster than overall productivity, the result will be inflation, unemployment, or both. Our 5.5% limitation was an attempt to crack into the wage-productivity imbalance by forcing price increases to reflect no more than the long-term national productivity gain of 3%, plus a 2.5% inflation goal. The 5.5% was a national procrustean bed that served a crunching purpose in the short run.

We've also heard arguments by labor that economic justice demands wages by increased—a growing egalitarian ethic that wages be based on need rather than on competitive reality.

But those who argue this line sometimes end up taking contradictory positions, as was illustrated during the debate over the minimum wage. At the same time that many labor leaders and members of Congress were loudly protesting price increases in Phase II, they were also fighting equally hard for increased minimum wage levels and extended coverage. Without entering into the merits of the economic justice argument, the commission computed that the various proposed bills on the minimum wage before Congress in 1972 would have increased the Consumer Price Index anywhere from 0.3% to 0.8%. Since no productivity gains would have ensued, the increased costs would have either come out of profits or been passed on in prices.

In summary, I can only point out to labor and to business that any time they seek, through private market power or government help, to reduce the effects of competition, they invite the danger of permanent central control over the economic system. Without competition, public controls may become, not an option, but a necessity.

Wage-price controls distort

True, wage-price controls help attack inflation in the short run by (a) reducing inflationary expectations, (b) intruding on discretionary market power of business and labor, and (c) influencing the timing of price and wage decisions.

But, by their very design, such controls interfere with the market system and hasten its move toward a permanent central one. I can spot seven ways this occurs:

First, wage-price controls lead to distortions in the economic system, which can be minimized only in the short run. The longer controls are in, the harder it is to discern real from artificial signals. No matter how cleverly any group designs a control system, distortions and inequities will begin to appear. It happened in European control programs, it was beginning to happen in Phase II.

For instance, lumber controls were beginning to lead to artificial middlemen, black markets, and sawmill shutdowns. Companies trapped with low base-period profit margins were beginning to consider selling out to those with higher base periods, sending their capital overseas, or reducing their efforts. Instances of false job upgrading—which were actually "raises" in disguise—were reported on a scattered but increasing basis. To keep away from profit-margin controls, companies were considering dropping products where costs, and thus prices, had increased. And shortages of certain products (e.g., molasses and fertilizer) were appearing because artificially suppressed domestic prices had allowed higher world prices to pull domestic supplies abroad.

Exceptions and special regulations can handle some of these distortions, but the task grows more difficult as each correction breeds the need for another.

Second, during controls, the public forgets that not all wage-price increases are inflationary. In a changing, competitive economy, wage and price increases occur because of real consumer demand shifts and supply shortages. The resulting wage and price increases signal to business, "Make more"; or to labor, "Move here"; or to the public, "Use less."

Controls interfere with the signaling mechanism. A good example of how an artificially suppressed price-signal leads to eventual shortages is natural gas. Similar examples can be found in labor where suppressed wages do not attract labor to areas in which there are shortages of skills or of workers.

But with wage-price controls in place, the public believes that all increases are inflationary—almost antisocial—and the clamor is for no, or very small, increases.

The sense of the statement, "You can eliminate the middleman, but not his function," applies equally to our economic system. We live in a world of scarce resources, and, as much as some would like to repeal the laws of supply and demand, it can't be done. Some system must allocate resources, we hope to the most efficient use for society. If wage-price controls, other government regulatory rules, or business-labor monopolies prohibit the price system from performing its natural function, then another rationing system (central planning and control) must be used. You can eliminate the price system, but not its function.

Third, during a control period, the public forgets what profits are all about. Even before wage-price controls, the public believed profits were "too high," even though they have actually declined in the past few years, from 6.2% of GNP in 1966 to 3.6% in 1970, and increasing only to 4.3% in 1972. And, with profit increases raised to the top of the news during the recovery of 1972 and early 1973, the negative public sentiment against profits increased. Why? The control system itself heightened the public's negative attitude toward profits at a time when capital regeneration, the fuel of the capitalist engine, was already alarmingly low.

Fourth, wage-price controls provide a convenient stone for those having economic or political axes to grind, particularly those interested in promoting a centralized economic system. For example, in 1972, Ralph Nader argued that automobile companies should not be allowed to raise their prices to reflect style changes. Others argued that price increases should not be given to companies that employ insufficient numbers of minorities or pollute. Nor should wage increases go to uncooperative unions.

Fifth, wage-price controls can easily become a security blanket against the cold winds of freemarket uncertainties. They tell people what the limits are; they help employers fight unions, and union leaders to placate demands for "more" from their rank and file. The controlled tend to become dependent on the controllers and want regulations continued in preference to the competition of a dynamic market. At the same time, the controllers themselves can become so enamored with their task that they also don't want to let go. The public begins to fear what will happen when controls are ended, and seeks continuance. Witness the recent fears of moving from Phase II to Phase III, and the public (and Congressional) pressure for the freeze to replace Phase III. Even Wall Street seems terrified at the thought of returning to supply and demand in the market. All of this proves that it is much easier to get into controls than to get out.

Sixth, under controls, business and labor leaders begin to pay more attention to the regulatory body than to the dynamics of the marketplace. They inevitably come to the same conclusion, summed up by one executive: "We know that all of our sophisticated analysis and planning can be wiped out in the blink of a Washington controller's eye."

Seventh, and most dangerous, wage-price controls misguide the public. They draw attention away from the fundamental factors that affect inflation—fiscal and monetary policies, tax rates, import-export policies, productivity, competitive restrictions, and so on. The danger is that attention will become permanently focused on the symptom-treating control mechanism rather than on the underlying problems.

The public voice

The public is also adding to the probability of more central control of our economic system. I can cite several basic attitudes at work to explain this phenomenon:

Increasing loss of faith in the ability of both business and labor leaders to operate our economic system.

Increasing expectation of greater economic benefits.

Intensified search for stability and egalitarianism.

In recent years poll after poll has quantified the growth of these trends in public opinion. For instance, over the last seven years, Louis Harris and Associates has been asking the public about its degree of confidence in the leadership of our institutions, and has made these discoveries:

Corporate executives share with bankers and educators the largest loss in public respect, declining from 55% in 1966 to 27% in 1973.

Confidence in labor leaders shrank from 22% to 15% in the same time period.[1]

And a 1971 Opinion Research Corporation study revealed that 62% of the public favored governmental controls over prices, 60% of all stockholders believed competition could not be counted on to keep prices "fair," and fully one third of the public believed that Washington should set ceilings on profits.[2]

In general, my personal mail and my experience in numerous interviews with newspaper editorial boards and others confirmed that the public feels there should be more, not less, control of business and labor. And Congress reflects this mood in asking for more controls, tighter regulations, and more public agencies. Time and again, when I was testifying before congressional committees, I was told that we had to have more controls because the private enterprise system "didn't work." Such a sentiment does not make me optimistic about continued public support for our free enterprise economy.

Nevertheless, the growth in the public's disenchantment with the private enterprise system has been matched by an increase in the public's demands on that system. The public wants, for instance, higher pay for teachers, policemen, and women; a clean environment; better schools and medical care—and all without increases in prices or taxes.

At various Price Commission public hearings and in meetings with public groups and congressmen, I heard demands for increased pollution controls but, at the same time, for lower transportation prices, increased health benefits but lower hospital costs, increased mine safety but lower coal prices, decreased insecticide usage but lower food prices, protected forests but lower lumber prices, and so on. The demands are outrunning what we, as a society, can afford.

We cannot have it all ways without increased productivity. And, more and more, the public is not willing to wait for the market to provide remedies but is seeking centralized solutions to obtain the desired benefits now.

Finally, the move toward a central system is being aided by the public's desire to make people the same, both in ability and in susceptibility to economic change. The market system is conceived on the concepts of competition, monetary reward, excellence, and change. The current attitude stresses stability, cooperation, egalitarianism, and income equality enforced by a central authority.

"Can we be equal and excellent too?" queries John Gardner in the subtitle to his book *Excellence*—a question which he discusses extensively but does not answer.[3] Everyone might like both, but the competitive system is built on the notion that those individuals and institutions outperforming others are not and should not be rewarded equally. But now, more people are seeking and getting protection, through tax reform, income redistribution plans, promotion by seniority, and so on, against "differences" generated by the operation of the competitive system.

And society's insistent cry for economic stability poses two dilemmas for our capitalistic system.

First, if the business cycle can be sufficiently dampened by government policies to avoid the unpleasant by-products, we might also run the risk of removing some of the essential features of capitalism, principally the ability of the capitalist system to adapt to changing circumstances to encourage risk taking. That is, if we remove the valleys, do we not also remove the "mountains of incentive" for risk and change?

Second, the goal of "maximum employment" has been interpreted to mean low unemployment, and the arguments have centered on definitions of "low" (3%, 4%, 5%) and "unemployment." But stimulating demand to achieve low unemployment risks inflation. And moderating demand to reduce inflation risks high unemployment.

This unemployment-inflation trade-off is becoming more difficult to manage centrally. If low unemployment is government's primary goal, as it has been in recent years, inflationary pressures are created and fixed incomes become vulnerable. In turn, there are more cries for wage-price controls and greater planning.

Central economic planning holds a great deal of logical appeal for many economists, intellectuals, and businessmen. They conclude that, if businesses plan, governments should—or that somebody should be in charge of the economy.

While their arguments are appealing, to date no one in any society has been able to come up with a central planning model that is more efficient and effective than the seemingly uncoordinated actions of the marketplace. I do not believe it is possible to construct one. In the Price Commission, almost every time we tried to adjust our economic system to correct one problem, two or three more were created, and the more we felt the temptation to "control."

In the end, I believe that any extended control system would disrupt the free-market system. At worst, the market would break down; at best, it would be highly ineffective and subject to bottlenecks, quotas, and black markets. The trade-offs in our extremely large and highly interdependent economy are too complex to be done efficiently on a centralized basis. And then there is the question of who would supply the value judgments for the operations of such a system. Why not return to the one planning system we have that works—the price system.

POINT OF NO RETURN?

What does this all add up to? Where are we headed? Is our private enterprise system actually doomed?

There are many who have said yes. Karl Marx predicted that capitalism would destroy itself; Joseph A. Schumpeter flatly stated that capitalism cannot survive;[4] and Robert L. Heilbroner concluded: "The change [away from capitalism] may require several decades, perhaps even generations, before becoming crystal clear. But I suggest that the direction of change is already established beyond peradventure of doubt."[5] Even "Adam Smith" observed in *Supermoney* that "the consensus is moving away from the market as decision maker and from the business society."[6]

Clearly, the factors I have cited *are* carrying us further and further away from the market system and toward a central economic one. I cannot prove we have gone or will go "to far," but I can point to figures substantiating the trend: our national income accounts show a shift in governmentally directed expenditures from 15% in 1930 to about 40% today. And the federal proportion has risen from 5% to 26% in the same period.

I am not saying, however, that the private enterprise system is doomed, nor that continuance of the trend toward central control is inevitable and irreversible. Nor do I feel that government has no role in the economic-allocation system. It clearly does and should. I believe, rather, that we are very near the point where further centralization will change our present system into one that can no longer perform its function efficiently.

I view this trend with alarm because I favor retaining the very powerful features of the market system. I hold this position, not out of blind faith in an ideology, but for these reasons:

Demonstrated economic superiority—The economic record clearly reads that the U.S. free-market, private enterprise system has produced the highest standard of living in history and has demonstrated a remarkable ability to adapt to changing conditions.

Political freedom—The principles of democracy and personal freedom are not compatible with a decentralized market system.

Personal experience—I have witnessed the difficulties of trying to allocate resources by centrally directed price controls. These difficulties have convinced me that it is impossible to improve on the system in which billions of daily market decisions by the public determine our resource allocations.

Before some brand me a chauvinistic throwback to Social Darwinism, let me quickly add these points.

I am aware that our present system has competitive imperfections on both the price and the wage sides. It has never been, and never will be, as theoretically competitive as Adam Smith's description. Government vigilance and action are required to prevent the natural monopolistic tendencies of the system.

I am also aware that there are social problems and inequities in our present system which need correction, and that the central government should play a role in this task.

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[1] Louis Harris, "The Public Credibility of American Business," *The Conference Board Record,* March 1971, p. 33.

[2] Thomas W. Benham, "Trends in Public Attitudes Toward Business and the Free Enterprise System," *White House Conference on the Industrial World Ahead* (Washington, Government Printing Office, February 1973).

[3] New York, Harper & Row, 1961.

[4] Capitalism, Socialism and Democracy, 3rd edition [New Yorker, Harper & Row, 1962], p. 61.

[5] Between Capitalism and Socialism (New York, Vintage Books, 1970), p. 31.

[6] New York, Random House, 1972, p. 266.

The difference between the centralists and myself is that I do not think the best solution is always to increase the size of the central system. *Rather, it is in a better functioning of our private competitive system and a better quality, not quantity, of public control*. The question remains: How can this be accomplished?

Backing up

It is obvious from the foregoing that I strongly believe the trends toward a centralized, or government-controlled, economy should be halted. I believe the survival of almost our total economy is at stake.

Businessmen, labor leaders, government legislators, and administrators have the power to slow or alter the trends I've cited. By doing so, we may be falsely labeled rightwingers or reactionaries, but we should not be daunted. If a goodly number of us do not try to stop the present trends, we may, even within this decade, end up with an economy we cannot manage.

Recommendations on how to halt the present trends are discussed below. I do have one comment that applies to all of them. I do not believe, as some free enterprisers do, that any of the suggestions I make should do away with the social achievements of the past 40 years. I believe that much, if not most, of the social legislation passed by the U.S. Congress protects the unprotected and provides social equity in economic terms that are consonant with the spirit of our political life and the protection of the individual by law. I deeply believe in equity.

I do not believe, however, in inequity. It is the inequities, rigidities, bureaucratic stiflings, and actual absurdities that we must attack. But again it is a question of how.

Selective deregulation: Obviously, not all regulation in the public interest should cease—for example, in the areas of safety, product quality, pollution, and health. But many economists can make a good list of those regulations that are interfering excessively with the competitive model, such as subsidies, quotas, tariffs, and competition-limiting labor and business practices referred to earlier in the article.

Monopolistic vigilance: Both business and labor have innate tendencies to seek monopolistic positions, and therefore they must be restrained. The same message also goes for professions (e.g., medicine and law) and trades (e.g., accounting and investment) that build up anticompetitive practices in the name of "professionalism."

The Sherman, the Robinson-Patman, and the Clayton acts, all designed to bring about these goals, were written many years ago. Each needs continued enforcement and should be examined for revisions asd oversights in its application.

Three-branch overhauls: Just as physical systems need periodic checks and overhauls, so do our social institutions. Government is no exception. Many of our procedures and institutions at the local, state, and federal level were designed for an agrarian society with slow communications and an isolated domestic economy.

At a minimum, I suggest a regularized public review, say, every three years, of the organizational and administrative procedures of government.

Political involvement: We live not just in an economy but in a *political* economy. Our economic system does not operate according to the classical laws of supply and demand but through the interaction of power and politics with economics. If business and labor leaders wish to steer the system in the direction they believe best, they cannot simply deplore, fume, curse, and hire a Washington lawyer or lobbyist. They must get directly involved by holding public office, personally visiting regulatory bodies and Congress, participating in citizens' affairs groups, and allocating time for empoyees to participate in local, state, and national politics.

Public advocacy: Related to the need for political involvement is the need for public advocacy of all views about our economic system. Those supporting increases in government's role are currently more vocal than are the advocates of the private enterprise system. The reason, I suspect, is that advocacy of private enterprise is often ridiculed as mossback in viewpoint, anti-intellectual, socially insensitive, and on the side of vested interests and "fat cats."

Nevertheless, those believing in the private enterprise system must speak out, not bombastically but intelligently. Every avenue should be utilized—speeches, articles, participation in local affairs, appearances at schools, employer-employee discussions, and so forth.

Economic education: If people are to make intelligent choices about the nature of our economic system, they must understand more economics. My experience at the commission has convinced me that economic understanding in this nation is low, much lower than it should be for people to make wise choices.

Education to promote understanding should begin with our young people and extend through adult life, emphasizing not a partisan view but a clear presentation of various economic fundamentals and systems.

Better economic tools: The economic policy tools of taxation, budget, and monetary supply, by which government manages the overall economy, are very crude and require overhauling. The econometric models are weak, the implementation process rigid, and the needed data often not available. For instance, decisions were made in Phase II with a frightening paucity of economic information. At the very least, this situation could be corrected by funding the many excellent economic research organizations to enable them to come forward with recommendations for the Congress and the President.

Business schools: Business schools should turn out students who understand both the strengths and the weaknesses of the private enterprise system, as well as its responsibilities to society. Too often, technicians are being graduated who are narrow professionals and blind ideologists.

One particular recommendation is that more schools encourage enterpreneurs. The entrepreneur is the lifeblood—the innovator, creator, pusher—of the private enterprise system, without him, the system will tend to become change-resistant and bureaucratic.

Department of Economic Affairs: Part of President Nixon's proposed departmental reorganization program is the creation of a new Department of Economic Affairs. In the Price Commission, we saw numerous instances in which the dispersal of economic policy matters in various parts of government inhibited the formulation of an integrated and consistent program.

I support the proposed new department, which would gather together under one head the economic branches of various departments and agencies, e.g., Transportation, Commerce, Labor, the Small Business Administration, and others.

Productivity: A strong, increasing productivity is one of the best preventives against inflation and one of the strongest assets of a private enterprise system. Therefore, business and labor must work together to shore up our lagging productivity, particularly as we shift to a more service-oriented, and hence lower productvity, economy. Government can also help in this area through policies that stimulate capital investment and R&D.

In addition to the National Commission on Productivity in Washington, there should be a private sector productivity institute, like those in Japan, Germany, and Israel, which would be a clearinghouse of information and source of help and education.

A DIFFERENT KIND OF ROAD

My recommendations advocate continuation of a private enterprise, free-market system with these essential features:

The price system.
Private ownership.
Collective bargaining.
The profit motive.
Freedom of entry.

Capitalism is more than a system of economic voting by buying a can of peas. It is also a system of values and attitudes, a way of life that permits individual motivation, excitement, personal freedom, variety, and excellence. I do not see these attributes flourishing in centrally planned and controlled systems.

Yet I am not denying a role to central government. Government can help to ease transitions caused by change through stimulating or contracting the economy and informing the public of the cost and benefits of various alternatives, e.g., pollution control versus higher prices, caribou protection versus energy supply, unemployment versus inflation. Government also has the extremely important function of setting and monitoring the rules of the economic game through antitrust laws, product-quality standards, pollution controls, and so on. These restrictions are set principally to keep competition alive and to protect the general public.

The key issue is at what point do such activities and restrictions on the private enterprise system inhibit it to the point of rendering it effectively inoperative?

The tug between laissez-faire and state regulation has been going on for centuries. They are contradictory, but both are valid approaches and applicable under appropriate conditions. Yet neither is of universal application for all purposes.

We seem to advance by overaccentuation of one principle at a time, like a sailing vessel that is first on one tack and then on another, but is making to windward on both. It is important, therefore, not to hold too long on the same tack, not to believe too strongly that either principle is absolute and universal.

For the real danger is that people will strive for the triumph of a particular philosophy and will refuse to consider the limits of proper application of their particular point of view. In the heat of debate, the advocate often asserts extreme opinions and demands action more drastic than he would call for if he reflected more calmly.

I submit that what we must do is seek the balance between these opposing principles, realizing that it is almost as impossible to frame a comprehensive and universally applicable economic system as it is a political one. In making our Constitution subject to amendment, our forefathers showed they were aware that the best solution will not be found in one principle but in a set of ideas determined by experiment and observation of practical results. And it is extremely likely that the chosen path will not be the same forever, but will shift from time to time.

Phase IV could be a return trip to the relatively free-market system and, I hope, a reversal of the trend I have observed. It could be an opportunity for labor and business to demonstrate that the private sector can manage the market and fight inflation without further government intervention. If not—then I don't think that either labor, business, or the public will like the controls that will be imposed on our freedoms in the future. And we will have helped to build our own cages.

This is not a pessimistic view, for, as Schumpeter stated, a report that a ship is sinking is not defeatist. It is only defeatist if the crew sits and drinks. They can also rush to man the pumps.

In every sense it's up to each of us.

CONGRESSIONAL NIGHT AT THE CIRCUS

Mr. HUMPHREY. Mr. President, I am delighted to report that I shall have the honor of serving as honorary ringmaster on April 2 at the opening performance of Ringling Bros. and Barnum & Bailey Circus.

The occasion is "Congressional Night" at the initial performance of the Circus' 3 week engagement in Washington, D.C. at the National Guard Armory.

The show will be a benefit for the Children's Hospital in the Nation's Capital. The event will be nonpartisan with several of my colleagues from the House and Senate participating as guest clowns and elephant riders.

At this time, I would like to draw your attention to Peggy Williams, a young lady who performs as a clown in the 1974 edition of the Circus. Like many of the clowns in the show, Ms. Williams has a university background. Having majored in speech pathology at the University of Wisconsin, she has had experience in working with deaf youngsters.

Mr. President, I ask unanmious consent that a news release about this remarkable young lady issued by Ringling Bros. and Barnum & Bailey Circus be printed in the RECORD.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

PEGGY WILLIAMS: SHE'S SERIOUS ABOUT CLOWNING AROUND WITH RINGLING BROS. AND BARNUM & BAILEY CIRCUS

Clowning around has become a serious profession.

"Everyone has his own reasons for becoming a clown," says 23-year-old Peggy Williams, one of the young members of Clown Alley of the all-new 1974 Edition of Ringling Bros. and Barnum & Bailey Circus.

Peg and her fellow laughmakers will be aboard when the Circus' silver streamliner streaks into Washington, D.C. for performances at the District of Columbia National Guard Armory starting Tuesday, April 2nd and continuing through Monday, April 22nd.

"I'm a born ham," Peggy admits. "Clowning is the only profession I could think of where I'd have complete freedom to express myself. I make up my own characters, even my own costumes."

For those and other reasons, many young people like Peggy are joining The Greatest Show on Earth as clowns these days. But instead of running away from home, they're coming from college campuses.

All but five of Peg's 31 clown friends have had some college experience. And many have completed the rigorous training program of Ringling Bros. and Barnum & Bailey's College of Clowns, conducted annually at the Circus' Venice, Florida winter quarters.

"The new breed of clowns doesn't come from Circus families," Peggy reports, "and we could have done other things. But we chose clowning as a profession and are all delighted that we did."

As a speech pathology major at the University of Wisconsin, Peggy learned to use her hands and face to communicate with deaf children.

"Their natural language is pantomine," she explains.

Soon Peg became an "avid fan" of Marcel Marceau and even investigated the possibility of going to Paris to study with him. Then she heard about Clown College and applied. "My parents thought it was a real joke," she remembers.

Today, after two years of professional experience with Ringling Bros. and Barnum & Bailey, her parents aren't the only people laughing.

As a dilapidated ballerina in men's long underwear, rubber boots and a bedraggled tu-tu, Peggy is hysterically pathetic.

Her stumbling, purse-dropping grandmother "gets to the old ladies every time," she says. "The character is not offensive and they can identify with her."

In her two years with the Big Show, Peg has learned to "read" her audiences well. "A tiger attracts attention naturally," she explains, "but a clown must do something to make people react."

Would she advise other young ladies to consider clowning as a career?

"Certainly!" she says. "But, they should realize from the outset that there's a lot more to being a clown than the glamour of appearing in the ring. It's hard work but, if you love people the way I do, you couldn't find a more satisfying career."

The 1974 Edition of The Greatest Show on Earth is produced by Irvin Feld and Kenneth Feld and staged and directed by Richard Barstow.

IN THE AFTERMATH OF THE MIDDLE EAST WAR

Mr. HUMPHREY. Mr. President, on March 27 I had the pleasure of addressing the National Executive Conference along with Secretary Shultz on the topic of "Middle East Crisis—Effect on Investment, Economies, and Monetary Policy."

I would like to bring my remarks before this distinguished group of business executives to the attention of my colleagues in the Senate.

I do not believe that the U.S. Government—and by this I mean the executive and legislative branches—have done enough to respond to the changed economic and political situation in the aftermath of the Yom Kippur war.

The energy crisis and the embargo forced us and other industrialized nations to take emergency measures. But the long-run problems that we identified in the midst of this crisis still persist and many have grown worse. This is certainly the case with world agricultural production, which is heavily dependent on energy supplies for fertilizer production, harvesting, transportation, and processing.

I fear that out of frustration with the very great problems which we face and which raise the fundamental issue of American economic and political interdependence with the rest of the world, we will turn our backs and retreat in the shelter of our own wealth and security. Such behavior is ultimately self-defeating. There is no security in a hungry world, and our wealth is dependent on materials and markets beyond our shores.

In the coming weeks, the Senate and the House will have an opportunity to express the Nation's will on a critical issue related to our global economic responsibilities. The vote on the American participation in the International Development Association will be a key test of our desire to provide assistance to the world's poorest countries. I believe that we must pass this test and agree to the commitment made by the U.S. Government in Nairobi to aid the poor nations through IDA, which is the World Bank's soft loan window. The American commitment to IDA is more than a moral one. It is a commitment to political stability, and to our own economic well-being.

Mr. President, I ask unanimous consent that in addition to my remarks before the National Executive Conference, the editorial from the Washington Post of March 26, entitled "Development Loans: The World Is Watching," be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Mar. 26, 1974]

DEVELOPMENT LOANS: THE WORLD IS WATCHING

A key international vote is nearing in the Senate, one that will tell the world in unmistakably clear terms just how responsible a role the United States intends to play. It is the vote on providing $1.5 billion over four years for low-cost development loans to be administered by the International Development Association, a branch of the World Bank. The House rejected the funds last January in a vote reflecting not so much its considered judgment of IDA as its exasperation at the spectacle of Arabs sitting around with big new pots of oil money and doing little to help their third-world brothers. It is up to the Senate to assert the appropriate American interest now.

IDA takes the tough cases; countries doing well don't need IDA loans. But countries that do need IDA loans need them desperately; the loans represent the narrow ledge of international concern to which the recipients cling. Even if we could bring ourselves to abandon the people of those states to whatever miseries fate might bring them, we would still have a hard core of direct self-interest in offering them a hand. We want them to be tolerably stable because we all inhabit the same world. And we want access to their resources and markets and, in another framework, their understanding and respect. It is idle to believe that shutting off development loans will make such countries better world citizens or more pliant to our will.

The House in January reacted negatively to the seeming prospect that IDA loans would end up in Arab pockets. But the loans go for development projects. The poor will have to scratch elsewhere to pay for their oil, or to go without. The real misfortune would be if the poor were to lose not only their present, which is what they need oil for, but their future, which is what IDA is all about. It is regrettably true that the Arabs have yet to take account of the poor countries' need for relief from the new high oil prices. The relevant question is, however, who should pay for Arab meanness—its victims?

Legislators might recall as well that it was in response to their own directive that the administration negotiated with other rich nations a reduction of the American share of IDA, from 40 per cent to 33. The congressional part of that bargain is to put up the money. Moreover, an American default or shortfall would not only trigger a parallel retreat by other IDA sponsors; support for the special lending programs of the regional development banks would also come under a dark political cloud. What is at stake here is nothing less than the whole structure of international development assistance built up since World War II.

The administration was sharply criticized at the time of the House vote for being unwilling to expend enough of its political capital to push the issue through. Fortunately, the administration has regrouped. George Shultz, Secretary of the Treasury, personally led a hard charge up the Hill last week. The evident strategy is to get a good Senate bill and restore as much as possible in conference. The alternative is to blow out a light in the window, to let the world's poor know we do not care, and to invite their grim response.

Middle East Crisis—Effect on Investment, Economies, and Monetary Policy

(By Senator Hubert H. Humphrey)

The Yom Kippur War or October war which lasted only 16 days, has done more to change the face of international economic and political relations than any single military conflict since the end of the Second World War.

In the aftermath of the fourth Arab-Israeli war, the balance of global economic and political power has been greatly altered.

The Arab oil exporters, excluding Iran, with a combined population of only 37 million people, have become a major economic power.

Their oil revenues will grow to more than $50 billion by the end of this year.

Although Arab unity is not always certain, the tendency toward collective use of their vast economic resources is great.

There are no clear signs yet that their new wealth will be used to disrupt world financial markets.

The nations of Western Europe—the former colonial rulers of the Middle East—were pressured by Arab oil producers and their allies to shift their foreign policies, thus antagonizing their most powerful ally, the U.S., and demonstrating their severe economic vulnerability.

The phenomenal Japanese economic boom has been slowed by energy cutbacks; some economists say Tokyo's "golden age" is permanently over. Japan's Middle Eastern policy also was forceably changed by Arab pressure.

The Yom Kippur War threatened a major unravelling of Soviet-American détente.

Soviet actions in the Middle East shattered the illusion that the Russian desire for improved commercial relations with the United States would hold Soviet political and military ambitions in check.

Despite our relative energy independence, the Arab oil producers were able to place great economic and political pressure on the United States.

Increases in the price of crude oil have been a major factor in our spiraling inflation and the concurrent slowdown in industrial production.

We do not know the ultimate impact of these shifts in the global power balance. But it is clear that before we have reached the decade's midpoint, the world economic situation already has approached a stage that we were predicting for the 1980's:

Shortage of supply instead of shortages of demand;

The growing threat of cartelization of raw materials;

Greatly increased economic competition between the United States and Europe;

And population pressure on food and resource supplies being equalled by exploding affluence in the industrialized world;

Finally, the Arab oil embargo and the energy crisis have forced American policy makers to consider our economic interdependence with the rest of the world.

We may be able to become self-sufficient in energy, but we will be unable to achieve similar self-sufficiency with 10 of the 13 critical materials needed for our industrial production, which are found outside of the United States.

These economic facts of life have come rushing forward in the aftermath of last October's clash in the Middle East. We were and are totally unprepared to deal with them. We lack the national international mechanisms to solve the global problems which confront us.

In addition to these issues suddenly placed on our doorstep, there is the political uncertainty in the Middle East which only heightens global tensions and makes cooperative international efforts more dificult.

Let me quickly review the present situation there.

Thanks to efforts by Dr. Kissinger, the first steps of troop disengagement on the Egyptian front have been successful.

The Syrian front continues to be a problem and could become an active battleground against unless Damascus shows more self-restraint.

I am hopeful that both Israel and Syria will send their negotiators to Washington next week to go forward with disengagement talks.

Beyond the disengagement stage, I am not overly optimistic about a quick settlement of the basic political issues which have for so long troubled this troubled region.

The final disposal of the lands won in the 1967 war, the resolution of the Palestinian problem, the future status of Jerusalem and the ultimate security of Israel are not issues easily or quickly resolved.

However, the conditions which would enable negotiations to begin are present:

The military balance between Israel and Arab nations has temporarily been secured, despite large Soviet arms shipments.

This balance is essential to a successful negotiating process.

The United States has been able to earn the trust of the more moderate Arab governments.

Soviet political influence in the area—especially in Egypt—has been greatly diminished.

It is clear that until the outstanding political issues can be settled and a stable peace negotiated, the global economic problems growing out of the October war cannot be resolved. This is especially true for the energy related issues which confront us today.

One of the critical issues I would like to discuss briefly within the energy context is world food supply and general economic conditions in the developing world.

These are not esoteric subjects. They have a direct bearing on the American economy and the fundamental question of global economic interdependence.

Before October, 1973, the prospects for continued economic growth in the developing world appeared reasonably good.

Since the oil price increases of last December, 40 of the poorest countries containing more than one billion people face bankruptcy, malnutrition, and political instability resulting from massive price increases of oil, fertilizer, and food imports.

If these prices remain at current levels—which are four times greater than in 1972—the developing countries will have to pay $10 billion more for necessary oil imports in 1974 than they did in 1973.

And the money flowing from the poor countries of Africa, Asia, and Latin America into the treasuries of the oil producers will be recycled in the form of investments in the economies of the industrialized world.

The price tag for imported food and fertilizer for poor nations will add another $5 billion to the $10 billion oil import figure, bringing the total to $15 billion.

The massive impact of these price increases is indicated by the fact that they are equivalent to nearly five times the total of net American development assistance in 1972 and nearly double the total worldwide development aid to poor nations in the same year.

As the developing world is plunging deeper into poverty, the industrial world is afflicted by rampant inflation and sharp declines in industrial production.

In addition to these problems, the serious fertilizer shortage in the U.S., threatens to limit expected bumper crops.

Land recently released for production is marginal and needs great amounts of fertilizer which simply are not available.

In past years, if there were shortfalls in agricultural production, we would fall back on accumulated reserves.

This year our reserves are at a 27-year low, due to Soviet purchases and other export sales.

Our grainery is nearly empty, and worldwide reserves are down to less than a month's supply of food.

This is a dangerous situation.

Low reserves offer no safety margin against famine.

And famine is now raging in Africa and is almost a certainty in India, Bangladesh, and other Asian countries later this year, due to the fertilizer shortage and expected bad weather.

A Nobel prize winning nutritionist Dr. Borlaug has predicted that as many as 20 million people may starve to death this year.

The spectre of widespread famine not only raises serious moral issues, but political ones as well.

There are no easy solutions to the severe economic problems of the developing world.

If anything is to be done, both new-rich oil exporters as well as the industrialized nations will have to contribute resources to various multilateral lending institutions, as well as maintain present bilateral aid levels.

Our economic and political stake in the developing world is great.

If we let the poor nations starve or decline into more abysmal poverty, we will be alienating those nations which control many of the critical materials we need for our own economy.

If out of frustration and bitterness, we retreat from our humanitarian responsibilities, we will only be encouraging the alienation of the developing world.

The poor nations would surely resort to the formation of raw material cartels in order to survive and to pursue their own economic interests if we neglect their needs.

From a moral and economic point of view, we must seek global solutions to these problems.

We must enlist the support of the oil producers—we certainly cannot carry the entire load ourselves.

Frankly, I am not sure that we can obtain the active participation of the OPEC countries.

But, we must search for ways to convince them that it is in their interest, as well as ours, to work together to alleviate the problems of the developing world.

Such cooperation will require peace in the Middle East. It may also require a willingness on our part to offer additional world food aid and expect in return a commitment of OPEC oil revenues to avert global famine and economic collapse in the developing world.

BRIG. GEN. "ANDY" CANNON—"BORN TO FLY"

Mr. McINTYRE. Mr. President, last Friday the Lakes Region of New Hampshire, where I was born and grew up, lost one of its most colorful citizens, Brig. Gen. Andrew B. "Andy" Cannon, retired, an aviation pioneer and war hero whose daring, skill, and ingenuity thrilled us, man and boy, for nearly five decades.

Those of us from small towns like Laconia, N.H., sometimes romanticize our recollections of boyhood heroes, and if "Andy" Cannon's exploits had been limited to those early hedge-hopping, barnstorming, and stunt flying days perhaps this might have been the case with him.

But our early adulation was justified and prophetic, Mr. President, because "Andy" Cannon was to go on to become a genuine war hero who retired several years ago and returned to the Laconia area where his family has lived for more than half a century.

From those early days when he and his brother, Bill, barnstormed out of the old Laconia airport, "Andy" Cannon went on to fly for the National Guard before World War II, then for the Ferry Command, and finally to rise to high command of the famed Military Air Transport Service.

Along with veterans of General Chennault's Flying Tigers, he helped establish the famous supply route over the Himalayas called "the Hump," and in Lt. Gen. William H. Tunner's book, "Over the Hump," no officer who served with General Tunner got higher praise than "Andy" Cannon.

Mr. President, I ask unanimous consent to have printed in the Record at the conclusion of my remarks the account of Andy Cannon's passing and the eulogizing editorial that appeared in my hometown paper, the Laconia Evening Citizen. These two accounts cover many of Andy Cannon's remarkable achievements.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McINTYRE. Mr. President, before I conclude I would like to cite just one to illustrate why General Tunner said Andy Cannon was "born to fly" and why he held him in such esteem.

When the war with Japan ended, General Tunner was confronted with a logistical challenge of alarming proportions. Some 2 million Japanese remained in control of conquered territory, with 300,000 concentrated in the area around Shanghai. The 94th Chinese Army, with 30,000 troops, was stationed at Liuchow, 1,100 miles south of Shanghai. China asked the United States to protect these troops, and the question was how to do it. There were no railroads to evacuate them from Liuchow, and mined waterways prevented the Navy from doing the job.

In his book, General Tunner says:

> The situation, of course, called for Colonel Andy Cannon's Douglas C-54's.

Two hundred of these planes were based in Bengal. General Tunner and Andy Cannon laid out a plan calling for each plane to have its gas tanks filled to capacity in Bengal and its cargo space loaded with additional drums of fuel. The planes would then be flown over the Hump to Liuchow, the gas tanks refilled from the auxiliary drums, each plane loaded with 80 Chinese soldiers and their equipment, and then flown on to Shanghai where an American mission had been established and the defeated Japanese persuaded to accept the arrival of the Chinese troops.

Total round trip was 4,615 miles, all to fly one planeload of 80 soldiers and their equipment the 1,100 miles to Shanghai.

Wrote General Tunner:

> I knew we would be beset with problems, chiefly in maintenance and communications. I knew that Andy Cannon could handle the job, and in appreciation in advance I named the entire project after him. From then on it was the Cannon Project.

Mr. President, this achievement alone would have established Andy Cannon as a man above men, but it is only one of many in his truly remarkable career.

Aviation has lost a man who was a legend in his time. The Air Force has lost one of its great officers. The people of the Lakes Region of New Hampshire have lost a respected neighbor and fellow citizen. And I have lost a cherished friend.

Gen. Andrew Cannon Dies; Led Burma Hump Flights

Northfield.—Brig. Gen. Andrew B. Cannon (Ret.), 69, of Bean Hill Rd., a leader in the history of New Hampshire aviation, died Friday noon at the Veterans' Hospital in Manchester following a short illness.

Gen. Cannon, a resident of the Lakes Region from his early youth, returned here several years ago to make his home following a career in military aviation that extended back before World War II. His flying took him around the world and he was one of the officers who established the famed Military Air Transport command that supplied Allied forces during World War II.

His flying extended back to the old OX5 airplanes developed following the early years of aviation. He used to have later pilots standing in awe with tales of piloting them around the Lakes Region. In that early period any field big enough to get out of was a landing strip and they refueled after a trip with a can at a local gas station.

Gen. Cannon enlisted in the flying branch of the National Guard prior to World War II and entered military flying through that branch. He was later associated with the famed ferry command and had under him such notable flyers as Wrong Way Corrigan, who made history by a flight across the Atlantic to Ireland when according to his flight plan he was headed from New York to Los Angeles.

High in the command of the Military Air Transport service following its establishment during World War II, he was responsible for supplying allied units in the India-Burma-China theater of operations. He was a member of the group that established the supply route over the Himalayas known as "The Hump" to veterans of that war area. Pilots on the initial runs were veterans of the Flying Tiger Fighter Group put together by Gen. Chennault to aid the Chinese forces early in the war.

Following the war Gen. Cannon was retained in service with the MATS command establishing transportation of men and supplies to military bases of the United States around the world. Notable among his achievements during that phase of his career was supplying Navy installations established in Antarctica.

Lt. General William H. Turner of the United States Air Force in his book "Over the Hump" published in 1964 told of high officers who served with him in World War II, and none received higher praise than Gen. Cannon. Indeed, to read Turner's 340-page book one gets the impression he rated "Andy" the best of all.

In the opening chapter Gen. Turner described a "nightmare" experience searching for a lost American flyer on an island near the mouth of the Amazon River. He relates that "the second B-24 (in the search) was piloted by Major Andrew Cannon, the deputy commander of the Sixth Ferrying Group; it was to be my pleasure to hear and see a lot more of Andy Cannon as the years went by."

Gen. Turner organized the India-China Division. He details it in his autobiography, "I asked for Colonel Andrew Cannon. Andy was one of those men born to fly. He'd been a stunt pilot before he'd been brought into the Ferrying Division at the very beginning by General Olds. Cannon was from New Hampshire, but I always thought he talked like a Texan. Wherever you saw Andy with a group of people, you could bet that he would be the one doing the talking. He was quick-witted and clever, and it was a pleasure to listen to him."

Space is devoted by Turner to accounts of the planes flying out of bases in Bengal.

"Wing Commander Andy Cannon," he wrote, "was making good use of those bases, sending his big planes due east across Burma, then north to Kunming at a maximum altitude of ten thousand feet going over, twelve thousand feet on the return trip."

When the war with Japan ended, Gen. Turner was confronted, he said, with a great challenge. Some two million Japanese remained in control of conquered territory. He called Andy Cannon to Calcutta to discuss the problem. Four thousand mile trips were necessary over routes which had no supplies available. The U.S. was asked to transfer 30,000 Chinese troops out of the area.

"The situation," said Gen. Turner, "called for Col. Andy Cannon's Douglas C-54's. By now we not only had over 200 of these big beautiful beasts, but the know-how in operating them. I knew that Andy Cannon could handle the job, and in appreciation in advance I named the entire operation, after him. From then on it was the Cannon Project."

Gen. Cannon is survived by his wife, Mrs. Mabel Cannon, a son, Andrew B. Cannon, Jr., of Center Harbor, a conservation officer with the N.H. Fish and Game Dept.; two brothers, Major William A. Cannon of Weirs Beach and James Cannon of this city; and one nephew, William A. Cannon, Jr., of Fort Myers, Fla.

Born To Fly

As news came of the death last Friday of Brig. Gen. Andrew Ballentine Cannon (Ret.) some Lakes Region residents could recall when they saw their first airplane (piloted by Andy Cannon or his brother Bill from the base of their barnstorming operations at the old Laconia airport, now O'Shea Industrial Park.) The Cannon brothers' planes were of the vintage of World War I. Landings in pastures after the craft barely skimmed a stone wall were not unusual. Andy had a job as a loomfixer in a textile mill but soon forsook that employment to make flying his life work.

Historians and novelists found exciting material for books about Major Robert Rogers, Dunbarton farm boy, whose exploits come to mind when one reviews Gen. Cannon's amazing accomplishments.

Ella Shannon Bowles, graduate of Laconia High School, is one of many professional writers, who have portrayed Rogers' unforgettable deeds in 1759 and 1760.

Mrs. Bowles said of him: "He was an outright adventurer by temperament, who helped to make the protest of the tomahawk useless and was an important factor in opening the New Hampshire wilderness to the white man."

We know of two books, and there probably are more, that will be helpful to anyone interested in doing a story on Gen. Cannon as Novelist Kenneth Roberts and others did about Major Rogers.

Note: See "Northwest Passage" by Kenneth L. Roberts.

Through the kindness of Senator McIntyre we obtained a copy of "Deep Freeze," a report of the U.S. Antarctic Research program. It has a picture of Brig. Gen. Cannon, commander, 63rd Troop Carrier Wing, Donaldson AFB, South Carolina, which successfully completed a resupplying operation of the scientific stations near the South Pole. The initial complement of 327 men and seven Globemasters was later augmented by three C–124s and 80 men. During the mission 84 flights operated from Christchurch, New Zealand, to McMurdo Sound, carrying 881 tons of cargo and personnel. A total of 68 drops was completed with 1091 tons airdropped. The recovery rate was 99 per cent. Total flying time was 3736 hours.

Gen Cannon had a part in the Berlin Airlift ordered by President Truman in 1948, and Andy's role with the Ferry Command at far corners of the globe is revealed in detail in Lieut. Gen. William H. Tunner's book, "Over the Hump." Tunner, U.S. Air Force, was a West Point graduate, and ready at all times to tackle a rough assignment. He took over control of the Himalaya Airlift of World War II which had been a graveyard for many a commanding officer. His first close knowledge of Cannon's leadership qualities came when Andy was one of 16 pilots ferrying P–38s from Long Beach, Calif., to Oran, North Africa, Pilot Joe DeBona was forced down, due to mechanical trouble, in a dense jungle bordering the Amazon in Dutch Guiana. Gen. Tunner says: "Andy Cannon had gotten in a serious controversy over the lost plane. On arrival at the base in Belem he had quite rightly insisted that the search and rescue section begin its work immediately. The base commander was faced with a dilemma. His orders were to expedite this movement of pursuit planes urgently needed in the fight for North Africa. To let Cannon go on the search would delay them. . . . I didn't know of this controversy, but I did know that DeBona was down and I wanted him rescued." Finally after several days, flares were seen by a rescue plane, and he was brought to safety, ill with malaria, but otherwise unharmed.

Gen. Tunner, providing background information on Andy says he was "born to fly" and early in World War II was assigned by Tunner to command the large Long Beach, Calif., airbase.

Sudden end of the war with Japan, with two atomic explosions, occasioned unusual military difficulties according to Tunner. In the area about Shanghai three hundred thousand Japanese were concentrated. The nearest Allied Force was the 94th Chinese Army, composed of approximately 30,000 troops and stationed at Liuchow. China requested the U.S. to protect these troops. Liuchow was 1100 miles south of Shanghai, Gen. Tunner recalls and between the two points were no railroads. The Navy could not help until waterways were cleared of mines. Gen. Wedemyer asked Gen. Tunner to take the job, and Tunner called Andy Cannon to Calcutta to talk over ways and means of moving the Chinese. In the area between Shanghai and Liuchow there were no supplies of any kind.

"The situation of course," Gen. Tunner reports, "called for Colonel Andy Cannon's Douglas C–54s." Over two hundred were available. This plan was devise by Messrs. Tunner and Cannon: "Each plane, before leaving its base at Bengal, would have its gas tanks filled to the maximum, and additional drums of gas to the maximum allowable weight of the plane would be loaded as cargo. The big C–54 would then fly over the Hump to Liuchow, where the drums would be unloaded. The airplane's tanks would be replenished with gasoline from these drums for the round trip to Shanghai."

When the planes were on the way back, they stopped for a new supply of gas from the reservoir at Liuchow which had been freighted to that spot as cabin cargo. The procedures was repeated on the return to Bengal.

Total round trip was 4615 miles, all to fly one plane load of eighty soldiers and their equipment the 1100 miles to Shanghai.

"I knew," wrote Gen. Tunner, "we would be beset with problems, chiefly in maintenance and communications. I knew that Andy Cannon could handle the job, and in appreciation in advance I named the entire operations after him. From then on it was the Cannon Project."

Shanghai had been in Japanese control for eight years. Col. Richard DeVania, who had been sent ahead by Gen. Tunner to make arrangements for arrival of 30,000 Chinese was not cordially received. In fact, he was taken into custody by the Japanese, and threatened with expulsion. An American named Healy appeared. He had escaped from a Japanese concentration camp, and with considerable nerve set up what he called "the American Mission" in Shanghai only the day before. DeVania was resourceful, too, and the Japanese reluctantly agreed to admit the Chinese troops. "Within twenty four hours the Cannon Project was landing Chinese troops there" are Gen. Tunner's terse words concluding the story.

On page 131 of his book Gen. Tunner refers to a staff meeting attended by Co. Lonnie Campbell from the Assam Wing, Colonel Andy Cannon from the Bengal Wing, and "my commander in China, Col. Dick Bonniley, in addition to the regular staff officers. . . . They were industrials, dedicated, and patriotic men, and they were human too."

Those of us who knew Gen. Cannon can testify that the foregoing words applied to Andy by Gen. Tunner were correct in every way.

AVIATION SAFETY

Mr. HARTKE. Mr. President, recently an article appeared in the Washington Post which indicated that laxity on the part of the Federal Aviation Administration may have caused the worst accident in civil aviation history and the deaths of 344 people. If the revelations of this article prove to be accurate, it will be a sad day in the history of Government regulation of the airways.

The FAA is charged with the responsibility of assuring safety in the air. It is given the power to do this without having to go through the bureaucracy of the Department of Transportation, despite the fact that FAA is part of that Department.

The article claims that a similar accident involving a rear cargo door occurred in 1972 and that the National Transportation Safety Board had recommended that the cargo door locking system be modified. The FAA then issued a directive requiring that modification, but subsequently withdrew the directive "upon appeal to the FAA Administrator by the manufacturer."

It is time that we in Congress took a close look at the FAA to determine just how beholden it is to the various aspects of the industry it is supposed to be regulating. If this were the first example of alleged pandering to the aviation industry by FAA, we might have cause to term it a tragic mistake; but it is not the first such incident which has caused the loss of life.

Mr. President, I ask unanimous consent to have two articles on this subject printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

FAA Safety Proposal, Later Eased, Might Have Averted DC–10 Crash

(By Jack Egan)

U.S. safety experts believe the recent Turkish Airlines DC-10 crash near Paris—with 344 deaths the worst accident in civil aviation history—would have been averted if recommendations made after an apparently similar but nonfatal accident over Windsor, Ont., in 1972 had been put into effect.

Documents have become available that reveal:

The Federal Aviation Administration soon after the Canadian incident drafted a regulation requiring modification of the rear cargo door to prevent it opening in mid-air. But it was never issued after McDonnell-Douglas, the plane's manufacturer, appealed directly to then-FAA Administrator John H. Shaffer. Instead, the FAA agreed to let the company use the less public method of issuing service bulletins to operators of DC–10s, calling only for voluntary compliance.

McDonnell-Douglas, in addition, resisted implementing a National Transportation Safety Board recommendation that came out of the 1972 investigation. As late as one week before the March 3 Paris crash, McDonnell-Douglas—in a letter to the FAA—said it did "not have the manpower" to determine if it was feasible to put the safety measure into effect.

The sequence of events between the two incidents raises serious questions about how resolutely the FAA has required safety-related changes if they are resisted by the manufacturer for either economic or public-relations reasons. Subcommittees in both the Senate and House will hold hearings on the issue next week.

While official investigations are still under way, air safety experts believe the Paris DC–10 crash was caused by a defective rear cargo door which was not completely latched and popped open soon after takeoff.

The open door caused a rapid decompression in the cabin, collapsing the floor and severing the plane's control cables which are routed underneath, according to the theory. People in the rear were sucked out of the plane.

The potentially defective cargo door was discovered after the Canadian incident. An American Airlines DC–10 experienced the sequence of decompression, a collapsed cabin floor and mangled controls after the rear hatch suddenly opened at 12,000 feet, about the same altitude as in the Paris crash. The American Airlines pilot, however, retained enough control to land the plane with no fatalities.

The National Transportation Safety Board pinpointed the design of the door latch as the probable cause of the incident and made two recommendations:

Require the cargo-door locking system to be modified so that it could not appear locked "unless the locking pins are fully engaged."

Require installation of relief vents between the passenger cabin and the cargo compartment to prevent collapse of the floor even if the cargo door should come off.

Federal Aviation Administrator Alexander P. Butterfield, in a letter to Reed, confirmed that the FAA drafted an airworthiness directive—which has the force of a regulation—a few days after the Canadian incident. But "upon appeal to the administrator by the manufacturer, a decision was made to forego the issuance of ADs," Butterfield wrote.

Instead, McDonnell-Douglas issued a less visible service bulletin to the U.S. airlines then flying DC–10s. The language in the service bulletin, and in an FAA telegram to the airlines, was the same as in the scrapped directive but it merely specified rather than legally requiring the modifications.

Butterfield, in his letter to Reed, said that soon after the Paris crash "I learned that certain of these modifications had not been carried out, and that there were some uncertainties in the records available to us with regard to the status of DC–10 aircraft."

He then "directed that the door modification program be formalized through ADs and made the subject of an immediate FAA regulatory surveillance program. An AD was issued that day. It meant, of course, that no DC–10 could be flown by a U.S. operator except in compliance with its terms."

The AD was also shipped to all foreign airlines flying the DC–10, which was not necessarily the case with the original service bulletins.

The directive was not, however, binding on foreign lines.

On the venting issue, the FAA—under the prodding of the NTSB—periodically asked McDonnell-Douglas to make recommendations on what could be done to prevent a floor collapse from depressurization.

A letter from the FAA to the chief engineer of the aircraft manufacturer on Feb. 2, 1973, said, ". . . We believe the loss of an airplane because the floor collapses under such conditions and disrupted vital systems, would be unacceptable."

McDonnell-Douglas responded March 15, 1973, that there would need to be "a considerable increase in floor and fuselage weight" if the plane were redesigned to meet the possibility of a large cargo door opening, thus cutting down either the number of passengers or the amount of cargo that could be carried. "In our opinion, this is unwarranted, due to the excellent safety record of structure in service aircraft," the letter went on.

Nearly a year later, on Feb. 13, 1974, the FAA made a more specific request for information on the feasibility of some kind of venting arrangement.

McDonnell-Douglas responded Feb. 25 that it was not "in a position to accept this burden alone" of undertaking the kind of study that the FAA was requesting that the "questions involve the whole transport aircraft industry" and it suggested that "the FAA consider the possibility of funding this study because of the magnitude of the effort required."

"We will not plan any further action on your Feb. 13, 1974, letter until we hear from you further," the letter from McDonnell-Douglas concluded.

Six days later the Paris crash occurred.

[McDonnell-Douglas, through it Douglas Aircraft Co. division in Long Beach, Calif., said last night that there was no connection between its correspondence with the FAA in February regarding a proposed safety analysis and the accident, the Associated Press reported.

["To imply that a different response on our part could have prevented the tragedy is both irresponsible and malicious," said division president John C. Brizendine.]

FAA Aide Criticizes Agency for Canceling Safety Order

(By Jack Egan)

A Federal Aviation Administration official said yesterday that the agency should not have canceled his 1972 directive ordering mandatory changes in cargo doors on DC–10 airliners.

The official, Arvin O. Basnight, director of the FAA's Western region, declined to say who recalled the order, pointing out that he was under subpeona to testify before congressional committees investigating the March 3 crash of a DC–10 near Paris. The crash—the worst in civil aviation history—killed 346 persons.

A failure of the rear cargo door to latch properly is believed to have caused the Turkish Airlines crash near Paris. The door, according to U.S. safety experts, was ripped open soon after takeoff. This would have rapidly depressurized the cargo area, collapsing the floor about it, sucking passengers in the rear cabin out the opening and severing the airplane's control cables below the cabin floor.

The plane's manufacturer, McDonnell-Douglas, said in a statement that after an accident over Canada in 1972 the company "took immediate action to make the cargo door latching mechanism failsafe, regardless of human error or abuse of the mechanism."

The rear cargo door defect was first pinpointed in the nonfatal air incident over Windsor, Ont. Four days after the Canadian incident, Basnight's Western region—which has jurisdiction over California-based McDonnell-Douglas Corp.—drafted the first of what were to be several administrative directives (ADs) to prevent a recurrence of the problem.

"Upon appeal to the (FAA) administrator by the manufacturer, a decision was made to forgo the issuance of ADs and, instead, to seek the modification of the cargo compartment door latching mechanism through voluntary compliance by operators with McDonnell-Douglas service bulletins," the present head, Alexander P. Butterfield, explained in a letter this week.

John H. Shaffer, who was FAA administrator at the time, could not be reached for comment.

Basnight explained that an AD for domestic airlines "has the force of law, and it invokes the FAA's inspector personnel to check it," while on a service bulletin the FAA inspectors "may do it, but are not required to do it."

For foreign airlines, an AD is not mandatory, but it must be sent to the governments of all airlines operating a particular aircraft while a service bulletin does not have to be provided to the foreign government.

He said an inspection of all 134 DC–10s subsequent to the Paris crash showed that two craft did not have modifications called for by the service bulletins, including the Turkish Airlines plane, which was purchased after the bulletins had been issued. The other DC–10, also operated by a foreign airline, has since been modified.

In addition, the FAA is in the process of issuing another AD requiring a further refinement on the rear door incorporating a so-called "closed loop" system that won't let the airline pressurize unless the cargo door is completely locked.

"The attitude of McDonnell-Douglas has changed with the demonstration of the two accidents now," Basnight said. "The company has adopted the position that whatever is required, they'll do it."

McDonnell-Douglas president John C. Brizendine, in the statement issued late Thursday, admitted that the Turkish plane's rear cargo door, which has now been recovered, "did not incorporate all the approved changes," but he did not explain why.

He said that "all aircraft now flying anywhere in the world have been reinspected thoroughly to establish beyond doubt that they now do incorporate the necessary changes."

Richard S. Sliff, chief of the FAA Western region's aircraft engineering division, said a faulty early version of the cargo door caused the floor of a mockup DC–10 to collapse during pressurization tests of the plane in 1971, prior to its certification.

The door—which was never certificated "blow off the test article," Sliff said, when pressure reached about 5 pounds per square inch, and that "the structure above the door the floor—deformed toward the door."

This initial version was replaced by the redesigned door that would up on the certificated plane and the FAA described as "failsafe."

MONTHLY LIST OF GAO REPORTS

Mr. METCALF. Mr. President, the General Accounting Office, an arm of the Congress, releases many of the letters and reports prepared for Members and committees. These releases are conveniently summarized in the Comptroller General's "Monthly List of GAO Reports." I have previously inserted issues of this invaluable summary report, and ask unanimous consent that the current issue, March 1974, be printed in the Record.

There being no objection, the summary report was ordered to be printed in the Record, as follows:

Monthly List of GAO Reports—Comptroller General of the United States

AGRICULTURE AND RURAL DEVELOPMENT

Audit of Commodity Credit Corporation Fiscal Year 1973. Department of Agriculture. B–114824 of February 7.

CCC reported a $4.09 billion loss for fiscal year 1973, up $637 million from its $3.46 billion loss for fiscal year 1972. This loss was CCC's second highest since it was created in 1933—the highest was $4.21 billion for fiscal year 1970.

Most of the loss for 1973 resulted from—

Net direct payments of $3.1 billion to producers for setting aside land from production of feed grains, cotton, and wheat during the 1972 crop year.

Interest expense of $370 million, and

Export subsidies of $349 million.

COMMERCE AND TRANSPORTATION

Fewer and Fewer Amtrak Trains Arrive on Time—Causes of Delays. National Railroad Passenger Corporation. B–175155 of December 28, 1973, released February 5 by the Chairman, Subcommittee on Transportation and Aeronautics, House Committee on Interstate and Foreign Commerce.

This is the last of four GAO reviews on Amtrak operations, considered critical to reestablishing satisfactory passenger rail service in the U.S.

Amtrak's objective of operating 9 out of every 10 trains on time was not achieved. One of every four trains was late in 1972 and one of every three was late in the first half of 1973.

Time lost because of track conditions and maintenance work increased from 8,700 minutes in January 1972 to 23,700 minutes in December 1972—an increase of 170 percent. During the first half of 1973, one-third of all reported train delays resulted from this cause.

EDUCATION AND MANPOWER

Case Study of the Hawaii Public Employment Relations Act. B–172376 of February 1.

Hawaii's public employee collective-bargaining law goes further than do the laws of most public jurisdictions in adopting the customs of private-sector bargaining. It provides for statutory bargaining units; union security; a defined scope of bargaining; third-party administration; and, within the limits of public health and safety, the right to strike.

GAO found general agreement that the law was working reasonably well. Almost no one was opposed to collective bargaining by public employees or major provisions of the law—despite the seemingly radical nature of some of them. The Hawaiian experience may provide a basis for assessing issues that will be raised in other public jurisdictions in formulating an employee-management relations program.

GENERAL GOVERNMENT

Design and Administration of the Adverse Action and Appeal Systems Need to be Improved. Civil Service Commission. B-1798170 of February 5.

The need for agency appeal systems is questionable because of problems associated with

Inexperienced and inadequately trained agency hearing officers;

Excessive time required to process appeals at agency level; and

Duplicate effort involved in having hearings by both agencies and the Commission.

The Commission's objectively and impartiality and employee trust in the appeal system can be increased through a restructuring of the Commission's appellate organization.

Such restructuring should centralize administration of the appeal program and separate personnel management from adjudication of appeals, which would avoid the appearance of conflict that these dual functions create.

Opportunities for Savings in the Procurement of Tab Paper. General Services Administration. (To the Administrator, GSA.) B–115369 of February 7.

GAO examined how the Federal Government spends an estimated $100 million annually for tab paper used with computers. Greater economies could be realized in the procurement of this paper if more of it were purchased under competitive contracts.

GSA estimated, for example, that its annual cost of $8 million for commonly used tab paper, purchased under competitive contracts, was 20 percent less than the cost of the paper at the lowest prices offered by suppliers under contracts to the Government Printing Office.

These contracts are multiple awards at varying prices to all responsive suppliers. Under more competitive conditions there would be greater incentive for suppliers to offer lower prices. Efforts should be made to develop a more competitive method of awarding Government Printing Office contracts, as well as those of other departments or agencies.

Changes in Law Recommended to Enable GSA to be More Effective in Selling Excess Properties and in Acquiring Public Building Sites. General Services Administration. B–165511 of February 15.

Under competitive bidding the Government would have more assurance of receiving the highest value for excess property than it has under negotiated exchanges based on appraised fair market value.

Appraised values do not sufficiently assure that the Government is receiving the highest value obtainable because participation in an exchange is limited to one individual. In some cases former Government property was sold, shortly after an exchange, at prices much higher than the appraised value at which it had been exchanged.

To provide all interested parties an opportunity to acquire excess Government property in exchanges, the Congress should consider amending the law to permit GSA to offer such property at competitive bid and to deposit the cash proceeds into a building fund to be used, subject to annual appropriation acts, for acquiring public building sites.

INTERNATIONAL AFFAIRS AND FINANCE

United States Programs in Ghana. B–179421 of February 12.

For a 5-year period through FY 1971, the U.S. gave about $155 million, or an average of $31 million a year, in bilateral economic assistance to Ghana. This was the largest single source of assistance to that country.

However, this assistance has been primarily balance-of-payments support through loans to finance Ghana's import of commodities and Public Law 480 sales of agricultural commodities.

The 1973 U.S. program of $25.3 million reserved $19 million to be loaned to Ghana as soon as Ghana and its creditors agree on resolving that country's debt problem.

Because of the seriousness of the problem, Congress may wish to review with the State Department and AID the role of foreign donors, including the U.S., in providing a net-aid flow to support Ghana's economic development.

Exporters' Profits on Sales of U.S. Wheat to Russia. Department of Agriculture. B–176943 of February 12.

Financial results of the Russian wheat sales of July and August, 1972, cannot be determined precisely.

Six companies participated. Five voluntarily made their records and documents pertaining to the transactions available. The Louis Reyfus Corp. sold about 83 million bushels to Russia; the company refused GAO access to its records.

Estimated results of the sales ranged from a profit of 2 cents to a loss of 1.9 cents per bushel on sales of 316 million bushels.

However, grain exporters had opportunities to make unusual profits on their non-Russian sales through September 1972, and thereafter, because these sales were made at higher prices while the exporters still received subsidies. Fifty examples of companies' non-Russian sales showed possible profits per bushel ranging from 2 to 53 cents. Five additional examples showed possible profits per bushel ranging from 8 to 37 cents.

NATIONAL DEFENSE

Improvements Needed in Managing Nonexpendable End-item Equipment in the Air Force. B–133361 of February 26.

GAO tested the accuracy of the Air Force's new Equipment Management System to determine whether management was receiving current, complete, and accurate information on which to base budget, procurement and other decisions.

On the basis of analyzing 200 statistically selected computations, GAO estimates that gross equipment needs were misstated by $454 million and assets available to meet these needs were misstated by $383 million.

GAO found that management was not always provided with reliable data for making decisions to buy, budget, hold or release equipment.

Audit of Payments from Special Bank Account to Lockheed Aircraft Corporation for the C–5A Aircraft Program During the Quarter Ended December 31, 1973. Department of Defense B–162578 of February 19.

This is GAO's 11th report on the audit of payments to Lockheed. Since June 16, 1971, the Air Force has paid Lockheed $611 million from the special bank account against the total appropriated amount of $657.5 million.

Adequate Medical Evidence Needed When Approving Extended Sick Leave For Retiring Employees. Department of Defense (To the Secretary of Defense.) B–152073 of February 19.

To prevent loss of unused sick leave, the Federal retirement law was amended in 1969 to permit available sick leave to be added to employees' service time in computing retirement annuities.

While this change created incentive for conserving sick leave, it still is more advantageous financially for employees to use sick leave on the threshold of retirement. By doing so, employees generally obtain a larger increase in their retirement annuities as well as receiving full pay while on sick leave.

About 300,000 DOD employees are now or soon will be eligible for optional retirement. Granting of extended sick leave prior to optional retirement on the basis of inadequate medical evidence could become a major problem throughout DOD unless the Secretary

Requires medical examinations,

Defines medical evidence to support an incapacity for duty,

Checks extended absences, and

Reassigns disabled employees to positions they could still perform.

Consolidation of Reserve C–130 Airlift Squadrons Consistent with the Total-Force Concept Would Reduce Reserve Personnel Needs and Operating Costs. Department of the Air Force. B–158626 of February 20.

Using 1972 costs of Reserve and Guard squadrons as a basis for its estimates, GAO believes $27 million could be saved annually by reducing the 28 Reserve and Guard squadrons to 14 squadrons and equipping them like Active Squadrons.

Of the $27 million projected savings, about $24 million would result from a reduction in military and civilian personnel needed to sustain 14 squadrons with 16 aircraft each rather than 28 squadrons with 6 or 8 aircraft.

Need to Improve Administration of Stevedoring Contract at the Military Ocean Terminal, Sunny Point, North Carolina. B–177404 of December 14, 1972, released February 12 by the Chairman, Subcommittee on Manpower and Civil Service, House Committee on Post Office and Civil Service.

Controls at Sunny Point need to be improved to insure that provisions of the stevedoring contract are fulfilled. Timekeeping procedures are inadequate and cannot be relied on to verify the stevedoring contractor's charges.

Weaknesses are attributable to the insufficient number of Army timekeepers assigned to each ship to check the stevedores' and carpenters' time and to lack of written instructions defining timekeepers' functions and responsibilities.

NATURAL RESOURCES AND ENVIRONMENT

Action Needed to Improve Federal Efforts in Collecting, Analyzing, and Reporting Energy Data, (*To the Chairman, Senate Committee on Interior and Insular Affairs.*) *B–178205 of February 6.*

This report concludes it would be feasible to establish within the executive branch an energy information system containing current and valid information on energy supply and demand. To establish the system, however, legislation will be required.

It will take a significant period of time—years—to develop an adequate system and intervening steps will be necessary to reach this goal.

The report summarizes the existing situation, describes current data collection processes and problems, focuses on very recent activities in the Federal Energy Office and in the Congress, and sets forth GAO findings in support of the conclusion that a data system is feasible.

More Intensive Reforestation and Timber Stand Improvement Programs Could Help Meet Timber Demand. *Forest Service, Department of Agriculture. B–125053 of February 14.*

Obtaining the best timber growth on national forest land will require accelerated reforestation and timber stand improvement and better land inventory data and fund allocation procedures so that available funds are used on the highest priority work.

The Forest Service acknowledges its land inventory data and fund allocation procedures have not been adequate to make sure that available funds are used where reforestation and timber stand improvement would result in the best possible timber growth.

Congress may wish to consider Forest Service progress in improving land inventory data and allocation procedures so that funds are used on a priority basis and to reduce the large backlog of land needing reforestation and timber stand improvement.

VETERANS BENEFITS AND SERVICES

Examination of Financial Statements of Veterans Canteen Service for Fiscal Year 1973. Veterans Administration. B–114818 of February 25.

During FY 1973 the Service operated 169 canteens—one in each VA hospital and home—located throughout the U.S. and Puerto Rico. Services were available to a daily average of about 82,000 hospitalized veterans, 10,000 veterans domiciled in VA homes and about 30,000 veteran outpatients.

In FY 1973 sales totaled $86 million and resulted in a net operating income of $1.4 million, an increase of 32 percent over the previous year.

In GAO's opinion, the financial statements present fairly the position of the Service at June 30, 1973, and the results of its operations and changes in financial position for the year then ended.

LETTER REPORTS

To Senator James O. Eastland, on the Head Start program operated by the Community Education Extension, Mary Holmes College, Jackson, Mississippi, B–157356 of February 8, released February 19.

To Representative Claude Pepper, on allocation of revenue sharing funds to programs to benefit the elderly. B–146285 of February 14, released February 22.

To Representative Patricia Schroeder, on travel to Alaska by staff of the National Field Investigations Center, Environmental Protection Agency, Denver, Colorado. B–179514 of January 29, released February 1.

To the Chairman, Subcommittee on Priorities and Economy in Government, Joint Economic Committee, on use of should-cost studies by the Army and Navy. B–159896 of January 17, released February 11.

To the Chairman, Senate Committee on Agriculture and Forestry, concerning data available from Federal agencies on need for water and waste disposal systems in rural area. B–166506 of December 28, 1973, released February 26.

To Representative George E. Brown, Jr., on Air Force plans to perform custodial services by contract at Norton Air Force Base, California. B–178849 of July 2, 1973, released February 7.

To the Chairman, Subcommittee on Transportation, House Committee on Appropriations, on use of FY 73 funds appropriated to the Federal Railroad Administration for additional positions in the Bureau of Railroad Safety. B–178306 of May 18, 1973, released February 20.

To the Secretary of Defense, pointing out the need to consider the priority of research needs for the Antiballistic Missile system. B–164240 of February 4.

To the Secretary of Defense, on planning of innovative research by DOD and the military services. B–167034 of February 14.

To the Secretary of Health, Education, and Welfare, on Medicaid expenditures for "ineffective or possibly effective" prescription drugs. B–164031(2) of February 15.

OFFICE OF FEDERAL ELECTIONS REPORTS

The Office of Federal Elections, on February 5, referred to the U.S. Attorney General, the Ohio Attorney General, and other Federal and Satte officials, apparent violations of law by the Ohio Democratic Party, in hiring State employees on the basis of political activity.

OFE also issued a background summary on the administration of the Presidential Election Campaign Fund for the 1976 presidential election.

HOW TO OBTAIN GAO AUDIT REPORTS

Copies of these reports are available from the U.S. General Accounting Office, Room 6427, 441 G Street, N.W., Washington, D.C. 20548. Phone (202) 386–3784.

Copies are provided without charge to Members of Congress, congressional committee staff members, Government officials, members of the press, college libraries, faculty members, and students. The price to the general public is $1.00 a copy, except as noted. There is no charge for copies of letter reports.

When ordering a GAO report, please use the B-number, date and title to expedite filling the order. Orders should be accompanied by check or money order. Please do not send cash.

Copies of Office of Federal Elections reports are available from the U.S. General Acounting Office, Room 6510, 441 G Street, NW., Washington, D.C., 20548. Phone (202) 386–6411. Copies are free, except as noted.

IN DEFENSE OF CONGRESS

Mr. ROBERT C. BYRD. Mr. President, the accomplishments of the 93d Congress have been commendable. I believe that the Senate has compiled a splendid record thus far, and the fine cooperation between Democrats and Republicans in this body clearly shows that Congress is still the people's branch of government.

Yet, despite its fine record, Congress still finds itself the target of what I consider to be unjustified criticism. These attacks on Congress receive widespread media coverage, while the actual performance of Congress—in too many instances—goes unreported.

I have said on several occasions that all of us who are Members of Congress should make a conscientious effort to defend Congress as an institution against such attacks.

Yesterday, at a luncheon of the National Capital Democratic Club, I had an opportunity to speak up for Congress. I did so.

I ask unanimous consent that my speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

SPEECH TO NATIONAL DEMOCRATIC CLUB BY U.S. SENATOR ROBERT C. BYRD, OF WEST VIRGINIA

Mr. Chairman, my fellow West Virginians—several of whom are here—my fellow Democrats, my Republican friends—some of whom are present—ladies and gentleman:

In 1215, the Barons of England met with King John on the meadow at Runnymede. They were not demanding new laws or better laws, but a righteous and consistent administration of laws already established and regarded as their immemorial birthright as Englishmen.

They had found John to be arbitrary, untrustworthy, never to be counted on to follow any fixed precedent to limit himself by any common understanding—a lying man who respected no man's rights and thought only of having his own will.

And they came, a body of armed men in counsel, to have a final reckoning with him. And, so, they thrust Magna Charta into his hand to be signed. Swords made uneasy, stir in their scabbards; and John had no choice but to sign.

That was the beginning of constitutional government in its simplest form. It established, once and for all time, the ideal of a government conducted upon the basis of a definite understanding—and if need be on the basis of a formal pact—between those who are to submit to it and those who are to conduct it, with a view to making government an instrument of the general welfare rather than an arbitrary, self-willed master, to do what it pleases.

572 years later, a group of illustrious men met in Philadelphia to draft a new Magna Charta which would serve as the organic law and basic charter of a new nation.

Some of them were descendents of Englishmen, but all of them were familiar with denial of justice and liberty by the tyranny of an English monarch.

They were determined that their fledgling government would forever be responsive to the will of the governed, and that no powers reposited in any office or in any place would ever go unchecked.

To accomplish this, they devised three equal and coordinate branches of government—the legislative, executive, and judicial—each subject to a system of checks and balances.

187 years have passed since the creation, in Philadelphia, of the American parliament, or Congress. It is the People's Branch—the voice of those who are governed, translating their will into the laws of the land.

During the past year, we nave seen a severe strain placed upon the system of checks and balances. It is not too much to say, I believe, that the principles first laid down at Runnymede, and reiterated by the framers of our Constitution at Philadelphia, are today threatened as they may not have been before in our history.

Presidential impoundments have greatly increased over those of any previous administration. The doctrine of Executive Privilege—unmentioned in the Constitution but obviously inherent in the executive powers relative to national security—has been invoked without regard to the people's right to know what their government is doing.

The Executive Branch of Government, symbolized by one man and speaking with one voice—the President—has virtually commandeered the television and radio media to launch subtle, but sustained and unjustified attacks upon the Legislative Branch.

The criticism is deliberate, apparently calculated to portray Congress a being partisanly uncooperative in respect to the enactment of legislation, and partisanly motivated in the House impeachment inquiry.

The apparent objective is to create an underdog sympathy toward an embattled President; convey the impression that Congress is tied up in Watergate and "out to get" the President; and divert the growing anxiety and distrust of the people away from the President and toward the Congress.

It is a strategy that can only mislead the people, and it is designed to sabotage the legitimate and constitutional impeachment inquiry by the House of Representatives, and avoid the disaster of a possible trial and conviction by the Senate.

I know this is strong language. Yet, it comes from one who will not prejudge the President's guilt or innocence before a House vote on articles of impeachment—if such occurs. But it also comes from one who, as a member of the Legislative Branch, cannot but resent unfair and misleading criticism of Congress.

This Congress has been a progressive one, and, though under the control of Democrats, it has not been overly partisan; it has been objective and cooperative in dealing with the President and the Executive Branch. It will continue to be.

The President, last week, in a nationally televised appearance in Houston, Texas, sought to place blame on Congress for the Nation's current energy problems.

"There are now 17 energy bills before the Congress," he said, "which have not been acted upon,"—the inference being that Congress had done nothing.

Congress is "dragging its feet," he said. The truth is that Congress had already developed its own proposals to deal with energy matters, many of which were well on the way to enactment before the Administration could even make up its mind that an energy problem really existed.

The Senate has enacted a great deal of energy legislation—often in the face of Administration opposition. And the President vetoed the very energy bill that contained a good many of the 17 measures which he now says he has been wanting for so long.

But the President, in his effort to blame Congress, did not see fit to remind his audience in Houston, Texas, that he had vetoed the energy bill.

"One year of Watergate is enough," the President said in his State of the Union Message. The impression sought to be conveyed, of course, was that Congress has been all tied up in Watergate. In reality, the converse is true.

Only 7 Senators were on the Watergate Committee, and, while those hearings were being televised to the nation last summer, the work of 93 other Senators and 435 Representatives—active on 250 other Senate and House committees and subcommittees was not being televised.

The Senate has already compiled a remarkable record during this 93rd Congress consider, for example, the Alaska Pipeline Bill; the Strip Mining Bill; the Petroleum Allocations Bill; the National Energy Emergency Act; Social Security Pay Increases; Minimum Wage—vetoed once by the President and passed a second time; legislation on Health Maintenance Organizations, Emergency Medical Services, and Sudden Infant Death Syndrome; Job Training legislation; the War Powers Bill, enacted over the President's veto; legislation dealing with the freight car shortage, the death penalty, housing, D.C. Home Rule, public works and economic development, and veterans' care; the Federal Highway Bill; Voter Registration; Pension Reform; Election Reform; Wage and Price Control legislation; the Congressional Budget Reform Bill; and legislation terminating the bombing in Indochina—which, by the way, was what really got us out of Vietnam.

The list of legislative accomplishments is too long to further repeat here. And I shall not go into the oversight function of Congress which the Senate has been performing well. It is enough merely to recall the confirmation hearings on the nominations of L. Patrick Gray, Elliott Richardson, William Saxbe, William Ruckelshaus, and Gerald Ford; and the Senate Judiciary Committee hearings on the guidelines covering the investigations by Special Prosecutors Cox and Jaworski.

What a splendid record of dedication and responsible service on the part of both Democrats and Republicans in the People's Branch!

But somebody needs to remind the people of that record in the face of unfair criticism and attack!

The President has sought to convey the idea that Congress is dragging out Watergate! "To drag out Watergate only drags down America," he told his Houston audience last week.

Congress did not create Watergate! And Congress is not dragging out Watergate. The President could have done more than anyone else to put Watergate behind us a long time ago, if he had only cooperated with the courts and the Special Prosecutors in carrying out their responsibilities.

"Clear the innocent and punish the guilty," he has said. Yet, the evidence to do both is withheld time and time again under the cloak of Executive Privilege, spuriously invoked.

He would cooperate with Special Prosecutor Archibald Cox, the President said. Yet, Cox was summarily and—according to the court—illegally fired for seeking to secure evidence from the White House through the judicial process.

He has cooperated with Special Prosecutor Jaworski, the President says. Yet, Jaworski, in a letter to the Senate Judiciary Committee on February 14 said the President had terminated cooperation. Even while the President was assuring his Houston audience last week that Jaworski had been given all the information he needed, a subpoena from Jaworski for other documents from the White House had been issued, and the President knew it!

He will cooperate with the House Judiciary Committee's impeachment inquiry, the President assured the nation in his televised State of the Union Message. The gameplan, however, as it has since unfolded, is to restrict the parameters of impeachable offenses and to limit the scope of the House inquiry. As a matter of fact, the President's lawyer, Mr. St. Clair, has reportedly been meeting privately with key Republicans on Capitol Hill in an apparent effort to win support for President Nixon's refusal to give further Watergate evidence to the House Judiciary Committee until that body formulates its charges. Now who is dragging out Watergate!

The President says he is compelled to defend the confidentiality of Presidential discussions. Yet, the principle of confidentiality was compromised when conversations were taped at the White House without notice to those whose words were being recorded.

Mr. Nixon said he would never give Congress a "hunting license or fishing license" to search through Presidential papers. The House committee has made no such unreasonable demand.

It wants tapes of 42 conversations, together with information regarding the White House indexing system—all of which would probably not fill a wheelbarrow, let alone a "U-Haul trailer."

So, instead of cooperation with the courts, the Federal grand juries, the House Judiciary Committee, and the special prosecutors—both of whom were selected by the Administration—road blocks have been thrown up at every turn of the way.

No evidence has been yielded by the White House except grudgingly, and then, only under pressure of public opinion or the threat of court action.

Repeated promises of cooperation have been followed by much ducking and weaving and have been repeatedly meaningless as if to remind us of Mr. John Mitchell's sage remark, "You'd be better informed if instead of listening to what we say, you watch what we do."

The House Judiciary Committee—both Democrats and Republicans—are to be commended on proceeding carefully, objectively, and judiciously in the impeachment inquiry—an unpleasant but solemn duty thrust upon them by the Constitution. And they are to be commended for refusing to be goaded or stampeded into acting prematurely to impeach for contempt.

So, the Congress is still the People's Branch. It is still faithful to the trust bequeathed to it by the constitutional framers.

Our duty, as Democrats, is to work to strengthen the control of our Party over the Congress this fall and to restore leadership of the country to the Democratic Party in 1976! Never again do we want to see divided leadership, divided responsibility, and divided government in the United States of America!

The last 15 months have marked a downward trend in the fortunes of our country. Because of the plethora of scandals involving people in high places in the Administration, and because of the cloud that hangs over the President, our country has been weakened at home and abroad.

It has been weakened because the power of the President has been eroded—eroded not from without, but from within. He speaks and the people do not believe him.

Only the holder of the office can weaken the Presidency, but the Presidency has been weakened—and at a time when plans are being laid for a summit meeting in Moscow in June!

A worse time could hardly have been chosen for so critical a mission to the Soviet Union for nuclear talks.

What a pathetic spectacle—to see the President of the United States repeatedly appearing on national television to answer questions concerning his possible misconduct in office!

What a sorrowful thing for the President to have to proclaim before the Nation that he is "not a crook"!

Not long ago, our Nation's military forces were put on worldwide alert. Our people were told that there was a Middle East crisis. They did not believe it!

More recently, our people were told that there was an energy crisis. They did not believe it! Whatever energy problem truly existed, they thought it was contrived!

When people lose faith in their leaders, they can lose nothing more. When they no longer believe in a national destiny, every man thinks only of himself.

What if circumstances were suddenly to arise necessitating the calling of men to the colors to protect our Nation's safety! Who would believe there was a crisis?

If American fighting men were suddenly to be called upon to go abroad to protect the security interests of our Nation, how many of our young men would be willing to go?

How strong is an Army, a Navy, an Air Force whose Commander-in-Chief no longer has the support of a majority of his people?

But not only the Presidency has suffered a loss of faith among the people; the people have lost confidence in all of the institutions of government. That confidence has to be restored!

If our country is to remain strong, the people must be united in their faith in their government! They have never lost faith in our constitutional system; the loss of faith has been toward those who man the public institutions of government. Public men have failed to measure up!

Woodrow Wilson, a great President and a great Democrat, said, "Constitute them how you will, governments are always governments of men, and no part of any government is better than the men to whom that part is entrusted."

The quality of government is gauged by the conscience, the intelligence, the integrity, and the dedication of our Nation's public men—from the President on down to the Justice of the Peace!

A constitutional government is only as good as the men and women who hold office in that government—no better, no worse. Our country cries out for leadership!

The people are tired of political flim-flam and double talk! They want straightforwardness in their candidates and in their political leaders! They want honesty and integrity in public affairs!

The most basic problem in America today is not energy, or the economy, or inflation—serious as these problems are. It is, instead, the breakdown of the values and the standards upon which our Nation was built, and the desperate need that exists for a restoration of simple honesty and decency and integrity in all aspects of our national life!

If the Democratic Party has gained an advantage because of the misfortune this Administration has brought upon itself, let us be constructive in our use of the opportunity we have.

Above all else, let us seek to restore and rebuild the confidence in government that has been so destrcutively eroded!

Let us stress the progressive achievements of the Democratic Party through the years; but more importantly, let us look to the future with political honesty, honor, and integrity as our times, but it cannot be said too often: the best government of which we are capable will always be the best politics for us.

Let us work to save our country! In this we will not fail, and when this troublesome year is behind us, the judgment of history will proclaim that the system of constitutional government, which had its beginnings at Runnymede 759 years ago, still protects the governed against the abuse of power.

CONTINUING AND EXPANDED U.S. ROLE IN INDOCHINA

Mr. HUGHES. Mr. President, the whole question of continued American aid to South Vietnam will soon come before the Senate. I intend to oppose the increase requested in the supplemental defense appropriations bill and to seek major reductions in the proposed military aid program.

The Defense Department told the Armed Services Committee last June that it would have a backlog of $160 to $200 million at the end of the fiscal year. In fact, that backlog was nearly half a billion dollars.

Now, because the Pentagon could not spend money fast enough last year, it wants to increase its ceiling for this year by $474 million.

I do not think that this supplemental request is justified. If we expect Hanoi and its allies to show any arms restraint, we should restrain ourselves and our allies, rather than further fueling an arms race.

Even more troubling is the administration's request for a 75-percent increase in military aid to Saigon for next fiscal year. The South Vietnamese government says that its own forces have suffered over 40 percent fewer casualties and two-thirds fewer deaths in the year since the cease-fire. Yet the Pentagon wants a sixfold increase in money for ammunition.

With warfare obviously much reduced in scale, I do not see why we should approve greatly increased aid.

Already we see that the food for peace program is being turned into a food for war program, concentrated in Vietnam and Cambodia. U.S. commodities are being used to increase our military aid in both of those countries, and there are serious questions as to whether or not truly needy people are being helped by this program.

Since the United States is pouring into South Vietnam about 6½ times as much money as the Thieu government raises for its total budget, I do not think that the South Vietnamese are paying their fair share of defense costs.

While these programs are for the future, we should be aware of the continued American military presence in Southeast Asia and the apparent preparations for renewed combat.

Recently I received a report that significant numbers of bomb-loaded planes continue to engage in mission out of Thailand. I wrote to the Secretary of Defense and received a reply from Rear Admiral T. J. Bigley of the Office of International Security Affairs which partially confirmed this report.

Admiral Bigley confirmed that such flights are taking place in Thailand, and he calls them "training missions."

One mission last November 15 involved 92 sorties—a massive armada, reportedly unarmed—but unmistakably a show of force beyond routine training flights.

The Defense Department says that these missions are entirely within Thailand. But I have received a report, which I have so far been unable to confirm, that these aircraft have ventured into the nations of Indochina.

Not only are these "training missions" being conducted, but over 4,000 men each month have been receiving hostile fire pay.

Excluding the men still listed as missing in action, who continue to be allotted such pay, and those assigned as defense attachés, embassy guards, and truce team personnel, there are still approximately 2,400 men who somehow or other qualify for hostile fire pay. In the case of air crews, this would mean missions in Indochina at least 6 days of every month—certainly a significant U.S. presence.

While I do not deny the need for pilots to maintain flying proficiency, I believe that the United States should avoid provocative actions.

We could not legally renew bombing without a change in current law which is obviously unlikely under existing circumstances. To endanger American personnel in practice flights that might provoke reprisal would clearly be a dangerous business.

In order that the entire Senate may be aware of this information, I ask unanimous consent that Admiral Bigley's letter, except for certain deleted classified information, be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

ASSISTANT SECRETARY OF DEFENSE,
Washington, D.C., March 5, 1974.

Hon. HAROLD E. HUGHES,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HUGHES: The Secretary of Defense has asked me to reply to your letter of February 19, 1974, regarding current United States military activities in Southeast Asia. The answers to your specific questions are as follows:

Question: On a monthly basis, since August 1973, how many U.S. military personnel have received combat pay supplements?

Answer: I assume your use of the term "combat pay" is a reference to "hostile fire" pay. Under current statutes, there is no entitlement for combat pay; however, hostile fire pay is an authorized entitlement in accordance with the Uniformed Services Pay Act of 1963. As indicated in Comptroller General Decision B–168403, dated February 9, 1970, the hostilities in Vietnam did not involve clear lines of demarcation between friendly and enemy forces. Instead, there was the possibility of exposure to possible hostile fire in almost any area or location. Thus, the concept of exposure to possible hostile activity was used as the basis for hostile fire pay authorized in 37 U.S.C. 310.

The Joint Resolution passed by the Congress on June 30, 1973 and signed into law terminates the prosecution of combat activities by United States military forces, in North Vietnam, South Vietnam, Laos, and Cambodia. This law does not terminate non-combat activities by United States military personnel in those countries. Pursuant to 37 U.S.C. 310, those American servicemen who are performing non-combat activities in Vietnam, Laos and Cambodia and whose presence in these countries makes them vulnerable to being exposed to hostile fire are entitled to hostile fire pay. In addition, under Department of Defense regulations members stationed outside a designated hostile fire area who perform duties in or over such designated areas, under the conditions prescribed in the DOD Military Pay and Allowances Entitlements Manual, have been accorded hostile fire pay.

The total number of hostile fire payments in the months in question are as follows:

September 1973	21, 590
October 1973*	6, 263
November 1973	5, 669
December 1973	4, 700
January 1974	4, 015

*On October 1, 1973, the hostile fire area of Vietnam was redesignated so as to exclude the off-shore waters of North Vietnam; thus terminating entitlement to hostile fire pay for those serving at Yankee Station.

Question: Please identify by Service and give some breakout of the numbers for different kinds of activities which would justify combat pay.

Answer: No records are maintained that identify hostile fire payments by function. Generally, military personnel such as military attaches assigned to South Vietnam, Laos or Cambodia draw hostile fire pay. Additionally, members of the Joint Casualty Resolution Center, who conduct searches for U.S. KIA and MIA personnel throughout Southeast Asia, and air crew members stationed in Thailand, who meet the conditions of entitlement described in the DOD Military Pay and Allowances Entitlements Manual receive the pay. Hostile fire payments, identified by Service for the months in question are as follows:

	Army	Navy	Marine Corps	Air Force
September 1973	669	12, 957	478	7, 486
October 1973	597	265	329	5, 072
November 1973	627	233	314	4, 495
December 1973	551	196	316	3, 637
January 1974	532	191	311	2, 981

These figures include those personnel in missing-in-action status and personnel hospitalized outside the hostile fire pay area through the date of hospitalization termination or for three months after the month in which the wound or injury occurred, whichever is earlier.

Question: If these activities include reconnaissance sorties, what have been the monthly rates for such sorties since last August?

* * * * *

Question: Is it correct that U.S. aircraft in Southeast Asia have made practice bombing flights with large numbers of bomb loaded planes?

Answer: United States Air Force aircraft do conduct training flights in Southeast Asia, but do not employ large numbers of bomb loaded planes.

Question: Was such an operation conducted on November 15, 1973? Please describe the circumstances and areas of operation of any such flights.

Answer: On November 15, 1973 an air exercise was conducted in Thailand. Ninety-two sorties were flown in support of this exercise. No aircraft carried bombs, and no ordnance of any kind was delivered during the exercise. The purpose of this and other training exercises is to maintain the combat proficiency of the aircrews currently stationed in Thailand.

I trust this information will satisfy your request.

Sincerely,

T. J. BIGLEY,
Rear Admiral, USN, Director, East Asia & Pacific Region.

SCHOOLBUS SAFETY: A PROGRAM THAT NEEDS TO BE PUT IN GEAR

Mr. PERCY. Mr. President, I wish to commend a most constructive and well-researched report on schoolbus safety issued by the National Highway Traffic Safety Administration. Released in May 1973, "Pupil Transportation Safety Program Plan" reviews statistics and points up important shortcomings in present Federal motor vehicle safety standards governing the manufacture and operation of schoolbuses. A responsible, practical plan for improving schoolbus safety is set forth.

I strongly urge NHTSA to take its own advice and implement post haste the recommendations contained in the report. Hopefully, the agency will move forward on schoolbus safety more promptly in the coming months than it has in the past.

However, conspicuously absent from the report are recommendations relating to inspection, operation, and public recordkeeping for resold schoolbuses that are no longer part of a school fleet. Old schoolbuses are used to transport all types of passengers, from farm laborers to PTA groups to Sunday school outings.

Yet, present State and Federal regulations are woefully inadequate to deal with the particular safety problems involved in the operation of resold schoolbuses. The recent accidents at Blythe, Calif., and Fort Sumner, N. Mex., are tragic cases in point. Thirty-eight persons were killed and forty-six injured in these two accidents alone.

Certainly, insuring the safety of passengers transported in resold schoolbuses to as great a degree as is possible should be a fundamental priority of NHTSA.

Mr. President, because I believe that NHTSA's report is a significant preliminary effort toward the goal of safer schoolbuses for the Nation, I ask unanimous consent that its full text be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

PUPIL TRANSPORTATION SAFETY PROGRAM PLAN

(Prepared by School Bus Task Force: Chairman, Joseph F. Delahanty; Members: Ezio C. Cerrelli, Nelson Gordy, David H. Soule.)

SUMMARY

School bus transportation is one of the safest available modes of transportation; it is approximately eight times safer than the family passenger car. Each year, however, approximately 85 children are killed in or around school buses. Catastrophic accidents such as the high speed rollover accident at Monarch Pass in Colorado in September 1971 and the school bus-train collision at Congress, New York, in March 1972 continue to focus attention on school bus safety.

The purpose of this study is to assess the school bus safety problem and to develop a program plan to increase the safety of pupils transported by bus.

Available data is fragmentary, but the information is sufficient to develop a reasonably accurate estimate of the number of children killed and injured both inside and outside of the bus.

A number of in-depth, multidisciplinary investigations of school bus accidents were analyzed. These provided information on the cause of accidents, cause of injuries and possible design modifications needed to improve bus safety.

The operational and human aspects of the pupil transportation system were also analyzed. These factors include the driver, fleet supervisor, pupil passengers, administrators and motorists.

The School Bus Task Force recommends the following:

1. Seating standard be expedited.
2. Standard on the strength of structural joints of school buses be promulgated.
3. Standards No. 105 and 121 on brakes be implemented as soon as possible on school buses.
4. Compliance testing of school buses be performed.
5. School bus safety improvement project be initiated.
6. School bus data collection and analysis be required.
7. State safety program for pupil transportation be defined and supported by National Highway Traffic Safety Administration (NHTSA).

The program requires an eight man technical level of effort plus a contract support program of $260,000 for the next two years and $210,000 and $130,000 for the third and fourth years, respectively.

STATISTICAL FINDINGS

Data collected by the Task Force show a summary of school bus accident statistics which include:

Although school bus safety can and should be improved, school buses are 8 times safer than passenger cars—the school bus injury rate is 1 injury per 8 million passenger miles compared to 1 injury per million passenger miles for passenger cars.

19 million students are transported daily in approximately 260,000 school buses.

School buses are involved in approximately 40,000 accidents during a one year period.

Most of these accidents are property damage accidents but some do result in injuries.

There are an estimated 8,200 injuries associated with school buses. Of these, 5,150 are to pupils while the remaining 3,050 are to occupants of other vehicles.

Of the 5,150 pupils injured annually, only a small portion (7%) are injured as pedestrians while the remaining (93%) are injured inside the bus.

By far the most frequent type of injuries inside the bus are facial injuries which account for over one-fourth of the injuries and are severe enough to require the services of an oral surgeon.

Approximately 158 people are fatally injured in school bus accidents annually. Of these, 83 are pupils, 5 bus drivers and 70 occupants of other vehicles.

Over two thirds of the pupil fatalities are classified as pedestrians, and the remainder as bus occupants.

Half of the pupils killed as pedestrians were struck by school buses and the other half by other vehicles.

TABLE 1

Year	Number of pupils	Number of buses	Operating cost	Cost pupil, dollars per year	Consumer Price Index	Normalized cost
1970-71	19,191,483	245,608	$1,178,910,190	$61.4		
1969-70	18,752,735	239,973	966,135,767	51.52	1.277	$40.4
1968-69	18,467,944	238,102	901,353,107	48.81	1.212	40.3
1967-68	17,271,718	230,578	822,595,699	47.63	1.163	41.0
1966-67	16,684,922	221,722	763,600,617	45.77	1.131	40.5
1965-66	16,423,396	210,692	696,325,421	42.40	1.099	38.5
1964-65	15,413,000	206,000	642,627,000	41.69	1.081	38.5
1963-64	15,559,524	200,116	612,310,333	39.35	1.067	36.9
1962-63	14,247,753	195,397	578,017,634	40.57	1.053	38.5
1961-62	13,687,547	191,160	540,168,114	39.46	1.040	38.0
1960-61	13,106,779	185,869	505,754,515	38.59	1.031	37.3
1959-60	12,700,989	179,780	474,202,128	37.34	1.010	36.9
1958-59	12,021,372	176,222	441,402,595	36.72	.995	36.8
1957-58	11,343,132	170,689	419,539,863	36.98	.975	38.0
1956-57	10,683,643	164,853	382,751,975	35.83	.952	37.6
1955-56	10,199,276	159,764	356,349,783	34,94	.933	37.5
1954-55	9,509,699	154,057	$329,035,047	$34.60	.915	$37.6
1953-54	8,906,126	147,425	308,704,303	34.66	.895	38.7
1951-52	7,697,130	NA	268,827,000	34.93	.860	40.6
1949-50	6,980,689	115,202	204,611,283	29.31	.800	36.7
1947-48	5,854,041	NA	176,265,000	30.11	.720	41.8
1945-46	5,056,966	89,299	129,756,375	25.65	.627	41.0
1943-44	4,512,412	NA	107,754,000	23.88	.560	42.5
1941-42	4,503,081	92,516	92,921,805	20.64	.510	40.5
1939-40	4,144,161	NA	82,283,000	20.10	.480	41.8
1937-38	3,769,724	92,152	75,636,956	20.01	.470	42.5
1935-36	3,250,658	NA	62,653,000	19.27	.478	40.3
1933-34	2,794,724	77,042	53,907,774	19.28	.520	37.0
1931-32	2,419,173	NA	58,078,000	24.01	.560	43.0
1929-30	1,902,826	58,016	54,823,143	28.81	.590	48.9
1925-26	1,111,553	NA	35,052,680	31.53	.611	51.4
1921-22	594,000	NA	NA	NA	NA	NA

1.0—PUPIL TRANSPORTATION BACKGROUND FACTS

Pupil transportation is the largest transportation system in the country. In the second half of the 19th century, States started to require that all children receive some education and the need arose for the consolidation of school attendance centers. The first State law which authorized the use of public funds for pupil transportation was passed in Massachusetts in 1869. By the year 1900, eighteen States had enacted pupil transportation laws and by 1919 this type of transportation at public expense was legal in all States.

Some of the statistics on pupil transportation extend as far back as the 1921–22 school year. These statistics are in the form of the number of pupils transported at public expense, number of vehicles used and the amount of public funds expended in the operation of the pupil transportation system. Table 1 indicates an overview of the trends which these statistics have experienced over the years. In Table 1 the total cost of operation has been supplemented with the average cost of operation per pupil transported, which is a better indicator of the economics of the system.

The data show the system has experienced a steady growth through the years. The rate of growth for pupils transported remained constant at 200,000 pupils per year until 1947, when a sharp increase brought the rate to 600,000 per year. The rate has remained at this level since 1947 with a slight decline during the last three years.

The school bus population appears to have a very similar pattern of growth, at a somewhat lower rate, however, due to the continuous increase in the capacity (size) of buses used.

The chart (Figure 1) also indicates the yearly cost per pupil transported. The figures show that after an initial decrease, the cost per pupil has steadily increased from

$19.28 in 1934 to $51.52 in 1970. However, when adjustments are made based on the consumer indexes for these two years and all years in between, this increase in unit cost becomes quite negligible. In fact, it suggests that the cost of pupil transportation has generally remained constant relative to the value of the dollar.

1.1. Pupil Transportation System and Its Uses: Table 1 clearly indicates the dimensions of today's pupil transportation system: it involves buses with an annual operating cost well in excess of one billion dollars.

1.1.1. Bus Registrations: The total number of school buses in use nationwide is not a well defined figure. This is due to the gross classification used in many States in registering buses, and also to the multiple uses of many of the vehicles. For the year 1970, the "Highway Statistics" publication of the Federal Highway Administration shows that there were 379,021 buses registered in all States; of these 90,271 were classified as commercial and Federal buses and 288,750 were classified as school buses and others. The National Safety Council publishes a figure of 290,000 school buses (*Accident Facts 1972*) while the National Association of State Directors of Pupil Transportation Services sets the total at 245,608 for the same period. There is no data available at the present time that provides an acceptable explanation for the difference of approximately 45,000 buses.

From these statistics we estimate that school buses account for approximately 262,000 units or 70% of all registered buses. Of these, 6,000 units are transit buses used for pupil transportation and 5,000 are buses used by parochial and private schools. The remaining 250,000-plus school buses constitute the fleet used for public schools. They fall under the direct responsibility of State and school authorities.

1.1.2. The Users: The users of the pupil transportation system are all the primary and secondary school children who qualify for this type of subsidized transportation. Figure 2 and Table 2 provide some pertinent statistics on this group of students.

Thus we learn that there are over 19 million students using pupil transportation. This constitutes approximately 38% of the student population and comes close to the total number of students who walk or use bicycles to get to school (20,000,000).

When these riding students are separated by grade level we find that 57% are in the elementary grades (K thru 6th), 17% belong to the intermediate grades (7th and 8th), and the remaining 26% belong to the senior grades (9th thru 12th).

When the same students, who ride school buses are classified by distance to school, we find that 4% live less than one mile and 63% live more than three miles from school. To better estimate the total travel of students in school buses, it was necessary to perform an extrapolation of the data contained in the first and last columns of Table 2. We thus obtained the distribution of school children and distance to school which is presented in Table 3.

TABLE 2.—NUMBER OF STUDENTS BY MODE OF TRANSPORTATION AND DISTANCE FROM SCHOOL

[In thousands]

	Modes of transportation					
Distance from school (miles)	School bus	Public transportation	Private automobile	Walk/bicycle	Other modes	Total
Less than 1	796	52	1,350	15,059	52	17,309
1 to 1.9	2,479	131	1,746	4,304	70	8,730
2 to 2.9	3,753	485	1,971	1,312	61	7,582
3 and over	12,002	846	3,073	276	65	16,262
Total	19,030	1,514	8,140	20,951	248	49,883

A graphic presentation of the contents of Table 3 is seen in Figures 3 and 4. These charts can be summarized as follows:

There are nearly 50 million students enrolled in the primary and secondary schools.

Thirty-eight percent, or approximately 19 million students, are transported at public expense in school buses.

When school bus students are grouped on the basis of distance to school, the distribution has the characteristics of a normal curve with a range of one to six-plus miles, a mean of 3.6 miles and a standard deviation of 1.5 miles.

TABLE 3.—DISTANCE FROM SCHOOL FOR BUS RIDERS

	All students		School bus riders		
Distance from school (miles)	Number (thousands	Percent	Number (thousands)	Percent	Percent usage
0 to 1	17,309	34.7	796	4.2	4.6
1 to 2	8,730	17.5	2,479	13.1	28.4
2 to 3	7,582	15.2	3,753	19.7	49.5
3 to 4	6,285	[1] 12.6	[1] 4,400	[1] 23.0	70.0
4 to 5	4,490	[1] 9.0	[1] 4,000	[1] 20.5	89.1
5 to 6	3,741	[1] 7.5	[1] 2,500	[1] 13.9	66.8
6 plus	1,746	[1] 3.5	[1] 1,102	[1] 5.7	63.1
Total	49,883	100	19,030	100	38.1

[1] Estimated.

1.2. Estimates of Exposure: Exposure constitutes, in general, the reference base from which a measure of performance of a given system can be taken. Based on the system and on the type of performance that requires evaluation, a given set of exposure measures is selected which best satisfies the needs.

For the pupil transportation system, the safety performance of the entire system requires evaluation. Here we want to know what the safety performance level of this system is in absolute terms and relative to other modes of transportation. To accomplish this evaluation at the very general level, a minimum set of exposure measurements (estimated) must be obtained.

This minimum set consists of the following items:

Number of school bus vehicles used.

Total mileage driven (vehicle miles).

Number of pupils carried.

Total miles of travel by pupils (passenger miles).

Based on these exposure measurements the following performance type values can be obtained:

Probability of a school bus becoming involved in an accident.

Probability of a school bus accident occurring in a mile of travel.

Probability of a pupil rider being injured in a school bus.

Probability of pupil being injured in one mile of travel.

This set of gross statistics permits an overall safety performance evaluation of the school bus system. By obtaining similar measurements for other modes of transportation the safety performance of the school bus system can be described in terms relative to these other systems.

Total mileage—measure of exposure

The estimated number of school buses has been placed at 250,000 units, 20,000 of which are classified as station wagons, cars and vans (Type II).

In order to estimate the total mileage traveled by the school buses it is reasonable to assume that:

Both types of vehicles (Type I & II) either service similar routes or are present in similar proportions in many States.

A national estimate can be obtained from the data available in some of the States. (Table 4)

Based on the figure of 9,266 average annual miles per school vehicle for the 81,051 units available, we can estimate that the total vehicle mileage figure for the entire fleet is close to 2.31 billion vehicle miles and the total number of pupils is approximately 19,000,000. This mileage figure happens to coincide with the one published by the NSC (*Accident Facts 1972*) even though a discrepancy exists in the number of vehicles used by the system.

One other empirical verification of these estimates comes from the fact that the number of pupils transported, obtained by extrapolating the total in Table 4, is very close to the total number published by FHWA National Personal Transportation Study and based on census data (19,000,000).

Distance traveled—measure of exposure

The source of data for this estimate is the portion of the National Transportation Study which deals with the transportation characteristics of school children. Figure 3 and Table 3 represent a summary (in both graphical and numerical form) of the data contained in this report with some necessary extrapolations.

The procedure adopted in arriving at an estimate of the total distance traveled by all pupils on school buses is to:

Estimate the average distance from school for pupils (3.6 miles).

Multiply this estimate by a routing factor (1.6) which is used in converting this distance into miles of travel.

Finally multiply by the number of pupils (19×10^6) and the number of trips (trips = 2 × 180 school days = 360).

TABLE 4

	Number of pupils	Number of buses	Vehicle mileage	Average miles/bus
Virginia	618,690	6,808	54,954,507	8,072.0
Michigan	775,407	8,825	86,205,572	9,768.0
Arizona	133,666	1,434	16,821,540	11,730.0
New Jersey	509,564	8,294	87,603,480	10,562.0
Iowa	282,288	6,483	55,535,763	8,566.0
New Mexico	109,702	1,629	14,350,500	8,806.0
Ohio	1,189,883	11,286	103,642,560	9,183.0
Wisconsin	421,008	7,007	81,511,081	11,632.0
Massachusetts	480,395	5,190	34,374,000	6,623.0
Pennsylvania	1,364,048	14,114	148,121,993	10,494.0
North Carolina	683,413	9,981	67,942,164	6,807.0
Total	6,568,070	81,051	751,063,160	9,266.5

By carrying out this procedure we have:

Pupil miles=3.6 miles × 1.6 routing factor × (19×10^6) pupils × 360 trips=40×19^9.

The value of 3.6 miles average distance from school was obtained by computing the weighted mean of the "Distance from School" column in Table. The estimate of the routing factor (1.6) is somewhat more complex and requires further clarification.

This value was derived by first estimating that the average number of routes serviced by one bus is 1.4. This estimate is based on very little data but its value appears very reasonable, because it leads to an acceptable average number of pupils per route of 54 and average route length of about 18 miles. A higher value than 1.4 would lead to a lower number of pupils per route and a shorter average route.

Based on the utilization value of 1.4 and the number of buses estimated at 250,000, the total number of school bus routes can be estimated at 350,000. The total yearly bus mileage (2.3×10^9) is used to arrive at the 18 mile average route length, while the total number of pupils 19×10^6 is used to obtain the average number of 54 pupils per route.

TABLE 5.—SCHOOL BUS STATISTICS (AS PUBLISHED IN NSC ACCIDENT FACTS)

Year	Number of school buses	Annual bus miles (10^6)	Number of school bus pupils (10^6)	Number of bus accidents	Fatalities				Injuries		
					Pupils on bus	Pupils, pedestrian	Others	Total	Pupils	Others	Total
1971	290,000	2,300	20.0	47,000	35	50	65	150	4,200	1,400	5,600
1970	280,000	2,200	19.5	42,000	25	50	65	140	3,900	1,500	5,400
1969	275,000	2,150	19.0	39,000	25	50	65	140	3,900	1,500	5,400
1968	260,000	1,950	18.0	37,000	25	50	65	140	3,600	1,400	5,000
1967	250,000	1,900	17.2	33,000	25	35	60	120	3,200	800	4,000
1966	225,000	1,800	16.5	34,000	15	35	80	130	3,800	1,200	5,000
1965	220,000	1,750	16.0	32,000	15	35	80	130	3,700	1,300	5,000
1964	200,000	1,700	16.0	10,700	15	35	40	90	3,700	1,100	4,800
1963	192,389	1,675	15.1	9,969	11	30	37	78	3,533	1,067	4,600
1962	190,753	1,650	13.4	9,246	17	32	53	102	2,906	1,356	4,262
1961	186,765		12.8	9,279	38	27	NA	NA	2,153	NA	NA
1960	175,000		12.5	9,908	19	31	NA	NA	2,067	NA	NA

By analyzing the present routing procedure, the empirical conclusion was reached that pupils are being transported only during 60% of the route trip mileage. This would place the furthest students at a distance of 10.8 route miles from school. The ratio of 10.8 route miles to the 6.8 distance miles from school is what yielded the value of 1.6 for the routing factor.

Summary of exposure estimates

Number of Buses=250,000
Number of Pupils=19,093,000
School Bus Mileage=2.3 billion
Pupil Miles=40.0 billion

1.3. School Bus Accidents: Accident data are by far the most important information that must be obtained in order to perform a comprehensive review and evaluation of the safety performance of the pupil transportation system.

Generally, a report is filed on each motor vehicle accident which results in an injury or produces damages in excess of a minimum limit.

School bus accidents are no exception. In fact, every time a school bus is involved in an accident, two reports are filed, one by the police, the other by the school authorities.

Based on the amount of available information on school bus accidents, we can see that very little has and is being done with these reports. A few States do attempt some type of analysis but in all instances the reports reflect the low level of effort which is placed on such analyses.

In 1968, the Southwest Research Institute (SRI), under a Government contract, attempted to compile a "Statistical Summary of School Bus Accident Data." SRI's efforts yielded only an incomplete set of very general information. The inability of SRI to accomplish the task was entirely due to the unavailability of existing data. The contractor was fully aware of the existence of school bus accident report files and ultimately learned that most of the information contained in these files was not and could not be made available for national use. Two of the strongest recommendations in the final report were:

The development and adoption of a uniform accident reporting procedure, and

The yearly compilation, by each State, of a Standard School Bus Summary Report similar to the one suggested by the contractor.

Unfortunately, neither recommendation has been carried out, therefore preventing any substantial improvement in the availability of facts in the area of school bus transportation.

Under these circumstances, we find that the only source of national statistics on school buses is *Accident Facts* published annually by NSC. The data contained in these booklets have been used to compile the information in Table 5 and the graphs in Figure 5. Table 5 shows that in 1971 school buses were involved in 47,000 accidents, resulting in 150 fatalities and 5,600 injuries. The fatalities are classified as pupils on buses (35), pupils as pedestrians (50), other non-pupil (65). The injuries (5,600) are subdivided into pupils (4,200) and others (1,400).

All of these figures are estimates and are subject to questioning. The total number of school bus accidents (47,000) was presumably obtained by extending to the entire country the same rates (per bus) found in those States in which complete reporting of school bus accidents takes place. Some of these States are California, North Carolina, Kentucky and Ohio. In these four States we find that 16% the school buses are involved in accidents. The approach of extending this rate to all buses nationwide is quite acceptable, but since we differ with the NSC estimate of total number of buses in use, our estimate for total number of accidents in 1971 is 40,000.

There is less disagreement with the estimate on fatalities even though our estimate is 158. When we classify the school bus fatalities for the school year 70-71 we find that of the 158 fatalities 17 were pupils on the bus, 33 were pupils who were run over by the bus, 33 were pupils who were run over by other vehicles, 5 were bus drivers and 70 were occupants of other vehicles involved.

Reliable statistics on injuries are not as readily available on a national basis.

It appears that the estimate of 5,600 total injuries in accidents involving school buses, as published in *Accident Facts*, is lower than the sum of the actual partial count of reporting States. In fact, by using fairly reliable estimates of injuries for those six large States that did not report to NSC, we can actually count approximately 8,200 nationally reported total injuries, 5,150 of which are pupils.

There is some doubt that this total represents all injuries. The problem of underreporting, so evident in the totals for all types of accidents, is certainly present, on a lower scale, in injury data. Different approaches could be used to estimate the overall total and different results would be obtained. Since there is no sound basis for arriving at this estimate, we prefer to accept the figure of 8,200 with the implied acknowledgement that the actual figure is higher. Of the 5,150-plus pupils who are injured in school bus accidents, no nationwide information is available on the source of injury or level of injury. Fortunately, summary reports were found for every school bus injury accident which occurred in the State of New York during the 1966-67 school year. These accidents accounted for 650 injuries, 300 of which were suffered by pupils. By focusing on the injured pupils, we find that only 21 (7%) were pedestrians while the remaining 282 (93%) were bus occupants. If we were to extend the same proportion to the estimated national totals, we would obtain a national estimate of 360-plus pedestrian injuries with the remaining 4,800-plus injured inside the bus. As to the type of injuries that occurs in the bus, a survey conducted by the American Society of Oral Surgeons established that 1,350 school children in school buses required the services of an oral surgeon during one school year.

At this point we can summarize the school bus accident statistics as follows:

School buses are involved in approximately 40,000 accidents during a one year period.

Most of these accidents are property damage accidents but some do result in injuries.

There are an estimated 8,200 injuries associated with school buses. Of these, 5,150 are to pupils while the remaining 3,050 are to occupants of other vehicles.

Of the 5,150 pupils injured annually, only a small portion (7%) are injured as pedestrians while the remaining (93%) are injured inside the bus.

By far the most frequent type of injuries inside the bus are facial injuries which account for over one-fourth of the injuries and are severe enough to require the services of an oral surgeon.

Approximately 158 people are fatally injured in school bus accidents annually. Of these, 83 are pupils, 5 bus drivers and 70 occupants of other vehicles.

Over two thirds of the pupil fatalities are classified as pedestrians, and the remainder as bus occupants.

Half ofthe pupils killed as pedestrians were struck by school buses and the other half by other vehicles.

By combining these accident statistics with the previously stated estimates on exposure, we can obtain a general measure of the safety performance of the pupil transportation system.

The first measure to be considered is the probability of a school bus being involved in an accident. The ratio of accidents (40,000) to number of buses (261,000) shows that 16% of the buses are involved in accidents, or one in six. All vehicles combined show that one in four is likely to be involved in an accident.

The ratio of accidents to vehicle (bus) mileage, yields an accident involvement rate for buses of 1.75 involvements for every 100,000 miles of travel. The same rate for all types of vehicles combined is approximately 2.4.

The second measure listed was the rate of injury to the pupil. This rate can be expressed both in terms of number of pupils and number of miles. By dividing the number of pupils injured (5,150) by the total number of pupils using school buses (19 million) we find that one pupil out of 3,700 is likely to be injured in a school bus during a school year. The same rate for all vehicles combined is one person out of 100.

The estimated number of annual pupil miles is 40 billion. Using this estimate, a rate of one injury per 8.0 million pupil miles is computed. Based on an average vehicle occupancy (FHWA estimate) of 2.2 passengers per car we find that the same rate for cars is about one injury per 1.0 million passenger miles.

Arriving at similar comparative rates for fatalities is more difficult because the fatalities associated with school buses have completely different characteristics than those for other types of vehicles.

The number of 1970–71 school year fatalities experienced inside the buses is low (17) when compared to the number of pedestrians (66) and other vehicle occupants killed. We shal. refrain from computing fatality rates for school buses for two important reasons:

The numbers are small and subject to large variations.

These rates would not provide a reasonable measure of performance of school buses relative to other vehicles.

We shall therefore limit the analysis of school bus fatalities to the actual count and with the general interpretation that pedestrian fatalities account for most of the pupils killed in pupil transportation. (Table 6 summarizes all of these statistics.)

We should also mention the type of collisions in which school buses are usually involved. The four major types of collisions and the relative frequency of each is shown below:

1. Collision with other motor vehicle in traffic—75%.

2. Collision with parked motor vehicle—11%.

3. Collision with fixed object and run-off road—12%.

4. Collision with pedestrian—2%.

The trends followed by the school bus accident statistics are presented in Figure 5. This figure shows that the correlation between accident, injuries, fatalities, and vehicle miles has remained constant in the last few years. This implies that the steady increase in the number of accidents, injuries, and fatalities is mostly explained by the increase in the utilization of the system.

TABLE 6.—SUMMARY OF ACCIDENT STATISTICS

	School buses	All vehicles
Accident involved vehicles	40,000	28,000,000.
Number of vehicles	250,000	113,000,000.
Accident involvement rate/vehicle.	0.16	0.25.
Number of vehicle miles	2.3×10^{9}	1.2×10^{12}.
Accident involvemant rate/V.M.	1.75×10^{-5}	2.4×10^{-5}.
Number of injured occupants	4,800	2,000,000.
Number of users	19×10^{6}	200×10^{6}.
Injury rate/user	2.5×10^{-4}	100×10^{-4}.
Number of passenger miles	40×10^{9}	2.4×10^{12}.
Injury rate/passenger miles	1.2×10^{-7}	8.3×10^{-7}.
Vehicle occupant fatalities	17 (20 percent).	44,100 (8) percent).
Pedestrian fatalities	66 (80 percent).	10,600 (20 percent).

2.0—THE SCHOOL BUS

2.1. Vehicle Structure: In its report of a gradecrossing accident at Waterloo, Nebraska, the National Transportation Safety Board (NTSB) concluded that the structural assembly of school bus bodies might be inadequate. That accident which occurred on October 2, 1967, showed that major elements of the school bus body had clearly separated under severe crash forces resulting from a collision with a train. The separations occurred at points where fasteners used to assemble many elements of the school bus were few and widely spaced.

A second accident investigated by the NTSB occurred at Decatur, Alabama, April 23, 1968. In this accident, the school bus brakes failed at the top of a long hill. The driver was unable to control the bus and ran off the shoulder at a turn at the bottom of the hill into a deep, eroded gully. The forward upper right-hand section of the bus body was destroyed as it struck exposed tree roots, rocks and a fencepost. Four fatal injuries occurred, two near the collapsed forward portion of the bus structure, two at unknown seat locations.

In addition, several passengers suffered lacerations attributed to contact with exposed sharp edges of the bus interior sheet metal. The distortion of the upper right-hand front structure of the bus caused the interior sheet metal, particularly the ceiling panels, to fail at the joints, exposing sharp metal edges which may have contributed to some of the reported injuries.

The exposure of the sharp edges of the interior roof panels was made possible by the very wide spacing of the securing screws which are used to fasten the sheet metal edges to each other and to the roof bows. This wide spacing of fasteners does not allow the sheet metal to transfer the loads developed in a crash to the main body structure. Consequently, as the structure collapses, sharp edges of the sheet metal panels are exposed. The NTSB report implied that the collapse of the bus body might not have been so complete had all the ceiling panel joints held.

Another accident occurred on November 19, 1968, in Huntsville, Alabama, when the brakes failed as a school bus was descending a hill. The bus ran off the road after failing to negotiate a turn and rolled over. The rear portion of the body struck a tree which penetrated the passenger compartment at the last row of seats. The right rear seat was torn out killing one occupant and seriously injuring the other.

The rear section of the bus body separated neatly from the forward section, with very little deformation. There was a very wide spacing of rivets used in the construction of the body shell. Close observation of the accident showed that rivets had pulled through the parent material or through the panel edge. Analysis of this bus indicates that the penetration of the tree into the rear section of the bus would have been reduced if the fasteners had been sufficient to transfer a significant portion of the load into the next section.

In a runaway crash at Monarch Pass near Gunnison, Colorado, on September 11, 1971, driver inexperience, unfamiliarity with the vehicle, and lack of proper emergency training were the major causes. The bus uncontrollably careened down a steep grade and eventually overtook the slower moving traffic that occupied both lanes of a two-lane highway. To avoid an impending crash with this traffic, the driver veered the bus into a gas station driveway, traveling at a calculated speed of 70+ mph. The bus spun sideways and then rolled over two and a half times before coming to rest.

Structural damage was severe. All supporting side posts failed and the roof collapsed to the level of the seat backs. Two passengers were ejected at the beginning of the second complete rollover, and 37 of the remaining 46 occupants were ejected during the final one-half roll of the bus. Eight members of the Gunnison High School junior varsity football team and their assistant coach were killed, and 29 others were injured in the accident. All fatally injured occupants were either totally and partially ejected from the bus.

A number of possible structural modifications were recommended in the Monarch Pass report, including:

a) Add two body/roof bows, one forward of the front door, and the second at the rear of the bus around the emergency exit, to increase the structural strength and protect the door egress passages.

b) Specify minimum requirements for the method of anchoring the bus body to the frame.

c) Modify construction techniques which reduce the load carrying strength of structural members through improper welding.

d) Increase the section modulus of side/roof bows.

e) Extend side bows below the floor level and secure with a gusset to increase the torsional rigidity of the bus superstructure and protect the gas tanks.

f) Mount the outboard side of the seat to the sidewall of the bus so that the seat will act as a gusset between the floor and the sidewall thereby increasing the rigidity of the superstructure.

g) Adhere to the NTSB recommendation to increase joint efficiency if body manufacturers continue to use numerous short longitudinal panel sections.

h) Other school bus design recommendations were made with regard to fuel tank location, prevention of fuel leakage, the securing of seat cushions and removable panels.

The National Transportation Safety Board is investigating an accident involving the collision between a train and a school bus at Congers, New York, on March 24, 1972. This accident resulted in five fatalities and injuries to forty-five bus occupants.

Failure of the driver to stop at the crossing (apparently unaware of the oncoming train) was the fundamental cause of the accident. The 83 car freight train powered by three diesel locomotives impacted the school bus at an estimated speed of 25 to 30 mph and carried the bus 927 feet from the crossing before it stopped. This impact resulted in gross disintegration of the school bus and left the bus wrapped around the front of the locomotive. Twenty-three occupants were ejected when the rear section separated immediately after impact. An additional four were ejected as the train came to a halt. Two of the latter were ejected on to the tracks and fatally injured as the train passed over them. The National Transportation Safety Board concluded that "the construction method employing relatively few widely spaced rivets and other fasteners throughout the body of the school bus appears. to have contributed to the large-scale disintegration of the school bus body and chassis."

In each of these accidents, two involving collision between a train and school bus and three in which the school bus rolled over, the Safety Board has indicated that the school bus structure was inadequate. Based on these accident investigations, it appears that there is definite room for improvement in the design and fabrication techniques used by the school bus industry.

One suggested modification is the NTSB rivet spacing recommendation. The rivet patterns used to join sheet metal panels do not comply with standard design procedures. Improvement in the rivet patterns could reduce the likelihood of exposing sharp edges caused by the separation of sheet metal panels during a crash and would also provide some improvement in structural integrity. This recommendation is discussed in more detail in section 2.2.

A complete evaluation of the school bus structure of today's buses is in order. While it is true that domestically produced school buses are quite similar in construction, subtle differences do exist in the basic structure between manufacturers. The section modules of the roof bows vary as does the metal gauge or thickness of the metal structure and panels. Some bus bodies use numerous short longitudinal panel sections, others use long continuous sections. Variation in welding, high shear fasteners, rivets, bolts, etc. used in joint construction is yet another factor in body structural integrity that influences the bus design and method of manufacture.

One approach to establishing improved structure of the school bus would be to incorporate into a single unit the best of the several construction methods now practiced by the industry. Testing and evaluation of this unit would establish a level of performance which could then be translated into a meaningful federal regulation to control structural strength of school buses.

2.2. Structural Joints: The Vehicle Equipment Safety Commission, in Regulation

VESC-6, Minimum Requirements of School Bus Construction and Equipment, specifies body construction requirements. Two significant sections in this specification apply to the school bus body structure. The first section:

5.3. The bus body, including all of its components and reinforcements, shall be of sufficient strength to support the entire weight of the fully loaded vehicle on its top or side if overturned. The body shall be designed and built to provide impact and penetration resistance into the passenger compartment. The deflection of the body after testing in accordance with the code must not exceed the following measurements:

A. Deflection at center of roof bow, 3.00 inches.

B. Deflection at each side pillar at window sill, 1.00 inches.

C. Deflection at center of floor, .40 inches.

The second:

5.6. Strength of Structural Joints of School Bus Bodies. It is the intent of this section to insure that all structural joints within bus bodies which employ discrete fasteners, including those between heavy gauge members and those which join panels to panels or panels to heavier structures, achieve a significant proportion of the strength of the parent metal, so that all available panel materials are capable of serving as part of the structure. Accordingly, in all joints of the above named types which employ discrete fasteners such as rivets, screws or bolts, the pitch of fasteners shall not exceed 24 times the thickness of the thickest material used in the joint. Alternatively, for any method of joining such structural members, it shall be demonstrated by calculation that the strength of such joints is at least 60% of the tensile strength.

Section 5.6 is referenced in Safety Recommendation H-72-30 issued by the National Transportation Safety Board on September 22, 1972. The Safety Board has recommended the NHTSA "expeditiously" adopt this requirement for specifying strength of structural joints of school buses. It should be pointed out at this time that section 5.6 of VESC-6 presumes that the panel thickness is adequate in the first place. That is, the panel itself is capable of withstanding a certain amount of load under crash conditions. Panels are designed, in some instances, as nonstructural. Such panels have "snap" fasteners which facilitate easy and rapid removal for "quick" access to equipment. These are not intended to carry a structural load and presumably would be exempt from the standard.

Section 5.3 of the regulation addresses itself to the performance of the school bus body structure. It simulates to a very limited extent, the performances of the vehicle structure when overturned or on its side. It does not, however, simulate the dynamics of the crash condition to which the bus would be subjected in a rollover accident.

Analysis has shown that the school bus which experienced a complete roof failure in the Monarch Pass tragedy, in all probability, could meet the body structure requirement of 5.3. That is, it could support its own weight when overturned. However, the dynamic loading of the bus structure resulting from this severe rollover incident was several magnitudes higher than the loading requirements of Regulation VESC-6.

Again, joint efficiencies of 60%, 80% or even 100% would be of no avail in preventing the total roof failure of this particular bus when subjected to a crash of this type. Unless the basic structural strength of the load carrying members is adequate for the crash conditions imposed, joint efficiency is superfluous.

In summary, the improvement in the rivet pattern could reduce the likelihood of exposing sharp edges caused by separation of sheet metal panels during a crash, but it is unlikely that this requirement alone will significantly improve crashworthiness of the bus.

It may be acceptable practice to use the "snap-on" panel, which has a very low joint efficiency, provided that the panel edges are not sharp and are rounded off. Such panels would not contribute to the structural strength of the bus, but would help in reducing injury.

An important question to be answered is whether or not NHTSA should adopt section 5.6 joint strength, as a standard. As pointed out by the NTSB, Regulation VESC-6 ". . . when implemented by the States, would require that all school buses under State purchasing authority have substantially increased strength of structural joints." If adopted, this regulation would provide improved protection for children riding on school buses. Forty-four member States have endorsed Regulation VESC-6 which will apply to school buses manufactured after October 1, 1972. The regulation, however, is only a guide; individual States will have to take action to establish the requirement for buses sold in their States. It is expected that a considerable amount of time will pass before the States adopt the requirements of section 5.6 unless a Federal Motor Vehicle Safety Standard is enacted.

2.3. Pupil Seating and Restraint Systems: NHTSA has conducted studies of injury modes in school bus crashes. Full-scale crash tests were conducted by the University of California, Los Angeles, under Contract FH-11-6971, School Bus Seat Restraint. It is evident from this and other work on this problem, that by preventing ejection from the bus, and providing a passive protection system including well-padded, high-backed seats, the severity of most injury modes can be eliminated or greatly reduced.

NHTSA has already taken action to prevent ejection in the form of Federal Motor Vehicle Safety Standard No. 217, Bus Window Retention and Release. In addition, a notice of proposed rulemaking on seating systems for buses was recently issued. This standard will provide a high level of crash protection in most school bus crash situations, and will emphasize fully passive protection. The bus manufacturer however is given an option to install an alternative restraint system using seat belts equipped with a warning system. If this option is used, stringent performance requirements for the seat are reduced somewhat.

The fact that today's buses were not designed for the installation of safety belts presents a sizable problem. Most current bus seat anchorages, as well as many of the seat frames, are not structurally adequate to withstand safety belt loads. Consequently, belts cannot be attached directly to the seats. Passing the belts through the seat to the floor structure, as in automobiles, is not practical because the belts would pass through the space occupied by the feet and legs of other passengers seated to the rear.

A far greater problem in the case of school buses and certain public buses equipped with a relative low-backed seat with a rigid frame around the top edge, has become apparent during a number of bus crash tests. Indications are that occupants wearing lap belts could be more seriously injured in a head-on collision than those not wearing belts at all. The occupant wearing a lap belt is restrained in such a manner that it is likely his face or neck will impact the top of the low-backed seat in front of him while the unrestrained occupant would more likely impact the flat back surface of the seat with his upper torso receiving the majority of the impact force.

A further problem arises because of the broad range in size of school bus occupants. No belt system has been designed which will accommodate either two large occupants or three smaller occupants in the same seat. Yet such alternate seat use is common where the same bus alternately or concurrently carries kindergarten and high school students.

An option to fully passive protection is being considered in the bus occupant protection standard which would require seat belts combined with a sensing and warning system to assure that the belts are used. A system of this type is probably too costly and vandalism-prone for most school bus applications.

Consideration is being given for the following:

Incorporation of high, rear-padded seats backs;

Strong, padded hip restraints or armrest on the aisle side of each seat and;

Adequate fastening of the seats to the bus floor.

A program is needed to support this padded, encapsulated approach to pupil protection during interior impact. The safety benefits derived from this approach must be carefully analyzed, since reduction of seating capacity which results from higher seat backs, for example, may adversely affect the total pupil transportation system. School districts, as a consequence, would be forced to purchase additional buses, or they might have to resort to overcrowding, creating the inherent unsafe standee situation.

Seat development, therefore, is of great importance for upgrading occupant protection capability in the bus interior. A program to continue the development of an optimum seating system for school bus safety is recommended. Installation and testing of prototype seating systems could be included in other school bus testing programs as a "piggy back" test to body structure development.

24. Vehicle Brakes: During 1970, NHTSA conducted field surveys of school buses in several States to determine how well a recall campaign involving three chassis and twelve different body manufacturers had been carried out. The original campaign involved changes in the hydraulic master cylinder of the bus braking system. The results of this survey have shown that of the fifty-six additional safety related defects found, twenty-six were related to the brake system.

Nine recall campaigns provided for the correction of safety defects on approximately 203,600 school buses and trucks through November 1971. Brake system related defects accounted for over seventy-five percent of these corrections.

Of the seventeen school-bus-related accidents reported in depth by the various NHTSA-sponsored multidisciplinary accident investigation teams throughout the country, five were directly attributed to the failure of the buses' braking system (five were attributed to the driver error, one to faulty steering, one to failure of the heater hose and five were a result of failures in the opposing vehicle).

Had the brakes held for the driver of the runaway school bus on the morning of September 11, 1971, the nine fatalities that resulted in the Monarch Pass, Colorado tragedy, would have been averted. Clearly, the braking system of the school bus is one of the most, if not the most important safety related vehicle system requiring our attention.

In August 1972, NHTSA issued an amendment to FMVSS No. 105 establishing new requirements for hydraulic brake and parking brake systems and extending this standard to cover all vehicles including trucks and buses so equipped, effective September 1, 1975. The amended standard specifies stopping distance, linear stability while stopping, fade resistance and fade recovery. All vehicles equipped with hydraulic brakes must have a split service brake system with partial failure or an "emergency" braking feature. The amendment also requires driver warning (lamp to light) in the event of hydraulic pressure failure or when the level of brake fluid in the master cylinder drops to an unsafe level.

Earlier, FMVSS No. 121 was issued in order to establish performance requirements for vehicles equipped with air brake systems. The standard establishes requirements to govern the braking behavior of the vehicle during application of the service brakes including minimum stopping distance, fade resistance and recovery, lateral stability and wheel lockup. A warning system must be provided to warn of brake system failure. An emergency back up brake system is also specified in the standard. This standard becomes effective for school buses on September 1, 1974.

Additional equipment standards relating to brake systems have also been established: FMVSS No. 106 Hydraulic Brake Hoses and FMVSS No. 116, Hydraulic Brake Fluids. A proposed standards, brake shoe and pad assemblies, will specify critical performance characteristics for these brake systems components.

These requirements do not, however, represent the full capabilities of present braking technology. Anti-lock brake systems are needed to supplement the present brake systems and prevent undesirable skid conditions. More stringent requirements for vehicle stopping distances, pedal effort ranges, and fade characteristics are needed. "Hot" and "wet" recovery requirements need upgrading and new tests, including spike stop tests to evaluate structural integrity of the brake and chassis components, should be specified.

The present brake system standards are not effective for school buses until September 1, 1974, or September 1, 1975. Therefore, this agency should encourage manufacturers to implement the provisions of these standards on the school bus fleet as soon as possible. It is suggested that the school bus be the first to benefit by the "phasing in" of the new brake system specified. In addition, more advanced braking systems such as "automatic emergency brakes" could be provided for school buses by the manufacturers long before the Federal government imposes such a standard on the industry.

Braking continues to be the most important single element of accident avoidance from the standpoint of vehicle performance. The full utilization of the industry's technological capability in this area is therefore of highest importance to school bus safety.

2.5. Vehicle Handing and stability systems: Vehicle handling and stability characteristics are critically related to school bus accident avoidance. Driver-vehicle characteristics are vital to vehicle maneuvering and are dependent upon matching driver characteristics to the vehicle (including steering, suspension, brake and acceleration system). These in turn must be compatible with roadway surface and dynamic traffic environments.

The handling characteristics of the vehicle are first identified as related to steering, suspension, center of gravity and power. As these system performance requirements are defined, the base line for the Vehicle Handling and Stability Systems will be established.

Tires and wheels have a significant effect on vehicle handling. Standards to cover tires and rims for school buses will be issued in 1974 at which time all types of new tires will be covered by standards. When these rules become effective, they will be combined with existing Standards 109 and 110 so that all new tires in 1976 will be covered by one standard.

A similar consolidation and realingment is planned for retreaded tires. Standard 117 for passenger cars has already been issued and the rule for retreading other than passenger car tires is proposed for issuance in the Spring of 1973. Included in the final rule will be regulations on casing age. Upon completion of research now underway at NHTSA, an amendment will be made to Standard 109 to include minimum preformance of tires for skid and traction.

With the exception of standards on tires, it is not expected that school bus handling and stability standards will be issued in the forseeable future. Research is currently being conducted on passenger cars, trucks and buses. However, current plans do not allow for issuance of standards relating to handling and stability of passenger cars before 1976. While this may be an important area relative to school bus safety, the cost effectiveness of pushing the "state-of-the-art" of bus handling and stability is questionable at this time.

2.6. Visibility Systems: The visibility systems of a motor vehicle are concerned with all operating factors, systems and components which affect the driver's ability to see sufficiently in any direction. Visibility systems that relate to school buses include:

1. Lighting and reflectors.
2. Direct fields of view.
3. Indirect visibility.
4. Anti-glare and adverse weather visibility (includes defogging, defrosting, wiping, washing and spray protection).

In general, this area is already covered by existing standards which apply to all vehicles including school buses. Upgrading and improvement of these regulations is a continuing effort. Projected beyond 1976 is a plan to further integrate and systematize overall visibility requirements in order to ensure adequate safety performance with minimum restriction on motor vehicle design innovation and styling.

Over thirty school children are struck and killed annually by a school bus as they enter or leave. This type of accident is exemplified by the small child who walks in front of the bus and is run over because the driver mistakenly thinks that all of the children are clear. The driver simply does not see the child. Indirect visibility aids that provide visibility to all areas around the bus, including the underside, need to be developed.

2.7, Driver Environment: Accidents can be caused by inadequate human engineering. The driver's attention to the road may be diverted while looking for a control, and he may not find that control in time to avoid an accident. If he is short, he may not be able to adjust the seat for adequate visibility or for proper reach to the controls. The shoulder belt may be too uncomfortable to wear. In addition to factors affecting the man-machine interface, the critical problem of "driving while under the influence" also exists. There is also the problem of carbon monoxide build up in the driver's blood stream due to seepage of exhaust fumes into the passenger compartment. Driver fatigue is another problem.

Driver Environment Systems is the term applied to those interior elements and their interactions that influence the driver's ability to operate and control his vehicle safely and is comprised of the various internal control and display systems. The first standards establishing the beginning of the Driver Environment Systems specified requirements for locating essential controls within reach of the driver, identifying certain of the controls on the instrument panel and providing for a uniform shift sequence for the transmission lever. In addition, illumination of certain controls to ensure proper visibility at all times is necessary.

To avoid conflicts between these requirements and those of other standards, a total system approach for Driver Environment has been initiated. This approach applies to changes in current safety standards and to additional planned rulemaking actions relating to improving driver operation through interior information and control systems.

Upgrading of Standard 101 has also been proposed. New requirements would include high speed warning devices and the fail-safe aspects of the accelerator control systems to prevent engine overspeeding and loss of vehicle control in the event of linkage failure. Standard 102, Controls and Displays is also being updated to require standardized locations and a reach boundary for controls as well as the Shift Lever Sequence.

Requirements for effective alcohol countermeasures and reduction in toxic gases and noise as they relate to the driver will be established and included in a common standard.

Of special concern to school bus safety is the development of various audiovisual devices to alert the school bus driver to an approaching train at a grade crossing. Such devices need to be adequately tested and developed before further rulemaking action can be taken. Nevertheless, such development should be included in any proposed school bus testing program.

A joint effort between Federal Railroad Administration (FRA) and NHTSA was initiated in FY 1972 to improve the understanding of driver behavior in the grade-crossing environment. Based on this study, appropriate countermeasures such as improved warning systems will be developed in follow-on research programs budgeted for FY 1973–74. The application of this program to situations such as the tragic school bus-train collision at Congers, New York is obvious.

Other driver environment programs are presently underway although they primarily involve passenger cars. However, such programs have a direct correlation to the school bus safety problem and will be extended to these vehicles as successful programs are completed. Special driver environment projects applicable solely to the school bus are not recommended at this time.

2.8 Egress, Pupil Boarding and Alighting: In the post-collision area of school bus safety, occupant egress has been identified as a major safety consideration requiring Federal attention. Siegel, in his discussion of emergency exiting, recommends that roof port exits and nonoverhead hinged windows be required. Minimum door frame structure is also needed to check collapse which renders the door inoperative.[1]

FMVSS NO. 217, Bus Window Retention and Release, establishes requirements for the retention, operating forces, opening dimension, and markings for push-out bus windows and other emergency exits. The purpose of this standard is to minimize the likelihood of occupants being thrown from the bus and to provide a means of readily accessible emergency egress.

The University of Oklahoma, under contract to NHTSA, has studied the problems of egress from buses involved in crashes and in cases of fire. Major problems have been identified in this study and possible solutions are indicated. There is a need to expand the development of egress concepts through practical demonstrations of available systems.

Data is not available for school bus accidents related to boarding and alighting. However, studies performed by Booz, Allen Applied Research under contract to Urban Mass Transportation Administration (UMTA), have shown that more than one-third of those passengers injured, resulted from this mode of operation.[2]

Outward or inward opening doors seem to influence passenger injury level. Quick opening doors are advantageous under certain circumstances of egress, but present additional problems by catching hold of those entering or exiting the bus. The same can be said for quick closing doors. The accident potential of the door opening mechanism of the school bus has been cited by NTSB.[3]

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[1] Bus Collision Causation & Injury Patterns, Proceedings of Fifteenth Stapp Car Crash Conference 1971, SAE 710860, Siegal and Naham.

[2] Transit Bus Safety—Final Report, September 1972, DOT/UMTA, Booz, Allen Applied Research.

NHTSA has identified front door latches as a school bus safety problem.[4] "With buses in motion, when brakes are applied, children standing in the area of the first step have been thrown against the door latch connecting rod.

As a result of a child's momentum, the 'over center' latches have, in some cases, unlatched, allowing doors to open." Better operating door mechanisms are available and new ones are being developed by at least three manufacturers under contract to UMTA in its transit bus program.

A trade-off study of service door operation could be combined with emergency door studies to determine the optimum door that should be required. A demonstration of the various door concepts would be a valuable tool in determining the parameters to be traded.

3.0—STATE SAFETY PROGRAM FOR PUPIL TRANSPORTATION

3.1. School Bus Drivers: There are approximately 300,000 drivers for the Nation's 260,000 school buses. They range in age from 16 to over 75. Twenty-five States have no upper age limit for drivers. School bus driving is largely a part-time job. Drivers usually drive a school bus in addition to maintaining some other job such as farmer, gas station attendant, student, housewife, fireman, or insurance agent. However, there is a growing number of full time school bus drivers in and around the big cities.

Selection of a school bus driver must be made from a limited manpower pool, since the job requirements generally call for a part-time worker with approximately 2 free hours in the morning and 2 free hours in the afternoon. Most States require a special license to drive a school bus. All States identify some agency as responsible for training school bus drivers. In practice, however, most drivers receive no formal training. Only a few States require bus driver education by law and nine States merely "recommend" it. Most local school districts, therefore, are free to do what they wish.

NHTSA should, therefore, establish a National School Bus Driver Education program to aid the States in meeting the requirements of Standard No. 17 in this area. Such a program should include the following:

1. Development school bus driver profile.
2. Establish driver training requirements including transportation of handicapped children.
3. Study necessary driver aids for safer and more efficient transportation.
4. Identify manpower requirements.
5. Identify the school bus driver task.

3.2. Fleet Supervisors: Of the 18,000 school districts in the U.S., 15,000 report[1] that they operate school bus fleets. Because the size of these fleets vary from one bus to over 700, many do not have full time fleet managers.

The job of a school bus fleet supervisor, in general, is to assist the school administrator in the implementation of the State pupil transportation policies. His principal duties should include at least the following:

Chassis and body procurement (when this is not done at the State level).

Recruiting, selecting, instructing, and supervising drivers.

Routing and scheduling of buses.

Investigating accidents, road failures, and other problems associated with the school transportation operations.

Keeping records and preparing reports.

Those involved in pupil transportation believe that a fleet of 20–25 or more units requires a full time supervisor. Based on this, 4,500 full time supervisors are needed, but only slightly more than 1,000 are presently employed.

A manpower development program is needed so that the States may attain an acceptable level of competence in school bus fleet supervision.

3.3. Mechanics: With approximately 260,000 school buses in the U.S., a large number of well-trained mechanics is needed to maintain them. The average fleet size is 17 buses. The staffing pattern frequently used is one full time mechanic for a fleet of 10 buses. A fleet of 10-20 buses calls for one full time mechanic and one assistant and for fleets over 20 vehicles, a competent mechanic for each 15-18 units with one helper for each two mechanics is required.

Currently all large school bus fleet contractors and most large school fleets have their own maintenance facilities. Most small fleets are maintained by independent garages or by the automobile agency through which the bus was purchased.

In order for the States to meet the vehicle maintenance requirement of Standard No. 17, more qualified mechanics must be made available. An estimated 8,000 mechanics are needed immediately to maintain the 260,000 buses used in pupil transportation.

3.4. Pupil passengers: Since 1869, children have been transported to and from school at public expense. Distance and hazards to walkers are given as the main reasons for transporting children.

Behavioral problems that occur during transportation have led to requests for monitors or patrols aboard school buses. Misbehavior has been the indirect cause of accidents so should not be tolerated. The most effective means of solving this problem is to deny transportation to those whose behavior endangers the lives of other riders.

Vandalism is one of the most serious problems involving transported children. Each year, students damage many buses to such an extent that they must be taken out of service for repairs. Early attempts by body manufacturers and school boards to give greater protection to pupil passengers by providing well padded seats were largely frustrated by students who slashed the padding so severely and so often that maintenance calls became prohibitive. Manufacturers actually produced a virtually indestructible plastic seat for use where this type of vandalism was acute.

Pupil misbehavior thwarts much of the safety effort in school bus design, endangers other passengers, frustrates the driver and indirectly presents a safety hazard to others outside the bus. Such behavior cannot be tolerated. A program for pupil training and behavior control is needed to encourage the States to follow through on this important aspect, "pupil passenger behavior," of pupil transportation safety.

Related to the pupil problem is the transportation of the special education student. While this is not a discipline problem, the behavior of the handicapped child is an important consideration in that special accommodations must be provided for his transportation. A program to determine what is needed in this area should be pursued.

3.5 Administrators: Pupil transportation is primarily a State responsibility. All States use some "general funds" to support pupil transportation under one or more State statutes. In each State some official has the responsibility of this program or at least a part of it. Until the U.S. Department of Transportation was established, this individual was usually the chief State school officer. In only two States was this leadership role placed in the State Highway Department (Arizona and Kansas). Since 1967, however, several States have transferred this responsibility to their State Department of Transportation.

Some of the principal duties of the chief State school officer are as follows:

Provide leadership in the development of a comprehensive school transportation program for statewide application.

Develop and implement a clear, concise school transportation policy.

Develop and implement a statewide management information system to accommodate pupil transportation statistics, such as data on costs, accident and injury data, and information on manpower availability.

No two States have identical laws governing school buses and the motoring public. Nor are all school buses manufactured to the same specifications in all States. Most regulations governing pupil transportation are issued or approved by the State board of education and implemented by the State supervisor of school transportation. Functions such as licensing of school bus drivers and school bus inspections are usually handled by other State agencies with or without the cooperation of the State school transportation director.

Standard 17 requires that there shall be a single State agency having primary administrative responsibility for pupil transportation. In addition, this agency shall furnish NHTSA a summary evaluation of its pupil transportation safety program. NHTSA must in turn advise and furnish recommendations to this State agency on the conduct of its programs. Thus, a program to monitor and review the "State Administration of Pupil Safety Programs" is required within NHTSA.

3.6. Motorists: The average motorist regards school buses with mixed emotions. A motorist who is held up by a loading or unloading school bus may become impatient and take chances with his own life as well as those of the children by illegally passing the school bus. Inattention and impatience are the two largest contributors to motorist involvement in school bus accidents.

In addition, the States do not have uniform laws governing school bus loading and unloading. Nor are there uniform laws regulating how other vehicular traffic should react to a stopped school bus. These differing laws can lead to a confusing and dangerous situation.

In 30 States, for example, the bus must be provided with special visual signals. A type of flashing light is specified in 25 States; 5 require some kind of mechanical device—such as a stop arm that can be projected from the bus like a railroad semaphore. In 19 States the requirement to stop is unrelated to any special visual signal.

In 36 States, the laws regarding stopping for a school bus apply throughout the respective States. But in 5 of the 36, the stop laws do not apply in business and residential districts.

In 17 States, the school bus must actuate its flashing signals only after coming to a stop for the purpose of receiving or discharging passengers. But in 22 States the signals must be actuated before the bus has stopped.

State traffic laws describing when drivers must stop for school buses receiving or discharging children are not reasonably uniform from State to State. Clearly, efforts must be made to achieve some degree of uniformity which will make it easier for the motoring public to obey those laws designed to safeguard transported pupils.

A program for "Model Legislation for School Buses to Control Traffic" should be provided to the States so that they may enact appropriate legislation.

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[3] School Bus/Automobile Collision and Fire, Near Reston, Virginia, February 29, 1972, NTSB—HAR-72-2.

[4] School Bus Safety Problems, DOT/NHTSA, November 1971.

[1] Survey of State Directors of Pupil Transportation 1970.

3.7 Marking and Identification: The Uniform Vehicle Code states that every motor vehicle that meets certain color and identification requirements and transports children to and from school or school activities in a school bus. Marking this vehicle for easy identification sets this bus apart from all other passenger carrying vehicles.

Distinctive marking for vehicles carrying school children began in the 1920's with the words "School bus" placed as high as possible on the front of the vehicle. Since the average speed of traffic was well below 40 mph, the sign gave adequate warning to the motoring public that this vehicle carried young children. As traffic speed and volume increased in the 1930's, some additional means were required to alert motorists to a school bus. In 1939, following tests by the National Bureau of Standards, the National Conference on Pupil Transportation adopted National School Bus chrome yellow as the distinctive color for school buses. Following World War II the climbing accident rate again necessitated better identification and a means of controlling traffic for the safety of the transported pupils. Consequently, flashing red lights were added to the front and rear of school buses.

To date not all States have adopted these three means of uniformly identifying vehicles transporting children to and from school. Thirty-two States require or permit a stoparm as a warning or as the actual traffic control device in addition to the other items of identification. All States have added a legend on the rear of the bus to more adequately inform the motorist of the law relating to his behavior in the vicinity of a school bus. However, these legends also lack uniformity. They read, "Stop State Law," "Stop When Bus Stops," "Stop When Lights Flash," "Stop When Red Lights Flash," "Stop On Signal" or some other wording intended to help the motorist.

With 260,000 school buses making an estimated 5,000,000 stops per school day, the need for uniformity in marking and the standardization of the stop laws becomes readily apparent. A confused motorist is a dangerous motorist. To increase the safety of transported pupils a uniform stop law and a uniform stop signal are essential.

3.8 Pupil Transportation and Extracurricular Activities: Pupil transportation evolved because of the need to help children reach educational services which were beyond a reasonable walking distance. It is an instructional tool whose potential use has not yet been fully realized.

Until the early 1930's, school buses were used primarily for transporting children to and from school. Today, they transport pupils to many points of educational opportunity both within and outside the community.

At the high school level, athletic programs make heavy demands on school bus fleets to transport teams, cheerleaders and spectators to and from games. At the elementary level, children are bused to museums, dairy farms, zoos, the planetarium, parks, nature centers and fire stations.

The field trip is usually much longer than the to-and-from school trip. Therefore, the exposure is greater. However, the hazards of this type of transportation are considered less than the to-and-from school travel because the field trip is usually direct from the school to the trip site without the need to stop for loading and unloading along the way. Data from 10 States indicate that extra curricular mileage is about 7% of total mileage or about 152,000,000 miles a year. Data on trip length, frequency, number of buses used and cost of field trips would need to be collected and analyzed to determine if there is a safety problem.

Standard 17 does not cover this type of pupil transportation. However, if the data indicate that a safety problem exists the standard could be amended to apply to pupil transportation for extra curricular activities.

3.9. School Bus Disposal and Wear Out: The national fleet of 260,000 school buses is renewed about every eight or nine years. This means approximately 25,000 school buses must be disposed of every 12 months.

Old school buses are kept by the schools and rebuilt as wreckers, turned into a "flatbed" for school floats, or given to the auto mechanics shop for training purposes. Some buses are in such poor condition that they can only be sold for junk. Others are purchased by private individuals, churches, boys clubs, PTA's, parochial schools and scouts. In some instances these buses continue to be used as school buses. The private and parochial schools are the largest purchasers of used buses.

Worn out or discarded school buses are creating new problems in traffic management. Although many are remodeled internally for camping or other use, they are often left unchanged externally and continue to carry the school bus identification characteristics. Complaints have been registered by many individuals who travel the highways—law enforcement officers, insurance agents, school bus drivers and school administrators—about the unconventional manner in which these buses operate. They create hazards and are traffic accident potentials.

The following is the law in South Carolina: 21–795. Identification marks to school buses. All school buses in this State, when no longer used for school purposes and sold to any person for private or public use, must have all marks of identification showing that these buses were used by schools and school districts removed before private or public use may be made of them. Any person violating the provisions of this section shall be subject to a fine not exceeding twenty-five dollars or imprisonment upon the public works of the county in which the offense is committed for a period of not more than thirty days.

21–795.1 Former school buses to be repainted before use. Any person who purchases a used school bus must paint it a color other than yellow before operating such bus on the highway. Any person violating the provisions of this section shall be guilty of a misdemeanor and, upon conviction, shall be fined not more than one hundred dollars or imprisoned for not more than thirty days, or both, at the discretion of the court.

Such a requirement should be mandatory in every State.

The uniform vehicle code is the recommended guideline for the States to follow in drafting legislation.

4.0—CONCLUSIONS

This study has been undertaken to assess the magnitude of the school bus safety problem and to develop a plan to improve pupil transportation safety. This report provides estimates of school bus population and daily usage, the injuries and fatalities that occur annually and compares the safety records of school buses to passenger cars. It also provides an analysis of the school bus vehicle and reveals some systems which could be improved. The operational aspects of State safety programs for pupil transportation including driver training, program administration, uniform State laws, and use of buses for extracurricular activities were also reviewed. Principal findings and conclusions of the study are as follows:

19 million students are transported daily in approximately 260,000 school buses.

Although school bus safety can and should be improved, school buses are 8 times safer than passenger cars—the school bus injury rate is 1 injury per 8 million passenger miles for passenger cars.

Approximately 158 school bus involved fatalities occur annually; approximately half of these are pupils.

Over two-thirds of the pupil facilities are classified as pedestrians, and the remainder as bus occupants.

Approximately 8,200 school bus involved injuries occur annually and slightly more than 5,000 of these are pupils.

While only 20% of pupil fatalities occur inside the bus, 93% of the injuries occur there.

Over one-fourth of the bus occupant injuries require the services of an oral surgeon.

It is evident from an analysis of the school bus accidents reported in depth by various multidisciplinary accident investigation teams throughout the country that three aspects of school bus design and construction are in need of improvement. These include the vehicle brakes, the structural integrity of the vehicle and the seats.

Of the 17 school bus related accidents investigated in depth by NHTSA, five were directly attributed to a failure of the buses' braking system (five were attributed to driver error, one to faulty steering, one to failure of the heater hose and five as a result of failures in the opposing vehicle). Clearly, brakes are one of the most important safety related vehicle systems requiring NHTSA attention. Standards 105 and 121, which establish new requirements for hydraulic, parking and air brake systems on buses, effective September 1, 1974 and September 1, 1975, will significantly improve brakes. However, further improvements after these effective dates should also be studied.

In the structural area, the NTSB conclusion regarding the inadequate riveting of school bus panels has been sufficiently documented. As the NTSB points out, school bus manufacturers are not complying with accepted industrial practice on the joining of panels. Compliance with the NTSB recommendation should indeed reduce school bus injuries.

Several modifications to bus design which were pointed out in the Monarch Pass report appear practical and should render the bus more crashworthy—particularly in the catastrophic accidents involving rollover. The window retention and release standard (FMVSS 217) effective on buses produced after September 1, 1973, should reduce the likelihood of passenger ejection in accidents and enhance passenger exit in emergency.

School bus seats appear to be the primary cause of over one-fourth of all injuries which occur inside the school bus. Seat backs should be made more pliable, through padding or some other means, in order to reduce facial injuries during impact. The proposed school bus seat standard, issued in February 1973, should provide a high level of injury protection in most school bus crashes.

As many children (33) are struck and killed by their own bus as are killed by other cars. Development of countermeasures, such as an improved indirect visibility system to prevent or reduce the number of children run over by their own bus, would be a high pay-off safety system. However, to date, researchers have not achieved significant breakthroughs in the development of indirect visibility systems for passenger cars, and it is not expected that an effective school bus system can be developed in the near future.

Nineteen Federal Motor Vehicle Safety Standards now apply to school buses (see Appendix A). Although there is no indication that current buses do not comply with these standards, school buses have not been included in the NHTSA compliance test program in past years. Their compliance should be verified in the future.

Vehicle safety countermeasures can be developed by the Federal Government, but the pupil transportation systems are operated by local communities under the guidance of the States. States and local communities need help and advice in upgrading their systems. Standard 17, which was issued in early 1972, will help improve the State systems, but additional NHTSA effort and financial support are needed in the areas of bus driver training, promotion of uniform school bus laws and management and administration of the States' programs.

5.0—RECOMMENDATIONS

The School Bus Task Force recommends the following:

1. Expedition of Seating Standard. A notice of proposed rulemaking, Bus Passenger Seating and Crash Protection, was issued in February 1973. The proposed standard would require strengthened seats and seat anchorages, seat back impact protection and increased seat back height.

2. Strength of Structural Joints. NHTSA should follow the recommendation of NTSB to ". . . adopt a FMVSS to control the strength of structural joints of school buses." The proposed standard could follow the Vehicle Equipment Safety Commission's requirement 5.6, body structure.[1] This would be a first step in establishing structural standards for school buses and would require that normal engineering practices be followed in their construction.

3. Implementation as soon as possible of FMVSS No. 105(a) and FMVSS No. 121 on School Buses. Body and chassis manufacturers should be persuaded by NHTSA to implement FMVSS No. 105, Hydraulic Brake Systems, as amended, and FMVSS No. 121, Air Brake Systems, on school buses before the September 1, 1974 and September 1, 1975 effective dates. These two standards specify more stringent braking performance for school buses including stopping distance, lateral stability, fade resistance and recovery, "emergency" braking features and warning signal of system failure.

4. School Bus Compliance Test. A number of school buses can be tested for compliance with applicable Federal standards. Verification of compliance with the nineteen standards now in effect for school buses would focus attention on the public concern for the safety of pupil transportation.

5. School Bus Safety Improvement Project. The objective of this project is to demonstrate the degree of safety improvement that can be applied to contemporary school buses by proper utilization of present technology. The best features of the present day school bus would be incorporated into a modified bus. In addition the "mod" bus would have many of the "off-the-shelf" optional equipment installed to further enhance its safety performance. This demonstrated measure of improvement in school bus safety will, in turn, establish the basis for possible Federal Regulations. After completion of this project, it may be beneficial to develop additional experimental safety "prototype" school buses.

6. Data Collection and Analysis. Data on school bus accidents, their causes and school bus usage are essential. To assess the school bus accident picture on a nationwide basis, and to develop effective countermeasures based on school bus accident experience, the following data programs are required:

(a) Compile and issue annually a national report on the pupil transportation system, based on school bus accident and usage information provided by the States.

(b) Acquire from each State and analyze a copy of each school bus accident which results in a pupil injury.

(c) Annually conduct approximately five multidisciplinary investigations of high severity types of collisions which may occur—e.g., pedestrian, rollover, impact with large truck, bus or train.

7. State Safety Program for Pupil Transportation. Three critical areas have been identified which will enhance the State programs. These include: (a) the development and promotion of a school bus driver selection and training program; (b) the drafting and promotion of model legislation regarding the control of traffic by school buses; and (c) providing technical and financial assistance to States to upgrade the State administration and operation of a pupil transportation system.

Manpower allocation

Within NHTA, the Task Force has identified the need for eight professional personnel in fields relating to school bus safety. These are broken down by offices as follows:

A. Motor Vehicle Programs Seating and Occupant Protection, 1.

Vehicle Structure & Crashworthiness, 1.

Accident Avoidance (handling and stability, driver visibility, brakes and tires), 1.

Total, 3.

B. Research Institute Data Analysis, 1.

Accident Investigation, 1.

Vehicle Performance, 1.

Total, 3.

C. Traffic Safety Program State Safety Program for Pupil Transportation, 1.

(Additional personnel needed), 1.

Total, 2.

Total personnel for school bus programs, 8.

Seven of these positions are already filled; one more should be added to carry out the tasks of regional and State liaison within the transportation safety program. The addition of supervisor and secretarial help would bring this allocation to a ten position level which has been recommended by congressional committee.[2]

Proposed program summary

The specific projects and Resource Requirement supporting the school bus program are summarized as follows:

1. School Bus Seating and Occupant Protection—The objective is to develop an improved occupant seating system for school bus application.

Resource Requirements: 1 man for seat rulemaking (MVP), $50,000 contract support.

2. School Bus Safety Improvement Project—This program will support rulemaking for vehicle structures and crashworthiness as well as in the area of accident avoidance. In this program, the modification of an up-to-date school bus to incorporate the best safety features of all existing buses and the addition of presently available improved safety systems will demonstrate an achievable level of safety within the present "state-of-the-art."

Resource Requirements: 1 man for Accident Avoidance rulemaking (MVP); 1 man for Crashworthiness rulemaking (MVP); 1 man for Contract Monitoring (RI); $150,000 contract support over 2 years.

3. Yearly Summary Report—Acquire, compile and analyze State reports for issuance of an annual national report on Pupil Transportation Systems.

Resource Requirements: See Injury Accident Report resource requirements below.

4. Injury Accident Report—Establish a national school bus injury file from the school bus accident reports from each State. Analysis of the file will contain recommendations for countermeasures.

Resource Requirements: $20,000 contract support the first year, $15,000 thereafter; 1 man level of effort for data analysis for yearly Summary and Injury Accident Reports (RI).

5. Multidisciplinary Investigations of Fatal School Bus Accidents—Accident investigation teams to cover fatal school bus accidents as they occur.

Resource Requirements; 1 man level of effort (RI); $60,000 contract support annually to investigation teams.

6. School Bus Driver Selection and Training Program—The objective of this program is to develop a model driver training program for each State.

Resource Requirements: ½ man level of effort (TSP); $75,000 contract support annually.

7. Model Legislation—A uniform traffic law with regard to school buses is needed so that motorists traveling from State to State are less confused.

Resource Requirements: ¼ man level (TSP); $10,000 contract support total over three years.

8. State Administration of Pupil Transportation Safety Programs—In support of Standard 17, monitoring of State programs and Federal assistance for such programs, with recommendations for improvements would be beneficial.

Resource Requirements: 1¼ man level of effort is required which is ¼ man above current level (TSP); $5,000 contract support annually.

An annual funding of $260,000 is projected for the next two years dropping down to $210,000 in the third year and leveling off at $130,000 per year thereafter. The following table, Contract Program Summary, details the required funding to support the School Bus Programs recommended by the Task Force.

CONTRACT PROGRAM SUMMARY

	1974	1975	1976	1977
Data:				
Yearly summary report	0	0	0	0
Injury accident report analysis	$20,000	$15,000	$15,000	$15,000
Multidisciplinary investigations	60,000	60,000	60,000	60,000
Vehicle:				
Bus safety improvement project	50,000	100,000	0	0
Seating and occupant protecton	50,000	0	0	0
Other programs	0	0	50,000	50,000
State safety program:				
Driver selection and training	75,000	75,000	75,000	
Model legislation	1,000	4,000	5,000	
State administration of pupil transportation program	5,000	5,000	5,000	5,000
Total	261,000	259,000	210,000	130,000

APPENDIX A—SUMMARY DESCRIPTION: FEDERAL MOTOR VEHICLE SAFETY STANDARDS APPLICABLE TO BUSES

STANDARD NO. 101—CONTROL LOCATION, IDENTIFICATION AND ILLUMINATION

This standard requires that the headlamps, windshield wiping and other essential controls be labeled and within the reach of the driver restrained by a lap and upper torso restraint seat belt. Purpose of the Standard is to facilitate control selection and insure accessibility. An amendment to this standard requires illumination of specified controls and extends coverage to buses effective September 1, 1972.

STANDARD NO. 102—TRANSMISSION SHIFT LEVER SEQUENCE, STARTER INTERLOCK, AND TRANSMISSION BRAKING EFFECT

This standard requires all vehicles with automatic transmissions to have a neutral shift lever position between the forward and reverse drive positions, and whenever a park position is included to be located at the end of the shift lever sequence adjacent to the reverse drive position. If the shift lever is mounted on the steering column, the shift lever movement from neutral to forward shall be clockwise. It also requires an interlock to prevent starting the vehicle in reverse or forward drive positions, transmission braking capability and the permanent marking of the shift lever sequence. Its purpose is to reduce the likelihood of shifting errors, starter engagement with vehicle in gear and provide supplemental braking speeds below 25 miles per hour.

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[1] Regulation VESC–6, "Minimum Requirements for School Bus Construction and Equipment," January 1971.

[2] DOT Appropriation Bill 1973, Report No. 92–1312, August 7, 1972.

STANDARD NO. 103—WINDSHIELD DEFROSTING AND DEFOGGING SYSTEMS

This standard requires that all buses manufactured for sale in the continental United States be equipped with windshield defrosters. The purpose of the standard is to provide visibility through the windshield during frosting and fogging conditions.

STANDARD NO. 104—WINDSHIELD WIPING AND WASHING SYSTEMS

This standard requires that all buses be equipped with two or more speed power-driven windshield wipers and windshield washer systems. Its purpose is to provide improved visibility through the windshield during inclement weather. The standard includes test procedures and performance requirements for the washer system.

STANDARD NO. 105—HYDRAULIC BRAKE SYSTEMS

This revised standard requires buses utilizing hydraulic brakes to have a split brake system, incorporating service and emergency brake features that are capable of stopping the vehicle under certain specified conditions; such as "hot" and "wet" fade, partial failure, and inoperative power assist. The parking brake system must be capable of holding light vehicles on a 30 percent grade and heavy vehicles on a 20 percent grade. It also requires warning lights to indicate loss of pressure, low fluid level and antilock system failure. The effective date is September 1, 1975.

STANDARD NO. 107—REFLECTING SURFACES

This standard requires that windshield wiper arms, inside windshield moldings, horn rings and the frames and brackets of inside rearview mirrors have matte surfaces which will reduce the likelihood of visual glare in the driver's eyes.

STANDARD NO. 108—LAMPS, REFLECTIVE DEVICES AND ASSOCIATED EQUIPMENT

This standard specifies requirements for lamps, reflective devices, and associated equipment, for signaling and to enable safe operation in darkness and other conditions of reduced visibility. Sidemarker lights and reflectors, hazard warning lights and backup lights are included in the requirements for these vehicles. This standard has been amended several times increasing the safety performance levels of lighting systems. Several revisions were made in the standard, effective January 1, 1972, including the extension of the requirements to cover applicable replacement equipment. Another amendment, effective January 1, 1973, affects turn signals and hazard warning signal flashers.

STANDARD NO. 112—HEADLAMP CONCEALMENT DEVICES

This standard specifies that any fully opened headlamp concealment device shall remain fully opened whether either or both of the following occur: (a) any loss of power to or within the device or (b) any malfunction of wiring or electrical supply for controlling the concealment device occurs. Its purpose is to eliminate the possibility of loss of forward visibility due to malfunction of the headlamp concealment device, a problem with some devices.

STANDARD NO. 113—HOOD LATCH SYSTEMS

This standard, effective January 1, 1969, specifies requirements for a hood latch system for each hood. A front opening hood, which in an open position, partially or competely obstructs a driver's forward view through the windshield, must be provided with a second latch position on the hood latch system or with a second hood latch system.

STANDARD NO. 116—HYDRAULIC BRAKE FLUIDS

This standard specifies minimum physical characteristics for two grades of brake fluids, DOT 3 and DOT 4, for use in hydraulic brake systems of all motor vehicles. In addition, the standard establishes labeling requirements for all brake fluid containers.

STANDARD NO. 121—AIR BRAKE SYSTEMS

Effective September 1, 1974, each air braked bus is required to have a service brake and a parking brake system that will result in significantly improved levels of performance over existing vehicles. Stopping capabilities are established at both loaded and unloaded conditions, and on high and low coefficient of friction surfaces. In addition, the standard provides for an emergency braking system that activates in the event of loss of air pressure. It also establishes requirements for emergency braking system in the event of a failure in the primary service braking system. It also establishes requirements for various items of equipment.

STANDARD NO. 124—ACCELERATOR CONTROL SYSTEMS

This standard establishes requirements for the return of a vehicle's throttle to the idle position when the driver removes the actuating force from the accelerator control, or in the event of a breakage or disconnection in the accelerator control system.

STANDARD NO. 205—GLAZING MATERIALS

This standard specifies requirements for all glazing materials used in windshields, windows, and interior partitions of motor vehicles. Its purpose is to reduce the likelihood of lacerations to the face, scalp, and neck, and to minimize the possibility of occupants penetrating the windshield in collisions. It requires, among other things, that windshields be of a type that tends to cushion those that impact them, rather than allowing head penetration and even decapitation—a problem with older windshields.

STANDARD NO. 207—SEATING SYSTEMS

This standard establishes requirements for seats, their attachment assemblies, and their installation to minimize the possibly of failure as a result of forces acting on the seat on vehicle impact. This standard was amended, effective January 1, 1972, to extend applicability to the driver's seat of buses.

STANDARD NO. 208—OCCUPANT CRASH PROTECTION

This standard, previously titled "Seat Belt Installations" specifies requirements for lap and shoulder belt installations in passenger cars, and was effective beginning January 1, 1968. The standard was amended September 23, 1970 to extend applicability to multipurpose passenger vehicles, trucks, and the driver's seat in buses. The standard was further amended and re-titled "Occupant Crash Protection"—March 3, 1971. This amendment specifies requirements for both active and passive occupant crash protection systems. Effective January 1, 1972, buses (driver's seat only) are required to have a complete passive protection system or a belt system conforming to Standard No. 209, i.e. seat belt.

STANDARD NO. 209—SEAT BELT ASSEMBLIES

In order to mitigate the results of an accident to a person in a motor vehicle, the standard specifies requirements for seat belt assemblies. The requirements apply to straps, webbing, or similar devices as well as all necessary buckles and other fasteners, and all hardware designed for installing the assembly in a motor vehicle. Included is a requirement for anchorages for lap and upper torso restraint belts in all forward facing outboard seats (four in standard sedans). This standard was amended to upgrade webbing abrasion, buckle crash and emergency locking retractor requirements.

STANDARD NO. 210—SEAT BELT ASSEMBLY ANCHORAGES

This standard specifies the requirements for seat belt assembly anchorages to insure effective occupant restraint and to reduce the likelihood of failure in collisions. Included is a requirement for anchorages for lap and upper torso restraint belts in all forward facing outboard seats (four in standard sedans). This standard was amended extending the requirements to driver's seats in buses and upgrading the test requirements effective January 1, 1972.

STANDARD NO. 217—BUS WINDOW RETENTION AND RELEASE

This standard establishes minimum requirements for bus window retention and release to reduce the likelihood of passenger ejection in accidents and enhance passenger exit in emergencies. The effective date is September 1, 1973.

STANDARD NO. 302—FLAMMABILITY OF VEHICLE INTERIOR MATERIALS

Specifies burn resistance requirements for materials used in the compartments of motor vehicles. It becomes effective September 1, 1972.

FAIR LABOR STANDARDS AMENDMENTS OF 1974—CONFERENCE REPORT

The PRESIDING OFFICER. Under the previous order, morning business having expired, the Senate will now proceed to the consideration of the conference report on S. 2747, which will be stated by title.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2747) to amend the Fair Labor Standards Act of 1938 to increase the minimum wage rate under that act, to expand the coverage of the act, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of March 26, 1974, at pp. 8285–8291.)

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum. I ask unanimous consent that the time be charged equally against both sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. WILLIAMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WILLIAMS. Mr. President, I bring back to the Senate the conference report on minimum wage legislation and urge that the Senate agree to the report. I will say before briefly explaining the conference report that the Senate conferees, despite their strenuous efforts, were confronted by a strong degree of unanimity on the part of the House conferees, supported in a great measure by a letter from the President reflecting a preference for the House provisions.

Mr. President, briefly the major issues separating the conferees were the wage increases, coverage of domestic service employees, coverage of firefighters and police, and special provisions for the employment of students at a subminimum rate. I will say at the outset that a general youth subminimum was not an issue in this year's conference in that authorization for such a youth subminimum was not contained in either bill. However, the House conferees did agree to the amendment by the Senator from Ohio mandating a study of unemployment for disadvantaged people including youth.

MINIMUM WAGE RATES

The Senate conferees yielded to the House on the wage package. Although in our judgment the Senate package would have brought meaningful increases to many workers at an earlier period of time, we were impressed that the House wage package reflected the near unanimous judgment of the House of Representatives.

In addition, the President in his letter to me of February 27, 1974, reflected his own judgment that the wage increases of the House package were designed "in a way which should reduce the inflationary and disemployment impact that last year's bill would have had." I remind Senators that the President vetoed last year's bill. Although I do not agree with the President, I am not looking for an issue; rather the Senate conferees are looking to achieve the goal of the Senate, namely, to provide more meaningful wages to America's low wage workers.

DOMESTIC SERVICE EMPLOYEES

The Senate and House conferees reached agreement that it would be best if the conference report contained both the Senate and House tests for minimum wage coverage for domestic service employees. Under the conference report, therefore, a domestic service employee will be covered for minimum wage purposes if either test is met. In addition, the conferees retained the provisions in both bills exempting casual babysitters and companions from minimum wage and overtime coverage, and live-in domestics from overtime coverage.

FIREFIGHTERS AND POLICE

Under the Senate bill a limited overtime exemption was authorized for policemen and firemen, under employer-employee agreements providing a 28-day work period, and if during such period such employees receive overtime compensation for employment in excess of—

First, 192 hours during first year from effective date;

Second, 184 hours during second year from such date;

Third, 176 hours during third year from such date;

Fourth, 168 hours during fourth year from such date; and

Fifth, 160 hours thereafter.

The House amendment provided for a complete overtime exemption for policemen and firemen.

The Senate receded with an amendment which provides that firefighters and law enforcement personnel receive overtime compensation for tours of duty in excess of—

First, 240 hours in a work period of 28 days—60 hours in a work period of 7 days or in the case of any work period between 7 and 28 days, a proportionate number of hours in such work period—during the year beginning January 1, 1975.

Second, 232 hours in a work period of 28 days—58 hours in a work period of 7 days or in the case of any work period between 7 and 28 days, a proportionate number of hours in such work period—during the year beginning January 1, 1976; and

Third, 216 hours in a work period of 28 days—54 in a work period of 7 days or in the case of any work period between 7 and 28 days, a proportionate number of hours in such work period—during the year beginning January 1, 1977, and thereafter, except that if the Secretary finds on the basis of separate studies conducted during the calendar year 1976 of the average duty hours of firefighters and law enforcement personnel that such average duty hours are lower than 216 hours in a work period of 28 days—54 hours in a work period of 7 days or in the case of any work period between 7 and 28 days, a proportionate number of hours in such work period—in calendar year 1975 then such lower figures shall be effective January 1, 1978, and thereafter.

Public agencies which employ fewer than five employees either in firefighting or law enforcement activities are exempt and the duty hours of such employees are not to be calculated in the Secretary's studies of average duty hours.

The conference substitute further provides for averaging duty hours over the work period so long as the work period is no greater than 28 consecutive days. The conference substitute departs from the standard FLSA hours of work concept directed primarily at industrial and agricultural occupations and adopts an overtime standard keyed to the length of the tours of duty, thereby reflecting the uniqueness of the firefighting service. The Secretary is directed to adopt regulations implementing these new and unique provisions, including regulations defining what constitutes a tour of duty.

In establishing this "tour of duty" concept as a new element of the Fair Labor Standards Act, the conferees were recognizing that the work schedule of firefighters is dictated by the needs of the community.

Firefighters may be needed at any time of any day to fight fires. But to do so effectively, they need to be constantly prepared. Our safety in our homes depends as much on their ability to maintain their equipment and their own physical condition as it does on their willingness to risk their lives to save our lives and our property. They are on duty, in some jurisdictions, for 24 hours in a row. In others they work 10 and 14-hour shifts or 9 and 15-hour shifts. Whatever their varying schedules, they are subject to our call. They are not free to follow their own pursuits. They must be there ready to respond immediately to the alarm, whether it be false or not.

To accomodate this need by society and the "tour of duty" concept so generally applicable in firefighting, the Senate conferees were willing to abandon the "hours of work" concept of the Senate bill and the complexities that this concept entailed, while adhering to the Senate's expressed will that firefighters, like most other workers, be protected from abusive duty schedules by covering them under the overtime provisions of the law.

In this regard, it should be noted that the bill establishes a Federal standard that is applicable to all firefighters, whether Federal, State or local, unless they are employed by public agencies employing fewer than five employees in firefighting activities.

While this bill, in many instances, will require payment of the time and a half overtime rate for hours in excess of the statutory limits, it does permit the flexibiliy of scheduling by authorizing the averaging of hours over a period of not to exceed 28 days. This provision also permits the use of so-called "comp time" within the cycle.

Furthermore, the committee expects the Secretary of Labor to adopt regulations which permit the continuation of the practice of "trading time" both within the tour of duty cycle, the 28-day "averaging" work period and from one cycle or period to another within the calendar or fiscal year without the employer being subject to the overtime rate by virtue of the voluntary trading of time by employees.

STUDENT EMPLOYMENT

The Senate bill retained the existing law limit on the number of hours students may be employed by a retail or service establishment under certificates authorizing payment of less than the applicable minimum wage. Under the limit the proportion of student hours of employment in any month under certificates to the total hours of employment of all employees in a retail service establishment may not exceed the proportion existing in the establishment for the corresponding month of the year preceding the date of first coverage of its employees under the act or, if no records or if a new establishment, the proportion existing in similar establishments in the area in the year prior to the 1961 amendments.

The House amendment eliminated such existing law limits.

The conference substitute revises the existing law limit on the number of hours students may be employed by a retail or service establishment under certificates authorizing payment of less than the applicable minimum wage.

In the case of a retail or service establishment whose employees are covered by the act before the effective date of the Fair Labor Standards Amendments of 1974, the monthly proportion of certified student hours of employment to total hours of employment in any such establishment may not exceed, first, such proportion in the corresponding month of the preceding 12-month period; second, the maximum proportion to which the establishment was ever entitled in corresponding months of preceding years; or third, one-tenth of the total hours of employment of all employees in the establishment, whichever proportion is greater.

In the case of retail or service establishments whose employees are covered for the first time by the Fair Labor Standards Amendments of 1974, the monthly proportion of certified student hours of employment to total hours of employment in any such establishment may not exceed, first, such proportion in the corresponding month of the preceding 12-month period; second, the proportion of hours of employment of students—as distinct from student hours of employment under certificates—in the establishment to the total hours of all employees in the establishment in the corresponding month of the 12-month period immediately prior to the effective date of the Fair Labor Standards Amendments of 1974; or third, one-tenth of the total hours of employment of all employees in the establishment, whichever proportion is greater.

In the case of a retail service establishment for which records of student hours are not available—including those newly established after the effective date of the Fair Labor Standards Amendments of 1974—the monthly proportion of certified student hours of employment to total hours of employment in any such establishment shall be determined according to the practice during the immediately preceding 12-month period in, first, similar establishments of the same employer in the same general metropolitan area in which such establishment is located; second, similar establishments of the same or nearby communities if such establishment is not in the metropolitan area; or third, other establishments of the same general character operating in the community or the nearest comparable community. Once such an establishment obtains a record of employment data, one of the preceding categories of limitations—whichever is applicable—shall take effect with respect to such establishment.

In determining the student hours of employment under certificates for purposes of applying the proportionate limitation described above, the Secretary is to include all student hours of employment under certificates whether or not subject to the precertification procedures.

In the case of private institutions of higher learning no prior certification will be required unless such institutions violate the Secretary's requirements.

Questions have been raised by many Senators regarding the treatment of young workers under this legislation. These amendments do not treat young workers as a separable class of workers. The law, however, as it exists and as it would be amended by this legislation, recognizes that some young workers, as well as many other workers regardless of age, encounter difficulties in the job market because of their lack of training and lack of skill. This lack of training and lack of skill may have the effect of curtailing employment opportunities for them. In addition, there are workers whose employment opportunities may be curtailed by their inability to work full-time because of their status as full-time students or because their earning capacity is impaired by age or mental or physical deficiency or injury.

With this in mind the Congress, beginning with the enactment of the first Fair Labor Standards Act in 1938, has legislated special authority in the Secretary of Labor, where necessary to prevent curtailment of opportunities for employment for these potential workers without creating a substantial probability of reducing the full-time employment opportunities of other persons, to provide, by regulation or order, for the employment of learners, of apprentices, of messengers employed primarily in delivering letters and messages, of full-time students in retail or service establishments and in agriculture or by their educational institutions, and of workers whose earning or productive capacity is impaired by age or physical or mental defiency or injury, at rates below the minimum.

Section 14 of the act, as it would be amended by these Fair Labor Standards Amendments of 1974, provides special limitations on the authority of the Secretary in each of these categories to guard against potential abuse. And, it must be noted that the potential for abuse is not purely hypothetical. Public attention has recently been focused on two such examples which are noteworthy. The first, reflected in the committee report on S. 2747, relates to institutions which provide care for handicapped persons.

It is distressing to know that many of these institutions require their patients to perform such services for the institutions as custodial work. Under the guise that such work is "therapeutic," these institutions require patients to perform productive labor for which the patients would certainly have to be remunerated outside the institution and for which the institution would otherwise be required to employ nonhandicapped individuals at fair labor standards. A second example has arisen under the Labor Department's WECEP program for training 14- and 15-year-old students.

Under that program, a small number of establishments in Florida were found on investigation, to have committed approximately 500 violations of certificates issued under the FLSA. These violations included minimum wage violations but most requiring 14- and 15-year-olds to work hours in excess of those permitted by certificate. This not only interfered with their education, it also has serious potential for undercutting adult employment opportunities.

Without exploring all of the potential for abuse under each of the different subsections of section 14, it is important to note the following with regard to any programs which may be undertaken by a Secretary of Labor within the limitations of section 14(a).

Section 14(a) of the act permits the Secretary to issue special certificates authorizing the employment of learners and apprentices "at such wages lower than the minimum wage applicable under section 6 and subject to such limitations as to time, number, proportion, and length of service as the Secretary shall prescribe." In issuing such certificates, however, the Secretary must consider whether there is an adequate supply of qualified experienced workers available for employment and whether reasonable efforts have been made to recruit them.

Experienced workers presently employed in a plant in occupations in which learners are requested must be afforded an opportunity to the fullest extent possible to obtain full-time employment. The Secretary must guard against any authorization to employ learners at subminimum wage rates where such rates will tend to create unfair competitive labor cost advantages or have the effect of impairing or depressing wage or work standards established for experienced workers for work of a like or comparable character in the industry.

Under no circumstances can employment of learners be authorized where there are serious outstanding violations of the Fair Labor Standards Act or certificates issued thereunder, and, as a consequence, the Secretary has reasonable grounds to believe that the employer may not comply with the terms and conditions of any new learner certificate. Similarly, certificates cannot be issued where a strike, lockout, or other similar abnormal labor condition exists.

In exercising his judgment on whether to issue a certificate, the Secretary must take into consideration whether the occupation for which authorization is granted is one which is customarily learned in a practical way through training and work experience on the job, of sufficient duration, whether it requires related instruction to supplement the work experience, and whether it involves the development of skill sufficiently broad to be applicable in other occupations. This, together with the requirement that learners be afforded every reasonable opportunity for continued employment upon completion of the learning period, will insure to the greatest extent feasible that the training will lead to gainful employment.

Of course, learners must in fact be available for employment and the Secretary must determine that the granting of a certificate is necessary in order to prevent curtailment of opportunities for employment.

Since the provisions of section 14(a)

are directed at situations where a lack of training and skill curtails employment opportunities, the occupation or occupations in which learners are to receive training must in fact involve a sufficient degree of skill to necessitate an appreciable training period. So, for example, the provisions of section 14(a) would not be applicable where the skills required can be learned in a few hours of filmed lectures and demonstrations. In this regard, this provision is not intended to authorize the employment of learners at subminimum wage rates as homeworkers, or in maintenance occupations such as watchmen or porters, or in operations of a temporary or sporadic nature. Similarly, certification, under this section, is not available with respect to selling, retailing or similar occupations in the distributive field, managerial, clerical, professional and semiprofessional occupations, although the provisions of section 14(b) may be applicable for such employment in retail or service establishments.

Of course, no authorization can be granted which is inconsistent with higher standards applicable to learners which may be established under any other Federal law, any State law, any learner certificate in effect under the Fair Labor Standards Act, nor under any collective bargaining agreement. Furthermore, if the Secretary issues a certificate, a notice must be published in the Federal Register giving interested persons a reasonable time, such as 15 days, to file a written request for reconsideration or review.

Mr. President, these compromises reflect a sincere effort by the conferees to meet the President more than half way on the issues he raised in his letter to me. I should also note that the conferees agreed, as the President had requested, that enforcement responsibilities for the application of minimum wage and overtime laws to Federal employees, is generally delegated by the bill to the Civil Service Commission

Mr. President, I ask unanimous consent to include in the RECORD at this point in my remarks a section-by-section analysis of the conference report.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS

Section 1. Short Title; References to Act.—The name of this bill is the "Fair Labor Standards Amendments of 1974."

Section 2. Increase in Minimum Wage Rate for Employees Covered Before 1966.—This section amends section 6(a)(1) of the Act to provide an increase in the minimum wage rate for employees covered by the Act prior to the effective date of the 1966 amendments and for Federal employees covered by the 1966 amendments (wage board employees and employees of nonappropriated fund instrumentalities of the Armed Forces). The minimum wage rate for such employees is raised from not less than $1.60 an hour to (1) not less than $2 an hour during the period ending December 31, 1974, (2) not less than $2.10 an hour during the year beginning January 1, 1975, and (3) not less than $2.30 an hour beginning January 1, 1976.

Section 3. Increase in Minimum Wage Rate for Nonagricultural Employees Covered in 1966 and 1973.—This section amends section 6(b) of the Act to provide an increase in the minimum wage rate for nonagricultural employees (other than Federal employees) covered by the 1966 amendments to the Act and for employees covered by the 1974 amendments. The minimum wage rate for such employees is raised from not less than $1.60 an hour to (1) not less than $1.90 an hour during the period ending December 31, 1974, (2) not less than $2 an hour during the year beginning January 1, 1975, (3) not less than $2.20 an hour during the year beginning January 1, 1976, and (4) not less than $2.30 an hour beginning January 1, 1977.

Section 4. Increase in Minimum Wage Rate for Agricultural Employees.—This section amends section 6(a)(5) of the Act to provide an increase in the minimum wage rate for agricultural employees covered by the Act. The minimum wage rate for such employees is raised from not less than $1.30 an hour to (1) not less than $1.60 an hour during the period ending December 31, 1974, (2) not less than $1.80 an hour during the year beginning January 1, 1975, (3) not less than $2 an hour during the year beginning January 1, 1976, (4) not less than $2.20 an hour beginning January 1, 1977, and (5) not less than $2.30 an hour during the year beginning January 1, 1978.

Section 5. Increase in Minimum Wage Rate for Employees in Puerto Rico and the Virgin Islands.—

Subsection 5(a) amends section 5 by adding a new subsection (e) to establish, for employees employed in Puerto Rico or the Virgin Islands (a) by the United States government or the government of the Virgin Islands, or (b) by a hotel, motel, or restaurant, or (c) by retail or service establishments employing such employees primarily in connection with the preparation or offering of food or beverages, a minimum wage rate determined in the same manner as the minimum wage rate for employees employed in a State of the United States is determined under this Act.

Subsection 5(b) amends subsection (c) or section 6 to require that the rate for employees in Puerto Rico and the Virgin Islands covered by a wage order rate in effect on the day before the effective date of the 1974 amendments which is under $1.40 an hour, be increased by $0.12 an hour; and if such rate is $1.40 or more an hour, such rate be increased by $0.15 an hour. Effective one year later and each subsequent year thereafter the wage order rate for other than commonwealth and municipal employees shall be increased by $0.12 an hour if under $1.40 an hour, and by $0.15 an hour if $1.40 or more an hour, until parity with the mainland is achieved. For agricultural employees covered by a wage order whose wage is increased by a subsidy (or income supplement) the increases prescribed by the 1974 Amendments shall be applied to the wage rate plus the amount of the subsidy (or income supplement). For newly covered employees under the 1974 amendments, a special industry committee shall recommend the highest minimum wage rates which shall not be less than 60 percent of the otherwise applicable rate under section 6(b) or $1.00 an hour whichever is greater. Effective dates of rates recommended by this special industry committee shall not be effective before sixty days after the effective date of the 1974 Amendments and shall be increased in the second and each subsequent year as provided in the 1974 Amendments. Wage rates of any employee in Puerto Rico or in the Virgin Islands shall not be less than 60 percent of the otherwise applicable rate or $1.00, whichever is higher, on the effective date of the wage increases. Wage order rates prescribed in the 1974 Amendments may be increased by a wage order issued pursuant to a special industry committee recommendation but not decreased.

Section 5(c)(1) amends section 8(b) by requiring that special industry committees to recommend the otherwise applicable rate under section (a) or 6(b) except where substantial documentary evidence, including pertinent financial data or other appropriate information establishes that the industry or portion thereof is unable to pay such wage rate. Minimum wage rates in wage orders may, upon review, be specified by a court of appeals.

Section 6. Federal and State Employees.—

Section 6 amends section 3(d) and 3(e) to include under the definitions of "employer" and "employee" the United States and any State or political subdivision of a State or intergovernmental agency. This will extend minimum wage and overtime coverage of the law to civilian employees in agencies and activities of the United States (except the armed forces). Elected officials, personal staff, appointees on the policy making level, or immediate advisors in State and local governments are exempt. Coverage of State and local hospitals, nursing homes, schools, and local transit companies is provided under present law. A special overtime compensation provision is included in the 1974 Amendments for Federal, State and local government employees, in fire protection or law enforcement activities including security personnel in correctional institutions. The United States Civil Service Commission is to administer the Act for Federal employees (other than Postal Service, Postal Rate Commission, Library of Congress employees and the TVA.)

Section 7. Domestic Workers.—

The Senate bill provided that an employee employed in domestic service in a household would be covered under both minimum wage and overtime unless the employee receives from his employer wages which would not, because of section 209(g) of the Social Security Act, constitute "wages" for purposes of title II of such Act (wages of less than $50 in a calendar quarter).

Under the House amendment such an employee would be covered under minimum wage for any workweek in which such employment is for more than 8 hours in the aggregate. If the employer employs such an employee in domestic service in a household for more than 40 hours in a workweek, the employer would be required to pay the employee overtime compensation.

The conference substitute combines both provisions to establish alternative tests for coverage. The conference substitute retains the exemption for casual babysitters and companions contained in both bills and retains the overtime exemption for "live-in" domestic employees.

The Committee expects the Secretary to immediately undertake a program utilizing all feasible administrative procedures to apprise employers of their responsibilties under the Act and to notify employees of their rights and entitlements under the Act. The Committee further expects the Secretary to seek the assistance of the Social Security Administration and other relevant agencies in this regard.

The Secretary shall also adopt regulations and enforcement procedures to require that employers are reasonably apprised of when their obligation regarding the payment of the minimum wage commences.

It is intended by these comments to put the burden on the administrative arm of the government to use its maximum efforts to communicate with both employers of domestic service employees and such employees of their rights and duties, of the effective date of the wage increases, and of the overtime provisions and of any regulations which may become applicable to them. It is not intended to impose any burdens of proof or establish any defenses which do not already exist under the Fair Labor Standards Act.

Section 8. Retail and Service Establishments.—

Section 8 amends section 13(a) (2), the special dollar volume test for retail and service establishments, by phasing out the dollar volume establishment test from the present $250,000 to $225,000 on July 1, 1974, to $200,000 on July 1, 1975; and to repeal the test on July 1, 1976. This amendment would gradually expand the coverage of retail and service activities to include employees of all small establishments of chain store operations in which the total chain operation has gross annual sales of more than $250,000. This provision applies also to employees of establishments which are part of covered conglomerate operations.

Section 9. Tobacco Employees.—

Section 9 amends section 7 and section 13 relating to tobacco employees. A limited overtime exemption (14 weeks, 10 hours per day, and 48 hours per week) is provided for certain employees engaged in activities related to the sale of tobacco. These employees are currently covered by the section 7(c) exemption pursuant to determination by the Secretary of Labor. Section 13 is amended to cover employees engaged in the processing of shade grown tobacco prior to the stemming process for use as cigar wrapper tobacco for minimum wages but not for overtime.

Section 10. Telegraph Agency Employees.—

This section repeals the minimum wage exemption and phases out the overtime exemption for persons engaged in handling telegraph messages for the public under an agency or contract arrangement with a telegraph company, if they are so engaged in retail or service establishments exempt under section 13(a) (2) and if the revenues for such messages are less than $500 a month, as follows: 48 hours in the first year beginning with the effective date of the 1974 Amendments, 44 hours in the second year; and repealed thereafter.

Section 11. Seafood Canning and Processing Employees.—

This section amends section 13(b) (4) relating to fish and seafood processing employees, by phasing out the overtime exemption for such workers, as follows. 48 hours in the first year after the effective date of the 1974 Amendments; 44 hours in the second year; and repealed thereafter.

Section 12. Nursing Home Employees.—

This section amends section 13(b) (8) as it relates to nursing home employees by replacing the limited overtime exemption for employees of nursing homes (overtime compensation required for hours of employment in excess of 48 hours in a week) by the overtime exemption applicable to hospitals. (By agreement, the employer and employee may substitute a 14-consecutive-day work period for the seven day workweek and requires overtime compensation for employment over 8 hours in any workday and for 80 hours in such 14 day work period.)

Section 13. Hotel, Motel, and Restaurant Employees and Tipped Employees.—

This section amends section 13(b) (8) as it relates to hotel, motel, and restaurant employees by limiting the overtime exemption to hours in excess of 48 hours a week during the first year and to hours in excess of 46 hours a week thereafter. This section also amends section 13(b) (8) to phase out the overtime exemption for maids and custodial employees of hotels and motels as follows: 48 hours in the first year; 46 hours in the second year; 44 hours in the third year; repealed thereafter. The tip credit provision of section 3(m) of the FLSA is also amended to require the employer to inform each of such employer's tipped employees of this provision before the credit (up to 50% of the applicable minimum wage but not to exceed the value of tips actually received by the employee) is applied. In addition, this section further requires that all tips received by a tipped employee must be retained by such tipped employee.

Furthermore, regarding the tip credit provision the Department of Labor has regulations applicable to employers of tipped employees which, if complied with, should enable any complying employer to meet the burden of proof regarding the amount of tip credit. Those regulations provide in part as follows:

Section 516.28. Tipped employees

"(a) Supplementary to the provisions of any section of the regulations in this part pertaining to the records to be kept with respect to tipped employees, every employer shall also maintain and preserve payroll or other records containing the following additional information and data with respect to each tipped employee whose wages are determined under section 3(m) of the Act:

"(1) A symbol or letter placed on the pay records identifying each employee whose wage is determined in part by tips.

"(2) Weekly or monthly amount reported by the employee, to the employer, of tips received (this may consist of reports made by the employees to the employer on IRS Form 4070).

"(3) Amount by which the wages of each tipped employee have been deemed to be increased by tips as determined by the employer (not in excess of 50 percent of the applicable statutory minimum wage). The amount per hour which the employer takes as a tip credit shall be reported to the employee in writing each time it is changed from the amount per hour taken in the preceding week.

"(4) Hours worked each workday in any occupation in which the employee does not receive tips, and total daily or weekly straight-time payments made by the employer for such hours.

"(5) Hours worked each workday in occupations in which the employee receives tips, and total daily or weekly straight-time earnings for such hours."

In addition Section 531.52 of the Department of Labor regulations regarding tips provides: "Only tips actually received by an employee as money belonging to him which he may use as he chooses free of any control by the employer, may be counted in determining whether he is a 'tipped employee' within the meaning of the Act and in applying the provisions of section 3(m) which govern wage credits for tips."

Section 14. Salesmen, Partsmen, and Mechanics.—

This section amends section 13(b) (10) relating to salesmen, partsmen, and mechanics by repealing the overtime exemption for partsmen and mechanics in nonmanufacturing establishments primarily engaged in selling trailers; by repealing the overtime exemption for partsmen and mechanics in nonmanufacturing establishments engaged in selling aircraft; and by providing an overtime exemption for salesmen engaged in the sale of boats.

Section 15. Food Service Establishments.—

This section amends section 13(b) (18) by phasing out the overtime exemption for food service establishments employees as follows: 48 hours during the first year; 44 hours during the second year, repealed thereafter.

Section 16. Bowling Establishment Employees.—

This section amends section 13(b) (19) by phasing out the overtime exemption for employees of bowling establishments in two steps; reducing the exemption from 48 to 44 hours effective one year after the effective date of the 1974 amendments and repealing the exemption two years after the effective date of the 1974 Amendments.

Section 17. Substitute Parents for Institutionalized Children.—

This section amends section 13(b) by providing an overtime exemption for couples who serve as house-parents for orphaned children or children with one parent deceased placed in nonprofit educational institutions if the couple resides on the premises, receives their board and lodging without cost and are together paid on a cash basis not less than $10,000 a year.

This in no way suggests a judgment that a $10,000 combined salary will actually comply with the minimum wage requirements. That will depend on how many hours of work these house-parents are engaged in.

Section 18. Employees of Conglomerates.—

This section amends section 13(a) (2) by providing that the minimum wage exemptions of section 13(a) (2) for certain retail and service establishments, and of 13(a) (6) relating to agricultural employees, would not be applicable to establishments which are part of conglomerates having a combined annual gross volume of sales exceeding $10,000,000.

Section 19. Seasonal Industry Employees.—

This section amends sections 7(c) and 7(d) by phasing out the limited overtime exemption for employees of industries found to be of a seasonable nature or characterized by marked annual recurring seasonal peaks of operation (other than for cotton or sugar processing), as follows: on the effective date, the seasonal periods for exemptions are reduced from 10 weeks to 7 weeks, and from 14 weeks to 10 weeks; on the same date, the workweek exemptions are reduced from 50 hours to 48 hours; effective January 1, 1975, the seasonal periods for exemptions are reduced from 7 weeks to 5 weeks, and from 10 weeks to 7 weeks; effective January 1, 1976, the seasonal periods for exemption are reduced from 5 weeks to 3 weeks, and from 7 weeks to 5 weeks; effective December 31, 1976, the overtime exemptions (sections 7 (c) and 7(d)) are repealed.

Section 20. Cotton Ginning and Sugar Processing Employees.—

This section amends section 13(b) by phasing down the overtime exemption for cotton ginning and sugar processing employees, as follows: Effective on the effective date, 72 hours each week for 6 weeks of the year; 64 hours each week for 4 weeks of the year; 54 hours each week for 2 weeks of the year; 48 hours each week for the balance of the year. Effective January 1, 1975, 66 hours each week for 6 weeks of the year; 60 hours each week for 4 weeks of the year; 50 hours each week for 2 weeks of the year; 46 hours each week for 2 weeks of the year; 44 hours each week for the balance of the year. Effective January 1, 1976, 60 hours each week for 6 weeks of the year; 56 hours each week for 4 weeks of the year; 48 hours each week for 2 weeks of the year; 44 hours each week for 2 weeks of the year; 40 hours each week for the balance of the year.

Section 21. Local Transit Employees.—

This section amends sections 7 and 13(b) (7) by phasing out the overtime exemption for all local transit operating employees, as follows: 48 hours on the effective date of the 1974 Amendments; 44 hours one year later, and repealed effective two years after the effective date of the 1974 Amendments.

Section 22. Cotton and Sugar Services Employees.—

This section amends section 13 by adding a subsection (h) which provides a limited overtime exemption for a period not more than 14 workweeks in the aggregate in any calendar year for cotton or sugar service employees receiving overtime compensation for work in excess of 10 hours in any workweek.

Employers receiving an exemption under this subsection for one type of employee shall not be eligible for any other exemption of this section or section 7 with regard to the same employee.

Section 23. Other Exemptions.—

Section 23 amends section 13 as it relates to motion picture theater employees, employees in forestry and lumbering, and pipeline employees, as follows:

1. Repeals section 13(a)(9) and amends section 13(b) thereby repealing the minimum wage exemption, but retaining the overtime exemption for employees in motion picture theaters.

2. Repeals section 13(a)(13) and amends section 13(b) thereby repealing the minimum wage exemption but retaining the overtime exemption for forestry and lumbering operations with 8 or fewer employees.

3. Amends section 13(b)(2) to repeal the overtime exemption for employees of oil pipeline transportation companies.

Section 24. Employment of Students.—

The Senate bill retained the existing law limit on the number of hours students may be employed by a retail or service establishment under certificates authorizing payment of less than the applicable minimum wage. Under the limit the proportion of student hours of employment in any month under certificates to the total hours of employment of all employees in a retail service establishment may not exceed the proportion existing in the establishment for the corresponding month of the year preceding the date of first coverage of its employees under the Act or, if no records or if a new establishment, the proportion existing in similar establishments in the area in the year prior to the 1961 Amendments.

The House amendment eliminated such existing law limits.

The conference substitute revises the existing law limit on the number of hours students may be employed by a retail or service establishment under certificates authorizing payment of less than the applicable minimum wage.

In the case of a retail or service establishment whose employees are covered by the Act before the effective date of the Fair Labor Standards Amendments of 1974, the monthly proportion of certified student hours of employment to total hours of employment in any such establishment may not exceed (A) such proportion in the corresponding month of the preceding twelve-month period, (B) the maximum proportion to which the establishment was ever entitled in corresponding months of preceding years, or (C) one-tenth of the total hours of employment of all employees in the establishment, whichever proportion is greater.

In the case of retail or service establishments whose employees are covered for the first time by the Fair Labor Standards Amendments of 1974, the monthly proportion of certified student hours of employment to total hours of employment in any such establishment may not exceed (A) such proportion in the corresponding month of the preceding twelve-month period, (B) the proportion of hours of employment of students (as distinct from student hours of employment under certificates) in the establishment to the total hours of all employees in the establishment in the corresponding month of the twelve-month period immediately prior to the effective date of the Fair Labor Standards Amendments of 1974, or (C) one-tenth of the total hours of employment of all employees in the establishment, whichever proportion is greater.

In the case of a retail or service establishment for which records of student hours are not available (including those newly established after the effective date of the Fair Labor Standards Amendments of 1974), the monthly proportion of certified student hours of employment to total hours of employment in any such establishment shall be determined according to the practice during the immediately preceding twelve-month period in (A) similar establishments of the same employer in the same general metropolitan area in which such establishment is located, (B) similar establishments of the same or nearby communities if such establishment is not in the metropolitan area, or (C) other establishments of the same general character operating in the community or the nearest comparable community. Once such an establishment obtains a record of employment data, one of the preceding categories of limitations (whichever is applicable) shall take effect with respect to such establishment.

In determining student hours of employment under certificates for purposes of applying the proportionate limitation described above, the Secretary is to include all student hours of employment under certificates whether or not subject to the pre-certification procedures.

In the case of private institutions of higher learning no prior certification will be required unless such institutions violate the Secretary's requirements.

Section 25. Child Labor.—

This section amends section 12 (relating to child labor) by adding a new subsection (d) requiring employers to obtain proof of age from any employee. This section also amends section 13(c)(1) relating to child labor in agriculture by permitting the employment of a child under age 12 in agriculture only if such child is employed outside of school hours for the school district where such employee is living by his or her parent or a person standing in place of his or her parent, on a farm owned or operated by his or her parent or such person, or is employed on a farm not covered by the Act under the 500 man-day test, with the consent of his or her parent or such person. A child 12 or 13 years of age is permitted to be employed on a farm outside of school hours for the school district in which he or she resides, if such employment is with the consent of his or her parents or person standing in place of his or her parents, or his or her parent or such person is employed in the same farm, or if such employee is 14 years of age or older.

This section also amends section 16 by adding a new subsection subjecting violators of child labor provisions or regulations to a civil penalty not to exceed $100 for each violation.

Section 26. Suits by Secretary for Back Wages.—

This section amends section 16(c) to continue the authority to the Secretary of Labor to sue for back wages and adds a provision to also permit the Secretary sue for an equal amount of liquidated damages without requiring a written request from the employee and even though the suit might involve issues of law not finally settled by the courts. In the event the Secretary brings such an action, the right of an employee provided by section 16(b) to bring an action in his or her own behalf, or to become a party to such an action would terminate, unless such action is dismissed without prejudice. * * *

Section 27. Economic Effects Study.—

This section also directs the Secretary of Labor to conduct a continuing study on the means to prevent curtailment of employment opportunities among manpower groups which have had historically high incidences of unemployment (such as disadvantaged minorities, youth, elderly, and such other groups as the Secretary may designate). A report of the results of such study shall be transmitted to the Congress one year after the effective date of the 1974 Amendments and thereafter at two-year intervals after such date. Such report shall include suggestions respecting the Secretary's authority under section 14 of the Act.

The House amendment contained no comparable provision.

The House receded.

Section 28. Nondiscrimination on Account of Age in Government Employment.—

This section amends section 11(b) of the Age Discrimination in Employment Act of 1967 (29 U.S.C. 630(b)) by expanding its coverage from employers with 25 or more employees to employers with 20 or more employees. This section also amends section 11(b) of the Age Discrimination in Employment Act to include within its scope coverage for State, and local government employees (other than elected officials and certain aides not covered by Civil Service). The annual authorization of appropriations ceilings is raised from $3 million to $5 million. A new section (Sec. 15) is also added to the Act prohibiting discrimination on account of age in Federal government employment with jurisdiction for enforcement assigned to the United States Civil Service Commission. Aggrieved persons may bring a civil action in any Federal district court of competent jurisdiction.

Questions have been raised about the applicability of the Age Discrimination provisions to the discretion which now may rest in the heads of certain executive agencies to terminate an employee in the interests of the national security of the United States.

It was not the intent of the conferees to affect the exercise of such discretion, other than by barring actions which, in fact, would be illegal, such as a termination of employment or a refusal to hire based on age.

Section 29. Effective Date.—This section sets the effective date of the Act, except as otherwise specifically provided, as May 1, 1974.

Mr. WILLIAMS. Mr. President, I have been the chief sponsor of minimum wage legislation for 5 years, I have chaired the Labor Subcommittee and the full committee through over 100 hours of hearings, and through over 20 days of markup on this legislation. I have floor managed the bill three times in 3 years and now have served as chairman of the House-Senate conference on this legislation twice. The efforts have been thwarted, first by a blocked conference and then by a Presidential veto. But I will say to my colleagues in the Senate that the conferees on both sides made every possible effort to arrive at a minimum wage package which addresses some of the immediate needs of America's work force while insuring the degree of support which will guarantee that its provisions will go into effect on May 1, 1974.

Mr. President, I wish to take a moment to applaud my colleagues who were Senate conferees, particularly Senator JAVITS and Senator SCHWEIKER, for their untiring efforts in this long and arduous struggle. I also want to recognize the sincere efforts of our colleagues on the House Committee on Education and Labor, both majority and minority, who worked long and hard with us to produce a conference report signed by all House and Senate conferees. It is our unanimous recommendation that the Senate agree to the report. I hope it will be done expeditiously.

The PRESIDING OFFICER. Who yields time?

Mr. WILLIAMS. Mr. President, I know

that the Senator from Ohio and the Senator from Colorado, who are members of the committee, want to address themselves to this conference report, as does the Senator from New York (Mr. JAVITS), and while they are preparing their addresses let me suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. WILLIAMS. Take it out of my time.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. TAFT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TAFT. I ask the Senator from Pennsylvania, who I believe is in control of the time, if he will yield me 5 minutes.

Mr. SCHWEIKER. I yield the Senator from Ohio such time as he may require.

Mr. TAFT. Mr. President, the Congress for the last 3 years has considered legislation to amend the Fair Labor Standards Act. This morning the Senate will undoubtedly adopt a conference report that may very well culminate congressional consideration of this issue for the immediate future. Numerous interest groups will undoubtedly fill their publications with the great virtues of the proposed amendments and claim a great victory for the American working men and women. To a certain extent, this analysis will be correct as a constructive increment in the minimum wage is needed due to the inflationary pressures in the economy. As Senators DOMINICK, BEALL, and I, and many other Senators have maintained throughout consideration of this issue, an increase in the minimum wage is needed. What these interest groups and leading proponents of Labor and Public Welfare Committee proposals will fail to state, however, is that millions of American workers could have received increases in the minimum wage 2 or 3 years ago if constructive compromises could have been arrived at. When one suggests "compromise" on labor legislation it seems, however, that the word takes on a new meaning—either the positions of certain interest groups prevail or "compromise" is not available. This approach is not only inconsistent with the basic structure of our democratic process of government, but is also extremely detrimental to the interests of all Americans. The word "compromise" has been used this morning to describe the conference report before the Senate. Only in a very strained sense is this correct.

The wage rate structure adopted is that of the House. The series of minimum wage increments contained in the proposal establish a $2.30 minimum wage for agriculture and nonagriculture workers by 1978. The Senate adopted bill contained a $2.20 level with the committee arguing against a $2.30 proposal I advanced on this floor. The inconsistency of the committee is difficult to rationally explain. Evidently for a lack of a better word to explain the committee's approach, the word "compromise" has been suggested.

Coverage of domestic service employees was also "compromised" by accepting both the House and Senate provisions. This approach makes absolutely no sense, as an employer may be subject to liability under the Fair Labor Standards Act if he only employs an individual perhaps 2 or 3 hours a week, notwithstanding the House 8-hour work-week test. The reason that this potential illegal action might arise is that the 8-hour House test is not an employer test, but an employee test. The administrative enforcement problems with regard to this approach will be considerable. Further, by adopting such an approach the constitutionality of coverage of domestics becomes even more suspect. I can see no rational basis by which the Interstate Commerce clause can cover such limited domestic employment situations. Litigation will undoubtedly arise as to the constitutional validity of this proposal.

The report is also deficient with respect to inclusion of a new special wage structure for youth. Both the House and Senate Labor Committees have failed to adopt broad new programs to respond to the towering rate of youth unemployment. The Senate committee refused to adopt the suggestions made by every economist who appeared before the committee on this issue. Two important points were agreed to with respect to youth, however, in the conference report. First, the conference adopted a study amendment that I had proposed to the Senate bill and to which the chairman has already alluded. This provision will direct the Secretary of Labor to conduct a continuing study on methods to prevent curtailment of employment opportunities among manpower groups which have had historically high incidences of unemployment—such as disadvantaged minorities, youth, and the elderly. Such a study will permit the Secretary to further analyze his existing broad authority under section 14 of the act.

Second, the Senate in receding to the House on this issue made constructive provisions in the historic ratio test and adopted the House report language permitting a comprehensive demonstration project to be conducted by the Secretary of Labor with regard to a youth differential. Such an approach will permit the Secretary to implement existing broad authority under section 14 in the act and will clarify any misinterpretations that the Secretary did not have legal authority to establish such programs.

Compromise, it has been suggested, was reached on overtime coverage for firemen and policemen. While statistically this may be true, philosophically it is not. The conferees adopted a phase-in procedure whereby firemen and policemen will be subject to overtime coverage for all hours worked over 60 by January 1, 1975, with a continuing phase-in down to at least 54 hours by January 1, 1978. An exemption is also contained with respect to fire and police departments having five or fewer employees. As the Senator from New Jersey (Mr. WILLIAMS) has stated the report also contains provisions with respect to a study that is to be conducted by the Secretary of Labor. This study will determine the prevailing work practices of firemen and policemen and apply the findings to the standard to be implemented in 1978.

It is interesting to note that the conferees accepted a study approach on this point, as Senators DOMINICK, BEALL, and I have been stressing for over 3 years the need for more information as to the potential effects of proposed amendments to the act. Particularly, it is interesting to note that notwithstanding all the assertions that available information was obtained by the committee, no accurate information was available to the conference with respect to the current hourly average workweek of firemen and policemen. In all due respect to the committee chairman I believe his statements were not correct in arguing against the study amendments that I proposed on this floor during consideration of the Senate bill.

The conference report phases in minimum wage overtime exemptions for small retail establishments doing less than $250,000 annual sales. The House receded to the Senate provisions on this point and while such a phase-in is preferable to both the reported Senate bill and the reported House bill, I still fear disruption of business and jobs due to the rapidity by which such coverage is extended.

Mr. President, this body currently is considering the subject of campaign and election law reform. The deliberations, particularly during the conference committee, certainly underscore the need for constructive improvements in this area. Interest groups exercised an inordinate amount of control and at points during the conference deliberations resembled more an old time State legislative hearing, than the U.S. Congress. Some conferees did not even consider suggested compromise proposals without running into the hall or an adjacent room to consult with interest groups. The final session of the conference was scheduled with only an hour's notice to most Senators and Congressmen and only two Senate and four House conferees were present. In fact, interest group representatives outnumbered conferees almost 4 to 1 at that session. I hope that campaign reform and election law reform measures we are considering will take this experience into consideration.

Notwithstanding these objections, I will vote for the conference report this morning as I do not believe millions of American working men and women should be further precluded from receiving a needed increase in minimum wage.

Mr. President, I would like to pay tribute to the work of the minority staff on this issue including Bob Bohan and Roger King of the committee and Joe Carter on the staff of Senator BEALL. I also would like to thank Charles Woodruff, formerly of the minority committee staff, for his assistance during the last two sessions of Congress on this issue.

Mr. JAVITS. Mr. President, will the distinguished Senator from New Jersey yield me 10 minutes?

Mr. WILLIAMS. I yield the Senator from New York such time as he may require.

The PRESIDING OFFICER (Mr. ABOUREZK). The Senator from New York is recognized.

Mr. JAVITS. Mr. President, this is a measure which should have been passed 3 years ago. Senator WILLIAMS and I offered a minimum wage bill at that time. This is the end of a long and arduous road. It is deeply gratifying that at long last we have reached agreement.

I speak now as a ranking member of the minority. I have every reason to believe that the President will sign the bill. I am informed as recently as a few minutes ago that the conference report is supported by the administration.

Mr. President, I am grateful to Senator TAFT and to Senator DOMINICK who had grave reservations about this matter. Senator WILLIAMS, as is usual, with great specificity, explained it to the Senator. It fits into the large interest, at long last, of realizing some gain for the low-wage worker. For the low-wage worker an increase is desperately needed when one realizes that the minimum wage would, right now, be almost $2.20 if we were simply compensating for depreciation in the value of the dollar and the rise in the consumer price index since the effective date of the present $1.60 rate. We are thus actually behind the times in setting an initial rate of $2.00 on May 1, 1974.

I point out, too, that unless the matter is acted on immediately—and I mean immediately, within a matter of hours—there is grave danger that it could not take effect on May 1, which was our intention.

The details of the bill have already been described. I wish just to make two comments. There are two very important provisions of the act. One related to humanity and the other relates to the extraordinary breakthroughs we have now made in covering domestics.

The humanitarian provision relates to child labor. For a long time Senator WILLIAMS and I have tried to outlaw child labor on the farm. We have not yet succeeded completely, but this bill goes a long way toward this objective by eliminating child labor under the age of 12 on covered farms, that is farms which meet the 500 man-day test. It has been decades since child labor was eliminated in industrial employment, and given the fact that agriculture is one of the most hazardous occupations as shown by accident rates, there is no longer any excuse, if there ever was one, for permitting the exploitation of young children in agricultural labor.

The bill does eliminate child labor on the so-called covered farms, where the greatest exploitation has taken place. There will also be regulations concerning employment of children between 12 and 16 on farms. Of course, we also continue in effect the provisions now in the law prohibiting the employment of children in unusually hazardous occupations in agriculture.

The other matter, Mr. President, which should be reassuring to those who will be, for the first time, subject to that part of the law which relates to the coverage of domestics, is that although we have established an 8-hour test—that is an 8-hour week—for such employees with respect to coverage under the minimum wage. we have also in the statement of the managers made it clear that we expect the regulations to be promulgated under the law which will require, and I quote from page 28 of the manager's report:

> Will require that employers are reasonably apprised of when their obligations regarding the payment of minimum wage commence.

It was properly pointed out that the aggregate of 8 hours means 8 hours per week worked by a person in domestic employment for all employers. The one employer would have the right to be concerned as to whether the domestic he or she is employing is or is not under the minimum wage law.

We expect—and I emphasize this—the Secretary to deal with that question affirmatively; that is, that the employer must be reasonably apprised in connection with the regulations.

Mr. President, I think this is a well balanced report, the very best that could be done, considering the views of the House and the Senate, following the long delay and the period of makeup we now have to pursue in respect of a minimum wage which makes some sense in terms of the times. I am very gratified that there is every reason now to believe that the President will sign this bill.

I wish to join the Chairman and cosponsor of the measure in thanking all members of our committee for their tremendous cooperation, particularly the conferees; and in congratulating for their work far beyond the call of duty, Jerry Feder of the majority and Gene Mittelman of the minority, the staff members who fashioned the technical aspects of the bill.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. DOMINICK. Mr. President, will the Senator from New Jersey yield me about 10 minutes?

Mr. WILLIAMS. What is the time situation, Mr. President?

The PRESIDING OFFICER. The Senator from New Jersey has 3 minutes; the Senator from Pennsylvania has 15 minutes.

Mr. DOMINICK. Will the Senator from New York yield me 5 minutes?

Mr. JAVITS. I yield 10 minutes to the Senator from Colorado out of the 15 that the minority has.

Mr. DOMINICK. I thank the Senator from New York.

Mr. President, for 3 years now we have been working at raising the minimum wage as it applies to 49.4 million workers in this country. I have dissented from the majority of this body during that time, but I have not, and I emphasize have not, objected to the principle of raising the minimum wage for those workers already covered. Since 1972, the majority of the committee and Senators TAFT, BEALL, and I have come very close to agreement on the wage rate structure which should go into effect under the minimum wage. The debate rather has centered around extensions of coverage, repeal of exemptions and a differential wage structure for youth.

Now for the second time in less than a year we are faced with a conference report on minimum wage. I have strong reservations about this bill. In the first place, the youth differential once again has not received the attention that I believe it should. The youth unemployment figures in this country are appalling, and I firmly believe that the sure way to alleviate this problem is through specialized wage structures for youth. I note and I approve of the conference making adjustments in the historic ratio test for student employment and of the language allowing for one demonstration project for a youth differential. This, of course, is some improvement over the Senate bill. I am hopeful that immediate implementation of this project will give some basis upon which to resolve the difficult and controversial issue. However, I am fearful that this is not enough, and the results of the bill in this regard may be detrimental rather than beneficial for our Nation's youth.

Second, the conference report adopts alternative tests for triggering coverage of domestic workers. My views on the domestic coverage, I believe, have been quite clearly stated on this floor. For the life of me, I do not understand why we have chosen to ignore the testimony of the Secretary of Labor, Mr. Brennan, that such coverage will in the end probably increase unemployment among domestic workers in this country. To quote in part:

> In other areas of smaller cities and towns, domestics receive considerably less than the present minimum. The problem with applying the minimum wage to them has, as analysis clearly shows, a severe disemployment effect. This would reduce the income of many families where a member was employed either full-time or part-time in household work. Domestic service is in some respects unique from other forms of employment. A household who hires a maid typically has just so much budgeted for that purpose with no more available. She also has no opportunity to pass on any higher wage cost. If it comes down to it, the housewife can substitute her labor and that of other family members for the domestic. Few employers in other fields can do so.

In addition, the constitutionality of this coverage is definitely questionable. Congress can only regulate activities which are entirely intrastate only so long as there is a "rational basis" for a finding that the activity affects interstate commerce in a substantial way. If domestic employees who make beds, dust, and wash windows or mow lawns in private residences are engaged in interstate commerce, there is nothing left of intrastate activities. If someone who vacuums your carpet or mows your lawn is engaged in interstate commerce or is considered to have a substantial impact on interstate commerce, then this clause now encompasses every aspect of American life.

Finally, Mr. President, the question of

overtime for firemen and policemen is of concern to me. I believe that the conference report is an improvement over what we had in the Senate. I might say that the three or four cities we checked out in Colorado figure that for at least 2 years this is all right, but we have not been able to get in touch with smaller communities where a full-time fire department or police department is still in effect.

The compromise effected provides a limited amount of protection for municipalities which will be faced with increased costs for compensating these workers. I have checked with three or four of the municipalities in my State and with their police and firemen and although they will not be immediately affected they may at a later date. I am encouraged by the leadtime given to affected municipalities and the police and firemen involved because of the delayed implementation of this section.

Mr. President, this body and our friends on the House side have faced minimum wage for 3 years now. There are few, if any, Members that I know of who would seriously argue that the $1.60 per hour standard is "keeping up with the times." All of us have been inundated by complaints about the rising cost of living. The housewife who buys groceries and the driver who fills his tank with gas would qualify as experts to tell us about how far $1.60 an hour goes on March 28, 1974. I too, have observed the rising costs of living, but I am not going to bother boring my colleagues with the statistics all of them have heard.

This bill implements a $2 minimum, a minimum which would be in effect today already if our amendment of 1972 had been enacted into law. The differences which have divided us over these last 3 years have been set forth and enunciated. On some of them we have reached some compromise, and on others the majority has prevailed. I have observed the overwhelming vote by the Members of the House of Representatives in support of an increase in minimum wage, and I now feel that the issue which each of us must confront is whether or not erosions of the dollar earned by those 49.4 million workers of this country mandates that I set aside my strong reservations about other parts of the bill to insure a minimum wage increase this year. The conference report is better than the bill which I voted against earlier. I would, of course, have liked to have seen other changes. However, I believe that this report presents the best compromise that those of us who have differed with the majority have been able to achieve since this debate began. As such, it then offers the best chance we have had to effect an increase in the minimum wage, an increase which I have acknowledged on many occasions is justified.

I will, therefore, while acknowledging grave reservations about some parts of this bill and expressing concern that the constitutional issue may invalidate all or part of the bill, vote for passage so that minimum wage eroded by inflation will now be increased to more acceptable levels.

Mr. President, I would also like to commend the work performed during the long history of this increase in the minimum wage by three members of the minority staff of the Senate Labor Committee. Those three are: Chuck Woodruff, Roger King, and Robert Bohan.

Mr. MANSFIELD. Mr. President, will the Senator yield to me for one-half minute?

Mr. DOMINICK. I yield back my time.

Mr. JAVITS. I yield to the Senator from Montana.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on the conference report.

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that it be in order at this time to ask for the yeas and nays on the first Allen amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. JAVITS. Mr. President, I yield 5 minutes out of the time of the minority leader to the Senator from Pennsylvania.

The PRESIDING OFFICER. The Senator from New York has 7 minutes total remaining and the Senator from New Jersey has 3 minutes remaining.

Mr. JAVITS. Mr. President, I yield 3 minutes to the Senator from Pennsylvania.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. SCHWEIKER. Mr. President, I thank the distinguished Senator from New York and the ranking member on the Republican side of the committee for yielding this time. I will not take much time because I think we have pretty well enunciated the issues and the problems involved. I join with the chairman and the ranking member of my committee in saying that it is unfortunate that this bill comes 3 years too late.

Many Americans have been forced beyond the bounds of reason in not being able to meet the inflationary spiral and the pressures of our times. I do not believe this bill is inflationary because at the very least we are catching up with what inflation has wrought in terms of the lower economic groups in our society and we are not even catching up to what the cost-of-living factor has been over that time frame. If we use another factor, which is the percent of the minimum wage, the average hourly wage in the United States, which at one point when the last change was made was at a 60-percent ratio, and we are not putting them to that 60 percent, they are still below the relationship that existed at the time the last minimum wage bill was passed. So this bill does not meet the inflation test or the relationship to the hourly average earnings of all workers. I think the legislation is a key step and will help many millions of Americans who are at the poverty level and below the poverty level to try to make ends meet.

One of the chief problems of the conference was the matter of whether or not to include firemen and policemen in this coverage. For the first time we have really addressed ourselves to the problem. This was one of the main contentions of the conference committee on which I served.

One of the reasons for the strong differences between the House and Senate was, as the Senator from Ohio pointed out, there is a lack of knowledge of the practices, of the hours of work and patterns of work that firemen particularly have in their jobs.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. JAVITS. Mr. President, I yield the Senator 2 additional minutes.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized for 2 additional minutes.

Mr. SCHWEIKER. One of the real important features of this legislation is the acceptance of the suggestion made by the Senators from Ohio, Colorado, and Maryland to make a study so that we know, for instance, that some companies require the firemen to sleep at the firehouse and others do not. Hence the discrepancy. We did the best we could under the circumstances for the first time to bring them under coverage on a three-step basis, over 3 years, and then the fourth step will be based on the practice throughout the United States. I think this is a fair way to eliminate much of the argument. By the fourth year we will have the facts and we will set all firemen in accordance with the average practice in the United States. We will do the same for policemen. This is a significant advancement for firemen and policemen. They are long overdue members of our society and they should have been recognized some time ago for the role they perform as they risk their lives and limbs for us and we have not even covered them up to this date.

I am pleased to strongly support the conference report.

Mr. BENTSEN. Mr. President, the conference report on this minimum wage bill represents the culmination of 3 years of effort by the Congress to increase the living standards of millions of American workers.

In 1972, a minimum wage bill passed both Houses of Congress but never went to conference. Last year, a similar bill was unwisely vetoed by the President. This year, we have a minimum wage bill that should be signed into law promptly.

It has been some 8 years since the Congress has enacted legislation on the minimum wage. Between 1966 and 1973, the Consumer Price Index rose 42.5 percent; between February 1, 1968, the date the $1.60 minimum wage became effective for the majority of those covered, and December 1973, the rise was 35.4 percent.

For middle-income Americans, average hourly earnings have increased 45 percent since February 1968, and by 60 percent since 1966.

This legislation is directed to workers at the very bottom of the economic ladder. I believe it is time that these American workers received a break, and I strongly support this minimum wage increase.

It is unconscionable for this Nation to have a minimum wage which yields an income fully $1,300 below the poverty level for an urban family of four. In view of the inflation which we have witnessed in the last 12 months the wage levels in this bill are now essential.

Another provision in which I have been interested for several years is the section extending the Age Discrimination in Employment Act to Federal, State, and local employees. Although I introduced this measure in March 1972, and it has passed the Senate on two occasions, it has not, until now, emerged from a House-Senate conference.

The passage of this measure insures that Government employees will be subject to the same protections against arbitrary employment based on age as are employees in the private sector. I am pleased that this long struggle is now ending, and that this provision will be written into law.

This legislation is literally a bread-and-butter issue for millions of American workers. We cannot afford to delay it any longer. I urge the President to sign it into law.

Mr. KENNEDY. Mr. President, I rise in support of the conference on the minimum wage bill and urge the Senate to approve it once more.

The 7 million workers who would be covered for the first time by the provisions of the minimum wage law have been suffering for the past 6 months because of the veto of the earlier bill approved by the Congress. The other millions of workers who have been receiving the minimum wage have been suffering as well because they have no means to defend themselves against the rising cost of living.

A year ago, we sought to take a modest step to raise the minimum wage for those workers on the bottom rung of the economic ladder in this country. For them, the rate of inflation since 1968, when the current $1.60 per hour minimum wage level took effect, has cut their purchasing power by more than a third. It would take a $2.17 per hour minimum wage just to match the rate of inflation since then.

Last summer, our bill attempted to provide that minimal protection to these workers but it was vetoed and we were unable to override the veto.

Ever since, we have been attempting to convince the administration to remove its opposition to a decent minimum wage, to remove its opposition to the coverage of domestic workers and to remove its opposition to protecting the rights of younger workers. Hopefully, the conference report now before us will be seen for what it is, a modest attempt to provide basic equity to millions of American workers.

The bill increases the minimum wage from $1.60 per hour to $2 immediately, to $2.10 on January 1, 1975, and $2.30 per hour on January 1, 1976.

In addition, it provides greater protection for domestic employees and raises the level of payment for farmworkers as well. Unfortunately, the law still excludes the vast number of farmworkers from coverage.

Similarly, while this bill does provide major new benefits compared to existing law, it does not offer as adequate wage increases as I would have wished.

The minimum wage clearly should permit individuals to receive income sufficient to live decently. Yet, today, the Department of Labor estimates the annual poverty level income for a family of four at $4,540 in 1973. The $1.60 per hour minimum wage provides only $3,200 and even our initial increase to $2 per hour will only yield a $4,000 annual income. Only when the final $2.30 per hour goes into effect on January 1, 1976, will we have provided income beyond what is today considered the poverty line.

This bill is a major step forward and it should be supported and approved. But we must recognize at the same time that more still remains to be done.

Mr. BUCKLEY. Mr. President, I would like briefly to comment upon the conference report on S. 2747, Fair Labor Standards Amendments of 1974. I will not vote in favor of it because once again the Congress has failed to come to grips with the now well-documented impact of a rise in minimum wage levels on teenagers seeking to enter the labor market for the first time. Without a youth differential provision, the bill will make it still harder for young people, especially those from disadvantaged backgrounds, to find jobs.

It is ironic that the bill acknowledges today's very serious 15.6 percent unemployment rate of American youth by incorporating a provision that will authorize the payment of less than the applicable minimum wage for students who have been issued work certificates. Yet the bill ignores the dilemma of the hundreds of thousands of teenagers who have quit school and are frozen out of jobs because no exception is made in their case.

An explanation of this tragic effect is simple. The school "drop-outs" contain a high percentage of young people (especially non-whites who in turn have an unemployment rate close to 30 percent) who have not yet acquired the elementary skills and work habits that enable them to justify receipt of the minimum wage.

Not to belabor my point, I would simply like to once again state a simple, well-documented economic fact of life—employers pay workers according to their productivity. Most American workers are highly productive, and therefore earn considerably more than the minimum wage. But too many young people are not particularly skilled and are therefore only marginally productive. Therefore, they are the first to go when employers are forced to pay them more than their productivity will justify; and in the process they are deprived of the basic opportunity for learning the skills and habits that will justify higher wages; namely, through on the job experience.

Ironically, the conference report directs the Secretary of Labor to conduct a continuing study on the means to prevent curtailment of employment opportunities among manpower groups which have had historically high incidences of unemployment (such as disadvantaged minorities youth, et cetera). Yet the simple act of raising the minimum wage without making special provison for the young is already known to be a root cause of displacing these people from their jobs.

The pious declarations of social concern that so often accompany and obscure minimum wage debates may be politically satisfying to some. But such declarations ignore the economic fact of life, and, as so often happens when we try to repeal the laws of economics by Federal decree, the intended beneficiary becomes the victim.

Mr. President, I will not vote for a bill that will have the predictable effect of making it still harder for our neediest young people to become self-supporting, self-confident citizens.

Mr. DOLE. Mr. President, I am pleased to support the conference report on the minimum wage bill, because I believe it represents a satisfactory and constructive resolution of a number of difficult and complex issues.

The minimum wage law has some of the broadest effects of any statute on the books. It primarily seeks to assure a decent living for the American workingman and woman. But through its application, it influences many aspects of our country's complex economy reaching beyond mere rates of pay and hours of labor. This law has a substantial impact on the decisions of business management, government, and private individuals. And thereby, it shapes the employment opportunities available to those in many age brackets and with varying degrees of training. Ultimately, of course, its effects are felt by the taxpayers and consumers at the end of the economic line.

As the history of this legislation demonstrates, this is a very difficult area, so the conferees are to be commended for their success in shaping an agreement which appears to have broad support.

The conference report embodies the traditional concern we have had in this country for the well-being of working people. A living wage for a fair day's work is a hallmark of the American economic philosophy. The bill also recognizes the special circumstances in the situations of students, police, and firefighting personnel, and certain household employees. And the adjustments in these areas should be broadly acceptable to all concerned.

I believe that the business community will find more at this bill acceptable—that it is responsive to the concerns and circumstances of many employers—particularly small enterprises.

And, most importantly, I feel the conference report is responsible in its overall economic impact which will affect not only workers and employers, but every taxpayer and consumer in the country.

Mr. JAVITS. Mr. President, I ask unanimous consent that Gene Mittelman and David Dunn may be granted the privilege of the floor during the consideration of the conference report.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I am prepared to yield back the remainder of my time.

Mr. WILLIAMS. I yield back our time.

The PRESIDING OFFICER. The agreement provides for the vote to occur at 11:30 a.m. The unanimous-consent agreement could be changed by unanimous consent.

Mr. JAVITS. We yield back our time.

Mr. GRIFFIN. What is the change in the agreement?

Mr. JAVITS. No change. We merely want to yield back our time. We have no further speakers; unless we have a quorum call before the vote.

Mr. GRIFFIN. The Senator can suggest the absence of a quorum.

Mr. JAVITS. We have only 3 minutes.

Mr. GRIFFIN. We can call it off.

Mr. JAVITS. Mr. President, I do not yield back my time. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Under the previous order, the hour of 11:30 having arrived, the vote on the conference report is now in order. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Alaska (Mr. GRAVEL), the Senator from Wyoming (Mr. MCGEE), the Senator from Minnesota (Mr. MONDALE), and the Senator from Rhode Island (Mr. PASTORE) are necessarily absent.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PASTORE), the Senator from Minnesota (Mr. MONDALE), the Senator from Alaska (Mr. GRAVEL), the Senator from Arkansas (Mr. FULBRIGHT), and the Senator from Wyoming (Mr. MCGEE), would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Maryland (Mr. BEALL), the Senator from Maryland (Mr. MATHIAS), and the Senator from South Carolina (Mr. THURMOND) are necessarily absent.

I also announce that the Senator from Oregon (Mr. HATFIELD) is absent on official business.

I further announce that the Senator from Vermont (Mr. AIKEN) is absent due to illness in the family.

I further announce that, if present and voting, the Senator from Vermont (Mr. AIKEN), the Senator from Oregon (Mr. HATFIELD), the Senator from Maryland (Mr. MATHIAS), and the Senator from Maryland (Mr. BEALL) would each vote "yea."

I further announce that, if present and voting, the Senator from South Carolina (Mr. THURMOND) would vote "nay."

The result was announced—yeas 71, nays 19, as follows:

[No. 91 Leg.]

YEAS—71

Abourezk
Allen
Baker
Bayh
Bellmon
Bentsen
Bible
Biden
Brooke
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cook
Cranston
Dole
Domenici
Dominick
Eagleton
Fong
Griffin
Gurney
Hart
Hartke
Haskell
Hathaway
Hollings
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Long
Magnuson
Mansfield
McGovern
McIntyre
Metcalf
Metzenbaum
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Sparkman
Stafford
Stevens
Stevenson
Symington
Taft
Talmadge
Tunney
Weicker
Williams
Young

NAYS—19

Bartlett
Bennett
Brock
Buckley
Byrd, Harry F., Jr.
Cotton
Curtis
Eastland
Ervin
Fannin
Goldwater
Hansen
Helms
Hruska
McClellan
McClure
Scott, William L.
Stennis
Tower

NOT VOTING—10

Aiken
Beall
Fulbright
Gravel
Hatfield
Mathias
McGee
Mondale
Pastore
Thurmond

So the conference report was agreed to.

Mr. JAVITS. Mr. President, I move that the Senate reconsider the vote by which the conference report was agreed to.

Mr. WILLIAMS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CRANSTON. Mr. President, I congratulate the Senate on approval of the conference report on S. 2747, the minimum wage bill. The minimum wage of $1.60 an hour has not been increased since 1968. Since that time inflation has pushed the cost of living up 33 percent.

Today's vote is the third time in less than 2 years that the Senate has approved an increase in the measure of economic dignity for those working Americans at the bottom of the economic ladder. On one occasin the other body refused to go to conference and on the other, our efforts were vetoed by the President.

I strongly urge the President to sign this bill into law.

S. 2747 fully reflects the will of Congress and the public. Its provisions have been thoroughly examined in committee in both Houses. It has been debated many hours. Every controversial point has been tested by a vote in the Senate. The differences between the two bodies have been fairly compromised. It is a fine bill and should become law.

I also want to thank our chairman, Senator WILLIAMS, for his outstanding leadership and perseverance in bringing this difficult piece of legislation safely through once again. It is my strongest hope that this time we will see our efforts rewarded by becoming law.

UNANIMOUS-CONSENT AGREEMENTS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that following the vote on the first Allen amendment there be a limitation of 1 hour on the Hathaway amendment, to be equally divided between the distinguished Senator from Maine (Mr. HATHAWAY) and the minority leader or whomever he may designate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. I ask unanimous consent that it be in order at this time to ask for the yeas and nays on that amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that it be in order at this time to ask for the yeas and nays on the second Allen amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that following the disposition of the second Allen amendment, the amendment to be offered by the distinguished Senator from Texas (Mr BENTSEN) may follow, and that there be a time limitation of 30 minutes on that amendment, the time to be equally divided.

Mr. GRIFFIN. Mr. President, reserving the right to object, I am not familiar with the Bentsen amendment.

Mr. COOK. Mr. President, I am familiar with the Allen amendments, but I am not familiar with the Bentsen amendment, either. I wonder if the majority leader would consider holding that one in abeyance.

Mr. MANSFIELD. Yes; I withdraw the request.

Mr. ALLEN. Mr. President, the Senator from Texas, in conversation with me, said that his amendment provided that no foreigner could contribute to election campaigns It is a recommendation, I believe, that the President made.

Mr. COOK. May I say to the Senator from Alabama, I would think an amendment of that nature could be adopted unanimously by a voice vote, and that it would not be necessary to have a rollcall or to have time for debate.

Mr. MANSFIELD. I will discuss that later.

Then I understand that following the disposition of the Bentsen amendment, the third Allen amendment for today will be offered.

Mr. ALLEN. That suits me.

Mr. MANSFIELD. If I may have the attention of the minority leader and the ranking member of the Rules Committee, the Senator from Alabama has indicated that he would be willing to consider a 30-minute limitation on the third amendment on the same basis as the other two. I understand that the amendment has to do with the positions of the Members of the 93d Congress who will be running for office this year.

Mr. ALLEN. Running for the Presidency?

Mr. COOK. I have no objection to that.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. MANSFIELD. Mr. President, I remind the Senate that we have a vote on the extradition treaty with Denmark at 12 o'clock tomorrow. There is a rumor going around that that would be the only business tomorrow. However, it is the intention of the joint leadership to consider amendments to the pending business, and it is anticipated that there will be yea and nay votes in addition to the vote on the treaty of extradition.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer (Mr. HUDDLESTON) laid before the Senate, messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of Senate proceedings.)

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The PRESIDING OFFICER (Mr. ABOUREZK). Under the previous order, the Chair lays before the Senate the unfinished business, S. 3044, which the clerk will state.

The assistant legislative clerk read as follows:

A bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

The Senate resumed the consideration of the bill.

The PRESIDING OFFICER. The pending question is on agreeing to the amendment (No. 1109) of the Senator from Alabama (Mr. ALLEN), which the clerk will state.

The assistant legislative clerk proceeded to read the amendment.

Mr. ALLEN's amendment (No. 1109) is as follows:

On page 3, line 6, strike out "FEDERAL" and insert in lieu thereof "PRESIDENTIAL".

On page 4, line 6, strike out the comma and insert in lieu thereof a semicolon.

On page 4, beginning with line 7, strike out through line 12.

On page 4, line 13, strike out "(5)" and insert in lieu thereof "(4)".

On page 4, line 17, strike out "(6)" and insert in lieu thereof "(5)".

On page 5, line 6, strike out "any".

On page 5, line 21, immediately before "Federal", strike out "a".

On page 7, line 3, strike out "(1)".

On page 7, beginning with "that—" on line 5, strike out through 7 no page 8 and insert in lieu thereof "that he is seeking nomination for election to the office of President and he and his authorized committees have received contributions for his campaign throughout the United States in a total amount in excess of $250,000.".

On page 9, line 6, after the semicolon, insert "and".

On page 9, strike out lines 7 and 8 and insert in lieu thereof the following: "(2) no contribution from".

On page 9, beginning with "and" on line 13, strike out through line 19.

On page 10, beginning with "(1)—" on line 3, strike out through line 16 and insert in lieu thereof the following: "(1), no contribution from any person shall be taken into account to the extent that it exceeds $250 when added to the amount of all other contributions made by that person to or for the benefit of that candidate for his primary election.".

On page 13, beginning with line 16, strike out through line 18 on page 14 and insert in lieu thereof the following:

"SEC. 504. (a) (1) Except to the extent that such amounts are changed under subsection (f) (2), no candidate may make expenditures in any State in which he is a candidate in a primary election in excess of the greater of—

"(A) 20 cents multiplied by the voting age population (as certified under subsection (g)) of the State in which such election is held, or

"(B) $250,000.".

On page 14, line 19, strike out "(B)" and insert in lieu thereof "(1)" and strike out "subparagraph" and insert in lieu thereof "paragraph".

On page 14, line 20, strike out "(A)" and insert in lieu thereof "(1)".

On page 15, line 8, beginning with "the greater of—", strike out through line 17 and insert in lieu thereof "15 cents multiplied by the voting age population (as certified under subsection (g)) of the United States.".

On page 18, beginning with line 10, strike out through line 20.

On page 26, lines 2 and 3, strike out "under section 504 of the Federal Election Campaign Act of 1971, or".

On page 71, beginning with line 20, strike out through line 2 on page 73 and insert in lieu thereof the following:

"(a) (1) Except to the extent that such amounts are changed under subsection (f) (2), no candidate (other than a candidate for nomination for election to the office of President) may make expenditures in connection with his primary election campaign in excess of the greater of—

"(A) 10 cents multiplied by the voting age population (as certified under subsection (g)) of the geographical area in which the election for such nomination is held, or

"(B) (i) $125,000, if the Federal office sought is that of Senator, or Representative from a State which is entitled to only one Representative, or

"(ii) $90,000, if the Federal office sought is that of Representative from a State which is entitled to more than one Representative.

"(2) (A) No candidate for nomination for election to the office of President may make expenditures in any State in which he is a candidate in a primary election in excess of two times the amount which a candidate for nomination for election to the office of Senator from that State (or for nomination for election to the office of Delegate in the case of the District of Columbia, the Virgin Islands, or Guam, or to the office of Resident Commissioner in the case of Puerto Rico) may expend in that State in connection with his primary election campaign.

"(B) Notwithstanding the provisions of subparagraph (A), no such candidate may make expenditures throughout the United States in connection with his campaign for that nomination in excess of an amount equal to 10 cents multiplied by the voting age population of the United States. For purposes of this subparagraph, the term 'United States' means the several States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico, Guam, and the Virgin Islands and any area from which a delegate to the national nominating convention of a political party is selected.

"(b) Except to the extent that such amounts are changed under subsection (f) (2), no candidate may make expenditures in connection with his general election campaign in excess of the greater of—

"(1) 15 cents multiplied by the voting age population (as certified under subsection (g)) of the geographical area in which the election is held, or

"(2) (A) $175,000, if the Federal office sought is that of Senator, or Representative from a State which is entitled to only one Representative, or

"(B) $90,000, if the Federal office sought is that of Representative from a State which is entitled to more than one Representative.

"(c) No candidate who is unopposed in a primary or general election may make expenditures in connection with his primary or general election campaign in excess of 10 percent of the limitation in subsection (a) or (b).

"(d) The Federal Election Commission shall prescribe regulations under which any expenditure by a candidate for nomination for election to the office of President for use in two or more States shall be attributed to such candidate's expenditure limitation in each such State, based on the voting age population in such State which can reasonably be expected to be influenced by such expenditure.

"(e) (1) Expenditures made on behalf of any candidate are, for the purpose of this section, considered to be made by such candidate.

"(2) Expenditures made by or on behalf of any candidate for the office of Vice President of the United States are, for the purposes of this section, considered to be made by the candidate for the office of President of the United States with whom he is running.

"(3) For purposes of this subsection, an expenditure is made on behalf of a candidate, including a Vice Presidential candidate, if it is made by—

"(A) an authorized committee or any other agent of the candidate for the purposes of making any expenditure, or

"(B) any person authorized or requested by the candidate, an authorized committee of the candidate or an agent of the candidate to make the expenditure.

"(4) For purposes of this section an expenditure made by the national committee of a political party, or by the State committee of a political party, in connection with the general election campaign of a candidate affiliated with that party which is not in excess of the limitations contained in subsection (i), is not considered to be an expenditure made on behalf of that candidate.

"(f) (1) For purposes of paragraph (2)—

"(A) 'price index' means the average over a calendar year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics, and

"(B) 'base period' means the calendar year 1973.

"(2) At the beginning of each calendar year (commencing in 1975), as necessary data become available from the Bureau of Labor Statistics of the Department of Labor, the Secretary of Labor shall certify to the Federal Election Commission and publish in the Federal Register the percentage difference between the price index for the twelve months preceding the beginning of such calendar year and the price index for the base period. Each amount determined under subsections (a) and (b) shall be changed by such percentage difference. Each amount so changed shall be the amount in effect for such calendar year.

"(g) During the first week of January 1975, and every subsequent year, the Secretary of Commerce shall certify to the Federal Election Commission and publish in the Federal Register an estimate of the voting age population of the United States, of each State, and of each congressional district as of the first day of July next preceding the date of certification. The term 'voting age population' means resident population, eighteen years of age or older.

"(h) Upon receiving the certification of the Secretary of Commerce and of the Secretary of Labor, the Federal Election Commission shall publish in the Federal Register the applicable expenditure limitations in effect for the calendar year for the United States, and for each State and congressional district under this section."

On page 73, line 3, strike out "(b)" and insert in lieu thereof "(i)".

On page 73, line 24, strike out "section 504" and insert in lieu thereof "subsection (g); and".

On page 74, strike out lines 1 and 2.

On page 74, line 6, strike out "that Act" and insert in lieu thereof "the Federal Election Campaign Act of 1971".

On page 74, line 8, strike out "(c)" and insert in lieu thereof "(j)".

On page 74, line 10, strike out "(a) (4)" and insert in lieu thereof "(e) (3)".

On page 75, line 6, strike out "(a) (5)" and insert in lieu thereof "(d)".

On page 75, line 11, strike out "(a) (4)" and insert in lieu thereof "(e) (3)".

The PRESIDING OFFICER. The time for debate on this amendment is limited to 30 minutes, to be equally divided between and controlled by the Senator from Alabama (Mr. ALLEN) and the Senator from Nevada (Mr. CANNON). Who yields time?

Mr. ALLEN. Mr. President, I yield myself 3 minutes.

This amendment would merely take from under the bill the races for the House of Representatives and the Senate, both for the primary and the general elections.

Mr. President, I do not believe it is right for Members of Congress to provide that the taxpayers, through the public Treasury, should pay for their election campaigns. I do not believe it is right to present to a candidate for the Senate 15 cents per person of voting age in his State, to allow him to run for the Senate. This would involve astronomical amounts of money. In the State of California, the public subsidy to a candidate for the Senate in the general election would be $2,121,000. In the State of New York, it would be $1,900,000. I do not believe that the taxpayers of the country should be called on to finance elections of Senators and Representatives.

I might say also, Mr. President, that a strong public opinion in this country caused the Senate to vote against a recommendation of the President that the salaries of the Members of the House of Representatives and the Senate be increased by about $2,500. That was overwhelmingly vetoed here in the Senate.

What would public opinion be about presenting a check for more than $2 million to a candidate for the Senate in California, $1,900,000 in the State of New York, and lesser sums on down?

All this amendment would do would be strike the House and the Senate from the provisions of the bill. I do not believe that the House would accept the provision anyway, and I believe that the Senate should take the leadership and strike the primary and general elections of House and Senate Members from the bill.

For another thing, matching funds are provided in the primary for the House of Representatives and the Senate, and this would actually aid the incumbents, in that we would match the private collections of sums up to $100 of House and Senate Members. Naturally the House and Senate Members, being incumbents, and being better known, would be able to collect more funds from individual contributors, and then the Federal Government would match that amount, compounding the advantage that the incumbent would have.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. ALLEN. I yield myself 1 more minute.

Mr. President, it is not in the public interest to require the taxpayers to pay for the primaries, or half of the primaries and all of the general election expense, of Senators and Representatives, and I hope that the Senate will approve the amendment.

Mr. President, I yield 3 minutes to the distinguished Senator from Tennessee (Mr. BAKER).

Mr. BAKER. Mr. President, I thank the Senator from Alabama for yielding so that I could speak in support of the amendment.

It is no secret here in the Senate that I do not look favorably upon public financing of any campaigns, including Presidential campaigns. I think it would result in the distortive effect of contributions of large sums of private money giving way to the distortive effect of large contributions of public money, with the inevitable effect of a proliferation of Treasury rules and regulations and bureaucratic redtape that ultimately will pervade a system of public financing, no matter how we try to avoid it.

The election of officials to office at the Presidential and congressional levels, in my judgment, is the most intimate of all democratic processes. It was intentionally not structured into the Constitution, so that we would be entirely on our own, free of the dictates of the Government in deciding how we select our officials.

But there is a very real distinction between a Presidential campaign, with two major party nominees who command the attention of the national press corps and the national media including television coverage, and the campaign of a typical candidate for the House of Representatives or the Senate, who does not have similar coverage, especially those who are challengers of established incumbents.

I am an incumbent. Now, by the grace of God and the good will of the people of Tennessee, I have been here a little more than 7 years. But 7 years is not long enough to eradicate from my mind a recollection of how hard it is to run from obscurity, and how hard it is to be a challenger.

I think, Mr. President, that particularly in the cases of candidates for the House of Representatives or the Senate, public financing creates a distinct advantage on behalf of the incumbents, and diminishes the chance for new and aggressive, intelligent and worthwhile challengers.

It tends to cement the status quo of congressional affairs and is far more susceptible to unfavorable results than even the financing of a Presidential campaign from the public treasury, which I also oppose. On the scale of things, I must say that I oppose this more than I oppose that.

So I very much hope that the Senate will support the amendment of the distinguished Senator from Alabama to exempt ourselves from public financing. If the matter of the setting of our own salaries is a patent conflict of interest, the matter of providing for our own war chests to campaign with is an even greater conflict of interest.

I thank the distinguished Senator from Alabama for yielding me this time.

Mr. KENNEDY. Mr. President, will the Senator from Tennessee yield for a question?

Mr. BAKER. I yield, if I have any more time.

Mr. CANNON. Mr. President, I yield the Senator from Massachusetts 5 minutes.

Mr. KENNEDY. Mr. President, I oppose the amendment offered by Senator ALLEN to strike the provisions of S. 3044 dealing with public financing of congressional general elections and congressional primaries, and I urge the Senate to reject the amendment.

At a very minimum, yesterday's overwhelming vote cements the existing law providing public financing for Presidential general elections. Obviously, Congress is not about to roll back the clock on the current dollar checkoff by repealing or deleting existing law.

By what logic, then, can Congress fail to see the need for public financing of its own elections?

The issue is the same under both amendments that Senator ALLEN plans to offer today—to strike public financing for all congressional elections, and to strike it for Presidential primaries.

The logic is compelling, and we escape it at our peril. If public financing is the answer to the problems of private money and political corruption is Presidential elections, then it is also the answer to the problems of private money and political corruption in other Federal elections, too. If public financing is good enough for the President, it is good enough for the House and Senate, too. If public financing is good enough for general elections, it is good enough for primaries, too.

For centuries, money and public service have been a corrosive combination in political life. And the more things change the more they remain the same. In "The Prince," Machiavelli put the problem clearly almost 500 years ago:

> As a general rule those who wish to win favor with a prince offer him the things they most value and in which they see that he will take most pleasure; so it is often seen that rulers receive presents of horses, arms, piece of cloth of gold, precious stones, and similar ornaments worthy of their station.

The only real change today, when the favors available from the modern Congress and the modern Federal Government would boggle the mind of any medieval prince, is that the most valued presents are not horses and arms, but contributions to political campaigns.

Just as Watergate and private campaign contributions have mired the executive branch in its present quicksand of corruption, so, I am convinced, the present low estate of Congress is the result of the ingrained corruption and appearance of corruption that our system of private financing of congressional election has produced.

Today, in Congress, the problem has reached the epidemic level. For too long, we have tolerated a system of private financing that allows the wealthiest citizens and biggest special interest groups to infect our democracy by buying a preferred position in the deliberations of Congress.

It is no accident that Congress so often fails to act promptly or effectively on issues of absolutely vital importance to all the people of the Nation—issues like inflation, the energy crisis, tax reform, and national health insurance, to name but four subjects where the ineffective action of Congress, sometimes over many years, appears to bear a direct and obvious correlation to the massive campaign contributions by special interest groups. It is no secret to any citizen that such interest groups have a stake at least in the status quo, and often a stake in something worse, in flagrant disregard of where the public interest really lies.

Not until we root out all the corrosive aspects of the present system will we be able to cure this worsening infection of our Government, and bring our democracy back to health.

To make the case for public financing of congressional elections, we need look no farther than the figures released today by Common Cause. Beyond any reasonable doubt, these figures demonstrate that special interest groups have a stranglehold on Congress, and that the stranglehold can only be broken by public financing.

The figures tell a dismal story of how Congress is bought in each election year.

Special interest groups	Contributions to Congress, 1972	Cash on hand, 1974
Total	$14,000,000	$14,200,000
Business professional	3,400,000	5,900,000
All labor	3,800,000	5,000,000
AFL-CIO	847,000	309,000
BIPAC (NAM)	410,000	231,000
AMA	844,000	335,000
Dairy	$1,089,000	$2,018,000
Oil	37,000	NA

One of the most distressing aspects of these figures is the proof that Watergate has not even made a dent in the special interest war chests now being accumulated for the 1974 elections. Already, with the 1974 primary campaigns hardly even underway, the special interest groups have collected more cash on hand for political contributions in 1974 than they contributed in all of 1972.

An equally distressing aspect is that these figures vastly understate the real amount of special interest giving, since they are compiled only from reports filed by registered political committees. Because of limits on current capability for analyzing the published reports, the figures are forced to ignore contributions by individuals. Yet, we know that individuals with a special interest in legislation before Congress contributed immense amounts to 1972 campaigns, and they are obviously tooling up to do the same in 1974.

It is a hollow joke, a very hollow joke whose butt is the people of America, to read that oil committees gave only $37,000 for congressional elections in 1972, when we know from other estimates that oil executives contributed millions to both the Presidential and the congressional elections in 1972.

In sum, Congress owes America a better legislation record on the issues, and the way to start is by cleaning the stables of our own campaigns, by reforming the way we finance our own elections. Only when we have public financing of our elections will we in Congress truly represent the public.

Mr. President, I wonder whether the Senator from Alabama and the Senator from Tennessee are familiar with the figures released by Common Cause this morning, which show the sizable contributions made by the special interest groups to Members of Congress in the 1972 elections, and the sizable warchests they have accumulated for 1974. I wonder what kind of reaction the Senators have to these disclosures.

We already have public financing for Presidential elections. Why do we think in the House and the Senate that we are "holier than thou" and that it is not necessary to have public financing for Members of Congress? Most specifically, what is the reaction of the Senator from Tennessee to the analysis by Common Cause, which shows that over $14 million in special interest money has already been collected for the Senate and House elections this fall? How does he respond on that issue to the amendment before the Senate?

Mr. BAKER. I thank the Senator from Alabama for giving me, again, enough time so that we can have this colloquy with the Senator from Massachusetts.

My response is, I do not think we should have any contributions from anyone except qualified voters. I do not think the Treasury of the United States, or the treasury of the State of Tennessee, or that any corporation, or association or co-op, or whatever, should make contributions or give financial support to any campaign. Rather, I think that the support should come only from individual human beings who can vote. Corporations cannot vote. Common Cause cannot vote. Chambers of Commerce cannot vote. Why should they contribute? I proposed, and there is at the desk, an amendment to the bill which I will call up later, that says that no one except a qualified voter can contribute.

That is my reply.

Mr. KENNEDY. Mr. President, so long as we have private contributions, the special interests will find a way to give their money and make their influence felt.

As I indicated earlier, the Common Cause figures are only the tip of the iceberg, because they reflect only the contributions reported or collected by organized political committees. They do not reflect contributions by individuals. Yet we know, as in the case of oil money, that vast amounts of special interest money come rolling in, each election year, in the form of individual contributions.

We know why these special interest groups are building up their warchests for 1974. To take but one example, it is clear that this Congress is now well into a major debate on national health insurance. Possibly, a comprehensive bill to establish a program of national health insurance may pass the Senate and the House before the end of the present session. Or, the debate may well carry over into the 94th Congress that convenes in January 1975, after the congressional elections this fall. Obviously, health reform and national health insurance are issues that are now coming into the forefront of the agenda of Congress.

And what do we see when we look at the Common Cause figures, published today, showing the warchests that special interest groups have already accumulated for the purpose of making contributions to the 1974 elections? We find that one of the special interest groups with the fattest warchests is none other than the American Medical Association and its affiliated political action committees in the various States.

Mr. President, I ask at this point that an excerpt from the Common Cause materials showing the breakdown by State of the AMA warchest, may be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

1974 CAMPAIGN WAR CHEST OF AMERICAN MEDICAL ASSOCIATION AND ITS AFFILIATED POLITICAL ACTION COMMITTEES

Closing date	Organization (branches of American Medical Association)	Committee name	Amount
Mar. 7, 1974	National	American Medical PAC	$60,520
Dec. 31, 1973	District of Columbia Executive.	Physcns Com For Good Govt—D.C	8,482
Feb. 28, 1974	Alabama	Alabama Medical PAC	15,029
Jan. 31, 1974	Alaska	Alaska Medical PAC	1,375
Mar. 10, 1974	Arizona	Arizona Medical PAC	13,392
Feb. 28, 1974	Arkansas	Arkansas PAC	4,411
Dec. 31, 1973	California	California Medical PAC	178,517
Mar. 10, 1974	do	Committee for Govt Improvement	168
Dec. 10, 1973	do	L.A. Cnty Physicians Comm	14,002
Mar. 7, 1974	do	Professional Comm for Good Govt	156
Feb. 28, 1974	Colorado	Colorado Medical PAC	1,670
Mar. 10, 1974	Connecticut	Connecticut Medical PAC	4,156
Feb. 28, 1974	District of Columbia	District of Columbia PAC	1,367
Feb. 31, 1973	Florida	Florida Medical PAC	22,943
Feb. 28, 1974	Georgia	Georgia Medical PAC	34,232
Feb. 28, 1974	Hawaii	Hawaii Medical PAC	2,629
Dec. 31, 1973	Idaho	Idaho Medical PAC	981
Mar. 7, 1974	Illinois	Illinois Medical PAC	18,594
Feb. 28, 1974	Indiana	Indiana Medical PAC	47,909
Do	Iowa	Iowa Medical PAC	22,652
Do	Kansas	Kansas Medical PAC	6,383
Feb. 31, 1973	Louisiana	Louisiana Medical PAC	16,986
Feb. 28, 1974	Maryland	Maryland Medical PAC	27,294
Dec. 31, 1973	Massachusetts	Bay State Physicians PAC	1,022
Feb. 28, 1974	Michigan	Michigan Doctors PAC	25,320
Do	Minnesota	Minnesota Med PAC	$17,584
Do	Mississippi	Mississippi PAC	15,884
Do	Missouri	Missouri Med PAC	26,380
Oct. 2, 1973	Montana	Montana PAC	2,372
Feb. 28, 1974	Nebraska	Nebraska Med PAC	7,999
Do	New Jersey	N.J. Med Political Action	8,899
Dec. 31, 1973	New Mexico	N.M. Med PAC	3,221
Mar. 10, 1974	North Carolina	North Carolina Med Pol Educ & Action Comm.	20,699
Feb. 28, 1974	North Dakota	N.D. Comm on Med Pol Act	1,243
Do	Ohio	Ohio Med PAC	53,123
Dec. 31, 1973	Oklahoma	Oklahoma Med PAC	8,299
Feb. 28, 1974	New York	Empire Medical PAC	1,803
Do	Oregon	Oregon Med PAC	16,121
Do	Pennsylvania	Pennsylvania Med PAC	50,874
Do	Rhode Island	Rhode Island Med PAC	1,160
Do	South Carolina	South Carolina PAC	6,405
Dec. 31, 1973	South Dakota	South Dakota PAC	1,435
Feb. 28, 1974	Tennessee	Independent Medicine's PAC	19,673
Do	Texas	Texas Med PAC	59,160
Dec. 31, 1973	Utah	Utah Med PAC	1,661
Do	Virginia	Virginia Med PAC	6,840
Feb. 28, 1974	Washington	AMPAC—State of Washington	10,084
Do	Wisconsin	Wisc Physician's PAC	16,085
Do	Wyoming	Wyoming PAC	1,894
Total			889,088

Mr. KENNEDY. We see from these figures that the AMA and its affiliates have already collected the massive sum of $889,000 in available contributions for the fall congressional elections. We also know the position of the AMA on health reform, which is a position of total opposition to the sort of national health insurance program that many of us believe is essential if the Nation is to have decent health care.

Clearly, the AMA position will be well represented in the next Congress. Money speaks, and $889,000 in campaign contributions speaks with a very loud voice indeed.

But who speaks for the average citizen? Who speaks for the mother trying to get a doctor because her child is sick. Who speaks for the family driven into financial ruin because of the high cost of serious illness? Who speaks for all the people fed up with a health care system that suits the doctors and the insurance companies very well, but that fails to meet the people's basic need for decent health care at a price they can afford to pay?

That is the nature of the problem we face. There are probably only a handful of Members of this body who have not received at least some contribution from one or another of these various interest groups. I think that public financing is the only realistic answer to eliminate the corrupting influence of the special interest contributions on our Senate and House elections.

We see the picture. The special interest groups are waiting with their checkbooks to make their influence felt. If this amendment passes, the effect will be to say that we in Congress are glad to get that money, that we welcome their campaign contributions in 1974 and on into the future.

I oppose the amendment, and I hope that the Senate will reject it.

Mr. BAKER. Mr. President, I do not know what the parliamentary situation is at the moment. The Senator from Massachusetts asked me to yield, but on whose time, I do not know. We have been having this colloquy. If I still have the floor, I should like to have 1 minute more to speak.

Mr. ALLEN. I yield the Senator from Tennessee 1 more minute.

Mr. KENNEDY. Whatever time remains to me I will gladly yield to the Senator from Tennessee.

The PRESIDING OFFICER. The Senator from Tennessee is recognized for 1 minute.

Mr. BAKER. Mr. President, I am really most distressed by the concept embodied in the remarks just made by the Senator from Massachusetts, which I read to mean that we can trust ourselves so little to cure the ills spotlighted by the Watergate case that we have got to throw the baby out with the bath water. I really am concerned that we do not consider ourselves to be good enough legal draftsmen or legislative scholars to be able to draft a way to prevent the special interests from having an effect on the elective process.

I know half a dozen ways to do that without tearing down the destiny and the political system of this country.

We could hand out $2 million in California or $365,000 in Nevada, or whatever, and pretty soon we will have a little booklet coming out that says "Federal Rules and Guidelines for Qualifying for the Expenditure of Funds"—and pretty soon the Federal Government will be supervising how campaigns are going to be run. Thus, we will have created political incest.

The PRESIDING OFFICER. The time of the Senator from Massachusetts has expired.

Mr. KENNEDY. If I have any time remaining, I should like to have 2 minutes——

Mr. CANNON. I yield 2 minutes to the Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized for 2 minutes.

Mr. KENNEDY. Mr. President, the thing the American public should understand is that they are paying for the system now. We hear the statements about the raid on the Federal Treasury. The Senator from Tennessee understands who is paying for what now.

And one of the most obvious the people are forced to pay is through tax loopholes. The Internal Revenue Code is riddled with tax loopholes. The American public is paying for those loopholes. Vast amounts of tax welfare are being paid through the tax laws to big contributors and special interest groups. And we know who makes up the difference. The working man and woman, the middle income and the lower income groups are the ones who pay higher taxes to make up for the various tax loopholes.

We know how those various tax loopholes have been obtained. As the Senator from Tennessee and every other Member of the Senate knows, it is through the work of the highly paid lobbyists and the special interest groups down here in the conference rooms and in the committee rooms and in the halls of Congress. They make sure that the loopholes are written in and stay in and they are always around when campaign contributions are to be made.

So, make no mistake about it, Mr. and Mrs. Public, you are paying for the system, and you are paying for it in hidden billions of dollars every year.

All it takes to change the system and put it on an honest footing is to make sure that the public pays the bill for elections to public office. We are talking about a cost of $360 million over a 4-year period, to make Members of Congress and the Senate, and the President of the United States accountable to the people and not to the special interests. That is a bargain by any standard, a price we cannot afford not to pay.

Several Senators addressed the Chair.

Mr. ALLEN. Mr. President, I yield 2 minutes to the Senator from Colorado (Mr. DOMINICK).

The PRESIDING OFFICER. The Senator from Colorado is recognized for 2 minutes.

Mr. DOMINICK. Mr. President, I thank the Senator from Alabama.

Mr. President, I have not participated very much in this debate so far and I do not serve on the Committee on Rules and

Administration, but I think I have just heard the most illogical argument from the Senator from Massachusetts that I have heard in my whole life in the 12 years I have served in this body, and my 2 years of service in the House.

Every single tax thing, including what he calls the tax loopholes, were originally put in for a social reason of one kind or another, like the tax loophole which gives an extra deduction, for example, to one who is blind or over the age of 65. There is a whole group of things like that, which he lumps into so-called tax loopholes. It does not have a single thing to do with the bill which is designed to put Members of the Senate and Members of the House in the public trough.

Mr. KENNEDY. Mr. President, will the Senator from Colorado yield for a question?

Mr. DOMINICK. I yield.

Mr. KENNEDY. Would the Senator support a bill to eliminate all the tax loopholes, say, by the end of this year, over a 2- or 3-year period, then rebuild them back into the Revenue Code, if they really serve a social purpose? I believe that many of those loopholes are directly related to campaign contributions by the people who enjoy the benefits of the loopholes. Would the Senator be willing to test the social purpose of the loopholes by re-enacting them or is he simply prepared to continue——

Mr. DOMINICK. Is the Senator asking me a question?

I wonder whether the Senator from Alabama would yield me another minute to answer the Senator from Massachusetts.

Mr. ALLEN. Yes.

Mr. DOMINICK. I thank the Senator. The answer to the Senator from Massachusetts is, "no," I would not support such a bill.

A great many social projects are of extraordinary impact in this country. One of the things I hope to do is to get a tax credit for higher education. We have passed it in the Senate twice, and I have no intention of saying that the Senator from Colorado would simply eliminate these social practices which we try to accomplish in a tax bill. Besides, that comes out of the Ways and Means Committee, not out of the Rules Committee, and has nothing to do with the public trough bill that is before the Senate now.

I have been adamantly against public financing from the very beginning. I am against it for any kind of race—Presidential, Republican, senatorial, or anything else—because all I can see is a continuing effort to get more and more money as expenses go on, increasing the amount of money we are going to be spending on public campaigns for election one way or another. As one who is running this year, it would be helpful to me, of course, if we had public financing. But I cannot think of anything worse for the taxpayers of my State, for the taxpayers of the country, and for the country's government as a whole—its welfare, its honor, and its integrity. To have campaigns run on public financing is the worst thing I can think of.

The PRESIDING OFFICER. Who yields time?

Mr. ALLEN. Mr. President, I yield 2 minutes to the distinguished Senator from Mississippi (Mr. STENNIS).

Mr. STENNIS. I thank the Senator from Alabama.

Mr. President, last year the Senate passed a good bill. I could not be here to participate in that bill, but I have been so concerned about elections, about what has been happening, that I have gone into this matter rather thoroughly; and I cannot support the principle of using taxpayers' dollars to pay for the campaigns, especially our own elections, especially for the election of Members of the House of Representatives, who have only 2-year terms.

As a practical matter, I know of no scandal connected with senatorial races or with races of Members of the House, either—the actual races for election or reelection. I have been here a good while. We have had some matters come up about funds collected and appreciation dinners, whatever one wants to call it. But that was after the election was over. Some of that money, we decided—in one case especially—was misused. But I do not think Congress has any record of scandal or any kind of fraud or anything fixed up. There is a selfish angle, too.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ALLEN. I yield the Senator 1 additional minute.

Mr. STENNIS. I feel that to get into our races and to let the taxpayers pay for them takes the people out of it, so to speak. The taxpayer pays his taxes because he has to, and he should, of course. But the idea of taking his money and putting it to this use is contrary to what many people believe in. Worse than that, it takes the people out of the race, so to speak, because they feel that what they can do will not count. We have to get these elections back closer to the people, closer to their voluntary actions, to their enthusiasm, to their willingness to be active citizens, to become involved. We need more people actively involved in these elections, particularly congressional elections.

The PRESIDING OFFICER. Who yields time?

Mr. COOK. Mr. President, will the Senator yield?

Mr. CANNON. I yield 2 minutes to the Senator.

Mr. COOK. Mr. President, it is my intention to vote against the proposal of the Senator from Alabama, but I would be remiss if I did not say that one of the reasons why I intend to do so is that I think the people of the United States have an opportunity to try what we have proposed for some time.

I must say, in all fairness, that I am surprised at the extreme length of the indictment of Democratically controlled Congresses that I have just listened to as to the Internal Revenue Code as it now exists, with what are called complete and absolute loopholes.

I think that the average taxpayer who files his form 1040 seems to think of everybody who has a loophole as not being an average taxpayer. I am thinking about the fellow who owns a gas station, the fellow who deducts for the utilization of his truck, which he also drives home at night because it is his vehicle, and that is a loophole.

I am thinking of literally hundreds and hundreds of things that give a little individual who is a small, independent businessman, not the giant businessman, an opportunity and an incentive to be a businessman, an incentive to make a living.

I hope that during the course of this debate we will not take into consideration such broad, sweeping statements that we are going to have an amendment that takes away all loopholes. What does "all loopholes" really mean? What are we really saying to the Internal Revenue Service? What are we really saying to every little individual who pays his taxes on a quarterly basis, not once a year?

I hope we will look at this situation from the standpoint that we now have an opportunity to try a process that is not totally untried in the world of politics, and I think we all know that. I know how individuals on this floor feel, but if the Senator feels that he is going to try, he should try it at all levels of elective government.

I know that the next amendment is going to swing around and say that we will do it for this group and not that group.

I agree with the Senator from Massachusetts that we have had many misuses, and I think we have a tendency to overkill in the United States. Many times, legislative bodies certainly do. But I believe this issue has been debated enough so that it is no longer the issue of overkill, that it is now the issue that this is a process that may indeed work and can work; and if it does not work, obviously the system can be changed.

To the extent that we in the Rules Committee, under the leadership of our distinguished chairman, have tried to work this matter out to the best of our ability, this amendment would do a great injustice to the work we did in the hearings on the bill. We feel that if we are going to make this experimental attempt to change the methods of campaign operations in the United States, it has to be done at the legislative level and must be done at the Presidential level.

Mr. CANNON. Mr. President, what is the time situation?

The PRESIDING OFFICER. The Senator from Nevada has 2 minutes remaining. The Senator from Alabama has 1 minute remaining.

Mr. CANNON. Mr. President, I yield myself 2 minutes.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. CANNON. Mr. President, Congress already acted once on this matter and determined last year that the matter should be referred to the Committee on Rules and Administration and that we should come back with a proposition for the financing of campaigns out of Federal funds. That is exactly what we have done.

We do not provide in this law that every candidate must go to the Federal funding source. We leave it up to his option. If he sees a great danger in it and wants to go the private sector he may do that within the limits of the bill. Of course, we provide a limit on the amount. We will not see another situation, if this bill is passed, where Clement Stone and people like that can make tremendous contributions, or a committee, like the milk fund or a like organization makes tremendous contributions, because we have a limit. It means that a person who is unknown and wants to try, if he can demonstrate initially that he has a certain amount of appeal, can find the funds without going to private interest groups to finance a portion of his campaign, provided the funds are there.

The law now provides for the checkoff provision. In this bill we increase that and double the amount of the checkoff and increase the amount of the tax credit or the tax deduction that may be taken. They can use those to provide funds to the candidate.

I simply say the Committee on Rules and Administration is trying to comply with the instructions given it last year by the Senate in reporting a bill on this subject and we think we have done the best job we could do after holding hearings and listening to the testimony of witnesses who appeared before us.

Mr. President, I hope the amendment of the Senator from Alabama is rejected.

Mr. ALLEN. Mr. President, yes, the Committee on Rules and Administration did discharge its commitment in reporting the bill, but there is no obligation on us to take the bill. It is just a vehicle for the Senate to express its will with regard to public financing.

I do not believe that the people of this country, having rejected the thought of Congress raising its salary by some $2,500, will look with favor on Congress voting itself funds in the primary; up to some $2 million in California and lesser amounts down through other States for Members of the Senate to run their campaigns. I do not believe they want to see Members of Congress have their campaigns subsidized.

This amendment will take House and Senate races, both primary and general elections, out from under subsidy provisions of the bill. I hope it is approved by the Senate.

Mr. HOLLINGS. Mr. President, I rise in support of the amendment No. 1109 proposed by my friend from Alabama (Mr. ALLEN).

The bill as it is currently written would establish public financing for all Federal political campaigns. I am opposed to this because I oppose public financing except in the case of Presidential and Vice-Presidential races. The huge amounts of money spent in the 1972 Presidential campaign—$60 million for President Nixon and $35 million for Senator MCGOVERN combined with the Watergate revelations indicate the need to change the method of funding Presidental campaigns.

I support, and voted for, legislation sponsored by Senator RUSSELL LONG, of Louisiana, some years ago, to try the checkoff system on our income tax returns. By this system taxpayers can indicate on their tax forms whether or not they want $1 of their tax money to go to the financing of Presidential level campaigns. I believe that this measure, plus a proposed $15,000 ceiling on contributions, would stimulate a healthier atmosphere for Presidential campaigns. The huge sums required to mount a Presidential campaign force the candidate to seek out the big contributor—to whom he then feels some obligation. We should provide this candidate with an alternative—and public financing is such an alternative.

However, I am opposed to establishing public financing for the congressional and senatorial races. This onslaught on the public treasury to pick up the tabs for campaigning and "politicking" all across America would create chaos. It would entice every Tom, Dick, and Harry to jump into the political arena and take his money, and hence take advantage of the public financing. It is nothing more than a subsidy program for all would be politicians.

I do favor control on Senate and House races in order to keep down spending and disclose all facts concerning contributions and expenditures. One way to do this is to limit campaign expenditures to 10 and 15 cents per voter. Since this would put a ceiling on the total expenditures of a candidate, it would encourage him to go after smaller individual contributions instead of having to seek out big contributors to pay for an unlimited, and hence, expensive campaign. I feel that by limiting campaign spending, the candidates will be drawn to public financing in the true sense of the word—the solicitation of funds from individual citizens. And I also favor a prohibition on receiving contributions from any source other than an individual contributor. No more milk fund shenanigans for example. The last Senator elected in South Carolina spent $660,000. With a voting age population in South Carolina of 1,775,000 and with a limit of 10 cents per voter on campaign financing, future candidates would be limited to spending $177,500 in their campaign. This would be a big improvement.

I also support limiting the amount that an individual can contribute to a campaign, and while I personally favor a $1,000 ceiling, I would agree on a compromise that would set $15,000 as the maximum contribution in Presidential races and $3,000 in Senate and House races.

We must do away with the corrupting influence of big money—far more money than is necessary to present a candidate's views to the people. I think the steps I have outlined here can do the deed. At the same time, they will avoid the pandemonium that public financing and more government meddling are bound to create.

Mr. ROBERT C. BYRD. Mr. President, I have said on numerous occasions that the most important task now before us is to restore the confidence of the people in their Government. Public feeling toward elected officials is at an extremely low point. In fact, this Congress—despite its fine record—could muster a favorable rating from only 21 percent of the people interviewed in a recent Lou Harris survey.

It appears to me, then, that this is the worst possible time for Congress to enact legislation that would provide for the use of tax dollars to finance congressional campaigns. I have grave doubts that public financing of House and Senate races would ever be advisable, but I have no doubts as to this being the wrong time, of all times, to provide for Federal financing of House and Senate races.

The bill now before us would allow every candidate in every primary for every House seat in the country to collect $45,000 from the U.S. Treasury. Those who survive the primaries could be rewarded with a $90,000 campaign chest from the Treasury.

Not only is the principle of using tax dollars to finance Senate and House campaigns highly questionable, but the amounts involved here seem way out of line with what would be considered realistic limits.

In the 1972 House races, for instance, 74 percent of all the candidates recorded expenditures of less than $50,000. Instead of setting the limit at that level, the bill would set a $90,000 maximum. In other words, rather than moving to decrease the high amounts spent in a minority of the congressional races, the bill would actually encourage increased spending in the majority of such races.

The amounts available for Senate races, although varying according to the particular States, are also high. In West Virginia, for example, the voting age population is listed at 1,228,000. That means that $122,800 would be available for primary campaigns, based on 10 cents per voting age citizen; and $184,200 would be available for the general election, based on a 15-cent ceiling.

If one of the objects of campaign reform is to limit expenditures—and that certainly should be a main objective—then public financing of congressional campaigns is not going to accomplish it. Actually, public financing of Senate and House races threatens to increase expenditures, not only by setting higher-than-needed limits, but also by opening a crack in the Treasury for this kind of spending. No one can say that the 10-cent and 15-cent limits contained in this bill will not be increased to 25-cent or 50-cent limits in the future. The public became enraged recently when there was talk of dollar-a-gallon gasoline. Imagine how enraged the same taxpayers will become when there is talk of dollar-a-vote Federal expenditures for congressional campaigns.

The way to bring about reform is not through the use of taxpayers' dollars for Senate and House candidates, but rather by setting limits—reasonable but strict limits—on what congressional candidates can spend; limiting the amounts that single contributors can give to campaigns; strict disclosure of contributors; and stricter enforcement of the laws against violations.

With all the problems facing the taxpayers of this country today, we should be trying to find more ways to save their tax dollars—not new ways to spend them.

Therefore, I support the amendment to delete public financing of congressional campaigns from this bill.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment of the Senator from Alabama. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Alaska (Mr. GRAVEL), the Senator from Wyoming (Mr. MCGEE), the Senator from Minnesota (Mr. MONDALE), and the Senator from Rhode Island (Mr. PASTORE) are necessarily absent.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PASTORE) and the Senator from Wyoming (Mr. MCGEE) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Maryland (Mr. BEALL), the Senator from Maryland (Mr. MATHIAS), and the Senator from Pennsylvania (Mr. SCHWEIKER) are necessarily absent.

I also announce that the Senator from Oregon (Mr. HATFIELD) is absent on official business.

I further announce that the Senator from Vermont (Mr. AIKEN) is absent due to illness in the family.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "yea."

On this vote, the Senator from Vermont (Mr. AIKEN) is paired with the Senator from Minnesota (Mr. MONDALE). If present and voting, the Senator from Vermont would vote "yea" and the Senator from Minnesota would vote "nay."

The result was announced—yeas 39, nays 51, as follows:

[No. 92 Leg.]

YEAS—39

Allen
Baker
Bartlett
Bellmon
Bennett
Brock
Buckley
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Church
Cotton
Curtis
Dole
Dominick
Eastland
Ervin
Fannin
Fong
Goldwater
Griffin
Gurney
Hansen
Helms
Hollings
Hruska
Johnston
Long
Magnuson
McClellan
McClure
Nunn
Roth
Scott,
  William L.
Sparkman
Stennis
Talmadge
Thurmond
Tower
Weicker

NAYS—51

Abourezk
Bayh
Bentsen
Bible
Biden
Brooke
Burdick
Cannon
Case
Chiles
Clark
Cook
Cranston
Domenici
Eagleton
Hart
Hartke
Haskell
Hathaway
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Kennedy
Mansfield
McGovern
McIntyre
Metcalf
Metzenbaum
Montoya
Moss
Muskie
Nelson
Packwood
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Scott, Hugh
Stafford
Stevens
Stevenson
Symington
Taft
Tunney
Williams
Young

NOT VOTING—10

Aiken
Beall
Fulbright
Gravel
Hatfield
Mathias
McGee
Mondale
Pastore
Schweiker

So Mr. ALLEN's amendment (No. 1109) was rejected.

Mr. CANNON. Mr. President, I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1082

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of the amendment by the Senator from Maine (Mr. HATHAWAY), No. 1082. The amendment will be stated.

The legislative clerk read as follows:

On page 75, line 19, redesignate subsection "(a)" as subsection "(a) (1)".

On page 75, line 19, strike the word "person" and substitute the word "individual".

On page 75, line 22, strike the word "person" and substitute the word "individual".

On page 75, following line 23, add the following new subsection:

"(2) No person (other than an individual) may make a contribution to, or for the benefit of, a candidate for nomination for election, or election, which, when added to the sum of all other contributions made by that person for that campaign, exceeds $6,000."

On page 75, line 25, strike the word "person" and substitute the word "individual".

On page 76, line 2, strike the word "person" and substitute the word "individual".

On page 76, line 2, strike the period and add the following: ", or from any person (other than an individual) which, when added, to the sum of all other contributions received from that person for that campaign, exceeds $6,000.".

Mr. HATHAWAY. Mr. President, I spoke the other day at some length in support of the amendment. I am not going to burden Senators by repeating everything I said the other day, but I should like to make a few points in support of the amendment.

The purpose of the amendment is to differentiate between individuals and organizations with respect to the contributions limitation. The amendment allows organizations to contribute $6,000 per candidate rather than $3,000, which is the limitation now in the bill. The $3,000 limitation will still apply with respect to individuals.

It seems to me that it is inequitable to equate one wealthy individual with an organization whose membership runs to hundreds or thousands. Large citizen groups, whether they be liberal or conservative, or single-issue groups, such as conservation groups, perform a valuable function by serving as funneling organizations to give modest contributors a voice and an impact in the election.

By giving to the political committees that reflect their philosophy or views, more people get interested and stay interested in the electoral process.

In areas where it is difficult to raise funds for a statewide campaign, either because the area simply does not have the funds to provide, or because the candidate is not very well known, these groups provide a means of channeling funds into the area while preventing any outside influence.

Most liberal organizations, trade associations, or business groups already have State, local, or regional affiliates as existing networks to support candidates, and each of them may contribute large sums to each candidate. But citizen groups are usually national. They raise funds by mailings to the general public and would not have the means to multiply their committees and set them up in separate States. So the $3,000 limitation which is at present in the bill for contributions is not enough for broad-based citizen groups or nationwide organizations.

An organization representing 80,000 or more people, such as the National Committee for an Effective Congress, or 70,000, such as the American Conservative Union, should be allowed to contribute as much as a man and wife contribute, under the bill, that amounts to $6,000.

It has been said that it would be preferable to have no group contributions at all; that only individual citizens could make contributions. I agree that it would be nice to have so many individuals interested in our electoral process that we could rely solely on individual contributions. Ultimately, that should be our goal.

But at present, organizations that pool contributions from groups of citizens who share a view or an ideology perform a valuable function in our system, and I feel that they are being treated unfairly as individuals in the committee bill.

The PRESIDING OFFICER. Who yields time?

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum. I ask unanimous consent that the time for the quorum call be charged to this side.

The PRESIDING OFFICER. Without objection, it is so ordered. The Clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. I ask unanimous consent that during the consideration of the pending legislation, Mr. Philip Reberg of my staff be granted the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. HARRY F. BYRD, JR., On the same time that ran before I called off the quorum call.

Mr. GRIFFIN. Mr. President, will the Senator withhold that?

Mr. HARRY F. BYRD, JR. I withdraw it.

Mr. GRIFFIN. Mr. President, I yield myself such time as I may require.

The pending amendment would make a change that in my view is wrong in principle.

As the bill is now written, special interest groups—organizations that collect and distribute campaign money for business, labor, farm and other special interest groups—including the infamous milk funds—would be limited to $3,000 in the contributions made to the campaign of any candidate. The amendment proposed would increase that limit to $6,000.

In my humble opinion it would be well if we could wipe out contributions of any size from special interest groups to a candidate's campaign. I considered offering just such a counter-amendment which would eliminate even the $3,000 contribution. I recognize, however, that there would be little chance that such an amendment could prevail.

I shall not argue the constitutional issue—even though I recognize that it does exist. But whether the limit is $3,000 or $6,000 does not really change the constitutional arguments.

The question, so far as I am concerned, essentially is one of direction and principle. It is my view that to increase the limit from $3,000 to $6,000, as the Senator from Maine would do by his amendment, would be to go in the wrong direction; it would be going away from campaign finance reform—which is supposed to be the purpose of the bill.

As the distinguished Senator from Tennessee (Mr. BAKER) said earlier today in a colloquy, special interest groups do not vote; people vote. And it seems to me that we should be endeavoring, in this reform legislation, to focus on more direct participation by individual citizens rather than to encourage the channel of campaign support through special interest groups.

When an individual contributes to a special interest group—whatever its ideology, philosophy or legislative purpose—and then allows the directors of that organization to determine which candidates should be supported or opposed with his money, that individual is thereby delegating an important element of his own citizenship responsibility. I just do not think it is in the national interest to encourage that practice.

This amendment, in my view, would erode and weaken the strength that is in the bill now. It should be voted down.

I realize that in many campaigns—in some Senate campaigns and certainly in Presidential campaigns—the enlargement from a $3,000 limit to a $6,000 limit could be considered relatively insignificant. But the amendment would not be so insignificant, I suggest, in many races for seats in the House of Representatives.

At the present time, many candidates who run for House seats conduct their entire campaigns on total amounts of $12,000, $15,000, or $20,000. Certainly, in those situations, a $6,000 contribution coming from a special interest group would be a large portion of the total amount spent in the campaign.

It would be much better, it seems to me, if all contributions made to a campaign were to come directly from individual citizens and if there were complete and full disclosure concerning all such contributions.

The amendment leaves open the possibility, at least, that campaign funds can be "laundered" through the conduit of a special interest group.

Whatever may have been possible in the past in that regard, it seems that this practice should be eliminated. The people want clean elections; they want full disclosure.

To allow contributions to be channeled through special interest groups could be a method of concealing and covering up financial support, rather than disclosing it.

So, for those reasons, I urge my colleagues to vote down the amendment.

Mr. President, I reserve the remainder of my time.

Mr. HATHAWAY. Mr. President, I yield to the Senator from Rhode Island.

Mr. PELL. Mr. President, I rise to speak for the amendment. I have listened but have not had the opportunity to be exposed to all the arguments on both sides. I realize the point the Senator from Michigan is making, that this permits the enlargement of the laundering fund, but with all this legislation we have to weigh the good and the bad. My own view is that the organizations that would be most affected by the $3,000 limitation would be organizations whose contributions were basically small and that they should be permitted to contribute, because they are organizations that would be representing large groups of people.

The $3,000 figure is an arbitrary figure. The $6,000 figure proposed in the amendment of the Senator from Maine is also an arbitrary figure. Perhaps the $6,000 figure more nearly meets the needs of the situation.

It is for these reasons that I would respectfully disagree with the Senator from Michigan and support the Senator from Maine.

Mr. HATHAWAY. Mr. President, I yield myself such time as I may require.

I want to answer a few points raised by the Senator from Michigan. He pointed out that we would be allowing organizations such as milk co-ops to double the contribution which they can now make under the bill. To be sure, those co-ops have come under some surveillance in the recent past, and some suspicions have been cast on those particular organizations, but the same thing is true of some individuals. A husband and wife can give $6,000, and I suppose there are husbands and wives that might come under some suspicion as to what motivated them to make such a contribution.

Certainly, in this bill, we cannot pretend to examine every potential contributor and say that only those who do not come under suspicion may make contributions and those who are under suspicion may not do so. That is a matter for the individual candidate to judge for himself when he chooses to accept such a contribution.

Also, I should like to mention that the amount involved is not the point at issue there. The reason for the amendment is to do equity and justice to organizations. Under the terms of the bill itself, an individual can give $3,000 and a husband and wife can give $6,000, even though all the money is coming from the husband.

This simply puts large organizations which have many members—and I have already cited two such organizations—the Committee for an Effective Congress and the Americans for Conservative Action, which have 80,000 and 70,000 members respectively—on the same basis for making contributions as a husband and wife.

Many people throughout this Nation have a propensity to participate in politics. They make contributions to various candidates. Many people throughout the country, from Maine to Hawaii, are interested in knowing the composition of the House of Representatives and the composition of the Senate. They are not necessarily interested only in the candidates who are running in their respective States. Organizations serve as the vehicle for these people to make contributions to those candidates throughout the country who represent their ideology or philosophy. Individuals who may be able to contribute only $5 to $100 each, and who do not have access to information about all the candidates running for office are justified, I think, in relying on the organizations which give them leadership and direction about where to make their contributions.

The point was made by the Senator from Michigan that the people do not necessarily know where their contributions are going. Certainly they know the purpose of the organizations to which they are making contributions. I do not know of any organization that deceives its supporters into believing the contribution will be used otherwise than in a way that will be consistent with what the organization holds itself out to be.

In conclusion, let me say that the amendment merely puts an organization on a more equitable basis than the basis on which it will be if the bill passes in its present state.

Mr. President, I urge Senators to support this amendment.

I reserve the remainder of my time.

Mr. GRIFFIN. Mr. President, how much time remains on this side?

The PRESIDING OFFICER (Mr. HUDDLESTON). Fifteen minutes remain.

Mr. GRIFFIN. I thank the Chair.

Mr. President, of course, I respect the views of the distinguished Senator from Maine. I realize there are some points to what he says, but I do not find his argument weighty enough to convince me that I should support his amendment.

I take issue, particularly, with the thrust of that part of his argument which appeared to condone the delegation by individuals to special interest groups of their citizenship responsibilities.

Of course, there is an infinite number of special interest groups—many of them are interested in only one particular issue. For example, I think of the Right to Work Organization, which is interested in nothing except the one issue of so-called right-to-work legislation. The organization collects funds and provides support for candidates needless to say, it hopes—or expects—that those candidates will vote right on their particular issue.

I do not wish to criticize the right-to-work organization. It is no different than hundreds of other one-issue special interest groups.

I do not believe it serves the national interest when candidates are elected to Congress because of funds supplied by special-interest, pressure groups. Such groups are not interested in the complete record of the candidate. The one-issue special-interest group cares only about the position of the candidate on its issue.

Such an organization will support or work to defeat a candidate solely on the basis of the candidate's views on that one issue.

If the limit on such support were increased as proposed by this amendment, the influence of such groups would be doubled as compared with the pending bill.

I urge the defeat of this amendment.

Mr. HATHAWAY. Mr. President, I yield such time as he may need to the Senator from South Dakota (Mr. Abourezk).

Mr. ABOUREZK. Mr. President, we must work to create an electoral system where Americans by the tens of millions can and will actively participate. This ultimately is the greatest safeguard of our constitutional freedoms.

In recent years, organizations ranging from the conservative Americans for Constitutional Action to the liberal National Committee for an Effective Congress and the League of Conservation Voters have been working vigorously to achieve more active participation in politics. Many of these organizations have been in the forefront of the fight for meaningful reform of the electoral process. At the same time they have actively solicited tens of thousands of donations from citizens to be pooled together and contributed to congressional candidates.

As the Federal Elections Campaign Act is now written, these groups will be severely limited. Their pooled contributions will be treated the same as individual contributions. The Council for a Liveable World, for example, might get contributions from 500 citizens average $20 for a total of $10,000. The Council might want to give that money to one progressive candidate but it would be allowed to give only $3,000. However, Mr. and Mrs. Clement Stone, if they wanted to, and I imagine they would want to, could give $6,000 to a special-interest opponent. And all the little Stones could each give $3,000 as well.

The New York Times looked at this situation earlier this month and editorialized that:

> Surely such organizations, whatever their political complexion, can be allowed to contribute three or four times the amount of a single person without distorting the will of the electorate.

Senator Hathaway in his amendment asks that such organizations be allowed to contribute only twice that of an individual.

I support Senator Hathaway's amendment. It is a reasonable compromise. It is a compromise that will be unpalatable to the large corporate interests, each of whom would like to give their $3,000 contributions in splendid isolation. But it is a compromise that will work to expand and broaden the political process, not to narrow it.

I thank the Senator for yielding.

Mr. COOK. Mr. President, I yield myself 5 minutes on the bill.

The PRESIDING OFFICER. There is no time on the bill.

Mr. GRIFFIN. I yield the Senator 5 minutes.

Mr. COOK. First of all, Mr. President, we are talking about a matter of semantics, and I hope it does not get down to an argument between whether C. Clement Stone and his wife give $6,000 or the Committee for an Effective Congress can give only $3,000. We are debating the whole issue that we really picked a figure with no study as to how we got to that figure. Therefore, any place we go from that particular figure to another particular figure is just a matter of making a determination as to whether we agree or do not agree.

Another point I should like to make is that we discussed this business of whether it is or is not a means by which we can launder funds. Obviously, one can launder funds at $3,000 contributions as well as at $6,000 contributions. But this bill depends on the people of the United States to have a basic concept of what the law is and whether they are willing to live by the law or whether they are willing to break the law.

I suggest to the Senator from Michigan that under this act, if we pass it relatively in the form it is in, we provide that one cannot do what the Senator has suggested. I read to him from page 76, paragraph (c):

> (c)(1) For purposes of the limitations contained in this section all contributions made by any person directly or indirectly to or for the benefit of a particular candidate, including contributions which are in any way earmarked, encumbered, or otherwise directed through an intermediary or conduit to that candidate, shall be treated as contributions from that person to that candidate.

So the only point we have to raise here, if we believe that in the operation of the political process it is our intention to abide by the law, is that if one wishes to give $3,000 and say, "Will you please give it to the Senator from Maine, and that is whom I want it to go for," under the law, the organization that receives the $3,000, and is a conduit to get it to the Senator from Maine, has to report where it came from, and that it was instructed to pass it on.

The point I really think we are getting down to is not a point between C. Clement Stone and the Committee for an Effective Congress, but an honest-to-goodness point. I think the only point that has merit is whether a husband and wife who have substantial assets can give to one candidate $6,000 and someone who has substantial assets and gives a facility or a lobbying group such as the Committee for an Effective Congress, the Committee for a Federal World, or the Committee for a Cleaner Environment, can give only $3,000 because they cannot marry another committee.

I think that is the issue before us, and that is the issue on which we have to make a determination when we vote.

The PRESIDING OFFICER (Mr. Abourezk). Who yields time?

Mr. GRIFFIN. Mr. President, how much time remains on this side?

The PRESIDING OFFICER. The Senator has 6 minutes.

Mr. GRIFFIN. Mr. President, I do not take issue with the Senator from Kentucky.

Mr. COOK. I thank the Senator for the time.

Mr. GRIFFIN. I am pleased that the language to which he refers is in the bill, and it will be helpful. It is an important step in the right direction.

However, I still believe that the basic question is the one I raised at the outset of my presentation—that is whether the citizenship responsibility should be delegated by individual citizens to special interest groups.

I find it interesting and somewhat ironic that some of the organizations that are the loudest in their calls for reform, including ceilings on contributions and expenditures, are in the forefront of support for weakening amendments such as the one pending now. The New York Times, which frequently calls for election reform, is unrealistic when it contends that special interest groups could give 3 or 4 times as much as the bill provides without influencing or affecting elections. That is absolutely absurd as it would apply to House races. If the limit were to be three or four times what it is in the bill, then a special interest group could, in effect, provide the major portion of the funds on which a candidate would run for the House of Representatives.

Mr. President, the arguments have been presented; and so far as I am concerned, I am willing to yield back the remainder of my time.

Mr. HATHAWAY. Mr. President, I yield 5 minutes to the junior Senator from Kentucky.

Mr GRIFFIN. I reserve the remainder of my time.

Mr. HUDDLESTON. I thank the distinguished Senator for yielding.

Mr. President, I have a couple of points to make in support of this amendment.

It has been a long accepted concept in this country—and indeed a tradition—that citizens are able to join other citizens of like philosophy, of like purposes or objectives, so that their combined force may have a combined impact greater than the individual would have himself.

I would think that a person who has only a few dollars to contribute to a candidate of his choice must feel somewhat helpless as he considers what impact his contribution might make or what influence he may have, when he considers that other individuals can contribute $3,000 or, in the case of a married couple, $6,000.

What we are doing here, it seems to me, is to give individuals who are willing to join because they have a like interest or like philosophy or a like objective, and provide some impact, if they have $50,000, $100,000, or whatever, comparable to a couple. It is reasonable to assume that the interest of two individuals will be somewhat more narrow in relation to the interest of the general public and the interest of some 50,000 or 60,000 people who join together. So it does not seem unreasonable that this kind of organization would receive the same treatment as a couple who happen to be married, which would represent the interests of only two individuals.

I support the amendment. I believe with the restrictions it would be subject to very little abuse. It would be a contribution to those who like to participate and like to know their views are being felt by joining an organization, knowing that the organization might have some impact, at least as much as a couple, on the outcome of a race in which they are interested because they support a candidate.

Mr. GRIFFIN. Mr. President, it should be recognized that a $3,000 contribution for some individuals means no more than a $5 contribution for other individuals.

But more important, I believe, is the fact no automatic implication is attached to individual's contribution under normal circumstances.

On the other hand, when a special interest group, organized to promote particular issues, makes a contribution, there is no question as to what the motive and purpose of that special interest group. No one would doubt what the purpose or motive is when a milk fund, for example, makes its contributions.

I think the American people understand this distinction very well. They do not want the Congress to go in the direction of this amendment. They expect more from this Congress in terms of campaign financing reform.

Mr. HATHAWAY. Mr. President, how much time is remaining to both sides?

The PRESIDING OFFICER. The Senator from Michigan has 1 minute remaining and the Senator from Maine has 14 minutes remaining.

Mr. HATHAWAY. Mr. President, I just want to point out in conclusion that as far as the amount involved is concerned, the President advocated a $15,000 limitation, at least with respect to Presidential campaigns. It seems to me the $3,000 for individuals and $6,000 for a group limitation, being considerably below the amount recommended by the President, is realistic. I do not believe that the distinction which was being made by the distinguished Senator from Michigan with respect to special interest groups can be made between the groups and a married couple. A married couple that is able to contribute $6,000 to a candidate is just as apt to have a special interest as a special interest group.

I do not think we can make a legislative decision about whether a special interest group, couple, or individual should or should not make a contribution.

The Senator from Michigan mentioned earlier in his remarks that there are constitutional problems involved. Certainly, we do not want to inhibit any person or group in making a contribution; whether an individual is interested in all legislation before Congress or only in one piece of legislation, he or a group to which he belongs should be able to make a contribution. And as I have said, a group should be able to make the same contribution as a married couple.

Mr. President, I know of no reason not to yield back the remainder of my time.

Mr. GRIFFIN. I yield back the time on this side.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment of the Senator from Maine. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Alaska (Mr. GRAVEL), the Senator from Wyoming (Mr. MCGEE), the Senator from Minnesota (Mr. MONDALE), the Senator from Rhode Island (Mr. PASTORE), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I further announce that, if present and voting the Senator from Rhode Island (Mr. PASTORE) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Maryland (Mr. BEALL), the Senator from Maryland (Mr. MATHIAS), and the Senator from Pennsylvania (Mr. SCHWEIKER) are necessarily absent.

I also announce that the Senator from Oregon (Mr. HATFIELD) is absent on official business.

I further announce that the Senator from Vermont (Mr. AIKEN) is absent due to illness in the family.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "nay."

The result was announced—yeas 46, nays 42, as follows:

[No. 93 Leg.]

YEAS—46

Abourezk
Bayh
Bentsen
Bible
Brooke
Byrd, Robert C.
Cannon
Case
Church
Clark
Cook
Cranston
Dole
Eagleton
Eastland
Hart
Hartke
Haskell
Hathaway
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Johnston
Magnuson
Mansfield
McGovern
Metcalf
Metzenbaum
Montoya
Moss
Muskie
Nunn
Pell
Randolph
Ribicoff
Sparkman
Stafford
Stennis
Stevens
Stevenson
Symington
Tunney
Young

NAYS—42

Allen
Bartlett
Bellmon
Bennett
Biden
Brock
Buckley
Burdick
Byrd,
 Harry F., Jr.
Chiles
Cotton
Curtis
Domenici
Dominick
Ervin
Fannin
Fong
Goldwater
Griffin
Gurney
Hansen
Helms
Hollings
Hruska
Kennedy
Long
McClellan
McClure
McIntyre
Nelson
Packwood
Pearson
Percy
Proxmire
Roth
Scott, Hugh
Scott,
 William L.
Taft
Talmadge
Thurmond
Tower
Weicker

NOT VOTING—12

Aiken
Baker
Beall
Fulbright
Gravel
Hatfield
Mathias
McGee
Mondale
Pastore
Schweiker
Williams

So Mr. HATHAWAY's amendment (No. 1082) was agreed to.

Mr. HUDDLESTON. Mr. President, I move that the Senate reconsider the vote by which the amendment was areed to.

Mr. COOK. I move to lay that notice on the table.

The motion to lay on the table was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2747) to amend the Fair Labor Standards Act of 1938 to increase the minimum wage rate under that act, to expand the coverage of the act, and for other purposes.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The Senate continued with the consideration of the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, before the Senator from Alabama is recognized, I should like to make a request. I ask unanimous consent that following the disposition of the amendment to be offered by the Senator from Alabama there be a 30-minute limitation on the Bentsen amendment, which is next in order, the time to be equally divided between the Senator from Texas (Mr. BENTSEN) and the manager of the bill (Mr. CANNON); and that in addition there be a 10-minute limitation on an amendment to be offered to the amendment, to be divided between the sponsor of the amendment, the distinguished Senator from Texas (Mr. BENTSEN), and the acting Republican leader, the distinguished Senator from Michigan (Mr. GRIFFIN).

The PRESIDING OFFICER. Is this an amendment to the amendment?

Mr. MANSFIELD. Thirty minutes and 10 minutes, the 10 minutes to be on the amendment to the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that it be in order to ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I now ask for the yeas and nays.

The yeas and nays were ordered.

Mr. GRIFFIN. Mr. President, while a large number of Senators are in the Chamber, would the distinguished majority leader allow me to ask unanimous consent that it be in order to ask for the yeas and nays on my amendment to the amendment, with the understanding that if the amendment is accepted, the order for the yeas and nays will be withdrawn?

Mr. MANSFIELD. Certainly.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that it be in order for me to ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is the Senator asking that it be in order to ask for the yeas and nays at this time?

Mr. KENNEDY. Mr. President, will the Senator describe his amendment? Or is his request merely to ask for the yeas and nays.

The PRESIDING OFFICER. That it be in order to order the yeas and nays at this time. Is there objection to the request of the Senator from Michigan?

Without objection, it is so ordered.

Mr. GRIFFIN. I now ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

AMENDMENT NO. 1110

The PRESIDING OFFICER. Under the previous order, the Senator from Alabama is recognized to call up his amendment No. 1110, which will be stated.

The assistant legislative clerk read as follows:

On page 4, line 21, immediately after "(C)", insert "and".

On page 4, line 24, beginning with "and (D)", strike out through line 2 on page 5 and insert in lieu thereof a semicolon.

On page 7, line 9, immediately after the semicolon, insert "or".

On page 7, line 17, strike out the semicolon and "or" and insert in lieu thereof a period.

On page 8, beginning with line 3, strike out through line 7.

On page 9, line 7, strike out "for nomination for".

On page 9, line 8, immediately after the comma, insert "the candidate and his authorized committees must have received contributions for his general election campaign in a total amount of more than $250,000 and".

On page 9, line 12, strike out "primary" and insert in lieu thereof "general".

On page 9, line 24, immediately after "candidate", insert "other than a Presidential candidate".

On page 10, beginning with line 3, strike out through line 10.

On page 10, strike out lines 11 and 12 and insert in lieu thereof "(2) For the purposes of paragraph (1), no contribution from".

On page 13, line 16, strike out "(1)".

On page 13, line 17, strike out "(f)" and insert in lieu thereof "(e)".

On page 13, line 24, strike out "(g)" and insert in lieu thereof "(f)".

On page 14, beginning with line 9, strike out through line 3 on page 15.

On page 15, line 5, strike out "(f)" and insert in lieu thereof "(e)".

On page 15, line 10, strike out "(g)" and insert in lieu thereof "(f)".

On page 15, beginning with line 22, strike out through line 3 on page 16.

On page 16, line 4, strike out "(e)" and insert in lieu thereof "(d)".

On page 17, line 4, strike out "(f)" and insert in lieu thereof "(e)".

On page 17, line 21, strike out "(g)" and insert in lieu thereof "(f)".

On page 18, line 4, strike out "(h)" and insert in lieu thereof "(g)".

On page 72, between lines 3 and 4, insert the following:

"(2) (A) Except to the extent such amounts are changed under section 504(e) (2) of the Federal Election Campaign Act of 1971, no candidate for nomination for election to the office of President may make expenditures in connection with his primary election campaign in any State in which he is a candidate in such an election in excess of the greater of—

"(i) 20 cents multiplied by the voting age population (as certified under section 504(f) of the Federal Election Campaign Act of 1971) of that State, or

"(ii) $250,000,

"(B) Notwithstanding the provisions of subparagraph (A), no such candidate may make expenditures throughout the United States in connection with his campaign for that nomination in excess of an amount equal to 10 cents multiplied by the voting age population of the United States. For purposes of this subparagraph, the term 'United States' means the several States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico, Guam, and the Virgin Islands and any area from which a delegate to the national nominating convention of a political party is selected.

"(C) The Commission shall prescribe regulations under which any expenditure by a candidate for nomination for election to the office of President for use in two or more States shall be attributed to such candidate's expenditure limitation in each such State under subparagraph (A) based on the voting age population in such State which can reasonably be expected to be influenced by such expenditure.".

On page 72, line 4, strike out "(2)" and insert in lieu thereof "(3)".

On page 72, line 7, strike out "(3)" and insert in lieu thereof "(4)".

On page 72, line 12, strike out "(4)" and insert in lieu thereof "(5)".

On page 72, line 21, strike out "(5)" and insert in lieu thereof "(6)".

Mr. MANSFIELD. Mr. President, will the Senator from Alabama yield?

Mr. ALLEN. I yield.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that it be in order at this time to ask for the yeas and nays on the third Allen amendment, on which there is a limitation of 30 minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. I now ask for the yeas and nays on the third Allen amendment.

The yeas and nays were ordered.

The PRESIDING OFFICER. Who yields time?

Mr. ALLEN. Mr. President, I yield myself 6 minutes.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. ALLEN. Mr. President, this amendment removes from the bill, and therefore from the Federal subsidy, the Presidential nomination contest. It would leave the House and Senate primaries and general elections, and the general election for the Presidency, but would take out from under the bill the contest for the nominations for President and Vice President of the two major parties. The bill as it now stands would provide for matching campaign contributions of up to $250, for up to a total of some $7.5 million for every candidate for the nomination of the two major parties who was able to raise $250,000.

I do not believe that the taxpayers of the Nation want to subsidize the campaign, not for the Presidential election, which is already provided for in the checkoff and provided for in other portions of the bill, but to give every candidate for the nomination of the Republican Party and every candidate for the nomination of the Democratic Party up to $7.5 million toward his campaign. I thought the idea was to reduce the amount of expenditures in primaries and in general elections.

But far from doing that, I would think $7.5 million is as much as a person could raise in a race for the Presidential nomination. Then this measure would provide for the Government, the taxpayers, putting in icing of $7.5 million on the amount that the candidate raises. So this amendment would simply take out from under the bill the Presidential nomination contests.

I do not think it is right to make available to Governor Rockefeller, for example, $7.5 million, to Governor Reagan $7.5 million, to Governor Connally $7.5 million, or, to bring it a little closer to home, to the distinguished Senator from Illinois (Mr. PERCY) or the distinguished Senator from Massachusetts (Mr. KENNEDY) or the distinguished Senator from Texas (Mr. BENTSEN). I do not feel that the taxpayers should pay $7.5 million to the Presidential candidacies of these various individuals who want to run for President.

Let them run for President; that is fine. I wish them all well. Though they all cannot be nominated, I wish them well; but I do not think the taxpayers should have to foot the bill for half of their expenditures. I think there are a great many more causes that should have priority over subsidizing the races of candidates for the Presidential nomination.

For another thing, Mr. President, this bill does not set any limit on the Presidential race for which matching is made available. If a fellow said, "I do not want to run in 1976, but I do want to run in 1980, or 1984, or 1988," well, he could be getting Uncle Sam to finance his campaign all through that period.

Also, looking backward, there is no starting point, no cutoff time, back of which matching contributions may not be made. So it appears, and the distinguished Senator from Rhode Island in a previous colloquy on this issue so stated, that there is no cutoff time back of which contributions could not be received. If a man has been running for the Presidency for several years, would those contributions be matchable? As I read the bill, all he would have to do is get his list of contributors, pick up a matching check, and go on his merry way soliciting contributions and having them matched by the Government.

I do not believe this is election reform, Mr. President. I think we ought to limit the amount that can be spent, but keep it in the private sector, demanding strict reporting, strict disclosure of contributions and expenditures, but not just handing the bill to the taxpayer.

That is what this amendment would

seek to do in taking from under the provisions of the bill the Presidential primary contests which we see every 4 years, attended with a lot of hoopla and various political goings on of that sort.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. ALLEN. I yield myself 1 additional minute.

I do not believe it is in the public interest to make $7.5 million available to some 15 or 20 candidates for the Presidency, just to get out and waste the taxpayers' money in that fashion.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. CANNON. Mr. President, I yield myself such time as I may require. This is just another attack on the whole concept of public financing. The Senate has voted against the distinguished Senator's proposal to eliminate public financing from the bill. Since that time, he has come up with another amendment that would have eliminated public financing for congressional races, and the Senate has decided against him on that issue. Now, this is the only remaining part of the elimination of public financing. If you vote to eliminate the Presidential race, you are simply voting piecemeal on the issues that are in the bill under the concept of public financing.

If Senators are for public financing, they should vote against this amendment. If they are not, then they should vote for the amendment, because that would strike out public financing on this portion of the bill.

The Senator has made the statement that a number of people could come in and, in effect, raid the Public Treasury for campaign funds. But the requirements in the bill are such that a person has to have demonstrated widespread public support before he is eligible. So it does not mean that everyone who wanted to run for President would be entitled to get matching funds out of the Treasury. They must have demonstrated support to the levels set forth in the bill before they would be eligible for the matching funds contribution, and I might say that they could only receive that money to the extent that the funds are available as provided in the bill in the separate fund, or unless Congress appropriated them. So it in no wise permits someone to come in and raid the Treasury.

But I say again in conclusion, Mr. President—and then I am prepared to yield back the remainder of my time—that the issue is very simple. The Senate voted on the issue last fall, and instructed us to come back with a proposal for public financing. This we did. There was a vote to strike out public financing. That was defeated. There was a vote to strike out public financing for candidates for Congress. That was defeated. The only other element in the bill is public financing for candidates for the Presidential nomination, and that is covered by this amendment. I urge the Senate to reject the amendment.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. CANNON. I yield.

Mr. ALLEN. I am sure that the Senator understands that the amendment is not directed at the Presidential general election; it has to do only with the nominating process.

Mr. CANNON. I understand that the amendment relates only to the primary portion, which does have the triggering factor that the candidate must have demonstrated widespread support.

Mr. ALLEN. He could get that all in one State, could he not, under the provisions of the bill? So it would not have to be really very widespread.

Mr. CANNON. Well, I think he would have a very difficult time raising that kind of money in one State. That would be my own reaction, that he would have a difficult time meeting the triggering factor in only one State, though it might be possible.

Mr. ALLEN. But I guess one could expect that in California, for a candidate to get up to some $700,000 in one State, in $100 dollar contributions, or $250,000 in $250 contributions in Presidential nomination contests.

Mr. CANNON. Well, the triggering factor in the State of California provides a maximum limit as well as the minimum.

Mr. ALLEN. Yes, but he could get——

Mr. CANNON. The Senate candidates, if they triggered in California, would raise only $125,000.

Mr. ALLEN. Yes. But $700,000 would be available to him on a matching basis, would it not?

Mr. CANNON. That is correct, provided he met the triggering factor.

Mr. ALLEN. Yes, so if he could raise $700,000 in $100 contributions in one State, it would certainly seem likely that a Presidential candidate of not too much stature could raise $250,000 in $250 contributions in one State.

The point I was making was that I was taking mild exception to the Senator's statement that it required widespread support. But the support could come from one State or from the District of Columbia.

Mr. CANNON. The Senator is correct. It could come from one State, provided he raised that triggering amount from one State.

Mr. President, I am prepared to yield back the remainder of my time.

Mr. LONG. Mr. President, will the Senator from Alabama yield?

Mr. ALLEN. I yield.

Mr. LONG. How many States did the Senator wish a person to raise money in?

Mr. ALLEN. I rather imagine it will be adopted—I am not absolutely sure—because I have not had too much success with my amendments—but I have an amendment that would require that the $250,000 triggering amount would have to be raised with $2,500 contributions from at least 40 States to show widespread support.

Mr. LONG. It would seem to me that if a man had support in 10 States that should be enough.

Mr. ALLEN. Take a man like the head of Common Cause, Mr. Gardner, he could raise the $250,000 without too much trouble. He seems to be able to raise larger amounts than that. That would entitle him to start dipping into the Public Treasury, ostensibly to run for President, if he has the contributions. I do not feel that we should encourage everyone who has the ability to raise $250,000 from getting that matched and getting subsequent contributions matched on an equal basis out of the Federal Treasury up to a limit of $7.5 million in matching funds. I do not believe that is what we want to do with the taxpayers' money.

Mr. LONG. I find myself thinking along the same lines as the Senator, that any Senator from a large State, a personable Senator from a large State, say, who could raise a quarter of a million dollars easily—even an average size State—I think that the man potentially could raise that much money in his own State if the people thought he had the slightest chance. So that it would seem appropriate he should have to demonstrate that he could raise a substantial portion—maybe $100,000 or $150,000—to indicate that he was not purely a candidate of his own constituency.

Mr. ALLEN. I have an amendment to offer later on which would carry that into effect.

Mr. LONG. I thank the Senator from Alabama.

Mr. ALLEN. I thank the Senator from Louisiana.

Mr. President, I yield back the remainder of my time.

Mr. CANNON. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. McClure). All time on this amendment has now been yielded back.

The question is on agreeing to the amendment of the Senator from Alabama (Mr. Allen) No. 1110.

On this question the yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from North Carolina (Mr. Ervin), the Senator from Arkansas (Mr. Fulbright), the Senator from Alaska (Mr. Gravel), the Senator from Wyoming (Mr. McGee), the Senator from Minnesota (Mr. Mondale), the Senator from Rhode Island (Mr. Pastore), and the Senator from New Jersey (Mr. Williams) are necessarily absent.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. Pastore), and the Senator from Wyoming (Mr. McGee) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. Baker), the Senator from Maryland (Mr. Beall), and the Senator from Pennsylvania (Mr. Schweiker) are necessarily absent.

I also announce that the Senator from Oregon (Mr. Hatfield) is absent on official business.

I further announce that the Senator from Vermont (Mr. Aiken) is absent due to illness in the family.

I further announce that, if present

and voting, the Senator from Oregon (Mr. Hatfield) would vote "nay."

On this vote, the Senator from Vermont (Mr. Aiken) is paired with the Senator from Minnesota (Mr. Mondale).

If present and voting, the Senator from Vermont would vote "yea" and the Senator from Minnesota would vote "nay."

The result was announced—yeas 35, nays 53, as follows:

[No. 94 Leg.]

YEAS—35

Allen
Bartlett
Bellmon
Bennett
Brock
Buckley
Byrd, Harry F., Jr.
Byrd, Robert C.
Cotton
Curtis
Dole
Dominick
Eastland
Fannin
Fong
Goldwater
Griffin
Gurney
Hansen
Helms
Hollings
Hruska
Johnston
McClellan
McClure
Nunn
Roth
Scott, William L.
Sparkman
Stennis
Taft
Talmadge
Thurmond
Tower
Weicker

NAYS—53

Abourezk
Bayh
Bentsen
Bible
Biden
Brooke
Burdick
Cannon
Case
Chiles
Church
Clark
Cook
Cranston
Domenici
Eagleton
Hart
Hartke
Haskell
Hathaway
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Kennedy
Long
Magnuson
Mansfield
Mathias
McGovern
McIntyre
Metcalf
Metzenbaum
Montoya
Moss
Muskie
Nelson
Packwood
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Scott, Hugh
Stafford
Stevens
Stevenson
Symington
Tunney
Young

NOT VOTING—12

Aiken
Baker
Beall
Ervin
Fulbright
Gravel
Hatfield
McGee
Mondale
Pastore
Schweiker
Williams

So Mr. Allen's amendment (No. 1110) was rejected.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (S. 2174) to amend certain provisions of law defining widow and widower under the civil service retirement system, and for other purposes.

The Vice President subsequently signed the enrolled bill.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The Senate continued with the consideration of the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

Mr. CHURCH. Mr. President, I ask unanimous consent that Ric Glaub, a member of my staff, be accorded the privilege of the floor during the debate on this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Under the previous order, the pending business is the amendment of the Senator from Texas (Mr. Bentsen), amendment No. 1083. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

The amendment is as follows:

On page 76, between lines 2 and 3, insert the following:

"(2)(A) No candidate may knowingly solicit or accept a contribution for his campaign—

"(i) from a foreign national, or

"(ii) which is made in violation of section 613 of this title.

"(B) For purposes of this paragraph, the term 'foreign national' means—

"(i) a 'foreign principal' as that term is defined in section 611(b) of the Foreign Agents Registration Act of 1938, as amended, other than a person who is a citizen of the United States; or

"(ii) an individual who is not a citizen of the United States and who is not lawfully admitted for permanent residence, as defined in section 101(a)(20) of the Immigration and Nationality Act.".

On page 76, line 3, strike out "(2)" and insert in lieu thereof "(3)".

On page 76, line 6, immediately after "(1)", insert "or (2)".

Mr. BENTSEN. Mr. President, my amendment is very simple. The amendment would ban the contributions of foreign nationals to campaign funds in American political campaigns. The amendment specifically excludes resident immigrants living in this country. It in no way stops the contributions of American nationals living overseas who are U.S. citizens. They would be able to contribute to American political campaigns.

Mr. President, I yield myself 7 minutes.

The PRESIDING OFFICER. The Senator is recognized.

Mr. BENTSEN. Mr. President, all of us have heard the stories, I am sure, in recent months of the enormous amounts of money contributed in the last political campaign by foreign nationals. We have heard of the hundreds of thousands of dollars sloshing around from one country to another, going through foreign banks, being laundered through foreign banks; and we have heard allegations of concessions being made by the Government to foreign contributors. I do not know whether those allegations are true or not. I am not trying to prejudge them. That would be up to the courts to determine. I am saying that contributions by foreigners are wrong, and they have no place in the American political system. The law is ambiguous and confusing. The Department of Justice was asked to make an interpretation. Congress thought it had taken care of the matter long ago, but the Department of Justice said that the law, when it refers to foreign principals, applied only to those who had agents within this country. Therefore, this left a giant loophole for contributions to be made by foreign individuals. It allowed huge sums to flow into the coffers of American political candidates in 1972 and it is essential that we have legislation to clarify the situation.

Mr. President, I ask unanimous consent to have printed in the Record a letter from L. Fred Thompson, Director of the Office of Federal Elections at the General Accounting Office, addressed to me, wherein he indorses the enactment of clarifying legislation to ban contributions by foreign nations.

There being no objection, the letter was odered to be printed in the Record, as follows:

U.S. General Accounting Office,
Washington, D.C., March 26, 1974.

Hon. Lloyd Bentsen,
U.S. Senate,
Washington, D.C.

Dear Senator Bentsen: Through recent informal contacts with a member of your staff we have learned of your interest in offering a floor amendment to S. 3044, 93rd Congress, 2d Session, which would clarify Congress' intent regarding section 613 of Title 18, United States Code.

This provision prohibits political contributions by any agent of a foreign principal and also prohibits the solicitations, acceptance, or receipt of any such contribution from any agent of a foreign principal or from the foreign principal directly. The responsibility for enforcing 18 U.S.C. 613 rests with the Attorney General of the United States.

In the course of our administration of the Federal Election Campaign Act of 1971, as the supervisory officer responsible for presidential campaigns, we made several referrals of apparent instances of foreign contributions to the Attorney General. We have been advised by the Department of Justice that the term "foreign principal" as used in section 613 does not have the same meaning as "foreign national." The Department's view is that to be a foreign principal within the meaning of section 613 it is essential to have an agent acting or operating within the United States. Therefore, in the opinion of the Department, the mere acceptance of a political contribution from a "foreign national" without evidence to establish that such foreign national is a "foreign principal" having an agent within the United States would not constitute a violation of the statute.

In view of the statutory interpretation placed on the existing law by the Department of Justice, it is our opinion that to prohibit foreign contributions to U.S. political campaigns the statute should be amended to expressly bar a candidate, or an officer, employee, or agent of a political committee, or any person acting on behalf of any such candidate or political committee from knowingly soliciting, accepting, or receiving any contribution from any "foreign national." For this purpose the term "foreign national" should be defined to include:

(1) any person who is a "foreign principal" or an "agent of a foreign principal' 'as presently defined in 18 U.S.C. 613;

(2) any individual who is neither a citizen nor a permanent resident of the United States; and

(3) any partnership, association, corporation, organization, or other combination of persons organized under the laws of or having its principal place of business in a foreign country.

In testimony last June before the Senate Rules and Administration Committee, Phillip S. Hughes, who was then Director of the Office of Federal Elections, stated his view that restrictions should be placed on political contributions by foreign nationals and, at the very least, that Congress should clarify what it intended to prohibit when it enacted 18 U.S.C. 613. (See Hearings before the Senate Committee on Rules and Administration on S. 372 and other Federal election reform bills, 93rd Cong., 1st sess. 262–264.) I believe that Mr. Hughes' testimony at that time continues to represent the position of this office, as well as the Comptroller General, on the issue of political contributions by foreign nationals.

We endorse your efforts to have the Senate consider an appropriate amendment to 18 U.S.C. 613 at the time it begins floor debate on S. 3044. We will be pleased to provide further information or assistance on this subject if you desire.

Sincerely yours,

L. Fred Thompson,
Director.

Mr. BENTSEN. Mr. President, I wish to point out that last June, in testimony before the Committee on Rules and Administration, Mr. Phillip Hughes, who was then Director of the Office of Federal Elections, stated his views that restrictions should be placed on political contributions by foreign nationals.

President Nixon as well in his recent message on campaign financing and the reform of campaign financing called for a ban on contributions by foreign nationals.

My amendment would accomplish that good by making clear that the present ban on contributions by foreign principals extends to foreign nationals as well; and without this ban American elections will continue to be influenced by contributions of foreign nationals.

I do not think foreign nationals have any business in our political campaigns. They cannot vote in our elections so why should we allow them to finance our elections? Their loyalties lie elsewhere; they lie with their own countries and their own governments.

Many in this country have expressed concern over the inroads of foreign investment in this country, over the attempts by foreigners to control U.S. business. Is it not even more important to try to stop some of these foreigners from trying to control our politics? I think this limitation would accomplish that purpose.

One additional point I should like to mention relates to foreign citizens living in the United States as resident immigrants. My amendment would exempt foreigners with resident immigrant status from the ban on contributions by foreigners. There are many resident immigrants in the United States who have lived here for years and who spend most of their adult lives in this country; they pay American taxes and for all intents and purposes are citizens of the United States except perhaps in the strictest legal sense of the word. These individuals should not be precluded from contributing to the candidate of their choice under the limitations of $3,000 in S. 3044 as well as S. 372 which passed the Senate last summer.

Let me say a word about implementation of the amendment. The responsibility will be placed on the candidate or the committee established on behalf of the candidate to refuse donations proferred by foreigners. Some will say that this places an unnecessary burden on the candidate or his committee. I would point out that present disclosure and reporting laws require the name of the donor, his mailing address, occupation and principal place of business on all contributions over $10. It will then be up to the committee or the candidate receiving a donation from abroad to refuse the contribution coming from a foreigner. Thus there is no additional recordkeeping requirement. Having to determine whether a contribution coming from abroad comes from a foreign national or from an American citizen living abroad may be an inconvenience but it is minor compared to the loophole it closes.

I know the amendment is not foolproof. There are ways to get around just about every campaign finance measure we bring about but my amendment goes a long way toward getting at the problem.

I repeat that the principle of my amendment has the support of President Nixon. It is my understanding that the Senate Watergate Committee is digging into contributions by foreign nationals and its final report will probably suggest reforms on the present status of the statutes pertaining to foreign contributions.

American political campaigns should be for Americans and a large loophole would be closed by my amendment. I urge the Senate to adopt the amendment.

Mr. President, I reserve the remainder of my time.

Mr. COOK. Mr. President, will the Senator yield to me for 3 minutes?

Mr. BENTSEN. I am delighted to yield to the Senator from Kentucky.

Mr. COOK. Mr. President, first I would like to have the Senator from Texas give me the privilege of being a cosponsor of the amendment. I ask unanimous consent that I may be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COOK. Mr. President, I think the Senator from Texas raises an interesting point and we should look at it in reverse. Let us look at the mandate of Congress. Let us look at our creation of the special subcommittee in the Committee on Foreign Relations to investigate the significance of the corporate conglomerate on international affairs. Let us look at the influence that American corporations attempt to exert on other governments. Let us look at it from the standpoint that we in this country are absolutely rather chagrined, and sometimes horrified, at the extent of America's influence on foreign governments. There are attempts to change governments; there are attempts to bolster a particular candidate at a time the time of an election; and there is the situation we have seen in several situations in South America. Congress is investigating a matter under the leadership of the distinguished Senator from Idaho (Mr. (Church) in regard to Chile.

I would say that the significance of all of this is that the United States and those influences in the United States that are of worldwide significance should frankly mind their own business when it comes to the political significance of other countries. In effect, we are saying that those people abroad should mind their own business when it comes to making contributions to political campaigns in the United States.

Am I correct in my basic philosophy?

Mr. BENTSEN. I agree wholeheartedly with the Senator from Kentucky.

Mr. COOK. May I ask the Senator a question? I think this is important. In no way is the Senator from Texas excluding an American national who finds himself by reason of his corporate employment living in Japan, Australia, or anywhere else in the world. Is he excluding that individual from writing his individual check and sending it to a political organization of his choice in the United States in any election?

Mr. BENTSEN. In no way is he precluded from that. He is an American citizen living overseas and he can participate. The American political process should be left to American nationals.

Mr. COOK. I do not think the public knows, and it should be in the Record, that in the vicinity of 2 million Americans, who by reason of employment, study, and many, many other situations existing in the commercial world, are located overseas and live there for long periods of time. They are American citizens; their children are American citizens. They maintain voting facilities. The Voting Rights Act of 1965 broadened that ability for American nationals who live overseas to vote.

In no way is the Senator from Texas saying that these people are in any way impeded in making a contribution to the political process in their country.

Mr. BENTSEN. The Senator from Kentucky is absolutely right.

Mr. COOK. I thank the Senator from Texas.

Mr. CANNON. Mr. President, I yield myself 3 minutes.

The PRESIDING OFFICER. The Senator is recognized.

Mr. CANNON. I have no quarrel with the basic purpose of this amendment, which is directed toward contributions from abroad to influence political campaigns, but I think it should properly be pointed out that last year in this country there were, as aliens lawfully here, 4,643,457 people. That is a pretty substantial number of people who were here properly in this country, and we permit them to come here for many things other than to come here to be residents.

So I want to be sure the Senator knows exactly what he is doing, because a substantial number of those people are in his own State of Texas, who are lawfully in this country, who are not here as permanent residents, and the only people who would be excluded from this provision are people who are here as permanent residents.

I may say the Immigration people themselves say there is some question in their minds as to the propriety of the language in this particular case. I have no particular brief with it, but I know last year there were 4,633,457 registered aliens in this country. Those people were here in this country lawfully, but by this amendment the Senator is going to preclude many of those people from participating in the elective process by making contributions, and he is also going to impose on the candidate the question of whether he knew or ought to have known that those people were not properly admitted here for permanent residence at the time they made contributions to his campaign. I would venture to say that a mailing campaign that was put out would result in that person's mail going to hundreds of people in his own State, including the great State of Texas, who would not be eligible to make contributions under this particular amendment, if it is adopted.

I simply want to point that out so Senators will know what they are doing.

As one of my distinguished colleagues pointed out a few minutes ago, we have to get money from somewhere for these campaigns. I remember an old song from a few years ago that was titled "Pennies From Heaven." I am sure we realize that money does not come from heaven to carry out political campaigns.

So, by the Senator's excluding contributions from people who are lawfully in this country, but who are not here as permanent residents, he is creating an undue and an unnecessary burden on the persons who are running for office as well as the persons who are here in this country, and properly so, who would be affected by the amendment.

As I said initially, I support the thrust or the purpose for which the amendment was originally drawn and intended, but I think, frankly, that it goes further than would be intended by Members of this body if they were here to hear the discussion on it. I am sure it would impose some undue burdens on any person who might run for political office, as well as for certain people who are properly here.

If the Senator were to restrict the amendment to money coming from abroad, from foreign nationals abroad, or foreign nationals living abroad, or foreign contributions of any sort, I would completely agree with him, because I think that is not correct.

Mr. BENTSEN. Mr. President, I yield myself 2 additional minutes.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. BENTSEN. Mr. President, this amendment was carefully drawn to try to exclude certain people who might be legally in this country passing through here as tourists. I do not think they have any legitimate role to play in the political process of this country, nor do illegal aliens in this country. That privilege to contribute ought to be limited to U.S. citizens and to those who have indicated their intention to live here, are here legally, and are permanent residents. Those people would be and should be allowed to make political contributions in this country.

I think one statement ought to be made in response to the comment made by the Senator from Nevada. It has been stated that no candidate may knowingly solicit or accept such contributions, so he must knowingly have done it in order to be in violation.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. BENTSEN. I cannot yield with the limited time I have.

Mr. GOLDWATER. Can I have 2 minutes for a question?

Mr. CANNON. I yield 2 minutes.

Mr. GOLDWATER. How would this affect a person living in Mexico who is an American, working there, who votes by absentee ballot, who has an account in a Mexican bank, with no checking account in an American bank?

Mr. BENTSEN. This amendment does not affect that. If he is an American national living overseas in any foreign country he is allowed to contribute.

Mr. GOLDWATER. Even if the draft is made on a foreign bank?

Mr. BENTSEN. Yes, the distinguished Senator from Michigan has something on that. My amendment does not affect it.

Mr. COOK. Mr. President, if the Senator will yield, may I say to the Senator from Arizona that we will face the very situation he is talking about with the submission of the amendment by the Senator from Michigan. This is not a matter which involves the present amendment in its present form.

The PRESIDING OFFICER. Who yields time?

Mr. COOK. Mr. President, may I suggest to the Senator from Texas that, if he is through with the basic debate on his amendment, he yield back his time——

Mr. BENTSEN. Mr. President, if the Senator from Nevada is prepared to yield back his time, I am prepared to yield back my time.

Mr. GRIFFIN. Mr. President, will the Senator from Texas accept a suggestion? It appears there may be more controversy to my amendment to the Senator's amendment than anticipated. We had only 5 minutes on a side. Perhaps we could make it 10 minutes on a side and use it from the time left on his amendment.

Mr. BENTSEN. Mr. President, if the Senator from Nevada is prepared to yield back his time for that purpose, I am.

Mr. CANNON. Mr. President, I ask unanimous consent that we yield back the time on this amendment and that whatever time is left be added to the 5 minutes to a side on the amendment of the Senator from Michigan.

The PRESIDING OFFICER. There are exactly 11 minutes remaining on this amendment.

Without objection, it is so ordered.

The Senator from Michigan.

Mr. GRIFFIN. Mr. President, I send an amendment to the desk in the nature of a substitute, which is a modified version of my printed amendment No. 1087.

The PRESIDING OFFICER. The clerk will read the amendment.

The assistant legislative clerk proceeded to read the amendment.

The amendment to the amendment is as follows:

In lieu of the language proposed to be inserted by amdt. No. 1083 insert the following:

"PROHIBITION OF CONTRIBUTIONS AND EXPENDITURES BY FOREIGN INDIVIDUALS

"SEC. 304. Section 613 of title 18, United States Code, is amended—

"(a) by adding to the section caption the following: 'or drawn on foreign banks';

"(b) by inserting immediately before 'Whoever' at the beginning of the first paragraph the following: '(a)'; and

"(c) by adding at the end thereof the following new subsection:

"'(b) No person may make a contribution in the form of a written instrument drawn on a foreign bank. Violation of the provision of this subsection is punishable by a fine not to exceed $5,000, imprisonment not to exceed five years, or both.'."

On page 71, line 16, strike out "304." and insert in lieu thereof "305.".

On page 76, between lines 2 and 2, insert the following new paragraph:

"(2) No candidate may knowingly solicit or accept a contribution for his campaign—

"(A) from any person who—

"(i) is not a citizen of the United States, and

"(ii) is not lawfully admitted for permanent residence, as defined in section 101 (a) (20) of the Immigration and Nationality Act; or

"(B) which is made in violation of section 613 of this title.".

On page 76, line 3, strike out "(2)" and insert in lieu thereof "(3)".

On page 76, line 6, immediately after "(1)", insert "or (2)".

On page 78, line 19, immediately after "611,", insert "613,".

On page 78, line 87, strike out "by adding at the end" and insert in lieu thereof "by striking out the item relating to section 613 and inserting in lieu".

On page 78, below line 22, immediately above the item relating to section 614, insert the following:

"613. Contributions by agents of foreign principals or drawn on foreign banks.".

Mr. GRIFFIN. Mr. President, at the outset, I want to say that I strongly support the amendment offered by the Senator from Texas (Mr. BENTSEN). It is almost identical to a portion of my amendment 1087, which I had submitted for printing. I checked with the Parliamentarian as to the best way to present my version, and he suggested that the best way would be in the form of a substitute.

The major portion of my amendment is identical in purpose to the amendment of the Senator from Texas in that it prohibits contributions to campaigns by foreigners and by aliens who have not been admitted for permanent residence in the United States.

I agree with him that, by and large, our political process should be in the hands of those who are citizens and have the right to vote. Actually, our amendment does not really close it up that much. It acknowledges and permits contributions by those who have been admitted for permanent residence. So even though they do not have the right to vote in that instance, they would have the right to make financial contributions.

But my amendment goes further. It also prohibits a contribution in the form of a check written on a foreign bank. The distinguished Senator from Texas, in his argument for his amendment, referred to foreign banks. I would agree with the concern that he expressed by that reference. However, the amendment as he has presented it does not touch the matter of foreign banks.

I realize that some persons will make the argument that it is going to be inconvenient, particularly for American citizens who live abroad, if they cannot write their checks on foreign banks. However, I think that it is also important to underscore the fact that obviously U.S. law does not reach and cannot control foreign banks. We cannot, by the court process of the United States, investigate a foreign bank. We cannot examine its accounts. We cannot have access to its checks.

Some of the stories of abuse that we have been exposed to have involved

Mexican banks and other foreign banks. They have involved unnumbered accounts in Swiss banks.

It seems to me that if we really want to do something about this problem, we should take this additional step and also provide that a foreign bank cannot be used as a means of funneling money into a campaign in the United States. I know that all Americans who live overseas do not have checking accounts in U.S. banks, but I assume that most of them do. If they do not, they might in some other way establish an account in a U.S. bank. I think the matter of being able to investigate, outweighs the disadvantages which would accrue.

That is the argument pure and simple. I think this would be an improvement of the amendment of the Senator from Texas. Perhaps he might want to accept it. If he does, and there is no opposition, we could then go to a vote on his amendment as amended.

Mr. BENTSEN. Mr. President, I yield 3 minutes to the distinguished Senator from Kentucky.

Mr. COOK. Mr. President, I would hope that the Senator from Texas will not agree to take that language as an amendment to his amendment.

Last year I had occasion, while I was in Mexico—as a matter of fact, as a member of the Mexican-American Interparliamentary Meeting—to go to the University of Guadlajara, I spoke to a number of American students. I was amazed to learn that there is a retirement community of American citizens there. They have taken up residence there, having retired on social security. It has not been so long ago that all of us had occasion to view, on television, retirees in Spain and Ireland. Those people are living in those countries because it is cheaper to live there than in the United States. They do not have two checking accounts. They have bank accounts in the country in which they are now residing as American citizens. They do not have an account in the First National Bank of Dallas and also one in the Bank of Guadlajara. They cannot afford it. They have one account.

I agree with the Senator from Michigan that we do have a problem with major contributions. We do have problems with substantial checks. I am quite sure we will not receive a great many contributions from Americans who live throughout the world by reason of the advantages of their retirement situations. But it would be a terrible crime to deny them the opportunity if, in fact, they want it. It would be a terrible situation for an individual who is retired.

The Guadlajara community is largely a military retirement facility. It would be a shame, for those individuals who send in checks of $5, $10, or $15 as contributions to the political process in their country to be told that they were illegal contributions; to be told that if they wanted to make that kind of small contribution, they would have to open an account in an American bank. Obviously, they would not do that.

There are one or two instances where there have been large contributions that have come from foreign banks that were accepted. But I say that the way to resolve this problem is to be totally and completely open so that we will not deprive thousands of Americans of the right to vote.

Mr. CANNON. Mr. President, I have just been advised that the State Department estimates, from its consuls and other officers abroad, that 1,750,000 U.S. citizens are living abroad, not including the military and not including tourists.

Mr. COOK. Mr. President, if we are up to well over 2 million, we cannot say that all of those 2 million are going to write a check for $25 or $50 on, say, a Mexican bank. They may write checks for $5, $10, or $50. But we are really denying the biggest percentage of them of that right, and we cannot resolve a bad situation as it now presents itself.

If we pass this bill—and I say this to the distinguished Senator from Michigan—we will know one thing. If such a check came from an individual, if the candidate accepted it, and the amount of the check was in excess of $1,000, then we would know that the candidate was subject to the penalties of the bill if he accepted it.

It seems to me we should not go totally and completely overboard and destroy the incentive of 2 million Americans who live abroad and want to contribute to the electoral process. Therefore, I strongly oppose the amendment of the distinguished Senator from Michigan.

I thank the Senator from Texas for yielding me this time.

The PRESIDING OFFICER. The Senator from Michigan has 5 minutes remaining.

Mr. GRIFFIN. Mr. President, I shall respond to the argument of the Senator from Kentucky in this way: I recognize that there could be inconvenience for some. I point out, however, that the military personnel who live abroad on U.S. bases would have U.S. banking facilities. Also, in most cases, embassy personnel and diplomatic personnel would have such economic facilities at their disposal.

I am convinced in my own mind that a great many of those persons who live abroad would have access to banks in the United States. I suggest that in any campaign that I know anything about, the percentage of contributions that would come in to a campaign from Americans living abroad, who could draw their checks only on foreign banks, would be small.

It is a question of balance in the situation, and I realize that reasonable men can differ. And if there has been enough evidence of abuse, enough concern aroused so far as the American people are concerned, I believe that it would be a healthy thing to do to make sure that all of the institutions which are handling and accounting for the money are subject to the laws and the jurisdiction of the United States, where the elections are held.

Mr. COOK. Mr. President, will the Senator from Texas yield me 30 seconds?

Mr. BENTSEN. How much time do I have remaining, Mr. President?

The PRESIDING OFFICER. The Senator has 6 minutes remaining.

Mr. BENTSEN. I must say that the Senator from Kentucky has been so persuasive I will yield him 3 additional minutes.

Mr. COOK. I thank the Senator; I will not use nearly all that time.

Mr. President, I have no idea, and I really do not think the Senator from Michigan has any idea, either, how many people in the northern rural areas of our border States between the United States and Canada may find that a Canadian community is much closer to their residence, their farm, or wherever they live along that border line, so that they may well do business with a Canadian bank. There may conceivably be some families up there who have never done business with an American bank, because of its location.

Let us take the plains areas of North Dakota, or the areas of northern Michigan, the Senator's State.

Mr. GRIFFIN. I was going to suggest taking Michigan.

Mr. COOK. I am wondering, really, how many people who live along the common border of the United States and Canada do business and have done business for years and years with Canadian institutions. What we are really saying by this bill is, "If you want to do it, drive the 40 miles to an American bank, open an account, write out your check for $10, and then close your account, because you are not going to deal with that place because of its inconvenience, and go back to your own bank that you are now doing business with."

Mr. GRIFFIN. Mr. President, if I may respond most respectfully to a Senator who comes from a State within the very center of the United States, responding as a Senator who does live in a State which borders all along the Canadian line, my amendment does not bother me one bit whatsoever insofar as that concern expressed by the Senator from Kentucky. I concede there might be a few contributions that would not come into the campaign as a result of what I am doing, but I really do not think the mischief or inconvenience is all that great. I do not think there is a lot to be gained in terms of building confidence in our election process and in other respects generally called reform, in taking the step which I have suggested.

Mr. BENTSEN. Mr. President, will the Senator yield?

Mr. GRIFFIN. I yield.

Mr. BENTSEN. I can understand the concern of the Senator from Michigan with trying to stop this laundering of accounts through foreign banks, but if you are just trying to do that, and you have someone who is trying to move a large sum of money through a foreign bank, they will be able, as I understand it, to take that to their bank, buy a money order on a U.S. bank, if they wanted to, or buy an American Express check, if they wanted to, and circumvent what the Senator is trying to do very easily.

I think what the Senator's amendment would really do is make it inconvenient for 2 million Americans living overseas who might not want to take the time and trouble to overcome its restrictions by going to a U.S. bank, by trying to prevent some person from trying to resort to skullduggery, when, Mr. President, it would not prevent it, and I maintain that the Senator's amendment would not accomplish what he intends.

Mr. COOK. Mr. President, I think, on the basis of one or two episodes which have occurred, we are trying to decide whether we should interfere with the balance of all international transactions, and say that as a result, this transaction by an American citizen must have the added restriction that it must be through an American institution.

We are saying that American banks cannot have international relations in their banking departments, which obviously every major bank in the United States has, and they make daily transfers of deposits back and forth. Yet we are saying that this individual who wants to contribute to the American political process as an American citizen will have this added problem that he must face. I must say I really think it is an onerous one, and I again hope that the amendment of the Senator from Michigan will be defeated.

Mr. GRIFFIN. Mr. President, is there time remaining?

The PRESIDING OFFICER. The Senator from Michigan has 2 minutes remaining. The Senator from Texas has 1 minute.

Mr. GRIFFIN. Mr. President, I wish to focus again on the major reason why this amendment should be accepted. That is that Mexican banks, Swiss banks with numbered accounts, and other foreign banks are not subject to the laws of the United States. It is not possible to investigate a campaign situation and require a foreign bank to reveal canceled checks or otherwise provide an accounting for what has happened in that bank. I think that the time has come when the American people expect Congress to provide for control by the laws of the United States over the facilities and institutions that are going to handle the funneling of campaign contributions. I hope the amendment will be agreed to.

Mr. BENTSEN. Mr. President, I would reluctantly oppose the substitute for my amendment proposed by the Senator from Michigan, despite the very noble objectives the Senator from Michigan has outlined. The Senator from Kentucky has convinced me that this would result in substantial inconvenience to a couple of million Americans living overseas, and yet would not accomplish the objective the Senator from Michigan is trying to accomplish in this regard. Therefore, I would urge the Senate to defeat the substitute amendment proposed by the Senator from Michigan.

The PRESIDING OFFICER. Who yields time? The Senator from Michigan has 1 minute remaining.

Mr. GRIFFIN. I yield it back, Mr. President.

The PRESIDING OFFICER (Mr. McClure). All remaining time having been yielded back, the question is on agreeing to the substitute amendment of the Senator from Michigan. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. Fulbright), the Senator from Alaska (Mr. Gravel), the Senator from Wyoming (Mr. McGee), the Senator from Minnesota (Mr. Mondale) and the Senator from Rhode Island (Mr. Pastore) are necessarily absent.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. Pastore) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. Baker), the Senator from Maryland (Mr. Beall), the Senator from Pennsylvania (Mr. Schweiker), and the Senator from Arizona (Mr. Fannin) are necessarily absent.

I also announce that the Senator from Oregon (Mr. Hatfield) is absent on official business.

I further announce that the Senator from Vermont (Mr. Aiken) is absent due to illness in the family.

I further announce that, if present and voting, the Senator from Oregon (Mr. Hatfield) would vote "nay."

The result was announced—yeas 23, nays 66, as follows:

[No. 95 Leg.]

YEAS—23

Allen
Bartlett
Bayh
Bellmon
Bennett
Brock
Cotton
Curtis
Dole
Dominick
Griffin
Gurney
Hansen
Helms
Hollings
Hruska
Mansfield
Packwood
Pearson
Taft
Thurmond
Weicker
Young

NAYS—66

Abourezk
Bentsen
Bible
Biden
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cook
Cranston
Domenici
Eagleton
Eastland
Ervin
Fong
Goldwater
Hart
Hartke
Haskell
Hathaway
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Long
Magnuson
Mathias
McClellan
McClure
McGovern
McIntyre
Metcalf
Metzenbaum
Montoya
Moss
Muskie
Nelson
Nunn
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Symington
Talmadge
Tower
Tunney
Williams

NOT VOTING—11

Aiken
Baker
Beall
Fannin
Fulbright
Gravel
Hatfield
McGee
Mondale
Pastore
Schweiker

So Mr. Griffin's amendment was rejected.

The PRESIDING OFFICER. The vote now occurs on the amendment of the Senator from Texas (Mr. Bentsen). On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. Fulbright), the Senator from Alaska (Mr. Gravel), the Senator from Wyoming (Mr. McGee), the Senator from Minnesota (Mr. Mondale), and the Senator from Rhode Island (Mr. Pastore) are necessarily absent.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. Pastore) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. Baker), the Senator from Maryland (Mr. Beall), the Senator from Arizona (Mr. Fannin), and the Senator from Pennsylvania (Mr. Schweiker) are necessarily absent.

I also announce that the Senator from Oregon (Mr. Hatfield) is absent on official business.

I further announce that the Senator from Vermont (Mr. Aiken) is absent due to illness in the family.

I further announce that, if present and voting, the Senator from Oregon (Mr. Hatfield) would vote "yea."

The result was announced—yeas 89, nays 0, as follows:

[No. 96 Leg.]

YEAS—89

Abourezk
Allen
Bartlett
Bayh
Bellmon
Bennett
Bentsen
Bible
Biden
Brock
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cook
Cotton
Cranston
Curtis
Dole
Domenici
Dominick
Eagleton
Eastland
Ervin
Fong
Goldwater
Griffin
Gurney
Hansen
Hart
Hartke
Haskell
Hathaway
Helms
Hollings
Hruska
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Long
Magnuson
Mansfield
Mathias
McClellan
McClure
McGovern
McIntyre
Metcalf
Metzenbaum
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NAYS—0

NOT VOTING—11

Aiken
Baker
Beall
Fannin
Fulbright
Gravel
Hatfield
McGee
Mondale
Pastore
Schweiker

So Mr. Bentsen's amendment was agreed to.

LEAVE OF ABSENCE

Mr. STEVENS. Mr. President, I ask unanimous consent that I may be excused from attendance on the Senate on Friday and Monday, to conduct hearing in Alaska.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (S. 2747) to amend the Fair Labor Standards Act of 1938 to increase the minimum wage rate under that act, to expand the coverage of the act, and for other purposes.

The enrolled bill was subsequently signed by the Vice President.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The Senate continued with the consideration of the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. ALLEN. Mr. President, I yield 1 minute to the distinguished Senator from Iowa.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. CLARK. Mr. President, I ask unanimous consent that an amendment I am submitting to S. 3044 be considered as having met the requirements of rule XXII of the Standing Rules of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Under the previous order the pending business is the amendment of the Senator from Alabama (Mr. ALLEN).

The amendment will be stated.

The legislative clerk read as follows:

> On page 13, between lines 14 and 15, add a new subsection (d), as follows:
>
> (d) No Member of the Ninety-third Congress or any committee of such Member shall be eligible to receive matching funds in connection with the candidacy of such Member for nomination for election to the office of President for the term beginning January 20, 1977.

Mr. ALLEN. Mr. President, I yield myself 6 minutes.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. ALLEN. Mr. President, I ask unanimous consent that I be given leave of absence for tomorrow, because of the fact that about a month ago I accepted two engagements to speak to Alabama audiences on tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. Mr. President, the pending amendment is very short, but it is important.

Mr. COTTON. Mr. President, may we have order? We cannot hear the Senator. May we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. ALLEN. Mr. President, the amendment is very short and to the point. It says:

> No Member of the Ninety-third Congress or any committee of such Member shall be eligible to receive matching funds in connection with the candidacy of such Member for nomination for election to the office of President for the term beginning January 20, 1977—

Which would be the term starting after the 1976 election.

We already have, under the checkoff provision, adequate machinery, and there will be adequate funds, to finance the general election campaign of 1976.

Under the checkoff provision there would be accumulated in this fund by the 1976 Presidential elections more than $50 million, and it is provided that some $21 million shall be available to each of the major parties for the conduct of the Presidential election of 1976.

Of course, a minor hitch in the law is that, in order to get that money, the political party would have to certify that it would not accept funds from the private sector, and the members of that party might think they could not run a Presidential campaign on $21 million. So unless they have the law amended, it is possible they will not come under that provision in 1976.

But it is quite obvious where much of the drive for further Federal campaign financing, public Treasury financing, is coming from. It is quite obvious that it is coming from those here in the Congress who have an ambition to serve as President of the United States.

This amendment would preclude any Member of the 93d Congress from receiving funds, not to run for his present position—that has already been decided by the Senate—but would preclude him from obtaining a subsidy from the taxpayers to conduct a campaign for the Presidential nomination of either party.

We frequently hear it said, "Well, it is not the money that is involved; it is the principle." Well, if the candidates for the Presidency who are in the Congress really believe that, and they believe that campaign financing by the taxpayer is a good thing, that the principle is right, they ought not to have any objection to a provision that would preclude them from profiting in running for the Presidency to the tune of up to $7.5 million.

Mr. WILLIAM L. SCOTT. Mr. President, will the Senator yield?

Mr. ALLEN. I yield.

Mr. WILLIAM L. SCOTT. I note a section of the Constitution that my distinguished colleague is quite familiar with, article I, section 6:

> No Senator or Representative shall, during the time for which he was elected, be appointed to any civil office under the authority of the United States, which shall have been created, or the emoluments whereof shall have been increased during such time . . .

The Senator is speaking of principles. I wonder if there is not a correlation in principle between this section of the Constitution with regard to appointment to a civil office and creating a fund from which a campaign for the Presidency might be utilized. It seems to me there is a corollary between the two.

Mr. ALLEN. I thank the Senator for that suggestion. I doubt, however, if they would be analogous. That section of the Constitution applies to emoluments which would accrue to an individual as an office holder, whereas the present proposal provides for funds to help him get that office. I doubt if they would be analogous, but there occurs the principle of voting for a measure that would result in a person's receiving up to $7.5 million.

I am hopeful that the Senate and those who might possibly be beneficiaries of this provision will see fit to add this amendment to the bill, on the theory that the principle of public financing would still be there; but those who feel so strongly that this is a good principle, and if it is a principle that they are standing for, possibly would be willing to forego the receipt by them or their campaign committees of this subsidy of up to $7.5 million.

Mr. MATHIAS. Mr. President, will the Senator yield?

Mr. ALLEN. I yield.

Mr. MATHIAS. I understand the principles that underlie the amendment. I want to assure the Senator that, as far as I am concerned, I can approach this with a great deal of objectivity.

Mr. ALLEN. I am sorry to hear that, I will say to the Senator.

Mr. MATHIAS. But, on a more serious note, I wonder if in proposing this amendment the Senator has in mind that the President of the Senate is to be included as a Member of the 93d Congress.

Mr. ALLEN. If what?

Mr. MATHIAS. If the President of the Senate is to be included within the definition of Members of the 93d Congress.

Mr. ALLEN. Does the Senator think he would?

Mr. MATHIAS. Well, the distinguished Senator is the author of the amendment, and I was just probing for his intention.

Mr. ALLEN. No, I would not feel that he would be a Member of the 93d Congress. He presides over one branch of the 93d Congress, but he is not a Member of the Congress, quite obviously.

Mr. MATHIAS. I thank the Senator. I thought it was important to make that a matter of legislative history, to find out what was in the Senator's mind.

Mr. ALLEN. I do not know that that legislative history is necessary, because I doubt seriously if this amendment is going anywhere, I will say to the Senator.

Mr. MATHIAS. Well, I think it is useful. Of course, the President of the Senate is, for many administrative purposes, a Member of the Senate, and when he is called upon, under the provisions of the Constitution, to break a tie, he votes as a Senator votes. So I think if this amendment, or if the thought which underlies this amendment, should succeed either now or later, that would be an important point.

Mr. ALLEN. Is it the Senator's idea that the Vice President is a Member of the 93d Congress? I stated it was my idea it was not. What is the Senator's idea?

Mr. MATHIAS. Well, the Vice-Presidency, of course, has been defined in various ways in various periods of history, and sometimes most colorfully, by those who have occupied that lofty and elevated chair. I think we all remember the definition of the office that was given to it by Vice President John Nance Garner. But for some purposes the Vice President is a Member of the Senate. Let us suppose, just hypothetically, that the Senator's amendment would produce a tie and that the Vice President had to be called upon to break the tie.

Mr. ALLEN. He is not here.

Mr. MATHIAS. We are talking hypothetically. Suppose that.

Mr. ALLEN. I see.

Mr. MATHIAS. And then he voted. Certainly under those circumstances the principles of equity which the Senator has described as applying to everybody else would operate on the Vice-Presidency.

Mr. ALLEN. The chances are he would have a lot of company in that predicament, if he voted for the subsidy.

Mr. MATHIAS. I thank the Senator.

Mr. ALLEN. I thank the distinguished Senator.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. CANNON. Mr. President, I am prepared to yield back my time and am prepared to vote, if the Senate so desires.

The PRESIDING OFFICER. The Senator has 4 minutes remaining.

Mr. ALLEN. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alabama (No. 1061). All time having been yielded back, and the yeas and nays having been ordered, the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. Fulbright), the Senator from Alaska (Mr. Gravel), the Senator from Wyoming (Mr. McGee), the Senator from Minnesota (Mr. Mondale), the Senator from Rhode Island (Mr. Pastore), and the Senator from Louisiana (Mr. Long) are necessarily absent.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. Pastore) and the Senator from Wyoming (Mr. McGee) would each vote "nay."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. Baker), the Senator from Maryland (Mr. Beall), the Senator from Arizona (Mr. Fannin), the Senator from Pennsylvania (Mr. Schweiker), and the Senator from Pennsylvania (Mr. Scott) are necessarily absent.

I also announce that the Senator from Oregon (Mr. Hatfield) is absent on official business.

I further announce that the Senator from Vermont (Mr. Aiken) is absent due to illness in the family.

I further announce that, if present and voting the Senator from Oregon (Mr. Hatfield), and the Senator from Pennsylvania (Mr. Hugh Scott) would each vote "nay."

The result was announced—yeas 36, nays 51, as follows:

[No. 97 Leg.]

YEAS—36

Allen
Bartlett
Bayh
Bellmon
Bennett
Brock
Buckley
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Chiles
Cook
Cotton
Curtis
Dole
Dominick
Eastland
Ervin
Fong
Goldwater
Griffin
Gurney
Hansen
Helms
Hollings
Hruska
McClellan
McClure
Nunn
Pearson
Scott,
  William L.
Sparkman
Stennis
Talmadge
Thurmond
Tower
Weicker

NAYS—51

Abourezk
Bentsen
Bible
Biden
Brooke
Burdick
Cannon
Case
Church
Clark
Cranston
Domenici
Eagleton
Hart
Hartke
Haskell
Hathaway
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Magnuson
Mansfield
Mathias
McGovern
McIntyre
Metcalf
Metzenbaum
Montoya
Moss
Muskie
Nelson
Packwood
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Stafford
Stevens
Stevenson
Symington
Taft
Tunney
Williams
Young

NOT VOTING—13

Aiken
Baker
Beall
Fannin
Fulbright
Gravel
Hatfield
Long
McGee
Mondale
Pastore
Schweiker
Scott, Hugh

So Mr. Allen's amendment (No. 1061) was rejected.

AMENDMENT NO. 1099

Mr. BROCK. Mr. President, I call up my amendment No. 1099.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. Brock's amendment is as follows:

On page 48, line 19, strike out "and 617" and insert in lieu thereof "617, and 618".

On page 49, line 17, strike out "and 617" and insert in lieu thereof "617, and 618."

On page 49, line 23, strike out "or 617" and insert in lieu thereof "617, and 618".

On page 78, line 16, strike the closing quotation marks and the second period.

On page 78, between lines 16 and 17, insert the following:

"§ 618. Voting fraud

"(a) No person shall—

"(1) cast, or attempt to cast, a ballot in the name of another person,

"(2) cast, or attempt to cast, a ballot if he is not qualified to vote,

"(3) forge or alter a ballot,

"(4) miscount votes,

"(5) tamper with a voting machine, or

"(6) commit any act (or fail to do anything required of him by law),

with the intent of causing an inaccurate count of lawfully cast votes in any election.

"(b) A violation of the provisions of subsection (a) is punishable by a fine of not to exceed $100,000, imprisonment for not more than ten years, or both.".

On page 78, line 19, strike out "and 617" and insert in lieu thereof "617, and 618".

On page 78, after line 22, in the item relating to section 617, strike out the closing quotation marks and the second period.

On page 78, after line 22, below the item relating to section 617, insert the following:

"618. Voting fraud.".

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. BROCK. I yield.

The PRESIDING OFFICER. The Senate will be in order.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a time limitation of 30 minutes on the pending amendment, to be equally divided between the sponsor of the amendment, the distinguished Senator from Tennessee (Mr. Brock), and the manager of the bill, the distinguished Senator from Nevada (Mr. Cannon).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROCK. I yield to the Senator from Texas.

Mr. TOWER. Mr. President, I ask unanimous consent that during the consideration of S. 3044, a member of my staff, Mr. Gary Lieber, be accorded the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROCK. Mr. President, I ask unanimous consent that during the further debate on this legislation, a member of my staff, Mr. Jim George, be permitted access to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BROCK. Mr. President, this amendment attempts to deal with one notable inadequacy in the proposed legislation which relates specifically to the largest single area of campaign abuse, in my opinion, and that is voting fraud. There can be no greater violation of the civil rights of an individual than to have his ballot stolen by any device. My amendment would attempt to deal with just that particular problem. It says:

No person shall—

(1) cast, or attempt to cast, a ballot in the name of another person,

(2) cast, or attempt to cast, a ballot if he is not qualified to vote,

(3) forge or alter a ballot,

(4) miscount votes,

(5) tamper with a voting machine, or

(6) commit any act (or fail to do anything required of him by law).

with the intent of causing an inaccurate count of lawfully cast votes in any election.

Mr. President, I very much believe that this Congress must pass major and comprehensive campaign reform legislation. But I cannot believe that it is in the interests of the Congress, the elective process, or the American people to deal only with the financial problems of politics. It seems to me that something very essential is at stake in this particular debate, and that is assurance to the people of this country that their ballots will be cast and counted as they are cast. If we are to restore any faith in the elective process, that has to be a fundamental purpose of the bill.

I do not understand why there simply are not Federal laws in this area today. If there is a civil right in this country, it is the right to vote, for the future of ourselves and for our children. To the best of my knowledge, about the only access or the only recourse we have in the instance of ballot abuse would be to say that that would violate our civil rights, although that is probably the most difficult charge in the world to prove. But it is important that we spell out what we mean by vote fraud and what penalty should be established for that vote fraud. It is important, in view of the recent political scandal, that we not forget the tradition of fraud and abuse in this country, which is still ongoing in too many places, in too many communities, and in too many counties.

Each Senator will speak for his own State, of course, and I can speak only for my own and say that Tennessee has made remarkable progress in reducing ballot abuse. But we are not perfect yet, and I am not sure that anyone else is either. It is important that people wherever they may live in this country should have the assurance that we intend to protect this most essential of their rights.

I cannot believe that we can pass comprehensive campaign reform legislation without dealing with this most fundamental reform as it relates to the ballot and the right to vote and the right to have that vote counted.

Mr. President, I reserve the remainder of my time.

Mr. GOLDWATER. Mr. President, will the Senator from Tennessee yield for a question?

Mr. BROCK. I yield.

Mr. GOLDWATER. Does the Senator have any idea in how many States the process he outlined is now illegal?

Mr. BROCK. I would say to the Senator that probably, generally speaking, virtually all of them are. The problem, it seems to me, is more with the inadequate ability to deal with the problem. The States' law are either not adequately enforced or else they are poorly drawn so as to be unenforceable. Much of the time the State laws are enforced by the very people who are engaging in the abuse. This is the problem I am trying to deal with.

Mr. GOLDWATER. The Senator would make it a Federal crime for those who participate in the activities that he has outlined and illustrated today and that would apply to the Presidency, to the Senate, and to the House?

Mr. BROCK. That is correct.

Mr. GOLDWATER. Has the Senator suggested any penalty?

Mr. BROCK. Yes, I have a sizable penalty which would go, in the case of extreme abuse, to a $100,000 fine and 10 years in jail. We must have a severe penalty.

Mr. GOLDWATER. Would the Senator's amendment—this sounds funny, but it has happened in my city—would the Senator's amendment cover the use of names in graveyards?

Mr. BROCK. Absolutely.

Mr. GOLDWATER. I thank the Senator. I think his amendment is worthwhile and I shall support it.

Mr. TOWER. Mr. President, will the Senator from Tennessee yield for a question?

Mr. BROCK. I yield.

Mr. TOWER. If I understood the Senator correctly, one of the reasons he is offering this is that although virtually all the States have laws that define such abuses as crimes, the fact is that very often the beneficiaries of the rigged election are those responsible for administering the election laws of the State and, therefore, they are rarely ever brought to justice and justice is often not done.

Mr. BROCK. That is correct. There seems to be no recourse in some instances today and no protection against this kind of abuse. We have seen it on too many occasions, in elections that were stolen, where the enormity of the fraud actually changed the course of the election and the people who then were elected were in the postition to enforce or not to enforce the statute.

Mr. TOWER. Is it not true, in the instance of election fraud, in elections involving people running for Federal office, that almost inevitably those that have been brought to justice under any existing laws have been brought to justice under the aegis of a Federal investigation or a Federal prosecution rather than by the State?

Mr. BROCK. That is correct, to the best of my knowledge.

Mr. COOK. Mr. President, will the gentleman from Tennessee yield?

Mr. BROCK. I yield.

Mr. COOK. May I suggest to the Senator from Tennessee, relative to his response to the Senator from Arizona a few moments ago, that there is one thing in here that gives me a problem. I wish he would consider, although the title says "Intended to be proposed by Mr. BROCK * * *"—it goes on to say "* * * and general election campaigns for Federal elective office * * *" I would say to the Senator from Tennessee that in the body of his amendment as such, it shall be a part of the bill, but it does not say "for Federal elections." I am wondering, because at least in my State we do have off-year elections, where we have elections for members of the State legislature, the State senate, and for the governorship, I am concerned as to the overall constitutionality of this amendment, unless he would consider, on line 4, page 2, where it reads:

"(a) No person shall * * *"—

Then add, in elections held for the purpose of Federal officials such as the Senate, Congress, the President, and the Vice President.

I am wondering whether I could convince the Senator from Tennessee that that language should be in there, so that we do not have the problem of interfering with State election laws in those years when elections are held on a statewide basis and when no Federal elections are up.

Mr. BROCK. Of course that language should be in there. The Senator is absolutely right. I appreciate his suggestion. If I may, Mr. President, I ask unanimous consent to modify my amendment on page 2, line 4, to add after the word "shall" the words: "in a Federal election."

The PRESIDING OFFICER (Mr. HELMS). Will the Senator please send his proposed modification to the desk.

Mr. BROCK. If that language will suit the Senator from Kentucky.

The PRESIDING OFFICER. Is there objection to the modification of the amendment of the Senator from Tennessee?

Without objection, the modification is so made.

Mr. COOK. Mr. President, I thank the Senator from Tennessee. I must say that that resolves the problem. Without that language in there, we were risking getting into a rather serious question in regard to State constitutionality and also with regard to the Constitution of the United States, by the way.

Mr. BROCK. I appreciate the Senator's diligence. I have no intention of interfering with any State process. We have a real responsibility to maintain the sanctity of the ballot box in Federal elections.

Mr. TOWER. Mr. President, do I correctly understand that the effect of the Senator's modification will be to narrow the effect of the proposed amendment to elections for Federal offices only?

Mr. BROCK. That is correct.

Mr. TOWER. It would not apply to any State, county, or local election then?

Mr. BROCK. That is right. That was the amendment's intention. The Senator has pointed it out correctly. We were not specific enough.

Mr. COOK. If I may enlarge on that a little, under the Constitution of the United States, we do not have the right to prescribe the rules and regulations for the conduct of State and local elections.

Mr. TOWER. That is correct. As an old States' Righter, I would concur with that.

Mr. BROCK. Mr. President, I reserve the remainder of my time.

Mr. COOK. Mr. President, does the Senator from Tennessee have any objection if he might withdraw the call for the yeas and nays and just have a voice vote?

Mr. BROCK. I would be delighted to withdraw the call for the yeas and nays.

Mr. President, I ask unanimous consent to withdraw the yeas and anys on my amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. The yeas and nays are vacated.

Mr. BROCK. Mr. President, I yield back the reminder of my time.

Mr. CANNON. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time on this amendment has been yielded back.

The question is on agreeing to amendment No. 1099, as modified, of the Senator from Tennessee (Mr. BROCK).

The amendment, as modified, was agreed to.

AMENDMENT NO. 1104

Mr. BROCK. Mr. President, I now call up my amendment No. 1104 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

ILLEGAL CONTRIBUTIONS AND UNEXPENDED FUNDS

SEC. 317. (a) Any contribution received by a candidate or political committee in connection with any election for Federal office in excess of the contribution limitations established by this Act shall be forfeited to the United States Treasury.

(b) Any political committee having unexpended funds in excess of the amount necessary to pay its campaign expenditures within thirty days after a general election shall deposit those funds in the United States Treasury or transfer them to a national committee.

Mr. BROCK. Mr. President, this amendment attempts to deal again with what I view as perhaps the inadvertent absence of existing law, dealing with leftover funds after a campaign. It may be there are those who disagree, but it seems to me this bill is not putting sufficient emphasis on the political parties. I would like very much to see a provision made for any leftover funds after a campaign, where there is not sufficient challenge to use all the money raised. I would like to see that money either revert to the Federal Treasury, if that is the wish of the candidate, or revert to his national party.

It seems to me that would be a measure to strengthen the role of the parties and something we need to be concerned with in the process of this bill.

It does one other thing, and I should point it out, that is to say, that any contribution received in excess of the ceiling shall be automatically rebated to the Treasury because then, in effect, it is an illegal contribution. There is no provision in the existing language to deal with that particular situation. I would suggest that illegal or excess contributions of the statute limits should obviously be directed to the Federal Treasury.

I would hope that this amendment might receive the same warm support my previous one did.

Mr. President, I reserve the remainder of my time.

Mr. CLARK. Mr. President, will the Senator from Tennessee yield for a question?

Mr. BROCK. I yield.

Mr. CLARK. If a candidate chooses not to use Federal money and he collects a certain amount of private money, and he has a hundred dollars left over after a campaign or $100,000 left over, all the money he raised personally would go back to the Federal treasury?

Mr. BROCK. Or to his national party. It would be at his option.

Mr. CLARK. So it would not just be the Federal money that was expended, but all the private money he raised that is left over as well.

Mr. BROCK. That is right. I raised the issue because we have had problems in the past. I think it would be in the interest of Members of the House and the Senate to have this safeguard, to afford them a justification for dealing logically with this excess fund.

Mr. COOK. Mr. President, will the Senator yield?

Mr. BROCK. I yield.

Mr. COOK. I am a little concerned about the language on page 2. Obviously, if we have Federal financing of elections and he has held Federal funds, those must go back to the Treasury. There is no question about that.

Mr. BROCK. That is right.

Mr. COOK. But under the Senator's amendment, I am not sure that is what it says. I read from page 2 of the Senator's amendment:

> . . . shall deposit those funds in the United States Treasury or transfer them to a national committee.

What bothers me is that we cannot leave the assumption that funds that have been allocated under a Federal program to subsidize elections could be subject in any way to a choice of whether they would go back to the Treasury or to a national committee.

I am not really prepared to give any substitute language, although it does bother me because I think the Senator has an either/or with unexpended funds regardless of the source. That does bother me. I believe the chairman of the committee wants to raise that point, also.

Mr. HUDDLESTON. Mr. President, will the Senator yield for a question?

Mr. BROCK. I yield.

Mr. HUDDLESTON. I have never been in a situation in which I have had to deal with a surplus of funds.

Mr. BROCK. Neither have I.

Mr. HUDDLESTON. I wonder whether it would not be well to have another option, whereby the candidate might be able to return, on a pro rata basis, his excess funds to those who had contributed, if such an arrangement were spelled out in his solicitation of the funds.

Mr. BROCK. Personally, I would like to see that. The problem is more mechanical than in principle. I think it is almost impossible to divide on a pro rata basis $500 among 10,000 people who contributed. I had 10,000 contributors in my campaign in 1970, and it was a matter of great pride to me that we were able to establish that broad a base.

In all honesty, I do not know how we could locate those people and return the 3 or 4 cents that some of them would get as a pro rata share, and that is why I did not include it in the amendment.

The Senator from Kentucky has raised a valid point. In light of that, I think it might be the better part of wisdom if I withdrew the amendment and consider that as a possible alternative.

Until I can rewrite it, Mr. President, I will withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

ANTIHIJACKING ACT OF 1974

Mr. CANNON. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 39.

The PRESIDING OFFICER (Mr. HELMS) laid before the Senate the amendments of the House of Representatives to the bill (S. 39) to amend the Federal Aviation Act of 1958 to provide a more effective program to prevent aircraft piracy, and for other purposes, which were to strike out all after the enacting clause and insert:

TITLE I—ANTIHIJACKING ACT OF 1974

SEC. 101. This title may be cited as the "Antihijacking Act of 1974".

SEC. 102. Section 101(32) of the Federal Aviation Act of 1958 (49 U.S.C. 1301(32)), relating to the definition of the term "special aircraft jurisdiction of the United States", is amended to read as follows:

"(32) The term 'special aircraft jurisdiction of the United States' includes—

"(a) civil aircraft of the United States;

"(b) aircraft of the national defense forces of the United States;

"(c) any other aircraft within the United States;

"(d) any other aircraft outside the United States—

"(i) that has its next scheduled destination or last point of departure in the United States, if that aircraft next actually lands in the United States; or

"(ii) having 'an offense', as defined in the Convention for the Suppression of Unlawful Seizure of Aircraft, committed aboard, if that aircraft lands in the United States with the alleged offender still aboard; and

"(e) other aircraft leased without crew to a lessee who has his principal place of business in the United States, or if none, who has his permanent residence in the United States;

while that aircraft is in flight, which is from the moment when all external doors are closed following embarkation until the moment when one such door is opened for disembarkation or in the case of a forced landing, until the competent authorities take over the responsibility for the aircraft and for the persons and property aboard.".

SEC. 103. (a) Paragraph (2) of subsection (i) of section 902 of such Act (49 U.S.C. 1472), relating to the definition of the term "aircraft piracy", is amended by striking out "threat of force or violence and" inserting in lieu thereof "threat of force or violence, or by any other form of intimidation, and".

(b) Section 902 of such Act is further amended by redesignating subsections (n) and (o) as subsections (o) and (p), respectively, and by inserting immediately after subsection (m) the following new subsection:

"AIRCRAFT PIRACY OUTSIDE SPECIAL AIRCRAFT JURISDICTION OF THE UNITED STATES

"(n)(1) Whoever abroad an aircraft in flight outside the special aircraft jurisdiction of the United States commits 'an offense', as defined in the Convention for the Suppression of Unlawful Seizure of Aircraft, and is afterward found in the United States shall be punished—

"(A) by imprisonment for not less than twenty years; or

"(B) if the death of another person results from the commission or attempted commission of the offense, by death or by imprisonment for life.

"(2) A person commits 'an offense', as defined in the Convention for the Suppression of Unlawful Seizure of Aircraft when, while aboard an aircraft in flight, he—

"(A) unlawfully, by force or threat thereof, or by any other form of intimidation, seizes, or exercises control of, that aircraft, or attempts to perform any such act; or

"(B) is an accomplice of a person who performs or attempts to perform any such act.

"(3) This subsection shall only be applicable if the place of takeoff or the place of actual landing of the aircraft on board which the offense, as defined in paragraph (2) of this subsection, is committed is situated outside the territory of the State of registration of that aircraft.

"(4) For purposes of this subsection an aircraft is considered to be in flight from the moment when all the external doors are closed following embarkation until the moment when one such door is opened for disembarkation, or in the case of a forced landing, until the competent authorities take over responsibility for the aircraft and for the persons and property aboard.".

(c) Subsection (o) of such section 902, as so redesignated by subsection (b) of this section, is amended by striking out "subsections (i) through (m)" and inserting in lieu thereof "subsections (i) through (n)".

SEC. 104. (a) Section 902(i)(1) of the Federal Aviation Act of 1958 (49 U.S.C. 1472(i)(1)) is amended to read as follows:

"(1) Whoever commits or attempts to commit aircraft piracy, as herein defined, shall be punished—

"(A) by imprisonment for not less than twenty years; or

"(B) if the death of another person results from the commission or attempted commission of the offense, by death or by imprisonment for life.".

(b) Section 902(i) of such Act is further amended by adding at the end thereof the following new paragraph:

"(3) An attempt to commit aircraft piracy shall be within the special aircraft jurisdiction of the United States even though the aircraft is not in flight at the time of such attempt if the aircraft would have been within the special aircraft jurisdiction of the United States had the offense of aircraft piracy been completed.".

SEC. 105. Section 903 of the Federal Aviation Act of 1958 (49 U.S.C. 1473), relating to venue and prosecution of offenses, is amended by adding at the end thereof the following new subsection:

"PROCEDURE IN RESPECT OF PENALTY FOR AIRCRAFT PIRACY

"(c) (1) A person shall be subjected to the penalty of death for any offense prohibited by section 902(i) or 902(n) of this Act only if a hearing is held in accordance with this subsection.

"(2) When a defendant is found guilty of or pleads guilty to an offense under section 902(i) or 902(n) of this Act for which one of the sentences provided is death, the judge who presided at the trial or before whom the guilty plea was entered shall conduct a separate sentencing hearing to determine the existence or nonexistence of the factors set forth in paragraphs (6) and (7), for the purpose of determining the sentence to be imposed. The hearing shall not be held if the Government stipulates that none of the aggravating factors set forth in paragraph (7) exists or that one or more of the mitigating factors set forth in paragraph (6) exists. The hearings shall be conducted—

"(A) before the jury which determined the defendant's guilt;

"(B) before a jury impaneled for the purpose of the hearing if—

"(i) the defendant was convicted upon a plea of guilty;

"(ii) the defendant was convicted after a trial before the court sitting without a jury; or

"(iii) the jury which determined the defendant's guilt has been discharged by the court for good cause; or

"(C) before the court alone, upon the motion of the defendant and with the approval of the court and of the Government.

"(3) In the sentencing hearing the court shall disclose to the defendant or his counsel all material contained in any presentence report, if one has been prepared, except such material as the court determines is required to be withheld for the protection of human life or for the protection of the national security. Any presentence information withheld from the defendant shall not be considered in determining the existence or the nonexistence of the factors set forth in paragraph (6) or (7). Any information relevant to any of the mitigating factors set forth in paragraph (6) may be presented by either the Government or the defendant, regardless of its admissibility under the rules governing admission of evidence at criminal trials; but the admissibility of information relevant to any of the aggravating factors set forth in paragraph (7) shall be governed by the rules governing the admission of evidence at criminal trials. The Government and the defendant shall be permitted to rebut any information received at the hearing, and shall be given fair opportunity to establish the existence of any of the factors set forth in paragraph (6) or (7). The burden of establishing the existence of any of the factors set forth in paragraph (7) is on the Government. The burden of establishing the existence of any of the factors set forth in paragraph (6) is on the defendant.

"(4) The jury or, if there is no jury, the court shall return a special verdict setting forth its findings as to the existence or nonexistence of each of the factors set forth in paragraph (6) and as to the existence or nonexistence of each of the factors set forth in paragraph (7).

"(5) If the jury or, if there is no jury, the court finds by a preponderance of the information that one or more of the factors set forth in paragraph (7) exists and that none of the factors set forth in paragraph (6) exists, the court shall sentence the defendant to death. If the jury or, if there is no jury, the court finds that none of the aggravating factors set forth in paragraph (7) exists, or finds that one or more of the mitigating factors set forth in paragraph (6) exists, the court shall not sentence the defendant to death but shall impose any other sentence provided for the offense for which the defendant was convicted.

"(6) The court shall not impose the sentence of death on the defendant if the jury or, if there is no jury, the court finds by a special verdict as provided in paragraph (4) that at the time of the offense—

"(A) he was under the age of eighteen;

"(B) his capacity to appreciate the wrongfulness of his conduct or to conform his conduct to the requirements of law was significantly impaired, but not so impaired as to constitute a defense to prosecution;

"(C) he was under unusual and substantial duress, although not such duress as to constitute a defense to prosecution;

"(D) he was a principal (as defined in section 2(a) of title 18 of the United States Code) in the offense, which was committed by another, but his participation was relatively minor, although not so minor as to constitute a defense to prosecution; or

"(E) he could not reasonably have foreseen that his conduct in the course of the commission of the offense for which he was convicted would cause, or would create a grave risk of causing death to another person.

"(7) If no factor set forth in paragraph (6) is present, the court shall impose the sentence of death on the defendant if the jury or, if there is no jury, the court finds by a special verdict as provided in paragraph (4) that—

"(A) the death of another person resulted from the commission of the offense but after the defendant had seized or exercised control of the aircraft; or

"(B) the death of another person resulted from the commission or attempted commission of the offense, and —

"(i) the defendant has been convicted of another Federal or State offense (committed either before or at the time of the commission or attempted commission of the offense) for which a sentence of life imprisonment or death was imposable;

"(ii) the defendant has previously been convicted of two or more State or Federal offenses with a penalty of more than one year imprisonment (committed on different occasions before the time of the commission or attempted commission of the offense), involving the infliction of serious bodily injury upon another person;

"(iii) in the commission or attempted commission of the offense, the defendant knowingly created a grave risk of death to another person in addition to the victim of the offense or attempted offense; or

"(iv) the defendant committed or attempted to commit the offense in an especially heinous, cruel, or depraved manner.".

SEC. 106. Title XI of such Act (49 U.S.C. 1501–1513) is amended by adding at the end thereof the following new sections:

"SUSPENSION OF AIR SERVICES

"SEC. 1114. (a) Whenever the President determines that a foreign nation is acting in a manner inconsistent with the Convention for the Suppression of Unlawful Seizure of Aircraft, or if he determines that a foreign nation permits the use of territory under its jurisdiction as a base of operations or training or as a sanctuary for, or in any way arms, aids, or abets, any terrorist organization which knowingly uses the illegal seizure of aircraft or the threat thereof as an instrument of policy, he may, without notice or hearing and for as long as he determines necessary to assure the security of aircraft against unlawful seizure, suspend (1) the right of any air carrier or foreign air carrier to engage in the foreign air transportation, and the right of any person to operate aircraft in foreign air commerce, to and from that foreign nation, and (2) the right of any foreign air carrier to engage in foreign air transportation, and the right of any foreign person to operate aircraft in foreign air commerce, between the United States and any foreign nation which maintains air service between itself and that foreign nation. Notwithstanding section 1102 of this Act, the President's authority to suspend rights under this section shall be deemed to be a condition to any certificate of public convenience and necessity or foreign air carrier or foreign aircraft permit issued by the Civil Aeronautics Board and any air carrier operating certificate or foreign air carrier operating specification issued by the Secretary of Transportation.

"(b) It shall be unlawful for any air carrier or foreign air carrier to engage in foreign air transportation, or for any person to operate aircraft in foreign air commerce, in violation of the suspension of rights by the President under this section.

"SECURITY STANDARDS IN FOREIGN AIR TRANSPORTATION

"SEC. 1115 (a) Not later than 30 days after the date of enactment of this section, the Secretary of State shall notify each nation with which the United States has a bilateral air transport agreement or, in the absence of such agreement, each nation whose airline or airlines hold a foreign air carrier permit or permits issued pursuant to section 402 of this Act, of the provisions of subsection (b) of this section.

"(b) In any case where the Secretary of Transportation, after consultation with the competent aeronautical authorities of a foreign nation with which the United States has a bilateral air transport agreement and in accordance with the provisions of that agreement or, in the absence of such agreement, of a nation whose airline or airlines hold a foreign air carrier permit or permits issued pursuant to section 402 of this Act, finds that such nation does not effectively maintain and administer security measures relating to transportation of persons or property or mail in foreign air transportation that are equal to or above the minimum standards which are established pursuant to the Convention on International Civil Aviation, he shall notify that nation of such finding and the steps considered necessary to bring the security measures of that nation to standards at least equal to the minimum standards of such convention. In the event of failure of that nation to take such steps, the Secretary of Transportation, with the approval of the Secretary of State, may withhold, revoke, or impose conditions on the operating authority of the airline or airlines of that nation.".

SEC. 107. The first sentence of section 901 (a)(1) of such Act (49 U.S.C. 1471(a)(1)), relating to civil penalties, is amended by inserting ", or of section 1114," immediately before "of this Act".

SEC. 108. Subsection (a) of section 1007 of such Act (49 U.S.C. 1487), relating to judicial enforcement, is amended by inserting "or, in the case of a violation of section 1114 of this Act, the Attorney General," immediately after "duly authorized agents,".

SEC. 109. (a) That portion of the table of contents contained in the first section of the Federal Aviation Act of 1958 which appears under the side heading

"Sec. 902. Criminal penalties."

is amended by striking out—

"(n) Investigations by Federal Bureau of Investigation.

"(o) Interference with aircraft accident investigations."

and inserting in lieu thereof—

"(n) Aircraft piracy outside special aircraft jurisdiction of the United States.

"(o) Investigations by Federal Bureau of Investigation.

"(p) Interference with aircraft accident investigation.".

(b) That portion of such table of contents which appears under the side heading

"Sec. 903. Venue and prosecution of offenses."

is amended by adding at the end thereof the following new item:

"(c) Procedure in respect of penalty for aircraft piracy.".

(c) That portion of such table of contents which appears under the center heading "TITLE XI—MISCELLANEOUS" is amended by adding at the end thereof the following new items:

"Sec. 1114. Suspension of air services.
"Sec. 1115. Security standards in foreign air transportation.".

TITLE II—AIR TRANSPORTATION SECURITY ACT OF 1974

SEC. 201. This title may be cited as the "Air Transportation Security Act of 1974".

SEC. 202. Title III of the Federal Aviation Act of 1958 (49 U.S.C. 1341–1355), relating to organization of the Federal Aviation Administration and the powers and duties of the Administrator, is amended by adding at the end thereof the following new sections:

"SCREENING OF PASSENGERS

"PROCEDURES AND FACILITIES

"SEC. 315. (a) The Administrator shall prescribe or continue in effect reasonable regulations requiring that all passengers and all property intended to be carried in the aircraft cabin in air transportation or intrastate air transportation be screened by weapon-detecting procedures or facilities employed or operated by employees of the air carrier, intrastate air carriers, or foreign air carrier prior to boarding the aircraft for such transportation. Such regulations shall include such provisions as the Administrator may deem necessary to assure that persons traveling in air transportation or intrastate air transportation will receive courteous and efficient treatment in connection with the administration of any provision of this Act involving the screening of persons and property to assure safety in air transportation or intrastate air transportation. One year after the date of enactment of this section or after the effective date of such regulations, whichever is later, the Administrator may alter or amend such regulations, requiring a continuation of such screening only to the extent deemed necessary to assure security against acts of criminal violence and aircraft piracy in air transportation and intrastate air transportation. The Administrator shall submit semiannual reports to the Congress concerning the effectiveness of screening procedures under this subsection and shall advise the Congress of any regulations or amendments thereto to be prescribed pursuant to this subsection at least thirty days in advance of their effective date, unless he determines that an emergency exists which requires that such regulations or amendments take effect in less than thirty days and notifies the Congress of his determination. Notwithstanding any other provision of law, the memorandum of the Federal Aviation Administrator, dated March 29, 1973, regarding the use of X-ray systems in airport terminal areas, shall remain in full force and effect until modified, terminated, superseded, set aside, or repealed after the date of enactment of this section by the Administrator.

"EXEMPTION AUTHORITY

"(b) The Administrator may exempt, in whole or in part, air transportation operations, other than those scheduled passenger operations performed by air carriers engaging in interstate, overseas, or foreign air transportation under a certificate of public convenience and necessity issued by the Civil Aeronautics Board under section 401 of this Act, from the provisions of this section.

"AIR TRANSPORTATION SECURITY

"RULES AND REGULATIONS

"SEC. 316. (a) (1) The Administrator of the Federal Aviation Administration shall prescribe such reasonable rules and regulations requiring such practices, methods, and procedures, or governing the design, materials, and construction of aircraft, as he may deem necessary to protect persons and property aboard aircraft operating in air transportation or intrastate air transportation against acts of criminal violence and aircraft piracy.

"(2) In prescribing and amending rules and regulations under paragraph (1) of this subsection, the Administrator shall—

"(A) consult with the Secretary of Transportation, the Attorney General, and such other Federal, State, and local agencies as he may deem appropriate;

"(B) consider whether any proposed rule or regulation is consistent with protection of passengers in air transportation or intrastate air transportation against acts of criminal violence and aircraft piracy and the public interest in the promotion of air transportation and intrastate air transportation;

"(C) to the maximum extent practicable, require uniform procedures for the inspection, detention, and search of persons and property in air transportation and intrastate air transportation to assure their safety and to assure that they will receive courteous and efficient treatment, by air carriers, their agents and employees, and by Federal, State, and local law-enforcement personnel engaged in carrying out any air transportation security program established under this section; and

"(D) consider the extent to which any proposed rule or regulation will contribute to carrying out the purposes of this section.

"PERSONNEL

"(b) Regulations prescribed under subsection (a) of this section shall require operators of airports regularly serving air carriers certificated by the Civil Aeronautics Board to establish air transportation security programs providing a law enforcement presence and capability at such airports adequate to insure the safety of persons traveling in air transportation or intrastate air transportation from acts of criminal violence and aircraft piracy. Such regulations shall authorize such airport operators to utilize the services of qualified State, local, and private law-enforcement personnel whose services are made available by their employers on a cost reimbursable basis. In any case in which the Administrator determines, after receipt of notification from an airport operator in such form as the Administrator may prescribe, that qualified State, local, and private law-enforcement personnel are not available in sufficient numbers to carry out the provisions of subsection (a) of this section, the Administrator may, by order, authorize such airport operator to utilize, on a reimbursable basis, the services of—

"(1) personnel employed by any other Federal department or agency, with the consent of the head of such department or agency; and

"(2) personnel employed directly by the Administrator;

at the airport concerned in such numbers and for such period of time as the Administrator may deem necessary to supplement such State, local, and private law-enforcement personnel. In making the determinations referred to in the preceding sentence the Administrator shall take into consideration—

"(A) the number of passengers enplaned at such airport;

"(B) the extent of anticipated risk of criminal violence and aircraft piracy at such airport or to the air carrier aircraft operations at such airport; and

"(C) the availability at such airport of qualified State or local law enforcement personnel.

"TRAINING

"(c) The Administrator shall provide training for personnel employed by him to carry out any air transportation security program established under this section and for other personnel, including State, local, and private law enforcement personnel, whose services may be utilized in carrying out any such air transportation security program. The Administrator shall prescribe uniform standards with respect to training required to be provided personnel whose services are utilized to enforce any such air transportation security program, including State, local, and private law enforcement personnel, and uniform standards with respect to minimum qualifications for personnel eligible to receive such training.

"RESEARCH AND DEVELOPMENT; CONFIDENTIAL INFORMATION

"(d) (1) The Administrator shall conduct such research (including behavioral research) and development as he may deem appropriate to develop, modify, test, and evaluate systems, procedures, facilities, and devices to protect persons and property aboard aircraft in air transportation or intrastate air transportation against acts of criminal violence and aircraft piracy. Contracts may be entered into under this subsection without regard to section 3709 of the Revised Statutes of the United States (41 U.S.C. 5) or any other provision of law requiring advertising, and without regard to section 3643 of the Revised Statutes of the United States (31 U.S.C. 529), relating to advances of public money.

"(2) Notwithstanding section 552 of title 5, United States Code, relating to freedom of information, the Administrator shall prescribe such regulations as he may deem necessary to prohibit disclosure of any information obtained or developed in the conduct of research and development activities under this subsection if, in the opinion of the Administrator, the disclosure of such information—

"(A) would constitute an unwarranted invasion of personal privacy (including, but not limited to, information contained in any personnel, medical, or similar file);

"(B) would reveal trade secrets or privileged or confidential commercial or financial information obtained from any person; or

"(C) would be detrimental to the safety of persons traveling in air transportation.

Nothing in this subsection shall be construed to authorize the withholding of information from the duly authorized committees of the Congress.

"OVERALL FEDERAL RESPONSIBILITY

"(e) (1) Except as otherwise specifically provided by law, no power, function, or duty of the Administrator of the Federal Aviation Administration under this section shall be assigned or transferred to any other Federal department or agency.

"(2) Notwithstanding any other provision of law, the Administrator of the Federal Aviation Administration shall have exclusive responsibility for the direction of any law enforcement activity affecting the safety of persons aboard aircraft involved in the commission of an offense under section 901(i) or 902(n) of this Act. Other Federal departments and agencies shall, upon request by the Administrator, provide such assistance as may be necessary to carry out the purposes of this paragraph.

"DEFINITION

"(f) For the purposes of this section, the term 'law enforcement personnel' means individuals—

"(1) authorized to carry and use firearms,

"(2) vested with such police power of arrest as the Administrator deems necessary to carry out this section, and

"(3) identifiable by appropriate indicia of authority.".

SEC. 203. Section 1111 of the Federal Aviation Act of 1958 (49 U.S.C. 1511), relating to authority to refuse transportation, is amended to read as follows:

"AUTHORITY TO REFUSE TRANSPORTATION

"SEC. 1111. (a) The Administrator shall, by regulation, require any air carrier, intrastate air carrier, or foreign air carrier to refuse to transport—

"(1) any person who does not consent to a search of his person, as prescribed in section 315(a) of this Act, to determine whether he is unlawfully carrying a dangerous weapon, explosive, or other destructive substance, or

"(2) any property of any person who does not consent to a search or inspection of such property to determine whether it unlawfully contains a dangerous weapon, explosive, or other destructive substance.

Subject to reasonable rules and regulations prescribed by the Administrator, any such carrier may also refuse transportation of a passenger or property when, in the opinion of the carrier, such transportation would or might be inimical to safety of flight.

"(b) Any agreement for the carriage of persons or property in air transportation or intrastate air transportation by an air carrier, intrastate air carrier, or foreign air carrier, for compensation or hire shall be deemed to include an agreement that such carriage shall be refused when consent to search such persons or inspect such property for the purposes enumerated in subsection (a) of this section is not given.".

SEC. 204. Title XI of the Federal Aviation Act of 1958 (49 U.S.C. 1501–1513) is amended by adding at the end thereof the following new section:

"LIABILITY FOR CERTAIN PROPERTY

"SEC. 1116. The Civil Aeronautics Board shall issue such regulations or orders as may be necessary to require that any air carrier receiving for transportation as baggage any property of a person traveling in air transportation, which property cannot lawfully be carried by such person in the aircraft cabin by reason of section 902(l) of this Act, must make available to such person, at a reasonable charge, a policy of insurance conditioned to pay, within the amount of such insurance amounts for which such air carrier may become liable for the full actual loss or damage to such property caused by such air carrier.".

SEC. 205. Section 101 of the Federal Aviation Act of 1958 (49 U.S.C. 1301), relating to definitions, is amended by redesignating paragraphs (22) through (36) as paragraphs (24) through (38), respectively, and by inserting immediately after paragraph (21) the following new paragraphs:

"(22) 'Intrastate air carrier' means any citizen of the United States who undertakes, whether directly or indirectly or by a lease or any other arrangement, to engage solely in intrastate air transportation.

"(23) 'Intrastate air transportation' means the carriage of persons or property as a common carrier for compensation or hire, by turbojet-powered aircraft capable of carrying thirty or more persons, wholly within the same State of the United States.".

SEC. 206. (a) That portion of the table of contents contained in the first section of the Federal Aviation Act of 1958 which appears under the center heading: "TITLE III—ORGANIZATION OF AGENCY AND POWERS AND DUTIES OF ADMINISTRATOR" is amended by adding at the end thereof the following new items:

"Sec. 315. Screening of passengers in air transportation.
"(a) Procedures and facilities.
"(b) Exemption authority.
"Sec. 316. Air transportation security.
"(a) Rules and regulations.
"(b) Personnel.
"(c) Training.
"(d) Research and development; confidential information.
"(e) Overall Federal responsibility.
"(f) Definition."

(b) That portion of such table of contents which appears under the center heading "TITLE XI—MISCELLANEOUS" is amended by adding at the end thereof the following new item:

"Sec. 1116. Liability for certain property.".

And amend the title so as to read: "An Act to amend the Federal Aviation Act of 1958 to implement the Convention for the Suppression of Unlawful Seizure of Aircraft; to provide a more effective program to prevent aircraft piracy; and for other purposes."

Mr. CANNON. Mr. President, I move that the Senate disagree to the amendment of the House on S. 39 and request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. MAGNUSON, Mr. CANNON, Mr. HARTKE, Mr. PEARSON, and Mr. COOK conferees on the part of the Senate.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, informed the Senate that, pursuant to the provisions of section 10(a), Public Law 93–179, the Speaker had appointed Mrs. BOGGS and Mr. BUTLER as members of the American Revolution Bicentennial Board, on the part of the House.

The message announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 7724) to amend the Public Health Service Act to establish a national program of biomedical research fellowships, traineeships, and training to assure the continued excellence of biomedical research in the United States, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. STAGGERS, Mr. ROGERS, Mr. SATTERFIELD, Mr. DEVINE, and Mr. NELSEN were appointed managers on the part of the House at the conference.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The Senate continued with the consideration of the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HASKELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HASKELL. Mr. President, I wish to address a question to the distinguished manager of the bill.

Mr. CANNON. Yes.

Mr. HASKELL. I would like to ask the floor manager of the bill as to his interpretation of the bill as applied to a particular situation. Assume that a multiple candidate committee engages in certain expenses in connection with the fund raising for a multitude of different candidates. The concern expressed is that possibly the bill would be interpreted to allocate as a contribution to any candidate raising funds from that committee a pro rata share of expenses incurred in raising those funds.

I would like to ask the Senator's interpretation and intention in that situation and whether the legislation would be so applied.

Mr. CANNON. Do I understand the Senator to mean a general committee that is widespread in scope and that is not a political campaign committee of the candidate?

Mr. HASKELL. That is correct.

Mr. CANNON. It is the intention as to that type committee in the solicitation of funds that the expense of solicitation could not be charged to the candidate because that committee may be contributing to many, many candidates and they are limited in the amount they could contribute to the candidate, but the candidate himself would have to include in his expense itemization the cost they expended in raising those particular funds.

On the other hand, if a candidate's own campaign committee that he designates is out raising money for him, obviously those expenses would be chargeable to the amount he can spend in his election.

Mr. HASKELL. I thank the distinguished Senator from Nevada. That is the way I interpret the legislation. There are Members who expressed some concern. I think this makes the record very clear.

Mr. President, I suggest the absence of a quorum.

Mr. MANSFIELD. Mr. President, will the Senator withhold that request?

Mr. HASKELL. I withhold my request.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

AMENDMENT NO. 1105

Mr. BROCK. Mr. President, I call up my amendment No. 1105.

The PRESIDING OFFICER. The amendment will be stated.

The amendment was stated as follows:

On page 64, between lines 5 and 6, insert the following:

"SUSPENSION OF FRANK FOR MASS MAILINGS IMMEDIATELY BEFORE ELECTIONS

"SEC. 318. Notwithstanding any other provision of law, no Senator, Representative, Resident Commissioner, or Delegate shall make any mass mailing of a newsletter or mailing with a simplified form of address under the frank under section 3210 of title 39, United States Code, during the sixty days immediately preceding the date on which any election is held in which he is a candidate."

On page 64, line 7, strike out "318." and insert in lieu thereof "319.".

On page 64, line 14, strike out "319." and insert in lieu thereof "320.".

Mr. MANSFIELD. Mr. President, will the Senator from Tennessee yield?

Mr. BROCK. I yield.

Mr. MANSFIELD. Mr. President, would the Senator be amenable to a 20-minute time limitation on the amendment, the time to be divided in the usual fashion between the sponsor of the amendment and the manager of the bill?

Mr. BROCK. I am.

Mr. MANSFIELD. Mr. President, I make that request.

The PRESIDING OFFICER. Without objection, the time limit will be set accordingly.

Mr. BROCK. Mr. President, this amendment would simply extend the current limitation on franking from 28 days, which we passed in this body last December, which was a good first step, to 60 days, for mass mailing. We debated this matter last year in the campaign reform bill. I raise the question again because one of the most damning criticisms of this bill, and one that I share, is that it still largely remains an incumbent bill. One of the participants in a symposium at the Kennedy Center, in which I also participated, estimated that the incumbency is worth $600,000 over 2 years. That amount of money would have to be raised to equal the public relations assets that an incumbent has through mail, and the rest.

One distinct advantage to Members is the unlimited use of the frank, right up to the last month of the election. I believe it is important that we try as best we can to guarantee fairness in the political process.

I also believe that we should provide for people who challenge office holders, now and in the future, a reasonable opportunity to make that effort and to have some chance of success.

I reserve the remainder of my time.

Mr. CANNON. Mr. President, I yield myself 2 minutes.

I find no great difficulty with this amendment. I just simply point out to my colleagues that it has been only a few months since we acted on this particular point and we limited it to 28 days prior to the election with reference to the sending out of newsletters under the frank. I would point out that the law prohibits now mailing that is related to political activities under the frank, in any event, so I see no particular harm in amending this to 60 days. The Senate has never been involved in mass mailing to boxholders, such as the House. This may be of difficulty in the other body, but I would have no objection to it if the Senator wants an increase in the period of 32 days over the action which we took a few months ago.

Mr. BROCK. I thank the Senator. He points out that the problem with the boxholder frank is with the House and not with the Senate, but I think it is important that we point out the potential for abuse here and, at least for this body, express our desire that every person should have access to the political process and should have, as much as we can guarantee it, full and free opportunity to seek his own election.

Mr. CANNON. Mr. President, I yield back the remainder of my time.

Mr. BROCK. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time on the amendment of the Senator from Tennessee having been yielded back, the question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum. There will be no further votes tonight, I will say for the information of Senators.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. BROCK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROCK. Mr. President, I ask unanimous consent that two members of my staff, Mr. J. V. Crockett and Mr. Jim George, be given access to the floor during the course of debate on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROCK. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. BROCK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

JOINT REFERRAL OF S. 3213 TO COMMITTEE ON FOREIGN RELATIONS AND COMMITTEE ON BANKING, HOUSING AND URBAN AFFAIRS

Mr. BROCK. Mr. President, I ask unanimous consent that S. 3213, which I introduced earlier this month, and which was referred to the Committee on Foreign Relations, be jointly referred to that committee and to the Banking, Housing and Urban Affairs Committee. I have discussed this with the acting chairman of the Foreign Relations Committee, who also happens to be chairman of the Banking, Housing and Urban Affairs Committee, and he has expressed his willingness.

The PRESIDING OFFICER. Is there objection?

Mr. JAVITS. Mr. President, if the Senator will yield, what is the bill about?

Mr. BROCK. This bill would support the establishment of an international economic policy board to advise Congress on matters of international policy.

Mr. JAVITS. As a matter of efficiency, if the bill were referred to both committees, so that either could hold it up, would the Senator want to have it referred seriatim, or to both at the same time?

Mr. BROCK. The chairman of the Banking, Housing and Urban Affairs Committee has indicated that the chairman of the Foreign Relations Committee had no particular interest in this legislation, but he did not want to lose any jurisdictional right, which I fully understand and support.

So may I amend the request to ask that the bill be referred to the Banking, Housing and Urban Affairs Committee?

Mr. JAVITS. I would object to that, because I do not agree with the chairman, with all respect. I think one of our big failures, and other members of the committee are present, such as the Senator from Montana (Mr. MANSFIELD), has been the failure to realize the critical impact on foreign policy of economic policy. I would just as soon the Senator leave it as he has put it.

Mr. BROCK. Would referral seriatim be preferable?

Mr. JAVITS. No; leave it as it is. We have the explanation. Leave it as it is.

The PRESIDING OFFICER. Without objection, the bill will be so referred.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session.

There being no objection, the Senate proceeded to consider executive business.

Mr. MANSFIELD. Mr. President, I yield to the Senator from Kentucky (Mr. COOK).

U.S. COAST GUARD

Mr. COOK. Mr. President, I ask the Chair to have considered sundry nominations in the U.S. Coast Guard which were reported earlier today, and ask unanimous consent that they be considered en bloc.

The PRESIDING OFFICER. (Mr. BENNETT) Without objection, it is so ordered.

The second assistant legislative clerk read the nomination of Rear Admiral William F. Rea III, to be commander, Atlantic area, and Rear Admiral Joseph J. McClelland, to be commander, Pacific area.

The PRESIDING OFFICER. Without objection, the nominations will be considered and confirmed en bloc.

The second assistant legislative clerk read the nominations of the following named officers for promotion to the grade of rear admiral: Rober I. Price, Winford W. Barrow, James P. Stewart, G. H. Patrick Bursley, Robert W. Durfey, and James S. Gracey.

The PRESIDING OFFICER. Without objection, the nominations will be considered and confirmed en bloc.

Mr. COOK. Mr. President, I request that the President of the United States be immediately notified of the confirmation of the nominations.

The PRESIDING OFFICER. The President will be so notified.

LEGISLATIVE SESSION

Mr. COOK. Mr. President, I ask unanimous consent that the Senate revert to legislative session.

There being no objection, the Senate resumed the consideration of legislative business.

ORDER FOR RECOGNITION OF SENATORS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after Mr. Pastore is recognized on tomorrow under the order previously entered, the distinguished Senator from Kentucky (Mr. Cook) be recognized for not to exceed 15 minutes, after which the distinguished Senator from South Carolina (Mr. Thurmond) and the distinguished Senator from Arkansas (Mr. McClellan) each be recognized for not to exceed 15 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF UNFINISHED BUSINESS AND CALLING UP OF CERTAIN AMENDMENTS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the vote on the treaty tomorrow, for which an order has already been entered, the Senate resume consideration of the unfinished business, S. 3044; that the Senator from North Carolina (Mr. Helms) be recognized to call up his amendment No. 1071, with a time limitation of 30 minutes thereon, to be equally divided in accordance with the usual form; that following disposition of that amendment, Mr. Huddleston be recognized to call up his amendment, with a time limitation thereon of 30 minutes, to be equally divided in accordance with the usual form; that on disposition of the Huddleston amendment, Mr. Domenici be recognized to call up his amendment, with a time limitation thereon of 30 minutes to be equally divided in accordance with the usual form; at the conclusion of which Mr. Weicker be recognized to call up his Amendment No. 1070.

The PRESIDING OFFICER. Without objection——

Mr. TOWER. Mr. President, reserving the right to object, the Senator is not asking for a time limitation on the Weicker amendment. Is that correct?

Mr. ROBERT C. BYRD. That is correct.

Mr. TOWER. So it will be the pending business after the others are disposed of, and may not be disposed of tomorrow. Is that correct?

Mr. ROBERT C. BYRD. The Senator is correct.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

ORDER FOR EXECUTIVE AND LEGISLATIVE SESSIONS TOMORROW

The PRESIDING OFFICER. Will the Senator make the request that the Senate go into legislative session after the vote on the treaty tomorrow?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the hour of 12 o'clock noon tomorrow the Senate go into executive session for the purpose of voting on the extradition treaty with Denmark, and after the vote on the treaty that the Senate revert to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 10:45 A.M. FRIDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 10:45 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

LIMITATION OF DEBATE ON AMENDMENTS NOS. 1094 AND 1095

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as the Senator from Oklahoma (Mr. Bellmon) calls up his two amendments, Nos. 1094 and 1095, there be a limitation on each amendment of 30 minutes, to be controlled and divided in accordance with the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR ROBERT C. BYRD TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the recognition of the Senator from Arkansas (Mr. McClellan) tomorrow, I be recognized for the remainder of the time between the conclusion of Senator McClellan's remarks and the hour of 12 noon, but in any event, not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR

Mr. PELL. Mr. President, I ask unanimous consent that Mr. Livingston L. Biddle, Jr., of my staff, have access to the floor of the Senate during the course of the debate on the campaign financing bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT FROM FRIDAY TO MONDAY, APRIL 1

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business tomorrow, it stand in adjournment until the hour of 12 o'clock noon on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR PROXMIRE ON MONDAY NEXT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, after the two leaders or their designees have been recognized under the standing order, the able senior Senator from Wisconsin (Mr. Proxmire) be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

A CONVENTION WITH RESPECT TO TAXES ON INCOME—REMOVAL OF INJUNCTION OF SECRECY

Mr. TOWER. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the Convention between the Government of the United States of America and the Government of the Socialist Republic of Romania with Respect to Taxes on Income, signed at Washington on December 4, 1973 (Executive B, 93d Congress, 2d session), transmitted to the Senate today by the President of the United States, and that the convention with accompanying papers be referred to the Committee on Foreign Relations and ordered to be printed, and that the President's message be printed in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

The message is as follows:

To the Senate of the United States:

I transmit herewith, for Senate advice and consent to ratification, the Convention between the Government of the United States of America and the Government of the Socialist Republic of Romania with Respect to Taxes on Income, signed at Washington on December 4, 1973.

The Convention was signed during the visit to the United States of the Romanian President, Nicolae Ceausescu. It is evidence of the continued improvement and expansion of United States-Romanian relations.

The primary purpose of this Convention is to promote economic and cultural relations between the two countries by removing many tax barriers. The convention follows generally the form and content of conventions recently concluded between this government and Western European countries.

I hope that the Senate will act favorably on this Convention at an early date.

Richard Nixon.

The White House, *March 28, 1974.*

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, March 28, 1974, he presented to the President of the United States the following enrolled bills:

S. 2174. An Act to amend certain provisions of law defining widow and widower under the civil service retirement system, and for other purposes; and

S. 2747. An Act to amend the Fair Labor Standards Act of 1938 to increase the minimum wage rate under that Act, to expand the coverage of the Act, and for other purposes.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene tomorrow morning at 10:45.

After the two leaders or their designees have been recognized under the standing order, the following Senators will be recognized, each for not more than 15 minutes, and in the order stated: The Senator from Rhode Island (Mr. Pastore), the Senator from Kentucky (Mr. Cook), the Senator from South Carolina (Mr. Thurmond), the Senator from Arkansas (Mr. McClellan), and the Senator from West Virginia (Mr. Robert C. Byrd).

At the hour of 12 o'clock noon, the Senate will go into executive session to vote, the yeas and nays having already been ordered, on Calendar Order No. 1, Executive U, 93d Congress, 1st session, the Treaty on Extradition with Denmark.

Following the rollcall vote on the treaty, the Senate will resume the consideration of legislative business. The pending business will be the unfinished business, S. 3044, the Public Campaign Financing bill.

The question at that time will be on agreeing to the amendment which will be proposed by the Senator from North Carolina (Mr. Helms), amendment No. 1071, on which there is a limitation of 30 minutes. A yea-and-nay vote will occur on that amendment.

Upon the disposition of that amendment, the Senator from Kentucky (Mr. Huddleston) will call up an amendment on which there is a limitation of 30 minutes, and it is likely that a yea-and-nay vote will occur.

Upon the disposition of that amendment, Mr. Domenici will call up an amendment on which, I understand, the yeas and nays will be requested.

Upon the disposition of Mr. Domenici's amendment, it is likely that the Senate will proceed to consider amendment No. 1070, to be offered by the Senator from Connecticut (Mr. Weicker). It is my understanding that that amendment may or may not be acted upon tomorrow. If it is not acted on tomorrow, it will be carried over until Monday next.

Mr. TOWER. Then the only amendment on which the yeas and nays have actually been ordered is the Helms amendment.

Mr. ROBERT C. BYRD. The yeas and nays have not been ordered on the Helms amendment.

I am reasonably sure that there will be three rollcall votes in addition to the treaty vote tomorrow. That will make a total of four yea-and-nay votes.

Mr. TOWER. I thank the Senator from West Virginia.

RECESS UNTIL 10:45 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until the hour of 10:45 a.m. tomorrow.

The motion was agreed to; and at 4:49 p.m. the Senate took a recess until tomorrow, Friday, March 29, 1974, at 10:45 a.m.

NOMINATIONS

Executive nominations received by the Senate on March 28, 1974:

Department of Defense

John M. Maury, of Virginia, to be an Assistant Secretary of Defense, vice John O. Marsh, resigned.

Department of State

Webster B. Todd, Jr., of New Jersey, to be Inspector General, Foreign Assistance, vice Scott Heuer, Jr., resigned.

In the Navy

Vice Adm. Frederick J. Harlfinger II, U.S. Navy, for appointment to the grade of vice admiral, when retired, pursuant to the provisions of title 10, United States Code, section 5233.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 28, 1974:

In the U.S. Coast Guard

The following rear admirals of the U.S. Coast Guard to be Commander, Atlantic Area, and Commander, Pacific Area, U.S. Coast Guard, with the grade of vice admiral while so serving:

Rear Adm. William F. Rea III, Commander, Atlantic Area.

Rear Adm. Joseph J. McClelland, Commander, Pacific Area.

The following named officers of the Coast Guard for promotion to the grade of rear admiral:

Robert I. Price
Winford W. Barrow
James P. Stewart
G. H. Patrick Bursley
Robert W. Durfey
James S. Gracey

EXTENSIONS OF REMARKS

THE WEEK OF THE YOUNG CHILD

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. BRADEMAS. Mr. Speaker, I rise to remind my colleagues that next week, the week of March 31, is dedicated to the young child of America. Under the leadership of the National Association for the Education of Young Children, citizen groups of all kinds will be working to awaken public interest in programs and services for young children from birth to age 9.

As House sponsor of the comprehensive child development bill of 1971, passed by bipartisan majorities in both houses, only to be vetoed by the President, I stress again the need for a national commitment from Congress to services for enriching the lives of children in our country.

That we, the wealthiest nation on Earth, rank 14th in the world in infant mortality rates, and provide only 700,000 licensed day care openings for the 7 million children under the age of 6 with working mothers, is discouraging evidence that we have not yet made good on our eloquent promises to the children of America.

Mr. Speaker, if we believe in children, we will take to heart the principles enunciated by the National Association for the Education of Young Children for the Week of the Young Child:

The young child has a right to protection from physical and psychological dangers.

The young child has a right to security provided by adults who care for him.

The young child has a right to support and nurturance from a stable home and other agencies of a concerned society.

Mr. Speaker, I insert at this point in the Record, the full text of a call for action this week from the National Association for the Education of Young Children:

The Week of the Young Child

WHAT IS THE WEEK OF THE YOUNG CHILD?

The Week of the Young Child is a time for emphasizing the rights, needs and well-being of all young children. During the Week, persons who work on behalf of young children join in a concerted effort to provide the public with information about the nature of and the need for quality services for children, and to enlist active support in efforts designed to improve the status of children.

WHAT ISSUE IS ADDRESSED DURING THE WEEK?

Young children are our future—the future parents, workers and decision makers of the world. Such an important resource for our future needs to be nurtured and preserved so that we can draw upon it when we need to. All adults share the responsibility for developing this resource. We far too frequently give priority to short-term goals and neglect the long-range educational and developmental needs of children. Think of what our future and theirs would be like if we put children first!

WHAT ARE THE YOUNG CHILD'S RIGHTS?

By birth, every child in this nation has a right to:

Protection from physical and psychological dangers.

Security provided by adults who care for him.

Support and nurturance from a stable home and other agencies of a concerned society.

WHAT ARE THE NEEDS OF THE YOUNG CHILD?

To live and play in places which are safe, healthy and nurturing.

To acquire knowledge and skills in order to become a competent person.

To develop positive attitudes about himself and others.

HOW CAN YOU ACT ON BEHALF OF THE YOUNG CHILD?

1. Find out about services for young children in your own community.

(a) What services exist? (education, nutrition, safety, health, etc.)

(b) Which children in your community are in need of part-time or full-time services?

(c) Are there enough programs and facilities to service the families of all young children?

(d) Among the services provided, are the various needs of children being effectively met?

2. Become informed of how public policy at the local, state, regional and natural levels influences the lives of young children.

(a) Begin by studying the licensing, standards and laws at the local level.

(b) Determine the effectiveness of these regulations in guaranteeing quality services for children. Do they enhance services for children or are they restrictive?

(c) Enlarge your area of study to include state and national standards and laws.

3. Initiate or support efforts to provide services currently not available or to coordinate existing services.

(a) Join with other individuals and groups with common concerns.

(b) Help to identify agencies and organizations which could provide services if they knew of the need or if they were made aware of their importance to young children.

4. Consider the resources you have to commit toward building a future that includes children—your time, energy, know-how and finances.

NATIONAL FUTURE HOMEMAKERS OF AMERICA WEEK

HON. WILLIAM H. NATCHER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. NATCHER. Mr. Speaker, National Future Homemakers of America Week will be celebrated nationwide March 31 to April 6 and it is again a pleasure for me to have the opportunity to call attention to the achievements of this fine group of young people.

Future Homemakers of America is one of six vocational education youth organizations in the secondary schools in our country and its membership totals half-a-million young men and women. There are now 6,000 young men in this organization and this year for the first time a young man was elected to a national office. The State of Kentucky has 16,000 members of FHA in 231 chapters, in junior and senior high schools.

The first HERO—Home Economics Related Occupations—chapter was organized in Kentucky this year at the Daviess County State Vocational-Technical School, which is in the Second Congressional District. Membership in this chapter includes 44 girls and boys enrolled in home economics wage-earning programs in the area of child care services and food service. Several schools have students who attend the State Vocational Technical School in Daviess County for their wage-earning programs.

Membership in the HERO chapter includes representatives from Daviess County High, Hancock County High, Apollo High, Ohio County High, and Owensboro Senior High School.

This year the theme IMPACT '74 calls attention to their methods of new program planning through the program action impact kit which was developed by youth and introduced to chapters this year. The kit is devised to help FHA and HERO members design and carry through in-depth projects based on their individual concerns and interests as they relate to the home economics classroom study. Projects are concerned with the care and guidance of children, working with the elderly, helping the handicapped and underprivileged, the ecology, promoting understanding between youth and adults, delving into career and job opportunities, and others that are of concern to our youth. These projects provide an opportunity for members to learn, to know, care and do the things that help prepare them for living in the future, as well as the present.

FHA and HERO chapters seek to develop responsible leadership and initiative and to help students learn how to plan and carry out their programs as they work with other youth and adults in their schools and communities. Through chapter activities the members learn to think independently and make informed choices in relation to the everyday problems with which they are confronted.

Mr. Speaker, as I have stated before, I have two very good reasons to be particularly interested in and proud of the FHA—Kentucky has the enviable distinction of being the original charter association in the National Future Homemakers of America organization, and I am privileged to hold an honorary membership in this organization.

In extending congratulations for 29 years of progress in their many worthy endeavors, I want to express my sincere appreciation and admiration and to wish all of these young people continued success as they proceed to meet the challenges that lie ahead.

NORMALIZATION OF RELATIONS WITH CUBA OPPOSED

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. ASHBROOK. Mr. Speaker, with the Nixon administration already pursuing détente with the Soviet Union and friendship with the Chinese Communists, some Americans may be wondering where we go from here. Are not there any more enemies that we can embrace as our friends?

Never fear. The Senate will show us the way. After all, there is still one Communist dictatorship that our Government refuses to deal with: Castro's Cuba.

Therefore Senator CLAIBORNE PELL has introduced S. 2802, a bill which would repeal the Cuban Resolution adopted by Congress and signed into law by President John F. Kennedy in 1962. This resolution expressed our determination to prevent the Cuban regime from extending, by force or the threat of force, its aggressive or subversive activities to any part of the Western Hemisphere. In addition, by this resolution we committed ourselves to prevent in Cuba the creation or use of an externally supported military capability endangering the security of the United States and to support the aspirations of the Cuban people for self-determination.

Senator PELL apparently would have us abandon these worthy goals and begin the process of reestablishing normal relations between the United States and Cuba. Normalization is also supported by Senator GALE MCGEE, chairman of the Senate Western Hemisphere Affairs Subcommittee. Addressing the Woman's National Democratic Club, MCGEE stated that the United States should take the lead in loosening the policy of isolating Cuba from the rest of the hemisphere.

From my perspective, this move in the Senate to normalize relations with Cuba is ridiculous. Castro has in the past pledged to support "any true revolution" in the Western Hemisphere—and he has certainly kept his word.

Cuba has been a source of revolutionary ferment since Castro seized the reigns of power. It has trained, equipped, and financed revolutionary movements throughout Latin America. Che Guevara himself, a close associate of Castro, was shot down while promoting revolution in Bolivia.

Castro has not said or done anything to justify a relaxation of tensions. Cuba deserves to be quarantined from the rest of the Western Hempishere.

LET US GIVE THE VIETNAM ERA VETERAN A FAIR SHAKE

HON. WAYNE OWENS

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. OWENS. Mr. Speaker, I was pleased to join my colleagues in the House in passing H.R. 12628, the Veterans' Education and Rehabilitation Amendments of 1974. This bill, if enacted, will serve to partially aid the veteran in meeting not only his education costs, but will assure him at least a fair shake in the soaring cost of living.

Unfortunately, however, this bill will not solve all the problems faced by the veteran pursuing an education. Many veterans will still not be able to go to colleges or universities of their choice because they cannot hope to meet the high tuition of many of our country's schools. For this reason, I have cosponsored H.R. 13185, introduced by Congressman WOLFF and several other members of the House Veterans' Affairs Subcommittee on Education and Training. This bill would authorize additional payments to eligible veterans to partially defray the cost of tuition.

Recently, I received a very special letter from Barry J. Ericksen of Provo, Utah, a Vietnam war veteran, expressing his feelings on the subject of the GI education program. In reading his letter, I became even more convinced of the need to pass an effective, comprehensive veterans' education bill—one that will allow any veteran to pursue his schooling and still maintain an adequate lifestyle.

The text of his letter follows these comments. I would hope that my colleagues in both Houses will read Mr. Ericksen's letter. As a veteran, his testimony lends a better argument for the urgency for passing this legislation than any addiitonal comment I could make.

PROVO, UTAH, *March 18, 1974.*

Congressman WAYNE OWENS,
State and First South,
Salt Lake City, Utah

DEAR SIR: In response to the proposed McGovern Bill regarding increases and additions to the benefits of the GI Bill, I feel it my privilege to write to you some of my feelings on the subject as a Vietnam war veteran.

You are well aware of the uniqueness of the Vietnam veteran in that he served in an undeclared, ill-fought and highly controversial war. As a soldier he went to war without the complete support of either his peers or government leaders. As a returned veteran he received no general public thanks or appreciation for responding to the call of his government and often was either rejected or ignored by that society for which he served as a soldier in a foreign country when he tried to assimilate himself once again into the normal life of a civilian. He came home to high unemployment, record inflation, internal national upheaval and governmental dishonesty, dissoluteness and corruption.

With this heritage he, if he desired a higher education, was faced with a GI Bill inferior in benefits to either those of the Second World War or Korean War eras. The one feature of the current GI Bill that is so distasteful is that it only pays a specific monthly amount out of which the recipient must pay all school costs—an impossible task as you know. The new bill at least would allow the veteran to go to a school other than a state sponsored school and receive the training for which he may qualify based on the scholastic criteria of the educational institution and not be limited or refused because he cannot pay the tuition required for a high quality school.

It has been shown, if I remember my facts correctly, that of the many programs instituted by the government to give money to various people, organizations and governments, the money allocated for veteran educational benefits is one of the very few that is paid back and that by the increased tax payments from those who benefited under the Bill and were able to increase their earning capacity.

There is one final point that I must make. The present GI Bill restricts the use of benefits to the pursuance of a specific academic goal. If one, through prior schooling, achieves his specific terminal goal in his chosen major field within the prescribed time limit of the Bill, he is then no longer able to use any remaining benefits for other useful and desired educational pursuits. I feel that a veteran should be able to use his entire allotted time to pursue any and all forms of educational programs listed as proper by the Bill. We did not restrict our time to the military, why should we be restricted in receiving benefits?

Perhaps my case may be used as an example. Upon my return from Vietnam I wanted to get a law degree along with a PhD degree in business. The Veterans Administration said it must be one or the other. My point is, if I can finish both degrees in the allotted time why should I not be allowed to use my entire benefit time? The government is certainly not losing money or wasting it, rather it would merely be exercising its obligation to provide for 36 months of educational benefits.

Thus if the GI Bill is designed as mere conscience money by the government, then it does no good to try to make it appear as anything else. If however, it is designed to help those who served in the military to improve themselves and make a better contribution to society than perhaps they may be able to do without the Bill, then make the program suited for the lofty goal. Help the veteran to go to any school for which he qualifies. Let him use all of his benefits for any and all educational programs regardless if they lead to a terminal degree in one narrow field. Let the PhD graduate learn to fly or learn a skill if he has time left on his Bill. Both he and the country will benefit.

These thoughts are common to many of my fellow veterans from whom you may not hear so please make the GI Bill a tool for the improvement of the country. It will be money wisely invested and returned with interest.

Thank you for reading my thoughts and let me express my confidence in you and the republic system to meet the needs of the people with honesty, integrity and magnification of the high office of a representative of the people.

Sincerely,

BARRY J. ERICKSEN.

A SPEEDY SOLUTION TO THE DANGEROUS SITUATION IN THE NORTH OF IRELAND

HON. ANGELO D. RONCALLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. RONCALLO of New York. Mr. Speaker, one of the continuing hot spots of the world remains Northern Ireland. There is hardly a weekend that goes by that we are not reminded of the waste of war in that embattled area.

The county legislature of Suffolk County recently passed a resolution, which explains the sentiments of our mutual constituents on the Irish situation.

I commend that resolution to the attention of my colleagues:

RESOLUTION NO. 232 1974, URGING THE U.S. CONGRESS TO TAKE AFFIRMATIVE ACTION TO PERSUADE ALL CONCERNED PARTIES AND THE WORLD COMMUNITY OF NATIONS TO A SPEEDY SOLUTION TO THE DANGEROUS SITUATION IN THE NORTH OF IRELAND.

Whereas, the many contributions of men and women of Irish blood to the County of Suffolk, the State of New York, the building of our Nation, and to the Cause of Freedom everywhere since the earliest times; and

Whereas, the fact that Ireland is artificially partitioned against the wishes of the overwhelming majority of the Irish people; and

Whereas, that Irish people in the six-county area of Ireland known as "northern Ireland" are denied basic civil and human rights, and are unable to obtain either adequate protection or equal justice under law; and

Whereas, the explosive situation in "northern Ireland" is an unreasonable threat to the Peace and is, therefore, the legitimate concern of all men; and

Whereas, it is in the best interests of the United States that there be a just and equitable solution to this problem in order that peace, order, justice and well-being might be restored to that part of the world; and

Whereas, for humanitarian reasons, as well as out of respect for the principles of freedom, liberty, natural law, justice and history, we hereby take notice of the dangerous and deplorable state of affairs in Ireland; now, therefore, be it

Resolved, that the Suffolk County Legislature respectfully, yet firmly, urges memorializes and petitions the Congress of the United States to manifest our country's traditional position as guardian of freedom and republican-democracy, the dignity of all mankind, freedom of conscience, and mankind's universal natural rights, by taking such affirmative action as will tend to persuade all concerned parties, and the world community of nations, through diplomatic channels to seek a speedy, just and equitable solution to the dangerous situation in the "North" of Ireland, and to formally express the moral opinion that:

"The Irish people ought to be permitted to exercise the Right of National Self-Determination, thus returning the disputed six counties of northeast Ireland to the Irish Republic, unless a clear majority of all the people of Ireland, in a free and open plebicite, determine to the contrary"; and be it further

Resolved, that copies of this resolution be transmitted to the President of the United States, the Secretary of State of the United States, the Speaker of the House of Representatives and to each member of the Congress of the United States from the State of New York.

THE HAYSTACK MOUNTAIN SCHOOL OF CRAFTS

HON. WILLIAM S. COHEN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. COHEN. Mr. Speaker, I am pleased to be able to bring to the attention of my colleagues in the House a distinguished school which operates each summer in my district: the Haystack Mountain School of Crafts in Deer Isle, Maine.

Long respected by craftsmen throughout this Nation, Haystack has provided serious craftspeople with a unique opportunity to work and learn together in an atmosphere which promotes the enthusiastic exchange of ideas as well as the development of individual knowledge and talents. During this coming summer, Haystack will be sponsoring a very special program designed to bring visibility to the presence and unique accomplishments of black craftspeople, particularly in this country, and to give the entire crafts community a greater understanding of the development of the black crafts culture and an opportunity to explore in depth the alternatives it provides. With the assistance of the State Department and the National Endowment for the Arts, Haystack has been able to locate and bring over for several weeks noted African craftsmen who will serve as instructors to the Haystack community in the special crafts of their continent. This will be followed by another session led by distinguished black craftspeople from this country.

Haystack believes strongly that their program this summer presents special opportunities for development and exchange by black and white craftsmen. However, while the number of black craftspeople is growing, many of them are not generally known to the crafts community and may not be aware of this summer program. Haystack is now attempting to discover and contact promising young black craftspeople in particular and provide scholarships wherever possible to enable their full participation. The school is hopeful that individuals, schools, or other organizations who know of such talented individuals will contact them about the program and may even wish to serve as their sponsors.

Mr. Speaker, it is my hope that by bringing this fine program to the attention of my colleagues. Haystack's efforts in locating serious and promising young craftspeople will be assisted. I believe the following description of the program and its goals will excite and encourage those wishing to develop their understanding of and abilities in the fundamental and artistic skills involved in crafts.

A description of the program follows:

1974 HAYSTACK SUMMER

The 1974 program at Haystack will find the offerings of the various sessions keyed to specific, mutual considerations perhaps more than has been the custom previously. Unification of effort in the different crafts during the first period—June 23 to July 12—under the guideline: "Photography In The Crafts" will be maintained according to an over-all concentration on photo-technical applications in all departments. In addition to pursuing basic craft methods, students will explore ways of incorporating the photo process into the final results of their work. Photo-sensitizing techniques among others will be explored with the aim to promote new conceptual approaches and provide for unique visual solutions in graphics, ceramics, textiles, and metalwork. The first session will be led by craftsmen in each of these media who have demonstrated special photo orientation in the development, design and/or creation of their work.

The particular coordinating factor during the 2nd and 3rd periods—July 14 to August 30—will be the African-American theme. Toward this end, all the departments will be supervised by African and Afro-American craftsmen. The sessions as a whole will provide an opportunity for some examination of African-American relationships within the field of crafts and should reveal some exciting motivations for both art and ethnic research. We believe that students and teachers of the crafts in this country would reap substantial benefit from more direct and extensive exposure to the ethnic and cultural values of African craftsmanship. We also feel that the black American craftsman should share more fully in the growing vitality of the crafts movement in the United States.

To translate these related ideas into action, Haystack will present a special summer workshop emphasizing close contact between visiting artists, students and resident faculty. There will be one three-week session under African teachers and another under American black teachers. One week between the two sessions will be devoted to cultural exchange for all students and teachers; this will provide a forum for examination of current ideas and trends among black American craftsmen and leaders of native African crafts. Appropriate music, dance, films, readings and exhibitions will be programmed for this interval.

The final period, September 1 to 20, will extend the traditional range of courses and expand the ideology at Haystack with such polar pursuits as a workshop in Plastics and general researches in teleological purpose—let's say, exercise in Mime, study of Windmills, review of Future Alternatives for shelter, feeding, clothing—conceived as an imagined outreach for basic crafts. The regular shops for ceramics, glass, graphics, jewelry, weaving and photography will function independently allowing for maximum concentration if one wishes to focus exclusively on a single area. Each studio will be led by a master craftsman. The additional program of lectures, films and seminars which are features of evening meetings—often introducing visiting professionals who are prominent representatives of the various disciplines—will add a rich potential for interchange of ideas and opinion.

STATEMENT FOR AFRO-AMERICAN SESSION

Somebody went and did it. At last, the black community has been recognized in and by the 20th century craft world. Some members of that world may sigh with relief of a job well done. But, for us, the black crafts people, current and yet to come, our reaction might well be, "OK, so now what?" If the U.S. craft world, for so long a completely white phenomenon, will listen, as we hope it will, perhaps we can answer that question in terms of real black need.

To much of white America, and to a lesser degree the white American craftsman, a long intimate association with black experience is, sadly, a rare happening. We would like to lead members of the white community across the tracks with us—to show everyone how we all may develop and be included in a craft world that responds to more than just limited needs.

We want to show the similarities between the black American craftsman and his African counterpart but, more important, we hope to make clear that while both share common craft beginnings and, to a great extent, a common motivation, the American black craftsman has his own unique culture simply because of the long term survival in America.

We would like to show the validity of emphasizing utility in craft making as against purely conceptual considerations. It is important to understand the distinction between the African crafts, from which black American crafts may have taken its source, and the stereotype of the American contemporary art/craft scene—the former subserving a ritual necessity, the latter a gratuitous individual expression—and to ask the question if viable, day to day craft work for function may not be more basic to present day black needs than the production of crafts as "Spectator Art."

With economic survival leading to social/political independence being one of the greatest needs in the black community, it behooves us to make a strong link between craft activity and everyday life. Contrary to much current persuasion, purely funk or camp craft/art may not strengthen that link. "Economic Development," the newest phrase heard in growing circles, could just be more real to the black craftsperson than anything else.

Considering the number of craftspeople looking for an alternative to the teach-to-eat syndrome, the Afro-American session may be very timely. The presence of significant black representation for the first time in Haystack history is a unique opportunity for both black and white communities to explore an alternative very directly and very intensely. We have a long way to go before black needs are met and blacks participate more fully in the craft world. This is a beginning. Allen Fannin, Coordinator.

HON. BILL MAILLIARD

HON. GEORGE E. DANIELSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 25, 1974

Mr. DANIELSON. Mr. Speaker, like my colleagues, I greatly regret that Bill Mailliard has resigned from the House of Representatives after 21 years of outstanding service to our country. Although it has been my privilege to know him personally for only 4 years, I am mindful of his long and useful career in public service, both here in Washington and in our State of California.

I will always be grateful to Bill for the valuable assistance he gave me when I was a freshman Member. Although he was a member of the other party, I always felt free to consult with him on any subject, and he always gave me good counsel.

In the short time I have known Bill Mailliard, I have come to respect his great ability as a Member of Congress, particularly in the field of foreign affairs, to which he has devoted most of his attention.

It is good to know that although Bill is leaving the Congress, he will not be leaving public life. I am sure, because of Bill's background in foreign affairs and his talent as a public servant, that he will do an excellent job as the permanent representative of the United States to the Organization of American States. I anticipate that it will be only the first step toward a greater career in the diplomatic world for Bill Mailliard.

A CLOSED MEETING ON THE PRIVILEGE OF SOLICITING FEDERAL EMPLOYEES FOR FUNDS

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. OBEY. Mr. Speaker, an advisory committee of the Civil Service Commission intends to meet behind closed doors next week to review the requests of national voluntary agencies to participate in the on-the-job fundraising solicitation program for Federal employees.

An announcement in today's Federal Register says the Committee on Private Voluntary Agency Eligibility will hold a closed meeting at 1:30 p.m. Tuesday, April 2, to review applications for fundraising privileges which have been submitted by voluntary organizations to the Commission, and to make recommendations to the Chairman of the Commission on the eligibility of these agencies to participate in the Federal fundraising program.

This committee has been around a long time—it was established on October 19, 1961—and its most recent meeting—on May 22, 1973—was closed to the public, too, so perhaps that has been its regular practice. In any case, this committee is now subject to the requirements of the Federal Advisory Committee Act, and the meeting notice I have cited appears not to comply with it, in two ways:

First. The law requires timely notice of meetings, even closed ones, which the Office of Management and Budget interprets to mean not less than 7 days notice. Today's announcement fails to meet that standard.

Second. The law says a meeting can be closed if it will be "concerned with matters" which the Freedom of Information Act exempts from mandatory disclosure. However, no exemption is specified in the notice, making it impossible for a member of the public to know whether the matters to be discussed qualify for exemption, and hence to challenge the closure decision on grounds that they do not qualify.

At first blush, applications from national voluntary agencies for the privilege of soliciting funds from Federal employees do not appear to qualify for the FOI Act exemptions covering interoffice memorandums, trade secrets, national defense matters, or any of the others.

The text of the meeting notice follows:

Civil Service Commission, Committee on Private Voluntary Agency Eligibility

NOTICE OF CLOSED MEETING

Pursuant to the provisions of section 10 of Pub. L. 92–463, effective January 5, 1973, notice is hereby given that the Committee on Private Voluntary Agency Eligibility will hold a closed meeting on April 2, 1974. The meeting will be held in Room 5323, Civil Service Commission Building, 1900 E Street NW., Washington, D.C., beginning at 1:30 p.m. and ending at approximately 4:30 p.m.

The Committee's primary responsibility is to make recommendations to the Chairman of the Civil Service Commission regarding eligibility of national voluntary agencies to participate in the Federal fund-raising program. At this meeting the Committee will review applications for fund-raising privileges which have been submitted by voluntary organizations to the Commission in compliance with the Federal Fund-Raising Manual.

The meeting will be closed to the public under a determination to do so made under the provisions of section 10(d) of Pub. L. 92–463. Additional information concerning this meeting may be obtained by contacting the Office of the Chairman, U.S. Civil Service Commission, 1900 E Street, NW., Washington, D.C.

IRVING KATOR,
Assistant to the Chairman.

[FR Doc. 74–7125 Filed 3–27–74; 8:45 am]

LETTER TO THE EDITOR

HON. JOEL T. BROYHILL

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. BROYHILL of Virginia. Mr. Speaker, the attached letter is submitted for inclusion in the CONGRESSIONAL RECORD at the request of my constituent, John W. Ecklin, as a followup to his previous letter which appeared in the RECORD under date of February 1, 1974:

LETTER TO THE EDITOR

I am amazed and encouraged by the concern and ingenuity of U of Md readers of The Diamondback. From the blind ad "Brain Teaser" which ran in the Feb. 15, 1974 issue I have already heard from 24 readers. "Brain Teaser" gave some of the scientific basis for pages E5749 and E5750 in the 12 Sept 73 Congressional Record, "Magnetism As A Power Source."

To all readers of The Diamondback and respondents, please be advised I know about the first law of thermodynamics and do not believe it has been violated for two obvious reasons; 1. There is energy in a magnet's field. 2. Springs prevent a heat or thermodynamic loss. The second law is obviously wrong as normally when a magnet attracts a piece of iron, the iron is moved and there is heat generated from an inevitable impact which changes the total energy of the universe without in any measurable way changing the magnet.

Another approach is—Except in *"one"* case, whenever you attach a magnet to a window or other non-magnetic material and move another similar magnet, steel ball, steel springs or piece of flat iron within this magnet's field, ALL forces will be conservative. The exception is to have springs arranged so they are compressed as the magnet attracts the steel ball horizontally ALMOST to it. Now when you insert the flat iron between the steel ball and the magnet, the forces on the ball are no longer conservative. The iron absorbs most of the magnet's field, the steel ball is no longer as strongly magnetized and the springs repel the steel ball. It is strange but the "shape" of iron determines whether it becomes a good temporary magnet or a good shield.

Finally—we should be teaching kids magnets repel much further than they attract because it is interesting, intriguing and is a scientific fact and not necessarily because the difference may someday be harnessed as useful energy.

Sincerely,

JOHN W. ECKLIN.

DOCUMENTS SHOW BIG OIL CARTEL RESTRICTS PRODUCTION TO RAISE PRICES

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. EVINS of Tennessee. Mr. Speaker, documents from the files of Standard Oil Co. of California—Socal—reveals that big oil companies have acted to restrict the production of oil in an attempt to keep prices high.

An article written by Jerry Landauer and published March 27, 1974, in The Wall Street Journal reports that the Standard Oil documents reveal that oilmen became worried some years ago that growing oil surpluses would depress prices.

Some oilmen took action to reduce surpluses by restricting production and this action could well be responsible for today's oil shortage, according to the newspaper report.

The oil surplus, or idle capacity as it is known in the trade, stood at about 6 million barrels a day in the early 1960's But in 1968–69 the idle capacity shrunk to 4 million barrels per day, and it fell to zero in 1973, according to the article.

Because of the interest of my colleagues and the American people in this matter, I place in the RECORD herewith the article by Mr. Landauer entitled "Not Long Ago, It Was Too Much Petroleum That Upset Oil Firms."

The article follows:

NOT LONG AGO, IT WAS TOO MUCH PETROLEUM THAT UPSET OIL FIRMS—SECRET REPORTS SHOW SOME MOVED TO CUT PRODUCTION TRYING TO KEEP PRICES UP—HOODWINKING IRAQ'S LEADERS

(By Jerry Landauer)

WASHINGTON.—Among oilmen nowadays, the talk is all of shortages. And the industry's publicity broadsides tell again and again how shortages might have been prevented.

"The fuel industry has been warning . . . for the past decade," a Gulf Oil Corp. newspaper ad says, "that if government regulations continued to keep oil and natural gas prices at levels too low to generate capital needed to find more oil and gas, our nation would eventually run short."

During most of the past decade, however, some oilmen were actually worrying in private not about impending shortages but about oil surpluses that could depress prices and profits. And some international operators were considering or taking action to head off such surpluses—action that may have contributed to today's shortages. Evidence for this conclusion comes from secret U.S. government reports on activities of various oil companies and from the files of Standard Oil Co. of California, known as Socal.

"The overhang of surplus crude avails" (shorthand for "availabilities") "is very large," according to a forecast prepared by Socal's economics department in December 1963. The document projected a "large potential surplus" through 1973, and it predicted even more troublesome excesses through 1978, when the expected flow of Arctic oil, on top of imminent new production in Australia and strong growth in Indonesia, would be "extending and magnifying surplus supply problems."

SLASHES IN OUTPUT

With such a dire future in mind, the company's economists proposed strong measures to prevent an oversupply—though Socal contends this was only a paper exercise. At a time when oil-producing countries were demanding ever-bigger output to lift their national incomes, the Socal men urged cutbacks in most of the foreign lands where U.S. companies operate.

The company economists proposed slashing total 1969 output from the level of "indicated availability" in Egypt, Nigeria, Libya, Latin America and Indonesia; such reduction, they figured, would permit "politically palatable" growth of production in Saudi Arabia and Iran, where Socal and some sister companies are most heavily invested. "Pressures will exist to continue to produce in many areas in excess of market requirements," they warned.

The oil economists also assumed that all the major international companies would act concurrently to hold production down rather than see prices drop. And their prediction of industry production behavior in 1969 was remarkably prescient. Though they missed wildly in a couple of countries, their error for the Eastern Hemisphere and for the entire non-Communist world was roughly 1%.

"NO COLLECTIVE DETERMINATIONS"

James E. O'Brien, Socal's vice president for legal affairs, warns against drawing conclusions. He says the forecast of supply and demand was merely a "think piece" lacking much significance and unrelated to management decisions.

"This was only one assessment by one company," Mr. O'Brien says. "There were no collective determiations. . . . There is no international oil cartel. . . . So it would be a big mistake to salivate too much over this piece of paper. . . . Dammit, we think we've done a darn good job of bringing oil to the American people."

Still, the company's persistent worry about oversupply ("The worry was no different than it had been for five or 10 years," says C. J. Carlton, manager of Socal's economics department, who signed the 1968 forecast) could explain a basic development: The major international companies have permitted spare production capacity to shrink in recent years.

In the early 1960s, this idle capacity available to meet unexpected demand in the non-Communist world stood at roughly six million barrels a day. Oilmen then saw this standby reserve as permitting them to negotiate in a hard-nosed way with demanding governments of the producing states; as an Exxon vice president, George T. Piercy, says, "We had alternatives, and when you have alternatives you have strength."

NEVER UNLIMITED

But in 1968–69 the idle capacity fell below four million barrels a day, and it dropped to zero in 1973 as demand rose. So when Arab states began imposing production limits, the companies lacked capacity elsewhere to compensate in part for the cutbacks or to back their bargaining about prices. "Today, even if there were no political limitations on production, there would still be essentially zero spare capacity world-wide," Mr. Piercy recently told a Senate subcommittee headed by Democrat Frank Church of Idaho.

Indeed, as the Socal document suggests, the Arab states may now be doing to the industrialized West just about what Western oil companies did for decade: limiting production in order to prop prices up. "We can't expect to get unlimited production from the Middle East again," laments Allen E. Murray, vice president of Mobil Oil Corp.

In fact, the big companies' long-time influence over foreign productions is generally being reversed now that there's a seller's market for oil. Not only Arab regimes but governments from Indonesia to Venezuela are demanding and getting more control over production, more involvement in processing and marketing and a bigger share of the proceeds from each barrel sold.

In the recent past, especially in the Middle East, the situation was far different. For the most part, the story of oil in that region is the story of host governments constantly clamoring for more output in order to increase their revenues and of concession-holding oil companies just as often striving to keep production down, on occasion by trickery.

In Iraq, according to a secret U.S. government report, a venture of five Western firms known as Iraq Petroleum Co. actually drilled wells to the wrong depths and employed bulldozers to cover up others, all in hopes of hoodwinking the Baghdad government. "Iraq Petroleum Co. plugged these wells and didn't classify them because the availability of such information would have made the company's bargaining position with Iraq more troublesome," the report says. (The partners in the Iraq Petroleum Co. were Exxon, Mobil, Royal Dutch Shell, British Petroleum and Compagnie Francaise des Petroles.)

In Iran, a consortium that includes the so-called seven sisters of international oil (Socal, Texaco, Gulf, Mobil, Exxon, Shell and British Petroleum) frequently resisted the shah's entreaties for more production, entreaties delivered to oilmen even on Swiss ski slopes during royal vacations. To give the appearance of rising output, the consortium at one point shifted its reporting year from the Christian to the Iranian calendar (March to March). And instead of producing more for Western markets already deemed to be glutted, the consortium agreed to sell oil to the Iranian government—with the understanding that it couldn't be resold to compete with the consortium's oil; thus restricted, the shah bartered with Communist countries.

(The 1954 consortium agreement, disclosed for the first time by Sen. Church's subcommittee last month, permitted any combination of companies owning at least 30% of the consortium to set its total output at any chosen level—as long as that level was less than the production desired by the remaining consortium members.)

. . . the consortium's coolness toward a proposed pipeline running from non-Arab Iran through Turkey—a pipeline that could have protected industrialized countries against Arab interruption of oil supplies. Companies belonging to the consortium didn't want the pipeline, apparently because they feared the shah might "force" them to deliver too much oil thereby.

"Major prospective user is contrary," according to a coded 1967 cable sent to pipeline-building Bechtel Corp. in San Francisco from a company scout in Iran. "Believe real reason is . . . that MPU do (sic) not relish being forced to more putthru at expense of member's global interests." ("Putthru" is jargon for oil to be delivered by way of the proposed pipeline.)

Similar forebodings following the big strike on Alaska's North Slope prompted California Standard's economics department to draw up an illustrative model of "what might occur" to "accommodate" Arctic oil by 1973. The possibilities, as outlined in a paper dated August 1968, included reducing total oil production in California by 70,000 barrels a day and cutting U.S. imports from Canada by 50,000 barrels a day.

A THREAT IN AFRICA

The economists warned that "absorbing this production will require many difficult decisions," not only by companies having big stakes on the North Slope but by "all of the industry. However, there is the opportunity and time for the many adjustments to be made. . . ."

Production from Africa, especially Libya, posed a more immediate threat to stable oil prices. According to the Socal forecast of December 1968, production in Libya could rise from 2,591,000 barrels a day in 1968 to an "indicated" 3,555,000 barrels a day in 1969, mostly because smaller U.S. firms had gained a foothold and were pumping without restraint.

"The problem of accommodating a large potential surplus of crude in 1969 and over the five years to 1973 became very apparent when we tabled our estimates, allowing for production in many countries at indicated availability," the economists advised Socal's management. "If production grew at indicated availability in most countries outside of the Middle East, production in the latter area would likely decline in 1969 versus 1968."

Such a decline was considered intolerable because the shah and the king of Saudi Arabia, both hooked on the expectation of rising revenues, weren't about to accept lower production. Irritating the monarchs might endanger the Arabian-American Oil Co. (Socal, Exxon, Texaco and Mobil) and the Iran consortium, which includes all four Aramco partners. But extracting enough oil from Saudi Arabia or Iran to please the sovereigns meant aggravating oversupply problems.

SLICING ELSEWHERE

The company economists dealt with this dilemma after discussions with W. K. Morris, then chief of Socal's foreign advisory staff. Next to their table showing the availability of oil from various countries the planners prepared a second table projecting 1969 production cutbacks of 200,000 barrels a day for Libya, 200,000 barrels a day for Nigeria, 25,000 barrels for Egypt, 100,000 for Indonesia and 100,000 for Latin American countries other than Venezuela.

But then "further adjustments" outside the Persian Gulf region were found to be necessary. Accordingly, the economics department considered it "appropriate" to slice production elsewhere more deeply (Libya was the chief loser this time) and to allow the shah and king 140,000 and 70,000 barrels a day more, respectively.

"The downward revisions or adjustments of crude production in Libya and Nigeria for 1969 were made on the assumption that major companies with large interests in the Middle East would be required to moderate their liftings from Libya and Nigeria in order to maintain politically palatable growth in their liftings from the Middle East," the economic analysis explains.

"Some companies, however, such as Occidental, Continental, Marathon and others, without large interests in the Middle East, will be under heavy pressure to expand production rapidly and therefore aren't likely to limit their Libyan liftings. Their Libyan oil will be competing vigorously with the majors' oil from the Middle East and Africa."

WIOD COMPUT-A-RIDE MAKES GETTING THERE NOT A PAIN IN THE GAS

HON. BILL GUNTER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. GUNTER. Mr. Speaker, in these days of frustration from waiting in line for gas, I am happy to share with you and my fellow colleagues this fine example of community spirit which was recently displayed by the WIOD radio station in Miami, Fla.

Last November when President Nixon announced that the United States was experiencing a gas shortage and called on all citizens to voluntarily take measures to conserve energy, WIOD officials decided to initiate a computer-matched carpooling program called "Comput-a-ride."

Below are the contents of a letter I received in my district office from the promotion manager of Station WIOD which explains how comput-a-ride operates.

MIAMI, FLA., *February 11, 1974.*

DEAR SIR: Comput-a-ride, a project to match Dade and Broward County commuters into carpools by computer, is WIOD's major public service for 1974. The co-sponsor is the participating computer firm, Automatic Data Processing.

When President Nixon addressed the nation about the energy situation early in November, we adopted this endeavor and planned our strategy. The purpose of Comput-a-ride is to help solve three of the most pressing community problems in Southeast Florida: To lessen the severity of the energy crisis by putting more people into fewer cars. To help reduce traffic congestion. To assist in cleaning up the air by reducing exhaust emissions.

In addition to these community goals, forming a carpool will save the average consumer money. And over a period of a year the savings can be substantial.

On January 6 WIOD began asking its listeners if they needed help in forming carpools. Those who were interested received Comput-a-ride applications.

As we were making announcements on our own air, we contacted area chambers of commerce asking them to support our project. Then with the support of the Greater Miami Chamber of Commerce, the Greater Fort Lauderdale Chamber of Commerce, the Greater Hollywood Chamber of Commerce, the Miami Beach Chamber of Commerce and others we wrote to the key employers in Dade and Broward County. Each employer received a return postcard on which he could indicate the number of applications to cover his employees.

We have sent out nearly 1,000 letters, and we will continue this project for another month or so. These letters and our announcements have resulted in requests for 70,000 applications. Thus far, some 938 have been filled out and returned.

The above figures increase by the hour. For example, just this afternoon 50 more applications were returned. And we received requests for more than 3,000 applications.

We have also begun a heavy advertising schedule—full-page newspaper ads and a month of TV commercials. Before the year is over we shall have spent (including purchased media, our own public service spots, computer time, printing, etc.) more than $200,000.

I have attached a copy of our application. We are asking for grid origination and grid destination. But we will use zip code for origination to facilitate match-ups early in the project. However, our program and our grid system are constructed in such a way that they can be taken over by the Dade and Broward County governments if they ever get together on such a project.

Regards,

MICHAEL J. COSTELLO,
Promotion Manager.

Mr. Speaker, I believe the people at WIOD should be commended for their outstanding civic-mindedness in volunteering great time and effort to aid fellow citizens in meeting this crisis in our country.

AFL-CIO CONTRIBUTIONS TO JUDICIARY COMMITTEE

HON. E. G. SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. SHUSTER. Mr. Speaker, despite the widely differing views on whether or not the President should be impeached, or even what constitutes an impeachable offense, one thing that most people seem to agree on is that partisan politics has no place in an impeachment inquiry. The historic and far-reaching effects of such an inquiry clearly outweigh any purely political considerations.

With this in mind, an active and civic-minded constituent of mine, J. Glenn Benedict, of Chambersburg, Pa., wrote to the Honorable PETER W. RODINO, chairman of the House Judiciary Committee, concerning alleged AFL-CIO political contributions to the chairman and other members of the committee. A copy of this letter also went to the Honorable EDWARD HUTCHINSON, ranking minority member of the Judiciary Committee. The letters were dated February 11, 1974.

Because this inquiry involves the importance of impartiality on the part of Judiciary Committee members, I insert at this time Mr. Benedict's letter and enclosure in the CONGRESSIONAL RECORD:

FEBRUARY 11, 1974.

Hon. PETER W. RODINO,
House Office Building,
Washington, D.C.

DEAR MR. RODINO: As your Committee has been designated to investigate possible impeachment of President Nixon and to make recommendations to the House, I am sure that all Americans would agree that an investigation of this kind should be handled by an impartial committee.

I therefore wish to call your attention to the January issue of the U.S. News & World Report and especially on page 5, a photostatic copy of which is enclosed where it is stated that Americans for Constitutional Action reports that the AFL-CIO, vigorously pro-impeachment, contributed about $191,000.00 to the 1972 campaigns of members of your committee and that you as Chairman received $30,923.00. Did you and members of your Committee receive money as here stated? If you did, do you feel that you can lead an impartial committee in a fair investigation.

If you deny that you or members of your Committee did receive such campaign support as alleged, I will be pleased to spread the news wherever I can.

Please let me hear from you.

Very truly yours,

J. GLENN BENEDICT.

WASHINGTON WHISPERS

Americans for Constitutional Action—a "conservative" group—reports that the AFL-CIO, vigorously pro-impeachment contributed about $191,000 to the 1972 campaigns of members of the House Judiciary Committee, which is now sifting charges against President Nixon. According to the ACA, all but $2,100 of the money went to Democrats on the Committee, with the biggest chunk—$30,923—sent to Chairman Peter W. Rodino, of New Jersey.

FLAWED HOUSING BILL

HON. J. WILLIAM STANTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. J. WILLIAM STANTON. Mr. Speaker, a recent editorial concerning the Senate-passed housing bill was brought to my attention. This editorial points out many of the flaws that are in the Senate-passed bill. The editorial also reflects many of my own personal thoughts in regard to this legislation.

The Housing Subcommittee of the House has been meeting for the last 6 weeks to come up with a housing bill this year that will not be just a repeat of the many mistakes that have been made in the past. I am pleased to be able to say that this week we did complete the markup on a Better Communities Act that, in my opinion, is fairer, simpler, and far superior to the Senate-passed version.

Fundamentally, each city in America, upon the presentation of a plan of community development and housing, would be eligible for Better Communities Funds. The bill, as marked up in our subcommittee, has practically the unanimous approval of our subcommittee. Cities can set their own priorities and yet it has an adequate phaseout formula for those cities who have participated in model cities, urban renewals, et cetera, programs in the past. It also recognizes, for the first time, the importance of growth in urban counties with populations of 200,000, or more. The committee next week will be focusing in on the housing section of our new bill.

Although no one can predict its outcome, I think there is general concensus that this year we should concentrate on what is known as the 23A leasing program. We will attempt to expand this program with the thought of concentrating on adequate housing for the elderly and the poor. We will also allow for phase-in opportunities for the administration's program of direct cash payments. It is regrettable that the pilot projects on this subject have not yet given us the full information that we need. However, I feel sure the committee will make our bill flexible enough to allow us to take a good look at this program.

In my opinion, a good housing bill should be a top priority in this session of Congress. Since the administration invoked the moratorium, we have fallen far behind in our basic commitment to provide decent housing in this country. In order to get out a bill this year, the subcommittee is under tremendous pressure as far as time is concerned. A smaller bill, limited to a Better Communities Act, a new housing program, and long-overdue changes in FHA insurance has the best chance of passing. If we go to the Christmas tree approach, as did the Senate, I am afraid that we will run out of time and that no bill will be the result. The House bill this year is the type of legislation that could show the country that a Congress controlled by one party and an administration of another has put their selfish interests aside for the best interests of the country. The bill that will pass Congress has to be a compromise on the part of everyone. I, personally, plan to spend the days and weeks immediately ahead to help assure passage of a bill that can pass the Congress and be signed by the President.

Mr. Speaker, I am enclosing the recent editorial by the Cleveland Press for the benefit of my colleagues:

[Editorial from the Clevland Press, Mar. 16, 1974]

FLAWED HOUSING BILL

The Housing and Community Development Bill passed by the Senate this week relies too heavily on shopworn programs that should have been abandoned, or radically revised, long before this.

So much money has been frittered away on federally subsidized and federally insured housing in recent years that Congress should be ready for a completely new approach.

Yet the Senate wants to retain some of the same old programs, slightly modified.

What this means, unfortunately, is that aid intended for the poor and the near poor would continue to flow into the pockets of middlemen—realtors, appraisers, bankers, remodelers—who make quick profits on the sale and rental of houses and apartments to low-income families.

In too many cases, the properties deteriorate so rapidly that the families are forced to move out—and the Government is left holding the bag.

The Senate bill does have some good features.

It lumps urban renewal, open-space, water-sewer and other community improvement grants into one broad category so that cities can set their own spending priorities.

It permits the Government to turn over empty, tax-delinquent houses to "urban homesteaders" will to fix them up and move in.

But there still is too much federal regulation of housing and urban renewal programs and too little emphasis on letting communities, and individuals, do their own thing.

For the most part, President Nixon has been indecisive in the housing field, preferring to sit back and snipe rather than propose programs of his own.

To his credit, though, the President did come up with a plan last fall that could help thousands of low-income families if it ever gets out of the experimental stage.

The President wants to make direct cash payments to poor families (it's now being tried in 10 cities) so they can find, and afford decent housing in the private market.

That approach makes more sense than pumping millions of tax dollars into housing programs that seem to benefit speculators—sometimes in cahoots with corrupt federal officials—at the expense of the very people they're intended to help.

EARL BUTZ STRIKES AGAIN

HON. JEROME R. WALDIE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. WALDIE. Mr. Speaker, there may come a time when it is again possible to believe that the agricultural policies of the Federal Government are being managed in the interest of all the people—but surely that time must await the retirement of the incumbent Secretary of Agriculture. In a move barely credible even in these increasingly incredible months, the Department of Agriculture yesterday announced that it was purchasing $45 million worth of beef to "improve prices to cattle producers and feeders."

From those wonderful people who brought you hamburger at $1.10 per pound has thus come another lesson in the one-way-only economics of the Nixon administration. When supermarket prices were surging to a 20-percent yearly gain during 1973, consumers were counseled on the delicate workings of free markets in farm products, markets far too fragile and complicated to risk Government intervention to stabilize grocery costs. A brief and limply enforced price "freeze" was the only sop to angry consumer sentiment, yet even this half-hearted move was more designed "to teach consumers a lesson" about the futility of price controls than to deal with the problem of runaway food inflation.

But for all the free market homilies, Mr. Speaker, it now becomes apparent that whenever farm prices show the slightest sign of moderating from their present extravagant height the full weight and resources of the National Treasury will be thrown into an effort to prop these prices at farm-pleasing levels. President Nixon attempted to distort the real nature of this latest outrage against shoppers by claiming that the purchase of livestock at this time represents a "bargain" buy for the Federal Government. It is, I suppose, this same canny, bargain-hunting administration which is currently asking Congress to spend a record $88 billion on national defense.

After the last 2 years of Mr. Butz' stewardship over our most precious and vital natural resource, nothing should probably surprise us. The consequences of the Russian grain sales may have been unpredictable in the summer of 1972, but in the months since that "shrewd deal" was concluded the administration has repeatedly acted in the most irresponsible ways to bolster food costs. Two months prior to the 1972 Presidential election the Department of Agriculture restricted wheat plantings by the maximum allowable by law, even though wheat prices—and wheat growers' incomes—were already reaching unprecedented levels. In February of 1973, with the upward spiral in meat prices well underway and shoppers desperately attempting to secure more reasonably priced protein sources, the Agriculture Department advised the Nation's breeders to cut back production of broiler chickens in anticipation of inadequate poultry prices later in the year.

The record of agricultural mismanagement under the Nixon administration makes the recent beef purchase understandable, perhaps; but nothing can make it palatable to the American wage earner or his family. One congressional study determined that it cost a middle-income family almost $1,200 more in autumn of 1973 simply to maintain its 1972 living standards—most of this astounding increase caused by higher grocery prices. And the Department of Labor calculates that the food-led inflation of 1973 cut the purchasing power of workers' take home pay by 3 percent last year, even after wage increases are taken into account. For the American family, 1973 was just that kind of year. And if Earl Butz has anything to say about it, 1974 will be the same kind of year.

GREEK INDEPENDENCE DAY CELEBRATION

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. ADDABBO. Mr. Speaker, this Sunday, March 31, the celebration of Greek Independence Day will take place throughout our Nation. In New York City the celebration will be marked by the march through the streets of Manhattan and other events throughout the metropolitan area.

These activities of the Greek-American community of our city remind us all of the great culture and history of the Greek people and their pride in that culture and history. In addition we in the Congress are reminded of the strength of the Greek people as evidenced by their struggles against oppression and their will to be free.

New York City is a home for many people of different ancestries and the Greek-American community within our city has established itself as an essential part of the great atmosphere of our exciting and stimulating metropolitan area. Every profession can boast of its Greek-American leaders and their influence over the character of life in New York. The same is true in other communities across America and for that reason, it is appropriate that we recognize the importance of Greek Independence Day in this Chamber.

I join my colleagues in wishing our Greek-American friends success in the many activities planned for this Sunday's celebration and I look forward to participating in those events in our city.

THE ENERGY RECORD OF CONGRESS

HON. ROBERT N. C. NIX

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. NIX. Mr. Speaker, in his Houston appearance on March 19, President Nixon said:

> When we speak of an energy shortage, the greatest shortage of energy is the lack of energy on the part of Congress of the United States in setting to work and passing the legislation that will produce more energy in the United States of America.

I find it very regrettable that the President has chosen to make such misleading statements. His recent attacks on Congress do nothing to help the energy crisis and I seriously doubt whether they will do much to help Mr. Nixon. I believe that such tactics are especially unfortunate in the present situation, when the American public wants honest answers and plain talk.

Let us look at the legislative record of this Congress in regard to energy.

In November of last year Congress passed the Alaskan pipeline bill. Actually, both Houses had passed the legislation in the summer, but final action was held up by an administration threat to veto the bill. They were unhappy about provisions in the bill that would strengthen the Federal Trade Commission.

Congress also passed a bill last year directing the President to set up a mandatory allocation program for oil and oil products. The administration had insisted until very late in the game that a voluntary program would do the job.

The most important bill passed by Congress to deal with the energy crisis was the emergency energy bill. This comprehensive legislation was vetoed by the President on March 6, primarily because it would have rolled back some domestic crude oil prices. The first version of the emergency energy bill contained a windfall profits tax in place of the price rollback. The windfall profits tax caused the bill to be filibustered successfully, with administration support, in the Senate last fall.

In 1974, apart from the vetoed emergency energy bill, Congress has worked on several major bills, some of which are close to final passage. Many of these bills are on the President's list of 17 proposals.

A look at the President's list is revealing. For instance, one item, the windfall profits tax, was filibustered out of the emergency energy bill with White House support. Three other items were in the final version of this bill, which Mr. Nixon vetoed. They are, improved unemployment benefits, authority for conservation measures and rationing, and mandatory reporting of energy information.

One item on the list, creation of a Federal Energy Administration, has passed both Houses and is now in conference.

Other items are also well along in the legislative process. Some proposals, such as the deregulation of natural gas, have not gone very far because there is strong opposition to them in both Houses.

Other areas in which major legislation can be expected include energy research and development and reform of the tax structure of the energy companies.

All of these issues are complicated and often unprecedented. I believe that the Congress is proceeding responsibly to deal with these problems. It would be a great help to us if the administration would assume an attitude of cooperation, rather than confrontation with us.

Apparently the President believes that because he has submitted 17 proposals to Congress, that Congress should assemble the next day and pass 17 bills by acclamation. That is certainly not my idea of how democratic legislative bodies should act. I, for one, will continue to use my own best judgment in serving the needs of my constituents and of the Nations, and I am confident that my colleagues in this Congress feel the same way.

CONVERSION TO THE METRIC SYSTEM

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. McCLORY. Mr. Speaker, recently I received a letter from William E. Hardman, executive vice president of National Tool, Die & Precision Machining Association in strong support of the metric legislation pending before the House of Representatives. I am attaching the letter to these remarks in order that my colleagues may have the opinion of this organization representing some 8,000 contract metalworking firms with over 240,000 employees. This organization and its members represented by both management and labor desire a coordinated program of conversion to the metric system of weights and measures—as outlined in H.R. 11035.

Mr. Speaker, I am attaching Mr. Hardman's letter:

NATIONAL TOOL, DIE & PRECISION
MACHINING ASSOCIATION,
Washington, D.C., March 8, 1974.

HON. ROBERT MCCLORY,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. MCCLORY: For the last ten years, the National Tool, Die & Precision Machining Association has been observing and studying the growing use of the metric system of measurement in the United States.

The tooling and machining industry represents an estimated 8,000 contract metalworking firms with 240,000 employees, most of whom are highly skilled. We are possibly the most measurement-sensitive industry group in the nation, in that all of our work is specified to critical dimensions often held to extremely close tolerances.

Yet, even under these constraints, we do not foresee any insurmountable problems in a national changeover to the metric system as long as there is a coordinated national plan.

Metrication presently has enough momentum to be eventually inevitable. A nationally-coordinated plan is absolutely necessary to avoid the economic chaos which could arise from uncoordinated, independent efforts in developing metric standards for commerce and industry. A nationally-coordinated program can also provide the opportunity to "clean up" many of our superfluous and ambiguous standards. Such a program, guided by the principles of reason and common sense, will not cause premature obsolescence of capital equipment and will not require extensive retraining of the work force. Even in our own highly measurement-sensitive industry, required training is expected to be minimal.

It is our opinion that the provisions outlined in H.R. 11035 are in the best interests of the country, and we therefore urge you to support this bill.

Cordially,

WILLIAM E. HARDMAN,
Executive Vice President.

THE CURRENT BIBLIOGRAPHY ON AFRICAN AFFAIRS—A JOURNAL OF RECORD ON AFRICA

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. RANGEL. Mr. Speaker, on January 15, 1974, John W. Lewis wrote an excellent article in the Afro-American newspaper entitled "African Affairs Journal Gaining Influence Role.'

As the emerging nations of the African Continent advance from the tributaries to the mainstream of world affairs, the distinguished journal, Current Bibliography on African Affairs has arisen to mark their progress. So pronounced is the integrity of this journal that Congress has increasingly used its extensive information to formulate its foreign policy toward the multinational African Continent. It is indeed a pleasure for me to enter an article on their excellent journal in the RECORD:

AFRICAN AFFAIRS JOURNAL GAINING INFLUENCE ROLE

(By John W. Lewis)

WASHINGTON.—A black-controlled organization, specializing in African affairs is gaining an influence in U.S. policy in Africa.

The African Bibiographic Center, headed by Dan Matthews, a former State Department intelligence officer, publishes the highly-regarded quarterly, "Current Bibliography on African Affairs." The publication is known for covering a number of issues, not usually published in other journals.

Its 4,500 circulation goes to the most influential institutions in the world who are engaged in any aspect of African affairs. "Over 65 per cent of its circulation is outside the United States," said Matthews.

"I could get off the plane in Paris and be lionized," he said, "but here in Washington I'm relatively unknown."

The journal contains articles, reviews and bibliographic sections "drawn from usual and unusual sources from world-wide publications, ranging from Moscow to Tokyo.

The journal, which costs $25 a year, contains 100 tightly-edited pages, and has an usually-high renewal rate of 90 per cent.

The Center also serves as a resource for "Habari," a telephone news service operated in cooperation with the Washington Task Force on African Affairs. The taped programs are changed five times a week and may be heard by dialing (202) 659-2529.

The analysis and news briefs are invaluable for those trying to keep up with the flow of African events.

The Center, located at 1346 Connecticut Ave. NW. also publishes a variety of specialized books and monographs. The journal "has been given the highest rating possible by the American Library Association," Matthews said.

Six publications on "African Economic Development Themes" were published in 1973 under contract to the Agency For International Development.

* * *

The U.S. Congress has asked permission twice to reprint Center publications. The Library of Congress regularly calls, Matthews said, to find additional information on specialized topics.

Matthews lists the "credibility" of the Center as being one of his major accomplishments. It is "nice to know," he said, that "when you approach someone in the State Department or a member of Congress, they respect your opinion and the work you do."

CLEVELAND PLAIN DEALER SAYS: "ARMS BUDGET: TRIM IT WARILY"

HON. WILLIAM E. MINSHALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. MINSHALL of Ohio. Mr. Speaker, the March 25 Plain Dealer carried an editorial expressing the reasoning and philosophy that have been the foundation of my efforts and votes through the years as a member of the Defense Appropriations Subcommittee. I want to congratulate my friends at the Plain Dealer for finally seeing the light. The editorial follows:

ARMS BUDGET: TRIM IT WARILY

The Pentagon is asking for a record budget of $85.8 billion this year. There is always fat in that budget. It just asks to be trimmed off. But Congress is not in the mood to cut it except by a measly two or three billions.

We can understand that, and we do not advocate severe reductions. Reasons for keeping the military budget up are numerous. Here are some of the most compelling ones:

Soviet arms were surprisingly effective in the Egypt-Israel war in October. Battlefield missiles and antiaircraft weapons made in Russia pulled Israeli forces down several points below their former ranking of "unconquerables."

Soviet tests recently have shown they can put multiple independently targeted warheads on their massive SS-9 missiles.

Soviet naval expansion has given the Soviet Union the lead in submarines and modernity of fighting ships.

Opening of the Suez Canal, now just over the horizon, will greatly benefit Soviet naval movement. The Black Sea fleet will be able to move into the Indian Ocean, and near the oil-rich Persian Gulf much faster than the Soviets' Pacific fleet now can.

And though Secretary of State Henry A. Kissinger is in Moscow to work toward a strategic arms control treaty, relations between the Soviet Union and the United States have begun to chill. Detente is looking thin. American takeover of Middle East peacemaking put the Soviets in a back seat. That stung them and their resentment is showing.

Clashes between Washington and the European allies have got sharp. The new Labor government in Britain has been promising arms cuts. Most European countries will consider arms cuts if they must, to pay for the higher-priced oil that is the lifeblood of their industries.

Uncertainty over the economy in the United States also makes many congressmen vote to keep up arms spending, because it means jobs and family income for many citizens.

And even the prospects of President Nixon's possible impeachment makes many Americans worry that they had better keep their guard up during what looks like a weak period in the White House, if not an executive disaster.

Debate is running its usual pattern. Economy-minded senators and those who always oppose big, inflationary military spending are for chopping down the huge budget. But it is also true that Congress itself made inevitable through pay raises a good deal of the $6-billion increase over last year.

For the reasons we enumerated above there is not much chance that the Pentagon budget will get squeezed hard this time. A wary Congress in an unsteady world will not take chances on defense.

LEGAL SERVICES CORPORATION

HON. JOHN JARMAN

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. JARMAN. Mr. Speaker, on February 5, 1974, I submitted for the RECORD the following resolution adopted by the Oklahoma County Bar Association on December 13, 1973, indicating that the resolution was in support of the Legal Services Corporation bill which passed the House on June 1973. I wish to take this opportunity to correct the RECORD and make clear that the resolution expresses support of the administration's version of the bill, which is substantially the same as the bill enacted by the Senate on January 31, 1974.

The resolution follows:

RESOLUTION

Whereas, the Oklahoma County Bar Association has always supported the Oklahoma County Legal Aid Society and continues to give its support to the work of the Oklahoma County Legal Aid Society with annual financial support as well as contributions of volunteer time,

And, whereas, the Oklahoma County Bar Association believes that there is a continuing need for legal services for the poor in this community as well as nationally,

And, whereas, the Oklahoma County Bar Association continues to support the need for adequate legal services to the poor and the need for vital and independent programs to provide this representation.

Now, therefore, it is resolved:

1. The United States government should continue funding of legal services programs to enable them to provide adequate legal services to eligible clients and to prevent deterioration of the quality and quantity of service.

2. Government at all levels and lawyers from both the public and private sectors should take every step necessary to insure that legal services lawyers remain independent from political pressures in the cause of representing clients.

3. The Congress of the United States should enact a legal services corporation of a design consistent with the foregoing principles and the need to maintain full and adequate legal services for the poor, and providing that local bar associations maintain substantial representation on the local boards establishing the policies of individual legal services programs.

ABRACADABRA

HON. WILLIAM J. SCHERLE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. SCHERLE. Mr. Speaker, political magicians are attempting a new sleight of hand to hide their own complicity in campaign abuse. At the same time these pious hypocrites are crying for election reform, they are guilty of the rankest violations of existing law.

The most recent campaign abuses, spotlighted by newspaper accounts, include huge corporate contributions—notably a $60,000 computerized list of rural voters. Suddenly, recipients of these company funds are feigning ignorance of the donor since a 1925 law makes corporate contributions to political campaigns illegal. This reminds me of the story about a piano player on the first floor of a house of ill-repute who said he did not know what was going on upstairs. These same individuals who profited from corporation checks also received sizable contributions from other sources—now a matter of public record. For anyone curious about five and six figure dollar donations—who supplied them and which candidates accepted them—we suggest checking with the Chief Clerk of the U.S. House and the Secretary of the Senate, where reports are filed and information is maintained.

Some politicians have righteously sponsored so-called campaign reform legislation to draw attention from huge contributions they have raked in. Their cure-all proposals would dip into the public trough to the tune of $300 million for public financing of elections, laying another burden on the taxpayer.

Elected officials who have long upheld their responsibility of integrity and accountability to the public now scorn those who sport the halo of campaign reform. While minor changes in existing law could be justified, we are tired of sanctimonious reformers who can "swallow an elephant and choke on a gnat." Equally galling are their gullible followers who succumb to this rhetoric and rush in with campaign reform ideas, generally ignorant of their own candidates' transgressions.

Grassroot support of political elections is basic to our American system. However, we recognize the need to keep donations within reason and would support a ceiling of $3,000 from any one individual. This amount far exceeds the size of contributions received in many congressional campaigns. Most financial backing comes from dinners and small donors who often give more of their time and effort than money.

The harsh glare of newspaper publicity has revealed the guile of political magicians. Their actions offstage have belied their desire for campaign reform. As Shakespeare would say, "Methinks he doth protest too much!"

LEXINGTON, N.C., KIWANIS CLUB CELEBRATES 50TH ANNIVERSARY

HON. WILMER MIZELL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. MIZELL. Mr. Speaker, every Member of Congress, indeed, every holder of public office, knows that public service is the most enriching and ennobling pursuit of men.

We have chosen public service as a full-time career, and while it requires of us sizable contributions of time and energy and effort, these investments are profited by the deep sense of satisfaction that comes with seeing the people's needs met, their opportunities expanded, their will obeyed.

But there are those who are equally committed to public service, though in a private capacity. Among the most active of these groups is Kiwanis International, and among the most active chapters of Kiwanis is the Lexington, N.C., chapter which today is celebrating its 50th anniversary.

The Lexington Kiwanis have proven their dedication to community service time and again over the last half century. Their reward has been found in the progress of their community. Their rewards have been great, because their goals and their efforts have been great as well.

Their future pursuits in the next half century and beyond, will, I am sure prove equally successful, for I have seen, and continue to see demonstrations of ability and talent and willingness to work abound in the membership of that Kiwanis chapter.

Today still living in the Lexington area are these charter members of the organization: Don Walser, J. Hill Smith, Sim A. DeLapp, R. B. Talbert, F. N. Nelson, R. Walker Martin, and T. V. Pritcher.

I am sure my colleagues join me in commending these gentlemen, the other charter members and those who have throughout the past 50 years been active in the Lexington Kiwanis Club for their long years of service to this community.

For their past accomplishments, they have my congratulations. For their future projects, they have my encouragement, my support, and my best wishes for continued success.

At this point I would like the RECORD to show the past presidents of this organization and the year they served.

PAST PRESIDENTS

P. V. Critcher, 1924; Don Walser, 1925; Ed Byerly, 1926; Rupert McGregor, 1927; Howard Townsend, 1928; Walker Martin, 1929; Hubert Olive, Sr., 1930; and Paul Hinkle, 1931.

Bill Shuford, 1932; Adrian Newton, 1933; Reynolds Shoaf, 1934; Casper Timberlake, 1935; Lonnie Carswell, 1936; *Charlie Sturkey, 1937; *Lonnie Davis, 1937; and Cabell Philpott, 1938.

*Ed Cathell, 1939; *Buck Young, 1939; Currey Lepp, 1940; Fred Wilson, 1941; Clyde Hunt, 1942; Stuffer Myers, 1943; John Andrew, 1944; George Cable, 1945; and Cecil Eanes, 1946.

Bob Bruton, 1947; Earle Riddle, 1948; Jack Childers, 1949; Darmot Lohr, 1950; Charlie Sink, 1951; Len Wilson, 1952; Smith Young, 1953; Alvin Philpott, 1954; and Charlie Mauze, 1955.

J. C. Williams, 1956; Felix Gee, 1957; Klynt Ripple, 1958; Elmer Nance, 1959; Bud Hinkle, 1960; Theodore Leonard, 1961; Harold Bafford, 1962; Walt Brinkley, 1963; and John Callahan, 1964.

P. D. Merritt, 1965; James Bingham, 1966; Dermont Everhart, 1967; Archie Sink, 1968; Dwight, Hinkle, 1969; Olen Easter, 1970; Willard Brown, 1971; Tom Suddarth, 1972; and Tim Timberlake, 1973.

Cliff Pickett—Honorary.

Mr. Speaker, the officers, directors and current membership of the Lexington Kiwanis Club are as follows:

Officers 1973–1974

Manly Byerly, President; Robert Grubb, Vice President; Lawson Brown, President Elect; Sherwood Canada, Treasurer; Richard Lowder, Secretary; and Tim Timberlake, Past President.

DIRECTORS

Harold Bowen, Jack Childress, Clint Legette, Bob Lowe, P. D. Merritt, Ted Philpott, and Steve Smith.

ROSTER—OCTOBER 1, 1973

Adam, Robert; Allen, Doug; Barber, John; Batson, Rhodes R.; Bernhardt, Carl E.; Bickel, Fred; Blomquist, G. B., Jr.; Bowen, Harold; Brinkley, Walter Foil; Brown, Lawson E.; and Brown, Willard.

Burke, Dr. James O., Jr.; Byerly, Manly H.; Callahan, John W., Jr.; Calvert, Jack A.; Canada, Sherwood; Childers, Jack G.; Coon, Rev. Hoke; Crotts, Bruce; and Dameron, William H.

Davis, A. I.; Davis, Gray, Jr.; Dillon, James M.; Easter, Olen; Evans, Jack C.; Everhart, James D.; Flynt, James H.; Gee, Felix O.; Grubb, Robert; and Harman, John R.

Harvey, Larche, Hedrick, Robert C.; Helm, Paul V., Jr.; Hilton, Greeley; Hinkle, Dwight; Hinkle, Haywood W.; Hinkle, Paul; Holton, Frank P., Jr.; Holtzman, Bill; and Inabinett, Wm. E.

Jordon, John A.; Klass, Jack; Klein Robert L.; Le Gelle, Clinton; Leonard, Curtis A., Jr.; Leonard, Robert; Leonard, Theodore; Lohr, Lloyd D., Jr.; and Lopp, Curry F.

Lopp, John Byron, Jr.; Lowder, Richard D.; Lowe, Robert F.; Mann, Joe; Martin, Hughes E.; McIntyre, Fred H., Jr.; McKeithan, R. Leon; Merrit, Percy D.; Merritt, James B.; Middleton, R. M.

Miller, Henry C., Jr.; Miller, Seth George; Moore, John; Morris, Eugene T.; Nance, Elmer P.; Niven, W. E.; Olenick, Vince J.; Phillips, Kenneth; Philpott, Cloyd; Philpott, Frederick C.

Philpott, James Alvin; Ramney, Burris E.; Raper, Emery; Riddle, Earl E., Jr.; Ripple, Chris; Ripple, Klynt; Sink, Archie; Sink, Charles; Smith, Eddie; Smith, Guy P.; and Smith, Robert B., Jr.

Smith, Steve; Sommers, Richard L.; Stoner, Paul G., Jr.; Strader, Hunter G.; Suddarth, Tom H.; Swicegood, James E., Jr.; Swing, Donald C.; Team, Robert A.; Timerlake, C. H., Jr.; and Timberlake, C. H., Sr.

Turlington, Bill; Varner, Dr. J. W.; Wall, C. C., Jr.; Walser, Gaither S.; William, J. C.; Williams, Jay; and Womack, James D.

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* Second Finished Term of the First.

FOURTH DISTRICT QUESTIONNAIRE RESULTS

HON. JOHN DELLENBACK

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. DELLENBACK. Mr. Speaker, each year I send to all the residents of Oregon's Fourth Congressional District a questionnaire seeking their opinions on some of the major issues facing the Congress. This year over 28,000 replies to my questionnaire were received.

The results, broken down by age groups, follow herewith:

1973 4TH DISTRICT QUESTIONNAIRE RESULTS

[In percent]

	High schools	Under 21	21 to 30	31 to 45	46 to 65	Over 65	Total[1]
1. To help prevent campaign spending abuses in the future, which do you favor? (Check as many as you favor.)							
A. Ceilings on overall campaign spending	71	73	74	84	78	83	78
B. Ceilings on individual campaign contributions	53	50	60	60	61	61	60
C. Public financing of some campaign costs	19	20	26	19	33	17	21
D. Full campaign spending reporting	63	61	76	75	74	74	74
E. Other	4	14	11	6	8	7	9
No answer	2	2	1	1	2	4	2
2. What ultimate bargaining tool should police, firemen, and other public employees have? (Check 1.)							
A. Same right to strike as nonpublic employees	25	14	212	13	16	8	15
B. Tighter regulations on bargaining procedures, with striking as a last resort	40	50	42	36	38	39	39
C. Compulsory binding arbitration	23	21	28	38	35	35	34
D. No right to strike; no compulsory arbitration	8	6	5	8	9	14	8
No answer	4	9	4	5	2	4	4
3. Which of the following would be effective U.S. contributions to world peace? (Check as many as you favor.)							
A. Expanded trade with the Soviet Union and China	63	61	57	40	53	44	50
B. Diplomatic recognition of Cuba	32	41	35	26	22	26	27
C. Continued aid to Israel	33	39	32	42	38	52	50
D. Continued aid to Arab nations	19	20	15	13	16	13	16
No answer	9	14	20	23	22	19	21
4. To help cope with the consumption side of the energy crisis which measures do you favor? (Check as many as you favor.)							
A. Rationing gasoline	39	31	43	46	34	40	40
B. Increasing gasoline tax	11	8	8	9	6	6	8
C. Reducing highway speeds	63	67	63	60	65	72	67
D. Lifting environmental protection requirements for industry	11	11	13	26	30	33	25
E. Other	19	35	32	24	11	11	22
No answer	5	2	5	5	7	6	5
5. To continue the investigation of Watergate and other alleged campaign abuses, which do you favor? (Check 1.)							
A. A special prosecutor outside the executive branch	58	62	61	54	51	45	54
B. A special prosecutor in Justice Department	23	19	15	17	13	14	16
C. No special prosecutor	17	19	18	21	31	32	26
No answer	2	2	6	4	6	9	5

6. Which 5 of the following do you consider to be the most critical problem areas facing the Nation today? Please number 1 through 5 in order of their importance.

Aid to agriculture
Aid for elderly
Alcohol & drug abuse
Anti-strike laws
Campaign abuses
Consumer protection
Cost of living
Crime
Education
Energy crisis
Environment
Foreign relations
Government corruption
Government credibility
Gun control
Health care
Housing
Mideast crisis
National defense
Population control
Poverty
Race relations
Sex discrimination
Tax reform
Unemployment
Welfare

Total respondents:[1] 1. Cost of living. 2. Government corruption. 3. Energy crisis. 4. Government credibility. 5. Crime. 6. Environment. 7. Tax reform. 8. Aid for elderly. 9. Population control. 10. Health care.

Age group breakdowns for question No. 6:

High schools:	Under 21:	21 to 30:	31 to 45:	46 to 65:	Over 65:
Energy crisis	Cost of living	Cost of living	Cost of living	Cost of living	Cost of living
Cost of living	Environment	Government corruption	Energy crisis	Energy crisis	Government corruption
Environment	Energy crisis	Energy crisis	Government corruption	Government corruption	Energy crisis
Government corruption	Government corruption	Environment	Government credibility	Government credibility	Aid for elderly
Population control	Government credibility	Government credibility	Tax reform	Crime	Crime
Government credibility	Population control	Population control	Environment	Aid for elderly	Tax reform
Unemployment	Education	Health care	Crime	Tax reform	Government credibility
Alcohol and drug abuse	Unemployment	Consumer protection	Consumer protection	National defense	National defense
Poverty	Mideast crisis	Unemployment	Unemployment	Health care	Health care
	Alcohol and drug abuse	Crime	Aid for the elderly	Population control	Campaign abuses
	Poverty.				

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[1] High school questionnaires are distributed, collected and tabulated separately, and are not included in total results.

MOMENTUM GROWS FOR STRONGER ANTITRUST ENFORCEMENT

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. EVINS of Tennessee. Mr. Speaker, there is a strong movement developed across the Nation for more effective antitrust enforcement—even if additional legislation is required to strengthen the Sherman Antitrust Act and other antimonopoly legislation now on the books.

The American people, after their current experience with the price-gouging oil monopoly, want action to break up these energy conglomerates and restore free enterprise to the marketplace in all areas and segments possible of our economy.

In this connection Business Week in its current issue has an excellent article on this subject, and because of the interest of my colleagues and the American people in this most important subject, I place excerpts from the article in the Record:

Is John Sherman's Antitrust Obsolete?

THE HIGH COURT'S TOUGHER STANCE

Although there have been hundreds of antitrust decisions, the following Supreme Court cases would be on any list as landmarks on the road to tougher antitrust.

Standard Oil Co. of N.J. v. U.S. (1911): Only "unreasonable" restraints of trade are prohibited. To be guilty of monopolization, a company must have "purpose or intent" to exercise monopoly power.

American Column & Lumber Co. v. U.S. (1921): Control of competition through a trade association that distributes current price and inventory information and company-by-company forecasts is unlawful.

Maple Flooring Manufacturers Assn. v. U.S. (1925): Mere dissemination of cost and past price and inventory statistics through a trade association is not unlawful.

U.S. v. Trenton Potteries Co. (1927): Price-fixing is inherently unreasonable, and any such agreement is a per se violation of the Sherman Act.

Interstate Circuit, Inc., v. U.S. (1939): Consciously parallel behavior, where each competitor knew, even without direct communication with the others, how to act in order to control the market, is unlawful.

U.S. v. Socony Vacuum Oil Co. (1940): Program by a group of oil companies to purchase surplus gasoline on spot market from independent refiners in order to stabilize price violates the Sherman Act.

Fashion Originators Guild v. FTC (1941): Group boycotts are per se unlawful.

U.S. v. Aluminum Co. (1945): It is not a defense to a charge of monopolization that the company was not morally derelict or predatory in its abuse of monopoly power. Even though monopoly may have been "thrust upon" the company because of its superior foresight, actions designed to prevent competition from arising constitute unlawful monopolization.

International Salt Co. v. U.S. (1947): Tying agreements are unlawful per se.

Theatre Enterprises v. Paramount Film Distributing Corp. (1954): Parallel behavior in the absence of any colusive activity is not unlawful per se.

U.S. v. United Shoe Machinery Corp. (1954): Business practices that "further the dominance of a particular firm" are unlawful where the company has monopoly power.

Du Pont-GM Case (1956): The government may move to undo a merger not only immediately after stock is acquired but whenever the requisite lessening of competition is likely to occur, even if that is decades after the merger.

Brown Shoe Co. v. U.S. (1962): For purposes of determining a merger's effects on competition, there may be broad markets "determined by the reasonable interchangeability" of products and also "well-defined submarkets," whose boundaries may be determined by examining industrial customers and practices.

U.S. v. Philadelphia National Bank (1963): "A merger which produces a firm controlling an undue percentage share of the relevant market and results in a significant increase in the concentration of firms in that market is so inherently likely to lessen competition substantially that it must be enjoined in the absence of evidence clearly showing that the merger is not likely to have such anticompetitive effects."

El Paso Natural Gas Co. v. U.S. (1964): A merger that eliminates substantial potential competition violates the Clayton Act.

U.S. v. Penn-Olin Chemical Co. (1964): A joint venture by two competitors may violate the Clayton Act.

U.S. v. Pabst Brewing Co. (1966): A merger with "substantial anticompetitive effect somewhere in the U.S." is unlawful.

U.S. v. Arnold, Schwinn & Co. (1967): It is unlawful per se for a manufacturer to limit its wholesalers' rights to sell goods purchased from the manufacturer.

U.S. v. Topco Associates (1972): All territorial allocations among distributors are unlawful, even if they might foster competition against others.

EXCERPTS FROM THE MAJOR ANTITRUST LAWS

Sherman Act, Section 1: "Every contract, combination in the form of trust or otherwise or conspiracy, in restraint of trade or commerce among the several States, or with foreign nations, is hereby declared to be illegal."

Sherman Act, Section 2: "Every person who shall monopolize, or attempt to monopolize, or combine or conspire with any other person or persons, to monopolize any part of the trade or commerce among the several States, or with foreign nations, shall be deemed guilty of a misdemeanor."

Federal Trade Commission Act, Section 5: "Unfair methods of competition in commerce, and unfair or deceptive acts or practices in commerce are declared unlawful."

Clayton Act, Section 7: "No corporation engaged in commerce shall acquire, directly or indirectly, the whole or any part of the stock or other share capital and no corporation subject to the jurisdiction of the Federal Trade Commission shall acquire the whole or any part of the assets of another corporation engaged also in commerce, where in any line of commerce in any section of the country, the effect of such acquisition may be substantially to lessen competition, or to tend to create a monopoly."

The head of the major U.S. corporation spoke feelingly: "I would be very glad if we knew exactly where we stand, if we could be free from danger, trouble, and criticism." His plea could have been made yesterday, by executives at IBM, Xerox, GTE, General Motors, AT&T, Exxon, Standard Brands, Chrysler, or dozens of other large companies that have recently stood in the dock, accused of violating the nation's antitrust laws.

It was, in fact, said back in 1912 by Elbert H. Gary, chairman of U.S. Steel Corp. He was giving a Congressional committee his views on the need for updating the country's first antitrust law, the Sherman Act, to which Ohio Senator John Sherman gave his name in 1890. Echoing the sentiments of many executives, Gary complained bitterly of the restraints imposed by the antitrust law on his company's ability to compete in world markets. Business had grown too big and complex, Gary maintained, to be shoehorned into laws drawn from Adam Smith's economic model of many small companies competing in local markets.

Two years later Congress gave Gary an unwelcome answer to his plea. It passed an even more restrictive antitrust measure, the Clayton Act, and set up the Federal Trade Commission to police business practices and methods of competition even more closely.

Today business faces much the same danger, trouble, and criticism that disturbed Gary, and is raising much the same complaints against antitrust. The International Telephone & Telegraph Corp. scandal and corporate participation in Watergate has stirred up deep public distrust of national institutions, including business. In response, as in Gary's day, the antitrust wind is rising, blown up currently by the oil crisis and fanned by consumerists, such as Ralph Nader, who argue that antitrust weapons have been used like peashooters against dinosaurs. Business almost certainly faces even tougher antitrust enforcement and possibly even a new antitrust law aimed at breaking up the corporate giants in the country's basic industries.

This prospect points up the underlying question businessmen ask about antitrust: Are laws framed more than three-quarters of a century ago appropriate legal weapons in a market system grown increasingly large, complex, and multinational? In raising this basic issue, businessmen can point to a far-reaching, intricate web of laws and rules that has made the government the regulator, watchdog, and even partner of business. Wage and price controls, health and safety regulations, and disclosure laws, are all a far cry from the economy of Sherman's or Gary's day.

Businessmen complain of the unsettling vagueness of the antitrust laws, which permits antitrusters to attack many long-standing business practices in their effort to root out restraints of trade and monopoly. The FTC, for example, is now suing Kellogg, General Foods, General Mills, and Quaker Oats, alleging that such procedures as having route men arrange their breakfast cereals on supermarket shelves are anticompetitive. The Justice Dept. has a similar suit against tire makers Goodyear and Firestone.

Executives of International Business Machines Corp., caught by both government and private antitrust suits attacking pricing and promotion policies, privately declare that they are baffled over what they can legally do. Bertram C. Dedman, vice-president, and general counsel for INA Corp., echoes a widely held view: "We never really know precisely what antitrust means. It's frequently strictly a matter of opinion."

Enormous economic stakes are involved in antitrust enforcement. Such current cases as those against IBM, Xerox Corp., and other giants involve billions of dollars' worth of capital investment and stockholder interests. Executives fear that such suits give broad power to courts not schooled in business, economics, or industrial technology. This power was dramatically illustrated last fall when U.S. Dstrict Judge A. Sherman Christensen announced a $352-million judgment against IBM and then confessed error, sending IBM's stock into wild gyrations.

Many businessmen wonder whether their companies are often targets of antitrust prosecution simply because they are big and successful. Philadelphia lawyer Edward D. Slevin sums up this attitude: "If the free market is pushed to its fullest extent, somebody wins. But the Justice Dept. seems to say: 'Now that you've won, you've cornered the market. We're going to break you up and start over.' "

All this, say many executives, makes it increasingly difficult for Ameridan business to compete internationally. Douglas Grymes, president of Koppers Co., argues that "big corporations are the only ones that can compete with big corporations in world markets." He says that the antitrust laws seem to equate bigness itself with monopoly and thus hinder American corporations from reaching the size necessary for world competition.

TOUGHER ENFORCEMENT LIKELY

Despite all these deeply felt concerns, the antitrust laws are likely to become even tougher and more restrictive. Starting with the Sherman Act, antitrust has been a product more of politics than of economics. Today's rising populist sentiment has led to demands for tighter antitrust enforcement. Only a decade ago historian Richard Hofstadter wrote, "The antitrust movement is one of the faded passions of American reform." Today it is the darling of reform. As James T. Halverson, director of the FTC's Bureau of Competition, sums up: "The political atmosphere is very favorable to antitrust right now."

The many signs of stepped-up antitrust activity in the last one or two years make an impressively lengthy list. They include:

New investigations

Last week three federal agencies—Justice, the FTC, and the SEC—as well as some congressmen, revealed that they are turning to a little-used section of the Clayton Act to investigate the complex of interlocking directorships among major oil companies.

New legislation

The industrial reorganization bill that Senator Philip A. Hart (D-Mich.) introduced in Congress last year would provide a new legal basis for breaking up leading companies in the nation's most basic industries: autos, iron and steel, nonferrous metals, chemicals and drugs, electrical machinery and equipment, electronic computing and communications equipment, and energy. It is given no immediate chance to pass, but its ideas could find their way into future legislation. Another bill introduced by Senator John V. Tunney (D-Calif.) already approved by the Senate and taking a back seat to impeachment considerations in the House, would increase the current maximum criminal antitrust fine from $50,000 to $500,000 for corporations and $100,000 for executives. It would also require the Justice Dept. to explain publicly its reasons for accepting a consent decree instead of preparing a case and actually going to trial.

Bigger enforcement budgets

The Administration is seeking large increases, by usually puny antitrust standards, in the fiscal 1975 budgets of both the Justice Dept. and the FTC for their antitrust departments. If Congress approves, Justice's Antitrust Div. will pick up 83 additional staff slots, more than half lawyers and economists. At the last big increase, fiscal 1970, the division got only 20. The FTC is due for an additional $3-million, or a 20% increase in its present antitrust budget.

Growing muscle at FTC

After a long hibernation, the FTC is stepping out as a feisty agency with a new esprit, a highly professional staff, and a taste for going after bigness. It filed the monopoly suits against Xerox Corp. and the four biggest cereal makers. It has a special unit with an extra $1-million appropriation to litigate its case to break up the eight leading oil companies. And it got important new powers from Congress last year, including the right to demand otherwise unavailable product-line sales and profit figures from companies without first clearing with the Office of Management & Budget.

Reorganizing justice

If the Justice Dept.'s monopoly case against IBM, filed more than five years ago, is successful, it would give new spirit to the Antitrust Div., which at least until recently has been demoralized by the successive shocks of ITT and Watergate. Even so, the division reorganized and beefed up its economics staff last fall to enable it to undertake investigations and prosecutions with a sharper eye to the economic impact of its actions.

More and tougher antitrust enforcement is foreshadowed by more subtle changes in mood and belief as well as by these specific developments. One such change is a growing recognition that the government itself creates monopoly power. Several weeks ago Columbia Law School called together many of the nation's leading industrial economists and antitrust lawyers for a conference on industrial concentration. The participants examined what business concentration means both for the economy and for antitrust policy. About the only thing generally agreed on was that governmental attempts to regulate an industry often result in preserving the monopoly power of those being regulated. In line with this belief, insiders say that the Antitrust Div. will step up its policy of intervening in other government proceedings to shape regulatory policy consistent with antitrust principles. Last January, for example, the division formally intervened in FCC proceedings in an attempt to deny renewal of the broadcasting license of Cowles Communications, Inc., in Des Moines, and those of Pulitzer Publishing Co. and Newhouse Broadcasting Corp. in St. Louis. All these companies also own newspapers.

Another change has been the dramatic multiplication of private antitrust suits—those brought by one company against another. These include the 40-odd private business suits against IBM, ITT's suit to split up General Telephone & Electronics Corp., and the large class actions against plumbing and wallboard manufacturers. In fiscal 1973 the government filed 45 antitrust suits. By comparison, businessmen and other private parties filed 1,152, making the business community itself a significant factor in antitrust enforcement (box).

All this is leading to an antitrust Congress. Victor H. Kramer, director of Washington's Institute for Public Interest Representation and a leading antitrust lawyer, expects that "more supporters of an effective antimonopoly program are going to be elected to the 94th Congress than to any previous Congress in many years."

THE ALTERNATIVES

But as antitrust action steps up, so do the conflicts over the direction antitrust policy should take. The populists contend that antitrust enforcement in the past has been spineless. Businessmen complain that current policy paralyzes corporations because they are uncertain what practices are lawful and that they are being punished for being successfully competitive. Who is right?

The conflicts lead many businessmen to push for an updating of the antitrust laws. Richard L. Kattel, president of Atlanta's Citizens & Southern National Bank, which has been sparring with the Justice Dept. over the bank's expansion plans, feels that the antitrust laws "need complete revamping."

Major revamping, though, will not come because there is no general agreement on what form it should take. Most of the Columbia conference participants believe that the economic evidence for a change in policy is scanty and inconclusive. Suggestions ranged from doing nothing to pushing the tough Hart bill through Congress.

In approaching antitrust policy, there are alternatives:

(1) Abolish the laws altogether. A very few economists, such as Yale Brozen of the University of Chicago, talk as though antitrust laws are largely unnecessary. But as Robert L. Werner, executive vice-president and general counsel of RCA Corp., told a Conference Board antitrust seminar earlier this month: "There should be little disagreement by industry over the basic validity of the doctrine of antitrust. Certainly no businessman would seriously suggest that we scuttle that doctrine and return to a pre-Shemanite jungle." The courts have ruled that such practices as fixing prices, dividing markets, boycotting, some mergers, and predatory pricing designed to destroy competitors unlawfully impose restraints on the market.

(2) Clarify the laws by specifying precisely what business practices are unlawful. If various practices can be identified and prohibited through case-by-case litigation, why not draft a detailed code of conduct?

But the very difficulty of identifying such practices when business conditions are constantly changing led to the broad wording of the Sherman Act originally. No one has ever produced an all-inclusive list of anticompetitive conduct. No one can possibly delineate all the circumstances that amount to price fixing and other illegal practices. If publication of future prices by members of a trade association is unlawful, as the Supreme Court held in 1921, is dissemination of past inventory figures and prices equally unlawful? (No, said the Court in 1925. For other such cases, see box.) Moreover, as Thomas M. Scanlon, chairman of the American Bar Assn.'s 8,500-member antitrust section points out: "There's uncertainty in any kind of litigation. Laws intended to bring more certainty often bring less."

(3) Replace antitrust laws with direct regulation. U.S. Steel's Gary favored and Koppers' Grymes favors a business-government partnership with this approval. Its advocates agree with John Kenneth Galbraith that antitrust is a "charade," that it has not and cannot produce a competitive economy in the face of the technological imperatives of large corporations. University of Chicago's George J. Stigler concludes that antitrust has not been "a major force" on the economy to date. "The government has won most of its 1,800 cases," he points out, "and there has been no important secular decline in concentration." On the other hand, many economists and lawyers would argue that Stigler has drawn the wrong conclusion. As Almarin Phillips, professor of economics and law at the Wharton School of Finance & Commerce, puts it: "The success of antitrust can only be measured by the hundreds of mergers and price-fixing situations that never happened."

Moreover, in the view of an increasing number of observers, regulation that is designed to mitigate the effects of "natural" monopolies, such as telephone service, often winds up fostering them instead. Civil Aeronautics Board regulations for example, have compelled higher airline rates than have prevailed on shorter, nonregulated interstate flights. Wesley James Liebler, recently named director of policy planning at the FTC, says: "What the airline industry needs is a little competition. In the long run we should get rid of the CAB and let in some free competition." Liebler also wants to abolish fixed commission rates for stockbrokers.

Much of the energy of regulatory commissions seems to be devoted to anticompetitive ends. The Federal Communications Commission promulgated rules several years ago designed to stifle the growth of pay-cable television. Sports events, for example, may not be broadcast on pay-cable TV if similar events have been shown on commercial television any time during the previous five years.

Walter Adams, a Michigan State University economist, notes that regulatory commissions can exclude competitors through licensing power, maintain price supports by regulating rates, create concentration through merger surveillance, and harass the weak by supervising practices that the strong do not like. To combat this kind of government behavior, the Antitrust Div. itself has, for the past several years, been intervening or attempting to intervene in such agencies as the ICC, CAB, and SEC to force decisions that spur competition in industry.

In support of their position, reformers make a further point: Large corporations have the political muscle to force the government to support their anticompetitive goals. Adams charges that the government has established an industrywide cartel for the oil companies through publishing monthly estimates of demand; through establishing quotas for each state pursuant to the Interstate Oil Compact, which Congress approved at behest of the oil companies; and through "prorationing devices" that dictate how much each well can produce. It is illegal to ship excess production in interstate commerce. Tariffs and import quotas protect only the producers, Adams says.

What this all amounts to is maintenance of shared monopoly power with the active cooperation of government. Only when the power of large companies is reduced, argue the populists, will the government be able to guide a competitive economy rather than serve as a prop for large interests. This was one of the original arguments for the Sherman Act in the 1880s.

(4) Move toward tougher enforcement. Populist critics of antitrust, such as Nader and Senator Hart, agree with Galbraith that antitrust has been all too ineffectual, but they move in the opposite policy direction. Since they believe that government regulation usually entrenches the power of big firms and concentrated industries, they favor a get-tough antitrust approach. They argue for two related tactics: extending existing law through the courts to curtail many practices of large firms in concentrated industries and getting Congressional legislation such as the Hart bill to attack the structure of these industries.

The Hart bill would permit the prosecution of companies because of their size alone. The history of antitrust has largely been to define and prosecute practices that courts would rule were restraints of trade, such as price fixing by agreement among competitors. But with increasing fervor "structuralists" argue that size itself can be harmful.

HISTORICAL DEFICIENCIES

Before the Civil War, Americans felt uncomfortable with corporate bigness. The image of the yeoman farmer and the small, fiercely competitive businessman largely reflected economic reality. But the growth of railroads, with their "pools" carving up markets, changed all that.

Populist politics, such as the formation of the Grange movement, picked up steam, but at the same time, in 1882, the first big trust, Standard Oil of Ohio, was born, followed by the Whiskey Trust, the Sugar Trust, the Lead Trust, and the Cotton Oil Trust.

But federal prosecutions were limited, aimed mostly at fledgling labor unions, and the Sherman Act failed to curb bigness. Corporate mergers speeded up. U.S. Steel, Standard Oil (New Jersey), American Tobacco, American Can, International Harvester, and United Shoe Machinery were all put together at this time. As a result, antitrusters increased pressure for even tougher laws and an independent agency, which could develop industrial expertise, to enforce them.

These efforts came to fruition in 1914, with the passage of the Clayton and Federal Trade Commission Acts. The Clayton Act specifically banned anticompetitive mergers, while the FTC Act set up an agency to police "unfair competition" in the marketplace but not to regulate prices and output.

Like the Sherman Act, the Clayton Act proved ineffectual for many years, largely because of the way courts interpreted the law. As recently as 1948 the Court permitted U.S. Steel to acquire one of its own customers.

Partly in response to this decision, Congress passed the Celler-Kefauver Act in 1950, amending the Clayton Act to prohibit mergers through acquisition of assets or stocks as well as those that would tend to foreclose competition in any market in the country. This effectively closed the door on many mergers. But the merger wave of the late 1960s comprised so-called conglomerate get-togethers of companies in different, often unrelated, industries. The case intended to settle this issue—ITT—never got to the Supreme Court because it was settled by a consent decree.

CONFLICTING VIEWS

To remedy this supposed defect, Senator Hart's new law would create a presumption of monopoly power whenever:

A company's average rate of return is greater than 15% of its net worth for each of five consecutive years.

There has been no substantial price competition for three consecutive years among two or more corporations within an industry.

Four or fewer companies account for half or more of an industry's sales in a single year.

OTHER TACTICS

Antitrusters are not holding their breath waiting for legislation. In a series of cases initiated during the past five years, they are using existing laws prohibiting monopolization and unfair methods of competition to check alleged anticompetitive conditions in concentrated industries.

The FTC's suit against Xerox and the Justice Department's against IBM represent marked change from the past.

Perhaps the most innovative case is the FTC's suit against the four leading breakfast food makers, charging them with a variety of unfair methods of competition.

The FTC's current prosecution against the eight major oil companies also attempts to break new ground. The key allegation is that the majors have been "pursuing a common course" in using control of crude oil and shipping facilities to stall the development of independent refineries. This includes eliminating retail competition by keeping prices low at the refinery and marketing end and high at the production end of the business. The FTC also charges the companies with such practices as using barter and exchange agreements to keep crude oil in their own hands and reluctance to sell to independent marketers. Unlike the cereal suits, the FTC charges that some of the oil practices are collusive.

CAN WE COMPETE?

Frederic M. Scherer, the FTC's incoming economics bureau chief, believes that economic studies show that many industries are more concentrated than efficiency requires. Nader argues that the best evidence is "clinical, not statistical."

In the 1950 Congressional hearings on monopoly power, Benjamin Fairless, president of U.S. Steel, admitted that his company had less efficient production processes than its competitors, including much smaller foreign companies. Studies have demonstrated that American steel producers lagged woefully in innovation. Between 1940 and 1955, 13 major inventions came from abroad, yet American steel boasted the largest companies in the world.

The basic oxygen process, which Avery C. Adams, chairman and president of Jones & Laughlin Steel Corp., described in 1959 as "the only major technological breakthrough at the ingot level in the steel industry since before the turn of the century," was perfected by a tiny Austrian steel company in 1950. It was introduced into the U.S. in 1954 by McLouth Steel Corp., which then had less than 1% of American ingot capacity. Jones & Laughlin waited until 1957, and U.S. Steel and Bethlehem Steel Corp. waited until 1964 to adopt the process, resulting in lost profits to the steel industry, according to one study, of some $216-million after taxes by 1960 alone.

As for ability to compete abroad, there is practically no evidence that the Justice Dept. has impaired the competitive posture of U.S. companies in world markets.

David H. Baker, director of the Commerce Dept.'s Office of Export Development, made an intense search for examples of antitrust harm. A large food company wanted to enter a joint venture with another big U.S. outfit to bid on a plant an Eastern European government planned to build. The Justice Dept. indicated it might refuse to approve the deal, and the food company pulled out. A small U.S. company then bid for the contract on its own and won.

A NEW APPROACH

Some experts believe that the government cannot deal with business complaints adequately unless it develops a comprehensive approach to competition generally. Victor Kramer suggests the creation of an "office of antimonopoly affairs" within the Executive Office of the President. The function of this office, Kramer says, would be to implement a new executive order he would like to see promulgated, directing all federal agencies to act to promote a "free competitive enterprise system." It would require the federal departments and bureaus to prepare antitrust impact statements whenever they suggest action that would "significantly affect competition in the private sector."

Kramer concludes that his policy would have compelled the State Dept. to evaluate publicly the competitive impact of the voluntary steel import agreements with Japan and European nations. The Pentagon would have been called on to explain how the public benefits from the awarding of nonbid contracts. The Internal Revenue Service and the White House, he believes, would have to consider the competitive effects of proposed changes in tax laws.

This broadened approach to competition could come closer to resolving the conflicts between the tendency of companies to exert control over their markets and the public requirement that monopoly be held in check. Short of this, the evidence suggests that antitrust is the best we have.

HOW JUSTICE AND THE FTC COMPETE

The antitrust laws exist to preserve the values of competition, so it may be entirely logical that two agencies compete to administer them. On paper, the Antitrust Div. of the Justice Dept. and the Federal Trade Commission are different kinds of agencies. Justice is the law enforcement branch of the Executive Branch, the FTC is an independent regulatory commission. But in their antitrust responsibilities they are quite similar.

The Antitrust Div., headed by Thomas E. Kauper, is responsible for enforcing the Sherman and Clayton Acts. It has the exclusive power to bring criminal prosecutions. It also tries to enjoin anticompetitive mergers and a variety of collusive practices. The FTC's power springs from the Federal Trade Commission Act of 1914. Over the years, the courts have interpreted Section 5 of that Act to include all offenses proscribed by the other antitrust laws, giving the FTC equal civil jurisdiction with Justice. In fact, it has a broader civil authority, since it is required to proceed against "unfair methods of competition" and, as added by the Wheeler-Lea Act of 1938, against "unfair or deceptive acts or practices in commerce." These phrases permit the FTC to go after business conduct that is not necessarily collusive. The FTC, for example, has premised the cases against four big cereal makers on a variety of practices that it charges are unfair methods of competition, allegations that are not open to the Justice Dept. to make.

Resources

The Antitrust Div. has an annual budget of some $14-million, the FTC $15-million for antitrust purposes. Both together represent tiny sums contrasted with the resources private business is able to draw on. International Business Machines Corp., for example, reimbursed Control Data Corp. $15 million in legal fees and expenses in settling the private suit CDC filed against IBM.

Occasionally the agencies take potshots at each other. The FTC last year finally got the power, formerly reserved to the Justice Dept., to go into court on its own to enforce its own decrees. The FTC complained that Justice sat on requests for action. Justice countered that the requests were poorly framed.

But the agencies usually work reasonably well together. Now, when good politics dictates making headlines as tough antitrusters, the brass at each shop says the rivalry between the two to bring and win significant cases serves as a spur to both. The rivalry, says Justice's Kauper, is a "friendly" one. "Each has kept the other at it," he says. The FTC's Halverson concurs, citing "good practical results" from the existence of two agencies.

Neither agency launches an investigation without first clearing it with the other. The first agency to propose a particular investigation gets it, provided there is no conflict with the other's on-going work. Disagreements are settled at weekly liaison meetings. When a conflict cannot be settled at meetings, the assistant attorney general and the chairman of the FTC, Lewis A. Engman, deal with it.

The home for a particular kind of case is partly a matter of historical accident and partly the predilection of staff lawyers. Price discrimination cases under the Robinson-Patman Act are traditionally prosecuted by the FTC, which also generally probes problems in food and textile industries. Justice almost always gets steel cases. While Justice must proceed on a case-by-case basis, the FTC has the power also to issue rules with the force of law, in effect to promulgate codes of commercial conduct. Until recently, Justice alone had specific authority to try to block an unconsummated merger. But the FTC just gained similar powers in the law authorizing the Alaska pipeline.

TRIBUTE TO VIETNAM VETERANS

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. ARCHER. Mr. Speaker, on the occasion of this Vietnam Veterans Week, it is fitting that we pay tribute to the men and women of this Nation who so ably served the cause of freedom.

But we must not let our tribute end with just words of praise and thanks for a job well done. Our debt goes much deeper than that. These are the men and women who gave up civilian jobs and who postponed their entry into their working lives to serve the immediate needs of their Nation.

Now these same people have all but been forgotten by a nation that did not welcome them home as conquering heroes, as was the case with other international conflicts in this country's 200-year history. The people of the United States instead seek to put the memory of the Vietnam years behind them, with insufficient regard for the sacrifices made by the hundreds of thousands of veterans.

In this week of tribute, let us pledge ourselves to the task of seeing that these unsung heroes suffer no more from the sacrifices they made for their country. We must diligently work to provide more employment and educational opportunities for the Vietnam veterans, and help them reassert their rights as citizens of the United States.

Let us never forget that these are the people who laid their lives on the line for their country.

We must also never forget those who made the ultimate sacrifice for freedom, those who died on foreign soil far from home and their loved ones.

And as we pay tribute to these veterans, let us also pay tribute to their comrades who are still listed as missing in action in Southeast Asia.

Perhaps the greatest tribute of all will be paid when our Nation recommits itself totally to the all-important task of securing from the Government of North Vietnam a complete accounting of those still missing.

We have a great deal to be thankful for this week, but let us not lose sight of the continuing challenges we have before us. Our tribute cannot be complete until all of our veterans are accounted for, and those living are brought back into the mainstream of American society.

HON. WILLIAM S. MAILLIARD

HON. LINDY BOGGS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mrs. BOGGS. Mr. Speaker, it was with deepest regret that I received the news of Bill Mailliard's resignation from Congress after 21 years of superlative service to both country and constituent. Valued friends of Hale's and mine such as Bill have made my freshman year in Congress a more enjoyable experience, and I am deeply appreciative of his wise counsel and good will.

Also, I am gratified that he has been called to serve as the permanent representative of the United States to the Organization of American States, a post most important to hemispheric understanding and solidarity, and one of specil interest to New Orleans, the "Gateway to the Americas." Having served as ranking Republican on the House Foreign Affairs Committee, I am certain the acumen Bill developed from his experience on that committee will serve him in good stead as he assumes his new duties.

It is not often that our country is given the benefit of service from a man of such integrity and dedication, and I know Bill's presence will be greatly missed in the Halls of Congress. Our Nation, however, is most fortunate that it will be able to retain the benefit of his expertise in the OAS diplomatic post. I wish Bill only the best for continued success in his new responsibilities.

MOONSHINING IN KENTUCKY

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. CARTER. Mr. Speaker, since I became a Member of this intrepid body of lawmakers in 1965, both serious and facetious questions have been asked of me concerning the illicit manufacture of whisky—moonshining—in the Commonwealth of Kentucky.

I shall attempt to answer all of those who have posed searching questions on this interesting subject. The basic reason underlying the art of moonshining was quite simple. Because grain was raised so far from market, distillation provided a means of compacting it into smaller containers for greater ease of transportation over the rugged terrain to the market. Many of the people engaged in the manufacture of the spirits of the fruit of the vine were men held in high esteem by their fellow Kentuckians. For instance, the first manufacturer was the Reverend Elijah Craig, a Baptist preacher.

I include for the RECORD an article by Joe Creason, a folklore historian of wide renown:

ARTICLE BY JOE CREASON

Even before Kentucky became the 15th state in 1792, it had strong ties with the making of whisky. Bourbon—sour-mash whisky made with limestone water—was invented in Kentucky and, in fact, took its name from the county where it first was made by Elijah Craig, a man of many parts who, when not making whisky, was a Baptist preacher of considerable renown.

Many of the pioneers who came to Kentucky in the days prior to statehood were fleeing from the so-called "Whisky Rebellion" in the East, the uprising that followed the first imposition of a government tax on distilled spirits. Here they continued doing what they did best—making whisky. Some set up small distilleries to meet the increasing demand for sour-mash whisky in the ready markets of New Orleans; others merely put together small stills behind the barn to meet their own family needs for medicinal and drinking whisky.

Thus the state traditionally has been associated with whisky making, legal or otherwise.

Today Kentucky's 56 active distilleries produce 80 percent of all Bourbon. On the other hand, numberless moonshiners, their crude but effective stills hidden in remote hollows, produce white lightning which, while illegal, still finds a market, especially among those who developed a taste for this kind of liquor during the arid days of Prohibition.

The fact is, some Kentuckians regard whisky making as something akin to an inalienable right and they continue to make it, legal or not.

Vigorous law enforcement has cut deeply into the ranks of the moonshiners. But stories of their deeds in other days add a distinctive flavor—and a 100 proof wallop, one might add—to the rich regional history of Kentucky.

There was a time when it was a dead-serious game the moonshiners played with the revenuers. Shootings in the old days were common. Now gunplay is infrequent. The agents treat the moonshiner with firm respect and he repays in kind.

As you might suspect, the typical moonshiner isn't much on books and such. A story is told about an old gent named Joshua who was brought before Federal Judge H. Church Ford, a great Bible student.

"So your name is Joshua," Judge Ford mused. "Are you the Joshua who made the sun stand still?"

"No, sir, Judge," came the answer. "I'm the Joshua who made the moonshine still!"

But despite his shortcomings in formal education, the moonshiner usually has the native intelligence and cunning of a fox. This he shows in the cat and mouse game he plays with revenuers.

Some moonshiners are craftsmen of a sort who take a left-handed kind of pride in their produce. Like the man who was seized at a Monroe County still. While they were wrecking his still, the agents filled a jar with whisky, explaining it would be sent to a lab for analysis.

"Fellers," said the moonshiner seriously, "have that man at the laboratory test it keerful and if he finds anything wrong to let me know 'cause I've always made the best 'shine in this country and I don't want to lose my reputation!"

BYELORUSSIAN INDEPENDENCE ANNIVERSARY

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. ARCHER. Mr. Speaker, an important anniversary occurred this month for all citizens who believe in the right of national independence for all people—the Byelorussian people celebrated the 56th anniversary of the proclamation of the Byelorussian Democratic Republic on March 25.

The Byelorussian people can trace their existence as an independent state back to the 9th century when independent principalities were founded by various Slav tribes in the territory of Byelorussia and by the 11th century the first Byelorussian state was formed. This resulted in the creation of a new entity, the Grand Duchy of Litva—Lithuania—in the 13th century, a direct result of the unification of the Byelorussian lands. The history of these people reveals a strong determination to remain free. However, Russia annexed the lands of Byelorussia in 1795 and this foreign rule was not overthrown until 123 years later. The All Byelorussian Congress on March 25, 1918, proclaimed the Byelorussian Republic and a constitution, guaranteeing basic democratic liberties of the freedoms of speech, press, assembly, and elections, was adopted.

Unfortunately this breath of freedom and independence would last only a short time. With the triumph of communism in Russia, the Russian Communist leadership moved in to end the freedom and independence of these brave people and established a puppet state, the Byelorussian Soviet Socialist Republic. In the years since this control was consolidated, the Communists have sought to use the natural resources of Byelorussia for the benefit of Russian communism and to destroy the national consciousness and heritage of the Byelorussian people. Yet, the spirit of these brave people still resists the tyranny of communism.

As we read of recent Soviet actions in curbing dissent and exiling its leading citizens, we should recall the plight of the thousands and thousands of Byelorussian people who have lived for over half a century under Soviet rule. Let us hope that March 25, 1918, will not be a mere memory of a lost cause but that it will one day be a significant date freely celebrated by a free Byelorussian people living in their own national state.

HOUSE JOINT RESOLUTION 44 BY ROLFE KOLSTAD SMITH

HON. DICK SHOUP

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. SHOUP. Mr. Speaker, those who advocate the confiscation of handguns do so in the face of determined opposition by the citizens of Montana. The people whom I represent almost uniformly feel that any danger associated with guns is to be found solely in the minds of those who hold them.

As an expression of the sentiment of Montanans, I submit for the RECORD a resolution passed by an overwhelming vote of the State legislature on February 13, 1974.

The resolution follows:

HOUSE JOINT RESOLUTION 44, INTRODUCED BY ROLFE KOLSTAD SMITH, ET AL.

A joint resolution of the Senate and House of Representatives of the State of Montana declaring the Montana State Legislature's unalterable opposition to registration and confiscation of firearms.

Whereas, as the right of an individual to keep and bear arms is fundamental to the preservation of freedom and is guaranteed by the Constitution of the United States, and

Whereas, firearms are, always have been, and always will be very much a part of the way of life in the great state of Montana, and

Whereas, the private ownership of firearms, including handguns, is the last line of defense against the criminal element, and

Whereas, the report of the National Advisory Commission on Criminal Justice Standards and Goals, issued in August, 1973, advocates, among other things, the confiscation of all privately owned handguns, and

Whereas, the people of Montana having seen that federal firearm registration is leading us closer to federal confiscation of firearms.

Now, therefore, be it resolved by the Senate and the House of Representatives of the State of Montana:

That the legislature of the state of Montana go on record as being unalterably opposed to registration and confiscation of firearms in general and specifically to the recommendations of the National Advisory Commission on Criminal Justice Standards and Goals, and

Be it further resolved, that a copy of this joint resolution be sent to the President of the United States, to the Vice-President of the United States, to Montana's Senators and Representatives in Congress, and to all state legislatures.

RUSSIA ASKS U.S. HELP ON NEW PLANE FACTORY

HON. RICHARD H. ICHORD

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. ICHORD. Mr. Speaker, the Soviet Union has offered the American aerospace industry a tempting carrot: according to the February 1974 issue of the Armed Forces Journal International, the U.S.S.R. will purchase 30 wide-bodied U.S. jet transports at an estimated cost of $500 million if—

First. Such U.S. aircraft manufacturers as Boeing, Lockheed, and McDonnell Douglas will help the Soviet Union build a seven-plant aerospace complex that would be three times the size of Boeing's U.S. commercial jet facility and would employ 80,000 workers;

Second. The U.S. manufacturers will provide derivative types of the DC-10, 747, and L-1011 with the most advanced technology and the know-how that will enable the Soviets to produce 100 planes per year modeled after these derivatives;

Third. The United States will then grant the Soviets a bilateral airworthiness agreement so Soviet planes could operate and be sold in the United States as if they were certified by the Federal Aviation Administration; and, if,

Fourth. The United States is willing to run the risk of creating a major competitor to its own aerospace industry in world markets.

Point four is especially delicate because aerospace output from the United States is the most significant contributor to a favorable balance of trade for the United States thanks to its dominance in world trade in aircraft, particularly commercial craft.

This report is, on the one hand, extremely impressive and, on the other hand, frightening but without making further comment on it at this time, I simply insert the entire article in the RECORD because the basic proposal is one with which all of us should be familiar while it is still in the discussion stage:

[From the Armed Forces Journal International, February 1974]

RUSSIA ASKS U.S. HELP ON NEW PLANE FACTORY THREE TIMES THE SIZE OF BOEING'S COMMERCIAL JET FACILITY; U.S. COMPANIES DIFFER ON WHAT TECHNOLOGY TO EXPORT

(By Benjamin F. Schemmer)

Soviet Union Wants U.S. help to build a commercial jet aircraft complex in Russia that would employ over 80,000 people, three times the commercial airplane labor force at Boeing or McDonnell Douglas. Export of American know-how to build the multiplant Russian complex is one of several conditions laid down by Soviet negotiators as a prerequisite for buying up to 30 wide-bodied U.S. jet transports, a sale U.S. firms are generally anxious to make. Russia has been discussing the potential $500 million deal with McDonnell Douglas, Boeing, and Lockheed since October, 1973.

Russian negotiators have pegged annual output of the proposed new Soviet plant at over 100 planes. This would equal almost half of all commercial transports built by the U.S. in 1972 and more than a third of all large U.S. jet transports delivered last year.

U.S. manufacturers are taking widely different stands on how far to go in exporting U.S. know-how to make the deal. McDonnell Douglas, for instance, delivered 57 DC–10s in 1973, but deliveries have slowed down as a result of airline belt-tightening and the energy crisis; Boeing delivered 30 747s and Lockheed delivered 39 L–1011s. Thus, a sale of 30 planes to Russia or any other customer is an important new sales prospect for each of the companies.

Soviet negotiators have also approached Lockheed, Boeing and McDonnell Douglas about undertaking joint design efforts on "derivative" models of the DC–10, L–1011 or 747, and in some cases, on completely new aircraft using advanced technologies. Concurrently, Russia is pressing for a bilateral airworthiness agreement with the U.S. government that would permit Soviet planes to operate and be sold in the United States as if they had already been certificated to the Federal Aviation Administration's stringent airworthiness standards. Some government officials believe such an agreement would be highly publicized by the Russians to enhance sales prospects of Soviet aircraft in nations where Russia has been unable to penetrate commercial aviation markets heretofore dominated by American manufacturers. Developing countries in the past have often rejected offers of Russian aircraft even when offered at extremely liberal terms, because they lacked U.S. certification.

One concern of U.S. firms and some government officials is the impact such an airworthiness agreement, coupled with a modern Soviet commercial aircraft manufacturing complex built to U.S. standards, might have on future foreign sales of U.S. planes, a market where U.S. technology has been dominant.

Aerospace products account for 8% of all U.S. exports and are the biggest single contributor to the nation's positive trade balance. In 1973, Commerce Department figures show, over 27% of U.S. aerospace production was exported, accounting for $5.3 billion in foreign sales, the highest in history. Over 160 civil jet transports valued at more than $2 billion were exported in 1973; these represent 60% of all large transports delivered and over 55% of their dollar value. Worldwide, 72% of all carrier jets are now U.S. manufactured.

The Soviets have also asked for licensing rights and U.S. production know-how to build in Russia a substantial part of however many wide-bodied jets it might buy. U.S.S.R. negotiators have been vague about the prospect of any outright sale, indicating that a substantial part of the payment would be by credit or offset sales.

Until now, there has been no hint in the public press of the extensive preconditions with which Soviet negotiators have qualified their prospective wide-bodied jet sales buy. The deal, however, is picking up momentum. A Soviet team visited all three firms last October; Boeing and Lockheed teams visited Russia recently to further the negotiations and a McDonnell Douglas team will visist Russia this month. Lockheed announced on 30 January that it had just signed a commercial protocol agreement with the Soviet Union, which according to chairman Daniel J. Haughton, anticipates coperation in the areas of civilian aircraft and helicopter construction and related systems, as well as other commercial products. The Lockheed protocol was signed for Russia by the deputy chairman of the State Committee of the Council of Ministers of the U.S.S.R. on Science and Technology.

All three U.S. firms are reluctant to discuss specifics of their proposals, although senior company officials and spokesmen have given *Armed Forces Journal* enough details to outline the conditions spelled out above. Soviet negotiators have suggested some conditions to one company not spelled out to the others; thus each U.S. firm has a slightly different interpretation of what *quid pro quo's* the deal really involves.

The prospect of a major sale to Russia is real enough, however, and Russia's intent to buy U.S. aerospace know-how (as well as planes) has been made clear enough, that U.S. government officials called the three companies together on December 13 and asked them to spell out in writing what technologies each felt could and could not be safely exported to the Soviet Union.

The answers vary widely. The companies' replies were sent on January 10 and 11 to Steven Lazarus, Commerce's Deputy Assistant Secretary for East-West Trade and to Jack F. Bennett, Treasury's Deputy Under Secretary for Monetary Affairs. Company officials decline to provide any specifics of their proposals, calling the letters "proprietary" or "confidential" (although none were so marked) and private information. Without revealing any one firm's proposal (and thus, perhaps, its proposed negotiating stance with the Soviet Union), AFJ can report that the three firms collectively have recommended exporting currently certificated U.S. transports as well as the technology needed to operate, support and maintain the aircraft.

Where Boeing, Lockheed, and McDonnell Douglas differ is on the kind of technology and manufacturing know-how which should not be exported to Russia:

One firm says that licensing of current wide-bodied jets for coproduction in Russia should be limited to 50% of the weight of the aircraft, with a further limitation that the license apply only to planes ordered by the U.S.S.R. or U.S.S.R. bloc countries. It has proposed, informally, a minimum sale of 30 wide-bodied jets before any such licensing agreement is undertaken for joint production.

Another firm is flatly opposed to providing Russia any "technical assistance in the design and construction of a new aviation complex." At the opposite extreme, however, a third U.S. manufacturer says that the U.S. could safely undertake a "prime systems management role in the design and construction of a complete manufacturing facility for commercial type subsonic aircraft in the Soviet Union."

None of the firms endorse exporting the technology implicit in the "joint design of a new aircraft with the use of advanced technology." One company says that although it has discussed "derivative models of [its wide-bodied jet] with the Soviets, we have not contemplated licensing a brand new transport." The firm said it would agree "to exclude such a technology transfer."

Noting that a "modern transport aircraft is one of the most complex products in our economy," another company chairman says that "If the U.S.S.R. were to acquire . . . in the form of broad technical assistance for licensed production of our latest commercial jet transports and the technology transfer inherent in providing (Russia) with a turnkey aviation complex . . . our primary remaining element of dominance in the field of aviation would vanish." In the competitive atmosphere stimulated by U.S. government policies, he cautioned, "it is likely that a rationale for giving away (this) valuable and deep-rooted technology can be developed, justified, and approved."

All of the companies, understandably, have cautioned against exporting technology or manufacturing know-how unique to the military sector (although two of them differ somewhat on how specifically to define that know-how).

The prospective Soviet buy of L–1011s, DC–10s and 747s is especially appealing to U.S. firms because Russia represents a huge but unpenetrated market for commercial jet transports and because the free-world market, as one company official told AFJ, "is pretty well sold out" at the moment. Aeroflot, the Soviet state-owned airline, is the world's largest and operates over 1,720 planes. (The largest U.S. carrier, by comparison, is United Airlines with 364 planes: 36 of these are wide-bodied jets, 18 747s and 18 DC–10s.) By one estimate, Aeroflot may have in service as many airplanes as *all* U.S. scheduled carriers put together, 2,246 as of the last count compiled by the Air Transport Association. One informed Commerce Department official says the U.S.-Soviet sale could entail as many as 100 planes, although he takes "30 as a serious number."

Government officials are somewhat divided on how far to go in exporting American technology in order to sell the Soviets a wide-bodied jet order that U.S. firms need. Senior officials in Commerce, the State Department and the Pentagon all tell AFJ they have "grave doubts" that a bilateral airworthiness agreement would be accepted by the U.S. Japan currently has the broadest form of such an agreement, which in lay terms means that the U.S. accepts Japan's word that any plane it certificates also meets equivalent FAA standards. The "narrowest" airworthiness bilateral is with Poland and it covers only gliders. One senior government official told AFJ, "Rather than sign the agreement Russia wants, we should pay American companies to keep the business here."

Almost all of the government officials AFJ talked to in recent weeks agree that there is "no way" the U.S. would agree to build in Russia a "turnkey" modern aviation complex. One U.S. firm acknowledges that the Soviet Union is talking of a 7 plant complex that would not only design and build modern wide-bodied jets, but their engines and avionics as well, in addition to providing for their maintenance and overhaul. No such integrated facility exists in this country, in part because of antitrust laws. One official summed up the chance of such a deal being approved as "less than zero, if you can find such a number."

Government officials share 3 major concerns as the Soviet-U.S. negotiations progress. One is "how to keep U.S. firms from being 'whip-sawed'," lest Russian negotiators play one against the other. (The problem wouldn't exist were the Soviets negotiating with France or England, since those countries negotiate major export sales on a government-to-government basis; the U.S. generally exercises a "hands-off" policy on such negotiations and exercises only a veto power over proposed exports.)

A second concern is defining in specific terms what aerospace technologies could safely be exported to the Soviet Union, without risking "leakage" of technology with military applications.

A final concern is the extent to which Soviet licensing of U.S. know-how could eventually cut into U.S. commercial airplane sales in free-world markets. This field has played a dominant role in America's balance of payments and aerospace employment (161,000 fulltime jobs in 1973 were directly attributed to U.S. aerospace exports, according to the Department of Commerce.) It is also an area in which U.S. production management, marketing expertise and after-sales service clearly lead the Soviet Union, know-how which Russia obviously would like to import. Government agencies responding to an interagency questionnaire on the proposed Soviet airworthiness bilaterals, for instance, voice concern that Russia is really more interested in buying this know-how than in any outright purchase of American aerospace products on a continuing basis. Moreover, it is feared, the Soviet Union might offer its aircraft products to normal U.S.

markets at prices and financing terms with which the U.S. could not compete. This has happened in the past, especially in the case of the Soviet Yak–40, a 27 passenger jet powered DC–3 replacement which Russia hopes to sell in the Americas and is offering at $1.3 million. The Yak–40's closest competitors are Europe's VFW–614, which sells for close to $3 million, and the 65 passenger Fokker F–28, which sells for $3.5 million. Because of its non-market economy, Russia can price its planes without regard to true costs. Soviet ads in western aviation trade journals frankly proclaim: "The Yak–40 has opened the horizon of the export age to the entire range of commercial aerospace products manufactured in the Soviet Union." Some observers feel the plane is being sold at a deliberate loss as a relatively cheap way for Russia to penetrate the huge western commercial aviation market. Knut Hagrup, President of Scandinavian Airlines System, wrote in an AFJ article in November 1972: "The plane is formidable. It can compete with any other airplane. And the price is half!" Rockwell International has been negotiating with the Soviet Union to modify the Yak–40 in the U.S. to meet FAA standards and the U.S. market for the plane is estimated at between 50 and 150 planes.

A senior officer of one of the three U.S. manufacturers, whose firm is particularly anxious to close the Soviet sale, discounts the risk of Soviet competition. He told AFJ that it is "ridiculous to think the Russians could compete effectively in 1978 or 1980 [when their first U.S. designed wide-bodied jet could be built] with a plane based on 1967 technology." By that time, he notes, U.S. industry will be offering second generation models of today's L–1011s, DC–10s, and 747s.

AGNEW STILL BURDEN TO TAXPAYERS

HON. J. EDWARD ROUSH

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. ROUSH. Mr. Speaker, I simply cannot understand why the taxpayers of this country have to continue footing the bill for the personal staff and offices of Spiro Agnew.

It looks to me like no one has enough guts to the tell the President to stop this nonsense.

The Comptroller General told me he could not find any law making the expenditure illegal, but at the same time said he could not find any law making the expenditure legal. So he is going to do nothing about it.

In my opinion, Mr. Speaker, any expenditure of Government funds is illegal unless authorized by this Congress.

Regardless of the legal issues, the question here is whether the taxpayers should have to continue paying the salaries and expenses of at least eight people assigned as personal aides to a man whose actions have brought disgrace to himself and left a smear on our Government.

From the accounts I get, Mr. Agnew is spending an awful lot of time on his personal affairs, and it looks to me like the taxpayer might be paying part of those costs. The very least the administration can do is tell us how much we will have to pay and how much longer it will take to get his office closed.

The President has taken the position it will be helpful to him, the President, and to the new Vice President, to have Mr. Agnew sort his personal and public papers as an aid in a smooth transition of the Vice Presidential duties.

There may be some merit to this, but I take the position that the job could better be done by the new Vice President—a man whose honesty and judgment is widely respected—than by someone whose honesty is in question and whose judgment might be tempered by personal problems.

I believe it is time to end the Agnew era, and time to stop throwing good money after bad.

RESPECTED COLUMNIST AND PUBLISHER SUPPORTS HOUSE COMMITTEE ON INTERNAL SECURITY

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. ASHBROOK. Mr. Speaker, Alice Widener, the publisher of USA magazine founded in 1954 and described by Editor & Publisher as the "littlest magazine with the biggest influence," is a highly respected writer dedicated to fearless, independent journalism. To illustrate, subscribers to USA have incluuded the Harvard Library, United Nations Library, U.S. Naval War College, the U.S. Army Library, United States Steel, American Telephone and Telegraph, General Electric, American and Foreign Power, E. I. du Pont de Nemours, Schering Corp., among others.

In addition, the Widener syndicated column has appeared in the San Diego Union Tribune, Indianapolis Star, Columbus Dispatch, Denver Post, Tampa Tribune, Memphis Commercial Appeal to name but a few newspapers carrying the column whose readership alone totals well over a million circulation.

In her March 15 release, noted below, she has observed:

> All members of radical groups and their friends detest the Congressional committees (i.e., House Internal Security Committee and the Senate Internal Security Subcommittee of Judiciary) and the FBI counter-intelligence operations and have waged a ceaseless campaign of 'abolition' against all three. . . . Right now the target is the House Committee on Internal Security, Rep. Richard H. Ichord, Chairman.

Mrs. Widener concluded:

> The identification, description and documentation of violently revolutionary political groups is a difficult task requiring a tremendous amount of background research and painstaking fact gathering. The House Committee on Internal Security has such expertise.

The March 15 item by Alice Widener follows:

LET'S PROTECT OUR INTERNAL SECURITY

(By Alice Widener)

NEW YORK CITY, March 15, 1974.—By now it should be perfectly clear to all Americans reading sensational headlines about revolutionary kidnapings, anarchistic bombings and murderous airplane hijackings that our nation, like all free countries, must protect its internal security from lawless extremists. For this purpose, under legal Constitutional procedure, we have benefited greatly over the years by the alertness of the House Committee on Internal Security (formerly House Committee on Un-American Activities), the Senate Internal Security Subcommittee, and the Federal Bureau of Investigation. Both Congressional committees have furnished the public with documented, factual information about subversive organizations; the FBI has rendered the nation inestimable good service through its brilliant counter-intelligence operations.

Naturally, all members of radical groups and their friends detest the Congressional committees and FBI counter-intelligence operations and have waged a ceaseless campaign of "abolition" against all three. At times the radical propagandists single out one or another as a prime current target for abolition. Right now the target is the House Committee on Internal Security, Representative Richard H. Ichord, Chairman. The current campaign is using an innocent-seeming "front" in Congress, an ad-hoc Select Committee on Committees, to "restructure the entire House committee system" and thereby transfer over to the House Committee on Government Operations activities conducted by the House Committee on Internal Security. Such a transfer would, in effect, abolish the Internal Security Committee by taking away its mandate and annual appropriations.

Such a move would be a very bad mistake. I believe it is imperative that thoughtful citizens write or wire immediately to their congressmen in support of maintaining the House Committee on Internal Security as it it, and in support of giving it money enough to conduct its operations effectively.

Too few Americans are familiar with the Committee's day-in, day-out work and with its farsighted warnings to the people about activities detrimental to their security. How many readers know that in August 1973, long before the Patricia Hearst kidnaping, for example, the House Committee on Internal Security issued a publication "Political Kidnapings" which noted that the United States had so far been fortunate in escaping such crimes but should not take the position "it can't happen here." The Committee's publication was full of vitally important information; now we know "it can happen here."

Permit me to cite specifically what I mean about the barrage of leftist propaganda against our whole internal security set-up that continually seeks to break it up. In September 1968, I reported exclusively that at the Fourth Annual Socialist Scholars Conference, Rutgers University, Ernest Mandel, Belgian Trotskyite, was guest of honor. Subsequently, he was barred from coming back to our country and Leftists, supported editorially by the New York Times, screamed to high heaven that Mandel was "only a Marxist scholar." In 1972, Dr. Obduran Sallustro, director of Fiat Motor Co. in Argentina, was kidnapped for ransom by a violent "People's Revolutionary Liberation Army" and murdered. Later, a top Brussels newspaper openly declared that the Trotskyite Fourth International, of which Ernest Mandel is General Secretary, was "responsible for a series of terrorist operations of exceptional brutality, including the kidnaping and murder of Sallustro." Ernest Mandel is publisher of La Gauche, a magazine describing itself as "the combat organ" of the Trotskyite Fourth International. As visitor to our country, he proclaimed "Students are the detonators in the formula for triggering off a social explosion creating a revolutionary situation."

The identification, description and documentation of violently revolutionary political groups is a difficult task requiring a tremendous amount of background research and painstaking fact-gathering. The House Committee on Internal Security has such expertise. In these anarchic times, it must be maintained.

NERVE GAS INTEREST CONTINUES

HON. WAYNE OWENS

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. OWENS. Mr. Speaker, as evidenced by a recent article in the New York Times, interest in our U.S. chemical warfare policies continues. I would like to submit the following article for the Record:

Expert Opposes New Nerve Gases—Briton Says Disadvantages of Weapon Sought by United States Outweigh the Advantages

(By John W. Finney)

Washington, March 23.—A British expert on chemical warfare contends that the disadvantages of a new family of nerve gases that the United States Army wants to produce far outweigh any potential advantages.

In a scientific paper being circulated, Dr. Julian Perry Robinson, a research fellow at the University of Sussex in England, says that these binary nerve gases are not needed as a deterrent to chemical warfare, would be substantially inferior militarily to the present nerve gases and would greatly complicate efforts for an international ban on the production of chemical weapons.

The objections by Dr. Robinson, who is regarded as an international authority on chemical warfare, are being raised at a time when the National Security Council is engaged in a broad review of the Nixon Administration's position on chemical warfare.

One objective of the review, according to officials, is to determine whether the Army should proceed with the production of the gases, and, if so, what effect this would have on international efforts to limit the production of chemical weapons.

The binary nerve gases consist of two chemical agents, which, when kept separate, are relatively harmless but when combined, such as in an artillery shell after it has been fired, produce a lethal nerve gas. Largely because the binaries would be far safer to handle, transport and store than the present nerve gases, the Army contends that they would represent a significant improvement in modernizing its chemical warfare capability.

The Arms Control and Disarmament Agency believes that the binary gases, because of the ease of their production, would bring chemical warfare within the grasp of less developed nations and thus greatly complicate international efforts supported by the Administration, to stop the production of chemical weapons.

The same argument is raised by Dr. Robinson in his paper which he will present at a symposium on chemical weapons that the American Chemical Society will hold in Los Angeles on April 1.

"A significant diminution of the relative military strength in the world of the United States [and other nuclear powers] could result if nerve gas, which is a relatively cheap weapon of great potential, were to proliferate around the world," he concludes.

COST $200 MILLION

Furthermore, he says, a decision by the United States to proceed with the production of binary nerve gases "would almost certainly mean an end" to the negotiations in the Geneva Disarmament Conference on banning the production of chemical weapons, and with it "a prospect for improving United States security to a far greater extent than the binaries ever could."

The army has estimated that it would spend at least $200-million on binary munitions for its larger artillery shells. But Dr. Robinson found the artillery shell program to be but "the tip of a substantial iceberg" and estimated that the Army would ultimately spend upward of $2-billion replacing the present stockpiles of nerve gases.

Dr. Robinson found that the Army was overstressing the environmental and safety advantages of the binary gases. Noting that accidents with the present nerve gas weapons have been "extremely rare in the past," he asked:

"Of all the environmental problems facing the United States today, does the nerve gas one really have sufficient priority to warrant the purchase of a $2-billion solution?"

On strictly military grounds, Dr. Robinson questioned whether the binary gases would enhance the deterrent posture of the United States against the use of nerve gases by another nation.

He acknowledged that the binary gases could be moved more easily into likely combat areas, but he suggested that the transportation of massive tonnages of nerve gas into Europe, for example, would "encourage the misperceptions of intent" on the part of the Soviet Union and "inflate the appearance of the threat" that the nerve gases are supposed to be deterring.

Should deterrence fail, Dr. Robinson said, the binary gases could be used in "considerably smaller number of combat situations" than the present gases, would increase the effectiveness of enemy protective measures, and would be up to five times less efficient in their effect on targets.

VIETNAM VETERANS' DAY

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. ADDABBO. Mr. Speaker, I am very pleased that this Chamber passed a joint resolution last year to authorized the President to proclaim today—March 29, 1974—Vietnam Veterans' Day. This day of tribute to those who served their Nation is particularly important because of the nature of the Vietnam war. Never before in our history has a war caused so much division at home and with that division came a lack of appreciation for the difficult job done by our servicemen in Southeast Asia.

For those reasons this day marks a remembrance of those dedicated men who fought under the most difficult circumstances and for those who gave their lives during that controversial war. This is a day for our communities and towns across the Nation to remember those who served in Vietnam, notwithstanding the climate abroad and here at home and it is a time for all of us to say thanks and recall their heroism.

Mr. Speaker, we must let every veteran and the family of every veteran know that their service, their sacrifices and their years of frustration have not been and will not be forgotten. At the same time I hope we will pledge to honor our Vietnam Veterans every year in this manner so that we will never forget the many bitter lessons of that tragic war and so future generations of young men will benefit from our understanding of history.

EXPORT-IMPORT BANK USES TAXPAYER DOLLARS TO FINANCE ENERGY PROJECT IN THE BAHAMAS

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. VANIK. Mr. Speaker, for over a year, many of us in the Congress have been calling for the establishment of an energy development and trust fund to finance necessary energy projects in the United States.

After the start of the Arab oil embargo, on November 25, the President called for a "Project Independence," designed to free America from foreign energy sources by the end of the decade.

On March 21, 1974, the taxpayer-backed Export-Import Bank made a $22,320,000 loan—at 6 percent interest—to help build a 57,000 barrel per day desulfurization facility in the Bahamas.

Mr. Speaker, I simply do not understand how we can hope to achieve energy self-sufficiency, when we are exporting the capital and products necessary if we are to solve the energy crisis. It is obvious that at the present, exorbitant prime interest rates, that we desperately need capital financing here at home. We also need new refineries and plants to desulfurize oil, facilities to develop oil shale, and funds to finance research into new energy areas such as solar, geothermal, wind, and tidal energy.

It is interesting to note that in addition to the direct loan, the Bank will be guaranteeing a loan of $11,160,000 from First National Bank of Boston. Eximbank will also provide a financial guarantee of the local loan of some $3,720,000.

How can we expect refineries and oil desulfurization plants to be built in the United States with interest rates that run as high as 12 to 15 percent, while we induce others to build these plants outside the United States with 6 percent money, subsidized by the American taxpayer?

Mr. Speaker, this is not the way to achieve energy independence. Because of the importance of the Bank's policy in the energy area, I would like to enter in the Record at this point a copy of the Exim press release on the Bahamas loan:

Eximbank Financing Supports $49.6 Million Sale of U.S. Equipment for Desulfurization Facility in Bahamas

To support a $49.6 million sale of U.S. goods and services required for the design and construction of a 57,000 barrel-per day desulfurization facility in the Bahamas, the Board of Directors of the Export-Import Bank of the United States has authorized a direct loan of $22,320,000 to finance 45 percent of the total U.S. costs and a financial guarantee of a loan of $11,160,000 from First National Bank of Boston, to finance 22½ percent of the U.S. costs, according to Eximbank's Chairman William J. Casey.

A loan of $11,160,000 from private sources not designated will finance another 22½ percent of the U.S. costs. The borrower, Borco Desulfurization Company (BODCO), will make cash payment of the balance of the U.S. costs of $4,960,000. Eximbank will also provide a financial guarantee of a local cost loan of $3,720,000.

BODCO is a new partnership composed of subsidiaries of Standard Oil Company of California and New England Petroleum Corporation. The company plans to install fuel oil desulfurization facilities at the Freeport Refinery, Grand Bahama Island, to treat high sulfur vacuum gas oil for its sister refining company, Bahamas Oil Refinery Company.

The Badger Company, Inc. of Cambridge, Massachusetts, will be responsible for major facilities. Aqua-Chem, Inc., of Milwaukee, Wisconsin, will furnish the desalination plant, and Chicago Bridge & Iron Company, Oak Brook, Illinois, will design, furnish materials, and erect the crude oil tanks.

The loans are to be repaid in 14 semiannual installments beginning November 10, 1975, with Eximbank's direct loan of $22,320,000 to be repaid out of the last 7 installments with interest at an annual rate of 6 percent on outstanding balances. Repayment of Eximbank's loan is to be guaranteed half by Standard Oil Company of California, and half by New England Petroleum Corporation and Grand Bahama Petroleum Company, Ltd.

REMARKS

OF

HON. JACK BRINKLEY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. BRINKLEY. Mr. Speaker, at such time as H.R. 13053, the Cancer Act Amendments of 1974, is considered in this body, I shall offer an amendment in the nature of a substitute to this legislation.

While I heartily commend our colleagues on the House Interstate and Foreign Commerce Committee for their outstanding work in formulating the legislation to direct this Nation's research efforts in combating cancer, particularly the gentleman from Florida (Mr. ROGERS), who is chairman of the committee's Public Health and Environment Subcommittee, it is my strong personal feeling that the appropriations authorized are just not sufficient.

Mr. Speaker, before this day is over more than 900 people in our country will have died of cancer. Yet even in view of this staggering figure, the National Cancer Institute reports that they can fund only about half of the scientifically approved cancer research projects which they receive.

Why not authorize enough funding to enable NCI to fund all the approved projects they receive?

My amendment differs from the committee version in two aspects:

First, it contains a statement of purpose which reads as follows:

> It is the purpose of the amendments made by this Act to substantially increase the authorizations of appropriations for the National Cancer Program and the National Cancer Institute over the period of the next five fiscal years to provide an effective acceleration in cancer research activities to find a preventative and cure for cancer within such period.

Second, my amendment doubles each of the three yearly appropriations authorized in the committee bill and extends these appropriations for an additional 2 years—through fiscal year 1979. Roughly speaking, the committee is authorizing some $2.7 billion for cancer research; I propose to authorize some $11.5 billion for that same purpose.

Dr. Solomon Garb, scientific director of American Medical Center in Denver, Colo., and also cochairman of the Citizens' Committee for the Conquest of Cancer, has told me that today there exists in this country the need for twice the amount of dollars as are currently being used or even asked for in the effort to conquer cancer. He has also stated that it was his impression that the National Cancer Institute has not asked for this additional funding simply because administrators there felt it was unlikely that such increases in Government outlays could be passed by Congress now.

To me it is an omission of enormous proportions for knowledgeable persons, who know what the real need is, to ask for any lesser sum simply because they do not think they will get it. It seems to me that it is the responsibility of organizations which want to find a cure to ask for what is needed, not what is popular, and that to do less is not squaring with the American people.

There are those, I am sure, who will say that we are attempting to "legislate" a cure for cancer. This is just not the case. It appears to me that the men and women who are doing the day-to-day research are continually facing a virtually impossible uphill battle in obtaining the funds and equipment they so desperately need to complete their work. On the other hand, many top level administrators are saying that they have an abundance of funds with which to work.

Who are we to believe?

I, for one, think it is time we started giving more consideration—and the necessary funds—to the dedicated people who have for so long sacrificed so much to help find a cure for this dreaded disease.

In conclusion, Mr. Speaker, I urge the House of Representatives to give this amendment most careful consideration. I am asking simply, why must we always wait until "tomorrow" before we increase our efforts to the point where we can find a cure—why can we not do it today?

MARLIN PERKINS, OF "WILD KINGDOM," CELEBRATES BIRTHDAY

HON. JAMES W. SYMINGTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. SYMINGTON. Mr. Speaker, It is my pleasure to bring to the attention of my colleagues the fact that Marlin Perkins, mammalogist and herpetologist, will today be celebrating his 67th birthday. As former curator of the Buffalo Zoo, director of Lincoln Park Zoo in Chicago, director of the St. Louis Zoo, and host of the television series "Wild Kingdom," Marlin Perkins has creatively adapted the intricacies and mysteries of modern science to the interest of all Americans. May his distinguished service continue to inspire appreciation and investigation of natural science by amateurs and professionals the world around.

MAINE MADE SENSE

HON. WILLIAM S. COHEN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. COHEN. Mr. Speaker, those of us who are fortunate enough to be from Maine try not to be tiresome about our State's many attributes. Understatement and reserve are part of the Yankee tradition. Boasting is generally regarded as unseemly.

Occasionally, however, an article appears in the daily press which captures the essence and the uniqueness of Maine. Such an article appeared in the March 28 edition of The New York Times, written by Sandra Garson.

Miss Garson, a transplanted New Yorker, describes Maine and our way of life with zeal and with unusual eloquence. In order that my colleagues may share her thoughts on why "Maine Made Sense," I am inserting her article in the RECORD at this point.

MAINE MADE SENSE

(By Sandra Garson)

FIVE ISLANDS, ME.—People kept telling me I had guts to move to Maine. Frankly, I thought I had common sense, for I wanted to play where I understood the rules of the game.

I had already tried and abandoned a gaggle of life-styles: my Philadelphia heritage, the bittersweet Big Apple, world travel and expatriation (not glamorous but depressing, even if you speak the language)—so at a ripened 29 it seemed time to stake my claim to being what I was: an American, whatever that meant.

The nineteenth-century passion for going West didn't move me, for I, born in the mid-twentieth, suspect that God strategically placed America's major geological fault in California in order to replay his wipe-out of Gomorrah easier. So I went East to a state of mind, and landed in the state of Maine. Suddenly the jig saw locked. Maine made sense.

Recently Bridgton voted to reduce to almost zero the taxes on land left untouched for the appreciation of passing townpeople when it was learned that local landowners had been forced to sell or develop land merely to bear the tax burden. A human being understands that.

The comfort of comprehension, something mid-nineteen-seventies Americans fear they've bartered to Beezlebub to get away from it all, has not been lost up here because Maine has never tried to get away.

As adamant as the tall pines and time-washed cliffs of her spine, it refuses to be moved one millimeter from the human condition.

Some people call its residents Mainiacs, but they are intensely sane. They know there is no getting away and so they adapt to life, setting out humane values and goals. They are the tortoises in the great race, but it is perhaps their Yankee genius that by not moving one inch they have gotten away from all that is troubling everyone else.

With less civilization there are fewer discontents. There are more chances to get in touch. Up here on this hardline landscape, nature whittles life down to human scale, peeling off the question marks.

Guerrillas in a war of attrition against the highly charged forces of nature and the well-equipped army of "progress," Maine's people live in that constant state of alert that novelists say is exhilarating. When they lie down to sleep at night they know what it means to survive the measure of a day. Nothing is more worth knowing.

I understand better what it means to be human when I have to spend three hours chopping wood for a fire to keep warm than when I have to drive six times around the block trying to park and then get a ticket because it's the wrong day for the right side of the street. The other day a woman came into the general store and handed Ray a dollar. She had just gotten home and noticed that he had given her too much change.

Maine is what this country must have been all about once. I was an immigrant to this land, a single woman homesteader. Yet nobody posed tacky questions. Rather, they let me hang myself out and see that my pursuit of happiness wasn't inimical to their life or liberty they called me "friend" and "neighbor."

Democracy grows here because people need each other to survive. Here the town meeting is a bridge between neighbors. Decisions are not relegated to politicians. Self-determination is the Yankee way, and in Maine I have come to learn what that means.

On the agenda of my last town meeting were votes on a moderator, $500 to retain counsel to determine the rights of townspeople to certain water access, and $378 for transportation services for the elderly.

I have seen the past and it works. The present is out of order. Maine satisfies my human longing for consistency. I live now in a house that has stood by the sea for 150 years, in a village incorporated since 1716 and among people who still do what humans are supposed to do. Maine people not only endure, they prevail. On this terrain they have no choice. And they have chosen this terrain.

In moving here from New York to join them, I did not abandon a sinking ship as some thought. I merely satisfied my own needs. Maine, the vast undeveloped country making possible the exploration of human alternatives, was not out of the question for the urban me because in desperation I dared pose the big question: Do I want to lead and understand my one and only life?

WINTER DST A BUST

HON. GARNER E. SHRIVER

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. SHRIVER. Mr. Speaker, the lifting of the Arab embargo on oil imports to this country recently prompted the President to announce certain steps to ease fuel restrictions for motorists including increased allocations and a lifting of the voluntary ban on Sunday openings of service stations.

While we know that the need for energy and fuel conservation continues, I would suggest that prompt consideration be given to a repeal of year-round daylight savings time. The administration should encourage an early report to the Congress by the appropriate Federal agency on the early results of this unpopular energy conservation experiment. I am personally pleased that the chairman of the House Interstate and Foreign Commerce Committee has planned for early hearings on the daylight savings time issue shortly after receiving the agency reports.

Under leave to extend my remarks in the Record, I include the following excellent editorial from the Wichita, Kans., Beacon, which also suggests consideration of terminating this year-round experiment:

Winter DST a Bust

> The country will have to wait until June for a federal report on the effectiveness of Daylight Saving Time as an energy saver, but utility company spokesmen across the nation say no measurable amount of electricity has been conserved during the first two months of nationwide DST.
>
> That scarcely comes as a surprise. The amount expected to be conserved was minimal to begin with—something like 2 per cent or so. And few persons ever expressed much confidence that the plan would work even to that extent.
>
> Some slight decline in electricity consumption from the previous year has been recorded, but it reflects a trend resulting from a milder winter and conservation measures taken as a result of the energy crisis even before DST went into effect in January.
>
> If the results haven't improved significantly by the time the Federal Energy Office issues its findings in June, the "two year experiment" in national DST should be terminated by Congress.

MINERAL SHORTAGES

HON. DICK SHOUP

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. SHOUP. Mr. Speaker, with each passing day the prospect of mineral shortages looms large on the horizon. The need for positive action by the Congress has reached the point where further failure to act could have terrible consequences for this Nation and continued inaction could be our indictment.

As one who represents a district where mining is a major industry and a vital segment of the economy, I call upon the House Rules Committee to take up House Resolution 907 which was introduced on February 21, 1974, by Mr. Hillis and cosponsored by 21 other Members. House Resolution 907 would create a select committee to investigate the entire subject of mineral shortages. Implicit in the select committee's mission would be the development of the full story of our growing dependence on foreign sources for critical minerals.

Congress took a significant step in 1970 with the passage of Public Law 91–631 wherein it was declared to be national policy to "foster and encourage private enterprise" in the "development" and "wise and efficient use" of minerals. Now let us move forward and take another step in furtherance of that policy.

Any doubt about the urgency of this matter can be easily resolved by even a cursory study of the Secretary of the Interior's Second Annual Report on the Mining and Minerals Policy Act. It is compelling evidence of the need for immediate action on House Resolution 907. I respectfully urge the Rules Committee to take it up at the earliest possible time.

CONSUMER CONTROVERSIES RESOLUTION ACT

HON. JOHN E. MOSS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. MOSS. Mr. Speaker, I am today introducing the Consumer Controversies Resolution Act on behalf of myself and three other Members of Congress. The following Members are cosponsoring the Consumer Controversies Resolution Act: Mr. Eckhardt, Mr. Helstoski, and Mr. Corman.

For the majority of Americans, redress of grievances is at best a theoretical concept. Mechanisms for resolving disputes involving consumers are largely unavailable or ineffective. Utilization of the courts, and in particular the small claims courts, is in most cases too expensive.

Although the small claims courts were originally geared to provide speedy and inexpensive justice for litigants, their rules and procedures are somewhat complex and their accessibility to consumers is greatly limited. Other devices, such as arbitration and business-sponsored mechanisms have met with success in some instances, but arbitration remains largely untried and it is fanciful to believe that external business-sponsored forces, like the Better Business Bureau, will cause a retailer, when he believes he is right, to swallow considerable costs in the name of goodwill.

The sorrowful fact is that adequate protections and meaningful remedies are largely not available for the average American consumer. With this in mind, we can begin to understand why there is the danger of a loss of faith, on the part of some Americans, in the free enterprise system.

The purpose of the Consumer Controversies Resolution Act is to assure all consumers convenient access to a consumer controversy resolution mechanism which is effective, fair, inexpensive and expeditious, and which will facilitate better representation of consumer interests. It is based on a 2-year study conducted by the National Institute for Consumer Justice which explored the adequacy of existing procedures for resolving disputes arising out of consumer transactions. The Institute believes that Congress should assist in encouraging the establishment of effective consumer controversy resolution procedures, and, in particular—

> That Congress should allocate funds for payment to the States to stimulate the establishment and maintenance of effective small claims courts.

We concur with that recommendation.

The legislation which we are introducing would establish a new bureau in the Federal Trade Commission which would administer a program of aid to the States so that they can formulate and effectuate mechanisms for the resolution of consumer disputes. The bill also directs the bureau to conduct experimentation and exploration into ways of better resolving disputes. It is designed to stimulate the reform of the small claims court system and to advance arbitration and business-sponsored self-regulating mechanisms. It is believed that a modest infusion of Federal funds will stimulate those States which have no systems for resolving consumer controversies to develop and effectuate them, and will stimulate those States which have ineffective systems to establish better ones.

American consumers and American business will be the joint beneficiaries of the Consumer Controversies Resolution Act.

OFFSHORE OIL DRILLING ON LONG ISLAND

HON. ANGELO D. RONCALLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. RONCALLO of New York. Mr. Speaker, the current energy problems have led several oil companies and independent groups to the conclusion that one of the easiest and most profitable solutions would be to begin drilling for oil and natural gas off the coast of Long Island in New York.

As anyone who has ever been there knows, the coastline of Long Island is some of the most beautiful beach land in the country and destroying that might permanently destroy the ecological and environmental balance of the entire area.

I would like to bring to your attention a very excellent editorial which appeared in Newsday on March 27, 1974. The editorial follows:

Offshore Oil: Hard Truths

We've always shared the fear of many Long Islanders that offshore oil drilling poses an unacceptable menace to both the economy and the environment of Long Island. Now a federal report shows that this local apprehension was neither parochial nor ill informed.

In perhaps the most significant development since the potential for offshore oil exploitation became apparent, the federal Council on Environmental Quality has produced a 300-page catalog of reasons why the oil rigs should be prohibited from endangering the Long Island shoreline. Its report concludes: "A major oil spill along the beaches of Cape Cod, Long Island or the mid- or south-Atlantic states could devastate the area affected."

The argument most often raised in favor of exploiting offshore oil resources is that it would produce a larger and cheaper supply of gasoline in adjacent areas. That's a good economic argument, but the council musters an even better economic argument against it. "Commercial fishing may be seriously damaged both by water pollution and mechanical interference," the report warns. ". . . Consideration must be given to the fact that fisheries are renewable resources and are continuing sources of income, whereas minerals may be depleted in our lifetime."

Further eroding the oil companies' case is the council's new reckoning of the amount of oil and natural gas in the offshore reserve. The report discloses for the first time that the U.S. Geological Survey had decreased its original estimates by more than half. Instead of about 48 billion barrels of liquid petroleum and 220 trillion cubic feet of gas, the estimates are about 10 to 20 billion barrels of crude oil and 55 to 110 trillion cubic feet of gas.

So the bonanza out there is far smaller than first claimed, and the possible cost to society much higher. And who will have to pay the cost? Every Long Islander. Property values increase here because of the overall environment for delightful living. Endanger the beaches, threaten the fishing and boating, enlarge the chances that heavy industry will flock to meet the fuel supply and everyone's property values are in peril.

In our view the federal report destroys whatever case may have existed for offshore drilling—certainly until the technology of exploitation is foolproof. But while the facts in its report constitute a conclusive case against drilling, the council has yet to make its formal recommendations. These are to be added before the report is delivered to President Nixon next month. We hope the council follows the logic of its own facts and strongly recommends against offshore drilling.

HON. WILLIAM S. MAILLIARD

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 25, 1974

Mr. EDWARDS of California. Mr. Speaker, as all of my colleagues in the House are well aware, the Honorable William S. Mailliard has resigned from the House of Representatives after 21 years of outstanding and dedicated service. I would like to join my colleagues in paying tribute to this highly respected Congressman from the San Francisco Bay Area.

During Bill's tenure as a Congressman, he worked diligently on his legislative duties as well as being extremely active and helpful in the organization of the California delegation. He has served as the chairman of the Republican delegation and as vice chairman of the entire delegation of the past 4 years.

I have always respected Bill's expertise on foreign affairs. He was the ranking minority member of the Foreign Affairs Committee, and over his many years in the House he has served on numerous conferences and commissions to improve U.S. relations with other countries. I know that all of this experience, combined with Bill's own leadership ability, will confirm the wisdom of his appointment as permanent representative of the United States to the Organization of American States.

I would particularly like to thank Bill for cosponsoring the legislation which created the San Francisco Bay Wildlife Refuge. After years of hard work, the House passed our bill and the wildlife refuge became a reality. The refuge will protect many endangered species that lives in the salt water marshes of the South Bay. It is the only national refuge near a large population center in the entire country and will enable millions of people to visit and enjoy wildlife in its natural setting. The people in the South Bay and in Bill Mailliard's district in San Francisco owe much to him for his help on this bill. In fact, the people in his district, in California and in the Nation are grateful to him for all the fine work he has done in his 21 years of congressional service.

Of equal importance is the sense of loss I feel now that Bill and Millie Mailliard will be leaving Capitol Hill. Their friendship, their warmth, and feeling of affection and comradeship will be sorely missed. We rejoice for them, however, in the new friendships they will gain and the large contribution to international understanding they will make.

A TALENTED CONSTITUENT

HON. STANFORD E. PARRIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. PARRIS. Mr. Speaker, I am pleased to bring to your attention the accomplishments of a talented constituent of mine, Mrs. Nancy Thompson of Manassas. In February Mrs. Thompson was the featured artist at the Centreville First Impressions Gallery. Her primary interest is realistic painting, and landscapes and seascapes are among her favorite and most accomplished works.

Being a housewife, a mother of four, and a registered nurse, Mrs. Thompson's days are understandably filled with things to do. This leaves only the evening hours for her artwork. The devotion she displays to her own work as well as to her efforts in aiding fellow artists in her area is indeed much to be admired.

Mrs. Thompson above all else paints not for profit, not for attention, but simply for the love of art itself. Her ability to reproduce the beauty of the world, expressly for others to see, is truly the mark of a dedicated artist, and I at this time would like to insert into the Record a copy of the Manassas Journal Messenger of Friday, February 15, 1974, which concerns Mrs. Thompson:

Nokesville Artist Says Husband Best Critic

(By Tommye S. Burton)

"I paint for me," says Nokesville artist Nancy Thompson.

Nancy has been painting since her mother gave her her first six tubes of oil paint when she graduated from high school.

Periodically, she has taken courses in oils and watercolors.

She also took nurse's training, became an R.N., got married, and had four children.

Nancy paints late at night when she can be completely absorbed in what she is doing.

For the last year Nancy has been painting seriously and said she just cannot do it between requests for peanut butter sandwiches.

During daylight hours, Nancy says, she referees more than anything else. Her oldest son, Steve, is ten; Jeff is seven; and Doug is five. Her daughter, LeaAnn, is three.

Nancy has just finished what she rates a superb course in portrait painting. Her instructor was Danni Dawson of the Alexandria Art League.

A striking portrait of a mountaineer hangs in the Thompson home. Nancy painted it with a Rembrandt pallet from a newspaper clipping before taking the portrait course.

Many of her landscapes and seascapes have been done from black and white clippings or from memory.

Since the portrait course, her night painting has proved a disadvantage, as some skin tones and color effects cannot be achieved in artificial light.

Blue and red fluorescent lights are the closest approximation.

Nancy has put an order in for the lights with her husband, Corbin, who is building her a special area downstairs in the Thompson home for painting.

Nancy is the featured artist this month at First Impressions Gallery at Centreville on Lee Highway.

She has shown her work in many shows in the area and plans to display some of her work at the new Stage Door Gallery at the Hayloft Dinner Theater.

Every Thursday night Nancy meets with five other area artists for the specific purpose of painting and giving critiques to each other. This has proved to be a big incentive and inspiration.

But, according to Nancy, her best critic is her husband, who does not paint at all.

"He can always see what is wrong and he is always right."

Nancy said she does not do decorator art. Her particular interest is realistic painting and her ambition is to get better, rather than to sell in large quantities.

She does sell her paintings and sometimes does commission work, but is satisfied to just sell enough to support the expense of painting.

Nancy's other interests are sewing, crafts, and gardening. Every summer she has a large flower garden of unusual varieties. Rows of canned vegetables line the shelves near her painting area.

Nancy is also a member of the Manassas Art Guild.

RESOLUTION ADOPTED BY THE COLOR COUNTRY CHAPTER OF THE SOCIETY OF AMERICAN FORESTERS

HON. WAYNE OWENS

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. OWENS. Mr. Speaker, for the information of the Members, I am inserting in today's RECORD a resolution adopted by the Color Country Chapter of the Society of American Foresters. This resolution expresses strong disapproval for any action taken to eliminate the forest management practice of clearcutting and exhorts Congress to oppose the passage of any such measure.

Clearcutting is defined as the practice customarily used in the timber industry which requires the removal of substantially the entire stock of timber within a particular designated area for the purpose of commercial harvets of timber or silviculture management of timber. It is the contention of the Color Country Chapter that clearcutting is necessary and favorable and that the Forest Service is presently taking adequate precautions against future clearcutting abuses—that have been characteristic of the past.

RESOLUTION

Be it hereby resolved by the Color Country Chapter, Intermountain Section, Society of American Foresters that we are unalterably opposed to any Congressional action (specifically Senate Bill 2620 McGee) that would ban clearcutting in the Nation's forests as a management practice. Clearcutting is needed and often necessary as a management prescription for specific tree species and conditions.

Be it further resolved that we strongly recommend that any future Congressional action which may affect the management of the Nation's forest resources first secure the prior involvement and advice of America's professional foresters—the Society of American Foresters.

Adopted this twenty-fifth day of January 1974 at Richfield, Utah.

Adopted by unanimous voice vote at annal Business Meeting, Twenty-fifth Day of January 1974.

THE WORKING PEOPLE FIGHT BACK

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. RARICK. Mr. Speaker, the working people of America have now become so infuriated at the frequent action of environmental groups in seeking court injunctions and orders to disrupt construction work, that they have now started to fight back by filing their own lawsuits and seeking damages.

It is becoming apparent that the working, productive builders of a better America are not going to surrender to the scheme of a handful of intellectual theorists, funded by tax-exempt organizations and demanding environmental impossibilities. Man is also a part of our environment.

A recent column by the noted writer, Victor Riesel follows:

[From the Baton Rouge (La.) Morning Advocate, Mar. 25, 1974]

UNION CHIEFS PLAN ATTACK ON ENVIRONMENTALISTS

WASHINGTON.—Had Marie Antoinette gone to Yale instead of the guillotine she might well have said, "Let them eat oysters." That in effect is what the university and New Haven environmentalists said not too long ago when they delayed a vital harbor-dredging project 17 costly months—costly to construction workers seeking their daily bread, costly to shippers sending tankers in, and costly to the community.

Back in June, 1972, the Army Corps of Engineers had approved the dredging of a deeper harbor channel there. But the university intervened demanding the right to complete tests of the channel bottom, according to Operating Engineers international vice president (dredgman chief) Steve Leslie.

Yale won permission. Then the Engineers Corps reported difficulties with ecology forces who wanted the dredging delayed out of deference to oyster spawning habits. Agreed. Then the environmentalists sued to halt all dredging. Finally work began in October, 1973. Meanwhile, jobs were lost. Money was lost because tankers entering the harbor during the delay had to go in "light loaded" because of the sandbar at the entrance.

Thus it goes, the International Union of Operating Engineers has just learned from a survey of some 70 locals by president Hunter Wharton and general secretary-treasurer J. C. Turner.

At this moment more than a billion dollars in construction is being delayed (or has been blocked in recent months) by the Sierra Club, the Audubon Society (birdwatchers, the building unionists call them), a County Federation of Sportsmen, a Lake Power Boat Club, a "Save Our Sound Fisheries Assn." and sundry environmentalists with a thousand acronyms across the United States.

"They hold every rock, stream and tree sacred," says one labor chief. "We want balance, a fine country, clean air but we want bread too."

J. C. Turner, who wrapped up the survey's results, reports the ecologists' blocking of a string of vital nuclear power plants, key interconnecting road sections, vital bridges, sewage disposal installations, dam-heightening work, river-deepening and above all, oil refineries. All this despite the need for jobs to absorb the energy-related unemployed, and to provide more gasoline and other fuels in the nation's biggest industry where supplies already are short.

The national operating engineers union dispatched letters to key people throughout the country as a follow-up to a Western (13) State conference last year. At that session the national leaders learned that fully $500 million in construction projects were being blocked by environmentalists' legal action in those 13 states. It is estimated that as much work is now being delayed by environmentalists' court action in the East. These, according to the union's records, include roads in Western New York and assembly-line floating nuclear power plant production in Florida.

DAMAGE SUIT FILED

Typical is the following report from one New England Local: "(This case) involved the removal of material (by dredge) in a 40-foot channel of the Providence River and Harbor in Rhode Island. The contract was awarded to the Great Lakes Dredge and Dock Company and it was given notice to proceed on July 27, 1973. Before any work had begun, however, the company and the Corps of Engineers received a Notice of Violation from the 'Save Our Sound Fisheries Assn.'

"On Aug. 9 a judge issued a restraining order against the project. On Aug. 14 the Corps of Engineers and the dredging company were named in a damage suit filed on behalf of the Fisheries Association, even though no work had been performed. A series of meetings was held with representatives of the association to no avail . . . In late December no work had been performed or scheduled on the operation."

There you have a case history—one of hundreds—running on a line from the Seattle area to St. Louis (a dam-reservoir project to a Cleveland (nuclear) plant and on to Jacksonville, Fla. Some of the these projects were hit by long delays. Some never started.

Some, involving a bridge or highway interconnections, delay road-building work worth tens of millions of dollars which can't be started until the original construction is completed.

RETALIATION TEAMS

Frustrated, the construction unions are organizing teams to retaliate with class action suits against the environmentalists personally and organizationally. In Connecticut, for example, the law prevents such labor action. So the unions have united to pressure the state legislature to pass legislation enabling such counteraction.

One such suit, seeking damages for some $250 million in lost (and potential) wages, still is hovering over the Florida Audubon Society. The full counterattack will be launched after strategy is discussed at the Building and Construction Trades Dept. (AFL–CIO) national legislative conference which brings some 4,000 local business agents and other leaders to Washington April 1.

These union chiefs understand the value of learning how oysters spawn. But they do believe the environmentalists should also learn how bread is made.

MANDATORY PENALTIES FOR USE OF GUNS TO COMMIT CRIMES NEEDED

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. FINDLEY. Mr. Speaker, in 1972, the latest year for which complete FBI statistics are available, there were an estimated 18,520 murders committed in the United States, almost 1,000 more than the previous year. Firearms were the most often used weapon in homicide. Sixty-six percent of the homicides were committed with firearms. Discouragingly, the use of firearms to commit murder is increasing with the number of murders.

In calendar year 1972, there were almost 400,000 aggravated assaults in the Nation. This represents almost 25,000 additional offenses over the previous year. Over 25 percent—100,000—of the serious assaults in 1972 were committed with a gun. Again, the use of guns to commit assaults, like murders, is rapidly increasing.

Bank robberies, chain store robberies, street robberies, robberies in private homes and holdups of other commercial or business establishments are also up. I suppose that only gas station robberies are down because there are not as many open to rob these days.

More than 60 percent of all armed robberies are committed with guns.

In 1968 Congress enacted a new gun control law of sweeping proportions.

The bill provided that anyone who uses a gun to commit any Federal felony, or anyone who carries a gun unlawfully during the commission of any Federal felony, is subject to penalties over and above those prescribed for the felony itself.

Obviously, the increasing numbers of murders, assaults, and robberies in recent years and the increasing propensity of criminals to use guns to commit these crimes indicates that the 1968 gun control law did not control crime. Most probably it did not lessen it at all.

The reason is that the strong penalties in the 1968 and 1970 acts apply only to Federal offenses. And it is not a Federal crime to rob a store or assault or murder your fellow citizen. These are generally crimes against the individual 50 States.

I am introducing a bill today to amend the section of the 1968 Gun Control Act to make it a Federal offense to use a gun to commit a crime where such use also violates State law. This legislation would require a mandatory 1-to-10 year jail sentence for anyone convicted of using a gun to commit a crime, and courts could not make the sentence run concurrently with any sentence for another offense.

In addition, the bill provides stiff penalties for any individual acquiring a firearm by any type of illegal means.

Thefts of firearms, like other crimes, are skyrocketing in the United States at this time. As a result of tightening gun control, gun stealing has become a natural underworld business with ready markets and high profits. The National Crime Information Center has on file reports of 669,000 stolen guns, and its files are expanding at a rate of over 100,000 stolen firearms a year. Gun theft has become a national problem. It must be dealt with on a Federal level.

This bill places the burden of criminal use of guns on those who use them, not on the law-abiding citizens. When all of our best efforts are unable to deter some from a life of crime, something must be done to protect the innocent citizens who abide by the law in their everyday lives.

Those who would use a gun to bring fear, pain, and even death to their fellow citizens must be made to weigh it carefully against the stiff penalties provided for illegally using a gun. If some still choose to use a gun, they demand too high a price for our toleration.

We must do something to deter the use of guns in committing crimes. And where deterrence will not work, we must make the use of a gun commensurate with the cost in anguish and fear the offender would impose upon his victim.

Text of the bill follows:

H.R. —

A bill to make use of a firearm to commit a felony a Federal crime where such use violates State law, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (c) of section 924 of title 18, United States Code, is amended to read as follows:

"(c) Whoever—

"(1) uses a firearm to commit any felony which may be prosecuted in a court of the United States, or

"(2) carries a firearm unlawfully during the commission of any felony which may be prosecuted in a court of the United States, or

"(3) uses a firearm to commit any felony, or carries a firearm unlawfully during the commission of any felony, which use or carrying for said purpose is unlawful according to the law of the State in which it occurs,

shall, in addition to the punishment provided for the commission of such felony, be sentenced to a term of imprisonment for not less than one year nor more than ten years. In the case of his second or subsequent conviction under this subsection, such person shall be sentenced to a term of imprisonment for not less than two nor more than twenty-five years and, notwithstanding any provision of law, the court shall not suspend the sentence in the case of a second or subsequent conviction of such person or give him a probationary sentence, nor shall the term of imprisonment imposed under this subsection run concurrently with any term of imprisonment imposed for the commission of such felony."

SEC. 2. Section 924 of title 18, United States Code, is amended by adding at the end thereof the following new subsection:

"(e) Whoever acquires any firearm in violation of any law of the United States, a State, or a political subdivision thereof, shall be imprisoned not less than one year nor more than ten years. Notwithstanding any other provision of law, the court shall not suspend the sentence of a person convicted under this subsection or give such person a probationary sentence, nor shall the term of imprisonment imposed under this subsection run concurrently with any term imposed with respect to the illegal acquisition of such firearm."

A VETO-PROOF CONGRESS

HON. LAMAR BAKER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. BAKER. Mr. Speaker, one of the goals of the big labor bosses is to manipulate the elections this fall so that they will have what they call a veto-proof Congress when the 94th Congress convenes.

Because of the respect I have for the rank and file worker and his family, and his right to work without union domination if he chooses, plus his rights to bargain collectively in the interest of his welfare. I cannot think of anything more detrimental than having big labor in Washington calling the shots and having a majority of the Members of the House and Senate subservient to the labor power structure.

There is need for caution, therefore, in going down the line with the Washington labor bosses in striving for a "loaded" legislative branch. An editorial in the Wall Street Journal of March 26 lists some of the consequences of such an imbalance and all voters should take them into consideration before deciding to go along in making the Congress veto-proof.

I commend this editorial to the attention of my colleagues.

The editorial follows:

A VETO-PROOF CONGRESS

Because of rising expectations among the Democrats, Congress has been drawn into the orbit of the campaign season much earlier than usual. In nonpresidential election years the strutting and posturing on Capitol Hill generally begins no earlier than June, and there is thus at least a half a year for serious legislative work before the politicking begins in earnest.

The difference this year is the anticipation of a Democratic landslide in November and a "veto-proof" 94th Congress next January. It now need only knock out the necessary work on appropriation bills and authorization extensions, with time out for a summer vacation. Better to put off the major issues, according to this thinking, until it is no longer necessary to arrange compromises with the White House. Come January, it will not matter what Republican is in the White House. Congress will be running the country.

No Democrat would admit this kind of treading of the waters is going on, and it is probably not conscious policy. But it is the avowed strategy of one of the major forces that drives legislation on Capitol Hill. The AFL–CIO will do all that it can to keep Congress asleep for the remainder of the year so it can raise the roof with the 94th; the other segments of the Democratic coalition are catching on. The President's national health-insurance bill is going nowhere. Labor prefers to push through something closer to Senator Kennedy's program next year, expecting to be able to sustain it over the President's veto. "Labor is holding to a very tough position," Max Fine of the Committee for National Health Insurance told The National Journal. "We will resist action this year because we need a veto-proof Congress to get a bill past Nixon."

The President is also readying a new version of the Family Assistance Plan that the liberal Democrats managed to strangle every time Mr. Nixon sent it up during his first term. But it will not make the slightest difference how expensive and grandoise Mr. Nixon makes his new guaranteed-income plan. If the Democrats hold off for a year, they not only can draw it to their own design, they can enact it without having to share credit with a GOP President.

Nor can we see good reason for expecting Mr. Nixon's trade legislation to pass in a form the President can accept. The only reason George Meany submerged his opposition to the trade bill last year, when it passed the House, was his belief in early 1973 that he would have to deal with a strong President for a full four years. The AFL-CIO now says economic conditions have changed, and "It's a totally new ball game." But it is really the political conditions that have changed. Mr. Meany no longer has to do business with a President whose impeachment he is campaigning for. In 1975, with a veto-proof Congress, we could expect to see the Burke-Hartke bill wheeled out for another go.

Even with a bad back, Wilbur Mills can see what's afoot and draw some conclusions. A huge influx of freshmen Democrats in the 94th Congress will be putty in the hands of those liberal party colleagues of Mr. Mills who want to strip the Ways and Means Committee of its power. As far as the liberals are concerned, too many members of Ways and Means understand economics. Better to take its jurisdiction over the substance of health, welfare and trade legislation and give it to committees that don't worry about economics. To pay for such schemes, Ways and Means can be left with the power to raise taxes.

Is it any wonder that Mr. Mills would like Mr. Nixon to resign immediately or sooner? Or that Senator Buckley and Representative Ashbrook are calling on Mr. Nixon to courageously step down? None of these gentlemen fear for their own political hides. Each surely is panicked with the vision of a government run, even for two years, by George Meany, Edward M. Kennedy and Vance Hartke.

It would indeed be an exhilarating period. When before has there ever been a veto-proof Congress controlled by a party other than the President's? At the very least, it would make for interesting history.

But then, we have our doubts that we'll see a "veto-proof" Congress, no matter how many Republicans are run out of Congress this November. To arrive at that ethereal state, the Democrats would have to interpret their success as a mandate for a $79 billion health-insurance scheme, a $5,500 guaranteed-income plan and a neo-isolationist trade bill. If they did so, most of them would be gone in 1976.

REPRESENTATIVE JACK KEMP WARNS THE OIL COMPANIES AGAINST ANY PRICE RIGGING

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. KEMP. Mr. Speaker, I am not one who believes the energy crisis to have been contrived. The facts, at least at this point, simply do not convincingly support such a conspiratorial view.

The energy shortage was created by a variety of factors, including excessive Government regulation, too great a reliance on that regulation by industry, and an unwillingness among consumers during the past 15 years to pay the true costs of fuels until the crisis became acute—and then prices went too high.

I believe the free market system to be the most effective way in which to remedy the energy crisis in both the short-term and long-term phases. If we had relied upon the free market system and the principle of supply and demand, instead of relying on regulations and agreements, the problem may never have happened in the first place. All we can do now is to learn from our lessons and not repeat our errors.

I have risen on the floor of the House on a number of occasions to resist Government intrusion and intervention in the allocation of scarce fuels. Such intrusions only intensify the shortages; they do not make scarce resources more plentiful.

But, there is something else as equally antithetical to the free market system—something else which must also be prevented. I speak of alleged price riggings and other unfair practices within the oil industry. Such practices will certainly distort the laws of supply and demand as much as will Government intrusions, and it is the consumer who gets hurt in both instances. This is what I am fighting.

I have viewed my responsibilities as a Congressman as protecting the consumer most effectively by insuring the viability of the free market system. I have never viewed myself or my voting record as being pro-industry or pro-government. I have preferred to stand aside from the promotion of any position other than that which would restore production to an adequate level the fastest—the free market system—and thereby bring relief to the consumer at the earliest point in time. And, we must never forget that the free market system historically produces goods at less cost to the consumer than during periods of control of those goods by Government regulation.

This is why I am most disturbed at the first major disclosures this week that several of the oil companies—by far, not all—have apparently been discovered as being involved in certain price rigging and similar unfair practices. At a minimum, these disclosures raise serious questions as to the role of the major companies in this crisis.

In January of this year, William E. Simon, Federal Energy Administrator, ordered into effect a full audit and review of pricing policies among oil companies. As a result, three companies have already been ordered to roll back prices or take other remedial measures to pass back to the consumers over $50 million in excessive charges. A fourth company is also under suspicion of similar practices. These excessive prices were allegedly occasioned by price increases having been made effective either before formal approvals for such increases were granted or before approved effective dates came to pass.

An official of the Federal Energy Office has indicated that "only a minority of the major refiners are suspected of wrongdoing." For this, we can all be glad.

Yesterday's edition of the Wall Street Journal reported that at least one major oil refiner had considered, prior to the Arab oil embargo, actually holding back refinery production in order to bolster prices. No evidence has been presented that there was any collusion between this particular refiner and other companies, but the share of the market on the Pacific coast of this one refiner is substantial. This practice, too, is to be deplored, for, once again, it would have been the consumer who would have been hurt the most, if the plan had been made operational.

Mr. Speaker, I believe a warning must now be transmitted—loud and clear—by Members of this House to the major oil refiners. That warning is that those of us who have argued for the use of a market system will feel betrayed—and so will the consumers who similarly believe in the laws of supply and demand as preferable to Government regulation—if the oil companies distort the market with unfair practices. I deplore such practices. I feel that civil and criminal remedies ought to be pursued in each instance where the facts warrant such litigation. And, I am sure that I am joined by many other Members in feeling this way.

It is one thing to have to pay more for fuels because they cost more to produce—and let us face it, it does cost more to produce fuels today than it used to—but it is quite another thing to have to pay more because refiners are playing games with the people's livelihoods by charging more than they should or withholding crude oil from production and distillates from distribution.

If we are to have a restoration of the market economy in the area of energy supply and demand, it must come from both sides—from Government and from industry. We cannot have industry preaching the virtues of a market system on one hand and yet not living by the principles inherent to that system on the other. Neither Government nor industry must try to take advantage of the other, for it is the consumer who ultimately gets hurt when imbalances are generated.

I do not believe the Congress will stand for any mistreatment of the consumers' interest. I know I will not.

HUCK FINN CELEBRATES BIRTHDAY, STILL AN INSPIRATION TO YOUNG

HON. WILLIAM L. HUNGATE

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. HUNGATE. Mr. Speaker, along the Mississippi River about now the first signs of spring appear. There is an excitement in the air; the first symptoms of spring fever mixed with awe as the great river rises and threatens to flood. It is an alive time—a reawakening to a glorious new season that is especially visible on the faces of young boys itching for new explorations out of doors.

It is the sort of atmosphere that kindled the fires of Mark Twain's imagination to bring his most beloved character to life. It is a good time to call your attention to the 90th birthday of this famous and cherished American—Huckleberry Finn. A livelier 90-year-old is hard to imagine. We can all recall the pleasure he gave us as a boy, and now, as we look back we even mix up Mark Twain's characters and adventures with our own experiences when we were young. Perhaps that is why Huckleberry Finn lives on generation after generation—he represents the sprit of boyhood and adventure—inspiring young boys and recapturing the delights of youth for us to remember.

Conceived in the fertile and brilliant imagination of Mark Twain in 1885, Huck Finn still lives within the covers of the book "The Adventures of Huckleberry Finn," and continues to capture fresh audiences in dozens of languages. I am particularly pleased to announce this birthday not only because Mark Twain's home and young Huck's adventures started in Hannibal, Mo., in my congressional district, but also because in an explanatory note the author draws attention to the "ordinary 'Pike County' dialect" used in the book and which I am proud to possess.

Huck's birthday is being celebrated in a most exciting and entertaining style with the release of a new motion picture, "Huckleberry Finn," a musical adaptation filmed by the same talented people who, last year, gave us, "Tom Sawyer." It is a joint venture of Reader's Digest, United Artists, and the late Arthur P. Jacobs, a brilliant moviemaker, whose untimely passing was a great loss to Hollywood and to the Nation.

"Huckleberry Finn" is a film we will all enjoy, regardless of age. The passage of years has not diminished Huck Finn's appeal as an adventurous rebel, a Missouri teenager of the 1840's who rejected the bigotry of slavery as exemplified by his deep friendship with the runaway slave Jim. Both Jeff East, who plays Huck, and Paul Winfield, who plays Jim, vividly bring these characters to life on the screen. Harvey Korman as the King, David Wayne as the Duke, and a delightful score, songs, and screenplay by Richard M. Sherman and Robert B. Sherman, add immeasurably to the picture's appeal as entertainment for the entire family.

We owe a vote of thanks to the creative team responsible for "Huckleberry Finn." I hope you all will join me in saying congratulations and in belting out a chorus of that great old tune "Huckleberry Finn":

Huckleberry Finn, If I were Huckleberry Finn
I'd do the things that he did, I'd be a kid again.
You'd always find me out fishing
Beside some shady pool,
And wishing that there'd never been a school
(If I were only)
Huckleberry Finn, in every mischief I'd be in
And on my freckled face you'd always find a grin.
I wouldn't put my shoes and stockings on for any man.
All I'd ever wear would be a coat of tan
If I were Huckleberry Finn.

FISH NEED PROTECTION

HON. EDWARD J. PATTEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. PATTEN. Mr. Speaker, although the fishing industry in New Jersey is not as large in some of the New England States, it is nonetheless an important one which has been in decline for a number of years. This is primarily due to the grossly inequitable competition with our fishing industry by foreign fleets. The drain on the supply of fish for the domestic fishermen is clearly evident, and the effect on the American fishing industry is dramatic. The 12-mile limit should be extended. The News Tribune of Woodbridge, N.J., carried a most appropriate editorial in the March 13 issue on this subject. When the United Nations Law of the Seas conference convenes in Caracas later this year, it is hoped that an agreement will be reached which will protect the U.S. coastline from being violated by foreign fishing vessels. Mr. Speaker, I recommend that my colleagues consider the following:

[From the Woodbridge (N.J.) News Tribune, Mar. 13, 1974]

FISH NEED PROTECTION

In an effort to curb year-round fishing expeditions by foreign trawlers off the East Coast, the Emergency Committee to Save America's Marine Resources is seeking support nationwide for a 200-mile limit.

Located in Englewood Cliffs at 110 Charlotte Pl., the volunteer committee includes sport fishermen, charter boat captains and commercial fishermen in the state. Their goal is passage of a pending bill in Congress to extend the present 12-mile limit to 200 miles for fishing only.

Later this year, representatives of 135 nations will gather in Venezuela under United Nations sponsorship to discuss laws of the sea. The American committee said it would be willing to accept a compromise if one is agreed upon at the meeting.

Those who are campaigning for the 200-mile limit hope to arouse the concern of all Americans to the dangers posed to America's fishing areas. The overriding fear is that the fishing banks will be wiped out, including those off the New Jersey coast, if giant foreign fishing fleets are permitted to continue their operations without interruption.

The danger is real, according to the U.S. Department of Commerce. In the last decade, the stock of edible fish has been depleted 65 per cent off the New England, Long Island and Jersey coasts because of foreign fishing fleet operations, including huge Soviet fishing fleets.

More often than not, the "fishing" that takes place consists of scooping up everything without any thought to preservation of marine life.

As a result, haddock have all but disappeared off the Jersey coast.

Other species also have been affected.

Fish prices have increased dramatically.

Existing agreements between the U.S. and foreign nations—with the Soviet Union, for example—have been denounced as all but a joke, with the joke being played on the U.S.

If fish stocks are not permitted to sustain themselves, the end result will be the destruction of valuable fishing banks.

Extension of the 12-mile limit to 200 miles—with whatever enforcement measures are needed—will offer needed protection. Congress should act quickly.

ENVIRONMENTAL PROTECTION THROUGH EDUCATION

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. BRADEMAS. Mr. Speaker, the importance of environmental education if we are to meet successfully the challenges of burgeoning environmental degradation is vividly illustrated by an excellent article in the March 2, 1974 edition of Science News.

The article focuses, Mr. Speaker, on a project in Ohio's Cuyahoga River, which is so choked with oil that several years ago it burst into flames.

The project, funded by the Office of Environmental Education in the Office of Education and the Environmental Protection Agency, brings youngsters and men and women together to learn about the biology and chemistry of the gunk they find in the Cuyahoga and its tributaries, and to examine the social causes and potential cures of the watershed's ills.

Mr. Speaker, because this article provides an example of the extraordinary importance of the work being supported by the Office of Environmental Education, under its capable Director, Walter J. Bogan, I insert it at this point in the RECORD:

ENVIRONMENTAL PROTECTION THROUGH EDUCATION

Kids are wading in the Cuyahoga again. Now that the river is much cleaner than the time its oil-polluted surface caught fire, where it flows through Cleveland into Lake Erie. Rather, a unique experiment in environmental education has brought students from elementary school to the master's degree level back to the river most people had abandoned.

With funds from the Environmental Protection Agency, the Office of Environmental Education (OEE) and private local groups, the Cuyahoga Heritage Project is one of a growing number of studies in environmental education designed to get students and teachers out of the classroom and into confrontation with the practical problems of everyday life.

Some of the high-school students that now gingerly wade into the river and its tributaries for samples of scum can remember swimming in clear side streams just a few years ago. And as they learn about the biology and chemistry of the gunk they find in these streams now, they are also inquiring about the social causes and potential cures of the watershed's ills.

But important as it is, a lot more than just the Cuyahoga River is at stake here. Indeed, the issues involved are among the most fundamental of education and democracy—whether or not a generation of concerned and technologically informed citizens can be trained in time to meet the grave challenges of environmental survival that will surely arise within the lifetimes of these concerned students.

Past efforts have failed. The traditional disciplines of science education have long presented the "facts" of ecological fragility and the health hazards of pollution. The encroachment of waste and development on nature has been chronicled by many conservationists, crying from the wilderness. But students were informed, not inspired; above all, they never became involved.

Now, that may change. Environmental education is slowly gaining ground as a spontaneous, grass-roots movement. Federal programs from OEE total only a meager $2 million—enough at best for coordination and initial encouragement of local programs. Yet, in its first year of operation, 1971, the office received more than 2,000 applications and made grants to 173 separate organizations.

Walter J. Bogan is director of OEE, a branch of HEW's Office of Education. He described to Science News what the organization hopes to accomplish in coming years. "Our place is at the cutting edge of environmental studies," he says, funding demonstration projects, synthesizing knowledge gained from these efforts and making it available to groups in other communities. By thus encouraging local initiative and then helping spread the word of particular successes, OEE hopes to coordinate the increasing groundswell of community action for environmental protection through education.

The process may also have other effects, Bogan says. By concentrating on practical problems—like a river so filthy it catches fire—projects stimulate interest and need for other kinds of knowledge among the students who participate. By seeing a need for understanding the chemistry of pollution or the biological effects of pesticides, students who have been turning away from science for lack of "relevancy" may now be drawn back.

Bogan sees environmental studies as a particularly good way to draw students from minority groups into science. "There is more a sense on the kids' part," he says, "of controlling and participating in their own education"; rather than of having school do something *to* them. A new kind of teacher-student relationship often builds up as both go out to address an external problem together as allies—with the teacher's role becoming one of "resource person" rather than ultimate authority.

In the Cuyahoga Project, that means "teacher training" sessions are shared with student representatives, who help develop programs along with their instructors. It means having students come into contact with other adults in the community, perhaps for the first time, to work on common problems. Most of all, participation, in Bogan's sense of the word, means self reliance—building one's own air-pollution detector out of an old vacuum cleaner, digging up samples of dirt from one's own yard to understand its relation to a neighborhood runoff problem.

Projects vary as much as localities do. The school board of Dade County, Florida, (which includes Miami) was awarded $30,000 this year to help start a Center for Urban Research and Environmental Studies. The Center will complement other environmental studies, already in progress, concerned with the adjacent ocean and Everglades. In Kaneohe, Hawaii, a "mini-grant" of less than $10,000 will help start a series of training workshops for citizen-involvement committees and community environmental planning groups. University programs for professional environmentalists are being coordinated with the more broadly based environmental studies programs. In the Cuyahoga Heritage Project, Cleveland State University is offering master's degree credit to some teachers participating.

Unfortunately, environmental studies, and especially OEE, have become a political football. Set up by a companion bill to the Environmental Protection Act of 1970, the very existence of OEE has been consistently opposed by the Administration, which wants to abolish the office altogether. A bill to continue the office has already passed the House, under the guiding care of Rep. John Brademas (D-Ind.). But in the Senate, OEE's fate rests on the progress of two conflicting bills. One, by Sen. Gaylord Nelson (D-Wis), complements the already passed House version. The other, Sen. Claiborne Pell's Elementary and Secondary Education Act, also continues the office, but supporters of environmental education fear that inclusion in the larger bill endangers their cause. Pell's act, they say, is almost certain to get bogged down in a protracted, bitter fight over busing. Meanwhile, the Administration has quietly left OEE out of the fiscal 1975 budget.

Unperturbed, Bogan's staff is setting about trying to find evaluation criteria on which to judge the performance of completed projects. Some valuable results are readily apparent: In Kent, Ohio, city officials bent on determining the location of soil most suitable for construction of a new sewage treatment plant found that much of the necessary information had already been gathered by junior-high-school students working on one of the Cuyahoga Heritage projects. But judging whether or not OEE's innovative programs have stimulated new student interest in science or whether these students will become the vanguard of a new environmental consciousness may take years to determine.

If such dreams are fulfilled, shock waves could be felt throughout the educational system, as well as throughout those areas of the political establishment that make decisions on environmental issues. OEE is now one of the more obscure agencies of the Government, even overshadowed within the environmental movement by its big brother, EPA. But given a favorable Administration and a few more years of attacking the longer range aspects of an increasingly complex problem, OEE and the educational and social trends it sponsors could become an increasingly powerful force of reform throughout the country.

VALUES OF YOUNG PEOPLE

HON. JOHN DELLENBACK

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. DELLENBACK. Mr. Speaker, one of the things which has impressed me most about today's young people—and I speak as the very proud father of three young adults—is that many of them have taken the time to examine seriously the values of our society and to decide for themselves those things which they will personally hold important in life and the goals around which they will build their lives.

Last month I had the opportunity to talk with one such young man from my district, Curtis G. Fisher, who was here in Washington as a national winner of a Freedoms Foundation George Washington Honor Award. Curtis, a senior at Marshfield Senior High School in Coos Bay, Oreg., won this award for an essay he wrote about his own values and responsibility to live by them. Because I believe it is an excellent essay, I would like to share it with my colleagues and include it here for your consideration.

HUMAN GOALS: VALUES FOR LIVING

(By Curtis F. Fisher)

Values do not exist in a vacuum, but are created by need from our environment. Different environments create different values.

A person should spend considerable time studying his environment and determining of what it consists. This will allow us to better understand ourselves and our neighbors; the better we understand each other the more mankind progresses.

The first thing I value is life. This is the only possession we come into the world with. We constantly strive to make our lives happy and secure without considering why, but people seldom think about an instinct that is in all life, which is survival. I believe God gave us this instinct to guard the precious life He also gave us.

Secondly, I value honor. Honor is something you must earn. Of all possessions honor is the most safe, because it is not a physical thing which can be taken away. I believe that after life on earth there is a soul that continues to live on in harmony or continual torment with our honor.

Thirdly, I value my country. I feel I owe her much and everyone has a similar obligation for their country, regardless of where they were born. It is a proud feeling to say, "I am an American," and know of the heritage of our ancestors who fought to make America a great nation.

The honorable men who fought to make America were men of high moral standards who sensed something more than personal gain in what they were doing. They were ready to give up their lives for their ideals.

Values are not necessarily something that can be taught. They are something an individual contrives on his own by relating his experiences into two categories, good or bad. Those that fall into the "good" category are of "value." The answer to why they are treasured probably lies in the subconscious.

Values are not always readily apparent and sometimes we are not even sure where or on what we have placed values. Sometimes we act in a way contrary to our conscious beliefs. Some values are entirely hidden to us and emerge only in times of emergency. A striking example would be the individual who gives his life to save another.

If a person really honors his values he will not always go along with "the crowd." Some people are so afraid of not belonging they tend to bend their values "a bit." To me it is "the crowd" that must fit in with my set of values.

I feel society may change their rules but values of honor and patriotism are far more concrete than man-made directives and will be with us for a longer period of time.

Albert Einstein, perhaps the wisest man of our time said, "Try not to become a man of success but rather a man of value."

HOW IT ALL BEGAN—PART I

HON. FRANK J. BRASCO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. BRASCO. Mr. Speaker, today, America is feeling the pinch of an "energy shortage" which could have been largely avoided had Government not capitulated to effective lobbying by "big oil." Effectiveness of that effort to influence national policy had its real genesis when President Truman was induced to drop vigorous antitrust prosecutions against the burgeoning oil cartel in the year immediately prior to his leaving office. Once recently revealed antitrust suits were replaced by mild civil suits ending in wrist-slapping, the stage was set for consolidation of oil industry influence, which reached its apogee under the totally permissive aegis of President Eisenhower. Here was the golden era of oil industry privilege, when the structure of preference was well and truly laid, setting our energy policies in concrete enduring to this day, guaranteeing massive profit for big oil, fiscal disaster to independent elements in the industry and energy deprivation for the overwhelming mass of Americans. It should be noted in passing that this state of affairs had little or nothing to do with American policy toward Israel, which enters much later, and certainly not as a prime cause.

Today, big oil (Exxon, Mobil, Gulf, Texaco, BP, Shell, Arco and Standard of California) enjoys a uniquely broad and profitable range of tax preferences unmatched even remotely by any other sector of American business. Granted by a Congress dominated by oil interests over the years, these questionable privileges cover drilling costs, foreign taxes paid, depletion allowances and a host of other benefits. In turn, these "truckholes" have helped create a situation whereby we are unable to meet our own oil demands, lack adequate refinery capacity domestically, and are gripped by a growing dependence upon foreign (Arab) crude oil sources.

For years, it was impossible for moderate-to-liberal Democrats to attain seats on criminal committees of the House and Senate dealing with tax matters, that is, Finance in the Senate, and Ways and Means in the House. A cursory glance at these bodies reveals them heavily weighted with conservatives. There is a growing, but still thin, rank of liberals at the bottom, as a result of growing national liberal democratic strength in recent years.

Freshmen Members of Congress were required to undergo interviews with party leaders before committee assignments were handed out. Vital questions dealt with how a newly elected Member felt about oil's tax preferences, such as the then 27½-percent depletion allowance. Negative answers meant assignment to committees where a member's philosophy could never influence that structure of tax privilege. In the House, this had double impact, because members of the Ways and Means Committee on the Democratic side also double as the Committee on Committees, making final decisions on where any Member will serve. Today, new loopholes are carved in tax laws for special interests and old ones preserved because of the cumulative power such Members have obtained and still guard jealously.

Two external factors have added to this burden: Prorationing and oil import quotas, recently discontinued. Prorationing is a system adopted by major oil producing States, such as Texas and Louisiana, which of course provide much of the membership serving on the previously mentioned committees of Congress. Under this system, oil production is limited at the wellhead, then matched to monthly demand. In this manner, surpluses are carefully controlled and prevented, and a desired result achieved: an artificially high price for domestic crude oil of all types. Another accomplishment of this system was to make our own domestic crude oil quite a bit more expensive than foreign oil, which domestic tax benefits made so lucrative for big oil to exploit abroad.

In 1959, big oil scored one of its most dramatic, successful, and little-known coups. Eisenhower signed a series of Executive orders, without congressional approval or active participation, setting up artificial barriers to import of cheap foreign crude. Oil imports were limited to about 12.2 percent of domestic production. Other Presidents following him in office, in spite of repeated requests for relaxation of these barriers, maintained them. In effect, then the U.S. domestic market became a captive sales area for big oil, allowing it to charge and receive the highest prices for their products anywhere in the world.

American consumers paid out an estimated $5.2 billion extra annually for gasoline, heating oil, and other petroleum products. As protests mounted, one rationale was consistently trotted out to excuse maintenance of import quotas—national security. Consumers should bear the burden to keep Americans from being overdependent on foreign oil. Meanwhile, oil company cash registers rang away merrilly as one critical report after another was quietly filed away, including one from a cabinet-level Presidential Task Force in 1970.

Meanwhile, however, Government handed big oil a spectacularly lucrative tax break on foreign oil. Major companies—for our purposes: Texaco, Mobil, Gulf, Exxon, Standard Oil of California, BP, Shell, and Arco—were allowed to deduct from American taxes all royalties paid on foreign oil. Further, the companies were notably successful in having Arab regimes label a variety of expenditures as royalties or foreign taxes. Royalties paid by them on U.S. oil production were treated as common business expenses. Royalties or taxes paid Arab sheiks were treated as a direct tax credit. In many cases, both the State Department and Internal Revenue Service knew foreign governments were aiding the companies by calling royalties taxes, yet said and did nothing. In fact, a series of special, little-known and still-often concealed rulings by IRS and the Securities and Exchange Commission benefited the majors still further. In 1971, for example, the four U.S. companies making up Aramco won a ruling from SEC and IRS to conceal specific Saudi Arabian profits. As a result, in their reports, it is today impossible to discern what dollars were made in Saudi Arabia and what dollars were turned as profits elsewhere.

One final outcome of this treatment was that big oil paid, and pays, a tax rate so low as to be virtually nonexistent, a unique revelation today becoming widely known for the first time.

In the interim, big oil, spurred on and enabled to invest by vast profits and tax benefits, went all out in searching for foreign oil, developing vast oil resources abroad. Little could be brought into the U.S. because of quotas. But foreign markets were burgeoning, particularly in Europe, and big oil set up the same network of facilities, pipelines, refineries, distribution and retail outlets it had brought into being here. These markets today are even larger and more profitable than the U.S. marketplace, yielding greater profits to big oil than America. To cater to such markets, the companies went on a refinery capacity construction spree, investing massive sums, largely deductible here at home, in up-to-date refining capacity. In the interim, the constantly enlarging U.S. market, needing more refinery capacity, was being shortchanged by the majors in terms of new refining facilities. Further, because of the tax situation, big oil found it far more worthwhile to search for and develop foreign sources than to continue major exploration and development efforts at home. As the Middle East sprouted forests of oil rigs, new drilling in the United States dropped 43 percent between 1959 and 1970.

Most illogical of all, as Arab oil flowed to Europe courtesy of major oil companies, and the U.S. market was in significant ways short-changed, the companies were writing off most foreign investment at the expense of America's taxpayers. What Government failed to collect from the companies had to be made up by individual American consumers at tax time. Today, that some consumer is paying for this in daily travail.

In short, quotas were a flop for consumers, but a boon for major companies. By 1970, the outcry against them was nationwide. Under oil industry pressure, President Nixon maintained quotas until May 1973, when their abolition came, too late to change the emerging energy equation.

By then, U.S. demands, aided and abetted by wasteful practices such as Detroit's cars and successful activities of the highway lobby in stifling mass transit growth, had outstripped declining domestic production. No mater how our own oil pumping was stepped up, refinery demand could not be met.

Major oil companies, loathe to yield tax privileges, pay more taxes or even sustain any blame, saw in this emerging situation a chance to edge even closer to a long-cherished goal—killing off much of any remaining competition. Small independents exist on every level, from refining and distribution to gasoline station operators. In most cases, they are dependent upon majors for supplies, which are most reluctantly made available, mainly because they have simply not dared eliminate all competition. However, whenever an opportunity emerges, they will take it. Such a chance came in the summer of 1973, when gasoline shortage struck.

COLLAPSE OF THE SKYLINE HIGH-RISE BUILDING 1 YEAR AGO

HON. JOEL T. BROYHILL

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. BROYHILL of Virginia. Mr. Speaker, at the request of James H. Frye, whose son, Michael James Frye, was killed in the collapse of the Skyline high-rise building construction 1 year ago, I would like to insert the following material into the RECORD:

Statement for Insertion Into the Congressional Record by James H. Frye

One year ago in March of 1973, the Skyline highrise building under construction at Baileys Crossroads, Virginia, collapsed. Fourteen workmen were killed and an undetermined number were injured. My dear son, Michael James Frye, was among those killed. It took two weeks to find his body. "Lest the Congress and the public forget this horrible tragedy", I submit the following information for all to know and remember in the hope, that some action will be taken that will lead to the truth, so that others in the future may be saved.

Statement for Presentation of Michael James Frye Memorial Award, Madison College, November 30, 1973

Coach Vanderwarker, Members of the Championship Soccer team and Guests, I am here tonight because of a common bond between us. Some of us probably do not realize that this wonderful relationship existed. We are privileged to know a truly outstanding young man who possesses one of the most valuable abilities known in a human being. That is the ability to respect with dignity other human beings and also communicate this respect to them. His Mother's guidance was the primary factor that influenced this rare ability to communicate this feeling of human respect and understanding. To feel it and not be able to communicate it results in frustration for the giver and nothing for the receiver. Michael possessed both abilities. It was the perfect joy to hear him carry on a telephone conversation with another person (in-spite of knowing that you had to pay the bill). My wife and I received many notes and letters from many people which attest to Michael's respect for others and I would like to quote an example for you: Dear Mr. and Mrs. Frye: "Mike was always a source of encouragement and inspiration to me. Through the urging of my sister, Fran, and with the cheerful guidance of Mike, I was introduced to the sport of Soccer. Soccer has been a great source of pleasure to me. It is an activity in which I have been able to meet many new friends and to experience the joy of competition and accomplishment. I owe so much to Mike for his interest in helping me to begin. But above this, Mike was a good friend. I will always remember his warm gregarious nature, the gratifying friendship for everyone who knew him. Sincerely, John Olsen, William and Mary College."

I have had Chronic Osteomyelitis (bone and blood stream infection) since I was fifteen years old. During the early months of my illiness, I began to write music, and had visions of making a lot of money and starting a Cripple Children's Clinic of my own. From 1945 to 1947 I made trips to New York City in an effort to promote and sell some of my songs. Then came marriage and nine children in ten years so the Clinic had to be pushed aside for these new obligations. Several years ago, I made some speeches to Rotary clubs to raise money for Cripple Childrens Clinics. I would like to quote a poem my wife wrote for one of these speeches that later turned out to be a perfect example of Mike's feelings and respect for others:

"I built a clinic long ago
When pain was new and keen
My life was fresh, and big, and bold
And there was much unseen.
It grew by day, by face, by year
So big and shiny bright,
That it could help each one in need
And comfort day or night
I ran a ward for children
With tender loving care
With always songs and laughter
And always parents there
The way I grouped my nursing
Seemed simple to behold
For to the young, I gave the young
And to the old, the old.
My babies all had Mothers
My doctors would not sleep,
There was always one to help you
And charts, I did not keep.
Life pushed me on-from wards to work
From boy to Daddy dear,
There was little time for dreaming
Or time to count the years.
The dream pushed back to wait its turn,
But now I've come to know—
That you are carrying out my plans
And I will watch them grow."

After watching Michael develop into such a fine young boy, this poem took on a new meaning and the last verse changed as follows:

"The dream pushed forth to meet its goal,
For I had come to know—
That Mike was carrying out my plans
And I could watch them grow."

People talk of peace among men—but there is no peace. There is a law of human nature that dictates "Guns beget guns" or "Hate begets hate". These laws are negative. Michael knew these laws were self destructive and his principles were simple and rational—he practiced the law of nature that dictates "Respect, compassion and human understanding begets respect, compassion and human understanding." There is no other way for peace to exist on this earth except by Michael's law of nature. I believe Michael respected every human being that he ever knew. Just think what a wonderful world it would be if one out of every ten practiced this law of nature—the numbers would multiply and the result would be respect for each other and peace among men.

Michael really enjoyed playing Soccer and he had great respect for all his team mates and the players of the opposing team also. He certainly enjoyed winning but that was secondary to him. The primary joy he got from playing Soccer was "how you played the game" and for Mike that was "good conduct", reflected in the respect for the rights and feelings of the other players. This was Michael—this was the way he lived—and I never knew anyone who enjoyed life more than he did. He had the ability to accept in a very graceful way those things that he could not change.

Knowing Mike, as I do, I'm sure that he would present this award to each member of the team, individually. I probably would do the same. However, Coach Vanderwarker had the real difficult task of selecting one of you. And Michael and I thank him for performing this most difficult task. It is indeed a great pleasure for me to present the "Michael James Frye Memorial Award" to a very deserving young man—Mr. John "Chico" DiGuardo. Congratulations to you "Chico". I hope this honor will remain with you always and be of assistance to you in all your relationships with others.

(NOTE.—Due to Mr. Frye's grief and health, this statement was read at the Presentation by Coach Robert Vanderwarker with tremendous success.)

COUNTY OF FAIRFAX,
Fairfax, Va., December 27, 1973.

MR. JAMES H. FRYE,
North Madison Street,
Arlington, Va.

DEAR MR. FRYE: Attached is a memo requesting that the material you sent me be included in the "Board Package" which goes every week to the Supervisors and members of the press.

My heart goes out to you in your loss—particularly with the kind of reaction you have seen from your government.

I wish it could have been otherwise, and that I knew that the government had learned from this so that this kind of tragedy would not happen again. In all honesty, I cannot say this is so.

Sincerely,

AUDREY MOORE.

[From the Northern Virginia Sun, Mar. 2, 1974]

Frye Family Seeks the Truth in Skyline Death of Michael

(By Sue Stone)

ARLINGTON.—For a nightmarish 13 days last March, the family of Michael James Frye waited as demolition crews hauled tons of rubble from the collapsed 24-story apartment building at Skyline Center.

Michael was working alone on the 14th floor of the building last March 2—one year ago today—when shorings were removed from freshly poured concerete, 12 floors above. At 2:15 P.M. that Friday, the concrete gave way, sending slabs, beams, and a heavy crane crashing down, floor by floor. Michael is officially listed as among the 14 workmen who died in the collapse.

The Frye family has never received workman's compensation as a result of Michael's death. The family will file suit next week, according to the elder Frye and a member of the family law firm, for $75,500. "It's not the money, but the principle," said Frye yesterday. "We'll take it to the higher courts if we have to, for the sake of future workmen injured or killed.

The days, weeks and months after the collapse have been a "nightmare" of agonized waiting, despair and frustration for Michael's family, according to his father, James.

James Frye, after writing dozens of letters to officials asking for help in his search for the "truth" about his son's death, yesterday said with tears in his eyes "I will search the rest of my life if I need to."

For James Frye the search has led through a labyrinth of county, state and federal offices. Frye said yesterday he has been treated "horribly and callously" by those he has written, not because letters they sent back were purposely cruel, but because the responses were "form letters, uninformed, ignorant," and lacking for any real sympathy for the Fryes' loss.

Michael, 22, had completed his student teaching in December of 1972. While workers searched for his body in March, job interview appointments passed unmet. He would have graduated from Madison College in May. His father received his posthumous diploma, saying at the ceremonies, "Mike was one of the greatest individuals I have ever known. His integrity and respect for the feelings and rights of others was truly outstanding."

Frye wrote to state officials asking what Virginia intended to do about the collapse and the deaths of 14 workmen. When no satisfactory response came back from anyone. Frye returned his son's Virginia tax refund, saying "Virginia can just keep the money." An aide to then Governor Linwood Holton sent it back to the Fryes' Arlington home. Other examples of official callousness in the face of James Frye's deep concern and frustration are legend, according to Michael's father.

When Michael was listed among the missing on the afternoon of the collapse, his sisters and brothers searched the woods around the construction site as rescue workers searched in the rubble for the injured and dead.

James Frye was not allowed to search at the site for his son that Friday and the family waited in a church across the street from the collapse site. The church closed up at 3 a.m. Saturday morning, and the Fryes went home. "We expected Mike to walk in the house that first night," said Frye yesterday. "We just couldn't believe he might be dead."

What had started as hours of waiting stretched into days, and then weeks and the rescue mission gradually became a search for bodies.

A week after the collapse, Fairfax police investigator Ronald F. Yeager called James Frye and told him if he "didn't come get the car that Mike had driven to work March 2, . . it would be impounded." Frye said yesterday that this was his first unsolicited phone call from Yeager during the Skyline search mission.

Michael's body was one of the last found. On March 15, police called the Frye home, and brother James, 18, went to Fairfax Hospital to identify the body. He could only bear to look at Michael's shoes, according to the elder Frye.

[From the Washington Star-News, Mar. 18, 1974]

To the Mat

With Virginia's top industry-labor official vowing to go all the way to the U.S. Supreme Court, the state and the federal government apparently will air their differences over occupational safety and health regulations in a formal hearing. Background: Asst. U.S. Secretary of Labor John H. Stender says Virginia's enforcement procedures fail to meet the standards set by the federal Occupational Safety and Health Act of 1970. State Commissioner of Labor and Industry Edmund P. Boggs maintains they do, and in a meeting at New Orleans recently told Stender that the state would stand fast. That prompted a Feb. 14 letter from Stender to Boggs saying the federal government would "initiate formal proceedings" if Boggs wouldn't change his mind. Boggs replied Friday that he wouldn't and demanded a formal review of the brouhaha.

GAO REPORTS ON U.S. AID TO SOUTH VIETNAM

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. HAMILTON. Mr. Speaker, I recently asked the General Accounting Office to prepare a report for me on total U.S. funds expected to be expended in, and proposed for, South Vietnam for fiscal years 1974 and 1975. I have just received that report, and thought it worth while to bring to my colleagues' attention prior to the votes on H.R. 12565, the Defense Department supplemental authorization bill for fiscal 1974.

I should point out that the total in the report for the current fiscal year, $1.852 billion, does not include the supplemental requests for an increase of $474 million in the military assistance ceiling for South Vietnam and Laos and $54 million in appropriated funds for economic assistance to Vietnam. Nor do the totals include the costs of operating the Defense Attaché's Office in our Saigon Embassy, a huge office that, according to Embassy figures, employs 50 military personnel and 1,150 civilians. These cost figures were not available in time for inclusion in the report.

The complete report follows:

Comptroller General
of the United States,
Washington, D.C., March 27, 1974.

Hon. Lee H. Hamilton,
House of Representatives.

Dear Mr. Hamilton: This report is in response to your request of February 21, 1974, that we provide you with data on U.S. funds going to and/or expended in South Vietnam during fiscal year 1974 and the estimated U.S. costs of activities planned for fiscal year 1975.

The Department of State at our request identified the agencies that are funding activities in South Vietnam during fiscal year 1974. We contacted the officials in each of these agencies, who, in turn, provided us with the data in the enclosure. The Department of Defense did not provide fiscal year 1975 information in time for inclusion in the report. Fiscal year 1975 Military Assistance Service Funded data was taken from the President's fiscal year 1975 Budget, and the remaining fiscal year 1975 data was provided by the Agency for International Development.

We did not obtain information on U.S. funding of Central Intelligence Agency activities or U.S. contributions to multinational organizations.

The amounts set forth for fiscal year 1974 represent funds expected to be obligated or estimates of costs expected to be incurred in that year for the programs of the respective agencies. Obligations incurred in fiscal year 1974 may not necessarily be expended in that year. Also, part of the money is expended by some of these agencies in the United States and the resulting goods and services are provided for use in South Vietnam.

The amounts shown for fiscal year 1975 represent the agencies' estimates of funds required for their programs in that year, taken from their respective fiscal year 1975 congressional presentations or estimates provided to us by agency officials.

Time did not permit us to obtain comments from the agencies involved. If we can be of further assistance please do not hesitate to contact us. We do not plan to distribute this report further unless you agree or publicly announce its contents.

Sincerely yours,

Elmer B. Staats,
Comptroller General of the United States.

FUNDS FOR U.S. PROGRAMS IN SOUTH VIETNAM FOR FISCAL YEARS 1974 AND 1975

[In thousands of dollars]

	Fiscal year—	
	1974 programed	1975 proposed
DEPARTMENT OF DEFENSE		
Military assistance service funded (MASF):		
Army:		
Operations and maintenance	355,900	304,800
Procurement	80,400	473,800
Military personnel	40,400	24,000
Total	476,700	802,600
Operations and maintenance	247,100	250,400
Procurement	278,400	341,700
Military personnel	0	0
Air Force:	525,500	592,100
Total		
Navy:		
Operations and maintenance	19,900	19,200
Procurement	0	36,100
Military personnel	0	0
Total	19,900	55,300
Total MASF	1,022,100	1,450,000
Defense attaché's office	(1)	(1)
Excess defense articles	35,000	35,000
Local currency purchases	63,600	(1)
Department total [2]	1,120,700	1,485,000
DEPARTMENT OF STATE		
Direct expenses	5,086	5,086
Shared administrative expenses (Department of State portion)	2,611	2,586
Total	7,697	7,672
AGENCY FOR INTERNATIONAL DEVELOPMENT (AID)		
Indochina postwar reconstruction assistance (IPR):		
Technical assistance	40,000	(1)
Humanitarian assistance	35,000	(1)
Commercial import program	190,000	(1)
Undistributed	35,000	(1)
Total	[3] 300,000	(1)
Narcotics control	205	(1)
Population control	750	(1)
Development loans	110,000	(1)
Total	410,955	602,640
Public Law 480 shipments:		
Title I	309,027	182,550
Title II	500	553
Total	309,527	183,103
Total	720,482	785,743
U.S. INFORMATION AGENCY [5]		
U.S. Information Service, South Vietnam:		
Direct costs	1,887	2,059
Support costs	574	595
Total	2,461	2,654
Regional post equipment:		
Officer (administrative servicing)		
Direct costs	48	49
Saigon correspondent staff (Voice of America): Direct costs	41	39
Total	2,550	2,742
DRUG ENFORCEMENT ADMINISTRATION (DEPARTMENT OF JUSTICE)		
Salaries, benefits, foreign allowances	125	125
Shared administration expenses (payable to Department of State)	20	22
Operating expenses	19	20
Total	164	167
FEDERAL SUPPLY SERVICE (GENERAL SERVICES ADMINISTRATION)		
Salaries and related expenses	39	0
Travel (in country)	1	0
Total	40	0
DEPARTMENT OF THE TREASURY		
Exchange stabilization fund—Assessment of South Vietnam's financial and economic development	100	109
Total	100	109
INTERNAL REVENUE SERVICE (IRS)		
Salaries and related expenses	31	(4) (1)
Administrative expenses	14	(1)
Total	45	(1)
U.S. GENERAL ACCOUNTING OFFICE		
Salaries and other personnel expenses	281	0
Shared administrative expenses (payable to Department of State) [6]	57	0
Total	338	0
U.S. Government total	1,852,116	2,281,433

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[1] Not available.

[2] On Mar. 18, 1974, the Department of Defense submitted a request to have the fiscal year 1974 spending ceiling of $1,126,000,000 for South Vietnam and Laos raised to $1,600,000,000. No breakdown is available showing the portion of the $474,000,000 increase that would be spent in South Vietnam. The Department of Defense told us that the increase in spending would be financed by funds appropriated but unobligated in prior years.

[3] On Mar. 18, 1974, AID submitted a request for a $54,000,000 supplemental appropriation for fiscal year 1974 in South Vietn am

[4] Public Law 480 funds are from a Department of Agriculture appropriation.

[5] Excludes personnel and other costs of Voice of America direct broadcasting in the Vietnamese language. Broadcasts go to both North and South Vietnam and are transmitted from outside Vietnam.

[6] IRS's Saigon office may not be in operation in fiscal year 1975. However, a firm decision is not expected until April 1974, and no figures will be available until then.

TAIWAN'S CONTINUING SUCCESS STORY

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. CRANE. Mr. Speaker, when, in an act of gross hypocrisy, the United Nation expelled the Government of the Republic of China on Taiwan and replaced it with the Communist Chinese regime of Mao Tse-tung, there were many negative predictions about Taiwan's future.

Increasingly, the Republic of China found itself isolated diplomatically, with the United States remaining the only major power to extend it full diplomatic recognition. The Communist Chinese demanded that, as a price for extending diplomatic and trade relations, any nation seeking such a relationship with Peking must break its relationship with Taipei. The nations of Western Europe, and many of the nations of Asia, gave in to the Communist demands. More and more, Taiwan appeared to stand alone.

Such diplomatic isolation has not produced the negative result many predicted. Instead, Taiwan has proven its determination to maintain its freedom and to permit the ancient Chinese culture which the Communists are destroying, to continue to flourish and to thrive. Its economic successes are notable. After breaking diplomatic relations with Taipei, the trade with the Republic of China on the part of nations such as Italy, France, and West Germany increased, rather than decreased. Life for the people of Taiwan continues to improve dramatically.

Recently, Time magazine discussed the economic miracle which has occurred on Taiwan, as well as the increasing political democracy being enjoyed by its citizens.

Time notes that:

> The island's most outstanding achievement . . . has been its remarkable economic growth . . . after Japan, Taiwan is Asia's greatest success story. Foreign trade in 1973 rocketed to $8.3 billion up from $5.9 billion the year before. In some industrial products, such as television sets and transistor radios, Taiwan has already surpassed Japan as the main foreign supplier of the United States.

Discussing the political changes which are occurring in Taiwan under the leadership of Chiang Ching-Kuo, Time reports that:

> One of his first acts was to crack down on corruption and inefficiency. In an attempt to win support among the often disgruntled natives of Taiwan . . . he has brought many Taiwanese into positions of responsibility, raising two to major Cabinet posts. . . . He has also permitted a relaxation in the K.M.T.'s . . . demand of blind obedience.

Thus, while democracy is retreating in many parts of Asia, it is increasing in Taiwan. Also increasing is the living standard of the people and the determination of the leadership to remain both strong and free.

I wish to share with my colleagues the article, "Chiang's Surprising Success," which appeared in the March 11, 1974, issue of Time magazine, and insert it into the RECORD at this time:

CHIANG'S SURPRISING SUCCESS

Only 2½ years ago, the future of Taiwan, last bastion of Chiang Kai-shek's Republic of China, seemed gloomy indeed. Within a few months of the mainland's opening outward with Ping Pong diplomacy, tiny Taiwan found itself practically isolated. It was expelled from the U.N. and lost the recognition of 33 of 68 countries, including such important allies as Japan and Australia. But since those dark days, the island of 16 million has not only survived, it has prospered.

Much of the credit for Taiwan's remarkable buoyancy belongs to Generalissimo Chiang's tough and respected son, Chiang Ching-kuo, 63, who became Premier early in 1972; his ailing, octogenarian father retains the titular position of President. Once a Communist revolutionary who lived in Russia for twelve years, the younger Chiang has brought a fresh approach to the patrician politics of Taiwan. Responding to criticism that the government had become isolated from the people, he has adopted such egalitarian practices as stumping the island's small cities and farm villages and talking directly to the people. "If I stayed in my office year round, I would not stay as healthy," he told Time's Hong Kong Bureau Chief Roy Rowan in Taipei last week. "Getting around the countryside is my responsibility and my pleasure."

One of his first acts was to crack down on corruption and inefficiency in the Kuomintang's old guard, even clapping his father's former secretary in prison. In an attempt to win support among the often disgruntled natives of Taiwan, who make up 90% of the island's population, he has brought many Taiwanese into positions of responsibility, raising two to major Cabinet posts. He has also permitted a relaxation in the K.M.T.'s ruthless demand of blind obedience. The government these days comes in for lively scolding from youthful and dynamic critics such as Chang Chun-hung, 34, editor of *The Intellectual* magazine, and Kang Ning-hsiang, 34, a former gas-station attendant elected to the legislative assembly as an independent. But critics can only go so far: one of the most notable of them, Writer Li Ao, remains in prison (since 1971) for his harassment of the regime.

The island's most outstanding achievement by far under Chiang's leadership has been its remarkable economic growth. Moving away from his father's obsessive stress on military preparedness, Chiang has based Taipei's continued survival on economic strength. Indeed, after Japan, Taiwan is Asia's greatest success story. Foreign trade in 1973 rocketed to $8.3 billion, up from $5.9 billion the year before. In some industrial products, such as television sets and transitor radios, Taiwan has already surpassed Japan as the main foreign supplier of the U.S. One gloomy note in this otherwise bright picture is the prospect of curtailed foreign markets in 1974—a likely result of the energy crisis and a 30% increase in consumer prices between January and February. The price rise was intentionally designed "all at once and once and for all" by Finance Minister Li Kwoh-ting to meet the increasing costs of such imports as soybeans and gasoline.

On the diplomatic front, there has been good news. Veteran diplomat and Old Asia Hand Leonard Unger was named U.S. Ambassador to Taipei, dispelling rumors that the new U.S. trade center opening in Taipei later this month would soon substitute for an embassy. Taipei is painfully aware of Peking's demand that the U.S. drop its recognition of Taiwan as the price for the complete normalization of relations with the P.R.C., but Unger's appointment is regarded, perhaps overoptimistically, as a guarantee of three more years of U.S. recognition.

"Just from the standpoint of your own interest," Chiang told Rowan, "it is more important for the U.S. to continue relations with the Republic of China." Some foreigners in Taipei have speculated that Chiang's comparatively flexible stewardship might eventually produce cultural exchanges between Taiwan and the mainland. But for now Chiang adamantly rejects that idea. "There is absolutely no possibility of any contact with the Communists," he said. "They would use that kind of contact for propaganda purposes only."

WISHFUL THINKING

Asked about stirrings on the mainland reminiscent of the Cultural Revolution, Chiang said: "The current turbulence is a result of increased contacts with the outside world and the consequent exposure of the weakness of the regime. The struggle is an attempt to eradicate the aftereffects of such contacts. The Communists are doing everything possible to suppress the people. I am confident the people will rise up and overthrow the Communists."

While that is wishful thinking, Chiang's rhetoric is far more moderate and realistic than the calls for an invasion of the mainland 100 miles away that used to emanate endlessly from Taipei. Yet the dreams of past glories die hard. Chiang insists that his is the legitimate government of all of China. "We maintain that there is only one China," said Chiang flatly. "That is the basic policy of the government of the Republic of China."

MINIMUM WAGE BILL

HON. MARGARET M. HECKLER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mrs. HECKLER of Massachusetts. Mr. Speaker, the minimum wage bill before the House today is a significant step in support of the efforts of the American wage earner.

The past several years have seen inflation eat away at the income of the American worker. While the Consumer Price Index has shown an overall increase as of January 1974 of 139.4 percent over the base year of 1967, the last minimum wage amendments were enacted 8 long years ago. For too many Americans this has meant close to a decade with little or no increase in wages while the buying value of the dollar has dropped precipitously.

In addition to raising the minimum wage to $2 an hour on May 1, 1974, with step increases thereafter, this legislation increases coverage from 49.4 to 56.5 million workers. Five million State, local, and Federal government employees will be covered in addition to 1.2 million household workers and over a half millian employed in retail and service jobs. I am most encouraged by this broadened coverage.

Mr. Speaker, I commend the House-Senate conference committee for its speedy consideration and urge the House to give this legislation its strong support. The American laborer has waited far too long for this increase and is most deserving of it.

RABBI ROLAND GITTELSOHN EXPLORES NEW DIMENSION TO ANTISEMITISM

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. DRINAN. Mr. Speaker, I would like to share with my colleagues a sermon recently delivered by Rabbi Roland B. Gittelsohn at Temple Israel in Brookline, Mass., entitled "Strange Bedfellows." Rabbi Gittelsohn, a distinguished educator and scholar, is the past president of the Central Conference of American Rabbis and is presently serving as vice president of the Union of American Hebrew Congregations.

In this sermon, Rabbi Gittelsohn explores the reasons why a variety of peace organizations in which Jews have been prominently active have taken a pro-Arab stance in the Middle East crisis. He carefully examines several of the themes promoted by the Arab propagandists and the peace movement in support of their beliefs, and shows how patently false they are.

Rabbi Gittelsohn, in examining the motives of these strange bedfellows, comes to the unhappy conclusion that:

> Anti-Zionism and anti-Israelism sentiment have become the new, socially acceptable form of anti-Semitism.

I highly commend this thought-provoking statement to my colleagues:

Strange Bedfellows

The hardest blow for any of us to survive—individually or collectively—is betrayal by a friend. From an enemy, we expect rejection, attack, even malicious slander. When a presumed friend turns these weapons against us, we are likely to be shattered.

These opening reflections will explain my title tonight, *Strange Bedfellows*. Nothing that Arab propaganda has said about Israel and the Jewish people will shock us. We consider the source and react accordingly. We are horrified, however, when Daniel Berrigan joins the refrain. Especially those of us in the Jewish community who have defended and supported him, often at considerable risk to ourselves, as we worked with him in the cause of international justice.

What compounds our consternation is that, with less coarseness and vulgarity, to be sure, the peace movement in general has agreed with Fr. Berrigan's views on Israel. His infamous libelous address of 19 October to Arab graduate students might never have become widely known had it not been reproduced in *American Report*, the official publication of Clergy and Laity Concerned. The United World Federalists have publicized a statement of their youth division which is blatantly anti-Israel and has already motivated my resignation. Seldom do I pick up a peace periodical these days without finding either a snide or a vicious attack on Israel.

What I propose to do now is to examine several of the themes shared by these strange bedfellows: the Arab propagandists, the Catholic priest who may yet become the Fr. Coughlin of the 70s, and the peace movement. Then we shall look into their motives. There will be time only for a few of the many falsehoods they are so assiduously spreading. First, the charge that Israel, by its very existence, perpetrates a gross injustice against a national entity known as Palestinians. What are the facts? There have been Arabs living in Palestine for many centuries; there has never been an independent Palestinian nationality. Even during the very limited periods of time when the country was under Arab rule, it was not Palestinians but Arabs from the surrounding powerful nations who were in control.

Our sympathies have been solicited on behalf of Arabs in great number who allegedly have lived in Palestine for centuries, who owned the land and controlled their own national destiny, and who, since 1948, have been rudely expelled by rapacious Jews.

A simple exercise in arithmetic will dispel this illusion. In 1922 the total Arab population of the territory which later became the State of Israel was 184,000. Between that date and 1949—enticed from neighboring lands by higher living standards, by dramatic improvements in cultural and medical conditions, all resulting from Jewish settlement—the Arabs had increased to 750,000. Which means that three of every four Arabs living within the boundaries of Israel at its inception had been there not for thousands or even hundreds of years—as we are asked to believe—but for a generation or less. Their claim to the land—legal and emotional—is at best no better than that of Jewish immigrants who were arriving in large numbers at the same time. If we remember, moreover, that something like 250,000 Arabs remained in 1948 to become citizens of Israel, both the historic background and the numbers of refugees involved are reduced from the realm of fiction to that of fact.

A second charge reiterated endlessly by our strange bedfellows is that morally Israel is no better than the terrorists who would obliterate it. Again and again the incident at Deir Yassin is described as an example of Jewish brutality. I suppose we really ought to take it as a compliment that in more than 25 years of warfare this seems to be the only case of its kind our enemies can adduce. But even this is not what it superficially appears to be.

Deir Yassin was a small Arab village located at the bitterly contested western approach to Jerusalem. Both Jews and Arabs died in large numbers during the 1948 battles covering that area, so crucial to the control of Jerusalem. It was originally believed, even by Ben Gurion, that the death of many among Deir Yassin's inhabitants was caused by massive Jewish brutality against civilians. Larry Collins and Dominique Lapierre, in their book *O Jerusalem*, paint a ghastly, lurid picture of wild murder, wanton robbery and wholesale rape. They describe in brilliant and scintillating phrases what we now know never took place.

Subsequent sober research has established that Deir Yassin, far from being the innocent, peaceful village it purported to be, was used as a base for attacks against Jewish forces not only by Palestinian Arabs but also by a company of Iraqis. Unnumbered Jewish soldiers had lost their lives because of military initiatives emanating from this place. When it became necessary, in the view of Israel's military leaders, to clear the area of Arabs in order to protect the convoys headed for Jerusalem, clear warning was given to all civilians to leave. If Arab civilians died needlessly at Deir Yassin, this was due not to Israel's ruthlessness, but to the victims' refusal to heed the protective warnings given them.

I don't ask you to believe this just because I say it. Yunes Ahmed Assad was himself an inhabitant of Deir Yassin in 1948. Seven years later he wrote the following in a Jordanian daily paper: "The Jews never intended to hurt the population of the village, but were forced to do so after they met enemy fire from the population . . ." The most thorough piece of historical research done yet on Deir Yassin concludes: ". . . there was no massacre and no semblance of a massacre at Deir Yassin. What happened there was the normal tragedy of a village that became a battleground—neither more nor less."

Dr. A. Roy Eckardt, scholarly Protestant minister who heads the Lehigh University Department of Religion and who has studied every piece of evidence available reports: ". . . Deir Yassin was a legitimate, though bloody and unauthorized, battle for a village being used by Iraqi and Palestinian soldiers as a place from which to attack convoys headed for Jerusalem." So the one case of alleged Israeli brutality in a quarter-of-a-century disappears. To ask for evenhanded-moral choice between Arabs and Jews is to ask that the murderer and his victim be treated as equals!

This brings us to the third accusation shared by our strange bedfellows: that Israel is an aggressive, militaristic state which seeks to expand at the expense of its neighbors. The "evidence" most often cited in this connection is Israel's refusal to withdraw to its pre-June 1967 borders, as UN Resolution 242, we are repeatedly told, ordered it to do. UN 242 ordered Israel to do no such thing. True, it does call for withdrawal from occupied territories, but with deliberate intent and after explicit negotiation the phrase used is "occupied territorries," not "*the* occupied territories," and not "*all* occupied territories." These alternate wordings were considered, discussed, and deliberately rejected by the UN.

Israel's ultimate surrender of *some* occupied lands, moreover, is clearly part of a package, in which UN 242 also orders safe borders and guaranteed security for all states in the area. This also was done with deliberate intent. After the 1956 Sinai campaign, Israel was forced to withdraw with the expectation, but with no explicit assurance that peace would follow. Not only was there no resultant peace then, but every one of the assurances given to Israel as bait for withdrawal was betrayed. The UN hasn't learned much, but it did learn between 1956 and 1967 that any further insistence on withdrawal by Israel must be coupled with safe borders and a specific plan for peace. This is precisely what UN 242 demands. It isn't Israel which acts in contemptuous defiance of this understanding; it's the Arab world.

One more thing needs to be said on this matter of Israel as a greedy, expansionist state. Even granting that the Arabs—certain Arabs—have rights in Palestine, granting that conflicting promises were made during World War I, what does the record show since then? Who has been expansionist and who has compromised? The Balfour Declaration spoke of a Jewish homeland in the whole of Palestine, on both sides of the Jordan. In the early 1920s that was reduced by more than half when everything east of the Jordan River was separated, given to the new, independent Arab kingdom of Transjordania. We Jews acquiesced. In 1948 the remainder of Palestine, the portion west of the Jordan, was further truncated, with only a minor portion of what had been originally promised now assigned to a Jewish state. Again, we Jews accepted the inevitable. Reluctantly, to be sure, and with heavy heart, but we accepted. It wasn't we who reached out to grab land set aside for Arabs; it was they who tried to kill the Jewish State even before it had been born.

Even if occupied Sinai be included, the Arabs today occupy and govern territories totaling 130 times the area of Israel and larger than all of Europe combined! I repeat: who is in fact expansionist? Who has consistently compromised for the sake of peace?

Time rushes on, but at least one more bedfellow theme must be briefly discussed or I shall have trouble sleeping tonight. Counterposed to the alleged bellicosity of Israel, we have been reassured to the point of tedium that all the Arabs want is the return of the occupied territories, after which they will live in brotherhood and peace with their Israeli neighbors.

What do the Arabs really want? Not what do they say for purposes of public relations, but what is their honest aim? Nasser stated it very well on 29 May 1967: "If we were able to restore conditions to what they were before 1956, God will surely help and urge us to restore the situation to what it was in 1948." But that was Nasser. And Nasser is dead. Surely we must allow for the possibility of growth and change by Arab leadership. These are the objections which would undoubtedly be raised by our strange bedfellows if they were here. Very well. Has Arab leadership grown? Have they learned and changed? Let's see.

On 4 February 1971 Egyptian President Sadat, in justifying his so-called moderate policies before the Palestinian terrorists, said that the struggle against Israel must be mounted in stages. I quote him exactly: "The liberation of the territories is what we have chosen for this stage. Revolutionary Arab thought must define the stages of a consistent and diligent policy out of the necessity that all the various strategies used in the confrontation with the enemy should flow out of one grand strategy." The second stage, Sadat then explained, will be "the restoration of the national aspirations of the Palestinians."

Any doubt as to what the "national aspirations of the Palestinians" entails for Israel was removed a few weeks later by Hassanein Heikal, Sadat's friend and advisor, editor of the semiofficial Egyptian newspaper, *Al Ahram*. He wrote and published the following: "There exist only two defined objectives in the Arab world today: (1) The objective of removing the results of the aggression of 1967 by the withdrawal of Israel from all the areas it occupied in that year; (2) the objective of removing the results of the aggression of 1948—by destroying Israel itself. Some of us have committed the error of starting with the second phase before they start the first." Not even Adolf Hitler in *Mein Kampf* charted his aims and methods with greater exactitude than this.

We have accomplished the first of our essential tasks for tonight. We have examined four of the themes elaborated and reiterated by our strange bedfellows and have seen how patently false they are. There has never been a Palestinian nation, with sovereignty over its own soil. The notion that immorality and terror are to be found equally among Arabs and Jews in the Middle East is a preposterous lie. Israel is not an expansionist, militaristic state. And the true aim of Arab policy, far from being peace, remains the destruction of Israel.

But a second and even more important responsibility confronts us. How can we explain the persistence of such arrant nonsense?

Especially the fact that it emanates from such ostensibly liberal sources as Fr. Berrigan and a variety of peace organizations in which we Jews have been preeminently active? The answer is not simple. It involves deep-seated, even unconscious motives which are both psychological and theological and which it is absolutely imperative that we understand.

Basic to everything I shall say now is the ugly reality that anti-Zionism and anti-Israelism sentiment have become the new, socially-acceptable form of anti-Semitism. The nasty excesses of Hitler and his Nazis placed naked anti-Jewish prejudice out of bounds for anyone pretending to even a semblance of decency. This does not mean, however, that such prejudice ceased to exist. Submerged beneath the surface of consciousness, it became more explosive than ever. In previous sermons, as well as in my book, *The Meaning of Judaism,* I have explained why anti-Semitism is indigenous to Christianity, why, indeed, there could have been no Christianity in the first place without a strong substream of antagonism against the people of Jesus.

With the change of only one word, the scenario being played out now is exactly the one enacted in the first and second centuries. Let me remind you that the earliest followers of Jesus were Jews who believed him to be the messiah their scripture had predicted. When it became evident that only an infinitesimal number of Jews were so inclined, that a new faith would have to be established in the name of Jesus if the doctrine of his divinity were to spread, the next inevitable and ineluctable step was to downgrade both Judaism and the Jewish people in order to justify the new enterprise.

It would have been too gauche, however, to denounce Jews directly while attempting to propagate the doctrine that a particular Jew was in fact the messiah. Hence hatred was directed by the new testament not at Jews as such, but only at Pharisees. Scholars recognize today that the overwhelming masses of Jews in the first two centuries of the Common Era were Pharisees. Yet those who initiated the attack were able to assert that they were not against all Jews, only against one particular sect of Jews. Pharisee was the code word then; Zionist is now. Except for a tiny, sick fragment of self-haters, all Jews today are Zionists. When Zionists are castigated, we know who the real targets are. It is time for the gentile world to know also. Those non-Jews who, on the conscious level, are too intelligent and humane to acknowledge prejudice against Jews as such find a psychologically convenient way out by professing to resent only Jews who are Zionists or Jews who are Israelis. It should be self-evident that liberals are especially prone to fall into this category.

Is my reasoning in these last paragraphs only an example of Jewish paranoia? Not at all. Dr. Franklin H. Littell of Temple University's Department of Religion, has written: "Anti-Zionism is an easy way of self-deception; you can no more be an anti-Zionist and a friend of the Jewish people than you can be a constant and carping enemy of Christianity and be a friend of the Christians." He added that anti-Zionism is "the new form of anti-Semitism."

A final word. It may be suspected by some that this sermon is narrowly pro-Israel. Not so. It is instead broadly pro-world. The League of Nations perished because it ducked the manifest moral issue when Mussolini attacked Ethiopia. The United Nations will also disintegrate if it remains blind to the moral distinctions existing in the Middle East. Selling Czechoslovakia down the river did not gain peace for the world of my youth. Selling Israel down the river will not buy peace for our world today. The real threat to peace comes not from Israel, but from Arab states crazed by their newly discovered oil power and encouraged toward further mischief by their Soviet sponsor.

Two thousand years ago our rabbis proclaimed: "The sword comes into the world because of justice being delayed, because of justice being perverted, and because of those who render wrong decisions." They were right. The only way to achieve peace is to act morally, to abjure prejudice and embrace truth. Amen.

GENERAL ACCOUNTING OFFICE REPORTS DISC TAX LOOPHOLE "NOT CONSIDERED TO HAVE HAD MUCH INFLUENCE TOWARD INCREASING U.S. EXPORTS"

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. VANIK. Mr. Speaker, following the devaluation of the dollar on August 15, 1971, the President requested a new tax provision to encourage exports. Instead of relying on the devaluation and world currency flotation to solve our balance-of-payments problems, the administration and the Congress created a new tax loophole known as Domestic International Sales Corporations—DISC's. The DISC tax provision cost the Public Treasury about $100 million in 1972 and will be draining some $240 million from the Treasury by 1975.

In essence, DISC's are dummy corporations set up to handle regular business export accounts. When certain conditions are met, the tax on these corporations is deferred and allowed to accumulate in the DISC's account. Presumably, by avoiding tax, the exporter can lower the price of the goods he is exporting, thus becoming more competitive in the world markets. He is also encouraged to be more aggressive in making export sales, since the income from such sales can avoid tax for a considerable period of time.

DOES DISC WORK?

Is the taxpayer receiving any benefit from this tax subsidy? Is the Nation's balance of payments being aided by new exports? On November 6, 1973, I requested the General Accounting Office to do, in essence, a cost benefit analysis. I asked that the GAO conduct a study of 100 corporations which had elected to become or to establish DISC's and to determine the level of exports of these corporations before and after they became DISC's. If there was a remarkable increase in the level of exports, it might be argued that the Nation as a whole benefited—in terms of increased jobs and better balance of payments—from this tax preference for private corporations.

Treasury refused to make necessary information on DISC's available to the GAO. Therefore, an adequate study was impossible to conduct. The GAO investigators did discuss DISC with Department economists:

> We learned that the program is not considered to have had much influence toward increasing U.S. exports to date. Neither has it resulted in exporters lowering their prices to meet competition.

The Treasury economists believe that the full impact of DISC will not be realized for another 3 to 5 years. But because of the devaluations, the floating of world currencies and domestic price controls, it is almost impossible to determine whether DISC has made an iota of difference in our level of exports. It is clear, however, that DISC is costing the Treasury hundreds of millions in lost revenue.

IS DISC A TAX LOOPHOLE?

There can be absolutely no doubt that DISC is a classic tax loophole. If anyone questions this statement, they should read this March's issue of the Journal of Taxation, which includes an article entitled, "With proper planning, deferred ordinary income of a DISC need never be recaptured." The article is written by Arnold Fisher, Benedict M. Kohl, and William T. Knox, IV. It is worth quoting at length from the tax journal article:

> The Committee Reports indicate that . . . provisions were enacted in order to 'prevent this tax deferred income from being converted into capital gain . . .' However, the taxpayer's goal in the DISC end game will in most cases be far more ambitious than merely converting the deferred ordinary income into capital gain but, rather, to avoid any recognition of the deferred income by the DISC shareholder.

DISC is a game—played at the public's expense, and the DISC always wins. It is my understanding that "tax advisors" are now considering DISC one of the finest stock option tax avoidance devices ever created.

Again, quoting from the Journal of Taxation:

> For those who do not have the patience to wait for the end game, the DISC provisions offer earlier opportunities to avoid any recognition of the deferred ordinary income. One striking aspect of a DISC is that unlike other corporations, it need have no substance. The tax law, as in the case of corporate law, has generally recognized the corporate fiction provided that the individuals deal at arm's-length with the corporate entity. But Congress, in enacting the DISC provisions, intended the DISC to be a container for a mere bookkeeping account, without necessarily having its own employees, business facilities, or independent economic justification. The DISC's income, in effect, can merely be assigned to it in a transaction that need have no economic substance or reality so long as it is within the formula amounts permitted by the DISC pricing provisions.

DISC VIOLATES INTERNATIONAL LAW

Finally, DISC is a violation of international agreements. Specifically, it violates the provisions of GATT. It is ironic that our Nation would have instituted a DISC at the very time we have been complaining about export subsidies by other countries. The problem of foreign export subsidies is clearly discussed in the House Ways and Means Committee Report on the Trade Reform Act which passed the House last December 11:

> Moreover, the Committee believes that a tool, in addition to that available in the counter-vailing duty statute, should be available to deal with the problem of subsidized exports to the U.S. market, particularly where the subsidization also affects sales of U.S. goods in third country markets. Since the United States has tried and failed repeatedly in recent years to achieve agreement on subsidy practices, a more forceful approach is called for. H. Rept. 93–571, p. 67.
>
> Your Committee also believes that GATT provisions on tax adjustments in international trade should be revised to ensure that they will be trade neutral. H. Rept. 93–571, p. 67.

Our position in opposition to foreign subsidies has been eroded by the creation of DISC. Foreign nations have filed complaints with GATT concerning U.S. violations created by the DISC tax loophole.

We know that DISC is a tax loophole; it appears that it is not effective and we can be sure that it will be copied or imitated by other countries. For example, in the budget message submitted to the Canadian Parliament in January, 1973, the Canadian Government requested business tax relief for Canadian industries to meet competition caused by foreign imports, and in particular, the threat of increased American exports, which might result from DISC. It is likely that the nations of the world will enact a series of business tax subsidies to meet the imagined or real impact of the American DISC. The result will be that all our Treasuries will suffer, while a few individuals receive a tax bonanza.

As a result of the failure of DISC, the high level of American exports due to devaluation, the abuse of DISC as a tax loophole, and its violation of international law, I am today introducing legislation to repeal the DISC provision.

Finally, Mr. Speaker, I insert in the RECORD at this point, a copy of the GAO letter to me on the cost/benefit ratio of DISC:

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, D.C., February 15, 1974.

Hon. CHARLES A. VANIK,
House of Representatives.

DEAR MR. VANIK: Your letter of November 6, 1973, requested that we conduct a study of 100 corporations which had elected to become Domestic International Sales Corporations (DISC's) pursuant to the provisions of the Revenue Act of 1971 (Public Law 92–178, dated December 10, 1971). You expressed particular interest in a comparison of exports by these firms both before and after they became DISC's, trends in their levels of exports, and the Federal revenue lost as a result of their taking advantage of the DISC provisions.

After consultation with your staff, we notified the Assistant Secretary for Tax Policy, Department of the Treasury, of your request and asked for his cooperation in obtaining information necessary to fulfill the assignment. We subsequently discussed with Treasury officials the nature of the information needed, and it was concluded that no meaningful review of DISC's could be made without access to tax return information. We were then told such information could not be made available. This refusal was later confirmed by a letter dated December 20, 1973, from the Department's International Tax Counsel. A copy of his letter is enclosed.

As suggested in the Department's letter, we met with Department of the Treasury officials including the economist responsible for preparing the first annual report, due April 15, 1974, on the DISC program. From that meeting we learned that the program is not considered to have had much influence toward increasing U.S. exports to date. Neither has it resulted in exporters lowering their prices to meet competition. The economist pointed out, however, that the impact of the program would be gradual and would not be fully appreciated until 3 to 5 years had elapsed.

Statistics for the annual report are being provided by the Internal Revenue Service and Department of Commerce to the economist in summary form without identification of individual DISC's. It is contemplated that comparison of export statistics will be shown in the report by groups of DISC's layered according to the size of their asset values. There will also be analyses of exports according to product line. For example, 24 DISC's exported fertilizer in 1972. These figures will be compared with the DISC's 1971 fertilizer exports and both year's figures will then be analyzed and compared with total fertilizer exports of all firms over the same period.

The impact on U.S. exports by such factors as devaluations of the dollar, domestic price controls, and instances of higher inflation rates abroad make it exceeding difficult to evaluate the effects of the DISC program. In this regard, the economist acknowledged that his conclusions in the annual report will be qualified and, at best, will represent educated guesses.

Because of our lack of access to needed information, we are unable to provide a more meaningful response to your request.

Sincerely yours,
ELMER B. STAATS,
Comptroller General of the United States.

OFFICE OF THE
SECRETARY OF THE TREASURY,
Washington, D.C., December 20, 1973.

Mr. VICTOR L. LOWE,
Director, General Government Division, General Accounting Office, Washington, D.C.

DEAR MR. LOWE: Mr. Hickman has asked me to reply to your letter of November 20, 1973, by which you requested our cooperation in obtaining information necessary to study 100 corporations which have elected to become Domestic International Sales Corporations.

Richard A. Gordon of my office has conferred with representatives of your office, including Mr. Thompson, to discuss the request. I understand that it was agreed that the best source of information would be the returns filed by the corporations which have elected to be treated as DISCs. The DISC returns are income tax returns and as such are subject to the rules of confidentiality provided for by Section 6103 of the Internal Revenue Code of 1954. As there is no special provision for allowing G.A.O. to inspect returns, we regret that we cannot allow such an inspection.

The legislation which included the DISC provisions provided that the Treasury must report annually to Congress on the effectiveness of DISC. The first such report will be filed by April 15, 1974. It is expected that the report will be quite detailed, although of course no specific taxpayer will be discussed. It is possible that this report might be of assistance to you in complying with Congressman Vanik's request. Should you desire more information in this regard, we would be pleased to arrange for your representatives to confer with the economists who are charged with the preparation of the report. In any event, we feel that a separate study would be premature as Congressman Vanik may very well decide that the Treasury report will make the additional substantial expenditure of time and money required to conduct a separate study unnecessary.

Sincerely yours,
ROBERT J. PATRICK, Jr.,
International Tax Counsel.

THOUGHTS ON FOOD

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1974

Mr. OBEY. Mr. Speaker, in the past several months there has been a great deal of public discussion about food in this country, and most of that thought has centered on the question of price. There has been less thought, however, about the problem of quantity, and the need for some type of food reserve system that will insure a sufficient quantity of food in future years for our people at home and for those abroad who need and want it.

As an editorial in the New York Times pointed out yesterday, the administration has finally—if belatedly—begun to prepare for a world food conference to be held next November.

And, I am pleased to see that Secretary of Agriculture Earl Butz, in testimony before the Senate Agriculture Committee, has at least put himself on record in favor of grain and food reserves.

I hasten to add that I disagree with the Secretary on almost all of his specifics. I find totally inadequate, for example, his proposal for an international sharing of production, supply, and stock information, but without any system of actual stock accumulations. Information of food stocks and demands is necessary, just as that information is essential for such things as oil, minerals, and timber. And we do not have enough of that kind of information. But how much solace is it to someone who is already hungry to know there is a shortage of food.

Mr. Speaker, I fully support an international agreement to establish food reserves, and a series of mutually beneficial international agreements on other resources. But for several years, at least as far as food is concerned, we have not been able to get the administration to even talk of reserves. So, the Secretary's testimony at least means that we have our foot in the door. The question now is whether we have the capacity to build reserves at a time when the world seems hungry and affluent enough to buy all we produce.

The Times editorial follows:

> THOUGHT FOR FOOD
>
> Everything relates to everything. From shortage of energy comes shortage of chemical fertilizers, produced by energy-intensive technology. And from shortage of fertilizer comes shortage of food the world over.
>
> Whether thus simplified or spun out with intricate sophistication, a new doomsday scenario is evolving. The question is whether the experts' assessments can be translated soon enough into effective action by governments to avert—literally—mass famine.
>
> In many ways the slow perception of an emerging food crisis bears a disturbing similarity to the equally slow perceptions of the energy crisis several years ago: the warnings of a few prophets in the field going unheeded until serious hardships hit, the lack of a sense of urgency for nations to work together to alleviate what will surely become an acute and common problem across national frontiers.
>
> When pressures on prices and supplies of basic food-stuffs, notably grains and sugar, are added to the uncertainties of the weather, the result for populous, less developed countries is obvious. The problem is most dramatic, though far from unique, in India. The World Bank estimated recently that instead of the self-sufficiency in food which could be foreseen only three years ago, India will have to import over ten million tons of grain in the next five years, and will need an unanticipated $12 billion in foreign aid to pay the bill.
>
> It is one thing for consumers in the United States and other rich countries to absorb a rise in expenditure on food, and quite another for a billion or so people who already spend 80 per cent of their paltry incomes on the food they need to keep them alive.
>
> Paying for basic foodstuffs is only the start of the problem; the bigger question is whether the world can actually produce enough to meet the anticipated demand. As in so many resource problems, the trade offs are agonizing. It has been estimated that one acre's corn production requires the energy equivalent of 88 gallons of gasoline. Affluent Americans could soon be faced with the choice of consuming energy on highways and in air-conditioned rooms, or permitting the production of food to feed whole populations in Africa and Asia.
>
> After months of foot-dragging, the United States is finally taking the lead in preparing for a world food conference to be held in Rome next November. One of the first tasks, in the American view, is to build up a more reliable system of food stockpiles so that one or two bad harvests in the larger grain producing countries will not create critical shortages. But after years of surplus conditions, demand is already pressing against production capacity, leaving little scope for building reserves against future needs.
>
> It took years for sovereign-minded governments to understand the need for joint planning and ingenuity in providing energy—and even now the pace of progress in this direction inspires something less than awe. Similar delay on the related and equally urgent matter of organizing world food production will surely take a tragic toll in human life.

HOOSIER HYSTERIA

HON. J. EDWARD ROUSH

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. ROUSH. Mr. Speaker, Hoosier hysteria reigned in my district this past week as Northrop High School brought the State basketball championship trophy home to Fort Wayne for the first time in 16 years.

I am sure my colleagues in the House would agree that nowhere is high school basketball played with more determination than in the State of Indiana, nor followed by more dedicated fans.

Winning a State basketball championship in Indiana is the dream of every player, coach, and fan. The feat seems all the more incredible when one considers this is only the third year the new Northrop High School has fielded a team.

I have already sent my congratulations to the team and to Coach Bob Dille, but I would like to have inserted into the CONGRESSIONAL RECORD the names of the boys who brought such an honor to their school and to my part of Indiana.

Seniors on the team were Tom Madden, Tony Casso, Neal Putt, Craig Klein, Dennis Hetrick, Walter Jordan, Mark Fredricks, and Mike Muff. Juniors were Willie Spencer, Mike Suttle, James Wimbley, and Maurice Drinks.

These boys put together an impressive 28 to 1 record for the season, a record that will long be remembered throughout the State.

High school sports competition has helped make this country great, and this team must now be counted among the best in that tradition.

BAN THE HANDGUN—XXXVII

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. BINGHAM. Mr. Speaker, in Richardson Tex., an 11-year-old boy committed four irrational acts of murder, shooting his entire family, and then taking his own life. This tragic case speaks for itself.

Congress must act and act quickly to get the handguns out of the home, and out of the hands of all but the police and military.

The appended article appeared in the March 26 edition of the New York Post:

> BOY, 11, SLAYS FAMILY, SELF
>
> RICHARDSON, TEX.—Police say an 11-year-old boy apparently killed his parents and sister and then killed himself.
>
> The four shooting victims were Robert L. Nickols, 47, editor of a trade publication; his wife, Jeannie, 51; their daughter, Debra, 12; and their son Kevin, 11.
>
> "It's really strange," said a police sergeant. "We don't have a motive of any kind. Neighbors all say the boy was highly intelligent."
>
> Condition of the bodies, the sergeant said, indicated all four persons had been dead three or four days.

11500 BANANAS ON PIKE'S PEAK

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. HOSMER. Mr. Speaker, the Nation urgently needs more coal to meet its energy load growth. The Nation's policy is to shift the energy load from petroleum to coal.

Yet, H.R. 11500 would essentially abolish surface coal mining operations under the pretext of regulating them.

The bill combines elaborate new mining permit systems with next-to-impossible reclamation requirements which no State now has. It factors in delays of months and even years before new mines can be opened.

With a well conceived surface mining regulation measure you can have coal and respect for the environment, too. With H.R. 11500, when the lights go out you could call on Congress, but not on coal.

That makes about as much sense as trying to grow bananas on Pike's Peak.

HON. WILLIAM S. MAILLIARD

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 25, 1974

Mr. RODINO. Mr. Speaker, I was pleased to learn that my distinguished colleague, Hon. William S. Mailliard, has received an appointment as the Permanent Representative of the United States to the Organization of American States. Bill and I have been fellow representatives in the House for over 2 decades now, and I as well as many other Members of both parties will miss his legislative acumen as we struggle with the difficult problems that lie ahead. But it is this same diplomatic skill he is taking, coupled with his long experience in international affairs, that will enable Bill to gain the respect and confidence of his new Pan-American colleagues. I am confident, therefore, that he will meet this new challenge with the same degree of accomplishment that he now leaves in the House. And so, I want to congratulate and wish the best of luck to Bill in his new role of representing the United States in this important hemispheric organization.

SENATE—*Friday, March 29, 1974*

The Senate met at 10:45 a.m., on the expiration of the recess, and was called to order by Hon. JENNINGS RANDOLPH, a Senator from the State of West Virginia.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Eternal God, whose love is unfailing and embraces all Thy children, in reverent mood and with thankful hearts, we pause in the sacrament of memory to honor the men and women living and departed, who when called to the Armed Forces, responded with youthful energy and sacrificial devotion, to fulfill the mission of this Nation in the world. Forgive us for any indifference, carelessness, or callousness for those whose hearts and minds and bodies bear the scars of battle in faraway Vietnam.

Give comfort and courage to those families whose sons and brothers have not returned. May we have loving hearts and generous treasuries for all who need help and healing.

May the people in the lands where they fought live in peace and freedom.

With clean hands and pure hearts, with malice toward none, with charity toward all, with firmness in the right as God gives us to see the right, may we finish the work, bind up the Nation's wounds, care for all who need our care, and do all which may achieve a just and lasting peace among ourselves and with all nations.

We pray in the name of the Prince of Peace. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The second assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., March 29, 1974.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. JENNINGS RANDOLPH, a Senator from the State of West Virginia, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. RANDOLPH thereupon took the chair as Acting President pro tempore.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House had passed the following bills in which it requests the concurrence of the Senate:

H.R. 69. An act to extend and amend the Elementary and Secondary Education Act of 1965, and for other purposes; and

H.R. 12412. An act to amend the Foreign Assistance Act of 1961 to authorize an appropriation to provide disaster relief, rehabilitation, and reconstruction assistance to Pakistan, Nicaragua, and the Sahelian nations of Africa.

HOUSE BILL REFERRED

The bill (H.R. 12412) to amend the Foreign Assistance Act of 1961 to authorize an appropriation to provide disaster relief, rehabilitation, and reconstruction assistance to Pakistan, Nicaragua, and the Sahelian nations of Africa, was read twice by its title and referred to the Committee on Foreign Relations.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Thursday, March 28, 1974, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nominations placed on the Secretary's desk.

The ACTING PRESIDENT pro tempore. Without objection, the nominations placed on the Secretary's desk will be stated.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

The second assistant legislative clerk read sundry nominations in the National Oceanic and Atmospheric Administration, which had been placed on the Secretary's desk.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

Mr. MANSFIELD. Mr. President, I request that the President be notified of the confirmation of these nominations.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Does the Senator from Texas seek recognition?

Mr. TOWER. I do not seek recognition, Mr. President.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the the previous order, the Senator from Rhode Island (Mr. PASTORE) is recognized for not to exceed 15 minutes.

(The remarks Senator PASTORE made at this point on the introduction of S. 3271, to establish a joint committee on energy, are printed later in the RECORD under Statements on Introduced Bills and Joint Resolutions.)

The PRESIDING OFFICER. Under the previous order, the Senator from Kentucky is recognized for not to exceed 15 minutes.

Mr. MANSFIELD. Mr. President, if the Senator wants additional time, he may have it.

DEVELOPMENT OF DOMESTIC NATURAL RESOURCES

Mr. COOK. Mr. President, I invite the attention of my colleagues to the results of this week's bidding by oil companies to drill on the Outer Continental Shelf in search for oil and gas. A record $6.46 billion was offered for the leases at this one sale. As there are to be two more lease sales this year, the total to be paid to the U.S. Treasury from this source alone could exceed $18 billion. I make no prediction as to what this total will be, but I would remind my colleagues of several related points.

I am pleased that we are moving forward in the development of our domestic natural resources. As I have stated many times on the floor of this Chamber, this Nation cannot continue to be dependent on foreign powers for its energy requirements if it is to be a world power.

The recent blackmail by the Arab States created an impossible situation and one which I, as one Senator, will not tolerate.

We must continue this effort and develop our own energy fuels.

In this connection, I would like to again bring to your attention a bill I introduced on November 13 of last year for myself, Senator Baker, and Senator Bartlett. This bill, S. 2694, would create an Energy Research, Development, and Demonstration Trust Fund to provide adequate funding over a sustained period to give us the best possible chance to convert our available natural resources to usable energy fuels. This fund would be supported at the rate of $2 billion per year, and the moneys would be obtained from these OCS leases. I do not want to repeat my statement here, but I would be happy to provide you with a copy, should you desire.

A third point I would add is that leases on the OCS, which were selling for millions of dollars a few months ago are now being sold for billions of dollars. This will result in higher cost for production, and these costs must be paid. I do not suggest that all costs must be passed on to the consumer, but I do think we must recognize that our fight to regain our energy fuel independence will be costly.

But, then, independence is always costly. No nation knows this better than the United States.

Mr. President, I suggest that we have billions of dollars for research and development but not 1 cent for blackmail.

Again I say that I should like to think that by reorganizing committees of Congress, we might be able to produce more fuel in the United States, but we are not going to be able to do it. The answer is a long-range, sustained research and development energy program on which the people of the United States can depend.

(The remarks Senator Cook made at this point on the introduction of S. 3272, to establish agricultural service centers, are printed later in the Record under Statements on Introduced Bills and Joint Resolutions.)

ORDER OF BUSINESS

The PRESIDING OFFICER. Under the previous order, the Senator from South Carolina is recognized for not to exceed 15 minutes.

The Senator from South Carolina.

U.S. SOVEREIGNTY AND JURISDICTION OVER THE PANAMA CANAL

Mr. THURMOND. Mr. President, on behalf of the distinguished senior Senator from Arkansas (Mr. McClellan) and myself, and Mr. Allen, Mr. Tower, Mr. Harry F. Byrd, Jr., Mr. Bennett, Mr. Dole, Mr. Helms, Mr. Goldwater, Mr. Cotton, Mr. Cook, Mr. Brock, Mr. Hansen, Mr. Fannin, Mr. Nunn, Mr. Talmadge, Mr. Young, Mr. Baker, Mr. Randolph, Mr. McClure, Mr. Domenici, Mr. Bartlett, Mr. Gurney, Mr. Hartke, Mr. Buckley, Mr. McIntyre, Mr. William L. Scott, Mr. Eastland, Mr. Hollings, Mr. Hruska, Mr. Curtis, Mr. Dominick, and Mr. Beall, I submit a Senate resolution in support of continued undiluted U.S. sovereignty and jurisdiction over the U.S.-owned Canal Zone on the Isthmus of Panama, and I ask unanimous consent that the text of the resolution and certain statements be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. THURMOND. Mr. President, it is by now well known that the U.S. Government is negotiating with the Republic of Panama for the surrender of our sovereignty and jurisdiction over the Canal Zone. On February 7, 1974, Secretary of State Kissinger signed in Panama "Joint Statement of Principles" for negotiating a new treaty. In due time I will analyze these principles more fully, but suffice it to say for the present that the so-called principles no only contemplate the transfer of our sovereignty, but are so worded that there is an implicit suggestion that the Canal Zone is already Panamanian territory and the only question involved is the transfer of jurisdiction.

For example, principle No. 4 begins:

> The Panamanian territory in which the canal is situated shall be returned to the jurisdiction of the Republic of Panama.

This is an utterly false statement.

No part of the canal is situated in the Panamanian territory. If that were indeed the case, then there might be some question of justice involved in renegotiation of the treaty and the elimination of the concept of perpetuity; however, that is emphatically not the case.

The Canal Zone was obtained both through treaty and purchase of all the lands in fee simple. It is the most expensive territorial acquisition of the United States. The only interest that remains to Panama is the so-called titular sovereignty, which is merely a legal way of saying that if we should ever give up the territory, it would revert to Panama, and not to some other country, such as Colombia, or to some international entity. Panama is in the same position as that of a residuary legatee. She has no claim to the territory involved unless all the other claims have been vacated.

Mr. President, we have paid $163,718,571 for the land, rights, and titles to the Canal Company and the Canal Zone. None of these rights is held by lease, or by dispensation from Panama. By contrast, the most that the United States has paid for other territorial purchases is $15 million, a sum that was paid for the Louisiana Purchase in 1803, and for the Mexican Cession in 1848. In all, if we add all costs that we have incurred, including defense, we have invested nearly $6 billion in the canal.

Mr. President, I ask unanimous consent that a list of the major territorial acquisitions of the United States and a breakdown of costs in the Canal Zone purchase be printed in the Record at this point in my remarks.

There being no objection, the list was ordered to be printed in the Record, as follows:

MAJOR TERRITORIAL ACQUISITIONS OF THE UNITED STATES

1803 Louisiana Purchase	$15,000,000
1821 Florida Purchase	6,674,000
1848 Mexican Cession inc. California	15,000,000
1853 Gadsen Purchase	10,000,000
1867 Alaska Purchase	7,200,000
1904 Canal Zone	163,718,571

BREAKDOWN OF CANAL ZONE PURCHASE

Republic of Panama:	
Original payment, 1904 (1903 treaty)	$10,000,000
Annuity, 1913–1973 (1903, 1936, 1955 treaties)	49,300,000
Property transfers:	
Property in Panama City and Colon (1943)	11,759,956
Water system in Panama City and Colon	669,226
1955 treaty transfers	22,260,500
Subtotal, Panama	(93,989,682)
Colombia (1922)	25,000,000
Compagnie Nouvelle du Canal de Panama (1904)	40,000,000
Private titles, stocks, and claims	4,728,889
Total	163,718,517

Mr. THURMOND. Mr. President, for this reason it is very disturbing when the Secretary of State implicitly agrees, even before the negotiations begin in earnest, that the territory in question is already Panamanian territory. The Spooner Act of 1902 authorized the President to negotiate for perpetual control of the lands necessary to build the canal, and it is upon that basis that the 1903 Hay-Bunau Varilla Treaty was concluded.

Title 2, section 2 of the Canal Zone Code authorizes the President to acquire additional land, by treaty, from the Republic of Panama, which he deems necessary for the maintenance, operation, sanitation, or protection of the canal and the Canal Zone. It also authorizes the President to exchange such lands by treaty, but it nowhere authorizes the President to cede the territory so acquired.

For this reason, the distinguished senior Senator from Arkansas and the other Senators whose names I mentioned and I are asking the Senate to take a close look at the underlying assumptions of the present negotiations.

Mr. President, I ask unanimous consent that the text of the Joint Statement of Principles and the State Department backgrounder be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, these negotiations fly in the face of congressional prerogative. They are imprudent in themselves, as I have often pointed out on this floor; but they are proceeding without reference to the fact that the Canal Zone is territory of the United States for which the Congress is the general legislature. The Canal Zone Code was enacted by Congress as well as the Federal district court which sits in Balboa, Canal Zone. The domestic laws of the United States have effect in the Canal Zone. I have a list of some of the more recent such domestic enactments which apply in the zone.

Mr. President, I ask unanimous consent that the list of General Laws of the United States having effect in the Canal Zone be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. THURMOND. Mr. President, the distinguished Senator from Arkansas and other Senators who are joining in this resolution and I are therefore proposing a Senate resolution that it is the sense of the Senate that the Government of the United States should maintain and protect its sovereign rights and jurisdiction over the canal and zone, and should in no way cede, dilute, forfeit, negotiate, or transfer any of these sovereign rights, power, authority, jurisdiction, territory, or property. We invite the attention of other Senators to this resolution, and ask them to join as cosponsors.

EXHIBIT 1

S. RES. 301

In support of continued undiluted United States sovereignty and jurisdiction over the United States-owned Canal Zone on the Isthmus of Panama.

Whereas United States diplomatic representatives are presently engaged in negotiations with representatives of the de facto Revolutionary Government of Panama, under a declared purpose to surrender to Panama, now or on some future date, United States sovereign rights and treaty obligations, as defined below, to maintain, operate, protect, and otherwise govern the United States-owned canal and its protective frame of the Canal Zone, herein designated as the "canal" and the "zone", respectively, situated within the Isthmus of Panama; and

Whereas title to and ownership of the Canal Zone, under the right "in perpetuity" to exercise sovereign control thereof, were vested absolutely in the United States and recognized to have been so vested in certain solemnly ratified treaties by the United States with Great Britain, Panama, and Colombia, to wit—

(1) The Hay-Pauncefote Treaty of 1901 between the United States and Great Britain, under which the United States adopted the principles of the Convention of Constantinople of 1888 as the rules for operation, regulation, and management of the canal; and

(2) The Hay-Bunau-Varilla Treaty of 1903 between the Republic of Panama and the United States, by the terms of which the Republic of Panama granted full sovereign rights, power, and authority in perpetuity to the United States over the zone for the construction, maintenance, operation, sanitation, and protection of the canal to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power, or authority; and

(3) The Thomson-Urrutia Treaty of April 6, 1914, proclaimed March 30, 1922, between the Republic of Colombia and the United States, under which the Republic of Colombia recognized that the title to the cannal and the Panama Railroad is vested "entirely and absolutely" in the United States which treaty granted important rights in the use of the canal and railroad to Colombia; and

Whereas the United States, in addition to having so acquired title to and ownership of the Canal Zone, purchased all privately owned land property in the zone, from individual owners, making the zone the most costly United States territorial possession; and

Whereas the United States since 1903 has continuously occupied and exercised soverign control over the zone, constructed the canal, and, since 1914, for a period of sixty years, operated the canal in a highly efficient manner without interruption, under the terms of the above mentioned treaties thereby honoring their obligations, at reasonable toll rates to the ships of all nations without discrimination; and

Whereas from 1904 through June 30, 1971, the United States made a total investment in the canal, including defense, at a cost to the taxpayers of the United States of over $5,695,745,000; and

Whereas Panama has, under the terms of the 1903 treaty and the 1936 and 1955 revisions thereof, been adequately compensated for the rights it granted to the United States, in such significantly benefical manner that said compensation and correlated benefits has constituted the major portion of the economy of Panama giving it the highest per capita income in all of Central America; and

Whereas the canal is of vital and imperative importance to hemispheric defense and to the security of the United States and Panama; and

Whereas approximately seventy per centum of canal traffic either originates or terminates in United States ports, making the continued operation of the canal by the United States vital to its economy; and

Whereas the present negotiations, and a recently disclosed statement of "principles of agreement" by our treaty negotiator, Ambassador Ellsworth Bunker, and Panamanian Foreign Minister Juan Tack, Panama treaty negotiator, constitute a clear and present danger to hemispheric security and the successful operation of the canal by the United States under its treaty obligations; and

Whereas the United States House of Representatives, on February 2, 1960, adopted H. Con. Res. 459, Eighty-sixth Congress, reaffirming the sovereignty of the United States over the zone territory by the overwhelming vote of three hundred and eighty-two to twelve, thus demonstrating the firm determination of our people that the United States maintain its indispensable sovereignty and jurisdiction over the canal and the zone; and

Whereas under article IV, section 3, clause 2 of the United States Constitution, the power to dispose of territory or other property of the United States is specifically vested in the Congress, which includes the House of Representatives: Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) the Government of the United States should maintain and protect its sovereign rights and jurisdiction over the canal and zone, and should in no way cede, dilute, forfeit, negotiate, or transfer any of these sovereign rights, power, authority, jurisdiction, territory, or property that are indispensably necessary for the protection and security of the United States and the entire Western Hemisphere; and

(2) That there be no relinquishment or surrender of any presently vested United States sovereign right, power, or authority or property, tangible or intangible, except by treaty authorized by the Congress and duly ratified by the United States; and

(3) That there be no recession to Panama, or other divestiture of any United States owned property, tangible or intangible, without prior authorization by the Congress (House and Senate), as provided in article IV, section 3, clause 2 of the United States Constitution.

[News Release, Department of State, Feb. 7, 1974]

UNITED STATES, PANAMA AGREE ON PRINCIPLES FOR CANAL NEGOTIATIONS

The Statement of Principles signed today by Secretary of State Kissinger and Foreign Minister Tack of Panama opens a new phase in the negotiations between the United States and Panama on a modern canal treaty.

In September 1973 Secretary Kissinger charged Ambassador at Large Ellsworth Bunker with renewing discussions with Panamanian officials for the purpose of arriving at a common approach to future treaty negotiations. Ambassador Bunker visited Panama November 26 to December 3, 1973 and again on January 6 and 7, 1974 to discuss with Panamanian Foreign Minister Tack general principles upon which a new treaty might be based. These discussions have resulted in the Statement of Principles of February 7.

The principles will serve as guidelines for the next round of treaty talks which are expected to get under way in the near future. The principles are general in character and do not address the many specific issues involved in defining the new treaty arrangement. These remain to be negotiated.

The United States welcomes the agreement on principles as a demonstration of how two countries with shared purposes can reach an understanding which fairly balances their interests, rights, and obligations.

Following is the text of the Joint Statement and a background paper on the status of the Panama Canal treaty negotiations.

JOINT STATEMENT BY THE HONORABLE HENRY A. KISSINGER, SECRETARY OF STATE OF THE UNITED STATES OF AMERICA, AND HIS EXCELLENCY JUAN ANTONIO TACK, MINISTER OF FOREIGN AFFAIRS OF THE REPUBLIC OF PANAMA, ON FEBRUARY 7, 1974 AT PANAMA

The United States of America and the Republic of Panama have been engaged in negotiations to conclude an entirely new treaty respecting the Panama Canal, negotiations which were made possible by the Joint Declaration between the two countries of April 3, 1964, agreed to under the auspices of the Permanent Council of the Organization of American States acting provisionally as the Organ of Consultation. The new treaty would abrogate the treaty existing since 1903 and its subsequent amendments, establishing the necessary conditions for a modern relationship between the two countries based on the most profound mutual respect.

Since the end of last November, the authorized representatives of the two governments have been holding important conversations which have permitted agreement to be reached on a set of fundamental principles which will serve to guide the negotiators in the effort to conclude a just and equitable treaty eliminating, once and for all, the causes of conflict between the two countries.

The principles to which we have agreed, on behalf of our respective governments, are as follows:

1. The treaty of 1903 and its amendments will be abrogated by the conclusion of an entirely new interoceanic canal treaty.

2. The concept of perpetuity will be eliminated. The new treaty concerning the lock canal shall have a fixed termination date.

3. Termination of United States jurisdiction over Panamanian territory shall take place promptly in accordance with terms specified in the treaty.

4. The Panamanian territory in which the canal is situated shall be returned to the jurisdiction of the Republic of Panama. The Republic of Panama, in its capacity as territorial sovereign, shall grant to the United States of America, for the duration of the new interoceanic canal treaty and in accordance with what that treaty states, the right to use the lands, waters, and airspace which may be necessary for the operation, maintenance, protection and defense of the canal and the transit of ships.

5. The Republic of Panama shall have a just and equitable share of the benefits derived from the operation of the canal in its territory. It is recognized that the geographic position of its territory constitutes the principal resource of the Republic of Panama.

6. The Republic of Panama shall participate in the administration of the canal, in

accordance with a procedure to be agreed upon in the treaty. The treaty shall also provide that Panama will assume total responsibility for the operation of the canal upon the termination of the treaty. The Republic of Panama shall grant to the United States of America the rights necessary to regulate the transit of ships through the canal, to operate, maintain, protect and defend the canal, and to undertake any other specific activity related to those ends, as may be agreed upon in the treaty.

7. The Republic of Panama shall participate with the United States of America in the protection and defense of the canal in accordance with what is agreed upon in the new treaty.

8. The United States of America and the Republic of Panama, recognizing the important services rendered by the interoceanic Panama Canal to international maritime traffic, and bearing in mind the possibility that the present canal could become inadequate for said traffic, shall agree bilaterally on provisions for new projects which will enlarge canal capacity. Such provisions will be incorporated in the new treaty in accord with the concepts established in principle 2.

BACKGROUND AND STATUS OF THE PANAMA CANAL TREATY NEGOTIATIONS

The United States and Panama are currently involved in negotiations for a new treaty to replace the Treaty of 1903 relating to the Panama Canal.

In that treaty Panama granted to the United States—in perpetuity—the use of a 10-mile wide zone of Panamanian territory for the "construction, maintenance, operation and protection" of a canal, as well as all the rights, power and authority within that zone which the United States would "possess if it were the sovereign." The very favorable treaty for the United States was the major reason for its decision to build the canal in Panama rather than in Nicaragua as initially planned.

VALUE OF CANAL

Since its opening in 1914, the canal has provided benefits to the United States, to Panama, and to the world without any increase in toll rates. The first increase (19.7% effective July 1, 1974) has recently been proposed by the Panama Canal Company because of current and projected losses due to recent increases in operating costs. In fiscal year 1973 the company sustained a net operating loss of more than $1 million.

Some 70 percent of the tonnage through the canal in recent years has either originated in, or been destined for, the United States. That tonnage has represented about 16 percent of the total of U.S. export and import tonnages. The proportions of exports and imports which move through the canal to and from the Latin American countires bordering upon the Caribbean and the Pacific, however, greatly exceed the U.S. proportion of 16 percent.

The canal has also served Panama well. Panama's position in the world is, in large measure, the result of the existence of the canal in its territory. More than 40 per cent of Panama's foreign exchange earnings, and nearly one-third of its gross national product, are directly or indirectly attributable to the presence of the canal.

PANAMANIAN TREATY CONCERNS

Panama has been dissatisfied with the treaty for many years. Part of this dissatisfaction has derived from Panama's views of two aspects of the negotiation of the Treaty of 1903: (1) that Panama's dependence upon the United States to protect its new-found independence from Colombia placed it in a position in which it felt that it had to accede to U.S. desires respecting the content of the treaty; and (2) that Panama's principal negotiator was a Frenchman who stood to benefit considerably if the United States purchased the private French concession to build a trans-isthmian canal.

Over the years, Panama has also charged that the United States has unilaterally interpreted the treaty to Panama's disadvantage, and given Panama an inadequate share of the benefits from the operation of the waterway. Even more objectionable in Panama's view are the provisions in the Treaty of 1903 which give governmental jurisdiction within a portion of Panamanian territory to a foreign power in perpetuity.

The United States has responded sympathetically to some of these Panamanian concerns. In 1905 it recognized Panama's titular sovereignty over the Canal Zone. The treaty was revised in 1936, and again in 1955, to provide Panama with a greater share of the economic benefits of the canal and to remove certain outdated aspects, such as the right granted to the United States to interfere, when it believed necessary, in Panama's internal affairs. Despite these modifications, however, many of the features of the treaty most objectionable to Panama remain unchanged.

The canal has become the major political issue in Panama, and the intensification of Panama's campaign for more favorable treaty terms in recent years has produced tension in U.S.-Panamanian relations. In 1964 a flag-raising incident in the Canal Zone led to riots which resulted in the death of 20 Panamanians and 4 Americans and brought the Panama Canal issue to the attention of the United Nations and the Organization of American States. (OAS).

BILATERAL NEGOTIATIONS ON NEW TREATY

Following discussion of the issue in the OAS, UN, and other international agencies, the U.S. and Panama agreed in 1964 to begin bilateral negotiations for a new treaty. In so doing, the U.S. recognized that a comprehensive modernization of its relationship with Panama corresponded to its long-term national interests and to a changing international environment.

U.S. officials entered the negotiations in late 1964 with three basic objectives:

The canal should continue to be available to the world's commercial vessels on an equal basis at reasonable tolls;

It should be operated and defended by the United States for an extended, but definite, period of time;

It should serve world commerce efficiently. To this end, the United States should have the right to provide additional canal capacity when it is needed.

By 1967, the negotiators of both countries had prepared three draft treaties. They provided for operation of the present canal under a joint U.S.-Panamanian authority; for construction and operation of a sea-level canal under a similar joint authority; and for U.S. defense of the old and new canals for the duration of each treaty. Neither Panama nor the United States Government moved to ratify these treaties, and the new government headed by General Omar Torrijos, which assumed power in October 1968, formally rejected them.

In 1970 the Government of Panama requested the renewal of negotiations and the U.S. agreed. President Nixon established negotiating objectives similar to those set by President Johnson in 1964, although modified by developments since that time. The objectives and positions of the United States thus reflect a bipartisan approach to treaty negotiations with Panama. They also are consistent with the broader policy stated in the President's 1972 Foreign Policy Report to the Congress. In that report he made it clear that our policy is not to seek to dominate Latin American nations but rather to develop with them a mature and stable partnership.

The Panamanian negotiating team arrived in Washington in June, 1971. Intensive negotiations during the rest of the year resulted in a U.S. treaty offer covering most of the issues relevant to the treaty. The Panamanian negotiators carried the offer to Panama for review in December, 1971. Except for some informal conversations in March, 1972, and an exchange of correspondence in the fall, the negotiations were not resumed until December, 1972, when a U.S. delegation traveled to Panama.

The new talks were not productive. Panama presented the United States with a comprehensive reply to its offer of December, 1971, but in many respects Panama's proposal reflected its maximum treaty aspirations and did not acknowledge the proposed compromise developed during the negotiations in 1971. Although disappointed, the United States agreed to study the offer and provide a written response, which was delivered in February, 1973.

U.N. SECURITY COUNCIL ACTION

At Panama's initiative, the U.N. Security Council met in Panama City from March 15–21. In those sessions, Panama criticized the U.S. posture on the canal question and sought a resolution supoprting its position. Thirteen nations voted for the resolution; the U.K. abstained. The United States vetoed the resolution on the grounds that it recognized Panama's needs but not those of the United States; that it was incomplete in its references to the negotiations; and that it was inappropriate because the treaty was a bilateral matter under amicable negotiations. In explaining the U.S. position, the U.S. Permanent Representative committed the United States to peaceful adjustment of its differences with Panama, and invited Panama to continue serious treaty negotiations.

NEW U.S. APPROACH

After his first visit to Panama in November, 1973, Ambassador Bunker recommended that the United States initiate some changes in the nature of the U.S. presence in the Canal Zone without awaiting the conclusion of a new treaty. With concurrence by the Departments of State and Defense, President Nixon announced on December 28 his intention to submit legislation to the Congress seeking the delivery to Panama of title and jurisdiction over two unused World War II airfields—Old and New France Fields—as well as authorization for the sale of Panamanian lottery tickets in the Zone. The lands in question will be of significant economic benefit to Panama. These legislative requests provide a tangible sign that the United States is prepared to adjust old ways in the Canal Zone to new realities and to conclude a new and modernized treaty relationship with Panama.

Any treaty agreed upon by the negotiators and approved by the Executive Branch will be submitted to the Senate for approval, and it is expected that some implementing legislation by the Congress as a whole would be required. Panama has expressed the intention to ratify the new treaty by plebiscite to ensure that it is acceptable to the Panamanian people.

ISSUES IN THE NEGOTIATIONS

The United States and Panama agree that the Treaty of 1903 should be replaced by a modern treaty that rejects the concept of perpetuity and accommodates the sovereignty of Panama with the interests of the United States, on the understanding that U.S. control and defense of the Panama Canal would continue for a period of fixed duration. Despite this agreement in principle, the two negotiating delegations have thus far been unable to reach an agreement acceptable to both governments on the major issues involved. These are:

1. *Duration*. The United States has proposed that the new treaty provide for continued U.S. control and defense of the

present canal for an extended but specific period of time, with provision for further extension in connection with expansion of canal capacity at U.S. expense. Panama has proposed that the new treaty be for a shorter period than that desired by the United States, and has thus far made no proposal for extension in connection with expansion of capacity.

2. *Jurisdiction*. The United States has proposed that Panamanian law and jurisdiction would be applied in the Canal Zone, in some areas immediately, in others over a period of years. Lands now part of the Zone would also be opened up to Panamanian development. The United States would retain only rights which are necessary to the execution of its responsibilities. Panama has accepted this concept in principle but the extent and duration of U.S. rights remain to be negotiated.

3. *Expansion of Capacity*. Current projections indicate that additional capacity will not be needed until the end of this century. The United States seeks long-term options (a) to add a third lane of locks to the present canal and (b) to build a new sea-level canal. Panama has wanted the United States to make a commitment to start construction within a shorter period or lose all expansion rights.

4. *Land and Water Areas*. The United States has proposed that Canal Zone lands and facilities not needed for canal operation and defense should be relinquished to Panama. The area still used by the United States for canal operations would be open to Panamanian Government and private activities under arrangements to be established by treaty and would be integrated into the jurisdiction, culture, and economy of Panama. Panama has thus far proposed that the United States control a much smaller area for canal operations and defense than the United States considered necessary.

5. *Defense*. The United States and Panama have agreed that the United States will continue to defend the canal and that Panama will participate. The extent of U.S. defense rights and the nature of Panama's participation remain to be negotiated.

6. *Compensation*. The United States has proposed that the current $2 million annual payment to Panama be replaced by a royalty on tonnage that would yield about $25 million per annum at current traffic rates, and increase as traffic increases. Panama has indicated that the payments proposed by the United States should be greater, but has not specified a formula or an amount that it would consider adequate.

EXHIBIT 2

GENERAL LAWS OF THE UNITED STATES HAVING EFFECT IN THE CANAL ZONE—AS OF DECEMBER 31, 1973

1973 ENACTMENTS

1. Emergency Petroleum Allocation Act of 1973; P.L. 93–159, 87 Stat. 627.

2. Rehabilitation Act of 1973: P.L. 93–112; 87 Stat. 355 (Fed. agencies only).

1972 ENACTMENTS

1. Noise Control Act of 1972: P.L. 92–574: 86 Stat. 1234 (applies to Fed. agencies only).

2. Consumer Product Safety Act: P.L. 92–373; 86 Stat. 1207.

3. Marine Protection, Research, and Sanctuaries Act of 1972: P.L. 92–532; 86 Stat. 1052.

4. Marine Mammal Protection Act of 1972: P.L. 92–522; 86 Stat. 1027.

5. Motor Vehicle Information and Cost Savings Act: P.L. 92–513; 86 Stat. 947.

6. Federal Water Pollution Control Act Amendments: P.L. 92–500; 86 Stat. 862, 875 (expanded certain oil pollution provisions to C.Z.).

7. Automobile Information Disclosure Act of 1972: P.L. 92–359; 86 Stat. 502.

8. Equal Employment Opportunity Act of 1972: P.L. 92–261; 86 Stat. 103 (extends Civil Rights Act of 1964 to fed. employees).

9. Drug Abuse Office and Treatment Act of 1972: P.L. 92–255; 86 Stat. 65.

1971 ENACTMENT

1. P.L. 92–187; 85 Stat. 644—equal treatment for married women federal employees.

1970 ENACTMENTS

1. Lead-Based Paint Poisoning Prevention Act: P.L. 91–695, 84 Stat. 2078.

2. Economic Stabilization Act of 1970: P.L. 91–379; 84 Stat. 796.

3. Intergovernment Personnel Act of 1970: P.L. 91–648; 84 Stat. 1909.

4. Comprehensive Alcohol Base and Alcoholism Treatment Act of 1970, as amended, P.L. 91–616; 84 Stat. 1848.

5. Occupational Safety and Health Act of 1970: P.L. 91–596; 84 Stat. 1590.

6. Comprehensive Drug Abuse Prevention and Control Act of 1970: P.L. 91–513; 84 Stat. 1236.

1969 ENACTMENTS

1. National Environmental Policy Act of 1969: P.L. 91–190; 83 Stat. 832.

2. Amendment of Contract Work Hours Act: P.L. 91–54.

1968 ENACTMENTS

1. Gun Control Act of 1968: P.L. 90–618; 82 Stat. 1213.

2. P.L. 90–616; 82 Stat. 1212 (waiver of collection of overpayments of Federal pay under certain circumstances).

3. Intergovernment Cooperation Act of 1968: P.L. 90–577; 82 Stat. 1098.

5. Consumer Credit Protection Act: P.L. 90–321; 82 Stat. 146.

50 U.S.C. App. 469 (Selective Service System).

50 U.S.C. App. 2021–2032 (Export controls).

Public Law 89–267, October 19, 1965, 79 Stat. 990 (Transfer of certain Canal Zone prisoners to custody of Attorney General).

UNITED STATES CODE PROVISIONS APPLICABLE TO THE CANAL ZONE—AS OF JANUARY 1966

5 U.S.C. 2211 (Compensation of Governor of Canal Zone).

7 U.S.C. 608a (Sugar Quotas).

8 U.S.C. 1101(9) and 1201, 1202 (issuance of visas to C.Z. residents by "consular officers' as designated by Governor).

8 U.S.C. 1185(providing for authority for imposing restrictions on departure of aliens from the United States, defined to include the Canal Zone (See 22 CFR 46.6 vesting such authority in Governor of C.Z.)

8 U.S.C. 1403 (confers citizenship on persons born in C.Z. or P.R. one of whose parents is a U.S. citizen).

8 U.S.C. 1452 (Certificates of citizenship of persons claiming citizenship under 8 U.S.C. 1503).

10 U.S.C. 312 (Exemption of executive officers of Canal Zone from militia duty).

10 U.S.C. 4342(8) (Appointments to Military Academy).

10 U.S.C. 6954(8) (Appointments to Naval Academy).

10 U.S.C. 6954(8) (Appointments to Naval Academy).

10 U.S.C. 9842(8) (Appointments to Air Force Academy).

12 U.S.C. all (Foreign banking corporations in "Panama and the Panama Canal Zone or other insular possessions" as depositaries of public monies).

(12 U.S.C. 1748–17481 (Armed Forces Housing Mortgage Insurance).

12 U.S.C. 1751–1775 (Federal Credit Unions).

14 U.S.C. 91 (Control of movements of vessels in Canal Zone waters to safeguard Naval vessels).

1967 ENACTMENT

1. Flammable Fabrics Act Amendments: P.L. 90–189; 81 Stat. 566.

1966 ENACTMENTS

1. P.L. 89–710; 80 Stat. 1104—to authorize the issuance of certificates of citizenship in the C.Z.

2. National Traffic and Motor Vehicle Safety Act of 1966; P.L. 69–563; 80 Stat. 716.

3. Federal Claims Collection Act of 1966; P.L. 80–508; 80 Stat. 308.

Mr. TOWER. Mr. President, will the Senator from South Carolina yield for an observation?

Mr. THURMOND. I shall be happy to yield to the able and distinguished senior Senator from Texas.

Mr. TOWER. I want to thank my distinguished friend from South Carolina for proposing this resolution. I believe it it to be timely and merited. I think all of the major points that can be made in favor of it, or virtually all of them, have been made by the Senator from South Carolina and by the Senator from Arkansas, and I will merely add a historic note: that the Republic of Panama was created under the sponsorship of the United States from territory that previously belonged to the Republic of Colombia. Therefore, I think we are under no strong obligation to surrender our sovereignity to a republic that would not be in existence had it not been for the fact that it was created under the sponsorship of the United States.

Mr. THURMOND. The distinguished Senator from Texas is correct, and I want to say the record is absolutely clear. The United States bought and paid for the Panama Canal. It is our property. It belongs to the people of this country.

The only way that it can be legally disposed of is by an act of Congress, which requires action by both bodies of Congress.

As I point out in one of the insertions—I did not speak in detail on that subject—we originally began under the 1903 treaty with a payment to the Republic of Panama of $10 million.

The annuity, 1913 to 1973, under the 1903, 1936, and 1955 treaties was $49,300,000.

A property transfer in Panama City and Colon in 1943 cost $11,759,956.

For a water system in Panama City in Colon we paid $669,226.

The cost of the 1955 treaty transfers was $22,260,500.

That makes a subtotal as to Panama of $93,989,682.

We paid Colombia in 1922, $25 million.

Then for the Compagnie Nouvelle du Canal de Panama, in 1904, we paid $40 million.

For private titles, stocks, and claims, we paid $4,728,889.

That makes a total of $163,718,571.

Mr. President, that is a breakdown of Canal Zone purchases. We bought it. We have paid for it. It is ours. The President of the United States has no authority to dispose of this property except by an act of Congress. The State Department has no authority to dispose of this property except by an act of Congress.

If the State Department asks for a treaty, seeking to convey this property without violating the laws in a case of this kind, an act of Congress is required.

I shall bitterly oppose—and I have

heard many other Senators say that they will bitterly oppose—any action to give away this canal. It belongs to the people of the Nation, and we do not expect to see it given away.

Mr. President, I wish to thank the distinguished Senator from Montana for arranging time for me to make this statement.

Mr. MANSFIELD. I am very happy to have been able to accommodate the Senator from South Carolina.

Mr. McCLELLAN. Mr. President, I strongly support the resolution introduced in the Senate today by the distinguished Senator from South Carolina, (Mr. THURMOND) calling for the continued sovereignty of the United States over the Canal Zone on the Isthmus of Panama. I am proud, indeed to join with others in cosponsoring that resolution.

The Secretary of State recently signed a "Statement of Principles" with the Republic of Panama which states in part:

> The Panamanian Territory in which the canal is situated shall be returned to the jurisdiction of the Republic of Panama.

Mr. President, I wholly disapprove of that statement, and I protest the action of the Secretary of State in signing it. A revision of the existing treaty with Panama which would incorporate provisions consonant with the joint principles enunciated in that statement would be unwise, unjust, and destructively detrimental to our national interest and also to the welfare of Panama itself. Yes, more, Mr. President. I truly believe it could well engender controversy that could endanger world peace and disturb tranquillity among nations.

Briefly, I would like to remind my colleagues that:

The United States has a tremendous economic investment in the Canal Zone. From 1904 through mid-1971, our total investment amounted to almost $5.7 billion.

Both nations, the United States and the Republic of Panama, have profited immensely from this investment. As is stated in the resolution, the per capita income of Panama is now the highest in all of Central America.

The day-to-day operation of the canal is being underwritten to a great extent by the United States, both through the direct appropriations of our Government and commercial use. If Panama were to come into full sovereignty and control of the Canal Zone, the operation of the canal would suffer immediately. Ship tolls would experience a drastic increase, and with the prospect of vast amounts of capital required to modernize and widen the canal and notwithstanding this large increase in toll charges, the canal would be forced to operate at a deficit.

If the Canal Zone were to be surrendered to the sovereignty and control of the Government of Panama—a country which has seen 59 Presidents or differ governments in the last 70 years—compelling doubt arises as to the stability of the Panamanian Government and its capability to withstand the great and increasing international pressures and be able to remain a nation of the free world.

Mr. President, as we consider the security and future service of this vital interocean link, let us remember what has happened to the Suez Canal which is now cluttered with sunken ships and which has been rendered unavailable to world commerce following its abandonment by Great Britain in 1956.

We do not want to see this experience imposed on the Western Hemisphere. It is our responsibility—the responsibility of our Government—to honor our treaty commitments with the other nations of the world and to meet the challenge of providing for the defense and security of the Western Hemisphere. We cannot do that by surrendering the sovereignty and control of the Panama Canal to the Government of Panama. If the Panama Canal and its service and benefit to the world are to be continued and preserved, then its sovereignty, control, and operation must remain with the United States of America.

Mr. President, I commend the distinguished Senator from South Carolina for introducing this resolution and again I wish to emphasize that I am proud to join him as a cosponsor of the resolution.

CONSIDERATION OF CERTAIN BILLS ON THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Orders Nos. 727, 728, 729, 731, and 732.

The PRESIDING OFFICER. Without objection, the clerk will state the first bill.

AMENDMENT OF THE FOREIGN SERVICE BUILDING ACT, 1926

The bill (H.R. 12465) to amend the Foreign Service Buildings Act, 1926, to authorize additional appropriations for the fiscal year 1974 was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF THE DEPARTMENT OF STATE APPROPRIATIONS AUTHORIZATION ACT OF 1973

The Senate proceeded to consider the bill (H.R. 12466) to amend the Department of State Appropriations Authorization Act of 1973 to authorize additional appropriations for the fiscal year 1974 and for other purposes which had been reported from the Committee on Foreign Relations with an amendment on page 1, line 9, strike out "$288,-968,000" and insert "$304.568,000".

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 93–754), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The principal purpose of H.R. 12466 is to increase the authorization level in three categories in the Department of State Appropriations Authorization Act of 1973 (Public Law 93–126) and also to increase the permanent authorization for annual contributions to the International Committee of the Red Cross.

BACKGROUND

The Department of State Appropriations Authorization Act of 1973 (Public Law 93–126), passed in October of that year, authorized fiscal year 1974 appropriations in 11 different categories (and amended previous authorizations in two other categories). The following table shows these 11 categories, the amounts originally authorized, the amounts subsequently appropriated, the authorization levels as they would be revised by H.R. 12466, the difference between the original and the revised levels, and, finally, the supplemental appropriations request which the Department has made pending approval of H.R. 12466:

DEPARTMENT OF STATE COMPARATIVE DATA FOR FISCAL YEAR 1974

[In thousands of dollars]

Authorization category	Amount authorized by Public Law 93–126	Amount appropriated to date	Authorization as revised by H.R. 12466	Change in authorization level	Supplemental appropriation request
Administration of foreign affairs	282, 565	281, 968	304, 568	+22, 003	22, 550
International organizations and conferences	211, 279	210, 490	212, 777	+1, 498	2, 287
International commissions	15, 568	12, 528	12, 528	−3, 040	----------
Educational exchange	59, 800	56, 500	57, 170	−2, 630	269
Migration and refugee assistance	8, 800	8, 800	8, 800	(1)	----------
Pay raises	9, 328	----------	16, 711	+7, 383	16, 711
Devaluation costs	12, 307	9, 905	9, 905	−2, 402	----------
Liaison office in Peking	1, 165	1, 165	1, 165	(1)	----------
Antiterrorism measures	40, 000	20, 000	20, 000	−20, 000	----------
Assistance to Soviet refugees	36, 500	36, 500	36, 500	(1)	----------
International Commission of Control and Supervision	4, 500	----------	4, 500	(1)	----------
Total	681, 812	592, 556	684, 624	−2, 812	41, 817

[1] No changes.

As shown in the fourth column above, H.R. 12466 provides for an increased authorization in three categories—"Administration of Foreign Affairs," "International Organizations and Conferences," and "Pay Raises." In four other categories, H.R. 12466 actually *lowers* the authorization levels, down to or near the amounts heretofore approved by Congress for appropriation; these adjustments are legally unnecessary and simply constitute a means chosen by the Department to demonstrate (1) that the Department does not intend to request supplemental authorizations in those categories, except for a small amount under "Educational Exchange"; and (2) that the overall appropriation for fiscal year 1974, even if all supplemental requests are approved, is approximately equal to the amount originally authorized in Public Law 93–126 (as shown in column 4).

One further authorization is provided by H.R. 12466, through an amendment added in the House with the approval of the Administration. This amendment raises the standing authorization for an annual contribution to the International Committee of the Red Cross from $50,000 to $500,000, beginning in fiscal year 1974. Thus, in its entirety the provisions of H.R. 12466 provide for a supplemental appropriations request of $42,267,000 (the $41.8 million shown above plus $450,000).

COMMITTEE ACTION

On March 11, in open session, the Committee received testimony from Under Secretary of State Joseph Sisco on the major provisions of this bill; and on March 19, the Committee met in executive session and voted unanimously to order the bill reported, with an amendment to Section 1 which is described below in the section-by-section analysis.

ISSUANCE AND RECORDING OF MARRIAGE LICENSES

The Senate proceeded to consider the bill (S. 2348) to amend the Canal Zone Code to transfer the functions of the clerk of the U.S. District Court for the District of the Canal Zone with respect to the issuance and recording of marriage licenses, and related activities, to the civil affairs director of the Canal Zone Government and for other purposes, which had been reported from the Committee on the Judiciary with an amendment, on page 8, after line 12, insert the following:

Sec. 8. Item (4) of section 344 of title 3, Canal Zone Code (76A Stat. 62), is repealed.

Sec. 9. The analysis of chapter 1 of title 8, Canal Zone Code (76A Stat. 671), is amended by striking out in the item relating to section 5 "marriages;" and inserting in lieu thereof "marriage;".

Sec. 10. All records of marriages in the custody of the clerk of the United States District Court of the District of the Canal Zone shall be transferred to the civil affairs director of the Canal Zone Government within ninety days after the date of enactment of this Act.

Sec. 11. The amendments and repeals made by this Act shall become effective upon the expiration of ninety days after the date of enactment, except that section 10 shall become effective on the date of enactment.

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4 of title 8, Canal Zone Code (76A Stat. 672), is amended to read as follows:

"§ 4. Marriage license; application; waiting period; medical certificate or court order; fee; record; period of validity

"(a) A marriage may not be celebrated in the Canal Zone unless a license to marry has first been secured from the office of the civil affairs director of the Canal Zone Government. If both parties to a proposed marriage are residents of the Republic of Panama and neither is a United States citizen, a license may not be issued in the Canal Zone unless the parties have previously obtained a license to marry from the proper authorities in the Republic of Panama. A marriage license may not be issued to a leper except upon a certificate of approval by the health director of the Canal Zone Government. A license when issued shall be accompanied by a marriage certificate to be executed by the person celebrating the marriage.

"(b) The application for a marriage license shall state—

"(1) the name, address, legal residence, age, and date of birth of each of the persons to be married;

"(2) the relationship, if any, of the persons, by consanguinity or affinity; and

"(3) if either person has been previously married, the date and place of each previous marriage, the name of each former spouse, and the manner in which each previous marriage has been terminated.

"(c) Except as provided by subsection (d) of this section, the civil affairs director, or his designee, shall issue a marriage license, after application therefor, if—

"(1) the appication for the license is in accordance with subsection (b) of this section, and is accompanied by the written consent when required by section 2 of this title; and

"(2) it appears to the satisfaction of the civil affairs director, or his designee, from the sworn statements of the persons desiring to marry, or, if required by the civil affairs director, or his designee, from the sworn statement of another person, that no legal impediment to the marriage is known to exist.

"(d) The civil affairs director, or his designee, may not issue a marriage license until—

"(1) the application therefor remains on file, open to the public, in his office, for three days before license is issued; and

"(2) each of the persons desiring to be married has presented and filed with him either a medical certificate indicating that the examination required by subchapter II of this chapter has been made, or an order from the district court, as provided by that subchapter, directing him to issue the license.

"(e) The Governor shall prescribe the form of the application for a marriage license, of the marriage license, and of the marriage certificate.

"(f) The civil affairs director, or his designee, shall collect a fee of $2 upon the issuance of a marriage license, and shall keep a record of all licenses issued and of all applications for licenses, together with any written consent of parents or a parent or guardian or the health director accompanying the same.

"(g) A marriage license is valid for only thirty days, including the date it is issued.".

Sec. 2. Section 5 of title 8, Canal Zone Code (76A Stat. 673), is amended to read as follows:

"§ 5. Who may celebrate marriage; license to celebrate

"(a) A marriage may be celebrated in the Canal Zone only by a—

"(1) magistrate of the Canal Zone;

"(2) minister in good standing in any religious society or denomination who resides in the Canal Zone; or

"(3) minister in good standing in any religious society or denomination who resides in the Republic of Panama, if he has procured from the civil affairs director of the Canal Zone Government, or his designee, a license authorizing the minister to celebrate marriage in the Canal Zone.

"(b) The civil affairs director, or his designee, shall issue the license provided for by paragraph (3) of subsection (a) of this section upon the submission, by a minister referred to therein, of a written application, together with a duly authenticated copy of his authority to celebrate marriages in the Republic of Panama. The civil affairs director, or his designee, shall be paid a fee of $5 for issuing and recording the license.".

Sec. 3. Section 6 of title 8, Canal Zone Code (76A Stat. 673), is amended to read as follows:

"§ 6. Certifying, signing, return, and recording of license; marriage certificate

"(a) The judicial officer or minister celebrating a marriage shall—

"(1) certify upon the marriage license that he celebrated the marriage, giving his official title and the time when and place where the marriage was celebrated;

"(2) cause two persons who witnessed the marriage to sign their names on the marriage license as witnesses, each giving his place of residence;

"(3) at the time of the marriage, fill out and sign the marriage certificate accompanying the license and deliver it to one of the parties to the marriage; and

"(4) within thirty days after the date of the marriage, return the license, so certified and witnessed, to the office of the civil affairs director of the Canal Zone Government.

"(b) Upon return of a license as required by subsection (a) of this section, the civil affairs director, or his designee, shall file it after making registry thereof in a book to be kept in his office for that purpose only. The registry must contain the Christian and surnames of the parties, the time of their marriage, and the name and title of the person who celebrated the marriage.".

Sec. 4. Section 8 of title 8, Canal Zone Code (76A Stat. 673), is amended to read as follows:

"§ 8. Acknowledgment and recording of declaration

"Declarations of marriage shall be acknowledged and recorded in the office of the civil affairs director of the Canal Zone Government.".

Sec. 5. Section 11 of title 8, Canal Zone Code (76A Stat. 674), is amended to read as follows:

"§ 11. Offenses and penalties

"(a) Whoever, being a judicial officer, minister qualified to celebrate marriages in the Canal Zone, or an officer or employee of the United States, violates section 4, 5, or 6 of this title, shall be fined not more than $100 or imprisoned in jail not more than thirty days, or both.

"(b) Whoever knowingly makes a false oath as to a material matter for the purpose of procuring or aiding another to procure a marriage license is guilty of perjury and shall be imprisoned in the penitentiary not more than ten years.

"(c) Whoever knowingly files with the civil affairs director of the Canal Zone Government, or his designee, a written consent, any signature to which is a forgery, is guilty of uttering a forged instrument and shall be imprisoned in the penitentiary not more than fourteen years.

"(d) Whoever, not being qualified to celebrate marriages in the Canal Zone pursuant to this subchapter, celebrates what purports to be a marriage ceremony shall be imprisioned in the penitentiary not more than three years.".

Sec. 6. Section 34 of title 8, Canal Zone Code (76A Stat. 675), is amended to read as follows:

§ 34. Marriage license, without medical certificate, because of pregnancy

"If a female applicant for a marriage license makes an affidavit to the effect that marriage is necessary because she is with child and that the marriage will confer legitimacy on the unborn child, the district court may hear and determine on medical testimony the question of pregnancy and, on adjudging that pregnancy exists, shall order the civil affairs director of the Canal Zone Government, or his designee, to issue the marriage license if all other requirements of the law regarding the issuance of marriage licenses are complied with, even though the clinical examination and laboratory tests reveal that one or both applicants have syphilis infection. In its order, the court shall provide that the applicant or applicants having syphilis infection shall be treated for the infection as provided by the regulations referred to in section 33 of this title. A copy of the order shall be filed with the civil affairs director, or his designee, in lieu of the medical certificate.".

SEC. 7. Subsection (a) of section 36 of title 8, Canal Zone Code (76A Stat. 675), is amended to read as follows:

"(a) If an applicant has been refused a marriage license by the civil affairs director, or his designee, because of failure to obtain a medical certificate, the applicant may elect to file a protest and take the procedure authorized by this section or to take any other procedure.".

SEC. 8. Item (4) of section 344 of title 3, Canal Zone Code (76A Stat. 62), is repealed.

SEC. 9. The analysis of chapter 1 of title 8, Canal Zone Code (76A Stat. 671), is amended by striking out in the item relating to section 5 "marriages;" and inserting in lieu thereof "marriage;".

SEC. 10. All records of marriages in the custody of the clerk of the United States District Court for the District of the Canal Zone shall be transferred to the civil affairs director of the Canal Zone Government within ninety days after the date of enactment of this Act.

SEC. 11. The amendments and repeals made by this Act shall become effective upon the expiration of ninety days after the date of enactment, except that section 10 shall become effective on the date of enactment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

SUPPLEMENTAL APPROPRIATIONS FOR THE VETERANS' ADMINISTRATION

The Senate proceeded to consider the joint resolution (H.J. Res. 941) making an urgent supplemental appropriation for the fiscal year ending June 30, 1974, for the Veterans' Administration, and for other purposes.

Mr. HRUSKA. Mr. President, the resolution just approved, House Joint Resolution 941, comes at a most timely moment. It will provide the necessary funds to permit uninterrupted payment of allowances for veterans educational programs. It is a necessary measure and is a fitting way to pay tribute to the millions of men who served us in one of America's most unpopular wars.

As my colleagues know, today is "Vietnam Veterans Day." The selection of March 29 as the day to honor Vietnam veterans was most appropriate. Today is the anniversary of the return of our prisoners of war from Southeast Asia. It is a happy day for these men and their families, and it should be. Our POW's made us remember again how good it is to be an American and how much we should treasure our basic freedoms.

House Joint Resolution 941 provides $750 million in additional appropriations for veterans educational programs. This additional sum for fiscal 1974 was made necessary, because of the wide popularity of educational programs for veterans. The extensive activities of the "outreach" program encouraged a substantially greater number of veterans than initially anticipated to utilize educational opportunities for this fiscal year. The number of veterans in training has now increased from 1,866,000 to 2,450,000 or a total of 584,000. This significant increase shows that more and more veterans are becoming aware of programs to which they are entitled, and this is good news.

"Vietnam Veterans Day" was not meant to be a day for idle speechmaking. It was meant to be a day for reflection about some of the concerns we still have in the aftermath of the Vietnam war. More importantly, it was meant to be a day when we resolutely moved to solve some of the problems that still exist for the Vietnam veteran.

Of primary importance is the utter failure of the North Vietnamese to abide by the Paris peace agreements and particularly those provisions which provide for a complete accounting of our men who are listed as missing in action in Southeast Asia. Frustration is the only word which can describe the plight of those families who want nothing more than to learn the fate of their loved ones.

Mr. President, I believe these families deserve our support in their efforts to urge appropriate officials to push for the fullest possible accounting. We have an obligation to these families whose loved ones gave so much to America. I would hope that the Communists soon realize that it is in their best interests to assist the search efforts of American officials. Their lack of cooperation is inexcusable. I would hope that people of the world join all Americans in urging the Communists to comply with the peace agreements and particularly this issue which so deeply affects the lives of many of our citizens.

"Vietnam Veterans Day" will still mean nothing to the veteran who is out of work, not in school and simply confused about which direction his future should take. The Vietnam veteran did not return in the glory that has accompanied the return of soldiers from other wars. Vietnam was a different war and one that wore thin the nerves of most Americans. All too often, the Vietnam veteran was looked upon as the victim of his Government rather than a soldier who served his country in time of need.

That attitude must be rectified. Some 2,500 years ago the Greek statesman, Pericles, had some very profound words to say about those Athenian citizens who in the Peloponnesian war. He said:

> While committing to hope the uncertainty of final success, in the business before them thought fit to act boldly.

That statement applies equally to the Vietnam veteran.

These men are one of America's greatest resources. They have acquired skills and self-discipline during their military careers which make them an asset to employers. They have acquired the patience which would make them excellent students. We have an obligation to assist these men as they plan new lives outside the military. We have had some measure of success, but the record needs improvement.

There are currently bills pending before the Senate Veterans' Affairs Committee which seek to improve educational benefits and other services for veterans. I would hope that the Senate can proceed to an early consideration of these measures.

But, the problem is not one for the Federal Government alone though we have a special obligation in this area. State and local governments, private industry, charitable organizations, and local citizens have an obligation to the veteran. We must promote the veteran on the job market. He must be advised of the opportunities available to him. He should receive the skills and training that will make him an even better candidate on the job market. He must be encouraged to participate fully in the life of his community.

Those are the things we must do to give March 29 meaning. "Vietnam Veterans Day" is a day when we honor those men who served us in time of need. It is now our chance to serve them.

The bill was ordered to a third reading, read the third time, and passed.

SUPPLEMENTAL EXPENDITURES BY SELECT COMMITTEE ON NUTRITION AND HUMAN NEEDS

The Senate proceeded to consider the resolution (S. Res. 295) authorizing supplemental expenditures by the Select Committee on Nutrition and Human Needs for inquiries and investigations, which had been reported from the Committee on Rules and Administration with an amendment, to strike out all after the word "Resolved" and insert:

That section 3 of S. Res. 260, Ninety-third Congress, agreed to March 1, 1974, is amended to read as follows:

"SEC. 9. The expenses of the committee under this resolution shall not exceed $353,800, of which amount not to exceed $15,000 may be expended for the procurement of the services of individual consultants, or organizations thereof.".

The amendment was agreed to.

The resolution, as amended, was agreed to.

ELEMENTARY AND SECONDARY EDUCATION ACT OF 1974

Mr. MANSFIELD. Mr. President, I ask unanimous consent that H.R. 69, a bill to extend and amend the Elementary and Secondary Education Act of 1965, and for other purposes, be placed on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

The PRESIDING OFFICER. Under the previous order, the Senator from West Virginia (Mr. ROBERT C. BYRD) is recognized for not to exceed 15 minutes.

Mr. ROBERT C. BYRD. Mr. President, I vacate my request for time.

TRANSACTION OF ROUTINE BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a period for the transaction of routine morning business not to extend beyond the hour of 12 o'clock noon, and with statements therein limited to 3 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer (Mr. Nunn) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

ORDER FOR RECOGNITION OF SENATOR ROTH ON MONDAY, APRIL 1

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday next, after the distinguished Senator from Wisconsin (Mr. Proxmire) has been recognized under the previous order, the distinguished senior Senator from Delaware (Mr. Roth) be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS ON MONDAY NEXT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday next there be a period for the transaction of routine business not to extend beyond 1 o'clock, with statements therein limited to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent, barring the inclusion of any special orders, that when the Senate meets at 12 o'clock noon on Monday, there be a period for the transaction of routine morning business after the special orders have been heard, that at the hour of 1 o'clock the Weicker amendment become the pending business, and that there be 2 hours allocated to that amendment, the time to be equally divided between the distinguished Senator from Connecticut, the sponsor of the amendment (Mr. Weicker), and the distinguished Senator from Nevada, the manager of the bill (Mr. Cannon).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. That means that the first vote will occur at approximately the hour of 3 o'clock, because I am certain that there will be a yea-and-nay vote on the Weicker amendment.

Mr. TOWER. If the distinguished majority leader will lock that into the point that we do not vote before 3 o'clock, I have no objection.

Mr. MANSFIELD. That is right; I made that statement, that the first vote will occur at the hour of 3 o'clock, roughly.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PELL, from the Committee on Labor and Public Welfare, with an amendment:

S. 1539. A bill to amend and extend certain acts, relating to elementary and secondary education programs and for other purposes (together with supplemental and additional views) (Rept. No. 93-763).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following favorable reports of nominations were submitted:

By Mr. PEARSON, from the Committee on Commerce:

Rear Adm. Owen W. Siler, U.S. Coast Guard, to be Commandant of the U.S. Coast Guard with the grade of admiral, while so serving; and

Rear Adm. Ellis Lee Perry, U.S. Coast Guard, to be Vice Commandant of the U.S. Coast Guard, with the grade of vice admiral, while so serving.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. PASTORE (for himself and Mr. Aiken):

S. 3271. A bill to establish a Joint Committe on Energy, and for other purposes. Referred to the Committee on Government Operations.

By Mr. COOK:

S. 3272. A bill to require the establishment of an Agricultural Service Center in each county of a State as a part of the implementation of any plan for the establishment of such centers on a nationwide basis. Referred to the Committee on Agriculture and Forestry.

By Mr. COOK (for himself and Mr. Humphrey):

S. 3273. A bill to amend the act which created the U.S. Olympic Committee to require such committee to hold public proceedings before it may alter its constitution, to require arbitration of certain amateur athletic disputes, and for other purposes. Referred to the Committee on the Judiciary.

By Mr. GURNEY (for himself and Mr. Inouye):

S. 3274. A bill to establish the Federal Tourism Energy Resources Board. Referred to the Committee on Commerce.

By Mr. DOMINICK:

S. 3275. A bill to authorize the disposal of manganese metal from the national stockpile and the supplemental stockpile. Referred to the Committee on Armed Services.

By Mr. TOWER (for Mr. Hugh Scott):

S. 3276. A bill for the relief of Angela A. Sandino de Balmaceda. Referred to the Committee on the Judiciary.

By Mr. DOMENICI (for himself, Mr. Randolph, Mr. Muskie, Mr. Baker, Mr. Stafford, and Mr. McClure):

S. 3277. A bill to amend the Solid Waste Disposal Act, to encourage full recovery of energy and resources from solid waste, to protect health and the environment from the adverse effects of solid waste disposal, and for other purposes. Referred to the Committee on Public Works.

By Mr. HUMPHREY (for himself and Mr. Roth):

S.J. Res. 200. A joint resolution to create a Joint Committee on Energy. Referred to the Committee on Government Operations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. PASTORE (for himself and Mr. Aiken):

S. 3271. A bill to establish a Joint Committee on Energy, and for other purposes. Referred to the Committee on Government Operations.

Mr. PASTORE. Mr. President, today, with the Senator from Vermont (Mr. Aiken) as cosponsor, I am introducing a bill to establish a new joint committee, a committee that would be devoted entirely to energy, the research for and the development of new energy sources—a Joint Committee on Energy.

In Ecclesiastes, it is wisely said:

> To everything there is a season and a time to every purpose under the heaven.

I submit that we are well into the season and this definitely is the time when Congress must face up to our long-range energy dilemma and organize a concerted, clearly focalized legislative structure to deal with it as effectively as possible.

Our national quest for a sufficiency of environmentally acceptable forms of useful energy for the foreseeable future may well be the most important and difficult undertaking for high material purpose that our Nation will be embarked on during the remainder of this century. The fundamental qualities of our way of life, jobs, food, industrial and agricultural necessities, our health and well-being, and our very existence as a first-rank nation will make it imperative for us to press on to acceptable solutions.

To gain our objective we must begin at once to organize and direct our functions and resources—not only in the executive branch, but also in the legislature—to assure the early formulation and conduct of a well-conceived, thoroughly comprehensive and efficiently coordinated national research and development program encompassing all potentially useful sources of clean energy and utilization of techniques.

The bill Senator Aiken and I are introducing will enable both Houses of Congress to act most knowledgeably, on the basis of full insight, and to respond as swiftly as appropriate, in matters pertaining to policy planning, management, and effective support of a total national energy research and development commitment.

The new committee, which would supersede but absorb the Joint Committee on Atomic Energy, would capitalize on the experience and beneficial results of the Joint Committee on Atomic Energy accumulated over a period of more than a quarter of a century. My own duties as a member of that committee for 20 years, and as its chairman and vice chairman for more than a decade, permit me to give first hand testimony that the successes of the atomic energy program in both military and civilian areas, have in large part been due to the sharply focused and timely labors of the Joint Committee on Atomic Energy.

We must adopt the wisdom of the 79th Congress which had the foresight almost 30 years ago to redirect the scientific and technical forces of the Manhattan Project by removing them from the control of the military and placing them under close civilian control. And that Congress had the wisdom to create the uniquely structured Joint Committee on Atomic Energy to oversee the conduct and the progress of the newly-directed program. To this day, the atomic energy program is the only energy research and development program that receives the measure of full, knowledgeable and timely attention by both the executive branch and the Congress that, clearly, must now be applied to the development of a wide range of promising new energy sources and technologies.

We say the time has come to supplant the Joint Committee on Atomic Energy which was adequate when atomic energy and only atomic energy was the subject of a comprehensive and concerted research and developmental program. The Joint Committee on Atomic Energy is no longer adequate because it is no longer enough for the United States to focus solely on the development of atomic energy. It is time to replace the Joint Committee on Atomic Energy with a new Joint Committee on Energy. It is time we dedicated an exhaustive, well organized and comprehensive program to the development of all potentiality usable sources of clean energy.

Sources such as the sun, the tides, the wind, fossil fuels, synthetic fuels, nuclear fission, geothermal, running water and any other energy sources our ingenuity may yet uncover. The Pastore-Aiken bill is designed to accomplish this.

A new Committee on Energy, consisting of 16 Members from the Senate and 16 Members from the House would replace the Joint Committee on Atomic Energy. Proud as I have been to hold the position of chairman and vice chairman, rotationally, of the Joint Committee on Atomic Energy, I assure you my pride will increase despite the fact that my job will be abolished by the creation of a Joint Committee on Energy.

The new Joint Committee on Energy would become the legislative watchdog of our new national comprehensive research and development program which would be dedicated to developing all promising sources of clean energy, innovative technologies for using fuels and other energy sources and new and better techniques of conserving energy.

Under the Pastore-Aiken bill, the new Joint Committee on Energy would inherit from the Joint Committee on Atomic Energy its responsibility for oversight over atomic energy research and development programs, including military programs. However, the new Joint Committee on Energy would not pick up the jurisdiction of the Joint Committee on Atomic Energy over nuclear licensing and related regulatory activities except for those licensing and regulatory functions that bear on national security or pertain to energy research and development.

Licensing and regulatory activities that involve national security or research and development cannot realistically be separated from interrelated matters simply because they are licensing and regulation. They must continue to be overseen and evaluated in an integrated manner. Subject to these considerations, oversight jurisdiction over nuclear licensing and related regulatory activities would be assigned by the Congress to the appropriate committee.

The Executive agency that would consolidate now disparate energy research and development programs and which would conduct a national comprehensive program would be established under the Energy Reorganization Act which the House of Representatives passed a few months ago. The comparable Senate bill, S. 2744, sponsored by Senators RIBICOFF and WEICKER—would create an Energy Research and Development Administration and is now being considered by the Government Operations Committee.

I understand that the bill I am introducing today will be referred to that committee.

The Energy Research and Development Administration—ERDA—would be a new independent agency that would be built out of the scientific and technical resources of the Atomic Energy Commission, the Office of Coal Research, the Bureau of Mines and other agencies. With this strong base of reseach and development talent and facilities already in existence, ERDA could quickly begin to investigate and develop all promising energy sources. ERDA would be able to make significant advances in developing new methods and techniques of extraction, conversion, storage, transmission and utilization pertaining to energy. It would improve existing techniques for conserving energy and develop new ones; it would increase the efficiency and reliability of producing energy. And, of critical importance, ERDA would develop only those sources of energy consonant with environmental protection and enhancement.

ERDA's functions would include most of the research and development work now performed by the Atomic Energy Commission. The Atomic Energy Commission's licensing and related regulatory functions would be placed in a new agency—the Nuclear Energy Commission. Hence, the ERDA bill, for the first time, would separate the development of atomic energy for commercial use from the regulation of atomic energy use. The time has come when the authority to develop atomic energy plants should be separated from the authority that licenses such plants. The ERDA measure would meet the clear need for a reorganization of energy research and development functions in the executive branch. It would bring together separate, fragmented research and development efforts and orchestrate a comprehensive integrated national program. The Pastore-Aiken bill would grant to the Joint Committee on Energy oversight jurisdiction over the Energy Research and Development Administration.

In order to make this abundantly clear, the House has already passed a bill that would create an integrated energy agency in the executive branch. A bill comparable to that one is now being considered by the so-called Ribicoff Subcommittee of the Government Operations Committee.

What my bill intends to do is to create a joint committee for the Congress that would have supervisory, watchdog, oversight jurisdiction over this new agency. That essentially is what my bill would do.

The trouble is——

Mr. STAFFORD. Mr. President, will the Senator from Rhode Island yield for an observation?

Mr. PASTORE. I yield.

Mr. STAFFORD. My senior colleague, Senator AIKEN, is your joint sponsor, Senator, and I wanted the RECORD to note that he is not here today because his wife had the misfortune to break her leg a week ago in Vermont and she is now in a walking cast. He expects that he will be back here next week and he is very sorry not to be here this morning.

Mr. PASTORE. I knew that and I was going to say that at the end of my statement. The Senator from Vermont (Mr. AIKEN) knows pretty much what the statement is all about.

Mr. President, without the Pastore-Aiken bill, the ERDA measure would not alter the present fragmented congressional oversight responsibilities with respect to energy research and development, leaving them scattered amongst several committees. This would mean that in connection with annual authorization of appropriations, and with respect to other legislation that would be required from time to time, as well as appropriate congressional oversight, the comprehensive cohesive national program would be presented to the Congress and be reviewed by various committees in fractionated, disjointed fragments. This would be the case unless a Joint Committee on Energy is established as we propose. It is this fragmentation of congressional responsibilities with regard to energy that is precisely what the Pastore-Aiken bill is designed to remedy by placing the authority for review in a single committee. Without a Joint Committee on Energy, only the nuclear portion of the total energy program would continue to be advantageously considered as an entity. For the Congress to function effectively in relation to our overall long-range research and development efforts, all components of the program should be reviewed in full context by a single joint committee.

In our view, halfway measures, several

of which are already pending before the Congress, simply are not adequate to the monumental task at hand.

The scope of the duties and authority of the Joint Committtee on Energy should be as extensive as the scope of functions of the executive agency responsible for energy research and development. The Joint Committee on Energy should be directly responsible to the Senate and the House of Representatives and to their respective appropriations committees.

The experiences of the past half year have dramatically demonstrated to us the dangers inherent to our economy and to our very style of living by being even only partially reliant upon unstable and insecure foreign sources of energy. Energy has a major impact on our lives and it is therefore imperative that we must become self-reliant with regard to energy as rapidly as possible. What we need is a concerted program to develop all our energy resources consistent with the protection of our environment in every respect.

We believe the Pastore-Aiken bill would go a long way toward accomplishing this result.

Mr. President, I send the bill to the desk for appropriate reference together with the cosponsorship of the distinguished Senator from Vermont (Mr. AIKEN).

The PRESIDING OFFICER (Mr. BIDEN). The bill will be received and appropriately referred.

Mr. PASTORE. Mr. President, I yield to the Senator from Washington (Mr. JACKSON).

The PRESIDING OFFICER. The Senator from Washington is recognized.

Mr. JACKSON. Mr. President, I rise to commend my colleague, the senior Senator from Rhode Island, for his leadership in promoting energy self-sufficiency and in insuring that governmental institutions are responsive to the social, environmental, and energy needs of American consumers.

The measure he has introduced today proposes a major realinement of Senate committee jurisdiction in the area of energy policy oversight and legislative jurisdiction. At present, nearly every committee of the Senate has some degree of involvement in energy issues and some interest in energy policy. Furthermore, the traditional descriptions of committee jurisdiction—whether in the rules of the Senate or in precedent and practice—are inadequate to encompass the full range of complex legislative and public policy problems emerging from the energy crisis.

The Congress has been faced with decisions in recent months which have no precedent and which were not anticipated when the rules were written.

In recognition of the complexity of energy issues and the inadequacy of committee jurisdiction, all rules in this area the Senate acted 3 years ago—long before the current energy crisis—to initiate a study and coordinate its activities.

In Senate Resolution 45 of the 92d Congress, adopted in May of 1971, the Senate directed the Committee on Interior and Insular Affairs to undertake a national fuels and energy policy study. The Commerce, Public Works, and Joint Committee on Atomic Energy were given ex officio representation in the study. This year, representation was extended to include the Finance, Foreign Relations, and Government Operations Committees.

Representation by these seven major committees was in recognition of the fact that energy policy, energy problems, and energy solutions involve influences, constraints, and considerations which, at first glance, do not seem directly related to energy. For example, major and often dominant influences on energy policy and the adequacy of energy supply include tax policy—depletion, foreign tax, credit, expensing of intangibles, regulatory policy—natural gas, transportation, pipeline; environmental policy—air, water, solid waste; economic policy—price controls, balance of payments, and so forth; foreign policy—imports, export restrictions, relations with oil producing countries; science policy—research and development, technology assesment; and many other areas of national policy concern and congressional committee jurisdiction.

The Senate's national fuels and energy policy study has produced over 80 reports, studies, and hearing records since its inception. Areas of study and inquiry have touched on all of the above areas of policy concern and many others.

Many important legislative measures have emerged from the study. Because of their broad influence over public affairs, some have been jointly referred to two or more committees for consideration. In general, legislation on energy in the Senate has been handled in a spirit of full cooperation and with little jurisdictional controversy. But the matters before the Senate in this time of energy crisis have been issues which deserve the attention of the whole Senate.

In the years to come, more energy policy decisions will be necessary. They may be more detailed, they may be more routine and they may enjoy less national attention. In short, they will be the kinds of decisions which can only be handled within the traditional framework of standing committees. Associated with them will be the need for many hours of legislative oversight activities to insure that national energy policies now being formed will continue to be updated and effectively implemented. If these oversight functions are not properly performed by the Congress, our national dilemma will continue to plague us and we will be faced with chronic crises for the decades ahead.

My colleague from Rhode Island is the vice chairman of the Joint Commitee on Atomic Energy and he has led and served that committee with distinction for over 20 years. His experience with the development of nuclear technology uniquely suits him to suggest to the Senate alternative approaches by which the Senate could administer a broader and, in my view, more significant technological effort to achieve energy self-sufficiency.

The measure, which he is introducing today, to create a Joint Committee on Energy, presents one alternative approach to congressional oversight of energy research and development policy. I have discussed this proposal with my colleague. Although we are not in complete agreement on this approach, we are in agreement upon the urgent need for an effective program of energy research and development. We also agree that the Congress should give high priority to its own responsibilities in energy research and development.

As I understand the proposed measure, it would take the special relationship between the existing Joint Committee on Atomic Energy and the Atomic Energy Commission as a model for a new relationship between a Joint Committee on Energy and the proposed Energy Research and Development Administration. The new committee would be concerned with research and development in new energy technologies of all kinds. It would not, apparently, be concerned with other aspects of Federal energy policy such as regulation or the leasing and management programs for the public lands.

I share my colleague's high opinion of the past achievements of the nuclear energy program under the joint committee oversight. I do not believe, however, that the energy problems we now face are close parallels of the nuclear energy program. Certainly there are not the same considerations of national security, in a military sense, throughout the other energy technologies and there are not the concerns for security of classified information.

Another difference is that nuclear energy was an entirely new concept. A new industry had to be created. Many of the technologies we will be dealing with in our effort to achieve energy self-sufficiency will be involved with conventional resources such as coal and oil and with existing major industries that many feel require more in the way of regulation, less in the way of assistance and subsidy.

The rapid transfer of new technologies into actual application will affect the day-to-day existence of our citizens. It will affect their lifestyle: the homes they live in, the transportation they use, and the prices they pay for commodities. Policies on energy technology cannot and should not be entirely isolated from other public policies. The creation of a single purpose committee in the Congress, therefore, may not be the best way to oversee energy research and development in its relationship to other social problems and goals. The proposal set forth in this bill, however, is one possible alternative. Other proposals include select committees, separate energy committees in each House, and more aggressive action by the present standing committees to deal with energy problems within their respective jurisdictions. I am pleased that my colleague has placed his proposal before the Senate to begin discussion of this matter. I look forward to working with my colleagues, and particularly the distinguished Senator from Rhode Island, to develop the best congressional response for dealing with the many problems we agree exist.

Mr. COOK. Mr. President, I commend the Senator from Rhode Island for his actions, and I hope that the bill will move along. If I thought we could get more fuel and self-sufficiency out of committee reorganization, I would be happy, but obviously we will not.

By Mr. COOK:

S. 3272. A bill to require the establishment of an agricultural service center in each county of a State as a part of the implementation of any plan for the establishment of such centers on a nationwide basis. Referred to the Committee on Agriculture and Forestry.

Mr. COOK. Mr. President, on November 21, 1973, the U.S. Department of Agriculture announced plans to establish agricultural service centers throughout the country. The term itself seems innocuous enough but upon closer scrutiny I have reached the conclusion that implementation of the program would prove to be an abomination to the American farmer.

The proposal calls for the creation of agricultural service centers which would provide "one-stop services" for clients of the Agricultural Stabilization and Conservation Service, the Soil Conservation Service, the Farmers Home Administration, the Federal Crop Insurance Corporation and, whenever feasible, the Extension Service, other USDA agencies, and appropriate State and local organizations. The concept of "one-stop service" for the American farmer is certainly a noble one. I wholeheartedly support the consolidation of USDA offices at the county level whenever possible. On the other hand, I am inalterably opposed to such "one-stop service" when the farmer must drive an unconscionable distance to receive it. This is especially objectionable at the moment since every available gallon of fuel is needed for the operation of farm machinery, and not for the drive to a USDA service center two counties away.

Thus, in essence, the most reprehensible aspect of the proposal is the projected reliance upon multicounty agricultural service centers. Each farmer with whom I have discussed this matter in recent months has expressed his dismay at the difficulty of securing adequate assistance from the Department of Agriculture even now. It is obvious that, if the USDA offices are relocated in regional centers and become even further removed from the farmer, the services will obviously be more difficult to obtain.

Another reason I am totally opposed to the agricultural service center concept, as now envisioned, is the total lack of success the Commonwealth of Kentucky had with a similar program several years ago. Until July 1, 1965, the Kentucky Cooperative Extension Service operated strictly at the county level. Between July 1, 1965, and September 1, 1969, an effort was made to conduct Kentucky's Extension Service on an area basis—each area composed of three to five counties. The experiment was a dismal failure.

This recent experiment in Kentucky failed for a number of reasons. Like farmers in the remainder of the United States, Kentuckians are county oriented. They have historically conducted their business in their local county seats. Thus, one of the primary reasons the Kentucky program failed was because of the reluctance of the members of the farm community to travel to the district office to do business.

In addition, whereas, before the farmer could place a local call to his county extension agent, with the advent of the new program in 1965, he had to place a long-distance call to his areawide extension agent. After several unsuccessful attempts to reach their agent by long distance, many of the farmers just gave up. In short, because of experiences such as these, there was a drastic curtailment in requested services, and more displeasure than before with the services which were actually rendered. Thus, on September 1, 1969, Kentucky recognized the futility of such an approach and reinstated the county-level Extension Service programs.

Mr. President, multicounty agricultural services did not, and will not succeed in Kentucky. Likewise, it is my feeling that such an approach will not succeed nationwide. Therefore, I am introducing legislation today which will prohibit the implementation of new multicounty agricultural service centers by the U.S. Department of Agriculture. I should point out that this proposal does not prohibit the consolidation of USDA programs within a county. It encourages such consolidation. Likewise, my proposal does not require the creation of additional services in counties which do not now have such services. The legislation which I introduce today has one goal: To maintain the integrity of the county-level approach to agricultural services.

Mr. President, the multicounty approach did not work in Kentucky and it will not work in the remainder of the United States. Implementation of this approach under the USDA guidelines could begin as early as June 3 of this year. I urge my colleagues to join me in an effort to prohibit such an ill-advised program.

I might say, in conclusion, that we were told, and some organizations throughout my State were told, that when they have to consolidate in, say, a three-county or a five-county region, they have to consolidate all under one roof; that the building must be on one floor; and that everybody must go in one door. If that is not bureaucracy at its worst, I have never heard it.

I wonder what GS rating individual sits down when they determine that a program has to be imposed on the people of the United States, and his time and his effort and the tax dollars of the United States are wasted, for him to come up with the conclusion that all services must be in a one-floor building, all people must go in one door, and they must come out of one door; and it must have been quite a conclusion for him to come to and he really must have been delighted when he finally came to that conclusion and started to put out those directives to the farm organizations of the United States. It seems so ridiculous to this Senator that I would not want to dwell on it further.

Mr. President, I ask unanimous consent that the full text of my proposal be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3272

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) notwithstanding any other provision of law, in implementing any proposed program for the establishment of Agricultural Service Centers in any State, the Secretary of Agriculture shall provide for the establishment of such a center in each county of such State if, on the date of enactment of this Act, one or more local field offices of the Department of Agriculture were located within such county.

(b) Nothing in subsection (a) shall be construed to require the Secretary of Agriculture to provide in any Agricultural Service Center established for any county any local field office of the Department of Agriculture not located in such county on the date of enactment of this Act, but the Secretary, whenever he determines such action will promote efficiency and economy and provide improved service to farmers, shall provide, in the Agricultural Service Center, as many services of the Department of Agriculture (applicable to such county) as practicable.

(c) As used in this Act, the term "Agricultural Service Center" means the type of offices described in the Secretary of Agriculture's Memorandum No. 1492 (Revised) or any similar type office.

By Mr. COOK (for himself and Mr. HUMPHREY):

S. 3273. A bill to amend the act which created the U.S. Olympic Committee to require such committee to hold public proceedings before it may alter its constitution, to require arbitration of certain amateur athletic disputes, and for other purposes. Referred to the Committee on the Judiciary.

Mr. COOK. Mr. President, I am introducing today for myself and the Senator from Minnesota (Mr. HUMPHREY) a bill designed to provide a mechanism for finally ending many of the disputes which have plagued the amateur sports world for many years. I know everyone is well aware of many of these problems. Only last fall the Senate considered S. 2365, the Amatuer Athletic Act of 1973, of which I am a cosponsor. At that time, it was felt that since there was so much misunderstanding as to the impact of that legislation, it would be preferable to send the bill back to the Commerce Committee for further hearings and discussion.

The fact that I am today proposing a different approach from that embodied in S. 2365 should not be interpreted as a sign that I am withdrawing my support for a more thorough and exhaustive treatment of the problems of amateur sports. However, we have run into a most serious time problem. The 1976 Olympiad is now less than 2 years away, and not one thing has been done in order to avoid the recurrence of the disasters that beset the American teams at Munich in 1972. I believe the Congress has a compelling obligation to take decisive and effective action to accomplish the reforms necessary to field the best representatives of our country in both the summer and winter games.

The legislation which I am proposing would amend the act which created the U.S. Olympic Committee to provide for arbitration of all disputes between individual athletes and athletic organizations, or between the various organizations which desire to hold the U.S. franchise in any Olympic sport. The arbitration would be conducted by the American Arbitration Association, and the Federal courts would be empowered to enforce the decision of the arbitrator.

It is highly significant that Senator HUMPHREY has joined with me in the sponsorship of this proposal. As Vice President he was responsible for appointing the Kheel Commission which examined the controversies in amateur athletics for 2 years. The report of that Commission proposed the arbitration mechanism as a solution to many of those problems. Unfortunately the various organizations could not reach agreement on the Commission's proposal, when the National Collegiate Athletic Association refused to submit to the arbitration suggestion. Although I do not believe that this approach will resolve many of the deep-rooted problems facing amateur athletics, such as the need for grassroots development programs, I am confident that this concept can prevent controversy from subverting our Olympic effort in 1976.

The legislation I am proposing today also takes a major step forward in relieving the amateur athlete from the arbitrary and pointless actions taken by sports organizations which have often prevented our best athletes from competing in international competition.

All of you will remember the incident last summer when the NCAA arbitrarily refused to allow its member athletes from participating in the exciting series of basketball games against the Russian national team. At that time I asked many of you to sign a letter to Mr. Walter Byers, executive director of the NCAA, imploring him to remove the prohibition. Fifty-seven Senators joined me in sending that letter, which ultimately permitted our fine college athletes to participate and help the American team prevail in the series.

This legislation gives the athletes an almost unqualified right to participate in any national championship or international competition in an Olympic sport. Of course, exception is made for the legitimate and reasonable rules relating to the educational standards of our high schools, colleges, and universities. However, this "right to participate" should finally preclude institutional squabbles of our amateur athletic organizations from hindering the pursuits of our fine young athletes.

I might also add that this proposal does have the support of the amateur athletic union, the U.S. Olympic Committee, and many other athletic organizations in the United States. It has been introduced in the House of Representatives by Congressman ROBERT MATHIAS, and already has over 40 cosponsors. I sincerely hope that the committee on the Judiciary, which will consider this bill, and the Senate will take swift and favorable action on this proposal so that our fine athletes can return the standard of Olympic achievement and excellence to the United States.

Mr. President, I ask unanimous consent that the text of this leigslation be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3273

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3 of the Act entitled "An Act to incorporate the United States Olympic Association", approved September 21, 1950 (36 U.S.C. 373), is amended by striking out "amateur representation" in paragraph (4) and inserting in lieu thereof the following: "administrators, coaches, and amateur athletes."

SEC. 2. Section 4 of the Act entitled "An Act to incorporate the United States Olympic Association," approved September 21, 1950 (36 U.S.C. 374), is amended—

(1) by inserting "(a)" before "The corporation shall have perpetual succession";

(2) by striking out paragraph (9);

(3) by redesignating paragraphs (10), (11), and (12) as paragraphs (3), (10), and (11), respectively; and

(4) by inserting at the end thereof the following new subsection:

"(b) The corporation shall have the power to adopt and alter a constitution and bylaws not inconsistent with the laws of the United States, except that the corporation may alter the constitution only if—

"(1) the corporation publishes in a newspaper or magazine of national circulation or in any publication published by the corporation, and in the Federal Register, a general notice of the proposed alteration of the constitution including the terms of substance of such alteration, the time and place of the corporation's regular meeting at which such alteration is to be decided, and a provision informing interested persons that they may submit materials as authorized by paragraph (2);

"(2) for a period of at least thirty days after the date of publication of such notice in the Federal Register, the corporation gives to all interested persons an opportunity to submit written data, views, or arguments concerning the proposed alteration;

"(3) the corporation decides upon the alteration for which notice was published under paragraph (1) only after the thirty-day period under paragraph (2) and only at a regular meeting (with or without opportunity for a written or oral presentation by any interested person whom the corporation may invite to such meeting); and

"(4) the corporation mails the alteration to all persons who submitted any material under paragraph (2) and to all persons who submitted a written or oral presentation under paragraph (3).".

SEC. 3. The Act entitled "An Act to incorporate the United States Olympic Association", approved September 21, 1950, is further amended by inserting after section 4 the following new section:

"SEC. 4A. (a) (1) No individual who is eligible under applicable international or applicable national amateur athletic rules and regulations may be directly or indirectly denied his right to attempt to qualify for selection, or his right (if he so qualifies) to participate, as an athlete, coach, trainer, administrator, manager, or other official representing the United States in any international amateur athletic competition, if such competition involves any sport included on the Olympic games or pan-American games program during the Olympiad time period concurrent with such attempt to qualify for such participation. Nowithstanding the preceding sentence any university, college, high school, or other educational institution which an individual is attending at the time of such attempt to qualify may deny him his right of such attempt if, after a hearing conducted by the educational institution at a reasonable time prior to such attempt, the institution determines that such attempt would unreasonably interfere with the individual's academic or athletic interests at the institution.

"(2) There shall be a reasonable number of amateur athletes (who represented the United States in any international amateur competition in any sport included on the Olympic games or pan-American games program during the Olympiad time period concurrent with such representation) as members on the governing board of the governing body for that sport.

"(b) Any national amateur sports organization may seek recognition as a governing body if it establishes by a preponderance of the evidence each of the following:

"(1) It provides, at the time of arbitration under subsection (c) and in comparison with the governing body, if any, more effective national competition in the sport for which it claims recognition as the governing body, so that such competition will result in a higher quality of United States athletes in all international amateur athletic competition for such sport.

"(2) It provides (without regard to race, creed, color, religion, or sex) equal opportunity, for competition in the sport for which it claims recognition as the governing body, to all individuals who are eligible under applicable international or applicable national amateur athletic rules and regulations; and it applies international rules and regulations concerning athletic competition without discrimination to all such individuals.

"(3) It has a reasonable number of amateur athletes (who represented the United States in any international amateur athletic competition in the sport for which the organization claims recognition under this subsection, and which is included on the Olympic games or pan-American games during the Olympiad time period concurrent with or immediately preceding such claim for recognition) as members of its governing board for that sport.

"(4) Its membership is open to any amateur sports organization in the sport for which it claims recognition as the governing body under this subsection.

"(5) There are representatives of a reasonable number of national amateur sports organizations (which represent the sport for which recognition is claimed under this subsection, if the sport is included on the Olympic games or pan-American games program during the Olympiad time period concurrent with such claim for recognition) as members of its governing board in that sport.

"(6) Members on its governing board are selected without regard to race, creed, color, religion, or sex.

"(7) It is able to comply with all applicable international requirements (written and uniformly applied to all nations) relating to recognition as the governing body for the sport for which it claims recognition.

"(c) Any individual who alleges he has been denied a right established under subsection (a) in violation of such subsection may submit to the American Arbitration Association a claim documenting the denial, but shall submit such claim within six months after the date of the denial: *Provided further,* That the association is authorized, upon forty-eight hours notice to the parties, to hear and decide a matter under such procedures as the association deems appropriate if the association determines that it is necessary to expedite such arbitration in order to resolve a matter relating to an amateur athletic competition which is so scheduled that compliance with regular procedures would not be likely to produce a sufficiently early decision by the association to do justice to the affected parties.

"(d) Any national amateur sports organization claiming recognition under subsection (b) shall submit such claim to the association not later than one year after the termination of any summer Olympic games. The association shall serve notice on the parties to the arbitration and on the corporation, and shall immediately proceed with arbitration according to the commercial rules of the association; except that (1) for any arbitration in which at least two of the parties are not individuals, there shall be not less than three arbiters selected by the association, (2) there shall only be arbitration of a claim under subsection (b) after the ninetieth day after the day that the national amateur sports organization submitted such claim to the association, and (3) the arbitration decision shall be served on the corporation in the same manner as it is to the parties to the arbitration.

"(e) Any person whose claim is upheld by an arbitration decision under subsection (c) may bring suit in a United States district court having jurisdiction over any party to such arbitration to compel compliance with the terms of such decision. In addition to the provisions of the first sentence, any party to such an arbitration decision may bring suit in such court for review of the decision within a period of sixty days after the decision; except that the court may only modify or set aside the decision if it is procured by fraud, if it is clearly erroneous, or if the subject matter for the arbitration is not included within the paragraph under subsection (a) or (b) upon which the person based his claim for arbitration under subsection (c) or (d). Any person who submits a claim for arbitration under subsection (c) or (d) may bring suit in such court to compel arbitration pursuant to subsection (c) or (d), and the arbiters of an arbitration under subsection (c) or (d) may petition such court to enforce compliance with a subpena issued by the arbiters pursuant to the rules of the American Arbitration Association. Any individual who alleges he has been denied a right established under subsection (a) in violation of such subsection may (in lieu of seeking arbitration under subsection (c)) bring suit in such court for adjudication of such denied right.

"(f) Any person seeking arbitration under this section shall have the burden of introducing the evidence to support his claim and shall have the burden of proving his claim; except that when any individual seeks arbitration because of an alleged violation of a right established by paragraph (1) of subsection (a), the burden of introducing the evidence and the burden of proof shall be on the person who allegedly violated such right.

"(g) If an arbitration decision upholds a claim of a national amateur sports organization for recognition as a governing body under subsection (b), the corporation shall (on the sixty-first day after such decision) recommend and support in any other appropriate manner such sports organization to the appropriate international governing body for recognition by such international body as the governing body; except that if there is district court review under subsection (e), such recommendation and support shall occur immediately after the judicial review if such review upholds such decision.

"(h) The arbiter of any arbitration under subsection (c), or a majority of the arbiters under subsection (d) (1), may order that the losing party pay to the prevailing party reasonable fees for attorneys' services rendered for such arbitration. The district court may order that the losing party to a suit under subsection (e) pay to the prevailing party reasonable fees for attorneys' services rendered for such suit.

"(i) For the purposes of this section—

"(1) The term 'international amateur athletic competition' means any athletic event between an athlete or team of athletes representing the United States and an athlete or team of athletes representing any foreign country, conducted in compliance with applicable national and international requirements.

"(2) The term 'Olympiad time period' means the time period beginning at the termination of any summer Olympic games and ending at the termination of the following summer Olympic games.

"(3) The term 'governing body' means the national amateur sports organization which is recognized by the international governing body for a sport as the national representative for that sport for international amateur athletic competition in the Olympic games and pan-American games.

"(4) The term 'national amateur sports organization' means any club, federation, union, association, or similar group in the United States (A) which conducts regular national competition in a sport on the Olympic games or pan-American games program concurrent with such competition, (B) which is capable of holding an annual national championship in any such sport from which a team of athletes or a substantial number of athletes who are not members of a team could be selected to represent the United States in international amateur athletic competition, and (C) is capable of conducting international amateur athletic competition in any such sport.".

SEC. 4. Section 5 of the Act entitled "An Act to incorporate the United States Olympic Association," approved September 21, 1950 (36 U.S.C. 375), is amended by inserting after "bylaws of the corporation" the following: ", except that any governing body may only be a member of the corporation if it files an annual financial statement with the Congress. Any such statement shall not be printed as a public document".

SEC. 5. Section 9 of the Act entitled "An Act to incorporate the United States Olympic Association", approved September 21, 1950 (36 U.S.C. 379), is amended—

(1) by striking out "the emblems of the United States Olympic Committee" and inserting in lieu thereof the following: "(1) the emblem of the United States Olympic Committee"; and

(2) by striking out "or the words 'Olympic', 'Olympiad', or 'Citius Altius Fortius' or any combination of those words" and inserting in lieu thereof the following: "(2) five interlocked rings or any other symbol tending to represent such five interlocked rings (whether or not such symbol is a sign or insignia under clause (1), or (3) the words 'Olympic,' 'Olympiad,' or 'Citius Altius Fortius' or any combination or confusingly similar derivation of any of these words."

SEC. 6. The amendments made by this Act shall take effect on the date of enactment of this Act. However, the amendments made by paragraph (2) of section 5 of this Act shall not apply to any person that used the rings, symbol, or derivation of words proscribed by such paragraph (2) for any lawful purpose prior to the date of enactment of this Act if such person uses such rings, symbol, or derivation of words proscribed by such paragraph (2) for any lawful purpose prior to the date of enactment of this Act if such person uses such rings, symbol, or derivation for the same purpose and for the same class of goods after the date of enactment of this Act.

By Mr. DOMINICK:

S. 3275. A bill to authorize the disposal of manganese metal from the national stockpile and the supplemental stockpile. Referred to the Committee on Armed Services.

Mr. DOMINICK. Mr. President, the bill that I am introducing today would provide for the disposal of a limited amount of manganese metal from our national stockpile.

We should be extremely cautious in disposing of any material from our national stockpiles. The Middle East crisis has illuminated our need for adequate strategic stockpiles of basic material on an individual basis.

The increased demand for manganese metal and the short supply coupled with the fact that at the present time our stockpile inventory is at a level where the disposal of 9,550 tons will not place our country in jeopardy is the reason that I introduce the legislation today.

Electrolytic manganese metal is an essential material in the economical production of stainless steel, aluminum and other nonferrous alloys. The use of this grey-white, hard, brittle material imparts the necessary properties so that the alloys produced can be fabricated into the forms needed by housing construction, transportation, electronics, container, appliance, chemical and paint industries. At present, nothing is foreseen that will eliminate or substantially reduce the need for manganese in these end uses.

It is estimated by one major domestic producer, Union Carbide, that 31,000 tons of electrolytic manganese were consumed in 1973 in the United States compared to a usage of 24,000 tons in 1972 and 23,000 tons in 1971. Fifty-eight percent of the total usage in 1973 was consumed by the aluminum and other nonferrous metal industries, 24 percent by stainless steel producers, and the remaining 18 percent by ferrite producers, chemical manufacturers, and others.

Domestic production in 1973 was estimated to be 26,100 tons, imports were 2,450 tons, inventory reductions were 1,950 tons, and exports were 2,350 tons. The subsequent shortfall of 2,850 tons was offset by withdrawals from the GSA stockpiles.

In April 1973, when the Office of Emergency Preparedness announced a new stockpile objective of 4,750 tons of electrolytic manganese metal, the stockpile inventory totaled 21,500 tons, of which 7,200 tons had previously been authorized for release. This material was offered to the consumers by the GSA and each offering was oversubscribed with the total of 7,200 tons being completely sold by November 29, 1973.

If aluminum and steel production is not to be curtailed in 1974, it will be necessary to release additional manganese metal from the stockpile. This legislation to dispose of the 9,550 tons of surplus manganese would be in accord with the omnibus bill H.R. 7135, covering 16 major commodities submitted by the administration.

A shortage of electrolytic manganese metal in fact exists throughout the free world as the traditional overseas suppliers, Japan and South Africa, have not been able to expand rapidly enough to meet the growing demand. Japanese production, in fact, has been cut back because of the power curtailment resulting from the energy crisis. Delays were encountered in the expansion of the existing South African facility, and a new producer's planned fourth quarter 1973 startup has been deferred at least until the second quarter of 1974.

In this country, the high usage rate continues and the pinch is again beginning to be felt as the last GSA releases are being used up. Only one domestic producer plans an incremental expansion and imports continue to enter at a slow rate. Clearly, if aluminum and stainless steel production are to continue at their present rates, additional electrolytic manganese metal must be released from the stockpile.

It is felt that additional releases will not be disruptive to the domestic producers, if the material can be made available early enough, that is, before new South African production becomes a factor in the market. GSA would, of course, be expected to follow its customary policy of consultation with producers and consumers in deciding the timing and disposition rate.

The other U.S. producers, Foote Mineral Corp., who operates a plant at New Johnsonville, Tenn., and Kerr-McGee Chemical Corp., with a facility at Hamilton, Miss., have been consulted as to the advisability of this legislation. They generally agreed that it is a good move with the aforementioned safeguards as to the quantities and timing of the release.

In summary, it is recommended that the attached legislation be enacted at an early date to provide segments of U.S. industry with sufficient electrolytic manganese metal to sustain present rates of production. Its implementation will permit the Government to derive income—approximately $7,258,000 at today's market price—from no longer needed material, help curb inflation by offsetting demand pressure, and contribute toward a more favorable balance of trade. Properly implemented, the disposition of 9,550 tons can be accomplished without disruption of usual markets.

Mr. President, I urge its early consideration and passage.

By Mr. DOMENICI (for himself, Mr. RANDOLPH, Mr. MUSKIE, Mr. BAKER, Mr. STAFFORD, and Mr. MCCLURE):

S. 3277. A bill to amend the Solid Waste Disposal Act, to encourage full recovery of energy and resources from solid waste, to protect health and the environment from the adverse effects of solid waste disposal, and for other purposes. Referred to the Committee on Public Works.

ENERGY AND RESOURCE RECOVERY FROM SOLID WASTE—II

Mr. DOMENICI. Mr. President, I am pleased to introduce, on behalf of myself and Senators RANDOLPH, MUSKIE, BAKER, STAFFORD, and MCCLURE, the proposed Energy and Resources Recovery Act of 1974. The bill will amend the Solid Waste Disposal Act to provide a major new thrust toward our goals of increasing domestic production of energy and raw materials while insuring a healthful and clean environment.

Each major new environmental concern—protection of scenic and other land resources, air pollution, water pollution, noise—was first perceived as a local problem and only later as one with a national dimension. Similarly the statements to the effect that "there is nothing so local as a city's garbage" are now giving way to a recognition of the national need for the energy and materials in that garbage and of the widespread air, water, and land pollution that unregulated dumps can cause.

Last week I inserted in the RECORD a statement by Arsen Darnay, the Deputy Assistant Administrator for solid waste programs of the Environmental Protection Agency, and other materials which indicate the vast opportunities for recovery of energy and raw materials from the Nation's solid waste and the seriousness of the risk to public health and the environment from unregulated solid waste disposal. The bill I introduce today deals with a number of the major problems and opportunities raised by Mr. Darnay and other experts in the field.

Today we stand at this exciting new threshold of environmental protection through energy and resource recovery largely because of planning, research, and demonstrations conducted under the Resource Recovery Act of 1970, legislation produced chiefly by the dedicated efforts of the distinguished chairman of the Public Works Committee (Mr. RANDOLPH), the very able chairman of the Subcommittee on Air and Water Pollution—now the Subcommittee on Environmental Pollution—Mr. MUSKIE, and Senator HOWARD H. BAKER, JR., now the ranking minority member of the committee.

The need for further planning research, and demonstrations, however, is being eclipsed rapidly by the requirement for action; action by our cities, States, and the private sector primarily, but action by the Federal Government as well.

The economics of energy and resource recovery have improved greatly. In the midst of energy shortages there is enough energy value in the solid waste generated by our major cities to light all of our homes and commercial establishments. Recycled newsprint prices have tripled in a year. Values of scrap iron and steel are higher than ever before. Despite the inequitable freight rates of secondary versus virgin materials, the economics still look very good.

The primary need appears to be for larger, more active, better funded Federal, State, local and private efforts to implement and further refine existing technology for energy and resource recovery. In this way, the favorable economic situation for energy and secondary materials can be fully exploited.

I anticipate that the goals of this bill, if not the actual provisions, will be realized in final legislative form during this Congress, following the usual course of hearings, staff study and debate in the Environmenttal Pollution Subcommittee and in the full Committee on Public Works.

The bill is aimed primarily at encouraging full recovery of energy and materials from municipal, industrial and other solid waste wherever practicable by 1985, and at providing for controls over the disposal of hazardous and other waste to avoid adverse effects on air and water quality and further blight of our land.

EPA will be required to establish an Office of Energy and Resource Recovery to implement these objectives through a full range of Federal efforts in cooperation with States, localities and the private sector.

EPA will have authority to set standards for the disposal of hazardous and other wastes; for Federal procurement of products utilizing recycled materials, and for packaging practices which make full recovery of resources and environmentally sound disposal of solid waste practical.

EPA will have authority to enforce disposal standards where States are unable or unwilling to do so.

The bill directs EPA to develop Federal guidelines to indicate the nature and extent of energy and resource recovery that is possible by use of the best technology in each industrial class and to describe such technology in precise detail.

EPA will be required to assist States and regional agencies with 80 percent Federal funding to establish or continue comprehensive programs to regulate, assist, and encourage recycling and sound disposal practices. This funding will be provided for a period of 5 years during which the States will be expected to develop self-financing mechanisms to carry on the program.

In addition, municipal agencies of government will be provided with limited seed money and extensive technical and managerial assistance to make the transition from inadequate land disposal practices to coherent projects which emphasize full energy and resource recovery.

The bill will establish a major new system of Energy and Resource Recovery Institutes centered around State universities.

The legislation will facilitate financing of facilities to recover energy and resources from solid waste by providing for Small Business Act loans to build recycling facilities.

EPA will also be authorized to conduct a thorough study of the legal and other constraints which impede acquisition of land for environmentally sound disposal and solid waste.

The bill would authorize sufficient added funding to assure full implementation of the new programs authorized in the bill.

I am enthusiastic about the prospects for major new solid waste and resource recovery legislation in this session, and I invite further cosponsorship by my fellow Senators of the bill I introduce today. I ask unanimous consent that the bill be printed in its entirety at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3277

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that this Act may be cited as the "Energy and Resources Recovery Act of 1974."

"FINDINGS AND PURPOSES

"SEC. 2(a) The Congress finds—

"(1) that the requirements for energy and resource recovery are national in scope and concern and necessitate Federal leadership through financial and technical assistance and through the development of new and improved methods and standards to encourage greater utilization of the wealth of natural resources in solid waste;

"(2) that the volume of waste and discarding of salvageable materials can be reduced markedly and that the resultant reduced volume of waste then can be disposed of in an economical and environmentally sound manner;

"(3) that energy supplies from sources such as petroleum products, natural gas, and hydroelectric generation have failed to meet constantly increasing consumer demands and therefore, the need exists to develop alternative sources of energy for public and private consumption.

"(4) that increasing demand for products made from timber, mineral and non-mineral natural resources is causing the depletion of these resources, while more efficient use of such resources would extend the life-span of the world's existing reserves;

"(5) that the technology and economics exist to support recycling of solid waste as a practical means of increased resource utility;

"(6) that energy and materials can be recovered efficiently from solid waste;

"(7) that resource recovery techniques are not presently utilized to a sufficient extent; and

"(8) that such traditional methods of waste disposal as landfill and incineration are becoming impracticable and costly, and contribute to unacceptable levels of air, water and land pollution.

"(b) The purposes of this Act therefore are—

"(1) to encourage full recovery wherever practicable of energy and materials from municipal, industrial and other sources of solid waste by 1985,

"(2) to assist States and localities in carrying out their primary responsibilities for solid waste collection, handling, recycling and disposal, with priority attention to metropolitan and other areas where land-use patterns inhibit solid waste disposal;

"(3) to insure that recycling or disposal of hazardous wastes is controlled to avoid adverse effects on health and the environment;

"(4) to provide for use of best technological practices to minimize adverse effects on air and water quality where land disposal of hazardous and other wastes is the only practicable method, and to assure consideration of alternative uses of the land;

"(5) to provide for programs of research, development and demonstration to support achievement of these purposes; and,

"(6) to establish the Office of Energy and Resources Recovery, under the direction of the Environmental Protection Agency, to achieve the purposes and administer the provisions of the Solid Waste Disposal Act, as amended.

"SEC. 3. Section 216 of the Solid Waste Disposal Act, as amended (42 U.S.C. 3259) is amended by adding at the end thereof the following new sections:

"ENERGY AND RESOURCES RECOVERY OFFICE

"SEC. 217. The Administrator shall establish within the Environmental Protection Agency an Office of Energy and Resources Recovery to achieve the purposes and administer the provisions of this Act, as amended by the Energy and Resources Recovery Act of 1974.

"FEDERAL SOLID WASTE STANDARDS

"SEC. 281(a). The Administrator shall, within one year of the date of enactment of the Energy and Resources Recovery Act of 1974, after consultation with appropriate Federal, State, interstate, regional, and local agencies and after opportunity for public hearings, promulgate standards for collection, handling, disposal and recovery of all hazardous and other solid waste which may, if improperly disposed of, cause air or water pollution or other environmental damage.

"(b) Such standards shall

"(1) identify hazardous and other wastes to be regulated;

"(2) be specific in terms of allowable quantities, concentrations, and physical, chemical, or biological properties of such waste, taking into account likely disposal sites and methods of disposal or recycling;

"(3) contribute to the achievement and maintenance of emission or effluent limitations, air quality implementation plans, and any established or proposed land use plans, and

"(4) contribute to the enhancement of the environment.

"FEDERAL REGULATIONS

"SEC. 219(a) The Administrator, in carrying out the provisions of this Act, may require the operator of any disposal system for hazardous or other solid waste to

"(1) establish and maintain such records,

"(2) make such reports,

"(3) install, use, and maintain such monitoring equipment or methods, and

"(4) provide such other information as he may require.

"(b) The Administrator or his authorized representative, upon presentation of his credentials:

"(1) shall have a right to entry to, upon, or through any premises in which a hazardous or other solid waste disposal system is located or in which any records required to be maintained under subsection (a) of this section are located, and

"(2) may have access to and copy any records, and inspect any monitoring equipment or method required under subsection (a) of this section.

"(c) The Administrator may make such rules and regulations, after opportunity for hearing, as he considers necessary to carry out the provisions of this Act.

"ENFORCEMENT

"SEC. 220(a)(1) Whenever, on the basis of any information available to him, the Administrator finds that any person is in violation of any rule, regulation, permit or other requirement which implements sections 218 or 219 of this Act, the Administrator shall give notice to the violator of his failure to comply with such requirement or he shall request the Attorney General to commence a civil action in the appropriate United States district court for appropriate relief including temporary or permanent injunctive relief. If such violation extends beyond the thirtieth day after the Administrator's notification, the Administrator shall issue an order requiring compliance within a specified time period or the Administrator shall request the Attorney General to commence a civil action in the United States district court in the district in which the violation occurred for appropriate relief, including a temporary or permanent injunction: Provided, that, in the case of a violation of any requirement of Sections 218 or 219, the Administrator simultaneously shall give notice to the State in which such violation has occurred thirty days prior to issuing an order or requesting the Attorney General to commence a civil action. If such violator fails to take corrective action within the time specified in the order, he shall be liable for a civil penalty of not more than $25,000 for each day of continued noncompliance.

"(2) Any order issued under this section shall state with reasonable specificity the nature of the violation and specify a time for compliance and assess a penalty, if any, which the Administrator determines is a reasonable period and penalty taking into account the seriousness of the violation and any good faith efforts to comply with the applicable requirements.

"(3) Any person who knowingly violates any requirement of sections 218 or 219 of this Act shall, upon conviction, be subject to a fine of not more than $25,000 for each day of violation, or to imprisonment not to exceed one year, or both.

"(b)(1) Each State may develop and submit to the Administrator procedures under State law for enforcement of the standards developed under Section 218 of this Act, and for inspection, monitoring, and entry and other requirements under Section 219, with respect to hazardous and other solid waste disposal systems located in such State.

"(2) If the Administrator finds that the procedures and the legal authority of any State relating to enforcement of standards promulgated pursuant to Section 218 of this Act and to inspection, monitoring, entry and other requirements of Section 219 of this Act are substantially equivalent to those required by Sections 218 and 219, such State is authorized to apply and enforce such procedures and legal authority with respect to hazardous and nonhazardous waste disposal systems located in the State.

"NATIONAL GUIDELINES FOR RESOURCE RECOVERY

"SEC. 221. (a) The Administrator, within one year following enactment of this section and each year thereafter, shall publish guidelines specifying the percentages of energy and resources that can be recovered from solid waste by use of the best recovery management practices and technology that are reasonably available. These guidelines shall specify those materials which constitute a significant portion of the solid waste stream, including but not limited to: aluminum, copper, glass, iron and steel, paper, lumber and other wood products, petroleum and petroleum products, plastics and other synthetic materials, rubber, and zinc.

"(b) As a part of such guidelines, the Administrator shall publish thorough descriptions of existing technology and practices which can be implemented by agricultural producers, industries, municipalities, consumers, and others to achieve the percentages of energy or resource recovery from each category of solid waste that the Administrator finds reasonable.

"FEDERAL PACKAGING GUIDELINES

"SEC. 222. The Administrator shall, within one year following enactment of this section:

"(a) make a complete assessment of the use of natural resources and recycled materials in product packaging;

"(b) establish guidelines for the packaging of products to encourage efficient use of such resources and materials with a consequential reduction in solid waste; and

"(c) publish model standards and regulations which, if implemented by States, would insure use of the most efficient and recoverable materials in packaging.

"FEDERAL PROCUREMENT REGULATION

"SEC. 223(a). The Administrator shall, within one year following enactment of this section: establish standards that emphasize the maximum procurement and use of Federal materials recovered from solid waste and of products composed of such materials, following consultation with the General Services Administration, the Department of Defense, and other Federal agencies.

"(b) Within 18 months of the publication of such guidelines, the General Services Administration, the Department of Defense and all other Federal agencies shall revise their procurement regulations to comply with the standards set by the Administrator pursuant to subsection (a) of this section.

"STATE AND LOCAL ASSISTANCE

"SEC. 224(a)(1). The Administrator shall grant to each State 80 per centum of the cost of a comprehensive solid waste management and energy and resource recovery program which such State establishes or continues in order to meet the requirements of paragraph (2) of this subsection, and, when the Administrator determines that a regional entity composed of two or more municipalities or other governmental units that represent a significant geographical portion of a State or States and that the Administrator finds is capable of administering such a program within its jurisdiction, to each such regional agency.

"(2) The Administrator shall approve each program submitted by a State or a regional entity pursuant to paragraph (1) of this subsection if he determines that adequate authorities and programs exist or will be established during the term of the grant to: (A) apply and ensure compliance with any applicable requirements of Section 218 of the Act through a system of permits, licenses, or the equivalent which the Administrator finds is reliable and enforceable; (B) provide technological and management advice and assistance to units of local government within such state or region to enable them to manage programs for energy and resource recovery and solid waste disposal that enhance the environment; (C) enforce the requirements of the permit or equivalent system under subparagraph (A) of this paragraph and such other regulatory programs as the State or region establishes to achieve the purposes and carry out the provisions of this Act; (D) inspect, monitor, enter, and require reports to at least the extent required under Section 219 of the Act; (E) provide advice and assistance to the general public regarding environmentally sound solid waste handling practices that enhance the environment; (F) in the case of a State submittal, provide, either with the state agency responsible for the comprehensive solid waste management and energy and resource recovery program or in a separate entity, an organization capable of assisting municipalities to obtain financing for energy and resource recovery projects through loans, grants, loan guarantees, cooperative public and private ventures or other means; (G) to hire, train and maintain in service an adequate staff of professional and other personnel to carry out these functions and (H) to provide for development of financing self-sufficiency for such programs no later than June 30, 1979, either through an equitable system of fees as a part of the permit or equivalent system required under subparagraph (A) of this paragraph or through other means.

"(b) The Administrator shall provide (1) management grant assistance of up to 10 per centum of the estimated cost of construction of any publicly financed energy or resources recovery facility, and (2) a complete program of management and technical assistance to any State, regional agency, or municipalities to help it develop projects for:

"(A) improving collection, separation, and handling of solid waste;

"(B) implementing energy and resource recovery or disposal systems which are technologically feasible and cost-effective;

"(C) considering optimum ways to market energy and secondary materials recovered from solid waste; and

"(D) providing information to assist the applicant in securing itself financially against unusual risks.

"(3) Such assistance shall involve the development of:

"(A) workable contract bid package for energy and resource recovery facilities;

"(B) sound financing, whether through industrial revenue bonds, loans, grants or joint municipal-industrial cooperation;

"(c) There are hereby authorized to be appropriated $25,000,000 for each of the fiscal years ending June 30, 1975 through June 30, 1979 to carry out the purposes of subsection (a) of this Section and $10,000,000 for each of such fiscal years to carry out the purposes of subsection (b) of this section.

"(d) No project funded under subsection (b) shall receive more than $300,000.

"STUDY OF LAND ACQUISITION

"Sec. 225(a) The Administrator shall conduct a full investigation and study of the legal and institutional problems associated with the acquisition of land for hazardous and other solid waste disposal, and for the construction and implementation of energy and resource recovery facilities, in consultation with appropriate Federal and State agencies, and shall report to the Congress not later than one year after the enactment of this section, his findings, conclusions, and recommendations.

"STATES ENERGY AND RESOURCES RECOVERY INSTITUTES

"Sec. 226(a) The Administrator shall make grants to each State to assist in establishing and carrying on the work of a competent and qualified energy and resources recovery research institute, center, or equivalent agency (hereinafter referred to as "institute") at one college or university in each such State which wishes to support such an institute. The recipient college or university shall be one established in accordance with sections 301, 305, 307 and 308 of Title 7 of the United States Code or some other institution designated by Act of the legislature of the State concerned; Provided that

"(1) $100,000 shall be provided annually to each such institute;

"(2) two or more States may cooperate in the designation of a single interstate or regional institute, in which event the sums assignable to each of the cooperating States shall be granted to such institute; and,

"(3) a designated college or university may, as authorized by appropriate State authority, arrange with other colleges and universities within the State to participate in the work of the institute.

"(b) Such grants or contracts may include payment of all or part of the cost of programs or projects to

"(1) develop or expand training of State, municipal and other government officials and other persons in the design, financing, construction, management, operation and maintenance of systems and facilities for energy and resources recovery from solid waste and for all other aspects of solid waste management so as to enhance the environment.

"(2) Support research, development, and demonstration programs for the systems and facilities referred to in paragraph (1) of this subsection.

"(3) Transfer and disseminate to interested government officials and to the public of technological and other information related to the systems and facilities referred to in paragraph (1) of this subsection.

"(c) Money appropriated pursuant to this section shall also be available for printing and publishing the results thereof and for administrative planning and direction.

"(d) There are hereby authorized to be appropriated $5,400,000 for each of the fiscal years which end June 30, 1975, June 30, 1976 and June 30, 1977.

"Sec. 4. Section 216 of the Solid Waste Disposal Act, as amended, is amended further to read as follows:

"GENERAL AUTHORIZATION

"Sec. 216. There are authorized to be appropriated to carry out the provisions of this Act, other than sections 224 and 226, $40,000,000 for each of the fiscal years which end June 30, 1975, June 30, 1976 and June 30, 1977."

"SMALL BUSINESS LOANS

"Sec. 5. (a) Section 7 of the Small Business Act is amended by inserting at the end thereof a new subsection as follows:

"(i)(1) The Administration also is empowered to make loans (either directly or in cooperation with banks or other lenders through agreements to participate on an immediate or deferred basis) to assist any small business concern in effecting additions to or alterations in the equipment, facilities, or methods of operation of such concern to recover energy and resources from solid waste, if the Administrator determines that such loans will help achieve the purposes of the Solid Waste Disposal Act, as amended.

"(2) any such loan—

"(A) shall be made in accordance with provisions applicable to loans made pursuant to subsection (a) of this section, except as otherwise provided in this subsection;

"(B) shall be made only if applicant furnishes the Administration with a statement in writing from the Environmental Protection Agency or, if appropriate, the State, that such additions or alterations will help achieve the purposes of the Solid Waste Disposal Act, as amended.

"(3) The Administrator of the Environmental Protection Agency shall, as soon as practicable after the date of enactment of the Energy and Resources Recovery Act of 1974, but not later than one hundred and eighty days thereafter, promulgate regulations establishing uniform rules for the issuance of statements for the purpose of paragraph (2)(B) of this subsection.

"(4) There is authorized to be appropriated to the business loan fund established pursuant to section 4(c) of this Act not to exceed $300,000,000 solely for the purpose of carrying out this subsection."

"(b) Clause (B) of paragraphs (1) and (2) of section 4 (c) and clause (A) of paragraph (4) of that section of the Small Business Act are amended by inserting "7(i)," after "7 (h),".

ADDITIONAL COSPONSORS OF BILLS

S. 3077 AND S. 3078

At the request of Mr. Gurney, the Senator from Wyoming (Mr. Hansen) was added as a cosponsor of S. 3077, a bill to increase the maximum amount of the grant payable for specially adapted housing for disabled veterans; and S. 3078, a bill to increase the maximum limitation on loans made or guaranteed under Title 38, United States Code, for the purchases of homes and for other purposes.

S. 3229

At the request of Mr. Schweiker, the Senator from Colorado (Mr. Dominick) and the Senator from Virginia (Mr. William L. Scott) were added as cosponsors of S. 3229, the Soviet Energy Investment Prohibition Act.

SENATE RESOLUTION 301—SUBMISSION OF A RESOLUTION RELATING TO JURISDICTION OVER THE U.S.-OWNED CANAL ZONE ON THE ISTHMUS OF PANAMA

(Referred to the Committee on Foreign Relations.)

Mr. THURMOND (for himself, Mr. McClellan, Mr. Allen, Mr. Baker, Mr. Bartlett, Mr. Bennett, Mr. Brock, Mr. Buckley, Mr. Harry F. Byrd, Jr., Mr. Cook, Mr. Cotton, Mr. Curtis, Mr. Dole, Mr. Domenici, Mr. Dominick, Mr. Eastland, Mr. Ervin, Mr. Fannin, Mr. Goldwater, Mr. Gurney, Mr. Hansen, Mr. Hartke, Mr. Helms, Mr. Hollings, Mr. Hruska, Mr. McClure, Mr. McIntyre, Mr. Nunn, Mr. Randolph, Mr. William L. Scott, Mr. Talmadge, Mr. Tower, Mr. Young and Mr. Beall) submitted a resolution (S. Res. 301) in support of continued undiluted U.S. sovereignty of jurisdiction over the United States-owned Canal Zone on the Isthmus of Panama.

(The discussion in connection with the submission of the resolution appears earlier in the Record.)

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974—AMENDMENTS

AMENDMENT NO. 1121

(Ordered to be printed, and to lie on the table.)

Mr. ROTH. Mr. President, for the distinguished junior Senator from New York (Mr. Buckley) and myself, I am today submitting the second in a series of amendments which I plan to offer to S. 3044, the Federal Elections Campaign Act Amendments of 1974.

By adding a new title to the Federal Election Campaign Act of 1971, my amendment will permit all candidates for congressional office, whether incumbents or challengers, to mail, at Government expense, 3 mass mailings of their campaign material to their potential constituents in the 60 days prior to a general election.

In exchange for the authorization to make three mass mailings during the final 60 days of the campaign period, all congressional candidates will be prohibited from making any mass mailings of their campaign literature within the 120 days immediately preceding a general election day. This provision is in accordance with S. 343, the bill presented by Senator ROBERT C. BYRD of West Virginia and passed by the Senate last June which would shorten the campaign period to approximately 8 weeks.

Included in my amendment is a change in the laws governing the use of the franking privilege by Members of Congress. At present, no Member of Congress can make a mass mailing to his constituents during the 28 days prior to a general election in which he is a candidate. My amendment lengthens this time period to 120 days in order to place both an incumbent and a challenger on equal terms.

As used in my amendment, the term "mass mailings" includes literature, such as newsletters, which are substantially identical in appearance or content. It excludes mailings which are in response to persons who have written to the candidate during the campaign period. In addition the term does not include news releases sent by the candidate to the members of the press.

Mr. President, by giving each candidate the opportunity to mail, without postage, these mass mailings to potential voters, the Senate will have made a substantial contribution to campaign reform. Each candidate will be encouraged to present his or her views to those whom they seek to represent without incurring the large postage costs which are associated with large-scale mailings.

I am pleased that Senator BUCKLEY has joined me in offering this amendment and I encourage each of my colleagues to support its adoption.

NOTICE OF HEARING ON INDIAN HEALTH CARE IMPROVEMENT ACT

Mr. JACKSON. Mr. President, I wish to inform the Members of the Senate and the general public that the full Committee on Interior and Insular Affairs has scheduled open public hearings on S. 2938, the Indian Health Care Improvement Act, on April 3, 4, and 11.

The hearings on all 3 days will commence at 10 a.m. in room 3110, Dirksen Senate Office Building.

ADDITIONAL STATEMENTS

VIETNAM VETERANS DAY—MARCH 29, 1974

Mr. ABOUREZK. Mr. President, this being Vietnam Veterans Day, I would like to take this opportunity to offer my thanks to the thousands of Vietnam veterans who, in terms of life, limb, and liberty, have given so much in recent years.

It has now been over a year since our involvement in the Vietnam conflict was officially ended. For thousands of young veterans who came home, it has not been a particularly happy or productive year. Our veterans have come home to scarce job markets, and to a high rate of inflation which has been reflected in rent, food costs, and even education.

In South Dakota, the cost of higher education have necessarily risen to unprecedented rates for tuition, books, room, and board. In recent years, tuition alone has more than doubled. Yet, today's veteran is forced to make ends meet with a flat $220 per month—a sum with which most veterans are required to pay these rising costs of education as well as support a family. Our present GI bill, it seems to me, is nothing more than a carrot stick in aiding veterans to go to school. Our veterans need and deserve far better than this and I hope that Congress and the American people will begin to realize that these men are proud young men who only want the chance other veterans got when they returned from previous wars.

It is a well-known fact that this has not always been the case, however. After World War II, veterans from that war were able to take advantage of a GI bill which paid for all tuition, books, and fees; which granted a monthly subsistance allowance of 35 percent of average monthly earnings; and which even allowed for public colleges to pay out-of-State tuition for veterans. Yet, today, while education costs have risen over five times in many cases, veterans are stuck with only a limited subsistance allowance. There is no good reason why today's veterans cannot expect at least as much as their fathers got. Certainly, this war was as hard on them as the "big war" was on their fathers. I would truly be interested in knowing how many middle-aged Americans would have college degrees today, had it not been for the fine GI bill of the late forties.

There is another significant difference between then and now. While jobs were plentiful in the postwar boom of the forties, the serious economic situation we now face has forced many of our veterans on the welfare roles because they cannot find work. In light of this, it is becoming increasingly apparent that there is a real need for greater Federal assistance—in terms of veteran job placement and public employment programs. Today's veterans want a hand, not a handout. Only by getting off our duffs can we ever expect to be of real assistance to them.

Mayor Kenneth Gibson recently declared that "today veterans must not be a political pawn." I agree with that statement, Mr. President. I believe that the hawks and the doves have now had their day in court and now Congress must listen and act to help these men in the time of their greatest need. Their problems are our problems and we have the power—and should have the will—to overcome them.

But the time to overcome them is now. South Dakota is fortunate to have one of the highest proportions of veterans presently attending college and a large number of those veterans have written to me to express their hope that the Congress push for a new GI bill soon. With thousands of veterans across the country like those in South Dakota now planning their immediate future, it is extremely important that they know well ahead of time whether or not they will be allowed to return to school next fall. I am therefore hopeful that the Congress will be able to make an early decision on this matter in order that this legislation become law well before the end of the current school year.

On Vietnam Veterans Day, 1974, it is important that we in the Congress not only recognize our indebtedness to our newest veterans, but set our resolve to assist them in becoming the educated and employed Americans they so fervently want to be.

REOPENING SUEZ CANAL

Mr. THURMOND. Mr. President, some far-reaching questions have been raised in reference to the wisdom of the United States aiding Egypt in reopening the Suez Canal.

The American people have always been friends with the people of Egypt. However, this area of the world has become a testing point for the great powers and the Congress has every right to expect this administration to strike a bargain which will serve peace in the world.

Mr. President, I ask unanimous consent that an editorial which appeared in the Augusta Chronicle on Friday, March 22, 1974, be printed in the RECORD at the conclusion of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WHAT DO WE GET?

When Secretary of State Henry Kissinger secured a ceasefire between Israel and Egypt, and an agreement by Egypt's President Sadat to come to an unprecedented negotiating table with the Israelis, The Chronicle said editorially that with little doubt the price we would pay for getting such an accord would emerge later.

It has—at least in part.

The United States, it is now admitted by the Pentagon, will expend "tens of millions of dollars" to help clear the Suez Canal of unexploded mines and other explosives. This is a plum for the Egyptians, whose economy desperately needs the revenues which would be provided by the canal—revenues missing since the 103-mile-long waterway was closed by the 1967 war.

The American taxpayer can count on having to support this expenditure, just as he already supports billions of dollars worth of boondoggles that provide no tangible return to the taxpayer or his country.

In the case of the Suez Canal, of course, an intangible result of tremendous value is the return of peace—no matter how fragile it may seem at the moment. We would be the first to recognize that the absence of a hot war in the Middle East, which could spread into world war, is worth much to Americans—worth much more, in fact, than the expense of clearing mines.

Nevertheless, the fact remains that insofar as Egypt is concerned, we will make possible the reactivation of a project of inestimable value to the poverty-stricken land of the Nile. That being the case, it is worth asking why Mr. Kissinger did not get an urgently needed commitment to neutralize the canal, which could have put a damper on future wars in countries bordering the Indian Ocean.

The Soviet Union seeks, as it has sought for well over a century, access to that ocean by one route or another. With a canal open to all, its fleet in the Mediterranean can count on moving a great deal of power eastward—impractical now, with Britain controlling Gibraltar and with a South Africa opposed to Communist aggression controlling the naval resupply and service facilities in its part of the world.

The trouble with United States foreign policy, not only under this but previous administrations, is its seeming failure to secure concessions in exchange for all kinds of vital assistance we provide other countries.

We just don't seem to bargain, as other countries do, to get the best return for the benefits we throw around so liberally.

VIETNAM VETERANS DAY

Mr. NUNN. Mr. President, today's special recognition of our over 6.8 million Vietnam era veterans is long overdue. However, a 1-day salute to honor veterans who spent over 8 years in Vietnam will not settle our responsibility to recognize their sacrifices.

The Vietnam era veteran fought for a unique place in our military history. From the longest and most unpopular war in our Nation's history, most marched home to silent drums. They won possibly the shabbiest treatment accorded any American veterans. Rather than applaud them with the same recognition and benefits showered on their fathers and grandfathers, our country ignored them—hoping their memory would melt with that of the entire Vietnam conflict and fade into those files that are never opened.

These Vietnam veterans are really no different from those honored veterans of World War II and Korea. The Vietnam war itself was different; and the public reaction to the war was different. In trying to forget these differences, our country has forgotten the war's veterans with it.

Yet the families of the 56,000 men killed in Southeast Asia have not forgotten. The 308,822 veterans wounded have not forgotten. The 374,205 disabled veterans have not forgotten. The rest of the 6 million Vietnam era veterans have not forgotten the differences that made it an "unpopular" war.

Our older veterans have not forgotten that when they returned from World War II—whether they served in combat or on sentry duty—they were all heroes.

As heroes they were accorded heroes' recognition and benefits. Many of today's leaders in industry, education and Government will remember that it was the GI bill that provided the foundations of their successful careers. Each World War II veteran had the opportunity to get an education at little or no cost and over 7 million World War II veterans used this opportunity.

In my own State of Georgia, there are over 160,000 Vietnam era veterans with only 2.1 percent using the GI bill.

The main reason for this low usage is that the current GI bill is inadequate. Over 50 percent of World War II veterans used their GI bill because they got a substantially better deal in terms of benefits and acceptance.

Today's veterans have complained loudly about the $220 a month check they are given to cover both tuition and living costs—a stark difference from the full tuition and subsistence provided for World War II vets.

The inadequacy of the Vietnam veterans' educational benefits becomes obvious when the GI bill is compared to the percentage of average monthly earnings. The following chart was presented by the Veterans' Administration in testimony before the Senate Veterans' Affairs Committee:

COMPARISON OF U.S. AVERAGE MONTHLY EARNINGS TO GI BILL BENEFITS

Date	Average monthly earnings	No dependents		1 dependent		2 dependents	
		Monthly payment	Percent of average monthly earnings	Monthly payment	Percent of average monthly earnings	Monthly payment	Percent of average monthly earnings
1948	$212	$75	35.4	$105	49.5	$120	56.6
May 1973 (after payment of average tuition and book costs at all public colleges)	617	163	26.4	204	33.1	241	39.8
May 1973 (after payment of average tuition and book costs at major 4-year public colleges)	617	138	22.4	179	29.0	216	35.0

This chart points out the fact that the Vietnam era veteran—if he is to avail himself of even these inadequate educational benefits—has to have a source of supplemental income.

This brings our focus to the second major problem facing Vietnam veterans—employment.

Employment is a major concern of these veterans. They are caught in a paradoxical circle. The veteran needs good education and training to obtain a decent job; yet without a job to supplement the inadequate GI bill benefits, he cannot obtain this education and training.

In my opinion, most Vietnam veterans do not want to be singled out and recognized as "Vietnam Veterans" but simply accorded the respect given all other American veterans.

These "Vietnam" veterans want to return to their former life patterns which were interrupted by the war.

Poor GI benefits and unemployment problems are making it difficult for them to readjust.

On this day designated as "Vietnam Veterans Day" we should resolve that next year we will not need a special day to focus attention to the problems and needs of this group of veterans who have received second-class treatment.

Today, we mark the first anniversary of the day when the last American troops were withdrawn from Vietnam. On this same day, let us commit ourselves to free these "Vietnam era veterans" from their second-class treatment and welcome them back with the same heroes' trappings the last POW's received as they landed on American soil.

ANNIVERSARY OF OIC PILGRIMAGE

Mr. HUMPHREY. Mr. President, 1 year ago on March 29, 1973, Dr. Leon H. Sullivan and more than 10,000 representatives of OIC's from 110 cities and 41 States conducted a peaceful pilgrimage to bring 1 million petitions to the White House and the Congress urging passage of a manpower bill designed to help the unemployed and unemployables. The petition read as follows:

> We, the undersigned, appeal to our American Government, our Congress, our President, our other elected officials, to continue and to expand support for the Opportunities Industrialization Centers (OIC).
>
> We further strongly urge that the independence of OIC be preserved and that OIC be kept free from political patronage and controls.
>
> We, the people of America, believe it is vital to America that OIC continue its economical, successful and positive self-help efforts, unhindered by political interference, to motivate, train and place people in jobs, and help build our communities and the nation.
>
> To this end, we the people of this city and America, will do our part, in cooperation with government and with industry, to help OIC in its continuing work to help people to help themselves.
>
> We ask that our names and this Appeal be appropriately delivered to our Congress and to our President in a National "OIC Pilgrimage" to Washington on Thursday, March 29, 1973 and afterwards to our state, county and city officials to emphasize our compelling concerns for the future of OIC, and to put the hopeful work of "OIC on the mind and the heart of America."

Today 1 year later, on March 29, 1974, special prayers of thanksgiving are being given by OIC clergy support leaders across the land. The fact that in America today, the petitions of 10,000 citizens from the poverty communities, among them the Indian Americans, Mexican Americans, Afro Americans, and poor white Americans, have received encouragement because their petitions were answered. The Government responded. The Congress passed the Comprehensive Employment Training Act of 1973 on December 20, 1973. President Richard M. Nixon signed the bill on December 28, 1973. On April 1, 1974, the Department of Labor will issue its guidelines and regulations naming the prime sponsors who will receive the Federal money. The appropriations process is working. The Honorable DANIEL J. FLOOD, chairman of the House Subcommittee on HEW and Labor, is holding hearings now and Dr. Sullivan is scheduled to testify before his committee with reference to appropriating the funds to implement the manpower law. The Honorable WARREN MAGNUSON, Senator from the State of Washington, and chairman of the Senate Subcommittee on Labor and HEW is holding hearings for the same purpose.

We proved that American democracy does work and can work, even in the midst of the many conflicts and complexities, that the Nation is facing. The OIC program, which has a 10-year track record of performance and proven effectiveness, was written into the manpower bill by name, by definition and is assured 3 years' existence under the 3-year authorization bill. Dr. Sullivan and the more than 1,000 industry leaders and 5,000 clergymen who support OIC across this land are living witnesses to the fact that the Congress of the United States will respond to the people when a positive, constructive program is presented and the legislative process is used as a means of solving social and economic problems.

I wish to enter into the RECORD the following statement from the Reverend Leon Sullivan in a telegram to President Nixon following the signing of the Comprehensive Employment Training Act of 1973:

> Millions of Americans have gained new hope as a result of your signing today the historic Manpower Act of 1973. Be sure that OIC, which was included by definition in the Bill as an internal part of the 1973 Manpower System, stands ready to cooperate with the Department of Labor in every way possible to carry out your plans to develop the most effective and successful manpower training effort in the history of our Nation.

Mr. President, I wish unanimous consent that a statement by Dr. Sullivan be in the RECORD at this point in my remarks:

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

REMARKS BY DR. LEON SULLIVAN

"It gave me a great deal of satisfaction to send such a telegram and to express appreciation to the Congressmen and Senators who had passed this legislation since it demonstrated that our government does care and will respond to the petitions of the people. Just one year ago, on March 29, 1973, I called together 10,000 persons from across America to attend a Pilgrimage on the Capitol grounds in Washington in support of OIC. It was a peaceful gathering. There was no disorder and no confusion. When the large crowd left the grounds, there was not a single piece of paper left behind.

"On that day 800,000 signatures were delivered to the White House on special Appeal Petitions, requesting the American Government, our President and our Congress to continue providing funds for OIC, to expand that support, and to keep OIC free from political hindrances.

"We tried to make it clear in Washington that it was OIC's intention to help build the nation. We said:

"OIC is here to build. We want to build the attitudes of men and women who have lost pride in themselves and faith in the free enterprise system and in our American way of life.

"We want to build motivation in people so a worker will add to the productivity of the country, each giving a fair day's work for a fair day's pay.

"We want to build skills so men and women can use their hands to strengthen the economy of the nation in an increasingly industrialized competitive world where skilled manpower means the difference between a nation's rise and a nation's fall.

"We want to build our communities and to reconstruct our inner cities so that every child will have a decent home to live in, a decent school to go to, and a safe neighborhood to walk in.

"We want to build; if America can help build the bombed out cities of Saigon and Hanoi, then America can help rebuild the poverty bombed out inner cities of the nation.

"We want to build a nation united of every race, color and creed; taking Black Power, and Brown Power, and Red Power, and White Power, putting it together with the help of God, to build American Power."

We also emphasized that OIC had performed, and when you weed a field you don't cut down the good trees. Rather, you help them grow and plant more like them. OIC has trained and placed in jobs more than 100,000 people who were unemployed and underemployed of all races, colors and creeds. It is our goal in the next ten years to train three million men and women with skills to get good jobs in our communities and to take one million people off the welfare rolls.

In Washington last Thursday, the OIC in their city was represented by many supporters who brought with them thousands of signatures on the OIC Appeals from people in their town interested in OIC's future. As Chairman of the OICs of America, I wanted to let you know of the success of the Pilgrimage and to thank those citizens for the interest they are taking in the OIC work. We wanted by means of the Pilgrimage to put OIC, in a positive way, on the mind and the heart of America. We believe we succeeded.

We were particularly pleased that, in a meeting with top officials of the White House, we had the opportunity to discuss the problems facing OICs in the transition of our program into decategorized manpower plans. We discussed how OIC could lose as many as one-half of our 100 programs in America if some method is not found in conjunction with revenue-sharing goals to save them. We were able, also, to explain how important it is to keep OIC from political patronage and controls.

The White House representatives listened to us carefully and, I believe, with understanding. They assured us our problems would be carefully looked into, and in the light of our discussions I am encouraged to believe that an earnest effort will be made to find a solution to our problems.

At our 10th Annual Convocation in Minneapolis, Minnesota, Senator Gaylord Nelson, author of the 1973 Manpower Bill, was joined by Senator Hubert Humphrey in expressing the assurance that the Congress had responded to the people's needs in this time of rising unemployment.

Mr. Leonard Garment, representing the President of the United States, also came to the Convocation and indicated that the Executive Branch of the Government, through the President, had also responded to the petitions of the people in the Pilgrimage of March 29, 1973. Mr. Garment said:

"In addition to reading a message from the President, I have an official assignment to give Leon Sullivan a box—in exchange for the one he gave me last March. It was March 29, 1973, when 10,000 friends of OIC's massed the Capitol, carrying petitions from another 800,000 supporters. The occasion was the 'OIC Pilgrimage' and the petition asked the Congress and the President to continue and expand support for the Opportunities Industrialization Centers."

"While the gathering was at the Capitol, a delegation of 100 ministers came to the White House to present the petitions, 800,000 names make up a lot of petitions and to carry them in the Ministers had to find a very large box and they did. They came to the entrance of the Executive Office Building with a very large box—about 45 cu. ft., so big it had to be pushed on a wheeled dolly. It was decorated with the original markings of the Ark of the Covenant and filled to the brim with petitions.

"Now, when the people come to make deliveries of large objects to the White House, the Secret Service has a firm rule. The box was wheeled around to the side door to undergo the required Secret Service examination and then it was brought to my office, but it was too large to get inside the door. Those petitions were the voices of the citizens speaking to the Congress and the President symbolically as though each person were in the White House Office and in the Congressional Offices.

"The President and the Congress listened. In the intervening months, the new Comprehensive Employment and Training Act was enacted by the Congress and signed by the President. The OICs were mentioned by name in that new law. The people's petitions made a difference. Their voices were heard. The box had fulfilled its function. Now, Leon, tonight I have a box to give you in return. It, too, is symbolic. It has on the outside the Presidential seal and the President's signature. It has one thing inside—a pen engraved with the President's autograph. It symbolizes the signing of the Comprehensive Employment Training Act on December 28, 1973. Leon, it has been an honor and a pleasure to have taken part in the events surrounding this historic exchanges of boxes. It symbolizes the fact that at least sometime when the people speak, their voices are heard."

Mr. HUMPHREY. Mr. President, just 18 days ago, on March 11, the Vice President of the United States went to Philadelphia to see the operation of OIC as Dr. Sullivan's special guest. By the end of the tour, Vice President FORD said:

> This is one demonstration of what can be done with leadership and motivation and help from private and Federal sources. We have got to expand it and we will. We will do our best to get you more funds.

Reverend Sullivan has requested every Federal, State, county, and local official to come see OIC programs in action across the country. He wants them to see first hand what OIC is doing in the depressed areas and to see what is possible to help the poor, unemployed, and underemployed of America. He is hopeful that Vice President FORD's visit to Philadelphia OIC will encourage the "come see" visitation to OIC's all over America.

Mr. President, I welcome this opportunity to extend my sincere best wishes to Dr. Sullivan and opportunities industrialization centers for continued progress in building a better future for America.

APPROPRIATIONS FOR THE SOIL CONSERVATION SERVICE

Mr. CHURCH. Mr. President, I recently submitted testimony to the Subcommittee on Agriculture Appropriations concerning the Soil Conservation Service.

Having released impounded funds and requesting additional funding for this coming fiscal year, the Nixon administration has finally realized the importance of the work done by the Soil Conservation Service and local soil conservation districts. However, the administration still will not lift the ceiling on technical assistance personnel. The call by the administration for all-out agriculture production means that millions of acres of set-aside and idle lands will be pressed back into production. Much of this land is high in erosion hazard and will require the technical assistance of SCS personnel to prevent permanent damage to these soils.

I ask unanimous consent that my statement, which describes the accomplishments of soil conservation districts in Idaho as well as future needs of the SCS, be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

TESTIMONY SUBMITTED BY SENATOR FRANK CHURCH BEFORE THE AGRICULTURE APPROPRIATIONS SUBCOMMITTEE OF THE SENATE APPROPRIATIONS COMMITTEE

Mr. Chairman, last year the Nixon Administration began an assault upon key programs administered by the Soil Conservation Service and local soil conservation districts. The Water Bank program and the Rural Environmental Assistance Program were arbitrarily abolished. Congressionally appropriated funds for the SCS and conservation districts had been impounded and the President's budget cutters placed ceilings on technical assistance, watershed construction and Resource Conservation and Development projects.

In letters to the Office of Management and Budget and the Secretary of Agriculture, I strongly protested these actions by the Administration. In these letters I stressed the importance of work done by the soil conservation districts in my State and urged that impoundments be released and that personnel ceilings for the SCS be lifted. I also forwarded to the Administration letters of appeal I received from many members of Idaho soil conservation districts.

I'm delighted to know that the Administration, after several years of impounding funds for the Soil Conservation Service, has heeded these pleas. The OMB has announced that it will release a large share of impounded funds, and $400 million will be made available for SCS in the current fiscal year. Personnel ceilings have also been slightly increased. Even more encouraging, for the first time in several years this Administration has proposed a budget that does not call for decreases in overall SCS funding. I want to add that while I favor cuts in the budget, especially in areas like foreign aid, I don't believe that the Soil Conservation Service and other agriculture programs should be singled out as victims for the budget cutter's knife.

By these most recent actions it appears to me that the Nixon Administration has come around 180 degrees and now admits that there exists a real need for the work done by the Soil Conservation Service.

In Idaho alone there are 52 soil conservation districts and through these districts the SCS is providing technical assistance to 21,838 district cooperators on approximately 11 million acres.

During fiscal year 1973, detailed soil surveys were completed on over 550,000 acres and reconnaissance soil surveys were completed on about 180,000 acres of privately owned land in Idaho. Roughly one-third of the private land in Idaho has now been surveyed.

Besides providing invaluable assistance to the farmers and ranchers in Idaho, soil conservation districts provided technical assistance to 349 units of state and local government during this past fiscal year.

As Chairman of the Senate Interior Subcommittee on Water and Power Resources, I'm especially pleased to know of the work accomplishments of the SCS in the area of water management planning. In cooperation with Idaho and Wyoming, the Soil Conservation Service is providing leadership in the Snake River Basin Type IV Survey covering approximately 50 million acres. This survey will provide data and information for both the Idaho and Wyoming State Water Plans and the Pacific Northwest River Basin Commission's Coordinated Comprehensive Joint Plan.

Besides this river basin investigation, which is essential to insure that agricultural and other rural and upstream watershed interests are properly considered in the development of Idaho's water and related land resources, the SCS and soil conservation districts are involved in watershed planning, flood plain hazards, and irrigation management assistance.

Finally, counties in Idaho are participating in four Resource Conservation and Development projects. The Idaho-Washington project includes the six northern counties of Idaho. The Bear River project includes a portion of Caribou County and the Wood River Resource Area project includes Blaine, Camus, Gooding and Lincoln counties. Furthermore, I've been informed that an application for a RC&D project is now being prepared which, if accepted, will include Nez Perce, Idaho, Latah, Clearwater and Lewis counties in north central Idaho.

RC&D projects are of great significance in Idaho. These projects utilize the very best aspects of participatory democracy. With wide-scale local citizen participation, projects are planned, resources inventoried and alternatives thoroughly evaluated. Funds for RC&D projects have been used in creating many community benefits including erosion and sediment control, flood prevention, public water based recreation, fish and wildlife development and other types of water management measures.

All in all the SCS in Idaho and the soil conservation districts have had another very productive year. However, much is left to be accomplished.

While the Administration has announced that an increase in manpower will be forthcoming this year, after a seven year decline, the numbers of additional man years to be added are paultry when compared to the job that needs to be done. The SCS in Idaho had approximately 240 permanent full time people in 1966. But by the end of fiscal year 1974 the personnel ceiling imposed by the Nixon Administration has diminished this number to 168 people. This loss of technical expertise to the soil conservation districts at a time when the need for technical expertise is increasing is totally unjustifiable. And, while adequate funding may be available, without adequate personnel these additional monies can't be effectively used.

Two years ago, as a result of conserving and set-aside lands this Nation had 62 million acres of idle cropland. This coming growing season, there will be no set-aside acreage. This means that in Idaho alone an additional 600,000 acres will be available for crop production. These additional acres are the most fragile and most subject to erosion from wind, water and other causes. If erosion is to be kept to a minimum then these croplands will require proper planning, special technical assistance and full consultation with SCS personnel.

Today, I'm merely echoing the message that I've received from soil conservation districts throughout my State. Members of SCD's in Idaho have expressed to me their support for increased funding and their concern that without sufficient technical assistance they cannot properly do the job that needs to be done.

This Administration is extremely shortsighted in its persistence with personnel ceilings while at the same time increasing the funding level for the SCS and also calling for greater expansion of food production. Here is a good example of working at cross purposes. If there is to be a true commitment on the part of the Nixon Administration toward all out food production and, at the same time, preservation of our land and water resources, then a re-appraisal is necessary. Let the OMB budget cutters poll the conservation districts in my State and I'm sure they will find that of any problem facing these districts, the shortage of technical assistance personnel is overriding.

The work of the soil conservation districts is invaluable. I firmly believe that the Idahoans involved in these programs, and they number in the thousands, have done a great service to the future well-being of our State, especially its land and water resources. With full funding and adequate personnel the Soil Conservation Service and the local soil conservation districts will be able to maintain and develop Idaho's land and water resources.

PENSION REFORM

Mr. JAVITS. Mr. President, the Congressional Research Service at the Library of Congress has completed a comparative analysis of the Senate-passed and House-passed versions of H.R. 2, the pension reform bill. In view of the tremendous interest in this legislation I ask unanimous consent that the text of the Congressional Research Service analysis be printed in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

PRIVATE PENSION REFORM LEGISLATION, 93D CONGRESS, MARCH 1974—COMPARISON OF SENATE-PASSED AND HOUSE-PASSED VERSIONS OF H.R. 2

(By Peter Henle, Senior Specialist, Labor Economics Division; Raymond Schmitt, Analyst in Social Legislation, Education and Public Welfare Division; and Ann M. Marley, Analyst in Taxation and Fiscal Policy, Economics Division)

INTRODUCTION

The following tabulation compares the major provisions of the Senate-passed and the House-passed versions of H.R. 2, private pension reform legislation.

Action on this legislation was taken first in the Senate, culminating with passage of H.R. 4200 on September 19, 1973. This bill was the product of joint effort by the Labor and Public Welfare and Finance Committees. The Labor and Public Welfare Committee had reported out S. 4, on April 18, 1973 while the Finance Committee had reported out S. 1179 on August 21, 1973. A compromise bill worked out by the two committees was introduced on the floor of the Senate September 18 as a substitute for S. 4, the pending measure. Following the adoption of several amendments, the bill was passed 93–0 and its text incorporated in H.R. 4200, a minor House-passed bill to continue certain servicemen's and former servicemen's survivor annuity benefits.

On the House side, the Education and Labor Committee had before it H.R. 2 which was reported out of committee on September 25, 1973. The Ways and Means Committee, to whom the Senate-passed H.R. 4200 was referred, considered pension reform legislation beginning in October and reported out a new bill, H.R. 12481, on February 5, 1974. Subsequently, as the two committees worked to develop conforming bills, the Education and Labor Committee on February 19, 1974 approved the text of a new bill which was introduced the following day as H.R. 12906; similarly, the Ways and Means Committee reported out a new bill (H.R. 12855) on February 21, 1974.

On February 26, 1974 the bills from the two House committees were joined as a substitute for the text of H.R. 2, the pending House business. The Education and Labor Committee bill, H.R. 12906, became Title I and the Ways and Means Committee bill, H.R. 12855, became Title II. Few amendments were adopted, and the House passed H.R. 2 on February 28, 1974 by a vote of 376–4.

Subsequently, on March 4, 1974, the Senate passed H.R. 2, after substituting for its text the language of the previously passed H.R. 4200.

PRIVATE PENSION REFORM LEGISLATION—COMPARSION OF SENATE-PASSED AND HOUSE-PASSED VERSION OF H.R. 2

SENATE	HOUSE: TITLE I	HOUSE: TITLE II
	Short Title	
Retirement Income Security for Employees Act.	Employees Benefit Securtly Act of 1974.	Employees Benefit Securtly Act of 1974.
	Administering Agency	
Generally, most of the titles of the Act would be jointly administered by the Labor and Treasury Departments although the roles would vary. The Labor Department would have the principal role in administering reporting, disclosure, and fiduciary standards as well as the plan termination insurance and portability programs. The Treasury Department, on the other hand, would be largely responsible for vesting and funding. The Treasury Department would exclusively administer the tax provisions relating to retirement savings, increases in the present deductions under plans for the self-employed (Keogh plans), and limitations on benefits and contributions.	Primarily the Secretary of Labor, although the Secretary of the Treasury is assigned certain functions under the Act. Secretary of Labor to prescribe rules and regulations necessary to carry out the provisions of Title I (fiduciary responsibility and disclosure, vesting, funding, and plan termination insurance). Vesting and funding regulations, however, must be approved by the Secretary of Treasury.	Primarily the Secretary of the Treasury, although the Secretary of Labor is assigned certain functions under the Act. Secretary of Treasury to prescribe rules and regulations necessary to carry out the provisions of Title II (vesting, funding, contributions of self-employed, retirement savings for individuals not covered by any plan, limitations on benefits and contributions, taxation of certain lump-sum distributions, and salary reduction plans). Vesting and funding regulations must be approved by the Secretary of Labor.
	Participation and vesting	
	Coverage	
All private pension plans regardless of their tax qualification status and size. (sec. 201, 221).	All private pension plans established or maintained by employers or employee organizations affecting or engaged in commerce. However, all government and church plans are exempt. (sec. 201).	All private plans seeking to obtain or retain their tax qualification status. However, all government and church plans are exempt. (sec. 1011).
	Participation Requirement	
Plan may not require as a condition to be eligible to participate, a period of service of more than one year, or the attainment of age 30, whichever occurs later. (sec. 201).	Plan may not require as a condition to be eligible to participate, a period of service of more than three years, or the attainment of age 25 and one year of service, whichever comes first. However, a defined benefit plan may exclude any employee who commences employment at an age within 5 years of the normal retirement age under the plan. (sec. 202).	Same as Title I. (sec. 1011).
	Definition of Year of Service	
Regulations concerning the definition of year of service are to be promulgated by the Secretary of Treasury after consultation with the Secretary of Labor. Beginning with 1982, would include any year in which an employee worked at least 5 months with at least 80 hours of work each month. (sec. 221).	To be defined primarily by regulations developed jointly by Secretaries of Labor and Treasury but subject to guidelines set forth in the bill—including guidelines for seasonal employees. Year of service to take into account the customary working period (such as hours, days, weeks, months, or years) in any industry where, by the nature of the employment, the work period is substantially different from industry generally. (sec. 206).	Essentially the same as Title I. (sec. 1011).
	Vesting Requirement	
Employees must be vested in at least 25 percent of his accumulated benefits, by the end of the fifth year of service. This minimum percentage would then increase 5 percentage points in each of the next five years (at least 50 percent vested by the end of the tenth year of service) and by 10 percentage points in each of the following 5 years (so that the employee must be fully vested not later than the completion of his 15th year of service). Once an employee becomes eligible to participate, up to five years of participation service are to be credited to years of service for vesting eligibility. (sec. 221).	These alternatives are provided: (1) Employee must be vested in at least 25 percent of his accumulated benefits by the end of the fifth year of service; the minimum percentage to increase 5 percentage points in each of the next 5 years (at least 50 percent vested by the end of the tenth year of service) and by 10 percentage points in each of the following 5 years (so that the employee must be fully vested not later than the completion of his 15th year of service).	Same as Title I. (sec. 1012).
	(2) Fully vested (100 percent) by the end of the 10th year of service. (3) Rule of 45—that is, at least 50 percent vested when age plus service equal 45 years (provided that there is at least 5 years of service); the minimum percentage to increase by 10 percentage points in each of the following 5 years. (sec. 203).	
	Application of vesting requirement to service prior to effective date of Act	
With certain exceptions, service prior to effective date is included, both for calculating the years of service required to qualify for vesting and for determining the years of accumulated benefits to be vested. (sec 221).	With certain exceptions, service prior to the effective date is included, both for calculating the years of service required to qualify for vesting and for determining the years of accumulated benefits to be vested. However, service by an employee prior to January 1, 1969, is required to be taken into account only if the employee has served at least 5 years with that employer (or under a multiemployer plan) after December 31, 1968. (sec. 203).	Same as title I. (sec. 1012).

PRIVATE PENSION REFORM LEGISLATION—COMPARISON OF SENATE-PASSED AND HOUSE-PASSED VERSIONS OF H.R. 2—Continued

SENATE	HOUSE: TITLE I	HOUSE: TITLE II
	Treatment of Breaks-in-Service	
In computing years of service to apply the vesting standard, only three of the five years of service need be consecutive. Generally service before and after breaks are to be aggregated for vesting and participation. (sec. 221).	In determining an individual's participation and vesting status after a break in service, a plan may exclude prior service of an employee who has a break in service of 1 or more years until the individual completes up to 1 year of work upon returning. However, where a rehired employee had completed at least 4 consecutive years of service before the break, his prior years of service must be taken into consideration for purposes of computing his years of service unless the break is for 6 years or more. However, if a rehired employee acquired a nonforfeitable right to at least 50 percent of his accrued benefits prior to the break in service, all his prior service must be taken into consideration in computing his years of service, regardless of the duration of the break. (sec. 206).	Same as title I. (sec. 1011).
	Transition Rules for Existing Plans	
No provision.	Plans in effect on January 1, 1974 would be required to provide only 50 percent of the otherwise applicable vesting requirement during the first year that the bill's vesting standards become effective, with this percentage rising by 10 percent annually until the full requirement has to be provided after five years. (sec. 203).	The same as Title I but applies to plans in effect on December 31, 1973. (sec. 1012).
	Vesting of Employer Contributions in Contributory Plans	
Vesting requirement does not apply to benefits arising from employer contributions if employee withdraws his contributions upon termination of employment or active participation in plan. (sec. 221).	No pension plan to which employees contribute shall provide for forfeiture of a participant's accrued benefit derived from employer contributions (whether or not otherwise forfeitable), solely because the employee withdraws his own contributions. (sec. 203).	Same as Title I. (sec. 1021).
	Social Security Offset	
No provision.	Social security offset plans are not prohibited if (1) in the case of individuals currently receiving benefits, the pension benefit is not decreased by any subsequent increase in social security benefits or (2) in the case of a participant terminating with a vested benefit, such benefit is not decreased by subsequent increases in social security benefits. (sec. 204).	Same as Title I. (sec. 1021).
	"Highly Mobile" Employees such as Engineers or Scientists	
Secretary of Labor is to develop modifications of Federal Procurement Regulations to insure that such employees under Federal contracts will be protected against forfeiture of their retirement benefits. In addition, the antidiscrimination provisions of the tax law are modified to allow an employer to establish a separate plan for highly mobile employees with lower benefits but with more liberal vesting than under his plan for other employees. (sec. 282).	No provision.	Essentially the same as Senate-passed bill, except that either House of Congress may disapprove proposed changes in procurement regulations. (sec. 1012, 1024).
	Effective Date	
Upon enactment for new plans; for existing plans, beginning with plan years commencing after December 31, 1975. If, on request, the Secretary of Labor determines that the vesting requirement would impose "substantial economic hardship" on individual plans, the effective date may be postponed up to six years. (sec. 221).	Upon enactment for new plans; for plans in existence on January 1, 1974 beginning with plan years after December 31, 1975. For plans maintained under collective bargaining agreements, the vesting requirements take effect with plan year beginning with termination of existing collective bargaining agreement or December 31, 1980, whichever occurs first (but in no event earlier than December 31, 1976). (sec. 207).	Essentially the same as Title I. (sec. 1017).
	Funding	
	Coverage	
All private pension plans regardless of tax qualification status and size. Excludes all government and church plans. Special rules provide an exemption for certain insured plans, and for profit-sharing, stock bonus, and money purchase plans. (sec. 241).	All private pension plans except governmental or church plans, a plan of a fraternal association, profit-sharing or savings plans, plans funded through insurance contracts, plus certain others. (sec. 301).	All tax-qualified plans with essentially the same exceptions as Title I. However, government and church plans must meet requirements of present law.

PRIVATE PENSION REFORM LEGISLATION—COMPARISON OF SENATE-PASSED AND HOUSE-PASSED VERSIONS OF H.R. 2—Continued

SENATE	HOUSE: TITLE I	HOUSE: TITLE II
	Basic Requirement	
Annual contributions to pension fund must be sufficient to 1) equal each year's "current service costs", and 2) amortize "past service costs" in no less than equal payments over no more than 30 years. The funding requirement does not apply merely to vested benefits, but to all accrued plan benefits. (sec. 241).	Annual contributions to pension fund must be sufficient to equal "current service costs", and to amortize the "past service costs" over no more than 30 years (existing plans given 40 years). The funding requirement applies to all accrued plan benefits (both vested and nonvested unfunded past service liabilities). (sec. 302).	Same as Title 1. (sec. 1013).
	Treatment of Plan Amendments	
Plan amendments which increase past service costs by as much as 5% may be treated as a separate plan for purposes of the funding requirement and amortized within 30 years. Benefits created by other plan amendments must be amortized over 15 years or the average remaining service life of the covered participants, whichever is shorter. (sec. 241).	Plan amendments must be amortized within 30 years. (sec. 302).	Same as Title I. (sec. 1013).
	Treatment of Experience Gains and Losses	
Experience losses or gains resulting from changes in asset valuation or other developments not foreseen in advance must be amortized over 15 years or the average remaining service life of the covered participants, whichever is shorter. (sec. 241).	Experience losses must be amortized within 15 years. (sec. 302).	Same as Title I. (sec. 1013).
	Special Hardship Provisions	
Employer may obtain a waiver for his required annual contribution from the Secretary of the Treasury. Any amounts waived must be amortized over no more than ten years and no more than 5 waivers may be granted in any ten-year period. The plan may not be amended to increase benefits as long as any waived amounts remain unpaid. (sec. 241).	When a plan fails to meet the funding requirements for five consecutive plan years, the administrator shall amend the benefit schedule to reduce the value of the accrued liabilities to such an extent as is necessary to bring the plan's funding schedule into conformity with the funding requirements. (sec. 303).	If an employer is unable to satisfy the minimum funding standard without substantial business hardship and if the application of the funding standard would be adverse to the interests of plan participants, the Secretary may waive the funding requirements. However, the minimum funding standard may not be waived more than five of any 15 consecutive years. (sec. 1013).
	Treatment of Multi-Employer Plans	
Multi-employer plans permitted a longer funding period of forty years. Moreover, with respect to any multi-employer plan for which the Secretary of Labor finds that even this requirement would impose "substantial economic hardship" on the plan, the 40-year period may be extended to as much as 50 years. (sec. 241).	Multi-employer plans permitted a longer funding period of forty years for past service costs and increases caused by plan amendments. Moreover, they may be given an additional 10 years to fund past service liabilities if the plan would experience a "substantial hardship". Further, experience losses may be amortized within 20 years. (sec. 302).	Same as title I. (sec. 1013).
	Effective Date	
For new plans, the funding requirement would take effect on enactment. For existing plans, the requirement would take effect beginning with plan years after December 31, 1975. For plans for which implementation of the funding requirement would impose "substantial economic hardship", as determined by the Secretary of Labor, the effective date may be postponed for a period of up to six additional years. (sec. 241).	For new plans, the funding requirement would take effect on enactment. For plans in existence on January 1, 1974, funding requirements take effect with plan years beginning after December 31, 1975. In the case of a plan maintained pursuant to a collective bargaining agreement, funding requirement takes effect on the earlier of (a) the date on which the collective bargaining agreement terminates or (b) December 31, 1980—but in no event earlier than December 31, 1976. (sec. 305).	Same as Title I. (sec. 1017).
	Plan termination insurance	
	Administering Agency	
A Pension Benefit Guaranty Corporation would be established as a government corporation within the Department of Labor. It would be administered by a three-member board of directors, with the Secretary of Labor as Chairman. Other board members would be the Secretaries of Treasury and Commerce. The Corporation is permitted to borrow up to $100 million from the Treasury. (sec. 402–403)	Essentially the same as Senate-passed bill except that board of directors would be comprised of Secretary of Labor as Chairman and two other officers or employees of the Labor Department. The Corporation is directed to establish two trust funds, a Single Employer Primary Trust Fund and a Multiemployer Trust Fund. The Corporation may also establish an Optional Trust Fund for single employers. The Corporation is permitted to borrow up to $100 million from the Treasury. (sec. 401, 404)	No provision. [Ways and Means Committee Report No. 93–807 on H.R. 12855 states that although the Committee regards the development of an adequate program of plan termination insurance as essential to protect the rights of covered employees, the bill makes no provision for such termination insurance since provision is included in the Education and Labor Committee bill.].
	Coverage	
All qualified plans regardless of size except money-purchase, profit sharing, stock bonus, governmental, fraternal society and church plans. (sec. 421)	Mandatory coverage—all plans subject to the funding requirement with more than 25 participants (of whom at least ten have acquired vested benefits). Voluntary coverage may be obtained by plans subject to the funding requirement, but which are not subject to mandatory coverage. However, they must meet underwriting standards set by the Corporation. (sec. 409)	No provision.

PRIVATE PENSION REFORM LEGISLATION—COMPARISON OF SENATE-PASSED AND HOUSE-PASSED VERSIONS OF H.R. 2—Continued

SENATE	HOUSE: TITLE I	HOUSE: TITLE II
	Basic Protection	
Insurance of all vested benefits, including vested ancillary benefits in the event of plan termination; includes vested benefits acquired both before and after enactment. (sec. 422).	Insurance of benefits which are nonforfeitable according to the minimum vesting schedule in section 203 in effect for such plan termination date; and any contingent rights to ancillary benefits if all contingencies (other than the passage of time) have been satisfied. Includes vested benefits acquired both before and after enactment. (sec. 403).	No provision.
	Limitations on Amount of Insured Benefit	
The monthly benefits guaranteed to any beneficiary could not exceed the lesser of 50 percent of the participant's average monthly earnings during the participant's highest-paid five years, or $750. The $750 is to be adjusted by changes in Social Security Administration wage base and contribution.	Insures only minimum required vested benefits which may not exceed the actuarial value of a monthly benefit in the form of a single life annuity commencing at age 65 equal to $20 a month per year of credited service. This maximum would be raised annually in accordance with changes in the average taxable wage of all employees, as reported to H.E.W. The Corporation is directed to undertake a study to determine under what conditions it can insure losses of plan benefits over and above those provided in the Act. To the extent that the Corporation determines that losses of the plan, or additional benefits are insurable, the Corporation shall prescribe the terms and conditions of insurance and the premiums to be charged.	No provision.
	Other Limitations	
No benefits would be guaranteed for a plan in effect less than three years, nor would benefits resulting from any plan amendment be guaranteed until the amendment had been in effect for three years. If plan loses its tax-qualified status, no benefits accrued after disqualification shall be guaranteed. (sec. 422).	No benefits would be insured unless the plan had been a member of the Corporation more than five years, although the board of directors may authorize payments for plans terminated with less than five years' membership although in such cases the maximum benefit for plans in existence less than five years would be reduced in accordance with a sliding scale based on years of existence. No benefits resulting from a plan amendment would be insured until the amendment had been in effect for five years. If plan loses its tax-qualified status, no benefits accrued after disqualification shall be guaranteed. (sec. 409).	No provision.
	Alternate Insurance	
No provision.	The Corporation may establish a Single Employer Optional Trust Fund. Each single employer plan is required to choose whether insurance of its benefits is to be covered by this fund or the Single Employer Primary Trust Fund. Premiums to the Optional Fund will be set by the Corporation and based on the individual plan's insured benefits and any excess of insured benefits over plan assets; premiums shall be based on actual and projected experience. Employers electing coverage under the Single Employer Optional Trust Fund are not subject to any employer liability. (sec. 404, 405, 414).	No provision.
	Employer Liability	
Employers would have limited liability for any loss of covered benefits resulting from their plan's termination. This liability would also extend to successor employers as a result of reorganizations liquidations, mergers, and consolidations; and would be limited to 30 percent of net worth. However, employers (except those remaining in business) would be able to avoid any liability by paying a higher premium to be set by the Corp. In lieu of such a surcharge, employers could elect to gain protection against such liability through a private insurance carrier. The amount of any unpaid liability owed by an employer shall constitute a lien in favor of the government, but junior to any lien for unpaid taxes owed to the government. (sec. 461, 462).	Where employers in terminated plans are not so insolvent, they or their successors-in-interest may be liable for reimbursement of a portion of insurance benefits paid. The liability of employers is to pay 100% of the present value of employer underfunding of the terminated plan (defined to take into account any expected employer contributions) but not more than 50% of the employer's net worth. The Secretary shall make arrangements with employers on equitable terms for the reimbursement of insurance paid. The amount of any unpaid liability owed by an employer shall constitute a lien in favor of the government, but junior to any lien for unpaid taxes owed to the government. (sec. 405). Employers covered by the Single Employer Optional Trust Fund are not subject to liability. (sec. 414). No employer shall be liable by reason of his contributions to or sponsorship of a multiemployer plan. (sec. 414).	No provision.

Private Pension Reform Legislation—Comparison of Senate-Passed and House-Passed Versions of H.R. 2—Continued

SENATE	HOUSE: TITLE I	HOUSE: TITLE II
	Premium Rates	
The Corp. would be authorized to prescribe insurance premium rates sufficient to fund any guaranteed payments. Separate rate schedules would be maintained for single employer and multi-employer plans. Initially, the premiums (to be collected as a "head tax") would be $1 a year for each individual covered by the plan. For plan years ending after 1976, however, the premium rate would be set by the Corporation according to the cost experience of the program. Congress would have to approve any revised rate schedule. Special provisions are included for multi-employer plans. (sec. 403, 463).	Separate rates to be set by the Corporation for single employer plans and multi-employer plans. Initially, the premium would consist of two parts: 1) a rate of not more than 0.1 percent for single employer (0.025 percent for multi-employer plans) on the excess of insured benefits over plan assets and 2) an additional rate levied (separately for single and multi-employer plans) on all insured benefits to yield an amount equal to the revenue raised by (1). Plans in effect less than six years not required to pay full premium, but in accordance with following schedule: *No. of Years Plan in Effect* — *Percent of Premium To Be Paid* 1 — 50 2 — 60 3 — 70 4 — 80 5 — 90 6 or more — 100 Corporation may issue revised premium rate schedule but such schedule can only be effective thirty days after Congressional approval. (sec. 405, 406).	No provision.
	Portability	
The Pension Benefit Guaranty Corporation is directed to administer a program designed to facilitate the voluntary transfer of vested pension benefits between participating plans when an individual changes jobs. A Pension Benefit Portability Fund is established. The program will be entirely voluntary requiring the consent of both the employers who have established the plans to or from which pension monies are to be transferred and the employees who have to request such transfers. Workers who change jobs may have their vested retirement credits transferred to the Portability Fund. The worker may maintain these credits in the Fund or alternatively have the amount in his account transferred to a retirement plan of a new employer. (secs. 301–305.)	No provision (other than to study the existing degree of reciprocity and portability among plans).	No special provision. (However, bill contains a provision which is designed to achieve certain advantages of portability. Under a so-called "rollover" provision, individuals will have the right to roll over into individual retirement accounts—without the payment of current tax—complete distributions of amounts contributed under the plan by his employer.)
	Reporting and disclosure Coverage	
The reporting and disclosure requirements apply to all employee benefit plans (regardless of size) although the Secretary of Labor may grant an exemption or provide a variance in the form or manner of reporting or disclosure. However, exempt plans of tax-exempt religious organizations described in section 501(c) of the Internal Revenue Code and plans outside the U.S. for the benefit of non-citizens. Continues the present Welfare and Pension Plan Disclosure Act exemptions of all governmental plans, and plans required under Workmen's Compensation and unemployment compensation disability insurance laws. (sec. 502, 503).	The reporting and disclosure requirements cover all employee benefit plans except governmental plans; church plans (unless they have elected to be covered), plans required under workmen's compensation and unemployment compensation disability insurance laws; plans outside the U.S. for the benefit of non-citizens. Secretary of Labor may grant an exemption from all or part of reporting, disclosure and publication requirements. (sec. 101, 105).	No provision
	Disclosure to Plan Participants	
The plan administrator shall furnish (or make available) to every participant upon his enrollment in the plan (and after each major amendment), a summary of the plan's important provisions written in a manner calculated to be understood by the average participant; a description of the benefits, and the circumstances which may result in disqualification or ineligibility. A revised up-to-date summary is to be furnished the participants every three years. The plan administrator is also required to furnish each participant or beneficiary requesting in writing, a complete copy of the plan description or a complete copy of the latest annual report, or both. (sec. 503).	The plan administrator shall make copies of the latest annual report available for examination in the principal office of the administrator. Once each year the plan administrator shall furnish each participant and beneficiary with a description of the plan and a statement of assets and liabilities, receipts and disbursements, the ratio of a assets to liabilities, and such other material as is necessary to summarize annual report. Upon written request, the plan administrator must furnish participants with a complete copy of the latest annual report. (sec. 102, 105, 106).	No provision.

PRIVATE PENSION REFORM LEGISLATION—COMPARISON OF SENATE-PASSED AND HOUSE-PASSED VERSIONS OF H.R. 2—Continued

SENATE	HOUSE: TITLE I	HOUSE: TITLE II
The plan administrator is further required to furnish any participant or beneficiary requesting in writing a statement indicating (1) whether or not he has a nonforfeitable right to a pension benefit, (2) the nonforfeitable benefits which have accrued, or the earliest date they will become nonforfeitable, and (3) the total pension benefits accrued. (sec. 503).	The Secretary may by regulation require that the plan administrator furnish each participant or his surviving beneficiary a statement of the rights of participants and beneficiaries under Title I. (sec. 102).	
	Plan Description	
The description of a plan shall be comprehensive and written in a manner calculated to be understood by the average participant. Also calls for plan description to include a description of the provisions providing for vested benefits. (sec. 502).	Same as Senate-passed bill. (sec. 103).	No provision.
	Annual Report to the Department of Labor	
Annual report must include: Statement of assets and liabilities; The aggregate cost and value of each security, by issuer; The aggregate cost and value of all other investments separately identifying each investment which exceeds 3 percent of the value of the fund; and each investment in securities or property of any party in interest; The aggregate amount by type of security, of all purchases, sales, redemptions, and exchanges of securities made during the reporting period including a list showing separately for each security the issuer, type and class of security, quantity, and information on price, gain, or loss (similar information also required for investment assets other than securities); A detailed list of and information on each transaction with any party in interest; A list and specific information on each lease with any party in interest or with an individual in default; The ratio of market value of the reserves and assets to the present value of all liabilities for nonforfeitable benefits; and A copy of the most recent actuarial report together with the assumptions used. (sec. 502, 503).	Annual report must include: Statement of assets and liabilities; A schedule containing specific information on assets held for investment aggregated and identified by issuer, borrower, or lessor; Detailed list and information on each transaction with a party in interest; A list of all leases which are in default or are uncollectible; The ratio of the current value of assets to liabilities allocated to each termination priority category; A statement of the amount, if any, by which the assets exceed or fall below the funding requirement; A copy of the applicable actuarial report together with the assumptions used. (sec. 104).	No provision.
	Annual Audit	
Annual report would include the opinion of an independent certified or licensed public accountant based upon an annual audit. (sec. 502).		No provision.
	Fiduciary standards Coverage	
Fiduciary requirements apply to all employee benefit plans (regardless of size). However, exempts plans of tax-exempt religious organizations described in section 501 (c) of the Internal Revenue Code and plans outside the U.S. for the benefit of noncitizens. Continues the present Welfare and Pension Plans Disclosure Act exemptions of all governmental plans, and plans required under workmen's compensation and unemployment compensation disability insurance laws. (sec. 501, 511).	Fiduciary requirements cover all private plans except governmental plans; church plans (unless they have elected to be covered), plans required under workmen's compensation and unemployment compensation disability insurance laws; plans outside the U.S. for the benefit of noncitizens. (sec. 101).	No provision.
	Standards of Conduct of Fiduciaries	
A fiduciary shall discharge his duties solely in the interest of the plan participants, and for the exclusive purpose of providing benefits and defraying reasonable administrative expenses. (sec. 511).	Same as Senate-passed bill. (sec. 111).	No provision.
	Liability	
Any fiduciary who breaches any of the responsibilities, obligations, or duties imposed by this act is personally liable to the fund for any losses resulting from such breach. (sec. 511).	Same as Senate-passed bill (Trustees and plan administrators not liable for acts of investment advisers). (sec. 111).	No provision.

PRIVATE PENSION REFORM LEGISLATION—COMPARISON OF SENATE-PASSED AND HOUSE-PASSED VERSIONS OF H.R. 2—Continued

SENATE	HOUSE: TITLE I	HOUSE: TITLE II
	Prohibited Transactions	
Under the amendments to the Internal Revenue Code and the Welfare and Pension Plans Disclosure Act, a fiduciary would be prohibited from dealing in his own interest, or engaging in a transaction with a party in interest which constitutes a (1) sale or exchange, or leasing, of any property, (2) lending of money or other extension of credit, (3) furnishing of goods, services, or facilities, or (4) transfer to or use of any assets of the trust. (sec. 511). The prohibitions would not apply to any loan to parties in interest who are participants or beneficiaries of the plan if such loans (1) are available to all participants on a nondiscriminatory basis, (2) are not made available to highly compensated employees in an amount greater than that made available to other employees, (3) bear a reasonable rate of interest, and (4) are adequately secured. Similarly, a fiduciary would not be prohibited from receiving any reasonable compensation for services rendered. Several other exemptions would be provided from the list of prohibited transactions. For instance, loans and the leasing of property to a party-in-interest under a binding contract in effect on August 21, 1973 would be permitted for ten years if it remains at least as favorable to the trust as an arms-length transaction. The sale, disposition, or acquisition of this property during the ten year period must be for fair market value. (Secretaries of Labor and Treasury given joint rulemaking authority regarding exemptions and administration of certain prohibited transaction provisions, sec. 511, 521, 522).	A fiduciary would be prohibited from dealing with the assets for his own account, acting in the adverse interests of the plan participants, or receiving any consideration for his own personal account. The transfer or use of any property by a party in interest (except for no less than adequate consideration) would be prohibited. The acquisition of any property from a party in interest for no more than adequate consideration also would be prohibited. (sec. 111). The prohibitions would not apply to (1) receiving any benefit to which he may be entitled as a participant or beneficiary, (2) receiving any reasonable compensation for services rendered, or for the reimbursement of expenses properly incurred, or (3) serving as a fiduciary in addition to being an officer, employee, or other representative of a party in interest. (sec. 111).	No provision.
	Prudent Man Rule	
Fiduciaries must act as a prudent man would in a like capacity and familiar with such matters. (sec. 511).	Fiduciary must use the same care, skill and prudence as a prudent man acting in a like capacity and familiar with such matters. (sec. 111).	No provision.
	Limitation on Investments in Employer Securities	
No more than 7 percent of a pension fund could be invested in employer securities. Plans would have to divest themselves of any excess within ten years. This limitation, however, generally would not apply to profit-sharing and stock bonus plans. (sec. 511).	Fiduciaries must diversify the investments so as to minimize the risk of large losses, unless under the circumstances it is prudent not to do so. This generally does not apply to profit-sharing, stock bonus, or thrift and savings plans. In order to provide for an orderly disposition of investments, a fiduciary may in his discretion effect the disposition of such investments within three years of enactment. (sec. 111 and 115).	No provision.
	Enforcement	
The Secretary of Labor would have primary responsibility for enforcing rules with respect to fiduciaries. Where fiduciaries breach these standards of conduct, the Secretary of Labor (and participants and beneficiaries of the plan) may bring civil actions to impose liability on the fiduciaries for losses incurred by the plan or profits which they have gained as a result of the breach. Civil actions would also be available to enjoin fiduciaries or otherwise remedy a breach of conduct. (sec. 692).	Civil actions to enforce the fiduciary responsibility provisions may be brought by the Secretary of Labor, or by a participant, beneficiary, or fiduciary for appropriate relief. (sec. 503).	No provision.
	Excise Tax	
The Internal Revenue Service would have primary responsibility for enforcing prohibited transactions with respect to parties-in-interest through an excise tax. The excise tax is at two levels. Initially, parties in interest who participate in a prohibited transaction would be subject to a tax of 5 percent of the amount involved in the transaction per year. A second tax of 100 percent would be imposed if the transaction was not corrected after notice from the Internal Revenue Service that the 5 percent tax was due. (sec. 522).	No provision.	No provision.

PRIVATE PENSION REFORM LEGISLATION—COMPARISON OF SENATE-PASSED AND HOUSE-PASSED VERSIONS OF H.R. 2—Continued

SENATE	HOUSE: TITLE I	HOUSE: TITLE II
	Prohibition Against Certain Individuals Holding Office	
Persons convicted of certain crimes could not serve as an administrator, trustee, or officer of the plan. (sec. 511).	Same as Senate-passed bill. (sec. 113).	No provision.
	Effective Date	
All rules governing fiduciary standards except prohibited transactions would be effective on January 1, 1974. The prohibited transaction rules would be effective one year later on January 1, 1975 (sec. 521).	Six months after enactment. (sec. 115).	No provision.
	b. Subchapter S, Corporation Plans	
Repeals present tax treatment of qualified pension plans for shareholder-employees of subchapter S corporations. Shareholder-employees of subchapter S corporations are subject to the same limitations as corporate employees. (sec. 702.)	No provision.	Limitations on contributions or benefits applicable to self-employed individuals also apply to a shareholder employee (an employee who owns more than 5 percent of the outstanding stock of the corporation) of a Subchapter S corporation. (sec. 2001.)
	c. Corporate Plans	
Imposes limitations on contributions which may be made or the benefits which may be paid under qualified corporate plans for all employees.	No provision.	Imposes limitations on contributions or benefits for all employees. Permits annual adjustments for cost-of-living increases.
	(1) Defined Benefit Plans	
No deduction is allowable for contributions in excess of those necessary to fund a basic benefit in the form of a straight life annuity commencing at age 65 in excess of 75 percent of the participant's average high-three year compensation from the employer, not in excess of the first $100,000 a year. (sec. 702, 706.)	No provision.	The annual benefit under defined benefit plans cannot exceed 100 percent of the participant's average compensation for his highest 3 years of earnings (regardless of the age at which the benefits start) or $75,000 beginning at age 55 or later, whichever is less. The limitation does not apply to retirement benefits which do not exceed $10,000 for the plan year or for any prior plan year (if the employer has not maintained a defined contribution plan in which the participant was covered.)
	Retirement Savings, Limits on Contributions and Benefits, and Other Tax Provisions	
	Individual retirement savings plans	
Employees who are not covered under a qualified plan (including an H.R. 10 plan), a government plan, or a tax exempt organization annuity plan are allowed to establish their own qualified retirement accounts and take an annual income tax deduction for contributions for an amount up to the greater of $1,000 (not in excess of earned income), or 15 percent of earned income, up to $1,500 (sec. 701).	No provision.	Employees who are not covered under a qualified plan (including an H.R. 10 plan), a government plan, or a tax exempt organization annuity plan are allowed to establish their own qualified retirement accounts and take an annual income tax deduction for contributions up to $1,500 or 20 percent of earned income, whichever is the lesser. (sec. 2002).
	Limits on contributions and benefits	
	a. Self-employed plans	
Allows a self-employed individual to take an annual income tax deduction on his own behalf for contributions to a qualified retirement plan (H.R. 10 plan) equal to an amount which is the greater of $750 (but not in excess of earned income) or 15 percent of earned income up to $7,500. A $100,000 limitation is provided for the portion of earned income which may be taken into account in determining contributions or benefits. Also, a formula is provided which would allow the self-employed, in effect, to translate the 15 percent—$7,500 limitation on contributions into limitations on benefits which they could receive under a defined benefit plan. (sec. 704).	No provision.	Same as Senate-passed bill (sec. 2001).
	(2) Defined contribution plan	
The corporation is permitted to make deductible contributions sufficient to fund a pension for the employee on this same 75 percent of average high-three year compensation basis. Procedures to be followed in this situation take into account contributions accumulated in prior years, and provide that contributions made in current and subsequent years can provide any additional amounts necessary (together with earnings on those amounts at a standard 6 percent interest rate) to bring the pension benefits up to the level referred to above. (sec. 702, 706).	No provision.	The sum of the employer's contributions for the employee, a specified portion of the employee's own contributions, and any forfeiture allocated to the employee cannot exceed 25 percent of the employee's compensation or $25,000 annually, whichever is less. (sec. 2003).

PRIVATE PENSION REFORM LEGISLATION—COMPARISON OF SENATE-PASSED AND HOUSE-PASSED VERSIONS OF H.R. 2—Continued

SENATE	HOUSE: TITLE I	HOUSE: TITLE II
	(3) Coverage under both plans	
The maximum benefit payable under the defined benefit plan would have to be reduced in proportion to the amount of the benefit which was funded through the defined contribution plan. (sec. 702).	No provision.	Provides an overall limit to coordinate the two limits outlined above for an individual covered by both a defined benefit plan and a defined contribution plan established by his employer. The sum of (1) the percentage utilization of the maximum limit under the defined benefit plan and (2) the percentage utilization of the maximum limit under the defined contribution plan cannot exceed 140 percent. (sec. 2003).
	Lump Sum Distributions	
The portion of a lump-sum distribution representing pre-1974 value is to be taxed as capital gain. The post-1973 portion of a distribution is to be taxed as ordinary income but with 15-year forward averaging. The ordinary income portion will be taxed under a separate tax rate schedule—the schedule applicable to single persons. A special minimum distribution allowance is provided under the separate tax rate schedule for lower income individuals. (sec. 703).	No provision.	Same as Senate-passed bill, except that 10 year averaging is provided for the portion of the lump-sum distribution which is taxed as ordinary income under the separate tax rate schedule (sec. 2004).
	Salary Reduction Plans	
Amounts contributed under a salary reduction plan prior to January 1, 1974 are considered to be employer contributions. Thereafter, such contributions will be treated as employee contributions and will be included in the employee's income. (sec. 706)	No provision.	Directs the Secretary of Treasury to withdraw the proposed salary reduction regulations issued December 6, 1972. No other regulations may be issued in proposed form before January 1, 1975, or in final form before March 16, 1976. Until issuance of final regulations, such plans are to be administered as they were before January 1, 1972. (sec. 2005)
	General	
	Joint and Survivor Option	
All plans would be required to offer a joint and survivor option of at least half the amount payable to the participant during the joint lives of the participant and his spouse. The option could not be waived unless the participant affirmatively waived it, after receiving a written explanation concerning the terms of the annuity. (sec. 261)	Essentially the same as Senate-passed bill, but requirement for joint and survivor annuity applies only when participant and spouse have been married throughout the five years prior to annuity starting date. (sec. 204)	Same as Title I.
	Recordkeeping for Vested Benefits	
To assist employees in keeping track of any vested retirement credits, each plan (including Federal, state and local government plans) is required to report annually to the Secretary of Treasury the names of individuals who leave the plan with vested benefits and the amount of such vested benefits. (A statement setting forth this information would also have to be furnished to the individual.) This information would then be transmitted to and maintained by the Social Security Administration. Upon an individual's application for social security retirement benefits, the Social Security Administration is to furnish him with information regarding any vested pension benefits that he may have accumulated over his working career. (sec. 151, 152)	Essentially the same as Senate-passed bill excent that 1) government and church plans are covered only on a voluntary basis, 2) information is to be furnished to Secretary of Labor and then transmitted to the Social Security Administration, and 3) regulations to carry out this provision may be prescribed by the Secretary of Labor with approval of Secretary of Treasury. (sec. 106)	Essentially the same as Senate-passed bill except that 1) government and church plans are covered only on a voluntary basis, and 2) regulations to carry out this provision may be prescribed by the Secretary of Treasury with approval of Secretary of Labor. (sec. 1031, 1032)
	Preemption of State Law	
The provisions of this Act or the WPPDA supersede all state law as they relate to the subject matters covered by these two acts (i.e., vesting, funding, termination insurance, portability, reporting and fiduciary standards). (sec. 699)	The Act supersedes all state and local laws relating to fiduciary standards, reporting, disclosure, vesting, and funding (except for civil action by a participant or beneficiary to recover benefits due or to clarify rights to future benefits). No employee benefit plan subject to Title I (except plans primarily providing death benefits) can be considered an insurance company for purposes of State regulation. (sec. 514)	No provision.
	Enforcement	
Departments of Treasury and Labor both given responsibility for enforcement. Responsibility varies with different titles of the bill. Treasury Department enforcement authority includes the power to compel payment of taxes, already contained in the Tax Code, as well as new authority for an excise tax on any employer failing to fund the plan at minimum required amounts.	**Department of Labor given responsibility for enforcement authority. Enforcement authority is exercised through the certification of a registration statement which each plan subject to the vesting and funding provisions must file. If the Secretary determines that a plan is not qualified (or no longer qualified), he is required to notify the administrator of the deficiency. If not correct-**	**Department of Treasury given responsibility for enforcement. Enforcement authority includes power to compel payment of taxes, already contained in the Tax Code, as well as new authority for an excise tax on any employer failing to fund the plan at minimum required amounts. (sec. 1013)**

PRIVATE PENSION REFORM LEGISLATION—COMPARISON OF SENATE-PASSED AND HOUSE-PASSED VERSIONS OF H.R. 2—Continued

SENATE	HOUSE: TITLE I	HOUSE: TITLE II
Secretary of Labor is given authority to petition appropriate U.S. District Court for an order requiring corrective action whenever he believes an employee benefit fund is being administered in violation of this Act. (sec. 692)	ed, the Secretary of Labor may cancel (or deny) the certificate of registration and may petition the appropriate U.S. District Court for an order requiring the plan to comply. (sec. 503, 512)	
Civil actions for appropriate relief (legal or equitable) may also be brought by a participant or beneficiary to redress or restrain violations of fiduciary duty. (sec. 693)	Civil actions may be brought by a participant or beneficiary for appropriate relief, to recover benefits, or to clarify rights. (sec. 503)	
	Variances From Requirements Under the Act	
No provision.	For any type of plan, Secretary of Labor may prescribe an alternate method of meeting participation, vesting, funding, or plan termination insurance requirements if compliance with Act would cause substantial risk of plan termination or substantial reduction in benefits. (sec. 501)	For any multi-employer plan, Secretary of Labor may, for a limited period of time, prescribe an alternate method of meeting certain requirements of Title II (vesting of employer contributions, benefit accruals, charges and credits to funding standard account and charges in funding method or in plan year) if compliance with Act would cause substantial risk of plan termination or substantial reduction in benefits. (sec. 1015)
	Investigations	
The Secretary of Labor may make appropriate investigations when he believes it necessary to determine whether any person has violated the provisions of this act or the Welfare and Pension Plans Disclosure Act. He may enter such places, inspect such records and accounts, and question such persons as he may deem necessary to enable him to determine the facts relative to such investigation. (The Secretary of Labor is to make arrangements with the Secretary of Treasury so as to preclude a duplication of effort with regard to investigation of violations relating to fiduciaries.)	The Secretary of Labor is authorized to make an investigation in order to determine if any person has violated any of the provisions of Title I and may, where he has reasonable cause, enter such places, inspect such records and accounts, and question such persons as he may deem necessary to enable him to determine the facts relative to such investigation. (sec. 503)	No provision.
	Interference with Rights	
It shall be unlawful for any person to discharge, fine, suspend, expel, discipline, or discriminate against any participant or beneficiary for exercising any right under the pension plan. It shall also be unlawful to use fraud, force, intimidation, etc. for the purpose of interfering with the exercise of any right under the plan, this act, or the Welfare and Pension Plans Disclosure Act. (sec. 699)	Same as Senate-passed bill. (sec. 510–511)	A plan will not be considered to meet the vesting requirements if there has been a pattern of abuse under the plan such as a firing of employees before their accrued benefits vest. (sec. 1012)
	Arbitration	
Each plan shall provide a procedure for the fair and just review of any disputes between the administrator of the plan and any participant or beneficiary and an opportunity after such review and a decision by the administrator for the arbitration of such disputes. A participant or beneficiary may bring a civil action in lieu of submitting the dispute to arbitration under the plan. The cost of arbitration shall be paid by the plan unless the arbitrator determines that the allegations are frivolous. The Secretary of Labor shall inform participants of their rights and is authorized to furnish assistance in obtaining such rights. (sec. 691)	No provision.	No provision.
	Studies	
Secretary of Labor given broad authority for studies relating to the effect of new law, the role of private pensions in meeting retirement, security needs of the Nation, alternative methods of providing additional retirement security, and the operation of private pension plans. Secretary also directed to undertake special study of the sufficiency of provisions of the new law for high mobility employees.	The Secretary of Labor is directed to undertake research studies relating to pension plans, including but not limited to (1) the effects of Title I upon the provisions and costs of pension plans, (2) the role of private pensions in meeting the economic security needs of the Nation, and (3) the operation of private pension plans including types and levels of benefits, degree of reciprocity or portability, and financial characteristics and practices, and methods of encouraging the growth of the private pension system (sec. 502)	No provision.

PRIVATE PENSION REFORM LEGISLATION—COMPARISON OF SENATE-PASSED AND HOUSE-PASSED VERSIONS OF H.R. 2—Continued

SENATE	HOUSE: TITLE I	HOUSE: TITLE II
The Secretary of Treasury is directed to study the extent to which Federal and State pension plans are adequately funded, and determine whether it would be appropriate to require such plans to comply with the same minimum standards applicable to private plans. (sec. 281)	The Committee on Education and Labor and the Committee on Ways and Means of the House of Representatives shall study retirement plans established by Federal, State, and local governments including the (1) adequacy of existing levels of participation, vesting, and financial arrangements, (2) existing fiduciary standards, (3) the unique circumstances affecting mobility of government employees and individuals employed under Federal procurement, construction, or research contracts or grants, and (4) the necessity for Federal legislation and standards with respect to such plans. (sec. 502)	Same as Title I. (sec. 1023)
	Advisory Council	
A broadly-representative Advisory Council on Employee Welfare and Pension Benefit Plans consisting of 21 members appointed by the Secretary of Labor would be established, and would include 3 persons representing those receiving benefits from a private pension plan. (sec. 506)	A broadly-representative Advisory Council on Employee Welfare and Pension Benefit Plans consisting of 15 members appointed by the Secretary of Labor would be established. (sec. 114)	No provision.

JOBS, TRAINING, AND EDUCATION PROGRAMS FOR VETERANS

Mr. RIBICOFF. Mr. President, today, 1 year after the last U.S. combat soldier left Vietnam, we commemorate "Vietnam Veterans Day." Although we are thankful for the return of our troops and our disengagement from a long and painful conflict, the day is marred by the sad reality that over 288,000 Vietnam era veterans are jobless. Many of these men and women are unemployed as a result of hard luck and a lack of opportunities. Many are unfamiliar with the agencies and programs that can offer them occupational and educational assistance.

Jobs for Veterans, a national organization dedicated to linking veterans with a vast selection of occupational and educational opportunities, has published "A Digest of Veteran-Related Programs for Jobs, Training, and Education." This digest catalogs the responsibilities, services, and addresses of the many agencies and programs set up to aid veterans, including financial assistance plans.

Jobs for Veterans should be commended for its efforts in compiling the educational and occupational information contained in the digest.

I ask unanimous consent that excerpts from "A Digest of Veteran-Related Programs for Jobs, Training, and Education" be printed in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

SUMMARY OF AGENCY RESPONSIBILITY

THE PRESIDENT'S VETERANS PROGRAM

In June 1971, the President announced a six-point program to help reduce the high unemployment being experienced by Vietnam era veterans. The President instructed the Secretary of Labor to ensure that it received the "highest priority in Federal Manpower and Training Programs." The President's six-point program involves both business and government in a joint effort to reduce Vietnam era unemployment and includes the following:

1. The National Alliance of Businessmen increase the participation of American business in providing employment for Vietnam era veterans.

2. The Department of Defense will continue active cooperation in projects designed to increase opportunities for improving job counseling, job training and job placement services.

3. The number of job training and educational opportunities for returning veterans with appropriate emphasis on college, technical and high school education to be augmented.

4. Most all agencies and contractors funded by the Federal Government be required to list job openings with the U.S. Employment Service (this provision was enacted into law with the signing of PL 92-540 of October 24, 1972)

5. Increase the effectiveness of the U.S. Employment Service in placing of Vietnam era veterans, in jobs.

6. Vietnam era veterans who have been drawing unemployment compensation (UCX) for more than three months to be afforded special services.

COMPREHENSIVE EMPLOYMENT AND TRAINING ACT OF 1973 (CETA)

Purpose: To provide a new and up-to-date charter for manpower programs. It decentralizes and decategorizes numerous programs authorized under the Manpower Development and Training Act and under Title 1 of the Economic Opportunity Act. This is the first legislation to incorporate the essential principles of special revenue sharing.

Source of more information: Manpower Administration, U.S. Department of Labor, Washington, D.C. 20210.

FEDERAL CIVIL SERVICE PREFERENCE

Administered by: U.S. Civil Service Commission.

Purpose: To give preference in federal employment throughout the country to qualifying veterans in areas such as the following:

1. Competitive Civil Service Commission exams (10 point preference to veterans with a service connected disability, 5 point preference to other veterans).

2. Waiver of age, height, and weight requirements in most instances.

3. Restriction of examination for jobs as guard, elevator operator, messenger, and custodian to veterans as long as veteran applicants are available.

4. Re-employment rights and crediting of time spent in active military service toward experience required for eligibility in position of kind held before service (or on the basis of actual experience gained in the Armed Forces).

5. Precedence on Civil Service registers (list of eligible applicants).

6. Review by Civil Service Commission of agency's reason for passing over veterans and selecting nonveteran.

7. Exemption from law prohibiting federal employment to more than two members of a family residing in the same household and exemption from the "quota" of persons from each state who can be appointed in Washington, D.C.

8. Preference for retention when a reduction in force takes place.

9. Right under certain conditions to file application after closing date of examination.

10. Special appointments for recently discharged veterans.

Source of more information: Federal Job Information Centers, Regional Offices of the CSC, United States Veterans Assistance Centers or United States Civil Service Commission, Washington, D.C. 20415.

JOB PLACEMENT SERVICES (STATE EMPLOYMENT SERVICE)

Administered by: State Employment Service in cooperation with U.S. Department of Labor.

Purpose: To provide job referral and counseling services, with priority given to veterans and preferential treatment to disabled veterans. Each of the 2,400 state employment service offices maintains a system of current job listings; tied in with computerized job banks. Every office is staffed with at least one veterans employment representative (VER) to give special assistance to veterans.

Source of more information: Your local State Employment Service Office.

VETERANS PROGRAM (OMBE)

Administered by: Office of Minority Business Enterprise.

Purpose: President Nixon established the Office of Minority Business Enterprise (OMBE) in March 1969 and placed it under the responsibility of the Secretary of Commerce. OMBE was charged with fostering and promoting minority business enterprise by coordinating and focusing federal government programs and by enlisting the full range of the nation's resources by involving the private business community in the minority business effort.

The OMBE mission is to provide centralized leadership for a national program to enhance minority ownership of business. It coordinates existing federal, state, local and private sector programs and resources. It developes new business opportunities, new initiatives in existing programs, and new institutions when necessary. OMBE identifies sources of capital, expertise and information, and makes them available to minority businessmen. And it acts as the repository and disseminator of all information useful in stimulating minority business development.

Together with veterans of the Korean Conflict whose specified business loan benefits will not expire until January 31, 1975, there is a formidable veteran constituency who deserve the best that OMBE can provide under the mandate given by the President.

The key point of contact between the returning veteran is the local business development organization (LBDO). LBDOs assist their socially or economically disadvantaged clients in preparing and marketing successful business packages and provide management and technical assistance after the business starts. LBDO services include preparation or review of business plans; feasibility studies; liaison between the enterpreneur and sources of financing; counselling and management assistance.

Source of more information: Director, Office of Minority Business Enterprise, U.S. Department of Commerce, Washington, D.C. 20230.

ON-THE-JOB AND APPRENTICESHIP TRAINING ASSISTANCE (GI BILL)

Administered by: Veterans Administration.

Purpose: To provide veterans enrolled in approved programs of on-the-job or apprenticeship training with a monthly allowance to supplement their starting wage. The allowance is paid directly to the veteran and can continue as long as two years for approved on-the-job training, and longer for apprenticeship training. The amount of each monthly payment is determined by the number of veterans' dependents and the length of time he has been in training. Monthly payments are reduced with each succeeding 6-months period of training from the initial payment.

Source of more information: Your local VA Office or Veterans Administration, 810 Vermont Avenue, N.W., Washington, D.C. 20420.

OPPORTUNITIES INDUSTRIALIZATION CENTERS (OIC'S)

Administered by: Cooperative arrangement in more than 100 towns and cities between Department of Labor, Department of Health, Education and Welfare, and the OIC's which are either self-supporting or receive financial support from other manpower programs.

Purpose: The OIC is a privately organized and directed training program, emphasizing minority group leadership and enrollment, extensive use of volunteers, and assistance and participation by industry. It recruits and trains unemployed and underemployed workers who ordinarily have not been attracted to public agency programs, providing motivational and basic work orientation in a "feeder" center, and occupational training in skill development centers. A key feature of the program is the involvement of employers in the training and subsequent placement of participants. Most of these training programs, particularly those in major cities, are approved by the Veterans Administration so that veterans can draw GI Bill benefits while enrolled.

Source of more information: Your State Employment Service Office, The OIC in your city or OIC's of America, Incorproated, 18 West Chelten Avenue, Philadelphia, Pennsylvania 19144.

POLICE MANPOWER

Administered by: International Association of Chiefs of Police.

Purpose: State and local law enforcement agencies are in yearly need of thousands of qualified, entry-level personnel. The returning serviceman with his maturity and disciplined background offers a prime manpower source for the law enforcement profession.

Source of more information: Your local police department or Professional Standards Division, Intrenational Association of Chiefs of Police, 11 Firstfield Road, Gaithersburg, Maryland 20760.

REEMPLOYMENT RIGHTS FOR VETERANS

Administered by: Department of Labor (or U.S. Civil Service Commission, for Federal employment).

Purpose: To enable an honorably discharged veteran to return to the position he would have attained (or another position of comparable seniority, status and pay) had he not served on military duty. His entitlement includes all benefits he would have received had he not been absent, such as pay increases. He must be qualified to do the job to which he returns; if disabled in service, the veteran is entitled to another job of comparable seniority, status and pay. The job the veteran left must have been nontemporary, and he may not have served more than 5 years (all service over 4 years at the request of the Government). He generally must apply to his employer within 90 days after separation from active duty or release from hospitalization. Reservists and National Guardsmen returning from initial active duty for training of 3 or more months have 31 days in which to apply; otherwise they must report back for the next regularly scheduled work period after their return home. Veterans returning from active duty have protection against discharge without cause for one year.

Source of more information: Veterans Reemployment Rights representative at your Department of Labor Regional Office or Office of Veterans Reemployment Rights, U.S. Department of Labor, Washington, D.C. 20210.

SMALL BUSINESS LOANS AND ASSISTANCE

Administered by: Small Business Administration.

Purpose: Several programs are available to provide loans, loan guarantees, lease guarantees, and management and technical assistance to persons needing this assistance for the purchase, construction, expansion, operation, etc., of small business. Disadvantaged (include Vietnam Era veterans), and minority applicants are given special consideration under certain programs. A leaflet, "Economic Opportunity Assistance for Veterans," is available upon request.

Source of more information: Your Local SBA Office or Small Business Administration, 1441 "L" Street, Northwest, Washington D.C. 20416.

URBAN LEAGUE MILITARY AND VETERANS AFFAIRS PROGRAM

Administered by: National Urban League.

Purpose: To increase opportunities and justice for servicemen in the military; (2) to assist servicemen when they become veterans in obtaining employment, education, housing, welfare benefits. Requests for assistance from servicemen are submitted in accordance with regulations of the individual armed services to the National Urban League 90 to 120 days prior to the serviceman's date of discharge. These are forwarded to Urban League affiliates or the National American Red Cross. Service is available to veterans at any time.

The Program was founded in 1967 by the late Executive Director, Whitney M. Young, Jr. It operates in 10 cities: Atlanta, Chicago, Cleveland, Jacksonville, Florida, New Orleans, New York, Pittsburgh, Richmond, and Tacoma. Additionally, through an agreement with the National American Red Cross, services are available in cities where there is no Urban League Affiliate. The Program works with industry, institutions, governmental agencies and organizations to develop employment and educational opportunities in response to servicemen's and veterans' needs, abilities and desires.

Source of more information: Local Urban League Office or Mr. Henry A. Talbert, Jr., Acting Director, Military and Veterans Affairs, National Urban League, 55 East 52nd Street, New York, New York 10022.

JOBS FOR VETERANS PROGRAM

Administered by: National Alliance of Businessmen (NAB) in cooperation with the Department of Labor.

Purpose: To find employment in the private sector for Vietnam-era veterans. Started at the request of the President of the United States in 1968, the Alliance has concentrated on finding jobs in the business sector for disadvantaged persons and needy youths. Asked by President Nixon in 1971 to take on the extra tasks of hiring Vietnam-era veterans, the National Alliance of Businessmen found private sector jobs for more than 648,000 veterans in the first 2½ years. In the Jobs for Veterans program, businessmen are asked to set aside "for veterans only" a share of positions an employer would normally fill during a year with special emphasis on hiring disabled veterans. Pledges for jobs are generally referred to the local state Employment Office, which locates veterans to fill the jobs, and to the Veterans Administration when disabled veteran jobs are received.

In 1974, at the request of the White House, the National Alliance of Businessmen again expanded its Jobs for Veterans program. The Alliance's responsibilities now also include publication of the JFV Report, basic advertising publicity programs and services, and the promotion of Job Opportunity Fairs within the United States. NAB also co-sponsors overseas Job Information Fairs with the Department of Defense for soon-to-be released servicemen and women.

The National Alliance of Businessmen is headquartered in Washington and its more than 130 branch offices throughout the United States are staffed by some 5,000 persons, the majority of whom are business executives on loan and paid by their companies for periods ranging from 3 months to 2 years.

Source of more information: The National Alliance of Businessmen, Metro Office in your city or Vice President, Veterans Affairs, National Alliance of Businessmen, 1730 "K" Street, NW., Washington, D.C. 20006.

VETERANS' READJUSTMENT APPOINTMENTS

Administered by: U.S. Civil Service Commission.

Purpose: To provide special federal civilian jobs to returning veterans with no more than 2 years of education beyond high school who agree to participate in a training or educational program. These positions are at grades GS–1 to 5, or the equivalent; eligibility extends for one year after separation for honorably discharged veterans with at least 180 days of active duty, or less if there is a service-connected disability. ("Active duty for training" does not qualify.) A veteran can hold the appointment only as long as he shows satisfactory progress in his education or training program, as well as on the job. After two years of satisfactory service, the appointment automatically becomes a regular civil service appointment. Provision has recently been made for promotion above the GS–5 level under certain circumstances. A pamphlet, "Veterans Readjustment Appointments" is available upon request.

Source of more information: Federal Job Information Centers, Regional Civil Service Commission Offices or U.S. Civil Service Commission, Washington, D.C. 20415.

VETERANS CONSTRUCTION JOB CLEARINGHOUSE

The Veterans Construction Job Clearinghouse was established in 1971 as a non-profit cooperative effort between the National Association of Home Builders, The Associated General Contractors of America and the United States Departments of Labor and Defense. The Clearinghouse office is located in Washington, D.C.

The objective of the Clearinghouse program is to provide servicemen and veterans with information and job referrals for finding high paying, responsible, life-time career opportunities in the construction industry.

To fulfill the construction needs of our growing population, many vacancies exist for civil, structural, sanitary, mechanical, electrical, soils, and industrial engineers in addition to the thousands of skilled craftsmen needed annually. There is currently a shortage of craftsmen such as carpenters, bricklayers, plumbers, electricians, cement masons, and heavy equipment operators to name a few.

The Department of Defense has integrated the job referral services of the Clearinghouse into its program. Servicemen interested and qualified in construction register with the Clearinghouse 30 to 60 days prior to their discharge or release from military service. The Clearinghouse then provides each serviceman with a list of builders and contractors who need employees with a particular skill in a particular area. The National Alliance of Businessmen, United States Veterans Assistance Centers and the Department of Labor employment offices nationwide are providing information and application procedures for this popular and worthwhile program.

The National Association of Home Builders—totaling over 75,000 members, and The Associated General Contractors of America totaling over 9,000 members—represent many opportunities in the light and heavy contruction industry.

Source of more information: Thomas L. Brown, Director-VCJC, National Assoc. of Home Builders, Box 19368, Washington, D.C. 20036. (800) 424-8533 toll-free.

Gregory Matosky, Director-VCJC, Associated General Contractors, Box 19368, Washington, D.C. 20036.

EDUCATION PROGRAMS

COLLEGE WORK-STUDY PROGRAM

Administered by: U.S. Office of Education (Department of Health, Education and Welfare)

Purpose: To furnish federal funds to subsidize work programs providing jobs for needy undergraduate and graduate students. Federal fund amount to 80%; the remaining 20% is provided by the participating college or business. Students may work an average of up to 40 hours a week while attending classes on at least a half-time basis and during summer or other vacations. Jobs may be on or off-campus with a public or other non-profit agency. Veterans may draw VA education benefits while participating in the program, but participation of any individual is based upon need as determined by the college financial assistance officer.

Source of more information: Financial aid officer at the appropriate college or Division of Student Assistance, Bureau of Higher Education, Office of Education, Washington, D.C. 20202.

SUPPLEMENTAL EDUCATION OPPORTUNITY GRANT

Administered by: U.S. Office of Education (Department of Health, Education and Welfare)

Purpose: To provide grants of up to $1,500 per year, up to a maximum of $4,000 for 4 years or $5,000 if 5 years are required, for undergraduate students enrolled on at least a half-time basis who are in such exceptional financial need that they could not otherwise attend college. These grants do not have to be repaid. Veterans may be eligible for Educational Opportunity Grants while drawing VA education benefits; grants are made on the basis of need as determined by the college financial assistance officer.

Source of more information: Financial aid officer at the appropriate college or Division of Student Assistance, Bureau of Higher Education, Office of Education, Washington, D.C. 20202.

"GI BILL" EDUCATION ASSISTANCE

Administered by: Veterans Administration.

Purpose: To provide monetary assistance for veterans enrolled in an approved course of education or training, usually for a period of up to 36 months. Payments are made directly to the veteran to help offset the costs of tuition and other expenses, according to the number of his dependents and the type of training, which can include the following:

1. Institutional (full or part-time); pre-high school, high school, trade school, college or university.
2. On-the-job or apprenticeship training.
3. Farm cooperative training.
4. Correspondence courses.
5. Flight school.
6. Remedial or tutorial services.
7. Predischarge education program leading to high school diploma (PREP).
8. Other institutional programs for active duty servicemen.

Source of more information: Local VA Office or Veterans Administration, 810 Vermont Avenue, NW., Washington, D.C. 20420.

(See Appendix A.)

VOCATIONAL EDUCATION

Administered by: U.S. Office of Education (Department of Health, Education and Welfare) through grants to state school systems.

Purpose: To provide comprehensive occupational training, primarily in a classroom setting (full or part-time), for youths or adults. Training can be conducted in or out of regular public schools; new emphasis has been placed on the poor and disadvantaged. Generally, one dollar of Federal funds is provided for every dollar of state funds.

Source of more information: Division of Vocational and Technical Education, Office of Education, Washington, D.C. 20202.

Pamphlet: "Learning for Earning," Superintendent of Documents, Government Printing Office, Washington, D.C. 20402 ($.25).

LOANS, SCHOLARSHIPS AND OTHER FINANCIAL ASSISTANCE

A number of loans, grants, fellowships, and scholarships are available to students in any field of study through the U.S. Office of Education. Two of these are listed below.

NATIONAL DIRECT STUDENT LOANS

Administered by: U.S. Office of Education (Department of Health, Education and Welfare).

Purpose: To establish loan funds at accredited higher education institutions to permit needy undergraduate and graduate students who are enrolled at least halftime to complete their education. A student may borrow up to $10,000 at the graduate or professional level; for students who have successfully completed two years of a program leading to a bachelor's degree, up to $5,000, and for other students, up to $2,500. No interest will be paid until payment of the loan begins, and the rate is only 3%. Partial or specified military duty after receipt of students who enter certain fields of teaching or specified military duty after receipt of the loan.

Source of more information: Financial aid officer at the appropriate school or Division of Student Assistance, Bureau of Higher Education, Office of Education, Washington, D.C. 20202.

HIGHER EDUCATION ACT INSURED LOANS—GUARANTEED STUDENT LOAN PROGRAM

Administered by: U.S. Office of Education (Department of Health, Education and Welfare).

Purpose: To authorize loans from private lenders to be federally guaranteed and insured for undergraduate and gradute students at accredited institutions (including vocational and technical). Payment of the loan may be deferred during years while the student is attending school and during this period interest charges of up to 7% will be paid by the Federal Government.

Source of more information: A local private lender of Division of Insured Loans, Office of Student Assistance, Office of Education, Washington, D.C. 20202.

Free pamphlet: "Federally Insured Student Loans."

VIETNAM VETERANS DAY

Mr. ROTH. Mr. President, since today is Vietnam Veterans Day, we will be hearing a lot of rhetoric about how grateful we are to these young veterans for protecting America's freedom. This is well and good for it focuses attention on the problems they face which cry out for correction. It will be very sad, however, if we do no more than talk and fail to take positive action.

As a veteran of World War II, I feel an especially strong alliance with these men. I can appreciate their struggle to obtain a decent education, a good job, and a good life for themselves and their families. But we veterans of World War II had many advantages over these men today. We were not scorned for having served our country, our tuition costs were paid by the Government, and our monthly supplement checks were not eroded by inflation.

The war in Vietnam may be over, but the needs of our veterans are still very much with us. Let us not forget them when we turn our calendar tomorrow and it is no longer an official Vietnam Veterans Day.

THOUSANDS EVICTED BY PUBLIC WORKS

Mr. BIDEN. Mr. President, in 1970, the Uniform Relocation Assistance Act was adopted to alleviate abuses occurring when families were displaced from their homes as a result of Federal or federally assisted programs. The aim of that legislation was to insure that a few individuals did not suffer disproportionate injuries as a result of programs designed for the benefit of the public as a whole. Recently, Housing and Urban Development submitted a report to the General Services Administration on the administration of the Uniform Relocation Assistance Act which included remarks indicating that the programs were effective.

However, Thomas Lippman, in an article which was printed in the Washington Post on March 14, 1974, pointed out that a study prepared by the Metropolitan Washington Council of Governments concludes that better coordination between relocation and availability of low-income housing is lacking for a really effective relocation program in the Washington area. Assistance programs, especially for low-income families displaced by projects in every State, should provide decent replacement housing, or our renewal projects will have the effect of moving families from one deteriorated environment to another.

Mr. President, I ask unanimous consent that the text of that article be printed following my remarks.

There being no objection, the article

was ordered to be printed in the Record, as follows:

[From the Washington Post, Mar. 14, 1974]

Thousands Evicted by Public Works

(By Thomas W. Lippman)

More than 2,000 Washington-area families are being forced from their homes this budget year by public works projects, a regional study has concluded.

Most of the displacements will be caused by public school and subway construction and urban renewal, according to the report.

Aside from the hardship for the people who are forced to move, the analysts' report suggests, this displacement exacerbates the area's already-critical shortage of housing for low- and moderate-income families; and that shortage makes it more difficult for local governments to carry out necessary construction projects that require residential displacement because there is so little housing available for those who would have to be relocated.

The report, prepared by Metropolitan Washington Council of Governments staff analysts, was submitted to the COG board of directors by Montgomery County Council member Elizabeth Scull, who heads COG's human resources policy committee. It was approved by the board without dissent.

The total family displacement for the one year, July, 1973, to June 30, 1974, could be lower than the 2,015 total envisioned in the report. This is because that total includes 122 households scheduled to be displaced by the Eisenhower convention center, which has not yet received congressional approval. Even so the figure will be considerably higher than the areawide total of displacements for the year that ended June 30, 1973, which was 1,547.

The power of governments to take private property for a public purpose dates back through centuries of legal history, though its use often arouses community opposition.

The Fifth Amendment to the U.S. Constitution requires that "just compensation" be paid to the property owner, but it is left to Congress and the state legislatures to decide what that means.

The compensation requirement does little to benefit most of the persons being displaced in this area because more than 80 per cent of them are renters, not owners, of their dwellings, the COG report says.

Many of them, however, are entitled to financial assistance under the Federal Uniform Relocation Assistance Act of 1970, which also provides that no one may be displaced by a project in which federal funds are used until adequate relocation housing is made available. Similar laws apply to locally financed projects in Virginia and the District.

The COG report gives this statistical profile of the 3,562 families displaced in the two years covered by the survey, the 1973 and 1974 fiscal years:

About 70 per cent, or 2,555, lived in the District of Columbia, 391 in the Virginia suburbs, and 616 in the Maryland suburbs.

Over 80 per cent were described as "low-income," and "the great majority qualified for low rent public housing, based on family size and income eligibility criteria."

About one-third of the displaced households require dwellings of one bedroom or smaller, such as efficiency apartments, but 11 per cent require four or more bedrooms.

What these figures mean, the report says, is that "the need for replacement housing resources is largely confined to households of limited financial capabilities. A considerable number of low-income and moderate-cost housing units are being removed from the housing inventory. The result is a further diminution of the already inadequate supply of moderately priced housing."

The report also concluded that the myriad federal agencies dealing with or causing relocation has "vague, incomplete and inconsistent" policies for doing so, and that the individual jurisdictions within the metropolitan area have no coordinated relocation program. "As a result, local, state and federal displacement programs continue to operate independently, each without full knowledge of the other's action."

Over the two years covered in the survey, the public works projects that have caused the most dislocation in the District are the urban renewal of 14th Street NW and Shaw, a city code enforcement program, which requires property owners to upgrade their buildings, Metro, and the renovation of the Brentwood Village apartments on Rhode Island Avenue N.E.

In Maryland, the report cites code enforcement in Prince George's and urban renewal in Colmar Manor; and in Virginia, Alexandria's Temple Trailer Park and "Dip" projects.

The report does not suggest that local agencies halt their taking of residential properties for public works and urban renewal projects. Instead, it urges accelerated construction of replacement housing and the adoption of uniform relocation policies.

It also makes no mention of the large-scale displacement of the poor that is occuring in the District because of the pressures of the private housing market, rather than by public agencies. Uncounted numbers of families, mostly low-income tenants, are being moved from the city's Adams-Morgan, Mount Pleasant and Capitol Hill areas by rising rents and soaring real estate prices.

Since there are more families on public-housing waiting lists in this area than there are public housing units, and since very little low-priced rental housing is being built by private developers, the housing squeeze is acute for the kinds of persons most affected by the programs analyzed in the COG report.

AN INDEPENDENT, NONPOLITICAL SOCIAL SECURITY ADMINISTRATION

Mr. CHURCH. Mr. President, on March 11, Senators Ribicoff, Clark, Humphrey, and Williams joined me in cosponsoring the Social Security Administration Act, S. 3143.

This bill has three principal provisions.

First, it would create a three-member governing board—appointed by the President with the consent of the Senate—to administer the social security programs. To insure against undue political influence, the three members would be appointed for staggered terms of 5 years each.

Secondly, S. 3143 would prohibit the mailing of announcements—such as notices of increased benefits—with social security or supplemental security income checks which make any reference whatsoever to any public official. This provision is designed to immunize the social security and SSI programs from being used for narrow, partisan purposes.

Finally, this bill provides for the separation of the financial transactions of the social security trust funds from the operations of the unified budget. As a result, proposed changes in the social security program could be assessed on their own merits and in relation to financing for the program, instead of solely in terms of their immediate impact upon the overall Federal budget.

Companion legislation—H.R. 13411—was introduced in the House on March 12 by Congressman Wilbur Mills, the chairman of the House Ways and Means Committee.

A few days ago, Mr. Robert Ball—a former Commissioner of the Social Security Administration and one of the premier administrators in all of Government—wrote a powerful article in the Washington Star-News which provides compelling arguments for such legislation.

Mr. Ball's views on this subject, it seems to me, should be "must" reading for Members of the Senate. Additionally, his counsel on proposals to change the contributory nature of the social security system merit very close and careful attention.

For these reasons, I ask unanimous consent that the article entitled "Against 'Progressive' Social Security Taxes" in the March 10 issue of the Washington Star-News be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Against "Progressive" Social Security Taxes

(By Robert M. Ball)

In the name of "tax reform" there is a movement afoot which would seriously undermine the contributory nature of the social security system.

One current proposal is to finance social security by a progressive tax, with complete exemption for low-wage earners. Under this proposal the present flat-rate social security deductions from earnings would be dropped, and the loss of income arising from the failure of low-wage earners to make contributions would be made up by higher payments from middle-level and higher-paid wage earners. As a consequence such earners would be called on to pay more for social security than their protection is worth to them.

Proposals to finance all or the major part of social security out of the general revenues of the United States are also being advanced.

I believe that such changes would be dangerous to the stability of the system and would threaten contributors' rights to future benefits.

A good argument can be made for direct government assistance to low-income workers, but this can be accomplished without making radical changes in the nature of our popular and successful social security system. Social security is a social insurance system similar to those found in major industrial countries throughout the world and is based on a long tradition of self-help. The fact that those who get protection for themselves and their families pay specifically toward the support of the system, together with the absence of a means test, are the main features of social insurance which sharply distinguish it from "welfare."

The proper financing principles for such a program—really a government-operated, contributory, retirement and group insurance plan—are by no means the same as the financing principles one would want to follow in raising money for the support of general government expenditures. Social security financing should not be considered separately from social security benefits or approached solely as a tax issue.

If the financing principles of social security are changed so that large numbers of people are paid benefits without contributing, while large numbers of other people are charged much more than they would have to pay for obtaining the protection elsewhere, fundamental changes in the benefit side of the program are almost bound to follow. Without a tie between benefit rights and previous contributions, questions would undoubtedly arise about the basis for paying benefits to those who can support themselves without the benefits. If financing were related to ability to pay, it is very likely that benefits would be related to need. Thus as a result of a change in financing, we could find that social security had been turned into a welfare or negative income tax program designed to help only the very poor and that it no longer was a self-help program serving as a base for all Americans to use in building family security.

The analysis of social security financing separately from social security benefits and solely in terms of taxation principles seems to me to be based on a misunderstanding of the nature of social security—a misunderstanding that grows in part out of the fact that social security today is lumped in with other government programs, both organizationally and in the presentation of the budget. I believe it would help make the nature of social security clear if it were operated by a separate government corporation or instrumentality and if social security transactions were kept separate from the rest of the federal budget.

Before considering this proposal, however, it would be well for the reader to have in mind the scope and nature of our social security system as it is today.

During 1974 the social security programs—cash benefits and Medicare—will pay out $75 billion in benefits.

Approximately 100 million working people will make social security contributions during 1974 and in return will receive credits toward benefits for themselves and their families designed to partly make up for the loss of earned income during retirement, during periods of extended and total disability before retirement age, or because of death. They also will receive credits toward paid-up hospital insurance during periods of extended and total disability and after age 65. Nearly 30 million people—one out of seven Americans—now receive a social security check each month, and practically all Americans are heavily dependent upon the system for future retirement, disability, survivors', and health insurance protection.

The social security system is a compact between the federal government and those who work in employment covered by the system. In return for paying social security contributions while earning, the worker and his family receive certain benefits under defined conditions when those earnings have ceased or may be presumed to have been reduced. As in all insurance, the covered individual exchanges the uncertainty of a relatively large potential loss for the certainty of a relatively small payment.

Social security involves very long-term commitments; not only are beneficiaries paid on the average over many years once they come on the rolls, but contributors today are being promised benefits which may not begin for 40 or more years in the future.

The system is almost entirely compulsory, and the employee contributions which are similar to employee contributions to private pension plans and group insurance are legally a tax—a benefit tax paid by the persons, who together with their families, are protected by the program. By law the income of the system can be used only for social security benefits and the administrative expenses of the social security system.

Unlike individual annuities under private insurance, social security does not, and indeed should not, build up reserves held to each worker's account sufficient to pay off accumulated rights. Social security is financed on a current-cost basis, with nearly all contributions in a given year ordinarily being used in that year to meet benefit payments and administrative expenses. The social security trust funds that do exist are contingency reserves designed to avoid the need for sudden and disruptive contribution rate increases that might otherwise be required by a sudden dislocation in the nation's economy which brought a cut in payrolls and consequently in social security income.

Precisely because the honoring of expectations now being built up is dependent on future contribution income, it is essential to establish the inviolability of benefit rights and to guard the financing source from other uses or erosion. To a very considerable extent this has been done. To help make certain that the obligations now being created are honored in the distant future, the management of the system by the Executive Branch and the Congress has been conservative. All costs have been carefully estimated over the long run (for 75 years in the case of cash benefits and for 25 years in the case of hospital insurance) and earmarked financing designed to meet the estimated cost has been provided for by law.

But the security of future benefit payments not only derives strength from there being some kind of long-range plan to fully meet cost, but is also greatly reinforced by the concept of a social security tax or contribution paid by the people who will benefit under the system. Putting it another way, the moral obligation of the government to honor future social security claims is made much stronger by the fact that the covered workers and their families who will benefit from the program made a specific sacrifice in anticipation of social security benefits in that they and their employers contributed to the cost of the social security system and thus they have a right to expect a return in the way of social security protection.

This is true in social security, railroad retirement, civil service, and state and local retirement systems, even though there is not ordinarily in any of these programs—nor, for that matter, in private group insurance—an exact relationship between the amount of protection provided and the contributions made by the individual. Very importantly, the contributory nature of the system helps to make clear that it would be unfair to introduce eligibility conditions that would deny benefits to people who paid toward their protection.

I believe it would add significantly to public understanding of the trustee character of social security as a retirement and group insurance plan if the program were administered by a separate government corporation or instrumentality and if its financial transactions were kept separate from other government income and expenditures.

Social Security now, with 70,000 employees and some 1,300 district offices across the country, is one of the very largest direct-line operations of the federal government. It accounts for nearly 60 percent of the personnel of the Department of Health, Education, and Welfare and pays out $1 for every $3 spent by all the rest of the federal government.

It does not make sense administratively to have this huge program, which intimately touches the lives of just about every American family, operated as a subordinate part of another government agency. The management of social security could be made more responsive to the needs of its beneficaries and contributors if it were freed from the frequent changes in the levels of service to the public which grow out of short-term decisions about employment ceilings and the varying management value systems which follow the frequent changes in HEW secretaries and their immediate staffs.

Until the fiscal year 1969 budget, the financial transactions of the social security system were kept entirely separate from general revenue income and expenditures, except for purposes of economic analysis. Today they are a part of a unified budget, which lumps together general revenue income and expenditures and the separately financed social security system. This is leading to confusion on just how separate from other government programs social security really is. In the interest of protecting social security's long-term commitments, the separateness of social security financing should be made unmistakably clear.

The purpose of the annual budget is, on the one hand, to make choices among expenditures, giving preference in the budget period to one expenditure over another and, on the other hand, to determine who pays what and how much for the expenses. Social security promises—stretching into the distant future, resting on past earnings and contributions, and with separate financing—are not a proper part of this essentially competitive process.

The inclusion of social security transactions in a unified budget is bad for other reasons as well. It leads to a distortion of the decision-making process on non-social security programs. Occasional excesses of income over outgo in social security operations in the short run tend to be used as an excuse for financing additional general revenue expenditures since social security income, though legally reserved for social security expenditures, is treated in the budget in the same way as general revenue income and shows up as if it were available money.

Just about every American has a major stake in protecting the long-term commitments of the social security program from fluctuations in politics and policy. The administration of social security by a separate government corporation or instrumentality and the separation of social security financial transactions from other government income and expenditures would strengthen public confidence in the security of the long-run commitments of the program and in the freedom of the administrative operations from short-run political influence. It would give emphasis to the fact that in this program the government is acting as trustee for those who have built up rights under the system. Such changes would not only help to preserve social security as our most effective anti-poverty program—keeping some 12 million people out of poverty and doing so under conditions that protect their dignity and self-respect—but would also help to preserve social security as a universal retirement and group insurance plan on which *all* Americans can rely.

SOLAR ENERGY

Mr. DOMINICK. Mr. President, yesterday, during hearings before the Special Subcommittee on the National Science Foundation, Dr. Alfred J. Eggers, Jr., Assistant Director for Research Application of NSF, testified on the Solar Heating and Cooling Demonstration Act of 1974.

I found his testimony most enlightening on a subject which has certainly concerned all of us more and more during the past several months—namely the proposed uses of solar energy and it reveals dramatically the big surge in research funding and experimental programs spearheaded by the National Science Foundation.

Mr. President, I would like to ask unanimous consent that Dr. Eggers' testimony be printed in the Record.

There being no objection, the testimony was ordered to be printed in the Record, as follows:

STATEMENT OF DR. ALFRED J. EGGERS, JR.

[Charts mentioned in article not printed in Record]

Mr. Chairman and Members of the Committee:

I greatly appreciate the opportunity to present today the views of the National Science Foundation on H.R. 11864, the "Solar Heating and Cooling Demonstration Act of 1974," and to outline the research program supported by the Foundation to achieve early applications of solar energy.

This Subcommittee has long recognized the importance of energy research. In recent years, through the authorization process, the Subcommittee has supported and directed NSF to accelerate its basic and applied research activities, throughout proof-of-concept experiments, under the Program of Research Applied to National Needs (RANN). The Foundation has developed and implemented a major energy research program, a large part of which is devoted to solar energy. Later in my statement, I will describe some of the significant results of this research which have potential for widespread application in the civilian economy.

The Foundation is the lead Federal agency for Solar Energy Research. This research is a broad and aggressive effort which focuses on advancing the technology for solar thermal conversion, wind energy conversion, bioconversion to fuels, and ocean thermal and photovoltaic conversion, as well as the heating and cooling of buildings. Through these technologies, solar energy can be used to generate electric power, to provide space heating and cooling, and to produce renewable supplies of clean hydrocarbon fuels. It is estimated that, with widespread application of these technologies, solar energy could meet some 30 percent of the Nation's energy needs as we move into the next century.

It is generally accepted that solar energy is essentially inexhaustible and that it can be employed in a relatively non-polluting fashion. The great challenge which must be met to achieve its widespread application is to find ways of utilizing it that are socially and economically acceptable. This challenge encompasses not only the surmounting of technical problems, but also overcoming legal, regulatory and institutional barriers which may exist. In addition, it may be necessary to provide incentives which could encourage early implementation of solar energy technologies. These incentives might include (1) subsidies on capital investment, (2) subsidies on initial operating costs, (3) guaranteed or low-interest rate loans, and (4) guaranteed minimum sales on equipment development.

It is clear from these considerations that an effective, overall solar energy research program must deal with all these major issues, ranging from the technical to the socio-economic and the environmental. This requires a team effort involving the best experts on these issues from government, industry, and universities. It also requires involving, from the outset, the key users of the results of the research, including the Federal mission agencies and manufacturers. This principal has guided the development of the NSF solar energy research program from its initiation.

I would now like to give a few selected examples which highlight our program and give further emphasis to the points that I have just made.

First, significant emphasis is being placed on photovoltaic conversion—that is, the use of solar cells like those used to generate electricity in space. This is a formidable challenge, since there is a need to reduce manufacturing costs by a factor of 100–1,000.

A dramatic improvement in the quality of continuous single crystal ribbon has been obtained in a joint Harvard University/Tyco Laboratories project which is being sponsored by NSF/RANN in cooperation with the Jet Propulsion Laboratory of NASA. These silicon ribbons are a significant first step in achieving the objective of producing lower-cost solar cells. The next chart shows that the performance of these ribbons is approaching close to that of silicon produced at much higher cost through present wafer technology.

Another major area of the program is solar thermal conversion. By this we mean the use of solar energy to bring a liquid to boil and thus drive a turbine to generate electricity. Space heating is a potential by-product of the process. A ⅜-scale parabolic trough concentrator-collector has been designed and fabricated for solar thermal experiments under a joint University of Minnesota/Honeywell Corporation project.

A major solar-thermal project planned for Fiscal Year 1975 is the design of a central receiver that will heat the working fluid to 1,000° Fahrenheit to produce electrical power. This project includes the design, fabrication, and test of heliostat reflectors, bench model central receivers and thermal storage subsystems. We are closely coordinating this research with complementary work on solar powered community systems at Los Alamos Scientific Laboratory of the AEC.

Another very promising subprogram area is wind energy. As you know, we are working with the NASA Lewis Research Center in Cleveland, Ohio on this matter. The design of an experimental machine with a rotor 125 feet in diameter is nearing completion. This machine will generate 100 kilowatts of electrical power in a wind velocity of 18 miles an hour. It will be constructed for proof-of-concept experiments in Fiscal Year 1975 at the Plum Brook Station. This is a drawing of the pitch-change mechanism, gear train, brakes, and generators to be installed at the top of the tower in that machine. The problems here are chiefly concerned with the gearing and automatic control system. The initial experiments will test variable pitch rotor blades to achieve constant rotor spin. The rotor is connected to a synchronous generator by means of a step-up gearbox. A control system senses wind velocity, spin, and load and adjusts the rotor pitch automatically. The challenge will be to minimize the cost and complexity of the gearing and control systems, the rotor, and the tower structure. This 100 kw windmill is a step toward projected future windmills capable of producing 1–2 megawatts each—that is, systems generating millions of watts of electricity.

Now I would like to turn to solar heating and cooling of buildings. In the past two months, four schools have been outfitted with experimental solar heating augmentation systems:

The North View Junior High School in Osseo, Minnesota;

The Fauquier County Public High School in Warrenton, Virginia;

The Timonium Elementary School outside Baltimore, Maryland; and

The Grover Cleveland Junior High School in Dorchester, Massachusetts.

Each of the school heating augmentation experiments has been designed to test advanced equipment, with special attention to solar collector design and the role of thermal storage in different climatic regions.

The experiment at the Warrenton School employs selective coatings. With these coatings, the collectors capture a larger fraction of the sun's incident energy. This system also includes a thermal storage unit which has a capacity of 20,000 gallons of water. It is currently in operation and is helping to heat temporary classrooms.

The experiment at the Minnesota school is similar to the Warrenton project except that it is located in a more northerly latitude and it involves a larger collector array, measuring some 5,000 square feet in surface area.

The Boston school experiment is testing a solar energy collector system which employs Lexan Plastic glazing. This collector utilizes a nonselective coating that is somewhat less efficient than one with a selective coating but it has the advantages of being lightweight and relatively vandal-proof. This experiment and the one at the Baltimore school have been in operation the longest, and the experimental solar heating augmentation system have performed well thus far.

These four school heating augmentation experiments will provide important initial information on systems performance and on their acceptability to the public. They will also provide the basis for obtaining valuable information on the retrofit application of solar heating systems to a variety of schools and other buildings at various locations in the Nation. Data on these solar heating systems will be collected and evaluated through June 1975.

Honeywell, Inc.; General Electric; Inter-Technology Corporation; and Aircraft Armaments Incorporated are the principal firms involved in these projects, and considering that they started work in mid-January, it seems fair to say that they have done a remarkable job.

The Foundation is also arranging for a completely independent evaluation of the four school heating augmentation experiments, which will be conducted in parallel with these experiments. This evaluation will assess the technical strengths and weaknesses of the different systems, and it will examine the economic, social, and environmental aspects of their applications.

Now I would like to turn to the research program under way at Colorado State University for testing advanced components for solar heating and cooling of a single family residential house.

This will lead to the first tests of a complete solar heating and cooling system under actual operating conditions. An additional experimental project is being undertaken at the University of Delaware, using a solar heating system coupled with a photovoltaic electrical generator.

A transportable solar heating and cooling research laboratory, jointly supported by NSF and the Honeywell Corp., has begun field operations. This laboratory will test advanced subsystems and components and collect data on solar energy flux under a variety of weather and environmental conditions at various locations in the United States. It will complement the research I have already mentioned, on a solar heated and cooled house in Colorado, on which data collection is scheduled to begin this Spring.

Major studies of the potential of solar heating and cooling are coming to a conclusion under contracts with three companies teamed with university scientists—General Electric, teamed with the University of Pennsylvania; Westinghouse, teamed with Colorado State and Carnegie-Mellon Universities; and TRW, Inc., teamed with Arizona State University. These studies are aimed at establishing operational requirements for solar heating and cooling, identifying cost-effective approaches, assessing the social and environmental impacts, analyzing potential proof-of-concept experiments, and developing strategies for achieving acceptance by financial and architectural organizations, builders, and owners. Preliminary results of these studies indicate that solar energy systems will be most cost-effective in the northern area of the United States for heating, in the middle region for both heating and cooling, and in the southern region for cooling.

These results will be tested with a variety of buildings in various locations in cooperation with the Department of Housing and Urban Development, the Public Buildings Service of the General Services Administration, and other interested agencies, including the Atomic Energy Commission, the National Aeronautics and Space Administration, and the Department of Commerce. With this accelerated research program we expect to make rapid progress in achieving heating and cooling systems that will be cost-effective in the marketplace in the earliest practicable time.

In addition to the solar energy projects that I have already described, the Foundation is supporting advanced research at the University of Pennsylvania on collectors and storage subsystems; at the University of Wisconsin on simulation on heating and cooling; and at the Universities of Florida and Maryland on solar absorption air conditioning. We have provided support to the American Society of Heating, Refrigeration, and Air Conditioning for the preparation of a guide on solar heating and heating, and to Hittman Associates for Rankine cycle engines for home cooling and electricity. We are also supporting research by the American Cyanimid Company on cadmium stannate films for solar energy conversion. In short, we are moving aggressively on this work, and I would strongly urge that any action proposed by the Congress not interrupt or fragment these important ongoing NSF research efforts.

Mr. Chairman, we believe that, when programs reach the stage of large scale development and demonstration, their management is most properly carried out by the appropriate mission agency or user group, such as private industry.

The goal of our research program in the heating and cooling of buildings, is to be able to turn over reliably researched technological systems as rapidly as we can to user groups in the public or private sector that are in a position to implement these systems on a broad scale. We would, consequently, expect to work very closely with any agencies involved in a demonstration program, whether undertaken by the Federal Government or any other sponsor. However, it is the Administration's view—as you know—that the appropriate agency for channeling federal support to such commercial demonstration programs would be the Energy Research and Development Administration. We believe that the ERDA legislation offers the promise of a carefully coordinated overall energy R&D effort, which is the direction in which the Nation should move.

In the meantime, we have brought a small program of solar energy research that totalled about $300,000 in Fiscal Year 1970 to $1.0 million in Fiscal Year 1971 and to $13.2 million in Fiscal Year 1974, and we propose a $50.0 million program in Fiscal Year 1975. This is a coordinated effort involving major mission agencies of the Federal government, National Laboratories, industrial firms, and universities, with NSF in the lead agency role. We believe that H.R. 11864 should be considered in the context of this intensive and coordinated National Solar Energy Program. The partnership arrangements have been established; they are in place; and they are working.

Finally, Mr. Chairman, we would urge that, at appropriate places in the Bill where not now provided, changes be made requiring that Federal solar heating and cooling demonstration efforts be conducted in close cooperation and consultation with NSF. This would ensure that NSF's expertise in this area would be utilized. For example, in Sec. 5(b), it would seem appropriate for the Secretary of HUD to consult with the NSF Director, as well as with the National Bureau of Standards and the NASA Administrator in determining and prescribing performance criteria for solar systems to be used in residential dwellings. The NSF staff will be happy to work with the staff of this committee in making these changes.

Gentlemen, I appreciate this opportunity to express the view of the National Science Foundation on H.R. 11864.

THE 93D CONGRESS HAS A GOOD RECORD

Mr. ROBERT C. BYRD. Mr. President, yesterday, I addressed a breakfast meeting of the National Newspaper Association. In my speech, I referred to the good record of the 93d Congress and the responsibility that is ours to keep the people informed of the good work Congress has done.

I ask unanimous consent that my speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

SPEECH AT BREAKFAST MEETING OF THE NATIONAL NEWSPAPER ASSOCIATION

(By Senator ROBERT C. BYRD of West Virginia)

It is a pleasure for me to be here this morning.

As members of the National Newspaper Association—as editors and publishers of the country's leading community newspapers—you are among the most influential communicators in America. You are right to take pride in the fact that you are closer to your audience than are any other journalists in the United States. Yours is, indeed, the people's medium—just as Congress is the people's branch of government.

And just as Mr. Serrill assures me that the people's medium is functioning in a positive, responsible manner, I am here this morning to assure you that Congress—the people's branch of government—is doing likewise.

Over these past several weeks, you have heard the President lash out at Congress. You have heard him accuse the Legislative Branch of foot dragging and inaction, on the energy crisis.

I believe that these attacks have been unjustified, and have had the effect of misleading the people. Therefore, I would like to take the opportunity afforded me this morning to speak up for Congress.

The Senate has already compiled a remarkable record during this 93rd Congress. Consider, for example, the Alaska Pipeline Bill; the Strip Mining Bill; the Petroleum Allocations Bill; the Energy Emergency Act; Social Security Pay Increases; Minimum Wage—vetoed once by the President and passed a second time by the Senate; legislation on Health Maintenance Organizations, Emergency Medical Services and Sudden Infant Syndrome; Job Training legislation; the War Powers Bill, enacted over the President's veto; legislation dealing with the freight car shortage, the death penalty, housing, D.C. Home Rule, public works and economic development, and veterans' care; the Federal Highway Bill; Voter Registration; Pension Reform; Election Reform; Wage and Price Control legislation, the Budget Reform Bill, and legislation terminating the bombing in Indochina which, by the way, was what really got us out of Vietnam.

The complete list of legislative accomplishment is too long to further repeat here. I shall not go into the oversight function of Congress which the Senate has been performing well. It is enough merely to recall the confirmation hearings on the nomination of L. Patrick Gray, Elliot Richardson, William Saxbe, William Ruckelshaus, and Gerald Ford; and the Senate Judiciary Committee hearings on the guidelines covering the investigations by Special Prosecutors Cox and Jaworski.

The record of the Senate is commendable. And it has been compiled not by Democrats alone, but also with the active participation of Republicans. So, when I speak of the acaccomplishments of Congress, I am being non-partisan in the truest sense of the term, fully realizing that it takes cooperation by both sides of the aisle to record a year of achievement such as the one recorded by the first session of the 93d Congress. I am confident that the cooperation will continue, and will result in this second session being just as productive as the first.

But the question that troubles me as a Senator is this: Is the full story of Congress getting over to the American people?

I'm afraid it is not.

Look long and hard at the record of this Congress. Then look at the recent Lou Harris Survey which showed that only 21 percent of the American people have a favorable impression of Congress.

The only logical explanation is that the people, who form a captive audience when the President goes on TV to unfairly criticize Congress, are not hearing enough about the actual workings of Congress.

On the energy crisis, for instance, Congress had already developed its own proposals to deal with energy matters, many of which were well on the way to enactment before the Administration could even make up its mind that an energy problem really existed. Yet, the most comprehensive piece of legislation passed by Congress—the National Energy Emergency Act—was vetoed by the President—vetoed despite the fact that it contained a good many of the 17 measures which the President now says he has been wanting for so long.

Do the people know about Congress' efforts to solve the energy crisis? Or do they simply know what the President told them during the most recent of his televised appearances? Judging from the media attention given the President's criticism versus that given Congress' performance, I am forced to believe that the people have only a limited knowledge of the true situation.

There are other examples, of course. And they all prove the same thing—namely, that the people of the United States are not well enough informed about the people's branch of their government.

No wonder. The President of the United States can speak with one voice, and can command exclusive air time to tell his side of the story.

Congress speaks with 535 voices. It cannot, with a collective snap of its members' fingers, order the radio and television networks to interrupt their regular programing for a message from one or all members of the Legislative Branch.

Still, there are certain steps that can be taken—both by members of Congress and by the media—to close the information gap between the news the American people are receiving about what the President says and does and what they are receiving about actions of Congress.

For its part, Congress can begin by allowing its sessions to be televised. I have introduced a resolution that could lead to televised sessions of the Senate. And individual members of Congress ought to make a more conscious effort to answer criticisms of the legislative branch—not of particular, partisan actions, but rather of Congress as an institution.

The media can contribute simply by fulfilling its obligation of seeing to it that their readers, viewers, or listeners are as fully informed as possible about the actual workings of Congress. Not every action of Congress is worth reporting—I am as aware of that as you are. But when a Harris poll shows that only 21 percent of the people approve of their way that Congress—their branch of government—is functioning; when pollster Burns Roper finds, as he did recently, that well over 50 percent of the people don't understand the true role of Congress in impeachment proceedings—then it is obvious that considerable and significant information is not getting through to the citizenry.

I am reminded of Woodrow Wilson's statement that, "The informing function of Congress should be preferred even to its legislative function." I repeat my belief that this Congress is doing an excellent job in its legislative function. And, while I appreciate your efforts in communicating the story of the Legislative Branch to the people, we can all do a better job of informing the people. We in Congress especially should work harder at our informing function.

Now, keeping in mind that Napoleon once said that "Three hostile newspapers are more to be feared than a thousand bayonets," I would like to open this meeting to questions.

THE FIRE ANT

Mr. NUNN. Mr. President, in the past year, I have received numerous letters from constituents concerned with the fire ant problem in the State of Georgia. Fire ant infestation has proliferated to such a degree in recent months that the situation is now bordering on critical.

Pasture land and crops have been severely damaged. In addition, many cases have been reported where persons stung by fire ants have had to seek medical attention.

I would like to call my colleagues' attention to a copy of a letter which I recently received from Tommy Irvin, the Commissioner of Agriculture of the State of Georgia, in which he so ably describes the situation in Georgia and a resolution of the Georgia House of Representatives which calls upon the Environmental Protection Agency to authorize some means of adequate eradication.

I ask unanimous consent that the letter and resolution be printed in the RECORD.

There being no objection, the communication was ordered to be printed in the RECORD, as follows:

STATE OF GEORGIA,
DEPARTMENT OF AGRICULTURE,
Atlanta, Ga., March 20, 1974.

Mr. RUSSELL TRAIN,
Administrator of the Environmental Protection Agency, Washington, D.C.

DEAR MR. TRAIN: While the Environmental Protection Agency proceeds with hearings on the use of Mirex for Fire Ant Control, which hearings have not conclusively shown any imminent hazard or irreversible adverse effects on the environment, the people of Georgia are extremely frustrated in their efforts to combat this pest.

Georgia being a predominantly agricultural state, most of her legislators are involved in some type of farming operations and, therefore, know first hand the damage, inconvenience and the human pain which the Fire Ant causes. They also know that every day that a decision is delayed to permit an eradication program to proceed, just intensifies our problems and makes the eventual task bigger and more expensive.

If you are truly interested in protecting our environment, including our lands, water and their encompassed biota, I would remind you that further delays in permitting an eradication program, could result in requiring at a later time several times the amount of material which would be required to eradicate them now.

As evidence of our grave concern, I am pleased to transmit to you, on their request, a Resolution from the Georgia House of Representatives, deploring the delays in allowing us to effectively handle one of our most serious problems.

With warmest personal regards, I am,
Sincerely,
THOMAS T. IRVIN.

[State of Georgia]

HOUSE OF REPRESENTATIVES—A RESOLUTION

Condemning the actions of the United States Environmental Protection Agency and other groups opposing the use of Mirex for the eradication of fire ants; and for other purposes.

Whereas, Mirex has been proven to be an effective pesticide in the elimination of fire ants; and

Whereas, fire ants are detrimental to human life, livestock, field crops, pastures and wildlife, and have been known to kill newborn animals and birds which nest on the ground; and

Whereas, in those sections of the State of Georgia in which Mirex has been used there is no evidence which indicates that wildlife has been damaged by the use of this pesticide; and

Whereas, this Nation cannot grow adequate food and fiber for our Nation's needs without the use of pesticides; and

Whereas, the United States Environmental Protection Agency and various clubs and other organizations have taken actions to hinder the use of Mirex without an adequate understanding of the serious nature of the fire ant problem in the State of Georgia; and

Whereas, the State of Georgia can eradicate fire ants from the State if the State is allowed to pursue its Mirex spraying program without interruption.

Now, therefore, be it resolved by the House of Representatives that the members of this body hereby call upon the United States Environmental Protection Agency and other interested clubs, groups and organizations to cease their opposition to the use of Mirex in the eradication of fire ants in Georgia without adequate evidence that man or wildlife is harmed by such use.

Be it further resolved that the Clerk of the House of Representatives is hereby authorized and directed to transmit appropriate copies of this resolution to the United States Environmental Protection Agency and to other interested clubs, groups and organizations concerned.

Read and Adopted, February 26, 1974.
GLENN W. ELLARD, *Clerk.*

RESPONSE TO SOVIET ENERGY STATEMENT

Mr. SCHWEIKER. Mr. President, I would like to call the attention to my colleagues to the fact that the Soviet Union has now issued its first threat to the United States directly linked to Siberian gas.

Fortunately, the threat comes before billions of dollars of cut-rate Eximbank loans and other American capital have been invested in the Siberian energy projects. Indeed, the threat comes even before the Siberian oil and gas fields are in production, but it is nevertheless a clear threat, and a threat which should tell us a great deal about the dangers of investing massive amounts of American capital in Siberian energy development in the hope of securing a long-run energy source.

As quoted in the New York Times, Dzherman M. Gvishiani, deputy chairman of the Soviet State Committee for Science and Technology, indicated that the Soviet Union would not sell its Siberian natural gas to the United States unless the United States puts up the $6 billion required for the project. Responding to congressional criticism of U.S. Eximbank investment in the Siberian energy deal, Mr. Gvishiani reportedly said the project is "not so vividly interesting for us," and left the clear implication that Siberian gas might never be turned on for the United States if this congressional criticism continues.

There is the pattern, Mr. President. Today, the Soviet Union tells us that if we do not make a taxpayer subsidized investment of $6 billion in Siberian gas we are not going to get any of that gas. If we should be so foolish as to make this investment, despite this threat, I predict that next year or the year after or the year after that, we are going to hear from the Soviet Union again, and there is going to be some new condition put on our receipt of Siberian gas. I hope we have learned something from the Arab oil embargo, and from the fact that the Soviet Union urged continuation of the embargo even after the Arabs were ready to drop it. There may be transactions with the Soviet Union which are in our national interest. But I am convinced U.S. Government-subsidized investment in Siberian energy development is not in our national interest, and I am going to continue my efforts to prohibit such investments.

I am pleased the distinguished Senator from Connecticut (Mr. RIBICOFF) has now joined in cosponsoring the Soviet Energy Investment Prohibition Act, S. 3229, which I introduced last Friday, and my colleague and good friend in the other body, Congressman JOHN DENT, has now introduced a similar measure in the House.

In closing, Mr. President, the Soviet message to the U.S. Congress is that if we do not stop criticizing the Siberian gas deal, they are going to take their gas and go home. I hope our bankers at the Eximbank got this message, because this is one U.S. Senator who is going to continue criticizing this energy deal against our national interest, and I hope the Eximbank will respond by insuring that U.S. energy investment capital also stays home, here in the United States.

PROTECTING OLDER AMERICANS AGAINST OVERPAYMENT OF INCOME TAXES

Mr. CHURCH. Mr. President, over the years the Senate Committee on Aging has been deeply concerned about income tax overpayments by the elderly.

Hearings conducted by the committee have made it abundantly clear that large numbers pay more taxes than the law requires.

Perhaps the most important reason is that elderly taxpayers are all too often unaware of helpful and legitimate deductions, credits, and exemptions.

In addition, the tax return is like a jigsaw puzzle for many. And the end result is that the preparation of form 1040 is a night marish experience—especially for the untrained or unsuspecting.

Moreover, upon becoming 65 the aged taxpayer is frequently confronted with a new set of tax rules, usually far more complicated than during his working years. For example, he may have to compute the taxable gain on the sale of his personal residence. He may have to determine the taxable portion of his pension. Or, he may have to figure out his retirement income credit.

To help protect older Americans from overpaying their income taxes, the Committee on Aging has taken a number of steps. First, we have published a checklist of itemized deductions and other important tax relief measures for older Americans. This checklist—I want to emphasize—can also be helpful for younger taxpayers, since most of the deductions in the Internal Revenue Code apply with equal force to the young as well as the old.

Second, I have introduced an older Americans tax counseling assistance tax, which is designed to make tax counseling programs more readily available for the elderly. This bill has already attracted strong bipartisan support, and I am hopeful that the Senate will soon have an opportunity to act on this legislation.

My proposal, I am pleased to say, is also enthusiastically endorsed by Sylvia Porter, the nationally known columnist who writes on personal finances and other issues. In a recent article, she describes in a very thoughtful and compelling manner the reasons that this legislation should be enacted promptly.

Mr. President, I commend Sylvia Porter's article—entitled "Elderly Overpay Taxes"—to my colleagues, and ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Elderly Overpay Taxes

(By Sylvia Porter)

As many as half of the over-65 taxpayers in the United States are probably overpaying their income taxes. That would include at least 4.5 million—and the odds are that among these taxpayers is someone close to you.

The most troubled of these taxpayers is the elderly widow who typically has a low or moderate income and very little experience in paying taxes. For her, the tax law is a maze of bafflegab and the tax form's pitfalls are terrible.

In far too many cases, these individuals are unaware of legitimate deductions, credits and exemptions which can save them precious dollars.

In other cases, they are utterly baffled by Form 1080 with its accompanying schedules, supplementary statements, and required deductions. In still others, they are just overwhelmed by the task, don't know where to turn for help and therefore needlessly overpay their taxes.

What's more, the elderly often tend to lean over backward to be sure they meet their tax obligations and year after year, go on shouldering a disproportionate share of the tax burden.

It long has been acknowledged that no group in America has been more responsive to citizenship duties than persons past 65.

To help meet this problem, Sen. Frank Church, D-Idaho, chairman of the Senate Committee on Aging, has just published a "Checklist of Itemized Deductions" in large type to provide guidance on what form the elderly taxpayer should choose and what deductions are available but not well-known to them.

The checklist can be obtained by sending 35 cents to the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C., 20402 (Stock number 5270–02228). At the very least, this inexpensive document should be made available at all places where the elderly congregate.

In addition, Church—with 44 cosponsors, including both the majority and minority leaders of the Senate—has introduced the Older Americans Tax Counseling Assistance Act, to expand and improve the extraordinarily successful Tax-Aide for the elderly program, administered by the Institute of Lifetime Learning of the National Retired Teachers Assn.-American Assn. of Retired Persons.

Companion legislation in the House also has strong bipartisan support.

Last year, the IRS trained 2,500 elderly counselors as part of the volunteer income tax assistance program (VITA). This bill would broaden the training and technical assistance among the volunteer consultants—most of whom would be elderly persons themselves and who, as Church says, "not only have ability but time, the desire to use their time in good causes, and who are able to obtain the confidence of other older people."

The bill would permit the volunteers to be reimbursed for out-of-pocket expenses incurred in training or providing assistance under the VITA program.

Also, and most important, the bill would authorize the IRS to conduct a retirement income alert to help assure that all persons eligible for this provision take advantage of this tax relief measure—a particularly compelling need.

Leading organizations in the field of aging have estimated that perhaps half of all elderly persons eligible to use the retirement income credit to save money do not claim it on their tax return. This is a dreadful commentary on our tax laws and on the way we allow our elderly to be victimized.

With the sponsorship that this legislation has attracted in both Houses, it seems inconceivable that it won't become law—and the sooner the better.

Meanwhile, the more circulation that checklist gets, also the better. And the more the IRS steps up its efforts to bring the Tax-Aide for the elderly program to the attention of elderly taxpayers everywhere, the better. A genuine national commitment to this should be the minimum as April 15 nears.

BETTER CHILD HEALTH CARE THROUGH PEDIATRIC NURSE PRACTITIONERS

Mr. HUMPHREY. Mr. President, on March 4, I introduced the Child and Maternal Health Care Extension Act, S. 3106, a bill to amend the Social Security Act to provide for improvements in the program relating to diagnosis, screening, and referral of child health and maternal conditions, established by title V of such act.

There is an urgent need for the establishment of this nationwide program. There has been a substantial decrease over the past decade in the number of primary child health care providers, at the same time that our child population has increased by 6 percent. Moreover, these pediatricians and general practitioners are concentrated in metropolitan areas, leaving a great number of counties across America with only a few doctors, while scores of rural counties do not have a single resident physician.

According to statistics published by the American Medical Association, there are currently 133 counties, having a total population of nearly one-half million persons, which do not have a single active physician. More than 1,600 counties, with a total population of at least 23 million persons, do not have an active, resident pediatrician. These conditions capriciously deny children of all races, rich and poor alike, a basic equality of access to the elementary health care services available to children fortunate enough to reside elsewhere.

As I outlined in my earlier statement, one step in alleviating the shortage and maldistribution of primary child health care providers is to expand opportunities for education and service as pediatric nurse practitioners. The effective utilization of pediatric nurse practitioners is stressed in a recent article published in the Washington Post of March 24, 1974. This article, by Daniel Zwerdling, and entitled "Is There a Nurse Practitioner in the House?", notes that pediatric nurse practitioners, in several clinics across the United States, have assumed child health care responsibilities formerly performed by pediatricians. These pediatric nurse practitioners diagnose and treat upper respiratory ailments and diagnose any other illness the child may have and then, if necessary, refer the child to a pediatrician for further treatment. Some doctors, in fact, believe that a pediatric nurse practitioner will devote more effort than a physician to routine cases and provide better care. The article concludes by stressing that the use of pediatric nurse practitioners does "suggest a strategy which could help the medical industry go a long way toward improving the quality of health care and making it more efficient and more personal."

Although most pediatricians are willing to employ pediatric nurse practitioners, a recent survey by the American Academy of Pediatrics revealed that the major obstacle to the greater use of allied health workers in pediatric practice was the lack of such trained workers. To place more emphasis upon the obvious need to educate more pediatric nurse practitioners, section 4 of my bill would amend title V, section 511, of the Social Security Act to authorize the Secretary of Health, Education, and Welfare to make grants to institutions of higher learning specifically for the training of these specialized allied health workers.

In addition, my bill encourages the expanded use of pediatric nurse practitioners by adding a new part B to title V of the Social Security Act, under which the Secretary would make grants to States which submit approved plans for the establishment and operation of mobile health care facilities to diagnose child and maternal health problems. Under this section funds would be provided so that each mobile health care unit could employ at least one pediatric nurse practitioner in the diagnosis and treatment of child health care problems.

A further provision in S. 3106 would include medical care provided by a pediatric nurse practitioner as medical assistance qualifying for reimbursement under title XIX of the Social Security Act.

Mr. President, this article describes the exact type of care pediatric nurse practitioners are currently providing in certain areas of our Nation and which my bill would establish on a nationwide basis. I ask unanimous consent to have printed in the RECORD the text of the Washington Post article.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IS THERE A NURSE PRACTITIONER IN THE HOUSE?

(By Daniel Zwerdling)

CAMBRIDGE, MASS.—The examining and waiting rooms in the Putnam Avenue pediatric clinic have been busy all day. The patients include an 18-month-old baby getting a routine physical, three children with strep and three others with runny colds and sore throats.

But no doctors hold office hours in this clinic in the Martin Luther King Jr. grade school. For these patients, and indeed for one-third of all children in Cambridge, a visit to the family "doctor" usually means a visit to the neighborhood nurse—a specially trained pediatric "nurse practitioner."

The Cambridge program is part of a growing trend in American medicine: relying on non-physicians like nurse practitioners to provide primary health care—physical checkups, basic tests, inoculations, in some cases treatment with prescription drugs—and thus freeing scarce physicians to concentrate on patients with serious illnesses.

The practice stems from the assumption that a major share of many physicians' traditional work, once considered sacrosanct, doesn't require all those years of medical school and internship. One time-motion study published in the New England Journal of Medicine, for example, discovered that pediatricians typically devote half their time to examining essentially healthy children: weighing and measuring, evaluating physical and mental growth, giving routine checkups and treating common ailments. A fifth of the pediatrician's time with sick patients, the study also found, is consumed by minor upper respiratory infections like bronchitis and strep, which call for standard treatments.

"You don't have to go through four years of college and four years of medical school and three years of internship and residency to do that," says a pediatrician at Cambridge Hospital. "Any intelligent person with a high school education and some special training could do just as well." In fact, some doctors feel a nurse practitioner will devote more effort than a physician to routine cases and provide better care. "When we have to do all this routine work ourselves," the Cambridge pediatrician says, "we get sloppy with the patients and miss things just because we get so bored seeing so many of them."

CONTINUED RESISTANCE

Such sentiments, combined with the general drive to improve health care and fight crippling medical costs, are contributing to the rise of the non-physician healer.

Nurse practitioners function virtually as family doctors in rural Indian communities in New Mexico, in the small logging town of Darrington, Wash.—where the closest physician is 30 miles away—and among the 15,000 mostly impoverished people living in the hollows of Leslie County, Ky. They are also helping to improve health care systems in a number of urban areas. In Denver, where the University of Colorado founded the nation's first pediatric nurse practitioner program seven years ago, practitioners serve in 12 health stations, mostly in low-income housing. In Seattle, nurse practioners are giving primary medical care to elderly residents of low-income apartment complexes and to the poor in the inner city.

In a number of health maintenance organizations, or HMOs, such as Boston's Harvard Community Health Plan and another in Washington's George Washington University medical center, nurse practitioners team up with physicians and share much of their routine caseload. And in one of the most notable developments in HMOs, the Washington area's Group Health Association designed a new suburban clinic in Rockville, Md., around the nurse practitioner concept. General nurse practitioners there examine every patient first and provide most of the primary medical care. They call a pediatrician, gynecologist or internist near the end of each medical exam for consultation and specialty work.

The health care industry's response so far to the concept of relying more on non-physicians has been mixed. Many have been lending support, if only gradually. A special Health, Education and Welfare Department task force recommended in November, 1971, that nurse practitioners move into primary health care, and HEW has been funding nurse practitioner training programs at a number of universities. The American Medical Association has even cosponsored several conferences with the American Nurses' Association to promote the idea of the "health care team" of physicians, nurse practitioners and other health aides.

But resistance remains strong, and it will likely take many years before nurse practitioners and other non-physicians are allowed to assume any significant share of primary health care in America.

Dr. Sanford A. Marcus, president of the fledgling and conservative Union of American Physicians, wrote recently in American Medical News: "It is time to serve notice that the 'health care team' consists only of the physician and his patient. While others may serve as water boy or perform other support functions, it is high time that we disabuse them of the notion that they have any more than an advisory capacity in the determination of what our patients need."

PRESCRIBING DRUGS

The Cambridge pediatric program, however, makes clear that nurse practitioners can be anything but "water boys." Although three backup pediatricians examine children with serious or complicated illnesses and consult with patients periodically, the 12 nurse practitioners at the seven clinics in this six-year-old program provide virtually all primary medical care. "The nurses," says Dr. Philip Porter, director of the program, "give the children everything you'd get if you were going to a private pediatrician."

This is evident when watching Lil Chenell, one of three practitioners at a Cambridge clinic, taking care of a little boy whom she's tentatively diagnosed as having a strep infection. "He's been sick for four days now and the lab results won't come back for three," she says, "and I don't want to wait to treat." So, in one of the most significant developments in the Cambridge clinics and others, Mrs. Chenell decides to treat the child on her own—there's no doctor at the clinic—with a prescription dose of penicillin.

The nurses' power to diagnose and treat patients on their own, using prescription blanks signed in advance by a physician, suggests how much some doctors are delegating once sacred physicians' work. Every clinic that relies on nurse practitioners delegates power differently; in the Denver health stations and at Washington's Group Health Association, for example, the nurses must refer every sick patient to a doctor. This time, nurse practitioner Chenell has to check with a doctor by phone before giving the boy penicillin, because without the lab results she can't diagnose a strep for sure. But for the majority of sick children at the Cambridge clinics, the diagnosis and prescribed treatment seldom go beyond the nurse practitioner's door.

"DELICATE" AND "TOUCHY"

Some doctors have been letting nurses dispense pre-signed prescriptions for years, though patients have not been aware of this, and Washington State has a new law permitting nurses to prescribe certain drugs on their own. But today's open independence among many nurse practitioners is still quite new—and, doctors hasten to add, "delicate" and "touchy." Dr. Porter stresses that Cambridge practitioners may treat only minor upper respiratory infections and skin problems with prescription drugs, and then only according to a rigidly defined protocol.

When doctors sign their names to prescription blanks and hand them to the practitioner, they clearly are putting their medical careers on the line. "I'm willing to do that," says Dr. Rudolph Leibel, assistant director of pediatrics at Cambridge Hospital. "I know they'll do a good job. These nurses are absolutely as good as any pediatrician in terms of diagnosing respiratory tract and skin disorders; as good as any pediatrician in picking up orthopedic disorders. Some of the nurses in my clinic have picked up abnormalities that I'm sure I could not have picked up, simply because I was so bored seeing so many of them [patients]. One nurse picked up such a small deviation—so minor that even the orthopedic specialist had to look twice—and of course the nurse was right: The kid had early scoliosis, curvature of the back."

Nurse practitioners usually can't diagnose complicated disorders, of course, but, as Leibel says, "They aren't paid and trained to tell us *what* is wrong; they're trained and paid to tell us that *something* is wrong." That's when the physicians take over, and that's why the nurse practitioner system is helping make health care delivery more efficient.

A FRIEND, A COUNSELOR

The Cambridge system certainly wasn't so efficient when Dr. Porter became chief of pediatrics at Cambridge Hospital in 1965. He discovered, for example, that low-income families were bringing kids with bad colds and sore throats to the emergency room because they had no place else to go, a familiar pital, up to 35 per cent of emergency room (At Washington's George Washington Hospital, up to 35 per cent of emeregency room patients reportedly come for minor ailments.)

Cambridge families didn't lack adequate pediatric care because the city couldn't afford it. "There was plently of funding for health care in the public sector," Dr. Porter says, "but it was poorly allocated."

So the city centralized all child care programs under Dr. Porter's department, and Porter blueprinted health care suites into three schools under construction in low-income neighborhoods, dusted off an old nurse's suite gone to storage in a fourth, and rented a neighborhood apartment. But his most important decision was to base the clinics on nurse practitioners, not doctors.

The city, it was clear, would never come up with funds to pay the going doctors' rates, and it would never find good doctors willing to work fulltime for less. But beyond economic constrictions, Dr. Porter insists, nurse practitioners weren't a second-rate compromise.

"So much of the quality of pediatric care depends on the relationship between the patient and parents and physician," he says. "We needed a familiar face who knew the social and economic climate of the family, who had a strong relationship with the mother and father—someone who could visit the home, be a friend, a counselor, a supporter of the mother."

This crucial component of medicine is often neglected in modern health care. As Barbara Bates of the University of Rochester Medical School reports, studies have shown that physicians are usually more comfortable providing diagnoses and drugs than trust and understanding. But trust and understanding are much of what the traditional nurse's role has been about.

"THE OLD FAMILY DOCTOR"

"We function like the old family doctor who knew the whole family and its problems," says Peggy Barnes, a nurse practitioner at Cambridge's Putman Avenue clinic. The nurses say they visit the home of virtually every newborn baby of Cambridge residents and make home visits when serious problems arise. They get to know parents and brothers and sisters as they grow through the school system and learn from teachers about problems children may be having in school.

"The parents know us, they'll talk to us, bring out problems that perhaps they'd be reluctant to discuss with a doctor," says Mrs. Barnes. "You know that old mystique of 'Oh, the doctor is so busy I don't want to bother him with this little thing'? They're not afraid with us. They feel we have time to talk."

Cambridge nurses sometimes encourage a woman to vent her feelings about her husband, help another sort out ambivalent feelings about abortion, visit the homes and support parents whose babies succumbed to sudden infant death.

"We have five families who come to this clinic who we're really close to," says nurse practitioner Nancy Compton," and we help them cope. One woman's mother is dying of cancer. She comes in and we talk about it, how she feels, her thoughts. Nothing dramatic like you see on TV. It's just support."

Today, six years since the first clinic opened, the Cambridge system handles at least 25,000 patient visits a year. More than 6,000 children—mostly from low-income families but others from graduate students' and professors' families, too—use the nurse practioners as they would a family doctor. The city pays the 12 nurse practitioners, RNs who are graduated from a special four-month course at Northeastern University, out of the same budget with which it paid 12 old-style school nurses who retired. It's a model of comprehensive health care provided free to the public, at no extra cost to the city.

Clinics in Boston, or Cambridge, or Washington, or Denver or Seattle haven't found a panacea for health care delivery problems. But they do suggest a strategy which could help the medical industry go a long way toward improving the quality of health care and making it more efficient and more personal.

"There's no reason in the world," Dr. Porter says, "why every city in the country couldn't do what we're doing here."

FRANCE

Mr. HARTKE. Mr. President, I received a letter from His Excellency, the Ambassador of France, Jacques Kosciusko-Morizet, concerning rumors circulating around "distorting France's image."

Enclosed with the letter was a copy of the letter of the Ambassador sent to the Editor of the Washington Post. I would like to bring both letters to the attention of my colleagues, and ask unanimous consent that they be printed in the Record.

There being no objection, the letters were ordered to be printed in the Record, as follows:

Ambassador de France,
aux Etats-Unis,
Washington, March 26, 1974.

Hon. Vance Hartke

Dear Mr. Senator: I am sending you herewith the text of the letter which I wrote to the editor of the Washington Post and which was published in the editorial section of this morning's issue.

Totally unfounded rumors have been spread in the press and on radio and television, seriously distorting France's image and tending to undermine our longstanding friendship.

Some of these rumors unfortunately originated in official circles. I have made a formal protest about this to the State Department.

We have important problems to resolve. You will surely agree with me that it is high time to broach them in the spirit of frankness, honesty and goodwill which, despite passing disagreements, befits the relationship between old friends and allies.

Sincerely yours,
Jacques Kosciusko-Morizet.

Ambassade de France,
Service de Presse et d'Information,
New York, N.Y.

Formal Protest by the French Ambassador

FRANCE HAS NEVER ADVISED ARAB COUNTRIES NOT TO LIFT THE OIL EMBARGO

Text of a letter addressed by H. E. Jacques Kosciusko-Morizet to the Washington Post March 24, 1974.

Dear Sir: It was with surprise and, indeed, indignation that I read the caption under Mr. Jobert's photo published in the issue of Saturday, March 23, of the Washington Post. Moreover, the article entitled "Mr Nixon's Challenge to Europe" questions the French policy in terms which are regrettable, and it contains appraisals which call for an answer.

Actually, some of the accusations are so outlandish that they would be laughable if it were not such a serious matter for all of us.

(1) The French Foreign Minister never advised the Syrian government, or any other Arab country, "Don't lift the oil boycott." This is pure fabrication and at the very limits of slander. If you discover any statement or declaration by the French government implying a hostile policy on the part of France vis-a-vis the United States in the Middle East, please let me know.

Furthermore, why would Mr. Jobert have advised precisely Syria about lifting the oil embargo? Syria is one of the few countries in the Middle East that has no oil.

We were never in favor of any embargo, for it is not in the interest of France or anyone else, it makes the prices of crude oil rise by creating a shortage on the international market, and we are far more affected by the increase in prices than the United States. Remember that France is dependent on Middle East oil for almost 80% of its needs. Moreover, an embargo sets a very dangerous example for everybody.

What some people seem to consider an intolerable criticism of American policy in the Middle East is no more than the expression of a French policy which has constantly affirmed its goal for the past seven years, and many in your country have now recognized that this policy is well founded.

(2) Far from being opposed in whatever manner to the efforts currently being made to restore peace in the Middle East, it is the French government that in recent years has continually drawn the attention of governments and of world public opinion to the major threat to peace caused by the maintenance of the situation that has existed in the Middle East since the 1967 war. On many occasions, the French government had expressed its preoccupations to all the governments concerned and had seized the highest international organizations of this problem, well before it was at the crux of the American government's preoccupations. It was not because of us that the American government deliberately kept France, and the Europe of which it is a part, outside the current attempts to reach a settlement. There is here a regrettable "splitism" affecting the efforts that could have been made jointly by all those who were directly involved in the restoration of peace.

(3) It is absurd to imagine that the Euro-Arab project of cooperation and the conference proposed by the Nine for next fall could jeopardize the present American efforts. In fact, European influence in the Middle East is in the very interest of the Western world, of the United States and of peace in general. The cooperation of the Nine—as a community—will be a factor of balance and stability in the area: this is in the interest both of the Arabs and of the Israelis.

President Nixon himself said, "It is in the interest of Israel itself that the United States be the friend of Israel's neighbors." Why could what is true for the United States not be true for the Europeans?

(4) I believe in fact that the present difficulties stem not from the different ways of evaluating the need to restore peace in the Middle East, but quite obviously from the United States of the nature of the relations that should exist between the United States and Europe while Europe is being organized, albeit as American diplomacy had long hoped it would be. The public statements made in recent weeks on this subject of capital importance, both by Washington and by the Nine, leave no doubt about this, and as a European, I cannot help deploring the efforts at division, which are becoming apparent, aimed at keeping, in one way or another, a European determination from taking shape that would however be a very important factor of stability in the difficulties of international relations we are experiencing today.

Let me tell you in conclusion that the comparison between the recent toughness of the American authorities towards France and the bombing of Hanoi just before the 1972 summit meeting is not only shocking for the oldest friend and ally of the American people, but is the expression of a psychological escalation as regrettable as it is incomprehensible.

We have important problems to solve. It requires above all fairness, self-restraint and an objective assessment of the true facts.

Sincerely,
Jacques Kosciusko-Morizet,
French Ambassador to the United States.

CYRUS EATON ON CUBA

Mr. CRANSTON. Mr. President, the remarkable Cyrus Eaton has returned from another visit to Cuba, bringing with him another interesting series of perspectives. Specifically, he believes that the time has come to end the U.S. boycott and to change American policy toward Cuba. He reports that the Government of Cuba is prepared to act "at once" if we take the first step.

Mr. Eaton's uncle, the late Charles A. Eaton, was one of the five Americans who took part in the founding of the United Nations at the San Francisco Conference of 1945. Perhaps this background helps to explain Mr. Eaton's extraordinary devotion to peace in general and to the United Nations in particular. He writes:

I think the Cuban problem, from the beginning, should have been referred to the world body. Our Government should make more use of the United Nations in all international questions.

Mr. President, I ask unanimous consent that the article in the Los Angeles Times in which Mr. Eaton's remarks appeared be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SAYS CASTRO IS READY TO MEET: CYRUS EATON CALLS ON UNITED STATES TO END ITS BOYCOTT OF CUBA

(By Cyrus Eaton)

Starting 150 years ago, my ancestors in Nova Scotia were engaged in the shipping industry between Halifax and Havana. Personally, I had substantial investments in Cuba before the revolution, and have been going there for more than 50 years.

I have just returned from another visit to Cuba. Prime Minister Fidel Castro and I have met on a number of occasions, and during this most recent trip to Havana I found him in excellent spirits, confident of his own and his country's future and considerably encouraged by the additional extension of credit arranged by Soviet Communist Party chief Leonid I. Brezhnev on Brezhnev's visit to Cuba a few days prior to mine.

In addition to meeting with Prime Minister Castro, I also had important discussions with Dr. Carlos Rafael Rodriguez, vice prime minister and minister of foreign affairs, with President Osvaldo Dorticos and with Jose Fernandez, minister of education. Ramon Castro, the prime minister's brother, spent a day with me inspecting various agricultural facilities in the Cuban countryside about 75 miles from Havana. Every detail of my visit was handled efficiently by competent and well-trained individuals—despite my being an American.

Over the years, the U.S. government has not been sympathetic to the revolutionary government and has believed all along that it could overthrow Castro and bring Cuba to its knees through economic pressure. This not only closed American markets to Cuba, but also halted the flow of American products into Cuba. The embargo meant, among other hardships, the virtual overnight cutoff of Cuba's entire supply of fuel, including coal and oil from the United States.

As a result of the embargo, Cuba has had support from the entire Communist world, with a continuing supply of necessary goods and products. Cuba's allies have also lent her vast amounts of money at low interest rates.

Cuba has been fortunate to develop a worldwide market for all the products of her land. The world demand for sugar has driven the price from 1½ cents per pound at the time of the embargo up to current price of about 20 cents.

In my talks with Cuba's leaders, I learned some of their plans for the future.

There is an immediate program to expand and develop its electric power generating facilities by 50%. They want to increase their nickel production and bring about the mechanization of sugar-cane harvesting to expand their sugar refining industry, to increase their port facilities and to reconstruct and modernize their railroads (Seventy diesel locomotives have just been purchased from the Soviet Union.)

Plans are also under way to construct more roads and improve telephone and radio communications. Educational facilities from the elementary level to the university, are being expanded greatly, and low-cost housing is being constructed on a mammoth scale. The Cubans plan, in addition, to construct more airfields and to improve computer technology.

In agriculture, Cuba has made great strides and has wisely improved the quality and quantity of both dairy and beef herds of cattle, through the importation of foundation stock from Canada and Europe.

The boycott—quite clearly—is not working, and the United States should put an immediate end to it. Our government should allow American companies to supply the raw materials and technology now being obtained from the Soviet Union, China, Germany, England and Canada.

In addition to this economic step, the United States should change its political approach to Cuba.

My uncle, the late congressman Charles A. Eaton (R-N.J.), was one of the five Americans who participated in the conference which set up the United Nations in 1945. I think the Cuban problem, from the beginning, should have been referred to the world body. Our government should make more use of the United Nations in all international questions.

The embargo could be terminated swiftly, handled directly either by President Nixon or Secretary of State Henry A. Kissinger. A couple of days spent by the President or Kissinger with Fidel Castro at some neutral spot such as Nassau or Jamaica should produce an immediate and satisfactory solution and lay the groundwork for friendship and understanding with the little nation whose progress, since its discovery by Columbus in 1492, has been affected by outside countries, including Spain, England, France and the United States.

As far as the government of Cuba is concerned, it appears prepared to act at once. The ball is now in our court.

DID CONSUMER ADVOCATES TALK THE PRICE OF FOOD UP?

Mr. BARTLETT. Mr. President, I ask unanimous consent that the article "Did Consumer Advocates Talk the Price of Food Up?" by J. Ross Nichols of Grove, Okla., be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DID CONSUMER ADVOCATES TALK THE PRICE OF FOOD UP?

"Imagine that you own a farm . . . You have room to keep between 10 and 100 sows this winter. You hear that consumers plan to boycott meat, and that there may be price freezes or rollbacks. You decide to keep 10 sows—not 100."

America is faced with food shortages. And strangely enough, those who have expressed the greatest concern over rising food prices have been those most responsible for the shortages and the even greater price increases that followed.

Let me try to explain what I mean.

Trying to solve food shortaegs with a food-price freeze is like trying to solve a teacher shortage by placing a ceiling on teachers' salaries. Instead of easing the shortage, you would create additional shortages. Problems of shortages are solved by programs that encourage production, not by those that discourage it.

Unfortunately, many politicians in both the Congress and the Administration took the easy way out. They yielded to pressure from would-be consumer advocates by supporting programs that appeared to help the consumer. But, in fact, those programs did just the opposite. Congressmen who opposed the price freeze were labeled unsympathetic to the consumer. The fact is, they were the ones who were being honest with the consumers.

Last February, food prices responded to increased food demand; they began to move upward. Farmers, anticipating better pork, poultry, beef and grain prices, were increasing their breeding herds, buying better machinery and preparing to produce a record volume of food.

Then, In April, along came the boycotts and threatened freezes or price rollbacks. While these moves were well-intended, they accomplished only one thing. Farmers who were increasing their breeding herd in February—in anticipation of better prices—started decreasing them in April.

So, the louder the cries for boycotts and freezes, the more the farmers reduced their breeding-herd numbers. They weren't reducing the herd numbers or drowning baby chicks to hurt the consumer. Like everyone else, they are in business to make a profit. Their income is substantially below that of non-farmers. They did these things only to lessen the losses they anticipated if boycotts or freezes took place.

On March 29, 1973, President Nixon announced a food-price freeze. But in fairness to my Republican friends, I must admit many Democratic members of Congress favored price rollbacks—which would have been even worse.

The freeze meant farmers were caught in a squeeze between the freeze and increasing costs of production. Instead of being encouraged to increase their production, they were discouraged. Tens of thousands of farmers across the country took this occasion to cull their herds of all but their very best breeding animals. Many farmers decided to quit altogether.

Pork and poultry prices were the first to go up because of all the pregnant sows that went to market and all the eggs that weren't hatched. Then came pork and poultry shortages, so that the prices for these items skyrocketed when the freeze was lifted. Consumers shifted to beef, thus creating a similar situation in beef.

Imagine that you own a farm. Farm debt has increased 400 percent since 1960, so the chances are you own it with the bank. You have room on your farm to keep between 10 and 100 sows this winter. You hear that consumers plan to boycott meat, and that there may be price freezes or rollbacks. You decide to keep 10 sows—not 100.

The 90 sows you didn't keep could have produced 10 pigs each—every six months. The 900 pigs you didn't produce because of the 90 sows you didn't keep represent 180,000 pounds (200 pounds per market hog) of pork the consumer will never see. Multiply this times thousands of hog farmers and you begin to see why pork production went down. Consumers bid against each other for a limited amount of pork—and they simply bid up the price.

So consumers in effect talked the farmers into raising less food and then bid up the price of that food. If they had a better understanding of what encourages farmers to produce, there would have been no food crisis in America last year. And by now, food production would have begun responding to higher prices, and food supplies would have been more in line with demand.

The price freeze hurt everyone. It hurt the consumer by raising food costs. It hurt the producer by denying him profits from higher production—and in many cases, by forcing him to take losses. It hurt the economy by reducing the production of goods we needed to help offset our balance-of-trade deficit.

There were other things that brought on the price increases:

Social Security and Medicare were increased by $10 billion annually in September, 1972. Much of this increase was spent by retired people on food, making food demand greater.

The food-stamp program was increased 17% last year. All of this went for food, also increasing demand.

Russia and China changed their food and trade policies with the U.S., and experienced a bad crop year, decreasing supply.

The standard of living went up around the world, increasing demand.

We, too, had unfavorable weather, also decreasing supply.

We devalued the dollar twice in 14 months, making American-produced food a much better bargain abroad; foreign buyers bought more.

We experienced a period of high inflation.

Since increases in food prices are not offset by corresponding decreases in purchases, we have food shortages and fast-rising prices. But the truth is, food prices have not increased nearly as much as the price of other goods or wages in the past 20 years. If food prices had gone up as much as wages during that time, round steak that sold at $1.75 per pound in April would have sold at $2.67, eggs would have increased from 68c a dozen to $1.61, and a frying chicken from 89c to $1.46 a pound. The retail price of food from 1952 to 1972 went up 38 percent—wages went up 140 percent.

Americans spend less than 16 percent of their average after-tax income on food. In England, the same figure is 25 percent; in Japan it is 35 percent; in Russia it is 58 percent; and in Asia it is 80 percent. But the farmer who supplies all this food is himself not well paid. Once you gave him a seven percent return on his assets (he can get this by selling out and drawing interest); he received 74 cents and 81 cents an hour for his labor in 1971 and 1972. But his costs are going up too, and he can't be expected to continue at those wages.

Now many voices are joined in asking the government to shut off exports of grain and other farm products. Is their advice sound advice? Again, imagine you are a farmer. Grain prices have gone up sharply in the past few months. Because of this you are considering making long-range investments in machinery and land improvements. Now you hear that the government is considering stopping the export of American grains. What do you do?

Chances are you won't make the big investments, and the consumer, eventually, will be hit by shortages and higher prices.

How can it be said that food is too high in America if it is the one thing we produce cheaply enough to sell on the world market at a surplus? What else do we have to sell to stabilize the American dollar, balance our trade deficit and make it possible for us to import energy-producing products that keep the country running?

VIETNAM VETERANS' DAY

Mr. EAGLETON. Mr. President, today by resolution of the Congress and proclamation by the President is Vietnam Veterans' Day.

We have set aside this day to honor the 6½ million veterans of the Vietnam era and, in particular, the 2½ million brave men who served in Vietnam.

A year ago today, the last combat troops left Vietnam, bringing to an end that phase of the longest and least popular war in our history.

Largely as a result of the nature of that conflict—and with the exception of the POW's—the veterans of Vietnam did not come home to the warm welcome and gratitude that greeted returning veterans of earlier wars.

These men came home quietly, virtually unnoticed except by family and friends.

They came home to the indifference and sometimes even the hostility of their fellow citizens.

They came home to unemployment lines and inadequate educational assistance.

More than 340,000 came home disabled only to hear proposals from the highest levels of their Government that compensation payments be slashed.

They came home to a Veterans' Administration that often seemed to be insensitive to their needs. Who can forget the man with no face who was able to receive VA assistance only through the personal intervention of the President of the United States.

Mr. President, the debate over our policy in Vietnam will continue for decades to come. But this debate should be immaterial where the brave veterans of that war are concerned.

They answered the call to serve their country. They faced the same dangers and made the same sacrifices as veterans of previous wars. They deserve the same gratitude and all the assistance we can give them in their readjustment to civilian life.

So it is fitting that we pause today to pay tribute to the veterans of Vietnam. But we can honor them more fully by determining to do what is necessary next week and next month and next year to see to it that these men who served their country will now receive in return the educational assistance, job opportunities, and medical care they need and deserve.

THE FBI OVERSIGHT SUBCOMMITTEE BEGINS ITS WORK

Mr. HRUSKA. Mr. President, last year the Senate established a special subcommittee of the Judiciary Committee. The Federal Bureau of Investigation Oversight Subcommittee has recently begun its work on bills that would provide tenure for FBI Directors.

As the ranking Republican member of this subcommittee, I should like to call to the attention of my colleagues an interview that appeared in the Omaha World Herald. Mr. Darwin Olofson, chief of the Washington bureau of the World Herald, interviewed the current Director of the FBI, Clarence Kelley. Director Kelley gave his views on the work of the subcommittee as well as other matters crucial to the work of the FBI.

I am sure my colleagues will appreciate reading what Director Kelley has to say. I, therefore, ask unanimous consent to have the World Herald article printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FBI CHIEF: NO TOPICS OFF LIMITS

(By Darwin Olofson)

Federal Bureau of Investigation Director Clarence Kelley says he knows of no aspect of FBI operations that he would be unwilling to discuss with a new Senate subcommittee created to ride herd on his bureau.

"I construe this as a forum for practically limitless areas of discussion," he said in an interview.

He said he had no fear of information "leaks" from the nine-member subcommittee, on which Nebraska Sen. Roman Hruska is the ranking Republican.

Kelley also said he did not think there was any danger that the subcommittee, or its members, would try to exert "political influence" on the FBI.

"It's up to us, if anything does come up, to control it so it doesn't become a threat," he added.

MONDAY MEETING

The subcommittee, established last year, is scheduled to hold its first meeting Monday and will consider bills providing tenure for FBI directors.

Until now, the FBI never has been under the jurisdiction of a congressional "oversight" panel.

Kelley agreed to an interview with the understanding it would deal primarily with his views on the subcommittee and related issues.

On other matters, however, he had these comments:

He favors the death penalty for certain crimes, but not because he subscribes "to the idea of an eye for an eye or a tooth for a tooth."

It is an effective crime deterrent, in his view, and no one has yet come up with anything as effective.

DIFFICULT KIDNAPINGS

The kidnaping of Patricia Hearst in California involves a "difficult situation" of an unusual nature because, to his recollection, "it is the first political kidnaping" in this country.

Asked whether the FBI was exercising more than customary restraint in the Hearst case, Kelley said no new policy was being followed.

"We've always said we followed the idea that the safety of the victim is paramount," he said.

The FBI traditionally has not tried to rescue persons while they were in the hands of their abductors, he added.

With respect to the Senate oversight committee, Kelley said he had talked to officials of the Central Intelligence Agency, which for many years has had to answer to the special congressional committee.

He said the CIA has found the arrangement "very helpful."

Kelley, 61, said he did not care whether he had tenure or not, that he was satisfied to serve at the pleasure of the president.

But the appointment of FBI directors for a period of, say, nine years would be a good idea, he said, because it would assure continuity and free them from "political hassling."

He opposed proposals that the FBI be made an independent agency.

"My feeling . . . is that the FBI can work very comfortably under the Department of Justice as a bureau," he said.

He also disagreed with those who have proposed that the FBI be restricted to the anti-crime field and be stripped of its national security responsibilities.

"COMPLEMENTARY FIELDS"

The two investigative fields, Kelley said, "are mutually complementary."

The confidentiality of FBI records is one matter he is likely to discuss with the Senate subcommittee, he indicated.

The records presently are protected by a Justice Department order, rather than by statute.

Earlier in the week, Hruska told The World-Herald he felt the subcommittee should be a "consultative group" and should "not try to operate the FBI."

He said he was opposed to taking national security investigations away from the FBI.

LUKEWARM

Hruska was lukewarm on the idea of tenure for the FBI director, but said he would support tenure legislation.

But he stressed his belief that, regardless of any tenure law, the FBI director should be subject to dismissal by the president, who is in charge of the Executive Branch.

"I do not believe in complete independence," he said.

"There should be political accountability of every agency of government," he added.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, I am speaking again today to urge Senators to give their advice and consent to the United Nations Convention on Genocide. The Convention defines the crime of genocide and provides for its punishment as an international offense.

Now there are those in the Chamber who criticize the treaty because it includes in its definition of punishable offenses the inciting of others to commit genocide. Mr. President, I urge those who take this as a direct violation of our first amendment right to free speech, to consider the reasoning behind this provision. Genocide in its most fundamental terms is murder. It is the clear decision of the courts in this land that to incite murder is against the law. It follows, therefore, that inciting genocide should also be illegal since genocide is murder.

I have examined the treaty several times, Mr. President, and I have not been able to find one single clause that in any way opposes our Nation's Constitution.

After decades of waiting, the treaty has finally been reported to the full Senate. It was reported favorably, I might add. We have failed once already this decade to ratify the treaty. We must not delay any more.

THE WHEAT DEBATE

Mr. HUMPHREY. Mr. President, the March 4 issue of the Minneapolis Tribune included a very thoughtful editorial on this spring's great wheat debate.

The point that the Tribune makes is that the U.S. Department of Agriculture has been irresponsible in allowing wheat reserves to dip to the lowest point in over two decades. A further indication of our plight is the fact that the USDA has been led to claim that some of the wheat, listed for export in its own reports, will likely remain in the United States.

In plain words, this means that we may be able to count on having the 178 million bushels as a carryover rather than having at least some of it sold out from under us. I do not find this very reassuring at all.

I am a firm believer in developing and maintaining our export markets, but at the same time that we provide for the needs of our own people.

I am in full agreement with the comment in this editorial that:

> Recent experience combined with the uncertainty of current estimates should inspire caution rather than confidence. In such a key commodity as wheat, a policy of no government-sponsored reserves seems to us unwise at best.

Mr. President, I commend this editorial to the attention of this body, and I ask unanimous consent that it be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

The Wheat Debate

All is well in wheat, says the Department of Agriculture. Hubert Humphrey, probably the best-informed senator on such matters, accuses Agriculture Secretary Butz of complacency and worse. Because both Humphrey and Butz are talking about production, demand and prices in the coming months, neither can be proved right except in retrospect. But there is enough information at hand to suggest that Humphrey is nearer the mark than Butz. In this instance the senator takes a conservative view, arguing that it is better to err by being cautious. We agree.

The focus of the debate is the carryover, the amount of wheat on hand at the end of the marketing year on June 30. Humphrey says the carryover will be lower than the official estimate of 178 million bushels, but even that amount is the lowest in two decades. The Agriculture Department's chief economist describes the situation as tight but not disastrous. Butz and his colleagues say not to worry, because more than 200 million bushels will be on the way by then from South and Southwest spring harvest. Also, there's a possibility that some of the wheat now marked for export was bought in panic and may be resold in the United States. That would increase the domestic carryover.

These assumptions are not entirely reassuring. Although the United States is no longer a source of nearly unlimited food reserves for the world, it remains by far the most important producer for export. The predicted wheat carryover of 178 million bushels compares with nearly double that figure in 1973. It was typically a billion bushels in the 1960s. The world carryover, in all grains—which means, essentially, the United States—is only enough to meet a few weeks' needs. Severe weather in any major growing area, such as India, could deplete reserves quickly.

Similarly, adverse spring weather in the early harvest areas of the United States could cut back the expected inflow of 200 million and more bushels of wheat. In any case, the attempt to minimize the seriousness of the low carryover by pointing to new crops coming in strikes us as dubious. The carryover at the end of June is less significant as a raw figure than as a comparison with the situation on the same date in past years and with wheat stocks elsewhere.

And it may turn out to be true that not as much will be exported as is currently scheduled. But to base agricultural policy on that kind of guess would hardly be prudent.

Still, one asks what room for policy differences there can be be when emphasis is on production, and most cultivatable land is in use. The difference is this: Humphrey believes in the need for building up world food reserves with America necessarily in the lead. That is a view shared by the head of the U.N. Food and Agriculture Organization and by Secretary of State Kissinger. A Cargill executive last month spoke of the need to "develop a conscious reserve program to provide adequate carryovers . . . in time of short supply."

Butz, despite underestimating grain demand the past two years, sees no such needs. He thinks carryovers are adequate. Recent experience combined with the uncertainty of current estimates should inspire caution rather than confidence. In such a key commodity as wheat, a policy of no govenment-sponsored reserves seems to us unwise at best.

SENATOR WILLIAMS URGES EQUAL RIGHTS FOR VIETNAM VETERANS

Mr. WILLIAMS. Mr. President, it has been more than a year since the last of our prisoners of war have returned home from Vietnam. It is especially appropriate that today on the 1-year anniversary of the complete return of our combat personnel from that war, we officially observe "Vietnam Veterans Day." I believe that this observance is a fitting tribute to so many citizens who sacrificed so much.

The controversy surrounding our involvement in that war will be with us for a long time to come. But that controversy can in no way detract from our duty to aid the veterans of Vietnam. We must not turn our backs on the men and women who have served their country and served it well. It is paramount that we remind ourselves of their efforts and that we fufill our obligations to them as we have historically done for our veterans of other wars.

In fact, because that war was not a popular one, our Vietnam veterans face problems which may be greater than for those of other wars. It is a primary national duty to do all that we can to help solve those problems.

On March 24, the nationally syndicated Sunday supplement, Parade magazine, caried an excellent, but nevertheless distressing, article entitled "Vietnam Veterans: They Need Help—Now." The article discusses in detail the various hardships of William Taliaferro of Elizabeth, N.J., a disabled combat veteran and former POW. These hardships are very real and are, unfortunately, too typical for so many of our veterans who have served so unselfishly.

The article also discusses legislation which I have joined in sponsoring, S. 2789, the Vietnam Era Veterans Educational Benefits Act. This is only one of many proposals presently before Congress designed to provide adequate and extended benefits to our veterans and is a significant step in bettering their situations. I am hopeful that the Senate will favorably consider this proposal as well as other appropriate veterans' legislation.

At this time, on the occasion of "Vietnam Veterans Day," I ask unanimous consent to have the article, "Vietnam Veterans: They Need Help—Now," printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Vietnam Veterans: They Need Help—Now

(By Jonathan Braun)

For seven days in 1968 William Taliaferro was a prisoner of war. Today, more than five years after that nightmarish ordeal, he is once again a prisoner—of peace.

He is one of thousands who have been locked into lives of hardship, disappointment and despair after serving in Vietnam.

"Everyone's glad the war is over," says Taliaferro, a 24-year-old ex-Marine corporal, "but no one gives a damn about the veterans who are still fighting to survive."

Now they fight on welfare and unemployment lines, in government hospitals and psychiatric wards—these Americans who faced death in the jungles and rice paddies of Indochina. Some fight for jobs, decent housing, education and training, others just to be accepted as good citizens, and still others to be free of terrifying memories and the chains of drug addiction. Says one vet: "We're up against a whole system."

It's a system of arbitrary justice, insensitive bureaucracy and endless red tape, and for those who see themselves as its victims, feelings of bitterness and betrayal can be doubly intense. "Many of us volunteered to go to Vietnam," says Taliaferro. "Now we can't help but wonder if we should have gone to Canada instead."

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Because he refused to reveal his "call signs" and "thrush points"—radio codes used to direct air and artillery strikes and coordinate troop movements—his captors cut off the middle finger of his left hand.

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INADEQUATE GI BILL

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"The Vietnam vet has been shortchanged," says Jim Mayer, president of the National Association of Concerned Veterans. "All you have to do is look at the benefits his father received after World War II."

World War II vets received sufficient education allowances—up to $500 a year for books, tuition and fees—plus $75 a month for subsistence. Vietnam vets, on the other hand, get $220 a month—or $1980 per school year—to cover everything, obviously far from the amount needed in these inflationary times.

A CHANCE FOR ALL VETS

Recognizing the need to achieve some kind of father-and-son parity, over a third of the Senate—including Minority Leader Hugh Scott (R., Pa.) and Majority Leader Mike Mansfield (D., Mont.) has co-sponsored the comprehensive Vietnam Era Veterans Educational Benefits Act (S. 2789), a five-bill education and job training package that would provide vets with annual tuition subsidies of up to $600. The act also carries an accelerated payments provision that would provide vets with annual tuition subsidies of up to $600. The act also carries an accelerated payments provision that would provide greater monthly subsistence payments spread over a shorter period. Thus, a vet who is now restricted to $220 a month for 36 months could receive $440 a month for 18 months.

"Acceleration would enable vets to attend law, medical and graduate schools," says Rusty Lindley, an ex-Special Forces Captain who runs the Vietnam Veterans Center in Washington, D.C. "More importantly, it would allow educationally disadvantaged vets—who are either unprepared or unable to complete four-year college programs—to enter productive careers through two-year technical and vocational programs.

"The comprehensive act is really the only chance we have to get an equal opportunity to all Vietnam era veterans."

Although roughly 2½ million men actually served in Vietnam, there are over 3 million veterans of the entire Southeast Asian theater. A total of nearly 7 million men are veterans of what is known as the Vietnam era—including more than 340,000 who are disabled.

"I'm just happy to be alive," says Tom Bratten of Silver Spring, Md., who lost his left leg and right arm when he stepped on a land mine, and spent 3½ years in Walter Reed Hospital. "Because I was an officer I was well taken care of. It's the enlisted men who need more attention."

"I'd have to agree," said a Veterans Administration spokesman, "that officers usually do a little better while they're in the military—but that's not true in VA hospitals."

The Veterans Administration, however, has been the target of criticism. Delays in sending out checks are common, and some vets angrily say they've had to wait for six months or more. A special Ralph Nader report has accused the federal agency of operating with a fundamental orientation toward older vets. Written by a Harvard University graduate student, the report concludes that "many of the basic services the nation has committed itself, at least rhetorically, to providing Vietnam vets, are simply not reaching them."

Some critics have even questioned whether the present bureaucratic setup is capable of meeting the needs of Vietnam vets. Rep. Mario Biaggi (D., N.Y.), for example, has proposed the creation of a new office of assistant administrator for Vietnam veterans affairs. According to Biaggi, "The assistant administrator would serve as an ombudsman where Vietnam veterans could go and know they'd receive help."

UNEMPLOYMENT AND WELFARE

But all this is only part of the story. "Hard-core unemployment is the most acute of all the problems facing today's vet," says Carl McCarden, Commissioner of New York City's Mayor's Office for Veteran Action.

Nearly 10 percent of vets in the labor force are unemployed, and in the low-income areas of the country—rural and urban—more than 20 percent.

On certain days set aside each month, increasing numbers of Vietnam vets join special early morning lineups to get on the nation's welfare rolls. Most come from the poorest levels of society; few acquired any useful skills while serving in the military.

Even for skilled vets, however, landing a job can be a futile task—mainly because vets, like other minorities, are victims of prejudice and stereotyping. "I looked for work with about 15 different concerns," reports one vet, "and every one of them asked if I had taken part in an atrocity."

Uneasiness and discomfort felt by civilians in the presence of the men they have sent to war is nothing new; but never before, it seems, have so many Americans been so scared and so suspicious of their vets. Says Bill Taliaferro: "I get the feeling people are afraid a vet might do something wrong or crazy at any moment."

TIME-BOMB IMAGE

The time-bomb image of the Vietnam vet has been reinforced by the unpopularity and controversial nature of the war in which he fought—"a war with no friends and no fronts," as one vet put it.

"In Vietnam," says Yale psychiatry professor Robert Jay Lifton, "where atrocity and combat were almost indistinguishable, the GI was made into both victim and executioner. . . . Whatever his struggles upon his return, many Americans continue to see him in terms of those roles . . . rather than as the lovable GI who came back from the wars."

'When I came home a lot of people criticized me for going to Vietnam," says Tom Aiken of New York, who is now blind in one eye because of wounds suffered during an artillery blast. "They told me they thought the war wasn't just."

"I had the feeling that nobody knew or cared why I was over there—that it was all a big waste of time," says Terry Campbell, coordinator of veterans affairs for Southern Illinois University at Edwardsville, Ill. "The whole attitude of the country is really the biggest problem vets have."

COMING TO TERMS

"The country simply hasn't come to terms with Vietnam," adds Max Cleland, who lost both his legs and an arm in a grenade explosion and is now the only Vietnam vet in the Georgia State Senate. "How then can it come to terms with its veterans?"

And Joe Garcia, an Air Force vet who is now administrative assistant to the City Manager of San Jose, Calif., asks: "How do you get a nation to accept people they hold responsible—or at least partially—for a war that no one wants to remember?"

Even the veterans organizations, which lobbied successfully for the rights of World War II vets, seem to have difficulty accepting the boys from Vietnam. In a study commissioned by the VA, the prestigious Educational Testing Service concludes that both the American Legion and the Veterans of Foreign Wars have not demonstrated enough concern over the plight of today's vets.

"I'd go to one of the veterans organizations," says Taliaferro, "and all I'd get would be talk about the big war, the great war, World War II. Nobody even wanted to hear about Vietnam—after all, we didn't win that war."

Public rejection combined with the haunting, personal memories of combat have led to the problem of "Post Vietnam Syndrome." It's a loose term, coined by psychologists to cover the feelings of rage, persecution, alienation and apathy shared by many vets.

"I felt people wanted to sweep us under the rug when I got back," says former combat medic Jack McCloskey of San Francisco. "Especially in college—a lot of my classmates hadn't been in the service, didn't know what it was like and didn't care."

SHAME AND GUILT

Dr. Chaim F. Shatan of New York University emphasizes the guilt that plagues many vets. "The shame and guilt of being alive," he writes, "how few of us know what that *feels* like, how it makes a man feel less than whole unless he can feel an identity with the dead."

A confidential memo from the VA's department of medicine and surgery estimates that "serious and prolonged readjustment problems exist in one out of evey five new veterans, but, to a lesser degree, were experienced by all."

"A friend of mine hasn't been out of his house in two years," says one vet. "He just can't seem to move—not even to the corner."

But perhaps the darkest cloud hanging over the Vietnam vet is the drug problem, since a great many Americans wrongly assume that all vets have abused drugs. "Some of my oldest friends accused me of being a dope addict when I came home," says Randy Taylor, who opened a restaurant in his small Virginia hometown after serving four years as a combat medic in Vietnam. "They even spread rumors that I wore long sleeves to cover needle marks on my arms . . . It finally got so bad that I had to close up my business."

Although the drug problem has been grossly exaggerated, there is no denying that many vets came to depend on drugs in Vietnam, some to relieve the pain of wounds, others to escape the cruel realities of war.

OTHER THAN HONORABLE

A government study states that many of the vets using drugs require immediate help if they are to avoid becoming hard-core addicts. Among them are those who received "Other Than Honorable" discharges for drug abuse—and are now denied treatment because of VA regulations!

But the more than 22,000 vets who were given "bad paper" for drug abuse represent only a small fraction of the vets who—often for the most petty reasons—have been branded with a range of Other Than Honorable discharges. Effectively shut out of most employment and education opportunities, they have been deprived of veterans benefits; instead of getting them automatically, Other Than Honorable vets must have their benefits granted by a special VA review board. Favorable decisions are rare.

"CATCH-22"

Many vets with "Undesirable" discharges did not originally contest them because they were told by the military that the designations could easily be changed in civilian life. In the best *Catch-22* tradition, they were later informed that one of the requirements for upgrading an Undesirable discharge is holding a job for at least one year. The "catch," however, is that Undesirable vets have little or no chance of being hired by anybody.

"Vietnam vets bought a dream," says Carl McCarden, who saw action as a Green Beret and served as an adviser to Ambassador Ellsworth Bunker. "They largely bought the star-spangled dream of serving one's country and trusting the judgment of those in power to do the right thing. Tragically and inexcusably, that dream has disintegrated into a nightmare, and is now dissolving into a red, white and blue struggle for survival—a struggle by forgotten Americans."

VIETNAM VETERANS

Mr. BIDEN. Mr. President, this is Vietnam Veterans Week. No matter what our opinions were regarding the war, there is nearly universal belief that the young men who devoted so much of their lives—and sometimes their limbs—to their country do not deserve to be the present-day victims of that war. There have been numerous cases where Vietnam veterans—both in VA hospitals and out—have not been treated equitably.

In this regard, a recent article in the March 24, 1974, issue of Parade magazine notes difficulties in inadequate educational benefits, delayed checks, unemployment, drugs and even discrimination.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

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THE CLOSING OF COAL MINES—ECONOMIC DISASTER

Mr. COOK. Mr. President, in 1969 it was my privilege to serve as a member of the Small Business Committee of the Senate. At that time, Senator ALAN BIBLE, chairman of the committee, introduced a bill proposing to give Small Business Administration authority to make loans to enable small firms to comply with mandatory Federal standards imposed under relatively short-term deadlines. This provision was ingrafted into the Federal Coal Mine Health and Safety Act of 1969 with specific reference to assisting "any small business concern operating a coal mine in effecting additions to or alterations in the equipment, facilities or method of operation of such mine" to meet the requirements of the act.

Subsequently, this authority underwent a series of refinements as a result of hearings in the Senate and the House, and on January 2, 1974, the President signed into law a proposal which had been forwarded to him by this Congress and which in essence would consolidate the various economic disaster loan subsections of the Small Business Act into a new subsection.

Our action has given the SBA the authority to classify the closure of mines as an economic disaster. The operator, therefore, is entitled to the provisions of economic disaster loans in the same manner as if his business had been affected by a hurricane or a flood.

I have been informed that as of February 1974, the SBA has unobligated disaster loan fund authority of $179 million and it receives about $14 million per week in disaster loan repayments for its disaster loan portfolio.

My purpose in making this statement is to clarify the position of the individual who is attempting to purchase equipment necessary to comply with the Coal Mine Health and Safety Act. For those who qualify, there are ample funds available by the SBA for terms of up to 30 years with interest rates of one quarter of 1 percent more than the cost of the money to the Federal Government, which I understand would now be 6⅛ percent.

Mr. President, I have today been notified by Mr. James Day, the Administrator of the Mining Enforcement and Safety Administration, that his office takes the following position concerning this situation and will take the following action with regard to each of the situations listed below:

First. Mines with permits of noncompliance will be allowed to operate without penalty for the duration of the permit.

Second. Mines whose applications of appeals are still pending will not be subject to MESA action in this matter until a decision is handed down by the panel.

Third. Mines whose applications or appeals have been finally rejected by the panel, but who have ordered the necessary equipment by March 30 or within 2 weeks following the decision, whichever is later, will be given a notice of violation allowing a reasonable time to abate the violation—by obtaining delivery of the equipment.

Fourth. Mines that have not applied to the panel but who order permissible equipment prior to January 31, 1974, will be issued a notice of violation with a reasonable time to abate, taking into account the delivery date.

Fifth. Mines whose applications or appeals have been finally rejected but have not taken any action to obtain permissible equipment will be issued a notice of violation and ordered to abate the violation by removing all nonpermissible equipment out by the last open crosscut.

Sixth. All other mines except those

which have already obtained and are using permissible equipment will be issued a notice of violation and ordered to remove all nonpermissible equipment beyond the last open crosscut.

It was noted that bona fide equipment orders will be evidenced by valid purchase orders accompanied by the manufacturer's acknowledgment and estimated delivery date.

MESA is cooperating with the Small Business Administration which has a program to assist those mines unable to afford the equipment but otherwise acting in good faith to obtain it.

I repeat what I have said many times—the safety of the miner takes priority over all else. However, close on the heels of safety is the welfare of this same miner. I intend to continue my efforts to see that both are provided.

Mr. President, the safety record in Kentucky is good. During the first 2 months of 1974, there were zero fatalities in my State. This is a significant improvement over the first 2 months of previous years:

	Deaths
1970	7
1971	12
1972	4
1973	5

At the same time, we have increased our production with the pendulum swinging back to underground tonnage as compared to surface mine tonnage:

TONNAGE PER FATALITY—UNDERGROUND AND SURFACE MINES

Year	Underground tonnage	Underground mine fatalities	Tons per underground mine fatality	Surface mine tonnage	Surface mine fatalities	Tons per surface mine fatality	Total tonnage	Total tons per fatality
1970	63, 499, 027	83	765, 048	61, 809, 368	6	10, 301, 561	125, 308, 395	1, 407, 959
1971	52, 697, 787	35	1, 534, 222	66, 469, 795	6	11, 078, 299	119, 167, 582	2, 906, 526
1972	56, 531, 862	26	2, 174, 302	63, 739, 385	3	21, 246, 461	120, 271, 247	4, 147, 284
1973[1]	67, 244, 989	25	2, 689, 799	59, 869, 011	3	19, 956, 337	127, 514, 000	4, 554, 071

[1] Tonnage subject to slight revision.

Note: Surface mines include auger and strip operations.

There is no doubt that on March 30 there will be operators who cannot or will not provide the safety required by law. These mines should be closed.

Several hundred miners will be without jobs, and, if jobs cannot be found, welfare may be the only answer. To many Americans who want to work and earn a living for themselves and their families, this is a poor answer.

I am encouraged by the attitude of the United Mine Workers of America concerning the problem. I have been informed that the union does not feel that this situation poses a major question. According to a UMWA representative, the demand for coal coupled with the expansion of organized mines and increased production has created a corresponding demand for miners. While it is true that individuals must pass physical examinations before they can be hired, this again was not believed to be a major roadblock.

THE PEOPLE RESPOND TO THE ADVOCATES

Mr. **HRUSKA**. Mr. President, on January 24, 1974, the popular educational television program, "The Advocates," debated the question, "Should the Congress create a Federal Oil and Gas Corporation to compete with private industry?" Because I considered this discussion of such merit particularly in view of the energy crisis, I had the complete transcript printed in the CONGRESSIONAL RECORD of January 28.

Just recently I secured a copy of the viewers' response to this question. Since it is the Senate as well as the House which would consider any measure creating such an office, I believe the viewers' responses are of interest.

A substantial majority of those who responded opposed creation of such a Federal agency. A total of 75 percent, or 5,785 out of 7,722 responses, were in the negative. Such statistics deserve the close scrutiny of Members of Congress, especially those who might be quick to resort to the creation of another Federal agency.

I have also secured a State-by-State breakdown of the viewers' reactions. In order that my colleagues might have the benefit of this information, I ask unanimous consent to have this information printed in the RECORD.

There being no objection, the breakdown was ordered to be printed in the RECORD, as follows:

"THE ADVOCATES" VIEWERS VOTE ON THE QUESTION: "SHOULD CONGRESS CREATE A FEDERAL OIL AND GAS CORPORATION TO COMPETE WITH PRIVATE INDUSTRY?"

[State breakdown]

State	Favor	Opposed
Alabama	11	25
Alaska	1	3
Arizona	57	88
Arkansas	7	5
California	314	455
Colorado	35	162
Connecticut	33	61
Delaware	8	12
District of Columbia	19	25
Florida	75	128
Georgia	6	46
Hawaii	4	9
Idaho	2	7
Illinois	128	1, 163
Indiana	18	131
Iowa	14	31
Kansas	18	62
Kentucky	5	15
Louisiana	3	121
Maine	3	15
Maryland	22	34
Massachusetts	131	183
Michigan	36	47
Minnesota	29	41
Mississippi	7	17
Missouri	7	44
Montana	12	12
Nebraska	4	18
Nevada	7	8
New Hampshire	17	41
New Jersey	67	103
New Mexico	21	33
New York	213	270
North Carolina	15	29
North Dakota	0	2
Ohio	46	82
Oklahoma	28	135
Oregon	38	44
Pennsylvania	77	124
Rhode Island	5	16
South Carolina	3	10
South Dakota	2	10
Tennessee	10	39
Texas	72	1, 412
Utah	17	29
Vermont	10	18
Virginia	35	56
Washington	105	134
West Virginia	6	9
Wisconsin	52	105
Wyoming	3	13
Unknown	78	101
Foreign	1	7

	Number	Percent
Overall total:		
In favor	1, 937	25
Opposed	5, 785	75

HONORING LYNDON B. JOHNSON

Mr. **HUMPHREY**. Mr. President, I am deeply gratified by the action of the Senate yesterday in passing legislation which I had introduced, S. 2835, to rename the first Civilian Conservation Corps Center, located near Franklin, N.C., and the Cross Timbers National Grasslands in Texas in honor of former President Lyndon B. Johnson.

Senator ERVIN and Senator HELMS joined in cosponsoring this measure.

This bill is a fitting tribute to a man who had a constant interest in the enhancement and development of people as our Nation's basic resource and in the conservation of our natural resources as basic to our people reaching their aspirations.

Naming these two areas for Lyndon Johnson is an honor befitting his efforts over the years to advance both the cause of conservation and the opportunity for personal development.

Lyndon Johnson knew from his experience as a high school teacher and from his experience as Director of the National Youth Administration in Texas in the depth of the depression, how vital it was that we give every young person an opportunity to secure an education that would enable that person to utilize fully his or her capabilities.

In the late 1950's, when I urged that we reestablish the Youth Conservation Corps, the first person I turned to for advice and counsel as a young Senator was Lyndon B. Johnson. As majority leader, the program had his full support, and he made a significant effort to get a bill adopted by the Senate in 1959. That was as far as he got, and we did not get a program adopted in the early 1960's, despite the support that President John F. Kennedy gave the program.

Shortly after Lyndon Johnson became

President, he told me of his plans to do something for youth and conservation by getting a youth conservation program into action. He intended to do more than the program of the 1930's. And he did.

The 1964 Economic Opportunity Act was a broad assault on poverty and ignorance and a key part of that program were the Youth Conservation Camps established as part of the Job Corps.

The first camp was set up near Franklin, N.C.

In 1964 President Johnson signed into law the National Wilderness Act and the Land and Water Conservation Fund Act.

He spurred action on devising a national awareness of the vital importance of our resources. In 1967 he embarked on a program to establish natural beauty and conservation as national goals, and he convened a Citizens Advisory Committee on Recreation and Natural Beauty.

A National Grassland is located in Wise and Montague Counties, Tex. These are lands that were worn out and run down until, under national programs, they were purchased and the process of their rehabilitation began. This area shows not only what can be done, but it also demonstrates the opportunity that exists to do more in the way of conservation of our natural resources. But most of all this sea of restored and renewed grassland represents the faith that Lyndon Johnson had in the land.

Mr. President, we can draw strength today from the dedication and resolve of this one towering man who was devoted to the cause of developing our human resources and conserving our natural resources.

Mr. President, I have been proud to have known and worked with this great man. In approving this bill we not only honor Lyndon Johnson, but we also rededicate ourselves to these same time-honored principles. This bill will be an appropriate vehicle to remind all Americans of the regenerating impact of the rural countryside as well as the need to conserve our resources.

VIETNAM VETERANS DAY: THE NEED FOR A RESURGENCE OF NATIONAL CONSCIENCE AND COMPASSION

Mr. CRANSTON. Mr. President, this morning I was pleased to join Chairman HARTKE and other members of the Committee on Veterans' Affairs at hearings on S. 2784, the proposed Vietnam-Era Veterans' Readjustment Assistance Act of 1973.

The scheduling of this hearing for today—March 29, 1974—was most appropriate, for this is the day, designated by Congress to honor our Vietnam-era veterans. Throughout the Nation, activities have been planned for today, "Vietnam Veterans Day."

Mr. President, I have urged the mayors of California's cities to pay special tribute next week to Vietnam-era veterans. I ask unanimous consent that my telegram to the mayors of Berkeley, San Francisco, Oakland, San Jose, Sacramento, Fresno, Bakersfield, Richmond, Oxnard, Los Angeles, Long Beach, Pasadena, Burbank, Torrance, Santa Ana, San Diego, and Santa Barbara be printed in the RECORD at the end of my remarks.

Mr. President, honoring these veterans with speeches and parades, however, is simply too little and too late. In fact, these men and women have been hearing far too many speeches and too many idle promises. It is fitting, therefore, that we met this morning to take concrete steps to provide further readjustment assistance to Vietnam-era veterans. They need adequate GI bill benefits, and they need jobs, now.

NIXON ADMINISTRATION LONG ON RHETORIC

On February 26, 1974, President Nixon made a statement regarding "Vietnam Veterans Day," saying:

> . . . when I refer to peace with honor achieved by over two and one-half millions who served in Vietnam, I think of what would have happened had they not served and had we failed in our objective.

The President has shown his appreciation for their service in strange ways.

On January 28, President Nixon announced the 1 year anniversary of the ceasefire in Vietnam and took that occasion to boast of administration accomplishments on behalf of the Vietnam veteran. As the premier of Mr. Nixon's Attorneys General, John Mitchell, so wisely admonished, the public must "watch what we do, not what we say." The gap between Presidential rhetoric and his administration's performance stretches almost from here to Vietnam.

ADMINISTRATION NEGATIVISM AND BANKRUPT POLICIES

During the 5 years in which I have been deeply involved in matters affecting our Nation's veterans, particularly Vietnam-era veterans, I have learned to expect, as a matter of course, threats of Presidential vetoes of legislation providing for badly needed increases in benefits to veterans, or administrative recommendations for pitifully small budgetary increases in veterans benefit programs. In fact, on the rare occasions when this administration has endorsed a congressional measure—as they have just endorsed my bill S. 2363—or recommends adequate increases in benefits, I find myself wondering whether or not the entire Office of Management and Budget has gone on vacation.

The President's recommendation, in his January veterans message to Congress, for an 8-percent increase in the rates of GI bill assistance payments was much more typical of the kind of proposal we have come to expect from this administration. Just last week, the Department of Labor announced that living costs have gone up 10 percent over the past 12 months, the highest annual rise since 1948.

The cost of living sped ahead another 1.3 percent last month while the purchasing power of an average hour's labor—for those fortunate enough to have jobs—continued to decline. This February rise was the second largest in any one month since 1951, with the largest 1 month's increase occurring last August. Food prices alone have soared 22.2 percent in the last year.

And yet this administration has the audacity to recommend a measly 8-percent cost-of-living increase in the already inadequate level of GI bill assistance which was last increased on September 1, 1972.

I would like to see the President and officials in the Office of Management and Budget survive with the standard of living they have so callously relegated to our veterans.

Clearly, Mr. President, one of the first responsibilities of a democratic society is the maintenance of a stable economy—an economy which will provide all citizens with a fair opportunity to find work and earn a decent living.

The present administration has not begun to fulfill that responsibility, and, in fact, has for the most part ignored it.

When this administration took office in January 1969, the rate of national unemployment stood at only 3.4 percent. By December 1970, however—after a futile 2-year attempt to control inflation by deliberately sacrificing jobs—unemployment stood at 6.2 percent with 5.1 million Americans out of work.

Mr. Nixon's January 28 veterans' message took credit for reducing veterans' unemployment from 9.9 percent in 1971 to 4.4 percent this year. But his message neglected to state that during the year President Nixon took office, 1969, the rate was down to 4.5 percent. Under the administration's totally unsuccessful game plan, designed to curb inflation by raising interest rates and provoking high unemployment, the veteran was asked to bear far more than his share of the burden for a bad job market, which saw veterans' unemployment soar from 4.5 percent in 1969 to 11 percent during 1972.

In November 1970, as chairman of the Veterans' Affairs Subcommittee of the Labor and Public Welfare Committee, I chaired hearings on unemployment and the readjustment problems among young veterans. I stated then that there was great irony, as well as tragedy, in the economic recession and high unemployment. The Vietnam war had been a major cause of our runaway inflation, and the Nixon administration instituted a number of fiscal and monetary policies to stop that inflation. All those policies succeeded in doing was depressing the economy and increasing unemployment. Most paradoxically, among the principal victims of unemployment were the young servicemen returning from the very war that brought about the inflation—and the administration's recessionist policies—in the first place.

DOUBLE AND TRIPLE SACRIFICES DEMANDED AGAIN

Mr. President, I find it hard to believe that though I spoke those words way back in 1970, they so accurately describe the very situation that exists once again today.

Once again our young veterans are being asked to make double and triple sacrifices. They have already given up 2 years or more to military service, often risking their lives and limbs. Yet, in the name of combating inflation, the administration has steadily resisted congressional efforts to get additional funds for badly needed programs for veterans. Most young veterans have thus encountered difficulty in completing or even beginning their educations; many cannot find jobs, and some cannot get adequate medical care for their disabilities.

YOUNG VETERANS UNEMPLOYMENT REMAINS HIGH

And with an unemployment rate for young veterans age 20–24 of over 10 percent, the Secretary of Labor, Peter Brennan, announced on January 29, 1974, that the Nation's concerted effort to place Vietnam-era veterans in civilian jobs had succeeded so well that that so-called special effort was been abolished.

I am sure this proclamation of great success was well received by the 288,000 young veterans walking the streets daily seeking work, and by the great numbers of veterans waiting on the welfare lines because they have given up the seemingly hopeless search for work.

CONGRESSIONAL INITIATIVES

We, in the Congress, have fought the battle for a fair chance for veterans on many fronts—but most appalling is the Nixon administration's refusal all along to do much more than talk and make promises about the problems facing returning veterans, and then pat each other on the back for their fine efforts and admirable accomplishments.

Ask any veteran who has just been evicted from his home or apartment for his failure to pay rent because his educational benefit check or disability compensation payment has not arrived for 3 months. Ask any veteran who has been forced to drop out of school because he cannot afford to support his family and remain in school with the inadequate level of assistance allotted to him. Ask any one of the thousands of unemployed veterans about all the great things the Nixon administration has done for him. I suspect he or she will not be inclined to pay much tribute to those accomplishments.

Mr. President, I do not believe that the Congress has been guilty of making idle proclamations about the needs of our veterans. I believe that we have done our job reasonably well against heavy odds, and we will continue to do it—with the realization that it will be a battle every inch of the way.

VERY COMPLEX, VERY DIFFERENT READJUSTMENT PROBLEMS

Mr. President, the readjustment problems facing today's returning veterans are different from those of his father and older brother after World War II and the Korean war.

The American people have never adequately understood the special readjustment problems of returning veterans during the seventies. What are these unique problems?

First, it is 1974 now, not 1954 or 1946. The United States is an immeasurably more complicated and confusing society now than it was then. When the veteran comes home today, he has to reenter a socioeconomic situation often very different from the one he left.

More often than not he has come home with a very confused frame of mind about his life, about the war he helped fight, and about the value of his sacrifices.

THE NATURE OF THE WAR

He has fought in a war where he often could not tell the difference between friend and foe. His life was characterized by the unpredictability of sneak attacks, guerrilla warfare, and totally unclear and vacillating battle lines and military objectives.

He has fought in a war where the degree of maiming and crippling by new types of devastating land mines and weapons is unprecedented in severity. Because of wonder drugs and immediate medical attention and evacuation, men have survived from wounds that would have been fatal in prior wars. Multiple disablement is far more common. Some returning servicemen have been victims of these injuries; many others have witnessed their buddies either surviving or not surviving horrible injuries.

The Vietnam-era veteran has fought in a war where there has been enormous abuse of drugs by servicemen—promoted by the country we were supposed to be defending—and the kind of mentality and conditioning to brutality which could produce My Lai's.

He has fought in a war which, increasingly as he fought it, American public opinion and national policy came to seriously question it. Doubts about the purposes, achievements, and goals of the war were thus created long before he came home.

All of this—the unpredictability, the horrible maiming, the multiple injuries, his own ambivalence, the drug abuse, the My Lai incidents, and the change in American sentiment regarding the war—has created an extremely complex and confused state of mind for many returning veterans.

And what has the veteran found, and what does he find, when he comes home?

THE COUNTRY AT HOME

He has found a country, first bitterly divided over the war, and later achieving a consensus that the war was really a bad business at best. He has found that the Congress of the United States has repealed the action so often cited as the underlying legal basis for the very war that he fought—the Tonkin Gulf Resolution. Imagine what that means to him, especially if he has lost an arm or a leg or seen his buddies maimed in this retroactively questioned military venture?

In short, as to this so-called Vietnam conflict, he has found a public opinion which places precious little value on the efforts of 3 million men who fought in Indochina, and he has found indifference, skepticism, or down-right hostility toward what he has lived with for those service years—now irretrievably gone from his life. And he has heard, either behind his back or to his face, the question asked by some of his fellow veterans of earlier wars: "We won our war; what happened to yours?"

Is it any wonder that an internal Veterans Administration estimate indicates that one out of every five Vietnam-era veterans has serious psychological problems?

Is it any wonder, given his state of confusion, in many cases even before he came home, that this kind of reception has turned him off and enormously complicated the rest of his problems? And what are they?

I think it is no exaggeration to say that in the last 3 years the veteran has returned to find an unprecedented economic situation domestically, characterized by rampaging inflation, an extremely tight job market, very high levels of unemployment, and little if any demand, or a program for producing such a demand, for the skills he acquired in the service. At various times, he has found, as at present, an extremely tight housing market and extraordinarily high rents. He cannot believe some food prices which may have almost doubled while he was away.

But there is far more than just finding the dollars to eat, clothe, and house himself and to move around in society. In many States, his G.I. bill benefits are not adequate to purchase the education he thought he had coming. And if he does get into school, far too often he receives his check 3 months late, or it comes in the wrong amount, or is misdirected, or all he gets is indifference, rudeness, or the ultimate insult—the busy signal when he calls the VA regional office to inquire about these problems.

And what if he needs medical care for his injuries or illnesses acquired in service? Although things are much better today than 4 years ago in VA hospitals, just as GI Bill benefits are much better than they were, he may find low morale and inadequate staffing of admissions and in-patient facilities, especially with respect to nursing personnel; and, in some cases, he may find a hospital administration insensitive to his particular medical or physical difficulties.

And there is still more. He has come home, particularly over the last several years, to a society in a tremendous state of flux in terms of social, moral, and ethical goals and values. He may find his younger brother or sister hung up on drugs or popping pills, kids he thought were barely out of diapers when he left. He may find his friends having drastically changed their views on issues of enormous consequence, such as confidence in governmental institutions. Or he may find them all turned off to everything as a result of the widespread cynicism brought on by the horrors of Watergate.

INDIFFERENT PUBLIC RESPONSE

In the face of all this, what has the American public done to recognize his problems, to welcome him home, to value his contributions to our Indochina national defense policy, to make maximum use of his military service skills, to give him a job, to help him with his education, to ease his readjustment problems, to treat his wounds with compassion, and to make him feel some pride and some dignity about his 2 years of military service? For most of these areas, and, for some veterans, for all of them, the answer is that the American people—we—have done far too little and, in some cases, virtually nothing.

There seems to be a widespread suspicion on the part of some employers that veterans are somehow either drug addicts, violence-prone time bombs, trouble-makers, rabble-rousers, malcontents, or just plain "long hairs." What a telling and totally unfair commentary that is.

And, of course, there have been no victory parades; there have been no small town welcome homes; and, until today, there has been no special recognition of their service to their Nation.

It is well and good to honor our prisoners of war as they have returned from their enormous hardships, and we should continue to honor them and give them the very best treatment we know how.

It is well and good to recognize especially heroic efforts by pinning ribbons and bestowing medals, and we should continue to honor our most visible war heroes.

But none of this honorific activity is a substitute for fulfilling our moral obligations to all veterans who answered their country's call. Helping them, caring for them, providing justice for them is imperative.

What seems to have happened, however, is that the administration has sought to ease its guilty conscience by elaborate gestures of support and concern for these most visible war victims, while ignoring or remaining indifferent to the plight of the invisible veteran, especially the disfigured and maimed victims whom we find it uncomfortable to look at.

RESURGENCE OF NATIONAL CONSCIENCE AND COMPASSION NEEDED

I say these invisible and forgotten veterans are war heroes too. It's time we started treating them that way.

We need a resurgence of national conscience and national compassion. It is time that we did something about adjusting to the problems of returning veterans, which we have so often failed to help resolve and have even been exacerbating, instead of placing the total burden for adjusting or readjusting on the often beleaguered returning veteran.

VA LACK OF MORAL LEADERSHIP

One has to ask: Why do we find such a situation? What has the agency of the Federal Government charged with responsibility for veterans affairs, the Veterans' Administration, been doing over the last 5 years to deal with this situation, to educate American public opinion, and to create a sympathetic understanding of these enormous difficulties?

The VA has exercised almost no moral leadership during this crucial period. Instead, it has become a hapless, helpless giant, hamstrung by OMB dictates and stultified by demoralizing personnel and contract policies motivated far too greatly by political factors and favoritism.

Almost without exception throughout these last 5 years, this enormous Federal establishment, created for the sole purpose of providing services and benefits for veterans and being their spokesman, has spoken with a negative voice. The VA has said no, no, no, time and time again to congressional initiatives to provide equity in GI bill disability compensation, disability insurance compensation and pension rates, to improve drug and alcohol treatment programs, and to modernize and improve the VA hospital system. The VA has staunchly opposed congressional efforts which resulted in adding one-half billion dollars above budget requests to hire new VA hospital staff over the last 4 years.

The record is absolutely dismal in terms of constructive VA efforts to achieve legislation and improve program performance. The problems I described about late, missing, and incorrect GI bill payments and rude and insensitive treatment, have been chronicled in the mass media so intensively of late that I need not dwell upon them. They are intolerable problems. They are solvable problems. But the VA seems incapable of managing them.

Why? Besides being hamstrung by Office of Management and Budget dictates, personnel ceilings, and unwise policy ventures—such as the abortive attempt a year ago to cut back service-connected compensation payments to amputees and other seriously disabled veterans—the VA has been politicized today to an unprecedented extent. Historically, the VA began as a bipartisan, nonpolitical agency. Its goal was to serve, not to engage in politics, or return political favors. White House and other political clearances of personnel appointments started creeping into the agency in the fifties in the Eisenhower years and have persisted thereafter in the administrations of both political parties, although, to Lyndon Johnson's credit, he did promote a career VA professional, Bill Driver, to the top job.

But, Driver's nonpartisan stance was anathema to the present administration, and he was quickly dispatched. Since then, we have had a Veterans' Administration at the beck and call of White House political considerations, readily absorbing 13 former employees of CREEP, giving out contracts to special firms under procedures found to be improper by the GAO, making contract cost-overrun settlements against the best informed advice available in the agency, participating in Presidential campaign activities and providing speeches defending the President's national policies in areas other than veterans affairs, and proposing legislation to cut back the benefits of millions of veterans receiving compensation and pensions.

Over the last year, the personnel problems of the agency in terms of high-level management have become overwhelming. During that year, the following VA high-level officials have been forced from office: a Chief Benefits Director, a Deputy Chief Benefits Director, a Deputy Chief Medical Director, the Deputy Administrator of the agency, and the Associate Deputy Administrator of the agency.

At the same time, important positions in the Department of Veterans Benefits, the Department of Medicine and Surgery, the Administrator's office, and the Planning and Evaluation Service have been filled by incompetents—former campaign officials, and numerous ex-CREEPS.

NEW LEGISLATION IN THE WORKS

I am preparing legislation which I hope to have ready in the next few weeks to revitalize the VA, to make it responsive to the needs of today's veteran—sensitive to the needs of all veterans—and to enable the VA to provide moral leadership for veterans, as well as within the executive branch, by mobilizing American public opinion and restoring confidence, both within the agency and on the part of the public, in the integrity of the VA mission.

HISTORY OF ADMINISTRATION OPPOSITION TO 1970 AND 1972 GI BILL AMENDMENTS

I would like to take this opportunity to describe, in some detail, Mr. President, my efforts, and the efforts of my colleagues in the Senate, to help veterans—not just talk about them—and the Nixon administration's apparent determination to thwart these efforts.

Beginning with the GI bill, the President has said that words of thanks are not enough for the Vietnam veteran, but what has he done to give them more than words?

Mr. Nixon has also said that nothing is too good for our veterans, and it would appear from what they have actually gotten from the President, that that is exactly what he meant. Nothing.

Yet Veterans' Administration spokesmen continue to assert that the veteran is better off, "even allowing for inflation and increased school costs." While it may be true that total spending has increased for the GI bill during the Nixon administration, this is because, to a large extent, the war went on for 4 more years than the President indicated it would during his 1968 election campaign and because the Congress consistently ignored Presidential positions against substantial GI Bill increases, tripling the increases the administration grudgingly supported.

Congress has repeatedly attempted with a large degree of success—to correct the problems created from the start by President Johnson, who, hesitating to acknowledge there was a war going on, held the initial GI bill figure at $100 per month in 1966, $10 less than the Korean conflict figure of $110 in 1955.

President Nixon, however, while not denying the existence of a war in Southeast Asia, from the beginning of his term has spoken about the needs of Vietnam veterans, and made promises, which, for the most part, have not been translated into actions.

For example, in June of 1969, the President created the President's Committeee on the Vietnam Veteran, charging his new Administrator of Veterans Affairs to develop plans to help those veterans who needed assistance the most.

Those were the words.

But less than 6 months later, when it came to providing the money needed to improve GI Bill benefits, the President clearly expressed his intention to veto the Senate committee measure proposing a 46-percent increase—an increase we went on to approve in committee and approve on the floor.

In March 1970, when he finally signed the GI Bill increase at a 34.6 percent rise, after successful administration pressures to cut the Senate-passed increase of $190 per month back to $175, the President was reported to be specially pleased that:

> The legislation contains provisions to help returning servicemen who have poor educational backgrounds.

But the next paragraph of the same New York Times article speaks for itself:

> To keep expenditures down in the current fiscal year, the administration may hold off until summer on its concentrated effort to get more veterans into school.

That effort has never begun.

In 1969, the administration had originally told us that an increase in GI Bill allowance rates was not called for at all; the President and OMB refused to recognize the enormous disparity between the rates then paid veterans compared with those offered veterans of prior wars. In contrast, veterans organizations, individual veterans, college and university administrators, and other witnesses of Senate hearings insisted that the rate structure was inequitable and that this inequity accounted, in great part, for the disappointingly low rate of use of GI Bill benefits.

In the academic year following the 35-percent rate increase—1970—GI bill participation increased by more than 30 percent. The Veterans Education and Training Assistance Amendments Act of 1970 (Public Law 91–219), in addition to the GI bill increase—the first substantial rate increase since the post-Korean conflict GI bill was enacted in 1952—established new special programs to assist educationally disadvantaged veterans prior to discharge—PREP—and after service; created a new GI bill allowance—special supplementary assistance allowance—to pay for individualized tutoring for GI bill trainees; established an expanded and congressionally mandated veterans outreach services program to search out and provide maximum assistance to recently returned veterans with respect to GI bill and other benefits; and liberalized full- and part-time hours requirements for college veterans. The VA opposed these programs. I was privileged to be the subcommittee chairman Senate floor manager, and chairman of the Senate conferees for this legislation.

In 1971, when the Congress was considering further increases in the rates of GI bill assistance, the VA testified that an 8-percent increase in GI bill benefits was adequate. Behind the scenes, the administration fought vigorously against moving the rate increase legislation, and succeeded in delaying the enactment of the final increase until after the 1972–73 school year had started. This made it too late for veterans to enroll in courses that fall and prevented that further drain on the budget.

S. 2161, the Vietnam-Era Veterans Readjustment Assistance Act of 1972, in which I joined with Chairman **Hartke** as the principal Senate author, was enacted into law as Public Law 92–540. It increased rates by 25.7 percent. At that time, it was clear to the Congress, even though the administration could not see it, that the GI bill was not providing adequate readjustment assistance to the millions of Vietnam-era veterans in the Nation. It was also clear to the Congress that in contrast to World War II when all classes of Americans served equally in the Armed Forces, the Vietnam conflict drew more heavily upon the educationally and socially disadvantaged young men who lacked either the funds or the preparation to continue their education. The Vietnam-era veterans most in need of furthering their education or training were—and still are—those taking the least advantage of their GI Bill entitlements. In 1971, only 17.4 percent of educationally disadvantaged veterans, those with less than a high school diploma, were using their GI bill entitlements.

In opposing a substantial increase in the allowance rate, the VA argued that the allowance had been increased by 75 percent in the last 6 years. The logic of this argument escaped me then and escapes me now. The inadequacy of the then current rate of $175 as well as the paltry $15 increase proposed by the Administration was not made any more acceptable or justifiable because the GI bill of several years earlier was even more inadequate.

The figure the administration supported at that time—an 8-percent increase to $190 for the full-time student-veteran with no dependents was exactly the figure approved by the Senate almost 3 years earlier as part of the bill which became Public Law 91–219.

I found then, as I do how, the reluctance of the administration and the Office of Management and Budget to help the Vietnam-era veteran particularly incomprehensible in view of the unquestioned soundness of the GI bill as a Federal investment. It is estimated the cost of the World War II GI bill will ultimately be repaid as much as eight times by the college-educated veteran in the form of additional taxes paid over and above what the individual veteran would have paid if he had received only a high school education. Can we not expect a similar return on a comparable investment in the Vietnam veteran?

S. 2161 as passed by the Senate proposed to do the following: Increase GI bill rates by 43 percent; provide for a new advance payment system for the educational assistance or vocational rehabilitation subsistence allowances; establish a new work study/outreach program; improve and expand the special programs for educationally disadvantaged veterans and servicemen; extend eligibility to certain wives and widows and veterans' dependents, in some instances, for tutorial assistance and participation in correspondence, apprenticeship, and other on-job training, and high school and elementary education programs; improve the farm cooperative training program; establish a veterans education loan program; promote the employment of veterans by improving and expanding the provisions governing the operation of the Veterans' Employment Service and provide for an employment preference for certain Vietnam-era and service-connected disabled veterans in Federal contracts and subcontracts; and improve the measurement of high school courses in the case of night adult evening courses and programs for which the Carnegie measurement produces inequitable results and further clarified the definition of a "child" during a preadoption decree period of custody by the adoptive parents.

Most provisions which I authored, including advance pay, work/study, improving special education programs, the veterans employment provisions, course increasement improvements, and the new definition of "child," were enacted into law in the 1972 Act.

VA INDIFFERENT IMPLEMENTATION OF NEW PROGRAMS LEGISLATED BY CONGRESS

The battles waged by the Congress to increase rates of assistance, and to establish special programs for educationally disadvantaged veterans have not ceased with the enactment of the various measures introduced by the Congress. We have also had to fight to insure the efficient and effective implementation of the new laws by the VA. We have had some success and some failure.

The new programs established in 1970 by Public Law 91–219—PREP, tutorial assistance, remedial-refresher courses, and veterans outreach, were greatly handicapped by lethargy, delays, and inexcusable footdragging, and, in some cases, outright resistance, by the VA and the Defense Department.

Similarly, the new programs authorized by the 1972 act, Public Law 92–540, have suffered in their implementation. The disastrous implementation of the advance payment program, especially in California—a program designed specifically to overcome the unnecessary hardship veterans were facing because of chronic delays in the payment of educational assistance program this year. Veterans in my home State of California have been particular victims of the VA's reluctance or inability, to implement the GI bill educational assistance program in an imaginative and timely fashion.

VETERANS COST-OF-INSTRUCTION

The veterans cost-of-instruction—VCI—program was another provision, designed to meet the educational needs of our veterans, which I authored—this time in the Education Amendments of 1972, Public Law 92–318. This program was designed to provide incentives and supporting funds for colleges and universities to recruit actively the returning veterans and to establish the kinds of special programs and services necessary to assist many veterans in readjusting to an academic setting. Institutions which increased their enrollment of veterans by 10 percent over the previous year and who met other requirements of the legislation for special veterans programs were to be entitled to payments of up to $450 for each of certain categories of veterans enrolled in an undergraduate program on a full-time basis.

This program, however, was the special victim of the administration's refusal to release funds and issue program guidelines, a congressionally rejected recision order, and, two administration requests for zero-funding.

Once again, by administrative fiat, OMB and the President have told Congress that they know what is best for the veteran.

However, despite these administration actions to stifle the VCI program, this program finally got underway this academic year in colleges and universities across the Nation—utilizing the full $25 million we were successful in appropriating and having expended for initial VCI payments—where it is providing a central focus for efforts to meet the needs of student-veterans studying under the GI Bill.

I have recently been involved in proposing, and having accepted by the Labor and Public Welfare Committee, several technical amendments, which I believe will make this program even more successful.

THE NEED FOR S. 2784

Although Public Law 92–540, the Vietnam-Era Veterans' Readjustment Assistance Act of 1972, has resulted in substantial improvements and increases in benefits to GI bill trainees, it is clear that there remains much room for improvement in providing readjustment assistance to our Nation's Vietnam-era veterans. I believe that S. 2784, the proposed "Vietnam-Era Veterans' Readjustment Assistance Act of 1973," on which we began hearings today, would considerably improve existing programs to insure Vietnam-era veterans of educational opportunities and readjustment assistance on a level more equitable with those benefits available to veterans of World War II and the Korean conflict.

The major provisions of the bill introduced by the committee includes a 23-percent increase in the rate of GI bill assistance. This increase represents only an 8-percent increase over the rates of GI bill assistance that would have been made available had the full increase authorized by S. 2161, in the 92d Congress, gone into effect September 1. The rate for the single veterans, without dependents, studying full-time would have been $250 per month. Our calculations at that time indicated that this rate—an increase at that time from the then existing $175 rate—was required to provide comparability with the level of assistance provided under the Korean conflict GI bill, and to be generally equitable with reference to the World War II level of support. However, we were only able to convince the other body to accept an increase to the present rate of $220 per month for the single veterans, without dependents, studying full time.

The increase in rates of educational assistance benefits we are now proposing would mean that the full-time institutional rate for a veteran with no dependents would be increased from $220 to $270 per month. The bill also provides for an extension of the period of time—from 8 years to 10 years—during which educational assistance benefits are available to veterans. Additionally, S. 2784 would improve the employment opportunities available to veterans and, in some cases, their dependents, by improving and expanding the provisions governing the operation of the Veterans' Employment Service and by providing again, as we did in the Senate version of S. 2161, a Federal Government action plan for the employment of disabled and Vietnam era veterans, a provision I authored in S. 2091 introduced in the 92d Congress 2½ years ago.

A number of provisions that I authored in Public Law 91–219, the Veterans Education and Training Amendments Act of 1970, and in Public Law 92–540, such as the tutorial assistance program, special programs for educationally disadvantaged veterans and servicemen, including PREP—predischarge education program—and the veteran-student services program, would be strengthened by S. 2784. I must, in fairness, note that I have some reservations as to whether we presently know enough to increase by 250 percent—as the bill proposes—the number of work-study hours which one veteran-student could work per school year under the veterans-students services program, and I plan to study this matter further in the weeks ahead. In general, I prefer spreading work-study jobs among many needy veteran students.

I am particularly hopeful that the educational loan provision of S. 2784 will be enacted into law in the months ahead. This program to provide for educational loans to veterans eligible for benefits under chapter 34 of title 38, was a provision I authored with Senator HARTKE in S. 2161 in the 92d Congress, but which was dropped in the House-Senate negotiations on the bill as a result of very strong objections voiced by the administration.

Mr. President, there is a great need for an educational loan program especially in view of the unresponsive and unimaginative manner in which the Veterans' Administration administers the educational assistance program. I am constantly receiving reports from veterans, not only from those having difficulty making ends meet because they have not received their educational assistance checks on time, but also from many student-veterans who would not receive checks at all without considerable efforts, including persistent phone calls, telegrams, letters, and the intervention of congressional offices.

CONSIDERATION OF TUITION SUBSIDY SYSTEM

During consideration of the 1972 Vietnam Veterans Readjustment Assistance Act, S. 2161, the question of the World War II direct tuition payment system was discussed by both the Senate and the House committees. I stated then that I was not convinced that a workable and equitable direct tuition payment system could not be worked out in the future—particularly in view of the greatly improved and highly sophisticated accounting, regulatory, and administrative techniques and practices which have been developed since World War II. However, I was certain that, at that time, there was no chance both Houses of Congress would pass and the President would sign legislation providing for a direct tuition payment in addition to a subsistence allowance.

The Educational Testing Service study, submitted in September 1973, pursuant to the 1972 law, concluded:

> To restore equity between veterans residing in different States with different systems of public education, some form of variable payments to institutions to ameliorate the difference in institutional costs would be required.

Mr. President, while S. 7284 does not propose a new tuition subsidy provision, I do think that, given all the problems Vietnam-era veterans continue to face because of inadequate levels of GI bill assistance, and the VA's less than inspiring implementation of educational assistance programs, some form of modified tuition payment program does deserve very serious consideration.

However, any such tuition subsidy legislation would require strict controls in order to avoid abuses.

Among the matters we should consider in this connection would be:

First. Tuition subsidy checks made copayable to both the veteran and the school to guard against any use for other than tuition purposes where the veteran has actually enrolled.

Second. In certain States, tuition subsidies made payable in behalf of veterans at out-of-State student rates, or at a level appropriate to take account of the contribution great numbers of taxpayers have already made in States, like Massachusetts and California, with low-cost public education.

Third. Some form of pro rata tuition refund system in cases of school dropouts.

VETERANS' EMPLOYMENT

In the area of employment opportunities for veterans, this administration has been, again, reluctant and oftentimes remiss, in carrying out congressionally directed programs to assist veterans who are seeking jobs.

I have been a major participant in the efforts of the Congress over the last 4 years to give veterans employment programs a higher priority.

PUBLIC SERVICE EMPLOYMENT

Mr. President, just this past Wednesday, March 27, I went before the Appropriations Subcommittee on Labor, Health, Education and Welfare and Related Agencies to testify on an amendment I joined in proposing with Senator Kennedy and a number of other Senators, to provide an additional $350 million this fiscal year for the immediate creation of almost 200,000 public service jobs with State and local governmental sponsors across the Nation.

I specially stressed in my remarks to Chairman MAGNUSON that these additional jobs would be especially helpful to the 288,000 Vietnam era veterans currently out of work. The unemployment rate for veterans under 25, which has consistently run higher than the overall national rate, has jumped again, this time by an explosive 2½ points—from 7.5 percent last December to 10 percent in February.

The proposed appropriations amendment would continue the level of support we provided under the Emergency Employment Act in fiscal years 1972 and 1973, and would mean many more job opportunities for these unemployed Vietnam-era veterans as a result of a provision I authorized in the newly enacted Comprehensive Employment and Training Act of 1973, Public Law 93–203, which requires not only that veterans be given special consideration in filling public service jobs, but that special emphasis be placed on the development of jobs which will utilize the special skills these veterans acquired in the service.

I am hopeful that we will be able to increase the number of job opportunities for veterans, through the prompt enactment of our amendment.

I would like to take this opportunity to describe, in some detail, some of my past activities in the area of veteran's employment assistance.

EMERGENCY EMPLOYMENT ACT

In the 1971 EEA, I worked in committee and conference to insure that returning veterans were afforded special consideration for public service jobs under the Emergency Employment Act. Under this act provision, at my urging, the Labor Department has provided for public service jobs to be split among the veteran GI bill trainees, and about 27 percent of the EEA jobs went to Vietnam era veterans.

VETERANS' EMPLOYMENT SERVICE

In 1972, I authored title V of the Vietnam Era Veterans' Readjustment Assistance Act of 1972—Public Law 92–540—which was entitled the "Veterans Employment and Readjustment Act of 1972." This act provided for a number of major revisions in the chapter 41, title 38, United States Code, enabling provisions for the Veterans' Employment Service in the Department of Labor. I had first authored these provisions in S. 3867, the 1970 Manpower Act vetoed—like many other much-needed pieces of legislation—by the President. I authored these provisions again in S. 2091 which I introduced in 1971.

The first major change in the revised chapter 41—as made by Public Law 92–540—was to alter the definition of "eligible veteran" to include persons who served in the active military, naval or air services, and who were discharged or released with "other than a dishonorable discharge." This changed the previous requirement that all persons receiving assistance under chapter 41 be discharged under other than "dishonorable conditions." The purpose of this amendment was to include all veterans who receive general and undesirable discharges or, occasionally, bad conduct discharges, which are imposed administratively without court-martial proceedings.

I would point out that the most significant revision contained in Public Law 92–540 was to section 2003, which was amended to provide for the assignment in each State by the Secretary of Labor of representatives of the Veterans' Employment Service to serve as assistant veterans' employment representatives—AVER's—and that one additional AVER be assigned to each State for each 250,000 veterans residing in that State. The AVER's, as well as the VER's, are directed to seek out and develop job opportunities for unemployed veterans.

On July 25, Mr. President, I was assured by the Office of the Assistant Secretary of Labor for Manpower that the Labor Department would finally assign the appropriate AVER's—amounting to an additionol 68 AVER's—as required by the October 24, 1972, law. This was the result of a long battle I have had with the Department of Labor and the Office of Management and Budget to bring about implementation of—and, in fact, obedience to—the mandates of the law.

In Public Law 92–540 the duties of the veterans employment representatives and AVER's in section 2003 were modified to include job development. The revised section also included provisions for maximum coordination with officials of the VA in their conduct of job fairs and job marts—the first statutory recognition of these VA activities—and a provision requiring maximum use of electronic data processing and telecommunications systems and the matching of an eligible veteran's particular qualifications with an available job or on-the-job training or apprenticeships opportunity in line with those qualifications.

Section 2006 in chapter 41 was also modified to include a new subsection (a) which directs the Secretary of Labor to estimate the funds necessary for the proper and efficient administration of the chapter—"Job Counseling, Training and Placement Service for Veterans." The subsection further provides that the Secretary shall include in this estimate the funds necessary for salaries, rents, printing and binding, travel, and communication.

These estimates are also directed to be listed as a special item in the Department of Labor's annual budget request and estimated funds necessary for counseling, placement, and training services to veterans provided by States public employment service agencies are directed to be specified by the Secretary in the separate budgets of those agencies.

A new subsection (c) of section 2006 was also added to require that the amount in the budget estimates be available for these purposes unless otherwise provided in Appropriations Acts.

Finally, Public Law 92–540 added a new section 2008 to chapter 41, which directs the Secretary of Labor to consult with the VA Administrator on a timely basis, in order to insure maximum effectiveness of the chapter 41 programs, and to minimize unnecessary duplication of effort.

SPECIAL EMPHASIS IN HIRING VETERANS UNDER FEDERAL CONTRACTS

In addition, the 1972 act added two new provisions to chapter 42, reflected in new sections 2012 and 2013 of the chapter. Section 2012 requires that in any contracts entered into by the Federal Government for the purchase of goods or services, the firm or individual contracting with the Government must give special emphasis to the employment of qualified service-connected disabled veterans and Vietnam era veterans. This requirement also applies to any subcontractor or party to that contract. The provision further required that the President promulgate regulations which required that: First, each contractor list all of its suitable job openings with the appropriate local employment service; and second, each local employment service office give veterans priority in referral to these jobs.

The new section also contains a provision providing a mechanism whereby any disabled veteran or Vietnam veteran, who believes that a Federal contractor has failed to comply with the provisions of the section, may file a complaint with the Veterans' Employment Service of the Department of Labor, and provides for prompt referral to the Secretary and his prompt investigation of the complaint.

Section 2013 specifies that no annuity, entitlement, or benefit awarded any veteran will be regarded as income for the purposes of determining his eligibility for participation in manpower training programs conducted under the Economic Opportunity Act of 1964 or the Manpower Development and Training Act of 1962, or any other manpower training program utilizing Federal funds.

With regard to the chapter 42 Federal contract program, the Department of Labor has consistently taken the position that the law does not require contractors and subcontractors to do any more than list jobs with the Employment Service. This interpretation persists despite the fact that in the Senate committee report and my floor statement on S. 1559—enacted last December as Public Law 93–203—and in statutory language retained in this new public law, attempts to make clear that, in addition to job listing, chapter 42 requires Federal contractors and subcontractors to make special efforts to hire service-connected disabled and Vietnam-era veterans. The Department of Labor is aware of my view, and yet continues to be recalcitrant with regard to this requirement of the law. I, therefore, intend to propose an amendment to S. 2784, to clarify this point once and for all.

A further example of the Department of Labor's recalcitrance is displayed by the fact that we have still not received the Secretary of Labor's required annual report to the Congress on the success of the Department of Labor and its affiliated State employment service agencies in carrying out the provisions of chapter 41 on the Veterans Employment Service. This report was due 90 days and 1 year after the October 24, 1972, enactment date of Public Law 92–540. The report was due, therefore, on January 22, 1974. The Congress has yet to receive that report.

I would like to point out that the Department of Labor was aware of the need for this report 90 days before these provisions of the law became effective. They have now taken 521 days to submit the report, and it is still unclear when it will be delivered. I will be most anxious to see this report when it is finally completed, and to discover why this length of time was necessary. I would like to think it was because they were doing a very thorough job, but I suspect it is just one more example of the low priority being given to veterans' employment needs by this administration.

VETERANS' COST OF INSTRUCTION

In order to be eligible for veterans' cost-of-instruction funds, a school must establish and carry out significant special veterans programs, including a veterans work-study outreach program. The provision also requires schools to make maximum use of all available work-study slots for veterans in need of financial assistance.

VETERANS' WORK-STUDY PROGRAM IN GI BILL

In 1972, in Public Law 92–540, I authored another provision to establish a veterans' student services program which is a special veterans work-study program, in which the veteran students utilized under the program are entitled to $250 per week in return for their services for up to 100 hours of work to assist the VA. The provision further stipulates that veterans employed under this provision shall be disadvantaged veterans, chosen with a view toward need to augment the veteran's income in order to continue in school; motivation; the veteran's ability to obtain transportation to the location where these services will be performed; and, in the case of a disabled veteran, the compatibility of the work assignment to the veteran's physical abilities. This program, designed to assist the VA in carrying out its responsibilities—while at the same time assisting needy veterans in completing and maximizing their educational opportunities—will be able to aid some 3,200 GI bill trainees a year. Much of the work done can be to carry out outreach activities for other veterans.

Administration efforts to delay the beginning of this program—a program to provide $4 million worth of jobs—crucial to many veterans to supplement their incomes while in school—were so successful, that this mandatory program did not get underway for nearly 10 months.

Mr. President, such delays in the implementation of new programs are absolutely intolerable considering that the sole purpose of the VA is to serve the veteran.

NEW LEGISLATION TO IMPROVE MILITARY DISCHARGE PROCEDURES

Mr. President, I would also like to take this opportunity to touch upon the very serious problem of less than honorable discharges, discharge review procedures, and the separation program numbers—SPN—located on a DD–214 discharge certificate. This is a matter of great importance to many veterans in determining eligibility for GI bill benefits, medical care, and job opportunities.

Since May 1951, the Armed Forces had followed a practice of printing SPN codes on all discharge papers. These numbers reflected anything from drug abuse or homosexuality to a bad attitude or bed wetting. The interpretation of these numbers was widely known—particularly by large companies—and often a veteran with a discharge under honorable conditions, but a SPN code indicating a bad attitude or homosexuality, for example, would not receive a particular job.

The use of these numbers represented a serious violation of personal rights and privacy already far too prevalent in our society. Finally, last Friday, March 22, the Secretary of Defense announced that SPN codes will no longer be used on an individual's DD–214 Report of Separation From Active Duty. DOD has already begun to implement this new policy, which is retroactive to any veteran who applies for a new, clean discharge certificate.

In order to prevent this procedure from being reactivated, we have already introduced legislation—S. 1760—prohibiting the appearance of SPN codes, or any other such indicator of reason for discharge, on a discharge certificate.

I plan to introduce next week additional legislation to require the Department of Defense to the maximum extent feasible, to issue by mail, without waiting for applications, clean discharge certificates to any veteran who, prior to the March 22, 1974, DOD policy change was issued a discharge certificate with a SPN code.

In recognition that it will be difficult to contact many veterans by mail, this legislation will also require the Department of Defense to develop and carry out a substantial program of publicity and outreach, in order to contact the maximum number of veterans with SPN code discharges. To achieve that, the Secretary of Defense would be directed to submit, within 60 days of enactment, a plan for such a nationwide outreach and information program.

My "military discharge procedure" bill will also propose a number of changes in the procedures for review of military discharges.

A veteran with a less than honorable discharge who appears personally at his discharge review hearing stands a far better chance of having his discharge upgraded than a veteran who does not appear in person. Since Washington, D.C., is presently the only location for such a review, it is virtually impossible for large numbers of veterans to have their cases considered in the most favorable light. There have been suggestions that a disproportionate number of veterans with less than honorable discharges are poor, and educationally disadvantaged, thus making it even more difficult for them to obtain the money and the means to upgrade their discharge.

This situation is totally unjust and discriminatory. With respect to review of military discharges, the legislation I intend to introduce would: First, increase the number of discharge review boards to at least 10 centers, geographically dispersed in such a manner as to be reasonably accessible to veterans living in all parts of the country; second, permit the Secretary of Defense to consolidate the various services into one Discharge Review Board—comprised of no less than one member of each service; third, in cases of demonstrated hardship, pay the cost of a veteran's transportation and expenses should he wish to make a personal appearance; and fourth, insure that each military service makes available to each prospective petitioner military counsel to assist him in presenting his case and advises him of the availability of such assistance.

CONCLUSION

Mr. President, I have made this very lengthy and detailed statement in order to focus particular attention, on this Vietnam Veterans' Day, on what we have been trying to accomplish, and what we hope to accomplish in the days and months ahead, to provide and improve benefits and services to Vietnam-era veterans to assist them in their readjustment. I think we have made good progress in certain areas, particularly with the enactment of my Veterans Health Care Expansion Act last year—Public Law 93–82—which should, if properly implemented, improve the quality of medical care in VA hospitals; and less progress in others.

Over the next several months we will be considering and acting in committee on legislation not only to improve the GI bill program but to increase very substantially disability compensation and D.I.C. rates in connection with service-connected conditions. I have joined with Senators Talmadge and Hartke in introducing S. 3067 and S. 3072 toward these ends.

I also plan to introduce, in addition to the military discharge procedure legislation and the other VA structural legislation I have mentioned today, new comprehensive VA medical legislation focusing especially on assisting the VA in the recruitment of new physicians.

As chairman of the Veterans' Affairs Committee's Subcommittee on Health and Hospitals, I will also be continuing my active oversight of the implementation of Public Law 93–82, of Public Law 92–541, the VA Medical School Assistance and Health Manpower Training Act of 1972, which I authored, and of the entire VA medical program. I held such oversight hearings in January and February of this year in Sacramento and Los Angeles, Calif.

Mr. President, providing equitable benefits and services, insuring justice in discharge procedures and employment, and providing quality medical care to our Nation's veterans is a cost of war that we can no more avoid than the costs of bombs and bullets, airplanes, and tanks, needed to wage war. Providing the funds to do justice for veterans is a cost of war we must and will pay, and do so willingly.

This morning at our hearing on the GI bill, I was deeply moved by the very strong feelings held by the many Vietnam-era veterans who have come to Washington on this, their special day, and who make the case so persuasively and forcefully that we still have a long way to go. I pledge that I will continue doing all I can to get us there.

Mr. President, I ask unanimous consent that an editorial, and an article entitled "The Vietnam-Veteran Blues" by John P. Rowan and William J. Simon, both of whom are Vietnam veterans, from the March 29 issue of the New York Times; and an article by William Grider in the March 29 Washington Post, entitled "Viet Vets Press for Jobs, Tuition Aid"; and Jack Anderson's column from the March 28 Washington Post, entitled "Vietnam Vet is Forgotten American", be printed in the Record following my March 20 telegram to California mayors.

There being no objection, the material was ordered to be printed in the Record, as follows:

Telegram To Be Sent March 20, 1974

Dear ———: By joint resolution of the Congress, March 29th has been proclaimed

"Vietnam Veterans Day". Throughout the Nation activities are being planned to honor our Vietnam era veterans. For these veterans, however, speeches and parades are now too late and too little. In fact, men and women veterans have been hearing far too many speeches and too many idle promises.

Vietnam Veterans Day should be a kickoff for community action, not mere words, focusing major attention on the readjustment needs of Vietnam era veterans.

I applaud the initiative taken by the National League of Cities and U.S. Conference of Mayors, and the efforts of many mayors around the country to sponsor "Vietnam Veterans Week" in their communities from March 29th to Apirl 4th. These mayors are committing their communities to a week of substantive activities for veterans, to give meaningful recognition to the serious, ongoing readjustment problems of Vietnam era veterans.

I urge you to commit your community to carrying out such activities. I look forward to learning of your plans and the results of your efforts, and I will be glad to assist you in any way I can.

Sincerely,

ALAN CRANSTON,
Chairman,
Subcommittee on Health and Hospitals
Committee on Veterans Affairs.

THE REAL HONORS

President Nixon has proclaimed today as Vietnam Veterans Day because a year ago the last American combat soldier departed from that country of casualties. The most appropriate ceremonies to mark the occasion would be action in Washington to give these veterans improved rights. Educational benefits and job opportunities are the real honors the men who served seek and deserve.

They have been shortchanged compared to Second World War veterans. The $220-a-month payments to cover tuition and living costs mean "starvation with honor," in the phrase of City University of New York veterans. The unemployment rate for Vietnam veterans is higher than for nonveterans aged 20 to 24, and many of the employed are in low-paying jobs. In 1971 the Emergency Employment Act was approved by Congress to aid Vietnam veterans, but the President opposed allocating funds to implement the act in fiscal 1974.

The Vietnam veteran does not have the powerful lobbies that spoke for the better educated and represented veterans of other foreign wars. Vietnam was an unpopular war; but that does not diminish the nation's debt to those who served in it.

THE VIETNAM-VETERAN BLUES

(By John P. Rowan and William J. Simon)

On March 29, 1973—a year ago today—the last American prisoner of war returned from North Vietnam. Recently, President Nixon proclaimed today Vietnam Veterans Day, marking the first anniversary of that homecoming.

In the intervening year some of those men have died, some have dined at the White House, and still others have become spokesmen for what might be called a "remember-that-wonderful-war" campaign.

The war was not wonderful for the prisoners, the Vietnamese on both sides, for the soldiers who made it home in one piece or for those with pieces missing.

Peace for the ordinary serviceman who had not dined at the White House had involved waiting on an unemployment line, a run-around from public agencies while trying to get a job, getting into and paying for school, and avoiding the war news in the newspapers.

Vietnam veterans as a group have the highest unemployment rate of any minority. They suffer from the discriminatory practices of a Government that refuses to offer benefits equaling those given to their fathers who served in World War II and from employers who do not offer meaningful jobs.

Even if a veteran has managed to get a job and hold it for a while, the chances are that he is going to be among the first to be laid off because he lacks seniority on the job. After World War II, the various civil service agenices hired veterans. Today, even with bonus points for veterans there is a hiring freeze for new Federal employes, leaving only the postal service as the last recourse for young veterans, at a low pay rate.

The private sector has not provided meaningful employment for veterans, partly because of the myth that everyone who was in Vietnam ate heroin for breakfast. The young veteran is unwilling to accept menial positions.

Educational benefits today do not begin to approach those received by World War II veterans. There is a bias against those who choose to go to a college. Those who enter trade schools or on-the-job-training programs receive educational and unemployment benefits, but veterans enrolled in college only receive educational benefits. Yet even after finishing a trade school, a veteran finds there are often no jobs.

The $220 a month a single veteran now receives cannot possibly pay for the tuition costs of more than $2,500 a year of many private colleges. The Government paid full tuition benefits after World War II; today full benefits could not only assist veterans but save many private institutions that face serious financial problems.

It is an understatement to say that care at veterans hospitals is not what it could be. Billions are spent on defense but only pennies, by comparison, for providing fully staffed hospitals, physical-rehabilitation programs and vital outpatient facilities for all veterans. The inadequate final physical a G.I. received at the Oakland Army Base hours before being discharged failed to identify mental and physical problems a veteran might have encountered months later.

Not too many people want to talk about the war, what happened to the Vietnamese and what happened to America. And nobody wants to talk about the veteran because he did not win a noble victory over a craven enemy. His only victory was surviving.

Now the veteran has a struggle to gain acceptance from a country that does not want to admit it acquiesced in allowing the war to happen in the first place. Should the veteran have to make himself socially acceptable to the country, or should society try to make up for its rejection of him?

The country cannot undo the damage to servicemen who were in Vietnam, to the families deprived of their son, to those forced to feign psychological disorders to avoid military service, and to still others who remain in self-exile.

The President cannot bring about the proper climate of national acceptance for the Vietnam war by signing a proclamation. A national sense of responsibility can only be achieved at the community level by seeking out young veterans and attempting to reintegrate them into society.

VIET VETS PRESS FOR JOBS, TUITION AID

(By William Greider)

There will be a modest military parade at Ft. McNair and a big luncheon today at one of the downtown hotels, and the mayor of Washington has issued a proclamation. It's "Honor Vietnam Veterans' Day."

Only a bunch of Vietnam veterans are in town with a sour view of the celebration in their honor. It's not parades or proclamations, but jobs and hard cash for college that they are after.

"I think it's a farce," said Ted Berg, the veterans coordinator at Montgomery Community College. "It's a little political ploy to take the heat off and now they're catching some heat anyway."

"I don't want to sound too cynical," said Jim Mayer, the legless veteran who heads the National Association of Concerned Veterans, "but it looked like it was going to be a few speeches, some banquets, one or two parades, that kind of thing. But the tables have been turned. We're trying to make it much more constructive—to emphasize the high unemployment and inadequate benefits."

On a few street corners, a veterans group from the University of Massachusetts will be selling apples to make its point—a symbolic reminder of the World War I veterans who marched on Washington for bonuses. Another bunch from Staten Island plans a box-lunch picnic in Lafayette Park across from the White House.

The main interest of the visitors, however, is lobbying Congress, which started the whole business with a resolution designating March 29 as "Honor Vietnam Veterans Day." The one-time non-holiday was meant to compensate for the emotional fanfare showered last year on 566 returning prisoners of war while the nation virtually ignored the other 2.5 million men who served in Vietnam.

One of the driving forces behind the idea was the National Honor Vietnam Veterans Committee, the creation of a wealthy Philadelphia, Gay Pitcairn Pendleton, who felt that all veterans deserve a warmer reception from the nation they served.

Mrs. Pendleton's committee is sponsoring a luncheon for 700 today at the Washington Hilton where the speakers will include several veterans talking about their home coming

"They are very, very sincere conservative people who are very committed to all veterans," said Forrest Lindley of the Vietnam Veterans Center, once an anti-war activist himself. "I think they're a lot more sincere than Congess or the White House."

President Nixon, whose administration has been catching some flak from the veterans because of late checks and inadequate benefits, will appear at the Ft. McNair ceremony with Mrs. Nixon. The Military District of Washington has planned a joint military ceremony for 11:30 a.m., but the event is not open to the public.

Last night, Vice President Ford made an appearance at the South Vietnam embassy's reception honoring American veterans. Ford and Ambassador Tran Kim Phuong each offered salutatory remarks.

On Capitol Hill, however, the veterans are talking about hard dollars. Congress has raised GI educational benefits twice since 1969, but the young men still complain that it's not anything like what the nation did for their fathers returning from World War II.

"I think basically the public isn't aware that we aren't getting a fair shake," said Brian McDonnel, a veterans counselor at Richmond Community College on Staten Island. "There's been an alienation between Vietnam vets and the older vets. The Vietnam war was basically unpopular all around and I think Vietnam veterans have been hesitant to take any action.

"Coming back to school is really traumatic. The school is very radical, to other students. The veteran is not put in a position of respect. He's made to feel almost ashamed."

Four World War II vets who all went to college on the GI bill held a press conference yesterday to attack the inequities of the present program for Vietnam era veterans. They are all U.S. senators now of varying ideological hue—George McGovern of South Dakota, Bob Dole of Kansas, Daniel K. Inouye of Hawaii and Charles McC. Mathias of Maryland. They are pushing a broad measure to provide direct tuition payments to meet rising college costs, plus an increase in monthly benefits, plus a work-study program.

"It's not a philosophical matter, as you might guess, seeing the four of us here," said Dole, who remembered fussing at the Truman administration over GI benefits when he was a young veteran.

McGovern was more specific in his complaint: "In place of a tuition payment system, the administration has given the young veteran a special day set aside to honor their courage and sacrifice."

By coincidence, the Veterans Administration benefits director, Odell W. Vaughn, was appearing before a House subcommittee yesterday, asserting that the administration is "unalterably opposed" to any tuition supplements.

Vaughn insisted that Vietnam veterans—or the majority of them, anyway—are better off than World War II veterans, a claim which drew a derisive rebuttal from Rep. Henry Helstoski (D-N.J.), the subcommittee chairman.

In the old days, a single veteran got monthly living allowance of $75 and, regardless of where he went to school, the government paid the whole bill whether it was Harvard or Podunk. Now the veteran gets $220 a month and that has to cover everything—tuition, books, fees and his living expenses.

The House has passed a bill providing a $30 increase and the Senate is considering a more generous increase. The administration's position is that any increase exceeding 8 per cent—or about $18—would be "inflationary."

Vaughn argued that the tuition vouchers of up to $600 proposed by Rep. William F. Walsh (R-N.Y.) would create the same abuses which scandalized the VA after World War II when some colleges jacked up their fees in order to collect more cash from the crop of government-sponsored veterans.

McGovern argued at his press conference that the current payments, when measured in constant dollars, add up to half of what the World War II vet could buy. One result is that fewer veterans can afford anything more expensive than low-cost public schools.

Inouye, who lost an arm in World War II, spoke to the emotional discontent which lies behind the issue:

"The pain suffered by the man in Guadalcanal and the man in Germany, by the man at Inchon and the one in the highlands of Vietnam was just about the same. The caliber of the bullets may have been different but the pain was just about the same."

VIETNAM VET IS FORGOTTEN AMERICAN

(By Jack Anderson)

They called it peace with honor and said our men would come home on their feet, not on their knees. Just a year ago this week, the last combat troops were withdrawn. Now thousands of veterans find they are flat on their faces.

Vietnam was a war with no glory and, for the men who fought there, no heroes. Many of the young soldiers who risked their lives in the rain forests and rice paddies of Southeast Asia remain alienated from the society that sent them to a war most Americans neither wanted nor like to remember.

The memories are painful, and the process of forgetting has been harsh on the men who came back from Vietnam. The regrettable result: the Vietnam veteran has become today's forgotten American.

He came home to a cold welcome. He found his peers had taken the available jobs, his elders regarded him with suspicion and his government was interested only in cutting veterans' benefits.

The educational benefits of the GI bill, which helped two generations of vets complete their schooling, are now laughably inadequate. Even these small benefits get entangled in the bureaucratic red tape which snarls the Veterans Administration. Scores of former servicemen have complained to us that their college checks arrive too late or not at all.

GI loans for home purchases, which gave birth to clusters of small but adequate suburban residences across the nation, are virtually worthless in today's inflated real estate market.

Despite half-hearted efforts by the government, many veterans have found they cannot find decent jobs. In hard purchasing power, according to the VA's own private calculations, a single Vietnam vet buys $203 less with his government check than did his father after World War II. Married vets are even worse off.

Disabled veterans tell us they don't receive adequate treatment, training or compensation. But the darkest cloud hanging over the Vietnam vet is the drug problem. An internal government memo reports that the American public "assumes that all Vietnam era veterans have abused drugs and this makes them more skeptical when it comes to hiring the younger veteran."

There's no denying many GIs came to rely on drugs in Vietnam, some to relieve the pain of wounds, others just to escape the cruel realities of war. The treatment centers promised by the Pentagon have fallen woefully short. They aren't even open to men who received "less than honorable" discharges, although these men often are the ones who most need treatment.

Facing a hostile world that offers them insufficient benefits and few opportunities, some vets have fallen back on their chemical crutches.

Many veterans complain that President Nixon behaved as if the only men who served in Vietnam were the 600 POWs. While he was hosting them in a tent on the White House grounds, he gutted programs that would help the soldiers who didn't get captured.

He slashed disability compensation for severely disabled vets, opposed GI educational increases as "excessive and inflationary," impounded funds voted by Congress to help colleges enroll vets, cut funds for a "mandatory job listing" program intended to give vets first crack at over a million jobs, and vetoed special burial and health benefits for veterans.

In one celebrated case, the President's budget managers tried to save money by cutting off funds for cooling veterans hospitals in the summer. The Senate responded with a vote to cut off the air conditioning at the Office of Management and Budget. The hospital cooling systems were hastily restored.

The President paid brief attention to the veterans in 1972 when he was running for reelection. The "Veterans Mobile Outreach" program, for instance, sent vans to assist veterans three months before the election. The scheduling and publicity were handled, not by the VA, but by the President's campaign committee. Veterans have charged that the vans visited areas where the President needed votes, not where veterans needed assistance.

But perhaps the biggest obstacle for the returning veterans is the Vietnam war itself. America hasn't yet recovered from the war. The nation was torn apart, and the wounds are deep and slow in healing.

Professional counseling was desperately needed, but seldom provided, for those returning from combat to a country in the midst of rapid social change. The forlorn veteran, suddenly shorn of his uniform and confronted with the conflicts of a nation in turmoil, had nowhere to turn.

It is odd that a country that won't forgive those who refused to serve in Vietnam also refuses to reward those who did their duty. But the veteran is a living symbol of that war, a reminder to his fellow Americans of a pain they would rather forget.

So in a sense, the forgotten veteran has become the last victim of the Vietnam war.

Footnote: Dozens of Massachusetts vets are planning to come to Washington on March 29 to sell apples on street corners. "Project Apple" is patterned after the post-World War I action of veterans.

PROBLEMS CONCERNING UTILITY RATES

Mr. HUMPHREY. Mr. President, the Subcommittee on Consumer Economics of the Joint Economic Committee held a hearing on March 28 on the subject of gas and electric utility rates, which now threaten to rise by as much as heating oil and gasoline have risen in the past several months. Chairman John Nassikas of the Federal Power Commission and Prof. Charles Cicchetti of the University of Wisconsin presented very incisive testimony before the subcommittee.

Chairman Nassikas candidly recognized that utility rates are very likely to continue the steep climb which began in 1968. In fact, he predicted that electricity rates may triple by the 1980's, particularly if inflation is not brought under control. He also stated his view that experiments with so-called peak-load pricing of electricity should be made to test the efficacy of this mode of pricing.

Professor Cicchetti presented a very cogent case for peak-load pricing as a means to reduce the cost of high-cost fuels, inefficient generating capacity and to constrain the need for costly capacity expansion to satisfy brief peak-period demands.

One reason for calling this hearing was my concern about the large number of applications now being filed by utilities for rate increases to offset declines in sales due to conservation efforts by consumers. At my request, a study was prepared by Dr. Douglas Jones of the Congressional Research Service, documenting the frequency of such applications and discussing means of dealing with them. About 15 such applications have already been filed and more are expected. It is my view that granting such rate increases would seriously undermine the effort to foster conservation in this country.

Mr. President, I ask unanimous consent that the prepared statements by Chairman Nassikas and Dr. Cicchetti and the study submitted by Dr. Jones be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT OF JOHN N. NASSIKAS, CHAIRMAN, FEDERAL POWER COMMISSION

Mr. Chairman and Members of the Subcommittee on Consumer Economics:

I appreciate the opportunity to appear before your Subcommittee and present testimony concerning the outlook for gas and electric rates, in accordance with the request of Chairman Humphrey. The availability and prices of gas and electric service have become matters of widespread public concern during recent months as the public has listened to persistent appeals to conserve energy and has seen the prices of gas and electric energy rise more rapidly than ever before. In my testimony, I describe the extent of the increases in gas and electric prices that have occurred, the causes of the current situation, energy conservation and its relationship to the revenue requirements to the utilities, the role of rate design in energy conservation, and the outlook for the future. In general, my conclusions are that we have a long way to go to achieve the President's goal of energy independence for the United States by the 1980's and that we can expect substantial further increases in the prices of gas and electricity in 1974 and beyond.

The 1960's was a decade of relatively stable rates for electricity with a slightly downward trend reversing in about 1967 and increasing at an increasing rate since that time. By the end of 1972 residential rates had increased 12–15% above the 1967–68 level, while commercial rates had increased 13–17% and industrial rates 18–21% over the same period of time. During 1973 these rates continued to increase; the residential rate increase for that year was more than 7%. This is equivalent to at least a doubling of rates every 10 years. In some sections of the country, particularly in California and in the Northeast, where oil is an important fuel for electricity generation, the rates of increase over the past year have been much greater. For example, the increase in Los Angeles was nearly 28% while rates in New York City increased by nearly 50%.

The principal cause of these rate increases over the past year seems to have been increases in prices paid for fuels used for electricity generation, especially oil prices. For example, during the year ended January 1974, the price of oil purchased by Consolidated Edison Company, serving the City of New York, approximately tripled, while in New England and in California oil prices doubled. As a result of the widespread existence of fuel cost adjustment clauses under which electric utilities are able to automatically and almost immediately pass on to customers changes in the price of fuel used for generation, the escalating fuel costs have been rapidly reflected in the bills paid by consumers of electricity. For example, about 75% of the increase in the price of residential electricity in New York during the year ended February 15, 1974, was attributable to fuel adjustment clauses as compared with about 38% in Los Angeles and about 67% in Boston.

These unprecedented increases in fuel costs occurred during a time when the electric utility industry was already experiencing substantial cost increases springing from a variety of other sources. These include: (1) the increasing cost of providing facilities for the purpose of controlling air and water pollution; (2) increases in capital costs, particularly interest rates; and (3) increases in the cost of construction and equipment. In addition to these specific causes of cost increases to electric utilities, we have, of course, been in a period of general price inflation affecting all of the various kinds of labor and material costs experienced by eletcric utilities. From 1960–1967, while the general price level crept upward the price of electricity remained relatively constant or, in constant dollars, may be said to have gradually declined. From 1967 to the present, although the price of electricity has risen sharply it has not increased as rapidly as has the general price level; we may, therefore, say that from 1967 on, the average cost of electricity in constant dollars has continued to decline but at a much lesser rate of decline than during the first part of the 1960's. These, of course, are National averages. In certain areas, such as New York and Los Angeles, electricity prices have been increasing more rapidly than the cost of living so that the price of electricity may be said to have increased in constant dollars in those areas.

As a result of fuel shortages and the conservation efforts resulting therefrom during the latter part of 1973 and continuing into 1974, many utilities have been experiencing customer demands substantially less than have been projected; a substantial number experienced load requirements less than a year earlier. It is ironic that the very success of these conservation programs has created a new problem in the form of sharply reduced revenues. As a result, utilities are claiming that without higher rates they will be unable to raise capital for the purpose of constructing facilities to meet their customers' needs or indeed to continue to operate at all. Efforts by the utilities to obtain increased rates on this basis have created a wave of public indignation and protest. Those groups of ratepayers that have been most cooperative in helping to conserve electricity find that they are the very ones being asked to pay higher rates as a direct result of this cooperation.

This appears, to the average citizen, to be an exceedingly inequitable situation especially coming as it does at a time when for other reasons electric rates were already going up at an unprecedented rate. Ratepayers not only argue that they should not have to finance the conservation program but also that the failure of utilities to anticipate the current situation should assign the burden of increased costs to the utilities. The distribution of the burden of increased costs as the result of conservation between ratepayers and investors must be equitably resolved to serve the public interest on a case-by-case basis. The issue is pending before several State commissions and the FPC.

The energy problems that have become apparent in recent months including shortages of fuel and escalating costs have focused attention to a greater extent than heretofore on the design of electric rates. In my testimony on pages 51 through 58, I discussed two rate design issues: (1) the proposal for an "inverted rate design"; and (2) peak load pricing. Although I believe that both of these deserve further consideration and research, I believe that cost related peak load pricing holds more promise for efficient resource allocation and fair treatment of consumers than does the inverted rate proposal which does not necessarily reflect the pattern of costs to provide the service.

For the balance of 1974 and for the next few years the electric utility prices will probably continue to increase. I believe that the price of electricity is going to continue to go up regardless of whether inflation is brought under control. If it is not brought under control, I think we will see a tripling of electric utility rates long before 1990 for the following reasons: (1) costs for environmental protection, (2) increases in the cost of coal and oil prices, (3) increase in the overall cost of installing nuclear generation, and (4) increased demand for capital and inflationary impact resulting in higher cost of capital.

Our best hope for resolving problems of electricity supply and rates in the long run seems to me to be dependent upon (1) our ability to control inflation; (2) our ability to bring new facilities, particularly nuclear facilities, on the line with substantially less delay than is occurring at the present; (3) development of environmentally acceptable domestic fossil fuel resources; and (4) a greatly expanded program of research and development. With respect to the latter, there has been increased recognition on the part of the electric power industry of the need for expanded R&D programs. Industry expenditures doubled and re-doubled over the period 1970 through 1972. In addition, a major step was taken in 1972 when the electric utilities formed the Electric Power Research Institute to direct and conduct an industry program of electric power R&D. The Institute is now in full operation, with key staffing complete. While an expanded program of electric power R&D represents an immediate modest increase in the electric power cost to the consumer, it is an investment which will tend to hold down electric power costs in the future and help insure that sufficient electric energy is available for the Nation's needs.

The concluding portion of my formal statement, pages 51–59, provides an overflow of FPC rate regulatory policy with respect to the natural gas industry. I have appended to my formal statement the Summary Statement on natural gas producer rate policy that I presented at an oversight hearing before the Senate Commerce Committee on February 19, 1974. That statement reflects the Commission's efforts to regulate wellhead prices for natural gas so as to promote the consumers' interest in reliable and adequate gas service at reasonable rates. I believe that Summary Statement is relevant to the purpose of this hearing and I request that it be included in the hearing record.

Currently natural gas is sold at the wellhead to interstate pipeline companies representing 70% of the national market at an average price of 25¢ per Mcf. A staff study prepared at my request shows that natural gas committed to the interstate market under all pricing procedures during 1971 to 1973 totaled 3.1 Tcf at an average price of 32.85¢ per Mcf. The price of new gas commitments to the interstate market ranged on average from 28.41¢ in 1971, 29.67¢ in 1972, to 39.35¢ per Mcf in 1973. During the same period long-range dedications under area rates declined from 52% of new commitments in 1971 to 44% in 1972 and down to 25% in 1973. As a result of our releasing small producers from area ceilings in 1971, there were additional long-range dedications of small producer sales to the interstate market in 1972 approximating 19% of new commitments (231 Bcf of 1,206 Bcf), and in 1973 to almost 10% of new commitments (107 Bcf out of 1,116 Bcf).

According to the staff review, in 1973 the breakdown of volumes and prices of all new natural gas sales committed to the interstate market under various pricing procedures was as follows:

[Thousand cubic feet]

	Deliveries	Average price (cents)
Area rate ceilings	265, 000, 000	24. 63
Optional procedure	87, 000, 000	39. 93
Limited term sales	340, 000, 000	40. 85
Small producer sales	107, 000, 000	42. 43
60-day emergency sales	116, 000, 000	46. 11
180-day emergency sales	201, 000, 000	50. 41
Total	1, 116, 000, 000	[1] 39. 35

[1] Average.

With respect to our regulation of the transportation and sale for resale of natural gas in interstate commerce, I have summarized major recent developments in natural gas pipeline rate cases at pages 52–56. The most significant development in this area of our jurisdiction is our adoption of Opinion No. 671 on October 31, 1973 (United Gas Pipeline) in which we departed from the traditional Atlantic Seaboard rate design used by most pipelines since 1952, in favor of a design giving less weight to large volume users. This and other recent actions of the Commission reflect our efforts to minimize and equalize the effects of the natural gas shortage. For example, in light of the present demand for natural gas (as well as all other energy supplies for that matter) and our limited supply of this valuable resource the Commission has undertaken a review in individual cases of the pricing mechanisms of interstate pipelines with the objective of establishing pricing policies to ensure the conservation and fairest allocation of existing supplies.

In addition, we have adopted incremental pricing for pipeline sales of LNG and synthetic gas (SNG) supplements. The incremental approach assesses the costs of the project to those who receive the benefit of the new forms of gas. Thus those who do not benefit do not subsidize those who do. On the other hand, some of the advantages of rolled-in pricing are (1) there is displacement of conventional gas to enable service to meet existing contract demands, (2) load factors are markedly improved, (3) there is a beneficial cash flow enabling the pipelines to provide better facilities and service to all customers, (4) there are reduced capital costs to the extent pipelines have improved overall financial conditions upon which investment risk is measured, and (5) the LNG supplement to gas supply will reduce the reliance on other fuels which are less advantageous in meeting our environmental objectives.

I have also included in my formal statement, at pages 57-59, a discussion of purchased gas adjustment clauses (PGA) by which pipelines are able to pass along to their customers producer increases. Any rate change under the PGA must be at least one mill per Mcf of annual jurisdictional sales and the company must present at least 45 days' notice of the change, together with appropriate verifying calculations. As a general rule, but subject to stated exceptions, only two PGA rate changes are permitted each year. A deferred purchased gas cost account is permitted wherein over and under charges are maintained in order to assure recovery of only those expenditures actually made, and to assure recovery of all purchased gas costs. Supplier refunds must be passed on to consumers and company rates are subject to complete review every three years.

The Commission will face many important gas pipeline rate questions in the future. Besides addressing the continuing questions of appropriate fixed cost allocations, the FPC will be faced with questions pertaining to the further development and application of its incremental approach, the determination of who should pay for idle pipeline capacity in periods of curtailment, and the desirability of various automatic adjustment clauses which would depart from our normal test year approach for setting rates. The resolution of these issues will depend upon the applicability of the Commission's regulatory standards and objectives and in part on the specifics of each case as it comes before us.

This concludes my statement; I will be pleased to respond to any questions you may have.

Testimony of Dr. Charles J. Cicchetti

Mr. Chairman and members of the Committee: I would first like to take this opportunity to thank you for permitting me to testify concerning my ideas on electricity pricing and in particular on the so-called conservation adjustments. I am an economist and presently a visiting associate professor of economics and environmental studies at the University of Wisconsin, Madison. I was previously a research associate at Resources for the Future and serve as an advisor to several environmental and consumer groups. I have also testified on their behalf in several recent electric utility pricing controversies. Finally, I should mention that I have served as a co-principal investigator on a recently completed Ford Foundation Energy Policy Project study of the electric utility industry. I mention the above not because I am speaking today on behalf of any particular group but because I would like you to be aware of any of my possible biases.

Given the relatively short notice for my appearance I would like to apologize if my remarks are overly terse in some parts and long winded in others. I intend to discuss several points with you this morning, and will be happy to cooperate further if any of the issues covered became areas that you would like to consider further.

The first point I'd like to make is that the electric utility industry in this country is not benefitting from our current energy crisis. This is in marked contrast to most of the other components of the energy sector of our economy. There are several reasons for their unenviable distinction.

First, they are customers of the fossil fuel producers and are thus confronting the same high prices that all the rest of us face. Those electric utilities that have "automatic fuel clause adjustments" that permit them to adjust their prices with each change in fuel purchase costs are, however, in a markedly superior position than electric utilities that do not. Second, inflation has hit electric utilities in a particularly hard way. The practice of tying revenues to historic costs and/or average costs in a period of rising nominal and in some cases rising real costs has had a profound impact on the electric utility industry. The very visible symptom associated with such casual factors is the annual and in some cases semi-annual appearance before regulatory commissions requesting revenue relief, and increases in the allowed rate of return and prices. For an industry which has historically been growing at rates more than twice the overall real growth in the economy, revenue erosion and further expansion pressures have all contributed to finance problems that increase the cost of capital to the industry. This results in a further increase in costs and the vicious cycle is compounded.

The financial problems of the industry are not taking place in a vacuum. In fact the striking feature of the current round of price increases in the electric utility industry is that it follows more than two decades of declining or constant prices. While the social and environmental costs imposed on society by the production and consumption of electricity may have been high, prices have historically remained low. Indeed, larger user quantity discounts have been the rule. The unprecedented growth in per capita electrical consumption has doubtless been related to this pricing practice.

In the past, while social costs tended to be grossly understated in the resultant price, the private (or firm) costs of electricity fell as both larger plants and new and cheaper technology was installed. Additional savings in transmission also contributed heavily to this decline in cost as use expanded. The situation has now changed dramatically for several reasons. First, as electric utilities gained efficiency the physical and engineering limits began to be reached. Second, nuclear technology has generally proved less reliable and more costly than original estimates. Third, fuel costs began to increase as lower cost coal was replaced by higher cost but less polluting fuel oil. The current escalation in the cost of oil has and will compound this higher cost. Fourth, a growing environmental concern has resulted in more costly construction techniques. Finally, to summarize the previously mentioned problems the general price inflation of the last few years has hit the electric utility industry particularly hard. Construction costs and raw materials prices have grown steadily. Higher interest rates have particularly impacted the electric utility industry, which is in the unenviable position of currently being both a large capital investor and highly dependent on outside sources of finance.

Throughout this period, prices of electricity—which were tied both in the minds of regulators and, often times, management to the prior period of declining costs—have been retained. Quantity discounts (or declining rate block pricing) and large user lower prices have generally been retained despite a period of almost annual price increases and extended rate hearings. Revenue continued to erode, costs continued to climb. Regulatory commissioners began to find their dockets overloaded with applications for unprecedented price increases. Opposition to this historic pricing practice began to surface from environmentalists, alarmed at increasing consumption; and consumers, alarmed at higher monthly bills. At the same time, economists—often ignored when it came to pricing—started to restate and clarify existing price theories and explain why the historic pricing practice may be a prime causal factor in the current industry crisis.

The solution to the industry's problem represents a surprising consensus among economists. First, costs should be the basis of pricing. If costs are rising and excess revenue would result from marginal cost pricing, then prices should be lowered proportionately more for the most price inelastic users. These are doubtless the smaller users, who make up the broad class of residential use. The problem is that in the past in order to take advantage of lower costs afforded all users through growth and increased use the opposite pricing policy was adopted. Reversing the thinking behind such imbedded tariffs is the current problem.

There are two additional subtleties that compound the above statement of the problem. First, inflation will doubtless continue and it is important to separate real cost patterns and the pricing they imply and general price inflation. The latter should probably be dealt with by an inflation adjustment, which would protect both the consumer and the industry and not make them semi-annual combatants in which they both must eventually lose.

Second, the costs of supplying each user are not equal. There are several components of costs and there is likely to be large differences between serving different users with electricity. In each case the prices charged should be based upon separable and shared costs. One case is particularly troublesome for the development of a simple pricing policy.

Costs are tied to several factors but the most quantitatively significant of these is the time of day in which electricity use takes place. When the system is serving a large number of customers at a high level of use it is by necessity utilizing its plants which are most expensive to operate and at lesser levels of demand would not be utilized. In addition it is to meet these peak periods of demand that additional higher cost generating facilities are built.

Economists have long favored a pricing practice, which is based upon such on and off peak cost differences. In France, the United Kingdom and elsewhere this pricing system is practiced in some form. In the United States the efforts have been primitive by comparison and often times they have tended to worsen the problem by encouraging each customer to spread out his own load without assurances that it is improving the system load. The result is often higher costs, more generating facility investments, and higher prices. In today's energy conservation world that practice was and continues to be wrong headed.

Every effort should be made to reform the current pricing practice and to base prices on costs. If small users are contributing to a greater level of costs than large users then so be it that they pay higher prices. But this must be demonstrated first and electric utilities should not be permitted to stand on what has been proved to be an incorrect pricing practice for today's world. It is far more likely that if a system of peak load pricing can be instituted that both small and large users alike will benefit because the electric utilities overall costs will fall as it invests less and has a more efficient utilization of its existing equipment. If the high growth in use at peak periods continues then the higher prices those responsible for such growth will pay for that use will be both fair and efficient.

I would now like to turn to a more immediate problem. The so-called conservation adjustment that several utilities have been talking about. First, it is necessary to realize that the previously mentioned problems in the industry were with us before we entered the current phase of the energy crisis. Second, the electric utility industry has been suffering along with the rest of us. The problems of those customers who have all electric homes and which purchase electricity from a utility with a fuel clause adjustment and a foreign source of fuel oil are the consumers hardest hit by our current crisis. While they are comparatively few in number their relative penalty for our current national energy fiasco is far out of line with any duplicity they may share with the rest of us for this sad state of affairs. Some form of tax relief or limit on price increases is probably necessary to ease their plight but theirs is not the main problem.

Some electric utilities have found that there is less use of existing plants as their kilowatt-hour sales have fallen. Residential use appears to have been the main source of decline. But residential users are paying higher than average prices and each kwh conserved brings a greater than average revenue loss. To a large extent the industry's problem is due to the factors mentioned above. Fixed costs should be recovered by increasing on peak prices not off peak prices. This will discourage facility expansion and any price increase today will reduce future price increases. Perhaps this is overly simplistic, but if prices were cost based, as discussed above, each reduction in costs would be offset by an equal reduction in revenue and the electric utility would not be suffering from an earnings erosion problem. The problem is real but the solution must be based on a broad industry pricing reform and not a temporary short-sighted solution that increases all prices.

Consumers, who are trying to help by reducing energy use, are being asked to shoulder the burden by paying higher prices. This is a politically stupid move on the part of those firms making the request. If electric utilities plan to continue their past pricing mistakes, when seeking relief from this problem, they should not be bailed out by the Congress or regulatory commissions. Instead I believe the stockholders should replace the current management with people who will follow their common sense and have greater faith in the level of intelligence of the average American consumer.

There is a basic error in the argument that implies to consumers that they must pay higher prices or give up their conservation efforts. The fact is that prices will increase in any case, but if energy conservation is forgotten then this will increase the utilities investment requirements and mean even greater costs and prices in the near future. Discouraging conservation is short-sighted and any utility engaging in it is being mismanaged.

If electricity use is to be conserved as a national goal, then a price-tax system, which discourages use and rewards those who meet the pre-set goal and penalizes with higher prices those that don't is what we need. As a long run goal it is necessary to remove the current quantity discounts and replace them with a peak load cost based price system. At a minimum flat prices based upon long run incremental costs, with separate customer costs and an inflation adjustment should replace the current pricing practices. This interim step would tend to ease the problem, but only after we start basing prices on time of day or diurnal cost based differences, will the industry's problems come under reasonable control.

There is a related problem to the energy conservation-price increase conflict. Historically electric utilities and regulatory commissions have assumed that the quantity of electricity consumed was insensitive to the price charged. That is they have presumed the price elasticity of electricity demand to be zero. When revenue targets were set and prices reduced this was a conservative assumption, since revenue requirements would be underestimated. Today, however, the price of electricity is being increased and continuing to assume zero price elasticity of demand means that the approved revenue requirements will not be earned. Many of the current round of annual rate proceedings are due to requests on the part of electric utilities to earn revenue previously authorized but not earned. The current round of high prices caused by fuel clause adjustments and recent rate increases may have a lot to do with current consumer kwh reductions. Yet, the industry still seems unwilling to accept the price elasticity argument and to protect itself. It seems bent on self destruction. I cannot explain their logic or reasoning. My only guess for their seemingly irrational behavior is that they may fear that accepting a price elasticity argument in a revenue proceeding will mean that they would have to accept them in facility licensing proceedings and thereby reduce their use forecasts and facility needs. Belief that regulatory commissions will bail them out is the final segment that closes the vicious circle in which all participants are losers.

Thank you for your time. I will once again offer to help you in anyway to pursue your inquiry into these and related matters.

[From the Library of Congress Congressional Research Service, Feb. 28, 1974]

REQUEST FOR TECHNICAL AND PUBLIC POLICY ANALYSIS OF THE QUESTION OF UTILITY COMPANIES PROPOSING RATE INCREASES AS A RESULT OF THE EFFECTIVENESS OF CONSUMER CONSERVATION EFFORTS

Like Gaul, this analysis is divided into three parts. The first section sets out the actual incidence of proposed utility rate increases based on lowered earnings resulting from consumer conservation of energy and frames "the problem". The second sketches the traditional public utility theory and practice as a backdrop against which to view the issue. The third suggests some alternative solutions from the public policy vantage point.

A. The situation

At this writing at least 15 electric power and gas companies have filed applications with their regulatory commissions for surcharge or rate increases where effective energy conservation on the part of the consumer is cited as at least partially responsible for reduced utility earnings through decreased usage. Two more are felt to be imminent. The public utility commissions of 14 states, the District of Columbia, and the Federal Power Commission have before them rate hike proposals of this sort; many more are almost certain to arise. Most cases are pending; three have been denied; one was withdrawn. And this is after only a few months of concerted appeals for energy conservation on the part of commercial and residential consumers. Table 1 contains the most current summary data on the geographic scope of these occurrences.

The amounts requested are very substantial, Consolidated Edison Company of New York attributed $108 million of its total proposed hike to revenue losses because of users' conservation action.[1] Long Island Lighting Company claims that $19 million of its total request is due to energy curtailment measures.[2] Consolidated Edison Company was experiencing a 10% reduction on power sendout and proposed a "conservation adjustment surcharge" of 6.67%.

Mississippi Power and Light Company has proposed an $11 million rate increase and Mississippi Valley Gas Company is seeking a $3 million increase in part justified on the basis of reduced demand.[3] Mississippi Power and Light argues that, "Voluntary curtailment is decreasing revenue from present business. Curtailment will continue to adversely affect revenues in the months to come." Mississippi Gas in its petition gives as its first reason, "A substantial" reduction in revenue is being experienced as a result of energy conservation programs."

TABLE 1—*Application for rate increases related to energy conservation measures, July 1, 1973 to present*[4]

State, Companies Filing Proposals for Increases, and Status

District of Columbia, Washington Gas Light Company, Jan. 1974, denied.

Illinois, Northern Illinois Gas Co., Dec. 1973, pending; North Shore Gas Co., Sept. 1973, pending.

Iowa, Iowa-Illinois Gas & Electric Co., Jan. 1974, pending.

Maryland, Washington Gas Light Company, Jan. 1974, denied.

Massachusetts, New England Electric System, Jan. 1974, denied.

Mississippi, Mississippi Power & Light Co., pending; Mississippi Gas & Light Co., Jan. 1974, pending.

Missouri, Laclede Gas Company, Feb. 15, 1974, pending.

New York, Consolidated Edison Co., Dec. 1973, pending; Long Island Lighting Co., Jan. 1974, pending.

North Dakota, Northern States Power Co., Feb. 1973, pending.

Oregon, Pacific Power & Light Co.[5]

North Carolina, Duke Power Co.; also Public Serv. Co. of NC.[5]

Rhode Island, Narragansett Electric Co., Jan. 1974, pending.

Virginia, Washington Gas Light Co., Jan. 1974, withdrawn.

Washington, Puget Sound Power & Light Co., Dec. 1973.

Wisconsin, Wisconsin Electric Power Co., Jan. 1974, pending.

Source: Correspondence with all Public Utility Commissions in the U.S.

The multi-state New England Power Company told the Federal Power Commission its net loss for the four weeks ending December 22, 1973 was $2.5 million attributable to various conservation measures implemented by its customers.[6] In a January 1974 filing before the FPC it asked for the establishing of an "automatic cost adjustment clause" to compensate NEPCO for the deleterious effect that energy conservation behavior is having on its earnings. The FPC denied the request on February 7, 1974. In a related action Narragansett Electric Company, the largest electric utility in Rhode Island, has sought an "energy surcharge" of about 7%, about half of which is claimed for "a fall-off in revenue due to customer conservation."[7]

The Washington Gas Light Company, supplier of natural gas to the District of Columbia and its suburbs, asked for a 6.8% temporary emergency rate increase in Virginia, a 4.8% increase in Maryland, and an 11.9% increase for D.C. customers.[8] The additional revenue sought would total about $12 million. Of this amount about $9 million was asserted to be compensation for the effect of energy conservation ($3 million from Virginia, $4 million from Maryland, and $2 million from D.C. customers). The regulatory bodies of D.C. and Maryland denied the rate relief requested, and the company withdrew its application from the Virginia Commission before it was acted upon.

Footnotes at end of article.

The Missouri Public Service Commission reported that Laclede Gas Company is seeking "partial relief" in the amount of some $5.4 million arguing that its "precipitous decline in revenue" resulted "from the response of Laclede's customers to the request of the President of the United States that househeating fuel consumption be decreased as part of an overall effort to conserve energy." [9]

In addition to these state regulatory commissions before which the issue has come up several others of the 39 responses received to the author's inquiry anticipated future filings. The Connecticut Public Utilities Commission, while stating that to date it had no such cases before it, added "Under present conditions, this situation might well change in the near future. . . ." [10] The Kansas Commission said it "would anticipate that we will be faced with such requests in the near future." [11] The chairman of the Vermont Public Service Board, though not presently faced with an application on these grounds said he would personally oppose any such rate increase proposal and labeled the argument "spurious logic" and a "phony issue." [12] In California where data are filed with the Public Utilities Commission service monthly by utilities on the effectiveness of conservation practices the PUC wrote, "It is anticipated that these matters will become an issue in rate proceedings later this year." [13]

B. The numbers

Since the occasion for the proposed rate hikes cited is a reduction in demand and hence earnings, it is helpful to examine what the numbers are. Recall that throughout this analysis the only focus is on the consumer conservation factor in rate change proposals—increased fuel costs, higher capital costs, lowered bond ratings are excluded from our attention as bases for increases.

Unfortunately, really current data on gas and electricity consumption are available only in national aggregates (and usually with some delay), while utility petitions for rate schedule adjustments are specific to a region and must be evaluated on a case-by-case basis. However, very recent aggregate data were secured which are useful in determining what the objective general case seems to be.

Table 2 presents total electric utility production by quarter from 1969 through 1973 in millions of kilowatt hours. The most important figures are to be found in columns 9 to 11. Note that while the average yearly increase in sales for the ten-year period prior to 1973 was 7.4%, the growth in consumption for 1973 over 1972 was 6.6%. Note also that the 4th Quarter drop over the ten-year period averaged 5.0%; the experience for 4th Quarter 1973, when the effectiveness of consumer conservation would be expected to show up, was a −11.6%.

Table 3 is the comparable table for natural gas sales. Again the most significant comparisons are in columns 9 to 11. Overall an average annual growth for the ten-year period before 1973 was 4.5%, but for 1973 over 1972 it was a minus 5.4%. Further, 3rd Quarter 1973 "growth" was −30.6%, five percentage points lower than normal; and 4th Quarter sales for 1973 which usually average some 34% rise over 3rd Quarter sales in fact rose 30%.

TABLE 2.—TOTAL ELECTRIC UTILITIES PRODUCTION, 1969 TO 1973, BY QUARTER

[In millions of kilowatt-hours]

	(1) 1969	(2) Percentage change from preceding quarter (or year for totals)	(3) 1970	(4) Percentage change	(5) 1971	(6) Percentage change	(7) 1972	(8) Percentage change	(9) 1973 [1]	(10) Percentage change	(11) Average quarter yearly percentage changes, from 1962–73
Total	1,442,182	8.49	1,531,609	6.20	1,613,936	5.38	1,747,323	8.26	1,863,335	6.64	7.39
1st quarter	348,252	2.82	370,793	1.92	393,439	4.18	421,932	5.06	457,056	3.41	2.80
2d quarter	342,309	−1.74	366,722	−1.11	389,270	−1.07	415,406	−1.57	452,615	−.98	−.86
3d quarter	387,577	13.22	414,433	13.01	429,602	10.36	468,026	12.67	502,867	11.1	9.72
4th quarter	363,802	−6.54	377,634	−9.74	401,624	−6.96	441,959	−5.90	450,797	−11.55	−4.95

Data from Edison Electric Institute, Washington, D.C.

Source: Federal Power Commission, as printed in "Survey of Current Business." Their data for electric utilities is based upon reports obtained from all electric supply systems producing for public use.

TABLE 3.—TOTAL UTILITY GAS SALES TO CUSTOMERS, 1969 TO 1973, BY QUARTER

[In millions of therms [1]]

	(1) 1969	(2) Percentage change from preceding quarter (or year for totals)	(3) 1970	(4) Percentage change	(5) 1971	(6) Percentage change	(7) 1972	(8) Percentage change	(9) 1973	(10) Percentage change	(11) Average quarter yearly percentage changes, from 1962–73
Total	154,430	7.60	152,215	−1.45	156,831	3.03	170,100	8.46	161,380	−5.40	4.49
1st quarter	50,357	37.64	54,236	37.87	53,770	36.38	54,750	38.86	52,860	23.91	37.27
2d quarter	35,251	−42.85	38,349	−41.42	39,458	−36.18	39,770	−37.66	39,300	−34.50	−41.06
3d quarter	29,483	−19.56	31,190	−22.95	31,183	−26.54	32,500	−22.37	30,080	30.65	−25.09
4th quarter	39,339	33.42	39,424	26.40	39,428	26.44	42,660	31.26	39,140	30.12	33.57

[1] Totals include data not shown separately.

Source: American Gas Association, as shown in "Survey of Current Business." Data represents complete coverage of the gas utility industry in the United States.

C. Two levels of analysis

There are at least two levels of analysis against which to view the rate increase proposals arising from consumer energy conservation. These are the technical or procedural level of traditional public utility theory and practice; and the public policy level which considers in a broader context the fairness and propriety of burdening the rate-paying public with rate increases in return for its self-sacrifice—a kind of "double jeopardy."

The next section elaborates on the first level of analysis and the last section treats the second, concluding with the several alternatives facing the policy maker other than simply yielding to utility company petitions.

II. THE BACKDROP OF PUBLIC UTILITY THEORY AND PRACTICE

A. The theory in outline

The present case of utility companies seeking rate increases from regulatory commissions on the basis of reduced consumption resulting from energy conservation efforts must be viewed against the backdrop of traditional public utility theory and practice. On these technical and procedural grounds the utility companies are behaving in a legitimate (even if not socially desirable) way. Recall why this is so.

Public utilities are the so-called "in-between" case in our spectrum of market arrangements between "unbridled" private enterprise on the one hand and full public ownership and operation on the other. It is the case where, in exchange for some semblance of a monopoly position, privately owned enterprises providing an essential service to consumers are governmentally regulated with respect to the key elements of price, earnings, investment decisions (supposedly), and the quality and reliability of service.

In the present case the issue centers on earnings. Regulatory bodies allow but do not guarantee a "reasonable" rate of return on invested capital—typically between 6% and 8.5% in the power and light industries. "Reasonable earnings" for utility operations constitute a zone of reasonableness, between outright confiscation of the property on the downside and full monopoly exploitation of consumers as the upper limit. While the setting of an earnings level for a utility is

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Footnotes at end of article.

a function of the regulatory commission, that rate of return need not be a single static sum for each company, but rather one of several returns that may be reasonable as a sort of "normal" return for that company.

The question of what are the tests of reasonable earnings has long been debated, but for our purposes the element of most relevance is the ability to attract new capital. The argument runs that if utilities are to be able to gather "their share" of finance capital when floating new issues of stocks or bonds for purposes of expansion and improvement, they must have earnings high enough to attract investors who face alternative investment opportunities. The subscriber, while paying for these earnings, presumably benefits from the fruits of this expansion.

A cost formula in determining reasonable earnings is generally used. Briefly put, this adds together all allowable operating expenses, the depreciation cost of the utility property "used and useful" in doing business, and a reaonable return on the value of the property, i.e. the rate base. Thus fuel costs, which are a substantial part of operating expenses in all but hydroelectric generating plants, are fully recoverable from the consumer and recent increases have properly occasioned rate hike applications by utility companies. This type of proposed rate increase is not, of course, the focus of our analysis here.

Once the total amount of revenues necessary to cover all elements of the cost formula is determined, then a schedule of rates and charges to the several classes of customers—residential, commercial, and industrial—is drawn up. Obviously there are many variations and mixes that can be established to yield the same total revenues (and hence earnings). This leads into complex questions of equity, relative elasticities of demand, load factors, and cost allocations. Aiming roughly to equate total revenues to reasonable service costs means that commissions must scale down the rate structure where utility earnings exceed the allowable rate of return and raise it when earnings are deficient. This latter situation describes the present case where there has been a fall-off of consumption that has translated into reduced revenues and hence a rate of return *below* what regulatory commissions have authorized.

B. A word on scale economies and pricing

Central to the economics of public utilities is the notion of decreasing unit costs with larger output and plant size. This engineering and economic proposition explains in good measure many managerial and regulatory policies. Key among these is the matter of pricing, since in these industries price is supposed to be closely related to cost of service. Also major issues in price (rate) policies are the questions of "block rate" schedules, promotional pricing, and marginal cost pricing.

Recall the specifics of the decreasing cost condition in the provision of utility services from a single plant. When plant capacity is fixed it is easy to show how average unit costs decrease over a considerable range if output is unrestricted. This follows from the mix of fixed to variable costs, the former by definition not varying with output changes. Obviously as output increases through, say, induced demand, the same total of fixed costs *which includes investor returns* is spread over more units of output resulting in decreasing average costs.

But as economic theory explains, what may be true for the individual firm (or even utility system) may not be true for the industry as a whole, and we thus cannot merely add together the cost curves of the former to get a cost curve of the latter. The implication of this is that while promotional pricing schemes of various sorts that characterize the pricing practice of virtually all individual power companies are quite defensible on company economic grounds, it is a very different matter to conclude that it is always in the private or public interest to induce an ever-greater consumption of power. This last point is especially underscored by the growing popular awareness of the distinction between private and social costs and the idea of externalities.

Typically utility companies require a large investment in plant before any service can be offered. This means that they start with a high proportion of fixed costs, e.g. costs per kilowatt of installed capacity. If prices were uniform for each service unit the likely result would be unused capacity. Historically one objective of commission regulation has been the expansion of the extensive and intensive limits of service to consumers to achieve more efficient use of plant and lower price levels and an increase in the net social welfare. Discriminatory pricing is viewed as a means of achieving this by playing on the different demand elasticities of the several classes of consumers. It can also be used to handle peculiar features of utility industries like off-peak loads where existing plant capacity (fixed cost) is already sunk and only variable costs are incurred in providing this service. On the other hand peak load pricing, it is sometimes argued, does not cover all fully allocated costs attributable to those customers who occasion the peak load.

The most common device for the pricing of gas and electricity is the block rate schedule. Such a schedule may apply to one or all of the general classes of service—residential, commercial, and industrial—and involves charging so much per kwh (or mcf) for the first block of consumption, a lesser rate for that amount used above the first block; and a lesser rate for that consumed in the third block than the second, and so on. The inferred cost behavior of service production mentioned earlier is used as the explanation for the descending rate for block prices.

On the occasion of the energy shortage and increasing environmental concern the call is sometimes heard for abandoning the declining block rate practice and inverting the rate structure so as to penalize large users of energy. These critics argue further that the existing practice causes a misallocation of resources toward the energy sector of the economy. An in-between approach might be a rate pattern with a flat monthly charge to cover the essentially fixed costs of customer service and perhaps uniform rates per unit of consumption after that.

At first the idea of rate schedule inversion was proposed and opposed primarily on ideological grounds. Environmentalist proponents tend to assume that the ever-growing demand for electricity, for example, must be for frivolous uses; hence marketing, promotional devices, and economic inducements toward increasing demand should be eliminated or at least curtailed. It should be pointed out that whatever merit this argument may have on broad policy grounds it would seem inappropriate for a regulatory commission to rule on it. Without a demonstration of its relation to a utility's cost structure it is a matter of social engineering better left to elected or other designated governmental officials.

In any event there is every indication that at least the electric power industry has now become an increasing cost industry because (1) scale economies at the system level have generally been exhausted; (2) expected changes in technology of power generation are presently quite limited; (3) all but the most sparsely settled regions of the country are already interconnected in major grid systems; and (4) sustained and persistent inflation largely negates opportunities for cost reductions. The point here is that this implies a reexamination of traditional pricing practices and designs in the utility industry. This will prove easier if utility companies perceive that demand will remain strong enough so that a higher rate structure—flat or invested—would result in a rise in both average and total revenues.

III. CONCLUSIONS AND ALTERNATIVES

A. The Case and the Questions

The frequency of utility applications to their regulatory commissions throughout the country for rate increases to offset reduced earnings occasioned by the effectiveness of consumer conservation of energy in the present fuel shortage is clearly demonstrable. At this writing 15 have applied. The number may well grow because the cutback in consumer demand on essentially "patriotic" grounds only began to show up in lower utility revenues the last couple months of 1973. There has been some effect. So far regulatory bodies have not been disposed to allow rate increases on these grounds, but most cases are still pending; more are in the offing and it is hard to forecast the outcomes. The fact that some have been turned down may make an incentive for utility companies to use some other basis in arguing for higher rates that incorporates the conservation factor but doesn't highlight it.

This suggests that in facing this issue regulatory commissions must ascertain (among other things) whether consumer conservation in fact is the cause of reduced earnings and to what extent. Reduced rainfall, mild weather, regional or sectoral slowdowns in the economy, higher fuel and capital costs should be factored out. Still, the aggregate national data on electric power and gas consumption do reveal an apparent decline of consumer demand at least partially attributable to conservation measures in response to governmental and utility appeals. Commissions, then, will have to face up to handling rate hike proposals across the country. Traditional public utility theory and practice importantly includes the proposition that utilities can and should seek rate relief if their earnings fall below the allowable rate of return for a significant period of time. In this sense one must conclude that the utilities are presently acting entirely within the technical confines of regulation.

But there is, of course, another whole dimension to the matter where one looks at it from the broad public policy point of view. The question can take several forms. Is it a kind of unfair "double jeopardy" to have consumers inconvenienced and discomforted in the name of energy conservation and then thank them for their pains by hitting them with a rate increase? Why didn't someone tell them that the natural consequence of truly effective consumer conservation of energy was reduced earnings for utilities and subsequent proposed rate hikes? Examination of thousands of pages of Congressional hearings since last fall on the energy shortage reveals no mention of it. Did no one think of it? Historically the public utility sector and its peculiarities are often ignored when laws and regulations are made for industry generally, e.g. tax laws and price controls. Or can the charge be made that consumer compliance to appeals for energy conservation would likely have been less if the public was informed at the same time that their abstinence would be rewarded with higher monthly utility bills?[14] Governmental enjoining of the citizenry to conserve fuel and energy on essentially patriotic grounds and utility company incantations in song and story that "we can work it out together" made no mention of the eventuality of proposed and pending rate boosts. The focus was on home insulation, sweaters, fireplace flues, and outside lights. And anyway, isn't the present condition more a kind of collective adversity for which neither the public nor the utilities are responsible, and therefore some broader sharing of the financing burden is in order?

B. Some other answers

At this point the issue is to decide just who is to pay the fixed costs of plant and equipment (since variable costs are by definition not incurred to the extent output has fallen off)—the rate payer? the stockholder? the public at large? or some combination of these? There are several possible alternatives from the public policy vantage point to merely treating the results of reduced demand as "just another induced cost rise to be passed through to consumers."

One is simply to find that not enough time has elapsed to determine accurately the extent and nature of consumer conservation to approve rate hikes. Only in the fall of 1973 were serious appeals for energy conservation made, and in most cases the "returns are in" for only a couple of months (December 1973 and January 1974). Thus it is too early to make a determination as to causality, and it is difficult to predict the duration of the phenomenon. Moreover future consumer behavior with respect to belief in the shorage and the need for conservation is uncertain at best. Self-imposed rationing tends to be of the short term variety.

A second line of argument might be that a downturn in earnings is just a normal part of the risk of doing business—some public utilities like railroads almost never earn the "fair rate of return"—and should be borne by stockholders. There are other times (and not only in wartime) when utility earnings exceeded allowable rates of return and all this should just be averaged out as good times and bad.[15]

A third argument would be to say that consumers of utility service and stockholders are equally blameless for the present energy situation and truly are "in this together" and therefore should share the burden, consumers in the form of somewhat higher monthly bills and stockholders in the form of somewhat lower quarterly dividends.

A fourth alternative is for regulatory commissions to reduce the allowable rate of return thus bringing the new revenue level and new earnings level back into equality for the duration of the shortage. For example, a power company might have its allowable rate of return temporarily reduced from, say 8.25% to 8.00.% A variation of this would be to reduce the value of the rate base (on which earnings are computed) to a new equilibrium position. Here the reasoning might be that the utility management should have foreseen the shortages or at least has misforecast consumer demand and thus overinvested in plant and equipment.

Three additional choices come to mind based on the premise of national collective adversity. Here no one need be seen "at fault," but the financial burden should be as diffuse as possible, i.e. some form of public (federal) support could be devised as an offset to the problem of reduced earnings. This could take the direction of (a) adjustments to tax liabilities of the utilities experiencing reduced earnings; (b) governmental underwriting of utility stock and bond issues to make them more attractive in capital markets; or (c) providing direct cash subsidy to "injured" utility companies seeking relief on these grounds and able to demonstrate it.

Finally, if none of these alternative approaches is used and rate hikes to consumers are allowed to compensate for a shortfall in earnings for utilities, there remains one further policy question: how are the rate schedules to be altered among classes of customers—business and residential? The populist position as well as a good bit of economic theory supports the case for apportioning these rate increases with an eye toward the demand elasticities of the customer categories and their ability to shift the incidence of the increase. If this was followed, it would mean placing a greater than proportionate increase on the business customers and less than proportionately increases on monthly bills to residential cutomers (who have the least opportunity for shifting the costs.)

Dr. Douglas N. Jones,
Specialist in Fiscal and Financial Economics.

FOOTNOTES

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[1] Letter from Public Service Commission of N.Y. to author, dated Feb. 20, 1974. See Appendix for a copy of the author's letter of inquiry to all the State public utility commissions.

[2] *Ibid.*

[3] Mississippi Public Service Commission Utility Rate Notice, Jan. 14, 1974, Jackson, Mississippi.

[4] As of March 24, 1974. Based on 44 responses from State commissions.

[5] Filings which are definitely expected and which likely have consumer conservation as a factor.

[6] New England Power Company before the Federal Power Commission, Docket No. E–8251, filed Jan. 3, 1974, denied Feb. 7, 1974.

[7] Letter from State of Rhode Island, Department of Business Regulation, Division of Public Utilities and Carriers, to author, dated Feb. 20, 1074.

[8] Letters to the author from the Public Service Commission of the District of Columbia, the State of Maryland Public Service Commission, and the State Corporation Commission of the Commonwealth of Virginia, dated respectively Feb. 11, and Feb. 19, 1974.

[9] Missouri Public Service Commission letter to the author, dated Feb. 20, 1974.

[10] Letter from Connecticut Public Utilities Commission to author, dated Feb. 22, 1974.

[11] Letter from Kansas State Corporation Commission to author, dated Feb. 13, 1974.

[12] *The Times- Argus*, Barre-Montpelier, Vt., Feb. 12, 1974, p. 14.

[13] Letter from California Public Utilities Commission to author, dated Feb. 21, 1974.

[14] It is at least possible, of course, that an individual consumer's energy usage might be so drastically cut that this would more than offset the effect of increased rates.

[15] Looking to another business sector—the insurance industry—one could point out the abnormally high earnings experienced there as a result of the governmentally imposed auto speed limits occasioned by the same energy shortage.

[Appendix]

The Library of Congress,
Congressional Research Service,
Washington, D.C., February 6, 1974.

New Hampshire Public Utilities
Commission,
Concord, N.H.

Gentlemen: There have been a number of instances around the country in recent months where electric power and gas companies have applied for rate increases on grounds of reduced earnings resulting from energy conservation practices by consumers.

It would be very helpful to our research if you would tell us if there are any such cases which have come before your commission since, say, July 1, 1973. We would like to know the name of the utility, when the filing was made, and what disposition was made (pending, denied, approved).

Your early reply would be much appreciated.

Yours truly,
Dr. Douglas N. Jones,
Assistant Chief, Economics Division.

UTILIZING OUR RESOURCES

Mr. BIDEN. Mr. President, it has become apparent that the United States must develop methods to fully utilize all of our natural resources, particularly in the energy field. Content to rely on outside suppliers in the past, the current shortage exhibits the fallacy inherent in that approach. And although the pending shortage will cause some inconveniences, a stimulation of our own energy research will assuredly result.

Recently, two articles were brought to my attention that proved very informative. Dating from 1971 and 1972, these articles discussed procedures developed by the U.S. Bureau of Mines scientists to convert agricultural wastes and municipal solid wastes to natural gas. By simply employing our existing technology, it is possible to dispose of these waste materials in an environmentally acceptable fashion, as well as providing a significant increase in our natural gas supply. Further improvement of these procedures should be facilitated.

Mr. President, because of their significance, I ask unanimous consent that the entire texts of these two articles, "Pipeline Gas From Solid Wastes" and "From Agricultural Wastes to Feed or Fuel," appearing in the December 1971 edition of Chemical Engineering News, respectively, be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Chemical Engineering Progress,
December 1971]

Pipeline Gas From Solid Wastes

(By H. F. Feldman, U.S. Bureau of Mines)

The conversion of solid wastes to pipeline gas can alleviate the problem of disposing of solid wastes in an environmentally acceptable fashion, as well as provide a significant contribution to the natural gas supply. Experiments indicate hydrogasification of the carbon in municipal solid waste (MSW) converts it mainly to methane and ethane at the conversion levels suitable for balanced plant operation. An economic feasibility study indicates that, for many urban areas, conversion of solid wastes to pipeline gas may be the cheapest method of disposal. The utilization of industrial and agricultural wastes will improve economics and has the potential of greatly increasing methane yield.

TABLE 1.—EFFECT OF PIPELINE GAS PRICE[1] AND POPULATION ON AVERAGE SOLID WASTE DISPOSAL COST,[2] IN DOLLARS PER TON

Metropolitan area	1966 metropolitan population (millions)	Using MSW and sewage sludge, average price, $/M cu. ft.			Using MSW, industrial solid wastes and sewage sludge, average price, $/M cu. ft.		
		0.40	0.50	0.70	0.40	0.50	0.70
Fresno, Calif	0.409	5.42	4.71	3.21	3.78	3.03	1.53
Akron, Ohio	.652	4.35	3.60	2.10	3.20	2.45	.95
Denver, Colo	1.083	3.10	2.35	.85	1.90	1.15	—.35
Pittsburgh, Pa	2.376	1.74	.99	—.51	.82	.07	—1.43
Detroit, Mich	4.06	.98	.23	—1.27	.19	—.56	—2.06
Chicago, Ill	6.73	.36	—.39	—1.89	—.29	—1.04	—2.54
New York, N.Y	11.41	—.16	—.91	—2.41	—.72	—1.47	—2.97

[1] Includes all taxes and 7.5 percent profit on undepreciated investment.

[2] Does not include collection costs, (—) indicates waste value rather than disposal cost.

CHEMICAL SUITABILITY

The prime factors which establish the suitability of a feed stock for conversion to pipeline gas are its carbon, hydrogen, and oxygen content, because these elements determine the net hydrogen requirements and the amount of solid that must be handled to produce a given yield of methane. Using these criteria and an average ultimate analyses reported for MSW (1), allows MSW to be compared with other fossile fuels proposed as feedstocks for conversion to pipeline gas, as shown in the following table:

	Hydrogen required, std. cu. ft. H_2/ std. cu. ft. CH_4	Max. methane yield, std. cu. ft. CH_4/ lb. feed
Lignite	1.87	9.9
Oil shale	1.54	6.0
Subbituminous coal	1.80	14.0
Bituminous coal	1.69	23.7
MSW—unseparated	1.87	9.3
MSW—metal and glass-free	1.87	11.3

It is seen that MSW chemically ranks with other fossil fuels for gasification to satisfy our growing demand for pipeline gas. However, one very obvious advantage MSW has over the other fossil fuel feedstocks is its supply is greatest where the demand for natural gas is the highest. This allows a very substantial advantage in reduction of pipeline transport costs which are on the order of $0.02/thousand cu. ft.-100 mi.

GARBAGE TO PIPELINE GAS CONVERSION PROCESS

For the purpose of this study, the process selected for converting garbage to pipeline gas is the so-called hydrogasification process. A capsule description of several other processes proposed for converting coal and lignite to synthetic pipeline gas is contained in a staff report by the Bureau of Natural Gas (2). Basically, hydrogasification is the reaction of carbonaceous feed material with hydrogen to produce gas consisting primarily of methane. Hydrogasification is very exothermic, thus allowing high moisture content solid wastes to be converted without external heat addition.

The carbon conversion in the hydrogasifier should be approximately 40% so that there is sufficient carbon in the solid residue to generate the synthesis gas required for the production of hydrogen for the hydrogasifier.

Capital investment estimates of various sized hydrogasification plants made by both the Institute of Gas Technology (*3, 4*) and the U.S. Bureau of Mines for coal and oil shale feedstocks, together with data on the composition (*1*) and amount of MSW collected (*5*), were used to calculate the disposal cost as a function of the population served by a plant and the pipeline gas price. Assuming 40% of the carbon converted with the remainder being used for hydrogen production, the following per capita yields of pipeline gas can be expected from various sources of solid waste:

Municipal Solid Waste = 20 std. cu. ft./day
Sewage Sludge = 2 std. cu. ft./day
Industrial Solid Waste = 20 std. cu. ft./day

In certain areas, agricultural waste could also provide an important contribution to pipeline gas. For example, each head of cattle generates a carbon waste equivalent to the MSW generated by 8 humans. Thus, as we shall see below, a cattle feed lot (which typically contain between 10,000 and 50,000 head) (*6*) can have a great effect on the economics of converting solid wastes to pipeline gas.

The disposal cost can be calculated for a given population by using estimated operating costs (*7*), together with the methane yields and the investment costs referenced above. Assuming only MSW and sewage sludge are hydrogasified, which is equivalent to assuming a per capita methane yield of 22 std. cu. ft./day, the following equation gives the average value of the solid waste to a utility as a function of gas price and population. Assuming a 20 yr. plant life, a 7.5% after taxes profit on the undepreciated investment, and federal incomes taxes of 50% of the gross profit, gives

$$\$/ton = 7.53\,P - \frac{3.71\times10^{6}(2.2\times10^{-6}n)^{0.873}}{n} - 0.15 \qquad (1)$$

where *P* is the pipeline gas price in $/thousand cu. ft., and *n* is the population served by the plant. One can easily make adjustments in the above equation to take into account other forms of waste. For example, if industrial wastes are also used, *n* is replaced by 1.91*n*.

Table 1 shows the average solid waste disposal costs for various sized metropolitan areas. As the results in Table 1 indicate, in many cases, solid wastes may be considered to have an asset rather than a liability value. This is especially true for New York City, which could realize an asset value of $2.97/ton from its solid wastes by simply converting them to pipeline gas, which could then be sold at the same price as that of LNG delivered to the New York area.

EXPERIMENTAL RESULTS

Experiments were undertaken in order to determine whether a suitable pipeline quality gas could be produced from a typical solid waste (composition specified by Dept. of H.E.W. for incinerator test feedstock) at carbon conversion levels high enough (40%) for balanced plant operation. Experimental results indicate these objectives can be easily met. For example, at a temperature of 550° C, a pressure of 1,300 lb./sq. in. gauge, and a solid/hydrogen feed ratio of 174 g./g.-mole, 53% of the carbon was hydrogasified, and the composition of the 936 B.t.u./std. cu. ft. gas, after methanation of 3.4 mole % CO, was 62.3 mole % methane, 12.5 mole % ethane, 25.2 mole % hydrogen, and the total yield of hydrocarbons (after methanation) would be about 28 std. cu. ft./capita-day. Thus, the yield figures upon which the above economic projections are based should be easily attained in practice.

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[From the Chemical and Engineering News, May 29, 1972]

FROM AGRICULTURAL WASTES TO FEED OR FUEL

In the U.S. today, agricultural wastes are produced at a staggering rate of more than 600 million tons a year, on a dry basis. Of this total, about 200 million tons is in the form of manure.

What to do with it. There is growing interest in two approaches—converting it to fuels and to animal feeds—judging from work presented at the 33rd annual conference of the Chemurgic Council in Washington, D.C. Such conversion can be profitable and thus can lower the overall cost of raising crops and livestock.

The need to convert agricultural wastes to usable products is becoming more and more imperative. For one thing, this discarded material is a fast-growing pollution problem. Even when this debris is burned, many of the combustion products are serious pollutants. At the same time, the nation's supply of conventional, nonrenewable fuels is dwindling, in the face of rapidly increasing energy demands. Thus, the need clearly exists for developing new energy sources, such as those from agricultural products.

Farm products have the great virtue of being renewable. Also, they can be converted to fuels that have relatively low concentrations of sulfur, which, when burned, can otherwise be an objectionable air pollutant.

For the past three years, scientists at the U.S. Bureau of Mines laboratory in Bruceton, Pa., have been exploring the production of fuels from agricultural wastes. The laboratory has recently installed process-development capable of handling up to 480 pounds of waste per day. The previously used setup was a bench-scale assembly designed to handle only 20 pounds of waste a day. William L. Crentz, assistant director-energy at the Bureau of Mines, presented the latest results from this project at the conference.

The raw material currently used at the BuMines lab, he says, is bovine manure. The process being studied, however, could also use such raw materials as bark, corn husks, rice hulls, wheat straw, sewage sludge, urban organic garbage, and so on.

Thus far, BuMines scientists have explored two processes for converting such waste to fuel. One is a pyrolysis method, in which the feed is heated in a closed system at atmospheric pressure without the addition of air or other gas. In the second method, the feed is heated under pressure in the presence of carbon monoxide, steam, and a catalyst, also in a closed system. This is actually a hydrogenation process, since the feed is treated with hydrogen produced by reacting carbon monoxide and steam.

In the pyrolysis method, developed by the bureau's Martin Schlesinger and David Wolfson, bovine manure or other largely cellulosic waste material is heated for about six hours at about 900° C. At this temperature, the material is converted to gas, oil, and solids, all of which can be used as fuel.

The gas has a heating value of about 500 B.t.u. per cu. ft. and could be burned industrially with no difficulty, Mr. Crentz says. The oil has a heating value of about 15,000 B.t.u. per pound and could be used as a fuel for heating boilers. The solids have a heating value of 5000 to 13,000 B.t.u. per pound, which is similar to that of many coals.

In the hydrogenation process, the manure, in the presence of added carbon monoxide and steam, is heated for 20 minutes at 380° C., at 2000 to 5000 p.s.i. (C&EN, Aug. 16, 1971, page 43). The product is a heavy, largely paraffinc oil with a heating value of 14,000 to 16,000 B.t.u. per pound. The oil has a sulfur content of less than 0.4%, which is much less than that of most commercial fuels.

The hydrogenation process, developed by BuMines' Dr. Herbert R. Appell and Dr. Irving Wender, requires an alkaline catalyst, such as sodium carbonate or potassium carbonate. The addition of a catalyst is not necessary, however, with some organic wastes such as bovine manure because they already contain one or more such alkaline substances. The BuMines scientists find that they get better results by using carbon monoxide and steam to form hydrogen in the reactor than they would by feeding hydrogen directly.

The yield in this process is about three barrels of liquid fuel per ton of dry organic waste. The product, says Mr. Crentz, is expected to find principal use as an industrial fuel for generating electricity.

Of the bureau's two processes, the one that offers the greater commercial promise, he says, is the hydrogenation method. The reason is that it yields a single product (oil), which would be simpler and more economical to produce, store, and market than would the three products formed by pyrolysis.

Manure might, offhand, seem a totally impractical substance for making fuel (partly because of the problems of collecting the raw material). But about 23% of the 115 million cattle currently raised in the U.S. are bred and fattened on relatively confined feedlots containing more than 1000 cattle each. Some of these feedlots contain 50,000 or more animals, and the quantity of manure produced at a single location is formidable.

The BuMines processes could also be used to convert other cellulosic wastes to fuel. Recently Sen. Mark O. Hatfield (R.-Ore.) proposed that the Government build a $1.75 million pilot plant to study the production of fuel from wood chips. Conceivably, the bureau's hydrogenation process might be used for this purpose, although the idea of setting up such a pilot project is still in the talking stage.

An alternative use for bovine manure is as a raw material for making cattle feed. Although cattle can be raised satisfactorily when fed a diet containing 10% manure, the manure has very low digestibility when fed in higher concentrations.

The challenge in using animal waste on a large scale as a raw material for producing feed is to convert it to a form that is sufficiently digestible and nutritious. This challenge was taken up by scientists and engineers at Hamilton Standard division of United Aircraft Corp., Windsor Locks, Conn., in late 1970. At the Chemurgic Council meeting, Michael Turk, one of the company's senior experimental engineers, reported the most recent progress in this effort in a paper coauthored with Warren B. Coe, an assistant project engineer.

In the Hamilton Standard process, bovine manure is anaerobically fermented to convert it to a more usable form. The method not only produces an animal feed but also a fuel gas (methane), which can be burned to supply the heat and indirectly the electrical power needed for the process.

During the fermentation process at Hamilton Standard, the semisolid manure, to which water is added to form a thick slurry, is heated to about 50° C., with moderate agitation. The extracellular enzymes already in the manure and those generated by microorganisms during the fermentation process decompose most of the cellulose and other carbohydrates to simple sugars. These microorganisms then metabolize the sugars to simple acids and alcohols, as well as to hydrogen and carbon dioxide. Specific bacteria convert these intermediary products to methane.

After the fermentation step, which has a contact time of five to seven days, the contents of the fermentation tank are discharged into a dewatering unit. Finally, the dewatered solids from this unit are dried in a conventional dryer at 50° C.

Because of the great reduction in mass brought about by the formation of gases, the product has a protein content twice that of the original manure, on a dry basis. Moreover, the product's content of amino acids which are present in proteins, is four times that of the starting material. This indicates, says Mr. Turk, that the fermentation causes a substantial conversion to amino acids of the nonprotein nitrogen originally present in the manure. The quantity and quality of these amino acids, he adds, compare favorably with those of soybean and cottonseed meal, which the manure-derived product might replace in a cattle diet. In addition, chick-feeding experiments indicate that the product is neither toxic nor does it inhibit digestion.

Currently, the Hamilton Standard project, which since last July has been partly supported by the Department of Agriculture, uses two 20-liter fermenters capable of producing about 0.7 pound of animal feed a day. This output is obviously too small to allow adequate testing of the product in cattle. As Mr. Turk points out, "The single most important question yet to be answered is the actual nutritional value of the feed ingredient when fed ruminants."

ARAMCO PROFITS

Mr. CHURCH. Mr. President, on March 27, the Subcommittee on Multinational Corporations of the Senate Foreign Relations Committee conducted hearings on Aramco. We will publish an evaluation of these hearings in a féw weeks, but several of my colleagues have requested that we publish the Aramco statistics gathered by our staff immediately so that they may be referred to in the ongoing petroleum policy debate on Capitol Hill. Therefore, I ask unanimous consent to have these statistics printed in the Record.

There being no objection, the statistics were ordered to be printed in the Record, as follows:

DIVIDENDS DECLARED BY ARAMCO TO SHAREHOLDERS*

1969	$706, 255, 896
1970	666, 417, 841
1971	810, 523, 926
1972	1, 566, 347, 913
1973	2, 592, 871, 189

* Exxon, Texaco, Mobil, and Standard Oil of California.

EXHIBIT 1

STATEMENT OF INCOME AND EARNINGS RETAINED IN THE BUSINESS (CONSOLIDATED)

[In thousands of dollars]

	Preliminary 1973	Actual 1972
Gross income:		
Sales to offtake buyers	$8, 580, 091	$4, 504, 59
Royalty oil deliveries	66, 608	49, 922
Local sales	58, 077	32, 514
Other income	4, 620	1, 629
Total	8, 709, 396	4, 588, 663
Costs and other deductions:		
Operating costs	294, 773	185, 534
Exploration expense	19, 505	13, 382
Dry hole and abandoned well expense	10, 989	4, 404
Trans-Arabian pipe line charges	58, 256	56, 450
Cost of oil (to) from inventories	(5, 296)	67
Depreciation and amortization	94, 262	65, 131
Royalties and exactions	1, 068, 073	636, 670
Cost of dividend oil	($10, 889)	($106, 405)
Provisions for taxes on income:		
Saudi Arabia	3, 929, 623	1, 991, 966
United States	2, 757	4, 773
Total	5, 462, 053	2, 851, 972
Neti ncome	3, 247, 343	1, 736, 691
Earnings retained: Beginning of period	866, 357	696, 014
Total	4, 113, 700	2, 432, 705
Dividends declared:		
Cash	(2, 581, 981)	(1, 459, 943)
Oil	(10, 889)	(106, 405)
Stock	(58)	
End of period	1, 520, 772	866, 357

EXHIBIT 2

STATEMENT OF FINANCIAL POSITION (CONSOLIDATED)

[In thousands of dollars]

	Preliminary, Dec. 31, 1973	Actual, Dec. 31, 1972
Current assets:		
Cash in banks and on hand	$16,959	$12,281
Marketable securities	130,016	22,032
Accounts receivable—associated companies	1,929,191	918,115
Other receivables less reserves	42,392	12,237
Inventories—crude oil, refined products, and other merchandise stocks	19,069	13,773
Inventories—materials and supplies	89,318	57,585
Total current assets	2,235,945	1,036,023
Current liabilities:		
Accounts payable	148,950	94,149
Dividends payable		291,161
Royalties payable—Saudi Arab Government	130,811	57,228
Salaries, wages, and employee plan deposits	4,886	5,793
Saudi Arab income taxes	1,311,416	598,455
U.S. income taxes	2,397	4,163
Employees' vacation accrual	3,099	2,533
Other accrued liabilities	43,648	37,199
Reserve for payments to be made to the Saudi Arab Government in accordance with the provisions of the general agreement dated Dec. 20, 1972, and related documents	122,600	
Total current liabilities	1,767,807	1,090,681
Net working capital	468,138	(54,658)
Properties, plant, and equipment:		
Tapline property, plant and equipment	202,093	199,414
Producing and pipelines	935,959	614,138
Refinery and marine terminal	393,081	308,862
Drilling and exploration	26,155	25,384
Local sales	2,086	2,067
Motor, marine, aircraft and construction	38,903	36,937
General—housing, utilities, etc	413,939	333,477
Development costs	261,516	184,394
Construction in progress	$292,673	$242,309
Total	2,566,405	1,946,982
Less accumulated depreciation and amortization	1,035,239	950,884
Net properties, plant, and equipment	1,531,166	996,098
Other assets and deferred charges:		
Long term loans and advances—loans to local municipalities	5,845	6,430
Long term loans and advances—employee housing and other	18,706	16,142
Prepaid and deferred charges	29,233	32,917
Total other assets and deferred charges	53,784	55,489
Long term liabilities: Nondollar pension plans	37,867	24,281
Net assets	2,015,221	972,648
Represented by:		
Deposit received from the Saudi Arab Government in anticipation of issuance of capital shares by Aramco to implement, in the corporate form, the provisions of the general agreement between Aramco and the Saudi Arab Government dated Dec. 20, 1972, and related documents upon the negotiation and execution of a subscription agreement between Aramco and the Saudi Arab Government	535,000	
Capital stock, $100 par value	1,225	1,167
Capital received in excess of par value	105,124	105,124
Earnings retained in the business	1,520,772	866,357
Less amount reserved for payment to be made to Saudi Arab Government in accordance with the provisions of the general agreement dated Dec. 20, 1972, and related documents	(146,900)	
Net assets	2,015,221	972,648

EXHIBIT A

ARABIAN AMERICAN OIL CO. AND SUBSIDIARIES—STATEMENT OF CONSOLIDATED FINANCIAL POSITION, DEC. 31, 1972 AND 1971

	Dec. 31—	
	1972	1971
Current assets:		
Cash (schedule 1)	$12,280,582	$10,633,158
U.S. Government securities—at cost which approximates quoted market value	22,032,290	13,920,343
Accounts receivable—associated companies (schedule 2)	918,114,674	581,109,717
Accounts receivable—other (schedule 2)	12,237,633	21,538,399
Inventories (schedule 3):		
Crude oil and products—at average cost which is less than market	13,773,014	13,841,345
Materials and supplies—at average cost	57,584,936	39,278,510
Total current assets	1,036,023,129	680,321,472
Less current liabilities (schedule 4):		
Accounts payable	94,148,409	38,857,639
Dividends payable—cash	291,161,473	125,000,000
Royalties payable—Saudi Arab Government	57,227,743	41,048,745
Accrued payrolls and vacation, and employee thrift plan deposits (less cash segregated for employee thrift plan deposits)	8,325,985	7,056,586
Accrued Saudi Arab income taxes	598,455,061	305,200,251
Accrued U.S. income taxes (note 3)	4,163,000	24,400
Other accrued liabilities and payables	37,199,340	50,912,400
Total current liabilities	1,090,681,011	568,100,022
Working capital (deficiency)	(54,657,882)	112,221,450
Property, plant, and equipment (note 1 and schedule 5):		
Property, plant, and equipment—at cost	$1,946,981,844	$1,546,290,047
Less accumulated depreciation and amortization	950,884,220	887,436,694
Property, plant, and equipment—net	996,097,644	658,853,353
Other assets (schedule 6):		
Long-term loans, advances, and receivables	22,571,914	23,595,905
Deferred Saudi Arab income taxes (note 1)	19,321,334	13,962,974
Prepaid assets and other deferred charges	13,596,407	18,027,495
Total other assets	55,489,655	55,586,374
Total	996,929,417	826,661,177
Less noncurrent liabilities:		
Employee pension plans (note 2)	24,280,821	19,356,184
Lump sum consideration payments (noncurrent portion)		5,000,000
Total noncurrent liabilities	24,280,821	24,356,184
Net assets	972,648,596	802,304,993
Stockholders' equity:		
Capital stock, $100 par value—authorized, 11,667 shares; outstanding, 11,666⅔ shares	1,166,667	1,166,667
Capital received in excess of par value of capital stock	105,124,500	105,124,500
Earnings retained in the business	866,357,429	696,013,000
Total stockholders' equity	972,648,596	802,304,167

Note: See notes to consolidated financial statements (exhibit D).

EXHIBIT B

ARABIAN AMERICAN OIL CO. AND SUBSIDIARIES—STATEMENT OF CONSOLIDATED INCOME AND EARNINGS RETAINED IN THE BUSINESS FOR THE YEARS ENDED DEC. 31, 1972 AND 1971

	Dec. 31—	
	1972	1971
Revenues:		
Net sales to buyers (stockholders or subsidiaries or stockholders) under offtake agreements (note 1 and schedule 7)	$4,504,597,613	$3,010,144,810
Royalty oil deliveries (schedule 8)	49,921,814	
Local sales (schedule 8)	32,513,723	31,263,169
Other income (schedule 8)	1,629,534	965,291
Total revenues	4,588,662,684	3,042,373,270
Cost of sales, expenses, and other deductions:		
Cost of sales (schedule 9):		
Costs, operating, and general expenses, other than those listed below (schedule 10)	$181,844,555	$147,913,933
Royalties (schedule 16)	636,223,048	439,108,587
Trans-Arabian pipeline expenses (including depreciation and amortization: 1972, $5,198,389; 1971, $5,089,210) (schedule 17)	56,449,370	59,265,149

EXHIBIT B—Continued

ARABIAN AMERICAN OIL CO. AND SUBSIDIARIES—STATEMENT OF CONSOLIDATED INCOME AND EARNINGS RETAINED IN THE BUSINESS FOR THE YEARS ENDED DEC. 31, 1972 AND 1971

	Dec. 31—	
	1972	1971
Depreciation and amortization other than depreciation and amortization included with Trans-Arabian Pipeline expenses (schedule 5)	$65, 130, 427	$55, 872, 045
Exploration expenses (schedule 18)	13, 382, 176	7, 868, 326
Dry hole and abandoned well expense (schedule 5)	4, 404, 198	6, 629, 351
Decrease (increase) in inventories of crude oil and company products	67, 206	(668, 477)
Less cost of delivered dividend in kind (oil) included above (note 4)	(106, 404, 514)	(101, 032, 014)
Total cost of sales	851, 096, 466	614, 956, 900
Losses on materials and supplies (schedule 19)	624, 640	493, 386
Payments in lieu of barter oil supplemental payments		2, 400, 000
Provision for taxes on income:		
Saudi Arab income taxes:		
Current (schedule 20)	1, 997, 324, 656	1, 277, 930, 387
Deferred (note 1)	(5, 358, 360)	(2, 871, 704)
U.S. income taxes (note 3)	$4, 772, 920	$391, 029
Exactions	446, 400	291, 587
Other deductions (schedule 19)	3, 064, 446	5, 818, 512
Total cost of sales, expenses, and other deductions	2, 851, 971, 168	1, 899, 410, 097
Net income	1, 736, 691, 516	1, 142, 963, 173
Earnings retained in the business at beginning of the year	696, 013, 826	363, 574, 579
Total	2, 432, 705, 342	1, 506, 537, 752
Less dividends declared (note 4):		
Special dividends—cash	157, 943, 399	193, 491, 912
General dividends:		
Cash	1, 302, 000, 000	516, 000, 000
Crude oil (at annual average cost of crude oil)	106, 404, 514	101, 032, 014
Total dividends declared	1, 566, 347, 913	810, 523, 926
Earnings retained in the business at end of the year	866, 357, 429	696, 013, 826

Note: See notes to consolidated financial statements (exhibit D).

EXHIBIT C

ARABIAN AMERICAN OIL CO. AND SUBSIDIARIES—STATEMENT OF CHANGES IN CONSOLIDATED FINANCIAL POSITION FOR THE YEARS ENDED DEC. 31, 1972, AND 1971

	Dec. 31—	
	1972	1971
Funds were provided by—		
Net income	$1, 736, 691, 516	$1, 142, 963, 173
Add expenses not requiring the current outlay of working capital:		
Depreciation and amortization (note 1)	70, 328, 816	60, 961, 255
Writeoff of dry hole well costs and losses on retirement of capital assets	5, 788, 128	7, 383, 865
Other—net (pension provision and deferred taxes)	(433, 723)	2, 707, 454
Working capital provided from operations	1, 812, 374, 737	1, 214, 015, 747
Decrease (increase) in prepaid assets and other deferred charges	4, 431, 088	(15, 288, 835)
Decrease in long-term loans, advances, and receivables	1, 023, 991	4, 208, 447
Total funds provided	1, 817, 829, 816	1, 202, 935, 359
Funds were applied to—		
Dividends declared (note 4):		
Cash	1, 459, 943, 399	709, 491, 912
Crude oil	106, 404, 514	101, 032, 014
Expenditures for property, plant, and equipment	413, 361, 235	163, 802, 626
Decrease (increase) in other noncurrent liabilities—offset in other deferred charges	$5, 000, 000	($5, 000, 000)
Total funds applied	1, 984, 709, 148	969, 326, 552
(Decrease) increase in net funds	(166, 879, 332)	233, 608, 807
Summary of significant changes in net funds, by component:		
Increase in current assets:		
Accounts receivable—associated companies	337, 004, 957	298, 723, 575
Other	18, 696, 700	29, 358, 515
Total	355, 701, 657	328, 082, 090
Decrease (increase) in current liabilities:		
Accounts payable	(55, 290, 770)	(26, 644, 750)
Dividends payable—cash	(166, 161, 473)	198, 000, 000
Royalties payable—Saudi Arabian Government	(16, 178, 998)	(12, 276, 846)
Accrued Saudi Arabian income taxes	(293, 254, 809)	(226, 316, 034)
Other	8, 305, 061	(27, 235, 653)
Total	(522, 580, 989)	(94, 473, 283)
(Decrease) increase in net funds	(166, 879, 332)	233, 608, 807

Note: Parentheses denote deduction. See notes to consolidated financial statements (exhibit D).

Arabian American Oil Co. and Subsidiaries—Notes to consolidated financial statements for the year ended December 31, 1972

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Consolidation Policy:

The accompanying consolidated financial statements include the accounts of Arabian American Oil Company (Aramco) and its subsidiaries; Trans-Arabian Pipe Line Company (Tapline), Aramco Realty Company, and Aramco Overseas Company, all of which are wholly-owned.

(b) Revenues—Net Sales to Buyers:

The amounts reported in the accompanying Statement of Consolidated Income and Earnings Retained in the Business as Net Sales to Buyers represent amounts billed by Aramco to its stockholders or subsidiaries of stockholders based, with minor exceptions, on publicly offered prices for deliveries at Ras Tanura or Sidon, less applicable marketing allowances.

Under agreement with the Saudi Arab Government, Aramco bills substantially all sales of crude oil and refined products at the publicly offered prices of Aramco's offtakers, less the aforementioned allowances, where applicable.

(c) Property, Plant, and Equipment:

The principal classes of property, including construction in progress, are summarized as follows:

	Dec. 31—	
	1972	1971
Producing and pipelines	$614, 138, 316	$507, 293, 636
Refinery and marine terminal	308, 862, 468	236, 840, 211
General service	333, 476, 680	313, 815, 266
Tapline facilities	199, 414, 262	198, 174, 633
Construction in progress	242, 309, 246	102, 590, 635
Other	$248, 780, 872	$187, 575, 666
Total	1, 946, 981, 844	1, 546, 290, 047
Less accumulated depreciation and amortization	950, 884, 200	887, 436, 694
Property, plant, and equipment—net	996, 097, 644	658, 853, 353

Property, plant, and equipment is depreciated or amortized generally on the straight-line method over the estimated useful lives (3 to 27 years) of the various classes of property. The cost of property, plant, and equipment retired or replaced, less salvage, is charged to accumulated depreciation and amortization with no effect on net income. Gains or losses arising from abnormal retirements or sales are credited or charged to income currently. Expenditures for maintenance and repairs are charged to income as incurred. Betterments or major renewals are capitalized and the assets replaced, if any, are retired.

(d) Exploration and Development Costs:

Exploration costs are charged to income as incurred. See Note (e) below for information with respect to deferred Saudi Arab income taxes relating to certain exploration expenses.

Development costs are capitalized and are subsequently amortized over a ten-year period on the straight-line method. Costs relating to dry holes and abandoned wells, less the related accumulated amortization, are charged to income at the time such holes are determined to be dry or otherwise unproductive.

(e) Deferred Saudi Arab Income Taxes:

Aramco's policy is to defer the effect of Saudi Arab income taxes paid or payable with respect to the difference between exploration expenses incurred subsequent to December 31, 1967 and the portion of such costs allowed for Saudi Arab income tax purposes. This policy has no effect on income taxes payable to the Saudi Arab Government

(f) Translation of Foreign Currencies:

All transactions consummated in currencies other than U.S. dollars, are reported in U.S. dollars in the financial statements. Transactions in such currencies were translated to equivalent U.S. dollars at the average daily exchange rates for the preceding month and cash balances and asset and liability accounts requiring settlement in such currencies were translated at the market rates of exchange prevailing at the year-end.

2. EMPLOYEE PENSION PLANS

The companies have non-contributory retirement, severance and death benefit plans for employees on the Saudi riyal and Lebanese payrolls and, in general, contributory plans covering substantially all of its employees on other payrolls. The actuarially computed liabilities with respect to these plans are covered either through funds deposited with trustees or by reserves provided therefore. The total expense, as actuarially determine, for 1972 under these plans amounted to approximately $7,090,000 which includes, as to certain of the plans, amortization of prior service costs over periods ranging from 10 to 31 years.

During 1972, the Company's contributory pension plan was amended to provide for reduced employee contributions and increased retirement benefits. In addition, certain of the actuarial assumptions used in the computation of pension cost for this plan were changed to give effect to recent experience of the plan. The net effect of these changes on 1972 net income was not significant.

The Saudi Arab Government promulgated, effective November 28, 1969, a labor law that provided, among other things, that employers make service award payments to qualified employees upon termination of their employment. The non-contributory plans for employees on the Saudi royal payrolls have been modified to include the increased benefit provisions of the labor law.

3. U.S. INCOME TAXES

During 1972 Aramco and Tapline reached agreement, in principle, with the Internal Revenue Service relative to the tax issues pending for the years 1957 through 1964. The estimate of the liability, with respect to those years, which is to be assumed by Aramco on behalf of Tapline, aggregates $4,163,000 including interest of $1,814,000 and has been provided for by Aramco in 1972.

Pending tax issues with respect to the years 1965 and 1966 have not been resolved, but in the opinion of Aramco's management and tax counsel, should any tax deficiency be assessed, the tax liability would not have a material adverse effect upon the company's consolidated financial position or results of operations.

4. STOCKHOLDERS, DIVIDEND DECLARATIONS, AND EARNINGS PER SHARE

(a) Stockholders:

The stockholders of Aramco at December 31, 1972 and their relative interests in the outstanding capital stock were as follows:

	Percent
Chevron Oceanic, Inc	30
Exxon Corp.—formerly Standard Oil Co. (New Jersey)	30
Mobil Oil Corp	10
Texaco Export Inc	30

(b) General Dividends:

Cash dividends declared by Aramco, other than the special dividends which are explained below, are declared payable at an equal rate per share. Dividends are also declared payable in oil on a pro rata basis (representing approximately 12% of 1972 crude oil production).

(c) Special Dividends:

Aramco's Certificate of Incorporation, as amended, provides that, unless the Board of Directors by unanimous vote of all its members shall determine otherwise, no dividends payable at an equal rate per share shall be paid until special dividends have been paid (which computed amount per share is not the same for every stockholder) in accordance with the procedure described in the amended Certificate of Incorporation. A resolution of the Board of Directors sets forth the considerations, principles, and definitions which apply in the computation of such special dividends.

(d) Earnings Per Share:

Since Aramco's earnings are not distributed to stockholders at an equal rate per share, the amounts of earnings and dividends per share of capital stock are not presented in the accompanying Statement of Consolidated Income and Earnings Retained in the Business.

5. COMMITMENTS AND CONTINGENT LIABILITIES

During 1972, the Saudi Arab Government reasserted a retroactive claim with respect to the 2% road stamp tax which it claimed should have been withheld from employees' salaries for periods prior to September 18, 1963. Since September 1963, Aramco has been deducting the road stamp tax from the salaries of all employees for payment to the Government. It had been Aramco's understanding prior to that time that the road stamp tax was not intended to apply to any of its employees, and therefore, no deductions from salaries or other provisions therefor were made prior to 1963. It is the opinion of Aramco's general counsel that the Company has an adequate defense against such claim.

In addition to the above claim and other contingent liabilities and commitments which Aramco and its subsidiaries have with respect to loan agreements, guaranteed bank loans and construction and other commitments, there are various lawsuits, claims and other litigation matters pending against the companies. In the opinion of management, the final disposition of these matters will not have a material adverse effect upon the companies' financial position.

6. SUBSEQUENT EVENTS

(a) Participation:

Aramco, its stockholders and the Saudi Arab Government were parties to an agreement ("General Agreement") dated December 20, 1972 which provided, among other things, that effective January 1, 1973, the Saudi Arab Government, in return for a consideration yet to be finally determined, would have the right to purchase an initial twenty-five percent participation in Aramco's crude oil concession and have the right to purchase additional five percent increments of participation in each of the years 1978 through 1981 and six percent in 1982. As provided in the General Agreement, Aramco and the Saudi Arab Government are currently negotiating a separate agreement ("Implementing Agreement") to implement the provisions of the General Agreement and other matters relating to participation. The nature and form of such participation and the future financial effects thereof are to be determined in these negotiations.

(b) Devaluation:

On February 13, 1973, the United States announced its intention to devalue the U.S. dollar by approximately ten percent. This is not expected to have a materially adverse effect on 1973 costs, as it relates to non-U.S. dollar assets and liabilities.

ARABIAN AMERICAN OIL CO. AND SUBSIDIARIES—EXPENSES AND ROYALTIES FOR THE YEARS ENDED DEC. 31, 1972, AND 1971

	Dec. 31— 1972	Dec. 31— 1971
GOVERNMENT RELATIONS EXPENSES		
Company representatives—Eastern Province, Jiddah, and Riyadh	$774,097	$786,136
Research and services	509,761	547,144
Administration expenses	241,771	166,557
Administration services, translation and interpretation	613,677	713,713
Land and lease	74,543	106,335
Total	2,213,849	2,319,885
U.S. OFFICE EXPENSES [1]		
Management	284,347	261,337
Administrative services	1,106,145	997,506
State and city franchise taxes	1,289,082	1,039,230
Manufacturing and oil supply	579,641	539,691
Purchasing and traffic	636,435	566,181
Comptroller's	318,371	315,093
Industrial relations	427,673	357,582
Employee benefits and payroll taxes	222,958	197,975
Law	268,839	261,403
Treasurer's	186,157	170,882
Public relations	73,236	69,513
Economics	56,883	51,517
Government relations	46,015	42,460
Total	5,495,782	4,870,370
Redistributions to other expense accounts	−579,641	−570,740
Total	4,916,141	4,299,630
PUBLIC RELATIONS EXPENSES		
Photography and audio visual services	189,452	512,097
Local operating expenses	323,619	380,056
Publications, advertising and media operations	1,722,982	1,571,439
Public activities	315,413	285,746
Total	2,551,466	2,749,338
ROYALTIES		
Basic royalties on crude oil production: [2]		
Onshore	358,362,437	274,859,157
Offshore	162,654,835	103,340,440
Total	521,017,272	378,199,597
Additional royalties on export sales [3]	114,847,489	60,583,601
Royalties on natural gas production:		
Natural gas sales	27,203	22,564
Processed to raw liquefied petroleum gas	266,681	300,060
Processed to natural gasoline	64,403	2,765
Total	636,233,048	439,108,587

Footnotes on following page.

[1] The company has limited its deduction for 1972 for Saudi Arabian income tax purposes to 90 percent of the total expenses above (before redistributions), as allowed in prior years under the terms of the Mar. 24, 1963, agreement between the Saudi Arabian Government and Aramco.

[2] Basic royalties on crude oil production were computed at 4 shillings, gold, per ton of crude oil plus an additional 5 cents per barrel for offshore crude oil, as provided in agreements with the Saudi Arab Government. Such basic royalties accrued on crude oil production through Mar. 31, 1972, and paid prior to May 8, 1972, were translated to U.S. dollars at the rate of $8.2397 per gold pound (approximately $1.65 per ton of oil). All basic royalties accrued on crude oil production subsequent to Mar. 31, 1972, and paid subsequent to May 8, 1972, were translated to U.S. dollars at the rate of $8.94596 per gold pound (approximately $1.79 per ton of oil). In computing royalty expense, the quantities of crude oil produced were reduced by the quantities of oil used in company operations, by the quantities of injected products, and by the quantities of free products to which the Saudi Arab Government is entitled under its agreements with Aramco. Accordingly, during 1972, royalty expense was computed after deduction of 3,786,462 barrels from onshore crude oil production of 1,534,365,984 barrels and 2,757,434 barrels from offshore production of 564,056,619 barrels.

[3] Under the terms of the letter agreement dated June 23, 1971, between Aramco and the Saudi Arab Government (Tehran Implementing Agreement), Aramco agreed to pay additional royalties on export sales of hydrocarbons (as defined) subsequent to Feb. 14, 1971, equal to the amount, if any, by which 12½ percent of the aggregate value of such sales, as described in note, exceeds the basic royalties on the production of such crude oil, as computed in footnote 2.

Note: Under the terms of the Jan. 25, 1965, agreement between the Saudi Arab Government and Aramco, royalties paid or payable with respect to (a) crude oil produced and delivered by Aramco, in lieu of royalties, to the Saudi Arab Government for export, (b) crude oil produced and sold by Aramco for export, and (c) the crude equivalent of refined products sold by Aramco for export and manufactured from crude oil produced by Aramco are to be treated as expenses for income tax purposes to the extent that they do not exceed 12½ percent of the aggregate value determined on the basis of the following prices: (a) In the case of crude oil taken by the Saudi Arab Government for export in lieu of royalties, the simple arithmetical average of the published prices of Aramco's buyers applicable at the marine terminal of delivery to the grade, quality and gravity of crude oil so taken; (b) in the case of all other crude oil exported, the published price of such crude oil (or in the case of unstabilized crude oil the published price of the stabilized component thereof) at the appropriate marine terminal of Aramco in Saudi Arabia; and (c) in the case of all refined products, the published price applicable to the crude equivalent thereof at Ras Tanura, after deduction of the terminaling charges (deemed to be $0.02 per barrel as set forth in the Tehran Implementing Agreement referred to above). The total of basic and additional royalties paid or payable in excess of 12½ percent of the aggregate value of export sales of hydrocarbons computed above and those relating to natural gas derivatives and to crude oil used in the manufacture of liquefied petroleum gas are treated as credits against income taxes. Application of the terms described above resulted in $630,940,712 of royalties being treated as expenses in the computation of Saudi Arab income taxes for 1972. Further information with respect to the application of royalties in the computation of Saudi Arab income taxes is set forth in schedule 20.

Arabian American Oil Co. and subsidiaries—Basis of computing Saudi Arab income taxes for the year ended December 31, 1972

Consolidated net income (exhibit B)	$1,736,691,516
Add—Provision for taxes on income:	
Saudi Arab income taxes:	
Current	1,997,324,656
Deferred (see note 1 to Consolidated Financial Statements)	(5,358,360)
U.S. income taxes	4,772,920
Total	1,996,739,216
Income before taxes thereon	3,733,430,732
Add:	
Exploration expense in excess of amount allowable	9,298,935
Trans-Arabian Pipe Line expense representing lump sum consideration payment to Saudi Arab Government	2,170,614
Donations not allowable	21,800
U.S. office expense not allowable	549,578
Net loss of a subsidiary company	630
Other items excluded	2,500
Subtotal	$12,044,057
Total	3,745,474,789
Deduct:	
Cost of dividends in kind (oil) declared and paid	106,404,514
Amounts not applicable to operations in Saudi Arabia—interest income	1,290,369
Additional allowable depreciation—Saudi Arabia-Bahrain Pipeline	248,463
Increase in Trans-Arabian Pipe Line expenses in inventory at year-end	26,841
Subtotal	107,970,187
Net income subject to tax under royal decree No. 17/2/28/3321	3,637,504,602
Add:	
Amounts not deductible for determination of income subject to tax under Royal Decree No. 17/2/28/7634: Adjustment of deduction for royalties (Note)	5,093,040
Exactions	446,400
Subtotal	5,539,440
Net income subject to tax under royal decree No. 17/2/28/7634—(forward)	3,643,044,042
Less: Amounts not subject to tax under royal decree No. M/28:	
Income not resulting from the sales of hydrocarbons for export	23,316,027
Net income subject to tax under royal decree No. M/28	3,619,728,015
Computation of taxes:	
Tax under royal decree No. 17/2/28/3321:	
Tax at 20% of net income subject to tax ($3,637,504,602)	727,500,920
Tax under royal decree No. 17/2/28/7634:	
Provisional tax at 50% of net income subject to tax ($3,643,044,042)	1,821,522,021
Subtractions:	
Tax under royal decree No. 17/2/28/3321, as shown above	727,500,920
Royalties allowable as a tax credit (note)	4,737,366
Exactions	446,400
Total subtractions	732,684,686
Additional tax under royal decree No. 17/2/28/7634	1,088,837,335
Tax under royal decree No. M/28:	
Tax at 5% of net income subject to tax resulting from the sales of hydrocarbons for export ($3,619,728,015)	180,986,401
Total Saudi Arab income taxes	1,997,324,656

Note: Aramco is subject to the income tax on companies, Royal Decree No. 17/2/28/3321 of November 2, 1950, and to the additional tax on companies engaged in the production of petroleum or other hydrocarbons, Royal Decree No. 17/2/28/7634 of December 26, 1950, as amended. Under Royal Decree No. M/28 of December 28, 1970, effective November 14, 1970, Aramco became subject to an additional income tax of 5% on its net income subject to tax resulting from its sales of hydrocarbons for export.

In computing tax under Royal Decree No. 17/2/28/7634, the total royalties to be treated either as deductions from income or as subtractions from the provisional tax are those which become payable during the year. Although royalties on net crude oil do not become payable until the oil is run from field storage, Aramco, for accounting purposes, accrues royalties as the oil is produced. This practice of accruing royalties as oil is produced rather than when it is run from field storage, however, has no effect on net income because the amount of such accrual applicable to oil in field storage at any date is included in equal amounts in other accrued liabilities and in the inventory of oil in field storage. A summary of royalties included in inventories at December 31, 1972 and 1971 follows:

	Royalties in inventories in field storage	Royalties paid or payable included in inventories other than field storage	Total royalties included in inventories
Dec. 31, 1972	$5,446,733	$2,861,981	$8,308,714
Dec. 31, 1971	4,901,763	3,217,655	8,119,418
Increase (decrease)	544,970	(355,674)	189,296

In the computation of tax for 1972 under Royal Decree No. 17/2/28/7634, the following adjustments to net income and to the subtractions from the provisional tax were made for royalties:

For adjustment of deductions:

Accrued during the year on basis of production (per Exhibit B)	$636,223,048
Subtract increase during year royalties included in inventories as shown in above summary	189,296
Amount included in cost of sales in Exhibit B	636,033,752
Less deduction allowable for tax purposes (as explained in Note 3 to Schedule 16)	630,940,712
Remainder, representing the portion of royalties included in cost of sales not deductible for tax purposes	5,093,040

For determining subtraction from provisional tax:

Accrued during the year on basis of production (per Exhibit B)	636,223,048
Subtract increase during year in royalties included in inventory of oil in field storage as shown in above summary	544,970
Amount paid or payable for year	635,678,078

Less portion of amount paid or payable allowable as a deduction for tax purposes (as above and as explained in Note 3 to Schedule 16) ------	$630, 940, 712
Balance allowable as a subtraction from provisions tax----	4, 737, 366

EXECUTIVE SESSION—TREATY ON EXTRADITION WITH DENMARK, EXECUTIVE U (93D CONG., 2D SESS.)

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the treaty on extradition with Denmark.

The PRESIDING OFFICER (Mr. BIDEN). Without objection, it is so ordered. The clerk will read the resolution of ratification.

The assistant legislative clerk read as follows:

Resolved, (*Two-thirds of the Senators present concurring therein*), That the Senate advise and consent to the ratification of the Treaty on Extradition between the United States of America and the Kingdom of Denmark, signed at Copenhagen on June 22, 1972 (Ex. U, 93–1).

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BIDEN). Without objection, it is so ordered.

Under the previous order, the hour of 12 o'clock having arrived, the Senate will now proceed to vote on the resolution of ratification on Executive U, 93d Congress, 1st session, the Treaty on Extradition with Denmark.

The question is, Will the Senate advise and consent to the resolution of ratification? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Alabama (Mr. ALLEN), the Senator from Indiana (Mr. BAYH), the Senator from Florida (Mr. CHILES), the Senator from Iowa (Mr. CLARK), the Senator from Mississippi (Mr. EASTLAND), the Senator from North Carolina (Mr. ERVIN), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Maine (Mr. HATHAWAY), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Iowa (Mr. HUGHES), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Ohio (Mr. METZENBAUM), the Senator from Minnesota (Mr. MONDALE), the Senator from New Mexico (Mr. MONTOYA), the Senator from Utah (Mr. MOSS), the Senator from Maine (Mr. MUSKIE), the Senator from Wisconsin (Mr. NELSON), and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

I also announce that the Senator from Texas (Mr. BENTSEN), the Senator from Michigan (Mr. HART), and the Senator from Louisiana (Mr. JOHNSTON) are absent on official business.

I further announce that, if present and voting, the Senator from Iowa (Mr. CLARK), the Senator from Maine (Mr. HATHAWAY), and the Senator from Ohio (Mr. METZENBAUM) would each vote "yea."

Mr. TOWER. I announce that the Senator from Maryland (Mr. BEALL), the Senator from Oklahoma (Mr. BELLMON), the Senator from New Hampshire (Mr. COTTON), the Senator from Arizona (Mr. FANNIN), the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN), the Senator from New York (Mr. JAVITS), the Senator from Maryland (Mr. MATHIAS), the Senator from Illinois (Mr. PERCY), the Senator from Pennsylvania (Mr. HUGH SCOTT), the Senator from Alaska (Mr. STEVENS), the Senator from Ohio (Mr. TAFT), the Senator from Utah (Mr. BENNETT), and the Senator from Virginia (Mr. WILLIAM L. SCOTT) are necessarily absent.

I also announce that the Senator from Oregon (Mr. HATFIELD) is absent on official business.

I further announce that the Senator from Vermont (Mr. AIKEN) is absent due to illness in the family.

I further announce that, if present and voting the Senator from Vermont (Mr. AIKEN), the Senator from Maryland (Mr. BEALL), the Senator from Oregon (Mr. HATFIELD), the Senator from Illinois (Mr. PERCY), and the Senator from Pennsylvania (Mr. HUGH SCOTT) would vote "yea."

The yeas and nays resulted—yeas 63, nays 0, as follows:

[No. 98 Ex.]

YEAS—63

Abourezk
Baker
Bartlett
Bible
Biden
Brock
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Church
Cook
Cranston
Curtis
Dole
Domenici
Dominick
Eagleton
Fong
Gravel
Gurney
Hansen
Hartke
Haskell
Helms
Hruska
Huddleston
Humphrey
Inouye
Jackson
Long
Magnuson
Mansfield
McClellan
McClure
McGee
McGovern
McIntyre
Metcalf
Nunn
Packwood
Pastore
Pearson
Pell
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Sparkman
Stafford
Stevenson
Symington
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NAYS—0

NOT VOTING—37

Aiken
Allen
Bayh
Beall
Bellmon
Bennett
Bentsen
Chiles
Clark
Cotton
Eastland
Ervin
Fannin
Fulbright
Goldwater
Griffin
Hart
Hatfield
Hathaway
Hollings
Hughes
Javits
Johnston
Kennedy
Mathias
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Percy
Scott, Hugh
Scott, William L.
Stennis
Stevens
Taft

The PRESIDING OFFICER (Mr. NUNN). On this vote the yeas are 63 and the yeas 0. Two-thirds of the Senators present and voting having voted in the affirmative, the resolution of ratification is agreed to.

LEGISLATIVE SESSION—FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session and will resume consideration of the unfinished business, S. 3044, which will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

The PRESIDING OFFICER. Under the previous order, the Senator from North Carolina (Mr. HELMS) is recognized to call up amendment No. 1071, on which there is a limitation of 30 minutes.

AMENDMENT NO. 1071

Mr. HELMS. Mr. President, I call up Amendment No. 1071.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. HELMS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

Strike out everything after the enacting clause and insert in lieu thereof the following:

COMPLETE DISCLOSURE OF ALL CONTRIBUTIONS AND EXPENDITURES

SECTION 1. (a) Section 301 of the Federal Election Campaign Act of 1971 (relating to definition) is amended—

(1) by striking out "in an aggregate amount exceeding $1,000" in subsection (d);

(2) by inserting in subsection (e)(1) after "subscription" the following: "(including any assessment, fee, or membership dues)";

(3) by striking out in subsection (e)(1) "or for the purpose of influencing the election of delegates to a constitutional convention for proposing amendments to the Constitution of the United States" and inserting in lieu thereof the following: "or for the purpose of financing any operations of a political committee (including a payment made or an obligation incurred by a corporation or labor organization which, under the provisions of the last paragraph of section 610 of title 18, United States Code, does not constitute a contribution by that corporation or labor organization), or for the purpose of paying, at any time, any debt or obligation incurred by a candidate or a political committee in connection with any campaign for nomination for election, or for election, to Federal office";

(4) by amending subsection (a) (3) to read as follows:

"(3) funds received by a political committee which are transferred to that committee from another political committee;" and

(5) by striking out paragraph (f) and inserting in lieu thereof the following:

"(f) 'expenditure'—

"(1) means a purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value, made for the purpose of—

"(A) influencing the nomination for election, or the election, of any person to Federal office, or to the office of Presidential and Vice Presidential elector;

"(B) influencing the result of a primary election held for the selection of delegates to a national nominating convention of a political party or for the expression of a preference for the nomination of persons for election to the office of President;

"(C) financing any operations of a political committee; or

"(D) paying, at any time, any debt or obligation incurred by a candidate or a political committee in connection with any campaign for nomination for election, or for election, to Federal office;

"(2) means the transfer of funds by a political committee to another political committee;

"(3) means a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure; and

"(4) means any payment made or obligation incurred by a corporation or a labor organization which, under the provisions of the last paragraph of section 610 of title 18, United States Code, would not constitute an expenditure by that corporation or labor organization."

(1) by striking out "in excess of $10" in subsection (b);

(2) by striking out "in excess of $10," in subsection (c)(2); and

(3) by striking out beginning with "in excess of $100" through "exceeds $100" in subsection (d).

(c) Section 303 of such Act (relating to registration of political committees; statements) is amended—

(1) by striking out "in an aggregate amount exceeding $1,000" in subsection (a);

(2) by striking out beginning with "or, if later" through "in excess of $1,000" in such subsection; and

(3) by striking out "in an aggregate amount exceeding $1,000" in subsection (d).

(d) Section 304 (relating to reports by political committees and candidates) is amended—

(1) by striking out "in an aggregate amount or value in excess of $100," each place it appears in paragraphs (2), (5), and (9) of subsection (b); and

(2) by striking out "in excess of $100" each place it appears in paragraphs (7) and (10) of such subsection.

(e) Section 305 of such Act (relating to reports by others than political committees) is amended by striking out "in an aggregate amount in excess of $100 within a calendar year".

IMMEDIATE DISCLOSURE OF LAST MINUTE CONTRIBUTIONS AND EXPENDITURES

SEC. 2. The last sentence of section 304(a) of the Federal Election Campaign Act of 1971 (relating to reports by political committees and candidates) is amended to read as follows: "Such reports shall be complete as of such date as the supervisory officer may prescribe, which shall be not less than five days before the date of filing, except that any contribution received or expenditure made during the period beginning ten days before the date of the election and ending on the date of the election shall be reported within twenty-four hours after such contribution or expenditure is received or made, respectively.".

DISCLOSURE BY CANDIDATE OF KNOWN INDEPENDENT CONTRIBUTIONS AND EXPENDITURES

SEC. 3. Section 305 of the Federal Election Campaign Act of 1971 is amended by designating the first paragraph thereof as subsection (a) and by adding at the end thereof the following new subsection:

"(b) A candidate who knows of such a contribution or expenditure by such a person shall include the identity of such person and amount of such contribution or expenditure in the statements he files under section 304."

Mr. HELMS. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. HELMS. Mr. President, on Tuesday, I submitted an amendment to S. 3044, the Federal Election Campaign Act Amendments of 1974. Basically, this amendment in the nature of a substitute calls for full disclosure of all campaign contributions from every source, and of all campaign expenditures.

Additionally, this amendment plugs up a loophole in the 1971 Federal Election Campaign Act regarding the reporting of contributions made immediately prior to election day.

Under the 1971 act as it now stands, section 304 requires that each treasurer of a political committee shall be required to report receipts and expenditures on the 10th day of March, June, and September; on the 15th and 5th days immediately prior to the general election; and on the 31st of January immediately after the election. Under this section, the report which must be filed must be complete as of 5 days prior to the date of filing. This works well for all filing dates except one: That is the reporting date 5 days before the election.

On that date, a report must be filed for all contributions received since the last reporting period, the date of filing for which is 15 days prior to the election. Since the "5-day" report must be filed 5 days prior to the election but must include only those contributions received at a period ending 10 days before the election, there is a time lag of 10 days before the election when no reporting of campaign contributions need be made, with one exception: That exception, as laid out in section 304(a), states that any contribution of $5,000 or more received after the last report is filed—5 days before the election—must be reported within 48 hour of its receipt.

While this provision attempts to cover the disclosure of large last-minute contributions, it is obviously inadequate. For example, if a large contribution, more than $5,000 let us say, were given to a campaign committee coming under the purview of the 1971 act, and this money were given 9 days prior to the election, it would go unreported until the January 31 reporting date, long after the election. If the main purpose of disclosing political campaign contributions is to let the public know who supports a candidate and to whom that candidate may be beholden after an election, then the 1971 act does not do the job. As it now stands, the 1971 act leaves a 5-day period of limbo between the closing date for the last filing period prior to the election and the filing date itself, when large contributions over $5,000 must begin to be reported within 48 hours of receipt.

To clarify this further, let me use exact dates, such as will be encountered by campaign treasurers during the upcoming election campaigns this fall. Under the 1971 act, there is a filing date 15 days prior to the election, or on October 21; and one 5 days prior to the election, or on October 31. The report due on October 31 must be complete as of October 26, or 10 days prior to the election, and covers contributions received since the last filing—which was due on October 21, or 15 days before the election, and covered contributions received by October 16.

All contributions received after October 26 will be reported on January 31, 1975, except for those contributions received after October 31 which were in excess of $5,000. There is a 5-day period between October 26 and October 31 when any large contribution can be received and go unreported until January 31, long after the election and of no help to the public in their determination of which candidate they desire to vote for.

Mr. President, what my amendment in part does is to end this inequity in the law. By requiring that all contributions received and expenditures made within the 10-day period prior to the election be reported within 24 hours of their receipt, this glaring loophole in the 1971 act effectively is plugged up. Such a provision will go a long way in restoring public confidence in the election process: for example, much of the alleged last-minute "vote buying" would be curtailed by public exposure or else brought to the public's attention.

The fundamental principle of this amendment is to require that all contributions and expenditures be fully disclosed to the public so that each citizen will have full knowledge of where every dollar which supports a particular candidate comes from and where it goes. This amendment, as a substitute for the public financing and other provisions of S. 3044, avoids serious constitutional questions that have been raised about the provisions of S. 3044 which limit campaign expenditures and limit the amount of money that any individual may give to a candidate. S. 3044's restrictions on an individual's freedom of political expression raises the doubt in my mind as to whether the legislation will stand the test of the Constitution. A recent district court ruling (*ACLU, Inc.* v. *W. Pat Jennings*, 366 F.S. 1041, U.S.D.C., D.C., Nov. 14, 1973) already has brought into question limitations on the manner in which money may be spent on media advertising. This case is only the first in a long line of attacks that I see coming, and all for good reason: such limitations—not only on media spending, but also on the size of contributions—are an infringement on constitutional freedoms guaranteed by the first amendment.

Mr. President, amendment No. 1071 to S. 3044 gives the American people true reform in the financing and conducting of Federal elections. It is a realistic and needed reform measure, based on full disclosure and the plugging of a bad loophole in the existing Federal Election Campaign Act of 1971. Further, Mr. President, this substitute amendment, if enacted into law, will stand the test of the courts and the Constitution.

Mr. President, there is one further provision in amendment number 1071 to S. 3044 to which I want to address myself. Too often, political candidates receive support from groups not directly connected with their campaigns but which nonetheless provide assistance to them. I speak here not only of so-called soft money contributions from powerful labor union bosses that we hear so much about these days; but also, I speak of the aid provided by other organizations, formed for the specific purpose of rallying support around a particular candidate by rallying support for a particular issue which he espouses, thereby evading the letter and the spirit of the 1971 Act. Amendment 1071 takes care of these groups also by requiring that they report their expenditures made on behalf of a candidate; and further, by requiring that each candidate who has knowledge of any contribution made to him shall report the contribution and the person making it. This, in effect, places the burden on the candidate and his committee to report the receipt of "soft money" contributions, aid from issue groups, et cetera.

Mr. President, we will never have campaign reform with public financing. Competition for campaign dollars and voter support, with full disclosure of where all of the money came from and is going, is the way to have fair and honest elections. Take away the competition, as public financing will do, and you take away constitutionally guaranteed rights of expression, you encourage candidates to be unresponsive to the people, and you effectively destroy that which you only meant to reform.

Mr. President, I ask unanimous consent to have printed in the RECORD a table which demonstrates how my amendment would close the 5-day loophole.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

HELM'S AMENDMENT CLOSES 5-DAY LOOPHOLE

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		1. October	2	3	4	5.
6	7	8	9	10	11	12.
13	14	15	16. Closing date for report due 15 days before election.	17	18	19.
20	21. Filing date for report due 15 days before election.	22	23	24	25	26.[1] Closing date for report due 5 days before election.
27[2]	28[2]	29[2]	30[2]	31.[2] Filing date for report due 5 days before election.	1. November	2.
3	4	5	6	7	8	9.
10	11	12	13	14	15	16.

[1] Also date when reporting of contributions more than $5,000 must be made within 48 hours.

[2] The 5-day gap when large contributions can come in unreported until Jan. 31, after the election is from Oct. 27 through Oct. 31.

Other filing dates under sec. 304(a) of the Federal Elections Campaign Act of 1971 are as follows: Mar. 10, 1974; June 10, 1974; Sept. 10, 1974; Jan. 31, 1975.

Mr. HELMS. Mr. President, I reserve the remainder of my time.

Mr. CANNON. Mr. President, I yield myself 2 minutes. I do not think that a frivolous amendment such as this deserves more than 2 minutes time in response.

I wish to say to my colleagues that all this does is knock out public financing; it knocks out the central campaign committee which many people feel is important; and it knocks out the Federal Election Commission which would be in this act. Furthermore, it requires complete disclosure of every penny of contributions. If a person makes a 25-cent contribution, there would be $1 worth of paperwork to do the filing and reporting of the terms and provisions of this proposal.

We have a rather full disclosure provision in S. 372. The distinguished Senator from Rhode Island and many other Senators spent a lot of time on that matter, helped in its passage, and it was passed by the House. But this amendment would require absolute disclosure of the name, address, and principal place of business of every person making every contribution. He could not pass the hat at a political gathering. He could not send out a solicitation by mail and have people send in $1 or $2 in contributions without having to spend more than he actually received to carry out the reporting provision.

Again I say to my colleagues that if they are opposed to the bill as it is now, vote for this amendment because all it is intended to do is to kill the bill as now written.

Mr. President, I am prepared to yield back my time.

Mr. HELMS. Mr. President, I would like to propound a question to the distinguished Senator from Nevada. Does the Senator agree that the loophole I described in the present act does exist?

Mr. CANNON. I am sorry. I did not hear the description of the so-called loophole. If the Senator will describe it to me, I shall be glad to respond.

Mr. HELMS. Between the 10th day before election day and the 5th day before election day, as the law stands now, it is wide open. Candidates can do anything they want without the public knowing what is going on because no report is required in that period until January 31 of the following year. Further, under existing law, in the final five days before election day, contributions over $5,000 must be reported within 48 hours. That is a loophole. This means that anything under $5,000 does not have to be reported, if contributed during the final 5 days of the campaign.

Second, it means that the days before the election, 10 through 6, are the big holes because nothing is required to be reported until January 31.

Third, the final days, 5 through 1, are only partially covered that is, the 48 hours' reporting requirement.

Mr. CANNON. I would be happy to respond to the Senator. Under existing law, if a person receives $5,000 it must be reported within 48 hours. If the candidate received a campaign contribution of $5,000, 54 hours before the election he has to file the complete report on it.

Under this bill the Senator is saying this this is a loophole; under this bill he cannot receive a contribution of $5,000.

Mr. HELMS. Oh, yes he can.

Mr. CANNON. The amount he can receive from any one person is $3,000. There is still the 5-day reporting under the terms of this bill. It is $6,000 from the committee but $3,000 is the maximum from an individual. We adopted the $6,000 amendment yesterday so that a committee could give the same as a husband and wife, who together can give $6,000. But one individual can only give $3,000 under the terms of this bill as it stands now, and the filing is required 5 days before the election.

Mr. President, I am prepared to yield back the remainder of my time.

Mr. BAKER. Mr. President, will someone yield me 30 seconds to ask a question?

Mr. HELMS. I yield to the Senator from Tennessee.

Mr. BAKER. Is it lawful under the present bill or under the amendment as proposed by the Senator from North Carolina to contribute anything during those 5 days before the election?

Mr. CANNON. Is it lawful to do so? Yes.

Mr. BAKER. When is that reported?

Mr. CANNON. There is a reporting period. It is not necessary to report before the election because the committee determined that between the 5 days and the election it is really a bookkeeping process that cannot be reported and publicized in that time. But the dangers of the big contributions have been taken out of the present bill. This is where the last minute big contributions entered into it in previous periods of time. This was an important loophole.

Mr. BAKER. It still is. I am not convinced that a way could not be found through the proliferation of committees to make possible a great many $5,000 contributions.

I have an amendment I will call up later which would place a prohibition on the receipt of any campaign contributions at all, say 10 days before the election, so there will be full disclosure before election day.

May I ask one question of the Senator from North Carolina?

Mr. HELMS. I am delighted to yield.

Mr. BAKER. Do I understand the Senator's amendment removes the limitation on contributions?

Mr. HELMS. No, it does not address itself to limitation. It specifies what will be reported. But it leaves the limitations as they are.

Mr. BAKER. I do not think it makes much difference. I am not sure how I am going to vote on this amendment, but I want my colleagues to know that there is another amendment coming up which would make it unlawful to receive contributions a certain number of days before the election.

Mr. PASTORE. Mr. President, will the manager of the bill yield for a question?

Mr. CANNON. I yield.

Mr. PASTORE. Is not the main thrust of the amendment which is presently being considered to do away with public financing?

Mr. CANNON. Yes.

Mr. PASTORE. That is the main thrust of the amendment. The other part is a sweetener, and I think if it is to be considered at all, it ought to be considered separately. The main thrust of the amendment is to knock out public financing. That is another way of getting around the so-called Allen amendment that was defeated.

Mr. HELMS. One of the main thrusts of the amendment is indeed to prevent putting the burden of campaign expenses on the backs of the taxpayer. The Senator is correct, but that is just one of the thrusts of the amendment. There is nothing devious about it. I think I have been as frank and open about this amendment as I can be. If Senators want to put the burden of financing political campaigns on the taxpayers, that is, of course, their prerogative. If they want to leave this gap, where hanky-panky will continue, that is their business, but I am unalterably opposed to it. But, the Senator is correct; this amendment will prevent both. Senators may vote their wishes on the matter.

Mr. PASTORE. I have not accused the Senator of any deviousness. I am merely saying the main thrust of the amendment is to do away with public financing. That is the main thrust of it. I think we ought to know that.

Mr. HELMS. That is one of the thrusts of it. There was no attempt to digress. I am opposed to public financing of political campaigns. There is no question about that. This amendment improves the reporting of contributions provisions.

Mr. ROBERT C. BYRD. Mr. President, will the manager of the bill yield me 1 minute?

Mr. CANNON. I yield 1 minute to the Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, is the order to vote on the Weicker amendment on Monday at 3 p.m.?

The PRESIDING OFFICER. Approximately.

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. I ask unanimous consent that the vote on the Weicker amendment occur at 3 p.m. on Monday, and that immediately following the disposition thereof, the Bellmon amendment (No. 1094) be called up, on which there is a time limitation, and that on the disposition of amendment No. 1094 by Mr. BELLMON, amendment No. 1095 by Mr. BELLMON be called up, and that upon disposition of amendment No. 1095 by Mr. BELLMON, amendment No. 1081 by Mr. BUCKLEY be called up, and that there be a time limitation on the Buckley amendment of 1 hour, to be equally divided and controlled in accordance with the usual form.

These requests have been cleared on both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CANNON. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Carolina. The yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Alabama (Mr. ALLEN), the Senator from Indiana (Mr. BAYH), the Senator from Iowa (Mr. CLARK), the Senator from Florida (Mr. CHILES), the Senator from Mississippi (Mr. EASTLAND), the Senator from North Carolina (Mr. ERVIN), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Maine (Mr. HATHAWAY), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Iowa (Mr. HUGHES), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Ohio (Mr. METZENBAUM), the Senator from Minnesota (Mr. MONDALE), the Senator from New Mexico (Mr. MONTOYA), the Senator from Utah (Mr. MOSS), the Senator from Maine (Mr. MUSKIE), the Senator from Wisconsin (Mr. NELSON), and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

I also announce that the Senator from Texas (Mr. BENTSEN), the Senator from Michigan (Mr. HART), and the Senator from Louisiana (Mr. JOHNSTON), are absent on official business.

I further announce that, if present and voting, the Senator from Iowa (Mr. CLARK) and the Senator from Ohio (Mr. METZENBAUM) would each vote "nay."

Mr. TOWER. I announce that the Senator from Maryland (Mr. BEALL), the Senator from Oklahoma (Mr. BELLMON), the Senator from Tennessee (Mr. BROCK), the Senator from New Hampshire (Mr. COTTON), the Senator from Arizona (Mr. FANNIN), the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN), the Senator from New York (Mr. JAVITS), the Senator from Maryland (Mr. MATHIAS), the Senator from Illinois (Mr. PERCY), the Senator from Pennsylvania (Mr. HUGH SCOTT), the Senator from Alaska (Mr. STEVENS), the Senator from Ohio (Mr. TAFT), the Senator from Virginia (Mr. WILLIAM L. SCOTT) are necessarily absent.

I also announce that the Senator from Oregon (Mr. HATFIELD) is absent on official business.

I further announce that the Senator from Vermont (Mr. AIKEN) is absent due to illness in the family.

I further announce that, if present and voting, the Senator from Pennsylvania (Mr. HUGH SCOTT), and the Senator from Ohio (Mr. TAFT) would each vote "nay."

On this vote, the Senator from Maryland (Mr. BEALL) is paired with the Senator from Oregon (Mr. HATFIELD). If present and voting, the Senator from Maryland would vote "yea" and the Senator from Oregon would vote "nay."

The result was announced—yeas 20, nays 43, as follows:

[No. 99 Leg.]

YEAS—20

Baker
Bartlett
Bennett
Buckley
Byrd, Harry F., Jr.
Curtis
Dominick
Fong
Gurney
Hansen
Helms
Hruska
McClellan
McClure
Nunn
Roth
Talmadge
Thurmond
Tower
Weicker

NAYS—43

Abourezk
Bible
Biden
Brooke
Burdick
Byrd, Robert C.
Cannon
Case
Church
Cook
Cranston
Dole
Domenici
Eagleton
Gravel
Hartke
Haskell
Huddleston
Humphrey
Inouye
Jackson
Long
Magnuson
Mansfield
McGee
McGovern
McIntyre
Metcalf
Packwood
Pastore
Pearson
Pell
Proxmire
Randolph
Ribicoff
Schweiker
Sparkman
Stafford
Stevenson
Symington
Tunney
Williams
Young

NOT VOTING—37

Aiken
Allen
Bayh
Beall
Bellmon
Bentsen
Brock
Chiles
Clark
Cotton
Eastland
Ervin
Fannin
Fulbright
Goldwater
Griffin
Hart
Hatfield
Hathaway
Hollings
Hughes
Javits
Johnston
Kennedy
Mathias
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Percy
Scott, Hugh
Scott, William L.
Stennis
Stevens
Taft

So Mr. HELMS' amendment (No. 1071) was rejected.

Mr. TOWER. Mr. President, I ask unanimous consent that Dorothy Parker of Senator FONG's staff be accorded the privilege of the floor during the consideration of S. 3044.

The VICE PRESIDENT. Without objection, it is so ordered.

MESSAGE FROM THE PRESIDENT—APPROVAL OF BILL

A message in writing from the President of the United States was communicated to the Senate by Mr. Heiting, one of his secretaries, and he announced that on March 27, 1974, the President had approved and signed the act (S. 2315) to amend the minimum limits of compensation of Senate committee employees and to amend the indicia requirements on franked mail, and for other purposes.

LEGISLATIVE PROGRAM

Mr. TOWER. Mr. President, I ask unanimous consent that I be recognized out of order to engage in a colloquy with the distinguished Senator from West Virginia concerning the further business of the Senate.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. TOWER. I would simply like to ask the Senator from West Virginia what he can project for us in the way of remaining Senate business today, and, in addition to the Monday orders, what he might anticipate throughout next week.

Mr. ROBERT C. BYRD. Mr. President, in response to the distinguished Senator's inquiry, I have endeavored, on both sides of the aisle, to inquire as to whether or not there are other amendments which we do not already know about that could be called up this afternoon. I find that there are no Senators who are ready to call up further amendments this afternoon, with the exception of the Senator from Kentucky (Mr. HUDDLESTON), who has an amendment on which there is a time limitation of 30 minutes, and there is every indication that the distinguished manager of the bill will accept the amendment, in which case there may not be a rollcall vote on that amendment.

In that event, there will be no more rollcall votes today. An amendment by the Senator from Connecticut (Mr. WEICKER) will be laid down today, but the distinguished author of that amendment wishes to talk at some length on it, and consequently there will be no vote on that amendment today.

The Senate will then adjourn until Monday at noon. After two special orders on Monday of 15 minutes each, there will be routine morning business until 1 o'clock, at which time the Senate will resume the consideration of the Weicker amendment, with a vote to occur on that amendment after 2 hours of debate, at 3 p.m.

Following the vote on the Weicker amendment, the Senator from Oklahoma (Mr. BELLMON) has two amendments on each of which there is a 30-minute limitation, and they will be taken up in succession, with yea and nay votes thereon, at the conclusion of which a Senator, I believe Mr. ROTH—or rather, I am informed, Mr. BUCKLEY—has an amendment on which there is a 1-hour limitation, and there will be a rollcall vote on that amendment.

So as it looks from here, there will be at least four rollcall votes on Monday.

Mr. TOWER. Can the Senator project what our business is likely to be beyond Monday? I am trying to get his overview of the entire week, if that is possible, to the extent that the distinguished Senator from West Virginia knows.

Mr. ROBERT C. BYRD. The principal thing would be—and I have discussed this with the distinguished majority leader—that the Senate will continue with the consideration of the unfinished business, with no-fault insurance waiting in the wings at some point, and the education bill coming along also. So we have three difficult pieces of legislation which will require some time for the Senate to complete. A busy week lies ahead.

Mr. TOWER. I thank the Senator from West Virginia.

Mr. President, I ask unanimous consent that the order to take up the amendment of the Senator from New Mexico (Mr. DOMENICI) be vacated.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. MAGNUSON. Mr. President, the Senator from Idaho has an amendment that he will present, probably on Monday, and I am hopeful that perhaps the distinguished Senator from Nevada will accept it. It will not take much time, but we do have an amendment.

Mr. ROBERT C. BYRD. May I ask the distinguished Senator from Washington, is there any possibility that that amendment could be called up today?

Mr. MAGNUSON. Well, I do not know that he is here. He can if he wants to. But we can do it, I think, very quickly; it will not take over 5 minutes on Monday.

Mr. ROBERT C. BYRD. In the event he would want to take it up today, if it is acceptable and can be handled by voice vote, he can do it either today or Monday.

Mr. MAGNUSON. I want to suggest also that we would all like to proceed on the no-fault measure as soon as possible, but it may not be quite ready for taking up in the Senate the early part of next week. It might be later in the week, because it will be a big, complex bill, and there will be a lot of amendments and a lot of debate on it.

Mr. ROBERT C. BYRD. Yes.

Mr. MAGNUSON. We all understand that. But I wanted to give notice that the Senator from Idaho has an amendment. I have talked with the authors of the bill; I talked briefly with the Senator from Nevada, and I am hopeful that over the weekend they will accept that amendment.

Mr. ROBERT C. BYRD. Very well.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The Senate continued with the consideration of the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

AMENDMENT NO. 1114

The VICE PRESIDENT. Under the previous order, the Senator from Kentucky (Mr. HUDDLESTON) is recognized to call up an amendment, on which there is to be a vote in 30 minutes at the latest.

Mr. HUDDLESTON. Mr. President, I call up my Amendment No. 1114.

The VICE PRESIDENT. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. HUDDLESTON's amendment (No. 1114) is as follows:

On page 25, beginning with line 10, strike out through line 14 and insert in lieu thereof the following:

SEC. 201. (a) Section 315(a) of the Communications Act of 1934 (47 U.S.C. 315(a) is amended—

(A) by inserting "(1)" immediately after "(a)";

(B) by redesignating paragraphs (1), (2), (3), and (4) as subparagraphs (A), (B), (C), and (D), respectively; and

(C) by adding at the end thereof the following new paragraphs:

"(2) The obligation imposed by the first sentence of paragraph (1) upon a licensee with respect to a legally qualified candidate for any elective office (other than the offices of President and Vice President) shall be met by such licensee with respect to such candidate if—

"(A) the licensee makes available to such candidate not less than five minutes of broadcast time without charge;

"(B) the licensee notifies such candidate by certified mail at least fifteen days prior to the election of the availability of such time; and

"(C) such broadcast will cover, in whole or in part, the geographical area in which such election is held.

"(3) No candidate shall be entitled to the use of broadcast facilities pursuant to an offer by a licensee under paragraph (2) unless such candidate notifies the licensee in writing of his acceptance of the offer within forty-eight hours after receipt of the offer."

Mr. HUDDLESTON. Mr. President, the purpose of the amendment is quite simple: To insure that every legally qualified candidate has an opportunity to present his views.

In order to do that, I am seeking to amend section 201(a) of the reported bill.

The purpose of section 201(a) of S. 3044, as reported, is to encourage broadcast stations to schedule debates or discussion programs featuring the major candidates for a particular office. The requirement that all candidates for the same office be given equal time when there are numerous candidates, some of a "minor" nature, has proven to be a significant deterrent to this type of programing. To the extent that the revision proposed by the committee promotes joint broadcast appearances, including debates by major candidates, it is highly desirable.

However, as written, it is subject to great abuse that could be detrimental to the election process and to the public interest. It would, for instance, permit each broadcast station to be sole judge of which candidates could use its facilities. A station could give one candidate an unlimited amount of free time while severely limiting or denying his opponents any use at all. Some candidates could be totally precluded from any broadcast exposure.

As a broadcast station owner and manager for some 20 years, I believe that the vast majority of the Nation's broadcasters would be scrupulously fair in providing all candidates an opportunity to use their facilities. Yet the possibility for the above mentioned abuses does exist as the revision is presently contained in section 201(a) of S. 3044.

Therefore, my amendment would permit the automatic waiving of the equal time requirement of section 315 of the Communications Act of 1934 for Presidential and Vice Presidential races—but for other elections it could be waived only if the broadcast station offers 5 minutes of free time to all candidates seeking the same office.

In my judgment, the requirement of 5 minutes of time for each candidate for a particular office, even if there are several, would not be such an onerous burden on the broadcast station as to preclude the scheduling of debates or discussions with the leading candidates and at the same time would insure that every candidate would have at least a minimal opportunity to present his views.

Again, calling on my experience as a broadcaster, I am convinced that this modification is in the best interest of the election processes, the broadcast industry, and most importantly, the general public.

Mr. President, I believe the managers of the bill are in general agreement with this proposed amendment. I urge its adoption and reserve the remainder of my time.

Mr. CANNON. Mr. President, may I ask a question of the distinguished author of amendment? Do I correctly understand now that section 315 would be waived with respect to the President and the Vice President?

Mr. HUDDLESTON. That is correct, automatically.

Mr. CANNON. With respect to the other offices, it would be waived only in the event the broadcasters were to give 5 minutes to every candidate or to every major candidate; is that not correct?

Mr. HUDDLESTON. To each candidate running for the same office, not merely major contenders.

Mr. CANNON. To each candidate running for the same office.

May I ask the Senator further, the pending bill relates only to Federal elections. Does the Senator intend by his amendment to extend this beyond Federal elections to elections of a statewide nature for the purpose of section 315?

Mr. HUDDLESTON. That is correct. The only differentiation in the elections in my amendment is the election for President and Vice President. They can be treated legitimately as a separate case because that is a nationwide contest, of course, and they are viewed by all the citizens of this country at the same time. So those two offices would be automatically exempt from the equal time requirements of section 315 of the Communications Act.

Beyond that, all other races whether for Congress, the school board, the Governor, whatever, would be treated the same. A station could be exempted, provided it offered all candidates seeking the same office 5 minutes free time.

The reason I believe it should apply to all levels and not just Federal is that the broadcast stations then would be able to treat all elections in the same way and would not have to keep a separate set of books or regulations for candidates running for the Senate, for Congress, for Governor, or whatever.

Mr. CANNON. But this amendment would impose no requirement on the broadcasters to furnish free time?

Mr. HUDDLESTON. No, sir.

Mr. CANNON. If they furnish free time, they would have to give the time to every candidate?

Mr. HUDDLESTON. That is correct. If they give one candidate free time, then they must offer at least 5 minutes free time to every other candidate seeking the same office.

Mr. CANNON. Would that be on a race-by-race basis? For example, let us suppose a broadcaster determined, in a race for the governorship, that he would give the candidates free time and therefore he would have to give every candidate 5 minutes free time. If that were the case, and there were a candidate running for attorney general at the same time, would he have to, likewise, then give that time to the other candidate?

Mr. HUDDLESTON. No sir, he would not. It would be strictly on a race-by-race basis. He could seek exemption in the race for Governor but not for any other race going on at the same time. The amendment applies to all candidates running for the same office.

Mr. PASTORE. Mr. President, will the Senator from Kentucky yield?

Mr. HUDDLESTON. I yield.

Mr. PASTORE. I have looked at this amendment. As a matter of fact, I have had a talk with the distinguished sponsor of it. It is quite an improvement over the language in the bill as presently drawn. This would exempt it completely from the office of President and Vice President, which is desirable.

As the Senate knows, I have remarked on this a number of times. When I talked to the presidents of the various networks, ABC, CBS, and NBC, they did promise that if we lifted the exemption from section 315, they would be willing to give adequate time to candidates for the Presidency and the Vice Presidency. Everyone knows how expensive that is and what a boon it would be in the campaign, as we are now talking about a limitation of funds.

As to other Federal offices and State offices, there, I am afraid, that if we lifted it completely, we could open up a can of worms because we have many people who feel that in many cases—and this sensitivity has some merit—if we left it entirely to the discretion of the local stations whether radio or television, we would be more or less at the mercy of the owner who could use the medium to his own advantage day after day editorializing on radio and television. There is no objection to editorializing, of course, expressly favoring one particular candidate. But if he could do that day after day and not give the opposition any time, we could be in serious trouble.

That has been discussed on the floor of the Senate for a long time. With this provision, if they give time to anyone, they have to give 5 minutes to all, to that particular office. So I think this is an improvement and I will support it.

Mr. CANNON. Mr. President, on the basis of that explanation, I am willing to accept the amendment.

Mr. TOWER. Mr. President, I have discussed this with the distinguished minority manager, the distinguished Senator from Kentucky (Mr. COOK), and he has authorized me to say that he is prepared to accept the amendment.

Mr. CANNON. Mr. President, I yield back the remainder of my time.

Mr. HUDDLESTON. Mr. President, I yield back the remainder of my time.

The VICE PRESIDENT. All time on this amendment has now been yielded back.

The question is on agreeing to the amendment—No. 1114—of the Senator from Kentucky (Mr. HUDDLESTON).

The amendment was agreed to.

SENATOR BUCKLEY ON CAMPAIGN REFORM

Mr. ROTH. Mr. President, in the most recent issue of the publication, Human Events, the distinguished junior Senator from New York (Mr. BUCKLEY) has presented a clear analysis of the campaign reform legislation which is now being considered on the Senate floor.

After observing that the present system of campaign financing needs reform, Senator BUCKLEY states his belief that any new legislation should encourage, rather than diminish, each citizen's participation in the political process. I concur in my colleague's position and I am pleased that he has expressed his support for my proposal that, as an alternative to "public financing" of elections, the maximum tax credit allowable for a political contribution should be increased to a level which will give each private individual a greater incentive to voluntarily contribute to the candidate of his or her choice.

The detailed responses which Senator BUCKLEY has made to the probing questions presented in this interview deserve the considered attention of every public official who is committed to supporting true "campaign reform" legislation. I urge each of my colleagues to study Senator BUCKLEY's comments and to give them their careful attention throughout the debate on S. 3044 and other legislation designed to reform the conduct and financing of political campaigns.

I ask unanimous consent that the Senator's comments be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

[From Human Events, March 30, 1974]

SENATOR BUCKLEY ON CAMPAIGN REFORM

(NOTE.—*The Senate is scheduled to take up campaign reform legislation this week. The bill under consideration—S 3044—includes, among many changes, a proposal for public financing of campaigns. Sen. Buckley (C.-R.-N.Y.) has made an in-depth study of the entire measure and in the following exclusive interview discusses the numerous practical and constitutional objections to the bill.*)

Q. President Nixon recently made a rather lengthy statement on campaign reform. What was your reaction to his proposals?

A. There were too many proposals included in his package to allow me to give you anything even approaching a definitive answer here, but I will say that I find myself in general agreement with the thrust of his proposals—especially as compared with those included in S 3044, the bill recently reported out of the Senate Committee on Rules and Administration.

The President's proposals seem designed to deal with the problems in our present system, while the Senate bill we will have before us shortly would scrap that system. I would be among the first to admit that our present system of selecting candidates and financing campaigns needs reform, but I am not at all convinced that we should abandon it for a scheme that would diminish citizen participation in politics and, in all probability, would create more problems than it would solve.

Q. S 3044 is the bill that includes public financing of presidential, Senate and House campaigns, isn't it?

A. That's right. The bill that we will soon debate includes provisions that would allow candidates for any federal office to draw on tax funds to finance their campaigns. The system would replace the essentially private system now in effect and would cost the American taxpayer some $358 million every four years.

More importantly, however, this scheme presents us with grave constitutional and practical questions that I hope will be fully debated on the floor of the Senate before we vote.

Q. Why do you object so strongly to public financing?

A. I object because I am convinced that such drastic measures are needed to clear up the problems we confront, because I suspect that the proposals as drawn are unconstitutional and because if implemented they would alter the political landscape of this country in a way that many don't even suspect and very few would support.

Those in and out of Congress who advocate public financing are selling it as a cure-all for our national and political ills. For example. Sen. Kennedy recently went so far as to say that "most, and probably all, of the serious problems facing this country today have their roots in the way we finance political campaigns. . . ."

This statement reminds one of the hyperbole associated with the selling of New Frontier and Great Society programs in the '60s. The American people were asked then to accept expensive and untried programs as panaceas for all our ills.

Those programs didn't work. They were oversold, vastly more expensive than anyone anticipated, and left us with more problems than they solved. Public financing is a Great Society approach to another problem of public concern and like other solutions based on the theory that federal dollars will solve everything should be rejected.

Q. In what ways should public financing "alter the political landscape"?

A. In several very important if not totally predictable ways.

First, under our present system potential candidates must essentially compete for private support, and to attract that support they have to address themselves to issues of major importance to the people who will be contributing to their campaigns and voting for them on election day. Public financing might allow candidates to ignore these issues, fuzz their stands and run campaigns in which intelligent debate on important matters is subordinated to a "Madison Avenue" approach to the voters.

Let me give you a couple of examples. During the course of the 1972 campaign, it is reported that Sen. McGovern was forced by the need for campaign money to place greater emphasis on his support of a Vietnam pullout than his political advisers thought wise. They felt that he should have downplayed the issue and concentrated on others that might be better received by the electorate.

I don't doubt for a minute that the senator's emphasis on his Vietnam position hurt him, but I wonder if we really want to move toward a system that would allow a candidate to avoid such issues or gloss over positions of concern to millions of Americans.

The need to court the support of other groups creates similar problems. Those who believe that we should maintain a friendly stance toward Israel, for example, as well as those who think a candidate should support union positions on a whole spectrum of issues want to know where a candidate stands before they give him their vocal and financial support. The need to compete for campaign dollars forces candidates to address many issues and I consider this vital to the maintenance of a sound democratic system.

Second, millions of Americans now contribute voluntarily to federal, state and local political campaigns. These people see their decision to contribute to one campaign or another as a means of political expression. Public financing of federal general election campaigns would deprive people of an opportunity to participate and to express their strongly held opinions.

They would still be contributing, of course, since the Senate proposal will cost them hundreds of millions of dollars in tax money. But their participation would be compulsory and would involve the use of their money to support candidates and positions they find morally and politically reprehensible.

Third, the proposal reported out of the Senate Rules Committee, like similar proposals advanced in the past, combines public financing with strict limits on expenditures. These limits must, on the whole, work to the benefits of incumbents, since they are lower than the amount that a challenger might have to spend presently in a hotly contested race if he wants to overcome the advantages of his opponent's incumbency.

Fourth, the various schemes devised to distribute federal dollars among various candidates and between the parties has to affect power relationships that now exist. Thus, if you give money directly to the candidate you further weaken the party system. If you give the money to the national party, you strengthen the national party organization relative to the state parties. If you aren't extremely careful you will freeze out or lock in minor parties. These are real problems with significant policy consequences that those who drew up the various public financing proposals tended to ignore.

Public financing will have two significant effects on third parties, neither desirable. In the first place, it will discriminate against genuine national third-party movements (such as that of George Wallace in 1968) because such parties haven't had the chance to establish a voting record of the kind required to qualify for financing.

On the other hand, once a third party qualifies for future federal financing, a vested interest arises in keeping it alive—even if the George Wallace who gave it its sole reason for existence should move on. Thus we run the risk of financing a proliferation of parties that could destroy the stability we have historically enjoyed through our two-party system.

Q. You say public financing raises grave constitutional questions. Are you saying that these plans might be struck down in the courts?

A. It is obviously rather difficult to say in advance just how the courts might decide when we don't know how the case will be brought before them, but I do think there is a real possibility that subsidies, expenditure limitations and contribution ceilings could all be found unconstitutional.

All of these proposals raise 1st Amendment questions since they all either ban, limit or direct a citizen's right of free speech.

In this light it is interesting to note that a three-judge panel in the District of Columbia has already found portions of the 1971 act unconstitutional.

The 1971 Act prohibits the media from charging for political advertising unless the candidate certifies that the charge will not cause his spending to exceed the limits imposed by the law. This had the effect of restricting the freedom both of individuals wishing to buy ads and of newspapers and other media that might carry them and, in the opinion of the D.C. court, violated the 1st Amendment.

Q. But Senator, according to the report prepared by the Senate Rules Committee on S 3044, it is claimed that these questions were examined and that the committee was satisfied that objections involving the effect of the legislation on existing political arrangements were without real functions.

A. I can only say that I must respectfully disagree with my colleagues on the Rules Committee. The committee report discusses a number of compromises worked out in the process of drawing up S 3044, but I don't think these compromises do very much to answer the objections I have raised.

The ethical, constitutional and practical questions remain.

The fact is that the ultimate impact of a proposal of this kind on our present party structure cannot be accurately predicted. S 3044 may either strengthen parties because of the crucial control the party receives over what the committee calls the "marginal increment" of campaign contributions, or it may further weaken the parties because the government subsidy is almost assured to the candidate, thereby relieving him of substantial reliance on the "insurance" the party treasury provides. One can't be sure and that alone should lead one to doubt the wisdom of supporting the bill as drawn.

As for third parties, the effect of the bill is equally unclear. It does avoid basing support for third parties simply on performance in the last election and thus "perpetuating" parties that are no longer viable. But the proposal does not deal, for instance, with the possibility of a slpit in one of the two major parties—where two or more groups claim the mantle of the old party.

Q. Senator Buckley, advocates of public financing of federal election campaigns claim that political campaigning in America is such an expensive proposition that only the very wealthy and those beholden to special interests can really afford to run for office. Do you agree with this claim?

A. No, I do not.

First, it is erroneous to charge that we spend an exorbitant amount on political campaigns in this country. In relative terms we spend far less on our campaigns than is spent by other democracies and, frankly, I think we get more for our money.

Thus, while we spent approximately $1.12 per vote in all our 1968 campaigns, the last year for which we have comparative figures, Israel was spending more than $21 per vote. An index of comparative cost of 1968 reveals that political expenditures in democratic countries vary widely from 27 cents in Australia to the far greater amount spent in Israel. This index shows the U.S. near the bottom in per vote expenditures along with such countries as India and Japan.

Second, I think we should make it clear that the evidence suggests that most contributors—large as well as small—give money to candidates because they support the candidate's beliefs, not because they are out to buy themselves a congressman, a governor or a President. Many of those advocating federal financing forget this in their desire to condemn private campaign funding as an evil that must be abolished.

Anyone who has run for public office realizes that most of those who give to a campaign are honest public-spirited people who simply want to see a candidate they support elected because they believe the country will benefit from his point of view. To suggest otherwise impresses me as insulting to those who seek elective office and to the millions of Americans who contribute to their campaigns.

I don't mean to imply that there aren't exceptions to this rule. There are dishonest people in politics as there are in other professions, but they certainly don't dominate the profession.

Q. But doesn't the wealthy candidate have a real advantage under our current system?

A. Oh, he has an advantage all right, but I'm not sure it's as great as some people would have us believe.

I say this because I am convinced that given adequate time a viable candidate will be able to attract the financial support he needs to get his campaign off the ground and thereby overcome the initial advantage of a personally wealthy opponent. And I am also convinced that a candidate who doesn't appeal to the average voter won't get very far regardless of how much money he throws into his own campaign.

My own campaign for the Senate back in 1970 illustrates this point rather clearly. I was running that year as the candidate of a minor party against a man who was willing and able to invest more than $2 million of his family's money in a campaign in which he began as the favorite.

I couldn't possibly match him personally, but I was able to attract the support of more than 40,000 citizens who agreed with my positions on the issues. We still weren't able to match my opponent dollar for dollar—he spent twice as much as we did—but we raised enough to run a creditable campaign, and we did manage to beat him at the polls.

At the national level it is just as difficult to say that money is the determining factor and the evidence certainly suggests that personal wealth won't get a man to the White House. If it were the case that the richest man always comes out on top, Rockefeller would have triumphed over Goldwater in 1964, Taft over Eisenhower in 1952 and neither Nixon nor Stevenson would ever have received their parties' nominations

What I'm saying, of course, is that while money is important it isn't everything.

Q. Wouldn't public financing assist challengers trying to unseat entrenched congressmen and senators who have lost touch with their constituents?

A. I don't like to think of myself as overly cynical, but neither am I naive enough to believe that majorities in the House and Senate are about to support legislation that won't at least give them a fair shake.

The fact is that most of the "reforms" we have been discussing work to the advantage of the incumbent—not the challenger. The incumbent has built-in advantages that are difficult to overcome under the best of circumstances and might well be impossible to offset if the challenger is forced, for example, to observe an unrealistically low spending limit.

Incumbents are constantly in the public eye. They legitimately command TV and radio news coverage that is exempt from the "equal time" provisions of current law. They can regularly communicate with constituents on legislative issues, using franking privileges. Over the years they will have helped tens of thousands of constituents with specific problems involving the federal government. These all add up to a massive advantage for the incumbent which may well require greater spending by a challenger to overcome.

Q. What kind of candidates will benefit from public financing?

A. Any candidate who is better known when the campaign begins or is in a position to mobilize non-monetary resources must benefit as compared to less-known candidates and those whose supporters aren't in a position to give them such help.

This is necessarily true because the spending and contributions limits that are an integral part of all the public funding proposals I have seen even out only one of the factors that will determine the outcome of a given campaign. Other factors therefore become increasingly important and may well determine the winner on election day.

Thus, incumbents who are usually better known than their challengers benefit because experience has shown that a challenger often has to spend significantly more than his incumbent opponent simply to achieve a minimum degree of recognition.

In addition, consider the advantage that a candidate whose backers can donate time to his campaign will have over one whose backers just don't have the time to donate. In this context one can easily imagine a situation in which a liberal campus-oriented candidate might swamp a man whose support comes primarily from blue collar, middle-class workers who would contribute money to their man, but don't have time to work in his campaign.

Or consider the candidate running on an issue that attracts the vocal and "independent support of groups that can provide indirect support without falling under the limitations imposed by law. The effectiveness of the anti-war movement and the way in which issue-oriented anti-war activists were able to mesh their efforts with those of friendly candidates illustrates the problem.

David Broder of the Washington Post noted in a very perceptive analysis of congressional maneuvering on this issue that most members seem to sense that these reforms will, in fact, help a certain kind of candidate. His comments on this are worth quoting at length.

". . . [T]he votes by which the public financing proposal was passed in the Senate had a marked partisan and ideological coloration. Most Democrats and most liberals in both parties supported public financing; most Republicans and most conservatives in both parties voted against it.

"The presumption that liberals and Democrats would benefit from the change is strengthened by the realization that money is just one of the sources of influence on a political contest. If access to large sums is eliminated as a potential advantage of one candidate or party by the provision of equal public subsidies for all, then the election outcome will likely be determined by the ability to mobilize other forces.

"The most important of these other factors are probably manpower and publicity. Legislation that eliminates the dollar influence on politics automatically enhances the influence of those who can provide manpower or publicity for the campaign.

"That immediately conjures up, for Republicans and conservatives, the union boss, the newspaper editor and the television anchorman—three individuals to whom they are rather reluctant to entrust their fate of electing the next President."

Q. You indicated a few minutes ago that public financing will cost the American taxpayer hundreds of millions of dollars and that many Americans might be forced to give to candidates and campaigns they find repugnant.

A. That's right; it is estimated that the plan envisioned by the sponsors of S 3044 would cost nearly $360 million every four years and other plans that have been discussed might cost even more.

Necessarily, this will involve spending tax dollars, extracted from individuals for the support of candidates and causes with which many of them will profoundly disagree. The fundamental objection to this sort of thing was perhaps best summed up nearly 200 years ago by Thomas Jefferson who wrote: "To compel a man to furnish contributions of money for the propagation of opinions which he disbelieves and abhors, is sinful and tyrannical."

Q. But won't this money be voluntarily designated by taxpayers participating in the check-off plan that has been in effect now for more than two years?

A. Not exactly. As you may recall, the check-off was originally established to give individual taxpayers a chance to direct one dollar of their tax money to the political party of their choice for use in the next presidential campaign.

When it was extended by the Congress last year, however, the ground rules were changed so that this year taxpayers are not able to select the party to which their dollar is to be directed. They are simply allowed to designate that the dollar should go into the Presidential Election Campaign Fund to be divided up at a later date. Thus, while the taxpayer may still refrain from participating he may well be directing his dollar to the opposition party if he elects to participate.

A theoretical example will illustrate this. Let us assume that two candidates run in 1976 and that the money to be divided up amounts to $10 million dollars. Half of this would go to each candidate, but let us further assume that 60 per cent of this money or $6 million is contributed by Democrats. Under this set of circumstances a million Democrats would unwittingly be contributing to the campaign of a candidate they don't support and for whom they probably won't vote.

If S 3044 passes things will get even worse. During the first year only 2.8 per cent of the tax-paying public elected to contribute to the fund. This disappointing participation was generally attributed to the fact that it was difficult to elect to participate. Therefore this year the form was simplified and a great effort is being made to get people to participate.

As a result about 15 per cent of those filing appear to be participating and while this increase seems to warm the hearts of those who have plans for this money it will not raise nearly enough money to finance the comprehensive plan the sponsors of S 3044 have in mind.

Therefore they have found a way to increase participation. Under the terms of S 3044 the check-off would be doubled to allow $2 from each individual to go into the fund, but the individual taxpayer will no longer have to designate. Instead, his $2 will be automatically designated for him unless he objects. This is a scheme designed to increase participation reminiscent of the way book clubs used to sell books by telling their members they would receive the month's selection unless they chose not to. As I recall, Ralph Nader and his friends didn't like this practice when book clubs were engaged in it and one can only hope that they will be equally outraged now that Uncle Sam is in the act.

But S 3044 goes further still. If enough people resist in spite of the government's efforts to get them to participate, the Congress will be authorized to make up the difference out of general revenues. So, after all is said, it appears that the check-off is little more than a fraud on the taxpayer.

This to me is one of the most objectionable features of this whole scheme. It is an attempt to make people think they are participating and exercising free choice when in fact their choices are being made for them by the government.

Q. If there are problems and you can't support public financing, just what sort of reform do you favor?

A. I said earlier that I prefer the general thrust of the President's message on campaign reform as compared to the direction represented by S. 3044. The President, unlike the sponsors of the Senate legislation we will soon be debating, seems to grasp the problems inherent in any overly rigid regulation of individual and group political activity in a free society.

We have to recognize that any regulation of political activity raises serious constitutional questions and involves limitations on the freedom of our citizens. This has to be kept in mind as we analyze and judge the various "reform" proposals now before us. Our job involves a balancing of competing and often contradictory interests that just isn't as easy as it might appear to the casual observer.

Thus, while we are called upon to do what we can to eliminate abuses, we must do so with an eye toward side effects that could render the cure worse than the disease.

I happen to believe rather strongly that this is the case with public financing and with proposals that would impose arbitrary limits on campaign spending and, thereby, on political activity.

The same problem must be faced if we decide to limit the size of individual political contributions. In this area, however, I would not oppose reasonable limits that would neither unduly discriminate against those who wish to support candidates they admire or give too great an advantage to other groups able to make substantial non-monetary contributions.

The least dangerous form of regulation and the one I suspect might prove most effective in the long run is the one which simply imposes disclosure requirements on candidates and political committees. The 1971 Act—which has never really been tested—was passed on the theory that major abuses could best be handled by full and open disclosure.

The theory was that if candidates want to accept sizable contributions from people associated with one interest or cause as opposed to another, they should be allowed to do so as long as they are willing to disclose receipt of the money. The voter might then decide if he wants to support the candidate in spite of—or because of—the financial support he has received.

The far-reaching disclosure requirements written into the 1971 Act went in effect in April 1972 after much of the money used to finance the 1972 campaigns had already been raised. This money—raised prior to April 7, 1972—did not have to be reported in detail and it was this unreported money that financed many of the activities that have been included in what has come to be known as the Watergate affair.

I feel that the 1971 Act, as amended last year, deserves a real test before we scrap it. It didn't get that test in 1972, but it will this fall. I would hope, therefore, that we will wait until 1975 before considering the truly radical changes under consideration.

On the other hand, there are a few loopholes that we can close right away. It seems to me, for example, that we might move immediately to ban cash contributions and expenditures of more than, say, $100.

But consider the smaller contributor who might want to give to a candidate viewed with hostility by his employer, his friends and others in a position to retaliate. How about the bank teller who wants to give $10 to a candidate who wants to nationalize banks? Or the City Hall employe who might want to give $5 to the man running against the incumbent mayor? What effect might the knowledge that one's employer could uncover the fact of the contribution have on the decision to give? The problem is obvious when we remember that the White House "enemies list" was drawn up in part from campaign disclosure reports.

Still, it is a problem that we may have to live with if we are to accomplish the minimal reform necessary to "clean up" our existing system.

Q. So you believe that "full disclosure" is the answer?

A. Essentially. But I don't want you to get the idea that disclosure laws will solve all our problems or that they themselves don't create new problems. I simply feel that they create fewer problems and are more likely to eliminate gross abuses than the other measures we have discussed.

Q. You say that "full disclosure" laws also create new problems. What kind of new problems?

A. Well, you may recall that Sen. Muskie's 1972 primary campaign reportedly ran into trouble after April 1972 because a number of his larger contributors were Republicans who didn't want it publicly known that they were supporting a Democrat. The disclosure requirements included in the 1971 Act clearly inhibited their willingness to give and, therefore, at least arguably had what constitutional lawyers call a "chilling effect" on their right of self-expression.

These were large contributors with prominent names. Perhaps their decision to give should not be viewed as lamentable in the context of the purpose of the act.

Q. Senator, are there any other "reforms" that you think worthy of consideration?

A. Well, there are a good many proposals being circulated that we haven't had a real chance to discuss, but I'm afraid most of them raise more questions than they answer.

S. 3044 does contain one proposal that might be worth consideration and has, in fact, been raised separately by a number of senators. Under our current tax laws a taxpayer can claim either a tax credit or a deduction for political contributions to candidates, political committees or parties of his choice. The allowable tax credit that can now be claimed amounts to $12.50 per individual or $25 on a joint return and the deduction if limited to $50 or $100 on a joint return.

The authors of S. 3044 would double the allowable credits and deductions. Sen. William V. Roth (R-Del.) has proposed that we go even further by increasing the allowable credit to $150 per individual or $300 for those filing joint returns.

These proposals would presumably increase the incentive for private giving without limiting the freedom of choice of the individual contributor. If any proposal designed to broaden the base of campaign funding is worth consideration I would think this is it.

EXTENSION OF TIME FOR THE SPECIAL COMMITTEE ON AGING TO FILE ITS REPORT

Mr. CHURCH. Mr. President, I ask unanimous consent to move from March 29 to April 30 the date by which the report of the Special Committee on Aging, "Developments in Aging 1973, January–March 1974," shall be submitted.

I am making this request in order to give additional time for the completion of minority views.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT OF THE LAND AND WATER CONSERVATION FUND ACT

Mr. ROBERT C. BYRD. Mr. President, at the direction of the distinguished majority leader, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 719, S. 2844.

The VICE PRESIDENT. The bill will be stated by title.

The legislative clerk read as follows:

S. 2844 to amend the Land and Water Conservation Fund Act, as amended, to provide for collection of special recreation use fees at additional campgrounds, and for other purposes.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Interior and Insular Affairs with an amendment to strike out all after the enacting clause and insert:

That section 4 of the Land and Water Conservation Fund Act of 1965 (78 Stat. 789), as amended (16 U.S.C. 4001–6a), is further amended as follows;

(a) The heading of the section is revised to read:

"ADMISSION AND USE FEES; ESTABLISHMENT AND REGULATIONS".

(b) The second sentence of section 4(a) is amended to read: "No admission fees of any kind shall be charged or imposed for entrance into any other federally owned areas which are operated and maintained by a Federal agency and used for outdoor recreation purposes."

(c) Subsection (a)(1) is revised to read:

"(1) For admission into any such designated area, an annual admission permit (to be known as the Golden Eagle Passport) shall be available, for a fee of not more than $10. The permittee and any person accompanying him in a single, private, noncommercial vehicle, or alternatively, the permittee and his spouse, children, and parents accompaning him where entry to the area is by any means other than private, noncommercial vehicle, shall be entitled to general admission into any area designated pursuant to this subsection. The annual permit shall be valid during the calendar year for which the annual fee is paid. The annual permit shall not authorize any uses for which additional fees are charged pursuant to subsections (b) and (c) of this section. The annual permit shall be nontransferable and the unlawful use thereof shall be punishable in accordance with regulations established pursuant to subsection (e). The annual permit shall be available for purchase at any such designated area."

(d) Subsection (a)(2) is revised by deleting in the first sentence "or who enter such an area by means other than by private, noncommercial vehicle".

(e) Subsection (a)(4) is amended by revising the first two sentences to read: "The Secretary of the Interior and the Secretary of Agriculture shall establish procedures providing for the issuance of a lifetime admission permit (to be known as the 'Golden Age Passport') to any citizen of, or person domiciled in, the United States sixty-two years of age or older applying for such permit. Such permit shall be transferable, shall be issued without charge, and shall entitle the permittee and any person accompanying him in a single, private, noncommercial vehicle, or alternatively, the permittee and his spouse and children accompanying him where entry to the area is by any other means other than private, noncommercial vehicle, to general admission into any area designated pursuant to this subsection."

(f) In subsection (b) the first paragraph is revised to read:

"(b) RECREATION USE FEES.—Each Federal agency developing, administering, providing or furnishing at Federal expense, specialized outdoor recreation sites, facilities, equipment, or services shall, in accordance with this subsection and subsection (d) of this section, provide for the collection of daily recreation use fees at the place of use or any reasonably convenient location: *Provided*, That in no event shall there be a charge by any such agency for the use, either singly or in any combination, of drinking water, wayside exhibits, roads, overlook sites, visitors' centers, scenic drives, toilet facilities, picnic tables, or boat ramps: *Provided*, however, That a fee shall be charged for picnic areas or boat ramps, with specialized facilities or services: *Provided, further*, That in no event shall there be a charge for the use of any campground not having the following—tent or trailer spaces, drinking water, access road, refuse containers, toilet facilities, and simple devices for containing a campfire (where campfires are permitted). Any Golden Age Passport permittee shall be entitled upon presentation of such permit to utilize such special recreation facilities at a rate of 50 per centum of the established use fee."

(g) In subsection (b) paragraph "(1)" is deleted; the paragraph designation "2" is redesignated as subsection "(c) RECREATION PERMITS.—"; and subsequent subsections are redesignated accordingly.

(h) In new subsection (d) the second sentence is revised to read: "Clear notice that a fee has been established pursuant to this section shall be prominently posted at each area and at appropriate locations therein and shall be included in publications distributed at such areas."

(i) In new subsection (e) the first sentence is revised to read: "In accordance with the provisions of this section, the heads of appropriate departments and agencies may prescribe rules and regulations for areas under their administration for the collection of any fee established pursuant to this section."

(j) In new subsection (f) the first sentence is revised to read as follows:

"(f) Except as otherwise provided by law or as may be required by lawful contracts entered into prior to September 3, 1964, providing that revenues collected at particular Federal areas shall be credited to specific purposes, all fees which are collected by any Federal agency shall be covered into a special account in the Treasury of the United States to be administered in conjunction with, but separate from, the revenues in the Land and Water Conservation Fund: *Provided*, That the head of any Federal agency, under such terms and conditions as he deems appropriate, may contract with any public or private entity to provide visitor reservation services; and any such contract may provide that the contractor shall be permitted to deduct a commission to be fixed by the agency head from the amount charged the public for providing such services and to remit the net proceeds therefrom to the contracting agency."

SEC. 2. Section 6(e)(1) of title I of the Land and Water Conservation Fund Act of 1965 (78 Stat. 897), as amended (16 U.S.C. 4601), is further amended by adding at the end thereof the following:

"Whenever a State provides that the owner of a single-family residence may, at his option, elect to retain a right of use and occupancy for not less than six months from the date of acquisition of such residence and such owner elects to retain such a right, such owner shall be deemed to have waived any benefits under sections 203, 204, 205, and 206 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (84 Stat. 1894) and for the purposes of those sections such owner shall not be considered a displaced person as defined in section 101 (6) of that Act.".

SEC. 3. Section 9 of the Land and Water Conservation Fund Act of 1965 (78 Stat. 897), as amended (16 U.S.C. 4601-10a), is further amended by deleting in the first sentence "section 6(a)(1)" and substituting "section 7(a)(1)".

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, for the time being, that the Senate go into executive session to consider two nominations for the U.S. Coast Guard.

There being no objection, the Senate proceeded to the consideration of executive business.

The VICE PRESIDENT. The nominations for the U.S. Coast Guard, will be stated.

U.S. COAST GUARD

The legislative clerk read the nominations in the U.S. Coast Guard, which had been reported earlier today, as follows:

Rear Admiral Ellis Lee Perry, to be Vice Commandant of the U.S. Coast Guard, with the grade of vice admiral.

Rear Admiral Owen W. Siler, to be Commandant of the U.S. Coast Guard for a term of 4 years, with the grade of admiral.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The VICE PRESIDENT. Without objection, the nominations are considered and confirmed en bloc.

Mr. TOWER. Mr. President, I ask unanimous consent that the President be notified of the confirmation of these nominations.

The VICE PRESIDENT. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HUDDLESTON). Without objection, it is so ordered.

AMENDMENT OF THE LAND AND WATER CONSERVATION FUND ACT

The Senate resumed the consideration of the bill (S. 2844) to amend the Land and Water Conservation Fund Act, as amended, to provide for collection of special recreation use fees at additional campgrounds, and for other purposes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a time limitation on the pending bill, S. 2844, for not to exceed 15 minutes, with 10 minutes to be allotted to Mr. BARTLETT and 5 minutes to be allotted to Mr. BIBLE.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask that Mr. MCCLURE be allowed to speak for not to exceed 15 minutes, out of order, without the time being charged against the time on the pending bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. I thank the Senator from West Virginia.

VIETNAM VETERANS DAY

Mr. McCLURE. Mr. President, the President of the United States has designated today as a national day of recognition of the contributions of the veterans of Vietnam. In conjunction with that observance, we have a delegation in the United States from South Vietnam to pay their tribute and to bring their greetings from President Thieu concerning the contributions of the American fighting men, to the security and the maintenance of South Vietnam.

President Thieu has sent this delegation, which consists of Mr. Pham Do Thanh, who is not only a senator but also the President of the Vietnam Veteran Association; Mr. Buu Thang, Assistant to the Director General of the Central Logistics Agency; and Mr. Le Huu Phuoc, a lawyer in the Court of Saigon.

They presented to me, on behalf of the President of South Vietnam, the proclamation by President Thieu; and I ask unanimous consent that the message from President Thieu be printed at this point in the RECORD.

There being no objection, the message was ordered to be printed in the RECORD, as follows:

MESSAGE OF PRESIDENT NGUYEN VAN THIEU, TO THE AMERICAN VETERANS OF THE VIETNAM WAR, ON THE OCCASION OF THE FIRST VIETNAM VETERANS DAY, MARCH 29, 1974

DEAR FRIENDS: On the occasion of the first Viet Nam Veterans Day, I would like to extend my best personal regards to each and every American who in the past has chosen to make common cause with the Vietnamese people at a dark moment of our history.

Thanks to your noble sacrifice and unselfish determination to stand by a small and struggling nation in its hour of peril, America has proved once again the sterling worth of its commitments and its unshakeable faith in an international order that refuses to condone aggression. This strength and greatness of vision have resulted in a world made much safer after nearly three decades of the Cold War, a world in which the chances of peace are probably greater than at any other time in recent history.

In our case, the aggression from the North, checked only by the sacrifice of countless American, Vietnamese and allied comrades-in-arms, has resulted in an agreement which in spite of its imperfections has nonetheless allowed for the first time the South Vietnamese people to think in terms of reconstruction and development efforts. The Paris Agreement of January 27, 1973, did not merely bring out an honorable conclusion to the direct American involvement in the conflict in our land, it also strengthened the legal bases of the Republic of Viet Nam in its continued struggle for self-defense and freedom in this part of the world.

The army and people of the Republic of Viet Nam are therefore eternally grateful to the American people, especially to its valiant sons, for their past contributions and present continued support; we are confident of the future and vow to consolidate the gains that we all have won together so that the sacrifices you have accepted on our behalf will never be thought to have been made in vain.

In this hour of communion, the people and army of the Republic of Viet Nam also turn our thoughts to the 55,000 Americans who accepted to make the supreme sacrifice of their lives for the cause of freedom in Viet Nam. To them and to the bereaved families of these heroes, we can only incline ourselves in the deepest expression of our respect and gratitude, praying that they rest in heaven in the happy knowledge that they had contributed no small share to the defense of human dignity on earth.

My final expressions of thanks on behalf of the Vietnamese nation go to the parents, wives, sons and daughters of the millions of Americans veterans who had participated in the conflict in our land, for without their faith and silent acquiescence in the heroism of their men, the Viet Nam War could not have been brought to a successful end. To them and to their beloved husbands and sons, we wish a most memorable Viet Nam Veterans Day.

Thank you and may God bless you all.

Nguyen Van Thieu,
President of the
Republic of Vietnam.

AMENDMENT OF THE LAND AND WATER CONSERVATION FUND ACT

The Senate continued with the consideration of the bill (S. 2844) to amend the Land and Water Conservation Fund Act, as amended, to provide for collection of special recreation use fees at additional campgrounds, and for other purposes.

Mr. ROBERT C. BYRD. Mr. President, I ask for 1 minute, the time not to be charged against either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that S. 2844 be temporarily laid aside and that the Senate resume consideration of the unfinished business.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The Senate continued with the consideration of the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CHURCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHURCH. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 20, between lines 22 and 23, insert the following:

"(d) No payment shall be made under this title to any candidate for any campaign in connection with any election occurring before January 1, 1976.

Mr. CHURCH. Mr. President, I ask unanimous consent that the name of the distinguished senior Senator from Washington (Mr. Magnuson) be added as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHURCH. Mr. President, the purpose of this amendment is very plain. There is an element of self-interest, if not conflict-of-interest, for Members of the Senate who are approaching their own campaigns for reelection in 1974 to vote for Federal funding in their campaigns. This amendment would put over until the election of 1976 the public funding provisions of the act, and thus would eliminate any self-serving by Senators who face elections this year.

It is on that basis the amendment is offered, and I hope it will be accepted.

Mr. CANNON. I yield myself 2 minutes.

Mr. President, this is a good amendment. I do not believe that the committee contemplated that if this bill were passed, it could take effect prior to the 1976 elections. While we did not write that specifically into the bill, I would have no hesitancy to accept the amendment, to make clear that it could not apply prior to the 1976 elections. Therefore, I am willing to accept the amendment, and I yield back the remainder of my time.

Mr. CHURCH. I thank the Senator very much. I yield back the remainder of my time.

The PRESIDING OFFICER. All time on the amendment is yielded back.

The question is on agreeing to the amendment of the Senator from Idaho.

The amendment was agreed to.

Mr. ROBERT C. BYRD. Mr. President, there will be no further action on the unfinished business, S. 3044, today.

I ask now that the Senate resume consideration of S. 2844.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT OF THE LAND AND WATER CONSERVATION FUND ACT

The Senate continued with the consideration of the bill (S. 2844) to amend the Land and Water Conservation Fund Act, as amended, to provide for collection of special recreation use fees at additional campgrounds, and for other purposes.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum. I ask that the time not be charged against either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, at the direction of the distinguished Senator from Nevada (Mr. Bible), I ask unanimous consent that appropriate extracts from the committee report be printed in the Record, in explanation of S. 2844.

There being no objection, the extracts were ordered to be printed in the Record, as follows:

PURPOSE OF BILL

The purpose of S. 2844, as amended, is to amend the Land and Water Conservation Fund Act in order to clarify that Act in several respects relating primarily to user fees on Federal recreation lands.

Public Law 93–81, enacted in August 1973, amended the Land and Water Conservation Fund Act in a manner which was interpreted so as to curtail severely the number of campsites for which user fees may be charged by Federal agencies. S. 2844, as reported, seeks to clarify the situation my detailing those facilities and services for which no fee may be charged while retaining the general criteria for all other facilities.

In addition, the bill makes clear that the Golden Eagle and Golden Age passports allow entry by means other than private, noncommercial vehicle, and may be used by parties entering, for example, on foot, by commercial bus, or by horseback. It also provides that the Golden Age Passport will be a lifetime passport, rather than one which must be reissued annually.

The bill also gives the head of any Federal agency the authority to contract with any public or private entity to provide visitor reservation services and allows the states when utilizing monies from the Land and Water Conservation Fund in connection with land acquisition for state parks to waive the applicability of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 in cases where a landowner elects to retain a right of use and occupancy.

BACKGROUND AND NEED

Historically, the fee program has encountered problems, especially with areas under the jurisdiction of the U.S. Army Corps of Engineers, in connection with the collection of recreation use fees. It was the intent of Congress that recreation use fees should be limited to those facilities which require a substantial investment and regular maintenance and that no recreation use fees should be collected for the use of facilities which virtually all visitors might reasonably expect to utilize, such as roads, trails, overlooks, visitor centers, wayside exhibits, or picnic areas.

The 1973 amendment to the Land and Water Conservation Fund Act was meant to spell out and make clear that Congress does not intend to authorize fees for those facilities or combination of facilities which visitors have traditionally received without charge in Corps project areas.

The Interior Department interpreted this amendment in a way that limited the number of campgrounds for which use fees could be charged by Federal agencies. The effect of this interpretation has been a substantial loss of revenues by the National Park Service, the Forest Service, the Army Corps of Engineers and other agencies which had been collecting campground fees at campgrounds which the Departments felt no longer qualified for fee collection. If not corrected, the total loss has been estimated to be between $7.2 million and $8.2 million per year.

Because of the problems which arose as a result of the enactment of Public Law 93–81 and its interpretation by the Executive agencies, S. 2844 was introduced. The Committee is hopeful that this legislation will rectify the situation and that finally a uniform and equitable fee system on Federal recreation lands can be established.

SECTION-BY-SECTION ANALYSIS OF S. 2844, AS AMENDED

1. Section 1(b) amends the second sentence of section 4(a) of the Land and Water Conservation Fund Act.—This amendment makes it clear that the prohibition on charging admission fees for entrance into areas, other than designated units of the National Park System administered by the Department of the Interior and designated National Rec-

reation Areas administered by the Department of Agriculture, applies only to federally owned areas that are operated and maintained by a Federal agency. Outdoor recreation sites in Federal areas are now leased and are operated and/or maintained by a variety of non-Federal public entities and private, nonprofit associations for a variety of purposes. For example, subsection 2(b) of the Federal Water Project Recreation Act, 79 Stat. 214, 16 U.S.C. § 460l–13(b) (1970), authorizes non-Federal interests to collect entrance and user fees at Federal water project recreation sites in order to repay the separable costs of the project allocated to recreation and fish and wildlife enhancement. This amendment ratifies the administrative interpretation that the prohibition of subsection 4(a) does not apply in such instances. Under the language of the amendment the prohibition of the act would apply to Corps of Engineers areas, for example, only if such areas are both operated and maintained by the Corps. If the area or a site within the area is operated by a non-Federal interest, but maintained by a Federal agency, the prohibition against fee collection would not apply.

2. Section 1(c)—concerns the Golden Eagle Passport. The purpose of this amendment is to allow the use of the Golden Eagle Passport for the purpose of gaining admission to a designated entrance fee area when entry is by some means other than by private, noncommercial vehicle, such as by commercial vehicle, bicycle, horse or foot. This expansion of the coverage of the Golden Eagle Passport is consistent with the policy of reducing the number of, and reliance on, the private automobiles in Federal recreation areas.

In the past the single, private, noncommercial vehicle has been considered to be an adequate device for limiting the number of persons entering an area on one passport. With the recognition of other modes of entry, it is necessary to define the number of persons who can enter on one passport. Accordingly, when entry is by some means other than by private, noncommercial vehicle, the permittee and his immediate family are considered by an equitable and just definition of the class of persons who should be entitled to entry. In order for the permittee's spouse, children or parents to be considered as accompanying the permittee, they must enter at the same time as the permittee enters, and in a physically proximate manner.

With the increasing popularity of motor homes and campaign vehicles, there has been a trend for one family or group to take two motor vehicles to a recreation area. Under the langauge of the amendment, only the permittee and the persons accompanying him in one vehicle would be allowed to enter on the permittee's passport. The persons in the second vehicle would not be covered. Such persons would be required to pay entrance fees just as would any other person not covered by the passport.

The word "permittee" has been substituted for the words "person purchasing" to make it clear that a passport may be utilized by a donee, if the passport is given as a gift. In such instances, the provision concerning the nontransferability of the passport would not be considered applicable until the donee has endorsed the passport. The Committee does not intend the same approach for the Golden Age Passport. Because the passport is issued without charge to qualifying applicants, to allow the passport to be given as a gift might invite abuse of the fee collection system. Accordingly, the provision concerning the nontransferability of the Golden Age Passport should be regarded as applicable from the initial isuance.

In addition, section 1(c) would delete the requirement that the Golden Eagle Passport be sold at post offices. Under the amendment, the Passport would be available for purchase at any designated entrance fee area.

3. Section 1(d) is a conforming amendment, consistent with changes made in the Golden Eagle Passport provision.

4. Section 1(e) concerns the Golden Age Passport. The amendment would change the Golden Age Passport to a lifetime passport so that persons entitled to a passport would not have to reapply each year. This change should also result in administrative savings for the issuing agencies.

It should be noted that, in the first sentence of subsection 4(a)(4), the word "entrance" is changed to admission. This change is to make it clear that for the purpose of gaining admission to designated entrance fee areas, the Golden Eagle Passport and the Golden Age Passport operate in the same manner. In addition, the Golden Age Passport allows the permittee to a 50 percent reduction in established recreation use fees. To further insure that both Passports operate in the same manner, the committee has adopted the same language with respect to which persons are entitled to entry on the Golden Age Passport as was used in the Golden Eagle Passport provision with one exception. That exception concerns the parents of the Golden Age permittee.

The amendment would also limit issuance of the Golden Age Passport to any citizen or person domiciled in the United States who is 62 years of age or older. Under existing legislation, any person qualifies, including foreign visitors, 62 years of age or older applying for the passport. In order for a person to be regarded as domiciled in the United States, he must have a fixed and permanent residence in the United States or its Territories to which he has the intention of returning whenever he is absent.

5. Section 1(f) changes the name of special recreation use fees to recreation use fees. This amendment requires each Federal agency, which furnishes at Federal expense, specialized sites, facilities, equipment or services, to collect daily recreation use fees, in accordance with the criteria set out in section 4(d). The amendment would allow such fees to be collected at the place of use or at any other location which is reasonably convenient to the collecting agency *and* the public. In the case of designated national recreation areas and units of the National Park System, the reasonably convenient location may be the point of entrance into the area in which such sites, facilities, equipment or services are furnished.

The committee wishes to continue to restrict the authority to collect use fees to the use of specialized sites, facilities, equipment, or services. The criteria for determining whether sites, facilities, equipment, or services qualify as specialized shall be whether they involve substantial investment, regular maintenance, presence of personnel, or personal benefit to the user for a fixed period of time. These criteria are deliberately phrased in the disjunctive because the Committee recognizes that each criterion may not be applicable to each use for which a fee would be warranted. For example, a service may merit a fee, even though it cannot normally be said that services involve regular maintenance. On the other hand, a facility may well involve a substantial investment and regular maintenance, but not the presence of personnel.

However, the amendment does attempt to define those sites, facilities, equipment, and services which are *not* to be considered as specialized, and for which, therefore, no fees are authorized, whether or not they are used singly or in any combination. Thus, the committee has decided that in no event shall there be a charge for drinking water, wayside exhibits, roads, overlook sites, visitors' centers, scenic drives, toilet facilities, picnic tables or boat ramps—providing that a fee shall be charged for picnic areas or boat ramps with specialized facilities or services. This prohibition on fee collection applies only to Federal agencies furnishing such sites, facilities, equipment or services at Federal expense. Like the use fee provision generally, this prohibition does not apply to sites facilities equipment or services, including those specifically enumerated, furnished at non-Federal expense, i.e., those furnished by concessioners, contractors, cooperators or lessees, even though they are furnished on Federal lands.

In a further attempt to define what use fees can be charged for, the committee has established criteria specifying the level of campground development which must be met before a fee can be collected for use of a campsite and adjacent, related facilities. In other words, the campground in which such site is located must have tent or trailer spaces, drinking water, an access road, refuse containers, toilet facilities and simple devices for containing a campfire (where campfires are permitted) in order to qualify for fee collection. The requirement of drinking water will be satisfied by any potable water whether delivered by a man-made device or natural means. Simple garbage cans will suffice as refuse containers. Toilet facilities may be portable or fixed, nonflush or flush. A simple device for containing a campfire may be a simple rock or concrete fire grill. Like the other enumerated amenities such device may be for individual or group use. The requirement for a fire-containing device shall not be deemed applicable where fires are prohibited because of weather or seasonal conditions or other safety considerations.

Consistent with its attempt to spell out what use fees may be charged for, the Committee's amendment further provides that a fee shall be charged for picnic areas or boat ramps with specialized facilities, equipment or services. For instance, if a picnic area has a gas or electric grill, then those who use that site shall be charged a fee.

In summary, it is the committee's intent to have a fixed level of services provided the visiting public before fees will be charged. Absent this minimal level of facilities the public should not be assessed a fee for use of Federal facilities.

The last sentence of subsection 4(b), as amended by the committee, would entitle the Golden Age Passport permittee to use specialized recreation facilities at a rate of 50 per centum of the established use fee. This entitlement applies only to the permittee. Persons accompanying the permittee are not entitled to any reductions where use fees are charged on an individual basis. This provision also does not apply to group use fees. The word "facilities" is used here generally to refer to specialized sites, facilities, equipment, and services, for which a fee is charged. In other words, the permittee is entitled to a 50 percent reduction in daily fees for the use of specialized sites, equipment and services, as well as for specialized facilities.

6. Section 1(g) redesignates subsection 4 (b)(2) and 4(c) to clarify that fees may be charged for recreation permits covering such activities as group activities, recreation events, motorized recreation vehicles, and other specialized uses, even though such activities do not involve the use of specialized sites, facilities, equipment, or services, whether by groups or individuals. The establishment and collection of such fees are discretionary, including their establishment on an individual group, or vehicular basis. This clarifies the intent of Congress in enacting Public Law 92–347 and does not change the language of the act.

7. Section 1(h) broadens the redesignated subsection 4(d) so that the notice provision also applies to fees for recreation permits. The language "at appropriate locations" gives the collecting agencies sufficient flexibility so that notice may be posted at locations other than those where the permitted activities take place. Such locations may be, for example, the point of access to the Federal

recreation area in which such activities are permitted.

8. Section 1(i) is a conforming amendment, consistent with the clarification of the third category of fees, as provided in section 1(g).

9. Section 1(j) gives the head of any Federal agency the authority to contract with any public or private entity to provide visitor reservation services, and to permit the contractor to deduct a commission from the amount charged the public before remitting the net proceeds. The contracting agency has the discretion to fix the amount of the contractor's commission and has the right of prior approval of all charges collected from the public by the contractor in providing such services. Examples of such reservation services covered by this provision are computerized campsite reservations, hunting reservations, guided tour reservations, and transportation reservations.

Section 1(j) also clarifies that the fee deposit requirement of the existing section 4(e) applies only to those fees collected by or on the behalf of a Federal agency by its agents. The deposit requirement is not intended to apply to fees otherwise collected by concessioners, contractors, cooperators, or lessees who operate and/or maintain at their own expense sites, facilities, equipment or services, which are located on Federal lands.

10. Section 2 of S. 2844, as reported, is an amendment offered by Senator Church of Idaho which provides in effect that whenever a state uses funds apportioned to it from the Land and Water Conservation Fund to acquire recreation properties, and the state allows a landowner of a single family residence, at his option, to retain a right of use and occupancy, which the owner elects to retain, such owner shall be deemed to have waived certain benefits under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.

This is a reasonable amendment, and a similar provision was passed last year by the Senate in S. 1039 relating to Federal acquisition of lands in National Park areas. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 was primarily intended to ease the impact of acquisition under urban renewal and highway programs where the landowners were forced to move immediately and should be compensated for relocation expenses associated with their removal.

However, the Committee feels that in park acquisition where the owner elects to reserve an estate in an arrangement with the government, then it should not be necessary to pay him additional money for relocation when he might not be moving for many years by his own choice.

11. Section 3 makes a perfecting amendment in section 9 of the Land and Water Conservation Fund Act, to correct an apparent error in a statutory reference.

COST

Enactment of S. 2844, as amended, will not result in the expenditure of any additional funds by the Federal government.

COMMITTEE RECOMMENDATION

The Parks and Recreation Subcommittee held an open hearing on S. 2844 on February 7, 1974, and the full Committee on Interior and Insular Affairs in open mark-up session on March 12, 1974, unanimously ordered S. 2844, as amended, reported favorably to the Senate.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum. I ask that the time not be charged against Mr. Bartlett or Mr. Bible on the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the role.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill is open to further amendment. Who yields time?

Mr. BARTLETT. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The amendment was read, as follows:

On page 7, line , insert the following; strike everything after the colon on line 15 through the colon on line 17 and insert the following: "*Provided, however,* That a fee shall be charged in picnic areas or at boat ramps for the use of specialized facilities or services such as, but not limited to, electric or gas grills, and mechanical or hydraulic boat lifts."

Mr. BARTLETT. Mr. President, the purpose of my amendment is to make clear that the various outdoor recreation agencies of the Federal Government do not charge any fees for persons who use a picnic table or a simple boat ramp.

People should not be expected to pay for facilities which are simple and which in most instances have been free for many years.

I am confident our Government can afford to allow a picnicker to use a table or a boater a slab of concrete without imposing a fee.

There was some mention in one of the discussions on the bill that while no charge would be made for a picnic table or a boat ramp, an agency might charge for a parking lot next to that table or ramp, and in effect charge a fee. Mr. President, this would be a ruse and clearly contrary to the intent of this bill. I believe my amendment makes it clear.

The agencies should be allowed to charge for furnishing facilities or servcies which involve additional expense and which the ordinary picnicker or boater would not expect to use free.

For instance, as enumerated in this amendment, an agency would charge for the use of electric or gas grills at picnic tables or for hydraulic or mechanical devices at boat ramps. Certainly this list is not inclusive. The bill provides that an agency shall charge for "specialized outdoor recreation sites, facilities, equipment or services." Accordingly, an agency could charge for providing marinas, cabins, swimming pools, or other significant items.

There is no way we can make a complete list of what an agency can or cannot charge for. However, I do believe the intent of this legislation is apparent. I suggest to the agencies that when in doubt about a fee, do not charge it .

We are passing this legislation for the purpose of allowing the agencies to charge certain fees and hopefully as a result to continue the high standards of facilities and services at our national recreation areas. But obviously, this grant of fee charging authority is limited and any fees should reflect the intent of the Congress.

Mr. President, I wish to thank the distinguished chairman of the subcommittee, the Senator from Nevada (Mr. Bible), for his patience in this matter of users' fees over 2 years that I know of personally. I express my appreciation for his hard work and effort to see that this very difficult question not only has been resolved but finally resolved to everyone's benefit and satisfaction.

Mr. BIBLE. Mr. President, as the distinguished Senator from Oklahoma said, this users' fee bill has had a rather interesting, long, and extended history to reach this point. We discussed it, cussed it, worked it over again and again. I think that now we have a bill which as amended, satisfies as nearly as we can those who are concerned.

The Senator from Oklahoma had legitimate questions and problems with it. I believe we satisfactorily resolved those problems. It has been checked out by the staff members of the committee and by the Federal agencies. I am advised by them that the amendment suggested by the Senator from Oklahoma does not pose any problems and possibly clarifies, or at least the Senator from Oklahoma believes so, questions the Senator raised. I think the committee report which has been placed in the Record by the distinguished majority whip adequately explains the bill and the intent of the committee.

I have no objection to the amendment.

Mr. BARTLETT. Mr. President, I ask unanimous consent that the name of the Senator from Idaho (Mr. McClure) be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BARTLETT. Mr. President, I yield back the remainder of my time on the amendment.

Mr. BIBLE. I yield back my time on the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oklahoma.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed as follows:

S. 2844

An act to amend the Land and Water Conservation Fund Act, as amended, to provide for collection of special recreation use fees at additional campgrounds, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4 of the Land and Water Conservation Fund Act of 1965 (78 Stat. 789), as amended (16 U.S.C. 4001-6a), is further amended as follows;

(a) The heading of the section is revised to read:

"ADMISSION AND USE FEES; ESTABLISHMENT AND REGULATIONS".

(b) The second sentence of section 4(a) is amended to read: "No admission fees of any kind shall be charged or imposed for entrance into any other federally owned areas which are operated and maintained by a Federal agency and used for outdoor recreation purposes."

(c) Subsection (a)(1) is revised to read: "(1) For admission into any such designated area, an annual admission permit (to be known as the Golden Eagle Passport) shall be available, for a fee of not more than $10. The permittee and any person accompanying him in a single, private, noncommercial vehicle, or alternatively, the permittee and his spouse, children, and parents accompanying him where entry to the area is by any means other than private, noncommercial vehicle, shall be entitled to general admission into any area designated pursuant to this subsection. The annual permit shall be valid during the calendar year for which the annual fee is paid. The annual permit shall not authorize any uses for which additional fees are charged pursuant to subsections (b) and (c) of this section. The annual permit shall be nontransferable and the unlawful use thereof shall be punishable in accordance with regulations established pursuant to subsection (e). The annual permit shall be available for purchase at any such designated area."

(d) Subsection (a)(2) is revised by deleting in the first sentence "or who enter such an area by means other than by private, noncommercial vehicle".

(e) Subsection (a)(4) is amended by revising the first two sentences to read: "The Secretary of the Interior and the Secretary of Agriculture shall establish procedures providing for the issuance of a lifetime admission permit (to be known as the 'Golden Age Passport') to any citizen of, or person domiciled in, the United States sixty-two years of age or older applying for such permit. Such permit shall be nontransferable, shall be issued without charge, and shall entitle the permittee and any person accompanying him in a single, private, noncommercial vehicle, or alternatively, the permittee and his spouse and children accompanying him where entry to the area is by any means other than private, noncommercial vehicle, to general admission into any area designated pursuant to this subsection."

(f) In subsection (b) the first paragraph is revised to read:

(b) RECREATION USE FEES.—Each Federal agency developing, administering, providing or furnishing at Federal expense, specialized outdoor recreation sites, facilities, equipment, or services shall, in accordance with this subsection and subsection (d) of this section, provide for the collection of daily recreation use fees at the place of use or any reasonably convenient location: Provided. That in no event shall there be a charge by any such agency for the use, either singly or in any combination, of drinking water, wayside exhibits, roads, overlook sites, visitors' centers, scenic drives, toilet facilities, picnic tables, or boat ramps: *Provided, however,* That a fee shall be charged in picnic areas or at boat ramps for the use of specialized facilities or services such as, but not limited to, electric or gas grills, and mechanical or hydraulic boat lifts: *Provided further,* That in no event shall there be a charge for the use of any campground not having the following—tent or trailer spaces, drinking water, access road, refuse containers, toilet facilities.

(g) In subsection (b) paragraph "(1)" is deleted; the paragraph designation "2" is redesignated as subsection "(c) RECREATION PERMITS.—"; and subsequent subsections are redesignated accordingly.

(h) In new subsection (d) the second sentence is revised to read: "Clear notice that a fee has been established pursuant to this section shall be prominently posted at each area and at appropriate locations therein and shall be included in publications distributed at such areas."

(i) In new subsection (e) the first sentence is revised to read: "In accordance with the provisions of this section, the heads of appropriate departments and agencies may prescribe rules and regulations for areas under their administration for the collection of any fee established pursuant to this section."

(j) In new subsection (f) the first sentence is revised to read as follows:

"(f) Except as otherwise provided by law or as may be required by lawful contracts entered into prior to September 3, 1964, providing that revenues collected at particular Federal areas shall be credited to specific purposes, all fees which are collected by any Federal agency shall be covered into a special account in the Treasury of the United States to be administered in conjunction with, but separate from, the revenues in the Land and Water Conservation Fund: *Provided,* That the head of any Federal agency, under such terms and conditions as he deems appropriate, may contract with any public or private entity to provide visitor reservation services; and any such contract may provide that the contractor shall be permitted to deduct a commission to be fixed by the agency head from the amount charged the public for providing such services and to remit the net proceeds therefrom to the contracting agency."

SEC. 2. Section 6(e)(1) of title I of the Land and Water Conservation Fund Act of 1965 (78 Stat. 897), as amended (16 U.S.C. 4601), is further amended by adding at the end thereof the following:

"Whenever a State provides that the owner of a single-family residence may, at his option, elect to retain a right of use and occupancy for not less than six months from the date of acquisition of such residence and such owner elects to retain such a right, such owner shall be deemed to have waived any benefit under section 203, 204, 205, and 206 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (84 Stat. 1894) and for the purposes of those sections such owner shall not be considered a displaced person as defined in section 101(6) of that Act.".

SEC. 3. Section 9 of the Land and Water Conservation Fund Act of 1965 (78 Stat. 897), as amended (16 U.S.C. 4601–10a), is further amended by deleting in the first sentence "section 6(a)(1)" and substituting "section 7(a)(1)".

Mr. BIBLE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 12 o'clock noon on Monday. After the two leaders or their designees have been recognized under the standing order, Mr. PROXMIRE will be recognized for not to exceed 15 minutes, after which Mr. ROTH will be recognized for not to exceed 15 minutes, after which there will be a period for the transaction of routine morning business not to extend beyond the hour of 1 p.m., with statements limited therein to 5 minutes.

At the conclusion of transaction or routine morning business the Senate will resume the consideration of the unfinished business, S. 3044. The pending question at that time will be on the adoption of the Weicker amendment No. 1070, on which there is a time limitation of 2 hours, the vote to occur at 3 p.m.

Following disposition of the Weicker amendment the Bellmon amendment No. 1094 will be called up, on which there is a time limitation of 30 minutes. There will be a rollcall vote on that amendment.

Upon the disposition of amendment No. 1094, the Bellmon amendment No. 1095 will be called up, with a time limitation of 30 minutes and a rollcall vote likely will occur thereon.

Upon disposition of amendment No. 1095, the Buckley amendment No. 1081 will be called up, with a 1-hour time limitation, and presumably the yeas and nays will occur thereon.

So it looks as if there will be at least four rollcall votes on Monday next.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT TO MONDAY

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until the hour of 12 o'clock noon Monday.

The motion was agreed to; and at 1:34 p.m. the Senate adjourned until Monday, April 1, 1974, at 12 o'clock noon.

NOMINATIONS

Executive nominations received by the Senate on March 29, 1974:

DEPARTMENT OF STATE

Leonard Kimball Firestone, of California, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Belgium.

THE JUDICIARY

Wendell A. Miles, of Michigan, to be U.S. district judge for the Western District of Michigan vice Albert J. Engel, elevated.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 29, 1974:

IN THE COAST GUARD

Rear Adm. Owen W. Siler, U.S. Coast Guard, to be Commandant of the U.S. Coast Guard for a term of 4 years with the grade of admiral, while so serving.

Rear Adm. Ellis Lee Perry, U.S. Coast Guard, to be Vice Commandant of the U.S. Coast Guard with the grade of vice admiral, while so serving.

IN THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

National Oceanic and Atmospheric Administration nominations beginning Warren K. Taguchi, to be lieutenant commander, and ending Michael A. Gzym, to be ensign, which nominations were received by the Senate and appeared in the Congressional Record on March 21, 1974.

EXTENSIONS OF REMARKS

LOWELL THOMAS, LIFELONG SUCCESS

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. BROWN of Ohio. Mr. Speaker, I know that many of my colleagues share with me the respect and affection for one of broadcasting's most enduring personalities, Lowell Thomas.

It is to his 7 p.m. newscast that many of us listen as we drive home in the evenings after finishing our day on the Hill. The newscast is a favorite, because although it always covers the hard news, including the unpleasant events of the day, it also always contains an item or two of what is good in the world and illustrates that a little humor is often remembered long after the problems are either solved or forgotten.

Columnist George Condon of the Cleveland Plain Dealer wrote a March 24 column about Lowell Thomas' lifelong success and his start in the broadcasting business in which Mr. Thomas' unique personality is aptly portrayed. So that my colleagues have an opportunity to share this insight, I wish to insert it in the RECORD at this point:

[From the Cleveland Plain Dealer, Mar. 24, 1974]

LOWELL THOMAS, LIFELONG SUCCESS

(By George E. Condon)

To mention the name of Lowell Thomas, as I did a few columns ago, is to trigger an impressive reaction from a lot of people who count the famous radio newscaster-author-world traveler among their favorite Americans. And why not? He is a singular personality; a unique, enduring, immutable part of a medium that has experienced radical mutation.

Perhaps more important than Thomas' incredible achievement as a broadcaster in lasting some 44 years is that he is one of the few great ones who were able to survive an early success in life. To hit the top in youth probably is one of the most unfortunate things that can befall an ambitious person, even if he is terrifically talented.

Show business is full of middle-aged zombies who once were youthful phenoms. They won success, some of them, before they had to shave, and it was very perplexing to them that oldsters should have exaggerated the difficulties of making good. When their careers sagged, as careers have a way of doing, a lot of them weren't able to cope with adversity. Success can be a momentary, freakish thing and a person's talent has to run deep for it to be extended into the middle years and, certainly, beyond that.

Part of the continuing success of Lowell Thomas, I suspect, is a great sense of personal balance that has been helped no end by a prevailing sense of humor. No man who is able to laugh at himself possibly could allow his ego to take him far from the right path. Thomas has been known to break up on the air completely over a slip of the tongue that another newscaster would regard as disastrous. It obviously takes a strong sense of humor to find hilarity in one's own mishap.

Perhaps another part of the Thomas secret is in his shrewd beginning. That is to say, he chose Ohio as his birthplace. It was the tiny town of Woodington in Darke County, on Ohio's western border. His father was Dr. Harry George Thomas, who moved his family to Colorado shortly thereafter. Lowell, however, did return to attend high school in Greenville, O., for one year.

The newscaster's early success was foreshadowed by his college career. He attended Valparaiso College in Indiana and after two short years he was awarded two degrees, the B.S. and M.A. Later, he attended the University of Denver and won the same two degrees all over again; probably to prove the point, except that he won them in a single year on his second try.

By 1930, the 38-year-old Thomas was an established author-traveler-adventurer-lecturer-raconteur, entitled even at that youthful age to look backward on an incredibly lively and successful life. One day in that year, he got a telephone call from a man from the Columbia Broadcasting Company, as it was then known. He asked Thomas to meet with him and William Paley, who had just bought the radio network.

In Paley's office, Thomas was put in front of a microphone.

"When you hear the buzzer," said Paley, "start talking."

"What about?" asked Thomas.

"Anything. Talk 15 minutes. Then stop."

There were three standby musicians in the studio. Thomas ordered them to play "something oriental" and began to talk of his adventures in such places as India, Malaya and Afghanistan. He never faltered or groped for a word. At the end of 15 minutes, precisely, he stopped talking.

That was the big audition that led to the first Thomas newscast a few days later, when he brushed aside typewritten manuscripts in favor of the evening newspaper and set a new pattern for all radio newscasting. Forty-four years have passed since then, and Lowell Thomas still is on the air five nights a week. That's what you call an authentic success story.

MANDATORY ALLOCATION FOR ASPHALT CEMENT

HON. VANCE HARTKE

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Friday, March 29, 1974

Mr. HARTKE. Mr. President, I ask unanimous consent that a resolution adopted by the Senate of the State of Indiana pertaining to a mandatory allocation program for asphalt cement be printed in the RECORD at this point.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

A SENATE CONCURRENT RESOLUTION XXXVI

Memorializing Congress, the President and the Federal Energy Office to enact federal regulations placing asphalt cement under a mandatory allocation program

Whereas, the highway system of the United States of America is essential to both the economy through its interrelated network of State, County and City road systems and to the national defense of the United States of America, providing access into every state and every section of this nation in time of emergency, and;

Whereas, the energy crisis has precipitated the shortage of many petroleum based materials, especially diesel fuel, gasoline and asphalt cement, severe burden has been placed upon the highway building industry and all Federal and State agencies charged with the responsibility of maintaining our State, County and City road systems, due to the shortage of asphalt cement, and;

Whereas, the Federal allocation program has not included asphalt cement under a mandatory allocation by the Federal Energy Office and there has, therefore, been nothing proposed under any Federal Regulation which would require the continued manufacture of asphalt cement as a product thereby severely damaging the maintenance of our National, State and local systems of highways and jeopardizing the economy of the United States of America and each State thereof by allowing a situation to exist which could in due time create a crisis of very severe magnitude due to the fact that our economy is inseparably tied to the road system of this nation;

Whereas, the road building industry is responsible for the employment of many hundreds of thousands in this country; therefore, it is essential that same form of protection be afforded the continued future of this industry: Now Therefore

Be it resolved by the Senate of the General Assembly of the State of Indiana, the House of Representatives concurring:

Section 1. The United States Congress, the Federal Energy Office and the President of the United States are hereby requested to take into full consideration the possibility of enacting Federal Regulations that would place asphalt cement under a Mandatory Allocation Program and insure its continued production at a level that is within reasonable limits that will insure the continued maintenance of our highway system.

Section 2. The Secretary of the Senate is directed to transmit copies of this Resolution to the President of the United States of America, to the Chief of the Federal Energy Office and to the Congressional Delegation of the State of Indiana.

Adopted by Voice Vote this 13th day of February 13, 1974.

WKBW JOIN THE FIGHT AGAINST MUSCULAR DYSTROPHY

HON. THADDEUS J. DULSKI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. DULSKI. Mr. Speaker, Robert Ross, executive director of the Muscular Dystrophy Associations of America, Inc., has sent me the following letter lauding Buffalo TV station WKBW and Tom Jolls:

MUSCULAR DYSTROPHY ASSOCIATIONS OF AMERICA, INC.,
New York, N.Y., March 18, 1974.

DEAR CONGRESSMAN DULSKI: I believe you'll be interested to know that a signal contribution to the welfare of citizens in your area and elsewhere throughout the country—especially children and adults afflicted by neuromuscular disease—has been made by WKBW, Buffalo, New York through the efforts of Tom Jolls.

In very large measure, it's thanks to individuals like Tom and stations like WKBW throughout the United States that Muscular Dystrophy Associations of America has been able to make such gratifying progress toward increasing public awareness of the life-and-death problems represented by muscular dystrophy and related disorders—and toward enlisting constructive support from concerned citizens in your district and elsewhere.

WKBW and Tom Jolls have furthered the educational thrust of this Association in many ways, but I'd like to pay special tribute to their aid in promoting our Carnivals Against Dystrophy project. The enlightenment and inspiration they've provided their youthful viewers through this project have led directly to a significant enhancement of our ability to serve patients in your constituency and throughout the nation.

Inspired by TV personalities at stations all over the country, young people held more than 40,000 backyard Carnivals in 1973. Their efforts led to the realization of more than $1.3-million to help support MDAA's programs of research and patient and community services.

As you may know, the Carnivals project functions primarily through promotion by popular children's TV personalities like Tom Jolls. These broadcasters invite their young viewers to write for a free kit, which contains all elements essential to the production of a fun-filled Carnival—which youngsters organize and run in their own backyards. Through the project, participants learn how to organize and set up a complex event, how to cope with responsibility, and how to meet the challenge of operating a business enterprise of their own. But perhaps the greatest benefit they derive from Carnivals is the "education in compassion" which it gives them—their increased awareness of the plight of the less fortunate.

In furthering this project in your area, Tom Jolls and WKBW have done even more than help provide desperately-needed assistance to the victims of neuromuscular disease whom this Association seeks to serve. They've helped enrich the very spirit which has inspired this nation's greatest achievements.

Sincerely,

ROBERT ROSS,
Executive Director.

Certainly, the management of WKBW and Mr. Jolls are to be commended for this important community service and the resulting contribution to the fight against dystrophy.

I am proud of the civic-mindedness of our local station, and join in saying thanks for a job well done.

IN LANGUAGE TEACHING, A CALL FOR "MADNESS"

HON. EARL F. LANDGREBE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. LANDGREBE. Mr. Speaker, I regret that the recent floor debate on the Elementary and Secondary Education Act showed more concern for money matters than for the state of education in this society.

To partially counterbalance this, I would like to draw the attention of my colleagues in the Congress to an excellent method of language instruction that has been developed by Prof. John Rassias of Dartmouth College. Professor Rassias' proven method relies on the two essential ingredients in the educational process which do not depend on the sumptuousness of the classroom setting; namely, the dynamic interaction between students and teacher— to produce astonishingly successful results. All of us who are truly interested in pursuing excellence in our educational system would do well to examine the "Rassias method" for its potential for revitalizing language instruction in our schools.

Mr. Speaker, I commend Professor Rassias for his outstanding work in the field of language instruction; and I insert at this point in the RECORD an article from the February 1974 issue of the Dartmouth Alumni magazine which more fully explains the method to Professor Rassias' "madness":

IN LANGUAGE TEACHING, A CALL FOR "MADNESS"

Except perhaps as a character actor, John Rassias would scarcely be cast as a movie star.

Yet the stocky Professor of Romance Languages and Literatures is about to star in a film with the potential for revolutionizing language teaching—and learning—by making both functions fun, and effective.

A teaching tornado of a man, academe's answer to Zorba the Greek, Rassias has already written the film script and directed and produced a pilot version. Typically, he made the half-hour pilot in only three days of shooting time. Now the film, illustrating what he hopes will someday be known as the Dartmouth Method of language teaching, is going to be re-shot on the campus by a professional production unit.

Like the man, the pilot film leaves the impression of a whirlwind just past. If it achieves Rassia's purpose, the finished version could break the grip of tradition on language teaching and introduce a new dynamic approach. It is one he has developed over the ten years since he arrived on the Hanover Plain.

To Rassias, traditional language teaching was making dead languages of the liveliest of them. And he minced no words in saying so.

"Language study should change the student who submits to its discipline," he has written of the philosophy behind his methods. "Language study is a route to maturity. Indeed, in language study, as in life, if a person is the same today as he was yesterday, it would be an act of mercy to pronounce him dead and to place him in a coffin, rather than in a classroom. . . . Language is a living, kicking, growing, fleeting, evolving reality, and the teacher should spontaneously reflect its vibrant and protean qualities."

His method does just that, and even the pilot model of the film pulses with the vitality he invests in every act of teaching.

For Rassias, and any of his disciples who already are legion and teaching around the world, an hour of teaching is almost as demanding as playing 60 minutes of football. By his own rules, he never stands still. He strides, he crouches, he reaches, he whirls, he gesticulates. He looks one way and jabs the air in another direction to call on an unsuspecting student to respond. He grimaces and his face flows, as if it were a rubber mask, from frown to grin. He explodes in mock pain or in laughter, yet always with his students, never at them. He acts. Suddenly, he produces two phones and he is carrying on a typical phone conversation with a student, who had better have studied his dialogues. Or the table is swiftly set for a meal and a dinner table conversation ensues.

Rassias' method is not simply the introduction of a new level of energy. It importantly involves substance, in the form of a carefully worked out syllabus, which, through memorized dialogues and readings, develops competence in grammar, enlarges vocabulary and encourages fluency.

The method also is varied, using different means of teaching: the master teacher, the drill instructor and the language laboratory, each reinforcing the other. The master teacher is concerned with concepts—of the structure of the language and of the culture it articulates, of the scope and purpose of each successive step in the course plan. The drill instructor—at Dartmouth, students who have completed their language requirements with outstanding mastery of the foreign tongue—is employed to drill small groups in the dialogues and readings that form the core of the syllabus. They free the master teacher from this chore, yet endow the drill sessions with a dynamism no language lab machinery could possibly evoke. Finally, extensive use of the language lab is required to give the students time to hear and learn by themselves, temporarily free from the kind of marketplace pressure Rassias' method keeps on his students in class.

Yet always threaded through everything the Rassias or Dartmouth Method does is an almost lyrical sense of language as an art form, as well as a practical vehicle for communication.

In introducing his method in the field, he says, "Just as genuine art finds its place in our being and influences us in numberless ways beyond judgments on beauty, so must language find its place in our being and influence us beyond the mental ability to speak a foreign language."

Thus, the material he has developed for use in learning is never far from real-life situations, whether simple situations or contemporary currents of ideas. "Language is a social phenomenon," he insists, "and requires socialization. Society talks most; language students should also talk."

To be sure they do, he calls for a kind of "madness" from teachers who want to teach by his method of total immersion. "My approach wears down a student's inhibitions, and we all bring inhibitions initially into a classroom," he explains. "I find that students, reacting to a teacher generating all that energy in the act of teaching, forget to resist learning. As they loosen up and inhibitions fall away, learning occurs faster."

"Sure, it's exhausting," he says, "but, man, it is fun."

An instance of the power of the Rassias Method to break through inhibitions and produce both human and learning situations occurred last fall when eight language teachers visited Dartmouth from the People's Republic of China. Their 24-hour stay began with a demonstration by Rassias of his method in Greek, which broke any ideological ice that might have existed. As Rassias recalls, a closeness of individual relationships ensued that "the parting of the Chinese from Dartmonth the next day proved to be one of the most touching experiences of my life."

The film is to be the culminating project of four years of refining and defining his method under two successive grants totaling $100,000 from the Exxon Foundation. It will serve as a live example of the complex interplay of substance and style that characterizes the way Rassias firmly believes language should be taught and appreciated.

He has plenty of evidence to back up his belief. Since he introduced his radically new methods at Dartmouth in 1967, students on the average have achieved "outstanding results" in various standard tests.

Rassias began development of his method after he joined the Dartmouth faculty in 1964 and also became director of language training for the Peace Corps programs preparing volunteers at Dartmouth for service in French-speaking West Africa.

His methods proved so successful that he has continued to teach Peace Corps teachers—both American and indigenous—his methodology in such far-flung places as the Ivory Coast, Morocco and Micronesia. They in turn have gone out and taught others so now he estimates that people using variations of his methods must number in the tens of thousands, in cities and hamlets in many of the far-away places of the globe.

"People kidded me," he recalls, "about planting the flag of language philosophy over the seven seas."

Although he is a specialist in French, Rassias also speaks Greek, Italian, and German. He has found Greek an excellent demonstration language to use in training and sensitizing new teachers of his method. Because few have prior knowledge of Greek, he says, it teaches teachers a little humility. They learn smart people can sometimes appear dumb or make mistakes. They also learn that the system works because they learn faster than they ever thought they could.

In keeping with his philosophy that language learning should be relevant, Rassias also fathered Dartmouth's Foreign Language Abroad program, of which he is still director and which has become an integral and increasingly popular part of the Dartmouth experience.

Of his total approach to language, Rassias gives voice to the kind of concerns that have earned him four awards over the years as outstanding teacher. "If we can inspire our language students to appreciate another form of expression, then we will have provided them with an enriched human perspective . . . they will have acquired an informed vision."

Referring to the in-country foreign language program at Dartmouth, he adds, "We want to place our students in the culture and give them an opportunity to realize the goals of a true education in the humanities by actually communicating with other people and by actually understanding them. Then, in the best meaning of John Stuart Mills' definition of a liberal education, they will return—as a result of this experience in language—as sensitive students to become sensitive doctors, sensitive engineers, and sensitive lawyers."

THE VIETNAM VETERAN BLUES

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. RANGEL. Mr. Speaker, today, March 29, has been designated by President Nixon as Vietnam Veterans Day in honor of the last American POW returning home, exactly 1 year ago. It is, I believe, an appropriate time to evaluate the present situation of the Vietnam veterans. In today's New York Times, John P. Rowan and William J. Simon, both Vietnam veterans, have written a most perceptive article describing the plight of today's veteran.

I was deeply impressed by their article and have taken the liberty of placing it in the CONGRESSIONAL RECORD, for the benefit of my colleagues:

THE VIETNAM VETERAN BLUES

(By John P. Rowan and William J. Simon)

On March 29, 1973—a year ago today—the last American prisoner of war returned from North Vietnam. Recently, President Nixon proclaimed today Vietnam Veterans Day, marking the first anniversary of that homecoming.

In the intervening year some of those men have died, some have dined at the White House, and still others have become spokesmen for what might be called a "remember-that-wonderful-war" campaign.

The war was not wonderful for the prisoners, the Vietnamese on both sides, for the soldiers who made it home in one piece or for those with pieces missing.

Peace for the ordinary serviceman who has not dined at the White House has involved waiting on an unemployment line, a runaround from public agencies while trying to get a job, getting into and paying for school, and avoiding the war news in the newspapers.

Vietnam veterans as a group have the highest unemployment rate of any minority. They suffer from the discriminatory practices of a Government that refuses to offer benefits equaling those given to their fathers who served in World War II and from employers who do not offer meaningful jobs.

Even if a veteran has managed to get a job and hold it for a while, the chances are that he is going to be among the first to be laid off because he lacks seniority on the job. After World War II, the various civil service agencies hired veterans. Today, even with bonus points for veterans there is a hiring freeze for new Federal employes, leaving only the postal service as the last recourse for young veterans, at a low pay rate.

The private sector has not provided meaningful employment for veterans, partly because of the myth that everyone who was in Vietnam ate heroin for breakfast. The young veteran is unwilling to accept menial positions.

Educational benefits today do not begin to approach those received by World War II veterans. There is a bias against those who choose to go to a college. Those who enter trade schools or on-the-job-training programs receive educational and unemployment benefits, but veterans enrolled in college only receive educational benefits. Yet even after finishing a trade school, a veteran finds there are often no jobs.

The $220 a month a single veteran now receives cannot possibly pay for the tuition costs of more than $2,500 a year of many private colleges. The Government paid full tuition benefits after World War II; today full benefits could not only assist veterans but save many private institutions that face serious financial problems.

It is an understatement to say that care at veterans hospitals is not what it could be. Billions are spent on defense but only pennies, by comparison, for providing fully staffed hospitals, physical-rehabilitation programs and vital outpatient facilities for all veterans. The inadequate final physical a G.I. received at the Oakland Army Base hours before being discharged failed to identify mental and physical problems a veteran might have encountered months later.

Not too many people want to talk about the war, what happened to the Vietnamese and what happened to America. And nobody wants to talk about the veteran because he did not win a noble victory over a craven enemy. His only victory was surviving.

Now the veteran has a struggle to gain acceptance from a country that does not want to admit it acquiesced in allowing the war to happen in the first place. Should the veteran have to make himself socially acceptable to the country, or should society try to make up for its rejection of him?

The country cannot undo the damage to servicemen who were in Vietnam, to the families deprived of their son, to those forced to feign psychological disorders to avoid military service, and to still others who remain in self-exile.

The President cannot bring about the proper climate of national acceptance for the Vietnam war by signing a proclamation. A national sense of responsibility can only be achieved at the community level by seeking out young veterans and attempting to reintegrate them into society.

THE MINNESOTA OPERA CO.

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. FRASER. Mr. Speaker, one dictionary definition of "hinterland" is, "a part of a country or region lying beyond any or all of its metropolitan or cultural centers." Especially in matters cultural, many living on the east coast of the United States tend to think of the rest of the country as "hinterland" in the sense quoted. Those of us who represent parts of the "hinterland" know that the arts are alive and thriving in our districts but we do not report this very often.

Some weeks ago, Newsweek magazine, December 24, 1973, published a special issue, "The Arts in America." One section was headlined, "Music: Out of Tune With Today?" Written by Hubert Saal, it focused on 20th-century American classical music. A portion of this section looked at the situation of American operatic composers and noted that "In fact, if sophisticated opera is any yardstick, there are no hinterlands." A mention was made of Minneapolis' Minnesota Opera Co. and this was called to my attention. As the result of correspondence with some of my constituents, I obtained a fascinating brief history of the Minnesota Opera Co.

Mr. Speaker, I am proud of the cultural life of the Twin Cities of St. Paul and Minneapolis. The Minnesota Symphony, the Guthrie Theater and numerous other companies including the Minnesota Opera Co. contribute greatly to the attractive environment of our part of the midwest.

The Minnesota Opera Co's. history and the excerpt from Newsweek follow:

HISTORY OF MINNESOTA OPERA CO.

The Minnesota Opera Company is unique in America. It maintains an ensemble of young professional American performers with which it presents a varied program of innovative new works as well as classics of the standard repertoire. The excellence of its productions, many of which have toured the country, has consistently attracted international attention.

The Company began operations in 1963 under the wing of the Walker Art Center of Minneapolis, an institution widely known for its emphasis on contemporary visual arts. Financed by a grant from the Rockefeller Foundation as an experimental project for Walker Art Center, the Center Opera Company was born. After a three-year trial run, in which the Company developed a sizeable audience and a great respect from national critics, a group of young American singers was engaged and molded into a cohesive ensemble under the direction of stage director H. Wesley Balk and music director Philip Brunelle. The organization incorporated as a separate institution in 1969, and is now called the Minnesota Opera Company to reflect its independent status and regional impact.

From its beginning, the Minnesota Opera Company has sought to prove that talented artists, creativity and artistic freedom could produce more exciting opera than the established 'star system' and 'traditional repertoire'. The result was evaluated by Raymond Ericson, who wrote in the New York Times, "as one of the most progressive ensembles in the country, Minnesota Opera has developed a reputation far beyond Minneapolis".

Over the past ten seasons, Minnesota Opera has commissioned eight new lyric theatre works and presented fifteen other works which have been written since 1900. Out of a total of thirty-three productions, twenty-six have been local, national or world premieres. Two of its commissioned works have been nominated for the Pulitzer Prize in Music: Dominick Argento for "Postcard from Morocco," and Conrad Susa for "Transformations."

In the current season, Minnesota Opera opened with a rarely-performed operetta by March King John Phillip Sousa called "El Capitan." Audiences throughout the state responded overwhelmingly to its rousing, good-natured fun, and an extra performance was added to accommodate those who clamoured to see it. "El Capitan" was followed by a revival of "Transformations," which received its world premiere by the Minnesota Opera Company last year. Based on Anne Sexton's poetry collection, it too received accolades wherever it was performed.

Occasionally, a great work from the standard repertoire will be included ("The Coronation of Poppea," "The Marriage of Figaro," "The Barber of Seville") but even with these traditional works Minnesota Opera's fresh approach gives the work an appeal which sets it apart from the mainstream of the opera world. This year the Company will present Mozart's "Don Giovanni," a great classic which will undoubtedly reflect Minnesota Opera's inimitable style.

Personnel changes in the ensemble are kept to a minimum in the interest of maintaining a stable ensemble and developing a coherent style. The Company's low budget is offset by their adventurous programming of new or unfamiliar pieces. The fourth production of the 1973–74 season, for example, is the World Premiere of "The Newest Opera in the World," a highly original, improvisational opera by H. Wesley Balk, Philip Brunelle, and the Company's ensemble.

For the past two years, the Company has offered an Opera Studio workshop for college students. Members of the professional staff meet twice weekly with these talented young people. In addition to their lyric theater training, the Studio members have an opportunity to serve as chorus members in Company productions, and to understudy major roles.

Minnesota Opera has also offered classes for high-school and grade-school students, conducted special workshops for colleges, and toured throughout the region with lecture-demonstrations and classes, all of which serves to demonstrate that Opera is alive and well in Minnesota.

[Excerpt from Newsweek]

The situation is even more difficult for American operatic composers. This year, when after four seasons of struggle its local opera company folded, The Atlanta Constitution wrote that opera is a "particular form of cultural expression not too well suited to our country . . ." Opera companies do walk a tight line, and the bigger you are, the harder you fall. Ask Schuyler Chapin, general manager of the Metropolitan Opera, queen of the nation's companies, which spends $24 million a year, half of all the money spent on professional opera in the U.S. "We're broke," says Chapin flatly. So is his friendly neighborhood rival, Julius Rudel, director of the New York City Opera, the country's second biggest, performing 200 times a year.

But, thanks to a smaller scale of operation, a bedrock efficiency and the generosity of patrons like Cincinnati's J. Ralph Corbett and Marshalltown, Iowa's J. William Fisher, deficits have not greatly troubled most opera houses in the hinterlands. In fact, if sophisticated opera is any yardstick, there are no hinterlands. In San Francisco, canny Kurt Herbert Adler manages to pay his bills—and to stage marvelous and often novel productions. There is even a miracle in Boston, where that genius Sarah Caldwell, who conducts the Opera Company of Boston with one hand and stages with the other, is actually in the black.

By way of contrast, the Lyric Opera of Chicago flourishes with a repertory about as brave as Miss Muffet. This company is known as La Scala West because of its penchant for Italian operas and artists. "Are we to build a fortress in which only Americans sing?" asks Carol Fox, the company's duce. Ms. Fox has commissioned a new opera for America's bicentennial—from Krzysztof Penderecki—a Pole. "At the moment there's no American who could give us the kind of lasting work we wanted," she says. Take that, Carlisle Floyd, Robert Ward, Lee Hoiby, Thomas Pasatieri, Samuel Barber and Dominick Argento.

"What opera needs is a point of view," says Glynn Ross, general director of the Seattle Opera. The hustling, huckstering Ross, who has plastered Seattle with bumper stickers and buttons that say OPERA LIVES, was the sparkplug of a new national association of professional companies (including the Met) called Opera America and presided over by the Baltimore Opera's Robert Collinge. One agreed-on point is the need to erase opera's exclusive social-club image. In Houston, the General Opera puts on fourteen free park performances each spring.

But the most important new idea has been the collaboration of companies. Last season, the Houston Grand Opera initiated a production of Donizetti's "Daughter of the Regiment" with Beverly Sills, which has been or will be seen in San Diego, Seattle and San Francisco. Perhaps the most futuristic example of opera sharing is Co-Opera, the news association formed by the Kansas City Lyric Theater, Minneapolis's Minnesota Opera Company and the Lake George (N.Y.) Opera Festival, which will share singers, costumes, scenery, staging and musical direction for "The Magic Flute," "La Traviata" and "Transformations," a new work by Conrad Susa.

With this spirit of cooperation rampant, with audiences eager for opera, there ought to be more of a place for the contemporary composer despite all the economic risk. Kenneth Caswell, manager of the San Diego Opera, says: "If composers would only get away from this tortured-souls-in-hell music, all this atonality which is readily accessible to musicians but not to an audience!"

Unlike Carol Fox, Caswell knows there are such composers. Last season his company gave the world premiere of "Medea" by the young American composer Alva Henderson; this season it is embarking on an ambitious production of Wagner's Ring cycle. This sort of all-around enterprise is what's needed. Perhaps the best example among the regional companies is the Minnesota Opera, which mixes inventively staged standards with new works like Dominick Argento's "Postcard From Morocco." This year's is "The Newest Opera in the World"—and it's totally improvised, a world première every performance.

Despite all its problems, the United States has entered into a golden age of opera. In the last decade it has produced a raft of singers who are the toast of the world, led by Beverly Sills, Shirley Verrett, Marilyn Horne, Martina Arroyo, Sherrill Milnes, Norman Treigle and such younger luminaries as Frederica Von Stade, Carol Neblett, Joanna Simon, Jessye Norman, Richard Best and Gwendolyn Killebrew. As the native companies grow, opportunities for American singers grow, lessening the need to go to Europe. "You'll see a new breed of opera singers," says Beverly Sills. "They will all sing like Orpheus and act like Barrymore—John or Ethel."

—HUBERT SAAL.

HISC—THE WATCHDOG COMMITTEE

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. ASHBROOK. Mr. Speaker, William Randolph Hearst, Jr., editor in chief of the Hearst Newspapers, and a master craftsman in the art of the editorial has, in his editor's report of March 3, 1974, in the Baltimore News American, penned a perceptive piece concerning the parliamentary games which a few congressional liberals are playing with the House Internal Security Committee.

Pointing out that during the 92d Congress, 37 resolutions to dissolve the committee had been introduced—none of which were acted upon, Mr. Hearst stated that—

> Having so repeatedly failed to torpedo the committee by other means, its congressional foes now have invented a new approach—and it's a crafty one.

Continuing, Mr. Hearst points out that the Ad Hoc Select Committee on Committees have been working on a master plan to reorganize the House committee system, and "you can imagine what it includes"—the abolition of HISC:

> The legislative ploy aimed at killing the HISC, furthermore involves an equally devious method of presentation.

The recommendation for abolition is all but buried in a mass of other recommendations covering over 2,000 pages, he observed. The plot could work—unless an enlightened public and a wide-awake House of Representatives flag it down. HISC, the House watchdog committee, "must not be lost to us now," he concludes. The article follows:

[From the Baltimore News American, Mar. 3, 1974]

WATCHDOG COMMITTEE

(By William Randolph Hearst, Jr.)

NEW YORK.—Since truth consists of provable facts, it is hardly surprising that students of democratic freedom keep coming up with the same two fundamental observations. One is that liberty has more to fear from internal enemies than from those outside. The other is that liberty can be maintained only by keeping a constant protective vigil against the forces which would like to limit or destroy it.

The twin truisms have been expressed in various words by many different people. The U.S. philosopher William James, for example, said that "The deadliest of enemies are not foreign foes; they always dwell within." Its classic corollary is credited to an Irish judge, John Philpot Curran, who said in a 1790 speech: "Eternal vigilance is the price of liberty."

Now you might think just about everybody would agree automatically with these principles. After all, U.S. history is full of the disruptions which result whenever groups of our own people start believing that their personal convictions are more important than the freedom of their neighbors. And it certainly stands to reason that a constant, close watch be maintained if the subversive activities of such groups are to be kept at a minimum.

That's what you might think. And that's why it seems important today to tell you what is being plotted in Congress by a small but willful band of lawmakers who have somewhat different ideas. The object of their plotting is the House Internal Security Committee, which until 1969 was titled the House Un-American Activities Committee. Why and how they have made it a target confirms the warnings of William James and John Philpot Curran.

No agency of Congress has had a more stormy history. For more than 40 years the HUAC—and now the HISC—has been exhaustively and effectively probing all manner of subversive activity in this country. For the same length of time, significantly, it has been strongly resisted and regularly condemned as excessive by the usual loud chorus of liberals and left-wing Communist sympathizers.

They accused the committee of having a pathological fear of Communism, of making scarlet mountains out of pale pink molehills, of persecuting harmless political theorists and using the tactics of a bully to do it. They soft-pedaled the simple reality of why the Communists and their many subversive activities got so much attention.

The Communists and their various offshoots, from the labor agitators to organizers of student violence, got most of the committee headlines only because such radicals of the left far outnumbered such radicals of the right, such as members of the KKK, the German-American Bund and other neo-Fascist organizations. Yet all of the latter were as thoroughly explored as their leftist counterparts, with same painstaking documentations of leadership, interlinkage, secret plans and actual operations.

The only difference was that the rightists did not have a clique of influential sympathizers to assail the committee and disparage its work.

These attacks have never ceased, nor are they likely to do so. The left never lets up on anything or anybody considered injurious to its efforts, nor do the people who troop along with the idea that it is smarter to be called liberal than patriotic. Patriotism, indeed, is widely considered a bad word today—which is a tribute to the sinister appeal which Communism in its many guises has for certain types of politically and socially-minded persons.

In the case of HUAC, and its less clumsily named successor, the most serious attacks have been the many congressional attempts at downright abolition. It makes no difference to its foes in Congress that the committee is acclaimed by our law enforcement officials everywhere as an invaluable source of continually updated information on radical groups of all descriptions, left and right alike. The committee must go.

Such has always been the rallying cry of its determined enemies in Congress. And it is being sounded again right now.

Emphasizing the persistence of these people is important. It was their concerted attempt to abolish HUAC which resulted in its 1969 name change. And according to the Washington newsweekly Human Events—to which much of this column is indebted—in the 92d Congress alone a total of 37 resolutions to dissolve the committee were introduced with the backing of 67 members. None was acted upon.

Having so repeatedly failed to torpedo the committee by other means, its congressional foes now have invented a new approach—and it's a crafty one. Largely unnoticed by the press, it seems that the House Select Committee on committees headed by liberal Missouri Democrat Richard Bolling has been working on a master plan to reorganize and streamline such bodies. The plan now has been submitted and you can imagine what it includes.

Sure enough, one of the recommendations would abolish the HISC, this time by transferring its legislative jurisdiction to the House Judiciary Committee. Columnist Joseph Alsop, one of the most astute observers of the Washington political scene, recently described this grab-bag committee as "a kind of dumping ground for left-wing Democrats of the more far-out type."

The all-important point is that if the Bolling committee recommendaiton is adopted, it will almost certainly finish the kind of vigorous continuing probe of subversive activity for which the HUAC–HISC has been noted. Sixteen of the 21 Democrats on the Judiciary Committee have voted against appropriations for HISC in the past. The chairmen of six of its seven subcommittees have done the same. You can imagine the zeal with which they would continue the HISC work.

The legislative ploy aimed at killing the HISC, furthermore, involves an equally devious method of presentation. The recommendation for abolition is all but buried in a mass of other recommendations supported by over 2,000 pages of testimony and analysis. The liberals' hope is that many firm HISC supporters will go along with the generally good blunderbuss reorganization program lest they be accused of blocking progress toward a better and more effective Congress.

The plot could work—unless an enlightened public and a wide-awake House of Representatives flag it down before some kind of pressure vote is forced later in this session. And if the anti-HISC minority bloc gets away with the trickery, it will be another really major step in the steady eroding and downgrading of national security in recent years. As noted by Human Events in its issue of March 2:

"Long before Watergate, Sen. Sam Ervin (D.-N.C.), former Atty. Gen. Ramsey Clark, the American Civil Liberties Union, Sen. William Proximire (D.-Wis.) and Sen. George McGovern (D.-S.D.) were waging open warfare against wiretapping, accumulation of data on subversives, police surveillance of potential terrorists and other security practices.

"In the wake of these campaigns, FBI and military surveillance operations, both here and abroad, have been drastically reduced. The Subversive Activities Control Board has been abolished and the administration has unwisely eliminated the Justice Department Internal Security Division.

"This has created a 'climate of freedom' for all types of subversives. They believe no one is watching them closely—and their natural tendency is to go to even greater extremes in their efforts to undermine the U.S."

If you don't believe this, consider the two political kidnapings featured in all the news media during the past few weeks.

Many years ago my father wrote the following words in his newspaper column:

"The American people have been liberal to the point of lunacy. We have allowed our patriotic altars to be polluted by dirty and desecrating hands . . . by forces which would destroy us with their subversive teachings. And we can hardly blame the alien and hostile agencies and influences for having taken advantage of such public laxness and indifference."

In another column Pop said this:

"In the light of history it would certainly seem that liberty is the most precious possession of mankind. We Americans possessing liberty must exert the eternal vigilance which is necessary to preserve it."

The House Internal Security Committee has long since proven its great value as one of the most effective instruments for government vigilance.

This watchdog committee must not be lost to us now—and you can help save it from the destruction plotted and hoped for by the Bolling committee.

Write your congressman and tell him how you feel. Make it strong and brief and do it right away.

If you don't know the name of the congressman supposedly representing you, call the city desk of this newspaper for the information.

VIETNAM VETERANS DAY

HON. JOHN Y. McCOLLISTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. McCOLLISTER. Mr. Speaker, it is highly appropriate that as America begins its second year of peace that we honor those veterans who served in the Armed Forces during the conflict in Southeast Asia, and acknowledge the debt we owe them and the more than 50,000 Americans who died in South Vietnam. However, we must not forget those still missing in Southeast Asia and the sacrifices that they and their families are still being forced to make—they deserve the profound gratitude of their countrymen. We shall continue to seek a full accounting of those missing in action.

This day marks the anniversary of the last American servicemen's departure from Vietnam. It is a day for honoring those veterans who have served their country in a war which was different from all other wars in which the United States has been involved. And, a war which required sacrifices on the part of veterans unlike those sacrifices required in previous wars. Because the war was unpopular with some, and because the country was deeply divided over the war, it required more of an individual decision by many veterans—each man answered his country's call according to the dictates of his own conscience. This individual sense of responsibility probably weighed more heavily on the minds of Vietnam veterans than any other veterans in our history. Edward Everett Hale, a noted American author, editor and clergyman, made one of the more moving expressions of this sentiment when he said:

> I am only one, but I am one. I cannot do everything, but still I can do something; and because I cannot do everything I will not refuse to do the something that I can do. What I ought to do, by the grace of God, I will do.

Today I urge all Americans to join and honor the over 6½ million Vietnam-era veterans, of whom more than 2½ million served in Vietnam. Despite significant disruptions in their lives and other personal sacrifices, they answered the call of their country and served with great distinction.

SALUTE TO DR. LEON H. SULLIVAN, ARCHITECT AND DIRECTOR OF THE OIC MIRACLE

HON. ROBERT N. C. NIX

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. NIX. Mr. Speaker, 1 year ago on March 29, 1973, Dr. Leon H. Sullivan and more than 10,000 representatives of OIC's from 110 cities and 41 States conducted a peaceful pilgrimage to bring 1 million petitions to the White House and the Congress urging passage of a manpower bill designed to help the unemployed and unemployables.

The petition read as follows:

> We, the undersigned, appeal to our American Government, our Congress, our President, our other elected officials, to continue and to expand support for the Opportunities Industrialization Centers (OIC).
>
> We further strongly urge that the independence of OIC be preserved and that OIC be kept free from political patronage and controls.
>
> We, the people of America, believe it is vital to America that OIC continue its economical, successful and positive self-help efforts, unhindered by political interference, to motivate, train and place people in jobs, and help build our communities and the nation.
>
> To this end, we the people of this city and America, will do our part, in cooperation with government and with industry, to help OIC in its continuing work to help people to help themselves.
>
> We ask that our names and this Appeal be appropriately delivered to our Congress and to our President in a National "OIC Pilgrimage" to Washington on Thursday, March 29, 1973 and afterwards to our state, county and city officials to emphasize our compelling concerns for the future of OIC, and to put the hopeful work of "OIC on the Mind and the Heart of America."

Today, 1 year later, on March 29, 1974, special prayers of thanksgiving are being given by OIC clergy support leaders across the land. The fact that in America today, the petitions of 10,000 citizens from the poverty communities, among them the Indian Americans, Mexican Americans, Afro Americans, and poor white Americans, have received encouragement because their petitions were answered. The Government responded. The Congress passed the Comprehensive Employment Training Act of 1973 on December 20, 1973. President Richard M. Nixon signed the bill on December 28, 1973. On April 1, 1974, the Department of Labor will issue its guidelines and regulations naming the prime sponsors who will receive the Federal money. The appropriations process is working. The Honorable Daniel J. Flood, chairman of the House Subcommittee on HEW and Labor, is holding hearings now and Dr. Sullivan is scheduled to testify before his committee with reference to appropriating the funds to implement the manpower law. The Honorable Warren Magnuson, Senator from the State of Washington, and chairman of the Senate Subcommittee on Labor and HEW is holding hearings for the same purpose.

We proved that American democracy does work and can work, even in the midst of the many conflicts and complexities that the Nation is facing. The OIC program, which has a 10-year track record of performace and proven effectiveness, was written into the manpower bill by name, by definition and is assured 3 years' existence under the 3-year authorization bill. Dr. Sullivan and the more than 1,000 industry leaders and 5,000 clergymen who support OIC across this land are living witnesses to the fact that the Congress of the United States will respond to the people when a positive, constructive program is presented and the legislative process is used as a means of solving social and economic problems.

I wish to enter into the Record the following statement from the Reverend Leon Sullivan in a telegram to President Nixon following the signing of the Comprehensive Employment Training Act of 1973.

> Millions of Americans have gained new hope as a result of your signing today the historic Manpower Act of 1973. Be sure that OIC, which was included by definition in the Bill as an integral part of the 1973 Manpower System, stands ready to cooperate with the Department of Labor in every way possible to carry out your plans to develop the most effective and successful manpower training effort in the history of our Nation.

I wish to enter into the Record Dr. Sullivan's remarks as follows:

> It gave me a great deal of satisfaction to send such a telegram and to express appreciation to the Congressmen and Senators who had passed this legislation since it demonstrated that our government does care and will respond to the petitions of the people. Just one year ago, on March 29, 1973, I called together 10,000 persons from across America to attend a Pilgrimage on the Capitol grounds in Washington in support of OIC. It was a peaceful gathering. There was no disorder and no confusion. When the large crowd left the grounds, there was not a single piece of paper left behind.
>
> On that day 800,000 signatures were delivered to the White House on special Appeal Petitions, requesting the American Government, our President and our Congress to continue providing funds for OIC, to expand that support, and to keep OIC free from political hindrances.

We tried to make it clear in Washington that it was OIC's intention to help build the Nation. We said:

> OIC is here to build. We want to build the attitudes of men and women who have lost pride in themselves and faith in the free enterprise system and in our American way of life.
>
> We want to build motivation in people so a worker will add to the productivity of the country, each giving a fair day's work for a fair day's pay.
>
> We want to build skills so men and women can use their hands to strengthen the economy of the nation in an increasingly industrialized competitive world where skilled manpower means the difference between a nation's rise and a nation's fall.
>
> We want to build our communities and to reconstruct our inner cities so that every child will have a decent home to live in, a decent school to go to, and a safe neighborhood to walk in.
>
> We want to build; if America can help build the bombed out cities of Saigon and Hanoi, then America can help rebuild the poverty bombed out inner cities of the nation.
>
> We want to build a nation united of every race, color and creed; taking Black Power, and Brown Power, and Red Power, and White Power, putting it together with the help of God, to build American Power.

We also emphasized that OIC had performed, and when you weed a field you do not cut down the good trees. Rather, you help them grow and plant more like them. OIC has trained and placed in jobs more than 100,000 people who are unemployed and underemployed of all races, colors, and creeds. It is our goal in the next 10 years to train 3 million men and women with skills to get good jobs in our communities and to take 1 million people off the welfare rolls.

In Washington last Thursday, the OIC in their city was represented by many supporters who brought with them thousands of signatures on the OIC appeals from people in their town interested in OIC's future. As chairman of the OIC's of America, I wanted to let you know of the success of the pilgrimage and to thank those citizens for the interest they are taking in the OIC work. We wanted by means of the pilgrimage to put OIC, in a positive way, on the mind and the heart of America. We believe we succeeded.

We were particularly pleased that, in a meeting with top officials of the White House, we had the opportunity to discuss the problems facing OIC's in the transition of our program into decategorized manpower plans. We discussed how OIC could lose as many as one-half of our 100 programs in America if some method is not found in conjunction with revenue-sharing goals to save them. We were able, also, to explain how important it is to keep OIC free from political patronage and controls.

The White House representatives listened to us carefully and, I believe, with understanding. They assured us our problems would be carefully looked into, and in the light of our discussions I am encouraged to believe that an earnest effort will be made to find a solution to our problems.

On the first anniversary of the pilgrimage, March 29, 1974, I am happy to report to the Congress of the United States that at our 10th annual convention in Minneapolis, Minn., Senator Gaylord Nelson, author of the 1973 Manpower bill, was joined by Senator Hubert Humphrey in expressing the assurance that the Congress had responded to the people's needs in this time of rising unemployment.

Mr. Leonard Garment, representing the President of the United States, also came to the convention and indicated that the executive branch of the Government, through the President, had also responded to the petitions of the people in the pilgrimage of March 29, 1973. Mr. Garment said:

> In addition to reading a message from the President, I have an official assignment to give Leon Sullivan a box—in exchange for the one he gave me last March. It was March 29, 1973, when 10,000 friends of OICs massed the Capitol, carrying petitions from another 800,000 supporters. The occasion was the "OIC Pilgrimage" and the petition asked the Congress and the President to continue and expand support for the Opportunities Industrialization Centers.

While the gathering was at the Capitol, a delegation of 100 ministers came to the White House to present the petitions. 800,000 names make up a lot of petitions and to carry them in the Ministers had to find a very large box and they did. They came to the entrance of the Executive Office Building with a very large box—about 45 cubic feet, so big it had to be pushed on a wheeled dolly. It was decorated with the original markings of the Ark of the Covenant and filled to the brim with petitions.

Now, when people come to make deliveries of large objects to the White House, the Secret Service has a firm rule. The box was wheeled around to the side door to undergo the required Secret Service examination and then it was brought to my office, but it was too large to get inside the door. Those petitions were the voices of the citizens speaking to the Congress and the President symbolically as though each person were in the White House Office and in the Congressional Offices.

The President and the Congress listened. In the intervening months, the new Comprehensive Employment and Training Act was enacted by the Congress and signed by the President. The OIC's were mentioned by name in that new law. The people's petitions made a difference. Their voices were heard. The box had fulfilled its function. Now, Leon, tonight I have a box to give to you in return. It, too, is symbolic. It has on the outside the Presidential seal and the President's signature. It has one thing inside—a pen engraved with the President's autograph. It symbolizes the signing of the Comprehensive Employment Training Act on December 28, 1973. Leon, it has been an honor and a pleasure to have taken part in the events surrounding this historic exchange of boxes. It symbolizes the fact that at least sometimes when the people speak, their voices are heard.

Just 18 days ago, on March 11, the Vice President of the United States went to Philadelphia to see the operation of OIC as Dr. Sullivan's special guest. By the end of the tour, Vice President Ford said:

> This is one demonstration of what can be done with leadership and motivation and help from private and Federal sources. We have got to expand it and we will. We will do our best to get you more funds.

Reverend Sullivan has requested every Federal, State, county, and local official to "come see" OIC programs in action across the country. He wants them to see first hand what OIC is doing in the depressed areas and to see what "is possible" to help the poor, unemployed and underemployed of America. He is hopeful that Vice President Ford's visit to Philadelphia OIC will encourage the "come see" visitation to OIC's all over America.

CHET HUNTLEY OBITUARY

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. BOLAND. Mr. Speaker, on March 20 I joined with many other Members in memorializing the death of a true giant among news reporters, Chet Huntley. That same evening, John Chancellor and David Brinkley, who was Chet Huntley's longtime partner on the Huntley-Brinkley NBC nightly news, devoted a portion of the NBC nightly news program to reminiscing about this man who gave such stature and respectability to his profession.

I am sure that any Member who did not have the opportunity of hearing that broadcast would appreciate reading the text, which I have appended to these remarks. They represent an appropriate and moving commentary on Chet Huntley's life and the times which he helped to shape.

Chet Huntley Obituary

John Chancellor. People throughout the news business, and throughout the country, were saddened today by the news of the death of Chet Huntley, who died early this morning of cancer, at his home in Big Sky, Montana. Chet was sixty-two when he died. He's survived by his mother, his widow, two daughters from his first marriage, and four grandchildren. The funeral services will be private.

Chet began as a newspaperman, and in a long career in broadcasting worked for all three networks. He was with NBC from 1955 until his retirement in 1970.

When he left New York he retired to his home state, Montana. NBC gave him a horse, which he named Julian Goodman. Mr. Julian Goodman is the president of NBC.

Chet loved Montana. And the resort he was helping to build was a place called Big Sky. He used to come to New York occasionally, but only for a visit. This was his real home, in these mountains. We think that showed in his character.

During his broadcasting career, Chet Huntley won four Peabody Awards and two Overseas Press Club awards. He and his partner of many years on the Huntley-Brinkley Report won the Distinguished Service award of the National Association of Broadcasters. And the news program on which Chet and David appeared for so long, with so much success, won every major television award, including seven Emmys. And here is what David Brinkley said today.

David Brinkley. One night, years ago after one of the all-night sessions at a political convention, when Chet and I were tired out, and so were a lot of the American people that stayed up all night with us, Chet said to me, "Some time I'll be glad to get out of this, and get back out West, and sit on my own front porch, and look out across the range, over maybe a mile or so of my own land, and see some of my own cattle standing out there in the sunshine."

Well, when he left our news program about three years ago, he got to do a little of that in Montana. I'm sorry he didn't get to do more of it. But in these last months in Montana he had quite a lot to think about. Most pleasant to think about, certainly, was that whenever, wherever we traveled around this country, we always ran into younger people, college age and thereabouts, who said, who said to us, "You know, I grew up with you guys. You're a part of my youth, you're a part of my education, you're a part of my life."

Well, he certainly was touched, and moved, and affected by that. And he had that to think about. And the knowledge that he always told them the truth, as far as he knew it. Over these years, with the work and the help of many others at NBC who were not so often seen, and not so well-known, we brought the American people the good news, and the bad news. And in the process became a part of the history of television and of journalism. I guess we and television grew up together.

Well now, that part of it is over. And I believe Chet had every right to think that he had left the American people something useful, honest, and of permanent value.

And for myself, the best I can do is say, for one last time, goodnight, Chet.

Chancellor. On my part, along with everybody else around here, the news of Chet's death makes me very sad. He was quite a man. He had an unparalleled passion for life, off camera and on camera.

What we will remember best, I think, is his extraordinary warmth. Chet Huntley will also be remembered as one of the most important people in twentieth century journalism. When he and that fellow named Brinkley teamed up, television was beginning to cover the news. As television got better, Huntley and Brinkley got better. Here is how they began, as a team, at the 1956 political convention.

Voice of Politician. . . . party of the people will nominate a candidate who will be the next President of the United States.

Voice of Politician. Thank you, Mayor Daley . . .

Chet Huntley. Well these, ladies and gentlemen, are the tidying up, or the housekeeping processes, so to speak, getting the convention in order, getting it properly organized, so that its main function can be handled. Just a moment ago there, I might explain, you saw a couple of shots of Senator Smathers of Florida, and one briefly of Mr. James Farley.

I'm Chet Huntley, your host, on behalf of NBC News, for the complete convention coverage. Now with me here in TV–1, which is what we call our control studio for the conventions, are two gentlemen you know. David Brinkley, who will be reporting as he watches the proceedings with you, and Bill Henry, who will share the responsibility with David Brinkley, and will summarize the many activities in and around this convention. Which, I might remark parentehtically, I am sure has established an all-time record for promptness in getting started on time.

Perhaps, David, now, you have some remarks to make. And come in with your observations, if you will.

Brinkley. Well, we're off to a flying start in many ways, Chet. I was a little staggered to see this convention start on time, and so were the delegates, because they weren't here. I have one quick statistic which I think should go in the record book. It was 12:31:15 Chicago time when we first heard the words, "Will the delegates please take their seats." And it was 12:32:15 Chicago time when we found that, as always, they did not.

Chancellor. That collaboration was to lead to one of the most successful television news operations of all time, which was centered on a program which began in October of 1956, called the Huntley-Brinkley Report.

Huntley. Chet Huntley, NBC News, New York.

Brinkley. And David Brinkley, NBC News, Washington.

Huntley. Israel today accepted the . . .

Chancellor. Personally, Chet Huntley was honest, hard-working, honorable, courageous, warm, patriotic, and decent. I think millions of people understood that. He was a superb reporter of straight news, and a thoughtful commentator on the news. This is what he said, for example, when Martin Luther King was murdered.

Huntley. This country and every person in it suffered a terrible loss tonight, with the assassination of this man. Again we are made to look like a nation of killers, at a time when our detractors and unbridled critics, and adversaries, had already advanced that damaging assertion. The perpetrator of this deed brings down upon all of us the painful charge that we Americans are prisoners of violence, and destruction, and death.

What others think we are, however, is less important than what we are. And we are poorer as a consequence of this; farther away from our national goals, and more a prey to complete disaster, the disaster described in such stark language in the recent report of the President's Commission on Civil Disorders.

Dr. Martin Luther King is victim of the violence he preached against and eschewed. This stirring and gifted voice of restraint is now silent. And we will find it difficult to argue convincingly in behalf of moderation. That is the tragedy of it. Restraint, gentleness, charity, virtues we so desperately need, have had a dark day.

CHANCELLOR. Chet Huntley did that kind of work for years, and here's the last thing he said on the program, upon his retirement.

HUNTLEY. I want to thank the entire staff of NBC, for this nightly broadcast has not been an individual effort, by any means. And as for you out there, I thank you first for your patience, then for your many kindnesses and the flattering things you have said and written. More difficult to take, to be sure, has been your criticism; but that, too, has been helpful, and in most cases valid.

But you have bolstered my conviction that this land contains an incredible quality and quantity of good common sense. And it's in no danger of being led down the primrose path by a journalist.

At the risk of sounding presumptious, I would say to all of you, be patient and have courage, for there will be better and happier news one day, if we work at it.

BRINKLEY. I really don't want to say it, but the time has come. And so for the last time, good luck, and goodnight, Chet.

HUNTLEY. Good luck, David, and goodnight for NBC News.

CHANCELLOR. And goodnight to you all from NBC News.

VIETNAM VETERANS DAY

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. RANGEL. Mr. Speaker, the best way that Congress and the Nation can do honor to the Vietnam-era veterans today would be to take responsible steps to provide them with the jobs, the training and the education which they so rightfully deserve. Far too long have the needs of the Vietnam veteran been ignored by Congress and the Nation in a selfish effort to forget the Vietnam war and what it stood for. It is time for us to realize the responsibility that we have to these men and women who have risked their lives for a war which they did not create and which many of them opposed.

It is with this in mind that I take the liberty of placing an editorial found in today's New York Times, in the CONGRESSIONAL RECORD, for the benefit of my colleagues.

THE REAL HONORS

President Nixon has proclaimed today as Vietnam Veterans Day because a year ago the last American combat soldier departed from that country of casualties. The most appropriate ceremonies to mark the occasion would be action in Washington to give these veterans improved rights. Educational benefits and job opportunities are the real honors the men who served seek and deserve.

They have been shortchanged compared to Second World War veterans. The $220-a-month payments to cover tuition and living costs mean "starvation with honor," in the phrase of City University of New York veterans. The unemployment rate for Vietnam veterans is higher than for nonveterans aged 20 to 24, and many of the employed are in low-paying jobs. In 1971 the Emergency Employment Act was approved by Congress to aid Vietnam veterans, but the President opposed allocating funds to implement the act in fiscal 1974.

The Vietnam veteran does not have the powerful lobbies that spoke for the better educated and represented veterans of other foreign wars. Vietnam was an unpopular war; but that does not diminish the nation's debt to those who served in it.

BYELORUSSIAN INDEPENDENCE DAY

HON. HENRY HELSTOSKI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. HELSTOSKI. Mr. Speaker, March 25, 1975, marked the 56th anniversary of the proclamation of freedom by the people of Byelorussia.

While Byelorussians in the United States and in the free countries of the world celebrated this proclamation of independence of the Byelorussian Democratic Republic, there was no joy in Byelorussia. This national observance in Byelorussia is replaced by the celebration of the Bolshevik revolution which is signifying the conquest and subordination of Byelorussia to Soviet Russia.

Byelorussia and other non-Russia nations, subjugated by the Soviets, are living in conditions of double oppression: first, as victims of communistic oppression and second, as colonial slaves of the Russian Empire—U.S.S.R. Because of this the people of Byelorussia are striving for liberation and the restoration of their independent state.

The history of Byelorussian statehood goes back to the ninth century when several Slav tribes founded independent principalities on the territory of what today is Byelorussia. The Byelorussians were forced to live under czarist rule for several centuries until the Bolshevik Revolution of 1917 gave them the opportunity to proclaim their independence on March 25, 1918, through the Council of the Byelorussian Democratic Republic. In opposition to this, the Soviet Russian Government of Moscow created its own fictitious state, the Byelorussian Soviet Socialist Republic, including it within the sphere of the U.S.S.R.

Byelorussian territory was divided among Russia and neighboring states. There was forcibly brought into Byelorussia a totalitarian communistic system, depriving the population of all their human rights and freedoms.

The communistic ruling class imposed a limitless oppression and merciless oppression and widespread exploitation of the enslaved people. Starvation and the shortages of even the most necessary articles are the distinctive marks of Communist domination. This rule of Byelorussia was made possible through the use of massive and ruthless terror which over the 56 years enabled the Soviets to annihilate over 6 million of the Byelorussian population.

Despite the continuous terror in their native land, the Byelorussians were fighting at every opportunity for liberation from Soviet Russian domination. There were uprisings in 1920 and others in 1922. At the end of World War II, on June 27, 1944, the Second All-Byelorussian Congress convened in Mensk, and immediately annuled all treaties involving Byelorussia that had been made by occupational governments, approved the proclamation of independence of the Byelorussian Democratic Republic, and elected the Byelorussian Central Council as the only national Byelorussian representation. An organized Byelorussian National Guard was fighting for the independence of the country, but with all the resistance offered by the Byelorussian partisans, Soviet Russia once again conquered Byelorussia.

Mr. Speaker, the ruling forces in Byelorussia today are merely an administrative arm of the Moscow government and do not represent the hopes of the Byelorussian people, for liberation from the horrors of Soviet Russian occupation and the restoration of freedom and liberty.

Today, the Byelorussian people the world over are looking forward to the day when their human rights will again be restored to them. I join with them in hoping that it will not be too long when their desire is fulfilled.

VIETNAM VET IS FORGOTTEN AMERICAN

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 29, 1974

Mr. ANDERSON of California. Mr. Speaker, today is Vietnam Veterans Day, a day devoted to honor those who served in Vietnam.

Unlike veterans of other wars, the Vietnam veteran returned—not to the cheering crowds—but to a nation determined to forget the horror and the trauma of that part of our history.

And, as a result, his fate is hardly befitting that which one would expect for the sacrifice and the service asked by the United States.

Rather than receiving the treatment they deserve, rather than being accorded benefits equal to their sacrifices, they are facing unemployment lines and inadequate educational benefits. And those 340,000 who returned home disabled are denied adequate compensation; and some of those who left an arm, or leg, or an eye in Vietnam are processed like numbers by faceless bureaucrats posing behind a medical facade.

Mr. Speaker, the Vietnam war was a reality, and the veterans of that war are home—not looking for a handout, not seeking some reward—but merely seeking the benefits they earned for serving in the Armed Forces of our country.

Yesterday's Washington Post carried an article by Jack Anderson that succinctly and accurately described the situation facing the Vietnam veteran. At this point, I place that article in the CONGRESSIONAL RECORD, with the hope that a grateful nation will realize the inequity of the present circumstances and rectify this by increasing educational aid and training, by increasing disability compensation, by expanding and improving the rehabilitation programs, and most importantly, by recognizing these veterans for the sacrifices and for the services they yielded to our country:

VIETNAM VET IS FORGOTTEN AMERICAN

(By Jack Anderson)

They called it peace with honor and said our men would come home on their feet, not on their knees. Just a year ago this week, the last combat troops were withdrawn. Now thousands of veterans find they are flat on their faces.

Vietnam was a war with no glory and, for the men who fought there, no heroes. Many of the young soldiers who risked their lives in the rain forests and rice paddies of Southeast Asia remain alienated from the society that sent them to a war most Americans neither wanted nor like to remember.

The memories are painful, and the process of forgetting has been harsh on the men who came back from Vietnam. The regrettable result: the Vietnam veteran has become today's forgotten American.

He came home to a cold welcome. He found his peers had taken the available jobs, his elders regarded him with suspicion and his government was interested only in cutting veterans' benefits.

The educational benefits of the GI bill, which helped two generations of vets complete their schooling, are now laughably inadequate. Even these small benefits get entangled in the bureaucratic red tape which snarls the Veterans Administration. Scores of former servicemen have complained to us that their college checks arrive too late or not at all.

GI loans for home purchases, which gave birth to clusters of small but adequate suburban residences across the nation, are virtually worthless in today's inflated real estate market.

Despite half-hearted efforts by the government, many veterans have found they cannot find decent jobs. In hard purchasing power, according to the VA's own private calculations, a single Vietnam vet buys $203 less with his government check than did his father after World War II. Married vets are even worse off.

Disabled veterans tell us they don't receive adequate treatment, training or compensation. But the darkest cloud hanging over the Vietnam vet is the drug problem. An internal government memo reports that the American public "assumes that all Vietnam era veterans have abused drugs and this makes them more skeptical when it comes to hiring the younger veteran."

There's no denying many GIs came to rely on drugs in Vietnam, some to relieve the pain of wounds, others just to escape the cruel realities of war. The treatment centers promised by the Pentagon have fallen woefully short. They aren't even open to men who received "less than honorable" discharges, although these men often are the ones who most need treatment.

Facing a hostile world that offers them insufficient benefits and few opportunities, some vets have fallen back on their chemical crutches.

Many veterans complain that President Nixon behaved as if the only men who served in Vietnam were the 600 POWs. While he was hosting them in a tent on the White House grounds, he gutted programs that would help the soldiers who didn't get captured.

He slashed disability compensation for severely disabled vets, opposed GI educational increases as "excessive and inflationary," impounded funds voted by Congress to help colleges enroll vets, cut funds for a "mandatory job listing" program intended to give vets first crack at over a million jobs, and vetoed special burial and health benefits for veterans.

In one celebrated case, the President's budget managers tried to save money by cutting off funds for cooling veterans hospitals in the summer. The Senate responded with a vote to cut off the air conditioning at the Office of Management and Budget. The hospital cooling systems were hastily restored.

The President paid brief attention to the veterans in 1972 when he was running for reelection. The "Veterans Mobile Outreach" program, for instance, sent vans to assist veterans three months before the election. The scheduling and publicity were handled, not by the VA, but by the President's campaign committee. Veterans have charged that the vans visited areas where the President needed votes, not where veterans needed assistance.

But perhaps the biggest obstacle for the returning veterans is the Vietnam war itself. America hasn't yet recovered from the war. The nation was torn apart, and the wounds are deep and slow in healing.

Professional counseling was desperately needed, but seldom provided, for those returning from combat to a country in the midst of rapid social change. The forlorn veteran, suddenly shorn of his uniform and confronted with the conflicts of a nation in turmoil, had nowhere to turn.

It is odd that a country that won't forgive those who refused to serve in Vietnam also refuses to reward those who did their duty. But the veteran is a living symbol of that war, a reminder to his fellow Americans of a pain they would rather forget.

So in a sense, the forgotten veteran has become the last victim of the Vietnam war.

Footnote: Dozens of Massachusetts vets are planning to come to Washington on March 29 to sell apples on street corners. "Project Apple" is patterned after the post-World War I action of veterans.

HOUSE OF REPRESENTATIVES—*Monday, April 1, 1974*

The House met at 12 o'clock noon.

Rev. John W. Eyster, First Congregational Church of Emerald Grove, Janesville, Wis., offered the following prayer:

Almighty God, Your creative power and meaningful involvement in the process of life challenge us to assume the responsibilities of this hour.

We rejoice in the creative energies and capabilities which You have bestowed upon us for Your glory and the service of our fellow men. It is our awareness of these blessings which humbles us in confessing that we often choose to do that which contradicts Your just purposes and righteous ways.

Clarify for us anew the good which You require of us: To do justice, to love kindness, to walk humbly with You.—Micah 6: 8.

Source of courage and wisdom, so guide and direct us as a people that the means of our governance may help us fulfill the responsibilities of our days.

For Yours is the kingdom, the power, and the glory forever. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment bills and a joint resolution of the House of the following titles:

H.R. 12341. An act to authorize sale of a former Foreign Service consulate building in Venice to Wake Forest University;

H.R. 12465. An act to amend the Foreign Service Buildings Act, 1926, to authorize additional appropriations for the fiscal year 1974; and

H.J. Res. 941. Joint resolution making an urgent supplemental appropriation for the fiscal year ending June 30, 1974, for the Veterans' Administration, and for other purposes.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following title:

H.R. 11873. An act to authorize the Secretary of Agriculture to encourage and assist the several States in carrying out a program of animal health research; and

H.R. 12466. An act to amend the Department of State Appropriations Authorization Act of 1973 to authorize additional appropriations for the fiscal year 1974, and for other purposes.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 39) entitled "An act to amend the Federal Aviation Act of 1958 to provide a more effective program to prevent aircraft piracy, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MAGNUSON, Mr. CANNON, Mr. HARTKE, Mr. PEARSON, and Mr. COOK to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 2348. An act to amend the Canal Zone Code to transfer the functions of the clerk of the U.S. District Court for the District of the Canal Zone with respect to the issuance and recording of marriage licenses, and related activities, to the civil affairs director of the Canal Zone Government, and for other purposes;

S. 2835. An act to rename the first Civilian Conservation Corps Center located near Franklin, N.C., and the Cross Timbers National Grasslands in Texas in honor of former President Lyndon B. Johnson; and

S. 2844. An act to amend the Land and Water Conservation Fund Act, as amended, to provide for collection of special recreation use fees as additional campgrounds, and for other purposes.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the bill on the Consent Calendar.

DECLARING CERTAIN MINERAL INTERESTS HELD IN TRUST FOR THE CHIPPEWA CREE TRIBE

The Clerk called the bill (H.R. 5525) to declare that certain mineral interests are held by the United States in trust for the Chippewa Cree Tribe of the Rocky Boy's Reservation, Mont.

There being no objection, the Clerk read the bill as follows:

H.R. 5525

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all right, title, and interest of the United States in minerals, including coal, oil, and gas, underlying lands held in trust by the United States for the Chippewa and Cree Indians of the Rocky Boy's Reservation and lands located within the legal subdivision described in the Act of March 28, 1939 (53 Stat. 552), are hereby declared to be held by the United States in trust for the Chippewa Cree Tribe of the Rocky Boy's Reservation, Montana: *Provided,* That exisiting leases issued by the United States shall remain in force and effect subject to payment of all future rentals and royalties to the Chippewa Cree Tribe.

With the following committee amendment:

Page 2, strike out all of lines 1, 2 and 3 and insert in lieu thereof the following: "all existing mineral leases, including oil and gas leases which may have been issued or approved by the Secretary of the Interior, or his authorized representative, pursuant to the Mineral Leasing Act of February 25, 1920 (41 Stat. 443), as amended, or the Act of May 11, 1938 (52 Stat. 347), prior to the effective date of this Act, shall remain in force and effect in accordance with the provisions thereof.

"SEC. 2. All bonuses, rents and royalties received by the Secretary of the Interior, or his authorized representative, from leases of lands identified in section 1 that were issued or approved by him and are now held in special deposits, and all such proceeds received from and after the effective date of this Act shall be deposited to the credit of the Chippewa Cree Tribe of the Rocky Boy's Reservation for such beneficial programs as may be determined by the Tribal Council of the Chippewa Cree Tribe.

"SEC. 3. All applications for mineral leases, including oil and gas leases, pursuant to the Mineral Leasing Act of February 25, 1920, covering any of the minerals referred to in section 1 hereof shall be rejected and the advance rental payments returned to the applicants.

"SEC. 4. This Act shall have no application to the north ½ northwest ¼, southeast ¼ northwest ¼, northeast ¼ southwest ¼, southeast ¼ southeast ¼, Section 21; the southwest ¼ southwest ¼, Section 22; and the northwest ¼ northeast ¼, northeast ¼ northwest ¼, Section 27 of Township 29 North, Range 14 East, and the north ½ southwest ¼, Section 23 of Township 30 North, Range 15 East, M.M.; which lands have heretofore been patented to the State of Montana without reservation of minerals."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THE INDIAN'S PRAYER

(Mr. PASSMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PASSMAN. Mr. Speaker, we may all find comfort and a way to shore up our courage on the side of right by reciting the Indian's Prayer:

> Great Spirit, with the ever-seeing eye, grant that I may not criticize my President until I have walked a mile in his moccasins, and not then until I have examined my own record thoroughly.

We might all be better off if we would recite the Indian's Prayer, then act according to the meaning it conveys.

ONE THOUSAND MIA'S STILL UNACCOUNTED FOR

(Mr. MONTGOMERY asked and was given permission to address the House for 1 minute and to revise and extend his remarks)

Mr. MONTGOMERY. Mr. Speaker, for over a year the American people, especially the families of our missing servicemen, have waited ever so patiently for the North Vietnamese to live up to the terms of the cease-fire agreement. We have received the remains of 23 servicemen who died in captivity. But we are yet to receive any information whatsoever on the fate of well over 1,000 men still listed as missing in action.

Mr. Speaker, this continued example of inhumaneness on the part of the North Vietnamese Government must be brought to the attention of the world. As the elected Representatives of the missing servicemen and their families, we should take the lead in focusing attention on the actions of the North Vietnamese and their unwillingness to live up to the agreements which they signed in Paris.

I call on my colleagues to join me in pressing the North Vietnamese for a complete and factual accounting of all servicemen missing in action in Southeast Asia.

ADDITIONAL LEGISLATIVE PROGRAM

(Mr. O'NEILL asked and was given permission to address the House for 1 minute.)

Mr. O'NEILL. Mr. Speaker, I take this time to announce that we are adding a bill to the list of suspensions tomorrow—and I hope the gentleman from Iowa (Mr. GROSS) is paying particular attention to this—S. 1585 which prevents the unauthorized manufacture and use of the character "Woodsy Owl" of the Forest Service.

THAT SBA AFFAIR

(Mr. CLANCY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CLANCY. Mr. Speaker, last Wednesday here, I detailed some of the results of an investigation my office conducted into Cincinnati, Ohio, operations of the Small Business Administration.

I understand that another investigation, other than my own, has been made by a two-man team of the Small Business Administration and that a report has been filed with the Subcommittee on Small Business of the Committee on Banking and Currency.

Today, I am respectfully writing to the Honorable ROBERT G. STEPHENS, JR., chairman of the subcommittee, again, asking for a copy of that report.

It is my understanding that the report reinforces and adds information to the investigation which my office conducted, indicating that loans were made or guaranteed by SBA in Cincinnati for businesses which obviously were poor risks and had virtually no chance of succeeding. According to SBA's own files, at least 35 were charged off at a cost to taxpayers of at least $1 million.

These are only partial investigations which have been conducted but they obviously demonstrate that a full scale, thorough investigation should be made by appropriate authorities.

Therefore, I am respectfully requesting the Small Business Subcommittee to schedule an investigation as soon as possible so that legislation can be prepared which will preclude this manner of thing from happening again to waste taxpayers' hard-earned money.

COMMUNICATIONS FROM CHAIRMAN OF THE COMMITTEE ON ARMED SERVICES

The SPEAKER laid before the House the following communication from the chairman of the Committee on Armed Services:

APRIL 1, 1974.

Hon. CARL ALBERT,
The Speaker,
U.S. House of Representatives,
Washington, D.C.

MY DEAR MR. SPEAKER: Section 301(c), Public Law 93–155, The Department of Defense Appropriations Authorization Act, 1974, provides as follows:

"(c). The Committee on Armed Services of the House shall report to the House by April 1, 1974, a detailed and independent study on the advisability of maintaining our present military commitment to Europe in view of the current economic and military situation in Europe."

On January 24, 1974, I appointed an ad hoc subcommittee to conduct the study required by the above-cited statute and to report its findings and recommendations to the full Committee on Armed Services.

In order to comply with the deadline date of April 1, 1974, there is herewith enclosed a copy of the ad hoc subcommittee's report. The Committee on Armed Services will meet on Thursday, April 4, for a roll call vote on approval of the report. I anticipate that the report will be printed and formally submitted shortly thereafter.

Sincerely,

F. EDW. HÉBERT,
Chairman.

FINANCING ECONOMIC DEVELOPMENT OF INDIANS AND INDIAN ORGANIZATIONS

Mr. MEEDS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1341) to provide for financing the economic development of Indians and Indian organizations, and for other purposes, with a Senate amendment to the House amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the Senate bill.

The Clerk read the Senate amendment to the House amendment, as follows:

Page 4, line 21, of the engrossed House amendment, strike out "than—per" and insert "than 50 per".

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

The Senate amendment to the House amendment was concurred in.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR EXPENSES OF COMMITTEE ON HOUSE ADMINISTRATION

Mr. THOMPSON of New Jersey. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 1003 and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That (a) the Committee on House Administration is authorized to incur such further expenses (not in excess of $2,400,000) as the committee considers advisable to provide for maintenance and improvement of ongoing computer services for the House of Representatives and for the investigation of additional computer services for the House of Representatives, including expenditures—

(1) for the employment of technical, clerical, and other assistants,

(2) for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i)), and for the procurement of equipment by contract or otherwise,

(3) for specialized training, pursuant to section 202(j) of such Act (2 U.S.C. 72a(j)), of committee staff personnel performing professional and nonclerical functions.

Such expenses shall be paid out of the contingent fund of the House on vouchers authorized and approved by such committee, and signed by the chairman thereof.

(b) Not to exceed $478,500 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202 (i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i)), and not to exceed $9,000 of such total amount may be used to provide for specialized training, pursuant to section 202(j) of such Act (2 U.S.C. 72a(j)), of staff personnel of the committee performing professional and nonclerical functions; but neither of these monetary limitations shall prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditures in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House.

SEC. 3. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. THOMPSON of New Jersey (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the resolution be dispensed with and that it be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. THOMPSON of New Jersey. Mr. Speaker, House Resolution 1003 is to provide for the House Information Services the sum of $2.4 million, which represents the same amount as for last year.

Mr. Speaker, the process of devising computerized systems to work for the House and for its Members is going forward splendidly under Dr. Frank Ryan and his staff. It is being watched and has been watched very carefully by the chairman of the Committee on House Administration, the gentleman from Ohio (Mr. HAYS) and the other members of the committee. This resolution was reported unanimously from the committee.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR EXPENSES OF THE COMMITTEE ON WAYS AND MEANS, 2D SESSION, 93D CONGRESS

Mr. THOMPSON of New Jersey. Mr. Speaker, by direction of the Committee on House Administration. I call up House Resolution 945 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 945

Resolved, That, during the second session of the Ninety-third Congress, the expenses of the investigations and studies to be conducted by the Committee on Ways and Means acting as a whole or by subcommittee, not to exceed $395,000, including expenditures for the employment of investigators, attorneys, individual consultants, or organizations thereof, and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. However, not to exceed $50,000 of the amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House, and the chairman of the Committee on Ways and Means shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration under existing law.

Mr. THOMPSON of New Jersey (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the resolution be dispensed with, and that it be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. THOMPSON of New Jersey. Mr. Speaker, House Resolution 945 is to provide funds for the Committee on Ways and Means in the amount of $395,000. This represents an increase which the committee considers vitally needed, in the amount of $124,549.79 for additional professional staff, which is badly needed by the committee.

The resolution was reported unanimously by the committee.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR EXPENSES OF INVESTIGATIONS AND STUDIES AUTHORIZED BY HOUSE RESOLUTION 163

Mr. THOMPSON of New Jersey. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 886 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 886

Resolved, That the further expenses of the investigations and studies to be conducted pursuant to H. Res. 163, by the Committee on Interior and Insular Affairs, acting as a whole or by subcommittee, not to exceed $802,000, including expenditures for the employment of investigators, attorneys, individual consultants, or organizations thereof, and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. However, not to exceed $50,000 of the amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House, and the chairman of the Committee on Interior and Insular Affairs shall furnish the Committee on House

Administration information with respect to any study or investigation intended to be financed from such funds.

Sec. 3. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration under existing law.

Mr. THOMPSON of New Jersey (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the resolution be dispensed with and that it be printed in the Record.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. THOMPSON of New Jersey. Mr. Speaker, this resolution would provide funds for the Committee on Interior and Insular Affairs in the amount of $802,000. It was unanimously agreed upon in the committee.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR EXPENSES FOR INVESTIGATION AND STUDY AUTHORIZED BY HOUSE RESOLUTION 267, 93D CONGRESS

Mr. THOMPSON of New Jersey. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 952 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. Res. 952

Resolved, That for the further expenses of the investigations and studies to be conducted pursuant to H. Res. 267, Ninety-third Congress, incurred by the Committee on Foreign Affairs, acting as a whole or by subcommittee, not to exceed $561,235 including expenditures for the employment of experts, clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. However, not to exceed $50,000 of the amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

Sec. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House, and the chairman of the Committee on Foreign Affairs shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

Sec. 3. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration under existing law.

Mr. THOMPSON of New Jersey (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the resolution be dispensed with and that it be printed in the Record.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. THOMPSON of New Jersey. Mr. Speaker, House Resolution 952 would fund the Committee on Foreign Affairs in the amount of $561,235, the same as in the first session. This resolution again was unanimously agreed upon by the committee.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING ADDITIONAL FUNDS FOR THE EXPENSES OF INVESTIGATION AND STUDY AUTHORIZED BY HOUSE RESOLUTION 228

Mr. THOMPSON of New Jersey. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 987 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. Res. 987

Resolved, That, for the further expenses of the investigations and studies to be conducted pursuant to H. Res. 228, by the Committee on Public Works, acting as a whole or by subcommittee, not to exceed $1,394,480, including expenditures for the employment of investigators, attorneys, individual consultants or organizations thereof, and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. However, not to exceed $180,000 of the amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

Sec. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House, and the chairman of the Committee on Public Works shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

Sec. 3. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration under existing law.

Mr. THOMPSON of New Jersey (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the resolution be dispensed with and that it be printed in the Record.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. THOMPSON of New Jersey. Mr. Speaker, House Resolution 987 would fund the Committee on Public Works in the amount of $1,394,480. It was unanimously agreed upon by the Committee on House Administration.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR INVESTIGATIONS AND STUDIES AUTHORIZED BY HOUSE RESOLUTION 162

Mr. THOMPSON of New Jersey. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 957 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 957

Resolved, That, effective January 1, 1974, the further expenses of the studies and investigations to be conducted pursuant to H. Res. 162 by the Commmittee on the District of Columbia, acting as a whole or by subcommittee, not to exceed $275,000 including expenditures for the employment of investigators, attorneys, consultants, and experts, and clerical, stenographic, and other assistants, and all expenses necessary for travel and subsistence incurred by Members and employees while engaged in the activities of the committee or any subcommittee thereof, shall be paid out of the contingent fund of the House on vouchers authorized and signed by the chairman of such committee and approved by the Committee on House Administration. Not to exceed $50,000 of the amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purposes.

Sec. 2. The chairman, with the consent of the head of the department or agency concerned, is authorized and empowered to utilize the reimbursable services, information, facilities, and personnel of any other departments or agencies of the Government.

Sec. 3. The official committee reporters may be used at all hearings held in the District of Columbia, if not otherwise officially engaged.

Sec. 4. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House, and the chairman of the Committee on the District of Columbia shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

Sec. 5. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration under existing law.

Mr. THOMPSON of New Jersey (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the resolution be dispensed with and that it be printed in the Record.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. THOMPSON of New Jersey. Mr. Speaker, House Resolution 957 would fund the Committee on the District of Columbia in the amount of $275,000, the same amount as in the first session. It, too, was unanimously agreed upon.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield to the gentleman from Iowa.

Mr. GROSS. I thank the gentleman for yielding.

This in nowise provides money for the Committee on the District of Columbia to do any foreign junketing, does it?

Mr. THOMPSON of New Jersey. Mr. Speaker, I say to my friend, the gentleman from Iowa, that they can junket only within the confines of the District of Columbia.

Mr. GROSS. I thank the gentleman.

Mr. THOMPSON of New Jersey. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR THE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. THOMPSON of New Jersey. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 916 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. Res. 916

Resolved, That the further expenses of investigations and studies to be made pursuant to H. Res. 182 by the Committee on Interstate and Foreign Commerce, acting as a whole or by subcommittee, not to exceed $639,000, including expenditures for the employment of professional, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration.

Sec. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purposes by any other committee of the House, and the chairman of the Committee on Interstate and Foreign Commerce shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

Sec. 3. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration under existing law.

Mr. THOMPSON of New Jersey (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the resolution be dispensed with and that it be printed in the Record.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. THOMPSON of New Jersey. Mr. Speaker, House Resolution 916 is for the funding of the Committee on Interstate and Foreign Commerce in the amount of $639,000, some $171,266.71 less than last year, the reason being that they had a carryover that was unanimously agreed upon by the Committee on House Administration.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR INVESTIGATIONS AND STUDIES AUTHORIZED BY HOUSE RESOLUTION 19

Mr. THOMPSON of New Jersey. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 920 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. Res. 920

Resolved, That, effective from January 3, 1974, the expenses of the investigations and studies to be conducted pursuant to H. Res. 19, by the permanent Select Committee on Small Business, acting as a whole or by subcommittee, not to exceed $431,000, including expenditures for the employment of investigators, attorneys, individual consultants or organizations thereof, and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. However, not to exceed $25,000 of the amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

Sec. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House, and the chairman of the permanent Select Committee on Small Business shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

Sec. 3. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration under existing law.

Mr. THOMPSON of New Jersey (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the resolution be dispensed with and that it be printed in the Record.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. THOMPSON of New Jersey. Mr. Speaker, House Resolution 920 would fund the Committee on Small Business in the amount of $431,000. It was unanimously agreed upon by the committee.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING FUNDS FOR THE EXPENSES OF THE COMMITTEE ON INTERNAL SECURITY

Mr. THOMPSON of New Jersey. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 937 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 937

Resolved, That (a) effective January 3, 1974, the expenses of the investigations and studies to be conducted pursuant to clause 11 of rule XI of the Rules of the House of Representatives, incurred by the Committee on Internal Security acting as a whole or by subcommittee, not to exceed $475,000 including expenditures—

(1) for the employment of investigators, experts, attorneys, special counsel, and clerical, stenographic, and other assistants;

(2) for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i)); and

(3) for specialized training, pursuant to section 202(j) of such Act (2 U.S.C. 72a(j)), of committee staff personnel performing professional and nonclerical functions;

shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration.

(b) Not to exceed $25,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202 (i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i)); and not to exceed $2,500 of such total amount may be used to provide for specialized training, pursuant to section 202(j) of such Act (2 U.S.C. 72a(j)), of staff personnel of the committee performing professional and nonclerical functions; but neither of these monetary limitations shall prevent the use of such funds for any other authorized purpose.

Sec. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Internal Security shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

Sec. 3. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. THOMPSON of New Jersey (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the resolution be dispensed with and that it be printed in the Record.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The SPEAKER. The gentleman from New Jersey is recognized.

Mr. THOMPSON of New Jersey. Mr. Speaker, House Resolution 937 provides funding for the Committee on Internal Security and will provide that committee with the amount of $475,000, the same level of funding as in the 1st Session of the Congress.

Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts (Mr. DRINAN) for purposes of debate only.

Mr. DRINAN. Mr. Speaker, this year is a different year for funding of the House Internal Security Committee. In 1974 all of the evidence points to the fact that we should finally cast a negative vote and defund this committee of the Congress.

The Committee on Committees under the distinguished leadership of the gentleman from Missouri (Mr. BOLLING) has recommended that the function of the House Internal Security Committee be transferred to the Committee on Government Operations. Never before has this committee been recommended by another House committee for action of this nature.

President Nixon has recommended finally that we do something about privacy. I appeal to both sides of the aisle to recognize that finally the President of the United States has recognized the concept and the value of privacy.

I appeal to all Members to ask how we can justify the continuation of the House Internal Security Committee and reconcile its existence with the basic fundamental concept of privacy. I appeal to the Republicans particularly because now that the President has recognized the concept of privacy it is imperative that the Congress itself admit that we have a committee in existence that defies the very basic concept of privacy.

The case is overwhelming, Members of the House, for the elimination of this committee.

First, little if any legislation has come out during the past year.

Second, the investigation into the allegedly subversive groups that is carried on by this committee could and should be done by the Federal Bureau of Investigation or by other agencies.

Third, the continuation of the preservation of the files of this particular committee is totally indefensible.

Two years ago there were 752,000 Americans on whom this committee kept files. I have regularly, at the request of constituents and others, secured from the files of the House Internal Security Committee the material which they have on Americans. That material is worthless. It is taken from public sources. It is hearsay. It is totally unverified.

I think another shocking thing, and I have brought this fact out before, and a disgrace to the House Internal Security Committee and to the House is the fact that 25 executive agencies of the Federal Government regularly, day after day, come in and gain access to the files of the House Internal Security Committee. Members of the House, that is lawless. There is absolutely no Executive order that permits or justifies the intrusion of the executive branch into the files of a committee of this House.

Time after time I have asked the distinguished chairman to eliminate this. I have pleaded with the executive agencies not to take advantage of the leniency of the chairman. I suggest to the Members that such access in and of itself is an abuse of the files of this committee and should be eliminated.

In short, I ask the Members of the House how we can justify the continuation of this committee and this practice, this collection of raw data on Americans who are allegedly subversive. This committee is an anachronism. It is a hangover from the era of the cold war. This is a committee which is no longer justified.

I urge the Members of the House to vote no on this resolution.

Mr. BAKER. Mr. Speaker, will the gentleman yield?

Mr. DRINAN. Mr. Speaker, I yield to the gentleman from Tennessee.

Mr. BAKER. Mr. Speaker, the gentleman serves on the Committee on Internal Security?

Mr. DRINAN. I do. I have served for 3½ years.

Mr. BAKER. Mr. Speaker, what would be the objection of having the public come in and check this collection of information, if indeed, the files are intended for public reference? What is so bad about that?

Mr. DRINAN. Mr. Speaker, the files are not kept for public information. The files are available, like every other file in the House of Representatives, to Members. If a constituent writes to a Member, to any Member, he may secure whatever the House Internal Security Committee keeps on the individual who has written to him.

They are not public files, and that is the precise nature of my objection. They are private files. They are secret dossiers. They are dossiers on three-fourths of a million Americans. I think that violates the fundamental role of this House.

Mr. BAKER. Mr. Speaker, if the gentleman will yield further, did I understand him to say that these files contain information that would leave the impression that the persons named in the files were guilty of some acts of subversion or who are subversive?

Mr. DRINAN. Precisely. There is a distinguished rabbi from Massachusetts on whom the House Internal Security Committee had an extensive file. I obtained that file. They had the fact or allegation in there that this rabbi went to an allegedly Socialist event 15 or 18 years ago.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

Mr. THOMPSON of New Jersey I yield the gentleman from Massachusetts an additional 2 minutes.

Mr. DRINAN. Mr. Speaker, I found this a collection of hearsay, of reports from Socialist or Communist newspapers which were scurrilous, to say the least. That rabbi rightfully felt indignant and outraged that a committee of the Congress would keep this in a file; that it was available to Members of the Congress and also to 25 agencies of the executive branch of the Federal Government.

Mr. BAKER. Mr. Speaker, if the gentleman will yield, would not the material, the way it is, so far as Members are concerned, be available to them, and if they ask for the information contained in the files they can get it?

Mr. DRINAN. Aside from the harm it does, there is absolutely no justification for spending $700,000, at least, of Federal money, on the preservation of those files and the continuation of this committee.

Mr. BAKER. Mr. Speaker, I too am economy minded, and I have looked at that aspect of the matter very closely myself.

Mr. Speaker, I thank the gentleman.

Mr. HUNT. Mr. Speaker, will the gentleman yield?

Mr. DRINAN. Mr. Speaker, I yield to the gentleman from New Jersey.

Mr. HUNT. Mr. Speaker, quite recently I read a committee report on the Symbionese Liberation Army. Would the gentleman deprive the American people of the knowledge that the gentleman has gained in his committee on that particular group of people, who without any provocation, are admitted anarchists, murderers and kidnapers? Does the gentleman not think that his committee owes to the American people this kind of worthwhile information?

Mr. DRINAN. Mr. Speaker, investigation of groups such as that obviously should be done, but it should be done by the FBI or the Department of Justice and law enforcement agencies. The investigation of allegedly criminal subversive activities is not a function of this House. Usually, we investigate only in order to get facts upon which we can make laws.

The FBI has extensive files, as they should, on the alleged subversive organization the gentleman mentioned. Obviously, we need this, but I think it is done in the wrong place. There is no evidence, furthermore, that it is done in a way that could not be done better by the FBI.

Mr. HUNT. I respect my colleague's admiration for the FBI. They do an excellent job but the abdication of the Congress on matters of this nature must never come to pass—we must continue the committee as now constituted and make investigations where necessary.

Mr. THOMPSON of New Jersey. Mr. Speaker, I yield 5 minutes to the chairman of the Committee on Internal Security, the gentleman from Missouri (Mr. ICHORD).

Mr. ICHORD. Mr. Speaker, I thank the gentleman from New Jersey for yielding to me.

Mr. Speaker and Members of the House, it had not been my intention to reserve time today, but after the remarks of the gentleman from Massachusetts, a member of the committee, I feel that I am constrained to do so.

I would point out to the gentleman from Tennessee that the gentleman from Massachusetts has stated that he went on the committee for the purpose of destroying the committee from within.

And he is exercising that prerogative today. The gentleman from Massachusetts is correct when he states that all of the information in the files and reference section is public information. He is incorrect, I would state to the gentleman from Tennessee—and I have corrected this on the floor of the House previously, but the figure in the RECORD continues to be picked up and re-used—he is incorrect when he states that there are 775,000 or 750,000 files in the files and reference section. I believe that is the figure he used.

There are no files upon 750,000 individuals. The gentleman from Massachusetts has not observed that there may be more than one entry on any particular individual. For example, I am quite sure that Gus Hall, the chairman of the Communist Party of the United States of America, would have several thousand entries in the files and reference section. I am also sure that the people whom I often refer to as the "kookie" revolutionary type, like Eldridge Cleaver or Jerry Rubin, would have innumerable entries concerning their activities.

Mr. Speaker, I have been the chairman of the Committee on Internal Security for the 5 years which the committee has existed. During that time, I might say that I have heard the same arguments year after year against the appropriations for the operations of the committee. Those arguments essentially come from the same Member of the House who, I believe, are opposed to internal security work on the part of the House of Representatives in any shape or form.

The average vote on the appropriations during these years has been 300 yeas and 76 nays, and it is principally to those 300 or so colleagues that I would address my remarks today. I think those Members are entitled to know whether their votes have been justified.

Before proceeding further on that point, I wish to recall with the Members that this body decided 5 years ago that it would have a Committee on Internal Security as a standing committee of the House. The instructions from the House were that this Committee on Internal Security should conduct investigations concerning organizations or groups which advocate the overthrow of the Government of the United States or any of its subdivisions by force, violence, terrorism, or other unlawful means.

It was clear that the House felt it should have within it a body designated to keep the Members informed on matters affecting one of our basic responsibilities: To preserve the Constitution of the United States and the form of free government which we have. It was also clear at the time that the House intended the Committee on Internal Security to be primarily an investigative and oversight committee, since it was very obvious that a very limited legislative output could be expected from a committee with such a narrow mandate.

Mr. Speaker, with these brief reminders of the intentions of this House when it set up the Committee on Internal Security, I would like to return to my earlier point: Has the committee justified the confidence of those who have supported the appropriation measure?

In the 91st Congress, in the first 2 years of the committee's existence, some 30 bills were referred to the committee, and the committee favorably reported upon 3: the Defense Security and Industrial Security Act, an amendment to the Internal Security Act dealing with the obstruction of Armed Forces during periods of armed conflict abroad, as well as amendments to the Emergency Detention Act.

The committee conducted an extensive investigation of the Black Panther Party, a paramilitary organization of militants, which had achieved national notoriety for its physical and propaganda assaults on law enforcement officials.

The Congress not only benefited from the accurate information—and I stress the word accurate, developed by the committee but also caused the revision of the Federal firearms laws to plug a loophole which had been widely used by Black Panther Party members. Corrective action was taken by the Agriculture Department when the committee disclosed the misuse by Black Panther Party members of Federal food stamps. The evidence of those hearings resulted in the introduction of legislation making it a Federal crime to kill or assault a law enforcement officer under certain circumstances. The Law Enforcement Assistance Administration was urged to encourage utilization of Federal funds to improve the intelligence collection capability of local law enforcement agencies and, at the committee's instigation, the Postal Service caused review of the law relating to the use of the mails for distribution of revolutionary propaganda. The committee urged the Internal Revenue Service to take appropriate action against the Black Panther Party which had never filed tax returns since its inception.

A special report on the SDS relating to its attempts to recruit teenagers was prepared because of the great concern on the part of the school administrators, teachers, and parents.

In the 92d Congress bills were reported out to expand the jurisdiction of the Subversive Activities Control Board, to impose penal sanctions for travel to countries engaged in armed conflict with the United States in violation of travel restrictions, and to remedy deficiencies in the Federal civilian loyalty-security program.

The committee held extensive hearings concerning allegations that organizations espousing violent revolution were involved in efforts to disrupt the Armed Forces of the United States. As a result of the committee's work, the Department of Defense conducted an in-depth review of its policies and practices in the security field. The committee reported extensively upon two Maoist terrorist groups, the Revolutionary Union and the Venceremos Organization. The report was forwarded to the Department of Justice for review with a view toward prosecutive action under Federal laws.

Noting that the public had not been kept informed concerning the Communist influence in the leadership of the two principal anti-war groups, the committee held extensive hearings concerning these organizations—the National Peace Action Coalition and the People's Coalition for Peace and Justice. As a result of evidence detailing the extensive damage to Federal property caused by demonstrators acting under the auspices of these two groups, legislation was introduced requiring the posting of a bond by organizers of major demonstrations.

The committee issued a comprehensive legislative report following a 2-year inquiry into the Federal civilian loyalty-security program and executive branch agencies in response to this report advised that they were adopting significant changes in the conduct of their program in this field. For example, the Civil Service Commission took steps to revise its fitness standards and revise its training requirements for suitability examiners and security specialists, as well as its security appraisal functions.

During the present Congress, members of the committee responded to the concern of all thinking Americans concerning the necessity for prison reform and conducted hearings concerning allegations that members of various revolutionary groups had become involved for ulterior purposes in the prison reform movement to the detriment of efforts toward real reform. The committee's report called attention to the lack of information on the part of correctional officers concerning the identities and activities of such groups and has recommended to the Attorney General that the expertise of the Federal Bureau of Investigation, the Law Enforcement Assistance Administration, and the Bureau of Prisons be utilized to correct this deficiency. The committee is awaiting the Attorney General's report.

In August last year the committee produced a report on political kidnapings, and I warned therein that they could happen here, a prediction that unfortunately came true with the kidnaping of Patricia Hearst by the Symbionese Liberation Army. I personally sent each Member of the House a special report on this group as a matter concerning which all public officials should be aware. The committee is presently holding hearings on the subject of terrorism with the hope that some useful recommendations for executive branch action will result.

The committee has also begun an exhaustive review of the law, regulations and practices of the executive branch in the field of domestic intelligence collection, and I expect this oversight work to be one of the most significant efforts of the committee.

These are the highlights and I will leave it to the Members as to whether these are the kinds of investigations and reports for which they have voted and want continued.

I have repeatedly said that I am less concerned with who does the work of internal security in the House as long as it is done and done effectively. I would be greatly concerned if this Committee's efforts were hampered by lack of funding or by attempts to stifle its work by burying it in some other committee with inadequate resources and staff.

There is simply no other reliable source of information available to the Congress. Where would you go for accurate up-to-date information in the field of internal security? To the Congressional Reference Service, which has neither the records nor the personnel to answer your questions? To the FBI? That organization is limited to furnishing the Congress a few brief paragraphs annually in support of its appropriation request. To the Subversive Activities Control Board? The administration killed it last year. Where else would you go? The answer is there is not any place else to go.

I need not remind you that world conditions have changed little since you set up the Committee on Internal Security. On the Communist side at least the hoped for détente appears to be mostly words rather than deeds. We are once again reminded that the price of liberty is eternal vigilance and that, therefore, the necessary work of insuring our internal security as well as our national defense must continue.

For further clarification of the full and reference section function I am submitting descriptive information which I supplied to the Select Committee on Committees in June 1973. The material follows:

DATA CONCERNING THE OPERATION OF FILES AND REFERENCE SECTION

1. What various kinds of material are utilized as sources for information to be retained in the files?

In addition to published hearings and reports of this and other congressional and State committees, the Committee utilizes such material as periodicals and other primary source material (letterheads, press releases, handbills, conference calls or programs, and other official literature) of organizations which have been cited or characterized as subversive by a Federal authority. This would also include publications of organizations currently under investigation by the Committee or publications of organizations which may be potential subjects of future Committee investigation.

To supplement this primary source material, the Committee also makes use of news items from the public press. Fair reporting requires review of the public press because primary source material coverage of events and activities may be scanty, misleading, biased, or inaccurate. Also, newspapers often are the most up-to-date source of information.

2. By what means does this material come to the staff?

Source material comes to the Committee's files by various means. Some comes on a regular basis by subscription (in addition to the periodicals subscribed to, the Committee receives other material sent to those on the subscription mailing list). Other items may be sent in by concerned citizens or may be acquired by staff members individually.

3. Approximately how many publications are received with regularity on a subscription basis?

At present, the Committee receives 40 periodicals by subscription.

4. What means and standards are utilized in choosing material for subscription, or in seeking other material for review?

Periodicals chosen for subscription are largely those which are self-described or generally recognized as official organs of groups which have been cited or characterized as subversive by a Federal authority, or which contain considerable information concerning such persons. This would also include organizations currently under investigation by the Committee or organizations of possible future Committee investigation.

5. Enumerate the physical procedures which are employed in reviewing incoming publications.

Some incoming periodicals are reviewed regularly by members of the staff of the Research Section, for possible use in connection with their specific assignments and/or for the purpose of obtaining general information for possible future use. These periodicals deal largely with the theory and practice of Marxism-Leninism and various forms of radicalism of domestic origin.

Other incoming periodicals are reviewed and indexed regularly by members of the staff of the Files and Reference Section. Information of interest is extracted and summarized on 3 x 5 index cards. Each such card carries complete documentation, and the source itself is retained in Committee files for ready reference.

6. What specific standards are used in determining whether information concerning an individual, an organization, a publication, or other subject matter will be retained for file?

A judgment to retain information is generally based on whether the information relates to activities in connection with organizations which have been cited or characterized as subversive by a Federal authority. This would also include activities in connection with organizations currently the subject of Committee investigation or possible future investigation. In addition, it would include press clippings of acts of revolutionary violence which may not have any particular organization tie-in.

This does not mean that the information is necessarily derogatory. The staff is careful to index any item which comes to its attention indicating that a person known to have a "record of subversive activities" may have expressed an opinion or taken a stand in opposition to communism or some other forms of subversion. When the staff prepares a report on an individual, any known statement which may serve to clarify his "record" is included.

It may not be possible to determine at the time an item is picked up whether it may properly be used in the future, but if in any way it appears to pertain to or clarify activities already documented in Committee files, it is normally retained. In any event, whenever information which may be considered derogatory is reported concerning an individual, the Committee also reports any information in files which may appear to contradict or clarify such information.

7. What categories of persons and organizations have the right to information from the files?

House Rule XI, clause 26(c) states: "All Committee headings, records, data, charts, and files . . . shall be property of the House and all Members of the House shall have access to such records."

Thus, all Members of the House have the right to information from the files under House Rule XI. The courtesy has also been extended through the years to Members of the Senate. In addition, investigation of applicants for positions in the Federal Government includes a search of the index cards in the Files and Reference Section. Requests for this information are made by authorized representatives of the Federal departments and agencies. These representatives have "clearance" and their departments or agencies furnish the committee letters of authorization.

In connection with the above matter, it is noted that President Truman in Executive Order 9835 on March 21, 1947, his so-called "loyalty order," directed that the names of every applicant for Government employment be checked against the files of the Committee. This procedure was followed when President Eisenhower's Executive Order 10450 of April 27, 1953, superseded Executive Order 9835. This practice is clearly within the national interest.

The United States Court of Appeals for the District of Columbia in *United States* v. *Gojack* (280 F. 2d 687–681) determined that the practice of the Committee in making these files available to Members of Congress was further evidence of the Committee's concern with its constitutional duty of assisting in the enactment of legislation rather than being an act for which the Committee was to be censured. The Court stated:

"A large collection of material and exhibits is maintained by the Committee in connection with its constituted duties in order to furnish reference service not only to the Committee's own Members and staff in its investigations and hearings, but also to every Member of Congress who submits a written request for information in that file."

The Committee each year makes an annual report to the House and the public in general in which it includes statistics on the information service its Files and Reference Section provides for the Members and also reports on the number of visits made by representatives of Federal agencies in checking information in Committee files.

8. In what manner are they required to present requests, and to what extent do they have access?

All requests for information from the Files and Reference Section must be presented in writing.

When representatives of the Federal Government visit the files section, they must present their credentials and register their time of arrival and departure. They do not have access to the actual file folders containing correspondence and source material. *Index cards only* are searched for them by a member of the Committee staff.

As a rule, requests from Members of Congress are in the form of a letter or printed transmittal slip bearing the signature of the Members. Requests from the Federal Government are in the form of typewritten lists on stationery bearing the name of the department or agency. Some are submitted by mail, and others are presented in person by authorized representatives.

9. Who determines who should have access, and what safeguards are employed to prevent abuse?

Policies concerning access to files have been determined largely by the Committee Chairman, usually in consultation with the Committee chief counsel and/or administrative chief.

Safeguards include limited admittance to the space occupied by the Files and Reference Section, and registration of persons who are not members of the staff. Even members of the staff outside the Files and Reference Section are restricted in their use of the files.

Admittance to the space occupied by the Files and Reference Section is limited to the staff, authorized representatives of the Federal Government, and individuals accompanied by staff members. Only those in the first two categories may seek information from the files.

All requests from any source are recorded in a journal, and each entry is followed by a written account of any action taken.

10. In what form is information furnished to persons or organizations who have a right of access?

Members of the Committee staff may examine file material within the Committee space (material is not loaned for use outside the Committee space). Under some circumstances, material may be reproduced for the convenience of staff members, and in some cases the material may be summarized in a typewritten report.

Representatives of the Federal Government examine Index cards only, within the Files and Reference Section.

Information is furnished to Members of Congress on printed report forms. This explanation appears on the form:

"This Committee makes no evaluation in this report. The following is only a compilation of recorded public source material contained in our files and should not be construed as representing the results of any investigation or finding by the Committee. The fact that the Committee has information as set forth below on the subject of this report is not per se an indication that this individual, organization, or publication is subversive, unless specifically stated."

11. Is all information available in a file made available to the person making a request?

Only the card index is searched for representatives of the Federal Government.

Reports prepared by the Files and Reference Section for Members of Congress are thoroughly documented compilations of information, based on a complete search of all indexed public source material in files. The information is extracted and prepared by trained members of the Files and Reference Section staff. File folders are not available to persons outside the staff.

12. What procedures are utilized in putting information together to answer requests, and what standards are employed to resolve what shall be included and what shall be excluded?

Requests for information are assigned to trained members of the Files and Reference Section staff, who search all index references to the subject and examine the original sources. Written reports are prepared in accordance with guidelines set forth some years ago in consultation with Committee counsel. They are carefully proofed with original sources to insure accuracy. Generally speaking, the information reported relates to activities in connection with organizations which have been cited or characterized as subversive by a Federal authority. Reports are not furnished on present Members of Congress, individuals concerning whom the Committee has only two or less very old and insignificant references, and deceased individuals (unless they were self-proclaimed Communists, were named as officials or members of the Communist Party in Party publications, or were identified as such in sworn testimony before duly constituted governmental agencies).

13. Are there any restrictions on the use which may be made of information furnished to a person or organization authorized to receive it?

The Committee has no power or authority to control the action a Member may take in using the information furnished. Information furnished to representatives of the Government is subject to the policies and procedures of the Federal security program.

Mr. Speaker, in the interest of time, I ask unanimous consent that I may be permitted to revise and extend my remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. THOMPSON of New Jersey. Mr. Speaker, I yield the gentleman 3 additional minutes.

Mr. ICHORD. Mr. Speaker, following our agreement, I now yield to the gentleman from California (Mr. Edwards) for the purpose of interrogation.

Mr. EDWARDS of California. Mr. Speaker, I thank the gentleman for yielding.

The gentleman, who is the chairman of the Committee on Internal Security, I am sure will agree with the gentleman from Massachusetts and others that the matter of privacy and Government files and the dissemination thereof are matters of large interest in the country today. Is that correct?

Mr. ICHORD. I would state to the gentleman from California that there are many people who are very concerned about the problem of intrusion by the Government into the privacy of individuals; yes.

Mr. EDWARDS of California. Can the gentleman point out to me and to the House where in the rules of the House your authorization exists to maintain this reporting system for Members of Congress to obtain information about American citizens and for Government agencies to obtain information about American citizens? If I might read your mandate, the Committee on Internal Security shall report to the House or to the Clerk of the House the results of any investigation. How are you able to maintain that?

Mr. ICHORD. I will state to the gentleman from California, as has been pointed out previously, that all of the information contained in the Files and Reference Section that is furnished to the Members of the House is already public information. I would refer the gentleman to the general rules, and I do not have the specific number thereof in mind at this time, to the effect that the records of all committees are the property of the House of Representatives. It is under that rule and it is under the precedent of the predecessor committee, the House Committee on Un-American Activities, that the House Committee on Internal Security does comply with requests of the Members. I would state to the gentleman from California that the gentleman from Massachusetts objected to the operations of the files and reference section. The gentleman from Massachusetts has, I am quite sure, requested more information on individuals than any other Member of the House of Representatives. However, the gentleman from California and I have discussed this matter many times previously. I have stated that under the rules and under the precedents I will continue to supply this information to the Members of the House upon request and I would point out that I have offered many, many times, as the gentleman from California well knows, both to the gentleman from California and the gentleman from Massachusetts, any time they want to get a particular resolution up before the House of Representatives for debate and decision on this matter I will help them to do so, and I renew that offer today. However, as yet the gentleman from California and the gentleman from Massachusetts have not made one effort to my knowledge to direct any resolution toward the operation of the files and reference section to the House Committee on Internal Security. I would ask the gentleman from California if he has done so?

Mr. EDWARDS of California. I would like to point out——

Mr. ICHORD. Has the gentleman from California done so?

Mr. EDWARDS of California. Well, I believe that the next step is up to the gentleman from Missouri. The gentleman from Missouri is operating without congressional authority and he admits that. This long and involved answer says the same thing.

The SPEAKER. The time of the gentleman has again expired.

Mr. THOMPSON of New Jersey. Mr. Speaker, I yield the gentleman from Missouri 2 additional minutes.

Mr. ICHORD. Let me state in reply to the gentleman from California that I do not admit that I was operating without House authority.

I stated that I was operating under the rule that states that these records are the property of the House of Representatives. They are available to the Members. And I am operating under the precedents established by preceding committees. And I will continue to do so. True, the gentleman from California objects to that method of procedure.

If the gentleman wants the House to resolve this matter. I will assist the gentleman in getting this matter before the House by separate resolution. The gentleman knows that. We can then have the House decide how it should be operated.

Mr. DRINAN. Mr. Speaker, will the gentleman yield?

Mr. ICHORD. In just 1 minute.

Mr. Speaker, I also made the offer to the gentleman from Massachusetts (Mr. Drinan). And I ask the gentleman from Massachusetts has the gentleman offered such a resolution?

Mr. DRINAN. The distinguished Chairman has said that many times on the floor of this House.

Mr. ICHORD. I have stated it before on the floor of the House, and I have also stated it individually to the gentleman from Massachusetts, and the gentleman from Massachusetts has not seen fit to avail himself of this offer. If the gentleman desires to do so I will help the gentleman get the matter before the House so that the House can resolve the issue. Why does not the gentleman from Massachusetts do that?

Mr. DRINAN. When the chairman of the committee is accused by his colleagues of acting illegally and without authorization——

Mr. ICHORD. Oh, no, the gentleman from Massachusetts is making that illegal allegation.

Mr. DRINAN. The committee is acting without authorization.

Mr. ICHORD. That is the contention of the gentleman from Massachusetts. The gentleman states that the committee is acting illegally, but I think the committee is not acting illegally. If the gentleman from Massachusetts wants to get that matter before the House in the form of a resolution I will help the gentleman get the matter of the operation of the files before the House and let the House pass upon it.

I ask the gentleman how much more fair can the chairman of the House Committee on Internal Security be?

Mr. DRINAN. This is a matter for decision by the House. If the Members vote for this funding they are implicitly voting for terrorism.

Mr. ICHORD. That is the interpretation of the gentleman from Massachusetts.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Speaker, I would say to the chairman and to the gentleman from Massachusetts that the chairman is probably correct that this is a part of the precedents, and the past history of the House, and I would accept that as a rule of the House.

Mr. ICHORD. I agree with the gentleman from Ohio.

I think the gentleman from Massachusetts is really attacking the voting records of all of the Members of the House who voted for the appropriation.

The SPEAKER. The time of the gentleman has expired.

Mr. THOMPSON of New Jersey. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. BURTON).

Mr. BURTON. Mr. Speaker, you know, this is kind of a dreary subject. We have considered it so many, many times.

We have a committee that is looking into restructuring—and I am not here by any manner or means to commend them for all of their recommendations—but I understand this bipartisan 10-member committee voted unanimously that HISC be abolished, and its functions transferred to the Committee on the Judiciary or the Committee on Government Operations. I suspect that they arrived at this recommendation because HISC, by any measurement, has not served any useful purpose.

I am sure we all know that even if we vote down this added money that HISC will have available to it, some quarter-million dollars in staffing each year.

Looking back over the 10 or 11 times I have taken this floor to enlighten my colleagues as to my views on this enobling subject, I think we have made a mistake. We have been making an effort to reduce the total funding of the old House Un-American Activities Committee, now otherwise known as HISC. In the absence of abolishing the committee or cutting out all additional funds, perhaps what we should have done is given them what they asked for, or a little less, and merely denied them the right to take newspaper subscriptions, to buy or keep or use scissors, and deny them the right to use Scotch tape or glue. Because about all their staff does is sit around reading the daily and the weekly press, having people neatly cutting out articles, trimming the articles they cut out, having someone else Scotch tape them, and a third person indexing these Scotch taped newspaper clippings—perhaps sometimes they use glue.

But, really, it is a little bit absurd, I think, that this body any longer provide added funding over the quarter-million dollars already available to this rather useless appendix in the American body politic.

Mr. Speaker, I urge a "no" vote on the resolution.

Mr. THOMPSON of New Jersey. Mr. Speaker, I yield 3 minutes to the gentleman from Mississippi (Mr. MONTGOMERY).

Mr. MONTGOMERY. I thank the chairman for yielding this time to me. If anyone has any doubt, Mr. Speaker, I rise in support of this resolution.

Mr. Speaker, last year, the National Broadcasting Co. ran a TV special on the Communist Party, U.S.A., which contained the results of a very significant poll which NBC financed through the Opinion Research Corp. of Princeton, N.J.

No one can accuse either NBC or the polling organization of any special prejudice in favor of the House Committee on Internal Security so I think it behooves us to reexamine the results of that poll of the American people.

Said NBC-TV Moderator Frank McGee:

> It was our intent to find out what Americans think of communists today. We asked whether communists should be prohibited from holding federal jobs or jobs in defense industries. 83% replied that communists should be prohibited. On the question of communists teaching in public schools—79% said they should be barred. We asked whether the Communist Party should be outlawed—61% said that the Party should be outlawed. Should communists be required to register with the Justice Department? 82% said that they should be required. Should communists be prohibited from running for public office? 74% believed they should be prohibited. Do Americans consider the communist threat greater from abroad or from within? 20% said the foreign threat is greater 32% said the domestic communist threat is greater.

Mr. McGee concluded:

> The poll shows that the American attitude changed little in 20 years. It is still a firm, anticommunist attitude. It is true that communism has faded into the background of consciousness so there is less of it as a political issue. The enforcement of anticommunist laws has all but vanished, the emotionalism has subsided. What we have is tolerance, what we do not have is acceptance. For example, communists trying to qualify candidates for the 1972 elections gathered hundreds of thousands of petition signatures, yet in the presidential election Gus Hall's national vote total was only 25,000.

This clearly reflects how the American people feel and we—as the Representatives of the people—may be expected to reflect the views of our constituencies when we vote on this appropriation for the House Committee on Internal Security.

The problems of internal security are still very much with us. We have seen the alleged abuses in the name of internal security in the Watergate case and more recently we have been shocked by the kidnaping of an innocent girl to promote the revolutionary cause in the United States. Our Committee on Internal Security has long ago proceeded in its low key, businesslike way to conduct oversight hearings in the area of executive branch intelligence operations and has published several highly informative studies on terrorism and is currently continuing hearings on the subject. Thus we have in the Congress a unique committee which is responsive to the practical up-to-date problems in the internal security field and I think commonsense tells us that its continued funding is highly justified.

Mr. THOMPSON of New Jersey. Mr. Speaker, I yield such time as he may consume to the gentleman from Virginia (Mr. DAN DANIEL).

Mr. DAN DANIEL. Mr. Speaker, I rise in support of the resolution.

Mr. Speaker, Communists and their sympathizers are at the forefront of those who are clamoring for the abolition of the House Committee on Internal Security. They have been working toward this objective for many years.

It has recently come to my attention that the well-known Communist front, the National Committee Against Repressive Legislation (NCARL), formerly known as the National Committee to Abolish the House Un-American Activities Committee and the National Committee To Abolish HUAC/HISC, has boasted in its February 1974 newsletter that during 1973 some 60,000 copies of its publication, "Ten Reasons Why HISC Should Cease To Exist" were distributed. The newsletter also noted that NCARL has vowed to continue to give top priority to the anti-House Committee on Internal Security campaign and asserted that 1974 will be the year of abolition.

To those who may not be familiar with the Communist background of the NCARL, which incidentally maintains a lobbyist on Capitol Hill in its efforts to abolish the HCIS, I would point out that at the 17th National Convention of the Communist Party, U.S.A., held in New York City during December 1959 there was a resolution passed calling on all party members to work toward "abolishing the 'witch-hunting' House Un-American Activities Committee."

Shortly thereafter, due primarily to the efforts of Frank Wilkinson, an identified Communist Party member, the National Committee To Abolish the Un-American Activities Committee was formally established during the summer of 1960 for the purpose of leading and directing the CPUSA's campaign to abolish the House Committee on Un-American Activities. Seven of the national leaders of this group at the time of its formation have been identified as Communists. The top-heavy representation of Communists in official positions of leadership indicated that the Communist Party was taking no chance that the National Committee To Abolish the Un-American Activities Committee would deviate the slightest degree from the Communist Party line. The Communists were inherently dedicated to the opposition of any investigation of subversion, because the principal target would necessarily be the CPUSA and its network of front groups. The use of the word "abolition" carried a concept of utter liquidation. There was no compromise in the attack by the Communists and no suggestion of reform.

In recent years, the National Committee To Abolish the House Un-American Activities Committee has undergone a name change on two different occasions. This is primarily because it cannot afford the exposure of the Communist background of its leaders. But the names and faces of its promoters are the same.

After changing its name to the National Committee To Abolish the House Un-American Activties Committee/House Internal Security Committee in early 1969, the NCARL adopted its current name and expanded its activities to work toward the abolition of the Senate Internal Security Subcommittee as well as all legislative committees, both State and Federal, engaged in the investigation of domestic subversion. It revised its overall objective to include "dedication to abolition of all 'inquisitorial' committees, and for the opposition to all 'repressive' laws." The NCARL continues to flourish pursuant to its expanded objective. A glance at its leaders, officers, and sponsors removes any possible doubt about the fact that this organization is under Communist Party domination and has been so since it came into existence in 1960.

Frank Wilkinson, NCARL's executive director, has been described as the "brains and energy" behind NCARL. Wilkinson has been identified as a CP member in sworn testimony by Mrs. Anita Schneider and Robert Ronstandt, both of whom have been undercover members of the Communist Party reporting to the FBI for several years. When Wilkinson appeared as a witness before the HCUA, he refused to answer questions concerning his CP membership and also refused to rely on the protection of the fifth amendment. He was found guilty of contempt of Congress and after his conviction was upheld by the U.S. Supreme Court on Febraury 17, 1961, he spent a year in a Federal penal institution.

Harvey O'Connor, NCARL's national chairman, has been publicly identified as a member of the Communist Party; so has Richard Criley who heads the NCARL's midwest region. Carl and Anne Braden, who operate the NCARL's southern region, have also been identified as members of the CP.

The CPUSA press, which over the years has been exhorting the party faithful to concentrate on the abolition of the House Committee on Internal Security, has been extremely vocal in its opposition to the committee. For example, on November 1, 1973, the House Committee on Interal Security announced it would begin a series of hearings to update the committee's information concerning the continuing close ideological ties between the Communist parties of the United States and the Soviet Union and to examine the Communist interpretation of coexistence and detente. On the following day, the Daily World, the CPUSA's east coast organ, launched a vicious attack against these hearings, which it termed "an effort to revive the anti-Communist McCarran Act" and a "witch-hunting proceeding against the Communist Party."

Mr. Speaker, this long-time active organization doing the work of the Communist Party annually stirs up a flurry of opposition to the continuation of internal security work by this committee.

Mr. THOMPSON of New Jersey. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. EDWARDS).

Mr. EDWARDS of California. Mr. Speaker, once again the Members of the House are being asked to approve an additional appropriation for a standing committee which in its entire history has yet to exhibit any legitimate function. I submit to you that the approximately $250,000 which the House Internal Security Committee receives automatically each year is more than sufficient for any legislative responsibilities before the committee.

A brief look at HISC's legislative record for 1973 demonstrates my point. Of the 13 bills referred to the committee, 8 were duplicate bills and 4 of the remaining 5, if they had not been authored by members of the committee, would probably have been referred to other committees, such as Judiciary, Post Office and Civil Service, and Armed Services.

Of the five different bills referred to the House Internal Security Committee, four are still in committee. The fifth bill, H.R. 8023, to prohibit U.S. citizens from traveling to countries in armed conflict with U.S. military forces, has been pending before the Rules Committee since June 1973. The administration opposes this bill, in favor of a similar one before the Judiciary Committee, and indeed, it appears that H.R. 8023's only supporters are the members of the House Internal Security Committee.

Because HISC's legislative record in past years is so bleak, I do not feel it is necessary to reiterate its history.

Nor do I feel it is necessary for us to repeat past mistakes by providing this committee with an additional $475,000 to continue its unproductive hearings and staff investigations and to build up its data bank of often unsubstantiated and detrimental information on U.S. citizens, public and private.

The stockpiling of such information is not authorized in the committee's mandate. I personally do not believe it is a legitimate function of any congressional committee, and I consider the committee's practice of making this information available to Government agencies at least as damaging as the activities alleged to have been committed by individuals whose names are retained in these files.

In closing, I wish to remind my colleagues that a vote for House Resolution 937 is a vote for the continuation and expansion of this unauthorized data bank, it is a vote to give Government agents access to information the veracity of which even we, as Members of Congress, have no way of determining, because we are not allowed access to these files, and it is a vote for continued invasion of individual privacy by an arm of the U.S. Congress.

I urge my colleagues to consider carefully the mistakes the House has made in the past, first by giving HISC the status of a standing committee, and second by continuing to support it with additional funds year after year. We can begin to rectify these past mistakes by refusing to grant additional appropriations, and I urge a "no" vote on House Resolution 937.

Mr. THOMPSON of New Jersey. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from North Carolina (Mr. PREYER).

Mr. PREYER. Mr. Speaker, I rise in support of continued funding of the Committee on Internal Security.

When I was originally assigned to this committee some 5 years, I did not particularly relish the assignment, since I was familiar with the committee's old "witch-hunting" image. After 5 years of service, I can say that whatever the committee's practices in the past, under Chairman ICHORD it has become increasingly more responsible. The committee operates in controversial areas, and Chairman ICHORD has established procedures for navigating these treacherous waters that are fair in both spirit and practice.

I have also become more and more convinced of the need for such a committee. As Chairman ICHORD has stated in connection with the congressional committee reorganization plan—the Bolling committee—"it is not important which committee does the work in the area of internal security, but it is vitally important that the work be done."

A perennial question is how a democratic society escapes the dilemma of tyranny or anarchy. How do we avoid the tyranny of unjust laws, on the one hand, or the anarchy resulting from the freedom to do anything one's conscience dictates? Basically we resolve this dilemma in a democratic society by submitting the question to continued public debate, through which we work out reasonable compromises to live and let live. Tyranny is avoided by allowing the dissenter to remain free to agitate for repeal. Anarchy is avoided by obeying the majority decision as the law, after the votes are counted.

To conduct such a dialog, two sides are necessary. HISC generally emphasizes the conservative pole of the agreement—the dangers of anarchy. I submit that it is the only committee in Congress devoting its major attention to this side of the dialog. If it is eliminated or merged into another committee, its role as a counterbalance will be lost or seriously diluted. HISC is viewed by a large part of the public as the one sure watchdog on the right, sometimes barking at the mailman instead of a real intruder, but always ready to raise the alarm and so hold the question up for inspection. The academic world and the most influential section of the media—in short, most intellectuals—emphasize the dangers to our free institutions from restrictive laws and bureaucratic overreaching, and play down the dangers arising from subversion and from the actions of those who would use our freedoms to destroy our free institutions. I think this emphasis is proper, believing as I do that our most serious dangers will arise from too little freedom rather than too much. But, surely the other pole of the agreement is entitled to be heard. The public is right in insisting that this side of the argument be heard, and that full-time attention be given to the internal security of this country.

The threat of subversion remains a present danger, and always will as long as power rather than love is the reality that controls relationships in foreign affairs. Détente and an age of cooperative relationships does not change this underlying reality. We can wish that it is love that makes the world go around; we can hope that some day this will be the case. But unfortunately today it is power.

Our Government must have a strong and fair internal security system. The public must have confidence that no Communist or revolutionaries are holding tax-supported jobs. Government employees must have pride in being public servants and the high morale which comes from the knowledge that only people without reproach hold such jobs. The system must work so well that there can be no possible excuse for setting up "plumbers" units or vigilante groups operating outside the lawful internal security system. Extensive hearings by HISC have indicated that we do not have that kind of system now and that a number of weaknesses need to be corrected.

The advent of urban terrorism as a means of achieving social objectives by force is a recent development which requires sustained attention. HISC is the only committee that has developed expertise in this area.

These are solid areas of inquiry, and not "witch-hunting." They are areas that make the committee's activities more relevant and more important today than in the past.

There is one further point that I would like to make, Mr. Speaker.

One of the most useful things my colleagues can do in determining the need for the funding of the Committee on Internal Security is to carefully review the committee's 1973 annual report which summarizes its work during the first session of the 93d Congress. Of particular interest to me are pages 7–11 which contain the remarks of Law Professor William A. Stanmeyer who has very effectively refuted what he terms the "romantic fallacies" about internal security programs. These "romantic fallacies" are summarized by Committee Chairman Ichord in the foreword to the report as follows:

> 1. That there is no danger to society except from its own security agencies; 2. that democratic institutions are indestructible and efforts to protect them are unnecessary; 3. that all that is—quote—political—unquote—is permissible; 4. that a free society may never limit or inconvenience its innocent citizen's autonomy; 5. that Government can tolerate a —quote—little bit—unquote of subversion; 6. that one's belief-system and associational patterns are irrelevant to predictable conduct; 7. that the Constitution may be used to protect those who would destroy it.

Professor Stanmeyer points out that such misconceptions must not impel the House to abandon the Committee on Internal Security. He concludes with the very astute observation that—

> The committee's work is necessary if we are to follow the path of order and freedom which lies between the paths of repression and anarchy.

I urge my colleagues to read the full remarks of Professor Stanmeyer and the committee's annual report. They are thought provoking and represent the basic arguments in favor of the retention and continued funding of the Committee on Internal Security.

Mr. THOMPSON of New Jersey. Mr. Speaker, I yield 3 minutes to the distinguished ranking member of the Committee on Internal Security, the gentleman from Ohio (Mr. Ashbrook).

Mr. ASHBROOK. Mr. Speaker, I thank the gentleman for yielding the time. I cannot help but feel a little bit like my former colleague, the gentleman from Oklahoma, who used to take the well when he was a member of the Committee on Agriculture for so many years. In discussing legislation, he often referred to the Chinese foghorn. He said, the foghorn keeps blowing and the fog keeps coming in.

In this particular case I think we see a little bit of the same thing. We have talked about this for years. The fog has kept coming in.

Mr. Speaker, the Committee on House Administration has recommended an appropriation of $475,000 to enable the House Committee on Internal Security to continue its vital work during 1974. As ranking minority member of the HCIS, I fully support this figure as a reasonable compromise proposal and urge all my colleagues to vote for it. Should our investigation of terrorism and related subversive activities require additional funds, of course, we may be compelled to request a supplemental appropriation.

The American people, despite all the Communist and other leftist propaganda to the contrary, have historically supported congressional investigations of subversion. Likewise, our committee has through the years received the overwhelming support of Members of the House. In a year when naked political terrorism has finally reached this country with the kidnaping of Patricia Hearst, we need more than ever before to have a standing committee with sufficient staff to investigate subversive activity and propose such remedial legislative recommendations as may be necessary.

This is not the time to allow our continuing effort in this field to wither and die for lack of funds. Nor, I might add, is it the time to extinguish it by the stratagem of transferring our jurisdiction to another House committee where it would be effectively buried in an already excessive jurisdictional workload.

You will doubtless be subjected this year to the usual arguments of those, both in and out of Congress, who seem to make a career of trying to abolish the Committee on Internal Security. These people will tell you that our staff is too large—despite the fact that it is not nearly as large as those of many other House committees—and that we have failed to produce an enormous volume of legislation, an argument that blithely of three House committees with a primarily investigative function.

This latter argument is especially disturbing to me because it is, or should be, obvious that we deal in a uniquely sensitive area which involves essential rights guaranteed to all Americans under the Constitution. Thus, when we investigate the extent of Communist or other subversive involvement in an organization or movement, we are often charged with investigating the organization or movement itself. Of course, this is not true and never has been.

Our committee, most emphatically, is not concerned with trying to stifle the right of protest, for example. Rather, we are concerned with the extent to which certain groups with concealed motives try to exploit this right. We were vitally concerned with the degree of Communist influence in the anti-Vietnam war movement, to use but one illustration, but not with the movement as such. Our committee recognized, as repeatedly emphasized by our chairman, that there is a legitimate right of protest which is protected, and which should be protected, by the Constitution. But we also saw that there were elements occupying dominant positions within that movement that were manipulating it for Communist purposes. Such concealed Communist activity, based as it is on a philosophy which teaches and advocates the violent overthrow of the U.S. Government, is clearly within the scope of our committee's mandate.

Indeed, one of our committee's most significant on-going contributions has been the exposure of Communist activity and the philosophy of revolutionary violence which underlies it. Experience demonstrates beyond a scintilla of doubt that the Communist Party, U.S.A., and other assorted Communist organizations still constitute the most serious threat to the internal security of the United States.

As noted repeatedly by the Federal Bureau of Investigation, and as confirmed repeatedly by sworn, documented testimony before our committee, the CPUSA is today, as it has always been, entirely subservient to the interests of the Communist Party of the Soviet Union, acting in effect as an extension of the Soviet Communist Party within the United States. The documented record shows to those who will but heed it that the CPUSA acts as an unregistered agent of a foreign power that has operated as a cover for espionage activity and as a promoter and exploiter of discord in our country in accord with the dictates of the Kremlin.

Similarly, as shown by our committee's publications, other Communist groups operate to undermine our system of government. The Socialist Workers Party, about which our committee has published significant documented information that is virtually unobtainable elsewhere, teaches its members that the violent overthrow of the U.S. Government is inevitable. And there exists today within the SWP, as shown by information summarized in our 1973 annual report, a significant tendency that openly supports armed terrorist activity such as that carried on by Trotskyite groups in Latin America.

Further, there are the Maoists such as the Revolutionary Union, a well organized group that stockpiles weapons and advocates violence. Basic information on the RU and its now-defunct offshoot, the Venceremos Organization, was published by our committee in July 1972 in a comprehensive report entitled "America's Maoists: The Revolutionary Union, the Venceremos Organization."

Also, one must not overlook the violence-oriented Progressive Labor Party and its youth apparatus, the Worker-Student Alliance on which we have also held detailed hearings. Though PLP has lost the imprimatur of the Communist Chinese to the Revolutionary Union, it remains an active grouping within the Communist spectrum in the United States and maintains a record of promoting and participating in violent activity.

All of these groups share the basic Communist view that violence against the so-called ruling class is inevitable and even desirable. Thus, all of them are potential threats to the internal security of this country and are worthy of—indeed, they require—continual scrutiny by Congress.

For any Members of the House who may doubt the reality of Communist violence and terrorism within the United States, I commend to their attention our committee's recently issued staff study on the Symbionese Liberation Army. This group, which the study shows to be heavily influenced by former members of the Maoist Venceremos Organization, has been prominent of late for its kidnaping of Miss Patricia Hearst, daughter of newspaper publisher Randolph Hearst, whose brother recently wrote a cogent defense of the Committee on Internal Security that was inserted in the CONGRESSIONAL RECORD on March 18 by my distinguished colleague, Mr. DICKINSON.

Added to the SLA study is the committee's August 1973 staff study on "political kidnapings" which contained the prophetic warning by our chairman that "we must not be beguiled into feeling that 'it can't happen here.' "

Parenthetically, I might also note that I addressed the House on May 29, 1973, on the subject of the Ford Motor Co.'s payment of blackmail to Argentinian Communist terrorists. At that time, I also warned that "the automaker's agreement to provide the terrorists with supplies valued at $1 million can only encourage revolutionary Communists in the United States and throughout the world to try the same tactics."

Our committee currently has in preparation a major study on terrorism that will provide a wealth of new information to the Congress and the American people on the groups that are engaged in terrorist activity around the world, even within the United States itself. Surely, information of such current value and importance must not be lost because of any failure of the House to allocate sufficient money to support the expert research and investigative effort needed to produce it.

Mr. Speaker, I am confident my colleagues will recognize that we on the Committee on Internal Security are performing a task which, while it may be thankless and unpleasant, nevertheless badly needs to be performed, just as I am confident that, today as in the past, there will be overwhelming support for the committee's appropriation as recommended by the Committee on House Administration.

Mr. THOMPSON of New Jersey. I yield 3 minutes to the gentleman from Indiana (Mr. ZION) for purposes of debate only.

Mr. ZION. Mr. Speaker, as a member of the House Committee on Internal Security, I am continually amazed at the efforts put forth by the Communist Party, U.S.A., in its feverish attempt to get us abolished—an effort that is, of course, only one ingredient in the party's campaign to render ineffective all governmental antisubversive agencies, both legislative and executive.

We have seen in recent years the growth of a trend that, in my view, is genuinely alarming. We have seen congressional efforts designed to wipe out intelligence-gathering by the military, despite the fact that such effort is fully justified by the need of the military to possess adequate information on those groups and individuals that promote and participate in violent civil disorder.

In a similar vein, we have seen a campaign of steadily growing momentum, both in Congress and in certain segments of the Nation's press, that is patently aimed at crippling the Federal Bureau of Investigation's intelligence-gathering capability. At the same time, we have seen the end of the Subversive Activities Control Board and the downgrading of the Justice Department's Internal Security Division with its incorporation into the Department's Criminal Division.

Mr. Speaker, it is truly disquieting to note that while the openly terrorist Symbionese Liberation Army is holding Patricia Hearst in California and an American diplomat in Mexico for ransom and bringing to the United States the sort of armed political kidnaping and terrorism that has plagued the rest of the world, the House Committee on Internal Security is virtually the only official governmental body left that can investigate and publicly disseminate hard, documented information on Communist and other subversive activities that undermine our system of government as guaranteed by the Constitution.

And, despite the usual propaganda to the contrary, this does not mean only Communist groups. Note that I said "Communist and other subversive activities." The fact is that our committee and its predecessors have conducted major hearings and issued documented reports on Nazi, Fascist, and other organizations at the opposite extreme of the ideological spectrum, including the Ku Klux Klans, the National Renaissance Party, and such earlier groups as the German-American Bund, the Knights of the White Camellia, and the Silver Shirts. We also maintain scrutiny of such potentially dangerous armed groups as the Minutemen and the National Socialist White People's Party, formerly the American Nazi Party of George Lincoln Rockwell along with the National States Rights Party, the personnel of which interlocks with Klan and avowedly Nazi groups.

In fact, the investigation of the Ku Klux Klan organizations conducted by the Committee on Un-American Activities in 1965 and 1966 even drew a letter of commendation from former Judiciary Committee Chairman Emanuel Celler, who was certainly never accused of being a committee partisan, and remains even today the definitive body of information on the Klan's lawless and terrorist nature.

Mr. Speaker, the only way the House can continue this vital effort is to grant the Committee on Internal Security its full appropriation. To do otherwise would be to deprive ourselves of our only effective agency in the internal security field—and at precisely the time when such an agency, with its expert staff, is most urgently needed.

Perhaps the best education of this need is the fierce intensity with which the Communist Party and other subversive groups have constantly tried to wage their campaign to have the Committee on Internal Security abolished.

It is perhaps easy for most people to forget the origins of the abolition campaign that has been waged against the House Committee on Internal Security and its predecessor, the Committeee on Un-American Activities, over the years. The record shows, however, that this campaign was set up by the Communist Party, U.S.A., and that it has been waged with tireless intensity by the party and by a network of front organizations under party control.

Chief among these Communist fronts has been the National Committee Against Repressive Legislation, formerly known as the National Committee To Abolish the House Un-American Activities Committee. The NCAHUAC was cited by the Committee on Un-American Activities—on the basis of irrefutable evidence—as a Communist front set up in the summer of 1960 "to lead and direct the Communist Party's 'Operation Abolition' campaign." The committee also noted that at least seven of the national leaders of the NCAHUAC had been identified as Communists. It is significant that the leadership of the NCARL is today substantially the same as that of the predecessor NCAHUAC.

Other groups that have been active in the party-directed campaign against our committee have included the National Emergency Civil Liberties Committee, originally known as the Emergency Civil Liberties Committee; the Citizens Committee To Preserve American Freedoms, a now-defunct west coast organization; the Chicago Committee To Defend the Bill of Rights; the Citizens Committee for Constitutional Liberties, a New York group; and a new national apparatus known as the National Alliance Against Racist and Political Repression, cited as a Communist Party front in a report entitled "Revolutionary Target: The American Penal System," issued by the Committee on Internal Security on December 18, 1973.

Another major organization that forms part of this Communist abolition network is the Southern Conference Educational Fund, Inc., which operated until very recently with members of the Communist Party in virtually all of its key leadership positions. As the result of a controversy within the organization, several of the CPUSA members lost their positions or resigned from them, but it is important to note that many of them remain on the group's board, with the key leadership positions now in the hands of a mixed bag of nonparty Communists and other assorted radical types.

One of the most important standards by which to recognize Communist fronts, as shown by long experience, is the extent to which there exists an interlocking of Communist personnel among them. Upon examination, there is no doubt that such an interlocking exists within the abolition network. For the sake of brevity, I shall cite but a few significant examples, although a fully detailed accounting would probably fill a book.

Frank Wilkinson, who has been publicly identified in sworn testimony as a member of the Communist Party, U.S.A., serves as executive director and field representative of the National Committee Against Repressive Legislation. He was also the moving force behind the Citizens Committee To Preserve American Freedoms and is a member of the National Council of the NECLC. Wilkinson was a sponsor of the founding conference of the National Alliance Against Racist and Political Repression in May 1973 and attended the conference. Such affiliations indicate just how much he deserves the title that has been given him many times: "Mr. Abolition."

One of the founders of what is now the NCARL was Aubrey W. Williams, identified in sworn testimony in 1954 as a member of the Communist Party. Williams also served as one of the founders of the Communist-front Southern Conference for Human Welfare, the predecessor of the Southern Conference Educational Fund, and was one of the principal leaders in SCEF during its period of outright CPUSA control.

NCARL's "adviser on Constitutional law" is Prof. Thomas I. Emerson, identified in 1952 in sworn public testimony as a member of the Communist Party. Though Emerson denied ever having been a party member, the testimony of the witness who identified him—Louis Budenz, who had been one of the party's top leaders—is lent much credence by Emerson's consistent record of affiliation with party fronts and causes. Emerson serves also as a member of the National Council of the NECLC.

The Southern Regional Office of NCARL is directed by Mike Honey, a prominent figure in SCEF who attended the May 1973 founding conference of the NAARAPR and who currently serves as a member of the NAARAPR's national executive committee along with Judi Simmons, a CPUSA member who also has been a prominent SCEF activist.

NCARL's chairman is Harvey O'Connor, another identified member of the Communist Party who also serves as a member of the national council of the NECLC.

Among NCARL's vice chairmen are Anne and Carl Braden, both of whom have been publicly identified under oath as members of the Communist Party. The Bradens were for many years the principal functionaries in SCEF and were among the sponsors of the NAARAPR founding conference in 1973. Carl Braden is one of the three cochairmen of the NAARAPR—all of the three are publicly identified or avowed CPUSA members—while Anne Braden, who ran as a Communist Party candidate for Presidential elector in the State of Kentucky during the 1972 general elections, serves as another member of the NECL's National Council.

In Chicago, the major NCARL affiliate is the Chicago Committee To Defend the Bill of Rights, directed by Richard Criley. Criley also sponsored and attended the founding conference of the National Alliance Against Racist and Political Repression in May 1973 and is yet another of NCARL's major figures that have been publicly identified in sworn testimony as members of the Communist Party. Criley has been, in fact, the motivating force within the Chicago Committee To Defend the Bill of Rights since its inception, just as Frank Wilkinson has been the prime mover in the National Committee Against Repressive Legislation.

Mr. Speaker, the organizations that I have discussed briefly here comprise the principal groups in the campaign to abolish the House Committee on Internal Security. The pattern is clear, and the pattern is Communist.

I do not believe for one moment—and let me emphasize this as strongly as I can—that everyone who opposes our committee is a Communist or necessarily pro-Communist. That would be manifestly unfair. But I do believe that the documented record shows beyond question that the primary impetus for our abolition is and always has been a Communist one and that the driving force behind this movement is the Communist Party, U.S.A., and its network of abolition fronts.

Without intending to cast even the slightest aspersions upon the motives of any of my colleagues, I feel constrained to express my deep concern that if they vote to curtail the House Committee on Internal Security's vital work in behalf of our country, they will have played, however unwittingly, into the hands of the very Communist forces that would destroy this country.

Mr. BURKE of Florida. Mr. Speaker, every year about this time the opponents of the Internal Security Committee subject the House to the same dull and dreary debate over the demerits of HISC.

In this regard, the vice president of a New York-based, multinational corporation which produces weapons control systems wrote to the committee that—

> I am appalled that our legislators expend any time in listening to and evaluating over and over again the attempts . . . to scuttle what I believe is not only an extremely competent and efficient fact-gathering vehicle to assist our legislators, but also an excellent medium for information to the various intelligence groups in government and (to) contractors performing on high-level classified work.

The late director of the FBI also thought that a House Committee engaged in security pursuits was "an excellent medium for information." To those persons who propose that HISC's work duplicates that of the FBI, the views of J. Edgar Hoover, the recognized artist of the craft of intelligence, given in sworn testimony before the House Committee on Appropriations, should be noted:

> Committee of Congress have served a very useful purpose in exposing some of these activities which no Federal agency is in a position to do, because the information we obtain in the Bureau is either for intelligence purposes or for use in prosecution, and committees of Congress have wider latitude in that respect.

In the same vein, that dedicated architect of modern intelligence methodology, had stated in an article in Newsweek, in reference to HISC's predecessor, the Committee on Un-American Activities, and to its files that—

> This committee has for its purpose the exposure of un-American forces and as such its files contain voluminous information which . . . provide an excellent source of information, The FBI, unlike this committee, must of necessity keep the contents of its files confidential.

Mr. Speaker, Mr. Hoover's comments, noted above, were made in 1947 and 1956. How aptly his remarks apply in 1974 as evidenced by the release of the recent committee study on the Symbionese Liberation Army—SLA—the revolutionary terrorist group responsible for the cruel kidnaping of the teen-age daughter of Mr. and Mrs. Randolph Hearst, and which boasted of its role in the murder of Oakland's black school superintendent, Dr. Marcus Foster.

A representative of a large, Cleveland-based manufacturer of business machines, when requesting a quantity of SLA reports from the committee, remarked that he was "amazed at the speed" with which the committee report was published.

Mr. Speaker, this corporation executive's amazement at the prompt appearance of the SLA report is readily explained—except to those committee antagonists in the terminal stages of HISC file-phobia. Simply stated, the committee had long been monitoring those revolutionary groups, that is, the Vietnam Veterans Against the War; the pro-Peking, Venceremos organization, and the United Prisoners Union, to which SLA members belonged.

Alice Widener, well-known and respected publisher of the magazine, U.S.A., commented in her March 15, 1974, press release entitled, "Let's Protect our Internal Security," that—

> The identification, description and documentation of violently revolutionary political groups is a difficult task requiring a tremendous amount of background research and painstaking fact-gathering. The House Committee on Internal Security has such expertise. In these anarchic times, it must be maintained.

Mr. Speaker, every professional group has its files, has it not? An organization in the security field is no different. The House of Representatives, HISC's principal client, deserves—in fact should demand—the best, that is a professional, dedicated staff supported by a comprehensive file, professionally serviced to meet its requirements in this day of rising revolutionary activity in America. But HISC's needs cannot be achieved in a fiscal vacuum.

Therefore, I strongly urge my colleagues to vote in overwhelming support of a meaningful appropriation for HISC, to vote for operational funds commensurate with the vital functions levied upon its members and its staff, whose role some of us are only now beginning to fully appreciate.

Mr. BLACKBURN. Mr. Speaker, there is no Member of this body unaware of the seriousness of the latest escalation of revolutionary violence in our country. The kidnaping of Patricia Hearst by violence oriented subversives has been followed, and will be followed by other such crimes. As we know, when a crime of violence receives massive publicity, other emotionally disturbed criminals seem compelled to emulate the success of the first criminal.

We cannot say that we have not been warned that political kidnapings would begin in the United States. On May 29, 1973, our colleague, the gentleman from Ohio (Mr. ASHBROOK) commented in the CONGRESSIONAL RECORD on the payment of $1 million by the Ford Motor Co., to a group of Trotskyite Communists in Argentina to bribe them to stop their acts of kidnaping and assault against Ford executives. Mr. ASHBROOK pointed out that this paying of extortion demands, "can only encourage revolutionary Communists in the United States and throughout the world to try the same tactics."

I am sure that Mr. ASHBROOK had hoped to be proved wrong, but his prophetic words of almost a year ago now come home to haunt us. Mr. ASHBROOK, ranking minority Member of the House Committee on Internal Security, told the House last May of the work being done by the committee's minority staff to investigate the role of Marxist-Leninist terrorists in the mounting wave of kidnapings and political violence around the world.

In the past few years, the Committee on Internal Security has provided the House of Representatives with a substantial body of valuable information on the activities and potential of the revolutionary terrorist organizations. In 1972 the committee published a report on "America's Maoists: The Revolutionary Union; The Venceremos Organization." In 1973 the committee published a report entitled "Revolutionary Target: The American Penal System." Both of these reports were based on lengthy hearings by the committee on these subjects.

As we now know, the Symbionese Liberation Army, the group of gangsters that kidnaped Miss Hearst, consists of some white radicals out of the Venceremos Organization and some black criminals recruited by the revolutionaries in the prisons. Incidentally, in 1973 the Committee on Internal Security published a valuable report on "Political Kidnapings 1968–73" followed by a 1974 report on "The Symbionese Liberation Army." The "Political Kidnapings" report also contained a survey of Trotskyite terrorists and potential terrorists around the world which was prepared by the committee's minority staff. I am informed that the committee is still working on hearings and reports on this subject.

Congressman JOHN ASHBROOK did not predict the present wave of kidnapings by looking in a crystal ball. Our intelligent and knowledgeable colleague has maintained a careful watch over the activities of subversives and radicals since his entry into Congress. As a result of his work on the Internal Security Committee he has made a valuable contribution to our understanding of the subversive threat to American freedom and tranquillity.

Mr. Speaker, the House Committee on Internal Security is a valuable and hardworking committee of this Congress. The chairman of the committee has pointed out that staff had to be curtailed as a result of appropriation cuts in the recent past. Despite these cuts the committee has produced a massive amount of valuable information for Congress and the public on the threats to internal security. I urge my colleagues to support the work of this committee. I urge you to vote in favor of the committee's appropriation of $475,000.

Mr. SCHERLE. Mr. Speaker, during 1969 and 1970 I was privileged to serve on the Committee on Internal Security and to participate actively in its investigations of the subversive leadership and activities of such organizations as Students for a Democratic Society; the Communist Party, U.S.A.; the Black Panther Party; and the New Mobilization Committee To End the War in Vietnam.

During my 2 years on the committee, we also considered proposed legislation dealing with such problem areas as industrial, vessee, and port security; obstruction of Armed Forces; repeal of the Emergency Detention Act, which was title II of the Internal Security Act of 1950; and the administration of the Subversive Activities Control Act and the Federal Civilian Employee Loyalty-Security program.

During 1970 the committee also undertook what developed into a continuing inquiry into the theory and practice of communism. We heard witnesses who had fled the tyranny of the Soviet Union, Cuba, and Czechoslovakia, as well as the expert testimony of Dr. William Kintner, one of America's most outstanding experts on communism.

After 1970 I had to resign from the Internal Security Committee in order to accept a seat on the House Appropriations Committee, but my belief in the work of the House Committee on Internal Security has not diminished. If anything, it has grown stronger with each year as I have watched it continuing to investigate the activities of those who are trying to besmirch and destroy this country.

I have noted, for example, that the committee has held extremely informative and valuable hearings on proposed legislation designed to control travel by supposed Americans to areas of the world, such as Southeast Asia, where we have been engaged in armed hostilities. During these hearings, much attention has been paid to the plight of our POW's who had to suffer torture and systematic degradation in Vietnamese Communist prisoner of war camps.

Such efforts are of great value, for the legislation considered by the Internal Security Committee during 1972 and 1973 would fill a gap in our law that badly needs filling. There is no excuse for people like Jane Fonda, Dave Dellinger, and others of that sort being able to travel to Hanoi to give aid and comfort to the enemy without effective legal sanction. But the House Committee on Internal Security is trying to do something about it, and I think we owe them our strongest possible support.

The committee's efforts to bring the POW problem to our attention take me back to December of 1969 when we heard the testimony of Lt. Robert Frishman and Petty Officer Douglas Hegdahl of the U.S. Navy. Both have been POW's in Vietnam and had been released to a so-called American "peace" delegation. It was both fascinating and, at the same time, horrifying to sit and listen to the testimony of these brave young Americans who had been through torture and were not afraid to speak out and tell the American people the truth of what they had seen.

Now the Internal Security Committee has undertaken a most significant new inquiry into the terrorist problem. We are all aware of the problem now because of the kidnaping of Patricia Hearst by the Symbionese Liberation Army. The Mexican branch now claims credit for the kidnaping of U.S. Diplomat John Patterson. But I wonder whether all of my distinguished colleagues here today are aware that the Internal Security Committee has issued an excellent monograph on the nature of the SLA and the subversive backgrounds of those known to be connected with it.

Each member of this House should read the committee study and see for himself just what sort of effort the Committee on Internal Security puts forth to inform us of current internal security problems. In all probability the committee's inquiry into terrorism may well result in a major legislative proposal designed to deal with the problem, demonstrating once again the need for this committee and its expert staff.

Mr. Speaker, I have seen the Committee on Internal Security at first hand, as a former member, and I know what it does and how scrupulously it goes about doing it. I know that we need this committee and that the only way to investigate and legislate at all intelligently in the sensitive area of internal security is to preserve it and to grant it adequate funding.

Therefore, Mr. Speaker, I add my voice to those of my colleagues and urge the approval of the full appropriation request of the Committee on Internal Security.

Mr. HARRINGTON. Mr. Speaker, once again we are witnessing the annual spectacle of the House debate on the validity of the Committee on Internal Security. To my mind, the usefulness of this committee—which used to gain its notoriety as the House Committee on Un-American Activities—HUAC—is no longer even a question. Yet, once again, we are asked to approve funds for HISC, despite the continued inability of this committee to demonstrate one shred of value. I urge my colleagues in the House to reject House Resolution 937, which would provide $475,000—on top of more than $250,000 automatically received by the committee—to continue the existence of this archaic committee.

Last year, during the first session of the 93d Congress, an average of 579 bills were referred to each of the 21 standing committees of the House. Of the total of 12,150, only 13 bills were referred to HISC. Eight of these 13 were duplicate bills. As for the remaining five bills, it is uncertain whether the House Internal Security Committee had proper jurisdiction over them in any case.

Public hearings and committee reports by HISC are few and far between. A total of 21 days of public hearings were held by HISC last year, and, the committee met only 28 times in any form. In fact, since the committee's first organization—as the so-called Dies committee in 1938, only six bills reported by the committee have become law. Of 174 contempt citations issued by HISC up to 1970, 142 have failed in the courts. The truth is that HISC is a continuing waste of the taxpayer's money, and the maintenance of thousands of ill-controlled dossiers on American citizens is an insult—and a menace—to the civil liberties guaranteed by the Constitution.

The funding resolution we are now considering would perpetuate—to the tune of nearly a half million dollars—the practice of this House in throwing more and more good money after bad. For a committee with a legislative function just short of invisible—to judge by the record—a staff of 42 individuals is rather large. Principally, this staff is used to maintain the committee's investigations and compilation of data on alleged un-American activities of individuals and organizations. What the committee finds, through its often slipshod work, then works its way into the files for which the committee has deservedly gained ill repute.

More than 25 Government agencies and departments use the HISC files for preemployment checks, although in recent years checks have diminished substantially. In 1967 the Civil Service Commission used HISC files 288,000 times, while in 1972 the number of searches fell to 20,000. The reason for this is that 95 percent of the data in the HISC files is discarded by the Civil Service Commission, and the information gained from the files is of very doubtful value.

Even if used less, the maintenance of HISC files is open to serious criticism. In the first instance, we might ask by what authority the executive agencies and departments utilize these files. There is no such authority. In fact, it would seem far more proper, in view of the separation of powers, for the executive agencies to do their own security checks. In this regard, I have no doubt that the Justice Department has every necessary capability to assume the functions that HISC presently pretends to do. A further question, of course, is whether a free society can tolerate any sort of organized supervision as is at the core of HISC.

It seems to me that committees exist to review, develop and refine legislation, and to carry out certain oversight functions. HISC does not fit this mold. Its legislative output is virtually nonexistent, and its nominal functions are best reserved to the judicial or executive branches—as they are of a police or intelligence character—not the Congress.

As I am sure is known to this House, the Select Committee on Committees has urged that HISC be eliminated and that its functions be transferred to the Committee on Government Operations. I concur in part and disagree in part. There is little question that the need for HISC, if it ever existed, is now long gone. But to transfer its functions to the Government Operations Committee—rather than the Judiciary Committee, which would be better equipped to consider internal security issues—seems more a function of internal politics within the House than sensible, functional division of jurisdictional responsibilities.

In view of the Committee on Committees report, I cannot see any justification for pumping another $475,000 down the drain to support HISC. I urge that my colleagues reject House Resolution 937.

Mr. THOMPSON of New Jersey. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appear to have it.

Mr. EDWARDS of California. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 247, nays 86, not voting 99, as follows:

[Roll No. 124]

YEAS—247

Abdnor
Alexander
Anderson, Ill.
Andrews, N. Dak.
Archer
Arends
Armstrong
Ashbrook
Bafalis
Baker
Barrett
Bauman
Beard
Bennett
Biester
Blackburn
Bray
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Clancy
Clark
Clawson, Del
Cleveland
Cochran
Cohen
Collier
Collins, Tex.
Conable
Cotter
Coughlin
Crane
Cronin
Daniel, Dan
Daniels, Dominick V.
Davis, Ga.
Davis, Wis.
de la Garza
Delaney
Dellenback
Denholm
Dennis
Dent
Derwinski
Devine
Downing
Duncan
du Pont
Edwards, Ala.
Esch
Eshleman
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Flood
Flynt
Fountain
Frelinghuysen
Fulton
Fuqua
Gaydos
Gibbons
Gilman
Ginn
Gonzalez
Goodling
Green, Oreg.
Griffiths
Gross
Grover
Gubser
Gunter
Haley
Hamilton
Hanley
Hanrahan
Hansen, Idaho
Hansen, Wash.
Hastings
Hays
Hébert
Henderson
Hillis
Hogan
Holt
Horton
Huber
Hudnut
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Kemp
Ketchum
Kluczynski
Lagomarsino
Landgrebe
Landrum
Latta
Lent
Litton
Lott
McClory
McCollister
McDade
McEwen
McFall
Mahon
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mayne
Melcher
Michel
Miller
Mills
Minish
Minshall, Ohio
Mitchell, N.Y.
Mizell
Mollohan
Montgomery
Moorhead, Calif.
Morgan
Murphy, N.Y.
Murtha
Myers
Natcher
Nelsen
Nichols
O'Brien
O'Neill
Parris
Passman
Patten
Perkins
Pettis
Peyser
Pike
Powell, Ohio
Preyer
Price, Ill.
Price, Tex.
Railsback
Randall
Rarick
Regula
Rhodes
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Roush
Roy
Ruth
Sandman
Sarasin
Satterfield
Scherle
Schneebeli
Sebelius
Shipley
Shoup
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, J. William
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stratton
Stuckey
Symington
Symms
Taylor, Mo.
Taylor, N.C.
Teague
Thomson, Wis.
Thone
Thornton
Treen
Udall
Ullman
Vander Jagt
Veysey
Vigorito
Waggonner
Walsh
Wampler
Ware
White
Whitehurst
Whitten
Widnall
Wiggins
Wilson, Charles, Tex
Winn
Wyatt
Wydler
Wylie
Wyman
Yatron
Young, Alaska
Young, S.C.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—86

Adams
Addabbo
Anderson, Calif.
Annunzio
Ashley
Aspin
Badillo
Bergland
Boland
Brademas
Brasco
Brown, Calif.
Burke, Calif.
Burton
Collins, Ill.
Danielson
Dellums
Diggs
Donohue
Drinan
Edwards, Calif.
Eilberg
Evans, Colo.
Ford
Forsythe
Fraser
Green, Pa.
Gude
Harrington
Hawkins
Hechler, W. Va.
Helstoski
Holifield
Holtzman
Hungate
Johnson, Colo.
Karth
Kastenmeier
Koch
Kyros
Leggett
Long, La.
Long, Md.
Luken
McCloskey
McCormack
McKay
Madden
Mallary
Mazzoli
Meeds
Metcalfe
Mezvinsky
Mink
Mitchell, Md.
Moakley
Moorhead, Pa
Mosher
Moss
Nedzi
O'Hara
Podell
Pritchard
Rangel
Rees
Reuss
Riegle
Rosenthal
Roybal
Ryan
St Germain
Sarbanes
Schroeder
Seiberling
Stanton, James V.
Stark
Studds
Thompson, N.J.
Tiernan

Van Deerlin
Vanik
Whalen
Wilson, Charles H., Calif.
Wolff
Yates
Young, Ill.

NOT VOTING—99

Abzug
Andrews, N.C.
Bell
Bevill
Biaggi
Bingham
Blatnik
Boggs
Bolling
Bowen
Breaux
Camp
Carey, N.Y.
Chisholm
Clausen, Don H.
Clay
Conlan
Conte
Conyers
Corman
Culver
Daniel, Robert W., Jr.
Davis, S.C.
Dickinson
Dingell
Dorn
Dulski
Eckhardt
Erlenborn
Flowers
Foley
Frenzel
Frey
Froehlich
Gettys
Giaimo
Goldwater
Grasso
Gray
Guyer
Hammerschmidt
Hanna
Harsha
Heckler, Mass.
Heinz
Hicks
Hinshaw
Hosmer
Howard
Johnson, Pa.
Jones, Ala.
Jones, Tenn.
Jordan
Kazen
King
Kuykendall
Lehman
Lujan
McKinney
McSpadden
Macdonald
Madigan
Mann
Maraziti
Mathis, Ga.
Matsunaga
Milford
Murphy, Ill.
Nix
Obey
Owens
Patman
Pepper
Pickle
Poage
Quie
Quillen
Reid
Rooney, N.Y.
Rose
Rostenkowski
Rousselot
Runnels
Ruppe
Shriver
Steele
Stephens
Stokes
Stubblefield
Sullivan
Talcott
Towell, Nev.
Vander Veen
Waldie
Williams
Wilson, Bob
Wright
Young, Fla.
Young, Ga.

So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Rooney of New York for, with Mr. Obey against.

Mr. Rostenkowski for, with Mrs. Chisholm against.

Mr. Bevill for, with Mr. Carey of New York against.

Mr. Stephens for, with Ms. Abzug against.

Mr. Stubblefield for, with Mr. Dingell against.

Mrs. Sullivan for, with Mr. Bingham against.

Mr. Breaux for, with Mr. Giaimo against.

Mr. Davis of South Carolina for, with Mr. Blatnik against.

Mr. Hicks for, with Mr. Nix against.

Mr. Jones of Tennessee for, with Mr. Stokes against.

Mr. Kazen for, with Mr. Conyers against.

Mr. Mann for, with Mr. Howard against.

Mr. Mathis of Georgia for, with Mr. Macdonald against.

Mr. Pepper for, with Mr. Clay against.

Mr. Dorn for, with Mr. Reid against.

Mr. Flowers for, with Mr. Young of Georgia against.

Mr. Gettys for, with Mr. Waldie against.

Mr. Pickle for, with Mr. Biaggi against

Mr. Runnels for, with Mr. Corman against.

Mr. Wright for, with Mr. Culver against.

Mr. Dickinson for, with Mr. Eckhardt against.

Mr. Kuykendall for, with Mr. Hanna against.

Mr. Rousselot for, with Ms. Jordan against.

Mr. Rose for, with Mr. Heinz against.

Mr. Guyer for, with Mr. Murphy of Illinois against.

Until further notice:

Mrs. Boggs with Mr. Vander Veen.

Mr. Gray with Mr. Owens.

Mr. Andrews of North Carolina with Mr. Conte.

Mr. Dulski with Mr. Frenzel.

Mr. Foley with Mr. Hammerschmidt.

Mr. Jones of Alabama with Mr. McSpadden.

Mr. Lehman with Mr. Don H. Clausen.

Mr. Matsunaga with Mr. Camp.

Mr. Milford with Mr. Bell.

Mr. Patman with Mr. Harsha.

Mr. Bowen with Mrs. Heckler of Massachusetts.

Mrs. Grasso with Mr. Hosmer.

Mr. Johnson of Pennsylvania with Mr. Madigan.

Mr. King with Mr. McKinney.

Mr. Lujan with Mr. Quie.

Mr. Maraziti with Mr. Ruppe.

Mr. Quillen with Mr. Steele.

Mr. Shriver with Mr. Williams.

Mr. Towell of Nevada with Mr. Frey.

Mr. Bob Wilson with Robert W. Daniels, Jr.

Mr. Young of Florida with Mr. Erlenborn.

Mr. Froehlich with Mr. Goldwater.

Mr. Conlan with Mr. Talcott.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. THOMPSON of New Jersey. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 12253, AMENDING GENERAL EDUCATION PROVISIONS ACT

Mr. PERKINS. Mr. Speaker, I ask unanimous consent that the managers have until midnight tonight to file the conference report on H.R. 12253, to amend the General Education Provisions Act to provide that funds appropriated for applicable programs for fiscal year 1974 shall remain available during the succeeding fiscal year and that such funds for fiscal year 1973 shall remain available during fiscal years 1974 and 1975.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

APPOINTMENT OF CONFEREES ON S. 39, ANTIHIJACKING ACT OF 1974

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 39) to amend the Federal Aviation Act of 1958 to provide a more effective program to prevent aircraft piracy and for other purposes, with House amendments thereto, insist on the House amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia? The Chair hears none, and appoints the following conferees: Messrs. STAGGERS, JARMAN, DINGELL, DEVINE, and KUYKENDALL.

PUBLICATION OF MATERIAL RELATING TO THE CONSTITUTIONAL RIGHTS OF INDIANS

Mr. EDWARDS of California. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 969) relating to the constitutional rights of Indians.

The Clerk read as follows:

S. 969

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (c) of section 701 of title VII of the Act entitled "An Act to prescribe penalties for certain acts of violence or intimidation, and for other purposes", approved April 11, 1968, is amended to read as follows:

"(c) There is authorized to be appropriated for carrying out the provisions of this title such sum as may be necessary.".

The SPEAKER. Is a second demanded?

Mr. McCLORY. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considerd as ordered.

There was no objection.

The SPEAKER. The gentleman from California (Mr. EDWARDS) will be recognized for 20 minutes, and the gentleman from Illinois (Mr. McCLORY) will be recognized for 20 minutes.

The Chair now recognizes the gentleman from California (Mr. EDWARDS).

Mr. EDWARDS of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the House Committee on the Judiciary, by unanimous vote, reported out favorably S. 969, a copy of which is before you.

S. 969 was introduced to amend subsection (c) of section 701, title VII, of the Civil Rights Act of 1968, to authorize the appropriation of funds for the printing of certain legal materials relating to the constitutional rights of American Indians. This subsection of the Civil Rights Act authorized and directed the Secretary of the Interior to revise and update a massive compilation of legal materials and to have them printed as a Government publication at the Government Printing Office. This subsection contained an authorization for the appropriation of the necessary sum "with respect to the preparation but not including printing" of these items. S. 969 would authorize the appropriation of funds for the printing of these Indian law materials by rewriting the pertinent subsection to read:

> There is authorized to be appropriated for carrying out the provisions of this Title such sums as may be necessary.

This revision would eliminate the exclusion of printing from the purposes for which money could be appropriated. Let it be understood that these materials have been completely prepared and stand ready to be printed. The years of work that have gone into this important project would seem needlessly stifled at this point by denying that appropriation. The Department of Interior has projected that the cost of the printing will be approximately $330,000.

Therefore, Mr. Speaker, I urge my colleagues to support S. 969.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. EDWARDS of California. I yield to the gentleman from Iowa.

Mr. GROSS. I thank the gentleman for yielding.

I will ask the gentleman, Is this a one-shot affair or is it anticipated that printing costs will be continued?

Mr. EDWARDS of California. This is a one-shot affair, I will tell the gentleman from Iowa.

Mr. GROSS. I thank the gentleman.

Mr. McCLORY. Mr. Speaker, the gentleman from California has adequately explained this legislation. It is supported by the Department of the Interior.

Mr. Speaker, I have no requests for time, and I urge favorable support of this legislation.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. EDWARDS) that the House suspend the rules and pass the Senate bill (S. 969).

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

AMENDING THE ACT ENTITLED "AN ACT TO INCORPORATE THE AMERICAN HOSPITAL OF PARIS"

Mr. EDWARDS of California. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1836) to amend the Act entitled "An Act to Incorporate the American Hospital of Paris," approved January 30, 1913 (37 Stat. 654).

The Clerk read as follows:

S. 1836

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 4 of the Act entitled "An Act to incorporate the American Hospital of Paris", approved January 30, 1913 (37 Stat. 654), is amended by deleting "nor more than twenty".

(b) Section 6 of such Act is amended by deleting "an equal number of" wherever it appears therein.

The SPEAKER. Is a second demanded?

Mr. McCLORY. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. EDWARDS of California. Mr. Speaker, the House Committee on the Judiciary, by unanimous vote, reported out favorably S. 1836, a copy of which is before you.

S. 1836 is a proposed amendment to the Federal charter of the American Hospital of Paris. It would remove the limitation on the maximum number of members on the hospital's board of governors. By its charter, its board of governors is now limited to 20 members. It is now proposed to eliminate this restriction so that, as recommended by its management consultants, the hospital may broaden its board membership to include more individuals, preferably in the lower age bracket, who evidence some interest in the hospital and who hopefully might be in a position to help financially. The amendment would make it possible for the American Hospital of Paris to more easily raise more money for the modernization and expansion of its facilities. There is no money involved in this bill.

Therefore, Mr. Speaker, I urge my colleagues to support S. 1836.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. EDWARDS of California. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, I thank the gentleman from New Jersey for yielding.

We already have a board of directors of 20 and I assume that this will increase the number of directors. Is that not correct?

Mr. EDWARDS of California. That is correct.

Mr. GROSS. In all conscience how large do they expect to increase this board of directors, by how many?

Mr. EDWARDS of California. This legislation would enable the American Hospital in Paris to increase its board of governors to 30 from 20. They are undertaking a redevelopment and expansion program of the hospital in Paris, and they feel a wider base, including younger people, for the board of governors would not only help them in creating a spirit of more cooperation but also would aid in financing the hospital privately. Most of the money for the hospital is raised privately and a larger board of directors would aid them in this program.

Mr. GROSS. What is the amount of money they expect to raise?

Mr. EDWARDS of California. I believe we have the program here.

Mr. McCLORY. Mr. Speaker, if the gentleman will yield. I believe the report shows they are trying to raise $25 million.

Mr. EDWARDS of California. Yes.

Mr. GROSS. If the gentleman will yield further, can this legislation be interpreted in any way as committing the Federal Government to appropriate funds for this purpose?

Mr. EDWARDS of California. In no way is this an authorization for an appropriation bill.

Mr. GROSS. And it will not be so construed in the future?

Mr. EDWARDS of California. It will not be so construed certainly by any member of the House Judiciary Committee, I assure the gentleman.

Mr. GROSS. And the gentleman is willing to let the record show that this legislation is in no way designed at a later date to commit the Federal Government to any funds?

Mr. EDWARDS of California. That is correct.

Mr. GROSS. I thank the gentleman.

Mr. EDWARDS of California. Mr. Speaker, I yield to the gentleman from Texas (Mr. BROOKS) such time as he may consume.

Mr. BROOKS. Mr. Speaker, as you know, I introduced legislation identical to the bill we now have under consideration and I am hopeful that S. 1836 will receive favorable approval today.

By the charter of the American Hospital in Paris, the board of governors is limited to 20 members, and each seat on the board is currently filled. This bill proposes to eliminate this restriction. The hospital could then offer board membership to certain individuals—both men and women preferably in the lower age bracket—who represent our country in business and Government and who evidence some interest in maintaining and promoting better health services. They would hopefully be in a position to help financially, either themselves or through contact with other individuals who might become contributors.

This hospital was founded in 1910, and was incorporated by an act of Congress (37 Stat. 654), approved January 30, 1913, as a nonprofit institution for the express purpose of serving Americans, with or without funds, residing or traveling in France. Through the years, it has earned an international reputation for providing outstanding medical care to its patients.

The complex task of managing this hospital is made even more complicated by the effort currently being made to expand the facilities and to rebuild and modernize many of the buildings, some of which date back to 1910, and are no longer useful or economical to operate.

Working with the help of U.S. management engineers, the American Hospital has also begun to improve further the quality of its health care delivery system by developing a biological and scientific research institute as part of the hospital complex. This they expect will lead to an even greater exchange of scientific ideas and talent. In this connection, some financial assistance through AID's program to help American schools and hospitals abroad is anticipated. However, the major part of the money needed for the project will be privately subscribed.

According to the hospital's consultants, the demand for the use of the hospital facilities will more than double over the next 7 to 10 years. This amendment to the charter will allow the hospital to expand its board of governors to help it meet the continuing challenge to provide medical care to the American community of Paris.

Mr. McCLORY. Mr. Speaker, I rise in support of this bill.

The Board of Governors for the American Hospital of Paris are not now paid and will not be paid out of public funds. This legislation will enable them to carry on the operation of the hospital through private financing in a more efficient way.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, I thank the gentleman for yielding.

I was not alluding to the board of directors as becoming a burden upon the taxpayers of this country. I am particularly interested in whether this legislation by increasing the board of directors would in any way imply that this Government will be called upon to finance any part of the expansion of this private hospital in Paris.

Mr. McCLORY. There is nothing in the legislation which would authorize the expenditure of Federal funds.

Mr. GROSS. Nor is it designed for that purpose?

Mr. McCLORY. That is not the intention of the committee in recommending this legislation.

Mr. GROSS. I thank the gentleman.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. EDWARDS) that the House suspend the rules and pass the Senate bill S. 1836.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

AMENDING ACT OF FEBRUARY 24, 1925, INCORPORATING THE AMERICAN WAR MOTHERS

Mr. EDWARDS of California. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 2441) to amend the act of February 24, 1925, incorporating the American War Mothers, to permit certain stepmothers and adoptive mothers to be members of that organization.

The Clerk read as follows:

S. 2441

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 7 of the Act entitled "An Act to incorporate the American War Mothers", approved February 24, 1925, as amended (36 U.S.C. 97), is amended by inserting after "her son or sons or daughter or daughters of her blood" the following: ", her legally adopted son or sons or legally adopted daughter or daughters, or her stepson or stepsons or stepdaughter or stepdaughters".

The SPEAKER pro tempore (Mr. McFALL). Is a second demanded?

Mr. McCLORY. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

Mr. EDWARDS of California. Mr. Speaker, the House Committee on the Judiciary, by unanimous vote, reported out favorably S. 2441, a copy of which is before you.

S. 2441 would be a simple amendment to the Federal charter of the American War Mothers. It would permit the stepmothers and adoptive mothers of persons who served in any war or conflict involving the United States to be members of that organization, which is now limited to mothers by blood. It now seems grossly unfair to the organization to deny membership on this basis and they have petitioned Congress to change their charter to now alter the qualifications for membership.

Therefore, Mr. Speaker, I urge my colleagues to support S. 2441.

Mr. McCLORY. Mr. Speaker, I ask for a favorable vote on this legislation.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. EDWARDS) that the House suspend the rules and pass the Senate bill S. 2441.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. EDWARDS of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the three resolutions just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

PROVIDING THAT INCUMBENT LIBRARIAN OF CONGRESS BE DEEMED A CONGRESSIONAL EMPLOYEE

Mr. NEDZI. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 13515) to provide that the incumbent Librarian of Congress shall on certain conditions be deemed a congressional employee for civil service retirement purposes.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding any other provision of law, that individual who is Librarian of Congress on the date of the enactment of this Act shall, if such individual is separated from the civil service not later than thirty days after such enactment, and upon deposit by him of an amount equal to the difference between the retirement deductions actually made from his compensation and the retirement deductions which would have been made had the Librarian of Congress been deemed a congressional employee prior to the date of the enactment of the Act, plus 3 per centum interest compounded annually, be deemed a congressional employee for the full period of his creditable service as Librarian of Congress for the purposes of computation of his annuity under section 8339 of title 5 of the United States Code.

The SPEAKER pro tempore. Is a second demanded?

Mr. BUTLER. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

Mr. NEDZI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 13515 would confer on the incumbent Librarian of Congress congressional-employee status for retirement purposes on the fulfillment of two conditions: First, that the Librarian resign that position within 30 days after enactment of the bill; and second, that he pay the difference, plus 3 percent compound interest, between his pension contributions as a civil service employee and those paid by congressional employees over the same time period.

Section 8335 of title 5, United States Code, provides that Federal employees who have served 15 years or more must resign by the end of the pay period following the attainment of age 70 unless specifically exempted therefrom by the President. The Librarian, Dr. L. Quincy Mumford, celebrated his 70th birthday on December 11, 1973. On December 30, 1973, the President issued Executive Order 11757 exempting Dr. Mumford from mandatory retirement before December 31, 1974. It is my understanding that the administration has begun a search for a successor. A great many individuals are reportedly under consideration.

The Joint Committee on the Library, which I chaired, last December took up the question of the continued tenure of the Librarian in view of the ongoing construction of a third Library building and the expansion of Library operations and services. The latter include pilot programs on the preservation of rare book materials and national dissemination of bibliographic data, automation of bibliographic facilities and the central charge file, the increased role of the Copyright Office subsequent to anticipated copyright revision legislation, and the expansion and improvement of the Congressional Research Service.

The joint committee concluded that, given these factors, the expeditious appointment of a new Librarian would be in the best interests of that institution, the Congress, and the public. It also agreed that given the close relationship between the Congress and the Library, it would be appropriate to designate the Librarian as a congressional employee, at least for retirement purposes.

Accordingly, the joint committee has endorsed this legislative approach to insure the speedy selection of a successor to provide a continuity of leadership during an important growth period. This will in turn make it possible for the various Library components to better serve the needs of the Congress and of the Library's worldwide clientele. I urge the adoption of H.R. 13515.

Mr. BUTLER. Mr. Speaker, will the gentleman yield?

Mr. NEDZI. Mr. Speaker, I yield to the gentleman from Virginia.

Mr. BUTLER. Mr. Speaker, I would like to ask the gentleman from Michigan to answer a question with reference to this bill.

Is it accurate to say that this legislation concerns only one person, the present Librarian of Congress?

Mr. NEDZI. Mr. Speaker, that is correct.

Mr. BUTLER. Mr. Speaker, when, in the course of events, is the present appointment of the Librarian scheduled to expire?

Mr. NEDZI. In the course of events, December 31, 1974.

However, as the gentleman knows, his original term of appointment expired December 31, 1973.

Mr. BUTLER. Mr. Speaker, in the event that the Librarian then chooses to retire, either presently or between now and December 31, 1974, what would his annual retirement benefits be?

Mr. NEDZI. Mr. Speaker, his annual

retirement benefits under existing circumstances would be $15,068 a year. Under the terms of the legislation, the benefits would be $20,715, with the proviso that he contribute some $855, plus 3 percent compound interest, into the fund.

Mr. BUTLER. Has the gentleman undertaken to calculate the actual cost to the Librarian of this increase in annual benefits of some $6,000?

Mr. NEDZI. Yes. Mr. Speaker, I have just stated what the contribution would be.

Mr. BUTLER. That would be $800 or so, plus 3 percent, over how many years?

Mr. NEDZI. Plus 3 percent compound interest, over the period of his employment with the Library of Congress, which is 21 years, 2 months, and 21 days, as of the end of the fiscal year.

Mr. BUTLER. Mr. Speaker, I thank the gentleman.

Mr. NEDZI. Mr. Speaker, I have no further requests for time.

Mr. BUTLER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, however meritorious the legislation might be, I would like to share with the membership this bit of information concerning exactly what we are doing in terms of dollars.

All employees of the Library of Congress are presently covered by the standard civil service retirement system. This legislation would bring one employee—the present Librarian—under the congressional retirement system which has greater benefits.

In effect, the Librarian of Congress would be required to pay approximately $900 into the congressional retirement fund and his annual retirement compensation would thereupon be increased by something between $5,000 and $6,000 a year.

This is a pretty good deal, when we analyze it.

Now, Mr. Speaker, I cannot conscientiously support the use of conditionally improved retirement benefits for this purpose. That is exactly what it is, because he has got to act upon this legislation within 30 days, or he does not get the benefit of it. I cannot conscientiously support the use of this conditionally improved retirement benefit as a means of purchasing the retirement of an Executive employee, however desirable that situation might be in this instance.

Therefore, Mr. Speaker, I urge my colleagues to vote against the legislation, and I shall do likewise.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan (Mr. NEDZI) that the House suspend the rules and pass the bill H.R. 13515.

The question was taken.

Mr. SEBELIUS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 103, nays 226, not voting 103, as follows:

[Roll No. 125]

YEAS—103

Adams
Alexander
Annunzio
Armstrong
Badillo
Barrett
Bergland
Bingham
Blatnik
Brademas
Brasco
Bray
Breckinridge
Brown, Calif.
Burke, Calif.
Burke, Mass.
Burton
Byron
Carney, Ohio
Casey, Tex.
Cederberg
Chamberlain
Clark
Collins, Ill.
Daniels, Dominick V.
Davis, Ga.
Dellums
Denholm
Diggs
Donohue
Edwards, Calif.
Eilberg
Esch
Evins, Tenn.
Fascell
Flood
Ford
Fraser
Frelinghuysen
Fuqua
Ginn
Green, Oreg.
Gude
Hansen, Idaho
Harrington
Hawkins
Helstoski
Holt
Holtzman
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jordan
Karth
Kastenmeier
Koch
Kyros
Landrum
Leggett
Long, La.
McFall
Madden
Mazzoli
Meeds
Metcalfe
Miller
Mills
Mink
Minshall, Ohio
Mitchell, Md.
Mollohan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Nedzi
O'Hara
Patten
Podell
Preyer
Rangel
Reuss
Riegle
Rodino
Roe
Roncalio, Wyo.
Rooney, Pa.
Rosenthal
Ryan
St Germain
Sarbanes
Staggers
Stanton, James V.
Steed
Stuckey
Thompson, N.J.
Udall
Ware
Whalen
White
Wyatt
Young, Alaska
Zablocki

NAYS—226

Abdnor
Addabbo
Anderson, Calif.
Andrews, N. Dak.
Archer
Arends
Ashbrook
Ashley
Aspin
Bafalis
Baker
Bauman
Beard
Bennett
Biester
Blackburn
Boland
Brinkley
Broomfield
Brotzman
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Butler
Carter
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Collins, Tex.
Conable
Cotter
Coughlin
Crane
Cronin
Daniel, Dan
Danielson
Davis, Wis.
de la Garza
Delaney
Dellenback
Dennis
Dent
Derwinski
Devine
Downing
Drinan
Duncan
du Pont
Edwards, Ala.
Eshleman
Evans, Colo.
Findley
Fish
Fisher
Flynt
Forsythe
Fountain
Fulton
Gaydos
Gibbons
Gilman
Gonzalez
Goodling
Green, Pa.
Griffiths
Gross
Grover
Gubser
Gunter
Haley
Hamilton
Hanley
Hanna
Hanrahan
Hastings
Hébert
Hechler, W. Va.
Henderson
Hillis
Hogan
Horton
Huber
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Colo.
Kemp
Ketchum
Kluczynski
Lagomarsino
Landgrebe
Latta
Lent
Litton
Long, Md.
Lott
Luken
McClory
McCloskey
McCollister
McDade
McKay
Macdonald
Madigan
Mahon
Mallary
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mayne
Melcher
Mezvinsky
Michel
Minish
Mitchell, N.Y.
Mizell
Moakley
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Murtha
Myers
Natcher
Nelsen
Nichols
Obey
O'Brien
O'Neill
Parris
Passman
Perkins
Pettis
Peyser
Pike
Powell, Ohio
Price, Ill.
Price, Tex.
Pritchard
Railsback
Randall
Rarick
Regula
Rhodes
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Rogers
Roncallo, N.Y.
Roush
Roy
Roybal
Ruth
Sandman
Sarasin
Satterfield
Scherle
Schroeder
Sebelius
Seiberling
Shipley
Shoup
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Stanton, J. William
Stark
Steelman
Steiger, Ariz.
Stratton
Studds
Symington
Symms
Taylor, Mo.
Taylor, N.C.
Teague
Thomson, Wis.
Thone
Thornton
Tiernan
Treen
Ullman
Van Deerlin
Vander Jagt
Vanik
Veysey
Vigorito
Waggonner
Walsh
Wampler
Whitehurst
Whitten
Widnall
Wiggins
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wydler
Wylie
Wyman
Yates
Yatron
Young, Ill.
Young, S.C.
Young, Tex.
Zion
Zwach

NOT VOTING—103

Abzug
Anderson, Ill.
Andrews, N.C.
Bell
Bevill
Biaggi
Boggs
Bolling
Bowen
Breaux
Brooks
Camp
Carey, N.Y.
Chappell
Chisholm
Clay
Cohen
Collier
Conlan
Conte
Conyers
Corman
Culver
Daniel, Robert W., Jr.
Davis, S.C.
Dickinson
Dingell
Dorn
Dulski
Eckhardt
Erlenborn
Flowers
Foley
Frenzel
Frey
Froehlich
Gettys
Giaimo
Goldwater
Grasso
Gray
Guyer
Hammerschmidt
Hansen, Wash.
Harsha
Hays
Heckler, Mass.
Heinz
Hicks
Hinshaw
Holifield
Hosmer
Howard
Johnson, Pa.
Jones, Ala.
Jones, Tenn.
Kazen
King
Kuykendall
Lehman
Lujan
McCormack
McEwen
McKinney
McSpadden
Mann
Maraziti
Mathis, Ga.
Matsunaga
Milford
Nix
Owens
Patman
Pepper
Pickle
Poage
Quie
Quillen
Rees
Reid
Rooney, N.Y.
Rose
Rostenkowski
Rousselot
Runnels
Ruppe
Schneebeli
Shriver
Steele
Steiger, Wis.
Stephens
Stokes
Stubblefield
Sullivan
Talcott
Towell, Nev.
Vander Veen
Waldie
Williams
Wilson, Bob
Wright
Young, Fla.
Young, Ga.

So (two-thirds not having voted in favor thereof), the motion was rejected.

The clerk announced the following pairs:

Mr. Rostenkowski with Mr. Owens.

Mr. Rooney of New York with Mr. Lehman.

Mrs. Grasso with Mr. Cohen.

Mr. Dulski with Mr. Collier.

Mrs. Sullivan with Mr. Conlan.

Mr. Carey of New York with Mr. Anderson of Illinois.

Mr. Howard with Mr. Robert W. Daniel, Jr.

Mr. Rose with Mr. Dickinson.

Mr. Reid with Mr. Goldwater.

Mr. Holifield with Mr. Camp.

Mrs. Chisholm with Mr. Eckhardt.

Mr. Clay with Mr. Corman.

Mr. Stubblefield with Mr. Frenzel.

Mr. Pickle with Mr. Conte.

Mr. Nix with Mr. Foley.

Mrs. Boggs with Mr. Harsha.

Ms. Abzug with Mr. Waldie.

Mr. Giaimo with Mr. Erlenborn.

Mr. Hays with Mr. Hammerschmidt.

Mr. Jones of Alabama with Mr. Guyer.

Mr. Mann with Mr. Frey.

Mr. Mathis of Georgia with Mr. Lujan.

Mr. Matsunaga with Mr. Stokes.

Mr. Andrews of North Carolina with Mr. Hosmer.

Mr. Bevill with Mr. Johnson of Florida.

Mr. Brooks with Mr. Maraziti.

Mr. Davis of South Carolina with Mr. Froehlich.

Mr. Dingell with Mrs. Heckler of Massachusetts.

Mr. Gettys with Mr. King.

Mr. Pepper with Mr. McEwen.

Mr. Gray with Mr. Heinz.

Mr. Hicks with Mr. Quie.

Mr. Runnels with Mr. Kuykendall.

Mr. Jones of Tennessee with Mr. Rousselot.

Mr. Kazen with Mr. McKinney.

Mr. Stephens with Mr. Quillen.

Mr. Biaggi with Mr. Patman.

Mr. McSpadden with Mr. Bell.
Mr. Young of Georgia with Mrs. Hansen of Washington.
Mr. Bowen with Mr. McCormack.
Mr. Breaux with Mr. Rees.
Mr. Milford with Mr. Ruppe.
Mr. Chappell with Mr. Shriver.
Mr. Conyers with Mr. Culver.
Mr. Dorn with Mr. Schneebeli.
Mr. Flowers with Mr. Steele.
Mr. Wright with Mr. Steiger of Wisconsin.
Mr. Vander Veen with Mr. Talcott.
Mr. Williams with Mr. Towell of Nevada.
Mr. Bob Wilson with Mr. Young of Florida.

The result of the vote was announced as above recorded.

CONGRESSMAN WALSH INTRODUCING LEGISLATION TO APPLY PUBLIC UTILITY CONCEPT TO OIL INDUSTRY

The SPEAKER pro tempore (Mr. McFALL). Under a previous order of the House, the gentleman from New York (Mr. WALSH) is recognized for 5 minutes.

Mr. WALSH. Mr. Speaker, in this month of March we have seen a marked increase in the supply of gasoline. Any number of reasons are given for the increase, but the fact is that we have about 90 percent of what we had at this time last year.

We must not, however, let this good news lull us into complacency. The problem of the shortage will remain with us, although in the short-run it may appear that we have plenty. Steps must be taken to protect the American consumer from potential and actual problems which are both a part of and a result of the structure and functioning of the major oil companies.

The oil companies provide us with vital products and they are in business to make a profit. These two facts, while they are the foundation of our free enterprise system, are very much altered by the fact that the product provided in this case is so vital that a shortage can rock the entire economy of this Nation.

In a famous decision handed down by the Supreme Court in 1877—Munn against Illinois—it was stated:

> Property does become clothed with a public interest when used in a manner to make it of public consequence, and effect the community at large. When, therefore, one devotes his property to a use in which the public has an interest, he, in effect, grants to the public an interest in that use, and must submit to be controlled by the public for the common good . . .

This decision dealt with grain elevators in the Midwest along the Chicago waterfront and marked the beginning of the public utility concept in America. It is my feeling that this concept must be applied to the oil industry for the protection of everyone and I am today introducing legislation toward that end.

Mr. Speaker, my bill utilizes the public utility concept by first establishing an independent regulatory agency consisting of three commissioners who will be appointed by the President with the consent of the Senate.

It will be the job of the commission to set maximum prices for each sale of a refined petroleum product in the United States by a major oil company. This price will be such that the aggregate revenues from the sales will be equal to the sum of allowable operating costs and a fair return on investment in domestic refining and distribution assets.

These assets will be based on the value of assets of the company in the United States to the extent they are used or usable for refining, distributing or selling refined petroleum products which are sold here. The commission will make this determination.

Allowable domestic operating costs are expenses of operation of domestic refining and distribution assets of the company, including the allowable expenses of obtaining crude oil used to conduct such operations and of obtaining refined petroleum products which are not refined by the company.

Expenses with respect to goods and services are allowable only to the extent they are reasonable and do not exceed the fair market value of such goods and services.

Any company which sells at a price higher than the maximum would be subject to a civil penalty of $20,000 per violation and a fine of $20,000 and a jail sentence of 1 year for each violation.

Finally, a major oil company is defined as any major refiner including all affiliates who are engaged to any extent in refining, sale, or distribution of refined petroleum products. A major refiner is one who, together with his affiliates, has an aggregate refining capacity which exceeds 175,000 barrels per day.

Mr. Speaker, I feel this legislation will serve the best interests of the American people and protect them from potentially serious harm from further shortages of petroleum products in the future. The oil industry is vast and its products are one of the cornerstones of our economy. In my opinion, this makes the public utility concept the most likely alternative means of controlling this industry and making it responsive to our needs. I sincerely urge all of my colleagues to join me in support of this legislation and to help speed it into early enactment into law.

THE POSSIBILITY OF DÉTENTE DOES NOT OUTWEIGH THE NECESSITY OF A STRONG DEFENSE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 30 minutes.

Mr. KEMP. Mr. Speaker, we hear much today about détente—the intended relaxation of tensions between the United States and the Soviet Union. We hear much about the contrast between the easy words and rhetoric of détente on the one hand and the more difficult actions and deeds of détente on the other. We hear much too about why we need—or do not need—to maintain a strong national defense during this period of searching for a genuine détente and a lasting peace.

Unfortunately, much of the discussion about détente and defense has been either/or, black-or-white, one or the other. Nothing could be further from the realities which ought to punctuate this debate. For, détente and defense are goals which can be attained only if the one reinforces the other; our search for peace requires a coextensive pursuit of both détente and defense. A détente is impossible of realization unless sufficient defense capabilities make it desirable, and those capabilities are guarantees of the peace during the protracted period of searching for genuine détente.

Since the request was made for supplemental appropriations for the current fiscal year and the President's budget message for fiscal year 1975 was submitted to the Congress, the debate on this issue has intensified. I am not fully confident, however, that all the statements which have been made have been based on careful reflection and examination of our defense needs and the interface between détente and defense. I hope, most sincerely, that philosophical or political predispositions will not overshadow the examination of this issue which needs to be made by every Member. This is no time for emotional reactions; it is a time for careful reflection and hard decisionmaking.

I have spent some considerable time on the testimony of the Secretary of Defense and the chairman of the Joint Chiefs of Staff, as well as the statements of the Secretary of State. These remarks have been buttressed in each instance by volumes of hard data on the state of America's defenses and on the burgeoning defensive and offensive strengths of the Soviet Union, our principal potential adversary. I have come to the conclusion that there is a pressing need for the United States to reinforce its military capabilities.

The United States today bears the principal burden of maintaining the worldwide military equilibrium which is the foundation for the security and the survival of freedom. This is not a role which we have welcomed, for it has been thrust upon us by history and necessity, but it is not a role from which we can run.

Let me examine for a moment the intricacies of this issue from three principal perspectives: the attitudes of our times, the strength of Soviet military might, and the status of U.S. defenses. I think, when all three of these are examined, one will agree with me that the United States should—and must—maintain a strong defense capability as we search for a lasting peace.

THE MOOD OF OUR TIMES

I believe it is clear that in some circles in American today, including some who serve in the Halls of Congress, the attitudes we see, generated to a large degree by our long and disenchanting involvement in Vietnam, as well as overall domestic pressures, are similar in many respects to the attitudes prevailing at the end of World War II or perhaps even worse prior to World War II when our Nation was totally unprepared.

We see the same proposals to "reorder priorities," principally that means to cut back on defense spending and proceed more vigorously on social programs. We hear calls to cut down sharply on U.S. commitment overseas. Yet, we are also faced with a significant buildup of the military capabilities of our principal adversaries, the Soviet Union and Communist China. And, the world is smaller, in strike and response times, today than it was at the end of World War II, making response and protection even more important characteristics of our defense arsenal. This means that we must maintain ready forces—forces actually in being—for today the United States finds itself to be the actual front line of defense, not just "the arsenal of democracy."

There is one striking dissimilarity between now and the period immediately following the Second World War. In an economic sense the most difficult aspect of the world community's problem is the serious problem of allocation of critical materials, shortages which historically put additional pressures on nations to expand their military and economic spheres of influence. In no small measure, this is much, if not most, of what the conflict in the Middle East among the big powers is all about—control of the vast oil fields.

The Secretary of Defense put his fingers firmly on the mood of the country today, and how too much a relaxation in our resolve to maintain a strong defense capability can undercut our means of assuring the peace, in his Annual Department of Defense Report of March 4, 1974:

> We have a long tradition in this country of arming with great haste when war comes upon us, and disarming with even greater haste when the war is over; and we have tended, often, to view our relations with other nations in terms of absolutes—friend or foe, ally or adversary, cold war or detente.
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> * * * * *
>
> Our experience in this country has amply demonstrated that satiating our military establishment in wartime and starving it in peacetime brings us neither peace nor long-term alleviation of the heavy burden of defense. In both blood and treasure, it will cost us less to maintain a reasonably stable level of defense effort until it is possible to achieve genuine mutual reductions in armaments.
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> * * * * *
>
> We would serve ourselves and our allies poorly indeed if we relied solely on fond hopes or soft words while failing to take practical account of improving Soviet capabilities.

As Adm. Thomas H. Moorer, Chairman of the Joint Chiefs of Staff, said recently, one cannot negotiate from a position of inferiority, and until success is achieved in negotiations, we cannot unilaterally reduce our strategic, nuclear, or conventional forces. To do so invites our own destruction.

WHY WE MUST MAINTAIN A STRONG DEFENSE

We must maintain a strong national defense for several reasons, all of which are interrelated.

The best guarantee of the peace is a strong defense. The best deterrent to aggression is a defense so strong that no potential adversary would risk a military engagement with us. The Soviet Union will never risk its own destruction, when such a risk is not only possible, but highly probable, if it attacks the United States.

On some issues one can afford to take the risk of spending too little money. But on defense, one cannot take that risk. to cut corners with our defense budget is to cut corners with the guarantees for our national survival, and the survival of all we stand for and believe in as a Nation. I, too, wish we could spend money we are now spending on defense for meeting other priorities, but we do not live in such a hoped-for world. We must live with the realities of competing interests among nations, and the dangers of war are always greater as nations compete for limited resources—and we are in such a period today. There is only one thing worse than an arms race and that is arms inferiority, for as President John Kennedy once said: "There is no first or second in this race; there is only first and last."

We must also maintain a strong defense as a buttress to our policies of détente. There is no assurance that a real détente will actually come about. No better authority for this view could be cited than the Secretary of State, Dr. Kissinger.

Writing in 1968, Dr. Kissinger observed:

> There have been at least five periods of peaceful coexistence since the Bolshevik seizure of power, one in each decade of the Soviet state. Each was hailed in the West as ushering in a new era of reconciliation and as signifying the long-awaited final change in Soviet purposes.
>
> Each ended abruptly with a period of intransigence, which was generally ascribed to a victory of Soviet hardliners rather than to the dynamics of the system.

Dr. Kissinger's observation rings as true today as it did then. The many steps toward détente—treaties, agreements, SALT, mutual reduction in forces conferences, ostensible cooperation in the emigration of Jews, trade agreements—almost all went out the proverbial window when the Soviets decided to aid the Arabs in the recent Yom Kippur War. Strategic advantages to be had in the Middle East outweighed any perceived advantages to be had through détente. Power politics remained power politics in the Kremlin. Until their words are matched by deeds, we must maintain our national defense.

Our defense commitments reinforce other foreign policy commitments. The might of the United States standing behind our commitment to Israel during the Yom Kippur war is an example of how we can accomplish peaceful objectives by a show of military force. We must never overlook this reinforcement character of our defense ability.

DEFENSE AND THE FEDERAL BUDGET

I think the record needs to be set straight on the subject of how great a share of the total Federal budget is taken by our defense commitment, for there has been too much misleading information on this question.

The defense of our country is, of course, entirely a matter of Federal responsibility. Not one dollar of State or local taxes goes into national defense. This is not true of all the other many categories of government responsibility.

What does this mean?

It means that the share of taxes—Federal, State, and local—which goes for nondefense programs, such as that spent for social welfare measures, is a much larger percentage of taxes in this country than an examination of the Federal budget alone would indicate. State and local government has a great share of the burden for nondefense spending, and we must never overlook their exercise of that responsibility, one which has historically rested on the State and local level.

The facts are clear that defense outlays for fiscal year 1974—in terms of gross national product, total Federal budget outlays, and net public spending—have decreased sharply over the past 10 years.

In fiscal year 1964 defense outlays constituted 8.3 percent of the gross national product; by fiscal year 1974, they were down to 5.9 percent of GNP.

In fiscal year 1964 defense outlays were 41.8 percent of the Federal budget; by fiscal year 1974, they were down to 27.9 percent of the Federal budget.

In fiscal year 1964, defense outlays were 28.1 percent of the net public spending; by fiscal year 1974, they were down to 17.8 percent.

It is wrong, therefore, to assert that we are spending more and more on defense, for we are spending an ever-lessening percentage on defense in terms of the three main indices for judging our spending priorities—gross national product, percentage of Federal budget outlays, and net public spending.

Against this background, let us look at the Soviet military buildup.

THE STATUS OF THE SOVIET BUILDUP

In their Department of Defense and military posture reports for fiscal year 1975, Secretary of Defense Schlesinger and Admiral Moorer depict graphically the extent of the Soviet buildup. There can be little doubt about what we must do, after reviewing these and related documents.

Let me quote from these reports:

> The Soviet Union is making significant improvements in its strategic nuclear forces and, in concert with its partners in the Warsaw Pact, maintains large and ready general purpose forces. These forces are, in fact, the most usable elements of their considerable and diversified military power.
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>
> A development of more recent years is the accelerated improvement in Soviet missile technology. The Soviet Union now has the capability in its missile forces to undertake selective attacks against targets other than cities.
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> The USSR has been pursuing a vigorous strategic R&D program. This we had expected. But its breadth, depth, and momentum as now revealed comes as something of a surprise to us.

I might add, at this point, Mr. Speaker, that the figures which support this last statement show that since 1968 our own research and development has been cut by 21 percent, while Soviet R. & D. has been sustained at a level a full 50 percent higher than ours. Most of our research has, therefore, been limited to "safe bets," while the Soviets, with twice as many projects in motion, are much more likely to come up with farout weapons systems that could make the imbalance of power drastically worse, tipping further the balance of power in their direction.

Let me return to the Secretary's and the Admiral's reports:

> During the past year alone, the Soviets have tested four new intercontinental ballistic missiles, and have developed their first multiple reentry vehicle submarine-launched missile. . . . All of them are being designed for increased accuracy. The very large SS-X-18 will have about thirty percent more throwweight than the currently deployed SS-9.
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> This throw-weight . . . could give the Soviets on the order of 7,000 one-to-two megaton warheads in their ICBM force alone. They would then possess a major one-sided counterforce capability against the United States ICBM force.
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> * * * * *
>
> In the past ten years . . . we have seen a growing deployment of Soviet naval forces to distant waters. The Soviet Navy began continuous out-of-area deployments in 1964 in the Mediterranean; these deployments were expanded later to the Indian Ocean, the Caribbean, and the west coast of Africa. The overall level of Soviet deployment activity measured in ship-days increased roughly six-fold from 1965 to 1970.
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> The Soviet Navy . . . is not presently growing in numbers. It is growing in capability. The Soviet Navy has a vigorous ship-building program to replace older combatant ships with new, more capable types.
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> * * * * *
>
> By the early 1980s the USSR will have approximately twice the planned United States submarine level. This relatively large Soviet submarine force will continue to pose the primary threat to our sea lanes throughout the decade.
>
> In sum . . . we see a Soviet Navy that is becoming increasingly capable of overseas deployment, whose submarines could pose a significant threat to free world shipping, and whose surface combatants, with their considerable antiship cruise missile capability, could inflict serious damage on our naval forces in a surprise attack.
>
> Numerically, the United States Navy has been declining steadily in recent years, and indeed has been reduced by about 45 percent since 1969.

And about the interrelationship between détente on one hand and Soviet military intentions on the other, the Secretary's report had this to say:

> Soviet actions during the October 1973 Middle East War show that detente is not the only, and in certain circumstances not the primary, policy interest of the USSR. The immediate Soviet arms shipments to Egypt and Syria at the outset of hostilities, the deployment of nuclear-capable SCUD missile launchers, the peremptory Soviet note to the United States Government implying the possibility of direct Soviet military deployment of sizeable Soviet naval forces . . . provided another lesson in Soviet willingness to take risks with world peace.

These reports go on to demonstrate such U.S. defense weaknesses as Soviet superiority in ICBM's—their 1,618 to our 1,054; as Soviet superiority in SLBM's—their 740 to our 656; as Soviet superiority in force loading weapons—their 2,600 to our 2,200; as their superiority in the number of men in uniform.

Against this background—and against the Soviet Union's demonstrated capabilities to use its military powers to achieve both military and political/economic objectives—one can see the necessity of maintaining America's defense capabilities.

DEFENSE AS A GUARANTOR OF PEACE

The Father of our County, in his first annual message to the Congress in 1790, stressed that—

> To be prepared for war is one of the most effectual means of preserving the peace.

Washington was echoing the warnings of the fourth century Roman historian who had declared—

> Let him who desires peace be prepared for war.

Peace. All civilized men want peace. But, peace on earth is a plea for those conditions which make peace thinkable, and peace is unrealized in a world in which aggressors move forward when peaceful men sit silent. In seeking peace, we, rather, strive toward that period in time when a spirit of peace will settle in the hearts and minds of those people and leaders in the world who now desire domination, hoping that eventually that spirit will cause them to exercise the restraints which make peace possible.

We must be ever mindful that if peace were the first goal of men, we would not have to pray for it. We would have it. Until then, a strong national defense is the best guarantor of that peace.

HOW SECRET SCHOOL RECORDS CAN HURT YOUR CHILD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. GOLDWATER) is recognized for 5 minutes.

Mr. GOLDWATER. Mr. Speaker, educational records affect all of us—more than 200 million Americans. If we are to have confidence in our educational process, the costs of which are borne by every taxpayer, then we have a right to inspect the records maintained about our educational experience.

The article by Diane Divoky, "How Secret School Reports Can Hurt Your Child," is most disturbing. Educators may raise questions as to whether abuses in large numbers really occur. But that is not the issue. The point to be made is simply that student and parental fears can be best allayed by the opening for inspection of educational records. Parents or guardians ought to be able to look at and question the complete file on their child. College and university administrators should similarly open their records to any student wishing to check or verify its contents.

Mr. Speaker, I insert this article for the attention of my colleagues:

How Secret School Records Can Hurt Your Child

(By Diane Divoky)

"An habitual liar and a real sickie." "Ego-impaired and maladaptive." "Unnaturally interested in girls." "A real show-off in class, probably because of serious problems at home."

Who are these problem students? They're your children and mine, as described in increasingly fat folders maintained by the schools.

Student records—any teacher or school counselor will tell you—are used more and more to get a picture of the "whole child," his family, and his psychological, social and academic development. So besides hard data, such as IQ scores, medical records, and grades, schools are now collecting files of soft data: teachers' anecdotes, personality rating profiles, reports on interviews with parents, and "high security" psychological, disciplinary and delinquency reports. These are routinely filed away in school offices or stored in computer data banks.

You, the parent, probably can't see most of these records, or control what goes into them, much less challenge any untrue or embarrassing information they might contain. But a lot of other people—the school office clerk, potential employers, probation officers, welfare and health department workers, Selective Service board representatives, and just about any policeman who walks into the school and flashes a badge—have carte blanche to these dossiers on your child. And to top it all off, parents are never told who's been spying on their children.

OTHERS HAVE ACCESS

Recent surveys of representative school systems throughout the country found that CIA and FBI agents and juvenile court and health department officials had access to the entire records in more than half the school systems; local police in 33 percent and parents in less than 10 percent.

Even in the rare states or districts where parents have a legal right to inspect records, that right is often denied in practice. As a principal in a California suburb put it: "I know what the law is here in California. Parents are supposed to be able to see the cumulative record. But if a parent comes in and asks to see a record, first I ask why. If there's a really good reason, I'll share some of it with them—but there are certain items I'll always withhold."

OFFICIAL ARROGANCE

The schools argue that student records are their records, to share with whom they choose "for the benefit of the child." Forgetting that parents have the basic legal and moral responsibility for their child and only entrust the child to the school for educational purposes, many school officials arrogantly assume that somehow they know more about the welfare of the child.

A third of the schools do not ask parents for permission before collecting personality test data, and half don't get parents' permission before collecting data on families. Sixteen percent of the systems don't get any form of parental consent before submitting students to psychiatric tests. School counselors, who keep some of the most sensitive records, insist that they'll have to water down their records if they know parents may see them, an argument that raises provocative questions about what goes into those records, and about the school's attitudes toward parents. The results of the school's attitudes, in practice:

A community tutoring project's secretary calls an elementary school to check on a student's grade placement, and the principal gratuitously reads from the record that the child is a bed-wetter, and that his mother is an alcoholic with a different boyfriend in the house each night.

A mother sneaks a look at her junior high school son's record, and sees that back in second grade an anonymous teacher had written: "exhibitionist tendencies." After several months of work running down the teacher, who no longer taught in the school system, she discovered that the comment was based on a single incident when the youngster had hurriedly returned from the lavatory unzippered.

A black father who works for the school his daughter attends gets to see her file, and finds five pages of notes about his and his wife's "political activity."

A parent is informed by a guidance counselor, about to write a college recommendation for her son, that his "psychological" file labeled him a "possible schizophrenic" back in elementary school. The mother didn't know such a file existed.

The parents of a junior high student are told their daughter won't be able to attend graduation ceremonies because she's a "bad citizen." What has she done that's bad, the parents ask. Well, the principal says, the school had a whole file on her "poor citizenship," but the parents can't know what's in that file. In this Catch-22 case, one of the few to get a legal hearing, the New York State Commissioner of Education, Ewald B. Nyquist, stated flatly that the school's argument—that it was acting in the best interest of the student in refusing to reveal the information to the parents—had "no merit." The commissioner concluded: "It is readily apparent that no one had a greater right to such information than the parents."

"TREMENDOUS ABUSE"

"Most people don't even know their rights on this issue," says a staff member of the New York Civil Liberties Union.

"There is tremendous abuse in the preparation of these records. Teachers will think nothing of inserting comments like, 'I feel sorry for the teacher who gets this kid next year,' or 'This one is really a gem.'"

A 9-year-old boy who once hugged a classmate had "homosexual tendencies" written into his permanent record.

Even an affectionate, harmless kiss on the cheek can be interpreted by an overzealous teacher as an "unnatural interest in girls."

In one case, the parents of a 7-year-old boy who was killed accidentally obtained his school records in the litigation that ensued. Some of the comments they found: "Can read and do numbers, but is too immature"—this at the end of the first grade; and "Refuses to use left hand—dislikes being reminded to try." Not mentioned was the fact that the boy had an orthopedic problem on his left hand.

A high school student who criticized his principal on a radio station had "radical tendencies" placed in his record.

"It's an insidious problem," says the NYCLU official, "because most people don't even know who has seen their records and if they are being discriminated against as a result."

Concerned about the growing potential for abuses in school record keeping, the Russell Sage Foundation published in 1969 a widely distributed set of guidelines to aid school systems in establishing fair policies and practices. But five years later, the vast majority of school systems haven't gotten the message. The New York City Board of Education finally established good policies, but few parents or students there seem to know about the protections.

PROTECTIVE LEGISLATION

Des Moines, Iowa, and Jefferson City, Mo., have taken steps to safeguard records, and at the state level, Oregon and New Mexico have passed legislation to give parents and older students access to records, and to protect records from outsiders. New Hampshire bans records that tell of students' political beliefs and activities, and Delaware gives students control of their own records once they are 14 years of age. Elsewhere, the easy flow of information and misinformation—from school to police to social agency—goes unchecked.

One group that is concerned about the problem, the National Committee for Citizens in Education, headquartered in Columbia, Md., urges parents to take a stand—to find out if you can see all of your children's school records, and what provisions your school has to protect records from outsiders' eyes. The committee is preparing a state-by-state guide of school record laws to tell parents where they stand, plus a handbook to guide parents and citizens in asking the questions that will give you the answers on school records policies and practices in your district. It will also provide you with model codes that your state board of education or school system might adopt.

If all else fails, the committee will even tell you how to proceed with legal action. You can write to the National Committee for Citizens in Education, Suite 410, Wilde Lake Village Green, Columbia, Md. 21044.

Last month President Nixon announced that he was setting up a top priority committee headed by Vice President Ford to provide a "personal shield for every American" against invasions of privacy from any source; surely this must apply to our children, too.

ASSISTING THE AGING IN NURSING HOMES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. STEIGER) is recognized for 5 minutes.

Mr. STEIGER of Wisconsin. Mr. Speaker, in recent months, I have become aware of a provision in the original Medicare Act, Public Law 89–97, which has created a peculiar handicap for a small percentage of medicare recipients. The problem arises with the manner in which the law defines a "spell of illness" for determining eligibility for medicare payments.

Section 1861(a)(2) of Public Law 89–97 establishes "spell of illness" as the period of consecutive days—

> (1) beginning with the first day (not included in a previous spell of illness) (A) on which such individual is furnished inpatient hospital services or extended care services, and (B) which occurs in a month for which he is entitled to benefits under part A, and
>
> (2) ending with the close of the first period of 60 consecutive days thereafter on each of which he is neither an inpatient of a hospital nor an inpatient of an extended care facility.

Several residents of the Sixth District of Wisconsin are confronted with the loss of benefits because of this definition. I am certain that many of my colleagues have constituents with a similar problem. Elderly persons residing in nursing homes face the possibility of being unable to break the defined "spell of illness," or benefit period, and renew their eligibility for medicare coverage.

Under part A of the medicare program, limited hospital, extended care, and home health benefits are all combined into a single definition of "spell of illness." When those benefits are exhausted; that is, after the benefit period plus the nonrenewable lifetime reserve of 60 days, no further medicare benefits are available until a new benefit period begins.

Under current law, a benefit period ends with the close of the first period of 60 consecutive days during which time the individual is "neither an inpatient of a hospital nor an inpatient of a skilled nursing facility."

The effect of this provision is that any person residing in a skilled nursing facility, who has transferred from a hospital but is no longer receiving skilled care, cannot break the benefit period.

Obviously, many elderly people must spend their last years in a nursing home, not because they require skilled nursing care, but simply because they are unable to care for themselves and have no other alternatives.

Even though the institution in which they reside is their legal residence, its dual existence as a skilled nursing facility prevents medicare benefits from becoming available.

The provision of 60 lifetime reserve hospital benefit days has not solved the problem. That is, a resident of a nursing home can exhaust his or her reserve by seeking necessary care. On the other hand someone residing elsewhere than a nursing home with the same medical history can maintain his or her reserve intact because they have been able to break the "spell of illness" test. The result is that the aging who are residing in a nursing home have no further hospital benefits under medicare.

Evidently, the present wording of the law is designed to prevent the artificial shifting of patients back and forth between levels of care for the purpose of qualifying for additional medicare benefits that might occur if the 60-day benefit period could be broken by certifying receiving a level of care lower than skilled nursing care.

Rather than deny all nursing home residents the opportunity to renew their eligibility for hospital insurance benefits, it would seem more realistic to devise an adequate test to determine whether a person is actually receiving long-term personal or custodial care as opposed to skilled nursing care.

To remedy this situation, I am introducing a bill providing a person residing in a skilled nursing facility with the opportunity to end a spell of illness with the close of the first period of 180 consecutive days on which he is no longer receiving either skilled nursing care or rehabilitation services and the nursing home is not receiving payment for skilled nursing services.

The amendment is not designed to provide medicare coverage for long-term custodial care but simply to enable persons requiring personal or custodial care to have the same medicare benefits available to others.

The cost of the change proposed by my bill is estimated by the Social Security Administration to be $25 million in the first full year of implementation.

The Senate has already adopted a similar provision as an amendment to H.R. 3153. I would urge the House Ways and Means Committee to give prompt and careful consideration to this matter.

JURY TRIALS FOR HUNTING VIOLATIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. BAUMAN) is recognized for 5 minutes.

Mr. BAUMAN. Mr. Speaker, I am today introducing legislation to amend Federal law regarding wildfowl protection. Very simply, my bill would guarantee the right to a jury trial for those accused of violating Federal wildfowl laws and regulations.

While I have no sympathy for law violators and feel that those who are properly convicted should be punished, I also know that under present law, the possibility of inequities in prosecution is considerable. As things stand now, alleged violators are tried in Federal courts without juries, and in almost every instance they are convicted on the testimony of game wardens.

Too often, this procedure amounts to presuming that the accused individual is guilty until he proves himself innocent, a reversal of the ordinary presumption in American legal proceedings. This situation is made worse by the fact that recently, the courts have begun ordering jail sentences instead of, or in addition to, fines. The maximum 6-month sentence is rather serious punishment to be doled out without benefit of a jury trial.

Passage of this bill will help insure that evidence in wildfowl law violations trials is substantial, and that those accused will be given the normal presumption of innocence so vital to a fair and just system of American jurisprudence.

SOUTH AFRICAN AFFECTED ORGANIZATIONS BILL AND RIOTOUS ASSEMBLIES ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. DIGGS) is recognized for 5 minutes.

Mr. DIGGS. Mr. Speaker, I would like to insert for the thoughtful attention of my colleagues an article which appeared in the New York Times on February 20, 1974 commenting on recent repressive legislation in South Africa, specifically the Affected Organizations bill and Riotous Assemblies Act. I would also like to include the text of the Affected Organizations Act.

The material follows:

NEW CURBS ASKED IN SOUTH AFRICA

SUPPRESSION OF OPPOSITION IS SEEN LEGISLATION'S INTENT

CAPETOWN, February 19.—Legislation that appears intended to suppress all opposition was laid before the South African Parliament today by Prime Minister John Vorster's Government. The Government has a firm majority in Parliament.

Part of the legislation is in the form of a new bill, under which any organization considered by the national president to be engaged in politics with aid from abroad can be declared "an affected organization." It could then be forbidden to bring in or receive funds from abroad under pain of harsh penalties—a fine as large as 20,000 rand ($30,000) or 10 years imprisonment or both.

SEVERAL APPARENT TARGETS

In addition, the Government proposed changes in the Riotous assemblies act would give blanket authority to magistrates to ban even lawful meetings.

The proposed amendments would also give any policeman above the rank of warrant officer the power to bar the public from any place where he believed a prohibited gathering might occur and the power to use force, including firearms, to break up such a gathering.

The "affected organizations bill" appears to be aimed at various antiapartheid organizations not primarily involved in politics, such as the Christian Union of South African Students and several black social organizations that rely on funds from abroad and have irritated the Government.

Although the central issue is whether the president considers that "politics is being engaged in," the bill does not define the term "politics."

The bill says that if the president is satisfied that "politics is being engaged in by and through an organization with the aid of, or in cooperation with, or under the influence of, an organization of a person abroad," he will have the power to declare the organization involved an "affected organization."

This can be done without notice to the organization by proclamation in the Government paper. The president can take this action after the Minister of Justice has considered a "factual report" on the organization concerned by a committee of three magistrates appointed by the Minister, one of whom must be a chief magistrate.

Before this, however, the Minister would be given blanket powers by the new bill to investigate a suspect organization.

The bill provides that any person who hinders, resists or obstructs the investigation of a suspect organization would be subject to a maximum penalty of a 600-rand fine and a year's imprisonment.

An officer appointed to investigate a suspect organization would have the power to enter premises at will, demand and seize any documents or question any person.

The legislation to revise the Riotous Assemblies Act would remove the term "public gathering" from the act, which restricts gatherings of 12 or more people, and supply the term "any gathering."

The new measures also contain a sharp curtailment of press freedom. Any person who without the consent of the Minister of Justice disseminates the speech of any person banned from attending a gathering would be liable to a year's imprisonment without the option of a fine.

REPUBLIC OF SOUTH AFRICA—AFFECTED ORGANIZATIONS BILL

(Introduced by the Deputy Minister of Justice)

Bill to provide for the prohibition of the receipt of money from abroad for certain organizations; and to provide for matters connected therewith

Be it enacted by the State President, the Senate and the House of Assembly of the Republic of South Africa, as follows:

DEFINITIONS

1. In this Act, unless the context otherwise indicates—

(i) "affected organization" means an organization which has in terms of section 2 been declared to be an affected organization; (iii)

(ii) "document" includes any book, statement, pamphlet, note, list, record, placard, poster, manifest, drawing, portrait or picture; (viii)

(iii) "Minister" means the Minister of Justice; (v)

(iv) "money" includes anything which can be cashed or converted into money; (iv)

(v) "officer-bearer", in relation to any organization, means a member of the governing or executive body of—

(*a*) the organization;

(*b*) a branch, section or committee of the organization; or

(*c*) a local, regional or subsidiary body forming part of the organization; (i)

(vi) "officer", in relation to any organization means any person working for the organization or for any branch, section or committee thereof, or for any local, regional or subsidiary body forming part thereof; (ii)

(vii) "organization" includes any body, group or association of persons, institution, federation, society, movement, trust or fund, incorporated or unincorporated, and whether or not it has been established or registered in accordance with any law; (vi)

(viii) "Registrar" means the Registrar of Affected Organizations appointed in terms of section 3. (vii)

PROHIBITION ON THE RECEIPT OF FOREIGN MONEY BY CERTAIN ORGANIZATIONS

2. (1) If the State President is satisfied that politics are being engaged in by or through an organization with the aid of or in co-operation with or in consultation or under the influence of an organization or person abroad, he may, without notice to the first-mentioned organization, but subject to the provisions of section 8, by proclamation in the *Gazette* declare that organization to be an affected organization.

(2) No person shall—

(*a*) ask for or canvass foreign money for or on behalf of an affected organization;

(*b*) receive money from abroad for or on behalf of an affected organization, or receive or in any other manner handle or deal with such money with the intention of handing it over or causing it to be handed over to such an organization or with the intention of using it or causing it to be used on behalf of such an organization;

(c) bring or cause to be brought or assist in bringing from abroad into the Republic any money for or on behalf of an affected organization, or bring in or cause to be brought in from abroad any money into the Republic with the intention of handing it over or causing it to be handed over to such an organization or with the intention of using it or causing it to be used on behalf of such an organization.

(3) Money in the possession of an affected organization which that organization had, before it was declared to be an affected organization, received from abroad, whether before or after the commencement of this Act, shall not be handed over, transferred, donated, paid or give in exchange to any other organization or person for any purpose whatsoever: Provided that it may, within one year after the organization was declared to be an affected organization, be donated to a welfare organization which is registered in terms of the National Welfare Act, 1965 (Act No. 79 of 1965), and which is not an affected organization, for use in furtherance of the objects in respect of which that welfare organization is so registered, or to any other organization approved by the Minister.

REGISTRAR OF AFFECTED ORGANIZATIONS

3. (1) The Minister may appoint a person as Registrar of Affected Organizations and announce his office address by notice in the *Gazette*.

(2) The Registrar, or any person acting under his written authority, may at all reasonable times enter upon any premises there to inspect and extract information from or make copies of any document relating to the finances of an affected organization and may, if in his opinion it is desirable for practical reasons, remove any such document to any other premises for those purposes.

(3) The Registrar shall in respect of every affected organization fix a financial year and shall within six months after the close of every financial year, report to the Minister on the moneys received and paid out by the organization concerned during that fiscal year.

(4) The Registrar may require any person attached to an affected organization, particulars of moneys received or paid out in respect of that organization, and if he is furnished therewith, he shall submit them to the Minister.

(5) The Minister shall, as often as he deems fit, but at least once in every year, lay upon the Tables of the Senate and the House of Assembly any reports and particulars received by him in terms of subsection (3) or (4), or extracts therefrom.

(6) No person shall hinder, resist or obstruct the Registrar or any person referred to in subsection (2) in the exercise of his powers under this section.

CONFISCATIONS

4. (1) If the Registrar suspects that any money, in whose possession or under whose control it may be, is money which has been, is being or is to be dealt with in contravention of the provision of section 2(2), or is money as contemplated in section 2(3) which has not been donated within the period and in the manner and to an organization as therein prescribed, and lodges with the registrar of a division of the Supreme Court of South Africa an affidavit to this effect, that registrar shall issue an order prohibiting any person in whose posession or under whose control such money is from disposing thereof in any manner whatever, and after a copy of such order has been served upon any person in possession or control thereof by a member of the South African Police, such person may not in any manner dispose of or deal with it, except in accordance with an order of a division of the Supreme Court of South Africa.

(2) If the Registrar in an application to a division of the Supreme Court of South Africa alleges that any money, in whose possession or under whose control it may be, is money which has been, is being or is to be dealt with in contravention of the provisions of section 2(2), or is money as contemplated in section 2(3) which has not been donated within the period and in the manner and to an organization as therein prescribed, the court in question shall confiscate that money in favour of the State, and such confiscation shall be deemed to be a civil judgment in favour of the Consolidated Revenue Fund, unless any person having an interest in the money satisfies that court that the person in whose possession or under whose control the money is, and the person on whose behalf he holds the money, has not dealt with, is not dealing with or is not going to deal with it in contravention of the provisions of section 2(2), or that the money is not money as contemplated in section 2(3) which has not been donated within the period and in the manner and to an organization as therein prescribed, as the case may be, in which case the court may make any order it deems fit.

OFFENCES AND PENALTIES

5. (1) Any person who contravenes the provisions of section 2(2) or 4(1) or who in contravention of the provisions of section 2(3) deals with any money, shall be guilty of an offence and liable on conviction—

(i) in the case of a first conviction, to a fine not exceeding ten thousand rand or to imprisonment for a period not exceeding five years or to both such fine and such imprisonment; and

(ii) in the case of a second or subsequent conviction, to a fine not exceeding twenty thousand rand or to imprisonment for a period not exceeding ten years or to both such fine and such imprisonment.

(2) Any person who contravenes the provisions of section 3(6) shall be guilty of an offence and liable on conviction to a fine not exceeding six hundred rand or to imprisonment for a period not exceeding one year or to both such fine and such imprisonment.

AUTHORIZED OFFICER

6. (1) If the Minister has reason to suspect that the objects or activities of any organization or of any person who directly or indirectly takes part in the activities of any organization, are such that the organization should in terms of section 2(1) be declared to be an affected organization, he may in writing under his hand appoint a person (hereinafter called an authorized officer) to inquire into the objects and activities of that organization or of persons who so take part in the activities thereof.

(2) An authorized officer may for the purpose of performing his functions—

(*a*) at any time enter upon any premises whatsoever and there carry out such investigations and make such enquiries as he deems necessary;

(*b*) demand from any person on those premises that he forthwith or at a time and place specified by the authorized officer, submit to him a specified document which is on the premises;

(*c*) at any time and place demand from any person who has possession or custody or control of any document, that he submit it to him forthwith or at a time and place specified by the authorized officer;

(*d*) seize any document referred to in paragraph (*b*) or (*c*) which in his opinion may afford evidence with regard to a matter referred to in subsection (1);

(*e*) examine such document and make extracts therefrom or copies thereof and ask any person whom he considers to have the necessary information, to give an explanation of any entry therein:

(*f*) with regard to a matter referred to in subsection (1), question any person, either alone or in the presence of any other person, as he deems desirable, whom he finds on premises entered upon by him in terms of this section, or whom he on reasonable grounds believes to be or at any time before or after the commencement of this Act to have been an office-bearer, officer, member or active supporter of the organization concerned, or to be in possession of information required by him; and

(*g*) order any person referred to in paragraph (*b*), (*c*), (*e*) or (*f*) to appear before such authorized officer at a time and place specified by him, and at such time and place question such person.

(3) Any person who is questioned in terms of subsection (2)(*f*) or (*g*) shall be entitled to all the privileges to which a person giving evidence before a provincial division of the Supreme Court of South Africa is entitled.

OFFENCES WITH REGARD TO AN AUTHORIZED OFFICER

7. Any person who—

(*a*) hinders, resists or obstructs an authorized officer referred to in section 6 in the performance of his functions or the exercise of his powers in terms of this Act;

(*b*) refuses or fails to answer to the best of his knowledge any question which such authorized officer has in the exercise of his powers put to him;

(*c*) refuses or fails to comply to the best of his ability with any demand or order of such authorized officer in terms of this Act,

shall be guilty of an offense and liable on conviction to a fine not exceeding six hundred rand or to imprisonment for a period not exceeding one year or to both fine and such imprisonment.

DECLARATION IN TERMS OF SECTION 2 ONLY AFTER FACTUAL REPORT HAS BEEN CONSIDERED

8. The power conferred upon the State President by section 2 to declare an organization to be an affected organization, shall not be exercised unless the Minister has given consideration to a factual report made in relation to that organization by a committee consisting of three magistrates appointed by the Minister, of whom at least one shall be a chief magistrate or a regional magistrate.

SHORT TITLE

9. This Act shall be called the Affected Organizations Act, 1974.

MAINTAINING COUNTY AGRICULTURAL SERVICES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. ROY) is recognized for 5 minutes.

Mr. ROY. Mr. Speaker, I have today introduced a bill to serve as a guideline to the Secretary of Agriculture in his desire to achieve what he deems to be an efficiency and a convenience—a program of consolidation of departmental service agencies. My bill would assure that each county which now has any agricultural agency service office would continue to have that service within the county, and would enable the Secretary to achieve these objectives by maintaining a cohesion to the historic trading, administrative, and social centers in counties.

The interest of the Secretary of Agriculture by establishing what he artifically and euphemistically calls "one-stop service centers" is most impressive. It was impressive also when it was undertaken by Secretary Brannan 25 years ago; abandoned by Secretary Benson as having no merit 20 years ago; and again undertaken by Secretary Freeman in the early sixties.

We in Kansas support, even praise, any attempt to achieve economy and efficiency. But we fear very much that this may be another case where these desirable goals are mirages, chased but not attained, and one more occasion to divert and delude the farmer. The agencies the Secretary would combine are service agencies; their mission—to serve the farmer, not to show a profit—the only thesis the Secretary understands, although we look in vain to find where he believes profit necessary for the family farmer.

Consolidated multicounty one-step service centers may be efficient for the visiting bureaucrat and the census taker, but until some better system is shown, I do not want this administration to force any farmer to go beyond his own county to obtain the information and services his Government owes him and has by law promised to him.

LABOR—FAIR WEATHER FRIEND—XVIII

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Speaker, organized labor appears to be suffering from the pangs of corporate gigantism. The giants of labor do not know what the midgets are doing in their name, and when they find out, the giants are too embarrassed to take any corrective action.

For instance, the AFL–CIO set up and pays the bills for running the Labor Council for Latin American Advancement, which took as its first action a public announcement condemning me for some imaginary offense. The LCLAA supposedly sent me a telegram complaining of what they thought I had done, but I never got the telegram.

Then they put out a press release duly noting their actions in behalf of all those they claim to represent. This press release was signed by Ray Mendoza and J. F. Otero and Don Slaiman.

Now I have no idea who these fellows Mendoza and Otero are. I do not recall ever having met them. How they could know anything about me, being total strangers, I do not know. But they felt able to send out a great blast in my general direction.

I know what I have done in behalf of the working man for, lo, these many years. What I want to know is what these guys Otero and Mendoza have ever done, except draw pay from the dues of honest unionists. I want to know what they have done that gives them any right or competence to make any judgment of me.

Otero and Mendoza know that their attack on me had not been authorized by the board of their organization. They had not bothered to see if what they had been told about me was true. To this day they do not show any interest in learning what the facts are.

Privately, the people in the AFL–CIO like Don Slaiman will say that the attack on me was wrong, should never have taken place, and that they are sorry that it happened. But their chagrin is just for private consumption. They either do not know what to do about the abuse of their good names and offices, or think that it is more important to appease the likes of Otero and Mendoza than it is to correct an egregious and wholly false attack on a good friend of labor. Thus it is that the midgets of labor seem to control the giants.

But if the house of labor is going to be legitimate, it is going to have to be honestly built. Judging from what happened to me, the old plumber should start checking around and see what has been happening in his good name.

It will not be hard for labor to win my good will. All it has to do is correct the record. When I have been victimized by an unfair public attack, I am not about to accept any privately expressed regrets. A little exercise in forthrightness should not be harmful to anyone. In a situation like this, wherein the generals seem overwhelmed by corporals, it might do the generals good to start taking some responsibility for what has been happening in their name. They cannot pay for, put their name on, carry out, and claim public attention for attacks—and then deny any responsibility. If labor's two corporals lied, the generals ought to know about it, take the responsibility, and do the right thing.

CONGRESSMAN BRADEMAS REPLIES TO PRESIDENT ON EDUCATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. O'NEILL) is recognized for 5 minutes.

Mr. O'NEILL. Mr. Speaker, this past Saturday, my very able colleague, JOHN BRADEMAS, acted as spokesman for the House in replying to the President's recent network address on education.

In this instance, JOHN really was speaking for the entire Congress, not just for the Democratic members. For despite all his assurances to the contrary, President Nixon has repeatedly attempted to thwart the bipartisan desire of most members of the Congress for a continued, and improved, Federal commitment to assist education at every level. The President has shown a fundamental unwillingness to cooperate with Congress toward this end. He has vetoed essential legislation. He has slashed this year's budget request for elementary and secondary schools, alone, by some $300 million, over the current appropriation. He has frequently sent his agents to Congress to oppose important programs. And when Congress has ignored his opposition and passed the legislation, he has withheld funding.

In his radio address, JOHN detailed the considerable accomplishments of this Congress in the education field. Few members of Congress are more suited to this task. During his years in Congress, JOHN has developed an enviable expertise on education matters. The passage of the Elementary and Secondary Education Act, last week, stands as a tribute to this Congress. It would not have been possible without the efforts of Chairman PERKINS and JOHN BRADEMAS.

I insert the text of JOHN's statement in the RECORD, and commend it to all my colleagues:

STATEMENT OF CONGRESSMAN JOHN BRADEMAS OF INDIANA, MARCH 29, 1974

Good afternoon.

Last week in a radio address to the nation, President Nixon expressed his views on education.

I have been asked by the Leadership of Congress to speak to you today about education in our country and what your Congress is doing to support it.

Because I have served for over 15 years on that committee of the House of Representatives with chief responsibility for education legislation, I have had an opportunity to observe how the Federal government has come to provide significant assistance to education at every level, from preschool through graduate school.

The best evidence that most of us in Congress, both Democrats and Republicans, are committed to continuing such support was the overwhelming vote last Wednesday in the House of Representatives to extend for three more years the major program of Federal aid to the nation's grade schools and high schools.

The bill was passed by a vote of 380 to 26. It extends compensatory education for underprivileged children, provides support for school libraries, educational innovation and state departments of education, and continues a number of other special programs, such as aid for migrant, handicapped, dilinquent and Indian children.

The bill extending the Elementary and Secondary Education Act was in large part the product of close cooperation between Democrats and Republicans in Congress.

Unfortunately, the strong commitment that Congress has demonstrated to the support of education has not been shared by the Administration of President Nixon.

In his radio message, Mr. Nixon said that "by working together we will insure that the future of our system of education . . . amply fulfills the promise of its past."

But with only a few exceptions, President Nixon has shown no willingness to work together with Congress to strengthen our schools and colleges and universities and improve our system of education.

WIDE GAPS BETWEEN PRESIDENT NIXON'S PROMISE AND PERFORMANCE IN EDUCATION

Let me give you some examples of what I mean by showing you the wide gaps between President Nixon's promises and the performance of his Administration in the field of education. And I tell you, too, of what Congress has done.

1. In his campaign for President, Mr. Nixon said, "When we talk about cutting the expense of government . . ., the one area we can't shortchange is education."

But when Congress voted more funds to help the nation's schools, Mr. Nixon vetoed the bills. In fact, he vetoed four of them and in his budget request for elementary and secondary schools this year, he proposes to slash over $300 million below this year's appropriation.

2. Mr. Nixon says that every qualified student should have an opportunity for college or vocational school.

And Congress over the past several years has provided a variety of forms of assistance for students of differing need.

The most recent is the Basic Educational Opportunity Grant, which Congress initiated in 1972 in an effort to help students from middle-income families.

The grants are limited to $1,400 per student, depending on need.

Congress also voted in 1972 to continue the existing programs of Federal student aid—National Direct Loans, Supplemental Educational Grants, and College Work Study, and mandated that the current loan and scholarship programs be funded at minimum levels before the new grant program could come fully into effect.

But President Nixon's budget this year proposes—in direct violation of the 1972 law—to terminate funds for the loan and scholarship programs.

The President thereby threatens serious damage to students from thousands of low and middle-income families all over America.

But I am convinced that Congress will prevent him from doing so, and I am glad to report to you that only Thursday House and Senate Conferees, working on a student assistance bill moved, successfully, to rescue another key student aid program the President was imperiling, Guaranteed Student Loans.

NIXON OPPOSES DRUG ABUSE EDUCATION

3. Mr. Nixon says that "There is no higher priority in this Administration than to see that children—and the public—learn the facts about drugs in the right way and for the right purpose through education."

But when Congress wrote a bill to help schools teach young people about dangerous drugs, Mr. Nixon opposed it.

Congress passed the bill anyway, overwhelmingly.

Then the Administration opposed the money to make it work, and the President's budget this year asks not a penny for what he called a "high priority" program.

4. Mr. Nixon speaks frequently of the need to develop "environmental literacy" among our citizenry by, in the President's own words, "the development and teaching of environmental concepts at every point in the educational process."

But when Congress originated a bill to help schools teach about environmental problems, the Administration opposed it.

Congress passed it anyway, overwhelmingly, and the Administration again opposed money to make it work.

CONGRESS RESTORES FUNDS FOR LIBRARIES

5. In January, Mr. Nixon told Congress, "I . . . believe the Federal government has a responsible role to play" in maintaining public libraries.

Yet the Nixon Administration testified this year in opposition to a bill, introduced by Vice President Ford when still a Member of Congress, to authorize a 1976 White House Conference on Libraries to examine the "responsible role" our Federal government and other governments should play in supporting libraries.

Indeed, President Nixon's budget for 1974 requested not one dollar for school libraries, college libraries, or public libraries.

I am glad to say, however, that in the Fiscal 1974 budget Congress restored the money for libraries Mr. Nixon so thoughtlessly discarded.

And I am confident that when we act on the 1975 budget, Congress will again insist on adequate funds for the nation's libraries.

6. Or turn to another crucial area, the lives of young children.

Said President Nixon in a 1969 message to Congress:

"So critical is the matter of early growth that we must make a national commitment to providing all American children an opportunity for healthful and stimulating development during the first five years of life."

But when Congress took him at his word and approved the Comprehensive Child Development Bill, aimed at precisely the purposes of which the President has so eloquently spoken, the President vetoed the bill.

And even this year, when Members of Congress initiated legislation to deal with the tragic problem of the abuse and maltreatment of young children, President Nixon opposed passage of the bill.

Congress approved it anyway, overwhelmingly, but Mr. Nixon's budget this year contains no funds to carry out the provisions of the Child Abuse Act.

NIXON'S IMPOUNDMENT OF SCHOOL FUNDS CAUSES CHAOS

7. In his talk last week, President Nixon said he favored "forward funding," letting school districts know in advance how much Federal money they can count on. Many of us in Congress have urged this approach for years, and I am pleased that the President has finally endorsed it.

But it is Mr. Nixon, through the device of impoundment, the deliberate withholding of school funds Congress lawfully appropriated, who has brought confusion and chaos to thousands of school districts all over America.

And when the Administration late last year finally, under court order, released the impounded money, school districts were faced with the prospect of being forced to spend it, perhaps wastefully, before the end of the fiscal year this June.

Fortunately, Congress is moving rapidly to allow schools to expend such money through the next fiscal year as well.

And I am pleased to announce that only Thursday several of us on a House-Senate Conference Committee reached agreement on such a bill, and I am confident Congress will approve it within a few days.

8. President Nixon is proud of his record in foreign policy and has warned against a return to isolationism in America. And yet he has repeatedly asked for cuts in the major Federal program to train foreign language and area specialists. In fact, last year he tried to eliminate it.

But Congress said, "No," and restored the funds.

Nor has President Nixon in any year of his Administration requested money for the International Education Act, which Congress passed to help colleges and universities here in the United States educate young Americans about issues and problems in world affairs.

9. Yesterday the nation honored our Vietnam veterans, but President Nixon's program for veterans' education fails to do so.

The President opposed adequate increases in GI education allowances as "excessive and inflationary" and withheld funds Congress voted to help colleges enroll veterans.

The House of Representatives last month voted a significant raise in veterans' education allowances and last week approved $750 million for veterans' education. And the Senate is expected to pass similar legislation soon.

NIXON OPPOSES BILL TO EDUCATE HANDICAPPED CHILDREN

10. Or turn to another problem of rising concern nearly everywhere, the education of handicapped youngsters.

In January, President Nixon told Congress, "There is growing awareness of the special educational needs of handicapped children . . . we are seeking to learn how to identify handicapped children earlier and give them the help they need to enter regular school when other children do."

But when my own education subcommittee held hearings on a bill to expand Federal assistance for the education of handicapped children, how did Mr. Nixon respond?

He sent his spokesmen to testify against the bill on grounds that it was not—to quote them—"appropriate" for the Federal government to be a leader in supporting education for handicapped children.

By now, the pattern I have been describing to you must be familiar.

When it comes to the support of American education, the rhetoric of the Nixon Administration is fine—but not the record.

The words are there but not the deeds.

It has been rather the Congress of the United States, usually with Democrats and Republicans working together, that has provided the leadership, the initiative, the action to make good on the promise of a better education for all the people of America.

PANAMA CANAL: "GREAT DECISIONS 1974" TV PROGRAM COMMENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD), is recognized for 10 minutes.

Mr. FLOOD. Mr. Speaker, on March 3, 1974, there was a telecast on the west coast of the United States on the "Great Decisions 1974" program of the Foreign Policy Association of New York on the subject of "Cuba and the Panama Canal Zone." It was led by Martin Z. Agronsky and the principal participants were former Secretary of State Dean Rusk, Ambassador Ellsworth Bunker, and Ambassador Joseph J. Jova. Reports from a number of sources are to the effect that the last three presented the current State Department viewpoint, which has not been authorized by the Congress and is directly counter to informed opinion of the Congress as shown by the resolutions opposing surrender.

One of those who heard the indicated program was Phillip Harman of California, who wrote former Secretary Rusk about it and sent me a copy of that letter along with an earlier letter that he had received from Professor Rusk. The latter purports to answer a question raised by Mr. Harman as to the competence of the present de facto revolutionary Panama Government to incur international obligations.

Propaganda in support of Panamanian demands among certain elements in the press of the United States has been massive but unrealistic, some of it aiming at getting the U.S. forces out of the Canal Zone. As to this angle, there is a warning based upon experience: Remember the British withdrawal from the Suez Canal Zone, its subsequent nationalization in 1956 by Egypt, and all the jumble that followed.

The indicated exchange of letters follows:

LOS ANGELES, CALIF.,
March 5, 1974.

Hon. DEAN RUSK,
School of Law, University of Georgia,
Athens, Ga.

DEAR PROFESSOR RUSK: Thank you so very much for your thoughtful letter of February 25th. I appreciated your views concerning whether or not a non-constitutional government such as Panama is competent to incur international obligations by means of treaties. Since the treaty talks began on June 29th, 1971, I have kept both the Senate and the House informed of the unconstitutionality of the present government in Panama and the legal inability by their national Constitution to ratify a treaty with a foreign nation. As I am in daily contact with many members of the Senate and the House, I do not believe they would approve a treaty that would surrender the $6 billion dollar U.S. Canal Zone to a government that was conceived in a military conspiracy with the Kremlin, nurtured by terror, and born through revolution.

Concerning the Great Decisions television program that was aired last Sunday, the 3rd, I was distressed over the statements that Ambassadors Bunker and Jova made concerning the Canal Zone that fell, innocently enough, into the Kremlin's propaganda strategy. Ambassador Jova, who does not know Panama and has never lived there, said that the Canal Zone is offensive to the Panamanians. *This is not so. It is only offensive to the Panamanian Communist Party.* As for Ambassador Bunker's answer to Mr. Martin Zama Agronsky's question about the great contrast between the living standards of the Zone and Panama, this question that is always brought up, rates high on the Kremlin's propaganda list. Ambassador Bunker's defensive answer said this is the way that Americans live in various parts of the world which implied that there is a great contrast between the Zone and Panama. *This is not so.* Ambassador Bunker could have explained that the Americans in the Zone "live in relatively modest circumstances in spite of occasional journalistic reports about luxurious living." This is the statement that Governor David S. Parker of the Zone made on April 13th, 1973, before a House Committee. I am enclosing copies of letters to both of these Ambassadors. Your knowledgeable answers about Cuba certainly were appreciated by all who watched the program and you explained it in such a way that the average layman could understand it.

In looking back over five years since the gunpoint grab of the Panamanian nation by the Communist Party, I can't help but think of the sentiments expressed at that time by the people of Panama who said *if the U.S. did not recognize this illegal regime, the de facto government would fall within days.* This was expressed also in President Arnulfo Arias' 74 page statement to the OAS on October 29th, 1968. The Panamanians remembered that the U.S. in 1933 did not recognize Grau San Martin's regime in Cuba.

Do remember what Sumner Welles said concerning this withholding of U.S. recognition: "The U.S. would have been derelict in its obligations to the Cuban people themselves had it given official support to a de facto regime which, in its considered judgment, was not approved by the great majority of the Cuban people." Without the economic aid and official support of the U.S. the Grau San Martin regime proved extremely short-lived. As a precedent had already been set with Grau San Martin's regime, why did the U.S. on Nov. 13th, 1968, recognize the de facto regime in Panama and especially when the CIA and the DIA had profiles on the Communist affiliations of Major Boris Martinez, Lt. Col. Omar Torrijos and Capt. Frederico Boyd who were responsible for this treasonous act against their own country?

For a great number of years both as a private citizen and as a former Honorary Panamanian Consul, I have exposed communism in Panama. I would be derelict in my moral obligations if I did not do so as this is a duty we all should share. Ted Shannon, the CIA agent on Ambassador Harrington's staff and a friend of mine, knew the strategy of the Communists in Panama as well. When I met with Foster Dulles in 1956 in Panama, I explained in detail the master plan of the Kremlin for Panama and how it started in 1930 when they first organized the Communist Party in the isthmus. Prior to the thirties, the great Spanish writer, Vicente Blasco Ibañez, who wrote the Four Horsemen of the Apocalypse, said in reference to Panama City, "La ciudad alegre y confiada." (A happy and confident city). Then came the thirties with the Kremlin's strategy to gain control over the country from within. From then on, it was downhill all the way.

We should not forget that the Kremlin regards every government of a non-communist state *as in a transition phase on the way to achieving Soviet status* and that all settlements with such countries are temporary, to be altered when the correlation of forces in the world is more favorable to Moscow. That is why I have the greatest respect for President Arnulfo Arias as through the years since his first presidency in 1940, he has stated the objectives of the Kremlin and has fought communism more than any other Latin American President as he knew that his country was top on the Kremlin's priorities as their first step in their strategy to gain control over the sovereignty of the Canal Zone. He is still the most popular and best loved President that Panama has ever had and the suppressed and gagged Panamanians are dedicated to the restoration of his legal government. I have every confidence that they will be successful.

In 1940, my family lived in Piedmont and I remembered when you were Dean of Mills College in Oakland, California. Mrs. Judd, if I recall, was also on the staff and was identified with China. President Sun Fo's daughter, Rose, I believe was a student at Mills at the same time. The reason that I am mentioning China is that prior to the war starting in the Orient, I was with General Tai Li's intelligence. This came about as there were 300 Chinese who were deported from Panama in 1941. General Tai Li, head of all Chinese intelligence, wanted to find out if there were any Communists among these Chinese. When war came, I was in Hongkong. My plans were to escape with Eugene Chen, Chiang's foreign minister in the late twenties, and his wife but I was advised at the last minute not to do so and instead I entered the Japanese concentration camp at Stanley. With me was Joseph Alsop who had been in Chungking on a special mission for FDR. Fortunately, the Japanese did not find out who we were otherwise I would not be writing this letter now.

The Communist takeover of China is very well known to you. I believe you went to the Far Eastern Bureau at State after China had fallen at the suggestion of one of America's greatest men, General George C. Marshall. Prior to the fall of China, you were very much aware of the tremendous propaganda campaign that was initiated by many prominent people whose names today are meaningless. To counteract some of this massive anti-Chiang propaganda, Brigadier General P. E. Peabody, chief of U.S. Military Intelligence, said in his report of July 22nd, 1945, that the "democracy" of the Chinese Communists was Soviet democracy and that the Chinese Communist movement was part of the international Communist movement sponsored and guided by Moscow.

In 1946, I had lunch in Canton with Dr. Sun Fo along with some other members of Chiang's government. We discussed in detail the Communist strategy in which they were able to get Chiang to effect a coalition government in 1937. If you recall, Chiang insisted that they must come into his government not as a separate government but as loyal Chinese until the war was won against the Japanese. They insisted that they would only come in as a separate government with their own revolutionary armies intact. And when Chiang effected a coalition in 1937, this is exactly what they did. When the Japanese invaded in 1937, the Communist armies utilized the Japanese invasion *to infiltrate whatever parts of China were most exposed.* This was their primary strategy.

The strategy, both of Moscow and the Chinese Communists during the war years and postwar, was to launch political attacks against Chiang's government in order to discredit his government in the eyes of the world. Central to this propaganda were the operations of the Communist Party in the United States. Moscow's principal assignment for American Communists and fellow travelers was two-fold: to damage Chiang's prestige and to jeopardize the Sino-American friendly relations. This was done, as we all know, by influencing the U.S. government and American public opinion, and, indirectly, by exaggerating the contributions of the Chinese Communists to the war against Japan.

What we witnessed between 1937 and 1949 was this massive propaganda campaign on the part of the Kremlin to influence not only American public opinion but that of the whole world which culminated with Chiang surrendering China to Mao. I am bringing up the propaganda strategy purposely as the Kremlin has initiated the same tactics concerning Panama, a nation of only a little over one million compared to China's 800 million.

We know that every Panamanian Ambassador appointed by Juan Tack, the foreign minister who was kept underground until the Communists grabbed the nation, is trained, indoctrinated, brainwashed, and dedicated to the overthrow of the U.S. Canal Zone either through treaty negotiations or by force as the Kremlin's maritime strategy is to control all the waterways of the world of which the Panama Canal is the most important. The Ambassadors' strategy is to denounce the U.S. in their news releases, interviews, and official reports similar to what the Chinese Communists did to influence public opinion against Chiang. Again, this culminated in the Kremlin's success to influence the Latin American countries to put the Panama Canal Reversion on the agenda for the Mexico City meeting last month with Secretary of State Kissinger. I am very much aware of what the pro-Soviet Juan Tack is trying to do and I will not give up in my campaign to counteract this cancer of communism in Panama. We know there is no substitute for democracy.

Ever sincerely,

PHILLIP HARMAN.

THE UNIVERSITY OF GEORGIA,
SCHOOL OF LAW,
Athens, Ga., February 25, 1974.
Mr. PHILLIP HARMAN,
Los Angeles, Calif.

DEAR MR. HARMAN: I have no information of any sort on the first question you put to me in your letter of February 20 and therefore I am not in position to comment on it.

With regard to your second question, the United States recognizes the State of Panama and the Government of Panama. The point which you have raised on a number of occasions on the illegality and unconstitutionality of the present government of Panama is one which has been raised very often over the years with respect to this or that government in a particular country. In general, international practice has been that such issues are internal in character and that a generally recognized government is competent to incur international obligations by means of treaties. How this general practice might apply in the specific case of Panama, I am not in position to say.

Sincerely yours,

DEAN RUSK.

ECONOMIC DEVELOPMENT LEADERS JOIN IN TESTIFYING FOR H.R. 5808, THE URBAN EMPLOYMENT ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. JAMES V. STANTON) is recognized for 30 minutes.

Mr. JAMES V. STANTON. Mr. Speaker, this morning the House Economic Development Subcommittee of the House Public Works Committee, held its second day of hearings on extending the Economic Development Act, and I was pleased to appear before it with leaders of business, labor, and government in the city of Cleveland to urge support for HR. 5808, the Urban Employment Act, which I introduced last year. This legislation would establish within the Economic Development Administration a new program to help solve unemployment and assist industrial expansion in urban areas.

Accompanying me were Sebastian Lupica, executive secretary of the Cleveland AFL–CIO Federation of Labor; Joseph Furber, acting director of the Department of Human Resources and Economic Development of the city of Cleveland; Richard L. DeChant of the Greater Cleveland Growth Association, which speaks for the business community; and Lawrence Jones, president of the Van Dorn Co., which has been an active participant in economic development in Cleveland.

Mr. Speaker, one of the most vexing problems facing those of us who represent urban areas are the plant closings and industrial migration of recent years. The reasons for our concern are obvious. When the plant gate closes for the last time, it closes out hope for many of the persons who had labored there. All of these workers—be they young and just beginning a career, or a family man, or a working widow, or someone nearing retirement—are thrown into a crisis of uncertainty and financial hardship.

Many such persons involuntarily become a drain on community resources through unemployment compensation payments. Many others must suffer the degradation of going on welfare.

Surely no one can claim that this problem of plant closings and industrial migration is beyond the ability of government to deal with. At stake is the well-being of tens of thousands of people across this Nation. So the problem is, by definition, within the purview of the Federal Government.

The presence at the hearing of leaders of business, local government, and labor attests to the fact that this problem does not exist through the lack of any local concern. Indeed, local efforts to preserve industry and maintain the urban economic base in Cleveland and in other cities have been thoughtful, imaginative, and vigorous. Now is the time for the Federal Government to join in this effort by providing these officials with the tools they need. The Economic Development Act, which is now on the books only through the foresight and persistence of the Public Works Committee, lays the groundwork for this aid.

The heart of my proposal to expend the Economic Development Act is a program of grants and loans to large central cities—those of 100,000 population or more—for the purpose of establishing land banks. Cities could use this money to purchase land suitable for industrial development, clear it of existing structures, make any necessary improvements in it, and then either sell or lease it to private industry. A city might choose to buy individual parcels of land, or it may want to establish industrial parks with these funds. An annual authorization of $200 million in loans, and $50 million in grants, is provided.

This assistance would eliminate one of the main obstacles facing a growing business that wants to remain in the city: The tremendously high cost of land. Urban land invariably costs two, three, or four times as much per square foot as land in nonurban areas, and this factor can be decisive in a company's decision to move. Also discouraging development inside the city is the fact that much of the suitable land is covered by obsolete, outmoded structures. The cost of demolishing these dinosaurs of the first industrial revolution is substantial in itself.

In addition to making land available to industry, the land banking program envisioned in the Urban Employment Act would have the effect of giving local governments greater control over the economic destiny of their area.

In return for a choice section of land, a city could require that the business train and hire a number of hardcore unemployed, use appropriate techniques to control air and water pollution, and follow other policies for the benefit of the community. The city could allocate the land to businesses that have a high growth potential and that fit in well with the existing mix of area industries, and avoid those which may be a detriment. In order that businesses will be able to take full advantage of the opportunity offered them, a separate section of the act provides an additional annual authorization of $250 million for business loans for those who develop in accord with the provisions of the act. A program of land banking, combined with business loans, can, in my view, help to bring about wiser, more rational use of the resources of land and labor in our cities, and both the local and the national economy will benefit as a result.

Mr. Speaker, we hear a great deal these days about returning power to local officials, and this is an objective with which I heartily concur. But we should not equate this goal with government by mathematical formula, as the administration would have us do. No matter what the issue, the administration seems to believe that the problem can be solved through computer printouts. A reasoned judgment of this land banking proposal will show that the grants and loans made for this purpose will immeasurably enhance the ability of local governments to handle for themselves the issues of economic development. And because it relies primarily upon loans, with grants being required only to make up the deficit incurred by cities in purchasing and reconveying the land, it will do so at a relatively lower cost than any revenue sharing program.

Mr. Speaker, I believe that in the Urban Employment Act, we have an opportunity to see that at least some of the crucial decisions which determine who shall work, and who shall not, will be made in city hall, rather than exclusively in the corporate board rooms. And this would be done in a way that encourages, rather than stifles, the private investment essential to economic growth. Thus, I urge that the provisions of the Urban Employment Act be included in the economic development legislation to be enacted this year.

DEPARTMENT OF DEFENSE RECRUITING RESULTS FOR FEBRUARY 1974

(Mr. DAN DANIEL asked and was given premission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DAN DANIEL. Mr. Speaker, again today I place in the RECORD the Department of Defense recruiting results for the month of February 1974. During February the four armed services obtained 32,930 enlistments recruiting prior-service and non-prior-service personnel. This represents 95 percent of their February quota objective of 34,560. Except for the Army, all services met their February recruiting objective. The Marine Corps exceeded its original objective by 5 percent or 210 enlistments. The Marine Corps had hoped to achieve 1,610 additional enlistments to help make up their shortfall sustained in prior months but were unable to do so. I believe this shows the continuing need of Congress to monitor the all-volunteer effort very carefully to determine whether this program is working. Results by services were as follows:

RECRUITING RESULTS—ALL SOURCES

	February			January
	Program objective	Actual	Percent objective	January percent objective
Army	17,600	15,620	89	90
Navy	6,400	6,500	102	90
Marine Corps	4,450	4,660	105	98
Air Force	6,100	6,160	101	101
Total DOD	34,560	32,930	95	93

Year-to-date recruiting results by service: During the first 8 months of the fiscal year the four military services have achieved 93 percent of their cumulative recruiting objectives. The following table shows year-to-date performance by service:

RECRUITING RESULTS—ALL SOURCES, YEAR-TO-DATE FISCAL YEAR 1974

[Thousands]

	Program objective July–February	Actual	Percent of objective
Army	143	127	89
Navy	60	58	98
Marine Corps	38	35	90
Air Force	51	51	100
Total DOD	292	272	93

Enlistments by source: The number of non-prior-service men enlisted was 27,860 or 95 percent of the services' February objective; the number of non-prior-service women was 2,570 or about 91 percent of the objective; and the number of prior-service personnel was 2,500 or about 110 percent of the objective. The following table shows the distribution of February enlistments by source.

RECRUITING RESULTS BY SOURCE

	February			January
	Program objective	Actual	Percent objective	January percent objective
Nonprior service:				
Men	29,470	27,860	95	91
Women	2,820	2,570	91	97
Prior service	2,270	2,500	110	120
Total DOD	34,560	32,930	95	93

Total military strength by service: The total DOD military strength was less than 1 percent below the strength level planned at the end of January, as shown in the following table:

STATUS OF MILITARY STRENGTH BY SERVICE

[In thousands]

	End of January				June 1974
	Objective [1]	Actual	Shortfall	Percent	Current objective [1]
Army	784	784	0	0	782
Navy	561	554	7	1	551
Marine Corps	190	190	0	0	196
Air Force	674	673	1	1	645
Total DOD	2,209	2,202	7	1	2,174

[1] January strength objectives have been revised to reflect the lowered strength objectives for the end of the fiscal year which were announced in January and which resulted from congressional action on the fiscal year 1974 budget request. Program adjustments were made in late January.

Non-prior-service enlistments, men and women, by service: During February the services achieved the following results against their non-prior-service objectives for men and women:

NON-PRIOR-SERVICE RECRUITING RESULTS

	February				
	Program objective	Actual	Percent objective	January percent objective	Year to date, percent objective
MEN					
Army	14 800	12,910	97	87	86
Marine Corps	4,100	4,330	106	98	91
Air Force	5,270	5,320	101	101	100
Total, DOD	29,470	27,860	95	91	91
WOMEN					
Army	1,500	1,260	84	94	104
Navy	500	490	97	100	108
Marine Corps	110	120	113	100	100
Air Force	700	710	100	100	100
Total, DOD	2,820	2,570	91	97	104

Mental groupings, high school graduates: In February about 91 percent of all non-prior-service enlistees were in mental categories I–III, which are the average and above average mental groups; only 9 percent were in mental category IV, the below-average group. High school graduates amounted to 62 percent of enlistments; this is below the 65-percent figure achieved during the first eight months of the fiscal year, but is in line with seasonal trends. The average for July–February is shown in the following table along with the February results:

HIGH SCHOOL GRADUATES AND MENTAL GROUPINGS (NON-PRIOR-SERVICE MEN AND WOMEN)

	High school graduates			Mental groups, I, II, III[1]		
	February		Year to date[2]	February		Year to date[2]
	Number	Percent	Percent	Number	Percent	Percent
Army	8,010	57	54	11,930	84	84
Navy	3,730	64	72	5,640	97	97
Marine Corps	1,680	38	50	4,120	93	92
Air Force	5,590	93	95	6,000	99	99
Total DOD	19,010	62	65	27,680	91	90

[1] Above average and average categories

[2] Recent legislation has established minimum levels of 55 percent for high school graduates and 82 percent for mental groups, I, II, and III. The minimums are to be applied to fiscal year 1974 totals on a by-service basis.

March objectives: The services' manpower programs for March called for the following enlistment objectives from all sources:

March program objectives

Army	16,300
Navy	6,340
Marine Corps	4,150
Air Force	5,950
Total DOD	32,740

In addition to these program objectives the Navy is seeking 1,380 additional enlistments because of revised loss estimates, and the Marine Corps is seeking 1,440 additional enlistments to offset previous recruiting shortfalls.

Reserve components: The total selected reserve strength increased in January for the fourth consecutive month with the two National Guard Components, the Army Reserve and the Air Force Reserve showing net gains. Although non-prior-service enlistments for all reserve components are lower than the objectives for the year to date, the shortfalls have been partially offset by successes in recruiting prior-service enlisted personnel:

FISCAL YEAR 1974 SELECTED RESERVE STRENGTHS[1]

[In thousands]

	ARNG	USAR	USNR	USMCR	ANG	USAFR	DOD total
Authorized end strength	412.0	260.6	116.9	39.5	92.5	51.5	972.9
Actual:							
June 30, 1973	385.6	235.5	126.2	37.5	90.4	43.8	919.1
Sept. 30, 1973	384.9	231.5	119.1	35.3	90.5	43.3	904.1
Dec. 31, 1973	392.5	227.2	119.1	33.1	92.5	46.2	910.0
Jan. 31, 1974	936.4	227.7	117.8	32.4	92.9	46.6	913.6
Change from previous month	+4.0	+.5	−1.3	−.7	+.4	+.4	+3.6
Net short/over authorized end strength	−15.6	−32.9	+.9	−7.1	+.4	−4.9	−59.8
Percent short/over	−3.8	−12.6	+.8	−17.9	+.4	+9.6	−6.2

[1] Unaudited preliminary reports from Services.

NATIONAL GUARD OF THE UNITED STATES

(Mr. DAN DANIEL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DAN DANIEL. Mr. Speaker, I insert at this point the following material from the National Guard Association of the United States:

Again in February, the National Guard showed substantial gains in strength, maintaining its position as the only Reserve Component which is consistently meeting its all-volunteer objectives.

The Army National Guard attained a strength of 411,848 on 28 February. This reflects a net gain for the month of 8,249, and an overall increase of 33,510 since it bottomed out at 378,338 two years ago.

The Air National Guard showed a gain of 264 in February to attain a strength of 93,757, or 100.5 percent of its authorized level.

The recruiting successes of National Guard organizations in the States are significant because they have been attained at a time when all other Reserve Components are below authorized strength levels and are experiencing continuing difficulty meeting manpower goals.

The Guard recruiting achievements result from aggressive leadership by State Adjutants General and commanders, and the determination of officers and non-commissioned officers at community level to produce results. They also reflect the strong community support which the Guard enjoys in the 2,600 communities in which its units are located.

I am attaching a summary of Reserve Component strengths which you may find of interest.

JAMES B. DEERIN,
Colonel, ARNG (Ret.),
Executive Vice President.

RESERVE COMPONENT STRENGTHS
28 FEBRUARY 1974

Component	Authorized	Actual	Plus (+) or minus (−)
Army National Guard	379,144	411,848	+32,705
Army Reserve	232,591	228,113	−4,478
Air National Guard	92,291	93,754	+1,463
Air Force Reserve	49,773	47,992	−1,851
Navy Reserve	119,231	[1] 117,966	−1,265
Marine Reserve	39,735	32,421	−7,314

[1] Naval Reserve actual strength is for Jan. 31.

Note: The above figures include men enlisted but not yet entered on initial active duty for basic training.

TRIBUTE TO LT. COL. JOHN W. SHANNON, U.S. ARMY

(Mr. DAN DANIEL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DAN DANIEL. Mr. Speaker, I take this time in order to recognize an outstanding American and a career soldier who has been of tremendous assistance to the Congress in the past few years. Lt. Col. John W. Shannon, U.S. Army, is an experienced and highly decorated combat commander. For the past few years he has performed efficiently and effectively in the difficult role as liaison officer between Members of Congress and the U.S. Army.

I think we all agree that what our society needs today is good leadership. To a similar degree, and perhaps to even a greater degree, leadership is the key to a successful military force. It is my opinion that Lieutenant Colonel Shannon has demonstrated outstanding leadership qualities in both combat and congressional affairs.

In a few weeks, Colonel Shannon will leave the Washington area to attend the Army War College. His assistance to members of the Military Personnel Subcommittee of the House Armed Services Committee will be sorely missed. I am certain that I speak for the other members of the subcommittee when I express my personal gratitude to this fine soldier.

Under leave to revise and extend my remarks, I include at this point in the RECORD Colonel Shannon's biography:

BIOGRAPHICAL SKETCH OF LT. COL. JOHN W. SHANNON

John W. Shannon was born in Louisville, Kentucky, on 13 September 1933. He graduated from high school in Louisville in 1951, attended Central State College in Wilberforce, Ohio, and graduated in 1955 as a distinguished military graduate, and was commissioned as a second lieutenant of Infantry.

His early service, after completion of the

Infantry Officers Basic Course, Airborne, and Ranger training at Fort Benning, Georgia, included troop duty with the training command at Fort Leonard Wood, Missouri as an instructor, platoon leader, and company commander. In 1957 he was assigned to Fort Knox, Kentucky where he served as a platoon leader and company commander with the 2d Armored Rifle Battalion.

After completion of the Advance Infantry Officers Course in 1961 he was a Battle Group staff officer in the 2d Infantry Division at Fort Benning, Georgia. Leaving Fort Benning in 1962 he served in Viet Nam from June that year to June 1963 as a Battalion Advisor.

Upon return to Conus he was assigned to the 2d Battalion, 8th Infantry, 4th Infantry Division at Fort Lewis, Washington. While there he was a company commander and battalion S-3.

Arriving in Europe in September of 1965 he was assigned to the 24th Infantry Division. During his service with the Division through January 1969, he served as a battalion executive officer, the Division assistant G-4, and then as the Division G-4. He reforged to Conus with the Division from Augsburg, Germany to Fort Riley, Kansas as the G-4.

He attended the Armed Forces Staff College in Norfolk, Virginia in 1969. In June 1969 he returned to Fort Knox, Kentucky for the second time in his career and was assigned to the Training Center as the Executive Officer of the 5th Training Brigade. Four months later he assumed command of the 7th Battalion, 2d Training Brigade.

In April 1971 he departed Fort Knox, returned to Viet Nam and assumed command of the 1st Battalion, 3d Infantry in the 23d Infantry Division. Following this assignment before returning to the United States, he was the Director of Logistics, Qui Nhon Area Support Command.

Lieutenant Colonel Shannon is currently serving in the Office of the Secretary of Army, with the Office of the Chief of Legislative Liaison.

He is a qualified parachutist and ranger. His awards include the Legion of Merit, Bronze Star, Meritorious Service Award, Air Medal, Army Commendation Medal with 1st silver oak leaf cluster, Vietnamese Cross of Gallantry with palm.

NO PURPOSE COMMITTEE

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I rise in opposition to the appropriation of funds for the House Internal Security Committee. That committee serves no purpose other than self-aggrandizement. It should have been abolished long ago. Any funds appropriated for it will be used to collect material on citizens in this country with the sole purpose of continuing and creating new political dossiers. If the committee had a function, which it does not, it would properly be within the jurisdiction of the Judiciary Committee.

In the Nixon era when we see how the democratic process can be subverted by those in power who would abuse it, the Members of this House should not only find it easy to oppose the invasion of personal privacy which the Internal Security Committee represents, but should feel an obligation to do so.

A PERMANENT HOME FOR THE NATIONAL ENDOWMENT FOR THE ARTS

(Mr. THOMPSON of New Jersey asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. THOMPSON of New Jersey. Mr. Speaker, The National Endowment for the Arts, with more than $60 million in funds this year and a staff of almost 100 persons, still has no permanent home of its own here in Washington. Along with my colleague, Representative KENNETH GRAY I am today introducing legislation which would rescue a familiar old Washington landmark from the wrecker's ball, and turn it into a home for the Endowment. The building in question is the old Romanesque Post Office Building on Pennsylvania Avenue with its marvelous interior galleries and its spacious, skylighted central courtyard.

The rehabilitation of the Old Post Office could be the focal point for the revitalizing of Pennsylvania Avenue, providing a lively blend of cultural and commercial activities as well as office space for local and Federal Government agencies and private organizations. The building could serve as a showcase for outstanding graphics, furnishings, and interior design.

In keeping with the recent Executive order calling for Federal stewardship in the area of historic preservation, the building could exemplify the adaptative use possibilities of older buildings. The historic nature of the Old Post Office as well as its location makes it a highly appropriate setting for a variety of projects relating to the Nation's Bicentennial Celebration. Mr. Speaker, I cannot think of a better way to revitalize our Avenue of the Presidents for the Nation's Bicentennial. A text of the bill follows:

H.R. 13860

A bill to direct the Administrator of the General Services Administration to transfer the Old Post Office Building located in the District of Columbia to the National Endowment for the Arts

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Administrator of the General Services Administration shall transfer, without reimbursement, to the National Endowment for the Arts the Old Post Office Building, and the accompanying real property, located between Eleventh and Twelfth Streets and C and D Streets Northwest in the District of Columbia.

SEC. 2. The transfer provided by the first section of this Act shall be made at such time as the Administrator of the General Services Administration determines that the use of the Old Post Office Building by the Federal Government is no longer essential; but in any event such transfer shall be made within one year after the date of the enactment of this Act.

PETER RODINO—IN THE EYE OF THE STORM

(Mr. THOMPSON of New Jersey asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. THOMPSON of New Jersey. Mr. Speaker, it is natural that the New Jersey delegation take pride in having one of its members as Chairman of the great Committee on the Judiciary. I am sure that I speak for my colleagues from New Jersey and elsewhere that the whole House is proud of our colleague, Chairman RODINO, and of the other members of the Committee on the Judiciary who have done such an outstanding job so far on the very difficult subject of impeachment. I am honored to put in the RECORD a recent article which appeared in the Trenton Sunday Times Advertiser on the subject of Mr. RODINO:

PETER RODINO—IN THE EYE OF THE STORM

(By Saul Pett)

WASHINGTON.—Despite founded rumors that he loves opera and writes poetry secretly, his credentials as a middle American remain impeccable. He is as American as apple strudel in Milwaukee, kielbasa sausage in Gary, corn pone in Kentucky, lasagna in the North Ward of Newark.

He is a graduate of the Depression, a product of a city political machine, a native of the East as far from the effete East as the light years that separated the rough democracy of Barringer High, Newark, from the elitism of the prep school at Groton.

Until life became "so serious," he used to do Jimmy Durante imitations at family parties and sing "Way Marie," "O Sole Mio" and other golden oldies of the Italian persuasion. His singing and speaking voice remains less than Olympian despite the fact that as a boy he used to practice orating with stones or marbles in his mouth, hurling Shakespearean monologues at two tall poplars in Branch Brook Park, Newark. An Italo-American Demosthenes growing up in New Jersey.

TWO ANTI-REDS MEET

A quarter century ago, he came to Congress from the East, worrying about Communism. That was two years after another young man came to Congress from the West, worrying about Communism.

The two parallel lines now meet.

One, of course, is Richard M. Nixon. The other is Peter W. Rodino, Democrat, chairman of the House Judiciary Committee inquiring into the possible impeachment of the President of the United States. One man reached his pinnacle by drive; the other by endurance.

And now at 64, Peter Rodino, a little man in stature and, until recent months, in reputation, becomes living proof that a cat can not only look at a king, he may even help dethrone him. This awes and depresses Rodino. His father, an Italian immigrant, brought him up to respect the institutions of America, especially the presidency.

The largest photograph on the wall of Rodino's office is one of him and a smiling Richard Nixon shaking hands the last time they met. The occasion was the signing of the renewed Law Enforcement Assistance Act of which Rodino was sponsor.

The date was Aug. 6, 1973, when "impeachment" was still only a whisper, although Rodino already was researching its problems unofficially.

PRAISED BY PRESIDENT

He also keeps in his office, in a richly bound leather book of testimonials, a "Dear Pete" letter in which the President congratulated him for his "deserving recognition" in receiving the Man of the Year award from the Justinian Society of Lawyers. The President praised him for his "dedication to the best interest of the country."

The letter was dated Oct. 17, 1973. Three days later Nixon fired the special Watergate prosecutor and brought on the resignations of the two top men in the Justice Department. Three days after that, in the ensuing uproar, five impeachment resolutions were introduced in the House and Speaker Carl Albert, D-Okla., officially assigned the matter to the Judiciary Committee.

Overnight, Pete Rodino who had needed 24 years, an upset election and the seniority system to move to the top of the committee's totem pole, was jerked from obscurity to a high chair of history.

"Can this really be happening?" he recalls thinking. "Will I really be the guy. If fate had been looking for one of the powerhouses of Congress, it wouldn't have picked me."

Though awed and saddened, he was not immobilized. He set the machinery in motion. And on Feb. 4, a man not renowned for his eloquence rose on the floor of the House in support of a resolution giving his committee full authority and complete subpoena powers for an inquiry of impeachment. It is though he grew taller as he spoke.

"FATIGUE OF SUPPORT"

"It has been said that our country, troubled by too many crises in recent years, is too tired to consider this one. In the first year of the Republic, Thomas Paine wrote, 'Those who expect to reap the blessings of freedom must, like men, undergo the fatigue of supporting it.'

"Now it is our turn.

". . . When we have completed our inquiry, whatever the result, we will make recommendations to the House. We will do so as soon as we can, consistent with principles of fairness and completeness.

"Whatever the result, whatever we learn or conclude, let us now proceed, with such care and decency and thoroughness and honor that the vast majority of the American people, and their children after them, will say. 'That was the right course.' There was no other way."

The resolution passed, 410 to 4.

Peter Wallace Rodino is 5 feet 7. How "Wallace" infiltrated a nice Italian family he claims not to know. But his wife, Marianna, exposes his secret with a mischievous chuckle as a young man he just dreamed up the middle name to "add distinction" to his own.

Hair gray-white, wavy, senatorial. Eyes, dark, warm. Voice, soft, thin, apparently the result of diptheria as a boy. Clothes, mostly dark pinstripes, the slightly wide tie and heavy sideburns being his only concessions to mod. Personality amiable, hardworking, warm, earnest, cautious, thorough, uncolorful. Speech habits ordinary, unringing, no quotable quotes from the saints, muses or folks back home. Eyebrows stable. In short, an unlikely TV replacement for Sam Ervin.

INTO THE COOKER

This man, all of him, is now in an historic pressure cooker unmatched in 100 years. He runs the inquiry with few precedents to guide him. If his committee votes articles of impeachment, he will have to floor-manage them through the House. Yet or nay, he will have to explain.

"One false move," John Pierson noted in the Wall Street Journal," and Pete Rodino's in trouble, two, and the country's in trouble. Like bungled surgery, a botched impeachment could maim, not heal."

It is generally agreed that an unconvincing impeachment indictment suspect for political motives or an unconvicing nonindictment suspect of timidity could tear the country apart. People are that polarized, judging by the committee's mail.

Meanwhile, Rodino must steer a middle course toward "the truth," as he says, and as he doesn't say, somewhere between Republican fire-eaters ready to accuse him of partisan delay and young Democratic "bombthrowers" ready to charge him with spineless slowness.

At this writing, Rodino believes that most members of his committee, 21 Democrats and 17 Republicans, all lawyers and all politicians like their chairman, "are trying to push politics aside. They're trying. I think there'll be more soul searching as we go along."

At this point in time, most representative members of the committee, Republicans and Democrats, liberals and conservatives, goslowers and go-fasters, appear to be satisfied that Rodino has been doing a fair, objective, impartial job. Several add the phrase, "so far."

MAYBE TOO CAUTIOUS

The one criticism heard is that he may be too cautious and too inclined to share the chairman's power. This is the other side of the coin of praise: that he is very thorough and democratic. Implicit in this is some nostalgia for Democratic Rep. Emanuel Celler, of Brooklyn, who ran the committee with an iron hand for 21 years until he was unexpectedly unseated in 1973.

Even Celler, it is generally agreed, could not run the committee as imperiously today because of a new spirit of independence in the House, especially among younger members. Also, the House has new liberalized rules of procedure, including one that requires committee chairmen to consult their members frequently. Rodino consults frequently. In any case, the role of imperious leader is not in his nature.

His voting record has been liberal on civil rights, welfare programs, school busing, organized labor and the end to U.S. involvement in Vietnam. But for 20 years on the Judiciary Committee, Rodino remained in Celler's shadow, getting relatively little to do while crawling slowly up the seniority ladder.

Still, he appears to have made the most of his few chances. In 1968, for example, while Celler was ill, Rodino successfully floor-managed the Fair Housing bill for 11 days. It was an act of political courage, his constituents then were largely middle-class Italians in the throes of racial backlash.

He is also proud of having pushed other bills expanding civil rights and cutting restrictions on immigration from certain countries, including those of southern Europe. This helped with his Italian voters. So did his almost single-handed maneuvering while Celler wasn't looking which resulted in Columbus Day becoming a national holiday. It came naturally to him; Peter Rodino is very Italian and proud of it.

ONE EMBASSY BECKONS

It is said that only Rodino could have an administration aide named Francis O'Brien, who is half-Italian. Rodino used to try to persuade President Johnson to appoint the first Italian-American to the Supreme Court. About the only invitations this busy Congressman accepts on the Washington cocktail circuit come from the Italian Embassy.

On almost any Italian or semi-Italian occasion—Columbus Day or a visit by the Italian president or a passel of journalists from Rome—Lyndon Johnson used to invoke the name of Pete Rodino, somewhere between Christopher Columbus, Enrico Fermi, Jack Valenti and Steve Martini. Steve Martini? He was Johnson's barber.

None of this is to suggest that Rodino fails to take his broader responsibilities seriously. He does. He works hard, 14 to 15 hours a day, Monday to Friday, and commutes weekends, as he has done for 25 years, to his home in the 10th Congressional District of Newark.

He runs one of the most important committees of Congress. Judiciary normally processes about a third of the bills passed by the House, its broad mandate including problems of civil rights, immigration, busing, abortion, amnesty, capital punishment, constitutional amendments, crime and antitrust matters.

MOST SERIOUS SUBJECT

Clearly the subject he takes most seriously now is impeachment, not only because it involves the fate of a president but also "the far larger question of re-establishing and reinforcing the legitimacy of government."

Rodino recalls a recent encounter with a dentist of Italian ancestry at an opera in Newark. The dentist said his father admired the Congressman. The son evidently didn't. He said the impeachment inquiry was "nonsense," that Nixon should not be removed because he "hasn't done anything other presidents haven't done."

"I haven't prejudged this," Rodino said, "but I do feel strongly that certain questions need to be answered."

The dentist looked unimpressed.

Rodino told him of his heavy mail, particularly one letter from the parents of two children, 7 and 11. They said Rodino's committee could help answer the questions their kids were asking.

"What's wrong with our country? Is the President a liar and a crook or isn't he?" The letter continued:

"We're asking these questions for other children as well, who will one day inherit this land, a land they'll either be proud of or still be asking questions about."

"That's a lot of cliches," the dentist said.

Rodino concludes: "I guess I couldn't dent his cynicism."

Before his current celebrity, the Congressman from New Jersey's 10th District used to get about 2,000 letters in a four-month period. In the last four months, he says, he has received more than 400,000, the sentiment running about 4 to 1 for impeachment.

It was last spring that Rodino decided he'd better start boning up on the uncharted shoals of impeachment after listening to the President's statements about Watergate.

"I was hoping he would say it all, that perhaps others had acted irresponsibly without his knowledge or that he had made a mistake. At any rate, that he would explain it fully to the country."

"I guess I wanted it to come out all right for him and the country. But I sensed that something was not coming across and that people were still wondering even after his statements. It was a terribe thing to contemplate, that the President could be so questioned."

IT HAD TO COME

It was not a foregone conclusion that Rodino and his committee would get the impeachment question. The Speaker of the House could have turned it over to a special select committee. In Andrew Johnson's time, it began with the "Reconstruction Committee" and wound up in Judiciary.

At any rate, Rodino began his own research, reading the entire record of the Andrew Johnson impeachment, three current books, various legal papers, consulting with experts and reading and re-reading the Constitutional references to impeachment.

"It's more a thought process than research," he says, "because there's so little to guide us. The more I read the more I realized that 'high crimes and misdemeanors' was meant to be flexible. An impeachable offense does not have to be a criminal offense. Most experts agree.

"In my judgment, the writers of the Constitution intended that the people should have another recourse against presidential abuses of power besides the next election. That is why they reposed the awesome power of impeachment in the body closest to the people, the House of Representatives.

"If they had only criminal offenses in mind, they would have made the punishment fit the crime. They would have provided for criminal penalties. They didn't. They stipulated only removal from office on conviction after impeachment."

As it stands, each member of the committee will make up his own mind as to what is an impeachable offense and, after the evidence is in, vote accordingly.

CONFRONTATION PROBLEM

Other unsettled questions haunt Peter Rodino. He is well aware the Constitution reposes "sole power" of impeachment in the House, but he has made it clear he seeks to avoid direct confrontation with the President. He says:

"If he is asked to testify and he declines, what then? We can subpoena him. And if he refuses to honor the subpoena, he can be found in contempt of Congress. Then what? Do we send U.S. marshals over to the White House to enforce the contempt citation? Will the Supreme Court be called in for judicial review? What happens then to the House's 'sole power'? These are just some of the unanswered questions."

Unanswered, they help explain why Peter Rodino endured "many sleepless nights" in the first few weeks of his impeachment assignment, why he finally ended up in a hospital for a checkup.

He has not, he says, lost sleep over published rumors that the White House is sifting his background for any material that could discredit him.

In New Jersey, the Essex County Democratic organization, which produced Peter Rodino, also gave the world such luminaries as Hugh Addonizio, now in jail for extortion. Addonizio and Rodino were roommates in Washington when both were young Congressmen. Addonizio's trouble came years later as mayor of Newark.

"FAVORS" FOR MOB

Early in the 1960s the FBI tapped the phone of the late Angelo (Gyp) DeCarlo, a convicted extortionist, and heard DeCarlo claim Addonizio and Rodino had done "favors" for the Mob.

Rodino has repeatedly denied any connection with DeCarlo or the Mob. Herbert Stern, the U.S. attorney who obtained indictment of some 70 New Jersey public officials, has said DeCarlo also was known to claim nonexistent political connections. Stern, now a federal judge, said:

"There has never been an inquiry about Rodino, never the slightest anything. In my opinion, he is an honest man and a fine public servant."

The Congressman was born in a crime-ridden area of Newark on Factory Street, where he recalls seeing "shootouts and people killed right in front of our own tenement."

Crime in the streets still haunts Peter Rodino, although he has lived the last 20 years on the white middle-class edge of the North Ward. His wife has been mugged twice in the last three years, once in front of their home, without damage to her sense of humor.

Then or now, it was not a life calculated to inspire poetry. But as a boy he acquired the works of Colerdige, Poe, Byron and Shelley from a neighborhood doctor. As an adolescent, he wrote romantic poetry.

EARLY TO WORK

The Depression sent Rodino to work early and between jobs and night classes he managed a degree from Newark Law School, taking 10 years for five years of schooling.

It was in 1941 that his country first reposed the burden of leadership on Pete Rodino. As an army enlistee, he was put in charge of the bus tokens that would take him and a group of draftees from Newark to Fort Dix.

He was decorated for combat in Italy, where he saw the dangers of Communism and came home worrying about it. His speeches against the spread of Communism caught the attention of local polls in the 10th district. In 1946, he ran for Congress against Rep. Fred Hartley, co-author of the Taft-Hartley Labor Relations Act, and lost by 5,000 votes.

Two years later, with Hartley retired, he won and has been winning ever since, largely as a result of personalized attention to his Italian constituents.

In 1972, he was redistricted, his constituents going suddenly from 7 to 43 percent black. But he managed because of his civil rights record, to prevail in the Democratic primary, which is tantamount to election, over three Black rivals.

This year, however, promises to be tougher. He already has a white rightist opponent opposing him for the primary and on the other side there's talk the Blacks may unite behind one Black candidate. He still thinks he can win if only the impeachment inquiry leaves him enough time to campaign this spring.

The impeachment job also helps. It has brought him more attention than all his 25 years in Congress.

"I get goose pimples," said Mrs. Vincent Palumbo, chairwoman of the Peter W. Rodino Ladies Auxiliary in Newark, "everytime I hear his name on TV. Now he belongs to the country."

THE NATIONAL LAND USE PLANNING BILL

(Mr. MEEDS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MEEDS. Mr. Speaker, one of the most important bills before the House this year—if it is allowed to come before the House—is the national land-use planning bill.

Opponents of H.R. 10294 have showered Congress with misinformation and organized objections that overlook the chaotic way in which localities now make land-use decisions that our children may have to pay for.

I have here a letter from a constituent who, in a microcosm, outlines many of the pressures faced by local residents and planning commissions. The land-use planning bill would help States to encourage local planning and meet the sort of basic problems described here.

I ask that the letter be reprinted at this point:

MAPLE FALLS, WASH.

DEAR LLOYD: I am writing to you about these large land developments in rural Whatcom County. You see after the paper mill shut down in Everett, my family and myself moved up to my mother in law's farm to help her out and make things easier for her as she is getting on in years. Now we are about to get pushed out by development. I know you can't stop progress but enough is enough.

We live 25 miles north of Bellingham 10 miles south of the Canadian border. Just north of us for 3 miles is 3 big developments. Paradise Lake, Paradise Forest Estates and Camper's Paradise. Now they are trying to put in a fourth one Peaceful Valley which would have us on 3 sides. This is out in the country and there is no garbage service, only a small volunteer fire dept. Little or no law enforcement, when this development is finished, there could end up with 10,000 people out here in the summer time. That will make this community the second largest in Whatcom County.

Now here is the bad part, 95% of these will be Canadian so we don't get any road tax from them and that will be left for us to pay. These will be class C lots so they will have septic tanks, that's an awful lot of sewage to be running through our water supply, when this is all done it will ruin the whole Columbia Valley as far as hunting and fishing is concerned.

We are all against it in the community but it seems there is little we can do about it. We have taken up petitions. We have went to all the hearings at the planning commission. We have all voiced our disapproval, but we are afraid they are going to let them continue.

Do you understand our problem? If so, is there any way you can help us. You have helped me in the past and you are the only one I could think of to help us now. The community has even hired a lawyer to do our talking for us, but he can only do so much.

All this developer wants is money and cares nothing for what is apt to happen out here when he is through selling our valley to the Canadians.

Now if you can help to stop this would you please let us know before Tuesday the 26th as the planning commission is meeting again that day.

Thank you again.

As ever,

RICHARD COOPER.

GENERAL ABRAMS EXPLAINS NEED FOR STRONG DEFENSE

(Mr. MONTGOMERY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MONTGOMERY. Mr. Speaker, recently the Chief of Staff of the U.S. Army, Gen. Creighton Abrams, made an important and informative address at a meeting of the Fort Dix Chapter of the Association of the U.S. Army. In his remarks, General Abrams asked and answered such questions as "Why do we need all the capability we've been asked to pay for?", "Isn't détente a good reason to reduce our fighting strength; isn't more strength just provocative?", "Isn't the threat to our country diminishing now; don't we get a peace dividend?", and "Above all, can't we get what we need in the way of defense at lower cost?"

Because of the current debate on defense spending, I believe General Abrams' speech will be highly informative reading for my colleagues and the American people. He goes right to the heart of the matter and explains in layman's terms America's strength in relation to Russia and why we must not relax our guard while trying to provide the most economical defense posture possible. His remarks follow:

ADDRESS BY GEN. CREIGHTON A. ABRAMS, FRIDAY, MARCH 8, 1974

It's that time of year again. Budget time. A time when the American people and their representatives ask really basic questions about the things the government might do with their money. And high on the list of things to be questioned is the cost of military capabilities. So the questions begin:

Why do we need all the capability we've been asked to pay for?

Isn't détente a good reason to reduce our fighting strength; isn't more strength just provocative?

Isn't the threat to our country diminishing now? Don't we get a peace dividend?

And, above all, can't we get what we need in the way of defense at lower cost?

These questions are important, and they deserve answers. They are important not only to the American people in general, and not only to the elected representatives who have a chance to ask them directly—they are also important to us in the Army. We also are concerned with our capability, with our ability to respond to any likely challenge—and with what our capability will cost, especially in the volunteer Army environment.

But certain facts are clear. They provide the backdrop for our capability.

We are a global nation. Our well-being as a nation depends upon our access to the rest of the world—our freedom of action. We are not self-sufficient now, and we could not become self-sufficient in the life-time of any one of us here. And even if we as a nation could arrange our lives and interests to survive by ourselves, what kind of nation would we be? A weakened, shrivelled and mean land at best. So we need to be concerned about our well-being around the globe.

The major military challenge to our global interests is the Soviet Union. It is the only other truly global military power. And so we must gauge our ability to maintain freedom of action in terms of the Soviet Union, and in terms of the challenges that Soviet global interests and actions pose for us.

This is not saber-rattling. This is not warmongering. And above all, this is not some kind of idle scare tactic. It is the most reasoned, responsible position I know for having our military strength up to par. If we fail to meet the challenges as they arise—and since World War II they have arisen several times, and in various places around the globe—we will not simply lose some kind of abstract world leadership or national greatness. We will lose some of the freedom of action our Nation requires to flourish. So we must be prepared to meet the challenge.

The Soviet Union is not reducing its military power. On the contrary, every responsible estimate shows that they are building, increasing and extending their power at an impressive rate, in ways that are important to our country and our Army.

The size of their ground forces has increased dramatically.

Their weapons and equipment are first-rate, and increasingly sophisticated.

They have made technological progress which is closing the technological lead we have enjoyed for many years.

They are capable of conducting warfare at any level, from major nuclear war to situations short of actual combat.

They are increasing their military influence in the world by providing extensive military aid to a large number of countries, including many less developed countries.

These are not wild guesses, and they are not cheap shots to manufacture a threat. The threat is not gossamer—it is steel.

Look at the facts, the hard facts, on which we have to base our own capability. The Soviet Union within the past decade has increased its force to more than 165 divisions, an increase of about 10 percent. That's a *fact*. The number of men under arms in their ground forces is greater by about 20 percent than a decade ago. *That's* a fact, too. These are full-fledged military combat forces, able to wage an effective fight on today's battlefield.

This Red Army is no peasant army, no horde of cannon fodder. The image of the Soviet Army as a huge mass of men and women, simply equipped, and organized to achieve victory by expending masses of manpower is a false image. The Soviet Army is equipped with weapons and systems which have sophisticated capabilities, the best that their modern technology can provide. I can tell you with confidence that when they build a new piece of equipment, their cost-effectiveness analysis starts and ends with effectiveness. They are not simply turning out a high volume of cheap equipment. Conclusions I have read recently about "proliferation over sophistication" in the recent Mid East war have been based on uninformed observations. It is not proliferation *over* sophistication but proliferation *and* sophistication that the Soviet Union is bringing to bear. While their equipment might not incorporate what we would call the latest in technology, the Soviets do make full use of all the technology available to them. The sophisticated equipment they shipped to the Mid East showed an increasing momentum in technology—and represents a large dividend on their investment in technology and technical education. You don't need a major classified study to see that. You can see it everywhere the Soviet Armed Forces show themselves: their ground weapons, their aircraft; their ships; their rockets.

We have seen a growth in real sophistication in Soviet weaponry and equipment in recent years—expensive sophistication. For instance, their tanks are very effective, very modern, and very expensive weapons systems. Among other features, they all have an underwater fording capability built right in—even in the tanks they exported to the Mid East. For us to provide our tank fleet with this capability would cost in the neighborhood of 150 million dollars—just for that single capability. Their tanks have auxiliary, automatic and backup features that ours do not have. We call it gold plating; they call it a military requirement. For us to provide even part of these capabilities—without changing the existing fighting characteristics of the tank—we would have to spend thousands of dollars more per tank. In fact, one estimate of what it would cost to add all the extra Soviet tank features onto the US tank fleet—in effect to make them equivalent in all features—is two billion dollars. That is what the add-on cost would be for us for our smaller tank force.

We see this sophistication elsewhere, too. A few years ago the Soviets paraded a new infantry fighting vehicle. Ours is still under development. But from everything we can learn, their infantry fighting vehicle is the last word in technology. It has many features we would call "gold plating" in our terms, but which are "requirements" in their terms.

And the same is true of their trucks, their ammunition and so on. They spend very heavily to gain even a small advantage, to incorporate nice-to-have features which we forgo, because of the cost. The point is, the Soviet leaders do not consider the cost in the same way we do. They simply meet the specified requirement in the best and most advanced way available, and worry about the cost in other ways—in the quality of life, which I will talk about in a moment.

So the Red Army is well equipped and expensively equipped, and takes full advantage of every technological edge they can develop. It is against this force that we must measure our own capabilities.

The Soviet force is a global force, capable of fighting in areas far from her borders. And that fighting can be a major nuclear war, or a large conventional war, or a limited war of lesser total violence—conducted at a selected place with limited forces. So we are not dealing with an army that can only march across its borders in Europe; it is not an army that can only influence the action through allies or client states; nor is it an army that relies on ponderous ground formations. We are talking about a flexible force that can be projected around the globe, that can threaten our country's freedom of action in either hemisphere.

But the global influence of the Soviet military power isn't just a matter of where the Red Army is. It's also a matter of where Soviet military aid goes—and where the heavy-handed influence that almost invariably accompanies this aid is felt. If we look at the record for the past two decades or so we can see that the Soviet Union has exported nearly ten billions of dollars worth of military aid—by their own estimates. Almost a third of this total amount has been provided in the past three years. Now the value of this aid—say three billions in the past three years as a convenient approximation—is what the Soviet Union claims to have provided. But if we look carefully at that amount—three billions—we find that it is a grotesque understatement. This understatement is based on the fact that their currency, the ruble, is not a convertible currency. It is not traded on the international money market. It has no fixed value. So in effect, the Soviet Union can estimate three billions, or ten billions for that matter, and there is no apparent way of determining just how that dollar value was computed. But if we just take a simple comparison of how much that aid would have cost if *we* had provided it—that is, if the U.S. had provided equivalent material—the total value in the past three years would not have been about three billions, but several times three billions.

Now I single this out to make two points. First, the Soviets are spreading their military power and influence lavishly, by our standards. And secondly, by putting their price estimates so low, they succeed in making our more modest efforts look like warmongering. So they can have their cake—by putting their hooks into many other nations—and eat it too—by making us appear like the merchants of death.

The equipment they are exporting to other nations is not cast-off. In many instances, they provide top-of-the-line weapons—tanks, aircraft, missiles, the works. They provide their client states with much the same level of sophistication as I have already described in the Red Army—and with the equipment go the trainers, and the advisors, and the political officers and the rest.

What I've been talking about, really, is just another facet of the Soviet Union's efforts to spread its influence in the world. If that means the Soviet people have to raise and support a few more divisions—so be it. If that means they have to buy more sophisticated tanks and missiles—so be it. If that means shipping more equipment abroad to gain influence over another nation—so be it. They pay the price . . . a massive price.

We all recognize some of the differences between our own Nation's economic system and the Soviet Union's. In the Soviet system, the Party exerts direct influence on the government—and the Party has traditionally been oriented toward military strength. So the Party declares that a military requirement exists, the government responds by fulfilling the requirement—and the rest of the country bends to the task. The people pay the cost. And the cost is *horrendous* in relation to what we pay for military strength.

I'm no economist, but I've read some about what the military costs the people of the Soviet Union. It's hard to know how much their military really costs because in the Soviet Marxist system, the rules of cost and price, of value and price, as we understand them, are distorted. Their government can establish these relationships. So we find some interesting anomalies. A Russian in a major city can ride on one of the finest, most beautiful and elaborate subway systems in the world—for pennies. He gets much more than his money's worth. It's a kind of subsidy. But he might have to pay a dollar for a cucumber or ten dollars for a chicken. They tell me that in certain seasons a southern farmer can pack up a few suitcases with fresh vegetables, fly three thousand miles to a northern city, sell his vegetables, pay for the trip and still show a tidy profit. In that same city where vegetables sell for such high prices, public utilities are, by our standards, dirt cheap. So if we accept the fact that price and value in their system aren't related in the same way as in ours, we have to measure the costs of their military forces in some way other than dollar-equivalents. A ruble-to-dollar kind of relationship would be misleading.

So we look at other measures, measures of the quality of life for the citizen. If the government allocates resources to the military, they cannot be allocated to housing, which is also a government responsibility. As a result, the Soviet Union is desperately short of housing. And for comparative purposes, their definition of adequate housing space, per person, is about what we furnish our privates in the barracks—and they still haven't met the standard. That's the real cost to the Soviet Union, and to its people. Spartan living. Tight food supply. Few consumer goods. And I have not even raised the matter of cost to the human spirit.

If we look at the Soviet Army's equipment today, and try to price it in terms of our own dollars—with all the problems of conversion smoothed out, and with assumptions and caveats and so on—we would probably find that it would cost almost as much for their army—in US dollars—as ours does. I'd guess they're roughly equivalent. Now that army has been raised and is being supported by a nation which has less than half the productive capacity of the United States. So the real cost to them is really very heavy—far higher than anything we can contemplate here in the United States.

The Soviet government claims to be spending about nine percent of their State Budget on defense. But that figure is one of those artificial numbers that comes from a controlled economy and a currency of no clearly established value. The actual cost to the people could well be up to three or even five times that. We're not exactly sure, and we don't need to worry about precision. All we need to know is, if they see a requirement for more military spending, they spend—and the people pay. And their costs must be at least equal to our own, and must be borne by an economy with less than half the productivity of our own. They pay the price for a large force, for a well-equipped, sophisticated force, and for military aid around the world.

We must be willing to meet these real challenges. We must, as a nation, be willing to pay the modest price today to maintain an adequate force, so that we do not have to pay exorbitantly later—for that high cost will include many lives. We must maintain our global perspective, for our country cannot be strong and healthy—nor can any other nation—unless it has the freedom to move about and prosper in the world.

So we must be strong. We must have an Army of the proper size. It must be well-organized and highly disciplined—lean . . . hard . . . and powerful. It must be equipped to respond effectively anywhere on the globe that our country's well-being is threatened. It must be a flexible and ready force.

We can do do the job economically, but not cheaply. We must be strong in our determination to secure this Nation, but we cannot do the job as a continental Army. We must insure that our Nation survives, but we cannot be satisfied merely with survival. We must also guarantee the freedom and well-being of our Nation in the world, today and for the generations to come.

CANADA'S NEW FOREIGN INVESTMENT POLICY

(Mr. FASCELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FASCELL. Mr. Speaker, there has been a great deal of concern in the United States over the new Canadian Foreign Investment Review Act enacted December 12, 1973. The law is principally aimed at U.S. companies which by far are the largest foreign investors in Canada.

Recently the Canadian Embassy in Washington issued a report which outlines the new law's requirements and explains the reason why their Government thought that its passage was important. As chairman of the Subcommittee on Inter-American Affairs I am aware of the serious concern voiced by many U.S. citizens over Canada's new policy and I am certain that many in the House will find the following Canadian report informative:

(Canada Report, Canadian Embassy, Washington, D.C., Mar. 22, 1974)

FOREIGN INVESTMENT

"These policies are not, by any means, aimed at cutting Canada off from foreign direct investment. Such investment has played an important role in our past economic development. We recognize that foreign investment will continue to make an important and necessary contribution to our future economic growth. . . . Given the present degree of foreign control of the Canadian economy, it seems reasonable to insist that future foreign investment be to Canada's benefit as well as to the investor's benefit." The Honourable Alastair Gillespie, Minister of Industry, Trade and Commerce, before the Economic Club of Detroit, February 11, 1974.

THE FOREIGN INVESTMENT REVIEW ACT

The Canadian Government, in recognition of the extent to which control of Canadian industry, trade and commerce has been acquired by non-Canadians, has passed legislation to review new foreign investment.

The Foreign Investment Review Act, which was passed December 12, 1973 gives the Canadian Government the legal authority to review:

1. foreign acquisitions of control of Canadian firms with assets valued at more than $250,000 or with revenues exceeding $3 million;
2. establishment of new businesses by foreigners not already doing business in Canada;
3. opening of a new business by an existing foreign controlled firm in an unrelated line of activity.

The act does not provide for the review of expansions of existing foreign controlled businesses or for the review of the establishment of new businesses which are related to a business already being carried on in Canada by a foreign investor.

The purpose of the act is not to deter foreign investment, but rather to ensure that foreign investments will be of significant benefit to Canada.

Nearly sixty percent of manufacturing in Canada is foreign controlled; in some manufacturing industries such as petroleum and rubber products foreign control exceeds ninety percent. Sixty-five percent of Canadian mining and smelting is controlled from abroad. Approximately eighty percent of foreign control over Canadian manufacturing and natural resource industries rests in the United States, which now places in Canada over twenty-seven percent of its total investment abroad. In the United States, by way of comparison, foreign direct investment expressed as a percentage of gross private domestic investment in 1972 was of the order of thirteen percent.

"SIGNIFICANT BENEFIT" CRITERIA

The question of "significant benefit" to Canada is carefully defined by five specific assessment criteria listed in the new legislation.

The five significant benefit assessment factors are:

1. The effect of the proposed investment on the level and nature of economic activity in Canada, including employment;
2. the degree and significance of participation by Canadians in the business enterprise and in any industry or industries in Canada of which it forms a part.
3. the effect of the proposed investment on productivity, industrial efficiency, technological development, product innovation and product variety in Canada;
4. the effect of the proposed investment on competition within any industry or industries in Canada; and
5. the compatibility of the investment with national industrial and economic policies, including those enunciated by the provinces.

Where a proposed foreign investment does not, in its proposal, offer significant benefit to Canada, the government may discuss the proposal with the investor with a view to upgrading the benefits his company offers.

Acceptance of the proposal will therefore be dependent on establishing significant benefit to Canada.

OPERATION OF REVIEW AGENCY

All decisions to accept or reject investment proposals will be made by the Cabinet, upon a recommendation from the Minister of Industry, Trade and Commerce. The Minister will receive his advice from the newly formed Foreign Investment Review Agency.

Richard Murray, a Canadian businessman who recently retired as managing director of the Hudson's Bay Company, has been named Commissioner of the Foreign Investment Review Agency. Mr. Murray, a former member of the Economic Council of Canada, previously held several corporate directorships which were relinquished upon the assumption of his present responsibilities as Commissioner.

The prospective investor is assured of a response within 60 days after filing his notice.

During that period the government must either approve the request or seek additional information or discussion. The investment is automatically permitted at the end of 60 days if the government fails to act.

As a safeguard to the potential investor, the Minister cannot recommend refusal of any proposal without giving the investor the opportunity to present his case himself or through a spokesman.

Another major safeguard is that the governmental decision, except on the question of significant benefit, can be brought before the courts. Such questions that might be reviewed include the Minister's judgment on whether the company is foreign controlled and subject to the review process; whether the investor has in fact acquired control; whether the acquisition is of a Canadian business; and in the case of the establishment of a new business, whether it is related to an existing operation.

THE ECONOMIC CONSIDERATIONS

"Canada has, however, paid a high price for the high degree of foreign ownership in our economy. Part of this price has been that Canadians have become too accustomed to expecting others to do our research, product innovation and market development, and too accustomed to others telling us what we might do . . .", the Honourable Alastair Gillespie, Minister of Industry, Trade and Commerce, explained in a February speech in Detroit.

"And while Canadians will continue to welcome and work with the advantages that can accompany foreign investment, such as technology and management, we are determined that Canadians will decide and fully participate in their own economic future."

In his address to the Economic Club of Detroit, the Minister said the Canadians expect that future investors will benefit by coming into Canada, "but we insist that Canadians will also benefit, significantly."

He cited the American automotive industry investments in Canada as one example of beneficial foreign investment. The Automotive Agreement, Mr. Gillespie explained, "has worked to the benefit of both countries," not only in terms of substantial economic returns to the investor but also in terms of jobs, increased productivity, efficiency and product variety.

Mr. Gillespie said that Canadians recognize that foreign investment will continue to make an important and necessary contribution to future economic growth, but that the foreign dominance had created the tendency for Canadians to expect others to do the research, product innovation and market development.

"Canadians are determined to decide for ourselves what we should do, and then do it," the Minister continued. "We have the competence, a growing confidence, and a quiet determination to build a distinctive and self-reliant country."

In emphasizing the government's determination that Canadians will decide and fully participate in their own future, Mr. Gillespie said:

"We are going to have to overcome such problems as the sourcing of components and access to export markets. In too many cases, the senior officers of our leading firms—subsidiaries of foreign parents—do not have the freedom to choose where to source the components for their products, what product to make, or where it will ultimately be sold."

The Minister told his Detroit audience that the Canadian approach to foreign investment policy rests on two pillars—tax measures, investment aids, research and development incentives and support for small business to improve the performance of industry in Canada; and second, legislation aimed at establishing by law that at least a large proportion of the firms in certain key sectors of the economy be Canadian owned and controlled.

In the past 10 years such sectors of the economy as chartered banks and other financial institutions, broadcasting and newspapers have been affected by special regulations to protect these special vital national interests.

The new Foreign Investment Review Act represents an important initiative. It applies across the entire economy and will involve a case-by-case examination of individual new projects.

FOREIGN CONTROL OF KEY CANADIAN INDUSTRIES

Industry	Percent U.S. control	Percent total foreign control
Food and beverages	26	35
Textiles, clothing, etc	31	38
Paper, allied fields	31	42
Primary metals	35	43
Metal fabricating	40	47
Metal mining	58	62
Electrical products	57	65
Machinery	67	75
Mineral fuels	65	83
Transport equipment	75	85
Chemicals, rubber, petroleum, and coal	70	93
Total manufacturing	45	59
Total mining	58	68

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. Corman, for today, on account of official business.

Mr. Robert W. Daniel, Jr. (at the request of Mr. Rhodes), for today, on account of a death in the family.

Mr. Davis of South Carolina (at the request of Mr. O'Neill), for today, on account of official business.

Mr. Pepper (at the request of Mr. O'Neill), for today, on account of official business.

Mr. Conlan (at the request of Mr. Rhodes), for the week of April 1, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Lent) to revise and extend their remarks and include extraneous material:)

Mr. Walsh, for 5 minutes, today.
Mr. Kemp, for 30 minutes, today.
Mr. Goldwater, for 5 minutes, today.
Mr. Steiger of Wisconsin, for 5 minutes, today.
Mr. Bauman, for 5 minutes, today.
Mr. Wyman, for 30 minutes today, Tuesday, April 2, 1974.

(The following Members (at the request of Mr. Mezvinsky) to revise and extend their remarks and include extraneous matter:)

Mr. Diggs, for 5 minutes, today.
Mr. Roy, for 5 minutes, today.
Mr. Gonzalez, for 5 minutes, today.
Mr. O'Neill, for 5 minutes, today.
Mr. Flood, for 10 minutes, today.
Mr. James V. Stanton, for 30 minutes, today.
Mr. Dent, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. Lent) and to include extraneous material:)

Mr. Brown of Ohio.
Mrs. Heckler of Massachusetts in 10 instances.
Mr. Veysey.
Mr. Kemp in three instances.
Mr. Bell.
Mr. Hunt in two instances.
Mr. Brotzman.
Mr. Steelman.
Mr. Anderson of Illinois in three instances.
Mr. Symms.
Mr. Young of Florida in five instances.
Mr. Gilman.
Mr. Archer.
Mr. Thomson of Wisconsin.
Mr. Lott.
Mr. Smith of New York.
Mr. Maraziti.
Mr. Derwinski in two instances.
Mr. Wyman in two instances.
Mr. Buchanan in three instances.
Mrs. Holt in two instances.

(The following Members (at the request of Mr. Mezvinsky) and to include extraneous matter:)

Mr. Waldie in five instances.
Mr. Drinan.
Mr. Annunzio in six instances.
Mr. Helstoski in 10 instances.
Mr. Conyers in 10 instances.
Mr. Gonzalez in three instances.
Mr. Rarick in three instances.
Mr. Long of Maryland in 10 instances.
Mr. McKay.
Mr. Harrington in 10 instances.
Mr. Gunter.
Mr. Diggs.
Mr. Stokes in five instances.
Mr. Obey in six instances.
Mr. Ford in three instances.
Mr. Patten.
Mrs. Sullivan.
Mr. Murtha.
Mr. Roybal.
Mr Evins of Tennessee.
Mr. Leggett.
Mr. Ginn.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 2348. An act to amend the Canal Zone Code to transfer the functions of the Clerk of the U.S. District Court for the District of the Canal Zone with respect to the issuance and recording of marriage licenses, and related activities, to the civil affairs director of the Canal Zone Government, and for other purposes; to the Committee on Merchant Marine and Fisheries.

S. 2835. An act to rename the first Civilian Conservation Corps Center located near Franklin, N.C., and the Cross Timbers National Grasslands in Texas in honor of former President Lyndon B. Johnson; to the Committee on Agriculture.

S. 2844. An act to amend the Land and Water Conservation Fund Act, as amended, to provide for collection of special recreation use fees at additional campgrounds, and for other purposes; to the Committee on Interior and Insular Affairs.

ENROLLED BILLS AND A JOINT RESOLUTION SIGNED

Mr. HAYS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 12341. An act to authorize sale of a former Foreign Service consulate building in Venice to Wake Forest University;

H.R. 12465. An act to amend the Foreign Buildings Act, 1926, to authorize additional appropriations for the fiscal year 1975; and

H.J. Res. 941. Joint resolution making an urgent supplemental appropriation for the fiscal year ending June 30, 1974, for the Veterans' Administration, and for other purposes.

ADJOURNMENT

Mr. MEZVINSKY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 53 minutes p.m.), the House adjourned until tomorrow, Tuesday, April 2, 1974, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2106. A letter from the President of the United States, transmitting a proclamation increasing the rate of duty on imports of certain radial ball bearings, pursuant to 19 U.S.C. 1981(a)(2), (H. Doc. No. 93–249) to the Committee on Ways and Means and ordered to be printed.

2107. A letter from the Secretary of Agriculture, transmitting notice of a delay in the submission of the 1973 annual report on enforcement of the Federal Laboratory Animal Welfare Act; to the Committee on Agriculture.

2108. A letter from the Assistant Secretary of Defense (Manpower and Reserve Affairs), transmitting the annual report on the adequacy of pays and allowances of the uniformed services, pursuant to 37 U.S.C. 1008 (a), together with a draft of proposed legislation to amend title 37, United States Code, to refine the procedures for adjustments in military compensation and for other purposes; to the Committee on Armed Services.

2109. A letter from the Chairman, Cost Accounting Standards Board, transmitting a Cost Accounting Standard proposed to be promulgated by the Board, entitled "Part 407 Use of Standard Costs for Direct Material and Direct Labor", pursuant to 50 U.S.C. App. 2163(h)(3); to the Committee on Banking and Currency.

2110. A letter from the Secretary of Labor, transmitting a report on the 1974 summer youth jobs program, pursuant to section 605 (c) of Public Law 93–203; to the Committee on Education and Labor.

2111. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend the Higher Education Act of 1965 in order to provide authority to assist training of disadvantaged students for the legal profession; to the Committee on Education and Labor.

2112. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on deliveries of excess defense articles during the second quarter of fiscal year 1974, pursuant to 22 U.S.C. 2321 b(d); to the Committee on Foreign Affairs.

2113. A letter from the Deputy Assistant Secretary of the Interior, transmitting a copy of a proposed amendment to a concession contract authorizing the continued provision of accommodations, facilities, and services for the public at the Overton Beach site of Lake Mead National Recreation Area for a term expiring December 31, 1976, pursuant to 67 Stat. 271 and 70 Stat. 543; to the Committee on Interior and Insular Affairs.

2114. A letter from the Chairman, Indian Claims Commission, transmitting the final determinations of the Commission in dockets No. 13–K, *James Strong, et al., as the representative and on behalf of all members by blood of the Chippewa Tribe, including all descendants of the Chippewa Members of the United Nation of Indians*, Plaintiffs, v. *The United States of America*, Defendant; No. 18–P, *Red Lake, Pembina and White Earth Bands of Chippewa Indians, et al.*, Plaintiffs, v. *The United States of America*, Defendant; and No. 40–I, *Robert Dominic, et al.*, as the *representative and on behalf of all members by blood of the Ottawa Tribe of Indians*, Plaintiffs, v. *The United States of America*, Defendant, pursuant to 25 U.S.C. 70t; to the Committee on Interior and Insular Affairs.

2115. A letter from the Chairman, Federal Power Commission, transmitting a copy of the publication "Federal and State Commission Jurisdiction and Regulation of Electric, Gas, and Telephone Utilities, 1973"; to the Committee on Interstate and Foreign Commerce.

2116. A letter from the Director of Federal Affairs, National Railroad Passenger Corporation, transmitting the financial report of the Corporation for the month of November 1973, pursuant to section 308(a)(1) of the Rail Passenger Service Act of 1970, as amended; to the Committee on Interstate and Foreign Commerce.

2117. Commissioner, Immigration and Naturalization Service, Departmentof Justice, transmitting copies of orders entered in the cases of certain aliens found admissible to the United States, pursuant to section 212 (a)(28)(I)(ii) of the Immigration and Nationality Act (8 U.S.C. 1192(a)(28)(I)(ii)(b), to the Committee on the Judiciary.

2118. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of certain aliens, together with a list of the persons involved, pursuant to section 212(d)(6) of the act (8 U.S.C. 1182(d)(6)); to the Committee on the Judiciary.

2119. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, requesting the withdrawal of a case involving the suspension of deportation of Mohsen Shakerin, previously transmitted pursuant to section 244(a)(1) of the Immigration and National Act, as amended; to the Committee on the Judiciary.

2120. A letter from the Commissioner, Immigration and Naturalization Service of Justice, requesting the withdrawal of a case involving the suspension of deportation of Juan Escarpita-Tena, previously transmitted pursuant to section 244(a)(1) of the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

2121. A letter from the Administrator of General Services, transmitting a prospectus revising the previously approved prospectus for alterations to the Federal Building-Post Office-Courthouse at Missoula, Mont., pursuant to 40 U.S.C. 606; to the Committee on Public Works.

2122. A letter from the Secretary of Labor, transmitting the first annual report on the performance of the Department of Labor and its affiliated State employment service agencies in providing job counseling, training, and placement services for veterans, pursuant to 38 U.S.C. 2007(b); to the Committee on Veterans' Affairs.

RECEIVED FROM THE COMPTROLLER GENERAL

2123. A letter from the Comptroller General of the United States, transmitting a followup report on progress in improving the management of Government owned and leased real property overseas by the Department of State; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[*Pursuant to the order of the House on Thursday, Mar. 28, 1974, the following report was filed on Mar. 29, 1974*]

Mr. HOLIFIELD: Committee on Government Operations. H.R. 13163. A bill to establish a Consumer Protection Agency in order to secure within the Federal Government effective protection and representation of the interests of consumers, and for other purposes; with amendment (Rept. No. 93–962). Referred to the Committee of the Whole House on the State of the Union.

[*Submitted April 1, 1974*]

Mr. EVINS of Tennessee. Select Committee on Small Business. Report on small business problems involved in the marketing of grain and other commodities (Rept. No. 93–963). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ALEXANDER:

H.R. 13836. A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 to prohibit the Secretary of Transportation from imposing certain seatbelt standards, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ANDERSON of California:

H.R. 13837. A bill to amend the Internal Revenue Code of 1954 to eliminate, in the case of any oil or gas well located outside the United States, the percentage depletion allowance and the option to deduct intangible drilling and development costs, and to deny a foreign tax credit with respect to the income derived from any such well; to the Committee on Ways and Means.

By Mr. ASHLEY (by request):

H.R. 13838. A bill to amend the Export-Import Bank Act of 1945, as amended, to extend for 4 years the period within which the Bank is authorized to exercise its functions, to increase the Bank's loan, guarantee, and insurance authority, to clarify its authority to maintain fractional reserves for insurance and guarantees, and to amend the National Bank Act to exclude from the limitations on outstanding indebtedness of national banks liabilities incurred in borrowing from the Bank, and for other purposes; to the Committee on Banking and Currency.

H.R. 13839. A bill to authorize appropriations for carrying out the provisions of the International Economic Policy Act of 1972, as amended; to the Committee on Banking and Currency.

H.R. 13840. A bill to further amend and extend the authority for regulation of exports; to the Committee on Banking and Currency.

By Mr. BRAY:

H.R. 13841. A bill concerning the coverage of certain Indiana State employees under section 218 of the Social Security Act; to the Committee on Ways and Means.

By Mr. BROWN of Ohio (for himself, Mr. BUCHANAN, Mr. FISHER, Mr. KEMP, and Mr. MARTIN of North Carolina):

H.R. 13842. A bill to establish a Consumer Protection Agency in order to secure within the Federal Government effective protection and representation of the interests of consumers, and for other purposes; to the Committee on Government Operations.

By Mr. CARTER:

H.R. 13843. A bill to amend title 38, United States Code, to increase the vocational rehabilitation subsistence allowance, educational assistance allowances, and the special training allowances paid to eligible veterans and persons under chapters 31, 34, and 35 of such title; to improve and expand the special programs for educationally disadvantaged veterans and servicemen under chapter 34 of such title; to improve and expand the veteran-student services program; to establish a veterans education loan program for veterans eligible for benefits under chapter 34 of such title; to promote the employment of veterans and the wives and widows of certain veterans by improving and expanding the provisions governing the operation of the Veterans Employment Service and by providing for an action plan for the employment of disabled and Vietnam era veterans; to make improvements in the educational assistance program; to recodify and expand veterans' reemployment rights; to make improvements in the administration of educational benefits; and for other purposes; to the Committee on Veterans' Affairs.

By Mr. ESCH (for himself, Mr. Cederberg, Mr. Collins of Texas, Mr. Fisher, Mr. Hansen of Idaho, Mr. Hosmer, Mr. Mann, Mr. Mayne, Mr. Michel, Mr. Bauman, Mr. Burgener, Mr. Robison of New York, and Mr. Mallary):

H.R. 13844. A bill to amend the Occupational Safety and Health Act of 1970, and for other purposes; to the Committee on Education and Labor.

By Mr. FINDLEY:

H.R. 13845. A bill to make use of a firearm to commit a felony a Federal crime where such use violates State law, and for other purposes; to the Committee on the Judiciary.

By Mr. FISH:

H.R. 13846. A bill to amend the Export Administration Act of 1969, to provide a formula to control the exports of wheat, soybeans, and corn from the United States and for other purposes; to the Committee on Banking and Currency.

H.R. 13847. A bill to amend title II of the Social Security Act to increase the amount of outside earnings which (subject to further increases under the automatic adjustment provisions) is permitted each year without any deductions from benefits thereunder, and to revise the method for determining such amount; to the Committee on Ways and Means.

By Mr. GILMAN:

H.R. 13848. A bill to establish a contiguous fishery zone (200-mile limit) beyond the territorial sea of the United States; to the Committee on Merchant Marine and Fisheries.

By Mr. GUNTER:

H.R. 13849. A bill to amend the Juvenile Delinquency Prevention and Control Act of 1968 to meet the needs of runaway youths and facilitate their return to their families without resort to the law enforcement structure; to the Committee on Education and Labor.

By Mr. JOHNSON of California:

H.R. 13850. A bill to amend chapter 67 of title 10, United States Code, to grant eligibility for retired pay to certain Reservists who did not perform active duty before August 16, 1945, and for other purposes; to the Committee on Armed Services.

H.R. 13851. A bill to amend the Federal Property and Administrative Services Act of 1949 for the purpose of improving public park and other public recreational facilities by authorizing donations of Federal surplus supplies and equipment to State and local public recreational agencies; to the Committee on Government Operations.

By Mr. JOHNSON of California (for himself, and Mr. McFall):

H.R. 13852. A bill to provide for the preservation of critical scenic, environmental, and outdoor recreational values of Lake Tahoe Basin in California and Nevada; to the Committee on Interior and Insular Affairs.

By Mr. KYROS (for himself, Mr. Edwards of California, Mr. Charles H. Wilson of California, Mr. Hechler of West Virginia, Mr. Obey, Mr. Aspin, and Mr. Dellenback):

H.R. 13853. A bill to amend section 902 of the Federal Aviation Act of 1958 to prohibit smoking aboard certain aircraft operating in air transportation; to the Committee on Interstate and Foreign Commerce.

By Mr. MOAKLEY:

H.R. 13854. A bill to amend the Federal Aviation Act of 1958 and the Interstate Commerce Act in order to authorize reduced rate transportation for handicapped persons and for persons who are 65 years of age or older; to the Committee on Interstate and Foreign Commerce.

By Mr. O'BRIEN:

H.R. 13855. A bill to amend the Internal Revenue Code of 1954 to treat adoption fees in the same manner as medical expenses for income tax purposes; to the Committee on Ways and Means.

By Mr. PETTIS:

H.R. 13856. A bill to amend the Internal Revenue Code of 1954 to extend the deductions for intangible drilling and development expenses and for depletion to geothermal resources; to the Committee on Ways and Means.

By Mr. RAILSBACK:

H.R. 13857. A bill to amend title 17 of the United States Code to remove the expiration date provided in Public Law 92–140 which authorized the creation of a limited copyright in sound recordings for the purpose of protecting against unauthorized duplication and piracy of sound recordings; to increase the criminal penalties for piracy and counterfeiting of sound recordings; and for other purposes; to the Committee on the Judiciary.

By Mr. ROY:

H.R. 13858. A bill to require the establishment of an agricultural service center in each county of a State as part of the implementation of any plan for the establishment of such centers on a nationwide basis; to the Committee on Agriculture.

By Mr. STEIGER of Wisconsin:

H.R. 13859. A bill to amend section 1861 (a)(2) of the Social Security Act to redefine "spell of illness" under medicare; to the Committee on Ways and Means.

By Mr. THOMPSON of New Jersey (for himself, and Mr. Gray):

H.R. 13860. A bill to direct the Administrator of the General Services Administration to transfer the Old Post Office Building located in the District of Columbia to the National Endowment for the Arts; to the Committee on Public Works.

By Mr. WYATT:

H.R. 13861. A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 to prohibit the Secretary of Transportation from imposing certain seatbelt standards, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BAUMAN (for himself, Mr. Eilberg, Mr. Fish, Mr. Kemp, Mr. Lagomarsino, Mr. Mann, Mr. O'Hara, Mr. Shuster, Mr. J. William Stanton, and Mr. Waggonner):

H.R. 13862. A bill to amend the Migratory Bird Treaty Act to guarantee a trial by jury for any person charged with a violation of the provisions of that act; to the Committee on Merchant Marine and Fisheries.

By Mr. BROTZMAN:

H.R. 13863. A bill to provide standards of fair personal information practices; to the Committee on the Judiciary.

H.R. 13864. A bill to amend the Social Security Act to prohibit the disclosure of an individual's social security number or related records for any purpose without his consent unless specifically required by law, and to provide that (unless so required) no individual may be compelled to disclose or furnish his social security number for any purpose not directly related to the operation of the old-age, survivors, and disability insurance program; to the Committee on Ways and Means.

By Mr. KEMP:

H.R. 13865. A bill to require that certain bills and joint resolutions introduced in the House of Representatives or received by the House from the Senate be printed with a "fiscal note"; to the Committee on Rules.

By Mr. MOSS:

H.R. 13866. A bill to amend the District of Columbia Income and Franchise Tax Act of 1947 to tax the income of certain elected or appointed officers of the Government of the United States who are domiciled in States which impose income taxes and whose incomes are not taxed by such States; to the Committee on the District of Columbia.

By Mr. MOSS (for himself, Mr. Johnson of California, Mr. McCloskey, and Mr. McFall):

H.R. 13867. A bill to provide for the review of increases promulgated by the Secretary of the Interior on November 1, 1973, in rates for electric power sold at five Bureau of Reclamation projects, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WALSH:

H.R. 13868. A bill to establish a Federal Petroleum Commission to provide for price regulation of major oil companies; to the Committee on Banking and Currency.

By Mr. BRINKLEY:

H.J. Res. 962. Joint resolution to designate the third week of September of each year as "National Medical Assistants' Week"; to the Committee on the Judiciary.

By Mr. EDWARDS of Alabama:

H.J. Res. 963. Joint resolution to designate the third week in April of each year as "National Coin Week"; to the Committee on the Judiciary.

By Mr. BOLLING:

H. Con. Res. 452. Concurrent resolution providing for the printing as a House document of the hearings and panels of the Select Committee on Committees; to the Committee on House Administration.

By Mr. HANRAHAN (for himself, Mr. Sebelius, Mr. Pritchard, Mr. Grover, Mr. Harrington, Mr. Heinz, Mr. Rodino, Mr. Bell, Mr. Whalen, and Mr. Hammerschmidt):

H. Con. Res. 453. Concurrent resolution expressing the sense of the Congress with respect to the imprisonment in the Soviet Union of a Lithuanian seaman who unsuccessfully sought asylum aboard a U.S. Coast Guard ship; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 or rule XXII,

Mr. CEDERBERG introduced a bill (H.R. 13869) for the relief of Carl C. Strauss and Mary Ann Strauss, which was referred to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

400. By the SPEAKER: Memorial of the Legislature of the State of Washington, relative to pension rights of private employees; to the Committee on Education and Labor.

401. Also, memorial of the House of Representatives of the State of Hawaii, relative to an accounting of Americans missing

in action in Southeast Asia; to the Committee on Foreign Affairs.

402. Also, memorial of the Legislature of the State of Indiana, relative to an accounting of Americans missing in action; to the Committee on Foreign Affairs.

403. Also, memorial of the Legislature of the Commonwealth of Virginia, relative to U.S. sovereignty and jurisdiction over the Panama Canal; to the Committee on Foreign Affairs.

404. Also, memorial of the Legislature of the State of Washington, relative to the International Point Roberts Board; to the Committee on Foreign Affairs.

405. Also, memorial of the Legislature of the State of California relative to parking regulations promulgated by the U.S. Environmental Protection Agency; to the Committee on Interstate and Foreign Commerce.

406. Also, memorial of the House of Representatives of the Commonwealth of Massachusetts, relative to protection for the Massachusetts fishing industry; to the Committee on Merchant Marine and Fisheries.

407. Also, memorial of the Legislature of the State of Washington, relative to fisheries resources; to the Committee on Merchant Marine and Fisheries.

408. Also, memorial of the Legislature of the State of Oklahoma, relative to the U.S. Army Corps of Engineers lakeshore management plan; to the Committee on Public Works.

409. Also, memorial of the Legislature of the State of Washington, relative to the construction of a new bridge between Clarkston, Wash., and Lewiston, Idaho; to the Committee on Public Works.

410. Also, memorial of the House of Representatives of the State of Oklahoma, relative to tax exemptions of religious institutions; to the Committee on Ways and Means.

SENATE—*Monday, April 1, 1974*

The Senate met at 12 o'clock noon and was called to order by Hon. J. BENNETT JOHNSTON, JR., a Senator from the State of Louisiana.

PRAYER

The Chaplain, the Reverend Edward L.R. Elson, D.D., offered the following prayer:

Eternal Father, in this holy season may the spirit of the self-giving Saviour search our hearts, restore our souls, and redeem us from the lower life of sin to the higher life of love. Give us strength and wisdom for the tasks of each day. Help us amid our work not to forget the meaning and discipline of these searching days, but by self-denial, prayer, and meditation to prepare our hearts for deeper penitence and a better life. And may the peace of God which passeth all understanding keep our hearts and minds in Christ Jesus our Lord. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., April 1, 1974.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. J. BENNETT JOHNSTON, JR., a Senator from the State of Louisiana, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. JOHNSTON thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Friday, March 29, 1974, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. JOHNSTON) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

INDIAN SELF-DETERMINATION AND EDUCATION ASSISTANCE ACT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 733, S. 1017.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The assistant legislative clerk read as follows:

S. 1017 to promote maximum Indian participation in the government and education of the Indian people; to provide for the full participation of Indian tribes in certain programs and services conducted by the Federal Government for Indians and to encourage the development of the human resources of the Indian people; to establish and carry out a national Indian education program; to encourage the establishment of local Indian school control; to train professionals in Indian education; to establish an Indian youth intern program; and for other purposes.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Interior and Insular Affairs with an amendment to strike out all after the enacting clause and insert:

That this Act may be cited as the "Indian Self-Determination and Education Assistance Act".

CONGRESSIONAL FINDINGS

SEC. 2. (a) The Congress, after careful review of the Federal Government's historical and special legal relationship with, and resulting responsibilities to, American Indian people, finds that—

(1) the prolonged Federal domination of Indian service programs has served to retard rather than enhance the progress of Indian people and their communities by depriving Indians of the full opportunity to develop leadership skills crucial to the realization of self-government, and has denied to the Indian people an effective voice in the planning and implementation of programs for the benefit of Indians which are responsive to the true needs of Indian communities; and

(2) the Indian people will never surrender their desire to control their relationships both among themselves and with non-Indian governments, organizations, and persons.

(b) The Congress further finds that—

(1) true self-determination in any society of people is dependent upon an educational process which will insure the development of qualified people to fulfill meaningful leadership roles;

(2) the Federal responsibility for and assistance to education of Indian children, Indian adult education, and Indian skills training has not affected the desired level of educational achievement or created the diverse opportunities and personal satisfaction which education can and should provide; and

(3) parental and community control of the educational process is of crucial importance to the Indian people.

DECLARATION OF POLICY

SEC. 3. (a) The Congress hereby recognizes the obligation of the United States to respond to the strong expression of the Indian people for self-determination by assuring maximum Indian participation in the direction of educational as well as other Federal services to Indian communities so as to render such services more responsive to the needs and desires of those communities.

(b) The Congress declares its commitment to the maintenance of the Federal Government's unique and continuing relationship with and responsibility to the Indian people through the establishment of a meaningful Indian self-determination policy which will permit an orderly transition from Federal domination of programs for and services to Indians to effective and meaningful participation by the Indian people in the planning, conduct, and administration of those programs and services.

(c) The Congress declares that a major national goal of the United States is to provide the quantity and quality of educational services and opportunities which will permit Indian children and adults to compete and excel in the life areas of their choice, and to achieve the measure of self-determination essential to their social and economic well-being.

DEFINITIONS

SEC. 4. For the purposes of this Act, the term—

(a) "Indian" means a person who is a member of an Indian tribe;

(b) "Indian tribe" means any Indian tribe, band, nation, or other organized group or community, including any Alaska Native village as defined in the Alaska Native Claims Settlement Act (85 Stat. 688), which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

(c) "Tribal organization" means the elected governing body of any Indian tribe or any legally established organization of Indians which is controlled by one or more such bodies or by a board of directors elected or selected by one or more such bodies (or elected by the Indian population to be served by such organization) and which includes the maximum participation of Indians in all phases of its activities;

(d) "Secretary", unless otherwise designated, means the Secretary of the Interior;

(e) "school district" means any political subdivision of a State which is responsible for the provision, administration, and control of public education through grade 12 as defined by the law of such State;

(f) "State education agency" means the State board of education or other agency or officer primarily responsible for supervision by the State of public elementary and secondary schools, or, if there is no such officer or agency, an officer or agency designated by the Governor or by State law.

TITLE I—THE INDIAN SELF-DETERMINATION ACT

Sec. 101. This title may be cited as the "Indian Self-Determination Act".

CONTRACTS BY THE SECRETARY OF THE INTERIOR

Sec. 102. (a) The Secretary of the Interior is directed, upon the request of any Indian tribe, to enter into a contract or contracts with any tribal organization of any such Indian tribe to plan, conduct, and administer programs, or portions thereof, provided for in the Act of April 16, 1934 (48 Stat. 596), as amended by this Act, parts B and D of title II of this Act, any other program or portion thereof which the Secretary of the Interior is authorized to administer for the benefit of Indians under the Act of November 2, 1921 (42 Stat. 208), and any Act subsequently thereto: *Provided, however*, That the Secretary may initially decline to enter into any contract requested by an Indian tribe if he finds that: (1) the service to be rendered to the Indian beneficiaries of the particular program or function to be contracted will not be satisfactory, (2) adequate protection of trust resources is not assured, or (3) the proposed project or function to be contracted for cannot be properly completed or maintained by the proposed contract: *Provided further*, That in arriving at his finding, the Secretary shall consider whether the tribe or tribal organization is deficient with respect to (1) equipment, (2) bookkeeping and accounting procedures, (3) substantive knowledge of the program to be contracted for, (4) community support for the contract, (5) adequately trained personnel, or (6) other necessary components of contract performance.

(b) Whenever the Secretary declines to enter into a contract or contracts pursuant to subsection (a) of this section he shall (1) state his objections in writing to the tribe within sixty days, (2) provide, to the extent practicable, assistance to the tribe or tribal organization to overcome his stated objections, and (3) provide the tribe with a hearing, under such rules and regulations as he may promulgate, and the opportunity for appeal on the objections raised.

(c) The Secretary is authorized to require any tribe requesting that he enter into a contract pursuant to the provisions of this title to obtain adequate liability insurance: *Provided, however*, That each such policy of insurance shall contain a provision that the insurance carrier shall waive any right it may have from suit, but that such waiver shall extend only to claims the amount and nature of which are within the coverage and limits of the policy and shall not authorize or empower such insurance carrier to waive or otherwise limit the tribe's sovereign immunity outside or beyond the coverage and limits of the policy insurance.

CONTRACTS BY THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE

Sec. 103. (a) The Secretary of Health, Education, and Welfare is directed, upon the request of any Indian tribe, to enter into a contract or contracts with any tribal organization of any such Indian tribe to carry out any or all of his functions, authorities, and responsibilities under the Act of August 5, 1954 (68 Stat. 674), as amended: *Provided, however*, That the Secretary may initially decline to enter into any contract requested by an Indian tribe if he finds that: (1) the service to be rendered to the Indian beneficiaries of the particular program or function to be contracted for will not be satisfactory, (2) adequate protection of trust resources is not assured, or (3) the proposed project or function to be contracted for cannot be properly completed or maintained by the proposed contract: *Provided further*, That the Secretary of Health, Education, and Welfare, in arriving at his finding, shall consider whether the tribe or tribal organization will be deficient with respect to (1) equipment, (2) bookkeeping and accounting procedures, (3) substantive knowledge of the program to be contracted for, (4) community support for the contract, (5) adequately trained personnel, or (6) other necessary components of contract performance.

(b) Whenever the Secretary of Health, Education, and Welfare declines to enter into a contract or contracts pursuant to subsection (a) of this section he shall (1) state his objections in writing to the tribe within sixty days, (2) provide, to the extent practicable, assistance to the tribe or tribal organization to overcome his stated objections, and (3) provide the tribe with a hearing, under such rules and regulations as he shall promulgate, and the opportunity for appeal on the objections raised.

(c) The Secretary of Health, Education, and Welfare is authorized to require any tribe requesting that he enter into a contract pursuant to the provisions of this title to obtain adequate liability insurance: *Provided, however*, That each such policy of insurance shall contain a provision that the insurance carrier shall waive any right it may have to raise the defense of tribal immunity from suit, but that such waiver shall extend only to claims the amount and nature of which are within the coverage and limits of the policy and shall not authorize or empower such insurance carrier to waive or otherwise limit the tribe's sovereign immunity outside or beyond the coverage and limits of the policy of insurance.

GRANTS TO INDIAN TRIBAL ORGANIZATIONS

Sec. 104. The Secretaries of the Interior and of Health, Education, and Welfare are each authorized, upon the request of any Indian tribe, to make a grant or grants to any tribal organization of such Indian tribe for planning, training, evaluation, and other activities specifically designed to make it possible for such tribal organization to enter into a contract or contracts pursuant to sections 102 and 103 of this Act.

DETAIL OF PERSONNEL

Sec. 105. (a) Section 3371(2) of chapter 33 of title 5, United States Code, is amended (1) by deleting the word "and" immediately after the semicolon in clause (A); (2) by deleting the period at the end of clause (B) and inserting in lieu thereof a semicolon and the word "and"; and (3) by adding at the end thereof the following new clause:

"(C) any Indian tribe, band, nation, or other organized group or community, including any Alaska Native village as defined in the Alaska Native Claims Settlement Act (85 Stat. 688), which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians."

(b) The Act of August 5, 1964 (68 Stat. 674), as amended, is further amended by adding a new section 8 after section 7 of the Act, as follows:

"Sec. 8. In accordance with subsection (d) of section 214 of the Public Health Service Act (58 Stat. 690), as amended, upon the request of any Indian tribe, band, group, or community, commissioned officers of the Service may be assigned by the Secretary for the purpose of assisting such Indian tribe, group, band, or community in carrying out the provisions of contracts with, or grants to, tribal organizations pursuant to section 102, 103, or 104 of the Indian Self-Determination and Education Assistance Act".

(c) Paragraph (2) of subsection (a) of section 6 of the Military Selective Service Act of 1967 (81 Stat. 100), as amended, is amended by inserting after the words "Environmental Science Services Administration" the words "or who are assigned to assist Indian tribes, groups, bands, or communities pursuant to the Act of August 5, 1954 (68 Stat. 674), as amended,".

ADMINISTRATIVE PROVISIONS

Sec. 106. (a) Contracts with tribal organizations pursuant to sections 102 and 103 of this Act shall be in accordance with all Federal contracting laws and regulations except that, in the discretion of the appropriate Secretary, such contracts may be negotiated without advertising and need not conform with the provisions of the Act of August 24, 1935 (49 Stat. 793), as amended.

(b) Payments of any grants or under any contracts pursuant to section 102, 103, or 104 of this Act may be made in advance or by way of reimbursement and in such installments and on such conditions as the appropriate Secretary deems necessary to carry out the purposes of this title.

(c) Any contract requested by a tribe pursuant to sections 102 and 103 of this Act shall be for a term not to exceed one year unless the appropriate Secretary determines that a longer term would be advisable: *Provided*, That such term may not exceed three years and shall be subject to the availability of appropriations: *Provided, further*, That the amount of any such contract may be renegotiated annually to reflect factors, including but not limited to cost increases, beyond the control of a tribal organization.

(d) Notwithstanding any provision of law to the contrary, the appropriate Secretary may, at the request or consent of a tribal organization, revise or amend any contract or grant made by him pursuant to section 102, 103, or 104 of this Act with such organization as necessary to carry out the purposes of this title: *Provided, however*, That whenever an Indian tribe requests retrocession of the appropriate Secretary for any contract entered into pursuant to this Act, such retrocession shall become effective upon a date specified by the appropriate Secretary not more than one hundred and twenty days from the date of the request by the tribe or at such later date as may be mutually agreed to by the appropriate Secretary and the tribe.

(e) In connection with any contract or grant made pursuant to section 102, 103, or 104 of this Act, the appropriate Secretary or agency head may permit a tribal organization to utilize, in carrying out such contract or grant, existing school buildings, hospitals, and other facilities and all equipment therein or appertaining thereto and other personal property owned by the Federal Government within his jurisdiction under such terms and conditions as may be agreed upon for their use and maintenance.

(f) The contracts authorized under sections 102 and 103 of this Act and grants pursuant to section 104 of this Act may include provisions for the performance of personal services which would otherwise be performed by Federal employees: *Provided*, That the

Secretary shall not make any contract which would impair his ability to discharge his trust responsibilities to any Indian tribe or individuals.

(g) Contracts with tribal organizations and regulations adopted pursuant to this Act shall include provisions to assure the fair and uniform provision by such organizations of services and assistance to Indians in the conduct and administration of programs or activities under such contracts.

Sec. 107. (a) The Secretaries of the Interior and of Health, Education, and Welfare are each authorized to perform any and all acts and to make such rules and regulations as may be necessary and proper for the purpose of carrying out of the provisions of this title.

(b) (1) Within six months from the date of enactment of this Act, the Secretary of the Interior and the Secretary of Health, Education, and Welfare shall, to the extent practicable, consult with national and regional Indian organizations to consider and formulate appropriate rules and regulations to implement the provisions of this title.

(2) Within seven months from the date of enactment of this Act, the Secretary of the Interior and the Secretary of Health, Education, and Welfare shall present the proposed rules and regulations to the Committees on Interior and Insular Affairs of the United States Senate and House of Representatives.

(3) Within eight months from the date of enactment of this Act, the Secretary of the Interior and the Secretary of Health, Education, and Welfare shall publish proposed rules and regulations in the Federal Register for the purpose of receiving comments from interested parties.

(4) Within 10 months from the date of enactment of this Act, the Secretary of the Interior and the Secretary of Health, Education, and Welfare shall promulgate rules and regulations to implement the provisions of this title.

(c) The Secretary of the Interior and the Secretary of Health, Education, and Welfare are authorized to revise and amend any rules or regulations promulgated pursuant to this section: *Provided*, that prior to any revision or amendment to such rules or regulations the respective Secretary or Secretaries shall, to the extent practicable, consult with appropriate national or regional Indian organizations and shall publish any proposed revisions in the Federal Register not less than sixty days prior to the effective date of such rules and regulations in order to provide adequate notice to, and receive comments from, other interested parties.

Sec. 108. For each fiscal year during which an Indian tribal organization receives or expends funds pursuant to a contract or grant under this title, the Indian tribe which requested such contract or grant shall submit to the appropriate Secretary a report including, but not limited to, an accounting of the amounts and purposes for which Federal funds were expended, information on conduct of the program or service involved, and such other information as the appropriate Secretary may request. The reports and records of the Indian tribal organization with respect to such contract or grant shall be subject to audit by the appropriate Secretary and the Comptroller General of the United States.

Sec. 109. There are hereby authorized to be appropriated for the purposes of section 104 of this title the amount of $3,000,000 to the Department of the Interior and $2,000,000 to the Department of Health, Education, and Welfare for each of three succeeding fiscal years following the date of enactment of this Act.

Sec. 110. Nothing in this Act shall be construed as—

(1) affecting, modifying, diminishing, or otherwise impairing the sovereign immunity from suit enjoyed by any Indian tribe; or

(2) authorizing or requiring the termination of any existing trust responsibility of the United States with respect to the Indian people.

TITLE II—THE INDIAN EDUCATION ASSISTANCE ACT

Sec. 201. This title may be cited as the "Indian Education Assistance Act".

Part A—Education of Indians in Public Schools

Sec. 202. The Act of April 16, 1934 (48 Stat. 596), as amended, is further amended by adding at the end thereof the following new sections:

"Sec. 4. The Secretary of the Interior shall not enter into any contract for the education of Indians unless the prospective contractor has submitted to, and has had approved by the Secretary of the Interior, an education plan, which plan, in the determination of the Secretary, contains educational objectives which adequately address the educational needs of the Indian students who are to be beneficiaries of the contract and assures that the contractor is capable of meeting such objectives.

"Sec. 5. (a) Whenever a school district affected by a contract or contracts for the education of Indians pursuant to this Act has a local school board not composed of a majority of Indians, the parents of the Indian children enrolled in the school or schools affected by such contract or contracts shall elect a local committee from among their number. Such committee shall fully participate in the development of, and shall have the authority to approve or disapprove programs to be conducted under such contract or contracts, and shall carry out such other duties, and be so structured, as the Secretary of the Interior shall by regulation provide: *Provided, however*, That, whenever a local Indian committee or committees established pursuant to section 305(b) (2) (B) (ii) of the Act of June 23, 1972 (86 Stat. 235), or an Indian advisory school board or boards established pursuant to this Act prior to the date of enactment of this section exists in such school district, such committee or board may, in the disecretion of the affected tribal governing body or bodies, be utilized for the purposes of this section.

"(b) The Secretary of the Interior may, in his discretion, revoke any contract if the contractor fails to permit a local committee to perform its duties pursuant to subsection (a).

"Sec. 6. Any school district educating Indian students who are members of recognized Indian tribes, who do not normally reside in the State in which such school district is located, and who are residing in Federal boarding facilities for the purposes of attending public schools within such district may, in the discretion of the Secretary of the Interior, be reimbursed by him for the full per capita costs of educating such Indian students.

"Sec. 7. There are hereby authorized to be appropriated for the education of Indians pursuant to this Act $65,000,000 for each of the fiscal years 1975 and 1976."

Sec. 203. After conferring with persons competent in the field of Indian education, the Secretary, in consultation with the Secretary of Health, Education, and Welfare, shall prepare and submit to the Committees on Interior and Insular Affairs of the United States Senate and House of Representatives not later than October 1, 1974, a report which shall include:

(1) a comprehensive analysis of the Act of April 16, 1934 (48 Stat. 596), as amended, including—

(A) factors determining the allocation of funds for the special or supplemental educational programs of Indian students and current operating expenditures;

(B) the relationship of the Act of April 16, 1934 (48 Stat. 596), as amended, to—

(i) title I of the Act of September 30, 1950 (64 Stat. 1100), as amended; and

(ii) the Act of April 11, 1965 (79 Stat. 27), as amended; and

(iii) title IV of the Act of June 23, 1972 (86 Stat. 235); and

(iv) the Act of September 23, 1950 (72 Stat. 548), as amended.

(2) a specific program to meet the special educational needs of Indian children who attend public schools. Such program shall include, but need not be limited to, the following:

(A) a plan for the equitable distribution of funds to meet the special or supplemental educational needs of Indian children and, where necessary, to provide general operating expenditures to schools and school districts educating Indian children; and

(B) an estimate of the cost of such program;

(3) detailed legislative recommendations to implement the program prepared pursuant to clause (2); and

(4) a specific program, together with detailed legislative recommendations, to assist the development and administration of Indian-controlled community colleges.

Part B—Preparation of Professionals in Indian Education

Sec. 204. (a) The Secretary is authorized to establish and carry out a program of making grants to, and contracts with, institutions of higher education and other public or private nonprofit organizations or agencies, or Indian tribes or tribal organizations with relevant experience and expertise in order to provide fellowships and carry out programs and projects to—

(1) prepare persons to serve Indians in public, private, or totally federally funded schools as educational administrators, teachers, teacher aides, and ancillary educational personnel, including, but not limited to, school social workers, guidance counselors, nurses, and librarians; and

(2) improve the qualifications of persons who are serving Indians in such capacities.

(b) In selecting participants in or recipients for fellowships to programs and projects under this section preference shall be given to Indians.

(c) The Secretary is authorized and directed to develop criteria pursuant to which he shall evaluate all grants and contracts authorized under this section.

Sec. 205. For the purpose of making grants or contracts pursuant to this part B there is authorized to be appropriated $10,000,000 for the fiscal year after the enactment of this Act, and $15,000,000 for each of the next two succeeding fiscal years.

Part C—School Construction

Sec. 206. (a) The Secretary is authorized to enter into a contract or contracts with any State education agency or school district for the purpose of assisting such agency or district in the acquisition of sites for, or the construction, acquisition, or renovation of, facilities (including all necessary equipment) in school districts on or adjacent to or in close proximity to any Indian reservation or other lands held in trust by the United States for Indians, if such facilities are necessary for the education of Indians residing on any such reservation or lands.

(b) The Secretary may expend not less than 75 per centum of such funds as are authorized and appropriated pursuant to this part C on those projects which meet the eligibility requirements under subsections (a) and (b) of section 14 of the Act of September 23, 1950 (72 Stat. 548), as amended. Such funds shall be allocated on the basis of existing funding priorities, if any, established by the United States Commissioner of Education under subsections (a) and (b) of section 14 of the Act of September 23, 1950, as amended. The United States Commissioner of Education is directed to submit to the Secretary, at the beginning of each fiscal year, commencing with the first full fiscal year after the date of enactment of this Act, a list of those projects eligible for funding under subsections (a) and (b) of section 14 of the Act of September 23, 1950, as amended.

(c) The Secretary may expend not more than 25 per centum of such funds as may be authorized and appropriated pursuant to this part C on any school eligible to receive funds under Section 6 of the Act of April 16, 1934 (48 Stat. 596), as amended by this Act.

(d) Any contract entered into by the Secretary pursuant to this section shall contain provisions requiring the relevant State educational agency to—

(1) provide Indian students attending any such facilities constructed, acquired, or renovated, in whole or in part, from funds made available pursuant to this section with standards of education not less than those provided non-Indian students in the school district in which the facilities are situated; and

(2) meet, with respect to such facilities, the requirements of the State and local building codes, and other building standards set by the State educational agency or school district for other public school facilities under the jurisdiction or control or by the local government in the jurisdiction within which the facilities are situated.

(e) The Secretary shall consult with the entity designated pursuant to section 5 of the Act of April 16, 1934 (48 Stat. 596), as amended by this Act, and with the governing body of any Indian tribe or tribes the educational opportunity for the members of which will be significantly affected by any contract entered into pursuant to this section. Such consultation shall be advisory only, but shall occur prior to the entering into of any such contract. The foregoing provisions of this subsection shall not be applicable where the application for a contract pursuant to this section is submitted by an elected school board of which a majority of its members are Indians.

(f) For the purpose of implementing the provisions of this section, the Secretary shall assure that the rates of pay for personnel engaged in the construction or renovation of facilities constructed or carried out in whole or in part by funds made available pursuant to this section are not less than the prevailing local wage rates for similar work as determined in accordance with the Act of March 3, 1921 (46 Stat. 1491), as amended.

(g) Within ninety days following the expiration of the three year period following the date of the enactment of this Act, the Secretary shall evaluate the effectiveness of the program pursuant to this section and transmit a report of such evaluation to the Congress. Such report shall include—

(1) an analysis of construction costs and the impact on such costs of the provisions of subsection (f) of this section and the Act of March 3, 1921 (46. Stat. 1491), as amended;

(2) a description of the working relationship between the Department of the Interior and the Department of Health, Education, and Welfare including any memorandum of understanding in connection with the acquisition of data pursuant to subsection (b) of this section;

(3) projections of the Secretary of future construction needs of the public schools serving Indian children residing on or adjacent to Indian reservations;

(4) a description of the working relationship of the Department of the Interior with local or State educational agencies in connection with the contracting for construction, acquisition, or renovation of school facilities pursuant to this section; and

(5) the recommendations of the Secretary with respect to the transfer of the responsibility for administering subsections (a) and (b) of section 14 of the Act of September 23, 1950 (72 Stat. 548), as amended, from the Department of Health, Education, and Welfare to the Department of the Interior.

(h) For the purpose of carrying out the to be appropriated the sum of $35,000,000 for the fiscal year ending June 30, 1974; $35,000,000 for each of the four succeeding fiscal years; and thereafter, such sums as may be necessary, all of such sums to remain available until expended.

PART D—YOUTH INTERN PROGRAM

SEC. 207. In order to provide meaningful and career-related work opportunities for Indian youth who are not enrolled in educational programs during the summer months, the Secretary is authorized to establish and carry out an Indian youth intern program for any Indian sixteen years of age or older who is regularly enrolled in secondary school, vocational school, or higher education program during usual school terms.

SEC. 208. (a) In establishing and administering the Indian youth intern program, the Secretary shall designate or recognize community service fields including those related to education, child development, recreation, law, health services, engineering, research, science, government, agriculture and forestry, business and commerce, and other appropriate pursuits, which can provide useful experience to Indian youth in exploring and participating in activities related to their future choices of possible careers.

(b) The Secretary shall determine the number of Indian youth in the community or reservation who are interested in employment during the summer months in the fields designated in subsection (a) of this section.

(c) The Secretary shall require negotiations with employers for the employment of each Indian youth participating in the Indian youth intern program, such negotiations to include a job description outlining specific duties, evaluation of the progress of the Indian youth intern, and consultation by the employer with the Indian youth intern periodically.

SEC. 209. In establishing and carrying out the Indian youth intern program, the Secretary shall take such action as may be necessary to assure that—

(1) each Indian youth intern shall be paid not less than the Federal minimum wage;

(2) each Indian youth intern shall engage in activities which are supplemental to those of the regular work force where he is employed and shall not replace any regular adult full-time employee, except as a temporary substitute during any normal vacation or other such leave of any such employee;

(3) the total wages paid each Indian youth intern employed by a nonprofit agency shall be paid out of funds provided in this part D;

(4) one-half the wages paid each Indian youth intern employed by other than a nonprofit agency shall be paid out of funds provided in this part D, and one-half by the employer;

(5) each Indian youth intern shall be covered by appropriate workmen's compensation laws;

(6) no Indian youth intern shall be entitled, by reason of his employment as an intern, to participate in any pension, retirement, or unemployment compensation programs;

(7) there shall be one supervisor for each twenty Indian youth interns during their period of employment; that such supervisor shall be compensated at a rate not in excess of the minimum rate for GS-9 of the General Schedule under section 5332 of title 5, United States Code; and that, with respect to the position of supervisor, preference shall be given to qualified Indians residing in the locality in which the interns are employed.

SEC. 210. For the purpose of carrying out the provisions of this part D, there is hereby authorized to be appropriated $10,000,000 for the first fiscal year after the enactment of this Act, and $15,000,000 for each of the next two succeeding fiscal years.

PART E—EDUCATIONAL RESEARCH AND DEVELOPMENT

SEC. 211. (a) The Secretary is authorized to make grants to and contracts with universities and colleges and other public and private nonprofit agencies, institutions, and organizations, and to and with individuals for research, surveys, and demonstrations in the field of Indian education and for the dissemination of information derived from such research, surveys, and demonstrations.

(b) No grant shall be made or contract entered into pursuant to this section until the Secretary has obtained the advice and recommendations of educational specialists who are competent to evaluate proposals as to the soundness of design, prospects of productive results, and adequacy of the resources of any applicant to conduct research, surveys, or demonstration projects. Wherever possible among the educational specialists consulted shall be Indians who are not employees of the Federal Government.

(c) No grant shall be made or contract entered into pursuant to this section until the Secretary is satisfied that the activities to be funded do not substantially duplicate research, surveys, or demonstrations the results of which are or will be accessible to the public.

SEC. 212. For the purposes of carrying out the provisions of this part E, there is hereby authorized to be appropriated $2,000,000 for the first fiscal year after enactment of this Act, and $3,000,000 for each of the next two succeeding fiscal years.

PART F—ADULT, VOCATIONAL, AND EARLY CHILDHOOD EDUCATION

SEC. 213. After consultation with persons competent in the appropriate field of education, which person shall include Indians who are not employees of the Federal Government, the Secretary shall present to the Ninety-fourth Congress, within sixty days of the convening thereof—

(1) a proposed program of adult and continuing education designed to meet the needs of Indian people;

(2) a proposed program designed to meet the vocational and technical career education needs of Indian people;

(3) a proposed program designed to meet the early childhood education needs of the Indian people;

(4) a proposed program designed to meet the special education needs of gifted and handicapped Indians aged three to twenty-one years; and

(5) a review and analysis of existing programs in higher education for Indians administered by the Department of the Interior, and a proposed program of higher education designed to meet the needs of the Indian people; and

(6) an assessment of the capability of the Federal Government to measure effectively and accurately the educational progress and achievement of Indian people, such assessment to include a review of the ability of the Department of the Interior to measure the educational achievement and progress of Indian people. The Secretary is further directed in the preparation of such an assessment to consult with the Secretary of the Department of Health, Education, and Welfare, and such other agency heads as he deems appropriate, as to the capability of the Office of Education or the National Institute on Education to measure the educational progress and achievement of Indian people, and shall include the result of such consultations in such report.

SEC. 214. For the purpose of carrying out the provisions of this part F, there is hereby authorized to be appropriated $750,000 for the first fiscal year after the enactment of this Act.

PART G—GENERAL PROVISIONS

SEC. 215. No funds from any grant or contract pursuant to this title shall be made available to any school district unless the Secretary is satisfied that the quality and standard of education, including facilities and auxiliary services, for Indian students enrolled in the schools of such district are at least equal to that provided all other students from resources, other than resources provided in this title, available to the local school district.

SEC. 216. No funds from any contract or grant pursuant to this title except as provided in part B shall be made available by any Federal agency directly to other than public agencies and Indian tribes, institutions, and organizations: *Provided*, That school districts, State education agencies, and Indian tribes, institutions, and organizations assisted by this title may use funds provided herein to contract for necessary services with any appropriate individual, organization, or corporation.

SEC. 217. (a) (1) Within six months from the date of enactment of this Act, the Secretary shall, to the extent practicable, consult with national and regional Indian organizations with experiences in Indian education to consider and formulate appropriate rules and regulations to implement the provisions of this title.

(2) Within seven months from the date of enactment of this Act, the Secretary shall present the proposed rules and regulations to the Committees on Interior and Insular Affairs of the United States Senate and House of Representatives.

(3) Within eight months from the date of enactment of this Act, the Secretary shall publish proposed rules and regulations in the Federal Register for the purpose of receiving comments from interested parties.

(4) Within ten months from the date of enactment of this Act, the Secretary shall promulgate rules and regulations to implement the provisions of this title.

(b) The Secretary is authorized to revise and amend any rules or regulations promulgated pursuant to subsection (a) of this section: *Provided*, That prior to any revision or amendment to such rules or regulations the Secretary shall, to the extent practicable, consult with appropriate national and regional Indian organizations, and shall publish any proposed revisions in the Federal Register not less than sixty days prior to the effective date of such rules and regulations in order to provide adequate notice to, and receive comments from, other interested parties.

SEC. 218. The Secretary is authorized and directed to provide funds, pursuant to this Act; the Act of April 16, 1934 (48 Stat. 569), as amended; or any other authority granted to him to any tribe or tribal organization which controls and manages any previously private school. The Secretary shall transmit annually to the Committees on Interior and Insular Affairs of the United States Senate and House of Representatives a report on the educational assistance program conducted pursuant to this section.

SEC. 219. The assistance provided in this Act for the education of Indians in the public schools of any State is in addition and supplemental to assistance provided under title IV of the Act of June 23, 1972 (86 Stat. 235).

Mr. ROBERT C. BYRD. Mr. President, I send an amendment to the desk and ask that it be stated.

The **ACTING PRESIDENT** pro tempore. The amendment will be stated.

The assistant legislative clerk read as follows:

S. 1017

On page 47, line 2, after the word "Section" strike the remainder of the line, and on line 3, strike all through and including the word "by" and insert in lieu thereof "218 of".

The **ACTING PRESIDENT** pro tempore. The question is on agreeing to the amendment to the committee amendment.

The amendment to the committee amendment was agreed to.

The committee amendment in the nature of a substitute, as amended was agreed to.

Mr. ABOUREZK. Mr. President, the legislation before us today has some features which I believe are precedent setting. We have been able, particularly in title I of this bill, to adjust the relationship between the Indian tribes of this country, and the bureaucracy which is supposed to serve them. Too often in the past the choice for the Indians has been between doing what the bureaucrats wanted or being denied the service—or even worse, facing the threat of termination.

The provisions of title I shift the power of determining when Indians are ready to assume the management of programs funded for their benefit from the arbitrary whim of a bureaucrat over to the community where it belongs. Continued Federal Government responsibility to provide assistance and properly review the delivery of services is left in the Government agencies for the protection of the programs without arbitrarily conducting the day-to-day decisionmaking that is so important to the community and its leaders if that community is to develop itself and its leadership.

Built into this legislation is the continuation of those programs that the Indian people want, with special emphasis given to the preservation of the "Trust Relationship." Central to the theme of this mechanism is the possibility for the Indian tribe to bring about changes without the fear of termination.

Another important feature of title I is the opportunity for Indian communities to utilize Government personnel when the expertise of those individuals is useful to the community in carrying out of its programs without those Government experts losing their civil service benefits. This provision applies not only to the staffs of the Bureau of Indian Affairs and of the Indian Health Service, but also to personnel of other agencies of the Government. Often the tribe seeking the assistance can find its own members employed in one of the agencies of Government and bring them back without causing those members to give up valuable civil service rights in order to make a contribution to the success of their own tribal program.

The second title of this legislation deals with some important innovations in the field of education. Although the formula in the original part proved to be extremely controversial and difficult to operate as it applied to some States, the proposed innovations stimulated a very intense and useful discussion. Part A as it now appears in this legislation has some desirable features. One of these is the creation of statutory language to guarantee the existence of Indian parent committees with the power to assure Indian input and approval of local programs under the Johnson-O'Malley program. Certainly we in Congress must devise a system to prevent the kinds of misuse of the Johnson-O'Malley funds; that have been pointed out in reports by the General Accounting Office and others. I believe this system of controls will require further study, which part A calls for. However, I have some reservations in asking those same agencies of Government which have not in the past properly managed these funds in the best interest of Indian education now to recommend to us the legislation necessary to assure their responsible management in the future.

I would like to call the attention of the Senate to language in the report of the 1974 Department of the Interior and Related Agencies Appropriation bill in the House of Representatives which directs a study similar to the one proposed in section 5. That language is as follows:

> The Committee directs that both BIA and the Department of Health, Education, and Welfare review the impact-aid program, the Johnson-O'Malley program and the Indian Education Act program and provide recommendations so that all Indian children will have an equal educational opportunity. The Committee also requests the BIA to review and reassess the Johnson-O'Malley distribution formula. The Committee cannot emphasize too strongly that it is deeply interested in the progress of Indian education, but it wants the funds for these programs to be managed with complete fiscal responsibility so there is equity among the children served them.

Although that request was made on June 22, 1973, I understand that the study is just getting under way. I hope we have better luck with our request.

I am very pleased that during the committee deliberation the full committee gave its support for immediate hearings where we can employ outside consultants to come in and assist us in examining some of these difficult issues. I believe there is a wealth of expertise available among Indians who have not only their skills but personal experience with the Indian educational developments.

The committee's endorsement of the subcommittee's proposed outside expertise for assistance in exploring alternatives in developing a program of equity and excellence for the benefit of Indian children is highly satisfactory. With a minimum of immediate cooperation from the departments in providing us with statistical information that they undoubtedly have on hand, I believe we can move ahead immediately in developing a comprehensive legislative program in Indian education.

As subcommittee chairman, I intend, consistent with our congressional responsibility, to move forward with an intensive investigation and hearing process intended to build upon the insights of Indian people, particularly those of the intensely dedicated Indian people who have experienced the process of Indian education and are now determined to correct its failures.

Mr. JACKSON. Mr. President, presently before the Senate is S. 1017, the Indian Self-Determination and Education Assistance Act.

This measure was previously ordered reported to the Senate on February 7, 1974, where it passed on the Consent Calendar on February 8. However, that passage was vacated on February 18 because the distinguished Senator from Massachusetts, Mr. KENNEDY, expressed concern over certain provisions in title II, part A, of the proposed legislation. Subsequent to that time Senator KENNEDY's staff and the staff of the Committee on Interior and Insular Affairs have endeavored to work out compromise language to part A that would address the concerns and reservations raised by Senator KENNEDY and others since this measure was first reported about 2 months ago.

As originally drafted title II, part A, was a major reform of the Johnson-O'Malley Act of 1934. This statute provides the basic authority for financial assistance to local public schools with enrolled Indian students. As originally drafted the purpose of title II, part A, was twofold. Indian tribes and local education agencies were given authority to contract for education of federally recognized Indians who are enrolled in the public schools. In addition, part A contained a formula for the equitable distribution of Federal funds for Indian elementary and secondary education. In brief, the original language in title II, part A, sought to overcome these deficiencies through a formula which the committee, in its judgment, believed would be fair to the respective States and school districts. Unfortunately, the formula became the issue rather than the more important matter of reforming a long-neglected program. The amended version now before the Senate calls for a strengthening of the policies and administrative provisions of the Johnson-O'Malley Act and to provide for a congressional mandated study by the Secretary of the Interior to be completed no later than October 1, 1974. I believe it is significant to note that official tribal leaders representing a substantial portion of the federally recognized Indian population have endorsed the amended language in title II, part A, of S. 1017. I offer communications from such leaders to demonstrate their support.

In addition, the Comptroller General when asked to review the original version of the measure on February 7, responded that the formula of part A was responsive to the shortcomings of the Johnson-O'Malley program. In short the record is clear. The majority of Indians support S. 1017, titles I and II. The self-determination provisions of title I are sorely needed to permit the tribes to remove the stifling effects of paternalism from their reservations and communities, and the education provisions of title II offer new opportunities for Indians to improve and control their own educational programs and services.

I ask unanimous consent to have various communications printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE NAVAJO NATION,
Window Rock, Ariz., March 19, 1974.

Hon. HENRY M. JACKSON,
Russell Office Building,
Washington, D.C.

DEAR SENATOR JACKSON: The purpose of this letter is to reaffirm the support of the Navajo Tribe for the principle embodied in S. 1017, with the exceptions noted below. Title I of this bill provides encouragement for the efforts of the Navajo Nation to achieve self-determination.

I am aware that serious questions have been raised about the provisions of Part A of Title II of S. 1017. The Navajo Nation is particularly concerned because we have not been able to determine how the entitlement formula included in Part A would affect Navajo children. Therefore, we support the proposed amendment of Part A (Committee Print No. 1) which would provide new authorization for Federal financing for the education of Indian children through contracts with States and with Indian tribes, but would not establish an arbitrary formula for the allocation of assistance. We approve the requirement that at least 75% of such assistance must go for special or supplemental programs for Indian children. We also approve the strengthening of the requirement for approval of contracts by Indian parent committees.

We have only one remaining problem with the bill. We feel thåt the definition of tribal organization is too broad. The present definition could include organizations incorporated under State law without tribal sanction. We, therefore, request that Section 4(c) should be amended to read:

"(c) 'tribal organization' means the paramount elected governing body of any Indian tribe;"

The Navajo Nation appreciates the time and hard work which you and your Committee have put in on this bill. We see it as a long step forward in improving the life of reservation Indian people throughout the United States. We are especially impressed with the strong Congressional support which the bill expresses for the establishment of a meaningful Indian self-determination policy which will permit an orderly transition from Federal domination of programs for and services to Indians to effective and meaningful participation by the Indian people in the planning, conduct and administration of these programs and services.

With kind regards,

PETER MACDONALD,
Chairman, Navajo Tribal Council.

[Telegram]

ANCHORAGE, ALASKA,
March 22, 1974.

Senator HENRY JACKSON,
Capitol Hill, D.C.:

The Alaska Federation of Natives, Inc., does concur with the agreement reached in principal by the Interior Committee of the Senate which amends S. 1017, Title 11, Part A. We have had telephone communications with your staff and see no areas of disagreements with the synopsis as presented to us.

ROGER LANG,
President Alaska Federation of Natives.

[TELEGRAM]

Hon. HENRY M. JACKSON,
Chairman, Interior and Insular Affairs Committee, Dirksen Senate Office Building, Washington, D.C.

Support the Jackson-Fannin amendment to part A; title II of S. 1017; urge that the full committee approve this amendment and move the bill through Senate for referral to House of Representatives immediately. A resolution of support for this Jackson-Fannin amendment has heretofore been adopted by the Montant Inter-Tribal Policy Board.

ROLAND KENNERLY,
Chairman of the Montana Inter-Tribal Policy Board.

FRIED, FRANK, HARRIS,
SHRIVER & KAMPELMAN,
Washington, D.C., March 20, 1974.

Re S. 1017.
Hon. HENRY M. JACKSON,
Russell Office Building,
Washington, D.C.

DEAR SENATOR JACKSON: President Dick Wilson of the Oglala Sioux Tribe has asked us to express to you again the support of the Tribe for S. 1017.

Mr. Wilson has noted the questions which have been raised about Part A of Title II of the bill and supports the proposed amendment, Committee Print No. 1. He would, however, prefer it if it were made clear that organizations not endorsed by the duly authorized governing body of a Tribe would not qualify as eligible "tribal organizations."

Sincerely,

S. BOBO DEAN.

FRIED, FRANK, HARRIS,
SHRIVER & KAMPELMAN,
Washington, D.C., March 8, 1974.

Re S. 1017.
Hon. HENRY M. JACKSON,
U.S. Senate,
Russell Building,
Washington, D.C.

DEAR SENATOR JACKSON: The purpose of this letter is to reaffirm the support of the Oglala Sioux Tribe, the Miccosukee Tribe of Indians of Florida, the Metlakatla Indian Community, the Salt River Pima Maricopa Indian Community and the Hualapai Tribe of Arizona for the provisions of Title I of S. 1017.

It would be tragic, indeed, if a controversy over certain provisions of Title II relating to the public schools should prevent passage of Title I which is so essential to reinforce the pledge of the President that Indian tribal self-government shall become increasingly meaningful.

Sincerely,

S. BOBO DEAN.

NATIONAL TRIBAL CHAIRMAN'S
ASSOCIATION,
Washington, D.C., March 14, 1974.

Hon. HENRY M. JACKSON,
Chairman, Senate Committee on Interior and Insular Affairs, Washington, D.C.

DEAR SENATOR JACKSON: There is enclosed a copy of Resolution BD–3/74–No. 8 which was adopted by the Board of Directors of the National Tribal Chairmen's Association in its meeting held March 7, 1974. By this resolution, the NTCA Board urges S. 1017, with the proposed Committee staff amendments (Committee Print No. 1, dated March 7, 1974), be passed by the Senate so that it can be referred to the House of Representatives for its consideration of this most important item of legislation.

Sincerely yours,

WILLIAM YOUPEE,
Executive Director.

RESOLUTION

Whereas, The Interior and Insular Affairs Committee of the United States Senate has, through its Subcommittee on Indian Affairs, held lengthy hearings, both during the 92nd and 93rd Congresses on legislation encompassing provisions for contracting of services by Indian Tribes; and

Whereas, In the 93rd Congress, the Interior and Insular Affairs Committee of the United States Senate added to that legislation a title that deals with a subject of utmost importance to Indian people, the Education of Indian people; and

Whereas, The National Tribal Chairmen's Association testified on the legislation in both the 92nd and 93rd Congresses because of its strong support for legislation that will make greater contracting authority available to Indian Tribes and for improved educational opportunities for Indan people; and

Whereas, The Interior and Insular Affairs Committee of the United States Senate has studied the hearing record compiled from the hearings on the legislation, including testimony presented by this organization, and has made proposed Committee Staff amendments (Committee Print No. 1, March 7, 1974), in Title II, Part A, that we believe improve that title; and

Whereas, This legislation will enhance the stability of Indian communities and be of benefit to Indian people.

Now, therefore, be it resolved, That the National Tribal Chairmen's Association Board of Directors go on record urging that S. 1017, with the proposed Committee Staff amendments, be passed by the Senate so that it can be referred to the House of Representatives for its consideration of this most important item of legislation.

[TELEGRAM]

FEDERAL WAY, WASH.,
March 18, 1974.

Senator HENRY M. JACKSON,
Chairman, Committee of Interior and Insular Affairs, Senate Office Building, Washington, D.C.:

The Small Tribes Organization of Western Washington endorses the proposed committee amendment to Title Two, Part A, S1017, the Indian Self Determination and Education Reform Act. We urge you to seek prompt approval by the Full Committee and Senate of this important measure and referral to the House of Representatives for full consideration. S1017 is of vital importance to Indian tribes who desire the right to exercise greater self determination and improve educational opportunities for their members.

JOSEPH E. CLOQUET,
Acting Director.

[TELEGRAM]

SPOKANE, WASH.,
March 20, 1974.

Re amendment to S. 1017.

SENATE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS,
Attention: FORREST GERARD,
U.S. Senate,
Washington, D.C.:

Indian Self Determination and Educational Reform Act Spokane and Kalispel Indian Tribes of Washington and Coeur D'Alene strongly supports S. 1017 but as amended by proposed committee amendment that not more than 25 percent Johnson-O'Malley funds be used for operational expenditures and 75 percent must be designated for special and supplementary Indian education programs. Tribes have observed that until recent years entire funds often used for general operation and none for Indian programs situation has improved with parental and tribal participating committees. Small poor tribes lack ability to force compliance and bill should require it Coeur D'Alene Tribes especially supports proposal for funds to support tribal organization managing previously private school. Tribe is attempting to do that at Desmet Mission and desperately needs such assistance. Tribal resolutions will follow.

ROBERT D. DELLWO,
Attorney.

ST. CROIX TRIBAL COUNCIL,
Webster, Wis., March 15, 1974.

Hon. HENRY M. JACKSON,
Chairman, U.S. Senate, Committee on Interior and Insular Affairs, Washington, D.C.

DEAR SENATOR JACKSON: Thank you for the information, March 11, 1974, regarding the Indian Self-Determination and Educational Reform Act.

Our Council is in agreement with the Committee to amend Part A that would be a further amendment to the Johnson O'Malley Act of 1934.

Sincerely,

EUGENE W. TAYLOR,
St. Croix Tribal Chairman.

CENTRAL TRIBES OF THE
SHAWNEE AREA, INC.,
Shawnee, Okla., March 14, 1974.

Senator HENRY M. JACKSON,
Chairman, Committee on Interior and Insular Affairs, Washington, D.C.

DEAR SENATOR JACKSON: Thank you for your letter concerning amendments to S1017, the Indian Self-Determination and Educational Reform Act. I would like to express support for the amendments on behalf of the Citizen Band Potawatomi Tribe of Oklahoma, and the Central Tribes of the Shawnee Area, Inc.

We would ask that the following considerations be used in evaluating and implementing the provisions of this bill:

1. The entity that is selected as a "contractor" under this bill must be a federally recognized tribe. If not, the Indian organization must have the unanimous consent of the tribes affected in the form of formal resolutions of support. All too often the passage of legislation creating programs to assist Indian people spawns a horde of organizations with indefinite service populations and areas, dubious credentials and abilities to deliver, and little support or consent from the elected tribal leadership. These organizations are a threat to what little sovereignty the tribes have left and are responsible for the poor reputation Indian organizations have in performing under contract.

2. The ratio and number of Indian counselors, curriculum aides, and supportive programs required for public schools with Indian students be mandatory for BIA Indian Schools. It would be very poor community relations for the public schools in an Indian area to be required to provide more services under this act than the Indian schools are providing in the same area. The poor effect would also be magnified by the creation of local Indian parental committees who have more input and authority over the public school program than Indians presently have over BIA Schools.

3. Any tribe or Indian organization that is operating a private school must adhere to the requirements for accreditation. The private schools owned and managed by Indians have an obligation to Indian people to provide superior instruction and not just adequate or minimal preparation. Section 223 could result in Indian organizations creating sub-standard schools that do not prepare Indian students for higher education, that do not give students the kind of academic discipline needed to further their education, and that are subject to the political whim of the sponsoring organization.

As the previous three considerations indicate, our primary concern for this bill is that stringent guidelines be established for its implementation. If the monies granted under this bill are administered correctly, the result would be of tremendous benefit to Indian students. If the monies are not administered correctly, they will do more harm than good.

Once again, thank you for the opportunity to comment on this bill.

Yours truly,

JOHN A. BARRETT, Jr.,
Director, Central Tribes of the Shawnee Area, Inc.

MOHAWK TRIBAL COUNCIL,
Akwesasne, N.Y., March 14, 1974.

Senator HENRY M. JACKSON,
Chairman, U.S. Senate,
Committee on Interior and Insular Affairs,
Washington, D.C.

DEAR SENATOR: The Mohawk Nation at Akwesansne (St. Regis) in New York State is extremely pleased with the direction of the U.S. Congress in the proposed Indian Self-Determination and Education Reform Act, S. 1017.

We have studied the S. 1017 Act and the re-referral amendments and your committee has the wholehearted endorsement of the Mohawk Nation at Akwesasne (St. Regis).

The Mohawks of the Iroquois Confederacy have for many years attempted recognition of our ability to determine identity, and fulfill our needs and the future for the unborn generations of our people. With this type of legislation, S. 1017, our future and existence as Mohawk people will take direction we so strongly desire.

As Head Chief of the Mohawks at Akwesasne, I have been instructed by our people to support S. 1017 and thank your committee for listening to the voices of Native American people.

Truly yours,

LAWRENCE LAZORE,
Head Chief.

COMPTROLLER GENERAL OF THE
UNITED STATES,
Washington, D.C., March 20, 1974.

Hon. HENRY M. JACKSON,
Chairman, Committee on Interior and Insular Affairs, U.S. Senate.

DEAR MR. CHAIRMAN: Your Committee has informally requested our comments on S. 1017, as reported by your Committee on February 7, 1974. If enacted, the bill would be cited as the "Indian Self-Determination and Education Reform Act." Specifically our comments are requested on the education funds allocation formula in title II of the bill and on whether the formula will assist in correcting the problems set forth in our May 28, 1970, report to the Congress entitled "Administration of Program for Aid to Public School Education of Indian Children Being Improved, B-161468."

Section 102 directs the Secretary of the Interior, upon request of any Indian tribe, to enter into a contract or contracts with any tribal organization of any such Indian tribe to plan, conduct, and administer programs, or portions thereof, which the Secretary is authorized to administer for the benefit of Indians. The section provides that the Secretary may initially decline to enter into any contract requested by an Indian tribe under certain circumstances. Section 103 contains a similar contracting provision for programs administered by the Secretary of Health, Education, and Welfare.

We noted that sections 102 and 103 do not provide for reassumption of the administration of programs by the respective Secretaries if it is determined that the programs assumed by an Indian tribal organization are being administered in a manner which involves the violation of the rights or endangers the health, safety, or welfare of individuals served by such programs, or of the general public, or that there is gross negligence or mismanagement in tribal organizations' handling of Federal funds or the operations of the programs. We suggest, therefore, that language similar to the following be included in a new section of the bill.

"In any case when the appropriate Secretary subsequently determines that a program or service assumed by an Indian tribal organization is being accomplished in a manner which involves (1) the violation of the rights or endangers the health, safety, or welfare of individuals served by such program or service, or (2) gross negligence or mismanagement in the handling or use of Federal funds provided to the organization pursuant to this Act, the appropriate Secretary may, under regulations prescribed by him and after providing notice and hearing to such Indian tribal organization, reassume control or operation of such program or service if he determines that the organization has not taken corrective action as prescribed by the appropriate Secretary. The appropriate Secretary may retain control of such program or service until such time as he is satisfied that the violations of rights, endangerment of health, safety, or welfare, or the gross negligence or mismanagement which necessitated the reassumption has been corrected."

Section 106(b) would provide that payments of any grants or under any contracts pursuant to sections 102, 103, or 104 may be made in advance or by way of reimbursement and in such installments and on such conditions as the appropriate Secretary deems necessary to carry out the purposes of the bill. We suggest that the Committee consider revising section 106(b) to provide that such payments be made consistently with applicable Treasury regulations so as to minimize the time elapsing between the date of payment and the disbursement thereof by the State in order to save the Government interest costs. See section 203 of the Intergovernmental Cooperation Act of 1968, Pub. L. 90–577, 82 Stat. 1101, and Treasury Department Circular No. 175, (Third Revision) 1973, 31 CFR 205.

Section 106(f) provides that contracts authorized under sections 102 and 103 and grants pursuant to section 104 may include provisions for the performance of personal services which would otherwise be performed by Federal employees; provided, that *the Secretary shall not make any contract which would impair his ability to discharge his trust responsibilities to any Indian tribe or individual.* (Italic added.) Also, sec. 111 provides that nothing in title I shall be construed as authorizing or requiring the termination of any existing trust responsibility of the United States with respect to the Indian people. We believe that the ramifications of these sections are very broad and might result in serious misunderstandings and problems in the future.

In our audits of Indian affairs activities, we noted that the Federal Government's specific trust responsibilities were not defined clearly in legislation or in administrative regulations and that Bureau of Indian Affairs officials often had difficulty in determining where the trust responsibilities end and the concept of Indian self-determination begins. This situation has led to disagreements between the Bureau and the tribes as to the duties and responsibilities of each party and has resulted in charges that the Bureau has abrogated its trust responsibilities. We noted also that, in the past, Indian tribes that had planned, conducted, and administered Federal Indian programs under existing statutory authority had sometimes made decisions which proved to be unsatisfactory. In several cases, the tribes retroceded the administration of the programs to the Bureau and brought suit against the Secretary for abrogation of the trust responsibility.

The Committee may wish to consider the need for revising section 106(f) to clarify the Federal Government's trust responsibilities to the Indian people and to define the duties and responsibilities of Indian tribes under the self-determination program. The Committee may also wish to consider amending section 111 of the bill to provide that Indian tribes shall bear the responsibility for their actions and decisions in administering Federal Indian programs and to clarify the conditions when, if at all, the Secretary shall be held accountable for such actions and decisions under the trust responsibility concept.

Section 107(a) provides, among other things, that prior to the issuance of rules and regulations, the Secretary of the Interior and the Secretary of Health, Education, and Welfare shall consult with national and regional Indian organizations; present the proposed rules and regulations to the Interior and Insular Affairs Committees of the Senate and House of Representatives; and publish the proposals in the Federal Register for the purpose of receiving comments from interested parties. Section 107(b) provides that prior to revision or amendment of any rules or regulations promulgated pursuant to subsection (a), the respective Secretary or Secretaries shall consult with national and regional Indian organizations and publish proposed revisions in the Federal Register not less than sixty days prior to the effective date of the proposed amendments or revisions in order to receive comments from interested parties. The Committee may wish to consider if proposed revisions or amendments should also be submitted to the respective Interior and Insular Affairs Committees.

The first sentence of section 108 provides that an Indian tribal organization receiving or expending funds pursuant to a contract or grant under this title shall submit a report to the appropriate Secretary. The second sentence provides that the reports and records of the organization with respect to such contract or grant shall be subject to audit by the appropriate Secretary and the Comptroller General. To assure that the goals of the second sentence are achieved and that the appropriate Secretary and the Comptroller General have sufficient authority to review the activities carried out pursuant to this title, we suggest that the second sentence be deleted and that the following new subsections to section 108 be inserted:

"Each recipient of Federal assistance under this Act, pursuant to grants, subgrants, contracts, subcontracts, loans or other arrangements, entered into other than by formal advertising, and which are otherwise authorized by this Act, shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

"The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall, until the expiration of three years after completion of the project or undertaking referred to in the preceding subsection of this section, have access for the purpose of audit and examination to any books, documents, papers, and records of such recipients which in the opinion of the Secretary or the Comptroller General may be related or pertinent to the grants, contracts, subcontracts, subgrants, loans or other arrangements referred to in the preceding subsection."

Part A of title II of the bill, Education of Indians in Public Schools, would replace the educational programs authorized in the Johnson-O'Malley Act of 1934 (48 Stat. 596), as amended. Section 203(a) provides a formula for the distribution of Federal funds for the education of federally recognized Indian children in the public schools of the States. Section 203(a) also provides that additional funds in an amount not less than 20 percent of the amount determined by the formula shall be provided to the affected school districts for a variety of special programs designed to meet the special needs of Indian pupils in public schools.

In our May 28, 1970, report to the Congress, we pointed out that the Johnson-O'Malley program was based on the concept that education is a responsibility of the State and that Indian children from a reservation are citizens of the State where the reservation is situated and are entitled to the same public education as is provided to other children in that State. We pointed out also that the Johnson-O'Malley program was considered to be a supplemental program in that funds were to be limited to school districts which, after exhausting all other sources of revenue including other Federal aid, are unable to operate schools at adequate State standards.

In our report we stated that we had found that (1) funds had been provided to counties and school districts where needs may not have existed and the funds may not have benefited Indian children from reservations; (2) the Federal Government had paid the full cost of educating Indian children living in Federal dormitories while attending public schools, even though most of the children attending the schools were residents of the State; (3) no reduction had been made for the State aid received by the school districts for educating Indian children participating in the dormitory program; and (4) the distribution of Federal funds to the school districts appeared to have been improper or there was no assurance that the funds had been used for their intended purpose. We recommended that the Secretary of the Interior require the Bureau of Indian Affairs to furnish program funds on the basis of demonstrated financial need, encourage State and local participation in the cost of educating Indian children who live in Federal dormitories, and implement additional methods of supervision and control over the distribution and use of funds by the school districts.

We believe that the formula provided for in section 203(e) of the bill will assist in correcting some of the problems set forth in our report and result in a more equitable distribution of Federal Indian education funds to those States and school districts with the greatest needs. In our opinion, however, section 203(a) will not insure that the additional funds provided for special programs designed to meet the special needs of Indian pupils are used for the purposes intended. Therefore, the Committee may wish to consider revising section 203(a) to provide that States and school districts receiving funds for special education programs under this section shall report annually to the Secretary of the Interior on the uses made of such funds and on how the actual use of the funds compares with the planned use of the funds set forth in the education plan approved by the Secretary. This report will assist the Secretary in implementing our recommendation, *infra.*, that he be required to perform periodic program evaluations.

Sec. 203(c) would require the Secretary to enter into a contract with the State education agency of any State the public education of which is affected by a contract or contracts pursuant to section 202, regardless of who the contractor or contractors may be, to provide the professional and support staff and administrative services necessary to assist local school districts affected by such contract or contracts in implementing the purposes of title II. We suggest that the Committee consider revising this provision so as to authorize rather than require such contracts because some contractors under this title may be competent and qualified and, therefore, would not need technical assistance from the State education agencies.

Sec. 212(7) would provide that, in establishing and carrying out the Indian youth intern program, the Secretary shall take such action as may be necessary to assure that there shall be one supervisor for each twenty Indian youth interns during their period of employment. The section does not, however, set forth the purpose or duties of a supervisor or indicate by whom the supervisor is to be employed. The Committee may wish to consider revising section 212(7) to clarify these matters.

We noted that title II of the bill contains no provisions to require the recipients of Federal funds to maintain adequate records or to authorize the Secretary of the Interior and the Comptroller General, or their duly authorized representatives, to have access for the purposes of audit and examination to any relevant books, documents, papers, and records of the recipients of Federal funds. We suggest, therefore, that language similar to that suggested with respect to section 108 be included in title II.

We noted also that the bill does not specifically provide for an evaluation of the program by the Secretaries of the Interior and Health, Education, and Welfare. It is our view that program evaluation is a fundamental part of effective program administration and that the responsibility for evaluations should rest initially upon the responsible agencies. In line with this concept, we believe the Congress should attempt to specify the kinds of information and tests which will enable it to better assess how well programs are working and whether alternative approaches may offer greater promise. We will be happy to work with the Committee in developing specific language if you wish.

We are also providing our comments on the bill to the Chairman of the House Interior and Insular Affairs Committee.

Sincerely yours,

————————,

Deputy Comptroller General
of the United States.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 93–762), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

EXCERPT

I. PURPOSE

Tribal sovereignty, the power of self-government, was first recognized in concept by the United States Supreme Court in *Worcester* v. *Georgia* (6 Pet. 515, 519 (1832)). In commenting on that decision a noted legal scholar has remarked:

"From the earliest years of the Republic, the Indian tribes have been recognized as 'distinct, independent, political communities' and as such, qualified to exercise powers of self-government, not by virtue of any delegation of powers from the Federal government, but rather by reason of their original Tribal sovereignty. Thus treaties and statutes of Congress have been looked to by the Courts as limitations upon original tribal powers, or, at most, evidences of recognition of such powers, rather than as the direct source of tribal powers." (Cohen, *Federal Indian Law*, quoting from *Worcester* v. *Georgia*.)

The extent to which these semi-independent government entities are able to function depends upon the degree to which the constitutionally derived plenary power of Congress is exercised. Two recent congressional acts exemplify both the recognition of an inherent tribal sovereignty and the limitation upon it. The Indian Reorganization Act of June 18, 1934 (48 Stat. 984) provided a framework for tribal self-government and development within the Federal system. Title II of the Indian Bill of Rights of 1968 (82 Stat. 77) acknowledged the existence of tribal self-governing power under the plenary power of Congress by establishing procedures for its exercise.

In addition, the Supreme Court of the State of Arizona has observed that:

"The whole course of judicial decision on the nature of Indian tribal powers is marked by adherence to three fundamental principles: (1) An Indian tribe possesses, in the first instance, all the powers of any sovereign state. (2) Congress renders the tribe subject to the legislative power of the United States and, in substance, terminates the external powers of sovereignty of the tribe, i.e., its powers of local self-government. (3) These powers are subject to qualification by treaties and by express legislation of Congress, but, save as thus expressly qualified, full powers of internal sovereignty are vested in the Indian tribes and in their duly constituted organs of government. (*Begay* v. *Miller*, 70 Ariz. 380, 222 P. 2d 624, 627 (1950) quoting from Cohen *Federal Indian Law*, p. 123.)

S. 1017 is in essence an effort to provide tribes with the means to implement tribal self-governing power by providing finances and procedures to achieve progressive development of tribal resources and institutions.

The purpose of S. 1017 is to implement a policy of self-determination whereby Indian tribes are given a greater measure of control over the programs and services provided to them by the Federal government. The legislation also proposes a major reform in Federal financial aid to public school districts which educate Indian children, and authorizes new programs and resources designed to improve educational opportunities for Indian youth and adults.

II. NEED

In recent years there has been a dramatic shift in Federal Indian policy with respect to the delivery of programs and services formerly administered by the Bureau of Indian Affairs and the Indian Health Service.

To accomplish this the Administration relies on a combination of four basic Acts: through the use of the "Buy Indian" Act of 1910 (36 Stat. 861) competitive bidding of contracts with Indian tribes can be waived; where the contracts relate directly to educational services for Indian children in public schools, authority is found in the Johnson-O'Malley Act of 1934 (48 Stat. 596), as amended; while other services are contracted for through the Snyder Act of 1921 (42 Stat. 208). Where Federal employees are involved in the operation of contracts, the Department of the Interior resurrected an 1834 Act (4 Stat. 737) to authorize tribal supervision over the Federal employees. This curious mixture of broad interpretation and unrelated statutes represented an attempt by the Department to improve the quality of education and other services and to promote greater self-determination for Indian tribes. The difficulties in straining statutory language beyond its original intent creates numerous administrative and management problems which this legislation is designed to correct.

Illustrative of these problems is the inability of the Federal government to exempt tribal contracts from Federal Procurement Regulations and to authorize payments in advance of tribal performance on such contracts. While the aforementioned statutes have provided some necessary tools to permit Federal agencies to contract with tribal groups, a more flexible authority is needed in order to give substance and credibility to the concept of Indian self-determination.

S. 1017 is designed to alleviate these problems by providing direct statutory authority for contracting of Federal programs by Indian tribes. In addition, the bill proposes a response to widespread discontent with the administration of the Johnson-O'Malley Act (48 Stat. 596), as amended, which has been the basic legislation providing financial assistance to local public schools with enrolled Indian students since 1934. The changing character of public school finance in the past 40 years and the difficulty the Bureau of Indian Affairs has had in promulgating regulations which are fair to all states have presented severe problems. In addition, the desires of the Indian people to have more involvement in, and control of, Indian education must be considered.

III. MAJOR PROVISIONS

Congressional Findings

This states that the Congress, after a careful review of the United States' historical and legal responsibility to the Indian people found that the prolonged Federal domination of Indian service programs has served to retard rather than enhance the progress of Indian people and their communities by depriving Indians of the full opportunity to develop leadership skills crucial to the realization of self-government, and it has denied to the Indian people an effective voice in the planning and implementing of programs for the benefit of Indians which are responsive to the needs of the Indian community. Indian people will never surrender their desire to control their relationships both among themselves and with non-Indian governments, organizations and persons.

The Congress also found that true self-determination is dependent upon an educational process which will insure the development of qualified people to fulfill meaningful leadership roles and that present Federal education programs have not effected the desired level of educational achievement or created the diverse opportunities and personal satisfaction which education can and should provide.

Declaration of Policy

As a result of these findings the Declaration of Policy states a commitment to the maintenance of the Federal government's unique and continuing relationship with and responsibility to the Indian people through establishment of a meaningful Indian self-determination policy which will permit an orderly transition from Federal domination of programs for and services to Indians to an effective and meaningful participation of the Indian people in the planning, conduct and administration of these services. To accomplish this the Congress declares that a major national goal of the United States shall be to provide the quantity and quality of educational services and opportunities which will permit Indian children and adults to compete and excel in the life areas of their choice, and to achieve the measure of self-determination essential to their social and economic well-being.

Title I—The Indian Self-Determination Act

Sections 102 and 103 provide the basic authority for the Secretaries of the Interior and Health, Education and Welfare to enter into contracts with tribal organizations. As originally drafted, the bill authorized the two Secretaries to enter into such contracts in their discretion. However, the language has been revised to direct the appropriate Secretary to enter into a contract or contracts upon the request of a tribe or tribal organization. The section provides a procedure by which the Secretary may decline to enter into a contract. This change would facilitate tribal contracting while, at the same time, establishing a rational procedure whereby the Secretary may decline to enter into proposed contracts when approval would not be in the public interest.

Finally, sections 102 and 103 contain a provision (subsection (c)) which requires any tribe requesting a contract to obtain adequate liability insurance to protect the public against torts committed by tribal employees. These subsections provide further that the insurance carrier may not raise a tribe's immunity from suit as a defense to any claim which is within the limits of the policy.

Section 104 authorizes the Secretaries of the Interior and Health, Education and Welfare to make grants to tribal organizations to facilitate and implement contracting under Sections 102 and 103. Specifically, the Committee envisions that such grants would be used (1) to undertake orderly planning for the takeover of the more complex Federally-operated programs; (2) to train Indians to assume managerial and technical positions once the tribe has assumed control and management of Federal programs, and (3) to finance a thorough evaluation of performance following a reasonable period of time in which a former Federally-controlled program has been administered by a tribe under contract.

An amendment to the Intergovernmental Personnel Act of 1970 (84 Stat. 1909) is proposed in section 105 which would bring "tribal governments" within the definition of "local governments" for purposes of that Act. Civil service personnel could be assigned to tribal organizations, pursuant to the Intergovernmental Personnel Act, in the fulfillment of self-determination contracts. These assignments could be made for a period of two years and may be extended for an additional two years with no loss of benefits to the Federal personnel. In addition, tribal government employees could be assigned to Federal agencies to acquire management experience necessary for the contracts.

Section 106 would exempt tribal contracts from Federal Procurement regulations which have served as obstacles to such contracting in the past; provide for advance payments to tribal contractors for startup purposes; permit the appropriate Secretary to amend or revise a contract upon the request of a tribal contractor; provide an Indian tribe the right to request retrocession of the Secretary for any contract entered into pursuant to this Act; permit tribal contractors to use appropriate Federal facilities and equipment in the fulfillment of such contracts; and, finally, provides that tribal contracts may include a provision for personal services so long as the trust responsibility of the Federal government is not impaired.

Section 108 requires the contracting tribal group to maintain adequate records, and subjects such records to audit by the appropriate Secretary and Comptroller General of the United States. The Committee considers this provision essential to the self-determination process if participating tribes are to be held accountable for their actions.

Section 110 preserves the tribes' existing immunity from suit.

Title II—The Indian Education Assistance Act

Indian children, depending on circumstances beyond their control, are enrolled in a variety of institutions. For example, more than 87,000 Indian students attend public schools on or near Indian lands, while 53,700 attend Federal schools operated by the Bureau of Indian Affairs or by Indian school boards who contract directly with the Bureau of Indian Affairs for the operation of former Federal schools.

This bill affects primarily only those Indian children who are enrolled in public schools and whose educational needs are currently supported in part through contracts, entered into pursuant to the Act of April 16, 1934 (48 Stat. 596), as amended (known as the Johnson-O'Malley Act) between tribal organizations or state departments of education and the Bureau of Indian Affairs. The Committee emphasizes that Part A is intended neither to enlarge nor restrict the current Indian population now eligible for services under that Act. This bill does not concern Federal or Federally-contracted schools.

The purpose of Title II, Part A is to strengthen policy and administrative provisions in the Johnson-O'Malley Act, and to provide for a Congressionally-mandated study of that Act by the Secretary of the Interior. Such study is to be transmitted to the appropriate committees of Congress not later than October 1, 1974, and shall include specific legislative recommendations designed to further improve the programs authorized under the Johnson-O'Malley Act.

Specifically, the Johnson-O'Malley Act is further amended to provide for the following:

Criteria governing the contracts entered into between the Secretary of the Interior and prospective contractors to assure that the educational needs of the Indian students who are to be beneficiaries of such contract are met;

Criteria for establishment of parental committees to insure that funds expended in public school districts are in accordance with programs and plans which have been developed by the Indian community;

Financial support to public school districts for enrolled Indian children, who reside in Bureau of Indian Affairs boarding facilities; and

A specific authorization for appropriation of $65 million for each of the fiscal years 1975 and 1976. Such funds to be utilized for the education of Indians pursuant to the Johnson-O'Malley Act.

Consistent with the Committee's desire to develop more rational and equitable policies and procedures to govern the Johnson-O'Malley program, section 203 authorizes a Congressionally-mandated study of that program by the Secretary of the Interior. The Secretary is directed to submit a report of the study to the Committees on Interior and Insular Affairs of the United States Senate and House of Representatives.

In this connection, the Committee fully expects, and S. 1017 requires, the Secretary to undertake a thorough analysis of the factors which will determine the future allocation of Federal funds for the special or supplemental educational programs of Indian students and current operating expenditures. Additionally, the Secretary is required to discuss the John-O'Malley Act in relation to four other statutes which provide Federal financial resources for the educational support of Indian children enrolled in public schools.

The Secretary's report is to include detailed legislative recommendations for the reform of the Johnson-O'Malley program and for a program to assist the development and administration of Indian-controlled community colleges.

Part C authorizes Federal assistance in the construction of school facilities which serve Federally-recognized Indian children on or near reservations or lands held in trust. The bill provides for the expenditure of $35 million on an annual basis. Seventy-five percent of the amount appropriated will be spent on those public schools whose construction needs have been approved under P.L. 815. The allocation of funds will be based on the priorities established by the Commissioner of Education. In terms of procedure, the Secretary of HEW will make available to the Department of the Interior, on a periodic basis, the priority listing of approved projects under Sections 14(a) and (b) of P.L. 815 from which the Secretary of the Interior shall disburse funds made available under this Act. The remaining 25 percent shall be spent, at the discretion of the Secretary of the Interior for other school construction projects which he deems worthy. Among such schools could be former mission schools now administered by Indian tribes.

A final major provision (section 218) authorizes the Secretary to provide financial support to former private schools which are operated by Indian tribes.

IV. COMMITTEE RECOMMENDATIONS

The Committee on Interior and Insular Affairs unanimously recommends that S. 1017, as amended, be enacted by the Senate.

V. LEGISLATIVE HISTORY

Indian self-determination, in concept, as official policy was proposed through President Nixon's Message to Congress on American Indians on July 8, 1970. The message contained a central theme of "self-determination without termination." This new policy was offered as an alternative to the philosophy embodied in H. Con. Res. 108 of 1953, which stated that Federal policy was to terminate Federal responsibilities and services to Indian tribes as promptly as possible.

Under this newly proposed policy, Indians were to be afforded broad latitude in control and operation of programs administered by the Bureau of Indian Affairs and the Indian Health Service. Three proposals in the President's legislative package were specifically designed to implement the Indian self-determination policy, as follows:

(1) Require the Secretaries of the Interior and Health, Education and Welfare to transfer to Indian tribes, at their request, control and operation of Bureau of Indian Affairs and Indian Health Service programs and services;

(2) Permit Indians to contract with the Bureau of Indian Affairs for the administration of Johnson-O'Malley (JOM) education funds, and to authorize the detail of commissioned personnel of the Public Health Service to Indian tribal organizations which assume the control and management of Indian Health Service programs; and

(3) Provide for continued fringe benefits (such as compensation for injury, retirement, life insurance and health benefits) to Federal civil service employees who transfer to Indian tribal organizations to perform the services they formerly performed as government employees.

During the latter part of 1970 and early 1971, Administration officials met with tribal leaders at ten regional conferences. While the Indian leaders did not reject the concept of self-determination at these conferences, they raised pertinent questions and concerns with respect to the three bills designed to implement the proposed self-determination policy. Basically, apprehension centered on the bill which authorized tribal groups to unilaterally take over the programs and functions presently administered by the Bureau of Indian Affairs and the Indian Health Service.

No action was taken in the 91st Congress with respect to these three measures.

Similar legislation was transmitted to the 92nd Congress. In response to the Indian community's rejection of the Administration's proposals to implement the concept of self-determination, Senator Jackson and Senator Gordon Allot introduced S. 3157 as an alternative.

S. 3157 authorized the Secretaries of the Interior and Health, Education and Welfare, upon the requests of Indian tribes, to enter into contracts with tribal organizations to permit such organizations to plan, conduct, and administer projects under a number of Federal Indian service programs which are within the jurisdiction of the respective Departments. In addition, the proposed measure authorized financial grants to Indian tribal organizations for planning, training, evaluation and other activities designed to enable such organizations to enter into self-determination contracts.

S. 3157 also permitted the assignment of personnel—including commissioned officers of the Public Health Service—from the two Departments to assist tribal organizations with the contracts or grants. Finally, certain Federal contracting requirements, which have in the past, proven to be particularly onerous to Indians could be waived by the respective Secretaries.

During hearings on S. 3157 and the Administration proposals, spokesmen for the major Indian organizations expressed a preference for S. 3157.

S. 3157 was approved by the Senate on August 2, 1973. The House failed to consider S. 3157.

Senator Jackson and Senator Abourezk introduced S. 1017, the "Indian Self-Determination and Education Reform Act" this Congress on February 26, 1973. Title I of this measure contains the essence of S. 3157. Title II is aimed at up-grading educational opportunities for Indian children enrolled in public school districts by providing financial assistance to such districts. Title II also establishes several new programs to serve Indian children and adults.

During the hearings on June 1 and 4, 1973, on S. 1017 and similar proposals, the Indian witnesses generally supported S. 1017. Several constructive suggestions were made by the Indian witnesses and those were incorporated in the bill approved by the Committee.

On January 28, 1974, the bill was unanimously ordered reported to the floor of the Senate (Report No. 93–682, February 7, 1974) where it was passed February 8, 1974 on the consent calendar. On February 18, the passage was vacated and the bill was returned to the Senate calendar. On March 7, 1974, the bill was sent back to Committee at the request of Senator Jackson, Chairman of the Committee. On March 20 the Committee considered the bill and unanimously ordered it reported back to the Senate with an amendment in the nature of a substitute. This amendment contains a major redraft of title II, Part A (for a discussion of Part A as originally reported by the committee see pages 23 through 26 in Report No. 93–682) and a number of technical amendments.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

The title was amended, so as to read: "A bill to promote maximum Indian participation in the government and education of the Indian people; to provide for the full participation of Indian tribes in programs and services conducted by the Federal Government for Indians and to encourage the development of the human resources of the Indian people; to establish a program of assistance to upgrade Indian education; to support the right of Indian citizens to control their own educational activities; to train professionals in Indian education; to establish an Indian youth intern program; and for other purposes."

Mr. GRIFFIN. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the distinguished Senator from Wisconsin (Mr. PROXMIRE) is now recognized for not to exceed 15 minutes.

WHAT'S RIGHT WITH THE FEDERAL GOVERNMENT: IMPROVEMENT IN CIVIL RIGHTS

Mr. PROXMIRE. Mr. President, this is the third in a series of speeches I am making in the Senate on the subject of "What's Right With the Federal Government."

In recent times we have seen great despair in the country over the actions of the Federal Government. Both the President and Congress are held in low esteem. The credibility of many Government actions and activities are at stake. The faith people have in our institutions is at a low ebb. There are a great many reasons for this including many which are entirely valid.

But at the very time when our institutions are under fire—and rightly so—we should not overlook some of the constructive actions which our society and our Government has taken in recent years. While there is much to be criticized and despaired about, we should nevertheless not despair. There is no need to throw in the towel on America.

The fact that those at the highest levels of our Government could engage in acts which have resulted in indictments or convictions of crime, and be caught and made to pay for their transgressions, indicates that the system still works and still functions. In most societies those who hold power in the Cabinet, at the highest levels of the executive branch, or as the No. 2 man of the Government, could commit these kinds of transgressions and remain immune from indictment or conviction.

So while we should greatly regret what has happened, we have some considerable reason to be proud of the vitality of our institutions—the press, the judiciary, some executive officials, a number of individual Members of Congress—which were willing to ferret out and bring to the bar of justice those who abused their power.

SOCIETY'S CHOICES

There are two kinds of societies—those which through democratic processes allow criticisms to be made and hence progress to come about, albeit sometimes very slowly and with great difficulty, and those societies which are unwilling or unable to face their most difficult problems and engage in suppression and injustice to preserve ignoble institutions.

This is clear in the area of civil rights and race relations. A society can choose the course of apartheid, as in South Africa, or repression, as in Rhodesia, or it can choose through slow but democratic and constructive means to change things for the better. With all of our weaknesses and our failures, the latter is the course the United States has chosen to take.

In trying, today, to point out what is right about the Federal Government, I do not intend to be over-optimistic or Pollyannaish about the American racial problems and racial difficulties. Vast problems remain. I intend to tell it as it is. But telling it as it is still means that one can take some cheer from our progress.

PROBLEMS WE MUST FACE

To put things in perspective, let me first of all state some of the intense problems in the area of racial equality and human justice this country still faces.

Unemployment in the United States for nonwhites, for the last 15 years or so, has been twice that of the unemployment rate for whites.

Underemployment in black and Puerto Rican neighborhoods in New York in the mid-1960s was as high as almost 30 percent.

While unemployment for teenagers, both black and white, has been especially high, about 15 percent for all teenagers, it is about double this general rate for black teenagers.

In 1971, the median family income for whites was $10,672 in the United States, but it was only $6,440 for nonwhites.

And we all know that in the upper level jobs in government, in business, in universities, in trade unions, and in the professions, blacks and other minority groups are still very unequally represented.

On the issue of poverty and welfare we also face a still startling and unfair situation. As of 1971—when we last had good figures—32 percent of blacks were below the low income level or poverty line while only 8 percent of whites were living in poverty. Then only 4 percent of the white population received public assistance but 25 percent of the minority population received such aid.

I cite these facts and these figures because I do not want to underestimate the problems minorities in the United States face nor to give the appearance that I believe that our progress has been so great that if we just don't talk about them all these problems will go away. They will not.

PROGRESS HAS BEEN MADE IN RECENT YEARS

Nevertheless, some amazing progress has been made in recent years. When I came to the U.S. Senate in 1957, blacks in many parts of the United States were still denied the right to register and vote.

In 1957, blacks still had to sit in the back of the bus, could not eat in most public restaurants, could not stay in most major hotels, and had no access to most public facilities—parks, playgrounds, swimming pools, and other institutions paid for with their taxes.

They were still extensively educated in separate and very unequal schools. It was rare to find more than a token number of blacks in major colleges and universities, on college football or basketball teams, or in government or the military and then only in menial positions.

Since 1957, some very major and extensive legislation has been passed to protect the rights of blacks and other minority groups under the 14th and 15th amendments to the Consitution of the United States.

First, the voting rights amendments in 1957, 1960, and 1964 attempted to enforce voting rights through judicial means. That was only partially successful. According to the testimony of Attorney General Katzenbach before the House Judiciary Committee in 1965, between 1958 and 1964 the number of blacks registered to vote in Alabama went up from 5.2 percent to 19.4 percent. In other words, the proportion increased almost four-fold in those 6 years. But that compared with a registration of 69.2 percent of the eligible white.

In Mississippi under those laws, the percent of blacks registered to vote rose from 4.4 to 6.4 percent while 80.5 percent of whites were registered.

And for Louisiana the figure rose from 31.7 percent in 1956 to 31.8 percent in January 1965, while the white percentage remained slightly over 80 percent.

The reason for this was that the judicial method was essentially too slow, it often functioned after the fact, and only those who could afford to use it or who had the courage to use it could do so. Further, it was often effective only for one or a small number of people at a time.

But in 1965 Congress passed a law which had first been introduced 5 years before by Senator Douglas of Illinois and Senator Javits of New York to send Federal Registrars or administrative officials into those areas of the South where black voting was low.

This "administrative" action worked. By 1970 the percentage of Negroes of voting age who were registered to vote in the five so-called Deep South States of Alabama, Georgia, Louisiana, Mississippi, and South Carolina had risen from 29 to 52 percent, according to the Congressional Research Service of the Library of Congress publication "Civil Rights Legislation in the 91st Congress," (p. 5).

In November 1972, according to the Census Bureau (U.S. Department of Commerce, "Population Characteristics," "Voting and Registration in the Election of November 1972," table 4, pp. 32–33), 65 percent of blacks in Southern metropolitan areas were registered—compared with 70.7 percent of whites, and about 50 percent of blacks in the South actually voted. The figures for black registration in the South were only marginally below black registration in the United States as a whole.

That is a success story and is something which every American who worked and fought for the right of minority groups to vote can be proud.

SCHOOL DESEGREGATION

On the school desegregation front there is a much improved but still difficult picture. As Mr. Vernon E. Jordan, Jr., wrote in the New York Times in January 1974:

> Despite impressive gains in integration over the last five years, the over-all national picture is marked by racial isolation.

The South has been the area of greatest improvement. Twenty years ago fewer than 1 percent of black students in the South attended schools in which there were a majority of white students. Under the "all deliberate speed" decision of the Supreme Court in 1954—which was not very deliberate and not very speedy—the figure rose to 18 percent in 1968 in the South.

In the 1972–73 school year, the latest for which figures are available, some 46 percent of all black schoolchildren in the South were attending majority white schools.

Put the other way around, 21 percent of black children in the South were still in all black schools, but that figure was down from 77 percent in 1968 and 99 percent in the mid-1950's.

In the North, however, change has slowed down and the 1972–73 situation is almost exactly what it was in 1968. In both years about 28 percent of black students were in integrated or white majority schools, while 43 percent were in all-black schools. And in some of the largest cities of the country the situation in 1972–73 was what it was in the South two decades before. The figures of black children in majority black schools was 98 percent in Chicago, 92 percent in Los Angeles, and 84 percent in Detroit in that year.

And the major reason for this, of course, is that housing is still segregated in metropolitan areas of the North. There is still a "white noose" around the all-black central cities.

And this situation, unfortunately, continues under the aegis of the States because zoning is a function of the State police power and zoning is one of the primary causes of this situation. The other major causes are the past practices of the FHA where for decades FHA included a restrictive covenant in its deeds and mortgage documents and the FHA supported "redlining" by the banks and savings and real estate institutions which made housing loans.

Nevertheless, there has been a major change in school desegregation since 1954 and the greatest change for the better has come in the South.

BLACK ELECTED OFFICIALS

There is one other area I want to mention where major and visible improvement has been made, namely in the election of black officials to public office.

The National Roster of Black Elected Officials—volume III—published in May of 1973 shows some 2,621 black elected officials in public office in 44 States and the District of Columbia. This is an increase of 121 percent since the roster was first published in 1969.

I submit that that is an astonishing statistic: An increase in the last 5 years of 121 percent in black elected officials. We talk about Congress being criticized by the public, and there are many grounds on which to criticize all of us, but here is an example of immense progress as a result of congressional enactment which has been overlooked.

Of this total, some 1,179 or 45 percent are black elected officials in the South.

Our colleague, Senator Edward Brooke is the first black man ever to be elected and reelected to the Senate of the United States by popular vote. And his service here has been one of great distinction, high honor, and fine stewardship.

In the House there are now 16 black Members, a significant increase over previous years when the total was 2 or 3.

And 238 blacks hold seats in the legislatures of 41 States and black elected county officials increased by 20 percent in 1973 over 1972 to a total of 211.

The number of black mayors in the major cities of the United States is an area where there has been great change in recent years. Los Angeles, Newark, Cleveland, Gary, and a host of others have elected blacks to be their chief executives.

This situation, while greatly improved and one of which we can be proud in particular, still leaves much to be desired. The 2,627 black elected officials still represents only five-tenths of 1 percent—.005—of all the 521,760 elected officials in the country. Nevertheless, there have been some spectacular gains in which we can all take pride.

I also should point to the fact that in the great entertainment areas of this country, on television and certainly in sports blacks have made enormous progress. Only a few years ago those who are my age remember lily white baseball teams, football teams, and basketball teams. Now we see the superlative athletes that blacks have become, and in many sports they have done extraordinarily well. They have made all of us very proud. A black man is now likely to break the home run record of the great Babe Ruth in baseball.

I am also reminded that a few years ago that when I went to plants and factories in my State to shake hands early in the morning, which was my practice, there would not be a single black. Now, I find a large population of blacks, estimated at 20 percent in the Milwaukee area, which is just about the proportion for Wisconsin, in plants where 10 years ago they did not have a single black man working.

It becomes evident that progress is something that once again we can be proud of. Congresses of the United States, Democratic and Republican, in the last few years have helped greatly. With all the criticism we should recognize this along with other progress that has been made.

SUMMARY

Certainly, in the areas of voting, school desegregation, free access to public facilities, the number of elected officials, and the absence of overt public segregation and prejudice, great strides have been made since the Supreme Court decision of 1954 and the Civil Rights Acts of 1957, 1960, 1964, 1965, and 1970.

Our society is headed in the right direction and we are committed to making the 14th and 15th amendments to the Constitution a functioning reality.

This is not to diminish or downgrade what needs to be done. In the area of jobs, income, poverty, health, education, credit and business practices, and especially in housing, much needs to be done and the work is clearly cut out for us.

Nevertheless, after a century in which the goals and aspirations guaranteed under the 14th and 15th amendments were not only not carried out but actively opposed through official actions by goverment at every level, there has been a dramatic change over the last 20 years and especially in the last 10 years.

I, therefore, think it is fair to point with some sense of achievement to the gains in civil and human rights over the last 2 decades, and especially since I came to the Senate in 1957, as a part of the constructive and progressive and, at times, redeeming actions of our Government.

WAIVER OF CALL OF THE CALENDAR UNDER RULE VIII

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the call of the calendar under rule VIII be waived.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order the Senator from Delaware (Mr. Roth) is recognized for not to exceed 15 minutes.

(The remarks Senator Roth made at this point on the introduction of S. 3278, to amend the Economic Stabilization Act and Senate Joint Resolution 201 to establish a National Commission on Inflation, are printed in the Record under Statements on Introduced Bills and Joint Resolutions.)

MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTION SIGNED

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution:

H.R. 12341. An act to authorize sale of a former Foreign Service consulate building in Venice to Wake Forest University;

H.R. 12465. An act to amend the Foreign Building Act, 1926, to authorize additional appropriations for the fiscal year 1975; and

H.J. Res. 941. Joint resolution making an urgent supplemental appropriation for the fiscal year ending June 30, 1974, for the Veterans Administration, and for other purposes.

The enrolled bills and joint resolution were subsequently signed by the Acting President pro tempore (Mr. Johnston).

TRANSACTION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business for not to extend beyond the hour of 1 p.m., with statements therein limited to 5 minutes.

Mr. ROTH. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. Johnston) laid before the Senate the following communication and letters, which were referred as indicated:

Modification of Trade Agreement Concessions on Certain Ball Bearings

A communication from the President of the United States transmitting, pursuant to law, a report of the Tariff Commission on its investigation on ball bearings with integral shafts, and parts thereof (with accompanying papers). Referred to the Committee on Finance.

Proposed Legislation by the Department of Agriculture

A letter from the Under Secretary of Agriculture transmitting a draft of proposed legislation to amend subsection 203(h) of the Agriculture Marketing Act of 1946 (with accompanying papers). Referred to the Committee on Agriculture and Forestry.

Excess Currencies in Foreign Countries

A letter from the Assistant Secretary of Defense certifying, pursuant to law, that no use was made of funds appropriated to make payments under contracts for any program, project, or activity in a foreign country during the period July—December 31, 1973, in any foreign country where excess foreign currencies in the country involved were held by the Treasury Department. Referred to the Committee on Appropriations.

Report of Procurement by the Department of Defense

A letter from the Assistant Secretary of Defense transmitting, pursuant to law, a report of Department of Defense procurement from small and other business firms for July 1973—November 1973 (with an accompanying report). Referred to the Committee on Banking, Housing and Urban Affairs.

Proposed Legislation by the Secretary of Commerce

A letter from the Secretary of Commerce transmitting a draft of proposed legislation to further amend and extend the authority for regulation of exports (with accompanying papers). Referred to the Committee on Banking, Housing and Urban Affairs.

Report of the Foreign-Trade Zones Board

A letter from the Secretary of Commerce transmitting, pursuant to law, the Annual Report of the Foreign-Trade Zones Board for the fiscal year ended June 30, 1973 (with an accompanying report). Referred to the Committee on Finance.

Report of the Commissioner of Education on National Uniform Standards

A letter from the Commissioner of Education transmitting, pursuant to law, a report on the national uniform standards suggested by the National Commission on the Financing of Postsecondary Education (with an accompanying report). Referred to the Committee on Labor and Public Welfare.

Impact of Energy Shortages

A letter from the Secretary of Labor transmitting, pursuant to law, a report on the impact of energy shortages, including fuel rationing, upon manpower needs (with an accompanying report). Referred to the Committee on Labor and Public Welfare.

Proposed Legislation by the Department of Health, Education, and Welfare

A letter from the Secretary of Health, Education, and Welfare transmitting a draft of proposed legislation to transfer to the Secretary of Health, Education, and Welfare research and evaluation authority contained in the Economic Opportunity Act of 1964 (with accompanying papers). Referred to the Committee on Labor and Public Welfare.

Report of the Environmental Protection Agency

A letter from the Administrator of the Environmental Protection Agency transmitting, pursuant to law, the annual report on Resource Recovery and Source Reduction (with an accompanying report). Referred to the Committee on Public Works.

Report of the Department of Labor

A letter from the Secretary of Labor transmitting, pursuant to law, a report on the performance of the Department of Labor and its affiliated State employment service agencies in providing job counseling, training, and placement services for veterans since January 24, 1973, (with an accompanying report). Referred to the Committee on Veterans' Affairs.

PRESENTATION OF PETITION

By Mr. PASTORE (for himself and Mr. Pell):

A resolution of the House of Representatives of the State of Rhode Island and Providence Plantations. Referred to the Committee on the Judiciary:

"House Resolution 74–H7462

Resolved, that the house of representatives of the state of Rhode Island and Providence Plantations memorializes congress to act favorably on legislation establishing a two hundred mile coastal limit for resource management; and be it further

Resolved, That the secretary of state be and he hereby is authorized and directed to transmit a duly certified copy of this resolution to the Rhode Island delegation in congress.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. KENNEDY, from the Committee on Labor and Public Welfare, with an amendment:

H.R. 11385. An act to amend the Public Health Service Act to revise the programs of health services research and to extend the program of assistance for medical libraries (Rept. No. 93–764).

By Mr. McGEE, from the Committee on Post Office and Civil Service, with amendments:

S. 411. A bill to amend title 39, United States Code, relating to the Postal Service, and for other purposes (Rept. No. 93–765).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. ROTH:

S.J. Res. 201. A joint resolution to establish the National Commission on Inflation. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. ROTH:

S. 3278. A bill to extend and amend the Economic Stabilization Act of 1970 to insure an orderly transition from mandatory economic controls and to provide for congressional oversight of the decontrol process. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. CRANSTON:

S. 3279. A bill for the relief of Jesus Cortez Pineda. Referred to the Commitee on the Judiciary.

By Mr. KENNEDY (for himself, Mr. WILLIAMS, Mr. EAGLETON, Mr. HUGHES, and Mr. PELL):

S. 3280. A bill to amend the Public Health Service Act to revise and extend programs of health delivery and health revenue sharing, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. CURTIS:

S. 3281. A bill to repeal section 2 of the Emergency Highway Energy Conservation Act requiring the States to establish certain speed limits not in excess of 55 miles per hour on their public highways during the current fuel shortage. Referred to the Committee on Public Works.

By Mr. SPARKMAN (for himself, Mr. TOWER, and Mr. STEVENSON) (by request):

S. 3282. A bill to amend and extend the authority for regulation of exports. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. INOUYE:

S. 3283. A bill to amend chapter 67 of title 10, United States Code, to grant eligibility for retired pay to certain reservists who did not perform active duty before August 16, 1945, and for other purposes. Referred to the Committee on Armed Services.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ROTH:

S. 3278. A bill to extend and amend the Economic Stabilization Act of 1970 to insure an orderly transition from mandatory economic controls and to provide for congressional oversight of the decontrol process; and

S.J. Res. 201. A joint resolution to establish the National Commission on Inflation. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. ROTH. Mr. President, the soaring rate of inflation is the single most important question facing the Members of Congress today. The rising cost of living is causing at least, if not more concern than Watergate, the energy crisis, or crime in the streets. It is a problem that shows signs not only of continuing, but of increasing rapidly in the coming months. The Wholesale Price Index has been increasing at an annual rate of over 25 percent, and these increases are beginning to work their way through the economy to the consumer.

Food prices are going to continue to rise, with predictions that bakery products and bread could rise at an annual rate of 20 percent, and dairy products at a 10-percent annual rate.

The purchasing power of the dollar has steadily eroded over the past year, and real weekly earnings of production workers have been declining.

Interest rates remain high, and the prime rate has jumped from 9 to 9.5 percent in a matter of weeks.

Energy prices will continue to climb, with predictions from the Council of Economic Advisers that energy price increases will add 3 percentage points to the Consumer Price Index this year.

The Chairman of the Board of Governors of the Federal Reserve, Arthur Burns, predicted on February 21 a "double-digit" inflation rate and stated that "inflation cannot be halted this year."

And the conference board announced March 26 that their index of consumer confidence fell during the first 2 months of the year to an all-time low.

Mr. President, for these reasons I am deeply concerned with the actions taken by the Senate Banking Committee on March 26 to refuse to consider an extension of the Economic Stabilization Act.

I am also concerned and disappointed that the President has refused to speak out loudly for a sound anti-inflation policy.

I am a firm believer in a free market economy and the faster we can return to an economy free of artificial restraints the better off we will be.

But we are now experiencing a period of shortages which could be exploited and result in extreme hardships.

The Cost of Living Council was moving rapidly to decontrol most of the economy, and the President had requested from the Congress the authority to extend the life of the Cost of Living Council and to control a few segments of the economy, including health services.

I agree that it is inequitable and discriminatory to single out one sector of the economy for mandatory controls. But, I do believe that if the Congress is to convince the American people, and the world, that we are serious about controlling inflation, we must provide the President with standby controls authority. Additionally, I believe that the Congress should have a say in any controls program.

Toward that end, I am today introducing a bill to extend and amend the Economic Stabilization Act to insure an orderly transition from mandatory economic controls and to provide for congressional disapproval of any reimposition of controls.

An extension of the President's authority, coupled with the safeguard of a congressional review, would allow the administration to continue to extract the economy from mandatory controls in an orderly manner, but still allow the Federal Government to guard against any flagrant abuses of our anti-inflation goals.

This legislation does not require mandatory controls, it merely provides both the President and the Congress the discretion to impose controls on any sector of the economy which is obviously abusing the fight against inflation.

The President and the Congress would both take care to ascertain that any reimposition of controls would not impair production, cause shortages, or encourage exports of products in short supply.

The Congress cannot simply throw up its hands and walk away from the problem of inflation. A refusal to take some action would in effect be an admittance that the Federal Government has declared itself defenseless against inflation.

The last time the administration signalled to the American people that the economic controls program had come to an end—when the phase 2 controls were replaced with the voluntary phase 3 controls—the inflation rate began to climb, the stock market began a decline that has not yet abated, and the hopes of the American people were dealt a severe blow.

We must show the American people that we are serious about arresting the rate of inflation. Congress must take the initiative in the fight against inflation if the American people's confidence in the Congress is going to grow.

Administration "sources" have already begun to say that the Congress is unwilling to do anything to combat inflation. And, I must admit, after the action of the Senate Banking Committee, that I have to agree with the statement of the chairman of the House Banking Committee that the chances for an extension of controls are "dim, if not dead."

Mr. President, Congress must make it clear that we mean business. We should at the very least instruct the President to "talk tough" to prevent runaway prices. If the Congress is not willing to extend the Economic Stabilization Act, then we must at least provide the President with a vehicle to talk tough from. We must, in the words of Arthur Burns, provide some degree of vigilance to prevent abuses of economic power.

For this reason, I am also introducing a joint resolution to establish a National Commission on Inflation.

The commission will not only enhance the President's jawboning ability, but it will promote voluntary wage and price restraints, insure that a sustained period of inflationary wage and price increases does not occur upon the termination of mandatory control authority, and promote the level of confidence in the Nation's ability to control inflation.

The commission would have the authority to conduct public hearings to provide for public scrutiny of inflationary problems in various industries, and it could report to the President, the Congress, and the public on any actions that would substantially contribute to inflationary pressures.

If we do not provide the President with standby controls authority, the very least we should do is to make sure that the clout of public opinion is the "stick in the closest" to be used against inflation.

The commission would also study the causes, consequences, and remedies of inflation. The Director of the Cost of Living Council, John Dunlop, has said that "we just don't know how to control inflation." This commission would develop and recommend policies and procedures to control inflation, to increase industrial capacity and to increase productivity.

The Congress cannot give up the fight against inflation. Congressional inaction would further erode consumer confidence and jeopardize the commendable wage restraints that organized labor has practiced this past year. Certainly, we cannot in good conscience ask labor's cooperation in wage settlements, ask business to hold down prices and, in general, call for sacrifices on the part of every citizen if we are going to turn our backs on inflation.

I am greatly concerned about the middle- and lower-income wage earners. These people have no leeway to absorb inflationary price increases. I have received scores of letters from my constituents, as I am sure all of my distinguished colleagues have, expressing their concern and fear of inflation. Many of my constituents write that "Watergate pales in comparison" to the dangers of inflation.

The fight against inflation is an enormous one and one which will require the cooperation of individuals, business, labor, and Government. We here in the Congress cannot turn our backs on inflation if we wish to enlist the support of the American people in the fight.

Mr. President, I ask unanimous consent that the text of my bill and joint resolution be printed at this point in the RECORD.

There being no objection, the bill and joint resolution were ordered to be printed in the RECORD, as follows:

S. 3278

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Economic Stabilization Act Amendments of 1974".

SEC. 2. Section 202 of the Economic Stabilization Act of 1970 is amended to read as follows:

"§ 202. Findings

"(a) In view of the present international and domestic economic situation and in order to provide for the orderly transition from the economic stabilization program in effect prior to May 1, 1974, and in particular the policy of gradual, selective sector-by-sector decontrol thereunder, and to continue to provide for stabilizing prices, wages, and salaries, reducing inflation, improving the Nation's competitive position in world trade, promoting full employment, and protecting the purchasing power of the dollar, it is necessary to—

"(1) monitor compliance with commitments made by firms in connection with sector-by-sector decontrol actions;

"(2) review the programs and activities of Federal departments and agencies and the private sector which may have adverse effects on supply and cause increases in prices and make recommendations for changes to increase supply and restrain prices;

"(3) review industrial capacity, demand, and supply in various sectors of the economy, working with the industrial groups concerned and appropriate governmental agencies to encourage price restraint;

"(4) work with labor and management in the various sectors of the economy having special economic problems, as well as with appropriate Government agencies, to improve the structure of collective bargaining and the performance of those sectors in restraining prices;

"(5) improve wage and price data bases for the various sectors of the economy to improve collective bargaining and encourage price restraint;

"(6) conduct public hearings when appropriate to provide for public scrutiny of inflationary problems in various sectors of the economy;

"(7) focus attention on the need to increase productivity in both the public and private sectors of the economy; and

"(8) monitor the economy as a whole by requiring, as appropriate, reports on wages, productivity, prices, sales, profits, imports, and exports.

"(b) To further promote voluntary wage and price restraints and to insure that a sustained period of inflationary wage and price increases does not occur in the transition from the economic stabilization program in effect prior to May 1, 1974, to a completely decontrolled economy, it is necessary to provide the President with the authority to impose economic controls on any sector of the economy, subject to congressional disapproval."

SEC. 3. Section 203 of the Economic Stabilization Act of 1970 is amended by adding at the end thereof the following new subsection:

"(k) (1) After April 30, 1974, the President may issue an order or regulation under this title to stabilize prices, wages, and salaries in any sector of the economy only (A) upon a determination that such sector has contributed to severe increases in inflation, and (B) in accordance with the procedures established in this subsection. Such an order or regulation shall take effect upon the expiration of the first period of 15 calendar days of continuous session of the Congress after the date on which the President transmits to the Congress a message setting forth the proposed order or regulation, together with the reasons therefor (or at such later date as may be provided for in the order or regulation), unless between the date of transmittal and the expiration of such period, either House of Congress passes a resolution stating in substance that such House does not favor such order or regulation.

"(2) For the purpose of paragraph (1)—

"(A) continuity of session is broken only by an adjournment of Congress sine die; and

"(B) the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of the 15-day period.

"(3) In the consideration of any resolution under this subsection, the Congress should take into account, among other factors, whether the proposed order or regulation would—

"(A) seriously impair production in a manner which would create shortages or economic distortions;

"(B) stimulate foreign demand and encourage excessive exports of scarce commodities; or

"(C) not effectively moderate the rate of inflation."

SEC. 4. Section 218 of the Stabilization Act of 1970 is amended by striking out "1974" each place it appears and inserting in lieu thereof "1975".

SEC. 5. For the purpose of administering and enforcing the Emergency Petroleum Allocation Act of 1973, nothing in this Act alters the provisions of the Economic Stabilization Act of 1970 which were incorporated by reference in the Emergency Petroleum Allocation Act of 1973.

S.J. RES. 201

Whereas it is the policy of the United States to reduce the rate of inflation, improve the Nation's competitive position in world trade, promote full employment, protect the purchasing power of the dollar, and encourage expansion of the Nation's industrial capacity;

Whereas the persistence of inflationary pressures has not been effectively moderated by the existence of mandatory economic controls; and

Whereas there is a national need, in the absence of mandatory economic controls, to promote voluntary wage and price restraints and to insure that a sustained period of inflationary wage and price increases does not occur upon the termination of mandatory economic controls; Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

ESTABLISHMENT

SECTION 1. There is hereby established the National Commission on Inflation (hereinafter referred to as the "Commission").

MEMBERSHIP

SEC. 2. (a) The Commission shall consist of the Secretary of the Treasury, who shall be the Chairman of the Commission, the Chairman of the Council of Economic Advisers, the Chairman of the Board of Governors of the Federal Reserve System, and ten public members to be appointed by the President as follows:

(1) two from among persons who represent business and industry;

(2) two from among persons who represent labor;

(3) two from among persons who represent agriculture;

(4) two from among persons who represent State and local governments;

(5) two from among persons who represent consumer interests.

(b) Any vacancy in the Commission shall not affect its powers but shall be filled in the same manner in which the original appointment was made.

DUTIES

Sec. 3. (a) The Commission shall—

(1) develop and recommend to the President and the Congress policies, mechanisms and procedures to achieve and maintain stability of prices and costs in a growing economy;

(2) promote the consistency of price and wage policies with fiscal, monetary, international and other economic policies of the United States;

(3) provide information to the public, agriculture, industry, labor, and State and local governments concerning the need for controlling inflation and encourage and promote voluntary action to that end;

(4) review the programs and activities of Federal departments and agencies and the private sector which may have adverse effects on supply and cause increases in prices and make recommendations for changes to increase supply and restrain prices;

(5) review industrial capacity, demand, and supply in various sectors of the economy, working with the industrial groups concerned and appropriate governmental agencies to encourage price restraint;

(6) work with labor and management in the various sectors of the economy having special economic problems, as well as with appropriate Government agencies, to improve the structure of collective bargaining and the performance of those sectors in restraining wages and prices;

(7) improve wage and price data bases for the various sectors of the economy to improve collective bargaining and encourage wage and price restraint;

(8) focus attention on the need to increase productivity in both the public and private sectors of the economy; and

(9) monitor the economy as a whole, by requiring, as appropriate, reports on wages, productivity, prices, sales, profits, imports, and exports.

(b) To further promote voluntary wage and price restraints and to promote the level of consumer and international confidence in the Nation's ability to moderate the rate of inflation, the Commission shall—

(1) conduct public hearings when appropriate to provide for public scrutiny of inflationary problems in various sectors of the economy;

(2) report to the President, the Congress, and the public, when appropriate, of any decisions, actions, or price and wage increases which the Commission determines would substantially contribute to inflationary pressures in the economy; and

(3) transmit to the President and the Congress an interim report not later than September 1, 1974, and a final report not later than March 1, 1975 on its findings and recommendations. Sixty days after the submission of its final report, the Commission will cease to exist.

POWERS

SEC. 4. (a) Subject to such rules and regulations as may be adopted by the Commission, the Commission shall have the power to—

(1) hold such hearings, sit and act at such times and places, administer such oaths, and require by subpoena or otherwise the attendance and testimony of such witnesses and the production of such books, records and other documents as the Commission may deem advisable;

(2) appoint and fix the compensation of an executive director and such additional staff personnel as the Commission may deem necessary, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, but at rates not in excess of the maximum rate for GS–18 of the General Schedule under section 5332 of such title; and

(3) procure temporary and intermittent services to the same extent as is authorized by 3109 of title 5, United States Code, but at rates not to exceed $100 a day for individuals.

(b) In the case of contumacy or refusal to obey a subpoena issued under subsection (a) (1) by an person who resides, is found, or transacts business within the jurisdiction of any district court of the United States, the district court, at the request of the Commissioner, shall have jurisdiction to issue such a person an order requiring such person to appear before the Commission or a committee or member thereof, there to produce evidence if so ordered, or then to give testimony touching the matter under inquiry. Any failure of any such person to obey any such order of the court may be punished by the court as a contempt thereof.

(c) In exercising its duties, the Commission—

(1) may consult with such representatives of industry, labor, agriculture, consumer, State and local governments, and other groups, organizations, and individuals as it deems advisable to insure the participation of such interested parties;

(2) shall to the extent possible, use the services, facilities, and information (including statistical information) of such other Government agencies as the President may direct as well as of private agencies and professional experts in order that duplication of effort and expense may be avoided;

(3) shall hold regional and industry-wide conferences to formulate ideas and programs for the fulfillment of the objectives set forth in section 3; and

(4) may establish subcommittees to provide advice concerning special considerations that tend to contribute to inflation in any particular sector or industry in the economy.

COMPENSATION

SEC. 5. A member of the Commission who is not otherwise an officer or employee of the United States shall be entitled to receive $125 per diem when engaged in the actual performance of duties vested in the Commission, plus reimbursement for travel, subsistence, and other necessary expenses incurred in the performance of such duties.

AUTHORIZATION OF APPROPRIATIONS

SEC. 6. There are authorized to be appropriated such sums, not to exceed $1,500,000, as are necessary to carry out the provisions of this joint resolution.

By Mr. KENNEDY (for himself, Mr. WILLIAMS, Mr. EAGLETON, Mr. HUGHES, and Mr. PELL):

S. 3280. A bill to amend the Public Health Service Act to revise and extend programs of health delivery and health revenue sharing, and for other purposes. Referred to the Committee on Labor and Public Welfare.

HEALTH SERVICES ACT OF 1974

Mr. KENNEDY. Mr. President, it is a pleasure for me to introduce today the Health Services Act of 1974. This bill proposes to extend several important health services programs which are set to expire June 30, 1974. The bill extends and makes major modifications in four health programs. These four programs are:

First. Neighborhood health centers, section 314(a) of the Public Health Service Act.

Second. Migrant health services, section 310 of the Public Health Services Act.

Third. Community mental health centers, Public Law 88–164, as amended, and

Fourth. Formula grants for State and local public health services, section 314 (d) of the Public Health Service Act.

The bill has two titles. The first provides for the proposed improvements in the first three of these by authorizing the establishment of Community Health Centers, Migrant Health Centers, and Community Mental Health Centers. The second title authorizes the appropriation of funds for health revenue-sharing grants to the States.

Planning, development and operating grants may be made to community health centers, migrant health centers, and community mental health centers by the Secretary of HEW, with the approval of the appropriate local planning agency. The sums authorized to be appropriated for grants for fiscal years 1975 through 1979 total $1,755,500,000.

Community health centers will be established to serve medically underserved populations. They will provide all essential services—including: physician services, emergency medical services, diagnostic laboratory and radiologic services, preventive health services, transportation services, and outreach services—and some supplemental services. In addition, they will offer referrals to other providers for all supplemental services which are not provided directly.

The bill provides for planning grants to assist in meeting the costs of evaluating the need for a center and developing a plan for providing services through such a center. An applicant may receive up to three development grants which may be used to meet the costs of developing essential and supplemental services. In addition, development grants are available for construction, expansion and remodeling of facilities to be used to house center activities.

Operating grants are available to applicants who have begun offering services. If the applicant has not developed all of the required services, it may receive this type of support for three years. However, for those which make every effort to develop such services but are unable to do so within 3 years, the Secretary may make grants for up to an additional 3 years. Each operating grant is equal to the difference between the applicant's projected reasonable operating costs and the funds which it has available or may reasonably be expected to collect from all other available sources. As a condition to receiving operating grants, each center must make every effort to collect for services reimbursable under medicare, medicaid, and private insurance programs. A schedule of fees and a corresponding schedule of discounts must be submitted to the Secretary for his approval and once approved, must be applied to the provision of services.

Each center must establish a governing board composed of individuals a majority of whom are being served by the center and who represent those being served. Centers are required to comply with other conditions relating to the quality of care provided, including the establishment of utilization and peer review systems and utilization of PSRO review activities.

A National Advisory Council on Community Health Centers is established to advise and consult with the Secretary of HEW regarding organization, operation, and funding of centers. Technical assistance in management and operation will be available to centers from the Secretary.

A similar structure is established in the bill to govern the planning, development, and operation of migrant health centers. Migrant health centers will serve agricultural migratory and seasonal workers and their families. In addition to essential services, migrant health centers must provide environmental health services and accident prevention services.

Grants may also be made to applicants which provide services in areas not served by migrant health centers but for which such services are needed for planning, development and provision of essential, supplemental and other services or development of arrangements for the provision of such services. A National Advisory Council on Migrant Health Centers is established to revise the program. A separate authorization is established for grants to provide hospital services to migrants and seasonal workers and their families.

Community mental health centers will provide comprehensive mental health services, including services to individuals who are inpatients or outpatients of a health service facility, day care and partial hospitalization services, emergency services, followup services to individuals who have been discharged from a mental health facility, consultation and education services, assistance to courts and other public agencies in screening individuals who are being considered for referral to a mental health facility, and detoxification and referral services regarding alcohol and drug abuse, alcoholism and drug dependence. In addition, each center must provide specialized services programs—including programs for the mental health of children and the elderly, for prevention and treatment of alcoholism and alcohol abuse, drug addiction and abuse, and for community residence and halfway house services for individuals discharged from a mental health facility—unless the Secretary determines that the center is unable to provide such services or there is no need for such services. The grant structure and conditions for receipt of support follows that for community health centers.

Mr. President, the Senate Health Subcommittee will conduct hearings on this bill and related measures on May 1 and 2, 1974, in room 4232 of the Dirksen Office Building at 10 a.m. Persons interested in testifying before the subcommittee should contact Mr. Lee Goldman, subcommittee staff director.

By Mr. SPARKMAN (for himself, Mr. TOWER, and Mr. STEVENSON, (by request):

S. 3282. A bill to amend and extend the authority for regulation of exports. Referred to the Committee on Banking, Housing and Urban Affairs.

EXPORT ADMINISTRATION ACT

Mr. SPARKMAN. Mr. President, I introduce for myself, the senior Senator from Texas (Mr. TOWER) and the junior Senator from Illinois (Mr. STEVENSON), by request, a bill to amend and extend the authority for regulation of exports.

The proposals contained in this bill have been sent to us by the administration. I ask unanimous consent that the letter of transmittal with enclosures from the Secretary of Commerce to the Vice President be included in the RECORD following my remarks.

Under present law the Export Administrative Act of 1969 will expire on June 30, 1974. The bill which we introduce today proposes, among other things, to extend that act until June 30, 1977. The Export Administrative Act is under the legislative jurisdiction of the Committee on Banking, Housing and Urban Affairs, and we are introducing these administration proposals in order that they may have a proper forum before our committee.

The junior Senator from Illinois (Mr. STEVENSON) is the chairman of the committee's Subcommittee on International Finance. That subcommittee will be dealing with this legislation. The subcommittee chairman has already planned hearings on the matters concerned in the bill we are introducing. These hearings will be held during April and May.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF COMMERCE,
Washington, D.C., March 26, 1974.

HON. GERALD FORD,
President of the Senate,
U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed are six copies of a draft bill "to amend and extend the authority for regulation of exports," together with a statement of purpose and need in support thereof and a section-by-section analysis.

We have been advised by the Office of Management and Budget that there would be no objection to the submission of our draft bill to the Congress and further that enactment of this legislation would be in accord with the program of the President.

Sincerely,

FREDERICK B. DENT,
Secretary of Commerce.

Enclosures.

STATEMENT OF PURPOSE AND NEED

The Export Administration Act of 1969, as amended, will expire on June 30, 1974, unless extended. Among other things, this Act authorizes the President to curtail or prohibit exports from the United States of any articles, materials or supplies, including technical data, under the circumstances specified in Section 3(2) of the Act; *i.e.*, short domestic supply, foreign policy reasons or national security grounds.

Continuing authority to administer export controls is needed to carry out national objectives under all three of these statutory policy purposes. First, we still need to control exports of commodities and technical data in the interest of U.S. national security. Although over the past few years we have experienced a detente with Eastern Europe and the People's Republic of China, we still cannot allow these countries uncontrolled access to our strategically oriented products and technology. Second, it is still in the interest of both national security and U.S. foreign policy to maintain strict embargoes on trade with North Vietnam, North Korea and Cuba. Moreover, the foreign policy authority under the Act is used to control exports of paramilitary items to the Middle East and to implement U.N. Security Council Resolutions concerning trade with Southern Rhodesia, South Africa and the Portuguese African territories.

Finally, the development of world wide commodity shortages during the past year has made it necessary for the United States to curtail exports of certain commodities in the interest of preserving domestic supplies. Export controls are currently in effect on ferrous scrap, petroleum and certain petroleum products. A broad range of other commodities are currently in a very tight international demand/supply situation, and international shortages of these or other commodities can reasonably be expected to persist in greater or lesser degree for the foreseeable future. Although export controls must be viewed as a measure of last resort, it is essential that we retain the authority to impose them when absolutely necessary to deal with critical short supply problems.

Having concluded that the authority contained in this Act should be extended, we have also considered the need for certain amendments designed to equip us to deal more readily with the current domestic and international trade situation. Statutory authority such as this, which was initially enacted twenty-five years ago, needs to be updated periodically to reflect the changes in the world and in our nation. With this in mind, the draft legislation contemplates several amendments which, for the sake of clarity, are discussed below in chronological order, as they appear in the Bill:

Retaliatory Authority.—The declaration of policy contained in Section 3 paragraph (2) of the Act (which, as mentioned earlier, currently lists "short supply," foreign policy and national security as the three justifications for imposing export controls) would be amended to add a fourth purpose. This new purpose would be retaliation against a nation or group of nations unreasonably denying the United States access to a particular commodity. Obviously, this retaliatory authority would be discretionary and would not be invoked as long as there appeared to be a preferable alternative. It should also be recognized that such a measure would only be effective to the extent that the nation or group of nations against which such measures might be imposed were unable to satisfy their needs for the embargoed (or restricted) commodity from sources of supply other than the United States. However, it is considered desirable to have this authority in the Act to serve notice to all nations that the United States is able and willing to retaliate in kind against those who would unreasonably deny us access to their resources.

It may be argued that the authority to impose export controls to retaliate against a nation is implicitly contained in the existing authority to impose export controls on foreign policy grounds. Export controls imposed to carry out international obligations of the United States are clearly imposed on foreign policy grounds pursuant to Section 3(2) (B) of the Act. Export controls imposed unilaterally are also subject to foreign policy considerations, but these are not so much foreign policy actions as economic counter measures. Accordingly, we believe that the authority to impose export controls unilaterally in retaliation for unreasonable actions by a nation or group of nations which may not be subject to sanctions under international agreements should be expressly authorized by Congress, rather than inferred from the foreign policy purpose in the Act.

International Cooperation.—The declaration of policy in Section 3 paragraph (3) of the Act would be amended by adding to the two existing declarations regarding cooperation with other free world countries in administering export controls on national security grounds, a third declaration regarding international cooperation in dealing with world shortages. This new declaration would express the sense of Congress that, whenever feasible, international solutions to problems of world shortages are preferable to unilateral actions.

As noted previously, we have entered 1974 with tight domestic supply in a broad range of commodities. These difficulties are influenced in large measure by the extraordinary energy situation. The rest of the world is also experiencing similar—and in some cases worse—shortages.

There are those who would yield to short-run expediency and advocate total embargoes on U. S. exports of these commodities. To do so would be to reject the entire concept of economic growth through world trade, painstakingly developed over the past three decades under the auspices of the GATT. By this amendment, Congress would reaffirm the United States commitment to seek international solutions whenever possible for problems of world shortages, as they arise, recognizing that suppliers and consumers all benefit when there is an orderly and equitable flow of world resources.

Export Fees or License Auctions.—The export control authority in Section 4, Subsection (b), paragraph 1, of the Act would be amended by adding a provision expressly authorizing the President to use an export fee or an auction system in regulating exports of commodities in short supply. The present authority in the Act does not specify the method by which licenses to export a commodity in short supply may be issued. In fact, different methods have been used over the years, because experience has taught us that the best method of administering short supply controls will vary from commodity to commodity and, for the same commodity, will depend on the particular situation prevailing at a given point in time. For this reason, Congress has wisely left the President with complete discretion to select whatever method may be fair and appropriate in each case. To date, the Department has never used an export fee or an auction system as a method of allocating licenses under the short supply authority. However, both appear reasonable methods of controlling exports, since they provide all exporters concerned with an equal opportunity to obtain licenses and could serve to prevent windfall profits which some exporters might enjoy in some circumstances under a licensing system based on a prior export history.

Again, a compelling argument could be made that the discretion presently contained in the Act is sufficiently broad to permit resort to a fee or auction system without amendment. However, we believe it prudent to seek express statutory authority, if only to permit full consideration of the implications in this context of Article 1, Section 9, Clause 5 of the Constitution of the United States, which holds that "No tax or Duty shall be paid on Articles exported from any State." After reviewing the court decisions construing this prohibition, we are reasonably confident that the regulation of exports by means of an export fee or an auction system would be held constitutional. Nevertheless, we believe the entire constitutional issue should be fully discussed on the record during the hearings on this Bill, and resort to a fee or auction system predicated only upon express statutory authority enacted in light of that discussion.

Reporting Agreements to Export Technology.—Section 7 of the Act would be amended by inserting a new provision as subsection (c) expressly requiring U.S. firms and their affiliates abroad to report within fifteen days to the Secretary of Commerce any written understanding which would be likely to result in the export to a Communist territory other than Yugoslavia of U.S.-origin technical data which is not generally available.

As part of the detente with the USSR, the President announced at the 1972 Summit Meeting in Moscow, bilateral exchanges in Science and Technology. The Joint Commission on Scientific and Technical Cooperation was established to implement this policy. In addition to government-to-government exchanges, many U.S. companies have since entered into exchange agreements (usually called "technical cooperation" agreements) with the USSR and other communist countries and have signed commercial contracts calling for the exchange of "naked" technology; *i.e.*, technology as such and not that embodied in a commodity. Under present export control regulations, such companies are required to obtain export licenses for all design and production data transmitted to these countries, other than that which is already generally available to the public. The problem is that the Department of Commerce, and indeed the government as a whole, is frequently not aware of the nature of these agreements or contracts to export technology until the time when the U.S. company applies for an export license. This makes it difficult for the Depart of Commerce and other concerned agencies to discharge properly and effectively their responsibilities in the areas of trade promotion and export control. Early notification that U.S. firms or their foreign subsidiaries and affiliates have undertaken to exchange technology with a communist country would enable the Department to assist such firms in carrying out those transactions which do not involve overriding national security implications. Early notice would also permit the government to consider in a timely fashion the broad East-West trade policy implications of a contemplated transaction involving the exchange of technical data. Correspondingly, the Department's administration of export controls would be facilitated by early notice of agreements of contracts involving the eventual transfer of technology. The awareness of such contemplated transfers would enable the Department to make broad early judgments respecting the national security implications and to deal with the U.S. party to the transaction as appropriate, to minimize the risk that significant strategic technology will inadvertently seep to the communist country in question. Such unauthorized transfers are of concern to the Department and other agencies with responsibilities for national security.

Period of Extension.—The expiration date contained in Section 14 of this Act would be amended to extend the Act for an additional period of three years. The need for extending the Act was discussed in the opening part of this paper. Enactment of authority for a period of three years is considered appropriate, balancing the need of the Executive for a sufficiently long period to permit effective administration of the policies set forth by Congress, against the need of the Congress to periodically reevaluate such policies in light of changing world conditions.

Section-by-Section Analysis of the 1974 Amendments to the Export Administration Act of 1969

SECTION 1

This section would amend present paragraphs 2 and 3 of Section 3 of the Act.

(a) *Paragraph 2:* A new clause (D) would expressly authorize the President to prohibit or curtail U.S. exports to a nation or group of nations as appropriate to retaliate against their unreasonably restricting United States access to their supply of a particular commodity. Such authority would be discretionary, and is contemplated for use by the President primarily in situations where attempts first to resolve the situation through international negotiations were not productive and when the retaliatory action would be effective.

(b) *Paragraph 3:* A new clause (c) would declare it to be the policy of the United States to deal with world shortages of particular commodities, whenever feasible, through international cooperation with the major suppliers and consumers of such commodities, rather than by unilateral actions. The conference of the major energy consumers held in Washington this February, and the World Food Conference scheduled to be held this fall under the auspices of the United Nations, are indicative of a growing endorsement of this approach. Such a declaration of policy, however, would not alter the policy of imposing export controls when absolutely necessary to preserve an adequate domestic supply of a particular commodity for U.S. consumers.

SECTION 2

This section would amend present Section 4, subsection (b), paragraph (1), of the Act by expressly authorizing an export fee or auction of export licenses as methods to regulate exports. The President would retain his present discretion under the Act to use whatever method of regulation he deems most appropriate in a particular situation.

SECTION 3

This section would add a new subsection (c) to present Section 7 of the Act. Present subsections (c) and (d) would be redesignated "d" and "e".

A new subsection (c) would require persons entering into any written understanding which contemplates or is likely to result in the exportation to a communist country or area of United States-origin technical data which is not generally available, to report the details of the transaction and provide copies of pertinent documents to the Secretary of Commerce.

SECTION 4

This section would change the expiration date in Section 14 of the Act to June 30, 1977, in lieu of June 30, 1974, thereby extending the Act for an additional three years.

SECTION 5

This section would provide a short title, referring to these amendments as the "Export Administration Amendments of 1974."

By Mr. INOUYE:

S. 3283. A bill to amend chapter 67 of title 10, United States Code, to grant eligibility for retired pay to certain reservists who did not perform active duty before August 16, 1945, and for other purposes. Referred to the Committee on Armed Services.

Mr. INOUYE. Mr. President, on May 31, 1973, I introduced a bill, S. 1932, which would have authorized the granting of retired pay to persons otherwise qualified for such pay who were members of the Reserve Forces prior to August 16, 1945, if such persons served on active duty during the Vietnam conflict.

A report on this bill from the Department of Defense recommends that those who were members of the Reserves prior to August 16, 1945, who served on active duty during the Berlin crisis or who have completed at least 20 years service since that date should also be eligible and receive equal consideration with those reservists covered under S. 1932.

To this end, I am introducing a bill to amend chapter 67 of title 10, United States Code, to grant eligibility for retired pay to certain reservists who did not perform active duty before August 16, 1945, as a substitute for S. 1932.

The Department of Defense has no objection to the measure in this form and, as this bill would result in no increase in the budgetary requirements of the Department of Defense, I would urge the early and favorable consideration of this bill.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 411

At the request of Mr. McGee, the Senator from West Virginia (Mr. Randolph), the Senator from North Dakota (Mr. Burdick), the Senator from Utah (Mr. Moss), the Senator from Alaska (Mr. Stevens), and the Senator from Kansas (Mr. Dole) were added as cosponsors of S. 411, a bill to amend title 39, United States Code, relating to the Postal Service, and for other purposes.

S. 2815

Mr. FONG. Mr. President, the Senator from Texas (Mr. Tower) on February 13 requested that his name be added as a cosponsor of S. 2815, to amend title II of the Social Security Act to increase the increment in old-age benefits payable to individuals who delay their retirement beyond age 65.

This inadvertently did not appear in the Record at that time and I now request that Senator Tower's name be added as a cosponsor of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

S. 2854

At the request of Mr. Cranston, the Senator from Wisconsin (Mr. Nelson) and the Senator from Ohio (Mr. Metzenbaum) were added as cosponsors of S. 2854, a bill to amend the Public Health Service Act to expand the authority of the National Institute of Arthritis, Metabolic and Digestive Diseases in order to advance a national attack on arthritis.

S. 2938

At the request of Mr. Jackson, the Senator from Ohio (Mr. Metzenbaum) was added as a cosponsor of S. 2938, the Indian Health Care Improvement Act.

S. 3006

At the request of Mr. PROXMIRE, the Senator from Georgia (Mr. NUNN) was added as a cosponsor of S. 3006, the Fiscal Note Act.

S. 3096

At the request of Mr. CRANSTON, the Senator from Kentucky (Mr. COOK) was added as a cosponsor of S. 3096, a bill to provide loans to small business concerns affected by the energy shortage.

S. 3163

At the request of Mr. MCGOVERN, the Senator from South Dakota (Mr. ABOUREZK), the Senator from Colorado (Mr. HASKELL), and the Senator from California (Mr. TUNNEY) were added as cosponsors of S. 3163, a bill to require that the budget of the President include proposed appropriations for the advance funding of educational programs.

S. 3231

At the request of Mr. ROBERT C. BYRD (for Mr. EASTLAND), the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of S. 3231, a bill to provide indemnity payment to poultry and egg producers and processors.

S. 3277

At the request of Mr. DOMENICI, the Senator from New Hampshire (Mr. MCINTYRE) was added as a cosponsor of S. 3277, the Energy and Resources Recovery Act of 1974.

SENATE CONCURRENT RESOLUTION 78—SUBMISSION OF A CONCURRENT RESOLUTION REGARDING NEGOTIATIONS FOR A NEW PANAMA CANAL TREATY

(Referred to the Committee on Foreign Relations.)

Mr. McGEE. Mr. President, today I am submitting a concurrent resolution endorsing the recent statement of principles which will serve as the basic framework for negotiating a new and more equitable treaty between the United States and the Republic of Panama. I am joined in this effort by the distinguished minority leader, Mr. SCOTT, the distinguished junior Senator from Minnesota (Mr. HUMPHREY), and the distinguished senior Senator from New York (Mr. JAVITS).

The decision of Secretary of State Henry Kissinger and Panamanian Foreign Minister Juan Tack to sign this set of eight principles in Panama on February 7 of this year, represented a significant and positive step toward revitalizing efforts to negotiate a new and more stable treaty relationship based on mutual respect, partnership, and recognition of the basic interests and aspirations of both nations. I was privileged to be in attendance at the ceremonies with the Secretary when the agreement was signed.

As everyone is well aware, the existing canal treaty between the United States and Panama dates from 1903 and is now more than 70 years old. It granted the United States perpetual use of a strip of land for the construction, maintenance, operation, and protection of a canal linking the Atlantic and Pacific oceans. In this strip, which cuts through the center of Panama, the United States was granted the right to act as if it were sovereign. At the time of its ratification, then Secretary of State Hay candidly described the treaty as vastly advantageous to the United States, but not so advantageous to Panama. The subsequent construction and operation of the canal represented an extraordinary achievement which has brought well-known and undeniable benefits to Panama, the United States, and the entire world.

Why then are we engaged in negotiations for a new canal treaty and what are the United States' basic objectives in these negotiations?

First and foremost is the fact the world has changed enormously in the past 70 years and that the present treaty no longer adequately reflects these changes. In the long run, the viability of any treaty depends on the underlying consent and shared interests of nations which are a party to it.

Panama has long been dissatisfied with the 1903 treaty. This declining level of consent transcends any one government and now encompasses Panamanians of all strata. Since 1903 and with growing intensity in recent years, a strong spirit of legitimate nationalism has developed in Panama—a spirit which will not be altered by mere governmental changes. In recent years, dissatisfaction with the 1903 treaty has become the major political issue in Panama.

In 1964, tensions in United States-Panamanian relations led to destructive riots which resulted in the death of 20 Panamanians and 4 United States citizens and brought the canal issue to world attention. In explaining why it has insisted on replacing the 1903 treaty with a new treaty arrangement, Panama has cited the following:

The United States occupies a 10-mile wide strip across the heartland of Panama's territory, cutting the nation in two, curbing the natural growth of its urban areas.

The United States rules as sovereign over this piece of Panama's territory. It maintains a police force, courts, and jails to enforce U.S. laws, not only upon American but also upon Panamanian citizens.

The U.S. Government operates virtually all commercial enterprises within the zone, denying to Panama the jurisdictional rights which would enable its private enterprise to compete.

The United States controls virtually all of the deep-water port facilities serving Panama.

The United States holds, unused, large areas of land within the zone.

The United States pays Panama but $2 million annually for the immensely valuable rights it enjoys on Panamanian territory.

The United States operates, on Panamanian territory, a full-fledged government that has no reference to the Government of Panama, which is its host.

And, the United States can do all these things, the 1903 treaty states, forever.

There are those, particularly in this country, who reject these complaints and argue that Panama should be content to accept the present treaty arrangement and enjoy the direct and indirect economic benefits which U.S. operation of the canal has provided. Realistically, however, we must recognize that Panama will not accept the status quo and that to try and preserve the existing situation unchanged will sooner or later lead to a confrontation which is contrary to our essential interests in the Panama Canal and our broader foreign policy objectives throughout the hemisphere.

Following the 1964 riots, the United States and Panama agreed to begin bilateral negotiations for a new canal treaty. The fundamental objective of the United States was and still is to negotiate a new and mutually acceptable treaty which will enable the United States to protect its critical interests by continuing to operate and defend the canal for a further and reasonably extended period of time. Careful scrutiny of Panama's objections to the 1903 treaty suggests that it is the character and manner of the United States current presence in Panama, not our presence itself, which is at the heart of our problem. In the final analysis, our continued presence in Panama rests on the consent of the Panamanian people. If we do not seek to arrest a further decline in this level of consent, our ability to operate the canal efficiently will decline and we may ultimately be faced with the unpleasant prospect of an armed confrontation with the people of an otherwise friendly American state on their soil.

Under the circumstances, wisdom as well as prudence dictates that the United States seek to build a more harmonious and stable relationship that recognizes Panama's fundamental aspirations while protecting our basic national interests in the canal. In negotiating a new treaty, we must seek to define what is critical to our interests and what is not, and then proceed to modify the latter in order to preserve the former.

The principles which were recently negotiated and signed in Panama represent a significant commitment by both countries to seek accommodation rather than confrontation. Neither side is seeking to impose its will on the other; rather, we are reaching out for ways to construct a more stable and enduring relationship. The essence of these principles is that Panama will grant the United States the rights and facilities and lands necessary to continue operating and defending the canal; and the United States will agree to return to Panama jurisdiction over its territory; to recompense Panama fairly for the use of its territory; and to arrange for the participation by Panama, over time, in the canal's operation and defense.

It has also been agreed in the "Principles" that the new treaty shall not be in perpetuity, but rather for a fixed period; and that the parties will provide for any expansion of canal capacity in Panama that may eventually be needed.

The road ahead is not an easy one. Considerable skill, good will, and patience will be required of the negotiators representing both countries as they seek in the months ahead to devise a new treaty which will reflect the geographic, economic, and political imperatives of 1974.

I ask unanimous consent that the concurrent resolution be printed in the RECORD.

There being no objection, the concurrent resolution was ordered to be printed in the Record, as follows:

To Express the Sense of Congress With Regard to Negotiations for a New Panama Canal Treaty

Whereas, The United States of America and the Republic of Panama have been engaged in negotiations to conclude a new treaty respecting the Panama Canal—negotiations made possible by the Joint Declaration between the two countries of April 3, 1964; and

Whereas, The new treaty would abrogate the treaty existing since 1903 and its subsequent amendments, establishing the conditions necessary for a modern relationship between the two countries based on mutual respect and on the protection of the basic interests of each; and

Whereas, on February 7, 1974, the Secretary of State of the United States of America and the Minister of Foreign Affairs of the Republic of Panama agreed on a set of fundamental principles that will serve to guide the negotiators toward an equitable treaty which will eliminate frictions between the two countries and thereby promote the continued safe and efficient operation of the Panama Canal, for the benefit of both and of the world; Now, therefore be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled. That the Congress of the United States hereby endorses the following principles agreed to by the United States of America and the Republic of Panama on February 7, 1974 at Panama City:

1. The treaty of 1903 and its amendments will be abrogated by the conclusion of an entirely new interoceanic canal treaty.

2. The concept of perpetuity will be eliminated. The new treaty concerning the lock canal shall have a fixed termination date.

3. Termination of U.S. jurisdiction over Panamanian territory shall take place promptly in accordance with terms specified in the treaty.

4. The Panamanian territory in which the canal is situated shall be returned to the jurisdiction of the Republic of Panama. The Republic of Panama, in its capacity as territorial sovereign, shall grant to the United States of America, for the duration of the new interoceanic canal treaty and in accordance with what that treaty states, the right to use the lands, waters and airspace which may be necessary for the operation, maintenance, protection and defense of the canal and the transit of ships.

5. The Republic of Panama shall have a just and equitable share of the benefits derived from the operation of the canal in its territory. It is recognized that the geographic position of its territory constitutes the principal resource of the Republic of Panama.

6. The Republic of Panama shall participate in the administration of the canal, in accordance with a procedure to be agreed upon in the treaty. The treaty shall also provide that Panama will assume total responsibility for the operation of the canal upon the termination of the treaty. The Republic of Panama shall grant to the United States of America the rights necessary to regulate the transit of ships through the canal and operate, maintain, protect and defend the canal, and to undertake any other specific activity related to those ends, as may be agreed upon in the treaty.

7. The Republic of Panama shall participate with the United States of America in the protection and defense of the canal in accordance with what is agreed upon in the new treaty.

8. The Republic of Panama and the United States of America, recognizing the important services rendered by the interoceanic Panama Canal to international maritime traffic, and bearing in mind the possibility that the present canal could become inadequate for said traffic, shall agree bilaterally on provisions for new projects which will enlarge canal capacity. Such provisions will be incorporated in the new treaty in accord with the concepts established in principle 2.

SENATE CONCURRENT RESOLUTION 79—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO THE CELEBRATION OF THE 100TH ANNIVERSARY OF THE BIRTH OF HERBERT HOOVER

(Referred to the Committee on the Judiciary.)

Mr. GOLDWATER. Mr. President, on behalf of myself and the Senator from Oregon (Mr. Hatfield), I am submitting today a concurrent resolution calling for the sense of the Congress with respect to the celebration of the 100th anniversary of the birth of Herbert Hoover. I know that many Members of this body, regardless of party affiliation, hold the memory of this great man in high respect.

Mr. President, I ask unanimous consent that the concurrent resolution be printed at this point in the Record.

There being no objection, the concurrent resolution was ordered to be printed in the Record, as follows:

Expressing the Sense of the Congress With Respect to the Celebration of the 100th Anniversary of the Birth of Herbert Hoover

Whereas Herbert Hoover, the 31st President of the United States, was born August 10, 1874, in a simple two-room cottage in the town of West Branch, Iowa;

Whereas the Congress of the United States, by an Act approved August 12, 1965 (79 Stat. 510), authorized the establishment of the Herbert Hoover National Historic Site, consisting of the Herbert Hoover Birthplace and the place where he and his wife, Lou Henry Hoover were buried, in West Branch, Iowa, to be administered by the Secretary of the Interior for the education and enjoyment of the public; and

Whereas pursuant to the Presidential Libraries Act of August 12, 1955, the Administrator of General Services operates the Herbert Hoover Presidential Library at West Branch, Iowa, containing the personal and official papers of President Herbert Hoover; Now therefore

Be it resolved by the Senate of the United States (the House of Representatives concurring), That the Congress hereby calls upon the Secretary of the Interior and the Administrator of General Services to cause to be conducted on or about August 10, 1974, appropriate ceremonies in celebration of the 100th anniversary of the birth of Herbert Hoover, 31st President of the United States, in the town of West Branch, Iowa.

ADDITIONAL COSPONSORS OF A CONCURRENT RESOLUTION

SENATE CONCUURENT RESOLUTION 74

At the request of Mr. McGovern, the Senator from South Dakota (Mr. Abourezk), the Senator from Colorado (Mr. Haskell), and the Senator from California (Mr. Tunney) were added as cosponsors of Senate Concurrent Resolution 74, to express the sense of Congress that section 412 of the General Provisions Act relating to the advance funding of educational programs should be immediately and continually implemented.

ADDITIONAL COSPONSORS OF RESOLUTIONS

SENATE RESOLUTION 281

At the request of Mr. Mansfield, the Senator from Rhode Island (Mr. Pell) was added as a cosponsor of Senate Resolution 281, to express the sense of the Senate with respect to the allocation of necessary energy sources to the tourism industry.

SENATE RESOLUTION 297

At the request of Mr. Dominick, the Senator from Alabama (Mr. Allen), the Senator from New Hampshire (Mr. Cotton), the Senator from Florida (Mr. Gurney), the Senator from Idaho (Mr. McClure), the Senator from Virginia (Mr. William L. Scott), the Senator from Pennsylvania (Mr. Schweiker), the Senator from Alaska (Mr. Stevens), the Senator from Georgia (Mr. Talmadge), the Senator from South Carolina (Mr. Thurmond), and the Senator from California (Mr. Tunney) were added as cosponsors of Senate Resolution 297, prohibiting the extension of guarantees, insurance, or credit by the Export-Import Bank to the Soviet Union pending the consideration of the trade bill.

SENATE RESOLUTION 301

At the request of Mr. Thurmond, the Senator from North Carolina (Mr. Ervin) was added as a cosponsor of Senate Resolution 301, in support of continued undiluted U.S. sovereignty and jurisdiction over the U.S. owned Canal Zone on the Isthmus of Panama.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974—AMENDMENTS

AMENDMENTS NOS. 1122 AND 1123

(Ordered to be printed and to lie on the table.)

Mr. ALLEN submitted two amendments intended to be proposed by him to the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

AMENDMENT NO. 1124

(Ordered to be printed and to lie on the table.)

Mr. DOMINICK. Mr. President, for myself and the Senator from Tennessee (Mr. Baker), I submit an amendment to S. 3044, which would provide that in national elections all polls would remain open for at least 12 hours and would close simultaneously.

My proposal envisions that in national elections all polls will remain open for at least 12 hours and close simultaneously at 11 p.m., eastern standard time. Under this proposal, the polls would have to be open at least from 11 a.m. to 11 p.m., eastern standard time; from 10 a.m. to 10 p.m., central standard time; 9 a.m. to 9 p.m., mountain standard time; 8 a.m. to 8 p.m., Pacific standard time; 7 a.m. to 7 p.m., Yukon standard time; 6 a.m. to 6 p.m., Alaska-Hawaii standard time; and from 5 a.m. to 5 p.m., Bering standard time.

The polls could be open at any hour before these times, but would have to close at the time established. As you well know, polls are now open at widely divergent hours across the Nation. The polls in the West are open hours after they are closed in the East. Polling times vary from time zone to time zone and State to State, and within each time zone and State. Our current system developed haphazardly as our country grew through four time zones.

Mr. President, the current chaos in poll closing times is not simply untidy and confusing. By aiding certain candidates and hurting others, the election process itself is having an impact upon the election result. With improvements in communications and the development of computer technology and other techniques, we have the first election returns from the Atlantic coast area flashed all over the country immediately.

By giving voters in the East the ability to influence voters in the West and thus those in the West the ability to weigh the actions of eastern voters before voting, the process is unfairly weighing the influence of the vote of citizens. Computer projections of election results by the electronic media both influence the way many votes are cast and cause people not to vote, because they believe the outcome has already been decided.

Mr. President, solving this problem through a uniform closing time for all polls would be better than trying to restrict the flow of information about election returns with potential constitutional issues and practical problems such an effort would raise. I do not think there is any constitutional question about the power of Congress to establish a uniform poll closing time. Article II, section 3, gives Congress the power to "determine the time or choosing the electors" for President and Vice President. Article I, section 4, gives Congress power to regulate the "time, place, and manner of holding" elections for Senators and Representatives, and the Supreme Court has indicated this may apply to Presidential elections.

The idea of providing for a uniform poll closing time was endorsed by the National Governors Conference in 1966. I ask unanimous consent that a copy of the proposal and resolution of the Governors Conference in that regard be included in the Record at this point.

Mr. President, I think this reform merits our consideration. It is relatively noncontroversial and would not be difficult to implement. In fact, this amendment was most recently accepted by voice vote in August 1972 as part of the American Revolution Bicentennial Commission bill, S. 3307. The Senate subsequently accepted the House-passed version and the provision was lost. The circumstances are the same since this legislation was last adopted by the Senate, and I am hopeful that this body will again recognize the need for this provision.

There being no objection, the material was ordered to be printed in the Record, as follows:

Amendment No. 1124

At the end of the bill, add new section as follows:

TITLE V—POLL CLOSING TIME

Sec. 501. Simultaneous poll closing time. On every national election day commencing on the date of the national election in 1976, the closing time of the polling places in the several States for the election of electors for President and Vice President of the United States and the election of United States Senators and Representatives shall be as follows: 11 postmeridian standard time in the eastern time zone; 10 postmeridian standard time in the central time zone; 9 postmeridian standard time in the mountain time zone; 8 postmeridian standard time in the Pacific time zone; 7 postmeridian standard time in the Yukon time zone; 6 postmeridian standard time in the Alaska-Hawaii time zone; and 5 postmeridian standard time in the Bering time zone: *Provided*, That the polling places in each of the States shall be open for at least twelve hours

A Proposal To Establish a Uniform, Simultaneous, Nationwide 24-Hour Voting Day in Years of Federal Elections

Voting is the most important function in a democracy. Yet, generally speaking, many of our election customs are a throw-back to the days when it took hours and even days to get to the polling booth. By a determined avoidance of improvements we have done little to ease—and much to impede—the voting process.

Among our archaic election customs is adherence to Election Day itself, first designated in 1845 as "the Tuesday next after the first Monday in November." This day was chosen by Congress largely because public sentiment was against traveling on Sunday and it was necessary to allow an entire day and night for many voters to get to the polls.

A second anachronism in the electoral process is the system of widely divergent hours in which the polls are open across the country in federal elections. The polls in the West are open many hours after they are closed in the East. And opening and closing hours vary, not only within time zones, but also within individual states. The system grew without much design or direction as the nation expanded to the Pacific and through four time zones. In our own time we have seen the boundaries of electoral participation extended even further, from West Quoddy in Maine to Attu in Alaska, across six time zones.

In recent years technological progress—particularly in the area of computers and communications—has highlighted the archaic nature of our voting procedures. For example, polling places have traditionally closed early to allow time for counting the votes, but today ballots can be tabulated in a matter of seconds using computer systems. And modern communications permit speedy transmission of returns to collection centers.

Various proposals have been made to bring election day procedures into line with 20th century realities. One appears to meet the test of equity, and of logic, and appears to present no constitutional problems: A common, simultaneous, nationwide, voting day of 24 hours length for federal elections. There is much to recommend that this day also be a national holiday.

The advantages of such a uniform voting period are many:

It would give every qualified voter in the nation the time and the opportunity to vote.

A uniform 24-hour voting day would provide all voters with the identical real-time hours in which to vote; and although the polls would open at different hours in different time zones, the voters of every community in the nation could vote at whatever local time of day or night that was most convenient for them.

It would relieve the pressure in urban and suburban voting districts where long, slow-moving waiting lines have discouraged many voters from casting ballots.

It would put an end to unsupported speculations that reports from one area of the country, with all its polls closed, can affect voting in another area where they are open.

Computers would enable a fast, accurate tally of the national vote immediately after the polls had closed, and thus do away with the confusion and uncertainty generated by delayed and partial returns.

No constitutional barrier exists to prevent the Congress from instituting a universal, 24-hour voting period. Indeed, Article I of the Constitution specifically gives the Congress the authority to make regulations concerning the holding of elections. Nor has anyone suggested that such a period would not be in the best interests of the voter himself. The only significant argument against it is made in terms of expense.

Against this argument, consider that the United States has the least impressive voting record in federal elections of any democracy in the world. In 1964, only 62 percent of eligible Americans cast a ballot for one of the Presidential candidates. In off-year congressional elections, the record is even worse—less than 50 percent of Americans over 21 vote. In Europe, on the other hand, where uniform, nationwide voting hours are common practice, the percentages range from 87 in Denmark to 72 in France. It is difficult to defend the position that the most affluent democracy with the sorriest voting record cannot afford to keep the polls open for a few additional hours every two years.

Principle aside, there is no real evidence to indicate that costs would rise unreasonably. In recent years election costs have been dramatically reduced in some states through the use of electronic voting systems. For example, Orange County in California spent $235,869 on the June 2, 1964 primary, at which 273,756 ballots were cast and tabulated without the electronic system. On General Election Day, 1964, Orange County used an electronic system, encompassing both the voting and counting. The cost, with 416,136 votes cast, was $118,428. The saving here was $117,441—cutting the bill in half, even without allowing for the greatly increased number of votes cast. Actually, the cost per ballot cast declined by over two-thirds, from 90 cents to 28 cents.

Looking ahead, we can anticipate additional savings through the use of the instruments and techniques which science has made possible. In addition, urban polling places may be able to operate on a most efficient basis when voting is spread over a 24-hour period, while polling places in small communities can close after the last registered voter has cast his ballot.

The need for election reforms in many areas is urgent: the Presidential campaign period is too long; residency requirements prevent millions of citizens in our mobile population from casting a vote even in Presidential elections; much of the apparatus we use for registering and counting votes was contrived for another age.

But electoral procedures must be brought into line with the realities of the 20th century. A start must be made. It is the conviction of this conference that a logical and proper place to begin is with the most serious consideration of a biennial national voting holiday during which the polls would be open across the nation for a uniform period of 24 hours.

A RESOLUTION

Whereas it is the sense of the National Governors Conference that the most serious consideration should be given to the proposition that in federal elections the electorate would benefit from the establishment of a "national voting holiday" during which the polls would be open across the nation for a uniform period of 24 hours—that is, regardless of time zone the polls would open simultaneously, and close simultaneously 24 hours later;

Be it resolved that the National Governors Conference forward to the President of the United States the respectful suggestion that he initiate a study, by whatever means he deems appropriate, or the feasibility of instituting a uniform, nationwide, 24-hour voting period for federal elections, and its designation as a biennial national holiday.

AMENDMENT NO. 1125

(Ordered to be printed, and to lie on the table.)

Mr. CRANSTON submitted an amendment, intended to be proposed by him, to Senate bill 3044, supra.

AMENDMENT NO. 1126

(Ordered to be printed and to lie on the table.)

Mr. BAKER submitted an amendment intended to be proposed by him to the bill (S. 3044), supra.

AMENDMENT NO. 1127

(Ordered to be printed and to lie on the table.)

Mr. DOLE submitted an amendment intended to be proposed by him to the bill (S. 3044), supra.

AMENDMENT NO. 1128

(Ordered to be printed and to lie on the table.)

Mr. BAKER (for himself and Mr. DOMINICK) submitted an amendment intended to be proposed by them jointly to the bill (S. 3044), supra.

AMENDMENTS NOS. 1129, 1130, and 1131

(Ordered to be printed and to lie on the table.)

Mr. TOWER submitted three amendments intended to be proposed by him to the bill (S. 3044), supra.

AMENDMENT NO. 1134

(Ordered to be printed and to lie on the table.)

Mr. BAKER (for himself, Mr. ERVIN, Mr. TALMADGE, Mr. DOMINICK, and Mr. PACKWOOD) submitted an amendment intended to be proposed by them jointly to the bill (S. 3044), supra.

AMENDMENT NO. 1135

(Ordered to be printed and to lie on the table.)

Mr. BAKER (for himself, Mr. ERVIN, Mr. TALMADGE, and Mr. GURNEY) submitted an amendment intended to be proposed by them jointly to the bill (S. 3044), supra.

NATIONAL NO-FAULT MOTOR VEHICLE INSURANCE ACT

AMENDMENT NO. 1132

(Ordered to be printed and to lie on the table.)

NO-FAULT AND TRUCKS

Mr. MAGNUSON. Mr. President, several of my colleagues have expressed concern over S. 354, the National No-Fault Motor Vehicle Insurance Act, because they fear that owners of heavy commercial vehicles will experience a substantial savings in their vehicle insurance premiums. They point out that these savings in their vehicle insurance premiums may very well surpass the savings of the ordinary passenger car owner and argue that such a savings constitute a "windfall."

The Senate Commerce Committee was aware of the possibility that owners of heavier commercial vehicles would experience substantial premium savings. Therefore, the committee provided a mechanism whereby a State could provide for the redistribution of the insurance premium burden by allowing the insurers of passenger cars to be reimbursed by the insurers of passenger cars on some basis other than fault—on the basis of weight, for example.

Because some people have argued that loss shifting on the basis of weight would not be adopted by the States and that loss shifting on the basis of fault for heavy commercial vehicles would be more appropriate, I offer for the consideration of my colleagues on the Senate floor the following amendment to S. 354. I am joined in offering this amendment by Senators HART, MOSS, and STEVENSON.

The amendment would permit reallocation between heavy vehicles—over 8,000 pounds unladen weight—and other vehicles based upon fault if a State decided such reallocation was necessary to prevent a "windfall." This determination of fault would be at the insurer level, and would not affect the ability of the accident victim to recover timely compensation without regard to fault. In order to insure owners of heavy commercial vehicles some advantages under a no-fault system the amendment preserves no-fault, even at the insurance company level, for the first $5,000 of loss.

I ask unanimous consent that the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 132

On page 91, line 6, delete "(2) and (3)" and insert in lieu thereof "(2), (3), and (4)".

On page 91, lines 14 and 15, delete "based upon a determination of fault".

On page 92, line 5, delete "(3)" and insert in lieu thereof "(4)".

On page 92, between lines 4 and 5, insert the following new paragraph":

"(3) Notwithstanding the provisions of paragraph (1)(B) of this subsection, a State may grant a right of reimbursement among and between restoration obligors based upon a determination of fault, where such restoration obligors have paid or are obligated to pay benefits for loss arising out of an accident resulting in injury in which one or more of the motor vehicles involved has an unladen weight in excess of 8,000 pounds: *Provided*, That in such event such right of reimbursement may be granted only with respect to benefits paid for loss in excess of $5,000.".

DEPARTMENT OF STATE APPROPRIATION AUTHORIZATION—AMENDMENT

AMENDMENT NO. 1133

(Ordered to be printed and referred to the Committee on Foreign Relations.)

REORGANIZATION OF FOREIGN AFFAIRS AUTHORIZATION PROCESS

Mr. PERCY. Mr. President, following up on our efforts to improve the budgetary process of the Congress, I am today introducing an amendment to S. 3117, the Department of State Authorization bill, which would reorganize the way in which Congress deals with foreign affairs and foreign aid legislation.

For too long, it seems to me, the Congress has had to contend each year with a potpourri of bills in these areas, handling them relatively independently and without much relation to each other.

Each year we are confronted with separate bills for the State Department, the U.S. Information Agency, Radio Free Europe and Radio Liberty, bilateral economic and military aid, the Peace Corps, and usually for each of the international financial institutions. Every 2 years there are also bills for foreign service buildings and the Arms Control and Disarmament Agency.

My amendment seeks to provide for joint consideration of related authorizations, thus permitting a better determination of priorities and total spending for each type of activity.

The amendment requires a restructuring of administration requests in the international relations field into three bills, one each for foreign affairs, foreign economic aid and foreign military aid.

The foreign affairs authorization bill would include authorizations for the administration of foreign affairs, for ACDA, foreign service buildings, international organizations, conferences and commissions, USIA, educational exchange, Radio Free Europe and Radio Liberty.

The foreign economic aid bill would carry the authorizations for both bilateral and multilateral aid, migration and refugee assistance, and the Peace Corps.

The foreign military aid bill would include grant assistance, credit sales and supporting assistance.

The amendment is as follows:

AMENDMENT No. 1133

At the end of the bill, add the following new section:

FOREIGN AFFAIRS AUTHORIZATION ON REQUESTS; REPORTS

SEC. 7. (a) The Act entitled "An Act to provide certain basic authority for the Department of State" approved August 1, 1956, as amended, is further amended by adding at the end thereof the following new section:

"SEC. 16. (a) Proposed legislation by the executive branch requesting authorizations of appropriations relating to foreign affairs (other than proposed legislation requesting authorizations for supplemental or deficiency appropriations) shall be submitted only for the ensuing fiscal year and shall be submitted as—

"(1) a proposed bill or joint resolution authorizing appropriations for the conduct of foreign affairs, which shall include separate enumerations of requested authorizations for—

"(A) the administration of foreign affairs, including separate enumerations for the administration of foreign affairs by the Department of State, the Arms Control and Disarmament Agency, and Foreign Service buildings;

"(B) international organizations, conferences, and commissions;

"(C) information and cultural exchanges, including separate enumerations of authorizations for the United States Information Agency, educational exchanges, and the Board for International Broadcasting; and

"(D) any other program or activity with respect to foreign affairs which is not a program or activity providing foreign economic or military assistance, and is made available under a law within the jurisdiction of the Committee on Foreign Relations and the Committee on Foreign Affairs;

"(2) a proposed bill or joint resolution authorizing appropriations for foreign economic assistance, which shall include separate enumerations of requested authorizations for—

"(A) each program and activity involving bilateral assistance;

"(B) each program and activity involving multilateral assistance;

"(C) the Peace Corps;

"(D) migration and refugee assistance; and

"(E) any other program or activity providing foreign economic assistance, and is made available under such a law; and

"(3) a proposed bill or joint resolution authorizing appropriations for foreign military assistance, which shall include separate enumerations of requested authorizations for—

"(A) military loan and grant assistance;

"(B) military credit sales and guaranties;

"(C) security supporting assistance; and

"(D) any other program or activity providing foreign military assistance, and is made available under such a law.

"(b) Not later than 30 days after the President has transmitted the Budget to Congress for a fiscal year, he shall transmit to Congress a report, to be known as the Unified Foreign Affairs Budget Report, which shall set forth—

"(1) estimates of amounts intended to be requested for that fiscal year for each of the programs or activities referred to in subsection (a); and

"(2) a detailed account of all expenses resulting from all other programs and activities relating to international and foreign relations of all departments, agencies, and independent establishments of the Government."

(b) The amendment made by subsection (a) of this section applies with respect to fiscal year 1976 and each fiscal year thereafter.

NOTICE OF HEARING ON AGRICULTURAL CREDIT

Mr. McGOVERN. Mr. President, the Subcommittee on Agricultural Credit and Rural Electrification of the Senate Committee on Agriculture and Forestry will hold a hearing on April 11, 1974, on S. 3252. This legislation is designed to provide additional credit facilities for farmers and other rural residents by increasing Farmers Home Administration lending limits, by providing secondary market for guaranteed loans made by banks, by authorizing Commodity Credit Corporation to insure forward contracts between farmers and commodity buyers, and by authorizing CCC to make loans to purchasers of commodities from farmers who are unable to make prompt payment because of transportation delays.

The hearing will begin at 9:30 a.m. in room 324 of the Russell Senate Office Building.

Anyone wishing to testify, please notify the Committee Clerk as soon as possible.

NOTICE OF HEARINGS ON FOREIGN FOOD ASSISTANCE

Mr. HUMPHREY. Mr. President, as the world's most important producer of foodstuffs, the United States strongly influences food policy for the rest of the world. And certainly, this fact is no more evident than in the area of humanitarian food assistance.

Increasingly, the United States is being forced into the position of determining who will have enough to eat and who will hunger as our food production becomes the residual supply throughout the world.

This fall we will join most other countries of the world in a major conference on food. One of the most important issues to be addressed by this meeting is the strengthening of world food security through coordinated food assistance and emergency food relief. But unless the United States goes to this conference with a clear perspective of what our own policies and commitments are in regard to humanitarian food assistance, international initiatives in this area are not likely to be substantive.

The approach of a major world conference on food only points out the timeliness of a review of U.S. food aid policy in terms of the adequacy of present efforts as well as what commitments we can expect to make in the future.

With this interest, the Subcommittee on Foreign Agricultural Policy will conduct a hearing on April 4, on current and future U.S. policies in regard to food assistance to the developing world. From this session, the subcommittee hopes to be able to report on our short-, medium-, and long-term policies in relation to foreign food aid.

We will review U.S. priorities for food assistance both geographically as well as by program vehicle. The subcommittee will explore how U.S. policymakers view the future structure of our commitments to the less-developed countries in terms of cash, food, and technical assistance. Finally, we will attempt to get a feeling for what commitments the United States is going to be able to make at the food conference, on international efforts to relieve world hunger.

Testifying on these issues will be the Honorable Clayton Yeutter, Assistant Secretary of Agriculture for International Affairs and Commodity Programs, Mr. Daniel Parker, Administrator, Agency for International Development, Mr. James Grant, president, Overseas Development Council, and Mr. Frank Goffio, representing the American Council of Voluntary Agenices for Foreign Service, Inc.

The hearings will begin at 9:30 a.m. in room 324 of the Russell Senate Office Building.

NOTICE OF HEARINGS ON SENATE JOINT RESOLUTION 137, A PROPOSED CONSTITUTIONAL AMENDMENT TO MAKE ALL QUALIFIED CITIZENS ELIGIBLE FOR THE OFFICE OF PRESIDENT

Mr. FONG. Mr. President, today I wish to announce that, pursuant to the designation of the chairman of the subcommittee on Constitutional Amendments, I will chair hearings before that subcommittee on Tuesday, April 30 and Wednesday, May 1, on Senate Joint Resolution 137.

I introduced Senate Joint Resolution 137 proposing an amendment to the Constitution with respect to eligibility for the Office of President and Vice President on July 23, 1973. This Senate Joint Resolution is similar to Senate Joint Resolution 161, which I introduced on September 28, 1971, and would eliminate the one discriminatory provision of our Constitution which limits the Office of President to "natural born" citizens.

This amendment would make all citizens, whether naturalized or "natural born" eligible for the Office of President, if they are over the age of 35 years and have been residents of the United States for a total of 14 years before the commencement of the term of office for which they are elected.

A broad cross-section of legislators, past candidates for the Presidency, constitutional lawyers, representatives of the Department of Justice and interested groups and individuals are expected to testify.

Persons who wish to testify or submit a statement for inclusion in the record should communicate as soon as possible with Mrs. Dorothy Parker of my office, 2121 Dirksen Senate Office Building, Washington, D.C. 20510, telephone number (202) 225-6361.

NOTICE OF HEARING ON STANDBY ENERGY EMERGENCY AUTHORITIES ACT

Mr. JACKSON. Mr. President, I would like to give notice to the Members of the Senate and other interested parties that the Senate Interior Committee will hold hearings on S. 3267, on Thursday, April 4, at 10 a.m., in room 3110, Senate Office Building.

RURAL DEVELOPMENT OVERSIGHT HEARINGS TO BE RESUMED

Mr. CLARK. Mr. President, I am pleased to announce today that the regular oversight hearings of the Subcommittee on Rural Development and Forestry will resume on May 8 and 9, 1974 at 10 a.m. each day in room 324 of the Russell Senate Office Building.

At that time, the subcommittee will look into the following areas:

First. The current status of the implementation of the Rural Development Act of 1972.

Second. An examination of the appropriations request for activities provided for under the act.

Third. An examination of the President's proposed Economic Adjustment Act insofar as it relates to implementation of the Rural Development Act, and;

Fourth. We will hear testimony on a proposed National Regional and Area Development Act, which has been suggested by the Executive Committee of the National Governors Conference.

Fifth. In addition, the Subcommittee will submit to the Federal Energy Office and the Rural Development Service a series of questions relating to how the current energy crunch, or crisis, will affect national strategy for rural development.

Sixth. The Comprehensive Employment and Training (Public Law 93-203) authorizes the continuation and merger of many different manpower development, training and employment programs previously authorized under various pieces of legislation. And, the Older Americans Act of 1973 expires on June 30 of this year. It will be our intention to listen to how the Department of Labor intends to provide manpower service to rural nonfarm Americans under the former, and know what is intended to replace public service employment for the elderly as a result of the latter.

Seventh. Finally, we will attempt to

assess the effect of the energy crisis on National Rural Development strategy.

The subcommittee expects to call as witnesses: The Honorable William Erwin, Assistant Secretary of Agriculture for Rural Development; the Honorable William W. Blunt, Jr., Assistant Secretary of Commerce for Economic Development; a representative of the Department of Labor; and a representative of the National Governor's Conference.

It is anticipated that the testimony of these four witnesses will require a considerable amount of time. However, we will be anxious to hear from any public witnesses who might wish to testify, either in person or in written form.

ADDITIONAL STATEMENTS

SENATOR PELL'S RESPONSE ON EDUCATION

Mr. MANSFIELD. Mr. President, the distinguished Senator from Rhode Island (Mr. Pell) is to be commended for his address to the Nation last Saturday concerning the matter of education. From the Senate's point of view and that of the Congress, Senator Pell addressed many issues involved in a forthright and comprehensive manner. Most importantly, he pointed out that "the education of our children should not and must never become a matter of partisan politics." Thanks to his leadership as chairman of the Education Subcommittee the matter of education will not become embroiled in partisan and extraneous questions. Insofar as the Senate is concerned the matter of education, I believe, will be addressed from the standpoint of what is needed to provide the best educational opportunity for the youth of our Nation.

I ask unanimous consent that Senator Pell's statement—requesting a congressional response—as it was delivered to the Nation last Saturday be printed in the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

Text of Congressional Response by Senator Claiborne Pell, Chairman of Senate Subcommittee on Education, to be Broadcast on CBS

One week ago, President Nixon set before our nation his views on education and was very critical of the education bill now pending in the Senate.

Today, as Chairman of the Senate Subcommittee on Education, I am glad to respond.

In doing so, I emphasize that the education of our children should not and must never become a matter of partisan politics.

Let me summarize the President's main points.

On the positive side, the President urged advanced funding of education programs so that our local school officials can plan ahead. And he urged full funding of aid programs for college students. The President also urged consolidation of many existing federal government education programs.

On the negative side, he told you that the Senate bill was a bureaucratic nightmare . . . hopelessly bound up in miles of red tape." And he posed a fearful threat that the federal government, with an army of bureaucrats, may take over control of your neighborhood schools.

Finally, the President fanned the flames of the busing issue, re-opening a painful wound that was well on the way to being healed through the patience and the understanding of our American people. I believe the present limited busing law is a good law. It has worked for the past two years. Let's leave it alone.

All told, the President's message was cast in such a way that it provoked discord; it sought to turn the people against their Congress, to turn the House against the Senate, and to turn local and state governments against our Federal Government. We have had more than enough divisive rhetoric. What our country needs is a leadership that seeks to heal and unify, not to divide and fragment. Now, a good place to seek agreement and unity is in facts, so let us turn to fact.

Let's look at the threat of Federal Government control of local schools. The truth is that your Federal Government's involvement in education is minimal. Of the billions of dollars spent on education in this country, only just 6 percent comes from Washington, and the rest comes from state, local and private sources. You may rest assured that your local and state people are in firm control of your children's education. And neither the House nor the Senate education bill seeks to change this.

Far more serious from the actual viewpoint of changing the structure of our government, the President is in the process of quietly establishing a whole new level of government in our country, neither with the explicit authority of your Congress, nor the awareness of our people.

As Emperor Caesar once divided Gaul into three parts, so President Nixon by executive decree has divided our nation into ten parts, ten administrative Super States which have been carrying out ever enlarging federal regulations by federal government bureaucrats far removed from the control of either Congress or the State governments.

We in the Congress are fighting this needless proliferation of government levels. This fourth layer of government is being inserted just below the Federal level and between it and the state and local governments. I am happy to say that the pending education bills in both the House and the Senate halt in its tracks the Nixon regional government plan as far as education is concerned.

The President contends that the Senate education bill fails to sufficiently consolidate the existing programs of the federal government. Yet the Senate bill agrees that some consolidation of programs is necessary, so local school officials don't have to shop through a complex catalogue of federal programs. And, the Senate bill actually provides three kinds of consolidation of programs, including a major simplification of paperwork. All told, 18 existing federal programs are dealt with of which 7 have been virtually eliminated. For instance, since there is a surplus of teachers, the teachers' training programs have been eliminated. Dropout Prevention and Health and Nutrition have also been eliminated in consonance with the President's wish to consolidate.

For good reason, though, we rejected President Nixon's blanket consolidation program. Bitter experience has taught us that when this Adminisration talks about consolidation, it is really talking about cutting out programs and cutting services to the people.

We saw this happen in the most important area of High School Guidance and Counseling and in the President's socalled Better Schools Act which showed consolidated programs receiving less than they would have if left alone.

I think we must remember that each of these separate education programs was created and exists to meet a need that our local school systems could not meet because of costs. This is why, for example, your Congress established programs specifically to aid education of the blind and deaf, to educate the handicapped, for guidance and counseling, for modern textbooks and laboratory equipment.

To throw all the federal funds for these programs into one big pot, as proposed by the President, would mean that the weakest—those who need help the most—would be crowded out or pushed to the end of the line—would get nothing out of the pot. We in Congress do not intend to let this happen.

Now, what about those miles of red tape—the bureaucratic nightmare the President found in the Senate education bill.

Those rules and requirements were put in for a good reason. They are necessary to make certain that the Administration carries out the expressed intent of the Congress since we are dealing with an Administration that has repeatedly impounded funds and flouted the spirit of the laws passed by the Congress.

We have no choice but to spell out the letter of the law in fine, fine detail. This may be a nightmare for those bureaucrats who don't like these programs, but we are concerned, not about the nightmare of bureaucrat, but about our dream of quality education for American children. And, I believe, this is a dream all Americans share.

Let me turn to the President's request for prompt action on so-called forward funding of education programs, so our local school systems can plan ahead. There he has put up a real straw man, since advanced funding of education programs has been authorized by law since 1968. Actually this year, 1974, is the first year President Nixon has requested forward funding, and then he has only done so conditionally.

We have a similar situation in regard to the President's request for prompt action on funding of college student aid programs. The major program involved is the Basic Educational Opportunity Grant Program. This is an excellent program, originated in the Senate, which would give students from low to middle-income families outright grants of up to $1,400 a year to attend college or vocational schools.

The President criticized Congress for not acting as yet on his request for funds for this program—a request submitted just last month. The fact is that the Administration in requesting full funding of this program failed to ask for any funds for two other student aid programs, the direct 3 percent government student loans and supplemental direct grants, knowing full well that the law requires prior funding of those programs before the basic grants can legally be funded.

The truth is that this Administration's record in support of education is poor.

To my mind, it is a question of priorities.

"The President has vetoed four education appropriation bills on the grounds of extravagance. But he has yet to veto a Defense Department bill or a space program bill on those grounds. The President's budget proposals usually request only 35 to 40 percent of the authorized funds for education but they consistently request 95 to 100 percent of authorized funds for space and defense hardware.

"I became Chairman of the Senate Education Subcommittee five years ago at the same time the President took office. I am sorry to say these have been five years of constant struggle with the Administration as the Congress has sought to give greater priority to education to provide adequate funds for education and to ensure that the Administration carries out the education laws of the land.

"I would hope that the time will come when the Administration will in fact give education in our country the same support it gives tanks and bombers and new weapons systems.

"If there is genuine concern on both sides, about the quality of education of our children, compromise and agreement are always possible. It is not possible when education is used as a divisive political issue, with inflated rhetoric, White House pronouncements and threats of vetos.

"Working together, the parents, teachers, local and state school officials, and your elected representatives in Congress, we can do much to realize the American dream of a quality education for all of our children.

"This is vitally important to all Americans for as the Greek philosopher, Diogenes, once observed, 'The foundation of every state is the education of its youth.' This precept should guide us, the people, Congress, the President, Americans all."

PRIVATE GOLD OWNERSHIP

Mr. DOMINICK. Mr. President, on January 19 of this year Senator McClure addressed the National Committee To Legalize Gold at its meeting in New Orleans. He called for immediate passage of legislation which would underscore the basic rights of all Americans to own whatever metals they wish to buy, with or without the possession of a license, specifically the legalization of private gold ownership.

I would like to associate myself with his remarks and ask that they be printed in the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

Private Gold Ownership

Throughout history governments have feared that gold would provide an alternative, perhaps a preferred currency to whatever intrinsically valueless form of tender was provided by government fiat. The form of government, despotic or benign, has provided the key as to how the citizens would be treated. For instance, the 10th century government of China issued an evidently unpopular paper money. Its value was based entirely on imperial authority and its common acceptance was ordered under threat of capital punishment. In 17th century Canada, an army official who found himself short of currency to pay troops issued notes instead. As paper was short he used playing cards which served nicely to differentiate denominations. A soldier who refused such payment was subjected to a fine (presumably payable in aces and kings). A schoolmistress in New Haven in 1704 discovered the value of precious metals when she went to the store for a sixpenny knife. If she paid in commodities, she paid twelve cents worth, if in inferior currency the price was eight cents, but if she presented "hard money", (full weight silver coins) she paid only six cents—or the real value of the knife. Next to specie of value then, comes a commodity of value or even a promise for it. Virginians, who had long traded with tobacco as tender, switched to tobacco notes rather than accept the continental dollar.

Long after the United States had been founded they continued to trade in tobacco notes. As it turned out they made an excellent decision as the Continental dollars, authorized in 1775 were inflated and cancelled by Congress in 1781. There had been so little backing that $70 to $200 million were destroyed or used for wallpaper. The point is that there is no way to escape human nature. If citizens are prevented from buying gold bullion they will move to coins, if coins are outlawed, they are apt to demand jewelry in specific weights.

On March 28, 1973 the United States Senate adopted my amendment to the Par Value Modification Act which stipulated that United States citizens no longer be prevented from the purchase, sales or ownership of gold. This amendment, after several statements of support from liberals and conservatives on both sides of the aisle, passed 68 to 23. More recently, on a similar amendment, the vote was 69 to 21. In the House the amendment failed on a tie vote. About the only objections to the passage of the amendment have been repetitions of those stated by the Treasury, based on indefinite predictions of some unnamed monetary technicality which has never been fully explained. In fact those who disagree with the Treasury have been in the strange position of having to set up the oppositions specific arguments if there is to be any discussion at all. Subsequently, a conference committee was convened to iron out the differences between the par value modification bill as it passed the Senate and as it passed the House. Despite the overwhelming mandate of the Senate to permit gold ownership, the conferees knuckled under to the House's insistence that Americans continue to be deprived of this privilege. Last session, on the Senate Floor, Senators Dominick, Curtis, and I pledged to each other that we would fight this battle again and again—at every opportunity—until the right to own and hold gold is restored.

I can pledge to you today that some time during the coming session I will again propose legislation to restore to the American citizen his right to own, hold, buy, and sell, gold. I don't know at this time whether such legislation will take the form of an amendment, or whether I will sponsor or cosponsor a new bill specifically dedicated to that purpose. We will have to wait until we see what the calendar is going to look like, but I can promise you that we will try again this session.

If you were to ask me to analyze the Senate's point of view on gold, I would have to tell you that as usual it's a mixed bag. On our side are traditional gold state Senators, as well as those who customarily take libertarian or conservative positions. I honestly believe that in some cases where an individual Senator may not have researched the situation, he may be willing to go along with private ownership as a line of least resistance. He doesn't see anything wrong with it until some so-called monetary expert tells him that doomsday will necessarily accompany its passage, and he listens and decides not to take any chances. I am afraid there is another kind of Senator who would vote against a gold ownership bill. He is the man whose idea of a good bill has four basic ingredients. First: It must force somebody (preferably as many people as possible) to do something they otherwise would never consider. Second: It must be full of elaborate guidelines and inspection procedures. Third: It must employ at least 500 people as a start for a huge new Washington based bureaucracy; and Fourth: it must spend, or promise to spend at least half a billion dollars. Any bill without these familiar characteristics would be suspect to him.

Objections by the Treasury and the House Committee notwithstanding, we are going to win this fight and we are going to win it fairly soon.

I would like to read you a very short paragraph from a story in the November edition of Human Events which typifies the verbal smog surrounding the usual approach to the gold ownership question.

Gold ownership by Americans "will be done at some appropriate moment," testified Treasury Secretary George Shultz November 16th before the Senate Foreign Relations Committee. Schultz told the committee the Nixon Administration would allow Americans to buy and sell gold privately for the first time in forty years, but he did not indicate a time.

Schultz said gold ownership is consistent with the Administration's policy of downplaying the metal's role in the world monetary system.

When pressed . . . Schultz was evasive. He said that gold ownership could occur only at such time as world financial markets would not be disturbed as a result.

Treasury spokesman clarified Shultz's remarks by saying the cabinet officer was merely reiterating a position held within the Administration for several years—that lacking international monetary repercussions, there is no need to prohibit private ownership of gold.

This is a perfect example of the backing and filling we observe whenever we try to get a clarification on the subject.

In fact, the Treasury has expressed some objections which seem inimical to its own long range plans. In February of this year, its General Counsel sent a report to the Senate Banking Committee explaining Treasury's viewpoint on private gold ownership as follows:

"Negotiations are now going forward—with the objective of building a stronger international monetary system more compatible with the realities of the modern world. We believe that orderly arrangements must be evolved to facilitate the continuous reduction of the role of gold in international affairs.:"

He doesn't explain what better way there could be to normalize a commodity than to treat it like all other commodities. The Treasury went on to say:

". . . the premature lifting of restraints on the individual ownership of gold would inject a further speculative element into the present international monetary situation."

It is hard to imagine gold in any livelier speculation than the one we have seen during these last few months. The Treasury has relied on the general climate of concern over domestic inflation, the dollar drain and its plunge in the international money markets to convince people that the prospect of citizen ownership of gold holds promise of further disaster. This position flies in the face of reality. The United States is the only hard currency country presently prohibiting gold ownership. It is the countries behind the Iron Curtain, and countries like India (which fields the internationally useless rupee) which have traditionally espoused such a prohibition.

It is interesting to note that the Treasury's theoretical position has changed while its practical one has not. People who have defended the citizen's right to own any commodity of their choice over the years have been called gold nuts or gold bugs. There is however, one straw in the wind that portends well. During the last week of last session, Arthur Burns, during his testimony before the House Banking Committee, was questioned by Congressman Reuss. Mr. Reuss suggested to Mr. Burns that he let the gold nuts have their way before Christmas. Mr. Burns is reported to have said—well not by Christmas, perhaps, (or words to that effect). So it seems that there is some softening of the theoretical objections to our position if not of the name calling process.

Aside from the attempt to portray responsible citizens as crochety misers, this argument exposes its proponents as poor students of history. From 1776 to 1934 gold ownership in this country was taken for granted. Only four decades in the nation's 20 decade history has ownership been prohibited, and that prohibition was made under claims of emergency. Each administration has cited a different, but applicable, emergency under which it was necessary to keep control of gold in its own hands. The theoretical change can be noted in the fact that Arthur Burns and Undersecretary Voelker have both suggested that they are in philosophical agreement with the principle of private gold ownership. The Treasury further stated in its report to the Banking Committee:

"As the development toward reduced dependence on gold in the monetary system continues . . . it will be possible to give sympathetic consideration to the elimination of restrictions on private ownership of gold."

There is a certain Alice in Wonderland quality to all this. The theoretical objections have all given way to the "timing" objection. Chronology is everything now, everything except exact. We are told that this legislation would have been all right last year or two years ago. It might be all right in a year, sixteen months, or a decade, but anytime but the present. Or as Lewis Carroll put it, "Jam tomorrow and jam yesterday but never jam today." In action the U.S. Government is still making its well publicized distinction between "what we say and what we do." What we say is that gold is an increasingly important commodity which is swiftly becoming disassociated from both the national and international economies. What we do is completely inconsistent. For example, the Securities and Exchange Commission at one point asked some numismatic dealers in the West to provide lists of their customers. The SEC claims that gold coins are an investment. They well may be. But in what sense are they different from antiques, paintings and the like? The SEC, however, is not asking for customer lists from antique dealers or art galleries. Why single out gold? Why increasing surveillance over sales of a commodity which is decreasing in importance?

Because of the Treasury's unexplained ambivalence on the subject, the United States citizen is in a peculiar position. He is allowed to buy gold coins not because they are gold, but because they are coins. Their numismatic value is everything, the metal irrelevant. Predictably, the result of this impossible distinction is unenforceable as law. In a democracy, how do we distinguish between a collector and a hoarder—by polygraph? If as it is clearly suggested here, the public is buying gold coins for their gold value, the Government has tacitly admitted that the public does want gold ownership. There seem to be more gold bugs than anyone thought.

Others argue that if we are allowed to own gold, much of it will be bought abroad. The United States will part with more dollars and worsen the balance of payments. But gold is neither consumed nor perishable. Its value has steadily increased while that of the dollar has diminished. The individual gold holder will not suffer unless the paper dollar becomes more valuable than gold—and I don't think that very many people honestly expect that to happen. In fact everything that is done to try to decrease gold in importance and to lower its price has failed. The recent departure from the two tier system was apparently to lower the price of gold. People who thought that the "right to sell gold" would start an immediate dumping process by central banks, were supposed to rush off and sell their gold and the price was to have plummeted. This was an obvious failure as everyone realized that central banks could buy as well as sell and no one was about to go and dump a handsome profit on a rising market. The manipulators of this event didn't take into account that dropping stock markets in England, Europe and the U.S. pushed some investors into gold.

As the Committee of Twenty of the IMF met in Rome this week, we all hoped it would be more productive than it was at last September's vacation in Nairobi. Theirs is of course not a purely monetary, but a political problem, complicated by the world's energy needs, which have caused such fast changes in balance of payment situations here and in Japan, and by the fact that while Eurodollars are appearing, as Germany and others try to shore against the dollar, the Arab oil embargo has strengthened the dollar against the yen, mark and pound.

Having mentioned the Arab embargo I would like to tell you something of my various conversations with Arab leaders on the economic effects they intended by their actions. In general their intention was to produce a certain amount of disruption, but not disaster. They feel that their point of view is rarely represented in the United States media and the only way in which they could bring the attention of the world to the plight of their refugees was to use an economic sanction. As Prince Saud put it to me, the oil embargo was not the act of an enemy but of a friend who was deeply hurt. There is every good reason to believe this. Scoffers say, "but how can they be friends of the United States if they take weapons from the Soviet Union?" But who would not take arms from anywhere he could get them if he saw his enemy arming? Arabs have no *natural* ties with Communists as they are far from socialism. On the contrary they are strong advocates of free enterprise and private property. From time to time various countries have given us signals, as for instance when Sadat threw the Russians out of Egypt, and they have wondered why nobody seemed to notice.

I also spoke with Anwar Ali, Governor of the Saudi Arabian Monetary Agency and member of the Currency Reform Committee of the IMF. He expressed a deep concern about the dependency of the U.S. on Arab oil. As he said it was inevitable that the time would come when we simply couldn't pay for the stuff. This may sound like heresy here, but what would we use? We just don't have the gold to buy 3 billion barrels of oil a year at $10 per barrel. The Arabs already have enough inflated dollars, which may not remain strong after Europe and Japan are once again supplied with oil. I suppose they could take SDRs, but would you in their situation?

The Arabs need the United States for trade and investment purposes. We still have the best and broadest market in the world and the Arabs know it and want to use it. It in no way serves their purposes to ruin the United States' economy. This, Anwar Ali expressed as he urged me to assist my country in trying to find and fund alternate energy sources. The old saying, "They can't drink the oil", is nonsense. They don't need to. They have enough markets in Japan and Europe which depend virtually entirely on them to last indefinitely.

The Arabs would, obviously, like a gold controvertible currency. But the IMF is most unlikely to come up with anything as rational as that. There are various more or less obscure reasons, one of which is the good patriotic sounding, "but that would help the Russions." Well yes, they would have an immediate medium of foreign exchange. But a sensible western world wouldn't have much trouble helping that gold into good hands. If instead of trading away oil and gas producing equipment for credits, and wheat for not much of anything, we demanded gold, it wouldn't be long before the Soviet Union would have to play ball with the rest of the world, and if she didn't, and Russians got hungry almost anything might happen. But realistically we can expect to go right on helping to subsidize our vast Communist opponent.

One objection I haven't heard to a worldwide gold numeraire is that it would help South Africa. But I'm sure that if it ever came to that there would be yelps and yowls and I'm sure we could all pretty much guess from whom.

In this country the official reaction always is that whenever the next IMF meeting is, there will undoubtedly be a monetary watershed, after which we can allow the gold question to be discussed. Without being trapped by the time argument it should be pointed out that regardless of the relative values of the dollar and gold, gold ownership would not be problematic. If the IMF were to initiate a trend toward convertible currencies, restrictions on gold ownership would oppose the basic concept of the system and therefore, make no sense. If the trend is toward fiat money, and the role of gold is minimal, if not eliminated—restriction of an irrelevant commodity still makes no sense. What is most apt to happen, IMF officials tell me is that the Committee will act on proposals made in Nairobi to make the SDR the numeraire, and to determine its value by tying it to a basket of currencies. I admit that it does take some strength to resist basket case type puns, but pushing on past the terminology, we discover that the basket will consist of a number of major currencies and the specific ones to be included have yet to be decided. The IMF spokesman did, however, say that they would be prominent hard currencies.

Once they have been chosen, their average or mean movements would determine the worth of the SDR. Apparently there is more debate at the moment about the rate of interest involved than any other aspect of the arrangement. Some reports call for an average market interest rate and others for something less.

When you discuss an idea like this in everyday business terms, even including fancy terminology, it has a down to earth, practical sound. The only thing necessary to expose this kind of thinking for what it really is is to put it in another setting. For instance take the SDR. It is only useful if you haven't anything else. It acts like a sort of insurance against an overdraft of your bank account. But as long as you are solvent, not to say wealthy, you can't use it. You can very easily imagine a fairy tale that reads this way:

There was a young man who set out in life to make his fortune. As he left, his fairy godmother gave him a box. "It is a magic box," she told him. "It will never let you die. But you may only open it in utmost need."

Now the classic tale would have him forget all about the box until that moment of dire need when it would save him at last. But the Arabs might put another ending to the story. They might say: "but then as the young man traveled he found that the box grew heavier and heavier. He was unable to make a good living, and heeded the godmother's advice. But finally the weight of the box grew insupportable and he had to make a decision. Upon examination he found the box to contain air." Like air, the SDR is useful only when you haven't any.

When I asked the IMF about how the Arabs could be expected to react to the SDR, I was told that making the SDR attractive to the "new surplus nations" was a problem, but one that had received very little attention.

In the mean time the various hopes and fears build and fall about what the U.S. Government means to do about the gold problem which it fails to admit exists. Pessimists think that gold ownership rights will be returned to the people, and after a sufficient time to allow for purchase and collection, the FDR perfidy will be reenacted and the Treasury will collect once more at the citizen's expense. Optimists (so to speak) are guessing that gold ownership will be allowed when gold goes over two hundred dollars an ounce or such price as the Treasury considers too steep except for the very few.

There is a practical reason for not worrying about an immediate flight of dollars if gold ownership is permitted. Currency experts have long been telling us that large amounts of gold are illegally owned by Americans and stored abroad. In addition there is a legal method of gold ownership for the big American investor. He can incorporate in Europe and buy gold in his corporation's name. It would be safe to assume that those interested in and able to afford large amounts of gold have already obtained it, legally or illegally. The amount of money spent on gold by the average family does not look like something that would overturn any monetary system. The average family is just about the only entity not permitted in law and in fact to United States businessmen. Even foreign governments actually own the earmarked gold which they store in Federal Reserve Banks. Any civil libertarian should be outraged at the thought.

No case has been adjudicated by the Supreme Court which bears on the very marginal legal foundation upon which citizens who buy gold become felons. The three ruling decisions differ. The United States District Court for the Southern District of New York, in Campbell vs. the Chase National Bank, decided that Congress had the Constitutional power to control gold itself and subsequently to delegate this control to the Executive Branch in the persons of the President and the Sec. of the Treasury. The Court stipulated only that the Secretary and not the President do the requisitioning. In another case, (Pike et al vs. the U.S., 1962) the appellate court in California's Ninth Circuit has ruled to uphold indictments against gold owners on the theory that the specific emergency powers cited by Roosevelt in 1934 provided the basis for any President to proclaim any emergency and thereafter to restrict the purchase or sale of gold.

The Southern District of California Court came out strongly to the contrary in U.S. vs. Bridle et al, dismissing indictments against bullion owners. The government's defense gave the court a multiple choice—a sort of "pick-your-favorite-emergency" approach The court was actually told that President Roosevelt's 1933 banking crisis was sufficient grounds, but if the court didn't buy that it could opt for Truman's Korean War emergency, Kennedy's Communist imperialism or a balance of payments emergency. Judge Mathes gave a resounding response:

"To hold that the existence of Communist imperialism authorizes the criminal provisions here in issue would be to condone the methods of the enemy. For if the President of the United States be permitted to create crimes by fiat and ukase without Constitutional authority of Congressional mandate, there is little to choose between their system and ours.

"The years since the 1933 enactment of 12 U.S.C. 95 A have seen wholesale abdication of power by the Congress to the President. It is not the function of the Judicial Department to sit in Judgement upon the wisdom of that trend, but it is both the function and duty of the courts to hold the exercise of delegated Congressional powers strictly within the confines prescribed by the Congress."

One government official was recently quoted as saying at an international meeting that "the price of gold is less interesting than the price of hamburger." Allowing for the fact that it might have been lunchtime, the question is to whom? There is a basic distinction between a credit vehicle like poker chips or monopoly money which is only good as long as the game players continue to participate, and currency which has an intrinsic value.

It is basic to human nature to want currency which not only serves as an exchange rate, but which also provides a convenient manner in which to accumulate wealth. It is for this reason that I strongly oppose opening of the gold window. On the national level we have already seen $20 million dollars in Treasury gold pass into the hands of other nations at $35 an ounce. The effect was to soften our currency while turning over a handsome profit to other nations, at the expense of the United States. Now the United States is nothing more than the sum of its people and those people are deprived of gold ownership because they do not believe in the unimportance of gold. This is the Treasury's real, if unstated, position.

But they are going to have to start coping with the opinions of the rest of the world. When Libya last year announced a price for oil of $6 a barrel, there was another condition for sale—unfortunately overlooked. Payment was required to be in gold-convertible currency, effectively ruling out dollars. (Incidentally Libya recently announced a new price for its oil, $15 a barrel.)

This is not an isolated position in the Arab world. The Arab Fund for Economic and Social Development, a group of 16 Arab Nations, has recently decided to investigate the establishment of a gold-based international Arab currency. The dinar, as the currency might be called, would be one possible investment for the oil revenue which is expected to accrue to the Arab nations, amounting to billions of dollars over the next 15 years.

Kuwait's Finance and Oil Minister, Abdulrahman Al'Ateequ, who made the suggestion at the group's second annual meeting held recently in Kuwait, said the fund could "issue bonds consisting of currencies or units of accounts tide to the price of gold at the date of issue and thus provide a guarantee of value and protection against the possibility of devaluation for the Arab investor who employs his funds in these bonds."

The suggestion parallels a recent statement by London banker Minos Zombanakis, who said that Arab oil-producing nations may insist that gold continue as the principal monetary asset. Mr. Zombanakis said:

"The real problem is to find an asset acceptable to the Arab nations or otherwise they may choose to keep their major asset—petroleum—in the ground. Gold could be the answer, especially if other countries besides the United States make their currencies convertible into gold."

In light of such statements, especially when viewed together with our current energy situation, I find it difficult to understand why the United States continues to stake its financial future on strengthening a system of special drawing rights, supposedly to replace gold as a monetary asset. As Mr. Zombanakis points out, such special drawing rights would be meaningless to nations that have continuous surpluses in their balance of payments, which the Arabs may quite reasonably expect to be their position for some time to come, due to the growing dependence of the world industrialized nations on Arabian oil.

At another recent meeting, held in Jeddah, Saudi Arabia, economic and banking experts from five Islamic countries discussed the establishment of an Islamic Development Bank. The functions of the Bank would include the granting of interest-free loans to member countries, and the encouragement of investment in development projects in Muslim countries and communities. Of specific significance, the conference approved an initial capital outlay of one billion units, each equal to 0,88867088 grams of fine gold (SDI). In the terms of current exchange rates, this is $1,350,000,000. At free market rates for gold, it would amount to over $3 billion. Obviously the Arabs consider the price of gold of more importance than the price of hamburger.

But in this matter as in others, it is time for the Legislative Branch of the Government to take responsibility into its own hands. The Executive has been holding the reins, but the horses are running away. As I recall, Treasury spokesmen were among those who predicted that demonetizing gold would force the price of gold downward . . . Not a very clever prediction. It would be fair to say in retrospect, that virtually every official step taken with regard to gold in the past decade has been wrong. Is there any need to continue this devastating pattern? Now is the time to redirect this country's domestic and foreign monetary policies. And it seems to me that a logical and fair first step would be to rescind the prohibition against ownership of gold.

SOVIET PRESENCE IN THE INDIAN OCEAN

Mr. McGEE. Mr. President, considerable concern has been voiced in the Senate over plans by the Pentagon to build up its facilities on the British-owned island of Diego Garcia in the Indian Ocean.

Thus, the purpose of my remarks today is to begin addressing the reasons behind our proposed response to the Soviet presence in the Indian Ocean. Our concern should not be based upon the fact that the Soviets are increasing their presence there, but rather, our concern should be focused upon the very fact that a world power has penetrated what was once a vacuum. The most desirable situation would be if everyone kept out of the Indian Ocean. We have stayed out and we did not initiate a buildup in that area of the world.

I think it is imperative we keep the balance in that area, a balance which has tipped with the Soviet presence. However, even though the Indian Ocean will never be a first-line defense for the Soviet Union or ourselves, we must realize the presence of a big power can influence the climate of political affairs of all the nations in the area. We would be foolish and irresponsible to believe the Indian Ocean can be dropped off the rolls of world politics completely.

One recognizes that balance of power has become a dirty term in our vocabulary. However, I would hasten to add if the world has changed so drastically in the past 27 years that balance of power is an outmoded concept, someone should advise the Soviets of this. The Soviets are the classical example of the application of balance-of-power techniques. This has been true historically, whether Russia was ruled by the czars or commissars. It is an inescapable fact that Russia has always been expansionist in her foreign policy and has only paused in that posture when she has been counterbalanced. I am not suggesting that the Soviets are attempting to take action which would result in the physical conquering of territories. What I am suggesting is that by extending her sphere of influence, she will have a definite impact on the stability and future political course of this area of the world.

The Soviets have already built up a sizeable presence in the Mediterranean; and with the opening of the Suez Canal, their capability to increase their presence in the Indian Ocean will be enhanced significantly. Already, they have increased their naval activity and political presence in the area. They have gained use of port or air facilities in Iraq, Yeman, South Yeman, Somalia, and India. Attempts have been made at negotiation for port rights in Singapore.

Therefore, the logical response for the U.S. to make is to have a base at Diego Garcia, an unpopulated and, therefore, politically uncomplicated island in the Indian Ocean. It would allow us, in low profile, to be able to balance off more adequately the Soviet presence by our presence.

I would conclude my remarks today by

noting the least costly method of averting future consequences which could be highly detrimental not only to U.S. interests, but also the political stability of the area, would be for Congress to approve the administration's request for $20 million to build up facilities on the island. I do not believe the response is an exaggerated one aimed at so-called ghosts of the past. The world is very real in this regard and this fact should be recognized, rather than ignored, in the hopes that our fears might not be justified.

BRODER FINDS THE FEDERAL GOVERNMENT IS DOING SOME THINGS RIGHT

Mr. PROXMIRE. Mr. President, David Broder has been one of the more critical observers of the Congress and the administration. He has been recognized for several years now as one of the most perceptive and thoughtful reporters in Washington. He has also written excellent books on what is wrong with American politics and our many shortcomings.

So with all this it was good to read his column in yesterday's Washington Post detailing some of the good things happening in our Government in recent weeks.

Broder points to the budget reform act, to the work of distinguished Administrators—Henry Kissinger, James Schlesinger, George Shultz, and John Dunlop. He also refers to the fight to resist retrogression in the environment fight by Russell Peterson and Russell Train and finds a good word to say for recent action by the Supreme Court.

Praise from a critic is especially cherished so I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the Record, as follows:

SOME GOOD NEWS

(By David S. Broder)

Were we not hard on April Fool's Day, one would be tempted to begin this column in a straightforward way and admit that it is an argument for the unfashionable proposition that there are *some* good things happening in Washington.

But since anything said in mitigation of the Watergate Wallow is likely to be laughed out of court, perhaps it is more prudent just to cite the evidence and let you draw your own conclusions.

If you accept the assumption that Watergate demonstrated not just the derelictions of a specific set of officials but a breakdown in the system of restraints on which a democratic government rests, then the signs of recovery must be sought in instances of strengthened integrity and responsibility by all officials and agencies of government.

What we need, as political scientist Tom Cronin has pointed out, is not just a strong presidency, but a system that includes a strong President, Congress, courts, parties and people, all serving to discipline each other to the demands of democracy.

That is why it is of more than passing importance that recent weeks have shown signs of strong individual and institutional response in all these areas:

Congress, after more than a year of effort, has taken a very long step toward equipping itself with a mechanism for competent management of future budget decisions.

The Senate last week passed a budget reform act similar in most ways to one passed late in 1973 by the House. Once the two versions are reconciled in conference, work can begin on gearing up the new system.

When in place, it should allow Congress to do something that only the Chief Executive has been able to do effectively for the last 50 years—examine and evaluate the nation's fiscal situation and program-spending priorities on a comprehensive basis and with expert advice.

By creating budget committees, responsible to the party caucuses in each house, and providing them with staff assistance comparable to that the President receives from his Office of Management and Budget, the new procedure should make Congress again a full partner in the fiscal and spending process.

And by requiring Congress, at the beginning and end of each session, to consider overall spending priorities, the new procedure calls on the lawmakers to exercise a higher degree of responsibility than is involved in grabbing off projects for their own districts.

That Congress accepted this added responsibility with only 23 dissenting votes among the 535 members after an arduous and genuinely bipartisan legislative effort, says something very reassuring about the willingness of senators and representatives to meet the test of this time.

So does the performance of many members of the administration. Although their chief is up to his ears in legal and political troubles, the four Ph.D's who are managing crucial parts of the government—Henry Kissinger, James Schlesinger, George Shultz and John Dunlop—continue to operate in a way that may forever bury that tired cliche about the ineptitude of professors in power.

A contribution of special significance in the Watergate era is being made, almost daily, by the two environmental Russells—Chairman Russell E. Peterson of the Council of Environmental Quality and Administrator Russell E. Train of the Environmental Protection Agency.

If one of the lessons of Watergate was the danger of confusing loyalty to the President with loyalty to conscience and constitutional duties, these two presidential appointees have shown they know how to place first things first.

Despite evident White House backsliding and trimming on past commitments to environmental causes, Train and Peterson continue to speak out for and advocate intelligent national policies on land use and environmental protection—forcing the kind of public debate that is badly needed, and occasionally winning a battle for those who will inherit the earth from us.

As a final fillip, the past week found the Supreme Court acting in the unaccustomed role of a defender of the two-party system. The justices, who have often in the past gone out of their way to guarantee the political unreality of their legal conclusions, showed a rare sensitivity to the legitimate role of the two-party system in the unwritten constitution.

While knocking down as unconstitutional stiff fee schedules which served to bar poor people from places on the ballot, they upheld California and Texas statutes giving nominees of the two major parties a preferred status on ballot access and participation in state political subsidies.

Developments like these—and they are not unique—give you encouragement that this 200-year-experiment in self-government has not yet run its course. No April Fool. We may make it.

REPUBLICAN PARTY STRENGTH IN ARIZONA

Mr. FANNIN. Mr. President, anyone reading the national press might think the Republican Party is in shambles and the GOP ranks are being decimated by defections.

Anyone who believes this might want to take a look at voter registrations in Maricopa County, Ariz.

Republicans now have a voter registration lead of almost 20,000 over Democrats. At the time of the 1972 election, the Republicans had a lead of less than 9,000.

These figures demonstrate that in my State the voters are not defecting from the Republican Party. On the contrary, the GOP is stronger than ever and growing.

Maricopa County is the Phoenix area, the most populous area of Arizona. Currently there are 217,321 Republicans and 197,394 Democrats registered. At the 1972 election there were 233,754 registered Republicans and 224,879 registered Democrats. I should note that Arizona has an automatic system of purging names from voter registration lists when they fail to vote in a general election, and that is why the totals for both parties are lower than they were 18 months ago.

ARAB OIL EMBARGO OF 1973

Mr. ABOUREZK. Mr. President, the New York Times Sunday Magazine, of March 24, 1974, had a fascinating chronology of events leading up to the Arab oil embargo of 1973, along with some well-written insights by Edwin R. F. Sheehan, who is a former press officer for the U.S. Embassies in Cairo and Beirut.

I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNRADICAL SHEIKS WHO SHAKE THE WORLD

(By Edward R. F. Sheehan)

Spend thy treasure for the cause
Of God, and be not cast by thine own hands
To ruin; and do Good. Lo! God loveth
The beneficent. . . . They ask thee (O Mohammed!)
What shall they spend? Say, whatsoever ye
Spend for good must go to parents and near
Kindred and orphans and the needy. . . .
And they ask thee, what shall they spend?
Say, whatsoever is superfluous. . . O ye
Who believe! Spend of the good ye have
Gained, and of all we bring forth for you
From the earth. . . . For the likeness of
Those who spend their treasure in the way of
God is as the likeness of a grain which
Groweth seven ears, in every ear a hundred
Grains. God giveth manifold to whom He will.

—From Sura II, The Koran.

We were flying at 15,000 feet, in a Royal Saudi Air Force jet, over the Persian Gulf and the Arabian peninsula. Once or twice as we conversed I glanced out of the window and glimpsed the saffron glare of blazing gas below, those man-made torches that garnish the great oilfields of the Middle East. Seated opposite me, in flowing robes, now fingering his worry beads, now fondling his tiny pomeranian dog, Tina, was the mastermind of Arab oil strategy—Saudi Arabia's Minister of Petroleum and Mineral Resources, Sheik Ahmed Zaki al-Yamani.

It was early winter. We were returning to Jidda from Teheran, where the petroleum ministers of the world had just increased the posted price of oil. The flight was a family party; Sheik Zaki's two adolescent daughters and his 12-year-old son, Hani, were on holiday from school in Lausanne, and they romped with Tina as the minister and I pursued posted prices and other, more congenial topics. Yamani is brilliant when he talks shop, even better when he discusses Freud, Bernard Shaw, his own boyhood as a student in the Holy Mosque of Mecca, his days at Harvard Law School, astrology, anthropology, ESP, Arabic poetry and Mozart. But inevitably we returned to the high price of oil. "What price would you consider reasonable?" I asked.

"We can get any price we want," Sheik Zaki said with a sigh. "There were proposals at Teheran that we raise the posted price to $23 a barrel. If we made it that high, we'd earn $100-billion in a year. The world would run out of Eurodollars. . . ." In fact, I learned from other sources later, Yamani clashed in Teheran with the Shah of Iran, who announced the presented posted price of $11.65 a barrel before Yamani had acquiesced. The Shah was cashing in on the shortages the Arabs had created by their embargo, and though he can use the money, he condemned the Saudis to much more wealth than they can cope with. Yamani went to Teheran with strict instructions from his King to keep the prices down; Iran and other petroleum producers overruled him. So Saudi Arabia will earn at least $20-billion this year, and by 1980 may possess $200-billion in foreign investments and currency reserves.

My five days as Sheik Zaki's guest were among the most illuminating of a two-month tour I recently completed of Saudi Arabia, Kuwait, Abu Dhabi and other petroleum principalities of the Persian Gulf, I met King Faisal and several other rulers and their ministers, as well as a multitude of common people, American oil executives, Western diplomats and financiers. I aspired to assess the regimes that reign on the peninsula, to discover how they are spending their riches at present and how they plan to dispose of them in the future. The wealth of the Gulf has progressively attracted a host of African and Asian paupers and astute merchants from the West, and now that migration is beginning to resemble the California gold rush. Already the Gulf is emerging as a major source of world capital, and inevitably the Arabs—in their collectivity—will join America, Russia, China, Western Europe and Japan in the fellowship of global powers. What desert soothsayer at the dawn of this century, what omniscient New York pundit on the morrow of Araby's ignominious defeat by Israel not seven years ago, would have dared prophesy such ironies?

SAUDI ARABIA: PRESERVING THE WAHABITE WAY

The ironies were sown in 1901, when a penurious Bedouin warrior called Abdul Aziz ibn Saud galloped out of Kuwait with 40 companions mounted on camels and conquered the Nejd, that sandy wasteland in the heart of the Arabian peninsula. Ibn Saud was more than a desert warlord; he was a religious reformer—the apostle of Wahabism, a puritanical movement which preached a revival of Koranic simplicity and forbade all terrestrial pleasures save those of the marriage bed. He brandished the Book, the sword and his conjugal prowess with such tenacity that within 25 years he united most of the peninsula under his rule and created a kingdom more than twice the size of Texas. He bound the tribes to his person by marrying their maidens, and is said to have wed 300 times; he sired scores of sons. But Ibn Saud remained poor until the Americans discovered oil, at Dhahran on the Gulf, in 1938. Fifteen years later he died, the second richest man in the world, heartbroken by what wealth had done to the Wahabite austerity of his house.

He was succeeded by his son Saud, who soon made the monarchy a marvel of grotesque extravagance—immense concrete palaces, glittering with gold and neon, which housed his hundred successive wives. The swindlers of the Levant descended on Riyadh and ensnared the royal family in a web of fraud. Saudi princes ventured ever more to the fleshpots of the West, where they squandered fortunes on women, whisky and games of chance. By 1958, the monarchy was bankrupt, and to restore the kingdom's finances Saud was constrained to install his half-brother, Faisal, as Prime Minister.

Faisal was Saud turned inside out—frugal, intellectual, laboriously patient, and he lived monogamously in a villa, not a palace. (He has been wed to the same woman, Queen Iffat, for 50 years.) As a youth he had led a royal mission to the Court of St. James's, commanded an army which subdued rebellious tribes, ruled holy Mecca as Viceroy of the Hejas. Immediately as Prime Minister he embarked upon reform; in 1964, the royal family deposed Saud and proclaimed him King.

Since then, Faisal has pursued an extraordinary vision. As ardently religious as his father, he was determined to prove that moral rectitude and fantastic wealth could flourish together. He was determined to avoid an irreparable collision of Western materialism with his own Wahabite code, to lead his people to universal prosperity while insulating them from the mischief of socialism, the godlessness of Communism and the decadence of the liberal democracies. He would bestow upon his kingdom all the blessings of technology, while retaining the Koran as the law of the land.

During the decade of Faisal's reign, the Government has scattered thousands of miles of asphalt roads across the desert to connect the major towns, but that was only an initial step in the creation of the kingdom's "infrastructure." The Government has erected seaports, airports, refineries, hospitals, clinics, schools, with increasing speed—and not only in the cities. Even remote corners of the kingdom, where the populace is still wretchedly poor, are beginning to be redeemed.

Education is Faisal's first priority. To glimpse what is being done, visit the primary school in the dusty Bedouin village of Dar Alria, 40 miles south of Mecca. Paved roads have not yet reached that place, but the farmers have American tractors and they are eager for the advancement of their sons. A hundred boys squeeze into a mud-brick schoolhouse painted white; they are taught by Palestinians, since Saudi teachers are still in short supply. Each boy will stay in school till he is 15, and a boy with any brains can count on a university education, with a salary whiles he studies. Illiteracy, rampant during the reign of Saud, is being steadily abolished. Why, even girls are being educated.

Or visit the King Abdul Aziz University near Jidda, the commercial capital on the Red Sea. The university recently found its endowment multiplied overnight by 2,500 per cent. Handsome new buildings are blooming there, and microscopes, X-ray machines, stuffed exotic fish for the new Department of Marine Biology await unpacking. The American credit system has been introduced; all students are required to learn English, and soon they progress from a simplified version of "Oliver Twist" to an unadulterated "Pride and Prejudice." More and more, the kingdom is being run by what a British businessman calls "a California Mafia"—young Saudi technocrats who have been trained at U.S.C., U.C.L.A., Berkeley and Menlo Park. This is overstated; the technocrats have also studied at Harvard, in Texas, in Indiana, and King Faisal's sons have attended not only Menlo Park but Princeton, Oxford and Sandhurst. Nevertheless, California pragmatism seems to suit the Saudis well, and hundreds have returned from the U.S. eager to adapt it to the problems of the kingdom. Perhaps nowhere in the world is the American method of free enterprise imitated with such devotion.

The Saudi economy has been carefully planned for the last five years. The Government has assumed responsibility for the huge tasks of national education, creating infrastructure, marketing petroleum, erecting steel mills and the like. Otherwise, the economy is consigned to the private sector; Saudi and foreign businessmen are free to pursue whatever profit the marketplace will countenance.

Today, Jidda and Riyadh, little more than mudbrick townships 15 or 20 years ago, glint with villas and apartment houses, skyscrapers and supermarkets. Shacks of wood and rusty tin still blemish the open spaces, but even the proletariat who inhabit them seem destined to be engulfed, not far in the future, by the torrent of plenty. Factories for consumers' goods—Pepsi-Cola, ice cream, tiles, towels, toilet paper, fiberglass, Venetian blinds already flourish—and hundreds more are planned. I.B.M. machines have begun to keep the Government's books; soon computers will be commonplace in ministries and commerce. During Nasser's day, capital fled the country for fear of revolution. But, with stability, it has all returned and banks in Jidda, overflowing with cash, are refusing new accounts.

The kindgom's possibilities bewitch the mind. Saudi Arabia is the world's largest producer of oil after the United States; it is the world's greatest exporter; its 150 billion barrels of proven reserves exceed any other nation's; its probable reserves are much higher—perhaps more than half of the petroleum potential of all the non-Communist countries together. Moreover, its subsoil teems with other resources that have hardly been tapped—natural gas, tin, copper, zinc, aluminum, iron ore, silver, gold and uranium. The U.S. Geological Survey is scouring the peninsula in quest of it all, and when roads and transport reach remote regions, a new embarrassment of riches will begin to flow.

What of Faisal's vision—to sustain Wahabite theocracy as steadfastly as he has filled the kingdom's coffers? Nine years ago when Saudi television was launched, the authorities banned Minnie Mouse because she was a girl. Today, copies of Playboy are confiscated at the airport, but foreign women appear on television so long as they are chastely clad. Girls are educated, separately but equally, though when they grow up they cannot drive cars or work in offices. Women rarely venture into the street, and when they do they are shadows, shrouded from head to foot.

The role of women is crucial to the kind of society that Faisal, who will soon be 70, is struggling to preserve. There is freedom and hypocrisy to be found behind closed doors. Wealthy, Westernized families revel at night with pop records and contraband Johnnie Walker; the sexes mingle; even stag films are not unknown. But in public Wahabite decorum is meticulously maintained. There are no theaters, no cinemas, no dancing halls, not even milk bars where boys and girls can gather. For drunkenness a man may still be flogged before the great mosque of Riyadh; the *Mataw'ah*, the religious police, may thrash the hapless merchant who fails to observe the Sabbath or forgets to say his prayers. Rare is the adulteress who is still stoned, and a thief is sent to prison twice before he has a hand chopped off for his third transgression. Drug peddlers are beheaded. There are no bank robberies and drug problem in Saudi Arabia.

Nor are there elections, save on the municipal level—no parliament, no political parties, no uncensored press, no trade unions, no Constitution save the Koran and the *Shari'ah*, Islamic law. The society is still tribal, a vast extension of the Saud family; if a poor man cannot acquire equity by pulling strings with richer relatives, he can exercise his hallowed right by knocking on the doors of the mighty and demanding his due. Even the King is accessible to the lowest of his subjects. On Thursday mornings he holds his *majlis*, his open court, when any citizen may protest to him in person. The Saudis call this "direct democracy."

There is robust debate within the committees of the Government; even the myriad princes of the royal family are of divided counsel about the political evolution of the kingdom. One faction, composed of several of the King's own sons and brothers and some younger Cabinet ministers, covets not only Kuwait's womb-to-tomb welfare system but its parliamentary checks and balances. Tribal democracy has worked in the past, since before the birth of Islam, but can it function in a state which aspires to be technological? Can it reduce the corruption in the ministries that so many complain of? It is one thing for the Government to deny the middle class the right to read Playboy, quite another to promise a parliament and a civil constitution only for the misty future. And yet, there has been surprisingly little agitation for Western forms of democracy, largely because so many lucrative jobs are waiting to be filled by educated Saudis. Once they get the jobs, the Saudis tend to become so absorbed in selfadvancement and making money that they have little leisure left for politics.

Perhaps Faisal foresaw this. Perhaps he perceived better than his critics how quickly his kingdom can assimilate change. Gradualism seems to be his solution to practically every problem. He can be cruel; he may crush a corrupt or incompetent official to set an example, but more often he bides his time and allows the man to destroy himself. Usually he speaks in silences.

I got a glimpse of that great reserve when I was received by Faisal ibn Abdul Aziz ibn Abdul Rahman al-Faisal al-Sau at the Royal Palace at Riyadh, in an immense room with a yellow carpet and painted green walls. The room was thronged with retainers, petitioners, soldiers; but when the King motioned me into an armchair beside his own, all of that entourage, in a magical migration of whispering robes, vanished from our presence, leaving only an aide and a servant who served us glasses of sweet tea. As I sipped, I regarded the hawkish profile of the King, his draped head surmounted by a band of woven gold, and it occurred to me that the caprice of geology had made him the mightiest Arab of a millennium. He exuded an exquisite sadness. His face was deeply furrowed, perhaps from his bad stomach. Most remarkable was his mouth, frozen as though with permanent disdain for the burden of his kingdom's fortune and the follies of the human race.

When he spoke, his language was poetic, his voice high-pitched, like a lamentation. At the end, he fixed his exceptional eyes upon my own and said, "We beg you not to quote us." I was privileged he spoke to me at all, for the favorite game in Riyadh is fathoming his mind. Sheik Zaki Yamani is a master of that, and he told me afterward, "His Majesty dislikes talking, but he loves to give hints. He's terribly intelligent, and has the ability to hide it. Some people say he reasons like a Bedouin, but that's not really true because the Bedu live from day to day and His Majesty excels in foresight." Frank Jungers, the Chairman of Aramco, also knows Faisal well. "He never breaks his word," Jungers says. "He never tells you anything unless he means it."

Should this be so—I have no reason to be skeptical—it is astonishing that the American Government refused for so long to believe Faisal's warnings that he would wield his "oil weapon." When the definitive history of the Arab oil embargo is written, it will perforce reproach the Nixon Administration for an inexcusable display of blindness and deception.

Faisal has always assailed Washington's support of Zionism. But equally he admired America as the arsenal of anti-Communism, and he needed our technology to exploit his oil. (To this day he refuses relations with the Kremlin.) He progressed from friendship with us to a quasi-alliance, accepted American arms and seemed impervious to accusations of radical Arabs that he was a reactionary and a stooge.

In the spring of 1972, Washington suggested to Faisal that if he would help persuade President Anwar Sadat to reduce the Russian presence in Egypt, America would press Israel to withdraw from conquered Arab territory. Faisal exhorted Sadat accordingly; for this and other reasons Sadat expelled the Russians in July of that year. But Nixon ignored this epochal event. Faisal felt betrayed.

He had long resisted pressure from other Arab governments to withhold oil from the United States, invoking the maxim that "petroleum and politics do not mix." Finally, in April of last year, despairing on a response from Nixon to the expulsion of the Russians—and aware that Sadat was preparing to resume war—the King dispatched Minister Yamani on a special mission to Washington. Yamani was intercepted there by some American oil experts, who urged him to warn the Administration in blunt language of what he had already intimated in private—that Saudi Arabia would not increase production to meet America's need unless Washington began working for Israel withdrawal. Yamania agreed, and subsequently saw Dr. Henry Kissigner, Secretary of the Treasury George Schultz, the then Secretary of State William Rogers, and his assistant, Joseph Sisco. It was, Yamani later told friends, "a dialogue of the deaf." The State Department, Saudi sources insist, spread rumors that Yamani did not speak for the King.

There ensued throughout the summer a caravan of private and public warnings by Faisal, two of his sons, Yamani and other ministers, that Saudi Arabia would ration its oil unless Washington adopted "a more even-handed and just policy" in the Middle East. But the line in Washington continued to be that Faisal was bluffing. Secretary Schultz spoke of Arab "swaggering"; in a press conference, Nixon ominously evoked the C.I.A.'s overthrow of Premier Massodegh in Iran two decades ago.

When the fourth Arab-Israeli war erupted on Oct. 6, Faisal was partly financing Egypt, but still he hesitated to impose a boycott. He sent Yamani to a meeting of Arab oil ministers in Kuwait with instructions to resist radical reprisals against the United States. Faisal was in secret communication with Nixon. He anticipated that Nixon would replenish Israeli arms to compensate for the Soviet deliveries to Egypt and Syria, but he warned the President that a massive public bequest to Israel would make Saudi forbearance untenable before Arab opinion. On Oct. 17, Nixon asked Congress for $2.2 billion in military aid to Israel.

This was, by every account, the breaking point. Faisal decreed a severe slash of production, and an immediate embargo of all oil shipments to the United States. Assistant Secretary Sisco thereupon declared that America depended on the Arabs for only 2 or 3 percent of its oil—an outright misstatement of the nation's true need.

Dr. Kissinger flew to Riyadh on Nov. 8, and again five weeks later, to confer with the King. Their first meeting was a courteous confrontation. It is no secret that Faisal has a phobia of Jews. Kissinger, though aware of that, was serene. The King was terse. At one point, Kissinger told the King, "I arranged detente with Russia. I opened the door to China. I brought peace to Vietnam. I want to bring peace to the Middel East. I don't like failure. I have not failed. I shall not fail." The King remained totally impassive. Kissinger brought up the embargo. The King replied, politely but adamently, that the embargo would not be ended until all of the Arab territories, and the rights of the Palestinians, were restored.

The second meeting, in mid-December, was more friendly. Kissinger spoke of his hopes for the imminent negotiations. "Your majesty must trust me," he said, according to Saudi sources. "I cannot deceive you. If I did, you would know within two months. Lift the embargo now—reimpose it later if I achieve no results with the Israelis." The King had experienced more than his share of empty American promises, but he implied that he did trust Kissinger. He did not undertake to suspend the embargo, but for the first time he hinted he might modify it in proportion to the progress that Kissinger achieved toward Israeli withdrawal.

Yamani feared that the embargo might backfire if it caused a recession in America, and he kept urging this view on Faisal. Kissinger's exhortations were echoed by Sadat once the Israelis began to retreat in Sinai. This month the Arabs have decided to relax the embargo, though Faisal will probably desist from substantially increasing production beyond September levels until East Jerusalem is returned to the dominion of his people. How paradoxical that the embargo, and the October war, might never have happened had Nixon embraced last summer Kissinger's present policy of nudging the Israelis out of Arab territory.

In the meanwhile, the Saudis must worry about what to do with all their money. They seem to find the prospect frightening. They favored moderate increases of the old posted prices, but they are fiscal conservatives who dread world inflation, and they neither need nor want the astronomical sums that will soon be theirs. Yamani made this clear to me, and now he is openly struggling to persuade the other producers to lower the price of oil.

Even if he succeeds, it will not help much, Saudi Arabia's population hardly surpasses five million, and last year the Government barely managed to spend two-thirds of its budget. Imagine the problem as it contemplates accumulating, over the next several years, half of the holdings on the Eurocurrency market and a third of the whole world's central bank reserves.

The Saudis plan to spend as much as they can creating a welfare state that will rival Kuwait's for opulence. "We're experimenting with a new kind of welfare state," says Hisham Nazer, the brilliant young minister for planning. "If we succeed, we'll serve as a model for the entire Middle East. We'll have little to fear from the Arab leftists, for we will influence them."

As of today, Saudi society is far from equalitarian. Most of the wealth goes straight to the state treasury; the King has progressively reduced subsidies of the 2,000 princes of the realm, but the royal family is entrepreneurial and seems to be growing richer. The mercantile middle class—it is expanding rapidly—also benefits from the new wealth as the Government dispenses huge contracts and private business proliferates.

The Bedouin population, now less than a fifth of all Saudis, continues to diminish as as nomads cluster more and more around settlements with schoolhouses or migrate to the towns. These poor of the myriad tribes—the Utaybah, the Anaza, the Shammar—do not receive direct handouts, though free education, medical care and universal social security will probably be followed within the next few years by subsidized housing, guaranteed incomes and similar benefactions. The Government hopes to infuse the populace with a work ethic by dangling incentives and exalting individual. This may not be easy. Yemenities, Hadramautis, Sudanese perform the menial labor the Saudis disdain to do themselves, and Egyptians and Palestinians abound in services and crafts because so many bright young Saudis aspire to be ensconced in offices.

The Government is resolved to erect a vast industrial superstructure that will sustain future generations when eventually the oil dwindles—steel mills, a tanker fleet and plants that liquefy gas, produce petrochemicals and assemble automobiles. Thus it is seeking to conclude immense bilateral agreements with various capitalist governments to establish industrial complexes in exchange for steady supplies of oil. At the Ministry of Petroleum I witnessed a procession of emissaries file into the chambers of Yamani and his deputies, their portfolios bulging with projects; the Japanese have promised the Saudis every contraption under the sun, and the French are the busiest beavers of all.

King Faisal, Yamani and other ministers would prefer to industrialize with the U.S. as their major partner, but they hesitate so long as Israel keeps its conquests. Nevertheless, though the role of the American Government remains in doubt, private American firms are scrambling to negotiate *ad hoc* transactions with Riyadh. Uncertain of fuel at home, some will build factories at the source. Marcona Corporation of San Francisco, for example, has assembled a consortium to build a $500-million steel mill in a joint venture with the Saudi Government, and it expects to sell the steel, at competitive prices, in Japan and California. But it will take more than money to industrialize Saudi Arabia. The kingdom is drastically short of skilled manpower, and to fill those factories it may have to import hundreds of thousands of foreign workers who might unsettle the symmetry of Faisal's theocracy.

Yamani assured me that, provided the Israelis withdraw and the West assists the kingdom to industrialize, Saudi Arabia will increase production from about 8 million to 20 million barrels of oil a day by 1980. Other ministers, arguing that oil in the earth is far more valuable than depreciating dollars in the bank, are reluctant to deplete their treasure at anywhere near that speed. I doubt that this debate has been resolved. In either case, the Saudis intend to control their natural resources and have decided to assume 100 per cent ownership of Aramco, the world's largest oil-producing company—very soon. "But that's nationalization," I protested to Yamani. "If nationalization means divorce," he said, "then this will not be nationalization. It will be another form of marriage we're trying to invent." In truth, total Saudi ownership will not involve confiscation or expulsion, and the company's executives are resigned to it. Aramco, with its American management, will remain intact as a profit-making corporation that produces and refines the kingdom's oil. Nor will it sever completely its ties to Texaco, Exxon, Mobil and Standard Oil of California; it will, however, be responsible to Riyadh rather than to them. A unique new arrangement is being negotiated, though neither Americans nor Saudis expect the bargaining—over compensation and future profits, for instance—to be easy.

The Government hopes to spend at least $60-billion over the next six years on welfare infrastructure, internal development, defense and industrialization. That will still leave a surplus that may amount to scores of billions and must find a home outside of Saudi Arabia. The Saudis have contributed more than $1-billion to the Egyptian and Syrian war effort, and they send generous subsidies to Jordan and the Palestinians, but their future undertakings are expected to dwarf those. Saudi capital should logically become the great exchequer of development throughout Araby and Islam.

Egypt, with its teeming population and tremendous poverty, will be the obvious place to start. Already, with Kuwait and other Gulf states, the Saudis are helping to finance the $400-million oil pipeline that the American Bechtel Corporation will build between Suez and Alexandria—and the Egyptians hope that this foreshadows a torrent of Saudi investment. Recent Saudi aid to Somalia, Niger, Uganda and Oman has graduated from gifits to erect new mosques to schemes that will feed the hungry; similar benefactions have begun to flow to North Yemen and the Sudan. The Saudis, however, prefer bilateral transactions, and the harvest of their largesse may be haphazard unless it is coordinated through multinational development banks.

Western economists say that not all the poor Arab countries together have the capacity to absorb the Saudi surplus. Inevitably, much of it will be invested in the West, particularly in those nations which assist the kingdom to industrialize. Today, several billion Saudi dollars are sitting in the Chase Manhattan, Morgan Guaranty and First National City banks, on short-term deposit drawing low interest. They are overripe for judicious long-term investments. The Government may one day buy "downstream" oil refineries and filling stations in the West, but it does not yet possess a coherent foreign investment policy.

In recent months a committee composed of royal princes and senior ministers has been formed to contemplate investment, and the number of eminent Western bankers offering them expertise is approching mob proportions. They will need all the good advice they can get. The Saudis are the past masters of the oil business, of alchemizing petroleum into gold, but they lag years behind the Kuwaitis in investment skills—and in institutions that can channel their surfeit to the orphans and the needy of the earth.

Kuwait: No One Gets Fired

Thirty-seven years ago an English gentleman, Lieut. Col. H. R. P. Dickson, dreamed a dream, Colonel Dickson was the British Political Agent and real ruler of Kuwait. One day, a violent sandstorm carved a hole by a palm tree in his compound, and that night he dreamed that he approached the hole and found a sarcophagus. Upon touching the shroud within, a beautiful maiden rose to life. Then he heard the shouts of some strangers in the desert who seized the sobbing girl and tried to bury her alive. Colonel Dickson chased the men away, then woke up.

Perplexed by his vision, he consulted a Bedouin woman renowned for her power of prophecy, who told him that the girl in the sarcophagus was the harbinger of riches beneath the sand of Kuwait and that the men were strangers from across the sea who wished to prevent its discovery. The Colonel should go to the diggers at Bahrah, tell them to abandon that place and proceed instead to the desert of Burgan. There, by a lonely palm tree, they would find a great treasure.

For two years, a British team had been drilling dry wells at Bahrah on Kuwait Bay, but they laughted at Colonel Dickson when he told them of his dream and urged them to try Burgan, about 30 miles south. Undaunted, he sailed to London and recounted his dream to the company's executives. One of them, a believer in dreams and prophecies, cabled Kuwait and transferred the team to Burgan. There, in May of 1938, by a lonely palm tree, they struck oil.

When the soothsayer's prophecy came to pass, the immense majority of Kuwaitis were Bedouins grazing goats on camel's-thorn, fishermen, seafarers, smugglers struggling to survive. Today, Kuwait is in many ways the most advanced welfare state in the world; after Abu Dhabi, it is the richest in per capita income. Saudi Arabia produces more than twice as much oil, but Kuwait is smaller than Massachusetts and its population does not exceed 800,000. Of these, half are foreigners—Arabs of every clime, Indians, Persians, Pakistanis—and half the foreigners are Palestinians.

Kuwait possesses $3-billion in cash reserves, and may earn $7-billion from oil in 1974; by 1980 its holdings in external reserves and investments, depending on increased production, could mount to $100-billion. There are no income taxes in Kuwait; telephones are free; it grows spinach in glass houses without using soil, and draws its drinking water from the ocean through bizarre machinery that can purify 50 million gallons a day.

Kuwait City has become a patchwork quilt of air-conditioners, television antennas, modern hospitals, marble banks, broad boulevards, public parks, private palaces, neon-lit mosques, office buildings cocooned by concrete grilles. It is a money city, like Beirut, and no prettier, though Kuwaiti taste has improved with time and Hollywood modern is making way for futuristic arabesque. In the suburbs and the desert, Bedouins by the tens of thousands inhabit neat stone houses the Government has given them for almost nothing. The Government buys a patch of sand from one Bedouin for—say—$10,000; it sells the land for less than that to some other Bedouin, then buys it back a second time for $50,000 simply to keep the money circulating in every sector of society.

Education is free and compulsory for boys and girls. Wage scales for Kuwaiti workers, observes a local American entrepreneur, "are unbelievable." Not only is every Kuwaiti guaranteed a job; to get a man fired, an employer must appeal directly to the Crown Prince. "And since you can't fire him," continues the entrepreneur, "you can't make him work. The Government here is not only benevolent—it's too benevolent. It's made the gap between effort and reward so narrow that it's killed incentive. If you work, you are rewarded. If you don't work, you are rewarded." Small wonder that, on the level below the top portfolios, it is the Palestinians—most of them not citizens and therefore less hampered—who practically run the bureaucracy.

Kuwait is a compound of state capitalism and private enterprise, of tribal oligarchy and Westminster democracy. Its Ruler, Sheik Sabah al-Salim al-Sabah, is a hereditary figurehead. Real power reposes in his cousin, Crown Prince and Prime Minister Sheik Jaber al-Ahmed al-Jaber, whose power in turn is tempered by a fragile balance of Bedu tribes, merchant families, an enlightened Constitution, a bumptious parliament, an obstreperous press and insatiable trade unions.

The National Assembly cannot summon the Crown Prince, but his ministers must abide all manner of brickbats before that body, which is the only independent parliament in the Arab world save for Lebanon's. It is based on a small electorate—male Kuwaitis over 21—and political parties are prohibited. But it abounds in factions and the most vociferous of these are leftists. The press is more Palestinian than the Palestinians, as though aspiring through the vicarious violence of words to spare Kuwait from further outrages by the *fedayeen* (Kuwait airport has become, to everybody's embarrassment, the favorite destination of Palestinian hijackers.) The establishment is straitlaced about women, but women work in Kuwait and boast of a burgeoning liberation movement. Inevitably, they will win the right to vote and to sit in the Assembly, for the sheikdom's predominant mood is tolerance. Alcohol is banned, but you can get a good drink anywhere; Islam is the state religion, but Christian churches flourish. Infrastructure projects are approaching the saturation point, so more and more in coming years Kuwait must build its marvels in the world beyond—through wise investment.

There is an explosion of ideas about that, in Government, in the university, in the oil councils and the investment companies. At the moment, most of Kuwait's dollars are deposited in the First National City and other New York banks at low interest—a fiscal curiosity, since they could collect high interest in certificates of deposit and industrial bonds. The Government also maintains immense sterling reserves; with other Arab holdings, they amount to tens of billions of pounds; if they were massively withdrawn, the British economy would collapse.

The Kuwait Investment Company, (K.I.C.), half owned by the Government and half by private citizens, is the paragon of how Arab entrepreneurs will function in the future. Housed in a luxurious downtown suite, it is managed by Abdel Latif al-Hamad, a Harvard graduate who is perhaps the Middle East's most ingenious financier. The company loans money and floats bonds all over the world: Brazil, Province of Quebec, Mexican Petroleum Company, Industrialization Fund of Finland.

In the fine print of "tombstone ads," alongside such firms as Lehman Brothers, N. M. Rothschild & Sons, the Nederlandsche Middenstandsbank, one finds Alahli Bank of Kuwait, the Union de Banques Arabes et Françaises and the Kuwait Investment Company. "The international money boys," observes a local American economist, "aren't fighting the Arabs—they're joining them. Kuwait is becoming one of the great capitals of world finance."

Led by K.I.C., Kuwaiti and other Arab money will be invested more and more in American real estate. Last year, K.I.C. concluded a joint venture with Trammell, Crow & Associates of Dallas to construct and own a 29-story office building, a 1,250-room hotel, a 1,500-car parking garage and a retail shopping mall in the heart of downtown Atlanta—the Atlanta Hilton Center. Trammell, Crow will provide the expertise—architects, contractors, management—the Kuwaitis will put up half the money and help to raise the rest.

This kind of cooperative venture will unquestionably become the pattern for further Arab acquisitions in the United States, where the laws do not inhibit the purchase of land by foreign firms. The Kuwaitis insist they do not aspire to control any sector of American commerce—even if they did, they lack the expertise. They will concentrate on passive financial partnerships with established American corporations, and will progressively buy into distinguished investment houses. They were burned two years ago in industrial issues on the New York Stock Exchange, but inevitably they will fatten their present portfolios and invest more and more in publicly held companies such as General Motors.

And they will repeat these patterns all over Western Europe. They are as conservative as Irish bishops, and as fascinated by bricks and mortar. Already Kuwaiti investors own nearly three acres along the Champs Elysées; with French partners, they will erect a high-rise hotel or an office building. Even in Uruguay, K.I.C. has financed apartment houses and a resort area; now its eye is roving the globe in quest of industrial projects and other tangible assets. Nor has it neglected development of the poor Arab nations or the rest of the Third World; K.I.C. marshaled more than $500-million from Kuwaiti banks, insurance and investment companies to make Kuwait the fourth biggest underwriter of the World Bank, and probably that subscription will increase.

In the same honeycombed building as the Kuwait Investment Company sits another braintrust of the local war on poverty, the Arab Fund for Economic and Social Development. The fund was established by the Arab League and most of the Arab states are members, though Saudi Arabia has yet to subscribe. Officials of the fund are quiet, pipe-smoking technocrats—Egyptians, Kuwaitis, Tunisians, Iraqis—who wear tweeds, not turbans. Their president is Saeb Jaroudi, an elegant financier who once worked for the United Nations and then was Lebanon's Minister of Economy. "We're the regional bank for Arab countries," Jaroudi explains, "analogous to the Inter-American Development Bank in Washington. Our authorized capital equals $350-million, but we can borrow up to twice that. We intend to pool our resources with those of other funds, private investors, Arab Governments—and in two or three years we could be operating in the billions."

The fund has been operating for less than a year, but already it has focused on 30 development proposals throughout the needy Arab nations, ranging from infrastructure to shipping to the care and feeding of livestock. In South Yemen, for example, the fund will construct a factory to process fish, a port at Mukalla, a power station, and road and water systems.

For solid achievement so far, however, we must look to the Kuwait Fund for Arab Economic Development, a separate state agency headed by K.I.C.'s tireless Abdel Latif al-Hamad, which has been aiding kindred countries since 1962—financing phosphates in Jordan, cement in Iraq, silos in Syria, an irrigation scheme in the Sudan which will reclaim a million acres of desert. "Unlike the World Bank, we don't make a profit," a Kuwait Fund official will tell you, "and some of our loans are almost gifts. But we scrutinize how our money is spent, and we will not tolerate waste and corruption. Take tractors, for instance. We pay for them through banks, and we audit every bill. We believe in development, not boondoggles."

And yet, when you add all of these praiseworthy projects up, they do not equal what Kuwait will earn from oil in six months. The Kuwaitis know this better than anybody. and that is why so much of their money will flow back to the West—into bank accounts, Eurobonds and the stock markets of Paris, London and New York.

ABU DHABI: INSTANT DEVELOPMENT

On to Abu Dhabi, near the mouth of the Gulf, capital of the United Arab Emirates. I hastened straightaway to Mana al-Otaiba, who—at 27—must be the world's youngest Minister of Petroleum. He was late for the hunt, but he delayed his departure to offer me the hospitality of his house. His salon had damask walls and was filled with falcons and Bedouins in their bare feet. "So many problems, Mr. Edward," he said. "So many heaps of paper money . . ." Otaiba is a disciple of Zaki Yamani, softspoken, humorous, not as sophisticated perhaps, though like Sheik Zaki possessed of charm to throw away. Won't all those heaps of paper, I wondered, corrupt the Bedouin character?

"I don't like money," the Minister mused. "I like to live in the desert far from complication. We can try to keep our good traditions, but I can't promise we'll succeed." He laughed again, gathered up his falcons and drove off with his hunting companions to the desert, as carefree as a schoolboy.

His insouciance was understandable, for God giveth manifold to whom He will. Abu Dhabi may earn $4-billion from oil this year. That is $40,000 per person for a population of 100,000, if you count foreigners; if you count only the 30,000 Abu Dhabians, per capita revenue exceeds $100,000. The wealth, of course, is not evenly distributed, but such is not astonishing; 15 years ago, Abu Dhabi was a fishing village.

It is part of the old Pirate Coast, that eastern horn of the peninsula where Arab and other freebooters once infested the shore, harassing British vessels and trafficking in slaves. The British put a stop to that, forced a treaty on the warring sheiks and changed the name to the Trucial Coast during the reign of Queen Victoria. Britain did almost nothing to develop the protectorate, and the Trucial sheikdoms remained destitute until 1958 when oil was discovered in Abu Dhabi. Thereupon, the Ruler, Sheik Shakhbut, a wary old despot famous for his frugality, insisted on royalties of solid gold, which he kept in chests beneath his bed. Abu Dhabi town remained mostly a place of palm-frond houses, of tin-roofed shops on crooked streets which led to the residence of Shakhbut, a white palace with toothy turrets like a "Beau Geste" fort. So it might be still, had not the Sheik's brother, Zayed ibn Sultan, deposed Shakhbut in 1966 and succeeded him as Ruler.

Today, Abu Dhabi must be seen to be believed. Doctoral dissertation and heroic rhyme should be composed about it as a paradigm of instant development. The whole town is a vast construction site. Boulevards of Parisian scope and a corniche that rivals Alexandria's crisscross said as white as moonlight; cranes and scaffolds are more numerous than trees. Here is a salt flat, there a city dump; blink and see a bank, a school, a hospital, a Hilton hotel. The Guest Palace on the periphery has golden ceilings and marble coffee tables, and when it is filled with soldiers with silver daggers and notables in their robes, it resembles the fantasies of Scheherazade.

Not all of the new buildings are as solidly constructed. In fact, much of the city may have to be rebuilt. Foreign contractors have been wont to mix their cement with sea water, and no sooner were their creations finished than they began to crumble. The streets murmur with Omanis and Iranians, with Indians and Baluchis; they are the labor force, and many of them live in hovels. Corruption, by common account, prospers in high places. These are, however, predictable growing pains in a country struggling to digest manna it never dreamed of.

Religious tolerance thrives, as do the basic public amusements of the West. Tribal democracy may evolve into a parliament like Kuwait's. Sheik Zayed rather resembles a falcon, and is said to be as purposeful. He has surrounded himself with foreign advisers, technocrats from Arab nations to the north, whom he pays fabulous salaries. He, too, wants a pervasive welfare state, one that will banish poverty even for his alien laborers, and his counselors promise to complete it soon. What Abu Dhabi will do with its remaining billions is a problem they have not resolved, though the Sheik has created a modest development fund for poor Islamic countries, and his philanthropy seems predestined to increase. God loveth the beneficent.

THE NEW ARAB: DO WE RESENT HIM?

Is the world balance of power shifting away from the United States and the industrial West toward the producers of raw materials? I asked that of Sheik Zaki Yamani during our flight over the oilfields of the Gulf. "No," he answered. "Raw materials are not the main source of power—technology is. However, the shortage in energy supply has reduced to some extent the power of the industrial nations, and is creating a new relationship between them and the owners of energy resources. The result depends on how both sides will react to this new reality."

Other specialists are more categorical than Sheik Zaki. "There's definite shift of power taking place," says a prominent American economist in Kuwait. "The center of financial gravity is moving from London and Paris to Riyadh and the Gulf. Why have David Rockefeller and Dr. Kissinger and Michel Jobert been dashing about the Middle East? Will you be surprised when Nixon shows up? By 1980 the five great oil producers of the Gulf, including Iran, after spending all they can on internal needs, may possess foreign assets of nearly $300 billion—three-quarters of the world's reserves. Not since World War II and the resurgence of Germany and Japan have we witnessed such an obvious migration of power.

"That's what bothers everybody. The international financial community is facing up to it, but most Americans still fear the Arabs. We don't understand them, and we resent them for becoming as rich as we are. We never worried about India and Brazil because they had no power—and besides, we were taking care of them. The challenge now is to help the Arabs to harness their wealth to world development. *They* will have the money, and henceforth *they* will take care of the impoverished nations."

Or will they? That is the great question. Evidently, the rich Arabs intend to aid the poor Arabs first and foremost, but to do that effectively they must increase the capital of existing funds and create other funds of vaster scope. This presupposes a grand development strategy for the whole Arab world—exactly what some Arab technocrats are urging their Governments to conceive in concert.

The next natural beneficiaries of Arab aid are the Islamic nations of black Africa. "There is no earthly reason," an Arab economist told me in Kuwait, "why people should die of hunger in Africa's 'dry belt.' Most of those countries are Moslem, and we must feed them from now on." Next, there is the Islamic world at large—wretched, overpopulated nations like Pakistan and Bangladesh which deserve a share of Arab opulence. An Islamic Bank has already been created in Jidda, underwritten by the Saudis and other oil states, with capital of $1 billion; in keeping with the Koran, it will charge no interest.

Dr. Hassan Abbas Zaki, a former Minister of Economy in Egypt who is now head of the Abu Dhabi foreign-aid fund, has reflected deeply on the problems of oil wealth. "The oil nations should be paid a fifth of their earnings in certificates issued by the World Bank and the International Monetary Fund," he told me, explaining some of the solutions he is urging on Arab leaders. "We would be lending that money at reasonable rates, and they would channel it directly to poor countries everywhere—balancing deficits, hastening development, reassuring the rest of us with global stability."

However it is done, some technocrats in the Gulf predict the creation of an "Arab Marshall Plan"—one that would match every development dollar spent by the recipient nations in Asia and Africa with another dollar from the Arabs. No serious scheme of that or lesser scope could be conceived without major reliance on Western expertise, and this is precisely what many Arab planners have in mind. They foresee a fusion of Arab-capital and Western technology, particularly American technology, as the locomotive of future world development.

Already, some tentative steps have been taken toward that union. Already, the United States and Kuwait confer about development schemes in poor Arab countries. In the Sudan, for example, the World Bank, the U.S. Aid mission and the Kuwait Fund have pledged equal shares to finance the enormous Rahad agricultural project; in North Yemen, the U.S. is furnishing the expertise to develop salt mining, and the Kuwaitis are paying for it. For the reconstruction of Egypt, most of the money is expected to come from Kuwait and Riyadh, and much of the technology may be American.

The opulence of oil may produce major political changes in the Arab world. Arab socialism may be doomed. King Faisal has made it clear that he does not intend to finance regimes that mingle Mohammed with Karl Marx. Thus, President Sadat is busy diminishing Nasserism in Egypt, reopening nationalized companies to the private sector, assuring foreign capital that it need not fear expropriation. This, in turn, may beget a trend throughout the Middle East; military regimes may begin to fade away as an increasingly sophisticated middle class perceives that revolution is no longer necessary to achieve social transformation.

But over all of this hovers a terrible incertitude. Little may be accomplished unless peace prevails. And peace will not prevail unless Dr. Kissinger fulfills his promise to Sadat and Faisal to coax the Israelis to give up the remainder of their conquests. I saw Sadat during his recent visit to Abu Dhabi, and I asked him flatly whether he had clear assurances from Kissinger to that effect. "I have," he answered.

There is no reason to doubt him, for Kissinger has stated to numerous American diplomats and journalists his intention to press for substantial Israeli withdrawal combined with strong guarantees for that nation's security. His policy corresponds to the overwhelming wish of Western Europe, Africa, Asia and Japan, who fear for their oil, money and development unless a settlement is achieved soon. Put in the baldest terms of power politics, Israel (by its own Finance Minister's account) will run a $2.5-billion deficit this year, and can offer other countries little; the Arabs can offer them much. For a settlement, no further changes in American policy are essential; Dr. Kissinger has only to keep his promises, the quicker the better.

There is, of course, a body of opinion in America which believes that the United States should invade the Arab oilfields, not only to insure the flow of energy but to nullify the oil weapon in any future war—Defense Secretary James Schlesinger alluded darkly to it in January. That option is dormant now that the Arabs are relaxing the embargo, but it would be lunatic under any circumstance.

Both the Saudi and Kuwaiti Governments have threatened to blow up their oilfields if the U.S. ever mounts an invasion. "And they *will*," says an American oil executive in the Gulf. "Have you ever seen an oil well burning? It can take a year or more to extinguish a single well. Can you conceive of 300 wells on fire? It would cost billions to rebuild the fields, and we'd have years of no oil. The industrial nations would collapse."

Traditional regimes rule the Gulf today, but though the danger is farfetched, they could conceivably be overthrown by insurgent forces less easy to reason with. For the last decade, a rebellion has raged in the Dhofar region of Oman, nurtured now by the Chinese, now by the Russians; the Sultan is crushing it with British help, but there are cells elsewhere on the peninsula. They call themselves the People's Front for the Liberation of the Arab Gulf, and if they ever came to power in Kuwait or Abu Dhabi they might be tempted to wage economic warfare on the West that would make the October embargo seem salubrious by comparison.

All of these perils are interlinked; the foremost way to intercept them is by hastening an Arab-Israeli peace. The price of the "minimalists" like Sadat is not unreasonable, and the benefits for everybody—including Israel—would be immense. Shortly after I returned to Paris, an erudite American woman asked me, "How can we depend on those dirty savages to behave decently?" I was amused by this curious outburst. Are the Arabs innately less capable of compassion than that cultivated lady? Has Islam been any more brutal than the imperialism of the Christian powers? Or than a nation whose elected Government dumped millions of bombs upon the civil populace of Indochina?

I am more serene than that lady. I have more faith in the dynamic which is arousing the Arabs to develop themselves—and the poor world—with their wealth. I want to believe that the technologist, not the terrorist, is the Arab of the future. I want to believe with Sheik Zaki Yamani, that "the new Arab will re-enter history, contribute to civilization, not with his oil but with his brains."

FACE THE NATION

Mr. CHURCH. Mr. President, on Sunday, March 31, it was my pleasure to be the guest on the CBS program, "Face the Nation."

Inasmuch as much of the discussion on the program dealt with recent hearings before the Senate Foreign Relations Subcommittee on multinational corporations regarding the giant international petroleum companies, I ask unanimous consent that the transcript of the program be printed in the RECORD.

There being no objection, the transcript was ordered to be printed in the RECORD, as follows:

FACE THE NATION AS BROADCAST OVER THE CBS TELEVISION AND RADIO NETWORK

HERMAN. Senator Church, after your hearings so far into the role played by the oil companies and possibly the United States government in reaching agreements around the world on oil matters, do you conclude there was something wrong done, something stupid, simply a series of coincidences, or none of the above?

Senator CHURCH. I conclude that the role of the federal government was one of abdication, really, leaving it to the large oil companies to make the arrangements for themselves. This was based upon an assumption that what was best for the oil companies was best for the American people. That assumption has been demonstrably proven false in recent months.

ANNOUNCER. From CBS News, Washington, a spontaneous and unrehearsed news interview on FACE THE NATION, with Senator Frank Church, Democrat of Idaho. Senator Church will be questioned by CBS News Correspondent Nelson Benton, George Sherman of the Washington Star-News, and CBS News Correspondent George Herman.

HERMAN. Senator Church, you say it has been demonstrably proven that what is good for the oil companies is not necessarily for America, and that the United States government abdicated part of its role. What needs to be done, then? What will your committee recommend?

Senator CHURCH. Well, I can't speak for the committee. I can only speak for myself at this point, because the committee has not reached any conclusions yet. But I think that some big changes are in order. First of all, I think that a very serious look must be given toward the possible violations of the antitrust laws, involved in the network of agreements by which the major oil companies control productive capacity and marketing from the Middle East; also at home, in connection with the major companies' control over the pipelines.

Secondly, big changes have to be made in our tax system, which has given every incentive to the major oil companies to go abroad rather than stay at home.

And thirdly, I think that we have to make sure that the oil companies don't develop a monopoly here at home over all forms of competition—taking over coal, for example, and other sources of fuel—so that they have within the United States what they have long enjoyed in the Middle East.

SHERMAN. Senator Church, I'd like to go to this question on the abdication of the role of the U.S. government in the Middle East oil business. You're a senior member of the Senate Foreign Relations Committee, and much is made these days of the co-equal branches of government—the Congress. In your investigation of the collusion between the State Department and the oil companies regarding the Middle East in the fifties and sixties, have you found any evidence the Senate Foreign Relations Committee being told at all about what was going on in this thing? I mean, wasn't there a certain abdication of responsibility in terms of the Senate Foreign Relations Committee as well?

Senator CHURCH. Well, yes, but you'll remember that during that period, the Foreign Relations Committee was told only what the executive wanted it to know. It wasn't until Senator Fulbright brought the committee out from behind closed doors in the midst of the Vietnamese conflict that the committee began to demand information and to play an independent role. I think that in the period we're discussing, the late fifties and early sixties, the committee was largely an arm of the executive branch; it was largely captive of the State Department.

BENTON. Senator Church, the witnesses before your committee this week argued that were it not for oil companies that are integrated from the oil field to the gas pump, were it not for that integration which you apparently are speaking of breaking up, there would have been no Middle East oil production to speak of. Did they persuade you at all to that viewpoint, sir?

Senator CHURCH. No, they didn't at all persuade me to that viewpoint. There's a perfectly good illustration of the rebuttal to that argument that occurred in Libya. When Libya began to bring on its oil, it did it in a different manner. Instead of permitting the majors to move in and control Libyan production through interlocking agreements, as they did Middle Eastern production, the Libyan government insisted on letting independent companies come in. For the first time, there wasn't going to be a monopoly arrangement for the seven sisters—the great oil majors. And as a result, independents not only did come in, but competition was injected into the system and the price of oil came down. Now the same thing could have happened in Iran; the same thing could have happened in the Middle East. But there, of course, the majors have control over the productive capacity. For a long, long time they fixed prices, and they still control the marketing outlets. It's a monopoly situation.

BENTON. Well, you say they fixed prices, and much of your hearing this week went back into the history of Middle East oil development. Their contention is that up until the recent crisis, as a matter of fact, oil and petroleum products have been relatively inexpensive. So what is the documentation at the gas pump or at the heating oil dealers for them having fixed prices at an unreasonable level?

Senator CHURCH. Well, in the first place, if you go back through the history of the cartel, there was a long period when prices were actually fixed by agreement, and they were fixed on the basis of the export price at the Gulf of the United States, which reflected the highest production costs and the highest taxes; it was purely a fictitious price. It had nothing to do whatever with actual costs, but it was the price that the majors set for the world markets.

Now in the sixties, we got into a period when the oil companies were concerned about too much oil, a glut on the market, if too much productive capacity were permitted to be built. In that period, through their control of productive capacity, they were able to set a floor on prices, and to prevent a serious deterioration below the level they wished. It was that control they had over production that enabled them to do this. In other words, there wasn't a true competitive market. Prices might have gone much lower during that period if a true competitive market had actually existed.

SHERMAN. But would it have been in the interest of the United States or of the industrialized world to have a glut of oil on the market? I mean that the price would have gone lower, but in terms of conservation, for instance, would it—they were planning, weren't they, on a general energy glut? That was the reason that they were—they claim that they restricted oil production. Would it have served anyone's purpose to have a glut of oil? As it happened, it didn't work out that way.

Senator CHURCH. What would have served the purposes of the consumer nations would have been a more competitive market to determine the price of the oil. Actually, the oil is in the ground, and no more oil would have been lifted than could have been consumed. But the competitive price—if it had been allowed to operate in a truly open market—might have been more beneficial to the consuming countries. Moreover, remember that the American government during that period backed up the oil companies and the cartel arrangements in the Middle East for different reasons. Not for reasons of the price of gas at the pump, but for reasons of the cold war. We wanted to avoid rocking the boat; we thought the governments over there were reasonably friendly; we were fearful of a possible communist penetration of the area. And so, it was for reasons of this kind that the government backed the oil companies.

Now the situation has changed radically, as you know. We face a wholly new situation, and we have to approach it with a whole new set of principles.

SHERMAN. But wouldn't—this gets right into the scapegoat issue, because it seems to me that we're looking at it from the vantage point of 1974, where the policy that was followed in the fifties and the sixties—anti-communism, et cetera—looks wrong. But aren't you in fact making the oil companies the scapegoat today, in 1974, for a policy that was conducted with the approval of the American government—for the American government, in a sense—in the 1950's and 1960's which was a success?

Senator CHURCH. Well, I'm not trying, first of all, to make the companies a scapegoat. I think the companies were acting in their own best interests. And that is, after all, what they're in business for.

They were trying to maximize their profits; they were trying to stabilize the situation. But the question is, did this promote the best economic interests of the American consumer? Did it violate American laws? And back in 1950, the Justice Department, after a thorough investigation of the international oil cartel, brought an antitrust suit to break up these arrangements, against the major companies. That suit was called off, as you know, from above, at the level of the National Security Council—not because of any disagreement that the antitrust laws may have been violated, but because of strategic reasons having to do with the cold war. I'm not saying that at that time, those reasons didn't seem sufficient. What I'm saying now is, let's learn from the past and let's address ourselves to the present situation, and let's not fall back again into the control of an enlarged cartel that has been expanded to include the Arab governments. I think that's the next step, unless our own government takes a more active role in changing the system.

BENTON. Well, what specifically do you do? Do you nationalize? Do you try to de-integrate the oil companies through antitrust action, or what specific—how do you go about it?

Senator CHURCH. Well, first of all, these are the things I would recommend. On the antitrust side, let's take another close look at the arrangements as they exist today, because this is a fluid period. The Arab governments are coming in; the big companies don't know what they own out there until they read the ticker tape each day. And this is a fluid situation, so we must take a whole new look at it and see if antitrust violations exist. We must do the same over here in this country.

SHERMAN. But shouldn't some of them be allowed to combine together to bargain as a unit with the oil producing countries?

Senator CHURCH. Yes, but even that period has passed, because the major executives of the oil companies admitted before the committee that they have no leverage left. They have no negotiating muscle. They have no bargaining power. So you see, the picture has radically changed. At one time, they did have some leverage, but they have lost it. The Arab governments have discovered that oil is a political weapon. The present price of oil has nothing to do with economics. It costs twenty cents a barrel to raise this oil; they're selling it at a posted price of $11.65 a barrel—350 per cent above what it was just twelve months ago. This price is a political price. They found that they can make it stick in the western world, because we have to have Arab oil, particularly western Europe and Japan.

So in that new situation, it's foolish to think that the companies can successfully bargain any more with the Arab governments on oil prices. And the latest indications are those prices may go up again in June, rather than come down. Under these circumstances, I believe our government which has some leverage with these Arab nations—our government—must take a much more direct role in attempting to bring these prices down.

SHERMAN. But then, are you in favor of turning the oil companies into, in fact, public utilities, which would bypass the question of antitrust laws anyway——

Senator CHURCH. No, I would be against that, George, because that's just dodging the issue. We'd be regulating monopoly, and that never works very well. I would be in favor of taking those measures that would inject as much competition, as much free market, back into the system as possible.

BENTON. Senator, I'd like to ask you a philosophical question along this free market area, if I could. Secretary of the Interior Rogers Morton was speaking this week to the National Petroleum Council which, as you know, is a group of industry advisors to the government, and he said that the government, and my inference from what he says was that he meant the Congress is becoming an adversary to the free enterprise system. Is it in such actions as you were talking about—is the government becoming an adversary to the free enterprise system?

Senator CHURCH. By adversary, you mean an opponent to?

BENTON. Yes.

Senator CHURCH. No, though in some ways I think there is justification for that charge. I'm pleading a different case. Instead of treating oil as a monopoly, which it shouldn't be, and then trying to regulate it, and then finding, as we usually do, that the regulation is soon indistinguishable from the interests of the regulated—that the regulators are taken in by the regulated—I say make it competitive instead, and make sure it stays competitive. The government can do that, the government can be a referee that makes free enterprise stay free. But my experience has been that the bigger businesses get, the more they preach free enterprise and the less they want to practice it. It should be the government's job to see to it that they continue to practice it.

SHERMAN. But how do you—it seems to me there is an inconsistency here, or perhaps I just don't understand it—you're saying that the oil companies themselves admit they no longer have the strength to deal with the Arab governments, and they're taking over the oil, in fact. So that means they are becoming less and less powerful. At the same time, you say that somehow the U.S. government should bolster them, without becoming intricately involved in their operations—in their negotiations—

Senator CHURCH. Well, let me explain. I can understand how you might have been led to that confusion. First of all, the companies have not only admitted that they have no bargaining power left. They have no economic incentive to bring down the price. Why should they? They have discovered that the more the price goes up, the bigger their profits get. The profits of ARAMCO went up almost in the same degree, 350 percent, with the actual posted price, and the profits of the major oil companies in this country, the owners of ARAMCO, have gone up to unprecedented levels in the last year. So that, if they are profiting as they are, so hugely from the hijack prices, what incentive do they have to bring them down? For that reason alone, an obligation falls on the government of this country to play a more direct role in negotiating these prices downward again, because they are political prices—they are not economic prices. They don't operate within the parameters of the marketplace.

HERMAN. Just so I know where we stand on this because I have a rather simple mind. Do you think that the world is running out of oil, and that oil is—and all energy forms are becoming shorter, therefore perhaps prices should be up a little?

Senator CHURCH. The world will run out of oil—no question about that. But right now—

HERMAN. In a foreseeable time?

Senator CHURCH. But right now, the world is not short on oil. The oil is there, the oil could supply the market. The problem is not, in the immediate future, a shortage of oil. The problem is price and we shouldn't pretend that the lifting of the Arab oil embargo has changed the problem one iota. It may mean that the shortage for a little while—the squeeze on the United States—will be less severe, but the price: think of its impact on the Western World! It is going to increase the cost of fuel supplies between $55 and $65 billion in this year alone. Now that's a price that Western Europe and Japan and the United States and the other industrial nations will have to pay. Its effect, in terms of inflation, its effect in terms of the adverse impact on our balance of payments, its effect in drying up the flow of capital to the underdeveloped world, is absolutely staggering. Now that is the oil crisis; that is the economic consequence of this reckless decision to suddenly increase the posted price of oil in the Middle East 350 percent within a year's time.

HERMAN. I'm not sure but that we interrupted you when you were giving us your recommendations.

Senator CHURCH. Yes, well, where were we?

HERMAN. Well, we started with the government should take a little bit more control.

Senator CHURCH. I hope that it wouldn't have to be for a long period of time, but as long as the price of oil is going to be used as a political weapon by the Arab countries against the Western World, the United States government has to see it in those terms, and the United States has to try to do something about it. After all, we presumably have more leverage than the oil companies with the Arab countries. We've given them $3 billion in economic and military aid over the past 12 years, and we are now preparing to assist Egypt in clearing the Suez Canal, and quite possibly in other economic development programs.

HERMAN. So you are proposing some kind of American government pressure against the Arab nations?

Senator CHURCH. I'm proposing that we recognize that this is a highjacked price with disastrous consequences, and that the federal government do something about negotiating with the Arab countries in an effort to bring this price down, since we have leverage that the companies themselves have admitted they no longer possess.

HERMAN. What's our leverage?

Senator CHURCH. I've just suggested part of it.

HERMAN. But getting back to what you would do specifically, in terms of your committee, in terms of the Congress, are you considering yourself a budding sort of trustbuster in this sort of thing? Do you think the Congress of the United States should enact legislation which is going to break up this monopoly situation?

Senator CHURCH. George, first of all, we do have antitrust laws on the books, and we want to make sure that the arrangements in the Middle East, of American companies—along with their pipeline arrangements and marketing arrangements in this country—do not violate these laws. That's number one. Secondly, we should pass new laws to deal with the conglomerate problem. The laws that we presently have on the books don't deal with big companies that get into fields other than their particular field. Now the oil industry is getting into coal; the oil industry is at work out west. You know what they are doing out there, on the public domain? They are getting leases from the federal government on geothermal resources.

HERMAN. They are also way into uranium.

Senator CHURCH. Yes, they are way into uranium. Now are we going to let oil buy up all of its competition in this country? Doesn't the government have some obligation to see to it that the free enterprise system remains competitive where fuel supplies are concerned? Certainly it does. And then the third thing we must do is change the tax laws so that the incentive will not be, as it has been, to go abroad, and thus make us dependent, ever more dependent upon foreign sources for fuel—sources which we cannot control, but to bring oil companies home. But, to turn the incentive of the tax laws around, we'll have to do a lot more than the tap-on-the-wrist treatment that apparently the Ways and Means Committee is now considering for the oil industry.

HERMAN. When we consider problems of this magnitude in this country, we have an inclination to think of it in terms of the polarization between the Soviet Union and the United States. Some people think that's a preoccupation with us. Does this oil problem with the Middle East stand outside of the question of detente and our relations with the Soviet Union?

Senator CHURCH. Well, it doesn't stand outside but it stands at the periphery, I would think. There are other questions between the United States and the Soviet Union of much greater magnitude that go to the heart of detente—questions such as normalized trade, and the possibilities of securing some kind of limitation on nuclear arms. These questions go to the heart of detente; I would think that the oil matter lies out somewhere near the periphery.

HERMAN. I note the Soviet Union's urgings to the Arab countries to continue the embargo, and its lack of effect upon them, apparently.

Senator CHURCH. Yes, the Soviet Union wants to keep as much influence as it can with the Arab countries. After all, it has invested a great deal in supporting their military forces, and it has hoped to increase its influence in that part of the world. But I commend Secretary Kissinger for his skillful diplomacy, and I think that the chances are better today for some kind of settlement between the Arab countries and Israel than they have been for many years.

BENTON. Senator Church, Secretary Kissinger just got back from Moscow, and we first heard that his——

Senator CHURCH. And then got married and went to Mexico.

BENTON. That's true.

Senator CHURCH. Thus demonstrating he's one of the few men in this administration with any energy to spare. (Laughter.)

BENTON. First we heard that the negotiations were not very good and then we start hearing, well, they weren't so bad. In your role as chairman of the subcommittee, I believe, on arms control, do you have any intelligence as to how the negotiations in Moscow really went? Are we better off?

Senator CHURCH. I haven't yet had a chance to discuss this with the Secretary. Until he comes back from his honeymoon, we'll have to wait for these details. He's promised to come to the Foreign Relations Committee and to give us a detailed accounting of what transpired in Moscow.

HERMAN. Can't anyone else brief you?

Senator CHURCH. I would want to hear it from the Secretary, himself.

SHERMAN. The President seems determined to go on with his trip to Moscow. Are you worried that he may be timing his trip to Moscow in June for maximum political advantage here in the fight over impeachment?

Senator CHURCH. Well, I don't know what his motives are, but one would have to observe that as the impeachment proceeding is now moving along, it's quite possible that sometime in June the House would be voting on an impeachment resolution, assuming that the Judiciary Committee recommends such a resolution favorably to the House.

SHERMAN. Would you oppose his going at a time like that?

Senator CHURCH. Well, I would think it would be a very awkward time for him to go, but I don't want to prophesy what the House Judiciary Committee will do. I'm merely speculating.

BENTON. I'd like to revert to Mr. Sherman's question. Is detente going to be a casualty of the impeachment proceedings, do you think, Senator?

Senator CHURCH. Not unless the Russians choose to make it so. There is no reason in this country why it should. We are dealing here with the Presidency, after all, not the man who occupies the Presidency, and if it were to happen that Mr. Nixon were to be removed from office, we'd have a President of the United States stepping into his place. So unless the Russians choose to use this as an excuse, or treat it as a reason for not going forward with detente, I don't think that it should be, or need be, an obstacle.

HERMAN. Some of the observers in the Soviet capital in Moscow have said that the Russians now seem for the first time to have some understanding of congressional power and Congress' part in our government, which sounds like a healthy thing. Have you heard anything to that effect?

Senator CHURCH. Well, I think that they make their observations. There was a time a few years ago when they didn't even believe that the Senate actually had the power not to ratify a treaty, so I believe that they are beginning to have a better understanding of our constitutional system, and that would be healthy.

HERMAN. Thank you, Senator Church, for being with us today on Face the Nation.

ANNOUNCER. Today on Face the Nation Senator Frank Church, Democrat of Idaho, was interviewed by CBS News Correspondent Nelson Benton, George Sherman of the Washington Star-News, and CBS News Correspondent George Herman. Next week another prominent figure in the news will Face the Nation.

DIEGO GARCIA

Mr. GOLDWATER. Mr. President, the subject of the tiny island of Diego Garcia is becoming a rather major issue between those who are definitely opposed to it and those who feel that we must have it because of the strategic importance of the Indian Ocean. Although my basic reason for supporting the desire to have this base in that ocean is based on military need, I think I can defend it equally as well by citing the cost savings to us if we do not have to make the 4,000-mile trip from Subic Bay to the Indian Ocean.

Improving the logistic support facilities in Diego Garcia will lead to substantial cost avoidance in supporting our renewed naval deployments into the Indian Ocean. These deployments, interrupted by the Vietnam conflict, are conducted at the direction of the National Command Authority when our national interests so require. The increasing importance of our sea lines of communications in this vital area makes it imperative that we have the ability to support a naval force there when necessary. Although this support can come from Subic Bay, in the Philippines, some 4,000 miles distant, cost avoidance of $400 million to $1 billion in 10-year logistics support costs can be realized if Diego Garcia, only 2,000 miles distant, is equipped for logistic support as currently proposed by the Navy.

In addition to the fact that the United States has vital interests in the area independent of Soviet actions, is the fact that the Soviets already have established a logistic support base in the Indian Ocean far exceeding our own, and are expanding it even more. This, coupled with the major benefits accruing to them from the opening of the Suez Canal, will lead to a major strategic shift in the region which we can ignore only at our peril. Provision of logistic support facilities in Diego Garcia can, to some extent, reduce our vulnerability to the strategic implications of this ongoing Soviet expansion.

Finally, the Soviets have the added advantage of being able to bring substantial power to bear in the area by land, whereas any influence we may need to bring to bear must principally be by sea. We cannot afford to deny ourselves the ability to deploy such naval forces as we may need in the future.

What the Navy is proposing for Diego Garcia is primarily a capability for logistics support of forces that may be sent into the Indian Ocean in contingencies, or for periodic deployments. It is a prudent precautionary move to ensure that we have the capability to operate our forces in an area of increasing strategic importance to the United States and its allies. Not only is it in our best interests to be able to maintain the types of presence in the Indian Ocean which were interrupted by the Vietnam conflict, but the increased dependence of our economy—and that of the Free World—on the Sea Lines of Communications—SLOC's—through the Indian Ocean makes it prudent for the United States to maintain an option of protecting those SLOC's.

The purpose of the improvements the Navy has proposed for Diego Garcia is simply to enable us to use it as a logistics support base. Logistic support of our ships in the Indian Ocean today comes from Subic Bay in the Philippines, more than 4,000 miles away. The improvements to Diego Garcia, which would have relatively low political visibility, would enable us to shorten the logistic line to 2,000 miles. For an initial investment of approximately $35 million, plus $1 to $2 million per year increased operating costs, we can avoid expenditures of $400 million to $1 billion in additional 10-year logistics costs. At the upper limit, provision of logistic support facilities at Diego Garcia could save us the procurement and support costs of one full underway replenishment group.

Our interests in the Indian Ocean clearly require the ability to maintain a U.S. presence there at the direction of the National Command Authority, whether or not the Soviets maintain a presence of their own. Since 1968, we have seen a pattern of steady buildup both in the Soviet naval presence, and in Soviet capabilities for the support of military operations in the Indian Ocean.

We must presume that the Soviets' plans for expansion of these capabilities are based on perceptions of their own interests and objectives in the region and are not driven predominantly by U.S. activity in the area. This is borne out by the fact that the rate of Soviet buildup has increased steadily throughout the period, while our own activity has remained at a relatively low level.

As a result of this Soviet buildup, the Soviets possess a support system in the area that is substantially more extensive than that of the United States. For example, they have established fleet anchorages in several locations near the island of Socotra, where an airfield provides a potential Soviet base for reconnaissance or other aircraft. In addition, they have established anchorages in other areas around the Indian Ocean littoral as well.

They have built a communications station near the Somali port of Berbera to provide support for their fleet. At the same time they have increased their use of, and are expanding naval facilities at Berbera, which currently include a restricted area under Soviet control, a combined barracks and repair ship and housing for Soviet military dependents. In addition, they are engaged in building a new military airfield near Mogadiscio, which could be used for a variety of missions.

Soviet naval combatants and support ships have had access to the expanded Iraqi naval port of Umm Qasr, where facilities are being built with the assistance of Soviet technicians. Those facilities appear to be considerably more extensive than any which would be required for Iraqi needs alone.

The Soviets have been extended the use of port facilities at the former British base at Aden, and air facilities at the former Royal Air Force field nearby. They maintain personnel ashore in both locations. In addition, they use the port of Aden for refueling, replenishment, and minor repairs.

Since 1971 Soviet naval units have been engaged in harbor clearance operations at Chittagong, Bangladesh.

In addition to their regional support facilities in the Indian Ocean, the Soviets are embarked on a worldwide program to expand bunkering and visit rights for their naval, merchant, and fishing fleets. Since Soviet merchant vessels are frequently employed for logistics support of Soviet naval forces, the establishment of merchant bunkering facilities expands the Soviet Navy's logistics infrastructure. The Soviets have recently secured bunkering rights in Mauritius and Singapore and have made approaches to other Western and nonalined countries.

In summary, Soviet support initiatives and the tempo of their naval activity in the Indian Ocean since 1968 have expanded at a deliberate pace which cannot be related, either in time or in scope, to any comparable expansion of U.S. activity. The Soviets' logistics arrangements are designed to support their own strategic objectives in the area.

Underlying all of this is Soviet recognition that any nation which has the capability to project substantial naval power into the Indian Ocean automatically acquires significant influence not only with the littoral countries, but with countries outside the area whose economies depend on the free use of its sea lanes.

The Soviets' logistics infrastructure is already sufficient to support a much greater Soviet presence than the one which now exists in the Indian Ocean, and Soviet presence in the Indian Ocean can be expected to continue to grow, irrespective of anything we do at Diego Garcia.

The opening of the Suez will complete the major actions necessary to making the Soviet Union a major Indian Ocean power. With the Suez open, the deployment distance for the Soviets will be reduced from about 5,600 miles from Vladivostok or over 11,000 miles from the Black Sea, to less than 4,000 miles from the Black Sea. This reduction, coupled with the proliferation of actual and potential support activities along the littoral will enable the Soviets to expand their Indian Ocean force at will. The opening of the Suez will effect a major strategic change to the benefit of the Soviets. Provision of logistic support facilities in Diego Garcia can, to a small extent, reduce our vulnerability to the strategic implications of this ongoing Soviet expansion into the area.

Finally, the geopolitical asymmetries between the United States and the Soviet Union must be kept in mind in assessing the relative importance to the two countries of the capability to operate naval forces in the region. The Soviet Union dominates the Eurasian landmass. It has borders with some key Middle Eastern and South Asian countries. Its land-based forces can already be brought to bear in the region. The United States, on the other hand, can project its military power into the area only by sea and air, and over great distances. The Soviet Union, in sum, has the geographical proximity necessary to influence events in the Indian Ocean littoral, without the employment of naval forces if necessary. We do not. Limiting our capabilities to operate naval forces effectively in the region would not be in U.S. interest; and would clearly put us at a disadvantage in the region.

In summation, it is in our national interest to have the capability to support naval forces in the Indian Ocean—at the direction of the National Command Authority—whether or not the Soviets continue to increase their forces there. It is a wise investment to provide logistic support capability at Diego Garcia. Second, the Soviets have already established a logistic support base in the Indian Ocean far exceeding our own, and are expanding it even more. This, coupled with the major benefits accruing to them from the opening of the Suez Canal, will lead to a major strategic shift in the region which we can ignore only at our peril. Finally, the Soviets have the added advantage of being able to bring much power to bear in the area by land, whereas any influence we may need to bring to bear in the future must principally be by sea. We should assure ourselves the ability to support our own naval presence in this area to the extent necessary to protect our own interests.

COST AVOIDANCE SUPPLEMENTARY CALCULATIONS

[$ millions—FY74 $]

Diego Garcia costs:	FY75	FY76			
Initial	29	5			
Lower limit cost avoidance[1]:					
Forces/cost	FY75	FY76	FY77		
AO procurement[2]	1/55	1/55	1/55		
Upper limit cost avoidance[3]:					
Forces/cost	FY75	FY76	FY77	FY78	FY79
AO procurement[4]	1/55	1/55	1/55		
AE procurement	1/80				
PF procurement	1/60	1/60	1/60	1/60	1/60

[1] Without improving the facilities at Diego Garcia, the logistic support for the increased peacetime capability for Indian Ocean deployments could be attained through procurement of these additional forces.

[2] Procurement costs only are shown. Operating costs of $7.5M per ship per year are incurred commencing at 10C.

[3] Without improving the facilities at Diego Garcia, the logistic support for the increased wartime capability for Indian Ocean deployments could be attained through procurement of these additional forces.

[4] Procurement costs only are shown. Average operating costs for all ships of $8.0M per ship per year are incurred at 10C

SOLAR ENERGY AND THE FARM

Mr. ABOUREZK. Mr. President, my senior colleague from South Dakota, Senator McGOVERN, recently testified before the Senate Committee on Aeronautical and Space Sciences in support of S. 2658, the Solar Energy Heating and Cooling Demonstration Building Act.

As a member of that committee I was impressed with Senator McGOVERN's suggestion for accelerating solar research on the farm. He proposed that a provision be added to S. 2658 to establish a solar energy agricultural research center which would provide for the investigation, monitoring, and analysis of the many ways in which agriculture can benefit from accelerated solar research. He proposed that such a center be attached to the EROS center in Sioux Falls, S. Dak.

That idea is in line with the amendment I have offered to S. 2658 which would allocate 30 percent of the solar demonstration buildings for construction in rural areas. It is my view that, if solar energy is to win the acceptance of the average American citizen, it must first be proven that it is both economical and practical in daily application. Senator McGOVERN's suggestion provides an excellent means of establishing that proof.

I ask unanimous consent that Senator McGOVERN's testimony together with supporting material be printed in the RECORD.

There being no objection, the testimony and material were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR GEORGE McGOVERN

Mr. Chairman, what the table game of Monopoly was to the depression ravaged America of the 1930's, the energy crisis has become to the profit hungry fuel industries of the 1970's. Each industry is borrowing, buying, expanding, and re-doubling its efforts to grab a lion's share of the profits for oil, for gas, and for nuclear energy. Energy-short Americans are flooded with assurances that if they will only pay a little more, sacrifice a little longer, and submit to just a little more destruction of our mountains, plains, and water, America can become self-sufficient in fuel by 1980. I, for one, am convinced that the people of this country are fed up with playing games on energy. They want straightforward and economy-minded answers to the fuel shortage. That answer may be forthcoming if Congress adopts the solar energy legislation we are considering today.

I welcome the opportunity to add my support to S. 2658, the Solar Heating and Cooling Demonstration Building Act. This measure is practical in the sense that it puts the advantages of solar energy into immediate operation. And it is forward looking to the extent that it provides on-going research efforts on which we can make informed judgments on future energy planning. In short, it is a responsible means of dealing with the energy crisis on an effective, forceful basis while giving much needed support to solar energy research.

Solar energy is one of the most sensible investments we can make in solving the fuel crisis. It is in unlimited supply, it is nonpolluting, and it is available worldwide, right now, if only we will come to terms with the need for improved technology.

The enormous versatility of solar energy is demonstrated by the quantity of projects currently under way which harness the energy of the sun to domestic needs.

For example, a federal office building under construction in Manchester, New Hampshire will use solar cells in a variable flow temperature heating system. The General Services Administration and the National Bureau of Standards will monitor the solar technology designed into the building and evaluate its performance for future reference.

On the University of Delaware campus, an experimental house "Solar One," is already operating with a solar heating system. When fully equipped, solar energy will provide up to 80% of the total energy requirements of the house.

In Washington, D.C., Harry Thomason, a retired patent attorney, has earned wide acclaim for his solar powered homes. According to news reports, his first solar home, built in 1959, had a three year average heat bill of $6.30 per winter.

The Pennsylvania Power and Light Company has also developed a solar heating system. It uses two heat pumps and a system of solar collectors plus a series of heat exchanges to heat the two story, 1,700 square foot structure.

And, in Providence, Rhode Island, a 19th Century foundry is being converted into an office building with solar energy providing the heat.

This is an impressive list of independent initiatives to make sunlight the more productive servant of man. But the list goes on in countries throughout the world. The Australian Minister for Science, William Morrison, has decided to coordinate all the more or less casual investigations of solar energy into one integrated, imaginative program under the Commonwealth, Scientific and Industrial Research Organization. It is thought that 40 billion Australian dollars, equivalent to $60 billion in U.S. currency, will be needed to provide solar heat for 25% of the Australian homes by the end of the century.

An excellent summary of solar research initiatives is contained in a television broadcast prepared by the BBC entitled, "The Sunbeam Solution." I have previously inserted a transcript of that broadcast in the CONGRESSIONAL RECORD and I recommend it to my colleagues as an excellent statement of what can be done when a serious effort is made to harness the energy of the sun.

In Arizona, Wisconsin, Colorado, Florida, California and New Mexico, projects ranging from a newsletter called "Solar Energy Digest" to investigations into orbiting solar energy-collecting satellites and solar energy farms are signs of the awakening interest in solar research. Each of these projects gives added incentive to passage of the Solar Heating and Cooling Demonstration Building Act. The work of the Committee on Science and Astronautics in the House and the Committee on Aeronautical and Space Sciences in the Senate, matched to the pioneering efforts of NASA in developing this legislation, have given those of us in Congress the opportunity to produce a truly useful energy solution.

One of the most significant features of the legislation before us is Section 7 which provides for projects and activities with respect to apartment buildings, office buildings, factories, and agricultural structures. The projects I have already described, point to the value of the legislation we are studying. Private homes, factories, and office buildings are either under construction or renovation which use the power of the sun to make them cleaner and more efficient places in which to live and work.

But it seems to me that some further attention must be given to agriculture in this promising legislation. I would hope that the suggestion I will offer will not only reinforce the agricultural section of this legislation, but will help to increase general support for the bill as well.

Earlier this year, I wrote to the Agricultural Research Service to inquire about solar energy application to farm needs. Mr. Gerald E. Carlson, Laboratory Chief at the Department of Agriculture, sent my office a letter which said in part, "Because of your letter, I intend to query . . . (our research reporting service) to get a more complete and detailed listing of solar energy research in the department." Mr. Carlton said in addition,

"In my opinion, solar energy can be used to alleviate demands on fossil fuels in a number of ways in agricultural application. Solar energy, in addition to being used for grain drying, could be used for low temperature storage and transport of agricultural commodities, for heating and cooling of animal shelters as well as farm residences and for heating and cooling of greenhouses. As technology develops on the use of solar energy for production of electricity, then other farm applications certainly will be developed."

On January 9, 1974, G. W. Isaacs, Head of the Agricultural Engineering Department at Purdue University, supported the Department of Agriculture view in a letter to me. He said, in part, "As you well know, we are using large quantities of fossil fuel, particularly critically available LP gas for crop drying. A major portion of this energy requirement could be supplied by solar energy." Mr. Isaacs included a preliminary project proposal entitled "Use of Solar Energy to Reduce Fuel Requirements for Corn Drying." I ask that this proposal be included at the conclusion of my remarks.

A further demonstration of the practical application of solar energy to farm needs is reflected in a preliminary proposal to the National Science Foundation submitted by two professors at South Dakota State University in Brookings, South Dakota. Dennis L. Moe, Head of the Agricultural Engineering Department at SDSU, together with Associate Professor Mylo A. Hellickson, have drawn up a preliminary proposal which has three main objectives: (1) the application of solar powered systems for corn drying; (2) application of solar powered systems for farrowing house heating using thermal storage and control systems to optimize solar energy utilization; and (3) integration of these systems to maximize solar collector utilization. I ask unanimous consent that this imaginative proposal be included at the conclusion of my remarks as an example of sound and sensible solar-agricultural research.

My investigation into farm-related uses of solar energy has uncovered several other independent projects. For example, at Kansas State University, research has been conducted into the use of the sun in drying sorghum grain. Michigan State University's Agricultural Engineering Department has conducted studies of solar energy availability, collection and storage for farm use. The University of Minnesota's Department of Mechanical Engineering has been working on the design of solar collectors and the use of the energy for drying crops. In Brookings, South Dakota, Bill Peterson, Extension Agricultural Engineer at South Dakota State University, has designed a system which uses solar heat to dry shelled corn in the bin. The system uses thin aluminum lithographic plates from the DeSmet News and transparent plastic to dry corn at a cost of 2.4 cents per bushel.

One of the most exciting efforts into the promise of solar energy is underway in Canada, where researchers at McGill University are clearly aware that the first beneficiary of solar energy development can be the farmer. According to a Brace Research Institute publication, they have already achieved some significant results. They include:

—the development of an accurate low cost instrument for the measurement of daily solar radiation;

—the development of several large agricultural crop dryers utilizing solar energy;

—the development of a low-cost, small-scale, wind-powered water pumping unit;

—the development of a 32 ft. diameter windmill suitable for water pumping and other applications; and

—the combination of solar stills with greenhouses for use in arid areas, to conserve fresh water.

In addition, they intend to proceed with the development of sound and relevant engineering equipment for the resolution of man's water and food requirements in rural, arid regions.

The Brace Research Institute is currently putting together a Manual on Solar Agricultural Dryers under a grant from the Canadian International Development Agency. The manual will consist of a theoretical evaluation of the air heating and drying processes and will include illustrated descriptions of different equipment which has been developed all over the world. As a result, the reader, in whatever area a solar energy dryer might serve a function, might be able to construct models which fit both his requirements as well as those dictated by climate and the type of material to be dried. These efforts were undertaken by the Brace Institute in order to find a solution to the problem of water desalinization in underdeveloped countries. But they have paid rich dividends in solar technology and I am confident that similar efforts conducted in the United States would benefit our country as well, until recently one of the most underdeveloped nations in terms of domestic solar energy research.

In light of these developments, I have introduced legislation in this Session of Congress which deals specifically with solar energy and the farm. My bill would establish a solar energy agricultural research center, expand funding for solar-agricultural research, and provide for the investigation of the possibility of granting tax deductions for the installation of solar energy apparatus on the farm.

Today, I want to offer an amendment for the Committee's consideration which, I believe, can directly benefit both the food producer and the food consumer. That amendment is

AMENDMENT TO S. 2658

On page 16 beginning on line 7 add:

Consistent with the emphasis of this bill on the prompt development of practical solar energy application for domestic use, $200,000 of the funds authorized in Section 12 shall be authorized for a feasibility study exploring the design, location and objectives of a central research facility and information exchange center for solar-agricultural research.

Despite the growing interest in solar energy research and despite the continuing difficulty in providing adequate food for the people of the world, the two subjects are not being dealt with in combined fashion. The farmer must rely on chance discovery of developments in solar technology which might aid him in producing more food at lower cost. My amendment would provide funds for the first steps in establishing a central clearinghouse for solar-agricultural data. The center itself could be heated and cooled by solar energy. Consistent with the thrust of this legislation, the building might be located directly in the heart of the food producing section of our country. One possibility might be an addition to the EROS Center in Sioux Falls, South Dakota. The EROS complex lies in the center of the grain producing northern plains and provides ready access to thousands of farmers and many agriculturally oriented universities. Furthermore, an addition to an already existing building would be far more economical than the construction of an entirely new facility. Plenty of scientific talent is already hard at work at the EROS Center and I am confident that they would relish the opportunity to take on an additional challenge.

Mr. Chairman, I support the measure currently before the Committee as one of the wisest and most sensible approaches to the energy crisis. The amendment I have offered is intended to provide a useful and prompt demonstration of solar energy both as a means of heating and cooling and as a field of study from which all of us can benefit. I hope that the Committee will give it ample consideration.

NSF—PRELIMINARY PROPOSAL

SOLAR ENERGY FOR CROP DRYING AND FARROWING HOUSE HEATING

Abstract

Application of solar energy for drying of agricultural crops and heating of livestock confinement buildings is essentially nonexistent even though much of the basic technology needed to develop these systems is currently available. The decrease in the availability of conventional fuels for many applications and especially for agricultural applications necessitates development of alternative energy sources, if the increasing world demands for food and fiber are to be satisfied.

Specific design criteria are needed for the development of efficient and economical solar powered agricultural crop drying and livestock confinement building heating systems. Therefore, a research project, employing the principles of similitude and dimensional analysis, is proposed with the following objectives: (1) application of solar powered systems for corn drying, (2) application of solar powered systems for farrowing house heating using thermal storage and control systems to optimize solar energy utilization and (3) integration of these systems to maximize solar collector utilization.

Research will be performed on scale models and full size corn drying and farrowing house units. Emphasis will be on development of control systems to maximize energy utilization efficiency using low temperature rise solar collectors for both systems and a thermal storage unit for heating the farrowing units. Continuous, time clock and thermostatically controlled air flow systems will be evaluated. Correlations between system performance, type of control and climatic conditions will be established and prediction equations will be developed.

Development of model-prototype performance relationships, using similitude and dimensional analysis, will allow many future studies to be performed using the models only. This will facilitate evaluation of solar energy technological advances for use in crop drying and livestock building heating.

Results of this research will be applicable to crop drying and livestock builidng heating systems on an international basis, since vast areas of the world receive sufficient quantities of solar energy to power the systems. Applications would be of particular significance to underdeveloped countries and low income agricultural areas in need of low cost power supplied without specialized materials or labor.

Narrative

National and societal needs

The prospect of a diminishing supply of economically recoverable fuels along with increasing fuel demands has attracted much attention to the utilization of solar energy. Numerous research efforts have demonstrated the potential adaptability of relatively simple solar energy systems for use as energy sources. However, in no general application can it be stated that present solar energy systems are so superior to any other source that they will be the expected choice, Sheridan (1972). Furthermore, there are no engineering criteria by which to arrive at a decision to leave an economic fuel in the ground for a future generation. These realities have slowed development of solar energy systems, but the current need for energy dictates development of heretofore largely unused energy sources. Gaucher (1965) reported that man is well aware that present energy sources cannot be depended on to last forever and suggested that man ultimately will probably be driven to the sun as a major energy source.

Technically, solar energy systems have been shown to be feasible in that it is possible to design and construct systems that will convert solar energy for purposes such as electricity, distillation and refrigeration. In the broad view solar energy potentially has all the applications of conventional energy sources, Lof (1960). Solar energy systems required to develop only small temperature differentials are relatively simple from an engineering standpoint and do not require unusual manufacturing techniques or exotic materials. For most agricultural applications satisfactory results may be obtained without high temperatures and the energy required for heating livestock structures and for processing agricultural crops is small in comparison to the amount of solar energy falling on the area used to produce these agricultural products. Noguchi (1973) stated that world wide research in the fields of physics, mechanical, agricultural and chemical engineering as well as biology should be developed in order to accelerate the practical use of solar energy.

Development of reliable solar energy systems as substitute energy sources for electrical powered and fossil fueled agricultural heating and processive systems would lead to a significant reduction in demand on present energy sources. In 1966 United States energy expenditures for agricultural crop conditioning amounted to 26 million Btu's, while heating of building used for agricultural production required 2,000 billion Btu's, Search and Summary (1966). American agriculture used 6.5 million gallons of petroleum, plus an additional billion gallons of liquefied petroleum, in 1972, USDA (1973). However continued availability of fossil fuels for drying agricultural crops is questionable, USDA (1973), while continued increase in the world wide demand for food and fiber will increase the energy needs of the agriculture industry.

Stability of livestock feeding programs and diversified farming operations are dependent on the availability of energy to operate these systems. Much of the basic technology to provide the quantities of solar energy needed is currently available. Climatological data indicate wide areas in the United States and the world have weather conditions suitable to solar energy utilization. The immediate need is for adaptation of this technology for agricultural applications primarily as substitutes for or supplements to conventional fuel systems. Therefore, a research project is proposed to investigate the application of solar energy for drying agricultural crops, heating livestock confinement buildings and to integrate these systems to maximize solar collector efficiency.

The development of solar energy systems as substitute power sources or supplemental power units for livestock heating and crop processing applications would affect all segments of the society. Reliable fuel supplies would allow farmers additional freedom in crop selection and utilization of housing systems for optimizing livestock production. All people, both nationally and internationally, would benefit directly from increases in agricultural production and the decrease in demand for fuel for conventional heating and processing systems. Additionally, principles and systems developed in this research project would very likely adapt well to heating of both rural and urban homes.

Farmers have demonstrated an interest in the use of solar energy as a supplemental energy source for several years. Solar tempering of winter ventilation air is a common practice in livestock confinement buildings and is recommended by the Midwest Plan Service (1973) and other farm building services. Solar drying of corn has drawn considerable attention from farmers in the Upper Great Plains, Peterson (1973). Lessening fuel supplies and increasing costs have sharply increased farmers' interest in employing alternative power sources.

Communication of research results is proposed to be through the following channels: (1) presentation of results at national and regional scientific meetings, (2) publication in agricultural experiment station bulletins or fact sheets, (3) publication in popular trade magazines, (4) newspaper articles, (5) TV programs and (6) distribution through extension agricultural engineers to county extension agents and individual farmers.

Specific policy decisions or issues which potentially could be influenced by this research include decisions on fuel allocations, national agricultural policy, functional building and equipment design, operator health and safety standards, and regulatory and legal standards.

RESEARCH PLAN

Literature cited. Numerous researchers have stated that solar heated air can be used for crop drying and space heating, Buelow and Boyd (1957), Lipper and Davis (1960), Lipper and Davis (1961), Bates (1962), Löf (1962), Sobel and Buelow (1963), Close (1963), Phillips (1965), Akyurt and Selcuk (1973), Satcunanathan and Deonarine (1973) and Petersan (1973). The predominate factor in the adaptation of solar energy for crop drying and space heating is that only a low temperature rise is needed. This simplifies collector design and improves thermal efficiency.

Phillips (1965) reported a 66 percent reduction in electricity costs when solar energy was used to dry coffee. Akyurt and Selcuk (1973) found that drying time and quality of dried product were both in favor of a solar drier as compared to open-air drying of bell peppers and sultana grapes. Drying was achieved to satisfactory commercial moisture levels under various weather conditions. Sobel and Buelow (1963) concluded that temperature rises as small as 10 F are sufficient to speed drying of agricultural crops to moisture contents which are safe for storage. Corn dried better and faster using a low temperature rise solar collector than it did with a conventional low temperature drying system, Lipper and Davis (1960).

Drying fans were controlled to operate only when ambient relative humidity was less than 85 percent. Bates (1962) found that grain drying costs could be reduced and drying could be done much quicker, if solar heated air is used than was the case for cold air drying. He used 100 ft^2 of collector surface per 1000 cfm of air flow and achieved 15 to 20 F temperature rises near Hallock, Minnesota. Sizeable electrical energy savings can be achieved in drying long and chopped hay, if time clock and thermostatic control systems are employed to limit fan operation to periods when drying conditions are most desirable, Hellickson, Young and Froehlich (1973). Lipper and Davis (1961) reported that solar energy collectors designed for grain drying could also be valuable for warming air in rural homes.

Solar energy has also been employed as a means of supplemental heat in livestock structures. Hellickson, Young and Witmer (1972) developed a means of solar tempering air in the south half of the attic in east-west oriented buildings. The Midwest Plan Service (1973) recommends that winter ventilation systems be aided by solar tempering in the attic for improving livestock environmental conditions. Parker (1965) described a means of solar heating for livestock buildings by drawing air the length of the building between the corrugated roofing and the top of the rafters. A conventional heat system was used at night. The major disadvantage of this system is the lack of an economical means of storing energy for extended cloudy periods and for use at night. However, Daniels (1962) reported that a pebble bed of refractory materials can be heated with hot air and, if the pebble bed is thoroughly insulated, it will hold heat for long periods because the pebbles touch each other only on restricted surfaces and lateral heat conduction is low. Khanna (1967) developed a water storage system for storing solar energy for use in solar heating.

Close (1963) concluded that solar air heaters, of simple construction and employing cheap materials, can be produced to supply air at temperatures of 150 F with good efficiencies. Satcunanathan and Deonarine (1973) reported that adequate insulation on the bottom and sides of solar collectors will reduce or almost eliminate losses and that a two pass air flow system will increase the efficiency of a solar air heater by 10 to 15 percent.

Description of Research Plan. The basic technology exists to use solar energy for heating. However, use of solar energy for drying agricultural crops and heating livestock buildings is extremely limited because of the lack of specific design criteria for its correct and economical application. Therefore this research project is proposed with the following objectives:

(1) Application of solar powered systems for drying agricultural crops.

(2) Application of solar powered heating systems for livestock confinement buildings using thermal storage and control systems to optimize solar energy utilization.

(3) Integration of these systems to maximize solar collector utilization.

Research will be performed on scale model and full size crop drying and livestock housing facilities using solar heating systems. Employing the principles of similitude and dimensional analysis, scale models of solar heated corn drying and farrowing house systems will be designed and constructed. Prototypes of these drying and housing units will be constructed so that design recommendations developed using the scale models may be verified. The importance of verifying model ventilation data was reported by Dybwad et. al. (1973) and Hellickson, Dybwad and Moe (1974). The prototype units will be constructed as modular units, i.e. of unit lengths, to reduce construction costs.

Solar collectors of simple construction and designed to provide a low temperature rise will be employed for both the drying and heating applications. For the drying research, emphasis will be on the development of control systems to provide maximum solar energy utilization and to maintain high product quality. Continuous, time clock controlled and thermostatically controlled air flow systems will be evaluated. The farrowing house heating system will include a thermal storage unit to provide heat during cloudy periods and at night. Thermostatic and time clock control systems will be studied with respect to optimum utilization of solar energy for continuous heating of the farrowing building. Attempts will be made to define optimum thermal storage design and operation. Correlations between climatic conditions and performance of the drier and heater systems will be established. Prediction equations on drying and heating performance will be developed for each of the control systems. Design criteria for corn drier and farrowing housing system design will be established.

By employing the principles of similitude and dimensional analysis and verifying model performance with prototype facilities, future studies based on the same engineering principles will be possible using only the scale models. This will allow for maximum flexibility in evaluating the adaptability of new developments in solar energy technology.

Efficiencies and energy requirements of the solar drying and heating systems will be evaluated for each control system by monitoring, solar energy, ambient air temperature and relative humidity, temperature and relative humidity of the heated air, air flow rates, corn drying rates, livestock environmental conditions, thermal storage unit temperature and electrical energy requirements of the ventilation fans. Adequate research space and computer facilities are available with research to be conducted on the South Dakota State University, Agricultural Engineering Department research farm located approximately four miles south of Brookings and in the Agricultural Engineering Department research laboratories. The research will be supported by the Agricultural Experiment Station.

[Department of Agricultural Engineering Purdue University]

PRELIMINARY PROJECT PROPOSAL

(By R. M. Peart)

USE OF SOLAR ENERGY TO REDUCE FUEL REQUIREMENTS FOR CORN DRYING

THE PROBLEM

In Indiana in 1972, 75% of the ½ billion bushel corn crop was dried using approximately 60 million gallons of LP fuel and 1.5 billion cubic feet of natural gas. For the entire corn belt, this energy use was in the range of 500 million gallons of LP gas and 12 billion cubic feet of natural gas. The energy requirement for drying the corn produced on an acre is about double the fuel used for tillage, planting, cultivating and harvesting the crop. Pimental's study[1] minimized the drying energy estimate because only 30% of the crop was assumed dried artificially. The trend toward more fuel use for drying continues as shelling at harvest increases, with its attendant benefits of rodent-free storage and lower energy costs for handling.

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[1] Pimental, David, et al. 1973. Food production and the energy crisis. Science 182:443–449.

OBJECTIVE

Develop and test shelled corn processing and storage systems for reducing non-renewable energy requirements to 25% of the present typical value of 0.18 gallons of LP fuel per bushel dried from 25% to 14% net basis.

PROCEDURES

(1) Extensive use of weather-based simulation of corn drying will allow feasibility studies of systems utilizing a) solar energy, b) modified or multiple-cycle Dryeration, c) longer-term aerated storage, and combinations of partial acid treatment and partial drying.

(2) Laboratory tests of slow drying and partial drying systems will further verify existing simulations, and extensive microbiological checks will be used to evaluate mold growth and the possible production of mycotoxins.

(3) Prototypes of promising systems will be built and tested on the Purdue Agronomy farm.

EXPERTISE AVAILABLE AT PURDUE

Grain drying has been a strong part of the Purdue Agricultural Engineering Research program for many years. McKenzie, Peart, Zachariah, and Isaacs, have participated in this work along with G. H. Foster, USDA, ARS, who was stationed at Purdue for 15 years. Proven grain drying simulation models have been developed and used covering a range of temperatures from natural air conditions of the fall weather (50°) to the high temperatures (250°) utilized in high speed grain dryers. Automatic grain dryer control systems have been designed by Zachariah. The Dryeration Process was developed at Purdue by Foster. Isaacs directed several studies on heat available from natural air and also from solar radiation as a power input to a refrigeration system. Significant grain dryer patents are held by Graham, a former student of Isaacs, and by McKenzie, Zachariah and Peart.

INDUSTRIAL COOPERATION

Industrial cooperation including very likely financial assistance is available from the National and the Indiana LP Gas Association, a number of grain dryer manufacturers, the Indiana Electric Association and a manufacturer of heat pump equipment.

WORK SCHEDULE

Funding by July, 1974 would allow feasibility study progress early enough in 1975 to design and construct the prototype systems for fall, 1975, testing. Laboratory studies can begin in the fall of 1974, with enough samples frozen and stored to supply extensive lab work well into 1975. Following prototype testing in 1975, limited new recommendations will be made early in 1976 for field studies on cooperators' farms in fall, 1976, and general recommendations and report completion in 1977 at the conclusion of the 3-year project.

APPROXIMATE BUDGET

4 FTE professionals

2 full-time graduate instructors

4 ¾-time graduate assistants (all of above about half Agr. Eng. and half Botany and Plant Path.)

Equipment: freezers, incubators, materials (part of prototypes furnished by manufacturers)

Computer Time, Travel, Supplies and Expenses 60% overhead on salaries

Approximate total—$200,000 per year.

[From The Washington Post, Dec. 23, 1974]

A SOLAR-HEAT SYSTEM THAT REALLY WORKS

(By Sarah Booth Conroy)

To most people, Harry Thomason's house is funny looking. It doesn't look like the house of the future, or even a house many people would want today. Yet across the country and overseas, too, the Thomason experiment is mentioned first as probably one of the most successful existing solar-heated houses.

The house, built 10 years ago on a wide lot in District Heights, Prince George's County, Md., has much the air of a dollhouse, assembled from the leftovers of several different designs.

The shutters are too small to cover the windows. The roof on one side of the house has an uneasy relationship with that on the other side. A miniature colonial fanlight hovers over the front door. A chain link fence protects visitors from an assortment of geese, chickens and ducks. A pony and rabbits live around back.

Yet whatever architectural and esthetic problems the house has, its solar heating system works. Last year, the house was heated with about 1½ tanks of oil (slightly more than 400 gallons), compared to the four tanks of oil it would have taken without solar heat.

The 1,500 square feet of heated space was kept at 68–72 degrees. The indoor swimming pool was heated in marginal weather.

Today, the Thomasons have had to add two more telephones and an answering device to cope with requests from television, radio, movies and newspapers for interviews. The Energy Subcommittee of the House Science and Astronautics Committee, chaired by Rep. Mike McCormack (D-Wash.), came out to see the house on a snowy day last April. The United Nations made a movie ("Power on the Doorstep") of children swimming in the Thomasons' solar-heated indoor pool. The water was 78 degrees, the outside air temperature was 32. And the Soviet Union's solar scientist, Dr. Valentin Baum, asked to stay with the Thomasons when he came to the United States.

The simple fact is that Harry Thomason, a retired patent lawyer, with a bachelor's degree in physics from Catawba College, Salisbury, N.C., and a law degree from Georgetown Law School night courses, has managed to do what a great many high-priced research laboratories and highly educated scientists haven't done—build a cheap, workable, efficient solar heating system out of standard, readily available materials.

This is the Thomasons' third solar heated house. The first, built in 1959 with 900 square feet of heated floor space, had a three year average heat bill of $6.30 per winter. The sun also supplied much of the house's domestic hot water supply.

The Thomason family—Harry, his wife, Hattie D., and five children: Teresa Delores, Mary Ellen, Jack Lee, Jane Marie and Fay Ann—built the solar houses with a small amount of hired help. The first system cost about $2,500 to build, compared with an estimated cost of $1,000 then for a conventional system.

All of the Thomasons' solar houses have full capacity oil furnaces as well. His system also includes a non-solar but high efficiency air conditioning system of his own invention. Thomason holds patents on about 25 solar-related innovations.

In his book, "Solar Houses and Solar House Models," ($1 from Edmund Scientific Co., 150 Edscorp Bldg., Barrington, N.J. 08007), Thomason explains how his system works. Edmund also publishes detailed plans ($10) and issues licenses ($20) for the system.

About 2,000 sets—half of those in the last month or so—have been sold but only 12 or so licenses have been purchased, and of those, Thomason knows of only one house actually built.

Thomason's system, he explains, works this way:

An 800 square foot solar collector on the roof faces slightly west of south. At the top of the south roof is a horizontal distributor pipe that sends streams of water from regularly spaced holes down the roof. The water runs down blackened, vertically-corrugated aluminum, protected from the air by ordinary window glass. "The sun," explains Thomason, "warms the aluminum, which in turn warms the water.

The warmed water is collected at the bottom in a gutter. From there it runs by gravity to a 3,000-gallon water tank (filled a bit more than half full) surrounded by three truckloads of stone in a 10-foot-by-30-foot bin.

The water circulates about twice during a sunny day, getting hotter each time it goes across the roof. It starts out at about 65 degrees and gains about 15 degrees every day, reaching a peak of about 120 after a series of sunny days.

Along the way, the water passes through simple heat exchanger (a smaller tank, surrounded by stone) to warm the water for kitchen and baths. The thermostat in the living room turns on a 1/16 horsepower blower to pull chilly air down from the living quarters, through the warm stones and around the warm tank of water and back again into the house. Thomason says the system has worked as long as four cloudy December days and nights without sunshine and without auxiliary heat.

When extra heat is needed—"usually at dawn when a cold wind blows after a few cloudy days,"—the auxiliary oil furnace kicks on automatically. A sun sensor, of which Thomason is co-inventor, turns on the water on the roof only when the sun shines.

In mild December there is enough warm water left over to supply the 6,500-gallon indoor swimming pool.

In the summer, a 34,000–BTU compressor and blower filters, chills, dries and circulates air to the storage bin. The system only turns on at night so the air can chill and dry the stones. The same blower used in the winter blows the cool air through the stones and up into the house. The unit uses about $50 to $75 worth of electricity through the summer.

Thomason is the first to explain that his system looks shabby (two or three glass panes are broken) and his house is not built to conserve energy. The house has only about 3½ inches of insulation in the attic, compared to the recommended 6.

It is not as efficient as his first house where the solar panels went all the way to the ground with an 800-square-foot solar collector for 900 square feet of heating area as opposed to the same size collector for the current 1,500-square-foot house.

Thomason said he got the idea—"the flash of genius as they say—when I was visiting my wife's parents' farm. It was raining hard on a sunny day, and I happened to put my hand under where the water was coming off a rusty barn roof. I noticed it was warm.

"Not so long after, we built our first solar collector—just a small experimental thing, in the back yard. It cost $121."

The Thomason children have helped their father all the way. And two daughters even invented their own solar tent—clear plastic wall facing south, black absorbing wall on the other side, the whole thing held up by aluminum poles. Mrs. Thomason keeps the books, answers the phone and the mail and feeds the curious guests who come to call.

"If I had a slick system and a heavily insulated house, it would destroy my creditability." Thomason said the other day, sitting in the warm, slightly humid living room of his house. Two of his four grandchildren splashed in the warm swimming pool, surrounded by his wife's tropical plants.

Thomason is a plain man, no more prepossessing than his ordinary looking house, "Just a Carolina farm boy" as he puts it. He's a short, slight man, 50 years old, who seems, as he might say, "tickled to death" with the fame his "better solar trap" has brought him.

But he's a proud man, too, and worried about what he considers slights because his doctorate is not in solar physics, and the many scientists who look askance because his reports on the solar system have appeared more often in Popular Mechanic-type publications than learned journals.

For most of his life he's worked hard—first at pouring concrete to earn his way through Catawba College, then as a refrigeration engineer in the Merchant Marine, then (from 1947 to 1957) as a patent examiner and finally as a patent attorney for the Army until 1971 when he was laid off.

For four winters, he studied law every night, during many summers he built houses (12 in all, four of them solar-heated), which he has rented.

A question that might logically be applied to Thomason is, "If you're so smart, why ain't you rich?"

Thomason obviously isn't poor—his children go to college, his house and another he owns are set on five acres. He's starting to build another solar house to sell and organizing seminars to teach builders his solar system.

But he's not the billionaire you'd expect to find in the first man to build houses successfully heated by the sun over a long period.

Thomason incorporated his Thomason Solar Homes, Inc., with a trademark of "Solaris Systems," in 1959. The principal officers are his family. And for every $10 solar house plan Edmund sells, Thomason gets only $1, with just $6 from the $20 license sale.

So far, no major company has yet seen fit to offer him a fabulous sum for one of his patents, though Thomason confidently expects one to knock on his door any day. One has the feeling that Thomason would not ask for the moon and stars for the rights to his solar patents, perhaps just a bit of the starlight.

Until the unchecked flow of oil was cut off in the current crisis, neither private industry nor the government was all that attracted to solar energy. Though the energy itself was free, the higher initial installation costs, compared to conventional furnaces, put off a number of people.

Thomason's system with its handyman, jerrybuilt, farmboy, Popular Mechanics air may have seemed just too simple to be worth much—the fact that it works notwithstanding. Thomason himself is not a man who thinks big. For all his reaching for the sun, he is a down-to-earth man.

On the other hand, if Thomason is not today (or even tomorrow) rich, nobody should feel sorry for him, sitting in his warm house, basking in his solar glory. He's a man who knew he was right all along.

[From the Washington Post, Feb. 10, 1974]

Energy-Saving Office Building

(By Stewart Powell)

MANCHESTER, N.H.—The architectural wave of the future may be buildings that conserve energy such as a solar-heated federal office building scheduled to be built here.

The architect of the innovative $6.5 million building, Nicholas Isaak, has included energy saving features in its plans that could cut energy consumption up to 50 per cent. The square blockhouse style structure will have thick walls, one-fifth the windows of a normal office building and a blackened windowless north wall, according to the 59-year-old Isaak.

The interior will be lit selectively with dim hallways and focused lighting in working areas and stairways. The heating system will be a variable flow rather than a variable temperature system, directing more warm air into a cool section rather than raising the building temperature.

Solar cells are planned for the roof to capture heat that will be stored in three 10,000-gallon water tanks beneath the building. Hot water, rather than being heated to 180 degrees only to be cooled by the user, will only be heated to 100 degrees.

"The design innovations were culled from over 500 suggestions by utility companies, manufacturers and other designers," Isaak said. "Many are common sense style changes that come when designers think of energy rather than flair."

The General Services Administration and the National Bureau of Standards will monitor the experimental features in the building over the next several years to determine which ones should be included in other buildings. Construction is scheduled to begin this spring with completion sometime in 1975.

Isaak says buildings designed with energy use in mind should be "the wave of the future." For him, there is no conflict between design and function.

"I feel the building will be beautiful as well as functional. If these energy conserving measures are adopted in other buildings, none of them should be detrimental to good design," he said.

The building includes the recommendations of many energy experts including the New York engineering firm of Dubin, Mindell, Bloome Associates.

While plans for the experimental building have been under way for several years, the current energy crisis has focused interest on the success of the project.

"It's kind of satisfying to be right in the middle of something that is important." Isaak said. "Maybe we can produce something that might help. We are breaking new ground and that is always exciting."

Manchester, often cloudy for much of the winter, was selected for the site of the solar heated building because of the wide variations in climate, Isaak said. "I think the government wanted to give these ideas a real good test."

The massive walls and common sense design of the building come in part from Isaak's New Hampshire upbringing. Massive stone walls tumble across the New Hampshire landscape and give it a special character.

"We're all working in a contemporary style, but somehow or other the region puts a stamp on a design. It's a philosophical thing. You're raised in a certain area, brought up in certain ways and these feelings find their way into your work," he said.

[From the New York Times, Jan. 6, 1974]

Utility Testing a New Kind of Home That Wastes No Energy

(By Gene Smith)

ALLENTOWN, Pa.—Like it or not, the nation's electric utilities are going to have to change the ways they do business.

First, it was the environmentalists who dictated new approaches for a basically conservative industry that had had its own way throughout the century.

Now, the energy crisis is forcing still more changes, particularly in selling and promotional efforts.

"We started back in 1965 or 1966 by phasing out our promotion of various electric appliances, including air-conditioning," Jack K. Busby, president of the Pennsylvania Power and Light Company, said in a recent interview.

Over the next two years the utility ended its promotional allowances for spaceheating customers and in 1971 called a halt to all cooperative advertising. Personnel who formerly promoted electricity for every conceivable use were sent out into the field to help in service efforts and to preach conservation of energy.

In September, 1972, the big Pennsylvania utility held a forum for architects and engineers to bring about energy conservation efforts in the design of buildings. Pleased with the results of that meeting, the company invited top managers from 178 of the largest industrial plants in its 10,000-square-mile service area of eastern Pennsylvania to a two-day industrial energy management forum.

A series of architect-engineer gatherings was also held last October and November to promote good thermal designs. Special meetings are held frequently with school officials throughout the region.

"But by far our most exciting project is the energy conservation home we are building out at Schnecksville, about 15 miles northwest of here," Mr. Busby said. "It's basically a research project designed to make optimum use of energy in every way possible in a single-family home without changing people's lifestyles."

Robert Romancheck, supervisor of research and technical services, and Robert Deppen, the energy-conservation consultant, are collaborating in the design and planning for the project.

The house, a two-story, 1,700-square-foot structure, has three bedrooms, a kitchen, a family room, a bath and a half, a laundry room and a full basement. A special second-floor play area for children frees the 850 square feet of space downstairs for adults.

Mr. Romancheck explained that the house was aimed at the $35,000 to $40,000 price level, but with the special equipment—much of it being used for the first time—and technical assistance required would probably cost $130,000 to build.

"We may eliminate some of the new concepts if they prove to be not too feasible," he added.

The main difference between this and other houses is in its heating system. It uses two heat pumps and a system of solar collectors, plus a series of heat exchangers. All are designed to keep the needed hot water warm and ready to use without special heat surges to meet unexpected demands.

Panels on a second-floor deck and around a patio will face south to collect the sun's rays, particularly in winter. The panels will contain tubes filled with ethylene glycol to help heat an energy-collecting loop in the house.

The heat pump will have a water source, and the solar panels and a variety of other heat-producers within the house will be used to make this system more efficient. The normal heat pump uses outside air, taking the heat out of it and forcing it into the house.

There will be a standard air-source heat pump to help heat the water in extremely cold periods.

A see-through fireplace will face both the living room-foyer and the kitchen-family room and be tied into the supplementary heating system. This will be done from heat exchangers in the flue, while fresh air will be circulated into the fireplace through vents from outside and under the hearth.

A system of circulators will keep the warmed water moving constantly to the point where the whole water loop should hold water at about 115 degrees Fahrenheit, roughly ideal for all uses except dishwashing, for which a standard electric heater will be used.

Waste heat from appliances will be drawn into the water loop through heat exchangers. For example, the bath tub, laundry and dishwasher drains exit in a single pipe after passing over heat exchangers.

Even the coils at the rear of the refrigerator and the dryer will be tapped to add heat to the water loop. Plastic coils have also been looped around the septic system in a further effort to use waste heat.

Mr. Romancheck and his associates have incorporated all sorts of devices into the house to prevent losses of heat. These include triple-glazed windows with two air spaces, polyurethane foam for tighter seals around doors and windows, and polystyrene tongue-in-groove sheathing instead of plywood or other square-ended types.

The present schedule calls for monitoring of the house and special onsite manual readings starting in April. Then a family will be invited to live in for six to eight months for a practical test.

"By the spring of 1975, we should be ready to release our findings on the practicality of the house," Mr. Romancheck said.

The average house with electric heating on Pennsylvania Power and Light lines during a cold day in a prolonged cold wave records a demand of about 12 kilowatts at the generator.

"We feel confident we can bring this down to four kilowatts with the new house," Mr. Romancheck said.

But what's in it for the electric utility of the future? Mr. Busby said he felt strongly that with his company's new approaches the utility would not be faced with capacity binds and would be more easily financed.

"Our reputation will be stronger and we'll be a better neighbor," he said, adding that already conservation efforts were beginning to pay off with a slowdown in annual load growth rates.

CONVERTED FOUNDRY TO UTILIZE SUN, WIND, WATER FOR ENERGY

[From Sioux Falls Argus-Leader, Dec. 8, 1973]

PROVIDENCE, R.I.—A group of designers plans to use the sun, wind and water to provide power for a 19th century foundry being converted into an office building.

When the renovation is completed next year, energy will be produced by solar panels on the roof, water-powered turbines in an adjacent river and a wind propeller towering over the building.

Then an experiment begins: Will office workers be more conservative in consuming power if they watch it being collected and know the supply is limited?

"You tend to husband your battery in your car, but we don't have that energy consciousness in our buildings," said Ronald Beckman, director of the Research and Design Institute of Providence.

Institute architects and design planners are searching for the most sophisticated insulation, alternate energy sources and solar heating systems available for the three-story brick building, which will become the headquarters for the institute's 25-member staff.

In terms of research of new products, the institute's effort is not radical, Beckman said. He said what is unique is the attempt to utilize a wide variety of natural energy sources in a single system and then study the environmental effects on long-term tenants.

As part of the experiments, the staff will be subjected to different heat and lighting levels to determine what is adequate. Beckman thinks the results may prompt the staff members to change their home energy use.

The institute, a nonprofit behavior and environmental research organization, also hopes it will be able to refine some of the energy systems and devise new products providing lowcost energy with no pollution.

Beckman said the institute will be able to generate at least 60 per cent of its power and may be able to become nearly self-sufficient by installing new energy systems as they are developed.

"We feel the energy crisis is the best thing that ever happened," Beckman said. "Inadvertently, we are faced with a crisis we have been avoiding for too many years.

"The cultural implications of this are immense. Man is being forced to alter his lifestyle to conserve energy."

The renovation of the 1850 foundry is expected to cost $100,000, and the energy equipment up to $150,000, depending on how much is donated by industry or funded by the federal government. The Narragansett Electric Co. already has donated $25,000.

SOLAR HOUSE ON DELAWARE CAMPUS HARNESSES SUN FOR ITS ENERGY

Solar One, billed as the first house to convert solar energy into electricity and heat, now is doing its thing on the north campus of the University of Delaware in Newark.

Harry Weese Associates of Chicago designed the 1,350-square-foot house to have a slanting roof full of sun-catching "windows" with cadmium sulphide solar cells to convert sunlight into electrical energy. Solar panels on the south side also collect heat. Consentini Associates of New York City and University of Delaware energy conversion staff members assisted in the major project.

The direct electrical current produced by the solar cells will be stored in special storage batteries outside the house. Household appliances and fixtures which use direct current (such as the range, heater, universal motor fan and permanent light fixtures) will be energized by the batteries while other units requiring alternating current (in the future) will be connected to the battery power source but will contain inverters to convert the direct current to alternating current.

During the first phase of data acquisition with the experimental house, only part of the roof will have solar cells in place. During this period, make-up electricity will be supplied through a slaved power supply to the batteries to simulate a complete solar panel installation.

When the experimental program has progressed to the point when the entire roof panels have solar cells in place, the complete array is expected to produce 20 kilowatt hours daily at a solar-electric conversion efficiency of 7 per cent.

During the winter, the house will be kept warm by the heat collected on the roof by the combined electricity/heat collectors and by two groups of thermal flat plate collectors on the south wall of the house. Heat collected during the day will be drawn off to special heat storage units containing eutectic salts. The special salts on demand by the house thermostat give up the heat which is circulated through the house through ducting like that used in standard homes.

During the summer months, the house will have air conditioning operating at night to quickly reduce the temperature of the cool night air. This cold air will be stored in a separate eutectic salt reservoir and will be circulated through the house during hot summer days to lower the household temperature.

Solar One, when fully equipped, will provide up to 80 per cent of its total energy requirement from sunlight. The main thrust of the solar experimental program is to develop the sun as a substantial energy resource that will make a considerable impact on the impending energy crisis.

Construction of the four bedroom house (two bedrooms are furnished while two others are being used as experimental areas) was managed by Frederick G. Krapf & Son of Wilmington, Del. Decorated by H. Feinberg, a Wilmington furniture company, the house also contains living room-dining room, kitchen, a bath and a half, attached garage and full cellar.

University scientists estimate that, with impending increases in fossil fuels plus the eventual mass production of cadmium sulphide solar cells, the solar electrified and heated home will be reality within the coming decade at a cost of about 10 per cent more than the conventional home.

GENOCIDE CONVENTION DOES NOT UNDERMINE CONSTITUTIONAL GUARANTEES

Mr. PROXMIRE. Mr. President, two of the principal objections to Senate ratification of the Genocide Convention are that it would be self-executing and that it would infringe upon first amendment guarantees of free speech. In 1970 the Standing Committee on World Order Through Law of the American Bar Association examined these arguments and dismissed them.

With regard to the self-executing argument, the convention's language reflects the need for each country to adopt implementing legislation "in accordance with their respective constitutions." Indeed, under our Constitution, a treaty cannot support a criminal prosecution without congressional authorization.

In the words of the Standing Committee's report:

> Another objection to the ratification is that the treaty would be self-executing. The result, it is claimed, would be to impose a law upon the citizens of this country without the Congress having enacted an implementing legislation. Article 1 does designate Genocide as "a crime under international law". But Article V requires the parties "to enact, in accordance with their respective Constitutions, the necessary legislation to give effect to the . . . Convention and . . . to provide effective penalties. . . ." Could anything be clearer?

With respect to the first amendment guarantees, it is important to keep in mind that the Supreme Court itself has distinguished between "advocacy" and "incitement." While advocacy is protected by the Constitution, the Court has repeatedly decided that incitement was not protected and that the government was within its authority to restrict it. In Brandenburg against Ohio, the Court said:

> . . . the constitutional guarantees of free speech and free press do not permit a State to forbid or proscribe advocacy of the use of force or of law violation except where advocacy is directed to inciting or producing imminent lawless action and is likely to incite or produce such action."

Thus, limitations on incitement do not abridge free speech. It is important to keep in mind, however, that any conviction based on this provision of implementing legislation, could be appealed to the Supreme Court for final interpretation. In this way, the individual has additional safeguards.

Mr. President, this treaty is compatible with our Constitution and our national ideals. It deserves our enthusiastic support.

ALTERNATIVE SOURCES OF POWER

Mr. BROOKE. Mr. President, if any one thing rings clear from our present energy crisis, it is our need for alternative sources of power. Many, such as solar, wind, geothermal, coal, nuclear, and even garbage, have been put forth. However, the fact remains that only the coal and nuclear alternatives hold out immediate possibilities.

Of the two, many believe nuclear

energy to be the most attractive. And, admittedly, its potential is enormous. Yet, so are its dangers. As the Congress continues to debate over long-range energy policy, it is all too often the little towns, selected as reactor sites, which are left to make the difficult decisions regarding these benefits and risks.

One such town is the peaceful country town of Montague in western Massachusetts. Montague has been selected as the site for a nuclear power complex consisting of two giant reactors capable of generating 2.3 million kilowatts by 1981. Needless to say, the proposal has already stirred a tremendous amount of debate among the town's 8,555 residents.

In a very interesting six-part article, the Springfield Union-Republican examines this controversy. I bring it to the attention of my colleagues because it is the kind of thing which is happening with increasing frequency throughout the country. Small towns, cast adrift by lack of clear congressional policy, are left to decide a matter of national, and even international importance.

This is not a wise policy. Moreover, if we continue to delay in coming to grips with nuclear safety and safeguard problems, we may well be confronted with a fait accompli. In this regard, I commend Senator Ribicoff for his initiative in holding hearings on this subject before the Government Operation's Subcommittee on Reorganization, Research, and International Organizations. I hope, however, that this is just the beginning in what will be a massive effort by the Congress to formulate a sound nuclear energy policy. Citizens like those in Montague need our guidance.

Mr. President, I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

The Montague Dilemma—Twin Nuclear Plants: Blessing or Curse?

(By Elliot Eisenberg and John Schidlovsky)

Montague, a slumbering, scenic town founded 220 years ago, has begun the biggest year of its life.

Forty miles upriver from Springfield, the rural Franklin County town has been chosen as the new home for two giant-sized nuclear reactor units by Northeast Utilities.

A nuclear power plant in Montague would affect everyone in Western Massachusetts and New England. The electricity made there would go to the entire region.

So would radiation from a major accident.

Montague's residents are beginning to react—some with pride, others with alarm—to their town becoming the newest members of a growing family of nuclear power plant sites around the country.

"It can't do anything but good," says Selectman Donald Skole.

"How safe is it going to be? I wish I knew," says Henry Wonsey, a milk tester who lives near the proposed nuclear plant site.

Wonsey's question is the same crucial one that was asked in 1957, when the first nuclear power plant went on line in Shippingsport, Pa.

* * * * *

After 16 years, there's still no perfect answer to the safety question, according to a growing number of scientists and engineers who are expressing doubts about America's rush towards nuclear power.

The 8555 residents of Montague and all the inhabitants of Western New England now must cope with an age-old problem:

Are enormous potential benefits worth enormous potential risks?

In 1965, the Atomic Energy Commission concluded that a major accident at a nuclear power plant would kill 45,000 persons, injure 74,000 more and cause $17 billion property damage.

The AEC's conclusions were based on a study of an 800 megawatt nuclear reactor. This year, the AEC will issue a report on possible damage from larger reactor units, such as the two 1150 megawatt reactors proposed for Montague.

The twin Montague units would create a great concentration of nuclear power in Western New England. A nuclear plan has been operating 25 miles west in Rowe, Mass., since 1960. Another nuclear unit has been at work 15 miles north in Vernon, Vt., since 1972.

The combined megawatt output from Rowe and Vernon is less than one-third the power to be produced by Montague's twin units.

Some critics of nuclear power say there is no time to lose if nuclear growth is to be controlled. One critic, William E. Heronemus, professor of civil engineering at the University of Massachusetts in Amherst, predicts that someday seven nuclear units will straddle the Montague Plains.

Many nuclear experts insist that nuclear power is a technological godsend. Without it, industry spokesmen say, there would soon be an energy shortage so severe it would make today's "energy crisis" look like child's play.

Critics say that nuclear safety problems are not just short-term ones. Lethal waste products from today's nuclear reactors remain highly poisonous for more than 200,000 years.

Today's scientists are questioning the morality of saddling future generations with the burden of safeguarding these toxic wastes. Critics argue that mankind hasn't proven politically stable enough to begin a "perpetual" safeguard of these wastes to insure its survival.

"We know of no government whose life was more than an instant by comparison with the half life of plutonium," writes Allen V. Kneese, a critic of nuclear power plants.

This year will be a year of decision for Montague. There will be hearings at which residents will get their chance to influence the fate of their community.

The coming decade will be years of decision for the whole country. Consumer advocate Ralph Nader has predicted the nuclear controversy will be the number one citizen concern in the next 10 years.

But the nuclear age, unknown to a large segment of the public, is already well past its infancy.

More than anyone else in the nation, residents of New England are finding that out.

Nuclear power plants already account for 20 per cent of the electricity produced in New England. Only five per cent of the national electrical supply comes from nuclear sources.

Of the 40 American nuclear power plants, six are in New England. Each state in this area, except Rhode Island, has at least one nuclear plant in operation or planned.

By the end of the century, according to industry estimates, there will be 200 nuclear units in New England and 1000 in the United States.

Nuclear power, it is hoped, will free the nation from dependence on increasingly uncertain foreign fuel supplies and dwindling domestic supplies.

A decade ago, when there were only seven commercial power plants in operation, there wasn't that messianic sense about them that one gets from their owners today.

But there were already well-defined worries. The major fear was of the unknown effects of periodic, though small, releases of radiation into the atmosphere.

Although some scientists say the effect of radiation, particularly on infants, is still unknown, the issue has subsided somewhat.

The AEC has satisfied some critics by tightening emission standards by a factor of about 100.

But new concerns have replaced radiation worries.

The "emergency core cooling system," a last line of defense for shutting down a malfunctioning reaction, may not work when called upon, critics say. The system has never been tested.

Should a reactor lose its cooling water by a number of possible malfunctions, its stock of fissionable materials would overheat and could melt through the protective steel and concrete vessels, critics argue.

In such an accident, thousands of times the amount of radioactivity produced by the 1945 Hiroshima bomb would be released into the environment.

Another major cause of concern is the fact that the development of many large-scale nuclear power plants the size of the Montague units would mean the introduction into the world of a substantial stock of the element plutonium.

Plutonium, which did not exist in nature in modern times, worries nuclear critics on several counts: it is highly radioactive; it remains radioactive for thousands of years; it is, perhaps most importantly, the prime ingredient in manufacturing nuclear weapons.

An amount of plutonium as small as a pollen grain would cause death if inhaled or ingested, scientists say. And a few kilograms, about the size of a grapefruit, is enough for construction of a small nuclear bomb.

Utility industry executives and planners do not dispute that risks are involved in developing a nuclear economy.

They argue, however, that the benefits of nuclear power are worth bearing the risks entailed.

And while the consequences of a large-scale nuclear mishap might be immense, the chances of one occurring are almost nil, industry and government leaders say.

Besides, they continue, there are risks involved in every industrial process, and in other methods of generating power.

"Do you think that there is not a risk involved when we tap hydro-power to build a dam" one utility executive asked.

"What would you say about an industry that kills 60,000 persons a year and injures hundreds of thousands more?" demanded an engineer. He was speaking of automobiles.

In their 16-year history, commercial nuclear power plants have yet to injure or kill a person outside the industry.

With an excellent past record to go on, nuclear power plants, which only a few years ago generated an insignificant portion of the national electric supply, appear ready to become the nation's number one electrical energy source, according to both AEC and industry estimates.

In New England, geographically removed from fossil fuel deposits, and devoid of any great river systems that might be tapped, the eventual seems to be coming sooner.

By 1982, according to Northeast Utilities President Lelan F. Sillin, Jr., as much as 70 per cent of that firm's electrical production may be generated in nuclear plants.

New England Electric System of Westboro, another utility holding company in this area (it owns Massachusetts Electric Co.) is also counting on nuclear plants for additions to its generating capacity.

"New England has no fossil fuel deposits of its own," said Dr. Harold Lurie, director of research and development for New England Electric. "For this area, the development of nuclear power was a godsend.

"The only conclusion you can draw, based on the logic of the situation, is to build more nuclear power plants in New England and to build them as fast as you can."

In the way they generate electricity, the only difference between fossil plants and nuclear reactors is the way they heat water.

Coal, petroleum, and natural gas are generally known as fossil fuels since they were formed by the decay of prehistoric plant life to their present forms.

When a fossil fuel is burned, bonds tying elements in its molecules are broken. As the atoms of elements in the fuel molecules "scramble" to recombine in new ways, a certain amount of energy is given off as heat.

At a typical steam turbine power plant, that heat is used by the utility to turn water to steam. Steam pressure turns a large magnet within larger coils of wire, and electricity is produced.

At a nuclear plant, the process is very much the same except for the source of heat.

Nuclear power gets its name from the bonds which hold particles together in the atoms' center, or nucleus.

Nuclear bonds happen to be stronger than the bonds which hold atoms together into molecules. So when a nucleus is broken apart, more energy is thrown off.

Some of that energy comes in the form of heat. At a nuclear power plant, the heat is used to turn a steam turbine in the same manner that a fossil-fired turbine works.

But by the special nature of a nuclear reaction, energy is also released in forms other than heat. Particles of varying sizes are radiated outwards by a fissioning—or splitting—nucleus. Hence, radiation.

Nuclear fission was first discovered by two German scientists in 1939.

Because of the oppressive nature of German society at that time, however, many of that country's physicists and other scientists fled to the United States.

Under the code name "Manhattan Project," they were mobilized along with thousands of native Americans for the U.S. war effort.

The results, as history records, were the bombs dropped in 1945 on Hiroshima and Nagasaki, ending World War II.

In 1954, Congress passed the Atomic Energy Act, which gave private industry the right to use atomic power. After a reluctant start, utilities soon embraced the technology.

Some present-day critics say that the powerful force of the atom was delivered for "peaceful purposes" to the utilities too soon, perhaps, out of a desire to ease American consciences after Hiroshima.

A more likely reason why fission technology was commercialized so rapidly is that it was a known commodity. There were already successfully-developed reactors for submarines.

Some critics of contemporary nuclear reactors say the availability of fission "blinded" engineers to alternative forms of energy, such as nuclear fusion—a potentially more plentiful and safer kind of nuclear reaction.

In a fusion reaction, the nucleii of small atoms are welded—or fused—together, creating atoms of heavier elements. An intense amount of heat is given off.

"Fusion has the potential for supplying all the energy we would need," said Massachusetts Institute of Technology Professor Norman C. Rasmussen.

"We've released it in explosive reactions (the H-bomb), but we are not yet able to produce it in a slow, controlled way," Rasmussen said in a recent interview at his office. "There is hope, though, that we may be able to do so in another 10 to 15 years."

While fusion and other potential energy alternatives such as solar energy are being researched, fission reactor development goes on.

Someday, fission plants like the Montague facility will be obsolete. Technicians still aren't sure what will happen to the structures. The general guess is that they will be "entombed," creating a new kind of Pyramid for the future.

Twenty years ago, nuclear energy was hailed as the cheap, abundant and clean source of energy of the future. A great many people still see it as such, yet it has proven to be not as cheap, abundant or clean as was envisioned.

The cost of electricity produced by nuclear energy—potentially cheaper because of easier mining and transportation costs—has been kept up by the high price of construction of nuclear plants and the high costs of unexpectedly frequent repairs at the plants.

The abundance of nuclear power—potentially limitless of "breeder" reactors (which create more fuel than they consume)—has been limited because of delays in getting nuclear plants into operation.

The cleanliness of nuclear power has yet to be convincingly demonstrated, according to Dr. George I. Weil, a nuclear consultant and a participant in the first atomic bomb test at the Los Alamos Laboratory in 1945.

Weil has written that "inefficiencies in nuclear plants present a serious threat of thermal pollution of the environment—producing about 50 per cent more waste heat than from conventional plants, for disposal into our waters and atmosphere."

Cooling towers for plants the size of Montague's proposed units emit an amount of water vapor equal to an inch of rain a day over two square miles, according to Allan Hoffman, an assistant professor of physics at the University of Massachustts.

There are disagreements among experts about every aspect of nuclear power plants. With the same information, nuclear scientists and engineers often reach different conclusions.

The Union of Concerned Scientists, a Cambridge, Mass., branch of the American Federation of Scientists consisting of about 100 scientists—many with professional nuclear field experience, has demanded a halt to nuclear development.

"We, and others who have made detailed scientific and technical investigations of the nuclear power program . . . have come no longer to regard nuclear power as a dream but as an ultra-hazardous technology that it is now wise to deemphasize and to avoid," the UCS has stated.

The UCS has drawn fire from AEC Chairman Dixy Lee Ray, who has won a measure of begrudging respect from nuclear critics for her willingness to respond to specific nuclear safety criticisms.

The anti-nuclear scientists, she said recently, "have jumped to conclusions on sketchy evidence and have dealt with their subject in a simplistic and casual way. We do not believe the people will be fooled."

There are now thousands of more people who will listen to the nuclear debate. Dr. Ray and the nuclear critics will contend for the people of Montague.

Twin N-Plants: A Blessing or a Curse?

Backers Cite Need for Progress, Prospect of Big Cut in Tax Rate

(By Elliott Eisenberg and John Schidlovsky)

Milk tester Henry Wonsey—whose family has lived in Montague since the late 1800s—has mixed feelings about this "new idea."

Over succeeding generations, the Wonseys have seen a lot of new ideas come and go in Montague. The town has remained basically a rural outpost between the growing towns of Amherst and Greenfield.

Two years ago, Wonsey was one of thousands of area residents who fought a successful battle against a plan to use the Montague Plains as a dump site for Boston's garbage.

"That idea stunk from the bottom up," said Wonsey, a 55-year-old employe of the Franklin County Dairy Herd Improvement Association.

Today, another "new idea" has arrived in Montague, one that is threatening to revolutionize the character of the town and put it on the face of a national map.

PRIMARY SITE

Northeast Utilities has selected the Montague Plains as its primary site for a nuclear power plant, consisting of two giant nuclear reactors, to generate 2.3 million kilowatts of electricity by 1981.

The plant would be less than two miles from Wonsey's home in Lake Pleasant, one of the five small villages that combine to make up Montague.

"The main question I've got is the safety factor," Wonsey said. "You wouldn't walk down the road if someone was going to take a shot at you."

Bernard E. Tatro, owner of a Sunoco station in Turners Falls, Montague, thinks the proposed nuclear plant would be good because it would "bring industry into the area." Tatro lives less than a mile from the projected plant, in a home he built himself on the Montague Plains.

The potential dangers of the Montague plant are a source of concern not only to some of the town's residents, but also to persons living in its vicinity.

REGION-WIDE HAZARD?

William E. Heronemus, professor of civil engineering at the University of Massachusetts in Amherst, says the dangers of radiation leaks at Montague could be region-wide.

"The crudest type of analysis of what would happen to the Boston area if there were an accidental release at Montague Plains is just unbelievable," Heronemus said.

"If the Russians wanted to plant a delayed action nuclear warhead that would eliminate 50 per cent of the population of New England, they'd probably pick the Montague Plains," said Heronemus, who spent many of his 17 years in the Navy designing nuclear submarines.

Wonsey concedes he is no expert on nuclear power plant safety. The long hours of his job prevented him from attending the one public meeting at which the safety factor was debated.

SEEKS REASSURANCE

He's heard of the dangers of large-scale radiation leaks, however, and he said he wants some reassurance they won't happen.

"It'll be too late to worry about radiation after we've got some," he said.

With nearly 100-year-old roots in town, Wonsey is not lacking in civic spirit. He said he is sure the nuclear plant would "help the businessmen" and be "quite a tax relief."

Wonsey's neighbors on the Montague Plains are unanimous in their expectation of enormous tax relief. Only about one of every three Montague residents surveyed by The Union expressed any doubts about the wisdom of building the nuclear plant.

"It's a good idea.

"Without progress, people won't have anything," said Bernard E. Tatro, who has a 12-acre home less than a mile from the probable location of the power plant.

Tatro, owner of Bernie's Sunoco gas station in Turners Falls, thinks the nuclear plant would bring industry into Montague and would, in itself, represent a partial answer to the energy crisis.

"What we need are people who want progress here. I think the town can handle the growth," Tatro said.

Not all the town leaders are sure about their ability to handle the expected growth.

Selectman Henry G. Waidlich, who favors the nuclear plant, would like to see "controlled growth" in the town.

"Montague has traditionally been a rural town. Most of the people here would like to preserve that kind of character," said Waidlich, whose father came to Turners Falls from Germany in 1913.

"I don't favor a boom, multi-unit housing, new industry and so on," said Waidlich, an employee of the federal agricultural extension service in Amherst. "The problems they would create would be more than the town could handle."

SEWAGE TREATMENT SYSTEM

Such problems, Waidlich said, might include the town's limited sewage treatment system, which may not be able to process added sewage from new industry.

Another problem, the selectman said, would be school space. Montague's new grade-7-to-12 school has a pupil capacity of 1200. There are already 1100 pupils in it.

The solutions to these particular problems would be easy, according to another Montague selectman, Donald Skole, an insuranceman.

"When you have money, you can do just about anything you want to do, Skole said. "To build new schools would be an insignificant item."

Skole excitedly recited a list of improvements the tax dollars from the nuclear plant could bring to Montague.

"We need a fire station, a police station and a youth center. The town building needs to be upgraded. We've got 154 miles of road to maintain. We need highway equipment. We could use a park. We could build another school. We need new industry to put the local people to work."

Both Skole and Selectman Chairman Joseph Bonnette said the growth could change the "character" of the town if it were not controlled.

So far, nobody among town officials—including Assessor Chairman Robert Avery—is sure exactly how much the tax rate would drop after the nuclear plant were built.

Waidlich says the tax rate could dip from its present $65 per thousand to about $35.

Bonnette says the rate would plummet to about $25 per thousand.

Skole, the most enthusiastic, says the tax rate could go below $10 per thousand.

What is undisputed is that the plant—scheduled to cost $1.35 billion—would broaden the tax base of the town immediately. The total value of taxable property in Montague now is $40 million.

In Waterford, Conn., where Northeast Utilities operates its Millstone nuclear plant, the company pays the town more than $3 million in annual property taxes.

If Northeast paid Montague that amount, it would mean more than a doubling of the town's annual budget, which is currently a little more than $2.5 million.

In Vernon, Vt., 90 per cent of the town's budget comes from taxes paid by the Vermont Yankee Nuclear Power Corporation for its nuclear plant.

Vernon's tax rate has dropped from $68 per thousand before the Vermont Yankee plant was built in 1972 to $18 per thousand.

RATE DROPS IN ROWE

In Rowe, Mass., site of the Yankee Atomic plant, New England's first nuclear unit, the town's tax rate went from $62 per thousand before the plant began operating in 1960 to between $24 and $30 per thousand in the years since.

Given the prospect of such tax relief, it isn't too surprising that the surrounding towns of Montague have wanted to get in on the action.

A bill filed by State Rep. James G. Collins of Amherst calls for spreading out tax benefits from all energy-producing facilities in the state to neighboring communities.

Collins, who has cosponsored another bill giving the state power to monitor nuclear plants for radiation, said surrounding towns should "share the benefits as well as the risks."

SOME FEAR RISKS

That there might be some high risks involved with a nuclear power plant is the belief of about a fifth to a third of Montague area residents according to most estimates heard in town.

State Rep. Thomas G. Simons, Montague's voice in the Legislature, is one of those persons who is ambivalent about the plant.

"Montague sorely needs an economic infusion," Simons said in a recent telephone interview from Boston. "But the potential consequences—increased population, uncontrolled growth—have to be considered."

Simons said most Montague residents are not too concerned about safety because they feel living 25 miles from a reactor in Rowe is not much different from living a few miles from one in Montague.

"A lot of people also have the feeling that sooner or later something was going to happen to the Montague Plains," Simons said. "This plan, no question about it, has some real positive benefits."

PROSPECT OF JOBS

The prospects of new jobs is one of the benefits frequently mentioned around Montague, where the unemployment rate is one to two per cent greater than the six per cent jobless rate in the state.

According to Northeast Utilities, most of the jobs for the actual construction of the plant will be filled from outside labor forces.

Northeast engineers say the on-site construction labor force is expected to peak between 1977 and 1979, when there will be about 2300 employees.

About 250 of the construction workers will be temporarily quartered in Montague during the construction years, 1976–1981, Northeast spokesmen say.

During construction, there will be about 350 non-manual employees required, according to Northeast, which expects to hire about 200 local residents for these posts.

STAFF OF 175

Once the twin-unit plant begins generating electricity in 1981, there will be a permanent operating staff of 175 persons, almost all of them technicians brought in from outside, Northeast officials say.

Northeast has encountered some sporadic criticism for not making an attempt to canvass Montague's residents about their feelings on the proposed plant.

"It would have been helpful if they had surveyed the townspeople to get something reflecting attitudes of people," said Waidlich, who, along with his selectment colleagues, met with Northeast officials once in 1973.

"There's been a lack of education. All we get is public relations from the utility," said Robert May, an Amherst College psychologist and a member of Montague Nuclear Concerns Group, one of several anti-nuclear groups that were organized during the past year.

CITE SYMPOSIUM

Northeast officials deny they have handed Montague an "accomplished fact," and point to their participation in a nuclear power symposium in Turners Falls last October.

But some critics contend Northeast must do more to prove to the townspeople that a nuclear plant of the prodigious size proposed is absolutely safe.

"People are tied up with their own jobs, while the utilities have time and money and personnel to make their case," said Mrs. Portia Weiskel of Leverett, chairman of a new opposition group, the Hampshire-Franklin Committee to Safeguard Against Nuclear Dangers.

Since Northeast's Dec. 28 announcement that Montague is its prime choice for the nuclear plant, opponents and proponents have escalated their rhetoric and speak about the plant in less ambiguous terms.

NOT CONCERNED

Selectman Bonnette said last week, "I'm not concerned about the safety problem. Alarmists are the only ones who are concerned."

Skole, his colleague, said he believes "more emotional facts than real facts are being raised," and suggested that "those people who have a great fear" of nuclear plants should "consider moving away."

Heronemus said he was "keenly disappointed that the people of Montague have fallen for this. I think they are an economically depressed area, but I did not think they were a depraved area."

No one seems sure whether the nuclear debate in Montague will become a full-fledged controversy before the year is over.

In 1974, the two-year series of hearings in Montague and before agencies of the Atomic Energy Commission in Washington on the merits of the plant will get underway.

Local opposition groups, such as Montague Nuclear Objectors and the Montague Nuclear Concerns Group, are preparing to "intervene" in the AEC hearings.

But some opponents are gloomy about their chances.

"I don't think there's anything we can do to stop them," said May of Nuclear Concerns. "Local authorities have only nuisance power."

Rep. Simons, who says the next two years will require a "tremendous need for planning," pointing out that the most recently built nuclear plants have had "a lot of opposition."

"Montague won't be any different," he said.

Could large-scale opposition to the plant kill the facility?

"The community legally probably could not stop the plant from coming in," Simons said. "Politically, they could do a lot."

Where the Montague opposition forces have begun their campaign is in the area of nuclear plant safety. It is a concern in which they have a lot of company around the nation.

Twin N-Plants: A Blessing or a Curse? Accident Could Be Catastrophic, But Chances Said Very Remote

(By Elliot Eisenberg and John Schidlovsky)

In 1965, the Atomic Energy Commission dusted off an eight-year-old report on the safety of nuclear power plants and proceeded to update the study.

SHOCKING FINDINGS

Its findings were shocking; a major accident at a nuclear power plant would kill 45,000 persons, injure 74,000 and cause $17 billion in property damage.

The AEC and the nuclear industry maintain that the chances of such a major accident are so remote as to be almost nonexistent.

There are many experts in the nuclear field who don't agree the possibility is nonexistent.

The disagreement between the experts is confusing for laymen, such as the 8555 people in Montague who now find themselves with a lot to lose—or win—in the nuclear debate.

Montague, 40 miles north of Springfield, is proposed as the site for two 1150-megawatt nuclear reactors by 1981. Opposition to the plan is beginning to pick up among residents who are unsure of the safety of nuclear power.

DIRE PREDICTIONS

Already, dire predictions have been made about the extent of a catastrophic accident at Montague. A serious radiation burst could carry in the wind for hundreds of miles from the plant, according to William E. Heronemus, professor of civil engineering at the University of Massachusetts.

Safety is the big concern of nuclear critics nationwide.

Last year, consumer advocate Ralph Nader and the environmental group Friends of the Earth joined in a lawsuit seeking a shutdown of half the nation's 40 commercial nuclear plants.

Alleging that "the lives of millions of people are being threatened by the operation of these plants," their suit claims that "a massive cover-up of most urgent reactor safety problems has been practiced by the AEC for years."

The Union of Concerned Scientists, a Cambridge, Mass., 100-member branch of the American Federation of Scientists, has demanded a halt to all new nuclear power plant construction.

"The public safety problems associated with nuclear power constitute ample justification for a curtailment in this country's nuclear power plant construction," the UCS said.

Dr. Dixy Lee Ray, chairman of the AEC, has recently accused Nader and the UCS, her most vocal critics, of using "innuendo and inaccuracies to build a case against nuclear power largely on emotional grounds."

The nuclear industry says it has had an excellent safety record. Not a single member of the public has lost his life from an accident at a nuclear plant, the industry says.

There have been accidents involving death or injury in other than commercially operated power plants. In 1961, for example, three technicians were killed following a severe burst in the AEC's reactor testing station in Idaho.

According to both industry and its critics, nuclear power plant safety is a controversy increasing with the growing number of facilities. Today, there are 40 nuclear plants; by the end of the century, there will be 1000, according to industry estimates.

WON'T BLOW UP

All parties are agreed a nuclear power plant cannot "blow up" like an atom bomb. But during normal operation, present day reactors build up several thousand times the amount of radioactivity released over Hiroshima.

Critics of the safety of nuclear power plants have four major areas of concern:

1—The emission of low-level radiation,

* * * * *

For the first decade of nuclear power plant growth that began in 1957, the primary safety concern was the amount of low-level radiation emitted into the atmosphere near a plant.

A Pennsylvania scientist, Dr. Ernest J. Sternglass, has claimed to have findings showing a fifty-fold increase in cancer and leukemia among children living near the first nuclear plant in Shippingsport, Pa.

MEETS CRITICISM

His findings have been highly controversial and discounted by some of the nuclear critics themselves as unreliable. However, it is agreed that the long-range effects of radiation emission is still unknown.

Allan Hoffman, assistant professor of physics at the University of Massachusetts in Amherst, is making his own study of radiation releases from the nuclear plant in Vernon, Vt., 15 miles north of Montague.

Hoffman and his assistants have placed 45 passive radiation detectors within a five-mile radius of the plant, including five detectors with the plant gates.

A year ago, the monitoring system detected "an unusual burst," Hoffman said, with some "high but not dangerous levels," recorded near the Vernon Elementary School, just across the road from the plant.

Several years ago, the permissible standards of radiation release was 500 milirams a year per person. The AEC has now set standards at five milirams a year, which is, as Hoffman points out, less than what the average person receives from natural and medical sources.

* * * * *

amounts of radiation that might be negligible for most people might still be harmful for others, particularly young persons.

"It's known that the younger the human organism is, the more sensitive to radiation he is," Hoffman said. "The human foetus may be 100 times more radiosensitive than adults, but this is very uncertain now."

The proposed Montague plant, together with existing nuclear units at Vernon, Vt., and Rowe, Mass., would be located right in the middle of one of New England's largest "college belts."

Within a 50-mile radius from the center of the triangle formed by the three nuclear plants are more than 16 colleges and universities, with an enrollment of more than 60,000 students.

With radiation worries have eased somewhat, the main safety concern now is the emergency core cooling system, the last-resort system designed to flood the reactor with water in case of an accident.

The critics say the system is untested. They point to a series of small-scale model tests at the AEC's Idaho facility in 1970 that uncovered some unexpected failings in the cooling system.

A reactor must constantly be cooled. An accident in which the coolant is lost is the most catastrophic potential accident at a nuclear plant.

If a reactor core is left uncooled, the radioactive wastes in it would generate enough heat to melt through the steel and concrete wall of the reactor, releasing deadly radioactive particles to the environment.

This is the type of "maximum credible accident" postulated by the AEC in its 1965 safety report citing the possibility of some 140,000 casualties.

ESTIMATES VARY

Estimates vary about the chances of such an accident. The AEC say the odds are about one in 100 billion a year.

Lawrence E. Minnick, vice-president of Yankee Atomic, calculates the chances of a loss-of-coolant accident together with failure of the emergency cooling system as one in several quadrillion.

Norman C. Rasmussen, professor of nuclear engineering at Massachusetts Institute of Technology, says the probabilities of a large radioactive release as less than one in every 100,000 reactor-years of operation.

The Union of Concerned Scientists, however, charges that some of the AEC's own scientists have doubts about what the odds really are. The UCS has claimed that the AEC has tried to censure its own reports about the effectiveness of the reactor safety system.

"Until they correct demonstrated flaws in the safety systems, it doesn't make sense to develop this technology," said Daniel F. Ford, a former Harvard economist, now working fulltime for the USC.

DISPUTE WILL REMAIN

The numerical probabilities of such a catastrophic accident will likely remain in dispute this year. The adequacy of the cooling system might be resolved by the AEC's first actual test of the system, scheduled for 1975.

Assuming such a highly-improbable accident did occur in a western New England plant such as the proposed one at Montague or the existing ones at Rowe or Vernon, what would be the results?

"It would be the largest peacetime disaster event," says Jay W. Stryker, a radiation and safety officer at the University of Massachusetts and a member of a 32-man team that would coordinate evacuation in the area.

Once it was known a cloud of radioactive dust was drifting from one of the nuclear plants, Stryker would have to rush to the state police headquarters at Northampton, where hurried evacuation plans would be made.

"Present disaster procedures are a sorry state of affairs," Stryker said. "I don't think anyone really knows what to do."

Evacuation would be difficult to coordinate, Stryker said, because the "path" of a radiation cloud would depend on the wind. The total amount of radiation carried from Montague after a major accident would be up to 10,000 times more than the amount released in the bomb at Hiroshima.

The UCS has said that, under most unfavorable conditions, lethal effects could spread 75 miles downwind in a strip two miles wide. Injuries could occur 200 miles away.

None of this has ever happened, of course, either in the United States or in any of more than a dozen foreign countries where nuclear reactors are in operation.

Thirty nations have announced plans for operating commercial nuclear power plants. These countries include such relatively undeveloped ones as Jamaica, Bulgaria, Finland, India, Pakistan, Korea, Romania, Thailand, and South Africa, as well as more technologically advanced countries.

Nuclear safety is a world wide phenomenon. But in each community, the issue is still the same:

Is it safe to live with a nuclear plant in one's back yard?

TWIN N-PLANTS: A BLESSING OR A CURSE? CRITICS FEAR POTENTIAL DIVERSION OF MATERIALS USED IN A-BOMBS

(By Elliot Eisenberg and John Schidlovsky)

The Montague Plains is a sandy stretch of flat land dotted with aromatic pine trees and tangled shrub oak plants.

FEW HOUSES

There are few houses on the Plains. Here and there, a dog pokes at a jalopy "dying" in some overgrown former back yard.

It's a wasteland worth an awful lot of money.

If the U.S. Atomic Energy Commission and other regulatory agencies give their approval, the Montague Plains will have a $1.3 billion nuclear power plant for a tenant in 1980.

Montague will then be a world famous community. University students around the world will read its name and look at photographs of it in their physics text books.

One of the reasons why Montague's nuclear plant will be in the spotlight is that it would be one of the earliest large-scale, million-kilowatt-or-more-producing plants.

As this new "giant" generation begins to move on line, nuclear critics are beginning to escalate their safety criticisms. They are worried that the wrong kind of people will also put Montague on their maps.

Ten years ago, in the early days of the commercial nuclear age, critics were worried about radiation routinely emitted from power plants. The AEC has since lowered the amount of radiation plants can release.

In the last five years, critics have switched their concern to a nuclear reactor's "emergency core cooling system," the last line of defense against a catastrophic meltdown of the reactor core.

The AEC has responded by lowering the maximum permissible temperature of the core and has scheduled a big test of the emergency cooling system for next year.

ANOTHER ISSUE

Now, the critics are setting their sights on another safety issue that looms as the most controversial nuclear concern yet: the potential diversion or theft of fissionable materials that are used to make atomic bombs.

"Each one of these reactors contains enough plutonium for making many atom bombs," said David R. Ingles, a professor of nuclear physics at the University of Massachusetts.

"A pound of plutonium can cause nine billion cases of lung cancer," said Daniel F. Ford, a former Harvard economist now working fulltime on nuclear power plant safety.

"By the year 2000," Ford continued, "the nuclear industry will be producing 88 tons of plutonium a year as a byproduct."

EXPERIENCE IN FIELD

Inglis, unlike Ford, has personal experience in the nuclear field, having worked in the wartime "Manhattan Project," the development of the first atomic bomb.

He helped to build the world's first nuclear reactor, which was used to obtain the products needed to make the 1945 Hiroshima and Nagasaki bombs.

"My number one reason for not wanting to see nuclear reactors proliferate is that I'm afraid of what might happen to the plutonium that is involved," Inglis said in a recent interview.

"I don't think that we can go for decades with nuclear reactors without, say, a South American country declaring nuclear war," he said.

It has been generally agreed for some time among the nuclear community that the "secret" of the atom bomb is no longer that.

STEP-BY-STEP ACCOUNT

As the subject of a recent series of articles in a national magazine, Theodore B. Taylor, a Manhattan Project participant and an inventor of several "compact" atomic bombs, gave a step-by-step description of how someone who acquired a few pounds of plutonium and had unclassified information could make a crude atom bomb in his cellar.

The series on Taylor shocked and greatly angered persons in the nuclear industry. A spokesman for the Atomic Industrial Forum, a nuclear industry trade organization, wrote to The Union:

"It's quite quite true, as (the articles' author) says, that just about everything in the series apropos bomb design can be found in the library, but (he) has advanced the state of the terrorist's art by neatly packaging it all.

"If my reaction seems overheated, let me add quickly that diversion of fissile material is a potentially serious problem; it is treated as such by the AEC and the industry.

SHARP DISAGREEMENT

"Where we disagree sharply with the Taylors of this world is on their contention that we are trying to lock the barn door after the horse is out.

Taylor and other scientists are concerned about the possible sabotage of a nuclear facility and "nuclear blackmail" by terrorists or subnational organizations.

One of the most vulnerable points in the nuclear fuel cycle, the industry has conceded, is when reactor fuel is sent to be processed at a reprocessing plant. Here, the plutonium is concentrated—only about six kilograms, an amount the size of a grapefruit, could provide a nuclear explosion.

The AEC projects that within 50 years, there will be 100 railway cars daily loaded with used reactor fuel on their way to or from reprocessing plants.

TOUGHER SAFEGUARDS

The AEC has recently announced new, tougher safeguards to protect this dangerous material in transport and at various sites along the reactor fuel cycle, such as the 3000-acre storage facility in West Valley, N.Y., home of the largest private stockpile of plutonium in the world.

Critics are still worried about the security of fissile material as it speeds along public highways and rail systems. Only last year, routine shipments of nuclear materials were banned from commercial passenger aircraft.

Plutonium has another danger that worries critics aside from its potential use in weapons. A highly radiotoxic substance, it remains deadly for thousands of years. Once dispersed, it persists essentially "forever."

There are other radioactive wastes besides plutonium that are long-lived. Strontium and cesium wastes produced by nuclear reactors have half-lives of about 30 years. That's how long it takes for them to become half as radioactive.

Plutonium has a half-life of 24,000 years.

NO AGREED-UPON PLAN

There is, at present, no agreed-upon plan to deal with these wastes. The AEC has abandoned plans to bury deadly wastes in abandoned salt mines in Kansas because of the discovery of underground water tables there.

Wastes are being kept temporarily in underground storage tanks at the AEC's storage facility in Hanford, Wash. Critics point to at least 15 leaks of the lethal material, totaling about 550,000 gallons, since 1958, as one hazardous result of "temporary" storage.

The AEC has said that none of the spilled radioactive waste has reached ground water.

The problems of waste storage have created what some scientists see as a moral dilemma. Safeguarding the highly-poisonous wastes will be a job passed down from generation to generation for possibly thousands of years.

"FAUSTIAN BARGAIN"

In a now-classic article in Science Magazine, Alvin M. Weinberg wrote that nuclear people have made a "Faustian bargain with society."

Weinberg sees the evolution of a world "priesthood" of atomic managers and technicians who will minister over radioactive wastes that could wipe out the world.

His conclusion is that the price of "eternal vigilance" is "well worth the price" of "an all but infinite source of relatively cheap and clean energy."

The limitless source to which Weinberg refers would come from a different kind of reactor—the breeder—than those in current use.

CREATES MORE FUEL

The breeder, which as its name suggests, creates more fuel than it consumes, is highly regarded by the nuclear industry as the logical answer to its problem of under-utilization of uranium supplies.

However, the breeder reactor is a favorite target of nuclear critics, since it will contain high concentrations of plutonium. A tenth of one per cent of the plutonium in a single breeder would be enough for a good nuclear weapon.

Development of breeders has been slowed by cost overruns of hundreds of millions of dollars. The AEC and the Nixon Administration are pushing to have the first commercial breeder on line in a decade, and are giving it high-priority funding.

Critics like Ford, the Harvard economist, are asking for a slowdown of nuclear development.

"I admit it's not practical to shut down 40 reactors," Ford said. "What is needed is a speed limit and tighter regulations on nuclear power development."

Many critics argue that the AEC has a conflict of interest in that it is the agency charged with promoting the use of atomic energy and also the agency responsible for regulating the use.

In recent years, the AEC has taken steps to divorce its regulatory boards from its policy-setting committees, but the conflict of interest accusations are still heard.

Another regulatory body that has met with criticism is Congress's Joint Committee on Atomic Energy, created as a "watchdog" over the AEC. Critics say it has been a cozy bedfellow of the agency, "rubber-stamping" the AEC's plans.

SOUGHT REPEAL

Some congressional critics of nuclear development, such as Alaska Sen. Mike Gravel, have sought repeal of the 1957 Price-Anderson Act, which provides for public liability in case of a reactor accident.

The act sets a limit of $500 million per accident. Utilities would have to pay no more than what they can get from the insurance industry—$95 million, with the balance paid by taxpayers.

Critics like Gravel say the utilities' insistence on the protection of the Price-Anderson Act undercuts their claims that nuclear plants are safe. The utilities have said that if Price-Anderson were repealed, they would build no more plants.

This year, the Joint Committee is planning to hold hearings on "the possible extension or modification of the Price-Anderson Act," which is scheduled to expire Aug. 1, 1977. The hearings loom as stormy ones.

SOUGHT MORATORIUM

In March of last year Gravel introduced a bill asking for a moratorium on new power plant construction until the industry's safety were proven.

Utility spokesmen say a moratorium would create economic hardships for the nation. Critics generally doubt the country would be hard hit if nuclear development were stopped now.

Dr. Paul Ehrlich, author of The Population Bomb, recently described nuclear power development as "the most colossal shuck I have ever seen in the United States."

"It is a way of boosting those already outrageous profits that are being made in a couple of industries . . . who produce the junk for the nuclear plants," Ehrlich charged.

Jay W. Stryker, radiation officer at the University of Massachusetts and one of the Massachusetts and one of the men in charge of evacuation in case of an accident at a nuclear plant there, agrees with Ehrlich.

SEES "STAMPEDE"

"We're being stampeded into a nuclear future and passing on a radiation legacy to generations. The purpose of it all is electricity, and most electricity I see is being wasted," Stryker said.

"The utilities are being very short-sighted. They're doing 10-year planning where they should be doing 100-year planning," he said.

The utilities vehemently dispute that they are artificially stimulating electrical demand. They say they have immediate estimated consumer needs they must satisfy.

At today's nuclear power plants, the employees aren't much concerned with philosophical questions. Their interest is to see that power gets to the people.

FOES CITE FAULT

Among the dangers of the nuclear plant proposed for the Montague Plains cited by opponents is the existence of a geological fault running near the planned site of the $1.35 billion facility.

In an interview last week, Robert May of the Montague Nuclear Concerns Group said the geological fault under the Plains could represent a grave danger to the twin-unit nuclear plant.

"The Plains sit over the major water table for Franklin County," May said.

Yesterday, the Hampshire Geological Associates, a group of 30 professors from the Amherst area, warned Montague selectmen in a letter that the fault could present obstacles to construction of the plant.

The group said that the fault "does not automatically rule out the site for the power plant" but "makes it more difficult to engineer."

Selectmen Chairman Joseph Bonnette said last week he thought the fault is "not a wide one." However, the geologists said the fault is part of a system that is known to run from Claremont, N.H., to Long Island Sound.

Another Montague selectman, Donald H. Skole, Tuesday discounted possible danger from the fault. Skole said the geologists pointed out in their letter there was no evidence of movement along the fault in 180 million years.

Twin N-Plants: A Blessing or a Curse? Workers' Families and Friends Have Confidence in Plant Safety

(By Elliot Eisenberg and John Schidlovsky)

Deep in the back woods of northwestern Massachusetts, 50 miles from Springfield, a hilly road leads past the town of Rowe to what is now a New England institution: the Yankee Atomic nuclear power plant.

SET ON BLUFF

A visitor arrives at the end of this semi-paved road to find the Yankee Atomic Information Center. Set on a high bluff overlooking the deep-blue pond and the white dome of the plant, it is fitted with large picture windows.

Two men in windbreakers can be seen below, rowing on Sherman Pond. They look like fishermen, casting out and pulling in lines from the water.

These are not fishermen, though anglers do come here. A photograph prominently displayed in the visitors center shows a happy-looking man holding a fish.

The men are biologists, checking the pond's water for temperature and radioactivity levels.

NO EFFECT ON FISH

Neither fish nor plant life in Sherman Pond are affected by radiation from the reactor, according to Roland Emery, a spokesman for Yankee Atomic.

The Rowe plant, in fact, seems hardly to affect anyone in town, judging by the lack of any concern about the facility in town.

Now an accepted part of the landscape, Yankee Atomic is one of the venerable "granddaddies" of commercial nuclear installations.

When it was completed in 1960, Yankee became only the third nuclear power plant in commercial operation in the country.

Since then, a total of 40 nuclear plants have come on line in the United States, generating about five per cent of the nation's electrical supply.

MAY BE 1000 PLANTS

By century's end, there may be 1000 nuclear plants in the nation.

And one of the biggest ones might be in Montague, about 40 miles east of Rowe on Route 2. The twin-unit Montague plant would dwarf the Rowe facility.

Each of the proposed Montague units would generate six times as much electricity as the Rowe plant, power badly needed in a time of energy shortages.

Northeast Utilities officials are hoping someday the Montague plant will win the same kind of acceptance the Rowe one has.

Montague officials are earnestly hoping that the twin generating stations there would generate not only electricity, but also the same sort of tax base that has helped Rowe since Yankee Atomic was built.

90 PER CENT OF TAXES

Yankee Atomic pays more than 90 per cent of the taxes of Rowe, which has a population of about 300.

Northeast Utilities, which announced the Montague site Dec. 28, is already at work expanding its facilities at Waterford, Conn., 75 miles south of Springfield.

There, on the shores of the choppy Long Island Sound, Millstone 1 has been generating power since 1970.

Next to it, Millstone 2 is going up. About 1200 construction workers, resembling bees swarming over a hive, are putting the finishing touches on the huge outer containment structure.

And in 1979, there will be a Millstone 3 next to the other two plants. The three units will be able to produce almost 15 times as many kilowatts as are generated at Rowe.

Additional reactors are planned for Plymouth, Mass., and Seabrook, N.H. By 1980, every New England state except Rhode Island will have at least one nuclear power plant of its own.

The people who work at nuclear power plants would be the first to criticize the plants on safety grounds, according to Ralph Brisco, plant service supervisor at Millstone.

"We're our own best critics. Our families and friends live here," Brisco said. "We're not concerned about safety because we know how dependable the safety systems are."

To enter a nuclear power plant such as the Millstone units or Rowe it is necessary to sign in at security stations.

BADGES AND METERS

Visitors as well as employees are required to wear film badges and sometimes small meters, called dosimeters for measuring the amount of radiation they receive.

A film badge which indicates substantial exposure would lead to an Atomic Energy Commission inquiry, according to George Fox, a public affairs spokesman for Northeast. He led two reporters from The Springfield Union on a tour of the Millstone Units recently.

Millstone 2 is still under construction, allowing visitors a chance to see that part of an installation inside the "bubble."

The dome, which is made of steel-reinforced concrete, is said to be strong enough to withstand the direct hit of a jumbo-jetliner.

SEPARATE BUILDINGS

Beneath the dome at Millstone 2, workmen are currently assembling the reactor and turbine portions of the facility. The two systems are housed in separate buildings.

Six companies in the United States make nuclear reactors. They are General Electric, Westinghouse, Babcock and Wilsox, Combustion Engineering, Gulf General Atomic and Allis-Chambers.

There are two basic types of reactors, used in all but one of the 40 commercially operated nuclear power plants: pressurized water reactors and boiling water reactors, which are proposed for the Montague Plains.

As their names imply, water is a key ingredient in these reactors. Its primary functions are to carry away the heat generated by fission and to act as a coolant in the reactor.

Nuclear power plants like those at Millstone and Rowe are not radically different in theory from conventional fossil-fired generating stations.

WATER HEATED TO STEAM

At all power plants, water is heated to steam which turns an electric generator. Nuclear plants reply on the energy of splitting atoms for their heat, while conventional plants simply burn their fuels.

The fuel used at nuclear plans is uranium, in the form of small, metallic pellets sealed into long, metal-clad tubes.

A chain reaction of splitting uranium atoms is initiated inside a reactor core. The chain reaction is controlled by the use of rods that are inserted to absorb the flying particles from atoms.

After the uranium atoms have been split to produce the needed energy, there remain other atoms of lighter elements, many of them radioactive, which must be disposed of just as ashes from a coal-fired plant must be.

LICENSED BY AEC

A nuclear power plant, operated by a utility, is licensed by the Atomic Energy Commission, which must conduct a series of hearings that sometimes stretch into years, before operations begins.

The time it takes between the time a plant is proposed and when it generates its first spark of electricity has been a source of aggravation for the utilities, which want to see shorter "lead-times."

Lawrence E. Minick, vice president of Yankee Atomic, the operator of the Rowe plant, has complained that, "nuclear power's major disadvantage at the present time is the very long time required to bring a project to fruition."

"Yankee Rowe and Connecticut Yankee required between four and five years," Minick said. "Now we allow 10 years and even that is not really assured.

"There are many contributory causes to this drastic change but one of the major ones is the long, involved, and unpredictable approval process involving nearly every governmental agency you ever heard of," Minick said.

WANTS TIME REDUCED

President Nixon last year said he wanted the average lead time for nuclear power plants reduced from 10 years to six. Critics worry that such a speed-up would crimp safety review procedures they claim are already insufficient.

A utility, to obtain licenses to operate a power reactor, must begin with an application to the AEC, describing design, location and safeguards of the proposed plants. This is what Northeast Utilities is now preparing for the Montague unit.

The AEC's Division of Reactor Licensing reviews the application and submits its analysis to the AEC's Advisory Committee on Reactor Safeguards, which makes a report available to the AEC and to the public.

The next step is for a public hearing by an AEC-appointed Atomic Safety and Licensing Board, which would be held in the Montague area. State and local officials and residents may testify as "intervenors." This hearing may be prolonged several years.

The Safety Board then decides whether or not to grant the license. Its decision is reviewed by the five-member AEC which then grants or denies a construction permit. Once construction is completed, the utility then must go through the same steps to obtain an operating permit.

HEADACHE OR INADEQUATE?

While this procedure is seen by utilities as a time consuming headache, many critics claim it is inadequate in that it leaves all decisions to the AEC, which is also charged with the responsibility of promoting nuclear power use.

The London Economist, in a recent story comparing American and British nuclear development, said the AEC had "supervised the introduction of nuclear power in an arrogant manner and without the supervision of an independent nuclear power safety inspectorate, of the kind that Britain possesses."

State officials in Massachusetts generally recognize that the state is powerless to legally override the AEC, if the federal agency allows a utility to build a nuclear plant here.

However, a recent bill filed by State Sen. Chester G. Atkins of Acton and cosponsored by State Rep. James G. Collins of Amherst, would give the state some powers it doesn't have now to monitor and inspect nuclear facilities.

The bill, similar to one that failed in 1972, authorizes the Department of Public Health to establish radiation monitoring stations near plants; conduct periodic surveys and inspections of the plants; publish its annual findings, and require annual permits for each facility.

The DPH permits would carry a fee of two cents per every kilowatt if licensed thermal rating. The Rowe plant would have to pay $11,000, the Plymouth plant $40,000, while the Montague twin-units would have to pay the state about $150,000 a year.

Those amounts are "peanuts" compared to what the utilities are planning to spend on new nuclear construction.

The fee amounts are also negligible compared to what the industry says are the vast benefits to the nation and the world, from nuclear power.

HOW SAFEGUARDS WORK

Vermont Yankee nuclear power plant in Vernon, Vt., was the scene recently of a malfunction that illustrates what might go wrong at a nuclear power station, and how the systems may cope with it.

TESTING CONTROL RODS

On Nov. 7, technicians at Vermont Yankee had been testing the reactor's control rods. In the course of that testing, they had installed a jumper-wire, bypassing one of the safeguard systems.

The bypass allowed a technician, who had no idea of its existence, to begin withdrawal of a control rod while another was already fully withdrawn. An unexpected chain reaction occurred.

Within two seconds, however, the reactor was "scrammed", or shut down. The scram was set off automatically by a neutron monitor within the reactor.

Concurrent with the automatic scram, according to Vermont Yankee officials, the operator at the controls was also in the process of replacing the withdrawn control rods.

TWO INFLUENCES

Had the control rods failed to shut down the system, Vermont Yankee officials point out, there are two moderating influences that would have been set off naturally.

One involves the water within the reactor core.

A nuclear reaction works better if the neutron particles which trigger it are slowed down. It is partly for that reason that there is water in a reactor core.

In a boiling water reactor, such as Vernon's, as soon as the process begins to overheat, water in the reactor core boils, and consequently bubbles.

The bubbles fail to slow down neutrons as liquid water would, and the reaction is slowed.

TOLERABLE LEVEL

While the reaction would not cease, according to engineers at Vermont Yankee, it would not exceed a certain, tolerable level.

Furthermore, engineers there say, what is known as the "Doppler Effect" would come into play.

At most nuclear power plants, including the ones in this area, the fuel used contains only two to four per cent Uranium-235, which is fissionable. The rest is Uranium-238, which is not.

As the temperature of a fuel rod assembly rises, the engineers say, Uranium-238 begins to absorb neutrons.

Without neutrons to trigger the reaction, it begins to slow.

The much discussed "emergency core cooling system" (ECCS) would not come into play in a reactor emergency unless a pipe supplying the reactor with water had broken or ruptured.

As a result of alleged violations of AEC procedures, Vermont Yankee disclosed last month, fines totaling $15,000 are expected to be levied on the facility.

Twin N-Plants: A Blessing or a Curse? Consultants Assure Utilities: A-Power Best Buy for Money

(By Elliot Eisenberg and John Schidlovsky)

Utility company executives have one big reason why they are so enthusiastic about nuclear power plants. Given the alternatives, they say, nuclear power is the best buy for their money.

BEGAN YEAR AGO

A case in point, one that led to the choosing of Montague as a site for the proposed "giant" twin-unit nuclear power plant, began one year ago.

At that time, Northeast Utilities wanted to know whether it should rely on coal, oil or nuclear energy for its planned added electrical capacity for 1981.

To help it make the choice, Northeast hired the firm of Arthur D. Little, Inc., of Cambridge, nationally-known management consultants.

The Little team—headed by John F. Hogerton, a leading expert in the field of nuclear engineering and author of booklets for the Atomic Energy Commission—advised strongly in favor of going the nuclear route, on the basis of cost and fuel availability factors.

PREFERRED SITE

Two weeks ago, Northeast picked Montague, a small, rural town 40 miles north of Springfield, as the preferred site for its nuclear plant to begin operating in 1981.

Lelan F. Sillin, Northeast president, said the nuclear route had not been a foregone conclusion.

"New energy technologies now in varying stages of research and development, for example deep geothermal and solar energy sources, controlled fusion, magnetohydrodynamics, fuel cells and coal gasification, were considered," he said.

"But they were not found to be realistic alternatives for the time period in question," Sillin said.

Some critics of the nuclear industry say the kind of cost-benefit analysis that Arthur D. Little did for Northeast—which led to the Montague selection—is incapable of considering all important factors.

IGNORES RISKS

Such analysis ignores risks inherent in the other links of a nuclear fuel cycle—such as the possibility of fissionable materials being diverted to nuclear weapons use.

"Cost-benefit analysis cannot answer the most important policy questions associated with the desirability of developing a large-scale fission-based economy," wrote Allen V. Kneese, in a paper prepared for the Atomic Energy Commission.

"To expect it to do so is to ask it to bear a buredn it cannot sustain. This is because these questions are of a deep ethical character."

Other critics charge that if the nuclear industry had to pay for costs which are borne by the government or society, nuclear reactors would never be built.

EXTERNAL COSTS

"Nuclear utilities would go out of business due to the competition with coal if they ever had to pay any of the external costs that society now bears for them," according to physicist Amory B. Lovins, a former Amherst resident now with the environmental group, Friends of the Earth.

Hidden "costs" of nuclear plants include the price of uranium miners' lung cancer, disposing of wastes at the milling and fuel-reprocessing stations, damage to human chromosomes, insurance against nuclear accidents and research and development investments, Lovins wrote in the Bulletin of the Atomic Scientists.

Utility spokesmen respond that every industry involves a certain amount of risk to be borne by society.

"If we burn coal instead of nuclear power, just institute black lung disease for coal miners in place of lung cancer at uranium mines, for instance," said Dr. Norman C. Rasmussen, professor of nuclear engineering at Massachusetts Institute of Technology in Cambridge and a consultant to the nuclear industry.

TRANSPORTATION COSTS

Coal could be a desirable alternative to reliance on nuclear power but there are serious problems with it, especially in New England, where transportation of coal is a significant expense.

"Coal-fired plants the size of those going up in Montague would burn 10,000 tons of coal a day," Rasmussen said. "That is the amount hauled on a 100-car train and it involves a massive amount of soot and ashes."

"Mining that coal will kill a lot of miners and ruin a lot of land digging it out," he added.

Building oil-fired plants leaves the utilities vulnerable to the uncertainty of fuel supplies, industry people say. And because of political troubles in the Middle East, the price of fuel oils has gone up dramatically.

Oil which sold for about $4 per barrel a year ago is now selling for four times that and more, according to James R. Smith of the New England Power Planning (NEPLAN) agency in West Springfield.

ENGINEERS SHUDDER

In a time of short oil supplies, utility managers and engineers shudder when they consider what they would have to do if nuclear plants in New England burned oil instead.

"Our nuclear power plants save the amount of oil needed to heat 250,000 New England homes. That's a lot of oil we don't have to buy from the Mideast," Rasmussen said.

Utilites are counting on power demand increases. According to Smith, the power industry in New England must increase its megawatt capacity from its present 18,000 to 34,900 in the next decade, in order to keep up with the growth of customers' demands.

One megawatt—a million watts—is enough energy to illuminate 10,000 100-watt light bulbs at once. Current capability of New England power companies could illuminate 180 million such light bulbs simultaneously.

MUST BOOST CAPACITY

Over the next decade, the companies estimate they must boost capacity to be able to light an additional 169 million 100-watt light bulbs.

About one-third of this additional planned capacity is to be nuclear, according to an industry report for New England.

"Even more of the increase would have been nuclear, but for the lead times," Smith said. "Five or six years ago we could site and build a nuclear plant in five years. The same process is now taking 10 years."

The eventual alternative to nuclear power as we now know it is another kind of nuclear power, many observers say.

THERMONUCLEAR FUSION

Planners in the utility industry, as well as critics outside it are waiting for the development of thermonuclear fusion.

Fusion is a process of tapping the energy within atoms by welding them together, rather than the current method, fission, of splitting them apart.

Some say that the risks of fission, or reactors as we know them, will eventually diminish as their use is supplanted by fusion reactors.

"Fission is an interim form of energy, a matter of only this generation," said Isaac Asimov, scientist and author of a primer on nuclear power.

"What we are really waiting for is nuclear fusion," said Asimov, in a telephone interview from New York.

OR DOING WITHOUT

One of the more widely discussed alternatives is doing without the power that nuclear—or other fuels—can bring.

Even in Montague, where the town expects to reap several million dollars in tax revenues because of the proposed power plants. growth remains a touchy subject.

"A boom would not keep pace with the services the town could provide," said Montague Selectman Henry G. Waidlich.

Northeast Utilities and most utility executives believe the additional risks which society must bear for nuclear power are worth its electrical energy.

QUOTES REPORT

In a recent speech to Connecticut businessmen, Sillin quoted from a report issued by the Commission on Population Growth and the American Future.

"Energy makes the difference between poverty and affluence," the report stated. "The reason per capita income in the United States is so high is that the American worker has at his command more energy, chiefly in the form of electricity, than any other worker in the world."

Wally French, a stock analyst who follows the Northeast and New England Electric equities, said many politicians have underestimated the extent to which most people would go to retain their affluence.

"If they were to take a poll," French said by telephone from Argus Research Corp. in New York, "I think most of us would rather take the risks involved and have the power."

And the only way in which enough power can be generated at a cost to society to afford it and continue to grow, utility men say, is with nuclear reactors.

"Most critics are not only against nuclear fuels," charged Rasmussen. "They are also against more development."

"They understand that what leads to more development is more energy. But until we figure out how to keep a viable economy without growth, we need the energy."

MAY SLOW DOWN

Because of the changing nature of the world energy situation, utility men concede, the growth in use of electricity may be about to slow down.

In the heating of homes, offices and of water supplies, for instance, solar-powered systems which operate without the use of electricity or other fuels are already on the market.

In the past ten years, utilities have reduced by one per cent, to 7.5 per cent, their forecasts for the annual growth in demand for electricity. But 7.5 per cent per year is still a substantial rate, according to Rasmussen.

The development of alternative systems beyond coal, oil and nuclear sources is being hindered by the same force that is speeding use of nuclear reactors: money.

SYSTEM OF WINDMILLS

A system of electric generating windmills 20 miles offshore in the Atlantic could provide power for New England as well as nuclear sources could, according to a proponent of such energy use, Prof. William E. Heronemus of the University of Massachusetts at Amherst.

But its cost, he said, would be about 34 mills per kilowatt hour, or 3.4 cents for each ten 100-watt light bulbs illuminated one hour.

Spokesmen for Northeast Utilities estimate that in the 1980s, power from the Montague units will cost 19 to 21 mills per kilowatt hour, at present currency rates.

As the utility planners even now seek to minimize their costs, they try to use the nuclear power plants currently operating as much as possible.

5 MILLS PER HOUR

Power from the Connecticut Yankee atomic reactor at Haddam, Conn., costs utilities less than five mills per kilowatt hour, NEPLAN's Smith said.

Until the eventual commercial development of fusion, utility men say, the future holds a great many more nuclear fission power plants, as well as increasing reliance on fossil fuels in their various forms.

"By 1983, in order to keep up with the increasing load levels, we will have to be bringing on line three plants the size of each Montague unit (1150 MW) each year," said NEPLAN's Smith.

"By 1985, it may be three and one half per year," he said.

The eventual gasification of coal, and improved methods of removing sulfur from coal wastes, will increase their use of that fuel, utility men say.

TOO VALUABLE TO BURN

"But in the long run, all the fossil fuels are too valuable to burn," said Dr. Harold Lurie, director of research and development for the New England Electric System in Westboro. "We need them as raw materials for our petrochemicals industries."

The loss of petroleum as an abundant fuel may be a blessing in disguise, according to Asimov. "In a way, oil has blinded us," he said.

"It has been so cheap and so plentiful that nobody has even attempted to work out these alternative energy sources."

The chances for diversion of nuclear materials are a worry, Asimov said, but not as much a source of concern as the presence of nuclear weapons in national arsenals.

NO WAY TO GUARD

"There is no way in which we can guard the human race from the malice of criminals simply by not making use of technological advance," he said.

"In order to do that, we would have to peel off all the technological advances one by one until finally we are naked savages squatting in cages, trying to figure out how to get people from using their fingernails against each other."

In Montague, the debate over nuclear power is just getting off the ground. In the coming year, it will intensify, as the initial steps in the long hearings process will be taken.

As things stand now, however, many people seem to agree with the town's three selectmen, who have decided already that the potential nuclear benefits outweigh the potential nuclear risks.

But there are voices of dissent, which will probably grow in stridency and volume.

Finally, there are many people who haven't made up their minds. The Lake Pleasant milk tester, Henry Wonsey, speaks for them when he wonders about nuclear power and says:

"I wish I knew."

AN EDITORIAL: NUCLEAR PLANT: LET'S HEAR FACTS

Northeast Utilities' proposal to build a $1.35 billion twin-unit nuclear power plant in Montague is beginning to generate a significant public debate in Western New England. That is all to the good, we believe.

It is easy for critics of nuclear power to sensationalize safety aspects of nuclear plants. It is also easy for proponents of nuclear power to emphasize our country's present problems with oil and coal as fuels to produce electricity.

What is needed is a thorough presentation of the facts on both sides of the nuclear issue. Utilities and their critics should present their cases rationally to the people of Montague and surrounding communities.

In the coming year, residents will get their first chances at participating in public hearings required by the Atomic Energy Commission before a construction license can be issued. The hearings should be as complete as possible, so that no one will feel that any viewpoint was neglected.

There are certainly great benefits to be gained from nuclear power. It holds the potential of cheaper and more efficient generation of electricity.

Another factor that must be judged is the effect of a nuclear power plant on a rural town like Montague. Do tax benefits outweigh the possibility of a drastic disruption of the town's peaceful, rural character?

It is still too early to give a firm "yes" or "nor" answer to the question of a nuclear plant in Montague. However, it is not too early for all citizens to seek out the facts and insist that government and industry provide the information people need to make up their minds on nuclear power.

THE OIL INDUSTRY'S PROFITS

Mr. HART. Mr. President, there has been much concern—sometimes bordering on outrage—voiced in Congress over the increases in profits for the major oil companies from 1972 to 1973.

Indeed the figures are dramatic. They range as high as a 91-percent increase from one quarter of 1973 over the same quarter of 1972.

But—the industry always comes back and says: "1972 was a poor year. It is not fair to make such a comparison."

At that point, we have found ourselves back at the starting gate.

Recently, I asked Dr. Walter Measday, an economist for the Senate Antitrust and Monopoly Subcommittee and a student of this industry for more years than most of us have served in Congress, to take a look at the industry's profit figures over recent years.

Now, I know that economists can—and probably will—argue for months over the possible interpretations of the data he developed. But I think that Dr. Measday's analysis makes a contribution as Congress is considering so many questions dealing with this industry. Therefore, I ask unanimous consent that the full memorandum be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HART. In brief, the figures seem to show that this industry has performed well.

Dealing only with integrated companies and independent refiners during the years 1962 to 1972, the data seems to show:

First—The oil industry's rate of return on stockholders' equity was 11.22 percent—above the average for all manufacturing of 11.17 percent. This made it on the average less profitable than motor vehicles—14.34 percent—but considerably higher than primary iron and steel—7.18 percent.

Most interesting is the stability of the profit figures. Setting aside 1972—which was a bad year—the profits fluctuated only within a narrow range of 10.08 to 12.52 percent.

Second—This is a capital-rich, high cash-flow industry. Current liabilities were a much smaller proportion of total liabilities and net worth for petroleum—15.9 percent—than for other manufacturing corporations—24.4 percent.

On the long-term debt side, this was less than half as important to the oil companies—2.2 percent—than to the average firm outside the industry—5.1 percent.

As the memo explains, because of the self-generation of capital in the oil industry, it can show the same rates of return as the average of other manufacturing companies but be "in a real sense" more profitable than the average.

Third—The petroleum industry apparently experience no greater difficulty in generating new capital than did the average industry. The industry accounted for roughly 15 percent of the total increase in capital invested in manufacturing—the same percentage of total assets both in 1962 and 1972.

Interestingly enough, during those days which its spokesmen tell us were so poor, the industry generated more of its own funds for investment than other manufacturing

The growth in earned surplus provided 57 percent of the oil industry's new capital, compared to less than 47 percent in other manufacturing.

One more comment. I recently received a paper on oil industry profits from the Sun Oil Co. On page 3 of that paper, the authors focus on the 8.7 percent rate of return on stockholders equity for the entire refining industry in 1972. Two pages later, they present a table in which eight major oil companies are reported as having a rate of return in 1972 of 11.1 percent—in other words, although 1972 was a bad year for many of the firms in the industry, the majors were pretty well insulated from this and, in fact, did as well as the average manufacturing company.

Now these comments are not intended as any attack on oil industry profits per se. Rather, they reflect my own reaction to the barrage of oil company publicity in recent months—publicity designed to convince us all of the industry's almost piteous state prior to 1973.

Nor am I ignoring the need for large capital investment in the oil industry over the next 10 or 15 years. What I question is the industry's insistence that these investments will require not just public tolerance of, but public support for true monopoly profit levels for resource owners.

If this is the price the major oil companies demand to meet our energy needs, perhaps we had better explore some other avenues—such as the proposed Federal Oil & Gas Corp.

Exhibit I follows:

EXHIBIT I

FEBRUARY 27, 1974.

MEMORANDUM

To: Messrs. O'Leary and Bangert.
From: Walter S. Measday.
Subject: Financial Performance of Oil Companies.

The sharp increase in profits reported by major oil companies for the successive quarters and the year of 1973 has given rise to criticism. The standard rebuttal by the industry has been that the increases over 1972 are misleading, and that in fact oil companies have had a tough time for the past decade. The attached tables, it is hoped, will facilitate a comparison of the petroleum refining industry data from FTC's Quarterly Financial Reports with those from other manufacturing industries.

Two points should be noted. The refining industry is dominated by a group of major international companies, and the aggregate data largely reflect their operations. Firms which are pure crude producers, rather than refiners or integrated companies, are not included at all.

With these caveats in mind, several conclusions can be reached. First, on the 1962–1972 record—years which the industry generally considers depressed—the oil industry did at least as well as the average in other manufacturing, worse than some selected industries suggested in oil industry advertisements, but better than others which are not usually so cited.

Second, it is possible that the refining industry really turned in a much better than average financial performance. The capital structure of the oil industry may itself help to hold down rate of return figures. Finally, the industry was able to finance a much higher percentage of its growth through profits than the average manufacturing industry.

A. RATES OF RETURN, 1962–1972

Annual rates of return on stockholders' equity from 1962–72 are shown in appendix Table 1. It will be observed that the 11-year average for petroleum refining (11.22%) was somewhat above the average for all manufacturing (11.17%). This is also true of 7 of the 11 individual years; only in 1964–66 and 1972 were refining rates of return below the average for all manufacturing, and in the first three the difference was slight.

Rates of return are also shown for motor vehicles and equipment and for the iron and steel industry as examples of major industries which were more profitable than average in the one case and considerably less profitable in the other.

A noticeable characteristic of the latter industries is the variation in profits over the period shown. Leaving out 1970 (distorted by a fourth quarter GM strike), the automobile industry's rate of return varied from a low of 11.67% in 1967 to a high of 19.52% in 1965. While the steel industry was consistently below average, its rate of return fluctuated between 4.30% in 1970 and 10.25% in 1966.

In sharp contrast, petroleum industry profits from 1962 to 1971 (excluding 1972), fluctuated within a fairly narrow range. The low, 10.08%, occurred in 1962, a poor year for almost everyone but the automobile manufacturers. The high, 12.52%, came in 1967 when a reasonably good year for manufacturing generally was reinforced for the oil companies by the Arab-Israeli war.

This bears upon the petroleum industry argument that theirs is an exceedingly risky business. Even over an 11-year period, "risk" should show up in substantial variations in profitability. By this measure, both automobiles and steel face far more risks than petroleum.

B. FINANCIAL STRUCTURE

Appendix Table 2 shows year-end balance sheet data for 1962 and 1972, from Quarterly Financial Reports. The comparison between petroleum refining and "other" manufacturing points up several important aspects of the industry.

It will be noted that current liabilities are a much smaller proportion of total liabilities and net worth in the petroleum industry (15.9%) than for other manufacturing corporations (24.4%). Details in the QFR show that this is because of relatively low levels of short-term bank loans and accounts payable. Differences in types of business may be a factor. But at the least it can be said that the oil companies have a cash flow sufficient to meet trade accounts promptly and to rely much less than other businesses generally on short-term bank credit, an advantage at today's interest rates.

Something similar appears with respect to long-term debt. The oil industry's relative long-term debt to public and institutional holders other than banks was just about at the all-industry average (14.7% of liabilities and net worth) at the end of 1972. On the other hand, long-term bank financing was less than half as important to the oil companies (2.2%) as to the average firm outside the industry (5.1%).

The most significant difference, however, lies in the much higher proportion of stockholders equity in petroleum (60.6%) than in other manufacturing (51.9%). The contributing factor here is earned surplus—the sum of historic profits retained in the business—which was 41.0% of total liabilities and net worth for petroleum refiners, compared to an average of 34.4% for other manufacturing. In other words, the ratio of stockholders equity to total liabilities in petroleum refining is about 61:39, compared to 52:48 for the average non-oil manufacturing firm.

A final bit of evidence is the ratio of total stockholders equity to debt reported in the QFR. At the end of 1972, the net worth/debt ratio for petroleum refiners stood at 3.39, compared to 2.32 for all manufacturing. Among the 30 industries reported or derivable from the FTC data, only three had more favorable ratios: motor vehicles (4.22), drugs (4.12), and instruments and related products (3.69).

The effect of this is to make the oil companies look somewhat poorer than they really are, measured by the standard profitability approach of rate of return on net worth. For example, based on the 1972 financial structures, if total assets employed both in petroleum and in other industries earned 7% of their value as profits for the owners, the rate of return in petroleum refining would be 11.5%, a full two percentage points below the 13.5% for other manufacturing. In short, when oil companies are showing the same rates of return as the average of other manufacturing enterprises, they are in a real sense more profitable than the average.

C. GROWTH IN INVESTMENT

Appendix Table 3 shows the growth in invested capital (long-term debt and stockholders equity) in petroleum refining and in other manufacturing over a 10-year period from the end of 1962 through 1972. The petroleum industry accounted for roughly 15% of the total increase in capital investment in manufacturing—the same percentage as it held of total assets both in 1962 and 1972. In other words, the petroleum industry experienced no greater difficulty in generating new capital than did the average industry.

There are differences, however, between petroleum and other industries in the sources of this new capital.

The contribution of long-term debt clarifies the balance sheet changes. Long-term bank financing was less than a third as important a source of new capital to the oil industry as to the average of other industries, while the public acceptance of oil company debt securities was slightly greater than for other industries. Nevertheless, the total increase in debt provided only 29% of the refining industry's new capital, compared to more than 35% for other manufacturing.

Conversely, the contribution of expanded net worth was considerably greater for the oil companies (71%) than for other companies (64%). Even in this category there was a sharp difference. Pressure on the petroleum refiners to issue new stock, and dilute existing equities, was much less than on other industries. The growth in earned surplus—i.e., the retention of profits earned during the period—provided 57% of the oil industry's new capital, compared to less than 47% in other manufacturing.

According to the industry, the period covered was one of hopelessly inadequate profit performance, permeated by low crude prices, gasoline price wars, and intense competition in other products. Nevertheless, the oil industry was at least as successful as the average manufacturing industry in securing new capital for asset expansion. And it was far more successful than the average in generating these funds internally, from its own profits, rather than being forced to approach the outside capital markets.

The record of the industry, in other words, gives a picture which is far different from any industry self-portrait which emphasizes its mediocre profitability over the past decade.

D. UNDERCOVERAGE OF CRUDE PRODUCERS

As stated at the outset, the QFR series covers petroleum refining, with integrated and independent refiners. It does not include companies primarily engaged in crude production alone. There is no series of data comparable to the QFR covering crude producers.

This in itself is not fatal, since the major integrated companies which dominate the QFR category also produce most of the crude oil.

Still, the absence of nonintegrated crude producers raises a question. Average domestic crude prices from 1962–72 were perhaps half what they are today and were the subject of persistent complaints from the crude sector. Would not the inclusion of crude producers show a lower level of profitability for the petroleum industry as a whole?

In fact, the opposite appears to be true. Occasional tabulations of results in crude companies indicate that—during this period of presumably "low" crude prices—the crude producers as a group enjoyed rates of return far higher than either the integrated firms or the nonintegrated independent refiners. Throughout the period, there was a general presumption, never refuted by the companies themselves, that the integrated majors earned their profits primarily in crude production rather than in downstream refining and marketing. Indeed, it is often alleged that in some years several of the majors may have lost money downstream. Regardless of such allegations, it is clear that broadening the QFR industry category to include nonintegrated crude producers would raise the reported profitability of the industry.

TABLE 1.—RATES OF RETURN ON STOCKHOLDERS EQUITY, 1962–72

[In percent]

Year	All manufacturing	Petroleum refining	Motor vehicles	Primary iron and stee
1972	10.60	8.62	14.45	6.05
1971	9.67	10.32	13.02	4.53
1970	9.32	10.97	6.07	4.30
1969	11.47	11.72	12.62	7.62
1968	12.07	12.27	14.97	7.57
1967	11.72	12.52	11.67	7.72
1966	13.45	12.42	15.59	10.25
1965	12.97	11.85	19.52	9.75
1964	11.60	11.42	16.87	8.77
1963	10.25	11.30	16.72	7.00
1962	9.775	10.08	16.25	5.45
Average 1962–72	11.17	11.22	14.34	7.18

Source: Average of quarterly rates reported in FTC, "Quarterly Financial Reports."

TABLE 2.—TOTAL LIABILITIES AND NET WORTH, END OF YEAR, 1962 AND 1972

[Million dollars]

	Petroleum refining		Other manufacturing	
	[1] 1962	1972	[1] 1962	1972
Current liabilities [2]	5,166	15,918	53,921	137,888
Long-term debt: [2]				
Banks	995	2,240	5,127	29,054
Other	4,298	14,741	28,182	82,796
Other noncurrent liabilities	1,532	6,566	5,445	21,914
Total, liabilities	11,991	39,465	92,675	271,652
Stockholders equity:				
Capital stock, etc	14,053	19,607	59,185	98,565
Earned surplus	18,253	41,146	90,940	194,535
Total, net worth	32,296	60,753	150,125	293,100
Total, liabilities and net worth	44,286	100,217	242,800	564,751

[1] Prior to 1965, QFR included an account, "Reserves not reflected elsewhere." The amounts in this account at the end of 1962 were $414,000,000 for petroleum refining and $1,751,000,000 for other manufacturing industries, in each case less than 1 percent of total liabilities and net worth. The QFR explanation when this account was dropped (1st quarter, 1965) was that 80–90 percent would be shifted into "other noncurrent liabilities" and the balance into "earned surplus." Accordingly, the 1962 figures have been restated on the basis of an 85–15 percent division.

[2] Restated by shifting payments on long-term debt due within 1 year from current liabilities to long-term debt, in order to better portray capital structures.

Source: FTC, "Quarterly Financial Reports", 4th quarter. 1962 and 1972.

TABLE 3.—INCREASE IN INVESTED CAPITAL [1] 1962–72

[Million dollars]

	Petroleum refining		Other manufacturing	
	Amount	Percent	Amount	Percent
Long-term debt: [2]				
Banks	$1,245	(3.1)	$23,927	(10.8)
Other	10,443	(26.0)	54,614	(24.7)
Total	11,688	(29.1)	78,541	(35.5)
Stockholders equity:				
Capital stock, etc	5,564	(13.9)	39,380	(17.8)
Earned surplus	22,893	(57.0)	103,595	(46.8)
Total	28,457	(70.9)	142,975	(64.5)
Total increase in invested capital	40,145	(100.0)	221,516	(100.0)

[1] Stockholders equity and long-term debt.

[2] Including repayments of long-term debt due within 1 yr.

Source: Table 2.

SETTING THE RECORD STRAIGHT

Mr. BENNETT. Mr. President, during past months there has occurred an almost unparalleled campaign of distortion, misrepresentation, hypocrisy, and vilification with respect to the Professional Standards Review Organization statute which I had the privilege of sponsoring.

It is time to review again the "why" of the PSRO legislation, its progress to date, and point-by-point respond specifically to the generalized allegations and half-truths which have been so freely and irresponsibly circulated. That is exactly what I intend to do during the next few days.

In capsule form, the PSRO legislation was designed to afford practicing physicians at local levels an opportunity, on a voluntary and publicly accountable basis, to undertake review of the medical necessity and quality of care provided under the $25 billion medicare and medicaid programs. It was intended to substitute responsible, comprehensive professional review by the community of physicians in an area for the hit-or-miss review which has heretofore been provided in less than effective fashion by Government and insurance company personnel.

It is particularly important to note that all of the review responsibility and authority which a PSRO may assume is separately authorized, under non-PSRO provisions of the law, to the Department of Health, Education, and Welfare and to the carriers and intermediaries under medicare as well as to State agencies under medicaid. In a speech later this week, I will cite all of those statutory authorities—other than PSRO—so that the advocates of PSRO repeal may understand fully that the absence of the PSRO statute would not leave a review vacuum. Necessary review will be accomplished with or without the PSRO provisions. What the PSRO alternative offers, however, is professionalism and local control instead of bureaucratic fiat, mandate and arbitrariness in determining medical necessity and quality of care.

Fortunately, Mr. President, there are many constructive individuals and organizations in medicine. Quite a few of these contributed substantially to the development and evolution of the PSRO legislation. The medical societies in Colorado, Utah, New Mexico, and Pennsylvania, as well as those in Sacramento and San Joaquin, Calif., were particularly helpful.

Fortunately, also, Mr. President, the Department of Health, Education, and Welfare signed a contract with the Pennsylvania Medical Foundation to serve as the technical resource and support center to the various PSRO's in that State. The foundation is sponsored by the Pennsylvania Medical Society whose house of delegates has endorsed PSRO on three separate occasions.

Additionally, a number of the important medical specialty groups have actively worked to develop suggested parameters of care, by diagnosis, which may be used by local PSRO's, at their option, for screening and checkpoint purposes. These organizations which are actively assisting PSRO implementation through the development of guidelines include: the American College of Surgeons; the American College of Radiology; the American College of Obstetrics and Gynecology; and the American Society of Internal Medicine.

The most appropriate source of information concerning the need for my amendment is the report of the Committee on Finance which approved the Bennett amendment as part of H.R. 1 in 1972. H.R. 1 was subsequently enacted as Public Law 92–603. Following are pertinent excerpts from the Finance Committee report:

PROFESSIONAL STANDARDS REVIEW

(Sec. 249F of the Bill)

According to recent estimates the costs of the medicare hospital insurance program will overrun the estimates made in 1967, by some $240 billion over a 25-year period. The monthly premium costs for part B of medicare—doctors' bills—rose from a total of $6 monthly per person on July 1, 1966, to $11.60 per person on July 1, 1972. Medicaid costs are also rising at precipitous rates.

The rapidly increasing costs of these programs are attributable to two factors. One of these is an increase in the unit cost of services such as physicians' visits, surgical procedures, and hospital days. H.R. 1, as reported, contains a number of desirable provisions which the committee believes should help to moderate these unit costs.

The second factor which is responsible for the increase in the costs of the medicare and medicaid programs is an increase in the number of services provided to beneficiaries. The Committee on Finance has, for several years, focused its attention on methods of assuring proper utilization of these services. That utilization controls are particularly important was extensively revealed in hearings conducted by the subcommittee on medicare and medicaid. Witnesses testified that a significant proportion of the health services provided under medicare and medicaid are probably not medically necessary. In view of the per diem costs of hospital and nursing facility care, and the costs of medical and surgical procedures, the economic impact of this overutilization becomes extremely significant. Aside from the economic impact the committee is most concerned about the effect of overutilization on the health of the aged and the poor. Unnecessary hospitalization and unnecessary surgery are not consistent with proper health care.

REVIEW OF PRESENT UTILIZATION CONTROLS

The committee has found that present utilization review requirements and activities are not adequate.

"Under present law, utilization review by physician staff committees in hospitals and extended care facilities and claims review by medicare carriers and intermediaries are required. These processes have a number of inherent defects. Review activities are not coordinated between medicare and medicaid. Present processes do not provide for an integrated review of all covered institutional and noninstitutional services which a beneficiary may receive. The reviews are not based upon adequately and professionally developed norms of care. Additionally, there is insufficient professional participation in, and support of, claims review by carriers and intermediaries and consequently there is only limited acceptance of their review activities. With respect to the quality of care provided, only institutional services are subject to quality control under medicare, and then only indirectly through the application of conditions of participation. . . .

The detailed information which the committee has collected and developed as well as internal reports of the Social Security Administration indicate clearly that utilization review activities have, generally speaking, been of a token nature and ineffective as a curb to unnecessary use of institutional care and services. Utilization review in medicare can be characterized as more form than substance. The present situation has been aptly described by a State medical society in these words:

"Where hospital beds are in short supply, utilization review is fully effective. Where there is no pressure on the hospital beds, utilization review is less intense and often token."

The current statute places upon the intermediary as well as the State health agency responsibility for assuring that participating hospitals and extended-care facilities effectively perform utilization review.

Available data indicate that in many cases intermediaries have not been performing these functions satisfactorily despite the fact that the Secretary may not, under the law, make agreements with an intermediary who is unwilling, or unable, to assist providers of services with utilization review functions.

Apart from the problems experienced in connection with their determinations of "reasonable" charges, the performance of the carriers responsible for payment for physicians services under medicare has also varied widely in terms of evaluating the medical necessity and appropriateness of such services. Moreover, ever since medicare began, physicians have expressed resentment that their medical determinations are challenged by insurance company personnel. The committee has concluded that the present system of assuring proper utilization of institutional and physicians' services is basically inadequate. The blame must be shared between failings in the statutory requirements and the willingness and capacity of those responsible for implementing what is required by present law.

There is no question, however, that the Government has a responsibility to establish mechanisms capable of assuring effective utilization review. Its responsibility is to the millions of persons dependent upon medicare and medicaid, to the taxpayers who bear the burden of billions of dollars in annual program costs, and to the health care system.

In light of the shortcomings outlined above, the committee believes that the critically important utilization review process must be restructured and made more effective through substantially increased professional participation.

The committee believes that the review process should be based upon the premise that only physicians are, in general, qualified to judge whether services ordered by other physicians are necessary. The committee is aware of increasing instances of criticism directed at the use of insurance company personnel and Government employees in reviewing the medical necessity of services.

The committee generally agrees with the principles of "peer review" enunciated in the report of the President's Health Manpower Commission, issued in November 1967. That report stated:

"Peer review should be performed at the local level with professional societies acting as sponsors and supervisors".

Assurance must be provided that the evaluation groups perform their tasks in an impartial and effective manner.

Emphasis should be placed on assuring high quality of performance and on discovering and preventing unsatisfactory performance.

"The more objective the quality evaluation procedures, the more effective the review bodies can be. To enable greater objectivity, there should be a substantial program of research to develop improved criteria for evaluation, data collection methods, and techniques of analysis."[1]

The committee has therefore included an amendment, as it did in H.R. 17550, which authorizes the establishment of independent professional standards review organizations (PSRO's) by means of which practicing physicians would assume responsibility for reviewing the appropriateness and quality of the services provided under medicare and medicaid.

THE COMMITTEE PROVISION

The committee has provided for a review mechanism through which practicing physicians can assume full responsibility for reviewing the utilization of services. The committee's review mechanism at the same time contains numerous safeguards intended to fully protect the public interest.

The committee provision would establish broadly based review organizations with responsibility for the review of both institutional and outpatient services, as opposed to the present fragmented review responsibilities.

The new review organizations would be large enough to take full advantage of rapidly evolving computer technology, and to minimize the inherent conflicts of interest which have been partially responsible for the failure of the smaller institutionally based review organizations. The review process would be made more sophisticated through the use of professionally developed regional norms of diagnosis and care as guidelines for review activities, as opposed to the present usage of arbitrarily determined checkpoints. The present review process, without such norms, becomes a long series of episodic case-by-case analyses on a subjective basis which fail to take into account in a systematic fashion the experience gained through past reviews or to sufficiently emphasize general findings about the pattern of care provided. The committee believes that the goals of the review process can be better achieved through the use of norms which reflect prior review experience.

The committee's bill provides specifically for the establishment of independent professional standards review organizations (PSRO's) formed by organizations representing substantial numbers of practicing physicians in local areas to assume responsibility for the review of service (but not payments) provided through the medicare and medicaid programs.

Recognizing the problem, on their own, a number of medical societies and other health care organizations have already sponsored similar types of mechanisms for purposes of undertaking unified and coordinated review of the total range of health care provided patients. Additional medical societies are proceeding to set up such organizations.

In reaffirming its conviction that the establishment of PSRO's should result in important improvements to the medicare and medicaid programs, the committee has taken particular note of the progress which has been made by a number of prototype review organizations across the country. Experience by these organizations has provided the committee with convincing evidence that peer review can—and should—be implemented on an operational, rather than merely an experimental basis.

The committee expects that in developing the policies and regulations implementing the PSRO provision, the Secretary will seek the advice and counsel of physicians and administrators connected with existing successful review organizations.

However, in most parts of the country, new organizations would need to be developed.

The committee would stress that physicians—preferably through organizations sponsored by their local associations—should assume responsibility for the professional review activities. Medicine, as a profession, should accept the task of advising the individual physician where his pattern of practice indicates that he is overutilizing hospital or nursing home services, overtreating his patients, or performing unnecessary surgery.

It is preferable and appropriate that organizations of professionals undertake review of members of their profession rather than for Government to assume that role. The inquiry of the committee into medicare and medicaid indicates that Government is ill equipped to assure adequate utilization review. Indeed, in the committee's opinion, Government should not have to review medical determinations unless the medical profession evidences an unwillingness to properly assume the task.

But, the committee does not intend any abdication of public responsibility or accountability in recommending the professional standards review organizations approach. While persuaded that comprehensive review through a unified mechanism is necessary and that it should be done through usage, wherever possible and wherever feasible, of medical organizations, the committee would not preclude other arrangements being made by the Secretary where medical organizations are unwilling or unable to assume the required work or where such organizations function not as an effective professional effort to assure proper utilization and quality of care but rather as a token buffer designed to create an illusion of professional concern. . . .

Priority in designation as a PSRO would be given to organizations established at local levels representing substantial numbers of practicing physicians who are willing and believed capable of progressively assuming responsibility for overall continuing review of institutional and outpatient care and services. Local sponsorship and operation should help engender confidence in the familiarity of the review group with norms of medical practice in the area as well as in their knowledge of available health care resources and facilities. Furthermore, to the extent that review is employed today, it is usually at the local level. To be approved, a PSRO applicant must provide for the broadest possible involvement, as reviewers on a rotating basis, of physicians engaged in all types of practice in an area such as solo, group, hospital, medical school, and so forth.

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[1] Report of the Health Manpower Commission, November 1967, p. 48.

Participation in PSRO would be voluntary and open to every physician in the area. Existing organizations of physicians should be encouraged to take the lead in urging all their members to participate and no physician could be barred from participation because he is or is not a member of any organized medical group or be required to join any such group or pay dues or their equivalent for the privilege of becoming a member or officer of any PSRO nor should there be any discrimination in assignments to perform PSRO duties based on membership or nonmembership in any such organized group of physicians.

Physician organizations or groupings would be completely free to undertake or to decline assumption of the responsibilities of organizing a PSRO. If they decline, the Secretary would be empowered to seek alternative applicants from among other medical organizations, State and local health departments, medical schools, and failing all else, carriers and intermediaries or other health insurers. In no case, however, could any organization be designated as a PSRO which did not have professional medical competence. And, in no case could any final adverse determinations by a PSRO with respect to the conduct or provision of care by a physician be made by anyone except another qualified physician. . . .

The PSRO's responsibilities are confined to evaluating the appropriateness of medical determinations so that medicare and medicaid payments will be made only for medically necessary services which are provided in accordance with professional standards of care.

Where advance approval by the review organizations for institutional admission was required and provision of the services was approved by the PSRO, or where and to the extent the PSRO accepted "in-house" review, such approval would provide the basis for a presumption of medical necessity for purposes of medicare and medicaid benefit payments. However, advance approval of institutional admission would not preclude a retroactive finding that ancillary services (not specifically approved in advance) provided during the covered stay were excessive.

The PSRO, where it has not accepted in-house review in a given hospital as adequate, would be responsible for reviewing attending physicians' certifications of need for continued hospital care beyond professionally determined regional norms directly related to patients' age and diagnoses, using criteria such as the types of data developed by the Commission on Professional and Hospital Activities, which is sponsored by the American Hospital Association, the American College of Physicians, and the American College of Surgeons. It is expected that such certification would generally be required not later than the point where 50 percent of patients with similar diagnoses and in the same age groups have usually been discharged. However, it is recognized that there are situations in which such stays for certain diagnoses may be quite short in duration. In such situations the PSRO might decide against requiring certification at or before the expiration of the period of usual lengths of stay on the grounds that the certification would be unproductive; for example, when the usual duration of stay is two days or less. Certification on the first day of stay might yield no significant advantage in the review process. This professionally determined time of certification of need for continued care is a logical checkpoint for the attending physician and is not to be construed as a barrier to further necessary hospital care. Neither should the use of norms as checkpoints, nor any other activity of the PSRO, be used to stifle innovative medical practice or procedures. The intent is not conformism in medical practice—the objective is reasonableness.

PSRO disapproval of the medical necessity for continued hospital care beyond the norm for that diagnosis will not mean that the physician must discharge his patient. The physician's authority to decide the date of discharge as well as whether his patient should be admitted in the first place cannot be and are not taken from him by the PSRO. The review responsibility of the PSRO is to determine whether the care should be paid for by medicare and medicaid. By making this determination in advance, the patient, the institution, and the physician will all be forewarned of the desirability of making alternative plans for providing care or financing the care being contemplated.

Similarly, as feasible, out-of-institution norms would be developed and utilized based upon patterns of actual and proper practice by physicians. Such norms are available in many areas to an extent today. It is recognized that continuing efforts will need to be made to improve the scope and comprehensiveness of such norms.

Employees of the PSRO would be selected by the organizations and would not be Government employees. Where the Federal Government has paid for or supplied necessary equipment to the review organizations, title to such property would remain with the Government.

A PSRO agreement would include provision for orderly transfer of medicare and medicaid records, data and other materials developed during the trial period to the Secretary or such successor organization as he might designate in the event of termination of the initial agreement. Such transfer would involve only those records pertinent to medicare and medicaid patients and would be made solely for purposes of permitting orderly continuity of review activities by a successor PSRO.

Properly established and properly implemented throughout the Nation, professional standards review mechanisms can help relieve the tremendous strain which soaring health costs are placing upon the entire population. Emphasis, wherever possible, upon the provision of necessary care on an outpatient rather than inpatient basis could operate to reduce need for new construction of costly hospital facilities. Hospital bed need would be further reduced by reductions in lengths of hospital stay and avoidance of admission for unnecessary or avoidable hospitalization.

To be effective, the PSRO provisions will require full and forthright implementation. Equivocation, hesitance, and half-hearted compliance will negate the intended results from delegation, with appropriate public interest safeguards, of primary responsibility for professional review to nongovernmental physicians. For these reasons, the committee expects that the Inspector General for Health Administration (whose office is established under another amendment) will give special attention to monitoring and observing the establishment and operation of the PSRO's to assure conformance and compliance with congressional intent.

As I have stated, Mr. President, I will speak later this week to the distortions, allegations and hypocrisies which have been widely disseminated in an effort to discredit and thwart Professional Standards Review.

CHALLENGE FACES UNIVERSITIES IN LAST QUARTER OF 20TH CENTURY

Mr. HUMPHREY. Mr. President, last month Dr. Albert Sabin addressed the Winter Convocation of the George Washington University on the "Challenges to Universities in the Remaining Years of the 20th Century."

Being both a brilliant scientist and a concerned citizen, Dr. Sabin provides valuable insight into the tremendous implications of future world growth and offers a variety of constructive proposals on how our universities can help cope with the problems that rapid growth will entail.

According to Dr. Sabin, more than two and one half billion people, in many areas of the world, are weighted down by poverty and despair, and this number may increase two to threefold in the next 26 years.

Because economic conditions for these nations cannot, under present circumstances, be expected to improve significantly without major outside help, Dr. Sabin believes that the United States and other relatively affluent countries must substantially expand efforts to supply the resources required for progress to be made in the developing nations.

Dr. Sabin refutes the notion that enough food cannot be produced to feed the increasing world population. Through proper utilization of existing knowledge, Dr. Sabin feels it is possible to produce 40 times as much food as we are now producing.

Dr. Sabin's primary thesis is that future plans for universities cannot be made without consideration of global growth and development problems. In transforming knowledge into action, Dr. Sabin believes that universities can serve as centers for dispassionate analysis of problems facing their communities, States, nations, and the world. In addition, universities can develop the leaders, teachers, and scholars we must have to produce the knowledge on which the future of mankind depends.

I wholeheartedly agree with Dr. Sabin's astute analysis of the implications of world population growth, along with his proposed plan on how universities can address the demands of the future.

Mr. President, I ask unanimous consent that the text of Dr. Sabin's speech at George Washington University be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

CHALLENGES TO UNIVERSITIES IN THE REMAINING YEARS OF THE 20TH CENTURY: REFLECTIONS OF A CONCERNED CITIZEN

(By Albert B. Sabin, M.D.)

You may justifiably wonder, as indeed have I, whether my own academic life and experience of half a century endow me with any special competence to speak wisely—perhaps "*wisely*" is the key word—on the subject I have chosen for tonight: "Challenges to Universities in the Remaining Years of the 20th Century." It is for this reason that I have chosen to add to this title: "Reflections of a Concerned Citizen." I should indicate, however, that I have not spent my life in an ivory tower of medical research. I enrolled in New York University a little over 50 years ago, I worked at the Lister Institute of Preventive Medicine in London 40 years ago and immediately thereafter for 5 years at the Rockefeller Institute for Medical Research in New York, then for a little over 30 years as a research professor at the University of Cincinnati, then as President of an outstanding scientific research institute, the Weizmann Institute of Science in Israel, where in addition to facing up to the need for coordinating many academic activities I had to meet the realist's final challenge—namely that of meeting a payroll approaching $20 million per annum—and now in my "golden" years back again in the laboratory struggling with quite small pieces of the action in cancer research and at the same time tackling some of the larger pieces of the action as a catalyst, which I prefer to my formal title of expert consultant.

Moreover, my work has taken me to many parts of the world, under different forms of government, where I have always taken advantage of my official visits to search for understanding of their ways of life, their problems, and their struggles for solutions.

If I were to ask Presidents of American universities what they regarded as *the most important challenge* to American universities in the remaining years of the 20th century—and I have not taken such a poll—my guess is that the majority would probably answer: *survival!* Survival in the sense of preventing the disintegration of the quality of their institutions in the face of decreasing income, increasing costs and increasing numbers of students—and they may very well add: never mind the remaining 26 years of this century, the challenge is now; it is the next few years that worry us.

I do not wish to minimize the importance of this and other equally pressing immediate challenges—but I have chosen to reflect tonight on a much more fundamental challenge—namely a redefinition of the functions, responsibilities, and *modus operandi* of institutions of higher learning in the face of the critical problems that will beset this country and the world in the remaining years of the 20th century. If problems are not anticipated and if appropriate action is not taken well in advance of the time they reach crisis levels, one must be prepared to suffer the chaos that follows. My thesis is that future plans for universities cannot be made without reference to the problems facing their nations and the world.

The reason I chose to think in terms of the remaining years of the 20th century—and that is not too long a period to anticipate—is that along with many others I believe that the fate of the entire world, of the relatively affluent as well as of the poverty-stricken, economically undeveloped parts of it, may very well be decided during this critical period. The affluent countries will not be able to isolate themselves from the fate of the rest of the world. During a critical period in the life of this nation more than 100 years ago, Abraham Lincoln said that this nation could not long survive half slave and half free. In the present era there is, in my judgment, sufficient justification for saying that the world cannot long survive one-third relatively affluent and two-thirds on a collision course with catastrophe.

The challenge to all of us—not just the universities—is whether we can succeed in finding ways to use the tremendous store of knowledge already available plus that which it is in our power to acquire, to create a life and a world better by far than any we have yet known, or whether we shall descend to a level of barbarism unequalled in human history. I know that this is strong language but I am convinced that it is warranted.

The history of human civilization is to me a history of the growth of cooperation among ever larger units of human society in order to achieve those survival values which can be realized only through cooperative effort. And yet, with full appreciation of the reality and immensity of the difficulties, the present national and world leaderships seem to me to be largely bogged down in the ruts of "business as usual" in dealing with totally new problems which require totally new approaches and cooperative efforts both nationally and internationally on a hitherto unprecedented scale.

In the United States, where only about 5 percent of the working population can produce not only all the foods we need now and in the foreseeable future for ourselves as well as for millions of others in the world—the remainder of the population must have all kinds of other jobs. As a result, about 70 percent of the American population is already packed into two percent of the area of the United States. Sure there is enough room in this country for 100 million, or even 300 million, more people but not if the distribution of the population is not changed. People concentrate in cities, or very near them, because that is where the jobs are. The economically most depressed part of the American population is now concentrated in cities which can no longer support a way of life that is a justifiable part of the American dream. Whether the population of the U.S. will increase by only another 50 million or by 100 million before the end of this century, the problems are much the same and they are problems for which we must begin to plan now.

In the more or less affluent, highly industrialized countries, the challenge is to provide the opportunities for a life of self-fulfillment and dignity for an ever larger number of people. We must never forget that the present well-being of the majority could be eroded by a continuing increase in the misery and unfulfilled expectations of a minority. In the economically more advanced countries we are living in highly specialized societies in which the pattern of a better life can be achieved only through the efforts of ever larger numbers of people with special skills that can be acquired only by hard work in institutions of higher learning. We must be especially careful, therefore, not to create a society in which only an intellectual elite and the indispensable professional specialists will be endowed with dignity and the gratification of self-fulfillment. For there will always be many millions who will not be inclined to study and yet will serve society in innumerable ways by their toil. Contrary to the unqualified statement in the Declaration of Independence we are not all created equal—except *in that* we are all entitled to life, liberty and the pursuit of happiness. And if Thomas Jefferson would be writing in the present era I think he would add that we are also born equal in being entitled to self-fulfillment and dignity. The world was not made for the elite, although the world would be a poor place without its specially endowed, most talented, competent, creative, and hard-working individuals who constitute the real chosen people, or elite. I would say, however, that the elite achieve their own greatest self-fulfillment, gratification, and dignity when they serve the world.

Plans for the future well-being of the people in the U.S.A. and other relatively affluent countries cannot be made without reference to what is happening in the rest of the world.

As a result of our generosity to the nations who made war against us and to others whom we helped to become industrial giants, both in Europe and in Japan, we are now finding ourselves in competition with these new giants for markets both at home and abroad. I think that our generosity in helping to create these industrial giants will go down as one of the noble chapters in American history. But we are unable to sustain our present standard of living merely by supplying our own population with its needs. We depend upon production for export to other parts of the world, thus creating competition with the giants of Western Europe and Japan.

I am old enough to remember that World War I came out of a similar conflict among the European nations. We're back almost in the same old groove, except that the problems are bigger. In my judgment, it is wrong to try to divide the pie; we must create a larger pie. I think the challenge to the advanced industrialized nations of the world is to help create new markets in the areas of the world inhabited by two-thirds of the world's population, now bogged down in poverty and despair.

There are now more than 2,500 million people in many areas of the world where there is very little progress toward fulfillment of those needs that would bring them at least some hope for a better ilfe. This large number of people now living in misery and despair will increase two- to three-fold in the next 26 years, because the rate of population growth is greatest among the most poverty-stricken nations whose economic development cannot, under present conditions, improve significantly without outside help.

Lord Snow and others have been saying that very soon we shall see people starving by the millions and that it is already too late to do anything about it. If we do nothing more than is being done now, then the prophets of doom may turn out to be right.

The challenge now and in the near future is to prove the prophets of doom to be wrong. There is a capacity among the developed portions of mankind and enough goodwill among the people themselves to make cooperation with the hundreds of millions of poverty-stricken and hopeless people in the world the major goal of humanity *now!*

I don't think the United States can do it alone. I don't think the United States with Western Europe and Japan can do it. This must be a world effort involving both the capitalist and communist countries, and it must be on a new, and unprecedentedly large scale.

Those who say that enough food cannot be produced to feed the increasing population are wrong. Proper utilization of existing knowledge, even without finding new knowledge, can make it possible to produce 40 times as much food as we're producing now, while the population is increasing perhaps two or three times.

There are some people in this country and abroad who say that all that is needed is to stop population growth by introducing birth control on a large scale. While birth control is necessary and desirable, its effectiveness increases with general development of a country. Besides the problem is too big for any single approach.

It is in this context that I group the really important challenges to universities in the relatively affluent parts of the world in the following three categories:

1. Transformation of the universities into real institutions of higher learning and transfer of the responsibility for providing a broad liberal education to the secondary schools.

2. Reorganization of the curricula and activities of the universities to permit greater involvement of both the faculty and students in the identification of those problems in their communities, states (or regions), nations, and the world whose solution requires specialized knowledge and concerted action between those who know and

know how to learn and those who need. Such activities would, of course, be part of the very job of training the great multitude of highly specialized professionals and scholars that must be the main business of institutions of higher learning, in addition to the discovery of new knowledge in the humanities and sciences, totally unrelated to any other human need than the urge to know more about the universe of which we are a part.

3. Universities in the service of that part of the world whose educational and economic underdevelopment poses the greatest threat not only to the hundreds of millions of deprived and despairing people who live there, but also to the fate of the rest of the world.

The reason for my first recommendation is that, in my judgment, the four years of undergraduate study in the university should be neither the time nor the place for a broad liberal education. I believe that a liberal education should be provided to all of our people, and that they should get it in the high schools. We have been underestimating too long what youngsters, 14 to 18 years old, can absorb provided they are not burdened with myriads of unnecessary and boring details and are instead presented a curriculum that makes the learning process the exciting experience it ought to be. Already more than 300 years ago the great French mathematician and philosopher Descartes warned against "cluttering the mind" with irrevelent, old data.

You may wonder what I regard to be the essentials of a liberal education. One of the most important objectives of a liberal education is to provide human beings with some perspectives of what is currently known about the universe, about the magnificence of the skies above us and of the planet earth which we share with an almost infinite variety of living things, about the miracle that is life, the story of man as a part of nature, and about the story of man's struggles towards a more civilized existence, which I would define as the process of working together to improve the quality of life for ever larger numbers of people, and the acceptance of the principle that mutual help is the very foundation of both self-preservation and justice. A liberal education should provide an insight into the evolution of religion, not only one's own religion but of all religions, so that we can know how different peoples have been searching for an understanding of the mystery of creation and have been trying to develop ethical and moral guidelines—and also as a basis for greater mutual understanding and tolerance.

A liberal education must provide an insight into the riches of human artistic expression, about painting, sculpture, architecture, and music. I call music my vitamin M. I can survive without it but it would be a pretty dreadful life if I could not hear the beautiful, soul-stirring music in which man has expressed his deepest emotions over the centuries of struggle toward a spirtually richer life.

A liberal education must provide an insight into the nature of matter and of life—up to the threshold of current scientific exploration, and also to show how much scientific research and the technologies resulting from it have changed the life of so large a portion of the world's population and how little it has as yet affected the life of more than two-thirds of the world's population. We can no longer afford the luxury of teaching in high school the science of 50 years ago and then bring the youngsters into college and start all over again. The young people in the high schools can understand present-day science. This understanding should be as much a part of the cultural totality of a person as an understanding of the contribution of the humanities, of philosophy, of art, and of music. We cannot live intelligently in the present world, which survives on the discoveries of science and technology, without understanding how this knowledge is acquired. It not only gives a greater appreciation and understanding of every thing around us, but it is the basis for building a better world. And I do not mean to leave out the proper study of foreign languages.

A book of less than 300 pages entitled "A Million Years of Man" by Richard Carrington, published about ten years ago, in my judgment provides more of the essentials of a liberal education than the courses in the four undergraduate years leading to the Bachelor of Arts degree in most universities. Moreover, it is written in a manner that can make absorption of its contents by high school students not only possible, but, I believe, also a delicious, exhilarating and mentally stimulating experience. There may be other such books but I haven't read them. A liberal education must provide not only knowledge about ourselves and of the world we live in, but must also enrich and broaden the spirit not just of a few but of the large masses of people. We must never forget that the most inhuman, barbaric acts of the 20th century, and from the point of view of the magnitude of the crime probably the most barbaric acts in all our history were committed by the Nazis, who constituted the government of a nation with the highest level of formal, artistic, philosophic, scientific and technical education in the world. I have some friends, for whom I have the highest respect, who believe that this horrible episode in human history should be forgotten as a bad dream. I believe, however, that it must not be forgotten because the same thing could happen again among other nations as well—unless we "immunize" the spirit of large masses of the world's propulation against acquiescence in such barbarism by *appropriate* humanistic education during the early years of life.

My second recommendation for limiting the activities of our universities to those that are appropriate for institutions of *higher* learning (with special emphasis on the word "higher") must, of course, be integrated with the fundamental changes that must be made in our primary and secondary schools. There is, in my judgment, a great urgency here because time is too short for the slow, laissez-faire, uncoordinated, evolutionary process. Following the so-called "Sputnik awakening" in this country in 1957, James B. Conant, an outstanding chemist and former president of Harvard University, was asked to suggest ways to invigorate our high school education. His 1959 report "The American High School Today" offered many guidelines to school boards and principals on course requirements, school staffing, optimum class size, etc. Last month, Dr. Conant was quoted by Robert Reinhold in the New York Times (January 16, 1974) as saying that the report was "over-simplified—I guess nobody pays much attention to it today." I take the time to mention this episode in order to emphasize the need for more urgent and coordinated action along new lines, on an unprecedented scale, and as a high priority, national cooperative enterprise.

When I speak of reserving the universities for *higher* education and for public service in transforming knowledge into action, I have in mind some of the following functions:

(a) develop the leaders, the teachers, the professors, the scholars, the scientists, and the tremendous variety of highly specialized and skilled professional people so urgently needed for our present and future way of life—the engineers, the architects, the physicians, the dentists, the nurses, the administrators and managers of all sorts, etc. etc.,

(b) discover the new understanding and new knowledge, on which our future depends, and

(c) serve as the centers for dispassionate analysis of the problems facing their communities, states, nation, and the world along *inter-disciplinary* lines within individual universities, and in concert with others when dealing with larger "pieces of the action," and in like manner developing various options for solving the problems with existing knowledge or yet to be acquired new knowledge—and in all of this, work closely with those people in their communities, state, nation, etc. who ultimately have to translate knowledge and decisions into action.

In a highly complex society few things happen by themselves. Careful, thoughtful planning and coordination of activities is a prerequisite for the successful functioning of any highly developed organism. If our universities were to work together with the other segment of our society along the lines I just mentioned, we would not be suffering from what some experts regard as a current overproduction of highly specialized, talented people, and what I regard as a tragic, current underutilization of such people because of insufficient and inadequate planning for meeting the urgent needs of both the present and the future. In the August 25, 1972 issue of Science, Richard A. Cellarius and John Platt published a most illuminating, thoughtful and well-documented article entitled: "Councils of Urgent Action" in which they itemize a tremendous number of urgent problems and indicate how "Coordinating councils could focus and legitimize research on solutions of our major crises." Their concrete proposals could well be the starting of action that is long overdue.

When I spoke of the role that would have to be played by the universities of the educationally and economically highly developed countries in any truly meaningful, cooperative international program and effort on behalf of the hundreds of millions of struggling people in the educationally and economically undeveloped part of the world, I had in mind especially the need that would arise for large armies of trained manpower, if—and this is a big *"if"*—only the nations of the world unite in cooperating on this most important goal.

Until such time as the poor developing countries train enough of their own, there would be needed armies of teachers, agronomists, engineers, all sorts of technologists, managers of industry, and of other enterprises, and of many others with specialized knowledge and skills to get things started. For money alone without the necessary trained manpower is not enough. And where are these great, new armies of trained manpower to come from? The existing universities in the U.S.A. and other educationally advanced countries would be unable to meet the need, and new institutions would have to be created to meet this greatest challenge of the remaining years of the 20th century. The universities can perhaps begin to plan on their own but it would be an exercise *in vacuo* and futility, unless the nations of the world united to develop practical, cooperative plans which would properly utilize such armies of trained manpower. The communist and capitalist countries will have to combine against what may be regarded as their common enemy—the growing misery and despair of ever larger numbers of people throughout the world—instead of fighting each other in the current primitive manner that is the greatst threat to the survival of all. If the nations can unite to meet this common threat, the universities will have to raise new armies for a new kind of United Nations whose main purpose will be to provide dignity and hope for a new and better life to the hundreds of millions of people in the world who find it impossible to help themselves in the time they have left. The time for more and more talk has long since passed and the time for action is now.

If what I have just said is not to be just one more fervent declaration among the many already made by scholars, politicians and statesmen, and if it is not to share the fate of the many more expert recommendations, which have been followed by little or no significant action, I believe it is necessary to ask action by whom? It seems to me that in the United States the responsibility for action belongs to the elected representatives of the people in both the legislative and the executive branches of the government. And the universities *united* (I stress the word "united") in a dedication, that can inspire their students and faculties alike, have the responsibility not only of continually prodding the elected representatives to action but also of working with them in a disciplined manner to develop and implement the plans for a better future than we now have reason to expect.

DÉTENTE: THE BALANCE SHEET

Mr. DOMENICI. Mr. President, many Americans are casting many glances at proposals relating to détente. In last Thursday's New York Times there is a most thoughtful article regarding détente written by Hans J. Morgenthau entitled "Détente: The Balance Sheet." Mr. Morgenthau's analysis of this subject is deserving of the attention of this august body and I, therefore, ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DÉTENTE: THE BALANCE SHEET

(By Hans J. Morgenthau)

Détente has had a bad press of late on both sides of the fence that was once called the Iron Curtain. A national weekly writes of "Détente: End of Illusions." A Soviet general states that "political détente cannot be durable and irreversible if the arms race continues." On the other hand, the President and Secretary of State inform us that détente serves the purpose of avoiding nuclear war.

In order to gain perspective on such sweeping statements it may not be superfluous to remind oneself of the literal meaning of détente.

The word refers to the previous existence of tension that has been abated or eliminated in consequence of détente.

Since there have been many tensions between the United States and the Soviet Union on different levels of social interaction and in different geographical locations, it is futile to raise the question of whether or not détente as an abstract, comprehensive concept has worked.

It makes sense only to ask whether or not previously existing specific tensions have been abated or eliminated by the policies of President Nixon and Leonid I. Brezhnev. When posed in such concrete, specific terms, the question requires a positive answer with regard to three kinds of tensions that have in the past poisoned the relations between the superpowers.

One manifestation of détente is the removal from over-all Soviet-American relations of the ideological fervor that during the Cold War transformed every contest into a Manichean conflict between good and evil, making negotiated settlements virtually impossible. This ideological decontamination has improved the atmosphere, an improvement that in an intangible fashion has improved the chances for the negotiated settlement of substantive issues.

Another manifestation of détente is the substantial settlement of the German question through West German recognition of the territorial status quo in Central Europe and, more particularly, of the East German state, and through agreement on the international status of West Berlin.

Finally, the 1972 agreements on the limitation of strategic arms, regulating the competition for offensive nuclear weapons and virtually eliminating that for defensive ones, have paved the way for the current strategic-arms negotiations and have thereby at least temporarily abated the tensions concomitant with an unregulated nuclear-arms race.

That short list of instances where détente has been successful is counterbalanced by a long one of issues that have remained unaffected by détente and may even have been aggravated by its partial achievement.

That is particularly true of Europe, where the conferences on European security and on mutual and balanced troop reductions are deadlocked and where the very fact of détente in Central Europe and the apparent overall détente between the United States and the Soviet Union have accentuated the disintegrative tendencies within the North Atlantic Treaty Organization.

In the Middle East, the two superpowers compete for power and influence, as they do in the countries bordering on the Indian Ocean. The thrust of Soviet expansion from the eastern Mediterranean through the Middle east to South Asia, supported by rapidly increasing naval power and movement in to the empty spaces left by the liquidation of the colonial empires, is likely to create new points of tension.

Two factors are bound to put into question the few instances of real détente achieved: the deadlock of the present strategic-arms negotiations and the American reaction to certain domestic policies of the Soviet Union.

The Soviet general quoted here on "political détente" has indeed a point. The continuation of an unlimited nuclear arms race will create tensions wiping out the limited gains made by détente thus far.

For since each side will suspect the other of seeking a first-strike capability, such an arms race will introduce an element of instability into the present balance of terror, which—and not détente—has actually prevented the outbreak of nuclear war.

While this development is still a matter of conjecture, the negative impact of the domestic policies of the Soviet Union upon détente is an observable fact.

American concern with these policies is not, as Soviet spokesmen would have it, meddling in the domestic affairs of another country. Rather it reflects the recognition that a stable peace, founded upon a stable balance of power, is predicated upon a common moral framework that expresses the commitment of all the nations concerned to certain basic moral principles, of which the basic moral principles, of which the preservation of that balance of power is one.

As long as the excesses of domestic brutality in the Soviet Union indicate the absence of such a common moral framework, détente can only be limited and precarious.

THE SCARCITY SOCIETY

Mr. McGOVERN. Mr. President, the April 1974 issue of Harper's magazine contains an excellent article by William Ophuls—formerly a foreign service officer and a lecturer in political science at Yale—entitled "The Scarcity Society." It is Mr. Ophul's view that the age of abundant resources is over and that henceforth a much more prudent stewardship of the Earth's resources will be required if peace and order are to be established.

This article is one of the most thoughtful and informed that has come to my attention. I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE SCARCITY SOCIETY: FAREWELL TO THE FREE LUNCH—AND TO FREEDOM AS AN INFINITE RESOURCE

(By William Ophuls)

Historians may see 1973 as a year dividing one age from another. The nature of the changes in store for us is symbolized by the Shah of Iran's announcement last December that the price of his country's oil would thenceforth be $11.87 per barrel, a rise of 100 percent over the previous price. Other oil-producing countries quickly followed suit. The Shah accompanied his announcement with a blunt warning to the industrialized nations that the cheap and abundant energy "party" was over. From now on, the resource on which our whole civilization depends would be scarce, and the affluent world would have to live with the fact.

Our first attempts to do so have been rather pitiful. In Europe, the effect was to reduce once-proud nation-states to behavior that managed, as one observer put it, to combine the characteristics of an ostrich and a flock of hens. In America, which now lacks almost any observable leadership, the reaction to the statement was merely a general astonishment, followed by measures even more inappropriate than those adopted by the Europeans (except for Kissinger's efforts to promote international cooperation).

In one sense, Iran's move marked a dramatic geopolitical "return of the repressed," as the long-ignored Third World for the first time acted out its demand for a fair share of the planet's wealth. And the powerful new Organization of Petroleum Exporting Countries (OPEC) is only the first such group; resource cartels in copper, tin, bauxite, and other primary products may soon follow OPEC's example. But in another, more important sense, the Shah laid down a clear challenge to the most basic assumptions and procedures that have guided the industrialized democracies for at least 250 years. That challenge is the inevitable coming of scarcity to societies predicated on abundance. Its consequencies, almost equally inevitable, will be the end of political democracy and a drastic restriction of personal liberty.

For the past three centuries, we have been living in an age of abnormal abundance. The bonanza of the New World and other founts of virgin resources, the dazzling achievements of science and technology, the availability of "free" ecological resources such as air and water to absorb the waste products of industrial activities, and other lesser factors allowed our ancestors to dream of endless material growth. Infinite abundance, men reasoned, would result in the elevation of the common man to economic nobility. And with poverty abolished, inequality, injustice, and fear—all those flowers of evil alleged to have their roots in scarcity—would wither away. Apart from William Blake and a few other disgruntled romantics, or the occasional pessimist like Thomas Malthus, the Enlightment ideology of progress was shared by all in the West.* The works of John Locke and Adam Smith, the two men who gave bourgeois political economy its fundamental direction, are shot through with the assumption that there is always going to be more—more land in the colonies, more wealth to be dug from the ground, and so on. Virtually all the philosophies, values, and institutions typical of modern capitalist society—the legitimacy of self-interest, the primacy of the individual and his inalienable rights, economic laissez-faire, and democracy as we know it—are the luxuriant fruit of an era of apparently endless abundance. They cannot continue to exist in their current form once we return to the more normal condition of scarcity.

Worse, the historic responses to scarcity have been conflict—wars fought to control resources, and oppression—great inequity of wealth and the political measures needed to maintain it. The link between scarcity and oppression is well understood by spokesmen for underprivileged groups and nations, who react violently to any suggested restraint in growth of output.

Our awakening from the pleasant dream of infinite progress and the abolition of scarcity will be extremely painful. Institutionally, scarcity demands that we sooner or later achieve a full-fledged "steady-state" or "spaceman" economy. Thereafter, we shall have to live off the annual income the earth receives from the sun, and this means a forced end to our kind of abnormal affluence and an abrupt return to frugality. This will require the strictest sort of economic and technological husbandry, as well as the strictest sort of political control.

The necessity for political control should be obivous from the use of the spaceship metaphor: political ships embarked on dangerous voyages need philosopher-king captains. However, another metaphor—the tragedy of the commons—comes even closer to depicting the essence of the ecopolitical dilemma. The tragedy of the commons has to do with the uncontrolled self-seeking in a limited environment that eventually results in competitive overexploitation of a common resource, whether it is a commonly owned field on which any villager may graze his sheep, or the earth's atmosphere into which producers dump their effluents.

Francis Carney's powerful analysis of the Los Angeles smog problem indicates how deeply all our daily acts enmesh us in the tragic logic of the commons:

"Every person who lives in this basin knows that for twenty-five years he has been living through a disaster. We have all watched it happen, have participated in it with full knowledge. . . . The smog is the result of ten million individual pursuits of private gratification. But there is absolutely nothing that any individual can do to stop its spread. . . . An individual act of renunciation is now nearly impossible, and, in any case, would be meaningless unless everyone else did the same thing. But he has no way of getting everyone else to do it."

If this inexorable process is not controlled by prudent and, above all, timely political restraints on the behavior that causes it, then we must resign ourselves to ecological self-destruction. And the new political strictures that seem required to cope with the tragedy of the commons (as well as the imperatives of technology) are going to violate our most cherished ideals, for they will be neither democratic nor libertarian. At worst, the new era could be an anti-Utopia in which we are conditioned to behave according to the exigencies of ecological scarcity.

Ecological scarcity is a new concept, embracing more than the shortage of any particular resource. It has to do primarily with pollution limits, complex trade-offs between present and future needs, and a variety of other physical constraints, rather than with a simple Malthusian overpopulation. The case for the coming of ecological scarcity was most forcefully argued in the Club of Rome study The Limits to Growth. That study says, in essence, that man lives on a finite planet containing limited resources and that we appear to be approaching some of these major limits with great speed. To use ecological jargon, we are about to overtax the "carrying capacity" of the planet.

Critical reaction to this Jeremiad was predictably reassuring. Those wise in the ways of computers were largely content to assert that the Club of Rome people had fed the machines false or slanted information. "Garbage in, garbage out," they soothed. Other critics sought solace in less empirical directions, but everyone who recoiled from the books' apocalyptic vision took his stand on grounds of social or technological optimism. Justified or not, the optimism is worth examining to see where it leads us politically.

The social optimists, to put their case briefly, believe that various "negative feedback mechanisms" allegedly built into society will (if left alone) automatically check the trends toward even more population, consumption, and pollution, and that this feedback will function smoothly and gradually so as to bring us up against the limits to growth, if any, with scarcely a bump. The market-price system is the feedback mechanism usually relied upon. Shortages of one resource—oil, for example—simply make it economical to substitute another in more abundant supply (coal or shale oil). A few of these critics of the limits-to-growth thesis believe that this process can go on indefinitely.

Technological optimism is founded on the belief that it makes little difference whether exponential growth is pushing us up against limits, for technology is simultaneously expanding the limits. To use the metaphor popularized during the debate, ecologists see us as fish in a pond where all life is rapidly being suffocated by a water lily that doubles in size every day (covering the whole pond in thirty days). The technological optimists do not deny that the lily grows very quickly, but they believe that the pond itself can be made to grow even faster. Technology made a liar out of Malthus, say the optimists, and the same fate awaits the neo-Malthusians. In sum, the optimists assert that we can never run out of resources, for economics and technology, like modern genii, will always keep finding new ones for us to exploit or will enable us to use the present supply with ever-greater efficiency.

The point most overlooked in this debate, however, is that politically it matters little who is right: the neo-Malthusians *or* either type of optimist. If the "doomsdayers" are right, then of course we crash into the ceiling of physical limits and relapse into a Hobbesian universe of the war of all against all, followed, as anarchy always has been, by dictatorship of one form or another. If, on the other hand, the optimists are right in supposing that we can adjust to ecological scarcity with economics and technology, this effort will have, as we say, "side effects." For the collision with physical limits can be forestalled only by moving toward some kind of steady-state economy—characterized by the most scrupulous husbanding of resources, by extreme vigilance against the ever-present possibility of disaster should breakdown occur, and, therefore, by tight controls on human behavior. However we get there, "Spaceship Earth" will be an all-powerful Leviathan—perhaps benign, perhaps not.

A BIRD IN THE BUSH

The scarcity problem thus poses a classic dilemma. It may be possible to avoid crashing into the physical limits, but only by adopting radical and unpalatable measures that, paradoxically, are little different in their ultimate political and social implications from the future predicted by the doomsdayers.

Why this is so becomes clear enough when one realizes that the optimistic critics of the doomsdayers, whom I have artificially grouped into "social" and "technological" tendencies, finally have to rest their different cases on a theory of politics, that is, on assumptions about the adaptability of leaders, their constituencies, and the institutions that hold them together. Looked at closely, these assumptions also appear unrealistic.

Even on a technical level, for example, the market-price mechanism does not coexist easily with environmental imperatives. In a market system a bird in the hand is always worth two in the bush.[1] This means that resources critically needed in the future will be discounted—that is, assessed at a fraction of their future value—by today's economic decision-makers. Thus decisions that are economically "rational," like mine-the-soil farming and forestry, may be ecologically catastrophic. Moreover, charging industries—and, therefore, consumers—for pollution and other environmental harms that are caused by mining and manufacturing (the technical solution favored by most economists to bring market prices into line with ecological realities) is not politically palatable. It clearly requires political decisions that do not accord with current values or the present distribution of political power; and the same goes for other obvious and necessary measures, like energy conservation. No consumer wants to pay more for the same product simply because it is produced in a cleaner way; no developer wants to be confronted with an environmental impact statement that lets the world know his gain is the community's loss; no trucker is likely to agree with any energy-conservation program that cuts his income.

We all have a vested interest in continuing to abuse the environment as we have in the past. And even if we should find the political will to take these kinds of steps before we collide with the physical limits, then we will have adopted the essential features of a spaceman economy on a piecemeal basis—and will have simply exchanged one horn of the dilemma for the other.

Technological solutions are more roundabout, but the outcome—greater social control in a planned society—is equally certain. Even assuming that necessity always proves to be the mother of invention, the management burden thrown on our leaders and institutions by continued technological expansion of that famous fishpond will be enormous. Prevailing rates of growth require us to double our capital stock, our capacity to control pollution, our agricultural productivity, and so forth every fifteen to thirty years. Since we already start from a very high absolute level, the increment of required new construction and new invention will be staggering. For example, to accommodate world population growth, we must, in roughly the next thirty years, build houses hospitals, ports, factories, bridges, and every other kind of facility in numbers that almost equal all the construction work done by the human race up to now.

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*Marxists tended to be more extreme optimists than non-Marxists, differing only on how the drive to Utopia was to be organized.

[1] Of course, noneconomic factors may temporarily override market forces, as the current Arab oil boycott illustrates.

The task in every area of our lives is essentially similar, so that the management problem extends across the board, item by item. More over, the complexity of the overall problem grows faster than any of the sectors that comprise it, requiring the work of innovation, construction, and environmental management to be orchestrated into a reasonably integrated, harmonious whole. Since delays, planning failures, and general incapacity to deal effectively with even our current level of problems are all too obvious today, the technological response further assumes that our ability to cope with large-scale complexity will improve substantially in the next few decades. Technology, in short, cannot be implemented in a political and social vacuum. The factor in least supply governs, and technological solutions cannot run ahead of our ability to plan, construct, fund, and man them.

Planning will be especially difficult. For one thing, time may be our scarcest resource. Problems now develop so rapidly that they must be foreseen well in advance. Otherwise, our "solutions" will be too little and too late. The automobile is a critical example. By the time we recognized the dangers, it was too late for anything but a mishmash of stopgap measures that may have provoked worse symptoms than they alleviated and that will not even enable us to meet health standards without painful additional measures like rationing. But at this point we are almost helpless to do better, for we have ignored the problem until it is too big to handle by any means that are politically, econmically, and technically feasible. The energy crisis offers another example of the time factor. Even with an immediate laboratory demonstration of feasibility, nuclear fusion cannot possibly provide any substantial amount of power until well into the next century.

Another planning difficulty: the growing vulnerability of a highly technological society to accident and error. The main cause for concern is, of course, some of the especially dangerous technologies we have begun to employ. One accident involving a breeder reactor would be one too many: the most minuscule dose of plutonium is deadly, and any we release now will be around to poison us for a quarter of a million years. Thus, while we know that counting on perfection in any human enterprise is folly, we seem headed for a society in which nothing less than perfect planning and control will do.

At the very least, it should be clear that ecological scarcity makes "muddling through" in a basically laissez-faire socioeconomic system no longer tolerable or even possible. In a crowded world where only the most exquisite care will prevent the collapse of the technological society on which we all depend, the grip of planning and social control will of necessity become more and more complete. Accidents, much less the random behavoir of individuals, cannot be permitted; the expert pilots will run the ship in accordance with technological imperatives. Industrial man's Faustian bargain with technology therefore appears to lead inexorably to total domination by technique in a setting of clockwork institutions. C. S. Lewis once said that "what we call Man's power over Nature turns out to be a power exercised by some men over other men with Nature as its instrument," and it appears that the greater our technological power over nature, the more absolute the political power that must be yielded up to some men by others.

These developments will be especially painful for Americans because, from the beginning, we adopted the doctrines of Locke and Smith in their most libertarian form. Given the cornucopia of the frontier, an unpolluted environment, and a rapidly developing technology, American politics could afford to be a more or less amicable squabble over the division of the spoils, with the government stepping in only when the free-for-all pursuit of wealth got out of hand. In the new era of scarcity, laissez-faire and the inalienable right of the individual to get as much as he can are prescriptions for disaster. It follows that the political system inherited from our forefathers is moribund. We have come to the final act of the tragedy of the commons.

The answer to the tragedy is political. Historically, the use of the commons was closely regulated to prevented overgrazing, and we need similar controls—"mutual coercion, mutually agreed upon by the majority of the people affected," in the words of the biologist Garrett Hardin—to prevent the individual acts that are destroying the commons today. Ecological scarcity imposes certain political measures on us if we wish to survive. Whatever these measures may turn out to be—if we act soon, we may have a significant range of responses—it is evident that our political future will inevitably be much less libertarian and much more authoritarian, much less individualistic and much more communalistic than our present. The likely result of the reemergence of sacrcity appears to be the resurrection in modern form of the preindustrial policy, in which the few govern the many and in which government is no longer of or by the people. Such forms of government may or may not be benevolent. At worst, they will be totalitarian, in every evil sense of that word we know now, and some ways undreamed of. At best, government seems likely to rest on engineered consent, as we are manipulated by Platonic guardians in one or another version of Brave New World. The alternative will be the destruction, perhaps consciously, of "Spaceship Earth."

A DEMOCRACY OF RESTRAINT

There is, however, a way out of this depressing scenario. To use the language of ancient philosophers, it is the restoration of the civic virtue of a corrupt people. By their standards, by the standards of many of the men who founded our nation (and whose moral capital we have just about squandered), we are indeed a corrupt people. We understand liberty as a license for self-indulgence, so that we exploit our rights to the full while scanting our duties. We understand democracy as a political means of gratifying our desires rather than as a system of government that gives us the precious freedom to impose laws on ourselves—instead of having some remote sovereign impose them on us without our participation or consent. Moreover, the desires we express through our political system are primarily for material gain; the pursuit of happiness has been degraded into a mass quest for what wise men have always said would injure our souls. We have yet to learn the truth of Burke's political syllogism, which expresses the essential wisdom of political philosophy: man is a passionate being, and there must therefore be checks on will and appetite; if these checks are not self-imposed, they must be applied externally as fetters by a sovereign power. The way out of our difficulties, then, is through the abandonment of our political corruption.

The crisis of ecological scarcity poses basic value questions about man's place in nature and the meaning of human life. It is possible that we may learn from this challenge what Lao-tzu taught two-and-a-half millennia ago:

"Nature sustains itself through three precious principles, which one does well to embrace and follow. These are gentleness, frugality, and humility."

A very good life—in fact, an affluent life by historic standards—can be lived without the profligate use of resources that characterizes our civilization. A sophisticated and ecologically sound technology, using solar power and other renewable resources, could bring us a life of simple sufficiency that would yet allow the full expression of the human potential. Having chosen such a life, rather than having had it forced on us, we might find it had its own richness.

Such a choice may be impossible, however, The root of our problem lies deep. The real shortage with which we are afflicted is that of key moral resources. Assuming that we wish to survive in dignity and not as ciphers in some ant-heap society, we are obliged to reassume our full moral responsibility. The earth is not just a banquet at which we are free to gorge. The ideal in Buddhism of compassion for all sentient beings, the concern for the harmony of man and nature so evident among American Indians, and the almost forgotten ideal of stewardship in Christianity point us in the direction of a true ethics of human survival—and it is toward such an ideal that the best among the young are groping. We must realize that there is no real scarcity in nature. It is our numbers and, above all, our wants that have outrun nature's bounty. We become rich precisely in proportion to the degree in which we eliminate violence, greed, and pride from our lives. As several thousands of years of history show, this is not something easily learned by humanity, and we seem no readier to choose the simple, virtuous life now than we have been in the past. Nevertheless, if we wish to avoid either a crash into the ecological ceiling or a tyrannical Leviathan, we must choose it. There is no other way to defeat the gathering forces of scarcity.

EXPORT CREDITS AND CONTROLS

Mr. STEVENSON. Mr. President, on Tuesday, April 2, the Subcommittee on International Finance will begin hearings on the role of the Export-Import Bank and export controls in U.S. economic and foreign policy.

The Bank's credits and export controls can be powerful vehicles for achieving U.S. objectives, both economic and political in the world. In an interdependent world, increasingly short of capital and raw materials, these tools play vital rôles. Their misuse can invite retaliation in the form of trade wars and denied access to supplies abroad. On the other hand, both can be used to gain access to supplies, to reduce barriers in international commerce and to achieve political objectives.

The statutory bases for export controls and credits expire on June 30 of this year. These hearings will provide an opportunity to examine current policy and determine the adequacy of existing statutory guidelines.

In a short time, worldwide economic conditions have undergone dramatic change. Basic assumptions have been shattered, and fundamental rules of international behavior have been challenged. United States relations with both adversaries and friends alike are being transformed.

"Détente is pursued bilaterally with the Soviet Union and China. Relations with Japan and Western Europe are consequently strained. The Arabs embargo oil and the United States embargoes soybeans. In 1971, after functioning for almost 30 years, the international monetary system devised at Bretton Woods met its demise. Flexible exchange rates now appear destined to become a permanent fixture.

In 1973, after enjoying decades of seemingly unlimited oil supplies, the world was plunged into an energy crisis of which the Middle East oil embargo was only one manifestation. Permanent and significantly higher fuel costs are the prospect.

Inflation has become a worldwide phenomenon. In the United States last year, consumer prices rose almost 9 percent. Today they are rising at an annual rate of over 15 percent.

Western Europe and Japan share the inflation with rates of price increase only slightly less severe.

Food shortages now appear endemic, and the prospects for short-term improvement are grim. World population is growing at a rate of almost 2 percent a year, most of it concentrated in the poorer countries of the world. In less than a generation, total population may double. Maintaining per capita food consumption will require a twofold expansion in agricultural production. Most, if not all, of that must come from three or four countries, of which the United States is one.

Meanwhile, the future availability of other essential raw materials is increasingly uncertain. Commodity prices are at alltime highs. Supplies are being exhausted.

The United States today relies on imports to meet the demand for bauxite, manganese, nickel, tin, chrome, and zinc. By 1985, according to some estimates, domestic supplies of iron, tungsten, and lead will be exhausted. By the year 2000, domestic sources of copper, potassium, and sulfur may also be gone.

All this means that the interdependence of nations is growing. The United States will become increasingly dependent on others for essential productive resources. Other nations, in turn, will become increasingly dependent on the United States. Mutual dependence means that the international economic system may become increasingly vulnerable to unilateral action.

The Arab oil embargo is a dramatic example. Petroleum is an essential commodity. The industrialized world is dependent on its ready availability. Moreover, oil is a prime ingredient in such important products as fertilizers, medicines, and synthetic substitutes for limited natural materials of many varieties.

When oil supplies were suddenly and unexpectedly cut off in the fall of 1973, the entire world, developed and underdeveloped alike, was plunged into uncertainty. Alliances were threatened and political and economic relations strained. Policy was made to bend to the wishes of the oil producing states. The resumption of oil production at high prices will mean hardship for rich nations; it could mean disaster for poor nations. It may force fundamental changes in the U.S. social structure and way of life. And it could wreak havoc on the international monetary and financial systems. From bauxite to bananas—producing nations are considering similar concerted action.

Thus, in this interdependent world, the relationship between economic and political power is fraught with dangers of enormous magnitude. But it also presents significant opportunities. Economic power can be used to bring the world closer together or it can be wielded to tear it apart. It can be employed to promote international trade, commerce, and comity or be made subservient to domestic political objectives. It can be used to promote long-term national goals or be made subject to short-term commercial interests.

The United States, with its enormous resources, talent, technological capability, and capital can exert a profound influence on international behavior. To insure that it does, careful review of how our economic power is being used and how it can and should be used is in order.

The Export-Import Bank is a good place to begin. With lending authority of $20 billion, which under pending legislation would increase to $30 billion, it is capable of significant power and influence.

As recently as 1972, the Bank had no involvement with Russia. In May of that year, "détente" was ushered in with the signing of an agreement to establish a joint United States-U.S.S.R. commission to negotiate commercial agreements covering such matters as trade, credits, business facilities, and the development and sale of raw materials and resources.

Since then, the Export-Import Bank has extended almost a billion and a half dollars in loans and guarantees for the sale with goods and services in the Soviet Union and Eastern Europe, including such major facilities as a $340 million truck plant, a $44 million acid plant, a $36 million iron ore pellet plant, a $3 million computer system, a nuclear technical center, and offshore oil drilling equipment. For the Soviet Union alone, almost $289 billion in direct Exim loans are presently outstanding. Pending are applications for an additional billion dollars or more in loans and guarantees for the Soviet Union and Eastern Europe for such things as a $400 million chemical complex, a $110 million gas exploration project, and a $41 million automobile manufacturing process.

With transactions of this magnitude involving countries with which the United States has had no substantial economic relations for the past 30 years, it is reasonable to examine the policies the Bank is pursuing. They involve countries whose military posture and political systems are still, to a large extent, inimical to the best interests of the United States.

Numerous questions are raised: Are these transactions based solely on the export promotion considerations which are intended to govern the Bank? If not, are they consistent with the Bank's statutory mandate? Has the President made the statutorily required national interest determination with respect to these transactions or have.they, as ruled recently by the General Accounting Office, been made in violation of law?

Does exposure of over $1 billion in that part of the world impair the financial soundness of the Bank? What are the prospects of collection in the event of default?

At a time when capital and equipment for energy development at home are in short supply, and many billions of dollars in new investment are required to meet projected U.S. energy needs. Is it wise for the United States to be financing energy development abroad, particularly when financing is at below market interest rates and there can be no assurance that the resulting production will be available for U.S. markets?

Should the lending rate remain fixed at 7 percent in all cases or should it be flexible? Should the lending rate vary with the type of project and length of term?

Should the Bank finance exports of military arms and defense related servives? What role should Congress play in overseeing transactions supported by the Bank?

Should the United States provide financial assistance to countries which deny fundamental political and human rights? Can it influence the behavior of such countries by denying such assistance? Will transactions with the Soviet Union really help to secure détente or will they merely strengthen the Soviet Union for continued confrontation with the West? Are America's long-term national interests being sold for short-term commercial or political gain?

These are only some of the questions which have been raised. They must be explored and answered before Exim legislation can be acted upon. The Bank appears to have come a long way from its export promotion origins and it is incumbent on us to gain a clearer understanding of its present role and purposes. So that the Congress may do that before additional questionable transactions are consummated, I have asked the Bank to suspend further approvals of credits to the Soviet Union and Eastern Europe pending resolution of the doubts and uncertainties involved. Mr. President, I ask unanimous consent that my letter of Friday to the President of the Bank in that regard be included in the RECORD at the end of this statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. STEVENSON. Export control policy needs similar review. Access to supplies is one of the most important issues facing the world today. Resort to controls over scarce materials to achieve political objectives or to drive world prices up and extract cartel or monopoly profits could plunge the world into a new era of economic nationalism, causing grave uncertainty and inestimable harm to developed and underdeveloped countries alike. Can the United States take a lead in countering such action? How can it begin the process of generating international agreement and cooperation? Is authority for retaliatory use of controls or authority for such negotiations necessary? Proposals bearing on these questions are presently pending before the Congress and will be examined in the course of these hearings.

Also pending is a bill (S. 2411) which I cosponsored with Senator Javits to establish a system for assuring sufficient food supplies at home while at the same time insuring that we continue to supply both our traditional customers abroad as well as the people of the developing nations. In light of the projections of persistent worldwide food shortages, some measure such as this may be necessary to increase agricultural productivity and prevent chaos in international food markets. It may be necessary to barter food for oil.

Wheat shortages which we currently face dramatize the folly of failing to provide for shortages. The soybean embargo in the summer of 1973 shows the disruption to international markets and established trading and political relationships which occurs when exports are suddenly terminated. Customers in other lands who were deprived of needed food supplies rightly questioned the reliability of the United States as a supplier. By failing to provide for the shortage contingency, the United States did a disservice both to its own citizens and the people of the rest of the world.

Export control policy is the vehicle for achieving a balance between the needs of American consumers and the Nation's international obligations. S. 2411 seeks to strike that balance and will receive careful consideration.

International economic policy encompasses a wide range of issues. In today's international climate, the issues raised by export financing and export control are most important. These hearings will provide an opportunity to devise policies to improve that climate and permit effective pursuit of U.S. interests and international responsibilities. Questions regarding the hearings should be directed to Stanley J. Marcuss, International Finance Subcommittee counsel, room 456, Russell Senate Office Building, Washington, D.C. (202—225–2854).

Exhibit 1

March 29, 1974.

Hon. William J. Casey,
President and Chairman, Export-Import Bank of the United States, Washington, D.C.

Dear Mr. Chairman: As you know, substantial controversy surrounds the extension of Export-Import Bank credits to the Soviet Union and Eastern Europe. The GAO has ruled that transactions with Communist countries without a separate national interest determination by the President with respect to each transaction are illegal. In both the Senate and House, measures have been introduced calling for the suspension or termination of Exim credits to the Soviet Union. Pending trade legislation contains a provision which could severely limit the Soviet Union's eligibility for future credits. And the International Finance Subcommittee, which I chair, will start hearings next week on the role of the Export-Import Bank in U.S. international economic policy. Exim has already agreed to be the first witness.

There is good reason for the Congress to be concerned about the policies which guide the Bank in these transactions. As recently as January of 1973, the Bank had no involvement with the Soviet Union. Since then, however, almost a billion and a half dollars in loans and guarantees have been extended to Russia and Eastern Europe for such major facilities as a $340 million truck plant, a $44 million acid plant, a $36 million iron ore pellet plant, a $3 million computer system, a nuclear technical center, and offshore oil drilling equipment. Pending with respect to the Soviet Union are applications for an additional quarter of a billion dollars or more in loans for such things as a $400 million chemical complex, a $110 million gas exploration project, and a $41 million automobile component manufacturing process. With transactions of this magnitude and type involving non-market countries with which the United States has had no substantial economic relations for the past thirty years, it is reasonable to expect serious inquiry about the policies which the Bank is pursuing, particularly since they involve countries whose military posture and political systems are still, to a large extent, inimical to the best interests and values of the United States.

Of particular concern is the apparent haste with which these credits have been approved. When the GAO issued its ruling concerning their illegality, the Bank temporarily suspended further approvals. Yet one day after Exim secured an opinion from the Attorney General which disputed that of the GAO, Exim announced approval of an additional $74 million in loans to the Soviet Union, Yugoslavia, Poland, and Romania.

I pass no judgment on the merits of the conflicting legal opinions. However, the existence of such conflict may be of concern to the business community because of the questions it may raise regarding the validity of the affected transactions. Moreover, not only does the legal controversy remain, but fundamental policy issues are involved which the Congress and the International Finance Subcommittee are now examining. Therefore, I request that the Export-Import Bank immediately suspend all further approvals of loans, guarantees, and insurance involving transactions with the Soviet Union and Eastern Europe until the Subcommittee has completed its upcoming hearings on international economic policy and the Congress has resolved the issues involved.

Compliance will not involve significant delay for, as you know, the Exim statute expires on June 30 of this year. Final action on Exim legislation will be taken in the immediate future. Meanwhile, exploration and resolution of the doubts and uncertainties which have arisen will be of lasting benefit to all concerned.

Sincerely,

Adlai E. Stevenson,
Chairman, Subcommittee on International Finance.

BOY SCOUT PROGRAM FOR THE HANDICAPPED

Mr. DOLE. Mr. President, I was pleased to learn recently of expanded efforts by the national organization of the Boy Scouts of America to promote scouting programs for the handicapped. A resolution was passed at the BSA annual convention in 1973 promising support to local scouting groups which are specifically designed for boys with physical and mental impairments. At the same time, a National Advisory Committee on Scouting for the Handicapped was established to provide advice and counsel to all such groups.

In view of the large number of handicapped boys who have already distinguished themselves as Boy Scouts, these recent provisions are particularly appropriate and worthy of recognition. I want to express my most sincere wishes for the success of this program and ask unanimous consent that the texts of the BSA Resolution and Advisory Committee Statement be printed in the Record.

There being no objection, the resolution and statement were ordered to be printed in the Record, as follows:

Annual Meeting, Boy Scouts of America,
Minneapolis, Minn., May 23–25, 1973

RESOLUTION

Whereas Scouting is for all boys, and:

Whereas the Boy Scouts of America seek to get a representative one-third of all boys of Scouting age as participants in Cubbing, Scouting and Exploring, and;

Whereas a number of boys have overcome their disabilities to distinguish themselves in Scouting; now, therefore, be it resolved that:

The Boy Scouts of America does recognize the need to encourage more boys with impairments to become participants in Cubbing, Scouting and Exploring;

The National organization will provide complete support to efforts of sponsors, organizations, local councils and Scouters to increase participation of boys with handicaps, so that a representative one-third of all boys with impairments of Scouting age become participants.

The Boy Scouts of America will consider the needs of those with handicaps in designing facilities and developing and implementing programs.

Boy Scouts of America will establish—and regularly seek the advice and counsel of—a National Advisory Committee on scouting for the handicapped. Further the Committee will meet at least annually to review plans, programs and progress and to make recommendations to enhance Scouting for the Handicapped.

National Advisory Committee on Scouting for the Handicapped Advisory Panel

BACKGROUND

The Boy Scouts of America are serving an increasing number of boys with physical, social, mental and emotional problems. Fully aware of both the increased interest in Scouting for the Handicapped and the opportunities for the Scout movement to better serve such boys, a resolution was approved at the May 1973 Annual Meeting of the Boy Scouts of America, authorizing the formation of a Committee on Scouting for the Handicapped. The intent was "to encourage more boys with impairments to become participants in Cubbing, Scouting, and Exploring."

ORGANIZATION

Under the direction of the Relationships Committee, persons will be named to the new committee representing leading national organizations which are already Scouting partners which can make a major contribution in the field of the handicapped, vital private citizens, representatives of appropriate Federal Departments and agencies and interested members of the National Executive Board of the Boy Scouts of America.

The Committee shall have as its Advisor, the Director of Scouting for the Handicapped. It shall have a chairman and one or more vice-chairmen and shall meet yearly at the time of the BSA Annual Meeting and if necessary at the call of the chairman.

OBJECTIVES

The Committee will provide "advice and counsel" of the Education Relationships Committee of the Boy Scouts of America and to enhance Scouting for the Handicapped.

The Committee shall establish and maintain close relationships with all national organizations interested in serving the handicapped and shall seek their advice and counsel when appropriate, encouraging the organizations to support Scouting for the Handicapped through sponsorship of Scout units on a local level, publications, periodicals and occasional special pamphlets and working with local councils.

The end result being that the organization would use the Scouting program to accomplish its objectives. Local Scout councils could provide a better Scouting program to boys with handicaps by working with the organization and the community of which both are a part.

The committee shall encourage formation of Regional, Area and Council Committees on Scouting for the Handicapped and assist such committees once they are formed. The chairman of these committees will automatically be a member of the National Advisory Committee.

The Committee shall review and update all manuals, literature and visuals related to Scouting for the Handicapped and shall work with Cubbing, Scouting and Exploring services to the end that their materials, manuals, literature and visuals include adequate reference to handicapped boys.

The Committee shall review and act upon recommendations referred to them which might affect programs of a national nature related to Scouting for the Handicapped, i.e., Training programs and national activities.

The Committee shall be alert to the possibilities of cooperating with other organizations and agencies serving boys and shall encourage the Boy Scouts of America to authorize and promote such cooperation to programs such as the Special Olympics.

The Committee shall maintain close liaison with the National Committees on Cub Scouting, Scouting and Exploring.

The Committee shall send items of general or special interest to appropriate news media and shall utilize channels of publicity and public relations to promote Scouting for the Handicapped.

SUMMARY

Central to all Committee objectives, policies and programs is the realization of the Boypower goal of a representative one-third of all American handicapped boys in Scouting from the present approximate 6%.

THE CONDOMINIUM

Mr. BIDEN. Mr. President, an article by Terry Brown in the Wall Street Journal examines the trend and potential of a relatively new housing concept—the condominium. Real estate developers estimate that condominium prospects are better than ever now, despite recent publication of the pitfalls and myriad difficulties which accompany the condominium style of living. More condominiums are expected to be built this year than in any previous year:

> With housing starts predicted to be off 15% to 20% this year from last year's 2.05 million units, the National Association of Home Builders says condominium starts will increase 4% from a year ago to 230,000 individual units.

On the other hand, the consumers are prey to indequate disclosure and enforcement laws or underestimate their new responsibilities for maintenance.

Mr. President, I ask unanimous consent that the text of this informative article be printed in the Record following my remarks.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Wall Street Journal, Mar. 29, 1974]

CONDOMINIUM BUYERS DISCOVER OWNERSHIP ISN'T ALWAYS CAREFREE

(By Terry P. Brown)

The condominium, the hottest product in residential real estate for the last three years, may be headed for hard times unless something is done to soothe a growing number of unhappy buyers.

Lured by promises of carefree living, tax advantages and recreational amenities, young and old have flocked to buy their own apartments, usually in urban high-rises or suburban townhouse communities. Many say they haven't received what they bargained for, and the complaints of irate condominium owners—who developers insist are a "vocal minority"—are intensifying.

Condominium buyers charge that some developers are underestimating maintenance fees that buyers must pay in addition to their regular monthly mortgage outlay. There also are complaints of unrealistic delivery dates, unwarranted developer control over projects, exorbitant fees for recreation facilities and poor-quality apartments. Where older apartment buildings are being converted from rental units into condominiums, some tenants say they are being harassed into buying or are being forced to move. As a result of all this, industry observers predict that an increasing number of states will pass disclosure and enforcement laws to protect buyers.

SOME TERRIBLE THINGS

"The condominium concept is no flash in the pan, but so many have been built in the last three years that many inexperienced developers got into the business," says Alan J. Brody, chairman of Heitman Mortgage Co. of Chicago. "Consequently, some terrible things have been pushed down buyers' throats, and in today's competitive market the selling pressure and abuses are bound to get worse."

Many developers concede that there have been problems but say that some such woes result from the buyers' lack of understanding of condominiums.

Some of the worst abuses allegedly have occurred in Florida, where more than 250,000 condominium units have been built, many as retirement homes or vacation retreats. Things were so bad that in 1972 Gov. Reubin Askew appointed Brown L. Whatley, chairman of Arvida Corp., a real-estate development firm, to conduct statewide hearings. "Under our present law, we found there is opportuntiy for greed and inefficiency by sharp developers. The likelihood of disappointment for the buyer is great," Mr. Whatley said.

Many people buy a condominium thinking they will own not only their apartment but also a share of such common areas as the swimming pool and clubhouse. But in Florida, a widespread practice is for developers to retain ownership of recreational facilities and rent them back to the apartment owners on a long-term contract. The buyer must agree to the arrangement when he buys, or he must look elsewhere. "Some developers are getting fat by charging $250,000 a year on 99-year leases to use just a small swimming pool," says David W. Unterberg, a Florida attorney.

RETAINING CONTROL

Condominium buyers also expect to run their building through an elected board of directors, but some find that the developer still has his hooks in it. In one North Miami Beach condominium, the apartment owners were locked into a 25-year management agreement with an agent and an attorney selected by the developer. The owners' association took over the building's management and sued to void the contract, but the state supreme court upheld the agreement. "We think these agreements are tie-in contracts in restraint of trade, so now we've filed an antitrust suit in the federal courts," says Ernest Samuels, a resident. "In the meantime, we're paying $60,000 a year to the managing agent and $10,000 to the lawyer to keep them out."

It isn't uncommon for monthly assessments to go up or special assessments to be made. Mr. Samuels contends that when the owners' association took over the building in 1970, it had to pay $100,000 to waterproof several apartments that had been damaged by rain. "At the end of this year, we expect the cost of renting a swimming pool, clubhouse and small doctor's office to go up more than 50%, to about $340,000 from $220,000 a year," he adds.

Leonard Schreiber, president of Point East Enterprises, the developer of Mr. Samuels' condominium, says: "the courts have held that all of the contracts and documents are valid. Everything was there for them or their attorneys to read well before they bought their apartments. There has never been any question of fraud or the misuse of funds."

In Chicago, Suzanne Dub, a suburban schoolteacher, bought a condominium that was under construction last summer and was told that it would be finished last November. On the basis of the promise, Miss Dub moved out of her apartment, but her condominium still isn't ready. "If I rescind the contract, I might lose my $3,700 down payment," she says. "In the meantime, I'm living in a hotel, and it's costing me plenty."

RENTAL-UNIT SHORTAGE

Conversions have added to the dissatisfaction. They have become so popular in some cities that rental units are at a premium. In Chicago last year, about 13,700 individual condominium units were registered, more than in all the previous five years; experts say about 30% of those were converted from rental units. Says Chicagoan Melvin R. Luster, who specializes in buying old rental units and converting them to condominiums: "Because of increasing real estate taxes and operating costs, any good rental building in a good location will be a condominium within five years."

Mrs. Jura Scharf, a vice president of Urban Research Corp., a Chicago urban-affairs firm, recently bought a condominium in the city's Hyde Park area, near the University of Chicago, where conversions have been heavy. "My husband and I had to buy because the building we were living in was converted out from underneath us, and we couldn't find a comparable apartment to rent," Mrs. Scharf says. "The scarcity of rental units is changing the neighborhood because students can't afford to live here anymore."

Critics charge that buildings are converted unexpectedly without sufficient notice to the tenants. Eugene Matanky, a Chicago real-estate developer, bought a 17-story apartment building recently on the city's fashionable North Lake Shore Drive. Mrs. Irene Alexander, a tenant there, says: "Some of the tenants moved in and signed two-year leases only two months before the building went condominium, and now those who don't want to buy are receiving phone calls at odd hours from salesmen, and our apartments are being shown at inconvenient times." Legally, any tenant can stay until his lease expires, but many don't realize this.

Mr. Matanky denies that he is pressuring the tenants to buy. "You expect some inconvenience for the tenants whenever a building is converted," he says, "but we're even extending leases to help them out."

"Conversions generally are a sophisticated form of abandonment," contends Albert C. Hanna, vice president of Percy Wilson Mortgage & Finance Corp., a mortgage-banking unit of U.S. Steel Corp. "An owner is no longer able to operate a building successfully, so he passes the problems along to the buyer." Mr. Hanna adds: "Many unit buyers find their assessment fees raised to cover the cost of deferred maintenance after they move in, and suddenly the sales pitch about condominiums as a good investment doesn't look too good."

Real-estate men say that one reason for misunderstanding in the field is that many purchasers believe that state and federal laws will protect them from misrepresentations or deceptive practices by the developer and his salesmen. Many don't bother to hire an attorney to represent them at the closing, and some don't read whatever legal documents are presented. The amount of information that the developer is required to disclose and the methods for checking it vary. States such as New York, Michigan, Virginia, California and Hawaii require extensive information and have review agencies to approve it. Other states have minimal disclosure laws and only superficial review.

Anticipating some of the headaches, New York in 1964 passed what are perhaps the nation's toughest condominium laws. They prohibit developers from retaining control of recreational facilities. In addition, each developer offering to sell in the state must prepare a detailed prospectus, resembling a stock-offering prospectus, which is reviewed and approved by the state attorney general's office. A typical prospectus may run 150 pages and contain detailed estimated operating budgets, financing details, background on the developer and lengthy descriptions of the project. Builders say the preparation of the prospectus is "expensive and a pain," but most concede, as one national builder says, that "it forces you to put everything on the table."

MOMENTUM IN OTHER STATES

Other states soon may be moving in this direction. In Illinois, builders are required to present the buyer with only a copy of the condominium declaration, association bylaws, a proposed budget and floor plans. A lender or tile-insurance officer may review the documents. A package of condominium bills has been introduced in the Illinois house of representatives that would require the builder deliver a detailed prospectus for review by the secretary of state's office. In Florida this year, the legislature will consider bills that would create a condominium-regulatory agency and require a prospectus for each project.

The federal government also is said to be taking a look at condominium regulation. Condominium owners in Miami say they were interviewed late last year by representatives of the Federal Trade Commission regarding alleged industry abuses there, but the agency refuses to confirm or deny that it is investigating this field. Some experts have urged the Securities and Exchange Commission to extend its present regulation of condominiums, which now covers only those built as investments to be rented out rather than lived in year-round. But a commission spokesman says, "We haven't any interest in regulating primary living units."

Meanwhile, more condominiums are expected to be built this year than in any previous year. With housing starts predicted to be off 15% to 20% this year from last years 2.05 million units, the National Association of Home Builders says condominium starts will increase 4% from a year ago to 230,000 individual units. It isn't clear how many condominiums there are nationally, however, because they, along with rental units, are reported as apartments. But some experts estimate that there are more than two million individual condominium units, up from only 300,000 in 1970.

In addition to condominiums, there are also cooperative apartments, in which each resident is a shareholder in a corporation that owns the building. These are popular in New York City, but have never caught on in a big way elsewhere. Even along posh Fifth Avenue, however, Realtors say condominiums are beginning to cut into the cooperative market. Like the condominium owner, the cooperative-apartment owner is responsible for paying a share of the maintenance costs of the building and can be subject to escalating fees. Generally, however, cooperative owners haven't been subjected to the same abuses as their condominium counterparts.

Condominium activity has been so strong recently that some analysts fear overbuilding. "In Chicago, San Diego, Miami and Seattle, there are substantial inventories of unsold condominiums," says George P. Jahn, vice president of Advance Mortgage Corp. of Detroit. "Where there has been heavy condominium building, there's a shortage of rentals, and some cities are swinging back. Detroit went from a 60% condominium market to at least 60% rental late last year."

THE URGE TO SELL

Developers are anxious to fill their buildings. In Atlanta, some condominiums are being rented with options to buy. In Chicago, builders are offering cash discounts or premiums. In San Diego, some are picking up closing costs. One hotel in Palm Beach, Fla., that is converting to a condominium says it will pay for two weeks' vacation for those who "try before they buy." To get a competitive market edge, Louis R. Silverman, president of a Chicago development and condominium brokerage firm, is guaranteeing that maintenance assessment fees won't rise for two years.

What can condominium buyers do to protect themselves from high-pressure selling tactics? Here are some of the things, real-estate men advise:

The buyer should check into the background and reputation of the developer and take a look at his other projects. The purchaser should read whatever legal documents are presented. He should make sure there is a detailed operating budget clearly spelling out monthly assessments and what services will be received in return. The purchaser should find out who will manage the building and should ask if the developer has provided reserve funds to correct any minor construction flaws that might be discovered after the buyer moves in.

Developers, however, aren't ready to accept full blame for the problems. Many people still don't understand what condominiums are and the way of life they involve, the developers say. "Many first-time condominium buyers are apartment renters who buy with unrealistic expectations," says William D. Sally, vice president of Baird & Warner Inc., a Chicago real-estate firm. "Some don't realize they're responsible for the interiors of their apartments and a proportionate share of the common areas. If the faucet leaks, they can't tell the landlord anymore to fix it."

David Froberg, president of Manageers Inc., a suburban Chicago property-management firm, says there are other problems as well. "Condominium living sometimes means bowing to the will of the majority as determined by the elected board of directors who run the project," Mr. Froberg says. "But this can be trouble if you own a dog and the majority bans pets or if the board decides to raise your assessment fee to pay for new tennis courts and you don't play tennis."

SOLZHENITSYN'S NEW LETTER EXPLAINS CALL ON SOVIETS TO ABANDON AGGRESSION AND LAY DOWN ARMS

Mr. HELMS. Mr. President, Alexander Solzhenitsyn has been reunited with his family in Zurich, and, to judge from the news accounts, it was a joyful reunion. When Solzhenitsyn was arrested on February 12, it appeared highly doubtful that he would ever see his family again. But the worldwide outpouring of protest forced the rulers of the Soviet Union to expel this champion of human rights rather than kill him, or send him to a lingering death in Siberia.

Once he arrived in the West, there remained a lingering doubt that his family actually would be allowed to come out, as promised. The illness of his young son, the problem of gathering together the author's books and manuscripts, the stress and difficulties which Mrs. Solzhenitsyn faced in attempting all alone to cope with the Soviet bureaucracy all seemed to conspire to induce uncertainty.

Without the concerted protest of the Western world, Solzhenitsyn's life, and more important, his witness, could not have been preserved. Throughout the whole dialog on human rights in the Soviet Union, progress has been achieved in direct ratio to the intensity and multiplicity of protest from the outside. When the strength of public objection is lowered, then oppression increases; when international dissent is registered loud and clear, then the Soviets must act to accommodate world opinion.

This was one of the reasons that I introduced Senate Joint Resolution 188, to confer honorary U.S. citizenship upon Alexander Solzhenitsyn. Solzhenitsyn is a man who deserves that honor simply on behalf of the struggle which he himself has conducted against tyranny. But at the same time, when we honor him for that struggle, we are also protesting against the general deprivation of human rights in the Soviet Union. We are, in effect, making a significant and official gesture on behalf not only of Solzhenitsyn, but also on behalf of all the oppressed peoples in the Soviet Union.

To date, 37 Senators have joined in cosponsoring this resolution. But we should make this declaration unequivocal. Without the support of 37 Senators and without the support of similar protests, throughout the world, it is doubtful that Solzhenitsyn would now be reunited in freedom. But much more needs to be done. Insofar as the Soviets must react to such protest from the U.S. Senate, we are encouraging reform within the Soviet Union, and setting up the conditions under which a true détente is possible.

Solzhenitsyn himself indicates that this is true in a second letter which I received from him just last week. In speaking of his letter to the rulers of Russia, Solzhenitsyn wrote to me as follows:

> This program originated in the basic general premise that whole nations, just like individual persons, can reach their high spiritual purposes only by means of voluntary self-restraint in their external affairs and by intensive concentration on their "inner development." This program, therefore, proposed that my country refrain unilaterally from any external conquests, from violence against any neighboring states, from any world-wide claims, from any world contention, and in particular from the arms race—a proposal which I made on such a scale and with such an utter completeness of rejection that it surpasses anything that is today hoped for in terms of moderate, mutual "reduction of tensions." Some commentators have interpreted this as "nationalism," but it is the dynamic opposite of "nationalism."

Mr. President, what Solzhenitsyn is telling us is that the way to reduce tensions is to remove the cause of tensions, and, in particular, the aggressive Soviet interest in world domination. We must not expect such a major change to come about suddenly or of its own accord; it will only come about by supporting those elements in the Soviet Union that want such a change to come about. It can come about, despite superficial external appearances. Solzhenitsyn is the link to the progressive elements advocating change. In his recent letter to me, he writes:

> I am very much disturbed by the present conditions and trends of development in both our countries. As far as my country is concerned—and this is a fact not clearly visible from the outside—despite all its external physical power, my country is confronted with a dilemma: Either we will have a physical catastrophe (and before that, a spiritual catastrophe) or we will have a non-bloody, non-violent moral reform. As for myself and for my political friends in my country (from which I have been temporarily banished, but banished only physically), we come to the conclusion that the road to a humane future cannot be opened by a physical upheaval of power. The world has just gone through an entire era of such victorious revolutions and has now arrived at the point of chaos and disintegration.

Mr. President, these are constructive elements in Soviet society. In the long run, it is only by cooperation with such currents in Soviet development that we can achieve the hope of lasting peace. Nuclear arms are symptoms of antagonism, and the elimination of symptoms alone will never cure the problem. I call upon all Senators who have not yet cosponsored Senate Joint Resolution 188 to consider doing so now. Strong support of Senate Joint Resolution 188 is the best possible vehicle to respond to the humanitarian urgings of Solzhenitsyn. It gives him world stature to work for disarmament in his country, and it is a ringing endorsement by the Congress of the United States for his plan for peace. Here is a peace plan that will not cost the world one cent, and will actually remove the need for the arms race. Cosponsorship and endorsement of Senate Joint Resolution 188 will actually give Solzhenitsyn the tool that he needs for effective action. His letter to me closes in this fashion:

> And if in the future we want to experience not destructive revolutions, but constructive ones, then they must be moral revolutions—or rather new phenomena which cannot be foreseen in clear and precise forms at present. But let us hope that the world will find these forms better and higher than those of the past, and will be able to utilize them for the good, and not for blood.

Mr. President, it is no secret that the Soviet Union's leaders are hoping that they have turned aside the peaceful revolution urged by Solzhenitsyn by expelling him from his country. They are boasting to Western newsmen that the excitement over his expulsion has ebbed and that they have successfully defused a potentially damaging situation by expelling him. Indeed, a long article appeared in the New York Times of April 1 detailing this boast of the Soviets.

But as Solzhenitsyn says, his banishment is only a fiction. He may be physically banished, but his great influence, his leadership, and his symbolism remain in his native land. Indeed, I predict that the last has not yet been heard of Solzhenitsyn in Moscow. We cannot allow the Soviets to get away with their boast. There is no longer any reason to delay in cosponsoring Senate Joint Resolution 188. Solzhenitsyn is safe, his family is safe; it is only the world that remains in danger. We must grasp the opportunity now to work for lasting peace.

Mr. President, I ask unanimous consent that the article "Protests Ebbing on Solzhenitsyn," from the New York Times, be printed in the Record at the conclusion of my remarks.

Mr. President, I also ask unanimous consent that the current list of the 37 cosponsors of Senate Joint Resolution 188 be printed in the Record at the conclusion of my remarks.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the New York Times, Apr. 1, 1974]

Protests Ebbing on Solzhenitsyn: Western Diplomats Concede That Expulsion Tactic Is a Success for Kremlin

(By Hedrick Smith)

Moscow, March 31.—Despite the initial shock in the West over the forced exile of Aleksandr I. Solzhenitsyn, the Soviet leadership has been successful in ridding itself of the country's most celebrated dissenter without serious policy repercussions. After the expulsion six weeks ago, protests were raised by Western intellectuals and even some Government figures. But the Solzhenitsyn affair has not become a point of contention in any important East-West negotiations, or in discussions on the issues of human rights or freer flow of ideas between East and West.

The banishment of the 55-year-old author has demoralized a number of his friends and other iconoclastic Soviet intellectuals. They say privately that they fear official reprisals, now that Mr. Solzhenitsyn's protective presence—and the world attention— has been removed.

The authorities let his wife depart last week with her family and her famous husband's archives without problems or harassment. They had evidently calculated that this would quickly close the case and hasten the decline of Russia's most powerful and controversial writer of mid-century into oblivion in the West.

THE ONE RISK

The one risk for Moscow is that it will face both propaganda and policy repercussions later when Mr. Solzhenitsyn's book "The Gulag Archipelago, 1918–1956" comes out in large editions in the West.

By sentencing its author to permanent exile, the Kremlin gave the book far wider publicity and attention than it would otherwise have gotten and probably insured that this devastating account of the Soviet prison system—before, during and after Stalin—will be one of the most widely read books in a decade.

Some Western diplomats suggest that this could have repercussions, reinforcing the skepticism of some Western political factions toward détente with Moscow, and reviving suspicions about Stalinism, much as did the invasion of Czechoslovakia in 1968.

Only a few copies of the small Paris edition of "Gulag" are reportedly circulating here in Moscow, but interest in the work is intense among intellectuals and young people.

Black market prices run from 30 to 80 rubles (about $39 to $104). Waiting lists to read the circulating copies are said to be long. People reportedly devour the 606 pages in two or three days, not only because of the pressures of demand but also, some confess privately, a bit out of fear of being caught with such risky literary contraband in their possession.

SOME PARTIES PROTEST

Some Communist parties in places such as Sweden, Italy, and Yugoslavia have protested. L'Unita, the Italian Communist party newspaper, chastised Moscow for not having let Mr. Solzhenitsyn publish his book in the Soviet Union and then doing ideological battle with him. Unita condemned the use of "administrative measures" in a cultural matter, and even hinted that the Kremlin's handling of the affair showed signs of Stalinist tactics.

By and large, Western diplomats privately concede, the bold stroke of expelling Mr. Solzhenitsyn has been a success for the Kremlin. Privately, Russian dissidents voice some surprise that the protest in the West died down so quickly.

At the preparatory talks in Geneva for a European security conference, where human rights and freer movement of people and ideas are central points of controversy between negotiators from East and West, Mr. Solzhenitsyn's expulsion had been expected to stir a broad reaction. But reports from Geneva indicate that the matter has not even come up in the negotiations.

Mr. Solzhenitsyn's banishment was unique in that he had refused to bow to intense and unrelenting official pressures, refused to quit his homeland voluntarily, and had to be deported with an escort of eight security agents.

But the Soviet technique of exiling dissenters, even of having the secret police propose exile coupled with the threat of repressions and punishment, has become a fairly widespread tactic of the Kremlin for coping with domestic dissent over the last two years.

Less celebrated iconoclasts, also under great pressures, have reluctantly accepted exile abroad or to camps in Siberia or other punishment.

Mr. Solzhenitsyn is now following in a great Russian tradition of dissenters in exile, many of whom had great influence on their countrymen despite the physical separation.

Before parting, Mrs. Solzhenitsyn asserted that this would be her husband's lot. "They can separate a Russian writer from his native land," she said "but no one has the power and strength to sever his spiritual link with it, to tear Solzhenitsyn away from Russia."

List of Cosponsors of S.J. Res. 188

Mr. Helms of North Carolina.
Mr. Bartlett of Oklahoma.
Mr. Beall of Maryland.
Mr. Bennett of Utah.
Mr. Brock of Tennessee.
Mr. Buckley of New York.
Mr. Curtis of Nebraska.
Mr. Dole of Kansas.
Mr. Dominick of Colorado.
Mr. Fannin of Arizona.
Mr. Gurney of Florida.
Mr. Hansen of Wyoming.
Mr. Hatfield of Oregon.
Mr. Hruska of Nebraska.
Mr. Javits of New York.
Mr. McIntyre of New Hampshire.
Mr. Packwood of Oregon.
Mr. Schweiker of Pennsylvania.
Mr. Thurmond of South Carolina.
Mr. Weicker of Connecticut.
Mr. Nelson of Wisconsin.
Mr. Nunn of Georgia.
Mr. Ribicoff of Connecticut.
Mr. Tower of Texas.
Mr. Bayh of Indiana.
Mr. Bible of Nevada.
Mr. Domenici of New Mexico.
Mr. Hart of Michigan.
Mr. Hollings of South Carolina.
Mr. McGee of Wyoming.
Mr. Pell of Rhode Island.
Mr. Scott of Pennsylvania.
Mr. Williams of New Jersey.
Mr. Brooke of Massachusetts.
Mr. Jackson of Washington.
Mr. Moss of Utah.
Mr. Taft of Ohio.

INDIAN SELF-DETERMINATION AND EDUCATION ASSISTANCE ACT

Mr. KENNEDY. Mr. President, I would like to comment briefly on the appropriately named Indian Self-Determination and Education Assistance Act—S. 1017. This bill in many ways constitutes an answer to demands made by American Indians for many years. It represents the manifestation of a professed Federal policy of "self-determination without termination," and it reflects a congressional initiative toward shaping Federal programs more responsively and more responsibly to the needs of the Indian people.

We in Congress, as well as the members of the Indian community, recognize the important work of the chairman, members of the Interior Committee, and their hard-working staff. This bill constitutes the fruitful results of their efforts.

Many of us are familiar with recent history of S. 1017. In this regard, I want to commend the Senator from South Dakota (Mr. Abourezk), as well as the Senator from Washington (Mr. Jackson) and the Senator from Arizona (Mr. Fannin), for making an earnest endeavor to resolve the difficulties associated with the controversial part A of title II. In my opinion, the decision to substitute for that provision a legislative directive to the Secretary of the Interior, in consultation with the Secretary of Health, Education, and Welfare, to conduct further study of the educational needs of Indians is the wisest possible course. It eliminates the problems inherent in the proposed language containing formulas which would have an unpredictable impact on Johnson-O'Malley expenditures. And it acknowledges the need to reform the JOM program meaningfully while setting some time deadlines for the development of that reform.

The required approval of programs by local Indian parent committees will be a first for BIA-administered programs. And I am pleased to see the directive that funds provided under title II must be in addition to and supplemental to those made available under the Indian Education Act.

I fully support this valuable legislation.

WHY FERTILIZER IS SCARCE

Mr. DOMENICI. Mr. President, those of us who represent States with significant amounts of agriculture have been aware of the impending fertilizer shortage for some time now. A good analysis of the current scarcity of fertilizer and future prospects for increasing the supply is found in the Morgan Guaranty Survey for March 1974. I ask unanimous consent that the article "Why Fertilizer Is Scarce" appearing in this publication be printed in the Record to enable all who have an interest in the scarcity of fertilizer to benefit from this analysis.

There being no objection, the article was ordered to be printed in the Record, as follows:

Why Fertilizer Is Scarce

With the approach of the spring planting season, a scarcity of fertilizers is creating problems for the nation's farmers. Many are scrambling to lay in supplies, and there are frequent reports of dealers jacking up prices to "scalper" levels.

The basic problem is that domestic fertilizer demand has soared to unprecedented levels this year, partly as a result of a major shift in U.S. agricultural policy that is encouraging farmers to put millions of formerly idle acres into production. And, although fertilizer output is expected to be higher this year than last, the demand surge has outstripped industry capacity to produce as much nitrogen and phosphate—two of the three main plant nutrients—as farmers seem to want.

Since fertilizer use and crop production are closely linked, the fertilizer gap is causing widespread political and economic concern. Not only are expected carry-overs of U.S. food stocks low this year, but world demand for U.S. food products has been running at high levels. Moreover, the U.S. cannot rely to any significant extent on fertilizer imports to offset shortfalls in domestic production, since both nitrogen and phosphates are in tight supply worldwide. Indeed, many other countries have been clamoring to buy U.S. fertilizers.

Experts disagree, however, as to how serious the shortage is, because of different assumptions as to supply and demand. Given the impossibility of predicting precisely how much fertilizer farmers would buy if it were amply available, there are particularly wide differences of opinion as to how large demand really is.

It's nonetheless clear that the basic change in this country's agricultural policy effected last year, with the aim of encouraging maximum food production, is a key element in the surging demand for fertilizers. What happened was that the Administration, abandoning the decades-old policy of paying farmers to set cropland aside, lifted most restrictions on the amount of land that can be cultivated. And, in a related move, Congress passed legislation that will put a floor under farm incomes in times of low commodity prices. Cultivated acreage consequently has increased substantially.

In the 1972–73 crop year farmers harvested nearly 10% more land—or some 28 million more acres—than in the previous year. And a survey made as of March 1 of planting intentions for sixteen major crops during the 1973–74 crop year indicated that farmers are planning to put an additional 17 million acres into production this year. Since land that has been set aside usually is the poorest, it requires more fertilizer than land that has been in use. And according to the Fertilizer Institute, a trade association, much of the additional acreage put into crops in 1973 was inadequately fertilized owing to poor weather.

The flush cash position of farmers also is pushing up demand. At $26 billion in 1973 net farm income was not only a third higher than the year before but the highest on record. Too, with the prospect that farm commodities will fetch good prices this year, farmers are encouraged to apply fertilizer in liberal doses—as was illustrated by experience last autumn. Noting that the fertilizer industry never has enjoyed a strong market in the wheat belt, the president of the Fertilizer Institute told a Senate subcommittee last month: "With wheat now selling at $5.00 at the country elevator, I can hardly describe what occurred to us last fall when the winter crop was put in. We simply couldn't meet the demand from a suddenly created new large market."

Taking account of enlarged acreage and farmer affluence, the Department of Agriculture has estimated that demand this year could rise 12% for nitrogen nutrients to 9.3 million tons; 9% for phosphates to 5.5 million tons, and 8% for the third major nutrient, potash, to 4.7 million tons. In comparison, the historical trend over the past 25 years has been for U.S. consumption of all three main nutrients combined to rise at a rate of between 5% and 6% a year.

The difference between total requirements (demand plus handling losses) and net supply (which allows for exports and imports), according to the Agriculture Department's calculations, could amount to 5% for nitrogen, or a deficit of 450,000 tons, and about 12%–15% for phosphates, or a shortage of some 835,000 tons. For potash, an industry with excess capacity, the Department forecasts a surplus of 815,000 tons. The Fertilizer Institute, in contrast, is projecting a nitrogen deficit of nearly 1.5 million tons, about triple the Department's estimate.

A ROSY CROP FORECAST

Despite the fertilizer shortage, significantly, the Agriculture Department expects over-all crop production to increase this year and indeed recently asserted that food supplies will be "ample." In a report issued earlier this month, its specialists predicted for instance, that corn output will rise from 5.6 billion bushels last year to 6.7 billion this year and that the wheat crop will rise from 1.7 billion bushels to 2.1 billion.

Besides expectations that additional acreage will be planted this year, one reason for the Department's encouraging assessment of the food-production outlook is its belief that farmers have tended to overuse phosphate in recent years and thus have built up the level of this nutrient in soil, with the result that they may not need to use as much in the short run. Department specialists thus do not expect a shortfall in phosphates of the dimensions they project to have a greatly adverse effect on yields. The impact of the nitrogen shortage conceivably could be greater because this nutrient does not build up. Despite that fact, however, Department specialists believe that a nitrogen shortage may be less serious in its consequences than many fear. This, they say, is partly because nitrogen use actually will rise this year by some 6% over use last year; and while application rates may be lower in some instances than farmers would like, this should have a "negligible impact on yield." The reason for this, according to the Department, is that the relatively low cost of nitrogen fertilizers in recent years has caused many farmers to use them "beyond the optimal level, where yield increases are small relative to the added increments of fertilizer applied."

The Department's optimistic crop forecasts are viewed with skepticism by some private analysts who have suggested that the agency is overly optimistic about the effects of the fertilizer shortage on output. Other private analysts tend to believe that there is a reasonably good chance that the projections will turn out to be pretty much on the mark. Even if the U.S. is headed for a bountiful crop year with "ample" food supplies, however, it is clear that crops could have been even more abundant had there been sufficient fertilizer available to satisfy farmers' desires. In view of world food and fertilizer demand, this shortfall in potential U.S. crop output could have far-reaching consequences.

Spokesmen for the Agriculture Department, to be sure, are emphasizing that all forecasts hinge critically on the assumption that transportation bottlenecks will not severely impede fertilizer distribution in the weeks immediately ahead—something that is by no means certain because a shortage of rail cars is now evident in some key areas. Fertilizer-industry spokesmen cite the phosphate-producing areas of Florida and several Middle Western states as particular trouble spots. The car shortage is considered a critical problem at the Agriculture Department, and Secretary Earl L. Butz, stressing the importance of getting supplies to farmers during the planting season, recently requested the Interstate Commerce Commission to make an additional 4,000 rail cars available to assure "essential and immediate delivery." It now appears that this problem will be eased somewhat in the near future since the ICC acted promptly to meet part of the Secretary's request, ordering railroads to deliver 1,100 freight cars in April for use in moving fertilizer from Florida to other parts of the country.

The car shortage is causing particular concern because under the best of circumstances less fertilizer will be available for application this spring than last, owing to a significant departure from normal patterns of fertilizer use. Ordinarily, usage is highly seasonal, with minor application in the fall and major use in the spring. This year, however, farmers—to judge from general sales figures and from what is known about fertilizer usage in connection with the winter wheat crop—evidently put down considerably more fertilizer than usual in the fall and winter, partly in anticipation of a shortage. Underscoring the lessened availability of fertilizer this spring, producer inventories, which normally are accumulating prior to the spring season, were 45% lower at the end of January than a year ago, according to figures recently released by the Fertilizer Institute. The inventory situation would be less worrisome if fertilizer producers were not operating pretty much flat out.

A key reason U.S. producers lack sufficient productive capacity to cope more adequately with this year's demand is that during the 1960s the fertilizer industry went through a cycle of overexpansion, glut, and depressed prices. Between the first half of the decade and the late 1960s production capacity for ammonia—the basis of most nitrogen nutrients—approximately doubled; and the same was true of capacity of phosphoric acid—an intermediate product for most phosphate fertilizers that is considered a good barometer of industry capacity. As a result, by the late 1960s the U.S. fertilizer industry's production far exceeded consumption and prices plummeted, hitting bottom in 1969 and 1970. For instance, average producer prices for ammonia (f.o.b. plant), which in 1967 and 1968 were in the vicinity of $90 a ton, fell to between $20 and $25 a ton in 1969.

THE BASIC PROBLEM

In the resulting shakeout some firms that had entered the field during the boom, notably oil companies, withdrew from the business, while other producers closed old plants and stopped serving their least profitable markets. These problems, of course, stifled incentives to begin enlarging capacity in contemplation of future demand increases. Too, the government's resort to price controls in 1971 further discouraged investment, since profit-margin restraints under Phases II and III were based on years when prices were depressed. As a consequence of both the lean years and price controls, there has been a sharp slowdown in addition to capacity in recent years. According to estimates of the Tennessee Valley Authority, a center of scientific and economic research in the fertilizer field, phosphoric-acid capacity rose 16% between 1969 and 1973, while ammonia capacity increased only 5% during the period.

While this is the basic problem, a number of other factors unquestionably have played a part in creating the fertilizer shortage. Perhaps the most important is that a severe shortage of natural gas—the result in part of regulatory policies that have kept prices artifically low, thus deterring gas producers from bringing new supplies on stream—has impeded production of ammonia. Ammonia is made by combining nitrogen from the air with hydrogen from a hydrocarbon, and in this country natural gas is the feedstock for essentially all production. With delivery curtailments having become progressively more severe since 1970, the gas shortage has interrupted ammonia production at existing plants and discouraged producers from investing in new facilities.

The adoption of stiffer pollution-control standards by all levels of government also has contributed to the fertilizer shortage. Particularly important, expansion of phosphate rock production, the basic material for phosphate nutrients, has been delayed in Florida and other major quarrying areas by industry's inability to meet environmental specifications.

A BULGE IN EXPORTS

Another aspect of the problem is that the combination of U.S. price controls and the dollar's depreciation vis-à-vis other currencies had the inadvertent effect of stimulating U.S. fertilizer exports last year. With U.S. prices well below those in world markets, exports of nitrogen and phosphate nutrients rose some 30%, from 2.1 million tons in the 1971–72 year to 2.8 million tons in the year ended June 30, 1973. This represented a drain on domestic inventories and contributed significantly to the shortage problem.

Faced with an outcry over impending fertilizer shortages as this crop year began, the Cost of Living Council finally acceded to industry requests for price decontrol last October 25, noting it anticipated that with decontrol "needed fertilizer supplies will return to the domestic market." In return for pricing leeway, the Council asked for and received a commitment from some 40 major producers to make an additional 1.5 million tons of nutrient available to the domestic market before the end of the fertilizer year this June 30. The industry in effect agreed to channel all possible tonnage not already committed by export contracts to American farmers. As a result, the government forecosts an export rise this year limited to 8%.

The Council's decontrol action was a constructive first step in beginning to correct the imbalance between supply and demand, since it permitted producers to raise prices substantially. Ammonia, for instance, was quoted last October at $62.50 a ton delivered east of the Rockies but by mid-December the price was in the range of $95 to $125 a ton—about twice the level at the time of decontrol. By early January spot and new-contract prices for a broad range of nitrogen and phosphate fertilizers had risen 70%–100% above levels before decontrol.

However, pricing freedom was relatively short-lived. In January the Cost of Living Council, concerned over the rate of domestic price increase, induced producers to observe "voluntary" restraint on further price increases until the end of June. One consequence of voluntarism is that a black or "grey" market has emerged in this country, since retailers are not bound by restraint. Thus with the posted price of ammonia, for instance, in the neighborhood of $120 a ton in some areas, the product reportedly has been retailing for $200 a ton or more. Another consequence is that there still is a large spread between domestic and export prices because the latter have climbed steeply in recent months in response to international demand pressures.

PROSPECTS FOR A TURNAROUND

Despite current demand-supply imbalances, indications are that the phosphate shortage in the U.S. will lessen significantly in another year and perhaps even be eliminated entirely. Renewed optimism about the industry's growth prospects has prompted a number of U.S. producers of fertilizer and fertilizer ingredients to take expansion plans off shelves. In the case of phosphoric acid, for instance, expansion plans, if they all materialize, would boost capacity more than 30% by 1975. While there is some doubt in the industry that all of this plant actually will be built, enough seems assured to suggest that the phosphate shortage could actually give way to a situation of some overcapacity before the end of calendar 1975. In view of the difficulties phosphate rock producers have been experiencing in expanding rock output under Florida's environmental regulations, the higher level of phosphoric acid production probably will be achieved in part by a reduction of rock exports—which in recent years have amounted to about a third of U.S. production.

The nitrogen outlook, in contrast, is for domestic shortages to persist more or less indefinitely even if the U.S., a net exporter of these nutrients, curbs foreign sales somewhat. This reflects the fact that few industry analysts expect natural gas to become available in sufficient quantities to meet demand in the foreseeable future. Thus many analysts project that this country shortly will become a net importer of nitrogen—a not too happy prospect for the near future since nitrogen shortages are worldwide.

The outlook is brighter, however, if one takes a somewhat longer look into the future. A number of ammonia plants—which usually take about three years to bring on stream—are either being built or planned in Canada, Mexico, and the West Indies in large part with a view to supplying the U.S. market. The most ambitious projects are planned in Canada, and a considerable amount of new capacity is expected to come on stream within three years or so. Some analysts thus think that the nitrogen supply siuation in the U.S. will begin to turn around within the next few years. Optimism, to be sure, is tempered because in many cases construction schedules have been held up by difficulties in obtaining equipment. While industry expansion plans are encouraging, it is difficult to establish a timetable of additions to nitrogen capacity.

Meanwhile, until domestic supplies of fertilizer are brought back into more comfortable balance with demand, it would be most unfortunate if short-sighted interference by government with U.S. fertilizer pricing were to result in the adoption of illiberal trade policies. Significantly, pressure does seem to be building up for imposition of a formal embargo on U.S. fertilizer exports. Such action could be very damaging to countries cut off from U.S. supplies, particularly in the underdeveloped world where the shortage of fertilizer is more serious than it is here. Restrictive actions based on immediate self-interest inevitably would tarnish this country's trade reputation—as did last year's soybean episode—and also would entail the risk of retaliation. This could be harmful to the U.S. not only because this country imports more nutrient than it exports (4.4 million tons coming in vs. 3.7 million tons going out last year), largely reflecting U.S. reliance on Canada for over half of its potash supply; it could be harmful also because, as the article beginning on page 9 discusses, this country relies extensively on other countries for a long list of essential raw materials. Inviting retaliation would be folly.

NEED FOR IMPROVED RAIL SERVICE IN RHODE ISLAND

Mr. PELL. Mr. President, I take this opportunity to bring to the attention of my colleagues an excellent statement made recently to the Rail Services Planning Office of the U.S. Interstate Commerce Commission.

This statement was presented by Mr. Barry Schiller, representing the Ecology Action for Rhode Island Transportation Committee, and by Mrs. Josephine Milburn representing the Rhode Island Association of Railroad Passengers.

This statement emphasizes the need for improved rail service in my home State. It underscores my own convictions that we should be thinking in terms of the increased potentials of railroad usage and of the contributions which improved service can bring to our economy and to our ecology, rather than in terms of curtailments and possible abandonment of service.

Mrs. Milburn and Mr. Schiller, representing separate but closely related groups, have provided us with compelling arguments for better services applicable to all the areas concerned by the history-making legislation we passed in the Senate at the close of last year.

Mr. President, I ask unanimous consent that their statement be printed in full in the Record at the conclusion of these remarks.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement by Barry Schiller, Ecology Action for Rhode Island Transportation Committee and Josephine Milburn, Rhode Island Association of Railroad Passengers

As representatives of the above organizations, we must express great concern over the widespread rail abandonment suggested in the Secretary of Transportation's report, "Rail Service in the Midwest and Northeast Region." This is hard to understand in light of the well publicized energy crisis, and in light of the fact that many of our cities, *including Providence,* already face transportation controls due to high air pollution. We note the claim that rail freight uses energy about three times as efficiently as trucking, with little of the air pollution. It is not just shifting some of the existing freight to trucking that concerns us, but such widespread abandonment will ensure that many regions of the country will forever have to depend on highway traffic only, with all the environmental consequences. This is hardly planning for a future where air and energy resources must be carefully conserved. Indeed, it is our observation that the report was based entirely on short term economic consequences, with environmental and passenger considerations at best an afterthought, though a goal of the Regional Rail Reorganization Act is to maintain ambient air quality and give consideration to other environmental impacts.

In Rhode Island we are even concerned about the nine per cent of the rail freight that the report admits would be shifted to trucking. Such a shift could only add to the demand for building some controversial and environmentally destructive highways in this state (I–84 and I–895). The February truck strike showed us how much even Rhode Island's long distance food supply depends on trucking. When the electric company in Providence wanted to bring in coal for generating power they arranged to have it trucked in. All this would lead us to have expected that the U.S. DOT would try to increase, rather than decrease the use of rail freight service here.

In particular here in Rhode Island, we see no reason to abandon any trackage at this time. We are especially concerned about the following: (a) A gross error, misplacing Cranston, R.I. (population about 75,000) on the wrong side of the bay. This was not even corrected on the "Correction Sheet." This puts the reliability of the whole report in some doubt. However, it is its negative attitude toward rail service, rather than errors of this type, that is the primary reason we lack confidence in the U.S. DOT. (b) Elimination of competition in the Boston-Albany corridor. Apparently much Rhode Island freight connects with this corridor, and the quality of service has been found to be a function of this competition. Any hopes to increase rail service then will depend on maintaining this competition. (c) We object to any potential abandonment of branches serving Quonset Point (as shown on zone 27 maps) and Newport (as shown on zone 18 maps). With the Navy pull-out surely much of the land in these areas will be used for industry. Already there have been proposals for refineries and a steel mill! Like the Cranston error (which was also on all zone 27 maps), this indicates report from Washington did not consider local needs, nor did it plan ahead for increasing the role of rail transport. (d) The report apparently took no note of passenger service outside of the Boston-Washington corridor. However, some of the proposals made could affect existing service such as Cincinnati-Chicago and New York-Chicago, and New York-Montreal, which would have to be eliminated if potentially excess lines in Vermont were abandoned. Also, some New England groups support reinstating Boston-Chicago service, the possibility of which could be affected by proposed abandonments in the Boston-Albany corridor. In addition, the proposed abandonments could eliminate the possibility of commuter service on such lines as Providence-Bristol, and could also eliminate the chance of ever restoring rail service to Cape Cod, which would be of great interest to Rhode Islanders. However, the report did not consider any of this.

Government has spent much money to improve water, air, and highway transportation. We have read that 366 billion was spent on this in the year ending in 1971. Of this, only an insignificant 200 million (about one-half of ⅒ of 1%) went for rail. All this has been to the detriment of rail service. Even now we see the claim that only 6% of the total transportation budget is for public transportation, with over 20 billion still being spent for highways. Surely with rail's many environmental advantages it is not unreasonable to expect the U.S. government to take some leadership in improving, rather than greatly contracting our railroad service.

Finally, though the Regional Rail Reorganization Act sought to ensure public input, we have found great difficulty in obtaining copies of the report on which we were asked to comment. Hopefully in the future more effort will be made to make public input easier.

COLLEGE OF ST. FRANCIS MARATHON TEAM

Mr. STEVENSON. Mr. President, today I wish to pay tribute to the first collegiate institution to field a varsity marathon team. Illinois is the home of the College of St. Francis in Joliet, Ill.

Marathan running is not a new sport, Mr. President. It has a long history stretching back to the ancient Greeks. Collegiate institutions have long employed marathon running as a part of their distance running programs. However, before St. Francis fielded its team, there had never been a varsity marathon team. Since the formation of the St. Francis team last winter by track coach Tom Brunick, a number of other colleges and universities have expressed interest in marathon teams.

Mr. President, the development of a new sport is a rare occurrence. Competitive road running over distances of 5 to 20 miles—which is what marathon running is—represents such an occurrence. More and more young athletes will compete in this sport on the varsity level. And the institution which deserves credit for being the first to field a varsity marathon team is the College of St. Francis.

NEW MEDICARE HELP FOR BREAST CANCER VICTIMS

Mr. PERCY. Mr. President, I am pleased to report some helpful news for women who suffer probably the most dreaded female disease—breast cancer. Earlier this year I was appalled by the information that our medicare program considered breast prostheses for post-mastectomy patients as a "cosmetic device" for which it will not pay. Through the good offices of the Senate Finance Committee, I contacted the Social Security Administration and immediately received assurances that medicare policy in this regard would be modified.

I am happy to report that the Social Security Administration has honored its assurances to me. According to the February 1974, part B, Intermediary Manual Revision Transmittal No. 374, section 6109A, medicare now covers breast prostheses as a legitimate medical necessity.

I ask unanimous consent that the relevant section of the transmittal be printed in the Record.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

SOCIAL SECURITY ADMINISTRATION,
Baltimore Md., February 1974.

PART B, INTERMEDIARY MANUAL REVISION TRANSMITTAL NO. 374

New material: Sec. 6109, Page No. 26.9–26.10 (2 pp.), Replaced pages 26.9–26.10 (2 pp.)

New material: Table of Contents, Coverage Issues Appendix, Page No. (1 p.), Replaces pages (1 p.).

New material: Sec. 30–4 (Cont.)—30–6, Page No. (1 p.), Replaces pages (1 p.).

Section 6109A, Prosthetic Devices has been revised to reflect a change which permits payment for breast prostheses (including a surgical brassiere) for postmastectomy patients. This instruction supersedes question and answer 15 of Intermediary Letter No. 324. Carriers are not expected to search their files for claims denied under the previous policy. However, any such claims which come to the attention of the carrier should be reopened to pay benefits due under this new policy.

This revision also incorporates in this subsection the change effected by the 1972 Amendments presently contained in § A6109 covering colostomy bags and supplies directly related to colostomy care as prosthetic devices. The revision makes it clear that the term "colostomy" includes other ostomies.

Section 30–6, Cardiac Pacemakers, is a new section that has been added to the Coverage Issues Appendix on the coverage of long-term pacemakers. While this policy is retroactive to January 1, 1973, it should be applied only to claims not yet adjudicated and to claims denied after the effective date which come to the carrier's attention. Files should not be searched to locate previously denied claims.

THOMAS M. TIERNEY,
Director,
Bureau of Health Insurance.

INFLATION AND THE ELDERLY

Mr. HUMPHREY. Mr. President, it was April 1972, just 2 years ago, that Herbert Stein, the administration's principal economic adviser, told a Joint Economic Committee hearing the following:

> Food prices will fluctuate, as they always do, but the worst of the rise is behind us.

The worst was not behind us, of course. Things got worse. But a year later, in April 1973, Treasury Secretary Shultz and Cost of Living Director Dunlop—two of this administration's other principal economic advisers—had the following reassurances for the American people:

> It is important to understand that the recent spurt in food prices is not a permanent thing—food prices will level off during the second half of 1973.

Today we know all too well that these rosy forecasts were totally wrong. Food prices rose about 20 percent in 1973, and they are rising again this year.

Last year the administration sought to minimize problems faced by American consumers by citing figures to show that while our inflation was bad, it was less bad than that of some other countries. Well, from the Wall Street Journal on March 13 comes the news that the rate of inflation we are experiencing in the United States is "by far the sharpest" of most other countries. Most countries in Western Europe, including France, Germany, Belgium, Austria, the Netherlands, Norway, and Sweden all have lower rates of inflation than we do.

The Bureau of Labor Statistics has recently reported that in the last 4 years American consumers have experienced the following inflationary squeeze:

Rents have increased 18 percent;

The cost of medical care has jumped 22.5 percent; and

Food prices have skyrocketed 40 percent.

As is always the case, however shocking these figures may be, they simply cannot communicate to us the grinding hardship this inflation imposes on some people. The elderly, in particular, are vulnerable to the galloping costs of rents, medical care and food. And all too frequently, the elderly are among those least able to bear such burdens.

The New York Times of Sunday, March 31, gives us a glimpse of the despair felt by the elderly on fixed incomes as the relentless inflation eats away at their living standards.

It is criminal and disgraceful, Mr. President, that Americans who have given productive years to this country must look forward to days when they can barely afford one good meal a day; when they are driven to pilfer small canned foods to stave off hunger; when the extent of recreation and pleasure is a bus ride on a 10-cent senior citizens' bus ticket.

Yet such miseries are commonplace, and they are documented in this article which I commend to the attention of every person in this Chamber.

Listen to these older Americans, and let me ask if we are doing enough to rescue them from desperation:

"What am I to do if it gets worse?" asks one old man battling food costs. He has already give up vegetables, he says. Now he wonders "Maybe I'll give up my life."

"When you get up in the sixties" says another man, "you live on memories." This man admits he cannot buy new clothes until next year.

An elderly widow cuts back on her food purchases because, after she pays her rent, she has only $37.50 left for medicines, clothes and food. She exists on bread and eggs. "I can't buy more than the money I have, can I?" she asks.

These are the voices of the elderly around this country today, Mr. President. As a New York official quoted in the article says, if we saw a movie where people who reached a certain age were reduced to such a pitiable state of helplessness and poverty, we would be horrified. And we should be ashamed.

Mr. President, I ask unanimous consent that the article, entitled "Millions of Elderly Suffer as Cost of Living Mounts," appearing in the March 31, 1974, issue of the New York Times, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MILLIONS OF ELDERLY SUFFER AS COST OF LIVING MOUNTS

(By Andrew M. Malcolm)

CHICAGO, March 30.—Mrs. Estelle Gilder, is a 64-year-old Phoenix widow who has decided to leave all of her electric lights off permanently to save money.

Mrs. Gilder is blind and doesn't really need the lights. They just made her feel secure. But hers is a classic case among millions of elderly Americans living on fixed incomes, the American who always suffer the most during an inflationary period and especially so during an intense one like this.

These senior citizens now find themselves caught between static or slowly growing incomes and rapidly mounting prices for food, clothing and housing. Such cost-of-living increases have now reached a 10 per cent annual rate, the Federal Government said last week.

As a result, many senior citizens now say they are doing without new clothes, cutting back or eliminating social activities and reducing—in some cases drastically—their spending for food.

Numerous social workers express fears as nutritionally unbalanced eating and postponed medical care take their toll on the health of many of the elderly.

FOOD AID IN DEMAND

Some social agencies report growing numbers of elderly seeking financial help to buy food. And in New York City there are reports of more shoplifting by the elderly of such items as cans of tuna fish, cartons of milk and packets of meat.

"It's like I'm standing still and everything else is moving forward in such a hurry," said Mrs. Gilders.

The cost squeeze, to be sure, has yet to plunge all the elderly into poverty. For some, increased costs mean no more than skipping a vacation trip this spring.

Next month almost 16-million elderly will get some relief in the form of a 6.6 per cent increase in their Social Security checks, with an additional increase of 4.5 per cent scheduled in July. That will make the average monthly benefit $186, or $86 more than the check for December, 1969.

From the same time through January, 1974, the Bureau of Labor Statistics reports, the cost of medical care increased 22.5 per cent, rent went up 18 per cent and food costs jumped almost 40 per cent.

The result has been some pinched budgets and even hunger. "Only the Lord is keeping us going with these prices," said Mrs. Minnie Hause, an 81-year-old housewife who lives near Atlanta and is outraged at the price of beans for her husband's favorite soup.

"They cost 71 cents a pound now," she said. "I didn't buy them. Seventy-one cents a pound. Can you imagine?"

The couple live on a $223-a-month Social Security check in a house they built 30 years ago. Last year propane gas to heat that home cost 23 cents a gallon; now it's 42 cents.

"I eat one good meal a day," said James Marcellino, a 65-year-old Clevelander. "I used to eat ham and pork chops and all that good stuff, but I can't afford that. So I eat out of cans now—corn, tuna fish and like that."

He isn't bitter, though. "When you get up in the sixties," he said, "you live on memories. I have no social life. But I get a movie pass once a month. He figures he can buy some new clothes perhaps next year.

GUARANTEED INCOME URGED

Mrs. Mary E. Carlstrom in Seattle is 65 too. "I feel I'm luckier than many," said Mrs. Carlstrom, a widow for 10 years. "I've got my health, a wonderful family and since September my house has been paid off."

She watches pennies, nonetheless, and has not replaced the worn wheels on her little grocery cart. On nice days she takes advantage of the city's 10-cent senior citizen bus fare and goes for a long ride for fun. She hasn't got the money, though, to repair her cracked chimney.

Nearby, Bob Doupe, a state public assistance officer, says the fastest growing case load is for non-welfare elderly seeking food help. One recent month the number of cases jumped from 750 to 1,000 and there is now a month's wait to apply.

"Fifty or sixty or even a hundred dollars a month isn't enough for people to live on," said Fred Yaeger, who runs New York City's program for the aged in the Bronx.

"What they need," he added, "is a guaranteed income, special housing and elimination of the ripoffs of old people like the high prices of drugs."

Nelson Burros, cochairman of the Bronx Committee on Aging, added: "If we saw a movie where people who reached a certain age were not allowed to work and were not rewarded for surviving that long, why, we'd just be horrified."

Mrs. Tilly Bendat is a 77-year-old Bronx widow who gets $150 a month Social Security and pays $112.10 a month rent. Her additional money under a new Federal Supplemental Security Income program has never begun.

"I used to love to dance and sing and feel good," she said. "Now I never go any place." Her basic foods are bread and eggs. "I can't buy more than the money I have, can I?" she said.

Mrs. Lena Weiner, who is 76, buys a pound of chopped meat and stretches it out over a week. She eats a lot of soup. And she buys day-old bread and damaged tins of food. "It's nothing to be ashamed of," she says.

Morris Nanfman, also 76 and from New York, has given up fresh vegetables. "What am I going to do if it gets worse?" he asks. "I'm already living on savings. Maybe I'll give up my life."

In Nebraska, 72-year-old Herb Diener says the going is getting tougher. "The groceries is going sky high," says the former farmer. He lives in an old school house and runs the town recreation hall in Franklin, earning 2.5 cents per hand for each card player. "Sometimes," he says proudly, "I make $2 or $3 a day here."

For others, it is more a matter of economies. Near Cedar Rapids, Iowa, Mrs. Shirley Eden has given up costly sea foods and plans for a new car.

In Westmont, N.J., the Joseph Dunns no longer eat desserts or frequent restaurants. They shop for specials at area shopping centers and recently repaired their television set instead of buying a new one as recommended by the repairman. Philadelphia area senior citizens have formed 135 cooperative buying and home repairing clubs to help each other stretch dollars.

In Sun City, Ariz., Mrs. Elsie Olander, wife of a retired Chicago fireman makes more clothing and buys less beef. "Prices don't go up pennies anymore," she said, "they go up a bundle. Last month puffed rice went from 61 cents to 75 cents. Why is that?"

Mrs. Wylma Sidle is an 81-year-old Atlanta widow who like many of the elderly has reduced her outings because of rising gasoline prices. In addition she eats a lot of eggs and cheese and little meat. "And some angle food cake," she said, "that's a cheap dessert that many people don't know about."

OIL PRICE CONTROL AUTHORITY IN S. 3267, THE STANDBY ENERGY EMERGENCY AUTHORITIES ACT

Mr. JACKSON. Mr. President, on March 6 the President vetoed S. 2589, the Energy Emergency Act. The President's veto message was based upon the administration's opposition to the oil price rollback provisions of section 110.

Although there was strong bipartisan support for the price rollback, the attempt to override the veto failed by eight votes in the Senate.

Yesterday I introduced S. 3267, the Standby Energy Emergency Authorities Act. This new bill does not contain the oil price rollback provision which led to the President's veto.

My position and my preference would be to roll back oil prices by legislation, as was provided for in S. 2589. A legislative rollback is necessary because the administration, in the face of crippling inflation largely caused by unconscionably high oil prices, has consistently refused to comply with the provisions of the Petroleum Allocation Act which require price ceilings on all oil except oil produced by stripper wells.

Congress supported my position by voting to roll back oil prices to reasonable levels when the Energy Emergency Act was passed.

Passage of another oil price rollback provision, in my view, is desirable. It makes sense as a matter of national energy policy, economic policy, and foreign policy.

An oil price rollback would reverse crippling inflationary pressures. It would reduce consumer energy costs for gasoline, diesel, propane, heating oil, and electricity. It would prevent further windfall profits to the major oil companies. It would let Americans establish prices at levels which are fair to domestic oil producers and fair to the consuming public. It would end the setting of domestic oil prices by a cartel of foreign producing nations—producing nations, I might add, which have a community of interest in high prices with the major international oil companies.

The President's veto and the Senate's failure to override the veto on March 6, however, are a political reality.

The President has made it clear that he will not impose ceilings on oil prices. The President will, however, veto any bill which rolls back prices or establishes specific price ceilings.

And, apparently, there are not enough votes in the Senate to make a congressional decision on oil prices stick.

Section 128 of the bill I introduced yesterday seeks to deal with the critical problem of runaway oil prices in a manner which will avoid a veto, yet which will still bring a strong measure of rationality to the administration of the oil price control authority in the Emergency Petroleum Allocation Act.

Section 128 does not set specific prices, nor does it roll back the prices of the categories of oil which have been deregulated—new oil, released oil, and stripper well oil.

Section 128 does, however, require that all existing prices—controlled and uncontrolled—be justified. This justification process must deal with the relationship of price to supply, to demand, to inflation, to employment, and to consumer cost.

Mr. President, it is my view that any intellectually honest effort to justify deregulated domestic oil prices will conclude that price restraints and price ceilings for all oil are necessary.

The oil companies themselves, their trade associations, knowledgeable economists, and most energy policy officials in the Government concluded long ago that oil prices are too high. The consensus is that a price of $5 to $7 per barrel will bring forth all the new oil supply that a price of $9 and $10 will. There is general agreement that letting domestic prices rise to the price level established by the Arab cartel serves no useful purpose. This policy cannot be justified on economic or any other grounds.

Congress must act in this area because the administration has made it plain that they will not act.

Congress must bring to a halt the erosion of the family budget and the stimulus to accelerated nationwide inflation which is resulting from the unchecked upward movement of petroleum prices.

Mr. President, the forces of the free market will not halt inflation. The oil companies and the producing nations will not protect American consumers. The administration will not act on either of these problems.

Congress can and must act to halt inflation and to protect the consumer.

In the past 6 months, the wholesale price index for crude oil and refined petroleum products has risen by over 50 percent. Fuel price increases represented 27 percent of the total increase in the cost of living during the past year.

Within the past year, gasoline costs to consumers have risen 3 times, and fuel oil 6 times as fast as the costs of all other goods and services.

Already Mr. Simon is predicting gasoline prices as high as 80 cents a gallon in the next few months. Thus in less than a year, consumers face a doubling of petroleum costs; yet, they can still expect to experience inadequate supplies.

Clearly, this is an outrageous situation. It is one thing to pay higher prices in return for secure sources of unlimited energy. It is another to pay the same exorbitant prices and to remain energy deficient.

The President rejected the price rollback provisions of the Energy Emergency Act, but the Emergency Petroleum Allocation Act did become law in November, 1973, over his signature and is in fact law. Section 4 of the Allocation Act requires the President to specify prices or a manner of determining prices for "all crude oil, residual fuel oil and refined petroleum products produced in or imported into the United States."

The administration has ignored the clear language and intent of the law in exempting from price control imported oil, new oil, and the so-called released oil.

S. 3267 reiterates the intention of the law that all crude oil and petroleum products be subject to price controls. This legislation does not require a rollback of prices to any specified level, and it allows the President broad latitude in determining specific ceilings. It does, however, require him to support any price ceiling or change in a price ceiling with a detailed analysis of the impact of prices upon supply and demand, upon consumers and upon employment.

S. 3267 also ends the exemption from regulation of that 14 percent of domestic oil which comes from wells that produce less than 10 barrels per day This exemption was twice voted by Congress in the mistaken anticipation that it would provide a price incentive for stripper wells or perhaps 50 cents or $1 per barrel. Since the exemption was enacted last fall, the average price of such crude oil has, however, risen from $4.25 to $10.35 per barrel. The exception has itself been a major source of price increases for petroleum products, and now promises to undermine the competitive position of independent refiners and marketers in the mid-Continent area who depend disproportionately upon stripper oil.

Spokesmen for the administration have repeatedly identified the stripper well exemption as a major and troublesome loophole and have requested that it be ended. I am happy to accommodate them on this matter.

The bill also provides specific relief for consumers who have been victimized by increases in propane prices, wholly out of proportion to the increase in its raw material costs. The administration has ignored the intention of the Allocation Act that the prices of all propane raw materials be controlled, whether they come from oil wells, gas wells, or refineries. S. 3267 makes this intention absolutely clear. It also requires, in contrast to the administration's current regulations, that price passthroughs be allocated among the various petroleum products, including propane, according to their historical price relationships.

Mr. President, testimony before the Subcommittee on Multinational Corporations of the Foreign Relations Committee has revealed that the multinational oil companies are making unbelievable windfall profits on their overseas producing operations. Aramco, a wholly owned affiliate of four U.S. majors, is now recording net profits of $4.50 per barrel, up from $1.25 1 year ago. Under the administration's exemption of imported oil from all controls, these exorbitant profits are first, passed through directly as "costs" to American consumers; second, the inflated price of imported oil establishes the price for uncontrolled domestic oil. And third, these exaggerated prices produce, in addition, a tax windfall for the multinational companies at the expense of the U.S. Treasury, by increases in their depletion deductions and foreign tax credits.

S. 3267 will limit the domestic price passthroughs on oil imported by the multinationals to the net cost increases that result from actual higher taxes and royalties paid to foreign governments. The owners of Aramco and the companies of the Iranian consortium, for example, would no longer be able to passthrough as a "cost" to American consumers 6 to 8 cents per gallon in windfall foreign profits.

This limitation on passthroughs of foreign costs is intended to prevent price escalation that results from the self-dealing of the international majors. The provision applies only to transactions among affiliated companies. It does not, therefore, undermine the ability of independent refiners and marketers, or of the majors, for that matter, to buy crude oil at arms-length at whatever is the prevailing price in the world market.

There being no objection, the material was ordered to be printed in the Record, as follows:

Mr. President, this provision is designed to insure that U.S. based oil companies that operate abroad operate under the same rules as oil companies which operate solely in the United States. This provision is designed to close loopholes which allow international oil companies to produce undue profits for foreign subsidiaries and affiliates by manipulating artificial prices.

Mr. President, I urge early Senate action on S. 3267.

Mr. President, I ask unanimous consent to print in the Record my letter of February 2, 1974, to Mr. William Simon, pointing out that the President's failure to control all oil prices is contrary to law. I have yet to receive an answer to my letter. The reason, I suspect, is that the only answer which could be given is that the President's decision to decontrol, to deregulate, oil prices was and is contrary to the act.

Mr. President, I ask unanimous consent that section 128, "Petroleum Price Control Authority", be printed in the Record.

U.S. Senate,
Washington, D.C., February 2, 1974.

Hon. William E. Simon
Administrator, Federal Energy Office, Washington, D.C.

Dear Mr. Simon: At the conclusion of the testimony of Administration witnesses at the Committee's hearings on Friday, February 1, 1974, on S. 2885, a bill I introduced to roll back and establish price ceilings for crude oil and refined petroleum products, questions were raised concerning the Administration's authority to exempt new oil, released oil, and State royality oil from the regulations implementing the price ceiling provisions of the Emergency Petroleum Allocation Act.

Legal Counsel to the Committee has advised me that the Administration is in apparent violation of the pricing requirements of Section 4 of the Allocation Act. Section 4 (a) of the Act provides that "the President *shall* promulgate a regulation providing for the mandatory allocation" of crude oil and petroleum products "in amounts . . . and at prices specified in (or determined in a manner prescribed by) such regulation" (emphasis added).

Section 4(b) (1) (F) provides that the regulation "*shall* provide for" . . . "equitable distribution of crude oil, residual fuel oil, and refined petroleum products at *equitable prices* among all regions and areas of the United States and sectors of the petroleum industry . . ." (emphasis added).

Section 4(e) provides one exception to this requirement that all oil prices be placed under price ceilings. Section 4(e) (2) provides that the regulation promulgated under Section 4(a) on allocations and on prices "shall not apply to the first sale of crude oil . . ." from stripper wells.

Section 4(e) (1) provides a procedure for suspending allocation authority *if* the President makes and transmits to the Congress a finding that mandatory allocation is no longer needed to achieve the purposes of the Act. This procedure *does not* permit suspension of the Act's requirement that oil prices be "specified in (or determined in a manner prescribed by)" the regulation required under section 4(a) of the Act.

I would appreciate it if you would furnish me with a report and a legal memorandum on this matter. I am specifically interested in your views as to the legal authority for exempting new oil, released oil, and State royalty oil from the price requirements of the Emergency Petroleum Allocation Act.

As I understand it, the Administration's position on allowing major exemptions to price ceilings may be based in part upon an interpretation of the Conference Report on the Allocation Act which was contained in a letter of November 13, 1973, to me from Dr. John T. Dunlop, Director of the Cost of Living Council. Dr. Dunlop's letter dealt with his understanding of provisions of the Report dealing with stripper wells, pricing and personnel. In connection with the adoption of the Conference Report, I had Dr. Dunlop's letter together with other materials printed in the Congressional Record and indicated general concurrence in Dr. Dunlop's interpretation.

On further review of the clear meaning of the Act and Dr. Dunlop's November 13 interpretation it is my view that the Act does not permit these exceptions to the price requirements of the Act. To the extent I expressed concurrence in Dr. Dunlop's interpretation of the pricing authority and directive in the Act I was in error. In any event, the concurrence of any single member of Congress in an interpretation of the law does not change the meaning or requirements of the law.

I do concur in Dr. Dunlop's statement in his letter that ". . . the administering agency which has been delegated price control authority under both statutes would be obligated to comply with the provisions of both."

I appreciate your assistance in this matter and I assure you of my cooperation and assistance in achieving a new level of stability and reasonableness in petroleum prices. As you know, the Conference Committee will meet on Monday on S. 2589, the Energy Emergency Act, to work out a resolution of the controversy over the wildfall profit provisions of the Conference Report. As you know, I and other members of the Conference Committee will be proposing language to mandate a price ceiling for oil which has been exempted from price controls. I have directed the Committee staff to meet with representatives of your office to discuss how this can best be achieved. Meetings were held last night and a further meeting is scheduled at noon today.

With best regards,
Sincerely yours,
Henry M. Jackson,
Chairman.

Sec. 128. Petroleum Price Control Authority

(a) Section 4 of the Emergency Petroleum Allocation Act of 1973 is further amended by adding at the end of such section the following new subsection:

"(j) (1) No later than 30 days after the date of enactment of this subsection, the President shall exercise his authority under this Act and the Economic Stabilization Act of 1970, as amended, so as to specify (or prescribe a manner for determining) equitable ceiling prices for all first sales or exchanges of crude oil, natural gas liquids and condensate (or classifications thereof) produced in or imported into the United States.

"(2) The regulation under subsection (a) of this section shall be amended so as to provide, with respect to the prices of imported crude oil, natural gas liquids, condensate, residual fuel oil or refined petroleum products, produced or refined by any person importing such product into the United States, or purchased or exchanged by him (directly or indirectly) from an affiliate, no more than a dollar-for-dollar passthrough of net increases in foreign taxes and in royalties paid to non-affiliates for such crude oil, natural gas liquids or condensate, or in the actual price paid at the first purchase from a non-affiliate of such crude oil, natural gas liquid, condensate, residual fuel oil or refined petroleum products. The calculation of any net increase in taxes, royalties or prices at first purchase under this paragraph shall take into consideration any reduction, by virtue of increases in foreign taxes, royalties or prices, of the liability of the importer or his affiliates for United States income taxes.

"(3) The regulation under subsection (a) of this section shall be amended so as to provide that any increase or reduction, relative to prices prevailing on May 15, 1973, in the price of crude oil, natural gas liquids and condensates (or any classification thereof) produced in or imported into the United States, resulting from the provisions of this subsection, is passed through so as to cause a dollar-for-dollar increase or reduction in the price of any residual fuel oil or refined petroleum product (including propane) derived from such crude oil, natural gas liquids or condensate. Such passthrough of price increases or reductions shall, to the extent practicable and consistent with the objectives of subsection (b) of this section, be allocated among products refined from such crude oil, natural gas liquids or condensate on a proportional basis, taking into consideration historical price relationships among such products.

"(4) Every establishment of or change in a ceiling price (or manner of determining the ceiling price) specified pursuant to this subsection, and every ceiling price (or manner of determining a ceiling price) or exemption from ceiling prices that is in effect on the date of enactment of this subsection, shall be transmitted to Congress no later than the effective date of such change, or in the case of every such ceiling price (or manner for specifying such a ceiling price) or exemption from ceiling prices in effect on the date of enactment of this subsection, no later than 30 days after that date. Every such transmittal shall be accompanied and supported by a detailed statement setting forth—

"(i) the additional qualities of crude oil, natural gas liquids or condensate, residual fuel oil or refined petroleum products, if any, that can reasonably be expected to be produced;

"(ii) the expected effect, if any, upon the demand for crude oil, natural gas liquids or condensate, residual fuel oil or refined petroleum products, or

"(iii) the expected impact upon the economy as a whole, including the impact upon consumers, the general price level and the profitability of and employment in industry and business;

"(iv) any expected significant problems of enforcement or administration; and

"(v) the expected impact on the preservation of existing competition within the petroleum industry resulting from said ceiling price, manner for specifying a ceiling price, or (in the case of the regulation in effect upon upon the date of this subsection) exemption from ceiling prices.

"(5) For the purpose of this subsection, the term 'equitable ceiling price' means a price which is reasonable, taking into consideration the need to obtain sufficient supplies of crude oil, residual fuel oil, and refined petroleum products, and to permit the attainment of the objectives of subsection (b) of this section, balanced against the need to control inflation of basic and essential goods and services and hold down costs to industrial and individual consumers.

AMERICAN ASSOCIATION OF HOMES FOR THE AGING

Mr. CLARK. Mr. President, today marks the beginning of the American Association of Homes for the Aging's 2d annual legislative workshop. The goal of the workshop and the goal of the Association is to improve the quality of life for Americas' 1 million institutionalized elderly.

For years, the American Association of Homes for the Aging has demonstrated its concern and care for this country's aged and, as a group, they have played a major role in helping older people become valuable members of their communities.

At the opening of the association's session today, Senator Thomas Eagleton gave an eloquent address on the problems of the aging. As a member of the Senate Special Committee on Aging and Chairman of the Senate Labor and Public Welfare's Subcommittee on Aging, Senator Eagleton has proved himself an extremely important and effective spokesman for this Nation's older population. His work in the Senate on behalf of the elderly has been translated into a stronger Older Americans Act, a highly successful nutrition program for older Americans and, hopefully, a National Institute on Aging. Because of his hard work and years of dedication to his State's and this Nation's elderly, the American Association of Homes for the Aging presented Senator Eagleton with its distinguished service award.

Mr. President, I want to welcome the American Association of Homes for the Aging legislative workshop to Washington, and I would ask that Senator Eagleton's remarks before that group be printed in the Record.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

Remarks of Senator Thomas F. Eagleton

As you open your Second Annual Legislative Workshop, I appreciate the opportunity to be here and talk with you about a subject of mutual interest—the care of our elderly citizens.

Of 21 million Americans age 65 or over, some 16 million have the good fortune to be able to live with a relatively high degree of independence. It is estimated that about 4 million are either homebound or need special supportive services. The remaining one million are institutionalized.

As Chairman of the Subcommittee on Aging, and as Senate sponsor of the recent amendments to the Older Americans Act, I am especially interested in the development of those services which many of the 20 million noninstitutionalized elderly may need in their communities and homes.

And I want to report to you briefly on the progress being made under recently enacted legislation.

As many of you know, the new Title III of the Older Americans Act emphasizes the development and coordination of social services for the elderly on an areawide basis. Each state is to be divided into planning and service areas and then, beginning with areas of greatest need, area plans will be developed and funded.

As of this week, 135 area agencies on aging have approved and funded plans. This number is expected to accelerate in the next few weeks and reach 300 by July 1st. The President's budget for fiscal 1975 includes funds to add an additional 100 area agencies next year. Ultimately, about 600 area plans will serve elderly people across the country.

The nutrition program, under Title VII of the Older Americans Act, is now well underway. 665 projects have been funded. About 145,000 meals are being served daily and that number should rise to 200,000 by summer.

Authorization for the nutrition program expires on June 30. The House of Representatives has passed a bill extending the program for three years and increasing the authorization to $150 million next year, $200 million in fiscal 1976, and $250 million in fiscal 1977.

The Senate Subcomittee on Aging will hold hearings within the next few weeks to review the operation of the program and determine whether any changes should be made in the legislation as it is extended for another three years.

In the jargon of the day, home care and community services are often referred to as "alternatives to institutionalization." And sometimes there is a clear inference that such alternatives are inherently "good" and institutional care is inherently "bad".

Well, who can—and who wish to—remain in their own homes and communities should have the supportive services that will enable them to do so. And we must do much more than we have in the past to make those services available. This is the central thrust of the expanded and strengthened Older Americans Act.

But no one knows better than you in this room that there are now—and will always be elderly people who need institutional care. For these people the alternatives are quite simply poor nursing home care or the kind of quality care to which your organization is dedicated.

Our goal must be to make available a full range of services, living arrangements, and levels of care so that each elderly person may have access to the kind of support or care that he or she requires. Homes for the aging are, of course, a vital link in this chain.

This is not a partisan organization, and I am not here this morning to make a political speech. But I must say that this Administration has in no respect been more callous than in its disregard for the housing needs of older Americans.

It has been estimated that there are at least 6 million elderly people in this nation living in substandard housing. In some parts of the country, one or more persons are on the waiting list for every existing unit of elderly housing.

Whatever one may think of the wisdom of suspending some of our housing programs, the moratorium imposed in January 1973 was certainly indiscriminate in its failure to take into account the proven value and success of housing programs for the elderly.

And, of course, what was perhaps the most popular and successful of those programs—the Section 202 direct loan program—was phased out much earlier, shortly after the Administration took office.

Under a major housing bill passed by the Senate on March 11, housing for the elderly would again become available under revised public housing and rental assistance programs.

In addition, the bill authorizes an expanded Section 202 program and creates a new funding mechanism under which funds for these loans would be channeled through a special revolving fund outside of the annual budgetary process.

With enactment of this legislation, hopefully later this year, we can again approach the goal of 120,000 new units of elderly housing annually as recommended by the White House Conference on Aging.

One of the major legislative issues in the months ahead—reflected in its place on your program later this month—is the matter of health insurance.

Frankly, in my judgment, the implementation of any comprehensive national health insurance program is still some years in the future. In the interim, however, we must make greatly needed improvement in Medicare.

High on my own list of priorities is the coverage of prescription drugs—a proposal that the Senate has now approved twice—and the elimination of the Part B premium.

This premium is a monthly drain on the income of the elderly, a burden that increases year by year, and there is no reason why a person should not be able to pay for all of his Medicare protection during his working years.

Another matter demanding priority attention is the coverage of physicians' bills. In recent testimony before a Senate committee, Secretary Weinberger reported that the percentage of doctors accepting assignment of Medicare bills has now dropped below 50 per cent. This means that Medicare patients of those doctors are paying, on the average, 15 per cent of their bills on top of the 20 per cent co-insurance required in the Medicare law.

As you well know, Medicare now covers only a small fraction of the nursing home costs of the elderly. The extended care benefit should be broadened to cover a greater share of convalescent costs, and the prior-hospitalization requirement should be eliminated.

Finally, I am confident that Congress will not approve any proposals—no matter in what guise they are put forward—that would impose larger out-of-pocket charges on the average Medicare beneficiary.

The American Association of Homes for the Aging is regarded by members of Congress—and deservedly so—as an organization dedicated first and foremost to quality care for all of our nation's elderly citizens. In the months ahead, we will continue to work with Ted Olson and the other members of your fine Washington staff toward that objective.

For it is my conviction that we cannot be a truly civilized nation until we more adequately care and provide for those among us who can no longer provide for themselves—not as a duty grudgingly performed—not just because if we are fortunate we will one day be old ourselves—but simply because they are human beings, our brothers, God's children, and His work must be our own.

THE PARIS AGREEMENT AND U.S. POLICY TOWARD INDOCHINA

Mr. KENNEDY. Mr. President, because troubling questions persist in many quarters over the character and objective of our country's policy toward Indochina following the cease-fire agreement, I wrote a letter of inquiry to Secretary of State Kissinger on March 13. This past week, on March 25, I received a definitive reply to my questions concerning U.S. policy toward Indochina.

Secretary Kissinger's letter is a welcome but disturbing clarification of our present policy in Indochina. I am distressed that the Secretary seems to propound a new rationalization for our continued heavy involvement in the area.

Apparently, the administration now views the Paris Agreement on Ending the War and Restoring the Peace as creating new American commitments to South Vietnam. From presumed commitments under the SEATO Treaty, the Gulf of Tonkin Resolution, and the President's power to protect our troops, we have now moved to "commitments" under the Paris Agreement—which was never submitted to the Senate as a treaty for ratification.

Mr. President, this shatters the hope of most Americans that the Paris Agreement—and the return of our servicemen and prisoners of war—finally signaled the end to America's heavy involvement in Indochina. It shatters the hope that we could finally disengage from our direct and often manipulative involvement in the remaining political and military confrontations of the area, and finally end our master-client relationship with the Government of South Vietnam.

Rather than chart a new beginning, the administration's interpretation of the Paris Agreement is perpetuating old relationships and continuing old policies—as if nothing had changed.

But the administration's commitments in Indochina are costing the American taxpayer some $3 billion this year. In light of pressing needs and inflation here at home, and other urgent priorities overseas, the administration's dollar commitment in Indochina borders on fiscal irresponsibility, and is contrary to the new directions set by Congress last year.

Mr. President, I would like to share this important policy statement by Secretary Kissinger with my colleagues in the Senate, and I ask unanimous consent that our exchange of correspondence be printed in the Record.

There being no objection, the correspondence was ordered to be printed in the Record, as follows:

U.S. Senate,
Washington, D.C., March 13, 1974.

Hon. Henry A. Kissinger,
Secretary of State,
Department of State,
Washington, D.C.

Dear Mr. Secretary: As you know, there is continuing and, I feel, growing congressional and public concern over the course of American policy toward Indochina. Inquiry by the Subcommittee on Refugees and other committees of the Congress, an unclassified cable of March 6 from Ambassador Graham Martin in Saigon, other statements by officials in the Executive Branch, the supplemental appropriation request for the current fiscal year and the anticipated requests for FY 1975, news dispatches from the field, and various private reports, raise troubling questions for many Americans over the character and objective of our policy towards Indochina and over the kinds and levels of our current involvement in South Vietnam, Cambodia and Laos.

In light of the growing concern over American policy toward Indochina and the contradictory and incomplete information currently available, I would like to request comprehensive comment and review on the following items:

1) the general character and objectives of American policy towards Indochina as a whole and towards each government or political authority in the area:

2) the general content and nature of existing obligations and commitments to the governments in Saigon, Phnom Penh and Vientiane;

3) the kinds, categories and levels of support and assistance given or projected to the governments in Saigon, Phnom Penh and Vientiane for fiscal year 1973 through 1975—including (a) a breakdown of the number, distribution, activities and agency/departmental association of official American personnel, as well as those associated with private business and other organizations under contract to the United States government; and (b) a breakdown from all sources of humanitarian assistance, police and public safety oriented assistance, general supporting and economic development assistance, and military assistance;

4) the current status and problems of reported efforts to establish an international consortium for general reconstruction assistance to the area;

5) the current status and problems of the Administration's stated intention to encourage internationalizing humanitarian assistance to the area;

6) the current status of negotiations between Washington and Hanoi on American reconstruction assistance to North Vietnam;

7) the Department's assessment on the implementation of the ceasefire agreements for both Vietnam and Laos;

8) the Department's assessment of the overall situation in Cambodia and the possibility for a ceasefire agreement; and

9) recent diplomatic initiatives, involving the United States, aimed at a reduction of violence in Indochina and a greater measure of normalization in the area.

In addition to the above areas of inquiry, I would also appreciate very much the Department's comments on a series of recommendations contained in a recent report based on the Subcommittee's Study Mission to Indochina last year. Lengthy excerpts from this report, including some of the recommendations, were issued in late January and informally made available to officials in the Executive Branch. The recommendations focus on the relief and rehabilitation of war victims, but also include comment and suggestions on the broader aspects of United States policies and programs in the area.

In light of persisting hopes among all our citizens for peace in Indochina, and to clarify our country's commitments and continuing involvement in the area, I feel it would be extremely helpful if definitive information on our government's policy, involvement and future planning could be made available to the Subcommittee. I am hopeful, Mr. Secretary, that the Subcommittee can anticipate a response at an early date, and that appropriate officials from the Executive Branch will also be available for consultations or hearings.

In conclusion, let me express my personal dismay over a theme in Ambassador Martin's cable of March 6. For him to suggest a tie between alleged decisions in Hanoi and the views of Members of Congress and their staffs about the course of American policy towards South Vietnam and Indochina, is the worst kind of innuendo and regretably ignores the many legitimate questions and concerns of the Congress and the American people over our commitments to the governments of Indochina and over the continuing level of our involvement in the political and military confrontations of the area. I would appreciate very much your comment on the Ambassador's cable.

Many thanks for your consideration and I look forward to hearing from you soon.

Sincerely.

Edward M. Kennedy,
Chairman, Subcommittee on Refugees.

The Secretary of State,
Washington, D.C., March 25, 1974.

Hon. Edward M. Kennedy,
Chairman, Subcommittee on Refugees,
Committee on the Judiciary,
U.S. Senate.

Dear Mr. Chairman: In response to your letter of March 13 on various aspects of United States policy toward Indochina, I am enclosing our comment on the nine specific items you have outlined. I hope this information will be useful to you. As to the recommendations of the Subcommittee's Study Mission to Indochina last year, which were enclosed with your letter, I have asked Governor Holton to review these and to prepare our comments for submission to you as soon as possible.

Your letter also expresses concern over a March 6 cable by Ambassador Martin commenting on a recent press article on the United States role in Viet-Nam. I do not believe the Ambassador is suggesting a cause-and-effect relationship between decisions in Hanoi and the views of any individual Member of Congress or their staffs. What he is describing is a very real and sophisticated propaganda effort by North Viet-Nam to bring to bear on a wide spectrum of Americans its own special view of the situation in Indochina. The Ambassador believes, and in this he has our full confidence and support, that we must counter these distortions emanating from Hanoi and continue to provide the best answers to the concerned questions many Americans have about our Indochina policy.

Warm regards,

HENRY A. KISSINGER.

COMMENT OF INDOCHINA POLICY

1) "The general character and objectives of American policy towards Indochina as a whole and toward each government or political authority in the areas;"

There are two basic themes in our policy toward Indochina. The first is our belief that a secure peace in Indochina is an important element in our efforts to achieve a worldwide structure of peace. Conversely, we believe that an evolution toward peace in other troubled areas helps bring about the stability for which we strive in Indochina. Consequently, our Indochina policy has been geared to bring about the conditions which will enable the contending parties to find a peaceful resolution of their differences.

A resolution of differences can, of course, be achieved by other than peaceful means. For example, North Viet-Nam might seek to conquer South Viet-Nam by force of arms. Such a resolution, however, would almost certainly be a temporary one and would not produce the long-term and stable peace which is essential. Therefore, a corollary to our search for peace, and the second theme of our policy, is to discourage the takeover of the various parts of Indochina by force. Forcible conquest is not only repugnant to American traditions but also has serious destabilizing effects which are not limited to the area under immediate threat.

We would stress the point that the United States has no desire to see any particular form of government or social system in the Indochina countries. What we do hope to see is a free choice by the people of Indochina as to the governments and systems under which they will live. To that end we have devoted immense human and material resources to assist them in protecting this right of choice.

Our objective with regard to the Government of Viet-Nam, the Government of the Khmer Republic and the Royal Lao Government is to provide them with the material assistance and political encouragement which they need in determining their own futures and in helping to create conditions which will permit free decisions. In Laos, happily, real progress has been made, partly because of our assistance. The Vientiane Agreement and Protocols give clear evidence of the possibility for the peaceful settlement our policies are designed to foster. We have supported the Royal Lao Government and, when it is formed, we will look with great sympathy on the Government of National Union. We welcome a peaceful and neutral Laos and, where appropriate, we will continue to encourage the parties to work out their remaining problems.

In Cambodia we are convinced that long-term prospects for stability would be enhanced by a cease-fire and a negotiated settlement among the Khmer elements to the conflict. Because such stability is in our interests we are providing diplomatic and material support to the legitimate government of the Khmer Republic, both in its self-defense efforts and in its search for a political solution to the war.

Our objective in Viet-Nam continues to be to help strengthen the conditions which made possible the Paris Agreement on Ending the War and Restoring Peace in Viet-Nam. With this in mind we have supported the Republic of Viet-Nam with both military and economic assistance. We believe that by providing the Vietnamese Government the necessary means to defend itself and to develop a viable economy, the government in Hanoi will conclude that political solutions are much preferable to renewed use of major military force. The presence of large numbers of North Vietnamese troops in the South demonstrates that the military threat from Hanoi is still very much in evidence. Because of that threat we must still ensure that the Republic of Viet-Nam has the means to protect its independence. We note, however, that the level of violence is markedly less than it was prior to the cease-fire and believe that our policy of support for South Viet-Nam has been instrumental in deterring major North Vietnamese offensives.

Our objective with regard to the Democratic Republic of Viet-Nam, and its southern arm, the Provisional Revolutionary Government, is to encourage full compliance with the Paris Agreement. We have been disappointed by North Viet-Nam's serious violations of important provisions of the Agreement. However, we still believe that the Agreement provides a workable framework for a peaceful and lasting settlement, and we will continue to use all means available to us to support the cease-fire and to encourage closer observance of it. Our future relations with Hanoi obviously depend in large part on how faithfully North Viet-Nam complies with the Agreement.

We have also undertaken our assistance to Laos and support for the Royal Lao Government because of our own broad national interests, not because of any formal commitment to that country. The most important and visible for our interests is our desire for a just settlement of the tragic war in Indochina. Laos plays a key role in this effort to achieve the peace. Indeed, Laos is the bright spot in Indochina where the fruits of our efforts to assist and support the Royal Laos Government are most clearly seen. A cease-fire based on an agreement worked out by the two Lao parties has endured for more than a year. The two parties have together organized joint security forces in the two capital cities of Vientiane and Luang Prabang and a coalition government may not be far away. We feel that these large steps toward a lasting peace in Laos would probably not have succeeded but for our steadfast support for the efforts of the Royal Lao Government.

2) "The general content and nature of existing obligations and commitments to the governments in Saigon, Phnom Penh and Vientiane;"

The U.S. has no bilateral written commitment to the Government of the Republic of Viet-Nam. However, as a signator of the Paris Agreement on Ending the War and Restoring Peace in Viet-Nam, the United States committed itself to strengthening the conditions which made the cease-fire possible and to the goal of the South Vietnamese people's right to self-determination. With these commitments in mind, we continue to provide to the Republic of Viet-Nam the means necessary for its self-defense and for its economic viability.

We also recognize that we have derived a certain obligation from our long and deep involvement in Viet-Nam. Perceiving our own interest in a stable Viet-Nam free to make its own political choices, we have encouraged the Vietnamese people in their struggle for independence. We have invested great human and material resources to support them in protecting their own as well as broader interests. We have thus committed ourselves very substantially, both politically and morally. While the South Vietnamese Government and people are demonstrating increasing self-reliance, we believe it is important that we continue our support as long as it is needed.

Our relations with the Government of the Khmer Republic also do not stem from a formal commitment but are based on our own national interests. Recognizing that events in Cambodia relate directly to the bitter hostilities in other parts of Indochina, we have sought to help create stability in that country as a part of our effort to encourage the development of peace in the entire region. We, therefore, support the legitimate government of Cambodia, in the hope that its increasing strength will encourage the Khmer Communists toward a political settlement rather than continued conflict.

3) "The kinds, categories and levels of support and assistance given or projected to the governments in Saigon, Phnom Penh and Vientiane for the fiscal year 1973 through 1975—including (a) a breakdown of the number, distribution, activities and agency/departmental association of official American personnel, as well as those associated with private business and other organizations under contract to the United States government; and (b) a breakdown from all sources of humanitarian assistance, police and public safety oriented assistance, general supporting and economic development assistance, and military assistance;"

(a) *U.S. Economic Assistance*

Our annual Congressional Presentation books provide the data requested here in considerable detail. These Congressional Presentation books for FY 1975 will shortly be delivered to the Congress. We provide these first, as a matter of course, to the authorizing and appropriations Committee of the Senate and the House and then routinely make them available to all Members as well as the interested public. We will be happy to provide your Subcommittee on Refugees with copies as soon as available.

The Congressional Presentation books focus, of course, on our proposals for the coming year, FY 1975, but also contain data on both the current fiscal year, FY 1974, and the preceeding, FY 1973. This year, as last, we are preparing a separate book providing the details of our economic assistance programs for the Indochina countries.

These Congressional Presentation books form a partial basis, of course, for extensive Hearings held each year by the authorizing committees in the Senate and House, and then by the appropriations committees. We would expect the question you pose, as well as many others, to be further explored in considerable depth during the course of these Hearings.

(b) *U.S. Military Assistance*

Our military assistance to South Viet-Nam and Laos is provided under MASF. The breakdown of this assistance for the period you requested is as follows:

Ceiling and new obligational authority

Fiscal year 1973, $2.735 billion, $2.563 billion.

Fiscal year 1974, $1.126 billion, $907.5 million.

Fiscal year 1975, $1.6 billion (requested), $1,450 billion. (Viet-Nam only; Laos will be included under MAP for FY–75.)

The level of official U.S. military/civilian personnel in South Viet-Nam during the same period is as follows:

Military and civilian

January, 1973, 23,516 (Assigned), 730.

January, 1974, 221 (Authorized), 1200.

June, 1974, 221 (Authorized), 936.

The number of U.S. civilian contractors has declined from 5,737 in January, 1973, to 2,736 in January, 1974. This number is expected to decrease further to 2,130 by June 1974. We do not yet have a projected level of U.S. civilian contractors for FY 1975.

Our military assistance to Cambodia is furnished under MAP. This assistance totaled $148.6 million in FY 1973 and $325 million in FY 1974. The level of our military assistance for FY 1975 is now under review. The amount to be proposed will be included in the Congressional presentation documents on military assistance which we expect to submit to Congress shortly.

U.S. military and civilian personnel in Cambodia during the period you requested is as follows:

	Military	*Civilian*
December, 1972	112	53
December, 1973	113	55
December, 1974	113	(1)

[1] Data not available.

U.S. military and civilian personnel in Laos during the period you requested is as follows:

	Military	*Civilian*
December, 1972	185	457
December, 1973	180	424
December, 1974	30[2]	(1)

[1] Data not available.

[2] Based on the assumption that a coalition government will be formed in Laos before the end of this year.

"The current status and problems of reported efforts to establish an international consortium for general reconstruction assistance to the area."

In April 1973, President Thieu asked the International Bank for Reconstruction and Development (IBRD) to help form an aid group for the Republic of Viet-Nam. The IBRD agreed to make the effort, providing that this would be acceptable to the Bank membership and that the group could be organized in association with both the IBRD and the Asian Development Bank. In May the World Bank sent a study mission to Viet-Nam to review the situation. In August, Japan suggested that the Bank arrange a preliminary meeting to exchange views on aid to the countries of Indochina. The Japanese also proposed that the member countries discuss the formation of a loose Indochina consultative group for the area wide coordination, with sub-groups for any of the four countries concerned which might request such a group and where conditions were satisfactory.

An initial meeting was held at the Bank's Paris office in October. The United States supported the Bank's efforts as well as the Japanese proposal. The Bank sent a second mission to Viet-Nam in November and subsequently proposed that a follow-on meeting be held in February of this year to discuss the formation of the Indochina consultative group. However, the reactions of participating countries to the energy crisis and to the Congressional decision on IDA replenishment led the Bank to postpone the meeting, tentatively until late Spring. In February, at the request of the Lao Government, a World Bank team also visited Laos to assess the situation and to discuss a possible consultative group for that country.

The United States continues to support efforts to form a Indochina consultative group. We also favor the proposal that there be sub-groups for each recipient country to which donors may contribute as they wish. The sub-groups would be formed when considered appropriate by donors and at the request of the recipient. We remain in close consultation with the World Bank and other interested parties on this matter. We are hopeful that a second meeting of participants might be held in the near future and that such a meeting might lead to the establishment of the groups in question. A reversal of the negative Congressional action on IDA replenishment would clearly enhance the possibility of success in this regard.

5) "The current status and problems of the Administration's stated intention to encourage internationalizing humanitarian assistance to the area;"

In addition to U.S. bilateral humanitarian assistance to the Indochina countries which totals $111.4 million for FY 1974, the Department and the Agency for International Development (AID) continue to encourage other donors, including international organizations, to provide such assistance. AID made a grant of $2 million on November 1, 1973, to the Indochina Operations Group of the International Committee of the Red Cross and discussions are continuing about an additional grant to that organization. UNICEF has recently completed its study of the problems in the Indochina countries and has just submitted its proposed program to possible donor countries. We have encouraged UNICEF in its study and are pleased that it is now prepared to expand its activities in all three countries.

The World Health Organization has had meaningful programs in Laos, Cambodia, and Viet-Nam which supplement and do not overlap with activities supported by the United States. We have encouraged that organization to play an even more important role, particularly in the malaria control program, and we at the same time would phase out of our activities in that field.

Our discussions with the Indochina countries have stressed the desirability of establishing plans and priorities for programs and projects which require assistance so that other donor countries and organizations can fit their assistance efforts into the host country requirements.

6) "The current status of negotiations between Washington and Hanoi on American reconstruction assistance to North Viet-Nam."

Following the conclusion of the Peace Agreement last year, preliminary discussions of post-war reconstruction were held in Paris between U.S. and North Vietnamese members of the Joint Economic Commission. These talks have been suspended since last July. The Administration's position, which we believe is shared by the great majority of members of Congress, is that the U.S. cannot at this time move forward with an assistance program for North Viet-Nam. To date, North Viet-Nam has failed substantially to live up to a number of the essential terms of the Agreement, including those relating to the introduction of troops and war materiel into South Viet-Nam, the cessation of military activities in Cambodia and Laos, and the accounting for our missing-in-action. Should Hanoi turn away from a military solution and demonstrate a serious compliance with the Agreement, then we would be prepared, with the approval of Congress, to proceed with our undertaking regarding reconstruction assistance to North Viet-Nam.

7) "The Department's assessment on the implementation on the cease-fire agreements for both Viet-Nam and Laos;"

The cease-fire in Viet-Nam has resulted in a substantial decrease in the level of hostilities; for example, military casualties since the cease-fire have been about one-third the level of casualties suffered in the years preceding the Paris Agreement. Nonetheless, it is unfortunately evident that significant violence continues to occur and that the cease-fire is far from scrupulously observed. The fundamental problem is that the North Vietnamese are still determined to seize political power in the South, using military means if necessary. To this end they have maintained unrelenting military pressure against the South Vietnamese Government and have continued widespread terrorism against the population. In particularly flagrant violation of the Agreement North Viet-Nam has persisted in its infiltration of men and materiel into the South, bringing in more than one hundred thousands troops and large quantities of heavy equipment since the cease-fire began. South Vietnamese forces have reacted against these attacks by North Vietnamese forces and several sizable engagements have taken place.

Despite these serious violations, we continue to believe that the Paris Agreement has already brought substantial benefits and continues to provide a workable framework for peace. After more than a quarter century of fighting it would have been unrealistic to expect that the Agreement would bring an instant and complete end to the conflict. What it has done, however, is to reduce the level of violence significantly and provide mechanisms for discussion. The two Vietnamese parties are talking to each other and are achieving some results, even if these results are much less than we would like to see. The final exchange of prisoners which was completed on March 7 is illustrative.

We assess the cease-fire agreement in Laos as being so far largely successful. The level of combat was reduced substantially immediately following the cease-fire and has since fallen to a handful of incidents per week. There is hope that if developments continue as they have, the Laos cease-fire will work and the Lao, through their own efforts, will be able to establish a coalition government and a stable peace in their country.

8) "The Department's assessment of the overall situation in Cambodia and the possibility for a ceasefire agreement."

Despite continued pressure by the Khmer insurgents, now generally under the control of the Khmer Communist Party, the Khmer armed forces have successfully repulsed two major insurgents operations, one against Kompong Cham and, more recently, against Phnom Penh, with no US combat support. Serious military problems remain, and continued hard fighting during the next few months is expected, both in the provinces and around the capital.

A broadened political base, a new Prime Minister and a more effective cabinet offer signs of improvements in the civil administration. The enormous dislocation of the war, destroying production, producing over a million refugees and encouraging spiralling inflation, face the leaders of the Khmer Republic with serious problems.

Nonetheless, we are convinced that with US material and diplomatic support the Khmer Republic's demonstration of military and economic viability will persuade their now intransigent opponents to move to a political solution of the Cambodian conflict. The Khmer Republic's Foreign Minister on March 21 reiterated his government's position that a solution for Cambodia should be peaceful and not forced by arms or capitulation. Instead, his government will continue to seek talks with the other side. His government hopes their efforts for peace will achieve some results after the current insurgent offensive.

9) "Recent diplomatic initiatives, involving the United States, aimed at a reduction of violence in Indochina and a greater measure of normalization in the area."

Since the signing of the Viet-Nam cease-fire agreement, the United States has been in constant liaison with the interested parties, including those outside of the Indochina area. While it would not be useful to provide details of all of these contacts, we can assure the Congress that we have used every means at our disposal to encourage a reduction in the level of violence and an orderly resolution of the conflict. We believe these measures have had some success. The level of fighting is down substantially from 1972 and the Vietnamese parties have taken at least beginning steps toward a satisfactory accommodation. Further, the interested outside parties remain basically committed to building on the framework of the cease-fire agreement.

When Hanoi established a pattern of serious violations of the Agreement shortly after its conclusion, Dr. Kissinger met with Special Adviser Le Duc Tho and negotiated the Paris Communique of June 13, 1973, with a view to stabilizing the situation. Secretary Kissinger returned to Paris in December, 1973, to again discuss with Special Adviser Tho the status of the implementation of the Agreement. We will continue to maintain such contacts with Vietnamese and other parties in the hope that Hanoi will eventually be persuaded that its interests lie in peaceful development rather than in conflict.

In Laos we have offered every encouragement to an evolution toward peace. At this time the Laotian parties are making great progress in the formation of a government of national union. We can help in this regard with our sympathy and encouragement while properly leaving the issue in the hands of those most interested, the Lao people.

The Government of the Khmer Republic, with our complete endorsement, has made notable efforts to terminate the hostilities in that country. Following the cease-fire in Viet-Nam, the Cambodian Government unilaterally ceased hostile activity by its forces in the hope that the other side would respond. Unfortunately that striking gesture was rebuffed. On frequently occasions thereafter the Khmer Republic made proposals designed to move the conflict from the battlefield to political fora, with our strong support in each instance. Although all of those proposals have been ignored by the Khmer Communists, we continue to hope that the current relative military balance will make apparent to the other side what the Khmer Republic has already perceived, that peace is a far more hopeful prospect for Cambodia than incessant conflict.

THE VICE PRESIDENT VISITS SOUTH CAROLINA

Mr. HOLLINGS. Mr. President, recently, we in South Carolina had the very special honor of a visit from the Vice President of the United States. Having had the good fortune of accompanying the Vice President to the State, I can report firsthand the warmth and affection which greeted him every step of the way.

One purpose of the Vice President's visit to Charleston was to accept an honorary degree from the Citadel. The degree was conferred at a full dress review of the corps of cadets on the afternoon of March 15.

The other purpose of Vice President FORD's visit was to participate in the annual celebration of the Hibernian Society of Charleston. The Vice President was our special speaker for this occasion, and he did a magnificent job.

At the outset of his presentation, Vice President FORD presented a plaque designating Hibernian Hall a National Historic Landmark, in recognition of the historical significance of that grand old building.

The Vice President then delivered a memorable address—an address which made a deep impression on all who heard it. Mr. FORD spoke forcefully and movingly of the strengths of America, his confidence in the future, and his pride in being an American. He reminded us that amidst all our national difficulties, the heart and soul of America is clean and strong. It is obvious that our Vice President does not flinch from the future. He welcomes challenge, and he believes that through unity and strength, America can retain her greatness.

Mr. President, I believe this speech merits a wide audience, and for this reason I ask unanimous consent that it be printed in the RECORD. I congratulate the Vice President for a very fine talk, and I thank him again for coming to South Carolina.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

REMARKS BY VICE PRESIDENT GERALD R. FORD

CHARLESTON, S.C.,
March 16, 1974.

Thank you very, very much Senator Fritz Hollings, Monsignor Smith, General Clark, my former colleague, Mendel Davis, distinguished guests, members of the Hibernian Society of Charleston, it is truly a very great privilege and a very high honor to have the opportunity of participating in this auspicious occasion tonight. I have two duties to perform tonight and I hope you will enjoy both of them. First, I have here a document which reads as follows: Hibernian Hall has been designated a National Historic Landmark. It goes on to say: "This site possesses national significance in commemorating the history of the United States," signed by the Director of the National Park Service and the Secretary of the Interior, the Honorable Rogers C. B. Morton, I congratulate you and give it to your President, Mr. Riddock. (Applause)

Obviously my first chore met with some approval. I hope my speech does as well. One of the many things I admire about South Carolina is its respect for tradition. For instance, 113 years ago Charleston fired on Fort Sumter. And as I look about me tonight—it's great to see that Charleston's biggest guns are still getting loaded.

When Senator Hollings invited me, he said to come down early and play a little golf this morning. The weather would be perfect . . .

Now I don't want to criticize the weather man who gave Senator Hollings this forecast, but I think the weather man's last job was lookout on the Titanic.

I'm really sorry my dear friend Senator Thurmond isn't here tonight. He's one of my favorite, and I emphasize, one of my most envied friends. I honestly think Strom is going to live to be a hundred, and when he does go, it's going to be from terminal ecstasy.

Your club has many distinctions. You have surmounted the problems they have in Ireland by taking turns in your Presidency, alternating between Catholic and Protestant administrations. I understand you also have some Jewish Hibernians. And maybe some Moslem Hibernians. Because when I got up this morning, the first thing I saw was a full tanker go by my window.

Now the State Department tells me you have a relatively strange language called geechy. Maybe I should have brought Henry Kissinger along to translate. But I have a better authority, and that is my dear friend, Fritz Hollings, who in a bi-partisan spirit would help me if the need arises, and obviously it has.

As a Republican, I am grateful to the Hibernian Society for providing accommodation to the 1860 Democratic Convention. Stephen Douglas came here, divided his Party, and made it possible for Abraham Lincoln to win the Presidency. And I wonder in all sincerity if I could ask a favor? Could you arrange to be the host in the 1976 Democratic Convention?

Since October 12th there has been a great change in the Ford family. Our problems, our lifestyle have all been somewhat revised. But let me tell you a story that actually happened on that day somewhat momentous to us. The President had asked Senator Scott and me to come down to the White House that morning to fill him in on how the procedure would take place in the House and the Senate for the confirmation of the new Vice President. Senator Scott and I talked to the President about what the procedure would be. He didn't tell us who the nominee would be, but he did indicate that the person he would nominate at 9:00 that night would be called at precisely 7:30 that evening. Senator Scott and I went back to the Senate and the House and finished our day's labor. I went home and sat down to dinner with my wife and our 16-year-old daughter and at 7:35 the downstairs phone rang—we have five extensions on that telephone. We have two teenage children and I think you understand. . . . The phone rang and it was our oldest son who is a theological student up in Boston, and he had heard on some radio or television program that his old man might be so nominated. When my wife was talking to Mike, the upstairs phone rang—an unlisted number. Our 16-year-old daughter dashed like a shot to the upstairs telephone, which has no extension. She's unlisted it for certain purposes. . . . She answered the phone and she yelled down with a plaintive voice, "Dad, the President wants to talk to you." So I dashed upstairs and got on the phone and the operator said the President wanted to talk to me. He came on the line and said, "Jerry, I've got some good news for you, but I want you to get Betty on the line so that she can hear it at the same time"—So here I am—on a phone with no extensions and the President wants to talk to both of us, and I tried to explain hurriedly what the problem was, and finally I said, "Mr. President, can you hang up and call back on the other line."

Well, he did—and I went downstairs and got Betty off the other phone. The President didn't change his mind in the 30 seconds that elapsed and here I am.

On a more serious note, however, I want to share with you my concern for the two-party system and the need for preserving it. The American scene requires the diversity and choice of two viable and distinctive parties to preserve our free heritage.

I am glad to be here tonight because you are so vividly demonstrating what is right with America. Just as we are celebrating the accomplishments of the fabled Saint Patrick in driving the snakes out of Ireland, let us join to drive out the demons of doubt and despair that are haunting America.

The United States temporarily ran short of gasoline. But we never ran short of the will and ability to surmount difficulties. And we will not. We are on the right track. We know where we are going. And we have what it takes to get us there—American initiative, know-how, courage, patriotism, and pride in our selves and in the United States of America.

I am proud to be an American. I believe that American free enterprise and individual incentive have made the United States the greatest nation on earth. I am proud to be a part of an administration that extricated us from the war in Vietnam, achieving peace with honor and liberating our brave men who suffered so long as prisoners of war. And it also fills me with encouragement that our nation is moving toward new and peaceful relationships with the Soviet Union and the People's Republic of China.

By a masterpiece of diplomacy, we separated the armies of Egyptians and Israelis, averting a catastrophe that could have inflamed the whole world.

Just as we have progressed in our dealings with other nations, we will resolve transitory difficulties at home. We will maintain economic growth while winding down inflation. We will surmount the short-term impact of the energy crisis and achieve self-sufficiency for our long-term needs.

We will reduce federal control and open a new era of achievement in state and local governments. With revenue sharing, we are letting power flow back to the people.

We should never forget—a government big enough to give us everything we want—is a government big enough to take from us everything we have.

Yes, I believe in our government as a structure of laws designed to protect individual freedoms. This is a government of separate but equal branches, of checks and balances. Our strength lies in direct representation in the Congress, in the co-equal power the Legislative Branch shares with the Executive Branch.

The body politic of America is healthy. It contains the strength to heal itself and to find renewed vigor and energy. At the very moment that we are addressing ourselves to problems within our government, we are moving ahead both at home and abroad to assure a better life for all Americans. We are promoting international peace by nurturing the Middle East settlement and cooperating with others to resolve the international problem.

I believe that we are entering, in this last quarter of the 20th century, an era of peace and progress. To have peace, we must be capable of defense to deter aggression. That is why in moments of stress we are glad of the great tradition and capacity of defense here in Charleston. History teaches strength means peace—and military weakness invites war.

After all, South Carolina is the birthplace of Charles Pinkney who cried out those historic words "Millions for defense but not one cent for tribute!"—and nobody has ever improved on the words or the wisdom of that thought.

As I familiarize myself with my duties as Vice President, I believe more than ever that we must look forward rather than backward. Of course we learn from the past and cherish our great history. But we live for the present and future. I do not believe in replaying last Saturday's game but in training hard for next Saturday's. I tend to forget the bad plays and remember the scoring ones. The upcoming game is always the best of all.

When I became Vice President, I pledged to use whatever reputation for truth and fairness I acquired in the House along with whatever capacities for friendship and reasonable compromise I might possess to make this government work better for the good of all Americans. I refer not only to the differences between the House and Senate, between the Congress and the Executive Branch, but also among the individuals of both parties whom I am proud to count as my friends.

While this is not a spectacular role for the next three years, it is a necessary one. I envisage a role that involves solid and responsible work for the future, at home and abroad, while meditating and moderating differences, remaining flexible, to keep America great. I shall remain my own man. The only pledge by which I have bound myself in accepting the President's trust is the commitment by which we are all bound, before God and the Constitution, to do our best for America.

I share these thoughts with you because I am so honored and pleased to be with a society such as the Hibernians on this joyous occasion.

It was Thomas Jefferson who said that America needs an aristocracy based on talent and virtue. The Hibernian Society has filled that need. But as we proceed, we should remember, I believe, the things that unite us as Americans as far more enduring than the things that divide us. The Hibernians cherish this great tradition. And as we get into one political campaign or another, and it gets hotter and hotter, let us remember to singe but never to burn. Then we also might remember that not just the hippies, but all of us would rather make love than war. I think we should also remember that both Democrats and Republicans are striving together to make a more perfect union, with liberty and justice for all. And let us remember more importantly than almost anything else, our unwritten contract of respect for the convictions of others—and faith in the decency of others. This respect and this appreciation allows Americans the luxury of rugged political competition. And let's all, regardless of political affiliation, work to banish war from our shrinking globe and hate from our expanding hearts, to make this whole planet as full of friendship and felicity as this room tonight. I thank you and extend heartiest best wishes to all the Hibernians.

AMERICAN CATTLE INDUSTRY IN TROUBLE

Mr. CLARK. Mr. President, the American cattle industry is in trouble. This will soon mean more trouble for the American consumer, because it promises higher beef prices in the coming months. This story, which has been told to me many times in Iowa in the past few months, has been set forth in an excellent article in the April 1 New York Times. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AMERICAN CATTLE INDUSTRY IN TROUBLE

(By William Robbins)

HAWARDEN, IOWA, March 30.—The boom is over for cattlemen. The steadily growing profits they were enjoying until a few months ago have turned to heavy losses, wiping out much of their capital and, in many instances, wiping out small investors entirely.

The results, observed in the heart of cattle country between here and the high plains of the Texas Panhandle, appear ominous for consumers.

Vernon Eilts, who farms 1,500 rolling acres around a white frame house just east of here, has plowed up two of his principal cattle-feeding pens. He will grow corn there instead of cattle this year, and he has cut his stock from 3,000 head to 1,000.

"And I don't have any faith. I'll make out on those," Mr. Eilts said.

His action in plowing up the two pens is symbolic of what is happening throughout the nation's major producing areas. The result will mean less beef for urban tables in a few months and, the cattlemen and others say, the likelihood of a new spurt in prices for shoppers.

"Placements"—that is, young cattle put in feed lots for fattening—are down 20 per cent from a year ago, according to the Department of Agriculture.

Cattle on feed—those that are being fattened in the pens that are in use—are down only 1 percent from last year. That means that an oversupply of fat cattle is waiting to go to market.

As the cattle are moved out, at losses ranging above $100 a head, feed lot operators are reluctant and often financially unable to replace the numbers sold.

At the same time, many stockmen who normally supply them with "feeders"—young cattle that are ready to go into the fattening pens—are unwilling to sell at the prices to which their livestock has fallen.

A shortage of cattle placed on feed now would normally be reflected in stores in late summer and early fall.

RECORDS POINT TO PROBLEMS

From Texas to Iowa, pieces of the picture of a troubled industry emerged from records opened by feed lot operators, showing prices and costs, from computer printouts revealing the same details for pens of cattle fattened by larger operators and from similar data carried in the heads of farmers.

There is little cheer in Happy, Tex., for Foster Parker. The figures he displayed in his loss books showed loss after loss for the 5,000-head feed lot he operates on a ranch near Amarillo, the center of the big cattle-feeding operations of the high plains.

The book showed, as his latest results, a pen of cattle sold at a loss of $171.68 a head.

The arithmetic on such a loss was simple. He had bought the young cattle in September at 58 cents a pound. To fatten them, it had cost him 54.2 cents for each pound gained. When they were fat and ready for market they brought 51 cents a pound.

A neighbor at Herford, just beyond the treeless horizon, told how he had tried to avoid such losses with a pen of 167 cattle. The man, Ernest Latta, who is vice president and general manager of the big Deaf Smith Feed Yards, Inc., had held the cattle beyond maturity while feed costs mounted, hoping all the while for a rise in the market.

When he sold them on March 13, his figures showed, the loss was $316.81 a head, or a total of $52,917, including interest.

INVESTORS PULLING BACK

But the yard that Mr. Latta operates is primarily a caretaker of cattle owned by others. He fattens feeders for ranchers, individual investors or groups that form themselves into corporations or investment clubs.

The ranks of such investors are thinning, however, as their equity evaporates with increasing losses.

"Every pen you ship out is another empty pen," Mr. Latta said.

The bigger the operators grow, the heavier become their losses. Up in the major feeding region around Greeley, near Denver, is one of the two yards run by Monfort of Colorado, the largest of all feed lot operators. It stretches for a square mile from the site of the company's towering grain elevators.

The pens are a scene of constant activity, where comboys carry lariats on their saddles cut out cattle in a manner reminiscent of the Old West—except for the deep muck in which their horses slide. But Monfort has lost nearly $10 million on feeding operations in the six months ended March 2, according to a report just sent to stockholders. The feeding losses were cut to $3.6 million by a tax refund and other income, including that of a meat packing division for which Monfort fattens the cattle.

"STRATEGY OF SURVIVAL"

The company normally feeds about 225,000 cattle. It now is fattening 180,000. The Monfort operations are thus following a pattern that is similar to those of smaller feed lots.

"Most people we talk to are practicing a strategy of survival," said Samuel Addoms, Monfort's executive vice president.

Total losses for the industry have been estimated at more than $1 billion thus far by the American National Cattlemen's Association.

The cattlemen's troubles started, they say—and Secretary of Agriculture Earl L. Butz agrees—when the Nixon Administration last March 29 imposed a price freeze on food. By August, with costs of grain being steadily driven upward by increasing exports and with heavy investment in livestock, they faced losses if they sold at prices that packing plants could pay.

Late in July the Administration announced the end of the price freeze on most foods but said it would continue the ceiling on beef through Sept. 12. Many feed lot operators attempted to avoid losses by postponing sales until after the freeze, hoping for a raise in prices. Many packing plants closed.

With backed-up supplies glutting markets after the freeze, prices declined sharply. They had only begun to rise again and lift the cattlemen's hopes when the February truck strike interrupted deliveries and forced packing plants to close again.

Once more inventories backed up and prices dropped.

Many cattlemen believe that the failure of supermarkets to reflect the decline has aggravated their troubles by restraining consumption. They note that until recent weeks retail prices have remained level, or nearly so, through each decline in prices of live steers, according to statistics of the Department of Agriculture.

The spread between cattle prices and retail prices has widened sharply since the end of the freeze.

Retail prices reported by the New York State Department of Agriculture appear to support the cattlemen's contention. Prices of a typical cut—top or bottom round—showed a range of $1.59 to $2.09 when a survey of New York City stores was taken in September, shortly after the end of the price freeze. At the time, wholesale carcasses were selling for 72 cents a pound. Six months later, March 11–14, with carcasses ranging from 65 to 70 cents, the retail range in New York City had risen. It was $1.69 to $2.39 for the same cut. However, a March 27 report showed New York prices down sharply.

"Sometimes these price ranges defy explanation," Phillip Bradway, the department's chief marketing official, said in a telephone interview.

Spokesmen for the supermarkets deny any efforts at profiteering.

Clarence Adamy, president of the National Association of Food Chains, told a Senate hearing recently that it took about three weeks for a wholesale price decline to work its way through the distribution system to the meat counter.

And Timothy D. McEnroe, the organization's director of public relations, told a reporter in Washington that 13 supermarket chains had lost $250-million last August and September when they bought cattle at prices that the closed packing plants had refused to pay. They had it slaughtered to provide beef at ceiling prices for their customers. It has taken some time to recover those losses, he said.

Normally, he noted, "supermarkets don't buy cattle; they buy carcasses."

Figures compiled by Mr. McEnroe's office show that packing plants have shared in the widening spread between cattle market prices and retail prices.

Mr. Addoms, the Montfort official, acknowledged: "Processing margins have been very attractive in the last six months."

A man recognized by other cattlemen as among the most knowledgeable believes it may be a long time before the industry recovers it balance. He is W. D. Farr, a former president of the Cattlemen's Association, who has a 50,000-head feed yard at Greeley but now leaves many of his pens empty.

He predicts that stockmen this summer, in an effort to stave off losses, will continue to let cattle graze rather than move them into feed lots.

"Then," he said, "we won't need all the feeders we'll have this fall.

"They are mad," he added, "and people who are mad don't think straight."

If his fears are correct, they indicate problems for communities like Hawarden.

Harlan Hummel, a lumber dealer who is the town's former mayor, said he had $80,000 in orders canceled by distressed cattlemen in the first quarter of this year.

STANDBY ENERGY EMERGENCY AUTHORITIES ACT

Mr. JACKSON, Mr. President, on March 28, I introduced S. 3267, the Standby Energy Emergency Authorities Act.

I ask unanimous consent that the text of that bill, a short summary, and a longer summary of its major provisions, be printed in the RECORD, so that the Members of the Senate may have copies available for their review.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MEMORANDUM

APRIL 1, 1974.

To Members, Committee on Interior and Insular Affairs.

From Senator Henry M. Jackson.

Re Summary of Major Provisions of S. 3267 as compared with the Conference Report on S. 2589.

In preparation for the Committee's consideration of S. 3267, the Standby Energy Emergency Authorities Act, I have directed the staff to prepare a brief summary of the major differences between the provisions of S. 3267 and the Conference Report on S. 2589.

This summary is, in effect, a brief version of the comparative print prepared for Committee use during mark-up sessions. It follows below for your convenient quick reference.

No provision is made for establishing an FEA.

S. 103. Implementation of end use rationing authority is subject to Congressional approval in S. 3267; not so in S. 2589.

S. 106. Materials allocation authority is provided in S. 3267; in S. 2589 authority is provided only for a contingency plan for such allocation.

No provision is made for price rollback on crude oil petroleum products.

S. 114. S. 3267, like S. 2589, provides for grants to states to extend unemployment assistance to persons unemployed due to energy shortage who have exhausted normal eligibility for unemployment assistance. However, S. 3267 requires that the Labor Department and the States promulgate regulations and criteria under which such assistance be granted; S. 2589 had no such requirement.

S. 119. Loans to homeowners and small businesses for energy-saving improvements have been eliminated in S. 3267; informational provisions regarding small businesses have been retained in S. 3267.

The provision concerning use of federal facilities in the private energy distribution system has been eliminated in S. 3267.

S. 122. Broader authority for gathering energy-related information is provided in S. 3267 than was found in S. 2589.

S. 127. S. 3267 requires development of more long range contingency plans for the exercise of the energy conservation and rationing authorities provided in the bill.

S. 128. S. 3267 requires the President to exercise his existing price control authorities to specify equitable ceiling prices for all first sales or exchanges of crude oil produced or imported in the U.S., with no more than a dollar for dollar passthrough of actual costs permitted on refined products.

In Titles II and III, certain due dates for study reports have been extended to reflect delay in implementation of S. 3267.

SUMMARY OF MAJOR PROVISIONS OF THE STANDBY ENERGY EMERGENCY AUTHORITIES ACT (S. 3267)

TITLE I—STANDBY ENERGY EMERGENCY AUTHORITIES

Sec. 101. Findings and purposes.

Sec. 102. Definitions.

Sec. 103. End-use Rationing.—The bill gives standby rationing authority to the President to be implemented subject to Congressional approval. This authority may only be exercised on a finding that all other actions are not sufficient to preserve public health, safety and welfare and accomplish the national goals listed in the Emergency Petroleum Allocation Act. No rationing program may impose a tax or fee.

Sec. 104. Energy Conservation Plans.—The Administrator of the FEA is authorized to issue regulations restricting public and private consumption of energy (such as limitations on business hours, bans on ornamental lighting, etc.). All such regulations are subject to Congressional veto. (Regulations submitted to the Congress by simple resolution in either House.)

Sec. 105. Coal Conversion and Allocation.—The Administrator is required, where practicable, to order major fuel burning installations to convert to coal, if they have the capability and necessary plant equipment to do so. The Administrator also is directed to require that fossil-fuel-fired electric power plants in the early planning process be designed and constructed so as to be capable of using coal. The Administrator is authorized to prescribe a system for allocation of coal to users in order to carry out this Act.

Sec. 106. Materials Allocation.—The Administrator is required to develop a plan for the allocation of supplies of materials and equipment necessary for energy production. This plan may be placed into effect at any time following submission to the Congress. Also, the Emergency Petroleum Allocation Act is amended to give priority in the allocation program for the production of minerals which are essential to the requirements of the United States.

Sec. 107. Federal Actions to Increase Available Domestic Petroleum Supplies.—The Administrator is authorized to require designated domestic oil fields to be produced at their maximum efficient rate of production (that is, the maximum rate at which production may be sustained without detriment to the ultimate recovery of oil and gas under sound engineering and economic principles). In certain instances the Administrator may require designated fields to be produced in excess of their maximum efficient rate. The Administrator may also order refineries to adjust their operations to produce greater amounts of specified refined products.

Sec. 108. Other Amendments to the Emergency Petroleum Allocation Act of 1973.—The Petroleum Allocation Act is amended to require adjustments in the allocation program to reflect regional disparities in use, population growth or unusual factors influencing use (including unusual changes in climatic conditions), and to provide priority allocations to fuel and mineral producers.

Sec. 109. Protection of Franchised Dealers.—Major oil companies are prevented from unreasonably canceling, failing to renew, or otherwise terminating their franchise agreement with retailers of petroleum products. Wronged retailers may apply to Federal court for damages or injunctive relief.

Sec. 110. Prohibitions on Unreasonable Actions.—Actions taken under this Act and under the Emergency Petroleum Allocation Act are held to a standard of reasonableness. Inequitable discriminations among users are expressly prohibited. Also the Administrator is cautioned to assure that his regulations do not impose unreasonably disproportionate burdens on any sector of industry. Regulatory actions are required to be supported by economic analysis. [See also section 105(d)]

Sec. 111. Regulated Carriers.—Within 45 days of enactment, the CAB, the FMC, and the ICC are required to report to the appropriate committees of Congress on the need for additional regulatory authority in order to conserve fuel during the emergency period. Also the ICC is directed to initiate expedited proceedings to eliminate the so-called "Gateway" requirements which cause excessive travel by certificated motor common carriers.

Sec. 112. Antitrust Provisions.—A limited exemption from the antitrust laws is created for those engaged in voluntary action undertaken to achieve the purposes of this Act. Detailed provisions control the availability of this antitrust defense.

Sec. 113. Exports.—The Administrator is authorized to restrict exports of coal, petroleum products, and petrochemical feedstocks. Restrictions on the export of such products are required if either the Secretary of Commerce or the Secretary of Labor certifies that such exports would contribute to unemployment in the United States. Also the Secretary of Commerce's authority to control exports of these products is expanded in certain respects.

Sec. 114. Employment Impact and Unemployment Assistance.—The President is required to minimize adverse impacts of actions taken pursuant to this Act upon employment. The Secretary of Labor is authorized to make grants in accordance with regulations prescribed by him, to states to provide unemployment assistance for those whose unemployment results from energy shortages, and who have exhausted their eligibility for unemployment benefits or have exhausted their rights to such assistance.

Sec. 115. Use of Carpools.—The Secretary of Transportation is directed to establish an office to assist in carpool promotion throughout the nation. The Secretary is to lend technical assistance to state and local agencies and is authorized to provide grants for the development and conduct of carpool promotion programs. As an example to the rest of the nation, the President is directed to require agencies of government to use economy model motor vehicles. Moreover, with certain exceptions, the use of limousines by members of the Executive Branch below the level of cabinet officer is expressly prohibited.

Sec. 116. Administrative Procedure and Judicial Review.—Special administrative procedure and judicial review sections have been included to meet the special purposes of this Act, but do not apply to actions taken under the Emergency Petroleum Allocation Act. Under their terms, proposed rules or orders must be issued so as to provide a minimum of ten days for comment by interested persons. However, if any rule or order is likely to have a substantial impact on the nation's economy, a public hearing must be held no later than 45 days after implementation of the rule or order. Provisions must be made to provide procedures for making special hardship or other adjustments in the Administrator's regulations. Judicial review is to be obtained in the Circuit Courts of Appeal.

Sec. 117. Prohibited Acts.—It is a prohibited act for any person to violate a provision of Title I of this Act or a rule, regulation or order issued thereunder.

Sec. 118. Enforcement.—Violators may be subject to a civil penalty of $2,500 for each violation and a criminal penalty for willful violations of up to $5,000. Repeated violators who have already been subjected to a civil penalty may, if they continue to violate the Act, be fined up to $50,000 or imprisoned not more than six months, or both. Private injunctive actions are authorized.

Sec. 119. Small Business Information.—Small Business shall, to the maximum extent feasible, be fully informed and shall be consulted concerning provisions of programs provided for in this Act.

Sec. 120. Delegation of Authority and Effect on State Law.—The Administrator is given broad authority to delegate his functions within the Federal Energy Emergency Administration and to officers of state and local boards. State laws or programs which are inconsistent with provisions of this Act or any regulation, order or rule thereunder are preempted.

Sec. 121. Grants to States.—The Administrator is authorized to make grants to states to implement and enforce various provisions of this Act. Also, he may issue grants to states for the purpose of assisting them in the development and enforcement of state or local energy conservation programs which are the basis of an exemption from Federal programs.

Sec. 122. Energy Information Reports.—The Administrator is directed to issue regulations calling for full energy information from those engaged in the exploration, development, processing, refining, or transporting of any petroleum product, natural gas, or coal. These reports are required to be made every 60 days. A summary analysis of those engaged in the exploration, development, processing, refining, or reports are required to be made every 60 days. A summary analysis of the data shall be available to the Congress or any committee of Congress upon request of its chairman and may be revealed to the Attorney General, the Secretary of the Interior, the Federal Trade Commission, the Federal Power Commission, or the General Accounting Office when necessary to carry out those agencies' duties and responsibilities.

Sec. 123. Intrastate Gas.—Nothing in this Act shall expand the authority of the Federal Power Commission with respect to sales of nonjurisdictional natural gas.

Sec. 124. Expiration.—Title I authority is terminated at midnight June 30, 1975.

Sec. 125. Authorizations of Appropriations.—There are authorized to be appropriated to the Federal Energy Emergency Administration $75 million for the remaining portion of fiscal year 1974 and $75 million for fiscal year 1975. For the purpose of making grants to states, there are authorized to be appropriated $50 million for the remainder of fiscal year 1974 and $75 million for fiscal year 1975. To provide unemployment assistance authorized under section 116 of the bill, there is authorized to be appropriated $500 million for the remainder of fiscal year 1974. A $5 million authorization has been included to permit the funding of the carpool promotion program.

Sec. 126. Severability.

Sec. 127. Contingency Plans.—The President is required to develop and transmit to Congress contingency plans for the exercise of the rationing and conservation authorities provided for in this Act.

Sec. 128. Petroleum Pricing Authority.—The President is required to exercise his authority under this Act and the Economic Stabilization Act, as amended, to specify justified equitable ceiling prices for all first sales or exchanges of crude oil produced in or imported into the U.S. No more than a dollar-for-dollar passthrough of net increases in foreign taxes, and royalties and actual paid prices to non-affiliates, will be permitted on any refined petroleum products.

TITLE II—COORDINATION WITH ENVIRONMENTAL PROTECTION REQUIREMENTS

Sec. 201. Suspension Authority.—The EPA Administrator is authorized to suspend air pollution requirements for stationary sources until November 1, 1974, if sources cannot obtain clean fuels.

Coal conversion.—Sources which convert to the burning of coal are exempted from any pollution requirement which would prevent burning of coal. Exemption is effective until January 1, 1979, and may be extended for one more year. Exemption may be overridden if conversion to coal results in significant threat to health.

Sec. 202. Implementation Plan Revisions.—The EPA is required to review and consider revision of state air pollution control plans for any area in which coal conversion takes place.

Transportation controls.—All EPA parking surcharges are banned. A one-year delay of all EPA parking management regulations is authorized. EPA is required to study the necessity and cost of these requirements and exclusive carpool/bus lanes.

Sec. 203. Motor Vehicle Emissions.—The Conference bill postpones new car emission standards one year and authorizes a second year of postponement if the Administrator finds that it is necessary to prevent a significant increase in fuel use.

Sec. 204. Conforming Amendments.

Sec. 205. Protection of Public Health and Environment.—The Federal Energy Emergency Administrator is required to the maximum extent feasible to allocate low sulfur fuels to areas designated by the Administrator of EPA as having the greatest need. A $3.5-million study of the health effects of sulfur oxides is authorized. A one-year delay in the requirement for filing "environmental impact" statements under NEPA is authorized for actions taken under this Act.

Sec. 206. Energy Conservation Study.—The Administrator of the FEEA is required to report to Congress within six months on methods of energy conservation. The Secretary of Transportation must submit to Congress within 90 days an "Energy Mass Transportation Assistance Plan". By December 31, 1974, the Secretary of DOT is also required to report on the possibility of developing a high speed ground transportation system between Canada and Mexico in the West.

Sec. 207. Reports.—The Administrator of EPA is required to report to Congress on the implementation of the Clean Air Act Amendments by January 1, 1975.

Sec. 208. Fuel Economy Study.—The Administrator of EPA and the Secretary of DOT are required to report to Congress within four months on the feasibility of improving fuel economy of new cars by 20 percent between 1974 and 1980.

TITLE III—STUDIES AND REPORTS

Sec. 301 Agency Studies Are Required.—A number of Agency studies are required concerning the need for developing both near-term increases in energy supply or reductions in energy consumption and longer term methods for achieving these same objectives.

A list of the studies follow:

1. Effect of rulings and regulations issued pursuant to the Economic Stabilization Act on production FEEA)
2. Development of incentives to increase energy supply and reduce consumption (Secretary of the Treasury and Director of the Cost of Living Council)
3. The impact of energy shortages on employment (FEEA)
4. Comprehensive review of U.S. exports and foreign investment policies (Secretaries of the Interior and Commerce)
5. A plan to provide Federally sponsored incentives for increased use of mass transit—to be submitted to the Congress for approval (FEEA)
6. The potential for further development of hydroelectric power resources (FEEA)
7. Methods for accelerated leasing of energy resources on public lands (Secretary of the Interior)
8. Energy facility siting problem (FEEA)
9. The potential for conversion of coal to synthetic oil or gas (FEEA)

Sec. 302. Reports of The President to Congress.—The President is required to report to the Congress every 60 days on the implementation and administration of this Act and the Emergency Petroleum Allocation Act of 1973, and provide Congress with an assessment of the results attained thereby.

S. 3267

A bill to provide standby emergency authority to assure that the essential energy needs of the United States are met, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act, including the following table of contents, may be cited as the "Standby Energy Emergency Authorities Act".

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TITLE I—STANDBY ENERGY EMERGENCY AUTHORITIES

SEC. 101. FINDINGS AND PURPOSES.

(a) The Congress hereby determines that—

(1) current energy shortages have the potential to create severe economic dislocations and hardships;

(2) such shortages and dislocations could jeopardize the normal flow of interstate and foreign commerce;

(3) disruptions in the availability of imported energy supplies, particularly petroleum products, pose a serious risk to national security, economic well-being, and health and welfare of the American people;

(4) because of the diversity of conditions, climate, and available fuel mix in different areas of the Nation, governmental responsibility for developing and enforcing energy emergency authorities lies not only with the Federal Government, but with the States and with the local governments;

(5) the protection and fostering of competition and the prevention of anticompetitive practices and effects are vital during periods of energy shortages.

(b) The purposes of this Act are to grant specific temporary standby authority to impose end-use rationing and to reduce demand by regulating public and private consumption of energy, subject to congressional review and right of approval or disapproval and to authorize certain other specific temporary emergency actions to be exercised, to assure that the essential needs of the United States for fuels will be met in a manner which, to the fullest extent practicable: (1) is consistent with existing national commitments to protect and improve the environment; (2) minimizes any adverse impact on employment; (3) provides for equitable treatment of all sectors of the economy; (4) maintains vital services necessary to health, safety, and public welfare; and (5) insures against anticompetitive practices and effects and preserves, enhances and facilitates competition in the development, production, transportation, distribution, and marketing of energy resources.

SEC. 102. DEFINITIONS.

For purposes of this Act:

(1) The term "State" means a State, the District of Columbia, Puerto Rico, or any territory or possession of the United States.

(2) The term "petroleum product" means crude oil, residual fuel oil, or any refined petroleum product (as defined in the Emergency Petroleum Allocation Act of 1973).

(3) The term "United States" when used in the geographical sense means the States, the District of Columbia, Puerto Rico, and the territories and possessions of the United States.

(4) The term "Administrator" means the Administrator of the Federal Energy Administration established by H.R. 11793, Ninety-third Congress (popularly known as the Federal Energy Administration Act of 1974) if H.R. 11793 is enacted; except that until such Administrator takes office, such term means any officer of the United States designated by the President.

SEC. 103. END-USE RATIONING.

Section 4 of the Emergency Petroleum Allocation Act of 1973 is amended by adding at the end thereof the following new subsection:

"(h) (1) The President may promulgate a rule which shall be deemed a part of the regulation under subsection (a) and which shall provide, consistent with the objectives of subsection (b), for the establishment of a program for the rationing and ordering of priorities among classes of end-users of crude oil, residual fuel oil, or any refined petroleum product, and for the assignment to end-users of such products of rights, and evidences of such rights, entitling them to obtain such products in precedence to other classes of end-users not similarly entitled.

"(2) The rule under paragraph (1) of this subsection shall take effect only if the President finds that, without such rule, all other practicable and authorized methods to limit energy demand will not achieve the objectives of subsection (b) of this section and of the Standby Energy Emergency Authorities Act.

"(3) The President shall, by order, in furtherance of the rule authorized pursuant to paragraph (1) of this subsection and consistent with the attainment of the objectives in subsection (b) of this section, cause such adjustments in the allocations made pursuant to the regulation under subsection (a) as may be necessary to carry out the purposes of this subsection.

"(4) The President shall provide for procedures by which any end-user of crude oil, residual fuel oil or refined petroleum products for which priorities and entitlements are established under paragraph (1) of this subsection may petition for review and reclassification or modification of any determination made under such paragraph with respect to his rationing priority or entitlement. Such procedures may include procedures with respect to such local boards as may be authorized to carry out functions under this subsection pursuant to section 120 of the Standby Energy Emergency Authorities Act.

"(5) No rule or order under this section may impose any tax or user fee, or provide for a credit or deduction in computing any tax.

"(6) At such time as he finds that it is necessary to put a rule under paragraph (1) of this subsection into effect, the President shall transmit such rule to each House of Congress and such rule shall take effect in the same manner as an energy conservation plan prescribed under section 104 of the Standby Energy Emergency Authorities Act and shall be deemed an energy conservation plan for purposes of section 104(c), notwithstanding the provisions of section 104(a) (1) (B). Such a rule may be amended as provided in section 104(a) (4) of such Act."

SEC. 104. ENERGY CONSERVATION PLANS.

(a) (1) (A) Pursuant to the provisions of this section, the Administrator may promulgate, by regulation, one or more energy conservation plans in accord with this section which shall be designed (together with actions taken and proposed to be taken under other authority of this or other Acts) to result in a reduction of energy consumption to a level which can be supplied by available energy resources. For purposes of this section, the term "energy conservation plan" means a plan for transportation controls (including but not limited to highway speed limits) or such other reasonable restrictions on the public or private use of energy (including limitations on energy consumption of businesses) which are necessary to reduce energy consumption.

(B) No energy conservation plan may impose rationing or any tax or user fee, or provide for a credit or deduction in computing any tax.

(2) An energy conservation plan shall become effective as provided in subsection (b). Such a plan shall apply in each State, except as otherwise provided in an exemption granted pursuant to such plan in cases where a comparable State or local program is in effect, or where the Administrator finds special circumstances exist.

(3) An energy conservation plan may not deal with more than one logically consistent subject matter.

(4) An amendment to an energy conservation plan, unless the Administrator determines such an amendment does not have significant substantive effect, shall be transmitted to Congress and shall be effective only in accordance with subsection (b), except that such an amendment may take effect immediately or on a date stated in such an amendment if the Administrator determines that a delay of 15 calendar days of continuous session of the Congress after the date on which such an amendment is transmitted to the Congress would seriously impair the operation of the plan or be inconsistent with the purposes of this Act, but if either House of the Congress, before the end of the first period of 15 calendar days of continuous session after the date of submission of such an amendment, passes a resolution stating in substance that such House does not favor such an amendment, such an amendment shall cease to be effective on the date of passage of such resolution. Any amendment which the Administrator determines does not have significant substantive effect and any rescission of a plan may be made effective in accordance with section 553 of title 5, United States Code.

(5) Subject to subsection (b) (3), an energy conservation plan shall remain in effect for a period specified in the plan unless earlier rescinded by the Administrator, but shall terminate in any event no later than 6 months after such plan first takes effect or June 30, 1975, whichever first occurs.

(b) (1) For purposes of this subsection, the term "energy conservation plan" includes an amendment to an energy conservation plan which has significant substantive effect.

(2) The Administrator shall transmit any energy conservation plan (bearing an identification number) to each House of Congress on the date on which it is promulgated.

(3)(A) Except as provided in subparagraph (B), if an energy conservation plan is transmitted to the Congress such plan shall take effect at the end of the first period of 15 calendar days of continuous session of Congress after the date on which such plan is transmitted to it unless, between the date of transmittal and the end of the 15-day period, either House passes a resolution stating in substance that such House does not favor such plan.

(ii) An energy conservation plan described in subparagraph (A) may be implemented prior to the expiration of the 15-calendar-day period after the date on which such plan is transmitted, if each House of Congress approves a resolution affirmatively stating in substance that such House does not object to the implementation of such plan.

(4) For the purpose of paragraph (3) of this subsection—

(A) continuity of session is broken only by an adjournment of Congress sine die; and

(B) the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of the 15-day period.

(5) Under provisions contained in an energy conservation plan, a provision of the plan may take effect at a time later than the date on which such plan otherwise takes effect.

(c)(1) This subsection is enacted by Congress—

(A) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of resolutions described by paragraph (2) of this subsection; and it supersedes other rules only to the extent that it is inconsistent therewith; and

(B) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

(2) For purposes of this subsection, the term "resolution" means only a resolution of either House of Congress described in subparagraph (A) or (B).

(A) A resolution the matter after the resolving clause of which is as follows: "That the ——— does not object to the implementation of energy conservation plan numbered ——— submitted to the Congress on ———, 19 .", the first blank space therein being filled with the name of the resolving House and the other blank space being appropriately filled; but does not include a resolution which specified more than one energy conservation plan.

(B) A resolution the matter after the resolving clause of which is as follows: "That the ——— does not favor the energy conservation plan numbered ——— transmitted to Congress on ———, 19 .", the first blank space therein being filled with the name of the resolving House and the other blank spaces therein being appropriately filled; but does not include a resolution which specifies more than one energy conservation plan.

(3) A resolution once introduced with respect to an energy conservation plan shall immediately be referred to a committee (and all resolutions with respect to the same plan shall be referred to the same committee) by the President of the Senate or the Speaker of the House of Representatives, as the case may be.

(4) (B) If the committee to which a resolution with respect to an energy conservation plan has been referred has not reported it at the end of 5 calendar days after its referral, it shall be in order to move either to discharge the committee from further consideration of such resolution or to discharge the committee from further consideration of any other resolution with respect to such energy conservation plan which has been referred to the committee.

(B) A motion to discharge may be made only by an individual favoring the resolution, shall be highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same energy conservation plan), and debate thereon shall be limited to not more than one hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to.

(C) If the motion to discharge is agreed to or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same plan.

(5)(A) When the committee has reported, or has been discharged from further consideration of, a resolution, it shall be at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion shall be highly privileged and shall not be debatable. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to.

(B) Debate on the resolution shall be limited to not more than ten hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate shall not be debatable. An amendment to, or motion to recommit, the resolution shall not be in order, and it shall not be in order to move to reconsider the vote by which the resolution was agreed to or disagreed to; except that it shall be in order to substitute a resolution disapproving a plan for a resolution not to object to such plan, or a resolution not to object to a plan for a resolution disapproving such plan.

(6)(A) Motions to postpone, made with respect to the discharge from committee, or the consideration of a resolution and motions to proceed to the consideration of other business, shall be decided without debate.

(B) Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution shall be decided without debate.

(7) Notwithstanding any of the provisions of this subsection, if a House has approved a resolution with respect to an energy conservation plan, then it shall not be in order to consider in that House any other resolution with respect to the same plan.

(d)(1) Any energy conservation plan or rationing rule, which the Administrator submits to the Congress pursuant to subsection (b) of this section shall state any findings of fact on which the action is based, and shall contain a specific statement explaining the rationale for such plan or rule.

(2) To the greatest extent practicable, any energy conservation plan or rationing rule which the Administrator submits to the Congress pursuant to subsection (b) of this section shall also be accompanied by an evaluation prepared by the Administrator of the potential economic impacts, if any, of the proposed plan or rule. Such evaluation shall include an analysis of the effect, if any, of such plan or rule on—

(A) the fiscal integrity of State and local government;

(B) vital industrial sectors of the economy;

(C) employment, by industrial and trade sector, as well as on a national, regional, State, and local basis;

(D) the economic vitality of regional, State, and local areas;

(E) the availability and price of consumer goods and services;

(F) the gross national product;

(G) competition in all sectors of industry;

(H) small business; and

(I) the supply and availability of energy resources for use as fuel or as feedstock industry.

SEC. 105. COAL CONVERSION AND ALLOCATION

(a) The Administrator shall, to the extent practicable and consistent with the objectives of this Act, by order, after balancing on a plant-by-plant basis the environmental effects of use of coal against the need to fulfill the purposes of this Act prohibit, as its primary energy source, the burning of natural gas or petroleum products by any major fuel-burning installation (including any existing electric powerplant) which, on the date of enactment of this Act, has the capability and necessary plant equipment to burn coal. Any installation to which such an order applies shall be permitted to continue to use coal or coal byproducts as provided in section 119(b) of the Clean Air Act. To the extent coal supplies are limited to less than the aggregate amount of coal supplies which may be necessary to satisfy the requirements of those installations which can be expected to use coal (including installations to which orders may apply under this subsection), the Administrator shall prohibit the use of natural gas and petroleum products for those installations where the use of coal will have the least adverse environmental impact. A prohibition on use of natural gas and petroleum products under this subsection shall be contingent upon the availability of coal, coal transportation facilities, and the maintenance of reliability of service in a given service area. The Administrator shall require that fossil-fuel-fired electric powerplants in the early planning process, other than combustion gas turbine and combined cycle units, be designed and constructed so as to be capable of using coal as a primary energy source instead of or in addition to other fossil fuels. No fossil-fuel-fired electric powerplant may be required under this section to be so designed and constructed, if (1) to do so would result in an impairment of reliability or adequacy of service, or (2) if an adequate and reliable supply of coal is not available and is not expected to be available. In considering whether to impose a design and construction requirement under this subsection, the Administrator shall consider the existence and effects of any contractual commitment for the construction of such facilities and the capability of the owner or operator to recover any capital investment made as a result of the conversion requirements of this section.

(b) The Administrator may, by rule, prescribe a system for allocation of coal to users thereof in order to attain the objectives specified in this section.

SEC. 106. MATERIALS ALLOCATION.

(a) Beginning 60 days after the date of enactment of this Act, the Administrator may, by rule or order, require the allocation of, or the performance under contracts or orders (other than contracts of employment) relating to, supplies of materials and equipment if he makes the findings required by subsection (c) of this section.

(b) Not later than 30 days after the date of enactment of this Act the Administrator shall report to the Congress with respect to the manner in which the authorities contained in subsection (a) will be administered. This report shall include but not be limited to the manner in which allocations will be made, the procedure for requests and appeals, the criteria for determining priorities as between competing requests, and the office or agency which will administer such authorities.

(c) The authority granted in this section may not be used to control the general distribution of any supplies of materials and equipment in the marketplace unless the Administrator finds that—

(1) such supplies are scarce, critical, and essential to maintain or further exploration, production, refining, and required transportation of energy supplies and for the construction and maintenance of energy facilities, and

(2) maintenance or furtherance of exploration, production, refining, and required transportation of energy supplies and the construction and maintenance of energy facilities during the energy shortage cannot reasonably be accomplished without exercising the authority specified in subsection (a) of this section.

Sec. 107. Federal Actions To Increase Available Domestic Petroleum Supplies.

(a) The Administrator may, by rule or order, until June 30, 1975, require the following measures to supplement domestic energy supplies:

(1) the production of designated domestic oilfields, at their maximum efficient rate of production, which is the maximum rate at which production may be sustained without detriment to the ultimate recovery of oil and gas under sound engineering and economic principles. Such fields are to be designated by the Secretary of the Interior, after consultation with the appropriate State regulatory agency. Data to determine the maximum efficient rate of production shall be supplied to the Secretary of the Interior by the State regulatory agency which determines the maximum efficient rate of production and by the operators who have drilled wells in, or are producing oil and gas from such fields;

(2) if necessary to meet essential energy needs, production of certain designated existing domestic oilfields at rates in excess of their currently assigned maximum efficient rates. Fields to be so designated, by the Secretary of the Interior or the Secretary of the Navy as to the Federal lands or as to Federal interests in lands under their respective jurisdiction, shall be those fields where the types and quality of reservoirs are such as to permit production at rates in excess of the currently assigned sustainable maximum efficient rate for periods of ninety days or more without excessive risk of losses in recovery; and

(3) the adjustment of processing operations of domestic refineries to produce refined products in proportions commensurate with national needs and consistent with the objectives of section 4(b) of the Emergency Petroleum Allocation Act of 1973.

(b) Nothing in this section shall be construed to authorize the production from any naval petroleum reserve now subject to the provisions of chapter 641 of title 10, United States Code.

Sec. 108. Other Amendments to the Emergency Petroleum Allocation Act of 1973.

(a) Section 4 of the Emergency Petroleum Allocation Act of 1973 (as amended by section 103 of this Act) is further amended by adding at the end of such section the following new subsection:

"(i) If any provision of the regulation under subsection (a) provides that any allocation of residual fuel oil or refined petroleum products is to be based on use of such a product or amounts of such product supplied during a historical period, the regulation shall contain provisions designed to assure that the historical period can be adjusted (or other adjustments in allocations can be made) in order to reflect regional disparities in use, population growth or unusual factors influencing use (including unusual changes in climatic conditions), of such oil or product in the historical period. This subsection shall take effect 30 days after the date of enactment of the Standby Energy Emergency Authorities Act. Adjustments for such purposes shall take effect no later than 6 months after the date of enactment of this subsection. Adjustments to reflect population growth shall be based upon the most current figures available from the United States Bureau of the Census."

(b) Section 4(g)(1) of the Emergency Petroleum Allocation Act of 1973 is amended by striking out "February 28, 1975" in each case the term appears and inserting in each case "June 30, 1975".

(c) Section 4(b)(1)(G) of the Emergency Petroleum Allocation Act of 1973 is amended to read as follows:

"(G) allocation of residual fuel oil and refined petroleum products in such amounts and in such manner as may be necessary for the maintenance of exploration for, and production or extraction of—

"(i) fuels, and

"(ii) minerals essential to the requirements of the United States,

and for required transportation related thereto,".

(d) The Administrator shall, within 30 days from the date of the enactment of this Act, report to the Congress with respect to shortages of petrochemical feedstocks, of steps taken to alleviate any such shortages, the unemployment impact resulting from such shortages, and any legislative recommendations which he deems necessary to alleviate such shortages.

Sec. 109. Protection of Franchised Dealers.

(a) As used in this section:

(1) The term "distributor" means a person engaged in the sale, consignment, or distribution of petroleum products to wholesale or retail outlets whether or not it owns, leases, or in any way controls such outlets.

(2) The term "franchise" means any agreement or contract between a refiner or a distributor and a retailer or between a refiner and distributor, under which such retailer or distributor is granted authority to use a trademark, trade name, service mark, or other identifying symbol or name owned by such refiner or distributor, or any agreement or contract between such parties under which such retailer or distributor is granted authority to occupy premises owned, leased, or in any way controlled by a party to such agreement or contract, for the purpose of engaging in the distribution or sale of petroleum products for purposes other than resale.

(3) The term "refiner" means a person engaged in the refining or importing of petroleum products.

(4) The term "retailer" means a person engaged in the sale of any refined petroleum product for purposes other than resale within any State, either under a franchise or independent of any franchise, or who was so engaged at any time after the start of the base period.

(b)(1) A refiner or distributor shall not cancel, fail to renew, or otherwise terminate a franchise unless he furnishes prior notification pursuant to this paragraph to each distributor or retailer affected thereby. Such notification shall be in writing and sent to such distributor or retailer by certified mail not less than 90 days prior to the date on which such franchise will be canceled, not renewed, or otherwise terminated. Such notification shall contain a statement of intention to cancel, not renew, or to terminate together with the reasons therefor, the date on which such action shall take effect, and a statement of the remedy or remedies available to such distributor or retailer under this section together with a summary of the applicable provisions of this section.

(2) A refiner or distributor shall not cancel, fail to renew, or otherwise terminate a franchise unless the retailer or distributor whose franchise is terminated failed to comply substantially with any essential and reasonable requirement of such franchise or failed to act in good faith in carrying out the terms of such franchise, or unless such refiner or distributor withdraws entirely from the sale of refined petroleum products in commerce for sale other than resale in the United States.

(c)(1) If a refiner or distributor engages in conduct prohibited under subsection (b) of this section, a retailer or a distributor may maintain a suit against such refiner or distributor. A retailer may maintain such suit against a distributor or a refiner whose actions affect commerce and whose products with respect to conduct prohibited under paragraph (1) or (2) of subsection (b) of this section, he sells or has sold, directly or indirectly, under a franchise. A distributor may maintain such suit against a refiner whose actions affect commerce and whose products he purchases or has purchased or whose products he distributes or has distributed to retailers.

(2) The court shall grant such equitable relief as is necessary to remedy the effects or conduct prohibited under subsection (b) of this section which it finds to exist including declaratory judgment and mandatory or prohibitive injunctive relief. The court may grant interim equitable relief, and actual and punitive damages (except for actions for a failure to renew) where indicated, in suits under this section, and may, unless such suit is frivolous, direct that costs, including reasonable attorney and expert witness fees, be paid by the defendant. In the case of actions for a failure to renew, damages shall be limited to actual damages including the value of the dealer's equity.

(3) A suit under this section may be brought in the district court of the United States for any judicial district in which the distributor or the refiner against whom such suit is maintained resides, is found, or is doing business, without regard to the amount in controversy.

(d) The provisions of this section expire at midnight, June 30, 1975, but such expiration shall not affect any pending action or pending proceeding, civil or criminal, not finally determined on such date, nor any action or proceeding based upon any act committed prior to midnight, June 30, 1975, except that no suit under this section, which is based upon an act committed prior to midnight, June 30, 1975, shall be maintained unless commenced within 3 years after such act.

Sec. 110. Prohibition on Unreasonable Actions.

(a) Action taken under authority of this Act, the Emergency Petroleum Allocation Act of 1973, or other Federal law resulting in the allocation of petroleum products and electrical energy among classes of users or resulting in restrictions on use of petroleum products and electrical energy, shall be equitable, shall not be arbitrary or capricious, and shall not unreasonably discriminate among classes of users, unless the Administrator determines such a policy would be inconsistent with the purposes of this Act and publishes his finding in the Federal Register. Allocations shall contain provisions designed to foster reciprocal and nondiscriminatory treatment by foreign countries of United States citizens engaged in commerce.

(b) To the maximum extent practicable, any restriction on the use of energy shall be designed to be carried out in such manner so as to be fair and to create a reasonable distribution of the burden of such restriction on all sectors of the economy, without imposing an unreasonably disproportionate share of such burden on any specific industry, business or commercial enterprise, or on any individual segment thereof and shall give due consideration to the needs of commercial, retail, and service establishments whose normal function is to supply goods and services of an essential convenience nature during times of day other than conventional daytime working hours.

SEC. 111. REGULATED CARRIERS.

(a) The Interstate Commerce Commission shall, by expedited proceedings, adopt appropriate rules under the Interstate Commerce Act which eliminate restrictions on the operating authority of any motor common carrier of property which require excessive travel between points with respect to which such motor common carrier has regularly performed service under authority issued by the Commission. Such rules shall assure continuation of essential service to communities served by any such motor common carrier.

(b) Within 45 days after the date of enactment of this Act, the Civil Aeronautics Board, the Federal Maritime Commission, and the Interstate Commerce Commission shall report separately to the appropriate committees of the Congress on the need for additional regulatory authority in order to conserve fuel during the period beginning on the date of enactment of this Act and ending on June 30, 1975, while continuing to provide for the public convenience and necessity. Each such report shall identify with specificity—

(1) the type of regulatory authority needed;

(2) the reasons why such authority is needed;

(3) the probable impact on fuel conservation of such authority;

(4) the probable effect on the public convenience and necessity of such authority; and

(5) the competitive impact, if any, of such authority.

Each such report shall further make recommendations with respect to changes in any existing fuel allocation programs which are deemed necessary to provide for the public convenience and necessity during such period.

SEC. 112. ANTITRUST PROVISIONS.

(a) Except as specifically provided in subsection (i), no provision of this Act shall be deemed to convey to any person subject to this Act any immunity from civil and criminal liability or to create defenses to actions under the antitrust laws.

(b) As used in this section, the term "antitrust laws" means—

(1) the Act entitled "An Act to protect trade and commerce against unlawful restraints and monopolies", approved July 2, 1890 (15 U.S.C. 1 et seq.), as amended;

(2) the Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914 (15 U.S.C. 12 et seq.), as amended;

(3) the Federal Trade Commission Act (15 U.S.C. 41 et seq.), as amended;

(4) sections 73 and 74 of the Act entitled "An Act to reduce taxation, to provide revenue for the Government, and for other purposes", approved August 27, 1894 (15 U.S.C. 8 and 9), as amended; and

(5) the Act of June 19, 1936, chapter 592 (15 U.S.C. 13, 13a, 13b, and 21a).

(c)(1) To achieve the purposes of this Act, the Administrator may provide for the establishment of such advisory committees as he determines are necessary. Any such advisory committees shall be subject to the provisions of the Federal Advisory Committee Act of 1972 (5 U.S.C. App. 1), whether or not such Act or any of its provisions expires or terminates during the term of this Act or of such committees, and in all cases shall be chaired by a regular full-time Federal employee and shall include representatives of the public. The meetings of such committees shall be open to the public.

(2) A representative of the Federal Government shall be in attendance at all meetings of any advisory committee established pursuant to this section. The Attorney General and the Federal Trade Commission shall have adequate advance notice of any meeting and may have an official representative attend and participate in any such meeting.

(3) A full and complete verbatim transcript shall be kept of all advisory committee meetings, and shall be taken and deposited, together with any agreement resulting therefrom, with the Attorney General and the Federal Trade Commission. Such transcript and agreement shall be made available for public inspection and copying, subject to the provisions of section 552 (b)(1) and (b)(3) of title 5, United States Code.

(d) The Administrator, subject to the approval of the Attorney General and the Federal Trade Commission, shall promulgate by rule, standards and procedures by which persons engaged in the business of producing, refining, marketing, or distributing crude oil, residual fuel oil or any refined petroleum product may develop and implement voluntary agreements and plans of action to carry out such agreements which the Administrator determines are necessary to accomplish the objectives stated in section 4(b) of the Emergency Petroleum Allocation Act of 1973.

(e) The standards and procedures under subsection (d) shall be promulgated pursuant to section 553 of title 5, United States Code. They shall provide, among other things, that—

(1) Such agreements and plans of action shall be developed by meetings of committees, councils, or other interested segments of the petroleum industry and of groups which include representatives of the public, of industrial, municipal, and private consumers, and shall in all cases be chaired by a regular full-time Federal employee;

(2) Meetings held to develop a voluntary agreement or a plan of action under this subsection shall permit attendance by interested persons and shall be preceded by timely and adequate notice with identification of the agenda of such meeting to the Attorney General, the Federal Trade Commission and to the public in the affected community;

(3) Interested persons shall be afforded an opportunity to present, in writing and orally, data, views, and arguments at such meetings;

(4) A full and complete verbatim transcript shall be kept of any meeting, conference, or communication held to develop, implement, or carry out a voluntary agreement or a plan of action under this subsection and shall be taken and deposited, together with any agreement resulting therefrom, with the Attorney General and the Federal Trade Commission. Such transcript and agreement shall be available for public inspection and copying, subject to provisions of sections 552 (b)(1) and (b)(3) of title 5, United States Code.

(f) The Federal Trade Commission may exempt types or classes of meetings, conferences, or communications from the requirements of subsections (c)(3) and (e)(4), provided such meetings, conferences, or communications are ministerial in nature and are for the sole purpose of implementing or carrying out a voluntary agreement or plan of action authorized pursuant to this section. Such ministerial meeting, conference, or communication may take place in accordance with such requirements as the Federal Trade Commission may prescribe by rule. Such persons participating in such meeting, conference, or communication shall cause a record to be made specifying the date such meeting, conference, or communication took place and the persons involved, and summarizing the subject matter discussed. Such record shall be filed with the Federal Trade Commission and the Attorney General, where it shall be made available for public inspection and copying.

(g)(1) The Attorney General and the Federal Trade Commission shall participate from the beginning in the development, implementation, and carrying out of voluntary agreements and plans of action authorized under this section. Each may propose any alternative which would avoid or overcome, to the greatest extent practicable, possible anticompetitive effects while achieving substantially the purposes of this Act. Each shall have the right to review, amend, modify, disapprove, or prospectively revoke, on its own motion or upon the request of any interested person, any plan of action or voluntary agreement at any time, and, if revoked, thereby withdraw prospectively the immunity which may be conferred by subsection (i) of this section.

(2) Any voluntary agreement or plan of action entered into pursuant to this section shall be submitted in writing to the Attorney General and the Federal Trade Commission twenty days before being implemented, where it shall be made available for public inspection and copying.

(h)(1) The Attorney General and the Federal Trade Commission shall monitor the development, implementation, and carrying out of plans of action and voluntary agreements authorized under this section to assure the protection and fostering of competition and the prevention of anticompetitive practices and effects.

(2) The Attorney General and the Federal Trade Commission shall promulgate joint regulations concerning the maintenance of necessary and appropriate documents, minutes, transcripts, and other records related to the development, implementation, or carrying out of plans of action or voluntary agreements authorized pursuant to this Act.

(3) Persons developing, implementing, or carrying out plans of action or voluntary agreements authorized pursuant to this Act shall maintain those records required by such joint regulations. The Attorney General and the Federal Trade Commission shall have access to and the right to copy such records at reasonable times and upon reasonable notice.

(4) The Federal Trade Commission and the Attorney General may each prescribe such rules and regulations as may be necessary or appropriate to carry out their responsibilities under this Act. They may both utilize for such purposes and for purposes of enforcement, any and all powers conferred upon the Federal Trade Commission or the Department of Justice, or both, by any other provision of law, including the antitrust laws; and wherever such provision of law refers to "the purposes of this Act" or like terms, the reference shall be understood to be this Act.

(i) There shall be available as a defense to any civil or criminal action brought under the antitrust laws in respect of actions taken in good faith to develop and implement a voluntary agreement or plan of action to carry out a voluntary agreement by persons engaged in the business of producing, refining, marketing, or distributing crude oil, residual fuel oil, or any refined petroleum product that—

(1) such action was—

(A) authorized and approved pursuant to this section, and

(B) undertaken and carried out solely to achieve the purposes of this section and in compliance with the terms and conditions of this section, and the rules promulgated hereunder; and

(2) such persons fully complied with the requirements of this section and the rules and regulations promulgated hereunder.

(j) No provision of this Act shall be construed as granting immunity for, nor as limiting or in any way affecting any remedy or penalty which may result from any legal action or proceeding arising from, any acts or practices which occurred: (1) prior to the enactment of this Act, (2) outside the scope and purpose or not in compliance with the terms and conditions of this Act and this section, or (3) subsequent to its expiration or repeal.

(k) Effective on the date of enactment of this Act, this section shall apply in lieu of section 6(c) of the Emergency Petroleum Allocation Act of 1973. All actions taken and any authority or immunity granted under such section 6(c) shall be hereafter taken or granted, as the case may be, pursuant to this section.

(l) The provisions of section 708 of the Defense Production Act of 1950, as amended, shall not apply to any action authorized to be taken under this Act or the Emergency Petroleum Allocation Act of 1973.

(m) The Attorney General and the Federal Trade Commission shall each submit to the Congress and to the President, at least once every 6 months, a report on the impact on competition and on small business of actions authorized by this section.

(n) The authority granted by this section (including any immunity under subsection (i)) shall terminate on June 30, 1975.

(o) The exercise of authority provided in section 111 shall not have as a principal purpose or effect the substantial lessening of competition among carriers affected. Actions taken pursuant to that subsection shall be taken only after providing from the beginning an adequate opportunity for participation by the Federal Trade Commission and the Assistant Attorney General in charge of the Antitrust Division, who shall propose any alternative which would avoid or overcome, to the greatest extent practicable, any anticompetitive effects while achieving the purposes of this Act.

SEC. 113. EXPORTS.

(a) The Administrator is authorized by rule or order, to restrict exports of coal, natural gas, petroleum products, and petrochemical feedstocks, and of supplies of materials and equipment which he determines to be necessary to maintain or further exploration, production, refining, and required transportation of domestic energy supplies and for the construction and maintenance of energy facilities within the United States, under such terms and conditions as he determines to be appropriate and necessary to carry out the purpose of this Act.

(b) In the administration of the restrictions under subsection (a) of this section, the Administrator may request and, if so, the Secretary of Commerce shall, pursuant to the procedures established by the Export Administration Act of 1969 (but without regard to the phrase "and to reduce the serious inflationary impact of abnormal foreign demands" in section 3(2) (A) of such Act), impose such restrictions on exports of coal, natural gas, petroleum products, and petrochemical feedstocks, and of supplies of materials and equipment which the Administrator determines to be necessary to maintain or further exploration, production, refining, and required transportation of domestic energy supplies and for the construction and maintenance of energy facilities within the United States, as the Administrator determines to be appropriate and necessary to carry out the purposes of this Act.

(c) Rules or orders of the Administrator under subsection (a) of this section and actions by the Secretary of Commerce pursuant to subsection (b) of this section shall take into account the historical trading relations of the United States with Canada and Mexico.

SEC. 114. EMPLOYMENT IMPACT AND UNEMPLOYMENT ASSISTANCE.

(a) The President shall take into consideration and shall minimize, to the fullest extent practicable, any adverse impact of actions taken pursuant to this Act upon employment. All agencies of Government shall cooperate fully under their existing statutory authority to minimize any such adverse impact.

(b) (1) The Secretary of Labor shall make grants, in accordance with regulations prescribed by him, to States to provide cash benefits to any individual who is unemployed as a result of disruptions, dislocations, or shortages of energy supplies and resources, and who is not eligible for unemployment assistance or who has exhausted his rights to such assistance (within the meaning of paragraph (4) (B)).

(2) Regulations of the Secretary of Labor under paragraph (1) may require that States enter into agreements as a condition of receiving a grant under this subsection, and such regulations—

(A) shall provide that—

(i) a benefit under this subsection shall be available to any individual who is unemployed as a result of disruptions, dislocations, or shortages of energy supplies and resources and who is not eligible for unemployment assistance (without regard to whether such unemployment commenced before or after the date of enactment of this Act).

(ii) a benefit provided to such an individual shall be available to such individual for any week of unemployment which begins after the date on which this Act is enacted and before July 1, 1975, in which such individual is unemployed;

(iii) the amount of a benefit with respect to a week of unemployment shall be equal to—

(I) in the case of an individual who has exhausted his eligibility for unemployment assistance, the amount of the weekly unemployment compensation payment for which he was most recently eligible; or

(II) in the case of any other individual, an amount which shall be set by the State in which the individual was last employed at a level which shall take into account the benefit levels provided by State law for persons covered by the State's unemployment compensation program, but which shall not be less than the minimum weekly amount, nor more than the maximum weekly amount, under the unemployment compensation law of the State; and

(B) may provide that individuals eligible for a benefit under this subsection have been employed for up to 1 month in the 52-week period preceding the filing of a claim for benefits under this subsection.

(3) Unemployment resulting from disruptions, dislocations, or shortages of energy supplies and resources shall be defined in regulations of the Secretary of Labor. Such regulations shall provide that such unemployment includes unemployment clearly attributable to such disruptions, dislocations or shortages, fuel allocations, fuel pricing, consumer buying decisions influenced by such disruptions, dislocations, or shortages, and governmental action associated with such disruptions, dislocations, or shortages. The determination as to whether an individual is unemployed as a result of such disruptions, dislocations, or shortages (within the meaning of such regulations) shall be made by the State in which the individual was last employed in accordance with such industry, business, or employer certification process or such other determination procedure (or combination thereof) as the Secretary of Labor shall, consistent with the purposes of paragraph (1) of this subsection, determine as most appropriate to minimize administrative costs, appeals, or other delay, in paying to individuals the cash allowances provided under this section.

(4) For purposes of this subsection—

(A) an individual shall be considered unemployed in any week if he is—

(i) not working,

(ii) able to work, and

(iii) available for work,

within the meaning of the State unemployment compensation law in effect in the State in which such individual was last employed, and provided that he would not be subject to disqualification under that law for such week, if he were eligible for benefits under such law;

(B) (1) the phrase "not eligible" for unemployment assistance means not eligible for compensation under any State or Federal unemployment compensation law (including the Railroad Unemployment Insurance Act (45 U.S.C. 351 et seq.)) with respect to such week of unemployment, and is not receiving compensation with respect to such week of unemployment under the unemployment compensation law of Canada; and

(ii) the phrase "exhausted his rights to such assistance" means exhausted all rights to regular, additional, and extended compensation under all State unemployment compensation laws and chapters 85 of title 5, United States Code, and has no further rights to regular, additional, or extended compensation under any State or Federal unemployment compensation law (including the Railroad Unemployment Insurance Act (45 U.S.C. 451 et seq.)) with respect to such week of unemployment, and is not receiving compensation with respect to such week of unemployment under the unemployment compensation law of Canada.

(c) On or before the sixtieth day following the date of enactment of this Act, the President shall report to the Congress concerning the present and prosective impact of energy shortages upon employment. Such report shall contain an assessment of the adequacy of existing programs in meeting the needs of adversely affected workers and shall include legislative recommendations which the President deems appropriate to meet such needs, including revisions in the unemployment insurance laws.

SEC. 115. USE OF CARPOOLS.

(a) The Secretary of Transportation shall encourage the creation and expansion of the use of carpools as a viable component of our nationwide transportation system. It is the intent of this section to maximize the level of carpool participation in the United States.

(b) The Secretary of Transportation is directed to establish within the Department of Transportation an "Office of Carpool Promotion" whose purpose and responsibilities shall include—

(1) responding to any and all requests for information and technical assistance on carpooling and carpooling systems from units of State and local governments and private groups and employees;

(2) promoting greater participation in carpooling through public information and the preparation of such materials for use by State and local governments;

(3) encouraging and promoting private organizations to organize and operate carpool systems for employees;

(4) promoting the cooperation and sharing of responsibilities betwen separate, yet proximately close, units of government in coordinating the operations of carpool systems; and

(5) prompting other such measures that the Secretary determines appropriate to achieve the goal of this subsection.

(c) The Secretary of Transportation shall encourage and promote the use of incentives such as special parking privileges, special roadway lanes, toll adjustments, and other incentives as may be found beneficial and administratively feasible to the furtherance of carpool ridership, and consistent with the obligations of the State and local agencies which provide transportation services.

(d) The Secretary of Transportation shall allocate the funds appropriated pursuant to the authorization of subsection (f) according to the following distribution between the Federal and State or local units of government:

(1) The initial planning process—up to 100 percent Federal.

(2) The systems design process—up to 100 percent Federal.

(3) The initial startup and operation of a given system—60 percent Federal and 40 percent State or local with the Federal portion not to exceed 1 year.

(e) Within 12 months of the date of enactment of this Act, the Secretary of Transportation shall make a report to Congress of all his activities and expenditures pursuant to this section. Such report shall include any recommendations as to future legislation concerning carpooling.

(f) The sum of $5,000,000 is authorized to be appropriated for the conduct of programs designed to achieve the goals of this section, such authorization to remain available for 2 years.

(g) For purposes of this section, the terms "local governments" and "local units of government" include any metropolitan transportation organization designated as being responsible for carrying out section 134 of title 23, United States Code.

(h) As an example to the rest of our Nation's automobile users, the President of the United States shall take such action as is necessary to require all agencies of Government, where practical, to use economy model motor vehicles.

(i) (1) The President shall take action to require that no Federal official or employee in the executive branch below the level of Cabinet officer be furnished a limousine for individual use. The provisions of this subsection shall not apply to limousines furnished for use by officers or employees of the Federal Bureau of Investigation, or to those persons whose assignments necessitate transportation by limousines because of diplomatic assignment by the Secretary of State.

(2) For purposes of this subsection, the term "limousine" means a type 6 vehicle as defined in the Interim Federal Specifications issued by the General Service Administration, December 1, 1973.

(3) (A) The President shall take action to insure the enforcement of 31 U.S.C. 638a.

(B) No funds shall be expended under authority of this or any other Act for the purpose of furnishing a chauffeur in a vehicle operated in violation of section 638a of title 31, United States Code, or this Act.

SEC. 116. ADMINISTRATIVE PROCEDURE AND JUDICIAL REVIEW.

(a) (1) Subject to paragraphs (2), (3), and (4) of this subsection, the provisions of subchapter II of chapter 5 of title 5, United States Code, shall apply to any rule, regulation, or order under this title or under section 4(h) of the Emergency Petroleum Allocation Act of 1973; except that this subsection shall not apply to any rule, regulation, or order issued under the Emergency Petroleum Allocation Act of 1973 (as amended by this title) other than section 4(h) thereof, nor to any rule under section 111 of this title.

(2) Notice of all proposed substantive rules and orders of general applicability described in paragraph (1) shall be given by publication of such proposed rule or order in the Federal Register. In each case, a minimum of 10 days following such publication shall be provided for opportunity to comment; except that the requirements of this paragraph as to time and notice and opportunity to comment may be waived where the President finds that strict compliance would seriously impair the operation of the program to which such rule or order relates and such findings are set out in detail in such rule or order. In addition, public notice of all rules or orders promulgated by officers of a State or political subdivision thereof or to State or local boards pursuant to this Act shall to the maximum extent practicable be achieved by publication of such rules or orders in a sufficient number of newspapers of statewide circulation calculated to receive widest possible notice.

(3) In addition to the requirements of paragraph (2), unless the President determines that a rule or order described in paragraph (1) is not likely to have a substantial impact on the Nation's economy or upon a significant segment thereof, an opportunity for oral presentation of views, data, and argument shall be afforded. To the maximum extent practicable, such opportunity shall be afforded prior to the implementation of such rule or order, but in all cases such opportunity shall be afforded no later than 45 days after the implementation of any such rule or order. A transcript shall be kept of any oral presentation.

(4) Any officer or agency authorized to issue rules or orders described in paragraph (1) shall provide for the making of such adjustments, consistent with the other purposes of this Act or the Emergency Petroleum Allocation Act of 1973 (as the case may be), as may be necessary to prevent special hardships, inequity, or an unfair distribution of burdens and shall in rules prescribed by it establish procedures which are available to any person for the purpose of seeking an interpretation, modification, or rescission of, or an exception to or exemption from, such rules and orders. If such person is aggrieved or adversely affected by the denial of a request for such action under the preceding sentence, he may request a review of such denial by the officer or agency and may obtain judicial review in accordance with subsection (b) or other applicable law when such denial becomes final. The officer or agency shall, in rules prescribed by it, establish appropriate procedures, including a hearing where deemed advisable, for considering such requests for action under this paragraph.

(b) (1) Judicial review of administrative rulemaking of general and national applicability done under this title may be obtained only by filing a petition for review in the United States Court of Appeals for the District of Columbia within thirty days from the date of promulgation of any such rule or regulation, and judicial review of administrative rulemaking of general, but less than national applicability done under this title may be obtained only by filing a petition for review in the United States Court of Appeals for the appropriate circuit within thirty days from the date of promulgation of any such rule or regulation, the appropriate circuit being defined as the circuit which contains the area or the greater part of the area within which the rule or regulation is to have effect.

(2) Notwithstanding the amount in controversy, the district courts of the United States shall have exclusive original jurisdiction of all other cases or controversies arising under this title, or under regulations or orders issued thereunder, except any actions taken by the Civil Aeronautics Board, the Interstate Commerce Commission, the Federal Power Commission, or the Federal Maritime Commission, or any actions taken to implement or enforce any rule or order by any officer of a State or political subdivision thereof or State or local board which has been delegated authority under section 120 of this Act except that nothing in this section affects the power of any court of competent jurisdiction to consider, hear, and determine in any proceeding before it any issued raised by way of defense (other than a defense based on the constitutionality of this title or the validity of action taken by any agency under this title). If in any such proceeding an issue by way of defense is raised based on the constitutionality of this Act or the validity of agency action under this title, the case shall be subject to removal by either party to a district court of the United States in accordance with the applicable provisions of chapter 89 of title 28, United States Code.

(3) This subsection shall not apply to any rule, regulation, or order issued under the Emergency Petroleum Allocation Act of 1973 or to any rule under section 111 of this title.

(4) The finding required by section 4(h)(2) of the Emergency Petroleum Allocation Act of 1973 shall not be judicially reviewable under this subsection or under any other provision of law.

(c) The Administrator may by rule prescribe procedures for State or local boards which carry out functions under this Act or the Emergency Petroleum Allocation Act of 1973. Such procedures shall apply to such boards in lieu of subsection (a), and shall require that prior to taking any action, such boards shall take steps reasonably calculated to provide notice to persons who may be affected by the action, and shall afford an opportunity for presentation of views (including oral presentation of views where practicable) at least 10 days before taking the action. Such boards shall be of balanced composition reflecting the makeup of the community as a whole.

(d) In addition to the requirements of section 552 of title 5, United States Code, any agency authorized by this title of the Emergency Petroleum Allocation Act of 1973 to issue rules or orders shall make available to the public all internal rules and guidelines which may form the basis, in whole or in part, for any rule or order with such modifications as are necessary to insure confidentiality protected under such section 552. Such agency shall, upon written request of a petitioner filed after any grant or denial of a request for exception or exemption from rules or orders, furnish the petitioner with a written opinion setting forth applicable facts and the legal basis in support of such grant or denial. Such opinions shall be made available to the petitioner and the public within 30 days of such request and with such modifications as are necessary to insure confidentiality of information protected under such section 552.

SEC. 117. PROHIBITED ACTS.

It shall be unlawful for any person to violate any provision of title I of this Act (other than provisions of this Act which make amendments to the Emergency Petroleum Allocation Act of 1973 and section 111) or to violate any rule, regulation (including an energy conservation plan), or order issued pursuant to any such provision.

SEC. 118. ENFORCEMENT.

(a) Whoever violates any provision of section 117 shall be subject to a civil penalty of not more than $2,500 for each violation.

(b) Whoever willfully violates any provision of section 117 shall be fined not more than $5,000 for each violation.

(c) It shall be unlawful for any person to offer for sale or distribute in commerce any product or commodity in violation of an applicable order or regulation issued pursuant to this Act. Any person who knowingly and willfully violates this subsection after having been subjected to a civil penalty for a prior violation of the same provision of any order or regulation issued pursuant to this Act shall be fined not more than $50,000 or imprisoned not more than 6 months, or both.

(d) Whenever it appears to any person authorized by the Administrator to exercise authority under this Act that any individual or organization has engaged, is engaged, or is about to engage in acts or practices constituting a violation of section 117, such person may request the Attorney General to bring an action in the appropriate district court of the United States to enjoin such acts or practices, and upon a proper showing a temporary restraining order or a preliminary or permanent injunction shall be granted without bond. Any such court may also issue mandatory injunctions commanding any person to comply with any provision, the violation of which is prohibited by section 117.

(e) Any person suffering legal wrong because of any act or practice arising out of any violation of section 117 may bring an action in a district court of the United States, without regard to the amount in controversy, for appropriate relief, including an action for a declaratory judgment or writ of injunction. Nothing in this subsection shall authorize any person to recover damages.

Sec. 119. Small Business Information

In order to achieve the purposes of this Act—

(1) the Small Business Administration (A) shall to the maximum extent possible provide small business enterprises with full information concerning the provisions of the programs provided for in this Act which particularly affect such enterprises, and the activities of the various departments and agencies under such provisions, and (B) shall, as a part of its annual report, provide to the Congress a summary of the actions taken under programs provided for in this Act which have particularly affected such enterprises;

(2) to the extent feasible, Federal and other governmental bodies shall seek the views of small business in connection with adopting rules and regulations under the programs provided for in this Act and in administering such programs; and

(3) in administering the programs provided for in this Act, special provision shall be made for the expeditious handling of all requests, applications, or appeals from small business enterprises.

Sec. 120. Delegation of Authority and Effect on State Law.

(a) The Administrator may delegate any of his functions under the Emergency Petroleum Allocation Act of 1973 or this Act to any officer or employee of the agency which he heads as he deems appropriate. The Administrator may delegate any of his functions relative to implementation and enforcement of the Emergency Petroleum Allocation Act of 1973 or this Act to officers of a State or political subdivision thereof or to State or local boards of balanced composition reflecting the makeup of the community as a whole. Such officers or boards shall be designated and established in accordance with regulations which the Administration shall promulgate under this Act. Section 5 (b) of the Emergency Petroleum Allocation Act of 1973 is repealed effective on the effective date of the transfer of functions under such Act to the Administrator pursuant to subsection (c) of this section.

(b) No State law or State program in effect on the date of enactment of this Act, or which may become effective thereafter, shall be superseded by any provision of this Act or any regulation, order, or energy conservation plan issued pursuant to this Act except insofar as such State law or State program is inconsistent with the provisions of this Act, or such a regulation, order, or plan.

(c) Effective on the date on which the Administrator of the Federal Energy Administration (established by H.R. 11793, Ninety-third Congress) first takes office, all functions, powers, and duties of the President under the Emergency Petroleum Allocation Act of 1973 (as amended by this Act), and of any officer, department, agency, or State (or officer thereof) under such Act (other than functions vested by section 6 of such Act in the Federal Trade Commission, the Attorney General, or the Antitrust Division of the Department of Justice), are transferred to the Administrator. All personnel, property, records, obligations, and commitments used primarily with respect to functions transferred under the preceding sentence shall be transferred to the Administrator.

Sec. 121. Grants to States.

Any funds authorized to be appropriated under section 125(b) shall be available for the purpose of making grants to States to which the Administrator has delegated authority under section 120 of this Act, or for the administration of appropriate State or local energy conservation programs which are the basis of an exemption made pursuant to section 104(a) (2) of this Act from a Federal energy conservation plan which has taken effect under section 104 of this Act. The Administrator shall make such grants upon such terms and conditions as he may prescribe by rule.

Sec. 123. Energy Information Reports.

(a) For the purpose of assuring that the Administrator, the Congress, the States, and the public have access to and are able to obtain reliable energy information throughout the duration of this Act, the Administrator, in addition to and not in limitation of any other authority, is authorized to request, acquire, and collect such energy information as he determines to be necessary to assist in the formulation of energy policy or to carry out the purposes of this Act or the Emergency Petroleum Allocation Act of 1973.

(b) In carrying out the provisions of subsection (a) the Administrator shall have the power to—

(1) require, by rule, any person who is engaged in the production, processing, refining, transportation by pipeline or distribution (other than at the retail level) of energy resources to submit reports;

(2) sign and issue subpenas for the attendance and testimony of witnesses and the production of relevant books, records, papers, and other documents;

(3) require of any person, by general or special order, answers in writing to interrogatories, requests for report, or other information; and such answers or submissions shall be made within such reasonable period and under oath or otherwise as the Administrator may determine; and

(4) to administer oaths.

(c) For the purpose of verifying the accuracy of any energy information requested, acquired, or collected by the Administrator, officers or employees duly designed by him upon presenting appropriate credentials and a written notice to the owner, operator, or at reasonable times and in a reasonable manner, any facility, or business premises, to inventory and sample any stock of energy resources therein, and to examine and copy records, reports, and documents relating to energy information.

(d) (1) The Administrator shall exercise the authorities granted to him under subsection (b) to develop within 30 days after the date of enactment of this Act, as full and accurate a measure as is reasonably practicable of—

(A) domestic reserves and production;
(B) imports; and
(C) inventories;

of petroleum products, natural gas, and coal.

(2) for each calendar quarter beginning with the first complete calendar quarter following the date of enactment of this Act, the Administrator shall develop and publish quarterly reports containing the following:

(A) Report of petroleum product, natural gas, and coal imports; relating to country of origin, arrival point, quantity received, geographic distribution within the United States.

(B) Report of crude oil activity; relating capacity of producers' allocations to refiners, and fuels to be made.

(C) Report of inventories, nationally, and by region and State—

(i) for various refined petroleum products, relating refiners, refineries, suppliers to refiners, share of market, and allocation fractions;

(ii) for various refined petroleum products, previous quarter deliveries and anticipated 3-month available supplies;

(iii) for refinery yields of the various refined petroleum products, percent of activity, and type of refinery;

(iv) with respect to the summary of anticipated monthly supply of refined petroleum products, amount of set aside for assignment by the State, anticipated State requirements, excess or shortfall of supply, and allocation fraction of base year; and

(v) with respect to liquefied petroleum gas by State and owner: quantities stored, and existing capacities, and previous priorities on types, inventories of suppliers, and changes in supplier inventories.

(3) In developing the energy information called for in this section, the Administrator may, if he determines that it would not be practicable to do otherwise, use the statistical method of "sampling".

(e) In order to avoid or minimize duplicative reporting, the Administrator may request and acquire energy information from any other department or agency of Federal Government, except that any such department or agency shall refuse to supply such information if its disclosure to the Administrator would otherwise be prohibited by law.

(f) Any person required to submit energy information to the Administrator under this section may at the time he submits such information request the Administrator to declare such information, in whole or in part, to be confidential and to not disclose such information except as permitted under subsection (d) (2). The Administrator shall, within 10 days after receipt of such request, initiate and (except where good cause is stated) complete within 30 days thereafter, an administrative proceeding affording an opportunity for hearing under sections 556 and 557 of title 5, United States Code, to determine whether such information concerns or relates to trade secrets or other matter referred to in section 1905 of title 18, United States Code, within the meaning of such section 1905.

(g) (1) Information determined by the Administrator to concern or relate to trade secrets or other matter referred to in section 1905 of title 18, United States Code, shall be kept confidential and not be disclosed except that disclosure may be made (A) to other officers or employees concerned with carrying out this Act and the Emergency Petroleum Allocation Act of 1973 concerned with the formulation of energy policy, (B) when relevant, in any proceeding under this Act or the Emergency Petroleum Allocation Act of 1973, or (C) to the committees of Congress upon request of the chairman of any such committee.

(2) Such information when disclosed in a proceeding under this Act or the Emergency Petroleum Allocation Act of 1973 shall be disclosed by the Administrator in a manner which preserves confidentiality to the extent practicable without impairing the proceeding and such information when submitted to the committees of Congress upon request

shall not be disclosed except by authority of the committee.

(3) Paragraph (2) of this subsection shall govern disclosure of such information by committees of the Congress and is enacted by the Congress—

(A) as an exercise of the rulemaking power of the Senate and House of Representatives, respectively, and as such shall be considered as a part of the rules of each House, respectively, or of that House to which it specifically applies, and such rule shall supersede other rules only to the extent that they are inconsistent therewith, and

(B) with full recognition of the constitutional right of either House to change such rule (so far as it relates to the procedure in such House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House.

(h) As used in this section—

(1) the term "Federal agency" shall have the meaning of the term "executive agency" as defined in section 105 of title 5, United States Code;

(2) the term "energy information" includes all information in whatever form on mineral fuel reserves, exploration, extraction, and natural energy resources (to include petrochemical feedstocks) wherever located; production, distribution, and consumption wherever carried on; and includes matters such as corporate structure and proprietary relationships, costs, prices, capital investment and assets and other matters directly related thereto, wherever they exist; and

(3) the term "person" means any natural person, corporation, partnership, association, consortium, or any entity organized for a common business purpose; wherever situated, domiciled or doing business, who directly or through other persons subject to their control do business in any part of the United States, its territories and possessions, or the District of Columbia.

(i) Information obtained by the Administrator under authority of this Act, shall be available to the public in accordance with the provisions of section 552 of title 5, United States Code.

SEC. 123. INTRASTATE GAS.

Nothing in this Act shall expand the authority of the Federal Power Commission with respect to sales of nonjurisdictional natural gas.

SEC. 124. EXPIRATION.

The authority under this title to prescribe any rule or order to take other action under this title, or to enforce any such rule or order, shall expire at midnight, June 30, 1975, but such expiration shall not affect any action or pending proceedings, civil or criminal, not finally determined on such date, nor any action or proceeding based upon any act committed prior to midnight, June 30, 1975.

SEC. 125. AUTHORIZATIONS OF APPROPRIATIONS.

(a) There are authorized to be appropriated to the Administrator to carry out his functions under this Act and under other laws, and to make grants to States under section 121, $75,000,000 for the fiscal year ending June 30, 1974, $75,000,000 for the fiscal year ending June 30, 1975.

(b) For the purpose of making payments under grants to States under section 121, there are authorized to be appropriated $50,000,000 for the fiscal year ending June 30, 1974, and $75,000,000 for the fiscal year ending June 30, 1975.

(c) For the purpose of making payments under grants to States under section 114, there is authorized to be appropriated $500,000,000 for the fiscal year ending June 30, 1974.

SEC. 126. SEVERABILITY.

If any provision of this Act, or the application of any such provision to any person or circumstance, shall be held invalid, the remainder of this Act, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

SEC. 127. CONTINGENCY PLANS.

(a) In order to fully inform the Congress and the public with respect to the exercise of authorities under sections 103 and 104 of this Act, the Administration shall, to the maximum extent practical, develop contingency plans in the nature of descriptive analyses of:

(1) the manner of implementation and operation of any such authority;

(2) the anticipated benefits and impacts of the provision of any plan;

(3) the role of State and local government;

(4) the procedures for appeal and review; and

(5) the Federal officers or employees who will administer any plan.

(b) Any contingency plans which describe the exercise of any authority under section 103 or 104 of this Act shall be transmitted to the Congress not later than the date on which any plan or rule relating to such contingency plan is transmitted to the Congress pursuant to the provisions of such sections.

SEC. 128. PETROLEUM PRICE CONTROL AUTHORITY.

(a) Section 4 of the Emergency Petroleum Allocation Act of 1973 is further amended by adding at the end of such section the following new subsection:

"(j) (1) No later than 30 days after the date of enactment of this subsection, the President shall exercise his authority under this Act and the Economic Stabilization Act of 1970, as amended, so as to specify (or prescribe a manner for determining equitable ceiling prices for all first sales or exchanges of crude oil, natural gas liquids, and condensate (or classifications thereof) produced in or imported into the United States.

"(2) The regulation under subsection (a) of this section shall be amended so as to provide, with respect to the prices of imported crude oil, natural gas liquids, condensate, residual fuel oil, or refined petroleum products, produced or refined by the person importing such product into the United States, or purchased or exchanged by him (directly or indirectly) from an affiliate, no more than a dollar-for-dollar passthrough of net increases in foreign taxes and in royalties paid to nonaffiliates for crude oil, natural gas liquids, or condensate, or in the actual price paid at the first purchase from a nonaffiliate of such crude oil, natural gas liquids, condensate, residual fuel oil, or refined petroleum products. The calculation of any net increase in taxes, royalties, or prices at first purchase under this paragraph shall take into consideration any reduction, by virtue of increases in foreign taxes, royalties, or prices, upon the liability of the importer or his affiliates for United States income taxes.

"(3) The regulation under subsection (a) of this section shall be amended so as to provide that any increase or reduction, relative to prices prevailing on May 15, 1973, in the price of crude oil, natural gas liquids, and condensates (or any classification thereof) produced in or imported into the United States, resulting from the provisions of this subsection, is passed through so as to cause a dollar-for-dollar increase or reduction in the price of any residual fuel oil or refined petroleum product (including propane) derived from such crude oil, natural gas liquids, or condensate. Such passthrough of price increases or reductions shall, to the extent practicable and consistent with the objectives of subsection (b) of this section, be allocated among products refined from such crude oil, natural gas liquids, or condensate on a proportional basis, taking into consideration historical price relationships among such products.

"(4) Every establishment of or change in a ceiling price (or manner of determining the ceiling price) specified pursuant to this subsection, and every ceiling price (or manner of determining a ceiling price) or exemption from ceiling prices that is in effect on the date of enactment of this subsection, shall be transmitted to Congress no later than the effective date of such change, or in the case of every such ceiling price (or manner for specifying such a ceiling price) or exemption from ceiling prices in effect on the date of enactment of this subsection, no later than 30 days after that date. Every such transmittal shall be accompanied and supported by a detailed statement setting forth—

"(i) the additional qualities of crude oil, natural gas liquids, or condensate, residual fuel oil, or refined petroleum products, if any, that can reasonably be expected to be produced;

"(ii) the expected effect, if any, upon the demand for crude oil, natural gas liquids, or condensate, residual fuel oil, or refined petroleum products, or

"(iii) the expected impact upon the economy as a whole, including the impact upon consumers, the general price level, and the profitability of and employment in industry and business;

"(iv) any expected significant problems of enforcement or administration; and

"(v) the expected impact on the preservation of existing competition within the petroleum industry resulting from said ceiling price, manner for specifying a ceiling price, or (in the case of the regulation in effect upon the date of this subsection) exemption from ceiling prices.

"(5) For the purpose of this subsection, the term 'equitable ceiling price' means a price which is reasonable, taking into consideration the need to obtain sufficient supplies of crude oil, residual fuel oil, and refined petroleum products, and to permit the attainment of the objectives of subsection (b) of this section, balanced against the need to control inflation of basic and essential goods and services and hold down costs to industrial and individual consumers.

"(6) Section 4(e)(2) of the Emergency Petroleum Allocation Act of 1973 and section 406 of Public Law 93-153 are repealed."

TITLE II—COORDINATION WITH ENVIRONMENTAL PROTECTION REQUIREMENTS

SEC. 201. SUSPENSION AUTHORITY.

Title I of the Clean Air Act (42 U.S.C. 1857 et seq.) is amended by adding at the end thereof the following new section:

"ENERGY EMERGENCY AUTHORITY

"SEC. 119. (a)(1)(A) The Administrator may, for any period beginning on or after the date of enactment of this section and ending on or before November 1, 1974, temporarily suspend any stationary source fuel or emission limitation as it applies to any person, if the Administrator finds that such person will be unable to comply with such limitation during such period solely because of unavailability of types or amounts of fuels. Any suspension under this paragraph and any interim requirement on which such suspension is conditioned under paragraph (3) shall be exempted from any procedural requirements set forth in this Act or in any other provision of local, State, or Federal law, except as provided in subparagraph (B).

"(B) The Administrator shall give notice to the public of a suspension and afford the public an opportunity for written and oral presentation of views prior to granting such suspension unless otherwise provided by the Administrator for good cause found and published in the Federal Register. In any case, before granting such a suspension he shall give actual notice to the Governor of the State, and to the chief executive officer of the local government entity in which the affected source or sources are located. The granting or denial of such suspension and the imposition of an interim requirement shall be subject to judicial review only on the grounds specified in paragraphs (2)(B) and (2)(C) of section 706 of title 5, United States Code, and shall not be subject to any proceeding under section 304(a)(2) or 307 (b) and (c) of this Act.

"(2) In issuing any suspension under paragraph (1) the Administrator is authorized to act on his own motion without application by any source or State.

"(3) Any suspension under paragraph (1) shall be conditioned upon compliance with such interim requirements as the Administrator determines are reasonable and practicable. Such interim requirements shall include, but need not be limited to, (A) a requirement that the source receiving the suspension comply with such reporting requirements as the Administrator determines may be necessary, (B) such measures as the Administrator determines are necessary to avoid an imminent and substantial endangerment to health of persons, and (C) requirements that the suspension shall be inapplicable during any period during which fuels which would enable compliance with the suspended stationary source fuel or emission limitations are, in fact, reasonably available to that person (as determined by the Administrator). For purposes of clause (C) of this paragraph, availability of natural gas or petroleum products which enable compliance shall not make a suspension inapplicable to a source described in subsection (b)(1) of this section.

"(4) For purposes of this section:

"(A) The term 'stationary source fuel or emission limitation' means any emission limitation, schedule, or timetable for compliance, or other requirement, which is prescribed under this Act (other than section 303, 111(b), or 112) or contained in an applicable implementation plan, and which is designed to limit stationary source emissions resulting from combustion of fuels, including a prohibition on, or specification of, the use of any fuel of any type or grade or pollution characteristic thereof.

"(B) The term 'stationary source' has the same meaning as such term has under section 111(a)(3).

"(b)(1) Except as provided in paragraph (2) of this subsection, any fuel-burning stationary source—

"(A) which is prohibited from using petroleum products or natural gas as fuel by reason of an order issued under section 105 (a) of the Standby Energy Emergency Authorities Act, or

"(B) which (i) the Administrator of the Environmental Protection Agency determines began conversion to the use of coal as fuel during the 90-day period ending on December 15, 1972, and (ii) the Administrator of the Federal Energy Administration determines should use coal after November 1, 1974, after balancing on a plant-by-plant basis the environmental effects of such conversion against the need to fulfill the purposes of the Standby Energy Emergency Authorities Act,

and which converts to the use of coal as fuel, shall not, until January 1, 1979, be prohibited, by reason of the application of any air pollution requirement, from burning coal which is available to such source. For purposes of this paragraph, the term 'began conversion' means action by the owner or operator of a source during the 90-day period ending December 15, 1973 (such as entering into a contract binding on the operator of the source for obtaining coal, or equipment or facilities to burn coal; expending substantial sums to permit such source to burn coal; or applying for an air pollution variance to enable the source to burn coal) which the Administrator finds evidences a decision (made prior to December 15, 1973) to convert to burning coal as a result of the unavailability of an adequate supply of fuels required for compliance with the applicable implementation plan, and a good faith effort to expeditiously carry out such decision.

"(2)(A) Paragraph (1) of this subsection shall apply to a source only if the Administrator finds that emissions from the source will not materially contribute to a significant risk to public health and if the source has submitted to the Administrator a plan for compliance for such source which the Administrator has approved, after notice to interested persons and opportunity for presentation of views (including oral presentation of views). A plan submitted under the preceding sentence shall be approved only if it provides (i) for compliance by the means specified in subparagraph (B), and in accordance with a schedule which meets the requirements of such subparagraph; and (ii) that such source will comply with requirements which the Administrator shall prescribe to assure that emissions from such source will not materially contribute to a significant risk to public health. The Administrator shall approve or disapprove any such plan within 60 days after such plan is submitted.

"(B) The Administrator shall prescribe regulations requiring that any source to which this subsection applies submit and obtain approval of its means for and schedule of compliance. Such regulations shall include requirements that such schedules shall include dates by which such source must—

"(i) enter into contracts (or other enforceable obligations) which have received prior approval of the Administrator as being adequate to effectuate the purposes of this section and which provide for obtaining a long-term supply of coal which enables such source to achieve the emission reduction required by subparagraph (C), or

"(ii) if coal which enables such source to achieve such emission reduction is not available to such source, (I) enter into contracts (or other enforceable obligations) which have received prior approval of the Administrator as being adequate to effectuate the purposes of this section and which provide for obtaining a long-term supply of other coal or coal by-products, and (II) take steps to obtain continuous emission reduction systems necessary to permit such source to burn such coal or coal by-products and to achieve the degree of emission reduction required by subparagraph (C) (which steps and systems must have received prior approval of the Administrator as being adequate to effectuate the purposes of this section).

"(C) Regulations under subparagraph (B) shall require that the source achieve the most stringent degree of emission reduction that such source would have been required to achieve under the applicable implementation plan which was in effect on the date of enactment of this section (or if no applicable implementation plan was in effect on such date, under the applicable implementation plan which takes effect after such date). Such degree of emission reduction shall be achieved as soon as practicable, but not later than January 1, 1979; except that, in the case a source for which a continuous emission reduction system is required for sulfur-related emission, reduction of such emissions shall be achieved on a date designated by the Administrator (but not later than January 1, 1979). Such regulations shall also include such interim requirements as the Administrator determines are reasonable and practicable including requirements described in clauses (A) and (B) of subsection (a)(3).

"(D) The Administrator (after notice to interested persons and opportunity for presentation of views, including oral presentations of views, to the extent practicable) (i) may, prior to November 1, 1974, and shall thereafter prohibit the use of coal by a source to which paragraph (1) applies if he determines that the use of coal by such source is likely to materially contribute to a significant risk to public health; and (ii) may require such source to use coal of any particular type, grade, or pollution characteristic if such coal is available to such source. Nothing in this subsection (b) shall prohibit a State or local agency from taking action which the Administrator is authorized to take under this subparagraph.

"(3) For purposes of this subsection, the term 'air pollution requirement' means any emission limitation, schedule, or timetable for compliance, or other requirement, which is prescribed under any Federal, State, or local law or regulation, including this Act (except for any requirement prescribed under this subsection or section 303), and which is designed to limit stationary source emissions resulting from combustion of fuels (including a restriction on the use or content of fuels). A conversion to coal to which this subsection applies shall not be deemed to be a modification for purposes of section 111(a) (2) and (4) of this Act.

"(4) A source to which this subsection applies may, upon the expiration of the exemption under paragraph (1), obtain a one-year postponement of the application of any requirement of an applicable implementation plan under the conditions and in the manner provided in section 110(f).

"(c) The Administrator may by rule establish priorities under which manufacturers of continuous emission reduction systems shall provide such systems to users thereof, if he finds that priorities must be imposed in order to assure that such systems are first provided to users in air quality control regions with the most severe air pollution. No rule under this subsection may impair the obligation of any contract entered into before enactment of this section. No State or political subdivision may require any person to use a continuous emission reduction system for which priorities have been established under this subsection except in accordance with such priorities.

"(d) The Administrator shall study, and report to Congress not later than 6 months after the date of enactment of this subsection with respect to—

"(1) the present and projected impact on the program under this Act of fuel shortages and of allocation and end-use allocation programs;

"(2) availability of continuous emission reduction technology (including projections respecting the time, cost, and number of units available) and the effects that continuous emission reduction systems would have on the total environment and on supplies of fuel and electricity;

"(3) the number of sources and locations which must use such technology based on projected fuel availability data;

"(4) priority schedule for implementation of continuous emission reduction technology based on public health or air quality;

"(5) evaluation of availability of technology to burn municipal solid waste in these sources; including time schedules, priorities analysis of unregulated pollutants which will be emitted and balancing of health benefits and detriments from burning solid waste and of economic costs;

"(6) projections of air quality impact of fuel shortages and allocations;

"(7) evaluation of alternative control strategies for the attainment and maintenance of national ambient air quality standards for sulfur oxides within the time frames prescribed in the Act, including associated considerations of cost, time frames, feasibility, and effectiveness of such alternative control strategies as compared to stationary source fuel and emission regulations;

"(8) proposed allocations of continuous

emission reduction technology for nonsolid waste producing systems to sources which are least able to handle solid waste byproduct, technologically, economically, and without hazard to public health, safety, and welfare; and

"(9) plans for monitoring or requiring sources to which this section applies to monitor the impact of actions under this section on concentration of sulfur dioxide in the ambient air.

"(e) No State or political subdivision may require any person to whom a suspension has been granted under subsection (a) to use any fuel the unavailability of which is the basis of such person's suspension (except that this preemption shall not apply to requirements identical to Federal interim requirements under subsection (a)(1)).

"(f)(1) It shall be unlawful for any person to whom a suspension has been granted under subsection (a)(1) to violate any requirement on which the suspension is conditioned pursuant to subsection (a)(3).

"(2) It shall be unlawful for any person to violate any rule under subsection (c).

"(3) It shall be unlawful for the owner or operator of any source to fail to comply with any requirement under subsection (b) or any regulation, plan, or schedule thereunder.

"(4) It shall be unlawful for any person to fail to comply with an interim requirement under subsection (i)(3).

"(g) Beginning January 1, 1975, the Administrator shall publish at no less than 180-day intervals in the Federal Register the following:

"(1) A concise summary of progress reports which are required to be filed by any person or source owner or operator to which subsection (b) applies. Such progress reports shall report on the status of compliance with all requirements which have been imposed by the Administrator under such subsections.

"(2) Up-to-date findings on the impact of this section upon—

"(A) applicable implementation plans, and

"(B) ambient air quality.

"(h) Nothing in this section shall affect the power of the Administrator to deal with air pollution presenting an imminent and substantial endangerment to the health of persons under section 303 of this Act.

"(i)(1) In order to reduce the likelihood of early phaseout of existing electric generating facilities during the energy emergency, any electric generating powerplant (A) which, because of the age and condition of the plant, is to be taken out of service permanently no later than January 1, 1980, according to the power supply plan (in existence on the date of enactment of the Standby Energy Emergency Authorities Act) of the operator of such plant, (B) for which a certification to that effect has been filed by the operator of the plant with the Environmental Protection Agency and the Federal Power Commission, and (C) for which the Commission has determined that the certification has been made in good faith and that the plan to cease operations no later than January 1, 1980, will be carried out as planned in light of existing and prospective power supply requirements, shall be eligible for a single 1-year postponement as provided in paragraph (2).

"(2) Prior to the date on which any plant eligible under paragraph (1) is required to comply with any requirement of an applicable implementation plan, such source may apply (with the concurrence of the Governor of the State in which the plant is located) to the Administrator to postpone the applicability of such requirement to such source for not more than 1 year. If the Administrator determines, after balancing the risk to public health and welfare which may be associated with a postponement, that compliance with any such requirement is not reasonable in light of the projected useful life of the plant, the availability of rate base increases to pay for such costs, and other appropriate factors, then the Administrator shall grant a postponement of any such requirement.

"(3) The Administrator shall, as a condition of any postponement under paragraph (2), prescribe such interim requirements as are practicable and reasonable in light of the criteria in paragraph (2).

"(j)(1) The Administrator may, after public notice and opportunity for presentation of views in accordance with section 553 of title 5, United States Code, and after consultation with the Federal Energy Administration, designate persons to whom fuel exchange orders should be issued. The purpose of such designation shall be to avoid or minimize the adverse impact on public health and welfare of any suspension under subsection (a) of this section or conversion to coal to which subsection (b) applies or of any allocation under the Standby Energy Emergency Authorities Act or the Emergency Petroleum Allocation Act of 1973.

"(2) The Administrator of the Federal Energy Administration shall issue exchange orders to such persons as are designated by the Administrator under paragraph (1) requiring the exchange of any fuel subject to allocation under the preceding Acts effective no later than 45 days after the date of the designation under paragraph (1), unless the Administrator of the Federal Energy Administration determines, after consultation with the Administrator, that the costs of consumption of fuel, resulting from such exchange order, will be excessive.

"(3) Violation of any exchange order issued under paragraph (2) shall be a prohibited act and shall be subject to enforcement action and sanctions in the same manner and to the same extent as a violation of any requirement of the regulation under section 4 of the Emergency Petroleum Allocation Act of 1973."

Sec. 202. Implementation Plan Revisions.

(a) Section 110(a) of the Clean Air Act is amended in paragraph (3) by inserting "(A)" after "(3)" and by adding at the end thereof the following new subparagraph:

"(B)(1) For any air quality control region in which there has been a conversion to coal under section 119(b), the Administrator shall review the applicable implementation plan and no later than 1 year after the date of such conversion determine whether such plan must be revised in order to achieve the national primary standard which the plan implements. If the Administrator determines that any such plan is inadequate, he shall require that a plan revision be submitted by the State within 3 months after the date of notice to the State of such determination. Any plan revision which is submitted by the State after notice and public hearing shall be approved or disapproved by the Administrator, after public notice and opportunity for public hearing, but no later than 3 months after the date required for submission of the revised plan. If a plan provision (or portion thereof) is disapproved (or if a State fails to submit a plan revision), the Administrator shall, after public notice and opportunity for a public hearing, promulgate a revised plan (or portion thereof) not later than 3 months after the date required for approval or disapproval.

"(2) Any requirement for a plan revision under paragraph (1) and any plan requirement promulgated by the Administrator under such paragraph shall include reasonable and practicable measures to minimize the effect on the public health of any conversion to which section 119(b) applies."

(b) Subsection (c) of section 110 of the Clean Air Act (42 U.S.C. 1857 C-5) is amended by inserting "(1)" after "(c)"; by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively; and by adding the following new paragraph:

"(2)(A) The Administrator shall conduct a study and shall submit a report to the Committee on Interstate and Foreign Commerce of the United States House of Representatives and the Committee on Public Works of the United States Senate not later than 6 months after the date of enactment of this paragraph, on the necessity of parking surcharge, management of parking supply, and preferential bus/carpool lane regulations as part of the applicable implementation plans required under this section to achieve and maintain national primary ambient air quality standards. The study shall include an assessment of the economic impact of such regulations, consideration of alternative means of reducing total vehicle miles traveled, and an assessment of the impact of such regulations on other Federal and State programs dealing with energy or transportation. In the course of such study, the Administrator shall consult with other Federal officials including, but not limited to, the Secretary of Transportation, the Administrator of the Federal Energy Administration, and the Chairman of the Council on Environmental Quality.

"(B) No parking surcharge regulation may be required by the Administrator under paragraph (1) of this subsection as a part of an applicable implementation plan. All parking surcharge regulations previously required by the Administrator shall be void upon the date of enactment of this subparagraph. This subparagraph shall not prevent the Administrator from approving parking surcharges if they are adopted and submitted by a State as part of an applicable implementation plan. The Administrator may not condition approval of any applicable implementation plan submitted by a State on such plan's including a parking surcharge regulation.

"(C) The Administrator is authorized to suspend until January 1, 1975, the effective date or applicability of any regulations for the management of parking supply or any requirement that such regulations be a part of an applicable implementation plan approved or promulgated under this section. The exercise of the authority under this subparagraph shall not prevent the Administrator from approving such regulations if they are adopted and submitted by a State as part of an applicable implementation plan. If the Administrator exercises the authority under this subparagraph, regulations requiring a review or analysis of the impact of proposed parking facilities before construction which take effect on or after January 1, 1975, shall not apply to parking facilities on which construction has been initiated before January 1, 1975.

"(D) For purposes of this paragraph, the term 'parking surcharge regulation' means a regulation imposing or requiring the imposition of any tax, surcharge, fee, or other surcharge on parking spaces, or any other area used for the temporary storage of motor vehicles. The term 'management of parking supply' shall include any requirement providing that any new facility containing a given number of parking spaces shall receive a permit or other prior approval, issuance of which is to be conditioned on air quality considerations. The term 'preferential bus/carpool lane' shall include any requirement for the setting aside of one or more lanes of a street or highway on a permanent or temporary basis for the exclusive use of buses and/or carpools."

Sec. 203. Motor Vehicle Emissions.

(a) Section 202(b)(1)(A) of the Clean Air Act is amended by striking out "1975" and inserting in lieu thereof "1977"; and by inserting after "(A)" the following: "The regulations under subsection (a) applicable to emissions of carbon monoxide and hydrocarbons from light-duty vehicles and engines manufactured during model years 1975 and

1976 shall contain standards which are identical to the interim standards which were prescribed (as of December 1, 1973) under paragraph (5)(A) of this subsection for light-duty vehicles and engines manufactured during model year 1975."

(b) Section 202(b)(1)(B) of such Act is amended by striking out "1976" and inserting in lieu thereof "1978"; and by inserting after "(B)" the following: "The regulations under subsection (a) applicable to emissions of oxides of nitrogen from light-duty vehicles and engines manufactured during model years 1975 and 1976 shall contain standards which are identical to the standards which were prescribed (as of December 1, 1973) under subsection (a) for light-duty vehicles and engines manufactured during model year 1975. The regulations under subsection (a) applicable to emissions of oxides of nitrogen from light-duty vehicles and engines manufactured during model year 1977 shall contain standards which provide that emissions of such vehicles and engines may not exceed 2.0 grams per vehicle mile."

(c) Section 202(b)(5)(A) of such Act is amended to read as follows:

"(5)(A) At any time after January 1, 1975, any manufacturer may file with the Administrator an application requesting the suspension for 1 year only of the effective date of any emission standard required by paragraph (1)(A) with respect to such manufacturer for light-duty vehicles and engines manufactured in model year 1977. The Administrator shall make his determination with respect to any such application within 60 days. If he determines, in accordance with the provisions of this subsection, that such suspension should be granted, he shall simultaneously with such determination prescribed by regulation interim emission standards which shall apply (in lieu of the standards required to be prescribed by paragraph (1)(A) of this subsection) to emissions of carbon monoxide or hydrocarbons (or both) from such vehicles and engines manufactured during model year 1977."

(d) Section 202(b)(5)(B) of the Clean Air Act is repealed and the following subparagraphs redesignated accordingly.

Sec. 204. Conforming Amendments.

(a)(1) Section 113(a)(3) of the Clean Air Act is amended by striking out "or" before "112(c)", by inserting a comma in lieu thereof, and by inserting after "hazardous emissions)" the following: ", or 119(f) (relating to priorities and certain other requirements)".

(2) Section 113(b)(3) of such Act is amended by striking out "or 112(c)" and inserting in lieu thereof ", 112(c), or 119(f)".

(3) Section 113(c)(1)(C) of such Act is amended by striking out "or section 112(c)" and inserting in lieu thereof ", section 112(c), or section 119(f)".

(4) Section 114(a) of such Act is amended by inserting "119 or" before "303".

(b) Section 116 of the Clean Air Act is amended by inserting "119 (b), (c), and (e)," before "209".

Sec. 205. Protection of Public Health and Environment.

(a) Any allocation program provided for in title I of this Act or in the Emergency Petroleum Allocation Act of 1973, shall, to the maximum extent practicable, include measures to assure that available low sulfur fuel will be distributed on a priority basis to those areas of the country designated by the Administrator of the Environmental Protection Agency as requiring low sulfur to avoid or minimize adverse impact on public health.

(b) In order to determine the health effects of emissions of sulfur oxides to the air resulting from any conversions to burning coal to which section 119 of the Clean Air Act applies, the Department of Health, Education, and Welfare shall, through the National Institute of Environmental Health Sciences and in cooperation with the Environmental Protection Agency, conduct a study of chronic effects among exposed populations. The sum of $3,500,000 is authorized to be appropriated for such a study. In order to assure that long-term studies can be conducted without interruption, such sums as are appropriated shall be available until expended.

(c) No action taken under this Act shall, for a period of 1 year after initiation of such action, be deemed a major Federal action significantly affecting the quality of the human environment within the meaning of the National Environmental Policy Act of 1969 (83 Stat. 856). However, before any action under this Act that has a significant impact on the environment is taken, if practicable, or in any event within 60 days after such action is taken, an environmental evaluation with analysis equivalent to that required under section 102(2)(C) of the National Environmental Policy Act, to the greatest extent practicable within this time constraint, shall be prepared and circulated to appropriate Federal, State, and local government agencies and to the public for a 30-day comment period after which a public hearing shall be held upon request to review outstanding environmental issues. Such an evaluation shall not be required where the action in question has been preceded by compliance with the National Environmental Policy Act by the appropriate Federal agency. Any action taken under this Act which will be in effect for more than a 1-year period (other than action taken pursuant to subsection (d) of this section) or any action to extend an action taken under this Act to a total period of more than 1 year shall be subject to the full provisions of the National Environmental Policy Act of 1969 notwithstanding any other provision of this Act.

(d) Notwithstanding subsection (c) of this section, in order to expedite the prompt construction of facilities for the importation of hydroelectric energy thereby helping to reduce the shortage of petroleum products in the United States, the Federal Power Commission is hereby authorized and directed to issue a Presidential permit pursuant to Executive Order 10485 of September 3, 1953, for the construction, operation, maintenance, and connection of facilities for the transmission of electric energy at the borders of the United States without preparing an environmental impact statement pursuant to section 102 of the National Environmental Policy Act of 1969 (83 Stat. 856) for facilities for the transmission of electric energy between Canada and the United States in the vicinity of Fort Covington, New York.

Sec. 206. Energy Conservation Study.

(a) The Administrator of the Federal Energy Administration shall conduct a study on potential methods of energy conservation and, not later than 6 months after the date of enactment of this Act, shall submit to Congress a report on the results of such study. The study shall include, but not be limited to, the following:

(1) the energy conservation potential of restricting exports of fuels or energy-intensive products or goods, including an analysis of balance of payments and foreign relations implications of any such restrictions;

(2) federally sponsored incentives for the use of public transit, including the need for authority to require additional production of buses or other means of public transit and Federal subsides for the duration of the energy emergency for reduced fares and additional expenses incurred because of increased service;

(3) alternative requirements, incentives, or distincentives for incerasing industrial recycling and resource recovery in order to reduce energy demand including the economic costs and fuel consumption tradeoff which may be associated with such recycling and resource recovery in lieu of transportation and use of virgin materials;

(4) the costs and benefits of electrifying rail lines in the United States with a high density of traffic, including (A) the capital costs of such electrification, the oil fuel economies derived from such electrification, the ability of existing power facilities to supply the additional powerland, and the amount of coal or other fossil fuels required to generate the power required for railroad electrification, and (B) the advantages to the environment of electrification of railroads in terms of reduced fuel consumption and air pollution and disadvantages to the environment from increased use of fossil fuel such as coal; and

(5) means for incentives or disincentives to increase efficiency of industrial use of energy.

(b) Within 90 days of the date of enactment of this Act, the Secretary of Transportation, after consultation with the Federal Energy Administrator, shall submit to the Congress for appropriate action an "Emergency Mass Transportation Assistance Plan" for the purpose of conserving energy by expanding and improving public mass transportation systems and encouraging increased ridership as alternatives to automobile travel.

(c) Such plan shall include, but shall not be limited to—

(1) recommendations for emergency temporary grants to assist States and local public bodies and agencies thereof in the payment of operating expenses incurred in connection with the provision of expanded mass transportation service in urban areas;

(2) recommendations for additional emergency assistance for the purchase of buses and rolling stock for fixed rail, including the feasibility of accelerating the timetable for such assistance under section 142(a)(2) of title 23, United States Code (the "Federal Aid Highway Act of 1973"), for the purpose of providing additional capacity for and encouraging increased use of public mass transportation systems;

(3) recommendations for a program of demonstration projects to determine the feasibility of fare-free and low-fare urban mass transportation systems, including reduced rates for elderly and handicapped persons during nonpeak hours of transportation;

(4) recommendations for additional emergency assistance for the construction of fringe and transportation corridor parking facilities to serve bus and other mass transportation passengers;

(5) recommendations on the feasibility of providing tax incentives for persons who use public mass transportation systems.

(d) In consultation with the Federal Energy Administrator, the Secretary of Transportation shall make an investigation and study for the purpose of conserving energy and assuring that the essential fuel needs of the United States will be met by developing a high-speed ground transportation system between the cities of Tijuana in the State of Baja California, Mexico, and Vancouver in the Province of British Columbia, Canada, by way of the cities of Seattle in the State of Washington, Portland in the State of Oregon, and Sacramento, San Francisco, Fresno, Los Angeles, and San Diego in the State of California. In carrying out such investigations and study the Secretary shall consider, but shall not be limited to—

(1) the efficiency of energy utilization and impact on energy resources of such a system, including the future impact of existing transportation systems on energy resources if such a system is not established;

(2) coordination with other studies undertaken on the State and local levels; and

(3) such other matters as he deems appropriate.

The Secretary of Transportation shall report the results of the study and investigation pursuant to this Act, together with his recommendations, to the Congress and the President no later than December 31, 1974.

SEC. 207. REPORTS.

The Administrator of the Environmental Protection Agency shall report to Congress not later than January 31, 1975, on the implementation of sections 201 through 205 of this title.

SEC. 208. FUEL ECONOMY STUDY.

Title II of the Clean Air Act is amended by redesignating section 213 as section 214 and by adding the following new section:

"FUEL ECONOMY IMPROVEMENT FROM NEW MOTOR VEHICLES

"SEC. 213. (a) (1) The Administrator and the Secretary of Transportation shall conduct a joint study, and shall report to the Committee on Interstate and Foreign Commerce of the United States House of Representatives and the Committees on Public Works and Commerce of the United States Senate within 120 days following the date of enactment of this section, concerning the practicability of establishing a fuel economy improvement standard of 20 percent for new motor vehicles manufactured during and after model year 1980. Such study and report shall include, but not be limited to, the technological problems of meeting any such standard, including the leadtime involved; the test procedures required to determine compliance; the economic costs associated with such standards, including any beneficial economic impact; the various means of enforcing such standard; the effect on consumption of natural resources, including energy consumed; and the impact of applicable safety and emission standards. In the course of performing such study, the Administrator and the Secretary of Transportation shall utilize the research previously performed in the Department of Transportation, and the Administrator and the Secretary shall consult with the Administrator of the Council on Environmental Quality, and the Secretary of the Treasury. The Office of Management and Budget may review such report before its submission to Congress but the Office may not revise the report or delay its submission beyond the date prescribed for its submission and may submit to Congress its comments respecting such report. In connection with such study, the Administrator may utilize the authority provided in section 307(a) of this Act to obtain necessary information.

"(2) For the purpose of this section, the term 'fuel economy improvement standard' means a requirement of a percentage increase in the number of miles of transportation provided by a manufacturer's entire annual production of new motor vehicles per unit of fuel consumed, as determined for each manufacturer in accordance with test procedures established by the Administrator pursuant to this Act. Such term shall not include any requirement for any design limiting the manufacturer's discretion in deciding how to comply with the fuel economy improvement standard by any lawful means."

TITLE III—STUDIES AND REPORTS

SEC. 301. AGENCY STUDIES.

The following studies shall be conducted, with reports on their results submitted to the Congress:

(1) Within 60 days after the date of enactment of this Act:

(A) The Administrator shall conduct a review of all rulings and regulations issued pursuant to the Economic Stabilization Act to determine if such rulings and regulations contributed to or are contributing to the shortage of fuels and of materials associated with the production of energy supplies.

(B) The President shall undertake a comprehensive survey of all Federal departments and agencies to identify and recommend to the Congress specific proposals to significantly increase energy supply or to reduce energy demand through conservation programs.

(C) All independent regulatory commissions shall undertake a survey of all activities over which they have jurisdiction to identify and recommend to the Congress and to the President specific proposals to significantly increase energy supply or to reduce energy demand through conservation programs.

(D) The Secretary of the Treasury and the Director of the Cost of Living Council shall recommend to the Congress specific incentives to increase energy supply, reduce demand, to encourage private industry and individual persons to subscribe to the goals of this Act. This study shall also include an analysis of the price-elasticity of demand for gasoline.

(E) The Administrator shall report to the Congress concerning the present and prospective impact of energy shortages upon employment. Such report shall contain an assessment of the adequacy of existing programs in meeting the needs of adversely affected workers, together with legislative recommendations appropriate to meet such needs, including revisions in the unemployment insurance laws.

(F) The Secretary of the Interior and the Secretary of Commerce are directed to prepare a comprehensive report of (1) United States exports of petroleum products and other energy sources, and (2) foreign investment in production of petroleum products and other energy sources to determine the consistency or lack thereof of the Nation's trade policy and foreign investment policy with domestic energy conservation efforts. Such report shall include recommendations for legislation.

(2) Within 6 months after the date of enactment of this Act:

(A) The Administrator shall develop and submit to the Congress a plan for providing incentives for the increased use of public transportation and Federal subsidies for maintained or reduced fares and additional expenses incurred because of increased service for the duration of the Act.

(B) The Administrator shall recommend to the Congress actions to be taken regarding the problem of the siting of energy producing facilities.

(C) The Administrator shall conduct a study of the further development of the hydroelectric power resources of the Nation, including an assessment of present and proposed projects already authorized by Congress and the potential of other hydroelectric power resources, including tidal power and geothermal steam.

(D) The Administrator shall prepare and submit to Congress a plan for encouraging the conversion of coal to crude oil and other liquid and gaseous hydrocarbons.

(E) The Secretary of the Interior shall study methods for accelerating leases of energy resources on public lands including oil and gas leasing onshore and offshore, and geothermal energy leasing.

SEC. 302. REPORTS OF THE PRESIDENT TO CONGRESS

The President shall report to the Congress every sixty days beginning June 1, 1974, on the implementation and administration of this Act and the Emergency Petroleum Allocation Act of 1973, together with an assessment of the results attained thereby. Each report shall include specific information, nationally and by region and State, concerning staffing and other administrative arrangements taken to carry out programs under these Acts and may include such recommendations as he deems necessary for amending or extending the authorities granted in this Act or in the Emergency Petroleum Allocation Act of 1973.

Mr. JACKSON. Mr. President, I would also like to give notice to the Members of the Senate and other interested parties that the Senate Interior Committee will hold hearings on S. 3267, on Thursday, April 4, at 10 a.m. in room 310, Senate Office Building.

MINIMUM WAGE CONFERENCE REPORT

Mr. BIDEN. Mr. President, I was pleased by the recent resounding vote of support given to passage of the minimum wage conference report. Like many of my colleagues, I felt that passage of this measure was overdue. Despite the delay in passing this minimum wage bill, I feel that the compromise should help in offsetting the inflationary spiral. One significant feature of this legislation is that coverage is extended to an additional 7 million people. These people include household domestic workers, seasonal laborers, and some public employees. In addition, the compromise bill provides the first minimum wage increase since 1966, raising the hourly wage in steps for most workers from $1.60 to $2 and eventually to $2.30 an hour on January 1, 1976. This is significant because of skyrocketing inflation which has boosted the cost of living by more than 43 percent since 1966.

The House of Representatives and the Senate have now cleared the way for the President promptly to sign the bill into law which would allow the increased minimum wage to go into effect May 1st. I would only like to add that I consider the enactment of this bill into law of vital necessity as a means of alleviating some of the burdens on working men and women in Delaware and elsewhere.

VIETNAM VETERANS DAY

Mr. McINTYRE. Mr. President, the U.S. Congress and the President have appropriately proclaimed March 29 as Vietnam Veterans Day. But what is really needed now are not long speeches and proclamations of great honors. This has already been done.

Today I urge the U.S. Senate to take speedy action on the important veterans legislation pending before this body. It is urgently needed. There are 6.5 million veterans of the Vietnam era, 2.6 million of whom served in Vietnam; 56,000 lost their lives in Southeast Asia and 331,611 were wounded or disabled, 23,214 totally disabled. Between 90,000 and 100,000 are crowding Veterans' Administration hospitals.

But, Mr. President, figures do not begin to tell the full story of Vietnam's toll.

Fighting the most unpopular war in history and returning home to a country that does not want to think about Vietnam any more and has not provided adequate benefits for these veterans has disenchanted and embittered thousands upon thousands of them. This is wrong.

I believe Congress bears a responsibility to assist these brave men in their determination to return to a productive and full life. An unemployed and untrained veteran is of little value to himself or his country. Thus far the Vietnam veteran has received too little too late. The administration, after years of opposing needed increases in benefits for Vietnam veterans, is finally waking up. But once again what the administration is offering is less than what is needed to get the job done.

This is why I am cosponsoring measures that will do more for the Vietnam veteran. Increasing educational benefits and extending the eligibility period for using these benefits is a must. Also, the spiraling cost of living mandates that benefits be increased to afford the disabled veteran an honorable and decent standard of living.

Mr. President, the least we can do for veterans who have been robbed of glory and gratitude is to match the benefits we provided others after earlier wars. These measures I am sponsoring will help meet that goal. I therefore urge the Senate to adopt this badly needed legislation without delay.

THIS LAW COULD GIVE US BACK OUR GOVERNMENT

Mr. KENNEDY. Mr. President, in the April issue of Reader's Digest there is an article entitled "This Law Could Give Us Back Our Government." Written by Mr. James N. Miller, the article discusses some of the uses to which the Freedom of Information Act has been put by citizens wishing to obtain more information about what their Government is doing.

Mr. Miller reports a Harris poll showing that 71 percent of the people agree with the statement that:

> A lot of the problems connected with government could be solved if there weren't so much secrecy on the part of government officials.

After reviewing the many bureaucratic obstacles placed in the way of citizens who invoke the FOIA in their efforts to penetrate Government secrecy, Mr. Miller concludes that:

> The FOIA is probably the most powerful weapon we have for restoring the faith of the people in their government.

Mr. President, I ask unanimous consent that the article referred to be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THIS LAW COULD GIVE US BACK OUR GOVERNMENT

(By James Nathan Miller)

A year and a half ago, a Seattle couple named Philip and Sue Long won a profoundly significant victory against the U.S. Internal Revenue Service. They forced the agency—one of our most powerful and secretive bureaucracies—to release facts and figures about its operation that it had rarely, if ever, divulged to an outsider.

The importance of the victory goes far beyond the Longs and the IRS. For the law that the Longs used in their battle—a seven-year-old, blandly titled statute called the Freedom of Information Act (FOIA)—can be used against every federal bureaucracy. And though relatively few people have used it so far, there is hope that large numbers will soon start to exploit the law's explosive power—the power to force bureaucrats to deal openly with the public.

Before looking at the battle between the Longs and the IRS, it's essential to observe how widely secrecy is used by our government agencies to keep their activities screened from public view. Examples:

Privacy. Last year, Hospital Practice magazine requested copies of survey reports that the Social Security Administration had drawn up on nursing homes around Washington, D.C., that accepted Medicare patients. No, said SSA; revealing the reports would invade the "confidentiality" of its file.

The Lie. When a citizens' group asked to see letters of complaint about airline service that the Civil Aeronautics Board had received from the public, CAB refused. Authors would be subject to "possible harassment" by the airlines, said CAB. Looking into the matter further, the citizens' group discovered it was CAB policy to forward all complaining letters to the airlines involved—without deleting the authors' names or addresses.

Trade Secrets. Last year, Consumers Union, publisher of Consumer Reports, asked the Food and Drug Administration to make public a study of the effect on mice of melengestrol acetate (MGA), an additive in cattle feed suspected to be cancer-producing. FDA refused, saying that because the study had been made by MGA's manufacturer, it was a "trade secret."

Delay—In 1970, when the Nixon Administration was pressuring Congress to approve government financing of a supersonic transport plane, anti-SST forces requested that the White House release a study known as the Garwin Report, which had been made in 1969 by a group of top scientists for the Office of Science and Technology at the President's request. Because the report was designed to be a totally objective evaluation by the country's leading experts of the SST's economics and possible environmental effects, anti-SST forces asked that it be made public.

The Administration refused. Only after a court order was the report released, revealing that the advisory group had found the project economically unsound and environmentally dangerous and had recommended its abandonment. But by that time—17 months after the original request—the information was useless, since the disclosure came five months after Congress had voted to kill the project.

CITIZENS' RIGHT-TO-KNOW

These cases are merely a sampling. In big matters and small, the secrecy mania has created what might be called, with only slight exaggeration, "government of, by and for the bureaucrats." Little wonder that a recent Harris poll showed that 71 percent of the people agree with the statement that, "a lot of the problems connected with government could be solved if there weren't so much secrecy on the part of government officials."

This new public awareness of the problem has come, of course, mainly as a result of the Watergate revelations. But it is important to realize that the *motives* for the Watergate cover-up—the concealment of actual crimes—were far different from the motives of the typical bureaucratic secret-keeper. Indeed, what makes secrecy so common throughout the bureaucracy is that the motives for it are usually ones that honest men can rationalize as being in the public interest. One major motive is the desire to get the job done without the second-guessing of foolish citizen-amateurs who "don't really understand the problem."

Take, for instance, the Social Security Administration's refusal to reveal its nursing-home surveys to *Hospital Practice* magazine. Says Ronald Plesser, a lawyer for Ralph Nader, who handled the case against the agency: "After we won the suit, I asked an SSA representative why they'd made us sue for information that was so obviously of legitimate public concern. He said that HEW felt the public wouldn't be able to put the information in perspective. 'Take a problem like cockroaches, for example,' he said. '*You* and I know that every institutional kitchen has some cockroaches—but what would it look like if the *public* read that government money was going to institutions with cockroaches in the kitchen?' "

Another major reason for secrecy is fear that "outsiders," if given the inside facts, *might* actually discover bungling or worse. Here, for instance, is how a top official of the Federal Aviation Administration explained his refusal to release airline-safety statistics to Nader: "I suppose he wants to review these reports and when he gets something exciting, say, 'Aha!' "

It's a perfect illustration of why we need a strong public-disclosure act. For it is precisely that—the citizen's right to search through his government for things to say "Aha!" about—that is our strongest guarantee of a government responsive to the public will.

POWER TO THE PUBLIC

It was specifically to strengthen this right that Congress, in 1966, passed the FOIA. Up to that time, if you asked for information from a government official, first you had to prove that you had some direct interest; then the official was supposed to hand it over—*unless* he decided that there was "good cause" or that it was "in the public interest" not to. In the early 1960s, when Congress held hearings on the idea of closing these gaping loopholes, federal agencies were unanimous in their opposition. Their spokesmen drew a lurid picture of government work coming to a stop as people poured in off the streets, clogging offices and bogging down officials with inconsequential questions.

But Congress rejected the arguments and passed the FOIA. It was, in the words of a House report, "milestone legislation"; for it gave the public two unprecedented new powers. First, it said that a citizen no longer had to prove any special interest in a piece of information. "Any person," says the law, can demand it. Second, it said that if a citizen takes an agency to court to get information, all he has to prove is that it was denied him; then the burden of proof is on the government to show a legitimate reason for the denial.

When legitimate reasons are there? In addition to the obvious one of protecting national security, the law provides eight other exemptions from the disclosure requirement—mainly the protection of trade secrets, of personal records of government employes, of investigatory files and of the kind of internal memoranda that are part of the preliminary idea-swapping that goes on in any office trying to reach a decision. In other words, the law recognizes that even government workers can't operate efficiently in a fishbowl.

While the bureaucracy has exploited these exceptions for all they are worth (protection of "national security," has probably been the most often abused), the FOIA is probably the most powerful weapon we have for restoring the faith of the people in their government. It has already forced the Agriculture Department to reveal warning letters it sent to companies suspected of violating meat and poultry laws, the CAB to release facts on aircraft mishaps, and the Atomic Energy Commission to admit its serious concern about the safety of atomic plants.

AGAINST BLUNT ODDS

Which brings us back to the case of Phil and Sue Long and their battle with the IRS. Phil, 57, earns about $8000 a year in sales and in managing a group of working-class apartment houses in Seattle. Early in 1970 IRS informed him that he owed, in 1966–68 taxes, almost twice as much as he had already paid.

Because IRS's case against him involved a rarely used technical finding, Phil determined to find out how it had handled similar cases in the past. Whether his suspicion was justified has not yet been determined (his case is still on appeal), but one fact quickly became clear beyond doubt: The IRS regards information about its own internal workings is no business of the public.

Virtually whatever the Longs asked for IRS found a reason for refusing. When they requested samples of certain forms the agency issues to the public without charge, they got them only after waiting seven months and paying $162.75 for the six days' time IRS claimed it had spent on a "records search" in its warehouses. Traveling to Washington, D.C., to push their case for access to information, the Longs arranged a meeting with IRS officials, at which they submitted 20 specific requests for sections from the IRS Manual. When, as requested, they came back the next day, they were handed a manila envelope containing 20 sheets of paper—each one a copy of Form 2584, stating "Thank you for your letter. It is receiving our attention and we will send you a reply as soon as possible."

At one meeting the Longs attended in Washington, a top IRS official bluntly stated the odds against them: "You realize, of course, that we have over 600 lawyers in this department." But, using the FOIA as their weapon, the Longs sued—and won. On August 9, 1972, the judge, citing "the public's right to know," ordered IRS to hand over all the requested material. It was the most massive disclosure order ever to hit IRS, and since then the agency has made important changes in its public-informational policies.

OPEN THE STOREHOUSE

Unfortunately, very few people have done what the Longs have. Since the FOIA went into effect seven years ago, fewer than 200 reported cases have been brought under its provisions, and about half of these were by companies seeking commercial information. The main public-interest users so far have been Nader and a handful of Washington citizen groups. Thus an enormous storehouse of information still lies locked in bureaucratic filing cabinets. Here are three suggestions for getting at that information.

Write your Congressman. This spring, Congress will vote on several much-needed strengthening amendments for FOIA. One would make it harder to claim "national security" as a secret-keeping excuse. Another would require a government agency to pay "reasonable attorney fees and other litigation costs" whenever it loses a case under the act—a significant encouragement to citizens to do what the Longs did, and to lawyers to take their cases.

Get the law working at the grassroots level. Here are a few points to keep in mind about the FOIA. Before approaching an agency for information, it's essential to learn both your rights under the act and how to counter, in advance, the main tactics the bureaucrats will use against you. (Write to the Freedom of Information Clearinghouse, P.O. Box 19367, Washington, D.C. 20036, for its leaflet, "The Freedom of Information Act: What It Is and How to Use It.") Also, keep in mind that, though a lawsuit may be beyond the resources of most individuals (estimated cost: $2,500 to $5,000), it is certainly not out of the question for civic groups, since the legal issues under FOIA are fairly simple and the burden of proof is on the government.

It is by no means always necessary to go to court, however. For instance, when the Corps of Engineers refused a conservation group's request for the names of polluters of New York harbor, the group wrote a strongly worded letter to the head of the agency (with carbons to the President and to New York newspapers), threatening to sue under FOIA. Within about a month, they had the information.

Educate reporters. One of the sorriest aspects of our present secrecy-in-government crisis has been the almost total neglect of the FOIA by reporters, whose editors contributed greatly to passage of the law. To date, only a half dozen cases have been brought by newsmen. Networks, newspapers and magazines should, as a group, finance a Freedom of Information legal office whose job would be to educate the nation's reporters on their rights under the law and to argue their cases in court. For, if the FOIA could enable two citizens like Phil and Sue Long to do what they did to the IRS, imagine the secret the nation's press could blast loose if reporters really started to use this explosive weapon.

PRISONERS OF PEACE

Mr. McGOVERN. Mr. President, last May I gave a major speech on the Senate floor on the subject of the treatment accorded Vietnam era veterans. Partly as a reaction to the homecoming of the prisoners of war a month earlier, I chose to call the young veterans who were not imprisoned, "prisoners of peace," to dramatize the lack of attention being given to their educational and vocational training needs.

The idea of that speech and the title itself were picked up and elaborated on in an excellent article in Penthouse magazine. I wish to share this article with my Senate colleagues and I ask unanimous consent that the article entitled "Prisoners of Peace," by Tim O'Brien be printed in the Record, along with the two items I have marked to be included.

There being no objection, the material was ordered to be printed in the Record, as follows:

Prisoners of Peace

(By Tim O'Brien)

We marched in herds. Six million of us. Singing our songs. Young blood. Muscles firm, good wind in our lungs, strong teeth, quick flesh, prime meat.

"What is the spirit of the bayonet?" the drill sergeants called.

"The spirit of the bayonet is to kill! To kill!" we shouted it out, loud and clear.

We were dressed in green. Toted rifles, leg-weary and soul-weary. Afraid. Embittered. Enraged. Curious. Adventure-seeking. Learning the skills of battle, kicking up the American soil in preparation for the Asian war.

"All right, trainee. You see this? This here's an M-16. You know what it's for? It's for killing Cong. It don't kill nothin' but Cong. You shoot a GI with it and it won't kill him. You shoot a dink with it, it'll splatter him across the rice paddy, and it'll make fertilizer out of him."

We were America's sons. We marched through Fort Polk's Tiger Land, the rain of Fort Lewis, the dust of Fort Sill, the prairie country of Fort Leavenworth. Fort Dix and Fort Carson and Fort Benning.

We marched to the quick-kill range, marched to bayonet training.

"Dig low. Crouch and dig. Dinks are hard to kill. They ain't got no blood. You gotta stick 'em good."

"Yes, Drill Sergeant," we shouted.

We marched to morning chow and we marched to our bunks at night. Singing all the while. . . .

> If I die before I wake,
> Pray to God my soul to take.
> If I die on the Russian front,
> Bury me with a Russian ———.
> If I die before I die in a combat zone.
> Box me up and ship me home.

The lyrics of our marching songs never made much sense. Neither did the war.

"Why you goin' to Nam?" the drill sergeant asked a black recruit.

"Don't rightly know," the recruit said. "Kill commies, I guess . . . . I give up. You tell me. I don't know nothing about big politics. Why am I going?"

"I'm asking you why!"

The black recruit scratched his head. "Look, Sarge. You don't want me to go? Just tell me. I won't go. But don't ask me for reasons. I haven't got any."

"———," said the drill sergeant. "——— Gimme fifty, trooper."

The recruit dropped to his belly and gave him fifty push-ups.

They wanted us to go. The big, gruesome They. Not many of us understood why, we still don't, but they wanted us to go.

We went. Some out of fear, some out of love of battle, some for glory, some in a trance.

VIETNAM, MAY 3, 1969

"Incoming!"

"Jesus, it's a war!"

The village trembled.

Mortar rounds exploded inside the perimeter. We cradled our rifles, curled in our foxholes, ducked our heads—"pray to God my soul to take," we sang, "box me up and ship home."

Some of the huts caught fire. A Vietnamese woman ran out of one. She was on fire, too. The mortar rounds exploded everywhere—zinging sounds, red flashes, shrapnel, terror. The woman rolled in the dusty village square. She put out her fire, and then while the mortar rounds came in she tried to save her hut.

She screamed for help.

The mortar rounds kept dropping. One landed by a cow and blew it to pieces, and hunks and globs of flesh spun through the village, which trembled.

The woman was still screaming for help. She beat her burning hut with a blanket.

"Sin loi," Josh said. Everyone laughed. "Sin loi, old woman. Sorry to ruin your day."

We fired M-60 machine guns blindly into the paddy. We called for artillery support. The paddies turned black, smoke rolled through the village. The stink was awful.

"Send a platoon out after them," the company commander said.

"No way," a platoon sergeant muttered.

Another round exploded. Everyone shut up and waited for it to end.

"Jesus, they've got us bracketed," Josh said.

"Ought to beat feet. Ought to make tracks out of here," the medic said.

It was a large, sprawling village, built of mud and grass. It was being blown apart and we were inside it.

"Jesus, they're attacking their own village," Kansas said. "Must want to kill us bad."

"No ethics," a black soldier said.

"That's the problem with this war, no ——— ethics," and everyone laughed and ducked and was afraid.

Darkness settled in. The company commander ordered us to evacuate, so we crawled on hands and knees through hedgerows. The mortar rounds stalked us. One exploded near the second platoon. Two men screamed. But they could walk. They stumbled along after us.

The smell was awful. Cordite, burning grass—a stink that went to our bones and made them stink, too.

A chicken had been killed. It was a mush of tissue and its feathers blew about, getting in our eyes, sticking to our clothes.

The war was a roller-coaster ride. Carnival noises in the background, blinking lights and animal smells, blinding speed, pure motion, carny hawkers screaming in the background, shrill voices, up and down zoom, swoosh, hang on for dear life, hang on to your hat, hang on to your head. The war rattled us, bucked and squealed. It ran crazy on its track, well-oiled and in high gear. Somewhere off on the sidelines, down below in the crowd were our families—blurred faces crying for us, cheering for us, taunting us, everyone holding his breath. Clenched fists held up to us. The tears of our mothers, the hard memories of our fathers. The roller coaster went wild and we hung on. Our girl friends were watching us—fine curled hair, little thighs, warm eyes. Our hometowns, our friends, our neighbors. They wanted us to go. Some of us went believing in the war, learning later. Some of us never learned. Some of us, the dead and the crippled, learned the hard way. But we went.

As wars go, it was a quick one. A one-year tour. Bang, bang, bang. We were drafted, we enlisted. We fought. We were home again. A fast ride, little time for thought. One moment we were at war; three hours later we were in a World Airways jet (recorded music, stewardesses with gorgeous boobs—many of us had missed big all-American boobs). The stewardesses served coffee and roast beef, we howled, we took a last look at Vietnam. Then we were flying east toward home—Seattle or Oakland.

"Will you look down there! It's the golden arches, it's a McDonald's! We're home!" The plane erupts. Joy! We'd been saved! We were the winners.

The engines roared in deceleration, pressing us against our seat belts. The ride was over. Pandemonium. Kiss the stewardess, rub against her.

We got off the plane. Some of us touched the tarmac runway with our hands. Touched America.

No crowd, no music or confetti. It was midnight. We glided through the night, into buses, to the mustering-out station.

Silently, America absorbed us. In the dead of night, we melted into her.

"Got any problems you want to talk over?" the army shrink said.

"No, sir. Not that I can think of."

It was 3 A.M. We were in herds again, waiting in lines. The processing station was brightly lit, deadly quiet.

"You're sure?" the shrink said.

"Yes, sir. If I think of any problems I'll write you a letter."

We wanted to go home. We wanted no delays, no more orders, no more sergeants and officers.

"Good," the shrink said. He wiped his brow, yawned. "Good. . . . Next!"

"Thank you, sir."

"Quite all right, son."

We left the army in taxicabs.

We rode alone. We wanted to talk to the cab driver—"Hey, man! It's me. I'm home." But even then we sensed America's indifference. The cab driver yawned. It was not quite dawn.

The airline terminal was brightly lit, hollow and empty. We boarded flights that took us to Minnesota and Detroit and Atlanta and Denver and Arkansas and Vermont.

We're home now: 2.6 million veterans of Vietnam; 3.3 million veterans of the Southeast Asian theater; 6.5 million veterans of what people in Washington, D.C., call the Vietnam era. We're all home. Where you are, we are. You may not recognize us, but we're there. We are young. Some of us have nightmares: giant Cobra gunships chasing us through the shadows of the valley of death. Many of us don't have jobs, many of us want to go to school but can't afford it. Many of us are hooked on heroin. If the Pentagon's statistics are correct, quite a number of us are killers.

Who are we? We're called the invisible army. The silent army. The Vietnam ghosts. The forgotten army, the discarded army, the lost army, the betrayed army. We are all those things and we are none of them. We are individuals.

So many of us are loners. Like wolves. A capacity for fierceness. Naturally shy, unsocial. Stalking under the moon. Loners.

We went to war alone. No troop trains pulling out of New York City. No units marching to war together and marching home together. No unit colors flying.

Loners in war, we are loners in peace. We lick our wounds in isolated, shadowed dens. Shy away from our old herds. We are bewildered, out of key, out of joint, out of tune with the Song of America. All this is called the Post-Vietnam Syndrome, or by its initials, PVS. The scientific meaning of PVS is unclear, but it's as good a term as any to cover the sensation of aloneness, of estrangement, that hangs over many of us day and night. PVS is both cause and effect. It's a cause of joblessness, rootlessness, and drug addiction. And it's an effect of the war, an artifact, a quicksand of memories that doesn't let go. But what PVS finally boils down to is aloneness. Loners in war, we are loners in peace.

But we were loners even in battle. Isolated battles, private little wars waged by private men. Companies and squads, platoons and five-man teams. Ambushes. Midnight hunts. Good friends tracking the fox. Where were the parades? Where the hell was everyone? Where was Patton? Where was Bradley? Where was Ike?

We are losers.

That's what we're called: "Losers." Winning is what America is used to, winning is the name of the game, the score of the gore. We did the best we could, fought the war to a stalemate, but we're still losers. Losers and Loners. "Candy———," World War II vets call us.

We are also silent.

Among ourselves we will sometimes talk about the war, but even then we don't say the important things. We don't mention the terrible fear, the smell of a corpse, the smell of burning grass or red clay. We don't talk about the silence that hangs after a firefight, the sound of a Cobra gunship buzzing out death, the stink of napalm. The feel of war.

We meet in bars. "Haven't tasted beer this bad since that stuff in Nam—Tiger Beer. Now that was awful beer!"

"Were you in Nam?"

"Yeah. Sorry. Didn't mean to mention it."

"That's all right. I was there, too."

"No ———? Who were you with?"

A moment of silence.

"Americal Division."

"Jesus. You poor guy. Let me get you a beer."

"Thanks."

Americal. The most inefficient, unlucky American unit ever to hit a Vietnam battlefield.

We drink our beer and watch the girls float about the bar. Not much to say. One guy fought his war, the other guy fought his. War stories buzz in our brains—we remember, we get sad.

"See some bad ——— over this?"

"Yeah. A little."

"Me too. You a grunt?"

"Yeah." There is an awful pride in it. To have been an infantryman—a "leg"—is to have been a soldier. Nothing else is impressive. We want to say more, we look at each other, but it falls dead. "Well." We smile. "Think I'll hustle me a woman. Peace."

"Peace, brother."

Over three million soldiers, sailors and fliers served in the Southeast Asian theater. Do numbers say anything?

Arms lost in battle—about 800.

Hands lost in battle—about 170.

Multiple amputations—1,081.

Genitals lost in battle—"no official statistics," says the Veterans Administration.

Vietnam-era veterans crowding VA hospitals last year—90,000 to 100,000. (The VA says it keeps no official statistics.)

Vietnam vets with less-than-honorable discharges because of drug habits—about 18,000.

Vietnam vets hooked on heroin—anywhere from 60,000 to 200,000, depending on various estimates.

Dead by hostile fire—46,092.

Dead by nonhostile cause—10,317. (Peterson was playing with a hand grenade, pitching it into the sea to kill fish. It exploded early, and his groin opened. Dead by a nonhostile cause.)

Wounded in action—153,311. (The grenade sailed out of the bushes and hung in the air like a football. We all jumped, but Clauson didn't jump fast enough and it exploded while he stood with his mouth open, his teeth showing. Wounded in action.)

Wounded by nonhostile cause—150,341. ("Stupid, stupid Tully," one soldier said. "He's not stupid," another said. "He's gonna go home. Home, man. Takes guts to blow a ——— hole in your foot." The other soldier nodded. "Yeah." Wounded by nonhostile cause.)

Legs lost in Vietnam battle—about 4,500. (Red legs and brown legs and ivory legs. Red inside—red meat, white bone. Parts of the legs are still lying in the minefields of the Batangan Peninsula.)

Vietnam-era vets classified as 100 percent disabled—23,214. (Meaning 23,214 of us are so messed up we can't earn money, can't hold a job. Money, the measure of all things.)

Total number of disabled Vietnam-era vets—331,611.

Vietnam-era vets classified as 100 percent disabled for psychological or neurological reasons—13,167.

"You know," a man at the VA says, "all these aren't Vietnam casualties. Some of them lost hands after the war. Poor circulation and things like that."

Dr. Marc J. Musser, the VA's medical director, says that "because of technology recently developed by the VA, the spinal-cord-injured veteran of the Vietnam era is, almost from the beginning, more independent and mobile than was the spinal-cord-injured veteran of previous wars."

The man at the VA continues: "A lot of these are multiple amputations, you know. That means it doesn't hit as many GI's."

"But don't multiple amputations mean it's worse for the guy who does get amputated?"

"Well, sure. But you have to remember the numbers. The numbers are the important thing."

What are the real numbers, the grand total, box score, misery index: 300,000? 500,000? 800,000? Do we count families, friends, girl friends—all paying, all in misery? A million? Five million? The score of the gore.

The VA, because it is "not necessary for the records," does not separate actual Vietnam vets from the big. deceptive category called "Vietnam-era" veterans. This classification trick allows the agency to downgrade hospitalization and disability figures by saying, "Oh, a lot of them are old soldiers who happened to leave the army during the Vietnam War years." Or another favorite VA line, "Oh, a lot of those guys served in Germany or Korea during the war." Either way, it's a part of the agency's way of saying, "Dont trust the numbers, even if they're ours."

We're your army. What's left of it. Not much, perhaps. but we're all you have.

We're nothing special. If America peeked in a mirror, it would see the face of the Vietnam veteran. We are mean, irrational, stupid, arrogant, evil.

And we are also brave, kind, thrifty, reverent—Boy Scouts.

General Karl von Clausewitz, Prussian military genius: "War is fought by human beings." That's all we are.

If we are warriors, then the farmer in Wisconsin is also a warrior. So is the businessman in Chicago, the editor in New York. The American Republic will soon be two hundred years old and already she has fought ten full-fledged wars. More than 28,000,000 living Americans are ex-soldiers. One-fourth of all living American males.

Vietnam veterans are not freaks.

America may be no more warlike than the rest of the world, but she is no less. Nations fight, Hobbes and Machiavelli and other great thinkers tell us. America is a nation. America fights.

Von Clausewitz: "War is part of the intercourse of the human race."

We are veterans.

We are members of the human race.

VIETNAM. MAY 3, 1969

Off in the distance, about a click away, the village was still burning. It would burn forever.

We made our camp in the paddies.

It was dark—no moon, no stars. The village fire was red and yellow and bright, making a lot of noise.

We heard the huts collapsing.

Cows and chickens and dogs were trapped in the fire, howling animal howls.

We dug in. It was tough—the paddy was soggy and our foxholes filled quickly with water.

We lay in the water and were afraid. The fire died, the night became black. Smoke from the burning village rolled over us. We smelled it, breathed it. It filled our bodies.

"Absolute silence," the company commander intoned. He gave those kinds of orders. Authoritative voice: "Absolute silence." The order was passed down to us by platoon sergeants.

We were frightened, but it was not hard to sleep. Being frightened made it easier—easier to pretend. A way to escape. Dream of Maryland, dream of ice cream and hot rods, Watts and Central Park. The nervous system absorbs only so much war, so much horror, then it takes no more.

And we slept.

Near dawn, a short barrage of mortar rounds fell on us.

"Like a farm rooster," Kansas said. "Like getting woke up by a damn rooster."

"Don't Charlie sleep?"

"He's taking this here war too damn seriously. Gonna get somebody killed."

"Won't be me," said Josh. He was sure of it: it would not be him.

The mortaring ended at daylight. We ate C-Rations—jungle junk—ham and eggs mashed into a brown tin can, coming to us with the love and best wishes of the fine folks in East Orange, Indiana. We ate, then we packed our gear and waded across the paddy, back toward the village. Midway across the paddy, we stopped to clean our weapons. There wasn't enough gun grease to go around, so we used spit.

First platoon then fanned out along the western edge of the village. Third platoon fanned out along the southern edge. The rest of us pushed in from the north and east. We moved slowly. The notion was to confront the enemy or force him back into the waiting blocking force.

The village was desolate. Carcasses of cattle and chickens and dogs were strewn about. Only two or three huts still stood. The rest of the place was smouldering junk.

No people. No children, no mama-sans or poppa-sans.

A black soldier stepped on a booby trap. It wasn't much of an explosion. But it blew him into a tree, killed him.

Two of his friends cried.

There was nothing to shoot at. A deserted village, except for the mines and the booby traps.

It had been three days, and we hadn't seen the enemy. Three days of searching the village, with these results: four shredded arms, two dead soldiers, one pair of bloody legs. We could only cry and get angry.

A dust-off chopper was called in, and the black soldier's friends carried him to it and dumped him into the cabin. Then we stood back and held our bush hats on our heads. The chopper roared, moved up, then it dipped its nose and flew away.

We continued through the village. We found nothing. The day went on, became hot; we rested in the ruins and took a resupply of C-Rations and bags of iced Coke and beer.

Then we waded back into the paddy and dug in for the night.

"Something has to happen," Josh said softly. "We have to find Charlie, he's out there somewhere."

"I hope we never find him," Kansas said.

"Hope we lose our maps and lose our way and stumble our way across Vietnam, into Cambodia, into Burma, into India. I hope we end up in the Bombay Hilton."

"Dream on."

"I will. What else can I do?" Kansas shrugged.

"Dream on. Me. I'd rather just go out guns blazing till it's either me or Charles. No more of this mine stuff. Just me and Charles, winner take the works."

Who are we, the veterans of Vietnam? What are our thoughts now that we are home? What do we want? Are we bitter? Or are we thankful it's over, happy to be home with our lungs and hearts still working?

Are these the questions?

Or is this the question: Do any questions matter? Does anyone care? Should we ask questions?

Dr. Gordon Livingston, an army psychiatrist: "Today's veterans are survivors of what happened in Vietnam and have become a crucible for all of society's doubts and misgivings about our involvement in Vietnam."

The Educational Testing Service, Princeton, New Jersey, reports that our national newspapers—and the editors and journalists who man them—have decided vets do not make good copy. "Veterans," a Washington editor says, "are not sexy. Who cares?"

The *New York Times*, our liberal watchdog; published sixteen times more "veterans stories" after World War II than in the latter years of Vietnam.

"Forget it!"

In 1946, popular magazines printed over five hundred articles about veterans. In 1972, they printed less than fifty.

Ask a college teacher for advice: "Forget it," he says. "War's over. You can't fight it anymore, you can't battle what happened."

Forget it.

Ask an uncle for advice, or a cousin, or a buddy: "Stop crying. Wise up."

Forget it.

Ask a magazine editor about doing a story on the problems of veterans: "We're winding down the Vietnam War."

Ask a major book publisher: "Vietnam books don't sell. It's that simple. They don't sell. No one wants to read about it."

Forget it! Forget it!

"War's over. For Pete's sake, the war is over, over, over, over, over."

"I'll throw up if I hear another word about Vietnam. The word makes me vomit: *Vietnam*. It's an ugly word. *Vietnam* translated into English means boredom, despair, frustration. I hate the word *Vietnam*. Ban it. Cross it off our maps. Throw it out of the dictionaries. Find people who use it, toss them into the clink, throw away the key, flush it down the toilet." The shoe salesman spits into the street to emphasize the point.

"But what about the guys who fought the war? What about them?"

"I don't know. Do you know any?"

"A few. Not many."

"Poor guys."

"Yeah."

"Some of them are freaks, though. I've read about it. Dope. Loonies. They scare me."

"Wouldn't want your daughter——"

"Don't have a daughter."

"Oh."

Even the American Legion and the Veterans of Foreign Wars, our Washington power bases, seem to be forgetting. Big bellies, grand words, big smiles, big conventions. The Educational Testing Service study sets out the documentation in very scholarly words, very careful words. It concludes that, when it comes to care and concern for the Vietnam veteran by the organizations representing him in Washington, he is at a "distinct disadvantage" to the World War II veteran. The Vietnam veteran understands the American Legion and the VFW. "They don't care, they don't honestly care. Not when it comes to action. Not when it comes to lobbying full-time for a decent GI Bill."

So we are not joiners. The statistics say that relatively few of us join these organizations. We have no place in the American Legion. The very words—American Legion—make many of us shudder. A place to go to play bingo, to wallow in pride and self-congratulation. But we have no victories to celebrate till we die; we did not win; our war, it is said, was not a just war. We are loners. Loners and losers.

VIETNAM, MAY 4, 1969

"Hey, Kansas. Kansas! It's morning, wake up, man."

The earth's revolution slowly turned us into the sun. The light hit the tips of trees, then spread out over the rice paddy, and the war was with us again.

We paid no attention.

We lay on our ponchos, closed our eyes. Black flies . . . we woke up slowly . . . moved in slow motion, in funny jerks . . . ate peaches . . . popped open cans of beer . . . languished. Finally the orders were given. We filed across the paddy, toward the village, that same village, and the day began.

Slocum hit the mine. It was a dull thud, not much noise, but it tore up his leg.

"Echo 34, this is Apple 34. Request urgent dust-off, repeat urgent. Grid 765756. Repeat—urgent! U.S. casualty. Mine. Grid 765756. Repeat—urgent!"

"It's all right, man," a soldier told Slocum. "You're on the way home now, it's all over. Hang in there, baby. War's over."

Slocum hurt bad. It may have been shock or it may have been courage, but he made no noise. Everyone was proud of him. His leg and foot looked bad. A splinter of white bone dangled.

The chopper settled down. Slocum was carried aboard. Then we set off again for the village.

"Where's Charlie?" Josh asked. "I wonder where Charlie is. Think he's watching us? Think he saw Slocum hit that mine?"

"Who knows."

"I wonder, I wonder where ol' Charles is."

"You're standing on him," said Kansas.

"You crazy? I'm standing in water."

"You got it, man. You're standing on Charlie. This is his water, baby. His dirt."

"I'm scared," Josh said. It was the bravest thing said all day.

We marched through the minefields of Quang Nhai province. Shoulders hunched, eyes pinned to the dirt. Step on a crack, you'll break your mother's back. Where to put our feet? Where to sit, where to stand, where to rest, where to run, where to stop, where to start? Bouncing-betties. Toe poppers. Booby-trapped artillery rounds. Booby-trapped mortar rounds and grenades. And we had nothing to shoot at. Charlie breathed down our necks breathed in the night, and all we could do was walk as in a nightmare, legs filled with concrete. Charlie the phantom. The Erlkönig demon of Vietnam.

We wondered what our legs would look

like after they stumbled upon Charlie's mine.

Would we feel the fragments enter our flesh? Would we cry? Would we pass out? Would we die quickly? Would the bone show through the meat? Would we know we were dying? Would we see pity on our friends' faces? Would we have gallant last words? Would we whimper and beg for morphine? Would anyone remember?

The federal government says it remembers. President Nixon told us in 1970 when he sent us into Cambodia that he would do everything possible "for my boys."

The Veterans Administration says it remembers. Plenty of rhetoric flows out of the VA's huge granite building in downtown Washington.

"They've forgotten," says a Vietnam vet. "Plain and simple, they've forgotten. Nixon, through his groupies in Congress, has threatened to veto any GI Bill increases over 8 percent. The VA wouldn't even support that much. It's a bunch of scrambled red tape. Hell, when they wanted us to go to Vietnam they didn't worry about spending a little money, they didn't waste time. But when it comes to helping us now—now that we've fought their ——— war for them—now they won't support a decent GI Bill, now they won't support a decent GI Bill, now they cut disability payments."

Or another vet, Jim Mayer, a cripple who's learned to walk on two legs that don't always work well. Mayer is the head of the National Association of Collegiate Veterans. He tugs and pushes in behalf of veterans. day after day, but is caught in the whirlpool of Washington politics. "The VA," Mayer says, "is no longer the advocate of adequate benefits for the soldiers who fight this country's wars."

Political maneuvering. Quiet budget-cutting.

The VA says it is an independent agency. Above petty politics? Then why did it hire a dozen ex-employes of the Committee to Re-Elect the President? Their credentials? One headed up the "Veterans for Nixon" committee. Another worked on "security operations" for James McCord of Watergate fame.

The VA says it helps crippled, shattered vets. Then why did VA Administrator Donald E. Johnson connive with Nixon's budget-cutters to slash disability payments to about two hundred thousand Vietnam veterans, a move that was stopped only by congressional outrage?

The VA says it provides adequate educational benefits. Then why did the agency disavow a study, which it commissioned itself from the Educational Testing Service, that concluded that not enough was being done?

Seven blocks from the VA, a black veteran and a white veteran sit at a table. They show their arms. The wounds are there. Bandages won't help. Medics are useless. The wounds are self-inflicted. Heroin.

"Okay, I'm hooked," the white vet says. "Why am I hooked, what's the reason? Aside from the personal stuff—and I don't want to get personal because that's important only for me—aside from my suffering, why did I get hooked? I'll give it to you as straight as I give it to myself. I'm weak. Basically, I'm weak. But every weak man don't get hooked on horse. Where did I get hooked? Nam. Why Nam? Cheap stuff, good stuff. Why Nam? I'll give you one word: despair. Now that's a big word, it's damn near the biggest word I know. I got hooked for jollies, to ward off the despair."

"Can't blame it all on Nam," the black soldier says. "It was the feeling over there. I can't describe it. The writer here will have to describe it."

Even writers despair of describing it. But the numbers speak. A Louis Harris survey in 1971 found that about 26 percent of Vietnam-era veterans had used drugs after returning from the war. About 5 percent had used heroin. About 7 percent had used heroin or cocaine. In real numbers, around 325,000 Vietnam-era vets have taken heroin since being discharged. The New York City Mayor's Office for Veterans Action estimates that between 30,000 and 45,000 Vietnam vets in the city are heroin addicts. So while no one knows the exact number, it is likely that between 150,000 and 200,000 Vietnam-era veterans are poking needles into their arms.

"Now, the VA and some other people scoff at the high numbers," says the white vet. "But when you talk to the VA people, they'll tell you they don't really know how many vets are on horse or coke or other stuff. And they'll say it with a smile, making it all seem better. And what galls me is that they didn't have problems finding us when it came to drafting us, but when it comes to finding out if we've been strung out on dope—then they can't find us and count us and help us.

"I don't just walk into the VA center and say, 'Hey, I'm hooked on horse.' I aint proud of it. They gotta go out and look for us, talk to every ——— vet if they have to, study every ——— one, and when they find one in the gutter begging for the needle, they gotta help him.

"Hell, I don't know. It may cost more than it did to run the war. But nobody screamed about inflation then."

A VA study of recently discharged Vietnam vets found that 51.6 percent of us have readjustment problems. What's the readjustment problem? The official definition is probably something like this: "Difficulty finding oneself" or "Alienation" or "identity crisis."

"What it really means," the black vet says, "is the war screwed our heads on backwards."

Marc Musser, the VA's medical director, says it this way: "Three out of five young veterans interviewed [by a local VA office] were embittered, unsettled, generally distrustful, and showed inability to find meaning in life."

"Hell," the black vet says. "It isn't an inability to find meaning in life. There ain't no meaning in life. Ask Carl M. Wilson."

"Who's Carl M. Wilson?"

"A vet."

"What would he say?"

"Nothing. He's dead."

"Oh."

"Yep."

They call it Post-Vietnam Syndrome, PVS.

Phil was born in Denver, lived a middle-class life, and was drafted eight days after he graduated from college. Purple Heart, Bronze Star, Air Medal, Silver Star.

"I'd been out for maybe three months. Then one night I was walking home. A car went by and boom! it backfired.

"I hit the dirt and just lay there in the gutter. Maybe ten seconds I lay there, sweating like a bull. Hell, I went home shaking. Thought I'd forgotten all about the war. Thought I'd readjusted."

For Phil that was just the beginning. His wife divorced him—impossible to live with, she said. He lost interest in his job and quit.

"I was constantly depressed. Wanted to break windows or slam myself against brick walls, that kind of feeling. I never understood it, I still don't understand it. I thought I was fine.

"For three months it was like I'd never been in the army, no nightmares, no problems. Then that car backfired and it all hit me. It's a kind of quivering feeling. I feel violent and sad at the same time."

Other cases?

Medal of honor winner Dwight Johnson. Came home a hero. Black, bright, beautiful. No criminal record. No drug history. Shot to death holding up a Detroit liquor store. It got him a page-one splash in the New York Times.

Medal of Honor winner Richard Penry. His high school counselor said he was "quite talented in art" and that his character "was above reproach." After his platoon came under heavy mortar fire, he single-handedly stopped an attack of thirty of the enemy and carried eighteen wounded men to an evacuation site. He went home saying that he was determined not to let the Medal or the war change his life. Two years later he was arrested, charged with selling cocaine to an undercover agent. One column on page 18 of the Times.

De Mau Mau. Black Vietnam veterans, angry, militant. Members charged with murder in Chicago and Boston.

An ex-prisoner of war. Came home to ticker tape. A few weeks later he killed himself.

PVS? Some depression. Some bitterness. Some loneliness. Some anger. Some guilt. It hits from the blind side, creeps up unseen. Psychologists are unsure about it.

Dr. Herbert Freudenberger, a New York psychoanalyst: "You don't see many Vietnam veterans bragging about their war experiences at neighborhood bars like their dads did after World War II. It's as if they never went to Vietnam.

"In treatment, you almost have to drag it from them. They never come right out and say what's bugging them. They'll insist they're bothered by their inability to find jobs or something like that. Finally, after a long time, the truth about Vietnam will come pouring out."

Or New York University psychoanalyst Dr. Chaim Shatan: "Vietnam vets have consigned their war memories to 'a dead place in their souls.' "

"I ache," says Phil from Denver. "God, I ache. But I don't know where."

Surely there should be nothing unusual about readjustment problems. Surely returning soldiers must suffer. Isn't war terrible? Doesn't it traumatize? Doesn't it upset values?

Surprisingly the answer is no, not always.

Veterans returning from World War II—a right war, a just war, a won war—appear to have glided back into peace like a dove landing on a golf course. Easily and gently.

Again, technical language from the Education Testing Service: "Instead of shaking or altering fundamental values (as some had predicted) the (World War II) experience had actually reinforced a number of traditional values." World War II vets came back with memories of pretty girls of Paris, thankful girls of Rome. Memories of St. Lo and Guadalcanal and the Bulge. They came home, the ETS study says, with increased religious faith, they came home more independent. They came home optimistic.

Those were our fathers.

Our fathers came home from a war that in many ways was more grisly and horrible than our war. They adjusted, they eased into the mainstream, they were not hooked on horse, they did not smoke dope, they did not whimper, they did not suffer from a Post-World War II Syndrome.

"——— ———," we are called. "Softies."

We are judged by better times.

"Hell," the World War Twoers say, "we had it tough. I mean tough. No hot chow delivered on a platter to us, no cold beer, no cold soda in the field. ——— ———.

Wake up. Get with it. Get a job. Go to school. Readjust. Get well.

Forget it.

VIETNAM, MAY 5, 1969

The jets were our magic wands. They came out of the sun, swept in low. They passed over the village, and the village magically blew apart and disappeared.

We watched the bombing from the paddy.

"Hit it again!" a soldier screamed. "Blast hell out of the place!"

The jets came again. Bombs fell out of their bellies, spinning awkwardly, dropping slowly at first, then hurtling down. The village blew apart. Napalm made huge balloons of black smoke. Then the jets swept in a third time, dropping bombs into the black smoke. There was more black smoke, blacker black smoke. The jets came in again and again and again.

"Jesus," someone said. "They're not bombing a village. They're bombing smoke."

The jets swept in again. Bombs danced in the air. The ground trembled. The paddy trembled.

"Holy Mother of Jesus," someone said.

The jets kept coming. The earth trembled, our legs couldn't hold us to it.

The jets came some more. The smoke absorbed the bombs. There was no village, just smoke.

"Mercy," a soldier said. "Mercy, mercy."

The jets came again.

"Mercy, mercy," the soldier kept saying.

Finally, the jets ran out of bombs. They buzzed over us, dipped their wings.

"Saddle up," the company commander said.

We walked into the village. For the fifteenth time, the fiftieth time—we'd lost track. The village was not burning—there was nothing to feed a fire.

"Search everything," the CO said.

"What's there to search, man?" a black soldier whispered. "What the hell's there to search?"

We threw grenades into holes in the ground, threw grenades into piles of rubble and made the rubble into dust. We threw grenades into the dust and blew it away, cleansing the place.

A soldier found a bunker. A bomb had fallen on it and the entrance was blocked. We dug out the dirt and threw grenades into the bunker. Then someone crawled inside. When he came out he was crying.

"What the hell's wrong?"

"There's someone inside."

"So?"

She's alive. There's nothin' left of her body, but her head's okay, and it's a woman, an old lady, and she's alive. I can't believe she's alive.

"Frag her."

"You kidding me?"

"Well, go in and get her. Bring her out."

"She'll fall apart in my hands. How do you carry slush? She's slush."

Some soldiers went into the bunker and brought her out. She was hurt bad, but she was not slush. Medics washed the blood off her, and she did not look so bad. She was wrinkled and very dark, very old. The medics wrapped her in bandages.

"She must be made of stone," a medic said.

"——— gook. You can't kill gooks."

The old lady was conscious. The pain must have been horrible, but if you looked at her face, it was a picture of grief, suffering, and sorrow. Years of war, perhaps. A magic wand passed over her village and her village evaporated.

"*Nuoc?*" a medic asked. "Water?"

She shook her head. She sat on her haunches. She rocked to and fro.

"Get her to lie down, for Pete's sake," a medic said.

"She's gonna die."

"Well, get her to lie down. Who wants to die sitting on their haunches?"

When the dust-off chopper came, four soldiers carried her aboard. One of them came back bleeding. "The old witch bit me," he said. "She bit me, she bit me!" He held up his hand. "Can you believe it?"

The medic put a Band-Aid on his hand. "Took guts, though," he said.

The village was ours. It wasn't a village anymore, but it was ours.

Harvard Square is a frantic, sloppy, gray place in the winter. Mostly young people. If you are twenty-five, you feel old. Out of place. Blank stares. Automobiles grind the snow to slush, blacken it. Busy intellectuals, pimply-faced sophomores, cussing cops, street hawkers, street beggars. The high ground of America, the pinnacle. And if you stand for five minutes in front of the Harvard Coop, you'll see maybe a dozen army jackets. Most are worn by nonveterans—college kids striving for the down-and-out, been-through-it-all look. Pretenders.

A few of the coats are worn by bona fide vets. But few, very few. In 1971–72, Harvard College's 6,000 students included only 89 vets. In 1947–48, there were 5,600 students at Harvard. More than 3,300 of them were veterans.

The Ivy League.

We were not from the Ivy League.

The National League of Cities-U.S. Conference of Mayors reports that the economic and political elite did not fight the Vietnam War. Who fought it? "Lower-income men served in their place."

Middle-class America. Hard-hat America. Working America. Center America. Blue-collar America.

Where were the sons of the Bundy brothers and Dean Rusk and the Rostow brothers and Robert McNamara and all the others? Where were the sons of the best and the brightest? Did they have sons? Did they send them? Where were they? Were they at Stanford or Princeton or Harvard? Take your choice, you can't go much wrong.

Vietnam. Lyndon Johnson decided not to call up the reserves. It would alert Middle America to what was happening, it would hit too many draft-dodging kids.

So the war was fought largely by draftees. Draftees who couldn't fork out college tuition—who couldn't use influence to slip into the reserves.

Who fought the war? Sons of factory workers. Sons of insurance salesmen. Sons of farmers. "Blue-collar workers and white-collar employes"—their sons fought the war, says a Ralph Nader study.

But who fought the war? Who actually fought the thing?

Kids. Millions of kids.

Few "lifers" fought in the ground war in Vietnam. Few men who were full-fledged professional soldiers. Too few master sergeants or first sergeants or sergeant majors or even staff sergeants. We were an army of PFC's and Spec. 4's. And we were led by greenhorn lieutenants and captains.

"Lifers get medals, PFC's get killed," was the saying.

"Lifers get drunk, PFC's get killed," was the saying.

"Lifers get rich, PFC's get killed," was the saying.

The Pentagon said that draftees had nearly three times the chance of getting killed than enlistees had.

Where were the lifers? In Saigon. In Da Nang. In Chu Lai. In Long Binh. Running the NCO clubs, often getting rich doing so. Sitting in front of fans, cooling themselves with Budweiser and Pabst. Chasing Vietnamese hooch maids. Telling each other war stories. Playacting. Collecting combat pay.

"I remember the day the war ended," an ex-Marine says. "God, I remember it. An E–8 [master sergeant] lined us up in a row and he told us a cease-fire had been signed. He told us we were going home. He told us we'd done our job, we served America well. We were legitimate citizens, he told us.

"Well, try to get a job. Try to get a decent job, I mean. Not just some piddling thing pushing groceries around a supermarket.

"Don't write that I'm complaining. I'm not complaining—put that down. I'm not complaining. Just say I'm disappointed. Okay? Disappointed. That tells the story."

Are veterans important? Do we matter?

Plato once established a perfect city, which he called "The Republic." It was a perfect city only on paper—it never happened. But no matter. In that city he created a class of warriors and called them "the guardians."

Guardians. Supremely educated, supremely skilled. To guard the perfect city. To maintain its perfection. To protect it against the barbarians. To preserve its strength and integrity and fiber.

Plato insisted that the guardians be honored citizens. He gave them a preeminence and privileges that he denied to all others. The guardians were to be "an admixture of gold and silver," and the city would "honor such ones and lead them up."

Are veterans important? Must we honor veterans?

"Look," a young Vietnam vet says. "There's one lesson we've all learned. You can't sell bulls ——— twice. Did you hear that? I'll say it again: you can't sell bulls ——— twice. That's one thing we've learned. You want soldiers to fight other wars? You want me to fight another war? Well, I'm gonna need some persuading. All of us are gonna need some persuading. Cut out this patriotic stuff. Nixon tells us how great we were, how honorable we were. If soldiering is so goddamn honorable, then—goddamn it!—I wanna be honored. You can't sell bull——— twice.

"Plato's guardians may have been made out of gold and silver," he says. "America's veteran is treated like dirt. Someday that's gonna mean trouble."

What the war comes down to, now that it's over for us, is a batch of war stories.

There are good war stories and bad ones. Good war stories have only one theme, and that theme is courage. Here are two good war stories:

McWilliams, Cary M. Age: Twenty-five. Race: Caucasian. Rank: Private E–1. Discharge classification: Undesirable.

A tall, blond, slow-moving man, McWilliam's quiet demeanor and polite handshake seems anything but undesirable.

"I was a believer from the start," McWilliams says. "I still believe in this country, I still believe it's right to fight against tyranny. So I actually felt I was part of something when I went to Nam. I mean, I didn't love the idea of killing people, but if the cause was right, I thought it had to be done.

"Well, maybe it was six months before I began to change in my thinking. No one thing changed me. All sorts of stuff. Anyway, after six or seven months I decided I'd had it. I was in a mortar platoon, and I just didn't see why I should be dropping rounds on innocent people. I know it happens in war, and we did our best to shoot at only the enemy, but you never see your rounds fall, especially when they're falling on a village.

"Well, I told the CO I'd had it. I was very polite, and he was very polite. He said he understood my problem, and he gave me a three-day pass, but when I came back I told him the same thing: I wasn't going to shoot anymore.

"I was plenty scared. I knew I was going to catch all sorts of hell. And I don't blame the CO. He had to do what he did. You have to have some discipline. I signed all sorts of papers, one thing led to another." He shrugs.

In 1969, the military gave "less-than-honorable" discharges to 33,010 servicemen. In 1972, they handed out 87,960 hunks of "bad paper."

General, Undesirable, Bad Conduct, and Dishonorable. All bad paper.

Dishonorable and bad conduct discharges require action by a military court-martial. The other two don't.

"If I had it to do over again," McWilliams says, "I'd have fought against my undesirable. Is it really undesirable to get fed up with killing people? It wasn't like I was a coward or a crook or something. I was just fed up with killing." But McWilliams waived his rights to counsel or to submit statements in his own behalf. He took his medicine. Now he finds it's sour stuff.

"I don't know, maybe I deserve it. It's a helluva thing trying to explain it to your folks. I don't mind the unemployment part—

it took a while, but I finally got a guy to hire me. But telling my folks. . . .

"Somehow, I guess I failed." He stands up. A very strong, very straight man. "I guess going into the army was the worst thing ever happened to me. But I'm going to live it down. That's all I can do now. Live it down.

"God, what a nightmare. You should have seen my Dad's eyes. I felt like a bum."

Muller, Robert O. Age: Twenty-eight. Race: Caucasian. Rank: First Lieutenant, U.S.M.C. Discharge classification: Honorable.

Bright and engaging, Muller was twenty-two when he became a Marine lieutenant. He was twenty-three when a bullet paralyzed him from the chest down.

"When I joined the Marines I had absolutely no political awareness at all. I was physically fit, so I said 'I'll go.' I knew that businesses and corporations were after Marine officers. I thought I'd use the Marines as a stepping stone for the future. Develop my credentials of leadership. I said to myself, 'If you're gonna go, go all the way. Go Marine.'

"I served as a platoon leader and all that crap for four months, then I was transferred to an ARVN [South Vietnamese army] battalion. And it was the ——— ARVN's that fight. The ——— ARVN's literally ran away every time—every ——— time we hit the ———. We had to force them to fight.

"So I thought, 'What am I doing here, putting my butt on the line? You don't think politics, man; you think survival. And the ARVN's were cutting and running and my chances of survival were disappearing.

"So. You want to hear about the Big Moment? Okay. Quang Tri province. A real bad place. Terrible. That's where I got it.

"We had a big operation, trying to trap an NVA [North Vietnamese Army] regiment. I was adviser for a reinforced ARVN battalion. We had this company of Marine tanks with us. We came to a hill where the NVA had left behind a suicide squad to slow up our progress. I called in artillery and jets and really KO'd the hill pretty good. The ARVN wouldn't advance: they'd take a little fire, then they'd retreat. We sent the tanks up ahead and they spent half their load of ammo, then they came back and said they actually *saw* the NVA up there, bleeding from the concussions they'd got from the bombs. But the NVA kept fighting. And, hell, the ARVN kept running.

"So I popped up on a tank and said, 'Okay, let's go! Let's get 'em!' And once we started taking the fire, the ARVN ran again. And there I was on this tank, and the ARVN was running.

"Then I was shot. A bullet through both lungs, it severed the spinal cord on the way out.

"Did it hurt? It hurt. But it was too monumental to say it just hurt. You have to get shot to know. Lots of colors, a thud, I was off the tank and lying on the ground and looking up at the sky.

"I remember I was on the ground. 'I don't believe it.' That's what I thought. 'I just ——— don't believe it. I'm hit. I just ——— don't believe it.' Then I thought about my girl. 'She'll kill me.' I thought. There I was lying dying, and thought, 'She'll kill me,' I didn't tell her I was infantry. I told her I was in supply, because she hated the war. Then I thought, 'I don't gotta worry about it, because I'm gonna die.' As I was fading out I thought, 'I'm gonna die. On this ——— piece of earth I'm gonna die.' Then I passed out.

"An Australian adviser to the ARVN's came and got me and dragged me down the hill. The ——— ARVN's wouldn't come get me.

"Am I bitter now? I would be a liar to say I'm not bitter. You got to understand something. When I went over there I knew what the statistics were. They told us in training that 60 percent of the guys in Marine Corps line units were hit. It was worse for the officers; even worse. I was odds-on to get hit over there. But that didn't stop me from going, because I believed that we had a ——— purpose for being there. So I can't say I'm bitter because I got shot. Because I accepted the fact it might happen: getting shot for freedom and democracy and that whole American trip.

"What I'm bitter about is that we weren't fighting for freedom or democracy. It was for nothing, nothing, absolutely nothing.

"How would you like to get shot for absolutely nothing?

"I don't know. All I can say is that the war's over, but the suffering hasn't even started yet. People think the suffering is over? Tell them to visit me. They can look at me, and I'll tell them: the suffering hasn't even started."

VIETNAM, MAY 6, 1969

Josh stared into the shadows. The stars disappeared under heavy clouds, the Southern Cross evaporated.

Kansas was sleeping.

There were no sounds.

Josh was tired. He saw white spots glittering in the darkness, in his brain, and he closed his eyes and rested.

There was a slight sizzling sound. A grenade sailed out of the darkness. The night stopped. The grenade lay there for three seconds, the fuse burning down to the primer. Then it exploded, and Josh and Kansas were dead.

More powerful than war stories are peace stories. As numbly as we went to war, we came home even more numb. But now it's wearing off. The pain is coming. Our souls are uneasy, unanchored on the base of American values. We are thinking long, hard thoughts. It's coming back to us. We hurt. Not all of us, of course. Many of us found jobs, came home clean, plugged into the machine. But more and more of us are hurting. Dope. Sleeplessness. Unemployment. Guilt. Despair. Bitterness.

"People are worried about our prisoners of war," Cary McWilliams says. "Wait till they hear from us prisoners of peace."

An Open Letter to America

There are too many days when Vietnam and all its misery just won't let me be! My mind flashes back to battlefields—the insufferable heat and searing, burning-flesh smells of dying people in places that were combat zones to me, but home to those who lived and died there.

Sometimes my whole body tenses, every muscle tightens, and the slightest noise jerks me into the all-too-familiar tension of another fight for survival. Every soldier knows the minute-by-minute anxiety that comes with fire fights, exploding napalm, mortar shells, and the sound of ricochet bullets you just knew were meant for you. "Victory" doesn't even cross your mind. Survival does. The fantasy of winning the great battles played up in every book, marching song, and war movie, crumbles when a buddy's leg twitches and separates from the rest of his body. The childhood romance of being a combat soldier breaks up so brutally. War toys don't bleed and scream and die.

But I am home again, here in New York City, not back in the Nam! And yet, all too often these days, the flashbacks explode in my head and I realize that I'm still in combat. Whenever I find out that proposed GI benefits fail to clear even subcommittees of Congress; that disability payments and ratings are tampered with; that no housing exists, that there are no jobs, no redemption for guys with bad-discharge papers . . . then I know that you can't come home again.

So I and thousands of guys like me are still fighting. The stakes are the same. Only the hometowns, cities, and farmlands of the America we so dearly longed for in war now become our combat zones. But the rules of engagement are no longer known to us. And we have very few allies. The deafening silence of our elected leaders is only surpassed by the tremendous public indifference towards truly bringing us home. Physically touching "America" does not mean escaping memories of death and war—even if TV has stopped covering it. We shout that we're back, but only a few loved ones respond. We try to convey what America has done to her sons by training them to kill for a war without victory or honor. And as the Israelis and Arabs lock horns, and the North Vietnamese move once again down the Ho Chi Minh Trail, I sense the impending repacking of duffle bags for another long journey to be taken by another army of America's sons.

Can a country sell fantasy twice—in the same generation? I pray to God not, but I know that it is very possible.

It is for America and all her sons and daughters not yet "wasted" in battle that the true story of the Vietnam vets must be told—no matter how long it takes.

TV, radio, newspapers, and other national media have never given Vietnam vets the attention they deserve. Editors are saying the war is over, it's too depressing, nobody gives a damn—let's cover something else. But Penthouse believes there's a story to be told—like it is. This series—The Vietnam Veteran—will tell the whole story and will not stop until something is done by all of us.

Only then can we come home again.

Carl M. A. McCarden,
Project Consultant.

The Forgotten Man

"To hell with them."

On the surface, such a statement would be considered about the most unpatriotic assertion that could be aimed at our fighting men today.

Yet that is the attitude being displayed daily by apathetic Americans—and these men realize it.

The statement itself—"to hell with them"—was borne by men who sorrowfully consider this our attitude toward them and their welfare.

They believe that they are forgotten men, fighting to halt aggression halfway round the world, and receiving little or no recognition for it. As evidenced by this statement, which is generally accepted by the GI as matter-of-fact, the morale of our servicemen is not as high as it should be.

The average American offers the returning veteran no encouragement, much less praise and commendation for the superb task he has completed as part of the greatest fighting force today.

Men over there die in accidents, guerrilla raids, and on patrol, but there will be little reward for their sacrifices when they return home—unless Americans change their attitude.

We are not necessarily a forgetful people. We just have to be reminded. Our organizations, such as churches, lodges, and civic groups, should take it upon themselves to furnish these reminders, for it is only through group action that community recognition of the veteran can be assured.

Since man can recall, it has always been customary to welcome home the victorious warriors of battle. The crews of the galleons of early Rome, the knights of King Arthur, the minutemen of America, and the world war GI's of the 20th century all received the highest form of commendation during their respective eras.

But the veteran today is, in a sense, a forgotten man. His overall absence from society and from the community is not so noticeable; it often passes without public attention, as though he were on vacation somewhere. And he can be expended—there is always someone on hand to fill his place in the social and business world.

Since his absence did not create a manpower shortage as it did in World War II, his value is appreciably lower as far as the businessman is concerned. In most instances, the veteran is in his early twenties, having no more background than a high school education.

Because whatever talents he possesses can and often have been substituted for during his service, his value may not be considered so highly, and the cheers not so loud, and the open arms not so many as for the returning World War II veteran.

But that is all wrong. The veteran needs the attention, consideration, and helping hand that is so sorely absent when he returns home today.

As an example of the public's failure to recognize the "jobs well done" of these forgotten veterans, I want to tell you a true story.

An American Legion post held a night of recognition for returned local veterans. A famous general of one of our services, a native of that town, was the main speaker. But the general spoke not to an armory full of citizens, but mostly to empty seats. His speech was heard by more veterans than townspeople, the turnout was so poor.

The veterans received their Certificates of Honor, but the hollow absence was to them a true indication of the fact that their return was unhonored and unsung in the hearts and minds of their lifelong neighbors in that community.

But that is only one town, one occasion, and one example. There are many. Since the war first began, hundreds of thousands of American fighting men have become casualties. Many have returned to civilian life with permanent injuries. Yet their identity as heroes remains unknown in their own communities.

Millions of men have been discharged from the war. They wear no lapel buttons setting them apart from nonveterans, nor does their service to their country set them apart in any other way. If any public recognition has been made in their home community, it is small, and soon forgotten.

What happens when they return home? Their families greet them enthusiastically. They have been missed there. Maybe a neighbor says, "It's good to see you back, Joe," or the bartender at the neighborhood pub sets him up to an extra drink. But that isn't enough.

Where is the public response that so enthusiastically welcomed home our doughboys, gobs, the leathernecks of World War I and our GI's of World War II?

It is understandable that due to absence of rationing, personal sacrifice, and suffering, the apathetic American has no eye-opener, no individual loss to remind him that his nephew or the next-door neighbor's boy is away fighting for his life.

We all share in this stigma of general apathy in this question-mark war. How can these men be expected to cheer over a war that has never been officially declared, a war from which their return is marked by no homecoming ceremony or other public recognition?

Can you blame our troops for low morale? They are dying and shedding their blood in a hopeless war, while they are forgotten at home.

I urge all community groups—luncheon, civic, labor, business, social, church, and school—to make it part of their current activities to welcome back all returning veterans, to express their appreciation of the great services these veterans have rendered, and to assist them in every way in their readjustment to normal lives.

It's a long and hard and tragic journey from war to our Main Streets. Let there be a genuine and warm handclasp at the end of this tough trail for all the gallant fighting men who comeback. Hospitality and friendliness must begin at home, and the veteran has earned them!

(These remarks are taken from an address delivered by a department commander of the Iowa American Legion on April 8, 1953. They refer to another war, another generation of veterans. But their haunting and prophetic meaning is more stark, more real, and more imperative today than when these words were first spoken two decades ago. The man who gave the speech is now charged with insuring that the Vietnam-era veteran will not be "the forgotten man": Administrator of the Veterans Administration, Donald E. Johnson.)

THE NIXON ADMINISTRATION'S RECORD

In his address to the nation on March 24, 1973, President Nixon said of the Vietnam veterans: "We must demonstrate the gratitude we feel by the actions we take. We must honor them with the respect they have earned and the affection they deserve." This is how the Administration's gratitude has been demonstrated:

In early 1973 the Office of Management and Budget released a proposal to *reduce* disability compensation rates by $160 million for severely disabled Vietnam-era veterans. Congressional and public outcries forced the Administration to withdraw its proposal.

In 1972 the President pocket vetoed the Health Care and Expansion Act, which would have provided $113 million for veteran health care needs. The following year a similar bill was passed with reduced benefits of $65 million.

Two hundred seventy-five thousand Vietnam-era veterans are unemployed. The unemployment rate for veterans aged twenty to twenty-four is consistently higher than the rate for nonveterans of the same age.

In 1971 the Emergency Employment Act was passed by Congress to help find jobs for Vietnam veterans. In the two years of its existence, the act provided government jobs for over 75,000 vets. Yet Nixon opposed allocating any funds to implement the Emergency Employment Act in fiscal year 1974. (Now he is supporting the act because he fears the energy crisis will create a sharp rise in joblessness.)

Congress appropriated $25 million in October 1972 for the Veterans Cost of Instruction Program, designed to help colleges and universities recruit and establish special veterans programs. Nixon impounded the funds in February 1973, but was forced by a federal district court to release the money.

Although Vietnam-era veterans account for approximately 20 percent of the participants in all of America's armed conflicts, they received only 3.7 percent of the Veterans Administration's expenditures through June 1972. By comparison, World War II veterans account for 40 percent of all participants, and they have received nearly 50 percent of the VA's expenditures.

Mr. McGOVERN. I would also like to announce that Senator METZENBAUM has asked to be named as a cosponsor of S. 2789, the Vietnam veterans GI bill. The Senate's newest Member thus becomes the 39th Senator associated with the bill I introduced last December with Senators MATHIAS, INOUYE, and DOLE. The response to the legislation demonstrates beyond any doubt the commitment felt by the Congress to release the "prisoners of peace" from the restrictions of inadequate educational benefits and the stigma of an unpopular war.

COMMENTS INTRODUCING ATOMIC ENERGY COMMISSION'S SUBPANEL IX REPORT

Mr. ABOUREZK. Mr. President, I ask unanimous consent to print in the RECORD a copy of part of the Atomic Energy Commission's Subpanel IX report.

This report, the result of an 18-month study by the Government's own scientific experts in the field, presents substantial and convincing evidence that solar energy development is now feasible with current technology. Yet, the findings of this subpanel were almost completely ignored and even openly misrepresented by AEC Chairman Dixy Lee Ray in her December 1, 1973 report to the President.

By contrast to the withheld AEC report, public statements by the AEC lead us to believe that solar energy production is not economically feasible in the foreseeable future. Dr. Barry Commoner, chairman of the Scientists' Institute for Public Information stated in New York City on March 30 that:

> The AEC has just issued an Environmental Impact Statement on the nuclear breeder reactor program—which by law is supposed to make available to the public all information that compares the effects and feasibility of alternative power sources. The AEC has failed to meet this obligation, for its statement omits vital scientific information that was in the possession of the AEC months before the impact statement was released. The information omitted from the AEC's public statement shows that in 1986, the earliest time when, according to AEC projections, commercial breeder power could be produced, economically competitive electricity from solar power plants could be available to communities and large industrial plants.
>
> As a result, the public is being seriously misled about the feasibility of solar power and prevented from responding effectively to the AEC's plan to rely on nuclear reactors for future power sources. The facts in the AEC's possession conflict specifically with its public statements regarding the expected cost of silicon cells, the most promising technique for producing solar electric power. For example, the breeder impact statement claims that "the outlook appears to be that solar energy has little potential as an economical major source of electricity for several decades . . . Thus the conclusion is drawn that the use of solar energy will not materially reduce the need for alternative electric energy sources in the foreseeable future."

I also ask unanimous consent to print in the RECORD a copy of a press release containing many of Dr. Commoner's observations in his New York City address.

In addition, Mr. President, it seems to me that an AEC which is committed to massive atomic energy production and an oil industry which is committed to massive oil and coal production are working to make sure that competitive massive solar energy production does not come about for a long, long time. While the AEC is trying to deceive the public into thinking that solar energy is "way down the road" and "decades away," Exxon, Gulf, and Shell have bought up solar power companies and are doing whatever is necessary to make that prophecy come true.

The facts show that Exxon Corp. has recently bought the Solar Power Corp. of Braintree, Mass., while Shell now controls a company called Solar Energy Systems and Gulf is developing solar energy technology through its Gulf General Atomics subsidiary.

Major oil companies already largely

control coal, oil shale, uranium—nuclear fuel—and geothermal steam. If they do gain control of solar energy they will further eliminate all interfuel competition.

It is clear to me that this Government's current commitment to nuclear power presents a grave risk to the health and safety of the American people, a risk which need not be taken. I also ask unanimous consent to print in the RECORD an article from the March 31, 1974, issue of the New York Times. This article points out that:

> The Vermont Yankee nuclear power plant has been closed down again for what officials describe as some routine tests to determine whether parts of the key element in controlling the nuclear reactions were put in upside down.

Human error is going to occur in every kind of technology produced by man. But when it occurs in a technology with the potential danger to human health and safety as nuclear power poses, the risks are clearly not worth the benefits which supposedly result.

It is perhaps because the Atomic Energy Commission has such an enormous investment in the proliferation of nuclear powerplants that solar energy is receiving such minimal attention. I have requested the General Accounting Office to investigate the AEC's role in an apparent attempt to deny to the American people information which proves that solar energy is feasible with current technology.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SUBPANEL IX.—SOLAR AND OTHER ENERGY SOURCES

(By Alfred J. Eggers, Jr.)

SECTION 1—OVERVIEW

1. Program Goal

To develop, at the earliest feasible time, those applications of solar energy that can be made economically competitive and environmentally acceptable as alternative energy sources.

2. Background and Approach

The sun is an inexhaustible source of an enormous amount of clean energy available nearly everywhere in the world. The technical feasibility of using solar energy for terrestrial applications is well established. On the other hand, solar energy is diffuse (17 watts/ft, twenty-four hour average in the U.S.) and variable (from zero to a maximum and back to zero each twenty-four hours). These two factors of low energy density and variability, combined with the ready availability of inexpensive fossil fuels, have until now, discouraged the development of systems suitable for widespread use. However, a recent study conducted by leading university, industry and government experts[1] concluded that a substantial development program could achieve the technical and economic objectives necessary for practical systems. In certain areas, practical systems are already in operation, e.g., domestic hot water heaters, remotely located buoy power systems, house heating systems, and waste conversion plants.

Solar energy can be used to generate electric power, to heat and cool buildings and to produce renewable supplies of clean hydrocarbon fuels. It is proposed to conduct six, phased subprograms covering the three areas. The six subprograms are:

1. Heating, and Cooling of Buildings (HCB)
2. Solar Thermal Conversion Systems (STC)
3. Wind Electric Power Systems (WEP)
4. Bioconversion to Fuels (BCF)
5. Ocean Thermal Electric Power Systems (OTEP)
6. Photovoltaic Electric Power Systems (PEP)

It is important to recognize that each of the above subprograms can make a substantial contribution without which the full potential of solar energy will not be realized.

Three of the four electric power generation system concepts, STC, WEP, and PEP, may require some form of energy storage for most effective central power station applications in order to compensate for the variable solar insolation. This energy storage requirement can be met by a variety of systems, e.g., pumped hydroelectric concepts, advanced pneumatic and electro-chemical systems or alleviated by utility grid operating procedures. The fourth system concept, OTEP, is unique in that it does not require energy storage or collectors since the ocean provides these functions.

While as many concepts and approaches as appear useful will be investigated in the early research and technology phases of each subprogram, only the most promising will be pursued to the point of demonstration. Special attention will be devoted to assuring that refinement and/or the development of advanced systems will be conducted and funded by industry at a later date. Concurrently with the technology development, an incentive research and development program would be carried out. This program would provide an evaluation of the policy alternatives concerning legal, regulatory, and institutional barriers and issues, and evaluate incentives additional to those intrinsic to the technological program elements. Incentives to be considered and evaluated in this program to overcome any initially unattractive features or startup costs of large scale development include: (1) subsidies on capital investment, (2) subsidies on initial operating costs, (3) guaranteed or low interest rate loans and (4) guaranteed minimum sales on equipment development. A significant portion of the overall program is designed to provide incentives to motivate industry to develop solar energy systems.

Figure 1 lists the resources required for the period FY 75–FY 79 for two program levels: the minimum viable (~$400 million), and an accelerated, orderly program (~$1 billion) having a high probability of early success.

FIGURE 1.—SOLAR ENERGY PROGRAM RESOURCES

[In millions of dollars]

Program	1975	1976	1977	1978	1979	Totals
Heating and cooling:						
a. Accelerated	17.8	35.7	50.7	57.5	42.6	204.3
b. Minimum	8.1	20.0	22.0	19.0	17.8	86.9
Solar thermal:						
a. Accelerated	31.1	51.1	59.0	60.0	74.0	275.2
b. Minimum	15.8	16.8	31.5	43.0	38.0	145.1
Wind energy:						
a. Accelerated	8.5	17.3	23.5	33.9	23.0	106.2
b. Minimum	3.8	5.4	7.1	6.9	3.7	26.9
Bioconversion:						
a. Accelerated	12.1	17.3	23.7	30.1	40.6	123.8
b. Minimum	8.5	10.5	10.5	10.5	12.5	52.5
Ocean-thermal:						
a. Accelerated	8.6	19.2	16.4	28.8	26.5	99.5
b. Minimum	4.0	4.5	7.6	12.2	13.0	41.3
Photovoltaic:						
a. Accelerated	28.3	48.3	63.9	54.1	53.1	247.7
b. Minimum	10.3	10.3	11.0	13.2	12.4	57.2
Totals:						
a. Accelerated	106.4	188.9	237.2	264.4	259.8	1,056.7
b. Minimum	50.5	67.5	89.7	104.8	97.4	409.9

3. Significance and Benefits

At an average energy conversion efficiency of 5%, less than 4% of the U.S. continental land mass could supply 100% of the Nation's current energy needs. Thus, solar energy could contribute significantly to the national goal of permanent energy self-sufficiency while minimizing environmental degradation. In addition, this technology will be an exportable item for use by other energy deficient areas of the world. Although the full impact of solar energy probably won't occur until the turn of the century, the economic viability of several of the applications, e.g., heating and cooling of buildings (HCB), wind electric power (WEP) and bioconversion to fuels (BCF) could be developed and demonstrated in the next five years. Ultimately, practical solar energy systems could easily contribute 15–30% of the Nation's energy requirements.[2]

In most cases, photovoltaics being the primary exception, the development of practical systems will not require high technology. Thus, the research and development costs for solar energy should be very small in relation to the value of the energy saved. Current estimates indicate that the value of the fossil fuel to be saved in one subprogram area alone, i.e., HCB, would equal the cost of the entire accelerated ($1 billion) R&D program seven years after practical systems become commercially available.

Since solar energy systems are capital intensive and practical systems have not yet been developed, federal involvement in the development program is warranted.

4. Program Plan Summary

A. Heating and Cooling of Buildings (HCB):

Approximately 25% of the Nation's current energy consumption is used for HCB purposes. For maximum utilization, solar HCB systems including domestic hot water systems suitable for both new construction and existing buildings must be investigated. Ultimately, 30–50% of the national heating and cooling energy requirement could be furnished by solar energy with the accompanying benefits of fuel savings, reduced pollution, and independence from complex energy transmission and distribution systems.

No major technical barriers exist to prevent the development of practical systems. Most of the technical problems to be solved involve the development of low-cost per unit of energy components. Specifically, the collectors and cooling systems require the most improvement, but appear amenable to a determined development program.

There are major uncertainties with regard to public acceptance, legal rights to unshaded sun, the establishment of a supporting industry, and methods of marketing and financing high, first cost solar HCB systems. However, it seems probable that with the development of economically competitive systems, the benefits associated with solar HCB systems will provide major incentives for solving or accommodating these problems.

Two program levels are projected, (see Figure 1). The accelerated program is aimed at achieving commercial availability by 1979 and requires a budget of $204 million through FY 1979. The minimum viable program, $87M through FY 79 eliminates three out of five demonstration programs, reduces the number of pilot plant experiments from fifteen to ten, reduces component research and technology efforts from $114M to $5M, and for the most part eliminates parallel efforts. The end result is a relatively high risk program with an undesirable lower probability of success.

B. *Solar Thermal Conversion Systems (STC):*

Approximately 20% of the U.S. current energy consumption is used to generate electric power. Ultimately STC systems could provide 10–20% of the electric power requirement. In addition, the STC solar collection subsystem developed for electric power generation could provide thermal energy for process heat for decentralized (local) and/or centralized applications.

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[1] Solar Energy as a National Resource, NSF/NASA Solar Energy Panel, December 1972.

[2] Ibid, p. 10.

There appear to be no major fundamental barriers requiring basic research. On the other hand, material and equipment development is required to obtain competitive performance and economics. The key technology areas include low cost, high temperature (focusing and tracking) collectors, thermal energy storage and distribution and alternate system concept trade-offs. In addition, there are problems to be defined and resolved arising from the large areas of land required, (10–20 square miles per 1000 Mwe).

The two program levels, with the accelerated program at approximately $275M and the minimum viable at approximately $145M, are shown in Figure 1. The accelerated program includes four different power plant pilot and demonstration projects and a research and technology program aimed at proving technical and economic feasibility by 1985. The minimum viable program eliminates one power plant project, and reduces the research and technology program from $64M to $32M. This program requires 1–2 years longer and lowers the probability of success.

C. *Wind Electric Power (WEP):*

The maximum electric energy that can be practically extracted from the winds available to the U.S. has not been determined. However, areas of the continental U.S., the Aleutian arc and off the eastern seaboard have been identified for which it is estimated that 1–2 x 10^{12} kilowatt-hours per year could be generated by wind systems by the year 2000.[3] The total U.S. production was 1.6 x 10^{12} KW-hrs in 1969 and is projected to grow to 8 x 10^{12} KW-hrs by 2000. Thus, significant amounts of electric energy are potentially available from the wind.

Based on world wide experience to date, no major technical barriers to the development of practical systems are foreseen. The specific goal of the accelerated program ($106 million) is to have cost effective, 10 Mwe systems in operation by 1979, leading to the demonstration of 100 Mwe systems by 1981. The program includes a subsystem and component cost reduction program, research on and the collection of wind characteristics, user requirements, legal, environmental, institutional and aesthetic issues, optimization of design concepts, and the testing of single and multi-rotor systems of increasing size and performance, culminating in 10 and 100 Mwe projects. The minimum viable program ($27 million) maintains the same subelement structure but reduces the research and technology program from $20 million to $5.0 million, reduces the number of and delays the 10 Mwe system projects by one year, and delays the 100 Mwe project by four years.

The WEP program will yield definitive test data by 1976–77 as to whether practical systems can be developed. Should the early data be favorable, then a crash program may well be in order to significantly advance the rate and level of impact on the national energy problem.

D. *Bioconversion to Fuels (BCF):*

BCF systems offer the potential of furnishing replenishable supplies of clean hydrocarbon fuels. Estimates of the potential production capability range as high as 50% of the current gas or oil requirements. However, the extent to which these projections can be fulfilled will depend basically upon the amount of land available and the efficiency and economy of biomass production from that land.

The major problems to be solved involve increasing the energy yield of the production process and trying to accelerate and reduce the costs of the various conversion processes. The accelerated program ($124 million) is aimed at demonstrations of conversion plants of up to 100 tons/day capacity as well as developing high yield energy crops by 1980. In addition, a goal has been established for the practical production of hydrogen by photosynethetic and biochemical methods in the same time period.

The minimum viable program ($53 million) stretches out the program 3–5 years and reduces the number of demonstration plants from eight to four.

As in the case of the wind system program, the bioconversion program will yield early definitive test data as to whether practical systems can be developed. Thus, a crash program may well be in order at a later date.

E. *Ocean Thermal Electric Power (OTEP):*

In 1929, Claude demonstrated using a 22 Kw unit that the thermal difference between the surface and deep ocean waters can be used to generate electric power. Although the feasibility of the concept was established, the project did not result in a practical system. Modern technology together with the nearly unlimited availability of ocean thermal energy makes this concept of interest. The accelerated program ($100 million) is intended to demonstrate the practical feasibility of converting ocean thermal energy into electricity by 1985. Both near-shore and ocean pilot plant and demonstration projects will be conducted at 10 Mwe and 100 Mwe respectively. System reliability and economic viability will be determined, along with an associated assessment of the technology and environmental impacts. The potential for production of protein and fresh water as valuable by-products will be investigated. Engineering problems to be solved include the development of deep water pipes of large e.g., 50 foot diameter, along with methods for their deployment and the design of appropriate heat exchangers and pumping systems. A selection must be made between an open or a closed thermodynamic cycle and as to the means for transmitting energy from ocean locations to land. In addition, legal questions associated with operations in international waters must be examined.

The minimum viable program ($41M) would confine the demonstration program to only one near-shore pilot plant/test facility. Consequently, the feasibility determination and ultimate commercial implementation of ocean plants would be delayed.

F. *Photovoltaic Electric Power (PEP):*

As noted previously, some 20% of the current U.S. energy consumption is used to generate electric power by a total installed capacity near 400,000 megawatts. This level is projected to double over the next decade and become a larger portion of the U.S. energy consumption. Terrestrial photovoltaic systems could provide 10–20% of the electric power requirement. These systems may be employed for central station power systems and as local systems, for example, on rooftops to provide for heating and cooling of buildings. In addition there is the longer range potential of space systems (synchronous satellites) providing as much as power as desired.

The major obstacle to be overcome is the development of the technology and processes which will permit the production of very large quantities of photovoltaic arrays at low costs, e.g., at $0.10–0.30 per ft².

The accelerated program focuses on the exploration and exploitation of selected single crystal, thin film, and new concept approaches which are intended to establish a high degree of confidence in successfully accomplishing the low cost objective. The minimum viable program would force a substantial and very premature reduction in the number of options to be investigated and would stretch out the program from 3 to 8 years.

SECTION 3—SOLAR THERMAL CONVERSION

I. Subprogram summary

A. Introduction:

1. Solar Thermal Conversion (STC) systems collect solar radiation and convert it to thermal energy and electric power. The heat is transferred to a working fluid for use in a solar thermal electric conversion system or, in a solar total energy system, for delivering both electrical and thermal energy.

2. The objective of the Solar Thermal Sub-Program is to provide the full system capability for the widespread production of supplementary electric energy in the late 1980's and with the potential for meeting baseload electric energy requirements for electric utilities, and providing total energy systems for military and other installations. In order to meet the baseload power plant and total energy system requirements, storage technology must be developed. There are no fundamental technical limitations that would prevent substantial application of solar thermal conversion systems. The primary questions concerning application have stemmed from energy costs as compared to those for conventional fossil fuel or nuclear sources. Cost estimates to date for solar thermal systems have been very preliminary and have generally estimated the costs of solar thermal systems for baseload application (including energy storage). Recent cost estimates for STC systems for plants operating in a load following mode (intermediate and peaking power) indicate that energy costs in the 1980 time period will be competitive with fossil fuel sources particularly in the southwestern U.S. In addition, cost projections for solar total energy systems operating in the 1980s also appear to be competitive with conventional energy sources.

B. *R&D Programs:*

1a. Accelerated/Orderly Program. The 5 year scope of the proposed Accelerated/Orderly program in solar thermal conversion includes:

i. A Central Receiver, Load Following Power Plant Project including design, fabrication and testing of a 10 Mwe pilot plant, and design, fabrication and assembly of equipment for a 100 Mwe demonstration plant.

ii. A Solar Total Energy System for Community or Military Base Applications including design, fabrication and testing of 200 Kwe, 2 Mwth (delivered) pilot plant and design fabrication and assembly of equipment for a 10 Mwe, 200 Mwth (delivered) demonstration plant.

iii. A Distributed Collector, Load Following Power Plant Project including design, fabrication, and testing of a 10 Mwe pilot plant.

iv. A Solar Total Energy System for an Industrial Load Center including design, fabrication, and testing of a 200 Kwe, 2 Mwth (delivered) pilot plant and design, fabrication, and assembly of equipment for a 5 Mwe, 50 Mwth (delivered) demonstration plant.

v. An Advanced Research and Technology sub-program element which will address: (a) critical technology problems stemming from each project, (b) environmental and technology assessment issues, (c) solar insolation measurement requirements and development of new instrumentation and (d) advanced energy storage subsystem research and development problems.

1b. Minimum Viable Program. The 5-year scope of the Minimum Viable Program on Solar Thermal Conversion includes:

i. A Central Receiver, Load Following Power Plant Project as proposed in the Accelerated program but pilot and demonstration plant schedules delayed 1 year.

ii. A Solar Total Energy System for Community or Military Base Application as proposed in the Accelerated program but pilot and demonstration plant schedules delayed six months.

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[3] Ibid. Table 24. p. 69.

iii. A Distributed Collector Research and Development effort through bench model testing as proposed only.

iv. This option completely eliminated.

v. An Advanced Research and Technology (ART) sub-program element which will address the same issues as proposed in the Accelerated program; however, funding for the ART is lower by approximately a factor of two.

2. The Minimum Viable Program stretches the scheduled operation of the pilot and demonstration plants for each system by 6 months to a year, eliminates one of the electrical load following pilot plants, and eliminates a potentially important solar total energy option. In addition, greater risks must be accepted during the R&D program due to the reduction of the ART program by a factor of 2. The summary budget comparison of the two options is:

FISCAL YEAR

[Millions of dollars]

	1975	1976	1977	1978	1979	Total 1975–79	Runout to completion	Total
Program alternative:								
Accelerated orderly	33.1	51.1	57.0	60.0	74.0	275.2	84.0	359.2
Minimum viable	15.8	16.8	31.5	43.0	38.0	145.1	113.0	239.1

C. *Implementation:*

1. It is projected that solar thermal electric conversion and solar total energy systems could deliver 40,000 Mwe and 8,000 Mwth by the year 2000. Ultimately solar thermal conversion systems could be expected to supply 30% of the Nation's electrical energy, and 50% of the Nation's energy for residential, commercial, and industrial needs.

2. Earliest commercial application of solar thermal conversion systems is expected to be in the 1983–1988 time frame. Growth of the application is projected to be 40,000 Mwe by the year 2000 and 8,000 Mwth annually for the succeeding 25 years.

3. The major barrier to implementation is expected to be the high capital investment presently projected for solar thermal conversion systems.

II. Status of the technology

A. *Present Status:*

The utilization of solar energy for electrical power production by thermal conversion processes is essentially nonexistent. Solar furnaces and other collector configurations built in this country and abroad, have achieved temperatures necessary for power generation; however, these programs have been limited to power production in the Kwe range. The thermal conversion technology is generally consistent with present power plant operating regimes. Total energy concepts using fossil fuels have been demonstrated in over 500 installations. The use of solar energy as the energy source necessitates a re-examination of each subsystem and component to maximize thermal energy efficiency.

B. *Barriers to Implementation:*

There are no fundamental technical barriers requiring basic research. A multiplicity of system concepts must be studied and several systems must be tested to verify overall performance and economics. A major factor limiting performance is the low power plant capacity factor attendant with utilization unless thermal storage is provided.

C. *Ongoing R&D Efforts to Overcome Barriers*:

1. The present R&D efforts on solar thermal electric power plants are being conducted at three levels. The major mission level effort is to define the function and scale of solar thermal power plants. System level efforts include technical and economic parametric studies of a variety of solar thermal conversion concepts, and system point-designs involving parabolic trough collection and central receivers. Subsystem and component R&D activities include development of scale model collectors and high efficiency solar absorption coatings. NSF funding for FY 1973 was $1.4M and $2.5M is projected for FY 1974. NASA funding for 1973–74 is $.2M.

The solar total energy concept is being examined in house at AEC and DOD laboratories and under DOD contracts.

2. Some of the foreign efforts directly applicable to solar thermal conversion include:

USSR—analysis, design and testing of central receiver systems and components.

France—a one Mwth solar furnace is in operation, with elements common with the central receiver solar thermal system.

Israel—specialized solar thermal power system operating in the Kwe range have been built and operated.

Italy—a solar thermal central receiver/boiler in the 100 Kwth range has been built and operated.

III. Rationale for Federal involvement

A. Federal involvement is necessary in order to stimulate research and development of solar thermal systems on a timely basis. History has shown that complex systems involving many disciplines require federal sponsorship of R&D until the economics are proven. The federal government, through tax structure, regulation, and a variety of incentives and disincentives is already involved in all other means for electric power generation. There is a rapidly expanding market for electric power and total energy systems. Federal action can help determine the mix of electric power generation and total energy methods which will be utilized to meet future energy needs.

B. Government actions such as enforcement of EPA standards, elimination of depletion allowance on fossil fuels, and decreasing subsidies for nuclear energy could be as effective in stimulating R&D on solar thermal conversion systems in the private sector as direct subsidy.

C. The industry has tended to respond to fuel price changes over the long term. Thus, natural gas and fuel oils have displaced coal. The scarcity of gas and petroleum suggests coal will make a comeback in central power plan and industrial applications. Present projections indicate that fossil fuel costs may double within the next ten years. Doubling the price of fuel increases production costs by up to 33% and the cost to the consumer. by approximately 10%.

Solar thermal systems must have projected costs competitive with these production costs to attract industry. In the residential sector, price increases in these fuels are effected more directly to the consumer. Total solar energy systems will have a more favorable economic position.

D. It is not yet clear what additional government actions are required to support the R&D program. The Federal Power Commission should issue recommended accounting standards and review their regulatory requirements for the utility industry. The Environmental Protection Agency should perform land-use tradeoffs including assessment of the environmental impact of solar energy utilization.

IV. Criteria and Priorities

A. *The Major Criteria for Setting Project Priorities Are:*

1. Projects which are expected to result in cost competitive solar thermal systems in the mid 1980's with projected production costs of 25–45 mils/Kwhr for electrical systems and delivered costs of $2–3 per million BTU for total energy systems.

2. Projects which can provide the basis for systems which in wide scale utilization could provide up to 30% of the total electrical energy requirements and 50% of the thermal energy requirements of the Nation.

3. Projects which are oriented toward reducing fossil fuel (natural gas and fuel oil) consumption; specifically intermediate and peaking electrical power plants and systems which can provide both electrical and thermal enregy.

4. Projects which cover a broad range of collection/conversion approaches (with collector temperatures from 400° to 1000°F).

B. *General Strategic Considerations:*

1a. Timing:

The accelerated program is believed to be extremely urgent and an aggressive program has been laid out to demonstrate competitive solar thermal conversion systems by 1985. Since no fundamental technical limitations exist for solar thermal systems, it is necessary that demonstration plants be constructed within the next 5–7 years in order to assess the economics of these plants.

1b. The rationale for the accelerated program is:

i. Two Solar Thermal Conversion options should be carried at least through pilot plant operation for the electrical power plant applications, one based on optical transmission/central receiver (expected temperature 1000°F), and the second based on distributed collection/thermal transmission (expected temperature 600°F). Although either or both of these options may prove to be economically competitive in electrical load following applications, only a single 100 Mwe demonstration plant is proposed within this program.

ii. Two solar total energy options should be carried through demonstration plants, the first oriented toward a military base or community total energy requirement, the second toward an industrial application requiring process heat and relatively low electrical energy requirements.

iii. An advanced Research and Technology program is necessary to address technical problems which develop during the project efforts and begin research and development of second generation subssytems particularly energy storage.

1c. The rationale for the minimum viable program:

The minimum viable program includes the same projects as the accelerated program with the exception of the total energy system for the industrial user. In addition, the projects are stretched out and both the Distributed Collection and the Advanced Research and Technology subprograms are reduced in scope and funding. The industrial total energy system was eliminated to reduce cost. If viability is demonstrated for solar energy utilization, the private sector is likely to support this concept.

2. Application of Criteria

Priority listing of program elements are as follows:

a. Central Receiver Load Following Power Plant Project;

b. Solar Total Energy System for Community or Military Base Application;

c. Distributed Collector Load Following Power Plant Project;

d. Advanced Research and Technology Subprogram; and

e. Solar Total Energy System for an Industrial Load Center.

V. Alternative R&D Programs

Both the accelerated and a minimum viable program are presented and discussed below:

A. *Schedules and Milestones:*

1. Milestones:

Milestones and power levels of pilot plants and demonstration plants are presented Fig. 8, 10 for the two program alternatives. Bench model and pilot plant decisions will be made primarily by government agencies. However, it is anticipated that private industry, particularly the utilities, will participate in the decision to proceed with the Demonstration Plant. Some joint Government/private sector funding is anticipated for Demonstration Plant development.

2. Parallel Programs:

The Accelerated program has two electrical generation system and two total energy system options conducted in parallel. The electrical systems differ in collection temperature and consequently in system hardware requirements. The total energy concepts differ in the ratio of electric to thermal load requirements and also in application targets. Consequently, they also have different system hardware requirements. These options will all be carried through the pilot plant stage in order to compare their relative economic potentials. In the Minimum Viable Program the two electric power plant options have been maintained but only a single pilot and demonstration plant will be developed within the scope of this program. One of the total energy options, i.e., the industrial load center application has been deleted.

3. Likelihood of Success:

It is anticipated that all milestones will be reached successfully. The consequence of failure is the loss of money spent to that milestone in the project.

B. *Cost and Budget Projections:*

1. Projected Total Cost:

Costs to meet each milestone starting from FY 75 are summarized below:

CUMULATIVE COST TO DECISION POINT

[Millions of dollars]

	Bench model		Pilot plant		Demonstration plant	
Program element	Accelerated	Minimum	Accelerated	Minimum	Accelerated	Minimum
Central receiver......	10.4	12.5	28.4	30.5	95.4	97.5
Solar total energy (C/M........	8.3	10.3	16.3	19.3	93.3	96.3
Distributed collector.....	12.2	13.3	47.2	32.3	0	0
Solar total energy (IND).	8.3	0	16.3	0	61.3	0

2. The budget presented herein assumes that the federal government will finance the entire program as proposed. However, private sector financial participation in the Demonstration Plant development is likely; possible up to 25% to 50% of the costs. There is the potential of the Electric Power Research Institute sharing in the Demonstration Power Plant sponsorship and an interest has already been expressed by an electric utility to participate in the total energy demonstration plants.

Private industry will be involved in the development of system components and Demonstration Plant efforts will be predominantly contracted to industry.

3. Federal outlays required in FY 75 through FY 79 for both the Accelerated and Minimum Viable Programs are presented in Figs. 7 and 9.

4. The major uncertainty in funding levels are associated with the power level and cost of the pilot and demonstration plants. If it is determined that smaller plants would provide meaningful technical and economic data these costs could be substantially reduced.

C. *Other Requirements:*

1. Manpower Needs:

It is estimated that the total manpower needs of the Accelerated program in the years FY 75–79 are 7000 manyears. The manpower needs for the Minimum Viable Program effect for the years FY 75–79 are 3400 manyears.

2. Facilities:

No new facilities are required for either the Accelerated or Minimum Viable Programs assuming the work will be conducted at existing government facilities.

D. *Management Plan:*

The management plan will coordinate federal government, private industry, and academic research efforts with the intent of transferring the design and development effort to industry at the earliest possible time. National laboratories will be utilized to manage, at a Field Center Level, the individual elements of the subprogram. These laboratories will conduct research and manage specific projects based on detailed Program Development Plans. Coordination and involvement of the three major research groups mentioned above is already underway. It is planned that, as demonstration and development projects mature, private and public utilities will assume an increasing share of the fiscal management responsibilities.

E. *Alternatives and Criteria:*

1a. The major alternative system which has been considered, but not proposed, is the utilization of solar thermal conversion systems for base electrical power. This application is not projected to be cost competitive with other base plant sources in the 1980s. Some other alternative projects will be assessed within the Advanced Research and Technology subprogram including a) Solar Augmentation for Geothermal Power Plants, b) an integrated solar energy system utilizing integral photovoltaic converters for electric energy and thermal collection for space conditioning, c) utilization of solar thermal energy in a solar chemical reactor, and d) projected high temperature uses of the optical transmission/central collector concept including production of snythetic fuels from coal. These projects will include analysis and limited laboratory experimentation only during the period of FY 1975 through 1979.

2a. Criteria:

The major criteria which have been employed in defining the accelerated program are:

i. Develop solar thermal conversion electrical general systems for load following (intermediate and peaking power) applications with system projected generation costs of 25–45 mils/kwhr in the mid 1980's.

ii. Develop total solar energy systems for community, military base or industrial applications with system projected energy costs of $2–3 per million BTU in the mid 1980's.

iii. Develop systems which, in widespread application, could provide up to 30% of the total electrical energy requirements and 50% of the thermal energy requirements of the Nation.

iv. Develop systems which are oriented toward reducing fossil fuel (natural gas and fuel oil) consumption.

v. Propose a set of options which cover a broad range of collection/conversion approaches with collector temperatures from 400°F to 1000°F.

3. Dependence of Other R&D to Progress in This Technology The successful implementation of the solar thermal conversion technology is not dependent on any research or development effort not included with the development program. However, the work underway in solar heating and cooling of buildings is applicable to the solar total energy concepts.

No other R&D efforts depend on the success of this R&D program.

4. Acceptability of R&D Program.

The only known environmental problem associated with the program is the waste heat disposal problem common to all thermal power plants.

Public acceptance is anticipated for all four concepts. Each of the concepts lends itself to operation as a utility thereby shifting the higher initial cost from the consumer. Environmental impact statements will be required prior to construction of Pilot and Demonstration Plants for each of the program elements.

VI. Implementation of plan

A. *Direct Benefits of Implementation:*

1. Implementation will stimulate several industries. Among these are:

a. glass or plastic sheets (for reflectors);

b. aluminum and silver coating (for reflectors); and

c. heat pipes (potentially for heat transmission).

2. Solar Thermal Conversion has the potential for capturing up to 30% of the electrical capacity and up to 50% of the residential/commercial space conditioning market.

3. As solar thermal succeeds in penetrating the energy market, the dependence on foreign energy resources—oil and gas—is reduced. These resources now become available to satisfy transportation and petrochemical requirements.

4. Reliability and security of a solar thermal system is comparable to that of fossil fuel and nuclear plants.

5. Solar thermal conversion to electricity decreases the dependence of the national energy system on fossl and nuclear fuels. This dependence is further decreased by solar thermal total energy systems which would provide space conditioning of residential and commercial buildings.

B. *Economics of Implementation:*

1. It is projected that Solar Thermal Conversion systems will produce electricity in the southwestern United States for 25–45 mills/Kwhr. Slightly higher costs will be expected in the southeastern United States.

2. Costs:

a. The cost estimate presented above is based on the following capital cost estimates for solar thermal conversion system.

	Kwe
Collector & Receiver................	$250–350
Boiler-Turbine-Generator ....,	100–150
High Temperature Store (3 hour capacity)	100–300
Total Capital Cost............	[1] 450–800

Although operating and maintenance (O&M) cost estimates are not available, it appears realistic that O&M cost of 2 to 3 mills/Kwh can be achieved.[2] The projected useful life of the system is 25 years and a cost of capital equal to 15 percent was used to obtain energy cost estimates. There are no significant energy (fuel) inputs required to operate the system. As such, it will compete against alternative means of generating peak and intermediate electric power, e.g., gas turbines, diesel, or fuel oil plants. The cost of generating conventional peak power is estimated to be 25 mills/Kwh for 1975 and 30 mills/Kwh by 1985.[3]

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[1] These estimates do not include R&D costs.

[2] This cost is approximately twice that required for conventional systems.

b. The total solar energy system is used to provide industry, electricity, heating, cooling, and domestic hot water.

As a result, it is difficult to calculate a single cost for energy delivered by the system. The equivalent delivered energy cost is estimated to be $2 to 3/M BTU. Specific analyses have indicated that systems designed for 20—2000 housing unit subdivisions can be competitive with conventional energy systems by the late 1980s, assuming collector costs of $4/sq. ft. and a capitalization rate of 8%. Economic viability at higher capitalization rates is feasible if collector costs can be reduced. The system evaluated provided 67% of the communities energy demand for a capital of $65,000 for 20 houses or an additional cost of $1000 to $1500 per residence over conventional systems. Operating costs of .5 mils/Kwh were assumed.

Similar analyses conducted for military installations indicate even better relative economics. One study indicates that collector costs of $6—8/sq. ft. are acceptable for military installations assuming a 6½% capitalization factor. These systems are also expected to provide approximately 60% of the total energy needs of these installations.

c. There appear to be no significant labor problems. Construction of the system is well within the capabilities of the construction industry and all systems components except for collectors, have been built. Labor requirements for operating the system will be similar to that of existing power plants. Some training will be required, but no serious problems are anticipated.

4. It is impossible to estimate the impact which the export of solar-thermal technology and capital goods will have on the balance of payments. Several European countries, Russia, France, and Italy are interested in solar-thermal systems and have initiated R&D efforts. The impact on the balance of payments of a successful R&D program in the United States will, of course, depend upon the success of R&D efforts conducted in other countries. In light of their expressed interest, a potential market does exist in Europe. In terms of imports, the system has the potential of reducing oil imports by 431 thousand barrels/day or $944 million/year in 2000 if the price of imported oil is $6 per barrel, commercial operation begins in 1988[4] and industry's production capability grows at a rate of 20 percent per year.[5]

5. It was assumed that:

a. Necessary labor and natural resources (e.g., land, glass, silver, or aluminum) would be available, and

b. The real price of these commodities would not change significantly from today's prices.

6. Incentive:

Although economic viability is the objective of the R&D program, there are several incentives which the federal government might institute to stimulate the use of the system:

a. Permit the use of federal lands for power plant siting for the solar system.

b. Permit faster depreciation, or special tax credits.

c. Alter taxation or allowances on other fuel sources which will allow a free market price on these sources.

C. *Impacts of Implementation:*

1a. Natural resources required:

Resources required for solar thermal conversion plants are approximately equivalent to a conventional fossil fuel plant with the exception of the solar collection subsystem. Specific resources required for solar collection are estimated as follows:

a. Approximately six months output of one float-glass line per 100 Mwe capacity.

b. Approximately .5–1 million cubic yards of concrete per 100 Mwe capacity.

c. Approximately 50 tons of aluminum per 100 Mwe capacity.

d. Approximately 20,000 tons of re-enforcement bars (steel) per 100 Mwe capacity.

1b. These materials are not considered to be in short supply.

1c. Float glass is the modern approach to the manufacture of flat glass inexpensively. Currently, this method of manufacture is spreading because of its favorable economics. It is doubtful if a solar system would find serious competition for the output of this industrial process.

The other materials requirements are sufficiently modest as not to constitute serious competition for resources.

1b. Not considered to be applicable.

2. Energy inputs required:

a. Capital equipment costs have been estimated to be from $450–800/Kwe of installed capacity for a load following electrical system and capital and operating costs with equivalent fuel costs of $2–3/M BTU for total energy system.

b. Operation will not require outside energy sources except possibly for startup and shutdown and to accommodate thermal transients. This energy is expected to be minimal and will be drawn from the system into which the solar plant is integrated. For total energy systems, a fossil fuel back up system will be required and it will require 30–40% of the fuel required for a nonsolar augmented total energy system.

3. It appears that solar thermal conversion power plants will be compatible with an existing national energy system. The solar energy system should be capable of supplying electricity to the national energy system and will be designed to be capable of sustaining transients in its proposed mode for load following.

4. It is anticipated that an environmental impacts statement will be filed. Solar thermal conversion concepts require a substantial amount of earth moving for construction, and when built, shadow a substantial fraction of the land. Moreover, like any other power station, waste heat must be rejected.

5. Occupational Health and Safety—no major problem anticipated.

6. Other Factors:

a. Unlike nuclear or fossil fueled electric power generation stations, there appears to be little or no economic advantage of large scale for solar thermal conversion systems. Thus, the potential for neighborhood solar electric or total energy stations is large. The proximity to be the neighborhood user may be significant since the cost of transmission of energy is minimized. Overall utility land use planning and neighborhood planning should be integrated.

b. The use of solar energy reduces overall pollution problems but may introduce other problems by proximity to the user. Solar-electric systems will require waste heat disposal to air or water. The appearance of the equipment, the water spray, in the event of a cooling tower, or the heated air may not be entirely acceptable. Central stations avoid or localize these potential problems. A total energy system would normally consume more of the energy and not necessitate large waste heat rejection.

c. Long term impact of solar thermal electric or total energy systems will require a review of land use practices to utilize small neighborhood units more effectively.

d. In central station application, solar thermal systems may necessitate greater margin requirements than conventional systems due to statistical variations of solar energy.

SECTION 7—PHOTOVOLTAIC CONVERSION

I. Subprogram Summary

A. *Introduction:*

1. This research effort is directed at development of single crystal, thin film and other techniques to produce high efficiency low cost photovoltaic systems for terrestrial use. In contrast to the present labor intensive methods used to produce solar cells, the research will explore and develop processes and technology which will permit the production of enormous quantities of low cost photovoltaic arrays by automated processes such as those now employed in the production of photographic film.

2. The objectives of the research are to reduce the cost of terrestrial photovoltaic systems from the present $50 per peak watt to less than $1.50 per peak watt (eventual goal of $0.10/peak watt) so that it will be economically competitive with other methods of generating electricity for various uses in various regions of the country. The major problem is to develop the technology which will permit the continuous manufacture of large area arrays in quantities of hundreds of millions of square meters per year.

B. *R&D. Problems:*

1. The accelerated program would permit research to be conducted along several lines in single crystal, thin film and new concept approaches permitting a high degree of confidence (80% or greater) in successfully accomplishing the goals. Then trade offs between approaches, e.g., single crystal silicon, thin film silicon, cadmium sulfide, copper oxide, etc., could be made realistically. The minimum program would require earlier narrowing of approaches resulting in fewer available alternatives and could thereby delay the demonstration of practical systems.

2. The budgets for the accelerated and minimum programs, shown in Fig. 24 and 27, are seen to be about a factor of 5 different. The major milestones are given in Figs. 22, 23, 25, and 26.

C. *Implementation:*

1. As indicated in Figs. 28, 29 of this write-up, the achievement of the cost goals of this program will result in the production of economically competitive electrical power (cost of 10 mils per KWH) by the year 1990. The projected rate of implementation of this solar energy conversion technology will produce more than 7% of the required U.S. electrical generating capacity by the year 2000.

2. The time schedule for implementation of the two primary applications are projected as follows:

a. On-site electricity generation for *homes, schools, shopping centers,* etc. Installation of economic units is projected to begin by 1982 in the southwestern U.S. All *new* construction in that area can be expected to include photovoltaic systems by 1985.

FIGURE 22.—PHOTOVOLTAIC CONVERSION ACCELERATED ORDERLY MILESTONE SCHEDULE

1975

Solar Insolation data collection network established.

Establish materials characterization and analysis laboratory.

1976

Set up and operate standards and calibration laboratory.

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[3] Based upon estimate of 40 percent increase in 1970 oil prices and a 100 percent increase by 1985.

[4] Commercial operation begins in 1988 if the minimum plan is funded. The accelerated plan will result in commercial operation by 1983.

[5] First year production capacity is two 500 Mwe plants.

Operate terrestrial environmental test facility.

Determine maximum allowable costs of photovoltaic systems for on-site and central station application in several U.S. locations taking into account meteorological data and the effect of such systems on communities, environment and society.

1977

On-site System design completed.

Commence testing of cells and arrays.

Attainment of $5/watt (peak) technology.

1979

Attainment of $0.50/watt (peak) technology feasibility.

On-site System installed and testing initiated.

Central Station System design completed.

1981

Completion of a pilot line to manufacture $0.50/watt (peak) solar arrays.

1982

Integrate photovoltaic systems in the range of 0.01–1.0M into new and existing building (homes, schools, shopping centers, etc.).

1985

Integrate photovoltaic systems of about 10MW capacity into communities and large industrial plants.

1986

Completion of pilot line to manufacture $0.30/watt (peak) solar arrays.

1990

Integrate photovoltaic systems of greater than 100MW capacity into towns and power networks.

FIGURE 29.—RATE OF IMPLEMENTATION: PHOTOVOLTAIC CONVERSION

[In megawatts]

Year	Peak power output capability of arrays Produced 1 yr	Cumulative output
1981	1	1
1983	10	13
1985	1,000	1,100
1990	5,000	10,000
1995	10,000	40,000
2000	20,000	[1] 100,000

[1] AUI projected electrical generating capacity (United States) required in the year 2000 is 2,000 mkw(e). This would then be (at peak output) 5 percent of U.S. requirements.

Note: The rate of implementation is based on estimates from learning curves projected for various rates of photovoltaic device research and development.

FIGURE 24.—ENERGY R. & D. PROGRAM BUDGET SUMMARY: PROGRAM NAME—PHOTOVOLTAIC CONVERSION; PROGRAM ALTERNATIVE—ACCELERATED ORDERLY

[Federal obligations $\$X10^{6}$]

Program element	1975	1976	1977	1978	1979	1980–89	1990–1
Area 1: Array research and development:							
Subprogram 1: Silicon solar arrays	11.5	29.5	41.0	27.0	26.0	(1)	(2)
Subprogram 2: Cadmium sulfide arrays	6.0	7.0	7.0	7.0	7.0	(1)	(2)
Subprogram 3: Other materials and devices	3.1	3.1	3.5	7.7	7.7	(1)	(2)
Area 2: Systems and applications:							
Subprogram 4: Systems for onsite power generation and storage	2.1	2.1	3 3	3.3	3.3		
Subprogram 5: Systems for central power generation and storage	1.0	1.0	6.0	6.0	6.0		
Subprogram 6: Test and evaluation labs	4.6	3.6	3.1	3.1	3.1		
Program total	28.3	48.3	63.9	54.1	53.1	250.0	50.0
Cumulative total	28.3	76.6	140.5	194.6	247.7		

[1] Private sector will supply 50 percent of the total effort.

[2] Private sector will supply 90 percent of the effort.

FIGURE 26.—TABLE C: PHOTOVOLTAIC, MINIMUM VIABLE PROGRAMS

Milestones

1975

1. Complete ongoing (FY 73 & 74) studies of early applications of terrestrial photovoltaic power systems.

1976

2. Terrestrial power system demonstration test facility in operation.
3. Development of processes for producing low-cost silicon ribbons completed.
4. Set up and operate standards and calibration laboratory.
5. Begin operation of terrestrial environmental test facility.

1977

6. Complete development of methods for processing low-cost semiconductor grade silicon from oxide raw materials.
7. Complete design and development of automated production equipment for making photovoltaic cells.
8. Complete development of low-cost concentrating/reflecting systems for photovoltaic arrays.
9. Complete establishment of solar insolation measuring stations network.

1978

10. Complete development of low-cost power processing.

1979

11. Complete design and development of production equipment for making photovoltaic cell modules.
12. Complete development of method for fabricating thin film polycrystalline photovoltaic cells.
13. Complete initial phase of investigation of alternate materials for low-cost photovoltaic cells.

FIGURE 27

ENERGY R. & D. PROGRAM BUDGET SUMMARY: PROGRAM NAME—PHOTOVOLTAIC CONVERSION; PROGRAM ALTERNATIVE—MINIMUM VIABLE

[Funding, millions of dollars]

Program element	Fiscal years— 1975	1976	1977	1978	1979	Total
Single crystal solar cell and array technology	3.0	3.7	5.3	8.3	8.3	28.6
Thin film cell and array technology	1.3	1.3	1.8	2.0	2.2	8.6
Systems for central power	0	1.0	1.0	1.0	0	3.0
Test and evaluation laboratories	2.4	2.4	1.0	0	0	5.8
Systems for on-site power	2.8	1.1	1.1	1.1	1.1	7.2
Basic research on other materials and devices	.8	.8	.8	.8	.8	4.0
Total	10.3	10.3	11.0	13.2	12.4	57.2

b. Economic electricity generation in *central stations* is projected to begin by the year 1985 in the SW U.S.A.

3. There are no major barriers in implementation anticipated when the predicted cost figures are reached.

II. Status of Technology—Photovolaic Conversion

A. Present Status:

Present arrays for terrestrial use are now sold at $50/watt (peak), and the manufacturers state they can supply these at $20/watt (peak) in large quantities. A reduction to $5/watt (peak) by automation of the present batch fabrication process appears likely. Continuous growth of single crystal silicon ribbon has been shown to be feasible, making highly automated, continuous cell and array fabrication processes a definite possibility. Improvement in cell efficiency is being pursued at several government, industrial and academic laboratories. Reduction of cost by continuous processes, to less than $0.50/watt (peak) is projected.

Such reductions in cost are not unreasonable based on the experience of the semiconductor device industry. Thin film cells, now in the research stage, offer the promise of very low cost continuous production by less expensive processes and/or materials. The cost now projected for thin film cells is $0.10/watt (peak).*

B. *Barriers to Implementation:*

1. Research barriers:

Current thin film cells require a better understanding of the degradation mechanism in CdS-Cu_2S films and of processes interfering with efficient electron collection in polycrystalline silicon cells. Research is needed to identify low cost processes for large scale Si production. It is desirable to develop a better understanding of storage for use in conjunction with photovoltaics. The projection of energy storage capital costs by the Panel on Energy Storage for the year 2010 is $10/KWH. This low cost will increase the potential utilization of photovoltaic conversion.

2. Development barriers:

Systems at $3000/kilowatt average installed in buildings, can be expected to be produced by the Edge-defined Film-fed Growth (EFG) crystal growing process which has already proven feasible for Si ribbons, but needs intensive development before low cost high efficiency solar cells can be produced from the material. Mass production technology for doping and contacting, power conditioning equipment, and deployment technology must be developed.

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* The ratio of peak to average power is approximately two for a system tracking the sun and about 5 for a fixed system.

3. Implementation barriers:

Economic solar cells will have to be made by mass production processes. A tax credit or other government subsidy may be needed to encourage the building of such a mass production facility.

C. *Ongoing R&D Efforts to Overcome Barriers*:

1. Present levels—domestic

The major source of funding at the present time for research and development of photovoltaic conversion of solar energy for terrestrial applications is the Federal government. The Federal agencies primarily involved are listed below:

	FY '74	*FY '73*
NSF (est.)	$2600K	$794K
NASA	179K	130K

Present NSF and NASA supported research includes fourteen active grants and contracts in the areas of: (1) single crystal solar cells (primarily silicon); (2) thin film cells (primarily polycrystalline silicon and cadmium sulfide); (3) other materials and devices; and (4) systems and applications studies. Other federal agencies with an interest in photovoltaic conversion include DOD, AEC, and DOC (USCG, NOAA, NBS).

Private domestic funding of R&D is currently estimated at $300K. This includes work supported by three solar cell manufacturers to develop systems in the 10 watt to 1 kw range for a variety of terrestrial applications. Available photovoltaic arrays (at $50/watt peak) are competitive with other forms of available power in specialized applications, such as aids to navigation. Known photovoltaic activities in foreign countries are listed below:

Country, Estimated R&D Costs, and Principal Projects

France: Several companies and national laboratories are working on single crystal and film cell systems in the 10–100 watt range.

Russia: Research on advanced concepts such as vertical junction devices and new materials. Space program based on silicon and gallium arsenide cells. Development of kilowatt sized units for use in remote areas.

Netherlands: Development of large scale terrestrial program. Investigation of new materials.

Others: Several other countries have small programs (e.g. Poland, Belgium, England, Israel).

2. Availability of results of foreign efforts. There is active interchange between scientists in the relevant major U.S. and European research centers through publications, workshops and conferences. However, a more thorough examination of foreign efforts is necessary for the development of the optimum national program.

III. Rationale for Federal involvement and institutional arrangement and implementation

A. *Why Federal Involvement is Warranted*: The solar cell industry survives now only on the small and relatively level market of about $4M per year. The investment and risk required for this solar energy program is too great for private investment now. The terrestrial market is only starting to develop, and without the stimulus of federally-developed low cost arrays, it will not grow fast enough to justify private investment soon enough to impact the energy crisis.

B. *Government actions which would stimulate private R&D to insure a dependable, growing market are*:

1. Guaranteeing an annual market for solar cells and arrays

2. Enacting uniform building codes for solar cell roofs

3. Providing tax advantages for solar cell power systems and production facilities

C. *Sensitivity of attitudes to changing conditions*:

Obviously, increases in price or shortages of electricity from other energy sources will make solar cell systems more attractive and make the market more favorable.

D. *Other government action*:

Requirements for special legislative, regulatory, patent or antitrust actions have not been identified. Manpower training programs will be needed in the rapidly increasing cell and array manufacturing industry and in the new array installation and maintenance trades.

IV. Criteria and priorities

A. *The Following Criteria Were Used to Judge Subprogram Elements and Priorities*:

1. The maturity of technology in a given subprogram element e.g., commercial quality single crystal wafer cells have been made in batch process while thin film cells are at the laboratory stage.

2. The potential of the approach e.g., automated wafer cell production is limited in cost reduction potential while film cells offer the most potential for very low cost production.

3. The volume of the application to the country e.g., economical production of large scale power is more important than special applications.

4. When the technology is needed for intended applications e.g., automated wafer cell production is needed early or not at all.

5. The options or backups provided e.g., film cells offer a somewhat delayed backup to ribbon cells.

6. The breadth of applicability e.g. supporting research and technology and facilities are needed for many program elements.

B. *Application of Criteria*:

In this subprogram the alternate approaches available and their various levels of maturity and potential gains allow the construction of a strong, well-phased program. Alternate approaches to making low cost arrays are pursued concurrently but with staggered milestones so that as these activities succeed there will be a succession of improvements. Alternate approaches will be pursued within each subprogram element so as to increase the probability of achieving all milestones. There is little likelihood of total failure and very high probability of at least partial, yet significant, success. A strong research effort is expected to lead to even better approaches. System demonstrations will be initiated as soon as the availability of sufficiently low cost arrays can be projected. The pilot plants and earlier subsystems will be built prior to the availability of low cost arrays so as to identify all system problems at an early date. Supporting efforts such as insolation measurements, standards laboratories and systems test facilities are necessary to the entire program and are given high priority. Priorities and schedules for all but the supporting efforts will be reassessed regularly, in light of progress throughout the subprogram, and changed appropriately.

C. *Priorities:*

The subprogram has been planned with the following priorities and early emphasis:

Priority 1. Supporting efforts (measurement, standards, test facilities) need for all parts of subprogram.

Priority 1. Ribbon cell array ($.50/w peak) and associated research. Most likely to first achieve a cost that makes large application practical.

Priority 1. Low cost, large volume, high purity silicon and cadmium production processes. Essential for ultimate success of photovoltaic program.

Priority 3. Wafer cells ($5/w peak).
and associated research. More risk than ribbon approach but potentially lower cost.

Priority 3. Wafer cells ($5/w peak).
Will stimulate market for special applications and expand the industry early. Not suitable for very large applications.

Priority 3. Research for other materials, processes and storage devices. Strengthens programs, provides further improvements. Milestones cannot be established now.

When low cost cells are available:

Priority 1* On site power demonstration. Most likely first successful large application. (1kw)

Priority 2* Central station demonstration. Very significant impact if successful, but further off. (10 MW).

V. Alternative R&D program

A. *Accelerated R&D Program—Milestones and Schedule:*

The milestones and schedule for the development of photovoltaic systems are shown in Fig. 22. The R&D flow chart is shown in Figure 23. The first building installations on the order of 0.01 to 1 MW will occur about 1982 and community and industrial plants of about 10 MW will be seen by 1985. The early development of photovoltaics (into the 1980's) will be mostly government supported but as a significant ($100 million/year) market develops, more funding will be provided by the private sector. The first 5 years of development will proceed along parallel lines including single crystal, thin film and the exploration of new materials and processes to reduce costs more than 100 times. It is too early at this time to say whether single crystal silicon, for example, will be more economical and be more advantageous than cadium sulphide thin films. The likelihood of success of the early milestones being reached are high, especially an order of magnitude in cost reduction of photovoltaics, but become increasingly lower as efforts are pushed to cost reductions of 300. Even if the later is not attained a large market in photovoltaics for building and remote site applications is assured.

1. Cost and Budget Projections

Cost and budget projections are shown in Fig. 24. When demonstrations units become integrated into buildings in the early 1980's, cost sharing by the private sector is envisioned. This funding would come from industrial sources interested in embarking in a new field and may be from both existing and new corporations. Early production of low cost solar arrays may require a guaranteed procurement on the part of the government to attract private capital.

Studies are now underway to get a better estimate of the cost of developing mass produced solar arrays and the funding required to build plants to produce them. The projected Federal outlays in FY 75 thru 79 are shown in Fig. 24. Manpower needs to carry out the intended R&D are small and not considered to be a major impact on the labor market. Facilities needed are laboratory and production lines through the duration of this program. Extensive production would require new manufacturing facilities and expansion of certain materials production capacity such as for silicon, cadmium, copper, plastics, and glass.

2. Other Requirements.

All requirements are discussed in 1 above.

3. Management Plan

Management of the photovoltaic development would be by government agencies overseeing work in academic, government and industrial laboratories and facilities. Those government agencies best suited to monitor and direct the research would be used under the overall surveillance of a central agency.

4. Criteria Employed to Construct Program

Due to the current state of the art, various alternative R&D program options have been left open and will be carefully monitoried until dropped in favor of more promising approaches. A good deal of experience in photovoltaics has been gained from the space program and this has been used to guide the initial terrestrial program.

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*Would be given lower priority if low cost array development delayed.

5. Dependence on Other R&D Progress

Development of low cost electrical power storage is essential for the use of solar-generated electricity around the clock. Until low cost electrochemical or other methods are available, photovoltaic systems must be limited to peaking or daytime operation to be economically competitive. The projected capital cost of electrical storage for the year 2010 at $10/KWH by the Energy Storage Panel suggests that around-the-clock use of electricity produced by direct conversion will become economical.

6. Acceptability of R&D Program

The successful implementation of photovoltaic power systems will have minimal direct adverse environmental, health or safety effects on animal or plant life. No other programs are dependent upon the success of this program. In contrast to problems incurred by nuclear power plants, photovoltaic systems would find wide public acceptance because of their minimal impact on the environment.

B. Minimum Viable Program

The alternate, minimum viable program plan takes generally the same approach as the first years of the accelerated plan. The program schedule has been laid out for the first five years. In this plan the technology will be developed up to the point where large investments are needed. An automatic wafer cell production plant is excluded, and pilot plants for low cost array production and demonstration systems would be built in later years.

The subprogram elements are essentially the same in both plans, but the minimum plan does not allow pursuing as many alternate approaches within each subprogram element, resulting in a lower probability of success. The probability of substantial reprograming and program stretchout is significantly higher than for the larger plan.

The schedule is shown in Figure 25 with the milestones described in Fig. 26. Funding levels are shown in Fig. 27. The funding levels beyond 1979 will have to climb to near those of the accelerated program. If not, the later milestones will have to be delayed so long that photovoltaics will not impact the energy crisis impending in the 1990's.

The role of the Federal and private sectors management dependence on other R&D and public acceptability will be the same as for the accelerated plan.

VI. A. *Direct Benefits of Implementation*:

1. Supply, marketing and consuming sectors involvement. Substantial involvement of these sectors in the production of electricity by photovoltaic conversion is anticipated. In order to achieve 1% of the electrical generating capacity by the year 2000 and more than 10% of the electrical generating capacity by the year 2020 it will be necessary to increase the production of solar cells by more than 10^6 times current production rates. In addition, photovoltaic systems implemented on this scale will require significant supplies of mass produced components for support structures, power conditioning and storage.

2. Size of ultimate market.

The anticipated U.S. demand for electric power in the year 2000 will require 2000 MKW(e) generating capacity. The production of 1% of that amount by photovoltaic conversion in that year would represent a market cost of $1B while the production of 10% of the requirements for the year 2020 would near $36B. The latter figure would require the importation of approximately $100B of crude oil to generate the same amount of electricity if domestic sources were not available.

3. Foreign dependence.

The production of electricity by solar energy will result in a one-to-one reduction in the dependence upon foreign sources of fuel. Thus, in the year 2020, a substantial reduction in fuel imports ($100B) would be expected.

4. Reliability.

Implementation of national solar photovoltaic systems increases reliability and national security due to the dispersed nature of the solar collection schemes. A large photovoltaic system is easily modularized so that even if sections of the system are destroyed, useful power will still be produced. Furthermore, the system in full sunshine can be switched into service rapidly to meet emergency demand at minimum cost. Also destruction of such a large scale system would not result in the release of toxic materials.

5. Efficiency.

National energy utilization efficiency should be increased by the following steps:

a. Reduction in energy transportation losses as a result of local production and utilization of power.

b. Elimination of costly plants to meet peak daily demand which corresponds to maximum solar isolation.

B. *Economics of Implementation*:

Projected costs of two representative systems with high efficiency low cost arrays that are the goals of this subprogram are listed in Fig. 28. The annual cost of capital (interest, taxes, depreciation, maintenance, insurance) was assumed to be 15.5% of investment over a twenty year period. The projected rate of implementation is given in Fig. 29.

FIGURE 28

ECONOMICS OF IMPLEMENTATION—PHOTOVOLTAIC CONVERSION

Type/time	Average* power KW	Area (ft)²	Array $1 watt (peak)	System ($)$\times10^3$	Operating $\$\times10^3$/yr)	Life (yr)	Power cost (¢/kwh)	Life (yr)	Power cost (¢/kwh)
Residence/1985	1	420	$0.50	3	0	20	7	30	5
Central station/1990	10,000	4.2×10^6	.10	7,000	100	20	1.8	30	1.2
Residence/1990	1	420	.10	1	0	20	1.6	30	1.0

*Average output power=integrated peak insolation × (duty factor)×(system efficiency†).
=(constant over 6 hours) × ⅙×(14 percent).
†System efficiency=(basic cell conversion eff)×(packing factor)×(power condition eff)×(overall loss eff).
=(21 percent) (85 percent) (90 percent) (90 percent)=14 percent.

Solar array systems will be capital intensive but have low operating and no fuel costs. Investment costs will eventually be below $1000/kw of installed average generating capacity, and operating costs on the order of those for hydroelectric installations.

A photovoltaic* power plant can come on line in segments during its construction while other systems must be completely built. This means it can start earning sooner. The solar energy industry will have a modest impact on the labor market amounting to no more than a few percent. By the turn of the century, photovoltaic processes could produce a percent or two of the nation's electrical needs saving several billion dollars in fossil fuels per year, much of which would represent imports. This would help in reducing balance of payments deficit. Also the U.S. might export multimillion dollar solar cell systems. Foreign markets should be extensive, especially in regions of abundant sunshine. By the 1990's as fossil fuel supplies become critical, world wide billion dollar markets will develop.

Large scale photovoltaic systems should be technology ready by the early 1980's and available in huge amounts by 1990. Useful lifetime of a system should be between 20 and 30 years and maintenance should be as minimal as the use of hydroelectric power.

Incentives to help instigate the use of photovoltaics might be done with reduction in taxes because of pollution reduction and savings due to lower transmission line requirements. Also low interest capital would encourage the use of photovoltaic systems for building and central station installations.

Incentives for using photovoltaics will include conservation of limited energy resources (fossil, fissile, water), lower pollution (both particulate and thermal), and reduced dependence on foreign resources and perhaps less vulnerability through dispersed power generation.

C. *Impacts of Implementation*

1. Natural Resources Required

Sand, the source of silicon, is so abundant as to present no resource limitation. However, the silicon reduction and refinement industry will have to be expanded by two or three orders of magnitude to provide for photovoltaics as well as the greatly expanding electronic device industry.

If Cds cells are used predominantly, then about 150,000 tons of cadmium would be needed to generate 1% of the year 2000 U.S. electric power needs exceeding the known U.S. reserves of 130,000 tons available at 1971 prices. The plating industry would be a major competitor for cadmium. Plastics are likely to be the encapsulants and perhaps structural elements of arrays.

The amount of hydrocarbons needed to manufacture the plastic has not been estimated. Aluminum and steel are likely other structural materials and will not be a significant portion of reserves.

2. Energy Inputs Required

a. Capital Investment

Residence—$3000/KW avg (1985)/$1000/kw avg (1990)

Central Station—$1000/KW avg (1990)

b. Operation

The only energy input required is sunshine, for which there is no cost.

3. Compatibility with Existing Energy Systems

Solar arrays generate DC power and electronic power processing equipment will make it compatible with the distribution network. Residences with photovoltaic systems would probably be tied to the network to draw power at night. For energy conservation and economics, excess photovoltaic power during the day should be fed into the network and the supplier credited. No major barriers to implementing feedback are foreseen; but electric utility companies must agree on the feasibility. In the case of large photovoltaic central stations, provisions will have to be made in the network to accommodate the changes in output due to variations in sunshine. Locally, conventional generating plants would have to adjust their capacity. Accurate, rapid weather forecasting may be needed to provide reaction time. Very efficient long distance transmission would allow averaging generating capacity and load over larger areas. Also, energy needs are usually greatest at solar maximum (summertime) and thus solar systems are in phase with the energy needs.

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*Photovoltaic systems contain no moving parts. Their lifetime is conservatively estimated at 30 years.

4. Environmental Impacts of Implementation

a. Houses: The impact would mainly be esthetic.

b. Central power stations require large land areas which will entail careful siting considerations.

5. Occupational Health and Safety Considerations

Solar cells of CdS-Cu_2S have to be carefully encapsulated. The danger of accidental release of Cd and S during a home fire (approx. 12.4 kg/home) must be considered.

6. Other Factors

a. Impacts on future demography and land-use patterns. The Southwestern U.S. has the highest solar energy potential and presently the lowest land value. A shift of industry to the cheap solar energy source can be expected. One percent of the total land area could provide 75% of today's electrical demand. Fifteen percent of all land is used for agriculture. No significant impact on land use is expected.

b. Social costs and benefits

Benefits: Photovoltaic electricity on houses would make a black-out of a whole region impossible.

c. Long-term impacts of implementation. Less dependence upon exhaustible supplies of energy would be a major advantage when using solar energy.

SUBPANEL 9.—SOLAR AND OTHER ENERGY SOURCES, APPENDIX A

Members of the Subpanel

Subpanel No. IX: Solar and Other Energy Sources

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SCIENTISTS' INSTITUTE FOR
PUBLIC INFORMATION,
New York, N.Y., March 30, 1974.

NEW YORK, N.Y.—In a speech delivered in New York to the annual meeting of The Scientists Institute for Public Information, Dr. Barry Commoner (who is Chairman of the Institute's Board of Directors) said that the Atomic Energy Commission "may be involved in a new Washington cover-up—an attempt to cover up the sun."

Commoner said that "The AEC has just issued an Environmental Impact Statement on the nuclear breeder reactor program—which by law is supposed to make available to the public all information that compares the effects and feasibility of alternative power sources. The AEC has failed to meet this obligation, for its statement omits vital scientific information that was in the possession of the AEC months before the impact statement was released. The information omitted from the AEC's public statement shows that in 1986, the earliest time when, according to AEC projections, commercial breeder power could be produced, economically competitive electricity from solar power plants could be available to communities and large industrial plants. As a result, the public is being seriously misled about the feasibility of solar power and prevented from responding effectively to the AEC's plan to rely on nuclear reactors for future power sources. The facts in the AEC's possession conflict specifically with its public statements regarding the expected cost of silicon cells, the most promising technique for producing solar electric power. For example, the breeder impact statement claims that 'The outlook appears to be that solar energy has little potential as an economical major source of electricity for several decades. . . . Thus the conclusion is drawn that the use of solar energy will not materially reduce the need for alternative electric energy sources in the foreseeable future.' "

"In contrast, we now see that the report of Subpanel IX of the task force of government scientists that prepared the report of Dr. Dixie Lee Ray (AEC Chairman) to President Nixon, The Nation's Energy Future, (submitted to Dr. Ray on October 27, 1973) said, with reference to production of electricity by silicon solar cells—only one part of a six-part overall solar energy program—'. . . The achievement of the cost goals of this program will result in the production of economically competitive electrical power (cost of 10 mils per KWH) by the year 1990. The projected rate of implementation of this solar energy conversion technology will produce more than 7% of the required U.S. electrical generating capacity by the year 2000.' "

"More specifically, while the AEC impact statement claims that silicon solar cells are not economically feasible because they will cost $10,000 per kilowatt, according to the AEC's own Subpanel IX, silicon cells could be manufactured at a cost of $5000/kw by 1978, at a cost of $500/kw by 1982 and at a cost of $300/kw in 1986. The AEC impact statement has clearly misinterpreted the economic feasibility of producing solar electricity by this means."

Excerpts from Dr. Commoner's address follow:

"The agency that is largely in control of government policy on the development of energy resources—the Atomic Energy Commission—has given the public misleading information about the relative feasibility of generating electric power by means of nuclear reactors and by means of solar cells. In its most recent public document on the potential of different technologies for providing power, the Environmental Impact Statement on the LMFBR (the breeder reactor), the AEC makes the sweeping claim that the practical generation of electricity from solar energy is not feasible in "the foreseeable future." But this claim is flatly contradicted by information that was exclusively in the hands of the AEC until its release was demanded by Senator James Abourezk of South Dakota under the provisions of the Freedom of Information Act."

"In effect, the AEC may be involved in another Washington cover-up—this time an attempt to cover up the sun."

"Here are the basic facts. In May, 1971, the Scientists' Institute for Public Information (SIPI) entered a suit against the AEC in federal court complaining that the AEC had failed to meet the requirements of the National Environmental Policy Act (NEPA) by not providing an Environmental Impact Statement relative to the AEC-developed program for basing a major part of U.S. electric power production on the LMFBR (breeder reactor) in the next century. SIPI won that suit, and the AEC was required by the court to produce the impact statement, which was made public on March 25, 1974."

"According to NEPA, the impact statement is required to consider not only the environmental impact of the proposed breeder program, but must also compare the benefits and costs of that program with alternative methods of reaching the intended goal—i.e. to provide for a significant part of the nations future electric power demand. One of the possible alternatives is the use of solar energy in general, and the generation of electric power from the sun in particular."

"Thus, the LMFBR impact statement represents the information that the AEC wishes to make available to the public in support of the government's decision to base our future power supplies largely on the breeder program. But, as will be shown below, the information that the AEC has chosen to make available to the public differs drastically from information already in the hands of the AEC, which shows that solar power is much more feasible than is indicated in the public statement."

"The AEC's LMFBR impact statement makes the following claims about the feasibility of one of the chief technological means of producing electric power from solar energy, silicon photovoltaic cells:

" 'Present costs of solar-cell arrays are extremely high. For example, the skylab solar arrays reportedly cost about $2,000,000 per kilowatt. Cherry estimates that, by improving the manufacturing process and using simple solar concentrations (sic, what is meant here must be "concentrators"), silicon cells arrays could be produced for $10,000/KW . . .' (page A–5–31)."

"Elsewhere, the impact statement concludes flatly that:

" 'Little basis exists for projecting a measurable contribution (i.e., by the year 2000) of solar energy to either electricity generation or high-energy fuels since even optimistic projections of cost place solar conversion in a poor competitive position relative to coal or nuclear energy.' (page A.5–22)"

"Summing up, the impact statement asserts: 'The conclusion is drawn that the use of solar energy will not materially reduce the need for alternative electrical energy sources in the foreseeable future.' (Page A.5–34)"

"Now as it happens, the chairperson of the AEC Dr. Lee had earlier undertaken, in response to a request from President Nixon, to prepare an energy plan for the federal government which was published on December 1, 1973 (The Nation's Energy Future). Again, in keeping with the public position taken by the AEC in the LMFBR impact statement, this document places major emphasis on nuclear reactors, assigning 55.4% of the proposed research budget to that technology and only 2% to the development of solar energy."

"I must report that at the time the AEC made these assessments of the feasibility of solar power, the agency had in its hands detailed studies, which flatly contradict its public statements. These studies include a report of a Subpanel IX appointed by Dr. Ray to assess the role that research on solar energy should play in the government's energy policy, and the supporting documents submitted to that Subpanel by several major governmental agencies. In contrast with the claims made by the AEC's public statements (e.g., that solar power cannot be achieved in the "foreseeable future," and that specifically the best cost estimate for the silicon-based solar cell is 10,000/kw) we find in the Subpanel IX report the following entries in a proposed "orderly milestone schedule" for the production of power by silicon photovoltaic technology. (Page 142)

"1977

"On-site System design completed.

"Commence testing of cells and arrays.

"Attainment of $5/watt (peak) technology.

"1979

"Attainment of $0.50/watt (peak) technology feasibility.

"On-site System installed and testing initiated.

"Central Station System design completed.

"1981

"Completion of a pilot line to manufacture $0.50/watt (peak) solar arrays.

"1982

"Integrate photovoltaic systems in the range of 0.01–1.0MW into new and existing building (homes, schools, shopping centers, etc.).

"1985

"Integrate photovoltaic systems of about 10MW capacity into communities and large industrial plants.

"1986

"Completion of pilot line to manufacture $0.30/watt (peak) solar arrays.

"1990

"Integrate photovoltaic systems of greater than 100MW capacity into towns and power networks."

"In other words, according to this assessment, silicon cells could be manufactured at a cost of $5000/kw in by 1978, at a cost of $500/kw by 1982 and at a cost of $300/kw in 1986. Moreover, on this basis the panel proposed to use these devices, in practice, at the level of .01–1.0 MW in 1982, at the level of 10MW in 1985 and in systems greater than 100MW. The overall assessment of Subpanel IX of the feasibility of implementing power production by this one method using solar energy is as follows:

"'As indicated in Figs. 28, 29 of this writeup, the achievement of the cost goals of this program will result in the production of economically competitive electrical power (cost of 10 mils per KWH) by the year 1990. The projected rate of implementation of this solar energy conversion technology will produce more than 7% of the required U.S. electrical generating capacity by the year 2000.' (Page 141)

"This statement flatly contradicts the public claims made by the AEC. Yet it is based on information known to the AEC. It appears to me that the AEC is attempting to support the Administration's position to favor nuclear power over solar power by failing to make available to the public all of the relevant information regarding the feasibility of solar power. Here then is a current example of the thesis developed earlier—that exclusive possession of scientific information relevant to major issues of public policy is an important basis for achieving the power to control that policy."

"This example also illustrates the antidote, for I have put it into practice here—to break down the walls that are erected between the public and the information held exclusively by those who seek the power to determine public policy. This is an obligation that I believe the scientist must accept—to see to it that the scientific knowledge essential for a public judgment on such vital issues is in the hands of those who, in a democracy, ought to make this judgment—the people of the U.S. When those who are in political power base this power on exclusive knowledge and keep the public uninformed, we must do what we can to redress the balance."

"In a sense, with regard to scientific knowledge, we scientists might do well to emulate Robin Hood—to take from the rich and give to the poor."

[From the New York Times, Mar. 31, 1974]

Shutdown of a Nuclear Plant, 17th in 19 Months, Spurs U.S. Debate

(By John Kiener)

Vernon, Vt., March 30.—The Vermont Yankee nuclear power plant has been closed down again for what officials describe as some routine tests to determine whether parts of the key element in controlling the nuclear reaction were put in upside down.

It is the 17th major shutdown in the 19 months the plant has been operating, according to company records.

One shutdown was for the beginning tests of the plant and a second was for giving examinations to the operators. The rest were because of accidents, failures of equipment, faulty parts, corrections of dangerous or illegal conditions or, in one case, being struck by lightning.

"We are not as bad as some," a Vermont Yankee spokesman, Lawrence Keyes, said of the power plant's reliability, "but we're not as good as others."

When both Government and industry are promoting nuclear power as the answer to energy problems, Vermont Yankee's difficulties focus attention on a rapidly growing controversy over the use of atomic energy.

Some members of the scientific community, along with conservationists and consumer groups are questioning the safety and reliability of nuclear plants. Ralph Nadar, the consumer advocate, made an organizing tour of Massachusetts college campuses earlier this month and addressed a joint session of that state's Legislature to press for a moratorium on nuclear plant construction until adequate safety could be guaranteed.

On Thursday, the New England Coalition on Nuclear Pollution and the Natural Resources Defense Council, which have battled Vermont Yankee through the Atomic Energy Commission licensing procedures, filed suit in the Federal Appeals Court in Washington for another review of the plant's operating license.

The Union of Concerned Scientists, a group centering on professors at the Massachusetts Institute of Technology, and other critics of the nuclear plants raise these main objections.

The possibility that human error or the failure of mechanical parts could result in a disastrous nuclear accident.

The difficulty of disposing of the waste products, some of which will remain radioactive for thousands of years. Kansas salt mines that had originally been planned as burial grounds have been found unsuitable.

The danger that terrorists could steal fissionable material—such as the plutonium that is a byproduct of the nuclear reaction—and make a nuclear bomb.

A nuclear energy plant, in basic terms, consists of a vessel in which a nuclear reaction develops intense heat, turning surrounding water into steam. The steam rushes through a turbine, powering a generator, which develops electricity.

A nuclear accident could release radioactive particles into the atmosphere. This might occur if cooling systems failed, causing the radioactive core of the reactor to overheat and melt.

The Atomic Energy Commission contends that chances of a nuclear accident are minuscle. And the industry points to elaborate emergency and back-up systems designed to stop and cool down a reactor if there is trouble.

Critics contend that however sophisticated the nuclear concept, its operation depends on imperfect standard technology. They say the impact of an accident might be measured in multiples of the Hiroshima bomb.

A recent "abnormal occurrence" report filed by Vermont Yankee, for instance, noted that Valve 10–25A, part of the low-pressure cooling system, failed to function on March 4. It was the third time the valve had failed, the report said.

Nuclear plants are required to file "abnormal occurrence" reports when there are violations of Federal technical or safety specifications. In 1973, Vermont Yankee filed 35 such reports.

In an editorial entitled "More Problems at Yankee." The Brattleboro Reformer noted yesterday that "the word 'lemon' has been battled about more than once," in regard to the plant.

But the problems here are not dissimilar from those of other plants. Of the six plants now operating in New England (nine more are projected), Connecticut Yankee is shut down because its turbine broke and the Pilgrim plant in Massachusetts has been closed by a critic's legal challenge to its safety.

Another Connecticut plant was closed for seven months, first by sea water leakage, then by faulty equipment. In the Massachusetts Yankee plant, bolts failed in the reactor core, costing six months and $6-million of repairs.

According to figures assembled by Prof. Henry W. Kendall of the Union of Concerned Scientists from Nucleonics Week, a trade publication, nuclear plants had a "deliverability factor" of 54 per cent of their theoretical capacity last December and 46 per cent in January.

A major problem for the nuclear plants has been in the quality of equipment they buy from suppliers.

The shutdown for six days, which began here last night, involved the control rods, the main instruments for starting, controlling and stopping the nuclear reaction. Inside the rods, a boron carbide substance that absorbs neutrons—thus halting the nuclear reaction—is held in place by "spacers," which in turn, are held in place by crimps below their position.

The problem is that some may be upside down, so that the material is not held evenly in place, lessening its efficiency.

David Crowley, a spokesman for the General Electric Nuclear Division in San Jose, Calif., estimated that the problem might affect 10 plants. He said it had appeared that some control rods might have been assembled backward because both ends looked pretty much the same.

"It's pretty difficult to tell unless you label them top and bottom," Mr. Crowley said.

Previously, Mr. Keyes, the Vermont Yankee spokesman, said the plant had had considerable trouble with nuclear fuel supplied by General Electric.

Hydration was the first problem, he said. The fuel pellets contained excess moisture, which at high temperatures disassociated itself, ate through the linings of the fuel rod and escaped in the plant's vapors, causing a radiation violation.

A chemical, filter system of trapping the radiation proved insufficient, and so a $10-million filter had to be designed and built. Vermont Yankee and General Electric are still negotiating a settlement, Mr. Keyes said.

Another fuel problem, which closed the plant for all of last October and most of November was "densification." It was discovered that some of the fuel capsules were slipping and compacting, thus creating "hot spots."

One of the plant's most difficult moments came at 9:01 on the evening of last Nov. 7.

Workmen installing a television surveillance unit had cut out power for a key safety device unbeknownst to the night shift.

Unwittingly, a control rod was pulled out, while the one next to it was already fully withdrawn. An "inadvertent critically"—an unwanted nuclear reaction—began. After about two seconds, computerized controls cut in with a "scram," the nuclear word for an emergency shutdown.

The incident also caused somewhat of a chain reaction at the Atomic Energy Commission, resulting in an instant memorandum on the situation with a 71-destination routing slip, an investigation and, eventually a $15,000 fine, only the second the agency has ever levied against a nuclear power plant.

ORDER FOR RECOGNITION OF SENATOR HATFIELD TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders or their designees have been recognized under the order, Mr. HATFIELD be recognized for not to exceed 15 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to called the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECESS TO 1 P.M. TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until the hour of 1 p.m. today.

There being no objection, at 12:31 p.m. the Senate took a recess until 1 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. HASKELL).

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER (Mr. HASKELL). Morning business is now concluded.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The PRESIDING OFFICER. Under the previous order, the Senate will now resume the consideration of the unfinished business (S. 3044), which the clerk will state.

The legislative clerk read as follows:

S. 3044, to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

The Senate resumed consideration of the bill.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum with the time to be taken out of both sides.

The PRESIDING OFFICER. Without objection, it is so ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. COOK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COOK. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is amendment No. 1070 to S. 3044. The amendment will be stated.

The amendment No. 1070 is as follows:

On page 2, line 1, strike all through page 86, line 17, and insert in lieu thereof the following:

TIME PERIOD FOR FEDERAL ELECTIONS

SEC. 2. The Federal Election Campaign Act of 1971 is amended by adding at the end thereof the following new title:

"TITLE V—TIME PERIOD FOR FEDERAL ELECTIONS

"FILING DATE

"SEC. 501. (a) No later than the first Tuesday of September preceding a regularly scheduled election, or sixty days preceding a special election, each candidate must file a registration statement with the State Secretary of State or the equivalent State official, in order to be cligible to appear on the primary or election ballot in such State or States. The registration statement shall include—

"(1) the identification of the candidate, and any individual, political committee, or other person authorized to receive contributions or make expenditures on behalf of the candidate in connection with the campaign;

"(2) the identification of any campaign depositories to be used in connection with the campaign;

"(3) an affidavit stating that no collections or expenditures have or will be undertaken in connection with the campaign prior to the filing deadline;

"(4) the identification of the party whose nomination the candidate will seek, or a statement that the candidate will seek to appear on the primary and election ballot as a candidate independent of any party affiliation.

"PRIMARY ELECTION

"SEC. 502 (a) All candidates for Federal elective office shall be nominated by means of a primary election to be held on the first Tuesday of October preceding the election, or thirty days preceding a special election. There shall be only one primary ballot or list of possible nominees for each party and one primary ballot or list for all nonpartisan candidates, and no candidate may appear on more than one such ballot or list. Each voter shall be entitled to vote for candidates from only one ballot or list.

"(b) Qualification of voters, determination of eligible parties, as well as rules and procedures for conducting the primary election shall be the responsibility of the States. Presidential electors and alternates shall be nominated by State political parties.

"PRIMARY ELECTION RESULT

"SEC. 503. The person receiving the greatest number of votes at the primary as a candidate of a party for an office shall be the candidate of the party at the following election: *Provided,* That any candidate who is the sole candidate for that office at the primary election, or who is only opposed by a candidate or candidates running on the same ballot or list of nominees and is nominated at the primary shall be deemed and declared to be duly and legally elected to the office for which such person is a candidate. Any independent candidate receiving at least 10 percent of the total votes cast for the office for which he is a candidate at the primary, or a vote equal to the lowest vote received by a candidate seeking a party nomination who was nominated in the primary shall also be a candidate at the following election."

LIMITATIONS ON CONTRIBUTIONS AND EXPENDITURES

SEC. 3. Section 608 of title 18, United States Code, is amended to real as follows:

"§ 608. Limitations on contributions and expenditures

"(a) No person who is or becomes a candidate, or political committee for such candidate, in a campaign for nomination or in a campaign for election to Federal elective office may, directly or indirectly, in any way whatsoever—

"(1) accept or arrange for any contribution, or expend or contract for any obligation, prior to the filing deadline for the election; or

"(2) accept any cash contribution in excess of $50; or

"(3) accept any contribution, contract for any obligation, or make expenditures not budgeted and reported as provided by section 434 of title 2, United States Code, after a date two weeks prior to the scheduled election date; or

"(4) make expenditures or contributions in excess of $10,000 from his personal funds, or the personal funds of his immediate family, or from such funds being contributed or expended through the use of a third party.

"(b) Any deficit incurred in connection with a campaign for nomination or election to Federal elective office shall constitute a violation of this section, and such deficit shall be paid only by means of contributions received under the supervision of and according to a procedure which shall have the prior approval of the Comptroller General.

"(c) Violation of the provisions of this section is punishable by a fine not to exceed $1,000, imprisonment not to exceed one year, or both.".

SEC. 4. Title 18, United States Code, is amended by adding the following sections:

"§ 614. Contributions by political committees

"Political committees shall not make any contribution to any candidate, political committee, or other campaign for Federal elective office: *Provided,* That such committees may administer or solicit contributions, so long as such contributions are given directly by the initial contributor to a candidate or political committee.

§ 615. No more than one political committee

"A candidate may establish no more than one political committee, which shall be in such candidate's own name: *Provided,* That the name of the committee, as well as the name of its chairman and treasurer, shall be filed with the Comptroller General immediately upon its formation; and should such a committee be established, all contributions received or expenditures made in connection with the campaign for nomination or election to Federal elective office shall be received or made by such committee and not by the candidate.".

REPORTS

SEC. 5. Section 434 of title 2, United States Code, is amended to read as follows:

§ 434. One report by political committees or candidates

"(a) Each treasurer of a political committee supporting a candidate or candidates for Federal elective office—or each candidate, should such candidate not establish a political committee—shall file a report with the Comptroller General two weeks prior to a scheduled election date for such candidate or candidates.

"Contents of Reports

"(b) The report shall be cumulative, shall report with respect to any activity in connection with the candidacy, and shall disclose—

"(1) the full name and social security number of each person who has contributed to the campaign, together with the amount of such contributions;

"(2) the full name and mailing address of each person to whom a debt or obligation is owed;

"(3) the full name and mailing address of each person to whom expenditures have been made, together with the amount of such expenditures;

"(4) the total sum of all contributions received;

"(5) the total sum of all expenditures; and

"(6) the total sum of all debts and obligations.".

PENALTIES

SEC. 6. (a) Section 444 of title 2, United States Code, is amended to read as follows:

"§ 441. Penalties for violations

"Any person who violates any of the provisions of this subchapter shall be fined in an amount at least equal to three times the amount of any monetary violation, or, in the case of nonmonetary violations, such amount as will satisfy the provisions of this subsection. The moneys collected from the fine shall be spent by the violator for general publication or transmission, to the widest possible extent in the geographical area in which the campaign or election was held, of at least the content of the Comptroller General's findings. The means of such transmission or publication shall be determined by the Comptroller General, and shall require the complete expenditure of the fine, unless the Comptroller General determines that a lesser amount, determined by him, will achieve complete publication and transmission of the nature of the violation. An additional fine may be levied if the Comptroller General shall determine that, due to the nature of the violation, an additional amount is needed to properly publish the violation.".

(b) Title 18, United States Code, is amended by adding the following section:

"§ 616. Penalties for violations

"Any person who violates any of the provisions of this subchapter shall be fined, in an amount at least equal to three times the amount of any monetary violation, or, in the case of nonmonetary violations, such amount as will satisfy the provisions of this subsection. The moneys collected from the fine shall be spent by the violator for general publication or transmission, to the widest possible extent in the geographical area in which the campaign or election was held, of at least the content of the Comptroller General's findings. The means of such transmission or publication shall be determined by the Comptroller General, and shall require the complete expenditure of the fine, unless the Comptroller General determines that a lesser amount, determined by him, will achieve complete publication and transmission of the nature of the violation. An additional fine may be levied if the Comptroller General shall determine that, due to the nature of the violation, an additional amount is needed to properly publish the violation.".

COMPTROLLER GENERAL

SEC. 7. The Federal Election Campaign Act of 1971 is amended by inserting the words "Comptroller General" wherever the words "supervisory officer" appear. The Comptroller General shall make such rules or regulations as may be necessary or advisable for carrying out the provisions of this Act: *Provided*, That any rules or regulations so promulgated shall be published in the Federal Register not later than December 31, 1975.

EFFECT ON STATE LAW

SEC. 8. The provisions of this Act, and of rules or regulations promulgated under this Act, preempt any provision of State law with respect to campaigns for nomination for election, or for election, to Federal office (as such term is defined in section 301(c)).

PARTIAL INVALIDITY

SEC. 9. If any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the validity of the remainder of the Act and the application of such provision to other persons and circumstances shall not be affected thereby.

EFFECTIVE DATE

SEC. 10. The provisions of this Act shall become effective on December 31, 1975.

Mr. WEICKER. Mr. President, a parliamentary inquiry. Is it necessary that the amendment be read?

The PRESIDING OFFICER. The amendment has been called up. It is not necessary that it be read.

Mr. WEICKER. Mr. President, I ask unanimous consent that Messrs. Field, Mihalec, Dotchin, and Baker of my staff be permitted access to the floor during debate on this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. Mr. President, will the Senator from Connecticut yield me 5 minutes?

Mr. WEICKER. I am happy to yield 5 minutes to the Senator from Alabama.

The PRESIDING OFFICER. The Senator from Alabama is recognized for 5 minutes.

Mr. ALLEN. Mr. President, I thank the distinguished Senator from Connecticut for yielding time to me. I shall support his amendment, but the purpose of asking for the time now is to comment on two amendments that I will send to the desk after I have concluded my remarks, that would change the matching formula on primary races and would change the substantive provisions on general election races as to House and Senate races.

There has been considerable conjecture and argument as to whether the bill is an incumbent's bill or a challenger's bill, that is, whether it is weighted in favor of the incumbents or weighted in favor of the challengers.

The Senator from Alabama feels that if one side or the other should be favored, it should be the challengers on account of certain built-in advantages that the incumbents do have. So, in order to remove any doubt about whether the challengers or the incumbents are favored, I have prepared two amendments, one dealing with the primaries of House and Senate Members and the other dealing with general elections of House and Senate Members.

The first amendment would have to do with primaries, and under the provisions of the bill the Federal Treasury would match dollar for dollar the contributions up to $100 received by the various candidates for the House and the Senate, and there would be equal matching.

The amendment I am offering as to primaries, as to incumbents it would match only one-half of matchable contributions, whereas for challengers it would match fully, that is dollar for dollar the contributions received by challengers. In other words, the Federal Government would match only one-half of the private contributions, private eligible contributions for incumbents but would match all of the eligible contributions received by challengers.

In the second amendment, in general elections, whereas the bill provides that the Federal Government would pay a subsidy of 15 cents per person of voting age in the congressional district or in the State, as the case might be, whether Congressman or Senator, the amendment would provide that only one-half of that amount would be paid to an incumbent, whereas the full subsidy in the general election would be paid to a challenger.

Under these provisions there would be no doubt but what this would give the challenger a break and would offset some of the built-in advantages an incumbent would have.

I believe it is necessary to make some distinction between a challenger and an incumbent as to the amount of the Federal subsidy that is given to the challenger and an incumbent. I believe these amendments, if adopted, would remove some of the built-in advantages an incumbent has in races, both in primaries and and in the general election.

Mr. President, I submit these amendments and I ask that they be printed and lie on the table, to be called up at a later date.

The PRESIDING OFFICER. The amendments will be received and printed, and will lie on the table.

Mr. ALLEN. Mr. President, I yield back the remainder of my time. I thank the distinguished Senator from Connecticut.

Mr. WEICKER. Mr. President, it is my intention to ask for the yeas and nays on the amendment. I will not do so at this time but certainly as we draw closer to hour of 3 o'clock I would appreciate it if we might get a sufficient number of Senators in the Chamber to assure the yeas and nays.

Mr. President, the amendment before the Senate is in the nature of a substitute to the bill. Some of the features of the bill are incorporated, so far as tightening up finance procedures during a campaign, yet the principal thrust of the bill as it relates to our election procedures is not only different from any proposed in the bill but completely different from our common practices so far as the selection and election of candidates within our present political system.

First, I wish to try to set a tone for what I advocate by saying I do not doubt in any way the desire to reform our campaign practices so far as the proponents of S. 3044 are concerned by the members of the committee, the Senator from Nevada (Mr. CANNON) and others who have led the way, the Senator from Massachusetts (Mr. KENNEDY), and organizations such as Common Cause. I believe very much in their desire for reform and their desire to set straight that which appears to have been done wrong, as brought forth by various bodies during the past year.

Yet it seems to me the problem is far bigger than any individual abuse of campaign finances and it just cannot be resolved in the normal way. Rather we have to take a careful look at our political procedures and relate back to the abuses that have taken place. So I intend to argue vigorously for my way to achieve reform, and it in nowise is meant to discredit those who have another way of going about the same business.

First let us relate to the bill, if we might, and go over the various aspects of that bill and what they intend to accomplish. Then, I would like to spend most of my time discussing the principles involved.

SECTION 1

Page 1 of S. 3044 is retained, thereby keeping the title of the act as the "Federal Election Campaign Act Amendments of 1974". Everything else in the original bill is deleted.

SECTION 2

This section is titled "Time Period for Federal Elections," which indicates the main purpose of the section—to cut down the length of campaigns. This has two objectives: First, to save money; and second, to make campaigns more palatable and reasonable.

This is done by adding a new title—title V—to the "Federal Election Campaign Act of 1971." The first section of the new title sets up a filing date:

On the first Tuesday of September, or 60 days before a special election, all candidates must file a registration statement, containing:

Name of the candidate. Names of any person or committee authorized to accept or spend money.

Names of any campaign depositories.

An affidavit swearing that no money has been collected or spent prior to the first Tuesday in September.

Name of the party of the candidate, or that the candidate will run as an independent.

The second section of the new title V sets up a procedure for one, and only one, primary to select nominees for the election itself.

First. All nominees would be selected through this direct primary, including Presidential, senatorial, and congressional nominees.

Second. The primary date would be the first Tuesday in October.

Third. A candidate could only run for one party's nomination.

Fourth. Voters could only vote for one party's slate of possible nominees.

The qualification of voters, parties, and the procedures for conducting the primary would be handled by the States, which is the same as it is handled presently. No primary runoff.

In summary, the second section means that the people, not some circus-like convention, would select candidates. It would prevent the so-called cross-over vote, which often distorts primaries—voters have to choose one party primary to vote in. It also allows independents to participate in determining who the final candidates shall be.

The third section of the new title V says simply that the nominee selected by the primary shall be the candidate receiving the greatest number of votes from his party's voters.

No runoffs, with their attendant expenses and added campaigning.

The incentive is clearly for the parties to bring their support behind a reasonable number of possible nominees, to avoid excessive fragmentation of the party's vote. This should, as an offshoot, enhance the role of the party.

This is the essence, and I will get into other aspects of the bill, of change that is considerably different from anything that has been discussed in tackling the financial aspects of the problem that confronts our country today. There really are two problems that relate to the difficulties we have encountered in our campaigns. One, we all would agree, is the cost of those campaigns; and two, is the failure to utilize the entire electorate in the selection and election processes. We all concede that the cost of campaigning in this country has gotten beyond all reasonable bounds.

When President Eisenhower was reelected in 1956 the campaign cost was roughly $8 million. To the best of our knowledge President Nixon's 1972 campaign cost $72 million. So clearly the cost of campaigns has soared and given impetus to the type legislation presented on the floor of the Senate. I wish to just ask a simple question, or set forth a hypothetical example in the extreme. If the costs of the Presidential campaign were $100,000 would we be turning to the Federal Government to resolve the problem? The answer is "no." So it is not the question of money; it is the amount of money. We use the $72 million almost as a floor rather than trying to tackle it and cut it down.

We concede the expense. And we turn it over to the Government. We do not do anything to reduce the amount. We merely shift it from the private sector to the governmental sector. We shift it from an area of choosing to an area of law, and I do not know of anything that relates to amounts of money spent by the Federal Government that ever went down. It is going to go up. No politician now has to earn his votes or his contributions, he is guaranteed the contributions, and it seems to me all we are leading to there is the subsidization of mediocrity.

The additional fact is that what you have done is shift the burden to all the taxpayers, whether they like it or do not like it.

Probably the most unfortunate of all is that it is an open-ended type of operation. There is no ceiling on it, either insofar as the number of dollars or the number of candidates is concerned.

I grant you that the abuses presented during the past year are considerable and we do need reformation of our spending practices in the political sense, but I do not concede to you that a presidential campaign has to cost $72 million. I do not concede to you that a senatorial campaign in my own State of Connecticut has to cost $1 million. I do not concede to you that a congressional campaign, in my State of Connecticut, has to cost $1 million. I do not concede to you that a congressional campaign, in my State of Connecticut, has to cost $100,000 or $200,000.

I would rather go ahead and see whether we can cut down that cost so it can be appropriately and properly handled as a matter of choice among the public as a whole, rather than become a governmental obligation.

All the bills to date have had some sort of ceiling. They have implied Government financing. What about changing the basic structure of the campaign itself? There is not a man in this Chamber who does not understand that for 2 years—I speak as a Senator—he makes preparation for his election or reelection—2 years. So the process in effect is a 2-year process to those of you in the business, in the know. But certainly insofar as the public is concerned, they know it takes at least 1 year.

What is there in the nature of a man or woman and their ideas that requires 1 year of hammering away on the ears of the electorate in this country? Cannot the job be done in a lesser period of time, and thus cut down the cost of campaigning? The answer is "Yes."

This inevitably brings me to another phenomenon which is occurring at the same time we increase our consciousness of our political spending abuses, and that is the way the electorate itself is changing. In my State of Connecticut in the last reporting period, 13,000 persons were registered as Republicans, 14,000 were registered as Democrats, and 45,000 were registered as independents. So clearly the role of both major parties is declining instead of continuing, and that is not a phenomenon restricted to my State. The latest Gallup poll has shown again a linking up of the voters between each major party is diminishing month by month and year by year.

What are we going to do with people who call themselves Independents? Do they have to choose either the Republican or the Democratic Party? If so, can anyone on the floor tell them why they should choose one or the other?

I recently received what I considered to be a rather insulting letter from one of the organizational leaders of my party which asked, "Will you please give three reasons why you are a Republican?" I find it a little difficult as a Senator, and I think Democrats would find it similarly difficult, to answer and give three reasons why one is either a Republican or a Democrat. I think more and more it is the Senators and Congressmen who are giving the image to the party rather than the party which is giving it to Senators and Congressmen and those who serve in an elected capacity.

That is nothing to be afraid of. It indicates a maturity on the part of the American voting public, that the man or woman, their ideas, their principles, are far more important than a label. What does it mean if somebody comes to you and says, "Vote for me. I am a Democrat," or, "Vote for me. I am a Republican"? It means very little. People want logic. They want reasons. They do not want labels. And yet, in a technical sense, I suppose each one is saying, "Well, what we do not want to do is abandon the two-party system. It has served us so well in an administrative sense."

What I have tried to do in the course of this amendment is to provide a machinery which will not do away with the two-party system but which permits this huge number of voters to come into the system and to participate in the selection process, which is fully as important as the election process. Fifty percent is selection and 50 percent is election.

What is going to happen if the trends that have taken place continue? As the parties get smaller and smaller, fewer and fewer will dictate who the candidates are going to be. Yet I do not accept as a remedy for that the fact that one has to join the Republican Party or the Democratic Party. Rather, I want to give to the voters of the country the opportunity to join in the election process even if they themselves wish to remain aloof from a particular political label.

So on both counts, in view of the abuses that have occurred in the political system, when we shorten the campaign and when we use the primary process, inevitably the cost comes down. By using that primary to allow the independent to vote, the maximum number of people participate in this political process.

I will tell you, Mr. President, we can write every law on the books from this Chamber and across the way, with the signature of the President, and nothing is so effective in a democracy as the numbers of people participating in the election process, insofar as to safeguard everything we hold dear.

Remember this: When this country was founded, a few men of knowledge, a few men of wealth, wrote down the great concepts that we have in our Constitution and our Bill of Rights. America as a whole did not participate in this country. They could not. Either they were ignorant, had no property, or were in peonage—you name it. Just a few men ran the Nation, and they set down those words, those ideals, from which our present democracy has sprung.

I do not think any one of us would refute the fact that even 20 or 25 years ago, if you got a group of people on the sidewalk, perhaps 5 or 10 were in a position to make decisions and know what was going on. Yet today, out of that same group, perhaps everyone except two or three are in a position to make decisions and know what is going on. That is the result of our investment in education. It is the result of our investment in technology. It is a result of the news media having gone ahead and expanded their own capabilities, their own coverage. So that today we truly have a democracy—not just a few of the leaders, not just the news media, not just those in education, who tell the rest of America what is good for the rest of America, but, rather, Americans themselves standing on their own feet, making their decisions.

Unless you understand that—and I now refer to my colleagues in politics, Democrats and Republicans—you are in danger of not being in politics very long. That is the change that has come over America, an America which is not led just by a few, but, rather, one which is a democracy led by all of its people partaking in the decisionmaking process.

That is why the necessity for reform. That is why the primary route rather than the convention. That is why the convention looks sillier and sillier, as a few of the party faithful gather and the rest of America watches that spectacle for that one moment in time when the rollcall takes place, and the platform and all the hullabaloo along with that. Whoever reads it or sees it, except as it comes over television during the convention?

This Nation and its voters are interested in what the individual stands for, his ideas, his principles, what he is going to do, not some great generality buried in a pamphlet which comes to life during a convention and is then promptly forgotten in the usual tradition.

I have said many times during the recent troubles that in the plurality of our institutions lies the strength of this Nation, and anyone that looks to any one of the institutions as being the answer to its problems will fail. All trust and faith in the judiciary, if nothing else, will be a mistake. All trust and faith in the executive will be a mistake—or in the legislative branch, or in the news media.

Rather, it will be in the plurality of our institutions, because our greatest strengths are in those institutions and in the principles of the country.

The same holds true as far as candidates in the election process are concerned. The more people who are in there doing the job, the better the candidates we will have. People have made comments such as, What will 1974 mean to the various parties? In the light of the facts of the past year, my answer is that it is not going to be a great boon to the Democratic Party and it is not going to be a great disaster to the Republicans. The American people are going to look carefully at the candidates of both parties, something we have neglected to do.

What has happened, that has caused Watergate is that people have failed to pay attention to the political process and have failed to pay attention to the exercise of their right to vote. That has come home to them this year. So I think it is the American people who are going to look at the candidates, from whom will come the largest and best group of new officeholders in the Nation's history.

In the plurality and the number of people participating in elections in our Nation's greatest strength. That is a far greater safeguard against fraudulence or corrupt practices than any law which we can write. That is why, to me, the provision of the 60-day direct primary and independent participation in the election process goes to the heart of reform of both areas—the quality of the candidates and the lessening of the role of money in American political campaigns.

I should like now to move over to the section that deals with financing. But one point just before I leave the time element. The point I should like to reiterate is the period of 60 days for filing by a candidate. What politician will tell us that he is engaged in an extensive campaign prior to that date I will tell you, Mr. President, that in my own political style it is better for me to have a long campaign rather than a short one. God has given me physical stamina to do it. But 90 percent of the campaigns do not get revved up until after Labor Day. So in a practical way this does not change anything a great deal.

Filing would be on the first Tuesday in September; the primary on the first Tuesday in October. This includes the national Presidential primary. Then the general election, as has always been the case, would take place on the first Tuesday of November. Sixty days is certainly a long enough time for people to understand the candidates and to evaluate what it is they stand for and what it is they promise.

I might add that from a financial point of view—and this will lead me into my next area of discussion—there would be no collecting of money and no expenditures of money except within those 60 days.

Let me anticipate one of the arguments that may be presented—that this is going to help the incumbents. I cannot devise—and I do not think any other Senator can devise—a system which will have a degree of unfairness in challenging an incumbent. Actually, we all know that an incumbent has many things going for him, even now. Yet incumbents are turned out rather regularly from all offices throughout the country. In some ways, I think that in the election of 1974, it will be the biggest drawback anybody has to be an incumbent. So incumbency is a problem we have to live with.

Am I willing to see to it, for instance, that everybody who is an incumbent has to declare as a candidate on January 1 of an election year? Am I willing to say that he cannot use his franking privilege in a newsletter after February 1 of the election year? Anything to try to make it fair. Anything to put it on an equal footing. Anyway, insofar as financing is concerned, we are talking about 60 days, not a year or 2 years.

Mr. COOK. Mr. President, will the Senator yield?

Mr. WEICKER. I am happy to yield to the Senator from Kentucky.

Mr. COOK. I thank the Senator from Connecticut. As he is aware, the Senate, on June 27, 1973, passed S. 343, a bill introduced by the distinguished Senator from West Virginia (Mr. ROBERT C. BYRD) and myself. The bill passed the Senate by a vote of 71 to 25. It provided that no primary in the United States for a Federal office could occur before the first Tuesday in August. The Senator calls for the first Tuesday in October.

We further provided that no national convention—I notice that the Senator has eliminated national conventions, and that could be a blessing to the American television viewer—could occur before the first Tuesday in August. The general election day would remain the same.

I may say to the Senator from Connecticut, I have no great problem with his October date. I have always contended that one of the ways really to cut down on the demand for tremendous sums of money is to shorten the period in which one could campaign. If we establish a Federal primary date for congressional elections, as we certainly have the right to do, we could then bring the dates of this period closer together. We will find ourselves in the position we find ourselves in today.

It is rather strange to me that a Senate seat in the State of California should cost $7 million or $8 million, or more than that, let us say, in the State of New York. It would seem to me that if we bring the dates closer together, we would eliminate the necessity for the expenditure of such tremendous sums of money.

That bill passed by a vote of 71 to 25 and is now in the House. I must say that I do not know whether the 4-week or 5-week campaign could resolve the problem. I am not saying that it could not.

As the Senator well knows, we do put an expensive burden on the Federal Government in regard to taxpayer expense, unless we have some really strong restrictions on the use of the frank—which I have no objection to doing. I think the Senator knows that. We in the Rules Committee really did not tackle this matter from that point of view.

But I must say that the Senator's arguments are very valid in regard to bringing the dates closer together, shortening the period tremendously. We then find ourselves in a position that we cannot, under any circumstances, call for or justify a tremendous expenditure of funds that we now find candidates feel is necessary to continue a year-long or longer campaign for election to Congress—the Senate or the House.

I commend the Senator from Connecticut for his remarks, because I hope that his argument will dissuade States from making determinations as to who may find himself in a position of filing for a primary—and most of them are Presidential primaries—and finally making a determination as to whether he can make an expenditure in January, or who can establish a basis by which our remarkable friends in the press can start to get the bandwagon rolling, and put things together. I hope that they would be able to dissuade the States from doing that, because we do ourselves tremendous harm in regard to our ability to finance campaigns and raise that kind of money from the public.

One other point, which really does bother us in the bill before us, S. 3044. Although I voted to bring the bill before the Senate, I thought that maybe we had time for an opportunity to finance the campaign. We speak of the large number of independent voters which we now have—and I think that is tremendously helpful—what we do in a way by this bill, and I think the people of the country should understand it and become very aware of it—I have not read it in anything that has come out of Common Cause or any editorials that have said that this is what we must do, and that is that the Constitution does not name any parties.

The Constitution does not say there shall be two parties in the United States. But I am afraid we are looking at a bill that will absolutely build in no more than two parties. I am afraid we are looking at a system whereby we build in, in perpetuity, two major parties in the United States.

Let me give the Senator an example. If, under the election we had the last time, there were two major parties, the Republicans and the Democrats, I give one, for the sake of argument, 50 percent and the other 40 percent. That is, 45 percent of the voters in the country were for one of the two major parties. Therefore, we split the difference, and we allocate to them based on 45 percent.

There is a third party which has a candidate, and that third party candidate had 5 percent. Take the fraction 5 over 45, and it comes out one-ninth. That means we give the Republican Party, in the next Presidential election, $9 million out of the funds, we give the Democratic Party $9 million out of the Federal funds, and we give to the third party $1 million. How can a third party ever become a first or second party in the United States? Are we not building in permanently and forever the two major political parties and saying to the American people "Take your choice"?

I have serious misgivings about this, because nowhere in the Constitution did we say how many parties there shall be in this Nation. Yet, I am afraid that by this bill we may well be doing that. I think we should understand it, and I think the American people should understand it; and I think the American people should also understand—I am not sure they want it this way; if they do, then this is the way we should do it—as we go forward in this effort, and apparently a majority of those on this floor think we should, the consequences of saying, "Here are the two giants, and the third shall always be last."

Because, based on the votes in 1976, the distribution shall be made in 1980, and that means that the two major parties, whatever their percentages are—and a candidate becomes a major if he reaches 25 percent or more, and if he is below he shall always be a minor unless he does not take under this bill, and then he subjects himself to the criticism of the two majors, because he has gone out to try to raise money to make himself equal, in the eyes of the American people, to the candidates of the two major parties.

I think this is something we have got to understand. I thank the Senator for this dialog.

Mr. WEICKER. I thank the Senator from Kentucky. I think it is especially useful to listen to the words of the Senator from Kentucky and understand that simply because he has some reservations about the bill, as indeed I do, it does not mean we are against reform. We just have to start to do our homework in this country, and start facing the fact that we are not about to demagogue this issue.

We all understand the need for reform, but what I am trying to do is come out with something intelligent, that is worthy of the greatest political process ever known to man, rather than just slap a band-aid on to try to make everyone feel good, and then find out we have created something far worse than that which we already have, which is bad enough, and no one is defending it in any way.

I think, as we have listened to the Senator from Kentucky, we have realized that he has pointed out the pitfalls, not because he has anything to gain from private contributors, but because he understands that if indeed there is going to be a cleaning process, and if indeed the voters are to be given a choice, the type of reform we are discussing has to come to pass; otherwise the American people will believe the situation is reform when in fact it will be havoc.

So I commend the Senator for his comments, because I know of his dedication to getting this mess cleaned up. It does not make any difference whether it is his head or my head, we think that we are going to do things right. I think that is basically what the Senator from Kentucky is saying. It is not a question that either of us are going to rely on campaign funds from our own States. That has nothing to do with the debate on this floor. As I said before, it is not simply a case that those who are for the bill as written are for reform, and those who are not are against it. That is not the case at all.

It has got to be clear, from every poll that has been taken, whether in my State or across the Nation, that the American people do not necessarily want to be restricted to the choice of Democrats or Republicans. Otherwise, if the Republicans are doing so badly and the Democrats so well right now, why not just join the Democratic Party?

The fact is that we have gone through two administrations, one of each party, where clearly an excess of power has been turned against the best interests of the people of this Nation, and they have every reason to have a distrust of both parties.

Why should we be subsidized, Mr. President? Why should we not be out there on our own merits, facing the American people, rather than have Federal campaign financing and have our mediocrity and our inattention to detail subsidized by the people of this country?

When we get to the financing areas, the Senator from Kentucky and I can be very much in agreement when it comes to full disclosure, limited contributions, no cash, and all the rest. But there is no point in saying we want the present system. We do not. We want change, but as I say, we want change that is worthy of the institution of Congress, rather than something that is based on temporary emotion.

There are two points I would make in relation to one of the comments that the Senator made. My bill does not eliminate the convention. It does not say a thing about it. Obviously, though, there will be serious debate among the political parties when it comes to the fact that they are just going to meet for the purpose of stating ideas, and so forth. I would imagine that it will have as great an appeal; I imagine that ought to attract the viewing, listening, and reading public as much as anything, but these people will feel, "You are going to take all the appeal away when you eliminate the candidate selection process." But under my amendment, the selection is not going to be done in a convention hall or a smoke-filled room; it will be done across this Nation, with the people of this democracy being the delegates.

We talk about one man, one vote. We have achieved that. Why should it be any the less so when it comes to choosing the candidates? Why should it be any the less so when it comes to choosing a candidate, so far as one man, one vote is concerned? It should not be. And choosing a platform in October should be the same as going ahead and choosing a candidate.

Just so that no one will come back at me, my State of Connecticut is far in arrears on this whole business. We are one of the few States still operating on the basis of a convention rather than a primary. I have already advocated that we change our laws in our State, and that we eliminate the convention by going to the direct primary.

Now we move into the financing area. As I say, I think it is naturally limited by the 60 days. People can say, "Well, you know, you can go ahead and solicit, and throw an awful lot of money in." The fact is that under my amendment 2 weeks before the election a full report is published, so if somebody has gone in there and thrown a great wad of money in, everybody is going to know about it before the election takes place.

But we are talking about gearing ourselves to the exception. The fact is that 60 days of a political campaign, from the choosing right to the election process, will be one heck of a lot cheaper than what is now roughly a year and a half, really, extending out to two years. It has to be. I cannot give any definite figure, that it will cut it in half or cut it by a quarter; it is just going to cut it substantially, and I think bring it within manageable bounds.

The other aspect of the bill relates to the collection of money. As I have stated, no one can collect money and no one can spend money except within that 60-day period. They have to report their expenditures and their collections 2 weeks before the election.

Now, someone is going to step up and say, "How can we possibly do that?"

What it means is that every candidate has to start right from the first day and keep the books. And why should he not? If he cannot keep his own books, he should not be sent to keep the books of the people of this country, either in the capacity of President or Senator or Representative. Two weeks before the election, everything should be right in place, and then people will know exactly the role the money plays. It will be a self-policing measure, which should do a great favor to all of us in politics, and should go a long way toward eliminating the horrendous deficits which occur in the course of campaigns, and which, again, too many of us spend too much time on, after we are elected.

Point No. 2: it calls for one committee, and eliminates the laundering of funds. In other words, in the case of a personal contribution to one committee, the candidate's name sticks to that contribution, even though the contribution goes from one pot to another. We will not get any laundering of funds. It allows a candidate—I am doing this from memory now—$10,000 in personal money, which brings me to the business of deficits. According to the bill as I have written it, you are not allowed to run on a deficit, or to put it this way, if you have $10,000, use it any way you want to. You can have the deficit any way if you want to, but if there are problems, they will be known, and your breaking of the law will be known to the voters before the election.

I would doubt that anyone would want to find themselves in violation of the law which would be known to the public 2 weeks before the election. Again there is another practical reason for setting this deadline at 2 weeks before election. I will speak for myself so that no one else will "sit on my head," but I know that a good portion of the money I received for my successful campaign in 1970 came to me after I was elected. That I do not consider to be much of a testimony to LOWELL WEICKER. It is a testimony to the seat which he has won, to the power which he has achieved through an election win.

Mr. COOK. Mr. President, will the Senator yield at that point?

Mr. WEICKER. Better let me finish what I am going to say first. What I am talking about is a legal contribution, that comes to all who are elected, but which comes after the election is over and is then put into our campaign. That is wrong. We know it is wrong. To believe in a man or woman and what they stand for is one thing, but to give money afterward, that is merely going ahead and playing the seat. That is not right. It does not lead to healthy politics.

But in my case one-fifth, or fully one-sixth, I believe, of the funds were raised after I was elected. I do not think I am too far off the mark in that situation. That is why the cutoff date in this legislation is 2 weeks before election. You can spend money on those things already committed, but you cannot go ahead and make any new commitments. You cannot go ahead and collect any money, except during those 60 days, which is what we are talking about—46 days of fundraising—the full 60 days being that which applies to campaign spending.

Let me comment on another point brought out by the distinguished Senator from Kentucky. He remarked on the campaign bill we passed last year which now sits over in the House. Many ideas have come to pass since then. As a matter of fact, my bill presented to the Rules Committee then did not include the 60-day provision which I present to the Senate today. What I am saying here is that we need time to generate the best of everyone's thinking and not just to grab the first solution that comes along.

Let me review if I can, in case I have left anything out, that section 3 of the substitute amendments amends the "limitations on contributions and expenditures" that are presently in existence. The proposed law would be as follows:

First. No contributions, or even an arrangement for contributions prior to the first Tuesday in September.

Second. No expenditures on contracts before the first Tuesday in September. No cash over $50.

Third. A cutoff on money 2 weeks before the November election—A candidate can, however, "budget for" his anticipated expenses for the last 2 weeks of the campaign.

Fourth. No more than $10,000 from the candidate's personal funds.

Fifth. No deficits. A deficit would be a criminal violation, and would be known, by the opponent as well as the voters, 2 weeks before election day. To incur a deficit would be to be on public record as in violation of the law, and having to explain this to voters you are asking to give you high public trust—for the protection of creditors, the deficit could be paid off in a proceeding similar to bankruptcy, under the supervision of the Comptroller General.

SECTION 4

Section 4 of the amendments would stop contributions between political committees in a "laundering" sense.

Committees could contribute money. But, it would have to be given in the name of the original donor. This means that the candidates final report will contain the names of people, not organizations. There will be no hiding the true identity of a donor. Committees, such as COPE, could still perform a valid function: Soliciting or administering contributions in the name of an individual donor.

SECTION 5

One political committee. A long overdue, and essential step if the public is to be able to keep track in a practical way, of the candidate's financial activities.

SECTION 5: REPORTS

Vastly simplified over existing law.

First. Only one report, 2 weeks before election day.

Second. Report everything. All money brought in. All money spent, just as any normal business organization is required to do.

Third. The timing of this report will be the greatest deterrent of all against one or a few large contributors from giving such a large amount of money to a candidate. This would happen because such contributions would be known by all voters, before they vote. The candidate is in the position of losing votes, by being clearly obligated to a small special interest—either an individual or a group. There can be no more practical deterrent to excessive contributions than the sanction of losing votes.

SECTION 6

The last section of the amendments I am offering would reform the penalties for campaign financing violations.

This section proposes meaningful penalties.

If a candidate violated financing laws, a fine equal to three times the amount of the violation would have to be paid.

This money would then, under the Comptroller General's supervision, be used to publicize the facts of that violation. It would be exposed in the geographical area in which the election is held.

What greater sanction than to let those who control the fate of an elected official know about his wrongdoing.

Now, Mr. President, that, in essence, is the sum of the amendment and the reforms it proposes.

Now we get to some of the difficulties I have with the present legislation. I cannot think of anything more dangerous than deeply involving the Federal Government in our political elections

Good heavens, what is it that we have seen that appalls us the most from the revelations of Watergate? It is not the individual guilt or innocence of the various people. It is in the abuse of the tremendous power that the Government has.

The PRESIDING OFFICER (Mr. DOMENICI). All time of the Senator from Connecticut has expired.

Mr. WEICKER. That included the colloquy with the Senator from Kentucky (Mr. COOK) and myself?

The PRESIDING OFFICER. Yes.

Mr. WEICKER. That came from my time?

The PRESIDING OFFICER. The Senator from Connecticut is correct.

Mr. WEICKER. Could I ask the Senator from Kentucky to give me a few more minutes?

Mr. COOK. I yield 5 additional minutes to the Senator from Connecticut.

The PRESIDING OFFICER. The Senator from Connecticut is recognized for 5 additional minutes.

Mr. WEICKER. Mr. President, we have seen the abuse of governmental power in the FBI, the CIA, the military intelligence, and the various law-enforcement agencies—the internal security of the Justice Department. The integrity of these agencies was totally believed. They had a magic name. We did not have to supervise them. They were good enough. They had the right names. They were in the right business—forget it, no accountability was necessary.

But, what did we learn?

We learned that there always has to be accountability, no matter whether it is an individual or an agency.

Today, we are being asked to do the exact same thing, that because it is the Federal Government it is all right. For heaven's sake, the Watergate investigation did not for the most part, investigate the private portion of our populous. What has gone wrong has gone wrong in the Federal Government. But we still want to go ahead and give the Federal Government the power to finance, the power to be responsible for the administration of the financing of our political campaigns.

As I said, I am going to go up or down. I hope that the amendment passes. If it does not, it will stand within the next few years, I can assure you, Mr. President, But I am not going to be party to giving the Government with all of its power, additional power in this area, until the Government can prove itself.

I feel much safer with the American people than I do with the Government on any aspect of it.

I stated at the outset of my talk that in the participation of the American people in the democratic process lies our greatest safeguard against the abuses which occur within the political process.

Mr. President, I would yield now, if I could, to the Senator from Kentucky and I hope that I might be able to get a few minutes time before the vote to summarize my argument.

I should also ask again—I am trying to accommodate myself to the convenience of everyone—but I should like to ask for the yeas and nays and would appreciate it if we could possibly do something along that line as we get closer to the time of the vote. But I want to indicate my feelings now.

Mr. COOK. May I say to the Senator from Connecticut that there will be time remaining I am sure. There will be no problem in yielding him further time.

At this time, I yield 5 minutes to the Senator from Iowa (Mr. CLARK), and if he cares for more time, he may ask for more.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. CLARK. Mr. President, I thank the Senator from Kentucky.

Certainly, the distinguished Senator from Connecticut speaks with great information and authority. His record in the Senate on the Watergate Committee, the courage he has shown on that committee, and the fairness and nonpartisan attitude he has had, makes him one of the most informed Senators on this issue.

I would like to talk just briefly about his amendment. It seems to me that it is weighted too much in favor of the incumbent. Presently, 95 percent of all incumbents in Congress are reelected to office. That was true in the last election, and it has been true for decades. We should be very cautious before passing legislation that will make it even more difficult for challengers to be elected by limiting their camapign time so strictly that, in effect, we limit the challenger's opportunity.

By limiting expenditures in campaigns to 30 days in the case of a primary election and 60 days in the case of a general election, an unknown candidate may not become well enough known to be a serious challenger.

I dislike using myself as an example, but many other Senators could use their experience to make the same point. I remember that about 9 months before my campaign, the political polls showed that I was known by less than one-half of 1 percent of the voters. That may or may not have been the situation with the Presiding Officer, the Senator from New Mexico (Mr. DOMENICI), or the Senator who preceded him as Presiding Officer, the Senator from Colorado (Mr. HASKELL). But none of us had held a Federal office before, and it is inconceivable that we could have become well enough known in 30 days to have won a primary, or in 60 days to have won a general election, or even to be serious candidates. And the same is true of many Members of this body—the campaign of the Senator from Delaware (Mr. BIDEN) is probably another example.

One could go on. With 15 million eligible voters in California, how could a relatively unknown person who wants to run for Congress, become known in 30 days? That is probably not true in Connecticut, which is very much the size of Iowa with about 2 million eligible voters. But we are not legislating for Connecticut or Iowa; we are speaking on behalf of the entire country. I think that even in some of the smaller States a severe time reduction would give a natural advantage that would be difficult if not impossible to overcome.

Some people have made the argument that the campaigns are very short in England. A group of high school students just asked me today why we cannot limit the campaign, as England does. The Senator from Connecticut (Mr. WEICKER) did not raise the point, but it is worth discussing.

The simple fact is that we do not have their system. They have no national election in the sense that we do, nor do they have candidates who run nationwide. They have nothing comparable to a Senate race. The House of Commons constituencies are no more than 100,000, so they can become known more rapidly than in California, for example, where there are 15 million voters, or even in Iowa where there are 2 million voters.

Mr. COOK. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. COOK. Is it not true that the area covered by a candidate is in the vicinity of 1-mile square?

Mr. CLARK. That is correct.

Mr. COOK. One has to understand that the State of Alaska has one Representative and that State is twice the size of Kentucky. We have other States with one Representative and it is the responsibility of that Representative to cover that entire territory. That is a pretty big job.

Mr. CLARK. That is correct. One other point to be made is that, in England, candidates run on a party label, and they follow party lines almost exclusively, so the vote is for the party rather than for the individual. Here, we run much more as individuals, and we have to become known in terms of personality and issues. To try to do so in 30 days, or in 60 days in a general election, is virtually impossible.

So there are really only two effective ways a candidate can become known: one is through the media, and the other is person-to-person contact. If this amendment were passed, it would cut down on any extensive person-to-person campaigning. If a candidate had only 30 or 60 days to become known, he would have to do it through the media. There is no State in the United States where a person could come in contact with one one-hundredth percent of the people because there are too many people to contact. So campaigns will become entirely media campaigns.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CLARK. Mr. President, will the Senator yield to me for 2 additional minutes?

Mr. COOK. I yield 2 additional minutes to the Senator.

Mr. CLARK. Mr. President, in conclusion, attractive as the amendment would seem, in the sense that it would limit the time and the expenditures, it would have the effect of virtually assuring the reelection of incumbents, giving them yet another advantage. I know that is not the intent of the amendment, but I think it would be the effect. As we look at the bill now, it does two or three very significant things. It limits the amount that can be accepted to $3,000, and the amount that can be spent to 10 cents in primaries and 15 cents in general elections. It does away with the corrupting influence of unlimited funding and, at the same time, limits expenditures, giving equality of opportunity to challengers and incumbents so that in general elections they can spend the same amount. That is important.

But if we limit the campaigning time, we will have a bill which insures that 98 or 99 percent of the incumbents are returned to office.

Mr. President, I yield the floor.

Mr. CANNON. Mr. President, I yield myself such time as I may need.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. CANNON. Mr. President, I agree with the Senator from Connecticut on the philosophical ideas he is trying to get across in this amendment. First, with respect to the limiting of campaigns, I think that the period for campaigning should be shortened. It goes on far too long now. We tried to address ourselves to this in previous legislation. On June 27, 1973, we passed S. 343 by a vote of 71 to 25, which would have limited the period of time campaigns can be conducted, so I am completely in accord on that facet.

Second, with regard to contributions by political committees I see no basic harm in contributions by political committees provided that they are properly regulated. It was not the fact it was a political committee, per se, that engaged in wrongdoing in the so-called Watergate campaign that concerns everyone now. That was not the basic problem. The committees, if they are properly regulated, can contribute, should be able to contribute, and can properly contribute, under such regulations as we prescribe, to assure there are no abuses, just as we propose there not be abuses in contributions of individuals, by full disclosure of those contributions and limiting the amounts, and by providing penalties for contributions in excess of those that could be made. The abuses that were pointed out in the recent elections were for violations of law or taking advantages of loopholes in laws that we propose to correct in the legislation we now have before us and in other legislation that we have heretofore passed. I might say that S. 372 that is now in the House would have corrected and closed a number of loopholes that did occur and of which advantage was taken.

With respect to the provision of no contributions before the final date and none from the time beginning 2 weeks before the election, I might say that an unknown candidate would have no way to find out if he had a possibility of getting contributions sufficient that he could carry on a campaign unless he were able to get the facts prior to the filing date. So if he had to file first and then go out to see if he could get contributions to support his candidacy he might have invested his filing fee unwisely.

With respect to the time beginning 2 weeks before election, everyone knows there are many last-minute occurrences that take place in an election campaign that occur in the last 2 weeks. In many instances it is the responsibility of the candidate to be able to respond to charges that may be made during that period. Charges frequently are made in that period and if he has spent his money and cannot respond by radio, television, or newspaper ads he is deprived of the opportunity to participate fully in that campaign. This would be a very bad mistake. On the point of whether a national primary election should be held on the first Tuesday of November, I do not have any particular feeling one way or the other on that issue.

On the matter of no national conventions, I think if we are going to do away with national conventions, we are doing away with the two-party system. We are almost doing away with the two-party system in this bill, if it is enacted, by the restrictions that are prescribed, because, as the distinguished Senator pointed out earlier, a person who is an unknown would find it almost impossible to campaign and to try to win in either a primary or general election under the terms of this bill.

I know the Senator from Connecticut did not intend it, but I cannot think of a bill which would be more of an incumbent's bill than this bill, were it put into effect, because it just virtually precludes a person who is a nonincumbent, unless he has been a Governor of the State or some other very high public official. It virtually precludes everyone except those in that category from having an opportunity to run successfully.

Mr. President, I oppose the amendment even though it has some features that I do not disagree with completely, but the basic parts of this amendment would destroy the political system as we know it.

I yield 5 minutes to the Senator from New Hampshire.

Mr. COTTON. I thank the Senator.

Mr. President, I, too, am sympathetic with the objectives that the Senator from Connecticut obviously had in mind in drafting his amendment, and I think we all agree that the long, drawn-out process we go through now—from the time of the party conventions, which has more or less been in effect from the day when we had to travel by train, and I do not know whether it would be in the day of the stagecoach—could be speeded up.

But, among other general objections, I think it is inconceivable and entirely unwise to try to nominate all our officers, including the candidates for President, on the same day, and only a matter of 5 weeks before the election. I would have to put in a word for my own State. It is known around the United States that New Hampshire has—and this is true—the first Presidential preference primary. Vermont has one a week later. We have it way back in March. The reason for this is that the second Tuesday in March is the date of all the town meetings—many of you know what the old-fashioned New England town meeting is—and our municipal elections are held then in most of our cities. Therefore, by having the Presidential preference primary on that date, we are assured of getting out a good, representative vote, because people pour out to take care of their local business in towns and they turn out for contested municipal elections.

A large percentage of the voters are out, and when they are there, they register their preference as to who shall be their party's nominee for President of the United States.

I am sure that there are many other States that may have Presidential preference primaries that have selected some date that coincides with some other political contest that is sure to make it easier to get out a good, representative vote.

The saddest thing in this country is the fact that such a small percentage of our people vote.

Furthermore, the fact that Presidential preference primaries are spread over a period of various times in various States means that the various candidates get a chance to go into the smaller States. If it were all on the same day, why, outside of television appearances, nobody would see the leading candidates of either party for the Presidency of the United States except in the big metropolitan areas of New York, Chicago, San Francisco, and Los Angeles. They would not have the opportunity to present themselves and mingle with the people and go from State to State.

Furthermore, and this is most practical, frequently it has been our experience—it must be true in many other States—that we have legal contests as to who has been nominated for Congressman or for Senator in the State, and there is provided an appeal directly to the supreme court of our State. If there is any charge that the law has been violated by a candidate in some grave way, which might even cause his name to be removed from the ballot, there is an appeal of that contested election directly to the supreme court of the State. How in the world would we be able to go through that sort of process under this proposal? We would not know who was the nominee in time even to print the ballots, where ballots are used.

Again, there are many other objections. This substitute has, as I said, a good intent, but it is too much of a good thing. It shortens things up so that it would be extremely difficult to have an orderly process in the nomination of Federal candidates within States, and it would certainly disrupt the Presidential preference primaries. I think many of us hope many more States will nominate in that manner. But the States should still have the right, within reasonable limits—I do not object to shortening the time for the campaign—to provide their own procedure and the right to appeal to the courts if there is a contest on the ground of alleged fraud or anything else concerning the primary election.

I must make it very definite that we in New England, following New Hampshire's example, like to have, every 4 years, our Presidential preference primaries on a day when the people of a State are turning out to perform their local business and thus be sure that we have a large turnout and a large vote, and not have just a small number of people expressing their preference as to who shall be their party's nominee for President of the United States.

I agree with the Senator from Nevada that conventions are not always a pleasing spectacle to people watching television, but if we destroy the conventions, we destroy the two-party system. This would result in all kinds of splinter parties, many having candidates elected by only a minority vote because of the large number of people running in a large number of small party organizations.

There are some other objections. I repeat, I commend the purpose of the amendment, but it goes much too far, and I cannot support it.

The PRESIDING OFFICER. Who yields time?

Mr. WEICKER. Mr. President, will the Senator yield me 5 minutes?

Mr. CANNON. I yield 5 minutes to the Senator from Connecticut.

Mr. WEICKER. I wish my good friend from Iowa were here, so I might comment on, not debate, his statement, because he has the same intensity and feeling about this matter as I do, even though there are some specific points on which we disagree.

But to show what happens under this bill, my campaign ran roughly $625,000 in 1970. Under S. 3044 I could get $767,000 for my campaign.

That is the problem we are confronted with. This is not going to reduce in any way the cost of campaigns. It will go up and up and up. I am sure that my experience will not be dissimilar to that of any other Senator. So if the American people feel that this will cut down the cost of campaigning, they should be told that it will not. The burden will be shifted from those who voluntarily participate in a campaign to every taxpayer in the United States; and when they realize that they will all participate in the cost, it will be "Katy bar the door."

Other factors may be involved. However, cutting down the costs of the campaign will not be the result of this legislation.

Mr. GRIFFIN. Mr. President, will the Senator yield for a clarification of what will happen to the cost of the campaign if the bill goes into effect?

Mr. WEICKER. Mr. President, will the Senator from Nevada yield me additional time?

Mr. CANNON. Mr. President, I yield additional time to the Senator from Connecticut.

Mr. GRIFFIN. Mr. President, did the Senator say anything about the increases in the levels of spending that would occur with respect to races for the House of Representatives under the committee bill?

Mr. WEICKER. No.

Mr. GRIFFIN. Mr. President, I have some figures which I should like to cite for the RECORD. In 1972, according to the statistics available from the Clerk of the House of Representatives 1,010 candidates ran in the primary and general elections for the House of Representatives. They spent a total of $39,959,356.

Against that total of actual expenditures in 1972 in all races for the House of Representatives the Government Accounting Office estimates that the cost of Government financing in House races, if this bill were to pass—would be, not $39 million, but $103,307,988.

Furthermore, it might be of some interest to know that in 1972, 52 percent of the House candidates spent less than $15,000 in their campaign.

Under the committee bill, once the candidate is nominated, he will be entitled to $90,000 for his campaign. Each and every candidate would be entitled to up to $90,000 out of the public treasury, of course, if one candidate is going to spend $90,000, it would be very difficult for his opponent not to spend that much, especially when it is available out of the treasury.

Mr. WEICKER. In addressing comments to my good friend, the distinguished Senator from Iowa——

Mr. CANNON. Mr. President, will the Senator yield?

Mr. WEICKER. I yield.

Mr. CANNON. The Senator from Michigan did not give a correct figure. He made it appear that a person can get that amount whether he spends it or not. That is not the case. If he does not spend it, he has an obligation to turn that money back into the treasury. He get it only if he elects to go the public financing route. He does not have to go that route.

He has to have made his threshold figure to get any matching at all in the primary race. In that connection, the distinguished Senator from Connecticut mentioned that he got or spent $650,000; but that under the bill he could get $876,000. That is not the case. According to my figures, the Senator from Connecticut would be able to get the maximum of $525,250, because the maximum he could spend is in the primary, and that would be divided by one half the primary figure. So he would really get $105,000 less than that. That would be the maximum he could get with the matching of the figure in the primary and the public financing in the general would be a total of $525,250.

Mr. WEICKER. I have other elements. In a runoff primary the State central committee has the right to spend. Those are my figures, and I think they are correct, based on consultation with various staff members.

Let me get back for a minute to the statement made by the Senator from Iowa, who raised a valid point that is of concern to me. There is no doubt that the factor of incumbency is important. It is an important matter. First of all, the statement was made that the candidate could not become known in 30 days or 60 days. It is true that the political system as we know it, could destroy our system as we know it. The people would not listen to DICK CLARK, for example, until he got within 30 or 60 days of the election. Then they would begin to pay attention.

It is no different when I campaign. I have but a handful of people listening at the beginning, but it is just before the election that large numbers start to listen. We are asking for a major shift among the people themselves. In the last 30 or 60 days, after we have campaigned for a year and a half, do they begin to take notice. Maybe the campaigns of some Senators will be a little better than mine. But the question is whether the people are going to pay attention in the last 30 or 60 days, or whether there will be a gradual buildup in that course of time. I think that proves the point I am trying to make. It is not until a period of 60 days before the general election that people begin to take notice. The distinguished Senator from Iowa said that, just before he left the Chamber.

Let us consider how last-minute occurrences could still be handled. It is possible for a candidate, recognizing his expenses, to plan his campaign to prepare for unfair charges which might be brought against him as he goes into the last weeks of his election campaign. I make no point about the fact that this legislation would overturn the system as we know it. I am afraid nobody listens to us for a whole year. I do not blame them. They figure that maybe 30 or 60 days is enough. So maybe this is an unusual system which makes the time shorter than a year. It relates to what we have got as we go along. It will shorten the campaign to the time from just before Labor Day.

Under this system, the focus of the entire Nation will be on the Federal election. In the final analysis, this system would reduce the amount of campaigning and expense.

The Senator from New Hampshire (Mr. COTTON) has long ago recognized the faults of a convention. His State has a State primary. The candidates go directly to the people. New Hampshire has the wisdom to see that a convention does not take the place of having every man and woman express himself or herself.

Mr. COTTON. Mr. President, will the Senator yield?

Mr. WEICKER. I yield.

Mr. COTTON. That is certainly true. I want to make it plain that my objection was not intended to shorten campaigns to an almost impossible date. I agree with the Senator that under the bill we are piling corruption upon corruption and money upon money. My chief objection to the Senator's amendment is the vice it puts us in by shortening the campaign and making everybody vote on the same day, with only a matter of 4 weeks of campaigning. But I did want to make it plain that I am in accord with him in opposing the bill.

Mr. WEICKER. I thank the Senator from New Hampshire.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were not ordered.

Mr. WEICKER. In conclusion, I wish to say that I hope the Senate would lead, not into some esoteric theory, but to changes in the facts of life politically in this country. We as politicians, in the election process, need to communicate with the people who prefer independence to slavish adherence to the present system.

Mr. PASTORE. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. WEICKER. I yield myself 2 additional minutes.

Anyone who has achieved political maturity knows that campaigns must guarantee against corruption and against abuses in the financial area or in the areas of power. People will judge us not by how our political parties, Republican or Democratic, are subsidized, but rather by what we say and how we campaign under the system we tolerate and by our own respect for the American people.

I do not for 1 minute mean to impute to the backers of this bill that they are not as anxious for reform as I am. They are. They have so attested in their words and their actions. But no small measure will suffice in these times. Rather, if this democracy is to survive, and it will as long as the people are allowed to go ahead and run it, then artificiality will have to be done away with.

Today we owe our presence here, to a great extent, not to the Constitution, not to the Bill of Rights, not to the validity of our political system, but rather to artificiality.

I yield back the remainder of my time.

Mr. CANNON. I yield 3 minutes to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I hope that the Senate will reject the amendment of the distinguished Senator from Connecticut.

I want to say at the outset that there are parts of the amendment of the Senator from Connecticut, which I think are desirable. Certainly, the overall thrust is desirable, in terms of the shortening of political campaigns. There have been a number of proposals advanced in the Congress to consider the shortening of political campaigns, and to deal with the problem of proliferating primaries. At the national level a proposal has been made by the distinguished Senator from Oregon (Mr. PACKWOOD) for a system of regional primaries. In the House of Representatives by Representative UDALL of Arizona to fix the dates on which primaries may be held. I think it deserves very serious study. The distinguished majority leader has proposed a single national primary. And, in the case of congressional elections, the Senate has already passed a bill, S. 343, that is now before the House, and which is not nearly as drastic as the present amendment.

So I am in sympathy with the direction of the amendment of the distinguished Senator from Connecticut, but I feel that it goes too far in condensing the election period. The amendment would have long-range implications in terms of our election system, and would in many ways go much farther than the proposals in the bill reported out by the Committee on Rules and Administration and managed by the distinguished Senator from Nevada.

First, if the amendment is accepted, we would still be relying upon private financing of campaigns. We would still have that campaign evil, of which all of us have become crucially aware in the course of the Watergate hearings, as well as the revelations from Common Cause about the vast amount of special interest giving that exists today.

Second, this proposal, in spite of the assurances given by the distinguished Senator from Connecticut, would be basically an incumbents' bill. The challenger would have to win a primary in October and then try to familiarize himself to the electorate in time for the November election. That is simply not enough time to do the job.

For these two principal reasons, first because the amendment retains private financing, and second because it is, basically, an incumbents' bill, I believe the amendment should be rejected.

Also, Mr. President, there are two additional points which I think are important. The month of October has a series of Jewish holidays, and the amendment would have an adverse impact on the Jewish participation and involvement of those of the Jewish faith, not only for candidates, but also for others participating in the election system. This issue was debated quite completely in connection with S. 343 last year. Originally, that bill sought to set the general election in October, but because of the impact on the Jewish faith, the bill was modified and the November date was retained.

Second, we have the problem where millions of young Americans turning 18 years of age each year might be effectively disenfranchised from participating in the primaries. The Senate led the country in enacting the 18-year-old vote proposal, because we thought it was important that the young people participate in the election system. The practical impact of the amendment of the Senator from Connecticut is that many young people, arriving in college towns in early September, might have difficulty in meeting the residence requirements in time to vote in the primary.

We have taken steps in the past to recognize and eliminate some of the hazards and some of the obstacles for young people to participate in election campaigns. I think this measure would provide an unfortunate additional hindrance to that participation.

So, Mr. President, although the thrust of the amendment has value—I think all of us and the American people would like a shorter period of time for campaigns—the impact of the amendment would have too many undesirable effects for the Senate to accept.

Mr. CANNON. Mr. President, I yield 1 minute to the Senator from Connecticut.

Mr. WEICKER. Mr. President, I do not wish to be considered anti-Jewish and anti-young people in proposing my amendment. I concede that if the period from the first Tuesday in October to the first Tuesday in November interferes, that is something that can be worked out as a technical matter.

Second, how many young people participate in the selection of the Democratic or the Republican candidate for President? Very few. They do not have the privilege of sitting in the conventions. So let us make it clear that this amendment gives them a far greater voice in the election process than the present system. They not only have the opportunity to vote, but they have a voice in the selection of the candidate without tying themselves into either the Democratic or the Republican party. So as far as young people are concerned, this amendment extends the franchise to a far greater extent than they already have.

Mr. KENNEDY. Mr. President, contrary to the Senator's remarks, the Democratic Party has opened up the political system for much greater participation by youth.

Under the amendment in question, the residence laws for voting in most States would severely restrict voting by 18-year-olds if the election is held in October. Congress should not take such a step without adequate information. Certainly, we ought to shorten campaigns, but this is the wrong way to go about it.

Mr. CANNON. Mr. President, I yield 1 minute to the Senator from Iowa.

Mr. CLARK. Mr. President, I would like to address just one point raised by both the Senator from Michigan and the Senator from Connecticut: namely, what they consider to be the excessive cost to the Federal Government of this measure.

According to the bill, it would cost about $90 million if all candidates took 100 percent public financing in the general election. I do not consider that excessive. Last year, we voted to build a fleet of Trident submarines. One Trident submarine, at $1.3 billion, would run these elections for more than a decade. That is a cheap price to pay for a better government.

Mr. CANNON. Mr. President, I hope my colleagues will defeat this amendment. As the Senator from Massachusetts has said, the proposals in the amendment ought to be the subject of hearings by an appropriate committee. This proposal, when we were considering an election campaign reform bill this year, was not presented to us. There was no testimony offered on most of the particular points raised in this amendment, and I think it ought to be given due consideration, rather than legislating on the Senate floor.

With respect to the point made by the distinguished Senator from Michigan when he said that we have a much greater amount provided for House campaigns than the average cost of House campaigns, we did not fix this $90,000 figure as any magic figure. We selected it because the Senate had already acted on S. 372 last year, and it has the $90,000 figure in it for House campaigns as a maximum figure. That is why we carried the figure over. If it was good last year—and I would venture to say that the Senator from Connecticut and the Senator from Michigan, perhaps not both but one of the two of them, voted for it last year, because it went over to the House of Representatives with an overwhelming vote—we felt it should still be valid.

I would simply say we do not have any preference for that particular figure. We felt, really, that the House Members themselves ought to decide on what was a fair amount to reduce the cost of campaigning. If they see fit to come up with a figure of $60,000 or $50,000 as the limit, fine; that would be perfectly all right with us, and I would have no objection to lowering some of the other limits in the bill or the figures in this chart we arrived at. This was the best consensus that we could arrive at between the members of the Rules Committee, after the hearings that were held on the subject matter, in order to report back a bill, as we were committed to do.

TITLE V

Mr. FANNIN. Mr. President, I want to indicate my support of the motion to strike title V of S. 3044, the Federal Campaign Act Amendments of 1974.

Title V of S. 3044 proposed to increase the amount a taxpayer could claim as a tax deduction or tax credit as a result of making a political contribution. In addition, title V proposed to increase the $1 tax check-off to $2, or in the case of a joint return $4.

These provisions of title V, however, pale to insignificance compared to the proposal to reverse the procedure governing the checkoff plan. Under existing law, if a taxpayer wishes to participate he does so by "checking off." In doing so, the taxpayer is electing, through a positive commitment, to support the checkoff plan. Under S. 3044, however, the spirit of volunteerism which is the foundation of the plan, is to be replaced by a procedure which can only erode that spirit. In its place, S. 3044 proposes to amend existing law to provide for the automatic designation of $2 of income tax liability of every individual whose income tax liability is $2 or more for the taxable year to the Federal election campaign fund, unless the individual elects not to make such a designation. It is interesting to note that the report accompanying S. 3044 did not even hint at a justification for reversing the checkoff procedure thus suggesting the absence of any sound position to justify the change.

In my 10 years in the Senate I have never seen anything so cynical or callous as this approach to legislation. This cynicism is clearly evident when one reviews the background and operation of the checkoff plan. With total disregard for the underlying participating spirit of the checkoff plan, the authors of S. 3044 must have calculated that if only 3.1 percent of our citizens were participating in the checkoff plan as was reported in November 1973, then it would surely follow that if the checkoff dollars were taken automatically, only a few citizens would "check-off" against the automatic designation as provided for in S. 3044, thus insuring that the checkoff fund would have sufficient funds to meet the required amounts to underwrite the public financing of political campaigns.

Apparently, the authors of S. 3044 believe that any method which will guarantee the success of the checkoff plan is justifiable even if it involves the kind of cynical calculations that are implied in this particular provision of S. 3044. Such cynicism is a sad enough trait, but it is a disaster in legislation—especially in campaign financing.

Mr. President, I cannot accept, and I hope my colleagues agree, the kind of thinking which has promoted this approach to the checkoff plan. If we are to have honest elections, as the proponents of public campaign financing advocate, then let us have honest straightforward laws. To do otherwise, as S. 3044 proposes, is to insult the intelligence of the American public.

If the checkoff plan is a worthy mechanism for providing funds for political campaigns, then let those who support that approach, like the Dollar-Check-Off Committee, promote it among our citizens. If it is worthy, then let our citizens choose as a free people whether to support it or not. That is the way, the only way, to conduct this program. To do otherwise would be destructive of the very ethic which underlies our political system: The freedom to choose.

Mr. President, I hope that the Senate Finance Committee, to whom title V will be referred as a separate bill, will take the position that the automatic designation approach as contained in title V is wrong and contrary to commonsense and will move to strike that particular part of title V altogether.

Mr. President, in addition to considering the proposed change in the checkoff plan I intend to urge the Senate Finance Committee to review the right of the individual taxpayer to designate the party of his choice for receiving his tax dollar under the check-off plan.

As originally established, the tax check-off plan allowed the taxpayer to either designate that $1 shall be paid over to the Presidential election campaign found for the account of the candidates of any specified political party for President and Vice President of the United States, or if no specific account is designated by such individual for a general account for all candidates for election to the offices of President and Vice President according to a nonpartisan entitlement formula.

Whether we agree or disagree with financing political campaigns through a tax-check-off system, nothing is more fundamental to that system than allowing a taxpayer the right to choose how his tax dollar is to be used, if he cares to participate.

In my opinion, the original conception of the tax check-off plan was correct, and in keeping with our traditional belief that in matters of political choice our citizens should have the right of free choice. By providing the taxpayer with a choice under the tax check-off plan that basic freedom was preserved.

In 1973, however, an amendment to the Public Debt Limit Act, Public Law 93–53, was adopted eliminating the opportunity for a taxpayer to designate the political party to whom his dollar checkoff could be sent. The result is a checkoff plan in which all checkoff dollars are collected in a nonpartisan Presidential election campaign fund to be disbursed under an established formula.

Mr. President, it is of course regrettable, that the Senate saw fit to modify the check-off plan by not allowing the taxpayer the right to designate the political party of his choice as a recipient of his tax dollar. But what is even more distressing is the complete lack of concern by the proponents of the amendment as to the effect of the amendment on the value of free choice.

The reason given by the proponents of the amendment is that by striking the opportunity to designate a political party was that it would help to simplify the placement of the checkoff provision on an individual's tax return. So, Mr. President, for the sake of administrative simplicity, we deprive the American taxpayer, should he care to participate, of the right to designate the party of his choice to receive his tax dollars.

If we must sacrifice the value of free choice to gain simplicity in our tax returns, then I am afraid we have failed our responsibilities. If we shall succumb to the kind of reasoning which was the foundation for modifying the checkoff plan, then we might as well turn over our authority to the Federal administration and go home.

Mr. President, I am sure that the Internal Revenue Service could find a way to accommodate the dual choice provisions of the original checkoff plan. In this regard, it is interesting to note that the IRS is able to accommodate two checkoff opportunities on this year's tax form. It would seem possible, therefore, that they could accommodate an opportunity to designate party choice.

But, Mr. President, the real issue here is not the design of tax return forms nor the administrative problems of IRS, but whether Congress will recognize the right of free choice under the checkoff plan. That is the issue and that is what concerns me.

Mr. President, numerous groups concerned with campaign financing have authored statements of principles with respect to laws and programs governing campaign financing. These principles almost always recommend the reform of campaign financing practices and in particular that the Federal Government use public funds to support campaigns. Yet, in respect to the use of Federal funds none of these so-called statement of principles deal with the question of how to guarantee that a taxpayer's dollar will not be used to support a party or a candidate with whom he disagrees.

Those who advocate public campaign financing through the checkoff plan cannot ignore the reality that the taxpayer is deprived of the right to designate the party he wishes to support. Instead, if he chooses to participate, his dollars will be divided not only among the major parties but, perhaps, minor parties as well. This is not fair to those who want to support one party over the others. It is not fair for the simple reason that the taxpayer, if he desires to participate, has no choice.

I hope, Mr. President, that a way can be devised to accommodate freedom of choice under the checkoff plan. If we fail to accommodate that political freedom then any public campaign financing program will be seriously deficient in preserving the right of our citizens to choose whom they wish to support.

Mr. CANNON. Mr. President, I am prepared to yield back the remainder of my time.

The PRESIDING OFFICER (Mr. DOMENICI). The hour of 3 o'clock having arrived, under the previous order, the yeas and nays having been ordered, the Senate will now vote on the amendment of the Senator from Connecticut (Mr. Weicker) No. 1070. The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. Bentsen), the Senator from Mississippi (Mr. Eastland), the Senator from Arkansas (Mr. Fulbright), the Senator from Alaska (Mr. Gravel), the Senator from Iowa (Mr. Hughes), the Senator from Louisiana (Mr. Long), the Senator from Ohio (Mr. Metzenbaum), the Senator from Minnesota (Mr. Mondale), the Senator from New Mexico (Mr. Montoya), the Senator from Maine (Mr. Muskie), the Senator from Connecticut (Mr. Ribicoff), the Senator from Illinois (Mr. Stevenson), and the Senator from Missouri (Mr. Symington) are necessarily absent.

I further announce that the Senator from Kentucky (Mr. Huddleston) is absent on official business.

I further announce that, if present and voting, the Senator from Illinois (Mr. Stevenson) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. Brock), the Senator from Maryland (Mr. Mathias), and the Senator from Pennsylvania (Mr. Scott) are necessarily absent.

I also announce that the Senator from Virginia (Mr. William R. Scott), the Senator from Alaska (Mr. Stevens), the Senator from Ohio (Mr. Taft), and the Senator from North Dakota (Mr. Young) are absent on official business.

I further announce that the Senator from Vermont (Mr. Aiken) is absent due to illness in the family.

I further announce that, if present and voting, the Senator from Pennsylvania (Mr. Scott) and the Senator from Ohio (Mr. Taft) would each vote "nay."

The result was announced—yeas 10, nays 68, as follows:

[No. 100 Leg.]

YEAS—10

Allen
Baker
Bennett
Chiles
Griffin
Hollings
Mansfield
Nunn
Roth
Weicker

NAYS—68

Abourezk
Bartlett
Bayh
Beall
Bellmon
Bible
Biden
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Church
Clark
Cook
Cotton
Cranston
Curtis
Dole
Domenici
Dominick
Eagleton
Ervin
Fannin
Fong
Goldwater
Gurney
Hansen
Hart
Hartke
Haskell
Hatfield
Hathaway
Helms
Hruska
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Magnuson
McClellan
McClure
McGee
McGovern
McIntyre
Metcalf
Moss
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Schweiker
Sparkman
Stafford
Stennis
Talmadge
Thurmond
Tower
Tunney
Williams

NOT VOTING—22

Aiken
Bentsen
Brock
Eastland
Fulbright
Gravel
Huddleston
Hughes
Long
Mathias
Metzenbaum
Mondale
Montoya
Muskie
Ribicoff
Scott, Hugh
Scott, William L.
Stevens
Stevenson
Symington
Taft
Young

So Mr. Weicker's amendment (No. 1070) was rejected.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 969. An act relating to the constitutional rights of Indians;

S. 1836. An act to amend the act entitled "An Act to incorporate the American Hospital of Paris," approved January 30, 1913 (37 Stat. 654); and

S. 2441. An act to amend the act of February 24, 1925, incorporating the American War Mothers, to permit certain stepmothers and adoptive mothers to be members of that organization.

The message also announced that the House insisted upon its amendments to the bill (S. 39) to amend the Federal Aviation Act of 1958 to provide a more effective program to prevent aircraft piracy, and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. Staggers, Mr. Jarman, Mr. Dingell, Mr. Devine, and Mr. Kuykendall were appointed managers on the part of the House at the conference.

The message further announced that the House had agreed to the amendment of the Senate to the amendment of the House to the bill (S. 1341) to provide for financing the economic development of Indians and Indian organizations, and for other purposes.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The Senate continued with the consideration of the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

The PRESIDING OFFICER (Mr. Helms). Under the previous order, the Senator from Oklahoma (Mr. Bellmon) is recognized to call up amendment No. 1094, on which there shall be 30 minutes of debate.

Mr. CANNON. Mr. President, will the Senator yield to me for 10 seconds so that I may make an announcement?

Mr. BELLMON. I yield.

Mr. CANNON. Mr President, for the benefit of colleagues we have a 30-minute time limit on this amendment. I do not expect to use more than 3 minutes inasmuch as we already have voted on this identical issue.

I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. The amendment has not been stated.

Mr. CANNON. Mr. President, I ask unanimous consent that it be in order to ask for the yeas and nays.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CANNON. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BELLMON. Mr. President, I ask that the amendment be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

The amendment is as follows:

On page 78, line 19, strike out "and 617" and insert in lieu thereof "617, and 618".

On page 78, below line 22, after the item relating to section 617, add the following new item:

"618. Early disclosure of election results in Presidential election years.".

On page 86, below line 17, insert the following:

"PART VI.—EARLY DISCLOSURE OF PRESIDENTIAL ELECTION RESULTS

"Sec. 601. (a) Chapter 29 of title 28, United States Code, is amended by adding at the end thereof the following new section:

" '§ 618. Early disclosure of election results in Presidential election years.

" 'Whoever makes public any information with respect to the number of votes cast for any candidate for election to the office of Presidential and Vice-Presidential elector in the general election held for the appointment of Presidential electors, prior to midnight, eastern standard time, on the day on which such election is held shall be fined not more than $5,000, imprisoned for not more than one year, or both.'.".

Mr. BELLMON. Mr. President, I ask unanimous consent that during the debate on this amendment and any rollcalls that occur thereon, Mr. Charles Waters of my staff may be accorded the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BELLMON. Mr. President, the objective of this amendment is easily understood. As the chairman said, we have had the matter before the Senate on other occasions and it has been voted upon before.

The PRESIDING OFFICER. The Senator will suspend.

The Senate will be in order.

The Senator may proceed.

Mr. BELLMON. Mr. President, quite simply, this amendment would make it unlawful for local election officials to announce the election returns for President and Vice President prior to midnight, eastern standard time. In so doing, this amendment would prevent the public disclosure of Presidential election returns in the Eastern and Central States while polls are open and citizens are still voting in Western States.

This amendment previously has been considered by the Senate on two occasions as an amendment to other proposals. It was introduced on June 28, 1973, as S. 2099 and referred to the Rules Committee where it is presently pending.

On June 27, I offered a similar amendment to Senator Robert C. Byrd's bill to change the date of Federal elections. During debate on my amendment, the ranking minority member of the Rules Committee, the distinguished Senator from Kentucky (Mr. Cook) stated:

I would vote for the amendment, if in fact the Senator would limit it to Presidential and Vice Presidential elections. I think that it would resolve one of the great problems, and we would be on our way to what the Senator wants to accomplish.

But I think the restriction as to all Federal elections is a serious hardship and I, therefore, will oppose his amendment on that basis.

Senator Cook's objection has been removed from this amendment making the disclosure provision apply only to the election returns in the Presidential and Vice-Presidential elections.

Considering Senator Cook's objection, this amendment was withdrawn and then introduced as a bill, S. 2099, which was referred to the Rules Committee.

On July 28, 1973, this proposal in modified form as suggested by Senator Cook, was called up again as an amendment to S. 372, the Federal elections bill. During debate on this amendment Senator Cook stated:

> We all know the effect of television. We know that after ¾ of the votes are counted and the results announced, the people in Alaska are just going to the polls. Something really ought to be done about. I think something ought to be done but I think we ought to have the opportunity to have hearings to make a determination of the best way to do it.

Therefore, the ranking member of the Senate Rules Committee is on record on two different occasions supporting either this approach or Senate consideration of this proposal. There has been ample time for hearings. The problem of early Presidential election disclosures has been the subject of numerous hearings during the past 15 years. Now is the appropriate time and this is the appropriate bill for Congress to finally act in order to end a practice which has the potential of distorting the normal outcome of Presidential elections.

The net effect of this proposal will be to prevent the public disclosure of Presidential election returns until midnight, eastern standard time; 11 p.m., central standard time; 10 p.m., mountain standard time; 9 p.m. Pacific standard time; 8 p.m., Yukon time; 7 p.m. Alaska-Hawaii time; and 6 p.m., Bering time. By these times, polls throughout the United States will be closed.

I ask unanimous consent that a table showing the voting hours of the 50 States, as well as the hour of public disclosure under the terms of my amendment be inserted in the Record at this point.

There being no objection, the material was ordered to be printed in the Record, as follows:

STATE STATUTES PRESCRIBING HOURS AT WHICH POLLS OPEN AND CLOSE

United States	Hours opened	Hours closed	Local time of disclosure under Bellmon amendment
Alabama	8 a.m	6 p.m.[1]	11 p.m.
Alaska	8 a.m	8 p.m	7 and 8 p.m.[2]
Arizona	6 a.m	7 p.m	10 p.m.
Arkansas	8 a.m	7:30 p.m	11 p.m.
California	7 a.m	8 p.m	9 p.m.
Colorado	7 a.m	7 p.m	10 p.m.
Connecticut	6 a.m.[3]	8 p.m	12 p.m.
Delaware	7 a.m	8 p.m	12 p.m.
District of Columbia	8 a.m	8 p.m	12 p.m.
Florida	7 a.m	7 p.m	12 p.m.
Georgia	7 a.m	7 p.m	12 p.m.
Hawaii	7 a.m	6 p.m	7 p.m.
Idaho	8 a.m	8 p.m	9 and 10 p.m.
Illinois	6 a.m	6 p.m	11 p.m.
Indiana	6 a.m	6 p.m	11 and 12 p.m.
Iowa	7 a.m.[4]	8 p.m	11 p.m.
Kansas	7 a.m	7 p.m	11 p.m.
Kentucky	6 a.m	6 p.m	11 and 12 p.m.
Louisiana	6 a.m	7 p.m	11 p.m.
Maine	6 a.m.[5]	8 p.m	12 p.m.
Maryland	7 a.m	8 p.m	12 p.m.
Massachusetts	[6]		12 p.m.
Michigan	7 a.m	8 p.m	11 and 12 p.m.
Minnesota	7 a.m	8 p.m	11 p.m.
Mississippi	7 a.m	6 p.m	11 p.m.
Missouri	6 a.m	7 p.m	11 p.m.
Montana	8 a.m	8 p.m	10 p.m.
Nebraska	8 a.m	8 p.m	10 and 11 p.m.
Nevada	7 a.m.[7]	7 p.m	9 p.m.
New Hampshire	10 a.m.[8]	6 p.m	12 p.m.
New Jersey	7 a.m	8 p.m	12 p.m.
New Mexico	8 a.m	7 p.m	10 p.m.
New York	6 a.m.[9]	9 p.m	12 p.m.
North Carolina	6:30 a.m	6:30 p.m.[10]	12 p.m.
North Dakota	9 a.m	7 p.m	11 p.m.
Ohio	6:30 a.m	6:30 p.m	12 p.m.
Oklahoma	7 a.m.[11]	7 p.m	11 p.m.
Oregon	8 a.m	8 p.m	9 p.m.
Pennsylvania	7 a.m	8 p.m	12 p.m.
Rhode Island	(12)	9 p.m	12 p.m.
South Carolina	8 a.m	7 p.m	12 p.m.
South Dakota	8 a.m	7 p.m	10 and 11 p.m.
Tennessee	9 a.m.[13]	4 p.m	11 and 12 p.m.
Texas	7 a.m.[14]	7 p.m	11 p.m.
Utah	7 a.m	8 p.m	9 and 10 p.m.
Vermont	(15)		12 p.m.
Virginia	6 a.m	7 a.m	12 p.m.
Washington	7 a.m	8 p.m	9 p.m.
West Virginia	6:30 a.m	7:30 p.m	12 p.m.
Wisconsin	(16)	8 p.m	11 p.m.
Wyoming	9 a.m	7 p.m	10 p.m.

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[1] Alabama.—In counties of over 400,000 population using voting machines, polls close at 7 p.m.

[2] Approximately 50 percent of the population.

[3] Connecticut.—In primaries, polls open at 12 noon, § 9-438.

[4] Iowa.—In cities, where registration not required, polls open at 8 a.m.

[5] Maine.—Where voting machines used exclusively, polls open at 10 a.m. and close at 9 p.m.

[6] Massachusetts.—Polls must be open at least 10 consecutive hours, and must close not later than 8 p.m.

[7] Nevada.—In counties of less than 25,000 population, polls open at 8 a.m. and close at 6 p.m.

[8] New Hampshire.—Hours vary according to size of town. In primaries, polls must be open 4 hours, opening not earlier than 6 a.m. and closing not later than 8 p.m.

[9] New York.—For special elections, polls open at 6 a.m. and close at 7 p.m. In primaries, everywhere except New York City, polls open at 12 m. and close at 9 p.m. In New York City polls open at 3 p.m. and close at 10 p.m.

[10] North Carolina.—Where voting machines are used, polls close at 7:30 p.m.

[11] Oklahoma.—Voters may file petition to have polls open at 6 a.m.

[12] Rhode Island.—Hour polls open varies from 7 a.m. to 12 m.

[13] Tennessee.—County commissioners of election may prescribe different hours, at least 15 days before election, but in no event may polls be open fewer than 7 hours between 8 a.m. and 9 p.m.

[14] Texas.—Election commissioners may vary hour for opening polls. In counties of less than 100,000 population, polls may open at 8 a.m. In counties of greater than 1,000,000 population, polls may open at 6 a.m.

[15] Vermont.—Hours prescribed by legislative branch in each municipality, but polls must open not earlier than 6 a.m. and close not later than 7 p.m.

[16] Wisconsin.—In cities of 1st, 2d, and 3d class, polls open at 7 a.m. In cities of 4th class, and villages and towns, polls open at 9 a.m. but governing body of such municipalities may prescribe that polls open not earlier than 7 a.m.

Mr. BELLMON. Mr. President, this amendment would prevent the nationwide publicizing of election results and predictions based on actual returns tabulated in the Eastern States until after 9 p.m., Pacific standard time, or 1 hour after the polls have closed in California. Because polls in Hawaii close at 6 p.m., local time, those polls will have been closed for an hour. Delayed broadcasting in Alaska would avoid serious problems in Alaska where one-half the voters would still have 1 hour to vote. This amendment, in my view, represents a simple, direct approach to the correction of an election abuse whose time for solution is long overdue.

One thing should be made absolutely clear—voting hours would still be regulated by the States and only the hour of public disclosure by local election officials of Presidential results would be affected. The counting of votes in all races, including the Presidential contest, could begin when the polls close and only the public announcement of the Presidential results would be delayed until the appropriate hour of disclosure.

In every Presidential election year since 1960 citizens have been alarmed because of the likelihood that the present practice of publicizing and predicting election returns influences the way many votes are cast and discourages others from voting because of the belief that the outcome of the election has already been decided.

Few would contend that the publicizing of election returns while citizens are voting has anything but a negative impact.

I believe the problem was summarized quite well by Senator Hartke in a letter addressed in 1967 to Senator Pastore, chairman of the Subcommittee on Communications of the Senate Commerce Committee.

I ask unanimous consent that Senator Hartke's letter be printed in the Record at this point.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Senator Hartke's letter—

"There is, additionally, the question of whether listeners and viewers who have yet to vote are influenced by actual vote results elsewhere or by projections of results. There have been elections recently where the change of majority in one Western State could have tipped a Presidential election. It is possible that some voter already cast have decided the important elections. This, in turn, may have repercussions in local elections.

"The late President John F. Kennedy won the 1960 National election by a plurality vote. If one voter in each of the 173,000 voting precincts in the United States had switched his vote from Mr. Kennedy to Richard M. Nixon Nixon would have won the popular vote. . . .

"Realistically, had there been a switch of one vote in Kennedy's favor in each of the 10,400 precincts in Illinois plus a switch of nine votes in each of the 5,000 precincts in Texas, Mr. Nixon would have tallied the required 270 electoral votes and would have been our President.

". . . A switch of 27 electoral votes by Illinois and 24 votes by Texas, combined, would have resulted in a different choice of candidate for President of the United States.

"I am not disputing the inherent right of the people to know the facts, and the rights of stations and networks to tell the facts along with interpretations. . . .

"What primarily concerns me is protecting the right of the election process in the greatest democracy on earth.

"I would recommend to you that you schedule hearings of our Subcommittee to inquire into this matter and its attendant problems."

Mr. BELLMON. In response to Senator Hartke's letter criticizing early disclosure of Presidential election results, public hearings were held before Senator Pastore's subcommittee which aptly restated the problem in its final report by saying:

> Common sense seems to indicate that a man who sits down to dinner just before going out to vote, switching on the television hears that so and so has already been declared the winner, might not engage himself in an exercise in futility.

It seems to me that this was a very practical and commonsense way of looking at the problem, and I think quite clearly points out the need for the 93d Congress to take action.

It is in the interest of this Nation that the greatest number of citizens possible exercise their right to vote and that this fundamental right be carried out independent of and unhampered by any prior knowledge of the significance their vote will play in the ultimate outcome of the election. S. 3044, dealing with the reform of our election process, provides Congress with the proper vehicle to finally resolve this long-standing abuse.

It should be stressed that my amendment represents no suppression of the news. It provides a badly needed regulation of Presidential elections providing for orderly returns and the orderly release of information concerning these returns.

Quite clearly, Congress has the constitutional authority and responsibility to so act. Article II, section 1 of the Constitution gives Congress the power to determine the time of choosing the electors for President and Vice President. Article I, section 4 empowers Congress to regulate the time, place, and manner for holding elections for Senators and Representatives. The Supreme Court has indicated that this provision may also be applicable to Presidential elections.

Thus, there appears to be ample constitutional authority to support the proposal that a Federal law be enacted as I have proposed which would prohibit election authorities from releasing Presidential election results until a time fixed by Federal law. Such a law I believe to be not only constitutional, but practical as well.

Mr. President, I wish to refer to a study issued in 1965 by the Congressional Reference Service of the Library of Congress regarding the constitutionality of proposals prohibiting the publicizing of election returns prior to the polls closing in all States. This report concludes as follows:

> There appears to be authoritative support of yet another proposal. Namely, the enactment of a Federal law which would prohibit election authorities from releasing Federal election results until a time fixed by a Federal law. Such a time could be set with regard to the differences in time zones across the country. If it were made a Federal crime for election officials to release this information before the time designated, such a law could be practical and might well be held to be Constitutional. It should be noted, that although election officials are appointed by the State, they also serve a Federal function when acting in Federal elections and are thus properly subject to Federal controls.

Mr. President, this study, although not conclusive in nature, indicates quite clearly, that my proposal is constitutional. Certainly, its enactment would solve this serious problem, and, in my view, represents the best approach in achieving the national objective of maximum voter participation. It is time for the Senate to act; I urge adoption of this amendment.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. CANNON. I yield myself 2 minutes.

The PRESIDING OFFICER. The Senator may proceed.

Mr. CANNON. Mr. President, this amendment is identical in principle as amendment No. 1094 that was previously offered and defeated by a vote of 51 to 25, with 24 Senators not voting.

The Senator said this would not apply to congressional elections. Congressional elections certainly could not be affected. How is a congressional election in one State or district going to be afffected by premature disclosure in California? It is absurd on its face. The only race it can apply to is for the Presidency and Vice Presidency.

It would be almost impossible to administer and it would impose a criminal penalty, subject to a $5,000 fine if I or some other Member of Congress at the close of the polls in an eastern seaboard State called a friend in California and said, "We heard the result" and that so and so was winning by so many votes. If we phoned a friend in California to convey that informataion, we would be subject to a $5,000 criminal penalty. The proposal is patently absurd on its face.

We can certainly recognize the unfortunate situation we have where voters are influenced in the Far West when they learn the results of an election in the East at a much earlier time, but I do not know how we can possibly avoid that without making criminals of almost everyone in the Nation.

Mr. President, I am prepared to yield back my time.

Mr. BELLMON. Mr. President, I yield myself 2 minutes.

I disagree with the position the chairman has taken about making criminals of everyone in the United States under this amendment. All this amendment would do would be to require local election officials not to make public the returns of elections until midnight eastern standard time. In this way there would be no way to know what the returns were in the eastern States and people would not be tempted to call someone in another time zone and let them know. We merely say not to release the outcome until midnight. There is nothing here to tempt anyone to violate the law because except for election officials no one would know what happened.

Mr. COOK. Mr. President, will the Senator yield?

Mr. BELLMON. I yield.

Mr. COOK. I shall not argue this matter at great length. It is not just the result that is involved. What bothers many of us and it did in the previous debate is that when a network picks up four precincts in an entire State, and the announcer goes on television and says, "By reason of our projection so and so will carry the State by a certain vote." There is a problem there and it is a very serious problem. It is not only a matter of projecting who will win, which has no effect on voters, but it does on those who count the votes, those who are in the courthouses and whose responsibility it is to count votes, particularly where many States still have ballots and where the result is in question. We do have a problem at 5 after 6 in the evening when 15 States well know how they are going to vote based on two or three precincts in a State. This causes a problem and I think it is serious. We can wrestle with this for a long, long time, but that causes more problems than anything else.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. BELLMON. I yield.

Mr. HUMPHREY. I agree with the Senator. I agree from experience and not from theoretical, academic discussion. I did not like to hear on television in 1968 from a few precincts telling me I was going to be slaughtered, and having all my people across the country so informed. I happen to believe it did have some effect in some parts of the country.

Mr. COOK. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. COOK. That happened when people still had 4 or 5 hours to vote.

Mr. HUMPHREY. That is correct.

Mr. COOK. Where they were watching on television and the polls were still open.

Mr. HUMPHREY. I do not know whether this is the right amendment, but something ought to be done so the "Solomons" cannot just sit around and tell people what is going to happen in the election, particularly when the election, is close, and where a difference of 1 percent in each precinct will make the difference of who is going to be President. I do not know how the rest of my colleagues are going to vote, but I am going to catch up on this one.

Mr. BELLMON. Let me say that this matter has been before the Senate now for months and months. If there is a better approach, we ought to know what it is, but, lacking something better, I, like the Senator from Minnesota, think something ought to be done, and this is the best approach I have seen so far.

I yield now to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, I would like to join the Senator from Minnesota (Mr. HUMPHREY). I remember in 1964, after the first precinct, we were told I was going to get skunked, and, you know, they were right (laughter).

The PRESIDING OFFICER. Who yields time?

Mr. BELLMON. Mr. President, I am ready to yield back my time.

Mr. CANNON. Mr. President, I am prepared to yield back my time.

Mr. KENNEDY. Mr. President, will the Senator yield me 2 minutes?

Mr. CANNON. I yield 2 minutes to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, we have listened to two of the experts, but if we can go back, past 1968 and 1964, to the results of 1960, we find another view. President Kennedy carried practically all of the large eastern States. Then, when the vote came in from the western States, he was not doing as well even though the results in the East had been announced at a time when the polls in the West still had several hours to remain open.

It is a very open question whether people are affected at all, or, if they are affected, whether they may vote for the underdog or vote for whoever seems to be ahead. Obviously, we do not know whether legislation is needed. I would certainly support a study to determine the answers, but I do not see how we can legislate until we know the magnitude of the problem.

Mr. BELLMON. Mr. President, will the Senator yield a question?

Mr. KENNEDY. I yield

Mr. BELLMON. Does the Senator feel that it is healthy or bad if the voters on the west coast know how the voters on the east coast voted, so it may influence them as to how to vote when they go to the polls?

Mr. KENNEDY. I say, with all respect, I have yet to see any convincing evidence that it has a real impact. In some instances people may want to vote for a winner, and there will be a bandwagon effect. In other instances, there may be an underdog effect. A voter may say, "I am going to vote for the other candidate, because he is the underdog, and because I am tired of being pushed around here by computers and being told that is the way I am going to vote. I am going to vote for A because they say I am going to vote for B."

I have not seen convincing evidence presented to the committee or on the floor which would indicate what impact the earlier announcement will have on the other States. As a matter of fact, the evidence seems to be conflicting. We ought not to rush into legislation that will have such a seriously restrictive effect on the media, until we determine how serious, if at all, the problem really is.

Mr. HUMPHREY. Mr. President, will the Senator yield.

Mr. KENNEDY I yield.

Mr. HUMPHREY. The Senator from Massachusetts may be right. Whether or not they are convincing results, I know there is something wrong in people turning on television and having someone in New York tell them what is going to happen across the country. Even if they are right, I think we are entitled to make our own mistakes. In Minnesota we are denied any right to campaign on election day. No candidate can even be near the polling place. No advertisement can appear in a newspaper or anything else except the announcement that this is election day. The reason for that is that there may be last minute election pressures brought to bear.

I think on election day people ought to be left alone to make up their own minds, instead of having the "wise one" tell us how it is going to come out. Just wait for the result. Get a good night's sleep. We can know the result the next day. If one is angry about it, he will not be quite so angry.

Mr. COOK. Mr. President, I agree with the Senator from Massachusetts in many respects. What bothers me about prognostication is that they ring a bell and put a big X there and say this State is going in this column because of their projections. I would feel much better if we were talking about results.

Under S. 343, which we have already passed, election day would be a national holiday, so we would not have their matter of whether people could vote or could not vote or have the opportunity to do so. Under S. 343 we already have resolved that issue and made it a national holiday.

My main objection is to the prognostication based on one, two, or three districts.

Mr. CANNON. The prognostication would not be prohibited under this amendment. One could make all the projections he wanted, but this amendment simply says that whoever makes public any information with respect to the number of votes cast for any candidate for election to the office of President and Vice President——

Mr. BELLMON. Mr. President, will the Senator yield?

Mr. CANNON. I yield.

Mr. BELLMON. Those projections would be impossible if the outcome had not been announced. Those projections are based on certain preselected precincts. If those were not announced until midnight, the projection would be impossible. That is one of the purposes of my amendment.

Mr. CANNON. Mr. President, I yield back my time.

Mr. BELLMON. Mr. President, I yield back my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Oklahoma. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Mississippi (Mr. EASTLAND), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Alaska (Mr. GRAVEL), the Senator from Iowa (Mr. HUGHES), the Senator from Louisiana (Mr. LONG), the Senator from Ohio (Mr. METZENBAUM), the Senator from Maine (Mr. MUSKIE), the Senator from Minnesota (Mr. MONDALE), the Senator from Connecticut (Mr. RIBICOFF), and the Senator from Missouri (Mr. SYMINGTON) are necessarily absent.

I further announce that the Senator from Kentucky (Mr. HUDDLESTON) is absent on official business.

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BROCK), the Senator from Maryland (Mr. MATHIAS), and the Senator from Pennsylvania (Mr. HUGH SCOTT) are necessarily absent.

I also announce that the Senator from Virginia (Mr. WILLIAM L. SCOTT), the Senator from Alaska (Mr. STEVENS), the Senator from Ohio (Mr. TAFT), and the Senator from North Dakota (Mr. YOUNG) are absent on official business.

I further announce that the Senator from Vermont (Mr. AIKEN) is absent due to illness in the family.

I further announce that, if present and voting, the Senator from Alaska (Mr. STEVENS) would vote "yea."

On this vote, the Senator from Ohio (Mr. TAFT) is paired with the Senator from Pennsylvania (Mr. HUGH SCOTT).

If present and voting, the Senator from Ohio would vote "yea" and the Senator from Pennsylvania would vote "nay."

The result was announced—yeas 43, nays 38, as follows:

[No. 101 Leg.]

YEAS—43

Abourezk
Allen
Baker
Bartlett
Bellmon
Bennett
Biden
Buckley
Burdick
Byrd, Robert C.
Case
Church
Cook
Curtis
Dole
Domenici
Fannin
Fong
Goldwater
Griffin
Gurney
Hansen
Haskell
Hatfield
Hruska
Humphrey
Mansfield
McClure
McGee
McGovern
McIntyre
Metcalf
Montoya
Moss
Nelson
Packwood
Pearson
Percy
Proxmire
Roth
Stevenson
Thurmond
Tunney

NAYS—38

Bayh
Beall
Bentsen
Bible
Brooke
Byrd,
  Harry F., Jr.
Cannon
Chiles
Clark
Cotton
Cranston
Dominick
Eagleton
Ervin
Hart
Hartke
Hathaway
Helms
Hollings
Inouye
Jackson
Javits
Johnston
Kennedy
Magnuson
McClellan
Nunn
Pastore
Pell
Randolph
Schweiker
Sparkman
Stafford
Stennis
Talmadge
Tower
Weicker
Williams

NOT VOTING—19

Aiken
Brock
Eastland
Fulbright
Gravel
Huddleston
Hughes
Long
Mathias
Metzenbaum
Mondale
Muskie
Ribicoff
Scott, Hugh
Scott,
  William L.
Stevens
Symington
Taft
Young

So Mr. BELLMON'S amendment (No. 1094) was agreed to.

Mr. BELLMON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. McCLURE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. (Mr. DOMENICI). Under the previous order, the Senator from Oklahoma (Mr. BELLMON) is recognized to call up amendment No. 1095 on which there is a 30-minute limitation.

Mr. BELLMON. Mr. President, I call up amendment No. 1095.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. BELLMON. Mr. President, I ask that further reading of the amendment be dispensed with and that the amendment be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BELLMON'S amendment (No. 1095) is as follows:

On page 27, line 12, strike out "years." and insert in lieu thereof "years and shall file a copy of such record with the Commission on the first day of each month except that during the period beginning one month before the date of an election, such records shall be filed on the first day of each week until the date of the election. Each such report filed

with the Commission shall be complete as of two days before the date on which it must be filed. Such report shall contain the amount received from such advertising, the name and address of the person from whom payment was received, the candidate whose name appeared in such advertising, and a facsimile or other copy of such advertising.".

On page 40, line 2, insert after the period the following: "Each published shall file a copy of such record with the Commission on the first day of each month except that during the period beginning one month before the date of an election such records shall be filed on the first day of each week until the date of the election. Each such report filed with the Commission shall be complete as of two days before the date on which it must be filed. Such report shall contain the amount received from such advertising, the name and address of the person from whom payment was received, the candidate whose name appeared in such advertising, and a facsimile or other copy of such advertising.".

Mr. BELLMON. Mr. President, the objective of this amendment is easily understood. The present provisions of S. 3044 provide in section 201 that any broadcast media which engages in political broadcasting must "maintain a record of any political advertisement broadcast, together with the identification of the person who caused it to be broadcast for a period of 2 years." This record would be available for public inspection at reasonable hours. A comparable provision applies to published political advertising in section 205 of the bill.

My amendment would greatly strengthen these reporting provisions of the bill, by placing an affirmative obligation on all communications media to file periodic reports with the Federal Elections Commission which would contain the following information:

First, the amount received for political advertising;

Second, the name and address of the person from whom payment was received;

Third, the candidate whose name appeared in the advertising;

Fourth, and a facsimile or other copy of such advertising.

By adopting this amendment the Senate will further guarantee full compliance with the law by all candidates for Federal office.

In my judgment, adequate reporting procedures are absolutely essential and represent a major method of eliminating the campaign abuses we have witnessed in recent years. In enacting campaign reform legislation, at least two basic objectives must be accomplished: First, we must insure that the law cannot be evaded by either winners or losers, regardless of their ethical standards. Second, we must give voters complete and accurate facts on campaign expenditures by candidates before, not after, the votes are cast and counted.

By adopting this amendment, the Senate would guarantee that these two basic objectives become a reality. Let me explain. Enactment of this amendment requiring the communications media to make periodic reports to the Federal Elections Commission will provide a new and simplified reporting mechanism which will act as a double check on a candidate's own reports. It will make it far easier for the Federal Election Commission to enforce the law without creating an undue burden on the communications media which are already required under the terms of this bill to keep reports. It will simplify the process by not making it necessary, for example, for a member of the Federal Elections Commission to send a representative to the candidate's State and check the records of many sources in order to determine whether a candidate has fully complied with the law.

This amendment would provide a two-pronged approach, involving not only the candidate and his campaign committee, but the communications media as well. By requiring the media to actively participate in the reporting system, we can obtain a true picture of how much money is spent by each candidate for advertising. By comparing reports from advertising media with the reports of the candidate, we can provide a check and balance system that should deter any tendencies toward manipulation.

I urge the adoption of this amendment.

The PRESIDING OFFICER. Who yields time?

Mr. PELL. Mr. President, I yield myself such time as I may require.

This amendment would change the bill before us. It would, I believe, complicate it even further, because we all know how complicated the bill is now and how, with the best of intentions, it would be very hard for individuals to carry out all its provisions.

What the amendment does is add to all the reports that have to be filed, the virtual mountain of them, an additional report, on the first day of each month, as to the advertising that is being placed in the media. And I think we would find that it would apply not only to that report, but also to the financial side as well, because the important thing is not the advertising, but where the money for the advertising is coming from.

In addition to that, it piles a burden on the people who receive the money and who are responsible for the advertising, be it a publisher or his representative; he has to file a copy of such record as well, which is a duplication.

So, while the objective of the proposal is good, it would seem to me to further complicate the bill, and I would be compelled to oppose it.

Mr. BELLMON. Mr. President, if the Senator will yield, in my judgment this does not in any way complicate the reporting procedures provided in the bill. If the Senator will check on page 27, line 9—and the same language appears in another place in the bill as it applies to newspapers—in line 9 on page 27 it says:

> Each station licensee shall maintain a record of any political advertisement broadcast, together with the identification of the person who caused it to be broadcast, for a period of two years.

All my amendment would do is require that a copy of that record be furnished to the Federal Elections Commission. There is no further recordkeeping. All the amendment does is require that the records be accumulated in one place, so there would be a way to check against the records of the media and the records filed by the candidate, to be sure the candidate is telling the truth, and so the people will know before the election.

It would do no good to find out 6 months later that the candidate is not telling the truth, because by that time the election will be over and the people will have made their decisions. We are trying to get the facts out ahead of time, so that people will know who is backing the candidate, and be able to take that into consideration in casting their votes. It does not, in my judgment, complicate the reporting procedures. It only makes the reports available ahead of time, so that people can make that decision as to those they want to have represent them in Congress.

Mr. PELL. The Senator is correct as to the records maintained by radio and TV stations, but it does not apply as to the publishers.

Mr. BELLMON. If the Senator will yield, on page 40, the same provision applies to newspapers. It begins on page 39, line 21, as follows:

> Any publisher who publishes any political advertisement shall maintain such records as the Commission may prescribe for a period of two years and so no.

The amendment covers both the electronic media and the publishers.

Mr. PELL. The Senator is correct in that regard, but it does not cover the actual publication of it. There is a good deal of difference between keeping it on file and filing the report.

In addition, the Presidential candidate who has to file now. I think four times in an election year, would have to do it on the first day of each month. The question is whether there should be more reports filed or whether the bill at present provides an adequate number.

The Senator from Oklahoma does not believe it is adequate, and we believe it is. That is the issue.

Mr. BELLMON. Mr. President, the filing provisions under the law are, I believe, adequate and highly desirable. But the problem is the difficulty of checking with half a dozen television stations and perhaps a hundred newspapers to get the information together in time for the election. We are simply requiring that the information be filed in a central place before the election, so that the voter will have an opportunity to know who is supporting each candidate and to what extent.

This does not complicate the matter, it simplifies it by having one central place to get the information, and not having to scatter all over the country to find out what is going on.

Mr. PELL. Am I not correct in saying that the information is required to be filed by any candidate, and therefore there would be a duplication if not a triplication? This would be at least a duplication, because the candidate files the information now.

Mr. BELLMON. The Senator is correct; this is a duplication, for the very good reason that it is my feeling that we need to have the information from the media to be sure that the candidates are telling the truth, and so that we will know before the election whether they have been reporting the true extent of their financing.

If a candidate is running badly behind in a campaign, he may decide to spend a large amount of money just before the election in violation of the law, and it would not be known until after the election.

Mr. PELL. Then his election would be invalidated, and he would be subject to criminal penalties.

Mr. BELLMON. That would be true, except that it would happen many months after the election, and, if carried out, would cause his district to be without representation. It seems to me it would be better to have an inducement for the candidate not to file a false report in the first instance.

Mr. PELL. I agree with the Senator's viewpoint; I disagree with the necessity for it, and that is the reason for my disagreement.

Mr. WEICKER. Mr. President, I think this really illustrates that the problem——

The PRESIDING OFFICER. Who yields time?

Mr. BELLMON. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BELLMON. I yield to the Senator from Connecticut.

Mr. WEICKER. I thank the Senator from Oklahoma.

Mr. President, the problem here is with the whole bill. I know why the bill contains no such requirement: We did not want to tread on the toes of the press. But as soon as you get the Government into the act of financing political campaigns, then it is inevitable that you come to the point where you are asking the press to participate in an enforcement function. We can go ahead and control just about everything in this country, but there is a big difficulty when we get into the electoral process itself. I do not think there should be any obligation imposed on the press to be candid, and neither do I feel that the Federal Government should be into this area, but as long as we have put the Government into it, then so are the news media all of a sudden brought in, this time as an enforcement arm of the Federal Government.

The problem highlighted by this amendment is the problem with the whole bill. A lot can go wrong with Government, but as long as people are totally free in their elections there is a remedy we have. When the remedy is in the hands of the Government, that is when our troubles start.

Mr. BELLMON. Mr. President, I yield back the remainder of my time.

Mr. PELL. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. Domenici). All time on this amendment has now been yielded back.

The question is on agreeing to the amendment (No. 1095) of the Senator from Oklahoma (Mr. Bellmon).

On this question the yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Missouri (Mr. Eastland), the Senator from Arkansas (Mr. Fulbright), the Senator from Alaska (Mr. Gravel), the Senator from Iowa (Mr. Hughes), the Senator from Louisiana (Mr. Long), the Senator from Ohio (Mr. Metzenbaum), the Senator from Maine (Mr. Muskie), the Senator from Connecticut (Mr. Ribicoff), and the Senator from Missouri (Mr. Symington) are necessarily absent.

I further announce that the Senator from Kentucky (Mr. Huddleston) is absent on official business.

Mr. GRIFFIN. I announce that the Senator from Maryland (Mr. Mathias), the Senator from Tennessee (Mr. Brock), the Senator from Pennsylvania (Mr. Hugh Scott), and the Senator from Nebraska (Mr. Hruska) are necessarily absent.

I also announce that the Senator from Virginia (Mr. William L. Scott), the Senator from Alaska (Mr. Stevens), the Senator from Ohio (Mr. Taft), and the Senator from North Dakota (Mr. Young) are absent on official business.

I further announce that the Senator from Vermont (Mr. Aiken) is absent due to illness in the family.

On this vote, the Senator from Pennsylvania (Mr. Hugh Scott) is paired with the Senator from Alaska (Mr. Stevens).

If present and voting, the Senator from Pennsylvania would vote "nay" and the Senator from Alaska would vote "yea."

The result was announced—yeas 29, nays 52, as follows:

[No. 102 Leg.]

YEAS—29

Allen
Bartlett
Bayh
Beall
Bellmon
Buckley
Byrd, Harry F., Jr.
Cotton
Curtis
Dole
Dominick
Fong
Goldwater
Griffin
Hansen
Helms
Javits
McClellan
McClure
McGovern
Nelson
Pearson
Percy
Proxmire
Roth
Sparkman
Stafford
Stennis
Thurmond

NAYS—52

Abourezk
Baker
Bennett
Bentsen
Bible
Biden
Brooke
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cook
Cranston
Domenici
Eagleton
Ervin
Fannin
Gurney
Hart
Hartke
Haskell
Hatfield
Hathaway
Hollings
Humphrey
Inouye
Jackson
Johnston
Kennedy
Magnuson
Mansfield
McGee
McIntyre
Metcalf
Mondale
Montoya
Moss
Nunn
Packwood
Pastore
Pell
Randolph
Schweiker
Stevenson
Talmadge
Tower
Tunney
Weicker
Williams

NOT VOTING—19

Aiken
Brock
Eastland
Fulbright
Gravel
Hruska
Huddleston
Hughes
Long
Mathias
Metzenbaum
Muskie
Ribicoff
Scott, Hugh
Scott, William L.
Stevens
Symington
Taft
Young

So Mr. Bellmon's amendment (No. 1095) was rejected.

The PRESIDING OFFICER. Under the previous order, the Senator from New York (Mr. Buckley) is recognized to call up his amendment No. 1081, on which there shall be 1 hour for debate.

Mr. BUCKLEY. Mr. President, I ask that the amendment be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. BUCKLEY. Mr. President, I send to the desk an amendment by way of substitution to correct certain technical defects that were brought to my attention. It does not in any way affect the substance of the bill.

The PRESIDING OFFICER. Does the Senator ask unanimous consent that that be done?

Mr. BUCKLEY. I ask unanimous consent to modify the amendment.

The PRESIDING OFFICER. Without objection, the amendment is so modified.

The amendment, as modified, is as follows:

On page 13, line 17, strike out "(f)(2)" and insert in lieu thereof "(h)(2)".

On page 13, line 17, after "no" insert "incumbent".

On page 13, line 24, strike "(g)" and insert "(i)".

On page 14, line 9, after "No" insert "incumbent".

On page 15, line 5, strike "(f)(2)" and insert in lieu thereof "(h)(2)".

On page 15, line 5, after "no" insert "incumbent".

On page 15, line 10, strike "(g)" and insert "(i)".

In page 15, between lines 17 and 1, insert the following:

"(c) No candidate who is not an incumbent may make expenditures in connection with his campaign for nomination for election, or for election, to any Federal office in excess of 130 percent of the amount of expenditures which an incumbent candidate may make under subsection (a) or (b) in connection with his campaign for nomination for election, or for election, to the same office.

"(d) For purposes of this section, the term 'incumbent candidate' means a candidate who is seeking nomination for election, or election, to a Federal office who—

"(1) holds that office; or

"(2) holds any public office to which he was elected by the voters of an area which is the same as, or includes completely, the area in which the voters reside who may vote in elections held to nominate individuals as candidates for election to that Federal office, and to elect a candidate to that office.

On page 15, line 18, strike out "(c)" and insert in lieu thereof "(e)".

On page 15, line 21, strike out "limitation in subsection (a) or (b)" and insert in lieu thereof "applicable limitation under subsection (a), (b), or (c)".

On page 15, line 22, strike out "(d)" and insert in lieu thereof "(f)".

On page 16, line 4, strike out "(e)(1)" and insert in lieu thereof "(g)(1)".

On page 17, line 4, strike out "(f)(1)" and insert in lieu thereof "(h)(1)".

On page 17, line 18, strike out "(a) and (b)" and insert in lieu thereof "(a), (b), and (c)".

On page 17, line 21, strike out "(g)" and insert in lieu thereof "(i)".

On page 18, line 4, strike out "(h)" and insert in lieu thereof "(j)".

On page 18, line 10, strike out "(h)" and insert in lieu thereof "(k)".

Mr. BUCKLEY. Mr. President, the effect of the amendment is very simple. It recognizes what has been pointed out clearly from time to time during the course of the debate today, and that is that incumbents have a very significant advantage over challengers and especially those challengers who have never held office from the same basic constituency. Therefore, I propose that challengers be granted 30 percent more money than the limits now stipulated in the pending legislation.

During the course of the debate on S. 3044 that has occupied a major proportion of our time for more than a week now, several references have been made to the fact that this bill may favor incumbent officeholders over those attempting to challenge them.

The fear that S. 3044 will favor incumbents over challengers is, in my opinion, a most realistic one. I am convinced that this legislation as presently drawn would make it even more difficult than it now is to unseat an incumbent Congressman, Senator, or President.

Recent poll figures force one to the conclusion that the Congress is not exactly held in the highest esteem by the American people. In fact, as most of us are aware a number of pundits have observed that we are presently less popular even than the President with a collective approval rating of but 21 percent.

One might conclude from figures like this that incumbents would be frequent victims of the oft-stated desire to "throw the rascals out." But, in fact, we rascals have always fared rather well in seeking reelection. I will grant that we are perhaps all good fellows and that it is at least possible that we are so loved by our constituents as to be personally unbeatable, but I suspect there are other, better reasons for our remarkable success at the polls.

It is well known, and, indeed, obvious to even the most casual observer, that as incumbents we have certain tangible and intangible advantage over almost any prospective challenger.

As U.S. Senators we are more familiar with the issues than most for we are paid to be familiar with them. Our comments and our feelings are news in our home States and occasionally nationwide. We have on our various payrolls people whose job involve communicating our positions to our constituents, servicing the requests of constituents in trouble and portraying our views to the public in the most favorable light possible.

We have access to the frank, to the Senate recording studio and to the professional expertise of people who have worked directly or indirectly all their lives to keep people like us in office.

During the course of a year we answer literally thousands or even millions of letters. We respond personally or through staff members to the requests of countless constituents who call us in Washington or at our State offices seeking help with individual problems.

All of this gives us a significant advantage come time for re-election. We are ordinarily far better known than those seeking to unseat us and after 6 years of experience in office we are usually far more likely to know how to win a campaign.

These same kinds of advantages are available to our colleagues in the House and, in exaggerated form, to any incumbent President.

Thus, it is hardly surprising to discover that incumbents are more likely to be reelected than defeated in spite of popular feelings about Government in general or differences on specific issues.

Consider the figures.

During the last half century, U.S. Senators seeking reelection have won more than 80 percent of the time and Congressmen have done even better by beating back their challengers 90 percent of the time.

A number of studies have indicated that incumbency alone is worth at least five points in a House race and six in a Senate race.

Is it any wonder, in light of these figures, that Charles Clapp in his classic work on the House was able to summarize the attitudes of those he talked to thusly:

> There is a tendency to believe that, aside from isolated instances where an over-riding issue is present, there is little excuse for defeat.

I am not claiming that these rates prevail only because of incumbency and I am not about to claim—as common cause's spokesmen seem to—that incumbents win because only they can raise the money that has been described as "the mothers milk of politics." But it is clear that incumbency itself gives one an advantage that the average challenger must overcome if he is to prevail.

It is my firm belief that a certain amount of money must be spent by a challenger just to offset the incumbent's advantage, unless he finds himself in one of Mr. Clapp's "isolated instances where an overriding issue is present."

If this assumption is correct, the uniform spending limits incorporated into S. 3044 can only aid incumbents because they make it impossible for a challenger to spend the money necessary to overcome the incumbent's advantage. It is this feature of S. 3044 that makes it both fair and accurate to characterize the bill as the Incumbent Protection Act of 1974.

It is difficult to place a dollar value on incumbency, especially in Senate races. Senator BROCK last week referred to one estimate that placed the value of House incumbency at some $600,000. I suspect this figure is a bit high, however, because it includes money spent on things that have only marginal value at reelection time.

The true value of incumbency is difficult to determine primarily because it is only one of a number of factors that determine the outcome of any election.

For example, a number of studies have shown that party is even more important as the vast majority of congressional districts especially are dominated by a single party. Indeed, while 90 percent of those incumbents running are reelected in House races 75 percent or more of the candidates representing a retiring incumbent's party are also elected. With this in mind it is indeed difficult to separate out the dollar value of incumbency in a meaningful way so that we can structure our laws to allow all candidates to start the race at the starting line.

Therefore, I must admit that my amendment to S. 3044 which allows nonincumbents to spend 30 percent more than incumbents represents a somewhat arbitrary attempt to compensate for the advantages an incumbent presently enjoys.

Still, arbitrary as the 30 percent figure itself may be, the available evidence indicates that it may well accomplish the purpose. Prior to preparing this amendment, I reviewed various studies that convince me that a 30 percent differential would do much to overcome the advantage of incumbency without tipping the scales too far the other way.

One of these studies was undertaken by common cause. I cited it at the time I originally introduced this amendment and I would call your attention to it again today. I am referring, of course, to the common cause study of 1972 congressional campaign financing that was released last year.

The authors of the study are numbered among the principal supporters of public financing and use its results to bolster their case. But I am convinced that they misread their own data; that in fact it argues against public financing generally and the provisions of S. 3044 specifically.

In 1972 more than three-quarters of all House races were decided by pluralities of 60 percent or more. In these races the average winning candidate spent $55,000 or less and the average loser spent even less.

These races all took place in what political analysts like to call "safe" districts. The districts involved were either so totally dominated by one party that a serious fight for the seat impressed almost everyone as futile, or the seat was occupied by a personally popular incumbent who just was not about to be beaten.

The authors of the study apparently believe that real races might be run in these districts if enough dollars are poured into the campaigns of those challenging now firmly entrenched incumbents. I am not persuaded that this would happen.

For reasons outlined above the incumbents holding these seats are probably impervious to real challenge. Those running against them have not failed, because they have lacked funds; they have lacked funds because their campaigns were doomed to failure.

Common Cause has simply confused cause with effect in a way that has led Mr. Gardner and his friends to precisely the wrong conclusions.

Supporters of incumbents and challengers alike in these districts were apparently reluctant to give to campaigns unlikely to be affected one way or the other by their contributions. Thus, as we shall see in a moment the spending on both sides in these districts was significantly below the spending levels that prevailed in hotly contested races.

This three-quarter figure cited in the Common Cause study helps verify another figure I cited a few minutes ago. As you will recall, I mentioned earlier that another study found that in 75 percent of those congressional districts where an incumbent retires, the next race was won by a member of his party.

The authors of the other study used this figure to demonstrate the importance of party. They found, in effect, that because of party three-fourths of all congressional races are won by the dominant party's nominee regardless of incumbency and other factors.

I must conclude, therefore, that in such districts the $90,000 per candidate allowed under S. 3044 will merely increase the level of spending without having any real impact on the final outcome.

The races in which the Federal subsidy and the limits associated with it will have an impact take place in the 60-odd districts that might be considered marginal.

According to the same Common Cause study, only 66 House races were decided by less than 55 percent of the vote in 1972. These districts could be considered marginal by most standards and the victor in each of them had to fend off an extremely tough challenger.

Winners and losers alike spent more money in these races than was spent in the districts I have described as "safe." The cost to winners and losers alike in these districts averaged somewhat more than $100,000 each. As both the winners and losers spent about the same amount in these races, it suggests that the raising of funds needed for such campaigns is not too different. I will also admit that the limits imposed by S. 3044 might not have much of an effect in the average close race.

The real impact of the limits imposed by this legislation will occur in those races in which an incumbent finds himself in trouble and stands a chance of being defeated. Only 10 House incumbents were defeated in 1972 and in all but 2 cases the challenger had to spend significantly more than his opponent to overcome advantages of incumbency.

The average spent by candidates who unseated incumbents in 1972 was $125,000 as opposed to the average of $86,000 those incumbents spent. Thus, it can be argued on the basis of these figures that a challenger must be able to outspend an incumbent opponent by a significant margin if he expects to beat him and that he will have to spend in excess of $100,000 to stand a realistic chance.

But what effect will the $90,000 limit imposed by S. 3044 have in these races? It is not at all unrealistic to assume that it will prevent challengers in marginal districts from overcoming the advantages inherent in incumbency. It is not at all unreasonable, in other words, to assume that those limits, had they been in effect in 1972, might have saved most, if not all of those 10 incumbents.

I have referred to the figures involving House races because the figures for these races are more easily quantified and compared. But the same principles apply to Senate and Presidential races—under ordinary circumstances it costs money to overcome the advantages of incumbency and a uniform spending limit might well make it impossible for the average challenger to accomplish this.

Mr. President, I think my amendment will encourage real competition in those districts where competition is possible. It will also dispell any public idea that what the Congress is really engaged in the protection of incumbents.

The people of this country are growing more cynical by the day. They are convinced that we care only about ourselves—not about their problems or the system we profess to serve.

I am not at all convinced that public financing will dispell this cynicism, but I do think that if we are going to move in this direction the people are going to demand that we do more than enact reforms that have the practical effect of protecting ourselves from those who would seek to unseat us.

Therefore, I urge the adoption of this amendment.

I reserve the remainder of my time.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. BUCKLEY. I am glad to yield to the Senator from Kansas.

Mr. DOLE. I have an interest in this amendment and its application where an incumbent Congressman is running against an incumbent Senator.

Mr. BUCKLEY. My amendment specifies that the definition of incumbency includes anyone who holds office or has held office within 5 years, which office has the same general electorate as the person in office. In other words, if a governor should challenge a Senator, he would not receive more money, or in any State where there is one Member of the House, like Delaware or Alaska, Members of the House would not be granted a larger sum of money.

Mr. DOLE. Take Kansas as an example, where there are five congressional districts. Even though the incumbent Member of Congress and the incumbent Senator have one common area, under your amendment the Congressman would still get the total bonus. Is that correct?

Mr. BUCKLEY. He will, because he must also compete in areas where he has not had the advantage of being able to send out literature to constituents.

Mr. COOK. Mr. President, will the Senator yield for one correction in the colloquy? I think the amendment the Senator sent to the desk eliminates the 5-year period, if I understand it correctly.

> It reads: "holds any public office to which he was elected by the voters in an area which is the same as, or includes completely, the area in which the voters reside . . ."

Mr. BUCKLEY. That is correct. That was one of the technical corrections.

Mr. COOK. So there is no 5-year period provided for.

Mr. BUCKLEY. I thank the Senator from Kentucky for that correction.

Mr. DOLE. I think basically I agree with the statement of the Senator from New York. There are some who would suggest that this year the incumbents should have the bonus because many problems, not of their own making, are faced by incumbents. But is seems to me that where there is a partial incumbency on behalf of the challenger and the incumbent, it might be advisable to provide some sliding scale or some sliding formula. As the amendment stands now it provides, in effect, more of an advantage to an incumbent Congressman who is running against an incumbent Senator, as compared to someone who is not holding office and running against an incumbent Senator.

Mr. BUCKLEY. I believe the point made by my friend from Kansas is well taken.

Mr. DOLE. In other words, both the incumbent Senator and incumbent Congressman have the same advantage in one of their State's congressional districts. That question is of peculiar interest to me, because my opponents is an incumbent Congressman.

Mr. BUCKLEY. The Senator has raised a good point. I think, also, it illustrates some of the difficulties we are apt to run into when we set arbitrary limits and ceiling on expenditures, and so on, none of which I support. Nevertheless, we do recognize the basic problem of the advantage of an incumbent in normal election years, and accordingly, an amendment such as mine is, I think, badly needed. I think it injects equity. It protects the Congress from the charge of self-service.

I am sure that if the Senate will adopt this amendment, in the conference process we may see some kind of sliding scale or other approach taken that would cope adequately with the kind of fact situation suggested by the Senator from Kansas.

Mr. DOLE. If the Senator will yield further, it seems to me it could be reduced proportionately. In the case of the State of Kansas, there are five districts which are approximately equal in population. The Senator from New York's formula could be reduced one-fifth, so the challenger would have 124 percent of the Senator's share instead of 130 percent.

Mr. BUCKLEY. I wish the Senator from Kansas had collaborated with me before I offered the amendment, but I do offer it as a significant improvement over what we now have.

Mr. President, I ask unanimous consent to include the Senator from North Carolina (Mr. HELMS) as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUCKLEY. Mr. President, I reserve the remainder of my time.

Mr. COOK. Mr. President, may I ask the Senator a question on the time of the manager of the bill, so it will not be taken from his time?

Mr. BUCKLEY. I yield.

Mr. COOK. I think we fight this question of how one handles a nonincumbent, and I think the Senator faces up to the issue very well. My problem is one which I will state for the RECORD, and for no other purpose, so we can get some legislative history.

How did the Senator from New York come to the conclusion that 30 percent was the equitable figure?

Mr. BUCKLEY. The Senator from New York had to close his eyes and think and reach up into the air, which I think, incidentally, is as fine a basis for legislating as the basis for much of the legislation we enact in this Chamber.

Actually, it was not entirely that

arbitrary. I did look at the races included in the 1972 Common Cause, study, which seemed to indicate that there was a disparity of between 20 and 40 percent in what was spent by the successful challenger as compared to the challengee.

Mr. COOK. I must say that is our problem when we amend a bill so freely on the floor. I will say to the Senator from New York, in all honesty, I think we have to resolve this problem and I think it should be resolved. I have serious misgiving about pulling figures out of the air. We are pulling substantial financial figures out of the air—30 percent to nonincumbents in 50 States for 435 House seats.

Could the Senator tell me, based on the charts produced for the Rules Committee, the additional sums this would cost in the overall picture, so the taxpayers, who are obviously footing the bill, will have some idea of what the 30 percent really constitutes for 435 House and 33 Senate seats?

Mr. BUCKLEY. Mr. President, I have not done that, but it is a simple matter of arithmetic. One would take one-half of the cost and add a certain amount to it.

Mr. COOK. I do not disagree with the Senator. I think we ought to know what we are doing. We ought to know what we are doing for the budget. I think the taxpayers ought to know. Whether the amount be 10 percent or 20 percent, there ought to be some basis by which we could evaluate this proposal and know the amount we are talking about.

I know the situation is very serious. The facts prove that incumbency has a value. But when we move in the other direction and take a figure out of the air, we should know what it represents in dollar bills.

Mr. BUCKLEY. If the Senator will yield, this information was not taken out of the air; it is based on such conclusions as could be gleaned from an analysis of the Common Cause study.

Mr. CANNON. Mr. President, will the Senator yield on my time?

Mr. BUCKLEY. I yield.

Mr. CANNON. Mr. President, I think the Senator has raised a good point as to whether an incumbency actually does have a value. We have seen polls which show in what low esteem the incumbent is held, plus the fact that he has to be in attendance here and vote on issues that are very unpopular at home. He has to be here to answer quorum calls, and so on.

There is a real question as to whether he does have an advantage, let alone whether one can evaluate whether the amount ought to be 20 percent, 30 percent, or perhaps 2 percent or 1 percent.

One Senator suggested a few moments ago that the incumbent is the one who has the disadvantages, because the incumbent is held in such low esteem by the public.

Mr. BUCKLEY. It is not only since 1972 that Congress has been held in such low esteem. It is an unfortunate fact that has existed for many years. Nonetheless, election after election demonstrates that 90 percent of the membership of the House is returned to Congress, and more than 80 percent of the Senate is also returned.

Careful studies have been cited by the Senator from Tennessee (Mr. BROCK) which place a monetary value on it. We have seen other studies which place a 5- or 6-percent advantage on incumbency.

May I ask the distinguished sponsor of the bill whether, during the consideration of the bill, any hearings were held to determine this?

Mr. CANNON. There certainly were hearings, and the hearings went into almost every question that I could conceive of.

Mr. BUCKLEY. Was this question raised?

Mr. CANNON. I do not believe the precise question was raised as to whether the incumbent ought to get less than the person who is the challenger. But in simple frankness, if we wrote into the bill a different figure, we would kill the bill. If the distinguished Senator from New York is desirous of killing the bill, this amendment is a means of doing it. But if he is honestly trying to save the bill and arrive at a different formula, it is unfortunate that he did not propose that formula at the time of the hearings, because we tried to make the formula as fair as we could. Despite that fact, every member of the committee worked together to try to devise the fairest formula we could come up with, and that is what we did.

Mr. BUCKLEY. I appreciate the sincerity of the efforts that have been made. However, as is so often the case, many of us do not have an opportunity to study the legislation until it is reported by the committee. We have had our own work to do.

I have also had an opportunity to study a careful analysis by Prof. Ralph Winter of the Yale Law School, among others, that highlights and demonstrates a significant advantage.

I would like to refer to the very excellent point raised by the Senator from Kentucky that my amendment has the effect of increasing the cost of $3,044. I ask unanimous consent that I may amend my amendment to provide that we reduce by 30 percent what is allowed the incumbent, instead of allowing it to the challenger.

The PRESIDING OFFICER. Is there objection to the Senator from New York further modifying his amendment?

Mr. CANNON. Mr. President, what was the modification?

The PRESIDING OFFICER. The Senator from Nevada asks for a clarification.

Mr. BUCKLEY. In response to the excellent point raised by the Senator from Kentucky for modification of my amendment, if adopted as orginally submitted it would increase the amount allocated to the challengers. I merely provide now that we reduce by 30 percent the amount allocated to the incumbent rather than increasing the challenger's allotment by that amount. The effect would be unchanged.

Mr. COOK. In the form in which the amendment is now, the amount is put in terms of $90 million a year. Half of $90 million is $45 million, 30 percent of $45 million is $13,500,000. So what we are doing, in fact, is increasing the cost of the bill by $13,500,000 a year.

Mr. BUCKLEY. If my amendment is adopted, we reduce the cost by $13,500,000.

Mr. COOK. Is the Senator's proposal in the form of a substitute?

Mr. BUCKLEY. No.

The PRESIDING OFFICER. The Senator has proposed a modification or a substitute. He seeks unanimous consent to modify his amendment.

Mr. COOK. This is similar to the amendment submitted by the distinguished Senator from Alabama (Mr. ALLEN) this morning. The one the Senator from Alabama proposed provided 50 percent for the incumbent.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the amendment will be so modified.

The Senator from New York will please send his modification to the desk.

Mr. BUCKLEY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. BUCKLEY. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from New York has 8 minutes remaining.

Mr. DOLE. Mr. President, will the distinguished Senator from Kentucky yield me some time. The Senator from New York can then draft his proposal.

Mr. COOK. Mr. President, I yield 3 minutes to the distinguished Senator from Kansas.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

Mr. DOLE. Mr. President, while the distinguished Senator from New York is drafting his modification, I think it might be well to point out that it is a matter of concern to this Senator, who is running as an incumbent candidate and who has a vital interest in the proposed legislation.

I would point out to the Senator from New York and other Senators the great difficulty we face in trying to make everything uniform and give everyone equal advantage in a political race. I would cite my own efforts to play it straight and to disclose properly my contributions and expenditures; to open political offices and pay those who work in them with political contributions rather than with official staff salary allowances and to lease planes, automobiles, and other things as the campaign approaches.

I just do not see how it is possible in any bill to make certain by legislation that everybody will have an arithmetically equal shake.

I agree with the distinguished Senator from Nevada. I would say certainly that the incumbent always has disadvantages.

Further, in the case of the junior Senator from Kansas, because of early efforts to mount a campaign and because of strict compliance with the laws passed heretofore, the junior Senator from Kansas had spent in excess of $100,000 before any opponent decided to make an announcement. So here is a case where the incumbent has already been penalized. Now we come along with this amendment that says, if one is challenging an incumbent, he is disadvantaged and ought to have 30 percent more.

Mr. CANNON. Mr. President, is there not a serious constitutional question as to whether Congress can say that a person who is an incumbent can spend only so much money, but that a person who is a nonincumbent can spend 30 percent more? Would that not be a constitutional question that might jeopardize the incumbent?

Mr. DOLE. I think a serious question is involved. Once we start tinkering in this area, we invite real trouble. I believe, in all seriousness, that there are some disadvantages in incumbency in normal times. But I suggest that these are not normal times, and I am not certain there are any advantages to incumbency this year.

Mr. President, I yield back the remainder of my time.

Mr. BUCKLEY. Mr. President, I send to the desk a substitute amendment with the modifications we have been discussing.

The PRESIDING OFFICER. The amendment is so modified.

Mr. Buckley's amendment, as modified, is as follows:

On page 13, line 17, strike out "(f) (2)" and insert in lieu thereof "(h) (2)".

On page 13, line 17, after "no" insert "incumbent".

On page 13, line 24, strike "(g)" and insert "(i)".

On page 14, line 9, after "No" insert "incumbent".

On page 15, line 5, strike "(f) (2)" and insert in lieu thereof "(h) (2)".

On page 15, line 5, after "no" insert "incumbent".

On page 15, line 10, strike "(g)" and insert "(i)".

On page 15, between lines 17 and 18, insert the following:

"(c) No candidate who is an incumbent may make expenditures in connection with his campaign for nomination for election, or for election, to any Federal office in excess of 70 percent of the amount of expenditures which a non-incumbent candidate may make under subsection (a) or (b) in connection with his campaign for nomination for election, or for election, to the same office.

"(d) For purposes of this section, the term 'incumbent candidate' means a candidate who is seeking nomination for election, or election, to a Federal office who—

"(1) holds that office; or

"(2) holds any public office to which he was elected by the voters of an area which is the same as, or includes completely, the area in which the voters reside who may vote in elections held to nominate individuals as candidates for election to that Federal office, and to elect a candidate to that office.

On page 15, line 18, strike out "(c)" and insert in lieu thereof "(e)".

On page 15, line 21, strike out "limitation in subsection (a) or (b)" and insert in lieu thereof "applicable limitation under subsection (a), (b), (c)".

On page 15, line 22, strike out "(d)" and insert in lieu thereof "(f)".

On page 16, line 4, strike out "(e) (1)" and insert in lieu thereof "(g) (1)".

On page 17, line 4, strike out "(f) (1)" and insert in lieu thereof "(h) (1)".

On page 17, line 18, strike out "(a) and (b)" and insert in lieu thereof "(a), (b), and (c)".

On page 17, line 21, strike out "(g)" and insert in lieu thereof "(i)".

On page 18, line 4, strike out "(h)" and insert in lieu thereof "(j)".

On page 18, line 10, strike out "(h)" and insert in lieu thereof "(k)".

Mr. BUCKLEY. Mr. President, I think we have exhausted the arguments, at least on my side, and I am happy to yield back the remainder of my time, if the manager is prepared to yield back his. Before doing so, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. CANNON. Mr. President, I yield myself 2 minutes.

One of the basic purposes that we were trying to achieve in this bill for public financing was to make it so that people who were not incumbents would have an equal access to funds to be able to carry on a campaign. The distinguished Senator from New York referred to Common Cause a few minutes ago as one of his authorities. I would like to read from the testimony of the head of Common Cause before the committee:

> Congressional incumbents averaged a 2 to 1 financial advantage over their opponents in the 1972 elections.

That was where they did not have any public financing, they had a 2-to-1 financial advantage over their opponents.

> Our most recent finding furthermore shows that of the money given to 1972 congressional candidates by special interest groups, $2 out of every $3 went to incumbents.

So they got 2-to-1 in private financing, and they got $2 out of $3 from the special interest groups.

> The study also shows that, while spending substantial sums does not guarantee victory, it is essential to running a closely contested race.
>
> We also found that less than $1 out of every $3 made available to congressional candidates came from small givers—$100 or less.

This makes it obvious that they rely on the big givers—that is, when I say "big givers," I mean if you want to call the giver of $100 or more a big giver.

> There is really only one solution to this fundamental problem. If we are to return to a competitive system of representative government, then we must have public financing of elections.

Mr. President, that is exactly what we tried to do. We tried to devise a fair formula. In my opinion, if we try to write in an inequality for either side by simply saying that because a man is or is not an incumbent he gets a lesser amount, that is something that could not be upheld in the courts. Furthermore, I do not think it could be made fair either way you attempt to set it.

Mr. BUCKLEY. Mr. President, before I yield back the remainder of my time, I would like to address myself to two points raised by the sponsor of the bill. He cited two conclusions reached by Common Cause from data compiled by Common Cause with respect to the 1972 elections.

In the case of House seats where, by virtue of incumbency or by virtue of the fact that the district is overwhelmingly of one party or another, you have a situation where there is no point in trying to challenge the incumbent, and potential donors understand this. The result is that the average incumbent spends 50 some odd thousand dollars and the average challenger spends less in these races. This is because everyone understands the futility of the race. The incumbents are not reelected because the challenger could not get money; rather the challenger could not get money because it was understood that he could not win.

However, the same figures assembled by Common Cause illustrate that where you have close races; races in which, election year in and election year out, the outcome has hinged on about 5 percent of the votes; in each of those races we see quite a different situation. We see both the incumbent and the challenger able to mobilize and spend significant sums of money. The averages are a little more than $100,000 per race whether the candidate happens to be the incumbent or the challenger.

This demonstrates to my mind that where there is a close race, neither incumbent nor challenger has difficulty in raising the necessary funds. Therefore, the entire premise of Common Cause is falsely placed. I just want the Record to include this rebuttal.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. Domenci). All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from New York (Mr. Buckley), as modified. On this question, the yeas and nays have been ordered, and the clerk will call the role.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Mississippi (Mr. Eastland), the Senator from Arkansas (Mr. Fulbright), the Senator from Alaska (Mr. Gravel), the Senator from Iowa (Mr. Hughes), the Senator from Louisiana (Mr. Long), the Senator from Ohio (Mr. Metzenbaum), the Senator from Maine (Mr. Muskie), the Senator from Connecticut (Mr. Ribicoff), and the Senator from Missouri (Mr. Symington) are necessarily absent.

I further announce that the Senator from Kentucky (Mr. Huddleston) is absent on official business.

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. Brock), the Senator from Maryland (Mr. Mathias), and the Senator from Pennsylvania) (Mr. Hugh Scott) are necessarily absent.

I also announce that the Senator from Virginia (Mr. William L. Scott), the Senator from Alaska (Mr. Stevens), and the Senator from Ohio (Mr. Taft) are absent on official business.

I further announce that the Senator from Vermont (Mr. Aiken) is absent due to illness in the family.

I further announce that, if present and voting, the Senator from Pennsylvania (Mr. Hugh Scott) and the Senator from Ohio (Mr. Taft) would each vote "nay."

The result was announced—yeas 17, nays 66, as follows:

[No. 103 Leg.]

YEAS—17

Allen
Bayh
Beall
Biden
Buckley
Chiles
Cranston
Dole
Helms
Mansfield
McClure
Nelson
Packwood
Percy
Proxmire
Thurmond
Weicker

NAYS—66

Abourezk
Baker
Bartlett
Bellmon
Bennett
Bentsen
Bible
Brooke
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Church
Clark
Cook
Cotton
Curtis
Domenici
Dominick
Eagleton
Ervin
Fannin
Fong
Goldwater
Griffin
Gurney
Hansen
Hart
Hartke
Haskell
Hatfield
Hathaway
Hollings
Hruska
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Magnuson
McClellan
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Moss
Nunn
Pastore
Pearson
Pell
Randolph
Roth
Schweiker
Sparkman
Stafford
Stennis
Stevenson
Talmadge
Tower
Tunney
Williams
Young

NOT VOTING—17

Aiken
Brock
Eastland
Fulbright
Gravel
Huddleston
Hughes
Long
Mathias
Metzenbaum
Muskie
Ribicoff
Scott, Hugh
Scott, William L.
Stevens
Symington
Taft

So Mr. Buckley's amendment was rejected.

UNANIMOUS-CONSENT AGREEMENTS

Mr. ROBERT C. BYRD. Mr. President, for the information of the Senate, there will be no more rollcall votes today.

Mr. President, I ask unanimous consent that at such time as amendment No. 1120 of the Senator from Oklahoma (Mr. Bartlett) is called up and made the pending business before the Senate, there be a time limitation of 30 minutes to be equally divided and controlled in accordance with the usual form.

The PRESIDING OFFICER (Mr. Abourezk). Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent at the hour of 12 o'clock tomorrow, the Senate proceed to the consideration of amendment No. 1120 of the Senator from Oklahoma (Mr. Bartlett).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order at this time to order the yeas and nays on amendment No. 1120 of the Senator from Oklahoma (Mr. Bartlett) and for the vote to occur tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

THE PRESIDENCY AND THE IMPEACHMENT INVESTIGATION

Mr. MAGNUSON. Mr. President, on March 20 the Honorable Slade Gorton, Attorney General of the State of Washington, spoke to the Seattle Rotary Club about the Presidency and the impeachment investigation now in progress. I have carefully read—and reread—his statement. I am inserting it, in its entirety, in the Record with the hope that it will be just as carefully read—and reread—on both sides of the aisle, on both sides of the Capitol, and on both ends of Pennsylvania Avenue.

Mr. Gorton, a Republican, has spoken soberly of a most sobering matter. He has used well the lawyer's technical skills to sort through the complexities and define the issues. Yet in his analysis he has gone byond the narrow confines of black-letter law to examine the much broader historical, philosophical, and ethical perspective in which this matter must ultimately be resolved.

Mr. Gorton's conclusions are his own. Some will agree with those conclusions and others will disagree. But none who take the time to study his statement with the same degree of care with which it was so obviously written will casually lay it aside.

Mr. President, I ask unanimous consent that the full text of Mr. Gorton's address by printed in the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

"Reflections on an Inoperative Administration"

(By Attorney General Slade Gorton)

Today I should like to present for your sober consideration some thoughts about Richard Nixon, his presidency and the impeachment investigation now in progress in the Congress. This is the principal political issue of the day; it is being debated in the press, in classrooms, over dinner tables and in just about every other place in which people gather. Let us focus our attention on determining how a successful path for our nation through these difficult times may best be assured.

To most of us, myself included, the very word "Watergate," and all that it entails, has become a profoundly depressing subject. When one adds to that unique problem all of the continuing challenges of war and peace, the energy crisis, inflation and the increasing influence of government in almost every aspect of our lives, it is easy to become discouraged.

A certain comfort, however, can be gleaned from our own history. One era in the story of our nation in which, from this distance, we Americans seem to have gone from triumph to triumph in a time of constant challenge and daring, was certainly the two decades or so from the opening of the War of the Revolution to the close of George Washington's second term as president. Yet, in the midst of those exciting years, Washington wrote to a friend:

"We have probably had too good an opinion of human nature in forming our confederation. Experience has taught us that men will not adopt or carry into execution measures best calculated for their own good, without the intervention of a coercive power." * * *[1]

"From the high ground we stood upon, from the plain path which invited our footsteps, to be so fallen! so lost!"[2]

One year after that last discouraging commentary, Washington and his compatriots produced the Constitution of the United States. That triumph is perhaps the more significant when we reflect that it was accomplished in a nation with a population roughly equivalent to that of the State of Washington today. But in that new nation, politics was considered everybody's business.

All we need today, I believe, to cause the strengthening and the renewal of free government is a similar dedication and perseverance. Nor can we ever be content with our performances as citizens if we offer our country any less.

During the months since an impeachment of the President was first mentioned as a possible consequence of the Watergate revelations, the views of most persons who have been willing to express themselves have fallen into one of three categories.

The first consists of a collection of radical demands for the impeachment and removal of the President. Most of these demands come from persons who have consistently opposed both President Nixon and his policies for years. Ralph Nader's organization, for evample, charges the President with twenty-eight violations of the criminal code.[3] This category is also well illustrated in a recent syndicated column by Garry Wills[4] asserting as impeachable offenses both the impoundment of funds appropriated by Congress and the appointment of Howard Phillips as director of the Office of Economic Opportunity without congressional consent.

Now I am among those state attorneys general who have sued successfully for the release of various impounded appropriations, but seriously to assert that decisions on policy questions such as these, however controversial, amount to impeachable offenses is, in my opinion, the height of irresponsibility. And such an attack is all the less seemly when many of its sources are perceived by most thoughtful citizens to be individuals who have consistently and bitterly opposed President Nixon, both personally and politically, almost from his appearance on the political scene.

The second category includes an opposite, but equally unthinking, reaction. For example, many political conservatives almost automatically characterize all charges against President Nixon as stemming from political persecution, sometimes equating his position with that of President Lincoln, or as being based on minor or inconsequential activities beneath the President's notice. Worst of all, far too many Americans, reflecting an alarming weariness ad cynicism, assert that the gravest charges of the past year amount to nothing unusual, that "in politics everybody does it".

Between these two extremes fall the responses of a multitude of thoughtful citizens, from all elements of the political spectrum, whose concerns are based on a fear of the unknown, on the effect of changing presidents in mid-term, or on the possible precedent which might be established for future impeachments or future resignations.

Some persons expressing these views are liberals who profoundly disagree with the President and his policies, but who for just that reason give him the benefit of every doubt and who shrink wrom advocating impeachment because they do not believe it fair to challenge the mandate of the 1972 election.

Far more of these citizens, however, are conservatives troubled by the effect of President Nixon's precipitous loss of trust and prestige on the fate of his policies, many of which they so strongly support.

All citizens in this category dread the divisive effects of a long and bitter fight over impeachment. All of them wonder at the effect of the resignation or removal from office of President Nixon on the ability of future presidents to hold to unpopular positions, or even to provide strong political leadership for the country in times of deep differences of opinion on a proper course of action. These fears are not, of course, groundless.

On the other hand, at the very least, these arguments fail to recognize that the future

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Footnotes at end of article.

is always unknown and that we will change presidents in any event in 1977. But, most important, they fail to consider that the precedent created by *not* acting decisively in the face of such overwhelming provocation may well turn out to be far more dangerous than the precedent established by any form of positive action. But more of that later.

Most of you in this room probably characterize yourselves, as I do, as moderate or conservative in your political views. No doubt, most of you have, as I have, during the course of the past five years, more frequently than not agreed with President Nixon's foreign policies and with his campaign against excessive government spending and federal centralization. I am convinced that, precisely for these reasons, you are faced more urgently than are the President's philosophical opponents by the question of whether or not the President should resign or be impeached.

It is your attitudes toward government which have been discredited. It is your policies which are being increasingly defeated. It is your voices in Congress who will be stilled in November's elections if events continue to drift as they have for the past year.

It is, in fact, your policies which are being abandoned by the President himself for reasons outlined in a recent front-page article in *The Wall Street Journal*:

"President Nixon's new budget . . . shows that his double woes of Watergate and economic distress are forcing him to reverse course drastically.

"Now Mr. Nixon appears as a conciliatory, politically weakened compromiser—dusting off some once-discarded liberal initiatives to try to appease his would-be impeachers . . ." [5]

And it was just a week ago Sunday that the chief of the Chamber of Commerce of the United States noted that the administration has:

"Been pre-occupied with [Watergate] and [has] spent more time trying to handle the technicalities and details of that subject than [it has] in handling important economic issues in the Congress." [6]

It is, therefore, incumbent upon each of us to examine the Constitution, to determine what impeachment means, how it came to be a part of our Constitution in 1787, and to speak out, as citizens of a free nation, on what should be the resolution of the crisis created by the acts and omissions of President Nixon.

The right of impeachment of executive officers was a vital element in drafting the Constitution, and resulted in Article II, § 4, which reads:

"The President * * * shall be removed from Office on Impeachment for, and Conviction of, Treason, Bribery, or other High Crimes and Misdemeanors." [7]

The meaning of that last phrase can only be derived from the views of the delegates to the convention. George Mason pointed out that:

"No point is of more importance than that the right of impeachment should be continued. Shall any man be above justice? Above all shall that man be above it who can commit the most extensive injustice?" [8]

James Madison added that it was:

"* * * indispensable that some provision should be made for defending the community against the incapacity, negligence, or perfidy of the Chief Magistrate." [9]

Later, Alexander Hamilton, in *The Federalist*, stated that the subjects of impeachment:

"* * * are those offenses which proceed from the misconduct of public men, or in other words, from the abuse or violation of some public trust. They are of a nature which may with peculiar propriety be denominated "political", as they relate chiefly to injuries done immediately to the society itself." [10]

Finally, in the first Congress of the United States, James Madison, in advocating the President's right to discharge his appointees, said:

"It will make him, in a peculiar manner, responsible for their conduct, and subject him to impeachment himself, if he suffers them to perpetrate with impunity high crimes or misdemeanors against the United States, or neglects to superintend their conduct, so as to check their excesses." [11]

The Constitution states that it is the duty of the President:

"To take Care that the Laws be faithfully executed." [12]

We must ask ourselves, as dispassionately as we can, how President Nixon's record—not as it is characterized by his enemies, but *as he describes it himself*—measures up against those standards which our founding fathers required of the president. Let us look at three separate aspects of that record.

First, in June of 1970, President Nixon in his own words,

"* * * approved resumption of certain intelligence operations [including] surreptitious entry—breaking and entering, in effect. * * *" [13]

That authorization was rescinded, according to the President, only because of the opposition of J. Edgar Hoover. No law of the United States allows such operations; they are forbidden by a number of statutes, both state and federal.

A year later, in June of 1971, again in his own words, President Nixon

"* * * approved the creation of a Special Investigations Unit within the White House—which later became known as the 'plumbers' * * *" [14]

The President took aside its leader;

"* * * to impress upon [him] the vital importance to the national security of his assignment [to] find out all [he] could about Daniel Ellsberg's associates and his motives." [15]

The President thus, without legal authorization, created a secret police unit. If the president cautioned the unit not to violate constitutional safeguards or legal prohibitions, we have no record of it.

Rather, after the President's urgent talk, the unit, created because the President had not been able to persuade the director of the Federal Bureau of Investigation to supervise such activities, apparently felt that it was authorized to violate the civil rights of citizens of the United States, and proceeded to do so.

Second, on April 30, 1973, President Nixon reported to the nation:

"Last June 17 [1972], * * * I first learned from news reports of the Watergate break-in. * * *

"Until March of this year [1973] I remained convinced * * * that the charges of involvement by members of the White House stiff were false." [16]

Here, I want to emphasize that I am not questioning either of the President's assertions. I make no claim that he knew of the break-in before June 17, 1972, or of the involvement of his personal staff before March of 1973. But, even given the complete truth of his statement, we are faced with the proposition that the President, with all of the power of the federal government at his command, passed those nine months, through newspaper charge after charge, apparently without bothering to learn anything of substance about the cause of the break-in.

The events of this past year, however, have a far greater impact. First, in March of 1973, President Nixon *did* learn that members of his administration were involved in Watergate.

Moreover, he knew that he had in his possession the best possible evidence of the extent to which they had informed him of their involvement or had hidden it from him, in the form of conversations which he had carried on with each of them and had secretly taped, evidence which also related to their own participation in the cover-up. Nevertheless, the President failed to disclose even the existence of that evidence either to the Department of Justice or to the Congress.

Then, in July of 1973, the Congress discovered the existence of those tapes. The President thereupon refused access to that evidence either to the Department or to the Congress. Thereafter, when those tapes became the focal point of a legal controversy of serious constitutional dimensions, the number and the very existence of some of the tapes were misstated. Finally, after binding court decisions ordering their release to the Department of Justice and after the President assumed what he called "sole personal control" [17] of the tapes, a person or persons unknown, but presumably employed under the immediate supervision of the President, apparently destroyed a significant portion of one of the tapes in a fashion which has caused almost everyone to believe was deliberate.

Finally, a third subject. During the trial of Daniel Ellsberg, who was the immediate cause of the creation of the "plumbers", the President directed, and personally participated in, an interview with the presiding judge of that trial during the course of the trial itself on the subject of his possible selection as director of the FBI. It is almost impossible to imagine a more blatant interference with the administration of justice.

None of these three charges is based on the credibility of John Dean or of any other witness hostile to the President. Each is based upon the President's own reports to the people in explanation of Watergate, or upon factual propositions which are not seriously subject to dispute.

The charges which we have considered to this point, however, do not stand alone in having created the moral climate of cynicism and suspicion in which the federal administration operates today. They exist within a broad pattern of indifference to, and disrespect for, the laws of the United States and the expectations of its citizens.

That pattern includes widespread wiretapping of employees and critics alike, the preparation of "enemies lists" for harassment by the IRS and other governmental agencies and the misuse of the office of the presidency in claiming dubious—or downright illegal—income tax deductions.

That pattern includes the systematic solicitation of illegal campaign contributions, including contributions promised directly to the President by representatives of milk producers, promises which were immediately followed by an order increasing milk price supports. This unedifying spectacle is now justified by the President himself, as having resulted from "traditional political consideration." [18]

That pattern includes the criminal indictments of two of his former cabinet officers, together with two of his closest personal advisers, who were characterized by the President, at the time of their forced resignations, as "two of the finest public servants it has been my privilege to know." [19] It includes the two time selection as vice-president of a man who turned out to have been a common extortionist.

These comments are limited to those of his subordinates who were personally selected by him and responsible to him, and not to the dozens of others farther down the chain of command whose activities he might not have been able to supervise directly.

During his 1968 campaign, Richard Nixon referred to the presidency in this language:

"* * * it [is] preeminently a place of moral leadership. * * * one of a president's greatest resources is the moral authority of his office. It's time we used it * * * to rally the people, to define those moral imperatives which are the cement of a civilized society." [20]

Footnotes at end of article.

This statement appropriately describes the position of the President. In the United States, the President is the head of state as well as the head of the government. He must be able to provide moral leadership to the entire nation, to command respect for his office even when he does not command agreement with his policies.

How does President Nixon's conduct stand up against his own definition of the office, against James Madison's explanation of impeachment as being designed to defend the nation?

"* * * against the incapacity, negligence, or perfidy of the Chief Magistrate * * *"[21]

And against the President's own statement in his April 30, 1973 speech:

"In any organization, the man at the top must bear the responsibility. That responsibility, therefore, belongs here, in this office. I accept it."[22]

Richard Nixon, out of the evidence of his own mouth, has given the House of Representatives probable cause to vote Articles of Impeachment.

Impeachment is, of course, a legal and a constitutional proceeding. It is my own considered judgment that each of the three sets of incidents which I discussed earlier at some length constitute clear grounds, at the very least, for impeachment by the House of Representatives and trial by the Senate.

But impeachment also seems to me to constitute a judgment about the moral status of the presidency. In that connection, in determining that the President has rightly and irretrievably lost the confidence of the American people, not only the acts of the President himself, but the climate which he and his subordinates have created, are relevant considerations.

While I believe that the House of Representatives is justified in voting for impeachment and will probably do so, it is clear that that process, for whatever reason, still has months to go, to be followed by more months—or years—of trial by the Senate. The nation can ill afford that time, time taken from the gravest of other problems, time which, in any event, can no longer restore the people's confidence in a president who has now forfeited it beyond recovery.

There is, however, another way out of the dilemma.

It is for President Nixon to realize that the nation does not owe him unlimited consideration . . . for Mr. Nixon to place the national interest, the question of confidence in government, above any other interest which relates to him personally, and to resign. The situation in which we find ourselves today is his creation and that of his appointees; the solution is in his hands. I do not agree, as some commentators assert, that resignation is inappropriate in this case. Rather, I believe it to be the finest service which Mr. Nixon can perform for his country, to enable it to start afresh.

To speak of resignation is not to suggest that Mr. Nixon should admit disgrace. Rather, it is to suggest that he face his situation squarely and take the one act which *he* can take which will put the national interest first . . . an act which would require and demonstrate a high degree of character and courage as well as personal sacrifice.

Mr. Nixon has stated that he will not resign, and so Congress must continue to explore impeachment. For most citizens, either impeachment or resignation is an extraordinary remedy with unknown and fearsome consequences for the future. They agree with Hamlet's dread of an unknown future, which

"* * * makes us rather bear those ills we have. Than fly to others that we know not of. Thus conscience doth make cowards of us all;"[23]

The difficulty of the situation in which we find ourselves today is that not only action, but inaction, will have serious and inevitable consequences.

We are all conscious of the low esteem into which all government and all public officials have fallen. We are beginning to be almost equally conscious of the low esteem into which the business community, the free enterprise system, and almost every other institution in our society is falling at the same time.

When we examine with care our strangely quiet campuses, we find that the reaction from the turmoil of a few years ago is not due to a renewed satisfaction with society, but to a passive cynicism about government and society and a pervasive feeling that they cannot and will not be reformed. Inaction by the nation in the face of the present crisis of confidence can only confirm, and make more dangerous, that cynicism.

Equally close to our own concerns must be this question. If the actions of Richard Nixon are not properly the subject of impeachment, what actions of a future president will be? What invasions of your privacy, what violations of your civil rights, by a radical president, for example, will subject him to impeachment in the future? What acts of the officers of a president after Richard Nixon to extend or preserve his powers or to cause his reelection will cause him to be called to account?

Certainly, no citizen may properly call for impeachment or resignation except on grounds which he is willing to apply to all presidents, and by the same token, it is both improper and dangerous to defend actions on the part of this president which we are not also willing to defend in all future presidents.

We will create, I submit, a far worse precedent by failing to act than by acting. It is our freedom, our rights against an ever present and increasingly powerful government which are at stake.

One last point. Questions of vital public policy affect all citizens and should not be delegated without thought or concern to congressmen, senators or to anyone else. In the most vital public policy question of our day, the views of all citizens are important, but perhaps the views of those who were supporters of President Nixon in 1972 are the most significant, since they clearly do not stem from any possible personal or political hostility. These are questions which we must decide for ourselves; our history and our children's history ride on our answers today as surely as ours did on the answers of 1787.

More than 2,400 years ago, the first of the free societies of which we are the inheritors, the city of Athens, fell upon difficult times. In commemorating the dead of the opening year of a bloody war, Athens' first citizen, Pericles, described his fellow citizens in a democracy in these magnificent words, words which we must make our own as Americans:

"Our ordinary citizens, though occupied by the pursuits of industry, are still fair judges of public matters; for, unlike any other nation, regarding him who takes no part in these duties, not as unambitious but as useless, we Athenians are able to judge * * * all events * * *, and instead of looking on discussion as a stumbling block in the way of action, we think it an indispensable preliminary to any wise action at all * * *[24]

"The secret of happiness is liberty, and the secret of liberty is a brave heart."[25]

FOOTNOTES

[1] George Washington, July 1, 1786.

[2] George Washington to John Jay, 1786.

[3] *The Offenses of Richard M. Nixon*, William Dobrovir, et al., Quadrangle, 1974.

[4] Seattle Post-Intelligencer, January 16, 1974.

[5] Wall Street Journal, February 5, 1974.

[6] Arch Booth, as reported in Seattle Post-Intelligencer, March 11, 1974.

[7] Constitution, Article II, Section 4.

[8] The Records of the Constitutional Convention 65 (M. Farrand ed. 1911).

[9] Farrand, 65–66.

[10] Alexander Hamilton, *The Federalist No. 65.*

[11] 1 Annals of Congress, 372–73.

[12] Constitution, Article II, Section 3.

[13] President Richard Nixon, statement of May 22, 1973. Those intelligence operations also included wiretapping under a claim of legal justification prior to a decision of the Supreme Court. No such justification has been advanced for breaking and entering.

[14] President Richard Nixon, statement of May 22, 1973.

[15] Ibid.

[16] President Richard Nixon, statement of April 30, 1973.

[17] President Richard Nixon to Senator Sam Ervin, July 23, 1973.

[18] President Richard Nixon background paper, January 8, 1974.

[19] President Richard Nixon, statement of April 30, 1974.

[20] Richard Nixon, CBS radio speech, September 19, 1968.

[21] Farrand, 65–66.

[22] President Richard Nixon, April 30, 1973.

[23] William Shakespeare, *Hamlet*, Act III, Scene 1.

[24] Thucydides, *The Peloponnesian War*, Cowley translation, Modern Library (1934), p. 105.

[25] Thucydides, op. cit., per Frances Biddle, *M. Justice Holmes*, Scribners (1943), title page.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENT OF 1974

The Senate continued with the consideration of the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

Mr. DOLE. Mr. President, I have an unprinted amendment at the desk which I call up and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 64 between lines 5 and 6, insert the following:

"PROHIBITION OF FRANKED SOLICITATIONS

"SEC. 318. No Senator, Representative, Resident Commisisoner or Delegate shall make any solicitation of funds by a mailing under the frank under section 3210 of title 39, United States Code."

Renumber subsequent sections accordingly.

Mr. DOLE. Mr. President, the amendment states:

No Senator, Representative, Resident Commissioner or Delegate shall make any solicitation of funds by a mailing under the frank under section 3210 of title 39, United States Code.

The franking privilege accorded to Members of Congress is just that, a privilege and an official one. It is not a right guaranteed everyone elected to office.

The frank is intended simply and clearly to enable a Member of Congress to communicate with his constituents on official matters, and on this basis I believe it serves a highly important and valuable public purpose.

There are, admittedly, many gray areas in the franking law. Many questions are raised over what is and what is not frankable matter, and these questions are being reviewed almost continuously by the proper authorities in Congress and elsewhere.

In addition such a use of the franking privilege adds tremendously to the incumbent's advantage over anyone who might seek to challenge him in an election. This is obviously unfair, and the franking law was obviously never intended to be put to such use.

I note that the House Commission on Congressional Mailing Standards agrees with my view on this matter, and I ask unanimous consent that a letter from the Commission's chairman, the Honorable Morris Udall, and a memorandum on the subject of franked solicitations be printed in the Record.

There being no objection, the letter and the memorandum were ordered to be printed in the Record, as follows:

Commission on Congressional
Mailing Standards,
Washington, D.C., February 27, 1974.

Dear Colleague: In past years, many Members have printed, in connection with their newsletters and other mass mailings, a brief appeal for small donations to assist with printing and preparation costs. Recently your Commission was asked to render an opinion on the frankability of newsletters or questionnaires containing such appeals.

Because of the widespread use of this device, and its importance to the Members, the Commission is not inclined to make any final determination without giving Members a full opportunity to be heard on the question.

Accordingly, the Commission at its last meeting adopted a *proposed* regulation holding that such appeals are not "official business" within the meaning of the statute, and should not be included in franked mailings.

Since this matter is not explicitly covered in the franking law, we are enclosing a memorandum of points on which the Commission's interpretation is based. Your reactions and comments are urgently solicited. To be considered, they should be submitted to the Commission on or before March 14th.

With kind personal regards,

Sincerely,

Morris K. Udall,
Chairman.

Memorandum on the Frankability of Solicitation of Funds To Finance the Preparation of Newsletters

Mail matter which is authorized to be mailed under the franking privilege is categorized under paragraphs (A) through (J) of subsection (a)(3) of section 3210 of title 39. The purpose of the Congress in writing these paragraphs was to be as specific as possible in listing the types and content of mail matter which is frankable in order to eliminate the uncertainties which had existed under the prior law.

Even the broadest declaration of frankable matter is carefully restricted to "official business, activities, and duties" of the public officials authorized to use the frank.

Therefore, each item which is transmitted in the mail must meet the test of relating to official business, or it is not frankable.

Newsletters are specifically treated under section 3210(a)(3)(B) and are permitted to be franked if they "deal with such matters as the impact of laws and decisions on State and local governments and individual citizens; reports on public and official actions taken by Members of Congress; discussions of proposed or pending legislation or governmental actions and the positions of the Members of Congress on, and arguments for or against such matters."

Inasmuch as the authority to frank newsletters clearly limits and controls the content of newsletters, the absence of authority to solicit funds for the preparation of these newsletters, would prohibit the franking of such solicitations.

The solicitation of funds by a Member of Congress, for whatever purpose the funds are used, constitutes a personal effort on the part of that Member. The nature of this solicitation being personal, in that he elicits a monetary response to him, causes the solicitation to be non-frankable under 3210(a)(4), which prohibits the use of the frank for the transmission of matter "which in its nature is purely personal to the sender or to any other person and is unrelated to the official business, activities, and duties of the public officials" covered by the franking statutes.

It can also be argued that while funds solicited for the preparation of a newsletter which is a document in and of itself frankable, the solicitation is not official business nor related to official business, and is therefore not frankable.

In an ethical sense, the act of personally soliciting funds, for whatever purpose, under the frank was not intended by the Congress. It should be borne in mind that the cost of transmitted franked mail is paid for by appropriation from the general treasury and that it is an obligation of each Member to adhere to the letter and spirit of the franking law, which confines the use of the frank to official business, activities, and duties.

Mr. DOLE. Mr. President, I believe the law is clear. The Commission certainly believes such solicitations are improper. But I believe it would be proper and appropriate to provide an absolute and unquestionable legislative answer to this question.

Therefore, I offer this amendment to S. 3044 to forbid any Senator, Congressman, Resident Commissioner, or Delegate from using the frank to make solicitations. This should end any doubt or confusion and provide the public with firm assurance that we in Congress are vigilant in eliminating the opportunities for abuse of the franking privilege.

Mr. President, I wish to state briefly that there has been a practice in the House of Representatives to solicit funds for newsletters and other purposes under the use of the frank. This simply makes it clear there shall be no solicitation of funds for any purpose under the frank.

I am aware of the provisions of the present law, Public Law 93–191, the restrictions on mass mailing, and other provisions of the law but I am not convinced that in effect they prohibit the mailing under the frank of solicitations. This amendment would clarify that matter and the amendment is in accord with the comments of Mr. Udall. I have submitted a copy of his letter for the Record.

Mr. President, I reserve the remainder of my time.

Mr. CANNON. Mr. President, I have discussed this matter with the Senator. In my judgment this amendment adds nothing to existing law. On December 18, 1973, Congress passed and there became law Public Law 93–191, which makes it absolutely clear, in my judgment, that a newsletter could not be accepted for the purpose of solicitation of funds for any purpose. I read from that public law, which states as follows:

> (4) It is the intent of the Congress that the franking privilege under this section shall not permit, and may not be used for, the transmission through the mails as franked mail, of matter which in its nature is purely personal to the sender or to any other person and is unrelated to the official business, activities, and duties of the public officials covered by subsection (b)(1) of this section.

I think that section would preclude use of the franking privilege for solicitation of funds, even if it were for publication of a newsletter. In addition, there is a later provision of the law, which describes the intent of the law as follows:

> Members of or Members-elect to Congress may not mail as franked mail— (c) mail matter which specifically solicits political support for the sender or any other person or any political party, or a vote or financial assistance for any candidate for any public office.

Therefore, in my judgment, the situation is covered, but if the Senator feels there may be some weakness in the law which was enacted on December 18, 1973, so that perhaps House Members were sending out such solicitations prior to that time, I would be willing to accept the amendment, even though I do not think it adds anything to the law.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. CANNON. I yield.

Mr. DOLE. As I said in my statement, I am aware of that law and its effect. The written memorandum from the Commisison on Mailing Standards was written after this law was passed. The memorandum suggests the law is not being observed in that regard. But the gray area is that Members had classified such mailings as official business. They were raising funds for the purpose of newsletters or other business and, therefore, were not soliciting funds for a political candidate or for any other political purpose. To me this is a gray area and it is another advantage that incumbents have over nonincumbents. The amendment would close a loophole that should be closed.

Mr. COOK. Mr. President, will the Senator yield?

Mr. CANNON. I yield.

Mr. COOK. I agree wholeheartedly with the remarks of the chairman relative to its illegality. My personal and legal thought, in the framework of the language that the chairman and I have gone over, is that even if he does solicit in his newsletter, it is a solicitation of funds that he personally controls and, therefore, constitutes a violation of the law.

I must say that I hope in all fairness that by the adoption of this amendment, and I agree with the chairman we should accept it, this is a reaffirmation of what the law really is. It comes as quite a surprise to me that anyone would use the franking privilege, a newsletter or anything of that nature, to make a direct request for financial assistance for something that the Member of Congress himself controls as a result of solicitation of funds under the franking authority.

Mr. DOLE. It is another of those areas that brings criticism upon Congress and Congressmen. This matter was given special attention by Jack Anderson one evening several months ago, where he named Members of Congress in both parties who follow this practice in the House. It seems to me it is an area that, despite the law passed last December, should be clarified. I offer the amendment with that hope and motive.

I thank the distinguished Senator from Nevada and the distinguished Senator from Kentucky for accepting the amendment.

Mr. CANNON. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. CANNON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT TO 11:15 A.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 11:15 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR BROOKE TOMORROW AND FOR PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that tomorrow, following the remarks of the distinguished Senator from Oregon (Mr. HATFIELD), the distinguished Senator from Massachusetts (Mr. BROOKE) be recognized for not to exceed 15 minutes, after which there will be a period for the transaction of routine morning business for not to exceed 15 minutes, with statements limited therein to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RESUMPTION OF UNFINISHED BUSINESS TOMORROW AT THE CONCLUSION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the conclusion of routine morning business tomorrow, rather than precisely at the hour of 12 o'clock noon in accordance with the previous order entered, the Senate resume consideration of the unfinished business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the conclusion of routine morning business tomorrow, when the Senate resumes consideration of the unfinished business, the Senate proceed to the consideration of the Bartlett amendment, No. 1120.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, tomorrow the Senate will convene at 11:15 a.m. After the two leaders or their designees have been recognized under the standing order, the Senator from Oregon (Mr. HATFIELD) will be recognized for not to exceed 15 minutes, after which the Senator from Massachusetts (Mr. BROOKE) will be recognized for not to exceed 15 minutes, after which there will be a period for the transaction of routine morning business for not to exceed 15 minutes, with statements limited therein to 5 minutes each.

At the conclusion of the transaction of routine morning business, the Senate will proceed to the consideration of the Bartlett amendment—No. 1120—to the public campaign financing bill. There is a time limitation on the Bartlett amendment of 30 minutes. The yeas and nays have been ordered thereon. Consequently, a rollcall vote will occur on the adoption of the Bartlett amendment at about 12:30 p.m. tomorrow.

ADJOURNMENT TO 11:15 A.M.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate I move, in accordance with the previous order, that the Senate stand in adjournment until 11:15 a.m. tomorrow.

The motion was agreed to; and at 5:21 p.m., the Senate adjourned until tomorrow, Tuesday, April 2, 1974, at 11:15 a.m.

NOMINATIONS

Executive nominations received by the Senate April 1, 1974:

DEPARTMENT OF JUSTICE

Gerald J. Gallinghouse, of Louisiana, to be U.S. attorney for the eastern district of Louisiana for the term of 4 years. (Reappointment)

Jonathan L. Goldstein, of New Jersey, to be U.S. attorney for the district of New Jersey for the term of 4 years vice Herbert J. Stern, resigned.

Otis L. Packwood, of Montana, to be U.S. attorney for the district of Montana for the term of 4 years. (Reappointment)

Eugene E. Siler, Jr., of Kentucky, to be U.S. attorney for the eastern district of Kentucky for the term of 4 years. (Reappointment)

IN THE NAVY

Adm. James L. Holloway III, U.S. Navy, for appointment as Chief of Naval Operations for a term of 4 years pursuant to title 10, United States Code, section 5081.

EXTENSIONS OF REMARKS

INTERNATIONAL SYMPOSIUM FOR GEOTHERMAL ENERGY

HON. VICTOR V. VEYSEY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mr. VEYSEY. Mr. Speaker, I take this opportunity to call attention to the International Symposium for Geothermal Energy that is scheduled to be held at San Francisco during May 1975. As you may know, I had the privilege to be chairman of a conference at Palm Springs last year where the planning for this international symposium was initiated.

The President has issued an Executive order authorizing U.S. participation in this event, and the State Department is reviewing the final draft of an agreement that stipulates the role the U.N. will play. Within the next few weeks, the Congress will be asked to approve a budget request from the Department of Interior that will include funds for the International Symposium.

This symposium will attract the world's foremost authorities to San Francisco to report and discuss the magnitude of their research into the mysteries of geothermal resources. It will, indeed, be worldwide in scope for we hope to draw into a single audience the best of governmental, private industry, and institutional research.

I believe this symposium will make a significant contribution to the knowledge of alternative fuel resources, and it will provide the springboard for geothermal development that we must have to meet the demand for electrical energy that is projected for the final quarter of this century.

Worldwide conferences that require simultaneous translation of proceedings into several languages are expensive if they are properly managed; but nonetheless, they provide an impetus to research that cannot be matched elsewhere. Also, they provide a vehicle through which both government and private industry can cooperate in scientific research.

The U.S. Department of the Interior, the United Nations, the State of California, and the University of California are the principal financial sponsors. Private industry is providing "in kind" assistance as well as manpower for the symposium. The companies presently involved include Pacific Gas & Electric, the Geothermal Resources Council, Chevron

Oil Co., Union Oil Co., and Rogers Engineering Co., a San Francisco consulting firm.

The Department of the Interior has been asked to provide 60 percent—$250,000—of the needed funds. The balance will come from the other sponsors and delegate fees. Other institutions, including the National Science Foundation, will be asked to assist in various phases to help make the symposium successful.

Many of the recent discussions of energy problems have all but ignored geothermal development, and this fact bothers me. Once the corrosion problems are solved, this resource can be harnessed to provide on-line power facilities two to five times faster than environmentally clean, conventional generators or nuclear-powered facilities. This time factor must not be ignored.

Some of our richest energy deposits lie in the untapped potential of geothermal fields of the Western States, and several items in the news recently confirm that a change of attitude is occur- enterprise. ring, both in government and private

First, the administration's proposed budget of $47,564,000 for Federal geothermal programs during the 1974–75 fiscal year confirms that the Government has finally given geothermal development its rightful priority in the energy resources column.

A second indicator is the remarkable flood of responses received by the Department of Interior on requests for bids to conduct exploration in known geothermal deposit areas. The Department has received several thousand applications for leasing privileges where the prospects for development look promising. Obviously, private industry recognizes the potential that lies in this resource, as witnessed by the recent Shell Oil Co. bid of $1,367.50 per acre for geothermal leasing rights to a 2,340-acre tract of Government land.

One of the prime beneficiaries of the technical knowledge to be aired at the San Francisco symposium will be the community of underdeveloped nations. Many of them are facing economic crises and are looking for an alternative source of energy to replace the imported crude oil that they can no longer afford to buy from Arabic nations. The underdeveloped nations with potential geothermal resources will have an opportunity to attend the symposium under the auspices of the United Nations, and the technical knowledge that they will gain can speed up their geothermal development by several years.

The Western States provide an excellent site for an international geothermal conference. At the Geysers north of San Francisco, delegates will have an opportunity to see the Pacific Gas & Electric generating station that has been in operation since 1960. It is the only privately owned geothermal development in this country. Delegates will tour other geothermal resource areas including Cerro Prieto, Mexico, the Imperial Valley of southern California, and the Sierra Nevada Mountains from Long Valley to Reno, Nev.

There are many benefits to be gained by approving this request. Geothermal energy is the key that can provide us with more electrical power with less pollution to solve some of the water supply problems that are threatening the Western States. I urge the Congress to speedily approve the budget requests that encourage geothermal development and research so that energy from these resources will be available in the next few years when we are certain to need it.

FOOD PRICES AND THE FARMER

HON. BO GINN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mr. GINN. Mr. Speaker, food prices have increased dramatically and, in some cases, they will continue to go up. In the midst of the understandable public protest of these increases, there is a widespread belief that the American farmer is somehow reaping a whirlwind of profits. Someone may be getting rich, but it is not the farmer.

Even President Nixon seems to be unaware of the facts as evidenced in his remarks at his March 19, televised press conference. One of my constituents, Mr. Dolan E. Brown, has sent me a copy of his letter to the President on this matter. His letter is an excellent analysis of the problem, and I insert it at this point in the RECORD.

TWIN CITY, GA.,
Garfield, Ga., March 20, 1974.

President Richard M. Nixon,
White House,
Washington, D.C.

DEAR MR. PRESIDENT: Your speech last night prompted me to write this letter. First, I would like to introduce myself to you; I am a college graduate; 44 years old; a farmer; President of the local Farm Bureau; on the State Farm Bureau Board; on the State Cotton Commission; on the Secretary of Agriculture Advisory Committee for Cotton; Chairman of the Federal Land Bank Association of Vidalia's Board; on the local Bank Board; selected as one of the four outstanding young farmers of America in 1965; selected by Ford Motor Company for foundation award for efficiency in farm management; a general farmer, having 1980 acres of land with a big investment in growing cotton, corn, soybeans, cattle, hogs, and peanuts. I have two sons in agricultural school that want very much to be farmers themselves.

In your speech you said that the American farmer has never had it so good. Mr. President, I think you have been grossly ill-advised. You said "Soybeans had been $14.00 which was too much." Granted but, I do not know any farmers that got this price, even a high of $10.00 while in the hands of the stockbrokers. But we as farmers using soybean meal in our feed had to pay the price within this range. The cattle prices were higher last year, but let's remember that a large number of these were in big company owned feed lots. Do you realize that it takes 2½–3 years to produce cattle for slaughter plus a lot of feed. You said the way to make the prices cheaper for the American housewife is to produce more. I say the way to shortages and much higher prices is to break the American farmer which could very well happen this year. I know farmers that are selling out, their equipment is wearing out, their fences are falling, their buildings are dilapidated, and more than anything else the unrest among them and this fear of going broke.

To substantiate these fears, I would like to state some facts:

Fertilizer that cost $52/ton last year is now $98/ton.

Nitrogen that cost $65/ton last year is now $150/ton.

Diesel fuel that was $18.1¢/gallon is now 30¢/ gallon.

Gasoline that was 22.8¢/gallon is now 36.6¢ less tax.

L.P. Gas that was 21¢/gallon is now 30¢/ gallon.

Equipment prices are out of sight when available.

In other words, Mr. President, how can we the farmer of this great country survive under these conditions when everything we have to sell has already gone down? Hogs that are costing 40¢ per pound to produce are bringing 32¢ per pound at the market. Cattle that is costing 45¢ per pound are bringing 40¢ per pound. Prices of cotton are 60¢ per pound, if you can find a buyer. In 1973 if you received 80¢ per pound for cotton, you really received 95¢ per pound (including 15c per pound government payment). Corn is $3.00 per bushel, which is good if you are the seller; but, if you are the feeder at livestock prices this is not good at all. Soybeans are above $6.00 per bushel, which is good if you were able to store them and did not sell them last year. However, most of these are in the hands of the brokers.

Mr. President, I do not know where you get your advice, except from Mr. Butts and the United States Department of Agriculture, but certainly there is a real difference if you are a real dirt farmer and earn your living from agriculture rather than being an agricultural economist and an expert. How many of these people in U.S.D.A. have, or, are really engaging in the production of food and fiber crops? I know my friends Phil Campbell, Bill Lanier, and Will Irvin have at one time depended upon agriculture for their livelihood. But I beg of you to call them in and get them to tell you the real truth as to why they themselves are not farming. Mr. President, I am not criticizing you or anyone in your administration, but I beg of you to review the whole situation and to better understand that the farmer is not the one that causes high prices at the food counter. However, we are the people who are really getting the blame which is very unjustified.

We are all aware of the fact that the American farmer makes up less than 5% of the nation's population and this figure has been growing smaller. In view of the present agricultural economic facts, some of which I have mentioned, we the American farmer seriously request that the apparent communication gap be closed so that the facts can be disclosed to the public without giving undue blame. Our concern and request is not only for the present day farmer, but also we are aware of the fact that the present agricultural economic factors are not encouraging to young farmers who sincerely want to go into this very important industry. Our crops are used to feed and clothe the people of this country, as well as being one of the most important tools in trade with other countries.

Sincerely,

DOLAN E. BROWN.

EXPLANATION OF VOTE

HON. CHARLES C. DIGGS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mr. DIGGS. Mr. Speaker, on Thursday, March 28, I was called to Detroit to attend the funeral of a very old and dear friend.

On that day, recorded votes were taken on two important issues which I strongly support—the Foreign Disaster

Assistance Act, which includes aid for the drought-stricken Sahel region of Africa, and the minimum wage bill conference report, S. 2747.

Mr. Speaker, I ask unanimous consent that my support for these two measures be recorded in the permanent RECORD following the votes.

MONTHLY CALENDAR OF THE SMITHSONIAN INSTITUTION

HON. HENRY P. SMITH III

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mr. SMITH of New York. Mr. Speaker, it is my privilege to insert in the RECORD each month the monthly calendar of the Smithsonian Institution. The April calendar of events follows:

APRIL AT THE SMITHSONIAN

* Indicates programs presented by the Smithsonian Resident Associate Program. For attendance or other information call 381–5157.

March 31. Frans Brueggen, recorder virtuoso, in concert. With Allan Curtis playing an eighteenth century harpsichord, from the Smithsonian's Instruments, Museum of History and Technology. $3.50 general, $3 Associates, $1 students and senior citizens. For reservations call 381–5395. Sponsored by the Division of Performing Arts. This event was planned to accommodate the response to the April 1 concert. Selections will differ from the Monday evening program.

APRIL

Mon. 1. Young People's Festival of the Arts: *Let There Be Peace on Earth,* presented by the Garfield Elementary School. 10 a.m., Anacostia Neighborhood Museum. Various activities are scheduled throughout the month as part of this Festival.

Frans Brueggen, recorder virtuoso, in concert. Sold out. See March 31 above.

Tues. 2. Young People's Festival of the Arts: African dances by the Songai African dance group and tumbling by the Boys' and Girls' Tumbling Group of Friendship Elementary School. 10 a.m., Anacostia Neighborhood Museum.

Film: *Introduction to Analog Computer.* Courtesy of the Atomic Energy Commission. Sponsored by the Section of Mathematics. 2:30 p.m., History and Technology Building, Carmichael Auditorium.

Museum talk: *One is good, two are better—19th Century Patent Medicines,* by Michael R. Harris, Museum Technician, Division of Medical Sciences. 12:30 p.m., Carmichael Auditorium, History and Technology Building.

Wed. 3. Young People Festival of the Arts: A dramatization of *The Creation,* by James Weldon Johnson and musical selections by pre-schoolers of the Anacostia Kiddie Academy, Inc., 10 a.m., Anacostia Neighborhood Museum.

Free Film Theatre: *The Missing Link:* The present possibilities and past attempts toward building a tunnel under the English Channel. 12:30 p.m. Carmichael Auditorium, History and Technology Building.

Beyond the Planets: *Stellar Evolution.* Lecturer: Pierre Demarque, Yale University. Part of the Guggenheim Lectures in Astronomy, a continuing series on man's current knowledge of the creation, evolution and extent of the physical universe. Additional lectures will be held April 10, 24 and May 1, 7:30 p.m., Carmichael Auditorium, History and Technology Building. Free. Presented by the Smithsonian Institution National Air and Space Museum and the Astrophysical Observatory with the support of the Daniel and Florence Guggenheim Foundation.

Thur. 4. Young People's Festival of the Arts: Music, recitations and skits presented by students from Nichols Avenue Primary School, 10 a.m., Anacostia Neighborhood Museum.

Free Film Theatre: *The Missing Link.* Repeat. See April 3 for details.

Philatelic Lecture: *The 200th Anniversary of the First Continental Congress,* by Leonard Rapport, an archivist with the National Archives. Designs of a block of four stamps to be issued on July 4 will be unveiled. Cosponsored by the Director, Museum of History and Technology and the Postmaster General. 8 p.m., Carmichael Auditorium, History and Technology Building.

Fri. 5. Young People's Festival of the Arts: A program for very young folks presented by preschoolers from the Anacostia Community Pre-School Program, St. Phillip's Headstart, Emmanuel Church Headstart, Anacostia Methodist Church Headstart. 10 a.m., Anacostia Neighborhood Museum.

Rehabilitation Medicine Lecture: *Technology and the Blind, A History,* by Dr. Audrey B. Davis, Division of Medical Sciences. 12:30 p.m., Carmichael Auditorium, History and Technology Building. Various films and lectures are featured each Friday in connection with the current exhibition *Triumphing Over Disability—200 Years of Rehabilitation Medicine in the United States.*

Exhibition: *Exhibition Flight.* The daredevil days of flying in the 1920's and 1930's depicted with actual planes, dioramas of great aviation moments, movies on barnstorming, wing walking and stunt flying. National Air and Space Museum, Arts & Industries Building.

Sat. 6. Music from Marlboro: A concert of chamber music by Brahms, Berg and Schubert, performed by distinguished artists from the Marlboro Music Festival. 5:30 p.m., Baird Auditorium, Natural History Building. $5 general, $4 student, senior citizens and Associates. For reservations call 381–5395. Sponsored by the Division of Performing Arts.

Exhibition: *It All Depends.* A major new ecology hall, relies heavily on motion pictures and slides to point out that man's survival depends on his use of the environment. A spectacular walk-through simulated rain forest environment, rising more than 30 feet with sounds of birds and animals, is included. Museum of Natural History.

Sun. 7. Palm Sunday Concert: Sidwell Friends Choral Group. 1 p.m., Rotunda, Natural History Building.

Mon. 8. Young People's Festival of the Arts: *The Origins of Dance: From Africa to the Islands to the Mainland,* presented by the Brightwood Elementary School Dance Ensemble. 10 a.m., Anacostia Neighborhood Museum.

Tues. 9. Young People's Festival of the Arts: Music, choral speaking, recitations and skit by children from Benning Elementary School. 10 a.m., Anacostia Neighborhood Museum.

Museum Lecture: *Invention of Time,* by Paul E. Walker, Historian, Office of the Director, Museum of History and Technology. 12:30 p.m., Carmichael Auditorium, History and Technology Building.

Math Lecture: *The Art of the Mathematical Instrument Maker.* 2:30 p.m., Carmichael Auditorium, History and Technology Building. Sponsored by the Section of Mathematics.

Oriental Art Lecture: *Symbolic Meanings of Islamic Art and Architecture,* by Prof. Schuyler van R. Cammann, University of Pennsylvania. 8:30 p.m., The Freer Gallery. Exhibition galleries open at 6:30 prior to the lecture.

Wed. 10. Free Film Theatre: *Nzuri: East Africa*—impressionistic visual journey from the primitive to the "civilized", set to the rhythms of the African people. 12:30 p.m., Carmichael Auditorium. History and Technology Building.

Beyond the Planets: *Star Formation.* Lecturer: Stephen Strom, Kitt Peak National Observatory. 7:30 p.m., History and Technology Building Auditorium. See April 3 for further details.

American Aviation Historical Society: Monthly meeting. 8 p.m., Conference Room, National Air and Space Museum. The public is welcome.

Thur. 11. Lecture: *Cornell's Voice,* by Brian O'Doherty, author and commentator on the arts for the TODAY show. O'Doherty will discuss Joseph Cornell and his works of art considered by O'Doherty to be perhaps the most perfect any American has produced. The talk will include a discussion of the many extensive telephone conversations with the artist. Presented in conjunction with the current exhibition of Cornell's construction assemblages and collages. 12:30 p.m., National Collection of Fine Arts.

Free Film Theatre: *Nzuri: East Africa.* Repeat. See April 10 for details.

Creative Screen: *Loon's Necklace*—the legend of the loon's white neckband told with the use of masks of the Indians of British Columbia. *Wooden Box: Made by Steaming and Bending*—the woodwork of the Indians of the Pacific Northwest Coast, 11:30 a.m., 12:30 and 1:30 p.m. The Renwick Gallery. Shown in conjunction with the current exhibition *Boxes and Bowls.*

Fri. 12. Exhibition: *200 Years of Royal Copenhagen Porcelain.* A choice selection of 137 porcelain, stoneware, and faience works from the historical and contemporary collections of the Royal Copenhagen Porcelain Manufactory Ltd. Objects include dinnerware, porcelain figures, and commemorative and unique art objects beginning with items from the factory's first years and including 19th and 20th century designs by Arnold Krog, Patrick Nordstrom, Carl Halier, Anne Marie Trolle and Bodil Buch. Being held under the patronage of the Ambassador of Denmark. The Renwick Gallery, through June 30.

Rehabilitation Medicine Films: *Back on the Job,* distributed by Washington Heart Association; *Children and Languages Disorders,* Home for Crippled Children, 12:30 p.m., Carmichael Auditorium, History and Technology Building.

Sun. 14. Exhibition: *Abraham Lincoln: The White House Years.* A documentary show marking the anniversary of the assassination of Lincoln in 1865. A portrait by William Cogswell, on loan from the White House, photographs, cartoons and associative items reveal how Lincoln changed under the strain of the office during the shattering Civil War Years. National Portrait Gallery.

Mon. 15. Exhibition: *Douglas World Cruiser 50th Anniversary. Chicago,* the historic plane that participated in the first around-the-world flight, crossing the Pacific by air for the first time, has been newly restored and is being displayed for the 50th anniversary of the flight. Photographs and other memorabilia are included. National Air and Space Museum, Arts and Industries Building. Through September 28.

Tues. 16. Museum Lecture: *Elisha Gray and the Untold Story of the Telephone.* Speaker: David A. Hounshell. Research Assistant, Bicentennial Film Project. 12:30 p.m., Carmichael Auditorium, History and Technology Building.

Math Film: *Introduction to Analog Computers.* Courtesy of the Atomic Energy Commission. Sponsored by the Smithsonian Section of Mathematics. 2:30 p.m., Carmichael Auditorium, History and Technology Building.

Poetry Reading: *Robert Lowell at the Smithsonian.* The poetry of Robert Lowell will be read by the poet. Lowell is a winner of the American Academy of Arts and Sciences Award, Pulitzer-Prize, National Book Award and the Bollington Translation Prize. Introduction by Robert A. Brooks, Under Secretary Smithsonian. 8:30 p.m., Freer Gallery of Art auditorium. $3 general, $2 Resident Associates.*

Illustrated Lecture: *Aspects of Royal Copenhagen Porcelain: The Period 1885 to 1915.* Bredo L. Grandjean, Curator of the Collections of Royal Copenhagen Porcelain Manufactory Ltd., will discuss a major period of the firm's history when it was under the artistic advice of Professor Arnold Krog and three main types of porcelain were being produced—underglaze, urnware, and stoneware. 8 p.m. The Renwick Gallery. Held in conjunction with the current exhibition of Royal Copenhagen porcelain.

Wed., 17. Free Film Theatre: *The Drifting of the Continents.*—startling recent discoveries in the earth sciences. 12:30 p.m., Carmichael Auditorium, History and Technology Building.

Lunchbox Forum: *Douglas World Cruiser 50th Anniversary—April 1974.* Informal discussion led by Louis Casey, Curator of Aircraft. Sponsored by the National Air and Space Museum. 12 noon. Room 449, Smithsonian Institution "Castle" Building.

Thur., 18. Free Film Theatre: *The Drifting of the Continents.* Repeat. See April 17 for details.

Fri., 19. Symposium and Exhibition: *Late 19th Century American Art: Cosmopolitan Tastes and the Genteel Tradition.* Speakers will be from Pratt Institute, the National Trust for Historic Preservation, Yale, Columbia, the Universities of Delaware and Washington and the National Collection of Fine Arts. The exhibition will include drawings, paintings and sculptures by artists including Kenyon Cox, John LaFarge, Abbott Thayer and Childe Hassam. 8:45 a.m. to 5 p.m. $5 general, $3 students. Registration deadline: April 12. Write Dr. Lois Fink, National Collection of Fine Arts, Smithsonian Institution, Wash., D.C. 20560. To be held at the University of Delaware.

Rehabilitation Medicine Films: *Better Odds for a Longer Life,* distributed by the Washington Heart Association; *Goodwill Documentary,* Goodwill Industries. 12:30 p.m., Carmichael Auditorium, History and Technology Building.

Poetry Readng: John Ciardi reads and discusses his poetry. Co-sponsored by the Washington Tufts Club. 8:15 p.m. Carmichael Auditorium, History and Technology Building. Reception precedes the reading at 7:30 p.m. in the Reception Suite. $2 general, $1 Resident Associates.*

Sat., 20. Saturday Shorts: Selected films of Charlie Chaplin, The Marx Brothers, and others from 10–11.30 a.m. Carmichael Auditorium, History and Technology Building. $1 general, 50 cents Resident Associates. Tickets at the door.

Drama for Children: *Crossroads,* produced by the Children's Theatre Association, with audience participation. 2 p.m., Carmichael Auditorium, History and Technology Building. $3 general, $2 Resident Associates. Recomended for ages 6–12.

Sun. 21. Fiddles, Banjos and Fun Twixt Brunch. Folk music performed by Robert Clayton and Robin Johnson of the Smithsonian Division of Musical Instruments, using a full range of folk instruments. 11 a.m.-noon. Bloody marys and pastries served before or after the concert. $6.50 general, $5.50 Resident Associates.*

Concert: Gunther Schuller conducting *An Experiment in Interpretive Jazz.* Performance will include works by Duke Ellington and other jazz composers. 8 p.m., Baird Auditorium, Natural History Building. $4.50 general, $3 students and senior citizens, $4 Associates. For reservations call 381–5395. Tickets are also available at Record & Tape Ltd., 19th and L Streets, N.W. A free workshop/demonstration will be held at 4:30 p.m.

Tues. 23. Math Film: *Introduction to Analog Computers.* 2:30 p.m., Carmichael Auditorium, History and Technology Building.

Museum Talk: *Stars and Constellations.* Speaker: Deborah J. Warner, Associate Curator, Division of Physical Sciences. 12:30 p.m., Carmichael Auditorium, History and Technology Building.

Seminar: *Pennsylvania Avenue—Dead or Alive.* The final plan for the Avenue presented and discussed by John Woodbridge, Exec. Dir. Pennsylvania Avenue Development Corporation; Nathaniel Owings, Chairman, Temporary Commission on Pennsylvania Avenue; S. Dillon Ripley, Secretary, Smithsonian Institution; Wolf Von Eckardt; Architecture Critic, Washington Post; Ben W. Gilbert, Director, Planning and Management, Executive Office of the Mayor; William Lacy, Director, Architecture and Environmental Arts Program, National Endowment for the Arts. Moderator: Wilcomb E. Washburn, Director, Smithsonian Office of American Studies. 7:30 p.m., Carmichael Auditorium, History and Technology Building. $4 general, $3 Resident Associates.

Wed. 24. Beyond the Planets: *Supernovae.* Speaker: Craig Wheeler, Center for Astrophysics. 7:30 p.m., Carmichael Auditorium, History and Technology Building. See April 3 for further details.

Free Film Theatre: *The City That Waits To Die*—San Francisco and life on the San Andreas Fault. 12:30 p.m., Carmichael Auditorium, History and Technology Building.

Thur. 25. Creative Screen: *Loon's Necklace; Wooden Box: Made By Steaming and Bending.* Repeat. See April 11 for details.

Thur. 25. Free Film Theatre. *The City That Waits To Die.* Repeat. See April 24 for details.

Fri. 26. Lecture. Yehudi Menuhin speaks on *Creativity.* 11 a.m. Baird Auditorium, Natural History Building. $3 general, $2 Resident Associates.*

Rehabilitation Medicine Films, *Can You Avoid a Heart Attack,* distributed by the Washington Heart Association; *Rehabilitation Film.* Texas Institute for Rehabilitation and Research, 12:30 p.m. Carmichael Auditorium, History and Technology Building.

Sat. 27. Saturday shorts: 10–11:30 a.m. History and Technology Building. See April 20 for further details.

Sun. 28. Young People's Festival of the Arts. *The Break,* a play by Paula Dean Setters, performed by students from D.C. Teachers College. Anacostia Neighborhood Museum. Time to be announced. Call 678–1200.

Seminar. *Contemporary Indian Life,* examined by members of the Indian community. Topics: Economy, Philosophy and Religion. Treaties and Indian Law; Education; Native Americans in Today's Society. Moderator: Clydia Nahwooksy, Director, Smithsonian Indian Awareness Program, 10 a.m.-5:30 p.m., History and Technology Building. $15 general, $10 Resident Associates.*

Mon. 29. Audubon Lecture: *The Little Things in Life,* by Fran William Hall. An illustrated lecture on insects, hummingbirds and ruby-throats. Sponsored by the Audubon Naturalist Society and the Smithsonian Resident Associates. $2.50 general, $1.50 members. For ticket information call 381–5157.

Tue. 30. Museum Talk: *Marriage and Automobiles of the American President.* Speaker: Herbert R. Collins, Assistant Curator, Division of Political History, 12:30 p.m., Carmichael Auditorium, History and Technology Building.

Math Film: *Introduction to Analog Computers.* 2:30 p.m., Carmichael Auditorium, History and Technology Building.

DEMONSTRATIONS

Museum of History and Technology

Spinning and Weaving—Tuesday through Thursday, 10 a.m.–2 p.m. 1st floor, and Sunday, April 7 and 21, 1–4 p.m.

Printing and Typefounding: Monday, Tuesday, Thursday, Friday, 2–4 p.m., 3rd floor.

Musical Instruments. A selection of 18th and 19th century instruments, and American folk instruments, Hall of Musical Instruments, 3rd floor, 1:30 p.m., Mondays and Fridays—keyboard; Wednesdays—lute and guitar; Thursday—folk.

HOURS

Open 7 days a week

Freer Gallery of Art, National Collection of Fine Arts, National Portrait Gallery, The Renwick Gallery, Smithsonian Institution Building—10 a.m.–5:30 p.m.

Anacostia Neighborhood Museum—10 a.m.–6 p.m. Monday through Friday; 1–6 p.m. weekends.

New Extended Hours:

Arts and Industries Building, National Air and Space Museum, National Museum of History and Technology, and the National Museum of Natural History will be open from 10 a.m. to 9 p.m.

National Zoo Buildings—9 a.m. to 6 p.m.

DOMESTIC STUDY TOURS

For information on the following tours, contact Mrs. Howe, Room 106–S1, Smithsonian Institution, Washington, D.C. 20560.

Fiesta, San Antonio, Texas: April 21–28, 1974.

Arkansas Arts & Crafts: May 11–18 or May 18–25, 1974.

Albuquerque/Sante Fe/Taos: June 19–27, 1974.

Boston Art and Architecture: June 21–24, 1974.

Colorado River Float: July 7–12, 1974.

Berkshire Music Festival: July 13–20, 1974.

North Carolina Crafts: August 4–10, 1974.

Iceland: August 17–31, 1974.

Northwest: September 8–15, 1974.

Williamsburg Weekend: September 19–22, 1974.

Dial-a-Museum—737–8811 for daily announcements on new exhibits and special events.

Dial-a-Phenomenon—737–8855 for weekly announcements on stars, planets and world-wide occurrences of short-lived natural phenomena.

EXPERIMENTARIUM

National Air and Space Museum

New Born Babe—a demonstration show that introduces the spacearium concept. Included in the program are a simulated Apollo launch, a look at the different colors of stars, a description of pulsars and an imaginary closeup look at a quasar on the edge of the universe. Tuesdays through Fridays, 4:30 p.m.; Saturdays and Sundays, 11 a.m., 12 noon, 2:30, 3:30 and 4:30 p.m.

PINOCCHIO

Smithsonian Puppet Theatre

The popular fantasy performed with music in commedia style by Allan Stevens and Company, using 15 rod puppets and four puppeteers. The new production was created by Allan Stevens and Vera Hughes, and is presented by the Division of Performing Arts. Wednesday through Friday, 10:30 and 11:30; Saturday and Sunday, 11 a.m., 12:30 and 2:30 p.m. Admission—$1.25. Discounts are available for groups or members of the Smithsonian Associates. Arts and Industries Building. Call 381–5395 for reservations. Through April 30.

MUSEUM TOURS

Museum of History and Technology:

Highlights: Weekdays, 10:30 and 11:30 a.m., 1:30 p.m. Weekends, 10:30 a.m., 12 noon, 1:30 and 3 p.m.

First Ladies' Gowns: Monday–Friday, 10:30 and 11:30 a.m.

200 Years of Needlework: Tuesdays only, 10:15 a.m. Begins at the Star Spangled Banner exhibit.

Ceramics and Glass: Highlights of the Smithsonian collections. 3rd floor, Ceramics Hall entrance. Tuesdays and Fridays 10:15 a.m. Other days by appointment—call 381–5030.

The Spirit of 1776: Tuesdays through Fridays. For groups. Call 381–6471 to arrange.

Museum of Natural History:

Highlights: Weekdays, 10:30 a.m., 12 noon (noon tour may be delayed).

OTHER EVENTS

Sponsored by the Smithsonian Institution Resident Associate Program. For price and ticket information call 381-5157.

GERMAN ART AND ARCHITECTURE

Three-part seminar held in cooperation with the Embassy of the Federal Republic of Germany, covering the Medieval period through the 19th century, with three of the most distinguished German art scholars as speakers. April 24, May 2 and May 9. Each program includes two lecture periods, refreshments, question period. To be held at the German Embassy. $35 general. $25 Resident Associates.

POPULAR CULTURE

Ten speakers explore the popular consciousness of the seventies in their own areas of concern: April 16—Gloria Steinem: *New Roles: Men and Women.* April 23—Arthur Herzog: *Advertising in the New Era.* April 30—Herbert London: *Where Have All the Flower Children and Bomb-Makers Gone?* Additional lectures through June 18. $55 general. $40 Resident Associates.

FROM COMMON SENSE TO ROLLING STONE: THE FREEDOM OF THE PRESS IN A DEMOCRACY

The role of the press in America discussed in a 10-week series. April 17—*Overview: The Free Press and the Democratic System.* David Wise, political writer; April 24—*Pressures on the Press.* David Wise. Additional programs through June 19. $55 general, $40 Resident Associates.

LOST CITIES

Cities whose history and culture have been retrieved through the work of archaeologists. April 15—*Timma,* a capital city of a South Arabian Kingdom, Gus W. Van Beek, Smithsonian Curator, Old World Anthropology: April 22—*Entrement: A Celtic Headhunter's Stronghold,* Claire Grandjouan, Chairman, Classics Department, Hunter College. April 29—*The Lost Gardens of Pompeii,* Wilhelmina Jashemski, Professor of Ancient History, University of Maryland. Additional programs through June 17. $55 general, $40 Resident Associates.

LET'S DANCE: MIDDLE EASTERN FOLK

The dances and their backgrounds of the people of Morocco, Iraq, Syria, Israel, the Druz of Lebanon, the Cherkezian Mountain people, and the Arabs in Galilee, taught and discussed by Ora Van Beek. 8 p.m. April 22, 29 and May 6. $17 general, $15 Resident Associates.

Adult Lecture Classes on the Arts, Humanities, Science, Studio, and Filmmaking and Photography begin the week of April 16 and include a range of topics from *Church Architecture* conducted by Edward P. Lawson of the Hirshhorn Museum and Sculpture Garden to *Physical Research in Medicine,* by Norman R. Ramarkin, M.D. Call for a complete schedule and registration information.

Tours and Workshops are scheduled during April and May for both adults and children. Call for complete schedule.

RADIO SMITHSONIAN

Radio Smithsonian, a program of music and conversation growing out of the Institution's many activities, is broadcast every Sunday on WGMS-AM (570) and FM (103.5) from 9-9:30 p.m. The program schedule for April:

7th—*The Scope of the Universe,* discussed by Dr. Myron Lecar of the Smithsonian Astrophysical Observatory. *Reflecting on History,* Dr. Brooke Hindle, new Director of the National Museum of History and Technology, describes his plans for the museum's future, and specifically for observing the Bicentennial.

14th—*Unearthing the Past.* Gus Van Beek, Smithsonian Curator of Old World Anthropology talks about his exciting excavations at Tell Jemmeh in Israel. *Barnstorming: The Childhood of Flight.* A look at the pilots who toured the country doing stunt flying and racing in flight's early days.

21st—*It All Depends.* Man's impact on the earth and its environment, as reflected in a new exhibit at the National Museum of Natural History.

28th—A Bluegrass Workshop, featuring Ralph Stanley and the Clinch Mountain Boys performing at the Smithsonian.

Radio Smithsonian can also be heard over WAMU-FM (88.5), Fridays at 7:30 p.m.

DISCOVERY ROOM

An area where visitors of all ages can touch, handle and smell a wide variety of natural history specimens of all shapes and sizes ranging from whale fossils to petrified wood. Now open seven days a week from 12 noon to 2:30 p.m. Museum of Natural History.

Deadline for May calendar entries: April 5. The Smithsonian Monthly Calendar of Events is prepared by the Office of Public Affairs. Editor: Lilas Wiltshire.

Use of funds for printing this publication approved by the Director of the Office of Management and Budget, June 3, 1971.

TIME MAGAZINE'S OMISSION

HON. JOHN E. HUNT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mr. HUNT. Mr. Speaker, the February 18 edition of Time magazine ran an interesting article on three health proposals which probably the Congress will have to haggle with during our current session.

The three summarized are the administration's, Senator KENNEDY's, and the Senators LONG and RIBICOFF's proposals.

At this point I insert for the record the magazine's comments:

COMMENTS

The Administration plan, which would cost between $36 billion and $38 billion and require $5.9 billion in new revenues, has already run into opposition from critics. Some charge that it would provide a windfall for private insurance companies, which under the program would provide the bulk of necessary coverage. Others favor the European-type, Government-financed health plan that would be created under the plan sponsored by Senator Edward Kennedy and Representative Martha Griffiths of Michigan. This plan would have the Government pay all health-care costs from the first doctor's visit.

Senator Russell Long, chairman of the Senate Finance Committee who has been pushing a more modest plan for coverage of catastrophic illness since 1970, has now been joined by Senator Abraham Ribicoff. The two have proposed an $8.9 billion, three-part package that would expand Medicaid eligibility to cover low-income families, have the Government pay all hospital costs after 60 days and all medical bills exceeding $2,000 per year.

What is interesting about Time's evaluation of the proposals, is its omission of the costs involved in the Kennedy proposal. Although the Senator has certainly played the health issue for all it is worth, making most Americans feel that he is truly concerned, not many of them know just how much his proposal is going to cost. And by reading Time, nobody is going to find out.

People should know. If they are told what the others are going to cost they should have the same information regarding KENNEDY's. OK, let us give it to them. Would you believe between $80 and $100 billion? And I do not have to tell you who is going to pick that tab up—the American taxpayer.

This is just another case of slanting the news—this time by omission.

IMPORTANT LEGISLATION AFFECTING FEDERAL EMPLOYEES

HON. JEROME R. WALDIE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mr. WALDIE. Mr. Speaker, as chairman of the House subcommittee with jurisdiction over retirement, health, and insurance benefits for Federal civil service employees, I have developed over the years an acute interest in just how the Nation's largest employer—the Federal Government—treats its employees.

My goal has been to make the Federal Government a model employer, and in recent years we have undoubtedly made some strides in meeting that goal.

But those gains have not been granted willingly by the executive branch, nor is more progress to be made without continued pushing and prodding by Federal employees themselves and their Representatives in Congress.

The present administration in Washington will attempt to continue to ignore the legitimate needs of its employees.

Indeed, during these times of raging inflation the Nixon administration has tried to cheat Federal employees out of some of their legally mandated pay raises for each of the past 3 years. It has accumulated and spent over $500 million in excess payments into the retirement system for the reduction of a debt that the law requires the Government—not the employees—to pay. It conducted RIF's last year that forced nearly 80,000 civil service employees into early retirement. It continues to oppose any significant increase in benefits. And, it continues to show an attitude of disdain for Federal employees, and the much maligned term "bureaucrat."

Now, the administration has initiated a new campaign to cut substantial numbers of civil service employees from the Federal job roles. Under former Litton Industries head, Roy Ash, the Office of Management and Budget issued a proposal this past fall that called upon all the military services to contract out to private industry much of the operational support services now performed on American military bases, and thereby replace up to one-third of the civil service employees on those bases.

In my State of California, this proposal would alone affect close to 50,000 jobs, including 5,000 in Los Angeles County, 6,500 in the Sacramento area, 7,000 in San Diego County, 9,000 in the San Francisco Bay area, as well as having substantial impact upon other areas with significant military base operations.

As an example of the widespread ramifications of OMB's proposal WALDIE cited the proposal sent to the Air Force which called for a phasing out of 89,000 civilian jobs beginning in fiscal year 1975 that would begin on 7 bases and eventually effect 70 Air Force bases throughout the Nation.

WALDIE noted that the Air Force's tentative response was to approve all but 1,000 of the civilian reductions.

The administration's intention in advancing its contracting-out proposal is made very clear when one considers that the proposal recommends that all work be contracted out to only one contractor per base. If this policy were implemented, there would be no possibility that small, specialized companies could compete for a portion of the work, thereby assuring that the contracts would go to such corporate giants as ITT, Lockheed, RCA, and Ash's former company, Litton.

In attempting to implement this policy, the administration has shown once again that their loyalties are to big business and increasing corporate profits and not to the taxpayers and the Federal employees who have performed their jobs so well. Time and again, experience has disproved any truth to the assertion that the Government's contracting with private industry to provide the same services that are now provided by civil service employees saves the taxpayers money.

If the administration, through OMB, is to be stopped from literally "contracting-out the Government," we in Congress along with all Federal employees are going to have to expose OMB's policy proposal as not resting on grounds of cost-savings but on the administration's desire to increase the profits of those corporate leaders who supported Mr. Nixon's Presidential campaign.

Mr. Speaker, as chairman of the subcommittee, I have had the pleasure of working with representatives of Federal employee associations on many different matters. Together, the subcommittee and these employee groups, have recently won certain—I think substantial—gains in the health insurance program for Federal employees and retirees. My bill, H.R. 9256, which was amended in conference between the House and the Senate, was signed into law early this year. Under this legislation, the Government increased its contributions towards health insurance premiums for Federal employees from 40 to 50 percent in January of this year, and in 1975, the Government will again increase its premiums, this time from 50 to 60 percent.

Though the President has called for a program providing for employers in the private sector paying a minimum of 75 percent of the premium, I am quite pleased that we were able to get through this legislation bringing the contribution up from a totally unacceptable 40 to 60 percent.

I think this is but a first step, however, and and I plan to push for legislation that will eventually bring the Federal Government into conformance with the President's own plan for the private sector.

In the last decade, health costs have increased at a greater rate than any other service or product in our economy. While the climbing rate of these costs has steadily eaten away at the purchasing power of all American workers, the Federal employee, and certainly the retirees, may have felt the bite of inflation even more than the private sector, because of the refusal of the administration to grant necessary cost-of-living pay increases and badly needed benefits. This legislation simply requires that the Government provide the same level of health insurance benefits for its employees as it has asked private companies for their employees.

Mr. Speaker, the gains that have been made in providing a better health care program for Federal employees must be weighed against the Government's failure to adequately protect the individual privacy of its employees and to improve retirement benefits.

In this state of the Union address, the President said that a primary concern of the administration in this next year would be guaranteeing the protection of each citizen's individual privacy. If the President were truly concerned, I suggest that he could easily spend the remainder of his term correcting abuses in the procedures of Government agencies which have led to the serious, and often routine, abuses of Federal employees' rights of privacy. The Government must be made to realize that Federal employees do not surrender their rights as citizens—to express and act on their own political beliefs, and to associate with whomever they want—just because they enter Government service.

If employee rights of privacy are to be protected, Congress must develop new guidelines to prevent Government agencies from using information that does not bear on the employees' ability to perform his or her job in determining whether to remove an employee or to not accept a job applicant. An employee's political beliefs, religion, and associations with others should have no part in evaluating an employee's qualifications for a job with the Government. The subcommittee will, therefore, hold hearings this spring in order to demonstrate the extent to which abuses of employee privacy now occur and the need for new legislation.

Finally, Mr. Speaker, I regret to report that efforts of the subcommittee and the House to increase retirement benefits for Federal employees have not met with success thus far. After twice passing the House of Representatives, my bill to increase benefits by $20 a month for those annuitants who retired prior to October 1969 and to provide a minimum civil service annuity equal to the minimum social security benefits, is still awaitng action by the Senate Post Office and Civil Service Committee.

The need for Congress to act on this legislation is evident in view of the enormous increase in the cost of living in recent years, and the fact that those Federal retirees who retired before October 20, 1969, received a lower level of benefits than those who retired after that date. It is my hope that the Senate will now act on this legislation which would bring the benefits received by those who retired prior to October 20, 1969, at least, more in line with the benefits that the retirees who have retired since that date have received.

Mr. Speaker, while the subcommittee has won some gains for Federal employees, they have been won, for the most part, despite the administration's opposition. Is it not too bad that Federal employees cannot band together to fight their own political battles? The one thing that stands in the way of fully effective pressure is the Hatch Act. The Hatch Act was originally designed, I am told, to keep the politicians away from the employees. But I am convinced that it is retained now mostly for the purpose of keeping the employees away from the politicians. Let us get rid of the Hatch Act, and remove Federal employees from their second-class status as citizens. If that is done, I am sure that Federal employees will be able to hold their own.

THE TAM O'SHANTERS

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mr. MURTHA. Mr. Speaker, in my 12th Congressional District there is a group called the Tam O'Shanters. They are an all-girl marching group from Somerset, Pa. The Tam O'Shanters captured a second first place in the fife, drum, and bagpipe category at the International Band Competition Parade in Limerick, Ireland.

The Tammies were selected in the competition which involved many units from America, Germany, England, Holland, Northern Ireland and the Irish Republic—Southern Ireland. There were 22 units from the United States competing in the parade.

Bands from the United States did well in the festival, taking three first places in the four categories in the parade. Another American band, the American Fife, Drum and Trumpet Band took second place in the unique category with the Tammies.

Mayor of Limerick, Lord Alderman Michael Lipper, presented the first place plaque to the Tammies at the awards luncheon following the parade. According to sources with the Irish Tourist Agency, the Tammies have created a sensation with the Irish people since the group is the first all-girl marching organization ever seen in the country.

A special evening of entertainment was held in honor of the Tammies by the Irish Tourist Agency and the townspeople of Limerick Monday night.

The win Monday comes less than 24 hours after the Tam O'Shanters received first place for the outstanding unit in the St. Patrick's Day Parade in Galway, Ireland, Sunday.

The Tammies have brought much honor to Somerset. We are proud of them.

The prize-winning tour of Ireland and the tour of Scotland culminates a 5-

month fund drive conducted by the Tammies in which more than $25,000 was raised through promotional activities and donations by area businesses and residents to help finance the trip.

Mrs. Nancy Friedline, director of the organization first learned of the possibility of making the group's longest journey in October, 1973, when she received the invitation for the Tam O'Shanters to take part in the Limerick Parade.

DR. HELEN MILLER BAILEY

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mr. ROYBAL. Mr. Speaker, on June 7 the East Los Angeles College will be paying a well deserved tribute to Dr. Helen Miller Bailey on the occasion of her retirement from the faculty.

Because of Dr. Bailey's unwavering dedication to the education of Chicano students, thousands of young men and women, encouraged by her words and deeds, have completed their academic careers and gone on to occupy positions of great respect and service in the community. Her work and contributions to the field of education are truly unparalleled.

More than 15 years ago I had the privilege of working with Dr. Bailey in establishing the Armando Castro Scholarship Fund. I can say without reservation that Dr. Bailey is one of the most outstanding women whom I have ever had the honor to know, and I am most pleased to have this opportunity to acquaint you with her numerous accomplishments and affiliations.

TRIBUTE TO DR. HELEN MILLER BAILEY

Over 10,000 students—yes, 10,000—have experienced the hospitality of her home. A bond of warmth and affection between teacher and students has been created, which continues now over decades. Over the years they return, coming by to say hello, sharing problems and successes, some dropping off a check to help others.

Encouraged and inspired by Dr. Bailey's words and deeds and assisted financially, students who otherwise might never have completed a two-year community college, in many cases went on to prestigious schools and now occupy positions of respect and service, even great responsibility and esteem, in the community and beyond.

At least a dozen children from problem backgrounds have been raised in the Bailey home. Another dozen have gone from youth to adulthood, helped over some of the rough spots by her helping hand and home. Whole families of distressed people in the ELA community have been fortified by her personal concern.

With hundreds of ELA College students as emissaries, she pioneered a program to bring "the word" to Chicano students at neighboring junior and senior high schools that, believe it or not—and many could hardly believe—there was a community college nearby that was free and could help them to a better life.

Even in the early 50's, long before our need had been publicly recognized, Helen Miller Bailey was prodding the State Department of Education to improve the quality of public education for Chicano students. On the campus she assisted in organizing, and became the faculty sponsor of, The Mexican-American Students Association.

A member of the Board of Directors of the Armando Castro Fund, she played a key role in raising thousands of dollars for scholarships to enable needy students to attend college. An accomplished amateur artist, through the years she has sold her paintings, all the proceeds going to assist students in need. The royalties from the sale at ELA College of one of her books were assigned to a scholarship fund. Dr. Bailey's contributions to scholarships and her financial assistance to students have been substantial and continuing.

As a teacher she has brought the world to her classroom. The poverty of China in the 1930's, ritual cremation services in Bali in the early 1950's, the ravages of war in the Congo in the 1960's—all have been for her students made real because she was there. Most areas of the world have had their sociology, religion, history, politics probed and documented in thousands of feet of film and slides by this extraordinary world traveler.

At night she slept on the floor of the little church in the then remote Mexican-Indian village of Santa Cruz Etla; and by day she helped with her own hands to build the village's first school. For thirty years she watched the development of the village and helped its people. To this day she still maintains contact with a few. The story is told in her book *Santa Cruz of the Etla Hills*.

A person of tremendous erudition and equal intelligence (placed in the upper genius class by the Terman gifted-child program), she has written for grammar and high school as well as college students. Her books include the following:

(Co-author) *Our Latin-American Neighbors*, 1945 and (2d ed.) 1952. (A junior-high school social studies text).

(Co-author) *Your American Government*, 1952 and (2d ed.) 1955. (Junior college text for terminal course).

Santa Cruz of Etla Hills, 1958 (For the Ford Foundation. Travel story with sociological overtones).

(Co-author) Latin America, *The Development of its Civilization*, 1st ed. 1960, 2d ed. 1967, 3d ed. 1973. (The leading college textbook in the field).

(Co-author) *Latin-America, Past and Present*, 1969. (Senior high school text).

Forty American Biographies, Harcourt-Brace, 1964. (Junior high school supplementary reader. California state adoption).

(Co-author) *Fifteen Famous Latin-Americans*, Prentice-Hall, 1971. (Sixth grade reader. California state adoption).

Her honors and affiliations are numerous. The Eastern Area Welfare Planning Council, East Los Angeles-Belvedere Area Coordinating Council, Eastside Boys' Club, Clelend House of Neighborly Service, California Governor's Commission on Youth have been benefited by her participation and leadership. She has been Chairman of Brotherhood Observance, East Los Angeles area; and Treasurer of the Armando Castro Scholarship Fund. Of course, she is noted in the *Who's Who of American Women*.

Dr. Bailey is a recipient of a Public Service Award by the Los Angeles County Conference on Human Relations and an Award for Human Relations by the Jewish War Veterans. More recently she received a Distinguished Service Award from the Mexican-American Correctional Officers Club and also from the recently created Mexican-American Teachers Club of Montebello. The later distinctions were doubly significant since they attested to how extensive her influence and encouragement have spread. In one instance, the award was personally made by the Chief Probation Officer of the East Los Angeles area, who had lived in her home for some years, and in the other by one of her students, now an outstanding educator.

Chairperson of the Social Science Department from 1945–1973, she served as head of a major department longer than any other person at ELA College. She is a member of Phi Beta Kappa, national honorary scholarship society, and Phi Alpha Theta, national honorary society. Her Bachelor of Arts and Master of Arts degrees were awarded by the University of California at Berkeley, and her degree of Doctor of Philosophy by the University of Southern California.

The many affiliations, the honors all represent long years of hard work, of devotion to her pet cause—the community of those in need of understanding, love, and a helping hand—She has dreamed, but better still she has, indeed, *done*—and her many accomplishments along with the love she has extended have inspired those young people who have had the privilege of knowing her to reach and accomplish even beyond *their* dreams.

SELECT COMMITTEE ON COMMITTEES' DECISION REGARDING THE PLACEMENT OF THE NATIONAL SEA-GRANT COLLEGE AND PROGRAM ACT OF 1966

HON. LEONOR K. SULLIVAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mrs. SULLIVAN. Mr. Speaker, on March 21, 25, and 26, 1974, I inserted articles in the CONGRESSIONAL RECORD concerning the select committee's questionable decisions to transfer the existing Merchant Marine and Fisheries Committee jurisdictions over Panama and interoceanic canals, oceanography, and marine mammals, to other committees. Today, my remarks will relate to the select committee's treatment of the National Sea-Grant College and Program Act of 1966, which has been under the unified oceanography and related ocean oriented jurisdictions of the House Merchant Marine and Fisheries Committee.

The following is an excerpt from the markup sessions of the Bolling Select Committee on Committees on February 20, 1974. This particular excerpt relates to the Sea-Grant College program which originated in the Oceanography Subcommittee of the House Merchant Marine and Fisheries Committee.

Mr. ——. Do you want to deal with Sea Grant Colleges?

Chairman. Yes.

Mr. ——. It is a program that has been authorized by the Committee on Science and Technology. It tends, I suspect, to come under the category of mining schools in Interior and Law Enforcement in Judiciary and nurses scholarships in the Health committee.

It tends to be a very specific kind of educational program. Based on what we have done so far, I would guess that we would tend, then, to leave it in Science and Technology and not put it in Education. (Select Committee mark-up session, February 20, 1974, p. 241).

As the facts set out below show, the Sea-Grant College program originated in and developed under the Merchant Marine and Fisheries Committee.

In conjunction with the Marine Resources and Engineering Development Act of 1966, the House Merchant Marine and Fisheries Committee reported H.R.

16559, which was subsequently enacted as Public Law 89–688 of October 15, 1966. The act authorized the establishment and operation of sea-grant colleges and programs designed to support education, training, and research, and advisory services in the fields of marine science, engineering, and related disciplines. The act was subsequently amended by Public Law 90–477 of August 11, 1968, and by Public Law 91–349 of July 23, 1970, each extending the effective date of the act and authorizing appropriations therefor. The latest amendment was Public Law 93–73 of July 10, 1973, which extended the authorizations under the act through June 30, 1976. In addition to reviews of the program at the time of the amendatory legislation in 1968, 1970, and 1973, the Merchant Marine and Fisheries Committee, pursuant to its legislative review responsibilities, conducted annual program reviews of the legislation in 1971 and 1972. The periodic review of the program for 1974 is scheduled to be held in April.

Although the sea-grant program has been responsible for important innovations in, and strengthening of, education programs related to marine resources utilization, this is but one of the parallel thrusts. Problem solving research has been the activity most heavily supported, but it must be pointed out that this research is not limited to science and technology. The fields of law, economics, sociology, political science, among others, have been significant contributors. Most of the difficult problems respecting the wise utilization of marine resources involve people and their functioning institutions as well as technology, and the sea-grant program has been a valuable catalyst in bringing expertise in all relevant disciplines together to tackle the whole problem as it is structured. Finally, the advisory services thrust takes the necessary step of communicating available information to all segments of the community in appropriate form for comprehension and use. The audience includes the concerned citizen, the small businessman, major corporations, State and local agency personnel, and Federal agencies. It is two-way communication with the people engaged in sea-grant program activities, and it leads to multiparty communications as a step to recognizing and achieving mutual goals.

Service to coastal zone management has included: provision of ecological understanding, an analysis of complex sets of existing ordinances, drafting of model legislation for States, recommending alternative institutional arrangements, instituting public forums for citizen involvement, and devising mechanisms for effectively using citizen participation. Trained personnel to serve in concerned agencies also are generated.

Similarly, in the area of fisheries, the identification and evaluation of underutilized species goes along with the development of effective gear and techniques for capture, the perfecting of processing techniques that deliver an acceptable product meeting requirements of regulatory agencies, and economic and marketing studies.

The transcript of the markup session indicates that at least some select committee members did not know that the sea-grant college program originated in and developed under the Merchant Marine and Fisheries Committee. As I pointed out in my other articles, and in these comments, all these ocean-oriented programs are interrelated and interact and cannot be fragmented. Failing to recognize this basic tenet, the select committee rushed into putting the sea-grant college program and other ocean-related programs in other committees—any place except where they belong—as a unified ocean entity in the Merchant Marine and Fisheries Committee. This is just one of many examples of the misconceptions of the select committee.

Is there really any basis for the Members to have confidence in any of their decisions?

EXTRAVAGANT HEIGHT OF FARM PRICES

HON. VERNON W. THOMSON

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mr. THOMSON of Wisconsin. Mr. Speaker, it is ironic that on the same day the Congress passes a minimum wage increase, space is taken in the Congressional Record to deplore the present "extravagant height" of farm prices. Before anyone knowledgeable on the subject of agriculture passes off the preceding sentence as a printing error, I would like to repeat the present "extravagant height" of farm prices.

This assertion is, of course, ridiculous, but one holding a degree of credibility among consuming public. After all, the logic runs, if food prices are higher, the farmer must be price gouging. No one asks how many middlemen have their fingers in the pie, or of increase in farm costs, or about average farm income compared to the public, or the rate of return on farm investment, and so forth. These seem to be irrelevant factors as far as the farmer is concerned.

Until recently farm income was only 70 percent of nonfarm income. That figure has improved, but it still remains short of the public as a whole. Considering the farmer works a longer day, has more money invested, and possesses at least as much skill as the average man, it would appear to me the farmer is the one being gouged.

The statement focuses his concern on the price of cattle. It could just as easily have been hogs, milk, or eggs. The farm price of cattle and hogs is actually less than 1 year ago. Who among us can point out an actual wage decrease? This decline in prices is despite the fact that the cost of feed is about double, fuel to operate farm machinery is up at least 10 cents a gallon, fertilizer costs have skyrocketed, and so forth.

Dairymen and egg producers at least have the benefit of greater income than last year. Yet, they too are faced with an inflationary spiral far worse than the average citizen. The Cost of Living Council, for example, released figures estimating that between August 1973 and June 1974 net returns on milk production would be in the red.

It such prices are "extravagant," I think we need a new definition of the word. The only thing I find extravagant in this entire situation is the charge being made.

The following is an unsolicited letter recently sent me by a farm family. With their permission, I am inserting it in the Record at this point:

TAYLOR, WIS.,
March 17, 1974.

Hon. VERNON THOMSON,
Rayburn, Building, Washington, D.C.

DEAR SIR: About a year ago the great campaign began to make food the scapegoat for the inflation brought about by the spend mania, both in government and out of government. The fall fuel crisis brought a great increase in fuel costs which gave a second thing to level the blame for general inflation on. It seems that if prices rise where necessities are involved that it is inflation. There is little outrage that the price of automobiles, television sets, or about anything else that can be bought on credit, rises.

We are farmers trying to make a living raising meat animals. We are tired of the constant bantering against food prices with meat bearing the brunt of the attack. The news media, so-called, keeps up a constant harping and the government joins in with jaw-boning tactics against the farmer, always promising that cheap food is their every right and that it will be forthcoming when farmers produce more.

Since when does a business up its production when it knows the end result will be lower prices? Not only are farmers to increase grain and meat and dairy production but it is with the explicit blessing that the end will be to lower prices. Imagine General Motors being talked into building an abundance of cars so that prices can be lowered for car buyers!

Obviously farmers know that food prices are high; we go to the grocery store too. We also know that work clothes, fertilizer, repairs, chemicals, land, taxes, feed and sundry other items are priced high. We are also able to see that much of the manufactured goods are of a very inferior quality compared to a few years ago. For instance: work gloves and rubber footwear are both doubled in price from a few years ago but last half as long. I personally think that the lessened quality is more of an outrage than the increase in cost.

We hear that last year was a good year for the farmer. Perhaps it was for some grain farmers. It was not for the livestock or dairy farmer. With all the talk of abundant food it must be significant that last years selling of dairy herds and breeding stock which should be producing meat is continuing this year, and less beef are entering the feeder's lots. High priced grain is partly to blame but so is news media and government propaganda.

We hear of possible export controls being put on grain. We hear of great imports of dairy products and meat, whether or not they have been produced under the same quality rules our farmers must abide by. Apparently the way to stimulate production is to lower prices and lessen the market.

Much of the farmer's problems along those lines must be that we no longer are represented in the President's Cabinet since we have *two* Departments of Welfare and *none* of Agriculture; most of Secretary Butz's budget is spent on consumer affairs like food stamps.

Since the above seems to be the case, it means that our voice in Washington is only

> through the efforts of our Congressmen and Senators. We hear you when you speak out about dairy imports. We also hear when production costs are aired along with food costs. Someone needs to tell the farmers side of the situation and tell it well.
>
> We keep hearing of rising costs, such as in the case of fuel, being "passed through" in some cases. There are also "cost over-runs" on contracts. Some segments of the economy are supposed to absorb cost increases, others are free to insure their income and pass costs on. A case in point is the postal service which just got a 25% first class increase piled on top the 33⅓% increase of a few years ago. Quite an inflationary rate compared to food it would seem.
>
> If the propaganda line does not change, if fairness does not prevail, there may possibly be a food crisis which will make the fuel crisis look like a piker. With dairy cattle being sold, with breeding stock being sold, the truth may yet come out—too late.
>
> It seems ridiculous that when we talk of energy we are finally thinking of self-sufficiency, but when we think of food—oh we can import that!
>
> Sincerely,
>
> Dale M. Byerly.
> Doris Byerly.

THE RED, BLACK, AND GREEN FLAG FLIES OVER CLEVELAND CITY HALL

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mr. STOKES. Mr. Speaker, February 11 was a day of special pride for the black people of Cleveland, and for the black people of America. On that day, for the first time in history, the red, black, and green flag of black liberation flew above an American seat of government—Cleveland City Hall. This historic event would never have happened without the passionate persistence of Mason Hargraves, president of the Cleveland division of the Universal Negro Improvement Association and African Communities League.

As the Cleveland Call and Post has said:

> The pride and jubilation of Mason Hargraves knows no bounds these days for he has done what no other black has been able to do.

But only Mr. Hargraves can express the joy he feels, not only for himself but for black people everywhere on the occasion of this historic flag raising.

I quote his own words on the significance of the red, black, and green flag:

> There is a black and there is a white people, and there are races of people. Every people needs a flag. A flag identifies the culture of a people. A flag brings to the attention of another people that an organized force approaches; that a government has been set up to honor its women and protect its children. A flag means that here comes a people seeking your respect by their conduct as established by their forefathers.
>
> To travel the high seas and airways, each ship must be so identified as it travels over another's land and rights, to be assured of not being shot upon.
>
> Where there is a people who have been given the right to co-exist in the land of another, that people's history has taught that they may fly their accepted colors not higher, but alongside the flag of the government in which they have been accepted.
>
> Marcus Garvey, founder of the Universal Negro Improvement Association, through diplomatic negotiations at the First Declaration of Rights Convention held in August, 1920, in New York City, presented to representatives of organized governments the colors, Red, Black and Green, to be so arranged as a flag to represent the 400,000,000 Negro-black people of the world.

Subsequently, the red, black, and green color combination has been widely copied and is part of the flag configuration of many of the new African nations.

I would like to add this one concluding word from Mason Hargraves on the great achievement of the flag raising at Cleveland City Hall:

> The Director of Properties (at Cleveland City Hall), George J. Wrost, should be commended for the position he took. He stood his ground when the telephone began ringing, his answer was, "It goes up and stays as we have committed."

THE FONDA SEMINARS

HON. TRENT LOTT

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mr. LOTT. Mr. Speaker, when I joined Congressman Bill Dickinson of Alabama and several of our colleagues recently in protesting the use of House facilities by leftist Jane Fonda, I expected a storm of similar protests from grass-roots Americans. I am pleased to report such vigorous protests and I call particular attention to an editorial published by the Birmingham, Ala., News, a daily newspaper published in Congressman Dickinson's district. In short, the editorial succinctly expresses our sense of outrage.

I want to once again associate myself with the remarks of the distinquished gentleman from Alabama and with the strong views presented by the editors of the Birmingham News, who suggested in their editorial that:

> **Congressmen don't have to give every left-wing group that comes down the pike a forum for their harangues.**

I also want to again register strong disagreement with those who feel that subversive activities should be encouraged to take place within the Captol complex. As the editorial so graphically points out, "free speech is free speech", but free speech does not mean that we are obligated to open Capitol facilities to those who openly campaign for the overthrow of our Government.

With that in mind, I submit the following for inclusion in today's Record:

> The Fonda "Seminars"
>
> The use by leftist actress Jane Fonda and others, among them avowed Communists, of a committee room in the office building of the U.S. House of Representatives is enough to get a lot of people hot under the collar.
>
> Among them was Rep. William L. Dickinson, R-Ala., who called a press conference to criticize the Fonda group and, indirectly, the congressmen, John Conyers of Michigan and Ronald V. Dellums of California, for reserving the rooms for the group.
>
> Miss Fonda and her friends have used the rooms to conduct a propaganda exercise they call "the history of Vietnam and U.S. intervention there." It doesn't take much imagination to figure the general drift of these proceedings. Dickinson called the sessions "anti-America seminars."
>
> Present at Dickinson's press conference were eight former American prisoners of war, who said Miss Fonda, by giving encouragement to the enemy, helped to delay their release from North Vietnamese prisons.
>
> One former POW said, referring to U.S. anti-war activists like Miss Fonda, "They made our life pure misery. Their principal weapon was public opinion, because that is the only way they could beat us. And they tried to cram that opinion down our throats."
>
> Those congressmen who, like Dickinson, detest and deplore the outrage of subversive activities taking place within the Capitol complex should take steps to prevent it from happening again.
>
> Free speech is free speech. But congressmen don't have to give every left-wing group that comes down the pike a forum for their harangues.

DEPARTMENT OF DEFENSE ATTEMPTS TO SACRIFICE OTHER HEALTH PROFESSIONS TO SAVE DOCTOR BONUS

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mr. LEGGETT. Mr. Speaker, health care for our military personnel has always been a matter of paramount concern in the House; and for that reason, I am concerned by an apparent aberration in the longstanding Department of Defense policy on this question.

In hearings before the House Armed Services Committee in 1972, Dr. Vernon McKenzie stated that the shortages experienced by Department of Defense in health professions other than medicine, and particularly in optometry and veterinary medicine, were severe enough to warrant the payment of bonuses.

In requesting the legislation that prompted Dr. McKenzie's testimony, Department of Defense counsel Fred Buzhardt pointed out that the most difficult officer group to retain on active duty was health professionals, not just physicians. Based on these assurances of need from Defense officials, the House approved a bonus provision for health professionals; unfortunately, the Senate was not able to act on the proposal.

Now, for reasons I find impossible to understand, Dr. James Cowan, Assistant Secretary of Defense for Health and Environment, has written to Senator Stennis of the Senate Armed Services Committee that there is suddenly no need for special pay for health professionals other than physicians. He does not tell the Senator why we suddenly have less need for dental, optometric, and veterinary services in the Armed Forces. He does not tell the Senator what happened to the forecast shortages in these professions; 17 percent for dentists, 15 percent for optometrists and veterinarians. He merely states that incentives for these people are not needed at this time.

This letter raises serious questions about the policy management of the Department of Defense. Legislation increasing special pay for health professions other than physicians has been requested by Defense and is pending before the Armed Services Committee; as far as I know, they still favor their proposal. Why, then, is Dr. Cowan trying to torpedo that part of S. 2770 dealing with other health professions? The special pay and bonus provisions for physicians are urgently needed, but it is a shortsighted policy that would sacrifice other fields of health care to obtain this authority when the Congress appears ready to grant it. I hope that the House will continue to espouse the policy it followed in 1972 of providing balanced military health care by sending a strong bill to the conference committee.

JUDGING THE PRESIDENT

HON. JEROME R. WALDIE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mr. WALDIE. Mr. Speaker, as a member of the House Judiciary Committee, I was asked by Mr. Blake Fimrite, of Newsday, to describe my position on the difficult responsibility of passing judgment on the President of the United States. My comments as published in Newsday follow:

JUDGING THE PRESIDENT

It would be difficult for any person to approach the responsibility of passing judgment on the President of the United States without, at some point, feeling private doubts and experiencing some sense of inadequacy and, even, apprehension.

Even to pass judgment on Richard Nixon as a private person and not as a President presents some difficulty to me. Confronted with Richard Nixon only as a private individual, I would be deeply involved with a sense of personal sympathy for a man whose career and fortunes have proven ultimately tragic, not only for the country, but for him and his family. The extent of his personal responsibility for his plight only slightly mitigates my sympathy for a human being reduced to the pitiful remnants of reputation that Mr. Nixon now possesses.

But it is not as a private person judging another private person that I am asked to confront and judge the performance of President Nixon. It is, instead, as a member of the House of Representatives sworn to uphold the Constitution and to perform the constitutional responsibilities of my office. Among those responsibilities at this moment in history is the solemn, unwelcome duty of determining if the President has committed impeachable offenses in violation of the Constitution.

As a member of Congress judging a President, I seek to insulate myself from some of the doubts, misgivings and uncertainties that I would possess as an individual not entrusted with this constitutional obligation.

It has not been easy to free myself from all self-doubt and hesitation. Like most Americans, I was raised with—and have never lost—the tinge of awe and veneration we attach to the office of the presidency. And I have generally felt almost equal awe and respect for its occupant.

But perhaps too much awe and veneration have been granted to those who have occupied the office in recent years, and that has contributed to the tendency of Presidents to consider themselves more important than their office. That is why a President can confuse his personal "diminution" with a "diminishing of the office of the presidency."

President Nixon is all too aware of the tendency of most Americans to practically enshrine their Presidents. It is his knowledge of this characteristic that has prompted the arrogance he has lately displayed in seeking to deny access to evidence in his possession sought by those official bodies investigating presidential misconduct. The President has imperiously ordered one special prosecutor to be fired because of his insistence on probing for truth; he has imperiously ordered another special prosecutor to cease seeking additional evidence from the White House; and he has given every public indication that his arrogance will similarly extend to the House Judiciary Committee conducting the impeachment inquiry.

As President Nixon has succumbed to the tendency to believe he is entitled to veneration and to enshrinement; as he has increasingly manifested conduct exemplifying his personal conviction that he is "larger than life"—that the President is more important than the presidency—he has brought about a convincing metamorphosis in my personal attitudes toward this particular occupant of the office.

My awe and reverence have disappeared. I have begun to experience unease and uncertainty at the possibility of the President continuing in office and continuing to believe his fate is more important than the fate of his country.

And so, finally, I find no trepidation, no fear, no uncertainties, as I approach the responsibility of judging the President of the United States.

In the final analysis I participate with eagerness. I am fully persuaded that for future Presidents to be deserving of the veneration and respect that past Presidents have received, we must judge—and judge clearly—those Presidents who tarnish and diminish their office. That responsibility is no occasion for reluctance or misgivings—it is an occasion for determination and resolve.

CONGRATULATIONS

HON. MARJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mrs. HOLT. Mr. Speaker, I would like to take this opportunity to extend my enthusiastic congratulations to the Annapolis High School basketball team for winning the Maryland State Class AA Championship on Friday, March 15, 1974.

Annapolis' victory over Parkville Senior High School by a score of 69 to 61, marked the first time the Panthers have captured the State championship. The team also won the Anne Arundel County and the District V titles and closed the season with a 23 to 3 record. As the Fourth District Representative, I am extremely proud of this splendid achievement. I would like to offer a word of special praise to Al Laramore, who has coached the team for the past 12 years and has built the Annapolis squad into an outstanding unit, along with Jim Coates, the assistant coach.

Fifteen fine young men made this victory possible: Gilbert Allen, Steve Anderson, Larry Beavers, Jeff Brooks, Sherman Douglas, Henry Downs, Otis Evans, Brewer Gray, Albert Middleton, Kevin Slade, Larry Snyder, Larry Johnson, Kim Jones, Tyrone Jones, and Ron Smith who are all to be commended for their hard work, determination, and team spirit.

Mr. Speaker, I share the pride of these outstanding young athletes and their coaches in their championship season.

LIFE, LIBERTY, AND THE PURSUIT OF HAPPINESS

HON. DONALD G. BROTZMAN

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mr. BROTZMAN. Mr. Speaker, the past two decades have seen an erosion in a time honored American principle; the right of an individual to his privacy. While not clearly spelled out as are "life, liberty, and the pursuit of happiness," the desire for privacy has been an implicit element in the development of the American character. To be sure, the original colonization of North America and the eventual development of the West came about through the efforts of individuals who were seeking a degree of anonymity and a chance to start afresh.

Today, no more frontiers exist where an individual can flee the bigot, gossip, or snoop. Instead, we must each one of us practice the discipline of keeping out of others' business so that our own privacy will be respected. To complicate this simple dictum, Americans must contend with the dehumanizing effects of cities and a Government whose interests never seem to end. A most insidious invasion of privacy can be dealt by the automated data collecting establishment—the compilers of credit ratings whose records bulge with information about our financial lives and personnel and Government administrative offices who tabulate and record our public lives.

As a last resort, our laws and the Constitution protect us from the prying eyes of a neighbor or a heavy-handed Government, but there is no final recourse when one's credit is ruined or a new job is forfeited, because of the transference of falsehoods or misinformation. Accordingly, Mr. Speaker, I am today introducing legislation that will go a long way toward remedying the abuses of the past.

In 1971, the Secretary of Health, Education, and Welfare commissioned a committee to study the problem of privacy abuse resulting from electronic data collection practices and to report and evaluate their findings. The committee, it is fair to say, was composed of members representing a cross section of society. Of particular note is the energetic role members of the data collection community took in the study. My legislation, then, seeks to embody many of the recommendations of the Secretary's

Advisory Committee on Automated Personal Data Systems.

To begin, my bill defines an administrative automated personal data system as one that maintains data on individuals for the purpose of affecting them directly and for making determinations relating to their qualifications, character, rights, opportunities, or benefits. Under my bill, an organization with access to personal data would be forbidden to transfer its information to another organization for the purpose of including it in an unregulated data system without the prior informed consent of the individual to whom the data pertains.

To safeguard information already contained in a data system my bill enumerates the constraints that will be placed on its proprietors. First, no organization can take disciplinary action against an employee who reports unfair personal information practices to the press or public. In fact, each organization must specify penalties for bringing such disciplinary action. The organization must also maintain a complete record of every access to and use of information in the system and maintain the data with accuracy, completeness, and timeliness.

Second, the bill requires the owner of the data system to give annual public notice of the existence and character of its system, specifying: First, the owner's policies regarding data storage and disposal; second, the categories of data kept; third, uses made of the data; and, fourth, how persons can be informed if they are the subject of data in the system, how they can gain access to such data, and how they can contest their accuracy.

Third, systems owners are required to inform individuals who are required by law to supply data of their obligations. Moreover, the individual must be told the consequences of not reporting data. Upon request, however, the individual must be informed of all aspects of data on hand. Finally, the bill requires owners to delete data which cannot be verified and to note on any transfers or reports that the data is challenged.

The bill also provides penalties for unfair personal information practices by Federal and State employees and private citizens. Furthermore, it provides for temporary or permanent injunctive power to stop acts of unfair personal information.

As an extension of legislation to curb potential abuse by data collectors, I am introducing a bill to retard the growing tendency of using an individual's social security number as a universal identifier. Briefly, my bill would prohibit the disclosure of an individual's social security number or related records for any purpose without his consent unless specifically required by law. It also provides that henceforth no one will be compelled to disclose or furnish his social security number for any purpose not directly related to the operation of the old-age, survivors, and disability insurance program.

At one time or another, many of us have played a parlor game in which a rumor is started and passed from contestant to contestant. The fun comes when the last contestant recites a rumor which has become a distorted facsimile of the original. Unfortunately, Mr. Speaker, this seemingly innocent game is played among the computers that compose the data processing establishment. By the time information has been transferred several times, its original meaning can and has been altered, often to the detriment of a nameless, faceless subject.

I urge all of my colleagues, therefore, to consider this legislation. If for no other purpose, it is my hope that it will serve as a catalyst for a discussion that will ultimately lead to the reinstatement of privacy.

PROPOSED PANAMA CANAL GIVEAWAY STIRS STRONG OPPOSITION

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mr. EVINS of Tennessee. Mr. Speaker, Secretary of State Henry Kissinger's recent announcement that the territorial sovereignty of the Panama Canal will be renegotiated has stirred strong opposition from both the public and the news media.

An editorial published March 13, 1974, in the Nashville Banner termed Secretary Kissinger's announcement as "calling for surrender of U.S. rights in Panama."

A broadcast March 27, 1974, by Bob Bartell, of the Liberty Lobby, points out that the present territorial agreement between the United States and Panama makes the Canal Zone as much a part of this Nation as Alaska or Hawaii, and that a give away of this sovereignty would seriously threaten American security.

Because of the interest of my colleagues and the American people in this matter, I place in the RECORD herewith a copy of both the Nashville Banner editorial and the Liberty Lobby broadcast:

[From the Nashville Banner, Mar. 13, 1974]

UNITED STATES MUST KEEP PANAMA CANAL SOVEREIGNTY

U.S. Rep. Joe L. Evins has rightfully and forcefully taken issue with the proposed treaty which would turn the Panama Canal over to the Government of Panama.

Mr. Evins, representing Tennessee's Fourth District, points out that although the move has strong Congressional opposition, the Department of State is moving forward with its plans to hand over the canal which the U.S. owns, as Mr. Evins puts it, "locks, stock and barrel."

Terming it a "surrender of United States sovereignty and ownership," Mr. Evins reminded his constituents in his Capitol Comments newsletter that the U.S. paid a premium price of $5.6 billion in 1904, making the canal the most expensive U.S. possession, which has been maintained by us and for which we have paid subsidies through the years, to the tune of $61.8 million.

Mr. Evins protested directly to Secretary of State Henry Kissinger and his reply came from Stanton D. Anderson, acting assistant secretary for congressional relations, who answered that Panama has been discontented with the original treaty and has pressed for more favorable terms with increasing intensity.

Kissinger announced in Panama recently a "Statement of Principles," calling for surrender of U.S. rights in Panama in these words:

"A new agreement must restore Panama's territorial sovereignty . . . In the President's name, I hereby commit the United States to complete this negotiation successfully and as quickly as possible."

We must echo Mr. Evins' answering statement:

"The United States should act to protect its self-interest, its national security, its national defense, and its first line of defense because no other country will protect our interests—we must therefore retain our control, sovereignty and ownership of the Panama Canal in the national interest."

THE PANAMA CANAL GIVEAWAY

(By Bob Bartell)

You know, the continental United States has never been under attack. And for that of course we are grateful. Up to the present time, we have had our military bases flung out across the world in highly strategic locations. This, in itself, has been a tremendous deterrent to our enemies. But now, pressure is mounting for us to give up the Panama Canal. President Nixon, and influential American liberals, are working behind the scenes to relinquish, lock, stock, and barrel, the Canal and all our holdings in the area—to the Panamanians. To do this would be the sheerest folly, because the American presence in the isthmus is a shield for the Republic of Panama and of the international political and commercial communities. The Canal has run like clockwork, and the Panamanians have prospered under American supervision and efficiency. So, obviously, any change in the control of the canal will mean less efficiency and a drastic weakening of the security of the U.S. which we simply cannot and must not allow. It also proves a very dangerous fact. The reasons for the proposed Panama Canal giveaway—are purely political. And we Americans have discovered to our cost that few political reasons ever make sense! (Pause) The treaty which our liberal politicians are trying so feverishly to abrogate—was signed in 1908 between the U.S. and the Republic of Panama. Now, this point is very important. It granted the United States the right, in perpetuity, and that means forever—to use, occupy, and control the Canal Zone for the construction, maintenance, operation, sanitation, and protection of the Panama Canal just as if the U.S. were sovereign in the area. I stress again that these rights were granted in perpetuity, and that the Republic of Panama excluded absolutely its claim to any exercise of sovereignty in the area. Now, nothing could be more clear than that. It's nailed up tight! And you can bet that when any liberal-inspired treaty is rammed into law—such as the Treaty of Moscow, also known as the Test Ban Treaty, the Internationalists would yell to high heaven if concerned Americans tried to rescind it. It's always a one-way street with the Internationalists—you go their way or not at all! (Pause) So now, our liberal leadership wants to give away the Canal to the historically unstable Government of Panama. They agonize about "world opinion." And they bleed over the poor peon in Panama, who incidentally, has never had it so good. Thanks to America, the Panamanian economy is comfortably solvent. But the Internationalists are not concerned about that or the security factor. "We must hand over the Canal," they bleat, "because the intense nationalism of the Panamanians demands it." Hogwash! But, our politicians catch the bug, and immediately our enemies see a way to exploit the situation. They incite riots . . . our flag is vilified . . . and our soldiers ordered to do nothing. Our gutless politicians trip all over themselves to give away the Canal and to show their good intentions toward America's enemies, who can hardly wait to lay their hands on it. That water-way is as much a part of the United States as Alaska or Hawaii. It is vital to our defence. Liberty Lobby urges you to write your senators and demand that they act like Americans and preserve the sovereignty of the Panama Canal.

WHERE YOUR TAX MONEY FALLS

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mr. SYMMS. Mr. Speaker, I commend the following article for the readership of my colleagues who may be wondering where our money is going:

WHERE YOUR TAX MONEY FALLS

(By James Dale Davidson)

Sitting down with their scratch pads tax time, people comfort themselves with the notion their money is going to pay for activities which are at least hypothetically good: purchasing weapons to fend off the heathen, helping to clean the slums, curing cancer, "establishing a lasting structure of peace" and so on.

The more cynical among us may have more gruesome theories, but our doubts are seldom equal to what really goes on. Some examples of government spending are so implausible that they make the Congressional Record second only to National Lampoon as a source of comic material. One man in Texas who spent several years gleaning fiscal funnies from the Record thought the material was so hilarious he was demanding $25,000 from a book publisher for his findings.

Chances are that he'll never get the money, not because his examples aren't good reading, but because they are so easily duplicated. They're like mosquitoes in a swamp. Anyone who cares to wade in can come away with as many specimens as he can stand.

For instance, how many of your typical taxpaying shoppers who complain about the cost of bacon know they are footing a $35,000 bill for one year of chasing wild boars in Pakistan?

Just as ridiculous is the $70,000 which went to study the smell of perspiration given off by the Australian aborigines.

No doubt some money could have been saved on the aborigine project if only the State Department had prevailed upon Turkey to lend the Australians the odor measuring machine we purchased for them for $28,361.

But we haven't stinted our benevolence toward some of the world's other peoples. $50,000 went to study the lifeviews of the Gaujiro Indians in Colombia.

The Bedouins got $17,000 for a dry cleaning plant to spruce up their djellabas.

Morocco's economy got an unexpected boost from U.S. taxpayers in the form of a $37,314 potato chip machine. All that left the Moroccans in need of was potatoes.

Here at home, Richard Nixon gave the public a graphic account of the idiocy of expending funds to support the federal government's Board of Tea Tasters. Said Mr. Nixon: "At one time in the dim past, there may have been a good reason for such special taste tests, but that reason no longer exists. Nevertheless, a separate tea-tasting board has gone right along at taxpayers' expense, because nobody up to now took the trouble to take a hard look at why it was in existence." Having taken that hard look soon after beginning his first term Mr. Nixon has since looked in the other direction while the Board of Tea Tasters sipped away $117,250 a year. And this doesn't count the extra sipping done by the Board of Tea Appeals.

Another interesting and little known domestic program is the so-called "Condom Stamp Program" which achieved the distinction of distributing the world's first and only $23 rubbers.

As part of this same space age effect to control social disease, HEW asked the Office of Management and Budget for fiscal year 1974 funds to launch an anti-v.d. satellite.

Closer to earth, the Queen of England received $68,000 for not planting cotton on her plantation in Mississippi. This put her far beyond the Ford Motor Company which got only $14,000 for not planting wheat and Libby McNeil which garnered $19,000 for growing no cotton.

But Queen Elizabeth came off like a proletarian compared to Yugoslavia's Marshal Tito who received $2 million to purchase a luxury yacht.

Tito travels in even better style than Nixon's drinking buddy Brezhnev, whose stake in solving the oil crisis was increased when American taxpayers picked up the tab on his twelfth limousine.

Not all of our largess was lavished on royalty and foreign potentates: $31,650 went for the new carpet of Carl Albert's, $21,000 for draperies and $44,000 for chandeliers. Another $65,000 went to finish the furnishings.

Another piece of furniture, not in Albert's office, also claimed a lot of tax money. The zero gravity toilet—developed by the space program to function under such conditions—cost $80,000. But that was nothing compared to the tab for "environmental testing" of the same toilet which came to $230,000.

The Interdepartmental Screw Thread Committee, established as a temporary agency to speed the end of World War I, is still laboring to make nuts and bolts fit together. The cost: $250,000 a year.

Meanwhile, the bureaucrats who devise all these important projects need a break once in a while. The Alaskan Chateau in Anchorage is maintained for their exclusive use, (providing they make $22,000 or more, or they're members of the military above the rank of major.) For a tab of $3 a day, these "public servants" can unwind in steam rooms, sauna, sunrooms, massage rooms, a gym and cocktail lounge. The bill for salaries alone of the government employees who act as servants at Alaskan Chateau totals more than $100,000 a year.

The cause of higher learning has been bolstered in ways that would have dazzled Gulliver more than his visit to the Grand Academy of Lagado. For reasons unknown, governmental research has located the frontiers of man's knowledge in three remote countries: Poland, Burma and Yugoslavia: $6,000 went to study Polish bisexual frogs. $85,000 was consumed learning about the "Cultural, Economic and Social Impact of Rural Road Construction in Poland." And $20,000 was devoted to study the blood groups of Polish Zlotnika pigs. In Burma, $5,000 went to collect a rare moss. And another $8,000 went to track down specimens of a certain Burmese ant. The Yugoslavians were good for another study of "Cultural Impact of Rural Road Construction." Five thousand dollars went to learn all about Yugoslavian Intertidal Hermit Crabs. And the bounty for finding Yugoslavian lizards was $15,000.

But geography is no barrier to the search for knowledge. We spent money like mad in other areas too: $5,000 went to tabulate the differences between native American and Indian whistling ducks. And $20,000 was the cost for investigating the German cockroach.

A history of comic books cost $71,000, making it far more costly than the dictionary of witchcraft which was compiled for a measly few grand.

Five thousand dollars went for an analysis of violin varnish, while ten times that amount went for analysis of the fur trade between the U.S. and Canada between 1770 and 1820.

In another area of great concern to average taxpayers, $20,324 was expended to learn all there is to know about the mating calls of Central American toads.

The toads' problems were only one-tenth as pressing as those of the city of Los Angeles, which received $203,979 to extend travelers' aid to migrants lost on the freeway.

Culture also benefited from an infusion of government funds. Five thousand dollars was paid to some genius who thought to write the poem "lighght." That's not the title by the way, that's the poem. The whole thing comes to seven letters worth $714.28 each.

HEW spent $19,300 to find out why children fall off tricycles. The answer: "Unstable performance, particularly rollover while turning."

Not to be outdone, the Pentagon spent $375,000 to study the Frisbee. This, of course, is less discouraging than having them spend $375,000 to buy a Frisbee. That could have happened if Frisbees were large enough to be pitched as tents. When Air Force engineers decided to "invent" a device to cover the lips of missile silos they spent $1 million dollars to come up with a prototype which looked for all the world like a tent. Within hours after the newly-invented tent had been fastened down it disappeared. Later, investigators found it blowing head-over-heels across the prairie.

Experts investigating the construction of the C–5A cargo plane found proof of the Defense Department paying $111 for a pin. Overall construction was so inefficient that if your family car were built on the same methods with similarly inflated labor costs, it would have to be priced at $100,000.

Congressional spending watchdog Senator William Proxmire heard testimony about another bit of fiscal mischief with true human interest. I am not referring to Proxmire's discovery that Pentagon bigwigs routinely spend $600,000 outfitting executive jets for themselves, but to the testimony of Herbert J. Frank, president of Aerosonic Corporation. Frank told the Joint Economic Committee that the government once canceled one of his contracts because he was one day late in delivery. The Pentagon then let a new contract for the same items to a giant aerospace contractor who failed to deliver for more than a full year.

When McDonnell-Douglas made square holes in an airplane instrument panel designed to house one of Frank's round altimeters he saw a chance for revenge. "We figured we were really going to take the government this time," he testified. "They needed the plates (to cover the square opening and leave a hole the shape of the instrument) desperately. So we came up with a price of $15 for each plate. We were actually ashamed to ask so much for it was a little $3 stamping plate, but we figured we were really going to take them."

Mr. Frank and his small company were disappointed in their effort to rip off your tax money. The Pentagon turned down his bid of $15 a piece. The accepted bid, from McDonnell-Dougas, was $230 per plate.

Other highlights of tax spending:

$121,000 to find out why people say "ain't."

$33,101 to the Israeli Institute of Applied Science to conduct "a test of the husband-wife relationship."

The Department of Transportation gave extensive and expensive, psychological tests to Polish truck drivers, which seems a bit more useful than the metric and morphological study paid for by Uncle Sam, of the evolution of the chin of Polish skeletal populations between 2000 B.C. and the year 1800.

$15,000 to find out how fishing boat crewmen cause conflicts in Yugoslavian peasant towns.

$3,000 to search for Indian lizards.

$25,000 to study biological rhythms of the catfish in India.

$8,500 to study medieval Spanish satire and invective.

$14,000 to learn about speciation in cave beetles.

$2,458 to train 18 Good Humor peddlers.

$70,000 to classify and determine the population biology of Indo-Australian ants.

$12,600 to study the chromosomes of chipmunks.

$159,000 to teach mothers how to play with their babies.

RESIGNATION NOT THE ANSWER SAYS VICTOR GOTBAUM

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Ms. ABZUG. Mr. Speaker, Victor Gotbaum, executive director of District Council No. 37 of the American Federation of State, County and Municipal Employees, AFL–CIO, has written a very perseptive and on-point article about the need for the impeachment process to continue without Mr. Nixon cutting it off by resigning.

I share Mr. Gotbaum's view and commend the article to the attention of my colleagues:

ONE VOTE AGAINST MR. NIXON'S RESIGNATION

(By Victor Gotbaum)

This is not the first time I have disagreed with Senator James Buckley, but it will probably be regarded as odd that I do not share his widely-publicized view that President Nixon should resign. I do not agree. I think resignation would rob the American people of the facts with which to judge this man and his Administration, so that *their* verdict, which certainly ranks in importance with any other judgment, will be based on as clear a picture as is humanly possible of what has occurred in Washington under the rule of Richard Nixon.

We have been through the resignation charade with Spiro Agnew, standing by while a crude deal took him off the hook with little more than a slap on the wrist—for a confessed felony and many other misdeeds that were not confessed, and not punished. But it's not the punishment that I seek; the man was removed from the second highest office in the land, and I will not argue that he went unpunished. What I do seek, however, is to have all the facts of Spiro Agnew's crimes laid out in a court of law for all the American people to see. After all, this was the man who went coast to coast advocating "law and order"—his brand, that is. To witness the hypocrisy of this man copping a plea, and nowadays flitting from golf course to golf course with much of the cost borne by the American people, is sickening.

I don't want to see the same plea bargaining by Mr. Nixon. I want the truth to emerge—every last bit of it that we can wring from the gang that took over our Government. This was no remote episode in human history that titillated the news media and then sent some rogues off to the penitentiary. There were economic consequences that will remain with us for years to come, payoffs from dairy companies and ITT and wheat deals and Vesco, and God knows what other crimes that add up to a higher cost of living for all of us.

There was damage to our system of government in the tapping of many phones, the Ellsberg burglary, the enemies' list—etc., etc.

I want the truth to come out in an impeachment hearing because it is the fair and proper way under our Constitution. I want it to happen that way, too, because I think it is necessary that the American people take a good look at itself in the wake of Watergate. Eleanor Roosevelt said that in a democracy the people get the kind of government they deserve. I'll buy that. We allowed the Nixon team of hucksters to peddle our country to the highest bidders, and then re-elected them for another term. We watched them systematically cut down the pay standards of working people and then we re-elected them.

The impeachment will be difficult to take for this country—a kind of purgative; we'll all feel sick over the facts as they unfold. But we'll be lots healthier when it is over.

FEDERATION OF COMMISSIONED UNIFORMED SERVICEMEN—POSITION PAPER ON MILITARY POSTURE

HON. O. C. FISHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mr. FISHER. Mr. Speaker, under leave to extend my remarks I include a communication from Col. Hubert A. Connelly, USAF, retired, president and executive director of Federation of Commissioned Uniformed Servicemen, which contains a position paper of that organization. It follows:

"STAY STRONGER IN THE LAST QUARTER OF A PERILOUS CENTURY"

Today most Americans are sick of war and many are only too eager to listen hopefully to talk of disarmament and detente or friendship with Soviet Russia and Communist China. Words like "containment" or "equilibrium of military forces" have been replaced by popular slogans like "negotiation, not confrontation." It has become almost taboo to talk about strengthening our military posture and keeping it strong.

We believe that the ever-growing military strength of our potential adversaries, the two giant communist powers and their allies, continues to be the clear and present danger to our survival. Their strategy is to lull us into a false sense of security, a posture of military weakness, and then strike.

There is danger now that the voice of people like ourselves may be lost in the shuffle toward Utopia. It is the voice of Americans who now serve, or in the past have served as commissioned or warrant officers of our armed forces—a highly important group of people, whose dedication has seen us all through many crises in the past. It is the voice of reason. FOCUS intends to make sure that voice will be heard.

We shall consistently speak out for a national military posture that will provide:

Superiority in strategic weapons.

Leadership in research and development and shortened lead time to produce new weapons.

Reliable intelligence and early warning systems.

Continued modernization of both our active forces and our back-up forces: the Reserve and National Guard components.

Maintenance of our all-volunteer armed forces, both active and back-up, at adequate strength levels with professionally competent personnel.

We shall consistently oppose any steps toward unilateral disarmament or unilateral withdrawal of U.S. armed forces from forward deployed positions overseas. We firmly believe that any arms limitation or force reduction agreements that we negotiate must be based on maintenance of a balance of military strength worldwide—an equilibrium that will offer our adversaries no temptation for aggression against us or our allies.

We recognize that our country has entered a new era of negotiations, but believe that unless we bargain from strength with our totalitarian adversaries, we face unacceptable risks to our survival. In short, we say Teddy Roosevelt's words early in this century: "Speak softly and carry a big stick" are still wise advice for the last quarter of a perilous century.

CUBANS EXPORT COMMUNISM TO THE MIDDLE EAST AND AFRICA

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mr. RARICK. Mr. Speaker, the advocates of normalizing relations with the Castro Government of Cuba, those who have been making a concerted effort to convince the American public that Castro has abandoned his program of exporting Communist revolution from his island base, must have considered it a severe setback for their cause to learn that a Cuban brigade has been serving with Syria against Israel in the Middle East and against the Portuguese in Africa.

This revelation certainly brings the credibility of the pro-Castro Cuba apologists into serious question. This recent example of exportation of Castro-style armed force to Africa and the Middle East causes even the casual observer to wonder what possible advantage this country would receive from granting recognition and trade assistance to the prime instigator of world unrest.

I insert the related newsclipping:

[From the Washington Star-News, Apr. 1, 1974]

CUBAN BRIGADE ON LINE IN SYRIA, DAYAN CONTENDS

(By Jeremiah O'Leary)

Israel Defense Minister Moshe Dayan said yesterday that a Cuban Brigade is among forces that have been aligned against Israel on the side of the Arabs in the Middle East confrontation.

Speaking on the nationally televised program, "Meet The Press," Dayan again referred to outside assistance given the Syrians by Iraq and other Arab countries, along with arms from the Soviet Union. But it was the first time a responsible leader has mentioned a Cuban presence on the Syrian side in any strength.

U.S. officials said they have known small groups of Cuban technicians were playing a role in the employment of sophisticated weapons in the Middle East, but they expressed puzzlement at Dayan's contention that the Cubans are there in brigade strength.

Israeli sources here noted that Dayan knows the difference between a brigade, a regiment and a squadron and suggested the matter was worth looking into. U.S. and Israeli officials agreed that small groups of Cubans have appeared in Yemen and some of the smaller Arab states such as Dhofar.

Dayan did not expand on his reference to a Cuban Brigade, nor did he say whether it took part in the October War or arrived in the Middle East after the cease-fire.

Dayan today was scheduled to see Secretary of Defense James Schlesinger to discuss Israeli arms requirements. Later today, he was to appear before a closed session of the Senate Armed Services Committee.

American sources said the Cubans are capable of acting as technicians or advisers in the use of antiaircraft weapons such as the SAM and STRELA, or to act as MIG pilots or instructors.

Cuban pilots and other combatants are known to have operated in the Congo, now Zaire, during the turbulence there a few years ago. In addition, sources here said Cubans have begun to appear in Mozambique to fight against the Portuguese on the side of African rebels.

MORTGAGE BURNED BY BROUGHTON FIREMEN

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mr. GAYDOS. Mr. Speaker, I recently had the privilege of attending a mortgage burning ceremony held by the officers and members of the Broughton Volunteer Fire Department in my 20th Congressional District of Pennsylvania.

In 4 short years these men, working in cooperation with the members of the company's ladies auxiliary, accomplished a monumental task. They paid off a $120,000 loan for the construction of a new facility to house their equipment and provide a site for many community activities. Furthermore, they did it 1 year ahead of schedule. This outstanding financial track record is a tribute to the dedicated efforts of the firemen and their leaders, including Mr. Charles Lewis, president, and Mr. Joseph Ferrelli, fire chief.

According to a historical account of the fire department, prepared by Mr. Louis Berlich for the mortgage-burning occasion, the Broughton Co. was organized in 1926 with approximately 13 members. Today, it has 62 volunteers on its rolls, 17 of whom have served for more than 22 years and a few with records dating back 44 years. Originally, the company had only one fire truck but over the years the members have added to their rolling stock and present plans call for additional equipment which will make the Broughton Department second to none in the area.

The company has approved a proposal to borrow $100,000 for the purchase of a new, $83,000 firetruck offering the latest in firefighting equipment, a new emergency panel truck and further improvements to the building and grounds. It expects to complete this new venture this year and pay off its debt within 5 years.

The Broughton firemen, as do all volunteers, provide more than just fire protection for their friends and neighbors They consistently take part in many civic affairs, sponsor social events and conduct educational programs for the community's young people.

Mr. Speaker, the men and women of the Broughton Volunteer Fire Department and its ladies auxiliary have set an example for all Americans to follow. They work long and hard, without financial reward, to safeguard the lives and property of their fellow citizens. They richly deserve the admiration and respect accorded them by their neighbors and I am proud to join in applauding their efforts.

REPRESENTATIVE JACK KEMP SPONSORS BILL TO REQUIRE PUTTING A PRICE TAG FISCAL NOTE ON LEGISLATION WHEN IT IS INTRODUCED

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mr. KEMP. Mr. Speaker, every session of Congress thousands of bills are introduced in the House of Representatives. We are not even three-fourths of the way through this 93d Congress—1973 and 1974—yet almost 14,000 bills, and nearly a thousand joint resolutions have been introduced in the House. Nearly 3,500 bills have been introduced to date in the Senate.

Seldom do we, as Members, have an accurate idea of how much it might actually cost to fully implement each and every measure introduced, no matter how worthy the objectives may be. We really do not know how much it costs to carry out proposed programs to improve justice, insure domestic tranquility, provide for the common defense, promote the general welfare, or secure the blessings of liberty.

Yet, these constitutional mandates are to be carried out. And, we owe it to ourselves and to the constituents we represent in this Congress to carry them out to the very best of our abilities. That means we must examine all proposals carefully, relying primarily on the committee system through which expertise is harnessed most effectively in a free legislative body. A part of that examination has been the inclusion in House and Senate committees' reports of the long-range cost projections on authorization bills; this requirement came into being as a part of the Legislative Reorganization Act of 1970.

What we are talking about is getting a better handle on the problems of Federal spending, for Federal spending contributes significantly to inflation.

It does this in two ways. First, massive Federal spending has the tendency to overheat the economy, and the greater the speed in which dollars circulate in the economy, the greater the risks of inflation. Secondly, when Federal spending exceeds Federal revenues, one of the easiest ways for the Federal Government to meets its obligations is simply to print more money. The Federal Reserve System simply orders the printing of more money—money that has no increased productivity to sustain and support it. It is expensive paper money supply which robs each of us of our livelihood by reducing the purchasing power, in real dollar terms, of the money which we either have or are about to have. Since printing more money is easier to do than raising taxes, there is greater and greater reliance on the simple issuance of money. The result is, of course, a standard fiscal-monetary inflation such as we are now experiencing.

A careful study of American history reveals two crucial facts:

First, there has never been a significant inflation which was not preceded by a rapid increase in the money supply; and,

Second, there has not been a recession in the United States in the past 100 years which was not preceded by a non-increasing money supply.

One way to get a handle on this problem is to reduce pressures for Federal spending. The measure I introduced today would help achieve that goal.

This is why I believe it would be helpful to have a more accurate idea of the projected costs of enacting specific legislation long before reaching the committee report stage, for only a fraction of the bills introduced ever get to the committee report stage. The cost of a proposal is a vital piece of information, vital to the Member introducing it, vital to his colleagues, vital to those intended to be affected by the passage of the bill, and vital, above all, to those who will have to pay for it—the taxpayers.

Knowledge of the approximate cost of a bill very well could affect its future—its probable success or failure—in legislative deliberations. A good idea at a bargain price might move along quickly, with all due deliberation. A good idea with a high price tag might produce more extensive public debate and promote a more comprehensive search for alternative means of filling the need. Such a search might produce not only a cheaper but also a better solution.

Knowledge of a proposal's cost can produce efforts to match the reality of need against the reality—and ability—of meeting that need.

PROPOSED FISCAL NOTE ACT INTRODUCED

That is the purpose of the bill which I introduced today, H.R. 13865, the proposed Fiscal Note Act. This bill now becomes the House version of the bill introduced in the Senate, S. 3006, on February 18, by Senator PROXMIRE of Wisconsin, a Senator whose attention to matters of fiscal integrity is well known to Members and the public. I am honored to cosponsor this measure with him.

H.R. 13865 requires that before a bill may be printed upon its introduction that an estimate of the cost of carrying out its purposes must be placed as a footnote on the first page of the bill. The estimate would cover its cost in the fiscal year that the bill or joint resolution is introduced and for each of the next 5 fiscal years, if it is to be a continuing program.

I will explain the legislation I introduced today in more detail in just a moment.

WHY THE FISCAL NOTE ACT IS NEEDED

Just what good is this kind of price-tag information?

First, pressure against spending on specific bills has been almost nonexistant in the Congress in recent sessions. There has been too much general discussion on spending and too little specific discussion on particular bills which ought to be cut back. Almost all of the "lobbying" comes from interest groups which stand to gain from legislation, no matter how low in priority that legislation may be when compared to the overall public interest.

Second, a starm, sharp, direct reminder of costs on every bill which authorizes the appropriation of money—right on the first page of the bill where no one, and no Member, can miss it—could induce the saving of millions, perhaps billions, of dollars.

Third and just as important, such price tags could stimulate the quest for more cost savings, benefit producing ways of accomplishing the things that need to be accomplished and at a price we can all afford.

Fourth, Members and interested citizens examining the bills would be given a headstart in weighing priorities and in making necessary judgments about those priorities. This is particularly important as we move toward the enactment of badly needed congressional reform of its own budget examination and preparation procedures.

Fifth and undoubtedly, the requirement should result in more careful refinement, among both Members and staff, of cost estimates.

The idea of placing price tags on legislation is not new, for many State legislatures have done it for years. Where it would be new is in these Halls.

THE MECHANICS OF THE LEGISLATION EXPLAINED

Let me take a moment to explain in more detail the mechanics of how the price-tag requirement would work.

Any bill introduced in the House that affects Federal expenditures directly or indirectly will require a fiscal note before the bill or joint resolution may be printed. The fiscal note may be prepared by the sponsor before introduction of the measure, or it may be prepared after introduction.

In either case, the responsibility for writing the note is that of the department or agency which will carry out the mandate of the bill after enactment. To prevent delays in introduction, the departments or agencies will be required to have the fiscal note to the Public Printer within 72 hours. I think the departments and agencies have this ability, and Senator PROXMIRE has been assured that "basic budgetmaking information available in the departments and agencies will enable them to prepare fiscal notes with ordinary diligence."

As drafted, the bill, H.R. 13865 would affect only bills and joint resolutions originating in the House. The companion measure, S. 3006, would affect only bills and joint resolutions originating in the Senate. We both believe this to be a matter so particular to the procedural requirements of each House that each House should decide for itself if it wants to require a price tag on each bill. Of course, I hope both Houses do so.

It is a fair question, in light of what our bills would do, to ask: What will S. 3006 and H.R. 13865 cost? What would their fiscal notes be?

Our bills would authorize no direct expenditure of funds; therefore, it would not require a fiscal note on those grounds. What, then, about indirect expenditures?

We believe that there would be no requirement for Federal departments of agencies to request added manpower to carry out these bills. All have capabilities that can be called upon to prepare fiscal notes. As a matter of good administration, departments and agencies seek out the same information, in any event, after learning of the introduction of bills affecting them. So, there would be no extra workload.

CONSISTENT WITH OTHER BUDGET CONTROL PROPOSALS

Mr. Speaker, I believe the introduction—and enactment— of these bills to be fully consonant with the other efforts which Members, myself included, have made to provide a greater degree of control and self-restraint with respect to spending of the taxpayers' money—such measures as reform of the procedures in which Congress tackles the budget each year, zero-base budgeting, revenue limitations in relation to national income et cetera.

The bill introduced today, and Senator PROXMIRE's bill, are additional steps in the long process to reestablish the proper role of the Congress in the establishment of spending priorities and in meaningful control of the spending process.

A 200-MILE FISHING ZONE

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mr. GILMAN. Mr. Speaker, today I am introducing legislation establishing a 200-mile contiguous fishery zone beyond the territorial sea of the United States.

The world's food supply is rapidly dwindling and it is incumbent upon our Nation, as a world leader, to assure that the fishing area surrounding continental United States is not rashly robbed of its rich supply of sealife.

Man has always viewed the ocean as a limitless source of food supply. However, over the past few years, as a result of overfishing, we have begun to recognize the finite limits of our fish stocks. Fishing industries are experiencing difficulties as more than 30 of our most popular species are currently being overfished.

A major reason for excessive draining of our marine life is the international race to fish areas which were formerly considered the exclusive domain of the adjacent continent. Of prime concern to American fishermen is the advent of Soviet fishing trawelers combing the regions just beyond the 12-mile limit off our east coast, creating serious shortages in leading fish stocks.

If we are to assure the supply of protein-rich fish for future generations we must begin to plan now. The establishment of a 200-mile fishery zone beyond the territorial seas of the United States is the initial step. Once we have established this zone, it will be necessary for our scientists and marine biologists to advise our own fishermen of the necessity of maintaining a realistic balance of fish reserves. Without the 200-mile restriction we cannot hope to wage any effective national campaign for preserving our fish resources.

Accordingly, Mr. Speaker, I am introducing this legislation needed to begin the preservation of fish supplies and I call upon my colleagues in Congress to join in this effort.

FOOD COMMODITIES FOR SCHOOLS AND INSTITUTIONS

HON. EDWARD J. PATTEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mr. PATTEN. Mr. Speaker, I was one of the first sponsors in the house to introduce legislation that would extend a very important and meritorious program scheduled to expire on June 30, 1974: food commodities for schools and institutions.

The gentleman from Montana (Mr. MELCHER) was the first Member in the House to introduce a measure that would extend this fine program and I was the second. Also providing valuable help is another Member, the gentleman from New Jersey (Mr. ROE) who has been instrumental in providing effective leadership in this fight that means so much to millions of schoolchildren, scouts, and persons in institutions throughout the Nation.

The food distributed almost free of charge—only 6 percent of market prices are charged in New Jersey to cover administrative and warehouse costs—ranges from rice to ground beef. In Middlesex County, N.J., alone, schools there received $825,622 in food items through the program in the past year or so, with institutions allocated supplies worth $100,981.

And according to John F. Soboslay, director of government liaison for the public schools of Pittsburgh, Pa.,

> Commodities received from September, 1973, through February, 1974, would have cost the school district approximately $300,000 if we had to purchase them ourselves . . .

Mr. Speaker, that is only one example of the drastic impact it will have on school districts throughout the Nation if the Nixon administration carries through its plan to end the present program. I hope it does not, because it would harm every school district and institution now taking part in the popular program.

The administration wants to end the program and replace it with direct cash payments. However, this would not be an effective solution. The food would be purchased at much higher prices by schools, because volume buying could not be practiced. The result would be another burden for the already-overburdened taxpayer.

Mr. Speaker, on Thursday, March 28, 1974, an outstanding official of the New Jersey Department of Agriculture testified before the Senate Subcommittee for Agriculture Research and General Legislation, and spoke in favor of extending the food commodity program. That official—competent, dedicated and strong in leadership—was Col. Ellsworth C. Reiss, retired, coordinator of the New Jersey commodity program and president of the Northeast Area Food Distribution Association. Accompanied by New Jersey Agriculture Secretary Philip Alampi, Colonel Reiss gave an excellent statement, so I am inserting it in the CONGRESSIONAL RECORD with the hope that my colleagues will cosponsor the two bills of Representative ROE: H.R. 13417 and H.R. 13418.

Mr. Speaker, legislation must be passed now.

STATEMENT BY COLONEL ELLSWORTH C. REISS, RETIRED

Mr. Chairman and Members of the Committee:

As President of the Northeast Area Food Distribution Association, I represent the following states: Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvaia, Rhode Island, Vermont, West Virginia, and Virginia.

I am also speaking on behalf of the Southeast Area Commodity Distribution Association comprising: Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee.

We appreciate this opportunity to discuss the Proposed FY 1975 Food and Nutrition Service Budget of the United States Department of Agriculture pertaining to Food Commodities for Schools and Institutions and also to comment on the McGovern Bill S. 2871.

Attached as Exhibit No. 1 you will find the FY 1974 and the proposed FY 1975 FNS Budget, U.S. Department of Agriculture for Child Nutrition and Institution Programs. It can be noted that the FY 1975 budget for the Child Nutrition Programs is $23.7 million less than in FY 1954. The U.S. Department of Agriculture economists indicate a food price level averaging 12 percent above the past year. Using the 12 percent as a minimum increase it amounts to $37.6 million. Therefore, the budget for FY 1975 should read no less than $351.3 million for the Child Nutrition Programs.

This same situation applies to the budget in Food Distribution to Institutions. The FY 1975 budget is $2.3 million less than FY 1974. Considering the 12 percent increase in price this amounts to $2.2 million. The $2.2 million added to last years budget amounts to $21.1 million. Therefore, the budget for FY 1975 should read no less than $21.1 million.

In the McGovern Bill S. 2871 lines 2 and 3 on page 2 indicates "to maintain the traditional level of assistance for food assistance programs as are authorized by law". To actually maintain the traditional level of assistance there must be sufficient dollar input into the food programs. If we get the traditional level in dollars and the food index increases it will result in less product. To overcome the budget deficit from last year and considering the 12 percent increase in food prices for us to meet our objective the budget for FY 1975 should read as follows: Commodities to schools, $351.3 million; Food Distribution to Institutions, $21.1 million.

The overall food expenditures have doubled since 1965. See Exhibit No. 2 attached. However, the U.S. Department of Agriculture food commodity expenditures has remained almost dormant.

It is the opinion of some of the legislators that many of the eligible recipient agencies do not want the raw commodities because they are difficult to handle in the kitchen. This is not an absolute opinion. Over the many years the recipient agencies have obtained adequate equipment to process these raw materials. Also during the past three years we have made substantial gains in the food processing field. I will cite some examples:

a. Durum Wheat Flour—many years ago the City of Philadelphia processed bread flour into macaroni and spaghetti. It was an inferior product for pasta products, however it was nutritionally accepted in the School Lunch Programs. Approximately three years ago the U.S. Department of Agriculture purchased durum wheat flour and made it available to the states. Today many states utilize the durum wheat flour for the processing of macaroni, spaghetti and shells. The pasta products are highly nutritious and are "high" on acceptability. The State of New Jersey will use approximately two million pounds of durum wheat flour this current fiscal year. A contract was awarded, through formal advertising (bid system), to a processor in Pennsylvania. The government flour was shipped directly from USDA purchasing sources to the processor. It is then processed, packaged and shipped to New Jersey. Through a central warehouse system it is then distributed to 1000 recipient agencies, including Institutions and Summer Camps, supporting approximately 680,000 individuals. The processing costs are passed on to the recipient agencies, however, they benefit by enjoying lower costs amounting to $500,000.00. The cost to the recipient agency is $1.60 for 20 pounds of the pasta product. On the wholesale market they would pay about 38 to 40 cents per pound. I might add that retail prices are in the vicinity of 48 cents per pound. b. Soya Bean Oil—during the past two years many states ordered soya bean oil for the processing of mayonnaise. I will use New Jersey again as an example. A bid was solicited with an award going to a processor in Maryland. The soya bean oil was shipped directly to the processor who produced four-one gallon plastic containers per case. The mayonnaise was shipped as ordered to New Jersey. The final cost to the recipient agency was $5.20 per case. On the wholesale market this was priced at $13.50 to $16.50 per case. The recipient agencies will realize a savings amounting to over $400,000.00.

c. Cranberry Sauce—at one time the USDA purchased fresh cranberries for distribution to the states. This item was acceptable but it was "hard to work with" in the kitchen. Today the cranberries are processed at a low cost and distributed to schools in No. 10 cans. This item now has longer shelf life and is highly acceptable.

d. Many other items include:

Bread and Bread Products—utilizing flour and shortening purchased by USDA. The value of the purchased items is subtracted from the lowest bid price by the processor.

Pizza pies—utilizing flour.

Concentrated orange juice—this is not a raw material, however, for better utilization it is processed into orange popsicles, orange ice and 4 oz. containers of orange juice.

Canned Vegetarian Beans from beans.

Turkey Rolls from whole raw turkey.

Cake Mixes from USDA flour.

With a little ingenuty the raw commodities can be processed into many useful end products.

You can determine from the above that the US Department of Agriculture and the states are doing an excellent job in processing raw food commodities into a more useful end product that is highly nutritional. If these raw materials are not made available by the US Department of Agriculture all our processing experience and savings to recipient agencies will be lost.

In the Northeastern States the food commodity program is reaching over 5 million school children, 500,000 individuals in institutions and 430,000 Boy Scouts, Girl Scouts, underprivileged children, etc. in summer camps. I want to strongly emphasize the need for the continuance of the food commodity program at adequate levels to support the nutritional needs of millions of deserving individuals in our schools, institutions and summer camps. Under the Older American Act the elderly can receive one meal a day for five days a week and USDA food commodities have been authorized to be used by Congress. Also these food commodities are the only Federal/State food bank available to help feed those in distress during natural disasters.

CLOSING STATEMENT

The US Department of Agriculture wants to "DUMP" the food commodity program that has been of great value to millions of individuals across the nation and there is newspaper indication that the Assistant Secretary of Agriculture will do all in his power to end the Food Commodity Programs. We believe that his first step is to cut back the funds as indicated in Exhibit No. 1. His second step could be not utilizing the funds to purchase Section 32 and Section 416 food commodities resulting in a cash flow to schools during the end of the fiscal year. The cash flow (seven cents per meal) could disappear when there is no base, such as the food commodity base. Also please remember that if there is a cash flow to schools in lieu of commodities, the volume buying power they have enjoyed in the past will be lost. Individual recipient agencies or an individual state cannot duplicate the savings that the US Department of Agriculture has realized in volume purchasing.

Gentlemen, to maintain the program at this years level you must consider the increase in food costs and bring the appropriation, in dollar value, up to that projected cost. We in the commodity programs in the Northeast and Southeast, join together with all our might to fight to continue the Food Commodity Programs for Schools, Institutions and Summer Camps.

PROPOSED FY 1975 FNS BUDGET, U.S. DEPARTMENT OF AGRICULTURE

Listed below is the Proposed FY 1975 Food and Nutrition Service Budget, Department of Agriculture, as submitted to Congress on February 4, 1974 as compared to FY 1974 and FY 1975.

Child nutrition programs	Fiscal year— 1974	1975
Commodities:[1]		
Sec. 6	$64.3	$64.3
Sec. 32	110.4	96.6
Sec. 416	139.0	129.1
Subtotal	313.7	290.0
Institutions:[2]		
Flood distribution to institutions	18.9	16.0

[1] Represents food purchase levels; actual distribution rate will be 7 cents per meal

[2] Reflects decreased availability of commodities.

Please note a reduction in commodities amounting to $23.7 million difference in FY 1974 vs. 1975. This means a decrease in each state participating in the school lunch program. When prices are going up why is the budget reduced for FY 1975?

Food Distribution to Institutions are reduced in the budget from $18.9 million in FY 1974 to $16.0 million in FY 1975 amounting to a decrease of $2.9 million. Again prices are going up, therefore, why is the budget reduced for FY 1975?

A CENTENNIAL MEMOIR OF ROBERT FROST

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mr. DRINAN. Mr. Speaker, I share with my colleagues a touching tribute to Robert Frost by the distinguished author and poet, Fr. Francis Sweeney, S.J., professor of English at Boston College. This moving article appeared in the Boston Globe on March 26, 1974:

A CENTENNIAL MEMOIR OF ROBERT FROST

(By Francis Sweeney, S.J.)

Once, on a visit to Boston College, Robert Frost said: "If I live to be a hundred I'll be half as old as the Republic—and I'm just mean enough to do it, too."

Today is his hundredth birthday. He missed the century by 11 years when he died on Jan. 29, 1963, at Peter Bent Brigham Hospital, believing to the end that he was going to recover. It was the same hope that had sustained him in other bitter times.

Recognition had come late. His first book was published when he was almost 40, and living in England. With his four Pulitzer prizes and close to 50 honorary degrees, still year after year he waited for the Nobel Prize, as well he might have, for the gunpowder had blazed in Stockholm for Sinclair Lewis and Pearl Buck.

Family troubles lowered like carrion birds settling on his rooftree. There are emblems (a favorite word) of his suffering in "Home Burial," "Tree at My Window," "Acquainted With the Night," and many more.

Once he lectured at Rockhurst College in Kansas City. On his return he told me that he had stayed at the Jesuit residence, in the room reserved for visiting bishops. On the wall was "Christ writhing on the Cross." Here the president of a greeting card company had called on him with the request that he write verses for cards. Frost replied that there were other emotions than love.

It was in the serene last six years of his life that I knew him, reveling in his friendship, collecting memories that will see me through a happy old age like apples and crocks of honey in a keeping cellar.

"I have come to value my poetry almost less than the friendships it has brought me," Frost wrote to Louis Untermeyer. But what a hearth-light of friendship went out from him!

He came to Boston College in the spring of 1957 and read his poems to the first of the audiences that would gather in growing numbers for his six annual visits. "I am stirred," he said as the audience rose to meet him with a mixture of exuberance and awe. Then the storm of applause broke as he reached the platform

He had a resonant voice, deep and musical, as he "saw" his poems. Between the poems he would ruminate almost as if talking to himself, or teach the audience a lesson in prosody, lifting his forefinger to beat out the meter. Sometimes he joshed the critics, or scolded them. "Don't degrade the poem," he said to someone who had read an attraction for suicide into "Stopping By Woods on a Snowy Evening."

Once at the end of his reading the joyful audience surged around him and swept him out of the hall and down the steps. I feared that at 85 he would lose his footing or be crushed. When we had gotten him safely into the car a man near me said, "Can a little girl speak to Robert Frost?" Then he lifted the child and inserted her head into the car window.

"Mr. Frost," the child said, "I sent you a birthday card and you never answered."

With the lecture over and the crowd gone, he could relax at a reception with student writers and a few faculty members and alumni. He was most at ease with college students, and would ask them to sit on the floor around his chair.

Once when we had brought him back to Brewster street in Cambridge, when I said goodby to him at his front steps I raised my hand over his noble head and said the words of the anicent Latin blessing. Then he turned and went into the darkened house.

Perhaps he recalled that when I saw him at the national birthday party in Washington, the spring before his death. That had been a triumphal day for him. Congress had voted him a gold medal. He had been at the White House for luncheon with President Kennedy. In the evening a great company of his friends gathered for a banquet at the Pan-American Union. In the lobby, where tropical plants surrounded a tinkling fountain hewn out of Mexican granite, I saw Justice Frankfurter, who was to give the address, the Ambassador of Great Britain, Robert Kennedy, James Reston, Theodore and Kay Morrison, a squirearchy of senators, poets and historians. Two young Ballantines, Frost's grandchildren, would turn up at a table with me along with Leverett and Alice Saltonstall.

The guests moved up the granite staircase to the Hall of the Nations. At the head of the stair, flanked by Stewart Udall and the president of Henry Holt, his publishers, Robert Frost gave us welcome.

He took my hand in both his hands and said, his blue eyes twinkling, "Now I am blessed!" It was half joshing, half affectionate.

On his hundredth birthday I bless him still.

RETIREMENT OF REPRESENTATIVE BILL MAILLIARD

SPEECH OF

HON. EDWARD J. DERWINSKI

IN THE HOUSE OF REPRESENTATIVES

Monday, March 25, 1974

Mr. DERWINSKI. Mr. Speaker, it is a pleasure for me to join my colleagues in commending Bill Mailliard for his long and effective service as a Member of the House, and to wish him well in his appointment as the permanent representative of the United States to the Organization of American States.

As the ranking Republican member of the House Foreign Affairs Committee, Bill exhibited all the qualities of a productive, sound and energetic leader. His knowledge and wise counsel have been invaluable in creating improved inter-American relations. Bill has also served with distinction as the second ranking minority member of the Merchant Marine and Fisheries Committee, gaining respect for his ability and dedication. As he leaves to undertake those responsibilities inherent in the diplomatic arena, Bill takes with him the ability to ably represent the United States in OAS.

While we all hate to lose such a valuable colleague, we must recognize the great opportunity for Bill to serve our country in its very important relations in negotiations in the Western Hemisphere.

I wish Bill the very best of luck and success in his new endeavors.

STATEMENT ON CONSUMER PROTECTION AGENCY ACT OF 1974 AS INTRODUCED BY CONGRESSMAN CLARENCE J. BROWN

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mr. BROWN of Ohio. Mr. Speaker, the Government Operations Committee, on which I am proud to serve, voted to report a bill to the floor on March 26, which would create an independent Consumer Protection Agency to represent the interests of consumers before Federal agencies and courts.

This bill, H.R. 13163, is much more far-reaching than the so-called "compromise" CPA bill which passed the House during the last Congress; yet, now this newly reported, more sweeping bill is also being billed as a "compromise." I do not know who negotiated this latest "compromise" but I do know that neither I nor many of my colleagues on the committee were ever consulted. In fact, we feel we have been compromised.

I should note at this point that I support the CPA concept and am a cosponsor of the recently reported bill. But, I know we can do better than H.R. 13163 when this legislation comes to the floor. There were several very important amendments offered in both the subcommittee and full committee which were defeated by some of the most extensive proxy voting I have seen during my years in Congress. These amendments deserve more than that; they deserve a vote where they cannot be sunk by general proxies. They deserve attention on the House floor.

Therefore, I introduced on Thursday, March 28, a reasonable bill, which I shall offer as a substitute in the Rules Committee for a rule recognizing it as such. I realize that this bill will not satisfy everyone, particularly those who wish a sweeping superagency as proposed in the committee bill, and those who oppose any CPA bill whatsoever. Yet, this bill is the committee-reported bill with seven changes.

Five of these changes are the amendments sent to the committee by the White House as necessary for administration support of the bill. These administration amendments, now incorporated in the new bill, would:

First. Provide that the Justice Department would conduct the CPA's litigation, except in certain cases, section 6(f);

Second. Protect confidential information voluntarily given to Federal agencies in the interest of expediting the administration of our laws, section 9;

Third. Delete the present bill's proposed CPA authority to use the interrogatory powers of all other Federal agencies, section 10;

Fourth. Exclude from CPA access Federal investigatory files concerned with criminal matters, section 10(a)(5). With the inclusion of this provision, section 10(a)(5) and 10(a)(6) of H.R. 13163 become section 10(a)(6) and 10(a)(7); and

Fifth. Extend the exemptions in the bill to cover all functions of the Departments of State and Defense, and remove the present exemption in the bill for Federal activities involving labor disputes and agreements which substantially affect the interests of consumers, section 17.

These amendments, which are included in my bill, are explained in greater detail in a letter sent by Presidential Assistant, Roy L. Ash, to the Government Operations Committee, a copy of which will be inserted after these remarks.

I should note that I have omitted one of the amendments suggested in Mr. Ash's letter which would limit the CPA's power to seek judicial review, section 6(d). It is not that I do not agree that the CPA's power to take other agencies to court should be curtailed. Rather, I substituted language offered at both the subcommittee and full committee levels to limit the CPA's right to take other Federal, State or local agencies to court only to enforce its rights to represent consumers before these agencies and its right to information.

The seventh change in this bill also originated in an unsuccessful amendment offered at the subcommittee and full committee levels—in that small handful of Federal agency adjudications of violations of law, under this amendment, the CPA is precluded from being a full party with equal rights to the Federal official already prosecuting the case, section 6(c).

Mr. Speaker, I ask my colleagues to compare this substitute bill with the committee-reported bill before our floor debate on the CPA. I think they will find my approach to be a reasonable one which eliminates many of the potential dangers in the committee bill without doing harm to the CPA concept. I now place in the RECORD the letter from Mr. Ash as well as a delineation of the major differences between H.R. 13163 and my bill:

THE WHITE HOUSE,
Washington, D.C., March 31, 1974.

HON. FRANK HORTON,
House of Representatives
Washington, D.C.

DEAR CONGRESSMAN HORTON: I am writing to you with regard to H.R. 13163, the "Consumer Protection Act of 1974," which I understand will be considered by the full Committee on Government Operations on March 14, 1974. The reason for my letter is to state the Administration's general views on the bill and on several specific provisions contained in the subcommittee markup.

It is our view that as a result of the consultations that have occurred between the concerned committees of the Congress and the Administration over the last year, some progress has been made in moving toward responsible consumer protection legislation.

There are, however, several provisions in the bill that are of continuing concern to the Administration.

INTERROGATORIES

As you know, the Administration has been opposed to the establishment of independent interrogatory authority for the proposed Consumer Protection Agency (CPA) since the outset of serious discussions on this type of legislation. H.R. 13163 attempts to deal with this concern by requiring CPA to use the interrogatory power of another Federal agency determines that the request meets certain tests. While this approach is certainly superior to the creation of direct CPA interrogatory power, the problem could be solved most simply by deleting the entire section 10(a) of H.R. 13163.

If this section is not removed, then at a minimum, the bill should be amended by requiring CPA to have the duty to justify the proposed use of the Federal agency interrogatory power by showing that such action meets all of the specific tests now included in section 10(a)(1) of the bill. Only when CPA has made this showing, to the satisfaction of the Federal agency concerned, should that agency issue an interrogatory submitted by CPA.

Furthermore, we understand that the sponsors of this bill do not intend to permit use of information acquired by interrogatories in Federal agency proceedings involving respondents from whom such information was acquired. The term "pending" on line 11 of page 19 is ambiguous with respect to future Federal agency proceedings and, accordingly, it should be deleted.

INFORMATION AVAILABILITY AND DISCLOSURE

Section 10(b) of the bill would provide limitations upon the availability to the CPA of certain classes of information acquired by other Federal agencies. Trade secrets and commercial or financial information might, under section 10(b)(6)(B), be withheld from the CPA only where the acquiring agency determined that the information was not obtainable without a promise of confidentiality. This formulation fails to treat those many instances where a Federal agency might be empowered to obtain such information on a mandatory basis, but—in the interests of efficient and sound administration—the Federal agency relies upon the voluntary cooperation of private citizens and entities instead of compulsory process. This means of acquiring information is crucial to prompt acquisition of accurate information for statistical and other purposes, and must not be compromised by mandatory disclosure to other Federal agencies where such disclosure is not required under current law. Accordingly, on line 13 of page 21 of H.R. 13163 the word "voluntarily" should be inserted after the word "obtainable."

JUDICIAL REVIEW

With regard to the CPA's right to seek judicial review of a Federal agency's action, the present safeguards in H.R. 13163 should be substantially strengthened by two amendments.

First, the bill should be amended so that in those instances in which the CPA Administrator did not intervene or participate in a Federal agency proceeding or activity, the Administrator should have an affirmative duty to show that permitting him to obtain judicial review would further the interests of justice. Second, upon the required petition by the Administrator for rehearing by a Federal agency, the Federal agency should be given "a reasonable time" to respond instead of the 60-day limit provided in the present bill.

The first proposed amendment would assure that review in such cases would be consistent with sound administration and that circumstances make it appropriate that the Administrator be afforded a right of review in those instances in which he chose not to participate in the original proceeding or activity.

The 60-day requirement for response from a Federal agency to a CPA petition for rehearing would not be as realistic as "a reasonable period." Federal agencies often consider thoroughly the merits of the issues raised in such petitions and to consider properly complex questions involving scientific or technical matters, a 60-day limit would be inadequate.

EXEMPTIONS

Section 17 of H.R. 13163 would exempt from the scope of the bill only "the national security or intelligence functions" of the Departments of State and Defense. It is virtually impossible to separate out the activities proposed for exemption with respect to these agencies, all of the functions of which are intended to be integrated to further the foreign relations and national security responsibilities of the U.S. Government. It is apparent that the Departments of State and Defense do not perform regulatory functions. Accordingly, the phrase "the national security or intelligence functions (including related procurement) of" in section 17 of H.R. 13163 should be deleted.

Although exemptions such as those now in section 17 of the bill are appropriate and necessary, such exemptions should be limited to agencies which perform sensitive investigatory or national security functions. The exemption for labor disputes and agreements, however, does not meet these criteria; such agreements and disputes should be subject to CPA participation under the safeguards contained in H.R. 13163. Those safeguards are adequate to prevent inappropriate intrusion by the CPA in bilateral negotiations, but since such issues will involve the consumer interest, the CPA should not be prevented from contributing its views in cases where it would be appropriate under the general criteria of this bill and current laws concerning Federal action. Accordingly, all of section 17 after the word "Commission" on line 17 of page 28 should be deleted.

REPRESENTATION IN JUDICIAL PROCEEDINGS

Section 6(f) of the bill would authorize CPA to conduct all of its own litigation. Currently, the Justice Department has the discretion to represent all Federal agencies in court proceedings. It is important to assure that the United States adopts consistent litigation postures. Accordingly, the bill should be amended so that the Justice Department could determine whether or not to represent CPA in all cases. If the Justice Department were to decide not to appear on behalf of CPA, it could be represented by its own attorneys.

CRIMINAL INVESTIGATORY MATERIALS

Section 10(b) contains several safeguards concerning CPA access to information from other Federal agencies, and section 17 exempts activities of the Federal Bureau of Investigation. Investigatory files prepared by other agencies in connection with criminal matters are not, however, specifically exempted from disclosure to CPA. We understand that the sponsors of H.R. 13163 do not intend to include such criminal investigatory files in the information obtained regularly by the CPA from other agencies. Accordingly, we believe that an appropriate amendment should be added to the provisions of section 10(b) of the bill to address this specifically.

In summary I strongly recommend that the changes indicated above be adopted by the full committee.

Sincerely,

ROY L. ASH,
Assistant to the President.

CONSUMER PROTECTION AGENCY BILLS: MAJOR DIFFERENCES BETWEEN HOLIFIELD-ROSENTHAL BILL, H.R. 13163, AND BROWN BILL, H.R. 13810

Can the CPA appear as a prosecutor when Federal agencies adjudicate law violations?

Holifield-Rosenthal Bill: Yes.

The CPA is authorized to appear as a full party, with all the rights of a full party, in all adjudications *except* those cases in which the agency itself may impose a fine or forfeiture. In those excepted cases the CPA would be limited to appearance as an amicus curiae, in the discretion of the agency. Section 6(c).

Brown Bill: No.

Whenever any allegation of violation of law is adjudicated by a Federal agency, the CPA may appear only as a limited intervenor for the purpose of presenting information and arguments, without regard to whether the agency or the courts may impose a sanction. Section 6(c).

Can the CPA "unfinalize" any final Government action by appealing it to the courts?

Holifield-Rosenthal Bill: Yes.

The CPA can appeal to the courts any final Federal agency action whether or not the CPA took part in the action to be reviewed. Section 6(d).

Brown Bill: No.

The CPA cannot initiate court appeals except to enforce its rights to information and an opportunity to be heard. Section 6(d).

Should the CPA hire and use its own trial lawyers in court? *

Holifield-Rosenthal Bill: Yes.

All CPA appearances shall be in its own name. Section 6(f).

Brown Bill: No.

Appearances shall be by officers of the Department of Justice *except* where the Attorney General determines that the CPA may represent itself. Section 6(f).

Can the CPA require agencies to subpoena relevant information? *

Holifield-Rosenthal Bill: Yes.

Whenever the CPA takes part in any Federal agency proceeding, the CPA can use the host agency's subpoena power so long as the CPA demand is relevant and of reasonable scope. Section 6(g).

Brown Bill: No.

The CPA is denied use of the host agency's subpoena power when taking part in any formal proceeding adjudicating allegations of violations of law. However, in other proceedings to which the CPA is a party, the CPA is authorized to use that power. Section 6(g).

Should the CPA force individuals to supply information for its investigations? *

Holifield-Rosenthal Bill: Yes.

All Federal agencies *must* allow the CPA to use their subpoena power to require specified individuals to answer questions, or supply reports or other related information *unless* the agency finds the CPA demand to be: 1) beyond CPA jurisdiction, 2) irrelevant or 3) unnecessarily burdensome to either the agency or the person. Section 10(a).

Brown Bill: No.

No similar provision. (The CPA, therefore, may *request* other agencies to get information for it.)

Should the CPA have access to investigatory files concerning suspected criminal activities?*

Holifield-Rosenthal Bill: Yes.

No grounds for agency denial are given in authority of CPA to obtain access to information in possession of another agency. See Section 10(b) for comparison.

Brown Bill: No.

Federal agencies authorized to deny criminal investigation information. Section 10( ) (5).

Must trade secrets voluntarily supplied to Federal agencies be surrendered to the CPA?*

Holifield-Rosenthal Bill: Yes.

Federal agencies cannot deny the CPA access to *trade secrets* or confidential *financial information* voluntarily supplied to them after this Act becomes effective, if the agency holding the information could have obtained the information by subpoena or other mandatory order. Section 10(b)(6)(B).

Brown Bill: No.

Federal agencies are authorized to deny CPA access to trade secrets and financial information voluntarily supplied whether or not they could have been obtained otherwise. Section 10( )(7)(B).

Should the CPA intrude into the activities of the Department of State and Defense?*

Holifield-Rosenthal Bill: Yes.

CPA is authorized to represent consumers' interests in Federal agencies' activities including activities of the Department of State and the Department of Defense, *except* the national security and intelligence functions of those departments. Section 17.

Brown Bill: No.

All activities of the Department of State and the Department of Defense are exempted from the Brown bill. Section 17.

Should the consumer interest in labor disputes be excluded?*

Holifield-Rosenthal Bill: Yes.

Labor disputes are exempted from this bill. Section 17.

Brown Bill: No.

Recognizing the consumer interest in the settlement of labor disputes there is no similar exemption in this bill.

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*Administration proposed amendments.

PORT WASHINGTON MAIL HONORED

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mr. WOLFF. Mr. Speaker, the town of North Hempstead in my Sixth Congressional District in New York proclaimed March 28, 1974, "Port Washington Mail Day" to honor a fine weekly newspaper as the recent recipient of the New York Press Association's Community Service Award for outstanding achievement in journalism.

The Port Washington Mail justly deserves this recognition and praise for it has served the community with dedication and devotion since its founding in 1939.

A chronicle of local events, the Mail diligently and vigorously reports each week on the growth and development of Port Washington and does not hesitate to speak out, through its editorial columns, on matters of community concern—be they popular or not—that affect all segments of the populace.

Mr. Speaker, it is my pleasure and privilege to join in this community tribute to the Port Washington Mail and to its editor, Robert Hurst, and staff. I heartily commend this newspaper to you and my colleagues.

MR. RUSSELL C. WILLIAMS, VA'S OUTSTANDING HANDICAPPED EMPLOYEE

HON. GILBERT GUDE

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mr. GUDE. Mr. Speaker, it takes tremendous courage to cope with a severe physical handicap. It takes an even greater concern for humanity to help others who are similarly afflicted.

I would like to share with my colleagues the story of a man who possesses both these qualities. He is Mr. Russell C. Williams, of Bethesda.

Wounded in combat during World War II, Mr. Williams sustained an injury which caused immediate and irrevocable blindness. He is now chief of the Veterans' Administration's blind rehabilitation program in Washington, D.C., a man devoted to serving the physical and emotional needs of the blind.

I am pleased to announce that on Thursday, he will be honored as 1 of 10 Outstanding Handicapped Federal Employees of 1973.

Russell Williams was wounded on August 10, 1944, while serving with the U.S. Army, 83d Infantry Division, near Dinan, France. In 1945, he began working with the War Department's Rehabilitation Staff for the Blind at Valley Forge General Hospital. VA appointed him in 1948 to establish the first of the Agency's three Blind Rehabilitation Centers at Hines, Ill. Mr. Williams transferred to VA Central Office in 1959. Under his leadership, VA rehabilitation for blinded veterans has made great strides, increasing in size, scope, and effectiveness.

He was instrumental in the establishment of a program sponsored jointly by VA and the Blinded Veterans Association. He continues to coordinate the involvement of VA visual impairment services teams with field representatives of the BVA in providing assistance to blind veterans.

Mr. Williams also serves in an advisory capacity for VA-funded research and development of special reading devices, mobility aids such as the new laser cane and other equipment to assist the blind. His work has resulted in the widespread use of the "long cane" which enables the blind to hold jobs, travel, and function independently.

Since VA's knowledge in the health care field is shared with other government and private organizations, Russell Williams has been effective in increasing general understanding of blindness and blind rehabilitation.

Born in Auburn, Ind., on February 19, 1918, he graduated from high school there in 1936. At Central Normal College, Danville, Ind., he was a letterman in four sports, and following graduation in 1941, he taught and coached for 1 year in Dillsboro, Ind.

Mr. Williams and his wife have five sons, ranging from age 11 to 25. His hobbies include bridge, bowling, fishing, swimming, and travel.

On January 21, 1974, he was presented one of VA's highest honor awards, the Administrator's commendation, in recognition of his leadership "in establishing confidence in the abilities of blinded persons and in the success of VA's Blind Centers."

The Outstanding Handicapped Federal Employees of the Year Awards for 1973 will be presented Thursday in the Department of Commerce Auditorium.

REPRESENTATIVE JACK KEMP TALKS ABOUT HOW HE SEES THE ROLE OF A CONGRESSMAN IN THE IMPEACHMENT INQUIRY

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mr. KEMP. Mr. Speaker, it is obvious that this House is moving toward eventual resolution of the pending inquiry into the possible impeachment of the President.

I think it wise, therefore, to pause and reflect upon the responsibilities of a Representative—each and every one of us as individual Members of the House—in the conduct and resolution of this inquiry.

The Committee on the Judiciary is still gathering information deemed by the majority of that committee to be essential to its inquiry. No one now knows, of course, when the committee's investigation will be concluded and when it will begin considering, item by item, the specific weight behind each allegation of an impeachable offense made against the President.

I support an investigation by the committee and voted for funding such an investigation. I feel that only a full, fair, and speedy investigation will restore the people's confidence in the Office of the Presidency, a confidence necessary to the stability of our form of government.

Until the air is cleared on this issue, our entire machinery of government and society is impeded. That is why I hope the committee's investigation will come to a conclusion at the earliest possible date.

As we move toward settlement of this issue, I think it is important to state what I see to be the nature of our responsibilities.

Our situation in the House is analogous to that of a grand jury in a criminal proceeding within our judicial system. There—and here—the evidence is presented to a body whose sole responsibility it is to determine if the weight of the evidence supports an actual trial. If the House feels that it does, then it accepts the bill of impeachment and the matter then goes to the Senate where the actual trial of impeachment is conducted.

The role of the Senate is like that of a trial jury. It must actually decide guilt or innocence with respect to the specific allegations contained in the bill of impeachment sent to it from the House. Removal from office, by vote of the Senate, does not constitute a conviction, for actual convictions of criminal or civil offenses is a matter for the courts of the land, not the legislative branch of Government. Removal from office, by vote of the Senate, is simply that: Removal from office.

Many responsibilities rest with each Member of the House in his role in voting for or against the bill of impeachment. Transcending all of those responsibilities is the notion of due process—of fair play—and the principle that one is innocent until proved guilty. We owe it to ourselves, to our constituents, to the President, and to posterity not to make prejudgments on impeachment, until all the facts are in. In my opinion, it is as wrong for a Member to make such a prejudgment as it would be for a grand juror to make such a prejudgment before all the facts are in. And, surely, the facts are not all in on the impeachment matter.

It is not only unfair but in derogation of our constitutional responsibilities for Members to act on any basis other than an examination of all the evidence when that evidence comes to us at the conclusion of the committee's inquiry.

We would be abhorred if grand jurors were making up their minds and announcing their decisions and judgments before all the evidence was in during a criminal inquiry. As a matter of fact, under our laws and rules of procedure, such a person would be disqualified from serving further upon the grand jury. It is, I suggest, as wrong for us in the Congress to make up our own minds on impeachment before all the evidence is in as it would be if we were serving on a grand jury.

MARAZITI ASKS SYRIA TO RELEASE ISRAELI POW'S "AS GESTURE OF PEACE" FOR PASSOVER

HON. JOSEPH J. MARAZITI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mr. MARAZITI. Mr. Speaker, next Saturday is the beginning of Passover, one of the most important Jewish holidays of the year. It commemorates the exodus of the Jews from bondage in Egypt.

To my way of thinking there could be no greater gesture of peace in the Middle East than for the Syrians to release the 65 Israelis they hold as prisoners of war in time to celebrate the Passover.

To urge the Syrians to show their good faith in the disengagement negotiations of the next few weeks, I have telegramed Syrian President Hafiz Asad to request that Syria arrange for the immediate release of the Israelis through the auspices of the Red Cross. In the event that time does not permit the actual transfer before the start of Seder, I have requested that the Red Cross be allowed to provide matzoth to the POW's.

Sometimes a symbol of good will can do far more for real peace than all the hotly won provisions of a peace treaty hammered out at a conference table.

THE ISSUES AND WATERGATE

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mr. FORD. Mr. Speaker, some of President Nixon's most loyal supporters have been heard to assert, with apparent relief, that the reason approximately three-fourths of the people in this country no longer have confidence in the present occupant of the White House is not because of Watergate, but because of other issues—such as inflation and unemployment.

I fail to understand how they can take any comfort in this presumption, because these two economic factors have had and continue to have a very serious economic impact on many people in this country—particularly in my own State of Michigan.

One of the major causes for the skyrocketing rate of unemployment in Michigan is auto plant layoffs related to the energy crisis—the crisis that Mr. Nixon recently told us was over, while parenthetically admitting that the problem still remains.

For Michigan this "problem," no longer a crisis as far as the White House is concerned, means an unemployment rate of 10.6 percent—the highest in the Nation. It also means that Michigan is presently experiencing its worst unemployment crisis since the last few years of the Eisenhower administration. There are presently almost 500,000 workers in Michigan who have lost their jobs.

In my own congressional district, it means almost total economic disaster. The number of people who are unemployed in one part of my district—the area which encompasses Garden City, Inkster, Romulus, Wayne and parts of Westland and Belleville—has increased by 272 percent since February 1973, and unemployment for my entire district for the same period is up 140 percent.

Mr. Speaker, in response to the energy crisis, Congress passed, by an overwhelming vote in both Houses, the Emergency Energy Act—an act which included additional unemployment benefits for those who have lost their jobs because of the crisis. However, Mr. Nixon vetoed this legislation—asserting in part that eligibility for unemployment benefits—

> Would not take into account the availability of jobs in the area.

And that—

> There is no excuse for shoveling out the taxpayer's money under a standard so vague.

Mr. Speaker, I can agree with some of the President's remaining supporters to a certain extent—it is certainly true that many have lost their confidence in him because of problems like unemployment. This is an issue which has plagued our country ever since Mr. Nixon became President, and it is a problem to which he has consistently failed to respond.

At this point I insert in the RECORD data and a Detroit Free Press article which show the seriousness of the unemployment problem—both in my own congressional district and in the State of Michigan.

The material follows:

NUMBER OF UNEMPLOYED PERSONS AS DETERMINED BY REGIONAL OFFICES OF THE MICHIGAN UNEMPLOYMENT SECURITY COMMISSION IN AND AROUND THE 15TH CONGRESSIONAL DISTRICT:

	Week ending Feb. 22, 1974 (claimants)	Percent difference from 4 weeks ago (Jan. 25)	Compare Feb. 23, 1973 (percent)
Dearborn office—Covers Dearborn (part), Dearborn Heights, Taylor (part), and Allen Park	9,169	Up 64	Up 155
Wyandotte—Covers Down River area, River Rouge, Ecorse, Lincoln Park (part), Southgate (part), and Trenton (part)	5,904	Up 14	Up 115
Wayne—Covers Garden City, Inkster, Romulus, Belleville (part), Westland (part), and Wayne	7,887	Up 71	Up 272
Plymouth—Covers Northville Township, Livonia (part), Westland (part), and Some of Oakland County	3,006	Up 41	Up 122
Redford—Covers Northwest Detroit and Livonia (part)	7,983	Up 20	Up 86
Total	33,948	Up 40	Up 140

[From the Detroit Free Press, Mar. 13, 1974]

Jobless Rate Tops 10 Percent in State; Highest in Nation

(By Tim McNulty)

Michigan unemployment was the highest in the nation in February with a jobless rate of 10.6 percent, attributed largely to auto plant layoffs related to the energy shortage.

Unemployment hit 410,000 workers in the state, giving Michigan its worst jobless figure in 13 years.

Workers without jobs in the metropolitan Detroit area numbered 173,500, or 9.3 percent of the total work force.

The state and local figures contrasted sharply with the nation's February unemployment rate, which held at 5.2 percent. This halted a national unemloyment rise that began last November after the Arab oil embargo.

"The mixed pattern of indefinite and intermittent layoffs in the automotive and related industries" created the high level of unemployment, said S. Martin Taylor, director of the Michigan Employment Security Commission (MESC).

He added recurring layoffs and callbacks of thousands of auto workers will continue, creating sharp variations in the number of available jobs.

The MESC reported that most of the auto industry layoffs occurred in outside facilities, lessening the impact in the Wayne, Oakland and Macomb county area.

However, the tri-county rate was still up nearly two percent from January, when 137,900 workers were jobless and up more than three percent from February 1973 when 108,500 workers lacked jobs.

The rising unemployment forced the MESC to take on additional help—533 extra employees by Feb. 15. They were needed to handle long lines of unemployed persons applying for compensation and news jobs, officials said. The new employees were almost equally divided between the Detroit area and outstate.

"We've got wall-to-wall people, said one MESC worker. "They're waiting from two to three hours to get their papers processed."

Officials said the commission may soon begin paying extended benefits beyond the normal 26-week compensation period if unemployment continues to grow. Extended benefits are "triggered" automatically under a commission formula when the state is hard hit by unemployment.

However, in Washington, the report from the Bureau of Labor Statistics Friday was encouraging news to the Nixon administration in its attempt to head off a recession this year.

Despite the auto layoffs, the country's jobless rate held steady because of increased employment in other sectors of the economy such as wholesale and retail trade and state and local governments, said the bureau report.

Officials claimed actual or threatened fuel shortages caused an estimated 150,000-job decline in manufacturing, mostly in the auto industry.

This brought to about 500,000 the number of jobs lost directly or indirectly since Dec. 1 because of energy shortages, said bureau officials.

Some private economists predict unemployment will go as high as eight percent nationally this year, but administration officials say it will be held under six percent. AFL–CIO president George Meany put the figure at 6.5 percent and declared that a recession is already here. Nixon pledged recently that there would not be a recession this year.

HOW IT ALL BEGAN—PART II

HON. FRANK J. BRASCO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mr. BRASCO. Mr. Speaker, we are all familiar with off-brand stations, run by independents and usually offering gasoline at cut-rate prices far below those charged by name-brand outlets. Major oil companies have been developing their own secondary brands to compete with such small retailers, and last summer were heavily involved in constructing chains of outlets to accommodate such brands. In one concerted move the majors proceeded to cut off all or most independents, using as a rationale the gasoline shortage. Simultaneously, however, their secondary outlet program advanced, as 1,500 small retail operators were driven out of business by the fall of 1973.

At the same time, they also cut off many small refiners and distributors, using similar excuses. Previously, under prorationing, independents strapped for crude oil could contact Louisiana and Texas State production authorities for production increases. These usually would be accommodated. Such leverage allowed them to force majors to sell them some supplies, at least enough to survive. Now such leverage has become a thing of the past. The majors, previously desirous of avoiding oversupplies which might drive prices down, were freed by the new equation from such apprehensions. U.S. fields were at full production. There was no leverage left to independents on any level. Their only hope was to seek an end to import quotas from the President. This administration refused, forcing many independents to cut production of gasoline and heating oil during much of the last 2 years. And as competition from small operators ended, the competitive lid on prices was blown off.

How did the majors respond? By producing more? By producing less. Major companies owning more than 60 percent of the country's refineries slashed refinery runs, as the Senate Permanent Investigations Subcommittee discovered. Refineries east of the Rockies operated at 85.3 percent capacity from January to June of 1972. Most refineries, on average, computing in maintenance time, are usually capable of sustaining production at 92 percent capacity.

As the Senate staff study revealed, eight major companies allowed inventories to drop. Exxon's declined 8 percent. American Oil's dropped almost 17 percent. Mobil let its supplies plummet by 19 percent and Standard of California's went down by 12.3 percent. Similar patterns emerged in the rest of 1972 and 1973.

As shortages bit in, the administration appealed to the public spirit of major companies, which somehow did not elicit the hoped-for response. In January 1973, the Cost of Living Council granted the major companies permission to raise the price of home heating oil, and significant supplies of this commodity suddenly became available on the market. Refinery production rose to 91.4 percent of capacity. Nevertheless, supplies were too tight, and shortages lapped over into gasoline runs for last summer, leaving the Nation short again.

To all this was added the embargo, which may emerge as a blessing in disguise. At the rate the United States was becoming dependent upon Arab oil imports—in quantum leaps—such a situation 5 years from now might have left us with the same intolerable options which caused western Europe to cave in to Arab extortion.

Tax privileges have made it far more worth the major companies' while to drill in the vast reservoirs of the Middle East rather than seek oil in regions here and abroad where investment cost is higher. Further, a series of unparalleled price hikes granted the companies by the Cost of Living Council have placed intolerable and unnecessary burdens on the American consumer.

It is vital that Americans understand the mentality of oil giants, as highlighted by Senator Frank Church's—multinational company investigation. Dedicated to profit for profit's sake, these companies, while based in the United States for tax and headquarters purposes, have no deep loyalties to the United States. This was devastatingly illustrated by King Faisal's order to Aramco to cut off all supplies of oil products to American front-line military units, naval and air, on occasion of the recent worldwide alert during the October war. Standard Oil of California, Exxon, Mobil, and Texaco instantly complied. Had there been conflict, tens of thousands of American military personnel could have perished almost immediately because of vulnerability due to fuel lack. In such a case, true loyalties of the companies stand nakedly revealed, and the lesson should not be lost on observers in this country.

What is to be done? Cries have been heard from many quarters calling for nationalization of these multinational companies. A national oil and gas corporation along the lines of the Tennessee Valley Authority has been suggested in order to provide a yardstick for comparison where none exists today. Legislation calling for such a Federal undertaking has been introduced in the House by Congressman JOHN E. MOSS, and in the Senate by ADLAI STEVENSON. Interestingly enough, major oil companies have reacted violently to such proposals.

Certainly, however, several basic reforms are desperately needed. At an absolute, immediate minimum, cumulative, immense tax benefits favoring foreign oil and gas development must be eliminated. Oil companies under no circumstances should be allowed to deduct royalty or tax payments to foreign governments, particularly those openly hostile to the United States, from Federal income taxes. Any and all depletion allowances on foreign oil production should be discontinued. U.S. consumers must no longer subsidize further catering to foreign markets by American oil giants, which harms chances for further domestic oil and gas development. Taking this a step further, all oil depletion allowances, including the present 22 percent available here at home, should be forthwith discontinued. In the past, such writeoffs have been allowed because, the argument went, incentives were required to make oil giants search for fresh domestic supplies. Present soaring prices of oil, with new domestic production bringing $10 per barrel, provides more than an adequate incentive to companies, whose profits are huge, as to require them to take out expensive national advertisements to explain them to an angry public. It should be noted that such ads are all tax deductible.

Another area of reform centers about antitrust laws and their enforcement. A series of studies and reports issued by the Federal Trade Commission in the face of vehement industry protests and efforts to squelch them indicate the American oil industry is the most complete vertically integrated industrial cartel and monopoly in world history. It must be broken up by Government antitrust action and a heavy dose of old-fashioned competition administered by the Federal Government. First and foremost, the oil trust's control of pipelines and refineries must be broken and a number of new companies, numbering at least 12, formed, as the FTC's most recent report recommends. Next, growing control by oil of coal, the alternate fuel, must be ended in the same manner. Today, as a result of cash acquisitions of major coal producers by oil companies, close to 60 percent of our production is owned by big oil, effectively preventing advances in coal use and silencing an industry voice that should be heard. These and other revelations, emanating from the rejuvenated United Mine Workers, are an urgent sign to America to work fast.

Next, the existing information blackout on the oil industry must be lifted. Today, Government relies mostly on industry's voluntary submission of pertinent facts on oil and gas reserves and production for its own enlightenment. As a result, today we know absolutely nothing about the true state of reserves, development and production. This is especially incredible in light of the Bureau of Land Management's authority over all energy auctions on public lands, and the U.S. Geological Survey's administration of all drilling permits on such leases once they are granted. The General Accounting Office has verified the state of affairs described, concluding that verification of submitted data is essential.

All these are legitimate reforms which would significantly aid in alleviating the existing situation. Most must be initiated by the administration and followed through on by the Congress. While the oil industry's southern and conservative Republican congressional allies are diminishing in number and are definitely in retreat as of this writing, chances of the Nixon administration initiating and pushing for such reforms as are described here are so minimal as to be termed nonexistent.

WILLIAM S. MAILLIARD

HON. VICTOR V. VEYSEY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 25, 1974

Mr. VEYSEY. Mr. Speaker, I am happy to join my colleagues in a salute to my good friend Bill Mailliard who is leaving the House, after nearly 22 years of service, to embark on a new career. Those who have had the pleasure of working closely with Bill view his departure with mixed emotions, for while we share with him the excitement and challenge of his ambassadorial duties, we are aware that we cannot replace the leadership and guidance that he so generously shared with his colleagues in the Congress.

Bill Mailliard's knowledge and experience as a Member of Congress will prove to be invaluable in his new assignment. When I came to the Capital as a freshman Congressman in 1970, Bill had already risen to a rank of distinction. He was dean of the California Republican delegation and the ranking minority member on the Foreign Affairs Committee, as well as the second ranking minority member on the Merchant Marine and Fisheries Committee.

In his committee assignments, he has demonstrated his ability to cope with day-to-day problems while keeping long-term objectives clearly in view. As the permanent ambassador to the Organization of American States, Bill will be seeking solutions to international problems, and he will participate in weaving the important decisions that affect the economic and political stability of the Western Hemisphere.

Bill is a man of conviction and courage. He has never been afraid to speak out because an issue might not be popular. I am sure I speak for my colleagues when I say that we will miss his contribution to the House of Representatives, but most of all, we will miss his friendship.

I wish to convey my heartiest congratulations and sincere best wishes for success to Bill Mailliard and to his lovely wife, Millie, in his new endeavor.

THE FUTURE OF ARMS CONTROL

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mr. ROSENTHAL. Mr. Speaker, the appearance this week on the House agenda of the authorization bill for the Arms Control and Disarmament Agency should prompt House Members to reflect on this agency's purposes and accomplishments.

Arms control must, I believe, have a protected place in the Federal Government. Protected in this sense: the business of limiting armaments, especially nuclear armaments, to the extent such reduction limits the possibility of war, is the outstanding responsibility of our generation; further, the costs of past and future wars is an enormous drain on our national budget; yet without a proper place within Government where these concerns are properly represented and preserved, the danger is that the advocates of more arms and more defense spending will prevail.

The performance of ACDA and its predecessor agencies has been, like most human endeavors, a mixed one. Partly this has been due to the relatively low priority which Presidents and their military and political advisers have placed on arms control. Partly, this activity is most meaningful when strong advocacy is the principal function of the arms control unit. Often this has not happened. Then arms control becomes a somewhat abstract, almost academic effort to compile arms controls possibilities in the hope that some "customer" at a high level in Government will buy them.

The present ACDA Administrator, Dr. Fred Ikle, is a tough-minded Swiss born intellectual who has shown, through some excellent work at the Rand Corp., that he knows both Government procedures and strategic armament systems. His brief tenure at ACDA also shows he is committed to analysing carefully the strategic balance accruing on both sides from such systems and then advocating a defensible deescalatory approach.

The chairman of the House Subcommittee on National Security and Scientific Developments, the Honorable CLEMENT ZABLOCKI, has announced an extensive series of hearings on ACDA in the near future. I strongly support these efforts, partly because I have such a high regard for Dr. Ikle that I am sure that a careful exposure of this Agency's work will benefit both the cause of arms control and also the public understanding of the important work Dr. Ikle is directing so well.

I include below two articles on current work of ACDA and its Director:

[From the New York Times, Dec. 17, 1973]

Arms Unit Fights a New Nerve Gas—Disarmament Agency Takes New Advocacy Role on Weapons Planning

(By John W. Finney)

Washington, December 16.—The Arms Control and Disarmament Agency is challenging the Army's plan for production of a new type of nerve gas on the ground that it is militarily unnecessary and would complicate international attempts to control chemical warfare.

It is doubtful that the Arms Control Agency, with a $7-million annual budget, can prevail against an Army that wants to spend at least $200-million producing the new nerve gas for its larger artillery shells. But in the debate now building up, the agency is staking out a new advocacy role on weapons planning.

In the past, it has not been the custom for the Defense Department to consult the agency about new weapons or for the agency to raise any questions that were heard within the Pentagon.

When the Army decided recently to go into production with the new binary type of nerve gas, for example, defense officials said that no attempt was made to consult in advance with the agency. Pentagon officials said it was strictly a military question of modernizing the Army's chemical warfare weapons and presented no arms control implications.

But within academic and some Congressional circles, the question was raised as to whether the binary gases, because of their ease of production, would not increase the danger of proliferation of chemical weapons and thus greatly complicate attempts to ban chemical warfare.

The same question is now being raised within the Government by Fred C. Ikle, the Swiss-born social scientist who took over as director of the agency last July.

THE COUNTER-ARGUMENT

With the agency no longer directing major arms control negotiations, there has been some concern in Government and academic circles that the agency was being turned into a "think tank" with little influence on policymaking. But to Dr. Ikle, his challenge on nerve gas is an example of how the agency can play an independent advocacy role in presenting the arms control implications of weapons programs.

The binary nerve gas consists of two separate chemical agents that become lethal only when combined, for example, in an artillery shell after it has been fired. The two agents—one consisting of a compound resembling insecticides used in the home and the other an alcohol compound that can be purchased in the commercial market—are relatively easy to produce.

For the Army, principal advantage of the binary gas is that it should relieve some of the public and Congressional concern about the safety of storing and transporting the present nerve gases.

This is conceded by arms control officials, although they question whether it will overcome the reluctance of European nations to have nerve gases stockpiled on their soil.

But the counter-argument being raised by arms control officials is that such a move by the Army may stimulate even semi-industrialized nations to acquire the binary gases at a time when the United States is attempting to negotiate a treaty to ban the proliferation of chemical weapons by banning their production.

VIEWPOINT OF ARMY

Beyond such diplomatic complications, Dr. Ikle is asking whether the Army needs the new nerve gas.

The Army says it must modernize its chemical warfare stockpiles so they will be an effective deterrent against Soviet use of nerve gases. But Dr. Ikle questions whether the United States must necessarily have nerve gases to deter a Soviet resort to the weapons.

In other areas, such as radiological weapons, he said, "we have not found it necessary to have a retaliatory stockpile for each threat."

The agency says the Soviet Union would probably be deterred from use of nerve gases in violation of the 1925 Geneva protocol on chemical warfare because such a drastic step could provoke the use of nuclear weapons by the United States.

GREATER THREAT SEEN

Arms control officials say that probably a greater potential threat is that third countries could acquire nerve gases and be more inclined to use them in any war with the United States.

Arms control officials also question whether producing the new gases and destroying existing stockpiles represent the best military use of the funds.

As an alternative, they suggest new weapons, such as guided bombs, to destroy enemy stockpiles of nerve gases. Or, they propose, the Army might spend more money on defensive equipment and training against chemical warfare—an area in which the Army concedes the Soviet Union is now superior.

[From the Washington Post, Feb. 4, 1974]

United States Urged To Retire Land-Based ICBM's

(By Michael Getler)

Dr. Fred Ikle, the chief of the U.S. Arms Control and Disarmament Agency, said yesterday that this country should "move away from reliance on land-based missiles" for nuclear deterrence and "encourage" the Soviet Union to do the same thing.

In remarks that may foreshadow a historical and controversial shift in the makeup of U.S. land-submarine and bomber-based-missile forces, Ikle warned that the thousands of nuclear-tipped land-based intercontinental ballistic missiles of both superpowers will become "increasingly vulnerable" to attack from the other side as missile accuracy inevitably improves.

"The solution to this problem," Ikle said in an interview yesterday, "does not lie in prolonging the life of these dangerous forces through one expedient or another.

"Rather," he says, "it lies in getting rid of such obsolete weapons through negotiations and in our own force planning."

Ikle's comments are the first public suggestion by an administration official that the United States undertake a major shift in its 20-year-old nuclear deterrent force.

Such a change-over, taking several years, would place primary reliance on virtually invulnerable missile-firing submarines, and on bombers that can be kept airborne during a crisis.

Ikle's remarks are certain to stir debate in the defense establishment and some opposition among supporters of the ICBM role.

Though Ikle said he was speaking for himself on this controversial matter, a State Department official noted that Ikle "does not have a suicidal bent," implying that his views may well be shared at least by his boss, Secretary of State Henry A. Kissinger.

Similarly, there have been private indications from White House officials recently indicating that President Nixon, in a rare personal appearance at a (two-hour) top-level National Security Council meeting last week, went to considerable lengths to stress his personal view that another round in the arms race was "futile" and that a new arms agreement this year was very much a top priority.

U.S. negotiators will return to the strategic arms limitation talks in Geneva later this month, and there is still some debate in the administration about what kind of a proposal to put forward.

The Pentagon is committed to achieving "essential equivalence" with the Soviets in terms of numbers of weapons, an area where the Russians hold a lead. The internal debate is over whether the United States should build up its forces to reach that equivalence, a view which some officials say the Pentagon holds, or whether both sides should reduce their forces in some fashion to reach that objective.

Without discussing the forthcoming U.S. position, Ikle said that it is "generally agreed that SALT or other arms control agreements ought to permit or even encourage both sides to achieve more stability . . . and the best way to shift stability is to reduce the undesirable forces," meaning the land-based missiles.

Ikle noted that the initial arms agreements in May, 1972, allowed some "freedom to mix" forces, enabling both sides for example, to retire some old ICBMs and replace them with more submarines.

But Ikle said "a preferred way of solving the issue is not to increase (in number) the invulnerable parts," namely the submarines, "but to reduce the vulnerable elements," again meaning the land-based missiles.

Ikle leaves open the possibility for future mobile land-based missiles, but neither he nor top Pentagon officials seem very enthusiastic about such options at this point.

The 49-year-old, Swiss-born former think-tank strategist said he would agree with a recent recommendation by the Federation of American Scientists to negotiate with the Soviet Union for a reduction of one-third of each side's land-based ICBM force over the next five years, with subsequent reductions to follow. This would also help close the numerical gap since the Soviet Union has more ICBMs (1,618) than the United States (1,054).

He does not favor unilateral U.S. reductions, and conceded that interesting the Soiets in an ICBM force reduction proposal would be difficult because of their very large investment in land-based missiles and their emphasis on developing new ones.

Ikle said the Soviet Union seems less interested in agreeing to "strategic principles" than the United States.

"We find in the Soviets," he said, "considerable emphasis on fighting and even winning a nuclear war rather than on deterrence . . . disturbing references to rapid launching and preemption which could lead to the destruction of both countries through an accident."

"To the extent that they have been investing in this land-based force, they have been moving in the wrong direction from the view of strategic stability."

Ikle believes that the logic which led originally to deployment of land-based missiles 15 years ago was faulty.

"These are forces whose survival depends on the assumption that the adversary will confine himself to weapons capable only of destroying cities" rather than those accurate enough to hit ICBM silos, he said. The rush of technology, he added, is certain to make these silos vulnerable in years to come. "And their vulnerability is underscored by another undesirable quality: they are built for rapid launching."

Ikle said this "hair trigger" aspect of land-based ICBMs in years to come will increase the "use them or lose them" pressure on a President in a crisis to launch his vulnerable missiles upon warning of an impending attack.

While questioning the long-term value of land-based missiles, Ikle is a strong supporter of Defense Secretary James R. Schlesinger's recent announcement of a shift in U.S. strategy to provide for a capabilty to strike back at "selected" military targets rather than just cities.

Responding to critics of Schlesinger's stance, Ikle said:

"Being able to respond in kind to an attack which is less than full scale does not increase the likelihood of nuclear war. Any use of nuclear weapons would be incredibly dangerous and in a rational calculation, the risk of national destruction would outweigh any expected gain from initiating nuclear war.

"On the contrary, the ability to respond in a limited manner against military targets adds a new element to deterrence: it introduces a last chance—should something have gone wrong to avert the utmost catastrophe."

SSI—CRUEL HOAX

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Ms. ABZUG. Mr. Speaker, today, a 7-percent increase in social security goes into effect, but 108,000 elderly New Yorkers who are on social security will not get this increase.

They will not receive an increase in their benefits, because they also participate in the federally sponsored supplemental security income program. Their SSI payment will be reduced by the exact amount of their social security increase, therefore, they will not receive any increase in any benefits from the Federal Government.

We are locking our poor elderly into a vicious cycle of poverty where Federal programs serve only as an impetus to further frustration not a better life.

Mr. Speaker, I would like to include in the RECORD at this time an article from today's New York Times in which Governor Wilson, of New York, describes this cruel hoax we have perpetrated on the Nation's elderly, disabled, and blind:

WILSON SAYS RISE IN SOCIAL SECURITY WILL NOT HELP AGED—CALLS THEM VICTIMS OF CRUEL HOAX BECAUSE THEIR NET BENEFITS ARE UNCHANGED

(By Peter Kihss)

Governor Wilson said yesterday that the nation's poorest old people would not get any help from a 7 per cent increase in Social Security benefits that take effect today.

He declared they were victims of "a cruel hoax" and "rank Federal discrimination."

The people involved are about 108,000 elderly in New York State and about 1.9 million nationally—participants in the Supplemental Security Income progrom that started last Jan. 1, shifting aged as well as blind and disabled people from welfare rolls to a new Federal guaranteed-income program.

"NET BENEFITS UNCHANGED"

Under Social Security amendments, they will have their Supplemental Security Income payments reduced by the amount of the new Social Security increase, Governor Wilson noted, "leaving their net benefits unchanged."

In a statement, Governor Wilson said "Congress must correct this discrimination" in which, he declared people have been "misled by Congressional action to expect increases in their benefits while the Congress has in fact denied them."

Altogether, about 3.2 million people were on Supplemental Security Income rolls across the country, including 279,652 in New York State as of March 1—107,878 aged, 167,880 disabled and 3,894 blind.

HARSHER FEDERAL STANDARDS

The New York State participants receive the nationwide Federal payment for individuals of $130 a month plus a state-local supplement of up to $76.85. For couples, the basic Federal payment is $195, with the state-local supplement up to $99.93.

Under the same amendments voted by Congress last December and signed by President Nixon, disabled recipients who came on the rolls between last July 1 and Dec. 31 had to undergo rescreening to meet harsher Federal standards than previous state welfare rules.

The rescreening has resulted in termination notices so far for 5,492 disabled persons in New York State as of March 21, including 4,513 mothers in the city. Altogether, about 37,000 disabled people in the state will have to undergo rescreening, but President Nixon late Thursday signed a bill extending the time for review from a deadline yesterday to Dec. 31.

In his statement Governor Wilson also attacked Congress for having "changed the rules of the game" in its December action by voting to raise the Federal payment from $130 a month last Jan. 1 to $140, but specifically barring New York and nine other high-supplement states from getting Federal funds "with which to pay for the benefits supposedly included in this Federal increase."

The Governor said the state and local supplement was already scheduled to cost $160-million under the original program voted by Congress in 1972. New York State and other high-supplement states are similarly excluded from a further $6 raise to the $146 Federal payments July 1, Mr. Wilson added.

"A CRUEL HOAX"

"Although members of New York's Congressional delegation fought these discriminatory provisions," Governor Wilson said, "Congress adopted a cruel hoax in which it claimed credit for raising support levels while forbidding the expenditure of any Federal money to pay those raises in certain states, including New York."

The Social Security benefit increase of 7 per cent that is effective today for 30 million retired people throughout the country is to be followed by 4 per cent increase on July 1.

But because this will also be an increase that will be offset by a reduction in the Supplemental Security Income benefits in New York State, Governor Wilson said, this will again leave the net benefits of the state's aged poor unchanged—unless the law is changed.

BYELORUSSIAN NATIONAL REPUBLIC—BORN MARCH 25, 1918

HON. JOHN E. HUNT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mr. HUNT. Mr. Speaker, 56 years ago, the Byelorussian people proclaimed their national independence and regained their freedom which was lost to czarist Russia at the end of the 18th century. Unfortunately however, the newly created Byelorussian Democratic Republic soon fell victim to Bolshevik expansionism.

Today, the little over 9 million inhabitants are a puppet state of Russia and are ruled from Moscow as are the other constituent republics of the U.S.S.R.

For more than a half century, the Soviet regime has tried to break down the traditions and heritage of these peoples, trying desperately to strip them of their cultural identity. But in spite of these tyrannical efforts, the strong willed people of Byelorussia have resisted, and have bravely managed to keep alive their hope of freedom and eventual restoration of their land.

We should all take time to salute and support the cause of this captive nation on the occasion of its Independence Day.

MOTHS THREATEN FOREST LANDS

HON. GUNN McKAY

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mr. McKAY. Mr. Speaker, for some time I have been concerned about controlling certain destructive insects. These insects prey upon America's natural resources, and offer a genuine threat to some of our richest timberland. Two moth species, the gypsy moth and the tussock moth, are directly responsible for the destruction of millions of acres of forest land in this country.

Mr. Speaker, it is my feeling that the soundest environmental policy would provide for the protection of these forest lands. DDT remains the only agent which will halt both species of moth, and I think there is a strong argument for the selective usage of this agent to control these insects.

For the benefit of my colleagues who may not be aware of the severity of gypsy and tussock moth damage in our forest lands, I am submitting in the RECORD an article from the February 1974 Agrichemical Age: "Gypsy Moths Sweep Through Forests; No Help in Sight."

GYPSY MOTHS SWEEP THROUGH FORESTS: NO HELP IN SIGHT

Our cover does not show a winter scene—it is a summer glimpse of trees defoliated by gypsy moth caterpillars. Last year alone, this pest ate about 1.4 million acres of forest and orchards in the United States, and the annual rate of devastation is increasing. Pennsylvania reports a 113% rise in 1973, for instance, involving nearly 900,000 acres. Such ravaged trees often succomb to fires, but even when they don't, they may die if defoliated two years in a row.

The gypsy moth, which had been severely forced back with three years of DDT control in the late 1950's, has since spread from the northeast to the middle atlantic, the midwest, the southern states, and last year was accidentally imported into California. If allowed to gain a foothold there, state Department of Food and Agriculture Director C. B. Christensen says the moth could destroy deciduous trees, including fruit and nut bearing ones, along with pine, fir and such varieties of ornamentals as roses and holly. More than 11 million acres of eastern forest have been infested to date, and eggs representing thousands of caterpillars are being found by vehicle inspection teams in various states. With up to 1,000 larvae hatching from a single egg mass and up to 2,000 masses reported per acre in the east last year, their destructive capacity is readily apparent. They have been known to defoliate a full grown tree in a single day.

Meanwhile, another serious pest, the tussock moth, continues to prey upon northwestern forests, with a death toll so far of one million acres in Washington, Oregon and Idaho. As a result, some of the worst fires in history have been blazing through this land. Logging companies are hurrying to get the timber into their mills before it burns or rots, while mills are already crammed with logs, and hundreds of millions of board feet remain to be salvaged. The kill of immature timber has been heavy, and trees scheduled for harvest in future decades cannot be saved. Many men are also refusing to work in tussock kills in late summer or early fall, when skin particles shed by the moths cause a reaction similar to poison ivy or oak.

Various biological control attempts have failed, and DDT remains the only compound that will halt both the gypsy and tussock moth. Two bills have been introduced in Congress to relax DDT rules for the gypsy moth in the East, and the Pacific Legal Foundation has filed suit against the EPA, charging that the agency is violating the National Environmental Policy Act by failing to permit control of tussock moths in the northwest. The USDA has asked the EPA to authorize DDT use of the tussock moth epidemic, and hearings will be held soon. Forest Service Chief John R. McGuire says a draft environmental statement has been filed in Washington with the Council on Environmental Quality that says DDT may be necessary to prevent widespread damage to forests and related resources.

Numerous experts in the field are begging the EPA to let the trees be saved, among them Dr. J. Gordon Edwards, President, Sponsors of Science and Professor of Entomology at San Jose State College, who notes: "The EPA *did* recently give permission for pea-growers to use DDT against weevils in 65,000 acres of peas in the northwest, and *is* permitting one company in Yakima to sell DDT for crop uses in Washington and Idaho. I am happy for a pea-growers, but I wonder how long the EPA intends to punish all the rest of us . . . and *why?*"

11500 BANANAS ON PIKE'S PEAK

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mr. HOSMER. Mr. Speaker, H.R. 11500 is a bill to shut down the surface coal mining industry in the name of regulation. It imposes a tax of $2.50 on every ton of coal mined in the United States. The ostensible purpose is to reclaim orphan lands—acres mined in the past and for which no coal operator is now responsible.

The bill thus puts the cost burden on people who are not responsible for the shape the land is now in. But they are going to have to pay for it.

The companies that mine coal in Montana and Wyoming will be called on to pay for supposed environmental damage in West Virginia and eastern Kentucky, which they had nothing to do with.

This is as looney as a banana plantation on Pike's Peak. It may be too much to expect justice in H.R. 11500, but it would be nice to see a touch of sanity.

SOUTH VIETNAM AND U.S. AID

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mrs. SCHROEDER. Mr. Speaker, I would like to bring to the attention of my colleagues further information on military and economic aid to South Vietnam. Following is a GAO letter report regarding Department of Defense contracts in South Vietnam and their relationship to DOD's quarterly reports to Congress on the Military Assistance Service Funded—MASF—program. Also, following is an article on multinational aid to Saigon from the April 6 issue of the Nation.

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, D.C., February 12, 1974.

Hon. PATRICIA SCHROEDER,
House of Representatives,
Washington, D.C.:

DEAR MRS. SCHROEDER: In your August 29, 1973, letter, you asked us to examine the financing of Department of Defense (DOD) contracts in Indochina. During a later meeting with your office, it was agreed that we would limit our examination to determining if DOD, in reporting to the Congress on the Military Assistance Service Funded (MASF) program, had used the value of the contracts shown on the list of the U.S. Defense Attache Office in Saigon.

We found that DOD's reports to the Congress have not reflected the entire value of contracts shown on the Attache Office's list.

Until fiscal year 1966 the United States furnished military assistance to the Vietnamese and other free world forces in Vietnam through the Military Assistance Program. In 1966 the Congress authorized the use of military funds to support Vietnamese and other free world forces in Vietnam. This arrangement is known as the MASF program. The Secretary of Defense had requested this program on the grounds that separate financial and logistics systems for U.S. and other military assistance forces in Vietnam would be too cumbersome, time consuming, and inefficient. The Secretary stated that a similar problem during the Korean War had been solved by programing, budgeting, and funding all requirements under military appropriations. In authorizing the MASF program, the Congress stated:

"Within thirty days after the end of each quarter, the Secretary of Defense shall render to Congress a report with respect to the *estimated* value by purpose, by country, of support furnished from such appropriations." (Underscoring supplied.)

During 1971 and 1972 we reviewed the MASF program to determine if DOD's reports to the Congress adequately showed the value of the assistance provided. In our report to the Congress,[1] we stated that the estimated amounts reported to the Congress were significantly understated. DOD reported it had provided $1.5 billion in military assistance to Vietnam in fiscal year 1971, but we estimated it had provided about $1.9 billion in military assistance. The primary reason for this difference was that the Army and Air Force had estimated the value of support rather than reported the actual value of material delivered, as was done under the Military Assistance Program.

The fiscal year 1974 MASF budget follows:

[In millions of dollars]

Service	Appropriation			Total
	Operation and maintenance	Procurement	Military personnel	
Army	355.9	80.4	40.4	476.7
Air Force	247.1	278.4		525.5
Navy	19.9			19.9
Total	622.9	358.8	40.4	1,022.1

Of the $622.9 million budgeted for operations and maintenance, we identified at least $190 million for contractual support.

The Army and Air Force obligation amounts contained in DOD's reports to the Congress on the MASF program were estimates of the appropriations that were obligated during the past quarter, but the Navy reported actual obligations. Since the estimates did not necessarily have a direct relationship to actual obligations during a quarter, we examined the actual contracts in effect during the first quarter of fiscal year 1974.

According to the Acting Assistant Secretary of Defense (Installations and Logistics), the best available list of all contracts in Vietnam is the Attache Office's monthly list, which includes contracts for the support of Vietnamese and U.S. Armed Forces. The September 30, 1973, list included 187 contracts, of which 27 were for U.S. Armed Forces. DOD officials told us that contracts for the support of U.S. Armed Forces were not part of the MASF program.

The remaining 160 contracts were valued at $134 million. There are a number of reasons why the amount budgeted for contractual support—$190 million—differs from the value of contracts of the Attache Office's list. Two reasons are (1) the budgeted amount covers the entire fiscal year, whereas the Attache Office's list includes only contracts awarded through September, and (2) negotiated contract prices usually differ from the estimates on which the budget is based.

The Army and Air Force budgets (see p. 2) include a list of the types of contractual support to be provided to the Vietnamese. We therefore considered matching the contracts awarded through September 30, 1973, with those included in the budget descriptions to determine whether the support being procured was consistent with the provisions of the budget. But service representatives told us that we could not do this because (1) two or more contracts could be awarded for a specific budgeted line item, (2) the negotiated contract price can vary significantly from the budget price, and (3) descriptions of the types of support shown in the budget and on the Attache Office's list differed.

To make a detailed analysis of the differences, if any, between the Attache Office's list and reported budgeted line items, a considerable amount of work would have to be done in Hawaii and Vietnam. We discussed this with your office, and it was agreed that this work would not be done at this time.

We do not plan to distribute this report further unless you agree or publicly announce its contents.

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[1] "Suggestions for Changes in U.S. Funding and Management of Pacification and Development Programs in Vietnam" (B–159451, July 18, 1972).

We trust this information responds to your request. Please advise us if we can be of further assistance.

Sincerely yours,

R. F. KELLER,
Comptroller General of the United States.

MULTINATIONAL AID TO SAIGON

(By Mark Selden)

(NOTE.—Mark Selden, associate professor of history at Washington University (St. Louis), is at present working and writing at the Institute of Developing Economies in Tokyo. He is the author of Open Secret: The Kissinger-Nixon Doctrine in Asia (Harper & Row) and Remaking Asia: Essays on the Uses of American Power (Partheon).)

TOKYO.—The World Bank has launched a major drive aimed at propping up the Saigon regime in violation of the letter and spirit of the Paris accords on Vietnam.

Japan is playing a leading role in generating the international financial backing which underwrites the Thieu regime's blatant violations of the accords.

Saigon is poised at the brink of economic—hence political—collapse which can be forestalled only by long-term infusions of aid on a massive scale.

These conclusions emerge from the "World Bank Papers," a voluminous series of secret reports and documents which reveal that the war in Vietnam has entered a decisive new stage. From the early 1960s, the United States resorted successfully to special war, ground war, air war. Vietnamization and negotiation in its abortive attempts to annihilate the National Liberation Front. In the months following the Paris accords it became clear that the United States would turn increasingly to internationalization as the important means to by-pass the accords and secure victory for Saigon at reduced cost to the United States. As Henry Kissinger told the Senate Foreign Relations Committee in September, "We favor broad international participation in postwar assistance to Indochina." He listed the World Bank, the Asian Development Bank, the International Monetary Fund and the United Nations as potential channels for this participation. Representatives of each of these organizations and of fifteen major capitalist nations led by the United States, France, Japan and West Germany, secretly assembled in the World Bank's Paris offices on October 15–16 to "informally discuss" implementation of multilateral aid to Saigon.

While the United States is the driving force behind internationalization of the war, Japan's active role, in direct violation of the Paris accords, runs like a black line throughout the papers. The initial suggestion for a coordinated aid program came from the single international organization which Japan dominates, the Asian Development Bank. President Shiro Inouye initially called on the World Bank to co-sponsor the project in November 1972.

When President Thieu officially asked the World Bank's help in organizing an international aid group in April 1973, Bank President Robert McNamara, who as Secretary of Defense in the Kennedy and Johnson administrations had been the chief architect of the military desecration of Vietnam, indicates his willingness—provided a truly international effort could be mounted. Thereupon, Japan, South Vietnamese second leading trade partner and $7 billion richer as a result of American war procurements, proposed the October 1973 meeting to lay out the scheme for multilateral aid.

Japan, along with France and West Germany, has already provided outright grants and loans to the Thieu regime. (Negotiations are also in progress for aid from Canada, Australia, Korea and Taiwan.) The World Bank estimates that aid from non-U.S. sources will come to $100 million in 1974, up from $55 million in 1973. Japan's pledge of $50 million remains the largest sum by any country except the United States. Exploratory missions to South Vietnam from Mitsubishi and Keidanren (the Japan Federation of Busness Organizations) have been followed by elaborate postwar development plans involving Japanese capital, though prudence has thus far deferred action. Japan also sent the largest and most impressive delegation to the meeting sponsored by the World Bank and the Asian Development Bank: a nine-member team led by Kiyohisa Mikanagi, director general of the Economic Cooperation Bureau, Ministry of Foreign Affairs.

What sums are at stake in the multilateral proposals to aid Thieu? R. H. Nooter, of the Agency for International Development and head of the U.S. delegation at Paris last fall, told Congress "one-third to one-half [of total aid] . . . within two to three years." Through 1973 the United States shouldered well over 90 per cent of all aid to Saigon. The World Bank's second mission to Vietnam (a first mission had visited in June, its report providing the basis for discussion at the October meeting), detailed the vast sums required Projecting what it euphermistically labeled a "medium 'long-haul' case" of aid, it stipulated a minimum of $11 billion—exclusive of military aid between now and 1990.

Based on Saigon's *most optimistic projection* for economic growth in the 1970s, the World Bank's second mission concluded that "net aid required in 1980 would still be of the order of $770 million a year, or about $100 million higher than seems probable for 1974." Continuing a fantasy based on the supposition of an annual export growth of 25 to 30 per cent, the study nevertheless concluded that even in 1990, aid would have to fill a $450 million annual gap in order to keep the regime afloat. Two decades hence, Saigon will require, at best, aid roughly comparable to 1974 figures. What is projected, in short, are massive international infusions of capital—70 per cent of it in grants and the rest on low interest deferred loans—on a semi-permanent basis.

The full significance of the Bank's proposal emerges when its underlying political assumptions are exposed. For the cardinal principle of this report—directly subversive of the Paris accords—is that Saigon is *the* government of South Vietnam. For example, while the accords give equal status to the Provisional Revolutionary Government (PRG) and the Republic of South Vietnam, chairman of the October meeting, I.P.M. Cargill of the World Bank designates the four states of Indochina as follows: the Khmer Republic, the Government of Laos, the Democratic Republic of Vietnam and the Republic of Vietnam. The documents mention the PRG government only once in passing, noting the existence of "pockets" under its control.

In the face of Thieu's persistent and publicly proclaimed violations, multilateral aid sustains and rewards the sabotage of the accords and prolongs the holocaust. Little wonder that a World Bank official described the issues as a "terribly delicate matter that could easily be upset by undue publicity." The Bank must maintain a "politically neutral stance" and "the question of multilateral assistance to Thieu is very political."

By its actions, the United States has made abundantly clear its own intention to disregard the accords and provide Thieu with the military hardware to secure victory. In the first eight months after the cease-fire it supplied Saigon with 200,000 tons of ammunition, including 86,000 bombs. In early March, Deputy Defense Secretary William Clements told Congress that South Vietnam would be in "extremely dire straits" unless an additional $500 million in military aid—for a toal of $1.6 billion—were forthcoming immediately. It is worth noting in this context the stunning arrogance of Dr. Kissinger's September statement explaining the "recess" in discussion of aid to the Democratic Republic of Vietnam, "pending assurance that the North Vietnamese are observing all the provisions of the cease-fire agreement. No requests for aid funds for North Vietnam will be made until we are satisfied as to North Vietnamese adherence to the agreement."

Gabriel Kolko recently summarized the situation in Saigon as follows: "It is corrupt, it has less American money to spend than ever before, it does not really administer most of the areas it claims to 'control,' the goods it imports have been subjected to unusually high inflationary pressures, it faces enormous capital flight from its own devotees, it has a monumental inflation, oversized and nonproductive army, and a vast urban population forced to remain within range of its guns for security reasons but which is an economic cancer and social threat, *ad infinitum*."

The great contributions of "The World Bank Papers" include their detailed and devastating portrait of the decay of the Saigon economy. Based exclusively on information provided by Saigon (some of it so outrageous as to embarrass even Washington, e.g., Thieu's claim to control 95 per cent of the population), the data nevertheless exposes the thinly veiled Saigon propaganda which is offered by way of conclusion. For example: "All available evidence points to the conclusion that investment outlays since the early 1960s have been insufficient even to maintain existing productive assets . . . while population has grown by more than 40 per cent." Or "per capita commodity output fell by more than 20 per cent from the early 1960s." As production stagnated or declined, the service sector increased rapidly. Service, that is, to American troops and the Vietnamese upper classes. And with the withdrawal of U.S. forces and the consequent decline of U.S. piaster purchases from $408 million in 1971 to $100 million in 1973, this sector collapsed in turn.

Meanwhile the casualties of war include more than 7 million refugees, an urban population (largely squatter and unemployed) which has more than doubled since 1960, and 1.2 million men, 15 percent of the labor force, retained in the Saigon army. In 1973, construction—a crucial long-range indicator—fell to the lowest level since 1968. As one Saigon-based American expert admitted in the January *Asian Survey*, "The year 1973 witnessed a continued, but ultimately preciptious, deterioration of the South Vietnamese economy."

These problems are compounded by an inflation that is without parallel in Asia since the collapse of Kuomintang China in the 1940s. Even Saigon's doctored figures reveal inflation running at better than 60 percent in 1973; the regime was forced to devalue the piaster nine times in that year. Under these conditions, and with security at best problematic, the much advertised effort to lure foreign investment has fallen flat—less than $10 million was ventured in the decade which ended in 1972, according to the authoritative *Pacific Basin Report* survey of November. And the flight of domestic capital to safer havens abroad continues: from the mid-1960s negative savings have averaged 5 percent of gross domestic product.

In response to these problems Thieu's solution remains more dollars for the military. Its budget, which exceeds two-thirds of government outlays, will swell in 1974 by another 12 percent. Yet it is no longer possible to evade the problem of a vast gap between budget outlays and expenditures, which grew from a 1973 deficit of 115 billion piasters to 155 billion in 1974. As the first World Bank mission pointed out, "the cost of conducting the war was in effect borne abroad . . . in the form of support for the government budget which became increasingly imbalanced as defense expenditures mounted. . . . The essential object of external assistance has been to provide the budgetary support necessary to achieve the desired military capability in Vietnam. . . ." But the United States is no longer able or willing to pick up the entire tab. It is here that multilateral aid enters the scene as an integral part of the effort to "achieve the desired military capability" for the Saigon regime.

While the World Bank, Asian Development Bank and International Monetary Fund attempt to create an effective multilateral aid mechanism, the United States is pressuring its allies to provide immediate bilateral aid and to form a working group to coordinate overall assistance. Such a course promises no more success than the decade-long American effort—or the French or Japanese attempts which preceded it—to make Saigon a viable government. Such costly moves will certainly, however, breach the Paris accords and prolong the war.

Now is the time to call to account the World Bank, the IMF, the ADB and the United Nations, as well as the American, Japanese and other governments that attended the October meeting, for their action in violating the international accords and the right of the people of South Vietnam to determine their own destiny.

THE WORLD BANK PAPERS

Chairman [I.P.M. Cargill] Opening Remarks. October 15, 1973.

Statement by Mr. Krishna Moorthi, Vice President, Asian Development Bank, October 16, 1973.

Statement for Paris Meeting on Indochina by IMF Representative. October 16, 1973.

Report of An Economic Reconnaissance Mission to the Republic of Vietnam. September 28, 1973. Report No. 198a–VN. Document of International Bank for Reconstruction and Development/International Development Association.

Current Economic Position and Prospects of the Republic of Vietnam. January 18, 1974.

Report No. 315–VN. Document of International Bank for Reconstruction and Development/International Development Association.

THE FEDERAL MINIMUM WAGE RATE

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1974

Mr. FORD. Mr. Speaker, I was one of many Members of Congress who voted in favor of H.R. 12435, a bill to raise the hourly minimum wage and extend coverage to some 7 million additional workers.

Prior to the bill's passage the Nixon administration charged that this legislation would be inflationary and create widespread unemployment.

Mr. Speaker, the Nixon administration is incorrect in its figuring. I would like to point out that statistics brought to our attention have dispelled President Nixon's unfounded myths.

First, minimum wage increases are not inflationary. It is a well-known fact that this conclusion has finally been admitted publicly by the U.S. Chamber of Commerce. And, it has been substantiated by the economic effects studies which are issued annually by the Department of Labor.

It should be pointed out that the minimum wage earner rather than being the contributor to inflation, is the chief victim of inflation. Due to increased inflationary erosion today's $1.60 minimum wage buys less than the $1.25 minimum wage bought in 1966.

Second, minimum wage increases do not create widespread unemployment. Again, successive Labor Department studies on the economic effects of minimum wage increases have concluded that wages of the lowest paid workers have increased without any adverse employment effects.

The basic purpose of the act is just as valid today as it was during the era of its enactment—to maintain a floor under wages in order to provide at least a subsistence wage for American workers.

The majority of minimum wage earners are either heads of household or major contributors to the maintenance of a household. The proposed initial minimum wage increase of $2 will provide a gross income of $4,000. The poverty level income threshold for a nonfarm family of four in the continental United States is an annual net income of $4,300.

These figures obviously make the case for increasing the Federal minimum wage rate.

ABOVE ALL, A STALWART SOLDIER

HON. GARNER E. SHRIVER

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mr. SHRIVER. Mr. Speaker, Kansas and the Nation have lost a distinguished soldier and citizen with the recent passing of Lt. Gen. Joe Nickell. General Nickell, a native of Kansas, had a diversified and successful career including service in the Kansas Legislature.

He was best known to many of us as adjutant general of Kansas for 21 years, and the effective spokesman for the National Guard.

The following editorial from the Topeka, Kans., Daily Capital effectively describes the brilliant and successful career of General Nickell. All of us who knew and respected him, mourn his loss:

ABOVE ALL, A STALWART SOLDIER

While all of his multitude of friends knew him as a soldier, some remembered Lt. Gen. Joe Nickell best as a newspaperman, a photographer, a radio newscaster, a lawyer, a legislator or a state official.

His first military service was with the Alabama National Guard in 1915, then with the Missouri National Guard in 1916. The next year he enlisted and served during World War I with the 42nd (Rainbow) Division.

General Nickell capped his military career by serving for 21 years as Kansas adjutant general, being appointed by former Gov. Edward F. Arn.

An articulate spokesman for the Kansas National Guard, General Nickell was the driving force behind state legislation which led to the construction of 58 state-owned armories.

After his service in World War I, General Nickell, who was born in Parsons, Kan., became city editor of The Daily Capital and was one of the first radio newscasters in the Topeka area. He gave the news over WIBW and was known as "Big Nick." While he was busy as city editor and newscaster, he also was a news photographer.

General Nickell attended Creighton University in Omaha and Washburn Law School where he earned his law degree. He practiced law in Topeka and was first elected to the House of Representatives, then to the State Senate. He also served as State Workmen's Compensation Commissioner and as state director of Selective Service.

In World War II he was sent to the Aleutian Islands as commander of the 154th Field Artillery Battalion and was beachhead commander during the 1943 U.S. attack to recapture the island of Attu from the Japanese.

His promotion to full colonel was made in 1943 on the beach at Attu by Gen. Simon B. Buckner. Later in the war, Nickell became chief of transportation, superintendent of Army Transportation and commander, Harborcraft Detachment at large, Alaska Defense Command.

He was an instructor at the Command and General Staff College, Ft. Leavenworth in 1946 and 1947 and in 1948 was assigned to Headquarters, 35th Division Artillery, Kansas Army National Guard.

This was followed by promotion to brigadier general and assignment to Headquarters and Headquarters Detachment, Kansas Army National Guard, as adjutant general on May 21, 1951.

General Nickell was promoted to major general in 1956. While federal recognition was withdrawn in 1960 because he had attained maximum age in grade, Nickell was promoted to lieutenant general by executive order under legislatve authority. He retired in 1972.

General Nickell was particularly proud of his service as state commander of the American Legion and as state commander of the Military Order of World Wars.

His many military service medals and the various fields of endeavor that held his interest along the way attest to the fullness of his life that spanned most of 78 years.

INTERNAL SECURITY COMMITTEE—NO BUSINESS

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Ms. ABZUG. Mr. Speaker, would you believe that in this day and age a committee of Congress spends its time studying "the theory and practice of Communism"—on $475,000 of the taxpayers' money? It would be cheaper to dissolve the committee and pay its members' tuition for a college refresher course.

Incredibly, there they sit, with the 11th largest budget and the 8th largest staff of all 21 standing committees of the House. Forty-two people work for the Internal Security Committee—and not one bill from this committee has passed the House in the 93d Congress. The average number of bills referred to each committee was 579—but only 13 bills were referred to this committee and 8 of these were duplicates. All the others actually belong in other jurisdictions, notably the Judiciary Committee.

By comparison, the Veterans' Affairs Committee limps along with a staff of 17 and a budget of $150,000—at a time when our veterans are telling us what they think of the treatment they're getting. Ways and Means has a staff of 29 and a budget of $125,000. Yet Veterans' Affairs passed into law last session 5 bills, and Ways and Means, 12 bills. Oddly enough, the only other committee that got no legislation passed at all was the Committee on Standards of Official Conduct. They have four staffers and $25,000.

The Committee on Internal Security spent only 21 days in hearings last session and listened mostly to its own staff. They tried to restrict the right of U.S. citizens to travel; tried to get loyalty-security checks on Federal employees tightened, and to prove that prison riots are caused by subversive literature. Maybe it is just as well they did not get any legislation passed.

So what else did they do to justify our $475,000—besides hauling in a couple of octogenarians thought to have been Communists in the 1930's? Their chief job, it seems, is to maintain files on suspicious characters, sometimes including Thee and Me. But we need not be indignant—it turns out that their files are useless, too.

Between November 3, 1972, and May 15, 1973, the Civil Service Commission checked their files 10,520 times for information on applicants for Federal employment. Actually there is no law that gives the Commission the right to do so, but that is another story. This story ends with the CSC discarding 95 percent of the HISC data as "not material or pertinent to the person under investigation." Records on the other 5 percent were duplicated by data in the FBI or other files.

Mr. Speaker, the call for congressional reform demands that we rid our institution of such bumbling boondoggles. The Justice Department has abolished its Internal Security Division; the Subversive Activities Control Board was killed by denial of funds. There is recognition that such agencies are redundant and obsolete. This body should acknowledge that the Internal Security Committee is a vestige of McCarthyism and refuse to spend another penny on it.

BROWN, 20 YEARS LATER

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mr. ANDERSON of Illinois. Mr. Speaker, the recent adoption by the House of an antibusing amendment to the education bill refocuses public attention on school desegregation mandated by the historic Brown decision of 20 years ago—where we have been and where we go from here. As I pointed out in offering an alternative to that amendment, we can either take issue with that decision and embark on a rollback of two decades of progress—a rollback of dubious constitutionality—or we can build on that progress through constructive and uniform national desegregation guidelines and programs. Our alternative amendment was aimed at accomplishing the latter course through Federal funding of innovative desegregation programs over a 10-year period involving minimal transportation. The gentleman from North Carolina (Mr. PREYER), the gentleman from Arizona (Mr. UDALL), and I have written to the chairman of the House Education and Labor Committee urging an immediate commitment to holding hearings on our Equal Educational Opportunities Act and similar legislation.

Mr. Speaker, on March 26, the Christian Science Monitor carried an editorial which points to the need for legislation like that which we have offered. As the editorial states:

> As the tardy results of Brown have shown, integration may be a process more than a neatly attainable goal. To condemn minority youths to less than full educational expectations, because integration is elusive, is but another form of failing those youths.

Columnist Tom Wicker, writing in the March 29 New York Times, cites the Pasadena school situation in which the question is raised as to whether racial balance is required to achieve a unitary school system, and specifically whether the school board's "Integrated Zone/Educational Alternatives" plan is indeed an acceptable alternative to a massive transportation remedy.

Mr. Speaker, at this point in the RECORD I include copies of the Christian Science Monitor editorial, the Wicker column, and a New York Times editorial on the antibusing amendment adopted by the House:

[From the Christian-Science Monitor, Mar. 26, 1974]

BROWN, 20 YEARS LATER

Twenty years after the historic Brown desegregation decision, civil-rights lawyers met at Notre Dame last week to assess the decision's results.

The results have been mixed. The locus of conflict over school desegregation has moved from South to North. However, since Brown, the percentage of blacks attending integrated schools in the North has steadily declined. Today fewer than 30 percent of black youths attend predominantly white schools.

Progress has been made in discerning the subtler forms of segregation—teacher assignment, school district lines—that have had as certain a segregating effect as the old obvious dual systems of the South. And there have been side benefits: efforts to integrate schools have added to the moral and political impulse to end job and housing discrimination.

School desegregation faces one last major court ruling: whether central city schools will have to be integrated with suburban schools. The Supreme Court will rule on a Detroit metropolitization plan this spring. Justice Lewis Powell, whose abstention left the similar Richmond, Va., case in a tie last year, is thought likely to vote against metropolitan remedies.

But even if metropolitization is upheld, after the dozen or so Northern cities file similar cases and assumedly comply, the legal run of the Brown decision will shortly be over. The issue of how to improve the specific education of millions of youngsters will remain. The majority of black youths educated since Brown have attended largely black schools. And, for some time to come, the public schools may fall short of full integration. But education is more than the issue of racial balance. The instruction of minority youths should not be slighted or put into limbo while the courts and school systems ponder the matter.

How to gain an education despite disadvantages could well become the new emphasis in urban education. This is not to ignore the need to keep on with efforts against discrimination. As the tardy results of Brown have shown, integration may be a process more than a neatly attainable goal. To condemn minority youths to less than full educational expectations, because integration is elusive, is but another form of failing those youths.

[From the New York Times, Mar. 29, 1974]

HOW MUCH INTEGRATION?

(By Tom Wicker)

After having been invited to do so by Richard Nixon in a radio address, the House of Representatives has voted once again to prohibit the Federal courts from ordering schoolchildren bused to overcome racial segregation. Other measures of this kind have been defeated in the Senate, and even if this one isn't, it is almost certain to be held unconstitutional by the Supreme Court.

The persistence of the politically sensitive House nevertheless reflects the persistence of the issue—not busing so much as the underlying question whether achieving a unitary school system requires something like racial balance in a school district or only a showing that children are not excluded from any of its schools because of their race or color.

Numerous court decisions (in the Charlotte and Denver cases, for example) and the civil rights act of 1964 seem to make clear that absolute racial balance is not required; but the problem is that, in practice, unless a reasonable degree of racial balance has been required, only limited desegregation has resulted—as, for example, under the "freedom of choice" plans once widely in use in the South.

Nowhere is this issue more clearly joined than in Pasadena, Calif.—the subject of several articles in this space since 1970, when Pasadena undertook an extensive busing and integration program. In that year, the Pasadena Unified School District, in the Los Angeles suburbs, had come under court order from Federal Judge Manuel Real to achieve racial balance to the degree that it would have no school "with a majority of any minority students."

That was accomplished, along with some striking educational innovations to help make the "Pasadena Plan" work; then the school board that developed this plan narrowly survived a recall vote. In 1973, however, when the national climate on school desegregation had sharply changed, Pasadena elected a school board majority committed to end "forced busing" and to achieve a neighborhood-school pattern.

Late last month, the board returned to Judge Real's court to argue that (1) "white flight" from busing was a major factor in a loss of white students from 58 per cent of the total in 1969 to about 45 per cent in 1973; (2) the loss meant that five schools had black majorities in violation of the 1970 order; (3) although white flight appeared to be leveling off, there still was a "white boycott" on moving into Pasadena and sending children to its public schools; and (4) therefore, Judge Real should permit the board to install its "Integrated Zone/Educational Alternatives" plan. Also put forward was the board's belief that neither in Pasadena nor nationally had integration substantially improved minority children's educational achievement.

The school board's alternative plan would divide Pasadena into four residential zones, each with roughly the same ethnic balance. Parents could choose to send their children to any school within their zone, and the district would provide busing for any child who required it. To prevent this from being another version of "freedom of choice," the board proposed a competitive system, in which each school—in addition to its basic curriculum—would have a special "mini-school" as an "educational magnet"—one offering a fine and performing arts program, for instance, another offering an "unstructured" program, still others offering foreign languages or animal and plant life "mini-schools," and the like. The board argued that these "mini-schools" would have to compete for students, thus not only improving the schools but achieving substantial integration.

Judge Real was not impressed. He cited expert testimony in questioning whether "white flight" actually caused by busing had been as great as the board contended. He questioned whether the "mini-schools" would retrieve departed white students, and why, if they would, they could not be established under the present plan.

School board chairman Henry Marcheschi had conceded that as many as eight or nine schools would become largely all-black under the proposal; Judge Real said it also was "crystal clear" to him that, like any other voluntary plan, the board's would lead to all-white neighborhood schools, with one-way busing for minority pupils who wanted an integrated education. The judge even disputed Dr. David J. Armor of the Rand Corporation, who asserted that the Pasadena Plan had not improved minority test scores.

Some of these issues seem worthy of another article. To Judge Real, the case was clear; on March 1, he refused to permit the board to install its "Integrated Zone" plan. The school board, not surprised by his decision, has declared its intention to carry the fight all the way to the Supreme Court, basically on the issue of how much, if any, racial balance may be required before a school system can be considered unitary.

[From the New York Times, Mar. 28, 1974]

FAILURE IN THE HOUSE

Once again the House of Representatives, following its own baser instincts and President Nixon's bad advice, has tied the albatross of a mischievous anti-busing amendment around the neck of a good education bill. By placing politics ahead of principles, the House has jeopardized chances for speedy enactment of a measure whose delay will make effective fiscal planning by the nation's schools and colleges virtually impossible.

The amendment's most destructive aspect is that it allows reopening of long-settled desegregation projects, thereby encouraging dormant forces of reaction to renew their divisive activities. All indications are that the terms of the rider, lifted almost verbatim from a 1972 Nixon proposal that was killed by the Senate, would be declared unconstitutional by the courts as a violation of equal protection. Regrettably, the majority failed to heed a warning by Representative Carl Perkins, chairman of the House Education and Labor Committee, that "we are just fooling ourselves" in pretending that the amendment will have any effect other than endangering speedy passage of a good bill.

The irresponsible House action now makes it doubly important for the Senate, ignoring Mr. Nixon's veto threats, to approve a measure that can form the foundation for a sensible, workable conference bill designed to protect the best interests of American education.

THE GREAT PROTEIN ROBBERY NO. 24—STUDDS-MAGNUSON 200-MILE FISHING BILL

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mr. STUDDS. Mr. Speaker, the ground swell of support of legislation to establish a 200-mile interim fish conservation zone in our coastal waters continues to grow. Private citizens are adding their voices to those of business organizations, in calling for the extension of U.S. fisheries jurisdiction to 200 miles beyond our shores. The extension, originally proposed in the Studds-Magnuson bill, H.R. 8665, would halt the steady, ongoing assault by foreign trawlers on our valuable sea resources, and reestablish a bountiful, protein-rich supply of fish for all Americans.

I am most heartened by the strong support received for this bill from individual fishermen and their organizations. Mr. Speaker, I have alerady informed my colleagues of various endorsements received for H.R. 8665—including those of the New England Conference of Governors, the International Game Fish Association, the Atlantic States Marine Fisheries Commission, and the Organized Fishermen of Florida. I would like to share with you at this time the sentiments of other organizations, as well as those of private citizens.

The Emergency Committee To Save America's Marine Resources, based in New Jersey, has offered its support:

> The 200-mile limit would allow American marine biologists to manage our off-shore resources in an intelligent manner for the good of all.

Interest in the bill has spread to the west coast as well. The 200 California fishermen who are members of the Salmon Trollers Marketing Association are as concerned about foreign interference with their trade as their east coast brothers:

> We unanimously support Senate Bill S. 1988 by Senator Magnuson. We are hoping for speedy passage of this bill to protect what ocean resources we have left.

Similar views are expressed by another California-based group, the Humboldt Fishermen's Marketing Association of Eureka:

> On information we have received on your 200 mile bill which you have introduced in both the House and Senate, we want you to know we pledge our full support for its passage. We have witnessed this summer such terrific growth in the foreign fisheries on the West Coast. It is to the stage now that if action is not taken immediately in Washington we will have no fish left to worry about.

Two conservation groups representing a nationwide membership have strongly urged the passage of the Studds-Magnuson bill. The Sport Fishing Institute in recent testimony before the Senate Committee on Commerce stated:

> In our view, passage by Congress of S. 1988 to provide for interim unilateral extension of the U.S. marine fisheries jurisdiction to 200 miles, would be very much in the public interest. It would set the stage for solving many urgent coastal fisheries conservation problems and it would create a significant new means of leverage to gain accommodation by foreign nationals of the special needs of the valuable anadromous fisheries.

Friends of the Earth, a national conservation group, has expressed similar concerns:

> It seems to us that there is no valid reason for delaying the imposition of appropriate protection for our coastal fisheries. The point has been reached where even one more year of fishing by rapacious foreign fleets can retard recovery of certain stocks by many years.

Massachusetts organizations share these concerns and voice strong support for the measure. Recently I received this letter:

> The Massachusetts Alliance of Saltwater Sportsmen, a statewide organization of saltwater fishing clubs, strongly supports your bill which would extend the U.S. fishing jurisdiction to 200 miles or the edge of the continental shelf. We feel the continued exploitation of our fisheries stock demands this action.

Commercial organizations have even more reason to dread the consequences of continuous foreign assaults against our seafood resources. The Provincetown, Mass., Cooperative Fishing Industries has written:

> We are enthusiastic about the improved chance of your interim bill to establish a 200-mile limit until the coming Law of the Sea meeting passes and ratifies sensible controls to stop the wholesale slaughter of food fish by foreign boats all over our traditional home grounds. . . . Continued fishing by these boats certainly depletes our stock of marketable fish and causes great hardship.

Individuals have also come forward to endorse the bill, while expressing concern over present conditions. "The Massachusetts fish and shellfish business has sunk to the lowest ebb in our history," asserts a Plymouth, Mass., fisherman, adding that "for the benefit of mankind, legislation for the fish industry is long overdue."

His fears are echoed by a Falmouth, Mass., sports-fisherman:

> . . . I have viewed the foreign over-exploitation of our national fishing grounds with increasing dismay. Having boarded Polish and Russian Fisheries vessels at Woods Hole, the danger of fishery depletion has been brought home to me. Please foster the establishment of 200-mile fisheries limit.

West coast residents offer strong support for the bill, based on their own experiences with foreign vessels. An Oregon man expresses his strong sentiments:

> The 200-mile limit should extend off the West Coast of Calif., Oregon, Wash., and all of Alaska, including the Bering Sea, the rape of these resources by Japan, Russia and Korea is devastating; already they have completely wiped out specific salmon runs in Alaska. . . . I commend the Magnuson Bill, S. 1988, and Studds Bill, H.R. 9137, and unequivocally ask you to vote for them and plead with your other congressional comrades for support. We alone have the capability to preserve these resources all the way from whales to shrimp, for ourselves as well as all mankind.

A Chatham, Mass., man, who describes himself as "an ordinary fisherman," sees the importance of the bill as an interim measure:

> . . . since international agreements are traditionally slow in coming and very difficult to enforce I am strongly in support of the 200-mile limit because I know the U.S. can effectively manage the area in order to preserve the fisheries for all the world's fishermen and the world consumer.

An East Orleans, Mass., man speaks simply, yet eloquently:

> Please! I am a fisherman. Please work harder for a 200-mile limit or at least a fuller understanding in Washington of what the foreign fleet is doing to destroy the fish of our Northeast waters.
>
> I beg those of you who have the power to help Americans, not Russians and other foreign countries in this unlawful destruction of our natural resource fish.

Mr. Speaker, these varied expressions of concern, together with the many other unsolicited endorsements received from all sections of the country, demonstrate the urgent need for immediate action on this legislation. If we hope to continue as a major fishing nation, we must act now to preserve our precious marine resources.

TRIBUTE TO MILTON GOLDBERG

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mr. WOLFF. Mr. Speaker, the Long Island community of Great Neck lost one of its most active, distinguished, and beloved citizens on Friday morning, March 21. Mr. Milton Goldberg, a merchandising consultant and trustee of the Great Neck Symphony Society, died suddenly and unexpectedly at his home on West Shore Road, Great Neck. The news of Mr. Goldberg's passing came as a profound shock both to me personally and to the entire Great Neck community.

Mr. Goldberg devoted his entire professional life to the retailing business, owning his own firm, Milton Goldberg Associates, for 11 years. He was a graduate of Clark University and Harvard Business School and he began his career as a trainee at R. H. Macy's. He quickly moved up the corporate ladder, from merchandiser at Lane Bryant, to vice president of A. S. Beck Shoe Corp., and up to a vice president and director of Alexander's Department Stores. In 1950, Mr. Goldberg became a senior vice president at Bloomingdale's Department Store. He accomplished all this in a short time, and at the time of his death, he was only 64 years old.

We shall remember Mr. Goldberg for his great interest and work for the Great Neck Symphony Society, where I had the honor of working together with him on the board of trustees. He had an abiding love for the symphony and participated in the symphony society with zeal.

I extend my condolences and prayers to Mr. Goldberg's widow, Betty, his daughter, Mrs. Joan Hauser, his mother, Mrs. Dora Hurwitch, and the entire family. We shall miss him greatly, for we have lost not only a civic leader, but a great friend.

INTERSTATE ROUTE 66—THE MISSING LINK

HON. STANFORD E. PARRIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mr. PARRIS. Mr. Speaker, one needs only attempt the drive into Washington from northern Virginia to realize the great transportation problem facing us there. As automobile congestion increases, with no relief in sight, the existing routes are proving to be inadequate for conducting the flow of traffic efficiently and safely.

Sixteen years of court battles and highway studies, and the millions of dollars poured into them, have at least taught us that the problem will not go away by itself. What is needed to establish a balanced transportation system leading into Washington, including the completion of Interstate Route 66. The final segment of I–66 would extend from the Beltway (I–495) to Washington, and appears to be the missing link to the solution of northern Virginia's transportation problem.

I have recently given my constituents the opportunity to express their views as to the merits of a completed I–66 in an opinion poll conducted in my Eighth District of Virginia. A clear majority—66.2 percent—of those responding definitely favored completion, and believed it would be instrumental in solving northern Virginia's transportation problem. In addition, under my leave to revise and extend my remarks, I would like to insert into the RECORD the following article from the Fairfax Journal:

> REALISM ON I–66
>
> Another "final decision" in the seemingly endless battle over completion of Interstate Route 66 from the Beltway to the Potomac is expected shortly. But we are convinced that a flat go or no-go ruling by the Virginia Department of Highways and the U.S. Department of Transportation will not end the titanic 16-year-old struggle.
>
> Should the decision be made to proceed immediately with the elaborate last leg of I–66, you can bet your last gallon of gas that anti-freeway forces will go back to court again. And, a no-go decision will merely send the highway people back to their drawing boards to work out a new plan to move traffic into Washington from the Beltway.
>
> If you don't believe it, take a look at the history of the I–66 controversy. Time after time, apparently final decisions were made on the freeway, the equally controversial Three Sisters Bridge and its connecting spur (I–66). But new pressures, proposals or situations always resulted in continuation of the battle by one side or the other.
>
> What can be done now to terminate the bitter battle which has cost us millions of dollars in lengthy court fights and expensive studies?
>
> The first step, as we pointed out a few months ago, is for both sides to modify their intransigent attitudes and recognize that there are sensible and logical arguments on either side of this issue, along with strong citizen support.
>
> The Virginia Department of Highways, for example, must wake up to the obvious fact that the present emphasis on environment and energy-saving considerations makes it next to impossible to complete I–66, I–266 and the Three Sisters Bridge as originally planned.
>
> Recent recommendations against authorizing the full I–66 package from the Environmental Protection Agency, the President's Council on Environmental Quality, and even the Department of Transportation's own environmental affairs chief, cannot be dismissed lightly.
>
> On the other hand, the anti-freeway groups must recognize that there is strong support and demonstrable need for a more adequate northern highway corridor to carry the rapidly-increasing volume of Washington-bound traffic from western parts of Fairfax County and beyond.
>
> There is a tendency for the opponents of I–66 to see the conflict as a struggle between the "people" and the big state highway department. This is ridiculous. There are thousands of decent Northern Virginians who want I–66 built, probably about as many as those who don't. Were this not true, the I–66 issue would have died long ago.
>
> The "wild card" in the I–66 controversy is the Metro rapid transit system. Freeway opponents say the completed Metro rail and feeder bus system will negate the need for the final leg of I–66. Metro will certainly help. But most studies of future traffic volume indicate that Metro alone will not entirely solve the congestion problem. Even cities with highly developed transit systems still find much need for coordinated modern highway systems.
>
> How can the present controversy be fairly resolved in the best interests of all Northern Virginians? Since almost a generation of state and federal officials and even Presidents have wrestled futilely with the problem, it is obvious that no simple, neatly-packaged solution exists. But events of the past few months suggest to us that the following steps should be taken:
>
> 1. Scrap the present I–66 plan with its various connector options.
> 2. Reject totally the proposal for the I–266 spur to the Three Sisters Bridge, the need for which has never been proven (except possibly to qualify certain District road projects for federal funds).
> 3. Submit new plans for a scaled down I–66 extension from the Beltway to the Theodore Roosevelt bridge, which is already a part of the interstate system. The leg should have no more than six lanes at any point and be designed to eliminate all massive interchanges such as the I–266 connection which would all but wipe out Spout Run Park.
>
> With a completed Metro system and an upgraded Route 50, we believe such a scaled-down version of I–66 would take care of traffic needs with minimal adverse environmental effects.

CASE FOR A FEDERAL OIL AND GAS CORPORATION—NO. 15

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mr. HARRINGTON. Mr. Speaker, on Thursday, March 28, I introduced a study entitled "A Federal Oil and Gas Corporation: The Lessons From Foreign Experience and the TVA," into the body of the RECORD. The document appears on page 8634. The study, conducted at my request by Mr. Kent Hughes of the Economics Division of the Congressional Research Service, is a survey of government participation in energy production in five developed countries: Britain, France, Canada, Germany, and Italy. It explores such questions as whether a Federal Oil and Gas Corporation could effectively compete with the established oil companies, attract the necessary skilled personnel and needed capital, operate with sufficient efficiency in accord with congressional accountability, and serve as a comparative "yardstick" by which to judge private profitmaking efforts in the energy field. Mr. Hughes' findings and conclusions are a valuable contribution to the literature on the corporation proposed and I would like to direct my colleagues' attention to the study.

STATUTE OF LIMITATIONS LAW REQUIRES IMMEDIATE ACTION ON PRESIDENT'S TAXES

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mr. VANIK. Mr. Speaker, today I was shocked to learn that the Joint Committee on Internal Revenue Taxation, which is studying President Nixon's questionable tax payments, is considering a delay in its report.

With respect to the review of the President's taxes, time is of the essence. Tax Analysts and Advocates, a public interest study group, has just pointed out that action must be taken by April 15 to postpone the running of the statute of limitations on President Nixon's 1970 taxes. If the statute of limitations runs out, Mr. Nixon may be able to take a large charitable deduction for payments he has publicly promised to make if the Joint Committee determined that he owed additional taxes.

The statute of limitations generally prevents the Internal Revenue Service from collecting additional taxes due in connection with returns filed more than 3 years earlier. Therefore, the IRS must act by April 15, 1974, if it is to require "adjustments" in Mr. Nixon's 1970 tax return which was filed April 15, 1971. To date, there is no indication on whether or not the Service has issued a deficiency notice for 1970 or whether the President has consented to extending the statute of limitations. The committee must issue its reports and recommendations to insure that the Service takes the necessary action.

The whole issue of the statute of limitations arises because of the "gift" of Mr. Nixon's Vice-Presidential papers. By donating his papers, he was able to reduce his 1970 taxes to $792.81 on an adjusted gross income of $262,942.56.

It seems to me that it is incumbent upon the Internal Revenue Service to treat President Nixon as any other taxpayer or nontaxpayer. It is either necessary for the Internal Revenue Service to obtain a waiver from the President on the statute of limitations or to issue a notice of deficiency which automatically extends the statute of limitations.

If the Internal Revenue Service is to retain any credibility with the American people, it must act responsibly and at once in the public's interest.

The Tax Analysts and Advocates' report on the statute of limitations situation follows:

APRIL 15 COULD BE CRUCIAL FOR NIXON TAXES

Unless the Internal Revenue Service takes action by April 15 to postpone the running of the statute of limitations on President Nixon's 1970 taxes, Mr. Nixon may be able to take a large charitable contribution deduction for payments he has publicly promised to make if the Joint Committee on Internal Revenue Taxation determines that he owed additional taxes for the years he has been President. Tax Notes has learned that both the Joint Committee and the IRS are aware of the problem but could not find out if any action had been taken to stay the statute of limitations.

Forced by press disclosure of minimal payment of taxes, President Nixon last December made public his returns for the years 1969 through 1972 and asked the Joint Committee to examine the disputed items that made such low payment possible. The President paid a total of $5,691.01 in federal income taxes in the years 1970 through 1972 on adjusted gross income of $794,104.95. In 1970, the President paid $792.81 on adjusted gross income of $262,942.56.

The principal reason for the low payments of taxes was a $576,000 deduction claimed for a purported 1969 gift of Vice Presidential papers to the National Archives. Tax Analysts and Advocates analyzed the gift and concluded it was not made by the July 25, 1969, deadline set by the Tax Reform Act of that year. The disputed gift is one of the issues under study by the JCIRT staff, which may give its report to the committee as early as this week.

The Joint Committee has no authority to stay the statute of limitations but the IRS, which reopened its study of the President's returns after the material was turned over to the JCIRT, has such authority. It usually asks the taxpayer to waive the statute but also can issue a notice of deficiency which automatically stays the statute.

In general, an individual may take a charitable contribution deduction for contributions made to the federal government. The appropriate statute of limitations prohibits the IRS from collecting and assessing additional taxes due in connection with returns required to be filed more than three years previously. Thus, absent a showing of fraud, if the IRS fails to act by April 15, 1974, on President Nixon's 1970 return (which had to be filed by April 15, 1971), Mr. Nixon will be under no legal obligation to make payments for back taxes judged to be due and owing by the JCIRT for taxable year 1970 since the Joint Committee has no statutory authority to require the payment of these back taxes. Therefore, in effect, payments for 1970, as well as 1969, arguably could be voluntary payments, which qualify as charitable contributions. On the other hand, to the extent these payments could be viewed as being made to forestall a fraud investigation they would not be deductible because tax fraud has a six year statute of limitations.

Since there is no directly relevant prior case law on the deductibility of such payments to the government, the IRS should formally stay the running of the statute of limitations for taxable year 1970 between now and April 15 if it wants to avoid the question of a Nixon deduction for the back tax payments attributable to 1970.

Newspaper reports indicate that the Joint Committee report will find Mr. Nixon should have paid an additional $350,000–$500,000 of taxes during his first four years as President. Assuming that this amount would be prorated over the four years of the Nixon first term, the additional tax for 1970 would be $87,500–$125,000. Thus, if this amount were deductible, Mr. Nixon could reduce his tax liability for the years of repayment by roughly half of this amount, or $43,750–$62,500.

(For earlier stories, see Tax Notes, February 4, page 17; December 10, 1973, page 4; November 19, page 7; November 5, page 8; September 17, August 18 and July 30, all page 1.)

PENTAGON PLANS CONVERSION OF JETS

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mr. ASPIN. Mr. Speaker, the Pentagon is planning to subsidize the conversion and improvement of 110 privately owned jumbo jets at a cost estimated as high as $880 million. Once converted and improved the planes will be returned to the airlines for normal service. The planes could be used for either passenger or cargo aircraft.

The fiscal year 1974 supplemental budget, which the House will take up shortly contains $19 million to initiate the program. Next year's budget includes $155 million to begin converting planes. This program is a new form of subsidy for the airlines and aircraft manufacturers.

The planned conversion of the 110 Boeing 747's or McDonald Douglas DC–10's is a new approach to keeping certain aircraft in the CRAF—Civil Reserve Air Fleet—for use in case of a national emergency.

Supporting the claim of the uniqueness of the program is Brig. Gen. Paul F. Patch, the Air Force's Director of Transportation, who in response to questions before the House Armed Services Committee conceded that none of the existing 153 cargo convertible planes now in the CRAF fleet "were built or modified * * * at Government expense."

This is a brand new boondoggle not only for the aircraft manufacturer but also the airlines which will receive a $2 million payment on each plane converted.

According to Patch the $2 million will be a direct payment to cover losses while the plane is being converted, the higher costs of operating a cargo plane, and unspecified additional compensation to the airline.

Apparently, the airlines, free of charge, are going to have their planes substantially improved and be handed a $2 million subsidy to boot.

The Pentagon justifies the request for the conversion program because they claim that the October war in the Middle East demonstrated the U.S. airlift capability is inadequate.

Mr. Speaker, I challenge the Pentagon assertion. It should be noted that the C-5A aircraft assigned to the Military Airlift Command—MAC—never made a trip to Israel during October—the height of the conflict. Similarly, in November 1973 57 percent of the 77 C-5A's assigned to the Military Airlift Command never journeyed to the Middle East. In addition, those planes that did fly to Israel carried considerably less than the maximum load allowed for a C-5A.

The C-5A can carry more than 200,000 pounds, but during the Middle East airlift the average C-5A load was approximately 150,000 pounds.

Mr. Speaker, the taxpayer is being asked to subsidize a vastly improved plane for the airlines which they could use for their own economic gain.

General Patch claimed in his testimony that if an airline ever used a converted plane for cargo purposes that "the carrier can reimburse the Government on a prorated basis and use the converted aircraft for commercial purposes."

General Patch's response is a little silly. It is obviously impossible to monitor all 110 planes at any time, and determine whether they are being used as cargo planes or passenger planes.

What the Pentagon has up its sleeve is borrowing planes from the airlines, substantially improving them, and then returning them to the airlines with a big, fat $2 million subsidy and an improved plane which the airlines can undoubtedly use as they wish.

THE OCTOBER 24, 1973, ALERT

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mr. HAMILTON. Mr. Speaker, on Wednesday, the Committee on Foreign Affairs will be considering a Resolution of Inquiry introduced last week by Congressmen MICHAEL HARRINGTON and PETE STARK. This resolution seeks to obtain documents related to the October 24, 1973, alert which occurred during the latter stages of the October Middle East war which followed what the Defense Department called "a number of indicators that led us to believe the Soviet Union was putting itself in a position to move troops into the Middle East."

In correspondence with the CIA, the State Department, and the Defense Department over the last 5 months, I have been seeking unclassified information relating to the evidence on which the alert was instituted; who made the decisions and who attended the meetings leading up to the alert; the exact tone and content of the various Soviet notes delivered to the United States during the tense moments of that day; and why a precautionary measure of a defense condition—DEFCON—3 was necessary.

The correspondence which follows is incomplete, but these letters do indicate that many important questions still need to be answered for the public record.

Mr. Speaker, because of the confusion and seeming contradictory statements that exist concerning the events of October 24, the State and Defense Departments should be more open with the American people and state precisely what happened that evening and exactly what indicators led our officials to believe that a strategic alert was necessary.

The correspondence follows:

COMMITTEE ON FOREIGN AFFAIRS,
HOUSE OF REPRESENTATIVES,
Washington, D.C. November 20, 1973.

Hon. JAMES R. SCHLESINGER,
Secretary, Department of Defense, Washington, D.C.

DEAR MR. SECRETARY: In the Subcommittee on the Near East and South Asia's ongoing hearings on the October Middle East war and its aftermath, we want to explore the reasons for the United States alert of October 24, 1973 and its implications. To that end, we would like to have your comments in open session testimony or in letter form because you were present during the meetings leading up to the alert.

Specifically, we are interested in three problem areas. First, we would like your description of the step-by-step decision-making process leading to the implementation of the alert, including a description of how, when and by whom the alert was effected. Second, we would like to know why you felt the particular type of alert that was instituted was, in fact, necessary. And, third, we would like to know more about the demands and performance of the Soviet Union during the events leading up to our move.

I would appreciate an early response to this inquiry.

Sincerely,

LEE H. HAMILTON,
Chairman, Subcommittee on Near East and South Asia.

ASSISTANT SECRETARY OF DEFENSE,
Washington, D.C., January 25, 1974.

Hon. LEE H. HAMILTON,
Chairman, Subcommittee on Near East and South Asia, Committee on Foreign Affairs, House of Representatives, Washington, D. C.

DEAR MR. CHAIRMAN: Secretary Schlesinger has asked me to reply to your letter of November 20, 1973, in which you inquired about the US military alert of October 24. We have conducted extensive research to determine whether additional information is available over that provided by Secretary Schlesinger during his news conference on October 26, 1973. The only additional information was provided by Secretary Kissinger through various public statements. Answers to your specific questions follow; however, a copy of Secretary Schlesinger's news conference report is attached for more detailed information if desired.

The first of your specific questions refers to implementation of the alert and the process by which decisions regarding the alert were taken. An abbreviated meeting of the National Security Council, chaired by Dr. Kissinger, was held at about 11 p.m. on the night of 21 October 1973. Secretary Schlesinger, Mr. Colby and Admiral Moorer attended. The decision to notify the commands of an enhanced readiness condition was made by Secretary Schlesinger at about 11:30 p.m. and he instructed Admiral Moorer to put them into effect. Secretary Schlesinger and Admiral Moorer left the White House about 2 a.m. and returned to the Pentagon to take further action on a series of decisions made during the meeting. The President was in complete command during the course of the evening and approved the entire package about 3 a.m. the morning of October 22.

You also ask why the particular type of alert that was chosen was, in fact, necessary and what actions and demands of the Soviet Union prompted that conclusion. There were a number of indicators that led us to believe the Soviet Union was putting itself in a position to move troops into the Middle East. This was in addition to the Soviet buildup of naval forces in the Mediterranean, associated with the possibility of actions taking place that might have involved US Naval forces. The Soviets had comprehensively alerted their airborne forces. Soviet airlift, required to move these forces, stood down from previously high activity. The standing down, along with the alerting of airborne forces, plus certain ambiguous developments which Dr. Kissinger has referred to, suggested the possibility of a movement that was unilateral on the part of the Soviet Union and we took the normal precaution of adjusting our Defense condition (DEFCON) status. We chose DEFCON 3, an intermediate condition, as a precautionary measure. The DEFCONs range from the lowest, DEFCON 5, to the highest alert, DEFCON 1. We chose DEFCON 3 as the minimum or lowest degree of readiness required under the circumstances by most of the forces involved.

Regarding your last question, I would not feel it appropriate for me to comment on US-Soviet diplomatic communications which are really a prerogative of Dr. Kissinger.

I hope this information is helpful to you.

Sincerely,

JAMES H. NOYES,
Deputy Assistant Secretary, Near Eastern, African and South Asian Affairs.

OFFICE OF THE ASSISTANT
SECRETARY OF DEFENSE,
Washington, D.C., March 8, 1974.

Hon. LEE H. HAMILTON,
Chairman, Subcommittee on the Near East and South Asia, Committee on Foreign Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your letter of February 20 seeking further information concerning the October alert of U.S. armed forces during the Middle East conflict. I am replying on behalf of Mr. Noyes who is out of the city at the moment. He has, however, approved the substance of this letter. The comments and answers below are keyed to your numbered questions.

1. You are right, of course, concerning the date of the alert. It was October 25th, not the 22nd. We regret any confusion caused by this typographical error. As we have already said, the President was in complete command during the course of the evening, and he clearly approved the order given by Secretary Schlesinger on the night of October 24th.

2.-6. Your requests covered in questions 2 through 6 involve data which we can provide on a classified basis. As to your question concerning the standing down of the Soviet airlift, the meaning is simply that this airlift which had previously been engaged in moving large quantities of cargo to Egypt and Syria suddenly stopped moving cargo; this sudden stand down or halt could well have meant that the airlift was being prepared for a shift to a troop-lift operation, particularly in view of the fact that Soviet airborne units had been alered and some ambiguous diplomatic representations had been made which opened the possibility of unilateral Soviet military involvement in the Middle East.

These factors also apply, of course, to your question 7. Under the circumstances, the U.S. acted with firmness. The indications were strong and to have acted otherwise would have been most imprudent, in our judgment. The interpretation you have suggested—"using a sledge hammer to crack a nut"—is not plausible because, as the course of events has demonstrated, (1) U.S. handling of the situation worked and we have built from those decisive hours on into a highly constructive relationship in the area with all parties involved—Soviets, Egyptians, Israelis, the Syrians, and others, and (2) the evidence at the time as well as historical analysis of Soviet behavior does not suggest that the U.S. response was disproportionate to the challenge. On the contrary, U.S. decisiveness and resolve probably prevented a development, at worst, seriously endangering world peace and, at least, heavily complicating any prospects for the kind of constructive evolution in the Middle East which the U.S. now leads.

I hope that the above comments, while not complete answers to all of your questions, will be of assistance. In the meantime, we are gathering classified data to reply to the remainder of your questions and will make arrangements to deliver these materials to you in the next few days.

Sincerely,

GLENN E. BLITGEN,
Acting Director, Near East & South Asia Region.

COMMITTEE OF FOREIGN AFFAIRS,
HOUSE OF REPRESENTATIVES,
Washington, D.C,. November 15, 1973.
Hon. HENRY A. KISSINGER,
Secretary of State,
Washington, D.C.

DEAR MR. SECRETARY: During your press conference on October 25 you indicated that, within one week, you would be able to put before the American people the facts relating to the United States alert of October 24, 1973. To my knowledge, no such statement relaying the pertinent facts has appeared.

In the Subcommittee on the Near East and South Asia's ongoing hearings on the October Middle East war and its aftermath, we want to explore the alert and its implications. To that end, we would like to have your comments in open session testimony, and if you cannot appear, we would like to have the testimony of someone else who was present during the meetings leading up to the alert.

Specifically, we are interested in four problem areas. First, we would like a description of the step-by-step decision making process leading to the implementation of the alert. Second, we would like to know why the particular type of alert that was instituted was, in fact, necessary. Third, we would like to know more about the demands and performance of the Soviet Union during the events leading up to our move. And, finally, we would like your assessment of the implications of this Soviet-American crisis on our bilateral relations, on the stability of Soviet leadership and on reducing world tensions through the elimination of resort to confrontation politics.

I would appreciate an early response to this inquiry.

Sincerely,

LEE H. HAMILTON, *Chairman,*
Subcommittee on Near East and South Asia.

DEPARTMENT OF STATE,
Washington, D.C., November 27, 1973.
Hon. LEE H. HAMILTON,
Chairman, Subcommittee on Near East and South Asia Committee on Foreign Affairs, House of Representatives.

DEAR MR. CHAIRMAN: The Secretary has asked me to reply to your letter of November 15 concerning his October 25 press conference comments about making available the facts which led up to the President's decision to place U.S. forces on alert on October 24, 1973.

Since the date of your letter, the Secretary has addressed that question in a press conference on November 21. He explained then that, because we are now moving towards peace negotiations, which we expect to conduct with the cooperation of the Soviet Union, he did not believe any useful purpose would be served if the United States recited confidential communications that had taken place, and tried to recreate an episode of confrontation that hopefully has been transcended.

We are now making steady progress in achieving a consensus among the parties to convene a peace conference in mid-December, which would be under U.S.-Soviet co-chairmanship. The Secretary therefore remains strongly of the opinion that it would serve no useful purpose at this time to review the events leadng up to the alert. The full facts, and full considerations leading to the President's decision, will be made public at the appropriate time.

In the meantime, the Secretary has asked me to assure you that he looks forward to a thorough discussion of the entire Middle East situation at his executive session meeting wth the Foreign Affairs Committee on Wednesday.

Sincerely,

MARSHALL WRIGHT,
Assistant Secretary for Congressional Relations.

COMMITTEE OF FOREIGN AFFAIRS,
HOUSE OF REPRESENTATIVES,
Washington, D.C., November 20, 1973.
Hon. WILLIAM E. COLBY,
Director, Central Intelligence Agency,
Washington, D.C.

DEAR MR. COLBY: In the Subcommittee on the Near East and South Asia's ongoing hearings on the October Middle East war and its aftermath, we want to explore the reasons for the United States alert of October 24, 1973 and its implications. To that end, we would like to have your comments in open session testimony or in letter form because you were present during the meetings leading up to the alert.

Specifically, we are interested in three problem areas. First, we would like your description of the step-by-step decision-making process leading to the implementation of the alert, including how, when and by whom the alert was effected. Second, we would like to know why the particular type of alert that was instituted was, in fact, necessary. And, third, we would like to know more about the demands and performance of the Soviet Union during the events leading up to our move.

I would appreciate an early response to this inquiry.

Sincerely,

LEE H. HAMILTON,
Chairman, Subcommittee on Near East and South Asia.

CENTRAL INTELLIGENCE AGENCY,
Washington, D.C., November 29, 1973.
Hon. LEE H. HAMILTON,
Chairman, Subcommittee on Near East and South Asia, Committee on Foreign Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Thank you for your letter of November 20, 1973 requesting my comments, in open session, or in letter form, on the reasons for the United States alert of October 24, 1973 and its implications.

As you know, I have always responded to requests from the Chairman of the Foreign Affairs Committee that I appear in executive session to testify on matters within the Agency's competence and the Committee's purview. So far as the alert about which you inquire is concerned, the Agency's role was limited mainly to providing intelligence information. This information was based primarily on sensitive sources and methods and, therefore, is not suitable for discussion in open session.

The decisions, and the specific steps, leading to the implementation of the alert were not within the responsibiilty of this Agency, and, hence, I am in no position to comment on them.

W. E. COLBY, *Director.*

REGARDING H.R. 69

HON. LAWRENCE J. HOGAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mr. HOGAN. Mr. Speaker, although I have some objections to H.R. 69, I voted for it.

Since inception in 1965, title I has become more and more complex. Title I services are restricted to relatively small segments of students who need remedial educational services. The bill continues the assumption that economically disadvantaged students are expected to attain a lesser degree of achievement based on poverty alone. This is not necessarily so. A U.S. Office of Education study found that 68 percent of those who had persistent reading problems came from families with incomes above the poverty level. It also found that 77 percent of children having other persistent learning problems were from families whose income also exceeded the poverty level. Prince Georges County, Md., schools in fiscal year 1974 received approximately $2 million for 4,200 disadvantaged youngsters in 38 elementary schools. This amounts to roughly $460 per student in a program designed to utilize services of paraprofessionals, helping teachers, social workers, and parent education specialists to help children improve in the areas of reading and mathematics. Montgomery County received approximately one-half of that given to Prince Georges County.

The student composition of Prince Georges schools, due to the largest court-ordered busing to date, makes it virtually impossible to select schools with the greatest concentration of poverty required by H.R. 69. The mobility of student population creates significant changes in the course of a school year. In addition, the declining enrollment in Prince Georges County schools, also due primarily to the busing order, compounds the problem of identifying economic conditions in the schools. The mobility of student population combined with the fact that those students with educational problems may come from homes above the poverty level means that the Federal funds do not necessarily treat the needs of children with the greatest educational deficiencies.

H.R. 69 does not appreciably change the method of identifying children to receive title I services. Under H.R. 69 it is estimated that Prince Georges County schools would receive $1.9 million. This would be based on the Orshansky formula emphasizing the number of children coming from low-income families.

Contrasted with H.R. 69 as reported, the O'Hara formula would have redefined the target population on whom Prince Georges County must expend funds under title I in terms of the individual child's need for remedial educational services. The $2 million expected via the O'Hara amendment would have been based on a distribution formula of which only one-third would be derived from poverty characteristics. The flexibility of the O'Hara amendment would have provided greater opportunity for Prince Georges County schools to serve more children with educational needs in a broader and more efficient manner. I voted for the O'Hara amendment and was disheartened to see that it did not pass.

As my colleagues surely know, I have always supported Federal impact aid. In Prince Georges County it is estimated that revenue from impact aid in fiscal year 1974 will amount to $10.4 million based on 68 percent of category B students and 90 percent of category A students. This is based upon the eligibility of 50,000 students out of a total of 157,000. Thus it represents approximately one-third of the total enrollment. I, of course, voted for the Mink amendment and I am pleased to see that the House adopted this amendment to extend the impact aid program for 3 years rather than the 1 year extension as originally included in the bill as reported from the committee. By extending the authorization for impact aid to 3 years, school planners can now plan with assurance that some funding will be available from impact aid sources. Impact aid represents approximately 30 cents per $100 on Prince Georges County property tax rate for fiscal year 1974.

It is noted that comparable Senate legislation (S. 1539), as reported out of committee, would disqualify students being educated in Prince Georges County schools whose parents cross State lines to work on Federal property. This would mean a reduction of nearly 70 percent of students currently being claimed. This treatment is arbitrary and does not reduce the responsibility of the local school system to educate the child. I urge our House conferees to vigorously oppose this provision of the Senate bill.

It should be noted that H.R. 69 provides that the State can count impact aid as local money in the State aid formula. Assuming that the State of Maryland would do this, it would mean an estimated loss of about $1 million to Prince Georges County schools.

Mr. Speaker, I supported the amendment offered by our colleague from Michigan, Marvin Esch, to strictly limit the use of schoolbusing and I am pleased it was adopted by the House.

I have consistently opposed busing for years because I believe we have seen it is absolutely unworkable. Let me review what has happened since court-ordered racial balanced busing has come to Maryland. I represent the school system which has been faced with the largest court-ordered racial balanced busing in the country to date. This is the Prince Georges County schools, the 10th largest in the Nation, which was ordered on January 29, 1973, to establish maximum and minimum black-white figures of school attendance in each of the 235 schools which it operated. This court-ordered busing was appealed to the Supreme Court, but the Court decisions have all been unfavorable. While I supported the Esch and similar amendments, the only answer to a reversal lies in adopting the constitutional amendment which a number of us have supported.

Schoolbusing is a big business. The State of Maryland which has a school budget of approximately $1 billion, uses over 4 percent of that amount for transportation. The Prince Georges County schools which undoubtedly have one of the largest, if not the largest, busing fleet in the world—813 buses—spend more than $7 million annually for busing—Metro has 105. It is estimated that the racial balanced busing which was ordered in January 1973 resulted in increased gasoline consumption of 30 to 40 percent. Presently the schools open earlier and close later than the other systems in Maryland which means that the buses are used the greater part of the school day. Since Prince Georges County is eight times the size of the District of Columbia and 45 miles from one end to the other, the buses travel greater distances and make a greater number of stops for racial balanced busing.

Other areas across the country are experiencing similar cost burdens as a result of court-ordered busing.

In Charlotte, N.C., the subject of the Charlotte-Mecklenberg decision, it is now costing the local and State governments about $1.6 million a year to operate the fleet of buses compared with $784,000 3 years ago. This is despite the fact that the school population has dropped by 7,000. Some children ride up to 40 miles a day and spend 2 hours and 45 minutes on the buses daily.

In Jacksonville, Fla., we find more than 52,000 of the system's 109,700 students are transported on 428 buses. For this Jacksonville is paying in excess of $3 million a year—more than 3 times the expenditures of 3 years ago.

The cost of busing for integration in Pontiac, Mich., last year was $507,000.

Mr. Speaker, others have espoused the need for improving our educational programs while at the same time streamlining the cost. There is obviously good reason for this support. Funds are no longer available for adequate professional staffing, for proper learning facilities, for satisfactory compliance with court orders, or sufficiently long school sessions. School leaders have had to hack away at the fiber of school budgets, dismembering limb by limb the tree of learning.

While we squander funds in these mathematical games, the very strong need for general aid for all our schools is overlooked.

I have always strongly opposed busing because it is illogical and because the neighborhood school provided better education. The parents, black and white, overwhelmingly support them. In the year that has transpired since our busing order went into effect virtually all of the defects of such busing have come to pass without any of the real achievements which were sought. School population has decreased substantially because of the flight of youngsters to private schools and out of the county. And this is in spite of the fact that Prince Georges County is one of the fastest growing counties in the country.

Forced busing to achieve racial balance does not create good schools. Indeed, busing with its attendant costs, with its destruction to the neighborhood school concept, its destruction to the cohesiveness encouraged through neighborhood meetings, only exacerbates existing problems.

I have read as much material as I can, and I do not find one scintilla of evidence that forced busing has achieved its stated goals or its stated objective. I welcome the opportunity to support the amendment which deemphasized busing and bring some rational order to our priorities. Otherwise a lost generation of American children will later understand that their elders smugly practiced "easy virtue" because it was fashionable—at what expense to the children remains to be seen.

In summary, I urge support for H.R. 69 even with its flaws.

CLAUDE PEPPER: ADVOCATE FOR HANDICAPPED CHILDREN

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mr. BRADEMAS. Mr. Speaker, on Friday, March 22, the Select Subcommittee on Education, which I have the honor to chair, held its fourth day of hearings on H.R. 70, a bill, which I, and 14 colleagues on the Education and Labor Committee, are sponsoring to enable the Federal Government to pay up to 75 percent of the excess costs involved in educating a handicapped child.

On that day, Mr. Speaker, we received testimony from our distinguished colleague from Florida, the Honorable Claude Pepper, who has long been known as a champion of the vulnerable groups in our society—including the poor, the elderly, and the handicapped.

In commenting on H.R. 70, the gentleman from Florida told the subcommittee:

> I am compelled to indulge in reminiscence of the first bill I introduced when I became a United States Senator in 1937, which was very similar to H.R. 70. This bill, S. 1634, 1st Session of the 75th Congress, was to provide for the education of all types of physically handicapped children; to make an appropriation of money therefor; and to regulate its expenditure.

Mr. Speaker, the 75th Congress did not, unfortunately, approve the bill introduced by Claude Pepper, and we are today, therefore, still considering the most appropriate means for the Federal government to assist the States in providing educational services for the handicapped.

But because the testimony of Congressman Pepper reminds us that the more things change, the more they remain the same, I include his statement of March 22, 1970, before the Select Subcommittee on Education at this point in the Record:

Statement on H.R. 70 by Claude Pepper, Member of Congress, Before Select Subcommittee on Education of House Committee on Education and Labor

Mr. Chairman: I am grateful for this opportunity to appear before you and the distinguished members of your subcommittee to discuss with you the current status of our Federal commitment to provide for the special education needs of nearly three million handicapped children.

I commend you on the introduction of H.R. 70, to provide financial assistance to the States for improved education services for handicapped children; and I am compelled to indulge in reminiscence of the first bill I introduced when I became a United States Senator in 1937, which was very similar to H.R. 70. This bill, S. 1634, 1st Session of the 75th Congress, was to provide for the education of all types of physically handicapped children; to make an appropriation of money therefor; and to regulate its expenditure. It, like H.R. 70, was based on facts which indicated there should be a Federal policy which recognizes the inability or unwillingness of the States to establish the special and more costly programs which are required to meet the special needs of handicapped children.

S. 1634 required State plans which, among others, included provisions for information on the number of physically handicapped children within the state; provided for the administration of the State plan by the State department of educaion or public instruction; provided that the administering State agency make such reports as the Commissioner of Education of the United States required; provided for carrying on the education of physically handicapped children as a part of the State program of public instruction; provided for the equitable distribution of funds between rural and urban areas and among the various types of physically handicapped children to be served; and provided for cooperation with other agencies within the State charged with the responsibility for services for physically handicapped children.

The bill authorized the sum of $11,580,000 for the purpose of enabling each State to establish, extend, and improve services for educating handicapped children; it allotted to each State the sum of $40,000 which was not required to be matched, to be used to establish, extend, and improve services for educating physically handicapped children, especially in rural areas; and it provided for the sum of $9,000,000 to the States on the basis of the ratio of the number of their handicapped inhabitants aged 5 to 20 years to the total number of inhabitants aged 5 to 20 years for the excess cost of the education of physically handicapped children. In addition, the sum of $500,000 was appropriated to the United States Office of Education to be available for the purpose of making studies, investigations, and reports pursuant to the act.

Hearings were conducted on this bill by the Senate Education and Labor Committee, and I shall summarize some of the facts and issues which were presented in the testimony then and which are now pertinent to the consideration of H.R. 70.

It was pointed out that in 1937, we had an excellent Federal census that enabled us to tell accurately the number of farms and the various types of livestock found in the various States in the Union. We had reliable information in regard to the number of horses, hogs, and cattle that we had in 1930 as compared to the number we had in 1935; but we had no such reliable information in regard to the increase or decrease in the numbers of different types of physically handicapped children; in fact, we did not even have accurate information as to the number of such children in the United States. We had only estimates based on scattered surveys which indicated that no less than 1,800,000 children in the United States were so physically handicapped that they required differential or special education. In those days, the term "physically handicapped" was interpreted to include all children who were crippled, blind, partially seeing, deaf, hard of hearing, defective in speech, cardiopathic, tubercular or other physically handicapped, and who for their education required an expenditure of money in excess of the cost of educating physically normal children. The 1,800,000 estimate did not, therefore, include the handicaps caused by mental retardation and emotional disturbances which it is now recognized also deprive millions of children of achieving their full potential and functioning totally or partially in our society.

Data was furnished the Senate committee by the Office of Education indicating that during the years 1935 and 1936, only 166,000 of the 1,800,000, or less than 10% were being provided for. We were reminded that if we went back more than a century in the history of special education, we would find that the deaf and blind were provided for in residential and private schools in this country; but special education for the crippled child, for the hard-of-hearing child, for the partially seeing child, and for the child defective in speech, and the child of lowered vitality, was inaugurated about 1902.

This history indicated that it had taken us three generations of elementary and high-school students to provide for 10 percent of the physically handicapped children of this nation. At that rate, it would take us more than 30 generations of high-school and elementary-school children to provide the type of education the physically handicapped children of this nation require.

The committee found also a marked lack of State organizations interested in promoting education of these different types of children, except some States in the East. The need for Federal aid in the Western States was great; then there were the Southern States which were providing for but a very small percentage of their children. When we considered the income of those Southern States we found they ranked in the lowest 25 percent of all the States from the standpoint of income per child enrolled in elementary and secondary schools; and when we compared them with the 10 States that ranked highest in income, we found that they were providing seven times as large a percentage as the Southern States.

At that time, no State was providing special education for more than approximately 25 percent of its physically handicapped children. Federal aid for agricultural extension, agricultural and trade education, and vocational rehabilitation had resulted in a remarkable development of these different types of education work. The need for a similar development in the field of special education was equally great then as it is now.

Several reasons were given to explain the lack of educational opportunity for handicapped children. First, the large majority of people's children are not physically handicapped; therefore, most people are not immediately interested. Second, special provisions must be made for the education of the handicapped which are more expensive per child than the provisions for the so-called normal child. Whenever you put those two conditions together it is bound to follow that the development in a field involving those conditions will be rather slow unless in some way there is an expression of real vision in the social structure that will put a stimulus behind the movement to correct that great social weakness.

Mr. Chairman, this lack of "real vision" has since resulted in lack of concern about the increasing numbers of school drop-outs each year; lack of concern about the increasing incidence of crime committed by the educationally disadvantaged; and lack of concern about the large number of Americans who have been rejected for military services because of physical or education deficiencies.

The real issue considered in these hearings on S. 1634 was discussed by John W. Studebaker, then United States Commissioner of Education.

He stated:

". . . 2 years ago when the Social Security bill was before Congress I appeared before a committee of each House to present a brief report in behalf of a phase of social security which was not provided for in the Social Security Act—that phase having to do with the education of physically handicapped children.

"The Office of Education, and organized education in general have been interested in this problem, as you know, for many, many years. We are still interested in it. It is a problem that certainly is not unsolvable.

". . . but, as you know, Senator Pepper, the procedures require that all bills be checked by the Bureau of the Budget to ascertain whether or not they would lead to Federal expenditures beyond reason. I do not have an official report from the Bureau of the Budget, but an informal report indicated that the Bureau of the Budget will find it necessary to report 'unfavorable' on this bill, as being not in accord with the fiscal policies of the Government."

The Commissioner of Education, however, after considerable review of the need for Federal aid concluded:

"It seems to me," he said "that in the interest of genuine social security for those handicapped individuals called the physically handicapped, the Federal Government, sooner or later, when its fiscal policies will permit, by the sheer logic of its previous action, should do something for the education of these physically handicapped millions."

Mr. Chairman, on March 7, 1938, just thirty-six years ago this month, my bill was reported favorably from the Senate Committee on Education and Labor; however, the Senate failed to act on it.

Since that time the courts have held that, under our Constitution, all handicapped children have a right to an education designed to meet their special needs in order to realize their full potential. In the last decade, the Federal Government has provided some "seed money" to the States to assist the States carry out the court decisions; and the mandates under some Federal statutes to provide for the education of some handicapped children. But, until such time as H.R. 70 is enacted, we will be deliberately neglecting these children by our failure to create the essential Federal partnership with the States to provide a right to an education for all our nation's handicapped children.

Mr. Chairman, all the data you have published—in your statement on this bill concerning the costs to all American taxpayers for the welfare and institutionalization of handicapped individuals who are deprived of special education—clearly indicates that the only sound fiscal policy, aside from the urgent moral, economic, and social policy, is to give the States the Federal financial and program assistance which is provided for in H.R. 70.

THE LEGAL AID BILL

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mr. ARCHER. Mr. Speaker, a basic concept in our constitutional system has been the provision of equal justice under law for all Americans, whether they are rich or poor. In striving toward this ideal, we have made great progress. We should continue to strive to bring the protection of the law and the right of legal counsel to all of our citizens.

We will be considering a conference report on a bill to provide a legal services corporation which claims to bring legal services to the poor. Our past experience with the Federal legal services program has revealed that this program has not served the purpose of aiding the poor and needy to gain legal service. It has served as a device for activist attorneys committed to a certain ideology to use the law and the money of the taxpayers to bring about certain questionable social changes under the label of "legal reform," The legal service attorneys, under the disguise of aiding the poor, have sued Government agencies, encouraged unnecessary litigation, participated in political activities such as voter registration drives and supported court challenges promoting forced busing of school children for racial balance.

The House considered this bill last year and placed certain restrictions on the activities of legal service attorneys. The Senate passed a measure which did not contain these restrictions. The conference report will likely contain few of the restrictions adopted by the House. It would not serve the interest of the poor, but would encourage legal activists to bend and twist the law in continued litigation to achieve certain social aims which they could not achieve through the normal legislative process. To adopt such a legal services bill under a guise of assisting the needy would not only be a fraud on the poor, but a hoax on all Americans who sincerely believe in equal justice for the poor.

James J. Kilpatrick, originally a strong supporter of the legal services bill, has turned against it. I would like to enter into the CONGRESSIONAL RECORD a recent column by Mr. Kilpatrick explaining why he is opposing the legal services legislation:

RECONSIDERING THE LEGAL AID BILL

(By James J. Kilpatrick)

It is a familiar rule of parliamentary procedure that a motion to reconsider can be made only by a member of the prevailing faction. Because I have long supported the concept of legal services for the poor, perhaps I am qualified to turn against the bill soon to be reported from a conference committee. Mr. President, I would like to say, I move to reconsider.

By every indication, the compromise legal services bill will be fairly close to the Nelson-Javits bill approved by the Senate in December. The bill is an abomination. It is a perversion of the whole concept of giving the poor person a chance at equal justice under the law. If the Senate and House should agree to this devious proposition, the President will have to be asked to use his veto power.

In supporting a legal services act, I have been guided by certain principles and observations that seem to be almost beyond dispute. The first is that the concept of equal justice under law is among the greatest ideals of our political system. The second is that our nation has served that concept poorly. Despite impressive improvements in recent years, especially in the appointment of public defenders in criminal cases, we still have two systems of law—one for the rich, another for the poor.

A system of federally subsidized legal aid should have but one purpose, and that is to redress the imbalance. The poor family that has been bilked into a usurious installment contract should not be helpless at the hands of a well-heeled merchant. The poor person wrongly evicted from his home should have some aid in standing up to the slumlord. The ignorant or illiterate citizen, struggling with the complexities of a highly regulated society, often needs legal advice that he cannot possibly afford.

A revitalized program of federal legal aid ought to have these aims in mind, and these aims only. Because the possibilities for abuse are quite real, a new Legal Services Corporation should be bound down by chains of law. At the very minimum, the corporation should be federally chartered for a limited term of no more than five years, at which time Congress could review the entire operation.

The Senate bill that now prevails is a far cry from the administration's recommendation. It bears no resemblance to a House-approved version that has some faults, largely as the result of fatuous floor amendments, but has many virtues also. The Senate bill erects no more than paper barricades against the activism of super-liberal legal eagles who would be free to pursue social reform behind a camouflage of aid to the poor.

These mischievous provisions are not immediately apparent. On the surface, the Senate version seems unalarming. It is only when the bill is examined line by line, as Senator Jesse Helms of North Carolina has examined it, that the shortcomings emerge.

Two examples may suffice to indicate the slippery business here afoot. The Senate bill contains a provision that could make available to legal aid attorneys "particular support functions of the federal government, such as the General Services Administration, the federal telecommunications system and other facilities." Helms calls this a "mind-boggling blank check," and it is. This loosely drawn authorization could equip the activist attorneys with everything from office supplies to free long distance telephone service, all at the taxpayers' expense.

For a second example: The House version wisely prohibits the proposed Legal Services Corporation from using private funds for purposes for which public funds could not be spent. The Senate version ominously omits this safeguard.

The concept of equal justice remains valid. Nothing is wrong with the idea of providing legal aid to the poor. But the disappointing and deceptive bill that now heads back toward the Senate floor, while it doubtless would accomplish many good things, would constitute an invitation to legal activists to come have a ball. This is not the idea. It is not the idea at all.

IN MEMORY OF THE HONORABLE CECIL R. KING

HON. WILBUR D. MILLS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mr. MILLS. Mr. Speaker, it is with a heart full of sadness that I rise in the House to add my voice to these expressions in memory of Cecil Rhodes King, who passed away last month after a long and full life of distinguished public service.

Cecil King was a wise counselor, judicious advisor, and, most of all, a very warm and true friend for a quarter of a century to those of us on the Committee on Ways and Means. For 8 of those years, he was the ranking Democratic member of the committee.

I have never known a more considerate, thoughtful, and genuinely kind person than Cecil. Not only did he manifest, without exception, kindness, consideration and thoughtfulness for his colleagues in the House, on both sides of the aisle, but also to the staff members and employees as well.

Cecil was in a sense like a brother to me on the committee. Over the long period of our service together, there were times, of course, when we disagreed on substantive matters, but reasonable men at times are apt to find themselves in disagreement and particularly so with respect to the far-reaching, complex technical, and many-faceted issues that are characteristic of the jurisdiction of the committee. I can say very truthfully, however, as I look back over the many enjoyable years of our association together on the committee, that there never was one scintilla of unpleasantness connected with any divergence of opinion we may have had. On the contrary, memory calls to mind instance after instance when Cecil's rare wit, unduplicable humor, and sound legislative judgment enabled the committee to surmount serious difficulty and disagreement and reach sensible compromise to the benefit of all concerned and to the benefit of the country.

Cecil King was a very effective member of the committee in all of its fields of interest, responsibility, and authority. In the field of taxation, he not only served the Committee on Ways and Means, but he was a very valuable member of the Joint Committee on Internal Revenue Taxation, as well.

All of us know of his untiring and devoted endeavor throughout his career to improve the social security system. His work in the field of medical care for the aged is famous the world over, and the medicare legislation finally enacted in 1965 is a monument to his skill and perseverance and successful labors to improve the lot of the elderly citizens of this country.

Cecil King was an acknowledged expert on the Committee on Ways and Means in matters of foreign trade. He served as one of the House of Representatives members of the U.S. Common Market negotiating team, and he was congressional advisor to the United Nations Conference for Trade and Development.

Mr. Speaker, Cecil King, during his long and distinguished career, made a remarkable contribution to the important legislation that was developed and reported by the Committee on Ways and Means in that period—legislation that has proven vital to the growth and expansion of the Nation's economy and legislation that has been of great benefit to the elderly, the poor, and the handicapped. He compiled an exceedingly remarkable record of service in this body.

Mr. Speaker, we use the term "gentleman" so often in this Chamber in referring to one another that I fear it sometimes suffers a loss of much of its meaning. I want to use it today, however, in memory of Cecil King in the full sense of its definition, for I can think of no other term that is more truly descriptive of Cecil, both in and out of this Chamber, than the word "gentleman." He was, indeed, a rare breed of man who, throughout his life and his career, combined gentleness, dignity, decency, and integrity with a keen mind, unswerving devotion to his country and profound and abiding concern and love for his fellow human beings. I have spoken of him as one of the greatest legislators ever to walk the Halls of Congress.

Mr. Speaker, we all mourn the passing of this dear friend and our deepest sympathy abides with his beloved family.

DOES FEDERAL PAY "DEMOTIVATE" MORE THAN MOTIVATE?

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mr. CRANE. Mr. Speaker, today's Federal Government payroll costs every man, woman and child in the United States $257 a year. A pay increase of 1 percent amounts to $550 million a year.

The unfortunate fact is that pay in the governmental establishment does not increase on the basis of merit—of a job well done—but increases, instead, on the basis of longevity. As a result, Government employees have little motivation to excel at their work. Those who are conscientious and those who are not go up the pay scales at equal rates.

This circumstance is discussed by Arch Patton, a man with wide experience in the business world, in an article appearing in the January–February 1974, issue of the Harvard Business Review.

Mr. Patton points out that:

> The civil servant's pay goes up automatically for simply staying on the job. It advances one step in each of the first three years, every other year for the next three years, and every third year thereafter to the top of the grade. The U.S. pay system is the only one I know that rewards longevity in this fashion.

Mr. Patton points out:

> Even the incentive of promotion is tainted, so to speak, for there is considerable evidence that seniority plays at least as big a role in promotion as performance does.

He writes that:

> In the professional groups—engineers and accountants are examples—promotion and seniority go hand in hand. The young professional usually advances annually for three years to reach the "journeyman" level which denotes that he is experienced. Once at this level, he is likely to be "promoted" every three or four years, even if his talents do not warrant a genuine promotion.

If Americans wonder why there is so much inefficiency in every area of life controlled by the Government—whether it be the post office, the educational system, or the welfare department—they should carefully consider the thesis advanced by Arch Patton.

I wish to share with my colleagues the important article, "Does Federal Pay 'Demotivate' More Than Motivate?" by Arch Patton from the Harvard Business Review of January–February 1974, and insert it into the RECORD at this time.

I also wish to thank a constituent of mine, Mr. Jesse Lehman, for calling this article to my attention. Mr. Lehman has had wide experience in the business community and his views are very well respected. The article follows:

DOES FEDERAL PAY "DEMOTIVATE" MORE THAN MOTIVATE?

(By Arch Patton)

"If Congress had deliberately set out to create a federal pay system with minimal motivation for the individual to do outstanding work, the result could hardly improve on the present setup." This comment by an unusually well-informed Civil Service executive receives solid support from the facts.

Anyone interested in keeping federal costs down—like the taxpayer—should consider the demotivational aspects of Uncle Sam's pay and promotion structure. The federal payroll costs every man, woman, and child in this country $257 a year. And a 1% hike in the federal pay amounts to $550 million a year.

Moreover, problems in government compensation are not unlike those in some large corporations that have not reviewed their pay and promotion systems often enough or rigorously enough. Consider these powerful demotivators in the federal structure:

Although extra pay for superior work is a generally recognized motivator, less than 4% of the 1.6 million civil servants received merit increases in 1971 or 1972.

Even in those instances in which merit raises were granted, they averaged barely 3% of base pay. And considering that the salary increases all employees received averaged nearly 5%, it is obvious that the government's merit pay has only marginal motivational value. The villain is a legal limitation imposed by Congress; merit awards may not exceed a single "step" in the pay structure (there are ten steps per grade). A step's value is about 3%.

The civil servant's pay goes up automatically for simply staying on the job. It advances one step in each of the first three years, every other year for the next three years, and every third year thereafter to the top of the grade. The U.S. pay system is the only one I know of that rewards longevity in this fashion.

Moreover, the salary levels are increased yearly to keep them "comparable" with industry pay scales. Unlike industry employees, however, every civil servant is entitled to the percentage boost estimated for the whole system.

Not only do 96% of the civil servants receive no award—other than promotion—for outstanding performance, less than 1% suffer in their pay envelopes for poor performance. Indeed, the only penalty possible under the rules is withholding longevity increases.

Even the incentive of promotion is tainted, so to speak, for there is considerable evidence that seniority plays at least as big a role in promotion as performance does.

In the professional group—engineers and accountants are examples—promotion and seniority go hand in hand. The young professional usually advances annually for three years to reach the so-called "journeyman" level, which denotes that he is experienced.

Once at this level, he is likely to be "promoted" every three or four years, even if his talents do not warrant a genuine promotion, by having his job description rewritten to permit upgrading. His responsibility for judgment in the performance of his duties may be changed, for instance, from "very wide latitude" to "unusual latitude."

How many civil servants are sacked in a given year is hard to discover, but the number is widely believed to be minuscule—possibly less than 1%. The reason seems to lie in Civil Service Commission rules; the red tape involved, the requirement that a supervisor virtually prove the employee's inadequacy, the time consumed by hearings on the charges—these add up to an overwhelming deterrent.

So the supervisor puts up with poor performance, tries to palm off the offender on another agency, or devises some tactic to obscure the dismissal. In any case, discipline and, hence, progress toward the department's goals suffer.

These administrative practices contribute substantially to the "comfortable" environment of federal service. They stem from administrative rulings which the Civil Service Commission in past decades felt were necessary to protect employees. The dead hand of the past, however, has led to a pay system whose message to civil servants is loud and clear: "The government doesn't intend to reward the outstanding employee or penalize the unproductive one, so relax."

TOP MANAGEMENT

Much has been made lately of the fact that, after a long struggle, federal pay has gained comparability with pay in industry. That is particularly true of the lower ranks.

There is evidence that, in the upper ranks, the average Civil Service executive is paid more than his industry counterpart up to about the age of 43. But the outstanding government executive is poorly treated by industry standards. A recent survey by McKinsey & Company, for example, assessed the pay of superior and average performers in the managerial ranks of industry and the federal government, by age, on a comparable basis. It showed that the outstanding executive's pay topped the average performer's pay, as follows:

Age:	*Industry* *Percent*	*Government* *Percent*
35	+24	+12
40	22	12
45	37	12
50	47	12
55	71	12
60	70	12

Because of the present $36,000 ceiling on Civil Service pay and the relatively high level of average compensation, the superior government employee is very meagerly rewarded for his effort. The pay variance between the outstanding younger industry executives and the average performers approximately doubles that of civil servants. Furthermore, the reward variance rises sharply with age and, hence, greater responsibility.

I have not mentioned the most potent motivational instrument of them all—leadership. Despite the dead weight of demotivational forces, many of the 70-odd federal units employing most of Washington's bureaucracy have alert, productive work environments. Each such instance that I have documented has outstanding civil servants in the top leadership. I wonder how much better the management of other government bodies might be if the frustration of demotivational influences in pay and advancement were removed and leadership given a real chance.

LAX WELFARE ADMINISTRATION

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mr. ASHBROOK. Mr. Speaker, many Americans have long had the feeling that the Federal Government's handling of the whole welfare system left much to be desired. In addition to the dislike of the continually mounting costs of the various aspects of the welfare program, many Americans also have the suspicion that the billions spent on welfare are done so inefficiently. This is especially true in regard to the aid to families with dependent children program. As a recent editorial in the Bucyrus, Ohio, Telegraph Forum points out, more than $1 billion a year is being paid to families which are ineligible or overpaid. The payments are not due to fraud on the part of the families receiving them, but in the words of Secretary of Health, Education, and Welfare Weinberger "inept administration." In the words of the editorial:

> . . . Mr. Weinberger is telling us that welfare offices are riddled with employees who are so ignorant or indifferent toward their responsibility that one out of ten families on welfare is not entitled to be there. Two out of ten are receiving more benefits than the law prescribes and one out of twelve is getting less.

Mr. Speaker, the American taxpayer cannot be expected to carry this ever-increasing load of inflation and taxes. I applaud Secretary Weinberger's candidness in this matter but urge him and the officials responsible to him in the Department of Health, Education, and Welfare to redouble their efforts to cut down on this deplorable situation.

At this point I include in the RECORD an editorial, "The Welfare Waste" from the Bucyrus, Ohio, Telegraph Forum of March 14, 1974:

[From the Bucyrus (Ohio) Telegram Forum, Mar. 14, 1974]

THE WELFARE WASTE

Sympathy for children caught innocently in the web of poverty, has made Aid to Families with Dependent Children the most generously supported welfare category in the United States of America.

The fact that families which are ineligible or overpaid are draining off more than $1 billion a year in AFDC funds is not only a scandal but an affront to the charitable impulse of the American people.

Secretary Caspar Weinberger of the Health, Education and Welfare Department has been commendably candid in reporting this state of affairs, which is an embarrassment to the bureaucracy he heads.

It would be easy to try to put the blame on the welfare "chiseler," who is a handy villain. However, Mr. Weinberger frankly admits that fraud accounts for an insignificant amount of the loss. The real problem is "inept administration."

In other words, Mr. Weinberger is telling us that welfare offices are riddled with employes who are so ignorant or indifferent toward their responsibility that one out of ten families on welfare is not entitled to be there. Two out of ten are reeciving more benefits than the law prescribes and one out of 12 is getting less.

It took a six-month study of 44,000 welfare cases sampled at random around the country to discover what "administrative error" is costing. Hopefully, it will not take as long to do something about it.

Mr. Weinberger is demanding that state welfare agencies cut the percentage of error in AFDC programs or face a cutback in the federal funds which pay a major share of their cost.

Ever since the federal government began assuming more and more responsibility for welfare there has been a fear that gathering welfare programs in 50 states under a single tent in Washington would create administrative problems. The theory that centralization of authority improves efficiency is not borne out by experience so far as government is concerned.

It is significant that when Mr. Weinberger began calling welfare officials to task for lax administration, he found they lacked the will or sense of necessity to do better. This the system itself is overwhelming the sense of personal responsibility that is necessary if any program is going to be administered soundly.

The welfare share of the federal budget, now at $18 billion, has doubled each year since 1970. We are getting a hint of how much this escalating cost is due to sheer neglect and blundering in welfare offices across the land.

The American taxpayer has been handed—has had forced upon him—the responsibility of seeing that children in poor families do not suffer privations which are no fault of their own. News that $1.7 billion of the money that is supposed to support them is going out the window should not make him feel any better about it.

CONGRESSIONAL COUNTDOWN ON CONTROLS

HON. ALAN STEELMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mr. STEELMAN. Mr. Speaker, we are now in the final month before the Economic Stabilization Act expires, and it is high time we returned to the free market system that has been the very backbone of our economy. This act must not be extended, and I would like to submit for the RECORD a Wall Street Journal article on the ill effects of controls:

BUSINESS EXECUTIVES ARE MORE THAN READY FOR END TO CONTROLS: NOW DISILLUSIONED, THEY PUT BLAME FOR PROFIT SQUEEZES, SHORTAGES ON PRICE LIDS—"MERELY POSTPONING INFLATION"

(By Ralph E. Winter)

Three years ago the U.S. was suffering a 4% to 5% inflation rate, and hundreds of business executives—among others—were demanding that the government clamp on price and wage controls.

This year the country faces an inflation rate estimated at 7% to more than 10%, and businessmen say they can hardly wait for controls to end, as they are currently scheduled to do April 30.

Why the turnabout? The main reason is that there is something excruciatingly painful about controls: They murder profits.

That's the consensus that emerges from talks with dozens of top corporate executives in a variety of industries. These executives have also discovered, along with a host of politicians and economists and millions of consumers, that controls don't really stop inflation.

They concede that a more uniform and consistent program than Phases 1, 2, 3, and 4 might have worked better. But while a year ago businessmen were complaining about details of the program, interviews now turn up an almost-universal disillusionment among businessmen that any type of controls can work.

In addition, business leaders say controls really do all the horrible things that conservative economists said they would—everything from discouraging investment and drying up supplies to creating black markets and generally disrupting orderly business.

THE NEED FOR MORE CAPACITY

"We're paying $140 a ton for steel scrap at our foundry, up from $40 a year ago, and we're still having trouble getting enough," says Hugh D. Luke, chairman and chief executive officer of Reliance Electric Co., a Cleveland producer of automation equipment. "Such shortages will bring this country to its knees if we don't free industry from controls so we can get additional capacity under construction."

Actually, many businessmen never did favor permanent controls. Many just wanted some temporary government intervention to block what they considered to be unreasonable union wage demands.

Nonetheless, the switch in sentiment has been surprisingly abrupt and uniform. A new poll by the National Association of Manufacturers shows that 97% of large companies and 89% of smaller ones favor an immediate end to controls.

"Back at the time controls were instituted, we had a number of businessmen on our board who were very adamant in stating the necessity for control," says Noel A. McBride, vice president and economist with Cleveland Trust Co., Ohio's largest bank. "Now you don't hear any talk about the need for continued controls among our board, which has pretty good cross section of business among its 25 members. The feeling is that we've got to get out from under controls."

THE LAST PROP

That reversal of business attitude toward controls is significant for several reasons. First, it undoubtedly helped persuade the administration to end most aspects of the program. The AFL-CIO is on record as opposing extension of controls, and many consumers have despaired of any effective inflation control, so the switch of executives' attitudes pulled another major prop from under the program.

Even more important, business experience of the last three years apparently would make reimposition of controls far less likely the next time the economy faces worsening inflation. In 1971 many economists and businessmen had predicted that from then on, controls would be a permanent part of the U.S. economy. That appears unlikely now, partly because of the new business attitude. Had businessmen been as uniformly opposed to controls in 1971 as they are today, there is at least some question whether formal wage and price controls would have been enacted.

The fact that businessmen have soured on controls doesn't mean that they are at all optimistic about ending inflation through unfettered supply and demand. In fact, most are downright doubtful that inflation will end soon. They have just decided that their companies fare better during uncontrolled inflation than during poorly controlled inflation.

A NEW ECONOMIC VIEW

At one corporation with sales of over $1 billion, the chief executive, who three years ago was begging for controls, spelled out the new outlook for his directors at a recent board meeting. If controls remained in effect, he estimated, earnings for 1974 would rise to a bit more than $3 a share from the approximately $2.75 of 1973. But if controls are lifted completely, profits could well exceed $4.

Behind this increased corporate confidence in an ability to prosper during inflation is a new view of the U.S. and industrialized world economies. Three years ago demand was relatively slack for many products. Companies couldn't increase prices much even though there weren't any controls, and, in fact, many products were being discounted below list prices. But labor unions, led by the construction trades, were demanding, and getting, huge wage increases. Controls, it appeared, would hold down wages without having much impact on prices

Soon, however, demand began building for practically all goods. Markets became strong enough to permit price increases, particularly after two devaluations of the dollar weakened the threat of import competition. Companies were hit with soaring raw-materials prices, which often weren't controlled. Gradually controls became a real lid on prices—and profits.

For instance, delay in obtaining price increases on tires and other products, as well as limits on the price rises when finally obtained, cost Uniroyal, New York, $10 million in after-tax profits last year, says George R. Vila, chairman.

Looking ahead, most executives see continued strong demand and relatively limited supply for a host of items ranging from such basic products as steel, pulp and petrochemicals to heavy machinery and other manufactured goods. Despite an anticipated slowdown in the 1974 first half, most businessmen don't see any worrisome surplus of anything except big cars. Once free of controls, businessmen are confident that they can improve profit margins by raising prices.

Furthermore, executives argue that higher profits are essential if basic industries are to increase investment. "The steel industry needs incentives that lead to expansion—not controls that create shortages and stagnation," says David M. Roderick, chairman of the finance committee of U.S. Steel Corp., in a typical argument against controls. Without freedom to raise prices, the industry can't add the 25 million to 30 million tons of new steel capacity needed by 1980, he says.

Businessmen are also eager to dispense with controls because they no longer believe they can work. Many corporate officials now have a more complex view of the cause of inflation. High union settlements, which presumably could be controlled, are no longer regarded as the major cause of rising prices.

"Over the past decade, we have acted as a nation on the belief that an ever-wide range of benefits—in personal income, government services, quality of life (such as reduced pollution)—could be ours without earning them through matching increases in productivity," says James W. McSwiney, chairman and chief executive officer of Mead Corp., a Dayton, Ohio producer of paper, building materials and other products. "Now the chickens are coming home to roost. The excesses we've cranked into our system have got to come out," he says, and as they do, they may create a "magnitude of inflation that will dispel the myth" that benefits can be obtained merely for the taking.

This more complex explanation for inflation makes it appear less likely that controls could ever be effective. Most businessmen now are ready to agree with Herbert Stein, chairman of the President's Council of Economic Advisers that "controls won't stop inflation; they only offer us more and more shortages and inefficiencies."

SUPPLY PROBLEMS

Having reached that gloomy conclusion, executives understandably think it's high time to get rid of those increasingly evident shortages and inefficiencies by ending controls. For instance, in a recent nationwide survey, more than 60% of purchasing agents said they have supply problems caused by price controls, according to the National Association of Purchasing Management.

"It's really insane," complains Donald E. Noble, chairman and chief executive officer of Rubbermaid Inc., a Wooster Ohio, producer of plastic and rubber housewares and other items. "Some of our suppliers are shipping materials to Europe because they can charge whatever they want there. We, in turn, go to Europe to buy these same materials. We're told that some goods just go out about 20 miles on the Atlantic. They never get to Europe at all."

CONTROLS' PAPERWORK COST

Controls create shortages in other ways than encouraging exports, too. For one thing, businessmen say, controls have held prices of many items so low as to discourage additional capacity and have caused suppliers to discontinue producing some low-profit items. In addition, when prices can't rise. the marginal user isn't forced to discontinue buying the product, causing shortages for all buyers.

The shortages, of course, give rise to black markets and other forms of gouging. More ethical suppliers are forced to spend money to set up allocation systems to be fair to all customers and usually wind up irritating some anyway. Just the paperwork and other direct expense of complying with controls have cost industry between $721 million and $2 billion, according to studies cited by John T. Dunlop, who heads the controls program. The government has spent nearly $200 million enforcing controls, he says.

Many businessmen expect a surge of price increases when controls end. The government however, is trying to minimize that spurt by exchanging early decontrol for promises by industries not to raise prices sharply until after midyear. Executives also expect higher union wage demands but hope that higher employment will make union leaders what the executives term a little more "responsible" than the labor officials were in pre-control days.

"It's going to be chaotic for a while," Reliance Electric's Mr. Luke concedes. "Prices will jump because we haven't really controlled inflation. We've merely postponed it a little."

"There will be some temporary massive inequities, which the economy will eventually level out," says Niles H. Hammink, president of Scott & Fetzer Co., a producer of vacuum cleaners and other electrical, leisure-time and industrial products. "But it's clear that controls have to end, and if there ever was a time to end them, it has got to be when the economy is heading into a recession."

CONGRESSMAN MIZELL REPORTS TO HIS CONSTITUENTS

HON. WILMER MIZELL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mr. MIZELL. Mr. Speaker, I am now in the process of sending to every home in North Carolina's Fifth Congressional District a copy of my latest report from Congress.

This report discusses many of the major matters being considered by the Congress, and the role which I have played in some of these efforts.

It is my hope that my colleagues will find this report interesting, and for their information and consideration I am inserting it in the RECORD at this time:

CONGRESSMAN MIZELL'S REPORT

ENERGY

The nation's energy problems continue to dominate the news and most of the attention of the Congress and the American people.

Thanks to a mild winter and the tremendous cooperation of the American people, we are no longer faced with a major crisis in home heating oil which so many of us had feared.

Still energy problems are very much with us, and I want to give you a summary of the actions that I have been taking in an effort to solve those problems.

First, I met in Winston-Salem recently with gasoline dealers who had contacted me about problems they were experiencing in obtaining adequate gasoline supplies for their customers.

Second, I met with officials of the Federal Energy Office, including Deputy Administrator John Sawhill, to urge that FEO require the Atlantic Richfield and British Petroleum oil companies to resume their North Carolina operations, which had been abandoned in 1973. These arrangements are now being made.

Third, I met with Secretary of State Henry Kissinger for an assessment of when the Arab oil embargo might be relaxed or lifted altogether. As this newsletter is written, Dr. Kissinger is in the Middle East negotiating on just this point.

And fourth, I was able to arrange for the Federal Energy Office to send an "action team" to North Carolina on February 23–24 to investigate the gasoline shortage situation in our state.

Action teams were dispatched recently to twenty other states, and most received additional allocations as a result of the FEO investigations.

I was able to arrange this FEO investigation for North Carolina through a series of meetings with White House officials, after sending a telegram to the Federal Energy Office requesting that agency's help for our situation.

In the telegram, I pointed out the growing loss of employment being experienced in North Carolina, the difficulty that many people are having in obtaining enough fuel to carry on their businesses or even get to work, and the extremely long lines that motorists are having to endure to buy gasoline these days.

(And let me assure you that I sympathize with you about those lines. The situation in Washington is as bad as it is in North Carolina, and I've waited in lines and pumped my own gas right along with everybody else. My older son Dave got up at 5:30 in the morning the other day just to buy some gasoline, but by the time he got to the station a few minutes later, there were already five cars ahead of him. So I understand exactly what many of you have had to go through in the past several weeks.)

In response to my telegram and my meetings with the White House, a two-man team from FEO's regional office in Atlanta met in Raleigh with representatives from the Governor's office and the state energy office to assess the extent of North Carolina's problems, and we hope their investigation will speed the day when supplies will again be plentiful in North Carolina.

Through my work on the House subcommittee on energy, I will continue to do all that I can to see that goal achieved in North Carolina and throughout the country.

I have taken these constructive steps in an effort to help solve the energy problems in our district and throughout the nation.

Finally, I want you to know that I have appealed to Federal Energy Administrator William E. Simon to assure the "small farmer" the availability of gasoline. A problem exists for the "small farmer" who has been purchasing gasoline at the pump and is without storage capacity.

A much less constructive step was taken by the Congress with the passage of the Emergency Energy Act recently. The majority in Congress continues to deal with the politics of the energy problem, rather than the problem itself. This inevitably makes for bad legislation, and I was faced with the choice of voting in favor of a bill that I believe would actually make matters worse, or vote against it and insist that my colleagues in the Congress provide a better legislative tool with which to work on our energy problems. I chose the second course, and I will do all that I can to see a responsible and truly effective energy bill passed this year.

CONGRESSIONAL PAY RAISE

I introduced a resolution for disapproval for a proposed congressional pay increase of 22.5% over the next three years.

In a separate action I also signed a discharge petition to permit a vote on legislation that would require Congress to go on record as either favoring or opposing federal pay increases. I first introduced this legislation in 1971 and it has been tied up in the House Post Office and Civil Service Committee.

These two actions are but the first steps toward a goal of reducing inflation and reducing federal expenditures. Now is the time to tighten our belts and start to live within our means, and the place to begin that effort is in the Congress.

To disapprove this proposed pay increase is a step forward, and to make the Congress strictly accountable for increases in federal salaries would, in my estimation, curb the frequency and the size of those increases to more responsible levels.

We must set the tone and example for the nation in this period of economic difficulty. I believe the place to begin is by setting our own House in order.

TOBACCO

In January, the U.S. Department of Agriculture announced that it wanted to do away with the quota and allotment program for flue-cured tobacco. This proposal, predictably, was not well received here in the fifth district of North Carolina.

A few weeks later, the department amended its ruling and called instead for a ten percent increase in flue-cured tobacco quotas and allotments.

On the day this second announcement appeared, I scheduled hearings in the House subcommittee on tobacco to demand justification for the increase. Since the fifth district is so heavily dependent on tobacco, as ranking Republican on the tobacco subcommittee I am responsible for the success of the tobacco program. It is my responsibility to see that no action be taken that would threaten the economic stability of our district or the success of the tobacco program.

By law, the Agriculture Department has the authority to increase quotas by up to 10 percent if it determines that export demands require it. This was the department's contention, despite the fact that an ad hoc investigating committee on which I served conducted field hearings in North Carolina and South Carolina and recommended that no increase be implemented until serious marketing problems could be worked out.

I made it clear in my opening statement at the hearing that I was quite dissatisfied with the department's handling of this matter. As I said then, "I want to advise the Department of Agriculture in the strongest possible terms that it seems to me the department was apparently playing games wih the lives and livelihood of a substantial segment of the population of North Carolina, at first holding forth the threat of total economic disaster when all the while the department knew it would propose a milder—but still unacceptable—action, raising the quotas by ten percent. I want the department to know that nobody in our state thought their game was very amusing."

While the law authorizes USDA to take the action it did, the tobacco subcommittee's hearings provided the means of extracting certain pledges from the department. I personally secured the following pledges from Kenneth Frick, Administrator of the Agricultural Stabilization and Conservation Service.

The department is committed to a continuation of the present tobacco program, including quotas and allotment programs.

Price supports on flue-cured tobacco will not be frozen, but will probably be increased by an estimated eight to ten percent.

The tobacco barter program involving the Commodity Credit Corporation may be reinstated if export conditions require it.

Tobacco is receiving top priority among agricultural commodities in trade talks now being held in Geneva, Switzerland.

Marketing problems experienced during the last marketing season, including lack of space on auction floors, will be resolved before the 1974 marketing season.

In my position as ranking Republican member of the House Tobacco Subcommittee, I will continue to do all that I can to promote the success and the improvement of our tobacco program, which is so important to our district and our region of the country.

ECONOMY

One of the first speeches I made in Congress when I came here in 1969 was to call on the Congress and the nation to get our economy back on sound footing and to operate from a balanced budget.

That call, unfortunately, fell on deaf ears, and we continued to sow the wind of fiscal irresponsibility, and we are now reaping the whirlwind of economic upheaval.

At the heart of our economic problems, in my opinion, is the policy the federal government has followed with alarming consistency over the past ten years—the policy of spending more money than it takes in.

This policy of deficit spending has brought about an increase of $148-billion in the national debt over the last decade. Since 1964, the national debt has gone from $317-billion to $465-billion, and we are now paying an incredible $26 billion a year just for interest on the national debt.

This represents almost ten percent of the entire federal budget that we are spending just to pay for the past economic mistakes.

When we talk of reordering priorities, we need look no further than this interest payment to see one major area that could stand some reform.

We cannot expect inflation to be really slowed, or the dollar to be really sound, until we decide to stop spending money as if it grew on trees rather than coming out of the taxpayer's pocket.

The Congress has taken steps this year to reorganize its budget and appropriation procedures, and I have strongly supported these efforts. I believe this is the key to staying at a responsible level of government spending, and I am committed to keeping a close watch over the nation's pursestrings so the American people can keep more of their own money in their own pockets.

BUSING

A major effort to put an end to massive forced busing for racial balance has again been initiated in the House of Representatives this year, and this effort gives cause for hope to all of us who have worked so long in opposition to this unpopular, wasteful and dangerous policy.

Several weeks ago, I met with a group of Congressmen who have worked with me in the past in the anti-busing effort, and we held an extensive strategy session to lay plans for a new concerted effort to have anti-busing legislation enacted in the Congress this year.

As an outgrowth of that meeting, the House Republican leader, John Rhodes of Arizona, has recently reintroduced the Constitutional amendment, which I authored and first introduced in April 1971, shortly after the U.S. Supreme Court handed down its pro-busing decision in the Charlotte, N.C., school desegregation case.

That amendment states that "no public school student shall, on the basis of race, creed or color, be assigned to or required to attend a particular school."

Representative Edith Green, a Democratic congresswoman from Oregon and one of the most respected and influential Members of Congress, has filed a discharge petition on this amendment which, when signed by 218 Members of the House, would remove the legislation from the House Judiciary Committee and allow it to be brought to the House floor for a vote by the full House membership.

On the day the discharge petition was filed, more than fifty representatives signed it, and I took this as a most encouraging sign that we may reach the goal of 218 signatures this year. More than 160 Members signed a similar petition in 1972, and as a result the Judiciary Committee held extensive hearings on busing for the first time, and legislation was subsequently passed in the House placing strong curbs on busing. That bill died in a Senate filibuster, but we hope to have better cooperation in that body this year.

With a firm foundation of bipartisan support, it is my hope that the Congress may finally take decisive action this year, by passing either a Constitutional amendment or simple legislation, to abolish forever the madness of busing.

SOCIAL SECURITY

Just before Christmas last year, Congress approved an 11 percent increase in Social Security benefits for 30 million recipients.

A seven percent monthly benefit increase takes effect this month (March), to be followed by another four percent increase in June.

Under this bill, the average benefit for a single person would rise from $167 to $178 in March, and to $186 in June. For a couple, the average benefit would jump from $277 to $296 in March, and $310 in June. The bill also provides for an automatic cost-of-living increase in June of 1975.

Also provided is an increase in monthly payments for the aged, blind and disabled poor, effective in January, from $130 a month to $140 a month for a single person, and from $195 to $210 for a couple, rising to $146 for a single person and $219 for a couple next July.

There are also technical changes in the law to make sure that aged, blind and disabled welfare recipients don't lose eligibility for food stamps or Medicaid as a result of the increased benefits.

BLUE RIDGE POWER PROJECT

So long has the Blue Ridge power project controversy been raging, it seems every resident of the fifth district must know by now the essentials of the case, and I will not recount them here.

But I will advise the many people in Ashe and Alleghany Counties, and others in the area who have followed the case, of the progress we have made and are making in seeking to block the project and preserve the New River.

First, I have introduced legislation to have a segment of the New River studied for possible inclusion in the National Wild and Scenic Rivers System. Senators Ervin and Helms have introduced an identical measure in the Senate, and hearings have been held already on both bills.

There has been some confusion as to just what effect these bills would have, and what effect that inclusion of the New River in the Wild and Scenic Rivers System would have on property in the project area.

The bill itself simply proposes a study of the river. If that study should recommend that the New River be placed in the Wild and Scenic Rivers System, only then would the matter of federal involvement come into play. If the river merits the permanent preservation and protection which the Wild and Scenic Rivers Act would provide—and I am confident that it does—then the federal government would have to take certain steps to insure that the immediate environs of the river remain in a relatively unindustrialized state, as they are now.

I delayed introducing this bill for the very reason that I wanted to be sure that federal involvement in the area would not be as bad or worse than the damage to be done by Appalachian Power Company's proposed power plant.

It is felt that inclusion of the New River in the protective province of the federal system would be the salvation, rather than the ruin, of the New River Valley, and I will do my best, working in conjunction with Senators Ervin and Helms, to see this bill passed by the Congress.

I have also filed exception with the Federal Power Commission to a recommendation by an FPC administrative law judge that the Blue Ridge project be licensed. With the filing of this exception, the FPC is thus compelled to render its own decision in the case, rather than simply ratifying the administrative judge's recommendation. I have also filed a motion for oral arguments before the Commission, to allow me and other opponents of the project to plead our case, directly and personally, to the Commission before it hands down its final decision.

DAYLIGHT SAVINGS TIME

Last November, when the Congress was considering whether to impose daylight savings time on a year-round basis, I made a speech on the House floor in opposition to the bill.

As I said then, the imposition of daylight savings time presents us with two options. We can send our children to school in the cold and the dark of early morning, with the darkness increasing the likelihood of bus accidents and pedestrian crossing accidents, and with the cold requiring a greater expenditure of heating oil than is now required.

Or we can send our children to school an hour later, and let them join their parents in the perils of rush hour traffic, a hazard that all of us would like to avoid for ourselves,h much less for our children.

My colleagues in the Congress passed the bill anyway, and we have since read of just those problems coming to light in several cities, including those in North Carolina.

I continue to oppose daylight savings time, and a bill has now been introduced in both the House and Senate to repeal it.

VETERAN'S BENEFITS

The House of Representatives recently passed legislation to increase and expand education and rehabilitation allowances for veterans, with special emphasis on meeting the needs of the Vietnam era veteran.

The bill increases educational assistance allowances under all veterans' education programs by 13.6 percent and extends the time during which veterans must complete training for two years. These rates were last increased in September of 1972, when an average increase of 25.7 percent was granted. I strongly supported both bills.

As I said in a speech to the House during debate on this bill, and as I have said many times before, the debt this nation owes to its armed service veterans is one we cañ never fully repay, but by providing our veterans with the services and special assistance they need and deserve, we can pay tribute to the great service they have given their country.

Also, I have again sponsored in the House a resolution to redesignate November 11 as the official date for observance of Veterans Day.

I was not a Member of Congress when the so-called Monday Holiday Act was passed. However, I believe this Congress needs to correct the mistake of making a national observance of such historical significance and meaning into nothing more than the third day of a three-day weekend.

HIGHWAY LEGISLATION

Last September I introduced legislation to guarantee that North Carolina receive a minimum of 80 cents' return for every tax dollar the State contributes to the Highway Trust Fund.

In 1972, North Carolina ranked next to last among the 50 States with a return of 50 cents per dollar for highway projects in the state.

This low rate of return is the result of a gross inequity which presently exists in the formula for state donations to the Highway Trust Fund. I intend to change that formula to give North Carolina a fairer share of highway money.

With the passage of my bill, North Carolina would automatically receive an increase in federal highway money of more than 25-million over the present $95-million allocation.

I believe this bill will be particularly helpful to our area in need of better transportation routes, and I am convinced that North Carolina deserves a fairer return on its investment in the Highway Trust Fund than it is presently getting.

THE HONORABLE BARBARA JORDAN

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mr. TEAGUE. Mr. Speaker, I would like to point out to our fellow Members that I had the pleasure of introducing the Speaker of the House of Representatives at a dinner in Houston, Tex., honoring a most capable Texan, the Honorable Barbara Jordan, on Saturday, March 30, 1974.

Ms. Jordan represents the 18th District of Texas and her friends and colleagues showed their respect for her capable representation.

I hope you, my fellow Members, and the general public will find the following article about Ms. Jordan from the Christian Science Monitor interesting.

The article follows:

Impact in Congress

(Freshman Congresswoman Barbara Jordan sits on the House of Representatives' Judiciary Committee ". . . engaged in the most important proceeding ever to occur in our lifetimes. . . .")

(By Jo Ann Levine)

Washington.—A Texas woman known for her awesome equilibrium sits on the committee which must decide whether or not to recommend the impeachment of the President of the United States.

During a recent meeting of the House of Representatives Committee on the Judiciary, Rep. Barbara C. Jordan (D) leaned back in her chair as she listened to both the majority and minority counsels discuss whether or not the President should be issued with a subpoena.

At this time in history, the Democratic freshman congresswoman from the 18th district (Houston) views her own role with seriousness. Back in her office, in an authoritative alto voice, she said:

"I feel, and I think my colleagues on the Judiciary Committee feel, that we are engaged in the most important proceeding ever to occur in our lifetimes in terms of what the result could mean for more than 200 million people. It is the people who are involved, the country which is involved, the state of the Union which is involved, our relations with other nations which are involved. The economy reverberates with every move which is made—if that move relates specifically to the President.

POINT OF DETERMINATION

"We are not overwhelmed by our task, but we are very sober about our task. And the Judiciary Committee, having received authority from the House of Representatives to pursue this impeachment investigation with all of the tools and financing necessary to do a thorough job (a 101-member staff has been hired) is determined that this proceeding will not suffer the fate of the Andrew Johnson proceeding of more than 100 years ago.

"That proceeding has been attacked by historians, politicians, and constitutional lawyers as being so enmeshed in political partisanship, and emotionalism, that the members seemed not to be aware of the seriousness of their task and the implications. We are determined to do a job that is defensible—not only by those who agree with our conclusions, but by people who disagree.

"We cannot afford partisanship. . . . There are 38 lawyers on this committee. Every member is a lawyer, and the approach is a very lawyer-like, legal-like approach."

In the crackerbox-shaped committee room, these 38 lawyers sit in two tiers above the witnesses, the press, and the public, against a background of heavy green velvet curtains. To the far left of chairman Peter Rodino (D) of New Jersey is Representative Jordan's desk. "Ms. Jordan" says her nameplate. The only other "Ms." nameplate belongs to Rep. Elizabeth Holtzman (D) of New York.

Known for her methodical hard work, Representative Jordan, along with other committee members, has studied the history of the 12 impeachments in the United States which have been voted by the House and sent to the Senate and of the four convictions all of which involved federal judges. The committee has even printed a 718-page book of selected readings on impeachment (this book, House Document No. 93–7, may be requested from one's representative in Congress).

DISAGREEMENT WITH AIDES

President Nixon has narrowly defined impeachable offenses as crimes of "a very serious nature," while the Judiciary Committee has settled for the broader definition of including activities other than criminal misconduct. The only two convictions in the 20th century suggest that the broad definition is more powerful.

Representative Jordan agrees with the broad view of the committee.

While noting that White Houes aides have said that under the broad definition all strong persidents could have been impeached, she said, "Well, I don't agree with that. The broad definition talks about neglect of duty, and subversion of the system of government, and I would find it difficult to believe that every president falls in that category.

"I don't know that Mr. Nixon falls in that category. All I know is that if we read the background of the words in the impeachment provision of the Constitution ['treason, bribery, and high crimes and misdemeanors'] and read the considerations which the framers had in mind, we would begin then to feel they were concerned that the people had some redress of their grievances—if they had grievances—before an election occurred. I think that is what they were trying to do, and I think that is why impeachment is there."

Known as a liberal, Representative Jordan calls herself a "progressive liberal" because she says that all liberals are not progressive.

Representative Jordan, who graduated from Texas Southern University in Houston, got her law degree—and something of a New England accent—at Boston University Law School.

Although she realizes much of the country is confused at this time, she states simply that she is not.

PRIORITY QUESTION

"First, everybody ought to regret 'the Watergate' and all that word has come to mean. Nobody ought to take comfort in what we are going through in terms of investigations and indictments and trials. One should regret that it happened—then try to find out why. What is it about the American political system which allowed this kind of event to occur? If you find out what it is which allowed it, then maybe we can prevent it in the future."

She added, "it ought to be an opportunity for a cleansing experience, for the political process, and I view it that way." She divided the word "cleansing" into two distinct syllables.

"If we don't find out why it happened and how it happened and try to change it—whatever it is—then we leave ourselves open for its reoccurrence in terms of the law, the system, campaign tactics, and political rules of operation. And that's what I'm talking about. I'm not talking about 'who went to the door and unlocked it, or broke in?' I'll let the police reports deal with that. But what I want to know is what is it in the political system that was so soft that this kind of an event could occur."

Has she reached any conclusions?

"It is not over. It is too early for conclusions. We just had Mr. Jaworski, the special prosecutor, saying he finally has the whole story. It is going to take a while for us to get the whole picture."

Although Representative Jordan has been described as having a judicious temperament, "she would never say to friends over dinner that she thinks the President is guilty or not," said Robert Cochran, former chief editorial writer for the Houston Chronicle, who met her in the early 1960's before she went into politics.

Representative Jordan has a clean record of sticking by her beliefs, yet being able to gather friends and admirers from the most conservative of legislators and voters. About the only criticism one hears is that she is "short on small talk" or "doesn't have a very quick sense of humor."

Mr. Cochran recalls speaking—along with Barbara Jordan—at a meeting of white "biased" suburbanite women in the early 1960's. He said that afterward the women were so impressed with her, they were swarming around her like bees.

"I first ran for office in 1962," Representative Jordan has said. "I lost, but I got 46,000 votes. I figured that anybody who gets 46,000 people to vote for them for any office should keep on trying."

She lost again in 1964, but won a seat with the state Senate in 1966.

Said Mr. Cochran:

"If one wanted to think up the three handicaps with which one could enter a know-nothing, reactionary state Senate of those days, it would be a person of liberal persuasion, a woman, and a black. Yet, her intelligence and her commanding personality got her to the point where she had the state Senate eating out of her hand."

She was named outstanding freshman Texas senator in her first year. She became president pro-tem of the Texas Senate and won governor-for-a-day when the governor and lieutenant governor who were out of the state. (Her father, a minister who had put his three daughters through college by working in a warehouse, was in Austin for the occasion. He passed on the next day.)

"The Senate has changed, and it will not revert regarding black people," declared state Senator Jordan.

NEWSPAPER PRAISE

When she went to the U.S. Congress in 1972, the conservative Houston Chronicle praised her as "an eloquent spokesman—perhaps the most effective in the state's history against human injustice."

Once in Congress, her first choice was the committee on the judiciary. She said she wanted to have a hand in legislation affecting the lives of minorities and noted that the committee handled bills dealing with civil rights and busing. Representative Jordan does not refute the story that Lyndon B. Johnson helped get her this committee position. (Noted Mr. Cochran, who was a speech writer for former President Johnson, "She was the sort of person Johnson hoped would come up here from Texas, and she did.")

Representative Jordan, who now returns to Houston every other weekend, has noted, "Politics is all consuming, almost totally consuming. I definitely do not discount marriage, but a good marriage requires that one attend to it and not treat it as another hobby."

Once again, Representative Jordan is having no trouble finding friends among conservative colleagues.

RARICK COMMENTS

Rep. John R. Rarick (D) of Louisiana has been heard to say, "Barbara Jordan is the best congressman Texas has got." When asked about Representative Jordan, Representative Rarick fumbled the word "congresswoman." He explained that he didn't feel she acted like a woman, a black, or a liberal. "She acts like a representative in Congress," he finally said.

Has she ever changed his mind on an issue?

"No," he said. "Nor do I believe I've ever changed her mind."

What is it that enables her to get along with so many different people?

"I don't know," said Representative Jordan. "I've thought about that from time to time. If I could capsulize what it is that helps me to get along with people who are totally opposite to me in terms of point of view, I would package and bottle and sell it—because apparently it would go well. It would be a good product." She smiled and almost laughed at the thought.

"My approach is to respect the humanity of everybody—no matter who they are or how they think or how they feel. Their position on anything is not relevant to the way I can relate to them as a human being. That we have in common."

For the first six months of Congress, Representative Jordan (who was present for 99 percent of all roll-call votes) scored "100" on polls rated by the AFL-CIO and the League of Women Voters, and "92" by the Americans for Democratic Action.

She didn't vote to score, she said. "It came down to a matter. 'Is this a position I believe in?' and would it be representative of the people who elected me to represent them?"

Although she is not a flag waver, Representative Jordan said, "Whatever I do, I'm a woman, and so it helps the movement. But I don't participate in the activist part of the feminist movement."

Along with Rep. Martha W. Griffiths (D) of Michigan she sponsored a bill this year which would provide social security for housewives.

"The reaction to that bill has been overwhelming through this country. I have gotten letters from east and west, north and south, from women and men and universities and sociologists saying, 'At last, this kind of legislation has been introduced.' And if people get that kind of discussion going we'll get that bill passed one day."

RUFFLING OF FEATHERS

Representative Jordan ruffled the feathers of some black congressmen when she announced her second month in Congress that she felt the black political caucus had one function—legislation. She said then, "Fifteen mmebers of Congress who are black have a commonality of issues—blackness. But this can't do what the other organizations have been designed to do throughout the years. We are legislators, and we ought to remember that this is our role."

"In the future," she said, "I don't think we will see much in terms of legislation with regard to civil rights. I think blacks have begun to recognize that our future is in the political process and that the gains will be made there. It is very tough. It is not a very sexy way to proceed in civil rights, but it is now an accepted, legitimate way to achieve gains for black people, and I think this is what we are going to see more and more."

When asked if she was supporting fellow Democrat Frances T. (Sissy) Farenthold for governor in Texas, she curtly replied.

"I'm not suppporting anybody for any race except Barbara Jordan for re-election to Congress. . . . I have a rule of thumb. When I am a candidate and I am on the ballot I stick to my own campaign. And I think that rule of thumb has served me well."

HARVEY DUEHOLM

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mr. OBEY. Mr. Speaker, often over the last 2 years Members of Congress have heard me or Senator Gaylord Nelson tell "Dueholm" stories to illustrate a point. Those stories, which almost always make a point far more effectively than hours of sonorous debate, are the product of Wisconsin State Representative Harvey Dueholm.

Harvey Dueholm has a greater sense of humor and a greater sense of commitment than almost any legislator I have ever known. Since I first went to the Wisconsin Legislature in 1963 it has been obvious to me that Harvey Dueholm has been the conscience of the Democratic caucus—and even Democrats need a reminder from their conscience once in a while.

Harvey Dueholm represents Polk and Burnett Counties in northwestern Wisconsin. That is beautiful country but it is far from wealthy in economic terms. Harvey reflects the country he comes from. He never forgets that those who most need help from any legislator—on the Federal or State level—are the poor, the middle income, the struggling small farmer, the small mainstreet businessman trying to compete in an era of growing bigness.

That knowledge shows through in Harvey Dueholm's votes on taxes, education, health and social programs, and almost everything else. He genuinely loves people and does his level best to translate that love into sensible government action to get at the problems of the people who most need attention.

Recently, to my delight, the Madison Capital Times ran a story about Harvey Dueholm. It is not long, but Harvey's salt, his irreverence and his integrity show through and I would like to share it with my colleagues.

The article follows:

[From the Madison (Wis.) Capital Times]

Dueholm: Nearly Last of His Kind

(By Arthur L. Srb)

Wisconsin is known as the Dairy State, but the number of farmers in her legislative halls may have reached and all-time low.

Rep. Harvey Dueholm (D-Luck) fights his legislative battles on the same Assembly floor his father, Marius, did 40 years ago.

But the political arena and the legislative combatants are vastly different.

The late Marius Dueholm was one of 31 legislator-farmers in the 1933 session.

Today, his son is one of only 13 persons in the 132-member legislature who is, or was, a farmer.

"We're almost a dying breed," the younger Dueholm commented recently.

Harvey Dueholm attributes two major factors to the decline in the number of farmer legislators—the drop in the number of farmers statewide, and the steady shift of the population from rural to urban areas.

Dueholm, whose 500-acre farm is located seven miles from Luck, said the acreage once had five dairy herds on it. When he sold his stock nine years ago, his was the last herd.

Although his rural background sets him apart from many of his colleagues who are attorneys and former teachers. Dueholm is one of the most popular legislators in either house.

One of the reasons is his wit, which he apparently inherited from his father.

"Dad was known as the Will Rogers of the Assembly," Dueholm recalled, "He was self educated. I remember many nights the kerosene lamp would be burning. He'd be reading encyclopedias and other books people had thrown away."

The self-effacing Dueholm indicated he does not take naturally to politics, despite his father's legislative background.

"I'm a farmer by profession and a politician by accident," he said.

He stressed that he is not among those who believe there are too many attorneys serving in the legislature.

"With their education and my common sense, we'll do all right," Dueholm said of the attorneys.

Despite his agricultural background, Dueholm is against a proposed constitutional amendment which would enable the legislature to give tax breaks to farm land near cities.

The measure, to be on the April 2 ballot, would enable farmers near cities to keep planting crops despite soaring land values, its backers contend.

Dueholm, however, sees the proposal as a boon to land speculators and to only a few farmers.

"If you have two farms valued at $50,000 and suddenly a city grows out of one of them, which would you rather have, even with the higher taxes?" Dueholm asked. "The one near the city could jump in value to $300,000."

Dueholm also expressed displeasure with a new corporate farm bill designed to preserve the family farm. He said it has too many exemptions.

"About the only persons they didn't exempt are the marijuana farmers," Dueholm quipped.

"As far as I'm concerned, it's like kissing an old maid on the cheek. It'll make her flushed, but it won't make her happy."

(Harvey Dueholm for many years has received a 100 per cent rating in The Capital Times roll call for votes in the public interest. In some sessions, he has been the only legislator to receive a 100 per cent rating.)

CUT OUT THE FAT

HON. LOUIS C. WYMAN

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mr. WYMAN. Mr. Speaker, when Congress creates a new board, bureau, commission or committee in response to a problem of the hour, it starts a chain of events that 9 times out of 10 means the new creature will enjoy a permanent lease on life no matter how soon the problem goes away. It was ever thus in government, since each such bureaucratic addition rapidly acquires staff and advocates, all of whom have a vested, selfish interest in the permanency of their own tenure.

Some years ago, Senator WILLIAM ROTH, of Delaware, then Congressman ROTH, initiated a study to determine just how many such agencies there were in the Federal Government at the present time. Appallingly, the study disclosed that it was well over 1,200 but that nobody really knew—not even the esteemed GAO. As for duplication of effort and waste in such a myriad of bureaucratic agencies, it is self-evident, and it continues to exist today primarily because Congress refuses to bite the bullet and meaningfully consolidate and reorganize the Federal executive branch. Perhaps a better word would be "exorcise"?

Possibly too many toes might be trod upon in the process but it needs to be done and soon or sheer waste may mean a few amputations will be needed.

In this connection I commend the reading of the Warner & Swasey Co.'s advertisement appearing in the current issue of U.S. News & World Report.

WHAT DO YOU MEAN, AMERICA CAN'T BALANCE THE BUDGET?

There are 868 Federal assistance programs administered by 49 Government agencies, with so much duplication and overlapping that Washington publishes a 715-page catalogue to tell you how to sort them out (but not how to cut them down).

For example, there are 183 different programs of the Health, Education and Welfare agency; 58 on Housing and Urban Development; 72 on Agriculture in spite of fewer and fewer American farmers, and there was even a quarter million dollars for a "Longitudinal Study of Drinking Practices"!

One of America's large corporations was in financial trouble a few years ago. Their Treasurer decided they were paying for too many reports, by too many people, turning out too many words. He ruthlessly stopped them all, very quickly found out which were essential which could be abolished, with all their costs saved. Three-fourths, which had been costing a fortune every month, were never missed.

Washington please copy.

CONGRATULATIONS TO DR. AUGUSTUS S. ROSE

HON. ALPHONZO BELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mr. BELL. Mr. Speaker, last week Mr. Donald E. Johnson, Administrator of Veterans' Affairs, informed me of his approval of Dr. Augustus S. Rose as a distinguished physician with the Veterans' Administration.

Dr. Rose, chairman of the Department of neurology at the USLA Medical Schools, will be one of only nine members of this program. President of the Academy of Neurology, director of the American Board of Psychiatry and Neurology, and a member of both the American Neurology Association and the American Board of Psychiatry and Neurological Diseases and Stroke of the National Institutes of Health are just a few activities that give evidence to the prominence that Dr. Rose has shown in the field of neurology.

Dr. Rose has been senior consultant to the Veterans' Administration for over 20 years. He has the universal acceptance of his colleagues and will be a valuable asset to the distnguished physicians program. I know my colleagues join me in congratulating Dr. Rose on this occasion.

HUNGARY'S ROLE IN THE TROOP REDUCTION TALKS

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mr. Speaker, talks between the NATO and Warsaw Pact powers on reducing their military forces in central Europe have been underway in Vienna since last year. Although the issues involved are very complex, and there is no precedent for this kind of international negotiations, both sides are hopeful that some agreement will result.

Unfortunately, one problem which the mutual and balanced force reduction—MBFR—talks have not faced is the status of Soviet forces in Hungary. During the preliminary MBFR discussions, the Warsaw Pact proposed, and NATO accepted, the exclusion of Hungary from the area where reductions would be negotiated. Although the NATO countries reserved a right to raise the question of Hungary during the full MBFR sessions, nothing has yet happened in that regard.

The Coordinating Committee of Hungarian Organizations in North America has prepared a memorandum about Soviet forces in Hungary which follows. I hope its substance will be on the agenda of the Vienna talks in the near future:

COORDINATING COMMITTEE OF HUNGARIAN ORGANIZATIONS IN NORTH AMERICA CONCERNING THE ILLEGAL OCCUPATION OF HUNGARY BY SOVIET FORCES

For thirty years the Soviet Army has illegally occupied Hungary and deprived the Hungarian nation of the right to live according to its own will and national aspirations.

The history of Soviet occupation of Hungary and the relevant treaties and Resolutions of the General Assembly of the United Nations are as follows:

1. THE ARISTICE AGREEMENT

The first important legal statement concerning the presence of Soviet armed forces in Hungary is contained in Paragraph 3 of the Armistice Agreement, signed in Moscow on January 20, 1945:

> The Government and Army Supreme Command of Hungary assure the Soviet and other Allied troops freedom of movement on Hungary's territory, in any direction, if, in the opinion of the Allied (Soviet) High Command, this is required by the military situation; moreover, the Government and Army Supreme Command of Hungary will facilitate, by all means and at their own expense, the transportation of troops on land, water, and by air.

The "military situation" contemplated by this paragraph ended with the surrender of

Germany on May 8, 1945, or shortly thereafter.

2. THE HUNGARIAN PEACE TREATY

After the end of hostilities against Germany until the Hungarian Peace Treaty came into force on October 15, 1947, several hundred thousand Soviet soldiers were stationed on Hungarian territory. The stationing of such a large number of troops in Hungary was clearly contrary to the Armistice Agreement and was illegal. The signing of the peace treaty brought no substantial change in this respect.

The signatories to the Peace Treaty were Australia, Canada, Byelorussian Soviet Socialist Republic, Czechoslovakia, Ireland, India, New Zealand, South Africa, Union of Soviet Socialist Republics, United Kingdom, United States of America, Ukrainian Soviet Socialist Republic and Yugoslavia.

The Peace Treaty contained the following provision concerning the stationing of Soviet armed forces in Hungary:

> Following the coming into force of the present treaty, all Allied armed forces are to be withdrawn from Hungary within 90 days; however, the Soviet Union shall be entitled to keep on Hungarian territory such armed forces as may be needed for the maintenance of the lines of communication of the Soviet Army with the Soviet zone of occupation in Austria. (Peace Treaty, Law XVIII—1947).

The signatories of the democratic countries considered at the time that the "lines of communication" would involve not more than a few hundred Soviet soldiers but the Soviet Union had different plans. This provision became a legal trap which gave the Soviet Government an opportunity to occupy Hungary with an army of over a hundred thousand soldiers long after the period of withdrawal prescribed by the Peace Treaty. Again, the stationing of such a large army in Hungary was contrary to the provisions of the Peace Treaty and was illegal.

3. THE AUSTRIAN STATE TREATY

The Austrian State Treaty came into effect on July 27, 1955. Since all Soviet troops were withdrawn from Austria, the Soviet Government no longer needed troops in Hungary ". . . for the maintenance of the lines of communication of the Soviet Army with the Soviet zone of occupation in Austria." Nevertheless, Soviet armed forces remained in Hungary as before.

4. THE WARSAW PACT

The Government of the USSR not wanting to comply with the Hungarian Peace Treaty which would have given independence and freedom to the Hungarian nation hurried to sign the Warsaw Pact on May 14, 1955 with Albania, Bulgaria, Czechoslovakia, East Germany, Hungary, Poland, Romania and the Soviet Union. This came into force on June 2, 1955, thereby avoided the withdrawal of her forces from Hungary. The Warsaw Pact contained the following statement:

> The Parties agree on the establishment of a Joint Command for certain elements of their Armed Forces which shall be allocated by agreement between the Parties, and which shall act in accordance with jointly established principles. The Parties shall likewise take such other concerted action as may be necessary to reinforce their defensive strength, in order to defend the peaceful labor of their peoples, guarantee the inviolability of their frontiers and territories, and afford protection against possible aggression. (Law III–1955, Art. 5)

5. SOVIET ARMED INTERVENTION IN THE REVOLUTION IN 1956

The Hungarian people regained their freedom and re-established the independence of their country with their Revolution, which began on October 23, 1956. By October 23, 1956, peace and order had been re-established in the country. However, in order to protect its domination over Eastern and Central Europe, on November 4, 1956 the Soviet Union carried out an unprovoked armed intervention in the internal affairs of the Hungarian people, and destroyed the country's independence. The Warsaw Treaty—as we mentioned above—did not permit the Soviets to station troops in Hungary, and did not give it the right of intervention. In fact, the Warsaw Treaty (Article 4) actually obliged the other contracting powers (Czechoslovakia, Poland, Romania, etc.) to come to the aid of Hungary:

> If any State . . . commits an armed attack against one or several parties to the Treaty, each party to the Treaty shall . . . afford the State or States so attacked immediate assistance . . . by all means it considers necessary, including the use of armed force. (Law III–1955, Article 4.)

The Soviet Union and the Hungarian authorities were for a long time unable to find any "legal" basis for the Soviet intervention. Their previous invocation of the Warsaw Treaty was allowed to lapse into oblivion, since it was clearly untenable. Any reference to Prime Minister Imre Nagy was equally out of the question, since it was Nagy himself who informed the world, on November 4, 1956 of the Soviet aggression against the Hungarian people. Finally, in a memorandum addressed to the UN Secretary General, dated February 4, 1957, a representative of the Hungarian regime then accredited to the United Nations declared that "the Hungarian Government asked the Soviet Union, as one of the signatories of the Peace Treaty, to re-establish democratic order in Hungary." (United Nations A–3521, 1957.) This assertion, too, is unfounded: at the time of the Soviet intervention, the Hungarian people had already re-established democratic order in Hungary; it was the Soviet aggression which transformed that democratic order once more into a Communist dictatorship.

6. THE HUNGARIAN-SOVIET AGREEMENT OF 1957

In order to avoid a situation similar to the one that led to the Hungarian Revolution, the Soviet Government subsequently signed with several East European Governments (including those of Poland and Hungary), agreements regulating the stationing of Soviet troops in those countries. The Hungarian-Soviet agreeement, signed on May 27, 1957, stipulates:

> "The temporary presence of Soviet forces on the territory of the Hungarian People's Republic in no way affects the sovereignty of the Hungarian State; the Soviet Union does not interfere in the internal affairs of the Hungarian People's Republic". (Law 54 of 1957, Article 1. Hungarian Gazette).

However, this agreement has no legal validity, because at the time it was signed the Soviet Union was actually "depriving Hungary of its liberty and independence and the Hungarian people of the exercise of their fundamental rights." (UN Resolution 1131 (XI), December 12, 1956.) At the time this agreement" was signed, the Hungarian authorities were not recognized by the United Natons as a legal representative of the Hungarian people, and the General Assembly did not accept the credentials of the Hungarian Government's representatives at the United Nations until 1962. Besides, the Hungarian people had no free elections since 1947; therefore, they were unable to elect a Government to govern the country according to the will of the people. The authorities of Hungary represented the interest of the USSR and not that of the Hungarian people. Besides the above, the "temporary presence of Soviet forces on the territory in Hungary" suspends the sovereignty of the Hungarian State as long as the Soviet forces are in Hungary.

7. UNITED NATIONS RESOLUTIONS

The great majority of members of the General Assembly of the United Nations resolved, during discussion of the Hungarian case, that "the immediate withdrawal of Soviet forces from Hungarian territory is necessary." (UN Resolutions 1004–ES–II. 1005–ES–II, 1127–XI, 1133–XI.)

The Soviet Government has so far failed to comply with these resolutions.

Moreover, Article 1 of the United Nations Charter states that the United Nations itself exists for the purposes of suppressing aggression. This it has failed to do in the Hungarian case.

8. DECLARATION OF INDEPENDENCE

The Government of the Soviet Union submitted to the General Assembly of the United Nations, the Declaration of the Granting of Independence to Colonial Countries and Peoples, contained in General Assembly Resolution 1514 (XV) of December 14, 1960, which states:

> The subjection of peoples to alien subjugation, domination and exploitation constitutes a denial of fundamental human rights, is contrary to the Charter of the United Nations, and is an impediment to the promotion of world peace and cooperation.

And a Resolution 2131–XX, adopted on January 11, 1966, the General Assembly of the United Nations stated:

> The use of force to deprive peoples of their national identity constitutes a violation of their inalienable rights and of the principles of non-intervention.
>
> The strict observance of these obligations is an essential condition to ensure that nations live together in peace with one another, since the practice of any form of intervention not only violates the spirit and letter of the Charter of the United Nations but also leads to the creation of situations which threaten international peace and security.
>
> Every State has an inalienable right to choose its political, economic, social, and cultural systems, without interference in any form by another State.

The Soviet occupation of Hungary violates these resolutions, all of which were approved by the Soviet Government.

9. AGGRESSION

The Soviet definition of aggression which was re-introduced before the United Nations in 1953 (UN Doc. A/AC.66/L Rev. 1.) divides aggression into four types: direct, indirect, economic, and ideological. Furthermore, in the relevant part of the Soviet definition aggression is described as "n. Invasion by armed forces, even without a declaration of war, of the territory of another State." (Article 1.)

The Soviet armed invasion of Hungary on November 4, 1956, is a clear example of aggression executed against the will of the legal Prime Minister, Imre Nagy, and against the will of the Hungarian people who bravely fought against the aggressors.

10. CONCLUSIONS

Since the Hungarian people, because of the Soviet occupation, cannot exercise their right to self-determination and are deprived of independence and freedom, and since the Hungarian peoples' brave fight for their human rights was quelled by Soviet armed aggression, it is the task of the signatories of the Hungarian Peace Treaty and the supporters of the above mentioned resolutions of the United Nations to give effect to the said peace treaty and UN resolutions.

The actions of these governments and the efforts of the international community should be aimed towards an urgent exertion of pressure on the Soviet Government to ensure the withdrawal of Soviet troops from Hungary and the realization of the legitimate aspirations of the Hungarian people to independence and freedom, who are still living under colonial domination.

ISTVAN B. GEREBEN,
Eexecutive Secretary.
DR. LASZLO VARGA,
President.

Washington D.C. March 15, 1974.

PROPOSED RAIL SERVICE CUTS NOT IN BEST INTERESTS OF INDIANA; POTENTIAL FOR CONSIDERABLE HARM TO SIXTH DISTRICT IN PARTICULAR, BRAY TELLS DEPARTMENT OF TRANSPORTATION

HON. WILLIAM G. BRAY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mr. BRAY. Mr. Speaker, the Department of Transportation recently submitted a series of recommendations and opinions on the country's railroad service that have caused a great deal of controversy.

For Indiana, as one example, the recommendations sought a flat abolition of 37 percent of existing track. During recent hearings held in Indianapolis on the matter, at which I appeared and spoke against what to me was an arbitrary and badly conceived idea, State and community representatives registered strong protests over a plan that would work great economic harm to the State.

I expanded my testimony given in Indianapolis and submitted it for incorporation into the written record of the hearings themselves. The testimony follows:

STATEMENT BY CONGRESSMAN WILLIAM G. BRAY

The Regional Rail Reorganization Act of 1973, which passed both the House and Senate by large majorities, and had the support of both railroad management and labor, was intended to provide better rail service and in so doing, maintain vital and essential portions of the Nation's economy.

However, the recommendation of the Department of Transportation made pursuant to this legislation would defeat the announced purpose of this bill, especially for the State of Indiana. DOT's calling for elimination of 37% of present track, seems rather arbitrary and to have been arrived at without full consideration of the facts and the economic impact. These recommendations are also at odds with the intent of the U.S. Congress in passing the Regional Rail Reorganization Act. At this time, I wish to comment on some specific and severe economic dislocation and disruption that would occur in the Indiana Sixth District, in particular.

Edinburg, Indiana with a population of 5,000 is known as the walnut veneer capitol of the world. It is the most highly industrialized small community in the state of Indiana and one of Indiana's leaders in foreign trade—facts which cannot be overlooked. Its industries have a total employment, year-round, of 1,200 people, with a payroll of $10 million. The veneer industry is responsible for 40.1% of all domestic veneer, and 41.5% of all veneer exported. 170 export containers move out—by rail—annually, and there is a sum total of 2675 railroad car loadings and unloadings per year.

The guidelines for the continuance of rail service are based on the carloadings generated per track mile. It is my understanding that the Edinburg station was consolidated with the Franklin station some years ago, and although the Franklin station has been credited with enough carloadings to remain a rail center, the community of Edinburg maintains that the majority of these carloadings originated in Edinburg. According to the estimates worked out by the industries of Edinburg, this community will generate 267 car loads per mile in 1974, a figure far above the required 75 car loads per mile necessary for service.

The proposal of DOT as it would affect Edinburg and its industries is disastrous; there is no other word for it. The line from Franklin to Edinburg would be eliminated; Edinburg would no longer have rail service, and the shippings needs of this area, and its industries, would have to depend on trucks, at least as far as Franklin, and probably all the way to Indianapolis. The cost factor here is overwhelming for these industries—new equipment would have to be purchased, etc. In the words of John D. Gharst, Secretary-Treasurer of Community Gain, Inc.:

"Let's suppose we could get them to equip for unloading by truck instead of rail. How would this affect us? Each hopper car holds about 4 semi loads of corn. On the average we are shipping 10 hopper cars per week or 40 semi loads. We would have to buy 8 semi tractors and trailers to haul 8 loads per day 5 days a week to make the 40 loads. This alone amounts to an investment of $240,000.00. We are not able to raise near this amount of money.

"We would also have to replace some of our present rail load-out equipment. This would cost us at least another $35,000.00. Again, we just cannot generate funds such as this."

This recommendation has already had its economic impact—and I must stress when I say "economic impact" I do not mean on the mills alone, or on the community alone, but in a larger sense also on the national economy, when one considers the high percentages of veneer provided both for domestic use, and for export. The export factor, of course, bears heavily on our balance of payments, and is a decided plus on the credit side of the U.S. foreign trade ledger. This is something which just simply cannot be ignored.

One plant began, six months ago, a proposed $3 million dollar expansion—not insignificant in any sense of the word. The other two, of course, are not planning, due to the implications of DOT's recommendations, and this first plant would quite understandably have held off its expansion until this matter was clarified.

Not only is a three-million dollar capital investment at stake here, but also what other investments may have been planned by the other mills. It is obvious that this Edinburg industry was looking with confidence to the future; but now this confidence has been hit hard.

Edinburg has 20 basic industries, plus 106 retail establishments, all of whose survival is based directly or indirectly on the railroad. Of these 20 basic industries, 9 of them partake in railroad transportation extensively. Of these 9 industries, 8 will have to seriously consider re-location if the rail service is curtailed. As these companies employ 1200 people with a payroll of over $10 million, there can be no doubt of the consequences to Edinburg, the surrounding communities, the State of Indiana and the nation. As this community is dependent on these industries for employment, displacement of the people would be necessary if unemployment was to be avoided. An entire community may be destroyed and a long heritage eliminated, if the recommendations of DOT were to go through.

Aside from the obvious economic disaster to the community of Edinburg, I would like to take a moment to expand on the consequences to the State of Indiana and the Federal Government. If rail service is cut, unemployment will probably run rampant. Welfare rolls may be increased (although I doubt if the people of Edinburg would want that), unemployment compensation would have to be paid, and other social services would be increased, all draining the economy of the state and nation. And this is not to mention the loss of tax revenue for both the state and local governments. I would like to include at this time for the record, a summary of the effect of the loss of revenue for the governments, as furnished me by the community of Edinburg:

LOSS OF RAILROAD SERVICE TO EDINBURG, IMPACT ON GOVERNMENTS

1. Loss of taxes to federal government if 9 local industries were forced out due to lack of rail transportation (approximately), $2,128,000/year.

2. Loss of taxes to state of Indiana if 9 local industries were forced out due to lack of rail transportation (approximately), $237,000/year.

3. Loss of taxes to Johnson County if 9 local industries were forced out due to lack of rail transportation (approximately), $455,200/year.

4. Total taxes 1, 2, 3 above (approximately), $2,820,200/year.

5. Loss of revenue from taxation of 1,200 people and payroll of $10,075,000 annually would amount to about 30% of payroll, or $3,022,500/year.

6. 90% of all shipments to and from Edinburg are involved in Interstate Commerce. Total shipment value is $16,158,500. 90% of this is $14,542,000 which is basically raw material supplied to other states which is in turn converted to consumer products. Loss of these raw materials would affect taxes and products in other states.

7. The 9 railroad serviced industries ship a total of 85 cars per year to foreign countries. Closing down of these facilities would affect the U.S. balance of payments adversely.

I might also note that the DOT's proposal would eliminate railroad services to a very large agricultural area. There is also the proposed elimination of part of the Indianapolis and Vincennes line; I would like to comment briefly on this.

This line has been heavily depended on for hauling coal to a series of power plants. Access to coal—and subsequent generation of electric power—putting these two factors together, I need say no more when it comes to the economic impact that would hit not only the communities served, but those for wide areas around. There are other badly-needed electric generating plants being planned along the railroad line, which, of course, is a natural site because of the abundance of coal and water. Elimination of rail service would bring this to a halt. At a stage in our history when we, as a nation, are trying to achieve energy independence, the proposed action of DOT is, to say the least, without foresight.

What I believe has been overlooked to a considerable degree in DOT's recommendations (and let me add here that this is still very much in the "study" stage; the Congress must ultimately pass on the final plan) is what for lack of a better name I choose to call the "domino effect." Eliminate sections of track, such as that which serves Edinburg; close stations; make access to needed transportation resources more difficult and quite probably more expensive—and you do much more than just hit the one community. These things spread; other services which relied on the railroads or on the economic health of the community served, will also suffer.

Survival of a community is what is at question here, and the effort of the people of Edinburg to defend their need for a rail system is encouraging. This proposal has struck at the very center of their existence, and the all-out organized effort of the people of that small community speaks for itself. The facts and figures have been presented now to DOT, and I am sure that DOT will take it from there.

If these recommendations were carried out wholesale—and I do not believe they will appear in the final version of what DOT feels should be done—they would deal a devastating blow to the economic life of Indiana.

They definitely, as they stand now, go against the intent and will of the Congress when it acted on the Rail Reorganization Act I referred to earlier. Congress will have the last say, and it will be helped in its deliberations, as I have been greatly helped, by on-the-scene and on-the-spot facts and figures prepared by the communities involved. After all, it is these communities who in the long and short run, both, must be considered and served, and who are closer to the situation. They can speak for themselves, and they are doing it. DOT will listen, and Congress will take it from there.

HISC—NO TIME FOR COMPLACENCY

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mr. ASHBROOK. Mr. Speaker, today the adversaries of the House Internal Security Committee suffered a major setback when their efforts to defeat the committee's 1974 appropriations were rebuffed 247 to 86—the latter figure a decrease of 15 votes from last year's naycount of 101.

Less any committee supporter feel—understandably—disposed toward jubilation, it should be remembered that the crucial vote, the vital vote which determines whether HISC carries on—or is carried off of the playing field of security—lies immediately ahead. That, of course, is the forthcoming vote on the recommendation of the ad hoc Select Committee on Committees to abolish HISC.

Today's bipartisan support on the committee's 1974 funds is particularly gratifying because it clearly emphasizes again that the fundamental issue at stake is not one of partisan politics but one of national security. Time and again this has also been evidenced by the measures jointly proposed by the committee chairman and by its ranking minority member.

Mr. Speaker, at this point, I would like to commend to the House Members a most perceptive article entitled "Security Committee Needs Help," authored by Marshall M. Meyer and Robert L. Ellis, writers for the professional publication, the Daily Record, whose subscribers are from the fields of law, real estate, building, insurance, and finance of Greater Baltimore. The authors state, in part:

> This committee, primarily an investigative group with a narrow, unusual and frequently misunderstood mandate, if eliminated would be the last vestige of any source of information relating to disloyalty or revolutionary efforts to destroy the United States. . . .

Meyer and Ellis note that—

> This attack on the Committee is just one of several being suffered by law enforcement and intelligence personnel across the nation. At every level, local, State, and Federal, those charged with protecting our nation and its citizens from extremists are being harassed, not only by subversive organizations but by well-meaning but certainly unknowledgeable persons.

The article follows:

[From the Baltimore Daily Record, Jan. 14, 1974]

SECURITY COMMITTEE NEEDS HELP

(By Marshall M. Meyer and Robert L. Ellis)

It would appear that the Watergate environment and the lack of knowledge by influential politicians are systematically doing what the Communists and their radical groups in the United States have been unable to accomplish on their own—severely cripple, if not destroy, the nation's ability to defend itself from domestic subversion. The latest tactic is directed against the House Committee on Internal Security, the one and only reliable source of information about subversive organizations which is available to the public.

NOTICE ATTITUDE

Before going on and explaining the absolute need for the continuation of this Committee, it is interesting to note an attitude that has permeated these United States for some 38 years and seems to have been motivated by the Most Honorable Justice Brandeis in the case of Olmstead vs. United States (1928). In this decision Justice Brandeis observed "The makers of our Constitution . . . recognize the significance of man's spiritual nature, of his feelings and of his intellect. They knew that only a part of the pain, pleasure and satisfaction of life are to be found in material things. They sought to protect Americans in their beliefs, their thoughts, their emotions and their sensations. They conferred, as against the Government, the right to be let alone—the most comprehensive of rights and the right most valued by civilized men." When Justice Brandeis wrote this Olmstead opinion, he brought to the Supreme Court a most definitive piece of scholarship, which he had coauthored in 1890, on the principles supporting a claim for recognition at law for the right of privacy. As Justice Brandeis looked toward the future, he warned "experience should teach us to be most on guard to protect liberty when the Government's purposes are beneficient. Men born to freedom are naturally alert to repel invasion of their liberty by evil-minded rulers. The greatest dangers to liberty lurk in insidious encroachment by men of zeal, well-meaning but without understanding . . ." The reader can take Justice Brandeis' statement in two ways. One as a warning to protect an individual's liberty by precluding Governmental invasion of privacy or, more logically, that men in government, "well-meaning but without understanding" could well be dangerous to the liberties provided to us by our forefathers.

Justice Brandeis could not have seen that during these 38 years which have passed that the U.S. has been involved in several wars, many crises and a concerted overt as well as covert effort by the Soviets to destroy the American way of life and everything that it stands for through every means possible but primarily through subversion. Justice Brandeis asks that our citizens be protected, and this is one activity that the House Committee on Internal Security has been following for a number of years. As Justice Brandeis wrote, his feeling must have been that the protection of our citizens by the Government must be righteous and not nullify what was constitutionally their right.

During March 1971, THE DAILY RECORD published an article by one of the authors of this piece, in which the need for "domestic intelligence" was pointed out. As I stated then—one cannot fight an enemy he knows nothing about—and competent information gathering is mandatory if we are to be able to defend ourselves. I also noted in conclusion that it was the forces of revolution which constitute a serious threat to our freedom, not the collection of facts relating to such revolution or radicalism, which would destroy this nation.

INVESTIGATIVE EFFORT

Today as our law enforcement and intelligence agencies attempt, with manacled hands and techniques, to prevent bombings and the destruction of our American way of life, there is an obvious masochistic attitude prevailing within the Congress. With congressional committees on every subject under the sun and with billions of dollars being spent on every idiotic and worthless subject known to man, there is a concentrated effort now in the Congress which is obviously initiated by outside and devious sources, to eliminate the Internal Security Committee of the Congress. This committee, primarily an investigative group with a narrow, unusual and frequently misunderstood mandate, if eliminated would be the last vestige of any source of information relating to disloyalty or revolutionary efforts to destory the United States and the only nation on earth capable of maintaining the peace and providing the freedoms and tolerance wanted by everyone throughout the world.

AFFECTING SECURITY

For those who are not familiar with this Committee, it is interesting to note their mandate, at least in part:

". . authorized to make investigations from time to time of (1) the extent, character, objectives, and activities within the United States of organizations or groups, whether of foreign or domestic origin, their members, agents, and affiliates, which seek to establish, or assist in the establishment of, a totalitarian dictatorship within the United States, or to overthrow or alter, or assist in the overthrow or alteration of, the form of government of the United States or of any State thereof, by force, violence, treachery, espionage, sabotage, insurrection, or of any unlawful means, (2) the extent, character, objectives and activities within the United States of organizations or groups, their members, agents, and affiliates, which incite or employ acts of force, violence, terrorism, or any unlawful means, to obstruct or oppose the lawful authority of the Government of the United States in the execution of any law or policy affecting the internal security of the United States, and (3) all other questions . . . relating to the foregoing that would aid the Congress or any committee of the House in any necessary remedial legislation . . ."

In short, the Committee on Internal Security has the responsibility of making investigations into organizations or groups which seek to overthrow our government by force or violence or any other unlawful means. I, as one, would dare the Congress to bring this forth to the public and determine their attitudes as to whether this Committee should not survive and, in fact, be enlarged and be given additional responsibilities in order to protect the interests of the same citizens that are in constant danger of losing their liberties and freedom.

The Committee on Internal Security was created in 1969 and placed under the chairmanship of Representative Richard Ichord. Under his leadership, the Committee has conducted professional investigative work and produced accurate and documented reports of its findings. Its work has been of great value to law enforcement and professional security personnel. Perhaps this is why such effort is being made by outsiders, and it should become quite obvious as to who these outsiders are in their attempt to destroy the Committee.

For many years, members of the Communist Party of the United States have led numerous attempts to abolish the Committee on Internal Security and its predecessor, the House Committee on Un-American Activities. The House Committee on Un-American Activities did not enjoy the reputation for accuracy and documentation which is held by the current committee, and the detractors of Chairman Ichord's work have used this to their advantage. As Representative Ichord, has stated, "the Committee on Internal Security must stand on its history and work, and not that of a predecessor."

Those who would deprive the American people of their one reliable source of information about organizations and groups intent on the overthrow of the Government by unlawful means have now engineered a drive to have the functions of the Committee on Internal Security transferred—without staff—to the Committee on the Judiciary, which is known to be antagonistic, if not hostile, to the work of the Committee on Internal Security. Sadly enough, one of the leaders of this drive is a member of Congress, a member of the Committee on Internal Security, and a member of an organization cited as a communist front which has been a leader in the effort to abolish the Committee. This member of Congress, best not named, but as Representative Ichord has had cause to note time and time again, has boasted that he sought assignment to the Committee in order to "destroy it from within."

The Select Committee on Committees, before which this particular member of Congress pleaded in May 1973, is about to recommend that the functions of the House Committee on Internal Security be transferred without staff to the Judiciary Committee. If this is done, the Committee will become defunct.

This attack on the Committee is just one of several being suffered by law enforcement and intelligence personnel across the nation. At every level, local, State and Federal, those charged with protecting our nation and its citizens from extremists are being harassed, not only by subversive organizations but by well-meaning but certainly unknowledgeable persons. As the memories of riot-torn cities, or Viet Cong flags parading down American streets, of leftist bombings and of sniper attacks on police fade away, the measures taken to combat the all-out assault on our way of life are being offered as proof of unwarranted action by every level of government. Does it not seem odd that many in this country never seem to ask why law enforcement and security personnel were concerned about Marxist organizations? That few take the time to examine the philosophies and tactics of extremist groups, but eagerly take the time to condemn those who sought to protect our country and its people.

The fact is that there were and are organizations in this country committed to Marxism and to other forms of totalitarianism and they are totally uninterested in reforming our system. These groups, and if one takes the time to read their literature one will find that they say so themselves, are committed to revolution and to the destruction of imperialism, that is, the United States. And how are the American people or the American Government to defend themselves against such groups?

Our police department intelligence units are under constant attack in the courts and at budget hearings by groups who allege that the mere existence of such units have a "chilling effect" on free speech. Police research records have been purged, if not dumped, in many locations, destroying years of dedicated work. Does it not seem odd that organizations committed to constructive purposes never seem to be bothered by any level of so-called government "snooping"?

The Subversive Activities Control Board, hamstrung for years by legal maneuvering, is no longer in existence. The Federal Bureau of Investigation, according to recent news stories, indicates it is about to get hit with an "expose" of its efforts against the so-called New Left. The effect of that may well be to take the FBI out of the business of fighting subversion. This itself would be catastrophic and critically affect the internal security of the United States. Two Senators are now introducing legislation to create a special Senate-House Committee to over-see alleged federal snooping. The Department of Defense, a special target of subversive and extremist groups, has been severely shackled in its ability to protect itself from them by a recently issued Department of Defense Directive.

In 1972, the House Committee on Internal Security issued a report of its Subcommittee on Loyalty-Security entitled "The Federal Civilian Loyalty Program." That report, in reviewing the concepts and history of the loyalty program of the Federal civilian work force, noted that a previous investigation in 1942 had discovered that FBI investigations concerning applicants or employees involved in subversive groups were turned over to departments and agencies which were inexperienced in the legislative mandate and which had inadequate information concerning subversive organizations. The Subcommittee's report noted that as of 1972 the situation was little changed, that the problem of training administrative or security personnel for their responsibilities in the complex field of subversive activities had not been resolved. The Subcommittee recommended that all personnel charged with the responsibility for the conduct of investigations, review of investigative reports, evaluation and adjudication of suitability for employment on loyalty or security grounds, and hearings therewith, be required by reason of training, study or experience of the concepts of ideological subversion and the origin and history of Communist and other subversive organizations, their diversity, leadership and semantics, their organizational, recruitment and indoctrination techniques and practices, their propaganda, agitation and conflict doctrines, their objectives, strategies and tactics, and in short the means to the end of destroying this country. Obviously, the current environment to remove or to nullify the ability of the Committee renders this recent rec-

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Two years ago, a Congressional committee inquired into so-called military spying by Army Intelligence. In the midst of these hearings, some "peace-loving" person or persons bombed the United States Capitol while their friends feverishly worked to abolish the surveillance systems which were hindering their efforts to destroy our constitutional government.

Unfortunately, the average American citizen cannot possibly imagine the scope of the efforts made by extremist groups to reduce the security capabilities of this country by every means possible. If the citizens of this nation were to realize and know that their own security and that of their families were at stake and that their liberties were just tenuously being protected by a subcommittee of the Congress, which may soon be put out of business, it is doubtful that Watergate or any of its nonsensical aspects would be of any consequence in comparison.

Those who feel that the work of the Committee on Internal Security is important should write their Congressmen and write the Chairman of the Select Committee on Committees, Representative Richard Bolling, Rayburn Office Building, Room 2465, Washington, D.C. 20515, and tell them how you feel, and why not ask why this Committee is being considered for elimination. The answers you receive might be interesting and even possibly enlightening.

SENATE—*Tuesday, April 2, 1974*

The Senate met at 11:15 a.m. and was called to order by Hon. Howard M. Metzenbaum, a Senator from the State of Ohio.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Breathe upon us, O Eternal Father, the breath of new life. As nature bursts forth in the beauty of spring, so may our lives be adorned with beauty, goodness, and truth. Bring us a new Passover liberating us from the bondage of darkness and sin into the light of redemption, freedom of the spirit, and fullness of life. May we drink of the water of life freely that our souls may never be thirsty. In the toilsome tedium of daily duties as in the moment of prayer, may we keep the fire of faith burning on the altar of the soul. We pray in Thy Holy name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. Eastland).

The second assistant legislative clerk read the following letter:

U.S. Senate,
President pro tempore,
Washington, D.C., April 2, 1974.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. Howard M. Metzenbaum, a Senator from the State of Ohio, to perform the duties of the Chair during my absence.

James O. Eastland,
President pro tempore.

Mr. METZENBAUM thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Monday, April 1, 1974, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MOST-FAVORED-NATION TREATMENT TO THE PEOPLE'S REPUBLIC OF CHINA—INTRODUCTION OF S. 3285

Mr. MANSFIELD. Mr. President, the President of the United States has made an excellent record in the field of foreign policy. One of the outstanding achievements, perhaps the most outstanding achievement, in the promulgation of foreign policy during the administration of President Nixon has been the opening up and the normalization of relations with the People's Republic of China. Because of this very worthwhile initiative on the part of President Nixon, we find a continuing exchange of groups between the People's Republic and the United States—an exchange which I hope will expand in the years and decades ahead.

At the time of President Nixon's visit to Peking, the trade between our two countries was zero. The Chinese-American trade has increased from nothing 2 years ago to $750 million in 1973 and could exceed $1 billion this year. American exports to the People's Republic of China have exceeded imports to this country by approximately 10 to 1 and have played a very important part by contributing more than one-third of the total favorable American trade balance last year.

Some of the items bought by China are 10 Boeing 707's, contracts for eight U.S. fertilizer plants, mining and gear-cutting machinery, oilfield equipment, and electronic instruments. Until last year, the Chinese paid cash on the barrelhead for their purchases. Now, it is my understanding they are financing their purchases over 5-year periods, some a little longer, but all on a good credit basis.

It is time, I believe, to grant most-favored-nation treatment to the People's Republic of China and to do so on a single-country basis. In a speech delivered at the Johns Hopkins University School of Advanced International Study on March 15, 1973, I had the following to say about this proposal:

> It has been estimated that about 50 percent of China's exports to the United States are affected by lack of most-favored-nation treatment. The present gross trade imbalance with China cannot continue indefinitely. Either Chinese purchases here will drop or more will have to be bought from China or new multiangular patterns of trade will have to be encouraged in the Western Pacific.
>
> It would be my hope that Congress will provide authority to negotiate a most-favored-nation arrangement with China . . . Such an arrangement could be consummated, notwithstanding the absence of formal diplomatic relations.

It is interesting to note that the People's Republic of China is not only self-sufficient in oil but has for some time been exporting small quantities of that commodity. It is well to keep in mind that the great oilfields of the future may be offshore in the area extending from the Yellow Sea down the entire China coast to Indochina, including islands such as the Senkaku, which are in dispute at the present time between Taiwan, Japan, and the People's Republic of China, Spratly Island, and the Paracels, all of which the People's Republic of China has laid claim to and to all of which, based on historical precedent, they have excellent claims. There is no question in my mind but that the Chinese intend to develop these resources and, on the basis of what geological information there is available, it appears that the People's Republic of China could become a great oil exporting power.

It would be good policy and good sense for this country to follow up President Nixon's initiative in opening up and normalizing our relations with China by going one step further, by bringing into existence a most-favored-nation treaty between our two countries. I advocate such a move. I will support such a move and, in doing so, I think it will establish a policy which will redound to the benefit of both nations.

It is my intention to propose legislation that will provide most-favored-nation treatment for trade with the People's Republic of China.

I send to the desk a bill to achieve that objective, and I ask that it be read and then referred to the appropriate committee.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 3285) was referred to the Committee on Finance.

It was read as follows:

S. 3285

A bill to extend most-favored-nation treatment to products of the People's Republic of China

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of section 231 of the Trade Expansion Act of 1962 or of any other law, products of the Peoples Republic of China, whether imported directly or indirectly into the United States, shall receive nondiscriminatory treatment under the tariff laws of the United States and shall be subject to duty at the rates provided in rate column numbered 1 of the Tariff Schedules of the United States.

Mr. GRIFFIN addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Michigan is recognized.

Mr. GRIFFIN. Mr. President, I commend the distinguished majority leader for his most thoughtful and constructive statement.

Like the majority leader, I have had the opportunity to visit the People's Republic of China, to talk with the leaders of that nation, and to observe first hand the conditions there. I am able to attest to the fact that much progress has been made in the People's Republic of China and to the great potential for trade that does exist.

I believe the majority leader would agree with me when that, in many respects, the use of the term "most favored nation" is unfortunate. It is a misnomer which tends to "turn people off" on an emotional basis.

It is important to realize that favoritism is not involved in most-favored-nation status. What is involved is an absence of discrimination in international economic intercourse.

I would inject one note of caution in response to the majority leader's suggestion. Just as our policy in the Middle East wisely contemplates evenhanded treatment, to the extent possible, as between Israel and the Arab Nations, I would suggest that it may be important to recognize a degree of evenhandedness in our relations with the People's Republic of China and the Soviet Union.

As the majority leader knows, we have pending before the Senate, in the Committee on Finance, a very important trade bill—a trade bill which, when it is voted upon, may decide whether most-favored-nation status will be accorded the Soviet Union.

As much as I deplore some of the policies that prevail in the Soviet Union, particularly with regard to emigration, I suggest that it will be a bit difficult to overlook completely similar policies in effect within the People's Republic of China; that is, if we are to be evenhanded in our consideration of this issue.

I note with some regret that a large percentage of Members of the U.S. Senate have cosponsored the so-called Jackson amendment which would deny most-favored-nation status to the Soviet Union, because, as is certainly the case, we do not believe the emigration policies of the Soviet Union are as liberal as we would like.

But if we were to be consistent in our policy—if we were to attach a similar condition to the proposal advanced by the distinguished major leader—that most-favored-nation status be for the People's Republic of China—then I am afraid his proposal would probably go "down the drain."

It seems to me that we must view this issue in the context of our total policy, and not as an isolated and unrelated matter. The decision we ultimately reach with respect to the so-called Jackson amendment, as it affects most-favored-nation status for the Soviet Union will surely have an important bearing on whether we should take the most important step suggested this morning by the majority leader with regard to the People's Republic of China.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. GRIFFIN. I am glad to yield.

Mr. MANSFIELD. Mr. President, the distinguished acting Republican leader has raised some pertinent questions. I would point out that the situation which exists vis-a-vis the trade relations with the Soviet Union do not exist so far as the People's Republic of China is concerned.

I would point out also that it is the usual policy of this Government to carry on "most-favored-nation" negotiations with specific countries, and that it is most unusual to consider a number of countries en bloc. To me the People's Republic of China is something separate and apart from the Soviet Union and the countries of Eastern Europe. The problem which seems to impede progress on the most-favored-nation treaty now before the Committee on Finance does not exist so far as the People's Republic of China is concerned. I think what we ought to do—and I say this most respectfully—is to follow on what the President has initiated, because our future is linked just as much to the West as it is to the East.

Furthermore, it ought to be brought

out that China, until comparatively recently, has been able to maintain a balance of trade which really was balanced. In 1972 I think their exports were $2.3 billion and their imports were $2.2 billion. A better balance than that would be hard to achieve. Since that time our trade with China has risen from zero to $750 million the last calendar year, and all indications point to a $1 billion trade this year. Our exports to China are approximately 10 times what the Chinese export to this country. While I am a little hazy on my figures, I believe, based on last year's trade, the figures are very likely somewhat comparable to our trade with the Soviet Union. However, I would have to qualify that until I can check the facts.

Then we also have to remember this: For 2 years previous to last year, for the first time since the turn of the century, we suffered trade deficits. Last year we had a trade surplus, and of that surplus, one-third was furnished as a result of our trade with China. Our exports to China, in addition to the items which I mentioned in my prepared remarks, included a large number of agricultural products.

So I would hope we could look at this picture, not in a total sense, not in a composite sense, not in a group sense, but in the sense of separate sovereign nations, the People's Republic of China and the United States working out an agreement which would be mutually beneficial, because the People's Republic of China cannot hardly go on trading on the present basis. In the end, we will suffer, whereas if we can work out a most-favored-nation agreement, I think we will both benefit.

Mr. GRIFFIN. Mr. President, I ask unanimous consent to proceed for another several minutes.

Mr. MANSFIELD. Mr. President, I have had some time, but would the distinguished Senator from Oregon extend to the acting Republican leader 3 or 4 minutes?

Mr. HATFIELD. Yes, I would be happy to.

Mr. GRIFFIN. Mr. President, I find little with which to disagree in the statement of the distinguished majority leader. I would emphasize again that in pursuing our foreign policy, it seems to me that we must keep in mind the impact of such a step on our total effort to build a structure of peace in the world.

In other words, there is a balance—a very delicate balance—to be maintained in our relationships with the People's Republic of China and the Soviet Union.

To the extent that we can encourage trade with either of those great nations, it can be beneficial, depending on what is traded. If we can import needed raw materials, for example, in exchange for our manufactured products, that can be very helpful and could generate more jobs in our country. However, if we were to import large quantities of manufactured goods from either of those countries, which use very cheap labor, the cost in jobs to our country could be damaging. In other words, we must approach the opportunities for trade with both nations with our eyes wide open and with our own national interest in mind.

Having made those points, let me say that I do not wish to throw cold water on the proposal of the suggestion made by the majority leader. It has merit, and certainly it should have the active, careful consideration of Congress and the administration.

Mr. MANSFIELD. Mr. President, will the Senator yield further?

Mr. GRIFFIN. I yield.

Mr. MANSFIELD. I appreciate the remarks just made by the distinguished acting Republican leader, but I do not know of any large masses or any particular ethnic or religious group seeking to achieve an exodus from the People's Republic of China, as is the case in the Soviet Union.

As a matter of fact, just the other day, a member from the Russian Embassy dropped by my office and left a statement which, it was explained, had been asked for by Senator Long, chairman of the Finance Committee, and I assume in connection with the trade hearings now underway. According to that statement, which I shall be glad to put into the Record—I did not request it—95 percent of the Jewish people who had been seeking to leave the Soviet Union had been allowed to leave that country. I think President Nixon and Secretary Kissinger deserve great credit for accomplishing that much. But I know of no similar situation or need in the People's Republic of China.

I ask unanimous consent that the statement referred to be printed at this point in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Jews Left Soviet Union

In 1973—33.5 thousand Jews left the Soviet Union for Israel and 645—for the U.S.

Ninety-five percent out of the total number of people, who applied, received permission to leave the U.S.S.R. for Israel and the U.S.

Permission to depart is not granted to those persons who possess state secrets; recently served in the armed forces having a speciality connected with military secrets; and to those who serve prison sentences.

Only nominal procedural fees are paid by persons leaving the U.S.S.R. for permanent residence abroad.

In connection with the recent events in the Middle East, in October–December 1973 a number of applicants to leave for Israel has decreased by 28 percent in comparison with the same period in 1972.

The Soviet authorities have received more than one thousand appeals from former Soviet citizens who left the U.S.S.R. for Israel, asking for permission to come back.

Mr. MANSFIELD. May I say that, as far as I am concerned, on a trade basis, and a trade basis only, I would like to see a most-favored-nation agreement extended to the Soviet Union and those countries of Eastern Europe which are not participants in such an agreement at the present time, but I do think we ought to recognize that there is a distinct difference insofar as concerns the addendum to the trade agreement being considered with the Soviet Union on the one hand and the People's Republic of China on the other. The distinguished Senator having been in China, I think he is well aware of that fact.

Mr. GRIFFIN. Mr. President, I might respond by saying that if actually there is no problem with respect to emigration policy in the People's Republic of China—if there are no large numbers of people who desire to, but cannot, leave the country—them, of course, there should be no particular objection to having the same policy apply.

But looking at the merits, it seems to me that the majority leader has just made an important point. During the last several years, while our relations with the Soviet Union have been improving, the number of Jews who have been allowed to leave the Soviet Union has greatly increased, year by year. As I understand it, the numbers have gone from something like 10,000 to 30,000 a year, during the past several years. Most of the Jews who have sought to emigrate—but not all—have been allowed to emigrate.

The PRESIDING OFFICER. The 3 minutes yielded to the Senator from Oregon have expired.

Mr. MANSFIELD. Mr. President, I yield 1 minute.

Mr. GRIFFIN. In other words, I believe that we would be better off to leave the Jackson amendment-type conditions out of our trade agreements with either country.

I thank the Senator from Oregon for yielding me this time.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Berry, one of its reading clerks, announced that the House had passed a bill (H.R. 5525) to declare that certain mineral interests are held by the United States in trust for the Chippewa Cree Tribe of the Rocky Boy's Reservation, Mont., in which it requested concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills:

S. 969. An act relating to the constitutional rights of Indians;

S. 1341. An act to provide for financing the economic development of Indians and Indian organizations, and for other purposes;

S. 1836. An act to amend the act entitled "An Act To Incorporate the American Hospital of Paris," approved January 30, 1913 (37 Stat. 654); and

S. 2441. An act to amend the act of February 24, 1925, incorporating the American War Mothers to permit certain stepmothers and adoptive mothers to be members of that organization.

The enrolled bills were subsequently signed by the Acting President pro tempore (Mr. Metcalf).

APPOINTMENT BY VICE PRESIDENT

The ACTING PRESIDENT pro tempore. The Chair, on behalf of the Vice President, in accordance with Public Law 85–474, appoints the Senator from Michigan (Mr. Griffin) to attend the Interparliamentary Union Meeting, to be held in Bucharest, Romania, April 15–20, 1974.

HOUSE BILL REFERRED

The bill (H.R. 5525) to declare that certain mineral interests are held by the United States in trust for the Chippewa Cree Tribe of the Rocky Boy's Reservation, Mont., was read twice by its title and referred to the Committee on Interior and Insular Affairs.

TRANSACTION OF ROUTINE MORNING BUSINESS

The PRESIDING OFFICER (Mr. Hathaway). Under the previous order, there will be a period for the transaction of routine morning business for not to exceed 15 minutes, with statements therein limited to 5 minutes.

A CABLE FROM SAIGON

Mr. KENNEDY. Mr. President, as I indicated to the Senate yesterday, last week I received a thoughtful and significant reply from Secretary of State Kissinger to my March 13 letter of inquiry concerning current American policy toward Indochina. The Secretary's letter of March 25, which I inserted in yesterday's Record, is a welcome clarification of this administration's view of the Paris agreement, and our country's continued involvement in Vietnam and all of Indochina.

I know that other Members of the Senate share my appreciation for the Secretary's candor and responsiveness to congressional inquiries, especially over Indochina where troubling questions persist over the character and purpose of our country's policy, and the level of our involvement.

I regret, however, that the Secretary's honesty and willingness to clarify U.S. policy is apparently not shared by our Ambassador to Saigon.

Mr. President, I recently received a copy of a cable—labeled "Confidential"—sent to the Department of State by Ambassador Graham Martin in Saigon. The subject of the cable—dated March 21—is "Senator Kennedy's Letter on Indochina Policy." On the face of it, the cable raises the most profound questions about which country and whose interests Ambassador Martin is truly representing. And, as he did so directly in an earlier cable which he asked to have released, he again links alleged decisions in Hanoi with legitimate public and congressional concern over the course of American policy in Vietnam.

I shall ask unanimous consent to insert the full text of Ambassador Martin's cable in the Record, but I wish to underscore two sentences that should outrage every Member of this body, and every Member of the Congress.

In his advice to the Department of State as to how it should reply to my letter of inquiry, Ambassador Martin states:

> I think it would be the height of folly to permit Kennedy . . . the tactical advantage of an honest and detailed answer to the questions of substance raised in his letter.

The Ambassador goes on to say:

> I would suggest a very short routine reply from the Assistant Secretary for Congressional Relations . . .

The cable speaks for itself, and Secretary Kissinger should be commended for not following the Ambassador's advice that a Member of the Senate should not be given honest answers to questions of substance in a significant area of public policy and concern.

Furthermore, Mr. President, the Senate should also be aware of Ambassador Martin's unwarranted interference in field investigations of U.S. foreign aid expenditures by investigators of the General Accounting Office—GAO. Not only has the Ambassador intervened at the highest levels of the GAO to curb their inquiries, but he has repeatedly made every effort to restrict the investigators' access and use of information in the Embassy files. And he has even attempted to censor the transfer of GAO information from Saigon to Washington. The Refugee Subcommittee, which I serve as chairman, and other committees in the Congress have requested inquiries by the GAO. The Ambassador should be reminded that the GAO is an arm of Congress, and not the Ambassador in Saigon or the U.S. Mission in Vietnam.

It is distressing to me, Mr. President, as it is to many of our colleagues, that after all we had gone through in Vietnam—after all the deception we have witnessed over our involvement in Indochina—and after years of debate that nearly tore our society apart—we should still have an Ambassador in Saigon who does not believe the American people deserve honest answers, and who continues to practice the old techniques of coverup and deception for a cause the people no longer support.

This raises serious questions about the qualifications and representation of the American Ambassador to Saigon.

Mr. President, I ask unanimous consent that the full text of Ambassador Martin's cable be printed in the Record.

There being no objection, the text of the cable is ordered to be printed in the Record, as follows:

Senator Kennedy's Letter on Indochina Policy

1. It seems rather clear that the Shipler article and the reaction to Embassy Saigon's comment thereon has had the effect of upsetting the timetable of those whose objective it is to aid Hanoi by seriously crippling the RVN through a drastic reduction of economic and military aid. The central effort was to be mounted later against the authorizing and appropriation process for FY 75.

2. I think it would be the height of folly to permit Kennedy, whose staff will spearhead this effort, the tactical advantage of an honest and detailed answer to the questions of substance raised in his letter. While as an individual Senator he has the right to raise them, they are not questions which either fall within the purview of his subcommittee or which should be answered to him as an individual Senator so close before the full administration position is presented to the Foreign Affairs and the Foreign Relations Committees. The list of questions is clearly drawn to thoroughly mix up apples and oranges. Any substantive answer would permit another calculated campaign of distortion that would preempt the attention the presentation of the administration's case should receive.

3. Therefore, I would suggest a very short routine reply from the assistant secretary for congressional relations stating that the department had noted his letter and was sure that its substance would be thoroughly covered in the testimony to be given in the near future by the executive branch witnesses before the appropriate congressional committees which would consider foreign assistance legislation for FY 74.

4. I personally believe the interests of U.S. Policy would be best served by stopping there. However, if it is thought essential to take cognizance of the next-to-last paragraph of the letter another short paragraph might be added. It should state that since a considerable number of Members of Congress had asked the Comptroller General of the United States to investigate precisely the same matters to which Ambassador Martin had called attention, the department would prefer to defer comment until the Comptroller General's investigation had been completed.

Martin.

QUORUM CALL

Mr. KENNEDY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATORS METZENBAUM AND ROBERT C. BYRD ON WEDNESDAY, APRIL 10, 1974

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, after the two leaders or their designees have been recognized under the standing order on Wednesday, April 10, 1974, the distinguished Senator from Ohio (Mr. Metzenbaum) be recognized for not to exceed 15 minutes; and that he be followed by the junior Senator from West Virginia (Mr. Robert C. Byrd) for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME LIMITATION ON ROTH AMENDMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent—and this has been cleared on the other side—that at such time as the distinguished Senator from Delaware (Mr. Roth) brings up his amendment No. 1121, to S. 3044, the Federal Election Campaign Act of 1971, there be a time limitation of one-half hour to be equally divided and controlled in accordance with the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT TO 11 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, when the Senate completes its business today, it stand in adjournment until 11 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. METZENBAUM) laid before the Senate the following letters, which were referred as indicated:

STANDARDS PROMULGATED BY THE COST ACCOUNTING STANDARDS BOARD

A letter from the Chairman, Cost Accounting Standards Board, transmitting, pursuant to law, standards promulgated by that Board (with accompanying papers). Referred to the Committee on Banking, Housing and Urban Affairs.

REPORT OF NATIONAL RAILROAD PASSENGER CORPORATION

A letter from the Director, Federal Affairs, National Railroad Passenger Corporation (Amtrak), transmitting, pursuant to law, a report of that Corporation, for the month of November, 1973 (with an accompanying report). Referred to the Committee on Commerce.

PUBLICATION OF FEDERAL POWER COMMISSION

A letter from the Chairman, Federal Power Commission, transmitting, for the information of the Senate, a publication entitled "Federal and State Commission Jurisdiction and Regulation of Electric, Gas, and Telephone Utilities, 1973" (with an accompanying document). Referred to the Committee on Commerce.

REPORT ON DELIVERIES OF EXCESS DEFENSE ARTICLES

A letter from the Assistant Secretary for Congressional Relations, Department of State, transmitting, pursuant to law, a report on deliveries of excess defense articles, for the second quarter of fiscal year 1974 (with an accompanying report). Referred to the Committee on Foreign Relations.

REPORTS OF COMPTROLLER GENERAL

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Telling America's Story to the World—Problems and Issues," U.S. Information Agency, dated March 25, 1974 (with an accompanying report). Referred to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Some progress in Improving Management of Government Owned and Leased Real Property Overseas," Department of State, dated March 28, 1974 (with an accompanying report). Referred to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Problems in the Homeownership Opportunities Program for Low-Income Families," Department of Housing and Urban Development, dated March 27, 1974 (with an accompanying report). Referred to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Observations on Housing Allowances and the Experimental Housing Allowance Program," Department of Housing and Urban Development, dated March 28, 1974 (with an accompanying report). Referred to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Examination of Financial Statements of the Tennessee Valley Authority for fiscal year 1973," dated March 27, 1974 (with an accompanying report). Referred to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The Emergency Employment Act: Placing Participants in Nonsubsidized Jobs and Revising Hiring Requirements," Department of Labor, dated March 29, 1974 (with an accompanying report). Referred to the Committee on Government Operations.

PROPOSED AMENDMENT OF CONCESSION CONTRACT

A letter from the Deputy Assistant Secretary of the Interior, transmitting, pursuant to law, a proposed amendment of the concession contract at the Overton Beach site of Lake Mead National Recreation Area (with accompanying papers). Referred to the Committee on Interior and Insular Affairs.

TEMPORARY ADMISSION OF CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, orders relating to the temporary admission of certain aliens into the United States (with accompanying papers). Referred to the Committee on the Judiciary.

WITHDRAWAL OF ALIENS RELATING TO SUSPENSION OF DEPORTATION

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, reporting, pursuant to law, on the withdrawal of Mr. Mohsen Shakerin, A13 732 759, in the case of suspension of deportation. Referred to the Committee on the Judiciary.

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, reporting, pursuant to law, on the withdrawal of Juan Escarpita-Tena, A19 045 498, involving suspension of deportation. Referred to the Committee on the Judiciary.

REPORT ON DEFECTOR ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, reporting, pursuant to law, on certain defector aliens (with accompanying papers). Referred to the Committee on the Judiciary.

REPORT OF U.S. COMMISSIONER OF EDUCATION

A letter from the United States Commissioner of Education, transmitting, pursuant to law, dated March 31, 1974 (with accompanying papers). Referred to the Committee on Labor and Public Welfare.

PROSPECTUS FOR ALTERATION TO FEDERAL BUILDING-POST OFFICE-COURTHOUSE, MISSOULA, MONT.

A letter from the Administrator, General Services Administration, transmitting, pursuant to law, a prospectus for alteration to the Federal Building-Post Office-Courthouse, at Missoula, Mont. (with accompanying papers). Referred to the Committee on Public Works.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CRANSTON, from the Committee on Labor and Public Welfare, without amendment:

S. 3203. A bill to amend the National Labor Relations Act to extend its coverage and protection to employees of nonprofit hospitals, and for other purposes (Rept. No. 93-766).

By Mr. STEVENS, from the Committee on Commerce, without amendment:

S. 3038. A bill to authorize and direct the Secretary of the Department under which the U.S. Coast Guard is operating to cause the vessel *Miss Keku*, owned by Clarence Jackson, of Juneau, Alaska, to be documented as a vessel of the United States so as to be entitled to engage in the American fisheries (Rept. No. 93-767).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. HATFIELD:

S. 3284. A bill to reform and simplify the Federal individual income tax. Referred to the Committee on Finance.

By Mr. MANSFIELD:

S. 3285. A bill to extend most-favored-nation treatment to products of the Peoples Republic of China. Referred to Committee on Finance.

By Mr. KENNEDY:

S. 3286. A bill to amend the Social Security Act to establish a national health insurance program for all Americans within the social security system, to improve the benefits in the medicare program including a new program of long-term care, to improve Federal programs to create the health resources needed to supply health care, to provide for the administration of the national health insurance program and the existing social security programs by a newly established independent Social Security Administration, to provide for the administration of health resource development by a semi-independent Board in the Department of Health, Education, and Welfare, and for other purposes. Referred to the Committee on Finance.

By Mr. BAKER (for himself and Mr. BUCKLEY) (by request):

S. 3287. A bill to amend the Clean Air Act as amended and for other purposes. Referred to the Committee on Public Works.

By Mr. COTTON:

S. 3288. A bill to provide effective relief from disruptive imports of nonrubber footwear in a manner that will be fair to producers, workers, and consumers. Referred to the Committee on Finance.

By Mr. JACKSON:

S. 3289. A bill to amend the Act of August 10, 1939 (53 Stat. 1347), and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. JAVITS (by request):

S. 3290. A bill to improve and extend the Public Health and National Health Service Corps Scholarship Training Program. Referred to the Committee on Labor and Public Welfare.

By Mr. BELLMON:

S. 3291. A bill to return to the Congress, through the implementation of procedural reforms, the ability to insure that rules and regulations promulgated through the administrative process shall reflect the intent of Congress. Referred to the Committee on the Judiciary.

By Mr. PASTORE (for himself and Mr. AIKEN):

S. 3292. A bill to authorize appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes. Referred to the Joint Committee on Atomic Energy.

By Mr. DOMENICI:

S. 3293. A bill to authorize the Atomic Energy Commission in consultation with the U.S. Environmental Protection Agency to enter into cooperative agreements with certain States to contain and render harmless uranium mill tailings, and for other purposes. Referred to the Joint Committee on Atomic Energy.

By Mr. WILLIAMS:

S. 3294. A bill to provide that employees of States and political subdivisions thereof shall be subject to the provisions of the National Labor Relations Act; and

S. 3295. A bill to guarantee the right of employees to organize and bargain collectively which safeguards the public interest and promotes the free and unobstructed flow of commerce. Referred to the Committee on Labor and Public Welfare.

By Mr. STEVENSON (for himself and Mr. PERCY):

S. 3296. A bill to amend the Soldiers and Sailors Civil Relief Act. Referred to the Committee on Armed Services.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HATFIELD:

S. 3284. A bill to reform and simplify the Federal individual income tax. Referred to the Committee on Finance.

Mr. HATFIELD. Mr. President, today I am introducing a major new tax proposal that I have called Simpliform. The standard deduction would be eliminated as well as most itemized deductions of a nonbusiness nature. Personal exemptions would also be eliminated but would be replaced by a personal exemption credit of $250 per adult.

This would reduce the income tax form to four lines—the present form 1040 has over 64 lines. The taxpayer would merely state one, his gross income; two, his gross tax; three, credit for exemptions; and four, his net tax or refund. Everyone would be treated the same. Everyone would use this form.

Rates would also be lower. They would go from 10 percent on incomes under $10,000 to 50 percent on incomes over $1 million. The present range is from 14 percent to 70 percent.

Ralph Nader's Tax Reform Research Group said of Simpliform, "no hocus-pocus with numbers: honest reform."

Simpliform would:

Double the tax base from $500 billion to $1 trillion: this allows tax rates to be cut on the average by half.

The tax form goes from 64 lines to 4. The number of tax brackets goes from 27 to 9. The number of tax rate tables goes from four to one.

All dollars are treated equally; each adult receives a $250 tax credit, replacing the present system of personal exemptions which treats persons unequally—for the wealthy person in the 70-percent bracket, his $750 personal exemption is worth $535 whereas a less affluent person in the 14-percent bracket is valued by the Government at only $105.

All personal itemized deductions are eliminated, which means a much lower rate schedule: for a couple it means no taxes below $5,000, 10 percent up to $10,000, 15 percent up to $15,000 and so on with a maximum rate of 50 percent for incomes over $1 million.

Additionally, Simpliform will greatly reduce the cost of preparing, collecting and enforcing taxes from the present level of $2 billion annually.

That is the structure of my proposal.

The heart of the proposal lies in making our antiquated tax system not only more fair but simpler to comply with and to administer.

In a recent interview published in U.S. News & World Report, the new Commissioner of Internal Revenue, Donald Alexander, stated:

> I would like to have a simpler tax code and tax form, one which is better understood by more people.

He went on to say:

> Pressure toward simplification is going to come from ordinary people, not pressure groups, who are willing to see some shifts of a minor nature in the tax burden in order to get real reform.

Simpliform would achieve Commissioner Alexander's aim.

There is little doubt that a sense of unrest characterizes the mood of the American taxpayer. Yet, efforts to adjust the present tax code to make it more equitable have only made it more difficult for the individual to determine his actual liability. Sophisticated techniques and a major industry have been created to cope with the ever-increasing forms and format. Somehow, this keeps working to the disadvantage of the small taxpayer—or so it seems to him.

Let us see how a family would come out under Simpliform and how it compares with current law. Let us say that a family has two young children and a combined salary of $12,500 per year. Under current law, the family takes the standard deduction, four exemptions and the parents file jointly. Tax bill: $1,300. Under Simpliform the "Gross Income" on line 1 is $12,500 and the "Gross Tax" on line 2 is $1,375. But the family get two credits of $250 each on line 3. Subtracting these from line 2, the "Net Tax" on line 4 is $875—a saving of $425.

Tax Analysts and Advocates, a public interest tax law and research group, has estimated that in fiscal year 1975 "tax expenditures" for individuals will amount to $78 billion. In other words, some $78 billion will escape taxation through loopholes and incentives created by Congress over the years. The distinguished Senator from Minnesota (Mr. MONDALE) has recently noted one of the effects of this leakage—the fact that 402 Americans with incomes of over $100,000 paid no tax at all in 1973. Incidentally, I was pleased to see that Senator MONDALE is also interested in replacing the personal exemption with a tax credit, and I have asked that I be made a cosponsor of S. 2906, the Senator's bill to achieve that goal.

All of us are aware of the erosion of the tax base, and how it bears upon the tax rates charged to middle-income Americans. All of us are eager for a thoroughgoing reform of the tax structure, for a system that is both equitable and simple. Our problem is that we all and tax breaks. Simpliform will wipe the want to protect our own special loopholes slate clean by eliminating them all. It may well be that Congress will wish to reinstate some deductions, such as that for business expenses. But if deductions are maintained, let it be on the basis of their merits, and not their longevity of service to special interests.

Simpliform would eliminate loopholes and lay the tax burden where it belongs—on those who can bear it.

Mr. President, today I am introducing my Simpliform proposal. I also have a copy of my 1972 statement to the Republican platform committee, and the report of the Nader Tax Reform Research Group. I should like to direct the particular attention of Senators to the platform committee statement, for it contains a great deal of useful information on Simpliform's benefits for senior citizens, entrepreneurs, middle-income earners, and single persons.

I ask unanimous consent that my 1972 Republican platform committee statement on Simpliform, the report of the tax reform research group, and the text of the bill be printed at this point in the RECORD.

There being no objection, the items were ordered to be printed in the RECORD, as follows:

REPUBLICAN PLATFORM COMMITTEE TESTIMONY 1972

(By Senator MARK O. HATFIELD)

Mr. Chairman, we are all familiar with two aspects of our Federal income tax system which are wrong: it is much too complicated and it is not as fair as it could and should be.

It is horribly complicated and confusing when:

Nearly $2 billion are spent in filling out tax forms and even then the more than 50,000 "tax preparers" cannot get it right most of the time. In fact, former Treasury Secretary John Connally pointed out that a Treasury survey of such returns found 97% inaccurate.

The income tax form has grown from 18 lines to 63 lines, not counting the multitude of additional schedules. And the book of instructions is so complex that even college graduates cannot understand all of it.

A Treasury official (quoted in the Washington Evening Star News, August 4, 1972) stated that "if we don't simplify taxes, the system will fall on its own weight . . . the seeds of decay are growing."

As a matter of fact, even the Internal Revenue Service with its 70,000 employees cannot complete the tax forms properly any more. In a test by the Wall Street Journal (April 12, 1972) five different IRS offices came up with five different tax results for the same taxpayer.

When the tax system has reached this point, we must all admit it is in a shambles. Even acknowledged tax experts say "they are knowing less and less about more and more." From a one paragraph amendment to the Constitution, the income tax has emerged as a hydra-headed monster that now takes more than a 6-foot bookshelf to contain its laws and regulations.

We also know that the tax system is not fair: a Harris Poll last year found that 69% of the public had joined the "tax revolt"—up from 43% two years earlier. The tax system is unfair when 21,317 persons in 1969 with incomes over $20,000, including 56 millionaires, paid no taxes whatsoever.

People with income under $2,000 paid one-half of this in all forms of taxes (federal, state, and local), as computed by the U.S Census Department in its 1970 Census, at the same time that one multi-millionaire paid $500 and another paid $4,500 in federal income taxes, which is less than they make in one hour. The rest of us end up paying about 30% of our income in all forms of taxes regardless of the income level despite the alleged progressive nature of the federal income tax that should rectify all this.

The Congress and the Treasury have tried to correct these admitted deficiencies in the tax system. It was tried in 1954, 1964, and finally in the "Tax Reform Act of 1969." An attempt was made to fill loopholes but more were created. It seems as though an effort was made to achieve reform through complexity but only more complexity resulted. The 1969 Act became so complex it was labeled "The Lawyers and Accountants Relief Act of 1969" by the Assistant Secretary of the Treasury for Taxation. A year after reform 3,000 people with incomes over $30,000 still paid no taxes.

We have tried reform through making the tax laws more complicated but only succeeded in the latter. It is now high time we aim for tax reform through simplification to achieve both.

What I am proposing today owes its genesis to many individuals. It is a direction in which I believe we should move and a vehicle for discussion and perhaps improvement. I offer it in anticipation of major tax reform efforts during the next Congress in order that we in the Congress might examine as many of the complexities and implications of our present system as possible—and hopefully produce a better tax system.

I call my approach the "Simpliform" system. This is how it would work.

We would move to a simple gross income tax system eliminating all deductions except the personal exemption. (This resembles state income tax laws in Indiana and Pennsylvania.) This would mean more than 90% of our taxpayers could complete their form on a small IBM card using only four lines: total income, gross tax, credit for personal exemptions, and net tax (or refund) due.

All income flows (wages, salaries, interest, dividends) would be subject to a 10% withholding at the sources. The payers of such income flows would (as now except for interest and dividends) send copies of such withholdings to both the IRS and the taxpayer. At the end of the year the taxpayer would simply attach the withholding forms to his "simpliform" tax card, fill in the four lines, and that would be it.

The mathematics are quite simple: in rough orders of magnitude, in 1972 there was a total personal income tax base of about $914 billion (based on a Brookings Institution study by Drs. Okner and Pechman). A 10% withholding rate across the board would bring in $91 billion, roughly the current yield ($86.5 billion in fiscal 1972). The exemptions would be in the form of a straight dollar "tax credit" of $250 per adult (over 18). (Under a 10% tax rate their tax credits would be equivalent to a $2,500 adult deduction compared to the current $750 deduction under present law.) These personal exemptions would reduce the revenue yield by about $28 billion. However, this amount will be more than recouped by the progressive surtax provisions I propose to keep in the income tax in accord with our tradition of "ability-to-pay." (To raise additional revenue, a surcharge should be made on the actual amount paid, rather than increasing the specific surtax.)

It might be asked, why use "tax credits" instead of "deductions" from the total income base? The answer is simple equity; it would give each person the same dollar tax break. Under the present law a person in the 70 percent tax bracket gets a $525 tax cut for his exemption whereas a person in the bottom 14 percent bracket only benefits by $105. My plan gives to each one equally: $250 per adult—18 years old and above. (Children are required here as "choices" for parental consumption expenditures in our age of targeted "zero population growth." There is no reason why single or married individuals without children should have to "subsidize" other people's children, which is what the present system does. Obviously poor families are still taken care of under welfare.)

Would this "proportional" 10% tax rate system be "progressive" that is, be based on our tradition of "ability to pay"? Yes, in fact, while the present system is supposedly "progressive" it turns out to be "proportional because of loopholes." My system would be "progressive because of the use of personal credit exemptions. Thus, under my system a family of four would pay no taxes below a level of $5,000. At that point ($5,000) the tax rate would rise from zero and approach 50% at the level of $1 million under my surtax provisions. This is accomplished by a "surtax" of 5% on income between $10,000–$15,000; 10% between $15,000–$20,000; 15% between $20,000–$25,000; 20% between $25,000–$50,000; 25% between $50,000–$100,000; and 30% between $100,000–$5000,000; 35 between $500,000–$1,000,000; and 40% on incomes over $1 million. Thus, establishing a top bracket rate of 50% (10% base plus 40% surtax). (At present the actual top rate on upper incomes is not the 70% statutory rate, but is really an average 32%). This surtax would not complicate the system for nearly one-half of all American families have incomes below $10,000 and would hardly be difficult for those above the $10,000 bracket to compute—indeed, it would resemble many state income tax systems in its simple 5% brackets. This is illustrated in the following table:

SIMPLIFORM INCOME TAX SYSTEM

[Assume family of 4: 2 adult tax credits of $250–$500; in thousands of dollars]

Tax bracket (thousands of dollars)	0 to 10	10 to 15	15 to 20	20 to 25	25 to 50	50 to 100	100 to 500	500 to 1,000	1,000 plus
Marginal tax rate (highest)	10 percent	15 percent	20 percent	25 percent	30 percent	35 percent	40 percent	45 percent	50 percent.
Tax (before $500 2-adult credit)	10 percent	$1,000+15 percent above $10,000.	$1,750+20 percent above $15,000.	$2,750+25 percent above $20,000.	$4,000+30 percent above $25,000.	$11,500+35 percent above $50,000.	$29,000+40 percent above $100,000.	$189,000+45 percent above $500,000.	$414 ,000+50 percent above $1,000,000.
Illustrative tax (on middle of income tax bracket):									
Sample income	$7,500 [1]	$12,500	$17,500	$22,500	$37,500	$75,000	$300,000	$750,000	$2,000,000.
Tax	$250	$875	$1,750	$2,875	$7,250	$19,750	$108,500	$301,000	$91,3500.
Average tax rate	3.3 percent	7 percent	10 percent	12.8 percent	19.3 percent	26.3 percent	36.2 percent	40.1 percent	45.7 percent.

[1] No tax on 2-adult family with income $5,000 and below; $7,500 taken as middle of 1st taxable range of $5,000 to $10,000.

An important question might be raised: Would not the "middle income" American lose by eliminating deductions for property taxes, mortgage interest, medical expenses and charitable contributions? No, he would only be treated more fairly. On the average those with incomes below $20,000—86% of all families—will gain by this new system. Under the present law the "middle income" American is really subsidizing the rich. The "middle income" American, say in the 20% tax bracket, gets the benefit of 20 cents on the dollar for his property taxes, interest payments, contributions, etc.—the wealthy get up to 70 cents on the dollar for the same activities. Why should the "middle income" American pay higher taxes so the rich can deduct $70 of a $100 ticket to a Charity Ball when he gets only a 20 cents tax break for each dollar he puts in the church collection plate? Why should he pick up the tab for 70% of the tax and interest payments on a $200,000 mansion? By my system the "middle income" American could get direct relief through special grants or credits for property tax reductions. In addition, the homeowner and renter would be treated equally. So would those who bother to "itemize" and those who use the standard deduction. Instead of medical deductions favoring the wealthy, he would get better medical care through expanded health insurance programs, Medicare, and Medicaid, and federally-funded improved health care delivery systems provided by these tax savings. Let's not complicate our tax system to give "welfare" to the rich when we can get lower property taxes and better health care by a more direct and cheaper method.

The "middle-income" homeowner might ask: Wouldn't I still be better off taking my itemized deductions? Doesn't the Simpliform System only help those taking the standard deduction?"

The answer is definitely NO—unless you now pay interest on a mortgage with a remaining balance well over $40,000 and pay, in addition, well over $1,000 in property taxes.

For example, a family of four earning $15,000 a year would pay only $1,250 (or 8.3 per cent) under Simpliform. Under the present system (1972) the family taking the standard deduction would pay $1,930 in taxes (or 12.9 per cent). If the family took the average deductions now taken by half the families that itemize (average amount for a $15,000 family is $2,600), the tax would still be $1,688 (or 11.3 per cent)—and the family would still gain under Simpliform by some $418—worth a 25 per cent tax reduction compared to present law.

What the present system does is NOT to benefit the middle income homeowner who itemizes—what it does is to charge him a higher average tax rate so that the wealthier families with $100,000 homes get by with a lower tax bill. Under Simpliform the family with $15,000 in income, a $50,000 home, the average $1,000 for medical insurance, contributions, and miscellaneous deductions would still come out ahead by about 25 per cent less tax than under the present system.

What Simpliform really does is to tax income equally among income groups—and then to equalize tax breaks between the middle-income groups and the very rich. Itemized deductions and other preferences such as for capital gains may lower the average tax rate on the middle income family by a few percentage points (as in the $15,000 example) from 13 per cent to 11 per cent—but that family could get a bigger break—down to only 8 per cent under Simpliform. The reason why he now doesn't get that full tax break is that these very same deductions and preferences that give him 2 or 3 percentage points reduce the average tax rate of those earning over $50,000 by 20 to 30 percentage points! Thus, the millionaire goes from a tax rate above 60 per cent down to almost 30 percent—while the middle-income American thinks he's the big winner by getting a reduction from 13 to 11 per cent.

How would this "Simpliform" system work in practice for different income groups? The following table may help: (based on a family of four now taking the standard deduction). (I have included the social security "tax" on employee wages to provide a consolidated income and social security tax rate on earned income.)

Family income	Present system					Simpliform				
	Income tax	Social security tax	Total	Rate	Average rate, percent excluding social security	Income tax	Social security tax	Total	Rate	Average rate, percent excluding social security
$2,000	0	$100	$100	5. 0	0	0	$100	$100	5. 0	0
$4,000	$39	200	239	6. 0	1. 0	0	200	200	5. 0	0
$5,600	271	280	551	9. 8	4. 8	60	280	340	6. 1	1. 1
$8,000	672	400	1, 072	13. 4	8. 4	300	400	700	8. 75	3. 75
$10,000	1, 000	450	1, 450	14. 5	10. 0	500	450	950	9. 5	5. 0
$12,000	1, 342	450	1, 792	14. 9	11. 1	800	450	1, 250	10. 4	6. 7
$15,000	1, 996	450	2, 446	16. 3	13. 3	1, 250	450	1, 700	11. 3	8. 3
$20,000	3, 210	450	3, 660	18. 3	16. 1	2. 250	450	2, 700	13. 5	11. 3
$25,000	4, 636	450	5, 086	20. 3	18. 5	3, 500	450	3, 950	15. 8	14. 0
$50,000	14, 960	450	15, 410	30. 8	29. 9	11, 000	450	11, 450	22. 9	22. 0
$100,000	42, 660	450	43, 110	43. 1	42. 7	28, 500	450	8, 950	29. 0	28. 5

Note: Negative tax equals refund. Present system based on 1971 income tax tables. Social security tax based on a 5-percent tax on first $9,000 income. (Actual 1972—5.2 percent.)

Notice that the "Simpliform" system would reduce taxes for all income groups based on combined federal income tax (and/or social security tax payments) and using the standard deductions) substantially benefit, especially those below $20,000. The overall equivalent yield of "Simpliform" at much lower tax rates is based on the elimination of "itemized deductions" plus the inclusion of all income (half of capital gains, tax-exempt bond interest, etc.) which are now excluded from the tax base.

How would business and entrepreneurs be affected? Full capital gains would be included in our income tax base. (This would require a separate form for the 5% of the population who receive capital gains; for those in mutual funds, capital gains would be reported the same as dividends or other ordinary income and included on the same simple 4-line "Simpliform" requiring no other schedule).

But remember the top rate for most Americans would still be well below 25%, which is the rate for most capital gains under the so-called alternative schedule used by most capital gainers, so there would be no direct change. (The highest marginal rate does not go above 25% until $25,000 in income.) (At present capital gains tax rates range between 7–35% but the predominant bulk is at 25%). For those earning between $50,000–$100,000 the rate would go to only 35% which is now the maximum rate. For those earning over $100,000, the highest rate would still be 40% until $500,000. But this is more than compensated for by the reduction in the top rate of 70% down to an average 41% on ordinary income for a millionaire. Overall incentives will be increased for business enterprise.

Indeed, for a young single executive who now faces marginal income tax bracket rates of 40% by the time he reaches $23,500, he will still be in the 25% tax bracket under "Simpliform." Those just below $50,000 will face only a 30% bracket under "Simpliform," as contrasted to 60% under present law. Incentives thus will be increased rather than diminished for rising young executives. And they will not have to waste time worrying about converting ordinary income to long-term gains because all will be called simple income under my system.

How will the senior citizen fare under Simpliform? He may now think he is getting a real break by getting a double personal exemption for being over 65 and by having his from the federal income tax. Nothing could be farther from the truth.

This supposed advantage is really illusory over what the system could be under Simpliform. Now the senior citizen is really subsidizing the rich retired person at the cost of his own living standard. And this is why.

The double personal exemption means nothing to the retired citizen who has so little income he pays low taxes anyway. If he does pay taxes, the extra exemption of $750 means $525 to the person in the 70 percent bracket but only $105 to the person in the 14 per cent tax bracket. Under Simpliform he gets $250 credit for his equivalent "personal exemption" now in the tax income—and this is the same for everyone, rich or poor. All senior citizens get the same—thus most would get more because no longer will the few get five times as much as the modest retired citizens.

Likewise, taxing social security benefits will mean no taxes for the majority of retired couples whose retirement income is below $5,000—for under Simpliform no couple pay federal income taxes below that level. For retired citizens above that level of income the system will no longer favor the millionaire over the retired average senior citizen. As it works now, the exemption of retirement income from the federal income tax means that the millionaire gets the "before-tax equivalent" of $3,333 for every $1,000 in pensions whereas the person in the bottom tax bracket gets only the "before-tax equivalent" of $1,163—almost a third less.

Thus by taxing social security benefits we can give the same retirement benefit to the modest senior citizen as to the rich. Now the wealthy social security recipient benefits at the cost of all others. Above, all, by equalizing social security benefits within the tax system—we can save the money to increase social security benefits for most. No longer will the modest retired have to subsidize the wealthy retired.

Indeed, under Simpliform the retired couple with income (from all sources) below $5,000 won't be taxed at all; with those having incomes between $5,000 and $10,000, the small tax of 10 percent on their social security and other income above $5,000 will be more than compensated for by the possible increases in social security benefits—as in the 20 percent just legislated this summer—and for those with substantial pensions and other incomes, the lower average tax rates under Simpliform will be easy to bear. At least the very rich won't get the equivalent of $10,000 for pre-tax income they now get from a $3,000 social security pension—at the same time those with modest retired incomes hardly benefit from this tax loophole at all—indeed are prevented from getting higher social security benefits because of it.

The tax savings under Simpliform in this area alone would allow an increase in social security benefits—after taxes—for those with retirement incomes below $20,000—by simply recouping the lost taxes from those above $20,000 in retirement income who now pay no taxes on retirement income.

How does Simpliform aid the young—say those between 18 to 24 or 30? Surely the present system does not.

Now the young are penalized severely by the system. Instead of equal opportunity to find a place in the sun of economic benefit, they come up against a tax system that:

Favors the married over the single (by income-splitting provisions that reduce the tax rate for married workers).

Favors the homeowner with his deductions for property taxes and mortgage interest as against the mobile renter—who still pays taxes and interest in higher rent payments **but doesn't get the deductions.**

Favors the older, wealth-holders over younger income-earners who don't have capital gains from long-held wealth.

Favors the large family over the newer smaller family or single person by the federal income tax subsidy in the form of personal exemptions for children.

In dollars and cents what does this mean?

It means that a single young man or woman is taxed over one-third of every additional dollar by the time he or she earns over $17,500. For the older—and usually wealthier and well-established—married man with two children, that tax bracket won't be reached until over $25,000. Under Simpliform—both will be treated equally—but both won't reach that 33 percent tax bracket until $50,000.

The beginning young person earning $5,000 faces a federal income tax bill of over $500—or about 10 percent under the present system. Under Simpliform this will be cut in half—he would only pay $250.

For the young couple who rent an apartment and make $10,000 a year: Under the present system this couple would pay over $1,200 in federal income taxes. Under Simpliform the tax would be only $500—much less than half.

Simpliform says simply that the tax system should not favor the homeowner over the renter, those who prefer large families to those who are single or who prefer small families, those who are married over those who are single, or those who are old as against those who are young.

The tax system can be both simple and fair. I believe Simpliform is both.

Let me now summarize some of the simple arithmetic and actual shift in tax burdens of this proposal with some tables prepared for me by the Congressional Research Service:

TAX YEAR 1972

AGI	Income tax	Social security tax	Total tax liability	Total tax rate	Income tax rate
PRESENT TAX SYSTEM					
One-member family:					
2,200	0	104	104	5.2	0
4,000	306	208	514	12.9	7.6
5,600	609	291	900	16.1	10.9
8,000	1,105	416	1,521	19.0	13.8
10,000	1,530	468	1,998	20.0	15.3
12,000	1,952	468	2,420	20.2	16.3
15,000	2,702	468	3,170	21.1	18.0
20,000	4,255	468	4,723	23.6	21.3
25,000	6,090	468	6,558	26.2	24.4
50,000	18,540	468	19,008	38.0	37.1
100,000	51,192	468	51,660	51.7	51.2
2-member family:					
2,000	0	104	104	5.2	0
4,000	174	208	382	9.6	4.4
5,600	422	291	713	12.7	7.5
8,000	853	416	1,269	15.9	10.7
10,000	1,190	468	1,658	16.6	11.9
12,000	1,534	468	2,002	16.7	12.8
15,000	2,150	468	2,618	17.5	14.3
20,000	3,400	468	3,868	19.3	17.0
25,000	4,860	468	5,328	21.3	19.4
50,000	15,310	468	15,778	31.6	30.6
100,000	43,080	468	43,548	43.5	43.1
3-member family:					
2,000	0	104	104	5.2	0
4,000	67	208	275	6.8	1.7
5,600	302	291	593	10.6	5.4
8,000	710	416	1,126	14.1	8.9
10,000	1,048	468	1,516	15.2	10.5
12,000	1,371	468	1,839	15.3	11.4
15,000	1,985	468	2,453	16.4	13.2
20,000	3,198	468	3,666	18.3	16.0
25,000	4,620	468	5,088	20.4	18.5
50,000	14,935	468	15,403	30.8	29.9
100,000	42,630	468	43,098	43.1	42.6
4-member family:					
2,000	0	104	104	5.2	0
4,000	0	208	208	5.2	0
5,600	189	291	480	8.6	3.4
8,000	573	416	989	12.4	7.2
10,000	905	468	1,373	13.7	9.1
12,000	1,228	468	1,696	14.1	10.2
15,000	1,820	468	2,288	15.3	12.1
20,000	3,010	468	3,478	17.4	15.1
25,000	4,380	468	4,848	19.4	17.5
50,000	14,560	468	15,028	30.1	29.1
100,000	42,180	468	42,648	42.6	42.2
5-member family:					
2,000	0	104	104	5.2	0
4,000	0	208	208	5.2	0
5,600	81	291	372	6.6	1.4
8,000	446	416	862	10.8	5.6
10,000	763	468	1,231	12.3	7.6
12,000	1,086	468	1,554	13.0	9.1
15,000	1,655	468	2,123	14.2	11.0
20,000	2,823	468	3,291	16.5	14.1
25,000	4,170	468	4,638	18.6	16.7
50,000	14,185	468	14,643	29.3	28.4
100,000	41,730	468	42,198	42.2	41.7
6-member family:					
2,000	0	104	104	5.2	0
4,000	0	208	208	5.2	0
5,600	0	291	291	5.2	0
8,000	326	416	742	9.3	4.1
10,000	620	468	1,088	10.9	6.2
12,000	943	468	1,411	11.8	7.9
15,000	1,490	468	1,958	13.1	9.9
20,000	2,635	468	3,103	15.5	13.2
25,000	3,960	468	4,428	17.7	15.8
50,000	13,820	468	14,288	28.6	27.6
100,000	41,280	468	41,748	41.7	41.3
SIMPLIFORM TAX SYSTEM					
2-adult family:					
2,000	0	104	104	5.2	0
4,000	0	208	208	5.2	0
5,600	60	291	351	6.3	1.1
8,000	300	416	716	9.0	3.8
10,000	500	468	968	9.7	5.0
12,000	800	468	1,268	10.6	6.7
15,000	1,250	468	1,718	11.5	8.3
20,000	2,250	468	2,718	13.6	11.3
25,000	3,500	468	3,968	15.8	14.0
50,000	11,000	468	11,468	22.9	22.0
100,000	28,500	468	28,968	29.0	28.5
One-adult family:					
2,000	0	104	104	5.2	0
4,000	150	208	358	9.0	3.8
5,600	310	291	601	10.7	5.5
8,000	550	416	966	12.1	6.9
10,000	750	468	1,218	12.2	7.8
12,000	1,050	468	1,518	12.7	8.0
15,000	1,500	468	1,968	13.1	10.5
20,000	2,500	468	2,968	14.8	12.5
25,000	3,750	468	4,218	16.9	15.0
50,000	11,250	468	11,718	23.4	22.5
100,000	28,750	468	29,218	29.2	28.8

Note: All calculations are based on the following assumptions: (1) 1 wage earner per family and all income is from wages for purposes of social security tax computation; (2) the most advantageous of either the low-income allowance or the percentage standard deduction is used; (3) all families are assumed to file a joint return except for the 1-member family which files as a single individual.

In conclusion, it is time to think anew and act anew to solve the mess of our present tax system. It is both too complex and unfair—and attempts to make it more fair have succeeded in making the system only more complex. We have tried the route of filling loopholes and making marginal adjustments. It is time to "redo" the system from the bottom up. We can do it. We can make a substantial simplification which also brings reform—for the poor, for the elderly, for the business entrepreneur, and for the overburdened and overbothered middle class.

My "Simpliform" approach is a way of fresh "new thinking" about tax reform. I do not know all the answers and my proposals are not yet ready to be carved in granite, but the call for tax reform continues and I submit this proposal so that it might be included in that discussion.

HATFIELD "SIMPLIFORM" REAL

The Administration continues to rail against tax reform and to insist it isn't needed, but some Republicans are getting down to business. Senator Mark Hatfield, (R-Ore.) recently presented a plan to simplify and reform the federal income tax to the Republican Platform Committee. Hatfield's plan, worked out by Professor Harley Hinrichs of the U.S. Naval Academy at Annapolis, is the real thing. No hocus-pocus with numbers: honest reform.

Hatfield calls his plan "Simpliform," from the form his system would use. The form has only four lines (the current Form 1040 has over 64.) The taxpayer merely has to state 1) His gross income; 2) His gross tax; 3) Credit for exemptions; and 4) His net tax or refund.

CUTS LOOPHOLES

Hatfield's plan does more than just make the form simpler. It cuts the complexity out of the tax laws themselves; and that means cutting out loopholes. Under "Simpliform," there would be no more capital gains loophole, no more loophole for interest on state and local bonds, no more itemized deductions, and no more personal exemptions—in short, no more tax favors for the wealthy. Simpliform treats everyone the same.

That's why the tax form can be so simple.

Rates would be simpler too. Instead of the current 27 tax brackets there would be nine. And a single rate table would replace the four we have now.

Rates would also be lower. They would go from 10% on incomes under $10,000 to 50% on incomes over $1 million. The present range is from 14% to 70%. Lower rates are one bonus from closing loopholes.

Even though rates would be lower, "Simpliform" would be more progressive than the current law. Middle-income taxpayers would come out ahead. And the very rich, though paying more, would still have ample amounts left over for themselves. Professor Hinrichs estimates that the average family making under $20,000 would pay less tax than it does now. The average millionaire, who now pays 32% of his income in taxes, would pay 45%. And families making less than $5000 would pay no tax at all.

One reason Hatfield's plan is more progressive is that it gets rid of personal exemptions and puts tax credits in their place. An exemption is a chunk out of taxable income; the higher one's tax bracket, the more benefit he gets. Tax credits, on the other hand, the taxpayer subtracts right from his tax bill; so the poor man gets as much as the rich.

Hatfield proposes a tax credit of $250 for each family member of 18 years and older. Why no credits for children? So that single people and families without children would no longer have to subsidize other people's kids.

COMPARE

Let's compare (roughly) how a family comes out under Hatfield's "Simpliform" plan, with how it fares under current law. Our family has two young children and a combined salary of $12,500 per year. Under current law, the family takes the standard deduction, four exemptions, and the parents file jointly. Tax bill: $1300. Under "Simpliform" the "Gross Income" on line 1 is $12,500 and the "Gross Tax" on line 2 is $1375. But the family gets two "Credits" of $250 each on line 3. Subtracting these from line 2, the "Net Tax" on line #4 is $875—a $425 savings!

We hope the White House and its water-carriers in the Treasury will stop grinding out anti-tax reform statistics and arguments long enough to study Hatfield's plan. It deserves their attention—and the attention of serious tax reformers as well.

S. 3284

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Simpliform Tax Act".

(b) Amendment of 1954 Code.—Except as otherwise expressly provided, whenever in this Act a reference is made (by way of amendment, repeal, or otherwise) to a section, chapter or other provision, the reference shall be considered to be made to a section, chapter, or other provision of the Internal Revenue Code of 1954.

(c) Technical and Conforming Changes.—The Secretary of the Treasury or his delegate shall, as soon as practicable but in any event not later than 90 days after the date of enactment of this Act, submit to the Committee on Ways and Means of the House of Representatives a draft of any technical and conforming changes in the Internal Revenue Code of 1954 which are necessary to reflect throughout such Code the changes in the substantive provisions of law made by this Act.

EFFECTIVE DATE

Sec. 2. Except as otherwise provided the amendments and repeals made by this Act shall apply to taxable years beginning after the date of the enactment of this Act.

REPEALS

Sec. 3. (a) The following provisions in chapter 1 (relating to normal taxes and surtaxes) are repealed:

(1) Section 4 (relating to rules for optional tax).

(2) Section 35 (relating to partially tax-exempt interest received by individuals).

(3) Section 37 (relating to retirement income).

(4) Section 41 (relating to contributions to candidates for public office).

(5) Part VI of subchapter A (relating to minimum tax for tax preferences).

(6) All sections in part III of subchapter B (relating to items specifically excluded from gross income), except—

(A) section 101 (relating to certain death benefits),

(B) section 102 (relating to gifts and inheritances),

(C) section 104 (relating to compensation for injuries or sickness),

(D) section 105 (relating to amounts received under accident and health plans),

(E) section 106 (relating to contributions by employer to accident and health plans),

(F) section 109 (relating to improvements by lessee on lessor's property),

(G) section 110 (relating to income taxes paid by lessee corporation),

(H) section 115 (relating to income of States, municipalities, etc.),

(I) section 118 (relating to contributions to the capital of a corporation), and

(J) section 124 (relating to cross references to other Acts).

(7) All sections in part IV of subchapter B (relating to standard deductions for individuals) except section 143 (relating to determination of marital status).

(8) Part V of subchapter B (relating to deductions for personal exemptions).

(9) Section 163 (relating to interest).

(10) Section 164 (relating to taxes).

(11) Section 170 (relating to charitable, etc., contributions and gifts).

(12) All sections in part VII of subchapter B (relating to additional itemized deductions for individuals (except—

(A) section 211 (relating to allowance of deductions),

(B) section 212 (relating to expenses for production of income), and

(C) section 215 (relating to alimony, etc., payments).

(13) Subchapter D (relating to deferred compensation, etc.).

(14) Section 6013 (relating to joint returns of income tax by husband and wife).

(b) All provisions of law (other than the provisions of subtitle A of the Internal Revenue Code of 1954, as amended by this Act), and all administrative regulations or rulings which exempt or exclude items of income from the tax imposed by such subtitle A shall have no force or effect for taxable years beginning after the date of the enactment of this Act.

"(c) Nonresident Aliens.—In the case of a nonresident alien individual, the tax imposed by subsections (a) and (b) shall apply only as provided by section 871 or 877.

"Sec. 2. Community Property Laws Not To Apply.

"For purposes of this subtitle, the income of a married taxpayer shall be determined without regard to the property laws of any State under which any part of the income of a married individual is treated as the income of his spouse.

"The income is:	*The Surtax is:*
"Over $10,000 but not over $15,000	5% of the excess over $10,000.
"Over $15,000 but not over $20,000	$250 plus 10% of the excess over $15,000.
"Over $20,000 but not over $25,000	$750 plus 16% of the excess over $20,000.
"Over $25,000 but not over $50,000	$1,500 plus 20% of the excess over $25,000.
"Over $50,000 but not over $100,000	$6,500 plus 25% of the excess over $50,000.
"Over $100,000 but not over $500,000	$19,000 plus 30% of the excess over $100,000.
"Over $500,000 but not over $1,000,000	$169,000 plus 35% of the excess over $500,000.
"Over $1,000,000	$344,000 plus 40% of the excess over $1,000,000.

RATE OF TAX ON INDIVIDUALS

Sec. 4. Part I of subchapter A of chapter 1 (relating to tax on individuals) is amended to read as follows:

"Part I—Tax on Individuals

"Sec. 1. Tax imposed.
"Sec. 2. Community property laws not to apply.
"Sec. 3. Cross references relating to tax on individuals.

"Sec. 1. Tax Imposed.

"(a) Basic Tax.—There is imposed on the income of every individual a tax of 10 percent.

"(b) Surtax.—There is imposed on the income of every individual a surtax in accordance with the following table:

"Sec. 3. Cross References Relating to Tax on Individuals.

"(a) Other Rates of Tax on Individuals, Etc.—

"(1) For rates of tax on nonresident aliens, see section 871.

"(2) For computation of tax where taxpayer restores substantial amount held under claim of right, see section 1341.

"(3) For limitation on tax attributable to claims against the United States involving acquisitions of property, see section 1347."

PERSONAL EXEMPTION CREDIT

Sec. 5. (a) Subpart A of part IV of subchapter A of chapter 1 is amended by redesignating section 42 as 43 and by inserting after section 41 the following new section:

"Sec. 42. Personal Exemption.

"(a) Allowance of credit.—There shall be allowed to an individual as a credit against the tax imposed by this subtitle for the taxable year, are amount equal to—

"(1) $250 for the taxpayer,

"(2) $250 for the spouse of the taxpayer (unless such spouse files a separate return), and

"(3) $250 for each dependent of the taxpayer who is 18 years of age or older.

"(b) Definition of Dependent.—For purposes of this section, the term 'dependent' means any of the following individuals over half of whose support, for the calendar year in which the taxable year of the taxpayer begins, was received from the taxpayer (or is treated under subsection (c) or (e) as received from the taxpayer):

"(1) A son or daughter of the taxpayer, or a descendant of either,

"(2) A stepson or stepdaughter of the taxpayer,

"(3) A brother, sister, stepbrother, or stepsister of the taxpayer,

"(4) The father or mother of the taxpayer, or an ancestor of either,

"(5) A stepfather or stepmother of the taxpayer,

"(6) A son or daughter of a brother or sister of the taxpayer,

"(7) A brother or sister of the father or mother of the taxpayer,

"(8) A son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law of the taxpayer,

"(9) An individual (other than an individual who at any time during the taxable year was the spouse, determined without regard to section 153, of the taxpayer), who, for the taxable year of the taxpayer, has as his principal place of abode the home of the taxpayer and is a member of the taxpayer's household, or

"(10) An individual who—

"(A) is a descendant of a brother or sister of the father or mother of the taxpayer,

"(B) for the taxable year of the taxpayer receives institutional care required by reason of a physical or mental disability, and

"(C) before receiving such institutional care, was a member of the same household as the taxpayer.

"(c) Rules Relating to Definition of Dependent.—For purposes of this section—

"(1) The terms 'brother' and 'sister' include a brother or sister by the halfblood.

"(2) In determining whether any of the relationships specified in subsection (a) or paragraph (1) of this subsection exists, a legally adopted child of an individual (and a child who is a member of an individual's household, if placed with such individual by an authorized placement agency for legal adoption by such individual), or a foster child of an individual (if such child satisfies the requirements of subsection (b) (9) with respect to such individual), shall be treated as a child of such individual by blood.

"(3) The term 'dependent' does not include any individual who is not a citizen or national of the United States unless such individual is a resident of the United States, of a country contiguous to the United States, of the Canal Zone, or of the Republic of Panama. The preceding sentence shall not exclude from the definition of 'dependent' any child of the taxpayer—

"(A) born to him, or legally adopted by him, in the Philippine Islands before January 1, 1956, if the child is a resident of the Republic of the Philippines, and if the taxpayer was a member of the Armed Forces of the United States at the time the child was born to him or legally adopted by him, or.

"(B) legally adopted by him, if, for the taxable year of the taxpayer, the child has as his principal place of abode the home of the taxpayer and is a member of the taxpayer's household, and if the taxpayer is a citizen or national of the United States.

"(4) A payment to a wife which is includible in the gross income of the wife under section 71 or 682 shall not be treated as a payment by her husband for the support of any dependent.

"(5) An individual is not a member of the taxpayer's household if at any time during the taxable year of the taxpayer the relationship betwen such individual and the taxpayer is in violation of local law.

"(d) Multiple Support Agreements.—For purposes of subsection (b), over half of the support of an individual for a calendar year shall be treated as received from the taxpayer if—

"(1) no one person contributed over half of such support;

"(2) over half of such support was received from persons each of whom, but for the fact that he did not contribute over half of such support, would have been entitled to claim such individual as a dependent for a taxable year beginning in such calendar year;

"(3) the taxpayer contributed over 10 percent of such support; and

"(4) each person described in paragraph (2) (other than the taxpayer) who contributed over 10 percent of such support files a written declaration (in such manner and form as the Secretary or his delegate may by regulations prescribe) that he will not claim such individual as a dependent for any taxable year beginning in such calendar year.

"(e) Determination of Marital Status.—For purposes of this section—

"(1) the determination of whether an individual is married shall be made as of the close of his taxable year; except that if his spouse dies during his taxable year such determination shall be made as of the time of such death; and

"(2) an individual legally separated from his spouse under a decree of divorce or of separate maintenance shall not be considered as married.

"(f) Cross References.—

"(1) For definitions of 'husband' and 'wife', as used in subsection (c)(4), see section 7701(a)(17).

"(2) For deductions of estates and trusts, in lieu of the credit under this section, see section 642(b)."

(b) The table of sections for such part is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 42. Personal exemption.

"Sec. 43. Overpayments of tax."

(c) Section 143(b)(1) is amended by striking out "deduction" and inserting "credit", and by striking out "section 152" and "section 151" and inserting in each place "section 42".

(d) Section 46(a)(3)(B) (relating to the investment credit) is amended to read as follows:

"(B) section 42 (relating to personal exemptions), and".

(e) Section 172(d)(3) (relating to net operating loss deduction) is amended to read as follows:

"(3) Estates and trusts.—No deduction shall be allowed for the personal exemption allowed an estate or trust under section 642(b)."

(f) Section 443(c) (relating to return for short period) is amended by striking out "a deduction under section 151 (and any deduction in lieu thereof)" and inserting in lieu thereof "as a credit under section 42 or a deduction under section 642(b)".

(g) The last sentence of section 642(b) (relating to estates and trusts) is amended to read as follows: "The deductions allowed by this subsection shall be in lieu of the credits allowed under section 42 (relating to credit for personal exemptions."

(h) Section 703(a)(2) (relating to partnership computations) is amended by striking out subparagraph (B).

(i) Paragraph (3) of section 873(b) (relating to nonresident aliens) is amended to read as follows:

"(3) Credit for personal exemption.—Except in the case of a nonresident alien individual who is a resident of a contiguous country, only one credit shall be allowed for exemptions under section 42."

(j) Section 891 (relating to citizens of foreign countries) is amended by striking out "under section 151 and".

(k) Section 933(1) (relating to residents of Puerto Rico) is amended by striking out "(other than the deductions under section 151, relating to personal exemptions)".

(l) Section 1211 (b)(3) (relating to deduction of capital losses) is amended by striking out "the deductions provided in section 151 (relating to personal exemptions) or any deduction in lieu thereof" and inserting in lieu thereof "any deduction allowed by section 642 (b)".

(m) Section 1402(a) (relating to self-employment income) is amended by striking out paragraph (7).

GAINS AND LOSSES ON PROPERTY HELD AT DEATH OR TRANSFERRED BY GIFT

SEC. 6. (a) Part II of subchapter B of chapter 1 (relating to items specifically included in gross income) is amended by adding at the end thereof the following new sections:

"SEC. 84. GAINS AND LOSSES ON PROPERTY AT TIME OF DEATH

"(a) In General.—Upon the death of an individual, there shall be taken into account in computing taxable income for the taxable period in which falls the date of his death, a percentage (determined under subsection (c)) of the gains and losses which would have been realized and taken into account in computing taxable income (of the decedent or some other person) if all the property (other than property described in subsection (b)) required to be included in determining the value of the decedent's gross estate under chapter 11 had been sold immediately before his death at the estate tax fair market value. This subsection shall not apply unless the aggregate amount of such fair market value exceeds $60,000.

"(b) Excluded Property.—Subsection (a) shall not apply to—

"(1) property which passes or has passed from the decedent to his surviving spouse and which qualifies for the deduction provided by section 2056;

"(2) property which passes or has passed to a corporation, organization, or other entity described in section 2055 and which qualifies for the deduction provided by such section;

"(3) items of gross income in respect of a decedent described in section 691; or

"(4) any other property includable in the gross estate of the decedent under chapter 11 for which basis is not provided for in section 1014(a).

"(c) Rules for Application of Subsection (a).—For purposes of subsection (a)—

"(1) The estate tax fair market value of property is the fair market value of the property at the date of the decedent's death, or, in the case of an election under section 2032, its value at the application valuation date prescribed by that section.

"(2) If the aggregate adjusted basis of all property subject to the provisions of subsection (a) is less than $60,000, and the gains under subsection (a) (without the application of this paragraph) exceed the losses, then the aggregate adjusted basis of such property shall be increased to $60,000.

"(3) Losses shall be taken into account without regard to the provisions of section 1091.

"(4) The percentage of gains and losses taken into account shall be determined in accordance with the following table:

"For taxable years beginning:	*The percentage is:*
Less than 1 year after the date of enactment of the Tax Reform Act of 1973.	0 percent.
One year or more but less than 2 years after such date.	20 percent.
Two years or more but less than 3 years after such date.	40 percent.
Three years or more but less than 4 years after such date.	60 percent.
Four years or more but less than 5 years after such date.	80 percent.
5 years or more after such date____________	100 percent.

"(d) Time for Filing Return.—If subsection (a) applies to the taxable year, the time for filing the return for such year shall be the date nine months after the date of the decedent's death if such date is later than the time prescribed in section 6072 for filing such return.

"(e) Liability With Respect to Property Transferred Before Death.—If gain is taken into account under subsection (a) with respect to property transferred by the decedent during his lifetime, the executor shall be entitled, unless the decedent directs otherwise in his will, to recover from the transferee of such property the amount of income tax imposed with respect to such gain.

"SEC. 85. GAINS AND LOSSES ON INTER VIVOS GIFTS.

"(a) In General.—In the case of the transfer of property by an individual by inter vivos gift, there shall be taken into account in computing taxable income for the taxable period in which the transfer was made, the gain or loss which would have been realized and taken into account in computing taxable income if the taxpayer had sold the property at its fair market value at the time of the transfer.

"(b) Exceptions.—

"(1) in general.—Subsection (a) shall not apply to a transfer of property, to the extent that, at the time of the transfer, the aggregate fair market value of—

"(A) property (including the transferred property) held by the taxpayer, and

"(B) property previously transferred by the taxpayer after the date of the enactment of the Simpliform Tax Act,

does not exceed $60,000.

"(2) Gifts to spouse.—Subsection (a) shall not apply to a transfer of property to the taxpayer's spouse."

(b)(1) Section 1014(b) (relating to basis of property acquired from a decedent) is amended by striking out paragraphs (5) and (6).

(2) Paragraph (9) of section 1014(b) is amended by inserting "and" at the end of subparagraph (A), by striking out subparagraph (B) and by redesignating subparagraph (C) as subparagraph (B).

(3) Section 1015 (relating to basis of property acquired by gifts and transfers in trust) is amended by adding at the end thereof the following new subsection:

"(e) Property Subject to Tax Upon Transfer.—If the property was acquired by gift in a transfer to which section 85(a) (relating to gains and losses on inter vivos gifts) applied, the basis shall be the fair market value of the property at the time of the transfer."

(4) Section 6161(a) (relating to extension of time for paying tax) is amended—

(A) by inserting "or income tax for a decedent's final taxable period" after "estate tax" in paragraph (1),

(B) by inserting "and income tax on gains at death" after "Estate tax" in the heading of paragraph (2), and

(C) by inserting at the end of paragraph (2)(A) "or of any part of the tax imposed by chapter 1 attributable to the application of section 84,".

(5) Section 6166 (relating to extension of time for payment of estate tax where estate consists largely of interest in closely held business) is amended—

(A) by inserting "AND INCOME TAX ON GAINS AT DEATH" after "ESTATE TAX" in the heading, and

(B) by redesignating subsections (j) and (k) as (k) and (l), respectively, and by inserting after subsection (i) the following new subsection:

"(j) Tax on Gains at Death.—Under regulations prescribed by the Secretary or his delegate, the provisions of this section shall apply with respect to so much of the tax imposed by chapter 1 as is attributable to the application of section 84 (relating to gains and losses on property at time of death) in the same manner as it applies to the tax imposed by section 2001."

(c) Section 84 of the Internal Revenue Code of 1954 (as added by subsection (a)) and the amendments made by paragraphs (1), (2), (5), and (6) of subsection (b) shall apply with respect to decedents dying after the date of the enactment of this Act. Section 85 of such Code (as added by subsection (a)) and the amendments made by paragraphs (3) and (4) of subsection (b) shall apply with respect to transfers of property by inter vivos gift after such date.

TREATMENT OF CAPITAL GAINS

Sec. 7. (a) Section 1201 (b) (relating to other taxpayers) is amended by inserting "or an individual" after "other than a corporation".

(b) Section 1202 (relating to deduction for capital gains) is amended by inserting "or an individual" after "other than a corporation".

(c) Section 1211 (relating to limitation on capital losses) is amended by—

(1) inserting "or an individual" after "other than a corporation" in subsection (a),

(2) inserting "or an individual" after "other than a corporation" in paragraph (1) of subsection (b), and

(3) striking out paragraph (2) and redesignating paragraph (3) as (2).

SPECIFIC INCLUSIONS IN GROSS INCOME

Sec. 8. (a) Part II of subchapter B of chapter 1, as amended by section 6, is amended by adding at the end thereof the following new section:

"Sec. 86. Social Security and Welfare Payments.

"There shall be included in gross income monthly insurance benefits paid under title II of the Social Security Act to the taxpayer and any other cash benefits paid (other than a lump sum payable on account of death) to the taxpayer under such Act or any other Act of the United States or of any State providing for the payment of money to individuals in order to enable them to purchase food, clothing, and shelter and otherwise provide for their general welfare."

(b) The table of sections of such part is amended by adding at the end thereof the following new item:

"Sec. 86. Social security and welfare payments."

(c) Section 74 (relating to prizes and awards) is amended to read as follows:

"Sec. 74. Prizes and Awards.

"Gross income includes amounts received as prizes and awards, including amounts received as scholarships and fellowship grants."

(d)(1) Section 274(a) (relating to entertainment, amusement, or recreation expenses) is amended to read as follows:

"(a) Entertainment, Amusement, or Recreation.—No deduction otherwise allowable under this chapter shall be allowed for any item with respect to an activity which is of a type generally considered to constitute entertainment, amusement, or recreation, or with respect to a facility used in connection with such activity. For purposes of this subsection—

"(1) dues or fees to any social athletic, or sporting club or organization shall be treated as items with respect to facilities, and

"(2) an activity described in section 212 shall be treated as a trade or business."

(2) Section 274(e) (relating to specific exceptions to application of subsection (a)) is amended by striking out paragraph (1) (relating to business meals).

MISCELLANEOUS AMENDMENTS

Sec. 9. (a) Section 62 (relating to adjusted gross income defined) is amended by striking out paragraphs (3) and (8) and redesignating paragraphs (4), (5), (6), (7), and (9) as (3), (4), (5), (6), and (7), respectively.

(b) The text of section 63 (relating to taxable income defined) is amended to read as follows:

"For purposes of this subtitle the term 'taxable income' means gross income minus the deductions allowed by this chapter."

WITHHOLDING

Sec. 10. (a) Section 3402 (relating to income tax collected at source) is amended by—

(1) striking out subsections (b), (c), (f), and (m), and

(2) amending subsection (a) to read as follows:

"(a) Requirement of Withholding.—Every employer making payment of wages shall deduct and withhold upon such wages (except as otherwise provided in this section) a tax of 10 percent.".

(b) Subsection (p) (relating to extention of withholding to certain payments other than wages) is amended by—

(1) striking "General rule." in paragraph (1) and inserting in lieu thereof "Supplemental unemployment compensation benefits and annuities.",

(2) redesignating paragraphs (1) through (3) as (2) through (4), respectively,

(3) striking "paragraph (1)" in paragraph (3)(A) (as redesignated by this Act) and inserting in lieu thereof "paragraph (2)", and

(4) inserting before paragraph (2) (as redesignated by this Act) the following new paragraph:

"(1) In general.—Under regulations prescribed by the Secretary or his delegate, any person making a payment of interest, a dividend, or any other payment subject to tax under chapter 1, shall deduct and withhold upon such payment a tax of 10 percent. For purposes of this chapter (and so much of subtitle F as relates to this chapter) any such payment shall be treated as if it were a payment of wages by an employer to an employee for a payroll period."

By Mr. MANSFIELD:

S. 3285. A bill to extend most-favored nation treatment products of the Peoples Republic of China. Referred to Committee on Finance.

(The discussion of this bill, when Senator Mansfield introduced it, is printed earlier in the Record.)

By Mr. KENNEDY:

S. 3286. A bill to amend the Social Security Act to establish a national health insurance program for all Americans within the social security system, to improve the benefits in the medicare program including a new program of long-term care, to improve Federal programs to create the health resources needed to supply health care, to provide for the administration of the national health insurance program and the existing social security programs by a newly established independent Social Security Administration, to provide for the administration of health resource development by a semi-independent board in the Department of Health, Education, and Welfare, and for other purposes. Referred to the Committee on Finance.

Mr. KENNEDY. Mr. President, I send a bill to the desk and ask that it be appropriately referred.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

Mr. KENNEDY. Mr. President, the legislation which I have introduced this afternoon parallels exactly legislation which is being introduced by Chairman Wilbur Mills of the Ways and Means Committee in the House of Representatives. It is designed to provide a comprehensive health insurance program for all Americans as a matter of right.

This legislation has accepted features from a variety of health programs which have been debated over the period of the past 5 years.

Five years ago, I introduced S. 3, the Health Security Act, and reintroduced it in each succeeding Congress since then. Our Health Subcommittee has held hearings across the country on various aspects of that bill's approach to solving our health care crisis. Other health measures have been introduced to deal with particular health care needs, such as the catastrophic proposals introduced by the Senator from Louisiana (Mr. Long) and the Senator from Connecticut (Mr. Ribicoff).

A significant part of that proposal has been grafted into our legislation. The administration's proposal, which expand dramatically their benefits package over their earlier bill, has also been used in our bill. There are also some essential principles of S. 3, the Health Security Act, which have been included in the bill.

The concept of one, uniform system for all Americans has been incorporated. It proposes basically a universal coverage. It does not provide one system for people in one economic class and a different system for those in another class. It provides one system for all.

Another feature that has been accepted from S. 3 is its comprehensive benefits package. The benefits package which has been included in this legislation is essentially the benefits package included in S. 3.

Mr. President, there are also important cost and quality controls carried over from S. 3 in this bill. One of the essential features of S. 3 is to provide for perspective budgeting of health care institutions. We have maintained the concept of prospective budgeting based on State and area planning agencies.

One extremely important quality control which is built in involves expanding the PSRO concept to cover all services. This concept has been accepted by the Senate as an amendment to medicare by the distinguished Senator from Utah (Mr. Bennett) some years ago.

The bill also includes another imaginative feature of S. 3, namely, a Health Resources Development Board, recognizing the need for the development of additional manpower, facilities, and services, as well as a more imaginative and creative delivery system to meet the increase in the demand for services. The Health Resources Development Board will be an important factor during the period of transition to broader coverage and in helping to meet some areas of critical need in planning and development of resources in the future.

So, these are the important features in the bill:

A single system for all Americans—universal coverage;

Comprehensive benefits;

More equitable contributions according to income, and

Cost and quality controls.

Basic reform of the health care system, with a Health Resources Development Board.

These essential aspects come from S. 3, the Health Security Act.

There are certain provisions in the bill about which I have some serious reservations; but which, nonetheless, were included in an effort to make important progress for the American people. Every year we have failed to achieve health security, the American people have paid for it in terms of increased premiums on their health insurance and increased costs in the health care area of their budget, and, in many instances, in the deterioration of services.

So, in the development of this legislative proposal, I have accepted some features which were not included in S. 3, and which concern me.

I plan to watch these elements and to evaluate them in relationship to the development of our health care system and to adjust, change or eliminate them as the need arises in the future. I feel this way about deductibles and coinsurance, although the provisions we have included in our measure are less harsh and less costly than those that have been included in the administration's proposal.

I also have reservations about the role for the insurance carriers in the bill, which is roughly comparable to that which has been provided for them under the medicare program.

These are the two provisions which have been included about which I have some reservations. We are building upon the medicare record in the development of this program, which gives a role for the insurance carriers. They will also be able to augment and supplement social security coverage by providing supplementary coverage, to cover the deductibles and co-insurance. We in Congress can provide oversight of this area; and if there is an abuse in those particular areas, we will be able to take corresponding action.

Finally, Mr. President, there is one important addition this bill considers which we do not include in S. 3, and that is a long term care program for our elderly. That program was not included in S. 3 nor in the administration's program. In this case I think we are feeling our way in an area of great importance and need for the elderly people of this country. I am hopeful that we will be able to meet some of the needs for the elderly in this area.

In all respects, I think we have made important progress. In the debate of National Health Insurance. We recognize, as I introduce this measure today, the ideas and contributions that have been made by a number of Members of this body in their active concern for providing decent, quality health care as a right for all Americans, and I believe that this bill represents their best judgment at this time.

I remind the Members that this measure is costed out at exactly the same price as the administration's program; I urge their serious consideration of the measure.

Mr. President, 5 years ago, I introduced the Health Security Act, a far-reaching proposal for national health insurance into the Senate. Since that time, I have reintroduced this proposal in both the 92d and 93d Congresses, with broadening support from America's labor movement, from numerous national organizations, and from millions of Americans at the grass roots level in communities across the Nation. I am proud to be associated with this movement begun by Walter Reuther and his Committee of 100 for National Health Insurance—and continued today under the chairmanship of Leonard Woodcock, and with the strong support of the AFL–CIO.

I will continue to work for the principles of health security that have made this movement great. I believe we will fulfill these principles in our Nation. Good health care must be guaranteed to all Americans as a matter of right. We must eliminate financial barriers to health care by enacting a universal program of comprehensive health insurance that is paid for equitably according to a family's income. We must improve and expand our health care system to control costs and assure that high quality care is available to every American in every community across our Nation. To obtain these objectives, we must make the Social Security Administration the health insurer for all Americans.

The program of national health insurance that I have introduced in the Senate today, with Chairman MILL's sponsorship in the House of Representatives, represents a practical embodiment of these principles that can be enacted into law in the next year or two. There are elements of the proposal, such as deductibles and coinsurance, that I regret must be included. Nevertheless, I believe this proposal, far more than any other pending proposal, is a major step toward guaranteeing good health care as a right—and can be built upon in future years as necessary to further guarantee this right.

I will make every possible effort to obtain passage of this legislation. I believe it can form the basis of the effective consensus needed to enact major legislation. The program represents the fruits of 2 years of discussions between Chairman MILLS and myself. It accents the general benefit structure of the administration's proposal and costs the same as that proposal. It accepts the concepts of catastrophic coverage, assistance to low-income Americans, and regulation of private insurance policies developed by Senators LONG and RIBICOFF in their catastrophic Health Insurance and Medical Assistance Act of 1973. Above all, the proposal further develops proven concepts and approaches to national health insurance demonstrated to be effective under medicare.

I believe the time has come to build the consensus that will give national health insurance to America. I call on my fellow legislators and on the administration to join Chairman MILLS and me to this end.

Mr. President, I ask unanimous consent that a joint statement by myself and Representative MILLS, and a detailed description of the bill be printed in the RECORD. I also ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

JOINT STATEMENT OF CONGRESSMAN WILBUR D. MILLS AND SENATOR EDWARD M. KENNEDY, UPON INTRODUCTION OF THE COMPREHENSIVE NATIONAL HEALTH INSURANCE ACT OF 1974

We have been engaged in the United States in an extended period of study and debate on national health insurance. A large variety of proposals have been advanced by various members of the Congress, and we have recently received a major proposal from the Administration.

Such a period of study and debate is, of course, necessary as we consider legislation of farreaching importance. It is one of the strengths of our democracy that our process requires an attempt to reach wide consensus before major action. At the same time, if we are to be responsive to the clearly perceived needs of our Nation, at some point the debate must end, adjustment of opposing views must be worked out and action taken.

We are deeply aware that as the Congress and the Executive Branch have worked toward a solution, the problem has gotten worse. The cost of health insurance has been taking a larger and larger bite of the family budget, and out-of-pocket expenses for the services not covered by health insurance have been rising rapidly. Moreover, a larger and larger share of the worker's dollar goes for government-paid health programs like Medicare and Medicaid.

The effect of these factors has been to price millions of Americans out of health care, as well as to create a general feeling of helplessness in dealing with the situation. A family can buy cheaper cuts when meat prices go up, but where do you find a cheaper doctor to care for a child's earache?

Private health insurance has not proven adequate protection against costs for most Americans. For example, only a little more than one-half of the under-65 population has insurance against the costs of physicians' services at home or office. We will not detail here the problems of lack of coverage; of arbitrary limits and exclusions which people find when they attempt to claim benefits; and of individual policies which pay out only 58 cents of each dollar collected.

But the problems extend beyond costs. People who live in one of the 140 or so counties without any practicing physician face long drives and long waits to find a physician. It means going without needed medical care until the condition is so serious that attention can no longer be delayed. In this respect, the American family living in a ghetto has much in common with the rural family. Typically this family must wait in the long lines at hospital emergency rooms and suffer the overcrowded conditions of a poorly financed city hospital.

And the family living in the suburbs is

not without its problems in finding health care. Many a young family has moved into an area where physicians have stopped taking new patients. The search for quality medical care can then be difficult indeed. Even if this family finds a physician who will serve them, the problems are not over. They find themselves shunted back and forth in a maze of referring practitioners—specialists, subspecialists, laboratories, clinics and so on. Yet, in an emergency they will likely have to settle for whoever happens to be on duty in the emergency room of a nearby hospital.

The problems that pervade our present methods of financing and delivering health care are clearly not limited to one class of people or one area of the country. We are all involved in them and only through joint action will we solve them.

Sometime ago we jointly endorsed four basic principles of health care reform—and four basic guarantees of free choice to Americans.

1. *America has a responsibility to offer every American family quality health care whenever they need it, regardless of income, where they live, or any other factor.*

Every American must know that he can afford the cost of health services. Every doctor, hospital, or other provider must know that he will be paid for his services.

Every American should receive needed health services from the day he is born to the day he dies, including dental services and mental health services, with an emphasis on preventive care to keep him healthy.

Every American should have a doctor, hospital or some form of medical help near and ready to serve him and his family.

2. *The Federal Government should assume this responsibility by establishing a system of compulsory national health insurance which covers all Americans with a standard comprehensive set of basic benefits supplemented by protection against catastrophic costs.*

Americans should be covered for whatever form of care is most appropriate to their need, and no incentives created to overutilize or choose one form of care over another simply because it is paid for. Thus, the program should cover health care whether given in a hospital, in the doctor's office, and in other health care settings. Moreover, no American should face financial ruin due to catastrophic illness. He should be protected from financial disaster relative to his income. Finally, Americans should contribute to the cost of this coverage on the basis of their income.

3. *The national health insurance system should incorporate incentives and controls, (a) to assure that all health services are of high quality, well organized and efficiently delivered, and (b) to slow down inflation of health care costs.*

Simply by paying for office treatment, we can eliminate the existing incentives to hospitalize patients unnecessarily. Surveys show hospitalization is cut substantially when office treatment is fully covered.

National health insurance should be designed to provide incentives for physicians, hospitals and other providers to offer better care economically. The system must incorporate new ways of paying providers, such as prospective budgeting, as well as fee-for-service. The system must include strong cost and quality controls, such as peer review and conditions of participation and payment. Finally, the national health insurance system must standardize claims forms and processing procedures and otherwise simplify the process that physicians, hospitals, and other providers must go through to obtain payment.

Rather than simply passing dollars through to the providers, the health insurance mechanism must be used as a means of encouraging efficiency and improvements in the health care system.

4. *The national health insurance system must provide needed health service resources and develop higher quality, better organized and more efficient health services.*

We must specify this Nation's current and future needs for health services on a rational basis. Then we must invest the funds needed to develop additional health care resources in every community that needs them, or will need them as a result of national health insurance. We must invest in additional doctors, dentists, and nurses in ways that encourage them to enter the kinds of specialties, and practice in the parts of the country where we need them the most.

We must build the health facilities and buy the equipment that communities need.

And we must invest in new and better ways to get good health care to our people.

It is urgent that we create these expanded health care resources. A health resource development fund should be created to assure that funds to build resources are consistent with funds spent to buy health care. The need is already great—and it will become greater as national health insurance eliminates economic and other barriers to needed care.

Both those who offer health care and those who receive it—both doctor and patient—know that it is time for change. The challenge is to create a system whose incentives encourage health care that is best for both the provided and the patient. The challenge is to bring about this change in such a way that we meet every American's need for health care *while protecting every American's right of freedom of choice. Such a system can be built—and can make the following guarantees with regard to free choice:*

The Federal Government must not remove the freedom of every physician and every patient to choose where and how they will give or receive health care.

The Federal Government must not take over ownership of the various elements of the health care system.

Neither the Federal Government, nor any of its agents, should make any medical judgments in a patient's care; this function is reserved solely to the responsible physician and his peers.

The Federal Government should not make community policy, but should offer financial and technical support, and information and guidelines based on national planning to support local policy formulation.

We believe that the debate on national health insurance has reached the point where it is possible to build a consensus in the Congress in support of these principles and thus in support of a universal and comprehensive system of national health insurance. We are today jointly introducing a bill that we believe can form the basis for such a consensus.

ONE SYSTEM FOR ALL AMERICANS

Our bill follows the essential principle of one level of health care for all Americans. Every American regardless of the source of his income would be protected by the contributory health insurance system from the day he is born through old age. Medicaid is repealed and social security and welfare recipients are included in the program on a contributory basis. Each person will be protected under the National Health Insurance Program until he is eligible for Medicare.

BENEFITS

Our bill would provide benefits similar to those proposed by the Administration—that is, inpatient hospital services with no day or dollar limitation; physicians' services in home, office, or elsewhere with no dollar limitation; and a variety of other medical services which in general would be subject to an annual deductible of $150 and 25 percent coinsurance. However, we would not apply deductibles to preventive services of particular importance in promoting the health of the next generation—prenatal care, well-child care, dental care for children and so on. We believe it is of great importance to remove any possible barrier to the receipt of such care for children and to put a major emphasis in any national health insurance plan on protecting the health of children.

In addition, in comparison with the Administration's bill, our bill would lower the family deductible from three members at $150 to two members—or a limit of $300 rather than $450—and would lower the maximum amount for which any family would be liable in a year from $1,500 to $1,000. As one way of maintaining the cost of the benefits which we propose at approximately the same level as those proposed by the Administration, we are suggesting a somewhat more limited drug benefit. There is great administrative difficulty in launching a comprehensive drug insurance program and, in any event, we believe it is wise to start the program on a scale that minimizes these problems.

Our bill provides a catastrophic plan which covers the full cost of services included in the program after a family has incurred annual expenses of $1,000.

CONTINUOUS COVERAGE

While our proposed benefits are similar to those in the Administration's recent proposal, we have adopted a coverage approach that covers the worker from job to job as in social security and does not tie coverage to work with a particular employer. In this way, we avoid the gaps in protection and the complications inherent in any approach which rests on the concept of requiring each employer to pay protection for his own work force.

We propose to finance our contributory plan by having every employer pay the same percentage of payroll and every employee pay the same percentage of his earnings, as is the case in social security rather than, as in the Administration's plan, compelling employers and employees to pay the experience-rated costs of health care for the labor force of the particular employer. We are greatly concerned that experience-rated premiums, employer by employer, as in the Administration's plan, rewards the employer who refuses to hire older workers, handicapped workers, and all those who are most likely to have higher health costs.

The community-rated premium determined nationally in our plan calls for a contribution from employers of 3 percent of payroll up to an earnings level of $20,000 and a contribution from the employee of 1 percent of earnings up to $20,000. Those with unearned income but without earnings from work would also contribute under the program on the basis of contributions on their unearned income.

Although benefit costs are approximately the same as the Administration's plan, our approach saves over 5 percent of total benefit costs—which we have used for improved benefits—by relying on a social security collection approach and thus avoiding certain private insurance costs such as marketing.

SIGNIFICANT ROLE OF PRIVATE INSURANCE CARRIER

Under our proposal, private insurance and Blue Cross-Blue Shield plans would have a significant role in the administration of the program—as far as physician and other non-institutional services are concerned, their selection and role would differ from that now in use in the Medicare program. In addition, our bill would encourage private insurance to combine the basic government program with supplementary health benefits and other group insurance benefits in a variety of ways. For example, our bill would leave about one-half of a median-income family's health costs available for private insurance supplementation. But we see no purpose to be served and much difficulty and expense in the notion of running an essentially compulsory, government-required system through the existing marketing mechanism of private insurance.

NATIONAL HEALTH INSURANCE TRUST FUND

We propose that the contributions of employers and employees established on an average or national community-rated basis, be aside in a special National Health Insurance Trust Fund. The transactions of this trust fund and the transactions of all the trust funds of our comprehensive social security system would be separated out from the general budget just as they were prior to the fiscal year 1969 budget. In the case of this proposed National Health Insurance Plan and in all our social security programs, we are dealing with what is essentially a group insurance and retirement system operated by the government in trust for those covered by the program. These funds are not and should not be available for any other purpose and they do not belong in the general budget.

SEPARATE SOCIAL SECURITY AGENCY

Our bill sets up a new agency of government reporting directly to the President and headed by a bipartisan board. This new Social Security Board would be made up of the present Social Security Administration and in addition, would have responsibility for administering the new National Health Insurance Program. The Social Security Administration today, with its 70,000 employees and some 1,300 offices across the country and with responsibility for the social security cash benefit program, medicare and supplemental security income, is already one of the largest agencies of government and in any event, should not be a subordinate part of some other agency. Even more importantly, however, the concept of social security as a group insurance-retirement system calls for a separate board administration and an independence from politics.

HEALTH DEVELOPMENT RESOURCES BOARD

We have been very mindful of the need for coordination between the administration of the new National Health Insurance system and the responsibility of planning for the development of health services and facilities. Thus, our bill would create a National Health Development Resources Board within the Department of Health, Education, and Welfare and assigns to it the continuing responsibility for the development and the effective availability of covered services throughout the Nation. The National Health Insurance Trust Fund would make a regular and substantial contribution to the work of this resources board and both the Chairman of the new Social Security Board and the Chairman of the National Health Development Resources Board would be members of a National Health Insurance Resources Advisory Council.

INCENTIVES FOR EFFICIENCY AND QUALITY

Rather than simply passing dollars out to providers, the health insurance mechanism must be used as a means of increasing efficiency and improvements in the health care system. Our bill contains several provisions designed to carry out this objective. The proposal would require that Professional Standards Review Organizations review all services reimbursed by the program within two years of the effective date for the payment of benefits.

Institutional providers would be paid on a prospective budget basis incorporating incentives for efficiency, and would only be reimbursed for types and volumes of services certified by State and local health planning agencies.

Professional providers would be reimbursed on the basis of fee schedules set by the professional community itself but restrained in overall cost by a total base year expenditure level. Overall expenditures would be allowed to rise in accord with a wage and price index similar to the present medicare arrangement, but the fee schedule itself could be changed at the initiative of the profession.

Physicians choosing to participate in the program would be paid the standard fee (including deductibles and coinsurance for which the patient would be billed later by the plan) for all procedures for all patients and, in return, would agree not to charge the patient any additional amounts. Non-participating physicians would bill their patients as they wished and collect their own bills with the plan paying their patients the standard fee minus deductibles and coinsurance.

Institutional providers of care would be required to meet conditions of participation.

In addition, the program would encourage the start-up of forms of health care organization, such as HMO's, that offer greater efficiency.

HEALTH CREDIT CARD

Our proposal incorporates the Administration's plan for a health credit card. Thus, the patient would not need to pay deductibles and coinsurance at the time services were rendered but would be billed later by the plan.

GENERAL REVENUE PROGRAM FOR LOW-INCOME AMERICANS

There is a separate program for low-income Americans paid for from general revenues which on an income-tested basis assists such families in meeting the costs of deductibles and coinsurance.

MEDICARE IMPROVEMENTS

The medicare program for people 65 and over and those totally disabled social security beneficiaries who have received cash benefits for at least two years is retained as a separate program, but wherever the provisions of the new National Health Insurance system are more generous—as for example in removing all limitations on the number of days paid for in a hospital—the more generous provisions have been added to the Medicare program.

LONG-TERM CARE

The benefits in the bill that we have described so far are quite similar to those in the Administrations' bill and as indicated, have approximately the same costs. In one major respect, however, the bill we are introducing will add a totally new program as a separate part of medicare over and above anything in the Administration's proposal. Just as our bill recognizes the special need among the young for preventive services to give them a start toward a healthy life, so does it recognize the special needs of those in old age. The bill, therefore, establishes a new program under medicare to meet the long-term care needs of the elderly and the severely disabled. We believe that the addition of this new program will complete the goal we have of assuring a comprehensive approach to the health needs of all Americans.

We maintain a high degree of financial participation in the program by the States and require a monthly premium of those who voluntarily enroll under it similar to that paid for medical services under Medicare.

This additional program will have some additional cost associated with it, primarily in later years when the program would become fully effective. However, preparing estimates of the cost of the long-term care provisions is extremely difficult since there are few insurance precedents, and they have not yet been completed.

The addition of these provisions in the bill means that we are able to repeal the medicaid program with all of its complexities and inequities.

CONCLUSION

We have sought to incorporate and reconcile the many insights and virtues included in the growing body of legislative proposals submitted to the Congress so as to develop a program that would achieve the various agreed upon objectives—support continuing improvement in the quality and accessibility of care, cover all appropriate health care needs without creating incentives for using one service when another one would do as well, safeguard the expenditure of public funds by including reimbursement mechanisms designed to foster efficiency in the organization, management, and delivery of services, assure effective and continuing review of services by the professional community and provide for the creation of a responsible partnership between the government and the private insurance community in the ongoing administration of the program.

We have welcomed the contributions of a large number of Senators and Congressmen to the provisions of the bill and, particularly on the benefit package, we have relied extensively on the proposal of the Administration.

We now call on all Senators and Congressmen and on the Administration to join us in a constructive effort to build the consensus needed to enact the National Health Insurance Program so desperately needed by the American people.

We call on health care providers and patients, representatives of all organizations with a special interest in the provision of proper health care and on experts on our health care system in this effort to build a consensus for a comprehensive, universal national health insurance system.

The Comprehensive National Health Insurance Act of 1974

Chief Sponsors—Senator Edward M. Kennedy and Representative Wilbur D. Mills

A. GENERAL APPROACH

The bill would establish a contributory program of national health insurance under the Social Security Act covering comprehensive health care benefits on a social insurance basis to all Americans, except those covered under Medicare. The bill would repeal the present Medicaid program under title XIX of the Social Security Act. The present Medicare program would be retained except that the benefits would be expanded to include long-term care, outpatient drugs, and certain extended benefits.

The National Health Insurance Program would cover every family and individual who contributes to the program and would be financed by contributions from employers, employees, self-employed individuals, those with unearned incomes, and, for certain additional benefits for those with lower incomes, by general revenues.

The program would be administered by an independent Social Security Administration with a significant role for private health insurance in the administration of the program for both institutional and non-institutional care. A National Health Insurance Trust Fund would be established to receive and hold contributions to the program outside of the Federal budget.

A new title would be added to the Public Health Service Act establishing a Health Resources Development Board responsible for assuring that the services covered under the program would actually be available to all U.S. residents. The Board would receive a continuing contribution from the National Health Insurance Trust Fund on a percentage basis to carry out its responsibility.

B. PEOPLE COVERED

All residents who are not eligible for Medicare would be eligible for the program through their contributions to the system.

Contributions would be made by all Americans who have earned or unearned income of any kind, including governmental benefits.[1] Each person who is fully or currently insured, as defined under the present social security law,[2] and his dependents would be eligible.

Special provisions would provide immediate coverage under the plan for the relatively few individuals who, because they are new entrants into the work force, are not fully or currently insured. Coverage would be extended to an employee during the first week during which he worked 25 hours or more; coverage would not end until after there were three consecutive weeks in each of which he did not work 25 hours or more. People just starting out in self-employment, or starting to receive unearned income, would be eligible beginning with the first day of the first year in which they have such income.

In addition, all social security and railroad retirement cash beneficiaries (including widows and widowers under age 65) who are not eligible for coverage under Medicare, would be covered. Existing rules for eligibility under Medicare would not be changed.

C. SCOPE OF BENEFITS

Benefits covered under the National Health Insurance Plan would be the following:

1) Inpatient hospital services with no day or dollar limitation;

2) Physicians' services, in home, office, or elsewhere, with no dollar limitation;

3) Medical and other health services (as defined under medicare, e.g., prosthetic devices, dialysis equipment and supplies, x-rays, laboratory, ambulance, etc.);

4) Home health services—100 visits per year;

5) Post-hospital extended care services—100 days per year;

6) Mental health services—inpatient, 30 full days in a psychiatric hospital or 60 partial days; outpatient services in a comprehensive community care center equivalent to the costs of 30 visits to a private practitioner or outpatient services of a private practitioner equal to half the costs of 30 visits;

7) Outpatient prescription drugs and biologicals for specified chronic conditions;

8) Preventive care services—

a. Routine dental services for children under age 13;

b. Developmental vision care services, routine eye and vision exams, and lenses or eyeglasses, for children under age 13;

c. Hearing aids and exams for children under age 13;

d. Well-child care to age 6;

e. Prenatal care; and

f. Family planning services.

All services except those listed under preventive care would be subject to a combined annual per person deductible of $150. No family would have to meet more than 2 deductibles. All services, except drugs, would be subject to a 25-percent coinsurance. Outpatient drugs would be subject to a separate copayment of $1 per prescription drug. As indicated above, preventive care services would not be subject to any deductible.

The medicare program would continue to cover existing people and benefits but would be amended to include outpatient prescription drugs, as under the National Health Insurance Plan, and a new voluntary long-term care program. The long-term care program would primarily cover non-institutional medical and social services, and, when determined medically necessary, long-term institutional services. Such services would be covered when provided through community long-term care centers specially organized and approved for this purpose, and administered by the States and localities.

For persons covered under medicare, the current medicare cost-sharing amounts would continue to be applicable to covered services—not the deductible and coinsurance amounts set for services under the National Health Insurance Plan. The Medicare patient would also be responsible for the $1 copayment on outpatient prescription drugs. However, Medicare beneficiaries would also be protected under the catastrophic elements of the national plan described below.

The bill includes a special provision designed to protect against catastrophic-type illness expenses. Under the National Health Insurance Plan and Medicare, cost-sharing for covered services (i.e., the sum of deductible and coinsurance amounts incurred), would be limited to a maximum annual amount of $1,000. The $1,000 annual limitation on cost-sharing would also be applied to services covered under Medicare. (The $1 copayment on drugs would not be included as coinsurance for this purpose).

The bill contains provisions for reducing the impact of deductibles and coinsurance amounts on those with lower incomes. For example, for a family of four with an annual income of $4,800 or less, the deductibles and coinsurance would never be collected from the patient by the credit card agency described below. For families with incomes above $4,800, the amount collected by the agency for incurred deductibles and coinsurance could be no higher than 25 percent of the difference between $4,800 and actual family income. For example, a family of four with $6,000 income would pay no more than $300—one-fourth of the $1,200 difference between $4,800 and $6,000.

At the $8,800 annual income level, the maximum deductible and coinsurance that could be billed would reach the $1,000 maximum which applies to everyone under the catastrophic element of the program. This special provision for those with lower incomes would be financed from general revenues and not from the contributions of those covered under the program.

Through collective bargaining, employers could agree to pay part or all of their employees' required contribution.

The effective date of benefits would be July 1, 1976, but the Health Resource Development Board would be appropriated funds in FY 1975 and FY 1976 to begin resource development in anticipation of the program.

D. ADMINISTRATION

The present Social Security Administration would become a new independent agency headed by a Social Security Board composed of three members (no more than two members from the same political party). The independent Social Security Administration (SSA) would continue to administer the present cash social security program, the supplemental security income program, and the medicare program; it would also administer the National Health Insurance Program established under this bill.

For institutional services, the Social Security Administration would use intermediaries much as it now does under the Medicare program. For physicians' services and other non-institutional services, carriers selected by employers with 1,000 or more employees would administer the program on behalf of the employees, and their dependents of that employer. Such employers, as well as institutional providers, would have the option of dealing directly with the SSA. For all people not covered by large employers, carrier contracts would be awarded by SSA on a competitive basis, in each geographical area of the country. Contracts would be for two years.

Every insured individual whether covered under the National Health Insurance Plan or the Medicare program, would be issued a health benefits card, similar to a credit card, indicating his status as an insured individual for purposes of covered benefits. The Social Security Administration, or a consortium of participating carriers at their request, would be responsible for administering the operation of the health benefits card system. Under this system, participating providers would not collect the deductibles and coinsurance amounts from the patient, but would be paid in full by the program. Deductible and coinsurance amounts would be billed later directly to the patients by the program.

E. FINANCING

The new National Health Insurance Program would be financed by payroll taxes of 4 percent on annual earnings in employment up to $20,000 a year. Employers would be responsible for at least 3 percent, with employees paying no more than 1 percent. The employer could choose to pay the full four percent. Self-employed individuals would pay a single rate of 2 and one-half percent up to $20,000 on their covered earnings. People who do not have a combination of annual earnings and self-employment income totaling at least $20,000 would be required to pay a tax of two and one-half percent on all unearned income (from any regular source, including governmental benefits, except that AFDC benefits would be taxed at the rate of 1 percent on the recipient and 3 percent on the State) up to the $20,000 base.

Special provisions would assure a tax refund for those situations where the total contributions of the members of a family exceeded the $20,000 base.

The cost of the provision for eliminating or reducing billings for incurred deductibles and coinsurance would be met from general revenues plus a continuing contribution from the States equal to their Medicaid dollar expenditures in calendar year 1973 or their 3-percent contributions for AFDC families, whichever is higher.

All of the funds necessary to support the program would flow through the National Health Insurance Trust Fund established under the bill. The Medicare trust funds would continue to exist in their present form. However, all these contributory trust fund fiscal operations would be completely separate from the Federal budget.

F. PAYMENTS TO AND STANDARDS FOR PROVIDERS OF SERVICES

The standards for the various payments of services under the program would resemble those now used in the Medicare program. State health agencies would be used to determine compliance with the conditions of participation for hospitals, skilled nursing facilities, intermediate care facilities, home health agencies, health maintenance organizations, neighborhood health centers, and community mental health centers. Payments to institutional providers of services would be on the basis of a variety of prospective payment systems with incentive payments to better performing providers; half of the incentive payment to a provider would have to be passed on to the provider's staff and employees.

Payments for the services of physicians and certain other professional practitioners would be on the basis of fee schedules established by the respective professions. The schedules would have to be accepted by the Social Security Administration if actuarial calculations showed that the resulting costs would not exceed those actually experienced in a base year adjusted for changes in prices and earnings under an index reflecting such changes.

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[1] Active duty members of the armed forces would not be covered but would remain under the military health program.

[2] A fully insured person, as the term is defined in the bill, means an individual who has had income taxable under the program of at least $50 a quarter for 40 quarters or more or for one quarter per year between the year the individual reaches age 22 and the current year. A currently insured individual is one who has had such income for at least 6 calendar quarters out of the prior three years.

Physicians who choose to participate in the program would receive the full fee schedule amount directly from the program for all services to all their patients (with the deductible and coinsurance amounts collected directly from the patient by the program under the health benefits credit card system). In the case of physicians who do not participate, payment at the fee schedule amount, less deductible and coinsurance amounts, would be paid by the program directly to the patients; non-participating physicians would have to look to the patient for payment of his charge, which could exceed the fee schedule amount.

For all other covered items and services, payment would be made—as under the Medicare program now—on the basis of the lowest cost of the items or services which are widely and consistently available in a locality.

Conditions of payment for covered services would resemble those now applied to the Medicare program with the following additions:

Payments would not be made to any institutional provider for services whose character or quantity have not received the positive endorsement of the State and local health planning agencies for the year being budgeted; payment would not be made for certain physicians' services unless performed by recognized specialists; surgery could be performed only after the patient had been referred to a surgeon by a primary physician; certain surgical and other major procedures could be performed only after consultation with an additional specialist; and all covered services would have to be reviewed by the Professional Standards Review Organization in that area, effective two years after the program begins.

G. EFFECT ON OTHER GOVERNMENT PROGRAMS

Medicare would be retained but would be liberalized, primarily in the benefit area with the addition of two new benefits—outpatient prescription drugs, and a new voluntary long-term care program. The existing title XIX program (Medicaid) would be repealed. The Veterans Administration would continue to operate a separate health care system for those eligible for VA benefits; the Indian Health Service would continue to provide health care to eligible Indians; the health insurance program for servicemen and their families (CHAMPUS) would also continue.

H. OTHER MAJOR PROVISIONS

Establishes wthin HEW a semi-autonomous Health Resources Board which would specifically be charged with assuring availabilty in all parts of the country of the services covered under the programs. Authorizes for these purposes $400 million in FY 1976, $600 million in FY 1977, and in FY 1978 two percent of the amounts deposited in or appropriated to (in the prior fiscal year) the National Health Insurance Trust Fund, 1½ percent of those amounts in fiscal year 1979, and 1 percent for all later years.

S. 3286

A bill to amend the Social Security Act to establish a national health insurance program for all Americans within the social security system, to improve the benefits in the medicare program including a new program of long-term care, to improve Federal programs to create the health resources needed to supply health care, to provide for the administration of the national health insurance program and the existing social security programs by a newly established independent Social Security Administration, to provide for the administration of health resource development by a semi-independent Board in the Department of Health, Education, and Welfare, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act, divided into titles and sections according to the following table of contents, may be cited as the "Comprehensive National Health Insurance Act of 1974".

Sec. 1. Short title.
Sec. 2. Findings and declaration of purpose.

TITLE I—NATIONAL HEALTH INSURANCE PROGRAM

Sec. 101. Establishment of program.

"TITLE XX—NATIONAL HEALTH INSURANCE PROGRAM

"Sec. 2001. Short title.
"Sec. 2002. Free choice by patient and practioner.
"Sec. 2003. Administration of program.

"PART A—SCOPE OF BENEFITS

"(a) Covered services.
"(b) Coverage limits.
"(c) Deductible and coinsurance.
"(d) Catastrophic coverage.
"(e) Review of services.
"Sec. 2012. Payment for outpatient drugs and biologicals.

"PART B—ELIGIBILITY FOR BENEFITS

"Sec. 2021. Eligible individuals.

"PART C—METHOD OF PAYMENT TO ELIGIBLE INDIVIDUALS

"Sec. 2031. Establishment of individual accounts.
"Sec. 2032. Payment for items and services and collection of deductibles and coinsurance.
"Sec. 2033. Special waiver of or limitation on deductibles and coinsurance for lower income families (with financing from general revenues).
"Sec. 2034. Information and data to facilitate administration.

"PART D—ADMINISTRATION OF PROGRAM C

"Sec. 2041. Conditions of and limitations on payment.
"(a) Requirement of requests and certifications.
"(b) No payments to Federal providers of services.
"(c) Payment for emergency hospital services.
"(d) Payment for inpatient hospital services prior to notification of noneligibility.
"(e) Payment for posthospital extended care services.
"(f) Payment for home health services.
"(g) Limitation on payment for outpatient drugs and biologicals.
"(h) Limitations on payment for surgery and other specialized services.
"(i) Limitation on payment for practitioner services furnished in nonparticipating hospital.
"(j) Limitation on payment for certain prosthetic devices.
"(k) Payment for certain patient services furnished by nonparticipating hospital.
"(l) Collection by hospitals of customary charges for certain outpatient services.
"Sec. 2042. Payment to providers of services; prospective determination of payment to providers; quality management payments.
"Sec. 2043. Agreements with providers of services.
"Sec. 2044. Use of public agencies or private organizations to facilitate payment to providers of services.
"Sec. 2045. Use of carriers for administration of noninstitutional benefits.
"Sec. 2046. Payment to physicians and other health professionals.
"Sec. 2047. Special provisions relating to outpatient drugs and biologicals.
"(a) National Health Insurance Formulary Committee.
"(b) Formulary.
"(c) Limitations on payment for charges of providers of services.
"(d) Reasonable allowance for outpatient drugs and biologicals.
"(e) Special provisions for physicians dispensing outpatient drugs and biologicals.
"Sec. 2048. National Health Insurance Trust Fund.

"PART E—MISCELLANEOUS PROVISIONS

"Sec. 2051. Definitions.
"(a) Inpatient hospital services.
"(b) Hospital.
"(c) Psychiatric hospital.
"(d) Tuberculosis hospital.
"(e) Physicians' services.
"(f) Physician.
"(g) Medical and other health services.
"(h) Extended care services.
"(i) Posthospital extended care services.
"(j) Skilled nursing facility.
"(k) Utilization review.
"(l) Agreements for transfer between skilled nursing facilities and hospitals.
"(m) Home health services.
"(n) Home health agency.
"(o) Outpatient physical therapy services.
"(p) Drugs and biologicals.
"(q) Outpatient drugs and biologicals.
"(r) Routine dental services.
"(s) Dentist.
"(t) Eyeglasses.
"(u) Eye and vision examination.
"(v) Hearing aids and examinations.
"(w) Physician extender services.
"(x) Carrier.
"(y) Arrangements for certain services.
"(z) State and United States.
"(aa) Provider of services.
"(bb) Participating pharmacy.
"(cc) Well-child care.
"Sec. 2052. Consultation with State agencies and other organizations to develop conditions of participation for providers of services.
"Sec. 2053. Use of State agencies to determine compliance by providers of services with conditions of participation.
"Sec. 2054. Effect of accreditation.
"Sec. 2055. Determinations; appeals.
"Sec. 2056. Overpayments on behalf of individuals and settlement of claims for benefits on behalf of deceased individuals.
"Sec. 2057. Application of certain provisions of title II.
"Sec. 2058. Designation of organization or publication by name.
"Sec. 2059. Penalties.
"Sec. 2060. Provider Reimbursement Review Board.
"Sec. 2061. National Health Insurance Benefits Advisory Council.
"Sec. 2062. Regulations.".
Sec. 102. Taxes and coverage for health insurance purposes.
Sec. 103. Tax refunds for certain servicemen.
Sec. 104. Professional standards review.
Sec. 105. Repeal of medicaid program.

TITLE II—CHANGES IN MEDICARE PROGRAM

Sec. 201. Establishment of medicare long-term care program.

"PART D—LONG-TERM CARE SERVICES PROGRAM

"Sec. 1881. Establishment of program.
"Sec. 1882. Eligibility for long-term care service benefits.
"Sec. 1883. Scope of benefits.
"Sec. 1884. State long-term care agency.
"Sec. 1885. Payment of premiums.
"Sec. 1886. Federal Long-Term Care Trust Fund.
"Sec. 1887. Functions of community long-term care centers.
"Sec. 1888. Payment to States for reimbursement of community long-term care centers.
"Sec. 1889. Definition of terms used in this part.

"(a) Community long-term care center.
"(b) Governing board.
"(c) Nutrition services.
"(d) Homemaker services.
"(e) Institutional services.
"(f) Home health services.
"(g) Day care; foster home care.
"(h) Community mental health center outpatient services.
"(i) Intermediate care facility.
"Sec. 1890. Payment method for community long-term care centers.
"Sec. 1891. Miscellaneous provisions.
"Sec. 1892. Determinations and appeals."
Sec. 202. Coverage of prescription drugs.
Sec. 203. Termination of deductible and coinsurance obligation in cases of catastrophic illness or injury.
Sec. 204. Elimination of posthospital requirement for home health services under part A of medicare.
Sec. 205. Elimination of durational limits on inpatient hospital services.
Sec. 206. Elimination of blood deductibles.
Sec. 207. Changes in payment procedures and administrative mechanisms under medicare program.

TITLE III—INDEPENDENT SOCIAL SECURITY ADMINISTRATION

Sec. 301. Declaration of purpose.
Sec. 302. Social Security Administration.
Sec. 303. Transitional provisions.
Sec. 304. Miscellaneous and conforming amendments.
Sec. 305. Amendments to Budget and Accounting Act.
Sec. 306. Amendments to title 5, United States Code.
Sec. 307. Effective date.

TITLE IV—AMENDMENT TO PUBLIC HEALTH SERVICE ACT

Sec. 401. Purpose.
Sec. 402. Health Resources Development Board.

"TITLE XIV—HEALTH RESOURCES DEVELOPMENT BOARD

"Part A—Administrative Provisions Respecting Board

"Sec. 1401. Establishment of Board.
"Sec. 1402. Executive Director; delegation of authority.
"Sec. 1403. Personnel.
"Sec. 1404. Information.
"Sec. 1405. Annual report.

"Part B—Functions of the Board

"Sec. 1411. General provisions.
"Sec. 1412. Studies and evaluations, systems development, tests and demonstrations.
"Sec. 1413. Research.
"Sec. 1414. Planning.
"Sec. 1415. General policies and priorities.
"Sec. 1416. Organizations for the care of ambulatory patients.
"Sec. 1417. Recruitment, education and training of personnel.
"Sec. 1418. General provisions respecting loans.

"Part C—National Advisory Council

"Sec. 1421. National Health Insurance 1 sources Advisory Council.

"Part D—Funding

"Sec. 1431 Authorization of appropriations; payments from Trust Fund.".

TITLE V—MISCELLANEOUS PROVISIONS

Sec. 501. Private supplemental health insurance certification program.

"TITLE XV—PRIVATE SUPPLEMENTAL HEALTH INSURANCE CERTIFICATION

"Sec. 1501. Purpose.
"Sec. 1502. Certification of supplemental health insurance policies.
"Sec. 1503. Standards with respect to supplemental health insurance policies.
"Sec. 1504. Establishment of emblem to indicate certification.
"Sec. 1505. Report to Congress.".
Sec. 502. Existing employer-employee health benefit plans unaffected.
Sec. 503. Planning by health care providers and conditions for payment.
Sec. 504. Technical and conforming amendments.
Sec. 505. Additional technical and conforming amendments and transitional provisions.
Sec. 506. Effective date.

FINDINGS AND DECLARATION OF PURPOSE

Sec. 2. (a) The Congress finds that—

(1) the health of the Nation's people is the foundation of their well-being and of our Nation's strength, productivity, and wealth;

(2) adequate health care for all of our people must now be recognized as a right; and

(3) a system of national health insurance is the means to implement that right.

(b) The purpose of this Act is—

(1) to create a system of national health insurance benefits which will make comprehensive health services available to all residents of the United States;

(2) through the operation of the system, to effect modifications in the organization and methods of delivery of health services which will increase the availability and continuity of care, will enhance its quality, will emphasize the maintenance of health as well as the treatment of illness and, by improving the efficiency and the utilization of services and by strengthening professional and financial controls, will restrain the mounting cost of care while providing fair and reasonable compensation to those who furnish it;

(3) through programs of health resource development based on National, State, and areawide planning, to assure that the amounts and kinds of manpower, facilities, and services needed to obtain health care covered by this insurance are actually available in every community; and

(4) through an independent contributory, social insurance program which administers funds placed in trust by all Americans, to assure a stable and systematically managed program which responds to the needs of both its beneficiaries and those who provide health care services in the Nation.

TITLE I—NATIONAL HEALTH INSURANCE PROGRAM

ESTABLISHMENT OF PROGRAM

Sec. 101. The Social Security Act is amended by adding at the end thereof the following new title:

"TITLE XX—NATIONAL HEALTH INSURANCE PROGRAM

"SHORT TITLE

"Sec. 2001. This title may be cited as the 'National Health Insurance Program'.

"FREE CHOICE BY PATIENT AND PRACTITIONER

"Sec. 2002. The administration of this title shall not interfere with the freedom of every physician and every patient to choose where and how they will give or receive health care. Neither the Board of the Social Security Administration, nor any of its agents, shall make medical judgments with respect to a patient's health care; this function is reserved solely to the physician and his peers. Nothing in this title shall be construed to mean that the Administration may own or operate any of the various elements of the health care system.

"ADMINISTRATION OF PROGRAM

"Sec. 2003. (a) Except as otherwise provided in this title, the national health insurance program established by this title shall be administered by the Board of the Social Security Administration established by section 701 (hereinafter in this title referred to as the 'Administration'). The Administration may perform any of its functions under this title directly, or by contract providing for payment in advance or by way of reimbursement, and in such installments, as the Administration may deem necessary.

"(b) The Administration may contact with any person, agency, or institution to secure on a reimbursable basis such special data, actuarial information, and other information as may be necessary in the carrying out of its functions under this title.

"(c) In the course of any hearing, investigation, or other proceeding that it is authorized to conduct under this title, the Administration may administer oaths and affirmations.

"Part A—Scope of Benefits

"BENEFITS PROVIDED

"Covered Services

"Sec. 2011. (a)(1) Eligibility of an individual for health insurance benefits under the program established by this title consists of entitlement to have payment made on behalf of such individual in accordance with the provisions of this title for the following items and services:

"(A) inpatient hospital services;

"(B) physicians' services;

"(C) medical and other health services;

"(D) home health services;

"(E) post-hospital extended care services;

"(F) outpatient drugs and biologicals;

"(G) routine dental services for individuals under the age of 13;

"(H) developmental vision care services, as defined in regulations, routine eye and vision examinations, and eyeglasses, for individuals under the age of 13; and

"(I) hearing aids and examinations therefor, for individuals under the age of 13.

The items and services described in the preceding sentence include items and services related to mental health care, including those furnished in cases of alcoholism and drug abuse.

"(2) Notwithstanding the provisions of paragraph (1), payment under the program will not be made for items and services—

"(A) which are not reasonable and necessary for the diagnosis or treatment of congenital defect, illness, or injury or to improve the functioning of a malformed body member; except that nothing in this subparagraph shall prevent payment under the program for family planning and prenatal care items and services, routine dental services for individuals under the age 13, routine eye and vision examinations for individuals under the age of 13, examinations for hearing aids for individuals under the age of 13, and well-child care (as defined in section 2051(cc)) for individuals under the age of 6;

"(B) which are eyeglasses or eye examinations therefor, or hearing aids or examinations therefor, except for children under the age of 13;

"(C) for which the individual furnished such items or services has no legal obligation to pay and which no other person (by reason of such individual's membership in a prepayment plan or otherwise) has a legal obligation to provide or pay for;

"(D) which are not provided within the United States, except to the extent that payment would be made for the items or services involved in comparable circumstances under title XVIII;

"(E) which constitute personal comfort items;

"(F) which are orthopedic shoes or other supportive devices for the feet, except for individuals under the age of 6;

"(G) which constitute custodial care;

"(H) which constitute cosmetic surgery or are provided in connection therewith, except as required for the prompt repair of accidental injury or for the improvement of the functioning of a malformed body member;

"(I) which are provided by immediate relatives of the individual or members of his household;

"(J) which constitute—

"(i) the treatment of weak, strained, or flatfoot conditions of the prescription of supporting or corrective devices therefor, except when provided to individuals under the age of 6,

"(ii) routine foot care;

"(K) which are kidney dialysis or transplantation items and services, unless provided by a kidney dialysis or transplantation center or facility which meets such requirements as the Administrator may by regulation provide; or

"(L) to the extent that payment has been made, or can reasonably be expected to be made, with respect to those items and services, under a workmen's compensation law or plan of the United States or a State (and any payment under the program shall be conditioned on reimbursement to the Federal Health Insurance Trust Fund when notice or other information is received that payment for the items or services involved has been made under such a law or plan).

"Coverage Limits

"(b) Payment under the program for—

"(1) post-hospital extended care services shall be limited to 100 days per calendar year;

"(2) home health services shall be limited to 100 visits per calendar year;

"(3) inpatient psychiatric hospital services shall be limited to 30 days of active treatment per calendar year; and partial hospitalization for the treatment of mental illness, as defined in regulations prescribed by the Administration, shall be limited to 60 days per calendar year; and

"(4) services provided on an outpatient basis for the treatment of mental illness in any calendar year shall be limited to the estimated cost of 30 outpatient visits to a private practitioner for the treatment of mental illness, as determined by the Administration in November of the preceding year, and payment for such services other than services provided on an outpatient basis in a comprehensive community care center, as defined in regulations, shall be limited to one-half of that amount.

"Deductibles and Coinsurance

"(c) (1) (A) Payment for items and services under the program shall, subject to subparagraph (B) and subsection (d), be reduced by a per-individual per-calendar-year deductible of $150; except that no further deductible shall be imposed under this paragraph in any calendar year with respect to any member of a covered family after two members of such family satisfy the deductible requirement for that year.

"(B) No deductible shall be imposed under the program with respect to prenatal items and services (other than hospitalization), well-child care, family planning services, or any item or service referred to in subparagraph (G), (H), or (I) of subsection (a) (1).

"(2) Payment for items and services under the program (other than outpatient drugs and biologicals and items and services specified in paragraph (1) (B)) shall, subject to subsection (d), be subject to a coinsurance requirement of 25 percent of the expenses incurred for such items and services in excess of any applicable deductible.

"Catastrophic Coverage

"(d) No further deductible or coinsurance requirement shall be imposed under the program with respect to items or services furnished to or for any member of a family in any calendar year after the total of the deductibles and coinsurance paid by or on behalf of all the members of such family under the program in that year (not including copayments for outpatient drugs and biologicals) equals $1,000.

"Review of Services

"(e) For requirement that Professional Standards Review Organizations review services for which payment is or may be made under this title, see section 1155(h) (as amended by section 104 of the Comprehensive National Health Insurance Act of 1974).

"PAYMENT FOR OUTPATIENT DRUGS AND BIOLOGICALS

"SEC. 2012. The amount paid to any participating pharmacy which is a provider of services with respect to outpatient drugs and biologicals for which payment may be made under this title shall, subject to the provisions of section 2011(c) and in accordance with section 2047, be (1) the reasonable allowance with respect to such drugs and biologicals, reduced (in the case of any one prescription or renewal for drugs or biologicals purchased by an individual at any one time) by (2) the applicable prescription copayment obligation which shall be $1.

"PART B—ELIGIBILITY FOR BENEFITS

"ELIGIBLE INDIVIDUALS

"SEC. 2021. (a) Every individual who—

"(1) (A) is fully or currently insured (within the meaning of section 214) for purposes of the old-age, survivors, and disability insurance program, or

"(B) would be fully or currently insured (within the meaning of section 214) for purposes of such program if his or her unearned income (as defined in subsection (f)) for periods after December 1975 had constituted wages or self-employment income for such purposes,

"(2) is the spouse of an individual described in paragraph (1), or is a dependent (as defined in section 152 of the Internal Revenue Code of 1954) of such an individual or suc han individual's spouse and (A) is under the age of 18, (B) is a full-time student (as defined in section 202(d) (7)) under the age of 22, or

(C) is under a disability (as defined in section 223(d)) which began before he or she attained the age of 22, or

"(3) is under the age of 65 and (A) is entitled to monthly insurance benefits under title II or (B) is a widow or widower who would upon application be entitled to monthly insurance benefits under section 202(e) or 202(f) had she or he attained the age of 65, shall be eligible for health insurance benefits under and in accordance with this title. In addition, an individual may be eligible for such benefits as provided in subsection (b), (c), or (d).

"(b) Any individual who during any calendar week performs employment (as defined in section 3126(b) of the Internal Revenue Code of 1954) for 25 or more hours shall be eligible for health insurance benefits under and in accordance with this title for the period beginning with the first day of such week and ending at the close of the third calendar week following such week.

"(c) Any individual who during any taxable year has or will have net earnings from self-employment (as defined in section 211 (a)) or unearned income (as defined in subsection (f)), or both, in an aggregate amount equal to $400 or more (exclusive of aid to families with dependent children and supplemental security income benefits) shall be eligible for health insurance benefits under and in accordance with this title for the period beginning on the day such individual notifies the Administration in writing that he or she has or will have such earnings or income or both and ending at the close of such taxable year. If an individual receives benefits under this title pursuant to a notification under the preceding sentence and does not in fact have such net earnings from self-employment and unearned income of $400 or more during the taxable year, the amount of such benefits shall be considered an overpayment adjustable in the manner provided in section 2056(b) (subject to section 2056(c)).

"(d) Any individual or family receiving aid to families with dependent children under a State plan approved under section 402, or receiving supplemental security income benefits under title XVI, shall be eligible for health insurance benefits under and in accordance with this title for the period beginning with the first day of the third calendar month preceding the first month for which the tax imposed by section 3101(c) of the Internal Revenue Code of 1954 is deducted and withheld from such aid or benefits as provided in section 3102(d) of such Code and continuing for as long as such individual or family is (without interruption) receiving such aid or benefits.

"(e) Notwithstanding any other provision of this section, if any individual applies for and receives a credit or refund as provided in section 6413(d) of the Internal Revenue Code of 1954 with respect to the tax paid on any wages under section 3101(c) of such Code, such wages shall be deemed not to have been paid for purposes of determining such individual's eligibility for health insurance benefits under this title.

"(f) For purposes of this section, the term 'unearned income' with respect to any individual means—

"(1) the amount of such individual's adjusted gross income for the taxable year (as determined under chapter 1 of the Internal Revenue Code of 1954), including payments of aid to families with dependent children under a State plan approved under section 402, supplemental security income benefits under title XVI, and any amounts referred to in subparagraphs (B) and (F) of section 1612(a) (2) to the extent not otherwise includible in such income, reduced by

"(2) any part of such income (whether from wages or any other source) in excess of the amount of the contribution and benefit base for purposes of the taxes under sections 3101(c) and 3111(c) of such Code for such year (as determined under section 3126(a) of such Code), and further reduced by

"(3) any part of the remaining adjusted gross income which consists of—

"(A) wages taxable under section 3101(c) of such Code,

"(B) self-employment income taxable under section 1401(c) of such Code,

"(C) remuneration for services performed as a member of a uniformed service on active duty, or

"(D) remuneration (not taxable under section 3101(c) of such Code) for service performed by an alien in the employ of a foreign government, or an instrumentality of a foreign government, or an international organization.

"PART C—METHOD OF PAYMENT TO ELIGIBLE INDIVIDUALS

"ESTABLISHMENT OF INDIVIDUAL ACCOUNTS

"SEC. 2031. (a) In order to provide for the payment on behalf of eligible individuals of the amounts due under this title for items and services furnished them, the Social Security Administration shall establish for each such eligible individual an account against which such individual may charge the cost of obtaining any items and services furnished him under this title, without regard to any deductible or coinsurance requirement which may be applicable under section 2011(c).

"(b) Payment for any items and services furnished an eligible individual under this title (other than emergency services) shall be made only on the basis of charges against such individual's account.

"PAYMENT FOR ITEMS AND SERVICES AND COLLECTION OF DEDUCTIBLES AND COINSURANCE

"SEC. 2032. (a) Payment for items and services furnished an eligible individual shall be made by the Social Security Administration (at the applicable reimbursement rates) to the providers of services and other persons by which or by whom such items and services were furnished, on the basis of charges against such individual's account established under section 2031, in accordance with section 2042 in the case of providers of services and section 2046 in the case of other persons (including physicians). Unless such individual's account is in default, payment shall be made to such providers and other persons without reduction on account of the applicable deductible and coinsurance requirements; and (subject to section 2033) such individual shall be billed as provided in subsection (b) for the portion of any such payment properly chargeable to him on account of those requirements.

"(b) The Administration shall have full responsibility for the collection of any deductible and coinsurance amounts due from an individual (after the application of section 2033) in connection with items and services furnished him under this title; except that the Administration in its discretion may enter into an agreement with a consortium of qualified carriers (included on the list established under section 2045(c)(1)) for the performance by such carriers on behalf of the Administration of the function of collecting such amounts.

"(c) Credit shall be available with respect to any bill submitted to an individual pursuant to subsection (a) with respect to items and services furnished him, and interest shall accrue on amounts owed on any such bill, in accordance with regulations. No recovery shall be made from any provider or other person to whom payment has been made because of the failure of such individual to pay any such bill; and an account will not be regarded as being in default unless (1) payment of amounts due under the account, or any other such account established with respect to such individual pursuant to the requirements of this title, is 90 days or more in arrears, and (2) the individual has not made satisfactory extended credit or repayment arrangements with the Administration or shown any indication of intent to pay the account within a reasonable period.

"SPECIAL WAIVER OF OR LIMITATION ON DEDUCTIBLES AND COINSURANCE FOR LOWER INCOME FAMILIES (WITH FINANCING FROM GENERAL REVENUES)

"SEC. 2033. (a) Notwithstanding any other provision of this part—

"(1) no deductible or coinsurance requirement shall be imposed upon any individual or family under section 2011(c) or billed to such individual or family under section 2032, with respect to items or services furnished under this title, in any calendar year, if the income of such individual or family for the most recent complete taxable year, as determined under subsection (d), is at or below the applicable income level set forth in subsection (c); and

"(2) the total amount of the deductibles and coinsurance which may be imposed upon any other individual or family under section 2011(c) and billed to such individual or family under section 2032, with respect to items and services furnished under this title in any calendar year, shall not exceed 25 percent of the amount by which the income of such individual or family for the most recent complete taxable year (or for such other period as the Administration determines will more nearly reflect the rate of income being received at the time the bill involved is submited), as determined under subsection (d), exceeds the applicable income level set forth in subsection (c).

"(b) For purposes of subsection (a), the term 'individual' does not include any individual who is a member of a family; and the term 'family' means two or more individuals who are (1) related by blood, marriage, or adoption and (2) living in a place of residence maintained by one or more of them as his or their own home.

"(c)(1) The term 'applicable income level' (subject to paragraphs (2) and (3)) means—

"(A) $2,400 in the case of an individual; and

"(B)(i) $3,600 in the case of a family consisting of two members,

"(ii) $4,200 in the case of a family consisting of three members,

"(iii) $4,800 in the case of a family consisting of four members, and

"(iv) $4,800, plus $400 for each member in excess of four, in the case of a family consisting of more than four members.

"(2) In the case of jurisdictions of the Commonwealth of Puerto Rico, the Virgin Islands, and Guam, the dollar amounts set forth in paragraph (1) shall each be deemed to be reduced to such amount as the Administration determines to be appropriate to assure that the ratio of individuals and families in any such jurisdiction who are entitled to the benefits of this section to the total population of such jurisdiction is not greater than the ratio of individuals in that State of the United States which has the highest such ratio of individuals who are entitled to such benefits to the total population of such State.

"(d)(1) For purposes of this section, the term 'income' means (subject to paragraph (2)) both earned income and unearned income; and—

"(A) 'earned income' means only—

"(i) wages as determined under section 203(f)(5)(C); and

"(ii) 'net earnings from self-employment', as defined in section 211 (without application of the second and third sentences following subsection (a) (10), and the last paragraph of subsection (a)), including earnings for services described in paragraphs (4), (5), and (6) of subsection (c); and

"(B) 'unearned income' means all other income, including—

"(i) support and maintenance furnished in cash or kind,

"(ii) any payments received as an annuity, pension, retirement, or disability benefit; including veterans' compensation and pensions; workmen's compensation payments; old-age, survivors, and disability insurance benefits; railroad retirement annuities and pensions; and unemployment insurance benefits,

"(iii) prizes and awards,

"(iv) the proceeds of any life insurance policy to the extent that they exceed the amount expended by the individual or family involved for purposes of the insured person's last illness and burial or $1,500, whichever is less,

"(v) gifts (cash or otherwise), support and alimony payments, and inheritances, and

"(vi) rents, dividends, interest, and royalties.

"(2)(A) In determining, for purposes of this section, the income of any individual or family, for any period of time, there shall be excluded—

"(i) subject to limitations (as to amount or otherwise) prescribed by the Administration, if such individual is a child who is, as determined by the Administration, a student regularly attending a school, college, or university, or a course of vocational or technical training designed to prepare him for gainful employment, the earned income of such individual;

"(ii)(I) the total unearned income of such individual (and such spouse, if any) in a calendar quarter which, as determined in accordance with criteria prescribed by the Administration, is received too infrequently or irregularly to be included, if such income so received does not exceed $60 in such quarter, and (II) the total earned income of such individual (and such spouse, if any) in a calendar quarter which, as determined in accordance with such criteria, is received too infrequently or irregularly to be included, if such income so received does not exceed $30 in such quarter;

"(iii) any amount received from any public agency as a return or refund of taxes paid on real property or on food purchased by such individual (or such spouse);

"(iv) any portion of any grant, scholarship, or fellowship received for use in paying the cost of tuition and fees at any educational (including technical or vocational education) institution;

"(v) home produce of such individual (or spouse) utilized by the household for its own consumption;

"(vi) any amounts received for the foster care of a child who is not an eligible individual but who is living in the same home as such individual and was placed in such home by a public or nonprofit private child-placement or child-care agency; and

"(vii) the aggregate value of any gifts which do not exceed $100, if such period of time is equal to 12 months, or, if such period of time is less than 12 months, then an amount which bears the same ratio to $100 as such period bears to 12 months.

"(B) For purposes of subparagraph (A) and subsection (a)—

"(i) a loan of $100 or more (or aggregate thereof) shall be regarded as a gift if such loan—

"(I) is unsecured (or is without adequate security), or

"(II) has no maturity date; and

"(ii) in the case of a loan which—

"(I) bears no interest, or

"(II) bears no interest at a rate which is not more than one-half of the prevailing rate of interest imposed with respect to similar loans,

the recipient of such loans shall be regarded as having received, as a gift, an amount, with respect to any period of time, equal to the excess of—

"(III) the amount of interest which would have been payable by him, with respect to such period, on such loan if such loan bore a rate of interest equal to the prevailing rate of interest imposed (as of the time such loan was made) with respect to similar loans, over

"(IV) the amount of interest (if any) payable by him, with respect to such period, on such loan.

"INFORMATION AND DATA TO FACILITATE ADMINISTRATION

"SEC. 2034. (a) Each State agency administering or supervising the administration of a State plan for aid to families with dependent children approved under section 402 shall submit to the Administration any information or data relating to family status or family income which such agency may have and which the Administration requests to facilitate the administration of this part.

"(b) The Administration is authorized to enter into such contracts and arrangements with other public agencies (Federal, State, or local) as may be necessary or appropriate to obtain information and data which relates to family status and family income and which would facilitate the administration of this part, and to make appropriate payment to such agencies (in advance or by way of reimbursement) for any such information and data obtained thereunder.

"PART D—ADMINISTRATION OF PROGRAM

"CONDITIONS OF AND LIMITATIONS OF PAYMENT

"Requirement of Requests and Certifications

"SEC. 2041. (a) Except as provided in subsections (c), (g), and (h) of this section and in section 2045, payment for items and services furnished an individual may be made only to providers of services which are eligible therefor under section 2043 and only if—

"(1) written request, signed by such individual, except in cases in which the Social Security Administration finds it impracticable for the individual to do so, is filed for such payment in such form, in such manner, and by such person or persons as the Administration may by regulation prescribe, no later than the close of the period of 3 calendar years following the year in which such services are furnished (deeming any services furnished in the last 3 calendar months of any calendar year to have been furnished in the succeeding calendar year) except that where the Administration deems that efficient administration so requires, such period may be reduced to not less than 1 calendar year;

"(2) a physician certifies (and recertifies, where such services are furnished over a period of time, in such cases, with such frequency, and accompanied by such supporting material, appropriate to the case involved, as may be provided by regulations, except that the first of such recertifications shall be required in each case of inpatient hospital services not later than the 20th day of such period) that—

"(A) in the case of inpatient psychiatric hospital services, such services are or were required to be given on an inpatient basis, by or under the supervision of a physician, for the psychiatric treatment of an individual; and (i) such treatment can or could reasonably be expected to improve the condition for which such treatment is or was necessary or (ii) inpatient diagnostic study is or was medically required and such services are or were necessary for such purposes;

"(B) in the case of inpatient tuberculosis hospital services, such services are or were required to be given on an inpatient basis, by or under the supervision of a physician, for the treatment of an individual for tuberculosis; and such treatment can or could reasonably be expected to (i) improve the condition for which such treatment is or was necessary or (ii) render the condition noncommunicable;

"(C) in the case of post-hospital extended care services, such services are or were required to be given because the individual needs or needed on a daily basis skilled nursing care (provided directly by or requiring the supervision of skilled nursing personnel) or other skilled rehabilitation services, which as a practical matter can only be provided in a skilled nursing facility on an inpatient basis, for any of the conditions with respect to which he was receiving inpatient hospital services (or services which would constitute inpatient hospital services if the institution met the requirements of paragraphs (6) and (8) of section 2051(b)) prior to transfer to the skilled nursing facility or for a condition requiring such extended care services which arose after such transfer and while he was still in the facility for treatment of the condition or conditions for which he was receiving such inpatient hospital services;

"(D) in the case of home health services (i) such services are or were required because the individual is or was confined to his home (except when receiving items and services referred to in section 2051(m)(7)) and needed skilled nursing care on an intermittent basis, or physical or speech therapy, (ii) a plan for furnishing such services to such individual has been established and is periodically reviewed by a physician, and (iii) such services are or were furnished while the individual is or was under the care of a physician;

"(E) in the case of inpatient hospital services in connection with the care, treatment, filling, removal, or replacement of teeth or structures directly supporting teeth, the individual, because of his underlying medical condition and clinical status, requires hospitalization in connection with the provision of such dental services;

"(F) in the case of medical and other health services except services described in subparagraphs (B), (C), and (D) of section 2051(g)(2), such services are or were medically required;

"(G) in the case of outpatient physical therapy services, (i) such services are or were required because the individual needed physical therapy services, (ii) a plan for furnishing such services has been established, and is periodically reviewed by a physician, and (iii) such services are or were furnished while the individual is or was under the care of a physician; or

"(H) in the case of outpatient speech pathology services, (i) such services are or were required because the individual needed speech pathology services, (ii) a plan for furnishing such services has been established and is periodically reviewed by a physician, and (iii) such services are or were furnished while the individual is or was under the care of a physician;

"(3) with respect to inpatient hospital services (other than inpatient psychiatric hospital services and inpatient tuberculosis hospital services) which are furnished over a period of time, a physician certifies that such services are required to be given on an inpatient basis for such individual's medical treatment, or that inpatient diagnostic study is medically required and such services are necessary for such purpose, except that (A) such certification shall be furnished only in such cases, with such frequency, and accompanied by such supporting material, appropriate to the cases involved, as may be provided by regulations, and (B) the first such certification required in accordance with clause (A) shall be furnished no later than the 20th day of such period;

"(4) in the case of inpatient psychiatric hospital services, the services are those which the records of the hospital indicate were furnished to the individual during periods when he was receiving (A) intensive treatment services, (B) admission and related services necessary for a diagnostic study, or (C) equivalent services;

"(5) in the case of inpatient tuberculosis hospital services, the services are those which the records of the hospital indicate were furnished to the individual during periods when he was receiving treatment which could reasonably be expected to (A) improve his condition or (B) render it noncommunicable;

"(6) with respect to inpatient hospital services furnished such individual after the 20th day of a continuous period of such services and with respect to post-hospital extended care services furnished after such day of a continuous period of such services as may be prescribed in or pursuant to regulations, there was not in effect, at the time of admission of such individual to the hospital or skilled nursing facility, as the case may be, a decision under section 2043(d) (based on a finding that utilization review of long-stay cases is not being made in such hospital or facility);

"(7) with respect to inpatient hospital services or post-hospital extended care services furnished such individual during a continuous period, a finding has not been made (by the physician members of the committee or group, as described in section 2051(k)(4), including any finding made in the course of a sample or other review of admissions to the institution) pursuant to the system of utilization to review that further inpatient hospital services or further post-hospital extended care services, as the case may be, are not medically necessary; except that, if such a finding has been made, payment may be made for such services furnished before the 4th day after the day on which the hospital or skilled nursing facility, as the case may be, received notice of such finding; and

"(8) with respect to outpatient drugs or biologicals, the participating pharmacy (as defined in section 2051(bb)) has the physician's prescription in its possession, or some other record (in the case of insulin) that is satisfactory to the Administration.

"To the extent provided by regulations, the certification and recertification requirements of paragraph (2) shall be deemed satisfied where, at a later date, a physician makes certification of the kind provided in subparagraph (A), (B), (C), (D), (E), (F), (G), or (H) of paragraph (2) (whichever would have applied), but only where such certification is accompanied by such medical and other evidence as may be required by such regulations. For purpose of this section, the term 'provider of services' shall include a clinic, rehabilitation agency, or public health agency if, in the case of a clinic or rehabilitation agency, such clinic or agency meets the requirements of section 2051(o)(4)(A), or if, in the case of a public health agency, such agency meets the requirements of section 2051(o)(4)(B), but only with respect to the furnishing of outpatient physical therapy services as therein defined. To the extent provided by regulations, the certification and recertification requirements of paragraph (2) shall be deemed satisfied where, at a later date, a physician makes a certification of the kind provided in subparagraph (D) or (F) of paragraph (2) (whichever would have applied), but only where such certification is accompanied by such medical and other evidence as may be required by such regulations.

"No Payments to Federal Providers of Services

"(b) No payment may be made under this title (except under subsection (c)) to any Federal provider of services or other Federal agency, except a provider of services which the Administration determines is providing services to the public generally as a community institution or agency; and no such payment may be made to any provider of services for any item or service which such provider is obligated by a law of, or a contract with, the United States to render at public expense.

"Payment for Emergency Hospital Services

"(c)(1) Payments shall also be made to any hospital for inpatient hospital services furnished in a calendar year by the hospital or under arrangements (as defined in section 2051(y)) with it, to an individual entitled to benefits under this title even though such hospital does not have an agreement in effect under this title if (A) such services were emergency services, (B) the Administration would be required to make such payment if the hospital had such an agreement in effect and otherwise met the conditions of payment hereunder, and (C) such hospital has elected to claim payment for all such inpatient emergency services and for the emergency outpatient services referred to in subsection (k) furnished during such year. Such payments shall be made only in the amounts provided under subsection (b) and then only if such hospital agrees to comply, with respect to the emergency services provided, with the provisions of section 2043(a).

"(2) Payment may be made on the basis of an itemized bill to an individual entitled to benefits under this title for services described in paragraph (1) which are emergency services if (A) payment cannot be made under paragraph (1) solely because the hospital does not elect to claim such payment, and (B) such individual files application (submitted within such time and in such form and manner and by such person, and containing and supported by such information as shall be prescribed in regulations) for reimbursement.

"(3) The amounts payable under the preceding paragraphs with respect to services described therein shall, subject to the provisions of section 2011(c), be equal to 60 percent of the hospital's reasonable charge for routine services furnished in the accommodations occupied by the individual or in semiprivate accommodations, whichever is less, plus 80 percent of the hospital's reasonable charges for ancillary services. If separate charges for routine and ancillary services are not made by the hospital, reimbursement may be based on two-thirds of the hospital's reasonable charges for the services received but not to exceed the charges which would have been made if the patient had occupied semiprivate accommodations. For purposes of the preceding provisions of this paragraph, the term 'routine services' shall mean the regular room, dietary and nursing services, minor medical and surgical supplies, and the use of equipment and facilities for which a separate charge is not customarily made; the term 'ancillary services' shall mean those special services for which charges are customarily made in addition to routine services.

"Payment for Inpatient Hospital Services Prior to Notification of Noneligibility

"(d) Notwithstanding that an individual is not entitled to have payment made under this part for inpatient hospital services furnished by any hospital, payment shall be made to such hospital (unless it elects not to receive such payment or, if payment has already been made by or on behalf of such individual, fails to refund such payment within the time specified by the Administration) for such services which are furnished to the individual prior to notification to such hospital from the Administration of his lack of entitlement, if such payments are precluded only by reason of section 2011(b) and if such hospital complies with the requirements of and regulations under this title with respect to such payments, has acted in good faith and without knowledge of such lack of entitlement, and has acted reasonably in assuming entitlement existed. Payment under the preceding sentence may not be made for the services furnished an individual pursuant to any admission after the 6th elapsed day (not including as an elapsed day Saturday, Sunday, or legal holiday) after the day on which such admission occurred.

"(1) such hospital has an agreement with the Administration under section 2043, and

"(2) the Administration has received written assurances that (A) such payment will be used by such fund solely for the improvement of care of hospital patients or for educational or charitable purposes and (B) the individuals who were furnished such services or any other persons will not be charged for such services (or if charged, provision will be made for return of any moneys incorrectly collected).

"Payment for Post-hospital Extended Care Services

"(e) (1) An individual shall be presumed to require the care specified in subsection (a) (2) (C) of this section for purposes of making payment to an extended care facility (subject to the provisions of section 2011 (b)) for post-hospital extended care services which are furnished by such facility to such individual if—

"(A) the certification referred to in subsection (a) (2) (C) of this section is submitted prior to or at the time of admission of such individual to such extended care facility,

"(B) such certification states that the medical condition of the individual is a condition designated in regulations,

"(C) such certification is accompanied by a plan of treatment for providing such services, and

"(D) there is compliance with such other requirements and procedures as may be specified in regulations, but only for services furnished during such limited periods of time with respect to such conditions of the individual as may be prescribed in regulations, taking into account the medical severity of such conditions, the degree of incapacity, and the minimum length of stay in an institution generally needed for such conditions, and such other factors affecting the type of care to be provided as the Administration deems pertinent.

"(2) If the Administration determines with respect to a physician that such physician is submitting with some frequency (A) erroneous certifications that individuals have conditions designated in regulations as provided in this subsection or (B) plans for providing services which are inappropriate, the provisions of paragraph (1) shall not apply, after the effective date of such determination, in any case in which such physician submits a certification or plan referred to in subparagraph (A), (B), or (C) of paragraph (1).

"Payment for Home Health Services

"(f) (1) An individual shall be presumed to require the services specified in subsection (a) (2) (D) of this section for purposes of making payment to a home health agency (subject to the provisions of section 2011 (b)) for home health services furnished by such agency to such individual if—

"(A) the certification and plan referred to in subsection (a) (2) (D) of this section are submitted in timely fashion prior to the first visit by such agency,

"(B) such certification states that the medical condition of the individual is a condition designated in regulations, and

"(C) there is compliance with such other requirements and procedures as may be specified in regulations, but only for services furnished during such limited numbers of visits with respect to such conditions of the individual as may be prescribed in regulations, taking into account the medical severity of such conditions, the degree of incapacity, and the minimum period of home confinement generally needed for such conditions, and such other factors affecting the type of care to be provided as the Administration deems pertinent.

"(2) If the Administration determines with respect to a physician that such physician is submitting with some frequency (A) erroneous certifications that individuals have conditions designated in regulations as provided in this subsection or (B) plans for providing services which are inappropriate, the provisions of paragraph (1) shall not apply after the effective date of such determination, in any case in which such physician submits a certification or plan referred to in subparagraph (A) or (B) of paragraph (1).

"Limitation on Payment for Outpatient Drugs and Biologicals

"(g) Payment may be made under this title for outpatient drugs and biologicals only when they are dispensed by a participating pharmacy; except that payment under this title may be made for outpatient drugs and biologicals dispensed by a physician where the Administration determines, in accordance with regulations, that such drugs and biologicals were required in an emergency or that there was no participating pharmacy available in the community, in which case the physician (under regulations) shall be regarded as a participating pharmacy for purposes of this title with respect to the dispensing of such drugs and biologicals.

"Limitations on Payment for Surgery and Other Specialized Services

"(h) (1) Payment may be made under this title for major surgery or for other specialized services designated in regulations only when they are furnished by specialists and, to the extent specified in regulations, are either emergency services or services furnished on referral by a physician engaged in general or family practice (as determined in accordance with regulations).

"(2) A physician is a specialist, for purposes of paragraph (1), only if he holds a certificate from the appropriate national specialty board; except that (A) a physician who possesses the qualifications requisite to such certification may furnish services as a specialist during a period of five years after attaining such qualifications and (if later) a period of five years after the effective date of health benefits under the program, (B) a physician may be authorized by the Administration to furnish services as a specialist if (i) prior to such effective date he has engaged in furnishing such services as a specialist or as a substantial part of his medical practice, (ii) he meets standards established by the Administration, and (iii) where appropriate, authorization to him to furnish services as a specialist is recommended by a participating hospital in which he has engaged substantially in furnishing such services, and (C) a physician may be authorized by the Administration to furnish services as a specialist if the number of physicians with the same specialty in the geographic area involved (as established under section 1152(a)) is insufficient to meet the needs of the residents of such area.

"(3) The Administration may by regulation exclude from covered services specified surgical procedures, when not required by life-threatening or other acute emergencies, which have not been preceded by consultation with, and recommendation of surgery by, such appropriately qualified specialists as may be required by the regulations. Hospital and other services incident to surgery excluded by regulations under this subsection are not covered services.

"(4) With respect to the performance of surgical procedures specified in regulations under paragraph (3), including emergency procedures, the Administration may require as a condition of payment to the provider that there be submitted to the carrier having responsibility for the administration of noninstitutional benefits under this title in the area involved pursuant to section 2045 a pathology report on tissue removed and a clinical abstract or discharge report of the case.

"Limitation on Payment for Practitioner Services Furnished in Nonparticipating Hospital

"(i) Payment may not be made under this title for services furnished by a professional practitioner in a hospital which is not a participating provider of services.

"Limitation on Payment for Certain Prosthetic Devices

"(j) Payment may not be made under this title—

"(1) for a fixed dental prosthesis without approval in advance given by the Professional Standards Review Organization for the area involved (or, if there is no such organization for that area, in such manner and by such entity as the Board may determine); or

"(2) for a hearing aid without a prescription therefor written by a physician who is a doctor of medicine or a doctor of osteopathy.

"Payment for Certain Outpatient Services Furnished by Nonparticipating Hospital

"(k) (1) Payment may also be made to any hospital for services described in section 2051 (g) furnished as an outpatient service by a hospital or by others under arrangements made by it to an individual entitled to benefits under this title even though such hospital does not have an agreement in effect under this title, if (A) such services were emergency services, (B) the Administration would be required to make such payment if the hospital had such an agreement in effect and otherwise met the conditions of payment hereunder, and (C) such hospital has made an election pursuant to subsection (c) (1) (C) with respect to the calendar year in which such emergency services are provided. Such payments shall be made only if such hospital agrees to comply, with respect to the emergency services provided, with the provisions of section 2043(a).

"(2) Payment may also be made on the basis of an itemized bill to an individual for services described in paragraph (1) of this subsection if (A) payment cannot be made under such paragraph solely because the hospital does not elect, in accordance with subsection (c) (1) (C), to claim such payments and (B) such individual files application (submitted within such time and in such form and manner, and containing and supported by such information, as the Administration shall be regulations prescribe) for reimbursement.

"Collection by Hospitals of Customary Charges for Certain Outpatient Services

"(1) Notwithstanding any other provision of this part, a hospital may, subject to such limitations as may be prescribed by regulations, collect from an individual the customary charges for services specified in section 2051(g) and furnished to him by such hospital as an outpatient, but only if such charges for such services do not exceed the applicable deductible, and such customary charges shall be regarded as expenses incurred by such individual for purposes of section 1811(c)(2). Payments under this title to hospitals which have elected to make collections from individuals in accordance with the preceding sentence shall be adjusted periodically to place the hospital in the same position it would have been in had it been reimbursed without regard to this subsection.

"PAYMENT TO PROVIDERS OF SERVICES; PROSPECTIVE DETERMINATION OF PAYMENT TO PROVIDERS; QUALITY MANAGEMENT PAYMENTS

"Sec. 2042. (a) The Administration shall periodically determine (subject to subsection (b)) the amount which should be paid under this title to each provider of services with respect to the services furnished by it, and the provider of services shall be paid, at such time or times as the Administration believes appropriate (but not less often than monthly) and prior to audit of settlement by the General Accounting Office, from the National Health Insurance Trust Fund, the amounts so determined, with necessary adjustments on account of previously made overpayments or underpayments; except that no such payments shall be made to any provider unless it has furnished such information as the Administration may request in order to determine the amounts due such provider under this title for the period with respect to which the amounts are being paid or any prior period.

"(b)(1) The Administration after consultation with providers of services and organizations of such providers, third party payors for institutional care, and other interested parties and organizations shall develop and make available to such providers of services one or more methods of obtaining payment on a prospective basis for services furnished under this title. Such providers will have the option of electing to utilize any one of such prospective payment methods. Once a provider elects a particular prospective payment method, it may not alter its election without the prior approval of the Administration. Where the Administration finds that the number of providers electing a prospective payment method promulgated in accordance with this paragraph is not sufficient to provide an adequate basis for either the operation or evaluation of that method, or that the method does not achieve improved results, then the Administration shall withdraw that method and allow the electing providers to select another method within 30 days of notice of such withdrawal.

"(2) In addition to the method or methods for establishing prospective rates or amounts made available under paragraph (1), the Administration may make available to providers in a State or any other region or geographic area designated by the Administration another method for establishing prospective rates or amounts where the Administration finds that the State or regional plan for prospective payment, as developed by either the State, providers or a provider organization, or a third party payor, is consistent with the policies expressed in this subsection.

"(3) Prior to the initial publication of any prospective payment method under paragraph (1) or the approval of any alternative prospective payment method under paragraph (2), the Administration shall give 60 days' notice thereof to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.

"(4) Prospective payment methods authorized under this subsection shall include in their design provisions (A) for financial incentives for efficiency and effectiveness of provider operations equal to the potential difference between the prospective rate or amount and the actual rate or amount, (B) which provide assurances to providers of services that their total income from all patient care will be equal to their financial requirements (subject to section 1122), (C) to assure the substantial participation by providers in such prospective payment methods, (D) to assure the availability of institutional services of high quality to beneficiaries and recipients under this title, and (E) for maintaining independent management discretion and responsibility in such providers.

"(5) Any payment method which the Administration establishes or approves under paragraphs (1) and (2) must recognize in the establishment of the prospective rate or amount the providers' total cost of operation of facilities and services which have been approved under section 1122, including (A) the unrecovered costs due to credit losses and patient's inability to pay; (B) the costs associated with agreed upon working capital needs; and (C) the cost of financing approved capital facility or services projects.

"(6)(A) Any payment method which the Administration establishes or approves under paragraph (1) or (2) shall not be modified once established with respect to an accounting period except under the circumstances described in subparagraph (B).

"(B) The Administration by regulation shall provide for adjustment to the agreed upon prospective rate amount for (i) unforeseeable events such as natural catastrophies and (ii) significant and unexpected changes in demand for services or for unexpected or significant changes in patient mix not under control of the provider.

"(C) A provider shall have the right to appeal a decision under subparagraph (B) to the Provider Reimbursement Review Board as authorized under section 2060.

"(7) Any payment method which the Administration establishes or approves under paragraph (1) or (2) must include provision for a return on the equity invested in the provision of the services, with the Administration determining annually a reasonable rate, after consideration of rates of return on investment of comparable risk and with such rate being included as a factor in the determination of the prospective rate or amount in the case of for-profit providers. Amounts shall also be included in determining the prospective rate or amount for not-for-profit providers in order to give appropriate recognition to the risk assumed under a prospective payment method.

"(8) Any prospective payment method established under this subsection shall exclude from reimbursement under this title in any calendar year the amount of any expenses of the provider which are paid by a State or local government in such year (or, if higher, an amount of the expenses of such provider equal to the amount of the expenses of such provider which were paid by a State or local government in the calendar year 1973).

"(9) Following publication of final regulations governing the method or methods of determining prospective rates or amounts under this subsection each provider shall have a period of 60 days within which to select one of the prospective payment methods for the first fiscal year beginning more than 120 days after the end of such 60-day period.

"(10) The Administration shall submit to the Congress annually a full report on the impact of prospective payment methods on the efficiency and effectiveness of provider operations. It shall include in its report an evaluation of the effects of the method of payment on the utilization and quality of the services of providers.

"(c)(1) The Administration shall promulgate a system of incentive payments as appropriate in accordance with the provisions of this subsection.

"(2) The Administration shall award on an annual basis quality management payments to any provider of services under this title whenever either the percentage amount or the dollar amount of increase in such provider's prospective rate (as defined by the Administration) for a fiscal year is less than the average annual increase in such rate for the three previous fiscal years for all providers in the same class as defined in accordance with paragraph (4).

"(3) The quality management payment to any provider under this subsection shall be equal to 50 percent of the difference between such provider's total costs to the program and what its costs to the program would have been had they increased at the class average rate as computed for the purpose of paragraph (2).

"(4) For purposes of comparing similar classes of hospitals under paragraph (2), the Administration shall develop and utilize a comparison methodology for grouping and comparing similar providers of services. Prior to the implementation of this paragraph the Administration shall consult with organizations of providers of services, third party payors for hospital care, and other interested parties.

"(5) Where a provider's increase, as computed under paragraph (2), exceeds the class average (as computed under paragraph (2)) with respect to a fiscal year, one-half of the difference between such provider's increase and the class average shall be added to such provider's increase in the subsequent fiscal year for purposes of computing any future entitlement to any quality management payment under this subsection.

"(6)(A) In recognition of the significant contribution to improved management practices by staff personnel and members of the medical staff, each provider which receives a quality management payment under this subsection shall distribute at least one-half of the amount of such payment to the employees and members of the medical staff under a plan approved by the governing board of such provider and made known to such employees and such members of the medical staff.

"(B) Any amounts paid to employees under the provisions of subparagraph (A) shall not be considered costs for the purposes of the computation required under paragraph (2), and the Administration shall promulgate annually the names (and other identifying information) of all providers which receive quality management payments under this subsection.

"(7) Quality management payments under this subsection shall be made in appropriate part from the Federal Hospital Insurance Trust Fund, the Federal Supplementary Medical Insurance Trust Fund, and the National Health Insurance Trust Fund. The Administration shall submit to the Congress annually a full report on the quality management payments made under this subsection. The Administration shall include in its report an evaluation of the impact of such payments on the efficiency and effects of these payments on the utilization and quality of hospital services.

"AGREEMENTS WITH PROVIDERS OF SERVICES

"Sec. 2043. (a)(1) Any provider of services shall be qualified to participate under this title and shall be eligible for payments under this title if it files with the Administration an agreement—

"(A) not to charge, except as provided in paragraph (2), any individual or any other person for items or services for which such individual is entitled to have payment made under this title (or for which he would be so entitled if such provider of services had complied with the procedural and other requirements under or pursuant to this title or for which such provider is paid pursuant to the provisions of section 2041(d)), and

"(B) not to charge any individual or any other person for items or services for which such individual is not entitled to have payment made under this title because payment for expenses incurred for such items or services may not be made by reason of the provisions of section 2011(a)(2) (A) or (G), but only if (i) such individual was without fault in incurring such expenses and (ii) the Administration's determination that such payment may not be made for such items and services was made after the third year following the year in which notice of such payment was sent to such individual; except that the Administration may reduce such three-year period to not less than one year if he finds such reduction is consistent with the objectives of this title, and

"(C) to make adequate provision for return (or other disposition, in accordance with regulations) of any moneys incorrectly collected from such individuals or other person. An agreement under this paragraph with an extended care facility shall be for a term of not exceeding 12 months, except that the Administration may extend such terms for a period not exceeding 2 months, where the health and safety of patients will not be jeopardized thereby, if he finds that such extension is necessary to prevent irreparable harm to such facility or hardship to the individuals being furnished items or services by such facility or if he finds it impracticable within such 12-month period to determine whether such facility is complying with the provisions of this title and regulations thereunder.

"(2)(A) A provider of services may charge such individual or other person (i) the amount of any deduction or coinsurance amount imposed pursuant to section 2011(c) with respect to such items and services (not in excess of the amount customarily charged for such items and services by such provider), (ii) the amount of any copayment obligation and excess above the reasonable allowance consistent with section 2051(bb)(4), (iii) an amount equal to 20 per centum of the reasonable charges for such items and services (not in excess of 20 per centum of the amount customarily charged for such items and services by such provider) for which payment is made under this title.

"(B) Where a provider of services has furnished, at the request of such individual, items or services which are in excess of or more expensive than the items or services with respect to which payment may be made under this title, such provider of services may also charge such individual or other person for such more expensive items or services to the extent that the amount customarily charged by it for the items or services furnished at such request exceeds the amount customarily charged by it for the items or services with respect to which payment may be made under this title.

"(b) An agreement with the Administration under this section may be terminated (and in the case of a skilled nursing facility, prior to the end of the term specified in subsection (a)(1))—

"(1) by the provider of services at such time and upon such notice to the Administration and the public as may be provided in regulations, except that notice of more than 6 months shall not be required, or

"(2) by the Administration at such time and upon such reasonable notice to the provider of services and the public as may be specified in regulations, but only after the Administration has determined (A) that such provider of services is not complying substantially with the provisions of such agreement, or with the provisions of this title and regulations thereunder, or (B) that such provider of services no longer substantially meets the applicable provisions of section 2051, or (C) that such provider of services has failed to provide such information as the Administration finds necessary to determine whether payments are or were due under this title and the amounts thereof, or has refused to permit such examination of its fiscal and other records by or on behalf of the Administration as may be necessary to verify such information, or (D) that such provider has made, or caused to be made, any false statement or representation of a material fact for use in an application for payment under this title or for use in determining the right to a payment under this title, or (E) that such provider has submitted, or caused to be submitted, requests for payment under this title of amounts for rendering services substantially in excess of the costs incurred by such provider for rendering such services, or (F) that such provider has furnished services or supplies which are determined by the Administration, with the concurrence of the members of an appropriate program review team who are physicians or other professional personnel in the health care field, to be substantially in excess of the needs of individuals or to be harmful to individuals or to be of a grossly inferior quality.

Any termination shall be applicable—

"(3) in the case of inpatient hospital services (including tuberculosis hospital services and inpatient psychiatric hospital services) or post-hospital extended care services, with respect to services furnished after the effective date of such termination, except that payment may be made for up to thirty days with respect to inpatient institutional services furnished to any eligible individual who was admitted to such institution prior to the effective date of such termination,

"(4)(A) with respect to home health services furnished to an individual under a plan therefor established on or after the effective date of such termination, or (B) if a plan is established before such effective date, with respect to such services furnished to such individual after the calendar year in which such termination is effective, and

"(5) with respect to any other items and services furnished on or after the effective date of such termination.

"(c)(1) Where an agreement filed under this title by a provider of services has been terminated by the Administration, such provider may not file another agreement under this title unless the Administration finds that the reason for the termination has been removed and that there is reasonable assurance that it will not recur.

"(2) In the case of a skilled nursing facility participating in the programs established by this title and title XVIII, the Administration may enter into an agreement under this section only if such facility has been approved for purposes of title XVIII, and the term of any such agreement shall be in accordance with the period of approval of eligibility specified by the Administration for such purposes.

"(d) If the Administration finds that there is a substantial failure to make timely review in accordance with section 2051(k) of long-stay cases in a hospital or skilled nursing facility, it may, in lieu of terminating its agreement with such hospital or facility, decide that, with respect to any individual admitted to such hospital or facility after a subsequent date specified by it, no payment shall be made under this title for inpatient hospital services (including inpatient tuberculosis hospital services and inpatient psychiatric hospital services) after the twentieth day of a continuous period of such services or for post-hospital extended care services after such day of a continuous period of such care as is prescribed in or pursuant to regulations, as the case may be. Such decision may be made effective only after such notice to the hospital, or (in the case of a skilled nursing facility) to the facility and the hospital or hospitals with which it has a transfer agreement, and to the public, as may be prescribed by regulations, and its effectiveness shall terminate when the Administration finds that the reason therefor has been removed and that there is reasonable assurance that it will not recur. The Administration shall not make any such decision except after reasonable notice and opportunity for hearing to the institution or agency affected thereby.

"(e) For purposes of this section, the term 'provider of services' shall include a clinic, rehabilitation agency or public health agency if, in the case of a clinic or rehabilitation agency, such clinic or agency meets the requirements of section 2051(o)(4)(A), or if, in the case of a public health agency, such agency meets the requirements of section 2051(o)(4)(B), but only with respect to the furnishing of outpatient physical therapy services (as therein defined).

"USE OF PUBLIC AGENCIES OR PRIVATE ORGANIZATIONS TO FACILITATE PAYMENT TO PROVIDERS OF SERVICES

"SEC. 2044. (a) If any group or association of providers of services wishes to have payments under this title to such providers made through a national, State, or other public or private agency or organization and nominates such agency or organization for this purpose, the Administration is authorized to enter into an agreement with such agency or organization providing for the determination by such agency or organization (subject to the provisions of section 2060 and to such review by the Administration as may be provided for by the agreement) of the amount of the payments required pursuant to this title to be made to such providers, and for the making of such payments by such agency or organization to such providers. Such agreement may also include provision for the agency or organization to do all or any part of the following: (1) to provide consultative services to institutions or agencies to enable them to establish and maintain fiscal records necessary for purposes of this title and otherwise to qualify as hospitals, extended care facilities, or home health agencies, and (2) with respect to the providers of services which are to receive payments through it (A) to serve as a center for, and communicate to providers, any information or instructions furnished to it by the Administration, and serve as a channel of communication from providers to the Administration; (B) to make such audits of the records of providers as may be necessary to insure that proper payments are made under this title; and (C) to perform such other functions as are necessary to carry out this subsection.

"(b) The Administration shall not enter into an agreement with any agency or organization under this section unless (1) he finds (A) that to do so is consistent with the effective and efficient administration of this title, and (B) that such agency or organization is willing and able to assist the providers to which payments are made through it under this title in the application of safeguards against unnecessary utilization of services furnished by them to individuals entitled to benefits under this title, and the agreement provides for such assistance, and (2) such agency or organization agrees to furnish to the Administration such of the information acquired by it in carrying out its agreement under this section as the Administration may find necessary in performing its functions under this title.

"(c) An agreement with any agency or organization under this section may contain such terms and conditions as the Administration finds necessary or appropriate, may provide for advances of funds to the agency or organization for the making of payments by it under subsection (a), and shall provide for payment of so much of the cost of administration of the agency or organization as is determined by the Administration to be necessary and proper for carrying out the functions covered by the agreement.

"(d) If the nomination of an agency or

organization as provided in this section is made by a group or association of providers of services, it shall not be binding on members of the group or association to notify the Administration of their election to that effect. Any provider may, upon such notice as may be specified in the agreement under this section with an agency or organization, withdraw its nomination to receive payments through such agency or organization. Any provider which has withdrawn its nomination, and any provider which has not made a nomination, may elect to receive payments from any agency or organization which has entered into an agreement with the Administration under this section if the Administration and such agency or organization agree to it.

"(e) An agreement with the Administration under this section may be terminated—

"(1) by the agency or organization which entered into such agreement at such time and upon such notice to the Administration, to the public, and to the providers as may be provided in regulations, or

"(2) by the Administration at such time and upon such notice to the agency or organization, to the providers which have nominated it for purposes of this section, and to the public, as may be provided in regulations, but only if it finds, after reasonable notice and opportunity for hearing to the agency or organization, that (A) the agency or organization has failed substantially to carry out the agreement, or (B) the continuation of some or all of the functions provided for in the agreement with the agency or organization is disadvantageous or is inconsistent with the efficient administration of this title.

"(f) An agreement with an agency or organization under this section may require any of its officers or employees certifying payments or disbursing funds pursuant to the agreement, or otherwise participating in carrying out the agreement to give surety bond to the United States in such amount as the Administration may deem appropriate.

"(g) (1) No individual designated pursuant to an agreement under this section as a certifying officer shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to any payments certified by him under this section.

"(2) No disbursing officer shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to any payment by him under this section if it was based upon a voucher signed by a certifying officer designated as provided in paragraph (1) of this subsection.

"(3) No such agency or organization shall be liable to the United States for any payments referred to in paragraph (1) or (2).

"USE OF CARRIERS FOR ADMINISTRATION OF NONINSTITUTIONAL BENEFITS

"SEC. 2045. (a) (1) In order to provide for the administration of the benefits furnished under this title by persons other than providers of services with maximum efficiency and convenience for individuals entitled to benefits under this title and for providers of services and other persons furnishing services to such individuals, the Administration is authorized, in the manner provided in subsection (c), to enter into contracts with carriers (as defined in section 2051(x)), including carriers with which agreements under section 2044 are in effect, which qualify under subsection (b) and will perform some or all of the following functions (or, to the extent provided in such contracts, will secure performance thereof by other organizations); and, with respect to any of the following functions, the Administration shall to the extent possible enter into such contracts:

"(A) receive, disburse, and account for funds in making payments for services furnished under this title by persons other than providers of services;

"(B) serve as a channel of communication of information relating to the administration of this title; and

"(C) otherwise assist, in such manner as the contract may provide, in discharging administrative duties necessary to carry out the purposes of this title.

"(b) A carrier is qualified for purposes of subsection (a) only if—

"(1) during the calendar year 1973 at least 3 percent of the total dollar value of health insurance outstanding in the United States was written or underwritten by such carrier, and

"(2) such carrier demonstrates to the satisfaction of the Administration, in such manner and form as the Administration may require, that it is capable of efficient and effective claims operations, and agrees to utilize standard claims processing forms and procedures established by the Administration under subsection (c) (4).

"(c) (1) The Administration shall establish, keep current, and make public a complete list of all qualified carriers in the United States.

"(2) The Administration shall divide the United States into geographic regions for purposes of this section, taking into account the outstanding contracts entered into by employers under paragraph (3), the locations of the various qualified carriers and their principal offices, and the probable demand or need for health care and services under this title in each such region. Any qualified carrier on the list established under paragraph (1) which maintains one or more offices in any region may submit to the Administration an offer to enter into a contract under subsection (a) for the administration of the noninstitutional benefits under this title within that region; and the carrier with which the Administration enters into such a contract with respect to that region shall (subject to paragraph (3)) have full responsibility for the administration of such benefits in that region in accordance with this section.

"(3) Notwithstanding any other provision of this section, any corporation, firm, or other person which employed an average of one thousand or more individuals in the conduct of its trade or business during the preceding calendar year may select any carrier on the list established under paragraph (1) (or, alternately, may elect to deal directly with the Administration) for the administration of benefits under this title with respect to its employees.

"(4) The Administration shall establish standard claims forms and processing procedures designed to minimize administrative burdens on physicians and others who furnish services covered under this title.

"(d) (1) Contracts with carriers under subsection (a) shall be subject to section 3709 of the Revised Statutes and to any other provision of law requiring competitive bidding.

"(2) No such contract shall be entered into with any carrier unless the Administration finds that such carrier will perform its obligations under the contract efficiently and effectively and will meet such requirements as to financial responsibility, legal authority, and other matters as he finds pertinent.

"(3) Each such contract shall provide that the carrier—

"(A) will make all payments authorized by this title for noninstitutional services, as provided in this section;

"(B) will take such action as may be necessary to assure that payment under this title for noninstitutional services will be in accordance with subsection (b); and

"(C) will furnish to the Administration such timely information and reports as it may find necessary in performing its functions under this title; and

"(D) will maintain such records and afford such access thereto as the Administration finds necessary to assure the correctness and verification of the information and reports under subparagraph (D) and otherwise to carry out the purposes of this title;

and shall contain such other terms and conditions not inconsistent with this section as the Administration may find necessary or appropriate.

"(4) Each contract under this section shall be for a term of at least two years, and may be made automatically renewable from term to term in the absence of notice by either party of intention to terminate at the end of the current term; except that the Administration may terminate any such contract at any time (after such reasonable notice and opportunity for hearing to the carrier involved as it may provide in regulations) if he finds that the carrier has failed substantially to carry out the contract or is carrying out the contract in a manner inconsistent with the efficient and effective administration of the insurance program established by this title.

"(e) Any contract entered into with a carrier under this section shall provide for advances of funds to the carrier for the making of payments by it under this title, and, in the case of a carrier selected by an employer under subsection (c) (3), shall provide for payment of the cost of administration of the carrier, as determined by the Administration to be necessary and proper for carrying out the functions covered by the contract.

"(f) Any contract with a carrier under this section may require such carrier or any of its officers or employees certifying payments or disbursing funds pursuant to the contract, or otherwise participating in carrying out the contract to give surety bond to the United States in such amount as the Administration may deem appropriate.

"(g) (1) No individual designated pursuant to a contract under this section as a certifying officer shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to any payments certified by him under this section.

"(2) No disbursing officer shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to any payment by him under this section if it was based upon a voucher signed by a certifying officer designated as provided in paragraph (1) of this subsection.

"(3) No such carrier shall be liable to the United States for any payments referred to in paragraph (1) or (2).

"PAYMENT TO PHYSICIANS AND OTHER HEALTH PROFESSIONALS

"SEC. 2046. (a) Payment under this title for services rendered by a physician within any area established under section 1152 shall be made in accordance with a single fee schedule applicable throughout that area, as described in subsection (b).

"(b) The fee schedule described in subsection (a) which is applicable with respect to services rendered in any area shall be determined as follows:

"(1) The schedule to be in effect in such area for the twelve-month period beginning on the effective date of this title shall be proposed by the medical societies or equivalent organizations in such area; and the schedule so proposed shall be approved by the Administration if it finds (utilizing professional actuarial expertise) that the total costs of the services involved in such area, adjusted to the extent that the Administration finds (on the basis of appropriate economic index data) to be justified by economic changes, would have been no higher for the calendar year 1973 than they were in fact had such schedule been in effect throughout that year.

"(2) Except as provided in paragraphs (3) and (4), the schedule to be in effect in such area for any twelve-month period beginning on July 1 after the period specified in paragraph (1) shall be the schedule which was in effect in such area for the period specified in paragraph (1), adjusted to the extent that the Administration finds (on the basis of appropriate economic index data) to be justified by economic changes.

"(3) A new or modified schedule to be in effect in such area for any twelve-month period may be proposed at any time by the medical societies or equivalent organizations in such area; and any schedule so proposed shall be approved by the Administration (in lieu of a schedule under paragraph (2)) if it finds (utilizing professional actuarial expertise) that the total costs of the services involved under the new or proposed schedule will be no higher for such twelve-month period than they would have been had the schedule been determined under paragraph (2) for such period.

"(4) In any case where no schedule is proposed to be in effect in such area for any period as provided in the preceding paragraphs of this subsection, or where the Administration is unable to approve the schedule so proposed, the Administration shall establish and place in effect in such area for that period a fee schedule, which shall be equivalent to the fee schedule theretofore proposed and approved under such paragraphs or another area which is determined by the Administration to be similar to such area.

"(c) All physicians may elect, in such manner and form as the Administration shall by regulations prescribe, whether to participate or not to participate, in the manner provided in subsection (d)(1), in the program under this title. Any such physician desiring to participate may do so upon giving thirty days' written notice to the Administration that he will accept payment of the fee schedule amount as payment in full for the services he provides to all individuals eligible for benefits under this title. Any participating physician desiring to rescind his participation may do so upon giving 90 days' written notice to the Administration and to all of his current patients, but may again participate in such programs only upon the expiration of six months after his most recent participation ceased (and upon giving thirty days' written notice (during or after such six-month period) to the Administration).

"(d)(1) Any physician electing to participate in the program under this title as provided in subsection (c) shall receive payment for any services furnished by him in the State, under this title, on the basis of regular billings (which shall be submitted on the same type of claims form) in accordance with the fee schedule which is effective in the area for the period involved, and shall receive pursuant to section 2032 such payment in the full amounts specified in such schedule, without offset for deductible or coinsurance amounts. At the option of the physician, such billings and the payments made pursuant thereto may be made on a consolidated basis under which the physician uses a single form to list all of the services involved under both programs over such period (not less than a week) as shall be specified by the Administration, and receives a single check including payment for all of the services so listed.

"(2) Payments under this title to physicians who have not elected to participate in such programs as provided in subsection (c), and to patients of such physicians, for services specified in the fee schedule which is effective in the area for the period involved, shall be made in the amounts specified in such schedule subject to any applicable deductibles and coinsurance.

"(e) Each fee schedule in effect under the preceding provisions of this subsection, and the names and addresses of all participating physicians within the meaning of subsection (c) shall be made available to the public throughout the State involved, in such manner and at such times as the Administration may consider appropriate, by the Administration or by the appropriate State agency with the approval of the Administration.

"(f) The amount payable under this title in the case of other medical services, supplies, and equipment (including equipment servicing) which, in the judgment of the Administration, do not generally vary significantly in quality from one supplier to another, may not exceed the lowest charge levels at which such services, supplies, and equipment are widely and consistently available in the locality involved except to the extent and under the circumstances specified by the Administration.

"SPECIAL PROVISIONS RELATING TO OUTPATIENT DRUGS AND BIOLOGICALS

"National Health Insurance Formulary Committee

"SEC. 2047. (a)(1)(A) There is hereby established, within the Social Security Administration a National Health Insurance Formulary Committee (hereinafter referred to as the 'Committee'), a majority of whose members shall be physicians and which shall consist of the Commissioner of Food and Drugs and of four individuals (not otherwise in the employ of the Federal Government) who do not have a direct or indirect financial interest in the compensation of the Formulary established under this section and who are of recognized professional standing and distinction in the fields of medicine, pharmacology, or pharmacy, to be appointed by the Administration without regard to the provisions of title 5, United States Code, governing appointments in the competitive service. The Chairman of the Committee shall be elected annually from the appointed members thereof, by majority vote of the members of the Committee.

"(B) Each appointed member of the Committee shall hold office for a term of five years, except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term, and except that the terms of office of the members first taking office shall expire, as designated by the Administration at the time of appointment, one at the end of each of the first five years. A member shall not be eligible to serve continuously for more than two terms.

"(2) Appointed members of the Committee, while attending meetings or conferences thereof otherwise serving on business of the Committee, shall be entitled to receive compensation at rates fixed by the Administration (but not in excess of the daily rate paid under GS–18 of the General Schedule under section 5332 of title 5, United States Code), including traveltime, and while so serving away from their homes or regular places of business they may be allowed travel expenses, as authorized by section 5703 of title 5, United States Code, for persons in the Government service.

"(3)(A) The Committee is authorized, with the approval of the Administration, to engage or contract for such technical assistance as may be required to carry out its functions, and the Administration shall, in addition, make available to the Committee such secretarial, clerical, and other assistance as the Formulary Committee may require to carry out its functions.

"(B) The Administration shall furnish to the Committee such office space, materials, and equipment as may be necessary for the Formularly Committee to carry out its functions.

"Formulary

"(b)(1)(A) The Committee shall compile, publish, and make available a National Health Insurance Formulary (hereinafter in this section referred to as the 'Formulary').

"(B) The Committee shall periodically revise the Formulary and the listing of drugs so as to maintain currency in the contents thereof.

"(2)(A) The Formulary shall contain an alphabetically arranged listing, by established name, of those drug entities within the following therapuetic categories:

"Adrenocorticoids
"Anti-anginals
"Anti-arrhythmics
"Anti-coagulants
"Anti-convulsants (excluding phenobarbital)
"Anti-hypertensives
"Anti-neoplastics
"Anti-Parkinsonism agents
"Anti-rheumatics
"Bronchodilators
"Cardiotonics
"Cholinesterase inhibitors
"Diuretics
"Gout suppressants
"Hypoglycemics
"Miotics
"Oral contraceptives
"Thyroid hormones
"Tuberculostatics

which the Committee decides are necessary for individuals using such drugs. The Committee shall exclude from the Formulary any drug entities (or dosage forms and strengths thereof) which the Committee decides are not necessary for proper patient care, taking into account other drug entities (or dosage forms and strengths thereof) which are included in the Formulary.

"(B) Such listing shall include the specific dosage forms and strengths of each drug entity (included in the Formulary in accordance with subparagraph (A)) which the Committee decides are necessary for individuals using such drugs.

"(C) Such list shall include the prices at which the products (in the same dosage form and strength) of such drug entities are generally sold by the suppliers thereof and the limit applicable under subsection (e) for purposes of determining the reasonable allowance.

"(D) The Committee may also include in the Formulary, either as a separate part (or parts) thereof or as a supplement (or supplements) thereto, any or all of the following information:

"(i) A supplemental list or lists, arranged by diagnostic, prophylactic, therapeutic, or other classifications, of the drug entities (and dosage forms and strengths thereof) included in the listing referred to in subparagraph (A).

"(ii) The proprietary names under which products of a drug entity listed in the Formulary by established name (and dosage form and strength) are sold and the names of each supplier thereof.

"(iii) Any other information with respect to eligible drug entities which in the judgment of the Committee would be useful in carrying out the purposes of this part.

"(3) In considering whether a particular drug entity (or strength or dosage form thereof) shall be included in or excluded from the Formulary, the Committee is authorized to obtain (upon request therefor) any record pertaining to the characteristics of such drug entity which is available to any other department, agency, or instrumentality of the Federal Government, and to request suppliers or manufacturers of drugs and other knowledgeable persons or organizations to make available to the Committee information relating to such drug. If any such record or information (or any information contained in such record) is of a confidential nature, the Committee shall respect the confidentiality of such record or information and shall limit its usage thereof to the proper exercise of its authority.

"(4)(A) The Committee shall establish such procedures as it determines to be necessary in its evaluation of the appropriateness of the inclusion in or exclusion from the Formulary of any drug entity (or dosage form or strength thereof). For purposes of inclusion in or exclusion from the Formulary, the principal factors in the determination of the Committee shall be:

"(i) the factor of clinical equivalence in the case of the same dosage forms in the same strengths of the same drug entity, and

"(ii) the factor of relative therapeutic value in the case of similar, or dissimilar drug entities in the same therapeutic category.

"(B) The Committee, prior to making a final decision to remove from listing in the Formulary any drug entity (or dosage forms or strengths thereof) which is included therein, shall afford a reasonable opportunity for a formal or informal hearing on the matter to any person engaged in manufacturing, preparing, compounding, or processing such drug entity who shows reasonable ground for such a hearing.

"(C) Any person engaged in the manufacture, preparation compounding, or processing of any drug entity (or dosage forms or strengths thereof) not included in the Formulary which such person believes to possess the requisite qualities to entitle such drug to be included in the Formulary pursuant to subsection (a), may petition for inclusion of such drug entity and, if such petition is denied by the Formulary Committee, shall, upon request therefor, showing reasonable grounds for a hearing, be afforded a formal or informal hearing on the matter in accordance with rules and procedures established by such Committee.

"Limitations on Payment for Charges of Providers of Services

"(c)(1) Any provider whose services are otherwise reimbursable, under this title or under any other program under this Act in which there is Federal financial participation on the basis of 'reasonable cost', shall not be entitled to a professional fee or dispensing charge or reasonable billing allowance as determined pursuant to this section.

"(2) A fee, charge, or billing allowance shall not be payable under this section with respect to any drug entity that (as determined in accordance with regulations) is furnished as an incident to a physician's professional service, and is of a kind commonly furnished in physicians' offices and commonly either rendered without charge or included in the physicians' bills.

"Reasonable Allowance for Outpatient Drugs and Biologicals

"(d)(1) For purposes of this section, the term 'reasonable allowance' when used with respect to outpatient drugs and biologicals means—

"(A) when used with respect to a reimbursable drug other than insulin the amount determined under paragraph (2) of this section, and

"(B) when used with respect to an insulin product, an amount determined by the Board, including a reasonable billing allowance.

"(2) The amount applicable under paragraph (1)(A) shall be the sum of—

"(A) an amount equal to the price of such reimbursable drug as ascertained under paragraph (1), and

"(B) the pharmaceutical srevice charge as determined under paragraph (4).

"(3)(A) From time to time (but not less often than annually), the Administration shall, subject to subparagraph (B), ascertain the prices of a drug, however named, at which the ultimate dispensers thereof acquire such drug. Any drug, however named, the price of which exceeds 150 per centum of the average price of such drug shall not be a reimbursable drug for purposes of this part.

"(B) Whenever the price at which a drug is generally available for sale to the ultimate dispensers thereof varies significantly among the various regions of the United States, or among classes of ultimate dispensers, the Secretary may determine an average price with respect to such drug for various regions or for various classes of its ultimate dispensers.

"(4)(A) Each participating licensed pharmacy shall file annually, in such form as may be prescribed by the Administration, a statement of its pharmaceutical service charge with the Administration.

"(B) The pharmaceutical service charge for purposes of paragraph (2)(A) with respect to any participating licensed pharmacy shall be the pharmaceutical service charge filed under subparagraph (A), except that any such charge which exceeds 90 per centum of the average such charge for licensed participating pharmacies in the same locality shall be reduced to the 90 per centum level.

"(C) With respect to years after the first year for which a pharmaceutical service charge is filed, the 90 per centum amount under subparagraph (B) shall be increased by the Administration to the extent necessary on the basis of appropriate economics index data.

"Special Provisions for Physicians Dispensing Outpatient Drugs and Biologicals

"(e)(1) This subsection shall apply, notwithstanding any other provisions in this title, where the Administration determines that no participating licensed pharmacies exist in a community.

"(2) Any physician practicing in a community with respect to which the Administration has made a determination is deemed to be a licensed participating pharmacy for purposes of this title if such physician files the required agreement and statement with the Administration.

"(3) In cases where a licensed participating pharmacy exists in a community only because of paragraph (2), the reasonable allowance for an outpatient drug or biological under this section shall be no larger than the amount specified in subsection (d)(2)(A).

"NATIONAL HEALTH INSURANCE TRUST FUND

"SEC. 2048. (a) There is hereby created on the books of the Treasury of the United States a trust fund to be known as the 'National Health Insurance Trust Fund' (hereinafter in this section referred to as the 'Trust Fund'). The Trust Fund shall consist of such gifts and bequests as may be made as provided in section 201(i)(1), and such amounts as may be deposited in, or appropriated to, such fund as provided in this title (and in section 102(e) of the Comprehensive National Health Insurance Act of 1974). There are hereby appropriated to the Trust Fund for each fiscal year, out of any money in the Treasury not otherwise appropriated, amounts equivalent to 100 per centum of—

"(1) the taxes imposed by sections 301(c) and 3111(c) of the Internal Revenue Code of 1954 with respect to wages reported to the Secretary of the Treasury or his delegate pursuant to subtitle F of such Code (including unearned income treated as wages pursuant to section 3126(c) of such Code), as determined by the Secretary of the Treasury by applying the applicable rates of tax under such sections to such wages, which wages shall be certified by the Board of the Social Security Administration on the basis of records of wages established and maintained by the Board of the Social Securtiy Administration in accordance with such reports; and

"(2) the taxes imposed by section 1401(c) of the Internal Revenue Code of 1954 with respect to self-employment income reported to the Secretary of the Treasury or his delegate on tax returns under subtitle F of such Code (including unearned income treated as wages pursuant to section 3126(c) of such Code), as determined by the Secretary of the Treasury by applying the applicable rate of tax under such section to such self-employment income, which self-employment income shall be certified by the Secretary of Health, Education, and Welfare on the basis of records of self-employment established and maintained by the Secretary of Health, Education, and Welfare in accordance with such returns.

The amounts appropriated by the preceding sentence shall be transferred from time to time from the general fund in the Treasury to the Trust Fund, such amounts to be determined on the basis of estimates by the Secretary of the Treasury of the taxes, specified in the preceding sentence, paid to or deposited into the Treasury; and proper adjustments shall be made in amounts subsequently transferred to the extent prior estimates were in excess of or were less than the taxes specified in such sentence.

"(b) With respect to the Trust Fund, there is hereby created a body to be known as the Board of Trustees of the Trust Fund (hereinafter in this section referred to as the 'Board of Trustees') composed of the Secretary of the Treasury, the Secretary of Labor, the Chairman of the Board of the Social Security Administration, and the Secretary of Health, Education, and Welfare, all ex officio. The Secretary of the Treasury shall be the Managing Trustee of the Board of Trustees (hereinafter in this section referred to as the 'Managing Trustee'). The Executive Director of the Social Security Administration shall serve as the Secretary of the Board of Trustees. The Board of Trustees shall meet not less frequently than once each calendar year. It shall be the duty of the Board of Trustees to—

"(1) hold the Trust Fund;

"(2) report to the Congress not later than the first day of April of each year on the operation and status of the Trust Fund during the preceding fiscal year and on its expected operation and status during the current fiscal year and the next 2 fiscal years;

"(3) report immediately to the Congress whenever the Board is of the opinion that the amount of the Trust Fund is unduly small; and

"(4) review the general policies followed in managing the Trust Fund, and recommend changes in such policies, including necessary changes in the provisions of law which govern the way in which the Trust Fund is to be managed.

The report provided for in paragraph (2) shall include a statement of the assets of, and the disbursements made from, the Trust Fund during the preceding fiscal year, an estimate of the expected income to, and disbursements to be made from, the Trust Fund during the current fiscal year and each of the next 2 fiscal years, and a statement of the actuarial status of the Trust Fund. Such report shall be printed as a House document of the session of the Congress to which the report is made.

"(c) It shall be the duty of the Managing Trustee to invest such portion of the Trust Fund as is not, in his judgment, required to meet current withdrawals. Such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose such obligations may be acquired (1) on original issue at the issue price, or (2) by purchase of outstanding obligations at the market price. The purposes for which obligations of the United States may be issued under the Second Liberty Bond Act, as amended, are hereby extended to authorize the issuance at par of public-debt obligations for purchase by the Trust Fund. Such obligations issued for purchase by the Trust Fund shall have maturities fixed with due regard for the needs of the Trust Fund and shall bear interest at a rate equal to the average market yield (computed by the Managing Trustee on the basis of market quotations as of the end of the calendar month next preceding the date of such issue) on all marketable interest-bearing obligations of the United States then forming a part of the public debt which are not due or callable until after the expiration of 4 years from the end of such calendar month; except that where such average market yield is not a multiple of one-eighth of 1 percent, the rate of interest on such obligations shall be the multiple of one-eighth of 1 percent nearest such market yield. The Managing Trustee may purchase other interest-bearing obligations of the United States or obligations guaranteed as to both principal and interest by the United States, on original issue or at the market price, only where he determines that the purchase of such other obligations is in the public interest.

"(d) Any obligations acquired by the Trust Fund (except public-debt obligations issued exclusively to the Trust Fund) may be sold by the Managing Trustee at the market price, and such public-debt obligations may be redeemed at par plus accrued interest.

"(e) The interest on, and the proceeds from the sale or redemption of, any obligations held in the Trust Fund shall be credited to and form a part of the Trust Fund.

"(f)(1) The Managing Trustee is directed to pay from time to time from the Trust Fund into the Treasury the amount estimated by him as taxes imposed under section 3101(c) which are subject to refund under section 6413(d) of the Internal Revenue Code of 1954. Such taxes shall be determined on the basis of the records of wages established and maintained by the Secretary of Health, Education, and Welfare in accordance with the wages reported to the Secretary of the Treasury or his delegate pursuant to subtitle F of the Internal Revenue Code of 1954, and the Secretary of Health, Education, and Welfare shall furnish the Managing Trustee such information as may be required by the Managing Trustee for such purpose. The payments by the Managing Trustee shall be covered into the Treasury as repayments to the account for refunding internal revenue collections.

"(2) Repayments made under paragraph (1) shall not be available for expenditures but shall be carried to the surplus fund of the Treasury. If it subsequently appears that the estimates under such paragraph in any particular period were too high or too low, appropriate adjustments shall be made by the Managing Trustee in future payments.

"(g) There shall be transferred periodically (but not less often than once each fiscal year) to the Trust Fund from the other Trust Funds established by this Act amounts equivalent to the amounts not previously so transferred which the Secretary of Health, Education, and Welfare shall have certified as overpayments pursuant to section 2056 of this Act.

"(h) There are authorized to be appropriated to the Trust Fund from time to time such sums as the Administration deems necessary for any fiscal year, on account of—

"(1) payments made or to be made during such fiscal year from the Trust Fund for items and services furnished to individuals who (by reason of section 2033) are not billed for (and are not required to pay) the full deductibles and coinsurance amounts otherwise required by section 2011(c),

"(2) the additional administrative expenses resulting or expected to result from making such payments without collecting such deductibles and coinsurance amounts, and

"(3) any loss of interest to such Trust Fund resulting therefrom,

in order to place the Trust Fund in the same position at the end of such fiscal year in which it would have been if the individuals described in paragraph (1) had been billed for, and had paid, the full deductibles and coinsurance amounts required under section 2011(c) with respect to the items and services involved.

"(i) There shall be transferred periodically (but not less often than once each fiscal year) from the Trust Fund to the Health Resources Development Board for purposes of title XIV of the Public Health Service Act the following amounts:

"(1) For the fiscal year ending June 30, 1977, an amount equivalent to 2 percent of the total of all amounts deposited in the Trust Fund in the fiscal year ending June 30, 1976.

"(2) For the fiscal year ending June 30, 1978, an amount equivalent to 1½ percent of the total of all amounts deposited in the Trust Fund in the fiscal year ending June 30, 1977.

"(3) For the fiscal year ending June 30, 1979, and each succeeding fiscal year, an amount equal to 1 percent of the total of all amounts deposited in the Trust Fund in the preceding fiscal year.

"(j) The Managing Trustee shall also pay from time to time from the Trust Fund such amounts as the Secretary of Health, Education, and Welfare certifies are necessary to make (1) the payments provided for by this title, and (2) the payments with respect to administrative expenses provided for by section 201(g)(1).

"PART E—MISCELLANEOUS PROVISIONS

"DEFINITIONS

"SEC. 2051. For purposes of this title—

"Inpatient Hospital Services

"(a) The term 'inpatient hospital services' means the following items and services furnished to an inpatient of a hospital and (except as provided in paragraph (3)) by the hospital—

"(1) bed and board;

"(2) such nursing services and other related services, such as use of hospital facilities, and such medical social services as are ordinarily furnished by the hospital for the care and treatment of inpatients, and such drugs, biologicals, supplies, appliances, and equipment, for use in the hospital, as are ordinarily furnished by such hospital for the care and treatment of inpatients; and

"(3) such other diagnostic or therapeutic items or services, furnished by the hospital or by others under arrangements with them made by the hospital, as are ordinarily furnished to inpatients either by such hospital or by others under such arrangements;

excluding, however—

"(4) medical or surgical services provided by a physician who is not an employee of the hospital; and

"(5) the services of a private-duty nurse or other private-duty attendant.

"Hospital

"(b) The term 'hospital' means, except with respect to emergency services provided outside the United States, an institution which—

"(1) is primarily engaged in providing, by or under the supervision of physicians, to inpatients (A) diagnostic services and therapeutic services for medical diagnosis, treatment, and care of injured, disabled, or sick persons, or (B) rehabilitation services for the rehabilitation of injured, disabled, or sick persons;

"(2) maintains clinical records on all patients;

"(3) has bylaws in effect with respect to its staff or physicians;

"(4) has a requirement that every patient must be under the care of a physician;

"(5) provides 24-hour nursing service rendered or supervised by a registered professional nurse, and has a licensed practical nurse or registered professional nurse on duty at all times;

"(6) has in effect a hospital utilization review plan which meets the requirements of subsection (k);

"(7) in the case of an institution in any State in which State or applicable local law provides for the licensing of hospitals, (A) is licensed pursuant to such law or (B) is approved, by the agency of such State or locality responsible for licensing hospitals, as meeting the standards established for licensing; and

"(8) meets such other requirements as the Secretary finds necessary in the interest of the health safety of the individuals who are furnished services in the institution.

Notwithstanding the preceding provisions of this subsection, such term shall not include any institution which is primarily for the care and treatment of mental diseases or tuberculosis unless it is a psychiatric hospital (as defined in subsection (c)) or unless it is a tuberculosis hospital (as defined in subsection (d)). The term 'hospital' also includes a Christian Science sanatorium operated, or listed and certified, by the First Church of Christ, Scientist, Boston, Massachusetts, but only with respect to items and services ordinarily furnished by such institution to inpatients, and payment may be made with respect to services provided by or in such an institution only to such extent and under such conditions, limitations, and requirements (in addition to or in lieu of the conditions, limitations, and requirements otherwise applicable) as may be provided in regulations.

"Psychiatric Hospital

"(c) The term 'psychiatric hospital' means an institution which—

"(1) is primarily engaged in providing, by or under the supervision of a physician, psychiatric services for the diagnosis and treatment of mentally ill persons;

"(2) satisfies the requirements of paragraphs (3) through (8) of subsection (b);

"(3) maintains clinical records on all patients and maintains such records as the Secretary finds to be necessary to determine the degree and intensity of the treatment provided to individuals;

"(4) meets such staffing requirements as the Secretary finds necessary for the institution to carry out an active program of treatment for individuals who are furnished services in the institution; and

"(5) is accredited by the Joint Commission on Accreditation of Hospitals.

In the case of an institution which satisfies paragraphs (1) and (2) of the preceding sentence and which contains a distinct part which also satisfies paragraphs (3) and (4) of such sentence, such distinct part shall be considered to be a "psychiatric hospital" if the institution is accredited by the Joint Commission on Accreditation of Hospitals or if such distinct part meets requirements equivalent to such accreditation requirements as determined by the Secretary.

"Tuberculosis Hospital

"(d) The term 'tuberculosis hospital' means an institution which—

"(1) is primarily engaged in providing, by or under the supervision of a physician, medical services for the diagnosis and treatment of tuberculosis;

"(2) satisfies the requirements of paragraphs (3) through (8) of subsection (b);

"(3) maintains clinical records on all patients and maintains such records as the Secretary finds to be necessary to determine the degree and intensity of the treatment provided to individuals;

"(4) meets such staffing requirements as the Secretary finds necessary for the institution to carry out an active program of treatment for individuals who are furnished services in the institution; and

"(5) is accredited by the Joint Commission on Accreditation of Hospitals.

In the case of an institution which satisfies paragraphs (1) and (2) of the preceding sentence and which contains a distinct part which also satisfies paragraphs (3) and (4) of such sentence, such distinct part shall be considered to be a 'tuberculosis hospital' if the institution is accredited by the Joint Commission on Accreditation of Hospitals or if such distinct part meets requirements equivalent to such accreditation requirements as determined by the Secretary.

"Physicians' Services

"(e) The term 'physicians' services' means professional services performed by physicians, including surgery, consultation, and home, office, and institutional calls.

"Physician

"(f) The term 'physician' when used in connection with the performance of any function or action, means, except with respect to emergency services provided outside the United States, (1) a doctor of medicine or osteopathy, other than an intern, resident, or fellow, legally authorized to practice medicine and surgery by the State in which he performs such function or action (including a physician within the meaning of section 1101(a)(7), (2) a doctor of dentistry or of dental or oral surgery who is legally authorized to practice dentistry by the State in which he performs such function but only with respect to (A) surgery related to the jaw or any structure contiguous to the jaw or (B) the reduction of any fracture of the jaw or any facial bone, (3) a doctor of optometry who is legally authorized to practice optometry by the State in which he performs such function, but only with respect to establishing the necessity for prosthetic lenses, or (4) except for the purposes of subsections (j), (k), (m), and (n), a doctor of podiatry or surgical chiropody, but (unless clause (1) of this subsection also applies to him) only with respect to functions which he is legally authorized to perform in the State in which he performs them.

"Medical and Other Health Services

"(g) The term 'medical and other health services' means any of the following items or services—

"(1) physicians' services;

"(2)(A) services, other than physician extender services, and supplies (including drugs and biologicals which cannot, as determined in accordance with regulations, be self-administered) furnished as an incident to a physician's professional service, of kinds which are commonly furnished in physicians' offices and are commonly either rendered without charge or included in the physicians' bills;

"(B) hospital services (including drugs and biologicals which cannot, as determined in accordance with regulations, be self-administered) other than physician extender services, incident to physicians' services rendered to outpatients;

"(C) diagnostic services which are—

"(i) furnished to an individual as an outpatient by a hospital or by others under arrangements with them made by a hospital, and

"(ii) ordinarily furnished by such hospital (or by others under such arrangements) to its out-patients for the purpose of diagnostic study;

"(D) outpatient physical therapy services; and

"(E) physician extender services;

"(3) diagnostic X-ray tests (including tests under the supervision of a physician, furnished in a place of residence used as the patient's home, if the performance of such tests meets such conditions relating to health and safety as the Administration may find necessary), diagnostic laboratory tests, and other diagnostic tests;

"(4) X-ray, radium, and radioactive isotope therapy, including materials and services of technicians;

"(5) surgical dressings, and splints, casts, and other devices used for a reduction of fractures and dislocations;

"(6) durable medical equipment, including dialysis equipment and supplies, iron lungs, oxygen tents, hospital beds, and wheelchairs used in the patient's home (including an institution used as his home other than an institution that meets the requirements of subsection (b)(1) or (j)(1) of this section), whether furnished on a rental basis or purchased;

"(7) ambulance service where the use of other methods of transportation is contraindicated by the individual's condition, but only to the extent provided in regulations;

"(8) prosthetic devices (other than dental) which replace all or part of an internal body organ (including colostomy bags and supplies directly related to colostomy care) including replacement of such devices; and

"(9) leg, arm, back, and neck braces, and artificial legs, arms, and eyes, including replacements if required because of a change in the patient's physical condition.

No diagnostic tests performed in any laboratory which is independent of a physician's office or a hospital shall be included within paragraph (3) unless such laboratory—

"(10) if situated in any State in which State or applicable local law provides for licensing of establishments of this nature, (A) is licensed pursuant to such law, or (B) is approved, by the agency of such State or locality, responsible for licensing establishments of this nature, as meeting the standards established for such licensing; and

"(11) meets such other conditions relating to the health and safety of individuals with respect to whom such tests are performed as the Secretary may find necessary.

There shall be excluded from the diagnostic services specified in paragraph (2)(C) any item or service (except services referred to in paragraph (1)) which—

"(12) would not be included under subsection (a) if it were furnished to an inpatient of a hospital; or

"(13) is furnished under arrangements referred to in such paragraph (2)(C) unless furnished in the hospital or in other facilities operated by or under the supervision of the hospital or its organized medical staff.

"Extended Care Services

"(h) The term 'extended care services' means the following items and services furnished to an inpatient of a skilled nursing facility and (except as provided in paragraphs (3) and (6)) by such skilled nursing facility—

"(1) nursing care provided by or under the supervision of a registered professional nurse;

"(2) bed and board in connection with the furnishing of such nursing care;

"(3) physical, occupational, or speech therapy furnished by the skilled nursing facility or by others under arrangements with them made by the facility;

"(4) medical social services;

"(5) such drugs, biologicals, supplies, appliances, and equipment, furnished for use in the skilled nursing facility as are ordinarily furnished by such facility for the care and treatment of inpatients;

"(6) medical services provided by an intern, resident-in-training, or fellow of a hospital with which the facility has in effect a transfer agreement (meeting the requirements of subsection (l)), under a teaching program of such hospital, and other diagnostic or therapeutic services provided by a hospital with which the facility has such an agreement in effect; and

"(7) such other services necessary to the health of the patients as are generally provided by skilled nursing facilities;

excluding however, any item or service if it would not be included under subsection (a) or furnished to an inpatient of a hospital.

"Post-Hospital Extended Care Services

"(i) The term 'post-hospital extended care services' means extended care services furnished an individual after transfer from a hospital in which he was an inpatient for not less than 3 consecutive days before his discharge from the hospital in connection with such transfer, and for so long as he remains in the skilled nursing facility providing the services and is not discharged from it. For purposes of the preceding sentence, items and services shall be deemed to have been furnished to an individual after transfer from a hospital, and he shall be deemed to have been an inpatient in the hospital immediately before transfer therefrom, if he is admitted to the skilled nursing facility—

"(A) within 14 days after discharge from such hospital, or

"(B) within 28 days after such discharge, in the case of an individual who was unable to be admitted to a skilled nursing facility within such 14 days because of a shortage of appropriate bed space in the geographic area in which he resides, or

"(C) within such time as it would be medically appropriate to begin an active course of treatment, in the case of an individual whose condition is such that skilled nursing facility care would not be medically appropriate within 14 days after discharge from a hospital.

An individual shall be deemed not to have been discharged from a skilled nursing facility if, within 14 days after discharge therefrom, he is admitted to such facility or any other skilled nursing facility.

"Skilled Nursing Facility

"(j) The term 'skilled nursing facility' means an institution (or a distinct part of an institution) which has in effect a transfer agreement (meeting the requirements of subsection (l)) with one or more certified hospitals, which is under the direction of an administrator licensed under the laws of the State in which it is located, and which—

"(1) is primarily engaged in providing to inpatients (a) skilled nursing care and related services for patients who require medical or nursing care, or (B) rehabilitation services for the rehabilitation of injured, disabled, or sick persons;

"(2) has policies, which are developed with the advice of (and with provision of review of such policies from time to time by) a group of professional personnel, including one or more physicians and one or more registered professional nurses, to govern the skilled nursing care and related medical or other services it provides;

"(3) has a physician, a registered professional nurse, or a medical staff responsible for the execution of such policies;

"(4)(A) has a requirement that the health care of every patient must be under the supervision of a physician, and (B) provides for having a physician available to furnish necessary medical care in case of emergency;

"(5) maintains clinical records on all patients;

"(6) provides 24-hour nursing service which is sufficient to meet nursing needs in accordance with the policies developed as provided in paragraph (2), and has at least one registered professional nurse employed full time;

"(7) provides appropriate methods and procedures for the dispensing and administering of drugs and biologicals;

"(8) has in effect a utilization review plan which meets the requirements of subsection (k);

"(9) in the case of an institution in any State in which State or applicable local law provides for the licensing of institutions of this nature, (A) is licensed pursuant to such law, or (B) is approved, by the agency of such State or locality responsible for licensing institutions of this nature, as meeting the standards established for such licensing;

"(10) cooperates in an effective program which provides for a regular program of independent medical evaluation and audit of the patients in the facility to the extent required by the programs in which the facility participates (including medical evaluation of each patient's need for skilled nursing facility care);

"(11) meets such provisions of the Life Safety Code of the National Fire Protection Association (21st edition, 1967) as are applicable to nursing homes; except that, for such periods as are appropriate, specific provisions of such Code which if rigidly applied would result in unreasonable hardship upon a nursing home may be waived, but only if such waiver will not adversely affect the health and safety of the patients; except that the provisions of such Code shall not apply in any State if the Administration finds that in such State there is in effect a fire and safety code, imposed by State law, which adequately protects patients in nursing facilities; and

"(12) meets such other conditions relating to the health and safety of individuals who are furnished services in such institution or relating to the physical facilities thereof as the Administration may find necessary, except that the Administration shall not require as a condition of participation that medical social services be furnished in any such institution.

The term 'skilled nursing facility' also includes a Christian Science Sanatorium operated, or listed and certified, by the First Church of Christ, Scientist, Boston, Massachusetts, but only with respect to items and services ordinarily furnished by such an institution to inpatients.

"To the extent that paragraph (6) of this subsection may be deemed to require that any skilled nursing facility engage the services of a registered professional nurse for more than 40 hours a week, the Administration is authorized to waive such requirements if it finds—

"(A) such facility is located in a rural area and the supply of skilled nursing facility services in such area is not sufficient to meet the needs of individuals residing therein,

"(B) such facility has one full-time registered professional nurse who is regularly on duty at such facility 40 hours a week, and

"(C) such facility (i) has only patients whose physicians have indicated (through physicians' orders or admission notes) that each such patient does not require the services of a registered nurse or a physician for a 48-hour period, or (ii) has made arrangements for a registered professional nurse or a physician to spend such time at such facility as may be indicated as necessary by the physician to provide necessary skilled nursing services on days when the regular full-time registered professional nurse is not on duty.

"Utilization Review

"(k) A utilization review plan of a hospital or skilled nursing facility shall be considered sufficient if it is applicable to services furnished by the institution to individuals entitled to insurance benefits under this title and if it provides—

"(1) for the review of admissions to the institution, the duration of stays therein, and the professional services (including drugs and biologicals) furnished, (A) with respect to the medical necessity of the services, and (B) for the purpose of promoting the most efficient use of available health facilities and services;

"(2) for such review to be made by either (A) a staff committee of the institution composed of two or more physicians with or without participation of other professional personnel, or (B) a group outside the institution which is similarly composed and (i) which is established by the local medical society and some or all of the hospitals and skilled nursing facilities in the locality or (ii) if (and for as long as) there has not been established such a group which serves such institution, which is established in such other manner as may be approved by the Administration;

"(3) for such review, in each case of inpatient hospital services or extended care services furnished to such an individual during a continuous period of extended duration, as of such days of such period (which may differ for different classes of cases) as may be specified in regulations, with such review to be made as promptly as possible, after each day so specified, and in no event later than one week following such day; and

"(4) for prompt notification to the institution, the individual, and his attending physician of any finding (made after opportunity for consultation to such attending physician) by the physician members of such committee or group that any further stay in the institution is not medically necessary.

The review committee must be composed as provided in clause (B) of paragraph (2) rather than as provided in clause (A) of such paragraph in the case of any hospital or skilled nursing facility where, because of the small size of the institution, or (in the case of a skilled nursing facility) because of lack of an organized medical staff, or for such other reason or reasons as may be included in regulations, it is impracticable for the institution to have a properly functioning staff committee for the purposes of this subsection.

"Agreements for Transfer Between Skilled Nursing Facilities and Hospitals

"(l) A hospital and a skilled nursing facility shall be considered to have a transfer agreement in effect if, by reason of a written agreement between them or (in case the two institutions are under common control) by reason of a written undertaking by the person or body which controls them, there is reasonable assurance that—

"(1) transfer of patients will be effected between the hospital and the skilled nursing facility whenever such transfer is medically appropriate as determined by the attending physician; and

"(2) there will be interchange of medical and other information necessary or useful in the care and treatment of individuals transferred between the institutions, or in determining whether such individuals can be adequately cared for otherwise than in either of such institutions.

Any skilled nursing facility which does not have such an agreement in effect, but which has attempted in good faith to enter into such an agreement with a hospital sufficiently close to the facility to make feasible the transfer between them of patients and the information referred to in paragraph (2), shall be considered to have such an agreement in effect if and for so long as to do so is in the public interest and essential to assuring extended care services for persons in the community who are eligible for payments with respect to such services under this title.

"Home Health Services

"(m) The term 'home health services' means the following items and services furnished to an individual, confined to his home (except when receiving items and services referred to in clause (7)) and in need of skilled nursing care on an intermittent basis, or physical or speech therapy, who is under the care of a physician, by a home health agency or by others under arrangements with them made by such agency, under a plan (for furnishing such items and services to such individual) established and periodically reviewed by a physician, which items and services are, except as provided in paragraph (7), provided on a visiting basis in a place of residence used as such individual's home—

"(1) part-time or intermittent nursing care provided by or under the supervision of a registered professional nurse;

"(2) physical, occupational, or speech therapy;

"(3) medical social services under the direction of a physician;

"(4) to the extent permitted in regulations, part-time or intermittent services of a home health aide;

"(5) medical supplies (other than drugs and biologicals), and the use of medical appliances, while under such a plan;

"(6) in the case of a home health agency which is affiliated or under common control with a hospital, medical services provided by an intern or resident-in-training of such hospital under a teaching program of such hospital; and

"(7) any of the foregoing items and services which are provided on an outpatient basis, under arrangements made by the home health agency, at a hospital or skilled nursing facility, or at a rehabilitation center which meets such standards as may be prescribed in regulations, and—

"(A) the furnishnig of which involves the use of equipment of such a nature that the items and services cannot readily be made available to the individual in such place of residence, or

"(B) which are furnished at such facility which he is there to receive any such item or service described in clause (A), but not including transportation of the individual in connection with any such item or service; excluding, however, any item or service if it would not be included under subsection (a) if furnished to an inpatient of a hospital.

"Home Health Agency

"(n) The term 'home health agency' means a public agency or private organization, or a subdivision of such an agency or organization which—

"(1) is primarily engaged in providing skilled nursing services and other therapeutic services;

"(2) has policies, established by a group of professional personnel (associated with the agency or organization), including one or more physicians and one or more registered professional nurses, to govern the services (referred to in paragraph (1)) which it provides, and provides for supervision of such services by a physician or registered professional nurse;

"(3) maintains clinical records on all patients;

"(4) in the case of an agency or organization in any State in which State or applicable local law provides for the licensing of agencies or organizations of this nature, (A) is licensed pursuant to such law, or (B) is approved, by the agency of such State or locality responsible for licensing agencies or organizations of this nature, as meeting of the standards established for such licensing; and

"(5) meets such other conditions as the Administration may find necessary in the interest of the health and safety of individuals who are furnished services by such agency or organization;

"(6) meets such other standards and requirements as the Administration may by regulation provide.

"Outpatient Physical Therapy Services

"(o) The term 'outpatient physical therapy services' means physical therapy services furnished by a hospital, skilled nursing facility, home health agency, clinic, rehabilitation agency, or a public health agency, or by others under an arrangement with, and under the supervision of, such hospital skilled nursing facility, home health agency, clinic, rehabilitation agency, or public health agency to an individual as an outpatient—

"(1) who is under the care of a physician, and

"(2) with respect to whom a plan prescribing the type, amount, and duration of physical therapy services that are to be furnished such individual has been established, and is periodically reviewed, by a physician (as so defined);

excluding, however—

"(3) any item or service if it would not be included under subsection (a) if furnished to an inpatient of a hospital; and

"(4) any such service—

"(A) if furnished by a clinic or rehabilitation agency, or by others under arrangements with such clinic or agency, unless such clinic or rehabilitation agency—

"(i) provides an adequate program of physical therapy services for outpatients and has the facilities and personnel required for such program or required for the supervision of such a program, in accordance with such requirements as the Administrator may specify,

"(ii) has policies, established by a group of professional personnel, including one or more physicians (associated with the clinic or rehabilitation agency) and one or more qualified physical therapists, to govern the services (referred to in clause (i)) it provides,

"(iii) maintains clinical records on all patients,

"(iv) if such clinic or agency is situated in a State in which State or applicable local law provides for the licensing of institutions of this nature, (I) is licensed pursuant to such law, or (II) is approved by the agency of such State or locality responsible for licensing institutions of this nature, as meeting the standards established for such licensing; and

"(v) meets such other conditions relating to the health and safety of individuals who are furnished services by such clinic or agency on an outpatient basis, as the Administration may find necessary, or

"(B) if furnished by a public health agency, unless such agency meets such other conditions relating to health and safety of individuals who are furnished services by such agency on an outpatient basis, as the Administration may find necessary. In addition, such term includes physical therapy services which meet the requirements of the first sentence of this subsection except that they are furnished to an individual as an inpatient of a hospital or skilled nursing facility. The term 'outpatient physical therapy services' also includes speech pathology services furnished by a hospital, skilled nursing facility, home health agency, clinic, rehabilitation agency, or by a public health agency, or by others under an arrangement with, and under the supervision of, such hospital, skilled nursing facility, home health agency, clinic, rehabilitation agency, or public health agency to an individual as an outpatient, subject to the conditions prescribed in this subsection.

"Drugs and Biologicals

"(p) The term 'drugs' and the term 'biologicals', except for purposes of subsection (m)(5) of this section, include only such drugs and biologicals, respectively, as are required by section 503(b) of the Federal Food, Drug, and Cosmetic Act to be dispensed only upon prescription, and such other drugs and biologicals as the Administration may by regulation provide.

"Outpatient Drugs and Biologicals

"(q) The term 'outpatient drugs and biologicals' means any drug or biological which (1) can be self-administered, (2) requires a physician's prescription (except for insulin), (3) is prescribed when the individual requiring such drug is not an inpatient in a hospital or extended care facility, during a period of covered care, (4) is included by strength and dosage forms among the drugs and biologicals approved by the Formulary Committee, (5) is dispensed (except as provided by section 2041(g)), by a pharmacist from a participating pharmacy, and (6) is dispensed in quantities consistent with proper medical practice and reasonable professional discretion.

"Routine Dental Services

"(r) The term 'routine dental services' means in connection with the examination, care, treatment, filling, removal, or replacement of teeth or structures directly supporting teeth provided by a dentist or an assistant to a dentist working under his supervision, except that it does not include orthodontic services.

"Dentist

"(s) The term 'dentist', when used in connection with the performance of any function, means a doctor of dentistry or of dental or oral surgery who is legally authorized to practice dentistry by the State in which he performs such function.

"Eyeglasses

"(t) The term 'eyeglasses' means lenses for the correction of a vision defect, other than contact lenses, provided on the basis of an eye examination.

"Eye and Vision Examination

"(u) The term 'eye and vision examination' means an examination for the purpose of determining the need for eyeglasses or vision care, or prescribing, fitting, or changing eyeglasses, performed by an individual who may legally perform such examination in the State in which it is performed.

"Hearing Aids and Examinations

"(v) The term 'hearing aids and examinations' means devices for the correction of hearing defects and examinations for the purpose of determining the need for such a device, subject to such limitations and restrictions as the Secretary may by regulation provide.

"Physician Extender Services

"(w) The term 'physician extender services' means services performed under the supervision and control of a physician by a physician's assistant, nurse practitioner, or other individual, whether or not performed in the office of such physician or at a place at which he is present, if—

"(1) the services are related to the practice by the supervising physician of general medicine, family medicine, internal medicine, geriatrics, or such other medical specialties as the Administration may by regulation prescribe,

"(2) the individual has—

"(A) successfully completed an appropriate training program approved by the Administration or by an accrediting organization approved by the Administration, or

"(B) passed a physician extender certification examination conducted by a certifying organization approved by the Administration which does not have as a prerequisite graduation from an accredited training program, or

"(C) met such other proficiency requirements as the Administration may by regulation prescribe,

"(3) the individual may legally perform the services in the State in which the services are performed,

"(4) under the law of the State in which the services are performed, the individual acts, in performing the services, as the agent or otherwise on behalf of the supervising physician or organization which employs the individual, and

"(5) the charges for such services are included in the bills of the supervising physician or the employing organization.

"Carrier

"(x) The term 'carrier' means a voluntary association, corporation, partnership, or other nongovernmental organization which is lawfully engaged in providing, paying for, or reimbursing the cost of health services under group insurance policies or contracts, medical or hospital service agreements, membership or subscription contracts, or similar group arrangements, in consideration of premiums or other periodic charges payable to the carrier, other than a self-insured employer, and also includes (1) a health benefits plan duly sponsored or underwritten by an employee organization, and (2) with respect to providers of services only, any agency or organization (not described in the preceding provisions of this subsection) with which an agreement is in effect under section 2044.

"Arrangements for Certain Services

"(y) The term 'arrangements' is limited to arrangements under which receipt of payment by the hospital, a skilled nursing facility, or home health agency (whether in its own right or as agency), with respect to services for which an individual is entitled to have payment made under this title, discharges the liability of such individual or any other person to pay for the services.

"State and United States

"(z) The terms 'State' and 'United States' have the meaning given to them by subsections (h) and (i), respectively, of section 210.

"Provider of Services

"(aa) The term 'provider of services' means a hospital, skilled nursing facility, or home health agency, and includes a neighborhood health center (as defined in regulations), a community mental health center (as defined in the Community Mental Health Centers Act), or a health maintenance organization meeting the requirements of section 1301 of the Public Health Service Act.

"Participating Pharmacy

"(bb) The term 'participating pharmacy' means a pharmacy, or other establishment (including the outpatient department of a hospital) providing pharmaceutical services (1) which is licensed as such under the laws of the State (where such State requires such licensure) or which is otherwise lawfully providing pharmaceutical services in which outpatient drugs and biologicals are provided or otherwise dispensed in accordance with this title, (2) which has agreed with the Administration to act as a provider of services in accordance with the requirements of this section, and which complies with such other requirements as may be established by the Administration in regulations to assure the proper economical, and efficient administration of this title, (3) which has agreed to submit, at such frequency and in such form as may be prescribed in regulations, bills for amounts payable under this title for such drugs and biologicals furnished under this title, and (4) which has agreed not to charge beneficiaries under this title any amounts in excess of those allowable under this title with respect to outpatient drugs and biologicals except as is provided under section 2012(a), and except for so much of the charge for a prescription (in the case of a drug product prescribed by a physician, of a drug entity in a strength and dosage form included in the Formulary where the price at which such product is sold by the supplier thereof exceeds the reasonable allowance) as is in excess of the reasonable allowance established for such drug entity in accordance with section 2012(e).

"Well-Child Care

"(cc) The term 'well-child care' means neonatal care (including supervision of normal new born infants, and diagnosis and treatment of low-birth-weight or preterm infants and other ill infants in the neonatal period), periodic assessment of health status, immunizations, anticipatory guidance and conseling relating to the preventation of illness, and screening for intellectual development and specific diseases where such tests are indicated.

"CONSULTATION WITH STATE AGENCIES AND OTHER ORGANIZATIONS TO DEVELOP CONDITIONS OF PARTICIPATION FOR PROVIDERS OF SERVICES

"SEC. 2052. In carrying out its functions relating to determination of conditions of participation by providers of services, the Administration shall consult with appropriate State agencies and recognized national listing or accrediting bodies, and may consult with appropriate local agencies. Such conditions prescribed under any of such subsections may be varied for different areas or different classes of institutions or agencies and may, at the request of a State, provide higher requirements for such State than for other States; except that, in the case of any State or political subdivision of a State which imposes higher requirements on institutions as a condition to the purchase of services (or of certain specified services), the Administration shall impose like requirements as a condition to the payment for services (or for the services specified by the State or subdivision) in such institutions in such State or subdivision.

"USE OF STATE AGENCIES TO DETERMINE COMPLIANCE BY PROVIDERS OF SERVICES WITH CONDITIONS OF PARTICIPATION

"SEC. 2053. (a) The Administration shall make an agreement with any State which is able and willing to do so under which the services of the State health agency or other appropriate State agency (or the appropriate local agencies) will be utilized by the Administration for the purpose of determining whether an institution therein is a hospital or skilled nursing facility, or whether an agency therein is a home health agency, or whether a laboratory meets the requirements of paragraph (10) and (11) of section 2051 (g), or whether a clinic, rehabilitation agency or public health agency meets the requirements of subparagraph (A) or (B), as the case may be, of section 2051(o)(4). To the extent that the Administration finds it appropriate, an institution or agency which such a State or local agency certifies is a hospital, skilled nursing facility, or home health agency (as those terms are defined in section 2051) may be treated as such by the Administration. Any State agency which has such an agreement may (subject to approval of the Administration) furnish to an extended care facility, after proper request by such facility, such specified consultative services (which such agency is able and willing to furnish in a manner satisfactory to the Administration) as such facility may need to meet one or more of the conditions specified in section 2051(j). Any such services furnished by a State agency shall be deemed to have been furnished pursuant to such agreement. Within 90 days following the completion of each survey of any health care facility, laboratory, clinic, agency, or organization by the appropriate State or local agency described in the first sentence of this subsection, the Administration shall make public in readily available form and place the pertinent findings of each such survey relating to the compliance of each such health care facility, laboratory, clinic, agency, or organization with (1) the statutory conditions of participation imposed under this title and (2) the major additional conditions which the Administration finds necessary in the interest of health and safety of individuals who are furnished care or services by any such facility, laboratory, clinic, agency, or organization.

"(b) The Administration shall pay any such State, in advance or by way of reimbursement, as may be provided in the agreement with it (and may make adjustments in such payments on account of overpayments or underpayments previously made), for the reasonable cost of performing the functions specified in subsection (a), and for the National Health Insurance Trust Fund's fair share of the costs attributable to the planning and other efforts directed toward coordination of activities in carrying out its agreement and other activities related to the provision of services similar to those for which payment may be made under this title, or related to the facilities and personnel required for the provision of such services, or related to improving the quality of such services.

"(c) The Administration is authorized to enter into an agreement with any State under which the appropriate State or local agency which performs the certification function described in subsection (a) will survey, on a selective sample basis (or where the Administration finds that a survey is appropriate because of substantial allegations of the existence of a significant deficiency or deficiencies which would, if found to be present, adversely affect health and safety of patients), hospitals which have an agreement with the Administration under section 2043 and which are accredited by the Joint Commission on the Accreditation of Hospitals. The Administration shall pay for such services in the manner prescribed in subsection (b).

"EFFECT OF ACCREDITATION

"SEC. 2054. (a) Except as provided in subsection (b) and the second sentence of section 2043, if—

"(1) an institution is accredited as a hospital by the Joint Commission on Accreditation of Hospitals, and

"(2) such institution (if it is included within a survey described in section 2053 (c)) authorizes the Commission to release to the Administration (on a confidential basis) upon its request (or such State agency as the Administration may designate) a copy of the most current accreditation survey of such institution made by such Commission,

then, such institution shall be deemed to meet the requirements of the numbered paragraphs of section 2051(b); except—

"(3) paragraph (6) thereof, and

"(4) any standard, promulgated by the Administration pursuant to paragraph (8) thereof, which is higher than the requirements prescribed for accreditation by such Commission.

If such Commission, as a condition for accreditation of a hospital, requires a utilization review plan(or imposes another requirement which serves substantially the same purpose) or imposes a standard which the Administration determines is at least equivalent to the standard promulgated by the Administration as described in paragraph (4) of this subsection, the Administration is authorized to find that all institutions so accredited by such Commission comply also with section 2051(b)(6) or the standard described in such paragraph (4), as the case may be. In addition, if the Administration finds that accreditation of an institution or agency by the American Osteopathic Association or any other national accreditation body provides reasonable assurance that any or all of the conditions of section 2051 (b), (j), or (n), as the case may be, are met, it may, to the extent it deems it appropriate, treat such institution or agency as meeting the condition or conditions with respect to which it made such finding.

"(b) Notwithstanding any other provision of this title, if the Administration finds following a survey made pursuant to section 2053(c) that an institution has significant deficiencies (as defined in regulations pertaining to health and safety), such institution shall, after the date of notice of such finding to the hospital and for such period as may be prescribed in regulations, be deemed not to meet the requirements of the numbered paragraphs of section 2051(b).

"DETERMINATIONS; APPEALS

"SEC. 2055. (a) The determination of whether an individual is entitled to benefits under this title, and the determination of the amount of such benefits, shall be made by the Administration in accordance with regulations prescribed by it.

"(b)(1) Any individual dissatisfied with any determination under subsection (a) as to—

"(A) whether he meets the conditions of eligibility for benefits under this title, or

"(B) the amount of benefits under this title (including a determinaton where such amount is determined to be zero),

shall be entitled to a hearing thereon by the Administration to the same extent as is provided in section 205(b) and to judicial review of the Administration's final decision after such hearing as is provided in section 205(g).

"(2) Notwithstanding the provisions of subparagraph (B) of paragraph (1) of this subsection, a hearing shall not be available to an individual by reason of such subparagraph (B) if the amount in controversy is less than $100; nor shall judicial review be available to an individual by reason of such subparagraph (B) if the amount in controversy is less than $1,000.

"(c) Any institution or agency dissatisfied with any determination by the Administration that it is not a provider of services, or with any determination described in section 2043(b)(2), shall be entitled to a hearing thereon by the Administration (after reasonable notice and opportunity for hearing) to the same extent as is provided in section 205 (b), and to judicial review of the Administration's final decision after such hearing as is provided in section 205(g).

"OVERPAYMENTS ON BEHALF OF INDIVIDUALS AND SETTLEMENT OF CLAIMS FOR BENEFITS ON BEHALF OF DECEASED INDIVIDUALS

"SEC. 2056. (a) Any payment under this title to any provider of services or other person with respect to any items or services furnished any individual shall be regarded as a payment to such individual.

"(b) Where—

"(1) more than the correct amount is paid under this title to a provider of services or other person for items or services furnished an individual and the Administration determines (A) that, within such period as it may specify, the excess over the correct amount cannot be recouped from such provider of services or other person, or (B) that such provider of services or other person was without fault with respect to the payment of such excess over the correct amount, or

"(2) any payment has been made under section 2041(d) to a provider of services or other person for items or services furnished an individual,

proper adjustment shall be made, under regulations prescribed by the Administration, by decreasing subsequent payments—

"(3) to which such individual is entitled under title II of this Act, or

"(4) if such individual dies before such adjustment has been completed, to which any other individual is entitled under title II of this Act with respect to the wages and self-employment income or the compensation constituting the basis of the benefits of such deceased individual under title II of this Act.

As soon as practicable after any adjustment under paragraph (3) or (4) is determined to be necessary, the Administration, for purposes of this section and section 2046(g), shall certify the amount of the overpayment as to which the adjustment is to be made. For purposes of clause (B) of paragraph (1), such provider of services or such other person shall, in the absence of evidence to the contrary, be deemed to be without fault if the Administration's determination that more than such correct amount was paid was made subsequent to the third year following the year in which notice was sent to such individual that such amount had been paid; except that the Administration may reduce such three-year period to not less than one year if it finds such reduction is consistent with the objectives of this title.

"(c) There shall be no adjustment as provided in subsection (b) (nor shall there be recovery) in any case where the incorrect payment has been made (including payments under section 2041(d)) with respect to an individual who is without fault or where the adjustment (or recovery) would be made by decreasing payments to which another person who is without fault is entitled as provided in subsection (b)(4), if such adjustment (or recovery) would defeat the purposes of title II or this title or would be against equity and good conscience. Adjustment or recovery of an incorrect payment (or only such part of an incorrect payment as the Administration determines to be inconsistent with the purposes of this title) against an individual who is without fault shall be deemed to be against equity and good conscience if (A) the incorrect payment was made for expenses incurred for items or services for which payment may not be made under this title by reason of the provisions of section 2011(a) (2) (A) or (G), and (B) the Administration's determination that such payment was incorrect was made subsequent to the third year following the year in which notice of such payment was sent to such individual; except that the Administration may reduce such three-year period to not less than one year if it finds such reduction is consistent with the objectives of this title.

"(d) No certifying or disbursing officer shall be held liable for any amount certified or paid by him to any provider of services or other person where the adjustment or recovery of such amount is waived under subsection (c) or where adjustment under subsection (b) is not completed prior to the death of all persons against whose benefits such adjustment is authorized.

"(e) If an individual, who received services for which payment may be made to such individual under this title, dies, and payment for such services was made (other than under this title), and the individual died before any payments due him under this title with respect to such services was completed, payment of the amount due (including the amount of any unnegotiated checks) shall be made—

"(1) if the payment for such services was made (before or after such individual's death) by a person other than the deceased individual, to the person or persons determined by the Administration under regulations to have paid for such services, or if the payment for such services was made by the deceased individual before his death, to the legal representative of the estate of such deceased individual, if any;

"(2) if there is no person who meets the requirements of paragraph (1), to the person, if any, who is determined by the Administration to be the surviving spouse of the deceased individual and who was either living in the same household with the deceased at the time of his death or was, for the month in which the deceased individual died (entitled to a monthly benefit on the basis of the same wages and self-employment income as was the deceased individual;

"(3) if there is no person who meets the requirements of paragraph (1) or (2), or if the person who meets such requirements dies before the payment due him under this title is completed, to the child or children, if any, of the deceased individual who were, for the month in which the deceased individual died, entitled to monthly benefits on the basis of the same wages and self-employment income as was the deceased individual (and, in case there is more than one such child, in equal parts to each such child);

"(4) if there is no person who meets the requirements of paragraph (1), (2), or (3), or if each person who meets such requirements dies before the payment due him under this title is completed, to the parent or parents, if any, of the deceased individual who were, for the month in which the deceased individual died, entitled to monthly benefits on the basis of the same wages and self-employment income as was the deceased individual (and, in case there is more than one such parent, in equal parts to each such parent);

"(5) if there is no person who meets the requirements of paragraph (1), (2), (3), or (4), or if each person who meets such requirements dies before the payment due him under this title is completed, to the person, if any, determined by the Administration to be the surviving spouse of the deceased individual;

"(6) if there is no person who meets the requirements of paragraph (1), (2), (3), (4), or (5), or if each person who meets such requirements dies before the payment due him under this title is completed, to the person or persons, if any, determined by the Administration to be the child or children of the deceased individual (and, in case there is more than one such child, in equal parts to each such child);

"(7) if there is no person who meets the requirements of paragraph (1), (2), (3), (4), (5), or (6), or if each person who meets such requirements dies before the payment due him under this title is completed, to the parent or parents, if any, of the deceased individual (and, in case there is more than one such parent, in equal parts to each such parent); or

"(8) if there is no person who meets the requirements of paragraph (1), (2), (3), (4), (5), (6), or (7), or if each person who meets such requirements dies before the payment due him under this title is completed, to the legal representatives of the estate of the deceased individual, if any.

"(f) If an individual who received medical and other health services for which payment may be made under this title dies, and—

"(1) no assignment of the right to payments was made by such individual before his death, and

"(2) payment for such services has not been made, payment for such services shall be made to the physician or other person who provided such services, but payment shall be made under this subsection only in such amount and subject to such conditions as would have been applicable if the individual who received the services had not died, and only if the person or persons who provided the services agrees that the reasonable charge is the full charge for the services.

"APPLICATION OF CERTAIN PROVISIONS OF TITLE II

"SEC. 2057. The provisions of sections 206 and 216(j), and of subsections (a), (d), (e), (f), (h), (i), (j), (k), and (l) of section 205, shall also apply with respect to this title to the same extent as they are applicable with respect to title II.

"DESIGNATION OF ORGANIZATION OR PUBLICATION BY NAME

"SEC. 2058. Designation in this title, by name, of any nongovernmental organization or publication shall not be affected by change of name of such organization or publication, and shall apply to any successor organization or publication which the Administration finds serves the purpose for which such designation is made.

"PENALTIES

"SEC. 2059. (a) Whoever—

"(1) knowingly and willfully makes or causes to be made any false statement or representation of a material fact in any application for any benefit or payment under this title,

"(2) at any time knowingly and willfully makes or causes to be made any false statement or representation of a material fact for use in determining rights to any such benefits or payment,

"(3) having knowledge of the occurrence of any event affecting (A) his initial or continued right to any such benefit or payment, or (B) the initial or continued right to any such benefit or payment of any other individual in whose behalf he has applied for or is receiving such benefit or payment, conceals or fails to disclose such event with an intent fraudulently to secure such benefit or payment either in a greater amount or quantity than is due or when no such benefit or payment is authorized, or

"(4) having made application to receive any such benefit or payment for the use and benefit of another and having received it, knowingly and willfully converts such benefit or payment or any part thereof to a use other than for the use and benefit of such other person,

shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than $10,000 or imprisoned for not more than one year, or both.

"(b) Whoever furnishes items or services to an individual for which payment is or may be made under this title and who solicits, offers, or receives any—

"(1) kickback or bribe in connection with the furnishing of such items or services or the making or receipt of such payment, or

"(2) rebate of any fee or charge for referring any such individual to another person for the furnishing of such items or services,

shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than $10,000 or imprisoned for not more than one year, or both.

"(c) Whoever knowingly and willfully makes or causes to be made, or induces or seeks to induce the making of, any false statements or representation of a material fact with respect to the conditions or operation of any institution or facility in order that such institution or facility may qualify (either upon initial certification or upon recertification) as a hospital, skilled nursing facility, or home health agency (as those terms are defined in section 2051), shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than $2,000 or imprisoned for not more than six months, or both.

"PROVIDER REIMBURSEMENT REVIEW BOARD

"SEC. 2060. The Provider Reimbursement Review Board established under section 1878 shall have the same functions with respect to providers of services under this title as it has with respect to providers of services under title XVIII; and the provisions of such section 1878 shall apply with respect to providers of services under this title in the same manner and to the same extent as they apply with respect to providers of services under title XVIII.

"NATIONAL HEALTH INSURANCE BENEFITS ADVISORY COUNCIL

"SEC. 2061. (a) There is hereby created a National Health Insurance Benefits Advisory Council which shall consist of 19 persons, not otherwise in the employ of the United States, appointed by the Board without regard to the provisions of title 5, United States Code, governing appointments in the competitive service. The Administration shall from time to time appoint one of the members to serve as Chairman. The members shall include persons who are outstanding in fields related to hospital, medical, and other health activities, and persons who are representative of organizations and associations of professional personnel in the field of medicine. At least six persons who are representative of the general public shall be on the Council. Each member shall hold office for a term of four years, except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term. A member shall not be eligible to serve continuously for more than two terms. Members of the Advisory Council, while attending meetings or conferences thereof or otherwise serving on business of the Advisory Council, shall be entitled to receive compensation at rates fixed by the Administration, but not exceeding $100 per day, including traveltime, and while so serving away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently. The Advisory Council shall meet as the Administration deems necessary, but not less than annually.

"(b) It shall be the function of the Advisory Council to provide advice and recommendations for the consideration of the Administration on matters of general policy with respect to this title.

"(c) Section 14(a)(2) of the Federal Advisory Committee Act shall not apply with respect to the Advisory Council.

"REGULATIONS

"SEC. 2062. The Administration shall prescribe such regulations as may be necessary to carry out the administration of the insurance program under this title. When used in this title, the term 'regulations' means, unless the context otherwise requires, regulations prescribed by the Administration."

TAXES AND COVERAGE FOR HEATH INSURANCE PURPOSES

SEC. 102. (a)(1) Section 1401 of the Internal Revenue Code of 1954 (relating to rate of tax on self-employment income) is amended by adding at the end thereof the following new subsection:

"(c) NATIONAL HEALTH INSURANCE.—In addition to the taxes imposed by the preceding subsections, there shall be imposed for each taxable year, on the self-employment income of every individual (including unearned income of such individual to the extent provided in section 3126(c)(1)), a tax for purposes of the national health insurance program under title XX of the Social Security Act in an amount equal to 2½ percent of the amount of the self-employment income (and unearned income) for such taxable year.".

(2) Section 3101 of such Code (relating to rate of tax on employees) is amended by adding at the end thereof the following new subsection:

"(c) NATIONAL HEALTH INSURANCE.—In addition to the taxes imposed by the preceding subsections, there is hereby imposed on the income of every individual (including unearned income of such individual to the extent provided in section 3126(c)(1)) a tax for purposes of the national health insurance program under title XX of the Social Security Act in an amount equal to 1 percent of the wages (as defined in section 3121(a) and modified by section 3126(a)) received by him with respect to employment as defined in section 3126(b), (including any such unearned income).".

(3) Section 3111 of such Code (relating to tax on employers) is amended by adding at the end thereof the following new subsection:

"(c) NATIONAL HEALTH INSURANCE.—In addition to the taxes imposed by the preceding subsections, there is hereby imposed on every employer an excise tax with respect to having individuals in his employ, for purposes of the national health insurance program under title XX of the Social Security Act, equal to 3 percent of the wages (as defined in section 3121(a) and modified by section 3126(a)) paid by him with respect to employment as defined in section 3126(b) (including unearned income of such individuals to the extent provided in section 3126 (c)(1)).".

(b)(1) Subchapter C of chapter 21 of such Code (general provisions under Federal Insurance Contributions Act) is amended by redesignating section 3126 as section 3127, and by inserting immediately after section 3125 the following new section:

"SEC. 3126. SPECIAL COVERAGE PROVISIONS FOR PURPOSES OF NATIONAL HEALTH INSURANCE TAXES.

"(a) CONTRIBUTION AND BENEFIT BASE.—The contribution and benefit base for purposes of the taxes imposed by sections 3101 (c) and 3111(c) (as a limitation or maximum under sections 3121(a)(1), 3122, 3125, 6413, and 6654) shall, subject to section 230 of the Social Security Act, be $20,000. Such sections 3121(a)(1), 3122, 3125, 6413, and 6654 shall be applied with respect to the contribution and benefit base for purposes of those taxes separately from the corresponding contribution and benefit base for purposes of the other taxes imposed by sections 3101 and 3111. The contribution and benefit base specified in the first sentence of this subsection shall (under regulations prescribed by the Secretary or his delegate) apply with respect to the combined wages and the self-employment income (and unearned income) of any husband and wife who are eligible to file a joint return (for the taxable year involved) under section 6013 as well as with respect to the wages and self-employment income (and unearned income) of an individual (other than such a husband or wife).

"(b) COVERED EMPLOYMENT.—For purposes of the taxes imposed by sections 3101(c) and 3111(c), the term 'employment' has the meaning given it by section 3121(b) except that—

"(1) paragraph (5) of such section (exclusion for certain federally related service), paragraph (7) of such section (exclusion for State or local employment), paragraph (8) (B) of such section (exclusion for employment by certain nonprofit organizations), and paragraph (9) of such section (exclusion for service covered by Railroad Retirement Act) shall not apply;

"(2) paragraph (6) of such section (exclusion for Federal employment) shall apply only with respect to service performed by an individual as a member of a uniformed service on active duty; and

"(3) section 3121(m) (inclusion of service as member of uniformed service on active duty) shall not apply.

"(c) INCLUSION OF UNEARNED INCOME WITHIN CONTRIBUTION AND BENEFIT BASE IN CERTAIN CASES.—

"(1) IN GENERAL.—In any case where the total of an individual's wages and net earnings from self-employment income for a taxable year (determined without regard to this subsection) is less than the applicable contribution and benefit base as determined under subsection (a), and such individual has any unearned income (as defined in paragraph (2)) for such year, so much of such unearned income as does not exceed the difference between such total and such contribution and benefit base—

"(A) shall be included in such base as 'wages', and treated as subject to the taxes imposed by sections 3101(c) and 3111(c), to the extent that it consists of payments of aid to families with dependent children under a State plan approved under section 402 of the Social Security Act or supplemental security income benefits under title XVI of such Act, and

"(B) shall, to the extent that it consists of unearned income in any other form (and that any part of such difference remains after the application of subparagraph (A)), be included in such base as 'self-employed income' and treated as subject to the tax imposed by section 1401(c).

"(2) DEFINITION OF UNEARNED INCOME.—As used in paragraph (1), the term 'unearned income' with respect to any individual means—

"(A) the amount of such individual's adjusted gross income for the taxable year, including payments of aid to families with dependent children under a State plan approved under section 402 of the Social Security Act, supplemental security income benefits under title XVI of such Act, and any amounts referred to in subparagraphs (B) and (F) of section 1612(a)(2) of such Act to the extent not otherwise includible in such income, reduced by

"(B) any part of such income (whether from wages or any other source) in excess of the amount of the contribution and benefit base for purposes of the taxes under sections 3101(c) and 3111(c) for such year (as determined under subsection (a)), and further reduced by

"(C) any part of the remaining adjusted gross income which consists of—

"(i) wages taxable under section 3101(c), or

"(ii) self-employment income taxable under section 1401(c), or

"(iii) remuneration for services performed as a member of a uniformed service on active duty, or

"(iv) remuneration (not taxable under section 3101(c)) for service performed by an alien in the employ of a foreign government, or an instrumentality of a foreign government, or an international organization.

"(3) EXCLUSION FOR THE AGED AND DISABLED.—This subsection shall not apply with respect to any individual who, at any time during the taxable year, satisfies paragraph (1) (or (2) of section 226(b) or is under the age of 18."

(2) The table of sections for such subchapter C is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 3126. Special coverage provisions for purposes of national health insurances taxes.
"Sec. 3127. Short title.".

(c)(1) Section 1402(b) of the Internal Revenue Code of 1954 (relating to definition of self-employment income) is amended by adding at the end thereof the following new sentence: "The contribution and benefit base for purposes of the tax imposed by section 1401(c) (as a limitation or maximum under this subsection) shall, subject to section 230 of the Social Security Act, be $20,000."

(2)(A) Section 3121(b) of such Code (relating to definition of employment) is amended by striking out "such term shall not include" in the matter preceding paragraph (1) and inserting in lieu thereof "such term (subject to section 3126(b)) shall not include".

(B) Section 3121(m) of such Code (relating to service in the uniformed services) is amended by inserting after "chapter" in the matter preceding paragraph (1) the following: "(subject to section 3126(b))".

(3) Section 230(c) of the Social Security Act is amended by striking out "shall be $13,200" and inserting in lieu thereof "shall be $20,000 (for an individual or for a husband and wife) in a case to which section

3126(a) of the Internal Revenue Code of 1954 applies and $13,200 of any other case,".

(d)(1) Section 3102 of the Internal Revenue Code of 1954 (relating to deduction of tax from wages) is amended by adding at the end thereof the following new subsection:

"(d) Health Insurance Tax on Certain Unearned Income Treated as Wages.—The tax imposed by section 3101(c) with respect to payments of aid to families with dependent children or supplemental security income benefits (and treated as a tax on wages under section 3126(c)(1)(A)) shall be collected by the State agency making such payments or the Federal agency paying such benefits by deducting and withholding the amount of the tax from such payments or benefits as and when paid; and thereafter for all of the purposes of this title and title XX of the Social Security Act (1) such agency and the recipient of any such payment or benefit shall be considered to have been employer and employee, respectively, and (2) such payment or benefit shall be treated as constituting remuneration paid by such agency to the recipient for employment. Any amount deducted and withheld from a payment or benefit under the preceding sentence shall be separately shown and clearly identified as the tax imposed by section 3101(c) for purposes of the national health insurance program.".

(2) Section 1403 of such Code (miscellaneous provisions) is amended by redesignating subsection (b) as subsection (c), and by inserting after subsection (a) the following new subsection:

"(b) Arrangements for Deduction and Withholding of Tax on Certain Unearned Income Treated as Self-Employment Income.—The Secretary or his delegate, in consultation with the Board of the Social Security Administration, is authorized to enter into appropriate arrangements with public and private agencies and organizations making payments to individuals which (under subsections (c)(1)(B) and (c)(2)(A) of section 3126) constitute unearned income of such individuals subject to the tax imposed by section 1401(c), for the collection of such tax by such agencies and organizations on behalf of such individuals by deduction and withholding from such payments."

(e) If during any calendar year after 1975 the total amount of the taxes paid by any State under section 3111 (c) of the Internal Revenue Code of 1954 with respect to payments of aid to families with dependent children made under its plan approved under section 402 of the Social Security Act is less than the total amount of the expenditures made by such State and its agencies in carrying out its plan for medical assistance under title XIX of such Act during the calendar year 1973 (other than expenditures for skilled nursing facility services as defined in section 1905(a)(4) and intermediate care facility services as defined in section 1905(a)(15)) reduced by the Federal payments to such State under section 1903 of such Act for quarters in 1973, as determined by the Board of the Social Security Administration in consultation with the Secretary of the Treasury or his delegate, the difference shall be—

(1) paid by such State to the Board for deposit in the National Health Insurance Trust Fund, in such manner as the Board shall prescribe, or (if not so paid)

(2) deducted from the amount which is otherwise payable to such State under section 403 of the Social Security Act with respect to quarters in such calendar year after 1975 and deposited in such Trust Fund.

TAX REFUNDS FOR CERTAIN SERVICEMEN

Sec. 103. (a)(1)(A) Section 6413 of the Internal Revenue Code of 1954 (special rules applicable to certain employment taxes) is amended by redesignating subsection (d) as subsection (e), and by inserting after subsection (c) the following new subsection:

"(d) Special Refunds of Health Insurance Tax Upon Application by Serviceman Performing Other Employment.—

"(1) In General.—If an individual performing service as a member of a uniformed service on active duty (excluded from health insurance coverage under section 3126(b)(3)) also performs service which constitutes employment for purposes of the tax imposed by section 3101(c), such individual shall upon application be entitled (subject to the provisions of section 31(b)) to a credit or refund of any amount of tax, with respect to the wages paid for such employment, imposed by such section 3101(c) and deducted from the individual's wages (whether or not paid to the Secretary or his delegate).

"(2) Notification to Secretary of Health, Education, and Welfare.—The Secretary of his delegate shall promptly notify the Secretary of Health, Education, and Welfare of such special refund allowed under this subsection.

For denial of health insurance coverage upon credit or refund, see section 2021(d) of the Social Security Act.".

(B) Section 6413(c) of such Code (relating to special refunds) is amended—

(i) by inserting "Based on Multiple Employment" after "Refunds" in the heading; and

(ii) by inserting after "during such year" where it appears in clauses (G) and (H) of paragraph (1) the following: "(after the application of subsection (d) in any case to which it applies)".

(2) Section 31(b) of such Code (relating to credit for special refunds of social security tax) is amended—

(A) by inserting "or 6413(d)" after "section 6413(c)" in paragraph (1); and

(B) by inserting after "to which paragraph (1) applies" in paragraph (2) the following: "and which represents a special refund allowable under section 6413(c)".

(b) The amendments made by this section shall apply with respect to taxable years beginning after December 31, 1974.

PROFESSIONAL STANDARDS REVIEW

Sec. 104. Section 1155 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(h) Beginning no later than two years after the effective date of title XX, each Professional Standards Review Organization shall perform the same functions with respect to the review of professional activities involving items and services for which payment may be made under title XX, in the area which it serves, as such organization performs (in such area) with respect to professional activities involving items and services for which payment may be made under other provisions of this Act."

REPEAL OF MEDICAID PROGRAM

Sec. 105. (a) Title XIX of the Social Security Act is repealed.

(b) For technical and conforming amendments and transitional provisions in connection with such repeal, see section 505.

TITLE II—CHANGES IN MEDICARE PROGRAM

ESTABLISHMENT OF MEDICARE LONG-TERM CARE PROGRAM

Sec. 201. (a) Title XVIII of the Social Security Act is amended by adding at the end thereof the following new part:

"Part D—Long-Term Care Services Program

"ESTABLISHMENT OF PROGRAM

"Sec. 1881. There is hereby established a voluntary program to provide long-term care benefits in accordance with this part for aged and disabled individuals who elect to enroll under such program, financed from premium payments by enrollees together with contributions from funds appropriated by the Federal Government and contributions by the States.

"ELIGIBILITY FOR LONG-TERM CARE SERVICE BENEFITS

"Sec. 1882. (a) Every individual who—

"(1)(A) is entitled to hospital insurance benefits under part A, or

"(B) has attained age 65 and is a resident of the United States, and is either—

"(i) a citizen,

"(ii) an alien lawfully admitted for permanent residence who has resided in the United States continuously during the 5 years immediately preceding the month in which he applies for enrollment under this part, or

"(iii) an individual eligible for supplemental security income benefits under title XVI, and

"(2) is entitled to supplementary medical insurance benefits under part B,

is eligible to enroll in the program established by this part.

"(b)(1) An individual may enroll in the program established by this part only in such manner and form as may be prescribed by regulations, and only during an enrollment period prescribed in and under this subsection.

"(2) No individual may enroll under this part more than once.

"(3) In the case of individuals who first satisfy paragraph (1)(A) or (1)(B) of subsection (a) before April 1, 1976, the initial general enrollment period shall begin on January 1, 1976, and end at the close of March 31, 1976.

"(4) In the case of an individual who first satisfies paragraph (1)(A) or (1)(B) of subsection (a) on or after April 1, 1976, his initial enrollment period shall begin on the first day of the third month before the month in which he first satisfies such paragraph and shall end 7 months later.

"(5) There shall be a general enrollment period, after the period described in paragraph (3), during the period beginning on January 1 and ending on March 31 of each year beginning with 1977.

"(c) The period during which an individual is entitled to benefits under the program established by this part (hereinafter referred to as his 'coverage period') shall begin on whichever of the following is the latest:

"(1) July 1, 1976; or

"(2)(A) in the case of an individual who enrolls pursuant to subsection (b)(1) before the month in which he first satisfies paragraph (1)(A) or (1)(B) of subsection (a), the first day of such month; or

"(B) in the case of an individual who enrolls pursuant to subsection (b)(1) in the month in which he first satisfies such paragraph (1)(A) or (1)(B), the first day of the month following the month in which he so enrolls; or

"(C) in the case of an individual who enrolls pursuant to subsection (b)(1) in the month following the month in which he first satisfies such paragraph (1)(A) or (1)(B), the first day of the second month following the month in which he so enrolls; or

"(D) in the case of an individual who enrolls pursuant to subsection (b)(1) more than one month following the month in which he satisfies such paragraph (1)(A) or (1)(B), the first day of the third month following the month in which he so enrolls; or

"(E) in the caes of an individual who enrolls pursuant to subsection (b)(5), the July 1 following the month in which he so enrolls.

"(d)(1) An individual's coverage period

shall continue until his enrollment has been terminated—

"(A) by the filing of notice that the individual no longer wishes to participate in the program established by this part, or

"(B) for nonpayment of premiums.

"(2) No payment may be made under this part with respect to the expenses of an individual unless such expenses are incurred by such individual during a period which, with respect to him, is a coverage period.

"(e) The monthly premium of each individual enrolled under this part for each month shall be $6.

"SCOPE OF BENEFITS

"SEC. 1883. The benefits provided to an individual by the program established by this part shall consist of—

"(1) home health services,

"(2) homemaker services,

"(3) nutrition services,

"(4) long-term institutional care services,

"(5) day care and foster home services, and

"(6) community mental health center outpatient services.

"STATE LONG-TERM CARE AGENCY

"SEC. 1884. The benefits provided under this part shall not go into effect in a State unless the Administration makes a certification that such State has an agency (either a separate agency, or a major division of the health department if there is an adequate coordinating arrangement between such health department and the State social welfare agency) which—

"(1) designates service areas in the State in which community long-term care centers (as defined in section 1889(a)) would provide the benefits covered by this part; except that any service area so designated (if not coterminous with an area designated by the Administration under section 1152) shall be wholly within an area designated under section 1152;

"(2) certifies, under regulations, the conditions of participation for a community long-term care center (as so defined);

"(3) promotes and assists in the organization of new community long-term care centers in areas where they do not exist;

"(4) in any case where such a community long-term care center has not been certified for an area designated under paragraph (1), will establish a local office in such area for the purpose of performing the functions of such a center; except that such local office shall not be used for such purposes longer than 2 years unless—

"(A) there has been established a system of local government offices throughout the State to perform the functions of community long-term care centers, or

"(B) the Governor certifies to the Administration that additional time is needed to establish a nongovernmental community long-term care center with respect to such area;

"(5) monitors the activities of all community long-term care centers in the State and reports to the Governor and to the Administration whenever it finds that a community long-term care center either—

"(A) no longer meets the conditions of participation for a community long-term care center, or

"(B) is no longer effectively providing the benefits covered under this part;

"(6) certifies to the Administration and makes payments to community long-term care centers in the State under the prospective reimbursement system required pursuant to section 1890; and

"(7) files an annual report with the Governor of the State and the Administration on the operation in such State of the program established under this part.

"PAYMENT OF PREMIUMS

"SEC. 1885. (a) (1) In the case of an individual who is entitled to monthly benefits under section 202 or 223, his monthly premiums under this part shall (except as provided in subsections (b) (1) and (c)) be collected by deducting the amount thereof from the amount of such monthly benefits. Such deduction shall be made in such manner and at such times as shall be prescribed in regulations.

"(2) The Secretary of the Treasury shall, from time to time, transfer from the Federal Old-Age and Survivors Insurance Trust Fund or the Federal Disability Insurance Trust Fund to the Federal Long-Term Care Trust Fund the aggregate amount deducted under paragraph (1) for the period to which such transfer relates from benefits under section 202 or 223 which are payable from such Trust Fund. Such transfer shall be made on the basis of a certification by the Administration and shall be appropriately adjusted to the extent that prior transfers were too great or too small.

"(b) (1) In the case of an individual who is entitled to receive for a month an annuity or pension under the Railroad Retirement Act of 1937 (whether or not such individual is also entitled for such month to a monthly insurance benefit under section 202 or 223), his monthly premiums under this part shall (except as provided in subsection (c)) be collected by deducting the amount thereof from such annuity or pension. Such deduction shall be made in such manner and at such times as shall be prescribed in regulations by the Secretary after consultation with the Railroad Retirement Board.

"(2) The Secretary of the Treasury shall, from time to time, transfer from the railroad retirement account to the Federal Long-Term Care Trust Fund the aggregate amount deducted under paragraph (1) for the period to which such transfer relates. Such transfers shall be made on the basis of a certification by the Railroad Retirement Board and shall be appropriately adjusted to the extent that prior transfers were too great or too small.

"(c) If an individual to whom subsection (a) or (b) applies estimates that the amount which will be available for deduction under such subsection for any premium payment period will be less than the amount of the monthly premiums for such period, he may (under regulations) pay to the Administration such portion of the monthly premiums for such period as he desires.

"(d) (1) In the case of an individual receiving an annuity under subchapter III of chapter 83 of title 5, United States Code, or any other law administered by the Civil Service Commission providing retirement or survivorship protection, to whom neither subsection (a) nor subsection (b) applies, his monthly premiums under this part (and the monthly premium of the spouse of such individual under this part if neither subsection (a) nor subsection (b) applies to such spouse and if such individual agrees) shall, upon notice from the Administration to the Civil Service Commission, be collected by deducting the amount thereof from each installment of such annuity. Such deduction shall be made in such manner and at such times as the Civil Service Commission may determine. The Commission shall furnish such information as the Administration may reasonably request in order to carry out its functions under this part with respect to individuals to whom this subsection applies. A plan described in section 8903 of title 5, United States Code, may reimburse each annuitant enrolled in such plan in an amount equal to the premiums paid by him under this part if such reimbursement is paid entirely from funds of such plan which are derived from sources other than the contributions described in section 8906 of such title.

"(2) The Secretary of the Treasury shall from time to time, but not less often than quarterly, transfer from the Civil Service Retirement and Disability Fund, or the account (if any) applicable in the case of such other law administered by the Civil Service Commission, to the Federal Long-Term Trust Fund, the aggregate amount deducted under paragraph (1) for the period to which such transfer relates. Such transfer shall be made on the basis of a certification by the Civil Service Commission and shall be appropriately adjusted to the extent that prior transfers were too great or too small.

"(e) (1) In the case of an individual receiving benefits under title XVI of this Act to whom neither subsection (a), subsection (b), or subsection (d) applies, his monthly premiums shall be collected by deducting the amount thereof from the amount of such benefits. Such deduction shall be made in such manner and at such times as shall be prescribed in regulations.

"(2) Amounts deducted by the Administration under paragraph (1) shall be deposited in the Treasury to the credit of the Federal Long-Term Care Trust Fund.

"(f) In the case of an individual who participates in the program established by this part but with respect to whom none of the preceding provisions of this section applies, or with respect to whom subsection (c) applies, the premiums shall be paid to the Administration at such times, and in such manner, as shall be prescribed in regulations.

"(g) Amounts paid to the Administration under subsection (c) or (f) shall be deposited in the Treasury to the credit of the Federal Long-Term Care Trust Fund.

"(h) In the case of an individual who participates in the program established by this part, premiums shall be payable for the period commencing with the first month of his coverage period and ending with the month in which he dies or, if earlier, in which his coverage under such program terminates.

"FEDERAL LONG-TERM CARE TRUST FUND

"SEC. 1886. (a) There is hereby created on the books of the Treasury of the United States a trust fund to be known as the 'Federal Long-Term Care Trust Fund' (hereinafter in this section referred to as the 'Trust Fund'). The Trust Fund shall consist of such gifts and bequests as may be made as provided in section 201(i) (1), and such amounts as may be deposited in, or appropriated to, such fund as provided in this part.

"(b) With respect to the Trust Fund, there is hereby created a body to be known as the Board of Trustees (hereinafter in this section referred to as the 'Board of Trustees') composed of the Secretary of the Treasury, the Secretary of Labor, the Chairman of the Board of the Social Security Administration, *and* the Secretary of Health, Education, and Welfare, all ex officio. The Secretary of the Treasury shall be the Managing Trustee of the Board of Trustees (hereinafter in this section referred to as the 'Managing Trustee'). The Executive Director of the Social Security Administration shall serve as the Secretary of the Board of Trustees. The Board of Trustees shall meet not less frequently than once each calendar year. It shall be the duty of the Board of Trustees to—

"(1) hold the Trust Fund;

"(2) report to the Congress not later than the first day of April of each year on the operation and status of the Trust Fund during the preceding fiscal year and on its expected operation and status during the current fiscal year and the next 2 fiscal years;

"(3) report immediately to the Congress whenever the Board is of the opinion that the amount of the Trust Fund is unduly small; and

"(4) review the general policies followed in managing the Trust Fund, and recommend changes in such policies, including necessary changes in the provisions of law which govern the way in which the Trust Fund is to be managed.

The report provided for in paragraph (2) shall include a statement of the assets of, and the disbursements made from, the Trust Fund during the preceding fiscal year, an estimate of the expected income to, and the disbursements to be made from, the Trust Fund during the current fiscal year and each of the next 2 fiscal years, and a statement of the actuarial status of the Trust Fund. Such report shall be printed as a House document of the session of the Congress to which the report is made.

"(c) It shall be the duty of the Managing Trustee to invest such portion of the Trust Fund as is not, in his judgment, required to meet current withdrawals. Such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose such obligations may be acquired (1) on original issue at the issue price, or (2) by purchase of outstanding obligations at the market price. The purposes for which obligations of the United States may be issued under the Second Liberty Bond Act are hereby extended to authorize the issuance at par of public debt obligations for purchase by the Trust Fund. Such obligations issued for purchase by the Trust Fund shall have maturities fixed with due regard for the needs of the Trust Fund and shall bear interest at a rate equal to the average market yield (computed by the Managing Trustee on the basis of market quotations as of the end of the calendar month next preceding the date of such issue) on all marketable interest-bearing obligations of the United States then forming a part of the public debt which are not due or callable until after the expiration of 4 years from the end of such calendar month; except that where such average market yield is not a multiple of one-eighth of 1 per centum the rate of interest on such obligations shall be the multiple of one-eighth of 1 per centum nearest such market yield. The Managing Trustee may purchase other interest-bearing obligations of the United States or obligations guaranteed as to both principal and interest by the United States, on original issue or at the market price, only where he determines that the purchase of such other obligations is in the public interest.

"(d) Any obligations acquired by the Trust Fund (except public debt obligations issued exclusively to the Trust Fund) may be sold by the Managing Trustee at the market price, and such public debt obligations may be redeemed at par plus accrued interest.

"(e) The interest on, and the proceeds from the sale or redemption of, any obligations held in the Trust Fund shall be credited to and form a part of the Trust Fund.

"(f) There shall be transferred periodically (but not less often than once each fiscal year) to the Trust Fund from the Federal Old-Age and Survivors Insurance Trust Fund and from the Federal Disability Insurance Trust Fund amounts equivalent to the amounts not previously so transferred which the Administration shall have certified as overpayments (other than amounts so certified to the Railroad Retirement Board) pursuant to section 1870(b) and amounts equivalent to the amounts made nonpayable under section 1894(b). There shall be transferred periodically (but not less often than once each fiscal year) to the Trust Fund from the Railroad Retirement Account amounts equivalent to the amounts not previously so transferred which the Administration shall have certified as overpayments to the Railroad Retirement Board pursuant to section 1870(b).

"(g) The Managing Trustee shall pay from time to time from the Trust Fund such amounts as the Administration certifies are necessary to make the payments provided for by this part.

"(h) The Managing Trustee shall pay from time to time from the Trust Fund such amounts as the Administration certifies are necessary to make the payments provided for in sections 1890 and 1893(c).

"FUNCTIONS OF COMMUNITY LONG-TERM CARE CENTERS

"SEC. 1887. (a)(1) The functions which a community long-term care center must perform in order to meet the conditions of section 1889(a)(4) shall be those described in paragraph (2).

"(2) A community long-term care center shall—

"(A) provide (directly or through arrangements with other persons) the items and services listed in section 1883 to each individual (i) who is eligible for benefits under this part, (ii) who resides in the area served by such center (as determined under section 1883(a)), and (iii) who is certified as requiring such services as determined under subparagraph (B).

"(B) evaluate and certify (through a team composed of individuals with the skills necessary for such evaluation and certification) the long-term care needs of an individual for whom such care may be required in order to maintain such individual in an independent living arrangement which is reasonable given such individual's state of health and other circumstances (but not including such individual's economic circumstances);

"(C) maintain a continuous relationship with (and periodically evaluate not less than annually) each individual who is receiving any of the items and services listed in section 1883 (including institutional services provided to inpatients) in order to assure (i) that such individual has access to the services provided by such center, including the provision of assistance in connection with any problems such individual may have in the course of receiving such services, and (ii) that such center is continuously informed about the status of such individual and the need for any changes in the services being received by such individual;

"(D) in carrying out its functions under subparagraphs (B) and (C), provide full opportunity for such individual and his family to participate in the determinations and functions under such subparagraphs;

"(E) provide an organized system for making its existence and location known to all individuals in its service area (as defined in section 1884(a)) who are eligible for benefits under this part, and for making known to such individuals the method or methods by which they (or persons interested in them) may most efficiently obtain and use the services which it makes available (including services not listed in section 1883); and

"(F) performs such other functions as the Administration may by regulation prescribe in order to have such center most effectively carry out the purposes of this part.

In carrying out its functions under subparagraph (B), a community long-term care center shall not certify the need for inpatient institutional services for an individual unless a determination has been made that the needs of such individual cannot be met through the provision of the services covered under section 1883 or other community resources available to such individual.

"PAYMENT TO STATES FOR REIMBURSEMENT OF COMMUNITY LONG-TERM CARE CENTERS

"SEC. 1888. (a) From sums in the Federal Long-Term Care Trust Fund, the Administration shall pay to each State which has a State long-term care agency certified under section 1884, for each quarter beginning with the quarter commencing July 1, 1976, an amount equal to—

"(1) the total amount expended during such quarter as payment to community long-term care centers in such State under the applicable provisions of this part, minus

"(2) 10 per centum of such total amount.

"(b)(1) Prior to the beginning of each quarter, the Secretary shall estimate the amount to which a State will be entitled under subsection (a) for such quarter. Such estimates will be based on (A) a report filed by the State containing its estimates of the total sum to be expended in such quarter in accordance with the provisions of this part, and (B) such other investigations as the Secretary may find necessary.

"(2) The Administration shall then pay to the State, in such installments as he may determine, the amount so estimated, reduced or increased to the extent of any overpayment or underpayment which the Administration determines was made under this section to such State for any prior quarter and with respect to which adjustment has not already been made under this subsection.

"DEFINITION OF TERMS USED IN THIS PART

"Community Long-Term Care Center

"SEC. 1889. (a) The term 'community long-term care center' for purposes of this part means an organization (or a distinct part of an organization) which—

"(1) is primarily engaged in providing (directly or through arrangements with other persons) the items and services listed in section 1883 (other than institutional services furnished to inpatients) to individuals residing in its service area (as defined in section 1884);

"(2) has policies, established by a group of professional personnel (associated with such organization) and concurred in by the governing board (as defined in subsection (b)) of such organization;

"(3) maintains medical and other records on all individuals receiving any of the items or services listed in section 1883 (including institutional services);

"(4) performs the functions described in section 1885;

"(5) has in effect an overall plan and budget which (under regulations) places the organization in a position to participate effectivey and efficiently in the prospective reimbursement system required under section 1890;

"(6) is located so as to be easily accessible to individuals residing in its service area;

"(7) meets such other conditions of participation as the Administration may find necessary in the interest of the health and safety of individuals who are furnished services by or through such organization; and

"(8) agrees not to impose any charges with respect to items or services furnished to an individual during such individual's coverage period for which such organization is paid under this part;

except that such term shall not include any nonpublic organization which is not a nonprofit organization exempt from Federal income taxation under section 501 of the Internal Revenue Code of 1954 (or any subdivision of such an organization); and except that such term shall not include any organization which has not been certified by the State agency referred to in section 1883 as meeting the requirements of this subsection.

"Governing Board

"(b) For purposes of subsection (a), the term 'governing board', with respect to any community long-term care center, means a body of individuals—

"(1) at least half the members of which are individuals eligible under section 1882 who reside in the service area of such center,

"(2) which changes its entire membership at least as often as every 6 years,

"(3) which does not have members who have served more than 2 terms,

"(4) at least one-quarter of the members of which are individuals who have been elected (under terms set in regulations) to such membership by individuals eligible under section 1882 who live in such service area, and

"(5) at least one-quarter of the members of which are individuals who have been appointed to such membership by locally elected government officials (as determined by the Governor of the State in which such service area is located).

"Nutrition Services

"(c) The term 'nutrition services' for purposes of this part shall include only—

"(1) meals on wheels and similar programs (but only with respect to an individual eligible under section 1882 who needs and is receiving one or more of the covered items and services other than institutional services which are listed in section 1883); and

"(2) services provided in the place of residence of such individual by a professional nutritionist (but only if the need for such services has been certified to by such individual's physician).

"Homemaker Services

"(d) The term 'homemaker services' for purposes of this part shall include—

"(1) services provided in the home of an individual designed to maintain the home (not including the structure of the home) in a condition which supports the objectives of the other covered services which such individual needs and is receiving, and

"(2) preparing and serving meals in the home of an individual (not to exceed one per day);

but only with respect to an individual eligible under section 1882 who needs and is receiving two or more of the covered items and services listed in section 1883.

"Institutional Services

"(e)(1) The term 'institutional services' for purposes of this part means (A) extended care services as defined in section 1861(h), (B) intermediate care services as defined in paragraph (2), and (C) institutional day care services as defined in paragraph (3).

"(2) The term 'intermediate care services' for purposes of paragraph (1) means the following items and services furnished to an inpatient of an intermediate care facility (as defined in subsection (i)) and (except as provided in subparagraphs (C) and (F)) by such intermediate care facility—

"(A) nursing services;

"(B) bed and board;

"(C) physical, occupational, or speech therapy furnished by the intermediate care facility or by others under arrangements with them made by the facility;

"(D) social services certified as necessary (in the individual case) by the community long-term care center responsible for the care of such individual;

"(E) drugs, biologicals, supplies, appliances, and equipment, furnished for use in the facility for the care and treatment of inpatients;

"(F) medical services provided by an intern or resident-in-training of a hospital with which the facility has in effect a transfer agreement (meeting the requirements of subsection 1861(l)) under a teaching program of such hospital approved as provided in the last sentence of subsection 1861(h); and

"(G) such other services necessary to the health or well-being of the patients as are generally provided by intermediate care facilities.

"(3) The term 'institutional day care services' for purposes of paragraph (1) means intermediate care services (other than items or services, except meals, described in subparagraphs (B) and (E) of paragraph (2)) which are provided to outpatients.

"Home Health Services

"(f) The term 'home health services' for purposes of this part shall have the meaning given it in section 1861(m).

"Day Care; Foster Home Care

"(g)(1) The term 'day care' for purposes of this part means care (other than care with a primary objective of providing medical or physical services) provided to an individual, on a regular (but less than 24-hour-a-day) basis, in a place other than such individual's usual place of abode, by a person or institution licensed or approved by the State long-term care agency, but only if such care is part of the services certified by the community long-term care agency under section 1887.

"(2) The term 'foster home care' for purpose of this part means placement of an individual on a full-time basis in a family setting, except that such term shall not include care in a foster home which is not licensed or approved by the State long-term care agency or which has more than three individuals unrelated by blood or marriage to such family.

"Community Mental Health Center Outpatient Services

"(h) The term 'community mental health center outpatient services' for purposes of this part means outpatient services provided by community mental health centers as defined in the Community Mental Health Centers Act.

"Intermediate Care Facility

"(i) The term 'intermediate care facility' for purposes of this part means an institution which has in effect a transfer agreement (meeting the requirements of subsection 1861(i)(2)) with the community long-term care center designated (under section 1884 (a)) for the area where such institution is located, which is under the direction of an administrator licensed under the laws of the State where it is located, and which—

"(1) is licensed under State law to provide, on a regular basis, health-related care or other services to individuals who do not require the degree of care and treatment which a hospital or skilled nursing facility is designed to provide, but who because of their mental or physical condition require care and services (above the level of room and board), over and above the items and services listed in section 1883, which can be made available to them only through institutional services;

"(2) meets such standards provided by the Secretary as he finds appropriate for the proper provision of such care;

"(3) has adequate arrangaments for handling medical emergencies;

"(4) meets such provisions of the Life Safety Code of the National Life Protection Association (22nd edition, 1973) as are applicable to nursing homes; and

"(5) meets such standards of safety, health, and sanitation as are established under regulations in addition to those applicable to nursing homes under State law.

The term 'intermediate care facility' also includes (A) any skilled nursing home or hospital which meets the requirements of the preceding sentence, (B) a Christian Science Sanitorium operated, or listed and certified, by the First Church of Christ, Scientist, Boston, Massachusetts, but only with respect to institutional services, and (C) any institution which is located on an Indian reservation and is certified by the Secretary as meeting the requirements of this subsection.

"PAYMENT METHOD FOR COMMUNITY LONG-TERM CARE CENTERS

"SEC. 1890. (a) The Administration, after consultation with organizations representing the chief executives of the various States, and other interested parties, shall develop and make available to community long-term care centers one or more methods of obtaining payment for the benefits covered under this part on a prospective basis. Once a community long-term care center elects a particular prospective method, it may not alter its election without the prior approval of the Administration. Whenever the Administration finds that the number of community long-term care centers electing a particular prospective payment method promulgated in accordance with this section is not sufficient to provide an adequate basis for either the operation or evaluation of that method, the Administration shall withdraw that method and allow the community long-term care centers which have elected such method to select another method within 30 days of notice of such withdrawal.

"(b) Whenever the Governor of a State certifies to the Administration a method of prospective payment other than those promulgated under subsection (a), the Administration shall make available the method certified by the Governor to community long-term care centers situated in such State, but only if the Administration finds that the use of such method will not increase the costs of the program established under this part over what the costs would be if such method were not so available.

"(c) Prospective payment methods authorized under this part shall include provisions for (1) financial incentives for efficiency and effectiveness equal to the potential difference between the prospective rates or amounts incurred by a community long-term care center, (2) financial incentives for using noninstitutional services in lieu of inpatient institutional services, and (3) maintaining independent management discretion and responsibility in community long-term care centers.

"(d)(1) Any payment method which the Administration promulgates under this section shall not be modified once established with respect to a community long-term care center, during any accounting period, except under the circumstances described in paragraph (2).

"(2) The Administration by regulation shall provide for adjustment to the agreed-upon rate or amount in the case of any community long-term care center for (A) unforeseeable events such as catastrophes, and (B) significant and unexpected changes in demand for services or significant and unexpected changes in patient mix not under control of such center.

"(e) Following publication of final regulations governing the method or methods of determining prospective rates or amounts under this part, each community long-term care center shall have a period of 60 days within which to elect to participate in one of the prospective payment methods made available during the first fiscal year beginning more than 120 days after the end of such 60-day period.

"MISCELLANEOUS PROVISIONS

"SEC. 1891. (a) Notwithstanding any other provision of this part, any item or service which is covered under part A or B of this title shall not be a covered service under this part.

"(b) Notwithstanding any other provision of this Act, beginning with the seventh month of any period of consecutive months during all of which an individual eligible for benefits under this part is receiving institutional services (as defined in section 1889(c)) as an inpatient or receiving foster home care (as defined in section 1889(g)(2), benefits to such individual under title II of this Act shall be reduced by 66⅔ percent (rounded to the next lower multiple of $0.10). Such reduction shall no longer be imposed beginning with the month following the first month following the first month thereafter during all of which such individual is no longer receiving such institutional services as an inpatient or such foster home care.

"(c) The Administration shall pay to any State long-term care agency certified under section 1884, in advance or by way of reimbursement, amounts equal to 60 per centum of the costs incurred by such agency in carrying out the functions described in section 1885 (and may make adjustments in such payments on account of overpayments or underpayments previously made).

"(d) The provisions of paragraphs (2), (3), (4), (5), (8), (10), (11), (12), and (13) of section 1862(a) shall apply with respect to this part to the same extent as they apply with respect to parts A and B.

"DETERMINATIONS AND APPEALS

"SEC. 1892. (a) The determination of whether an individual is entitled to benefits under this part shall be made by the Administration in accordance with regulations prescribed by him.

"(b) Any individual dissatisfied with any determination under subsection (a) as to (1) whether he is eligible to enroll or has enrolled pursuant to this part, or (2) the amount of his benefits under this part (including a determination where such amount is determined to be zero), shall be entitled to a hearing thereon by the Administration to the same extent as is provided in section 205 (b) and to judicial review of the Administration's final decision after such hearing as is provided in section 205(g)."

(b)(1) Section 1861 of the Social Security Act is amended by striking out "title" the first time it appears and inserting in lieu thereof "parts A, B, and C of this title".

(2) Section 1611(e)(1)(B) of such Act is amended to read as follows:

"(B) In any case where an eligible individual or his eligible spouse (if any) is, throughout any month, in a skilled nursing facility or intermediate care facility receiving payments (with respect to such individual or spouse) under part D of title XVIII, the benefit under this title for such individual or such spouse for such month shall be payable—

"(i) at a rate not in excess of $300 per year (reduced by the amount of any income not excluded pursuant to section 1612(b));

"(ii) at a rate not in excess of the sum of the applicable rate specified in subsection (b)(1) and the rate of $300 per year (reduced by the amount of any income not excluded pursuant to section 1612(b)) in the case of an individual who has an eligible spouse, if only one of them is in such facility throughout such month; and

"(iii) at a rate not in excess of $600 per year (reduced by the amount of any income not excluded pursuant to section 1612(b)), in the case of an individual who has an eligible spouse, if both of them are in such a facility throughout such month."

(3)(A) Section 1861(e) of such Act is amended by striking out "means an institution which" in the matter preceding paragraph (1) and inserting in lieu thereof "means an institution which has in effect a transfer agreement (meeting the requirements of subsection (1)(2)) with the community long-term care center designated under section 1884(a) for the area in which such institution is located, and which".

(B) Section 1861(j) of such Act is amended by striking out "and which" in the matter preceding paragraph (1) and inserting in lieu thereof "and has in effect a transfer agreement (meeting the requirements of subsection (1)(2) with the community long-term care center designated under section 1884(a) for the area in which such institution is located, and which".

(C) Section 1861(o) of such Act is amended by striking out the word "which" in the matter preceding paragraph (1) and inserting in lieu thereof "which has in effect a transfer agreement (meeting the requirements of subsection (e)(2) with the community long-term care center designated under section 1884(a) for the area in which such agency or organization is located, and which".

(D)(i) Section 1861(e) of such Act is amended by inserting "(1)" immediately after "(e)", and by striking out "(1)" and "(2)" and inserting in lieu thereof "(A)" and "(B)", respectively.

(ii) Section 1861(e) of such Act is further amended by adding at the end thereof the following new paragraph:

"(2) A hospital, skilled nursing facility, or home health agency, shall be considered to have in effect a transfer agreement with a community long-term care center if, by reason of a written agreement between such hospital, facility, or agency and such center or a written undertaking by the person or body which controls them, there is reasonable assurance that—

"(A) transfer of patients will be effected between such hospital, facility, or agency and such center whenever such transfer is medically appropriate as determined by the attending physician; and

"(B) there will be an interchange of medical and other information necessary or useful in the care and treatment of individuals transferred between such hospital, facility, or agency and such center, or in determining whether such patients can be adequately cared for otherwise than in a hospital or skilled nursing facility."

(4) Section 1870(g) of such Act is amended by striking out "or under section 1837" and inserting in lieu thereof ", under section 1837, or under section 1882".

(5) Section 201(g)(1)(A) of such Act is amended by striking out "and the Federal Supplementary Medical Insurance Trust Fund" and inserting in lieu thereof ", the Federal Supplementary Medical Insurance Trust Fund, and the Federal Long-Term Care Trust Fund".

(6) Section 201(i)(1) of such Act is amended by striking out "and the Federal Supplementary Medical Insurance Trust Fund" and inserting in lieu thereof "the Federal Supplementary Medical Insurance Trust Fund, and the Federal Long-Term Care Trust Fund".

(c)(1) Notwithstanding any other provision of this section, or part D of title XVIII of the Social Security Act as added by this section, such part D shall not be in effect in a State with respect to the fiscal year 1977, the fiscal year 1978, or the fiscal year 1979 unless such State transmits to the Secretary for deposit in the Federal Long-Term Care Trust Fund prior to the beginning of such year an amount equal to 50 percent, 30 percent, or 10 percent, respectively, of the amount specified in paragraph (2).

(2) The amount to which paragraph (1) applies with respect to any fiscal year shall be equal to the amount spent for the calendar year 1973 by such State, under title XIX of the Social Security Act, for skilled nursing facility services under subsection 1905(a)(4)(A) of the Social Security Act and intermediate care facility services under section 1905(a)(15) of such Act.

(d)(1) The amendment made by subsection (a) of this section shall be effective upon the enactment of this Act; except that no payment shall be made for services covered under section 1882 of the Social Security Act (as added by such amendment) which are furnished before July 1, 1977.

(2) The amendments made by subsection (b) of this section shall be effective on July 1, 1977.

COVERAGE OF PRESCRIPTION DRUGS

SEC. 202. (a) Section 1832(a)(2) of the Social Security Act is amended by striking out the period at the end of subparagraph (C) and inserting in lieu thereof "; and", and by adding after subparagraph (C) the following new subparagraph:

"(D) outpatient drugs and biologicals, as defined in section 1861(bb)."

(b)(1) Section 1833(a) of such Act is amended by striking out "and" at the end of paragraph (1), by striking out the period at the end of paragraph (2) and inserting in lieu thereof ", and", and by adding at the end thereof the following new paragraph:

"(3) in the case of services described in section 1832(a)(2)(D), the reasonable allowance for outpatient drugs and biologicals as determined in accordance with section 1845."

(2) Section 1833(a)(2) of such Act is amended by striking out "in section 1832(a)(2)" and inserting in lieu thereof "in subparagraphs (A), (B), and (C) of section 1832 (a)(2)".

(c) Section 1833(b) of such Act is amended by inserting ", or expenses incurred for outpatient drugs and biologicals" before the period at the end of the first sentence.

(d)(1) Section 1835(a) of such Act is amended by striking out "and (e)," and inserting in lieu thereof "(e), and (f),".

(2) Section 1835 of such Act is amended by adding at the end thereof the following new subsection:

"(f) In the case of outpatient drugs and biologicals referred to in section 1833(a)(3), payment shall be made only to a participating licensed pharmacy (as defined in section 1861(aa)), and only if such pharmacy has in its records a prescription for such drugs or some other record of such prescription satisfactory to the Administration."

(e) Section 1839(b)(2) of such Act is amended by inserting after "costs" in the second sentence the following: "(except for benefits and related administrative costs for outpatient drugs and biologicals."

(f) Section 1840(f) of such Act is amended by striking out "(e)" and inserting in lieu thereof "(e), or collection under section 1846,".

(g) Section 1840 of such Act is amended by adding at the end thereof the following new subsection:

"(i) The Secretary of the Treasury shall from time to time transfer, from the general fund in the Treasury to the Federal Supplementary Medical Insurance Trust Fund, such amounts as the Board certifies as necessary to pay for outptaient drug benefits (and related administrative costs) under this part, less the amounts collected pursuant to section 1846."

(h) Section 1842(a) of such Act is amended by inserting "(except in the case of outpatient drug benefits)" immediately after "authorized" in the matter preceding paragraph (1).

(i) Section 1861 of such Act is amended by adding at the end thereof the following new subsection:

"Participating Licensed Pharmacy

"(aa) The term 'participating licensed pharmacy' (with respect to any outpatient drug or biological) shall have the same meaning as when used in title XX.

(j) Part B of title XVIII of such Act is further amended by adding after section 1844 the following new sections:

"DETERMINATION OF COPAYMENTS FOR OUTPATIENT DRUGS AND BIOLOGICALS

"SEC. 1845. (a) Subject to subsection (b), the prescription copayment which shall be applicable for the purposes of section 2832 (a)(2)(D) shall be $1.

"SPECIAL PROVISIONS FOR PHYSICIANS DISPENSING REIMBURSABLE DRUGS

"SEC. 1846. (a) This section shall apply, notwithstanding any other provisions in this title, where the Administration determines that no participating licensed pharmacies exist in a community.

"(b) Any physician (as defined in section 1861(r) (1)) practicing in a community with respect to which the Administration has made a determination under subsection (a) is deemed to be a licensed participating pharmacy for purposes of this title if such physician files the agreement and statement specified 1861(aa)(3) with the Administration.

"(c) In cases where a licensed participating pharmacy exists in a community only because of subsection (b), the reasonable charge for a reimbursable drug under section 1845 shall be no larger than the amount specified in section 1845(b)(1)."

(k) Section 1155(g) of such Act is amended by striking out "by or in institutions" and inserting in lieu thereof "by or in institutions and reimbursable drugs".

(l) The amendments made by this section shall become effective July 1, 1976.

TERMINATION OF DEDUCTIBLE AND COINSURANCE OBLIGATION IN CASES OF CATASTROPHIC ILLNESS OR INJURY

Sec. 203. (a) Section 1813 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(c) Notwithstanding any other provision of this title, no further deductible or coinsurance requirement shall be imposed under this part with respect to items or services furnished to or for any individual in any calendar year after the total of the deductibles and coinsurance paid by or on behalf of such individual and the other members of his family under this section and section 1833 in that year equals $1,000."

(b) Section 1833 of such Act is amended by adding at the end thereof the following new subsection:

"(h) Notwithstanding any other provision of this title, no further deductible or coinsurance requirement shall be imposed under this part with respect to items or services furnished to or for any individual in any calendar year after the total of the deductibles and coinsurance paid by or on behalf of such individual and the other members of his family under this section and section 1813 in that year equals $1,000."

(c) The amendments made by this section shall apply with respect to calendar years beginning after December 1976, and shall also apply with respect to the 6-month period beginning July 1, 1976, as though such period were a calendar year and the dollar amount specified in such amendments were $500.

ELIMINATION OF POSTHOSTPITAL REQUIREMENT FOR HOME HEALTH SERVICES UNDER PART A OF MEDICARE

Sec. 204. (a) Section 226(c)(1) of the Social Security Act is amended by striking out "post-hospital" immediately before "home health services" each place it appears.

(b) Section 1811 of such Act is amended by striking out "post-hospital".

(c) Section 1812(a)(3) of such Act is amended—

(1) by striking out "post-hospital", and

(2) by striking out all that follows "100 visits" and inserting in lieu thereof "during a calendar year."

(d) Section 1812(d) of such Act is amended—

(1) by striking out "post-hospital", and

(2) by striking out "only during" and all that follows down through the period at the end of the first sentence and inserting in lieu thereof "only for 100 visits in a calendar year."

(e) Section 1812(e) of such Act is amended by striking out "post-hospital" immediately before "home health services".

(f) Section 1814(a)(2)(D) of such Act is amended—

(1) by striking out "post-hospital" where it first appears, and

(2) by striking out "for any of the conditions" and all that follows down through "extended care services".

(g)(1) The heading of section 1814(i) of such Act is amended by striking out "Post-hospital".

(2) Section 1814(i)(1) of such Act is amended by striking out "posthospital".

(h)(1) Section 1861(n) of such Act is repealed.

(2) Section 1861(e) is amended by striking out "subsections (i) and (n)" in the sentence immediately following paragraph (9) and inserting in lieu thereof "subsection (i)".

(i) Section 21(a) of the Railroad Retirement Act of 1937 is amended by striking out "post-hospital" immediately before "home health services".

(j) The amendments made by this section shall apply with respect to periods after June 1976.

ELIMINATION OF DURATIONAL LIMITS ON INPATIENT HOSPITAL SERVICES

Sec. 205. (a) Section 1812(a)(1) of the Social Security Act is amended by striking out "for up to 150 days" and all that follows and inserting in lieu thereof a semicolon.

(b) Section 1812(b) of such Act is amended by striking out paragraph (1).

(c) Section 1812(c) of such Act is amended by strking out "shall be included" and all that follows and inserting in lieu thereof "shall not be included in determining the 190-day limit under subsection (b)(3)."

(d) Section 1812(e) of such Act is amended by striking out "inpatient hospital services,".

(e) Section 1813(a)(1)(B) of such Act is amended by striking out the parenthetical phrase.

(f) The amendments made by this section shall apply with respect to services furnished on and after July 1, 1976.

ELIMINATION OF BLOOD DEDUCTIBLES

Sec. 206. (a) Section 1813(a)(2) of the Social Security Act is repealed.

(b) Section 1833(b) of such Act is amended by striking out the second sentence.

(c) Section 1866(a) of such Act is amended by striking out paragraph (2)(C), and by striking out the unnumbered paragraph following paragraph (2)(D).

(d) The amendments made by this section shall apply with respect to amounts payable for services furnished on and after July 1, 1976.

CHANGES IN PAYMENT PROCEDURES AND ADMINISTRATIVE MECHANISMS UNDER MEDICARE PROGRAM

Sec. 207. Part C of title XVIII of the Social Security Act is amended by adding at the end thereof the following new section:

"CHANGES IN PAYMENT PROCEDURES AND ADMINISTRATIVE MECHANISMS

"Sec. 1880. Notwithstanding any other provision of this title, effective on and after July 1, 1976, the provisions of sections 2031 and 2032 relating to payment for covered items and services, the provisions of section 2042 relating to prospective determination of payment of providers, the provisions of section 2045 relating to carriers, the provisions of section 2046 relating to payment to physicians, and all of the other payments procedures, administrative mechanisms, and conditions of payment and participation contained in title XX shall apply and be utilized (in lieu of the corresponding procedures, mechanisms, and conditions contained in this title) for purposes of the programs under parts A and B of this title."

TITLE III—INDEPENDENT SOCIAL SECURITY ADMINISTRATION

DECLARATION OF PURPOSE

Sec. 301. (a) The purpose of this title is to strengthen the fiscal and administrative structure of the contributory social security programs. These programs constitute a retirement and group-insurance plan that provides nearly all American workers and their families with protection designed to partly make up for the loss of earned income during retirement, during periods of extended and total disability before retirement age, or because of death, and provide protection against the costs of medical care. In conjunction with the program of supplemental security income to the needy, designed to fill the gaps in insurance protection, these contributory social insurance programs form a universal structure of economic security. It is essential that we take every practical step to assure the long-range fiscal integrity of these programs and to provide for nonpolitical, objective, and skilled program administration.

(b) In creating the contributory social security and health insurance programs, the Congress has undertaken a fiscal obligation which differs in essential respects from its obligations under programs financed in other ways. The distinctive nature of this obligation results from (1) the contributory character of the programs which gives to nearly every American a personal financial stake in future benefit rights, (2) the concomitant obligation of Government to assure beyond peradventure that these rights earned by compulsory contributions and based on past earnings will, in fact, be honored when they fall due whether in the near or the distant future, (3) the dependence of the programs, if this assurance is to be fully credible, on adequate long-term sources of income dedicated exclusively to these programs, (4) the need that changes in these systems which may be required to meet changing economic and social conditions be developed on a long-range basis and in the context of their interrelated benefit and financial structures. In order to assure more completely the full recognition of the fiscal obligations inherent in these programs, this title separates the transactions of the self-financed social insurance programs from the transactions of the general budget.

(c) The magnitude of these social insurance programs and of the supplemental security income program—in terms of the number of people affected by them, the volume of income and expenditures, the number of persons engaged in their operation, the nationwide network of local offices, and the complexity of these huge operations—demands the utmost in skillful, nonpolitical administration. To help assure such administration and continuously high levels of service to the beneficiaries of and contributors to the programs, this title constitutes the Social Security Administration as an independent agency in the executive branch, responsible directly to the President. The independence accorded by this change will also serve to emphasize to the public that the Government's role in the insurance programs is essentially that of trustee and manager for those who have worked in covered employment and contributed to the support of the programs, a role which is markedly different and carries different obligations from the Government's role in programs financed in other ways.

SOCIAL SECURITY ADMINISTRATION

Sec. 302. (a) Title VII of the Social Security Act is amended by inserting immediately before section 702 the following new section:

"SOCIAL SECURITY ADMINISTRATION

"Sec. 701. (a)(1) There is hereby established, as an independent agency of the executive branch of the Government, a Social Security Administration (hereinafter in this section referred to as the 'Administration'). The Administration shall be headed by a Board which shall consist of three members who shall be appointed by the President, by and with the advice and consent of the Senate. The President shall, from time to time, designate one of the members as Chairman of the Board.

"(2) No individual shall, during the time that he holds the office as a member of the Board, engage in any business, vocation, or employment, other than the discharge of his duties and the exercise of his authority as a member of the Board.

"(3) Not more than two of the members of the Board shall be members of the same political party.

"(4) Each member of the Board shall hold office for a term of five years, except that (A) a member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed, shall be appointed for the remainder of such term, and (B) the terms of office of the members first taking office after the date of enactment of the Act to establish the Social Security Administration as an independent agency shall expire, as designated by the President at the time of appointment, one at the end of two years, one at the end of four years, and one at the end of five years, after the date of enactment of such Act.

"(5) Actions taken, and decisions made, by members of the Board shall be by majority vote; and any action so taken, or decision so made, shall be the action or decision of the Administration.

"(b)(1) It shall be the duty of the Administration to administer the programs established by titles II, XVI, XVIII, and XX of this Act, and to discharge the duties and responsibilities imposed on the Secretary of Health, Education, and Welfare in connection with the administration of the program established by title IV of the Federal Coal Mine Health and Safety Act of 1969.

"(2) The Administration shall also have the duty of studying and making recommendations as to the most effective methods of providing economic security through social insurance, and as to legislation and matters of administrative policy concerning the programs referred to in paragraph (1), and to other programs having similar objectives.

"(3) The Administration shall prepare and submit to the Congress an annual report on its activities, which report shall include the recommendations of the Administration made pursuant to paragraph (2).

"(c)(1) There shall be in the Administration an Executive Director, who shall be appointed by and serve at the pleasure of the Administration, and who shall perform such functions concerning the programs administered by the Administration as the Administration may prescribe.

"(2) There shall be in the Administration a General Counsel, who shall be appointed by and serve at the pleasure of the Administration, and who shall be the principal legal counsel in the Administration. The Administration may obtain the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code.".

(b) Section 702 of such Act is amended by inserting immediately before the period at the end thereof the following: "; except that nothing in this section shall be construed to require the Secretary to make studies of or recommendations with respect to programs administered by the Social Security Administration".

(c) Section 706 of such Act is amended—

(1) by striking out "Secretary" wherever is appears and inserting in lieu thereof "Social Security Administration",

(2) by striking out "Department of Health, Education, and Welfare" in subsection (c)(1) and inserting in lieu thereof "Social Security Administration", and

(3) by striking out "the public assistance programs under this Act" in subsection (a) and inserting in lieu thereof "the program established by title XVI of this Act".

(d) Section 201(c) of such Act is amended—

(1) by inserting "the Chairman of the Board of the Social Security Administration," immediately after "Secretary of Labor," in the first sentence, and

(2) by striking out "Commissioner of Social Security" in the third sentence and inserting in lieu thereof "Executive Director of the Social Security Administration".

(e) The last sentence of section 205(g) of such Act is amended by striking out "in the person occupying the office of Secretary or any vacancy in such office" and inserting in lieu thereof "in the membership of the Board of the Social Security Administration or any vacancy in the membership of such Board".

(f) Section 1817(b) of such Act is amended—

(1) by inserting ", the Chairman of the Board of the Social Security Administration," immediately after "the Secretary of Labor," in the first sentence, and

(2) by striking out "Commissioner of Social Security" in the third sentence and inserting in lieu thereof "Executive Director of the Social Security Administration."

(g) Section 1841(b) of such Act is amended—

(1) by inserting ", the Chairman of the Board of the Social Security Administration," after "Secretary of Labor" in the first sentence, and

(2) by striking out "Commissioner of Social Security" in the third sentence and inserting in lieu thereof "Executive Director of the Social Security Administration".

(h) Title II (except the first sentence of section 201(c) and the last sentence of section 205(g)), part B of title XI, title XVI (as enacted by section 301 of the Social Security Amendments of 1972), and title XVIII (except the first sentence of section 1817(b) and the first sentence of section 1841(b)) of the Social Security Act are each amended—

(1) by striking out "Secretary of Health, Education, and Welfare" wherever it appears and inserting in lieu thereof "Social Security Administration",

(2) by striking out "Department of Health, Education, and Welfare" wherever it appears and inserting in lieu thereof "Social Security Administration",

(3) by striking out "Department" wherever it appears (but only if it is not immediately succeeded by the words "of Health, Education, and Welfare", and only if it is used in reference to the Department of Health, Education, and Welfare) and inserting in lieu thereof "Social Security Administration", and

(4) by striking out each of the following words wherever it appears (but, in the case of any such word, only if it refers to the Secretary of Health, Education, and Welfare): "Secretary", "Secretary's", "his", "him", and "he", and by inserting in lieu thereof (in the case of the word "Secretary") "Social Security Administration", (in the case of the word "Secretary's") "Social Security Administration's", (in the case of the word "his") "the Social Security Administration's", (in the case of the word "him") "the Social Security Administration", and (in the case of the word "he") "the Social Security Administration".

(i) Section 1101(a) of the Social Security Act is amended by adding at the end thereof the following new paragraph:

"(9) The term 'Administration', except when the context otherwise requires, means the Social Security Administration established by section 701."

(j) This title and the amendment made by this title shall take effective January 1, 1975.

TRANSITIONAL PROVISIONS

SEC. 303. (a)(1) Except as provided in paragraph (2), the term "Secretary of Health, Education, and Welfare" and the term "Secretary", when used to refer to the Secretary of Health, Education, and Welfare, shall be deemed to refer to the Social Security Administration when (and to the extent that) such term is employed in any provision of law which imposes any duty or responsibility on, confers any authority on, or imposes any limitation on the exercise of authority by, the Secretary of Health, Education, and Welfare with respect to the administration of the programs established by (A) title II, XVI (as enacted by section 301 of the Social Security Amendments of 1972), XVIII, or XX of the Social Security Act, or (B) part IV of the Federal Coal Mine Health and Safety Act of 1969.

(2) The provisions of paragraph (1) shall not apply to any provision of law which is contained in (A) title II, XVI (as enacted by section 301 of the Social Security Amendments of 1972), XVIII, or XX of the Social Security Act, (B) title IV of the Federal Coal Mine Health and Safety Act, or (C) and (B) such other investigations as the section 1122 of the Social Security Act, or part B of title XI of such Act.

(b)(1) There are transferred to the Social Security Administration (as established by section 701 of the Social Security Act under the amendment made by section 302(a) of this Act) all functions carried out by the Secretary of Health, Education, and Welfare with respect to the administration of programs and activities the administration of which is vested in such Administration by reason of this Act and the amendments made thereby.

(2) There are transferred to the Social Security Administration (as established by section 701 of the Social Security Act under the amendment made by section 302(a) of this Act) all personnel, assets, liabilities, contracts, property, and records which the Director of the Office of Management and Budget determines to be employed, held, or used by the Secretary of Health, Education, and Welfare primarily in connection with the functions, activities, and programs which, by reason of this Act and the amendments made thereby, are vested in or become the responsibility of such Administration.

(3) The position of Commissioner of Social Security is abolished.

(c)(1) All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges—

(A) which have been issued, made, promulgated, granted, or allowed to become effective, in the exercise of functions (i) which were exercised by the Secretary of Health, Education, and Welfare (or his delegate), and (ii) which relate to functions which, by reason of this Act and the amendments made thereby, are vested in the Social Security Administration (as established by section 701 of the Social Security Act under the amendment made by section 302(a) of this Act), and

(B) which are in effect at the time this title takes effect,

shall (to the extent that they relate to functions described in subparagraph (A)(ii)) continue in effect according to their terms until modified, terminated, suspended, set aside, or repealed by the Social Security Administration (as so established).

(2) The provisions of this title (including the amendments made thereby) shall not affect any proceeding pending at the time this title takes effect before the Secretary of Health, Education, and Welfare with respect to functions vested (by reason of this title and the amendments made thereby) in the Social Security Administration (as established by section 701 of the Social Security Act under the amendment made by section 302(a) of this Act), except that such proceedings, to the extent that they relate to such functions, shall continue before the Social Security Administration (as so established). Orders shall be issued under any such proceeding, appeals taken therefrom, and payments shall be made pursuant to such orders, in like manner as if this title had not been enacted, and orders issued in any such proceeding shall continue in effect until modified, terminated, superseded, or repealed by the Social Security Administration (as so established), by a court of competent jurisdiction, or by operation of law.

(3) Except as provided in this paragraph—

(1) the provisions of this title shall not affect suits commenced prior to the date this title takes effect; and

(2) in all such suits proceedings shall be had, appeals taken, and judgments rendered, in the same manner and effect as if this title had not been enacted.

No cause of action, and no suit, action, or other proceeding commenced by or against any officer in his official capacity as an officer of the Department of Health, Education, and Welfare, shall abate by reason of the enactment of this title. Causes of actions, suits, or other proceedings may be asserted by or against the United States and the Social Security Administration (as established by section 701 of the Social Security Act under the amendment made by section 302(a) of this Act), or such official of such Administration as may be appropriate, and, in any litigation pending when this section takes effect, the court may at any time, on its own motion or that of a party, enter an order which will give effect to the provisions of this subsection (including, where appropriate, an order for substitution of parties).

(4) This title shall not have the effect of releasing or extinguishing any criminal prosecution, penalty, forfeiture, or liability incurred as a result of any function which (by reason of this title) is vested in the Social Security Administration.

(5) Orders and actions of the Social Security Administration in the exercise of functions vested in such Administration under this title (and the amendments made thereby) shall be subject to judicial review to the same extent and in the same manner as if such orders and actions had been taken by the Secretary of Health, Education, and Welfare in the exercise of such functions immediately preceding the effective date of this title. Any statutory requirements relating to notice, hearings, action upon the record, or administrative review that apply to any function so vested in the Social Security Administration shall continue to apply to the exercise of such function by such Administration.

(6) In the exercise of the functions vested in it under this title (and the amendments made thereby), the Social Security Administration shall have the same authority as that vested in the Secretary of Health, Education, and Welfare with respect to the exercise of such functions immediately preceding the vesting of the same in such Administration, and actions of such Administration shall have the same force and effect as when exercised by such Secretary.

MISCELLANEOUS AND CONFORMING AMENDMENTS

Sec. 304. Title IV of the Federal Coal Mine Health and Safety Act of 1969 is amended—

(1) in section 402(c), by striking out "where used in part B means the Secretary of Health, Education, and Welfare, and", and

(2) in all the provisions thereof (other than section 402(c) and section 427)—

(A) by striking out "Secretary of Health, Education, and Welfare" wherever it appears and inserting in lieu thereof "Social Security Administration", and

(B) by striking out each of the following words wherever it appears (but, in the case of any such word, only if such word refers to the Secretary of Health, Education, and Welfare): "Secretary", "Secretary's", "his", "him", and "he", and by inserting in lieu thereof (in the case of the word "Secretary") "Social Security Administration", (in the case of the word "Secretary's") "Social Security Administration's", (in the case of the word "his") "Social Security Administration's", (in the case of the word "him") "the Social Security Administration", and (in the case of the word "he") "the Social Security Administration".

Sec. 305. (a) Section 201 of the Budget and Accounting Act, 1921 (31 U.S.C. 11), is amended—

(1) by striking out "The Budget" in the second sentence of subsection (a) and inserting in lieu thereof "Except as provided in subsection (d), the Budget"; and

(2) by adding at the end thereof the following new subsection:

"(d) The Budget shall set forth the items referred to in paragraphs (4), (5), (6), (7), (8), (9), and (12) of subsection (a) which are attributable to receipts of and expenditures from the general fund of the Treasury (commonly referred to as the 'administrative budget'), and shall set forth separately such items which are attributable to receipts of and expenditures from the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, the Federal Hospital Insurance Trust Fund, the Federal Supplementary Medical Insurance Trust Fund, the Federal Long-Term Care Trust Fund, and the National Health Insurance Trust Fund."

(b) The amendments made by subsection (a) shall apply with respect to the Budget for the fiscal year ending June 30, 1976, and for each fiscal year thereafter.

Sec. 306. (a) Section 5313 of title 5, United States Code (relating to level II of the Executive Schedule), is amended by adding at the end thereof the following new paragraph:

"(22) Chairman of the Board of the Social Security Administration.".

(b) Section 5314 of such title (relating to level III of the Executive Schedule) is amended by adding at the end thereof the following new paragraphs:

"(60) Member of the Board of the Social Security Administration.

"(61) Executive Director, Social Security Administration.".

(c) Section 5315 of such title (relating to level IV of the Executive Schedule) is amended by striking out—

"(97) Commissioner of Social Security, Department of Health, Education, and Welfare.",

and by inserting in lieu thereof—

"(97) General Counsel, Social Security Administration.".

EFFECTIVE DATE

Sec. 307. (a) This title, and the amendments made by this title, shall take effect on the first day of the first calendar month which begins not less than ninety days after the date of enactment of this title.

(b) Notwithstanding the provisions of subsection (a), the members of the Board of the Social Security Administration may be appointed prior to the effective date of this title, but after the date of enactment of this title; and the Executive Director and the General Counsel of such Administration may be appointed by such Administration at any time after all members of the Board of such Administration have been appointed. The officers referred to in the preceding sentence shall be compensated from the date they first take office, at the rates provided for in the amendments to title 5, United States Code, made by section 306 of this Act. Such compensation and related expenses of such officers shall be paid from funds available for the functions vested in the Social Security Administration by this title and the amendments made thereby.

TITLE IV—AMENDMENT TO PUBLIC HEALTH SERVICE ACT

PURPOSE

Sec. 401. The purpose of the amendment made by this title is—

(1) to establish responsibility under the Secretary of Health, Education, and Welfare for assuring through programs of Federal assistance that health services covered under titles V, XVIII, and XX of the Social Security Act are accessible to every American;

(2) prior to the effective date of the health insurance benefits authorized by amendments made by this Act to the Social Security Act, to accelerate and broaden Federal programs, designed to strengthen the Nation's resources of health personnel, facilities, and services and its system of delivery of health services, in order to enable the providers of health services better to meet the demands on them when such benefits become available, and especially (A) to expand and intensify the health planning process throughout the United States, with primary emphasis on preparation of the health delivery system to meet the demands generated by the national health insurance program, and (B) to provide financial and other assistance (i) for alleviating shortages and maldistributions of health personnel, facilities, and services in order to increase the supply of services, (ii) for improving the organization of health services in order to increase their accessibility and effective delivery, and (iii) for improving the quality of health services; and

(3) after the effective date of the national health insurance program established under the Social Security Act by the amendments made by this Act, to reinforce the operation of the health insurance program providing such benefits as a mechanism for the continuing improvement of the supply and distribution of health personnel, facilities, and services and the organization of health services, and to that end (A) to coordinate the health planning process throughout the United States with a view to the continuing development of plans for maximizing capabilities for the effective delivery of services covered under such program, and (B) to assist in meeting those costs of improvement of personnel, facilities, services, and organization that are not met either through the normal operation of such program or from other sources of public or private assistance.

HEALTH RESOURCES DEVELOPMENT

Sec. 402. The Public Health Service Act is amended by adding at the end thereof the following new title:

"TITLE XIV—HEALTH RESOURCES DEVELOPMENT BOARD

"PART A—ADMINISTRATIVE PROVISIONS RESPECTING BOARD

"ESTABLISHMENT OF BOARD

"Sec. 1401. (a) There is established in the Department of Health, Education, and Welfare the Health Resources Development Board (hereinafter in this title referred to as the 'Board') which shall be composed of three members to be appointed by the President, by and with the advice and consent of the Senate. During his term of membership on the Board, no member shall engage in any other business, vocation, or employment. Not more than two members of the Board shall be members of the same political party.

"(b) Members of the Board shall be appointed for terms of five years, except that (1) a member appointed to fill a vacancy occurring during the term for which his predecessor was appointed shall be appointed for the remainder of that term, and (2) the terms of office of the members first appointed shall expire, as designated by the President at the time of their appointment, at the end of one, three, and five years. A member who has served on the Board for two consecutive five-year terms shall not be eligible for reappointment to the Board until two years after the expiration of his last term of office as a member of the Board.

"(c) The President shall designate one of the members of the Board to serve, at the pleasure of the President (but not beyond the expiration of his term of office as a member of the Board), as Chairman of the Board.

"EXECUTIVE DIRECTOR; DELEGATION OF AUTHORITY

"Sec. 1402. (a) The Board shall have an Executive Director who shall be appointed by the Board and who shall perform such duties in the administration of this title as the Board may assign to him.

"(b) The Board is authorized to delegate to the Executive Director or to any other officer or employee of the Board or, with the approval of the Secretary (and subject to reimbursement of identifiable costs), to any other officer or employee of the Department, any of its functions or duties under this title other than (1) the issuance of regulations, or (2) the determination of the availability of funds and their allocation.

"PERSONNEL

"SEC. 1403. (a) The Civil Service Commission, in consultation with the Board, shall to the greatest extent practicable facilitate recruitment, for employment by the Board in the competitive service, of qualified persons experienced in the administration or operation of private health insurance and health prepayment plans, or experienced in other fields pertinent to the national health insurance program established under the Social Security Act by the Comprehensive National Health Insurance Act of 1974.

"(b) The Board may establish and fix the compensation for not more than one hundred positions in the professional, scientific, and executive service, each such position being established to effectuate those activities of the Board which require the services of specially qualified scientific, professional, and administrative personnel. Subject to the approval of the Civil Service Commission, the rates of compensation for positions established pursuant to the provisions of this subsection shall not be less than the minimum rate in effect for grade 16 of the General Schedule or more than the rate in effect for grade 18 of the General Schedule. Positions created pursuant to this subsection shall be included in the classified civil service of the United States, but appointments to such positions shall be made without competitive examination upon approval of the proposed appointee's qualifications by the Civil Service Commission or such officers or agents as it may designate for his purpose.

"INFORMATION

"SEC. 1404. The Board may secure directly from the Secretary or from any department or agency of the United States information necessary to enable it to carry out its functions. Upon request of the Chairman of the Board, the Secretary or the head of such department or agency shall furnish such information to the Board.

"ANNUAL REPORT

"SEC. 1405. The Board shall make an annual report to the Committee on Interstate and Foreign Commerce of the United States House of Representatives and the Committee on Labor and Public Welfare of the United States Senate which shall include—

"(1) for the period prior to the effective date of the national health insurance program established under the Social Security Act by the Comprehensive National Health Insurance Act of 1974, an evaluation by the Board of progress in preparing health resources for the initiation of such benefits, and

"(2) for periods after such effective date, an evaluation of the adequacy of health resources for providing services to individuals entitled to such benefits and of the effectiveness of measures to improve efficiency and economy in the organization and delivery of health services.

"PART B—FUNCTIONS OF THE BOARD

"GENERAL PROVISIONS

"SEC. 1411. (a) In carrying out the functions assigned to it by this title, the Board shall consult with the Secretary. The Board may, without the prior approval of the Secretary, take such action as it determines is required to carry out such functions. If the Secretary determines that an action taken by the Board is not authorized by this title, he may require the Board to take such corrective action as he determines is appropriate. The Secretary shall publish in the Federal Register each such direction to take corrective action and the reasons for such direction.

"(b) The Board shall, in regular consultation with the Social Security Board, have the duty of continuous study of the adequacy of health resources available to provide the items and services covered by benefits under titles V, XVIII, and XX of the Social Security Act and of the most effective methods of creating resources needed to provide comprehensive personal health services to all persons within the United States and of making recommendations on legislation and matters of administrative policy with respect thereto.

"STUDIES AND EVALUATIONS, SYSTEMS DEVELOPMENT, TESTS AND DEMONSTRATIONS

"SEC. 1412. (a) The Board is authorized, either directly or by contract—

"(1) to make statistical and other studies, on an international, national, regional, State, or local basis, of any aspect of the health care delivery system which supplies services reimbursed by the national health insurance program established under the Social Security Act by the Comprehensive National Health Insurance Act of 1974, including studies of the effect of the system upon the health of the people of the United States in comparison to other countries and the effect of comprehensive health services upon the health of persons receiving such services. As one such study, the Board is directed to review the need for and effects of a system of national licensure of health professionals (including new categories of personnel or professional specialties) on the accessibility, quality, and costs of health services covered under titles V, XVIII, and XX of the Social Security Act;

"(2) to develop and test, for use by the Board, records and information retrieval systems and budget systems for health services administration, and develop and test model systems for use by providers of services;

"(3) to develop and test, for use by providers of services, records and information retrieval systems useful in the furnishing of health services, and equipment useful in the furnishing of preventive or diagnostic services; and

"(4) to make such other studies as it may consider necessary or promising for the evaluation, or for the improvement, of the operation of such system.

"(b) The Board is authorized to develop, and to test and demonstrate through agreements with providers of services or otherwise, methods designed to achieve, through additional incentives or in any other manner, improvement in the coordination of services furnished by providers, improvement in the adequacy, quality, or accessibility of services, or decrease in their cost.

"RESEARCH

"SEC. 1413. The Board shall, through its staff or by contract (or both), conduct a program of research with the objectives of—

"(1) improving the technology of assessing the quality of health care, with regard for both the service input and the outcomes of such care;

"(2) comparing the quality of health care furnished under different systems of delivery and methods of payment; and

"(3) analyzing the effects of consumer health education, and of utilization of preventive health services.

"PLANNING

"SEC. 1414. (a) In consultation with comprehensive health planning agencies designated under State plans approved under section 314(a), and with other health planning agencies, the Board shall promote and support, and as necessary shall conduct within the Department, a continuous process of health resources development planning for the purpose of improving the supply and distribution of health personnel, facilities, and services and the organization of health services. Except for planning with respect to the national supply of professional, technical, and skilled administrative health personnel, the planning shall proceed on a State-by-State basis, but with more particularized planning for areas, or with respect to health facilities, health manpower development, or other particular aspects of health care. If a section 314(a) comprehensive health planning agency for a State does not undertake and carry out the responsibility for utilizing and coordinating all health planning activities within the State (including coordination with planning for interstate areas), and for coordinating health planning with planning in related fields, the Board shall assume the responsibility for coordinating such planning activities within the State. The Board shall make periodic review of activities of the State agency in this regard.

"(b) Prior to the effective date of the national health insurance program established under the Social Security Act by the Comprehensive National Health Insurance Act of 1974, the planning process shall give first consideration to identification of the most acute shortages and maldistributions of health personnel, facilities, and services and the most serious deficiencies in the organization for delivery of services covered by such benefits, and to means for the speedy alleviation of these shortcomings. Thereafter, it shall be directed to the continuing development of plans for maximizing capabilities for the effective delivery of such services.

"GENERAL POLICIES AND PRIORITIES

"SEC. 1415. (a) In providing assistance under this title, the Board shall give priority to improving and expanding the available resources for, and assuring the accessibility of, services to ambulatory patients which are furnished as part of coordinated systems of comprehensive care and which are consistent with State and area planning. To this end the Board shall encourage and assist (1) the development or expansion of health maintenance organizations meeting the requirements of section 1301; (2) the development or expansion of—

"(A) public or other nonprofit entities (including hospitals) which furnish all of the services covered under title XX of the Social Security Act (other than some or all institutional services, mental health services, or dental services for which they assure referral of their patients to providers of such services when medically appropriate and maintain arrangements with such providers for the availability of the services to their patients); and

"(B) public or other nonprofit centers (including satellite centers established by a hospital) which (i) furnish, as a minimum, the services of two or more physicians engaged in general or family practice, the services of nurses and supporting personnel, and basic laboratory services, which the Board finds sufficient for the primary medical care of a substantial population living in the vicinity of the centers, and (ii) have arrangements with other providers of services which the Board finds assure to the populations served by the centers, on a coordinated basis, all components of the health services covered under title XX of the Social Security Act,

to furnish services to persons in urban or rural areas who lack ready access to such services; (3) the recruitment and training of professional personnel to staff the organizations, entities, and centers referred to in clauses (1) and (2); (4) the recruitment and training of subprofessional and nonprofessional personnel (including the development and testing of new kinds of health personnel) to assist in the furnishing of such services, to engage in education for personal health maintenance, and to furnish liaison between such organizations, entities, or centers and the people they serve; (5) the strengthening of coordination and linkages among institutional services (including linkages with educational institutions), among noninstitutonal servces, and between services of the two kinds, in order to improve the continuity of care and the assurance that patients will be referred to such services and at such times as may be medically appropriate; (6) the strengthening of coordination and cooperation between hospital medical staffs and hospital administrators; and (7) the inclusion of dental services in systems of comprehensive health care.

"(b) In administering financial assistance under this title the Board shall be guided by findings and recommendations of appropriate health planning agencies.

"ORGANIZATIONS FOR THE CARE OF AMBULATORY PATIENTS

"Sec. 1416. (a) The Board is authorized to assist, in accordance with this section, the establishment, expansion, and operation of (1) health maintenance organizations which meet or will meet the requirements of section 1301, (2) public or other nonprofit entities and centers described in section 1415(a)(2), and (3) nonprofit organizations furnishing comprehensive dental services, which meet requirements set forth in regulations of the Board.

"(b) The Board is authorized to make grants (1) to any public or nonprofit organization, entity, or center (whether or not it is a provider of health services), for not more than 90 per centum of the cost (excluding costs of construction of planning, developing, and establishing an organization, entity, or center described in subsection (a) of this section; or (2) to an existing organization, entity, or center described in subsection (a), for not more than 80 per centum of the cost (excluding costs of construction) of planning and developing an enlargement of the scope of its services or an expansion of its resources to enable it to serve more enrollees or a larger clientele. In addition to grants under this subsection, or in lieu of such grants, the Board is authorized to provide technical assistance for the foregoing purposes.

"(c) The Board is authorized to make loans to organizations, entities, and centers described in subsection (a) of this section to assist in meeting the cost of constructing (or otherwise acquiring, or improving or equipping) facilities which the Board finds will be essential to the effective and economical delivery, or to the ready accessibility, of covered services to persons eligible for benefits under title V, XVIII, or X of the Social Security Act. No loan to a newly established organization, entity, or center shall exceed 90 per centum and no loan to any other organization, entity, or center shall exceed 80 per centum of such cost, or of the non-Federal share if other Federal financial assistance in meeting such cost is available.

"(d) The Board is authorized to contract with an organization, entity, or center which is described in subsection (a) of this section and which has been either newly established or substantially enlarged, to pay all or part of any operating deficits, for not more than three years. Any such contract shall condition payments upon the contractor's making all reasonable effort to avoid or minimize operating deficits and (if such deficits exist) making reasonable progress toward becoming self-supporting.

"RECUITMENT, EDUCATION, AND TRAINING OF PERSONNEL

"Sec. 1417. (a) In consultation with comprehensive health planning agencies designated pursuant to sections 314 (a) and (b), the Board shall promptly establish (and from time to time review) schedules of priority for the recruitment, education, and training of personnel to meet the most urgent needs of the national health insurance program established under the Social Security Act by the Comprehensive National Health Insurance Act of 1974. The schedules may differ for different parts of the United States.

"(b) The Board is authorized to provide, to physicians and medical students, training for the general or family practice of medicine and training in any other medical specialty in which the Board finds that there is, for the purposes of such system, a critical shortage of qualified practitioners.

"(c) The Board shall provide education or training for those classes of health personnel (professional, subprofessional, or nonprofessional) for whom it finds the greatest need, if other Federal financial assistance is not available for such education or training; and if other assistance is available but the Board deems it inadequate to meet the increased need attributable to such systems, it may provide such education or training pending action by the Congress on a recommendation promptly made by it to increase the authorization of appropriations (or, if the authorization is deemed adequate, to increase the appropriations) for such other assistance.

"(d) The training of personnel authorized by this section includes the development of new kinds of health personnel to assist in the furnishing of comprehensive health services. The Board may make grants to public or other nonprofit health agencies, institutions, or organizations to pay a part of all of the cost of testing the utility of new kinds of health personnel.

"(e) Education and training under this section shall be provided by the Board through grants and contracts with appropriate educational institutions or such other institutions, agencies, or organizations as it finds qualified for this purpose. The Board may provide directly, or through the contractor, for the payment of stipends to students or trainees in amounts not exceeding the stipends payable under comparable Federal education or training programs.

"(f) The Board shall undertake to recruit and train professional practitioners who will agree to practice, in urban or rural areas of acute shortage, in health maintenance organizations or in entities or centers referred to in section 1415(a)(2). A practitioner who agrees to engage in such practice for at least five years and who enters upon practice in the area before the effective date of health insurance benefits under the system referred to in subsection (a) may until that date be paid a stipend to supplement his professional earnings, and in an appropriate case the Board may make a commitment to compensate the practitioner after that date.

"(g) The Board shall undertake to recruit physicians to serve hospitals as their medical directors and to train such physicians (among other matters) in advising on and managing the development and implementation of medical policies and procedures and their coordination with planning and operational functions of the hospital, with its financing, and with its program of utilization review.

"(h) Training which the Board is authorized by this section to provide shall include retraining, either to refresh and enhance skills of trainees for positions they already hold or to equip them for positions of greater responsibility.

"(i) The Board shall make a continuing evaluation of the adequacy of the various classes of professional and other health personnel to furnish services under the national health insurance program established under the Social Security Act by the Comprehensive National Health Insurance Act of 1974, and after consultation with national and other organizations concerned with the education and training of such personnel, shall from time to time issue guidelines designed to relate the clinical education and training conducted by providers of services more closely to the relative need for the several classes of such personnel. The guidelines shall be considered in making awards under this section and under titles VII and VIII of the Public Health Service Act, and by planning agencies designated under sections 314 (a) and (b) of the Public Health Service Act in their review of institutional budgets required under section 1122 of the Social Security Act, and shall be adapted to take account of the capacity of providers to conduct such clinical education or training, and (to the extent the Board deems appropriate) to take account of any special manpower needs.

"GENERAL PROVISIONS RESPECTING LOANS

"Sec. 1418. (a) Loans authorized under this part shall be repayable in not more than twenty years, shall bear interest at the rate of 3 per centum per annum, and (subject to the provisions of subsection (b)) shall be made on such other terms and conditions as the Board deems appropriate. Amounts paid as interest on any such loan or as repayment of principal shall, if the loan was made from funds appropriated pursuant to section 1431(a), be covered into the Treasury as miscellaneous receipts, and if the loan was made from funds provided the Board from the National Health Insurance Trust Fund, be deposited in the Trust Fund to the credit of the Board.

"(b) No loan for the construction or improvement of a facility shall be made under this part unless the borrower undertakes that all laborers and mechanics employed by contractors or subcontractors in the performance of construction or improvement on the project will be paid wages not less than those prevailing on similar work in the locality as determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (40 U.S.C. 276a—276a—5 known as the Davis-Bacon Act). The Secretary of Labor shall have with respect to the labor standards specified in this subsection the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 5 U.S.C. Appendix) and section 2 of the Act of June 13, 1934 (40 U.S.C. 276c).

"PART C—NATIONAL ADVISORY COUNCIL

"NATIONAL HEALTH INSURANCE RESOURCES ADVISORY COUNCIL

"Sec. 1421. (a)(1) There is established a National Health Insurance Resources Advisory Council (hereinafter in this section referred to as the 'Council'), which shall consist of the Chairman of the Board, the Chairman of the Social Security Board, and twenty members, not otherwise in the employ of the United States, appointed by the Secretary on recommendation of the Board, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service. The Chairman of the Board shall be the first Chairman of the Council. His term as Chairman of the Council shall expire June 30, 1976. For the next fiscal year the Chairman of the Social Security Board shall be Chairman of the Council. Thereafter the chairmanship of the Council shall alternate each fiscal year between the Chairmen of the two Boards.

"(2) The appointed members of the Council shall include persons who are representatives of providers of health services, and of persons (who shall constitute a majority of the Council) who are representative of consumers of such services. Each appointed member shall hold office for a term of four years, except that (A) any member appointed to fill a vacancy occurring during the term for which his predecessor was appointed shall be appointed for the remainder of that term, and (B) the terms of the members first taking office shall expire, as designated by the Secretary at the time of appointment, five at the end of the first year, five at the end of the second year, five at the end of the third year, and five at the end of the fourth year. Members of the Council who are representative of providers of health care shall be persons who are outstanding in fields related to medical, hospital, or other health activities, or who are representatives of organizations or associations of professional health personnel; members who are representative of consumers of such care shall be persons, not engaged in and having no financial interest in the furnishing of health services, who are familiar with the needs of various segments of the population for personal health services and are experienced in dealing with problems associated with the furnishing of such services.

"(3) Section 14(a)(2) of the Federal Advisory Committee Act shall not apply with respect to the Council.

"(b) The Council is authorized to appoint such professional or technical committees, from its own members or from other persons or both, as may be useful in carrying out its functions. The Council, its members, and its committees shall be provided with such secretarial, clerical, or other assistance as may be authorized by the Board for carrying out their respective functions. The Council shall meet as frequently as the Board deems necessary, but not less often than four times each year. Upon request by seven or more members it shall be the duty of the Chairman to call a meeting of the Council.

"(c) It shall be the function of the Council (1) to advise the Board and the Social Security Board on matters of general policy in carrying out their respective responsibilities, and in particular shall recommend data which should be collected from professional standards review organizations, planning agencies, carriers, and intermediaries by one of the Boards and transferred to the other to allow proper coordination of their functions in the area of cost and quality control, and (2) to study the operation of the national health insurance program established under the Social Security Act or the health resource development activities authorized under the Public Health Service Act by the Comprehensive National Health Insurance Act of 1974 and the utilization of health services under it, with a view to recommending any changes in its administration or in the law which may appear desirable. The Council shall make an annual report to the Board on the performance of its functions, including any recommendations it may have with respect thereto, and the Board shall promptly transmit the report to the Congress, together with a report by the Board on any recommendations of the Council for administrative action which have not been followed, and a report by the Secretary of his views with respect to any legislative recommendations of the Council.

"(d) Appointed members of the Advisory Council and members of technical or professional committees, while serving on business of the Council (inclusive of traveltime), shall receive compensation at rates fixed by the Board, but not in excess of the daily rate in effect for GS–18 of the General Schedule; and while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in Government service employed intermittently.

"PART D—FUNDING

"AUTHORIZATION OF APPROPRIATIONS; PAYMENTS FROM TRUST FUND

"SEC. 1431. (a) To carry out this title, there are authorized to be appropriated $400,000,000 for the fiscal year ending June 30, 1975, and $600,000,000 for the fiscal year ending June 30, 1976.

"(b) For the fiscal year ending June 30, 1977, and for each fiscal year thereafter, the Secretary shall make, in accordance with title XX of the Social Security Act, payments from the National Health Insurance Trust Fund to the Board to carry out this title.

"(c) Funds available to carry out this title shall not be used to replace other Federal financial assistance, or to supplement the appropriations for other programs under this Act except as the Board determines they meet the specific needs created by the national health insurance program established under the Social Security Act by the Comprehensive National Health Insurance Act of 1974. In administering other programs of Federal financial assistance the Secretary and other officers of the Executive Branch, on recommendation of the Board, shall to the extent possible utilize those programs to further the objectives of this title. To this end the Board on such terms as it finds appropriate, may lend to an applicant or grantee not more than 90 per centum of the non-Federal funds required as a condition of assistance under any such program, and may pay all or part of the interest in excess of 3 per centum per annum on any loan made, guaranteed, or insured under any such program."

TITLE V—MISCELLANEOUS PROVISIONS

PRIVATE SUPPLEMENTAL HEALTH INSURANCE CERTIFICATION PROGRAM

SEC. 501. The Social Security Act is amended by inserting immediately after title XIV the following new title:

"TITLE XV—PRIVATE SUPPLEMENTAL HEALTH INSURANCE CERTIFICATION

"PURPOSE

"SEC. 1501. It is the purpose of this title to encourage and facilitate the availability to the public of private supplemental health insurance coverage at a reasonable premium charge by—

"(1) establishing a procedure whereby health insurance policies offered by private insurers may be certified by the Administration as meeting minimum standards with respect to adequacy of coverage, conditions of payment, opportunity for enrollment, and reasonableness of premium charges,

"(2) facilitating arrangements whereby supplemental health insurance policies meeting such standards can be offered through pools of private insurers.

"CERTIFICATION OF SUPPLEMENTAL PRIVATE HEALTH INSURANCE POLICIES

"SEC. 1502. (a) Any insurer which desires to do so may (in accordance with regulations of the Administration) provide to the Administration, for its examination and certification, any supplemental health insurance policy.

"(b)(1) If the Administration, after examining any such policy and evaluating any data submitted in connection with such policy, determines that such policy meets the standards prescribed in section 1503, it shall certify such policy.

"(2)(A) The certification by the Administration of any such policy shall be conditioned upon such policy's continuing to meet the standards prescribed in section 1503; and no policy shall be deemed to have been certified by the Administration under this title for any period for which it fails to meet such standards.

"(B) The Administration shall establish procedures whereby any insurer having secured the Administration's certification of any policy offered by such insurer shall from time to time provide to the Administration relevant data with respect to such policy in order for the Administration to determine whether such policy continues to meet the standards prescribed in section 1503.

"(c) Notwithstanding the preceding provisions of this section, the Administration shall not certify any group health insurance policy of any insurer unless such insurer furnishes assurances satisfactory to the Administration that such insurer (whether as a participant in an insurance pool arrangement or otherwise) will make generally available, in each geographic area in which such group policy is to be offered, to individuals and family members a private health insurance policy which has been certified by the Administration and which provides coverage which is equivalent (as determined by the Administration) to that provided by such group policy.

"STANDARDS WITH RESPECT TO SUPPLEMENTAL HEALTH INSURANCE POLICIES

"SEC. 1503. (a) The Administration shall not certify under this title any insurance policy offered (or to be offered) by an insurer unless it finds that—

"(1) such policy provides—

"(A) in case such policy is a group policy, that there will be no exclusion from coverage or limitation on payment on account of any medical condition (including any preexisting condition) or any waiting period prior to the beginning of coverage with respect to any such condition,

"(B) in case such policy covers an individual and members of his family coverage will be automatically extended, at birth, to any newborn (for adopted) children of such individual or his spouse, and

"(C) in case such policy is a group policy which covers all or a certain category of employees of any employer, that—

"(i) coverage will not be terminated with respect to any employee (and members of such employee's family, if such policy covers such members) because of the termination of such employee's employment prior to the expiration of 31 days after the date of such termination,

"(ii) the insurer offering such policy will afford to any employee covered by such policy whose employment has been terminated a reasonable opportunity to secure, from such insurer a supplemental private health insurance policy which has been approved under this title,

"(iii) there will be a periodic open enrollment period of at least 31 days (which shall occur not less often than once during each policy year) in which all eligible employees, who are not covered by such policy because of failure to elect coverage at the time of initial employment or during previous open enrollment periods, can secure coverage thereunder; and

"(2) the premium charge for such policy does not exceed the reasonable ratio of benefits payable to premiums imposed (as determined under subsection (d)).

"(b) The Administration, in determining whether any comprehensive prepaid group practice plan is eligible for certification under this section, shall, in lieu of the standards imposed by subsection (a), develop and apply criteria which assure that such plan meets requirements which are, on an actuarial and benefit basis, equivalent to such standards.

"(e) Notwithstanding the provisions of subsections (a) and (b), the Administration shall not withhold approval under this title of any health insurance policy solely because such policy excludes—

"(1) charges for services or supplies in connection with an occupational disease or injury,

"(2) items or services for which the insured individual furnished such items or services has no legal obligation to pay, and which no other person (by reason of such individual's membership in a prepayment plan or otherwise) has a legal obligation to provide or pay for,

"(3) any item or service to the extent that payment has been made, or can reasonably be expected to be made (as determined in accordance with regulations), with respect to such item or service, under a workmen's compensation law or plan of the United States or a State,

"(4) charges for services or supplies with respect to which benefits are provided under title XIII or title XX,

"(5) items or services which are not reasonable and necessary for the diagnosis or treatment of illness or injury, pregnancy, or to improve the functioning of a malformed body member, "(6) charges for care, treatment, services, or supplies, provided to any individual, to the extent that the payment of benefits with respect thereto is prohibited by any applicable law of the jurisdiction in which such individual is residing at the time he receives such care, treatment, services, or supplies,

"(7) charges in connection with routine physical checkups, or

"(8) expenses incurred for items or services, where such expenses are for cosmetic surgery or are incurred in connection therewith, except as required for the prompt repair of accidental injury or for improvement of the functioning of a malformed body member.

"(d) (1) With respect to policies submitted to the Administration for its certification under this title, the Administration shall establish (after considering the size of the groups to be covered by any such policy and whether the insurer is a nonprofit or profitmaking organization) an appropriate reasonable ratio of benefits payable to premiums imposed for coverage thereunder. In the case of individual policies such ratio shall be the same as that established by the Administration for group policies covering the smallest groups. The initial determination with respect to any such policy shall be based upon projected payments of benefits thereunder. After making such an initial determination with respect to any such policy, the Administration shall periodically thereafter review and make a redetermination of such ratio based on actual payments of benefits thereunder and the actual premium charges made for the period with respect to which the review is made, in order to determine whether such policy continues to meet the requirements for certification.

"(2) In determining the appropriate reasonable ratio of benefits payable to premiums imposed with respect to any particular health insurance policy offered by an insurer, the Administration shall, in its determinations of such ratio, give consideration to the average ratio, with respect to group policies generally underwritten by insurers (classified on the basis of nonprofit or profitmaking) with respect to policies excluding those which are not certified under this title.

"ESTABLISHMENT OF EMBLEM TO INDICATE CERTIFICATION

"SEC. 1504. The Administration shall cause to be designed an appropriate emblem which may be used as an indication that certification of an insurance policy under this title has been made by the Administration; and any insurer which has secured certification of an insurance policy by the Administration under this title may have printed thereon such emblem, and may, in advertising such policy to potential subscribers, state that such policy has received such a certification.

"REPORT TO CONGRESS

"SEC. 1505. The Administration shall, at the earliest practicable date (but not later than 60 days) after the expiration of the three-year period which commences on the date of enactment of this section, submit to the Congress a report indicating (1) the extent to which basic private health insurance policies certified by the Administration under this title are actually and generally available to the residents of each State, and (2) the extent to which residents in each State are covered by such policies."

EXISTING EMPLOYER-EMPLOYEE HEALTH BENEFIT PLANS UNAFFECTED

SEC. 502. (a) No provision of this Act and no amendment made by this Act, shall affect or alter any contractual or other nonstatutory obligation of an employer to pay for or provide health services to his present and former employees and their dependents, and to their survivors, or to any of such persons, or the amount of any obligation for payment (including any amount payable by an employer for insurance premiums or into a fund to provide for any such payment) toward all or any part of the costs of such services.

(b) Any contractual or other nonstatutory obligation of the employer to pay all or part of the cost of the health services referred to in subsection (a) shall continue in respect of the payment of taxes imposed on his employees by section 3101(b) of the Internal Revenue Code of 1954, but the sum of the per capita monthly amount involved in the payment of such taxes and the taxes under section 3101(c) of such Code by the employer on behalf of his employees, and the per capita amount of the liability for taxes imposed on an employer by section 3111 (b) and (c) of the Internal Revenue Code of 1954, shall not exceed the per capita monthly amount of the cost to the employer of providing or paying for health services (either through insurance premiums or into a fund) on behalf of persons referred to in subsection (a) for the month prior to the effective date of the taxes imposed by section 102(a) of this Act.

(c) At least for the duration of any contractual or other nonstatutory obligation of an employer referred to in subsection (a) the employer shall arrange to pay to the persons referred to in subsection (a) the amounts of money by which the per capita monthly costs to the employer of providing or paying for health services referred to in subsection (a) in the month immediately preceding the effective date of the taxes imposed by section 102(a) of this Act exceed the sum of the per capita monthly costs to the employer of the provisions of section 102(a) (3) of this Act, the employer's liability referred to in subsection (b), and any other employer contributions for health insurance premiums or health benefits or services provided by the employer after the effective date of section 101 of this Act. By mutual agreement between the employer and his employees or their representatives, an employer may provide other benefits of an equivalent monetary value in lieu of such payments.

PLANNING BY HEALTH CARE PROVIDERS AND CONDITIONS FOR PAYMENT

SEC. 503. Section 1122 of the Social Security Act is amended to read as follows:

"PLANNING BY HEALTH CARE PROVIDERS AND CONDITIONS FOR PAYMENT

"SEC. 1122. (a) It is the purpose of this section to assure that Federal funds appropriated or made available under titles V, XVIII, and XX are used to finance providers' health care services that conform to State and areawide plans for health facilities and services, and to encourage thereby the better utilization of existing resources and the development of additional resources in ways that assure economy of operation while improving the accessibility and quality of health services to all beneficiaries of the programs under such titles.

"(b) The Board through its intermediaries shall allow in prospective budgets of providers of health care services only those types and amounts of services and facilities which the planning agencies designated in section 314(a) of the Public Health Service Act (and, where they exist, the agencies designated in section 314(b) of such Act) have approved in writing, except where the Board finds—

"(1) that the planning agency involved has held the provider's proposal without action for more than 60 days,

"(2) the planning agency has not afforded the provider a reasonable opportunity for a fair hearing, or

"(3) the action taken by the planning agency is determined by the Board to be arbitrary and capricious.

"(c) No capital expenditure (as defined in subsection (f)) may be made by any provider of services, and no lease or comparable arrangement shall be entered into under subsection (d) by such a provider, without the specific written approval of the planning agency designated in section 314(a) of the Public Health Service Act (and, where it exists, the agency designated in section 314 (b) of such Act).

"(d) Where any person obtains under lease or comparable arrangement any facility or part thereof, or equipment for a facility, which would be excluded in determining Federal payments under the program involved if the person had acquired it by purchase, the board shall (1) in computing such person's rental expense in determining the Federal payments to be made under titles V, XVIII, and XX with respect to services furnished in such facility, deduct the amount which in its judgment is a reasonable equivalent of the amount that would have been excluded if the person had acquired such facility or such equipment by purchase, and (2) in computing such person's return on equity capital deduct any amount deposited under the terms of the lease or comparable arrangement.

"(e) Any person dissatisfied with a determination by the Board under this section may within six months following notification of such determination request the Board to reconsider such determination. A determination by the Board under this section shall not be subject to administrative or judicial review.

"(f) For the purposes of this section, a capital expenditure is an expenditure which, under generally accepted accounting principles, is not properly chargeable as an expense of operation and maintenance and which (1) exceeds $100,000, (2) changes the bed capacity of the facility with respect to which such expenditure is made, or (3) substantially changes the services of the facility with respect to which such expenditure is made. For purposes of clause (1) of the preceding sentence, the cost of the studies, surveys, design, plans, working drawings, specifications, and other activities essential to the acquisition, improvement, expansion, or replacement of the plant and equipment with respect to which such expenditure is made shall be included in determining whether such expenditure exceeds $100,000.

"(g) The provisions of this section shall not apply to Christian Science sanatoriums operated, or listed and certified, by the First Church of Christ, Scientist, Boston, Massachusetts."

TECHNICAL AND CONFORMING AMENDMENTS

SEC. 504. (a) Section 201(g) of the Social Security Act is amended—

(1) by insering after "by title XVIII" in subparagraph (A) the following: ", and the National Health Insurance Trust Fund established by title XX";

(2) by striking out "and title XVIII" each place it appears in subparagraph (A) and inserting in lieu thereof "title XVIII, and title XX"; and

(3) by striking out "and title XVIII" each place it appears in subparagraph (B) and inserting in lieu thereof ", XVIII, and title XX".

(b) Section 201(i) (1) of such Act (as amended by section 301(c) (5) of this Act) is further amended by striking out "and the Federal Long-Term Care Trust Fund" and inserting in lieu thereof "the Federal Long-Term Care Trust Fund, and the National Health Insurance Trust Fund".

ADDITIONAL TECHNICAL AND CONFORMING AMENDMENTS AND TRANSITIONAL PROVISIONS

SEC. 505. The Board of the Social Security Administration shall, as soon as practicable but in any event not later than July 1, 1975, after the date of the enactment of this Act, submit to the Senate and the House of Representatives a draft of any technical and conforming changes in the Social Security Act and other laws which are necessary to reflect the changes in substantive provisions of law made by this Act, including any special provisions which may be necessary to assume an orderly transition from existing programs to the new or modified programs established by this Act.

EFFECTIVE DATE

Sec. 506. Except as specifically otherwise indicated, this Act and the amendments made by this Act shall take effect July 1, 1976.

By Mr. BAKER (for himself and Mr. Buckley) (by request):

S. 3287. A bill to amend the Clean Air Act as amended and for other purposes. Referred to the Committee on Public Works.

Mr. BAKER. Mr. President, I introduce the proposed Clean Air Act Amendments of 1974, which have been transmitted to the Congress by the Environmental Protection Agency on behalf of the administration. Without attempting to prejudge the course of action on these or other pending amendments to the Clean Air Act, I believe that they represent a reasonable effort by EPA to reconcile the conflicts which may arise between the very stringent requirements in the Clean Air Amendments of 1970 and a number of other economic and social factors. More significantly, the presentation of these proposed amendments by EPA indicates the successful reconciliation of a number of conflicting interests within the administration.

I shall not try to characterize these amendments. One of the amendments, for example, would give EPA authority to impose civil penalties of up to $25,000 per day of violation of any air quality requirement. Another would grant authority for a temporary suspension of emission limitation and for coal conversion, with appropriate safeguards. This would parallel our efforts in title II of the vetoed energy emergency bill to use domestic fuels that are plentiful, while avoiding or minimizing air pollution. Still others, like the authority in this bill for EPA to set design or equipment standards, and to provide a waiver of new source standards to encourage adoption of experimental control technology, may provide a more flexible and workable method for achieving clean air requirements.

One indication of the constructive and open dialog within the administration and with some of us in the Congress is shown by the fact that EPA has forwarded, without endorsement, two proposals other agencies wish to have considered. These relate to the possible use of intermittent control systems, and to the requirement for no significant deterioration of our Nation's air resources. While these two amendments are not contained within the package of amendments I am introducing today, I am confident that other Members may wish to consider them. I know they will be among items considered in the course of hearings by the Environmental Pollution Subcommittee of the Public Works Committee.

A central issue which must be addressed in the near future is whether we will deal first with those amendments that relate to our energy needs, and then confront the longer-term issues, or consider all of the needed changes in one package later in the session.

The following is a list of the principal changes which would be accomplished by the amendments which EPA has submitted:

1. TEMPORARY SUSPENSIONS AND COAL CONVERSION

EPA would have authority to grant temporary suspension of emission limits up to November 1974 and to order plants which are capable of burning coal to switch from oil or gas to coal and to continue to burn coal until 1980, with appropriate environmental safeguards.

2. REVIEW OF STATE IMPLEMENTATION PLANS

EPA would review State plans to see whether enough domestic fuel and control systems are available to meet emission limits by the present 1975 and 1977 statutory deadlines, and, if not, could issue enforcement orders to extend deadlines that are more stringent than would be needed to meet primary air quality standards. Interim safeguards would be used to protect primary standards during the extensions.

3. EXTENSION OF TRANSPORTATION CONTROL PLAN

Areas that could not meet ambient standards for auto-related pollutants by the 1975–77 deadlines with reasonably available measures, would be able to win extensions of up to 5 years and, in extreme cases, an additional 5 years in order to achieve the national ambient standard.

4. NEW SOURCE AND HAZARDOUS EMISSION STANDARDS

EPA would obtain explicit new authority to establish design or equipment standards where emission or performance standards do not prove to be feasible. This would clarify matters by setting simple uniform standards for all sources in a class.

5. WAIVER FOR EXPERIMENTAL CONTROL TECHNOLOGY

EPA would have authority to waive compliance with new source performance standards where necessary to encourage sources to install control technology that requires additional research and demonstration.

6. CIVIL PENALTIES

EPA could impose civil penalties of up to $25,000 per day for violations of air quality control requirements. This provides a sanction when violations do not warrant criminal proceedings or when criminal prosecution would involve too many resources.

7. ENFORCEMENT ORDERS BEYOND STATUTORY DEADLINES

EPA would acquire express authority to extend compliance schedules beyond the 1975–77 statutory dates, when a source agrees to install control equipment and to operate under interim control measures.

8. NATIONAL ENVIRONMENTAL POLICY ACT PROVISIONS

This would require the Federal Energy Office to file environmental impact statements on coal conversions or coal allocations which will extend for more than 1 year but exempt such filing for actions of less than a year's duration.

9. AUTO EMISSION STANDARDS

This would extend the Federal model year 1975 interim emission standards through 1976 and 1977 model years, and permit EPA to set nitrogen oxide levels for subsequent years based on various specified criteria.

I am certain that the Environmental Pollution Subcommittee, under the able leadership of its chairman (Mr. Muskie) and ranking minority member, (Mr. Buckley) will give careful and thorough consideration to these proposals, as they have to other environmental matters

To further explain this situation, I ask unanimous consent that a copy of the bill be printed at this point in the Record, together with a copy of the transmittal letter from EPA Administrator Russell Train, and attachments B and C to that letter.

There being no objection, the bill and material were ordered to be printed in the Record, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. This Act may be cited as the "Clean Air Amendments of 1974".

EXTENSION OF ACT

Sec. 2. Section 104 of the Clean Air Act is amended by striking "and $150,000,000 for the fiscal year ending June 30, 1974" and inserting in lieu thereof ", $150,000,000 for the fiscal year ending June 30, 1974, $150,000,000 for the fiscal year ending June 30, 1975, and $150,000,000 for the fiscal year ending June 30, 1976."

Section 212 of such Act is amended by striking "three succeeding fiscal years." and inserting in lieu thereof "five succeeding fiscal years.".

Section 316 of such Act is amended by striking "and $300,000,000 for the fiscal year ending June 30, 1974" and inserting in lieu thereof ", $300,000,000 for the fiscal year ending June 30, 1974, $300,000,000 for the fiscal year ending June 30, 1975, and $300,000,000 for the fiscal year ending June 30, 1976.".

EXTENSIONS FOR TRANSPORTATION CONTROL PLANS

Sec. 3. Section 110 of the Clean Air Act is amended by adding subsection (g) as follows:

"(g)(1) Upon application by the Governor of a State on or after June 1, 1976, The Administrator may extend for not more than five years the deadline for attainment of national primary ambient air quality standards where transportation control measures are necessary for the attainment of such standards, and where the implementation of such control measures would have serious adverse social or economic effects.

(2) The Administration may consider extension applications for only those air quality control regions in which the State has:

(A) implemented or will have begun implementing by June 1, 1977, the requirements of the applicable plan with respect to stationary source emissions of transportation-related pollutants and all reasonably available measures of the applicable transportation control plan.

(B) completed a detailed planning study that evidences public and local governmental involvement and includes examination of alternative measures and combinations of measures which could be used to attain and maintain the standards after June 1, 1977, a description of projects to be undertaken together with timetables and resource requirements, and identification and analysis of social, economic, and environmental effects including public health effects of such measures and projects.

(3) Each extension application shall be accompanied by adequate documentation of compliance with the requirements of paragraph (2) above, and shall include an implementation plan for the extension period requested. The plan shall:

(A) identify the remaining emission reductions necessary for attainment of the national primary ambient air quality standards and the reasonably available ambient air quality standards and the reasonably available measures to be implemented to accomplish these reductions;

(B) provide for the implementation of all reasonably available control measures as expeditiously as practicable;

(C) identify the financial and manpower resources to be committed to carrying out the plan;

(D) demonstrate (i) attainment of the national primary ambient air quality standards as expeditiously as practicable but no later than May 31, 1982, or (ii) that such attainment is not possible within the extension period despite implementation of all reasonable available and achievable control measures."

"(4) (A) Within 120 days following the submission of an application and all supporting materials, and after providing an opportunity for public comment, the Administrator shall grant an extension, if he determines that the requirements of this subsection have been met.

(B) If the Administrator determines that the requirements of this subsection have not been met, including findings relating to the impacts of the transportation control measures upon the social, economic and environmental welfare of the air quality control region, he shall notify the Governor of deficiencies in the application, including his judgment as to acceptable dates for implementing measures included in the plan and as to the appropriate duration of an extension. The notification shall also specify a date for the submission of a revised application.

"(5) Where the Administrator grants an extension based on an application meeting the requirements of subparagraph (g) (3) (D) (ii), the Governor of the State may, on or after June 1, 1981, apply for a further extension in accordance with and subject to the requirements of this subsection. No extension under this paragraph may extend beyond May 31, 1987."

"(6) Where the Administrator denies an extension application or where the Governor of a State in which the national primary ambient air quality standards are not being met does not submit an application under this subsection, the Administrator may, after consultation with appropriate State and local elected officials, propose and promulgate an implementation plan (or portion thereof) meeting the requirements of this subsection."

"(7) No transportation control measures which would have serious adverse social or economic effects shall be considered "reasonably available".

NEW SOURCE AND HAZARDOUS EMISSION EQUIPMENT STANDARDS

SEC. 4. Section 111(a) (1) of the Clean Air Act is amended to read as follows:

"The term 'standard of performance' means a standard for emissions of air pollutants which reflects the degree of emission limitation achievable through the application of the best system of emission reduction which (taking into consideration the cost of achieving such emission limitation, and any non-air quality environmental impact and energy requirements) the Administrator determines has been adequately demonstrated. If the Administrator determines that technological or economic limitations on the application of measurement methodology to a particular class of sources would make the imposition of an emission standard infeasible, he may instead prescribe a design or equipment standard meeting the requirements of this paragraph. Such standard shall to the degree possible set forth the emission reductions achievable by implementation of such design or equipment, and shall provide for compliance by means which achieve equivalent results."

Section 111(b) (5) is added as follows:

"(b) (5) The Administrator shall, upon petition by the owner or operator of any source subject to a design or equipment standard under this section, restate such standard as an emission standard requiring the equivalent control if he determines that the requirements of the second sentence of paragraph (a) (1) are no longer satisfied with respect to that class of sources. The owner or operator of any source which commenced construction while the design or equipment standard was applicable may elect to comply with this section by means of such design or equipment or by meeting such emission standard."

Section 111(d) of such Act is amended by deleting the term "emission standards" where it appears and inserting in lieu thereof the phrase "emission, design, or equipment standards."

Section 112(a) (2) of such Act is amended by deleting the term "an emission" and inserting in lieu thereof the word "a".

Section 112(b) (1) (A) of such Act is amended by deleting the term "an emission" and inserting in lieu thereof the word "a".

Section 112(b) (1) (B) of such Act is amended by inserting in the first sentence after the phrase "for such pollutant" the phrase "or standards regarding the composition of materials which emit such pollutant" and by deleting in the second sentence the term "an emission" and inserting in lieu thereof the word "a".

Section 112(b) (1) (B) of such Act is further amended by adding a fourth sentence as follows: "If the Administrator determines that technological or economic limitations on the application of measurement methodology to a particular class of sources would make the imposition of an emission standard infeasible, he may instead prescribe a design or equipment standard meeting the requirements of this paragraph. Such standard shall to the degree possible set forth the emission reductions achievable by implementation of such design or equipment, and shall provide for compliance by means which achieve equivalent results."

Section 112(b) (3) is added as follows:

"(b) (3) The Administrator shall, upon petition by the owner or operator of any source subject to a design or equipment standard under this section, restate such standard as an emission standard requiring the equivalent control if he determines that the requirements of the fourth sentence of paragraph (b) (1) (B) are no longer satisfied with respect to that class of sources. The owner or operator of any source which commenced construction while the design or equipment standard was applicable may elect to comply with this Section by means of such design or equipment or by meeting such emission standard."

Section 112(c) (1) (A) of such Act is amended by deleting the phrase "cause emissions in violation of" and inserting in lieu thereof the word "violate".

Section 112(c) (1) (B) of such Act is amended by deleting the phrase "no air pollutant to which such standard applies may be emitted from any stationary source" and inserting in lieu thereof the phrase "no stationary source to which such standard applies shall operate."

Section 112(d) (1) of such Act is amended by deleting the word "emission".

Section 112(d) (2) of such Act is amended by deleting the word "emission".

Section 114(a) of such Act is amended by deleting the word "emission".

WAIVERS FOR TECHNOLOGY INNOVATIONS

SEC. 5. Section 111 of the Clean Air Act is amended by adding subsection (f) as follows:

"(f) (1) The owner or operator of a new source may request the Administrator for authorization to attempt to meet applicable performance standards under this section by means of a system or systems of emission reduction which have not been determined by the Administrator to be adequately demonstrated. After consulting with appropriate State and local officials, the Administrator may grant such authorization if he determines, based upon an evaluation of designs, specifications, plans, emission calculations, and other relevant factors that—

"(A) there is substantial likelihood that the proposed system or systems will enable the source to comply with the applicable standard, and

"(B) the proposed system has substantial potential for achieving significantly greater emission reduction than that required by the applicable standard, or achieving the required reduction at significantly lower cost, in terms of economic or environmental impact, than the systems which have been determined by the Administrator to be adequately demonstrated.

"(2) An authorization under this subsection shall extend to a date determined by the Administrator, after consultation with the source owner or operator, taking into consideration design, installation and capital costs of the systems being evaluated.

"(3) The granting of an authorization under this section shall preempt Federal, State, and local regulation of air pollution emissions of the source, with respect to the affected facility and air pollutants covered by the authorization, except that the Administrator shall impose such requirements as necessary for the attainment or maintenance of a national primary ambient air quality standard. Any such preemption shall not extend beyond any period specified under paragraph (2)."

ASSESSMENT OF CIVIL PENALTIES

SEC. 6. Section 113(b) of the Clean Air Act is amended as follows:

(b) The Administrator may request the Attorney General to commence a civil action for a permanent or temporary injunction or to assess and recover a civil penalty of not more than $25,000 per day of violation, or both, whenever any person—

(1) violates or fails or refuses to comply with any order issued under subsection (a); or

(2) violates any requirement of an applicable implementation plan during any period of Federally assumed enforcement or more than 30 days after having been notified by the Administrator under subsection (a) (1) of a finding that such person is violating such requirement; or

(3) violates section 111(e) or 112(c); or

(4) fails or refuses to comply with any requirement of section 114.

Any action under this subsection may be brought in the district court of the United States for the district in which the defendant is located or resides or is doing business, and such court shall have jurisdiction to restrain such violation, require such compliance, and assess such penalty. Notice of the commencement of such action shall be given to the appropriate State air pollution control agency.

ENFORCEMENT ORDERS EXTENDING PAST ATTAINMENT DATES

SEC. 7. Section 113(a)(4) of the Clean Air Act is amended by deleting the third sentence and inserting the following in lieu thereof:

"Any order issued under this subsection shall state with reasonable specificity the nature of the violation, specify a time for compliance (which may be subsequent to the date for attainment of a national ambient air quality standard under section 110) which the Administrator determines is as expeditious as practicable, taking into account the seriousness of the violation and the status of efforts to comply with applicable requirements. Any order specifying a compliance date later than such national standard attainment date shall require the source to employ any interim measures of control which the Administrator determines are reasonably available. In cases where the Administrator determines that the need for a compliance date beyond such national standard attainment date results in whole or in part from the lack of good faith efforts to comply with the applicable requirements, he shall initiate action to impose civil and/or criminal penalties."

Section 113 of such Act is amended by adding subsection (d) as follows:

"(d) An enforcement order or variance submitted by a State which specifies a date for compliance later than the date for attainment of national ambient air quality standards under section 110 may be approved by the Administrator if the Administrator determines that (1) such compliance date is as expeditious as practicable, and (2) the order or variance requires the source to employ interim measures of control which are reasonably available."

Section 113(b)(1) of such Act is amended to read as follows:

"(1) violates or fails or refuses to comply with any order issued under subsection (a) or any order or variance approved under subsection (d); or"

Section 113(c)(1)(B) of such Act is amended to read as follows:

"(B) violates or fails or refuses to comply with any order issued by the Administrator under subsection (a) or any order or variance approved by the Administrator under subsection (d), or"

Section 304(b)(1) of such Act is amended by adding a new subparagraph (c) as follows:

"(C) Where the Administrator has issued an order pursuant to section 113(a) or approved an order or other action pursuant to section 113(d)."

TEMPORARY SUSPENSIONS OF STATIONARY SOURCE EMISSION AND FUEL LIMITATION

SEC. 8. The Clean Air Act is amended by adding section 119 as follows:

"SEC. 119. (a)(1) The Administrator may, for any period beginning on or after the date of enactment of this section and ending on or before November 1, 1974 temporarily suspend any stationary source fuel or emission limitation as it applies to any person, if the Administrator finds that such person will be unable to comply with such limitation during such period solely because of unavailability of types or amounts of fuels. Any suspension under this paragraph and any interim requirement on which such suspension is conditioned under paragraph (2) below shall be exempted from any procedural requirements set forth in this Act or in any other provision of local, State, or Federal law. The granting or denial of such suspension and the imposition of an interim requirement shall be subject to judicial review only on the grounds specified in paragraphs (2)(B) and (2)(C) of section 706 of title 5, United States Code, and shall not be subject to any proceeding under section 304(a)(2) of this Act.

"(2) Any suspension under paragraph (1) above shall be conditioned upon compliance with such interim requirements as the Administrator determines are reasonable and practicable. Such interim requirements shall not be construed to preclude use of alternative or intermittent control measures which the Administrator determines are reliable and enforceable. Such interim requirements shall include, but need not be limited to, (A) a requirement that the source receiving the suspension comply with such reporting requirements as the Administrator determines may be necessary; (B) such measures as the Administrator determines are necessary to avoid an imminent and substantial endangerment to health of persons; and (C) requirements that the suspension shall be inapplicable during any period during which fuels which would enable compliance with the suspended stationary source fuel or emission limitations are in fact reasonably available to that person (as determined by the Administrator), however, provided that such fuel shall not be required to be used if the Administrator determines that the cost of changes necessary to use such fuel during such period is unreasonable.

"(b)(1) After public notice and public hearing, the Administrator may, for any period beginning after November 1, 1974, and ending not later than January 1, 1980, temporarily suspend any stationary source fuel or emission limitation as it applies to any fuel burning stationary source if the Administrator finds—

(A) that such source (1) is prohibited from using petroleum products or natural gas as fuel by reason of an order issued under section 120 of this Act,

(B) that such suspension (in conjunction with interim requirements under paragraph (4) below) will not, after the applicable implementation plan deadline, result in or contribute to a level of air pollutants which is greater than that specified in a national primary ambient air quality standard, and

(C) that such source has been placed on a schedule which provides for the use of methods which the Administrator determines will assure continuing compliance with the stationary source fuel or emission limitation as practicable (but no later than January 1, 1980).

"(2)(A) Any schedule under subparagraph (b)(1)(C) shall include increments of progress toward compliance with such limitation by such date including but not limited to a date by which a contractual obligation shall be entered into for an emission control system which has been determined by the Administrator to be adequately demonstrated. In the case of a person wishing to construct and install such system himself, the Administrator may approve detailed plans and specifications and increments of progress for construction and installation of such a system. Before the earliest date on which a source is required to take any action under the preceding sentences (but not later than May 15, 1977) any source may elect to have the preceding sentences not apply to it; but if such election is made, no suspension under this section may apply to such source after May 15, 1977.

"(B) For purposes of subparagraph (b)(1)(B) and of paragraph (b)(4), the term 'applicable implementation plan deadline' means the date on which (as of the date of enactment of this Act) a national primary ambient air quality standard is required by an applicable implementation plan to be attained in an air quality control region.

"(3) Any person may obtain judicial review of a grant or denial of a suspension grant under this paragraph and of any interim requirement on which such suspension is conditioned under subsection (b)(4) by filing a petition with the United States district court for any judicial district in which is located any stationary source to which the action of the Administrator applies. The second sentence of clause (ii), and clauses (iii) and (iv) of section 206 (b)(2)(B) of this Act shall apply to judicial review under this paragraph. No proceeding under section 304 (a)(2) may be commenced with respect to any action under this paragraph.

"(4) Any suspension under paragraph (1), above shall be conditioned upon compliance with such interim requirements as the Administrator determines are reasonable and practicable. Such interim requirements shall not be construed to preclude use of alternative or intermittent control measures which the Administrator determines are reliable and enforceable. Such interim requirements shall include, but need not be limited to (A) a requirement that the source receiving the suspension comply with such reporting requirements as the Administrator determines may be necessary; (B) such measures as the Administrator determines are necessary (i) to minimize emissions which materially contribute to a significant risk to the health of persons prior to the applicable implementation plan deadline, or (ii) to assure maintenance of the national primary ambient air quality standards during any portion of any such suspension which may extend beyond such deadline; and (C) requirements that the suspension shall be inapplicable during any period during which fuels which would enable compliance with the suspended stationary source fuel or emission limitations are in fact reasonably available to that source (as determined by the Administrator), however, provided that such fuel shall not be required to be used if the Administrator determines that the cost of changes necessary to use such fuel during such period is unreasonable.

"(c) No State or political subdivision may require any person to whom a suspension has been granted under subsections (a) or (b) to use any fuel the unavailability of which is the basis of such person's suspension (except that this preemption shall not apply to requirements identical to Federal interim requirements under subsections (a) or (b) or a compliance schedule under subparagraph (b)(1)(C) (including any requirement under a subparagraph (b)(2)(A))).

"(d)(1) It shall be unlawful for any person to whom a suspension has been granted under subsections (a) or (b) to violate any requirement on which the suspension is conditioned.

"(2) It shall be unlawful for any person to fail to comply with a schedule of compliance under subparagraph (b)(1)(C) (including any requirement under subparagraph (b)(2)(A)).

"(e) For purposes of this section:

"(1) The term 'stationary source fuel or emission limitation' means any emission limitation, schedule, or timetable for compliance, or other requirement, which is prescribed under this Act (other than section 303, 111(b), or 112) or contained in an applicable implementation plan and which is designed to limit stationary source emissions resulting from combustion of fuels, including a prohibition on or specification of the use of any fuel of any type or grade or pollution characteristic.

"(2) The term 'stationary source' has the same meaning as such term has under section 111(a)(3).

"(f) Nothing in this section shall affect the power of the Administrator to deal with air pollution presenting an imminent and substantial endangerment to the health of persons under section 303 of this Act.

COAL CONVERSION AND ALLOCATION

SEC. 9. The Clean Air Act is amended by adding section 120 as follows:

"(a) The President may, to the extent practicable and consistent with the objectives of this Act and any legislation relating to the production, conservation, distribution or allocation of energy or energy resources by order, after balancing on a plant-by-plant basis the environmental effects of use of coal against the need to fulfill the purposes of such legislation relating to energy or energy resources, prohibit, as its primary energy source, the burning of natural gas or petroleum products by any major fuel-burning installation (including any existing electric powerplant) which, on the date of enactment of this Section, has the capability and reasonably available necessary plant equipment to burn coal. Any installation to which such an order applies shall be permitted to use coal or coal byproducts to the extent consistent with the provisions of section 119 of this Act, and, if such installation converts to the use of coal as fuel, it shall not until January 1, 1980, be prohibited by reason of the application of any air pollution requirement from burning coal which is available to such installation to the extent consistent with the provisions of § 119 of this Act. To the extent coal supplies are limited to less than the aggregate amount of coal supplies which may be necessary to satisfy the requirements of those installations which can be expected to use coal (including installations to which orders may apply under this subsection), the President shall prohibit the use of natural gas and petroleum products for those installations where the use of coal will have the least adverse environmental impact in comparison with other uses of coal. A prohibition on use of natural gas and petroleum products under this subsection shall be contingent upon the availability of coal, coal transportation facilities, and the maintenance of reliability of service in a given service area. The President may require that fossil fuel-fired electric powerplants in the early planning process, other than combustion gas turbine and combined cycle units, be designed and constructed so as to be capable of using coal as a primary energy source instead of or in addition to other fossil fuels. No fossil fuel-fired electric powerplant may be required under this section to be designed and constructed, if (1) to do so would result in an impairment of reliability or adequacy of service, or (2) if an adequate and reliable supply of coal is not available and is not expected to be available. In considering whether to impose a design and construction requirement under this subsection, the President shall consider the existence and effects of any contractual commitment for the construction of such facilities and the capability of the owner or operator to recover any capital investment made as a result of the conversion requirements of this section.

(b) The President may by rule prescribe a system for allocation of coal to users thereof in order to attain the objectives specified in this section.

REVIEW OF STATE IMPLEMENTATION PLANS

SEC. 10. The Clean Air Act is amended by adding section 121 as follows:

"(a) The Administrator shall promptly review all State implementation plans and revisions thereof and shall determine whether in the aggregate (1) available domestic supplies of fossil fuels or (2) supplies of control systems, are adequate to enable applicable emission requirements, standards or limitations to be met within the date set for attainment of a national ambient air quality standard under this Act.

"(b) If the Administrator determines pursuant to subsection (a) that such supplies are not adequate, he shall, in accordance with the procedural requirements of section 113(a)(4), extend or suspend deadlines for meeting State or local emission requirements or limitations, as he determines may be appropriate, on a source-by-source basis for any specific category or categories of sources. Any such extension shall be conditioned upon such interim requirements as the Administrator determines are necessary (1) to minimize emissions which materially contribute to a significant risk to the health of persons prior to the applicable implementation plan deadline and (2) to assure maintenance of the national primary ambient air quality standards during any portion of such extension which may extend past such deadline. Such interim requirements shall not be construed to preclude use of alternative or intermittent control measures which the Administrator determines are reliable and enforceable.

"(c) In determining which sources or classes of sources will be granted an extension, the Administrator shall consider (1) the ambient air quality of the region affected by the emissions of the individual source, (2) the availability of domestic low sulfur fossil fuel to the individual source, and (3) the effectiveness of individual extensions in reducing inadequacies determined to exist under subsection (2) of this section.

"(d) The extensions given under this section shall be designed to achieve national primary ambient air quality standards and, taken in the aggregate, to eliminate the deficit in domestic fossil fuels and compensate for shortages of control systems determined to exist under the provisions of subsection (a) of this section."

"(e) The term 'applicable implementation plan deadline' has the same meaning as such term has under section 119(b)(2)(B)."

APPLICABILITY OF THE NATIONAL ENVIRONMENTAL POLICY ACT

SEC. 11. The Clean Air Act is amended by adding section 122 as follows:

"No action taken under section 120 of this Act shall, for a period of 1 year after initiation of such action, be deemed a major Federal action significantly affecting the quality of the human environment within the meaning of the National Environmental Policy Act of 1969 (83 Stat. 856). However, before any such action that has a significant impact on the environment is taken, if practicable, or in any event within 60 days after such action is taken, an environmental evaluation with analysis equivalent to that required under section 102(2)(C) of the National Environmental Policy Act, to the greatest extent practicable within this time constraint, shall be prepared and circulated to appropriate Federal, State, and local government agencies and to the public for a 30-day comment period after which a public hearing shall be held upon request to review outstanding environmental issues. Such an evaluation shall not be required where the action in question has been preceded by compliance with the National Environmental Policy Act. Any such action which will be in effect for more than a one year period or any action to extend an action taken under section 120 to a total period of more than 1 year shall be subject to the full provisions of the National Environmental Policy Act notwithstanding any other provision of this Act."

AUTOMOBILE EMISSION STANDARDS

SEC. 12. Section 202 of the Clean Air Act is amended as follows:

Subsections (b)(1)(A) and (b)(1)(B) are amended to read as follows:

(b)(1)(A) The regulations under subsection (a) applicable to emissions of carbon monoxide, hydrocarbons, and oxides of nitrogen from light duty vehicles in model years 1975, 1976, and 1977 shall be the standards established in the Administrator's decision of April 11, 1973, under authority of this section and § 209. This shall include a nitrogen oxides emission standard of 3.1 grams per mile.

(b)(1)(B) The regulations under subsection (a) applicable to emissions of carbon monoxide and hydrocarbons from light duty vehicles and engines manufactured during or after model year 1978 shall contain standards which require a reduction of at least 90 per centum from emissions of carbon monoxide and hydrocarbons allowable under the standards under this section applicable to light duty vehicles and engines manufactured in model year 1970.

Subsection (b)(1) of Section 202 is further amended by adding the following subparagraph (C).

(C) The regulations under subsection (a) applicable to emissions of oxides of nitrogen from light duty vehicles and engines manufactured during or after model year 1978 shall be set at such level as the Administrator may determine appropriate after taking into account air quality, energy efficiency, availability of technology, cost, and other pertinent considerations. The Administrator shall publish for public comment no later than January 1, 1976, proposed standards and his tentative conclusions with respect to the matters he is required to consider under this subparagraph and shall publish final standards and his findings regarding such matters no later than November 30, 1976.

Subsection (b)(5) is repealed.

U.S. ENVIRONMENTAL
PROTECTION AGENCY,
Washington, D.C. March 22, 1974.

Hon. GERALD R. FORD,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: I am pleased to forward to you a proposed bill, "The Clean Air Act Amendments of 1974", which is designed to improve the Federal-State program to achieve clean air.

Air pollution directly affects all of our citizens because of the adverse effects on their health and welfare and because of the increased costs they pay for goods and services. The Clean Air Act Amendments of 1970 have established a strong and effective program to protect the American public from the adverse health effects as well as other effects of air pollution. Under the 1970 law EPA has established air quality standards to protect health and welfare. The States have adopted and are implementing detailed programs to ensure compliance with the standards. The automobile industry has made significant progress in reducing motor vehicle emissions. States and localities are developing transportation control strategies that will not only help achieve higher air quality, but also reduce congestion and provide more balanced transportation systems. These are only illustrative of the major progress that the law has stimulated.

Now, with more than three years of experience, we are in a position to suggest some specific areas in which the law needs to be strengthened or made more workable. The amendments which we are suggesting are intended to improve upon the basic thrust of the Act and to take into account new realities, particularly the energy problems which the Nation faces. They are also intended to deal realistically, but with continued firm commitment, with specific problems of inability to achieve the statutory deadlines for the ambient air quality standards in severe problem areas such as Los Angeles.

The cornerstone of the Clean Air Act is the establishment of Air Quality Standards designed to protect the Nation's health and welfare and development by the States of implementation plans to insure attainment of those standards by designated statutory deadlines.

We are suggesting three changes dealing with the statutory deadlines for air quality standards; first, to provide greater flexibility in dealing with transportation controls for those areas heavily impacted by motor vehicle pollution; second, to provide for EPA review of State implementation plans in order to encourage the use of clean fuels in geographic areas of most need; and third, when necessary, to temporarily extend compliance dates for certain stationary source fuel limitations.

To date, transportation controls have been proposed for 38 metropolitan areas. Many of these communities can achieve the national photochemical oxidant and carbon monoxide ambient air quality standards by mid-1977 through the application of new motor vehicle emission standards, stringent stationary source standards and in some cases, additional control efforts, such as institution of inspection and maintenance programs and greater use of mass transit and car pools. A number of communities, however, are so heavily impacted by motor vehicle-related pollutants that severe gasoline rationing would be necessary to achieve air quality standards within the statutory deadline, even after all other control measures were instituted.

We are proposing that for those communities where attainment of standards by 1977 would cause serious economic and social disruption, EPA be authorized to allow up to five additional years for compliance with the air quality standards. EPA would grant this extra time only if all reasonable control measures under existing plans have been or will be instituted. EPA would be authorized to provide a further five-year extension in those cases where it would not be possible to achieve compliance within the first five years. Providing additional time in appropriate cases will enable communities to attain the flexibility they need to develop the long-term transportation system solutions necessary to help meet air quality standards.

In developing implementation plans for sulfur oxides control, many States did not assess the aggregate impact of their regulatory requirements on available fuel supplies nationwide. Our projections indicate that there will be a shortage of low-sulfur content fuels as well as stack gas scrubbing technology, to meet the deadline in the Clean Air Act as required in State implementation plans.

In addition, we are proposing authority to permit EPA to issue enforcement orders beyond the statutory deadlines in the Act. In cases where the extension must be given to sources that have failed to make good faith efforts, EPA would be required to seek criminal or civil sanctions.

We are proposing a review of State implementation plans to identify State emission regulations that require the use of lower sulfur fuel than is needed to meet the primary air quality standards. Based on this review, EPA could issue enforcement orders through the amendment discussed above, to the extent necessary to eliminate the anticipated clean fuels deficit. This would complement EPA's current voluntary program of encouraging revisions of State implementation plans to ensure that limited clean fuel supplies are available where needed to meet health-related primary standards. Neither the current program nor the proposed amendment would infringe on the important principle that States have the prerogative to adopt and enforce more stringent controls if they choose to do so. Such revised schedules would ensure that the primary air quality standards would not be violated and that attainment of State and local standards will be achieved as soon as possible.

Enactment of this proposal would have the benefit of making scarce low-sulfur fuels and control hardware available first in urban areas where they are most needed, allowing for the allocation of low sulfur fuels and new technology in the most logical time sequence to meet our air quality objectives.

The Nation's energy supply problems have been exacerbated by greatly increasing demand which has resulted in dependence on foreign sources of crude oil. To reverse such dependence, it will be necessary for some oil burning power plants to convert to coal.

We are proposing both a short and long-term solution to deal with this problem. These proposals are similar to provisions contained in the recently vetoed Energy Emergency Act. One provision, virtually identical to that in the Energy Emergency Act, would provide authority for the President—through the Federal Energy Office—to mandate coal conversion. Accompanying this provision would be a limited exemption to the National Environmental Policy Act for such actions, which was also covered by the Energy Emergency Act. The exemptions would be for only one year and would require environmental analyses. The thrust of NEPA is protected since any long-term conversion would have to meet all the requirements of NEPA.

In cases where the Federal Energy Office has mandated coal conversion, the Administrator of EPA would have authority to temporarily suspend any emission standard or limitation in violation of primary air quality standards. Once the applicable deadline under the Clean Air Act is reached—either 1975 or 1977— the source would be required to achieve primary standards until June 20, 1980. At that time, the source would have to move beyond primary standards to the extent needed to achieve emission limitations in the original State implementation plan. The interim requirement to achieve primary standards is a departure from the provision in the Energy Emergency Act, which apparently would have allowed limited violations of the primary standard during the period between the implementation plan deadline and the final deadline for this authority.

Although EPA can establish Federal emission standards for new sources and also for sources emitting hazardous pollutants, there are occasions where emission limitations are not the most practical method of control. For example, emission standards are not appropriate in cases where emissions from a source are difficult to measure, such as hydrocarbon emissions from gasoline storage tanks, or in cases where application of a particular product may cause the problem, such as spraying asbestos. EPA is requesting authority to set design or equipment standards for new sources and hazardous pollutants whenever the limitations of measurement technology make emission limitations impracticable. Hence, the use of this new authority would be the exception.

Because the entire risk of innovative technology is borne by the owner of a source, there is a tendency in new source performance standards to freeze current technology. In order to encourage development of new technology by the private sector, we are proposing in certain exceptional cases to waive Federal, State, and local emission requirements where a source would use a new control technology which we believe will either offer significantly greater control of emissions or the same level of emissions as the new source performance standards at substantially reduced cost. Demonstration projects of this type would only be allowed where maintenance of the health-related air quality standards would not be jeopardized.

Currently, EPA is constrained to the use of criminal penalties to enforce stationary source standards and limitations. We are proposing to expand our enforcement authorities to include civil penalties—up to $25,000 for each day of violation. Because a very vigorous enforcement program will likely be required to achieve the objectives of the Clean Air Act, it is important that we have flexibility in the application of sanctions. In many cases, the greater flexibility of civil penalties will be a much more effective mechanism to encourage compliance than criminal penalties; in other cases, criminal penalties will be more appropriate.

In his January 23, 1974, message to the Congress on measures to deal with the energy crisis, the President made his recommendations for extending auto emission standards. He stated this proposal would "permit auto manufacturers to concentrate greater attention on improving fuel economy while retaining a fixed target for lower emissions. These changes can be made without significant effect on our progress in improving air quality." The attached language would extend HC and CO standards at the 1975 interim level for 1976 and 1977 NO_x standards at 3.1 grams per mile for the same two years.

The final item of our proposed legislation would extend the authorizing authorities of the Clean Air Act for two additional years. Last year, the Congress extended the Act's authorizations to June 30, 1974, at the Fiscal Year 1973 levels of $475 million. We are proposing extending the Act for the next two fiscal years at the $475 million level. This amount should be sufficient to carry forward the Nation's air pollution control program.

These above amendments have been discussed intensively throughout the Executive Branch and I support their enactment. There are, however, two proposals set forth in Attachments B and C which I do not support. Nonetheless, other Executive Branch agencies believe they are needed and I am therefore forwarding them for consideration by the Congress. These proposals concern "intermittent control systems" and "significant deterioration."

In support of the proposal permitting indefinite use of intermittent or alternative control systems, other agencies state that: (1) such systems will allow some utilities and industrial sources to meet ambient air quality standards at a cost significantly lower than the cost of continuous emission control systems and with a smaller energy penalty; (2) such systems involve less solid waste than some of the scrubber technologies; and (3) that use of such systems could encourage the coal industry to make greater investments in new mines. This proposal would permit the use of alternative or intermittent control measures indefinitely as long as they would meet national ambient air quality standards.

EPA's concern with intermittent control systems as a permanent control strategy rests heavily on information becoming increasingly available as to the effects on public health of the sulfates that are formed in the ambient air as a product of the sulfur oxide gaseous emissions. EPA studies indicate that measurable adverse health effects are present at ambient sulfate levels of 8–10 micrograms per cubic meter. These levels are exceeded in large parts of the country, particularly in the Midwest and Northeast. The permitting of uncontrolled emissions of sulfur dioxide except during periods of adverse meteorological conditions would be expected to contribute in a major way in ambient air sulfate loadings. In my opinion, therefore, amending the Act to encourage indefinite or intermittent control systems would be highly inappropriate, and could be more costly in the long run should new requirements to deal with sulfates force expensive retrofits.

Recent court interpretation of the Clean Air Act requires the Administrator of EPA to establish standards to prevent "significant deterioration" of air already cleaner than required by national ambient air quality standards designed to protect public health and welfare. In support of this proposal other agencies state that the effect of this interpretation is to extend the Federal regulatory authority beyond standards set to protect the public health and welfare and to establish a new criterion, namely the quality in a given area at the time the Act was passed. They feel that this extension of the Federal regulatory authority will limit the range of choice of State and local governments in economic development and land use matters to a degree deemed unnecessary and unwarranted. This proposal would remove the authority of the Federal government to promulgate standards more stringent than those set to protect public health or welfare, but would not remove the authority of State and local governments to establish and maintain air quality standards cleaner than required by the Federal government should they choose to do so.

As a result of extensive written comments, public hearings and interagency discussions, EPA believes that meaningful steps can be taken to protect areas with already high air quality through classification by the States of geographic areas into one of three general classes:

(1) Air quality area better than secondary standards in which only restricted growth would take place;

(2) Air quality area better than secondary standard but in which moderate growth would be permitted.

(3) Air quality level to be determined by secondary standards.

The final classification of areas into these categories would take place after public hearings. No hard emission or air quality increments would be promulgated by EPA as limiting factors. Since the EPA regulation would not provide for firm maximum increments of pollution, it is expected that court challenges as to the adequacy of the EPA promulgation would take place.

Because of the potential for further litigation, the importance of this issue to our environmental and energy problems and the potential impact of EPA's regulations on State and local land use responsibilities. EPA believes that Congress should explore all alternatives for dealing with the significant deterioration issue in testimony and debate.

In closing, I would like to reiterate that significant progress has been made under the Clean Air Act. We look forward to early hearings and full Congressional debate on these proposals.

Sincerely yours,

RUSSELL E. TRAIN,
Administrator.

ATTACHMENT B. LEGISLATIVE LANGUAGE THAT WOULD IMPLEMENT THE VIEWS OF OTHER AGENCIES ON THE ISSUE OF SIGNIFICANT DETERIORATION

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SIGNIFICANT DETERIORATION

Section 101(b)(1) of the Clean Air Act is amended to read as follows:

"(1) to protect and enhance the quality of the Nation's air resources by establishing, achieving, and maintaining national ambient air quality standards, standards of performance of new stationary sources, and national emission standards for hazardous air pollutants so as to promote the public health and welfare and the productive capacity of the Nation, but nothing in this Act is intended to require or authorize the establishment by the Administrator of standards more stringent than primary and secondary ambient air quality standards;".

ATTACHMENT C. LEGISLATIVE LANGUAGE THAT WOULD IMPLEMENT THE VIEWS OF OTHER AGENCIES ON THE ISSUE OF INTERMITTENT CONTROLS

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

INTERMITTENT OR ALTERNATIVE CONTROL MEASURES

Section 110 of the Clean Air Act is amended by adding subsection (h) which reads as follows:

"(h) Nothing in this section shall be construed to preclude use of alternative or intermittent control measures which the Administrator determines are reliable and enforceable and which he determines will permit attainment and maintenance of the national ambient air quality standards."

By Mr. JACKSON:

S. 3289. A bill to amend the act of August 10, 1939 (53 Stat. 1347), and for other purposes. Referred to the Committee on Interior and Insular Affairs.

Mr. JACKSON. Mr. President, I introduce for appropriate reference a bill to amend the act of August 10, 1939 (53 Stat. 1347).

The act of August 10, 1939, added to the Kaniksu National Forest, Wash., certain lands owned or in course of acquisition by the United States. The described lands totaled 459,400 acres consisting of the following ownership:

	Acres
Lands purchased by Resettlement Administration	238, 000
Public domain lands	98, 200
Lands owned by State of Washington	24, 900
Privately owned lands	98, 300
	459, 400

Section 2 of the act provided that any of the privately owned lands may be accepted in exchange under the provisions of the act entitled "An act to consolidate national forest lands," approved March 20, 1922 (42 Stat. 465, as amended 16 U.S.C. 485, 486). My proposed amendment would remove the apparent limitation contained in the 1939 act that only privately owned lands may be accepted in exchange and, therefore, allow the acceptance of any non-Federal lands in exchange, including other publicly owned lands. This would be consistent with the general exchange authority provided in the 1922 act.

The State of Washington is interested in exchanging lands which are scattered throughout the area added to the national forest by the 1939 act. These lands are chiefly valuable for national forest purposes. The Forest Service inventory indicates that approximately 21,000 acres of land in the area, now held by public authorities, would be considered desirable for possible acquisition for national forest purposes. Acquisition of such lands would facilitate the administration of the adjacent national forest lands and such acquisition would also appear to be desirable from the standpoint of State and local government.

The proposed amendment would also confirm two exchanges which were inadvertently completed with Pend Oreille County under the general provisions of the act of March 20, 1922.

Mr. President, I ask that the text of the bill be inserted in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3289

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the Act of August 10, 1939 (53 Stat. 1350) is hereby amended to read as follows:

"SEC. 2. Any of the non-Federal lands described in the first section of this Act may be accepted in exchange under the provisions of the Act entitled, "An Act to consolidate national forest lands", approved March 20, 1922, as amended (42 Stat. 465; 43 Stat. 1090). All of such lands so accepted in exchange shall thereupon be added to and made a part of the national forest in which they are located and shall thereafter be administered under the laws and regulations relating to the national forests. Lands received in exchange or purchased under the provisions of this Act shall be open to mineral locations, mineral development, and patent, in accordance with the mining laws of the United States."

SEC. 2. All exchanges made prior to the date of this Act involving any non-Federal lands within the area described in section 1 of the Act of August 10, 1939 (53 Stat. 1347) are hereby approved and confirmed.

By Mr. JAVITS (by request):

S. 3290. A bill to improve and extend the Public Health and National Health Service Corps scholarship training program. Referred to the Committee on Labor and Public Welfare.

Mr. JAVITS. Mr. President, I recently joined with Senators KENNEDY and MAGNUSON in introducing legislation (S. 3181) which proposed modifications in the National Health Service Corps to make it more attractive in recruiting physicians, dentists, and other health professionals to serve in manpower shortage areas. Today I introduce, on request, the admininstration's Public Health and National Health Service Corps Scholarship Training Program Amendments of 1974. The administration bill is designed to extend and expand the program of scholarship assistance available to health professionals who will commit themselves to serving in this Nation's many health manpower scarcity areas.

The National Health Service Corps has, since its beginning in 1971, provided for many American communities the only hope of recruiting a physician or other health professional to serve the medical needs of its citizens. Today, 3 years after its start, the Corps has staffed 183 sites with needed doctors, nurses, and other health professionals. In the near future this program will reach other communities across this Nation.

An integral part of the recruitment efforts of the Corps is the system of scholarship assistance established in 1972 by the Emergency Health Personnel Act. Under this program, health professionals receive up to 4 years of scholarship and stipend assistance in return for service as a commissioned officer of the Public Health Service or as a civilian member of the National Health Service Corps. The act authorized $3 million for this program for fiscal 1974.

This bill would extend and expand this scholarship program to allow students supported under this program to be assigned to any civilian or uniformed Federal health program. This bill would:

Authorize to be appropriated for the program "such sums as may be necessary";

Extend the program for an indefinite period beyond fiscal year 1974; and

Authorize assignment of the program's participants to the National Health Service Corps, and "to such other uniformed or civilian Federal health service as the Secretary may determine is appropriate."

I believe the enactment of legislation which would strengthen the National Health Service Corps' ability to recruit physicians and other health professionals and at the same time strengthen the ability of medically underserved areas to recruit and retain such health professionals is essential.

The bill I introduce today and S. 311, which recently I joined with Senators KENNEDY and MAGNUSON in introducing, are important steps toward assuring an adequate future supply of health professionals for those areas of this country which have in the past been denied needed health care services and I believe the Congress should act promptly on these measures to fashion the most effective single bill.

I ask unanimous consent that the full text of the Department of Health, Education, and Welfare's letter of transmittal, the bill, and a list of HEW designated health manpower shortage areas in New York State, by profession, be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 3290

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Public Health and National Health Service Corps Scholarship Training Program Amendments of 1974".

SEC. 2. (a) Section 225(a) of the Public Health Service Act is amended by striking out "other units of the Service" and inserting in lieu thereof "such other uniformed or civilian Federal health service as the Secretary may determine is appropriate."

(b) Section 225(b)(3) of such Act is amended by striking out "be eligible for, or hold, an appointment as a commissioned officer in the Regular or Reserve Corps of the Service or" and inserting "or in such other uniformed or civilian Federal health service as the Secretary may determine is appropriate" after the word "Corps".

(c) Section 225(b)(4) of such Act is amended by striking out "in the Commissioned Corps of the Service or" and inserting "or in such other uniformed or civilian Federal health service as the Secretary may determine is appropriate" after the word "Corps".

(d) Section 225(e) of such Act is amended (1) by amending the first clause of the first sentence to read "A person participating in the Program shall be obligated following completion of academic training to serve as a civilian member of the National Health Service Corps or in such other uniformed or civilian Federal health service as the Secretary may determine is appropriate,"; (2) by striking out the second sentence; and (3) by amending the last sentence by inserting "Federal health" before the word "facility", by placing a period after the word "facility", and by striking out "of the Service or other facility of the National Health Service Corps."

(e) Section 225(i) is amended to read as follows.

"(i) There are authorized to be appropriated such sums as may be necessary to carry out the Program."

SEC. 3. This Act shall be effective with respect to appropriations for fiscal years ending after June 30, 1974.

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
November 12, 1973.

Hon. JAMES O. EASTLAND,
President Pro Tempore of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed with this letter is a draft of legislation, "To improve and expand the Public and National Health Service Corps Scholarship Training Program."

On October 27, 1972, the President approved Public Law 92-585, "The Emergency Health Personnel Act Amendments of 1972." Section 5 of that statute added to the Public Health Service Act a new section 225, which called upon the Secretary of Health, Education, and Welfare to establish the Public Health and National Health Service Corps Scholarship Training Program, in order to obtain trained health professionals for the Corps and other units of the Public Health Service. Participants in the Program could receive up to four years of scholarship and stipend assistance, in return for which they would be obliged to serve either as a commissioned officer in the Service or as a civilian member of the Corps for a period of not less than one year for each year of training received under the Program. Persons failing to meet their obligations under the Program would be liable for repayment, with interest, of the Federal support they received. The section authorizes appropriations for the Program of $3 million for fiscal year 1974.

The Administration strongly supports the objectives of section 225. The Department of Health, Education, and Welfare believes it offers the potential not only of assuring an adequate future supply of health professionals to meet essential Federal health care delivery responsibilities, but also of truly opening the door of a health professions education to sizeable numbers of deserving students, including many from disadvantaged social or economic backgrounds. The preliminary experience of the Department of Defense with its similar health professions scholarship program (authorized by P.L. 92-426) is grounds, we think, for optimism over the long-run promise of the Program.

For these reasons, the President's 1974 Budget contemplates not only full funding for this Program, but a substantial expansion of the Program beyond its present authorization level, for a total of $22.5 million in 1974. Funding of the Program at that level would provide full support for in excess of 2,000 health professions students, and would accompany the phasing out of the traditional scholarship programs operated by the Bureau of Health Manpower Education in the Health Resources Administration. The basic philosophy reflected in these proposals is that the public is entitled to public service from those individuals who are beneficiaries of special scholarship assistance while receiving their health professions degrees. The traditional scholarship programs—which do not require such service—are inconsistent with that principle.

The provisions of section 225 as presently drawn, however, are unnecessarily restrictive. The appropriations authorization not only is too low to permit funding of the Program at $22.5 million, but in addition covers only fiscal year 1974. We believe that substantially larger funding than $3 million is warranted for this Program and that it should be available for use indefinitely.

We also believe that it would be desirable for the Secretary to have clear and unambiguous authority to assign participants in the Program to *any* civilian or uniformed Federal health service. The National Health Service Corps and other health service delivery programs of this Department would doubtless be the primary users of the Program participants, and perhaps in the short run would be the sole users. At some future time, however, the Secretary might determine that certain of the participants could more appropriately serve elsewhere in the Department, or even in other Federal agencies (*e.g.*, the Veterans Administration) or State or local governmental units. It would be preferable to not have to appoint individuals to the commissioned corps of the Public Health Service in order to do this, but rather to be able to assign them directly to other health service duties.

The enclosed draft legislation, accordingly, is intended to expand the authorities in the present section 225. Briefly, the bill would:

Authorize to be appropriated for the Program "such sums as may be necessary";

Extend the Program for an indefinite period beyond fiscal year 1974; and

Authorize assignment of the Program's participants to the National Health Service Corps, and "to such other uniformed or civilian Federal health service as the Secretary may determine is appropriate."

We believe that enactment of this legislation would be an important step toward assuring an adequate future supply of health professionals for meeting essential Federal health care responsibilities, and would significantly improve the possibility of a health professions education for large numbers of worthy students. Accordingly, we urge the Congress to give favorable consideration to the measure.

The Office of Management and Budget has advised that there is no objection to the submission of this legislation, enactment of which would be in accord with the program of the President.

Sincerely,

FRANK C. CARLUCCI,
Acting Secretary.

Enclosure.

HEALTH MANPOWER SHORTAGE AREAS IN NEW YORK STATE

(As designated by the Department of Health, Education, and Welfare)

PHYSICIANS

Allegheny.

Morrisiana, Mott Haven, Lincoln Hospital, South Bronx, Area 34, Pelham Bay—Bronx County.

Allegheny Village—Cattaraugus County.

Cato—Cayuga County.

Norwick—Chenango County.

Delaware.

Chateaugay—Franklin County.

Greene.

Herkimer.

Bushwick, Gravesend, Williamsburg, Greenpoint, Brownsville (Brooklyn Borough)—Kings County.

Lewis.

Livingston.

Madison.

Rochester—Monroe County (Specific Health Center).

Central Harlem—(Manhattan Borough) New York County.

Utica—Faxton Hospital and Boonville—Oneida County.

Orleans.

Oswego.

Mariners Harbor (Staten Island) Richmond County.

Saratoga.

Schoharie.

Schuyler.

Perkinsville — Project Reach — Steuben County.

Tioga.

Washington.

Wayne.

Wyoming.

DENTISTS

South Bronx, area 34.

Clinton.

Cortland.

Chateaugay—Franklin County.

Hamilton.

Lewis.

Orleans.

Northeast portion of Rensselaer County.

St. Lawrence.

Saratoga.

Schoharie.

Schuyler.

Tioga.

Wayne.

PODIATRISTS

Allegheny, Cattaraugus, Chenango, Delaware, Essex, Franklin, Greene, Herkimer, Lewis.

Livingston, Madison, Oneida, Orleans, Oswego, St. Lawrence, Saratoga, Schenectady.

Schoharie, Seneca, Tioga, Tompkins, Ulster, Washington, Wayne, Wyoming, Yates.

OPTOMETRISTS

Allegheny, Bronx, Chenango, Fulton, Jefferson, Lewis, Niagara, Orleans, Saratoga, Schuyler, Tioga, Washington, Wyoming.

VETERINARIANS

Bronx, Erie, Hamilton, Kings, New York, Niagara, Queens, Richmond, Schenectady.

By Mr. BELLMON:

S. 3291. A bill to return to the Congress, through the implementation of procedural reforms, the ability to insure that rules and regulations promulgated through the administrative process shall reflect the intent of Congress. Referred to the Committee on the Judiciary.

Mr. BELLMON. Mr. President, today I am introducing legislation which would restore the ultimate decisionmaking power over the affairs of this country to the American people. This bill will return the control of the sprawling American bureaucracy to the Congress, and most importantly, to the American people.

The problems we now face in controlling the agencies and bureaus have evolved over time. Certainly the Founding Fathers did not anticipate them. When the first regulatory agency, the ICC, was formed in the late 1800's there was no way to predict the eventual expansion of regulatory agencies. As the problems of the Nation have increased, the laws have become more complex and prolific and the discretion granted the administrators has exploded. Congress has shared its responsibility by giving agencies and departments the power to issue regulations, licenses, and permits if the agency deems it to be "in the public interest."

For example, the management of national forests and national parks is left to Federal agencies which in turn promulgate regulations governing the use of those properties but seldom allow the public voice to be heard against any plan of the agency. Implementation of regulations concerning the Occupational Safety and Health Act are left to those administrators in Washington who for the most part have never worked in private enterprise and do not understand the practicalities and expenses involved in many of the regulations which they require. These regulations apply equally to the giants of industry as well as the smallest least sophisticated business in the country. The examples go on and on and cover a wide range of subjects, from food stamps and school lunch programs to the spraying of forests and grasslands to the elimination of certain species of trees and shrubs, to the location of highways, to the location of missile bases, disposal of sewage and industrial wastes, building of dams, description of safety standards on oil wells, professional review standards for doctors, user fees for publicly owned recreation areas and environmental regulations imposed on independent oil drillers.

All sections of society, corporations as well as the workingman and the poor, are affected by these broad generalized grants of authority to administrative agencies. Different segments of society are in a position to defend themselves against arbitrary agency action to varying degrees depending on their own resources and legal abilities. The voices of the majority of the people are never heard, as provisions for official protest are complicated. The administrative agencies largely dictate their own desires. Anyone who has attempted to oppose a Federal agency in its promulgation of regulations will understand the feeling of futility which is held by the people across this land.

Many agencies, most notably those which have been granted the authority to disburse money for various Federal programs to individuals, organizations, and to the States, have almost the absolute power to turn on and off the flow of money. If a university or hospital does not comply with an agency's regulations, the funding, which is their lifeline, may be cut off. The promulgation of regulations which are extremely complex and confusing to even the well educated are the source of agency power. These rules and regulations are the conduit through which the agency imposes its views upon the general public, and the practical opportunities for protest are limited. Arguably, the opportunities for protest are present because of the Administrative Procedure Act. However, if only a handful of small businessmen or small farmers are affected by a regulation, it is difficult for them to hire a Washington lawyer to represent them before the agencies. It is a David against Goliath situation. However, the prognosis for the final outcome is not as hopeful as in the latter situation.

The effect of this legislation would be to provide a check on those agencies and the check would be imposed by the Congress from which the agency's power is derived. The values at stake are of constitutional impact and importance. Why, with few checks and balances, should the public stand by while a faceless bureaucrat in some Federal agency makes decisions which affect their very livelihood? Why should the Congress allow the laws to be emasculated by the agencies and bureaus in Washington? The agencies have promulgated regulations so extensive and so complex that the public has been denied the effective representation which they sent to Congress. That representation has been misplaced and displaced throughout the Federal agencies. The effect has been to reduce the respect which the American people have for the Government. Government is unresponsive to their needs, and a sense of futility overwhelms them. As Winston Churchill remarked:

> If you have 10,000 regulations, you destroy all respect for the law.

The purpose of this bill is to restore this lost respect for the law, and to restore that respect by returning the command of this Government to the Congress and the American people. I ask unanimous consent that the text of the bill be printed in full in the RECORD at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3291

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 301 of Title 18, United States Code is hereby amended to read as follows:

(a) The head of an executive department or military department may prescribe regulations for the government of his department, the conduct of its employees, the distribution and performance of its business, and the custody, use, and preservation of its records, papers, and property. This section does not authorize withholding information from the public or limiting the availability of records to the public.

(b) That upon the promulgation of proposed rules and regulations implementing public laws, the committee of origin, whether in the Senate or in the House of Representatives, shall give approval or disapproval of said rules and regulations within sixty days from the date of submission of said rules and regulations.

(c) In the event the said committee fails to disapprove the proposed rules and regulations within sixty days, such abstention shall be deemed to be approval of said rules and regulations.

By Mr. DOMENICI:

S. 3293. A bill to authorize the Atomic Energy Commission in consultation with the U.S. Environmental Protection Agency to enter into cooperative agreements with certain States to contain and render harmless uranium mill tailings, and for other purposes. Referred to the Joint Committee on Atomic Energy.

Mr. DOMENICI. Mr. President, testimony by officials of both the Environmental Protection Agency and the Atomic Energy Commission indicate to me that a potentially serious health hazard may exist in several of our Western States. This hazard arises from 18 separate abandoned uranium mill sites that are either completely or partially unstabilized. Bluntly, these sites are now uncovered and the dust from these sites blows far from where the sites themselves are located.

In my State of New Mexico, we have two of the largest sites. Near Grants, N. Mex., are sites of 55 and 40 acres, with the larger of the two sites containing 2,684,000 tons of tailings. This is more material than that at any other such site. Therefore, New Mexicans have a stake in the present AEC–EPA probe of these sites and their danger to human and animal populations. I want to say, Mr. President, that I am pleased that these two agencies are investigating this situation.

I am introducing today a bill that would empower the Atomic Energy Commission, in consultation with the U.S. Environmental Protection Agency, to pay up to 75 percent of the costs of State programs to assess the dangers of exposure of individuals to these tailing sites and to establish appropriate remedial action to limit the exposure of individuals to radiation emanating from uranium mill tailings.

Documented testimony by Utah State health officials indicates a health hazard. We must know the precise nature of any hazard to other citizens in other States, if any, and what action should be taken to protect these citizens.

I do not wish to frighten or alarm anyone unnecessarily. However, we should know the facts as promptly as possible and what action is required by these facts.

I request unanimous consent that the bill be printed in its entirety at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3293

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in recognition of the problems caused by concentrations of radon 222 in the vicinity of unstabilized uranium tailings piles, located in the States of New Mexico, Colorado, Texas, Arizona, Oregon, Utah, and Wyoming, and the need for stabilization and containment of such piles in controlling radon emanation; and because of the danger to public health of atmospheric concentrations of radon 222, the Atomic Energy Commission, in consultation with the United States Environmental Protection Agency, is hereby authorized and directed to enter into cooperative arrangements with such States under which the Commission will provide not in excess of 75 per centum of the costs of State programs to be conducted in the areas of the unconsolidated tailings sites of assessment of, and appropriate remedial action to limit the exposure of individuals to, radiation emanating from uranium mill tailings.

By Mr. WILLIAMS:

S. 3294. A bill to provide the employees of States and political subdivisions thereof shall be subject to the provisions of the National Labor Relations Act; and

S. 3295. A bill to guarantee the right of employees to organize and bargain collectively which safeguards the public interest and promotes the free and unobstructed flow of commerce. Referred to the Committee on Labor and Public Welfare.

PUBLIC EMPLOYEE COLLECTIVE BARGAINING BILLS

Mr. WILLIAMS. Mr. President, I am introducing today legislation which would provide collective bargaining rights for the employees of States and local governments. I believe that the time is right for the Congress to examine the question of labor relations in the public sector.

There are something over 10 million employees of States and local governments in this country, employed by over 80,000 units of government. Statistics show that the public sector is the fastest growing sector of the job market.

Governing labor relations in this vast segment of the economy is a patchwork of State laws and local ordinances, executive orders, patterns of practice, and, all too often, the individual whims of public officials.

Public employees who strike in my home State of New Jersey have been jailed, while other men and women, exercising the same rights on the same jobs across the State line in Pennsylvania may be protected by State law. This lack of a system for dealing fairly with labor relations problems in the public sector results in more strikes, slowdowns, "blue flu," and employee dissatisfaction.

In the absence of a system for dealing with labor relations problems in the public sector, the employees of Garrett County, Md., once struck for 227 days because the county refused to bargain with the labor union which represented them. The sanitation workers' strike in Memphis, Tenn., during which the Reverend Martin Luther King was tragically murdered, came about because those sanitation workers had no place but the streets to take their demands for a dues payroll checkoff.

Lack of a meaningful legislative basis for collective bargaining and an accompanying guarantee of the rights to organize all too often results in intimidation of men and women who seek to exercise their right to organize and join a union. Teachers in Kansas were harassed and intimidated by their local school board and were left with two courses of action to resolve their disagreement: a strike or a lawsuit. They chose the latter course and after over 2 years, their case is still in litigation. Teachers in small midwestern towns were threatened with dismissal if they refused to ratify employment contracts which were detrimental to their interests.

In New York City, a dispute arose in the city hospitals because the employers refused to address hospital workers as "Mr." or "Mrs." rather than the more demeaning names they were being called.

Congress should now bring some order to public sector labor relations. We recognized in the 1930's that labor relations in the private sector had an effect on commerce and were therefore within the power of Congress to regulate. The same is true for the public sector. In addition to all the salaries paid by State and local governments, States and local governments purchase goods in interstate commerce and raise funds in the interstate money market. In this year alone, Congress will extend to the States over $38 billion in financial assistance. State and local government spending generated $135 billion of spending in the private sector. Clearly, anything which affects the functioning of States and local governments affects commerce and is regulable by Congress.

We shall also serve the public interest by regulating labor relations in this sector of the economy, for it is the citizens of our States and cities who feel the effects of the inability of their governments to maintain stable relations with their employees. Although the strike is used only rarely in the public sector, it directly affects the lives of Americans when it occurs. Long experience indicates the best way to prevent labor unrest is to provide a framework for handling labor relations matters in a fair and routinized manner. That is what these bills provide.

Thirty-eight years ago, when we passed the Wagner Act, we brought order to private sector labor relations. Our experience since passage of that landmark law has confirmed the usefulness of such legislation. The time has come to provide for employees in the public sector the same rights we guarantee to private sector employees and to bring to the public sector the stability which labor legislation brought to the private sector.

The two bills I am introducing today suggest two slightly different legislative approaches. S. 3294 is a simple amendment to the National Labor Relations Act which deletes the exemption granted to States and local governments in the definitions section of that act. The result will be to provide full coverage for State and local governments under the NLRA.

The second bill, S. 3295, achieves a similar result, but does so by creating a separate Public Employment Relations Commission, authorized by a separate statute, but following closely on the experience gained under the National Labor Relations Act. This bill makes provision for recognition of bargaining agents, collective bargaining between employers and the representatives of the employees, and an impasse resolution system which guarantees the right to strike but permits employers to seek injunctions against strikes which endanger the public health, safety, or welfare.

Identical bills have been introduced in the other body by Congressman FRANK THOMPSON (H.R. 9730) and jointly by Congressman WILLIAM CLAY and Congressman CARL PERKINS (H.R. 8677). Hearings on those bills have been held this past fall in the Special Labor Subcommittee chaired by Mr. THOMPSON. I anticipate that the Senate Labor Subcommittee, of which I am chairman, will undertake a full-scale investigation of the need for legislation in this area.

I ask unanimous consent that the text of both bills be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 3294

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph (2) of section 2 of the National Labor Relations Act (29 U.S.C. 152(2)) is amended by striking out "or any State or political subdivision thereof,".

S. 3295

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "National Public Employment Relations Act, 1973".

DECLARATION OF PURPOSE AND POLICY

SEC. 2. Experience in both private and public employment indicates that the statutory protection of the right of employees to organize and bargain collectively safeguards the public interest and promotes the free and unobstructed flow of commerce among the States by removing certain recognized sources of strife and unrest. Such protection facilitates and encourages the amicable settlement of disputes between employees and their employers involving terms and conditions of employment and other matters of mutual concern.

It is the purpose of this Act, in order to promote the free and unobstructed flow of commerce among the States, to prescribe certain rights and obligations of the employees of the States, territories, and possessions of the United States, and the political subdivisions thereof, and to establish procedures governing the relationship between such employees and their employers which are designed to meet the special requirements and needs of public employment.

It is the policy of the United States to recognize the rights of the employees of the States, territories, and possessions of the United States, and the political subdivisions thereof, to form, join, and assist employee organizations, to bargain collectively with their employers over the terms and conditions of employment and other matters of mutual concern relating thereto through representatives of their own choosing and to engage in other activities, individually or in concert, for the purpose of establishing, maintaining, and improving terms and conditions of employment and other matters of mutual concern relating thereto; and to establish procedures which will facilitate and encourage the amicable settlement of disputes between such employees and their employers.

DEFINITIONS

SEC. 3. As used in this Act—

(a) The term "person" includes one or more individuals, organizations, unions, associations, partnerships, corporations, boards, committees, commissions, agencies, or other entity, or their representatives.

(b) The term "employer" includes any State, territory, or possession of the United States, or any political subdivision thereof, including, without limitation, any town, city, county, borough, district, school board, board of regents, social service or welfare agency, public or quasi-public corporations, housing authority or other entity which is tax supported, and any person acting as an agent thereof.

(c) The term "employee" includes any person employed by an employer, whether or not in the classified service of the employer, except the chief executive officer of the employer and other officers of the employer appointed or elected pursuant to statute to policymaking positions. The term shall not be limited to the employees of a particular employer, and shall include any person whose work has ceased as a consequence of, or in connection with, any unlawful act as defined in section 10 of this Act.

(d) The term "employee organization" includes any organization, union, association, agency, committee, council, or group of any kind in which employees participate, and which exists for the purpose, in whole or in part, of bargaining collectively with employers over the terms and conditions of employment and other matters of mutual concern relating thereto.

(e) The term "exclusive representative" includes any employee organization which has been—

(i) selected or designated pursuant to the provisions of section 6 of this Act as the representative of the employees in an appropriate collective bargaining unit; or

(ii) recognized by an employer prior to the effective date of this Act as the exclusive representative of the employees in an appropriate collective bargaining unit.

(f) The term "supervisor" includes any employee having authority in the interest of an employer to hire, direct, assign, promote, reward, transfer, layoff, recall, suspend, discipline, or discharge other employees or to adjust their grievances, or to effectively recommend such action if in connection with the foregoing the exercise of such authority is not merely routine or clerical in nature but calls for the consistent exercise of independent judgment: *Provided*, That with respect to firefighters, the term "supervisor" shall include only those employees who perform a preponderance of the above-specified acts of authority.

(g) The term "professional" includes any employee whose work—

(i) is predominantly intellectual and varied in character;

(ii) requires the consistent exercise of independent judgment;

(iii) requires knowledge of an advanced nature in a field of learning customarily acquired by specialized study in an institution of higher education or its equivalent; and

(iv) is of such character that the output or result accomplished cannot be standardized in relation to a given period of time.

(h) The term "public safety officer" includes any employee engaged in—

(i) the enforcement of the criminal laws, including highway patrol;

(ii) a correctional program, facility, or institution where the activity is potentially dangerous because of contact with criminal suspects, defendants, prisoners, probationers, or parolees; or

(iii) a court having criminal or juvenile delinquent jurisdiction where the activity is potentially dangerous because of contact with criminal suspects, defendants, prisoners, probationers, or parolees.

(i) The term "firefighter" includes any employee engaged in the performance of work directly connected with the control and extinguishment of fires or the maintenance and use of firefighting apparatus and equipment.

(j) The term "educational employee" includes any employee of a school system, college, or university who—

(i) has regular contact with students;

(ii) participates in the development, implementation, or evaluation of an educational program; or

(iii) is otherwise involved in the teaching-learning process.

(k) The term "Commission" means the National Public Employment Relations Commission established by section 4 of this Act.

(l) The term "Service" means the Federal Mediation and Conciliation Service established by chapter 29 of title 172, United States Code.

(m) The term "collective bargaining" or "bargaining" means the performance of the mutual obligation of the representative of the employer and the exclusive representative to meet at reasonable times, in light of the budgetmaking process and other relevant factors, and to confer, consult, and bargain in a good faith effort to reach agreement with respect to the terms and conditions of employment and other matters of mutual concern relating thereto, and to execute, if requested by either party, a written document incorporating any agreements reached, but such obligation does not compel either party to agree to a proposal or to make a concession. The duty to negotiate shall extend to matters which are or may be the subject of a statute, ordinance, regulation, or other enactment by a State, territory, or possession of the United States, or a political subdivision thereof, and if legislative action is necessary to implement any agreement reached, shall include the obligation of the employer to submit such agreement to the appropriate governmental body for action.

(n) The term "labor dispute" means any controversy concerning terms and conditions of employment or other matters of mutual concern relating thereto, or concerning the representation of employees for the purpose of collective bargaining, regardless of whether the disputants stand in the proximate relation of employer and employee.

(o) In determining whether any person is acting as an "agent" of another person so as to make such other person responsible for his acts, the question of whether the specific acts performed were actually authorized or subsequently ratified shall not be controlling.

NATIONAL PUBLIC EMPLOYMENT RELATIONS COMMISSION

SEC. 4. (a) There is hereby created the "National Public Employment Relations Commission", which shall consist of five members who shall be appointed by the President by and with the advice and consent of the Senate. One of the original members shall be appointed for a term of one year, one for a term of two years, one for a term of three years, one for a term of four years, and one for a term of five years. Their successors shall be appointed for terms of five years each, except that any person chosen to fill a vacancy shall be appointed only for the unexpired term of the member whom he succeeds. Commission members shall be eligible for reappointment. The President shall designate one member to serve as Chairman of the Commission. Any member of the Commission may be removed by the President, upon notice and hearing, for neglect of duty or malfeasance in office, but for no other cause.

(b) A vacancy in the Commission shall not impair the right of the remaining members to exercise all the powers of the Commission, and three members of the Commission shall, at all times, constitute a quorum. The Commission shall have an official seal which shall be judicially noticed.

(c) Members of the Commission shall not engage in any other business, vocation, or employment. The Chairman of the Commission shall receive an additional $1,500 a year. The Commission shall appoint an Executive Director and may appoint State or regional directors, attorneys, and such other persons as it may from time to time find necessary for the proper performance of its functions and as may from time to time be appropriated for by the Congress. Attorneys appointed under this section may, at the direction of the Commission, appear for and represent the Commission in any case in court.

(d) There shall be a General Counsel of the Commission who shall be appointed by the President, by and with the advice and consent of the Senate, for a term of five years. The General Counsel shall be authorized to investigate alleged violations of the Act, to file and prosecute complaints filed under the Act, and to exercise such other powers as the Commission may prescribe. If a vacancy occurs in the Office of General Counsel, the President shall promptly designate an Acting General Counsel, and shall submit a nomination for a replacement to Congress within forty days after the vacancy has occurred, unless Congress shall have adjourned before the expiration of said forty-day period, in which event the President shall submit a nomination not later than ten days after Congress reconvenes.

(e) All of the expenses of the Commission, including all necessary traveling and subsistence expenses outside the District of Columbia incurred by the members, employees, or agents of the Commission under its orders, shall be allowed and paid on the presentation of itemized vouchers therefor approved by the Commission or by any individual it designates for that purpose.

(f) The principal office of the Commission shall be in the District of Columbia, but it may meet and exercise any or all of its powers at any other place, and may establish and operate State and regional offices. The Commission may, by one or more of its members or by such agents or agencies as it may designate, prosecute any inquiry necessary to its functions in any part of the United States. A member who participates in such an inquiry shall not be disqualified from subsequently participating in a decision of the Commission in the same case.

(g) The Commission is authorized to issue, amend, and rescind, in the manner prescribed by subchapter II of chapter 5 of title 5, United States Code, such rules and regulations as may be necessary to carry out the provisions of this Act and is expressly empowered and directed to prevent any person from engaging in conduct in violation of this Act. In order to carry out its functions under this Act, the Commission is authorized to hold hearings, subpena witnesses, administer oaths and take the testimony or deposition of any person under oath, and in connection therewith, to issue subpenas requiring the production and examination of any books or papers, including those of the Federal Government or any employer, relating to any matter pending before it and to take such other action as may be necessary.

(h) (1) Section 5314 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"(54) Chairman, National Public Employment Relations Commission.".

(2) Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"(92) Members, National Public Employment Relations Commission.".

RIGHTS OF EMPLOYEES AND EMPLOYEE ORGANIZATIONS

Sec. 5. (a) Employees shall have the right to form, join, or assist employee organizations, to participate in collective bargaining with employers through representatives of their own choosing and to engage in other activities, individually or in concert, for the purpose of establishing, maintaining, or improving terms and conditions of employment and other matters of mutual concern relating thereto.

(b) Employee organizations shall have—

(1) access at reasonable times to areas in which employees work, the right to use the employer's bulletin boards, mailboxes, and other communication media, subject to reasonable regulation, and the right to use the employer's facilities at reasonable times for the purpose of meetings concerned with the exercise of the rights guaranteed by this Act: *Provided*, That if an exclusive representative has been recognized, an employer shall deny such access and usage to any employee organization other than such representative until such time as a lawful and timely challenge to the majority status of the representative is raised pursuant to the provisions of section 6 of this Act; and

(2) the right to have deducted from the salary of employees, upon receipt of an appropriate authorization form which shall not be irrevocable for a period of more than one year, an amount equal to the fees and dues required for membership: *Provided*, That if an exclusive representative has been recognized, an employer shall deny such deduction to any employee organization other than such representative.

(c) If an exclusive representative has been recognized for the employees in an appropriate collective bargaining unit, each employee in such unit who is not a member of the recognized organization shall be required, as a condition of continued employment, to pay to such organization for the period that it is the exclusive representative, an amount equal to the dues, fees, and assessments that a member is charged. Such payments shall be made in accordance with rules and regulations prescribed for such purpose by the Commission.

(d) An employer and an exclusive representative that has been recognized for the employees in an appropriate collective-bargaining unit may agree that each employee in such unit shall, as a condition of continued employment, on or after the thirtieth day following the beginning of his employment or on the effective date of such agreement, whichever is later, become and remain a member of the recognized organization.

REPRESENTATIVES AND COLLECTIVE-BARGAINING UNITS

Sec. 6. (a) The employee organization designated or selected for the purpose of collective bargaining by the majority of the employees in an appropriate collective-bargaining unit shall be the exclusive representative of all the employees in such unit for such purpose, and an employer shall not bargain in regard to matters covered by this Act with any employee, group of employees, or other employee organization: *Provided*, That nothing contained in this subsection shall prevent employees, individually or as a group, from presenting complaints informally to an employer, and from having such complaints adjusted without the intervention of the exclusive representative for the collective-bargaining unit of which they are a part, as long as such representative is given an opportunity to be present at said adjustment and to make its views known, and as long as the adjustment is not inconsistent with the terms of an agreement between the employer and the exclusive representative which is then in effect: *And provided further*, That such employee or employees shall not be represented by an officer or agent of any employee organization other than the exclusive representative.

(b) Any employee organization may file a request for recognition as the exclusive representative under subsection (a) of this section with an employer and the Commission. Such request shall allege that a majority of the employees in an appropriate collective-bargaining unit wish to be represented for the purpose of collective bargaining by such organization, shall describe the grouping of jobs or positions which constitute the unit claimed to be appropriate, shall be supported by credible evidence demonstrating that a majority of the employees in the appropriate unit desire the organization requesting recognition as their exclusive representative, and shall indicate the name, address, and telephone number of any other interested employee organization, if known to the requesting organization. The employer shall, at the direction of the Commission, post a copy of such request on a bulletin board at each facility in which members of the unit claimed to be appropriate are employed. The request shall remain posted for a period of twenty-one days from the date on which the Commission directs that it be posted. The Commission shall maintain a public docket of all requests filed under this section. Such docket shall contain a copy of the request but shall not include any accompanying evidence of support. The request shall remain on the public docket until the case is closed.

Such request for recognition shall be granted by the employer unless—

(i) the employer has a good faith doubt as to the accuracy or validity of the evidence demonstrating majority support in an appropriate unit or as to the appropriateness of the claimed unit; or

(ii) there is currently in effect a lawful written collective-bargaining agreement between the employer and another employee organization covering any employees included in the unit described in the request for recognition; or

(iii) within the previous twelve months another employee organization has been lawfully recognized or certified as the exclusive representative of any employees included in the unit described in the request for recognition; or

(iv) the Commission has, within the previous twelve months, conducted a secret ballot election involving any employees included in the unit described in the request for recognition in which a majority of the valid ballots cast chose not to be represented by any employee organization: *Provided*, That, an employer shall not grant a request for recognition filed pursuant to this subsection but shall refer the matter to the Commission pursuant to subsection (c) (ii) below if another employee organization files with the employer a competing request for recognition within twenty-one days after the posting or notice of the original request, which competing request is supported by credible evidence demonstrating that at least 10 per centum of the employees in the appropriate collective-bargaining unit desire such organization as their exclusive representative.

An employee organization that is granted recognition pursuant to this subsection shall file a written notice to that effect with the Commission within ten days after being granted such recognition. Such notice shall be kept in the public docket maintained by the Commission for a period of twenty-one days, during which period a petition may be filed with the Commission by another employee organization, in accordance with rules and regulations prescribed by the Commission for such filing, challenging, and recognition. If the recognition is not challenged during the twenty-one day period, or if it is challenged but the challenge is not sustained, the recognition shall become final and the case shall be closed. The employee organization shall thereafter be eligible for certification by the Commission pursuant to subsection (e) (iii) of this section.

(c) A petition may be filed with the Commission in accordance with rules and regulations prescribed by it for such filing, asking it to investigate and decide the question of whether employees have selected or designated an exclusive representative under subsection (a) of this section by—

(i) an employee organization alleging that a substantial number of the employees in an appropriate collective-bargaining unit wish to be represented for the purpose of collective bargaining by such organization, which petition shall describe the grouping of jobs or positions which constitute the unit claimed to be appropriate, shall be supported by credible evidence demonstrating the claimed employee support, and shall indicate the name, addresses, and telephone number of any other interested employee organization, if known to the requesting organization. The employer shall, at the direction of the Commission, post a copy of such request on a bulletin board at each facility in which members of the unit claimed to be appropriate are employed. The request shall remain posted for a period of twenty-one days from the date on which the Commission directs that it be posted. The Commission shall maintain a public docket of all requests filed under this section. Such docket shall contain a copy of the request but shall not include any accompanying evidence of support. The request shall remain on the public docket until the case is closed;

(ii) an employer alleging that it has received a request for exclusive recognition from one or more employee organizations; or

(iii) by one or more employees in an appropriate collective-bargaining unit asserting that the employees in an appropriate unit no longer desire a particular employee organization as their exclusive representative: *Provided*, That such petition is supported by signed statements to that effect from at least 30 per centum of the employees in the appropriate collective-bargaining unit.

(d) Upon receipt of such a petition, the Commission or its agents shall conduct such inquiries and investigations or hold such hearings as it shall deem necessary in order to decide the question raised by the petition. The Commission's determination may be based upon the evidence adduced in such inquiries, investigation, or hearings as it or its agents shall make or hold, or upon the results of a secret ballot election as it shall direct and conduct if deemed necessary: *Provided*, That no employee organization shall appear on a ballot unless it submits credible evidence demonstrating that at least 10 per centum of the employees in the appropriate collective-bargaining unit desire it as their exclusive representative; *Provided further*, That whenever one or more additional employee organizations has filed a timely request to intervene in the proceedings, which request is supported by credible evidence demonstrating that at least 10 per centum of the employees in the appropriate collective-bargaining unit desire it as their exclusive representative, the Commission shall direct an election by secret ballot and shall certify the results thereof: *And provided further*, That the Commission shall dismiss without determining the questions raised therein any petition filed pursuant to subsection (c) of this section if—

(i) the petition is filed pursuant to subsection (c)(i) and is not supported by credible evidence demonstrating that at least 30 per centum of the employees in the collective bargaining unit described therein wish to be represented for the purpose of collective bargaining by the organization seeking recognition; or

(ii) there is currently in effect a lawful written collective-bargaining agreement between such employer and an employee organization other than the petitioner covering any employees included in the unit described in the petition, unless such agreement has been in effect for more than three years, or unless the request for recognition if filed less than sixty days prior to the expiration date of such agreement or such greater number of days prior to said expiration date as the Commission may determine is reasonable because of the budget-making procedure of the employer; or

(iii) within the previous twelve months an employee organization other than the petitioner, or other than the employee organization challenged if the petition is filed pursuant to subsection (c)(iii), has been lawfully recognized or certified as the exclusive representative of any employees included in the unit described in the petition; or

(iv) the Commission has, within the previous twelve months, conducted a secret ballot election involving any employees included in the unit described in the petition in which a majority of the valid ballot cast chose not to be represented by any employee organization.

(e) The Commission shall certify an employee organization as the exclusive representative of the employee in an appropriate collective-bargaining unit if—

(i) the organization receives a majority of the valid ballots cast in an election conducted pursuant to subsection (d) of this section; or

(ii) the Commission determines, as provided in subsection (d) of this section, without an election that the organization represents an uncoerced majority of the employees in such unit and that such majority status was achieved without the benefit of unlawful employer assistance as defined in section 10(a) of this Act or that the organization would represent such an uncoerced majority if the employer had not engaged in unlawful acts as defined in section 10(a) of this Act; or

(iii) upon the request of an employee organization that has been recognized by an employer pursuant to subsection (b) of this section, the Commission is satisfied that the organization represents an uncoerced majority of employees in such unit and that such majority status was achieved without the benefit of unlawful employer assistance as defined in section 10(a) of this Act.

(f) In each case where the appropriateness of the claimed unit is in issue, the Commission shall decide the question on the basis of the community of interest among the employees, their wishes, and/or their established practices, including among other things, the extent to which such employees have joined an employee organization and in a manner which shall avoid overfragmentation of the employees of the employer: *Provided*, That—

(i) except in regard to firefighters, educational employees, and public safety officers, a unit shall not be considered appropriate if it includes both supervisors and nonsupervisors; in regard to firefighters, a unit that includes both supervisors and nonsupervisors may be considered appropriate; and in regard to educational employees and public safety officers, a unit that includes both supervisors and nonsupervisors may be considered appropriate if a majority of the employees in each category indicate by vote or other credible evidence that they desire to be included in such unit; and

(ii) a unit including both professional and nonprofessionals shall not be appropriate unless a majority of the employees in each category indicate by vote or other credible evidence that they desire to be included in such unit.

(g) A determination by the Commission that an employee organization has been selected as the exclusive representative for the employees in an appropriate unit shall not be subject to judicial review or other collateral attack.

IMPASSE IN COLLECTIVE BARGAINING OVER THE TERMS AND CONDITIONS OF EMPLOYMENT AND OTHER MATTERS OF MUTUAL CONCERN RELATING THERETO

SEC. 7. (a) Either an employer or an exclusive representative may declare that an impasse has been reached between them in collective bargaining over the terms and conditions of employment and other matters of mutual concern relating thereto, and may request the Service to appoint a mediator for the purpose of assisting them in reconciling their differences and resolving the controversy on terms which are mutually acceptable. If the Service determines that an impasse exists, it shall, in no event later than five days after the receipt of a request, appoint a mediator in accordance with rules and regulations for such appointment prescribed by the Service. The Service may, on its own volition, declare impasse has been reached in collective bargaining over the terms and conditions of employment and other matters of mutual concern relating thereto and appoint a mediator. The mediator shall meet with the parties or their representatives, or both, forthwith, either jointly or separately, and shall take such other steps as he may deem appropriate in order to persuade the parties to resolve their differences and effect a mutually acceptable agreement: *Provided*, That the mediator shall not, without the consent of both parties, make findings of fact or recommend terms of settlement. The services of the mediator, including, if any, per diem expenses, shall be provided by the Service without cost to the parties. Nothing in this subsection shall be construed to prevent the parties from mutually agreeing upon their own mediation procedure and in the event of such agreement, the Service shall not appoint its own mediator unless failure to do so would be inconsistent with the effectuation of the purpose and policy of this Act.

(b) If the mediator is unable to effect settlement of the controversy within fifteen days after his appointment, either party may, by written notification to the other, request that their differences be submitted to factfinding with recommendations. Such recommendations shall be advisory only, unless within five days after giving or receiving the aforementioned written request, the exclusive representative notifies the employer, in writing, that it desires the recommendations of the fact finder to be binding. Within ten days after receipt of the aforesaid written request for factfinding, the parties shall select a person to serve as fact finder and obtain a commitment from said person to serve. If they are unable to agree upon a fact finder or to obtain such a commitment within said time, either party may request the Service to designate a fact finder. The Service shall, within five days after receipt of such request, designate a fact finder in accordance with rules and regulations for such designation prescribed by the Service. The fact finder so designated shall not, without the consent of both parties, be the same person who was appointed mediator pursuant to subsection (a) of this section.

The fact finder shall, within ten days after his appointment, meet with the parties or their representatives, or both, forthwith, either jointly or separately, and may make inquiries and investigations, hold hearings, and take such other steps as he may deem appropriate. For the purpose of such hearings, investigations, and inquiries, the fact finder shall have the power to issue subpenas requiring the attendance and testimony of witnesses and the production of evidence. The several departments, commissions, divisions, authorities, boards, bureaus, agencies, and officers of the United States or of the State, territory, or possession affected, or any political subdivision thereof, shall furnish the fact finder, upon his request, with all records, papers, and information in their possession relating to any matter under investigation by or in issue before the fact finder. If the dispute is not settled within thirty days after his appointment, the fact finder shall make findings of fact and recommend terms of settlement, which recommendations shall be advisory only, unless the exclusive representative has previously notified the employer that such recommendations are to be binding in which case they shall be binding.

(c) If the recommendations of the fact finder are binding—

(i) the exclusive representative shall be prohibited from engaging and employees shall be prohibited from participating in a strike for the purpose of resolving a dispute which has been submitted to the fact finder and in regard to which he has recommended terms of settlement and nothing contained in this Act or in any other law of the United States shall prevent a court from granting a restraining order or temporary or permanent injunction in a case involving a strike for such purposes; and

(ii) the parties shall comply with the recommendations of the fact finder: *Provided*, That if the employer does not have the legal authority to comply with such recommendations or any part thereof, it shall take such actions as may be necessary to enable it to comply, including the submission of requests to appropriate legislative bodies.

(d) If the recommendations of the fact finder are advisory only, they shall, together with the findings of fact, be submitted in writing to the parties and the Service privately before they are made public. Either the Services, the fact finder, the employer, or the exclusive representative may make such findings and recommendations public if the dispute is not settled within ten days after their receipt from the fact finder.

(e) The costs for the services of the fact finder, including, if any, per diem expenses and actual and necessary travel and subsistence expenses, and any other mutually incurred costs, shall be borne equally by the employer and the exclusive representative. Any individually incurred costs shall be borne by the party incurring them.

(f) Nothing in this section shall be construed to prohibit an employer and an exclusive representative from agreeing to substitute their own procedure for resolving impasse in collective bargaining for that provided herein or from agreeing to utilize for the purposes of this section any other governmental or other agency or person in lieu of the Service.

DISPUTE OVER THE INTERPRETATION OR APPLICATION OF AGREEMENTS

SEC. 8. (a) An employer and an exclusive representative who enter into an agreement covering terms and conditions of employment and other matters of mutual concern relating thereto may include in such agreement procedures for binding arbitration of such disputes as may arise involving the interpretation or application of such agreement or of established policies or practices of such employer affecting terms and conditions of employment and other matters of mutual concern relating thereto.

(b) If such agreement **does not include** procedures of the type provided for in subsection (a) of this section, either party to the agreement may submit such disputes to binding arbitration pursuant to rules and regulations prescribed for such purpose by the Commission.

(c) Where a party to such agreement is aggrieved by the failure, neglect, or refusal of the other party to proceed to arbitration pursuant to the procedures provided therefor in such agreement or pursuant to subsection (b) of this section, such aggrieved party may file a complaint in the appropriate district court of the United States or the appropriate court of the affected State, territory, or possession of the United States for a summary action without jury seeking an order directing that the arbitration proceed pursuant to the procedures provided therefor in such agreement or pursuant to subsection (b) of this section.

(d) Unless the award of the arbitrator is deficient because—

(1) it was procured by corruption, fraud, or other misconduct; or

(2) of partiality of the arbitrator; or

(3) the arbitrator exceeded his powers or so imperfectly executed them that a final and definite award upon the subject matter was not made,

such award shall be final and binding upon the parties and may be enforced by the appropriate district court of the United States or the appropriate court of the affected State, territory, or possession of the United States.

STRIKES

Sec. 9. (a) Except as otherwise expressly provided in subsections (b) and (c) of this section and in subsection (c) of section 7, nothing in this Act or in any other law or enactment of the United States, or of any State, territory, or possession of the United States, or any political subdivision thereof, shall be construed to interfere with, impede, or diminish the right of an exclusive representative to engage or of an employee to participate in a strike arising out of or in connection with a labor dispute.

(b) A restraining order or temporary or permanent injunction may be granted in a case involving a strike by an exclusive representative arising out of or in connection with a labor dispute, only on the basis of findings of fact made by the appropriate district court of the United States after due notice and hearing prior to the issuance of such restraining order or injunction that—

(i) the commencement or continuance of such strike poses a clear and present danger to the public health or safety which in light of all relevant circumstances it is in the best public interest to prevent: *Provided*, That any restraining order or injunction issued by a court for this reason shall prohibit only such specific act or acts as shall be expressly determined in said findings of fact to pose such clear and present danger and shall remain in effect only for so long as such clear and present danger continues to exist; or

(ii) the exclusive representative has failed to make a reasonable effort to utilize the procedures provided in section 7 of this Act for the resolution of impasse in collective bargaining: *Provided*, That any restraining order or injunction issued by a court for this reason shall indicate the specific act or acts which the representative has failed to perform and shall remain in effect only until said act or acts shall have been performed.

(c) Nothing contained in this Act shall prevent a court from granting a restraining order or temporary or permanent injunction in a case involving a strike in violation of any lawful provision of an agreement covering terms and conditions of employment and other matters of mutual concern relating thereto.

UNLAWFUL ACTS

Sec. 10. (a) It shall be unlawful for an employer to—

(1) impose or threaten to impose reprisals on any employee, discriminate or threaten to discriminate against any employee or otherwise interfere with, restrain, or coerce any employee because of his exercise of rights guaranteed by this Act; or

(2) dominate, interfere with, or assist in the formation or administration of any employee organization; or

(3) encourage or discourage membership in any employee organization by discrimination in regard to hire, tenure of employment, or any term or condition of employment: *Provided*, That nothing contained in this subsection shall prevent an employer from requiring, as a condition of continued employment, payment to or membership in an exclusive representative pursuant to section 5(c) and section 5(d) of this Act, respectively: *Provided further*, That no employer shall justify any discrimination against any employee for nonmembership in any employee organization if he has reasonable grounds for believing such membership was—

(i) not available to the employee on the same terms and conditions generally applicable to other members; or

(ii) denied or terminated for reasons other than the failure of the employee to tender the dues, fees, and assessments uniformly required as a condition of acquiring or retaining membership; or

(4) deny to any employee organization the rights guaranteed to it by this Act; or

(5) refuse or fail to bargain in good faith with an exclusive representative if requested to do so; or

(6) fail to comply with any provision of this Act. (b) It shall be unlawful for—

(1) an employee organization to restrain or coerce any employee in the exercise of the rights guaranteed to him by this Act: *Provided*, That this subsection shall not impair the right of an employee organization to prescribe its own rules with respect to the acquisition or retention of membership therein; or

(2) an employee organization to restrain or coerce an employer in the selection of its representative for the purpose of collective bargaining or the adjustment of grievances; or

(3) an exclusive representative to refuse or fail to bargain in good faith with an employer if requested to do so.

PREVENTION OF UNLAWFUL ACTS

Sec. 11. (a) The Commission is empowered, as hereinafter provided, to prevent any person from engaging in any unlawful act as defined in section 10 of this Act. This power shall not be affected by any other means of adjustment or prevention that has been or may be established by agreement, law, or otherwise.

(b) Whenever it is charged that any person has engaged in or is engaging in any such unlawful act, the Commission or any agent or agency designated by the Commission for such purpose, shall have the power to issue and cause to be served upon such person a complaint stating the charges in that respect, and containing a notice of hearing before the Commission or a member thereof, or before a designated agent or agency, at a place therein fixed, not less than five days after the serving of said complaint: *Provided*, That no complaint shall issue based upon any unlawful act occurring more than six months prior to the filing of the charge with the Commission and the service of a copy thereof upon the person against whom such charge is made, unless the person aggrieved thereby was prevented from filing such charge by reason of service in the Armed Forces, in which event the six-month period shall be computed from the date of his discharge. Any such complaint may be amended by the member, agent, or agency conducting the hearing or the Commission in its discretion at any time prior to the issuance of an order based thereon: *Provided*, That the person complained of is not unfairly prejudiced by such amendment. The person so complained of shall have the right to file an answer to the original or amended complaint and to appear in person or otherwise and give testimony at the time and place fixed in the complaint. In the discretion of the member, agent, or agency conducting the hearing or the Commission, any other person may be allowed to intervene in the said proceeding and to present testimony. Any such proceeding shall, so far as practicable, be conducted in accordance with the provisions of subchapter II of chapter 5 of title 5, United States Code: *Provided*, That the rules of evidence, whether statutory, common law, or adopted by rules of court, shall not be controlling.

(c) The testimony taken by such member, agent, or agency of the Commission shall be reduced to writing and filed with the Commission. Thereafter, in its discretion, the Commission, upon notice, may take further testimony or hear argument. If upon the preponderance of the testimony taken, the Commission shall be of the opinion that any person named in the complaint has engaged in or is engaging in any such unlawful act, then the Commission shall state its findings of fact and shall issue and cause to be served upon such person, an order requiring such person to cease and desist from such unlawful act, and to take such affirmative action as will effectuate the purpose and policy of this Act, including the payment of damages and/or the reinstatement of employees: *Provided*, That where an order directs reinstatement of an employee, back pay may be required of the employer and/or the employee organization, as the case may be, responsible for the discrimination suffered by him. Such order may further require such person to make reports from time to time showing the extent to which it has complied with the order. If upon the preponderance of the testimony taken the Commission shall not be of the opinion that the person named in the complaint has engaged in or is engaging in any such unlawful act, then the Commission shall state its findings of fact and shall issue an order dismissing the said complaint. No order of the Commission shall require the reinstatement of any individual as an employee who has been suspended or discharged, or the payment to him of any back pay, if such individual was suspended or discharged for cause. In case the evidence is presented before a member of the Commission, or before an agent or agency thereof, such member, or such agent or agency, as the case may be, shall issue and cause to be served upon the parties to the proceeding a proposed report, together with a recommended order, which shall be filed with the Commission and if no exceptions are filed within twenty days after service thereof upon such parties, or within such further period as the Commission may authorize, such recommended order shall become the order of the Commission and become effective as therein prescribed.

(d) If exceptions are filed to the proposed report and recommended order, the Commission shall determine whether such exceptions raise substantial issues of fact or law. If it determines that the exceptions do raise such issues, it shall grant a review. If the Commission determines that the exceptions do not raise such issues, it shall refuse to grant a review, and such recommended order shall become the order of the Commission, and become effective as therein provided.

(e) Until the record in a case shall have been filed in a court, as hereinafter provided, the Commission may at any time, upon reasonable notice and in such manner as it shall deem proper, modify, or set aside, in whole or in part, any finding or order made or issued by it.

(f) The Commission or the charging party shall have power to petition any court of appeals of the United States in the circuit, wherein the unlawful act in question occurred or wherein the person named in the complaint resides or transacts business, for the enforcement of such order and for appropriate temporary relief or restaining order, and shall file in the court the record in the proceedings, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition, the court shall cause notice thereof to be served upon such person, and thereupon shall have jurisdiction of the proceeding and of the question determined therein, and shall have power to grant such temporary relief or restraining order as it deems just and proper, and to make and enter a decree enforcing, modifying, and enforcing as so modified, or setting aside in whole or in part the order of the Commission. No objection that has not been urged before the Commission, or its member, agent, or agency, shall be considered by the court, unless the failure or neglect to urge such objection shall be excused because of extraordinary circumstances. The findings of the Commission with respect to questions of fact, if supported by substantial evidence on the record considered as a whole shall be conclusive. If any person shall apply to the court for leave to adduce additional evidence, and shall show to the satisfaction of the court that such additional evidence is material, and that there were reasonable grounds for the failure to adduce such evidence in the hearing before the Commission, or its member, agent, or agency, the court may order such additional evidence to be taken before the Commission, or its member, agent, or agency, and to be made a part of the record. The Commission may modify its findings as to the facts, or make new findings by reason of additional evidence so taken and filed, and it shall file such modified or new findings, which findings with respect to questions of fact if supported by substantial evidence on the record considered as a whole shall be conclusive, and shall file its recommendations, if any, for the modification or setting aside of its original order. Upon the filing of the record with it, the jurisdiction of the court shall be exclusive and its judgment and decree shall be final, except that the same shall be subject to review by the Supreme Court of the United States upon writ of certiorari or certification as provided in section 1254 of title 28, United States Code.

(g) Any person aggrieved by a final order of the Commission granting or denying, in whole or in part, the relief sought may obtain a review of such order in any circuit court of appeals of the United States in the circuit wherein the unlawful act in question was alleged to have occurred or wherein such person resides or transacts business, or in the United States Court of Appeals for the District of Columbia, by filing in such court within sixty (60) days, a written petition praying that the order of the Commission be modified or set aside. A copy of such petittion shall be forthwith transmitted by the clerk of the court to the Commission, and thereupon the aggrieved person shall file in the court the record in the proceeding, certified by the Commission, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition, the court shall proceed in the same manner as in the case of an application by the Commission under subsection (e) of this section, and shall have the same jurisdiction to grant to the Commission such temporary relief or restraining order as it deems just and proper, and in like manner to make and enter a decree enforcing, modifying, and enforcing as so modified, or setting aside, in whole or in part, the order of the Commission. The findings of the Commission with respect to questions of fact, if supported by substantial evidence on the record considered as a whole, shall in like manner be conclusive.

(h) In any proceeding for enforcement or review of a Commission order held pursuant to this section, evidence adduced during a representation proceeding held pursuant to section 6 of the Act shall not be included in the record required to be filed under section 11 (f) and (g) of the Act, nor shall the court consider the record of such proceeding.

(i) The commencement of proceedings under subsection (e) or (f) of this section shall not, unless specifically ordered by the court, operate as a stay of the Commission's order.

(j) When granting appropriate temporary relief or restraining order, or making and entering a decree enforcing, modifying, and enforcing as so modified, or setting aside in whole or in part, an order of the Commission, as provided in this section, the jurisdiction of courts sitting in equity shall not be limited by the provisions of section 20 of the Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies and for other purposes", approved October 15, 1914, as amended (29 U.S.C. 52), or the provisions of the Act entitled "An Act to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes", approved March 23, 1932 (29 U.S.C. 101-115).

(k) Petitions filed under this Act shall be heard expeditiously, and if possible within ten days after they have been docketed.

(l) The Commission shall have power, upon issuance of a complaint as provided in subsection (b) of this section charging that any person has engaged in or is engaging in an unlawful act as defined in section 10 of this Act, to petition any district court of the United States (including the District Court of the United States for the District of Columbia), within any district wherein the unlawful act in question is alleged to have occurred or wherein such person resides or transacts business, for appropriate temporary relief or restraining order. Upon the filing of any such petition the court shall cause notice thereof to be served upon such person, and thereupon shall have jurisdiction to grant to the Commission such temporary relief or restraining order as it deems just and proper.

(m) (1) For the purpose of all hearings and investigations conducted by the Commission or its duly authorized agents or agencies, section 11 of the National Labor Relations Act (49 Stat. 455; 29 U.S.C. 161) shall apply.

(2) Any person who shall willfully resist, prevent, impede, or interfere with any member of the Commission or a member, agent, or agency thereof in the performance of duties pursuant to this Act shall be punished by a fine of not more than $5,000 or by imprisonment for not more than one year, or both.

APPLICABILITY OF THIS ACT

SEC. 12. This Act shall be the exclusive method for regulating the relationship between employers and their employees in regard to all matters covered herein: *Provided*, That if any State, territory, or possession of the United States shall by law establish a system for regulating the relationship between employers and their employees which is substantially equivalent to the system established by this Act, said State, territory, or possession, or any employee organization which has been recognized as the representative of employees pursuant to the system in said State, territory, or possession, may apply to the Commission for an exemption from the provisions of this Act. If the Commission determines that the system of regulation established by said State, territory, or possession is substantially equivalent to the system established herein, it shall grant the requested exemption, to take effect on a date fixed by the Commission. Any State, territory, possession, or person aggrieved by the decision of the Commission granting or denying the request for an exemption may obtain a review of such decision in the same manner as provided under section 11(f) of this Act.

MISCELLANEOUS

SEC. 13. (a) Except as otherwise expressly provided herein, nothing in this Act shall be construed to annul, modify, or preclude the renewal or continuation of any lawful agreement entered into prior to the effective date of this Act between an employer and an employee organization covering terms and conditions of employment and other matters of mutual concern relating thereto.

(b) All laws or parts of laws of the United States inconsistent with the provisions of this Act are modified or repealed as necessary to remove such inconsistency, and this Act shall take precedence over all ordinances, rules, regulations, or other enactments of any State, territory, or possession of the United States or any political subdivision thereof. Except as otherwise expressly provided herein, nothing contained in this Act shall be construed to deny or otherwise abridge any rights, privileges, or benefits granted by law to employees.

(c) If any provision of this Act shall be held invalid, other provisions of this Act shall not be affected thereby.

EFFECTIVE DATE

SEC. 14. The Act shall take effect one hundred and twenty days following its enactment.

By Mr. STEVENSON (for himself and Mr. PERCY):

S. 3296. A bill to amend the Soldiers and Sailors Civil Relief Act. Referred to the Committee on Armed Services.

Mr. STEVENSON. Mr. President, nothing is more conducive to a child's well-being than loving parents and a stable homelife. In cases where the natural parents are unable or unwilling to provide a child with care and affection, the child's interests are best served by adoption.

As persons make the enormous emotional and financial commitment involved in becoming adoptive parents, it is extremely important that they have the maximum possible assurance that the adoption decree cannot be overturned at some later date. Doubts about the finality of adoption decrees inevitably discourage adoptions and increase the chances that an individual's childhood will be spent in an institution or a succession of foster homes.

The legislation I introduce today, on behalf of myself and the senior Senator from Illinois (Mr. PERCY), removes a cloud placed on the finality of adoption decrees by the Soldiers and Sailors Relief Act of 1940. That act gives members of the Armed Forces two main types of protection in lawsuits to which they are parties. The first type of protection is the postponement of the lawsuit. Section 521 of the act permits the court to grant on its own motion a stay of the proceedings at any stage; in addition, it requires that the court grant such a stay on the motion of the serviceman or anyone acting on his behalf unless the court concludes that the ability of the serviceman to participate in the proceedings "is not materially affected by reason of his military service." The power of the serviceman to postpone a proceeding is in no way affected by the legislation we introduce today.

The second type of protection afforded the serviceman is the power to reopen default judgments entered against him. Section 520(4) of the act provides that at any time up to 90 days after he leaves the Armed Forces, the serviceman may reopen any default judgment entered while he was in service and for 30 days thereafter. Under that section, all the serviceman has to do is make a showing that he has "a meritorious or legal defense to the action or some part thereof." The sole purpose and effect of the legislation we introduce today is the creation of a narrow exception to section 520(4) in cases involving the parental rights of military personnel. In such cases, a default judgment would be final as against military personnel who receive "reasonable notice" of the proceeding. In all other cases, military personnel would retain the same power to reopen default judgments as they have under present law.

It is most unlikely that military personnel who receive actual notice of an adoption proceeding would fail to participate in that proceeding because they are members of the Armed Forces. It is equally unlikely that any member of the Armed Forces who had taken an interest in the welfare of the child would fail to receive actual notice. Thus, it is not unfair to put military personnel on the same footing as all other natural parents vis-a-vis the reopening of adoption decrees. If on the other hand such reopening remains a possibility, the result will probably be doubt in the minds of virtually all who consider becoming adoptive parents and anxiety in the hearts of virtually all who have become adoptive parents.

It is significant that existing law already protects the rights of persons who hold property as bona fide purchasers for value against any claims the serviceman might make upon reopening the case. Surely the interests of a child and his adoptive parents are no less worthy of protection.

The need to encourage adoptions and to assure the finality of adoption decrees is so great that it could well justify putting members of the Armed Forces on the same footing as all other natural parents who are involved in adoption proceedings. This legislation does not go so far; it permits military personnel to retain a special right to secure stays not available to civilians.

I urge the prompt enactment of this legislation, which is supported by the Child Welfare League of America and the Illinois Commission on Children.

RIGHTS OF UNWED SERVICEMEN FATHERS

Mr. PERCY. Mr. President, on behalf of the Commission on Children, I join Senator STEVENSON today in the introduction of an amendment to the Federal Soldiers and Sailors Civil Relief Act to facilitate both adoption procedures and the rights of unwed servicemen fathers.

On April 3, 1972, the Supreme Court ruled in Stanley against Illinois that State laws which deny unwed fathers a hearing to determine their fitness as parents are unconstitutional under the equal protection clause of the 14th amendment. The Stanley decision followed by the Rothstein decision—Rothstein vs. Lutheran Social Services of Wisconsin—which upheld a Wisconsin father's right to a fitness hearing, raised enormous legal complications for the placement of children for adoption. Where the natural father is unidentified, as is the rule in most illegitimacy cases, securing paternal consent can be a difficult, expensive and time-consuming process, resulting in delayed placements which often jeopardize the child's chances for adoption.

The Supreme Court, however, anticipated such complications and stated in a footnote to the Stanley decision that States could satisfy notification requirements by publishing "to whom it may concern" notices where personal notice or notice by certified mail was not successful. Many States subsequently have adopted legislation that both protects the rights of unwed fathers yet removes the legal red tape which delay adoptions.

State laws, however, cannot cover a large class of unwed fathers, for servicemen cannot have their legal rights terminated by publication. In cases where the putative father is in the military service, he is protected by the Federal Soldiers and Sailors Civil Relief Act of 1940 which entitles him to vacate certain default judgments rendered against him while he is in the service. Such putative fathers, therefore, could reopen adoption cases within 90 days of their discharge from the service even though State statutory notice provisions are complied with.

Our amendment is necessary because although the rights of the biological father must be given full consideration, equal consideration must also be accorded to the best interests of the child and the adoptive parents. Our amendment would not take rights away from the unwed serviceman father. It would simply make it necessary for such a father to assert before an adoption that his rights would be impaired by reason of his military service. He would no longer be entitled to reopen the case after a court order of adoption has been made. Our amendment would allow the interested father to assert his rights and ask for a postponement of the fitness hearing until his military duties allowed him to appear in court; at the same time, it would allow the courts to default the custodial rights of the uninterested father who fails to respond to notification.

Adopting a child is rarely without problems. If finality in adoption cases cannot be assured, it can lead to untold heartbreak for adoptive parents and irreversible psychological harm for the child. In the interest of considering the needs of all parties concerned in adoption cases, I hope my colleagues will see fit to enact our amendment.

ADDITIONAL COSPONSORS OF BILLS

S. 176

At the request of Mr. THURMOND, the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 176, to provide for a special addition to the pensions of veterans of World War I.

S. 752

At the request of Mr. HUGH SCOTT, the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 752, to incorporate Pop Warner Little Scholars.

S. 2330

At the request of Mr. THURMOND, the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 2330, to provide for the increase of capacity and the improvement of operations of the Panama Canal.

S. 2518

At the request of Mr. MONDALE, the Senator from Ohio (Mr. METZENBAUM) was added as a cosponsor of S. 2518, the "Women's Educational Equity Act."

S. 2690

At his request, the Senator from Texas (Mr. TOWER) was added as a cosponsor of S. 2690, to amend title XVIII of the Social Security Act to liberalize the conditions under which posthospital home health services may be provided under part A thereof, and home health services may be provided under part B thereof.

S. 2877

Mr. HASKELL. Mr. President, the Meeting House Preservation Act, S. 2877, was introduced earlier this year by the senior Senator from Texas (Mr. TOWER) and referred to the Committee on Interior and Insular Affairs.

It provides for a grant program to be set up by the Secretary of the Interior so that a historic site that otherwise might be lost shall be preserved. This program is designed to add to other programs as a part of our nationwide bicentennial celebration.

Mr. President, I ask unanimous consent that I might be added as a cosponsor of S. 2877.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HASKELL. The prime candidate in Colorado for preservation under this program would be the old Tivoli Brewing Co. building in Denver.

The building has already been designated as a Denver landmark. It is located in the Auraria Center for Higher Education in Denver where the Denver Community College, Metropolitan State College and the University of Colorado Denver Center plan to share a common site for their educational center and to share common facilities.

At the present, however, there are no funds available for the restoration of this structure which would provide a historic meeting house for today's students.

I am pleased to be able to join as a

consponsor of this legislation and hope to be able to participate in the Interior Committee deliberations on the bill. I have received many letters of support for the legislation and would like to ask unanimous consent to have two of them printed at this point in the RECORD—one from the Governor of Colorado, John D. Vanderhoof, and the other from State Representative Richard D. Lamm.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

HOUSE OF REPRESENTATIVES,
THE STATE OF COLORADO,
Denver, Colo., March 18, 1974.

Hon. FLOYD HASKELL,
U.S. Senator, Old Senate Office Building, Washington, D.C.

DEAR FLOYD: We urge you to take action to insure passage of Senate Bill 2877, The Meetinghouse 76 Preservation Act, which we understand would contain funds to help preserve the Tivoli Brewing Company building here in Denver.

This is an historic piece of Colorado, and we ought to do all we can to preserve it.

Yours very truly,
RICHARD D. LAMM,
State Representative.

THE STATE OF COLORADO,
EXECUTIVE CHAMBERS,
Denver, Colo., March 20, 1974.

Hon. FLOYD K. HASKELL,
U.S. Senator, Old Senate Office Building, Washington, D.C.

DEAR FLOYD: I am writing to register my support of Senate Bill 2877, the "Meeting House '76 Preservation Act."

The Tivoli Brewing Building is one of Colorado's and Denver's most significant historic structures. At the present, however, there are no funds available for the restoration of this structure which is located in the new Auraria Center for Higher Education.

It has been designated a Denver landmark and it is the intent of the Auraria Center for Higher Education to use the structure for student and educational activities.

Senate Bill 2877 might well be the answer. I understand the Bill is currently in the Senate Committee on Interior and Insular Affairs. May I ask that you give this measure your favorable consideration at the appropriate time.

Kindest regards.

Sincerely,
Hon. JOHN D. VANDERHOOF.

S. 2906

At the request of Mr. MONDALE, the Senator from Oregon (Mr. HATFIELD) was added as a cosponsor to S. 2906, a bill to amend the Internal Revenue Code of 1954 to permit taxpayers to utilize the deduction for personal exemptions as under present law or to claim a credit against tax of $200 for each such exemption.

At his own request Mr. HATFIELD was added as a cosponsor of S. 2906, to amend the Internal Revenue Code of 1954 to permit taxpayers to utilize the deduction for personal exemptions as under present law or to claim a credit against tax of $200 for each such exemption.

S. 3095

At the request of Mr. HASKELL, the Senator from Minnesota (Mr. HUMPHREY) was added as a cosponsor of S. 3095, a bill to deny treatment as a foreign tax credit to any payment which is in reality a royalty paid to a foreign government in connection with the extraction of oil or gas from that country.

S. 3098

At the request of Mr. DOLE, the Senators from Hawaii (Mr. FONG and Mr. INOUYE) were added as cosponsors of S. 3098, to amend the Emergency Petroleum Allocation Act of 1973 to provide for the mandatory allocation of plastic feedstocks.

S. 3231

At the request of Mr. ROBERT C. BYRD, for Mr. EASTLAND, the Senator from Florida (Mr. GURNEY) was added as a cosponsor of S. 3231, the Poultry Indemnity bill.

SENATE RESOLUTION 302—SUBMISSION OF A RESOLUTION ON THE "RIVER BLINDNESS" REHABILITATION PROGRAM FOR THE SAHELIAN COUNTIES OF AFRICA

(Referred to the Committee on Foreign Relations.)

THE SAHELIAN DROUGHT AND RIVER BLINDNESS

Mr. BROOKE. Mr. President, the drought in the sub-Saharan Sahel region of Africa has caused incalculable human suffering and social and economic disruption on a scale far beyond the resources of the countries most affected. Thus, Mali, Mauritania, Senegal, Upper Volta, Niger, and Chad have been compelled to rely on extensive aid from the United States and others in attempting to limit the suffering of their peoples.

There has been a gratifying response to this disaster from the international community. I know it must have been especially heartening for friends of Africa to see Nigeria and Zaire, not long ago undergoing trials of their own, making substantial, indeed generous, donations to their fellow Africans in distress.

It is important to distinguish between short-term, quick reaction measures needed presently—in airlifting food and medicine, for example—and the long-term rehabilitation requirements arising from this awesome natural disaster.

The U.S. Government and private American voluntary agencies have, on the whole, acted with speed and effectiveness in trying to meet the immediate needs. We have also begun, according to an AID report of February 4, 1974, "a new rehabilitation and recovery program." AID says that the purpose of the "new" program is to "assist each country to expand its capacity to cope with existing emergency conditions, and provide a base for long-term development that will reduce the ravages of drought." I have no quarrel with the stated objectives of concentrating on food storage and distribution; range management and irrigation, agricultural production, and health.

I am concerned, however, as to whether or not we can, as stated, make the impact of this "rehabilitation" program felt in the next year to 18 months. I have particular concerns in the health field.

After making due allowance for any political sensitivities, the need to prevent duplication or overlapping of programs, and to get our priorities straight in response to what Africans themselves see as their primary needs—after taking all these factors into consideration, I am disturbed by the apparent lack of provision for a group which may be totally overlooked—those who, already weakened by disease, malnutrition, and the rigors of displacement, may be abandoned, not because their presence is unknown, but because it may be thought nothing can be done for them, or that they are "only" a drain on an already desperately over burdened area.

I speak of the uncounted tens and hundreds of thousands of blind and nearly blind Africans who, to my knowledge, have nowhere to turn for their rehabilitation. The loss of sight is everywhere regarded with fear, even horror and revulsion, and sometimes with the resigned and crushing belief that a blinded person is unalterably "afflicted of God." Even in the so-called sophisticated societies of the West, attitudes toward blindness and blind people are often marked by a desire to segregate blind people, to avoid them, and to fear both blind people and their affliction. National surveys tell us that Americans fear blindness more than anything except cancer. I make this point about attitudes because we are now trying literally to help rehabilitate a vast area where one of the major health problems is blindness.

There are long-range research projects to fight river blindness, a fly-borne scourge in the Sahel which empties entire villages, causes loss of sight during the most productive years of human life, and actually increases in normally semi-arid, pastoral areas now turning into desert. But after years, no real remedy has been found, and blindness is now increasing rapidly throughout the region. As long ago as 1970, the rate of actual blindness in many Sahelian villages was 1 in 10; and more were suffering from the early stages of river blindness, and it was said they would eventually lose their sight.[1] Unfortunately, that is happening now.

Some authoritative estimates put the worldwide total of those affected by river blindness at 200 million.[2] And this estimate is almost 7 years old. A more recent professional study says "more than 30 million people are infected" by river blindness in Africa alone.[3] But the stark, overriding fact is that we do not know how many are blind, even from this one disease, much less trachoma, and the debilitating effects of other diseases.

Some very emotional appeals are being circulated in this country publicizing the plight of the people in the Sahel, some emphasizing the dramatic and heart-rending condition of the blind in a population already beset with calamity. Unfortunately, very little is said about what can or should be done to help these people, who are seen only as miserable objects of pity and a drain on the few medical or charitable resources available.

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[1] WHO, "World Health," June, 1970.

[2] Science News, July, 1967.

[3] "Causes and Prevention of Blindness," Proceedings of the Jerusalem Seminar on the Prevention of Blindness, August 1971, Academic Press: New York/London.

If we have placed proper program emphasis on two primary goals of our emergency action—nutrition and medical relief, we must not neglect what might be called the third leg of the tripod—rehabilitation. Emergency relief and even preventative medicine do not allay the human wastage, suffering, and devastating socioeconomic consequences for all those individuals already blinded. I find little, if any, attention being directed to blindness rehabilitation and associated manpower training of the millions of people directly and indirectly affected by the sub-Sahara drought. The United States should take the lead in promoting efforts at rehabilitation therapy and manpower training for the literally countless blind people in the region.

We are fortunate that in this country we have done some very innovative and successful work with blind people. It is not the kind of therapy which is designed only for people in a highly educated, urbanized and technologically oriented society such as ours. It can be equally useful to the situation confronting us in the Sahel. Yet I do not find that we are making any provision for a rehabilitation manpower training project there. Given the unquestioned need to "rehabilitate," in all senses of the word, we simply cannot wait for a means of prevention to be found, or cures to be discovered. We should begin immediately to fashion a rehabilitation program for the thousands of people who are already irretrievably blind, and the thousands more who will be blind.

An AID-sponsored project in Vietnam had much success in training Vietnamese to become successful rehabilitators of their blinded countrymen.[4] This was a modest project, almost overlooked in the massive outpouring of military and economic aid we put into that war. We have demonstrated that Vietnamese soldiers and civilians blinded by the war can be taught many useful skills. I have no doubts that the same success can be achieved in Sahelian Africa. Blind Africans can be released from total dependency on others.

I do not argue for a change in major priorities, first prevention, then curative treatment, but we do need to see this as something other than an act of charity—like the stereotype of putting pennies in a blind beggar's cup. Rather we should approach the problem in terms of economic losses incurred by blindness. If 10 or 15 percent of the people in an area are suffering from blindness or serious loss of vision, you can be sure that an almost equal number of people are concerned with caring for the blind. And this is happening when both sighted and blind people should be seeking whatever productive work there may be.

All kinds of arguments may be advanced against trying this kind of rehabilitation, even, as I suggest, on a carefully worked out pilot basis, but the fact is that we must look further than "in and out" emergency measures, and squarely meet what is meant by our stated public commitment to long-term "rehabilitation."

Specifically, I am told by representatives of leading organizations in work for the blind that America is in a particularly good position to perform this needed task; we have shown that our rehabilitation teachers can transfer certain skills to local teachers, who in turn can reach thousands through a variety of African languages. We can teach blind people anywhere through their own countrymen. They can be motivated to get around in their new surroundings; to take care of their personal needs; to engage in some form of useful work. Above all, we can restore dignity and meaning to their lives while freeing others who can see for those tasks which require sight.

I would, therefore, like to see the United States, respond quickly and with sensitivity to meet this very special need. We should take advantage of the trained personnel in this country and make a modest investment in alleviating the lot of those who would otherwise be overlooked. We can and should send a small team of experts to the Sahel, preferably operating through a suitable private voluntary agency, with the knowledge and flexibility to respond to this challenge.

We should seek the cooperation of African governments and private voluntary counterparts in Africa to work in partnership with our rehabilitation teachers, so that these therapeutic techniques can be spread throughout the region by Africans themselves. I am told that such a program could be quickly mounted, and that half a dozen American teachers could complete the training of dozens of their African counterparts in 18 to 24 months.

This is but one aspect of a huge problem, but it is one which merits our attention, not because blindness is somehow more important than other health problems, but because the blindness is there, is increasing, and we can not yet prevent or cure it; but we can do something about those who have lost their sight. Thousands of blind people do not have to be forgotten, to become beggars in an area already enduring an immense natural disaster. Apart from all the compelling reasons of compassion, we can do much in sheer economic terms to prevent a terrible double drain on the manpower resources of a vast region of Africa.

Mr. President, I send a resolution on the "river blindness" rehabilitation project sponsored by myself and Mr. HUMPHREY, Mr. JAVITS, and Mr. McGEE to the desk and ask unanimous consent that it be printed in the RECORD at this point.

The resolution (S. Res. 302) is as follows:

Whereas the United States has committed a portion of its resources for disaster relief in the Sahelian area of West Africa;

Whereas the commitment of the United States funds for this purpose is designed to promote emergency relief assistance and rehabilitation measures;

Whereas "river blindness" is one of the crippling diseases that plague the Sahelian peoples, thus requiring rehabilitation aid for the victims;

Whereas there exists a need to provide United States aid not only to control the sources of "river blindness" but also to help those already victimized by the disease; and

Whereas there exists in the United States individuals and groups uniquely qualified to carry out a program of rehabilitation for the victims of "river blindness": Now, therefore, be it

Resolved, That it is the sense of the Senate that the Agency for International Development should immediately allocate a reasonable portion of funds heretofore appropriated for United States relief efforts in Sahelian countries to finance a pilot project designed to establish the feasibility of an effective rehabilitation program for the victims of "river blindness" in the Sahelian countries.

SEC. 2. It is further the sense of the Senate that the Agency for International Development make a timely report to the Senate no later than June 1, 1974, as to the efforts it intends to undertake in providing such a rehabilitation program for victims of "river blindness."

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. BROOKE. I am very pleased to yield to the distinguished majority leader.

Mr. MANSFIELD. What the distinguished Senator from Massachusetts has just indicated is a most serious situation, and one to which our hearts go out.

May I say, while I no longer vote for foreign aid projects because they take in too much in the way of military assistance and economic assistance which is tied to military assistance and is operating all too often on a government-to-government basis, I would like to see something done to help people in this and similar categories because the real purpose of aid is to help people.

Thus, I want to commend the distinguished Senator for calling this to the attention of the Senate. I do not believe it is a matter for private foundations alone to undertake. As long as the foreign aid program is a pipeline of 6, 7, 8 or 9 billion dollars, I see no reason why some of those funds cannot be diverted to help these people in these countries so that, in turn, the people who are citizens of those countries can be trained to carry on the work, once it has gotten under way. I commend the distinguished Senator for calling this most difficult problem to the attention of the Senate, which cries out for assistance—and assistance now.

Mr. BROOKE. I thank the distinguished majority leader for his contribution to this colloquy relative to River Blindness. I know very well his strongly felt beliefs regarding foreign aid. He has always fought for aid which would go directly to the relief of human suffering around the world. I quite concur that too much foreign aid has been used for military purposes. I am very much pleased to have him make the suggestions he has on the floor of the Senate today. I hope that the Senate will adopt this resolution.

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[4] **Blindness, 1970 Annual American Association of Workers for the Blind, Washington, D.C.**

Mr. MANSFIELD. I would hope that in our AID programs we would return to the original Point Four concept of people to people—helping people so that they can help themselves, and get away from this widespread proliferation of our AID programs which has cost this country approximately $140 billion to date.

People to people—that is the answer.

Mr. BROOKE. I quite agree with the distinguished majority leader. We have made some progress, as he very well knows, which cut out foreign aid money which had been used for police activities in some of the countries around the world which had been used for political or for military purposes. I think we are taking a much closer look at our foreign aid now, to see that the foreign aid of the United States is spent for the purpose for which it should be intended; namely, the relief of human suffering, and to help countries help themselves through development assistance.

ADDITIONAL COSPONSORS OF CONCURRENT RESOLUTIONS

SENATE CONCURRENT RESOLUTION 63

At the request of Mr. PERCY, the Senator from Wyoming (Mr. MCGEE) was added as a cosponsor of Senate Concurrent Resolution 63, to seek new efforts to obtain compliance with the terms of the Paris peace agreement as they apply to prisoners of war and personnel missing in action.

SENATE CONCURRENT RESOLUTION 68

At the request of Mr. JAVITS the Senator from South Dakota (Mr. ABOUREZK), the Senator from Kansas (Mr. DOLE), the Senator from Utah (Mr. MOSS), the Senator from Pennsylvania (Mr. HUGH SCOTT), the Senator from Alaska (Mr. STEVENS), and the Senator from California (Mr. TUNNEY) were added as cosponsors of Senate Concurrent Resolution 68, to express the sense of Congress regarding Americans missing in action in Indochina.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974—AMENDMENTS

AMENDMENT NO. 1136

(Ordered to be printed and to lie on the table.)

Mr. TUNNEY. Mr. President, the amendment which I am submitting to S. 3044, the Federal Election Campaign Act Amendments, is designed to close a small defect in the present language of the bill, which allows Federal funds to be used to match, in primary campaigns, contributions in the form of loans, or of donations of products or services. I strongly support the present bill, and its procedures for public financing. However, I believe the public financing provisions must be carefully drawn, in order to minimize the difficulties in future practice with the law, and to demonstrate to our opponents and to the public at large that the public Treasury will not be open to dubious transactions.

My amendment will change the language, which presently states that eligible candidates are entitled to Federal matching funds "in an amount equal to the amount of contributions" received by the candidate. No limits are put on the definition of "contributions" which can be matched. My amendment will add a proviso stating that "no contribution received as a subscription, loan, advance or deposit, or as a contribution of products or services," shall be taken into account for matching purposes. This language is identical to language already in the bill which prohibits loans, subscriptions, et cetera, from being used to count up to the threshold limit which makes a candidate eligible for public financing of primaries.

The effect of this amendment will be to close a relatively minor inconsistency in this law. As the bill is presently drafted, a loan received by a candidate may be matched from Federal funds—up to the first $100, or $250 for Presidential candidates—which funds may then be used to partially or completely repay the loan. This just does not make sense, and will not be understood by the public at large.

Also, barring the matching of contributions in kind will avoid the difficulties and the potential for abuse of properly valuing products or services. With all the administrative burdens the Federal Election Commission will have, this is one additional burden which we can spare them.

I would like to emphasize that my amendment is not meant to denigrate the role of loans in an election campaign. I fully recognize that they are an important facet of electoral life, particularly at the start of a campaign when "seed money" is necessary. This very truth about loans, however, indicates why a ban on matching them is not a major problem. Most loans are in large amounts, and the matching factor would therefore be very small. Figures developed by Common Cause from the public records of campaign financing in 1972 indicate that, for all candidates in general elections for the House and the Senate in that year, $5.8 million of the $69.7 million total funds raised was in loans.

This $5.8 million came from just 779 contributors—indicating that the average loan was almost $10,000—much more even than could be given under this bill.

Since most loans are large, and come early in a campaign—presumably before matching funds are available—I urge that the Senate avoid any possibility of questionable use of Federal campaign funds. If matching is limited to unconditional money contributions, administration of the law will be easier, while sacrificing very little in the way of helping candidates receive Federal funds for their campaigns when eligible.

I would also like to remind my colleagues that a similar provision—prohibiting the matching of loans—was added, at my instigation, to the public financing amendment to the debt ceiling bill last fall. My amendment was at that time accepted by the managers of the bill, and both then and now is supported by proponents of public financing, both within and outside the Senate. Therefore, I hope this amendment will be favorably acted on by the Senate.

Mr. President, I ask unanimous consent to have the text of my amendment printed in the RECORD at this point.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 1136

On page 9, line 24, strike out all through page 10, line 2, and substitute in lieu thereof the following:

" 'SEC. 503. (a) (1) Every eligible candidate is entitled to payments in connection with his primary election campaign in an amount which is equal to the amount of contributions received by that candidate or his authorized committees, except that no contribution received as a subscription, loan, advance, or deposit, or as a contribution of products or services, shall be taken into account."

AMENDMENT NO. 1138

(Ordered to be printed, and to lie on the table.)

Mr. FANNIN submitted an amendment, intended to be proposed by him, to the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

AMENDMENT NO. 1139

(Ordered to be printed, and to lie on the table.)

Mr. TAFT. Mr. President, today I am submitting an amendment to S. 3044, the pending Federal Elections Campaign Act amendments, which would replace the 100-percent public funding provision for general elections with a sliding scale arrangement under which the percentage of public funds supplied would drop gradually as total campaign expenditures rise.

Specifically, $4 of public financing would be supplied each dollar collected in small private contributions—$250 or less for Presidential candidates and $100 or less for congressional candidates—up to the first third of the total spending limit for that general election campaign: $2 for each such dollar collected for campaign expenditures comprising the second third: And $1 for each such dollar collected for expenditures comprising the last third. The sliding scale would work in the same manner for minor and independent parties, except that it would be based upon amounts equal to the amounts of public financing they could receive under S. 3044 rather than the overall spending limit amount.

Mr. President, basic reforms in campaign financing are essential so that our citizens will be certain that their government is not being operated to satisfy the interests of the few large contributors rather than the Nation as a whole. The most important step we can take in this direction is to place strict limitations on the amounts which any single individual or organization can contribute to a candidate. I am pleased that once again there is a bill before us which would take this step.

I recognize that these limits in themselves will exacerbate the task of raising enough campaign funds for both incumbent and challenger to make their views known to the public. Furthermore, from a personal standpoint I welcome some degree of public financing, because raising money is the most onerous task politicians have.

However, there are alternative approaches to S. 3044 for providing these funds which should be considered fully. The approach of providing a 100-percent tax credit or deduction for small campaign contributions is a very attractive means of public financing, because it lets each voter and taxpayer choose which candidate will be benefited. The bill before us, on the other hand, would provide automatic full funding up to a limit, disbursed directly by the Federal Government, for general election candidates of political parties whose candidates received certain percentages of votes cast in the last election. Several aspects of this approach concern me, such as the possibility of abuses or bureaucratic snafus which would affect election outcomes. However, in view of the possibility that the Senate will decide to take this approach and the need for some public campaign financing, I feel it imperative to suggest improvements to the committee bill's public financing structure.

One of S. 3044's greatest shortcomings is that full public financing of general elections up to high overall spending limits is bound to encourage a wasteful mushrooming of campaign expenditures at taxpayers' expense. If Uncle Sam is to foot the entire bill, candidates would be checked from spending up to the maximum for which they are eligible only by public opinion. I do not believe that is a sufficient check.

The Stevenson and Domenici amendments, by providing public funding up to 50 percent (Stevenson) and 60 percent (Domenici) rather than 105 percent of the limits on spending for general elections, would reduce the cost of the program and provide an incentive to hold costs down. However, it would also eliminate or reduce unnecessarily the role of small private contributions in modestly run campaigns and to a large extent, the committee bill's advantages over present law for challengers likely to need more money than incumbents.

My amendment largely would retain the Stevenson and Domenici amendments' incentive for curbing wasteful spending of public—and private—campaign funds. However, it would also require continued solicitation of and a vital role for small private contributions. Furthermore, by continuing considerable public financing for all allowable campaign expenses, it would retain to some extent the bill's advantages over present law for challengers who usually need to spend more money on elections than incumbents, in addition, while still constituting effective public financing in a State with a $1 million spending limit, it is likely to cost the Government less than the Stevenson and Domenici amendments.

I realize that adoption of this amendment would virtually require changes in the bill's provisions for public financing of primaries. Furthermore, I am not wedded to my exact matching formula and I know that other matching approaches are beginning to be discussed. However, I feel it imperative that the Senate have before it in this stage of the debate a matching proposal which provides less public financing as campaign expenses increase and that this approach be given the utmost consideration for the reasons I have outlined.

Perhaps it can move the bill along by serving as a meritorious compromise between those who favor and those who oppose full public financing of campaigns.

I ask unanimous consent that the text of the amendment be printed in the Record at this point.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

Amendment No. 1139

On page 10, beginning with line 17, strike out through line 23 on page 12 and insert in lieu thereof the following:

"(b)(1) An eligible candidate may receive payments under section 506 for use in his general election campaign equal to—

"(A) four dollars for each dollar in matchable contributions he and his authorized committees receive for use in that campaign until the sum of all contributions (whether matchable or not) and payments receivable under section 506 equal one-third of the amount of the entitlement of that candidate.

"(B) two dollars for each dollar in matchable contributions he and his authorized committees receive for use in that campaign in excess of the sum referred to in subparagraph (A) until the sum of all contributions (whether matchable or not) and payments receivable under section 506 equal two-thirds of the amount of the entitlement of that candidate; and

"(C) one dollar for each dollar in matchable contributions he and his authorized committees receive for use in that campaign in excess of the second sum referred to in subparagraph (B).

"(2) For purposes of this subsection, the entitlement of—

"(A) an eligible candidate nominated by a major party is an amount equal to the amount of expenditures which that candidate may make in connection with his campaign under section 504;

"(B) an eligible candidate nominated by a minor party is an amount which bears the same ratio to the amount of the entitlement of a candidate of a major party for the same office under subparagraph (A) as the total number of votes cast for the candidate of that minor party for that office in the preceding general election bears to the average number of popular votes cast for the candidates of major parties for that office in the preceding general election;

"(C) an eligible candidate (other than a candidate nominated by a major party or a minor party) who received, in the preceding general election held for the office to which he seeks election, 5 percent or more of the total number of votes cast for all candidates for that office, an amount which bears the same ratio to the amount of the entitlement of a major party candidate for the same office under subparagraph (A) as the number of votes cast for that candidate in the preceding general election for that office bears to the average number of votes cast in the preceding general election for all major party candidates for that office.

The entitlement of a candidate for election to any Federal office who, in the preceding general election held for that office, was the candidate of a major or minor party shall not be determined under subparagraph (C).

"(3) An eligible candidate other than a candidate nominated by a major party who receives 5 percent or more of the total number of votes cast in the current election may receive payments under section 506 after the election for expenditures made or incurred in connection with his general election campaign in an amount (not in excess of the applicable limitation under section 504) equal to—

"(A) an amount which he could have received if his entitlement bore the same ratio to the entitlement of an eligible candidate nominated by a major party as the number of votes received by the candidate in that election bears to the average number of votes cast for all major party candidates for that office in that election, reduced by

"(B) any amount paid to the candidate under section 506 before the election.

"(4) For purposes of this subsection, the term 'matchable contribution' means so much of the sum of all contributions made to a candidate for election to Federal office by any person in connection with that candidate's general election campaign for such offices as does not exceed—

"(A) $250, in the case of a candidate for election to the office of President; and

"(B) $100, in the case of a candidate for election to any other Federal office (other than Vice President).

AMENDMENT NO. 1140

(Ordered to be printed, and to lie on the table.)

Mr. BUCKLEY. Mr. President, I believe the debate to date on the Federal Election Campaign Act has failed to focus sufficient attention on one of its principle flaws. I speak of the grave constitutional questions that are raised by attempting to place a ceiling on what may be spent in a given election. At least one court in New York Times against Sullivan has ruled such contributions to be in contravention of the first amendment.

The constitutional inplications are discussed in an article by Prof. Ralph K. Loiuter Jr., of the Yale Law School, entitled "Watergate and the Law" that was recently published by the American Enterprise Shownite. I ask unanimous consent that pertinent excerpts be published at this point in the Record.

Mr. President, I am sending to the desk an amendment designed to cure this defect by removing the limitation and total funding. I hope that when I call up the amendment we can address ourselves to the constitutional implications of the act in a thoughtful and thorough manner. I ask unanimous consent that the amendment be printed at this point in the Record.

There being no objection, the amendment and excerpts were ordered to be printed in the RECORD, as follows:

AMENDMENT No. 1140

On page 6, beginning with "that—" on line 20, strike out through "contributions" on line 24, and insert in lieu thereof "that no contributions".

On page 7, line 15, strike out "spend" and insert in lieu thereof "receive".

On page 10, lines 19 and 20, strike out "the amount of expenditures the candidate may make" and insert in lieu thereof "the maximum amount of payments the candidate may receive".

On page 13, beginning with the comma on line 9, strike out through line 14 and insert in lieu thereof "exceeds the maximum amount of payments he may receive in connection with that campaign under section 504.".

On page 13, line 15, strike out "EXPENDITURE" and insert in lieu thereof "PAYMENT".

On page 13, line 17, strike out "(f)" and insert in lieu thereof "(d)".

On page 13, beginning with "who" on line 19, strike out through line 21 and insert in lieu thereof "may receive payments under section 506 in connection with his primary election campaign in excess of".

On page 13, line 24, strike out "(g)" and insert in lieu thereof "(e)".

On page 14, line 9, strike out "(A)".

On page 14, line 10, strike out "make expenditures in any" and insert in lieu thereof "receive payments under section 506 in connection with his campaign in any".

On page 14, line 17, strike out "expend in that State" and insert in lieu thereof "receive under section 506".

On page 14, beginning with line 19, strike out through line 3 on page 15.

On page 15, line 5, strike out "(f)" and insert in lieu thereof "(d)".

On page 15, beginning with "who" on line 5, strike out through line 8 and insert in lieu thereof "may receive payments under section 506 in connection with his general election campaign in excess of the greater of—".

On page 15, line 10, strike out "(g)" and insert in lieu thereof "(e)".

On page 15, line 19, strike out "make expenditures" and insert in lieu thereof "receive payments".

On page 15, beginning with line 22, strike out through line 3 on page 17.

On page 17, line 4, strike out "(f)" and insert in lieu thereof "(d)".

On page 17, line 21, strike out "(g)" and insert in lieu thereof "(e)".

On page 18, line 4, strike out "(h)" and insert in lieu thereof "(f)".

On page 18, lines 6 and 7, strike out "expenditure" and insert in lieu thereof "payment".

On page 18, line 10, strike out "(h)" and insert in lieu thereof "(g)".

On page 48, lines 18 and 19, strike out "616, and 617" and insert in lieu thereof "and 616".

On page 49, lines 16 and 17, strike out "616, and 617" and insert in lieu thereof "and 616".

On page 49, line 23, strike out "616, or 617" and insert in lieu thereof "or 616".

On page 71, lines 13 and 14, strike out "AND EXPENDITURES".

On page 71, beginning with line 19, strike out through line 17 on page 75.

On page 75, line 18, strike out "615." and insert in lieu thereof "614.".

On page 77, line 9, strike out "616." and insert in lieu thereof "615.".

On page 77, line 17, strike out "617." and insert in lieu thereof "616.".

On page 78, line 19, strike out "616, and 617" and insert in lieu thereof "and 616".

On page 78, in the matter below line 22, strike out the item relating to section 614 and redesignated the items relating to sections 615, 616, and 617 as 614, 615, and 616, respectively.

EXCERPTS

Those who seek to impose limits on expenditures by candidates face a dilemma of constitutional dimensions. On the one hand, if the limitation applies only to expenditures explicitly authorized by the candidate, it will be, in Lyndon Johnson's famous phrase, "more loophole than law." "Independent" committees will carry on the campaign. On the other hand, if it seeks to charge the candidate with all outlays from whatever source that further his candidacy, it must give the candidate a veto over all those who would support him through monetary expenditures. The campaign spending law of 1971 thus prohibits the media from charging for political advertising unless the candidate certifies that the charge will not cause his spending to exceed the limit.[42] The effect, therefore, is to restrict the freedom of individuals to buy political advertising supporting or, in some circumstances (under the regulations promulgated by the comptroller general of the United States),[43] attacking a candidate.

This statute has been greeted by constitutional authorities with comments varying from "would seem to violate the First Amendment"[44] to "flatly unconstitutional."[45] It has, moreover, been held an unconstitutional prior restrict on the media by a three-judge district court of the District of Columbia (Judges Bazelon, Bryant and Parker).[46]

In light of Supreme Court decisions, the likelihood that such laws are beyond Congress' power is quite high. In *New York Times* v. *Sullivan*, the Court held that a newspaper advertisement on public issues was entitled to First Amendment protection.[47] The fact that the advertisement was purchased was "immaterial."[48] In *Eastern Railroad President's Conference* v. *Noerr Motor Freight*, moreover, the Court held that the Sherman Act did not apply to advertisements intended to influence legislation specifically designed to injure competitors.[49] In that case, certain railroad companies had conducted a publicity campaign which was "vicious, corrupt, and fraudulent" and "designed to foster the adoption and retention of laws and law enforcement practices destructive of the trucking business. . . ."[50] Rejecting the claim that such activities violated the Sherman Act, the Supreme Court, through Mr. Justice Black, stated,

"It is neither unusual nor illegal for people to seek action on laws in the hope that they may bring about an advantage to themselves and a disadvantage to their competitors. . . . To disqualify people from taking a public position in matters in which they are financially interested would thus deprive the government of a valuable source of information and . . . deprive the people of their right to petition in the very instances in which that right may be of the most importance to them."[51]

The entire theory of the decision rests on the First Amendment policy of protecting groups in their efforts to influence government to act in their interests. The efforts in this case—the financing of a systematic publicity campaign designed to induce favorable governmental action—are of particular relevance to this discussion. If Congress cannot stop individuals from conducting the kind of campaigns that were involved in *Noerr*, surely it cannot do so when the issue is the election of an individual to office.

The First Amendment has given rise to considerable disagreement over its scope. All agree, however, that it protects political speech. If we are to have "free trade in ideas" in the political sphere, individual citizens must be able to express whatever ideas they choose in whatever form they believe appropriate, whether or not it costs them money. There is no room for price controls in the marketplace of ideas.

Setting a limit on candidate expenditures sets a maximum on the political activities in which American citizens can engage. It is thus unconstitutional. The reasoning that speech which costs money is too persuasive[52] cannot be limited to campaign financing. For one can also argue that demonstrations of more than a certain number of people, extensive voter canvassing, or too many billboards with catchy slogans also "distort" public opinion and ought to be regulated.

The freedom to speak is not the only liberty infringed by such legislation. Because giving to a candidate permits individuals to "pool" their contributions and act as part of an effective organization, limitations on candidate spending are in effect restrictions on the freedom of association.[53]

FOOTNOTES

[42] 47 U.S.C., Section 803(b) states that "No person may make any charge for the use by or on behalf of any legally qualified candidate for Federal elective office (or for nomination to such office) of any newspaper, magazine, or outdoor advertising facility, unless such candidate (or a person specifically authorized by such candidate in writing to do so) certifies in writing to the person making such charge that the payment of such charge will not violate paragraph (1), (2), or (3) of subsection (a) of this section, whichever is applicable."

[43] 11 C.F.R., Section 4.5, "Amounts spent urging candidate's defeat or derogating his stand," states that "(a) An expenditure for the use of communications media opposing or urging the defeat of a Federal candidate, or derogating his stand on campaign issues, shall not be deemed to be an expenditure for the use of communications media on behalf of any other Federal candidate and shall not be charged against any other Federal candidate's applicable expenditure limitation under section 104(a) of the Act and this part, unless such other Federal candidate has directly or indirectly authorized such use or unless the circumstances of such use taken as a whole are such that consent may reasonably be imputed to such other candidate." What may or may not be "reasonably imputed to such other candidate" is not described with any specificity.

[44] A. Rosenthal, *Federal Regulation of Campaign Finance: Some Constitutional Questions* (Princeton, N.J.: Citizens' Research Foundation, 1972), p. 63.

[45] Statement of Alexander Bickel, ibid., p. 66. See also, for discussions of this point, Martin H. Redish, "Campaign Spending Laws and the First Amendment," *N.Y.U. Law Review*, vol. 46 (1971), p. 900, and Joel L. Fleishman, "Freedom of Speech and Equality of Political Opportunity: The Constitutionality of the Federal Election Campaign Act of 1971," *North Carolina Law Review*, vol. 51, p. 389. And see, Thomas I. Emerson, *The System of Freedom of Expression* (New York: Random House, 1970), p. 639.

[46] American Civil Liberties Union v. Jennings, Civil No. 1967–72 (D.D.C., opinion filed on November 14, 1973), mimeo. opinion.

[47] 376 U.S. 254 (1964).

[48] Ibid., p. 266.

[49] 365 U.S. 126 (1961).

[50] Ibid., p. 129.

[51] Ibid., p. 127.

[52] See press release of Senator Edmund S. Muskie, "Muskie Urges Media Campaign Reforms, Scores Nixon's Attitude," March 3, 1971, p. 2: "Ideally, a limit on all spending would be best. But a limit on media spending would be an effective control over spending because television and radio have such a unique role in public persuasiveness."

[53] 18 U.S.C., Section 591(e)(5).

NATIONAL NO-FAULT MOTOR VEHICLE INSURANCE ACT—AMENDMENTS

AMENDMENT NO. 1137

(Ordered to be printed, and to lie on the table.)

Mr. BAKER. Mr. President, I submit an amendment to S. 354, the National No-Fault Motor Vehicle Insurance Act. This amendment would modify the first-party benefit and tort restriction provisions of the act to bring them into line with the efforts of the States which have adopted responsible insurance reform programs.

As a proponent of no-fault insurance, I have been deeply concerned that the sweeping program proposed in S. 354 would undermine, instead of enhance, efforts to achieve meaningful insurance reform at the State level. The standards presently set forth in the bill exceed program provisions in all States but one, Michigan, and would abrogate substantial programs which have been adopted in Kansas, New York, Minnesota, Colorado, Nevada, Hawaii, Utah, and several other States.

I do not believe that standards which would arrogantly supplant the efforts of the States with an untried program of extended no-fault benefits can be fairly characterized as Federal minimum standards legislation. Passage of such standards would end experimentation with various types of no-fault insurance and would cast in concrete a program which, though it might serve some jurisdictions well, would certainly ill-serve others.

The benefits levels of the amendment are specified as performance standards—the State must establish limits for medical expense coverage which will fully compensate 95 percent of all injured victims and for wage-loss coverage to fully compensate such loss up to an amount equal to the average wage in that State. While limits will vary from State to State, it is estimated that the dollar amount of the medical expense standard will approximate $3,000. Based upon Bureau of Labor Statistics data for 1971, the average statewide annual wage would be $6,983, with State averages ranging from a low of approximately $5,800 to a high of approximately $11,000. These standards will provide coverage sufficient to fully cover the majority of accident victims to substantially compensate all victims.

The tort restriction proposed in this amendment would bar access to actions based upon negligence to any person not seriously injured as defined in the Department of Transportation study. This would assure access to recovery of general or intangible damages to victims with significant injuries, but would provide a reasonable restriction upon actions for minor injuries, which according to the DOT investigation, have tended to receive inflated awards.

The standards set by this amendment do not attempt to identify the best program of no-fault insurance for the States, but are intended to indicate a minimum standard for no-fault programs—a standard which will provide substantial protection for all accident victims but which will leave great flexibility to the States in molding the program most suited to its peculiar needs.

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 1126

At the request of Mr. BAKER, the Senator from Oklahoma (Mr. BARTLETT), and the Senator from Hawaii (Mr. FONG) were added as cosponsors of amendment No. 1126, to the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

AMENDMENT NO. 1134

At the request of Mr. BAKER, the Senator from Alabama (Mr. ALLEN), the Senator from Tennessee (Mr. BROCK), the Senator from Oklahoma (Mr. BELLMON), the Senator from North Carolina (Mr. HELMS), and the Senator from Georgia (Mr. NUNN) were added as cosponsors of amendment No. 1134, intended to be proposed by him to S. 3044, the Federal Election Campaign Act Amendments of 1974.

AMENDMENTS NOS. 1078, 1126, AND 1128

At the request of Mr. BAKER, the Senator from Tennessee (Mr. BROCK) was added as a cosponsor of amendments Nos. 1078, 1126, and 1128, intended to be proposed by him to S. 3044, the Federal Election Campaign Act Amendments of 1974.

NOTICE CONCERNING A NOMINATION BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

Clinton T. Peoples, of Texas, to be U.S. marshal for the northern district of Texas for the term of 4 years, vice William C. Black, resigned.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Tuesday, April 9, 1974, any representations or objections they may wish to present concerning the above nomination, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

NOTICE CONCERNING A NOMINATION BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

Nathan G. Graham, of Oklahoma, to be U.S. attorney for the northern district of Oklahoma for the term of 4 years. (reappointment)

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Tuesday, April 9, 1974, any representations or objections they may wish to present concerning the above nomination, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

NOTICE CONCERNING NOMINATION BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Tuesday, April 9, 1974, at 10:30 a.m., in room 2228, Dirksen Office Building, on the following nomination:

Wendell A. Miles, of Michigan, to be U.S. district judge for the western district of Michigan, vice Albert J. Engel, elevated.

At the indicated time and place persons interested in the hearing may make such representations as may be pertinent.

The subcommittee consists of the Senator from Arkansas (Mr. McCLELLAN); the Senator from Nebraska (Mr. HRUSKA), and myself as chairman.

NOTICE OF HEARING BEFORE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Tuesday, April 23, 1974, at 10:30 a.m., in room 2228, Dirksen Office Building, on the following nomination:

Earl J. Silbert, of the District of Columbia, to be U.S. attorney for the District of Columbia, vice Harold H. Titus, Jr., resigned.

At the indicated time and place persons interested in the hearing may make such representations as may be pertinent.

The hearing will be before the full Judiciary Committee.

NOTICE OF HEARINGS—ENERGY SUPPLY ACT OF 1974

Mr. JACKSON. Mr. President, on March 22, I introduced S. 3221, the Energy Supply Act of 1974. The principal purpose of my bill is to increase production of the oil and gas resources of the Outer Continental Shelf in a manner that provides maximum environmental safeguards. The National Fuels and Energy Policy Study, which I have the honor to chair, has an excellent hearing record on the policy issues involved in OCS development.

We now are going to conduct hearings on S. 3221 and the other bills before the Committee on Interior and Insular Affairs which would amend the Outer Continental Shelf Lands Act of 1953. The other bills are: S. 2672, introduced by

Senator Chiles; S. 2858, introduced by Senator Tunney; S. 2922, introduced by Senator Hathaway; S. 2389, introduced by Senator Stevens, and S. 3185, introduced by Senator Bentsen.

These hearings will be held on May 6, 7, and 8. They will begin at 10 a.m. in room 3110, Dirksen Senate Office Building on each day.

The Interior Committee will be participating in the hearings on the social, economic, and environmental impacts of Outer Continental Shelf being conducted on April 23, 24, and 25 as part of the National Ocean Policy Study. Thus we intend to focus the May hearings on policies and practices relating to issuance of leases and administrative supervision of operations under them, research and development needs, and methods of obtaining better resource information. In other words we want to address the specific issues raised by the bills before us.

For further information, please contact Mike Harvey of the committee staff at 202/225-1076.

ANNOUNCEMENT OF HEARINGS BY SENATE HEALTH SUBCOMMITTEE

Mr. KENNEDY. Mr. President, I want to take this opportunity to announce hearings of the Senate Health Subcommittee on S. 3181, the National Health Service Corps Amendments of 1974. The hearing will be conducted April 30, 1974 in room 4232 of the Dirksen Office Building at 10 a.m. Persons interested in testifying on this legislation should contact Mr. Lee Goldman, subcommittee staff director.

ADDITIONAL STATEMENTS

HOME HEALTH CARE UNDER MEDICARE

Mr. TOWER. Mr. President, over the past few years, I have received a great many letters from my constituents regarding the inadequacy of home health care benefits under medicare. I am delighted, therefore, that the Subcommittee on Health of the Elderly of the Special Committee on Aging has developed a twofold package to open up home health care benefits for the elderly under medicare and concurrently expand available services from home care agencies.

The costs of institutionalization of our Nation's elderly has been rising consistently in recent years, and in many cases it is not the best answer to their problems. In our rural areas, particularly, where institutions are often unavailable, there are few home health care agencies and those there are able to provide only limited services, since fees for home health care very often do not even cover its cost.

After studying this problem carefully, and conducting several days of hearings, two bills have been introduced which I am cosponsoring today.

The first, S. 2690, would clarify and expand the definition of home health care medicare benefits to meet the needs of the elderly for nursing and personal care in their homes. It would also bring under medicare the homemaking services so necessary to maintain the independence of the patient who requires continued care, but not institutionalization. Finally, it would increase the number of home health care visits covered by medicare.

The second, S. 2695, provides for a program of grants to assist in the establishment and initial operation of home health care agencies.

I cannot emphasize enough the importance of these two proposals, and the promise they hold for our elderly. Few of us have avoided the agony and concern of recognizing that our parents or elderly friends and neighbors can no longer care for themselves alone in their homes. Because home health care is infrequently available, we have, heretofore, had little choice but to place them in nursing homes. The General Accounting Office recently reported that in 25 percent of these cases, treatment is being received in facilities which are excessive to the patient's needs.

The obvious cost in dollars and cents of this excessive treatment can only be estimated, but the National Association of Home Health Agencies states that home care is 3.5 times less expensive per patient than hospitalization and four or five times less expensive per day than skilled nursing home care.

The cost in terms of lost dignity and independence is even more disturbing.

Home health care provides us with an alternative which is both cost effective and humanitarian. It deserves the support of the Congress and I urge my colleagues to grant it expeditious approval.

RETENTION OF ECONOMIC CONTROLS ON THE HEALTH INDUSTRY

Mr. INOUYE. Mr. President, on February 19, 1974, Senator John Sparkman introduced S. 3032, a bill to amend and extend the Economic Stabilization Act of 1970 to retain economic controls on the health industry sector of the economy past the April 30, 1974, expiration date.

This bill would in effect give the President authority to arbitrarily and seriously limit total expenditures for health care services. Expenditure limits such as these could result in a reduction in the quantity of services available, and thus contribute to a compounding of inflationary pressures on the price of medical services.

Not only would the quantity of these services likely be reduced, but the quality of health care would in the long run most certainly deteriorate.

As hospital operating budget deficits continue to rise—and every hospital in my home State of Hawaii is currently operating in a deficit position—more and more payroll employees will have to be laid off in response to increasing deficits. The employee-patient ratio, now leveling off, thereby will begin to drop in many hospitals. Care and maintenance of existing facilities would also be hampered by this continuance of economic controls in that fewer funds would be available for such activity.

While some areas have experienced an oversupply of medical facilities others are still plagued with shortages and outdated facilities and equipment—facilities and equipment which are vitally needed in certain geographic areas or essential to advancements and explorations into specialized and crucially needed medical frontiers such as cancer research. Such needed expansion and modernization would be endangered by any blanket controls.

Finally, the retention of economic controls on the health care industry represents an unjust and inconsistent exception to the general economic program which has apparently been one of lifting price controls throughout the economy. The isolation of the health care industry for continued economic control can only hinder improvements in this most vital sector of the economy. Controls will not work to the ultimate benefit of the consumer of health services, any more than they benefit consumers in other vital areas such as food or shelter. It is now time to decontrol an industry so directly responsive to basic human needs.

NO-FAULT INSURANCE

Mr. MOSS. Mr. President, the lobbying effort to subvert national no-fault automobile insurance legislation is now in full swing. When we last discussed the tactics which no-fault opponents undertake, I pointed out that a wide variety of seemingly thoughtful letters were sent by members of the bar opposed to no-fault. But, unfortunately for my brethren in the legal profession, I acquired a copy of the master form letter.

This year, the innovation in letter writing is most interesting. It appears that each Senator has received, for example, a brief public opinion message in opposition to no-fault from some 32 residents of the Baltimore-Washington area. In reading over these messages, I notice one consistent theme, obfuscation. Really, not one of the telegrams has any relevance to the national no-fault insurance legislation, but make use of a variety of statements which have no basis in fact. Also, the 32 telegrams which I received are identical to the 32 telegrams which my colleague from Louisiana (Mr. Long) received, and those are identical to the 32 telegrams which my colleague from North Dakota (Mr. Burdick) has received. Why, I asked myself, did 32 residents of the Baltimore-Washington area invest their time and energies and perhaps their own moneys, in telling far distant Senators, as well as their own, about no-fault.

A little research reveals all. First, on the morning of March 22, 1974, 32 Baltimore-Washington residents suddenly had the idea to send public opinion messages to each of the 100 Senators on the same subject. It cost each sender $200 for his set of one telegram to each Senator.

Second, that might seem like a high tariff, but I have checked and discovered that each of the signatories to the telegrams is an attorney, although he has not identified himself as such.

So, I concluded that this $6,400 investment in telegrams is part and parcel of delaying tactics, misstatements, and outright falsehoods which the opponents of no-fault are using in their attempt to subvert both the will of Congress and the needs of the American people. As we proceed with our debate on no-fault, I intend to bring to light other lobbying abuses, set against the facts and figures which demonstrate the consumer's need for no-fault.

A FORMER UNBORN CHILD ON ABORTION

Mr. BUCKLEY. Mr. President, the nationally syndicated columnist John D. Lofton, Jr., recently wrote a column on the subject of abortion. Describing himself as a "former unborn child," Mr. Lofton discusses—and dissects—the pro-abortion argument with the style and wit we have come to expect from him. "The Abortion Distortion" also makes clear that the question of abortion is not one limited to one religious group but to all men and women who want a society, in Mr. Lofton's words, "that respects human life, both the born and unborn."

Mr. President, I ask unanimous consent that the entire text of Mr. Lofton's article be printed in the Record:

There being no objection, the article was ordered to be printed in the Record, as follows:

The Abortion Distortion

(By John D. Lofton, Jr.)

March 18, 1974.

Washington.—Being, as I am, a former unborn child, I naturally have a continuing interest in the debate over abortion.

I became keenly interested in the no-fault pregnancy question several years ago. Not being particularly religious—specifically not being Catholic—I was attracted to the controversy not so much by the cogency of the arguments of those against abortion, but rather by the virtually total illogic and moral myopia of those favoring the practice.

Over the past several years, in an effort to try and understand their position better, I have attended numerous pro-abortion demonstrations and have talked with hundreds of demonstrators. If I had to pick the one thing about a majority of them that bothered me most, it would be their refusal to come to grips with what it was they were advocating the destruction of—an unborn living human being in its earliest stages of development.

While I have some doubt about the religious arguments having to do with ensoulment and other matters of an equally abstract nature, one thing I am absolutely sure of is that when I was in my mother's womb, I was a living human being. Thus, it was with a great deal of irritation that in talking with pro-abortion people I constantly heard my earlier unborn status analogized to, among other things, "a benign tumor," "an ant," "a mere mass of cells," and "a plant."

After many heated discussions with individuals favoring abortion about what we used or used not to be before birth, I suddenly realized that I could never be one of them. I could never be for abortion-on-demand because implicit in this view is the belief that what I used to be was not human. And I know this is not so.

Just as Lieutenant William Calley at My Lai had to dehumanize the South Vietnamese civilian human beings before slaughtering them, the pro-abortion people—many subconsciously—do the same thing to the unborn child. For Calley, the human beings killed were not human beings but "slopes," "gooks," and "dinks."

For the abortionists, the unborn child is also not a human being but a tumor, an ant, a plant or a mere mass of cells. This line of reasoning I found morally repugnant and still do.

Unfortunately, the pro-abortion people's arguments aren't getting any better.

Testifying recently against a constitutional amendment to prohibit abortions, Rep. Bella Abzug, D–N.Y., said she was against such a measure because it would dictate to a woman "what she is to do with her body and her life." Such an amendment would produce "legal chaos," she predicted, likening the unworkability of the proposal to Prohibition.

See what I mean? again the moral obtuseness. What does Rep. Abzug mean "the woman's body; the woman's life?" What the amendments offered by Sen. James Buckley, R.–N.Y., and Sen. Jesse Helms, R–N.C., seek to do is protect the body and the life of the unborn child. The body and the life of the mother are only involved indirectly.

And what about the life of the unborn child? The Congresswoman makes no mention of it. But in likening the outlawing of abortion to Prohibition she reveals that to her, the destruction of unborn human life is no more serious than drinking a bottle of beer.

As for the possibility of "legal chaos" resulting from efforts to protect the life of the unborn, undoubtedly the law would be challenged. But aren't all laws, at one time or another? Considering that the issue is literally a matter of life or death, the risk of court challenges seems a small one.

Some of Ms. Abzug's other fears do seem a bit far-fetched. Example: If the amendment became law, medical science would be called on to develop electronic spying devices to possibly be placed within a woman's body to determine exactly when fertilization occurs. This would be the "ultimate invasion of privacy," she says.

The New York Times editorially agrees with the Congresswoman. A constitutional ban on abortion "would not actually prevent abortions," the paper notes. Also, the Times points out, a liberal and medically sound legal abortion policy "does not mean that anyone can be compelled to resort to abortion, or approve of it."

How silly. Applying this illogical reasoning, there should be no laws against murder because the laws do not prevent murder. Furthermore, a liberal and medically sound legal policy of murder would, of course, require no one to commit murder, or approve of it.

What the Times doesn't understand is—as Yale Law Professor Alex Bickel has argued in favor of anti-pornography laws—"the role of law is to make a moral statement about the kind of society we wish to live in . . . the tone of society, the mode, the style and quality of life, now and in the future."

The kind of society I wish to live in is one that respects human life, both the born and the unborn. The constitutional amendments proposed by Sens. Buckley and Helms seek to bring the latter into balance with the former. It deserves support.

THE GRAY PANTHERS—AGITATORS FOR A BETTER LIFE FOR OLDER AMERICANS

Mr. HUMPHREY. Mr. President, a few days ago I came across a marvelous article in the Montgomery Journal, of Montgomery County, Md. Entitled "Old People Should Be Agitating," the article cited the positive efforts of senior citizen Margaret Kuhn at the Citizens Energy Conference. Not only does Miss Kuhn understand the full impact the energy crisis has had on the elderly but in addition she suggests a variety of ways the affluent elderly can help themselves, the elderly poor, and the public good.

Miss Kuhn, the activist leader of the 1,500-member Grey Panthers, believes that "old people should be agitating" to get the Government to reveal oil company profits and suggests that senior citizens buy several shares of stock in major oil companies and then sit in on stockholder's meetings.

In citing the work of Philadelphians campaigning to reduce the cost of public utilities, Miss Kuhn firmly believes that senior citizens should band together to work for the larger public interest. I should note, parenthetically, that the Consumer Economics Subcommittee, of which I am chairman, at its recent hearing received excellent testimony on the serious problem of rising utility rates.

Miss Kuhn feels, and I totally agree, that the wisdom, experience, and competence of the elderly could be of great benefit to hospital boards, school boards, and highway commissions. Just recently Miss Kuhn spoke at a SAY, a senior and younger citizens happening, in Bethesda. The purpose of this "happening" was to allow senior and younger citizens to interact and spark interest in citizen action.

Mr. President, I applaud Miss Kuhn's efforts to give the elderly a greater opportunity to shape the community at large. I ask unanimous consent that this article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Old People Should Be Agitating

Gray Panther Margaret Kuhn padded into town recently to take part in the Citizens' Energy Conference at the Shoreham Hotel.

Representing the Panthers, senior citizen activists, she was here to serve on a panel which examined how the energy crisis is affecting the elderly. And she lambasted the oil companies and the federal government.

She also spoke specifically in a brief interview about how affluent elderly residents of Montgomery County can help themselves, the elderly poor, and the public good.

"The energy crisis is a silly man-made contrivance," said the 68-year-old senior power activist. "Turning down the thermostat is a ridiculous idea for old people; I've called nursing homes in my area (Philadelphia, Pa.) to see if they're doing it and they say 'no.' They can't. There are lives at stake."

She charged that the federal government has not told the truth about the energy crisis. "Old people should be agitating to get the government to reveal how many profits and how much stock the oil companies have," she said. An active speaker of the 1500-member Gray Panthers, she advocates that senior citizens buy several shares of stock in major companies and sit in on stockholders meetings, rather than letting someone vote for them by proxy.

The affluent elderly in Montgomery County "have got it made," she said. "They ought to use their time to work for the larger public interest, not spend their money on one more round-the-world trip or another golfing expedition."

The gray-haired, sprightly Miss Kuhn, who never uses euphemisms like "senior citizens," but prefers "old people," added, "I would like to see Montgomery County lead off and attempt to place old people with wisdom and experience and competence at the table where decisions are made—in the public utilities commission, on hospital boards, on school boards, on the highway commission."

She described how elderly Philadelphians are campaigning to reduce rates on the public utilities. "It's not just some rich old codger who happens to be a hanger-on of those utilities," she said, "but a people's advocate." Miss Kuhn envisions groups of senior citizens in every area banding together to fight for the public good.

Locally, a meeting of the type Miss Kuhn has talked of will be held Monday night, March 4 at 7:30 at Little Falls Library, 5501 Massachusetts Ave. in Bethesda. It is called a S.A.Y. (senior and younger citizens) happening. Its purpose is to get seniors and younger citizens together to spark interest in citizen action

A short film made under the direction of Dr. Daniel Levitan, a University of Maryland professor who teaches death education at the University is expected to be shown.

RETURNING TO JACKSONIAN DEMOCRACY

Mr. EAGLETON. Mr. President, the American people have grown cynical. Their trust in their Government leaders has reached a shockingly low point. And no wonder, beset as they are by crises, shortages, enormous Government mismanagement of their economy and the confidence-shattering and reprehensible actions of some of the most powerful men in the executive branch.

At a time like this, it is comforting to know that some of our leaders do not believe in government for the sake of government bureaucrats, or in government for the sake of a powerful few, but in government that, by intruding only when necessary and staying out of people's lives the rest of the time, truly serves the people.

Such a leader is our colleague Senator Herman Talmadge, and in a speech March 23 at a Jackson Day dinner in Springfield, Mo., Senator Talmadge set out in clear terms a course for our Nation to follow to return to the real democratic precepts of Jefferson and Jackson. It is a course that makes a good deal of sense for America today.

Mr. President, I ask unanimous consent that Senator Talmadge's speech be printed in the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

Remarks of U.S. Senator Herman E. Talmadge at a Jefferson-Jackson Day Dinner, Springfield, Mo., Saturday March 23, 1974

Mr. Chairman, Senator Stuart Symington, Senator Tom Eagleton, Distinguished Members of the Missouri Delegation in Congress, State Officials, Honored Guests, my fellow Democrats: I thank you for according me the great privilege of being with you tonight to pay tribute to the Democratic leadership of the State of Missouri.

We pay homage to two giants of the early history of the Democratic Party—Thomas Jefferson and Andrew Jackson—and to federal, state, and local leaders who render such outstanding service to the people of Missouri. Also, we honor another great Democrat, one of the greatest in our lifetimes. I invoke his name tonight as one of the great standard bearers of our Party of all time—your fellow Missourian . . . a great Democrat . . . a beloved American . . . the 33rd President of the United States, Harry S Truman.

Georgians, like Missourians and Americans everywhere, revere the memory of Harry Truman. He was a courageous President. He said what he meant and meant what he said. Harry Truman never had to back-pedal. He never had to try to make things perfectly clear to the American people. The American people always knew where he stood. He never vacillated or backed away from any problem. He was required to make some or the most momentous and toughest decisions in our nation's history. I have no doubt that he will be recorded as one of our greatest Presidents. Our country needs a man of his courage, his candor, his integrity, in the White House today.

From the time that the Missouri territory served as the gateway for the development of the West, to statehood in 1821, and up to the present time, Missouri has provided the nation with leaders in government, national defense, arts and science.

Samuel Clemens; the first United States Senator of Missouri, Thomas Hart Benton; Generals John J. Pershing and Omar Bradley; and George Washington Carver, whose science did so much to open up industrial and other uses of the peanut . . . which, incidentally, is the leading cash crop of my State of Georgia.

All these distinguished men left Missourians and all Americans a worthy heritage that has been carried forward to this day.

One of the most distinguished and respected members of the United States Senate for the past 20 years has been your native son, and my good friend and colleague, Stuart Symington. When I first went to the Senate in 1957, Stu Symington was one of the first members I met. He's been my good friend ever since. I respect his work and envy his ability.

Senator Symington now serves as Vice Chairman of the Senate Armed Service Committee. Our nation is more secure today because of his untiring dedication to military preparedness. I am proud to serve with Senator Symington on the influential Democratic Policy Committee, where he is a senior member and a leader in formulating a sound legislative policy for the Senate majority. Right now, in the midst of our nation's present difficulties, there is a very high premium on sound leadership.

You have another fine Senator in Tom Eagleton. He is an able lawmaker. He possesses one of the sharpest legal minds in the Senate. I value his friendship and association. Tom Eagleton served your state with distinction as Attorney General, and as Lieutenant Governor. He brought these qualities of leadership to the nation's capital just six years ago. He has already established himself as one of the hardest working members of the Senate.

Even before energy became a household word, Tom Eagleton was in the forefront of efforts in the Senate to make our nation self-sufficient in its energy needs. Keep in mind that while the present Administration kept insisting there was not going to be an energy crisis, Tom Eagleton was in there working, trying to protect our nation's interests in this vital area.

Also, his work as Chairman of the Subcommittee on Aging of the Labor and Public Welfare Committee has been of enormous benefit to the senior citizens of Missouri and the nation, in terms of endeavoring to identify their problems and bring about corrective legislation.

Senator Eagleton has demonstrated that this is one of the greatest unmet needs of our time. Inflation, after all, is a cruel form of taxation which bears down hardest on people least able to stand the burden . . . people who must live on fixed incomes like Social Security or retirement benefits. In dealing with this problem, Senator Eagleton has shown great understanding and compassion for a segment of our society that many people tend to regard as "forgotten Americans."

Along with Senators Symington and Eagleton, and I am grateful for their invitation to be with you tonight, I also want to salute your distinguished and highly respected Congressional delegation in the House of Representatives.

Nobody has to remind us of the legacy left to the Democratic Party by the two Presidents, Jefferson and Jackson. You in Missouri, of course, have a very special reason to honor the memory of Thomas Jefferson. Without the Louisiana Purchase in 1803, our nation might never have become the power it is today, and the State of Missouri might not have come into being.

Although he was an aristocrat to his fingertips, Jefferson spoke for the masses—farmers, the pioneers, and the apprentices of his day. He was the intellectual architect of what we know today as the Democratic Party. Jeffersonian Democracy brought us government of and for the people, and the principle of the equality of man.

Jacksonian Democracy extended this principle to government by the people. Andy Jackson was a reformer and a champion of the little man. He regarded the so-called "average man" as the bone and sinew of the country. That was true in Jackson's day. It is true now, insofar as I am concerned.

When I refer to the backbone and muscle of the American nation, I am talking about people who work in the shops, the factories, and the offices, and pay the taxes that keep our country running . . . people who plow the land and bring in the harvests that feed and clothe 210 million Americans and a good part of the world as well. I mean people who sometimes must struggle to keep body and soul together, but who don't give up the struggle and expect someone else to do it for them. I mean people who work and sacrifice to insure their children of their birthright to a quality education, and who believe that matters of the family, the home, and the school are best determined at the local level and not in Washington. These are people who have been brought up to believe that government is set up to be the servant . . . not the master. I say . . . more power to these people.

These are the kind of people who built America and have kept it free. These are the kind of people we must look to if we seek to secure the future of America.

This is one reason why I am so opposed to a federally supported guaranteed annual income—which in reality would be supported by working people, for the benefit of nonworking people. Working men and women, some of whom even moonlight and hold down two jobs, don't like the idea of having their hard-earned tax dollars spent on propping up able-bodied people who spend most of their time sitting on their front porches doing nothing.

This country wasn't built on guaranteed anything. It will, however, most assuredly be torn down if we start drawing on the federal largesse to guarantee able-bodied people something for nothing. A strong and viable economy is the best kind of social reform that can be devised.

The Democratic Party has always held the confidence of grassroots America so long as it adhered to its founding principles. The Party has been repudiated only when it lost sight of its goals and allowed itself to become the tool of special interests and pressure groups.

Two years ago, the National Democratic Party saw that lesson in action. The folly of losing touch with a majority of the people and allowing our Party to be divided along radical ideological lines became very apparent to Democrats in November, 1972. If we are going to continue to have a strong and viable two-party system in the United States, we cannot afford that mistake again.

However, this is no time to cry over spilled milk. Having learned from that lesson, Democrats need to once again assert their strength at every level of government and to put it all together at the national level. We need to put up a strong and common front to lead the nation out of the social disorder, economic chaos, and crisis in government that threaten the security of the American people today. Never has the challenge been more severe. Never has opportunity been greater.

If the National Democratic Party will get back in the mainstream of American politics . . . If the National Democratic Party will nominate a leader who will appeal to and work for a majority of rank-and-file Americans . . . I have no doubt that the Party will once again assume its rightful role of leadership.

If the Democratic Party will produce and support a candidate concerned about the problems of men and women who work and pay the taxes in America, I am convinced it will again win the respect and the votes of the people.

If the Democratic Party will produce action instead of reaction . . . leadership instead of expediency . . . candor instead of guile . . . responsible and responsive government instead of uncontrollable and burdensome bureauacracy . . . I am confident that Democrats can and will once again capture the White House in 1976.

As a member of the so-called Watergate Committee, it is difficult for me to speak anywhere and to not comment at least to some degree on the break-in, cover-up, and other related disclosures of the past year.

The Select Committee on Presidential Campaign Activities has now voted to suspend public hearings until further notice. We are now preparing our report, and I hope it will result in corrective legislation. The matter is now primarily in the hands of three agencies, Special Prosecutor Jaworski, the Federal Judiciary, and the House of Representatives, which is presently considering impeachment.

I, of course, have no way of knowing what the House of Representatives will do. In any event, it would be inappropriate for me to try to draw conclusions or pass judgment at this time, inasmuch as I would have to sit as a juror in the Senate if the House were to vote impeachment.

Nevertheless, I have sat on the Committee since last May for hundreds of hours. I have listened to and read millions of words of evidence and material related to the case. I have seen my office virtually swamped by a veritable tidal wave of letters and telegrams from all over the nation. Under such conditions, it would be impossible for me to avoid coming to at least some conclusions—not about the Watergate case in particular—but more about the nature of our government and the people of this country.

First of all, I realize more strongly than ever the importance of the sanctity of the trust the American people put in their elected leaders. Certain principles that are fundamental to our republican form of government have obviously been seriously damaged. All of us have a job to do in rebuilding the strength and dignity of America. Those who hold public office have a responsibility to restore confidence in government by demonstrating integrity at all levels—from the Courthouse to the White House.

Also, we need a rejuvenation of the spirit of the people of the United States. The American people must get back to the ideal that the individual must accept responsibility for himself and for his government. I am often asked . . . how could anything as highhanded as Watergate happen in American government? I respond in this way: anything can happen in our society, if the people allow it to happen. It has always been a fact of life that government will respond to the people. All the people need to do is let their voices be heard in strong enough number . . . or, conversely, to remain silent and apathetic, and government will react accordingly.

There is now and there has been for years too much apathy about government. According to readings I get, people are virtually turned off about politics and government. We have a credibility gap the likes of which we have never known before in this country . . . with millions of Americans having become so disillusioned they no longer believe what the President or other elected officials tell them.

The war in Vietnam took a heavy toll, not only in American lives and treasure. It drained the American spirit as well. Now, we have a domestic crisis that even further erodes the confidence of Americans in their government. We have rampant inflation that robs working people of their earnings and the elderly of their savings. We have rising unemployment. We have shortages of fuel and energy, of fertilizer, and of other commodities and materials that are vital to our economy.

People wonder how a nation as prosperous and resourceful as ours ever got in this fix. They keep waiting on the government to do something about it. Government keeps rushing from one crisis to the next, trying to attack these problems on a patchwork, piecemeal basis. The American people once viewed their government as a sympathetic and sometimes helpful ally. Now, government is being regarded as a hostile and incompetent adversary.

In the 1930's President Franklin Roosevelt and the Democratic Party led the nation out of the worst economic depression of the century. It seems now that once again Democrats in Congress and in the White House are going to have to lead our people out of a depression of the American spirit. It is perhaps one of the worst we have ever had.

We meet tonight at a time when the country seems virtually to be falling apart. Government at the highest levels is in disrepute. The economy is nearly in a shambles. Morale and morality are at an all-time low. The needs of tens of millions of American citizens are at an all-time high. Let me share a thought with you, and I quote:

"This is preeminently the time to speak the truth, the whole truth, frankly and boldly. Nor need we shrink from honestly facing conditions in our country today. This great nation will endure as it has endured, will revive and prosper. So first of all, let me reassert my firm belief that the only thing we have to fear is fear itself."

These words were uttered by President Roosevelt in his inaugural address on March 4, 1933.

We are not in the grip of a severe economic depression. We pray to God that we never again will be. But, we do have a great depression of the spirit of the American people. Too many people don't seem to care anymore, or to trust anyone anymore. This depression of the spirit has resulted from enormous gaps of *credibility, confidence,* and *conscience.*

People have had too much government that has been too far removed from them. There have been too many leaders in government who have misled the people for too long. Government has gotten so big and complex that years ago it stopped being responsive to the people. As responsiveness has failed, so has credibility. Lack of confidence produces apathy. Apathy can result in anarchy. Under such conditions, freedom is soon gone and government becomes a symbol of tyranny and corruption.

Remember what the Roman statesman Cato said about people who care so little about their government that they neglect to get involved. I quote: "No one," he said, "but a tryant or a slave would say that the people have no right to meddle in their government."

That brings us to the matter of conscience. Just as fuel and energy run our nation, conscience drives people to do good and to be mindful of the rights, feelings, and property of everyone else. And yet, look at the frightening picture of our nation's ever-increasing crime rate, violence, terrorism, and kidnappings. Conscience must also be in short supply.

All the crises we have been going through in recent years—the gold and dollar crisis—the energy crisis—are to my mind just spin-offs from a central problem—a crisis in government. For the most part, this is not a state of affairs inflicted upon the United States' government by some alien power. It is a situation the United States' government largely brought upon itself.

In the past quarter of a century, government has been growing more, spending more, and encroaching more into the private lives of individual citizens than ever before. Government has levied taxation almost to the point of confiscation to pay for proliferating programs. I call it spending money we don't have for programs we don't need.

And, I might add that Democrats must share the blame with the Republican Party for this unhealthy situation. Each Party, it seems to me, has been trying to see which one could spend most of the taxpayers' money.

What do we have to show for it? A national debt that is fast approaching $500 billion, and interest alone on that debt is close to $30 billion a year. We have inflation that has weakened the United States at home and abroad. We have the most unemployment in 10 years. We have the highest interest rates since the War Between the States. And, two years ago, we started having our first trade deficits since 1888.

We have gotten the people in the clutches of a price squeeze, a wage squeeze, a tax squeeze, a food squeeze, and an energy squeeze.

What is it going to take before the American people rise up in righteous indignation? What is it going to take before Congress and an Administration in the White House demonstrate the wisdom and the courage and the determination to call a halt to reckless, runaway government spending?

Not satisfied with trying to spend our nation nearly into the poorhouse at home, the United States' government has tried to play policeman, banker, and Santa Claus for just about all the rest of the world. The government has been so intent upon trying to be all things to all people all over the world, that it has not measured up to its primary duty.

I submit that the first responsibility of the United States' government is to look after the United States' people. Down at the State Department, we have a desk for just about every nation in the world, that is on duty day and night. I have long maintained that what we need down there is a United States' desk that would work day and night for the American people.

Instead, we have had a government that has taken our people into wars where we have had no business, and put our troops where they are neither needed nor wanted.

I stand alongside Senator Symington in efforts in the Senate to reassess United States military and economic foreign aid. Senator Symington says we ought to bring home at least half of the American forces stationed in Western Europe, and I could not agree more.

Speaking for myself, I have never voted for a foreign aid appropriation since going to the Senate some 17 years ago. I have no intentions of doing so until the whole program is reappraised from top to bottom and until I am convinced that it amounts to more than just a global giveaway.

If I had to name any one thing that alienated the American people from their government more than anything else in the past 25 years, it was the war in Vietnam. No one understood it. No one like it. It polarized our people as they have not been divided for more than 100 years.

We now have the War Powers Act, which greatly restricts the Executive Branch of government in committing troops to a foreign battlefield without Congressional approval. I pray to God that this country never again will let itself get involved in any war, anywhere, with any nation, unless our own national security is directly threatened.

Thus, we have a challenge to restore responsibility, integrity, and confidence to our government. It is a challenge of conscience . . . challenge of leadership . . . and a challenge of devotion to our nation.

Thomas Jefferson and Andrew Jackson lived in an earlier time, and we are now struggling in a vastly different and more complex world. But, the truth they spoke and the ideals that they stood for—like the teachings of the Bible itself—are as valid today as they were then.

Only when we return to the lessons found in the Holy Writ and to the teachings of men like Jefferson and Jackson—then and only then can we hope to preserve our nation in freedom, peace, and prosperity for future generations.

I confess that I do not have all the answers. But, I do know this: this country needs strong and decisive leadership. We need it in Congress. We need it in the White House.

When we have that kind of leadership, I am confident that it will be met in full measure by the strong will of a God-fearing, hard-working, and patriotic American people.

DEATH OF DR. HAROLD D. WEST, OF NASHVILLE, TENN.

Mr. BAKER. Mr. President, I was saddened to learn of the recent death of Dr. Harold D. West, the distinguished past president of Meharry Medical College.

Meharry, which is located in Nashville, the capital of my home State of Tennessee, is the largest predominantly black institution of medical education in the United States.

Dr. West was the first black president of Meharry. He was an accomplished and dedicated medical researcher, educator and administrator, and a valued friend of students, faculty members and all citizens of Nashville.

During his tenure as president, Dr. West's innovations and achievements helped make Meharry into an even greater center of learning.

I ask unanimous consent to print in the Record a memorial tribute to Dr. West by his friends at Meharry.

There being no objection, the tribute was ordered to be printed in the Record, as follows:

Harold Dadford West

In 1952 Dr. Harold D. West was elected the first Black president of Meharry, a choice based on his accomplishments as a biochemist and medical educator. He had served the college for 25 years as an associate professor, professor and head of the department, and for one year as vice chairman of the Interim Committee.

In the biochemistry laboratory he did original research in the synthesis of the essential amino acid threonine, and published 52 articles in scientific journals. As teacher, he was involved not only with the education of medical and dental students, but conducted graduate education as well.

His Ph. D. in biochemistry was appropriate for the needs of Meharry at the time of his presidency and he was able to expand both the basic science and clinical teaching. The faculty trebled. Sponsored research increased from $80,000 per year to $1,000,000 per year and a research wing was added to the hospital, as well as a new hospital wing known as the "West Wing" which was constructed in 1963 at a cost of $1.5 million. This new wing included a new complete department of Roentgenology, a complete new department of obstetrics and gynecology, space for the hospital pharmacy and a large well equipped emergency service, together with the new department of Psychiatry.

Dr. West was a very compassionate individual and he was always concerned about the human element. During his tenure as president, he established a department of social work and psychiatry, added to students' comfort by building its student dormitory and cafeteria, and helped faculty morale by the institution of faculty retirement system and credit union.

The students in dedicating the 1968 edition of the Meharrian to Dr. West spoke of "his wisdom, eloquence, insight, and guidance . . . both in his role as president and as a revered teacher . . . his courage to be different, determined and diligent . . . courage to go ahead in the face of defeat and discouragement . . ."

Desegregation of the student body was achieved in the face of criticism without fanfare and with the obvious stamp of Dr. West's belief in the dignity of all men.

After his retirement from the presidency of Meharry Medical College, Dr. West returned to his laboratory and again his research was fruitful. Prior to his death, he was writing a history of Meharry Medical College. He will be sadly missed by all of the Meharry Family.

JOB AND THE SUPREME COURT

Mr. ERVIN. Mr. President, I was dismayed yesterday when the Supreme Court again refused to take a stand against unconstitutional governmental invasions of individual rights and liberties. The case was California Bankers Association against Shultz which raised questions regarding the constitutionality of certain provisions of the so-called "Bank Secrecy Act." That act authorizes the Secretary of the Treasury to require the recording and reporting of private financial transactions.

With Justice Rehnquist writing for the majority, the Court refused to reach the serious constitutional issues raised by the Bank Secrecy Act, such as the right of an individual to be free from secret government snooping into his private financial affairs. Holding first that the act works no unconstitutional injuries on banks, the Court went on to hold that bank depositors lack standing to challenge the act unless their bank records are taken by the Federal Government without giving the depositors the opportunity to challenge the seizure, and these bank records are used against them. Justice Rehnquist underscores the Court's apparent newly-adopted policy of dodging hard constitutional questions, by referring to another of the Court's recent non-decisions which refused to strike down military surveillance of civilian political activities:

> The threat to any First Amendment rights of the ACLU or its members from the mere existence of the records in the hands of the bank is a good deal more remote than the threat assertedly posed by the Army's system of compilation and distribution of information which we declined to adjudicate in *Laird v. Tatum*, 408 U.S. 1 (1972).

When will the threat be serious enough to compel the Supreme Court to act?

I am reminded of the book of Job which echoes with the question, "How long?" In the second verse of the 19th chapter, Job cries out, "How long will you torment me and break me in pieces with words?" I think the words of Job very aptly express the feelings of the individual citizen whose individual liberty is besieged on every side by the forces of governmental recordkeeping, reporting, surveillance, and all manners of invasions of his privacy. Instead of recognizing the constitutional affronts posed by massive Army spying on citizens, and instead of laying down some protections against a vaguely disguised Government data bank on private financial transactions, the Court gives us words. These words serve only to hide the concrete issues raised by the Tatum case and the Bank Secrecy Act. Any nimble lawyer can drown facts in words. The Court, unfortunately, seems these days to be doing just that. It appears that the individual citizen whose privacy is violated in countless ways all of the time may have to wait a long time before the Supreme Court is willing to come to his aid.

Justice Rehnquist's view blinks at reality, just as Chief Justice Burger's did in the Army spying case. The only time Justice Rehnquist would allow a citizen to challenge the act would be in a suppression motion in defense of a criminal case. But Government's ability to spy on us invades our privacy whether or not it ever leads to prosecution. Indeed, it is more insidious to have silent, secret Government surveillance with the individual unable to defend himself in any way or in any forum. Having to rely on the exclusionary rule—which many of these same Justices would abolish—may protect against certain use of improperly gathered information. It does not prevent the Government from getting it in the first place, it does not make them give it up, and it does not protect the citizen against a snooping big brother. One of these days the Supreme Court will recall that the fourth amendment protects "the right of the people to be secure in their persons, houses, papers, and effects." It is not merely a rule of criminal procedure imposing some inconveniences on the Government in the proof of a criminal charge.

The time has come for the Congress to assert its power in the interests of the rights and liberties of the individual who is caught in the toils of what Justice Marshall aptly terms in his dissent "a hollow charade whereby fourth amendment claims are to be labelled premature until such time as they can be deemed too late."

> The plain fact of the matter is that the Act's recordkeeping requirement feeds into a system of widespread informal access to bank records by government agencies and law enforcement personnel. If these customers' Fourth Amendment claims cannot be raised now, they cannot be raised at all, for once recorded, their checks will be readily accessible, without judicial process and without any showing of probable cause, to any of the several agencies that presently have informal access to bank records.

This opportunity to raise constitutional claims is precisely what the Right to Financial Privacy Act, S. 2200, introduced by Senator Cranston with broad bipartisan support, is designed to guarantee. I urge my colleagues to join me in cosponsoring that bill and in seeing to it that this important privacy protection is enacted into law.

It is interesting to note that at least four Justices have expressed their view that congressional action in this area may be appropriate. In addition to Justice Rehnquist's remarks in passing, Justice Powell and Justice Blackmun specially concur in order to express the following reservation regarding the need to bridle uncurbed executive power:

> In their full reach, the reports apparently authorized by the open-ended language of the Act touch upon intimate areas of an individual's personal affairs. Financial transactions can reveal much about a person's activities, associations, and beliefs. At some point, governmental intrusion upon these areas would implicate legitimate expectations of privacy. Moreover, the potential for abuse is particularly acute where, as here, the legislative scheme permits access to this information without invocation of the judicial process. In such instances, the important responsibility for balancing societal and individual interests is left to unreviewed executive discretion, rather than the scrutiny of a neutral magistrate. *United States v. United States District Court*, 407 U.S. 297, 316–317 (1971).

Justice Douglas sounds the challenge more directly in his dissent:

> This [Bank Secrecy] legislation is symptomatic of the slow eclipse of Congress by the mounting Executive power. The phenomenon is not brand new. It was the case in *Schechter Corp. v. United States*, 295 U.S. 495. *United States v. Robel*, 389 U.S. 258, is a more recent example. *National Cable Television Assn. v. United States*, —— U.S. ——, and *FPC v. New England Power Co.*, —— U.S. ——, are even more recent. These omnibus grants of power allow the Executive Branch to make the law as it chooses in violation of the teachings of *Youngstown Sheet & Tube Co. v. Sawyer*, 343 U.S. 579, as well as *Schechter*, that lawmaking is a congressional, not an Executive, function.

It is high time we took up the challenge here in the financial privacy field where the Supreme Court has refused to act by enacting S. 2200, as well as in many other areas where Congress is uniquely able to act now to protect individuals from an over-intrusive government.

HIBERNIAN SOCIETY BANQUET

Mr. HOLLINGS. Mr. President, each year at the anniversary celebration of the Hibernian Society of Charleston, S.C., a member of the clergy responds to the society toast "To the Day We Celebrate."

This year, at the 173d anniversary dinner of the Hibernian Society, we were fortunate to hear an address by Msgr. George Lewis Smith, pastor-emeritus, St. Mary Help of Christians Parish and the Aiken Missions, Aiken, S.C.

So often when we celebrate a memorial, or observe a day set aside in honor of an historical figure, we go through the form without pondering the substance. St. Patrick's Day is a case-in-point. How seldom it is when March 17 rolls around that we really pause to recall what the day is all about. And even if we had the desire to do so, we more often than not lack the information to go on.

Monsignor Smith's speech brings us face to face with the historical St. Patrick, and the meaning of St. Patrick's Day. And it does so eloquently and beautifully.

Mr. President, I ask unanimous consent that Monsignor Smith's talk be printed in the RECORD, and I hope it is widely read.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY MSGR. GEORGE LEWIS SMITH

Mr. Chairman, Mr. Vice President of the United States, Monsignor Manning, reverend fathers, distinguished guests, members and friends of the Hibernian Society of Charleston: When I accepted your gracious invitation to speak at this banquet I was told that the topic assigned to me was: "The day we celebrate." I thought it rather a foolish and futile subject to ask me to speak on for if there is a single person in this hall tonight who does not already know that the day we celebrate is Saint Patrick's Day, then all I can say is that this banquet of the Hibernian Society is no place for you.

We celebrate and commemorate Washington's birthday; Lee's birthday, Lincoln's birthday and the birthdays of other famous personages but the day we celebrate is not the birthday of Saint Patrick—No; the day we celebrate is the day his immortal soul was liberated from its mortal encasement, which, according to tradition, was either March 17, 492 or March 17, 493.

It has been aptly said that no saint has left a deeper imprint on the land he evangelized than Saint Patrick. Saint Augustine in England; Saint Andrew in Scotland; Saint David in Wales; Saint Boniface in Germany—are remembered only as the shadow of their names and their influence seems to have spent itself, while Saint Patrick still appears to be a living force not only in Ireland but the whole world over, wherever there are Irish hearts to cherish his memory and Irish lips to shout his praises.

Whether he was born at Dunbarton in Scotland or at Monmouthshire, near the mouth of the Severen, and whether he first saw the light of day in the year 387 or 389 are controversial matters which I leave to Irish scholars. This much is certain—he was born a Roman subject—a citizen of that far-flung empire which extended its sway over the British Isles long prior to his birth. His father was probably a decurian or concillar in the Roman town of Banvem Tabernia.

It was during the reign of Emperor Theodosius that a band of Irish raiders swept down on the coasts of Saul and carried off the inhabitants including Saint Patrick, who was then about sixteen. Landing on the coast of Antrim, the pirates sold Patrick as a slave to a petty chieftain in Ulster named Michlo.

It is from that wonderful account written by Saint Patrick himself, entitled the "Confession" that we derive most of our information about this period of his life. Saint Patrick's head was shaved and he was clad in the long sheep-skin tunic and leather sandals that denoted the livery of a slave. He had to tend his master's swine on the slopes of Mount Slemish and do the menial work in the pagan household.

For six long years Saint Patrick remained in servitude, never wavering in his faith in God and in the fervor of his prayers. God heard his prayers for we are told that he was divinely guided to escape from his captivity on Mount Slemish when he was 22 years of age. He made his way to the sea, over 200 miles distant, where a ship was about to sail. The captain reluctantly let the exhausted slave come aboard. After three days at sea they landed at an unknown coast and journeyed overland for 28 days until they arrived in Britain where Saint Patrick found some of his relatives who sheltered him. He resolved to become a priest and to return some day to Ireland to convert the Irish pagans from their idolatry.

His plan to return to Ireland to convert the druids persisted all through the long years of his ecclesiastical studies and after his ordination to the holy priesthood. At length, after a pilgrimage to Rome to secure the approval of Pope Celestine about the year 432 he was consecrated a bishop and sent out by sea for the Emerald Isle. He and his companions probably landed near Wiclow Head. The Druids immediately opposed him, but he was not cowed by their opposition. The first thing he did was to pay the price of his ransom to his former master, then freed from the stigma of being a fugitive slave, he set out on his mission.

Who is there who does not thrill at the magnificent challenge Saint Patrick hurled at the pagan kings at Tara! Leoghaire, the supreme monarch of all Ireland, summoned all the lesser chieftains to Tara for a special feast on March 26, 433, and decreed that all fires be extinguished throughout the kingdom until the signal blaze was kindled at the royal mansion to announce the commencement of the feast.

Saint Patrick climbed the hill of Slone, directly opposite the royal residence, and lighted a huge bon-fire in bold defiance of the edict. The druids attempted to extinguish it but in vain. Saint Patrick was brought before Leoghaire and the assembled chieftains at Tara. He appeared in his full episcopal robes, with mitre and crozier and defended himself by preaching to them the great truths of Christianity, including the doctrine of the trinity. It was on this occasion, according to tradition, that he plucked the shamrock at his feet and used it to illustrate by way of analogy the one God in three divine persons. So impressed were the chieftains with Saint Patrick that they granted him leave to preach the faith throughout the length and breadth of Ireland.

He encountered terrific opposition from the druids and pagans and had to endure all kinds of hardships. He was mis-judged by some, betrayed by others. One of his close friends brought false accusations against him and for a short time he was deposed from his bishopric. He went to Rome to defend himself, where he was soon reinstated and returned to Ireland to resume his interrupted labors for the conversion of the Irish.

As I have already said, no saint has left a deeper trace on the land he evangelized and the race he converted than did Saint Patrick, for over 15 centuries the Irish have clung with unshaken tenacity to the faith he preached to them in spite of persecution, opposition, hardships, famine and exile. In every corner of the globe, wherever a knot of Irishmen are gathered together, the name of Saint Patrick is revered and blessed in song and speech and prayer.

As we look back in retrospect we can observe some of the outstanding traits and characteristics that caused him to achieve greatness in his own time and to retain that greatness for all time.

First of all, Saint Patrick was a giant in spirit. Prayer is the hall-mark that identifies the souls who "walk with God." It was the source of his strength and the secret of his success as a saint and as an apostle. The gift of prayer was specially characteristic of Saint Patrick and it is a gift that he handed down to his spiritual children, for it is a noted trait of the Irish to pray and to pray fervently whenever they are in the midst of trials and tribulations. Prayer was for Saint Patrick—as it should be to us—the lifting of the mind and will to God, asking help from on high!

The next outstanding characteristic of Saint Patrick was that he aimed at the ultimate objective regardless of present personal inconveniences, hardships and difficulties. This trait is marked in every man who does great things, whether he be saint or sinner. This single-mindedness of purpose—this habit of always keeping your eye on the ball, if you will—seems to be essential to achieve worthwhile things in any walk of life. And Saint Patrick possessed it in a remarkable degree. Once he decided that he would devote his life to the conversion of Ireland, nothing, not even treachery, betrayal or suspension ever deterred him even for a single instant from his goal.

The third characteristic that seems to stick out throughout his life was his undaunted courage in the face of obstacles and opposition. That magnificent challenge he flung into the faces of the assembled chieftains at Tara is but one example of his undaunted spirit that he constantly displayed during his apostolate and which he seems to have bequeathed to his spiritual descendants, for I have yet to meet a real Irishman who would run from a fight.

Saint Patrick always possessed the proper sense of balance and proportion between the temporal and the eternal phases of life. To put it in the vernacular, he had plenty of common sense. He was a saint, but at the same time a practical man as well. He foresaw that if he converted the chieftains he could convert their followers as well, and so he began at the top. He realized that a native born clergy would be a tremendous asset to the church and so he trained the sons of the people and ordained them to be priests. All through his life he demonstrated a sober and practical judgment concerning temporal things, but this never dimmed his fine sensibilities for spiritual things which always retained first place in his life. He used temporal things as a means to an end, and that end was the conversion of men's souls and their eternal salvation.

We, too, need these same traits and characteristics in our own lives if we wish to live worthwhile lives and attain the noble end for which we are created.

In this present day and age when all the world seems to be topsy-turvy and not alone political systems, but economic, social and moral systems as well are tottering precariously: when everything seems to be in a state of chaos and confusion, and there does not appear to be any material security, we, too, need to be giants in spirit and "walk with God in prayer" asking help and guidance from on high.

We need to determine our ultimate objective and to aim steadily towards it regardless of the vicissitudes of the times and present personal inconveniences, hardships and difficulties.

We need to have the undaunted courage that Saint Patrick always manifested in facing obstacles and opposition, and like him to always exemplify the courage of our convictions.

We need to regain and to maintain the proper sense of balance and proportion between the temporal and the eternal phases of our lives, and like Saint Patrick to make practical use of the mundane things of life not as ends in themselves but as means to fulfill the end which is the eternal destiny that the great God has ordained for each of us!

FINANCE COMMITTEE ANALYSIS OF BUDGET BILL

Mr. DOLE. Mr. President, in preparing the RECORD of March 22, a Finance Committee analysis of the budget bill was inadvertently omitted from my statement on S. 1541. I ask unanimous consent that this report be printed in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

MEMORANDUM

MARCH 18, 1974.

To Members of the Committee on Finance.
From Michael Stern, Staff Director.
Subject: S. 1541—Congressional Budget Act.

SUMMARY

S. 1541, the Congressional Budget Act of 1974, as reported by the Committee on Rules and Administration, is designed to provide the mechanisms and procedures for Congress to establish its own annual Federal budget and to consider spending, revenue, and debt limit legislation in the context of that budget. The provisions of the bill would have a number of effects on the consideration of legislation handled by the Committee on Finance.

The major changes affecting the Finance Committee are the following:

1. The fiscal year would begin October 1 instead of July 1.

2. By April 1 of each year, the Finance Committee would have to submit a report to the newly created Budget Committee estimating the effect that Finance Committee legislation will have on expenditures, revenues, and the debt limit.

3. Certain kinds of legislation would have to be handled before specific dates; revenue legislation for the upcoming fiscal year could not be considered by the Senate before June 1. However, procedures are provided for waiving these restrictions.

4. Once the Finance Committee has reported legislation affecting welfare, Medicaid, social services, and other entitlement programs, the legislation would be referred to the Appropriations Committee for 10 days.

5. In September of each year, the Congress would debate and adopt a concurrent resolution setting appropriate spending, revenue, and debt limit levels for the coming fiscal year. The resolution could direct the Finance Committee to report legislation raising taxes or cutting back on spending programs within the Committee's jurisdiction.

A more detailed description of the impact of S. 1541 on Finance Committee activities follows:

OVERALL VIEW OF THE BILL

Purpose

The Congressional Budget Act of 1974, (S. 1541), as reported by the Committee on Rules and Administration, is designed to provide the mechanisms and procedures for Congress to establish its own annual Federal budget and to consider spending, revenue, and debt limit legislation in the context of that budget. The provisions of the bill would have a number of effects on the consideration of legislation by the Committee on Finance.

Outline of congressional budget process under S. 1541

On May 1 of each year, the new Budget Committee of the House and Senate would report to their respective Houses a concurrent resolution which would, in effect, be a Congressional budget document setting forth appropriate levels for spending, revenues and public debt for the coming fiscal year. The spending levels would be broken down into functional categories (such as "health," "income security," "national defense") and would include funding levels for continuing ongoing programs and for any proposed new legislation. The recommendations in the resolution reported by the Budget Committee would be subject to debate and amendment during May. When agreed to by House and Senate, the resolution would represent Congressional judgment of the appropriate fiscal situation for the coming year, although the amounts set forth in it would not otherwise be binding.

After the June 1 adoption of the concurrent resolution, action on spending and revenue bills would proceed during June and July. In early September, a second concurrent resolution on the budget would be considered by the Congress which would revise or reaffirm the earlier resolution and which could direct the appropriate Committees to report legislation changing spending, revenue, or debt limit levels (or any combination of the three). Upon adoption of the resolution, Committees directed to do so would report the legislation called for by the resolution and this legislation would then be debated by Congress as part of a "reconciliation bill." S. 1541 calls for action on this reconciliation bill to be completed by September 25, 5 days before the start of the new Federal fiscal year which, under S. 1541, would run from October 1 to September 30.

IMPACT OF S. 1541 ON FINANCE COMMITTEE

Legislation which results in additional Federal spending

Annual report to Budget Committee.—Each year, prior to the consideration of the first concurrent resolution on the budget, each Committee would be required under S. 1541 to make a report to the Budget Committee estimating the amount of additional Federal spending during the coming fiscal year which will result from legislation under the Committee's jurisdiction. This report would be due no later than April 1.

Deadline for reporting authorizing legislation.—Legislation which authorizes appropriations (but does not necessarily require them) would have to be reported by May 15 preceding the fiscal year for which the appropriations are authorized. (The bill includes a procedure under which this deadline could be waived by Senate resolution; the rule could also be suspended by a majority vote of the Senate.) The Committee on Finance has jurisdiction over some programs which fall in this category, such as grants to States for child welfare services and for maternal and child health.

Impact of concurrent budget resolutions on legislation.—The first concurrent resolution, which would be passed about June 1, would set targets for spending in various areas, but would not be mandatory. A second concurrent resolution, however, would be passed shortly after Labor Day, and this resolution would not only set appropriate spending levels but could direct the Committees having jurisdiction over spending legislation to report measures which would rescind previously enacted spending authority so as to bring spending for the coming fiscal year within the levels determined to be appropriate. In the case of the Committee on Finance, this could include a requirement that the Committee report legislation which would defer or reduce benefits under entitlement programs including both trust fund programs (such as unemployment insurance or social security) and non-trust-fund programs (such as welfare, social services or medicaid).

After the beginning of a fiscal year, new spending measures for that fiscal year would be subject to a point of order if they would cause the spending limits in the concurrent resolution passed just before the beginning of that year to be exceeded. In the case of the Committee on Finance, this limitation would apply to entitlement legislation dealing with both trust fund and non-trust-fund programs. (A new concurrent resolution could, however, be passed to authorize such additional spending, or the rule could be suspended by a majority vote of the Senate.)

Appropriations Committee review of entitlement bills.—Legislation in such areas as supplemental security income, welfare, social services, or Medicaid creates an entitlement to payments on the part of individuals or State or local Governments even though these programs are funded through appropriation acts. S. 1541 requires that any future legislation which would create new entitlement programs or increase existing ones must be referred to the Appropriations Committee for a period of 10 days after it is reported by the substantive committee. The Appropriations Committee could not recommend any substantive changes in the legislation (e.g., lower individual benefit amounts), but it could recommend an amendment to limit the total amount of funding available for the legislation. If such amendment is approved by the Senate, the substantive committee might have to propose a further amendment to conform the legislation to that funding limit.

The requirement of referral to the Appropriations Committee would not apply to legislation affecting existing Social Security Act trust fund programs or other trust fund program substantially funded through earmarked revenues. It would also not apply to legislation amending the general revenue sharing program to the extent that such legislation included an exemption from that requirement.

Required report on spending legislation.—S. 1541 would require the Committee, in reporting legislation involving increased spending, to include in the report information showing how that spending compares with the amount of spending provided for in the most recent concurrent budget resolution. In addition, the report would be required, to the extent practicable, to show the impact of spending under the bill on State and local Governments and to provide a projection for five fiscal years of the spending which will result from the legislation.

Legislation relating to revenues and debt limit

Annual report to the Budget Committee.—The April 1 annual report to the Budget Committee which is described above would, in the case of the Finance Committee, also have to present views and estimates of the Committee with regard to revenues and the debt limit.

No revenue legislation prior to June 1.—Under S. 1541, debt limit or revenue legislation for the upcoming fiscal year would not be in order for consideration by the Senate (or House) prior to the adoption of the first concurrent resolution on the budget (about June 1). This rule would not apply to trust fund taxes, and it would not prevent action on revenue changes to be effective in years after the upcoming fiscal year. (A procedure for waiving this limitation is included in S. 1541; the rule could also be suspended by a majority vote of the Senate.)

Impact of budget resolution.—As with spending measures, the first concurrent resolution adopted at the end of May would set targets with respect to revenue and debt limit legislation, and the second concurrent resolution in September could direct the Committee on Finance to report legislation to achieve the changes in aggregate revenues or in the debt limit which the Congress determined to be appropriate. Such legislation would have to be reported in time to be included in the reconciliation bill which would be acted upon before the October 1 start of the fiscal year.

Required report on tax expenditures.—S. 1541 defines the term "tax expenditures" to include any revenue losses attributable to tax provisions such as income exclusions, tax credits or deferrals, or tax rates which represent a "deviation from the normal tax structure." The bill requires that the Committee report accompanying legislation to provide new or increased tax expenditures to include information as to how such legislation will affect the level of tax expenditures under existing law and a justification for the change. The report will also have to include (to the extent practicable) a projection of the tax expenditures resulting from the legislation over a period of five fiscal years.

The issue of impoundment

The Congressional budget established by the bill takes the form of a concurrent resolution which is passed by both House and Senate and consequently represents Congressional judgment of what would be appropriate levels of Federal spending, debt and revenues. The resolution is not signed by the President, however, and accordingly does not have the force of law. The levels of spending which the concurrent resolution sets forth as appropriate in the view of Congress could not, therefore, be used as a legal justification for impoundment actions. S. 1541, in addition, includes a disclaimer section which specifically states that its provisions cannot be used as a reason for Presidential impoundments. Further, the bill includes a provision limiting the circumstances under which funds can be withheld under the Antideficiency Act.

FLORIDA'S 1973 WINNERS, FREEDOMS FOUNDATION AWARDS

Mr. CHILES. Mr. President, America's founders and pioneers suffered, sacrificed, fought and died for the basic principles of individual freedom which are our inheritance. The struggle still continues and, I hope, always will, for the fight against any force that threatens our Nation's principles and aspirations is a necessary fight. A vital need for all Americans now is for renewed incentive to express, by word and deed, their faith in our country.

The Freedoms Foundation at Valley Forge, through its annual awards, encourages such expression and I am pleased that the outstanding efforts of these Floridians have been recognized:

Rev. Donald H. Eckert, St. Petersburg Beach, George Washington Honor Medal for spiritual value sermon. Rev. Richard T. Harbison, Pensacola and Rev. Ralph B. Huston, Fort Lauderdale, Honor Certificate Awards;

Carlos J. Arboleya, Miami, and Lt. Col. J. O. Cooper, U.S. Army, retired, Satellite Beach, George Washington Honor Medal Awards for public addresses;

University of West Florida at Pensacola, George Washington Honor Medal Award for college campus programs;

Americanism Committee. St. Petersburg American Legion Post No. 14, Bob Francis, chairman, George Washington Honor Medal Award for community service and Americanism—sixth award for the committee plus three previous honor certificates for the chairman;

Greater Fort Lauderdale Chamber of Commerce and Melbourne Area Chamber of Commerce, George Washington Honor Medals for community programs;

J. Earle Bowden, Pensacola News-Journal, Honor Certificate for cartoon;

Budd W. Boyer, Pompano Beach, William A. Mullen, Pompano Beach, and Arthur C. Schofield, Sarasota, George Washington Honor Medals for editorials. Waldo Proffitt, Jr., Sarasota, Honor Certificate for editorial;

Mrs. Vlasta Broz, Pinellas Park, Dr. Gilbert L. Lycan, DeLand, George Washington Honor Medals for letters to the editor;

Gen. Bruce K. Holloway, U.S. Air Force, retired, Orlando, George Washington Honor Medal for published article. John Appleyard, Pensacola, and S. L. Frisbie IV, Bartow, Honor Certificates for published articles;

School Board of Broward County and U.S. Coast Guard, Loran Station at Jupiter, George Washington Honor Medals for governmental unit activities;

John Appleyard, Pensacola, Carlos J. Arboleya, Miami, Dr. Luis M. Perez, Sanford, and Arthur C. Schofield, Sarasota, George Washington Honor Medals for general Americana. Arthur R. Barker, Fort Lauderdale, Neil Clark, Orlando, and Julia St. John, Miami, Honor Certificates for general Americana.

WASHINGTON-MOSCOW MEDICAL HOTLINE

Mr. PELL. Mr. President, as nations around the world become increasingly sophisticated in the sciences and technologies of peace, rather than of war, I hope that the sharing of important scientific information proliferates.

I believe that there is no field in which information sharing is more important than the field of health care. Researchers and practitioners from all nations need and deserve the support of their fellow scientists. Governments must lead the way in allowing that support to take place.

I believe that an excellent example of this cooperation will be seen in the International Cancer Research Data Bank, first authorized in the National Cancer Act of 1971. An important part of any data collection and distribution system is the communication link among scientists. A very good example, a first step, with great potential for the welfare of mankind, is the present teletype medical hotline between our Department of Health, Education, and Welfare, and the Ministry of Health in the Soviet Union.

An article written by Mr. Theodore Irwin about this communication link appeared in Parade magazine of Sunday, March 31. I believe that this story tells us all a great deal about the benefits of working together on the problems of all men. Accordingly, Mr. President, I ask unanimous consent that the article entitled "Washington-Moscow Medical Hotline" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WASHINGTON-MOSCOW MEDICAL HOT LINE

(By Theodore Irwin)

ROCKVILLE, MD.—At an unobstrusive cubicle in the sprawling Health, Education and Welfare Offices here, some 20 miles from Washington, a teletype machine starts chattering at 60 words a minute. The message, in Russian, comes from "Minzdraw Moskva"—Ministry of Health, Moscow. Alerted in a nearby room, a young American doctor steps in, begins translating, nods and beams with satisfaction.

The new medical Hot Line between the two nations has flashed another instant communication that could prove of lifesaving significance. The other direct Washington-Moscow transmission link is the Hot Line originally proposed by PARADE that began operating in 1963.

"That first Hot Line," HEW Sescretary Casper W. Weinberger told PARADE the other day, "is to be used only in cases of extreme emergency when peace is seriously threatened—to prevent thermonuclear war. Our Hot Line for Health actually functions daily, a continuing dialogue for the most peaceful of purposes."

Conceding the activation of the medical "instant-teamwork" link last September was part of détente, Weinberger points out that health is a universal problem needing universal solutions.

"Our Hot Line," he adds, "now brings together scientists and technicians in the world's two largest health research establishments for immediate trading of information. Ultimately this could save a countless number of lives."

Until the new system was officially launched, it took at least a month, sometimes three months, for turn-around medical communications to and from the U.S.S.R. Long delays can paralyze a joint project. And with biomedical investigators in both countries experimenting on important drugs, it's essential that bad reactions to a trial drug be reported quickly. Today, if one scientist comes up with a brilliant idea or breakthrough, he can put it on the teletype and have his counterpart thinking about it in a few minutes.

Under the official agreement of the U.S.-U.S.S.R. Joint Committee for Health Cooperation, researchers are concentrating on cancer, cardiovascular disorders (heart disease is the Number One killer in both countries) and environmental health, including pollutants, radiation, noise. Arthritis was recently added.

GREATER COOPERATION AHEAD

"We are broadening our areas of cooperation," notes Dr. S. Paul Ehrlich Jr., the Minnesota-born Acting Surgeon General who heads the international section of HEW. "Joint studies are underway on mental illness such as schizophrenia and depression. We'll be getting into influenza where the Soviets are doing a tremendous amount of research and testing various vaccines. Our teletype machines will be used to report findings on preventing 'sudden death' which occur within 72 hours after a heart attack.

"In another sphere of mutual concern, the delivery of health services, we are training and using physician assistants and nurse practitioners. The Soviets have a well-developed program for using medical assistants called 'Feldschers' and we'll be able to see how they train and utilize their paramedics."

Clearly, doctors in the two countries have much to learn from each other. The Soviets, for instance, are pioneering in the use of laser beams for glaucoma; here, we've led the way in treating detached retina with the laser. In arthritis, Dr. Ehrlich points out that the Russians tend to rely more extensively on physical medicine and rehabilitation (especially hydrotherapy and mud therapy) and less on drugs than we do. American medical scientists focus on basic research to find the cause of a condition and then to seek a method of prevention or cure.

LEARNING FROM EACH OTHER

Thus far, after consulting over the Hot Line with more than 80 messages, the Soviets have sent us 13 experimental anti-cancer drugs and we have sent them 22. Both sides are testing them in the same way, thus doubling efforts to discover a cancer cure.

As word of the Hot line gets around, the U.S. project operators receive an increasing number of queries from doctors (and even some from lay citizens) asking what the Russians are doing in a specific disease such as multiple sclerosis or myasthenia gravis, a muscular debility. (The cost to us of a Hot Line message? Only $2.55 a minute on the teletype.)

On a particular research project, scores of scientists may become involved. Take the case of the handsome, 9-year-old baboon from a primate research center at Sukhumi in southern Russia. This animal is a special species wholly unlike any in the U.S. The Soviets had developed a "virus" taken from a human afflicted with lymphoma (leukemia of the lymph system, a form of cancer) and inoculated the baboon with it. After a number of Hot Line messages to speed up the shipment to us, we sent a special cage for the sick baboon in December.

MIKE THE BABOON

Quarantined at the Litton Bionetics Research Laboratories in Kensington, Md., "Mike" (as one researched dubbed him) was examined by dozens of our scientists. When Mike succumbed to the disease in January, cellular tissue material was taken from him for thorough study.

Did the baboon have the leukemia claimed by the Russians? Did the virus behave the way they described it? Could we reproduce the same kind of cancer virus? If it can be proved that the Soviets are on the right track, most of the U.S. cancer-research centers, and as many as a hundred medical investigators, will be working on a host of studies.

Obligingly, last month the Russians shipped us another baboon, this one an attractive 4-year-old female. At the age of 5 months, Soviet scientists began giving her blood from other baboons afflicted with lymphoma. Now in isolation at the Bionetics labs, she has replaced Mike as the focus of intensive research.

"This baboon research," says Dr. Ehrlich, "could greatly open up the possibilities for an ultimate cure for leukemia."

OVER BUREAUCRATIC OBJECTIONS

The idea for a medical Hot Line had been incubating for some years. One little-known factor was the collaboration by Dr. Michael DeBakey, the noted American surgeon, and Dr. Boris V. Petrovsky, the Soviet Minister of Health, on a book dealing with heart surgery. They're still exchanging chapters. This joint venture seemed to pave the way for a Hot Line which at first startled Moscow bureaucrats. Then came President Nixon's summit meeting with Brezhnev in May, 1972, resulting in a new health-research agreement—but still many Russians backed off from our Hot Line proposal, because of their own bureaucracy and concern over the use of such a bold idea as a direct link with the U.S. health community.

Finally, when HEW Secretary Weinberger visited Russia last fall, he persisted: "Let's install the Hot Line before I leave." Sure enough, as Dr. Petrovsky overrode his colleague's objections, the teletype tie opened five days later.

Another event that helped break the ice is related by Dr. Roger O. Egeberg, the President's special consultant on health affairs who accompanied Weinberger to Russia:

"At the Black Sea cottage where Brezhnev and Kosygin have spent summer vacations, Dr. Petrovsky hosted a dinner party for five of us American scientists. From 9 in the evening until 3 a.m., we ate, drank—half vodka, half Georgian wine—toasted each other and sang. Some toasts lasted 15 minutes. We learned a new method of communication and developed trust in each other, all in good humor. Until then, the Russians had been stalling about the Hot Line and I'm convinced that our long party gave it the necessary impetus."

While it's too early yet to assess the full value of the medical Hot Line, Dr. Oliver M. Korshin, who directs our health exchange program with the Soviets and who is in charge of the Hot Line, points to an important advantage for us. Here, experiments on a human patient—whether with drugs or other means—can legally be performed only with his permission and full knowledge of the possible consequences. Soviet standards and regulations on human research differs from ours, so that we could benefit from their experiments. With trial drugs, fatal or life-threatening effects in Russia can alert our own doctors over the Hot Line.

Looking ahead 10 years from now or sooner, Dr. Korshin can foresee a family in Dallas or Dubuque buying vital Soviet-made drugs imported under a U.S. license. Thanks, probably in great part, to those clattering teletype machines in Rockville and Moscow.

NUTRITION PROGRAM FOR THE ELDERLY POOR

Mr. TOWER. Mr. President, I was most pleased to note that the House of Representatives, on March 19, approved legislation to extend title VII of the Older Americans Act. This important title provides a nutrition program for our Nation's elderly poor insuring them of at least one hot meal each day.

As my colleagues know, this program has been received most enthusiastically by the States, and has gone a long way toward offsetting the effects of inflation and the energy crisis on our elderly citizens. The program is currently providing approximately 200,000 hot meals per day.

As a cosponsor of S. 3100, the Senate companion measure to the House-passed legislation, I urge its expeditious consideration and approval by the Senate.

NO PARADES

Mr. HART. Mr. President, when Johnny came marching home from World War II, he was welcomed with parades and with Federal programs to help him readjust to civilian life.

When the Vietnam war veterans came home some 25 years later, there were few parades and too little public support for adequate programs to help them.

One difference was, of course, that in

the 1940's the Nation was certain its cause had been just, while today we question the wisdom of our policy to wage war in Vietnam.

If we are to be fair, however, decisions on how to assist returning veterans should not depend on whether they were sent to fight in a popular or unpopular war.

The Vietnam veteran no less than the World War II veteran spent time abroad when he or she could have been studying, learning a skill, or pursuing a career.

A wound received while fighting in Vietnam was no less hurtful than one received while fighting in Europe or the Pacific theater.

The disabled soldier faces the same tough problems, regardless of the popularity of the war in which he was wounded.

In the sense that we sought to pursue that Vietnam conflict with a guns-and-butter policy, with a policy that asked little of those of us who stayed home, it can be argued that we should offer more rather than less assistance to Vietnam veterans.

In the sense that veterans of an unpopular conflict have a more difficult time resuming useful civilian lives, it can be argued that we ought to do more rather than less.

Friday, the Nation observed Vietnam Veterans Day, an observance I support, not as an opportunity to justify or criticize our Vietnam policy, but as a day to remind us that we do have a responsibility to help those who served in that conflict.

If observed in that spirit, the day can be an opportunity to unite rather than to divide, to heal rather than to open old wounds, to help rather than to blame.

SENATOR CLARK TELLS IT THE WAY IT IS

Mr. HUMPHREY. Mr. President, whether or not the American farmer has "never had it so good" has been the subject of a great deal of debate since the President recently raised the question with his statement before the National Association of Broadcasters convention in Houston.

It is true that prices for many farm products are higher today, but so are farm costs, and there seems to be a shortage of fertilizer, railroad cars, farm implements, and a variety of other necessities everywhere the farmer turns. As a result, many farmers are losing money, and the outlook for others is uncertain at best.

Last week, in a speech to the annual convention of the National Corn Growers Association in Des Moines, Senator DICK CLARK accurately described the problems facing the American farmer—and the potential for even greater productivity.

He outlined a number of steps that Congress can and should take to guarantee that the American consumer can continue to get the best food at reasonable prices and that the American farmer can continue to get a fair return on his investment and hard work.

Mr. President, I ask unanimous consent that the full text of Senator CLARK's remarks be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

TEXT OF SPEECH TO NATIONAL CORN GROWERS ASSOCIATION ANNUAL CONVENTION, DES MOINES, IOWA, FRIDAY, MARCH 29, 1974

It's a privilege and a pleasure for me to be able to spend a few minutes with you at what might well be your most important national convention. In the 15 months that I have been in the U.S. Senate, there have been a number of opportunities for me to work with your association, national chairman Walt Goeppinger, and President Gaskill. That relationship has been both enjoyable and productive, and I am looking forward to it continuing for many more months and years.

It's particularly good to have all of you here in Iowa, the largest corn producing state in the nation.

I can't think of a better time or a better place for the nation's corn growers to get together than right here and right now.

This is National Agriculture Week. And at a time when the world demand for food is growing so rapidly, at a time when we produce three-fourths of the world's corn exports, at a time when so many people depend on American agriculture, it is particularly appropriate to recognize the indispensable contribution of the American farmer, not only to the nation's economy, but to the nation's well-being and health.

The productivity of the American farmer is one of the great success stories in history. Two hundred years ago, this county began—like all others—as an agricultural society. Ever since then, the number of farms and the number of farmers has declined, but their productivity has vastly increased. The average yield from an acre of corn, for example, has gone from 63 to 92 bushels in just the last ten years, and from 32 bushels 30 years ago. Last year in Iowa the average yield was 108 bushels per acre.

One farmer today produces enough food for 51 people. Twenty years ago, the same farmer on the same land would have produced enough to feed only 15 people. And nothing in the world compares with the quality of that product and its value.

Even with the recent increases in food prices, the average family in this country spends only about 16 cents out of every dollar on food. In Europe, it's double that amount, and in the underdeveloped countries, families spend 70 to 80 cents out of every dollar on food.

The American farmer does much more than just provide food for the people of this country. Agriculture is the only thing that's keeping our international checkbook in balance. This year, for the first time in several years, the United States had a foreign trade surplus—we exported more than we imported by 1.7 billion dollars. That boosted the economy and strengthened the position of the dollar, and the most important reason it happened was agriculture. Last year we exported 17.7 billion dollars worth of agricultural products. Each of you had something to do with it because, in that year, one out of every five bushels of grain harvested went to markets overseas.

One result of all of this was a record farm income in 1973. It was long overdue. For many, many years, farm families have struggled and suffered, and until last year, they rarely really shared in the nation's prosperity. But despite what the President said, it is still a mistake to suggest that "farmers have never had it so good." That is far too great a generality to have much meaning.

1973 *was* a good year. But that will be little consolation for the American farmer or the American consumer if 1973 turns out to be the only good year for agriculture in this decade. You don't have to be reminded that one-dollar corn was the rule not long ago. This country's goal must be to continue to feed people well, to continue to export food abroad, and to continue to give the farmer a fair return on his investment and his hard work.

1973 *was* a good year, but unless we move decisively in several areas, it will not soon be repeated. And you know that better than most people.

You know the serious problems facing cattlefeeders. You know about the fertilizer shortage, and the shortages in many other products, from tractors to bailing wire. You're well aware of the incredible lack of railroad boxcars to move grain to market. And better than anyone else, you know that the price of tools, farm implements, seed, and everything you need to run your business, has gone up and is still going up.

Fertilizer prices have almost doubled since October. Land prices are 21 percent higher than a year ago. Farm equipment prices have increased by 30 percent. All in all, farm prices are expected to be 15 percent higher this year. If that happens, net farm income may fall to only $16 billion—which is what it was for three years from 1969 to 1971.

More than ever before, the federal government must show a greater concern for the problems and needs of farm families and rural communities. There have been dramatic changes in agriculture over the last few years, and government is just beginning to adjust to them.

For 25 years, Congress reluctantly legislated production controls, conservation and price-support programs—and the money to pay for these programs. Surplus production and increased productive capacity had a quieting effect on those who predicted that government programs might curtail the food supply of a hungry nation. But things have changed, and one of those changes was the 1973 Farm Bill. It passed both houses of Congress with very strong majorities. Consumer-oriented and urban Congressmen were beginning to realize that the nation's food production machine deserved their support if their constituents were going to continue to enjoy their usual eating habits.

At the time this bill was drafted in the Senate Agriculture Committee, it was a very good bill. It had provisions to deal with overproduction—authorization for set-aside acreage and production control. It had features to stimulate production if necessary—$1.53 per bushel guaranteed prices for corn, with an escalator clause to increase that target price as the cost of production increased.

However, after Senate passage, the House and the Conference Committee made the bill less effective, under the threat of Presidential veto. The lifespan was cut from five years to four years. The target price on corn was reduced from $1.53 to $1.38, and the escalator clause was eliminated for 1974 and 1975 crops.

What began as a good bill was whittled away even more by administrative interpretation. The allotment acreage, which Congress intended to be the acreage the farmer was encouraged to plant, was set at 89 million acres for feed grains. But in reality, farmers plan to plant 108 million acres. In addition, the disaster provision designed to offer a guarantee against spring floods and below-normal production was watered down.

The blunt truth is that a law less than eight months old needs major revision. The Secretary's authority to establish allotments needs to be revised and reworded—as Walt Goeppinger suggested at a Senate Agriculture Committee hearing that I chaired last month in Washington. The target price must be adjusted upward to a level more in line with the cost of production, if it is to have any meaning at all. And the escalator clause to adjust the target price to reflect the costs of production must be put into effect immediately. Also, the disaster provisions need to be more explicitly worded to require the USDA to follow the intent of Congress.

And all of this is just a beginning. There are several other areas that deserve the attention of Congress now, and I'd like to take a moment to discuss a few of them with you.

Next week, I plan to introduce a bill that simply says that "any nonrecourse loan made by the Commodity Credit Corporation shall mature one year after the date of disbursal unless the maturity date of the loan is extended by the Secretary."

Under the bill, any commodity loan disbursed through the ASCS office will be due 365 days after you receive the money. It would alleviate the transportation problems that result from all corn loans being due July 31, soybean loans being due June 30, and oat loans being due April 30.

The chances for passage of this proposition are good. Even Secretary Butz has admitted to me that it might be a worthwhile idea.

There is also an obvious need to get more young people into farming and to keep those already on the farm in agriculture. I am working on a "Young Farmer Investment Act" in an attempt to get young couples involved in farming as property owners with a chance to survive and raise a family in this era of inflation and high-cost capital.

This plan—to be administered through the FHA—would enable young couples to buy a farm with a 10 percent down payment and then finance one-half of the balance with payments over 40 years. The other half would be paid all at once at the time of sale or transfer to an heir or if the new owners are qualified they could obtain a new 40-year loan on the balance.

Last week, the Senate Agriculture Committee held hearings on another critically important question—the need for a strategic grain reserve. After the last two years of such high and low commodity prices, and with them, unprecedented fluctuations, it couldn't be more timely. The grain reserve is designed to "skim off" excess supplies of grain in years of over-production and tuck them away to use *only* in years when production does not meet domestic demands and export commitments.

I am convinced that a grain reserve is in the best interests of the farmer, the best interests of the consumer, and the best interests of the nation.

It will provide price support and protection. In years of overproduction and depressed prices, a reserve plan like the one I have proposed would skim up to 60 percent off the estimated carryover and lock it away. Then, in subsequent years when production is below need, either by design or by accident, the reserve could be channeled back into the market without depressing prices.

An important "prevention" clause is included—in *no year* and at *no price* could the amount sold out of the reserve ever exceed the difference between anticipated need and anticipated production. This is how it might work:

In 1974, we might produce 6.5 billion bushels of corn and need 5.8 billion bushels. A 700-million bushel surplus would depress prices. Reserves could accumulate up to 420 million bushels, stabilizing prices. In 1975, we might produce 5 billion bushels but need 300 million more, and we would have them in reserve. They could be sold, but—and this is very important—they could not be sold at unreasonably low prices. My bill specifies that it must be sold at the average price of the previous five years, or 120 percent of the target price or the market price—whichever is highest. Any fears that a reserve will depress prices are unfounded.

This mechanism should provide farmers with the important guarantee that surpluses could not be accumulated and then dumped by the government to break the market. And remember—the total amount sold from the reserve cannot exceed the difference between need and production.

Regarding storage of the reserve—thirty percent of the accumulated reserves must be stored in the area of production to protect local farmers in case of disaster. We don't want all of the reserves stored in terminal or gulf elevators.

There's another area of mutual concern: the need to improve control of commodity future-contract trading.

Last year, futures contracts bought and sold on 14 active commodity exchanges accounted for $400 billion. That is a larger dollar volume than the stock exchange. It is larger than the entire federal budget. These transactions affect the price a farmer receives for his produce, the price middlemen pay for raw material, and the price the housewife pays for goods on the supermarket shelf.

Right now, the commodity exchanges and their enormous trade is regulated by an agency of the Department of Agriculture—the Commodity Exchange Authority. It is not a strong regulatory agency, and the commissioners responsible for enforcement of this business serve on a part-time basis, and each has many other obligations competing for time and attention—any business that has so great an impact on the lives of all Americans deserves much better supervision.

At my request, the Government Accounting Office last year began an extensive investigation of the commodity trade and its regulation. We expect a final report soon, and I will then introduce legislation that will use the recommendations of G.A.O. to improve federal regulation of the commodity exchange.

Legislation drafted by the Senate Anti-Trust Committee embodies many of the recommendations made by G.A.O. to date, but the bill I finally support will have to provide for a strong and independent regulatory agency with commissioners serving full-time and without conflicting interests.

There must be authority to deal effectively with violations of regulations protecting the traders and the public. And the commissioners must have the power and the initiative to direct improvements in trading—such as establishing delivery points for grain and improving delivery potential for livestock contractors.

Many other areas in which we all are concerned need attention—not necessarily legislation—but definitely better oversight.

I've been working for three months to promote production of adequate supplies of fertilizer. I believe we made some headway. The latest step came last month when the Senate passed a resolution calling on the federal government to help guarantee uninterrupted supplies of natural gas and other energy for the production and distribution of nitrogen and phosphate products. In addition, I hope Congress continues to seek ways to alleviate the problems with railroads and transportation in general. I wish we had time to discuss this very important matter. We must find a solution to the shortage of adequate rail transportation. If we do not, there will be serious problems for grain producers and users.

I would like to think this will be a year of action for agriculture. I am heartened by the fact that consumers everywhere and urban Congressmen are beginning to share some of our concern for the problems of farmers. We have a responsibility to continue to educate them. They now realize that farm exports enable us to maintain our balance of payments so vital to a sound economy. There aren't "farm" issues any more—the issues vital to agriculture are national issues, because the success and prosperity of the American farmer are indispensable to the success and prosperity of the American people.

NO-FAULT INSURANCE

Mr. BAKER. Mr. President, in a few days, the Senate will once again turn its attention to the issue of no-fault insurance with consideration of S. 354. In the last Congress, the issue was framed in debate of S. 945, which was re-referred to the Judiciary Committee.

I am concerned that copies of the committee report on S. 945 are difficult to obtain and that my views as printed in the current report of S. 354 do not fully set forth my position on this complex issue but are supplementary to my earlier views. For this reason, I ask unanimous consent that my views on both these bills be printed in the Record following these remarks.

There being no objection, the minority views were ordered to be printed in the Record, as follows:

Report of the Senate Committee on Commerce on S. 945

Minority Views of Mr. Baker

During the past several years the concept of "no-fault insurance" has come under considerable discussion, and has been the subject of much debate and publicity. Unfortunately, many of the complexities of the issue have been ignored and much of the debate has been clouded by massive sales campaigns on both sides of the issue. I hope in these remarks to clarify what I consider to be the basic considerations in the development of no-fault insurance programs.

Let me start by saying that I support no-fault insurance and feel that it is an important part of needed reform in the automobile accident reparations system. I feel that the no-fault insurance programs now in effect in the States designed to cover in full the economic losses of the great majority of claims in the small to moderate ranges will produce the best results from the standpoint of both claims efficiency and cost reductions. These programs (and there are presently nine across the Nation)[1] pay all losses up to a set amount without regard to fault and retain the civil liability system for the compensation of the seriously injured. This, of course, does not preclude the purchase of first party insurance protection for extended losses by those who desire and can afford it. These State programs cover on the average the total economic loss of approximately 95 percent of the victims of automobile accidents[2] on a first party basis without regard to fault. Most are presently anticipated to lower both administrative and premium costs required for automobile reparations insurance.

Throughout the development of S. 945 the Commerce Committee has limited its study only to the most far reaching approach—total or extended no-fault coverage. The exact impact of such legislation is impossible to calculate. The committee has received much expert testimony regarding the impact of the bill and we can surmise on the basis of this information that the bill will have a major, if not drastic, impact upon various sectors of our economy. Though the impact of such a program is in doubt, there are several results which I believe we could anticipate with relative certainty and which generate my opposition to this measure.

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[1] Connecticut, Delaware, Florida, Maryland, Massachusetts, Minnesota, New Jersey, Oregon, and South Dakota. (Illinois' program was recently declared unconstitutional.)

[2] Based upon the Department of Transportation study, "Motor Vehicle Crash Losses and Their Compensation in the United States," published in March of 1971. This evaluation of accidents showed that 96 percent of paid personal injury claimants suffered $2,500 or less in direct economic loss to the date of settlement. Of the State programs in effect economic payment under the first party coverages ranges from $2.000 in Massachusetts to $10,000 in Delaware with the mean at about $3,000.

First, the bill will force the repeal of all existing State programs.

Second, this bill will produce by all actuarial accounts a very discouraging cost picture, and by some projections will result in a substantial cost increase.

Third, this bill discriminates against rural States. The program envisioned, while it would produce a poor result, I feel, in highly urbanized States, would be disastrous in rural States.

Fourth, the bill would penalize the middle-income middle-aged, average driver by severely limiting safe driver discounts.

Since the U.S. Senate must endeavor to represent the interests of all the States, and since I feel that no-fault insurance reform at the State level must be encouraged, I have attempted to identify the minimums of no-fault coverage which should be required in all jurisdictions and to embody those minimums as standards for State action.

Those minimums which I proposed for Commerce Committee consideration and which I shall again introduce during floor action on this bill provide for $1,000 of medical coverage and $5,500 for other economic categories including lost wages on a first party basis without regard to fault. These minimums will reimburse in full more than 95 percent of the victims of automobile accidents, and will, of course, defray a sizeable portion of the losses in the remainder of the cases.

I recognize that many jurisdictions will wish to go beyond these minimums and they would be free to do so on a State-by-State basis. But many jurisdictions will find that increasing these limits will result in cost increases without substantially improving the claims efficiency of the program.

No-fault insurance

What is no-fault insurance?

Chief Justice John Marshall, who spent much of his tenure on the Supreme Court plowing new ground, found that in such cases the first and most important function of discussion should be to define terms. That is especially true in the case of no-fault insurance where the popularity of the term has far out-stripped understanding of it.

No-fault insurance is at its most basic level nothing more than first party coverage: That is, insurance that I buy to pay me and my family for losses which we might experience. It is presently available in the automobile reparations insurance area in the form of medical payment, collision, and comprehensive coverages. It is available on a wider basis as medical insurance, disability insurance, and life insurance.

What no-fault insurance legislation purports to do then is not to make this insurance available, but to make it mandatory and to substitute the benefits from first-party coverages for the right of injured parties to bring actions based on the common law fault concept for repair of their injuries in some or all cases.

Popularly the term "no-fault insurance" is identified with the Keeton-O'Connell type of plan in effect in Massachusetts. This program provides for first-party coverage up to $2,000 for medical and other out-of-pocket expenses and prohibits recourse to civil liability actions unless the injured party has reached the threshold of $500 in medical expenses.

Although the dollar amounts vary from State to State, this is the basic program in effect in the nine States having no-fault insurance at present. This type of insurance program is most widely known and understood. It is this melding of first- and third-party coverages which is in common reference called "no-fault insurance." [3]

The program advanced in S. 945 goes considerably beyond these basic no-fault insurance programs, and thus I shall refer to the program embodied in S. 945 as "extended no-fault insurance" in order to make it clear that we are not talking about what most people refer to as "no-fault insurance."

My opposition to S. 945 stems in part from the fact that the gudelines specified in that bill will abrogate every one of the existing State programs before statistical information has been obtained regarding them, and will impose a program of no-fault coverages in these States which will, by all evidence received by the committee, diminish cost savings.

The Federal standards approach

Rather late in the development of S. 945 it was decided that, in order to enable the States to retain their important jurisdiction over insurance regulation, the Federal standards approach would be adopted. However, there was no attempt made to identify minimum standards or to permit the States flexibility. Rather, the extended no-fault coverages which had been considered for Federal programs were included in the bill as guidelines. The net effect of the change is to grant the States approximately two legislative sessions to adopt a Federal program.

The Federal guidelines severely limit and control State initiative over a wide range of subjects. Sections 201 and 202 of the bill give the States a limited period of time to adopt a plan consistent in substance with the provisions of S. 945 dealing with such things as the definition of an insurer, the definition of a motor vehicle, the manner of payment of benefits under the program, the amounts and manner of charge of attorneys' fees, and so on. Section 203 of the bill specifies that minimums for medical first-party benefits be $25,000, for rehabilitation be $25,000, and for general economic loss be $75,000. This program of $125,000 in first-party economic loss benefits will force the almost total elimination of general damages for all persons, and it will force higher premiums. It will allow the States no flexibility in determining the program of benefits most appropriate for their various situations.

The importance of State flexibility cannot be overemphasized. Differing geographic and demographic situations create very different accident pictures from State to State. Average incomes, medical costs and facilities, and basic motor vehicle programs also vary considerably from State to State. An insurance program appropriate for New York State could hardly be appropriate for either Alabama or Idaho.

Costs

During the final development of S. 945 it became apparent to the committee that the costs of the program envisioned by the bill would be considerable. Cost comparisons were called for from three of the leading national insurance associations.[4] These cost comparisons necessarily are based upon the costs of the present automobile reparations system, as statistical experience is not yet available on the several no-fault insurance programs in effect in the States. The cost ratios obtained are therefore more favorable than would be expected from a comparison of extended no-fault to regular no-fault programs, since the latter are anticipated to produce a considerable cost reduction from the present system.

Even so, the reports of the associations showed that S. 945 is expected by no one to produce any significant costs savings. The most favorable report (from the American Insurance Association) projected somewhat less than a 6 percent reduction nationwide, but premised that projection upon a frequency of claims substantially below claims available under extended no-fault insurance.

The most extensive national and State-by-State analysis was undertaken by the actuary for the Allstate Insurance Co. and for the National Association of Independent Insurers. A computer printout of his projections is attached as an appendix to these views. Briefly this actuary projects cost increases in the range of 20 to 30 percent nationwide under S. 945.

The reasons for these costs increases are many and complex. Chief among them is the fact that extended no-fault insurance will substantially increase the frequency of claims available against the system. In the seriously injured category (which will account for approximately half of the dollar costs of an extended no-fault program) the Department of Transportation survey found that less than half are compensable under the present fault system. The reason for this is apparent upon an analysis of the causes of serious injury. Single-car accidents account for approximately one-third of such injuries. A sizeable portion of the remainder would be operators of vehicles who were clearly at fault. Thus, in the seriously injured category extended no fault benefits would be expected to almost double the claims frequency.

This increase in large claims, though it would involve a very small percentage of the claimant population, would add substantially to the claims cost burden of extended no-fault insurance and thus would necessitate increased premiums.

The heavy weighing of small claims in urban areas dilutes somewhat this impact, while the high frequency of the single-car accident in rural areas aggravates it. Thus the cost experience under S. 945 would be most severe in highly rural States.[5]

While the present system of automobile reparations has demonstrated marked inefficiency in many situations, it is probably least efficient in the area of small injury and damage claims. These claims are impossible to process through a determination of fault on a cost efficient basis. Attorneys' fees, court costs, and claims evaluation expenses run as much in most of these cases as in much larger cases and drain off a high percentage of the dollars available for the settlement or payment of such claims.

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[3] Some jurisdictions (notably, Maryland, Minnesota, Oregon, and South Dakota) have placed no limit upon the availability of civil liability actions for damages based upon fault.

[4] The National Association of Independent Insurers, the American Mutual Insurance Alliance, and the American Insurance Association.

[5] Based upon the figures supplied by the National Association of Independent Insurers' actuary, there would be a nationwide increase in premium costs of 26 percent for minimum coverage and of 18.3 percent for maximum coverage. The following is a list of the States which exceed the national average and the increase projected for minimum coverage in those States: Alabama (30.4 percent), Arizona (35.8 percent), Arkansas (42.8 percent), Colorado (40.9 percent), Delaware (27.1 percent), Idaho (52.1 percent), Illinois (27.9 percent), Iowa (27.7 percent), Kansas (30.2 percent), Mississippi (28.4 percent), Montana (48.3 percent), Nebraska (41.9 percent), Nevada (38.3 percent), New Mexico (37.2 percent), North Carolina (31.5 percent), North Dakota (50.1 percent), Oklahoma (28.3 percent), Oregon (32.6 percent), South Carolina (35 percent), South Dakota (51.3 percent), Tennessee (30.7 percent), Utah (32.9 percent), Vermont (27.1 percent), Washington (30.1 percent), Wyoming (41.1 percent), Alaska (31.7 percent). By comparison the District of Columbia which is almost totally urban shows an increase according to these statistics of only 0.1 percent. While there are many other factors bearing on the rate of increase from State to State, the traffic density is one of the most visible factors.

This category of claim constitutes a sizable portion of the loss experience in highly populated urban areas. Dense traffic patterns and moderate rates of speed produce an extremely high rate of minor injury cases with noncomitant court congestion and often a substantial spurious claims experience. In these jurisdictions the impact of no-fault insurance is most dramatic. The heavy weighting of small claims makes even an extended no-fault program demonstrate cost-efficiency. (See for comparison, Appendix A).

In States with a highly rural, low density, traffic pattern the high speed single-car accident becomes a major cause of injury, especially serious injury. On a recent weekend a compilation of serious accident experience in the State of Tennessee found that better than half of the accidents resulting in deaths were single-car accidents. The Department of Transportation study found that fully one-third of all fatalities result from single-car accidents in which the operator of the vehicle is at fault. Similarly the single-car accident demonstrates a far higher frequency of serious injury than multiple car collisions.

Because of this situation rural States have a far higher rate of costly accidents to be picked up by a system removing the responsibility factor as a prerequisite to recovery. Extended no-fault insurance coverage will pick up a sizable claim load in these States which no-fault insurance does not. While these serious injury cases represent a very small population of victims, the category accounts for almost half of the economic loss due to accidents in the United States. This situation in turn results in exacerbation of the cost experience under S. 945 in rural States.

Administrative cost reductions

Possibly the greatest effectiveness of a no-fault program of insurance is in the area of claims administration efficiency. By eliminating the need for establishment of fault in most cases, first party insurance should greatly reduce legal and court expenses, especially in the case of very small claims. Additionally some decreases are expected in insurance company administrative expenses.

Under the present reparations system legal and court costs account for 17 cents of every insurance dollar, while insurance company administrative expenses account for 40 cents of every dollar.

Some adherents of no-fault insurance feel that it will reduce legal and court costs to nearly zero, but others counsel caution and predict that legal expenses may well increase initially under no-fault insurance but will fall eventually to a fraction of their present level.[6]

All of the actuarial studies available to the Committee on Commerce predict that there will be little, if any, reduction in the 40 cents that goes for insurance administrative costs. This projection is substantiated by the experience under existing no-fault programs such as workmen's compensation insurance where the insurance companies expend 35 percent of the premium dollars on other than claims payments, and by collision and comprehensive insurance coverages where the companies use 40 percent of the premiums received.

The administrative costs reductions under no-fault insurance will result in cost efficiency only if the basic benefits program is carefully designed to avoid addition of unnecessarily expensive items.

Cost efficiency against claims efficiency

One very important task in evaluating the impact of insurance is the identification and separation of claims-efficiency from cost-efficiency. The former represents the impact of the system upon the claiming population and the latter is its impact upon the consuming public.

The two are necessarily inter-related. For instance a grossly claims-inefficient program (for example, one which had high administrative costs) could hardly pay any significant portion of the available claims without becoming rather costly to the consuming public.

Still it is very important to keep the two factors separate for they concern two very different segments of our society. The consuming public in an average year will outnumber the claiming population by approximately 40 to 1. Of the 2.7 percent who will press a claim in an average year, 95 percent would be compensated in full for their economic losses by a regular no-fault program, while all would enjoy premium cost reductions.

By comparison, under S. 945, for every 1,000 persons who bear the increased costs of automobile insurance, only one (out of the 27 of them who will press claims) will receive any of the extended benefits of S. 945. Several of the remaining 26 claimants will receive less than they would under regular no-fault programs, because S. 945 will more drastically limit recourse to claims for non-economic losses.[7]

Distribution of costs

The present system of insurance rates policyholders on the basis of their risk of causing an accident and charges higher premiums to those who have demonstrated unsafe driving tendencies. Thus, the drivers of so-called "muscle-cars" and drivers convicted of driving while intoxicated pay higher premiums.

Under extended no-fault insurance, insurance companies will rate policyholders upon their likelihood of being involved in an accident without reference to their likelihood of having caused that accident. The exposure of the company to loss will increase as a function of the propensity of the insured or his family to entail extensive medical treatment, to lose substantially as the result of being unable to work, or to carry persons likely to have high medical expenses and wage losses as the result of an accident.

The middle-income, middle-aged operator who carries passengers of a similar class, such as a car-pool, will be the largest exposure to the insurance company and will pay proportionately larger premiums, while the operators of "muscle cars" and the chronically alcoholic drivers will pay proportionately less for their insurance under S. 945.

The imposition of mandatory automobile accident insurance in a mobile society such as ours, where substantially everyone depends upon the automobile for transportation, will have the impact of a tax upon the people. I do not argue against that proposition *per se*, for surely the use of our highways is a privilege which is frequently taxed. But I do caution that this fact dictates that we carefully and circumspectly dedicate those funds so raised.

I maintain that it is patently unfair to force increased premiums on the average motorist of a rural State so that the densely populated States can have an efficient reparations system. I maintain that it is patently unfair to impose higher premium rates on the average safe driver so that the drunken or negligent driver may have compensation for his economic losses. I maintain that it is patently unfair to remove the innocent victim's right to be compensated in full for his injuries so that this leviathan of extended no-fault insurance can demonstrate some minimal cost-efficiency.

I do not begrudge the negligent driver redress. I would have him made whole from his injuries. But I cannot support a program designed to place the cost of that insurance upon the entire motoring public as S. 945 would do.

APPENDIX

The attached tabulation—copies of which have previously been furnished to staff members of the committee—indicating the projects costs of automobile insurance, which would obtain in the several States if the provisions of title II of Committee Print No. 3 were enacted in each of the States, was prepared by Mr. Charles C. Hewitt, actuary of the Allstate Insurance Cos. Mr. Hewitt's résumé is attached for your information.

You will note that Mr. Hewitt is the president-elect of the Casualty Actuarial Society In addition, he is the casualty actuary director of the International Actuary Association.

Mr. Hewitt was deeply involved in the Department of Transportation's Auto Insurance and Compensation Study, serving as a member of the Casualty Actuarial Society which assisted the Department in the Auto Personal Injury Claims Study. He has also, in his capacity as chairman of the Costing Committee of the National Association of Independent Insurers—an insurance trade association whose members write well over 50 percent of the automobile insurance in the United States—assisted the commissioners of the National Commission on Uniform State Laws in costing no fault proposals which have been drafted by the Commission. In addition, he has, from time to time, advised the Federal Insurance Administration with respect to various actuarial matters pertinent to programs administered by it.

Mr. Hewitt has achieved particular expertise in the pricing of no fault insurance plans, having responded to requests for costing data relating to a wide range of proposals which have either been considered or introduced in 40 of the 50 States. He was appointed actuarial adviser to the California Judiciary Committee and served as an adviser to the California Assembly Committee on Insurance and Financial Institutions.

Mr. Hewitt has testified personally with respect to the costs of particular no fault proposals in the States of Michigan, Connecticut, California, and Illinois, and has presented costing data to the legislatures of several other States. In addition, Mr. Hewitt appeared as a witness for the National Association of Independent Insurers at hearings conducted by the Senate Commerce Committee, in October of 1971, relative to Committee Print No. 1 of S. 945, and at executive hearings of the committee held on the question of costs in May of 1972.

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[6] "A Study of Hawaii's Motor Vehicle Insurance Program," Haldi Associates, Inc., January 1972, page 115.

[7] This statistical deduction is based upon data showing that in any year for every 100 automobiles insured 2.7 persons will have a claim for personal injury due to an automobile accident. Of these better than 95 percent would be covered by $2,500 in direct economic loss payments under a no-fault insurance plan.

NATIONAL NO-FAULT MOTOR VEHICLE INSURANCE ACT

Minimum coverage is BI, PD, and UM—Does not elect either collision option. Medium coverage is BI, FD, UM, and medical pay—Elects collision option B. Full coverage is BI, PD, UM, medical pay, collision and comprehensive—Elects collision option A]

State	Present average premium			Ratio to present		
	Minimum coverage	Medium coverage	Full coverage	Minimum coverage	Medium coverage	Full coverage
Alabama	$68.40	$78.40	$152.20	1.304	1.429	1.163
Arizona	86.40	98.50	173.40	1.358	1.441	1.196
Arkansas	73.10	82.80	162.70	1.428	1.557	1.225
California	110.90	127.90	199.80	1.263	1.383	1.174
Colorado	70.10	79.20	145.60	1.409	1.571	1.242
Connecticut	128.40	141.30	217.90	1.070	1.258	1.095
Delaware	69.80	76.70	139.50	1.271	1.541	1.216
District of Columbia	158.00	167.30	310.30	1.001	1.278	1.080
Florida	101.30	114.10	170.10	---	---	---
Georgia	83.80	94.90	181.40	1.163	1.371	1.125
Idaho	53.50	61.80	128.40	1.521	1.618	1.241
Illinois	116.60	128.40	211.30	1.279	1.424	1.195
Indiana	84.20	92.30	175.40	1.169	1.486	1.170
Iowa	64.30	73.10	134.40	1.277	1.512	1.196
Kansas	72.80	82.10	155.60	1.302	1.542	1.207
Kentucky	83.10	92.00	160.10	1.214	1.439	1.176
Louisiana	112.20	124.50	222.20	1.179	1.372	1.141
Maine	82.00	89.70	165.10	1.140	1.411	1.146
Maryland	97.80	107.40	179.30	1.181	1.345	1.144
Massachusetts	166.10	175.30	305.40	---	---	---
Michigan	104.90	115.20	193.60	1.169	1.418	1.167
Minnesota	111.40	122.40	195.90	1.187	1.383	1.166
Mississippi	73.20	85.10	177.70	1.284	1.395	1.135
Missouri	96.60	106.50	189.70	1.220	1.422	1.168
Montana	60.20	69.70	137.90	1.483	1.582	1.236
Nebraska	64.40	73.90	139.30	1.419	1.572	1.235
Nevada	$79.30	$96.40	$174.70	1.383	1.413	1.169
New Hampshire	92.80	102.60	168.60	1.189	1.393	1.164
New Jersey	117.90	132.50	234.30	1.114	1.245	1.083
New Mexico	71.20	83.10	165.30	1.372	1.487	1.185
New York	153.40	166.70	279.20	1.012	1.190	1.053
North Carolina	75.50	85.00	139.80	1.315	1.461	1.211
North Dakota	51.90	59.20	129.00	1.501	1.649	1.239
Ohio	107.50	118.20	193.00	1.209	1.445	1.191
Oklahoma	67.50	76.50	150.50	1.283	1.456	1.168
Oregon	72.90	85.90	141.70	1.326	1.426	1.188
Pennsylvania	110.90	121.60	209.20	1.106	1.310	1.112
Rhode Island	107.90	117.30	204.90	1.119	1.303	1.112
South Carolina	64.60	74.90	139.70	1.350	1.463	1.186
South Dakota	47.60	57.40	133.30	1.513	1.584	1.197
Tennessee	95.30	107.90	184.50	1.307	1.397	1.177
Texas	82.30	94.90	191.80	1.154	1.442	1.134
Utah	70.50	78.30	142.60	1.329	1.575	1.235
Vermont	86.60	97.10	176.50	1.271	1.475	1.189
Virginia	85.20	93.10	163.30	1.230	1.436	1.180
Washington	84.40	95.30	158.30	1.301	1.447	1.200
West Virginia	76.60	86.70	170.10	1.238	1.420	1.149
Wisconsin	100.90	109.30	177.40	1.167	1.393	1.167
Wyoming	51.30	61.50	140.50	1.411	1.548	1.177
Countrywide	104.20	116.30	197.30	1.260	1.423	1.182
Alaska	105.10	115.40	230.20	1.317	1.500	1.192
Hawaii	111.80	124.10	193.40	1.085	1.267	1.099

APPENDIX B

STATE OF TENNESSEE,
THE DEPARTMENT OF INSURANCE,
Nashville, Tenn., May 15, 1972.

Re Committee Print No. 3 of S. 945.

Senator HOWARD BAKER,
Senate Office Building,
Washington, D.C.

DEAR SENATOR BAKER: An accurate appraisal of the cost impact to insurance buyers from enactment of the captioned legislation is virtually impossible to project. I understand that the highest projected cost figure quoted by Mr. Sutcliffe on Committee Print No. 2 was an 18-percent increase, while a major insurance company projected a 135-percent increase would result if Committee Print No. 2 were enacted.

In my opinion the benefits and the structure of the proposal differ too greatly from our existing system for an accurate estimate to be made. I do, however, even with this admitted uncertainty, feel certain there could be no reduction. I consider it most likely that the cost to the consumer would increase incrementally over a 4- to 6-year period before the premium stabilized.

I object to the concept incorporated in S. 945 since I do not believe a total elimination of our tort system can be justified. Although it admittedly has its problems, our system of reparations for serious injury should not be abandoned. In Tennessee, about 95 percent of the bodily injury losses resulting from automobile accidents amount to less than $1,000 in direct cost. In view of this it seems much wiser to me to move toward handling these relatively small losses fairly and efficiently before abolishing our entire system of reparations.

The no-fault proposal presented to the Tennessee General Assembly by the Dunn administration, which you have in your possession, directed itself to the problem and I believe would provide a workable alternative to the Committee Print No. 3. The "threshold" for "pain and suffering" could be adjusted up or down as seemed reasonable for the various States.

I cannot see, at this point, how it would be in anyone's interest to adopt a total no-fault system which will surely increase premiums when a modified no-fault will reduce premiums.

There are also some grave questions about the advisability of including property damage in no-fault legislation. We went into this question at some depth and concluded that it would be best to omit this provision from our no-fault bill.

I will make myself available if you would like this rationale for the provisions and coverages in the proposal we submitted to the Tennessee Legislature or for my objections to the essence of S. 945.

Yours very truly,
HALBERT CARTER, JR.,
Commissioner.

REPORT OF THE SENATE COMMITTEE ON COMMERCE S. 354

MINORITY VIEWS OF MR. BAKER

I regret that I find it once again necessary to file minority views with the Commerce Committee report of the National No-Fault Motor Vehicle Insurance Act. It is my opinion that the paucity of meaninful prorgams developing in the states is clear indication of a need for federal minimum standards legislation. I had hoped that with careful attention, S. 354 might come to reflect an accurate assessment of needed federal action and that I might be able to vote to report the bill and to urge its adoption. But while several modifications have been made in the bill during the two executive meetings held on it, the bill still reflects little evidence of concern for maintaining state control over insurance, still would abrogate existing state programs, and still would substantially diminish the ability of a state to experiment within responsible limits to design the most effective, fair, and efficient no-fault program in response to its peculiar needs. Thus, I must oppose the bill as reported.

Cost implications

The evolution of S. 354 reflects the dedication of its sponsors to the "total no-fault" concept—that is to the establishment of a system whereby the total delivery of benefits for personal injury is made substantially on a first-party basis. During consideration of this legislation in the last Congress, it became apparent that the cost implications of a total no-fault prorgam were such that some allocation of benefits or restrictions on damages would be necessary in order to avoid premium cost increases. Under a modified no-fault prorgam like those developing in the states, this allocation of benefits is made by denying the small injury case access to general damages and by allowing recovery in the seriously injured case on the basis of fault. Many of these programs have produced or are projected to produce substantial cost savings.

While actuarial studies demonstrate that S. 354 also can produce significant cost savings in the states, I think that it would be worthwhile to examine some of the bill's cost savings features.

First, the basic tort threshold in S. 354 states that no injured victim may sue for general or intangible damages unless he has suffered "death, serious and permanent disfigurement or other serious and permanent injury, or * * * more than six continuous months of total disability." The Department of Transportation study of Automobile Insurance and Compensation defined serious injury in the following terms:

> * * * Serious injury was defined to be an injury which resulted in: Medical costs (excluding hospital) of $500 or more, or
>
> Two weeks or more of hospitalization, or, if working,
>
> Three weeks or more of missed work, *or*, if not working,
>
> Six weeks or more of missed normal activities.

So, it is apparent that the proposed threshold would exclude from recovery of non-economic loss a substantial population of *seriously* injured victims. It is estimated that the threshold of S. 354 would exclude from such recovery in excess of 95 percent of the total injured population. This, of course, will produce a significant cost savings to the system.

Secondly, the bill provides that any seriously injured victim not excluded from tort recovery by the threshold and who is able to establish his innocence from fault must return $2,500 of his award of general damages to the defendant or his insurance company. This forfeiture will, of course, reduce premiums.

Thirdly, the bill provides for the establishment of deductibles from no-fault benefits which would statistically exclude about 40 percent of injured victims from any recovery under the first party coverages. While the provision is optional, the pressures of premium costs make it likely that a significant portion of the driving public will find it necessary to opt for such deductibles, thus effectively halving their access to first-party benefits.

These "backdoor" cost saving features are clear evidence that the no-fault program in this bill is being asked to do more than it is efficiently capable of doing.

Allocation of benefits

It is my opinion that there are several important functions which the tort system is best suited to perform as a part of automobile accident reparations. The first of these is conceded, I believe, by even the staunchest advocates of total no-fault insurance—that is, the assessment of entitlement to intangible damages. Although the reason in S. 354 for assigning this function to the fault system is probably that assessment of the value of these damages is best accomplished through the judicial process, it is significant that the important category of damages attributable to the impairment or loss of one's ability to enjoy life would be paid—even under this total no-fault concept—only to those who did not author their own injuries. Thus, for this potentially expensive category of loss, the *allocation of benefits* is made on the basis of fault. The fundamental fairness of the fault concept with its concern for the innocence or guilt of the victim establishes it as the only feasible method for such allocation.

The extensive cost studies conducted for the Commerce Committee on S. 354 and S. 945 in the last Congress have established that the no-fault concept cannot provide for total economic loss recovery in catastrophic cases within the framework of present system costs. We are confronted then with three alternatives—two of which have been explored extensively by the Committee. These two are to increase premium costs or to mandate certain reductions in recoverable damages by drastically limiting a victim's access to general damages, or by imposing mandatory deductions from awards of damages as S. 354 would do.

I do not believe that it is acceptable to increase the costs of automobile accident insurance. We must recognize the vital role of the automobile in the American lifestyle. To the workingman who has little or no access to public transportation, the family car is not a luxury but an absolute necessity. And the increasing burden of the cost of living leaves little reserve in the family budget for an increased insurance premium.

It is my belief that the second alternative is unnecessary and unconscionable. It may be efficient and cost-effective to ask the innocent victims of autombile accidents to forfeit a portion of their compensation in order to produce cost savings, but it is hardly equitable to do so when modified no-fault programs can produce these same savings without such provisions.

The third, and I believe the best, alternative is to design a no-fault program which will compensate in full the economic loss of 98 to 99 percent of all injured victims, with payment of catastrophic damages on the basis of the fault concept. By thus allocating the benefits, the reparations system can demonstrate cost effectiveness without arbitrary exclusions or deductions.

No-fault insurance is clearly a part of badly needed reform of the present automobile accident reparations system, but I caution against thinking it a panacea. Clearly, if we are to compensate injury within the framework of present system costs, some allocation of benefits will be necessary. It may be efficient and simple to do that on the basis of deductibles, exclusions, and forfeitures; but it is hardly equitable to do so.

I intend to offer or support amendments during final consideration of S. 354 which are designed to remove these inequities and to modify the benefits program of the bill so that it will provide direction to the states in the development of modified no-fault programs, while leaving to the states reasonable latitude to seek the most efficient and effective program of insurance for their particular needs.

REDUCTION OF MILITARY TIES WITH GREECE

Mr. PELL. Mr. President, the news that the administration finally has decided to interrupt our expanding military ties with the repressive dictatorship of Greece is both warmly welcome in its substance, and stunning in its format.

The announcement is welcome in that it is precisely the kind of decision in our policy toward Greece that I and many of my colleagues have been pressing the State Department to advocate in this administration.

The announcement is astounding in that it came, not from the Department of State, but from the Pentagon, and was based not on strictly military factors, but on the basis of broader political considerations.

Meanwhile, the State Department, which presumably is the formulator of our overall foreign policy is said to be attributing the change in our military plans in Greece to technical delays.

This is at best a puzzling reversal of roles: The Defense Department acting politically while the State Department is concerned with technical military logistics.

It was Defense Secretary James Schlesinger who, according to a story by Dan Morgan, of the Washington Post of March 29—Friday—decided to suspend the homeporting of an American aircraft carrier in Greece until there is "greater harmony in our mutual perceptions than exists at the present time."

The homeporting of a carrier was to be phase 2 of our naval homeporting program in Greece. However, Mr. Schlesinger said that the future of phase 2 "would depend on the evolution of political developments."

Meanwhile, and sadly in my view, the State Department, according to the Post story, is attributing the suspension of phase 2 to "delays in making technical arrangements" for facilities to support the carrier's aircraft and for housing accommodations for a vastly increased number of Navy personnel in Greece.

As I have said, I welcome this decision to at least pause in our unseemly embrace of the undemocratic junta ruling Greece. At the same time, the fact that the decision came from the Defense Department tends to confirm the longstanding impression that far too much of our foreign policy originates in the planning rooms of the Pentagon.

The decision to halt expansion of the homeporting plan is a good one, regardless of who made it or announced it.

Phase 1 of the program—homeporting destroyers in Greece—was at the expense of our own home-based naval facilities. It increased our military presence abroad when it has been in the U.S. interest to reduce it.

In addition, authoritative reports on the situation in Greece paint a grim picture of disarray in the country. The junta is increasingly alienated from the Greek people, including its former supporters in the professional and business middle classes. There is a growing threat of a takeover by extremists either of the ultranationalist or Quaddafi school or by the Communist far left. There is uncontrolled inflation and economic deterioration, and a growing tendency among the Greek people to blame their troubles on the United States, because of our Government's military support and association with the junta.

In these circumstances, I believe homecoming for our naval forces makes more sense than homeporting in Greece.

Mr. President, the need is growing for the United States to indicate clearly that reliance on a junta antagonistic to the Greek people is a dangerous security risk for the United States and the North Atlantic Alliance.

The British have given such a message by canceling Navy visits to Greece. My bill—S. 2754—suspending military aid to Greece, which was approved by the Senate in January, bears a similar message. Curtailment or elimination of homeporting in Greece would be another such step.

Aside from the practical and security aspects of the Greek problem, I have been even more concerned by the lack of progress and now retrogression in the restoration of constitutional government in Greece. The shocking arrest and incarceration of the Central Unionist, moderate leader, a true Greek patriot, George Mavros, offers sad evidence of this backward movement. His only crime, apparently, was to applaud the cancellation of the British navy visits.

It preys upon the conscience of the whole Western World, I think, that Greece, the cradle of democracy, where the art of free government was practiced by the city state in its purest form; that Greece, who for centuries fought for freedom from foreign oppression—that this same proud Greece is today suffering from the worst kind of domestic oppression. In terms of classical Greek history, repressive Sparta prevails over free Athens. Not only the Greek people, but the supporters of liberty around the world will breathe a sigh of relief on the day that constitutional government is once again restored in Athens.

I have found it disquieting, therefore, that the State Department has been silent for months on the deteriorating situation in Greece, which I believe, only a return to free government and rule of law can cure. For years, the Department declared it was working toward this end. Now it says nothing. Instead, political comment comes from an unexpected quarter—the Pentagon. Why this abrogation? Has the State Department given up?

Mathematical formula for achieving balances of power can play an important role in international relations but never an exclusive one. To leave out the human factor is to pose an unsolvable equation. To ignore the spirit of man—of Solzhenitsyn, of George Mavros, of John Zighdis—is to assure ultimate failure of a policy. I think the time has come for the administration to stand up and be counted on the question of human rights in Greece.

A U.S. declaration of policy need not

be for or against any particular regime in Athens. But it should be a message, loud and clear, that we are for the restoration of freedom and the rule of law in the country that gave birth to democracy and whose people have long been our friends and comrades at arms.

Mr. President, I ask unanimous consent to have the Dan Morgan article from the Washington Post of March 29 printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Carrier-Port Plan Suspended: United States-Greece Rift Revealed

(By Dan Morgan)

Defense Secretary James R. Schlesinger said yesterday that a two-year-old Navy plan to station an American carrier in Greece has been suspended until there is "greater harmony in our mutual perceptions than exists at the present time."

The Defense Secretary's remarks at a press conference were the first public suggestion from a top administration official that political difficulties, rather then "technical" complications, were holding up the plan.

Asked if the United States' decision not to press for the basing of the carrier in Greece was permanent, Schlesinger replied, "That would depend on the evolution of political developments."

While Schlesinger was giving this assessment of the carrier-basing plan, State Department officials were giving a different one: They said that the scheme had been postponed due to "delays in making technical arrangements" for housing Navy dependents and for land-support facilities required by the 30 to 40 carrier aircraft.

Schlesinger's remarks threw new light on the United States' relations with the new military-backed Greek dictatorship. Since the six-year-old regime of Col. George Papadopoulos was overthrown in a military countercoup Nov. 25, critics of the administration's policy in Greece have warned that the new Athens leaders could veer toward a more neutralist, or even anti-American position.

These warnings were repeated Wednesday by a former Greek democratic politician testifying before a House Foreign Affairs subcommittee.

In the testimony, John G. Zighdis, a veteran Greek parliamentarian who was imprisoned by the junta for almost two years warned that anti-American feeling in Greece was on the rise because of Washington's failure to disassociate itself from the two military regimes. He painted a picture of growing economic and political instability.

House subcommittee sources who were briefed earlier Wednesday by U.S. Ambassador to Greece Henry Tasca said he had left the impression that there was a "new urgency" to the need to restore democratic rule.

Since November's coup, the de facto Greek chief has been Brig. Gen. Dmitrios Ioannidis, commander of the military police.

State Department officials denied yesterday that the Athens regime had sought any specific concessions in return for approving the carrier-basing plan.

However, U.S. officials said that the government was seeking increased quantities of new, sophisticated military equipment "to maintain NATO force goals." Last year, the United States agreed to sell Athens two squadrons of advanced F-4 fighter bombers.

In addition, officials said, some members of the Greek armed forces had urged American officers to resume the military assistance grants that ended last year.

The Navy has justified its Greek "homeporting" scheme on its strategic need for foreign deployment in the eastern Mediterranean. A destroyer squadron of six ships and about 550 naval families were stationed in the Athens area before the November coup.

However, negotiations on the second phase—which would establish the area as a base for a carrier, a hospital ship and some 1,200 families—has now bogged down.

Officials said that so far, the Greek regime has failed to give the Navy permission to use the Greek air base of Elefsis, west of Athens, to perform maintenance on the carrier wing planes. Also, so far the government has not authorized U.S.-requested changes in the use of the American-run NATO base at Souda Bay in Crete. The Navy wants to use it for training flights when its Greek-based carrier is anchored in port.

NUTRITIONAL PLAN FOR THE ELDERLY

Mr. McGOVERN. Mr. President, on March 18, 1974, the Senate Select Committee on Nutrition and Human Needs which I chair, held a field hearing in Mitchell, S. Dak., to explore the nutritional problems of the elderly.

I ask unanimous consent to have a newspaper report of that hearing, from the Mitchell Daily Republic, printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Nutritional Plan for the Elderly Announced

Senator George McGovern announced Monday, that he is preparing a four-point action plan to better insure that the state's senior citizen's nutritional needs are met.

Speaking to a nutritional hearing at the Senior Citizens Center here in Mitchell and before some 250 senior citizens from throughout the state, McGovern outlined the program.

"First of all I hope to develop a model transportation system to help the elderly get to centers where the food is available or else to have the food delivered to those who aren't capable of leaving their homes."

"Second, we must cut through the food stamp program red tape to permit the elderly to receive food stamps for this program."

"Next, I intend to fight for legislation which is pending in Congress to continue the commodity food program to nursing homes, veterans homes, senior citizen centers and schools."

"And finally I propose that nutritional educational services are included in all such programs."

McGovern, chairman of the Select Committee on Nutrition and Human Needs, said that the current Federal Nutrition Program for the elderly, sponsored by his committee, has a dual purpose.

"The first is to provide good nutrition in the form of one well-balanced meal a day. The second is to provide nutrition in a setting that is conducive to companionship and social contact," he said.

McGovern said that he is hopeful that Federal funding of the program will be increased by $50 million in the next fiscal year and another $50 million the year after.

"Today, nearly four million elderly are receiving incomes below the poverty level. In South Dakota, 30 per cent of our citizens over 60 years of age have incomes too low to enable them to obtain a decent diet. The least the Federal government can do is to try to provide some benefits to as many persons as possible," he said.

Testimony was given by various elderly groups from around the state and the general consensus was that the added money could mean a doubling of the number of people who would be served through the program.

The program currently serves 692 meals a day in South Dakota and estimates of need indicate that 10,000 meals could be usefully served.

McGovern stated that the importance of the program has been compounded since it began.

"The impact of inflation on the budgets of elderly persons has made the hot meal program a virtual necessity for vast numbers of elderly Americans," he said.

Much of the testimony centered on the ways in which to improve the program and make it reach more people. And much of this was put forth in McGovern's plan. However, the good of the program despite its shortcomings was also pointed out.

"I've gotten letters from a number of people who say that they feel this piece of legislation is the best to come out of Washington in a long time," said a representative of the South Dakota Advisory Council on Aging.

THE U.S. AIR FORCE ACADEMY

Mr. GOLDWATER. Mr. President, just 20 years ago Monday of this week, President Eisenhower established the U.S. Air Force Academy. It is almost impossible for me to realize that 20 years have gone by since that outstanding institution was first founded, and I recall as I always do with great pride the fact that I served on the first Site Board for the Academy. The achievements of its graduates are numerous and outstanding, and I feel are indicative of the money that we wisely spent on our military schools. I ask unanimous consent that an article entitled, "Air Force Academy Anniversary," from Air Force magazine be printed in my remarks.

There being no objection, the article was ordered to be printed in the Record, as follows:

Air Force Academy Anniversary

On April 1, 1954, President Eisenhower signed Public Law 325 of the 83d Congress, establishing the United States Air Force Academy. It was the culmination of three decades of frequently interrupted planning by airmen and their supporters.

Two months later, Secretary of the Air Force Harold E. Talbott selected the present Academy site near Colorado Springs, from among three potential sites that had been chosen for final consideration by a Site Selection Committee. Lt. Gen. Hubert R. Harmon was named the Academy's first Superintendent. Interim facilities were constructed at Lowry AFB, Denver, Colo., where the Academy was housed until the permanent plant could be completed. The first class of cadets arrived in July 1955, and the Academy was officially dedicated on July 11 of that year.

In the two decades since its establishment, the Air Force Academy has achieved recognition as one of the nation's outstanding educational institutions. Its first fourteen classes have produced a higher proportion of Rhodes Scholars than any other US college with the exception of Harvard, Yale, Princeton, and the US Military Academy, with which USAFA is tied for fourth place.

The Academy's contributions to national security are equally impressive. Seventy-five percent of its graduates served in Southeast Asia during the Vietnam War. Eighty-one were killed in action, thirty became prisoners of war, and forty-three remain missing in action. Two of the three USAF aces of that war are Academy graduates. USAFA men were awarded twelve Air Force Crosses and 141

Silver Stars. More than 1,500 graduates earned one or more DFCs, and 2,350 one or more Air Medals.

Of the Academy's 7,789 graduates, 6,156 are still on active duty with the Air Force and thirty in the other services. Seven graduates of early classes have been promoted to the rank of colonel.

No other US educational institution, either civilian or military, has achieved in its first twenty years a comparable degree of excellence over as wide a range of activities—intellectual, public service, architectural, athletic—as the United States Air Force Academy. It is a national institution in which we may all take pride.

ADDRESS BY SENATOR HUMPHREY

Mr. HOLLINGS. Mr. President, last week, the Democratic Party of South Carolina met in convention at Columbia. On Wednesday, March 27, the assembled delegates heard one of the most dynamic speeches it has even been my privilege to hear. It was the convention's keynote address, and it was delivered by the distinguished junior Senator from Minnesota, my good friend Hubert H. Humphrey.

The former Vice President addressed himself forcefully and eloquently to the issues of the day, and the South Carolina Democratic Party responded with an outpouring of enthusiasm, as did people all across the State who learned of the speech.

Hubert Humphrey knows what America can do, because he knows what America has already done. He knows full well the severity of the challenges we face, but he faces them with faith in America and confidence in the future.

Mr. President, this is a speech that is right and timely not just for a political party. It is right and timely for all Americans. It deserves to be read and pondered widely. And for that reason, I ask unanimous consent that the text of Senator Humphrey's keynote address be printed in the Record.

And I wish to take this opportunity to thank Senator Humphrey again for making the trip to Columbia and for delivering such an eloquent address.

There being no objection, the address was ordered to be printed in the Record, as follows:

Keynote Address by Senator Hubert H. Humphrey

South Carolina is a state that brings back some of my fondest memories. The Democratic Party of South Carolina has been kind to me. It is good to see so many of my friends again today. I am happy to be here with my good friend, Fritz Hollings.

South Carolina can be justly proud of his outstanding record and reputation for hard work in the U.S. Senate.

Do me a favor. Do yourselves and South Carolina and the country a favor: Send Fritz back to the Senate in November.

It is wonderful to see such a fine crowd of active, enthusiastic Democrats. As members of our great party, you know we have been experiencing a period of intense, sometimes painful, self-examination the past few years.

We have stood in front of a mirror and turned on a piercing light of introspection and asked ourselves, how can we do better? How can we fulfill our high ideals? How can we remake our party so that it does a more effective job of being the party of the people, the party of the future, the party of promise for every American?

The answers have not always come easily, nor have they always been easy to accept. They have occasionally divided us, caused vigorous disagreements, intense debate. But we have survived, we have grown stronger for our discomfort. We have managed not only to bring our widely different personalities and points of view closer together, but we have also attracted and retained people who formerly were outside the party. They have accepted us, and we them. They hold active and responsible positions, and we have all been enriched by their participation.

Our experiences have made us closer, and will continue to draw us together. We are like a family that has had an argument, and after it is settled, feels more like a family for having shared the pain of dispute.

The currents of change that are sweeping our party are paralleled by similar currents across our nation.

We have experienced great dissension and great difficulties in the American family.

We have seen the bounty of our great nation mismanaged at home and squandered for short-term advantage abroad.

We have seen our economy neglected.

We have seen shortages and scarcity grow through private greed and government shortsightedness.

We have seen our Constitutional system of delicate checks and balances dangerously tilted in favor of one branch of government at the expense of the others.

We have seen our political processes corrupted.

We have seen political power abused, and money abused as a means of buying power.

We have seen highly placed trustees of the public confidence betray their trust, and act as though they were above the law—indeed, they have acted as though they were the law.

These experiences, following hard after nearly a decade of dissension within our society at home and in war overseas, have been a heavy burden for the American people and their leaders to withstand.

I am sure that a nation of lesser character and strength would have buckled under such pressures.

But the American people have not lost their confidence or their nerve or their guts.

We are a nation nearly 200 years old, and in that time we have withstood other times of difficulty. We are a nation forged in trial and weened on challenge.

The first 100 years of our existence were spent in moving out beyond the next mountain range, the next untamed forest, the next desert—building and growing and enduring and overcoming.

We built a nation that spanned a continent and then fought a war that threatened to split in two what we had built, and we went on to heal the breach and build some more.

Our second hundred years have been a period of getting it all together, finding better and better ways of making use of what we gained in our first century. We moved beyond the seas to become the world's leading power and then shouldered the tremendous burdens of that leadership, fighting, winning two world wars and then rebuilding what those wars destroyed far beyond our home soil.

And in the midst of all that, we endured and pulled ourselves out of a Great Depression that not only failed to grind us down, but instead built up our spirit and taught us new ways of achieving stability and a vigorous, healthy nation of industry.

What is our secret? Why have we always been able to pick ourselves up and jump back into the fight?

Because Americans have by nature and circumstance always been a people that has learned by its experiences. We are a practical people who do it if it looks like it will work. We live by trial and error, by experimentation.

The American way may be wasteful and at times painful, but on the positive side of the balance, it is a way that provides freedom and stimulates individual initiative.

Look at what we have experienced and what we have achieved:

Our resources were being plundered in the last century and early in this one. We developed the concepts of conservation, the management of our resources, the techniques of returning when we took, so there would always be more.

Our financial institutions in the 1920's were irresponsible, and little concerned about the public good. We created the Securities Exchange Commission and an excellent system of banking laws.

The big railroads and utilities, in their early years, misused their power and harbored corruption. We wrote regulatory legislation to correct the problems.

Our older citizens were neglected. We wrote the Social Security Act, and the Medicare and Medicaid programs.

Some of our citizens were denied the rights and opportunities guaranteed in the Constitution. We passed and enforced civil rights laws.

The lessons we have learned have been learned the hard way; but pain is a teacher whose lectures are remembered.

We might have given up many times in the past were it not for the foundations on which our nation is built.

It is not a foundation of doctrine and dogma, but a foundation of faith and values, reason and pragmatism.

If we are to carry this grand experiment in democracy forward, emerge from our present set of trials and traumas once more renewed, invigorated, and triumphant, we must recapture these old values and principles that have served us so well in the past.

We must make ourselves understand the true, intrinsic value of those ideals. They are just as sturdy and dependable as they were when our nation was founded upon them nearly two centuries ago.

We believe in government by laws, not men.

We believe in government with integrity, an essential virtue that we demand of our leaders, even as we demand it of ourselves, as individual citizens.

We believe in government by public trust, and that means leaders who deserve our trust, can win it and who fulfill it.

We believe in self-reliance, but tempered by a sense of humanitarianism and compassion.

We believe in achievement; we believe in progress; we believe in work.

And we believe in justice.

Our beliefs have always been closely tied to our aspirations. We have often believed in what we have not yet achieved, and then have gone on to work for it, led onward by our beliefs.

The preamble to the Constitution spells out the faith and aspiration of America: "a more perfect union," "justice," "domestic tranquility," "the common defense," "the general welfare," "the blessings of liberty (for) ourselves and our posterity."

The Bill of Rights: the freedoms of religion, speech and the press, of petitioning government for redress of grievances; freedom for each state to maintain a militia; freedom from military takeover of private property; freedom from search and seizure; the right to fair, public, speedy trial by jury, to reasonable bail and fines and without cruel or unusual punishment; protection of other rights enjoyed by the people, and reservation of the rights of the states.

Not one word of the Constitution protects government from the people, or public officials from the public. The Constitution was written to protect the people from government.

And it was under these guarantees, stirred by our beliefs, led by our dreams, that we built this nation.

Nations are in many ways like children: they go through phases, and these phases continue with adulthood.

As children we learned certain ways of behaving were right and others were wrong, taking the word of our parents.

But as we reached adolescence, we began to question those values and rules, and we tested and challenged. We learned by breaking a few rules and experiencing the consequences. In the end, we had a better appreciation for what we had been taught than we had before. Faith followed blindly keeps you out of trouble, like a wall. But values built on experience open the eyes and set you free.

America has been passing through an adolescence.

It has been testing and questioning. I believe the process has opened our eyes and broken the walls.

They say the repented sinner makes the best Christian.

I believe a reformed America will make a better and stronger America.

We have had our prodigal days, and now we will return, sadder but wiser—and stronger—to the values of our fathers.

In the latter days of our nation's youth, our Presidents gave us the New Deal, the New Frontier, the Great Society. Today America is embarked on a New Maturity.

Having seen leaders break rules we had accepted without question, we have learned the reasons for those rules and the consequences of breaking them. We will work to assure that they are not broken in the future.

Having seen our bounty mismanaged and squandered, we have learned the hard lessons of stewardship, prudence, and conservation.

Having endured the painful experiences of fuel and energy shortage, we will learn to become more self-sufficient.

Having seen surplus shrink to shortage in our agricultural supplies, we will learn the necessity of a national food policy and food reserves for times of scarcity.

Having learned the hard lesson of executive usurpation of legislation power, we will devise means of restoring balance.

Having seen our concern for national security and the necessary rule of executive privilege cheapened, distorted and reduced to veil executive misdeeds, we will devise new means of revealing information that the public needs.

Having watched and then gone to court to fight executive impoundment to frustrate the will of Congress, we will write new laws that prevent those kinds of arrogance.

Having seen the excess of fast and loose collection and spending of political campaign funds, we will write laws that can help clean up this process.

We will achieve all this and more, because the American people are disgusted but not disillusioned, angry but not resigned, indignant but not despondent.

The American values still live. The old rules still stand. We need only to bring them back out into the light of the American Vision.

The American Vision has always been held by the Democratic Party. And the challenge to the Democratic Party today is to reassert its leadership as the party of the people.

It is the Democratic Party that is ready and able to get on with the job of meeting the needs of the people of America.

We are the Party that stands up for the working families of this country. We are the voice of hope and opportunity for them. And we shall take to the people our agenda for action in establishing a strong and stable economy; in providing decent jobs at a living wage; quality health care at the lowest possible cost for all the people; good education for our children; clean and safe neighborhoods; a fair tax system; and the right of every American to hope in the future and have a decent opportunity to make the most of his or her abilities.

The Democratic Party stands today for a restoration of American values and for replacing the politics of slogans and rhetoric with the principles of action and performance.

So I am confident of America's future. I do not find reason to despair.

A favorite quotation of mine is from a great American poet, Carl Sandburg. In closing, let me share his words with you:

"I see America, not in the setting sun of a black night of despair ahead of us. I see America in the crimson light of a rising sun, fresh from the burning, creative hand of God. I see great days ahead, great days possible to men and women of will and vision."

PRESIDENTIAL POWER AND RULE OF LAW

Mr. CRANSTON. Mr. President, Congress can, Congress must, reclaim the equal partnership with the Executive that the Constitution envisioned and that the continuation of a free society demands.

Freedom is safe only where governmental power is diffused. No society will long remain free where governmental power remains overly concentrated in the hands of one man. Concentrated power tends to become the absolute power which, Lord Ashton warned us long ago, corrupts absolutely. Absolutely and inevitably.

That is why the Founding Fathers wisely separated governmental power, dividing it among three equal branches and designing each branch to be strong enough to thwart a ruthless abuse of power by either of the other. When one branch aggrandizes itself at the expense of another, it does so at the expense of the people's freedom, too.

The Presidency—by nature remote from the people, monolithic in structure and with a huge bureaucracy at its command—is the one branch most in danger of degenerating into dictatorship. Especially in these days of fast governmental controls over and interference in the lives of our citizens.

The Presidency must be a constant target of vigilance—by the Congress, the courts, the people, and by the occupant of the White House itself—lest it exceed constitutional restraints.

There is far less danger of arbitrary use of power by the Congress which, in a very real sense, is the spiritual embodiment of representative democracy. The very pluralism and factionalism that are decried as weaknesses of Congress are also the sources of its strengths.

Congress, being far more accessible to the people than is the President, is capable of being more receptive to their demands, more understanding of their needs.

Congress is the mirror of a free people, reflecting the multitudinous divergencies and differences, the conflicting economic drives and social and political desires of 21 million individuals living in the most advanced, most complicated technological society the world has ever known.

And if, in the process of trying to distill and synthesize this political potpourri, the Congress sometimes seems overly argumentative or dilatory or indecisive or wishy-washy, it is—like it or not—a sign of democracy at work.

Congress is often accused of being too slow. It is. It should move faster than it does. But not too fast.

The democratic process—being a process, a way of doing things that is quite as important as what we are trying to get done—takes time. We must take time for deliberation and discussion if we are to limit the incidence of unnecessary or unwise or even harmful laws.

In any democracy deserving of the name, laws—even good laws—cannot be rammed down the peoples' throats.

Controversial laws, if they are to work, must be acceptable to, if not have the active support of, an overwhelming majority of the people. And consensus among 21 million people—and among the representatives of 21 million people—is sometime painful to come by.

But consensus government—government of, by, and for the people—is well worth the effort.

Mr. President, Richard N. Goodwin, in an article published in the Los Angeles Times March 31, "Presidential Power and Rule of Law," makes a perceptive, historical analysis of our present situation, which I call to the attention of my colleagues.

It deserves careful reading and even more careful thought and discussion. Our Republic is passing through a most critical time, testing the very fabric of our constitutional experiment in limited self-government. It is imperative that we in the Congress help lead our Nation to a strengthened and more responsive government, more finely tuned to individual rights and liberties.

I ask unanimous consent that the material to which I have referred be printed at this point in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Presidential Power and Rule of Law

(By Richard N. Goodwin)

President Nixon's conduct of his office should awaken us from our obsessive concern with the character of individuals, and convince us that while the venalities of recent years are personal to this Administration, the fact that they could be committed can only mean that the democratic structure has broken down.

Over the past quarter century, the executive has gradually broken free of the restraints which protected democracy—popular sovereignty, personal liberty, legislative authority and the rule of law.

In the last decade, the Presidency has acquired an immense unchecked power over the society that inevitably is used to advance the ambitions of those in office.

This presidential bureaucracy is the consummation of a successful revolution, one that has already overturned fundamental elements of the democratic process. Until very recently, it was never thought that Congress was limited to passing laws and hoping for the best. Although the executive had the principal responsibility for administering the laws, to administer was not to rule.

The actions of those who administered the laws that Congress passed and who spent the money that Congress provided, were subject to scrutiny and interrogation designed to prevent serious deviation from the legislative will. The power to legislate and appropriate was also the power to direct the activities of government, at the very least to ensure that nothing of consequence could be done without the explicit or tacit approval of Congress.

The phrase "presidential staff" is a euphemism for an extra-constitutional institution that has stripped Congress of the authority to govern—to share in the selection and regulation of officials, enforce its intent, and even to know what is being decided, and by whom.

By allowing its own powers to be diminished, Congress has seriously weakened what Alexander Hamilton described as "the two greatest securities" of the people "for the faithful exercise of any delegated power."

"First, the restraints of public opinion" which, Hamilton pointed out, would "lose their efficacy" if it were necessary to divide censure among a number or if there were any "uncertainty on whom it ought to fall; and, secondly the opportunity of discovering with facility and clearness the misconduct of the persons they trust, in order either to their removal from office, or to their actual punishment in cases which admit of it."

The impeachment of the President will not, by itself, restore these restraints; the conditions that permit abuse would still remain. It is not enough to throw out the thieves, it is also necessary to dismantle the den; to reduce the power of the executive and rebuild, as best we can, barriers against presidential ambition and desires.

To concentrate power is to increase it, the whole becomes more than the sum of its parts. Thus the growth of executive power, the dissolution of traditional divisions and restraints, has not simply made the President more important in relationship to Congress, the courts or state governments. It has increased the total power of the state at the expense of private freedom and autonomy to the point where, in modern times, the original understanding—the reconciliation of authority with democracy—has been shattered.

For decades American Presidents have been probing and extending the limits of this emerging executive power and Mr. Nixon, for all his excesses, probably fell far short of existing possibilities, undone by incompetence and triviality. For power breeds power and, if the process is not checked, will some day override all restraints; if, indeed, that point has not already been passed without our having noticed or understood.

This perilous accumulation of authority has occurred even though the constitutional provisions that assign and limit power are unchanged and remain, in the phrase of Article VI, "the supreme law of the land . . ."

The actual division of powers at any historical moment is determined, not by law, but by the willingness of the people and their representatives to protect their liberties. Clearly, for example, the existence of a mammoth defense force has expanded the content of a president's power as commander-in-chief. The modern cult of the presidency, the president as supreme celebrity, could only be sustained by the new mass media with its ability to drown the nation in passionless curiosity.

The languishing democratic process cannot be restored simply by exhorting the President to self-restraint or the Congress to self-assertion. "Power" is an abstraction, but its exercise requires tangible organization and institutions. A will to freedom is essential, but the most fervent hatred of oppression can be frustrated by those who command the instruments of power—an army, a secret police, or, in our own case, the public structures that contain and impose the presidential authority.

Those involved in women's liberation have repealed Freud's dictum that anatomy is destiny, but it is still true that in government, structure is power. The present executive metastasis can be arrested only by changes in the instruments that permit the exercise and accumulation of an authority which is both unnecessary to the national well-being and dangerous to the nation's liberty. We already have the formal power to make such changes. And one can readily illustrate the kinds of modifications that are required.

One would begin, for example, by eliminating the presidential bureaucracy—through a simple congressional refusal to renew its annual authorization and approval. The President should be permitted a few speechwriters and personal assistants, a couple of press secretaries and a crony or two. But a President, mindful of tradition, might restrict himself to 11—the number who served Franklin Roosevelt. The Presidency does not need a private superdepartment to manage the public departments whose officials he also appoints and directs.

We have been told by every president since Dwight D. Eisenhower that a mushrooming foreign policy staff was a necessity of the complex modern world. Then Henry A. Kissinger moved down the street to the State Department, trailing clouds of power as he went. The justifications for other, less sensitive activities secluded within the White House are equally mythological.

Nothing is done—legally and in the public interest—by the presidential staff that cannot be accomplished by public agencies subject to those public and congressional restraints provided by the democratic process. Perhaps a good President might be trusted with a private government, but only theologians can be permitted to rely on the coincidence of goodness with power.

The ability to conduct national affairs in secret deprives Congress and the public of influence on the process of decision; it encourages conspiracy between private interests, executive employes and a handful of powerful congressmen. Moreover, the systematic abuse of power requires a lot of time and people.

Even the most corrupt, power-hungry and energetic President cannot—by himself or with a few assistants—run a spy system, issue secret orders to "independent" agencies, infiltrate the departments with loyal subordinates, pay off friends and supporters, monitor the media and pursue "enemies." A general without a loyal army may abuse his authority, but he cannot become a tyrant.

The independent regulatory agencies should follow the presidential bureaucracy into the limbo of discarded deformities. These agencies were established to regulate important sectors of the economy—railroads, airlines, communicators and media, stock markets, etc. Since their decisions directly influence the personal fortunes of individuals and the earnings of companies—the ability to bestow or deny wealth—careful effort was made to insulate the agencies from the pressures of politics and the coercion of politicians.

Time and corruption transformed this "independence" into a shield behind which agencies and the industries they were to regulate formed alliances against the public interest they were to protect. As a result, in the late 50s and early 60s, a variety of studies—conducted privately and by the government—recommended their abolition. But the businesses which had violently protested their creation fought to preserve them. And nothing was done.

The Nixon Administration, with its genius for innovative advance, discovered that regulatory agencies could be used, not only to help business in general, but to serve those particular interests and companies thought specially deserving of presidential favor, and those who had yielded to presidential blackmail.

It is time to follow recommendations—made by many during recent decades—to transfer the judicial functions to courts, whose independence is more secure, and to place the legislative power in government departments more readily subject to the corrective scrutiny of Congress and public. Even better, Congress might enact general regulations into law, thus reassuming the legislative authority it has abdicated in the name of permitting "administrative discretion."

It will be harder to guard against the sprawling apparatus dedicated to enforcing the law, collecting taxes, compiling intelligence, spying on individuals, and protecting the national security against all enemies real or imagined. Like all good bureaucracies, these organizations want to grow—to add functions and extend jurisdiction—but never to eliminate the redundant or obsolete. And that mischief which is due to idle hands, the need to make use of an excess of money or an agent, is sheltered by their relative secrecy of operation.

By undertaking to redraft and reenact the legislation establishing those varied functions, Congress could provide a public review which might at least serve to expose waste, incompetence and obsolescence.

Although one cannot eliminate all the dangers inherent in the inconsistency between democracy and a national police, some protection could be provided by the establishment of joint congressional committees to share presidential authority over the bureaus of intelligence and law enforcement. It would be necessary to equip such committees with professional staffs large enough to monitor all their operations. It cannot be assumed that any congressional committee will prove a zealous guardian of civil liberties, but, if only from self-interest, a congressional group might be counted on to obstruct lawless acts intended to advance the political fortunes of the President and his party. Certainly, it will increase the number of those who must be enlisted for illegal conspiracies.

Reductions in presidential authority will not, by themselves, eliminate the varied incapacities that have brought the Congress to its present low estate. Congress has been enfeebled, not by the personal defects of its members, but by the nature of politics and by the inadequacies of congressional organization.

Every member of Congress must share his constituency with the President. Open conflict is a risk made to appear far more dangerous by the President's exclusive access to mass media. Even if a congressman is more popular in his district than is the President, most politicians are reluctant to relinquish a single vote, unless by so doing they gain even more.

Since a congressman's constituency also contains opponents of the President or of particular presidential policies, potentially damaging controversy can most readily be avoided by abandoned responsibility, by letting the President decide. This is the course dictated by contemporary political wisdom, except when issues touch the immediate interests of a district, or on those rare occasions when public passions force a congressman to a choice.

Moreover, the same large private interests that benefit from presidential power also support and influence members of Congress, while the President can use his power over federal resources to enrich the districts of the faithful. Reducing executive authority along the lines suggested here will dilute some of these political weapons of control, but opposition to even a moderately popular President will never be made to seem a safe or easy course.

And even if changing political conditions instill Congress with the will and courage to reassert its powers, the way will be blocked by a legislative organization based on impotence. Congressional committees, for example, are often little more than executive enclaves within the legislative branch.

"Key congressmen"—the ranking members of important committees—are permitted to share the rewards and even the authority of the Administration, in return for helping to protect the executive against unwanted interventions by the Congress. Their relationship with the executive, with which they also share a distaste for the hazards of public debate and legislative interference, is far more rewarding than their ties to other members, or to the Congress as an institution. That is why the White House staff has hastened to assert jurisdiction over these congressional relations that once helped executive departments to maintain some independence of the presidential will.

The most important source of congressional subservience, however, is not the committee structure or the seniority system, but the inability of members to obtain and use that expert knowledge and information, which, given the complexity of modern government, has become necessary to the exercise of power. The official who visits Capitol Hill to argue the President's case is backed up by studies and memos, supported by battalions of specialists and statisticians, flanked by assistants eager to provide a missing fact or suggest the answer to an awkward question.

The congressman, on the other hand, is rarely equipped to debate the executive, or even to comprehend what is being newly proposed or what ongoing activities he is expected to support. The most diligent and conscientious member, although he may become expert in a particular field such a tax policy or the space programs, cannot also master the intricacies of defense, inflation or agriculture. He must rely on a handful of colleagues and lobbyists or on the executive.

A Congress determined to share in the conduct of affairs will need its own counterpart to the Bureau of the Budget—a congressional institution large enough to monitor and evaluate executive activities, to master the details of complicated legislation, and to provide new ideas and specific recommendations for congressional intiatives to resolve important national problems. Congress is not simply an assembly of critics, designated to censure or applaud the President's performance. It is also, and equally, as responsible for ending inflation, reducing crime, or helping the poor. We cannot be sure that congressmen will want to forfeit the relative comfort and tranquillity made possible by the abdication of this responsibility. But the most zealous Congress cannot act without the resources needed to examine and understand the afflictions of the nation.

This new congressional agency will not be effective if it simply disgorges vast quantities of memos and studies for men who are already inundated by more material than they can read or master. Its officials and experts should participate directly in committee interrogations of their executive counterparts. Their expertise, their scrutiny of executive actions, and their continuing examination of national problems would be freely available to all members and, in most cases, to the public.

Congress is democracy's only public forum, and its power to force debate and disclosure is also the most important instrument for the participation of the citizen. That power is drained of all content and meaning by congressional ignorance, or by congressional dependence on information from the executive. If the deeds and policies of government are not subjected to the open clash of the diverse interests and ideas that Congress represents, there can be no public will or popular government, only a plebiscite.

It will not be easy to reverse the accumulation of presidential authority. Yet the prospects have been brightened by the emerging realization that the restoration of democratic principle is also a necessity of effective government.

It now appears that even though the President's power is a consequence of modern conditions, it is not a necessity. Our problems and circumstances do not require a usurping executive and an enfeebled Congress. Indeed, the clearest lesson of the past decade is that the removal of restraints breeds massive incompetence, increases the likelihood of actions and policies which damage the national well-being.

The large industrial bureaucracies, which dominate the modern economy, have been a principal cause and support of increased presidential power, finding it more congenial to deal in secret with a small group of fellow executives than to master the confusions of the democratic process. They now discover that the price of this support has been an end to the sustained economic expansion of the postwar period. Surely an entire decade of misrule is enough to convince even the most skeptical that we are not the victims of bad luck, but of more fundamental defects in the organization of the state.

There is no guarantee against error, but to concentrate power over the immense complexities of modern life, to reduce public debate and congressional participation, is to make error inevitable, and to ensure recurrent crises each of which will lead to further encroachments by an executive anxious to mask its failures and subdue the opposition that failure arouses.

We are far more likely to increase our economic well-being, resolve our social problems, and avoid self-destructive world policies amid the confusions of democracy than in the quiet intrigue of executive chambers.

THE ECONOMY

Mr. FANNIN. Mr. President, certain Members of Congress have been advocating an antirecession tax cut. In testimony before the Senate Finance Committee, Secretary Shultz stated:

> It is difficult to see any persuasive signs of broadly-based or cumulative reduction in demand for the economy as a whole that might call for added fiscal stimulus. The continued basic strength of the economy is reflected in numerous ways. One favorable factor is the capital investment boom, which continues unabated. If anything, businesses are still revising their investment plans upward. Another is strong inventory demand, and modest ratios of stock to sales in most sectors. Government spending is on the rise, too, at both the Federal and local levels. Furthermore, it appears that housing, hampered last year by mortgage-money shortages, should soon enjoy an upswing from the improved flow of funds into the mortgage-granting institutions.

Further, Prof. Murray L. Weidenbaum, former Assistant Secretary of Treasury, has stated that the administration's proposed budget may be much more expansionary than its basic numbers indicate. Professor Weidenbaum points out that the $9.4 billion estimated deficit could easily turn out to be more than twice that size.

Mr. President, if this estimate is partially correct, a tax cut at this time would be disastrous to our economy.

Mr. President, I ask unanimous consent that a March 24, 1974, article from the New York Times entitled "Springtime in the Economy" be printed in the RECORD. This article quotes leading private economists who contend we should be directing our efforts to getting inflation under control rather than stimulating the economy which would serve to seriously increase the rate of inflation.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SPRINGTIME IN THE ECONOMY

(By Thomas E. Mullaney)

The swallows returned to Capistrano as usual last Tuesday, the robins are back in the East, the crocus has burst through the ground on many lawns and Washington is welcoming the perennial blossoming of its cherry trees.

Thus, the typical signs of spring abound everywhere. The buoyant new season arrived on schedule on both the calendar and in the business world last week after a winter that was less severe than anticipated from the standpoint of the weather and the performance of the American economy.

With energy supplies so tight in many parts of the country the last five months, it was indeed fortunate that temperatures held above normal throughout the fuel-needy Northeast. And the nation was blessed as well with a structurally strong and resilient economy that managed to neutralize fairly well, over-all, the severe adverse effects of the fuel shortages in certain industries.

It may be somewhat premature to be certain about it, but there seems to be a better one to the domestic economy as the end of the first quarter approaches than there was at the beginning of the year. And it is certainly true to say that business and investor sentiment is more upbeat than it was only a few weeks ago.

A sampling of opinion of leading private economists last week by The New York Times indicated little sympathy for suggestions in Washington and elsewhere that the economy be prodded with more general stimulus at this time. All of them urged strong efforts to bring inflation under better control as the principal objective of national policy at this time.

Several commentators did recommend however, that steps be taken to bolster the purchasing power of low-income families and those most affected by inflation and the energy problem.

Most also endorsed the suggestion by Secretary of the Treasury George P. Shultz last week that Congress change the tax tables to correct the massive over-withholding that has occurred in recent years. Mr. Shultz said such action would quickly restore some $6-billion in purchasing power to consumers.

The change in the general outlook has been quite sudden. And it has caused a shift in attitude in various quarters about economic prospects and appropriate economic policies.

Although many private economists are still convinced that economic activity in the country will continue to drift along sluggishly for at least another quarter, there seems to be less fear now of anything more than a very slight recession in the first half of the year. And some are even saying that an upturn may come even before that. In general, though, the forecasters still seem confused and uncertain in their predictions.

It may well be that it is still too early to discern the real course of the American economy this year, as William Fellner, a member of the President's Council of Economic Advisers, warned only two weeks ago. However, the economic community has been somewhat encouraged by several recent developments, including the lifting of the oil restrictions.

Current data suggest that the Arabs' embargo was exerting a lesser effect on the American economy and other economies than had been feared initially. Now that the embargo is off, promising some fresh aid for the sectors that had been most affected by it here and abroad, the stage may well be set for better business sooner than many had expected.

The latest economic data from Washington that offered considerable encouragement were the monthly statistics on housing activity, factory orders, total business sales and personal income. Moreover, the three-month slump in industrial production was principally related to energy problems and shortages of materials rather than a significant deterioration of demand.

A further evidence of strength in the economy is the continued firmness of business borrowing. This factor, which caused major banks to lift their prime lending rate back to the 9 per cent level last week, largely reflects the ongoing boom in capital spending, but it is also related to the strength of total business activity.

How soon and how strongly the economy rebounds from its current level of zero real growth will depend to a large extent on the behavior of the American consumer.

The high cost of energy and food in the current highly inflated atmosphere has greatly distorted the public's spending pattern and raised doubts about the level of consumer confidence. It has already drastically affected the auto business and—to a lesser though worrisome extent—the general level of retail business. But there is no evidence as yet that over-all public spending has been greatly reduced and savings substantially increased.

The spring months usually give a strong clue on the attitude of consumers. It's the major period for auto sales each year, and it's the time when department stores look for expanded sales of clothing and household goods. The auto industry remains confident of a spring upturn, with General Motors quickly canceling some planned plant shutdowns and recalling 27,000 laid-off workers when the oil embargo ended last week. But retail executives are more gloomy because of the inflation picture and the serious erosion that has occurred in the real income of every one.

The economy's major problem is the elevated level of prices. The United States, accustomed to price increases of 3 per cent or less in a typical year, is now confronted with double-digit figures in its price indexes. Consumer prices, for instance, are now running at an annual rate of 15.6 per cent after a huge 10 per cent jump in the last year.

Getting inflation under control was the recurrent theme in the responses of leading economists to questions from The Times on the state of the economy last week.

Economist Beryl Sprinkle of the Harris Trust and Savings Bank, commented: "The recent slowdown provides one more opportunity to get inflation under better control. Avoiding the political temptation to engage in massive stimulus for short-run benefits will certainly improve the prospects for less inflation over the longer run."

A. Gilbert Heebner of the Philadelphia National Bank said he agreed with Secretary Shultz that more fiscal stimulus would be unwise at this time, adding: "It would serve to sustain or worsen our seriously high rate of inflation at the very time that it is vital to begin to reduce inflation."

Prof. Murray L. Weidenbaum of Washington University said he believed the economy is "bottoming out right now" and that he opposed any additional stimulus because "the Federal budget is becoming far more expansionary than generally recognized." He expects the fiscal 1975 budget deficit to run closer to $20-billion rather the the $9-billion expected by the Nixon Administration.

Walter E. Hoadley, chief economist of the Bank of America, advocated fiscal stimulus to disadvantaged individuals but opposed general fiscal stimulus because it would aggravate inflation. "The best relief for consumers," he said, "is to check rising price expectations by strong programs to expand supply investments."

Albert G. Matamoros, chief economist for the Armstrong Cork Company, noted the accumulating evidence that the first quarter would represent the low point of the year in terms of real gross national product and said that additional fiscal stimulus taken now "would have the unfortunate lagged effect of impacting the economy precisely at the time when natural expansive forces are manifesting themselves, with the result that additional upward pressure on industrial prices would appear."

Dr. Paul W. McCracken of the University of Michigan said that "building yet more fiscal stimulus into the budget would be unwise" and that he felt the amount of current stimulus "plus normal budgetary slippage slippage will already be enough."

An opposing view came from Prof. Walter W. Heller of the University of Minnesota, who remarked: "In spite of some encouraging signs, the basic move of the economy is still downward and of employment, upward. I advocate $6-million to $8-million of fiscal stimulus, including a personal-exemption increase (on taxes), removal of the payroll tax on the working poor and a boost in public-service employment, public housing and unemployment compensation as an antidote to the recession and as a means of helping the groups hardest hit by food and fuel inflation."

It may be too early to be encouraged by the signs of better economic conditions, but it is not too early to be pressing hard for new initiatives and a firm resolution in Washington to get moving on the inflation front. Few economic observers share the Administration's public confidence that this gloomy picture will brighten later on in the year.

NEED FOR INVESTIGATION OF INTERNATIONAL OIL MONOPOLY

Mr. HOLLINGS. Mr. President, on behalf of Senator Thurmond and myself, I would like to bring to the attention of my colleagues in the Senate a concurrent resolution passed by the South Carolina State Legislature memorializing the Congress of the United States to initiate necessary procedures to provide for an investigation of an apparent international oil monopoly. I ask unanimous consent that this resolution be printed in the Record.

There being no objection, the resolution was ordered to be printed in the Record, as follows:

A Concurrent Resolution

(To Memorialize the Congress of the United States to Initiate Necessary Procedures to Provide for an Investigation of an Apparent International Oil Monopoly Which is Doing Great Damage to the Economy of This Country and Causing Great Inconvenience and Hardship to the People.)

Whereas, this country is suffering from an acute shortage of oil, gasoline and petroleum products related thereto; and

Whereas, the efforts of the federal agencies concerned with the energy shortage are apparently inadequate to control the production, importation and refining of necessary fuel products for home and industry; and

Whereas, it is of momentous importance to determine the actual causes of the fuel shortage, and it is the opinion of many that this shortage is a contrived conspiracy of the international oil monopoly.

Now, therefore,

Be it resolved by the Senate, the House of Representatives concurring:

That the General Assembly hereby memorializes the Congress of the United States to initiate necessary procedures to provide for an investigation of an apparent international oil monopoly which is doing great damage to the economy of this country and causing great inconvenience and hardship to the people.

Be it further resolved that copies of this resolution be forwarded to the President of the United States Senate, the Speaker of the House of Representatives and each member of the South Carolina Congressional Delegation in Washington, D.C.

FOOD: THE OTHER CRISIS

Mr. HUMPHREY. Mr. President, Mr. Brooks Jackson of the Associated Press has put together this past month a very thorough and comprehensive story on our presently depleted grain reserves.

The article traces the story of how we managed to dispose of our formerly large stocks and now have almost no reserves on hand.

The sad fact, which the article makes abundantly clear, is that while experts such as Norman Borlaug are giving warning about our vulnerable position and the serious possibility of famine, the administraton really has no strategy, and its hope is that the problem will go away.

Secretary of Agriculture Butz has declared his support for privately held reserves, but there is no agreement within the executive or the Congress on what policy to follow. The United Nations-sponsored World Food Conference, scheduled for November in Rome, provides a deadline against which to work, but it is not clear whether a grain reserve strategy will be worked out by that time.

Mr. President, I commend this most informative article to the attention of my colleagues, and I ask unanimous consent that it be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Food: The Other Crisis

(By Brooks Jackson)

Washington.—The world's cupboard is nearly bare. Known grain reserves are down to less than two month's supply; lowest on record. With the buffer against hunger so thin; a major crop failure this summer would trigger an accelerated surge in food prices around the world.

In the opinion of many analysts; the situation could lead to a global food panic.

The U.S. Department of Agriculture predicts record world crops in the months ahead; and some easing of the shortage. But the forecast is highly uncertain.

Administration officials, from President Nixon on down, publicly talk of the food problem and the energy crisis as twins. Food is the other crisis.

The administration is uncertain how to deal with it. Congress is divided. For the immediate future, only good weather and good luck can help.

Symptoms of the situation are widespread. U.S. grocery prices went up 14.5 per cent last year. The Agriculture Department predicts they will rise another 8 to 15 per cent this year, while Sen. George McGovern, D-S.D., foresees a 30 per cent increase.

Faced with higher prices, Americans trimmed their grocery buying more sharply last year than at any time in the previous 40 years. They tightened their belts and ate less meat, fish and poultry.

Wheat prices rose from less than $1.50 a bushel before the 1972 Russian wheat sale to $2.50 last July and up to $6 recently. Farm income hit a record $26 billion last year, and farmers continued bidding up the price of crop land and new farm machinery.

In the commodity markets, grain futures gyrated wildly. Overseas, famine claimed the lives of thousands in central Africa. Grain shortages loom in India, where U.S. Ambassador Patrick Moynihan is predicting famine within the coming months.

According to official estimates, this summer's crops will more than feed the world's expanding and increasingly affluent population, leaving enough to begin restocking the earth's severely depleted food reserves.

But this is no more than an educated guess, based on a number of assumptions that could prove faulty. "The range of uncertainties can hardly be minimized," concedes one Agriculture Department statistical report. "Admittedly there are great uncertainties," says the President's international economic report.

What the government economists assume, in making their forecast of bounty, is that farmers will plant as much as they say, that the world's weather will be normal, that a developing fertilizer shortage won't cut deeply into crop yields, and that mechanized farmers will get enough fuel.

At least one of these assumptions may already be invalid. One nongovernment agricultural economist, who asked not to be named, said he saw first-hand evidence on a recent Asian trip that lack of fertilizer is affecting rice crops.

The chief economist of the Agriculture Department, Don Paarlberg, concedes that the optimistic forecast is conjectural, and that the coming months are risky. "There is some jeopardy," he said in an interview.

There is little that can be done immediately to ease the situation. Grain stockpiles can't be rebuilt until surpluses develop. The U.S. government already has eliminated virtually all restrictions on planting, allowing American farmers to produce at full capacity this summer for the first time in nearly 40 years.

What happened to the earth's granary? And what can be done to restock it? American farm policy is at the center of both questions.

After World War II, the globe's food reserve became concentrated, almost by accident, in the United States. American farmers, with their rich land and keen technology, produced more food than the country could eat or sell. The government stepped in to prevent depression-style collapse of farm prices. First it bought up surplus food, and later it also paid farmers to idle much of their land, up to 50 million acres.

These policies, which are designed to keep farm income up, also gave the world an important buffer against hunger. The government's stored grain was so costly to keep that it gladly shipped some $20 billion worth of it overseas under the Food for Peace program. Subsidies were paid to exporters to sell grain at low world prices.

The reserves of stored grain and idled U.S. farmland cost U.S. taxpayers $4 billion in 1972 alone. They were a source of constant irritation to urban consumers, who saw part of their tax money being used to keep their grocery prices up.

When a series of events shrank world food output in 1972, Agriculture Secretary Earl L. Butz sold off virtually all the government's grain. Next year's farm programs may cost as little as one-eighth of the 1972 outlay.

What allowed this liquidation was a combination of factors. Poor weather in 1972 cut crops in India, Southeast Asia, Australia, and, most importantly, Russia. The Soviets decided, unlike previous bad years, to buy grain abroad rather than kill off livestock. Peru's important anchovy fishery collapsed, denying the world an important source of protein feed. Africa's peanut crop was poor. And meanwhile, the world's appetite continued to grow faster than its population, because of a rise in meat consumption brought about by increasing affluence in industrial countries.

Crops generally recovered in 1973, but couldn't keep pace with consumption. Known world reserves remained low, and foreign buyers drained U.S. wheat stocks to the lowest point since the food-rationing years following World War II.

There is no single, accurate tally of the world's reserve food stockpiles. Latest figures from the foreign agricultural service show about 53 days supply of wheat in the world, and 35 days supply of feed grains. Both are the lowest since the statistics were first compiled, more than 10 years ago. The actual total may be higher, because it isn't known what the Soviets or the mainland Chinese have stored.

Even the United States' own wheat reserves are a question mark, although the most optimistic estimate puts it at the lowest level since 1947. The problem is that the Agriculture Department doesn't trust the reports it began requiring of the big grain traders after they sold a quarter of America's 1972 wheat crop to the Soviets. The department assume the companies won't ship all the grain they say they have sold overseas, and it estimates America's reserves at 178 million bushels. Sen. Hubert H. Humphrey, D-Minn., who has been warning for months of a looming global food crisis, estimates that the real reserve is a scant 38 million bushels. Few observers take seriously the recent warnings from the American Bakers Association that the total is zero, and that bread prices will be forced to $1 a loaf.

By any measure, however, stocks are short. The result of short stocks is panic buying; hoarding and price runups. Wheat hit more than $6 a bushel before the price turned down recently. Corn hit $3. Exporters oversold the U.S. soybean crop last year and the price quadrupled to more than $10, causing the administration to slap on an export embargo that enraged the Japanese and other foreign buyers.

Several nongovernment experts on agriculture have voiced grave fears about the lack of reserves. Dr. Norman E. Borlaug, a Nobel Prize-winning scientist, estimates that more than 50 million people would have died last year in a worldwide famine if it hadn't been for good rainfall. Reserves are no better this year.

Dr. Lester R. Brown, senior fellow at the Overseas Development Council, says the world is in "an extremely vulnerable position," and cites evidence pointing to a conclusion that food shortages may become increasingly severe in the years ahead.

Dr. William C. Paddock, an agricultural consultant who has been warning of impending food scarcity for years, now says, "The time of famine has indeed arrived."

These are extreme views, but even more middle-of-the-road economists have warned that thin reserves mean unstable prices and less food for disaster relief in famine areas.

Even within the administration, some high officials speak of possible disaster this year. But so far there is no agreement about what to do.

President Nixon, in his international trade report, spoke last month of a need for commercial reserves "to prevent food prices from rising to unacceptable levels when harvests fall short." But he proposed nothing specific, beyond warning that buyers shouldn't count on the U.S. government to carry the burden alone.

Nixon's advisers are undecided on the issue. Agriculture Secretary Butz is outspoken in his opposition to "any kind of government manipulation in agriculture," including government ownership of reserves. State Department officials are studying proposals for an international system of grain reserves. Nixon's Office of Management and Budget is sifting through ideas for encouraging private interests to hold greater stocks.

Congress also is divided, and current betting is that no legislation will pass this year. A Senate subcommittee opens hearings March 21 on proposals by Humphrey and others to establish a government-owned grain reserve which would be a fraction the size of the old stockpiles. But Humphrey sees no better than a 40 per cent chance of passage.

Opposition to the idea comes not only from administration budget-cutters and from Butz, but from such conservative farm groups as the Farm Bureau. They see any government reserve as an anchor or farm prices.

Consumer groups back the reserve idea for the same reason that the Farm Bureau opposes it. However, consumerists haven't yet shown much enthusiasm for the proposals, which aren't very well understood by most grocery shoppers.

Administration officials say they hope to have a grain-reserve strategy worked out by next November's United Nations-sponsored World Food Conference in Rome.

One idea under active consideration within the administration is to do nothing, on the theory that things will work out by themselves. Under this scheme, higher prices supposedly would induce farmers to produce more, and the prospect of future shortages would prompt foreign buyers and private grain companies to hold their own reserve stocks.

Peter Flanigan, the President's adviser on international trade, put it this way in an interview: "I feel that there will be a reserve. But that's not to say government reserves. If companies feel they're going to be subject to considerable fluctuations, they'll hold reserves. . . . I don't think it's essential that there be a major U.S. government reserve."

In any event, nobody can build much of a reserve until, and unless, surpluses develop and prices come down. Nobody is proposing that the government stockpile wheat at $6 a bushel.

Surpluses and lower prices could come next fall, if the Agriculture Department's forecast is correct. Or it could come never, if some of the famine-prophesying pessimists are borne out.

THE COMMUNIST BUILDUP IN VIETNAM

Mr. GOLDWATER. Mr. President, on several occasions lately I have made reference to the continuing buildup of North Vietnam's strength in South Vietnam. While it is not possible for me to divulge all the information I have, there are some important points that have been made in the recent issue of Air Force magazine. I have clipped this article from that magazine and ask unanimous consent to print it in the Record. While the buildup is far greater than any of us thought Vietnam would be able to mount, I still feel there is no indication of any definite time when they might put the equipment and men into a major attack, but I think we have to be forewarned and prepared for it. This is another reason why continued assistance from the United States is necessary.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE COMMUNIST BUILDUP IN VIETNAM

(By John L. Frisbee)

Air Force Magazine's January 1974 editorial commented on the buildup of North Vietnam combat forces, equipment, and supplies in South Vietnam. We noted that few of the thousands of reconnaissance photos that documented the buildup had been made public. "As a result, the American people, including many in Congress, are unaware of the extent of North Vietnam's preparations [for resuming large-scale fighting] and how serious the situation is."

Since the editorial was written, a broad sampling of recce pictures has been released. But the media—preoccupied with the aftermath of the Mideast war, the energy crisis, and Watergate—have paid scant attention.

A selection of the photographs is presented here. Those of installations in enemy-held South Vietnam were taken by reconnaissance drones and demonstrate the quality of low-altitude drone photography.

More important, they leave no doubt that intelligence analysts have all the information needed to accurately assess the extent of Hanoi's infiltration of the South. So massive a buildup was not possible during the interdiction campaign conducted by US airpower prior to the cease-fire.

From reconnaissance coverage and other sources, US intelligence experts have concluded that some 100,000 North Vietnamese troops moved into the South between the signing of the cease-fire agreement in January 1973 and the end of that year (the period covered by all estimates that follow). About 43,000 North Vietnamese troops were killed in engagements during 1973: thus, there was a net gain of more than 56,000 North Vietnamese soldiers in the South, although Article 7 of the cease-fire agreement allows only a one-for-one replacement of men and supplies to be brought in at specified entry points. At the close of 1973, North Vietnam had approximately 190,000 troops in the South.

In January 1973, there were between 150 and 190 North Vietnamese tanks south of the Demilitarized Zone (DMZ). At year's end, that force had grown to between 500 and 700—a considerably larger number of tanks than Hanoi had in the South at the start of its spring 1972 invasion.

Long-range 100-, 122-, and 130-mm artillery has been increased from between 170 and 220 pieces at the cease-fire to between 570 and 715 pieces in December 1973.

Equally dramatic has been the expansion of North Vietnam's logistic base in the South. During 1973, more than 100,000 tons of supplies were brought into northern South Vietnam, much of it directly through the DMZ. About half of the supplies are believed to have been consumed or used to build military facilities, leaving the North with a stockpile increase of about 55,000 tons. The North's logistic support in the South is now adequate to sustain heavy offensive operations for at least a year. More than 3,000 permanent buildings and storage areas have been built to accommodate these supplies.

Most of the supplies were moved into the South by truck. In the first six months of 1973, 16,000 trucks were photographed along the Ho Chi Minh Trail alone. The North is using some 5,000 trucks to distribute supplies in the northern provinces and many others to transship to the central and southern regions of South Vietnam.

All-weather roads have been built leading into South Vietnam, as well as a major new highway system within the South. This system has cut in half the time needed to travel from Hanoi to the Central Highlands of South Vietnam.

The highway net is augmented by water terminals below the DMZ. One of the largest ports, Dong Ha, is estimated to handle more than 200 tons of supplies a day.

To defend their forces in the South against air attack, the North Vietnamese have vastly increased their air defenses. By the end of July 1973, they had built eleven surface-to-air missile sites near Khe Sanh and one near Cam Lo. Anti-aircraft regiments, which numbered nine at the time of the cease-fire, were increased to twenty-three, with nearly 1,400 guns, by the end of the year.

The North Vietnamese also have rebuilt or improved at least twelve airfields in the South. Khe Sanh is a good example. Its runway has been lengthened to 5,300 feet and can accommodate any aircraft in the North Vietnamese Air Force, including MiG-21s and Il-28 light jet bombers.

The permanence of construction—headquarters, barracks, steel bridges, hardened POL storage, pipelines, hard-surface roads—indictates that the North Vietnamese intend to hold large areas of South Vietnam indefinitely. Their logistic buildup—far beyond anything needed to defend the areas they now hold—is clear evidence that Hanoi plans to seize additional areas of South Vietnam.

One question remains in doubt. When will North Vietnam's all-out offensive begin?

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, article II of the Genocide Convention defines genocide as "acts committee with intent to destroy, in whole or in part, a national, ethnical, racial or religious group—". Opponents of the treaty have questioned the meaning of the phrase "in whole or in part." As one opponent put it, does it mean "driving five Chinamen out of town?"

The purpose of including this phrase was quite clear. It was to preclude any argument that the destruction of a sizable percentage of a group was not genocide because members of the group still existed. The section on individual rights and liberties of the American Bar Association had this to say:

> In the context of this Convention, there can be no doubt about the distinction between intent to destroy a national, ethnical or racial or religious group and intent to destroy some individuals belonging to the group. Nothing in the history of the United States since the early Indian wars quite adds up to genocide within the meaning of this convention. If any race riot, lynching or comparable event ever grew to the scale approaching genocide as defined in the Convention, the international obligation would surely add nothing to the determination of our own state and federal authorities to bring the perpetrators to full justice.

Mr. President, the section of individual rights and liberties found nothing in the treaty that would endanger the civil liberties of our citizens. They concluded, as did the American Civil Liberties Union, that the ratification of this treaty was in the national interest. It deserves our support.

FINANCIAL STATEMENT BY SENATOR MONDALE

Mr. MONDALE. Mr. President, I ask unanimous consent that a statement of my estimated net worth as of December 31, 1973, be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

FINANCIAL STATEMENT OF SENATOR WALTER F. MONDALE, DEC. 31, 1973

Assets:	
Residence in Washington	$63,000
Automobiles	
Oldsmobile	1,150
Chevrolet	1,050
Cash in deposits	3,513
Household and personal goods	6,000
Cash value of life insurance	5,342
Personal contributions to Federal Employees Retirement System	25,627
Total assets	105,682
Liabilities:	
Mortgage on residence in Washington	35,488
Miscellaneous personal bills	1,000
Bank loan	2,000
Total liabilities	38,488
Estimated net worth	67,194

COOPER-RIVER REDIVERSION PROJECT

Mr. HOLLINGS. Mr. President, I would like to bring to the attention of my colleagues in the Senate a resolution adopted by the City Council of Charleston on March 26 calling for immediate construction of the Cooper River rediversion project. I wholeheartedly concur with the premises of this resolution, and I have been working toward the same end.

The Corps of Engineers is presently reconsidering its capability, and I hope we can move significantly into the construction stage this year. We can save thousands of taxpayers' dollars by completing this project at the earliest possible date.

This project is vital to South Carolina's economy, and I commend the Charleston council for adopting this important resolution. I ask unanimous consent that this resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION

Whereas, a deep harbor is essential to the economic well being and everyday life of the City of Charleston, and

Whereas, the State of South Carolina, the City of Charleston, and private interests have spent millions of dollars to construct facilities to handle commercial shipping, other types of commercial craft, and pleasure craft, and

Whereas, the United States Navy has spent unknown millions in Charleston on defense facilities for this Nation, including a nuclear submarine base, headquarters for the Atlantic Mine Fleet, and facilities to maintain and support all types of Naval craft, and

Whereas, since the construction of the Santee-Cooper Project, the Cooper River and Charleston harbor annually silt at an alarming rate, and

Whereas, the cost to the American taxpayer is an enormous amount and growing every year to maintain Charleston's harbor at an acceptable depth, and

Whereas, suitable areas to place the dredge spoil to maintain the harbor are becoming annually more difficult to find, and

Whereas, the United States Corps of Engineers has devised a plan to divert the waters from the Santee-Cooper Project back to the Santee River, and

Whereas, if constructed, this Rediversion Canal would eliminate substantially the annual cost of dredging Charleston harbor and the Cooper River, and

Whereas, it is essential for the economic future of this City and this State that the Rediversion Canal be funded by the Congress and constructed at an early date,

Now, therefore, be it resolved that the City Council of Charleston, assembled this 26th day of March, 1974, does support the South Carolina State Ports Authority and others in urging that funds be appropriated for the construction of the Rediversion Canal, and

Be it further resolved that the Charleston City Council supports the Corps of Engineers plan of development for the Cooper-River Rediversion Project and urges that construction on the Rediversion Canal proceed, and

Be it further resolved, that copies of this Resolution be forwarded to members of the South Carolina Congressional Delegation, the Governor of South Carolina, and to the United States Corps of Engineers to be included in the record of the Public Hearing to be held on this matter 7:30 p.m., April 4, 1974, in Moncks Corner, South Carolina.

ADDRESS BY COMMANDER OF THE AMERICAN LEGION

Mr. THURMOND. Mr. President, last week the National Commander of the American Legion, Robert E. L. Eaton, made an official visit to South Carolina.

During the afternoon of March 27, he participated in a ceremony at the War Veterans Pavilion in Columbia honoring E. Roy Stone, Jr., a resident of Greenville and one of South Carolina's outstanding citizens. Roy Stone represents my State on the American Legion National Executive Committee and I have worked with him through the years on veterans' matters. I was pleased to join with his other friends throughout the State in honoring this outstanding member of the American Legion.

On the evening of March 27, in Columbia, Commander Eaton addressed a banquet meeting of the American Legion and the American Legion Auxiliary. At that meeting he made one of the finest speeches I have heard on the need for a strong national defense and a rebirth of patriotism in America.

Commander Eaton is uniquely qualified to speak on problems relating to our national security. He is a retired Air Force general officer with service in World War II and the Korean conflict. Among his decorations are the Distinguished Service Medal, the Silver Star with Oak Leaf cluster, the Legion of Merit, the Distinguished Flying Cross with cluster, the Bronze Star and the Air Medal with four clusters.

Mr. President, General Eaton has demonstrated a firm grasp of the complexities of national defense needs. It has been my good fortune to know this distinguished American for several years. He is a man of deep convictions whose leadership this year has brought honor to the American Legion.

In his Columbia speech, Commander Eaton discussed in realistic terms the need for America to maintain a position of strength from which our Government can negotiate the issue of peace in the world. He believes, as I do, that first consideration must be given to an adequate nuclear defense posture. The only way this can be done is to provide our strategic nuclear forces with the funds and personnel to keep those forces in fighting readiness.

I agree with General Eaton that there are several bare essentials for maintaining our credibility in international affairs. We must go forward with the development and deployment of the B–1 bomber as a replacement for the now obsolete B–52. We must deploy an operational Trident submarine force as soon as possible to replace our aging Polaris system. The Minuteman system must be improved with continuing research and development on advanced missiles.

The National Commander endorsed the total force policy, with which I fully agree, as being the best way to hold down the personnel costs of the Armed Forces. As he pointed out, a greater reliance on our Reserve Forces, in accordance with the total force policy, will not only provide an effective defense but will make possible substantial savings in maintaining an adequate defense structure.

Commander Eaton's remarks are relevant to many of the problems we must face and overcome if we are to survive as a great nation. They are the thoughtful and eloquent reflections of a man deeply committed to his country and to the cause of world peace.

He believes, as I do, that our relations with other countries must be based on strength—that the United States has no choice other than to remain militarily strong.

Mr. President, I commend General Eaton's timely remarks to the attention of my colleagues and ask unanimous consent that they be printed in the RECORD at the conclusion of my remarks.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

AN ADDRESS BY ROBERT E. L. EATON, NATIONAL COMMANDER, THE AMERICAN LEGION, COLUMBIA, S.C., MARCH 27, 1974

Department Commander Wolfe, Department President Fisk, Governor Morris, Senator Thurmond, distinguished guests, members of the American Legion and American Legion Auxiliary of the great department of South Carolina. I am very pleased to be here with legionnaires and ladies of the American Legion Auxiliary. I think I was first touched this evening by the fine presentation of the key to the city by Mayor Freeman. I have been to South Carolina many times and you can understand how I always feel at home in this State, and I was deeply honored today to participate in the ceremonies honoring that great South Carolinian, E. Roy Stone, Jr., an honor which, I think, was considerable and momentous, and I thought it was really a great thing to recognize an outstanding citizen of your department. I was honored to be there, and I think it is a measure of the great things that you have here in South Carolina.

I am sure all of you know that our national theme for my legion year as National Commander is "be counted again."

In my travels to various legion departments, I have been gratified at the way each legionnaire and member of the auxiliary has been ready to "be counted again." I have seen it here in South Carolina and I know this same spirit of dedication to God and country prevails throughout the American Legion.

America today stands in need of the dedicated and devoted service that we as veterans can provide. I now call upon the legionnaires and members of the auxiliary of this great department to join with all your other legion comrades to stand and "be counted again" in service to God and country.

You were counted once as you stood to serve your country as a member of the Armed Forces in the time of war. America needs you and other concerned veterans of wartime service for continuing peacetime service in the ranks of the legion.

American Legion membership begins with the invitation to the eligible veterans to join. I implore you to see that every eligible veteran in this State receives a timely and personal invitation to join in the comradeship of the legion. We need to do it now.

We want this invitation to go to all eligible veterans with emphasis on the younger veteran. The Legion has given great emphasis to the problems of the younger veteran in recent years. Their rights and benefits under a revised G.I. bill have been priority concerns of the American Legion for years.

This was necessary action by the Legion because of the problems these young men and women faced on return to civilian life. Their war was a difficult one. Their problems were magnified because they did not have the unified support of their countrymen.

Now these new veterans are home. They deserve the best their country can provide in the way of benefits. The American Legion has worked tirelessly to help insure those benefits, and the young veteran can help his own cause by joining forces with us. He can help us strengthen our "clout" in the Halls of Congress and in the legislatures of our States. This is vitally important to winning approval for essential veterans' legislation. It is where our membership is counted again.

You can assure each new veteran that you come in contact with that the American Legion will continue its efforts to further improve their educational benefits, and we will continue to do so until the Legion is satisfied that they are adequate.

Bring the new veteran into the Legion. Make him welcome. Make him active. Make him aware that he has a stake—not only in the insuring of his benefits—but in continuing to serve in peace the Nation he fought for in war.

Our recent Washington conference put us currently on record with the Congress of the United States on the problems not only of the Vietnam era veteran, but of all veterans. Our testimony was delivered to both the House and Senate Veterans' Affairs Committees.

We renewed our petition for an allowance of up to $1,000 a year for young veterans continuing their schooling, to be payable directly to the institutions concerned to help cover the costs of tuition, fees and books. Several other congressional proposals have been made but we still consider ours to be the most equitable solution. We will pursue it.

We are asking that income limitation for purpose of determining eligibility for military pension benefits be increased to $3,000 for the single veteran and $4,200 for those with dependents to keep them from losing pension benefits because of increases in social security payment.

We are asking further increases in pension benefits to reflect cost-of-living increases and we let it be known that the 10 percent monthly increase of last December, while appreciated, is not adequate.

Secretary of Health, Education and Welfare Caspar Weinberger told us in so many words that the "plan" for National Health Insurance visualizes use of existing facilities, including these of the Veterans Administration. The American Legion sees the VA as having been created—at the insistence of veterans—for veterans, and we are going to continue our fight to keep it that away.

While our primary concern is for the veteran and his family, we are in step with issues that are national and international in scope. The American Legion has always been counted in the cause of a strong system of national security and forthright dealings with other nations. We must "be counted again" in these vital areas of our national life for here are the keys to the preservation of our freedom.

The American prisoners of war have been returned from Southeast Asia, but the accounting for the missing in action is not producing satisfactory results. The legion continues to call upon our government to bring all possible political and economic pressures to bear on North Vietnam and the Viet Cong, and their allies, to carry out their obligations concerning American servicemen missing in action in Indochina.

We are realistic in this matter. We know the fate of many cannot be determined because the land and sea area over which the war was fought will hold many secrets forever. We do ask that all possible measures be taken to positively determine the fate of as many of our men as can be done. Our country can afford to do no less for the long suffering families of these men.

On the other side of the coin regarding young men of the Vietnam era we have some different sentiments regarding draft dodgers and deserters. We stand firm in our opposition to amnesty for those people. We believe every case should be determined on its own merits. America owes much to those who served. America owes nothing to those who refused to serve.

Throughout our 55 year history, the American Legion has favored a strong national defense. Indeed, one of the principal reasons for founding our organization was the concern of farsighted World War I veterans who saw the folly of inadequate military preparedness.

Almost as a matter of course, it seems, prevailing American public sentiment urges the dismantling of the military forces following a long period of conflict. This was true following World War I and it is true again today following the long cold war years and the Vietnam conflict.

General George Marshall called attention to the dangers inherent in this type of letdown when, after World War II, he said: "We finish each bloody war with a feeling of acute revulsion against this savage form of human behavior. Yet, on each occasion, we confuse military preparedness with the cause of war and drift almost deliberately into another catastrophe. The first thing we must remember with the end of war is that to avoid war we must remain militarily strong." (end of quote)

The existing atmosphere of decreasing tensions with our cold war adversaries has also had an impact on public opinion concerning our defense posture. The doves, who are always with us, are doing their share of hand-wringing, and attempting to bring about disarmament even if it must be on a unilateral basis, their prime target is the defense budget which they would reduce to a completely unreasonable degree under the guise of "reordering priorities."

We tend to overlook the fact that in the 3400 years of recorded history, there have been only 268 years when a major war has not been in progress. The conflict which developed into major proportions in the Middle East recently, appears to bear out the lessons of history in this regard.

The rationale for maintaining a strong defense as a national priority was set forth eloquently some years ago by British Air Chief Marshall Slessor, who observed: "It is customary in democratic countries to deplore expenditures on armaments as conflicting with the requirements of the social services. There is a tendency to forget that the most important social service that a government can do for its people is to keep them alive and free."

The American Legion from time to time is characterized as being militaristic. We view our positions with regard to national security as being *realistic*. America achieved greatness in the community of nations, not through weakness, but from a position of unchallenged strength.

Nobody regrets more than the American Legion the fact that bitter warfare erupted again in the Middle East. We firmly support our government's move to bring about peace in the area, but we at the same time called upon our government to provide arms and other war materiel to Israel, to inspire the survival of that free and democratic nation.

The necessity for adequate national defense for America, to keep us in a position of unchallenged strength from which our government can negotiate, was brought into sharp focus during the Middle East crisis.

I'm sure most of you are aware that the Soviet Union implied that they might place military troops into that region. America through negotiation and by alerting our armed forces against such a move, was able to block any such attempt by the Soviets.

Let me ask you a question. If America would have reduced its armed forces, and unilaterally withdrawn its military forces from around the world, do you think the Soviet Union would have been willing to negotiate on the question of putting troops into the Middle East? You and I know the answer, but for many Americans, this realization does not strike home.

Speaking of priorities, the American legion believes that first consideration must be given to maintenance of an adequate nuclear defense posture. We give our total support to our strategic nuclear forces and those measures necessary to keep those forces in fighting readiness.

We consider the early development and deployment of the B–1 bomber, as a replacement for the now obsolete B–52, as an absolute must.

We have new evidence of a Soviet submerged missile system with a 4,000 mile range, making imperative the deployment of an operational trident submarine force at the earliest possible time to replace our aging Polaris system.

Our land missile element, the minuteman system, must be improved and updated to insure its survivability and effectiveness. Older missiles must be replaced with minuteman III, with continuing research and development action on advance missiles.

These are the bare essentials for maintaining United States credibility in International affairs. Don't think for a minute that had we lacked credibility in the Middle East situation, we could have been effective in arranging a ceasefire. Don't think for a minute we will retain our credibility without the military force to sustain it.

While updating the strategic forces, we also must act to improve the general purpose forces. We are committed to continued development and procurement of the F–14 and F–15 superiority fighters; a return to a position of naval superiority through the continued improvement of our surface and submarine fleet and a modernized air defense system.

The zero draft has contributed substantially to the skyrocketing personnel costs of the armed forces. The need for updating weapons systems adds to the burden. Increasing inflation can be expected to push these costs even higher. As an organization dedicated to the cause of maintaining peace through preparedness, the American Legion has an obligation to explain to the American people the necessity for a strong system of national defense.

The American Legion endorses the total force policy introduced by former defense Secretary Laird, as being the best available solution for holding down the personnel costs of the Armed Forces. This policy envisions making the reserve forces an integral part of the Nation's ready force in being.

We need look no further than the recent example of Israel's quick and effective mobilization of reserve forces to cope with the latest Middle East conflict to prove that it can be made to work. Sadly, we must report that despite a display of lip service, we fail to see vigorous moves toward implementation of this idea by the Congress or the Department of Defense.

We believe that developing and using the reserve forces in accordance with the total force policy will not only provide an effective defense, it is without question the most dollar effective approach. If the ceiling is dollars, more defense forces can be produced under the dollar ceiling. If the ceiling is force structure required, the force can be produced at a lower cost. These economies are possible because it is demonstrably cheaper to fund reserve forces, both from the standpoint of personnel costs and maintenance and operations costs, than it is to fund the active force.

In order for the total force policy to be a viable, living thing we must have a commitment to man the force—to equip the force and to train the force. With regard to our national security, this is where the American Legion must carry on the fight today.

So I ask you, my fellow legionnaires, to "be counted again." "Be counted again" among those who take upon themselves the very necessary, although sometimes unpleasant task, of reminding our countrymen and our Government that vigilance and preparedness are part of the price that freedom demands.

"Be counted again" my friends, with your personal involvement in the never-ending struggle to perpetuate America's greatness. Let us continue our absolute insistence that our Government's approach to international affairs always be from a position of strength.

The voice of the American Legion is a force for good in America and it can and shall be heard. The voice of the Legion has been heard, and the influence of its works have been felt throughout the Nation and around the world for 55 years.

A good example of the Legion's voice on the homefront is our policy on law and order. The Legion has stood for law and order for 55 years. It was one of the basic points written into the preamble to our Constitution.

We have supported law and order at home and abroad. It has always been the policy of the legion to support and respect law enforcement agencies at all levels. We particularly believe that the Federal Bureau of Investigation is and always has been one of the prime factors in maintaining the freedom of America. We certainly pledge our continuing support of the FBI and all law enforcement agencies.

Ladies and gentlemen, one of the great missions of the American Legion as a patriotic organization, is to fan the flame of patriotism. We need to nourish the spirit of love of country. We must "be counted again" in the effort to keep alive the great rebirth of patriotism brought home to America by our returning veterans.

Those absolutely marvelous men came home to the land they loved. Publicly and proudly they reaffirmed their love of country and immediately they put to shame the dissenters and the protestors who had held center stage for all too long. Let's work to keep that newborn spirit of patriotism alive in all Americans.

I have talked about a few of the mighty challenges that confront us as we stand to "be counted again" in service to America. When any feeling of inadequacy or despair comes over us—whenever the odds seem insurmountable—let us remember once more the achievements of the returning prisoners of war. A small handful of men turned the spirit of a mighty Nation completely around and restored national pride to the hearts of all Americans.

One of the great problems in America today is our failure to believe. We have lost our ability to believe in anything, including the sacred things that have been so important in the history of our country. When Saint Matthew came to write the gospel according to Saint Matthew, he did not investigate the matter by interviewing witnesses or collecting data. This happened some 60 years after the death of our Lord. Instead he took his disciples up into the hills and they fasted for three days so that they could answer the question—Do you really believe? Today, do you really believe in America?

Smith Hempstone writing in the Philadelphia Inquirer stated, and I quote.

"The most serious crisis we face, both as individuals and as a nation, is the one nobody talks or writes about: We are mired in an age of disbelief which is eroding our will not only to succeed but to survive.

"Sons do not believe fathers, blacks do not believe whites, stockholders do not believe corporate executives, the public does not believe the President . . . if any one thing built this country it was a sense of self confidence, a perhaps naive pride in the past, an almost certainly overly optimistic faith in the future.

". . . We owe it to ourselves and to our children to dream new dreams, to have pride in our past and faith in our future. For without such dreams, such pride, such faith, we will have no future."

Ladies and gentlemen, it has been my very great pleasure to be here and be able to visit with members of the American Legion and American Legion Auxiliary of South Carolina. As we leave to return to our respective homes, let us look to the future in a positive way. Let us do so with our faith renewed, our courage revitalized and our strength restored as we firmly resolve to "be counted again."

Thank you very much.

ESTABLISHING A SOCIAL SECURITY BRANCH OFFICE IN GEORGETOWN, DEL.

Mr. BIDEN. Mr. President, on March 5, 1974, the Delaware State Senate passed a resolution asking the Delaware delegation in Washington to investigate the possibility of establishing a social security branch office in Georgetown, Del. I ask unanimous consent that the text of the resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

SENATE RESOLUTION No. 157

Memorializing the Delaware Congressional Delegation to investigate the possibility of establishing a Social Security branch office in Georgetown, Delaware.

Whereas, as of December 31, 1972, latest statistics available, there were 14,381 benefits in force in Sussex County, indicating the following breakdown:

(a) Retired workers	7,704
(b) Disabled workers	931
(c) Dependents of retired workers	1,389
(d) Dependents of disabled workers	653
(e) Survivors	3,550
(f) Special age 72 benefits	154
Total	14,381

And whereas, many of our senior citizens under existing conditions must travel all the way to Dover to receive services, of which the above latest statistics reflect that a vast majority of those benefits in force are considered our senior citizen population; and

Whereas, hardships are created, particularly during the current energy crisis, plus the fact that those who are unable to drive to Dover must rely upon their family and friends or public transportation, which in many instances is not available, particularly in rural areas of Sussex County; and

Whereas, it is most obvious that the wheels of government move rather slowly, consequently, recipients of Social Security benefits must frequent the nearest office which is located in Dover to answer questions, sign documents, etc.; and

Whereas, our senior citizens, who live in many instances on fixed incomes and whose means or travel is somewhat limited, should not have to travel such long distances to receive services for which they are rightfully entitled; and

Whereas, the Medicare, Medicaid Programs plus the institution of Supplemental Security Income which went into effect on January 1, 1974, alone, all of which affect the indigent and retired, is sufficient reason in itself to warrant a branch office in Georgetown, Delaware. Now, therefore:

Be it resolved by the Senate of the 127th General Assembly of the State of Delaware that members of the Senate strongly urge the Delaware Congressional Delegation, namely Senators William V. Roth, Jr., Joseph R. Biden and Representative Pierre S. duPont, IV, to investigate the possibility of establishing a Social Security branch office in Georgetown, Delaware, to serve the citizens of Sussex County rather than have them travel to Dover, Delaware, to transact Social Security business.

Be it further resolved that the Members of the Congressional Delegation incorporate a copy of this Resolution into the Congressional Record or into the record of any committee hearings that may relate to the subject.

Be it further resolved that a copy of this memorial be mailed to Senators William V. Roth, Jr., and Joseph R. Biden and Representative Pierre S. duPont, IV, at their Senate and House offices in Washington, D.C.

DAN PARKER

Mr. PERCY. Mr. President, Jack Anderson, one of the Nation's most persistent and effective investigative reporters, is not known for lavishing praise on public officials. Therefore, when he takes the time and space to give credit to a public official, that official must be doing his job extraordinarily well.

In the Washington Merry-Go-Round column, published in the Washington Post, March 21, 1974, Anderson draws attention to the excellent job being done by Dan Parker as Administrator of the Agency for International Development. My own information confirms Anderson's positive assessment of Dan Parker's performance to date.

So that all our colleagues will note Anderson's comments about Dan Parker's work, I ask unanimous consent that part of the column which pertains to Dan Parker be printed in the RECORD.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

ABLE AMERICAN

The foreign aid program, whose blundering overseas gave its representatives the nickname "Ugly American," offered refrigerators to the Eskimos, built sawmills in countries where there were no forests and shipped toothpaste to nations whose people had no tooth brushes.

But last September, the Nixon administration persuaded Dan Parker, head of the Parker Pen Co., to take charge of foreign aid. Parker impressed Congress with his background and intelligence.

Since his takeover, he has begun quietly to straighten out the problem-plagued agency. It is too early yet to pronounce his reforms successful. But increasingly, the Ugly American is becoming known as the Able American.

Or as one old-line bureaucrat, referring to the cumbersome agency, told us: "The monster has been harnessed."

DEATH OF LAWRENCE PHELPS TOWER

Mr. PELL. Mr. President, it is with a deep feeling of loss that I call to the attention of my colleagues the death of Lawrence Phelps Tower.

Mr. Tower's distinguished career was devoted, in large measure, to providing his countrymen with a more profound understanding of the American flag, its symbolic meaning, its origins, its significance to the history of our country.

I had the privilege of working closely with Mr. Tower for many years on legislation to help protect the dignity of our flag. In this respect I was coauthor of the present law, providing for appropriate safeguards, with Mr. Tower's cousin, the distinguished Senior Senator from Texas.

Lawrence Tower carried out careful research on the history of our flag, both in this country and abroad. "The Untold Story of Our Flag," which he wrote, was the result of 15 years of study and contained a wealth of information on our flag's origins. Mr. Tower traced these back almost 200 years before American independence. He believed that the striped design had its origins on English frigates which sank the Spanish Armada in 1588.

In keeping with his scholarly and patriotic concerns, Mr. Tower served as president of the Sons of the American Revolution and as secretary of the Society of Colonial Wars. He was governor of the Society of Colonial Clergy and a board member of the Mayflower Society.

Mr. Tower's life is an exceptional example of individual dedication. I admired his patience, his perseverance and his ideals. I feel the personal loss of an old friend.

I am sure I can speak for other Senators in extending to his widow and to his daughter our heartfelt sympathy and our high regard.

EXORCISING THE ANTI-PSRO DEVILS

Mr. BENNETT. Mr. President, yesterday, I described for the Senate some of the progress being made in implementing the professional standards review legislation which I sponsored. My remarks included extensive excerpts from the Finance Committee report on H.R. 1 as a means of refreshing memories with respect to the overwhelming arguments in favor of enactment of the PSRO amendment.

As I noted yesterday, the PSRO legislation was designed to afford practicing physicians at local levels the opportunity, on a voluntary and publicly accountable basis, to undertake review of the medical necessity and quality of care provided under the $25 billion medicare and medicaid programs.

Mr. President, I promised yesterday to provide the Senate with specific and detailed responses to the allegations, distortions, half-truths, misrepresentations and downright hypocrisy which have characterized an almost unparalleled campaign against the professional standards review program.

That campaign of vilification has been conducted, in the main, by three organizations, each representing and apparently speaking in behalf of overlapping segments of medicine. These three groups are the Council of Medical Staffs, the American Association of Physicians and Surgeons and the American Medical Association.

I want to emphasize that these organizations do not speak for all doctors—but only some physicians. In sharp contrast to the negativism and shrill hyperbole of the CMA, AAPS and the AMA, hundreds of State and local medical society sponsored organizations have applied or are in the process of applying for formal PSRO status. These constructive elements in medicine are pursuing active PSRO roles in behalf of many thousands of practicing physicians.

There is a curious and noticeable similarity to the allegations directed against PSRO by the trio of opponents. The American Medical Association recently assumed for itself the lead role in propagandizing these themes of the Council of Medical Staffs and the American Association of Physicians and Surgeons. The AMA's contribution to distortion and misrepresentation took the form of a public relations kit entitled "PSRO—Deleterious Effects."

As one might expect, the AMA kit includes "canned" editorials for local newspapers, but its high point is a speech "for general use" entitled: "Exorcising the Devil from PSRO." The speech title says it—the text matches the title in terms of objectivity and scientific inquiry. The generalized allegations contained in the speech do run the gamut of the stuff that has been leveled against PSRO.

PSRO is a complex law. It is complex because it deals with a highly sensitive area and effort was made, to the extent feasible, to assure chapter and verse clarity in the statute. There has been a failure by its opponents to call attention to the onerous alternatives to PSRO which are already on the statute books and which stand ready to operate in the absence of PSRO. I have attached as an appendix, references to those other provisions in present law. One example is the abortive proposal by the Secretary of Health, Education, and Welfare to require prior approval on all elective medicare and medicaid hospital admissions. The authority for that requirement lay in non-PSRO provisions of the Social Security Act. This, of course, is apart from the drastic and almost radical legislative proposals to control medical practice which are waiting in the wings and which, of course, I do not support.

The voluntary nature of PSRO establishment and participation by practitioners in an area should also be stressed. Where they choose not to do so, the community of physicians in an area are not required in any way to undertake a PSRO operation. PSRO is an opportunity for professional self-control which may be declined.

I will try to respond to the principal allegations which have been raised by advocates of PSRO repeal. Before doing so, it might be helpful to note that all of the review activities which a PSRO is expected to undertake were generally authorized under the Social Security Act prior to the PSRO legislation. Our motive in enacting PSRO was to give practicing physicians priority in undertaking this activity rather than utilizing bureaucrats and insurance company personnel to review care provided under the $25 billion medicare and medicaid programs.

Mr. President, I now propose to lay the AMA's "devil" to rest. I trust that the Senate will bear with me during the course of my extensive response to the anti-PSRO allegations. A substantial amount of time and effort was devoted to the preparation of detailed and specific answers. It is my hope that Members of the Senate and others will find these remarks helpful in placing a vitally necessary and significant statute in proper perspective.

ALLEGATION:

"A law of such consequence should have been written with a proportionate amount of forethought. But the forethought was meager. It is the law itself that was a creature of impulse—as its background makes clear."

ANSWER:

The professional standards review legislation was the product of years of effort representing the input and testimony of many individuals and organizations. Its genesis was the American Medical Association's own PRO proposal which they asked me to consider introducing in early 1970.

In fact, this amendment was before the public from July 1970, when I first announced my intention to introduce the legislation, to October of 1972 when it became law. It was the subject of extensive public testimony in hearings before the Finance Committee in 1970 and 1971—including testimony from the American Medical Association, the Council of Medical Staffs and the American Association of Physicians and Surgeons—and it was also testified to during the course of overall health insurance hearings before the House Ways and Means Committee in 1971. It was formally before the Committee on Ways and Means in the form of H.R. 7182, a bill "to amend the Social Security Act to provide for the establishment of Professional Standards Review Organizations." That bill, in many respects similar, and in others identical to mine, was sponsored by Congressmen DEVINE and Betts. Mr. Betts was a member of the Committee on Ways and Means. It was passed twice by the Finance Committee as an amendment to appropriate social security-medicare bills, twice by the full Senate—including Senate rejection by a vote of 18 to 48 of a specific amendment by Senator CURTIS of Nebraska to delete the PSRO provision—and it was considered and approved by a conference committee of both Houses and finally signed by the President into law was Public Law 92-603 on October 30, 1972.

In addition, the amendment was subject to much discussion in the health care field. It might be an interesting exercise to total up the column inches in the AMA News—the weekly newspaper of the AMA—which were devoted to PSRO from August of 1970 to October of 1972.

The AMA's own "Medical Backgrounder" on PSRO's legislative history contains the following statements:

> Senator Wallace Bennett of Utah used the AMA concept as a base and developed the PSRO Program. A basic difference between the AMA and Bennett approaches was that under PSRO, a State medical society could not be the reviewing agency. Rather, a new organization must be created."
>
> AMA had other objections: The requirement for advance approval of admissions to hospitals for elective surgery, national "norms" of health care, monetary fine for violations of certain provisions and Government ownership of the records of patients and physicians. *The Senate Finance Committee modified PSRO in each of these areas to at least some degree.*" (emphasis supplied)

Mr. President, the AMA's own words leave very little to the imagination. Basically, what they wanted they could not have—the formal and legal vesting of PSRO responsibilities with State medical societies. That would have been highly inappropriate in a public program utilizing public trust funds.

ALLEGATION

The law requires development and application of "norms of care" which would lead to "cookbook medicine."

ANSWER

Here is another area where private health insurers and the medicare and medicaid administrators had been applying their own criteria of care—almost always retrospectively—in determining whether to approve or disapprove a claim for payment. In contrast, the PSRO legislation seeks to substitute professionally developed norms and parameters of care which are the product of the work of practicing physicans in the area. It seems a far more acceptable approach to have the community of physicians in an area determine these factors than for them to be the province of an anonymous insurance company or Government bureacuracy. Further, virtually all of these parameters will be known to the community of doctors—who have developed and approved them. The effect of this should be to virtually end the retroactive denials of payment under medicare and medicaid.

The statute does not speak to a single norm or way of treatment as the definitive and only type for which payment will be made. Rather, it refers to the "range of norms" acceptable to the PSRO for a given diagnosis. Section 1156(b) states:

> Such norms with respect to treatment of particular illnesses or health conditions shall include (in accordance with regulations of the Secretary)—(1) the types and extent of the health care services which, *taking into account differing but acceptable modes of treatment and methods of organizing and delivering care are considered within the range of appropriate diagnosis and treatment of such illness or health condition, consistent with professionally recognized and accepted patterns of care.* (emphasis supplied)

This acceptable range may well include patterns of care which serve to decrease the concern with and incidence of "defensive medicine." Further, and of great importance, is the fact that these norms and parameters are only checkpoints—developed by the practitioners themselves—related to age and diagnosis which simply serve to establish reasonable points at which the attending doctor should indicate the need for continued care or service or why certain services were not provided. Assuming the PSRO approves care beyond these checkpoints, it would be paid by medicare and medicaid without each case being second-guessed by carriers, intermediaries, or State agencies. This would replace the use of arbitrary 7th day, 12th, or 18th day kind of review unrelated to age or diagnosis which has obtained in the programs heretofore. It allows a physician to explain to another practicing physician—rather than those same carriers or intermediaries—why his patient needs certain care and treatment.

The alternative to appropriate professionally developed checkpoints in determining reasonableness for payment with public funds is to have no reference points, which obviously is an untenable position. The PSRO manual, just released, has two sections which put this all in perspective:

> In each of its review activities the PSRO will use norms, criteria, and standards which are useful in identifying possible instances of misutilization of health care services or of the delivery of care of substandard quality. *The PSRO is responsible for the initial development and on-going modification of the criteria and standards and the selection of the norms to be used in its area.* While PSRO's will structure themselves in many ways to perform these duties, *the overall responsibility for the development, modification and content of norms, criteria and standards rests with the PSRO.* (emphasis supplied)
>
> Norms, criteria, and standards should be used in each type of PSRO review. They should, at least, be used for the initial screening of cases to select those cases requiring more in-depth review. *In-depth review should be performed by peers using a combination of more detailed norms, criteria and standards and an assessment of a patient's individual clinical and social situation* and the resources of the institution in which care is provided. (emphasis supplied)

And as the Finance Committee stated in its report on PSRO:

> Neither should the use of norms as checkpoints nor any other activity of the PSRO, be used to stifle innovative medical practices or procedures. The intent is not conformism in medical practice—the objective is reasonableness.

Resolution 56 approving the development of PSRO norms was adopted by the American Medical Association at its Clinical Convention in 1972. That resolution is as follows:

> No. 56 SPECIFICATIONS FOR DEVELOPMENT OF NORMS FOR CARE, DIAGNOSES, AND TREATMENT
>
> HOUSE ACTION: ADOPTED
>
> Resolved, That the American Medical Association supports the development of "norms" for medical care as stated in Public Law 92-603 calling for the establishment of "professionally developed norms of care, diagnoses and treatment, based upon typical patterns of practice in its regions," provided such "norms":
>
> 1. Have a content which:
>
> a. Recognizes the separate concern for cost and quality.
>
> b. Recognizes that medical care often deals with patient problems rather than specific diagnoses.
>
> c. Recognizes the frequent occurrence of multiple problems in a single patient.
>
> d. Recognizes the uniqueness of individual patients.
>
> e. Recognizes the fact of regional variations in medical care patterns, e.g., differences in availability of facilities and services.
>
> 2. Have a structure which:
>
> a. Is developed by organized medicine.
>
> b. Has major input from national and regional specialty societies.
>
> c. Is acceptable to the practicing physician at the regional level.
>
> 3. Are applied so as to:
>
> a. Be useful for assessment of professional performance.
>
> b. Recognize deficiencies in medical care in order to identify appropriate areas for continuing education.
>
> c. Assure continuing evaluation and amendment of the "norms" by the medical profession.

The AMA's resolution is completely in agreement with the language and intent of the PSRO statute and report.

ALLEGATION

The PSRO program would violate confidentiality of patient records.

ANSWER

Private health insurers, such as Blue Cross-Blue Shield, have been reviewing medical records for many years—long before PSRO and long before medicare. Granted, that review has not always been done discreetly nor confidentially. The PSRO legislation, however, in contrast, has specific statutory safeguards designed to safeguard patient identity and confidentiality. First, section 1155(a)(4) states that each PSRO shall utilize—

> . . . to the greatest extent practicable in such patient profiles, methods of coding which will provide maximum confidentiality as to patient identity and assure objective evaluation.

Second, section 1166 is entitled "Prohibition Against Disclosure of Information," and reads as follows:

> (a) Any data or information acquired by any Professional Standards Review Organization, in the exercise of its duties and functions, *shall be held in confidence* and shall not be disclosed to any person except (1) to the extent that may be necessary to carry out the purposes of this part, or (2) in such cases and under such circumstances as the Secretary shall by regulations provide to assure adequate protection of the rights and interests of patients, health care practitioners or providers of health care.
>
> (b) *It shall be unlawful for any person to disclose any such information* other than for such purposes, and any person violating the provisions of this section shall, upon conviction, be fined not more than $1,000, and imprisoned for not more than six months, or both, together with the costs of prosecution. (Emphasis supplied)

PSRO was developed building upon the PRO proposal of the American Medical Association. The AMA's legislative proposal did not contain any specific provisions directed toward safeguarding confidentiality.

The PSRO statute—section 1155(a)(1) and section 1155(b)(3) specifically limit review activities and access to records to Social Security Act health care programs—namely, medicare and medicaid.

The provision authorizing access to medicare or medicaid patient records in a physician's office is a residual authority intended to be exercised only in highly unusual or exceptional situations—certainly not routinely. For example, a PSRO may have reason to believe that in a given case, substantial discrepancies may exist between the services indicated as provided on a claims form and those actually provided. It is my understanding that the Office of Professional Standards Review in Health, Education, and Welfare is developing extensive guidelines on the maintenance of confidentiality, including material spelling out the intent that this access to records in an office is limited to highly unusual or exceptional circumstances as delineated in the guideline.

ALLEGATION

The costs of PSRO review will outweigh any savings.

ANSWER

Appropriate professional review mechanisms do cost substantially. However, the experience with the operating PSRO prototypes—such as those in Colorado, New Mexico, Utah, and Sacramento and San Joaquin Counties in California—evidences substantial cost savings above the costs of the review process itself—apart from considerations of enhanced quality of care—as well as establishing the fact that the review activities do not require inordinate or unjustified requirements on physician time.

Of course, the Government is already spending a significant amount on review activities in medicare and medicaid. As the PSRO's assume full responsibility, those other review activities would terminate with commensurate cost offsets against PSRO expenses. Considering the $25 billion now spent on medicare and medicaid, the cost of PSRO review efforts will be relatively small.

ALLEGATION

Under the law, fines may be imposed upon a physician and these fines will have a stultifying effect on medical practice.

ANSWER

In actuality, the law does not contain any provision calling for fines. The original Bennett amendment did include a provision authorizing fines, but that was dropped subsequently. The PSRO statute does contain a provision allowing the local doctors to recommend a series of sanctions on a physician who flagrantly or consistently orders or renders services which are either unnecessary or of improper quality. Under sections 1862 and 1903 of the Social Security Act—non-PSRO sections—the Secretary has the authority to suspend a physician from the programs. Under the PSRO provision, the local physicians themselves, rather than the Secretary, would have the authority to recommend appropriate sanctions. These sanctions could either be suspension or, if they decided a less severe sanction was called for, they could recommend repayment by the practitioner of the actual costs paid by the Government, not to exceed $5,000, if excessive services had been rendered. It would be difficult to construct an effective peer review law which had no sanctions—such as the recovery provision—since the local physicians would then have no way to deal with an improper situation.

Mr. President, I believe that I have dealt with the principal allegations of the PSRO opposition. During the next week or so, I shall have more to say to the Senate concerning additional positive developments with respect to professional standards review.

Mr. President, I ask unanimous consent that a listing of the principal review provisions in the Social Security Act—other than professional standards review—be printed in the RECORD.

There being no objection, the listing was ordered to be printed in the RECORD, as follows:

Principal General and Specific Provisions of Social Security Act (Other Than PSRO Provisions of Law) Authorizing and Requiring Review Activities

I. ACCESS TO RECORDS AND OTHER DATA

Medicare

Intermediaries—Section 1816(a) (2) (B) . . . "to make such audits of the records of providers as may be necessary to insure that proper payments are made under this part . . ."

Carriers—Section 1842(a) (1) (C) . . . "to make such audits of the records of providers of services as may be necessary to assure that proper payments are made under this part . . ."

Medicaid

Section 1902(a) (27) . . . "provide for agreements with every person or institution providing services under the State plan under which such institution or person agrees (A) to keep such records as are necessary fully to disclose the extent of the services provided to individuals receivinug assistance under the State plan, and (B) to furnish the State agency with such information, regarding any payments claimed by such person or institution for providing services under the State plan, as the State agency may from time to time request . . ."

II. GENERAL REVIEW REQUIREMENTS

Medicare

Section 1862(a) (1) . . . "Notwithstanding any other provisions of this title, no payment may be made under part A or part B for any expenses incurred for items or services—(1) which are not reasonable or necessary for the diagnosis or treatment of illness or injury or to improve the functioning of a malformed body member . . ."

Medicaid

Section 1902(a) (30) . . . "provide such methods and procedures relating to the utilization of, and the payment for, care and service available under the plan (including but not limited to utilization review plans provided for in Section 1903(1) (4)) as may be necessary to safeguard against unnecessary utilization of such care and services and to assure that payment (including payments for any drugs provided under the plan) are not in excess of reasonable charges consistent with efficiency, economy and quality of care . . ."

III. STATEWIDE PROGRAM REVIEW TEAMS

Medicare

Section 1862(d) (4) . . . "(4) For the purposes of paragraph (1) (B) and (C) of this subsection, and clause (F) of section 1866(b) (2), the Secretary shall, after consultation with appropriate State and local professional societies, the appropriate carriers and intermediaries utilized in the administration of this title, and consumer representatives familiar with the health needs of residents of the State, appoint one or more program review teams (composed of physicians, other professional personnel in the health care field, and the consumer representatives) in each State which shall, among other things—

(A) undertake to review such statistical data on program utilization as may be submitted by the Secretary.

(B) submit to the Secretary periodically, as may be prescribed in regulations, a report on the results of such review, together with recommendations with respect thereto.

(C) undertake to review particular cases where there is a likelihood that the person or persons furnishing services and supplies to individuals may come within the provisions of paragraph (1) (B) and (C) of this subsection or clause (F) of section 1866(b) (2), and

(D) submit to the Secretary periodically, as may be prescribed in regulations, a report of cases reviewed pursuant to subparagraph (C) along with an analysis of, and recommendations with respect to, such cases."

IV. AUTHORITY TO SUSPEND PRACTITIONERS AND PROVIDERS

Medicare

Section 1862(d) (1) . . . "No payment may be made under this title with respect to any item or services furnished to an individual by a person where the Secretary determines under this subsection that such person— . . . (C) has furnished services or supplies which are determined by the Secretary, with the conçurrence of the members of the appropriate program review team . . . who are physicians or other professional personnel in the health care field, to be substantially in excess of the needs of individuas or to be harmful to individuals or to be of a grossly inferior quality.

(2) A determination made by the Secretary under this subsection shall be effective at such time and upon such reasonable notice to the public and to the person furnishing the services involved as may be specified in regulations. Such determination shall be effective with respect to services furnished to an individual on or after the effective date of such determination (except that in the case of inpatient hospital services, posthospital extended care services, and home health services such determination shall be effective in the manner provided in section 1866 (b) (3) and (4) with respect to terminations of agreements), and shall remain in effect until the Secretary finds and gives reasonable notice to the public that the basis of such determination has been removed and that there is reasonable assurance that it will not recur."

Medicaid

Section 1903(1) . . . "Payment under the preceding provisions of this section shall not be made . . . (2) with respect to any amount paid for services furnished under the plan after December 31, 1972, by a provider or other person during any period of time, if payment may not be made under title XVIII with respect to services furnished by such provider or person during such period of time solely by reason of a determination by the Secretary under section 1862(d) (1) or under clause (D), (E), or (F) of section 1866 (b) (2) . . ."

GENERAL AUTHORITY OF SECRETARY TO ISSUE REGULATIONS AND ASSURE COMPLIANCE

Social security act programs

Section 1102 . . . "The Secretary of the Treasury, the Secretary of Labor, and the Secretary of Health, Education, and Welfare, respectively, shall make and publish such rules and regulations, not inconsistent with this Act, as may be necessary to the efficient administration of the functions with which each is charged under this Act."

Medicare

Section 1871 . . . "The Secretary shall prescribe such regulations as may be necessary to carry out the administration of the insurance programs under this title . . ."

WARNING ON OPIUM POPPY CULTIVATION

Mr. BIDEN. Mr. President, in the past few weeks, there have been a few articles in the press saying that the Turkish Government has officially informed the U.S. Government that it will probably again permit the cultivation of the opium poppy. The Turkish Government ordered the ban on poppy growing in July of 1971. This was in exchange for a promise of $35 million in aid from the United States. To date, only $15 million has been paid. This aid was to compensate the Turkish Government for legitimate export losses and to develop programs to replace the income lost by the farmers. Poppy farmers are estimated at about 100,000.

The political situation has changed since 1971. The new Turkish Premier, Bulent Ecevit, ran on a platform that advocated the resumption of poppy growing. Mr. Ecevit has since said that although he planned to allow cultivation, he would impose strict controls, presumably on the export market. In 1971, the United States encouraged the banning of poppy because supposedly 90 percent of the heroin reaching the United States addicts originated in Turkey. It is believed that Mr. Ecevit's decision may be based on internal Turkish political pressures. When the ban was imposed in 1971, by Premier Nihat Erim, a military-backed government was in power. The current government which claims to be "democratic" insists that the ban was imposed without seeking "citizens' views." Turkish citizenry would probably not voluntarily agree to the banning of one of their most traditional agricultural products.

At this stage, the Turkish poppy is still a nonissue. Unfortunately, opium poppy cultivation has been resumed, in southwest Turkey. Reports say that 45 acres have already been sown on state farms and that many thousands of private farmers are awaiting permission to resume cultivation. The problem lies in the fact that even with limited cultivation, there will be black market smuggling of the drug—opium. I, for one, do not want to see it in our Nation's cities and towns again to the degree that it was sold and used previously.

Drug trafficking is a lucrative business. It is imperative that we take a strong stand to convince the Turkish Government that they must take strong measures to control the export of opium poppy to smuggling rings.

In areas of foreign policy, it is very delicate for the Congress to enunciate its disapproval. I would go so far as to say that I am totally opposed to the possible reintroduction of processed opium or heroin from Turkish sources into the United States. In the event that it is, I would support the cutoff of all foreign aid to Turkey. To some, this may represent unwarranted interference in Turkish domestic affairs. I contend, however, that their actions may directly affect our very constituents.

The U.S. attorney in Delaware, Ralph Kell, informs me that the heroin problem is "now under control" because the amount of opium imported is so low, therefore making the heroin purity as low as 2 to 3 percent. In the event the imported quantity increases again, the rise in the rate of addiction will increase again. This problem, of course, would not be limited to Delaware.

Mr. President, Turkey, I realize is not the only source of opium, but we should do whatever we can to discourage production, whatever its numerical importance.

SST

Mr. PERCY. Mr. President, I would like to briefly review the subject of supersonic transports. This is a particularly appropriate moment, because the energy crisis has confirmed the wisdom of the decision of Congress to terminate American SST funding.

The late President Kennedy originated the SST project, but its genesis was very much the product of the whole cold war struggle. In the late 1950's, the Soviet Sputnik had stunned Americans, and the drive was on to vindicate our national prestige and prove our continued technological superiority. When John Kennedy assumed office, he proposed two national objectives toward these ends: An American on the Moon before the end of the decade and the development of a supersonic transport.

Although proposed in the same spirit, there were manifest differences between these two projects. It was obvious that the only means of achieving the first goal was through direct involvement of the Federal Government. This was not necessarily true for the supersonic transport. Further, the spinoff benefits of the space program were likely to be extremely significant. The SST project, by contrast, held little promise for the development of new technology. In any event, the President placed a $750 million limit on Government expenditure for the SST.

At the time of the proposal, and through the 1960's, there was strong support for SST development both in Congress and the Nation at large. I myself was an early supporter of the project, taking too much on its face the arguments presented to me by the administration. However, after an intensive personal examination of the SST, and especially its economic effects, I changed my position, and I became a staunch opponent of the program as then conceived.

By the time Congress called a halt to federally funded SST development in March of 1971, the Government had already spent in excess of $1 billion. There were a number of good reasons for termination, not the least of which was cost. The $1.3 billion expenditure had gone exclusively for research and development and, although private financing was stipulated for production, there was little likelihood in 1971 that it would be forthcoming, thus requiring substantial further Federal financing. One top airline executive advised me that in his judgment the Federal Government would have to invest up to $20 billion in the project to see it through production.

The Government had initiated the SST project and offered it to the companies on a contract basis. Consequently, there was little corporate risk involved. If the companies fulfilled their contracts they were paid, but there were no performance guarantees, nor did the contractors have the principal worry about a possible market for the craft. They simply paid 10 percent of the cost and the Government paid the remainder.

The usual incentives that make a business venture constantly adjust to the market outlook were absent. A Government research and development program, albeit one contracted out, is not a reliable place to build a plane that has to survive the market test.

To assess why there was no real market demand for the SST, it was necessary to examine the project from the airlines point of view. To begin with, a fully equipped SST had a proposed price tag in excess of $50 million, which is twice the price of a fully equipped Boeing 747. Yet, this amount purchases a craft with approximately 100 seats, less than one-third the seating capacity of a 747, and a range much shorter than present jets, a mere 3,000 to 3,500 miles.

The airline industry, faced with the prospect of such a dubious bargain, was already in considerable financial difficulty. Its debt-to-asset ratio was approximately 80 percent. In 1970, the three major transatlantic airlines, potentially the primary SST customers, lost a total of $130 million. Adverse economic conditions in recent years coupled with sharp competition from the charters resulted in a general decline in the average fares paid by customers in the heavily traveled North Atlantic sector. Above all, there was no indication that a large demand for speedier but costlier transatlantic flight existed.

In short, removing the program from the market context resulted in forcing supply and presuming demand. It substituted hard sell for hardheaded business sense.

Aside from these practical market considerations that made the airlines themselves skeptical about the SST, I had a basic philosophical objection. The Federal Government has no business paying for a plane that is strictly for commercial use and private profit. That is the business of the private sector. The only reason the Government assumed the cost of SST development was that private financing was not forthcoming. The decision of private investors not to proceed with the SST should have been allowed to stand. It is their role, not the Government's to assess the viability of a commercial venture.

Related to these economic considerations was the question of national priorities. Three years ago we argued that the Nation could ill afford an expensive project to provide speedier intercontinental flight for those few able to afford the inevitably higher SST fares, estimated to be 40 percent over first-class fares. Priority items which at that time were being slashed or underfunded include housing, health services, education, labor training, and clean water. While all these areas remain of great importance, in this age of energy shortage, urban mass transit becomes another important national priority as does stepped-up research and development costs to increase future energy sources. The entire concept of the SST was a cruel hoax when we consider the transportation needs of the bulk of our people, especially low income groups in our cities, who have had to endure antiquated and underfinanced mass transit.

There were also serious environmental threats posed by the SST. The question of the effect of the nitrous oxide in the SST's exhaust on the ozone level in the stratosphere remains unresolved. Injection of additional nitrous oxide might well cause depletion of the ozone level, permitting undesirable ultraviolet radiation to reach Earth. Were this to occur, serious climatic effects could result.

Noise pollution was a more immediate environmental danger. The noise level of the SST was set at 115 decibels, which was higher than the maximum permitted for new subsonics by FAA regulations. This decibel count made a cruising SST as noisy as the noisiest existing subsonic craft.

The sonic boom inherent in the acceleration and deceleration of a supersonic craft represented a still more ominous problem. It is a matter of record that the military has paid substantial damage claims as a result of sonic booms. Construction of new single dwellings would have to be avoided, according to a reliable estimate, as far as 9 miles away from metropolitan airports where there were 100 SST takeoffs per day. Furthermore, schools, hospitals, churches, theaters, and auditoriums within this radius would be incompatible with such a noise level.

For these reasons, the cities of New York and Los Angeles banned SST's from landing at their airports. This action was followed by Congressional legislation prohibiting supersonic flight over United States territory. This meant that an SST would have to decelerate to subsonic levels to avoid sonic booms over land. To cruise at a subsonic speed, it would cost an SST three times the fuel a 747 or similar plane would require.

In the midst of an energy crisis of as yet undetermined length and severity, the fuel aspect of the SST assumes great significance. The SST critics who warned us 3 years ago about the need for fuel conservation seem prophetic today.

There are other chilling figures in this regard. The Anglo-French Concorde burns nearly four times the fuel per passenger-mile as an efficient wide body subsonic like the 747. Just to give some idea as to the amount of fuel we are discussing, if the output of the Prudhoe Bay oil strike of approximately 12 billion barrels of crude, one of the largest deposits of crude oil known, were all refined into jet fuel, a fleet of 500 SST's would consume the entirety in less than two decades. Apart from all the foregoing drawbacks, these figures alone demonstrate just how undesirable an ongoing SST program would be at this time.

Broadly speaking, commitment to an American SST production program would have been most harmful. In view of the fuel shortage, and the attendant cutbacks in fuel allocation to the airlines and the number of conventional jets now grounded because of the fuel shortage, if we now had a fleet of SST's, they would all probably have been grounded. And, apart from the fuel problem, it is highly unlikely that there would be a sufficient number of travelers willing to pay the higher SST fares in this time of economic dislocation. These projections assume that the airlines actually would have purchased any SST's, an assumption that the Concorde experience to date would hardly bear out.

Rejecting the SST has also served to prevent further distress for the airlines and airline manufacturers, thereby keeping them in the private sector. As I have already indicated, their financial situation was, and remains, precarious.

The economic effects of continuation of the project would not have ended with the airlines and manufacturers. The Government would have had to borrow 100 percent of the funds required for the project, spurring the already overwhelming pace of inflation, especially in the area of interest rates. This would have caused, for example, a further dropoff in new housing construction, with all its accompanying economic consequences.

Briefly stated, had the Congress voted to continue SST funding, our already serious economic problems would have been further exacerbated.

The British and French experience with the Concorde is particularly instructive. I ask unanimous consent that two articles, one from the February 17 Washington Post and one from the February 20 Washington Post, on the problems experienced with the Concorde be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. PERCY. Mr. President, to date, after very large expenditures by both governments, only nine firm sales have been made—five for British Airways, four for Air France. Both these airlines are, of course, state owned.

In the last few weeks, the British and French have apparently reached an agreement to cut back SST production to 4 or 5 a year. There is a proposal to add fuel tanks to the craft to increase its range by 173 miles. This modification would reduce transatlantic passenger loads from one hundred to eighty. As a consequence of these recent decisions, at least 1,000 of the 9,000 Concorde work force will be laid off. Most British and French taxpayers wish they had never heard of the project. The prestige factor is zero.

It is quite clear from the foregoing that the termination of the U.S. SST 3 years ago was a most wise decision by the Congress. It would have been most unwise for us to go ahead pumping tax dollars into this gas-guzzling financial albatross.

Exhibit 1

[From the Washington Post, Feb. 17, 1974]

French Cut Back Concorde Output

(By Jonathan C. Randal)

Paris, February 16.—Faced with virtually zero sales prospects, France has reluctantly decided to cut back construction of the Franco-British Concorde supersonic airliner and to scrap production of a short-range twin jetliner.

The agonizing decisions—an admission of failure for the most controversial of Gaullist prestige projects—were taken at a special meeting last Thursday with Prime Minister Pierre Messmer and five of his ministers in attendance.

The government said nothing would be announced until next week.

Out of deference for British involvement in an election campaign, the planned cutback in Concorde production—and a suggested $90 million modification to boost range by adding extra fuel tanks—is not likely to be announced until after the Feb. 28 British voting date.

The government of Prime Minister Edward Heath has favored cutting back Concorde production to four a year since only nine solid sales have been made—five for British Airways, four for Air-France. These state-owned airlines had little choice in the matter.

France had been demanding production of eight planes annually, but is expected to accept as few as six in the knowledge that a Labor Party victory might signal British willingness to scrap the whole project despite the punitive damages provided for under the contract.

The sudden official French realism about Concorde's shaky commercial future followed years of self-congratulatory pronouncements without much doubting from press and politicians, contrary to the frequent expressions of doubt in Britain.

First concrete signs of the French government's change of heart came earlier in the month when a supposedly secret report of Gen. Rene Bloch, head of France's rocket testing center, was leaked to the press.

It suggested that a fuel tank modification could be incorporated on the Concorde, starting with the tenth plane, and could add a vital 173 miles to its range—enough to answer sales objections by major companies, but apparently reducing transatlantic passenger loads from 100 to 80. Lufthansa, the West German flag carrier, Japan Air Lines and Braniff had refused to buy the Concorde on grounds of insufficient payload and/or range.

A more ambitious Bloch suggestion, amounting to building a brand new airplane costing as much as $400 million, called for a 10 per cent increase in engine thrust, but requiring 8 per cent more wing area.

Nothing apparently could be done to improve the 16 aircraft now under construction except for the added fuel tank.

That more ambitious option was believed rejected at the high-level meeting.

Left unsolved were such major problems as the Concorde's inability to meet U.S. noise standards, its fuel consumption per passenger running at four times that of jumbo jets, and fares recently estimated at 15 to 20 per cent more than the original quotations.

Another embarrassment was a decision to scrap production of the 120-seat, 750-mile range Mercure after the initial production run of only 10 planes.

Built by Dassault-Breguet, the builders of military aircraft—such as the Mirage, the writeoff costs were reported to be in the $120 million range.

Air Inter, the internal French airlines, was the only—and reluctant—customer of the Mercure, which found the competition too tough from established DC–9s and Boeing 727s and 737s. Air Inter is demanding a state subsidy to fly the Mercure.

Over the past two years, French officials have blamed their aerospace industry's problems on unfair American competition taking the successive forms of dumping Vietnam war surplus aircraft, devalued dollar prices and cheap financing.

Consequences of the government decisions were expected to result in the laying off of at least 1,000 of the 9,000 Concorde work force in Toulouse. The writeoff of the Mercure was not likely to have much adverse employment effect since Dassault-Breguet has plenty of orders for helicopters and military aircraft at its Istres plant in southern France.

[From the Washington Post, Feb. 20, 1974]

Concorde Cutback

Paris.—The French government confirmed its desire to cut back production of the Concorde supersonic airliner to four or five a year, but announced plans for a slightly longer range version in hopes of increasing flagging sales interest.

In what constituted a serious setback for Gaullist dreams of becoming a major civilian aircraft manufacturing power, Transport Minister Yves Guena also conceded that sales and options for the medium-range airbus were well below those hitherto published.

Also the minister told a news conference that no more government funds would be spent on the short range Mercure airliner.

THE BINKIN RESERVE STUDY

Mr. THURMOND. Mr. President, the national president of the Reserve Officers Association, Rear Adm. B. Hayden Crawford of Tulsa recently made a public statement on the Binkin Reserve study.

In his remarks Admiral Crawford highlighted some key points in stating his position that the Binkin study was misleading and vague.

Mr. President, I ask unanimous consent that this article be printed in the Record at the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Tulsa Daily World, Jan. 22, 1974]

Tulsa Admiral Blasts Study Suggesting Cuts in Reserves

A civilian research organization says the military Reserves and National Guard could be cut by one third without loss to combat readiness.

The president of the Reserve Officers Association of the United States warned further force reductions could mean "disaster" for the U.S.

The study, by senior analyst Martin Binkin of the Brookings Institution, said as much as an annual $1.4 billion could be saved by reductions in both forces, which together spend $4.4 billion a year.

Rather than trying to keep up 900,000 reservists and guardsmen, such forces should be honed to create a combat force capable of quick reaction, the study says.

"I'm very disappointed in the report," commented B. Hayden Crawford, Tulsa attorney, a rear admiral in the U.S. Naval Reserve and ROA president.

"Our reserve forces were cut in Congress last year to a critical point. It would be detrimental to the country to cut them any more." Crawford predicted both forces would "unanimously oppose" the report's findings.

The ROA, a 70,000 member organization composed of reserve officers from all military services, was chartered by Congress to support a military policy that provides adequate military security, and encourages Congress to provide necessary funding for the national defense.

He said recruiting and training centers are already being merged where feasible, but he objected to merging reserve units. He noted that naval reservists are now used as "contributory services."

He asserted the statement on weekend training areas was "misleading" and vague, saying all reservists train on a regular basis, some one night a week.

Binkin thinks if his suggestions are implemented there would be a manpower saving of 310,000 men in addition to 60,000 men in the active military force.

Discussing further manpower reductions, Crawford said, "Soviet Russia has 3 million men in active service, we have 2.2 million. They have a strong reserve, they're increasing their navy. Communist China is working to develop nuclear capability.

"Why? That's my question. This is no time for us to reduce the quality and quantity of our guard and reserve. This would put our political leaders in a position where they could not negotiate from strength.

"If that should happen we could very easily lose the United States," Crawford said.

Rather than offering expensive recruiting inducements of higher pay and benefits to increase current shortages, the emphasis should be on quality, Binkin said, asserting sizable forces are often maintained because of local and political pressures.

On the contrary, Crawford said, "the emphasis in the guard and reserve today is already on quality and combat readiness. To reduce reserve forces further would be to reduce the quality and combat readiness. If the purpose is to save money, the reserve and guard could be abolished, and even acting forces abolished, which obviously would invite national disaster."

The study recommends implementations of a decade-old idea of merging National Guard and Reserve headquarters, training and recruiting facilities; integration of some Army Reserve units into a "hybrid" division of five active combat divisions and using naval reservists to work on overhauling ships, thus reducing the active military force.

The study says about 60 per cent of reserve combat units have no weekend training areas, most of which are located in big cities.

CASUALTIES OF THE WORKPLACE

Mr. MONDALE. Mr. President:

> According to recent estimates there were at least 390,000 new cases of disabling occupational disease in the United States each year . . . [T]here may be as many as 100,000 deaths per year from occupationally caused diseases.

These alarming words of former Secretary of Health, Education, and Welfare Elliot Richardson reflect the theme of part IV of Paul Brodeur's series of articles entitled, "Annals of Industry: Casualties of the Workplace." The article, which appears in the November 19, 1973, issue of the New Yorker magazine, is an excellent study of industrial health and safety, and is worthy of the Senate's attention.

In the article, Mr. Brodeur reviews the history of health standards pertaining to industrial exposure to toxic materials such as asbestos. It was not until 1970, when Congress passed the Occupational Safety and Health Act, that any significant legislative action was taken to protect our Nation's workers from workplace hazards. And it was not until June 6, 1972, that, over strong industry protest, a safety standard was created for asbestos fibers. To say the least, in view of the fact that investigations have revealed that cancer accounts for approximately 75 percent of the excess deaths among asbestos-industrial workers and that even slight exposure has been proven to cause asbestosis, mesothelioma, and other malignant tumors, the 1972 ruling was long overdue.

The article also explores the potential conflict between governmental regulation and the attempts of industry to suppress medical data. The article reveals how deeply the tentacles of the medical industrial complex have penetrated the workings of the Government in matters relating to industrial disease. Dr. Irving J. Selikoff, the director of the Mount Sinai School of Medicine's Environmental Science Laboratory, has predicted that—

> Tens of thousands of workers would die because of the inadequate regulations issued by the Occupational Safety and Health Act and . . . that if the Administration showed the same disregard for essential precaution in setting standards for other toxic substances we face an unparalleled disaster to the working people of our country.

Throughout Mr. Brodeur's article are alarming examples of industry's efforts to hinder the development of safe working conditions, to hide the facts about industrial disease, and to prevent State job-safety agencies from taking effective action. The article represents a sad commentary on the state of occupational safety and health enforcement in this country.

I ask unanimous consent that the article entitled, "Annals of Industry: Casualties of the Workplace," by Mr. Paul Brodeur from the November 19, 1973, issue of New Yorker be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ANNALS OF INDUSTRY; CASUALTIES OF THE WORKPLACE

IV. NO TANGIBLE EFFECT ON SALES AND EARNINGS

Under the provisions of the Occupational Safety and Health Act of 1970, Congress authorized the Secretary of Labor to promulgate mandatory standards for exposure to toxic materials, so that no employee would suffer diminished health or life expectancy as a result of his work experience—a considerable undertaking, since American workers were being exposed to thousands of toxic substances, and since federal standards, often inadequate, existed for fewer than four hundred and fifty of them. Of all the industrial hazards, none was considered to be more serious than occupational exposure to asbestos. Indeed, mortality studies conducted by Dr. Irving J. Selikoff, the director of the Mount Sinai School of Medicine's Environmental Sciences Laboratory, and by Dr. E. Cuyler Hammond, vice-president for epidemiology and statistics of the American Cancer Society, indicated that one out of every five deaths among asbestos-insulation workers in the United States was due to lung cancer; that almost one out of every ten deaths among these men was due to mesothelioma, an invariably fatal tumor of the linings of the chest or abdomen which rarely occurs without some, even if slight, exposure to asbestos; that another one out of ten deaths among them was due to asbestosis, which is scarring of the lungs resulting from inhalation of asbestos fibres; and that almost half of the men were dying of some form of asbestos disease. In spite of these findings, and in spite of the fact that the insulation workers constituted only a fraction of the total work force exposed to asbestos, no action was taken on the problem until December of 1971. At that time, under intense pressure from the A.F.L.–C.I.O.'s Industrial Union Department—an organization representing labor unions with several million members who had either direct or indirect exposure to asbestos—and partly as a result of disclosures made by Dr. William M. Johnson and Dr. Joseph K. Wagoner, of the Division of Field Studies and Clinical Investigations of the Department of Health, Education, and Welfare's National Institute for Occupational Safety and Health, who had uncovered data long buried in the files of their predecessors that showed extraordinarily high levels of asbestos dust in asbestos factories across the land, Secretary of Labor James D. Hodgson declared a temporary emergency standard of five asbestos fibres greater than five microns in length per cubic centimetre of air to replace the grossly inadequate standard of twelve fibres per cubic centimetre then in effect. (Five microns is one five-thousandth of an inch, and a cubic centimetre of air is the amount that could be contained in a small thimble.)

This, however, was more than double the standard—two fibres per cubic centimetre—that had been urged upon the Secretary by Dr. Selikoff and the union people. It is not known what medical data, if any, prompted Secretary Hodgson to choose the five-fibre standard, or why he chose to disregard data furnished by Dr. Selikoff and other leading epidemiologists indicating that disease could occur at this level of exposure, and that even a two-fibre standard could be expected to prevent only the occurrence of asbestosis, and not the development of asbestos-induced cancer. It is believed, however, that he was seeking some middle ground that he hoped would be acceptable both to industry and to the unions. In any case, the Act required him to replace the emergency standard with a permanent standard within six months, and to hold public hearings before doing so, and since this ruling would be the first he would make under his mandate to redefine occupational-safety-and-health regulations, industry and labor were prepared to look upon it as an indication of how determined or easygoing the federal government would be when it came time to set new standards for other hazardous substances.

The public hearings, which took place in Washington, D.C., in March of 1972, provided a confrontation between those members of the independent medical and scientific community who had been studying the hazards of asbestos and members of the medical-industrial complex who were wholly or partly supported by the asbestos industry. On the one hand, the independent medical and scientific community strongly endorsed a recommendation made to the Secretary of Labor by the National Institute for Occupational Safety and Health (NIOSH) that the exposure to asbestos be set at two fibres per cubic centimetre—a level that had also been recommended to Secretary Hodgson by the Advisory Committee on the Asbestos Standard, which was made up of five men chosen by the Secretary himself. On the other hand, the major asbestos companies, led by the giant Johns-Manville Corporation, presented testimony at the hearings which purported to show that the five-fibre standard would prevent disease, and put forth economic statistics to demonstrate that the cost of meeting a two-fibre standard would drive them out of business. Since the doctors working for the asbestos industry were unable to furnish any conclusive proof that asbestos disease would not occure at the five-fibre level, many observers felt that in setting a permanent standard the Secretary of Labor would surely follow the advice of NIOSH and his own Advisory Committee.

This view, however, was not shared by Anthony Mazzocchi, the director of the Legislative Department of the Oil, Chemical, and Atomic Workers International Union—the union that had represented employees at the Pittsburgh Corning Corporation's asbestos-insulation plant in Tyler, Texas, where Dr. Johnson and Dr. Wagoner had found an extremely critical health situation because of atrocious working conditions, which eventually led to Pittsburgh Corning's closing the plant. Mazzocchi considered the Tyler situation a prime example of how the medical-industrial complex could for years neglect and even suppress occupational-health data without opposition from key industrial-health officials of state and federal government, and, at a press conference held in Washington on February 10, 1972, he had harshly criticized not only Pittsburgh Corning and its medical consultant, Dr. Lee B. Grant, for having ignored the peril of workers at the factory but also the Department of Labor's Occupational Safety and Health Administration for having failed to enforce at the Tyler plant even the totally obsolete standard of twelve fibres per cubic centimetre. Because of similar failures involving dozens of other hazardous substances in hundreds of factories across the land, Mazzocchi was highly skeptical of the Administration's commitment to carry out the provisions of the 1970 Act. Insofar as the asbestos hazard was concerned, his skepticism was reinforced early in April, shortly after the public hearings were concluded, when word got out that the Administration had hired Arthur D. Little, Inc., a research and consulting firm based in Cambridge, Massachusetts, to perform an economic-impact study of the proposed two-fibre standard. There were several disturbing factors in this development. First, there was no provision in the Act requiring the Department of Labor to undertake a cost-benefit analysis before promulgating a health regulation. Second, the impact study was apparently initiated in response to an executive policy handed down by President Nixon's Office of Management and Budget—an organization notably well disposed toward big business. Third, by sending out questionnaires soliciting "guess estimates" from doctors as to what the incidence of disease might be at various levels of exposure to asbestos over long periods, the Arthur D. Little people not only were questioning the exhaustive research already conducted by NIOSH but also were apparently bent less on collecting scientific data than on arriving at a consensus standard that would be more acceptable to industry than the standard recommended by NIOSH.

However, the most ominous aspect of Arthur D. Little's involvement came to light at the beginning of May, when it was learned that even as the firm had been negotiating a contract with the federal government to conduct the cost-benefit analysis of the two-fibre standard, it had urged Raybestos-Manhattan, Inc., a major producer of asbestos products, to move a plant from Stratford, Connecticut, to Mexico, where, of course, asbestos operations would be unhindered by any regulations that might be established in the United States. This obvious conflict of interest was simply another indication of how many tentacles the medical-industrial complex had acquired, and how deeply it had penetrated the workings of the government in matters relating to industrial disease.

While waiting to see what action the Secretary of Labor would take in the first week of June, his deadline for setting a permanent standard for asbestos, I received a copy of "The President's Report on Occupational Safety and Health," which described what had been done to carry out the provisions of the Act during its first year of operation. The report, addressed to Congress, actually consisted of two separate reports, submitted to President Nixon in May by Secretary of Labor Hodgson and by Secretary of Health, Education, and Welfare Elliot L. Richardson. Hodgson's report began by saying that each year, out of eighty million people employed in the civilian labor force, more than fourteen thousand are killed and two million two hundred thousand suffer disabling injuries on the job. He then said that there were no reliable figures on the number of employees who suffer minor, nondisabling injuries or become ill after being exposed to hazardous conditions. Toward the end of his report, however, Hodgson stated that occupational illnesses were "at least as great a problem as injuries" but that "it was much more difficult to develop a special program that would allow O.S.H.A. [the Occupational Safety and Health Administration] to effectively focus on them." He went on to say that, through its Target Health Hazards Program, the Administration would concentrate on five substances—asbestos, cotton dust, silica, lead, and carbon monoxide—which were among the most hazardous of more than eight thousand toxic substances currently identified by NIOSH.

Secretary Richardson was considerably more explicit in his assessment of the problem. His report matter-of-factly stated that according to recent estimates there were at least three hundred and ninety thousand new cases of disabling occupational disease in the United States each year. This figure was followed by one that boggles the mind: "Based on limited analysis of violent/nonviolent mortality in several industries, there may be as many as 100,000 deaths per year from occupationally caused diseases." Richardson went on to say that at the end of 1971 NIOSH had completed a criteria document for the Secretary of Labor which recommended a two-fibre asbestos standard. According to Richardson, the two-fibre standard proposed by NIOSH would "protect against asbestosis and asbestos-induced [cancer]; be measurable by techniques that are valid, reproducible, and available to industry and official agencies; and be attainable with existing technology."

In appendixes to Richardson's report, there were long lists of contracts and grants that had been awarded by NIOSH to various universities, medical schools, corporations, and research institutes for studies relating to occupational safety and health. Among them were two grants and one contract, totalling more than a hundred and forty-six thousand dollars, that had been awarded to the Industrial Health Foundation, Inc., in Pittsburgh, and to Dr. Paul Gross, the director of the foundation's research laboratories, for studies relating to asbestos disease. As it happened, Dr. Gross had testified for Johns-Manville in at least one workmen's-compensation case, and the Industrial Health Foundation, Inc., was none other than the old Industrial Hygiene Foundation of America, Inc., the self-styled "association of industries for the advancement of healthful working conditions," which was hired by Pittsburgh Corning in the summer of 1963 to evaluate the asbestos-dust hazard at its plant, then newly acquired, in Tyler. Moreover, NIOSH's project officer for a contract under which more than fifty-eight thousand dollars had been supplied up to that time was Dr. Lewis J. Cralley, who, when director of NIOSH's Division of Epidemiology and Special Services, had ignored that data showing excessive asbestos-dust counts at the Tyler plant. One of the appendixes to Richardson's report also listed a contract for forty-eight thousand nine hundred and seventy-six dollars which had been awarded to Arthur D. Little, Inc., of Cambridge, Massachusetts, to "develop a priority rating system and identify general areas and specific problems where fruitful and necessary research in occupational safety should be undertaken."

In the middle of May, something occurred to shed light on the role of Johns-Manville—the world's largest producer and user of asbestos, with mines, mills, and some sixty manufacturing plants in the United States and Canada—in the public hearings in Washington, where acting as *éminence grise* for the entire asbestos industry, it had mounted strenuous opposition to the proposed two-fibre standard. On may 18th, speaking before the annual meeting of the American Industrial Hygiene Association, in San Francisco, Dr. William J. Nicholson, of the Mount Sinai Environmental Sciences Laboratory, described a mortality study he, Dr. Selikoff, and Dr. Hammond had conducted which showed that a hundred and ninety-nine deaths had occurred during thirteen years—or sixty-five more than were to be expected according to the standard mortality tables—among six hundred and eighty-nine workers at Johns-Manville's plant in Manville, New Jersey. An examination showed that a vast majority of the excess deaths were the result of asbestos-induced disease. On May 23rd, Johns-Manville issued a press release quoting Wilbur L. Ruff, the manager of the Manville plant, as saying that the asbestos-dust levels that caused the fatal disease among the workers were those of past years, "when conditions were much worse than they are now." After praising the corporation's dedication to medical research and industrial hygiene, Ruff said that "though spending money doesn't mean a thing where human health is concerned, the six and a half million dollars we've spent on dust-control projects since 1949 does show that we're a company with conscience." Ruff also said that a recent dust survey conducted by the Occupational Safety and Health Administration indicated that the Manville plant had "an outstanding record in dust control."

This was the first I had heard of the Administration's inspection at Manville, so I called Robert Klinger, vice-president of Local 800 of the United Papermakers and Paperworkers Union, whom I had met at the public hearings in Washington, and asked him to tell me about it.

"Since April of 1971, when a government survey showed that some dust counts in the Manville textile operation were running as high as twenty fibres per cubic centimetre, there has been considerable improvement," Klinger said. "The 1971 survey and a previous survey that was conducted back in August of 1967 were buried in the files of the old Bureau of Occupational Safety and Health's Cincinnati offices, until Dr. Wagoner and Dr. Johnson brought them to light in the summer of 1971, along with a 1969 medical survey showing that seventeen per cent of a hundred and seventy-nine workers in the Manville textile operation had X-rays that were consistent with asbestosis.

When we learned about these hidden studies, last fall, we requested an immediate inspection of the Manville plant by the Occupational Safety and Health Administration. Its people came in November and December of that year, and returned in April of this year. Their latest survey shows that eighty-one per cent of the dust stations in the plant are operating at between zero and two fibres per cubic centimetre of air; that seventeen per cent are operating at between two and five fibres; and that only two per cent indicate dust counts above the five-fibre level. This has come about simply because J.-M. has expended a great amount of money and effort over the past two years to engineer improved dust-control equipment and install it throughout the Manville plant."

I asked Klinger what had impelled the company to make this expenditure, and he told me that it was probably a combination of things. "We had a long and costly strike here in the autumn of 1970," he said. "As part of the settlement, the company guaranteed to make a real effort to reduce dust levels in the plant. Then, too, in 1969 Johns-Manville paid out nearly nine hundred thousand dollars in workmen's compensation in New Jersey for asbestosis alone, over and above what it may have settled out of court in litigation brought against it by workers, or families of workers, who had contracted asbestos-induced cancer. In addition, the work of men like Dr. Selikoff and Dr. Hammond was by then piling proof upon proof of the association between asbestos and disease. So the J.-M. people simply saw the writing on the wall, and decided they had better act."

At this point, I found myself remembering that without exception the testimony delivered by Johns-Manville officials and their medical associates at the public hearings in Washington had strongly urged the Secretary of Labor not to lower the standard for occupational exposure to asbestos from five to two fibres per cubic centimetre of air. Yet during the previous two years the company had undertaken to accomplish just that in the bulk of its operations in Manville, which has the largest complex of asbestos plants in the world. When I remarked upon this seeming contradiction to Klinger, however, he was not at all surprised.

"There's a simple explanation," he told me. "The Johns-Manville people sell huge amounts of raw asbestos fibre to competitors here and all over the world. In fact, they've pretty well got the chrysotile-asbestos market cornered. For example, according to their own announcement of 1970 earnings before taxes, the mining, milling, and selling of raw asbestos brought in twenty-five million dollars, which was nearly half of their total gross for that year. So, you see, a lower standard might drive the competitors to whom they sell raw fibre out of business, or cause them to look about for asbestos substitutes."

On June 6, 1972, Secretary Hodgson and George C. Guenther, who was the Assistant Secretary of Labor and the director of the Occupational Safety and Health Administration, announced the long awaited decision on a permanent standard for asbestos. It served to confirm the doubts that had been expressed by Mazzocchi and other labor leaders about the Department of Labor's commitment to the provisions of the Occupational Safety and Health Act, for, despite the recommendations of both the Department of Health, Education, and Welfare's National Institute for Occupational Safety and Health and the members of the Secretary's own Advisory Committee on the Asbestos Standard, the new regulations stipulated that the five-fibre standard would remain in effect for four more years, and that a two-fibre level would become effective only on July 1, 1976.

Reaction to the ruling was immediate, and it came from all quarters. On June 7th, John B. Jobe, vice-president in charge of operations for Johns-Manville, issued a statement from the company's headquarters, in Denver, assuring stockholders that the new controls would have "no tangible effect on sales and earnings." On the same day, the *Times* ran a short article on its inside back page that said, "The Occupational Safety and Health Administration ordered today a continuation of asbestos dust exposure limits for four more years despite the recommendations by a scientific panel that they be cut by more than half." The *Wall Street Journal*, in an article in its June 7th issue, put a slightly different interpretation on the news. "The Occupational Safety and Health Administration announced tough new curbs on asbestos in plants, but gave employers four years to comply," it stated. That same day, Sheldon W. Samuels, the director of Health, Safety, and Environmental Affairs for the A.F.L.–C.I.O.'s Industrial Union Department, told me that, in addition to giving industry two extra years in which to comply, the Administration had rejected recommendations from NIOSH for medical surveillance of asbestos workers, for medical recordkeeping, and for labels on asbestos products warning that inhalation of asbestos could cause asbestosis or cancer. "Moreover, because the Administration has only a handful of industrial hygienists, the determination of actual levels of asbestos dust in workplaces will depend upon tests conducted by the employers," Samuels said. "No controls will be required if an employer finds, or believes, that dust levels do not exceed the standard, which, of course, makes a monstrous joke of the whole business. In fact, the new standard is so appallingly deficient that we plan to fight it in the courts."

Dr. Selikoff was quoted by one source as saying, when he was asked his opinion of the new standard, that his remarks "would have to be written on asbestos-coated paper." Then, in a speech he gave in Washington on June 12th, which was quoted in an article in the *Times*, he predicted that tens of thousands of workers exposed to asbestos would die because of inadequate regulations issued by the Occupational Safety and Health Administration, and added that if the Administration showed the same disregard for essential precautions in setting standards for other toxic substances "we face an unparalleled disaster to the working people in our country." He charged Assistant Secretary Guenther with creating a situation in which "workers exposed to asbestos in any trade are required to work under conditions which permit them to inhale twenty million or even thirty million fibres in a working day."

In the same article, Guenther was quoted as saying that Dr. Selikoff had chosen to overdramatize the matter. "There is no question that exposure to asbestos is most hazardous," Guenther declared. "We believe that the new standards will provide substantial and real protection for exposed workers, and that they provide for reductions in levels of asbestos exposure that are reasonable and, in our judgment, based on tests from any quarters." Guenther did not identify the tests and the many quarters from which they supposedly came, but he certainly would not have been referring to any tests described in a story entitled "Asbestos: Airborne Danger," which appeared in the May–June 1972, issue of *Safety Standards*, the official bimonthly magazine of his own Occuptional Safety and Health Administration. After stating that "asbestos has been recognized as one of the most hazardous of air contaminants," the article described only one test concerning the effects of asbestos exposure. That was the study of the disastrous mortality experience of the asbestos-insulation workers which had been conducted by Dr. Selikoff and Dr. Hammond.

For sheer irony, however, there was an event in the early part of June that rivaled Guenther's contradiction of his own house publication. On June 9th, NIOSH held its first-anniversary celebration and awards ceremony, at the Cincinnati Convention Center. Among the recipients of awards was Dr. Cralley, who was presented with the Public Health Service Meritorious Service Medal, "in recognition of his research into developing safe worker exposure levels to such potential occupational hazards as uranium, asbestos, silica, beryllium, and diatomaceous earth dust."

Up to that time, no one knew what conclusions the Arthur D. Little people had drawn in their study of the proposed asbestos standard, because the firm did not receive permission from the Department of Labor to print and distribute a report of the study until June 8th. Within a few days, however, Dr. Nicholson, of Mount Sinai, received his copy of the report and a letter from Dr. Donald W. Meals, of Arthur D. Little, Inc., thanking him for "your support as a member of one of the panels of experts." One indication that the Arthur D. Little people must have put the report together very hastily was that Dr. Nicholson, who had contributed to the study, was not listed in the report as a member of the panel of health experts, while Dr. Selikoff, who had written two letters to the Arthur D. Little people telling them that the methodology of their study had little scientific validity, did not receive a copy of the report or a letter of appreciation from Dr. Meals for his contribution to the study but was listed in the report as a member of the panel of health experts.

No one seems to know what the Arthur D. Little people had in mind in all this, but the possibility that they felt the need to achieve some semblance of balance and impartiality in their panel of health experts presents itself to anyone examining the roster of eleven men listed as its members. In the order in which their names appeared, they were Dr. Edward A. Gaensler, professor of surgery and director of thoracic services at Boston University's Medical Center, who has made useful contributions to the study of asbestos disease, and who has also been retained by Johns-Manville, to examine workers at its asbestos-wallboard plant in Billercia, Massachusetts; Dr. Thomas H. Davison, medical director of Johns-Manville; Dr. John Corbett McDonald, the chairman of the Department of Epidemiology and Health of McGill University, in Montreal, and the author of a study entitled "Mortality in the Chrysotile Asbestos Mines and Mills of Quebec," which was financed by the Quebec Asbestos Mining Association, of which Johns-Manville is a leading member; Dr. Cralley, the former director of the Division of Epidemiology and Special Services, in whose files Dr. Johnson and Dr. Wagoner had uncovered hidden data showing grossly excessive levels of asbestos dust in the Tyler plant and other asbestos factories across the land as well as data showing an appalling rate of deaths from asbestos disease among asbestos-textile workers; Howard E. Ayer, the former assistant director of the division, who, as its senior industrial hygienist, was involved in the interpretation of the dust levels measured over the years at asbestos factories; Dr. George W. Wright, head of medical research at St. Luke's Hospital in Cleveland, and a long-time paid consultant of Johns-Manville, who testified for the corporation at the public hearings in Washington.

Dr. Hans Weill, a professor of medicine in the pulmonary-diseases section of the Tulane University School of Medicine, who had been given financial support by the Quebec Asbestos Mining Association to conduct a study of asbestosis among men working at a Johns-Manville cement-products plant at Marrero, Louisiana; Dr. W. Clark Cooper, a former head of the old Bureau of Occupational Safety and Health and a partner in Tabershaw-Cooper Associates, Inc., a consulting firm in Berkeley, California, which has done research contract work not only for the National Insulation Manufacturers Association, of which Johns-Manville is a member, but also for Pittsburgh Corning; Dr. Philip E. Enterline, a professor in the Department of Biostatistics of the University of Pittsburgh, who was retained by Johns-Manville to study the health experiences of its retired employees;

Commander Samuel H. Barboo, an industrial hygienist in the Medical Service Corps of the United States Navy (a large purchaser of asbestos insulation), who had never been involved in any studies concerning the health effects of asbestos; and, lastly, Dr. Selikoff.

Considering the backgrounds of most of the members of the expert health panel, and the fact that two additional panels of experts consisted of a committee of thirteen men representing private shipbuilding companies and a group of twelve men from various asbestos-producing companies (including two executives of Johns-Manville), it was hardly surprising that the Arthur D. Little people concluded in their report that "reduction of the exposure of workers to asbestos dust from present levels to five fibres per cubic centimetre will significantly reduce asbestos-related diseases and achieve more than 99% of the benefits attainable from the control of dust levels." (In talking about a reduction "from present levels," they apparently forgot that an emergency five-fibre standard had been in effect for nearly five months.) Their report went on to say that because of the cost the two-fibre standard very probably could not be met by the asbestos industry within the two-year period recommended by NIOSH; that the standard could not be achieved at any cost within two years by companies engaged in on-board ship repair in private shipyards (asbestos insulation being used extensively in shipbuilding); and that it would certainly lead to intensified foreign competition in this field and to the imposition of "difficult problems and costly solutions" upon United States Navy shipyards.

In making this statement, the Arthur D. Little people overlooked evidence and statistical tables in the NIOSH criteria document showing that many asbestos plants were already operating at or below a two-fibre level, and that most of the asbestos industry could comply with a two-fibre standard without undue technical hardship. And, piling oversight upon oversight, they went on to say that estimates of when each segment of the asbestos industry could meet various fibre levels "show at a first glance that only a twelve-fibre standard can be met immediately"—an assertion that ignored the fact that a twelve-fibre standard was supposed to have been in effect from 1968 until the temporary emergency standard of five fibres was declared by the Secretary of Labor six months earlier.

Later in their report, in a section that was entitled "Benefits from Asbestos Exposure Control Standards," the Arthur D. Little people got around to defining what they meant by benefits:

"The case against asbestos dust is firm and unquestioned by those familiar with available research data. Selikoff and others have amply demonstrated an association between exposure to asbestos fibres and increased morbidity. It follows that reduction of the hazard will provide increased freedom from disease and longer life for those working with or near asbestos.

"The question of how closely the goal of zero risk to asbestos-related diseases can be approached requires further exploration. The removal of this hazard requires changes that inevitably involve the expenditure of time and money, and in the world of business (including working men when jobs are at stake) the relationship between benefits and costs is an important issue. Numerous examples of the refusal of people individually and collectively to pay even modest inconvenience costs to completely remove risks demonstrate that eliminating a hazard at any cost is not always feasible. However, those who must pay the price for removing the hazard may be willing or able to do so within limits. Finding these limits usually involves comparing less than the maximum obtainable benefits with associated costs. This, of course, is the familiar cost/benefit framework for evaluating alternative courses of action. While we do not believe a purely quantitative cost/benefit analysis is feasible or desirable here, the conceptual scheme is useful. In the next section, we examine the probable costs for various reductions (fibre levels) in the hazard of asbestos dust. To place these costs in a perspective that may be useful in setting policy, it is important to estimate the benefits associated with each of several such levels of risk."

At this point, the Arthur D. Little people drew attention to Table 2 of their report, which incorporated estimates from eight of the eleven listed health-panel members as to the incidence of abestosis, lung cancer, and mesothelioma among a hundred workers exposed to various levels of asbestos fibres during an eight-hour working day over a period of forty years. A footnote stated that by the time the report went to press two additional responses had been received, which did not change either the median or the range. The footnote did not mention that Dr. Selikoff's responses to this questionnaire were the only ones not included. As a result, Table 2 concluded that not one worker in a hundred would develop asbestosis after being exposed to two fibres per cubic centimetre for forty years, whereas Dr. Selikoff had estimated that fifty-five of a hundred workers would develop the disease under these conditions. In addition, Table 2 concluded that only one worker in a hundred would develop asbestosis after working for forty years in an environment containing five fibres per cubic centimetre, whereas Dr. Selikoff had estimated that eighty-five workers out of a hundred would contract the disease under such conditions. As for mesothelioma, the Arthur D. Little report concluded that only one out of a thousand workers would be aflicted with the disease after forty years of exposure to two fibres per cubic centimetre, whereas Dr. Selikoff had estimated that four out of every hundred workers would develop mesothelioma under these circumstances. And Table 2 concluded that only two out of a thousand workers would develop mesothelioma after forty years of exposure to a working environment containing five fibres per cubic centimetre of air, whereas Dr. Selikoff had estimated that seven out of a hundred workers would be affected with mesothelioma at this level.

Now, using Table 2 as a springboard, the Arthur D. Little people leaped to other unfounded conclusions. "It is apparent from this set of judgments that relatively large benefits correspond to the reduction of exposure from thirty to twelve fibers, and from twelve to five fibres," they wrote. "The judgments suggest, however, that a further reduction of the exposure level to two fibres is attended by very small benefits—on the order of less than one per cent." They could make such an assertion, of course, only because they had not seen fit to include in Table 2 the responses of Dr. Selikoff, who is widely regarded as one of the world's foremost epidemiologists in the field of asbestos disease, and whose epidemiological investigations of asbestos disease had never been supported by any segment of the asbestos industry. Having made the assertion, however, the Arthur D. Little people bounced along to others:

"Data on bronchogenic cancer and mesothelioma suggest that these diseases are also related to the degree of exposure. The numbers are small, however, and experience more limited than that available for asbestosis. The only inference we are prepared to draw from these data is that their explicit consideration by the panel members very probably yields better estimates than if they had not been included. Continuing studies of these diseases among asbestos workers should contribute to estimates that better justify interpretation and speculation than these."

All this, of course, overlooked the fact that in their studies of the disastrous mortality experience of six hundred and thirty-two asbestos-insulation workers in New York City and Newark, and of nine hundred and thirty-three men who had worked at an asbestos-insulation factory in Paterson, New Jersey, Dr. Selikoff and Dr. Hammond had furnished incontrovertible proof that two hundred and thirty out of three hundred and nineteen excess deaths among these men were caused by some form of cancer.

The rest of the Arthus D. Little report consisted of analyses of such things as the gross-sales profits of various segments of the asbestos industry and the estimated economic impact of various asbestos standards on shipbuilding companies and on manufacturers of asbestos products. A section entitled "Economic Impact on Manufacturers" contained this passage:

"With regard to technical feasibility, we judge that the five-fibre level is achievable. Even with the best available techniques, however, we do not know whether a two-fibre limit could be met. (In fact, we cannot be completely certain about the five-fibre limit until the best available equipment has been installed and evaluated.) Thus a reliable assessment of the validity of the "guesstimates" put forth on the cost of compliance to the two-fibre level is not really possible until technical feasibility has been established. In the meantime, the estimates shown in Table Six are the best that have been developed."

The estimates, or "guesstimates," in Table 6 may well have been the best that were available, but to me they were incomprehensible, so I went to Mount Sinai and asked Dr. Nicholson, whose copy of the report I had been reading, to interpret them for me.

Dr. Nicholson shook his head and gave a weavy smile. "The cost estimates obtained by Arthur D. Little from its panel of experts are inappropriate on two counts," he said. "First, the panelists were asked to estimate time and costs to achieve specific dust levels, and not costs to achieve effective worker protection. Second, the cost estimates were obtained by soliciting guesses from representatives of the asbestos industry rather than by reviewing the cost and effectiveness of existing installations. The whole approach is like the old story of asking the fox to guard the chicken coop. Here the fox has been asked how many chickens he would kill. 'Why, hardly any,' he replies. Then the fox is asked how much it would cost to keep him from killing just those few chickens. 'Oh, much too much to consider,' he answers."

Glancing over the names and corporate affiliations of Arthur D. Little's twelve-man expert panel from the asbestos industry, I saw that all eleven of the companies they represented had sent officials to the public hearings to testify against the proposed two-fibre standard. When I pointed this out to Dr. Nicholson, he shook his head again.

"The ins and outs of this whole affair constitute an endless labyrinth that never ceases to amaze me," Dr. Nicholson said. "I just noticed, for example, that both the Certain-teed Products Corporation and Nicolet Industries, Inc., are represented on the panel, and that reminds me of a story I read in the *Wall Street Journal* earlier this month. It was about the old Keasbey & Mattison Company, which used to make milk of magnesia in the town of Ambler, Pennsylvania, near Valley Forge. The article described an incident in the early history of the company, when Dr. Royal Mattison accidentally spilled some milk of magnesia on a hot pipe and found that it adhered. That brought the Keasbey & Mattison people into the insulation business. In 1962, however, the company went out of business and sold its facilities to Certain-teed Products, which started manufacting asbestos-cement pipe. Since that time, Ambler has also been the site of a plant operated by Nicolet Industries, which manufactures other asbestos-cement products. In the *Journal* article, there was a description of a large open-air dump that has existed in the town since 1867, that is owned by Nicolet and Certain-teed, and that is still used by Certain-teed, which adds twenty-seven hundred tons of crushed asbestos pipe to the dump each year. Naturally, this aroused my curiosity, so I drove down to Ambler the other day to take a look at it. When I got there, I could hardly believe my eyes.

The dump not only snakes diagonally through the very center of the town, which has a population of about eight thousand, but it is fifty feet high, anywhere from one to two city blocks wide, and about ten city blocks long. In fact, it is estimated to contain some million and a half cubic yards of waste material. I brought back a dozen or so samples of debris to our mineralogy laboratory for analysis, and we found that all of them contained large amounts of chrysotile-asbestos fibre. The incredible thing, however, is that while the townspeople of Ambler want to get rid of the dump—it's an eyesore, of course—almost no one down there seems to be aware of the health hazard it poses. Kids play on an asphalt basketball court that has been built smack on top of material from the dump, and is literally covered with loose asbestos fibre and wads of waste material containing asbestos. Not only that but the dump itself is pockmarked with holes and tunnels dug over the years by kids searching for old milk-of-magnesia bottles, which have become collector's items. As you may already be aware, cases of mesothelioma have been reported among people whose exposure to asbestos was that as children they had played on asbestos dumps.

A few days later, I was reminded of the Ambler dump while looking at an exhibit submitted as evidence during the public hearings by Bruce J. Phillips, a senior vice-president of Certain-teed. "We do not feel that there is sufficient medical justification for a two-fibre limit at this time," Phillips had said. "We propose a five-fibre standard." However, this statement of Phillips' aroused my curiosity less than the next. "We feel that asbestos scrap and waste, including asbestos dust, can be disposed of in quantity only in a landfill, where the waste can be covered each day, and will present no danger to anyone. Furthermore, these disposal problems are solid-waste-management problems to be covered by the Environmental Protection Agency, and not O.S.H.A.," he said. Whether Phillips had the Ambler dump in mind when he made this statement is a matter of conjecture, but it is a matter of record that the Environmental Protection Agency had not then got around to declaring a standard for asbestos dust in the ambient air.

Toward the end of June, Herman Yandle, the former union committee chairman at the Tyler plant, called me from Hawkins, Texas, to inform me that ten thousand-odd bags of asbestos fibre left in the warehouse after Pittsburgh Corning closed the factory, and either buried or otherwise disposed of virtually all of the rest of its innards, had been shipped to Canada during the last part of May. Yandle had been told that the fibre had been bought by a company with facilities on Manitoulin Island, in Ontario.

That piece of information sent me to a map, where I discovered that Manitoulin is a very large island in the northern part of Lake Huron, about a hundred miles east of Sault Ste Marie. As a result of inquiries I made to find someone who might be able to tell me something about the company, I got in touch with Dr. Ernest Mastromatteo, who is the director of the Environmental Health Services Branch of the Ontario Ministry of Health, in Toronto.

"Manitoulin Island is way up in the wilds, and I've never heard of any asbestos plant up there," Dr. Mastromatteo said. "But I'll have our people look into it, and get back to you as soon as we have something to report."

During July, another intricate tier was added to the labyrinth constructed by the medical-industrial complex in its dealings with the problem of occupation exposure to asbestos, and I heard about it from Dr. Selikoff. I had not seen him since the Department of Labor decided to keep the five-fibre standard for four more years, and I had gone to Mount Sinai to ask him about an article from England which, I had been told, bore on the question of the asbestos standard.

"As you know, the two-fibre standard we had hoped for was designed only for the prevention of asbestosis, and not for cancer," Dr. Selikoff said. "It was first proposed back in 1968 by the British Occupational Hygiene Society's Committee on Hygiene Standards. At that time, the committee reported in the *Annals of Occupational Hygiene*, a respected British medical journal, what appeared to be strong evidence suggesting that a person working with chrysotile asbestos could be exposed for fifty years to a level of two fibres per cubic centimeter with practically no risk of developing asbestosis. The committee therefore recommended a two-fibre level for occupational exposure to asbestos—a proposal I considered to be reasonable, and one which was adopted by the British Inspectorate of Factories that same year.

The British action was one of the chief determining factors in the decision of NIOSH to recommend a two-fibre standard to the Secretary of Labor. The report of the society's committee noted that its recommendation was based entirely upon information provided by two of the committee's members who were employees of the Turner Brothers Asbestos Company, Ltd., of Rochdale, England—one of the largest asbestos companies in Britain. They were Dr. John F. Knox, who was then chief medical officer for Turner Brothers, and Dr. Stephen Holmes, the company's industrial hygienist. Dust counts had been made at the Turner Brothers factory in Rochdale for many years, and in 1966 Dr. Knox and Dr. Holmes had undertaken to correlate the health status of current employees with past exposure levels. Accordingly, they had reviewed chest X-rays of two hundred and ninety workers at the factory who had been employed for ten years or more after January 1, 1933, and were still employed there as of June 30, 1966. They then reported to the committee that among these employees they had found only eight whose X-rays could be diagnosed as asbestotic. Among the eighty-one men exposed to levels of somewhat more than ten fibres per cubic centimetre for twenty years or more, they found only six with relevant X-ray changes, and out of thirty-seven workers exposed over a twenty-to-thirty-year period to levels of about four fibres per cubic centimetre, they found only one man with a possibly asbestotic X-ray abnormaliyt. This was comforting information indeed, and the committee, after providing a safety margin by halving the four-fibre level, recommended the two-fibre standard in the full assurance that it would prevent the occurrence of asbestosis."

I was reminded by Dr. Selikoff's remarks that Dr. Holmes had flown to the United States in March to testify in behalf of the American asbestos industry at the Department of Labor's public hearings, and had stated his opinion that workers could safely inhale air containing four or five fibres per cubic centimetre. When I mentioned this to Dr. Selikoff, he told me that not long after the hearings ended, the April, 1972, issue of the *Royal Society of Health Journal* arrived in the United States. "It contained an article by Dr. Hilton C. Lewinsohn, a young South African physician, who had replaced Dr. Knox as chief medical officer of Turner Brothers," Dr. Selikoff said. "Dr. Lewinsohn wrote that in December of 1970 he had given chest X-rays to workers employed at the Turner Brothers Rochdale factory. Although some workers had left the firm or had died, and although others had only recently completed ten years of employment, the men with long-term exposure who were examined by Dr. Lewinsohn were in large part the same men who had been studied four and a half years before by Dr. Knox and Dr. Holmes.

However, Dr. Lewinsohn's assessment of X-ray findings among them was quite different from that of his predecessor, Dr. Knox. He reported that more than half of those men X-rayed twenty years or longer after first exposure to asbestos showed some abnormal lung changes. Moreover, upon analyzing these changes he determined that almost forty per cent of the men who had been employed at the factory for twenty years or more had lung scarring consistent with asbestosis. Unfortunately, our hearings were concluded by the time the *Royal Society of Health Journal* arrived, so there was no opportunity to ask Dr. Holmes about the apparent gross discrepancy between the two sets of findings."

I asked Dr. Selikoff how he explained the startling discrepancy, and he replied that it must lie in the interpretation of the X-rays, since it was highly unlikely that there could have been such a marked increase in detectable lung disease in four and a half years. He added that Dr. Nicholson had prepared a statistical analysis of the dose-disease responses that could be derived from these two conflicting sets of data, and had determined that they showed as much as a tenfold difference in the incidence of X-ray changes characteristic of asbestosis among the workers at the Turner Brothers Rochdale factory.

"Do you mean that Dr. Lewinsohn found ten times as much disease among some Turner Brothers workers as Dr. Knox and Dr. Holmes had found four and a half years earlier?" I asked.

"Yes," Dr. Selikoff replied. "At least, that is what the data published so far suggest."

"So the two-fibre standard, even if it had been adopted without the four-year delay, is not sufficient," I said.

"Until the discrepancy is resolved, it would appear useful only as an interim measure for the prevention of asbestosis," Dr. Selikoff replied. "Further, one should remember that when the British Occupational Hygiene Society recommended the two-fibre standard in 1968, it took the prudent position that the standard was intended only for the prevention of lung scarring, since it was not possible at that time to specify a concentration of asbestos in the air which was known to be free of the risk of inducing cancer."

The possibility presented by this new data—that industry influence might have had an effect on medical considerations concerning the problem of occupational exposure to asbestos in England—came as a surprise to me for two reasons. The first was that until Dr. Selikoff and Dr. Hammond had conducted their pioneering studies of the asbestos-insulation workers, in the early nineteen-sixties, by far the best and most thorough investigations of asbestos disease had been conducted in England, where asbestosis had been recognized as a serious occupational-health hazard since the nineteen-twenties. The second was that I had talked at length with several leading English epidemiologists in London some months earlier, and when I told them that occupational-health data were being suppressed and ignored in the United States, they had solemnly assured me that, because of the independent character of English medicine and of the British government's occupational-health agencies, such a situation could not exist in their country.

When I told Sheldon Samuels the news from England, he was not at all surprised. "Business is always business," he said. "In fact, I have a new wrinkle for you here at home. When I came to the Industrial Union Department last year, I undertook an investigation of the company-doctor system, because it occurred to me that the system was operating to thwart the Occupational Safety and Health Act. A month or so after I began the investigation, I talked with Dr. Norbert Roberts, who is associate medical director of the Standard Oil Corporation of New Jersey, and was then president of the Industrial Medical Association. Dr. Roberts told me that he and his associates in the Industrial Medical Association hoped to reform and improve the industrial medical profession by setting standards for the professional performance of company doctors. They proposed to set up an organization called the Occupational Health Institute, which would derive its chief support from the Industrial Medical Association, the American Industrial Hygiene Association, and the American Association of Industrial Nurses, Inc.—all of which are organizations supported and controlled by industry. The institute would undertake to create a program to validate occupational-health programs and to set up standards that would enable industry, through voluntary compliance, to clean up the major health problems afflicting workers in the United States.

After listening to him, I told Dr. Roberts that in any opinion voluntary ethical standards would not accomplish the purpose of raising the professional performance of company doctors but should be part of enforceable O.S.H.A. regulations in order to guarantee the participatory role of workers envisioned in the Occupational Safety and Health Act, such as their guaranteed right to have access to medical records and to records pertaining to exposure to toxic substances. That was the last I heard of the matter for some time. Last November, however, I sent Dr. Roberts the results of the NIOSH survey of Pittsburgh Corning's Tyler plant and asked him to have the the Industrial Medical Association conduct its own investigation of the situation. Then, in February, I sent him an account of the charges Mazzochi had levelled against Pittsburgh Corning at his press conference, which included some information about how the affair had been handled by the company's medical consultant, Dr. Grant. In the meantime, Dr. Roberts and his associates had pursued their plan to set up the Occupational Health Institute. At their request, a meeting to discuss the aims of the institute was held here at the Industrial Union Department on March 24th. In addition to Dr. Roberts and myself, the meeting was attended by Dr. Duane Block, medcal director of the Ford Motor Company; by Dr. Gilbert H. Collings, general medical director of the New York Telephone Company, who had been named to head the Occupational Health Institute; and by Dr. Marcus M. Key, who is the director of NIOSH, who was being asked to give NIOSH support to the new institute and its programs. According to Dr. Roberts and Dr. Collings, an accreditation commission intiated by the institute would pressure management to become enlightened in the field of occupational health by certifying valid industrial medical programs. Imagine my surprise, however, when I learned that Dr. Roberts and his colleagues were proposing Dr. Grant as one of the members of this accreditation commission. I pointed out that the very fact that Dr. Grant was being considered for such a position while serious allegations concerning his professional conduct remained to be resolved scarcely inspired confidence in the purpose and viability of the Occupational Health Institute. Subsequently, Dr. Roberts and his associates must have brought pressure to bear upon Dr. Grant to remove himself from consideration for the commisson, for early this month I received a telephone call from William D. Kelley, the director of NIOSH's Division of Training, in Cincinnati, telling me that he had received a letter from Dr. Grant complaining that, because of his consultant relationship with Pittsburgh Corning, I considered him to be anti-labor and, therefore, unacceptable as a commissioner. Now, what do you think of that?"

I told Samuels that I found it surprising, but I was really thinking that the medical-industrial complex went about its business in ways whose intricacies were a wonder to behold, and that the story I had been following for so many months seemed not only to repeat itself endlessly but to employ the same cast of characters.

"And now for the clincher," Samuels said. "Guess what outfit has just received a seventy - one - hundred - thousand - four - hundred - and - eighty - one - dollar contract from NIOSH, in order to—and I quote—'develop and validate criteria for program performance standards of occupational-health programs which will provide guidelines to NIOSH in promoting the development of such programs as well as provide guidance to facilities in establishing and/or upgrading their own operational program standards.'"

"The Occupational Health Institute?" I said.

"Of Chicago, Illinois," Samuels replied.

A few days later, I telephoned Dr. Mastromatteo in Toronto, and asked him if he had been able to find out anything about an asbestos plant on Manitoulin Island.

"I'm sorry to say I haven't," Dr. Mastromatteo replied. "We've checked all the available records and made inquiries by phone, but there doesn't appear to be any asbestos industry at all on Manitoulin Island."

I apologized to Dr. Mastromatteo for bothering him with what was obviously a false lead, and thanked his for taking the trouble to follow it up. Then I telephoned Herman Yandle in Hawkins, and told him what had happened.

"Well, that's what they told the boys at the plant when the stuff got sent out," Yandle said, with a chuckle. "But I got a new address for you just the other day, from a fellow who saw a shipping tag. The asbestos went to Canada, all right, but not to Manitoulin Island. It got sent to a company called Holmes Insulation, Ltd., at Point Edward, Ontario."

I called Dr. Mastromatteo back and told him what I had learned from Yandle.

"We'll try to run it down for you," he said. "I've never heard of Holmes Insulation, but I know where Point Edward is. It's about two hundred miles west of here, in the middle of a large petroleum-chemical complex."

In the second week of September, I received some rather interesting mail. From the August issue of the *Archives of Environmental Health* I learned that Dr. Grant had been elected treasurer of the American Academy of Occupational Medicine. In a clipping from the August 25th edition of the Cincinnati *Post*, I read that Dr. Wagoner and Dr. Johnson had been looking into the spraying of asbestos insulation on the steel girders of a new Procter & Gamble technical center in the Blue Ash, Ohio, a suburb of Cincinnati. The *Post* article stated that the spraying of asbestos insulation in construction had been banned in New York, Boston, Philadelphia, and Chicago, but that in Cincinnati and the rest of Ohio there were no ordinances either banning or controlling its use. The article went on to quote Dr. Mitchell R. Zavon, Assistant Health Commissioner for Cincinnati, who said that he had not seen fit to issue any regulations, since the evidence incriminating asbestos as a health hazard "is not sufficiently clear-cut." This surprised me, since I knew that Dr. Zavon was a member of the sixteen-man Threshold Limit Value Airborne Contaminants Committee of the American Conference of Governmental Industrial Hygienists, so I filed the newspaper clipping away with a mental note to make some inquiries about him.

A week or so later, Samuels sent me a copy of a statement delivered before the House Select Committee on Labor by Jacob Clayman, administrative director of the Industrial Union Department, concerning the activities of the government in enforcing the Occupational Safety and Health Act. It was obvious that Clayman did not think much of the government's performance. After reminding the committee members that the Department of Health, Education, and Welfare had estimated that there might be as many as a hundred thousand deaths each year from occupationally caused disease, he told them that seventeen months after the Act went into effect there were only four hundred inspectors to enforce its provisions in more than four million workshops, and that only one new health standard—that for asbestos—had been set during that time. "Even then, we have had to complain about its inadequacies," Clayman said. "Indeed, we have gone to court to emphasize its failure, in our judgment, to pursue the basic purpose of the law." Clayman said that his organization had never ceased to point out that not one of the nine carcinogens rated by the Conference of Hygienists and by forty-five states as being too dangerous for any exposure at all was included in the federal standards. "Benzidine is one of these," he declared. "More than seventeen hundred tons of this chemical and three of its most commonly used compounds are produced, distributed, and used in this country each year. We have no idea how many workers are exposed. We have no idea as to how many of the hundred thousand deaths that H.E.W. reports are due to exposure to this and other carcinogens."

Up to that time, my investigation of the workings of the medical-industrial complex had evolved out of the critical situation that had existed at Pittsburgh Corning's Tyler plant, and had focussed on the problem of exposure to asbestos. During the past six months, however, I had been told by Mazzocchi, Samuels, and others that the complex was hard at work trying to put the lid on dozens of occupational-health problems involving, among others things, beryllium, benzidine, and beta-naphthylamine. (Indeed, Samuels and the Industrial Union Department had been pressing unsuccessfully for the Occupational Safety and Health Administration to take action on known chemical carcinogens for more than a year.) Now, reminded by Clayman's testimony of the multiplicity of the hazards, I decided to take a closer look at some of them.

On Monday, September 25th, I caught an early-morning flight to Cincinnati and went to the Division of Field Studies and Clinical Investigations to ask Dr. Johnson, whom I had not seen since March, what was being done about the problem of occupational exposure to beryllium, benzidine, and beta-naphthylamine. "Let's start with beryllium," Dr. Johnson said. "It is a metal that has been used in the United States since the nineteen-twenties, when it was alloyed with copper and other metals in order to give them greater tensile strength and fatigue resistance. During the late nineteen-thirties, it was used extensively in the manufacture of flourescent-lamp tubes. Subsequently, however, thanks to the pioneering work of Dr. Harriet L. Hardy, who was then an occupational-health physician at the Massachusetts Institute of Technology, beryllium was found to be a cause of acute and chronic pulmonary disease among workers in the fluorescent-lamp industry, and in 1949 its use in the manufacture of those appliances was discontinued. Because of its light weight, its rigidity, and its stability, beryllium has achieved wide use in other areas. It is employed in nuclear reactors, in aerospace structural materials and inertial guidance systems, and in satellite antennae, rocket-motor parts, heat shields, rotor blades, and airplane brakes. It also appears to have considerable potential as a solid rocket fuel. Suffice it to say that beryllium and its components have an important use in modern technology, and that, as I have indicated, exposure to them can result in beryllium disease, which can cause death from pulmonary insufficiency or right-sided heart failure."

Dr. Johnson went on to say that during the summer of 1971, while he was unearthing from his predecessors' files the data on the Tyler plant and other asbestos factories, he had come across the report of an environmental survey that had been conducted in 1968 by engineers from Dr. Cralley's Division of Epidemiology and Special Services at a factory owned by Kawecki Berylco Industries, Inc., in Hazleton, Pennsylvania. "As in the case of Tyler studies, no action had been instituted as a result of the Hazleton-plant survey," Dr. Johnson told me. "Yet the data showed incredibly high airborne levels of beryllium dust, especially in the factory's attrition-mill operations, where beryllium powder is made. Indeed, the engineers had recorded concentrations in the Hazleton plant as high as two hundred micrograms of beryllium per cubic metre of air, though the Conference of Hygienists had already adopted the Atomic Energy Commission's standard of a peak value of twenty-five micrograms per cubic metre of air and a time-weighted average of only two micrograms per cubic metre."

When I asked Dr. Johnson what he had done with the information he uncovered, he told me that, just as in the case of the data on conditions in the Tyler plant—data that were collected and ignored—he had relayed them to Anthony Mazzocchi and Steven Wodka, of the Oil, Chemical and Atomic Workers International Union, which, as it happened, also represented workers at the Hazleton plant. "As a result, just as in the case of Tyler, the union expressed concern to our division, and we conducted a comprehensive environmental survey of the plant last November," Dr. Johnson said. "The beryllium-dust levels we measured at that time showed that the company's powder-handling operations were still grossly out of control. In March of this year, beryllium levels at the Hazleton plant were measured again by the Pennsylvania State Department of Health, and once more the levels far exceeded the recommended threshold limit value of two micrograms per cubic metre of air. Consequently, on July 28th, Harry M. Donaldson, one of our industrial hygienists, wrote a letter to the Kawecki Berylco people saying that we planned to conduct another survey of the Hazleton plant in the near future and asking what improvements they intended to make in their powder-handling operations, how they were going to make them, and when they would complete them. On August 3rd, I set a second memo of concern to the regional administrator of the Occupational Safety and Health Administration in Philadelphia—I had sent him one on the same subject last December 22nd. I told him again that a potential for serious medical consequences existed in the Hazleton plant, and I enclosed the results of a medical survey of two hundred and nineteen of the plant's employees which had been conducted last November by Dr. Homayoun Kazemi, the chief of the pulmonary unit of Massachusetts General Hospital, in Boston. Dr. Kazemi had found symptoms possibly related to berylluim disease in twenty-five cases and significant beryllium disease in half a dozen cases."

I asked Dr. Johnson if he or Donaldson had received any reply from the company, or if any action had been taken with regard to the situation at the plant. He smiled grimly and handed me a memorandum. It was sent to division directors, deputy directors, and assistant division directors; it was headed "Policy Memorandum," was dated September 12, 1972, and was signed by Dr. Edward J. Fairchild II, acting associate director for NIOSH's Cincinnati Operations, who was working under the direction of Dr. Key, the director of NIOSH. It read:

"There have been in the recent past certain communications, verbal as well as written, with distinct overtones of abatement-type language. It is not the intent, nor the policy, of NIOSH to convey to the outside world that our role under the Occupational Safety and Health Act of 1970 is one having authority for enforcement. Rather, we must present an image more in keeping with that of a research agency. The Act distinctly separates enforcement, the primary activity of the Department of Labor (O.S.H.A.), from research, the primary activity of HEW (NIOSH).

"Accordingly, you are requested to monitor those actions which could evoke connotations of enforcement, especially those which may be so borderline that NIOSH involvement could be appropriate under certain circumstances, yet highly inappropriate under different circumstances. Those of your people who may have occasion for involvement should be informed of this policy.

"Through authority delegated to me by Dr. Key, and by copy of this memorandum, I assign Dr. [William S.] Lainhart as your contact in the extent that questionable issues arise. Thus, if you are in doubt as to whether actions constitute abatement-type language or policy or if activities infringe upon enforcement, you will bring such situations to the attention of Dr. Lainhart. If, then, the issue is not yet resolved, it will be brought to my attention by Dr. Lainhart.

"Your cooperation and diplomacy in this delicate, but important, matter of policy is expected and appreciated."

I remembered Dr. Lainhart very well. He had been chief assistant to Dr. Cralley in the old Division of Epidemiology and Special Services, and had been in charge of the medical-environmental teams that surveyed the Tyler plant and other asbestos factories during the middle and late nineteen-sixties. It was Dr. Lainhart who—in March of 1968, shortly before notification of the high asbestos-dust counts taken by his environmental team at the Tyler plant was sent to Dr. Grant and Pittsburgh Corning without any warning that they constituted a high risk of disease and death for the men who were working there—had said to me that the ideal method of tracing the natural history of asbestos disease would be to take a bunch of twenty-year-olds, put them into an asbestos plant where the exact dust level was known, and observe them for the next fifty years or until they died. I had often wondered about that statement, and now, remembering the poor condition of men I had met who had been employed at the Tyler plant for only ten or fifteen years, and the number of deaths from cancer and asbestosis that had occurred among the unfortunate workers at the Paterson factory. I found myself wondering about it again.

Then Dr. Johnson showed me a second memo. It was dated September 13, 1972, and it had been sent to the director of the division. It was headed "Short- and Long-Term 'Epidemiology,'" and was also signed by Dr. Fairchild, who was once again acting under the direction of Dr. Key. It started out:

"Pursuant to our discussion earlier with Dr. Key, as well as followup discussion you and I have had, this will verify for the record the resulting decisions.

"Short-term field studies which have been referred to as "firefighting activities" will be assessed prior to obligating resources. We are mutually agreed that you and/or Dr. Johnson will keep Dr. Lainhart apprised of such categorical activities. When necessary I can be brought into the discussions. Dr. Lainhart is aware of this arrangement which is commensurate with his experience and the responsibility of his position.

"Also, in connection with our earlier discussions and in keeping with the indication given by Dr. Key to Mr. Edmund Velten, Vice-President, Kawecki Berylco Industries, Inc., there will be developed for NIOSH policy the proposed regulations whereby industry-wide studies are to be conducted. Accordingly, I am requesting that this also be coordinated with Dr. Lainhart so that he is kept informed throughout the process of regulations development."

When I had finished reading the second memorandum, I asked Dr. Johnson to give me an example of a short-term field study, or "firefighting activity."

"Well, in some ways you might call our survey of Pittsburgh Corning's Tyler plant a short-term field study," Dr. Johnson replied.

"And what about the reference to the 'indication' given by Dr. Key to Edmund Velten, of Kawecki Berylco?" I inquired.

"That simply means that the beryllium industry will be consulted by NIOSH with regard to any proposed industry-wide studies involving beryllium," Dr. Johnson said. "The fact is, our criteria document for beryllium was completed and forwarded to the Occupational Safety and Health Administration several months ago. As of this date, however, the Administration has not seen fit to convene an advisory committee on beryllium, much less announce public hearings. Meanwhile, workers in beryllium plants are still being overexposed to beryllium dust and running the needless risk of developing beryllium disease. Incidentally, Mr. Velten must have complained to Dr. Key about the letter that Donaldson sent to his company about improvements in the Hazleton plant. In any case, Dr. Key wrote Velten a letter containing an apology for the tone of Donaldson's letter."

At this point, I asked Dr. Johnson what was being done about the problem of occupational exposure to beta-naphthylamine and benzidine.

"Beta-naphthylamine, which is commonly known as BNA, and benzidine are aromatic amines—chemicals derived from coal tar—and are used as intermediates in the synthesis of dyes," Dr. Johnson said. "Both are highly potent carcinogens, known to cause bladder cancer, and both are on the list of nine carcinogens that have been rated by the Conference of Hygienists as being too dangerous at any known level of exposure. Neither of them, however, has been so rated by the federal government. Before I go into our involvement with BNA and benzidine, I think you ought to take a look at a study of workers exposed to them in a plant operated by the specialty-chemicals division of the Allied Chemical Corporation, in Buffalo, New York. It was carried out back in 1962, by Dr. Morris Kleinfeld, director of the Division of Industrial Hygiene of the New York State Department of Labor; by Dr. Leonard J. Goldwater, a consulting industrial-hygiene physician; and by Dr. Albert J. Rosso, an associate industrial-hygiene physician in the Division. It was published in the *Archives of Environmental Health* in December, 1965. Dr. Kleinfeld, Dr. Goldwater, and Dr. Rosso studied three hundred and sixty-six workers at the plant in Buffalo, going back to 1912. Half of these men were between twenty and twenty-nine years old when they were first employed at the plant; about a quarter were between thirty and thirty-nine; and the remainder were between forty and fifty. Some of them were exposed to BNA alone; some to BNA and benzidine; some to BNA and alphanaphthylamine, which is similar to BNA; some to benzidine alone; and some to various combinations of all three compounds."

Dr. Johnson handed me a copy of the study by Dr. Kleinfeld and his associates. From the introduction I learned that cancer of the bladder resulting from exposure to aromatic amines was discovered in Germany in 1895; that between 1905 and 1932 bladder tumors in dye workers were reported in Switzerland, Great Britain, Russia, and Austria; that the first cases of this condition in the United States were reported in 1934; and that the disease had subsequently been recognized in Italy, Japan, and France. Toward the end of the introduction, Dr. Kleinfeld and his associates described a large series of bladder tumors caused by aromatic amines which were reported by Dr. T. S. Scott in England in 1964. Dr. Scott found that of six hundred and sixty-seven persons exposed to the chemicals for more than six months a hundred and twenty-three had developed bladder tumors, and that bladder tumors occurred in fully seventy-one per cent of those who were exposed for thirty years or more.

As for the results of the study of three hundred and sixty-six men exposed to aromatic amines at the Allied Chemical plant in Buffalo, Dr. Kleinfeld and his associates reported in the main body of their article that ninety-six of the men had developed bladder tumors—an over-all incidence of slightly more than twenty-six per cent—and forty-six of these had died as a result. "By any reasonable standard it can be stated that the incidence or attack rate for bladder tumors in workers exposed to coal tar dye intermediates is frighteningly high," they concluded.

After I read the study, Dr. Johnson told me that the manufacture and use of BNA had been banned in Switzerland in 1938, and that the production and use of the chemical had virtually stopped in Pennsylvania after 1961, when the state adopted strict regulations for carcinogens. "The British abandoned the manufacture and use of BNA way back in 1952," Dr. Johnson said. "Why our government has not taken similar action is beyond my comprehension, especially in the light of conditions we uncovered recently in Georgia and South Carolina. During the early fifties, the Augusta Chemical Company, of Augusta, Georgia, which had been receiving shipments of BNA from the du Pont people, began manufacturing and using the chemical at its Augusta plant. In 1967, the company was purchased by the Blackman Uhler Chemical Division of the Synalloy Corporation, of Spartanburg, South Carolina, and thereafter BNA was manufactured at the Augusta plant and shipped in drums by truck to Synalloy's Spartanburg plant, where it was used as an intermediate in dye synthesis. Our regional director in Atlanta learned of this activity last fall, and got in touch with officials of the Georgia State Department of Health, who told him they knew of no problem associated with the manufacture of BNA in Georgia. In January of this year, however, we sent three of our people in the Division of Field Studies and Clinical Investigations to take a look at the Augusta plant. They found men shoveling BNA from a large slurry tank into drums, and discovered that none of them had ever been given a urinalysis to determine whether blood or atypical or malignant bladder cells were present in the urine. In April, I visited Spartanburg and Augusta, and told the Synalloy people the medical facts implicating BNA as a potent bladder carcinogen. They claimed that because the chemical was handled in wet slurry form it was not hazardous, whereupon I informed them that the primary route of entry of BNA into the body under these circumstances was not by inhalation but by absorption through intact or unabraded skin. As a result, the production and use of BNA have been discontinued at the Augusta and Spartanburg plants, and Tobias acid—a relatively safe substitute for BNA, which has been available for years, and which costs only a few cents more a pound—is now being used as an intermediate in dye synthesis.

We have begun a program of urine cytology on the workers currently employed at the Augusta plant, but since BNA wasn't used there until the late nineteen-forties, and since the latent period for the development of bladder cancer is about twenty years, we probably won't know their true health situation for some time. One big problem we're faced with is that, because of rapid turnover in the work force, past employees exposed to BNA are unavailable for medical followup, so we have only the present workers to evaluate. The thing to remember is that until 1972 no federal occupational-health agency had ever visited either of the plants—and this despite the fact that the hazard of BNA was brought up in congressional testimony in 1970 as justification for passing the Occupational Safety and Health Act, and had been cited repeatedly as being one of the health hazards the government was anxious to control. Moreover, none of the appropriate state occupational-health agencies had ever taken effective action to bring the hazard under control. We're now trying to track down other plants where BNA may be in use, because we've heard that the chemical is being imported into the United States from South America."

Dr. Johnson went on to tell me that the Allied Chemical plant in Buffalo had manufactured BNA until the middle fifties and had received shipments of the chemical from a plant in Pennsylvania from then until 1961, when the Pennsylvania plant was forced by the state to shut down. "Shortly thereafter, the Allied Chemical people discontinued the use of BNA in their Buffalo plant," he said. "However, they continued to handle benzidine, which they not only manufactured and used there but also shipped to the Toms River Chemical Corporation's plant, in Toms River, New Jersey, until sometime in 1971. Now I understand that they are using dichlorobenzidine, which they claim is less hazardous than benzidine. However, we are concerned about dichlorobenzidine because it is known to cause cancer in test animals, and because it is also on the list of carcinogens rated by the Conference of Hygienists as being too dangerous at any level of exposure. In fact, we'll be conducting a field survey of the Buffalo plant next month."

I asked Dr. Johnson what other industrial carcinogens the Division of Field Studies and Clinical Investigations was looking into. He replied that there were many, and that new ones came to his attention almost daily. "Recently, we've been worried about a chemical called bis-chloromethyl ether," he said. "It is formed as an intermediate in the production of anion-exchange resins, which are manufactured by a number of large outfits, including Rohm and Haas and Dow Chemical. Bis-chloromethyl ether has been demonstrated to be a potent lung carcinogen in test animals, and it, too, is on the list of dangerous cancer-producing agents. Last March, at the request of Jack Washkuhn, an industrial hygienist from the San Mateo County Health Department, in California, I went out with Harry Donaldson to visit the Diamond Shamrock Corporation's plant in Redwood City, where the chemical has been encountered as a by-product since 1957. The plant employs only about a hundred men, but we reviewed the cases of four employees who, Washkuhn had learned, had died of lung cancer within the past eight years, and we learned that two former workers at the plant had developed lung cancer but were still alive. The first death among these men occurred in 1964, the second in 1965, the third in 1967, and the fourth in November of 1971. Something that causes us great concern is that the age at death of these four men ranged from thirty-two to forty-eight—which is considered to be under the age at which most lung cancers develop in association with cigarette smoking. Moreover, we are particularly concerned about the worker who died in November of 1971, because he was only thirty-two years old, and he had worked in the plant for only two years—a circumstance indicating that bis-chloromethyl ether may be a far more potent carcinogen than had previously been suspected. Accordingly, we recommended to the company that chest X-rays and sputum cytology be conducted on its workers. A subsequent survey by a special field team from our Salt Lake City facility showed considerable amounts of abnormal cells in the sputum of men who had been working at the plant. As a result, the company has initiated a periodic sputum-cytology screening program of its current and former employees, which is being carried out with the cooperation of Dr. Geno Saccomanno, head of the pathology department at St. Mary's Hospital in Grand Junction, Colorado, who is well known for his sputum-cytology studies of uranium miners."

Dr. Johnson was then called away to attend a meeting. I told him that I hoped to talk with him again soon, and thanked him for his time and help.

"You're entirely welcome," he replied. "By the way, you asked me earlier for an example of the kind of short-term epidemiology, or firefighting activity, we are now required to clear through higher authority. Well, it just occurred to me that our visit to the Diamond Shamrock plant in Redwood City is a perfect one."

Back in New York, I telephoned Dr. Mastromatteo in Toronto, to find out if he had been able to discover anything for me about Holmes Insulation, Ltd., in Point Edward, Ontario. Dr. Mastromatteo told me that not only had he acquired some information about the company but that an industrial hygienist from the Ontario Ministry of Health had visited the company's plant in August to take airborne dust samples and to arrange for X-rays examinations for the workers there. "A few months ago, claims for asbestosis put in by workers employed there began to appear before our Workmen's Compensation Board," he said. "During our August inspection of the plant, we found that, generally speaking, asbestos-dust levels were well over two fibers per cubic centimetre, which is our unofficial standard. Since we always take action if dust levels exceed the five-fibre level, we recommended that the company install better ventilating equipment in order to avoid the use of respirators."

"What did your X-rays show?" I asked.

"They indicated," Dr. Mastromatteo replied, "that out of a work force of between fifty and seventy-five men, six or seven had signs consistent with the development of asbestosis."

During the second week in October, I called on Dr. Selikoff at Mount Sinai and asked him whether he had heard anything from his British colleagues concerning the marked discrepancy between the findings of Dr. Knox and Dr. Holmes and those of Dr. Lewinsohn in regard to asbestosis in the Turner Brothers workers. Dr. Selikoff had just returned from a World Health Organization Working Group to Review the Biological Effects of Asbestos, in Lyon, France, and by way of reply he handed me a copy of a paper that Dr. Holmes had delivered at the conference. The paper was entitled "Criteria for Environmental Data and Bases of Threshold Limit Values—Environmental Data in Industry," and the first sentence read, "The need for hygiene standards for airborne asbestos dust based on wider studies than were available to the British

Occupational Hygiene Society in 1968 is emphasized."

Of the study that he and Dr. Knox had conducted of the workers at the Turner Brothers Rochdale plant, and the data they had furnished the society, Dr. Holmes said, "The information, although the best available at the time, was, to say the least, scanty for the purpose, and some of us who were associated with it have become increasingly concerned with the authority with which it has become invested in the international field." Dr. Holmes ended his paper by noting that in collaboration with Dr. Lewinsohn arrangements were being made to have the information from the factory brought up to date.

Essentially, what Dr. Holmes appeared to have admitted was that the data he and Dr. Knox had furnished the society concerning the incidence of asbestosis in the Turner Brothers workers were questionable. The ramifications of this were, of course, staggering, for if the data were inaccurate, the two-fibre standard for asbestos—which would not even go into effect in the United States until 1976—would be without medical or scientific validity. In the meantime, American asbestos workers had been assured by Secretary of Labor Hodgson that it was safe to breathe air containing five fibres per cubic centimetre, which was higher than the dust concentrations inhaled by a significant number of the Turner Brothers asbestos workers, many of whose chest X-rays had been interpreted by Dr. Lewinsohn as showing abnormal lung changes. All this, of course, could affect the health of tens, if not hundreds, of thousands of asbestos workers, and it had come about simply because two men—a medical doctor and an industrial hygienist—employed by the British asbestos industry had, one way or another, furnished questionable data, which may have misled occupational-health agencies on both sides of the Atlantic. One could only wonder exactly when Dr. Holmes had become "increasingly concerned" about the authority and validity of Dr. Knox's interpretation of the chest X-rays of the Turner Brothers workers. It can hardly have been prior to his appearance in behalf of the asbestos industry at the Department of Labor's public hearings six months earlier, when he declared that a standard of four or five fibres per cubic centimetre would provide adequate protection from disease for asbestos workers in the United States. Was it, then, only after the publication of Dr. Lewinsohn's findings, which suggested that Dr. Holmes and Dr. Knox could have understated by as much as tenfold the extent of asbestos disease among the Turner Brothers workers?

DICK CARVER—MAYOR OF PEORIA, ILL.

Mr. PERCY. Mr. President, recently the Peoria, Ill., Journal Star newspaper assigned Barbara Mantz, one of the papers' many fine reporters to discover what made Peoria's mayor of 10 months tick as a unique political phenomenon and why he was setting a new pattern in the political structure of this busy, industrial Illinois city.

Miss Mantz uncovered some remarkable facts. Mayor Carver is a new breed of municipal leader. She was amazed because she could find no enemies that he was making. A city administrator who rapidly got things done was not making enemies and she could find practically no critics, only ardent followers and boosters. She discovered a political romance between a man and the near entire citizenry of a city of 150,000 population.

When elected the young and enthusiastic mayor took the reins of power which go with the office of mayor and in a short time had turned a cynical community into a city of new hope, enthusiasm, pride and positive strides toward a better life for all its citizens.

For example, Peoria had been disillusioned by 8 years of redtape and the delay in Federal bureaucracy, but Mayor Carver suddenly lifted the spirits and hopes of everyone when in February the University of Illinois board of trustees agreed to locate a medical school on a downtown Peoria urban renewal site. The city has now applied for $1.7 million in Federal funds to start buying the land. Veteran political observers said it was a 500-to-1 shot, but that Mayor Carver was successful.

Mayor Carver has shown how to get things accomplished in his city. He uses reason, logic, determination, and does not resort to table pounding or threatening the opposition. He listens a lot and after all the input is in he fits the parts together to satisfy the majority. He specializes in compromise—no arm twisting, no wheeling and dealing and by the injection of such remarks as, "maybe we are not as far apart as we think we are." We can all benefit from a closer study of this remarkable "new breed" type of public official that is fulfilling great promise in the present and offers even greater promise in the future.

Mr. President, I ask unanimous consent that the article referred to above about this remarkable mayor be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Peoria (Ill.) Journal Star,
Mar. 10, 1974]

Peoria Mayor Richard Carver—A Nice Guy Who Finishes First

(By Barbara Mantz)

"My opponent can just stand up there and look pretty and say nothing, if he shows up at all."—Dan Thurman, 26 days before Richard Carver was elected mayor of Peoria.

A year later, and Dick Carver looks even prettier, to hear the talk at City Hall. It's disturbing to a reporter looking for a balanced story; you talk to people all over town, and you can't find anybody who hates him or is mad at him or will even criticize him about anything substantial.

On the contrary, Carver has been in office just 10 months, and already people are saying that he's going to be the best mayor in Peoria history.

"The first year so far is as good as any I've seen," says City Clerk William Kumpf, an elected official under 10 mayors. "I predict great things for him. He holds great promise for Peoria."

Some of the plaudits come from more surprising sources.

"If Dick Carver doesn't turn out to be the best mayor Peoria has ever had, it'll be a big surprise to me," says Joe Mudd, a Democrat, who more often than not voted opposite Carver when the two sat on the last council together. "I've worked with a lot of politicians, a lot of them good, dedicated people, and Dick's by far the best I've ever seen."

CHARMS THEM ALL

It seems that Carver, guilelessly, grinningly, has charmed them all down at City Hall. Not that they didn't expect him to. He is hard-working, personable, ambitious, persuasive. He knows city government. He has support from nearly every quarter of the city—businessmen, labor leaders, liberals, conservatives, the Republican establishment, blacks.

Still, few were quite prepared for the aggressiveness with which he has taken hold of the reins of mayor, or the speed with which he began running things. And no one was prepared for the medical-school coup.

(In February, the University of Illinois board of trustees agreed to locate a medical school on a downtown Peoria urban-renewal site. The city has applied for $1.7 million in federal funds to begin buying land.)

(At the time, Carver called the agreement "in essence, a rebirth of the city." The 43-acre site is in addition to 40 acres in the urban-renewal Target One area on the South Side.)

"If anybody else had said back then that he was going to get urban-renewal money by moving the medical school downtown, he'd have been laughed off the platform," said James Bateman, 2nd District councilman. "The odds against it were 500-to-1."

HE BEAT THE ODDS

Charge it to luck, talent or politics, it doesn't matter. Carver beat the odds. That fact alone has stunned a city grown cynical after eight years of red tape and talk had failed to result in the renewal of even one acre in the Target One area.

So now Carver is riding the crest of a political high. People who used to wonder if the rich kid who inherited a lumber company had the guts or the brains to be mayor now are saying that they don't expect him to stop here. And people who see him as a power-grabber are saying the same thing.

Why not? Carver's got all the makings for bigger office. He's young (36), goodlooking in a boy-next-door sort of way. He's wealthy—president and owner of 80 per cent of a lumber company that does $5 million worth of business annually. He has an attractive, personable wife; four blond, blue-eyed children; a dog; a house in Idyllbrook with a flagpole and a basketball hoop in the driveway.

He's in good physical shape, a fair tennis player and an avid, aggressive skiier. He's an Air Force veteran and a major in the reserves.

He's been active in such civic organizations as Rotary Club, Boy Scouts and the YMCA; he was the Jaycees Outstanding Young Man of 1968.

He's likable, well-informed, disciplined, persistent, candid, smart—and so terribly all-American that he'd rather drink a milkshake with home-made ice cream than a martini.

He's knowledgeable about so many subjects—zoning, planning, budgeting, all levels of government, the building industry, wine, sports cars—that people at City Hall say that they're still looking for something that he's not an expert at.

Carver calls himself a "moderate conservative," and in a moderately conservative town, that too is a political asset.

"I feel government has a responsibility to attempt to serve people as efficiently and effectively as possible and not to attempt to do things that people can do as well themselves," he says.

"But, at the same time, not to overlook the fact that there's a substantial number of people that maybe, by my standards, should be able to take care of themselves, but by their own standards are not capable of taking care of themselves.

"I don't try to apply my standards of intelligence or values to other people—so that's maybe where the standard conservative and I tend to differ."

Dan Thurman says that Carver's voting record shows him not to be the conservative that he claims to be, and Carver himself admits that he's probably more of a pragmatist than anything.

"It's all well and good to be philosophical about things, and I think you need to know who you are and what you believe, but I think you need to deal in what you can do and what you can't do," he says.

"I like to deal in what is possible. I like to deal in what I can get accomplished. To align yourself with an impossible objective simply because philosophically it's the most perfect objective is, in my book, a waste of your time."

Carver's gained a reputation as a negotiator, a great compromiser—not the arm-twisting, wheeler-dealer kind, but the maybe-we're-not-so-far-apart-after-all type.

He uses reason more effectively than oratory. He doesn't dominate a conference; he listens as much as he talks. And the result is that he often brings people to his side without their quite realizing what has happened.

NOT A FIST-POUNDER

He used all those techniques when he found half the city council elected in 1969 diametrically opposed to most of the things that he favored.

"If I'd been the fist-pounding, shout-at-the-opposition type, I'd have lost every vote that I ever put on the floor. As it was, I got more spite votes than I could count," he says.

"If I had stood up and said the things I wanted to say—one of which probably would have been 'I quit'—I would have done absolutely nobody any good.

"I would have ended up spending two-and-a-half years incapable of getting anything accomplished at all. So maybe I spent the last two-and-a-half years having maybe 20-per cent effectiveness, but that's better than nothing."

What Carver doesn't say is that his avoidance of head-on confrontation was also shrewd. Most of those who did fight are dead politically today.

"This is the beauty of Carver. He let those guys make all the racket. He just sat back watching quietly and let them hang themselves," said one observer.

"He's one of the shrewdest guys you'll ever run into. The reason he's so savvy is you don't expect him to be savvy . . . He deliberately conveys this naive, blond, blue-eyed boyish image, and then people are hardly prepared for a coup like the medical school. He's really a very shrewd man who sets his goals and goes and gets what he wants."

Joe DeMichael, who managed Carver's campaign finances, says that he'd known Carver for several years but didn't realize until the campaign "just how sharp he really was.

"At one of our first meetings, I think in December, he sat down and laid out what he thought would happen, including what he thought Thurman would do. Ninety-five per cent of what he predicted would happen came to pass."

DeMichael, skiing buddy Jay Vonachen, high school chum Don Ullman and other friends formed Carver's inner political circle in the mayoral campaign. They're young businessmen but not really part of the city's commercial or political establishment; not many people even know their names.

Perhaps because so much has been said about his connections with the city's power structure, Carver is vociferous about his independence.

"Dave Conner or George Luthy or Bill Bourland or the president of Caterpillar or Ray Neumann or anyone else is not going to have to answer for what I do. I'm going to have to answer for what I do," he says.

"I made the downtown guys mad to begin with in my campaign, because I wouldn't just let them write me a check to pay for my campaign. I made them mad again when I insisted on disclosing who was contributing. I made them mad again when I wasn't going to form a civic center commission right away.

"By the same token, I'm very much in support of the redevelopment of downtown, and, as matter of fact, Dave Conner is a long-time friend of mine. He taught me Sunday school—that's how far back we go, and I can't think of many people whose opinion I respect more than Dave Conner's, which I don't mind saying publicly or privately.

"But that doesn't mean that I'm going to do what he tells me to do, or what George Luthy tells me to do, or what anybody tells me to do."

Those who have known Carver well and long say that he's always been independent—stubborn, some say. He insisted on going into the Air Force after graduating from college—he thought it was the "right thing" to do—although his partner wanted him back in Peoria to help run the business. Carver insisted on getting married before he entered the service, though his bride-to-be had to give up college with one semester left. He insisted on running for City Council, though his partner told him that the lumber company was enough of a job.

"Nobody ever—me or anybody—is going to tell him what to do, because, if in his own mind he thinks that's the thing to do, he's gonna do it," says his wife, Judy. "Dick considers himself his own thinker . . . There's probably lots of people he talks to, but he makes up his own mind."

No time was this clearer than when the issue of disclosing his financial contributions came up during the mayoral race.

"In the beginning, some people weren't in favor of disclosing the sources of all funds," said Vonachen. "I really didn't feel it was necessary at first myself, and most of the others didn't either. But he (Carver) decided that it was something he was going to do, and it turned out to be a good decision."

"I've pretty much run my own life since I was 14 or 15," Carver explains, and he's not about to let anyone run it for him now. "I worked at the lumber yard. I bought my own clothes, I paid for my first car. I'm not afraid to make decisions. I've had to make them all my life."

That doesn't sound like the popular image of the rich kid who fell heir to a lumber company and always had life by the tail. That's not quite how it happened.

Carver's mother was the daughter of native Norwegian homesteaders who came to South Dakota in a covered wagon. His father, M. S. Carver, could attend the University of Iowa only because he won a football scholarship; his parents were on relief.

M. S. Carver happened into the lumber business when he took a job driving a coal truck for a coal-and-lumber yard in Des Moines, Iowa, where Dick was born.

In 1946, M. S. Carver sold his home and used the proceeds to open a roofing-and-siding business in Peoria in a small frame house on the corner of War Memorial Drive and New York Avenue. He, his wife and two sons moved in with his partner in Bloomington.

Within a year, M. S. Carver bought out his partner, brought his family to Peoria and turned from roofing and siding to lumber. In 1949, he began selling garages—and that's what made Carver Lumber Co. big business.

WANTED TO BE LAWYER

Dick worked with his father after school, but even into his senior year at Peoria High, he had no intention of going into the lumber business. Dick Carver wanted to be a lawyer, and he wanted to be independent.

His father hoped that he could persuade Dick to attend Southern Methodist University in Dallas, because he believed that the Southwest offered the greatest opportunity for a young attorney.

In 1954, he gave Dick a plane ticket so that he could look at the campus. Mrs. Carver went along to shop. On the return trip to Peoria—three days before Christmas—they learned that Dick's father and 10-year-old brother had died in the crash of a private plane.

Dick Carver decided to study business instead of law and to attend the University of Iowa, where he'd be closer to his mother. It was the first in a series of decisions that would change the direction of his life.

The next decision came three years later, when Carver was a junior in college. His mother remarried, he inherited 40 per cent of the lumber company and Mrs. Carver wanted to sell the rest.

Carver decided that he'd buy.

A CONFIRMED BACHELOR?

"So, at the age of 20, I made the decision that I guess I'll spend my life in the lumber business," he says. "I'd seen my dad start this firm on absolutely nothing out of an old house, and I wasn't about to see what my father had spent a great deal of his life trying to develop sold to somebody else and another name go up on the door."

That decision behind him, Carver prepared to begin his senior year at the University of Iowa. But first he went to visit his mother and stepfather in Champaign. His stepsister arranged a date with Judy Corley, a University of Illinois junior who was pinned to another fellow—which was all right with Carver. On their first date, he told her that he was a confirmed bachelor.

Six weeks later, he asked her to marry him.

"I also made kind of an abrupt decision not to go back to Iowa," Carver says. "I owed the money that was owed against the estate of my father that I'd inherited, and I owed my mother for her stock and her land, and so it seemed that it was a whole lot more practical to spend my last year at Bradley working here at the lumber yard. It would be a lot closer to Champaign, too."

The Carvers were married a month after he graduated from Bradley, just before he entered the Air Force. He'd wanted to be a pilot, but he decided that he couldn't be away from the lumber business for five years and so gave up that plan. However, he says that he didn't want to back down further on the Air Force commitment.

"I don't like to think I make decisions in kind of a half-baked manner, but I don't also like to think I sit there and kind of argue with myself all day long," says Carver. "I think once you've evaluated all the various alternatives, you should make up your mind what you're going to do."

He operates the same way in everything he does—even on the Colorado ski trips that he has organized for a number of years for several couples. People who've gone with him describe his tactics as somewhere between those of a Boy Scout leader and a Mother Superior.

"First of all, he comes up with all sorts of alternatives, then he talks to everybody to find out what they would like to do, then he says, 'Okay, this is what we ought to do.' " comments Vonachen.

"This year, he decided that we'd drive to Moline, then fly to Denver, where we'd rent cars and drive to Aspen. He even included instructions on where to stop for gas and a sandwich and had planned where we'd eat part of the time when we were there."

Carver's personal appearance is just as precise and orderly. His wife says that he doesn't have "a thing" about being neat. Yet you can't help but get the impression that his T-shirts must stand at attention when he opens his dresser drawer.

People have said that they'd feel better about Carver if just once they'd see him with a hair out of place, because then they'd know he's human. But they won't, says Judy, because his hair never is out of place.

His 12-year-old Mercedes (his one extravagance always has been sports cars) looks shinier than most year-old cars. For a long time after he bought it, he refused to park it at the lumber yard without covering it.

"He's extremely self-disciplined," says one friend. "He called me at 8:30 one Saturday morning, and I was in the shower. I called him back not five minutes later, and he'd just finished 100 push-ups."

HE HAS A SCHEDULE

Carver schedules his life in blocks of time—time to give total attention to the city or to the lumber company or to his family. That doesn't mean that he won't tolerate interruptions—he has no secretary at the lumber company and refuses to get an unlisted home phone—but he still manages to stick to a schedule.

"If I didn't every minute I've got would get eaten up," he says.

He puts in a six-day, 75-hour work week between his two jobs, he says.

"He tells me a third of his time or less goes to the city and two-thirds is devoted to the lumber company," says Bud Howe, Carver's partner and long-time family friend. "I tell him I think it's more like the other way around."

It was Howe who ran the lumber company from the time that Carver's father died until Carver returned from the Air Force in late 1961. Now, Howe, who owns 20 per cent of the business, runs the wholesale facility in Pioneer Park, and Carver manages the retail operations.

No matter how much work there is, Carver always reserves Saturday nights for his wife and Sundays for his children.

"Honest to god, I think if President Nixon flew in on a Sunday, I'd stay home," he says. "Saturday night, it almost takes an act of god to get me to do something other than to be with my wife and go out socially."

If there's snow on the ground, the Carvers might be out on the slopes; if it's sunny, they might go to the park. Carver says that there isn't a state park within 100 miles of town that they haven't visited.

RELAXING ISN'T RELAXING

At home, he enjoys playing such strategy games as Monopoly or Risk with his children, shooting baskets with his son, watching Johnny Carson or reading mysteries, war stories or historical works. Sometimes, for relaxation, he plays the piano in his living room; he took private lessons as a boy and says that he enjoys classical piano.

Rarely—maybe never—does he collapse on the couch exhausted and relax; he wouldn't find it relaxing, says his wife.

"We went to Acapulco for our 10th anniversary, and we were only gone five days, but he just about went crazy," says Judy. "He couldn't sit on the beach and enjoy himself. He had to be doing something all the time, so we spent a lot of time just driving around and looking at houses.

"I heard him tell someone later that by the third day he was ready to come home."

Judy says that her husband promised that he'd drop some of his other activities if elected mayor, but he seems to be taking on more. He's still a major in the Air Force Reserve and is active in the program to counsel Air Force Academy enrollees.

"I didn't have the time to be in the Air Force Reserve, but I decided I didn't have the time not to—that I was going to get so old, so fast, I wasn't going to have the time to get to do some of these things," Carver says.

He looks at family projects the same way.

"I don't put myself down as father of the year, but it's like my philosophy on time, that it's not going to return, and my children aren't going to remain the same age the rest of their lives, either, and if I don't enjoy my children now and spend time with them, 10 years from now, it'll be too late."

So he hasn't missed a game in his son's basketball league—even came late to his campaign strategy meetings rather than leave the games early. When his children were in YMCA Indian Guides and Princess program, he could have done what many persons do—put all four in the same tribe. Instead, he had each in a different tribe and went to the meetings with each.

He takes the same active, impatient, do-it-now-or-it-won't-get-done view of the mayor's office. Sure, he says, he came into office with a road map. Moreover, he's already laid out probably 80 per cent of it.

"A good city council should spend its first two years getting things started and its last two years getting things finished," is his philosophy.

"That doesn't mean I thought I was going to be successful with everything. In May, I would have given us one chance in 10 hundred thousand on the medical-school project or on getting urban-renewal funds to do anything."

HE LIKES BEING MAYOR

Carver enjoys the role of mayor—not just the functional part—but the way that the mayor can be sort of an ambassador for a city, can make it look sharp and progressive or small-townish. Not long ago he wrote television comic Bob Newhart to protest a show about a prostitute from Peoria.

And beyond mayor?

"I enjoy politics," he says. "I like what I'm doing. I like being mayor. But I also like being in the lumber business. This is, as I see it, the highest position I can have and still run this business.

"Before I ran for any other office, I'd have to decide to get out of that lumber business actively. Most people would say wait until 1977 and then I'll decide, but I have to admit that I intend to have some idea of where I'm going before 1977 rolls around."

SPEND, SPEND, SPEND—GOVERNMENT PROJECTS WE COULD DO WITHOUT

Mr. PROXMIRE. Mr. President, anyone who has ever gone over the budget of Federal agencies knows that funds are spent for projects which baffle the imagination and that money is spent for studies and programs which most taxpayers, especially about April 15, know we could do without.

Mr. James Dale Davidson, the executive director of the National Taxpayer's Union, has just authored an article in the Potomac magazine of the Washington Post on the subject of "Where Your Tax Money Falls." It appeared on March 31. •

Mr. Davidson details spending for such projects as chasing wild boars in Pakistan, $35,000; some $117,250 to support a board of tea tasters; $80,000 to develop a zero gravity toilet for the space program, and $71,000 for a study of the history of comic books.

For those who say and still believe that the Federal sector is starved for funds, let them read Mr. Davidson's article or spend just a few hours mulling over the detail sheets of the studies which half a dozen or more agencies have approved and contracted for.

I commend this article to the attention of the Senate and to the country and I ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Potomac magazine, Mar. 31, 1974]

Where Your Tax Money Falls

(A Commentary by James Dale Davidson)

Sitting down with their scratch pads at tax time, people comfort themselves with the notion their money is going to pay for activities which are at least hypothetically good: purchasing weapons to fend off the heathen, helping to clean the slums, curing cancer, "establishing a lasting structure of peace" and so on.

The more cynical among us may have more gruesome theories, but our doubts are seldom equal to what really goes on. Some examples of government spending are so implausible that they make the Congressional Record second only to National Lampoon as a source of comic material. One man in Texas who spent several years gleaning fiscal funnies from the Record thought the material was so hilarious he was demanding $25,000 from a book publisher for his findings.

Chances are that he'll never get the money, not because his examples aren't good reading, but because they are so easily duplicated. They're like mosquitoes in a swamp. Anyone who cares to wade in can come away with as many specimens as he can stand.

For instance, how many of your typical taxpaying shoppers who complain about the cost of bacon know they are footing a $35,000 bill for one year of chasing wild boars in Pakistan?

Just as ridiculous is the $70,000 which went to study the smell of perspiration given off by the Australian aborigines.

No doubt some money could have been saved on the aborigine project if only the State Department had prevailed upon Turkey to lend the Australians the odor measuring machine we purchased for them for $28,361.

But we haven't stinted our benevolence toward some of the world's other peoples. $50,000 went to study the lifeviews of the Gaujiro Indians in Colombia.

The Bedouins got $17,000 for a dry cleaning plant to spruce up their djellabas.

Morocco's economy got an unexpected boost from U.S. taxpayers in the form of a $37,314 potato chip machine. All that left the Moroccans in need of was potatoes.

Here at home, Richard Nixon gave the public a graphic account of the idiocy of expending funds to support the federal government's Board of Tea Tasters. Said Mr. Nixon, "At one time in the dim past, there may have been a good reason for such special taste tests, but that reason no longer exists. Nevertheless, a separate tea-tasting board has gone right along, at taxpayers' expense, because nobody up to now took the trouble to take a hard look at why it was in existence." Having taken that hard look soon after beginning his first term Mr. Nixon has since looked in the other direction while the Board of Tea Tasters sipped away at $117,250 a year. And this doesn't count the extra sipping done by the Board of Tea Appeals.

Another interesting and little known domestic program is the so-called "Condum Stamp Program" which achieved the distinction of distributing the world's first and only $23 rubbers.

As part of this same space age effect to control social disease, HEW asked the Office of Management and Budget for fiscal year 1974 funds to launch an anti-v.d. satellite.

Closer to earth, the Queen of England received $68,000 for not planting cotton on her plantation in Mississippi. This put her far beyond the Ford Motor Company which got only $14,000 for not planting wheat and Libby McNeil which garnered $19,000 for growing no cotton.

But Queen Elizabeth came off like a proletarian compared to Yugoslavia's Marshal Tito who received $2 million to purchase a luxury yacht.

Tito travels in even better style than Nixon's drinking buddy Brezhnev, whose stake in solving the oil crisis was increased when American taxpayers picked up the tab on his twelfth limousine.

Not all of our largess was lavished on royalty and foreign potentates: $31,650 went for the new carpet of Carl Albert's, $21,000 for draperies and $44,000 for chandeliers. Another $65,000 went to finish the furnishings.

Another piece of furniture, not in Albert's office, also claimed a lot of tax money. The zero gravity toilet—developed by the space program to function under such conditions—cost $80,000. But that was nothing compared to the tab for "environmental testing" of the same toilet which came to $230,000.

The Interdepartmental Screw Thread Committee, established as a temporary agency to speed the end of World War I, is still laboring to make nuts and bolts fit together. The cost: $250,000 a year.

Meanwhile, the bureaucrats who devise all these important projects need a break once in a while. The Alaskan Chateau in Anchorage is maintained for their exclusive use, (providing they make $22,000 or more, or they're members of the military above the rank of major.) For a tab of $3 a day, these "public servants" can unwind in steam rooms, sauna, sunrooms, massage rooms, a gym and cocktail lounge. The bill for salaries alone of the government employees who act as servants at Alaskan Chateau totals more than $100,000 a year.

The cause of higher learning has been bolstered in ways that would have dazzled Gulliver more than his visit to the Grand Academy of Lagado. For reasons unknown, governmental research has located the frontiers of man's knowledge in three remote countries: Poland, Burma and Yugoslavia: $6,000 went to study Polish bisexual frogs. $85,000 was consumed learning about the "Cultural, Economic and Social Impact of Rural Road Construction in Poland." And $20,000 was devoted to study the blood groups of Polish Zlotnika pigs. In Burma, $5,000 went to collect a rare moss. And another $8,000 went to track down specimens of a certain Burmese ant. The Yugoslavians were good for another study of "Cultural, Economic, and Social Impact of Rural Road Construction." Five thousand dollars went to learn all about Yugoslavian Intertidal Hermit Crabs. And the bounty for finding Yugoslavian lizards was $15,000.

But geography is no barrier to the search for knowledge. We spent money like mad in other areas too: $5,000 went to tabulate the differences between native American and Indian whistling ducks. And $20,000 was the cost for investigating the German cockroach.

A history of comic books cost $71,000, making it far more costly than the dictionary of witchcraft which was compiled for a measly few grand.

Five thousand dollars went for an analysis of violin varnish, while ten times that amount went for analysis of the fur trade between the U.S. and Canada between 1770 and 1820.

In another area of great concern to average taxpayers, $20,324 was expended to learn all there is to know about the mating calls of Central American toads.

The toads' problems were only one-tenth as pressing as those of the city of Los Angeles, which received $203,979 to extend travelers' aid to migrants lost on the freeway.

Culture also benefited from an infusion of government funds. Five thousand dollars was paid to some genius who thought to write the poem "lighght." That's not the title by the way, that's the poem. The whole thing comes to seven letters worth $714.28 each.

HEW spent $19,300 to find out why children fall off tricycles. The answer: "Unstable performance, particularly rollover while turning."

Not to be outdone, the Pentagon spent $375,000 to study the Frisbee. This, of course, is less discouraging than having them spend $375,000 to buy a Frisbee. That could have happened if Frisbees were large enough to be pitched as tents. When Air Force engineers decided to "invent" a device to cover the tips of missile silos they spent $1 million to come up with a prototype which looked for all the world like a tent. Within hours after the newly-invented tent had been fastened down it disappeared. Later, investigators found it blowing head-over-heels across the prairie.

Experts investigating the construction of the C–5A cargo plane found proof of the Defense Department paying $111 for a pin. Overall construction was so inefficient that if your family car were built on the same methods with similarly inflated labor costs, it would have to be priced at $100,000.

Congressional spending watchdog Senator William Proxmire heard testimony about another bit of fiscal mischief with true human interest. I am not referring to Proxmire's discovery that Pentagon bigwigs routinely spend $600,000 outfitting executive jets for themselves, but to the testimony of Herbert J. Frank, president of Aerosonic Corporation. Frank told the Joint Economic Committee that the government once canceled one of his contracts because he was one day late in delivery. The Pentagon then let a new contract for the same items to a giant aerospace contractor who failed to deliver for more than a full year.

When McDonnell-Douglas made square holes in an airplane instrument panel designed to house one of Frank's round altimeters he saw a chance for revenge. "We figured we were really going to take the government this time," he testified. "They needed the plates (to cover the square opening and leave a hole the shape of the instrument) desperately. So we came up with a price of $15 for each plate. We were actually ashamed to ask so much for it was a little $3 stamping plate, but we figured we were really going to take them."

Mr. Frank and his small company were disappointed in their effort to rip off your tax money. The Pentagon turned down his bid of $15 a piece. The accepted bid, from McDonnell-Douglas, was $230 per plate.

Other highlights of tax spending:

$121,000 to find out why people say "ain't."

$33,101 to the Israeli Institute of Applied Science to conduct "a test of the husband-wife relationship."

The Department of Transportation gave extensive and expensive, psychological tests to Polish truck drivers, which seems a bit more useful than the metric and morphological study paid for by Uncle Sam, of the evolution of the chin of Polish skeletal populations between 2000 B.C. and the year 1800.

$15,000 to find out how fishing boat crewmen cause conflicts in Yugoslavian peasant towns.

$3,000 to search for Indian lizards.

$25,000 to study biological rhythms of the catfish in India.

$8,500 to study medieval Spanish satire and invective.

$14,000 to learn about speciation in cave beetles.

$2,458 to train 18 Good Humor peddlers.

$70,000 to classify and determine the population biology of Indo-Australian ants.

$12,600 to study the chromosomes of chipmunks.

$159,000 to teach mothers how to play with their babies.

AN OVERTURE TO FRIENDSHIP

Mr. HUGH SCOTT. Mr. President, last fall, the Philadelphia Orchestra, under the direction of Maestro Eugene Ormandy, became the first musical organization from America to tour the People's Republic of China in 25 years. It was a most successful tour that proved great music, superbly performed, transcends cultures and delights.

I was proud to have had a part in this musical odyssey to China, because it was my suggestion to Premier Chou En-lai—during the visit Senator Mansfield and I made to the People's Republic in 1972—that the Philadelphia Orchestra be invited. I hope as well that the Pittsburgh Symphony will also soon visit China because music is a marvelous export.

Now, the Philadelphia Orchestra's China tour has yielded an additional accolade. Philadelphia television station WCAU has been awarded the distinguished George Foster Peabody Broadcasting Award for 1973 for its presentation of a special program on the visit entitled "Overture to Friendship: The Philadelphia Orchestra in China."

Mr. President, I wish to congratulate WCAU for receiving this great honor and to extend my thanks to all the members of the Philadelphia Orchestra who proved indeed that music can be an "overture to friendship."

BUDGET REFORM

Mr. BIDEN. Mr. President, just recently the Senate took action on one of the most important pieces of legislation that it will be called to act on this session, the Budget Reform Act. In its Monday, April 1, 1974 edition, the Wall Street Journal took note of this action in its "Review and Outlook" Column, saying:

> Congress is showing great bipartisan resolve to mend its budget busting ways. We hope the cure it is brewing works because the health of the nation is at stake.

In the same column, the Wall Street Journal noted the concern of the senior Senator from Delaware (Mr. Roth) that this bill adopted by the Senate be considered a beginning of fiscal reform in the Congress and not the ultimate solution.

Mr. President, because this column is of general interest to the Senate, I ask unanimous consent that it be printed in the Record.

There being no objection, the column was ordered to be printed in the Record, as follows:

Congress Hunts for a Cure

Congress is showing great bipartisan resolve to mend its budget busting ways. We hope the cure it is brewing works because the health of the nation is very much at stake.

The problem has been perceived for some time, in Congress, the Brookings Institution and other public policy forums: The President may prepare a reasonably well-balanced budget—or at least one that is not outrageously unbalanced; but by the time individual appropriations are worked over by congressional committees, and some new appropriations added, the spending side of the budget has ballooned. The result: huge, inflationary deficits and, more recently, quarrels with the President over impoundments and other attempts to resist congressional spending mandates.

To try to reassert the congressional role as a responsible keeper of the purse strings, the

House and Senate recently voted overwhelmingly for separate bills to set up a new congressional "Office of the Budget" which would try to do for Congress what the Office of Management and Budget does for the President. Specifically, it would try to reconcile all those separate appropriations bills before they become law with a view towards keeping total spending from exceeding some manageable goal.

Under the proposed plans, both Houses of Congress would set spending goals, not only in total but for 14 broad categories (health, education, defense, etc.). If later it appeared that appropriations were exceeding estimated federal revenues, a reconciliation bill would be required to trim appropriations, increase taxes, or both.

Each step in the proposed timetables is intended to force Congress to face up to the financial consequences of its actions. Rather than simply proposing a multi-billion-dollar national health insurance plan and leaving it to others to work out the financial details, proponents would have an obligation to explain how they proposed to pay for it. There are no legal requirements for them to do so, but the likelihood is strong that they would feel compelled to offer some justification when the financial impact of their proposals is specifically on public view.

Moreover, if reform goes according to the script, it will be harder to load the budget with fiscal time bombs requiring only a small initial appropriation but requring even bigger outlays each year. The whooping $304.4 billion budget for fiscal 1975 is so loaded with built-in costs that there is almost no room for the President to make any cuts, even if he is inclined to do so.

Still, it would be unwise to expect too much from whatever bill finally emerges from a conference committee. Some supporters have proclaimed both versions as among the most significant pieces of legislation within memory, but Senator William Roth is probably closer to the mark in describing the Senate version as providing a few bricks in the foundation necessary for complete fiscal responsibility. The Delaware Senator is particularly critical of a "rubbery ceiling" that will merey reflect increased spending, rather than do anything concrete to hold it down. Moreover, lasting reform will probably depend upon the willingness of committee chairmen to relinquish some of their power, and so far there appears to be no danger of anyone being crushed in the rush of volunteers.

These are serious concerns. It is true, after all, that much of the trouble of keeping the budget under control results from pressures from constituents and the federal bureaucracy on committee chairmen and other individual members of Congress. Moreover, there are genuine disagreements over what kind of spending should have priority and those disagreements often end in the kind of standoff where everyone gets a good helping of what he wants. It would be naive to assume that a new format is somehow going to revolutionize the political processes of Capitol Hill.

But a revolution may not be necessary—only restraint. And if nothing else, it is encouraging that Congress recognizes that it has not performed well on its primary duty of preserving fiscal responsibility. That awareness may be the principal ingredient needed to make the reform work.

BOLD REFORMS FOR BETTER BUDGETING

Mr. PERCY. Mr. President, last week's Time magazine contains an article on the budget reform bill we passed Friday, March 18 by the overwhelming vote of 80 to 0. This article is as lucid and helpful as any article that I have seen published on this extremely complex bill.

The article mentions the work of our distinguished chairman, Senator Ervin, and myself, in framing this legislation. I would like to indicate, however, that many Senators have participated in crucial ways in the passage of this bill. I would like particularly to commend Senator Muskie, Senator McClellan, Senator Jackson, Senator Allen, Senator Robert C. Byrd, Senator Chiles, Senator Cannon, Senator Cook, Senator Ribicoff, Senator Nunn, Senator Huddleston, Senator Lee Metcalf. In addition, Senator Javits, Senator Roth, Senator Brock, and Senator Gurney, all Republican members of the Government Operations Committee played very significant roles, each bringing to the bill a special contribution as did Attorney General Saxbe while still in the Senate. Additional members of the Rules Committee contributing to the bill included Senators Pell, Williams, Hugh Scott and Hatfield.

I commend this article to my colleagues and ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Bold Reforms for Better Budgeting

Senator Sam Ervin, co-author of the bill, proudly calls it "one of the most important pieces of legislation considered during my service in the Senate." Republican Senator Charles Percy, another co-author, claims that it is "one of the historic turning points in the evolution of our institutions." The bill has been hailed by many liberal Senators, notably Maine's Edmund Muskie and California's Alan Cranston, as well as by such conservatives as Virginia's Harry Byrd Jr. and Tennessee's William Brock.

With this kind of broad agreement, the Senate last week passed by the remarkable vote of 80 to 0 a bill that may well turn out to be as revolutionary as Ervin and Percy claim. It would for the first time in modern history make Congress an active partner with the White House in drawing up the federal budget, instead of merely approving or denying presidential proposals or developing isolated and improvised programs on its own. A similar version of the measure swept through the House last December by a vote of 386 to 23. When the differences are ironed out and the bill reaches the White House in the next few weeks, it is likely to be quickly signed into law by President Nixon, one of its longtime supporters.

The rate of inflation, the level of income taxes, the size of the national debt, the price of cheese—all are affected by the size and shape of the budget. With so much power at stake, politicians of such differing plumage would never have agreed to change the system if it was not inexcusably bad—and it is.

At present, the President draws up his own budget, using the 428-man Office of Management and Budget to do his staff work, and dumps the huge volume into the lap of Congress in January. The document presented by Nixon this year is intimidating: it has 1,071 pages, weighs 2½ lbs. and calls for spending $304.4 billion. Congress now has the power to revise the President's budget completely, but it lacks a centralized staff to analyze such a massive tome. More important, Congress is simply not organized to consider the proposal as a whole—or to perform the essential job of setting goals, weighing priorities, and figuring out where the money is going to be raised to meet specific needs.

Instead, the various House and Senate committees extract those parts of the budget that bear on their special responsibilities and then rearrange items, raise or lower the dollar totals, or tuck in new projects. Rather than producing a final and coordinated budget, Congress normally passes 13 separate appropriations bills that fit no overall plan. Until they are added up, no one knows how big the budget will be or how much of a deficit it will cause.

MASTER PLAN

What is more, in the past ten years, only six of these money bills have been passed before the date that they were needed: July 1, the beginning of each fiscal year. Congress has regularly had to whiz through temporary funding measures that kept programs going. Nixon is not the first President to accuse Congress of "fiscal irresponsibility."

Under the Senate's bill, many of these flaws would be remedied. The President would submit his proposed budget on Feb. 15. In both houses, the buget would be referred to newly created budget committees, which would analyze its proposals with the help of economists and other experts in a new congressional Office of the Budget. The two budget committees would meet by May 1 to issue a concurrent resolution setting spending levels for all 14 major categories of programs, including health, defense and space. The committees would also specify the revenues that would be needed and the expected deficit, if any, and its effect upon the national debt. The master plan proposed by the budget committees would have to be passed by both houses by June 1.

As the summer went on, the various appropriations bills would move through Congress much as before, with politicians pushing their favorite projects; then the bills would go to the President for his signature or veto. By mid-August, after adding up the appropriations that had been passed, the two budget committees would report out a second concurrent resolution that reaffirmed or revised the earlier goals. If Congress agreed that too much money had been spent, it would have to pass a "reconciliation bill," which would reduce expenditures that had already been approved, or raise taxes—or perhaps do a bit of both. If the President went so far as to veto the reconciliation bill, Congress could either revise the measure or try to pass it over his veto. The whole complicated process would have to be finished by Sept. 25, just in time for the beginning of the new fiscal year, which would start on Oct. 1, thus giving Congress more time for deliberation.

LIMIT THE PRESIDENT

Each faction in Congress has its own reason for supporting the budget reform, which would go into effect in October 1976. Conservatives see the new system as a means of battling the White House and the big spenders in Congress to achieve a balanced budget. Liberal Democrats believe that the reform would enable them to reshape Republican budgets along more progressive lines. The bill would drastically limit the President's authority to impound funds—refusing to spend money appropriated in bills that had become law. Although the political infighting over budget making is bound to go on, the skirmishing will at least take place within a more systematic framework. That is a prospect that every politician—and taxpayer—can applaud.

Missouri—Kit's Cleanup

When Christopher ("Kit") Bond, a lawyer from Mexico, Mo., took office last year as his state's first Republican Governor since 1940, leaders of both parties anticipated stormy sessions between him and the heavily Democratic legislature. Bond, now 35, is not only the youngest U.S. Governor but also among the most inexperienced, having won elective office only once before, as state auditor. The salvos came early and fast at the reform-minded Governor, primarily over an issue that is one of the hottest facing state governments. The issue: reorganization of the morass of committees, agencies, boards and departments that set state policy. Bond is streamlining Missouri's government—but not without a fight. As he puts it: "We are coming out of the Dark Ages."

Missouri's sprawling state bureaucracy consists of 87 departments and commissions that have grown up, layer upon layer, under the long Democratic rule. Instead of ousting faithful bureaucrats held over from previous administrations, many Governors simply created new agencies for their supporters. There is a board of barber examiners, a board of embalmers and funeral directors, a board of cosmetology, as well as both a savings and loan commission and a division of savings and loans supervision and seven often overlapping agencies that deal with clean water. When members of the redundant committees would go to Washington to plead for appropriations or testify on bills, they sometimes presented opposing testimony. "We had no clout in Washington because the Federal Government didn't know what the hell Missouri wanted," says Bond.

Incompetence persisted. As state auditor, Bond found that the books for the county encompassing the capital of Jefferson City had not been audited for 23 years. The department of revenue had failed to collect at least $6 million in unpaid taxes because it had not bothered to pursue tax dodgers. Of the 125 members of the state auditing staff, only ten had college degrees and only one was a certified public accountant. The legislative liaison officer at the department of community affairs was, curiously, a bartender.

By 1969, the abuses were so flagrant that Governor Warren Hearnes appointed a commission to draw up reorganizational proposals. Eventually, the legislature drafted a constitutional amendment, which was supported by Missouri voters in a referendum. In January of 1973, after Hearnes had concluded the two terms permitted by Missouri law, Bond urged the legislature to take the last step and enact a specific reorganization law. Almost a year later, after a series of struggles between Bond and the legislature, both houses passed a bill acceptable to the Governor. Beginning in July, the state's agencies will be consolidated into 13 departments.

Bond is combing the nation to recruit top aides. As budget director, he signed up an expert from the Office of Management and Budget in Washington. For the first time that anyone can remember, the head of the accounting division in the office of administration is a CPA. The new chief of the office of administration, Robert James, a former management consultant, is computerizing employee records and the previous year's expenditures—detailed accounts of which have never been kept. Bond has asked Missouri companies to "lend" executives for up to six months to study state administration and make recommendations; so far 41 executives have volunteered.

Many Missouri politicians are responding cautiously to the Governor. Republicans, hungry from the lean years, criticize his appointments of Democrats to some key agencies. Democrats complain that he has isolated himself from the legislature. The Governor, however, remains unperturbed, banking on his ability to satisfy both parties in the tradition of Missouri Compromise.

CANADIAN ELECTIONS

Mr. BIDEN. Mr. President, at this point in the consideration by the Senate of the Federal Election Campaign Financing Act Amendments of 1974, I would like to call my colleagues attention to Canada's recently enacted election reform law. This legislation adopted in January of this year passed the House of Commons by an overwhelming vote of 174 to 10 having received broad backing from all three of the major parties within Parliament.

Significant features of this sweeping reform measure include the imposition of a strict spending ceiling, tax deductions for contributions of up to $500 public disclosure of contributors, free television time for major candidates, and a series of governmental subsidies ranging from reimbursement of travel costs to free mailings to all voters.

The Toronto Globe and Mail commenting on the measure wrote that:

> The Commons has attempted to provide a framework that will limit from both ends the degree to which money can influence the outcome of an election. Those with an overbundance of cash will face controls on how much they can spend to win a seat and those without enough to adequately spread their message to the voters will receive help from public funds.

Mr. President, I ask unanimous consent that an article from Canada Today of March 1974 discussing Canada's new Election Expenses Act be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A LID FOR ELECTION EXPENSES

Canada does not elect a President or a Vice President and its voters are not registered by party (they are enumerated by persons who come in pairs to the voter's door). Canada does, however, have national elections, and in recent years they have become very expensive.

On January 14, 1974, the Canadian Parliament passed the Election Expenses Act. It puts a lid on the amount which can be spent in any election (or by any one candidate for subsidies and a limited amount of free TV time for all serious candidates. It requires that all campaign contributors who give more than $100 be publicly named. It encourages small contributors by making donations of $500 and less (but not those above) tax deductible. It is designed to make political parties less dependent on vested interests.

The new law reflects the structure of Canada's Parliamentary government; national elections involve only the seats in the House of Commons. Party leaders run for the House from their own ridings and in a literal (but not realistic) sense, the voters in all the other ridings simply elect their own members. In fact, of course, the voters are very much involved in deciding which party gains a majority in the House, since that party's leader becomes the Prime Minister and forms the Government. By its nature, the new law is aimed at both national and individual campaigns.

A salient feature of the new law is a precise limitation on the amount of money to be spent, calculated in terms of the number of voters. (Voters are enumerated anew each time an election is called.) A party may spend no more than thirty cents for each voter listed in ridings in which it has a candidate running. This money is spent nationally, and it must not be used to favour a particular candidate in a particular riding. The individual candidate may spend one dollar for each of the first 15,000 voters registered in his riding, fifty cents for each of the next 10,000 and twenty-five cents for each of those over the 25,000 mark.

The limitations mean that national parties will spend less in the future than in the past—in terms of present registration a party may spend no more than $3.8 million. In the 1972 election the Liberals spent $5.3 million and the Conservatives $3.95 million.

In terms of particular campaigns, the curtailment will be even more notable in some heavily populated ridings. In 1972 the most expensive single campaign was in North York, a Toronto constituency, where the victor, a Liberal, spent some $60,000, and his opponent, a Conservative, spent some $90,000. In 1972 North York had some 48,000 voters; had the Election Expenses Act been in effect, candidates there would have been limited to expenditures of about $28,500 each.

The least expensive campaigns in 1972 were in Québec, where some successful Social Credit candidates spent only a few thousand dollars.

The candidates and the parties will not have to raise all the money spent—serious candidates (those drawing at least 15 per cent of the vote) will be reimbursed for certain mail costs, travel and the cost of having their financial statements audited. They will be given the cost of sending one first class mailing to each registered voter, plus eight cents for each of the first 5,000 and six cents for all voters beyond that number; they will be able to claim up to $3,000 for travel, depending on the size of their riding, and up to $250 for having their figures certified.

Since only donors giving more than $100 to a particular candidate will be identified by name, a donor determined to remain anonymous could contribute $99 to a candidate in each of the 264 ridings, thus spending $26,136 without being identified. The framers of the Act would be pleased if a large donor spread contributions around in this fashion. The biggest contributions in the past have come from corporations—in Canada such contributions are legal—and the names of the contributors were often unknown to both the public and the corporations' own rank-and-file stockholders. The new requirement for disclosure as well as the $500 top tax deduction limit may affect the size and frequency of such contributions, but no one yet seems certain to what degree. Sen. John Godfrey, who has been the Liberal Party's leading fund raiser, said during the debate on the Act that he always approached corporations with the suggestion that they should contribute equally and substantially to both parties to help maintain a strong party system.

He said that while corporations have been the main source of contributions for both the Liberal and Conservative Parties (organized labour has been the principal backer of the New Democrats), they have not gotten—and have not expected—favours in return. He said the party leaders do not know the size or source of contributions and that party fund raisers such as himself have no part in setting party policies.

"Contributions" and "expenses" depend to a great degree on how those words are defined, and the writers of the bill have made great efforts to be precise. Expenses include: ". . . amounts paid . . . liabilities incurred . . . the commercial value of goods and services donated or provided other than volunteer labour and . . . amounts that represent the differences between amounts paid and liabilities incurred . . . and the commercial value thereof where they are provided at less than their commercial value . . ." To discourage informal contributions from being made by suppliers who do not press for payment, the bill requires that "all bills, charges or claims incurred by or on behalf of a registered party shall be paid within six months. . . ." Before the new law, which requires publication of donors of over $100, donations from many sources could be reported collectively through campaign committees.

The most significant expenditures in most campaigns are those for televison time, and the Act is notably specific about the use of TV. It provides that all broadcasters must be ready to sell a total of six and a half hours of broadcasting time to political candidates in each riding. This time is to be divided among the candidates in an equitable way, and each candidate must be charged the same advertising rate. The broadcasters previously provided time as a matter of policy but were not required to do so by law.

In addition, all network stations are now required to provide a limited amount of free time to all parties on an equitable basis. The amount of this free time is to be determined by the Canadian Radio-Television Commission after consultation with party representatives. All broadcasts (free or purchased) must be made within a specified period of twenty-seven days. Since Canadian elections are usually held on Monday, the period usually extends from the Sunday twenty-nine days before to the Saturday two days before. The purpose of the time limit is to prevent the campaigns from beginning too soon and from including last-day broadcasts which might, in some instances, misinform the public.

The bill passed the House of Commons by a vote of 174 to 10, with broad backing from Liberals, Conservatives and New Democrats. The Senate, an appointed body, promptly followed suit The Act received Royal assent on January 14 and will go into effect in July or earlier, if needed.

CONGRESS AND THE ENERGY PROBLEM

Mr. HANSEN. Mr. President, no day passes without the introduction of more bills to cure the energy problem nor countless hearings on the energy crisis.

We are deluged by the media with background programs on the whys and wherefores, the causes, effects, and cures of the Nation's fuel shortages, and who to blame.

We have progressed through the stage of incredibility in getting ourselves into such a mess to realization that the crisis is, indeed, real and now to the scapegoat stage.

We have seen a circus of congressional hearings in which the heads of the major U.S. oil companies were tossed to the TV cameras as sacrifices for the lethargy and ineptitude of the Congress itself and those conducting the inquisition.

Mr. President, there are a few of us who have attempted to warn our colleagues of the folly of the course we were pursuing. This is not another "I told you so," but only a reiteration of what I have said before; we still have the resources and the means in the United States to reestablish the energy self-sufficiency we should never have lost in the first place.

I addressed this body on December 15, 1971, as follows:

> Mr. President, some of my colleagues may grow weary of my continued efforts to impress them with the gravity of the Nation's energy situation but I want to be sure that I have done everything possible to present the most reliable information available to them.
>
> One of these sources is the American Association of Petroleum Geologists which has a membership of some 15,000. Officials of this professional organization came to Washington last June to present their views on the energy crisis to Federal officials in the executive branch and in the Congress.
>
> Bill Curry of Casper, Wyoming, who was then AAPG President said at the time that without exception, from White House energy advisers to legislative leaders and staff members, they were greeted with great interest in having the professional explorationists' story heard.
>
> Concerned with what they termed the looming spectre of dropping from an energy "have" to a "have less" nation, the group conferred with key Government officials in the White House and the Department of the Interior as well as Senate and House Members and committee staff people who are conducting or planning energy studies.
>
> We found extreme interest at being better informed on the skills and economic risks involved in the search for new reserves required by the U.S. to head off a dangerous shortage."
>
> Bill Curry told me.
>
> It seemed to be almost beyond the comprehension of the people we conferred with in Washington that the U.S. could soon experience a real energy crisis.
>
> The statement AAPG submitted for the record of the recent symposium on energy policy and national goals reemphasizes their concern that an adequate domestic supply of fuels must provide the energy this Nation has to have for its very survival. Without this domestic source of energy this great Nation could be brought to its knees because of an evergrowing dependence on foreign energy sources.

But we are still pursuing a course diametrically opposed to the quickest and certainly the cheapest solution to U.S. fuel shortages.

To achieve Project Independence by 1980 and get from over the barrel of dependence on Middle Eastern oil or the price and supply blackmail of any foreign source, we need to do only one thing.

The Wall Street Journal said it in a few words:

> To achieve the objectives of Project Independence, the government has to do only one thing, get out of the way.

The Wall Street Journal editorial observes that the energy industries do not need economic activism by Government, the subsidies, tariffs, or Federal corporations being brainstormed in Washington.

> In natural resources the U.S. is an energy-rich nation. Energy suppliers, who are no more anxious to be dependent on the Arabs than consumers are, are eager to expand here. Oil companies are out-bidding $200-plus million for shale-oil tracts. Electric utilities are trying to build nuclear generating plants whenever they are allowed to. They do not need artificial stimulus, only an end to price interference and some reasonable and stable rules on reclamation, safety and pollution.

So, Mr. President, why not give industry a chance. Given the incentive of a free marketplace, industry is ready, willing, and able to do the job.

But a free marketplace is one without the heavy hand of oil and gas price controls including new proposals in Senator Jackson's new energy emergency bill which he introduced last week.

The President asked simply for authority for rationing if necessary, and the authority for certain conservation measures. But, it seems it is impossible to get a simple bill to accomplish its intended purpose out of the Senate Interior Committee.

The Senate rejected the windfall profits tax section in the energy emergency bill. The price rollback which was then substituted by Senator Jackson was vetoed by the President and his veto was sustained by the Senate.

The new bill, S. 3267, introduced last Thursday is the old bill warmed over with the price rollback eliminated but with an equally obnoxious section added that would eliminate the stripper well amendment that exempts marginal oil production from price control.

We have been using oil and gas at about twice the rate we have been adding new supplies and it will take time to reverse this trend. But the exemption of new oil and stripper well oil has brought on a resurgence by the industry, particularly the independents, in secondary and tertiary projects as well as renewed drilling activity.

Oil and gas well completions in 1973 were substantially higher than for the previous year and the present U.S. drilling rig count is 1,380 compared with 1,014 at this time last year.

Actually stripper well oil is probably the greatest source of readily available energy we have in the Nation. Of some 400 billion barrels of proved oil reserves in the Nation, only about 100 billion barrels have been produced.

Under present technology and economic conditions—price—another 34 or 40 billion barrels of those reserves will be recovered.

An additional 55 billion barrels can possibly be recovered through tertiary methods. And that was the purpose of the stripper well amendment which was adopted in both the Alaska Pipeline Act and the Emergency Petroleum Allocation Act.

But hardly has the exemption begun to be effective than this new version of a price rollback would eliminate it.

Holding prices down as advocated by Senator Jackson will guarantee that the petroleum industry cannot raise the capital necessary for new development. It will guarantee shortages and higher prices, too, as we become completely dependent on higher priced foreign oil.

Mr. President, I ask unanimous consent that the Wall Street Journal editorial, "Project Independence," be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Project Independence

> President Nixon wants the nation to have "the capacity for self sufficiency" in energy by 1980. It's not only a good idea, it's well within the nation's capability. It wouldn't mean the United States would stop all imports of energy after 1980. At the "right prices" it would continue to do so, according to Treasury Secretary Shultz. But there would be sufficient reserve capacity here that could be called up if an Arab oil embargo were repeated.

How do we attain that degree of security? As last week's front-page articles by our Mr. Gannon indicate there is considerable brainstorming already underway in Washington. There are proposals to enact multi-billion-dollar subsidy programs to entice oil and coal companies into developing energy alternatives. Some people want to firmly peg the price of oil high enough to attract investment to shales and coal gasification, then erect tariff walls or variable import levies to protect such investment from predatory Arab oil pricing. Others want to construct huge storage facilities to squirrel away a two- or three-year energy supply. And there are proposals for a monumental conservation program, including orders to Detroit to build only autos that average 20 miles per gallon.

In our view, none of these schemes are necessary. The goal of Project Independence would be easily achieved if only the federal government would get out of the way and let the energy industry respond to market forces. Lifting price controls on the petroleum industry would be the first and most important step.

If U.S. prices were freed they would go up, expanding the incentive to look for oil here, and making other forms of energy more competitive. U.S. prices would be unlikely to reach recent world levels, which are not likely to be sustainable as non-Arab supplies increase. Indeed the proposals for special import levies and such are intended to keep the U.S. price up if the Arabs start selling $2 crude. But having pushed the price up, the sheiks are unlikely to want to flood the world with artificially cheap oil. Even if they tried, they could not meet total world demand long enough at prices low enough to threaten the survival of the U.S. shale-oil operations, for example.

Nor does a mammoth U.S. surface reserve make any sense. Why should oil and coal be taken out of the ground, where it is now stored, and sealed off in containers above the ground? All that's necessary is that it be available as shut-in capacity whithin several months of a world-wide energy embargo against the U.S., which is a "worst case" contingency that in itself takes a wild imagination to conceive.

When it is free to respond to market forces, industry typically provides precisely such a capacity, by building facilities to meet not only this year's demand but next year's and so on. When oil was discovered on the North Slope of Alaska, crude prices were a quarter of what they are today. Still, the oil companies all but promised to goldplate a pipeline if the government would permit them to add two million barrels a day to the nation's oil supply. This would have covered the present shortfalls.

Finally, with congressional acquiescense, this oil may be available in 1980. But now Congress is doing its best to shut off the domestic coal equivalent of at least 5.6 million barrels of crude per day, an amount about equal to total current petroleum imports. It is doing this by writing strip-mining legislation that would effectively end the surface mining of the nation's most abundant energy resource. Its aim is not to insure reclamation of strip-mined land, a desirable and feasible objective, but simply to prevent strip mining altogether.

At the same time Congress acts to keep coal from competing with oil, and surface mining from competing with underground mining, it refuses to deregulate the wellhead price of natural gas. This has the same perverse effects on supply and demand as do the petroleum controls. Instead of exploring for domestic sources of natural gas, U.S. companies arrange long-term contracts to import liquefied natural gas at high prices that are not subject to controls.

The energy industries do not need economic activism by government—the subsidies, tariffs or federal corporations being brainstormed in Washington. In natural resources the U.S. is an energy-rich nation. Energy suppliers, who are no more anxious to be dependent on the Arabs than consumers are, are eager to expand here. Oil companies are out-bidding $200-plus million for shale-oil tracts. Electric utilities are trying to build nuclear generating plants whenever they are allowed to. They do not need artificial stimulus, only an end to price interference and some reasonable and stable rules on reclamation, safety and pollution.

To achieve the objectives of Project Independence, the government has to do only one thing: get out of the way.

DON RUMSFELD—U.S. AMBASSADOR TO NATO

Mr. PERCY. Mr. President, Don Rumsfeld has recently completed his first year as U.S. Ambassador to NATO. It is a most difficult and demanding job that he is performing with great distinction. As the Secretary General of NATO, Joseph Luns, says:

> Rumsfeld enjoys a high reputation among his colleagues here. He is highly intelligent and has quickly grasped what NATO is all about. He's hard-working and has good judgment.

I have known Don since he first indicated his interest in running for Congress in the 13th Congressional District in Illinois. I was greatly impressed with him and decided to strongly endorse him in a primary. I have been an enthusiastic supporter of Don Rumsfeld ever since, as many of my colleagues.

Don Rumsfeld distinguished himself in Congress. He had had some prior knowledge of the House by serving on the staffs of Congressman David Dennison and Congressman ROBERT GRIFFIN, and rapidly grew as an articulate and responsible Member of the House. In the House Don Rumsfeld served on the Science and Astronautics Committee, the Government Operations Committee and the Joint Economic Committee.

While in the House he was in the forefront of trying to provide adequate minority staff for committees. He also was among the first Members of Congress to completely make financial disclosure of his personal income and assets.

In 1969 Don left the House to become Assistant to the President and the Director of OEO, and later became Executive Director of the Cost of Living Council, where he also served with distinction. After other key administration posts, Don was appointed to be U.S. Ambassador to NATO.

Because of the high regard in which I know he is held by many of his former colleagues in Congress, I ask unanimous consent that an article published in the Chicago Sun-Times commending his distinguished service at NATO, be printed in the RECORD.

There being no objection, the article order to be printed in the RECORD, as follows:

RUMSFELD'S BLUNTNESS PROVES NO HANDICAP IN NATO POST

(By Richard Neff)

BRUSSELS.—Chicagoan Donald Rumsfeld, former representative from the 13th Congressional District, recently completed his first year as U.S. ambassador to the North Atlantic Treaty Organization.

It is one of the most delicate jobs in American overseas diplomacy. Yet he took it with no experience—either in diplomacy or in Europe. How is he doing?

The most favorable assessment comes from NATO Sec. Gen. Joseph Luns, the former long-time Dutch foreign minister and one of Europe's most prestigious diplomats, Luns says flatly: "Rumsfeld enjoys a high reputation among his colleagues here. . . . He is highly intelligent and has quickly grasped what NATO is all about. He's hard-working and has good judgment. He's articulate with an engaging personality and a charming wife. We're glad to have him here."

When Rumsfeld took up his duties on Feb. 26 last year, many people weren't so sure. He was young (41). He would be dealing with Europe's elite career ambassadors usually men 10 or 20 years his senior. Unlike most U.S. ambassadors who manage relations with just one nation to which they are assigned, Rumsfeld would be handling 14 nations all at once. (The 14 Atlantic allies plus the United States are all housed under one roof at NATO headquarters here.)

True, he had served four terms in Congress and four years in the jobs in the Nixon administration. But, asked one NATO diplomat, "can he really transfer his all-American personality and the rough-and-tumble tactics of Washington across an ocean to deal with so many different, complex nationalities?"

The consensus here is that Rumsfeld has largely succeeded. The main criticism concerns his tendency to be blunt. Europeans in general, diplomats in particular, tend to make their points so gracefully that you don't know when they're being rude. Thus people here have often winced when Rumsfeld brought the sharp, direct thrusts of congressional-type debating to the NATO council table. His staff aides defend him, saying "it was time for tough talk in NATO"—on defense burden sharing, on dealing with the Russians in the Middle East, on the future of the Alliance.

There are three reasons for the ambassador's general success here, NATO observers feel:

(1) His personal warmth and an increasingly sure grasp of NATO problems have tended to overcome dislike of his bluntness.

(2) He has won the support of his staff—almost 100 top-quality career Foreign Service officers and military men.

(3) He has good, regular communication with President Nixon and Sec. of State Henry A. Kissinger.

Said one NATO official: "We know that Rumsfeld is heard in Washington by the only people who make any difference."

In turn, the Ambassador's influence back in the American capital has boosted the morale of the U.S.-NATO delegation that he directs here. One delegation member said, "When Rumsfeld is in town, the presence of the White House, and of Kissinger, is very close."

This has not always been the case. Morale had languished in the U.S. team here when President Nixon left the NATO ambassadorial post unfilled for nine months in 1971—an unprecedented vacuum for the leading nation in the Alliance.

When former U.S. Treasury Sec. David Kennedy, another Chicagoan, was finally sent here, he never was able to establish influential lines to the peak of power in Washington. "We all felt 'farmed out' over here—as if Washington didn't care what we said or did," said one American.

But things have changed under Rumsfeld. During an informal talk with the ambassador in front of an open fire in his home recently, I asked him about his relationship to Kissinger.

"I know the secretary pretty well," he

answered. "After all, we met almost every morning for four years at White House morning staff meetings. We have a good working relationship, and I'm comfortable in it. . . . Kissinger has devoted much of his career to the study of security problems, and that's what I'm dealing with here at NATO. . . ."

When I arrived at the Rumsfeld home in the Avenue des Verts Chasseurs here, his wife, Joyce, greeted me graciously and then left us alone with Otto (the dog), Sam (the cat) and international politics. During the next hour or so, we had visits from Valerie, 17, who was homecoming queen at the Brussels-American School last fall; Marcy, 13, who is enrolled in a Belgian school and is studying—in French—Latin, math and Flemish, and 6-year-old Nicholas, who showed me his increasing mastery at standing on his head. Nicholas is also in a Belgian school and is doing all his studies in French.

Rumsfeld is clearly glad to be away from Watergate Washington.

There have been rumor-flurries several times here that he was headed back to D.C. For example, a crowd of Brussels journalists quickly assembled on his front lawn one night a few months ago when reports circulated that he would be named Mr. Nixon's vice president.

Nothing came of the rumors of course, and the ambassador told me, "I like it here, and I plan to stay for a period. . . . This is an important time for the U.S. in NATO." Observers here believe he felt that the present period is a bad growing season for aspiring Republicans back in the United States.

Rumsfeld and his wife shun much of the social side of Brussels diplomacy. Unlike most Europeans he likes short meals, and he also prefers direct office-type contact with other delegations. He often works at home in the evening, bringing papers with him from NATO. The U.S. delegation smilingly endures "the yellow peril"—a stream of questions, reminders and directives that emerges on special yellow paper from the envoy's office.

NATO is an extraordinary institution—little understood publicly but representing "the cornerstone of U.S. foreign policy," as Mr. Nixon and Kissinger have often said. Because NATO's first task is collective defense, the U.S. ambassador's job involves more military and security issues than any other overseas diplomatic post.

However, NATO is also a Peacemaker. It is the diplomatic instrument with which the 15 allied nations co-ordinate their policies of detente with the Soviet bloc.

CURRENT U.S. POPULATION

Mr. PACKWOOD. Mr. President, I would like to report that, according to U.S. Census Bureau approximations, the total population of the United States as of April 1, 1974, is 211,906,243. In spite of widely publicized reductions in our fertility levels, this represents an increase of 1,397,476 since April 1 of last year. It also represents an increase of 97,078 since March 1, 1974—that is, in just the last month.

Over the year, therefore, we have added enough people to fill a new Cleveland, Ohio, and San Diego, Calif. And in just one short month, we have added enough additional people for another Ann Arbor, Mich.

THE OIL CRISIS

Mr. THURMOND. Mr. President, presently we are in a period of negotiations with the Arab nations in reference to the oil situation and how it will be applied in future years.

A succinct editorial warning our Government leaders in reference to these negotiations appeared in the March 25, 1974, issue of the Aiken Standard newspaper in Aiken, S.C. The editor, Samuel A. Cothran, pointed out that this Nation must not yield to blackmail and should push forward in developing our own resources so that in future generations we might be self-sufficient in regards this vital resource.

Mr. President, I ask unanimous consent that this editorial be printed in the RECORD at the conclusion of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

PLAYING 'CAT-AND-MOUSE'?

One of the most remarkable statistics extant today is a poll which indicates that the anger over the energy crisis of one-fourth of the Americans is directed toward the U.S. government while only 3 per cent of the citizens blame the Arabs who precipitated the problem by imposing an oil embargo some five months ago.

Our eagerness to blame Washington for our problems tells us a lot about our current national state of mind, although we would not dispute with any conviction the argument that several generations of Washington policy helped to incubate our present predicament.

Without confusing the issue with too many statistics, it is accurate to say that Saudi Arabia with its 164 billion barrels of proven reserves is the only Arab nation that can do much to return us to the highway life style that we had come to enjoy until last October. Until the United States of America develops self-sufficiency we will need a very large amount of Arab oil to meet our daily needs.

The incentives for Saudi Arabia to supply the United States with that much additional oil are not all that persuasive. King Faisal has more money than he needs and the oil will gain in value if it remains in the ground. Neither he nor the other Arab nations and Iran appear to be troubled by the international economic dislocations that the oil embargo is creating. Nor does the economic disaster created in the underdeveloped world by high oil prices jar the moral sensibility in Saudi Arabia.

On the other side of the coin, Arab nations need U.S. tools and technology. King Faisal has been a traditional friend of the United States and an inplacable enemy of communism. We also have the friendship of President Sadat of Egypt and the yeoman efforts of Secretary of State Henry Kissinger have gone a long way toward bringing warring factions in the Mideast toward accommodation.

The latter is raising the most hope that the embargo will be lifted. However, it is likely that if Mr. Kissinger's efforts to move the Arabs succeed, the producers may respond in degrees—a partial new supply of oil in return for a specific concession.

It is a cat and mouse game that would be entirely unacceptable. Needs larger than oil should establish our policies.

Whether the news from Cairo is encouraging or discouraging, Americans have no alternatives to settling down to meet the energy crisis on their own terms by reaching the state in which we need depend upon nobody else for our fuel.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER (Mr. HATHAWAY). Is there further morning business? If not, morning business is concluded.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The PRESIDING OFFICER. Under the previous order, the Senate will resume the consideration of the unfinished business, S. 3044, which the clerk will state.

The assistant legislative clerk read as follows:

S. 3044, to amend the Federal Electric Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

The Senate resumed the consideration of the bill.

The PRESIDING OFFICER. The pending question is on agreeing to the amendment of the Senator from Oklahoma (Mr. BARTLETT) No. 1120, which the clerk will state.

The assistant legislative clerk read as follows:

On page 71, strike out lines 1 through 12, and insert in lieu thereof the following:

CONTRIBUTIONS BY GOVERNMENT CONTRACTORS

SEC. 303. Section 611 of title 18, United States Code, is amended by—

(1) by striking out "Whoever" and inserting in lieu thereof "(a) Whoever";

(2) striking out "(a) entering" and inserting in lieu thereof "(1) entering";

(3) striking out "(1)" and "(2)" and inserting in lieu thereof "(A)" and "(B)", respectively;

(4) striking out "(b) knowingly" and inserting in lieu thereof "(2) knowingly"; and (5) adding at the end thereof the following:

"(b) No person who has made a contribution may accept any contract referred to in subsection (a) (other than a contract the award of which will be made on the basis of competitive bids) at any time within twenty-four months after making that contribution. No person who enters into any contract described in subsection (a) (other than a contract the award of which was made on the basis of competitive bids) may make a contribution at any time during the twenty-four-month period beginning on the date on which performance under that contract is completed, or, if earlier, on which that person ceases to be liable under that contract. Violation of the provisions of this subsection is punishable by a fine of not to exceed $5,000, imprisonment for not more than five years, or both.

"(c) It is not a violation of the provisions of this section for a corporation or a labor organization to establish, administer, or solicit contributions to a separate segregated fund to be utilized for political purposes by that corporation or labor organization if the establishment and administration of, and solicitation of contributions to, such fund do not constitute a violation of section 610.".

Mr. BARTLETT. Mr. President, I ask unanimous consent that David Russell, a member of my staff, may be present during the consideration of this bill and the votes thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BARTLETT. Mr. President, title 18, section 611 of the United States Code prohibits anyone who enters into a contract with the Federal Government from making a financial contribution to a Federal political campaign during the term of the contract.

Section 611 was passed in 1972 with the idea of avoiding the abuse inherent in the awarding of Federal contracts.

However, although 611 serves a useful purpose, it leaves gaping holes. Under 611, while a person may not make a contribution during the term of a Federal contract, there is no prohibition on contribution either before or after the contract. The potential for abuse is particularly critical in Federal contracts awarded on a noncompetitive basis.

My amendment has the affect of prohibiting any person who receives contracts from the Federal Government on a noncompetitive basis from making contributions to a Federal campaign for a period of 4 years plus the length of time of the contract.

The amendment will work this way: If a person makes a contribution to a Federal campaign he will for 2 years thereafter be ineligible to receive any Federal contract let on a noncompetitive basis. Likewise, if a person receives a noncompetitive Federal contract he will be prohibited for 2 years thereafter from making political contributions.

The need for this amendment is apparent. The present system of letting noncompetitive contracts is rife with potential for abuse. Architects and engineers are the primary recipients of Federal Government contracts on a noncompetitive basis. There is sound basis for architects and engineer contracts being on a noncompetitive basis and I am convinced this policy should continue. The set fee is one which has been determined to be a fair return to architects and engineers. If these professionals were forced to bid for contracts it could only result in a lessening of the quality of the work performed.

Certainly, a lawyer could not be expected to bid for a client—and a client would not want a lawyer who would do so.

It is not out of an abiding dedication to good government that a high percentage of architects and engineers contribute to many political campaigns, but it is a result of pressure from the political system—at least in many cases to the point of insurance not to be blackballed for not contributing. The system creates unnecessarily a gray area for the architect and engineer and the appearance to the public of evil.

But if we do continue the present system, we must reckon with the potential for abuse or the appearance of abuse in the awarding of noncompetitive contracts.

Certainly, my amendment will not take architects and engineers out of politics. They have a constitutional right to support candidates of their choice. But my amendment will eliminate one means of support, the one which possesses the potential for abuse—namely, the giving of political donations.

Architects and engineers who want or do business with the Federal Government can continue to give of their time and their advice but not of their money.

I have discussed my amendment with architects and engineers and they fully support the goal represented by this amendment. They, too, would prefer that every contract be awarded on merit rather than on the political consideration of who gives or gave how much to a candidate.

Mr. President, if our political system and politicians are to regain some measure of respect with the electorate, we as a Congress must be willing to pass this type of legislation.

Mr. President, I reserve the remainder of my time.

Mr. COOK. I yield myself, such time as I may require.

Mr. President, we discussed this aspect of campaign giving in the Rules Committee. What really bothers me is that, in typical fashion, we are saying to the individual who gives that he can be fined. Yet, apparently nothing occurs to the individual to whom he gives. At least, we have seen this happen.

I am on this side of the aisle, and I would only say to the Senator from Oklahoma, as a Republican, that we say people who gave large sums. They were fined as individuals; they were fined as corporations. They were sued by public interest groups to pay the interest on their money. Yet, we still sit here and say, "Where is the end result?" The end result is, who has to pay for the solicitation of having sought a contribution from an individual who the Senator wishes to exclude?

The only thing that bothers me is this: As I read the law now, section 611—perhaps the Senator from Alabama may wish to enter into this—we have a provision on our income tax return, and we have had a discussion about whether we are going to make it mandatory, that $1 or $2 may be allocated to a political fund. I contend that if it is made mandatory that any amount of money from an individual taxpayer has to go into this fund, then the architect or the engineer is already violating the law by filing his income tax return. If it is optional and he happens to make a mistake and checks it, so that he pays $1 or $2 to a political fund, then he is also in violation of the law, because he has made a political contribution.

I say to the Senator from Oklahoma that I get a distinct feeling that this is a much more serious problem on State and local levels than it is on a national level. I get the distinct feeling that, somehow or other, we keep putting the onus on the individual who might make a contribution, and we have very little enforcement on the part of an individual candidate who is the recipient of a contribution.

We read every day that there are literally hundreds of people who fail to file their reports. We read that on State levels, there are numerous candidates who have failed to file a report. Never yet have we seen, to my knowledge, any prosecution of the candidates—the successful candidates or the losing candidates—for their failure to file under the law. Yet, we have just gone through an unfortunate episode. We have seen situations in which somebody put the bite on people, to find a way to give corporate funds, and now, all of a sudden, they are the people who are indicted and they are the people who have paid fines, and the corporations have paid fines. We have to wait and see how long it takes for those who attempted to solicit funds to be dealt with under the law.

Every time we say that this is going to make politics cleaner, we are putting the onus on somebody else, rather than on ourselves. We are saying that somebody else has to be responsible.

I might say that that is why I voted against the amendment of the other Senator from Oklahoma yesterday, which provided that radio and television stations have to make monthly reports. That is our responsibility. We will have a law to live under, if we pass this bill, which will provide what we do with our time and how we handle it. But as we try to handle our own position in the political arena, we keep wanting to force on other people the responsibility to report, to see to it that we are good guys. The responsibility is up to us to do that.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. COOK. I yield.

Mr. PASTORE. I have not read the amendment, but I have read the explanation given by the distinguished sponsor of the amendment.

After all, contracts on the Federal level are of such magnitude that they are never given to a person. They are given to a corporation or a combine. Does not this necessarily mean that if a contract is given, let us say, to X corporation, every person who is employed in that corporation is forbidden to make a contribution? If any person in that corporation makes a contribution—be it the secretary, be it the manager, be it the worker, be it the draftsman—does that automatically mean that that corporation cannot engage in a noncontractual situation with the Federal Government?

Mr. COOK. I think the Senator presents a question that the Senator from Oklahoma should answer. As Senators know, some of them are partnerships and they have literally scores and scores of members in the partnerships. I think it is a proper question to address to the Senator from Oklahoma because I think he is shutting the door.

Mr. PASTORE. Let me ask this question. I think I know the good motive of the sponsor of this amendment. We have had a scandal in our neighboring State of Maryland and that is what he is trying to avoid on the Federal level, and I am all for eliminating that situation if we can. But sometimes in drawing amendments we are counterproductive because they are not explicit enough to accomplish what we want to achieve without creating more of a problem than we are solving.

I am asking the Senator if his amendment means that anyone connected with the corporation that does architectural work or engineering work, that that corporation itself would be forbidden from engaging in a noncompetitive contract.

Mr. BARTLETT. I would advise the distinguished Senator from Rhode Island, first, that this proposal amends the present law. It is illegal, naturally, for corporations to make such contributions. Normally architectural firms and engineering firms are partnerships. It would be my understanding this would pertain to the principles in the firms:

The partners, the architects, and the engineers.

Mr. PASTORE. What about corporations?

Mr. COOK. They are prohibited by law anyway.

Mr. PASTORE. That is the point. Suppose the president of that corporation makes a contribution. My question is: If the president of a corporation checks off a dollar contribution for the Presidential campaign, does that mean that that corporation cannot engage in noncompetitive contracts? This is a simple question. What is the answer? Is it yes or no?

Mr. BARTLETT. The answer is no. It is my opinion it would not. It does not apply to the architects——

Mr. PASTORE. That is not what the amendment states. The amendment states that any person who makes a contribution, that person is forbidden from engaging in noncompetitive contract situations with the Federal Government.

Whom do we mean? Do we mean the president, the vice president, the secretary? Whom do we mean by "person?"

Mr. COOK. May I say to the Senator from Rhode Island that first of all we have to make a distinction and when we make a distinction we also present a problem. The distinction is that the individual is an officer of the corporation, but the corporation is an entity. Therefore, he is not a partner, an association, or acting in his individual capacity.

Mr. PASTORE. Therefore, in the case where there is a corporation and the president makes a contribution, that corporation can engage in noncompetitive contracts, but in a partnership they cannot do it. There is the hiatus and the vacuum in this amendment that should be explained, and we have not had the explanation yet.

Mr. COOK. I say to the Senator from Rhode Island, with all due deference to the Senator from Oklahoma, and I do not support his amendment, that under sections 610 and 611 of the code that problem exists, and that problem is really in the law, where an individual who is an officer of a corporation, in his individual capacity may make a contribution regardless of whether he does or does not do business with the Federal Government. But under the present situation if an individual is an officer of a corporation, he could not. This would extend it for 2 years beyond the life of the contract. Is that correct? Am I correct in my assumption?

Mr. BARTLETT. Yes, the Senator is correct. On the first point the corporation cannot make a gift. On the second point, a corporation's employees today, who cannot make a gift legally to campaigns, the employees can and do contribute. That is the point I was making.

Mr. President, I ask for the yeas and nays.

Mr. PASTORE. Yeas and nays.

The PRESIDING OFFICER. The yeas and nays already have been ordered.

Mr. BARTLETT. Mr. President, I think that this amendment gives Congress a chance to set a good example for the States. In 1973 there were only 72 contracts entered into between architects and engineers and the Federal Government, totaling $8.5 million in fees. So there are not a lot of contractual relationships, but I do think that it is very clear from conversations I had recently with a number of architects and engineers that there is a gray area here that the professional people do not appreciate or like.

Both point out that when the line is drawn between the pressure they feel to contribute so they will not be blackballed, and not contributing, and then contributing a large amount and have it interpreted as influencing contracts, it is a gray area that they should not be forced into. It places the responsibility in the wrong area.

I think the amendment removes architects and engineers from this kind of invasion of their professional ability because they certainly are interested in doing a good job and they are interested and they should be in doing a good job for the Federal Government. I believe this amendment removes a very muddy area, a gray area that has caused lots of trouble for engineers and architects.

I think it is obvious it would set a great example for the States.

Mr. President, I reserve the remainder of my time.

Mr. COOK. Mr. President, I wish to say that one of the parts here I cannot comprehend is how anybody in his right mind could be forced or compelled and I point out to Senators this language:

> No person who has made a contribution may accept any contract referred to in subsection (a) (other than a contract the award of which will be made on the basis of competitive bids) at any time within 24 months after making that contribution.

That means if an individual in a partnership has made a contribution to the Senator's campaign or my campaign, that partnerhhip is prohibited for 24 months, or 2 years from even bidding on an architectural or engineering contract with the Federal Government.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. COOK. I would be glad to yield in just a moment.

Second, I suspect that what one would have to do is get an affidavit. Suppose a person is in the business of bidding on Government contracts. He would have to get an affidavit from every new member brought into the partnership to the effect that he had not made a contribution to a political campaign or to a candidate within the past 24 months; otherwise he would be faced with a problem ex post facto in connection with his ability to bid on a contract for 24 months.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. COOK. I yield.

Mr. PASTORE. And it does not make any difference whether that contribution is $1 or $1,000?

Mr. COOK. That is right. As a matter of fact, he could check it off on the income tax return.

Mr. PASTORE. As a matter of fact, when he checks it off on the income tax return, he is estopped.

Mr. COOK. That is correct.

Mr. CANNON. Mr. President, in our Committee on Rules and Administration, we have a number of contracts that are presented to us by various members of the committee or otherwise for approval, contracts for personal services to carry out investigations or studies on particular subjects. Under this amendment, were it to be adopted, if a person had checked off on his income tax return $1 for political purposes, he would be ineligible to enter into such a contract.

Mr. COOK. Not only if he had checked it off, but for 24 months of time the contract could not be presented to the committee.

Mr. CANNON. And he would be ineligible for 2 years.

Mr. COOK. That is correct.

Mr. BEALL. Mr. President, if the Senator will yield, does that mean it would apply to someone who had contributed to a losing candidate?

Mr. COOK. Either one, Senator, either a successful or failed candidate.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. COOK. I yield.

Mr. CURTIS. My question does not go to the merits or demerits of the amendment, but I would like to ask if it is the distinguished Senator's contention that a checkoff on the tax return is a contribution on the part of the person who makes the checkoff.

Mr. COOK. Yes.

Mr. CURTIS. Is it his money?

Mr. COOK. Well, we could get into a debate about that, but it is his tax liability.

Mr. CURTIS. No; he would have the same tax liability whether he checked it off or not.

Mr. COOK. That is right, but he has an option as to what he wants to do with that $1 or those $2.

Mr. CURTIS. But he does not put up any money.

Mr. COOK. I am not disagreeing with the Senator. All I am saying is that until we decide—which, by the way, we will discuss shortly—whether this contribution is to be mandatory or at the option of the taxpayer, I would suggest to the Senator that if the taxpayer takes the option that that part of his tax liability be diverted for the purpose of a political campaign, he may well come under this provision or section 611 of the code as it exists.

The PRESIDING OFFICER. All time of the Senator has expired. The proponent of the amendment has 7 minutes remaining.

Mr. BARTLETT. Mr. President, I appreciate the point that was expressed by the distinguished Senator from Nebraska. I think it is a very good point. I would like to mention to the Senator from Nevada that when he expressed concern about the checkoff, this amendment would not have the effect of an ex post facto law. It would not apply to checkoffs that may have been made in the past, but would only be prospective in nature. It would not apply to firms that had contracts in existence, but would apply only to the future.

I would mention to the distinguished Senator from Kentucky, who expressed concern, that there would be a problem with a new architect entering a firm, as to whether he had or had not made a contribution. I think the whole purpose of this proposal is to remove engineering or architectural firms from the arena of political contributions, and I think that is what they want. They do not want to be involved and they do not want to be in that gray area which is sort of between the contribution of an interested citizen and that of trying to influence people in Government.

Mr. GOLDWATER. Mr. President, will the Senator yield for a question?

Mr. BARTLETT. I yield.

Mr. GOLDWATER. In view of the way this debate has turned, I would like to ask the Senator from Oklahoma what the situation would be if we passed a law providing for federally financed campaigns. Would we not all be contributors?

Mr. CURTIS. Not if we had deficits. We would be turning it over to our grandchildren.

Mr. GOLDWATER. I am not talking about deficits. If we passed a law for publicly financed campaigns, would we not, in effect, all be making donations, whether we were doctors, lawyers, or whatnot? What is the Senator's opinion on that?

Mr. BARTLETT. Well, the Senator raises a point. I, of course, am not in favor of the public financing provisions of the proposed law——

Mr. GOLDWATER. Neither am I.

Mr. BARTLETT. And I hope it does not become a reality, but I think public financing does raise a lot of questions. I believe this amendment does the job of removing from the political arena, and the pressure of making a contribution if for no other reason than just to be considerate or not to be blackballed, architects and engineers, and puts them in a strictly professional area, which they would like to be in.

When a number of architects and engineers from my State were here recently, talking about the problems that exist around the country, they brought out the fact that some people feel that the answer would be bidding, but I think bidding would be just as unsuitable for an architect or engineer as it would be for a lawyer in trying to obtain a client, and I think it is very important that they be removed from that area.

Mr. PASTORE. Mr. President, will the Senator yield for a suggestion?

Mr. BARTLETT. I yield.

Mr. PASTORE. Why doesn't the Senator modify his amendment to read in the positive rather than in the negative, by saying that any person who has a noncompetitive contract cannot make a contribution to any political party within 2 or 3 months from the time of the election? Then the Senator would be estopping the person.

Mr. BARTLETT. Mr. President, I have an amendment that I would like to have read.

The PRESIDING OFFICER. The Senator's amendment would not be in order until all time has been yielded back.

Mr. BARTLETT. Mr. President, I ask unanimous consent to modify my own amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will read the modification.

The assistant legislative clerk read the modification as follows:

> The provisions of this subsection shall not apply to any contribution check-off provided on a Federal income tax return.

Mr. BARTLETT. Mr. President, has all time been yielded back?

The PRESIDING OFFICER. Does the Senator yield back the remainder of his time.

Mr. BARTLETT. Yes.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Oklahoma (Mr. BARTLETT), as modified. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD of West Virginia: I announce that the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Alaska (Mr. GRAVEL), the Senator from Indiana (Mr. HARTKE), the Senator from Colorado (Mr. HASKELL), and the Senator from Iowa (Mr. HUGHES) are necessarily absent.

I further announce that the Senator from Kentucky (Mr. HUDDLESTON) is absent on official business.

Mr. GRIFFIN. I announce that the Senator from Maryland (Mr. MATHIAS), and the Senator from Pennsylvania (Mr. SCOTT) are necessarily absent.

I also announce that the Senator from Virginia (Mr. SCOTT) is absent on official business.

I further announce that the Senator from Vermont (Mr. AIKEN) is absent due to illness in the family.

I further announce that, if present and voting, the Senator from Pennsylvania (Mr. SCOTT) would vote "nay."

The result was announced—yeas 28, nays 62, as follows:

[No. 104 Leg.]

YEAS—28

Allen
Bartlett
Beall
Bellmon
Bentsen
Biden
Buckley
Byrd, Harry F., Jr.
Byrd, Robert C.
Church
Domenici
Dominick
Ervin
Griffin
Gurney
Hansen
Hart
Helms
Hollings
Javits
Mansfield
McClellan
Nunn
Roth
Schweiker
Taft
Thurmond
Weicker

NAYS—62

Abourezk
Baker
Bayh
Bennett
Bible
Brock
Brooke
Burdick
Cannon
Case
Chiles
Clark
Cook
Cotton
Cranston
Curtis
Dole
Eagleton
Eastland
Fannin
Fong
Goldwater
Hatfield
Hathaway
Hruska
Humphrey
Inouye
Jackson
Johnston
Kennedy
Long
Magnuson
McClure
McGee
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Sparkman
Stafford
Stennis
Stevens
Stevenson
Symington
Talmadge
Tower
Tunney
Williams
Young

NOT VOTING—10

Aiken
Fulbright
Gravel
Hartke
Haskell
Huddleston
Hughes
Mathias
Scott, Hugh
Scott, William L.

So Mr. BARTLETT's amendment (No. 1120) was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PUBLIC FINANCING: A CALAMITY TO AVOID

Mr. BUCKLEY. Mr. President, we are soon going to have to closely examine and debate the most comprehensive campaign reform proposals ever seriously considered by this body.

I am deeply concerned that low uniform spending limits may work to the advantage of those candidates who can muster nonmonetary contributions or who enter a race with other advantages over their opponents that are unrelated to competence.

These advantages include better initial name recognition, better access to the media and access to other methods of reaching the average voter that are not subject to statutory limits. In general, one class of candidates enjoys these advantages over all others and must therefore benefit from such limits.

I am speaking of course of that class to which all of us here belong. We are incumbents. We have access to the frank. We have a greater claim to media attention than do nonincumbents. In short, we may soon be voting on legislation that could increase our advantage over anyone who wants to challenge us.

This is something that we should avoid. If we are going to limit spending on the part of congressional and Senate candidates we should at least give those who must run without the advantages associated with incumbency some chance to offset our builtin advantages.

I urge in this regard that an editorial, published in the Cincinnati Inquirer and just reprinted in Challenge, the publication of the National Federation of Republican Women, be read extremely closely. It represents a reasoned analysis of the problem and one that we should address when we consider S. 3044. I ask unanimous consent that it be printed in full at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

PUBLIC FINANCING: A CALAMITY TO AVOID

The 93rd Congress is closer than any of its predecessors to taking a step from which there is apt to be no easy retreat—the public [federal] financing of political campaigns.

The allure to public financing is, perhaps, understandable. For like all other easy answers, public financing would seem to eliminate most, if not all, of what is wrong with American politics.

To consider the long-range consequences of using public funds to finance political campaigns, however, is to see that the perils far outweigh the advantages, that the inequities far outweigh the assets, that the potential abuses far outweigh the probable benefits.

It is ironic to find among the supporters of the public funding a number of organizations and individuals who, in general, have advocated "opening up" the political process and making both government and the party structure more responsible to popular tastes and aspirations.

Public funding, it seems to us, would have precisely the opposite effect. The citizen, after all, has only two unfailing devices to influence the political process—his vote and his financial contribution. To deny him the right to contribute, to insulate the parties from the pressures of opinion, would not, in any accepted sense of the word, make American political parties more responsible. Indeed, it would invite them to become even less dependent on the people whose convictions and aspirations they were created to reflect.

There are, in addition, some grave questions about the constitutionality of outlawing individual financial contributions to the political parties. For is not the financial contribution, at bottom, simply an extension of the individual's right to freedom of speech—a right asserted in the First Amendment?

Quite apart from the philosophical and constitutional aspects, there are some significant practical questions that none of the sponsors of public funding has answered satisfactorily to date.

Certainly the most apparent is how to offset the inherent advantage of the incumbent in any political contest. Sen. Robert Taft, Jr. has suggested that an incumbent congressman seeking re-election has, by the very fact of his incumbency, a $150,000 advantage over any possible challenger. He is saying, in short, that the incumbent's opponent would need to spend $150,000 simply to meet the incumbent on an equal footing. Some observers regard Senator Taft's estimate as conservative. The fact remains that an incumbent congressman, senator or President has an immense built-in advantage—the ability to shape events, the ability to command newspaper headlines and television and radio exposure, the ability to blanket his constituency with franked (free) mail. Any method of using tax revenue to finance political campaigns that fails to offset the incumbents' natural advantage, is, by its very nature, legislation to help insure the re-election of incumbents.

Even more troublesome problems are posed by the allocation of funds between the two major parties. What should the yardstick be? If the answer is treating the two parties exactly alike, aren't voter preferences being ignored? If the answer is using the last election to establish a distribution formula, isn't there a danger of overlooking the possibility of significant shifts in people's preference?

The fact of the matter is that the political pendulum in the United States has a habit of swinging far and frequently. The same Republican Party that mustered only 38.5% of the popular vote in 1964 went on to win the presidency narrowly with 43.4% of the vote in 1968 and to swamp its opposition with 61% of the vote in 1972. And the same Democratic Party that could muster only 40.8% of the vote in 1928 went on to win the White House with a 57.4% landslide four years later.

Clearly, any distribution formula that had been based on, say, the 1928 election would have been patently unfair—so unfair, in fact, as to run the risk of distorting or frustrating what popular preferences actually turned out to be.

Quite another problem is posed by the third party that makes an occasional intrusion into U.S. political life. What yardstick is there for determining its share of public funding? In 1968, Gov. George C. Wallace's American Independent Party, which hadn't even existed in the previous presidential election, garnered 13.63% of the popular vote. Four years later, what purported to be the same party saw its support dwindle to less than 1%. What distribution formula in 1968 could possibly have assured the American Independent Party the financial support to which it was entitled? And what distribution formula could have avoided overfinancing in 1972 a political movement that had manifestly run out of steam?

Supporters of public financing appear to assume that the two major parties that exist today will always exist. In fact, of course, there is the distinct possibility that one or the other may cease to exist—as the Whig Party ceased to exist in the 1850s. Public financing emerges, accordingly, as a means of freezing the present party structure for all times.

The challenge to the nation, and in particular to Congress, is to find a series of remedies that will not prove more hurtful than the perpetuation of the existing system.

Certainly one crucial goal should be encouraging truly mass participation in the process by which political campaigns are financed.

Congress took one timid step in that direction through the checkoff plan introduced into last year's federal income tax returns—a plan that allowed each taxpayer to earmark $1 of his tax payment for the party of his choice. In the tax returns for the year just ended, Congress took a regrettable step backward: The checkoff system is still possible, but the taxpayer is no longer able to designate the party to receive his $1; it goes instead into a common fund to be divided between the two parties.

There is a similar need for the full disclosure of political giving—a disclosure system that will permit the voters to judge a candidate as much by the kind of financial contributions he receives as by the other qualifications on which he bases his campaign.

The ability to attract financial contributions is closely akin to the ability to attract votes. To move, as many suggest we do, toward saying that a candidate or a party need not concern itself with attracting dollars, accordingly, is akin to saying that it need not concern itself with attracting votes. It is difficult to see how the cause of responsible, government is hereby served.

Americans do not want to see public office become the exclusive preserve of those personally wealthful enough to finance their own campaigns. Neither do they want to see candidates so beholden to narrow, special interests as to be unrepresentative of those they are sworn to serve.

But neither, we think, do they want to see the political contributor shrouded in suspicion. And neither do they want a political process that is immune from the public attitudes and pressures that have been the historic shapers of public policy in the United States.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries, and he announced that on March 29, 1974, the President had approved and signed the following acts:

S. 1615, An Act for the relief of August F. Walz;

S. 1673, An Act for the relief of Mrs. Zosima Telebanco Van Zanten;

S. 1852, An Act for the relief of Georgina Henrietta Harris;

S. 1922, An Act for the relief of Robert J. Martin; and

S. 3228, An Act to provide funeral transportation and living expense benefits to the families of deceased prisoners of war, and for other purposes.

ECONOMIC STABILIZATION PROGRAM REPORT—MESSAGE FROM THE PRESIDENT

The PRESIDING OFFICER (Mr. HATHAWAY) laid before the Senate a message from the President of the United States, which, with the accompanying report, was referred to the Committee on Banking, Housing and Urban Affairs. The message is as follows:

To the Congress of the United States:

I herewith transmit to the Congress, in accordance with section 216 of the Economic Stabilization Act of 1970, as amended, the most recent quarterly report of the Economic Stabilization Program, covering the period October 1, 1973 through December 31, 1973.

The fourth quarter of 1973 was a period of continued although slower growth for the American economy. Our gross national product grew to $1,338 billion, an increase of $33 billion over the previous quarter. Employment increased by approximately one million workers to 85.7 million. The American dollar continued to regain strength abroad.

During the fourth quarter, inflation remained our most serious economic problem. Prices here and abroad continued to rise at an unacceptably rapid pace, due in large part to the worldwide shortages of many raw materials. The pattern of price increases also began to reflect the impact of the Arab oil embargo against the United States and higher world prices for oil.

By the beginning of the fourth quarter, the fourth phase of the Economic Stabilization Program had been fully underway. The increases anticipated after the summer freeze on prices were spread out over time with the help of the Phase IV regulatory mechanism.

Phase IV was also designed to provide an effective system of tight standards and compliance procedures that would lead to a gradual return of industry and labor to the free market. Throughout the fourth quarter, decontrol proceedings demonstrated that the public and private sectors of our economy can work cooperatively and effectively to meet common goals of price restraint. As part of the commitments under which they were removed from mandatory controls, many firms have pledged voluntary price control. More importantly for the future, many have stepped up their capital expenditure plans to enlarge supplies—the only really effective way to halt inflation.

We are firm in our commitment to meet the challenge of inflation. The energy shortage and the problems resulting from it have significantly added to this challenge. We can, however, look with satisfaction to the efforts and sacrifices our Nation has made in response to these problems.

The Congress is presently debating the Administration's recommendation for continued stabilization authority and this Administration stands ready to work with the Congress to develop effective machinery for economic stabilization.

RICHARD NIXON.

THE WHITE HOUSE, *April 2, 1974.*

EXECUTIVE MESSAGES REFERRED

As in executive session, the PRESIDING OFFICER (Mr. HATHAWAY) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of Senate proceedings.)

AMENDED RECESS SCHEDULE FOR 1974

Mr. MANSFIELD. Mr. President, on behalf of the distinguished Republican leader and myself, I ask unanimous consent that, the amended recess schedule for 1974 be printed in its entirety.

There being no objection, the amended recess schedule for 1974 was ordered to be printed in the RECORD, as follows:

AMENDED RECESS SCHEDULE—1974

Easter (Sunday, April 14)—From conclusion of business Friday, April 12, until Noon, Monday, April 22.

Memorial Day (Monday, May 27)—From conclusion of business Thursday, May 23, until Noon, Tuesday, May 28.

July 4 (Thursday)—From conclusion of business Friday, June 28, until Noon, Monday, July 8.

Labor Day (Monday, September 2)—From conclusion of business Friday, August 23, until Noon, Wednesday, September 4.

NOTE: All recess periods are subject to cancellation or change to adapt to extraordinary situations.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hackney, one of its reading clerks announced that the House had passed, without amendment, the following bills of the Senate:

S. 71. An act for the relief of Uhel D. Polly;

S. 205. An act for the relief of Jorge Mario Bell;

S. 507. An act for the relief of Wilhelm J. R. Maly;

S. 16. An act for the relief of Mrs. Jozefa Sokolowska Domanski;

S. 912. An act for the relief of Mahmood Shareef Suleiman; and

S. 2112. An act for the relief of Vo Thi Suong (Nini Anne Hoyt).

The message also announced that the House had agreed to the amendment of the Senate to the bill (H.R. 1321) for the relief of Mrs. Doninga Pettit.

The message further announced that the House had agreed to the amendments of the Senate to the bill (H.R. 5106) for the relief of Flora Datiles Tabayo.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H.R. 7363) for the relief of Rito E. Judilla.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6186) to amend the District of Columbia Revenue Act of 1947 regarding taxability of dividends received by a corporation from insurance companies, banks, and other savings institutions.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 7824) to establish a Legal Services Corporation, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. PERKINS, Mr. HAWKINS, Mrs. MINK, Mr. MEEDS, Mr. QUIE, Mr. ASHBROOK, and Mr. STEIGER of Wisconsin were appointed managers on the part of the House at the conference.

The message further announced that the House had disagreed to the amendment of the Senate to the bill (H.R. 2) to provide for pension reform; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. PERKINS, Mr. THOMPSON of New Jersey, Mr. DENT, Mr. BURTON, Mr. QUIE, Mr. ERLENBORN, and Mr. SARASIN were appointed managers on the part of the House at the conference on title I of the bill; and that Mr. ULLMAN, Mr. BURKE of Massachusetts, Mrs. GRIFFITHS, Mr. ROSTENKOWSKI, Mr. SCHNEEBELI, Mr. COLLIER, and Mr. BROYHILL of Virginia were appointed managers on the part of the House at the conference on title II of the bill.

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ALLEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Under the previous order, the Senator is recognized to call up his amendment.

Mr. ALLEN. Mr. President, I call up amendment No. 1059 and ask that it be stated.

The PRESIDING OFFICER. The clerk will read the amendment.

The legislative clerk proceeded to read the amendment.

Amendment No. 1059 is as follows:

On page 75, line 23, strike out "exceeds $3,000." and insert in lieu thereof "exceeds—".

On page 75, between lines 23 and 24, insert the following:

"(1) in the case of a candidate for the office of President or Vice President, $250; and

"(2) in the case of any other candidate, $100.".

On page 76, line 2, strike out "exceeds $3,000." and insert in lieu thereof "exceeds—".

On page 76, between lines 2 and 3, insert the following:

"(A) in the case of a candidate for the office of President or Vice President, $250; and

"(B) in the case of any other candidate, $100.".

On page 76, beginning with line 23, strike out through line 5 on page 77.

On page 77, line 6, strike out "(e)" and insert in lieu thereof "(d)".

Mr. ALLEN. Mr. President, under the present law, contributions can be made to various committees of a candidate of up to $3,000 without the incurring of a gift-tax liability. This has enabled many wealthy contributors to contribute $3,000 to each of multiple committees, thereby allowing them to contribute much more than the $3,000 to a candidate without incurring gift-tax liability.

On July 30 last year the Senate passed S. 372, which at the time was hailed by many so-called reformers as a great forward step in the regulation of campaign expenditures. That bill provided—and the bill before the Senate at this time, S. 3044 provides—for a $3,000 limitation per contributor per candidate per election.

It is true that this will permit a man and his wife to contribute $3,000 each, thereby allowing a $6,000 contribution by the family.

The present bill provides a $3,000 limitation per contribution, and, Mr. President, I think that is going a long way. I think that is certainly a fine regulation up to a point. It is contained in S. 372 which was passed last year in this Congress, now pending in the House. I believe it would be the better part of wisdom if we waited and saw what the House was going to do with respect to campaign financing.

There is no doubt that the Senate wants strict regulation. The Senator from Alabama wants stricter regulation. So I believe, Mr. President, it would be well for the Senate first to wait on the House to act, because there is some question as to the degree to which the House has embraced or will embrace public financing. Once we find what the House will do, the Senate can write its version, and then we will be very near to an agreement on a bill, which could very nearly be resolved in the conference, and a bill would ensue.

We have already sent one bill over to the House, S. 372, passed on July 30 last year by a vote of 82 to 8. During the course of the consideration and action and passage of that bill, a public financing amendment was defeated by the Senate. That was just July of last year. So we sent to the House a bill providing for strict regulation of campaign expenditures, with a strict regulation on campaign contributions, but confining all of the contributions to the private sector. That was the action of the Senate in July of last year.

Now, before the House has acted on that bill—I will not say before the House has had an opportunity to act on it, not the full House; the committee has not seen fit to report a bill, but there is an indication that the chairman of the committee is going to see that some legislation is reported to the floor—the Senate is being called on to pass a bill with an entirely different approach.

What was the effect of our action before? I am not sure how many days or weeks we debated it. I think it may have been as long as 10 days on the floor. The distinguished chairman of the committee (Mr. CANNON) is here. He could give the exact number of days. But the Senate debated that bill for a week or 10 days and decided to keep campaign contributions in the private sector, by a yea-and-nay vote here on the floor, and by a substantial margin.

The present bill changes that approach entirely and seeks to finance the primaries of the Members of the House and Senate on a 50–50 matching, or potentially a 50–50 matching, as between private contributions and the Public Treasury, and to finance general election expenditures 100 percent out of the Public Treasury, which would allow, taking the largest State in the Union, a candidate for the Senate—and both of the California Senators have voted for public financing—to have a contribution by the Federal Government, or a part of the Federal Government, of up to $700,000 in matching funds. That would be the Government's contribution to the candidacy of any number of candidates for the nomination of the two major parties.

That would be up to $700,000 based on the amount of private contributions for each candidate for the nomination of the two parties. With that kind of financing, I rather imagine quite a number of candidates will be seeking the nominations of the different parties. And if the Federal Government is going to pay up to $700,000 in matching funds for the contributions of the various candidates, I think there will be a large number of candidates running for the Democratic nomination and a large number of candidates running for the Republican nomination. Then, if the two parties choose their candidates, who have been financed to a large extent by the Federal Government, up to $700,000 apiece, the Federal Government will take it over altogether.

Paying half the amount is not enough. We are asked to pay half of a candidate's expense—a large expense, I might say. I think that a little later on I shall offer an amendment to cut down the amounts allowed to be spent under the bill. I think that this bill escalates the cost of a campaign at a time when we ought to be trying to cut down on the cost of the campaign.

What does the bill provide for the fortunate fellows who have been chosen by the two major parties as their candidates in the general election for the Senate? Why, the taxpayers write each one of them a check for $2,020,000. Is that reform? I am for reform; I am not for a public subsidy. I am for cutting down on the overall expenditures, and I am for cutting down on the individual contributions. We cannot write a bill that is too strict for the Senator from Alabama with contributions and expenditures being in the private sector.

I would not care if they eliminated all private expenditures and all contributions just so long as they leave it in the private sector and do not hand the bill over to the taxpayers.

Mr. President, they say that the lessons of Watergate make it imperative that campaign election laws be changed and tightened up. They say that the only way we can do that is by handing the bill to the taxpayer. Well, that has been the solution of all of our problems for the last decade. When any problems come up, they pump a little more Federal money into the area of the problem and say that that will solve it. The same thing applies where they pump a little more money into the pockets of the politicians. They say that we will have a clean election in that way.

I do not see that policy. That is a non sequitur. There is no magic potion attached to a dollar received from the Public Treasury as distinguished from a dollar received from the private sector.

So turning the bill over to the taxpayer is not going to solve anything. But strict regulations, private contributions and expenditures, and strict rules as to the disclosure of the contributions and expenditures will go a long way.

The law that we have on the books now, the 1971 Campaign Expenditures Act, did mighty little in the way of reform. One thing that it did not do was to cut down on the amount of contributions; and that is what needs to be done.

It was argued at that time that disclosure was all that was needed; that if we disclosed what each candidate was doing, we would not need to put any limit on contributions. It does not work that way.

Another shortcoming, another shortfall in the present law, is that there is no effective limitation on campaign expenditures. What is covered in the campaign expenditure field? Why, all they seek to put a limit on is the expenditures for the so-called media advertising. I believe it is 10 cents for each person of voting age in the political subdivision from which the candidate is running. I believe it is up to 6 cents for radio and television and possibly 4 cents for other types of media advertising, but there is no limit whatsoever on the tremendous number and amount of other types of candidate types of expenditures.

What about mass mailing? I have not sent out any mass mailing as a candidate. However, I understand that is frequently resorted to.

Oh, sure, it is hard, with office space, car rental, campaign staffs, and the tremendous number of expenses that can come up. There is no limitation whatsoever on those areas of expenditures. Of course, that means tightening up.

S. 372, which the Senate has already passed, placed a 15-cent limitation per person on those of voting age for campaign expenditures. If we cut that 15 cents down to 10 cents, we would have a better law. That law has not passed. I say that we should wait for the House to send a bill over here that we can work on. Then, at least, we will have the House committed to that much of a concession in the area of campaign reform.

I would suggest caution in moving ahead at this time with an entirely different theory as to the approach on campaign financing, an approach of 180° in about 180 days to switch from private financing to public financing, which is what we are being called upon to do here by the authors of S. 3044.

I say that since the acute need for this legislation is pointed up by what is referred to as Watergate, I think it would be highly appropriate that we wait and examine the report which I understand is going to be filed either this month or next month by the Watergate Committee, the report which the Senate charged that committee with bringing back to the Senate on the recommendation that the committee makes to the Senate, Congress, and the Nation as to the best way of reforming the electoral process and the best way of properly controlling campaign contributions and expenditures.

That mission was assigned to that committee, and it has labored diligently for 15 months or more, and received the plaudits of the entire Nation for the dedication of its members and the results which it achieved. Why not wait and see what recommendations that committee will make?

Mr. President, I would say it is rather obvious why we are not going to wait on that report. All you have to do is read some of the votes here in the Senate on some of the issues both last year and this year. It is quite obvious that five members of the seven-man Watergate Committee are opposed to public financing of Federal elections. That is one reason why we are not waiting on that report, because it is known what the report is going to say, in principle. It is not going to recommend public financing; that is obvious from the votes taken here in the Senate. So that is the reason why this bill must be pushed at this time.

Mr. President, we have not yet tried strict regulation, such as would be provided by S. 372. We have not yet tried strict regulation of campaign receipts and campaign expenditures. If the House of Representatives would pass S. 372, and it were signed into law and given a fair trial, I believe it would go a long way toward cleaning up Federal elections in this country.

And not only has private regulation, or regulation of the election process and control of contributions in the private sector, not been tried, but we already have Federal financing, taxpayger financing of Federal elections, up to a point. We already have the checkoff; this bill as it came from the committee contained a plan not only to double the checkoff from $1 for a single person and $2 for a couple to $2 for a single person and $4 for a couple. But they were not satisfied with doubling that process, which is going to bring in enough money already to finance the 1976 election; they wanted to weigh the thing in favor of the tax spenders, of the politicians running for Federal office.

How did they plan to do that? Well, they provided, instead of this checkoff being on a voluntary basis, as it is now, that if the taxpayer did not say that he did not want his money checked off, they would check it off anyway, and he would be assumed to desire a checkoff as to his return if he did not specify to the contrary. That was just a little twist around to where it made the contribution involuntary, requiring him to take affirmative action to prevent the checkoff rather than the present law, which requires affirmative action to implement or put in motion the checkoff.

I am aware of the fact that this section has been deleted, to come up at a later time on another bill, but we might not have an opportunity to discuss it as fully at that time as we have at the present time. So let us see what this checkoff provides in the way of money out of the taxpayers' pockets.

Under the present checkoff regulation or law, which the Rules Committee which brought out this bill passed, I believed, by a vote of 8 to 1—the Senator from Alabama is on that committee, and his vote represented the one opposed to the bill—the committee said, on page 28 of the committee report:

> If all returns, individual and joint, should take full advantage of the one dollar check off the total cost would be $117,370,000.

With this amendment that they have:

> If, all returns should take full advantage of a two dollar check off the cost would be $234,740,000.

That is what the cost would be under this little checkoff provision that they have got. That sounds like some pretty important money coming under the checkoff. They are going to have enough money under the checkoff to finance the Presidential election of 1976.

Would it not be the better part of wisdom—I will ask the distinguished senior Senator from Illinois (Mr. PERCY)—would it not be the better part of wisdom to see how this plan works on the 1976 Presidential election before adding other offices or adding the Presidential nomination and the House and Senate primary and general elections? Would it not be better to see how it works at the Presidential level before adding other area offices?

Mr. PERCY. If the distinguished Senator from Alabama is asking me, I would be very happy to say that I have no objection to using our best judgment and going ahead with other offices as we in our judgment think may be good for one level as for another.

Mr. ALLEN. He would not want to wait and see how it works before trying to extend it to other areas then?

Mr. PERCY. All I know is that any system, almost, would be better than the present system we seem to be using.

Mr. ALLEN. I thank the distinguished Senator from Illinois. We are going to try to give him a better system but keep it in the private sector.

I have been addressing my remarks, I will say for the benefit of Senators who have just come into the Chamber since I started talking, to the fact that we already have public financing of Federal elections up to a point, and the Presidential election in full under certain circumstances, which I will outline in a moment.

Other elections are financed by the Federal Government in the operation of the income tax laws because the present law—and this bill seeks to double what I am going to outline—the present law, I believe gives a single person an absolute credit. In other words, just handing this amount to the taxpayer of $12.50 for any political contribution that he might make, including, of course, to the Presidential or the senatorial or the House of Representatives candidates.

A couple could claim a credit of $25.

Now if they wanted to go a different route and go the deduction route, there was a $50 deduction for an individual or $100 for a couple.

This bill as it came out of the committee doubled those amounts. I think that is going to be the pattern throughout, if we get this Federal financing, as every Congress will double what it will cost the taxpayer.

But here we have got the checkoff already financed by the taxpayers of the country, financed by the Public Treasury it would be better to say, because it does not cost the taxpayer any more as an individual taxpayer to assign a dollar of his tax liability toward this checkoff fund. We have that financed by the taxpayers, by the Public Treasury—the checkoff plan—and we have the credits that are allowed to the taxpayers if they want to go that route, or deductions if they want to go the other route.

Obviously, the deduction route would be chosen by a person whose income was high because he would then get more than this credit. The credit would be better used by a person of low income.

So, Mr. President, the committee bill sought to double these amounts and make it, I believe—speaking from memory, and if I am wrong, I am sure I will be corrected—the committee bill provided for credits of $25 for an individual, $50 for a couple, or deductions of $100 for an individual or $200 for a couple.

So S. 3044——

Mr. CANNON. Mr. President, if the Senator will yield at that point, the Senator is correct. That is the proposal that was in the bill as we reported it, in addition to raising the dollar checkoff to $2. That is the amount, as the Senator correctly stated earlier, which is now in title V and was stricken from the bill and has been referred to the Finance Committee. So it presently is not in the bill as it now stands.

Mr. ALLEN. The Senator from Alabama did not state to the contrary. He stated that the provision had been knocked out, but this might be a better opportunity to discuss it than we might have at a different time.

Mr. CANNON. I was just verifying the fact that the Senator's figures are correct.

Mr. ALLEN. Yes, and I thank the distinguished Senator from Nevada. I appreciate his diligence, his dedication, and his great knowledge in this area. Also his sincere desire to set up a workable plan that will inure to the benefit of the people of the United States as he sees it.

I just happen to see it differently. But I would be remiss in my duty if I did not say that I feel the distinguished Senator from Nevada (Mr. CANNON), the chairman of the Committee on Rules and Administration, has done an outstanding job in this area and in coming up with the bill as he was committed to do last year at the time the rider to the debt limit bill was withdrawn.

But the Senator from Alabama disagrees with the conclusion that the distinguished Senator from Nevada has reached, that to a certain extent public financing is in the best interest of the election process and of the people of this country.

I was commenting on the bill as it came from the Committee on Rules and Administration.

So, now, Mr. President, this bill, S. 3044, sets up a system of matching contributions in primaries and financing 100 percent the general elections.

Now let us see who is paying the bill.

In the primaries the Government is paying half of the contributions up to a certain amount in size, and in total amount for that matter.

Now the taxpayer that is the Government, under the present law and to a greater extent under the Senate bill as it came out of the committee, would provide for matching the individual contributions. But the taxpayer can put up a large portion of his and charge it off on his income tax with little net loss or cost to the taxpayer on the small contributions. So the Government is getting it in the neck going and coming. It matches the contributions and it funnels the money over to the taxpayer to put up a portion of his end of it. So, in a sense, it is the Government paying it all the way.

The rider that was not agreed to in the Senate did not go so far as to cover primaries of House and Senate Members. They said, "This is a little farther than we should go." But I notice that the Rules Committee has come out with a bill providing for matching funds in primaries.

Mr. President, let us see what it takes in the various primaries to become a candidate. Let us take the top office and see how that operates under the Senate bill, and let us see if this is in the public interest.

In the first place, it provides that a candidate for the nomination of one of the two major parties can spend up to $15 million in seeking the Presidential nomination. I say that in round figures. It is based on a formula of 10 cents per person of voting age throughout the country, and that is estimated to be approximately $15 million. It is provided that anybody desiring to seek the nomination of one of the parties can do so, but he does not receive any subsidy, any grant, any handout from the Federal Government until he has raised $250,000 in contributions of $250 or less. As soon as he reaches that threshold level, as it is called, of having raised $250,000, he goes in and makes a showing of that to the Commission, I assume, and the Treasury pays him that $250,000. Now he has another $250,000 with which to run.

Every time he receives a contribution of $250 or less, he is entitled to have that matched by the Federal Government, by the taxpayers of the Nation, up to the point of $7.5 million. That is what every candidate for the nomination will receive; and if this bill is passed, there will be several dozen, including 8 or 10 who serve in this Chamber.

I might mention in passing that one of the amendments that has been defeated in the Senate since this bill has been under debate was an amendment offered by the Senator from Alabama that would have provided that no Member of the 93d Congress would be eligible to receive any matching funds for a race for the Presidential nomination for the term starting January 20, 1977, which is the next race. That amendment received 36 votes. Numbered among those 36, however, was not a single person who is reputed to be, or alleged to be, or understood to be a candidate for the nomination of one of the major parties.

I took the position that if this Congress sets up a subsidy program of $7.5 million for everybody who wants to run for President, the Members of the Congress that creates that subsidy program should not be able to participate in any such subsidy. The majority of the Senate did not agree. I was pleasantly surprised, however, to receive 36 votes on that amendment. So 36 Members of the Senate felt that a program should not be set up by the 93d Congress in which Members of that Congress would stand to benefit to the tune of several million dollars apiece. It might be a good idea to reword that amendment before this bill is passed and submit it again, to see what the Members of the Senate think about it, after having reflected on it for awhile.

Mr. President, a person who is very popular in a State and who has no nationwide following whatsoever would not have too much difficulty, in my judgment, in raising $250,000 in his home State; nor would the leader of some pressure group, some far out group, have difficulty in raising that money. He would present the bill to the Federal Treasury and, in effect, would get on the Federal payroll from then on out, by the Federal Government matching his $250 or less contributions on up to $7.5 million.

Another consideration is this: It is not necessary that the recipient of this Federal subsidy spend any of it prior to the convention—or ever spend it, for that matter. But certainly he does not have to spend it prior to the convention. If he has collected $7.5 million in contribution of up to $250 and the Federal Government has matched that amount and he goes to the convention sitting on a war-chest of $15 million, and another candidate or two follow the same policy, and we have several candidates in Miami or in Chicago—those seem to be the cities that bid for these conventions—they could be at the convention with $15 million apiece.

Look at the possibilities for improper practices with these Presidential candidates who are greatly desirous of high office and are willing to work hard in an effort to obtain that nomination.

So, Mr. President, I believe that the financing of these Presidential election campaigns or Presidential nomination campaigns certainly is not in the public interest. Look at some of the beneficiaries of such a program. I notice in the newspaper that the former Governor of New York, Mr. Rockefeller, may possibly aspire to the Presidency. This Federal subsidy program would make it possible that the Federal Government would subsidize Mr. Rockefeller up to the extent of $7.5 million. Governor Rockefeller is said to be a candidate for nomination, I believe, of the Republican Party. If he were able to get enough private contributions up to $250 he would be eligible for a Federal subsidy of $7.5 million.

Governor Reagan of California would be eligible for a subsidy of up to $7.5 million. The distinguished senior Senator from Illinois (Mr. PERCY) has a commission set up to study whether he shall run for the Presidency or not, and if he decides to run and is able to get sufficient private contributions he would be eligible for Federal subsidies up to $7.5 million.

On this side of the aisle the distinguished senior Senator from Massachusetts (Mr. KENNEDY) would be eligible, if he were able to get sufficient private contributions, for a subsidy of $7.5 million.

Some of the other candidates who have run in the past would be eligible. The distinguished Senator from South Dakota (Mr. MCGOVERN) has shown he can get small contributions in abundance so he would be almost certain to receive a subsidy of $7.5 million if he ran for the Presidency.

This is a strange type reform. If that were the law the candidates for the Presidential nomination of the two major parties could receive up to $7.5 million out of the Public Treasury, and that is provided under this bill. Mr. President, you can rest assured that there will be a cry throughout this land for true reform, and that would be to do away with this $7.5 million-per-candidate subsidy plan. That is what the reform would be. It is not reform to set up a subsidy program for Presidential nomination candidates. That is not reform. That is subsidizing politicians, and that is not in the public interest, in the judgment of the Senator from Alabama.

Now, Mr. President, when the bill first came to the floor of the Senate I questioned the distinguished junior Senator from Rhode Island (Mr. PELL), who was one of the original sponsors of the bill. I pointed out to him that my examination of the bill did not disclose that there was a starting point for the making of contributions which would be matchable under the provisions of this bill.

He stated that that was true. So I asked him if that would indicate, then, that contributions made possibly several years ago, prior to the passage of the bill, would have to be matched out of the Public Treasury if they otherwise complied with the law. The distinguished Senator from Rhode Island considered there was no starting point, so these contributions made sometime back would be matchable.

I also pointed out to the distinguished Senator that I saw no statement that the Presidential elections referred to would be the last Presidential election, and it appeared that a man could take the position, "I cannot run in 1976; I am not quite ready and others are better known; I will wait until 1980." So contributions that a person gets now would work toward the 1980 race or the 1984 race. I asked the Senator if that would be matchable out of the Public Treasury. Oh, yes, that would be matchable, too.

Would it be possible, then, to have one class of recipients of the Federal subsidy running for President in 1976, another class running in 1980, and another in 1984? Well, he does not see anything to prevent it; that is what the law would seem to provide. A casual reading of the bill would indicate that and that was confirmed by the distinguished junior Senator from Rhode Island (Mr. PELL).

Now, Mr. President, they talk about whether this is an incumbent's bill or whether it is a challenger's bill; does it make better provisions for the incumbent, or does it make better provision for the challenger? Well, I stated here on the floor before, and possibly some Senators were not here then, as I see it this bill providing for the matching of candidates' contributions in the primary—I started to say for the House and Senate races but it also applies in Presidential races, as well—the candidate in the primary who is well known, who is the incumbent, who is in high office already, is in a better position to obtain more funds and contributions than the non-incumbent who is the less well-known candidate.

I use as an example the State of California. There, Mr. President, it is permitted to receive in contributions $1.4 million in the primary.

By the way, I neglected to mention that the purpose of the amendment is to cut down on the amount of permissible contributions, and I will get to that a little later.

If all of his contributions were $250 or less, or $100 or less in the case of a House or Senate candidate, he could receive in private contributions up to $700,000, and the Government would match that with $700,000.

I use for an example a lesser known candidate who might receive $100,000. My attention was called to the fact that it took $125,000 to even start the matching, but for the purpose of the illustration, the lesser known candidate receives $100,000 in matchable contributions. The better known candidate, the incumbent, if you please, receives, in this hypothetical instance, $700,000 in eligible contributions. Therefore, there is a $600,000 spread, so to speak—a $600,000 advantage—as between the incumbent and the challenger.

That is a pretty big advantage.

Let us see what happens when the formula of Federal matching is applied. There is a $600,000 spread before the matching takes place. The lesser-known candidate's $100,000 is doubled, and he ends up with $200,000 to draw on. The incumbent, being better known, having done favors for hundreds of people, and being the favorite, I assume, would be able to receive larger amounts in contributions. In the hypothetical instance, having received $700,000, that is matched by the Federal Government, so he ends up with campaign funds of $1.4 million. The challenger, having been at a $600,000 disadvantage before the public financing helps out, being $600,000 behind, when public financing gets through with him, he is $1.2 million behind his better known challenger, his better known incumbent.

So what is there here for the challenger? It looks to the Senator from Alabama as though the advantage lies with the incumbent, but we hear a whole lot of pious statements that a bill of this sort, public financing, is needed to do away with large contributions. We do not need public financing to do away with large contributions; all we have to do is pass S. 372. That cuts it down to $3,000 per contribution.

But the pending amendment which, after these few preliminary remarks I have gotten to, makes this provision. The $3,000 is too high. The $3,000 permissible contribution is too high, in the opinion of the Senator from Alabama.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. ALLEN. Yes, I am glad to yield.

Mr. KENNEDY. Mr. President, I have been listening to the comments of the Senator from Alabama, and I am interested in the basis for his feeling that the $3,000 contribution limit is too high. As I understand it, the genius of the proposal that has come out of the Rules Committee is that it provides the alternatives of either public or private financing. It leaves the decision to the individual candidate as to whether he wants to choose one method or the other to finance his campaign, or a combination of the two.

S. 372, which also came out of the Rules Committee, was debated here on the floor of the Senate last July, and by an overwhelming vote of some 80 to 8, it was the considered and overwhelming judgment of the Senate that $3,000 was a realistic limit for private contributions—low enough to prevent the most serious abuses of large contributions, but high enough to enable candidates to finance their campaigns without undue difficulty.

I wonder why the Senator from Alabama, who has obviously taken such a strong position in opposition to public financing, is offering an amendment whose effect may well be to eliminate the possibility of private financing of campaigns for public office, by setting the contribution limits at a level so low that no candidate may be able to finance his campaign privately. Most experts would say, I think, that this amendment would make public financing the only realistic way to go.

It seems that on the one hand, the Senator is saying, "I am opposed to any public financing of campaigns," but on the other hand, he is saying, "I am going to make it extremely difficult to finance campaigns privately, by fixing the contribution limits at very low amounts."

I would appreciate hearing what evidence the Senator from Alabama has which indicates that those who are attempting to run for election to the Senate or the House, particularly those who are virtually unknown, will be able to finance their campaigns under his amendment. How is a candidate going to build up a recognition factor or develop the kind of support to finance a campaign in a major industrial State, where hundreds of thousands, or even millions, of dollars are now routinely spent. How will they be able to reach that amount of money by contributions of $100 or less?

And his effort to raise funds will be more difficult, because other candidates for other offices will be trying to tap the same pool of small contributors. What happens when both candidates for President, both candidates for the Senate, and both candidates for a House seat are trying to raise small contributions in the same congressional district? Is the pool of contributors inexhaustible? What if candidates for State and local office are also making the effort to tap the pool? Would not the well run dry?

I wonder why the Senator is opposed to what I think has been the very constructive and positive compromise in S. 3044. Public and private financing can exist side by side as reasonable alternatives. A candidate could say, "I am going to run on public financing, so that I will not be obligated to any special interest groups, and so that I will be accountable to all the people." Another candidate could say, "I am going to rely on private financing, because I would rather not use public funds for my campaign, and the danger of special influence groups is not very great if their contributions are limited to $3,000." To me, the amendment of the Senator from Alabama runs the risk that it abolishes completely the opportunity to run with these kinds of alternatives.

I would like to know whether the Senator from Alabama can indicate to us the amount of money that has been raised already to fund Senate races. I would like to know whether that money has actually been contributed in amounts of $100 or less. I wonder whether the Senator from Alabama has any figures on that point.

Mr. ALLEN. I thank the Senator from Massachusetts for his comment. I am delighted that he finally got around to asking a question rather than making self-serving comments.

I would say to the Senator from Massachusetts that there is no magic in the $3,000 figure. Certainly, it is a step in the right direction, because under the present law there is no effective limit whatsoever. I support the $3,000 limit, if that is the best we can do.

When S. 372 was before the Senate, if the Senator will recall, there was an amendment that sought to cut the $3,000 down to $1,000. If I am not mistaken, a public service organization known as Common Cause recommended the $1,000 limitation. The Senator from Alabama voted for that limitation. At that time he would have voted for a stricter limitation. The Senator from Alabama is not one who believes that Members of the House and Senate, and those who make races to the point where they might challenge the Members of the House and Senate, are people of such nature that their conduct, their votes, and their actions would be influenced by contributions that they might accept.

I think that Members of the House and Senate should show restraint in this field. I think they should be willing to adopt a lower level of contributions, a lower level of spending. I will submit that public financing, far from cutting down on the amount of average expenditures in political races, is going to escalate, in the judgment of the Senator from Alabama.

So I believe that the best way to reform the election process, the best way to get true reform—I will certainly say we are not going to get true reform just by turning the bill over to the taxpayers—the best way to get true reform is to limit everybody—the incumbent and the challenger—to the overall expenditures and to limit the amount of permissible contributions.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. ALLEN. I had not finished answering, but I shall be glad to yield.

Mr. KENNEDY. If we follow the reasoning of the Senator from Alabama, it will lead us to public financing. He is talking about reducing the amount of contributions to an exceedingly low limit. That is the essence of public financing and the dollar checkoff—the dollar checkoff can pay for the entire 1976 Presidential election by what are, in effect, $1 contributions from millions of taxpayers.

If we follow the reasoning of the Senator from Alabama, I think it leads us right into the public financing legislation which we are currently considering. Instead of large contributions, the Senator from Alabama thinks that $1,000 is too large. So the Senator from Alabama goes to $250 in a Presidential race and $100 in a congressional race.

Let us carry that argument to the point of the dollar checkoff periods for the individual taxpayer to contribute $1. That is the system of public financing that has been incorporated into this bill. It makes the Members of the Congress responsible to all the people because all the people are financing the campaigns.

Mr. ALLEN. Mr. President, I thank the distinguished Senator from Massachusetts. The point that the Senator from Alabama is making is that if we limit contributions to $250 in Presidential races and $100 in House and Senate races, there is no possibility of these evil, corrupting influences that the Senator from Massachusetts fears. There will certainly be no way for a vested interest to gain any support or influence from a Member of Congress if his contribution is limited to $100, or to $250 in a Presidential race. It would be just as fair for one as for the other. It would deprive the incumbent of his ability—supposed ability—to get large sums of money, and would put him on the same basis as the challenger, whose contributions in all likelihood would be small.

So the effect of the amendment of the Senator from Alabama would be to have a leveling influence, and not have the biggest and fullest amounts, as would be permissible under the bill as presently drawn. I feel that a $3,000 limit is better than no limit whatsoever. When we were unable to reduce the amount in S. 372 to the $1,000 limit, the Senator from Alabama was glad to support the $3,000 limit. At that time the Senate took a stand for regulating campaign contributions and expenditures in the private sector. It saw no need back in July, at the time S. 372 was passed, of presenting a bill of a half a billion dollars every 4 years to the American taxpayers to enable the politicians in the land to run for Federal office.

So, as the Senator from Alabama sees it, under the present bill there is no matching for amounts over $250 in Presidential nomination races and no matching for contributions over $100 in the House and Senate races. So, there must be something evil or sinister about contributions above that amount, therefore, to cut them all down to the amount that the Federal Government will match. Thereby, we would help the challenger, the challenger being unable, according to the theory of the Senator from Massachusetts, to attract large contributions.

So this would put the challenger on the same basis as the incumbent, because every dollar that each of them would get would be matched, and the incumbent would not have the supposed advantage of getting out and getting large contributions that would not be available to the challenger.

So, as the Senator from Alabama sees it, this amendment cuts contributions down to $250 during the Presidential races and to $100 for the House and Senate races, and certainly a challenger's amendment.

It is a little man's amendment. It is an average man's amendment, and would better enable any person who aspired to Federal office to become a candidate, and to be on a level with the incumbent.

Mr. KENNEDY. Mr. President, if the Senator will yield further——

Mr. ALLEN. Yes.

Mr. KENNEDY. As I understand the thrust of the Senator's argument, he is concerned about challengers.

Mr. ALLEN. This is one of my concerns.

Mr. KENNEDY. One of his concerns on this particular amendment.

Mr. ALLEN. Honest elections is my main concern.

Mr. KENNEDY. Honest elections.

Mr. ALLEN. Yes.

Mr. KENNEDY. His concern is to make sure that a challenger will be able to finance his campaign and present his campaign program and campaign platform. Second, he is concerned about the sinister influence of large campaign contributions.

Mr. ALLEN. I was quoting the distinguished Senator from Massachusetts in that regard. The supposed sinister influence of large campaign contributions.

Mr. KENNEDY. The fact remains, Mr. President, that the best way to provide for challengers is to adopt the present provisions of S. 3044, because that will make it possible for the challenger to receive the same amount of money as the incumbent. Surely, if an incumbent and challenger are both forced to compete for small contributions, as the Senator's amendment would require, the challenger would be under a serious handicap, because the incumbent would generally be far better known.

So I believe the challenger would be served best by providing him with the opportunity to accept public financing for his campaign. If we carry through the logic and the reasoning of the Senator's argument, if his goal is to provide equity to the challenger, that is what S. 3044 would do. It provides an equal amount to the challenger and the incumbent, so that the challenger can go to the American people and say, "I am accountable to you, because you funded and financed the campaign."

Or, the individual may say, "I do not want to use public funds, I would like to run my campaign on private contributions." In this case, we have to provide some limit, some cutoff point, which will provide sufficient funds to finance a political campaign, but would be sufficiently low that the candidate will feel obligated to his contributors. We have to avoid the situation in which a candidate no longer has the appearance of owing his primary obligation to the American people.

What the Rules Committee has done is close the loophole in the election law that permitted W. Clement Stone, whose business happens to be the health insurance business, to contribute $2 million in 1972. The bill would reduce the total amount that he would be able to contribute to just $3,000. I think that is real progress, down to $3,000 from $2 million.

What the Rules Committee has attempted to do is give the incumbent and the challenger an alternative. If the challenger wants public funds, he can go to the Treasury for public financing. If he wants to use private funds, he can do so, but only at the rate of $3,000 per contributor. I do not maintain that $3,000 is necessarily the proper figure. You can get a difference of opinion as to whether it should be $2,000 or $4,000. These are ballpark figures, but they carry through what I think is the sound intent and purpose of the limitation, and that is to guarantee to the American people that no single contributor is going to have undue influence, in the committee rooms or in the Halls of the Congress of the United States.

Mr. ALLEN. Mr. President, I thank the Senator for his valuable contribution to the discussion. I was interested when he said S. 3044 would provide the challenger and the incumbent with an equal amount of money. Obviously that is incorrect, in this respect: that one of the supposed purposes of the bill is to give the challenger somewhere near an even break with the incumbent, because of the incumbent's admitted ability to raise larger sums in contributions for campaign financing.

I submit to the Senate that S. 3044 compounds the advantage that the incumbent already has, because if the incumbent can obtain more money in contributions than the challenger, then the contribution of the subsidy or the handout by the Federal Government to the incumbent is measured by the amount of his private contributions, as is the contribution to the challenger; it is measured by the amount of the contributions that he has received. So if the incumbent has already received more in contributions than the challenger, how in the world is it helping the challenger if the Federal Government doubles the amount that the incumbent has?

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. ALLEN. When I finish my thought I will be glad to. I assume that the Senator from Massachusetts was right here when I gave this illustration: Take the State of California, where, in the primary, it is possible for the Government to contribute as a subsidy to a candidate in a primary election up to $700,000, based on the amounts contributed by the individuals to the incumbent or the challenger. The incumbent, supposedly having the ability to get more in private contributions, might well obtain in the private sector $700,000 in matchable contributions, whereas the less known challenger might have to be satisfied with receiving $100,000 in contributions from individual contributors.

Mr. CANNON. Mr. President, will the Senator yield?

Mr. ALLEN. Let me finish my point. I understand that it takes $125,000 to trigger this procedure, but it is harder to work out the problem of mathematics with $125,000, I will say to the Senator, than with $100,000.

The challenger, receiving $100,000 as against the $700,000 received by the incumbent, that is the position he finds himself in before campaign reform, before public financing sheds its beneficent influence on the race. But at that time the Federal Government comes in, and presents to the incumbent $700,000 and to the challenger it presents a check for $100,000; so that, whereas the challenger was only $600,000 behind the incumbent before public financing enters into the picture, when public financing gets through with him, he is $1.2 million behind the incumbent.

So it is hard for the Senator from Alabama to see how the public financing aids the challenger, it looks to me like it is taking care of the incumbent just as this provision for $7.5 million for the various candidates for the nomination for the Presidency takes care of Members of the 93d Congress.

So I believe that this amendment should be adopted. It would prevent the case of the incumbent, supposedly able to get larger sums in contributions than the challenger, receiving the large contributions and would put the incumbent and the challenger on exactly the same basis. They would be limited to a $100 contribution if they are running for House or Senate.

I might say to the distinguished Senator from Maryland (Mr. MATHIAS), after his campaign has proceeded up to a certain point, and certain contributions have been received in his race, that he put a $100 limit on contributions that he is to receive in his race for the Senate right now.

I notice that Representative VANIK of Ohio is not going either to accept a contribution or to make an expenditure. My hat is off to him, to a man who will receive no contributions and make no expenditures. I would be glad to vote for an amendment of that sort on this bill and would gladly abide by it. If all expenditures and all contributions were eliminated, that would suit the Senator from Alabama.

Certainly the limit of $250 in a Presidential race and $100 in a House or Senate race, properly enforced, would see a transformation in American politics and in the American Government, if this amendment were to be adopted and it became the law of the land.

So, limit contributions to $250 for the Presidential nomination or the Presidential general election. Limit contributions to $100 in House and Senate primary races.

So, Mr. President, this would be a reform amendment. Public financing is not reform. That is just an added burden upon the taxpayer. That is all public financing is.

Does it help to clean up American politics and provide a system whereby $15 million could be spent by a candidate for the Democratic or Republican nomination for President, as much as half of it coming from the Federal Government?

Put them on the same basis. If they want to run, let them run. If they have the support, they will get the votes. If they have not the support, they will not. It is as simple as that.

It is not necessary for the American taxpayer to provide $7½ million worth of hoopla and carnival type politics. That is what this money will be used for. It will put on a big show. It is not necessary to spend that kind of money to present the issues to the American people.

Whoever gave the public finance people the idea that by making more money available in the contest for the Presidential nomination, that would clean things up?

The way to clean things up is to leave financing of Federal elections in the private sector and to reduce the amount of contributions.

Now, Mr. President, this amendment does not eliminate public financing. I wish it did. I wish it could be adopted. All it provides for is that it shall be the limit of a contribution in the private sector by an individual as an individual.

It still provides for public financing. It still provides for matching. But it puts everyone on an even basis. Any challenger, if he has got any following, could get out and raise campaign contributions in this area up to a $100 contribution. It would certainly remove any sinister influence. I do not quite understand the thinking of the Senator from Massachusetts (Mr. Kennedy) that every Member of the House and Senate is susceptible to improper influence. I just have a higher opinion of Members of the House and Senate than do some who espouse the cause of public financing. I just do not believe that any Member—I do not know of any Member of the House or Senate who would act improperly as a result of having received a campaign contribution. I feel certain that if contributions were limited to $100, I do not feel that that would put any Member of the House or Senate under a tremendous obligation to any person, to limit contributions to $100.

So, Mr. President, it is a question of whether we want to bring campaigns down to reality.

I remember reading back in the 1920's where one Senator from a State was denied a seat here in the Senate for having spent, Ithink it was around $100,000, in a race for the Senate.

What we need to do is to pass a law limiting contributions in the private sector and then proceed to enforce it and not just turn around and hand the money over to the candidate at the expense of the taxpayer.

I might say, too, Mr. President, that the Federal subsidies that go to the various candidates that are paid in the primaries on the basis of the matching contributions, they are not paid on the basis of matching expenditures. So that after the race is over, it will be up to the Government to get back its money if it could, if all the money was not expended properly.

Mr. President, there is nothing in this bill that provides for prudent management of this Federal subsidy. It is handed over to the candidate on a silver platter, both in the primary and the general election. There is nothing in here that I can read that would prevent a candidate hiring his brother-in-law to serve as his campaign manager at a salary of $100,000. There is nothing in here that would prevent a candidate from giving some person or agency an override on all campaign expenses.

The money would be thrown away, frittered away. But I do not suppose that is reason enough to ask that the Federal Government not institute a subsidy program—the fact that the money might be wasted. But wasted it will be—we can count on that—because some candidates would never have had it so good as under this public subsidy. The Federal Government would be pumping more money into their campaigns than they ever dreamed of. More than $2 million to each candidate for the Senate in each general election in California, $1.9 million to each candidate for the Senate in the State of New York. It would be handed to them, Mr. President.

Let us examine that for a moment. What do Senators make? In a 6-year period, they make a quarter of a million dollars, roughly that. Yet, in California the Government is going to pay each senatorial candidate, for his expenses, $2,121,000, and lesser amounts on down. Talk about campaign reform. That is some reform. It is change, yes. But every change is not reform. Reform, I would think, would mean to improve, to perfect. Well, is that improving the election process, to provide a campaign fund, out of the Public Treasury, nine times as great as a Senator's earnings in 6 years of his term? There is something wrong with a system of that sort.

The Federal Government, after having financed up to $700,000 for each candidate in the primary, now sets up a campaign fund for each candidate in the general election that is nine times as large as a Senator will earn as a Member of the U.S. Senate in a 6-year period. If that is campaign reform, Members of the Senate have a different idea of reform from that of the junior Senator from Alabama.

Mr. President, the distinguished former Senator from Delaware, Mr. John J. Williams, had a most distinguished career in the U.S. Senate for some 24 years, I believe. He was such a high-minded and able Senator, he was such a man of integrity and nobility of purpose, that he was known for many years as the conscience of the U.S. Senate, and he retired from the Senate voluntarily at the peak of his career. I heard him on one occasion, not on the Senate floor, explain that he had proposed a constitutional amendment that no Member of Congress should take the oath of office as a Member of Congress after he reached the age of 65.

In other words, if he were 64 at the time and took the oath of office, he might finish out his term; but after he reached his 65th birthday—I could be wrong on the date; it could have been 66 or 67, but I believe it was 65—he would no longer be eligible to commence a term in Congress.

He stated that while that amendment never did get anywhere in the Senate, even though it was not agreed to, he felt bound by its provisions inasmuch as he had proposed it. It takes a mighty big man to adopt that attitude. It takes a man of great integrity, integrity one has to admire. So, having served four terms in the Senate, and having passed the age of 65, he did not feel that he should ask the people of Delaware to return him to the Senate, as I feel certain they would have done overwhelmingly, and he retired from the Senate. So certainly he would take an objective view; he would not have a biased view of an issue pending before the Senate.

But this great man, this conscience of the U.S. Senate, has written an article which appeared in the Reader's Digest in March 1974.

Mr. President, I ask unanimous consent to have this article printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. ALLEN. Mr. President, former Senator Williams has made five suggestions as to reform of the election process. I believe that Members of the Senate might profit by reading this article and they might profit at this time if I were to read excerpts from the article. The article is entitled "After Watergate, a Plan To Control Campaign Bankrolling." A man known for years as the conscience of the Senate proposes five essential steps to remove the "for sale" sign from the U.S. Government.

I have heard language like that on the floor of the Senate, that that was the status of affairs in this country. I would hate to think that were true. Let us see what he suggests. Possibly he has a public financing plan to suggest. I did not think he would when I first picked up the magazine and read the article. On reading the article, I find he does not make that suggestion. His first suggestion is to shorten the campaign:

> Political campaigns cost so much, in part, because they last so long.

Well, the Senator from Connecticut (Mr. Weicker) had a plan to shorten the campaign. His amendment did many other things, but I do believe Members of the Senate might be willing to vote to shorten campaigns. As a matter of fact, I believe last year we did pass a bill to shorten the campaign by providing the primary must be held closer to the time of election. That was a good measure, but also in the House and Senate races, campaigns should be shortened. They last too long. There is too much apathy and there is too much boredom. I suggest that is why the sponsors of the bill try to create a $15 million fund for these various candidates for the Presidential nomination, so that they can shake some of the boredom and apathy out of the people and send up a lot of balloons, have a lot of girls dancing, with bands playing, parades, and the like paid for by the taxpayers, of course.

We need to remove some of the apathy from Federal campaigns. I believe the suggestion by Senator Williams to shorten the campaign would do that. I would hope the manager of the bill might offer an amendment to the bill that would accomplish that purpose. I do not believe he feels that the provisions of the bill are so sacrosanct they cannot be amended, although I admit he has not favored the amendments the Senator from Alabama has offered.

I do believe there are amendments he would agree to.

The article states further:

> The custom of prolonged campaigning originated at a time when much of the country was sparsely populated and a candidate had to travel by train or even on horseback for many months to communicate with the electorate. This tradition has been made obsolete by the jet airplane, television and other mass media. Yet our campaigns still drag on needlessly, consuming vast amounts of money and providing endless repetition.
>
> I recall that after President Eisenhower once spoke in my state of Delaware, I complimented him on his speech. "Well, Senator," he replied, "the first time I made that speech, I thought it was pretty good. The next ten times I made it, I thought it was okay. Now I've made it so many times I think it's terrible."
>
> I doubt that there is a politician alive who has not felt that way or who could not tell the people all he knows and thinks in two or three months. Thus, I believe that Congress should fix a uniform, nationwide date for the primaries and nominating conventions affecting all federal offices. By commencing the primary campaigns in early August, and the general-election campaigns in early October, we would at once sharply lower the cost of politics. At the same time, we would improve the quality of political discourse and heighten public interest in it.

That is a most constructive suggestion made by the distinguished former Senator from Delaware, Mr. John J. Williams.

I continue to read from the article, and this, in some respects, has been discussed on the floor:

> 2. Grant free television time and mailing rights.

The distinguished Senator from Delaware (Mr. ROTH), I believe, has in mind offering amendments that would carry out these suggestions of his former colleague, Senator Williams.

> Candidates in the seven Congressional districts in and around Detroit usually pay about $2000 for one minute of prime network television time. With costs in other metropolitan areas—New York, Los Angeles, Chicago, Philadelphia—even higher, it is not surprising that candidates for federal posts had to spend $32 million for TV and $28 million for radio in 1972.
>
> In urging free time for legitimate candidates, it is important to recognize that television and radio stations exist and make handsome profits because they have been given public property—namely, transmission channels, of which there are a limited number. So it seems to me only fair that the stations partially repay the public at election time by providing bona-fide candidates with the means of free communication of their political views.

Then, skipping ahead, and the entire article will be printed in the RECORD, he goes on to say:

> 3. *Get Big Business and Big Labor out of political bankrolling*. The law has long recognized, in theory at least, that it is wrong to allow corporations and unions to try to buy votes through political donations. As far back as 1907, Congress prohibited business contributions and unsecured loans by banks for political purposes, a ban that was reaffirmed by laws enacted in 1925 and 1971. Congress applied the same prohibition to unions in 1943 and 1947. But corporations and unions—as well as both major political parties—have flouted the intent of these prohibitions with virtual impunity.

Mr. President, I submit that that is what the amendment I have offered, No. 1059, would do. It would make small contributors the backbone of political financing.

> While reducing the costs of campaigns—

He is talking about suggestions he has made that would reduce the cost of campaigns. I do not see that this bill would reduce any costs—

> Make small contributors the backbone of political financing. While reducing the costs of campaigns, we should endeavor to spread the legitimate costs that do remain among as many citizens as possible.

So, Mr. President, I have proposed a limitation for House and Senate races of $100. Say a candidate got 2,000 individuals in his State to comply with the limit of $100. That would provide $200,000 in a primary. Bear in mind that this amendment does not remove the Federal subsidy. The Federal Government would then match that with another $200,000. That would provide $400,000 for a candidate in a primary.

That is over 10 times what the Senator from Alabama would spend in the primary this year in his home State. But all he would have to do would be to get 2,000 people to make a contribution of $100, and he would have a fund of $400,000. Does he want more than that? This is the primary; it is not the general election.

It certainly is not beyond the realm of the possible or likelihood that this provision, if adopted, would change the political climate of this country by putting campaign financing in the hands of people who would contribute $100 or less to House or Senate races and $250 or less in Presidential races, still carrying forward the matching feature.

If this amendment were adopted, we could follow it with an amendment that would cut the 15 cents per person of voting age down to 10 cents per person of voting age in the general election, and in the primary cut it down to 7½ cents from the 10 cents per person of voting age.

Senator Williams said, and I believe this is the best of the five suggestions that he made:

> Make small contributions the backbone of political financing.

That is not what this bill does. This bill permits contributions of up to $3,000 per person. For a man and his wife, it would be $6,000, and I daresay they would find other ways to make $3,000 contributions.

> Technically, present law makes it illegal for anyone to give a candidate more than $5,000. However, a donor may contribute to unlimited numbers of local committees established solely to funnel money to a candidate.
>
> As I pointed out at the start of my remarks——
>
> Thus, big contributors continue to supply a disproportionate share of campaign funds.

I believe if the word ever got around in this country that elections were being financed by people who could not contribute more than $250 to a Presidential race, and $100 to a race for the Senate or the House, we would have a whole lot more interest being taken in our political campaigns and in our election process and in the operation of Government generally. The people would feel that they have an interest in a part of the election process.

Mr. President, I believe this amendment is an amendment that should receive widespread support throughout the country, and I would like to see a vote on it, but I feel that we ought to wait overnight for a vote on this amendment. One amendment the Senator from Alabama offered last week in order to accommodate the leadership. The Senator from Alabama agreed to bring it up. There was no opportunity to test the feeling of the people throughout the country. Senators made their decision on the spur of the moment, and the amendment was defeated after having received 36 votes. That was an amendment which provided that no Member of the 93d Congress would be eligible to receive any Federal matching funds for a Presidential nomination campaign for the Presidential term starting January 20, 1977, which is the next term, of course. That amendment, if adopted, would have prevented any Member of the House or any Member of the Senate from receiving any Federal subsidy to aid his campaign for the nomination of either of the two major parties for President in 1976. It is clearly an amendment that should have received widespread support, because it is not right for Members of this Congress to set up a brand new scheme to draw money from the Public Treasury when they will benefit from such subsidy.

And if that amendment had been discussed for some 2 or 3 days, I believe it would have received a larger vote.

So, Mr. President, I believe that this amendment, cutting down the $3,000 down to $250 for Presidential nomination campaigns and to $100 for House and Senate primary and general elections, is a most important amendment and one that should receive the careful consideration of all Members of the Senate. I only wish that more Senators were present to head this matter being discussed.

Let us read on:

> Recognizing that a candidate should not become beholden to a comparatively few large donors, Congress is currently considering a proposal to have the federal government finance campaigns for national office. Worthy as the *aims* of this proposal are, I think such a plan is both undesirable and impractical.

That reminds me, Mr. President, of something the Washington Post has to say about this plan. They did not think much of the primary plan. Let us see what they said. I do not usually quote the Washington Post. However, I think their comment here is rather interesting. This is from the lead editorial of March 26, speaking of S. 372, a bill which I voted for in the Senate, as did most Senators, since the bill passed by a vote of 82 to 8. The lead editorial in the Washington Post of that date, speaking of the bill, though not by name, had this to say:

> . . . thus the Senate last summer sent the House a very solid bill to curb private giving and spending and to strengthen the enforcement of the elections laws. And today the Senate begins debate on a very ambitious bill to extend public financing to all federal primary and general-election campaigns.
>
> . . . The problem with the latest Senate bill is that it tries to do too much, too soon, and goes beyond what is either feasible or workable. For one thing, the bill provides for full public financing of congressional general-election campaigns, and that is clearly indigestible in the House this year, since the House leadership even chokes on the more moderate matching-grant approach embodied in the Anderson-Udall bill.

That goes along with my suggestion that we ought to try to wait for the House to send us a bill and let us tack our provisions on and then let it go to conference. As the editorial suggests, this plan is indigestible in the House this year since the House leadership even chokes on the more moderate matching-grant approach embodied in the Anderson-Udall bill.

I continue to read from the editorial:

> The more serious defects in the Senate bill involve the inclusion of primaries.

That is one of the things that the Senator from Alabama has been trying to bear down on.

I continue to read from the editorial:

> The more serious defects in the Senate bill involve the inclusion of primaries. No aspect of the federal elections process is more motley and capricious than the present steeplechase of presidential primaries.

That is pretty rough langauge about our friends who go out seeking the Presidential nomination. And we have some of those in this body, although they are not here right now. However, they are Members of this body.

I continue to read from the editorial:

> No aspect of the Federal elections process is more motley and capricious than the present steeplechase of presidential primaries.

That is what the Washington Post thinks about this question of the primaries.

I continue to read from the editorial:

> Injecting even partial public funding into this process, without rationalizing it in any other way, makes little sense. As for congressional primaries, they are so varied in size, cost and significance among the states that no single system of public support seems justifiable without much more careful thought.

So I say, "Amen" to that phase of the editorial from the Washington Post.

Mr. President, I was reminded of that editorial by the article written by former Senator Williams.

I read again from the article by former Senator Williams:

> Worthy as the aims of this proposal are, I think such a plan is both undesirable and impracticable. For one thing, Federal financing would make political parties unresponsive to the people. Guaranteed millions of dollars from the public treasury, a party would pursue extremist or outworn aims year after year simply because it would not have to go to the people for financial support.

And there is a much more important point. In the general elections. if we do deprive the people of their right to make contributions, we would just say that the taxpayer is going to pay it all and the people do not have to participate and that we do not need their money. How much interest is a member of the public going to take in the election then.

There is enough apathy already. There is enough disinterest already in the political process without a bill of this sort that would make for more apathy and more disinterest.

I read again from the article:

> In areas that are predominantly Democratic or Republican, candidates of the less-favored party would receive tax funds vastly disproportionate to their popular support.

That is another good point—in areas that are predominantly Democratic or Republican, candidates of the less-favored party would receive tax funds vastly disproportionate to their popular support. In other words, if the Democrats have 80 percent of a district and the Republicans have 20 percent, then both candidates would get the same amount of the public subsidy even though the people in the area are predominantly the other way. I continue to read from the article:

> The federal-financing proposal also seeks to impose a ceiling on overall campaign expenditures by limiting the amount a candidate may spend and by restricting individual donations to $100. In reality, this subsidy scheme could easily lead to even costlier campaigns, with the federal treasury simply adding on another layer of money.

Incidentally, that has been the system of Federal programs in the country. They start out small. There is one program—I will not say which one it was—that was just added as an afterthought to an appropriation bill and I heard Senators discussing it. I believe they put in some $40 million in this particular program.

In a matter of some 6 or 7 years, it had increased and mushroomed up to a billion dollars; and it was just put on as an afterthought on an appropriation bill.

So that could well—certainly not to that extent, but an increase in the program would certainly come about. They are already talking about doubling the amount of the checkoff, doubling the amount of the income tax credit, doubling the amount of the deduction. So, Mr. President, we could look for a further escalation of this Federal subsidy if it ever becomes law—this additional Federal subsidy, because, as I have already pointed out, we already had subsidization to a certain point.

> While candidates themselves could not exceed specified limits, nothing would prevent so-called "public interest" organizations from using their own money to promote politicians of their choice. Nor could a wealthy officeseeker be kept from promoting himself before he officially became a candidate.

I notice that the chairman is making some notes from time to time. I would like, at some later date, to be informed as to just when a campaign gets started and when the limit of overall expenditures starts applying.

> As an alternative to straight federal financing, I think we should adopt an idea first advocated by President Kennedy. Its objective is to stimulate myriad small contributions, which would leave candidates unobligated to a few big donors. Such stimulus could be provided by allowing taxpayers a 50-percent tax credit on donations up to, say, $300. Thus, if a man earning $10,000 and a man earning $100,000 a year each contributed $300, the two of them would be treated equally—each would receive a tax debate of $150.

Well, that is a little higher than I feel they should go, but that is moving in the right direction, anyway. That is the right plan. And I understand that the distinguished Senator from North Carolina (Mr. ERVIN), joined by the distinguished Senator from Tennessee (Mr. BAKER), on tomorrow will offer an amendment that would strike title I and substitute in lieu thereof a provision enlarging on the amount of the credit; it might be this very same figure—I rather believe it is—of $300.

> Simultaneously, to discourage large contributions, Congress should bar a candidate from receiving money through more than one committee—

I think that is certainly a step in the right direction. Instead of having 200 or 300 committees, just have 1. Just have one, whose books have to be audited. Just have one committee, so that these contributions cannot be split up and lost sight of, and come within the gift tax exemption. I think that is fine, to have only one committee.

> Congress should bar a candidate from receiving money through more than one committee and prohibit anyone from giving a candidate more than $300—with stiff tax penalties and jail terms for those caught cheating. Candidacies founded upon the spontaneous, truly voluntary support of many small contributors would be the most likely to produce the best political representation for all the people.

Item No. 5, suggested by Senator Williams:

> *Enforce the campaign-funding laws.* If properly enforced, existing statutes are, by and large, adequate to deal with the individual instances of dishonesty that will always be with us. Thus, no new laws were necessary during the past two years to successfully prosecute former Vice President Spiro T.

Agnew; Sen. Daniel Brewster of Maryland; Representatives Cornelius Gallagher of New Jersey and John Dowdy of Texas; and former Illinois Governor Otto Kerner. However, too often existing laws *have not been enforced*.

To provide for enforcement of the reforms that inevitably will be enacted, Congress should establish a federal-election commission composed equally of Democrats and Republicans.

This bill does provide an independent election commission made up pretty well as Senator Williams suggests.

The assurance that future scandals will not be covered up, no matter who is involved, will of itself help revive public confidence.

Watergate has damaged the country, and it would be foolish to pretend otherwise. And beyond Watergate we see flaws, inadequacies and multiplying problems in many sectors of our society. But, for all its defects, our democracy is still worth preserving and improving. Thus, it is vital that the Congress begin now to cleanse our politics and thereby to revitalize our faith in the democratic process. If the men presently in Congress do not act convincingly and effectively in the coming months, then at the polls next November all of us can exercise the old-fashioned American recourse of replacing them with men who will.

These are five excellent suggestions made by former Senator John J. Williams, of Delaware, who served with distinction in this body for 24 years, and who became known as the conscience of the Senate.

Of these five suggestions, not a single one of them calls for public financing of elections in the manner provided by this bill. He does suggest added credit to be allowed to individual taxpayers for their contributions, and he does advocate requiring free broadcasts over television and radio at times.

Mr. President, the Rules Committee has provided a most valuable paper indicating the proposed candidates' expenditure limitations based on the U.S. population figures as of July 1, 1973.

I ask unanimous consent to have it printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

PROPOSED CANDIDATE EXPENDITURE LIMITATIONS, U.S. POPULATION FIGURES AS OF JULY 1, 1973

Geographical areas	Voting age population (VAP) (18 yrs and ovar)	S. 3044—10¢ per VAP in primary elections [1]	S. 3044—15¢ per VAP in general elections	Base or minimum expenditures		General elections—Expenditures by National and State political party committees—2¢ times VAP of geographic area	
				Primary	General	National committees	State committees
United States—Primary [2]	143, 403, 000	$14, 340, 300	NA	NA	NA	NA	NA
United States—General [3]	141, 656, 000	NA	$21, 248, 400			$2, 833, 120	NA
Alabama	2, 338, 000	233, 800	350, 700			46, 760	$46, 760
Alaska	200, 000	20, 000	30, 000	$125, 000	$175, 000	4, 000	4, 000
Arizona	1, 345, 000	134, 500	201, 750			26, 900	26, 900
Arkansas	1, 374, 000	137, 400	206, 100			27, 480	27, 480
California	14, 143, 000	1, 414, 300	2, 121, 450			282, 860	282, 860
Colorado	1, 631, 000	163, 100	244, 650			32, 620	32, 620
Connecticut	2, 101, 000	210, 100	315, 150			42, 020	42, 020
Delaware	382, 000	38, 200	57, 300	125, 000	175, 000	7, 640	7, 640
District of Columbia	529, 000	52, 900	79, 350	125, 000	175, 000	10, 580	10, 580
Florida	5, 427, 000	542, 700	814, 050			108, 540	108, 540
Georgia	3, 140, 000	314, 000	471, 000			62, 800	62, 800
Hawaii	549, 000	54, 900	82, 350	125, 000	175, 000	10, 980	10, 980
Idaho	501, 000	50, 100	75, 150	125, 000	175, 000	10, 020	10, 020
Illinois	7, 568, 000	756, 800	1, 135, 200			151, 360	151, 360
Indiana	3, 530, 000	353, 000	529, 500			70, 600	70, 600
Iowa	1, 957, 000	195, 700	293, 550			39, 140	39, 140
Kansas	1, 570, 000	157, 000	235, 500			31, 400	31, 400
Kentucky	2, 235, 000	223, 500	335, 250			44, 700	44, 700
Louisiana	2, 399, 000	239, 900	359, 850			47, 980	47, 980
Maine	689, 000	68, 900	103, 350	125, 000	175, 000	13, 780	13, 780
Maryland	2, 720, 000	272, 000	408, 000			54, 400	54, 400
Massachusetts	4, 006, 000	400, 600	600, 900			80, 120	80, 120
Michigan	5, 922, 000	592, 200	888, 300			118, 440	118, 440
Minnesota	2, 575, 000	257, 500	386, 250			51, 500	51, 500
Mississippi	1, 453, 000	145, 300	217, 950			29, 060	29, 060
Missouri	3, 251, 000	325, 100	487, 650			65, 020	65, 020
Montana	474, 000	47, 400	71, 100	125, 000	175, 000	9, 480	9, 480
Nebraska	1, 042, 000	104, 200	156, 300			20, 840	20, 840
Nevada	365, 000	36, 500	54, 750	125, 000	175, 000	7, 300	7, 300
New Hampshire	531, 000	53, 100	79, 650	125, 000	175, 000	10, 620	10, 620
New Jersey	5, 030, 000	503, 000	754, 500			100, 600	100, 600
New Mexico	691, 000	69, 100	103, 650	125, 000	175, 000	13, 820	13, 820
New York	12, 665, 000	1, 266, 500	1, 899, 750			253, 300	253, 300
North Carolina	3, 541, 000	345, 100	531, 150			70, 820	70, 820
North Dakota	421, 000	42, 100	63, 150	125, 000	175, 000	8, 420	8, 420
Ohio	7, 175, 000	717, 500	1, 076, 250			143, 500	143, 500
Oklahoma	1, 832, 000	183, 200	274, 800			36, 640	36, 640
Oregon	1, 532, 000	153, 200	229, 800			30, 640	30, 640
Pennsylvania	8, 240, 000	824, 000	1, 236, 000			164, 800	164, 800
Rhode Island	677, 000	67, 700	101, 550	125, 000	175, 000	13, 540	13, 540
South Carolina	1, 775, 000	177, 500	266, 250			35, 500	35, 500
South Dakota	454, 000	45, 400	68, 100	125, 000	175, 000	9, 080	9, 080
Tennessee	2, 799, 000	279, 900	419, 850			55, 980	55, 980
Texas	7, 785, 000	778, 500	1, 167, 750			155, 700	155, 700
Utah	715, 000	71, 500	107, 250	125, 000	175, 000	14, 300	14, 300
Vermont	309, 000	30, 900	46, 350	125, 000	175, 000	6, 180	6, 180
Virginia	3, 243, 000	324, 300	486, 450			64, 860	64, 860
Washington	2, 329, 000	232, 900	349, 350			46, 580	46, 580
West Virginia	1, 228, 000	122, 800	184, 200	125, 000		24, 560	24, 560
Wisconsin	3, 033, 000	303, 300	454, 950			60, 660	60, 660
Wyoming	234, 000	23, 400	35, 100	125, 000	175, 000	4, 680	4, 680
Outlying areas:							
Puerto Rico	1, 651, 000	165, 100	247, 650			33, 020	33, 020
Guam	52, 000	5, 200	7, 800	125, 000	175, 000	1, 040	1, 040
Virgin Islands	44, 000	4, 400	6, 600	125, 000	175, 000	880	880

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[1] Presidential primary candidates may spend in any State twice the amount a candidate for Senate nomination may spend, subject to a national limit of $.10 times total VAP in connection with a campaign for presidential nomination.

[2] VAP for the primary election includes all geographical area populations because the outlying areas could participate in the presidential nominating process to the extent that they are permitted to send delegates to the national nominating conventions.

[3] VAP for the general election includes all geographical area populations except Puerto Rico, Guam, and the Virgin Islands because their residents are not permitted to vote in the presidential general elections.

Mr. ALLEN. Mr. President, the Congressional Digest of February 1974 contains an interesting history of the public financing legislation, beginning on page 35. The foreword points out:

Viewed by some Members of the Congress as the most complex subject which the newly-convened Second Session is likely to face is that of how U.S. election campaigns are financed. One aspect of the subject which will receive particular attention is whether, as some Senators and Representatives have proposed, some system should be adopted of using Federal tax revenues to provide significant financing to campaigns for Congress and for the Presidency.

Mr. President, I ask unanimous consent to have this article, beginning on page 35 until its conclusion, printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CONTROVERSY IN CONGRESS OVER PROPOSED FEDERAL CAMPAIGN FINANCING

FOREWORD

Viewed by some Members of the Congress as the most complex subject which the newly-convened Second Session is likely to face is that of how U.S. election campaigns are financed. One aspect of the subject which will receive particular attention is whether, as some Senators and Representatives have proposed, some system should be adopted of using Federal tax revenues to provide significant financing to campaigns for Congress and for the Presidency.

Over the years since 1910 (see page 36), Congress has enacted a number of laws seeking to regulate campaign financing. The 92nd Congress took several far-reaching actions in this regard, passing in 1971 the so-called "tax checkoff" plan of presidential campaign financing and—effective in 1972—a comprehensive "Federal Elections Campaign Act" (see page 37) requiring, among other things, detailed disclosure of both contributions to and expenditures by candidates for Federal office.

Notwithstanding these developments, efforts have been mounted in the present 93rd Congress to legislate further in the area of campaign financing. As will be seen in the article on page 40, pending before both House and Senate are a number of bills touching upon diverse areas of campaign reform, with a majority concerned in some degree at least with the question of campaign financing.

Although some Members express the view that the detailed statutes enacted within the past few years will, if properly enforced, adequately serve to prevent major campaign financing abuses, majorities in both House and Senate have indicated a willingness to consider further the subject of general campaign financing reform.

Sharp controversy has arisen, however, over the question of public financing of political campaigns. The present tax check-off system which makes funds available to the major parties' presidential candidates for their general election campaigns was, prior to its 1971 passage, debated and rejected on several occasions since first being proposed in the mid-1960's. In the First Session of the present 93rd Congress, although hearings touching upon public campaign financing were held in both houses (see page 41), the one concerted effort to secure adoption of a public campaign financing law died in the face of a Senate filibuster by opponents of such financing.

Proponents of public financing cite the heavy increase in campaign costs in recent years, a development attributed in part to inflation but, in much greater measure, to the mounting use of expensive mass media, particularly television, in campaigns conducted in even the smallest constituencies. Reliance on private financing, it is argued makes recipient candidates less than wholly independent on legislative questions affecting individuals and interests contributing substantial funds. It is further argued that lack of access to the financing required today to run for public office impairs the democratic process by foreclosing such opportunity to many worthy candidates who lack the financing required to mount a campaign.

Opponents, on the other hand, have characterized the effort to secure campaign financing from tax revenues a "Treasury raid," unnecessary in an open and affluent society. The fear is frequently voiced that public financing would place the allocation of campaign funds to all parties in the hands of the one incumbent national party—an arrangement potentially perilous to the free operation of the American party system.

In the coming months further consideration and debate on the subject have been promised by the leadership of both houses of Congress, with omnibus measures including both general reform provisions and public financing features expected to be included in any proposals finally presented to the respective houses for a vote. How they will fare in the political climate of a congressional election year, in the face of resumed "Watergate" hearings, and in the aftermath of the highly-charged political events of 1973, remains to be seen.

Exhibit 1

Campaign Financing Reform

(By Senator John J. Williams)

It will probably be a long time before we can fully assess the impact of Watergate and related scandals on American life. Indeed, at this point we cannot foresee what more may yet emerge from continuing investigations. But from the squalid evidence already visible, it is clear that political corruption in this country is not just a moral problem. It is one that imperils the very survival of our democracy.

There is, of course, no magic solution to the problem of corruption, and we should be wary of any political nostrum that purports to offer one. But the recent scandals do illuminate one area where reforms are both essential and possible. For the reprehensible, clandestine political acts connected with Watergate were financed and made possible by an excess of campaign donations, many of them secretly and illicitly obtained. Equally important, the flow of massive contributions into both parties has created the impression among millions of Americans that the government of the United States can be bought.

To restore public confidence in the integrity of government, we need to end the dependency of our candidates on special-interest contributions. This we can do to a significant extent by reducing the costs and changing the methods of campaign financing. I believe there are a number of reasonable steps that can be taken toward this goal.

1. *Shorten the campaign.* Political campaigns cost so much, in part, because they last so long. The custom of prolonged campaigning originated at a time when much of the country was sparsely populated and a candidate had to travel by train or even on horseback for many months to communicate with the electorate. This tradition has been made obsolete by the jet airplane, television and other mass media. Yet our campaigns still drag on needlessly, consuming vast amounts of money and providing endless repetition.

I recall that after President Eisenhower once spoke in my state of Delaware, I complimented him on his speech. "Well, Senator," he replied, "the first time I made that speech, I thought it was pretty good. The next ten times I made it, I thought it was okay. Now I've made it so many times I think it's terrible."

I doubt that there is a politician alive who has not felt that way or who could not tell the people all he knows and thinks in two or three months. Thus, I believe that Congress should fix a uniform, nationwide date for the primaries and nominating conventions affecting all federal offices. By commencing the primary campaigns in early August, and the general-election campaigns in early October, we would at once sharply lower the cost of politics. At the same time, we would improve the quality of political discourse and heighten public interest in it.

2. *Grant free television time and mailing rights.* Candidates in the seven Congressional districts in and around Detroit usually pay about $2,000 for one minute of prime network television time. With costs in other metropolitan areas—New York, Los Angeles, Chicago, Philadelphia—even higher, it is not surprising that candidates for federal posts had to spend $32 million for TV and $28 million for radio in 1972.

In urging free time for legitimate candidates, it is important to recognize that television and radio stations exist and make handsome profits because they have been given public property—namely, transmission channels, of which there are a limited number. So it seems to me only fair that the stations partially repay the public at election time by providing bona fide candidates with the means of free communication of their political views. At the same time, the present law, which requires stations to give equal time to anyone claiming to be a candidate, whether he has any serious credentials or not, should be repealed.

Congress should then promulgate criteria by which state-election officials can certify bona fide condidates for national office. It should also stipulate how much time stations must allot to them. This free access to broadcast media would greatly diminish what is often the largest item in a campaign budget.

The dependency of candidates on outside contributions could be further lessened by allowing them to mail one or two political statements to all voters free of charge. Presently prevailing printing and mailing costs make such mailings prohibitive. A Senate candidate running in California would most likely need to spend at least $1.1 million to reach every registered voter in the state. In Ohio, the total would be more than $500,000; in New Jersey, $400,000; in Georgia $250,000.

Incumbent Congressmen and Senators are already permitted to make mass mailings of "non-political" material that promotes their re-election efforts. By giving challengers limited mailing privileges, we would level the political scales now tipped in favor of those in office. In Great Britain, the practice of awarding candidates mailing privileges—and free television time—has proved both workable and effective.

3. *Get Big Business and Big Labor out of political bankrolling.* The law has long recognized, in theory at least, that it is wrong to allow corporations and unions to try to buy votes through political donations. As far back as 1907, Congress prohibited business contributions and unsecured loans by banks for political purposes, a ban that was reaffirmed by laws enacted in 1925 and 1971. Congress applied the same prohibition to unions in 1943 and 1947. But corporations and unions—as well as both major political parties—have flouted the intent of these prohibitions with virtual impunity.

As of last December, for example, at least eight executives had publicly admitted that their corporations made illegal contributions to the 1972 Nixon campaign. But Democrats as well as Republicans have shared in such political largess. Dairy lobbyists who gave $100,000 to the Republicans in 1969 also passed out hefty contributions to prominent Democrats in a position to influence Congressional legislation affecting dairy interests.

As for the unions, many, by a variety of measures, extract "voluntary contributions" from their members. These fixed "contributions," regularly deducted from each member's paycheck along with his dues, go into political funds controlled by union bosses. In the 1968 and 1972 elections, millions of rank-and-filers disagreed with the political candidates subsidized by their dollars. But they had no voice in the matter. Unions further aid favored candidates by financing "political education" and "voter registration" drives. Although nonpartisan in name, such campaigns are actually ultra-partisan because they are conducted only in those areas and among those voters known to favor the union leaders' candidates. Author Theodore H. White notes that in 1968 unions registered 4.6 million voters, distributed 115 million political leaflets, supplied 72,225 house-to-house canvassers, and on Election Day deployed 94,500 volunteers for political purposes.

To be sure political activity—including genuinely voluntary contributions—should be encouraged among all citizens. But Congress should enact stringent new laws which effectively bar corporate and union contributions in any form.

4. *Make small contributors the backbone of political financing.* While reducing the costs of campaigns, we should endeavor to spread the legitimate costs that do remain among as many citizens as possible. Technically, present law makes it illegal for anyone to give a candidate more than $5000. However, a donor may contribute to unlimited numbers of local committees established solely to funnel money to a candidate. Thus, big contributors continue to supply a disproportionate share of campaign funds.

Recognizing that candidates should not become beholden to a comparatively few large donors, Congress is currently considering a proposal to have the federal government finance campaigns for national office. Worthy as the *aims* of this proposal are, I think such a plan is both undesirable and impractical. For one thing, federal financing would make political parties unresponsive to the people. Guaranteed millions of dollars from the public treasury, a party would pursue extremist or outworn aims year after year simply because it would not have to go to the people for financial support. In areas that are predominantly Democratic or Republican, candidates of the less-favored party would receive tax funds vastly disproportionate to their popular support.

The federal-financing proposal also seeks to impose a ceiling on overall campaign expenditures by limiting the amount a candidate may spend and by restricting individual donations to $100. In reality, this subsidy scheme could easily lead to even costlier campaigns, with the federal treasury simply adding on another layer of money. While candidates themselves could not exceed specified limits, nothing would prevent so-called "public interest" organizations from using their own money to promote politicians of their choice. Nor could a wealthy office-seeker be kept from promoting himself before he officially became a candidate.

As an alternative to straight federal financing, I think we should adopt an idea first advocated by President Kennedy. Its objective is to stimulate myriad small contributions, which would leave candidates unobligated to a few big donors. Such stimulus could be provided by allowing taxpayers a 50-percent tax credit on donations up to, say, $300. Thus, if a man earning $10,000 and a man earning $100,000 a year each contributed $300, the two of them would be treated equally—each would receive a tax rebate of $150.

Simultaneously, to discourage large contributions, Congress should bar a candidate from receiving money through more than one committee and prohibit anyone from giving a candidate more than $3000—with stiff tax penalties and jail terms for those caught cheating. Candidacies founded upon the spontaneous, truly voluntary support of many small contributors would be the most likely to produce the best political representation for all the people.

5. *Enforce the campaign-funding laws.* If properly enforced, existing statutes are, by and large, adequate to deal with the individual instances of dishonesty that will always be with us. Thus, no new laws were necessary during the past two years to successfully prosecute former Vice President Spiro T. Agnew; Sen. Daniel Brewster of Maryland; Representatives Cornelius Gallagher of New Jersey and John Dowdy of Texas; and former Illinois Governor Otto Kerner. However, too often existing laws *have not been enforced.*

To provide for enforcement of the reforms that inevitably will be enacted, Congress should establish a federal-election commission composed equally of Democrats and Republicans. The assurance that future scandals will not be covered up, no matter who is involved, will of itself help revive public confidence.

WATERGATE has damaged the country, and it would be foolish to pretend otherwise. And beyond Watergate we see flaws, inadequacies and multiplying problems in many sectors of our society. But, for all its defects, our democracy is still worth preserving and improving. Thus, it is vital that the Congress begin now to cleanse our politics and thereby to revitalize our faith in the democratic process. If the men presently in Congress do not act convincingly and effectively in the coming months, then at the polls next November all of us can exercise the old-fashioned American recourse of replacing them with men who will.

Mr. ALLEN. Mr. President, recapitulating the action that has been taken on some of the amendments which have been acted on here in the Senate, the first amendment that was offered was an amendment by the Senator from Alabama that would have stricken title I of the bill. The bill contained at that time, I believe, five titles, one of the titles being the public financing title. The first amendment that was offered sought to strike that whole title from the bill.

However, it was defeated. The theory of the amendment was that the proper approach to campaign financing and the limitation on campaign financing should be to deduct the overall amount of the permissible campaign expenditures and to limit the amount of campaign contributions.

Strict regulation of Federal elections in the private sector has not been tried as completely and as fully as should be the case, because present law is completely inadequate in this area.

In the first place, it does not place any limitation on contributions, the thought being, I assume, that full disclosure of all contributions would be regulation enough. But this has not been the case, nor were campaign expenditures properly regulated. I believe, under present law, as to media advertising only, that is, radio, television, newspaper, and I believe billboards, the expenditures in that area are limited, the overall limit being 10 cents per person of voting age in the political subdivision from which the candidate runs.

And not more than 60 percent to go to radio and television and the balance to other forms of media advertising. But no limitation whatsoever was placed on the large number of other forms of expenditures, and no limitation was placed on the amount that could be spent for a campaign manager, so to speak, and no limitation was placed on the amount of expenditures for mass mailing literature, or for the printing and distribution of brochures and cards.

Mr. SYMINGTON. Mr. President, will the Senator from Alabama yield?

Mr. ALLEN. I yield.

Mr. SYMINGTON. I am trying to make my own plans. May I ask the Senator if he plans to have a vote today?

Mr. ALLEN. I respond to the distinguished Senator from Missouri by saying that I would like to see the amendment carried over until tomorrow and, at such time as we could reach an agreement to that effect, I would be glad to see the Senate recess for the day. But I feel that this amendment should go over until tomorrow rather than to be voted on, especially since we do not appear to have a quorum of Senators present on the floor, and Senators are refraining from asking for quorum calls hoping that other Members of the Senate might come in, so that we could discuss the matter. But the Senator from Alabama is not insisting on a vote. If an agreement could be reached that we vote at a given time tomorrow, the Senator from Alabama would be glad to yield the floor.

Mr. SYMINGTON. Then the chances are that there will be no vote today?

Mr. ALLEN. I believe we need to vote on this tomorrow.

Mr. SYMINGTON. I thank the Senator from Alabama very much.

Mr. ALLEN. Mr. President, the Senator from Alabama was discussing the inadequacies of present law regarding campaign expenditures and he pointed out that there is no limitation, as he recalls, in areas other than media advertising, that limitation being 10 cents per person of voting age, I believe, with not more than 60 percent of it going to the media and 40 percent to other forms of expenditures. But he pointed out that this leaves so many other areas for expenditure that are not limited, as in all traveling expense, all lodging expense, all overhead, all payrolls, all printing, all stationery, all telephones, all automobile expense—no limitation at all on any of that. So there should be a limit on that. I am glad that the present bill does increase this overall amount to—I say increase it—I am not glad about the increase, but I am glad they made it apply to all forms of advertising. I would prefer to have the 10 cents per person of voting age, but the Rules Committee has raised it up to 15 cents per person of voting age in a general election and 10 cents in the primary. This Senate bill adds the primaries, the House and Senate primaries. They were not covered in the original rider that was offered here last year and that failed of passage.

So the present law is inadequate; and the Senate last year, realizing that fact, passed a bill on July 30, 1973, by a vote of 82 to 8 and sent it to the House, where it still reposes. That bill did limit campaign contributions to $3,000. It provided that no cash contributions in excess of $50 could be made. A separate election commission was set up. All these were constructive proposals; and in time, I daresay, the House will act on this measure and send it back to the Senate.

The significant feature of S. 372 was that it provided for financing Federal elections in the private sector. No mention was made of public financing whatsoever. No extension of what we already have was provided for. As a matter of fact, the Senate, while this was still under consideration in the Senate, defeated a public financing amendment by a vote, I believe, of 52 to 40. It defeated the Scott-Kennedy amendment at that time, because it proposed Federal financing. That was turned down; and a pure bill—that is, a bill not infected with the public financing feature—went over to the House.

Now, Mr. President, this whole theory has been changed. No longer, apparently, do some Senators want to keep financing all campaigns in the private sector. They want to add public financing. They want to turn this bill for Federal campaign financing over to the public Treasury. That is their answer to the lessons, if any, of Watergate.

Reform the procedure? Greatly restrict contributions and expenditures? Provide for full disclosure? Is that enough? No. You have to hand the bill to the taxpayer. You have to let the taxpayer pick up the bill. If that is the answer to Watergate, if that is all the ingenuity and resourcefulness the Senate has, to present this multihundred million dollar bill to the taxpayer, we do not have too much originality.

When the Watergate Committee was set up some 15 months ago or so, the resolution provided that the committee would investigate these various happenings and make recommendations to the Senate as to what changes should be made in the election procedure. They are going to come out with a report, either this month or next month, making recommendations. I do not believe anyone has to be a seer or a soothsayer to predict that their recommendations are not going to embody any public financing proposals. Why do I say that? It is not that I am a member of the committee. It is not that I have made inquiry as to what recommendations they are going to make. All one need do is to check the votes of the Senators on the Watergate Committee. By checking the votes closely, or just casually, one will find that five of the seven members do not favor public financing. They believe that there are better answers to our problems, and better solutions, than just presenting a great, big, fat half-billion dollar bill—and by "bill" I mean statement of account—to the taxpayers. They think there are better solutions than that, and I agree with them. They are voting against these public financing provisions, because they know that is not a true reform. If you reform something, you improve it, you change it for the better, and you do not just give up and say, "Let the taxpayer pay the bill."

I note that pending at this time are amendments by the distinguished Senator from North Carolina (Mr. ERVIN) and the distinguished Senator from Tennessee (Mr. BAKER) to knock out title I, the public financing feature, and to substitute in lieu thereof a tax credit provision allowing the taxpayer a credit on his political contribution. It may be asked, Why not just subsidize the election? This would give the taxpayer the right to funnel his own funds to such candidate as he sees fit. The plan embraced in this bill, S. 3044, requires the taxpayer to pay for the campaigns of candidates with whose views and with whose philosophy he is in entire disagreement.

Mr. TOWER. Mr. President, will the Senator yield for a question?

Mr. ALLEN. I am delighted to yield to the Senator from Texas.

Mr. TOWER. The 24th amendment prohibits the imposition of a poll tax or the payment of any other tax as a qualification for voting. I wonder what the Senator might think of perhaps amending the Constitution and applying the user theory here, to the extent that every voter pays a fee and that fee is used to provide the fund for public funding of the campaign. In that way the people who do not choose to vote or participate will not get soaked for the expense of the campaign.

Mr. ALLEN. That is an interesting proposal, but I do not think I would submit such a proposal or be in favor of it.

Mr. TOWER. I doubt that I would either, but it seems to me that would be a fair way, rather than to take money from the general revenues of the United States.

Mr. ALLEN. It may be, but it does not offer too much appeal to me.

Mr. MANSFIELD. Mr. President, will the Senator yield when he completes his thoughts?

Mr. ALLEN. That will take quite a while.

Mr. MANSFIELD. Will the Senator yield now?

Mr. ALLEN. I am delighted to yield to the distinguished majority leader.

Mr. MANSFIELD. Mr. President, I understand the Senator from Alabama does not desire to vote on his amendment tonight.

Mr. ALLEN. That is the request made by the Senator from Alabama; that it be voted on tomorrow.

Mr. MANSFIELD. Would the Senator care to suggest a time?

Mr. ALLEN. I have no suggestion at all; any time the distinguished majority leader would suggest.

Mr. MANSFIELD. How about 12:30 p.m. tomorrow?

Mr. ALLEN. That is all right, or an earlier time.

Mr. MANSFIELD. How about 12 o'clock noon?

Mr. ALLEN. That suits me.

Mr. MANSFIELD. We will come in at 11 a.m. I wonder if the Senator, in view of the informal agreement just made, would consider the possibility of continuing his remarks tomorrow in the free period left, so that the distinguished Senator from Delaware (Mr. ROTH) could offer his amendment this afternoon, on which amendment there is a time limitation of ½ hour.

Mr. ALLEN. I have no objection. I wonder if the distinguished majority leader would incorporate in his request a little time for further discussion when we might possibly have a greater number of Senators present.

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MANSFIELD. The Senator from Montana wishes to ask the Chair what Senators have been recognized under special orders for tomorrow, if any.

The PRESIDING OFFICER. There are no special orders for the recognition of Senators tomorrow.

ORDER FOR ADJOURNMENT UNTIL 11 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate adjourns tonight, it stand in adjournment until 11 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a brief period tomorrow for the conduct of morning business for not to exceed 15 minutes with a time limitation of 3 minutes attached thereto.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR DIVISION OF TIME AND VOTE ON ALLEN AMENDMENT NO. 1059

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the remainder of the time on the Allen amendment be equally divided between the distinguished Senator from Alabama who now has the floor, the author of the amendment (Mr. ALLEN), and the manager of the bill, the distinguished Senator from Nevada (Mr. CANNON).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. And that the vote on the Allen amendment occur at the hour of 12 noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I express my appreciation to the distinguished Senator from Alabama for the agreement which has been reached.

CLOTURE MOTION

Mr. MANSFIELD. Mr. President, I send to the desk a cloture motion and ask that it be read.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair, without objection, directs the clerk to read the motion.

The assistant legislative clerk read the cloture motion, as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon the pending bill S. 3044, a bill to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

Mike Mansfield, Warren G. Magnuson, James B. Pearson, Robert Dole, Hugh Scott, Clairborne Pell, Frank Church,
Quentin N. Burdick, Marlow W. Cook, William Proxmire, Clifford P. Case, Henry M. Jackson, Daniel K. Inouye, Hubert H. Humphrey, Joseph R. Biden, Jr.,
Ted Stevens, Stuart Symington, Floyd K. Haskell, Birch Bayh, William D. Hathaway, Edmund S. Muskie, Jennings Randolph, Dick Clark, Jacob K. Javits.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. ALLEN. I thank the distinguished Senator for his remarks made in the first half of his statement about the Senator from Alabama. I appreciate his kindliness in that regard. I offer no thanks for his offering the cloture motion.

Mr. MANSFIELD. I am sure that the Senator from Alabama was not caught by surprise.

FEDERAL ELECTION CAMPAIGN AMENDMENTS OF 1974

The Senate continued with the consideration of the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that it be in order at this time to ask for the yeas and nays on the Allen amendment.

The PRESIDING OFFICER. The amendment is before us.

Mr. MANSFIELD. I ask for the yeas and nays on the Allen amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second. The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, again my thanks to the distinguished Senator from Alabama.

Mr. President, I suggest the absence of a quorum pending the arrival of the distinguished Senator from Delaware.

Mr. ALLEN. May I first yield the floor?

Mr. MANSFIELD. Yes.

Mr. ALLEN. Mr. President, I yield the floor.

The PRESIDING OFFICER. The Chair wishes to ask the distinguished Senator from Montana if in his unanimous-consent request he asks that the pending amendment be set aside so that there can be a discussion of the amendment by the Senator from Delaware?

Mr. MANSFIELD. I did not. I appreciate the suggestion of the Chair. I make that suggestion at this time.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. MANSFIELD. Now, Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is still the amendment of the Senator from Alabama.

Mr. MANSFIELD. Mr. President, I take it upon myself, with the approval of the acting Republican leader, to ask unanimous consent that the Roth amendment be laid before the Senate.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

The amendment is as follows:

TITLE VI—MAILING OF CAMPAIGN MATERIAL

DEFINITIONS

SEC. 601. For the purpose of this title—

(1) "candidate" means any legally qualified candidate for election who (A) meets the qualifications prescribed by the applicable laws to hold the office for which he is a candidate, and (B) is eligible under applicable State law to be voted for by the electorate directly or by means of delegates or electors;

(2) "Federal office" means the office of Senator or Representative;

(3) "Representative" means a Member of the House of Representatives, the Resident Commissioner from the Commonwealth of Puerto Rico, and the Delegates from the District of Columbia, Guam, and the Virgin Islands;

(4) "general election" means any regularly scheduled or special election held for the purpose of electing a candidate to Federal office; and

(5) "State" means each State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States.

AUTHORIZATION

SEC. 602. (a) Each candidate for election to a Federal office in a general election is authorized to make three mailings of his campaign material, free of postage, to persons registered to vote—

(1) in the case of a candidate for election as Senator, in the State in which he seeks election; and

(2) in the case of a candidate for election as a Representative, in the district in which he seeks election.

(b) Campaign material of such a candidate may be mailed free of postage only if the material—

(1) is mailed not earlier than sixty days preceding the date of the general election in which the candidate seeks election;

(2) bears on the outside in the upper right-hand corner the words "Campaign Material"; and

(3) sent to each registered voter each mailing does not exceed sixteen ounces.

(c) There are authorized to be appropriated to the United States Postal Service an amount equal to the postage that would have been paid on the campaign material mailed in accordance with this section if this section had not been enacted. In determining such amount, the campaign material shall be considered matter mailed by a qualified nonprofit organization under section 4452(b) of title 39, United States Code, as such section existed on August 11, 1970.

LIMITING USE OF FRANKED MAIL

SEC. 603. Section 3210(a)(5)(D) of title 39, United States Code, is amended—

(1) by striking out "or general"; and

(2) by inserting immediately after "runoff)", the following: "and less than one hundred and twenty days immediately before the date of any general election (whether regular, special, or runoff)".

PROHIBITION AGAINST OTHER MAILINGS

SEC. 604. (a) Except as authorized by section 602, no candidate for Federal office shall make a mass mailing of his campaign material less than one hundred and twenty days immediately before the date of a general election (whether regular, special, or runoff) in which he is a candidate.

(b) As used in this section, the term "mass mailing" shall mean mail matter the content of which is substantially identical but shall not apply to mailings—

(1) which are in direct response to inquiries or requests from the persons to whom the matter is mailed; or

(2) of news releases to the communications media.

Mr. TOWER. Mr. President, I suggest the absence of a quorum without the time consumed thereby being charged to either side on the Roth amendment.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO HOLD TEMPORARILY AT THE DESK MESSAGE ON H.R. 12627 AND THE BILL

Mr. MANSFIELD. I understand this unanimous-consent request has been cleared on the Republican side.

Mr. President, I ask unanimous consent that when received from the House, the message on H.R. 12627 and the bill be held temporarily at the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

Mr. TOWER. Mr. President, if the Senator will yield, would he amend the request so as not to charge the time to either the proponents or opponents of the Roth amendment?

Mr. MANSFIELD. I make that request.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO LAY UNFINISHED BUSINESS BEFORE THE SENATE TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that on tomorrow the unfinished business be laid before the Senate at the conclusion of the morning hour.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum, without the time being taken out of anyone's time.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR COMMITTEE ON LABOR AND PUBLIC WELFARE TO FILE REPORT ON S. 3203 UNTIL MIDNIGHT TONIGHT

Mr. JAVITS. Mr. President, I ask unanimous consent that the report by the Committee on Labor and Public Welfare on S. 3203, to amend the National Labor Relations Act, may be filed by midnight tonight.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The Senate continued with the consideration of the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

Mr. ROTH obtained the floor.

Mr. TOWER. Mr. President, if the Senator will yield, I ask unanimous consent that the time on the Senator's amendment run from the time of the recognition of the Senator from Delaware.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. ROTH. Mr. President, I call up my amendment No. 1121.

The PRESIDING OFFICER. The amendment is already before the Senate.

Mr. ROTH. Mr. President, I ask unanimous consent that Ray Jacobsen, of my staff, be permitted the privilege of the floor during the consideration and votes on my pending amendment and others.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROTH. Mr. President, I am today offering the first in a series of amendments which I plan to offer to S. 3044, the Federal Elections Campaign Act Amendments of 1974.

Before proceeding to explain this amendment, however, I am compelled to state my general views concerning campaign reform on which each of these amendments are built.

Without a doubt, there must be a reform of the current methods of conducting and financing political campaigns. These campaigns are too long, they are too expensive, they force a potential candidate to raise large amounts of money to purchase television time, make mass mailings, or travel throughout the Nation, his State, or his district.

The bill now under consideration, S. 3044, corrects several of the abuses associated with improper campaign activities. It limits the amount of money which any candidate can spend on behalf of his campaign. It limits the amount of funds which any particular person can contribute to a candidate's campaign. It requires each candidate to disclose the identity of his contributors and the amounts received by each donor. Moreover, an independent Federal Election Commission will be created by this bill to enforce the reporting and disclosure requirements of the 1971 Election Act and the penalties for violating these provisions have been increased.

Yet, in addition to these salutary provisions, S. 3044 goes one step further by authorizing the use of Federal funds to pay the costs of all future campaigns for Federal office. I have opposed the concept of "public financing" because I believe that it makes a fundamental change in campaign financing which diminishes each citizen's role in the political process.

As an alternative to "public financing," I have introduced legislation to allow each taxpayer to take a 50 percent tax credit for a political contribution of $150 by a single taxpayer or $300 on a joint return.

It has been estimated that public financing would cost $200 million in a Presidential election year while the Treasury Department says my tax credit approach will cost only $152 million. Through a combination of my proposal and the present dollar checkoff, it is my estimate that over $200 million will be available for the financing of all Federal elections in 1976.

I intend to present this proposal to the Senate Finance Committee when the Committee considers each of the tax-related provisions of S. 3044.

Mr. President, it seems to me that the "public financing" provisions of S. 3044, in reality, place more, rather than less, emphasis on the use of money in political campaigns.

In addition, these provisions may tend to separate the candidate from his constituency. For, once a candidate learns that he can tap the Federal Treasury for his campaign funds, he will no longer be encouraged to seek the maximum amount of personal contact with prospective voters.

Instead of carrying his campaign to the people through personal appearances or on television debates, a candidate will be encouraged to allow an elite group of specialists—such as "campaign consultants"—to manage his campaign by "packaging" the candidate through use of the latest Madison Avenue techniques.

In the future, slick, well-rehearsed "spot" announcements will become even more prevalent once "public financing" becomes law.

In order to give each citizen the knowledge which is a prerequisite to an informed exercise of the right to vote, I am offering two amendments to the Federal Election Campaign Act.

One amendment will amend the Communications Act of 1934 to direct the Federal Communications Commission to develop regulations to require television licensees to grant free air time, on an equitable basis, to candidates for Federal office. This will help equalize campaign resources.

The second amendment—and the one which I am today submitting for the Senate's consideration—will permit all candidates for congressional office, whether incumbents or challengers, to mail, at Government expense, three mass mailings of their campaign material to their potential constituents in the 60 days prior to a general election.

In exchange for the authorization to make three mass mailings during the final 60 days of the campaign period, all congressional candidates will be prohibited from making any mass mailings of their campaign literature within the 120 days immediately preceding a general election day. This provision is in accordance with S. 343, the bill presented by Senator BYRD of West Virginia and passed by the Senate last June which would shorten the campaign period to approximately 8 weeks.

Included in my amendment is a change in the laws governing the use of the franking privilege by Members of Congress. At present, no Member of Congress can make a mass mailing to his constituents during the 28 days prior to a general election in which he is a candidate. My amendment lengthens this time period to 120 days in order to place both an incumbent and a challenger on equal terms.

As used in my amendment, the term "mass mailings" includes literature, such as newsletters, which are substantially identical in appearance or content. It excludes mailings which are in response to persons who have written to the candidate during the campaign period. In addition the term does not include news releases sent by the candidate to the members of the press.

Mr. President, by giving each candidate the opportunity to mail, without postage, these mass mailings to potential voters, each candidate will be encouraged to present his or her views to those whom they seek to represent without incurring the large postage costs which are associated with large-scale mailings. By adopting this amendment, I believe the Senate will have made a substantial contribution toward reforming our present methods of campaigning for Federal office. I urge the Senate to adopt this amendment.

Mr. PELL. Mr. President, I recognize the objective of the Senator from Delaware. It is an excellent objective. I recognize also his thinking here, that it would eliminate abuses, while I feel compelled to oppose it. However, I believe the principal cost of three mass mailings of this sort to every registered voter would be substantial and should not be paid for by the Public Treasury. It actually could amount to more than the present 10-cent allowance in a primary or a 15-cent allowance in a general election. We are just checking now with the Post Office for the actual figures as to what it would cost. I think these are expenses that should be properly borne by the candidates and committees. And the way to handle it is to make sure that the frank is not abused. And this we have done by stretching out the present 30-day prohibition to make it 60 days. Those are my reasons for objecting to the Senator's amendment.

For that reason, and recognizing the objective and the merits of the Senator's arguments, I feel compelled to oppose the amendment.

Mr. ROTH. Mr. President, I would like to make two or three observations with respect to my amendment.

As I stated, what I would like to see done is a deemphasis of money in the campaign rather than an emphasis on funds.

Of course, I feel that is the basic thrust and one of the basic criticisms that can be made about public financing and that what we are really saying is that public funds should continue to be a major factor in the conduct of the campaign of any candidate.

What I am trying to do through the series of amendments I am offering not only with respect to this bill, but also in legislation which I have introduced in the past and will propose in the Finance Committee is to deemphasize money and the use of funds.

I would say to the Senator from Rhode Island that these mass mailings would go third class and they would not require, as they do not on the House side, the cost of addressing. I do not mean that it will not cost some money to the Government, because it will, but it will not involve the great cost that is envisioned.

In any event, it provides in an equitable manner for a fair means toward all candidates, whether they be incumbents or not, to communicate with their voters in such a way as to help deemphasize the use of money and bring back the campaign of the people directly to the candidates themselves.

Mr. PELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROTH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROTH. Mr. President, I ask unanimous consent that my amendment be modified so as to provide for two, rather than three, mass mailings.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the amendment is so modified.

Will the Senator from Delaware send his modification to the desk?

Mr. ROTH. Yes.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum, and ask unanimous consent that the time be not charged to anyone.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PELL. Mr. President, I have ascertained what the cost of third-class postage rates would be. The bulk rate is 32 cents a pound. Since this amendment, as modified, would provide for the sending of up to 2 pounds to each registered voter, or 64 cents, which would actually be more than six times the allowance for primaries or four times the allowance for general elections, I would be compelled more strongly than I had believed to oppose the amendment, because of the cost to the Government.

Mr. ROTH. Mr. President, I would point out that those figures are, as I understand them, what the post office would charge. Is that correct?

Mr. PELL. That is what the post office charges; that is correct.

Mr. ROTH. That is not necessarily exactly what the out-of-pocket cost to the Government would be.

Mr. PELL. We have not been able to ascertain that, but knowing Uncle Sam's reputation, I cannot believe that he would charge many times the cost of delivery. Perhaps he makes a little profit.

Mr. ROTH. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Delaware has 3 minutes plus.

Mr. ROTH. I just want to make one further observation. It seems to me that if we are willing to pay unlimited postage for incumbents, as we are—every Member of this body as well as every Member of the House of Representatives has no limit on the number of mass mailings he is permitted to make—this proposal would be well worth the cost to help the election process as well as to deemphasize the need of money. I agree that while it would involve a certain amount of cost to the Federal Government, it seems to me that if we can justify it for our own use during our time in office, it is justifiable as well during the campaign period.

Mr. COTTON. Mr. President, will the Senator yield for a question?

Mr. ROTH. I am happy to yield to the Senator from New Hampshire.

Mr. COTTON. From my hasty reading of the amendment of the distinguished Senator from Delaware, I take it that it refers to mailings.

Mr. ROTH. That is right.

Mr. COTTON. To three mailings?

Mr. ROTH. That is correct.

Mr. COTTON. I am in sympathy with that, the purpose of the amendment, because I come from a State that depends on mailings, since we have no television that reaches the entire State. However, the postage is now 10 cents, and if I were running for reelection—with the 10-cent postage rate, and depending on direct mail, as I have in every one of my campaigns, I would find some way, through my own organization, to distribute from door to door such literature and campaign material as I wanted to distribute, because I would not want to pay 10 cents postage on even three mailings.

If the Senator really wants to accomplish the purpose and limit all candidates to the same policy, to only three pamphlets or three letters or three appeals, I would find a substitute for mail distribution, because with a 10-cent mailing rate I think you would find in many States, particularly in the smaller States, that even as a matter of just saving dollars and cents, the candidates would be able to devise and find some other way.

I know that the night before election——

The PRESIDING OFFICER. The time of the Senator from Delaware has expired.

Mr. ROTH. Mr. President, I ask unanimous consent to proceed for 5 more minutes.

Mr. PASTORE. I object, Mr. President.

The PRESIDING OFFICER. Objection is heard.

Mr. PELL. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Rhode Island has 5 minutes.

Mr. PELL. I yield it to the Senator from Delaware.

Mr. COTTON. As I was saying, I remember that just before an election recently, I think it was my distinguished colleague from New Hampshire (Mr. McINTYRE) who was running that year, I had a very beautiful brochure pushed under the front door of my residence. They were distributed by hand.

That is my inquiry.

Mr. ROTH. Let me answer the Senator quickly, as I wish to yield, if I may, the remaining time to the Senator from New York.

As I mentioned during my statement, what we are trying to do is deemphasize funds. I have a series of amendments. It seems to me that this provision, even though it would cost the Federal Government a certain amount of money, affords all candidates, whether officeholders or not, an opportunity to communicate directly with the voters. I understand there are other methods to communicate, and they still might use those, but I would hope that this means would decrease the demand for other media.

I yield whatever time I have remaining to the Senator from New York.

Mr. BUCKLEY. Mr. President, I thank my friend from Delaware for yielding me this time, and I thank my friend from Rhode Island for yielding the time to my friend from Delaware.

I do believe that this is a very important amendment. It is one of which I am very pleased to be a cosponsor. It goes to the heart of what has been one of my great concerns over this legislation; namely, the fact that incumbents have undeniable advantages, the advantages of incumbency.

I feel that we must recognize that one of the principal sources of the advantage of incumbents is their ability to communicate with their constituents at public expense. This is a necessary right of communication. I have no objection to that. But I believe we should also recognize that it is terribly difficult to draw the line between those communications that are, you might say, in the line of duty as a Senator or Member of the House of Representatives and those communications that undoubtedly begin poaching on the whole campaign process.

So I see in this amendment two elements of reform: first, drawing a dividing line beyond which an incumbent is not allowed to mail, on a basis that gives him an advantage that is not equally applicable to the opponent, so that it seems to me that equity, it seems to me that considerations of trying to give a challenger some of the advantages that accrue to incumbency, it seems to me the kind of convenience of access that the mails apply, which is not necessarily possible especially in the more rural areas to people to volunteer—all of these considerations taken together suggest that the amendment is necessary, that it is an amendment that will spare this body a great deal of criticism, and that it is an amendment that recognizes there are advantages of incumbency that should be neutralized and equalized.

I want to compliment the Senator from Delaware (Mr. Roth) for offering the amendment. I hope that my colleagues will vote in favor of it.

Mr. PELL. Mr. President, I yield 2 minutes to my distinguished senior colleague, Mr. Pastore.

The PRESIDING OFFICER (Mr. Biden). The Senator from Rhode Island is recognized for 2 minutes.

Mr. PASTORE. Mr. President, if I thought for 1 minute, without trying to impugn the motives of any sponsor of an amendment, that those sponsoring these amendments were amenable to the idea, the philosophy, and the ideology of public financing, I would be more reluctant to do what I intend to do, and that is to move that this amendment be tabled.

Mr. President, what we are doing here is imposing on the Postal Service. The Postal Service is more or less, a private institution today. Here we are, bringing up all these amendments in a debate that is fast becoming a charade to the people of this country, a charade essentially because these amendments are being sponsored by those who will vote against public financing.

Financing is the name of the game insofar as this bill is concerned. So that when the proper time comes, Mr. President, I am going to move that this amendment be placed on the table because I am afraid, with all the pressing problems that confront the people of this country today, here we are in the Senate, with the price of meat going up, with the price of food going up, and we are in this inflationary spiral—why only today I heard from my own Governor who told me that the fuel adjustment will cost the consumers of Rhode Island one-third additionally on their heating bills. But here we are, fussing around whether we will have two mails, or three mails, on a bill that is not going to go anywhere once we pass it in the Senate. I think we can use our time to a more advantageous purpose. After all, if this Congress is against public financing, let us stand up and vote against it: If we are for it, then let us vote for it. But we are beginning to puncture it with holes. As the days go by, it begins to look more like a sieve.

These people who sit up in the galleries and watch us, will look down on this very austere body and to the last breath of their survival, they will say, "What are you doing down there? You are acting like a bunch of schoolboys."

We have been at this thing for 2 weeks now and we are going nowhere—and we are going nowhere pretty fast. I say, if we are for public financing, let us say so. If we are against it, then let us say so. Let us have it done with, regardless of how we decide it—it makes no difference to me. But we get up here and say we should do this, and then we should do that, and then we should do the other thing. We passed a similar bill a short time ago. It is lingering and languishing over in the House of Representatives. It will never see the light of day. Now we come along with this one. It will never see the light of day, either.

I say, we have got the no-fault insurance bill to consider, have we not? I say to my good friend, the distinguished Senator from Washington (Mr. Magnuson), that this is a bill which is very important to the people of this country. We have got a lot to do in education. There are many other pressing problems that will come before the Senate.

I say, let us begin to act like legislators and stop kidding ourselves, because the people of this country are not buying this charade for one moment.

Mr. ALLEN. Mr. President, will the Senator from Rhode Island yield?

Mr. PASTORE. I yield.

Mr. ALLEN. Has not the Senator from Rhode Island just made a very fine argument for drawing the bill down and let us proceed to other matters more important?

Mr. PASTORE. I do not want to draw down the big issue, which is, are we for or not for public financing? Let us face it. That is what this bill is intended to do. That is the question.

The PRESIDING OFFICER (Mr. Biden). All time has now expired.

Mr. PASTORE. Mr. President, I move to lay the amendment on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Rhode Island (Mr. Pastore) to lay on the table the amendment of the Senator from Delaware (Mr. Roth).

Mr. HRUSKA and Mr. PASTORE asked for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Rhode Island (Mr. Pastore) to lay on the table the amendment of the Senator from Delaware (Mr. Roth).

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD of West Virginia. I announce that the Senator from North Carolina (Mr. Ervin), the Senator from Arkansas (Mr. Fulbright), the Senator from Alaska (Mr. Gravel), the Senator from Indiana (Mr. Hartke), the Senator from Iowa (Mr. Hughes), the Senator from Georgia (Mr. Talmadge), and the Senator from California (Mr. Tunney) are necessarily absent.

I further announce that the Senator from Kentucky (Mr. Huddleston) is absent on official business.

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. Brock), the Senator from Oregon (Mr. Hatfield), and the Senator from Maryland (Mr. Mathias) are necessarily absent.

I also announce that the Senator from Virginia (Mr. William L. Scott) is absent on official business.

I further announce that the Senator from Vermont (Mr. Aiken) is absent due to illness in the family.

I further announce that, if present and voting, the Senator from Oregon (Mr. Hatfield) would vote "yea."

The result was announced—yeas 55, nays 32, as follows:

[No. 105 Leg.]

YEAS—55

Abourezk
Bartlett
Bayh
Bennett
Bentsen
Bible
Brooke
Burdick
Byrd, Robert C.
Cannon
Cook
Cotton
Cranston
Eagleton
Eastland
Fong
Goldwater
Gurney
Haskell
Hathaway
Hollings
Hruska
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Long
Magnuson
McClellan
McGee
McGovern
McIntyre
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Pastore
Pearson
Pell
Proxmire
Randolph
Ribicoff
Scott, Hugh
Stafford
Stevens
Symington
Taft
Tower
Williams
Young

NAYS—32

Allen
Baker
Beall
Bellmon
Biden
Buckley
Byrd,
Harry F., Jr.
Case
Chiles
Church
Clark
Curtis
Dole
Domenici
Dominick
Fannin
Griffin
Hansen
Hart
Helms
Mansfield
McClure
Metcalf
Packwood
Percy
Roth
Schweiker
Sparkman
Stennis
Stevenson
Thurmond
Weicker

NOT VOTING—13

Aiken
Brock
Ervin
Fulbright
Gravel
Hartke
Hatfield
Huddleston
Hughes
Mathias
Scott,
William L.
Talmadge
Tunney

So Mr. Pastore's motion to table Mr. Roth's amendment was agreed to.

CAMPAIGN SPENDING

Mr. PERCY. Mr. President, we now have the opportunity to debate and vote in the Senate on the type of financing of campaigns that we think best serves the interests of this country.

In studying this issue I keep three fundamental objectives in mind: First. Elections should be won and lost on the relative merits of the candidates and their positions, not on the basis of who can raise and spend the most campaign funds;

Second. No contributor should be in a position to extract special treatment from an officeholder; and

Third. Additional safeguards are needed to prevent self-enrichment through the improper use of public office.

I favor realistic, enforceable limits on campaign spending with insurance that credible challengers have a fair chance to obtain campaign funds. In my own case in 1972, committees for my reelection campaign raised and spent a total of $1,700,217, including $298,140 raised and spent prior to April 7, 1972, when the provisions of the Federal Election Campaign Act of 1971 became effective. This sum of money, though $1,000,000 less than a senatorial campaign for reelection also conducted in 1972 in a State of comparable population, still enabled me to far outspend my opponent in the 1972 Illinois Senate race, leaving him at a substantial disadvantage in getting his message across.

The Federal Election Campaign Act Amendments of 1974, S. 3044, currently being debated in the Senate, would limit a Senatorial candidate in Illinois to $756,800 in the primary and $1,135,200 in the general election in 1974 for a total of $1,892,000. If this expenditure ceiling had been in effect in 1972, I would have been under the allowable spending total by $191,783.

I am aware that campaigns in other States may have been over the new proposed limits as they were more costly per capita due to other variables such as a hotly contested primary, the number of media markets, the viability of the State party organizations, and so forth, so Illinois may not be the best example of the effects that passage of S. 3044 would have in the future. However, I think Illinois is an instructive example.

Therefore, Mr. President, I have come to the conclusion that we need responsible legislation on campaign spending that will make the system fair for all who seek public office and a main concern of ours must be equity for the challenger.

To further elaborate my views on the subject of campaign spending, Mr. President, I ask unanimous consent that a speech I delivered before the Money/Politics Conference in Washington on February 27 be printed in the Record at this point.

There being no objection, the speech was ordered to be printed in the Record, as follows:

Keynote Address by Senator Charles H. Percy

February 27, 1974.

I'm not sure that it's fair to ask me to cover the subject "Money—dash—Politics" in the brief time allotted. Alice Roosevelt Longworth, who is sharper than the rest of us, has been talking about money and politics for 90 years, and even she has barely dented the subject. Add gasoline lines, the Redskins and sex to money and politics, and you encompass 90 percent of the conversation in Washington on any given night.

The temptation and consequences of money in politics have been with us for a long time. While Washington's army starved at Valley Forge, Samuel Chase, a signer of the Declaration of Independence and later Chief Justice of the United States, tried to corner the flour market on the basis of inside information. Andrew Jackson's Postmaster General was forced from office for accepting kickbacks in awarding contracts for carrying the mail. President Lincoln had to remove his Secretary of War, Simon Cameron, who had arranged military contracts for companies in which he and his friends had an interest.

Two things, I suspect, have been responsible for transforming the dilemma of money in politics from a nuisance into a catastrophe:

1) Elected officials now often play the decisive role in both our personal and institutional financial affairs. If, for example, government did not have the power to influence milk prices and milk profits, it is doubtful that we would be concerned with the propriety of a political "milk fund" today.

And 2), the costs of gaining public office have reached stratospheric proportions. In 1956, it cost Dwight Eisenhower some $8 million to campaign successfully for re-election to the presidency; in 1972, Richard Nixon spent more than $60 million to do the same thing.

It has become expensive to run for almost any broad-based office, but staggeringly expensive to run for the presidency.

This year, as most of you know, I am exploring the feasibility of a '76 presidential race myself. Our proposed 1974 budget for this limited exploratory effort is $200,000—a puny amount compared with the cost of recent full-scale campaigns, but nonetheless an enormous sum of money—especially for those who have to raise it.

As more and more money oozed its way into the political process, it probably was inevitable that the irresistibly seductive nature of so much cash would one day take its toll. And in 1972, it finally did.

Today, it is not just the President who is paying a dreadful price for the perversion of money and power we call Watergate; we *all* are paying—Republicans, Democrats, big business, politicians at every level—and especially those of us in Congress. The entire country is paying a telling price in national self-esteem.

In a way, unhappily, we all deserve to pay. For much too long, we often turned away from obvious abuses of money in American politics.

When John Kennedy won Illinois' electoral votes in 1960 on the basis of some widely disputed returns from Chicago, much of the country winked at the triumph of good old fashioned machine politics.

In 1972, when burglars connected to the Nixon campaign were apprehended in the offices of the Democratic National Committee, much of the country—including most of the media—dismissed with a shrug the ominous implications. The nation had become so cynical about politics and politicians, in fact, that spying and break-ins were widely assumed to be commonplace facets of campaign strategy.

I, for one, do not believe they are politically commonplace at all, but the corrupting influence of big money in politics unquestionably *is*. If ever we are to reform the rickety apparatus which supposedly regulates the interaction of money and politics, surely this is the moment. In the aftermath of Watergate, public attention and concern at last are focused on the problem; we must act *now*, for if not now, then when?

The trouble is that while the malady is obvious, the sure cure is not. That is one reason I believe this conference is so timely and important.

In the weeks just ahead, Congress will be dealing with highly complex legislative initiatives in this area, some of which would reshape our political landscape. This is particularly true of taxpayer-financed federal election campaigns, which Common Cause and others believe is the only workable alternative to the present system.

I don't know if it is the *only* workable alternative, but some form of public financing seems the most sensible one that any of us have yet proposed if we are to preclude a repeat of 1972.

Public financing, like the other reforms now under consideration, deserve the most thorough possible airing, in floor debate, in the media and right here for the next two days.

Throughout this refining process of discussion and debate, I hope we all can keep in focus at least three fundamental objectives:

#1: Elections should be won and lost on the relative merits of the candidates and their stands, *not* on the basis of who can afford the most elaborate and costly campaign. In my 1972 senatorial race, my campaign committee far outspent that of my opponent. I like to think that I would have won on the basis of my record in any case, but obviously Congressman Pucinski was at a substantial disadvantage in trying to get *his* message across to the voters of Illinois. Not only must we place realistic, *enforceable* limits on campaign spending, but we must see that credible challengers somehow have a fairer chance to obtain sufficient campaign funds.

Objective #2: No financial contributor should be in a position to extract special treatment from an office-holder, which means that we must place *enforceable* ceilings on campaign contributions and ensure that all contributions and expenditures are matters of public record. I am reluctant to place an absolute prohibition on individual contributions, for I believe that widespread citizen participation in politics is a healthy and desirable thing. But Watergate is a harsh reminder of the perils of five- and six-figure political contributions. We ought to get rid of them once and for all and try the more reasonable upper limit of $3000 proposed in the Senate-passed reform bill.

Objective #3: Additional safeguards are needed to prevent self-enrichment through the improper use of public office. In this regard, I regret that there was no time on the conference program for an examination of the entire question of disclosure.

Frankly, I do not like the loss of privacy that goes hand-in-hand with mandatory financial disclosure by candidates and office-holders. As the Hearst case demonstrates, public knowledge of a family's financial status can sometimes directly affect its very safety.

Nonetheless, the public trust has been so frequently and flagrantly abused that I am forced to conclude that some form of significant disclosure—especially by candidates for national office—is in the public interest. Therefore, should I decide to become a full-fledged candidate for the 1976 Republican presidential nomination, I will disclose the value of my assets, now held in a blind trust, and will release full tax data for all the years I have held office, whether the law then requires it or not.

As we grapple with such thorny issues as disclosure and campaign financing, those of us in Congress have a two-sided opportunity. We can pass legislation which will help prevent fast and loose money from further perverting the political process; that's one opportunity. Or—its reverse—we can fuel the contempt we already have earned by perpetuating the toothless guidelines which govern money in politics now.

Many national institutions are on trial today, some literally, some figuratively. So, too, Congress stands at the bar of public opinion as once again we assume responsibility for policing ourselves, a role we have performed with minimal distinction in the past.

Perhaps it has always been the case, but one of the roadblocks to genuine political reform is that those of us who devise the rules of the game are hardly disinterested spectators; one assumes the Redskins would have made it to the Super Bowl this year, if only George Allen had been the referee.

My hope is that in time, we will look beyond our self-interest to the public interest. The country is understandably demoralized. Americans need a clear sign that their elected representatives remain capable of actually *doing something* about a given national problem. If we fail this time, we shall richly deserve the election-day consequences which are almost sure to follow.

Ultimately, of course, even the best legislation cannot by itself stop pay-offs, unreported contributions, peddled ambassadorships, laundered money, and all the other shoddy political rip-offs to which America has become so cynically accustomed. With or without legislation, it is going to remain difficult to clean up American politics in an atmosphere of widespread public callousness. "Everybody does it" is hardly a maxim conducive to reform, much less national distinction.

Everybody does *not* do it—every politician does not flaunt the law or grow rich through public service. That is not our most common lapse within the American political community. Rather, our most pervasive failure, especially these past ten years, is in the realm of *intellectual* integrity, or the lack of it.

Most of us, myself included, are drawn too easily into the subtler deceptions of politics—

the 10-second spot, the groundless charge, the rainbow promise. Forever understating our ambitions, *over*stating our accomplishments, over-*rating* our "solutions", we hardly notice that we have created a nation of disbelievers through this process of indirection. Our political dialogue has become so laden with minideceptions that now they are completely taken for granted. It is as if deception is what is expected of us politicians. Score one for the "everybody-does-it" syndrome.

One result of all this is that something important and quite wonderful has slipped away from us in recent years—not so much innocence as mutual *trust*. We trusted our leaders in America, as indeed we trusted most of our institutions, and each other. Government has long been viewed as foolish, bureaucratic and hopelessly extravagant, but only recently has it become an object of national contempt.

I don't know if we can reverse these trends toward disgust, despair, and disbelief; some would say it's foolhardy to try. But I think we must make a determined effort if these United States are to remain united in any fundamental sense.

Political leaders can help . . . *must* help, really, if we are to regain what John Gardner calls "a sense of ourselves as a people . . . of our own worth and our own values."

A good way to start is by seeking an end to the kind of duplicity and secrecy in government which produced first Vietnam and then Watergate. Much too much of the public's business is stamped "Top Secret", or shrouded in a dubious cloak of national security, or carried on behind closed doors. Why be so secretive about the workings of a government, which, after all, still belongs to and serves the people?

The reforms you will be analyzing at this conference can do much to "declassify" the elective process. But those of us who run for office must do more than merely comply with the letter of the election laws. I think we must take our case to the voters in a much more straightforward way than either we or they are accustomed to. For if we don't level with voters as we seek an office, how can they possibly expect us to level with them once we get there?

Our campaigns ought to address themselves more to the often unspoken realities of government, chief among which is that *everything costs something*—usually money, sometimes freedom, too often human life. Whatever the costs, candidates are reluctant to discuss them. And because citizens have been promised so much—great societies, law 'n' order—at no apparent cost, they are understandably angry and disillusioned when the costs turn out to be staggering and the promises overblown.

Isn't it about time that we eliminated this shadow-dance we perform at election time? It's long past time we faced up to extremely difficult and complicated choices in this country. How can the American people be expected to choose wisely if they are continually uninformed and misinformed by their present and would-be representatives in government?

More critical still, how can political leadership be effective until people find cause again to trust politicians? We in political life must work to regain that trust, for the cynicism which today engulfs American politics makes it terribly difficult to recover our national momentum.

But trust must be earned. And to earn it, our commitment must go well beyond reform of campaign financing. We have got to revamp communications between candidate and voter, government and the governed. Our entire political dialogue in America has to be more open and direct. It is time, quite simply, to trust the people with the truth. Only then will we truly deserve the privilege of holding public office in a free society.

Mr. DOMINICK. Mr. President, I call up my amendment No. 1124 and ask that it be stated.

Mr. MAGNUSON. Mr. President, may we have order?

The PRESIDING OFFICER. There will be order in the Senate. Senators will please be seated. The Senate will be in order so that the Senator can be heard. The Senator has requested that his amendment be called up. Unanimous consent is required since it already has been agreed that the amendment of the Senator from Alabama is pending.

Mr. DOMINICK. Mr. President, I ask unanimous consent that amendment No. 1124 may be called up.

The PRESIDING OFFICER. Is there objection?

Mr. DOMINICK. Mr. President, if anyone wishes to object, I do not mind.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, will the Senator explain the amendment first?

The PRESIDING OFFICER. The Senate will be in order.

Mr. MANSFIELD. Will the Senator explain the amendment?

Mr. DOMINICK. I am happy to.

Mr. MANSFIELD. It is the intention of the Senate to have no further votes tonight.

Mr. DOMINICK. Mr. President, I would like to have this measure as the pending business. I would be happy when we come back in to take it up. It may be there will not be a vote. There is a possibility the amendment will be accepted. This amendment provides for a simultaneous poll closing throughout the country.

Mr. MANSFIELD. I have no objection, but I would call to the attention of the Senator that the pending business is the Allen amendment. An agreement has been reached to vote on that amendment at 12 o'clock tomorrow.

Mr. DOMINICK. That is fine.

Mr. MANSFIELD. So the Senator's amendment would follow the Allen amendment. I suggest if the Senator's amendment is not accepted, any rollcall vote be put over until tomorrow because I have gone out of my way and told Senators on both sides that there would be no further votes tonight.

Mr. DOMINICK. I am happy to comply with that request. If there is to be a rollcall vote maybe we could put this right after the Allen vote.

Mr. MANSFIELD. That is fine.

Mr. DOMINICK. I could talk about it tonight.

The PRESIDING OFFICER. Without objection, the Senator from Colorado is recognized.

The amendment will be stated.

The second assistant legislative clerk proceeded to read the amendment.

The amendment is as follows:

TITLE V—POLL CLOSING TIME

SEC. 501. SIMULTANEOUS POLL CLOSING TIME.—On every national election day, commencing on the date of the national elections in 1976, the closing time of the polling places in the several States for the election of electors for President and Vice President of the United States and the election of United States Senators and Representatives shall be as follows: 11 postmeridian standard time in the eastern time zone; 10 postmeridian standard time in the central zone; 9 postmeridian standard time in the mountain time zone; 8 postmeridian standard time in the Pacific time zone; 7 postmeridian standard time in the Yukon time zone; 6 postmeridian standard time in the Alaska-Hawaii time zone; and 5 postmeridian standard time in the Bering time zone: *Provided*, That the polling places in each of the States shall be open for at least twelve hours.

Mr. DOMINICK. Mr. President, I shall not take very long because I think this is a relatively simple amendment.

The other day the Senate adopted, and I might say against my vote, the amendment offered by the distinguished Senator from Oklahoma (Mr. BELLMON), which provides that none of the media can release any information on Presidential elections until midnight of the day that the election occurs. Well, it seems to me that there are a lot of difficulties with that measure. First of all, I do not think it is going to be possible to enforce, as the distinguished Senator from Nevada said. Second, I do not think it is constitutional. I think there is really grave doubt as to whether we in the Senate can pass a law stating that no one can do something of that kind.

Therefore, this amendment, which has been accepted before as part of the American Bicentennial deal, was proposed, first, to take the sting out of the Bellmon amendment and, second, because it is advisable in and of itself.

The different time zones have a great effect on elections, as the Senator from Minnesota (Mr. HUMPHREY) and the Senator from Arizona (Mr. GOLDWATER) said the other day; and I shall not mention New Hampshire, but I have; and New York, for instance, can influence votes in other time zones, particularly when predictions are made on a nationwide basis.

It seems to me that the easy way to get out of this situation would be to have simultaneous closings of the polls. This would be difficult unless the people are given enough time to vote, so we have required that the polling places would be open for 12 hours, starting in the eastern zone from 11 until 11, the central zone from 10 to 10, mountain time from 9 to 9, the Pacific time zone from 8 to 8; then we go to the Yukon, Alaska, Hawaii, the Bering Straits, which would be 5 to 5. But I do not think that an awful lot of people will be voting out there anyway. But they do get up earlier than we do in the Eastern zone and they would have plenty of time to vote. So it does not create a problem for anyone. If it does not create a problem, then it would take some of the sting we have as a result of the Bellmon amendment. It is advantageous that we seek a solution to this matter.

Mr. President, I have felt for a long time that predictions made on the basis of computer projections before people go to the polls create a difficult situation for many voters. Many stay home, saying, "It is not worth voting," and others get mad and say, "I am going to vote because I do not like the computer system," and still others simply want to be on the winning side, if the computers show that that is the way people feel about it.

This provision would be effective in 1976, not in 1974, so we would have plenty of time before the next Presidential election to see if there are any serious difficulties in it, other than the preemption of the right of the States to set their polling times. That is the only defect I see, but if we are going to have major elections it seems to me advisable to close the polls at the same time regardless of whether the States say it is easier for their people to get up at 10 o'clock, or whatever it may be.

I hope my friend, the Senator from Nevada (Mr. CANNON), who I am sure has run into this problem in his State as I have in Colorado, will agree to the amendment.

I remember during the debate on this matter—I think it was last year or early this year—the Senator from Kentucky said he thought this was a far better approach than the Bellmon approach. It would be my hope, therefore, in view of the fact that the Bellmon approach has been accepted, that we can take some of the sting out of it by putting this particular amendment on the bill.

Mr. CANNON. Mr. President, I yield myself 3 minutes.

I think there are a lot of practical problems in this amendment. The Senator has suggested that the polling places would close, for example, in this area at 11 at night and open at 11 in the morning. There are many people who prefer to vote as they go to work, in the morning. This has been traditional throughout the country. Therefore, most of the people, before they go to work, would have the opportunity to vote. If this amendment were adopted, it would mean there would be complete shifts of people working at the polling booths, on the election boards, and so on, or else there would be a whole series of overtime problems, if the polls should open early in the morning and then remain open until 11 in the evening.

I wonder if the Senator has explored what cost might be involved with respect to the various States that would have to make this kind of shift, increasing the number of hours, and going into nighttime hours.

Mr. DOMINICK. No, I can say to the Senator; I have not explored that.

Mr. CANNON. I suppose it would be quite difficult. Basically, the Constitution provided that this would be a matter that the States would determine, although it provides that Congress may make such changes as it deemed advisable, except as to the places of holding elections. However, I think it is quite clear that at least the intent of the Constitution was this was an area in which the States will make a determination.

While I recognize the problem posed by the amendment that was adopted the other day—and I, too, voted against it; I think it was bad legislation; I do not think it should have passed through this body; I do not think it will ever get through conference—I do not know whether we ought to compound one piece of bad legislation by substituting for it another bad piece of legislation, because I am not at all convinced in my own mind that this is the kind of legislation we ought to be adopting to get at the problem that the Senator is very much concerned with.

Mr. DOMINICK. I can say to the Senator that, under the circumstances, I guess I had better get a yea-and-nay vote on it to see how the whole Senate feels about it. I do not think there are enough Senators here to order the yeas and nays on it at the present time, but let me say this to the Senator from Nevada. Let us say that there is a plan with a two-shift arrangement. There is plenty of time for them to go home in the daytime, and if they happen to have the early morning shift, they can vote before they go to work. Under present circumstances, it is perfectly easy for them to do it right after supper. If it goes from 11 to 11, there is more time, generally speaking, than there is otherwise, although most of the States now have a 12-hour polling time. Certainly they do in my State. I believe they have a 12-hour polling time in Nevada.

My guess is that it would not be any more expensive, and it would far more equitable.

If one wants to put it this way, in a horse race, we would like to be there at the finish line. A person is not there at the finish line under present circumstances, because all he is doing now is picking up a television projection. It does not always turn out right, but the Senator from Arizona (Mr. GOLDWATER) has said it did hurt him, and the Senator from Minnesota (Mr. HUMPHREY) said he thought it hurt him in 1968. All I can say to the Senator is that I cannot see how there could be much additional expense, and I think this is a far more equitable way to handle it than any way we have now.

Mr. COOK. Mr. President, will the Senator yield?

Mr. DOMINICK. I yield.

Mr. COOK. I wonder if I may make a suggestion. The Senator knows how I have felt on this for some time.

Mr. DOMINICK. Yes.

Mr. COOK. My chairman and I differed on the Bellmon amendment.

In view of the fact that the Senator from Colorado wishes to have a rollcall, and therefore that would occur after the vote on the Allen amendment, I wonder if the Senator, if he has completed his discussion, would withdraw his amendment now, and we could agree that his amendment could be disposed of after the Allen amendment.

To make a further suggestion, if the Senator would take the language of S. 372, we have already provided in that bill that Election Day would be a holiday. If that provision were in his amendment, along with the time zones, I think it should be a holiday. I think we are probably the only major country in the world that does not have a holiday in general elections. That is why in our history we have never even gone as high as 70-percent participation of the qualified voters, which I think in itself is nothing to brag about.

If the Senator were to combine those two provisions into his amendment, I think it would be more palatable.

Mr. DOMINICK. I thank the Senator from Kentucky for his courtesy. I think the first part of his suggestion would be something I would be happy to comply with, namely, to withdraw the amendment and put it off for a vote after the Allen amendment.

As far as making election day a holiday is concerned, I went into that at some length. There were enormous problems connected with that proposal. One of the problems that everybody cited was that this was a Tuesday. If it were a holiday, immediately there would be a demand for a long weekend, upon which occurrence everybody would take off, some to go South and go fishing, and some to go North and go hunting.

Mr. COOK. There is merit in the Senator's remarks. I do not know why we in the Congress and we who are responsible for the conduct of elections should find a great deal of magic in Tuesday. Again, I think we would have many more people participating in the elections in the United States if the election were held on a Saturday.

Somehow or other, it is very easy to sit here in Congress and decide to shift birthdays and decide to make someone's birthday on a weekend, when that was not his birthday at all, and then we get accolades from the people because of a long weekend. Perhaps the best thing we could do about elections is to have them held on a weekend, so the people could get another long weekend. There is nothing magical about Tuesday. I think we make a mistake when we do that. I think the question ought to be considered on the basis of the fulfillment of our responsibility and seeing to it that the biggest percentage of the American people possible—95, 96, 99.44 percent—who are registered and who are eligible to vote participate in the American electoral process. That is really what we ought to be looking for. If that cannot happen on a Tuesday, then it ought to be our responsibility to find a time when we could get the greatest number of people who have the greatest amount of time to participate in a national election.

Mr. DOMINICK. I can say to the Senator from Kentucky that I wrestled with the problem of changing the whole structure and trying to have an election earlier and the primary earlier and the convening of Congress earlier, so that we do not come into session in January and that we try to comply with the school law. I did all kinds of things in this area. The difficulty I ran into is that part of it requires a constitutional amendment, part of it requires a law, and after 18 months of it I gave up, realizing that I was not getting anywhere.

Mr. COOK. OK. When the Senator from West Virginia, who is present on the floor, discussed an amendment to have all primaries in the United States for Federal elections take place in August, and moved the date for the general election from November to October, unfortunately he and I were still traditionalist, because we stuck with Tuesday. Yet we were perfectly willing to move the primary dates, we were perfectly willing to move the general election dates, but we still stuck to Tuesday. Yet I think the Senator would honestly agree with me that we could move that date for the election.

Mr. DOMINICK. I agree with the Senator. It has been done for years, that is all.

And I hesitate to change it at this point and make it a holiday and undoubtedly give a lot of people a long weekend when they would not do much about voting.

Mr. COOK. That was merely a suggestion.

Mr. DOMINICK. I would say to the Senator that much as I would like to comply with him, I will comply with him at this time and withdraw my amendment at this time and offer it after the Allen amendment in the morning.

Mr. President, I ask unanimous consent that I may withdraw my amendment and call it up right after the Allen amendment with a one-half hour time limitation, the time to be equally divided in accordance with the original order.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

FRANK S. HOGAN

Mr. JAVITS. Mr. President, I wish to announce to the Senate the passing of Frank S. Hogan, a man who served for three decades as a district attorney of New York County.

There can be no greater tribute to a man than that he carried out his duties in the service of the law and its equal application to all with a single-minded devotion to the tradition and purity of that law unmatched in his time.

The death of Frank S. Hogan today marks the end of a legendary career which for more than 30 years stood for integrity, competence, and fairness in the administration of justice.

From his earliest days as an assistant to the late Thomas E. Dewey, Mr. Hogan sought to make the Manhattan District Attorney's Office a model for the Nation and he succeeded greatly in this endeavor. The independence or the integrity of his office was never in question. Assistant district attorneys were chosen on a nonpartisan, merit basis. Many alumni of Mr. Hogan's office went on to distinguished careers in law, Government, and business. Examples are: Former Secretary of State William P. Rogers, former judge and Ambassador to the Paris Peace Talks, Lawrence E. Walsh, Judges Stanly Fuld, Charles Breitel, Murray Gurfein, William Herlands, Whitman Knapp, Charles Tillinghast, chairman of the board of TWA, and many State Supreme Court Justices, members of the State legislature and law professors.

Especially in times like this when the integrity of the administration of justice and of the legal profession are constantly an issue before us Frank Hogan's career stands as a model inspiration.

For Mrs. Javits and myself I extend our most profound condolences to Mary Hogan.

DEATH OF PRESIDENT POMPIDOU OF FRANCE

Mr. JAVITS. Mr. President, I feel certain that Senators have heard of the announcement from France that President Pompidou has died. I know that many will join in the expression of sympathy for the people of France, who have lost their Chief of State, which is always a tragic moment in the life of any people.

It is uniquely applicable, because death merges all the cares of life and allows restatement of the tremendous bonds of friendship which exist between the French people and ourselves. This goes back in our history to the most perilous, earliest days, when France, through its great military leaders, helped to win the Revolutionary War and to bring into being American independence. All of our difficulties—and they are many and are serious—become very small when compared with the bonds of friendship and the love of freedom and our comradeship in arms, including comradeship in arms in World War II, in which I had the inestimable privilege, as a military officer, to serve.

I express the hope that in France, as here, the really profound values of freedom and justice, of civilization and culture, which we share with France, may bring us both to a better understanding of our respective positions, and may enable us to work out our immediate problems and continue under our auspices for all mankind.

France is a great nation with a proud history. I knew President Pompidou personally. Nothing could in any way be of more benefit in the effort toward the peace and prosperity of all mankind than to rekindle as a result of President Pompidou's untimely death this new attitude of cooperation and common striving. That, I believe, would be President Pompidou's finest memorial.

Mrs. Javits and I extend our deepest sympathy to Madame Pompidou and the Pompidou family.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 11 a.m. tomorrow.

After the two leaders or their designees have been recognized under the standing order, there will be a period for the transaction of routine morning business for not to exceed 15 minutes, with a 3-minute time limitation on each speech made therein, at the conclusion of which the Senate will resume consideration of the unfinished business, S. 3044. The pending question at that time will be on the adoption of the Allen amendment (No. 1059), on which there is a division of time with a vote to occur on the Allen amendment at 12 noon. The yeas and nays have been ordered thereon.

Upon the disposition of the Allen amendment, the Dominick amendment, amendment No. 1124, will be called up again with a time limitation of 30 minutes thereon after which a vote will occur. And we have been notified that it will be a rollcall vote.

ADJOURNMENT

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 11 o'clock tomorrow morning.

The motion was agreed to; and at 5:48 p.m. the Senate adjourned until tomorrow, Wednesday, April 3, at 11 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate, April 2, 1974:

DEPARTMENT OF STATE

Henry E. Catto, Jr., of Texas, Chief of Protocol for the White House, for the rank of Ambassador.

John E. Murphy, of Maryland, to be Deputy Administrator, Agency for International Development, vice Maurice J. Williams.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

James L. Mitchell, of Illinois, to be Under Secretary of Housing and Urban Development, vice Floyd H. Hyde, resigned.

DEPARTMENT OF STATE

Robert Strausz-Hupé, of Pennsylvania, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Sweden.

The following-named persons to be Representatives of the United States of America to the Sixth Special Session of the General Assembly of the United Nations:

John A. Scali, of the District of Columbia.

William E. Schaufele, Jr., of Ohio.

John H. Buchanan, Jr., U.S. Representative from the State of Alabama.

Robert N. C. Nix, U.S. Representative from the State of Pennsylvania.

Clarence Clyde Ferguson, Jr., of New Jersey.

Barbara M. White, of Massachusetts, to be the Alternate Representative of the United States of America to the Sixth Special Session of the General Assembly of the United Nations.

DEPARTMENT OF AGRICULTURE

Richard L. Feltner, of Illinois, to be an Assistant Secretary of Agriculture, vice Carroll G. Brunthaver resigned.

IN THE MARINE CORPS

The folowing-named (Navy Enlisted Scientific Education Program) graduates for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Capoot, Michael
Graves, William C.
Kane, Thomas G.

The following-named (Naval Reserve Officer Training Corps) graduates for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Bausch, Dan O.
Keffer, James C.
Moore, Charles
Potocki, Mark L.
Thomas, James P.
Wade, Joel M.

The following-named temporary disability retired officer for reappointment to the grade of colonel in the Marine Corps, subject to the qualifications therefor as provided by law:

See, Charles M., [redacted], USMC.

The following-named temporary disability retired officer for reappointment to the grade of lieutenant colonel in the Marine Corps, subject to the qualifications therefor as provided by law:

Arceneaux, Ewell J., [redacted], USMC.

The following-named (commissioned warrant officers/warrant officers) for temporary appointment to the grade of first lieutenant in the Marine Corps, for limited duty, subject to the qualifications therefor as provided by law:

Alnutt, Ronald H.
Armstrong, Russell P.
Armstead, Willie A.
Bancroft, Alfred M.
Barton, Charles H., Jr.
Beatty, Richard J.
Bixler, Roy H.
Borowitz, Thomas J.
Braund, Dennis A.
Brewer, Francis W., Jr.
Broughton, William C., Jr.
Caroway, Donald L.
Carr, Francis J.
Chronister, Hershel G.
Cope, Garnet E.
Craig, Hilton, Jr.
Craynon, Charles R.
Cunningham, Frederick M.
Dale, Wayne, R.
Dodd, Howard G.
Ehrler, Richard E.
Ellis, Jerry L.
English, Fred C.
Estrada, Sergion E.
Ferrell, Roy A.
Flihan, Frederick J.
Francis, George M.
Furman, Dallas D.
Goble, Philip E.
Grebas, James A.
Hall, Robert I.
Halloway, Henry D.
Hatfield, Joseph B.
Heinbaugh, Harold S.
Henry, Harold L.
Hester, Franklin R.
Hisle, William J., III
Hoffman, Paul R.
Johnson, Ernest E.
Kaonohi, Alexander K., Jr.
Labarge, Paul J.
Lafreniere, Aurel E.
Lambert, Charles E.
Lane, Donald A.
Long, Paul E., Jr.
Marcucci, John R.
McIntyre, Thomas J.
McRae, James R., Jr.
Morris, James T.
Morris, John V.
Mott, Frank W.
Mullin, Lawrence T.
Muschette, James, Jr.
Odell, Jerry W.
Pallett, Porter G.
Phillips, Robert P.
Richardson, Herbert C., Jr.
Robinson, Lloyd A.
Rodney, Marvin C.
Roman, Ramon, Jr.
Rossano, Paul A.
Scroggins, John D.
Sheldon, Albert W.
Sherman, Roger A.
Shivers, Stephen L.
Smith, Herbert S., Jr.
Songne, Lloyd D.
Showalter, Dan W., Jr.
Simmons, Gary G.
St. Ours, Joseph J. C.
Strawser, Robert L.
Stutler, Robert R.
Sweeney, John M., Jr.
Thomas, James M.
Turner, James A.
Tyler, Marcelo J.
Venegas, David
Webb, Ronald E.
Williams, Gene R., Sr.
Williams, George E.
Williams, Leroy
Wohlfarth, Jerrold A.

The following-named (staff noncommissioned officers) for temporary appointment to the grade of second lieutenant in the Marine Corps, for limited duty, subject to the qualifications therefor as provided by law:

Allen, Myron E.
Anaya, Richard C.
Anderson, Lawrence J.
Aquilina, Albert J.
Arnold, Clifford
Barrett, Charles M.
Barrett, James R.
Barth, Terrence G.
Beard, Fred W.
Bennett, Dellas R.
Bicknel, Philip A.
Bland, David J.
Brunstad, David P.
Budd, Ricky G.
Butler, Mathew A.
Cassell, Daniel C.
Chambers, Ronald R.
Chapman, William D.
Chastain, Wendell H.
Coco, Joseph D.
Connolly, Joel R.
Cork, James E.
Coyne, James J., Jr.
Cunningham, Wilbur L.
Daigger, Roger W.
Detrich, Homer D.
Dorsch, Albert G., Jr.
Dreher, Stephen M.
Duprez, Donald A.
Duran, Jerome M.
Esrey, John J.
Evans, Ronald E.
Fitzmaurice, Kermit E.
Gardner, Kerry D.
Gehrlein, Richard C.
Gelinas, Paul A.
Gibbs, Leon O.
Gipson, Melvin O.
Hacker, Robert E., Jr.
Haycock, Douglas M.
Haynes, Robert L.
Hearlson, Phillip R.
Hogans, Halie C.
Horrobin, William P.
Hughes, Leon D.
Johnson, Raymond K.
Keyes, Jerome
Keyes, John O.
Kimbler, Eugene
Koran, John G., Jr.
Kossick, Charles W.
Larson, Albert L.
Leath, Clay D.
Linder, Thomas L.
Lindley, Eugene W.
Lohmeier, Donald L.
Longworth, Stanley W.
Manaea, Frank S.
McCarty, James D.
McClain, Edward T.
McTier, John H.
Moranha, John P., Jr.
Nelson, Edward A.
Nickerson, George W., III
Orem, Wilbert E., Jr.
Osburn, James N.
Perales, Edward Y.
Pereira, Ronald V.
Perry, Richard A.
Pippin, Jerreld D.
Pomalesortiz, Jonas
Quinones-Tavarez, Pedro J.
Raedel, Gerald G.
Ralston, Lee F.
Rivers, William D.
Roamer, Richard H.
Roddy, Clarence J.
Rose, Charles W., Jr.
Roos, George D.
Schrader, Herbert M., Jr.
Simpson, Chester L.
Skelding, John T.
Smith, Gilbert M.
Smith, Robert L.
Stanton, Carl D.
Stewart, Ronald A.
Strickland, Gobel N.
Stride, Robert D.
Sullivan, Jerry W.
Swinson, Coral L.
Taylor, Floyd E.
Taylor, Lewis R.
Teel, Charles L., Jr.
Tench, Winfield J., Jr.
Thomas, Gerald M.
Thomas, Richard H., Jr.
Tokarz, Edward R.
Tonkens, Charles T.
Turley, Jerry W.
Turner, Andrew C.
Van Meter, Larry O.
Ward, Andrew L.
Weber, Allen R.
Wheaton, Ralph L.
White, Fred E.

The following-named U.S. Military Academy graduates for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Borje, Donald J.
Fenton, George P.
Kinnaman, James M.
Marsh, William T.
Miller, John H., Jr.
Thielke, Frederick L.

HOUSE OF REPRESENTATIVES—*Tuesday, April 2, 1974*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

See that none render evil for evil unto any man, but ever follow that which is good, both among yourselves and to all men.—I Thessalonians 5: 15.

O God, our Father, humbly and reverently we lift our hearts unto Thee praying that Thy grace may cleanse us, Thy power may strengthen us, Thy love may purify us, and Thy wisdom may make us wise. Set us free from the bonds that separate us from each other and draw us together as a people united in spirit and in truth determined to keep freedom, justice, and cooperation growing in our world.

Grant unto us those deep and abiding convictions which make our Nation great in goodness, wise in wisdom, steady in spirit, honest in heart, and fruitful in the faith of our Founding Fathers. May noble virtues live nobly in us as we give them hands and feet in this day.

In the spirit of Him who is the Way, the Truth, and the Life, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Marks, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On March 16, 1974:

H.R. 8245. An act to amend Reorganization Plan Numbered 2 of 1973, and for other purposes; and

H.J. Res. 905. Joint resolution extending the filing date of the 1974 Joint Economic Committee report.

On March 22, 1974:

H.R. 5450. An act to amend the Marine Protection, Research, and Sanctuaries Act of 1972, in order to implement the provisions of the Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter, and for other purposes; and

H.R. 6119. An act for the relief of Arturo Robles.

On March 28, 1974:

H.R. 13025. An act to increase the period during which benefits may be paid under title XVI of the Social Security Act on the basis of presumptive disability to certain individuals who received aid, on the basis of disability, for December 1973, under a State plan approved under title XIV or XVI of that act, and for other purposes.

On March 29, 1974:

H.R. 2533. An act for the relief of Raphael Johnson.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first individual bill on the Private Calendar.

MRS. ROSE THOMAS

The Clerk called the bill (H.R. 2535) for the relief of Mrs. Rose Thomas.

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

COL. JOHN H. SHERMAN

The Clerk called the bill (H.R. 2633) for the relief of Col. John H. Sherman.

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

ESTATE OF THE LATE RICHARD BURTON, SFC, U.S. ARMY (RETIRED)

The Clerk called the bill (H.R. 3533) for the relief of Richard Burton, SFC, U.S. Army (retired).

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

MR. AND MRS. JOHN F. FUENTES

The Clerk called the bill (H.R. 2508) for the relief of Mr. and Mrs. John F. Fuentes.

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

MURRAY SWARTZ

The Clerk called the bill (H.R. 6411) for the relief of Murray Swartz.

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

ESTELLE M. FASS

The Clerk called the resolution (H. Res. 362) a resolution to refer the bill (H.R. 7209) for the relief of Estelle M. Fass to the Chief Commissioner of the Court of Claims.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that the resolution be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

RITA SWANN

The Clerk called the bill (H.R. 1342) for the relief of Rita Swann.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

LEONARD ALFRED BROWNRIGG

The Clerk called the bill (H.R. 2629) for the relief of Leonard Alfred Brownrigg.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

BOULOS STEPHAN

The Clerk called the bill (H.R. 4438) for the relief of Boulos Stephan.

There being no objection, the Clerk read the bill as follows:

H.R. 4438

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provision of section 212(a) (23) of the Immigration and Nationality Act, Boulos Stephan may be issued a visa and admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of the Act: *Provided,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FAUSTINO MURGIA-MELENDREZ

The Clerk called the bill (H.R. 7535) for the relief of Faustino Murgia-Melendrez.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

ROMEO LANCIN

The Clerk called the bill (H.R. 4172) for the relief of Romeo Lancin.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

RUSSELL G. WELLS

The Clerk called the bill (H.R. 8545) for the relief of Russell G. Wells.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

AUTHORIZING SECRETARY OF INTERIOR TO SELL RESERVED PHOSPHATE INTERESTS OF THE UNITED STATES IN CERTAIN LANDS IN FLORIDA TO JOHN CARTER AND MARTHA B. CARTER

The Clerk called the bill (H.R. 10626) to authorize the Secretary of the Interior to sell reserved phosphate interests of the United States in certain lands in Florida to John Carter and Martha B. Carter.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

JORGE MARIO BELL

The Clerk called the Senate bill (S. 205) for the relief of Jorge Mario Bell.

There being no objection, the Clerk read the Senate bill as follows:

S. 205

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Jorge Mario Bell may be classified as a child within the meaning of section 101 (b)(1)(F) of such Act upon approval of a petition filed in his behalf by James Francis Bell III, a citizen of the United States, pursuant to section 204 of such Act. The natural brothers and sisters of the said Jorge Mario Bell shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

KAMAL ANTOINE CHALABY

The Clerk called the Senate bill (S. 245) for the relief of Kamal Antoine Chalaby.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

ERNEST EDWARD SCOFIELD (ERNESTO ESPINO)

The Clerk called the Senate bill (S. 428) for the relief of Ernest Edward Scofield (Ernesto Espino).

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

WILHELM J. R. MALY

The Clerk called the Senate bill (S. 507) for the relief of Wilhelm J. R. Maly.

There being no objection, the Clerk read the Senate bill as follows:

S. 507

Be it enacted by the Senate and House of Representatives of the United States of American in Congress assembled, That, the periods of time Wilhelm J. R. Maly has resided in the United States since his lawful admission for permanent residence on October 6, 1966, shall be held and considered to meet the residence and physical requirements of section 316 of the Immigration and Nationality Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. JOZEFA SOKOLOWSKA DOMANSKI

The Clerk called the Senate bill (S. 816) for the relief of Mrs. Jozefa Sokolowska Domanski.

There being no objection, the Clerk read the Senate bill as follows:

S. 816

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Mrs. Jozefa Sokolowska Domanski shall be held and considered to be within the purview of section 203(a)(2) of that Act and the provisions of section 204 of that Act shall not be applicable in this case.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MAHMOOD SHAREEF SULEIMAN

The Clerk called the Senate bill (S. 912) for the relief of Mahmood Shareef Suleiman.

There being no objection, the Clerk read the Senate bill as follows:

S. 912

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the periods of time Mahmood Shareef Suleiman has resided in the United States and any State since his lawful admission for permanent residence in February 1957 shall be held and considered to meet the residence and physical presence requirements of section 316 of the Immigration and Nationality Act. In this case the petition for naturalization may be filed with any court having naturalization jurisdiction.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VO THI SUONG (NINI ANNE HOYT)

The Clerk called the Senate bill (S. 2112) for the relief of Vo Thi Suong (Nini Anne Hoyt).

There being no objection, the Clerk read the Senate bill as follows:

S. 2112

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Vo Thi Suong (Nini Anne Hoyt) may be classified as a child within the meaning of section 101(b)(1)(E) of the Act, upon approval of a petition filed in her behalf by Lieutenant Colonel and Mrs. Max B. Hoyt, citizens of the United States, pursuant to section 204 of the Act: *Provided*, That the brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MILDRED CHRISTINE FORD

The Clerk called the bill (H.R. 1961) for the relief of Mildred Christine Ford.

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without objection.

The SPEAKER. Is there objection to the request of the gentleman from Maryland.

There was no objection.

LIDIA MYSLINSKA BOKOSKY

The Clerk called the bill (H.R. 2537) for the relief of Lidia Myslinska Bokosky.

There being no objection, the Clerk read the bill as follows:

H.R. 2537

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in the administration of the Immigration and Nationality Act, Mrs. Lidia Myslinska Bokosky, the widow of a citizen of the United States, shall be held and considered to be within the purview of section 201(b) of that Act and the purview of section 204 of such Act, shall not be applicable in this case.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NEPTY MASAUO JONES

The Clerk called the bill (H.R. 3203) for the relief of Nepty Masauo Jones.

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

MELISSA CATAMBAY GUITERREZ

The Clerk called the bill (H.R. 4590) for the relief of Melissa Catambay Guiterrez.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Melissa Catambay Guiterrez, may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in her behalf by Mr. and Mrs. Ulpian F. Guiterrez, citizens of the United States, pursuant to section 204 of the Act: *Provided*, That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

Amend the title so as to read: "A bill for the relief of Melissa Catambay Gutierrez."

With the following committee amendments:

On page 1, line 4, strike out the name "Melissa Catambay Guiterrez" and substitute the name "Melissa Catambay Gutierrez".

On page 1, lines 7 and 8, strike out the names "Mr. and Mrs. Ulpian F. Guiterrez" and substitute the names "Mr. and Mrs. Ulpiano F. Gutierrez,".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time, and passed.

The title was amended so as to read: "For the relief of Melissa Catambay Gutierrez."

A motion to reconsider was laid on the table.

EMMETT A. AND AGNES J. RATHBUN

The Clerk called the bill (H.R. 7207) for the relief of Emmett A. and Agnes J. Rathbun.

There being no objection, the Clerk read the bill as follows:

H.R. 7207

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Emmett A. and Agnes J. Rathbun, Twenty-nine Palms, California, the sum of $1,221. The payment of such sum shall be in full settlement of all claims of the said Emmett A. and Agnes J. Rathbun against the United States arising out of overpayments of the Federal income tax for the taxable years 1962, 1963, 1964, and 1965. The said Emmett A. Rathbun was unable to file claims for refund of such overpayments during the period provided by law therefor because of his disabilities.

SEC. 2. No part of the amount appropriated in the first section of this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this section shall be deemed guilty of a misdemeanor and upon conviction thereof be fined in any sum not exceeding $1,000.00.

With the following committee amendment:

Page 2, line 4: Strike "in excess of 10 per centum thereof".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GIUSEPPE OTTAVIANO-GRECO

The Clerk called the bill (H.R. 7685) for the relief of Giuseppe Ottaviano-Greco.

There being no objection, the Clerk read the bill as follows:

H.R. 7685

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Giuseppe Ottaviano-Greco may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in his behalf by Mr. and Mrs. Giuseppe Greco, citizens of the United States, pursuant to section 204 of the Act: *Provided*, That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

Amend the title so as to read: "A bill for the relief of Giuseppe Greco."

With the following committee amendment:

On page 1, line 4, strike out the name "Giuseppe Ottaviano-Greco" and substitute the name "Giuseppe Greco."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "For the relief of Giuseppe Greco."

A motion to reconsider was laid on the table.

MARY NOTARTHOMAS

The Clerk called the bill (H.R. 9393) for the relief of Mary Notarthomas.

There being no objection, the Clerk read the bill as follows:

H.R. 9393

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the statute of limitations in section 904 of title 38 of the United States Code or any other statute of limitations, the claim for burial allowance filed in 1970 by Mrs. Mary Notarthomas as the widow of Joseph Notarthomas (Veterans' Administration claim number XC 25 918 432), also known as Joseph Noville, shall be deemed to be a timely claim for such allowance and shall be considered and paid in accordance with otherwise applicable law.

SEC. 2. The Administrator of Veterans' Affairs shall pay, out of current appropriations for the payment of pension, to Mrs. Mary Notarthomas the amount which would have been payable to her as pension from October 2, 1967, to April 9, 1970, as the widow of Joseph Notarthomas (Veterans' Administration claim number XC 25 918 432), also known as Joseph Noville, if application therefor had been appropriately made under the laws administered by the Veterans' Administration.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RAYMOND MONROE

The Clerk called the bill (H.R. 11392) for the relief of Raymond Monroe.

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

MRS. GERTRUDE BERKLEY

The Clerk called the bill (H.R. 2950) for the relief of Mrs. Gertrude Berkley.

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

WILLIAM L. CAMERON, JR.

The Clerk called the bill (H.R. 8322) for the relief of William L. Cameron, Jr.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

JAMES A. WENTZ

The Clerk called the bill (H.R. 8823) for the relief of James A. Wentz.

There being no objection, the Clerk read the bill as follows:

H.R. 8823

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That James A. Wentz, of Wausau, Wisconsin, is relieved of liability to the United States in the amount of $504 for overpayments of pay and allowances as a member of the United States Marine Corps from November 1967 through March 1969, due to administrative errors on the part of Marine Corps personnel, and received by him in good faith without fault on his part. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, credit shall be given for amounts for which liability is relieved by this section.

SEC. 2. (a) The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to James A. Wentz an amount equal to the aggregate of the amounts paid by him, or withheld from sums otherwise due him, with respect to the indebtedness to the United States specified in the first section of this Act.

(b) No part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

UHEL D. POLLY

The Clerk called the bill (S. 71) for the relief of Uhel D. Polly.

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the patent laws of the United States, with respect to United States patent numbered 3,459,614 (Uhel D. Polly, of Fort Lauderdale, Florida, patentee) that the period in regard to public use or sale in this country as stated in section 102(b), title 35 of the United States Code be enlarged to two years prior to the date of the application of aforesaid patent. Nothing contained in this Act shall bar any person from exercising any rights which vested prior to the effective date of this Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CPL. PAUL C. AMEDEO

The Clerk called the bill (H.R. 1715) for the relief of Cpl. Paul C. Amedeo, U.S. Marine Corps Reserve.

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

LESTER H. KROLL

The Clerk called the bill (H.R. 3534) for the relief of Lester H. Kroll.

There being no objection, the Clerk read the bill as follows:

H.R. 3534

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Lester H. Kroll of West Seneca, New York, the sum of $416. The payment of such sum shall be in full settlement of all claims against the United States for overtime compensation to which he was entitled during the fiscal year 1948 as an employee of the Immigration and Naturalization Service under the Act of March 2, 1931 (8 U.S.C. 109(a) and 109(b)), but which he was not paid at the time on account of the erroneous application to him of the first proviso under the heading "Immigration and Naturalization Service" in the Department of Justice Appropriation Act, 1948 (61 Stat. 292): *Provided,* That no part of the amount appropriated in this Act excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 11: Strike "(8 U.S.C. 109(b))" and insert: ", ch. 368 §§ 1, 2, 46 Stat. 1467 (8 U.S.C. §§ 1353a, 1353b)". Page 2, lines 6 and 7: Strike "in excess of 10 per centum thereof".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CAPT. BRUCE B. SCHWARTZ, U.S. ARMY

The Clerk called the bill (H.R. 5907) for the relief of Capt. Bruce B. Schwartz, U.S. Army.

There being no objection, the Clerk read the bill, as follows:

H.R. 5907

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Captain Bruce B. Schwartz, [redacted], U.S. Army, of Miami, Florida, the sum of $16,352.74 in full settlement of all his claims against the United States for the loss of his household goods, and professional books and equipment, which were totally destroyed by fire on August 25, 1970, while in nontemporary storage in El Paso, Texas, incident to his assignment overseas.

SEC. 2. No part of the amount appropriated in the first section of this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this section shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 7: Strike "$16,352.74" and insert "$2,774.57".

Page 2, line 4: Strike "in excess of 10 per centum thereof".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GABRIEL EDGAR BUCHOWIECKI

The Clerk called the bill (H.R. 3190) for the relief of Gabriel Edgar Buchowiecki.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

JAMES LENNON

The Clerk called the bill (H.R. 5011) for the relief of James Lennon.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

JOSEPHINE GONZALO (NEE CHARITO FERNANDEZ BAUTISTA)

The Clerk called the bill (H.R. 5477) for the relief of Josephine Gonzalo (nee Charito Fernandez Bautista).

Mr. GROSS. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

LINDA JULIE DICKSON (NEE WATERS)

The Clerk called the bill (H.R. 5667) for the relief of Linda Julie Dickson (nee Waters).

There being no objection, the Clerk read the bill as follows:

H.R. 5667

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provision of section 212(a) (23) of the Immigration and Nationality Act, Linda Julie Dickson (nee Waters) may be issued a visa and admitted to the United States for permanent resident if she is found to be otherwise admissible under the provisions of that Act: *Provided,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LEONOR LOPEZ

The Clerk called the Senate bill (S. 280) for the relief of Leonor Lopez.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

CONFERRING CITIZENSHIP POSTHUMOUSLY UPON LANCE CORPORAL FEDERICO SILVA

The Clerk called the bill (H.R. 7682) to confer citizenship posthumously upon Lance Corporal Federico Silva.

There being no objection, the Clerk read the bill as follows:

H.R. 7682

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Lance Corporal Federico Silva, a national of Mexico, who was serving in the United States Marine Corps in the vicinity of Que Son, Republic of Vietnam, when he was killed in action on December 18, 1965, shall be held and considered to have been a citizen of the United States at the time of his death.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ESTATE OF PETER BOSCAR, DECEASED

The Clerk called the bill (H.R. 2637) for the relief of the estate of Peter Boscas, deceased.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

VIORICA ANNA GHITESCU, ALEXANDER GHITESCU, AND SERBAN GEORGE GHITESCU

The Clerk called the bill (H.R. 8543) for the relief of Viorica Anna Ghitescu, Alexander Ghitescu, and Serban George Ghitescu.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

"MISS KEKU" DOCUMENTATION

The Clerk called the bill (H.R. 12627) to authorize and direct the Secretary of the Department under which the United States Coast Guard is operating to cause the vessel *Miss Keku* owned by Clarence Jackson of Juneau, Alaska, to be documented as a vessel of the United States so as to be entitled to engage in the American fisheries.

There being no objection, the Clerk read the bill as follows:

H.R. 12627

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding the provisions of section 4132 of the Revised Statutes of the United States, as amended (46 U.S.C. 11), or any other provision of law, the Secretary of the Department under which the United States Coast Guard is operating shall cause the vessel *Miss Keku,* owned by Clarence Jackson of Juneau, Alaska, to be documented as a vessel of the United States, upon compliance with the usual requirements, with the privilege of engaging in the American fisheries so long as such vessel is owned by a citizen of the United States.

Mr. YOUNG of Alaska. Mr. Speaker, H.R. 12627 is concerned with the documentation of the vessel *Miss Keku.*

As you know, the law states that in order for a vessel to be documentated for use in American fisheries it must be established that it was wholly built within the United States. Due to circumstances beyond Mr. Jackson's control, the *Miss Keku* is not eligible for documentation under these conditions. The *Miss Keku* was built in a Washington State shipyard and was completed for use with the exception of her cabin. The shipyard which built *Miss Keku* did not have the tools and expertise to build the cabin. The Seattle shipyard which had been contracted to complete the job burned to the ground shortly before the *Miss Keku* was scheduled to arrive at the yard.

No other shipyard that Mr. Jackson approached in either Oregon, Washington or Alaska was able to work on the *Miss Keku* due to heavy workloads which had been contracted long in advance. Since time was of extreme importance to Mr. Jackson, he contacted a shipyard in Prince Rupert, a small Canadian town which lies to the immediate south of Ketchikan, Alaska. The shipyard was able to complete the cabin for Mr. Jackson in time for the vessel to be used during the current fishing season. Mr. Jackson had sought legal counsel prior to contracting with the Canadian shipyard and was advised that no significant legal obstacles should arise.

To the contrary, Mr. Jackson has encountered many legal problems not only with the Coast Guard but also with the Bureau of Customs. The Bureau of Customs problem has been resolved at great legal cost to Mr. Jackson. However, the documentation problem with the Coast Guard remains.

Senator GRAVEL has sought resolution of this case through administrative channels and has been unsuccessful. When Mr. Jackson visited my office, I informed him it would be best to make certain that all possible administrative remedies had been exhausted. Accordingly, we met with Mr. Robert O. McDonald, Chief of the Merchant Vessel Documentation Division, U.S. Coast Guard, who is quite familiar with this case. In short, Mr. McDonald advised us that the only remedy possible would be to introduce special legislation.

This case is of great interest to me because I feel that Mr. Jackson has done everything possible to resolve the unfortunate situation in which he is involved. He has invested every cent of his savings, he has a large bank mortgage, his livelihood and his children's college education are at stake. Mr. Jackson has no out. Through no intention of his own, Mr. Jackson has found himself in a legal entanglement that could possibly result in his bankruptcy and put his family in an extreme hardship situation.

Clearly, the matter revolves around the Coast Guard's interpretation of the phrase "wholly built within the United States." In this instance we have a vessel which was built complete with hull, motor, and decking within the United States. The *Miss Keku,* for all practical purposes, could have been navigated without a cabin. However, Mr. Jackson prudently decided that the ship should not be put to sea without first completing the cabin.

All facts considered, I urge that H.R. 12627 be favorably considered.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. This concludes the call of the Private Calendar.

MRS. DONINGA PETTIT (DOMINGA PETTIT)

Mr. EILBERG. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 1321) an act for the relief of Mrs. Doninga Pettit, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Amend the title so as to read: "An Act for the relief of Dominga Pettit."

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, will the gentleman comment as to whether there is any substantial change made by the Senate amendment?

Mr. EILBERG. Mr. Speaker, the bill has been amended by the Senate to correct an error in the beneficiary's name as it appeared in the title of the bill.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania (Mr. Eilberg)?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

FLORA DATILES TABAYO

Mr. EILBERG. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 5106), an act for the relief of Flora Datiles Tabayo, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments as follows:

Page 1, lines 7 and 8, strike out "a citizen of the United States and a lawful resident alien," and insert "citizens of the United States,".

Page 1, line 9, strike out "natural parents or".

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, will the gentleman explain what the changes are which are made as a result of the Senate amendments?

Mr. EILBERG. Mr. Speaker, the adoptive mother of the beneficiary has become a U.S. citizen since the bill passed the House, and it has been amended by the Senate to reflect that change of circumstances.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania (Mr. Eilberg)?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

RITO E. JUDILLA

Mr. EILBERG. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 7363), an act for the relief of Rito E. Judilla, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments as follows:

Strike out all after the enacting clause and insert:

"That, in the administration of the Immigration and Nationality Act, Rito E. Judilla and Virna J. Pasicaran may be classified as children within the meaning of section 101(b)(1)(F) of the Act, upon approval of petitions filed in their behalf of Adoracion J. Gonzaga and Robert S. Gonzaga, citizens of the United States, pursuant to section 204 of the said Act: *Provided*, That the brothers or sisters of the beneficiaries shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act."

Amend the title so as to read: "An Act for the relief of Rito E. Judilla and Virna J. Pasicaran."

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, will the gentleman please explain how the House version differs from the Senate version?

Mr. EILBERG. Mr. Speaker, if the gentleman will yield, the bills H.R. 7363 and H.R. 7364 passed the House as individual bills, and the Senate has combined these two bills under one bill, the beneficiaries having been adopted by the same adopting parents.

Mr. ROUSSELOT. Mr. Speaker, I thank the gentleman for his explanation.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

APPOINTMENT OF CONFEREES ON H.R. 2, EMPLOYEE SECURITY BENEFIT ACT

Mr. PERKINS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 2) to provide for pension reform, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky? The Chair hears none, and the Chair appoints as managers on the part of the House the following Members: On title I of the House bill, and modifications thereof which have been committed to conference: Messrs. Perkins, Thompson of New Jersey, Dent, Burton, Quie, Erlenborn, and Sarasin; and on title II of the House bill, and modifications thereof which have been committed to conference: Messrs. Ullman, Burke of Massachusetts, Mrs. Griffiths, Messrs. Rostenkowski, Schneebeli, Collier, and Broyhill of Virginia.

APPOINTMENT OF CONFEREES ON H.R. 7824, LEGAL SERVICES CORPORATION ACT

Mr. PERKINS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 7824) to establish a Legal Services Corporation, and for other purposes, with Senate amendments thereto, disagree to the amendments of the Senate, and agree to the conference asked by the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky? The Chair hears none, and appoints the following conferees: Messrs. Perkins and Hawkins, Mrs. Mink, Messrs. Meeds, Quie, Ashbrook, and Steiger of Wisconsin.

CONFERENCE REPORT ON H.R. 6186, DISTRICT OF COLUMBIA REVENUE ACT OF 1947 AMENDMENT ACT

Mr. DIGGS. Mr. Speaker, I call up the conference report on the bill (H.R. 6186) to amend the District of Columbia Revenue Act of 1947 regarding the taxability of dividends received by a corporation from insurance companies, banks, and other savings institutions, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of March 27, 1974.)

Mr. DIGGS (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The SPEAKER. The gentleman from Michigan is recognized for one hour.

Mr. DIGGS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in support of the conference report on H.R. 6186. This legislation must be viewed in the context of the Home Rule Act. The need for this legislation arose when the Civil Service Commission rendered an opinion indicating that the current appointed Mayor-Commissioner, Chairman, and members of the City Council of the District of Columbia would have to resign their offices in order to seek one of the elective offices created under the Home Rule Act. The legislation has a twofold purpose. First, the legislation prevents a possible hiatus in governance in the District of Columbia by allowing the current appointed officials to run for elective office without resigning. Second, the legislation is intended to actively promote the widest possible participation in the first elections held under the Home Rule Act.

This legislation provides that persons employed by the U.S. Government or by the government of the District of Columbia shall be permitted to be candidates in the first elections for the offices of Mayor, Chairman, or member of the Council. Without this legislation, the Hatch Act, which prohibits Federal and District employees from taking an active part in political management or political campaigns, would have prevented such persons from being candidates. The legislation provides that an individual who works for the U.S. Government or the government of the District of Columbia who becomes a candidate may take an active part in political management or political campaigns in the elections for the office of Mayor, Chairman, and member of the Council. The exemptions apply only to candidates.

The exemptions are very limited and are intended to allow Federal and District employees to be candidates for these offices without resigning their employment. It is important to stress that participation in political management and political campaigns will still be prohibited by persons who do not qualify as bona fide candidates. It is also important to stress that all of the other provisions of the Hatch Act will continue to apply to both candidates and noncandidates.

The conference report limits the duration of the candidacy so as to insure as far as possible that only bona fide candidates will qualify for and continue to operate under the exemption. Candidacy is specifically defined as the period of time from which the candidate secures a nominating petition until: first, the day following the day he does not qualify to be a candidate by failing to secure the appropriate number of signatures; second, 30 days after he loses in the primary election; third, 30 days after he loses in the general election; or fourth, if elected, on the day he takes office.

The exemptions contained in the conference report applying to Federal and District employees will take effect on the day the residents in the District ratify the charter, May 7, 1974. These provisions will terminate, however, on January 2, 1975. This will insure that the exemptions will be available for only Federal or District employees who intend to run for office in the first elections held under the Home Rule Act.

In order to have the fullest assessment of the impact of this legislation, it is the sense of the managers of the conference that the U.S. Civil Service Commission should review the administration and operation of this legislation to determine its effect on elections in the District of Columbia and to report to the Congress on its findings and recommendations.

The conference report also adopts language which would exempt the offices of Mayor, Chairman, and member of the Council as established under the self-government legislation from the prohibitions against active participation in political management and political campaigns contained in the Hatch Act. The intent of this provision is to put these elected officials in the same position as elected State and local officials nationwide, and thereby allow them to be politically active.

In order to specifically deal with the possible hiatus in governance in the District of Columbia, the Commissioner of the District of Columbia and the members of the District of Columbia Council, including the Chairman and Vice Chairman, are exempted from the provisions of the Hatch Act prohibiting participation in political management and political campaigns for the first election. The operative effect of this section will be that the current appointed Mayor-Commissioner and City Council members would not have to resign their positions in order to run for elective office under the Home Rule Act.

This legislation is very limited in what it does do and intentionally so. Allow me to indicate specifically what the legislation does not do. The legislation does not exempt anyone from any provisions of the Hatch Act except that section which prohibits active participation in political management or political campaigns. The limitations on political contributions and services, political use of authority or influence, and influencing elections still stand. Every person in the District of Columbia is covered by these provisions. Further, the legislation does not exempt any person who is not a candidate from the prohibition against taking an active part in political management or political campaigns.

Therefore, Mr. Speaker, I urge the House to adopt this conference report in order to effectuate the goals of preventing a hiatus in government in the District of Columbia, encouraging the widest participation in the local elections and allowing the locally elected officials to be politically active. These goals will be effectuated through this legislation with the bare minimum incursion into the protections of the Hatch Act.

Mr. GROSS. Mr. Speaker, will the gentleman yield for one question?

Mr. DIGGS. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, are all the amendments adopted in the conference germane to the bill?

Mr. DIGGS. Yes, they are.

Mr. GROSS. I thank the gentleman.

Mr. DIGGS. Mr. Speaker, I yield to the distinguished ranking minority member on the committee, the gentleman from Minnesota (Mr. NELSEN).

Mr. NELSEN. Mr. Speaker, it is too bad we have to handle a situation such as this on a local bill dealing with the Hatch Act which is a part of the Civil Service Act of our country, but it is unfortunately necessary and I am supporting this bill. Here we have an insurance bill which is a local bill and we have amended provisions which touch the Federal Civil Service laws of our Nation, which I think perhaps could be a mistake and might be opening the door to a national trend to amend the Hatch Act in other geographic areas with fairly large Federal employees.

The House of Representatives did not support a bill that had partisan elections in it when the Home Rule Act was passed. The feeling in the House was if we wanted wide participation in the District of Columbia where we have more than 100,000 Federal employees, it would be better to do it on a nonpartisan basis where everybody could be free to participate. But when we went to conference on the other side we had those who insisted on partisan elections, which gave me a little bit of a feeling that there was more concern about a political machine than there was about the freedom of the people here to participate in politics. So finally we had to yield. I did not sign the conference report on the home rule bill for that very reason, because I have had a great deal of experience with the civil service laws in our own State of Minnesota where we found the spoils system was devastating.

When the home rule bill finally came out of conference we found the Mayor and the Council were under the Hatch Act, so if they ran for office they would have to resign. The city would be deprived of their services in the meantime and continuity would be lacking. I think many of us feel the incumbent officers in the City Council ought to run again because we have some very good men there. So we were left with only one thing to do, and that is to provide a temporary exemption of the Hatch Act as it applies to those who file for office, Federal employees, local employees, and the existing government, those presently in the office of the Mayor and Council members of the District of Columbia. So we proceeded in this manner to take care of this exemption which I think will free the choices of the existing officers and permit anyone to file for office, giving them certain freedom, that is to file as candidates, but not touching the Hatch Act on a permanent basis.

The provision that called for termination of this freedom in this Hatch Act provision was my suggestion in the conference and only on that basis would I go along. I want to say to our good chairman, he went along with me and so did the conference, and I thank them for it. I think it was a constructive move. I believe this bill should pass and I hope the House adopts the measure this afternoon.

The basic piece of legislation here, H.R. 6186, is a relatively minor piece of legislation, but one which would aid the District of Columbia in increasing its ability to maintain business in the District rather than have certain businesses move out to the suburbs because of a provision in the District of Columbia Revenue Act of 1947, regarding the taxability of dividends received by a corporation from insurance companies, banks, and other savings institutions. Certainly the basic legislation here having to do with amendment of the District of Columbia Revenue Act of 1947 is a good piece of legislation, minor though it is.

There is a much more important amendment attached to this bill having to do with an amendment to the Hatch Act to permit the appointed Mayor and members of the City Council, and other District and Federal employees to participate as candidates in the first election provided for under the District of Columbia Self-Government and Governmental Reorganization Act, which we passed some time ago and which the President signed into law on December 24, 1973.

I wish to state that I support the conference report as a unique and near emergency measure to provide continuity in the Government of the District of Columbia during the transition from the appointed government to the elected government provided for under the District of Columbia Self-Government and Governmental Reorganization Act.

I opposed partisan elections in the District in the full committee when home rule legislation was being discussed and voted upon there. My dissenting views to

H.R. 9682, which appeared in House Report No. 93-482—inserted below—set forth my objections:

> HATCH ACT EXEMPTIONS
>
> Section 740 of H.R. 9682 would exempt from the provisions of the Hatch Act—which prohibits Federal (including District of Columbia) employees "in the competitive or excepted service" from taking an "active part in political management or in political campaigns (5 U.S.C. S. 7324(a)(2))."—Federal and District employees who qualify as candidates for the Council or Mayor during a primary or general election.
>
> In addition, it would appear that a further exemption of the Hatch Act exists in that Section 733 of H.R. 9682 would permit Federal and District employees to be appointed and serve on a political partisan Board of Elections.
>
> Furthermore, Section 402(d), setting forth the qualifications for holding the office of member of the Council, provides, among other things, that "No person shall hold the office for member of the Council, including the office of Chairman, unless he . . . (d) holds no public office (other than his employment in and position as a member of the Council), for which he is compensated in an amount in excess of his actual expenses in connection therewith . . ."
>
> The foregoing provision could lend itself to an interpretation that gives further exemption under the Hatch Act. For instance, if a Council member were to service in the Federal Government as a consultant and be paid actual expenses, he would under the existing provisions of the Hatch Act be prevented from participating in partisan political activity on the day for which he was so paid. Section 402(d) would appear to grant an exemption for these kinds of employees.
>
> There is little, or no, question but what a provision permitting Federal and District employees to participate in local politically partisan elections (Section 740) or to serve on a locally partisan politically appointed Board of Elections (Section 733), or to serve on the Council (Section 302(d)), while at the same time serving as a consultant to the Federal Government compensated for actual expenses (even though this latter status may be subject to interpretation on a factual case-by-case determination by either the Civil Service Commission or the courts as to whether or not the individual comes within the provisions of the Hatch Act) will to a large extent totally nullify the effect of the Hatch Act prohibiting certain political activity in the District of Columbia.
>
> It is difficult to conceive of an exemption that is more likely to strike a death blow to the Hatch Act than one that offers the protection of the career service to one who is seeking a politically partisan elective office. Whether intended or as a result of oversight, it is highly probable that the foregoing provisions in this bill would have that result.
>
> Proponents of this bill might well see a golden harvest in political contributions from the pockets of Federal and local employees were they able to successfully and indirectly initiate the repeal of the Hatch Act. Exemptions such as those contained in this bill could well open the door to a reversion to the "spoils system" which the Hatch Act was initially enacted to correct.
>
> The Supreme Court decision on June 25, 1973, in *U.S. Civil Service Commission* v. *Letter Carriers*, _____ U.S. _____ (1973) upholds a constitutional challenge to the Hatch Act and its reasoning is worth calling to the attention of Members of Congress:
>
>> We unhesitatingly reaffirm the *Mitchell* holding that Congress had, and has, the power to prevent Mr. Poole and others like him from holding a party office, working at the polls and acting as party paymaster for other party workers. An Act of Congress going no further would in our view unquestionably be valid. So would it be if, in plain and understandable language, the statute forbade activities such as organizing a political party or club; actively participating in fund-raising activities for a partisan candidate or political party; becoming a partisan candidate for, or campaigning for, an elective public office; actively managing the campaign of a partisan candidate for public office; initiating or circulating a partisan nominating petition or soliciting votes for a partisan candidate for public office; or serving as a delegate, alternate, or proxy to a political party convention. Our judgment is that neither the First Amendment nor any other provision of the Constitution invalidates a law barring this kind of partisan political conduct by federal employees.
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>> * * * * *
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>> Such decision on our part would no more than confirm the judgment of history, a judgment made by this country over the last century that it is in the best interest of the country, indeed essential, that federal service should depend upon meritorious performance rather than political service, and that the political influence of federal employees on others and on the electoral process should be limited.
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>> * * * * *
>>
>> In 1966, Congress determined to review the restrictions of the Hatch Act on the partisan political activities of public employees. For this purpose, the Commission on Political Activity of Government Personnel was created. 80 Stat. 868. The Commission reported in 1968, recommending some liberalization of the political activity restrictions on federal employees, but not abandoning the fundamental decision that partisan political activities by government employees must be limited in major respects. 1 Report of Commission on Political Activity of Government Personnel, *supra*.
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>> * * * * *
>>
>> This account of the efforts by the Federal Government to limit partisan political activities by those covered by the Hatch Act should not obscure the equally relevant fact that all 50 States have restricted the political activities of their own employees."
>>
>> * * * * *
>>
>> Until now, the judgment of Congress, the Executive and the country appears to have been that partisan political activities by federal employees must be limited if the Government is to operate effectively and fairly, elections are to play their proper part in representative government and employees themselves are to be sufficiently free from improper influence. *E.g.*, 84 Cong. Rec. 9598, 9603; 86 Cong. Rec. 2360, 2621, 2864, 9376. The restrictions so far imposed on federal employees are not aimed at particular parties, groups or points of view, but apply equally to all partisan activities of the type described. They discriminate against no racial, ethnic or religious minorities. Nor do they seek to control political opinions or beliefs, or to interfere with or influence anyone's vote at the polls.
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> * * * * *
>
> What was discussed above are express exemptions to the Hatch Act contained in H.R. 9682. There still remains for discussion the question of how the locally elected District government would institute its own local District merit system under its delegated authority to legislate.
>
> H.R. 9682 would (under Section 422) permit the District of Columbia government to enact its own District government merit system or systems once the charter were approved and the local government established. Section 422(3) provides that "The system may provide for continued participation in *all or part* of the Federal Civil Service System . . ." The only apparent guideline in this section in delegating this authority to the Council is that the system should be "at least equal" *in benefits* to legislation now in effect enacted by Congress.
>
> Thus, no doubt the locally elected Council under H.R. 9682 would be permitted to retain all the benefits and advantages that District employees now enjoy under the Federal Civil Service, and it would give total exemption from any restriction over political activities of their own employees, notwithstanding the fact that, as noted by the Supreme Court in *CSV* v. *Letter Carriers, supra*, ". . . that all 50 states have restricted the political activities of their own employees," and the fact that we in the Congress have consistently applied the Hatch Act to District government employees.

The committee deleted partisan elections when they brought "home rule" legislation to the floor—committee substitute to H.R. 9682—and that concession was instrumental, in my opinion, in obtaining House passage of the measure.

In the House-Senate Conference on the District of Columbia Self-Government Act, partisan elections were inserted back in the legislation, and for that reason I refused to support it by signature as a conferee. The reason for this is that:

First. Hatch Act coverage of Federal employees or those local employees employed with Federal grant or loan funds is absolutely essential to a merit system.

Second. Partisan elections in the District prevent full participation by the electorate which includes some 100,000 Federal employees and some 17,000 District employees paid for with Federal grants or loans.

Third. Partisan elections in the District are contradictory to the concept of "home rule." It is evidence to me that some "home rule" proponents were not completely honest with District residents. Some proponents were perfectly willing to sacrifice the "full participation" in local government to thousands of District of Columbia residents who could participate in nonpartisan elections—to the partisan concept of control of the District government by a partisan political party.

I note that the statement of managers states that:

> While the exemption for District and Federal employees terminates as of January 2, 1975, the managers intend to actively promote and support legislation assuring the widest possible participation in all District elections held subsequent to the first elections.

To this conferee, those words mean that Congress will hopefully amend the District of Columbia Home Rule Act to provide nonpartisan elections after January 2, 1975. I shall work for that legislative result.

The Civil Service Commission will observe the first elections in the District of Columbia provided for in the District of Columbia Home Rule Act. It is my belief and hope that the Commission will endorse nonpartisan elections for the District of Columbia in the future. That would be the fair and just result and would provide full participation by all District of Columbia residents in future elections in the District.

My views of this issue were stated in the Commission on Political Activity of Government Personnel's Findings and Recommendations, volume 1—of which I was a member:

Congressman Ancher Nelsen

Public Law 89-617 enacted by the Congress in 1966, establishing the Commission on Political Activity of Government Personnel, had my complete support. Its stated purpose is to make a full and complete investigation and study of the Federal laws having to do with the limitation on participation of Federal and State employees in political affairs with a view to the determination of any need for strengthening, revision, or elimination of the same and the possible undesirable results which might come from such changes. My support for the achieving of this goal has not changed over the life of the Commission during the past year.

The Commission, through hearings, surveys and related research has unanimously come to certain excellent conclusions and recommendations: (1) for realistic clarification of provisions of current statutes relating to those activities permitted and prohibited so that the employee may have a clearer understanding of his position under the law, (2) for the revision of the enforcement procedures to give a more automatic response to violations when they occur, and (3) for the revision of the penalty provisions to enable the Civil Service Commission to mete out punishment for violations without doing an injustice to the employee, i.e., to make the punishment fit the crime. Added to these are a number of other changes which will facilitate the administration and enforcement of the Hatch Act and related statutes by the Civil Service Commission. In these matters there has been a gratifying unanimity among the members of the Commission. In all our labors there has been a dedication by the Commission to meet the responsibility given us by the Congress.

Unfortunately, there cannot be unanimous support for all of the recommendations the majority of the Commission has seen fit to make. I must respectfully depart from that position taken by a majority of my colleagues on the Commission on the crucial recommendations concerning the expansion of certain permitted activities, particularly recommendation III. It would open the door to participation by the Federal employee as a partisan candidate or for partisan political management activity in local elections.

I believe the sincere position of some in seemingly wanting to grant to the Federal employee all the political rights enjoyed by his fellow American not employed in the public service beclouds facts which I consider undeniable. In order to maintain a completely impartial and effective public service, those involved in such service must owe primary loyalty to the government by which they are employed, and not to a particular individual, party, or faction. For this reason it is necessary to impose certain limited restrictions upon the political activity by those governmental employees. The journey from the spoils system in many local and State governments and in the Federal Government has been a long and arduous one. The limits to which we have advanced the merit principles in those governments are most certainly not inviolate. There are still certain areas of the Nation in which the spoils system is not dead, as we learned in our hearings in Chicago, and other areas. There still are persons who would not hesitate to utilize the government employee for whatever political purposes possible, whether through pressures for contributions or of some other kind.

We have seen abundant evidence in the news during the past few years of an increasing tendency toward the "arm twisting" of the Federal employee for political contributions, both in the form of "suggested" purchase of political dinner tickets and otherwise. This has been especially true in impacted areas of Federal employment. Congressmen and others have been the reported beneficiaries of such functions. As a result of the long periods required for investigative and final administrative action in cases of reported violations, the Federal employee (especially in the area where these abuses have taken place) has had no alternative but to believe that no certain protection is offered him under the law as now written and administered.

It was my expressed opinion within the Commission that we had sufficient authority and reason to investigate specific violations of the Hatch Act, especially in the Washington area, in order to better understand the extent and nature of such violations to the end of recommending adequate remedial legislation. The majority was not in agreement with me on this point. However, I do believe that we can eliminate some of these practices through the implementation of our recommendations for improved enforcement procedures by the Civil Service Commission. I firmly support those recommendations. But I further believe that experience has shown that much of the protection for the employee against such pressures must come through the restrictions regarding political activity placed on each employee, wherever he may be in the governmental structure.

The proposal to open the door to partisan political activity by the career Federal employee within either of the two major political parties of this country, in my judgment, is a first dangerous step toward a return to the political spoils system. There are numerous examples of testimony in the Commission hearings from Federal and State employees recommending that the present policy of the Hatch Act in this respect be maintained. If we are unable to adequately police pressures put on the Federal employee at the present time, operating as they are under the nonpartisan restrictions, how can we but believe that the injection of major partisan activities into the structure will make such enforcement virtually impossible? Under our political system I do not believe it is practically possible to deny any partisan candidate the freedom to manage and conduct his campaign in all respects allowed to his opponent, whether those activities go to solicitation of funds or other political action. Also, the local party organization is inextricably connected with the national party organizations. Local leaders almost inevitably play a part in the State and National political affairs. To think that we can confine a person's involvement in partisan politics to certain limits on the local level is wishful thinking.

The possible benefits to be gained by allowing a desirous few to participate in partisan political candidacy and political management activity, when weighed against the dangers that such activity poses to an impartial, efficient public service and the hundreds of thousands of employes in it, is simply not worth the inherent risk in such action. The benefits of the impartial public service, whether they be of tenure, job assignments, and promotions on merit, or simply freedom from the many insidious types of pressures present in partisan operations, compensate the employee many times over in return for the relatively few restriction placed on his action. Indeed, under the present Hatch Act, and surely under a revised act should the Congress see fit to accept many of our recommendations, the Federal employee is and will be allowed far more liberty in political action than is actually taken by all but a very minor percentage of our population as a whole.

In the Federal employee survey which the Commission conducted, it is significant that among those persons stating they would like to see some change in the Hatch Act, only 4.2 percent said the employee should be allowed to campaign for a political party or candidate of his choice, a mere 1.5 percent stated that the employee should be allowed to hold political or partisan office, and only 1.6 percent stated he should be allowed local participation of all kinds.

In response to the arguments concerning the inequality of treatment of the Federal employee from one geographical area to another through the greater freedom of political action given those persons living in the so-called federally impacted areas, I can state that I am in agreement that such inequality exists. I offered the suggestion that this might be cured by the extension of what is now the nonpartisan exemption in the impacted areas to the entire United States. This was rejected by a majority of the Commission. However, I believe the idea merits the consideration of any future Congress studying the proposed legislation we submit as a Commission.

For substantially the same reasons I have stated above in my opposition to the extension of permissive candidacy and active political management to the partisan realm, I also find myself one of the six members of the Commission voting to oppose inclusion in the other limited area of disagreement, that concerning the extent to which Federal employees should be permitted to serve as officers in political organizations. Specifically, I oppose the inclusion in permitted activities of the right to serve as partisan ward and precinct committeemen or committeewomen.

The points upon which the Commission has been able to agree are numerous and will receive my full support in future legislation. But the unwise recommendation for expansion of activities permitted the Federal employee in the partisan realm involving political activity within both our major parties in the candidacy and active political management fields is unwarranted. Well-reasoned testimony before our Commission cautioned against it. Even our survey of Federal employees did not support it. Certainly if enacted into law, it would open a Pandora's box of troubles in the continuing fight for the preservation of a true merit system and an efficient, impartial public service.

For the benefit of the Civil Service Commission study that is contemplated, I believe it important to point out to them that in addition to the Federal employees, there are 17,535 employees in the District of Columbia who are employed and paid with Federal grants—see exerpted pages i–iv District of Columbia Fiscal Year 1975 Operating Budget Summary, which appear in Justifications for the 1975 Budget District of Columbia:

DISTRICT OF COLUMBIA, FISCAL YEAR 1975 OPERATING BUDGET SUMMARY—TOTAL RESOURCES

[Dollars in thousands]

	1973 obligations		1974 allotment		1975 Mayor's recommendation		1975 Federal grants [1]		Other grants reimbursements (non-District of Columbia)		1975 total resources	
	Positions	Amount	Positions	Amount	Positions	Amount	Positions	Amount	Positions	Amount	Positions	Amount
GENERAL OPERATING EXPENSES												
Office of the Commissioner	20	$574.1	20	$485.2	28	$600.8					28	$600.8
City Council	36	538.7	36	588.5	43	707.3		$10.0			43	717.3

Footnotes at end of table.

DISTRICT OF COLUMBIA, FISCAL YEAR 1975 OPERATING BUDGET SUMMARY—TOTAL RESOURCES—Continued

[Dollars in thousands]

	1973 obligations		1974 allotment		1975 Mayor's recommendation		1975 Federal grants [1]		Other grants reimbursements (non-District of Columbia)		1975 total resources	
	Positions	Amount	Positions	Amount	Positions	Amount	Positions	Amount	Positions	Amount	Positions	Amount
Executive Office:												
Office of the Secretariat	30	$556.4	30	$648.3	24	$543.1					24	$543.1
Office of Public Affairs	12	207.2	12	240.4	12	248.5					12	248.5
Office of Budget and Financial Management	161	2,744.9	179	2,833.9	181	2,820.4	9	$875.0			190	3,695.4
Office of Planning and Management	75	1,068.3	74	1,165.2	127	2,354.3	44	815.4			171	3,169.7
Personnel Office	43	920.5	59	1,200.6	70	1,367.9		75.0			70	1,442.9
Compensation funds:												
Disability compensation		1,925.3		2,475.0		2,375.0						2,375.0
Unemployment compensation		2,400.0		2,470.0		3,970.0						3,970.0
Workmen's compensation		529.7		572.4		572.4						572.4
Municipal audit	33	578.1	36	636.9	36	705.3	2	35.9			38	741.2
Office of Civil Defense	8	152.2	8	158.3	8	152.1	8	218.3			16	370.4
Office of Consumer Affairs			14	186.7	14	223.9					14	223.9
Revenue sharing				186.7								
Office of Human Rights	34	498.6	37	567.3	42	611.3	4	56.0		$14.0	46	681.3
Bicentennial activities				150.0		175.0						175.0
Revenue sharing				150.0								
Total, Executive Office	396	11,581.2	449	13,305.0	514	16,119.2	67	2,075.6		14.0	581	18,208.0
General fund		11,581.2		12,968.3		16,119.2						
Revenue sharing				336.7								
Department of Finance and Revenue	512	7,688.1	533	8,522.4	531	8,222.1					531	8,222.1
General fund		7,440.4		8,263.5		7,947.5						
Highway fund, regular		121.6		127.1		131.1						
Highway fund, parking		75.8		79.2		79.2						
Water fund		38.8		40.6		49.6						
Sanitary sewage works fund		11.5		12.0		14.7						
Office of the Corporation Counsel	185	3,069.9	185	3,210.4	185	3,485.7					185	3,485.7
General fund		2,935.2		3,036.1		3,346.9						
Revenue sharing				35.5								
Highway fund—regular		120.2		123.6		123.6						
Water fund		7.8		8.1		8.1						
Sanitary sewage works fund		6.7		7.1		7.1						
Department of General Services	637	12,991.8	657	16,299.2	595	16,086.8					595	16,086.8
General fund		12,571.0		15,877.5		15,665.1						
Highway fund—regular		320.8		321.7		321.7						
Water fund		50.0		50.0		50.0						
Sanitary sewage works fund		50.0		50.0		50.0						
Department of Economic Development	539	7,501.7	544	8,493.9	548	8,137.0					548	8,137.0
General fund		7,501.7		7,751.5		8,137.0						
Revenue sharing				742.4								
Public Library	569	7,111.5	565	7,027.3	625	7,681.2				2.0	625	7,683.2
General fund		7,027.5		7,027.3		7,681.2						
Revenue sharing		84.0										
District of Columbia Manpower Administration							423	23,916.5			423	23,916.5
Other independent agencies and offices:												
Assistant to the Commissioner for Youth Opportunity Services	28	2,005.5	28	1,991.1	28	2,876.8	11,428	3,846.8		72.1	11,456	6,795.7
Assistant to the Commissioner for Housing Programs	12	262.4	27	469.0	27	442.0	700	28,529.2		24.0	727	28,995.2
Parole Board	25	374.6	25	426.1	24	426.1	3	33.0			27	459.1
Department of Insurance	24	452.7	24	476.9	24	449.5					24	449.5
Minimum Wage and Industrial Safety Board	39	537.9	42	703.3	43	712.9	17	289.3			60	1,002.2
Recorder of Deeds	71	717.2	71	732.3	77	771.3					77	771.3
Public Service Commission	27	461.8	28	492.4	28	503.4					28	503.4
Zoning Commission	21	281.5	23	380.4	(2)	(2)						
Board of Appeals and Review	4	37.1	4	71.2	4	73.8					4	73.8
Board of Elections	7	446.8	7	540.5	22	757.9					22	757.9
Office of the Surveyor	40	393.9	40	412.0	40	423.5					40	423.5
Commission on the Status of Women	2	28.9	2	45.9	3	45.2	3	37.9			6	83.1
Commission on Judicial Disabilities and Tenure		32.4	1	47.1	1	44.4					1	44.4
Board of Labor Relations	2	37.9	2	97.7	2	87.5					2	87.5
Total, other independent agencies and offices	302	6,070.6	324	6,885.9	323	7,614.3	12,151	32,736.2		96.1	12,474	40,446.6
Contributions to metropolitan area agencies:												
Metropolitan Washington Council of Governments		161.4		176.0		170.6						170.6
General fund		156.9		171.5		166.1						
Highway fund, regular		4.5		4.5		4.5						

Footnotes at end of table.

	1973 obligations		1974 allotment		1975 Mayor's recommendation		1975 Federal grants [1]		Other grants reimbursements (non-District of Columbia)		1975 total resources	
	Positions	Amount	Positions	Amount	Positions	Amount	Positions	Amount	Positions	Amount	Positions	Amount
Executive Office—Continued												
Washington Metropolitan Area Transit Commission		$118.7		$85.9		$76.7						$76.7
Total, contributions to metropolitan area agencies		280.1		261.9		247.3						247.3
General fund		275.6		257.4		242.8						
Highway fund, regular		4.5		4.5		4.5						
Miscellaneous contributions:												
Redevelopment Land Agency		6.0		6.0		6.0	505	$37,842.2			505	37,848.2
Apprenticeship Council		3.4		5.0		5.0	12	176.0			12	181.0
School transit subsidy		3,205.6		4,112.3		4,112.3						4,112.3
Washington Convention and Visitors Bureau		252.0		252.0		252.0						252.0
Metrobus subsidy						9,700.0						9,700.0
Total, miscellaneous contributions		3,467.0		4,375.3		14,075.3	517	38,018.2			517	52,093.5
Total, general operating expenses	3,196	60,874.7	3,313	69,455.0	3,392	82,977.0	13,158	96,756.5		$112.1	16,550	179,845.6
General fund		59,983.0		67,516.5		82,137.4						
Revenue sharing		84.0		1,114.6								
Highway fund, regular		567.1		576.9		580.9						
Highway fund, parking		75.8		79.2		79.2						
Water fund		96.6		98.7		107.7						
Sanitary sewage works fund		68.2		69.1		71.8						
Public safety:												
Metropolitan Police	6,035	107,591.4	6,034	110,750.4	5,783	111,875.8		93.1		1,223.8	5,783	113,192.7
General fund		93,022.4		98,541.6		103,758.6						
Revenue sharing		6,714.4		4,354.2								
Highway fund, regular		7,742.6		7,742.6		8,005.2						
Highway fund, parking		112.0		112.0		112.0						
Fire Department	1,512	35,296.5	1,544	36,228.1	1,544	36,732.7				1.0	1,544	36,733.7
General fund		32,880.0		34,983.7		36,732.7						
Revenue sharing		2,416.5		1,244.4								
Courts:												
Appeals	42	1,202.3	53	1,371.9	56	1,450.2					56	1,450.2
General fund		1,190.1		1,371.9		1,450.2						
Revenue sharing		12.2										
Superior	828	15,551.8	1,042	17,657.4	1,034	18,048.4					1,034	18,048.4
General fund		15,341.9		17,657.4		18,048.4						
Revenue sharing		209.9										
Court System	52	2,851.6	68	1,523.3	68	3,946.0					68	3,946.0
General fund		2,812.7		1,523.3		3,946.0						
Revenue sharing		38.9										
U.S. courts—Reimbursement for Justice Department (services for District of Columbia)		6,821.7		8,112.1		6,625.0						6,625.0
General fund		6,676.5		8,112.1		6,625.0						
Revenue sharing		145.2										
Public Defender Service	109	1,730.4	109	1,781.5	95	1,679.2					95	1,679.2
Bail Agency	49	594.2	54	680.3	54	696.6					54	696.6
General fund		575.9		610.4		696.6						
Revenue sharing		18.3		69.9								
Total, courts	1,080	28,752.0	1,326	31,126.5	1,307	32,445.4					1,307	32,445.4
General fund		28,327.5		31,056.6		32,445.4						
Revenue sharing		424.5		69.9								
Department of Corrections	1,699	27,345.5	1,858	30,179.7	1,802	31,593.7	9	289.9		2,002.2	1,811	33,885.8
General fund		26,740.8		27,585.9		31,593.7						
Revenue sharing		604.7		2,593.8								
National Guard	20	256.9	20	288.3	20	271.7					20	271.7
General fund		252.0		288.3		271.7						
Revenue sharing		4.9										
Total, public safety	10,346	199,242.3	10,782	208,573.0	10,456	212,919.3	9	383.0		3,227.0	10,465	216,529.3
General fund		181,222.7		192,456.1		204,802.1						
Revenue sharing		10,165.0		8,262.3								
Highway fund, regular		7,742.6		7,742.6		8,005.2						

Footnotes at end of table.

DISTRICT OF COLUMBIA, FISCAL YEAR 1975 OPERATING BUDGET SUMMARY—TOTAL RESOURCES—Continued

[In thousands of dollars]

	1973 obligations		1974 allotment		1975 Mayor's recommendation		1975 Federal grants [1]		Other grants reimbursements (non-District of Columbia)		1975 total resources	
	Positions	Amount	Positions	Amount	Positions	Amount	Positions	Amount	Positions	Amount	Positions	Amount
Highway fund, parking		$112.0		$112.0		$112.0						
Education:												
Public schools	10,303	153,542.1	10,480	167,807.5	10,974	177,381.0	1,601	$32,279.7		$136.3	12,575	$209,797.0
General fund		150,532.0		156,325.7		177,210.6						
Revenue sharing		2.845.0		11,316.7								
Highway fund, regular		165.1		165.1		170.4						
Board of Higher Education			6	80.0	9	149.7					9	149.7
District of Columbia Teachers College	194	3,412.4	200	3,322.6	204	3,594.6	80	727.8		29.2	284	4,351.6
Federal City College	967	19,478.3	974	19,706.7	984	20,477.7	682	6,428.3		148.8	1,666	27,054.3
General Fund		19,478.3		19,079.4		20,477.7						
Revenue sharing				627.3								
Washington Technical Institute	410	9,022.0	429	9,198.2	432	10,417.6	168	3,459.2			600	13,876.8
GENERAL OPERATING EXPENSES												
Education:												
General fund		9,022.0		8,875.4		10,417.6						
Revenue sharing				322.8								
Total, Education	11,874	185,454.8	12,089	200,115.0	12,603	212,020.6	2,531	42,895.0		314.3	15,134	255,229.9
General fund		182,444.7		187,683.1		211,850.2						
Revenue sharing		2,845.0		12,266.8								
Highway fund, regular		165.1		165.1		170.4						
Recreation:												
Recreation Department	760	14,078.3	779	14,800.0	891	14,939.8	6	1,044.2		257.3	897	16,241.3
General fund		14,078.3		14,164.5		14,939.8						
Revenue sharing				635.5								
Human Resources:												
Department of Human Resources	8,997	215,862.1	9,435	222,939.0	9,573	223,739.0	1,652	109,226.1		387.9	11,225	333,353.0
General fund		207,114.1		210,558.8		223,739.0						
Revenue sharing		8,748.0		12,380.2								
Highways and Traffic:												
Department of Highways and Traffic	1,541	18,339.9	1,549	19,962.0	1,549	20,395.7	2	11,223.2			1,551	31,618.9
General fund		1,534.3		4,187.2		5,156.6						
Revenue sharing				2,000.0								
Highway fund, regular		16,284.1		13,134.0		14,598.3						
Highway fund, parking		521.5		640.8		640.8						
Motor vehicles	245	3,544.6	269	4,080.2	262	3,748.2	33	1,150.6			295	4,898.8
General fund		110.4		119.7		119.7						
Highway fund, regular		3,434.2		3,960.5		3,628.5						
Total, highways and traffic	1,786	21,884.5	1,818	24,042.2	1,811	24,143.9	35	12,373.8			1,846	36,517.7
General fund		1,644.7		4,306.9		5,276.3						
Revenue sharing				2,000.0								
Highway fund, regular		19,718.3		17,094.5		18,226.8						
Highway fund, parking		521.5		640.8		640.8						
Environmental Services:												
Department of Environmental Services	3,120	39,067.3	3,122	41,345.9	3,222	43,131.4	144	40,184.8		250.0	3,366	83,566.2
General fund		19,135.4		19,807.5		20,298.3						
Revenue sharing				747.6								
Water fund		6,487.8		6,778.2		7,173.2						
Sanitary sewage works fund		13,428.4		13,996.9		15,596.6						
Metropolitan area sanitary sewage works fund		15.7		15.7		63.3						
Washington Aqueduct—Water fund	325	5,280.4	325	5,650.1	325	5,917.0				263.0	325	6,180.0
Total, Environmental Services	3,445	44,347.7	3,447	46,996.0	3,547	49,048.4	144	40,184.8		513.0	3,691	89,746.2
General fund		19,135.4		19,807.5		20,298.3						
Revenue sharing				747.6								
Water fund		11,768.2		12,428.3		13,090.2						
Sanitary sewage works fund		13,428.4		13,996.9		15,596.6						

	1973 obligations		1974 allotment		1975 Mayor's recommendation		1975 Federal grants [1]		Other grants reimbursements (non-District of Columbia)		1975 total resources	
	Positions	Amount	Positions	Amount	Positions	Amount	Positions	Amount	Positions	Amount	Positions	Amount
Metropolitan area sanitary sewage works fund		$15.7		$15.7		$63.3						
Personal services (annualization of pay increases)						12,987.0						$12,987.0
General fund						11,573.2						
Highway fund, regular						529.4						
Highway fund, parking						6.2						
Water fund						504.8						
Sanitary sewage works fund						373.4						
Repayment of loans and interest		28,039.1		39,633.0		49,066.5						49,066.3
General fund		19,462.8		29,988.8		37,989.6						
Highway fund, regular		5,503.2		6,110.1		6,977.1						
Water fund		1,904.6		2,041.4		2,219.0						
Sanitary sewage works fund		1,053.1		1,436.0		1,747.4						
Metropolitan area sanitary sewage works fund		115.4		56.7		113.4						
Inaugural ceremonies		866.6										
General fund		767.4										
Highway fund, regular		99.2										
Settlement of claims and suits		156.1										
General fund		6.3										
Revenue sharing		149.8										
Total, District of Columbia, operating expenses	40,404	770,806.2	[3] 41,663	826,553.2	42,273	881,841.5	17,535	$302,863.4		$4,811.6	59,808	1,189.516.5
General fund		685,859.4		726,482.2		812,605.9						
Revenue sharing		21,991.8		37,407.0								
Highway fund, regular		33,795.5		31,689.2		34,489.8						
Highway fund, parking		709.3		832.0		838.2						
Water fund		13,769.4		14,568.4		15,921.7						
Sanitary sewage works fund		14,549.7		15,502.0		17,789.2						
Metropolitan area sanitary sewage works fund		131.1		72.4		196.7						

[1] Includes grants for capital outlay.

[2] Transferred to Office of Planning and Management.

[3] Does not include 234 permanent positions approved on a temporary basis for Department of Corrections.

In my own State of Minnesota, local employees paid with Federal grants and local employees paid out of Federal loans are subject to the provisions of the Hatch Act (5 U.S.C. 1501 et seq.). I would not want to see the authority delegated to the District of Columbia to alter or change this provision of the Hatch Act, which applies in my own State of Minnesota. It is rightfully applied in my opinion because it is an integral part of the merit system in the hiring of individuals paid with Federal funds.

If we look particularly at 5 U.S.C., section 1501, we note that a State or local officer or employee is defined as one whose principal employment is in connection with an activity which is financed in whole or in part by loans or grants made by the United States or a Federal agency. In this first election and first election only, such individuals may participate as candidates in the election under the provisions of this bill as amended.

However, I see no reason to continue to exempt them and I would strongly oppose such continuance. I should also point out that title 5 of the United States Code, section 1501, et seq., provides substantial prohibitions against State or local officers or employees using their influence for the purpose of interfering with or affecting the result of an election or a nomination for office. This prohibition goes to Governors and Lieutenant Governors of States and mayors of cities in the States that receive Federal grants and loans. Here again, I feel strongly that this prohibition provided for in the Hatch Act is one that is protective of the public interest and should not be tampered with in the future.

As I indicated in my opening remarks, I support the amendments to H.R. 6186 that provide certain exemptions to the Hatch Act, basically because I feel that by going to partisan elections in the Home Rule Act we have forced an emergency situation in the local government which could be detrimental to the local residents of the Nation as a whole by interrupting or not providing continuity of government during the period that the Government will go from appointive officials to elective officials in the offices of mayor and city council. In my opinion, we find ourselves in this situation because we—unwisely in my opinion—went the route of partisan elections.

I strongly urge the Members of this Congress and Members of future Congresses to reconsider the provisions of the Home Rule Act providing for partisan elections and turn to the more just and equitable type of election for the Nation's Capital, that of nonpartisan elections, which gives the broadest kind of participation and gives real meaning to "home rule" in the broadest sense of that word.

Mr. DIGGS. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. CLANCY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 388, nays 6, not voting 38, as follows:

[Roll No. 126]

YEAS—388

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Arends
Armstrong
Ashbrook
Ashley
Aspin
Badillo
Bafalis
Baker
Barrett
Bauman
Beard
Bell
Bennett
Bergland
Biaggi
Bingham
Blackburn
Blatnik
Boggs
Boland
Bolling
Bowen
Brademas
Brasco
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton
Butler
Byron
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Chisholm
Clancy
Clark
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Collins, Tex.
Conable
Conte
Conyers
Corman
Cotter
Coughlin
Crane
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, Ga.
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dennis
Dent
Derwinski
Devine
Dickinson
Diggs

Donohue
Downing
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Flood
Flowers
Flynt
Foley
Ford
Forsythe
Fountain
Fraser
Frelinghuysen
Frey
Froehlich
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Ginn
Goldwater
Gonzalez
Goodling
Grasso
Green, Oreg.
Green, Pa.
Griffiths
Grover
Gude
Gunter
Haley
Hamilton
Hammerschmidt
Hanley
Hanna
Hanrahan
Hansen, Idaho
Harrington
Harsha
Hawkins
Hays
Hébert
Hechler, W. Va.
Heinz
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holifield
Holt
Holtzman
Horton
Hosmer
Howard
Huber
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kemp
Ketchum
King
Kluczynski
Koch
Kyros
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Litton
Long, La.
Long, Md.
Lott
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McKinney
McSpadden
Madden
Madigan
Mahon
Mallary
Mann
Maraziti
Martin, Nebr.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Miller
Mills
Minish
Mink
Minshall, Ohio
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nedzi
Nelsen
Nichols
Nix
Obey
O'Brien
O'Hara
O'Neill
Owens
Parris
Passman
Patten
Pepper
Perkins
Pettis
Peyser
Pike
Podell
Powell, Ohio
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Regula
Reuss
Rhodes
Riegle
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rosenthal
Rostenkowski
Roush
Rousselot
Roy
Roybal
Ruth
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Satterfield
Scherle
Schneebeli
Schroeder
Sebelius
Seiberling
Shipley
Shoup
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stratton
Stuckey
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Treen
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Wiggins
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wydler
Wylie
Wyman
Yates
Yatron
Young, Alaska
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—6

Burleson, Tex.
Dingell
Gross
Landgrebe
Rarick
Young, Fla.

NOT VOTING—38

Bevill
Biester
Camp
Carey, N.Y.
Clay
Conlan
Dorn
Frenzel
Gettys
Gilman
Gray
Gubser
Guyer
Hansen, Wash.
Hastings
Heckler, Mass.
Kazen
Kuykendall
Lujan
Macdonald
Martin, N.C.
Milford
Patman
Pickle
Poage
Rees
Reid
Rooney, N.Y.
Rose
Runnels
Ruppe
Shriver
Steele
Stephens
Stokes
Stubblefield
Williams
Young, Ga.

So the conference report was agreed to.

The Clerk announced the following pairs:

Mr. Bevill with Mr. Williams.

Mr. Rooney of New York with Mr. Steele.

Mr. Pickle with Mr. Shriver.

Mr. Carey of New York with Mr. Ruppe.

Mr. Stubblefield with Mr. Camp.

Mr. Stokes with Mr. Gray.

Mr. Reid with Mr. Biester.

Mr. Rose with Mr. Hastings.

Mr. Macdonald with Mr. Clay.

Mr. Dorn with Mr. Conlan.

Mr. Gettys with Mr. Frenzel.

Mr. Young of Georgia with Mr. Rees.

Mrs. Hansen of Washington with Mr. Gilman.

Mr. Kazen with Mr. Guyer.

Mr. Milford with Mr. Kuykendall.

Mr. Runnels with Mrs. Heckler of Massachusetts.

Mr. Stephens with Mr. Lujan.

Mr. Patman with Mr. Martin of North Carolina.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mr. **MURPHY** of Illinois. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The **SPEAKER**. Is there objection to the request of the gentleman from Illinois?

There was no objection.

PERMISSION FOR COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE TO SIT DURING SESSIONS TOMORROW AFTERNOON, APRIL 3, 1974

Mr. **STAGGERS**. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce be permitted to sit during the sessions of the House tomorrow afternoon.

The **SPEAKER**. Is there objection to the request of the gentleman from West Virginia?

Mr. **GROSS**. Mr. Speaker, reserving the right to object, I would ask if the gentleman from West Virginia has checked this matter with the ranking minority member on the committee?

Mr. **STAGGERS**. Mr. Speaker, if the gentleman from Iowa will yield, the answer is "Yes," I have discussed this matter with the ranking member, the gentleman from Ohio (Mr. DEVINE), and he is in complete accord with it.

Mr. **GROSS**. Mr. Speaker, I thank the gentleman and I withdraw my reservation of objection.

The **SPEAKER**. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

THE PRICE OF WHEAT—THE PRICE OF BREAD

(Mr. SEBELIUS asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. **SEBELIUS**. Mr. Speaker, this morning the prices of wheat in Dodge City, Kans., in the heart of wheat country, was $3.43 a bushel. This $3.43 price has already dropped today and represents a continued price reduction from $3.74 on Friday and $3.66 on Monday. Since we experienced prices at the $5.50 level several months back, this means the price of wheat has plummeted some $2 a bushel in a very short time.

Now what I would like to know is, if the price of bread is directly related to the cost of wheat, as the American Bakers Association would have us believe, why are we not witnessing a corresponding decrease in bread prices today?

If this price deterioration continues, the wheat farmer will be in the same boat with the cattleman, hog producer and dairy farmer. I know that my colleagues are most interested in food prices. I would like to point out the beef cattle industry is already going through an economic crisis that is endangering the future of the industry. With production costs going up and the farmer still experiencing shortages, I think it is imperative consumer oriented members of this body realize the farmer must receive equity at the marketplace or we will soon be talking about food shortages instead of consumer prices.

BRING UNITED STATES INTO LINE WITH U.N. SANCTIONS REGARDING RHODESIA

(Mr. GUDE asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. **GUDE**. Mr. Speaker, once again the House of Representatives will have an opportunity to show its commitment to world order and justice by voting to reinstate sanctions against Rhodesia.

It goes without saying that reinstating the sanctions will put the United States back into conformity with the United Nations Charter and will do much to restore our credibility and standing among the other African nations who have been shocked by our deliberate violation of a United Nations decision. Many of these same nations, I might add, are important exporters of raw materials vital to our economy, including oil (Nigeria), and a variety of minerals.

The irony of the Rhodesian question is that the economic arguments also support the reimposition of sanctions. I will not take the time to go into detail at this point, but let me simple say:

First. That Rhodesian chrome is not essential to our national security, as the administration—which strongly supports the reimposition of sanctions—has made clear on numerous occasions;

Second. The Soviet Union is unlikely to

cut off its shipments of chrome ore to the United States;

Third. Even so, Rhodesia and the U.S.S.R. are not the only sources of chrome ore in the world; and

Fourth. The experience of the last several years shows that our domestic ferrochrome industry, despite a temporary boom, has been unable to compete with the Rhodesian ferrochrome produced by cheap labor. This has caused significant losses of employment in the domestic industry and has caused the United Steelworkers to come out in favor of sanctions.

Mr. Speaker, it is clear that the time has come to bring the United States into line with the United Nations' sanctions. Such a move is sound on legal grounds, on moral grounds, and also on economic grounds.

ECONOMIC STABILIZATION PROGRAM QUARTERLY REPORT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Banking and Currency:

To the Congress of the United States:

I herewith transmit to the Congress, in accordance with section 216 of the Economic Stabilization Act of 1970, as amended, the most recent quarterly report of the Economic Stabilization Program, covering the period October 1, 1973 through December 31, 1973.

The fourth quarter of 1973 was a period of continued although slower growth for the American economy. Our gross national product grew to $1,338 billion, an increase of $33 billion over the previous quarter. Employment increased by approximately one million workers to 85.7 million. The American dollar continued to regain strength abroad.

During the fourth quarter, inflation remained our most serious economic problem. Prices here and abroad continued to rise at an unacceptably rapid pace, due in large part to the worldwide shortages of many raw materials. The pattern of price increases also began to reflect the impact of the Arab oil embargo against the United States and higher world prices for oil.

By the beginning of the fourth quarter, the fourth phase of the Economic Stabilization Program had been fully underway. The increases anticipated after the summer freeze on prices were spread out over time with the help of the Phase IV regulatory mechanism.

Phase IV was also designed to provide an effective system of tight standards and compliance procedures that would lead to a gradual return of industry and labor to the free market. Throughout the fourth quarter, decontrol proceedings demonstrated that the public and private sectors of our economy can work cooperatively and effectively to meet common goals of price restraint. As part of the commitments under which they were removed from mandatory controls, many firms have pledged voluntary price control. More importantly for the future, many have stepped-up their capital expenditure plans to enlarge supplies—the only really effective way to halt inflation.

We are firm in our commitment to meet the challenge of inflation. The energy shortage and the problems resulting from it have significantly added to this challenge. We can, however, look with satisfaction to the efforts and sacrifices our Nation has made in response to these problems.

The Congress is presently debating the Administration's recommendation for continued stabilization authority and this Administration stands ready to work with the Congress to develop effective machinery for economic stabilization.

RICHARD NIXON.

THE WHITE HOUSE, April 2, 1974.

SUPPLEMENTAL MARITIME AUTHORIZATION—1974

Mrs. SULLIVAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 12925) to amend the act to authorize appropriations for the fiscal year 1974 for certain maritime programs of the Department of Commerce.

The Clerk read as follows:

H.R. 12925

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of July 10, 1973 (87 Stat. 168; Public Law 93–70), is amended by striking out in paragraph (b), section 1, the figure "$221,515,000" and inserting in lieu thereof the figure "$244,515,000".

The SPEAKER. Is a second demanded?

Mr. GROVER. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mrs. SULLIVAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 12925, to amend the act to authorize appropriations for the fiscal year 1974 for certain maritime programs of the Department of Commerce.

The purpose of this bill is to authorize certain supplemental appropriations for the operating-differential subsidy program of the Maritime Administration within the Department of Commerce for fiscal year 1974.

Operating-differential subsidies are paid to U.S.-flag ship operators under authority of the Merchant Marine Act of 1936 as amended and subsidy contracts are entered into with qualified American operators performing passenger, general cargo, and bulk services over essential trade routes. This operating subsidy assists U.S. operators in competing on a more equal cost basis with foreign operators. These operating subsidies are payable in amounts determined as the difference between the fair and reasonable amount of certain U.S. vessel operating costs and the estimated amount of the same items of operating costs if the vessel were operated under the registries of foreign competitors. These subsidized cost items are generally wages, subsistence—for passenger vessels only—maintenance and repairs, and insurance.

For the purpose of making initial operating subsidy payments, tentative subsidy rates are established, based on estimated differentials between United States and competitive foreign costs. Final subsidy rates are determined after actual United States and competitive foreign cost data have been collected and administratively processed. Final settlements and payments for the year are made after all final rates have been established and the operator's expenses have been verified. At present, there is about a 3-year interval between initial payment and final settlement.

Hearings on H.R. 12925 indicated that the major portion of the requested funds, $18,511,000, is for the payment of obligations incurred under subsidy contracts for subsidized operators in calendar years 1969 and 1970. The balance of $4,489,000 is for the payment of an increase in obligations for subsidized operators in fiscal year 1974. Final subsidy rates for 1969 and 1970 showed that the balances of subsidy due were understated. This has resulted from the fact that the actual competitive foreign costs that were used to determine United States and foreign cost differentials proved to be significantly lower than had been projected, which has the effect of increasing the amount of subsidy to be paid. This same factor caused a similar underestimation in subsidies due for subsidized operations during the calendar year. We have concluded, Mr. Speaker, that if balances payable for prior year settlements and current year operations are to be paid in fiscal year 1974, this supplemental authorization under consideration must be provided. The Maritime Administration has indicated that the subsidized operators who are due these payments are not in a position to postpone receipt of payment without a potentially serious effect on their financial liquidity. For this reason, I urge my colleagues to support enactment of H.R. 12925.

Mr. GROSS. Mr. Speaker, will the gentlewoman yield?

Mrs. SULLIVAN. I am happy to yield to the distinguished gentleman from Iowa.

Mr. GROSS. Mr. Speaker, does the operating differential go also to cruise ships?

Mrs. SULLIVAN. Yes; we still have two passenger ships in operation on the west coast that are under subsidies.

Mr. GROSS. And this supplemental authorization is due in part to devaluation of the dollar and inflation?

Mrs. SULLIVAN. Not particularly. The amount in question would have been greater if it had not been for the dollar devaluation. When these subsidy amounts are estimated for the current year, for instance, a deficit may result. For example, if the U.S. cost for ODS is $10 and the estimate of foreign cost is $9, then the subsidy to be paid will be $1. But when they go to pay the actual foreign cost, they find that the actual cost was $8 rather than the estimated $9, so that an additional dollar of subsidy has to be paid, and that is what this represents for the year 1969 and the year 1970.

Mr. GROSS. The report seems to indicate that devaluation of the dollar was at least a contributing reason for the request.

Mrs. SULLIVAN. The devaluation of

the dollar as I understand it has cut the subsidy down. This is the information we have.

Mr. GROSS. I could not hear the gentlewoman.

Mrs. SULLIVAN. The amount of subsidy to be paid is reduced because of the devaluation of the dollar. This is the information we have.

Mr. GROSS. By the same token, it also requires additional appropriations because of the lowering of the value of the dollar through inflation.

Mrs. SULLIVAN. These are the amounts, after going over the years 1969 and 1970, that they figured with the devaluation and the underestimation of the subsidy, they needed these supplemental amounts in order to maintain the financial liquidity of the subsidized operators.

Mr. WYLIE. Mr. Speaker, will the gentlewoman yield?

Mrs. SULLIVAN. I am happy to yield to the gentleman from Ohio.

Mr. WYLIE. On page 4 of the report there is reference to the Russian grain purchases. The Russian grain purchases have been very controversial. I would like to know what that one sentence means, the last two words on line 4:

> These increases are partially offset by a reduction of $949,000 in payments for fiscal year 1973 carriage of Russian grain purchases, resulting in a requirement for a supplemental authorization of $23 million.

Was less money required to ship the grain to Russia than was originally anticipated?

Mrs. SULLIVAN. We had to subsidize the ships that were used, the large ships that were used to ship the grain to Russia, yes.

Mr. WYLIE. And we anticipated in fiscal year 1973 that $949,000 more would be needed than was actually needed; is that what that figure represents?

Mrs. SULLIVAN. I have not found the figures the gentleman is citing.

Mr. WYLIE. At the top of page 5, I think, that item indicating reduction in the amount that was originally appropriated for the Russian grain purchases.

Mrs. SULLIVAN. Let me ask the chairman of the subcommittee. I think that figure represents an overestimation of the subsidy needed at that time so that this figure actually represents a reduction in the ODS amount.

Mr. CLARK. That is correct.

Mr. WYLIE. The $949,000 payment then represents an overextension for the fiscal year 1973; that is an amount which is carried over to this budget and, therefore, reduces the amount under this item?

Mrs. SULLIVAN. That is what I understand.

Mr. GROVER. Mr. Speaker, I join the chairman of our committee in urging passage of H.R. 12925, the supplemental maritime authorization bill for fiscal year 1974. As previously indicated, the additional funds are necessary for the operating-differential subsidy program.

The operating-differential subsidy, which is paid to American ship operators performing passenger, general cargo and bulk services over the essential trade areas, allows U.S. operators to compete on a cost basis with foreign operators. Tentative—estimated—subsidy rates are established for the purpose of making initial subsidy payments since final subsidy rates cannot be determined until after actual United States and competitive foreign cost data have been collected and processed. The Maritime Administration is making progress in its effort to eliminate the excessive lag that previously existed in the establishment of final subsidy rates used for final settlement. Now there is an interval of about 3 years between the initial payment and final settlement.

The major portion, $18,511,000, of the additional $23 million which was requested by the Maritime Administration is to complete final settlement on obligations incurred under subsidy contracts in calendar years 1969 and 1970. The remaining $4,489,000 is for payment of an increase in obligations for subsidized operations in fiscal year 1974. The previously understated final subsidy rates for 1969 and 1970, as well as the tentative rates for 1974, resulted from the fact that the actual competitive foreign costs that were used to determine United States and foreign cost differentials proved to be significantly lower than had been projected, thus increasing the amount of subsidy payable.

The efforts of the Maritime Administration to use more current cost information and more reliable cost indexes should obviate problems of this sort in the future.

Again, Mr. Speaker, I urge my colleagues to support this measure.

Mr. CLARK. Mr. Speaker, will the gentlewoman yield?

Mrs. SULLIVAN. I yield to the chairman of the subcommittee.

Mr. CLARK. Mr. Speaker, I join the distinguished chairman of the Committee on Merchant Marine and Fisheries in full support of H.R. 12925, a bill which would authorize a $23 million supplemental appropriation for the operating subsidy program of the Maritime Administration for fiscal year 1974.

The need for this bill arose because of unanticipated increases in operating differential subsidy payments payable by the Maritime Administration for fiscal years 1969 and 1970, as well as because of an increase in the obligation of the Maritime Administration for subsidized operations in fiscal year 1974.

As you know, the purpose of these payments is to offset the difference between the operating costs of U.S.-flag vessels and those of their foreign competitors. These payments are initially made on the basis of tentative rates. In analyzing the rates for these prior years, the Maritime Administration discovered that in its computations of these payments it had overestimated certain foreign costs which, in turn, produced underpayments of subsidy to our operators.

The amount of money involved in this bill is de minimus when compared with the total program for which funds are authorized in Public Law 93–70. Nonpayment of these obligations incurred by the Maritime Administration could jeopardize the financial position of many operators of vessels under the U.S. flag.

There was no opposition to this bill in the hearings which were held before the Merchant Marine Subcommittee, and the bill is unanimously reported from both the Merchant Marine Subcommittee and the full Committee on Merchant Marine and Fisheries. I believe H.R. 12925 should be passed.

Mr. MURPHY of New York. Mr. Speaker, I join the distinguished chairman of the Committee on Merchant Marine and Fisheries and the chairman of the Merchant Marine Subcommittee in full support of H.R. 12925.

This bill would authorize a $23 million supplemental appropriation for the operating subsidy program of the Maritime Administration for fiscal year 1974. This amount would be an increase of only about 2 percent in the total funds authorized for the program in Public Law 93–70, in order to enable the Maritime Administration to meet all of its current operating differential subsidy obligations.

The need for this legislation was clearly demonstrated in hearings before the Merchant Marine Subcommittee. There was no opposition to the request of the Maritime Administration for these additional funds and the bill was unanimously reported from both the subcommittee and the full committee. I believe H.R. 12925 should be passed.

The SPEAKER. The question is on the motion offered by the gentlewoman from Missouri (Mrs. SULLIVAN) that the House suspend the rules and pass the bill H.R. 12925.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

FOREIGN SALE OF SS "INDEPENDENCE"

Mr. CLARK. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 8586) to authorize the foreign sale of the passenger vessel steamship *Independence*, as amended.

The Clerk read as follows:

H.R. 8586

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any other provision of law or of prior contract with the United States, the laid-up passenger vessel steamship Independence may be sold and transferred to foreign ownership, registry, and flag, with the prior approval of the Secretary of Commerce. Such approval shall require (1) approval of the purchaser; (2) payment of existing debt and private obligations related to the vessel; (3) approval of the price, including terms of payment, for the sale of the vessel; (4) the seller to enter into an agreement with the Secretary whereby an amount equal to the net proceeds received from such sale in excess of existing obligations and expenses incident to the sale shall within a reasonable period be deposited in its capital construction fund or capital reserve fund; and (5) the purchaser to enter into an agreement with the Secretary, binding upon such purchaser and any later owner of the vessel and running with title to the vessel, that (a) the vessel will not carry passengers or cargo in competition, as determined by the Secretary, with any United States-flag passenger vessel for a period of two years from the date the transferred vessel goes into operation; (b) the vessel will be made available to the United States in time of emergency and just compensation for title or use, as the case may be, shall be paid in accordance with section 902 of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1242); (c) the purchaser will comply with such further conditions as the Secretary may impose as authorized by sections 9, 37, and 41 of the Shipping Act, 1916, as amended (46 U.S.C. 808, 835, and 839); and (d) the purchaser will furnish a surety bond in an amount and with a surety satisfactory to the Secretary to secure performance of the foregoing agreements.

In addition to any other provision such agreement may contain for enforcement of (4) and (5) above the agreement therein required may be specifically enforced by decree for specific performance or injunction in any district court of the United States. In the agreement with the Secretary, the purchaser shall irrevocably appoint a corporate agent within the United States for services or process upon such purchaser in any action to enforce the agreement.

The SPEAKER. Is a second demanded?

Mr. GROVER. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. CLARK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 8586, a bill which would authorize the foreign sale of the laid-up U.S.-flag passenger vessel SS *Independence* in a manner similar to that authorized by Public Law 92-296, for our other laid-up passenger vessels.

During the 92d Congress, the Committee on Merchant Marine and Fisheries held comprehensive hearings on the plight of U.S.-flag passenger vessels. At that time seven of these vessels were in layup. Since they had been constructed with the aid of construction-differential subsidy, they were prohibited by section 503 of the Merchant Marine Act of 1936 from being sold foreign for 25 years. Since none of these vessels were that old, legislation was required to permit their sale foreign.

Those hearings provide conclusively that the introduction of jet aircraft on international trade routes, more than any other factor, was responsible for the layup of these vessels. Faced with the loss of point-to-point passengers to jet aircraft, passenger vessels have been forced to turn to the cruise market. However, these U.S.-flag passenger ships were not built for cruising and, therefore, they were unable to compete in this market.

At the time of these hearings in the 92d Congress, the total lay-up costs for all of these passenger vessels to the end of their statutory life was estimated to be about $59 million. At that time, the Merchant Marine and Fisheries Committee concluded that the only alternative to the foreign sale of these U.S. passenger vessels would be a massive infusion of operating differential subsidy of about $80 million annually. The committee could not reconcile such an expenditure with the other requirements of our national economy. Thereafter, Public Law 92-296 was enacted to authorize the foreign sale of these vessels. However, the SS *Independence* was specifically excluded from the provision of that law because a prospective American purchaser testified at the hearings that his firm could operate the SS *Independence* under the U.S. flag in the cruise trade. That firm has since notified American Export Lines, the owner of the SS *Independence*, that it is no longer interested in purchasing the ship. The vessel remains in layup causing a financial drain on its owner of about $700,000.

The Maritime Administration of the Department of Commerce supports enactment of H.R. 8586 for the same reason that they recommended enactment of Public Law 92-296, namely that the vessel cannot be operated under the American flag without incurring heavy losses, and that the financial burden of continuing to keep the vessel in lay-up interferes with implementation of the Merchant Marine Act of 1970.

H.R. 8586 would authorize the sale foreign of the laid-up U.S. flag passenger vessel, SS *Independence*, in a manner similar to that provided by Public Law 92-296. The bill would require that the existing Government mortgage on the vessel in the amount of $708,109, to be paid off in full, and an amount equal to the net proceeds of sale in excess of existing obligations and expenses incident to the sale be deposited in American Export Line's capital reserve fund within a reasonable period.

Since there is no possible employment for the SS *Independence* under the U.S. flag, I think equity demands that the vessel be permitted to be sold foreign pursuant to the provisions of H.R. 8586. To do otherwise would penalize American Export Lines for making a good faith effort to retain this vessel under the U.S. flag when the other laid-up passenger vessels were permitted to be sold foreign by Public Law 92-296. I believe H.R. 8586 should be passed.

Mr. CLARK. Mr. Speaker, I yield 8 minutes to the gentlewoman from Missouri.

Mrs. SULLIVAN. Mr. Speaker, I rise in opposition to H.R. 8586. This measure would authorize the foreign sale of the passenger vessel SS *Independence*. My opposition to allowing U.S.-flag passenger vessels to pass to foreign interests has been strong and long standing and I have not altered my position. I presented dissenting views in the report accompanying H.R. 8586 and I will vote against the bill.

As chairman of the House Merchant Marine and Fisheries Committee, despite my opposition to the legislation, I did allow the bill to come before the committee and be reported out, although I voted against it.

I allowed the bill to come out of committee because I recognize that the SS *Independence* in layup status constitutes a serious financial drain on its owners, American Export Isbrandtsen Lines, Inc., and that none of our steamship operators are in such a sound financial position that they can afford to sustain continuous financial drains. Also, as much as I would like to see this vessel operate again under the U.S. flag, I am aware that this is not likely to eventuate because of the vessel's age and its configuration. I know that point-to-point passenger service is dead, probably forever, and that the only service left over is the lucrative cruise trades. Unfortunately, because of the factors I just mentioned, this vessel does not lend itself to these cruise trades. I do think that if the vessel cannot be operated again under U.S. flag, perhaps it is better to have the ship operate under foreign flag with a possibility of repatriation in the event of an emergency rather than scrapping. Once scrapped, it is gone forever.

In spite of the reasons I just mentioned for allowing this bill to proceed, I cannot support the measure and I still hold steadfastly to my belief that it is not in the best interests of the United States to permit our U.S.-flag passenger vessels to pass to foreign interests. The once mighty U.S.-flag passenger fleet has now dwindled to but two U.S.-flag passenger vessels—the SS *Mariposa* and the SS *Monterey* operating out of the west coast under the Pacific Far East Lines flag. When the present subsidy contracts on these two vessels expire in 4 or 5 years then they too will cease operation and the United States, one of the foremost maritime nations in the world, will be without any operating U.S.-flag passenger vessels. For the last several years there have not been any U.S.-flag passenger vessels operating out of the gulf and east coasts. To me, this is truly a tragic situation.

In 1971 this was a large issue before the Merchant Marine and Fisheries Committee and the Congress itself. Ultimately, a measure was enacted (Public Law 92-296) which permitted the foreign sale of the American-flag passenger ships SS *Brasil*, SS *Argentina*, SS *Constitution*, SS *Santarosa*, and SS *Santa Paula*. I opposed that legislation at that time for the following reasons:

First. Because the American taxpayer had invested $60 million in the construction of those five U.S.-flag passenger vessels within the past 20 years and that heavy U.S. taxpayer investment would have been wiped out;

Second. Because of the thousands of American seamen jobs which could never be reclaimed if those vessels went under foreign flag;

Third. Because of the damage to our balance-of-payments situation;

Fourth. Because of my strong belief that it was necessary to keep the American flag flying on American-built, American-crewed U.S.-flag passenger vessels;

Fifth. Because I felt no real effort had been made to study the U.S.-flag passenger ship problem;

Sixth. Because I felt no real effort had been made to operate the remaining U.S.-flag passenger vessels under one operating company; and

Seventh. Because I felt that no real effort had been made by the responsible Federal agencies and officials to keep passenger service under the U.S. flag in operation.

At that time, I pointed out that almost a million American citizens took cruises each year out of our east coast ports. Today, we have even more U.S. citizens going on cruises out of these east coast ports, but they are cruises on foreign-flag vessels—not U.S. ships. Aside from the loss of seamen's jobs, consider the loss of U.S. dollars to these foreign interests. This just does not seem right or sensible to me and it is difficult to understand why we cannot have at least one, or possibly two, U.S.-flag passenger vessels operating in the cruise trades out of Florida and other east coast ports.

Because of my conviction that the United States has suffered a tremendous monetary, psychological, and maritime loss with the decline and final extinction of the U.S.-flag passenger fleet, I could not in 1971, and I cannot now, support the sale of this or any U.S.-flag passenger vessel to foreign interests. I believe such a sale is contrary to the best interests of the U.S.-flag merchant fleet and to the best interests of our Nation.

Mr. DAVIS of South Carolina. Mr. Speaker, will the gentlewoman yield?

Mrs. SULLIVAN. I am happy to yield to the distinguished gentleman from South Carolina.

Mr. DAVIS of South Carolina. Mr. Speaker, I thank the gentlewoman for yielding to me, and I too rise in opposition to this legislation, and would like to associate myself with the remarks of the distinguished and great chairman, the gentlewoman from Missouri (Mrs. SULLIVAN.)

Mrs. SULLIVAN. I thank the gentleman from South Carolina.

Mr. GROVER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, while I am frustrated by the same patriotic and nostalgic feelings, and saddened by the disappearance of our passenger fleet, reason and practicality compel me as our chairman to join the chairman of our Subcommittee on Merchant Marine (Mr. CLARK) in urging passage of H.R. 8586, which would authorize the sale foreign of the laid-up passenger vessel, SS *Independence*.

In 1972, Public Law 92–296 was enacted to authorize the sale foreign of five other U.S.-flag passenger vessel. The SS *Independence* was excluded from the provisions of Public Law 92–296 because a witness at the hearings representing Wall Street Cruises, Inc., expressed confidence that the SS *Independence* could be operated in the cruise trade under the U.S. flag. Despite tremendous effort, the SS *Independence* remains in layup, costing the owner, American Export Lines, Inc., about $700,000 annually.

Legislation is required in such cases because these passenger vessels were constructed with the aid of Government subsidy which requires them to remain under the U.S.-flag for 25 years, and the 25 years have not elapsed.

As the gentleman from Pennsylvania has stated, tremendous growth in commercial aviation on international routes following the introduction of jet aircraft has led to a steady decline in the use of passenger ships from point-to-point transportation. At the same time, the passenger ship cruise business has mushroomed. Unfortunately, most U.S.-flag passenger vessels were not built for cruising and cannot be operated economically in such trades.

Since Wall Street Cruises, Inc. has cancelled its option to purchase the vessel and efforts to find an American buyer since the fall of 1968 have been fruitless, your committee has concluded that the laid-up SS *Independence* cannot compete as a U.S.-flag passenger vessel with foreign-flag cruise vessels. Further, it represents a complete economic waste and serious financial drain on the owning company as long as it is laid up.

The only possibility of the availability in case of a naval emergency, is the passage of this bill. The other alternative is that the vessel be scrapped.

Mr. Speaker, I urge my colleagues to support this measure.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. GROVER. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, I would ask the gentleman from New York (Mr. GROVER) what assurances do we have that if this authorizing legislation is passed that there will be a buyer for the SS *Independence?*

Mr. GROVER. There is no assurance, it merely makes the ship available for that purpose.

Mr. GROSS. Mr. Speaker, if the gentleman will yield further, the fact of the matter is that there is no potential buyer; is that not true, since Wall Street Cruises termed it too expensive?

Mr. DOWNING. Mr. Speaker, will the gentleman yield?

Mr. GROVER. I yield to the gentleman from Virginia.

Mr. DOWNING. Mr. Speaker, in response to the inquiry of the gentleman from Iowa (Mr. GROSS) the answer is "yes," there is a potential buyer for the SS *Independence,* and I think that there are negotiations going on now pending the passage of this bill.

The American Export Lines owns this ship, and they have two alternatives. They can sell the ship for scrap to the same buyer for $2.4 million, or they can sell the ship as a passenger ship for $2.9 million. If she goes out as a passenger ship, then we would still have the right to reclaim the ship in the event of an emergency. But there is a potential buyer for this ship.

Mr. GROSS. Mr. Speaker, if the gentleman will yield still further, is it a foreign or domestic purchaser?

Mr. CLARK. Mr. Speaker, if the gentleman will yield, since 1968, as the gentleman from New York (Mr. GROVER) said, we have been trying to sell this ship. We thought we had a buyer when this law was passed in 1968. So far we have not had a domestic buyer; we do have a foreign buyer.

Mr. GROSS. What use would be made of a vessel sold to foreign interests? Would that be in a cruise operation or a point-to-point operation?

Mrs. SULLIVAN. It is our understanding that the same individual who wants to buy the *Constitution* also wants to buy the *Independence*. From what we have been told, these interests want to use them as cruise ships or passenger vessels in their part of the world; that is, the Orient.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. GROVER. I yield to the gentleman from Iowa.

Mr. GROSS. I thank the gentleman for yielding. That would not be Aristotle Onassis; would it?

Mr. GROVER. No, not at the present time.

Mr. CLARK. The name of the gentleman is C. Y. Tung.

Mr. DINGELL. Mr. Speaker, I rise to urge support of H.R. 8586, a bill that would cure an existing inequity, by authorizing the foreign sale of the laid-up U.S.-flag passenger vessel, SS *Independence*.

As the chairman of the Merchant Marine Subcommittee and the gentleman from Virginia have explained, the rationale for denying this vessel the right to be sold foreign no longer exists.

Since the fall of 1968, American Export Lines has been endeavoring, without success, to find an American buyer. It is clear there is no feasible employment for the SS *Independence* under the U.S. flag. In layup, the vessel represents a total economic waste and a serious financial drain on the owning company.

I think that equity demands that the vessel be permitted to be sold foreign pursuant to the provisions of H.R. 8586. To do otherwise would penalize American Export Lines for making a good-faith effort to retain this vessel under the U.S. flag when the other laid-up passenger vessels were permitted to be sold foreign by Public Law 92-296.

I strongly urge the House to support H.R. 8586.

Mr. DOWNING. Mr. Speaker, I join my colleague, the distinguished chairman of the Merchant Marine Subcommittee, in full support of H.R. 8586 which would authorize the foreign sale of the U.S.-flag passenger vessel SS *Independence*.

The need for this type of legislation was clearly established in the hearings which were held before the Merchant Marine and Fisheries Committee prior to the enactment of Public Law 92–296, which authorized the foreign sale of almost all of our other U.S.-flag passenger ships. The SS *Independence* was specifically excluded from the provisions of that legislation because one prospective American purchaser testified that his firm could operate the ship in the cruise trade. They have since notified American Export Lines, Inc., the owner of the SS *Independence,* that they do not intend to exercise their option to purchase the vessel.

The vessel remains in layup and is causing an annual financial drain on its owner of about $700,000.

This situation is not peculiar to passenger vessels under the U.S. flag. Shipping lines all over the world have found it increasingly difficult and burdensome to continue to operate their passenger ships, and as a result many of these vessels are no longer sailing.

In the hearings on H.R. 8586 before the Merchant Marine Subcommittee, it became apparent that there is no possible employment for the SS *Independence.* I do not think it would be fair to require American Export Lines to either continue to maintain this vessel in layup or sell it for scrap, when it is possible to sell the ship to a foreign operator. I believe H.R. 8586 should be passed.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Pennsylvania (Mr. CLARK) that the House suspend the rules and pass the bill, H.R. 8586, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. CLARK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

C–4's IN GUAM TRADE

Mr. CLARK. Mr Speaker, I move to suspend the rules and pass the bill (H.R. 11223) to authorize amendment of contracts relating to the exchange of certain vessels for conversion and operation in unsubsidized service between the west coast of the United States and the territory of Guam.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Commerce (hereinafter referred to as the "Scretary"), acting by and through the Maritime Administration, is authorized to remove from any and all contracts made under authority of the Act of December 14, 1967 (Public Law 90–195) or otherwise affecting the two C–4-type vessels traded out under authority of that Act, the terms and conditions which were deemed necessary to insure that if the person who acquired the two C–4-type vessels discontinues his operation of unsubsidized service between the west coast of the United States and the territory of Guam, the vessels will be sold to his successor in such service at their fair and reasonable value as determined by the Secretary, and any other requirements the Secretary determined were necessary to insure continued operation of the two C–4-type vessels in such unsubsidized service. At the request of the other party to any such contract, the Secretary shall amend such contract in accordance with the provisions of this Act.

The SPEAKER pro tempore. Is a second demanded?

Mr. GROVER. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

Mr. CLARK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 11223, a bill which would enable Pacific Far East Line to sell the vessels *Guam Bear* and the *Hawaii Bear* to purchasers other than its successor in the trade between the west coast of the United States and Guam.

These vessels are converted C–4 containerships which were acquired by Pacific Far East Lines from the National Defense Reserve Fleet pursuant to Public Law 90–195. Legislation was required because the Martime Administration had ruled that Pacific Far East Lines, a subsidized operator, was not eligible for vessels from the Reserve Fleet even if they were to be operated in the unsubsidized Guam trade. Pacific Far East Lines was the only operator in the trade at that time. In order to assure adequate service to Guam, it was required by Public Law 90–195 to agree that the vessels would be operated only in the unsubsidized Guam trade and that these vessels could only be sold to Pacific Far East Lines' successor in that service.

Since the enactment of Public Law 90–195, both Seatrain Lines and United States Lines have entered this service as part of their Far East service. Since neither of these lines are subsidized, they have the flexibility to provide service from the west coast to Guam as a segment of longer trade routes or in connection with feeder services elsewhere. Pacific Far East Lines now finds itself locked into a round trip service on which there is virtually no cargo to be carried from Guam to the United States. As a result of competition from other lines and the inflexibility built into Pacific Far East Lines own Guam service, this company is now sustaining losses from its Guam service in excess of $100,000 per month.

Pacific Far East Lines has a substantial investment in Guam, and has maintained a liner service in this trade for the past 27 years. If H.R. 11223 is enacted, removing the contractual restrictions on the sale of these two Pacific Far East Line vessels, the company plans to continue to service Guam if it is at all possible for them to do so. However, even if Pacific Far East Lines is forced to discontinue this service, the service presently being provided by United States Lines and Seatrain Lines would be more than adequate to insure that the quality and frequency of service to Guam would not be compromised.

The purpose of this bill is to remove a restriction on the use of two converted vessels for which the rationale has all but disappeared. H.R. 11223 was unanimously reported from the Committee on Merchant Marine and Fisheries, and it should be passed.

Mr. Speaker, I yield to the chairman of the committee for any further discussion.

Mrs. SULLIVAN. Mr. Speaker, I join the chairman of the Merchant Marine Subcommittee, the gentleman from Pennsylvania, in support of H.R. 11223, which would generally authorize Pacific Far East Line to either sell two C–4 type container ships, the SS *Guam Bear* and the SS *Hawaii Bear,* to a purchaser other than its successor in the service between the west coast of the United States and Guam or, if circumstances permit, operate these vessels in some other trade.

At the present time, Public Law 90–195 and regulations issued thereunder, restrict the operation of the SS *Guam Bear* and SS *Hawaii Bear* to trade between the west coast of the United States and Guam. If such service is discontinued, these vessels are required by statute to be sold to the successor of Pacific Far East Line in such service.

At the time of the enactment of Public Law 90–195 in 1967, Pacific Far East Line was the only line servicing this trade. Since that time, circumstances have changed considerably. Two unsubsidized lines, United States Lines and Seatrain, have entered this trade. Both have the flexibility to provide service from the west coast to Guam as a portion of longer trade routes or in connection with feeder services elsewhere.

Pacific Far East Line is locked into a round trip service in which there is virtually no cargo to be carried from Guam to the United States. As a result of the competition from the other two lines and the inherent inflexibility of its own Guam operation, Pacific Far East Line is sustaining heavy losses from this service.

Passage of H.R. 11223 would afford Pacific Far East Line greater flexibility and, according to the information presented to us, would not jeopardize either the adequacy or the quality of service between the west coast and Guam. The Maritime Administration testified in support of the bill as a sound solution to a situation which was not anticipated at the time these restrictions were imposed on Pacific Far East Line. I believe the bill should be passed.

Mr. GROVER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise to add my support for passage of H.R. 11223, a bill designed to correct an inequity created by a situation that was not anticipated or intended.

Pacific Far East Lines is a subsidized operator, but for several years, it has provided unsubidized service between the west coast of the United States and Guam. In the late sixties, PFEL tried to avail itself to the provisions of the now-expired Vessel Exchange Act in order to upgrade this unsubsidized service between the west coast and Guam. The Maritime Administration ruled that PFEL was ineligible because they were generally a subsidized operator.

In 1967, the Merchant Marine and Fisheries Committee commenced consideration of a proposal which would in effect permit PFEL to act as an unsubsidized operator in this instance and trade in its two old vessels operating in the west coast-Guam unsubsidized service for newer vessels in the National Defense Reserve Fleet. At that time, your committee and the Maritime Administration were rightfully concerned that adequate service be provided to Guam. PFEL at that time was the only operator providing service between the west coast and Guam. Further, no other company appeared interested in improving service to Guam.

Committee consideration resulted in the enactment of Public Law 90-195 which permitted PFEL to trade in the old vessels, pay the difference in value, and obtain two C-4's. The C-4's were converted, became the SS *Guam Bear* and the SS *Hawaii Bear*, and have been in service to Guam since that time, making approximately two sailings per month.

Now, the picture has changed substantially in that two other lines provide regular service to Guam. Seatrain Lines entered into service in 1970 with approximately the same number of sailings as PFEL and United States Lines entered the service in 1972 with 4 to 5 sailings per month.

Since both United States Lines and Seatrain are unsubsidized operators, they have the flexibility to provide service from the west coast to Guam as a portion of longer trade routes or in connection with feeder services elsewhere. PFEL, on the other hand, is still considered a subsidized operator and is committed to round-trip service on which there is virtually no cargo to be carried on the return trip to the United States. The result is that PFEL's unsubsidized service to Guam has become highly unprofitable.

While there is no guarantee that United States Lines and Seatrain will continue to provide service to Guam, there is no reason to believe that they will discontinue such service, particularly since it is a part of more extensive routes. Although PFEL hopes to continue its Guam service—PFEL has a substantial investment in Guam at this point—Guam service would not, in our opinion, be compromised if PFEL did discontinue service.

In the interest of equity, I urge passage of H.R. 11223 which would remove the restrictions placed on PFEL in the 1968 action and permit PFEL to sell the SS *Guam Bear* and the SS *Hawaii Bear* to a purchaser other than their successor in the same trade, or permit them to operate the vessels in some other trade if circumstances warrant it.

The SPEAKER pro tempore (Mr. McFall). The question is on the motion offered by the gentleman from Pennsylvania (Mr. Clark) that the House suspend the rules and pass the bill H.R. 11223.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. CLARK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bills just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

CONTAINER BARGE SERVICE

Mr. DINGELL. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 12208) to confer exclusive jurisdiction on the Federal Maritime Commission over certain movements of merchandise by barge in foreign and domestic offshore commerce.

The Clerk read as follows:

H.R. 12208

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Shipping Act, 1916, as amended (46 U.S.C. 801-842), is amended by inserting a new section 3 to read as follows:

"Sec. 3. Notwithstanding part III of the Interstate Commerce Act, as amended (49 U.S.C. 901 et seq.), or any other provision of law, rates and charges for the barging and affreighting of containers or containerized cargo by barge between points in the United States, shall be filed solely with the Federal Maritime Commission in accordance with rules and regulations promulgated by the Commission where (a) the cargo is moving between a point in a foreign country or a noncontiguous State, territory, or possession and a point in the United States, (b) the transportation by barge between points in the United States is furnished by a terminal operator as a service substitute in lieu of a direct vessel call by the common carrier by water transporting the containers or containerized cargo under a through bill of lading. (c) such terminal operator is a Pacific Slope State, municipality, or other public body or agency subject to the jurisdiction of the Federal Maritime Commission, and the only one furnishing the particular circumscribed barge service in question as of the date of enactment hereof, and (d) such terminal operator is in compliance with the rules and regulations of the Federal Maritime Commission for the operation of such barge service. The terminal operator providing such services shall be subject to the provisions of the Shipping Act, 1916.".

Sec. 2. Within one hundred and twenty days after enactment of this Act, the Federal Maritime Commission shall promulgate rules and regulations for the barge operations described in the amendment made by the first section of this Act. Such rules shall provide that the rates charged shall be based upon factors normally considered by a regular commercial operator in the same service.

The SPEAKER pro tempore. Is a second demanded?

Mr. GROVER. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

Mr. DINGELL. Mr. Speaker, I rise to urge passage of H.R. 12208, a bill that would resolve the question whether the Interstate Commerce Commission or the Federal Maritime Commission has regulatory jurisdiction over the movement by the Port of Sacramento of containers and containerized cargo between Sacramento and San Francisco, California.

The genesis of this legislation was the advent of the container vessel in international trade. These fast, highly productive vessels cannot afford to call at more than one or two ports on one leg of a voyage. Usually, these are the larger ports on each coast of the United States. Other ports are bypassed.

The Port of Sacramento, located 79 miles up river from San Francisco, was losing business, and came up with an innovative solution to the problem. The port instituted what they call a container barge service. This service consists of a tug and barge that transports containers between Sacramento and the San Francisco Bay area. As a result, a container vessel with cargo for Sacramento can either proceed up river to that port or transfer the containers to the container barge service at San Francisco.

The Container Barge Service is offered to ocean carriers only. The shipper pays the ocean carrier the freight rate for the movement to or from the Port of Sacramento, and the ocean carrier absorbs the cost of the Container Barge Service from this rate. The obvious advantage to the ocean container vessel is that the charge of the Container Barge Service is usually less than the vessel cost of a direct call to the Port of Sacramento.

Since the Federal Maritime Commission has jurisdiction over the ocean freight rate of the container vessel, and the terminals at both San Francisco and Sacramento, interposing the jurisdiction of the Interstate Commerce Commission for the Container Barge Service movement between San Francisco and Sacramento on what is essentially a nondomestic movement would serve no useful purpose. The Interstate Commerce Commission agrees that the Federal Maritime Commission should exercise this jurisdiction, but that legislation is required. This, the bill H.R. 12208, would provide.

The bill was reported unanimously, and I am unaware of any opposition to it.

I strongly urge the House to support H.R. 12208.

Mr. McFALL. Mr. Speaker, will the gentleman yield for a question?

Mr. DINGELL. I am happy to yield to the gentleman.

Mr. McFALL. Mr. Speaker, we notice the qualifying language contained in this bill and would appreciate clarification on one point. Would jurisdiction of the Federal Maritime Commission extend to another service if the qualifying restrictions are met, presuming that initiation of the service began prior to approval of the bill by the President?

Mr. DINGELL. Mr. Speaker, in answer to the question of the gentleman, I would like to read the committee report, page 5 at the end of the fourth paragraph:

> However, on the remote chance that another terminal operator should institute such service that is otherwise qualified under the severe restrictions of H.R. 12208, prior to enactment, then the bill would also apply to such operator.

Mr. McFALL. I would assume this would apply not only to the Port of Sacramento, but to another port in the river area, the Yolo Port.

The SPEAKER. The time of the gentleman has expired.

Mr. DINGELL. I yield myself an additional 1 minute.

Mr. Speaker, the answer to the question is yes, as interpreted in the language of the report.

Mr. McFALL. I thank the gentleman.

Mr. GROVER. Mr. Speaker, I rise to add my support for passage of H.R. 12208, the container barge service bill.

Ocean shipping has, during the past decade, experienced a technological revolution. New systems for movement of cargo include container ships and barge carrying vessels. These ships speed the movement of cargo in international trade by permitting rapid loading and discharge, and greatly minimize damage and loss of cargo en route. This revolution, however, has created a problem for many ports in that container vessels now limit calls to one or two ports on each coast.

The Port of Sacramento faced this problem and in an effort to adapt itself to modern transportation, inaugurated its innovative container barge service in January 1970. The Port of Sacramento is a public corporation which operates the Sacramento River deepwater ship channel project and is approximately 80 nautical miles from the Pacific Ocean. The port's service, which involves the movement of merchandise in containers between the Port of Sacramento and ports in the San Francisco Bay on a barge leased by the port, is offered only to ocean common carriers and is offered only in lieu of direct call at the Port of Sacramento when that port is named as the port of origin or destination on a port-to-port ocean bill of lading. No local cargo is carried between Sacramento and the San Francisco Bay ports.

Before inaugurating the container barge service in 1970, the Port of Sacramento informally consulted both the Federal Maritime Commission and the Interstate Commerce Commission in an effort to determine which agency would exercise regulatory authority over the service. Since agreement could not be reached, the port filed its rate sheet with the Federal Maritime Commission as a part of its terminal tariff. No agreement between the Maritime Commission and the Interstate Commerce Commission was reached until August 4, 1972, when they informed the Merchant Marine and Fisheries Committee that they had no objection to the measure then before the committee. That measure gave the Federal Maritime Commission exclusive regulatory jurisdiction over domestic barge movements of cargo moving in foreign trade where the barge service is provided as a substitute service by the port agency so that the deep sea vessel will not have to call at the port. Without legislation, there is an open question as to whether this matter might come under the jurisdiction of the ICC. That measure did pass the House during the 92d Congress; however, the Senate failed to complete its consideration of the bill.

After the bill was reintroduced in the 93d Congress, your committee reviewed the entire record. Although the bill was generally supported by the FMC, the ICC, and the Port of Sacramento, the committee agreed that the private towing industry did have a basis for objecting to passage of the bill. The bill before you today is a clean bill incorporating two amendments to the original measure which prevent the measure from being applied to public terminals in ports throughout the United States, which was the fear of the towing industry.

Mr. Speaker, I urge my colleagues to support this measure which would permit the Port of Sacramento to continue operation of its innovative container barge service under the regulation of the Federal Maritime Commission, and resolve the jurisdictional issue between the ICC and the FMC.

Mr. LEGGETT. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I yield such time as he may consume to the gentleman from California (Mr. LEGGETT).

Mr. LEGGETT. Mr. Speaker, I do want to commend the very aggressive chairman of this ad hoc subcommittee that heard this legislation, the gentleman from Michigan (Mr. DINGELL) and also the gentleman from Pennsylvania (Mr. CLARK) for their cooperative efforts in seeing that the bill was properly amended, that it had the support of both the Federal Maritime Commission and the ICC, and passed unanimously out of the Merchant Marine Subcommittee.

Mr. Speaker, I rise to join my colleagues on both sides of the aisle in strong support of H.R. 12208.

The jurisdiction of the Interstate Commerce Commission generally extends to water carriers operating between points in the United States. The jurisdiction of the Federal Maritime Commission generally extends to water carriers operating in our foreign and domestic offshore commerce.

In 1970, when the Port of Sacramento instituted their container barge service between Sacramento and San Francisco, the question arose whether this was, in effect, a substituted service for an ocean vessel operating in our foreign or domestic offshore commerce and thus subject to the jurisdiction of the Federal Maritime Commission.

I am pleased to inform the House that there is no disagreement between the two regulatory agencies involved. Both the Federal Maritime Commission and the Interstate Commerce Commission feel that as the ocean freight rate and the terminals at both San Francisco and Sacramento are under the jurisdiction of the Federal Maritime Commission, and as the container barge service is a substitute service for an ocean common carrier operating in our foreign or domestic offshore commerce, that the Federal Maritime Commission should have this jurisdiction. However, legislation is required to clarify this point.

H.R. 12208 would resolve this question, and vest such jurisdiction in the Federal Maritime Commission.

Mr. Speaker, the bill was reported unanimously, and I am unaware of any opposition to it.

I strongly urge the House to support H.R. 12208.

Mr. MOSS. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I yield to my good friend, the gentleman from California (Mr. Moss).

Mr. MOSS. Mr. Speaker, as cosponsor with my distinguished colleague, Hon. ROBERT L. LEGGETT, of H.R. 12208, I will use the time available to me today to explain the measure and urge its passage in this body.

The bill would confirm exclusive jurisdiction in the Federal Maritime Commission over certain movements of merchandise by barge in foreign and domestic commerce. Its provisions represent the end product of intensive consideration of various bills on the same subject spanning a 3-year period. Involved in these discussions were proponents of the legislation, the responsible Federal administrative agencies; namely, the Interstate Commerce Committee, and the Federal Maritime Commission, representatives of the waterborne commerce industry, and the majority and minority staff counsel of both the committees on Interstate and Foreign Commerce and Merchant Marine and Fisheries.

I have seldom seen legislation receive more painstaking and conscientious consideration by responsible spokesmen representing the executive and legislative branches of the Federal Government, local public interests, and private industry. The culmination of these efforts is H.R. 12208 as reported last week by the distinguished gentlewoman from Missouri and chairman of the Committee on Merchant Marine and Fisheries (Mrs. SULLIVAN).

During the second session of the 92d Congress, H.R. 9128, a predecessor to the bill before us today, was favorably reported (H. Rept. 92-1277). The bill was granted a rule by the Committee on Rules, and passed the House on September 26, 1972. Due to the adjournment of Congress shortage after the bill's passage there was insufficient time for its consideration in the Senate.

The more immediate predecessors of H.R. 12208 in this Congress were H.R. 736 and H.R. 4009, identical bills by my respected colleagues in the California delegation, Mr. Mailliard and Mr. LEGGETT. Based on the record developed at hearings on those bills held last June by the Merchant Marine Subcommittee under the direction of its able chairman, the Honorable FRANK M. CLARK, of Pennsylvania, and on subsequent discussions with all interested parties, a new bill, H.R. 12208, was introduced and subsequently considered and reported out by the Committee on Merchant Marine and Fisheries.

With your kind permission, Mr. Speaker, I would now like to set forth some information first about the Port of Sacramento, a small inland port on the outskirts of my home city of Sacramento, Calif., and second about a unique operation, called the Container Barge Service, conceived by its port director, Mr. Melvin Shore, and placed in operation under his capable direction. The bill now under consideration in this chamber would resolve a jurisdictional "gray" area between two Federal agencies over regulation of the Container Barge Service.

The Sacramento Yolo Port District is a public corporation formed under the law of the State of California to operate the Sacramento River Deepwater Ship Channel project.

That project, better known as the Port of Sacramento, consists of an inland port with a terminal in West Sacramento, Calif. At that location there is a harbor and turning basin, and a shallow barge canal and navigation lock connecting the harbor area and the Sacramento River. Its outlet to the sea is a 25-mile-long manmade ship channel connecting the harbor and the turning basin with the lower reaches of the Sacramento River which empties into deep water at Carquinez Straights and San Francisco Bay.

The port, which received its first vessel call on June 29, 1963, was constructed by the U.S. Corps of Engineers at a Federal cost in excess of $41 million. The Sacramento-Yolo Port District, as the responsible local agency, provided all the terminal facilities and appurtenances in the harbor area at a cost in excess of $15 million.

SACRAMENTO'S CONTAINER BARGE SERVICE

The advent of containerization has been responsible for tremendous changes in the ocean transportation industry. Included among them has been the design of gigantic containerships which are both expensive to construct and operate. In their efforts to hold down costs steamship companies have had to limit calls to a few larger ports on each coast. Needless to say, the consequences of this could spell disaster for the Nation's smaller inland ports.

Faced with the need to serve the shippers in its area and this challenge to its economic well being and in order to adapt itself to the new realities of ocean transportation, the Port of Sacramento pioneered a unique method of attracting general cargo which it inaugurated on January 1, 1970, and designated as its container barge service. This new service involves the movement of merchandise in containers between the Port of Sacramento and ports in the San Francisco Bay area on a barge leased by the port. The barge is moved by a tug which has operating rights granted by the Interstate Commerce Commission.

The Container Barge Service is used only to transport container cargo moving wholly by water between a port in a foreign country or a non-contiguous State or Territory and the Port of Sacramento under a port-to-port ocean bill of lading naming Sacramento as the port of origin or destination. The service is offered solely to ocean common carriers by water. The Port of Sacramento acts as the carrier's agent in transporting the merchandise under a Sacramento bill of lading as part of a single continuous port-to-port water movement. The movement of merchandise on the barge is offered only as a service substituted in lieu of the direct physical call of the vessel at the Port of Sacramento which is named in the bill of lading. Since inaugurated on January 1, 1970, the service has been covered by the rate schedule which the Port of Sacramento filed with the Federal Maritime Commission pursuant to General Order No. 15 under the Shipping Act of 1916. Charges as set forth in the port's published rate schedule for the service are paid by the steamship companies which find it an economically advantageous alternative to the costs represented by the 8 hours steaming time, layover time, and other additional expenses incurred in sending the vessel directly to Sacramento for less than a large volume of cargo. The service offered includes the loading and unloading of the containers at the Port of Sacramento to and from the barge as well as the land carrier. The entire service is on a single per container rate basis as proved in the published rate schedule.

By letter dated August 11, 1970, addressed to both the Interstate Commerce Commission and the Federal Maritime Commission, the Port of Sacramento requested an opinion as to which of those two agencies had jurisdiction over its container barge service. In a reply dated October 19, 1970, George M. Stafford, Chairman, Interstate Commerce Commission, stated in part, as follows:

> It is our position that your container barge service is subject to the regulatory authority of this Commission.

Chairman Stafford's letter went on to say:

> The question is governed by an interpretation of Part III of the Interstate Commerce Act. Transportation in interstate or foreign commerce which is subject to the Act is defined in part as transportation of persons or property wholly by water, or partly by water and partly by railroad, or motor vehicle, to or from a place outside the United States, but (1) only insofar as such transportation by water takes place from any place in the United States to any other place therein after transshipment at a place within the United States in a movement to a place outside thereof or (2) in the case of a reverse movement, only insofar as the transportation from a foreign point takes place between two United States points after transshipment at the first point.

The Chairman's letter continued:

> The word "transshipment" has never been formally interpreted by the Commission. However, for some time it has been our informal view that transshipment in this context means the transfer of ladings between different lines.

In a reply dated December 23, 1970, the Port of Sacramento advised Chairman Stafford that it would seek a legislative clarification of the issue of which the two commissions had regulatory jurisdiction over the container barge service.

THE PORT OF SACRAMENTO IN THE MIDDLE

As previously indicated, the necessity for this legislation arises because an ambiguity exists as to which of two Federal Commissions should have jurisdiction over the container barge service.

The port filed a rate schedule with the Federal Maritime Commission in the belief that since all other aspects of the movement are under that Commission's jurisdiction, logic dictates that the tiny segment comprising its container barge service be under the same regulatory control. The carrier itself and the ports at both end of the feeder system are subject to the Federal Maritime Commission's regulatory authority.

It would seem that under such circumstances where only one small portion of a continuous movement in foreign or offshore domestic commerce is provided as a substitute for a direct vessel call, the portion should be subject to the same regulatory scheme applicable to every other aspect of the same movement. The facts that, first, the service is offered as a substituted feeder service to the carrier which utilizes it is part and parcel of his service to the shipper, and, second, the port serves as the prime carrier's agent and is reimbursed by the carrier for the services rendered, bear repreating.

DECLARATORY ORDER

In an effort to resolve the ambiguity administratively the Port of Sacramento filed with the Interstate Commerce Commission a petition for a declaratory order that its container barge service is not subject to the Commission's regulatory jurisdiction.

By decision dated June 5, 1972, the Commission found that the container barge service "constitutes transportation in interstate or foreign commerce pursuant to the Interstate Commerce Act and therefore subject to economic regulation by this Commission."

In its decision, however, the Commission made the following statements, among others:

> Nevertheless, we also recognize that, to a limited extent, operations of the specific type performed by petitioner through its Container Barge Service has no more than a *de minimis* effort on interstate or foreign commerce as regulated by us. And within those limits we can foresee no adverse effects to the public or the inland water carriers of the Congress were to remove such operations from our jurisdiction and place them entirely in the hands of the FMC. Water trans-

> portation in foreign commerce would be subject to less regulation.

SUPPORT FOR THIS LEGISLATION

Starting on page 6 of House Report No. 93-938 on H.R. 12208 are departmental reports on H.R. 736 and H.R. 4009 (predecessors to H.R. 12208) on which the Merchant Marine Subcommittee held hearings last June.

In Federal Maritime Commission's report dated June 20, 1973, Helen Delich Bentley described the "fragmented duplication of regulation" between the FMC and the ICC which now occurs when foreign bound cargo originating at a point in California is moved from the Port of Sacramento to San Francisco by barge for loading aboard the seagoing ship. Referring to such a movement Chairman Bentley makes the following statements, among them.

> This fragmentation would be avoided under H.R. 4009. The Interstate Commerce Commission would relinquish jurisdiction at the Port of Sacramento and the entire movement beyond the port would be subject to the exclusive jurisdiction of the Federal Maritime Commission in those instances where the conditions heretofore specified are met, thereby removing unnecessary obstacles to newly developing water services.
>
> It is our understanding that the Interstate Commerce Commission endorsed an identical measure, H.R. 9128, during the 92nd Congress. That bill was ordered reported by your Committee.

Chairman Bentley's letter concludes thusly:

> The Commission urges enactment of H.R. 4009 as so amended.
>
> The Office of Management and Budget has advised that there would be no objection to the submission of this letter from the standpoint of the Administration's program.

In its report on H.R. 736 and H.R. 4009 dated June 14, 1973, the Office of Management concluded as follows:

> For the reasons stated by the Federal Maritime Commission in its report to you on these bills, the Office of Management and Budget would have no objection to enactment of either H.R. 736 or H.R. 4009.

As pointed out in the committee report the Interstate Commerce Committee did not believe a report to be necessary in view of its favorable testimony. Following is an excerpt from ICC Chairman George M. Stafford's statement before the committee:

> This proposed shift in jurisdiction is the outgrowth of operations of the Port of Sacramento, which offers a container barge service to ocean common carriers. A full discussion of these operations is contained in our report No. W-C-21, *Sacramento-Yolo Port District, Petition for Declaratory Order*, a copy of which is hereby submitted for the record. In that report, we found that although the operations are within our jurisdiction, they have only a very minor effect on interstate and foreign commerce . . .
>
> As you will recall, we objected to H.R. 9128 and H.R. 9614 as introduced into the 92nd Congress in our testimony before this Subcommittee on November 29, 1971; however, the bills, as revised in the interim, now reflect most of the legislative recommendations set forth and endorsed by us in the *Sacramento-Yolo Port District case*. There are some differences between the bills suggested by us and those being considered. We view them as not affecting the jurisdictional base, but merely as clarifying the Federal Maritime Commission's jurisdiction over a barge movement (1) where part of the through movement is by land, and (2) where someone other than the common carrier by water issues the bill of lading.
>
> At this time, we wish to repeat that our support of these bills should be construed as endorsement of only a change in jurisdiction covering only the one type of operation as conducted by the Port of Sacramento, and that the remaining regulatory balance created by Congress be kept intact.

CONCLUSION

H.R. 12208 would resolve a jurisdictional ambiguity between the Interstate Commerce Commission and the Federal Maritime Commission over a unique service pioneered by a small inland port in California which is endeavoring to accommodate itself to the economic realities of modern ocean transportation.

I believe that anyone reviewing all the facts will agree with the conclusion of the House Committee on Merchant Marine, the Federal Maritime Commission, and the Interstate Commerce Committee in favor of this legislation.

It seems clear that keeping regulatory jurisdiction in two Federal agencies would first, create a wasteful duplication; second, fragment regulatory authority over a through movement which constitutes essentially a single, indivisible transportation service; third, place the burden of regulation of a part of that service under the authority of a regulatory agency which, unlike the FMC, has had only limited experience in handling such transportation; and (4) place an unnecessary obstacle in the course of a newly developing through water service.

The ICC found in its Declaratory Order that—

> The Container Barge Service (will) have no more than a *de minimus* effect on interstate or foreign commerce as regulated by us. And . . . we see no adverse effects to the public or the inland water carriers if the Congress were to remove such operations from our jurisdiction and place them entirely in the hands of the FMC.

In closing I might also note that the committee found that enactment of H.R. 12208 will not result in any additional cost to the Federal Government.

The **SPEAKER**. The question is on the motion offered by the gentleman from Michigan that the House suspend the rules and pass the bill H.R. 12208.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

MIGRATORY BIRD CONVENTION WITH JAPAN

Mr. **DINGELL**. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 10942) to amend the Migratory Bird Treaty Act of July 3, 1918 (40 Stat. 775), as amended, to extend and adapt its provisions to the Convention between the United States and the Government of Japan for the protection of migratory birds and birds in danger of extinction, and their environment, concluded at the city of Tokyo, March 4, 1972, as amended.

The Clerk read as follows:

H.R. 10942

> *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That section 2 of the Migratory Bird Treaty Act (16 U.S.C. 703) is amended—
>
> (1) by striking out ", or any part, nest, or egg of any such birds," and insert in lieu thereof ", any part, nest, or egg of any such bird, or any product, whether or not manufactured, which consists, or is composed in whole or part, of any such bird or any part, nest, or egg thereof,";
>
> (2) by striking out "and" immediately after "1916,"; and
>
> (3) by striking out the period at the end thereof and inserting in lieu thereof the following: ", and the United States and the Government of Japan for the protection of migratory birds and birds in danger of extinction, and their environment concluded March 4, 1972.".
>
> SEC. 2. The title of the Migratory Bird Treaty Act is amended to read as follows: "An Act to give effect to the conventions between the United States and other nations for the protection of migratory birds, birds in danger of extinction, game mammals, and their environment.".
>
> SEC. 3. The amendments made by this Act shall take effect on the date on which the President proclaims the exchange of ratifications of the convention between the United States and the Government of Japan for the protection of migratory birds and birds in danger of extinction, and their environment, concluded March 4, 1972, or on the date of the enactment of this Act, whichever date is later.

The **SPEAKER**. Is a second demanded?

Mr. **GROVER**. Mr. Speaker, I demand a second.

The **SPEAKER**. Without objection, a second will be considered as ordered.

There was no objection.

Mr. **DINGELL**. Mr. Speaker, the purpose of H.R. 10942 is to implement the convention between the United States and Japan for the protection of migratory birds and birds in danger of extinction, and their environment.

Mr. Speaker, the convention between the United States and Japan concerning migratory birds is the third of this type entered into by the United States. The first bilateral convention was entered into with Canada in 1916 and the second with Mexico in 1936. The majority of the species covered by the convention with Japan are protected in the United States under the Canadian and Mexican conventions, but several species, mostly sea birds, will be added by this convention to those already protected by the United States under the other two conventions.

Mr. Speaker, the convention with Japan—like the conventions with Canada and Mexico—covers species of birds common to both countries and for which there is positive evidence of migration between the two countries.

The convention, in general, prohibits the taking of any migratory bird, part, nest, egg, or products thereof, of birds listed in the annex to the convention of which there are 189. Under regulations prescribed by the respective countries, taking would be permitted in certain excepted cases, such as for scientific, educational, and propagative purposes; during open hunting seasons; and by Eskimos, Indians, and indigenous peoples of the Trust Terrritory of the Pacific Islands for their own food and clothing.

One of the highlights of this convention is that each country would be required to preserve and enhance the environment of birds protected under the convention. In particular, each country would be required to seek means to prevent damage to such birds and their environment, including damage from pollution of the seas.

The convention would remain in force for 15 years and would continue in force thereafter until terminated by either contracting party giving 1-year's written notice at the end of the 15-year period, or at any time thereafter.

Mr. Speaker, the convention between the United States and Japan was signed in Tokyo on March 4, 1972. The Senate gave its advice and consent on March 27, 1973. The convention will enter into force on the date of exchange of ratifications.

Mr. Speaker, briefly explained, section 1 of H.R. 10942 would amend the Migratory Bird Treaty Act to make it clear that not only does the prohibition of the act against the taking of these protected birds extend to the bird, or any part, nest, or egg thereof, but also to any product of any such bird, or any part, nest, or egg thereof as may be included in the terms of the conventions between the United States and other nations.

Mr. Speaker, although the word "product" was not mentioned in the Canadian convention, it is mentioned in the Mexican and Japanese conventions and in the regulations of the Department of the Interior implementing the Migratory Bird Treaty Act. Nevertheless, the Merchant Marine and Fisheries Committee felt that the act should specifically cover products and therefore amended the act to make it clear that any product, whether or not manufactured, which consists, or is composed in whole or part, of any such bird, or any part, nest, or egg thereof would be covered under the prohibition provision of the act.

Also, section 1 of the bill would amend the Migratory Bird Treaty Act to add the Japanese Convention to the list of Conventions covered by the act.

Section 2 of the bill would rewrite the official title of the Migratory Bird Treaty Act and in doing so would eliminate the necessity of amending the title of the act each time a similar convention is entered into in the future.

Section 3 of the bill would provide that the amendments made to the act by this legislation would take effect on the date of exchange of ratifications between the United States and Japan or on the date of the enactment of this legislation, whichever is later.

Mr. Speaker, H.R. 10942 was introduced as a result of an Executive Communication from the Department of the Interior and it was unanimously ordered reported by our Committee on Merchant Marine and Fisheries and I urge its prompt passage.

Mr. GROVER. Mr. Speaker, I rise in support of the legislation.

Mr. Speaker, I would like to add my support to that expressed by my colleague, the gentleman from Michigan (Mr. DINGELL) for H.R. 10942, a bill to amend the Migratory Bird Treaty Act of July 3, 1918, as amended.

In essence, that act makes the taking, killing, possessing or transporting of migratory birds unlawful unless and except as provided by regulations promulgated by the Secretary of the Interior and approved by the President. Attempts at taking, killing, or possessing also are made unlawful. The act applies to birds or any part, nest or egg of any such bird, or any product thereof. In 1936, the act was amended to include a convention between the United States and Mexico covering game mammals in addition to migratory birds. H.R. 10942 will now amend the Migratory Bird Treaty Act to conform its provisions to the provisions of a convention between the United States and Japan for the protection of migratory birds and birds in danger of extinction, and their environment.

This convention was concluded in Tokyo on March 4, 1972 and was ratified by the U.S. Senate on March 27, 1973. The convention resulted from 4 years of negotiation and covers 189 species of migratory birds. Special protection is afforded endangered species and provisions are made for enhancing the birds' habitats, exchanging research data, and regulating hunting. The Japanese Government has both ratified the convention and enacted implementing legislation. The instruments of ratification cannot be exchanged until we enact implementing legislation.

The Secretary of the Interior has called this legislation "a significant step forward in international cooperation for the conservation of the world's wildlife resources." During the past year, the United States and Japan have disagreed on steps to be taken in other areas of wildlife conservation, especially with reference to the International Whaling Commission's quotas on the taking of certain kinds of whales. The implementation of this convention could help dispel misunderstandings left by the whaling disagreement and provide an avenue of cooperation which could have indirect influence on the developing constructive Japanese attitudes in favor of conservation.

Mr. Speaker, I urge that my colleagues vote favorably on H.R. 10942.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. GROVER. Mr. Speaker, I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, I would like to ask a question of the gentleman from Michigan. With ratification of these articles of the convention, the report indicates that there will be no cost to this Government. Is that correct?

Mr. DINGELL. Mr. Speaker, if the gentleman will yield, there would be cost, but those costs are already being undergone because of the earlier conventions. It was the view of the agencies that there would be no additional cost. We have two previous conventions, which relate to the conventions with Canada and Mexico.

This convention will cover almost exactly the same species as the others, with just a few variations.

Mr. Speaker, we inquired of the agencies at the time as to the additional cost. It was their view that there would be no additional cost.

Mr. GROSS. Mr. Speaker, I will ask the gentleman further: This is a new convention containing articles of agreement with Japan, is it not?

Mr. DINGELL. The gentleman is correct. There is a new convention, but we can find no additional cost to be imposed upon the Federal Government by this convention.

Mr. GROSS. No additional cost?

Mr. DINGELL. The gentleman is correct, no additional cost.

Mr. GROSS. Mr. Speaker, I thank the gentleman.

Mr. DINGELL. Mr. Speaker, I yield such time as she may consume to my dear friend, the gentlewoman from Missouri, the chairman of the full committee (Mrs. SULLIVAN).

Mrs. SULLIVAN. I rise in support of H.R. 10942, a bill to implement the convention between the United States and Japan concerning migratory birds.

Mr. Speaker, this convention with Japan will provide additional protection to 189 species of birds. Among those species covered are such endangered species as the peregrine falcon, the short-tailed albatross, the Aleutian Canada goose, and the Japanese sacred crane.

Although the majority of the species covered by this convention are protected under the convention between the United States and Canada entered into in 1916, and the convention between the United States and Mexico entered into in 1936, there are a number of other species, mostly sea birds, which will be given protection by this convention.

Mr. Speaker, this convention was signed between the United States and Japan in Tokyo on March 4, 1972, ratified by the Senate on March 27, 1973, and I urge the prompt passage of H.R. 10942, the legislation to implement this convention.

The SPEAKER. The question is on the motion offered by the gentleman from Michigan (Mr. DINGELL) that the House suspend the rules and pass the bill H.R. 10942, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DINGELL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

TO ABOLISH THE POSITION OF COMMISSIONER OF FISH AND WILDLIFE

Mr. DINGELL. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 13542) to abolish the position of Commissioner of Fish and Wildlife, and for other purposes.

The Clerk read as follows:

H.R. 13542

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3 of the Fish and Wildlife Act of 1956 (16 U.S.C. 742b) is amended—

(1) by striking out ", and the position of Commissioner of Fish and Wildlife" in the first sentence of subsection (a);

(2) by striking out all of that part of subsection (a) which follows the second sentence thereof; and

(3) by striking out subsections (b) through (f) and inserting in lieu thereof the following:

"(b) There is established within the Department of the Interior the United States Fish and Wildlife Service. The functions of the United States Fish and Wildlife Service shall be administered under the supervision of the Director, who shall be subject to the supervision of the Assistant Secretary for Fish and Wildlife. The Director of the United States Fish and Wildlife Service shall be appointed by the President, by and with the advice and consent of the Senate. No individual may be appointed as the Director unless he is, by reason of scientific education and experience, knowledgeable in the principles of fisheries and wildlife management.

"(c) The United States Fish and Wildlife Service established by subsection (b) shall succeed to and replace the United States Fish and Wildlife Service (as constituted on June 30, 1974) and the Bureau of Sport Fisheries and Wildlife (as constituted on such date). All laws and regulations in effect on June 30, 1974, which relate to matters administered by the Department of the Interior through the United States Fish and Wildlife Service (as constituted on such date) and the Bureau of Sport Fisheries and Wildlife (as constituted on such date) shall remain in effect.

"(d) All functions and responsibilities placed in the Department of the Interior or any official thereof by this Act shall be included among the functions and responsibilities of the Secretary of the Interior, as the head of the Department, and shall be carried out under his direction pursuant to such procedures or delegations of authority as he may deem advisable and in the public interest."

SEC. 2. Paragraph (42) of section 5316 of title 5, United States Code, is amended by striking out "Commisisoner of Fish and Wildlife" and inserting in lieu thereof "Director, United States Fish and Wildlife Service".

SEC. 3. The amendments made by this Act shall take effect on July 1, 1974.

The SPEAKER. Is a second demanded?

Mr. GROVER. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. DINGELL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the Fish and Wildlife Act of 1956 provides the administrative framework for the exercise of the Department of the Interior's responsibility in the area of fish and wildlife resources.

In this regard, the act established the position of Assistant Secretary for Fish and Wildlife. Under the Assistant Secretary is the U.S. Fish and Wildlife Service, which is comprised of two bureaus—the Bureau of Sport Fisheries and Wildlife, and the Bureau of Commercial Fisheries. Each of the Bureaus is administered by a Director under the supervision of the Commissioner of Fish and Wildlife who is, in turn, under the supervision of the Assistant Secretary for Fish and Wildlife.

Mr. Speaker, the need for this legislation arises from the fact that pursuant to Reorganization Plan No. 4 of 1970, the Bureau of Commercial Fisheries and the office of its Director were abolished and, in general, all functions vested by law in the Bureau and its Director were transfered to the Department of Commerce and subsequently vested in the National Marine Fisheries Service within that Department.

Thus, the U.S. Fish and Wildlife Service now consists only of the Bureau of Sport Fisheries and Wildlife. Consequently, the position of Commissioner of Fish and Wildlife now entails the exercise of no responsibility not also assigned to the Director of the Bureau of Sport Fisheries and Wildlife. The Office of the Commissoner is now vacant since the incumbent resigned shortly after implementation of the Reorganization Plan of 1970.

Mr. Speaker, briefly explained, H.R. 13542 would eliminate this dilemma by abolishing the Office of Commissioner of Fish and Wildlife. At the same time, as a result of suggestions of the Department of the Interior, the legislation would further realine the administrative framework of the Department by abolishing the Bureau of Sport Fisheries and Wildlife and the Office of the Director. Then, all responsibilities presently vested in the Bureau would be vested in the redesignated U.S. Fish and Wildlife Service, which would be headed by a Director with the same responsibilities as the present Bureau Director. In addition, the pay scale of the Director would be changed from a GS-18 to a level V of the executive schedule, which incidentally, because of salary limitations, are the same, which is $36,000 per year. However, I might point out, Mr. Speaker, that there still could be a saving to the Federal Government, should this legislation be enacted into law, to the extent that there is one position that could be filled except for this legislation.

Mr. Speaker, changing the pay scale of this appointee to a level V of the executive scale places him at the level now occupied by most other heads of Bureaus within the Department of the Interior.

Mr. Speaker, H.R. 13542 would make two other changes in existing law, both of which were suggested by the Merchant Marine and Fisheries Committee. In an effort to upgrade the position of the Director, the legislation would require the Director to be appointed by the President by and with the advice and consent of the Senate and, in making his appointment, the President would be required to select an individual who—by reason of scientific education and experience—is knowledgeable in the principles of fisheries and wildlife management.

Mr. Speaker, I think the passage of this legislation will lend added stature to the position of Director, U.S. Fish and Wildlife Service, and at the same time, will enable him to carry out his functions and responsibilities with new spirit and vigor.

Mr. Speaker, I urge prompt passage of H.R. 13542.

Mr. GROVER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the present administrative setup under which the Department of the Interior exercises its area of responsibility over fish- and wildlife resources was established by the Fish and Wildlife Act of 1956. Under this act, the functions of the Bureau of Sport Fisheries and Wildlife and the Bureau of Commercial Fisheries were carried on under the aegis of the U.S. Fish and Wildlife Service and were supervised by a Commissioner of Fish and Wildlife. However, Reorganization Plan No. 4 of 1970 transferred the Bureau of Commercial Fisheries to the Department of Commerce along with the marine sport fish program formerly administered by the Bureau of Sport Fisheries and Wildlife. As a result of the reorganization, the U.S. Fish and Wildlife Service now includes only the Bureau of Sport Fisheries and Wildlife. Also, the position of Commissioner of Fish and Wildlife now entails the exercise of no responsibility not also assigned to the Director of the Bureau of Sport Fisheries and Wildlife. The office of Commissioner has remained vacant since shortly after the implementation of Reorganization Plan No. 4 of 1970.

In addition to abolishing the unneeded position of Commissioner of Fish and Wildlife, H.R. 13542 also abolishes the present Bureau of Sport Fisheries and Wildlife and the Office of the Director. In place of the Bureau, all of its present responsibilities would be vested in the redesignated U.S. Fish and Wildlife Service. The redesignated organization would be headed by a Director who would have the same responsibilities as the present Bureau's Director. The Director's pay scale would be changed from the present GS-18 to level V of the executive schedule. The Director is to be appointed by the President subject to the advice and consent of the Senate. The President is given congressional guidance in selecting the Director. The selection must be from among persons "by reasons of scientific education and experience knowledgeable in the principles of fisheries and wildlife management."

H.R. 13542 provides the Department of the Interior with an opportunity to modify its internal organization in light of the Reorganization Plan. The Department of the Interior gave the following as reasons favoring the adoption of the bill:

> * * * by providing for Presidential appointment of the Director, and by providing that the Director, United States Fish and Wildlife Service succeed to the direct program responsibilities now exercised by the Director, Bureau of Sport Fisheries and Wildlife, the Congress would lend added stature to this important position, and place the appointee at a level now occupied by most other heads of bureaus within the Department. It is appropriate that the person who occupies this position, and who administers programs which relate directly to our guest for environmental quality, be nominated by the President and confirmed by the Senate. A newly established United States Fish and Wildlife Service which would succeed to the responsibilities and authorities of the United States Fish and Wildlife Service as now constituted and the Bureau of Sport Fisheries and Wildlife except as prescribed by Reorganization Plan No. 4 of 1970, could address with new spirit the task assigned to its predecessor agencies.* * *

I concur with my colleague, the distinguished chairman of the Fish and Wildlife Subcommittee (Mr. DINGELL) and the Department of the Interior and urge this House to act favorably on H.R. 13542.

Mrs. SULLIVAN. Mr. Speaker, I rise in support of H.R. 13542, and urge its immediate passage.

Mr. Speaker, the purpose of this legislation is to realine the administrative makeup of the offices under the direction of the Assistant Secretary for Fish and Wildlife of the Department of the Interior. Mr. Speaker, as a result of Reorganization Plan No. 4 of 1970, the Bureau of Commercial Fisheries and the Office of its Director no longer exist. Also, there is no further need for the position of Commissioner of Fish and Wildlife since the holder of this office, which incidentally is now vacant, would perform the same functions that the Director of the Bureau of Sport Fisheries and Wildlife now performs.

Mr. Speaker, this legislation would have the net effect of eliminating one position in the bureaucracy while, at the same time, elevating the position of the present Director to the level now occupied by most other heads of Bureaus within the Department of the Interior.

Mr. Speaker, I wholeheartedly endorse the passage of this legislation.

The SPEAKER pro tempore (Mr. LANDRUM). The question is on the motion offered by the gentleman from Michigan (Mr. DINGELL) that the House suspend the rules and pass the bill H.R. 13542.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DINGELL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed, H.R. 13542.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

LOAN OF PERSONNEL AND EQUIPMENT TO BUREAU OF SPORT FISHERIES AND WILDLIFE

Mr. DINGELL. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 8101) to authorize the Secretary of Transportation and the Secretary of Defense to detail certain personnel and equipment to the Fish and Wildlife Service, as amended.

The Clerk read as follows:

H.R. 8101

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the paragraph headed "Propagation of Food Fishes" of the Act of March 3, 1885 (23 Stat. 494; 16 U.S.C. 743), is amended—

(1) by inserting "(1)" immediately after "Fishes:";

(2) by striking out the last sentence thereof; and

(3) by adding at the end thereof the following new subparagraph:

"(2)(A) As used in this subparagraph, the term 'agency' means the department in which the Coast Guard is operating, the Department of the Army, the Department of the Navy, the Department of the Air Force, the Atomic Energy Commission, and the National Aeronautics and Space Administration.

"(B) The chief executive officer of each agency may from time to time—

"(i) detail from the agency for duty under the Director of the Bureau of Sport Fisheries and Wildlife, Department of the Interior, such commissioned and enlisted personnel and civilian employees as may be spared for such duty; and

"(ii) consonant with the operational needs of the agency, loan equipment of the agency to the Director."

The SPEAKER pro tempore. Is a second demanded?

Mr. GROVER. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Michigan (Mr. DINGELL).

Mr. DINGELL. Mr. Speaker, I yield myself 4 minutes.

Mr. Speaker, the purpose of H.R. 8101 is to provide for the detailing of personnel and the loaning of equipment by certain Federal agencies to the Bureau of Sports Fisheries and Wildlife in order to enable the Bureau to more effectively carry out its functions and responsibilities to manage and protect fish and wildlife resources.

Mr. Speaker, under present law, the Coast Guard is authorized to detail for duty to the Bureau of Sport Fisheries and Wildlife officers and men of the Coast Guard who can be spared from time to time. Under present practice, the Department of Defense has made available to the Bureau personnel and equipment of that Department from time to time.

In fact, Mr. Speaker, both the Coast Guard and the Department of Defense have been most helpful to the Bureau in the past. For instance, in many cases, routine practice and training flights have been coordinated with the Bureau in such a way that the Bureau has been able to obtain valuable information on waterfowl regulations, wildlife habitat, and illegal dredge and fill activities during some of these routine flights. And, Mr. Speaker, this has been accomplished with little or no additional cost to the taxpayer.

Mr. Speaker, the need for this legislation arises from the fact that many of these base commanders—even though willing to make available such personnel and equipment—have been reluctant to do so because they felt that they lacked sufficient authority.

Mr. Speaker, H.R. 8101 would make it clear that such authority does exist with respect to the Department in which the Coast Guard is operating, the Department of the Army, the Department of the Navy, and the Department of the Air Force.

In addition, H.R. 8101 would provide this same authority to the Atomic Energy Commission and to the National Aeronautics and Space Administration.

Mr. Speaker, H.R. 8101 has the strong support of the Department of the Interior and it was unanimously ordered reported by the Merchant Marine and Fisheries Committee.

Mr. Speaker, I urge its prompt passage.

Mr. GROVER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the bill, H.R. 8101, which would authorize certain Federal agencies to detail personnel and to loan equipment to the Bureau of Sport Fisheries and Wildlife, Department of the Interior.

Under present law, the Secretary of Transportation is authorized to detail from time to time, for duty under the Director of the Fish and Wildlife Service, any officers and men of the Coast Guard whose services can be spared for such duty. H.R. 8101 would amend the present law to authorize equipment to be loaned as well, and not only from the Coast Guard but also from the Department of Defense, the Atomic Energy Commission, and the National Aeronautics and Space Administration. It does not require the assignment of personnel and equipment, but is permissive, only coming into use when the personnel and equipment can be spared from their primary functions and duties. This is strictly on a loan basis—no permanent personnel assignments are contemplated.

The Department of the Interior sees great benefit in the passage of the bill. This extra personnel and equipment could aid greatly in controlling violations of fish and wildlife laws and in conducting special fish and wildlife inventories involving endangered species. These special inventories often require the use of specialized equipment for short periods of time. The use of military personnel and equipment in such short-term situations will obviate the necessity for the Department of the Interior to purchase expensive equipment which is only rarely used. This would be in addition to a substantial increase in the effectiveness and efficiency of management and protection programs. The bill would leave it to the discretion of the loaning agency as to whether to require reimbursement for any services rendered.

The enactment of this bill would be in keeping with national policy. The National Environmental Policy Act of 1969, which came out of this committee in the 91st Congress, committed the Federal Government to using all practicable means and measures to coordinate Federal functions in order to protect the environment. The Endangered Species Act of 1973, also one of this committee's bills, directs all Federal agencies to utilize their authorities in furtherance of the purposes of that act.

Mr. Speaker, I therefore urge enactment of H.R. 8101.

Mrs. SULLIVAN. Mr. Speaker, I rise in strong support of H.R. 8101, a bill to authorize the detailing of personnel and the loaning of equipment by certain Federal agencies to the Bureau of Sport Fisheries and Wildlife.

Mr. Speaker, although the Coast Guard and the Department of Defense have been cooperating to a certain extent with the Bureau in the past, in some cases base commanders have either refused to provide this assistance or have reluctantly done so because they felt that explicit authority for them to provide this assistance did not exist.

Therefore, by making it clear that such authority does exist and by encouraging these agencies to provide this assistance when they can do so without interfering with their operational needs, this legislation will help the Bureau considerably in carrying out such functions as taking bird counts, checking on violations of the Migratory Bird Treaty Act and the Endangered Species Act of 1973, and apprehending violators of such acts.

Mr. Speaker, with proper coordination between the various agencies concerned, this assistance can be provided with little or no extra cost to the Federal Government. I think H.R. 8101 is good legislation and I urge its passage.

The SPEAKER. The question is on the motion offered by the gentleman from Michigan (Mr. DINGELL) that the House suspend the rules and pass the bill H.R. 8101, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title was amended so as to read: "A bill to authorize certain Federal agencies to detail personnel and to loan equipment to the Bureau of Sport Fisheries and Wildlife, Department of the Interior."

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DINGELL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

TAX ON BOWS AND ARROWS

Mr. DINGELL. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 10972) to delay for 6 months the taking effect of certain measures to provide additional funds for certain wildlife restoration projects, as amended.

The Clerk read as follows:

H.R. 10972

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act to provide additional funds for certain wildlife restoration projects, and for other purposes", approved October 25, 1972 (Public Law 92-558, 86 Stat. 1172-1173), is amended by striking out "July 1, 1974" in sections 101(c) and 201(b) thereof and inserting in lieu thereof "January 1, 1975".

The SPEAKER. Is a second demanded?

Mr. GROVER. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. DINGELL. Mr. Speaker, I yield myself 4 minutes.

Mr. Speaker, the purpose of this legislation is to delay for 6 months the date on which the new 11-percent excise tax on the sale of bows and arrows would be imposed.

Mr. Speaker, as my colleagues will recall, the Committee on Merchant Marine and Fisheries reported legislation in the 92d Congress designed to provide additional funds for carrying out wildlife restoration projects and hunter safety programs. The legislation ultimately became Public Law 92-558. To provide those additional funds there was authorized to be imposed—effective July 1, 1974—an 11 percent excise tax by maunfacturers, producers, and importers on the sale of bows and arrows, parts, and accessories.

Since title II of Public Law 92-558 amended the Internal Revenue Code, a matter over which the Committee on Ways and Means has jurisdiction, our Committee on Merchant Marine and Fisheries requested the views of that committee on the revenue aspects of the legislation.

After careful consideration of the legislation and the departmental reports, the Committee on Ways and Means provided our committee with language which was included in the committee report on the legislation.

Our committee followed the same procedure for the legislation under consideration today and on pages 4 and 5 of the committee report you will find a letter from Chairman MILLS and the ranking minority member of that committee, Congressman SCHNEEBELI, indicating their committee's unanimous support for the proposed postponement of the tax contained in this legislation.

Mr. Speaker, under present law—the Pittman-Robertson Act—an amount equal to the 11 percent tax on shotguns, rifles, and ammunition is now deposited in a special fund in the Treasury known as the Federal aid to wildlife restoration fund. In addition, an amount equal to the 10-percent tax on pistols and revolvers is deposited in that same fund. After deducting administrative expenses, the remainder of the fund is used to carry out wildlife restoration projects with the States on a 75-25 matching fund basis.

Public Law 92-558 further amended the Pittman-Robertson Act to provide that beginning July 1, 1974, an amount equal to the new 11-percent tax on bows and arrows would be deposited in that fund.

However, because of the undue hardship that would be imposed on the archery industry of this Nation by requiring that its pricing schedule be changed from a calendar year basis to a fiscal year basis—as called for by the 1972 law—the archery industry asked that the effective date of the new 11 percent tax be postponed from July 1, 1974, to January 1, 1975.

Mr. Speaker, the only thing this legislation does is to accommodate this industry—which has gone all out in its support of this legislation—by postponing the effective date of the new tax to January 1, 1975.

Mr. Speaker, this legislation has the support of the Department of the Interior, the Department of the Treasury, and it was unanimously ordered reported by the Merchant Marine and Fisheries Committee. I think it only fair that we go along with this industry in view of its past cooperation and I urge the prompt passage of this legislation.

Mr. GROVER. Mr. Speaker, I rise to urge the passage of H.R. 10972, as amended. The primary purpose of this bill is to delay for 6 months—from July 1, 1974, to January 1, 1975—the imposition of the 11-percent excise tax on bows and arrows. Public Law 92-558, which was enacted from a bill before our committee at the last Congress, authorized the imposition of the tax on manufacturers and importers of bows with draw weights of 10 pounds or more and arrows 18 or more inches in length. The tax also applies to the parts of or accessories or attachments to taxable bows or arrows. The net tax receipts will be added to a special fund in the Treasury known as the Federal aid to wildlife restoration fund.

The Archery Manufacturers' Organization first requested the delay proposed in H.R. 10972 because the archery industry operates and prepares pricing schedules on a calendar year basis. The shift from this procedure to a fiscal year basis required under the public law would, it was felt, impose an undue hardship on the industry. The Department of the Treasury and the Department of the Interior have indicated they have no objection to the passage of H.R. 10972.

The Ways and Means Committee, which retains jurisdiction over the tax aspects of this matter, unanimously agreed to the proposed postponement of this tax.

I also would like to point out the fact that the tax laws provide a general exemption from the manufacturers' excise tax on any article of native Indian handcraft manufactured by Indians on Indian reservations or in Indian schools. Therefore, any bows and arrows, or their parts and accessories, manufactured by Indians on a reservation are not subject to the tax imposed by Public Law 92–558.

I urge the favorable consideration of my colleagues for H.R. 10972.

Mrs. SULLIVAN. Mr. Speaker, I rise in support of H.R. 10972.

Mr. Speaker, as a result of legislation reported by my Committee on Merchant Marine and Fisheries in the 92d Congress—which resulted in the enactment of Public Law 92–588—there is to be imposed effective July 1, 1974, a new 11-percent tax on bows and arrows, parts, and accessories to provide additional funds for wildlife restoration projects.

Mr. Speaker, following enactment of Public Law 92–558, it was brought to our attention that the law as it presently stands would impose considerable hardship on the archery manufacturers of our Nation—whose burden it will be to collect this new tax—because it will require that they reschedule prices on a fiscal year basis instead of their normal practice of instituting price changes at the beginning of the calendar year.

Mr. Speaker, the legislation before us today would eliminate this problem by delaying the effective date of the act for 6 months, from July 1, 1974, to January 1, 1975. I urge immediate passage of H.R. 10972.

The SPEAKER. The question is on the motion offered by the gentleman from Michigan (Mr. DINGELL) that the House suspend the rules and pass the bill H.R. 10972, as amended.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DINGELL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

"WOODSY OWL"

Mr. EDWARDS of California. Mr. Speaker, I move to suspend the rules and pass the bill (S. 1585) to prevent the unauthorized manufacture and use of character the "Woodsy Owl," and for other purposes, as amended.

S. 1585

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. As used inthis Act—

(1) the term "Woodsy Owl" means the name and representation of a fanciful owl, who wears slacks (forest green when colored), a belt (brown when colored), and a Robin Hood style hat (forest green when colored) with a feather (red when colored), and who furthers the slogan, "Give a Hoot, Don't Pollute", originated by the Forest Service of the United States Department of Agriculture;

(2) the term "Smokey Bear" means the name and character "Smokey Bear" orignated by the Forest Service of the United States Department of Agriculture in cooperation with the Association of State Foresters and the Advertising Council.

(3) the term 'Secretary" means the Secretary of Agriculture.

SEC. 2. The following are hereby declared the property of the United States:

(1) The name and character "Smokey Bear".

(2) The name and character "Woodsy Owl" and the associated slogan, "Give a Hoot, Don't Pollute".

SEC. 3. (a) The Secretary may establish and collect use or royalty fees for the manufacture, reproduction, or use of the name or character "Woodsy Owl" and the associated slogan, "Give a Hoot, Don't Pollute", as a symbol for a public service campaign to promote wise use of the environment and programs which foster maintenance and improvement of environmental quality.

(b) The Secretary shall deposit into a special account all fees collected pursuant to this Act. Such fees are hereby made available for obligation and expenditure for the purpose of furthering the "Woodsy Owl" campaign.

SEC. 4 (a) Whoever, except as provided by rules and regulations issued by the Secretary, manufacturers, uses, or reproduces the character "Smokey Bear" or the name "Smokey Bear", or a facsimile or simulation of such character or name in such a manner as suggests "Smokey Bear" may be enjoined from such manufacture, use, or reproduction at the suit of the Attorney General upon complaint by the Secretary.

(b) Whoever, except as provided by rules and regulations issued by the Secretary, manufactures, uses, or reproduces the character "Woodsy Owl", the name "Woodsy Owl", or the slogan "Give a Hoot, Don't Pollute", or a facsimile or simulation of such character, name, or slogan in such a manner as suggests "Woodsy Owl" may be enjoined from such manufacture, use, or reproduction at the suit of the Attorney General upon complaint by the Secretary.

SEC. 5. Section 711 of title 18 of the United States Code is amended—

(1) by inserting "and for profit" immediately after "knowingly", and

(2) by deleting "as a trade name or in such manner as suggests the character 'Smokey Bear' ".

SEC. 6. Chapter 33 of title 18 of the United States Code is amended by adding after section 711 a new section, as follows:

"§ 711a. 'Woodsy Owl' character, name, or slogan

"Whoever, except as authorized under rules and regulations issued by the Secretary, knowingly and for profit manufactures, reproduces, or uses the character 'Woodsy Owl', the name 'Woodsy Owl', or the associated slogan, 'Give a Hoot, Don't Pollute' shall be fined not more than $250 or imprisoned not more than six months, or both.".

SEC. 7. Section 3 of the Act entitled "An Act prohibiting the manufacture or use of the character 'Smokey Bear' by unauthorized persons" (31 U.S.C. 488a) is amended by striking out "under the provisions of section 711 of title 18".

SEC. 8. The table of sections of chapter 33 of title 18, United States Code, is amended by inserting immediately after the item relating to section 711 the following:

"711a. 'Woodsy Owl' character, name, or slogan.".

Passed the Senate June 14, 1973.

The SPEAKER. Is a second demanded?

Mr. WIGGINS. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. EDWARDS of California. Mr. Speaker, the House Committee on the Judiciary, by unanimous vote, reported out favorably S. 1585, as amended, a copy of which is before you.

S. 1585 is the enactment of a request of the Department of Agriculture. The purpose of the bill is to protect the name and character "Woodsy Owl" from unauthorized manufacture or use. The committee has reported a clean bill for the purpose of changing S. 1585 in primarily two ways.

"Woodsy Owl" is the symbol of the Department of Agriculture's environmental protection program, and as such receives extensive national publicity. This program is modeled after the Department's "Smokey Bear" program to promote forest fire prevention. A private enterprise is authorized by this statute to use the name and character "Woodsy Owl" if licensed to do so by the Department of Agriculture. Royalty fees are paid for this privilege and used by the Department to further the environmental program. This follows the "Smokey Bear" program.

The Department requested a criminal statute providing misdemeanor penalties for unauthorized use. Such a statute now exists regarding the "Smokey Bear" program (18 U.S.C. 711). In view of the provisions of title 17, United States Code, section 104, which protects the infringement of privately held copyrights by criminal sanctions in the case of infringement "for profit," the Department of Agriculture should stand in the same position as a private citizen. Therefore, a section has been added to the criminal sanction to provide in S. 1585 the element "for profit," and amended 18 U.S.C. 711 to conform.

The Department of Agriculture requests that civil injunctive powers be granted to stop unauthorized use of "Woodsy Owl." This proposal was agreed to and the same powers were provided to the Secretary to protect the "Smokey Bear" program.

Therefore, Mr. Speaker, I urge my colleagues to support S. 1585.

Mr. SNYDER. Mr. Speaker, will the gentleman yield?

Mr. EDWARDS of California. I yield to the gentleman from Kentucky.

Mr. SNYDER. Mr. Speaker, I have read this report. Am I in error that if this bill becomes law and if I say, "Give a hoot, don't pollute" I can go to jail for 6 months unless I get the Secretary of Agriculture to approve my saying it?

Mr. EDWARDS of California. In answer to the gentleman from Kentucky, if he does as he describes knowingly and for profit, then he would be subject to the penalties.

Mr. SNYDER. If somebody would pay me for saying that, I could be fined $250 or sent to jail for 6 months or both?

Mr. EDWARDS of California. I suppose the gentleman could. I think that is highly unrealistic.

Mr. SNYDER. A great many unrealistic things are running around loose in this country. Angela Davis is loose. The Chicago Seven are loose. Ellsberg is loose after giving away the secrets of the country, and so on. Now we want to send somebody to jail for saying, "If you give a hoot, don't pollute."

Did the gentleman's committee have hearings on this?

Mr. EDWARDS of California. That does not fall within our jurisdiction.

Mr. SNYDER. Did the gentleman's committee have hearings on this bill?

Mr. EDWARDS of California. Hearings on this bill? I thought the gentleman was talking about other items. We had a hearing on this legislation and the Department of Agriculture sent a witness.

Mr. SNYDER. The gentleman's committee has had hearings on this bill. Has the committee had any hearing on the antibusing amendment?

Mr. EDWARDS of California. No, we have not.

Mr. SNYDER. Any hearings on the antiabortion amendment?

Mr. EDWARDS of California. No, we have not, but both of these items are under study by the committee.

Mr. SNYDER. But the committee has had time for hearings for "Woodsy Owl"?

Mr. EDWARDS of California. Actually, we consented to the Department of Agriculture's request both in the interests of their environmental program and also partly because the entire matter did not take more than an hour of the committee's time.

Mr. SNYDER. The committee had to delay the impeachment proceedings to get to "Woodsy Owl," is that right?

Mr. EDWARDS of California. That is not correct.

Mr. SNYDER. The committee did this before that was referred to the committee?

Mr. EDWARDS of California. The impeachment work is going along without any interference by any of the work our subcommittee is doing. We do try to comply with the requests of the administration and of the various departments in areas such as this.

Mr. SNYDER. I do not know that there is anything wrong with having the Woodsy Owl emblem and the slogan, "Give a Hoot, Don't Pollute"; but I do not know about this committee putting aside important antibusing legislation and important antiabortion legislation while they are considering the "Woodsy Owl."

Mr. Speaker, I suppose it is no wonder that our country is in the turmoil and stress that it is in.

Under this legislation to "use" the character "Woodsy Owl" or the associated slogan "Give a Hoot, Don't Pollute" for profit without the authorization of the Secretary of Agriculture can cause one to be sent to jail for 6 months, fined $250, or both; all this while Angela Davis, the Chicago Seven, and Daniel Ellsberg, are free.

While the Judiciary Committee is busy reporting out "all American" legislation like this "Woodsy Owl" bill, the committee lets languish antibusing legislation, the antibusing constitutional amendment, the antiabortion constitutional amendment, and delays on its impeachment proceedings.

Well, Mr. Speaker, I suppose the "All American" vote is "aye" and I will go along but the Congress should shoulder its responsibility and face the important issues that are before our Nation.

The country is in distress.

The President blames the Congress.

The Congress blames the President.

They both blame the courts.

The American people can rightfully blame all three.

It is time we "tend to our knittin' " and quit avoiding the serious issues of the day.

Mr. DERWINSKI. Mr. Speaker, will the gentleman from California yield for a question?

Mr. EDWARDS of California. I yield to the gentleman from Illinois.

Mr. DERWINSKI. Mr. Speaker, may I say to my distinguished friend, the gentleman from California, he knows that, unlike the gentleman from Kentucky, I do not engage in needling or say anything that might be directed to anything but the chairman's most immediate concern.

Mr. EDWARDS of California. I feel very secure with the gentleman standing there, I might say. He is always courteous and responsible.

Mr. DERWINSKI. Did I correctly understand the gentleman when he stated in answer to a question about the antiabortion amendment that the subcommittee was studying the subject?

Mr. EDWARDS of California. Yes. There is considerable study going on by the staff of the committee.

Mr. DERWINSKI. That is fine. Will the staff eventually report to the subcommittee in much the same procedure that the special staff will eventually inform the full committee of the possible impeachment proceedings?

Mr. EDWARDS of California. The staff will report to the full subcommittee and the subcommittee will take whatever action the majority of the subcommittee so desires.

Mr. DERWINSKI. I thank the gentleman.

Mr. WIGGINS. Mr. Speaker, I have no requests for time.

I support the legislation. I wish to allay any fears that any Member may have about the indiscriminate use of the criminal penalty in connection with protecting the trademark "Woodsy Owl" and "Smokey Bear." These are property interests owned by the Federal Government. There are both civil and criminal penalties available to the courts for the protection of these property interests. This merely accords to the Department of Agriculture rights which are otherwise available in other cases. This is not new ground we are plowing here. We are simply giving the right to the Government to protect the name "Woodsy Owl" and "Smokey Bear." It is meritorious legislation.

I am the first to concede that it is not the most important legislation before Congress, but it is nevertheless necessary.

Mr. Speaker, I support passage of the bill.

The SPEAKER. The question is on the motion offered by the gentleman from California that the House suspend the rules and pass the bill S. 1585, as amended.

The question was taken.

Mr. ASPIN. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 384, nays 15, not voting 33, as follows:

[Roll No. 127]

YEAS—384

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Arends
Armstrong
Ashley
Aspin
Badillo
Bafalis
Baker
Barrett
Bauman
Beard
Bell
Bennett
Bergland
Biaggi
Biester
Bingham
Blatnik
Boggs
Boland
Bowen
Brademas
Brasco
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Calif.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton
Butler
Byron
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Chisholm
Clark
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Collins, Tex.
Conable
Conte
Corman
Cotter
Coughlin
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, Ga.
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dennis
Dent
Derwinski
Dickinson
Dingell
Donohue
Downing
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Flood
Flowers
Flynt
Foley
Ford
Forsythe
Fountain
Fraser
Frelinghuysen
Frey
Froehlich
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn

Goldwater
Gonzalez
Goodling
Grasso
Green, Oreg.
Green, Pa.
Griffiths
Grover
Gubser
Gude
Gunter
Haley
Hamilton
Hammerschmidt
Hanley
Hanna
Hanrahan
Hansen, Idaho
Hansen, Wash.
Harrington
Harsha
Hastings
Hawkins
Hays
Hébert
Moakley
Hechler, W. Va.
Heinz
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Holt
Holtzman
Horton
Hosmer
Howard
Huber
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kemp
Kluczynski
Kyros
Lagomarsino
Landgrebe
Landrum
Latta
Koch
Leggett
Lehman
Lent
Litton
Long, La.
Long, Md.
Lott
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McKinney
McSpadden
Macdonald
Madden
Madigan
Mahon
Mallary

Mann
Maraziti
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Miller
Mills
Minish
Mink
Minshall, Ohio
Mitchell, Md.
Mitchell, N.Y.
Mizell
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nedzi
Nelsen
Nichols
Nix
Obey
O'Brien
O'Hara
O'Neill
Owens
Passman
Patten
Pepper
Perkins
Pettis
Peyser
Pike
Podell
Powell, Ohio
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rarick
Rees
Regula
Reuss
Rhodes
Riegle
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Roy
Roybal
Ruth
Ryan
St Germain
Sandman

Sarasin
Sarbanes
Satterfield
Scherle
Schneebeli
Schroeder
Sebelius
Seiberling
Shipley
Shoup
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steele
Steelman
Steiger, Wis.
Stokes
Stratton
Stubblefield
Studds
Sullivan
Symington
Talcott
Taylor, N.C.
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Treen
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Wiggins
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wydler
Wylie
Wyman
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—15

Ashbrook
Burke, Fla.
Clancy
Conyers
Crane

Devine
Gross
Hogan
Ketchum
King

Parris
Rousselot
Steiger, Ariz.
Symms
Taylor, Mo.

NOT VOTING—33

Bevill
Blackburn
Bolling
Camp
Carey, N.Y.

Clay
Conlan
Diggs
Dorn
Esch

Frenzel
Gettys
Gray
Guyer
Heckler, Mass.

Holifield
Kazen
Kuykendall
Lujan
Michel
Milford

Patman
Pickle
Poage
Reid
Rooney, N.Y.
Runnels

Ruppe
Shriver
Stephens
Stuckey
Teague
Williams

So (two-thirds having voted in favor thereof), the rules were suspended, and the bill, as amended, was passed.

The Clerk announced the following pairs:

Mr. Teague with Mr. Runnels.
Mr. Rooney of New York with Mr. Michel.
Mr. Bevill with Mr. Kuykendall.
Mr. Carey of New York with Mrs. Heckler of Massachusetts.
Mr. Pickle with Mr. Guyer.
Mr. Clay with Mr. Gray.
Mr. Reid with Mr. Frenzel.
Mr. Stephens with Mr. Conlan.
Mr. Diggs with Mr. Kazen.
Mr. Dorn with Mr. Camp.
Mr. Gettys with Mr. Ruppe.
Mr. Holifield with Mr. Blackburn.
Mr. Milford with Mr. Shriver.
Mr. Stuckey with Mr. Williams.
Mr. Patman with Mr. Lujan.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PAY STRUCTURE FOR MEDICAL OFFICERS AND OTHER HEALTH PROFESSIONALS OF UNIFORMED SERVICES

Mr. YOUNG of Texas. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1017 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 1017

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 2770) to amend chapter 5 of title 37, United States Code, to revise the special pay structure relating to medical officers of the uniformed services. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment recommended by the Committee on Armed Services now printed in the bill as an original bill for the purpose of amendment under the five-minute rule. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER. The gentleman from Texas (Mr. Young) is recognized for 1 hour.

Mr. YOUNG of Texas. Mr. Speaker, I yield 30 minutes to the distinguished gentleman from California (Mr. Del Clawson), pending which I yield myself such time as I may require.

Mr. Speaker, House Resolution 1017 provides for an open rule with 1 hour of general debate on S. 2770, a bill revising the special pay structure relating to medical officers and other health professionals of the uniformed services.

House Resolution 1017 also provides that it shall be in order to consider the amendment recommended by the Committee on Armed Services now printed in the bill as an original bill for the purpose of amendment.

S. 2770 increases the pay differential provided to medical, dental, veterinary, and optometry officers in the uniformed services in an attempt to meet the problems in attracting health professionals to an all-volunteer service. The bill provides permissive authority to pay a bonus of up to $15,000 per year for each additional year of service that the person agrees to continue on active service. There is no limit as to the length of the agreement. This authority would be used in varying amounts by the Department of Defense as the need arises.

Enactment of the bill will cost approximately $479.1 million over the next 5 fiscal years. A similar bill passed the House in the second session of the 92d Congress, but no action was taken in the other body.

Mr. Speaker, I urge the adoption of House Resolution 1017 in order that we may discuss and debate S. 2770.

Mr. Speaker, I reserve the balance of my time. I have several requests for time, and I will yield for the purpose of debate only.

Mr. DEL CLAWSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as has been explained, this is an open rule, providing for 1 hour of general debate on S. 2770 and making the committee substitute in order as an original bill for the purpose of amendment.

While there are no problems with the rule, Mr. Speaker, there are some definite problems with the bill. In the Rules Committee it was pointed out that this bill, as originally requested by the Defense Department, was to pay bonuses to military doctors because the military faces a shortage of doctors. The bonus requested by the Department was a mandatory $350 per month plus up to $15,000 per year on a discretionary basis. What the Department requested was very similar to what the Senate passed and to what was recommended by the House Armed Services Subcommittee.

However, in the full Committee on Armed Services a number of amendments were adopted. One amendment provided these bonuses to dentists. Another amendment provided the same treatment for optometrists. Then the veterinarians were added to the bonus list. Mr. Speaker, I do not mean to disparage these other groups in any way, because they are all necessary. However, the shortage of doctors is more critical than the shortages in these other areas.

I understand the Committee on Armed Services did not hold hearings on the specific amendments offered. And there is real question whether a need exists to include veterinarians, for example, in a bill which could provide bonuses totaling nearly $20,000 per year per medical officer. Testimony presented before the Rules Committee indicated that there is no shortage of veterinarians in the military.

Mr. Speaker, I hope this bill can be improved during the amending process. In its present form, the bill is not fair to the American taxpayer who will have to foot the bill for these extra bonuses.

Mr. Speaker, I have no further request for time and reserve the balance of my time.

Mr. YOUNG of Texas. Mr. Speaker, I yield 5 minutes to the gentleman from Wisconsin (Mr. ASPIN).

Mr. ASPIN. Mr. Speaker, the legislation which we are considering today is a horrendous piece of legislation. It started out as a bonus bill for doctors. The doctor draft is ending on June 30 and there is a projected shortage of doctors for this year. So the Department of Defense requested money to pay bonuses to doctors, a fairly large amount of bonuses, up to nearly $20,000 a year per doctor for the military services. The plan was to do this as an emergency measure to take care of the doctors. All of the other health professions are scheduled to have hearings held later during the summer. That was the agreement. The bill was to cover just doctors.

The bill to cover just doctors went first to the Senate, where it passed with minor amendments. Then it came to the House and passed the subcommittee, again with minor amendments. Then it came to the full committee on its way to the floor of the House, and it was just one of those days. Everything came loose. Somebody offered an amendment to add on dentists, and the dentists got added on. And then there was an amendment offered to add on optometrists, and the optometrists got added on. Then an amendment was offered to add the veterinarians, and the veterinarians got added on. And then finally an amendment was added to put on the lawyers, and that was ruled out of order because this is a medical bill which does not cover lawyers.

By the time the dust had settled we had spent an extra $31 million according to the DOD estimate, and we did this in spite of the fact that the administration wanted a bill just for doctors, the Department of Defense wanted a bill just for doctors, and the subcommittee wanted a bill just for doctors.

There was no evidence presented to show that there was any immediate shortage in any of the other professions and there was not 10 seconds' worth of hearings on any of them.

So we have made a Christmas tree out of this bill. But maybe even worse than that, we have made a half Christmas tree or maybe three-quarters of a Christmas tree, because in the ugly rush to get many of these professions on board we have left out a few. We left out for example the podiatrists and the clinical psychologists and the nurses. So there are amendments lying here waiting in the weeds for when we get to that time that we may add on those amendments and add on those people. So we are going to be asked to vote for more money and yet we cannot even justify the money we have already spent. We are being asked to add on others, and it is going to be very difficult to argue against them because we arbitrarily stuck in some and left out others in the committee proceedings.

Mr. Speaker, we are spending millions of dollars without any real thought as to any rationale being given to it all.

Military pay is really costing us. It is these little boondoggles that are really breaking us in this military pay system; so we are going to be putting in an amendment to take out the dentists and put in the nurses and take out the optometrists and put in the podiatrists, without any idea about what we are doing.

How can we deal with that piece of legislation like this here on the floor in such a way that will be fair to the taxpayer and equitable to all of the various military medical professions we are talking about?

Mr. Speaker, the only way to deal with this bill in a way that is both fair to the taxpayer and equitable to the military medical professions is to vote against the rule, send the bill back to the committee, get it into the committee, where the choices are two: They can either take all the ornaments off and hold hearings during the summer, as was the original plan, and bring forth the doctors, or if they want to put the ornaments on the tree, let us not put just a few ornaments on, let us put them all on. Let us hold detailed hearings and decide how much each of these ornaments is going to get and put them all in together.

Mr. Speaker, a vote against the rule is not a vote against any one of the particular ornaments. All it is is a vote in favor of dealing with all the ornaments in an equitable way.

The SPEAKER. The time of the gentleman has expired.

Mr. DEL CLAWSON. I yield the gentleman from Wisconsin an additional 3 minutes.

Mr. ASPIN. Mr. Speaker, we had a bill here before the Congress 2 years ago which we passed. Some people have said that bill is the same as this bill today.

It is not the same bill. In fact, in that bill, we dealt with all the ornaments, and we had some kind of heirarchy; for example, the doctors got more than the optometrists. It was a fair bill. It was an equitable bill.

This bill we have today is just a mess. It has some professions in and some professions out.

Mr. Speaker, we have a time problem. We have to do something about the doctors. I think most people recognize we ought to do something about the doctors. The way to deal with the doctors is to vote down this bill, send it back to the committee, take the ornaments off, hold hearings on the ornaments this summer, vote out the bill covering doctors only and put it on suspension and pass it and go to conference with the Senate. That is the way to deal with the time problem.

Mr. Speaker, half a Christmas tree is not the way to deal with the time problem. Half a Christmas tree is not the kind of bill we had 2 years ago. There is no way of dealing with half a Christmas tree that we can come up with anything on the floor that will be fair to the taxpayers and equitable to the various medical professions involved.

Mr. Speaker, half a Christmas tree is the kind of bill which should never be brought to the floor.

I urge my colleagues to vote down the rule, to send the bill back to the committee and deal with it in a much more competent manner.

Mr. LEGGETT. Mr. Speaker, will the gentleman yield?

Mr. YOUNG of Texas. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from California (Mr. LEGGETT).

Mr. LEGGETT. Mr. Speaker, I bring this large file down to the podium, not that I need these notes, but to indicate to the House that this is a matter that has been before the House Committee on Armed Services for a number of years, every member of the committee.

I am not on the subcommittee, but the subcommittee has accumulated a file on the problems of health professional retentions, much like I have here.

Our committee 2 years ago in October, under the direction of the distinguished gentleman from Texas, Mr. CLARK FISHER, held hearings on the question of extending special pay for doctors, veterinarians, dentists, optometrists, clinical psychologists, podiatrists, and providing bonuses to those people.

We also held hearings on the question of providing bonuses to nuclear technologists and to a great number of other people whom we thought we needed in the military service to make for an effective service in what we called a volunteer military service.

We passed a general bill providing discretionary authority to the Department of Defense to pay $3,000 or $4,000 a year to certain specialists who are not in the health professions. We passed the bill, as I indicated, back in 1972 to provide for bonuses and for special pay for health professionals, and it passed this House by a vote of 337 to 35. I do not recall the gentleman from Wisconsin voicing any objections whatsoever to that distinguished piece of legislation that passed this House rather resoundingly, and in a very short debate. But what happened?

The bill went over to the Senate and it died, and all the bills died at the end of the 92d Congress. So, we are faced again with the same problem at the beginning of the 93d Congress. The Department of Defense sent a letter to the Speaker of the House and to the President of the Senate and said:

> We still face problems with all of the health professions, and we need legislation for spe-

cial pay and for bonuses. On the bonuses we want discretion to handle that.

The chairman of our committee responded to the demands of the Department of Defense and appointed Mr. STRATTON at that time to hold hearings on special pay. He discharged his mission. We held hearings on special pay. We separated that from the bonus bill. We sent the bill over to the Senate, and enacted it into law.

Then this year we still have the same problem, how to handle the bonus bill, how to handle the differential of the doctor paid maybe $20,000 for military service and perhaps $100,000 on his second year in private practice of medicine, under our private enterprise system of the practice of medicine in the United States.

So what happened? The Senate decided that it would respond on the bonus bill. It passed out just the doctor bill, and it ignored the other requests of the Department of Defense. A kind of a deal was made with the Department of Defense, "You go ahead and pass out the doctors, and we will let you ignore the other professions at this time."

Then the bill came back over to the House.

Then, the chairman requested Mr. Stratton again to hold hearings on this, legislation generally along the lines of the Senate bill. That is why the Stratton subcommittee did not go into optometrists, dentists, and veterinarians, but they knew that situation. We have got the facts. It is all in our record, in our full committee. The facts have not changed. We are going to be, on the average, 15 percent shy of veterinarians and optometrists in the military service over the next year and 2 years and 3 years.

If the Members want the draft back again; if they want the volunteer army or volunteer service to fail, then they will vote against this rule; cripple the military service, do not give the DOD the discretion they need to attract the proper people with the proper carrot at the proper time.

Mr. ASPIN. Mr. Speaker, will the gentleman yield?

Mr. LEGGETT. Mr. Speaker, not at this time.

Try to let the military service live with this situation where better than 50 percent of their optometrists and veterinarians leave the service every year, and then they have to retrain.

The SPEAKER. The time of the gentleman from California has expired.

Mr. DEL CLAWSON. Mr. Speaker, I yield 2 additional minutes to the gentleman from California.

Mr. LEGGETT. Try to recruit these people every year, and look where the training costs go—right through the roof. That is why we have got 56 percent of our defense costs tied up in housing and fringe benefits. We have to get away from that. We have got to get professionals.

Mr. Speaker, I will now yield to the gentleman from Wisconsin for a question.

Mr. ASPIN. Mr. Speaker, I thank the gentleman for yielding to me. I think his explanation here shows just what kind of a mess we are in. The gentleman from California says he is not a member of the subcommittee.

Mr. LEGGETT. Mr. Speaker, I yielded to the gentleman for a question.

Mr. ASPIN. Mr. Speaker, the gentleman is a member of the subcommittee. He was not at the hearings. One of the reasons we do not know what is in this bill is because nobody even knows whether they are a member of the subcommittee or not.

Mr. Speaker, I will ask the questions. My first question is, if this is the same as the bill we passed last year, why, in the bill we passed last year, did we pay less for optometrists than we did for doctors; and yet, in this bill, they are the same?

Mr. Speaker, my second question is, if this is the same as the bill we passed last year, why did we include podiatrists or others in some kind of a rational manner last year, but haphazardly picked out only two or three medical professions and stuck them into this bill?

Mr. LEGGETT. Well, Mr. Speaker, one of the reasons is that I really did not want to recite an endless list of professionals, but I thought if the House got the hint and if we had problems concerning deficiencies in some of these other categories and some Members from Wisconsin or from some other State wanted to offer an amendment at the proper time to add in about 70 podiatrists and about 50 clinical psychiatrists, certainly I would go along with that amendment.

Let us face it, this is a $100 million bill. As I understand it, $75 million is for doctors, $25 million is for dentists, and $5 million covers all other categories. So if that makes this bill a "Christmas tree," it is a funny looking Christmas tree, because the base is pretty well defined.

Mr. Speaker, to answer the gentleman's question as to why we have to take care of the optometrists, let me read from the Optometric magazine this month.

Here is the first one:

> Indianapolis, Indiana, Optometrist, interested in earning $40,000 to $50,000 per year. Quality oriented. No investment.

Here is the next one, Mr. Speaker:

> Ohio Optometrist: exeprienced refractionist and contact lens fitter. Earn first year $40,000–$50,000 with possible association.

And so forth.

That is why we need this, because we have this very great difference between the professionals on the outside and the professionals on the inside.

Mr. DEL CLAWSON. Mr. Speaker, I yield 4 minutes to the gentleman from New York (Mr. PEYSER).

Mr. PEYSER. Mr. Speaker, I seldom take the floor in any argument with the Committee on Armed Services, because I have strongly supported them in the past and have helped them to keep our country strong.

However, I do have a point of disagreement at this time on a portion of this legislation.

Mr. Speaker, I have a letter here that quotes Secretary Clements—this is a letter addressed to Senator JOHN STENNIS—dated March 25, 1974, in which Secretary Clements says that it is his belief that the only priority matters are those relating to the medical officers.

He says that the medical officers—M.D.'s—are in need of the bonus compensation, and the other health fields are not, but that they will keep them under close observation in order to see if there is a need for this type of bonus arrangement for the other medical officers.

Mr. Speaker, they make it very explicit in this letter that they do not believe there is any need for this extra help. If the Defense Department takes this position themselves, I cannot understand why there is the figure of $31 million of extra money in this bill to provide bonus arrangements for those other officers.

Mr. HUNT. Mr. Speaker, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from New Jersey.

Mr. HUNT. Mr. Speaker, I thank the gentleman for yielding.

Let me ask the gentleman this question: What date appears on that letter?

Mr. PEYSER. What date?

Mr. HUNT. Yes.

Mr. PEYSER. March 25, 1974.

Mr. HUNT. Who signed the letter?

Mr. PEYSER. The letter is signed by James R. Cowan.

Mr. HUNT. Mr. Speaker, did I understand the name is James R. Cowan?

Mr. PEYSER. The gentleman is correct. This is from the office of the Assistant Secretary of Defense.

Mr. HUNT. Mr. Speaker, if the gentleman will yield further, does my learned colleague, the gentleman from New York, know who James Cowan is?

Mr. PEYSER. I do not know the gentleman, other than his name appears on the stationery. The name appears on the stationery of the Assistant Secretary of Defense, and I do not know Mr. James Cowan personally.

Mr. HUNT. Mr. Speaker, if I were to tell the gentleman from New York that James Cowan was formerly in the service of the State of New Jersey prior to the first of the year and he recently became an employee of this Department and is not fully apprised of all the subjects involved as yet, would the gentleman take my word for it?

Mr. PEYSER. Mr. Speaker, I would take the gentleman's word for it without any question. However, he gives a direct quote here from Secretary Clements. There is a direct quote in this letter from Secretary Clements' letter, and I would assume the quote is correct.

Mr. HUNT. Mr. Speaker, the gentleman would agree that we do not need dentists in the Armed Services?

Mr. PEYSER. No, I do not agree——

Mr. HUNT. Mr. Speaker, the gentleman is a former commanding officer in the armed services.

Let me ask the gentleman, has he ever had a man under his command who had a toothache?

Mr. PEYSER. Mr. Speaker.

Believe me, if I felt that the Defense Department were asking for this, I would vote for it without any question. But here the Secretary is stating very flatly in his letter to Senator Stennis that he does not believe there is any need for it.

Mr. HUNT. Mr. Speaker, I would like to assure my colleague, the gentleman from New York, that the Defense Department does recognize the need for dentists and the need for additional physicians. They do recognize that now.

Mr. ASPIN. Will the gentleman yield?

Mr. PEYSER. I am glad to yield to the gentleman.

Mr. ASPIN. The information of the gentleman from New Jersey is out of date. The Pentagon has discussed this issue several times, and the latest word is in the hands of the gentleman from New York, that is, the letter sent from the Deputy Secretary of Defense Cowan to Mr. Stennis. The Department of Defense is now stating that they do not want the legislation for anything other than the doctors.

Mr. DEL CLAWSON. Mr. Speaker, I yield 5 minutes to the gentleman from New York (Mr. Mitchell).

Mr. MITCHELL of New York. Mr. Speaker, I intend to make a more lengthy statement after the passage of the rule. I am confident that it will pass because we do need this support legislation.

I am extremely shocked by the conclusions of Dr. James Cowan that my colleague from New York (Mr. Peyser) alluded to, to the effect that there was no need to include optometrists, dentists, and veterinarians in this bill. If Mr. Cowan does not thing that losing 90 percent of our young health professionals constitutes a problem, well, I would like to see a situation arise that he thinks is catastrophic.

In light of information available his position would seem totally unrealistic and demonstrates a woefully poor grasp of this situation.

Mr. Speaker, I also disagree with the position that my colleague from Wisconsin has taken regarding this bill. It is true that the Department of Defense in their testimony before the Senate in December 1973 and before the House on March 5 and 7 addressed themselves chiefly to the physician manpower problems but, instead of worrying about the lack of hearings on this, I decided to see whether information was readily available on the subject. I found that it was.

The Department of Defense and the organizations representing the health professions and the individual practitioners cooperated fully with all of my inquiries. As a result of my study, I feel strongly the legislative history relating to incentive proposals for military health professionals is available to decide this issue and there are sufficient statistics. These statistics support the case for the inclusion of dentists, optometrists, and veterinarians within the provisions of S. 2770. Far from being a so-called Christmas tree bill, this is a fiscally responsible measure which when compared to existing incentives for military health professionals will provide necessary incentives and will be less costly both over the long and short term.

Mr. LEGGETT. Will the gentleman yield?

Mr. MITCHELL of New York. Yes. I am glad to yield to the gentleman.

Mr. LEGGETT. On the same tenor, some comment has been made about a three-quarter page letter sent this week by the Department of Defense that had a sentence in it that would seem to derogate the bill we are about to enact on the floor today. I discussed that letter in the Congressional Record yesterday, if anybody would care to look at my remarks on that score. The letter sent to the chief negotiator in the Senate on their conference committee, and I have alleged that perhaps was probably pursuant to an arrangement whereby that bill was originally released out of the Senate committee, but as opposed so that I am sure the gentleman in the well is familiar with the 75-page analysis that was sent to our committee by the General Counsel of the Department of Defense asking for these bonuses last year. That was dated April 2, 1973.

I am sure you are also familiar with the several hundred pages of testimony taken by our committee in 1972 whereby we reviewed thoroughly the need with the advice and consent and urging of the Department of Defense to enact legislation substantially like we are considering today.

Mr. MITCHELL of New York. I would agree with the gentleman and state that the problem is not that of having too little information but, rather, of having too much. We are nearly overwhelmed with documentation demonstrating the need to include these professionals.

I would like to wrap up my remarks by saying that there can be confusion, perhaps, for someone who is not immediately apprised of this situation, because we have four different professions involved and three different services and we have several years of experience to consider. But as one reviews the evidence, the conclusions to be drawn for each profession in each service are basically the same.

No. 1, the retention rate of doctor participants in subsidized programs averages less than 15 percent, and can go as low as 1 percent. In other words, Mr. Speaker, we can lose as many as 99 percent of these people whose education we have subsidized under the present system. The major reason for this retention problem is that the service professional earns about one-half of the income of his civilian counterpart. I would just like to cite an example from something called the Optometrist Weekly. In the early portion of the magazine—and this is last month's issue—it says, "Be an optometrist in the U.S. Air Force," and it cites the benefits. But the pay it does not allude to—is about $10,000 a year. Then just a few pages away in the back of the same publication is a whole column of "optometrists wanted." Here is one in Nebraska for $30,000; Illinois, $35,000; Pittsburgh, $30,000; and Ohio, $40,000 to $50,000.

We cannot begin to compete on the basis of present military pay scales.

I feel that the vast majority of these doctors could be retained by upping the $100 monthly incentive pay to $350 after 2 years. It costs approximately $10,000 to subsidize each year of obligated service. Thus we pay $10,000 a year to get 1 year of service and, since it would cost only $3,000 a year, or $250 a month a year to retain them, we can save $7,000 a year per retained doctor; $7,000 additional that it would cost to replace them.

Let us keep them and let us save the money. Let us get away from our revolving door policy of losing most of the doctors after their short service concludes, by passing S. 2270. The first step of passing this bill is an affirmative vote on this rule. I urge favorable consideration of this rule.

Mr. YOUNG of Texas. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Louisiana (Mr. Hébert) the chairman of the Committee on Armed Services.

Mr. HÉBERT. Mr. Speaker, and Members of the House, I will not use the entire 5 minutes, but I just wanted to bring to the attention of the Members that all of the conversation we have been having on this matter so far is on everything except the rule, and the rule is what we have under consideration.

It is a simple question. I rise in support of the rule, and I will not even discuss the merits of the legislation now because that will come after the rule is adopted. That is the way the situation stands. We should either adopt or reject the rule.

The gentleman from Wisconsin (Mr. Aspin) appeared before the Committee on Rules and attempted to block the House from consideration of this legislation. The gentleman did not want the House to have a chance to vote on the legislation. The gentleman wanted to give the Members an end run so they could run into a corner somewhere, and hide, if they wanted to hide, and not give the Members a chance to vote.

The gentleman from New York read the letter from Dr. Cowan. But the Members will not have a chance to vote against the bill's provisions unless the rule is adopted first.

The gentleman from Wisconsin (Mr. Aspin) has told the Members what will happen. The gentleman has told the Members what the Committee on Armed Services will do; that they can do this, and then the Committee on Armed Services will do this. The gentleman from Wisconsin may think that he is the chairman of the House Committee on Armed Services, but I happen to be the chairman of the House Committee on Armed Services, and the House Committee on Armed Services is not going to do anything that the gentleman says. Unless the rule is adopted here today, then the Members will not have a chance to vote up or down on these matters.

I personally express no preference in how the matter is going to be voted at this point. I am asking that the rule be adopted so as to give the Members an opportunity to express themselves by voting up or down, whichever way they desire.

But, I repeat, unless this rule is adopted there will be no legislation. I can assure the Members of that.

I deeply appreciate the Committee on Rules being so gracious in granting this rule to the Committee on Armed Services in order that the Members may have an opportunity to discuss this bill in detail, make up their own minds, and then vote whichever way they desire.

Mr. YOUNG of Texas. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from New York, the chairman of the subcommittee (Mr. STRATTON).

Mr. STRATTON. Mr. Speaker, I will not take the 5 minutes.

I simply want to second what the chairman of the Committee on Armed Services has said. We have before us in this House today, I think, a rather surprising and shocking attempt to undermine the normal processes of democracy simply because one member of the committee does not happen to like everything that is in the bill. I think those of us who have been here a few years know that the legislative process is a compromise. Probably none of us ever likes everything that is in a bill, but we allow the legislative process to function; we allow the House to work its will; and that is precisely what we are proposing here.

This is an open rule. If somebody does not like the optometrists or the veterinarians or the dentists, he has an opportunity to offer an amendment to exclude them. If he wants to put somebody else in, he has that opportunity. But the ultimate determiner of the legislation ought to be the House, it would seem to me, and we ought not to be sandbagged with the requirement that either we agree with the legislation as the gentleman from Wisconsin wants it, or else we have none at all.

The committee voted for this 32 to 6, so I think it is clear what the Committee on Armed Services would do even if the bill went back to the committee.

The point has been made that we have not had any hearings. But the entire matter was the subject of hearings in 1972, and a bill almost identical with this, as has already been pointed out, with a $12,000 bonus, was passed by the House almost without anybody making any objections, and it died in the Senate.

Mr. BURGENER. Mr. Speaker, will the gentleman yield?

Mr. STRATTON. I yield to the Gentleman from California.

Mr. BURGENER. I thank the gentleman for yielding.

Could the gentleman tell me if he knows what the official position of the Department of Defense is on the bill in its present form?

Mr. STRATTON. The official position of the Department of Defense was that they were perfectly agreeable to having dentists included. They gave us in this particular hearing no official position on the optometrists or the veterinarians. However, in 1972 before we had the shortages we have now, the Department came to us and said: We want a $12,000 bonus for all health professionals, and that is what we gave them. We gave them the opportunity to pay such a bonus if future retention problems should require it.

I think, as the gentleman from New Jersey has said, there is some confusion within the Department of Defense, and we in the committee have seen that confusion before. The Assistant Secretary for Health and Environmental Affairs just came down here from New Jersey. I do not think he is fully familiar with the position that the Department took a couple of years ago. He has never appeared before our full committee, although he did appear briefly before the subcommittee.

Mr. ASPIN. Mr. Speaker, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from Wisconsin.

Mr. ASPIN. I thank the gentleman from New York for yielding.

The gentleman from New York says this is the legislative process. If this is the legislative process, then Gold help us.

Mr. STRATTON. I yielded for a question; I did not yield for the gentleman to make a speech. If the gentleman has a question, I will be glad to comment on it.

Mr. ASPIN. Let me ask the gentleman a question, and I will put it in the form of a question. The gentleman well knows there is in the military a tremendous kind of caste system where doctors are considered at certain levels. Then we come to the dentists and optometrists, and there are different gradations. We also know that we have to be fair to the taxpayer.

Mr. STRATTON. My time is running out. I just do not want the gentleman from Wisconsin to make a speech on my time.

Mr. ASPIN. The question of the gentleman from New York is, How on the floor are we ever going to legislate in this manner when we have not had any hearings in a manner which is equitable to the medical profession?

Mr. STRATTON. I think the answer to that is that the Members of this House are intelligent enough to know where they stand on a matter of this kind. They have before them the recommendation of the Committee on Armed Services, 32 to 6. They have had communications, I am sure, from their districts. They know what the House did 2 years ago. So it seems to me if we cannot work our will on a bill as simple as this in this House, we might as well abandon the whole democratic process.

Mr. MITCHELL of New York. Mr. Speaker, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from New York for a question.

Mr. MITCHELL of New York. I just wondered if the gentleman from New York recalls that I asked the question of Mr. McKenzie at one of our hearings if he had any objection or opposition to the inclusion of optometry and veterinary medicine in the bill, and he said, "None whatsoever," so DOD has taken this position on this measure.

Mr. STRATTON. The gentleman is absolutely right. Not only that, but, as the gentleman from California (Mr. LEGGETT) pointed out a moment ago, the Department of Defense sent us a communication on the 2d of April 1973 in which they asked for bonuses for all professions.

Mr. YOUNG of Texas. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ASPIN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The vote was taken by electronic device, and there were—yeas 288, nays 112, not voting 32, as follows:

[Roll No. 128]

YEAS—288

Abdnor
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Arends
Armstrong
Ashley
Bafalis
Baker
Bauman
Beard
Bell
Bennett
Biester
Boggs
Bowen
Brasco
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Byron
Carter
Casey, Tex.
Cederberg
Chamberlain
Clancy
Clark
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Collins, Tex.
Conable
Conte
Corman
Crane
Cronin
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Davis, Ga.
Davis, S.C.
Davis, Wis.
de la Garza
Dent
Derwinski
Devine
Dickinson
Donohue
Downing
Dulski
Eckhardt
Edwards, Ala.
Eilberg
Erlenborn
Esch
Eshleman
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Flood
Flowers
Flynt
Forsythe
Fountain
Frelinghuysen
Frey
Fulton
Fuqua
Gaydos
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Grasso
Green, Pa.
Grover
Gubser
Gude
Haley
Hamilton
Hammerschmidt
Hanley
Hanna
Hanrahan
Hansen, Idaho
Harsha
Hastings
Hawkins
Hays
Hébert
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holt
Horton
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Hutchinson
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Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.

Kemp
King
Kluczynski
Kyros
Lagomarsino
Landgrebe
Landrum
Latta
Leggett
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Long, La.
Lott
McClory
McCloskey
McCollister
McCormack
McDade
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McFall
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Madigan
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Mathias, Calif.
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Mizell
Mollohan
Montgomery
Moorhead, Calif.
Morgan
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
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O'Brien
O'Hara
O'Neill
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Peyser
Podell
Preyer
Price, Ill.
Price, Tex.
Randall
Rarick
Regula
Rhodes
Rinaldo
Roberts
Robinson, Va.
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
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Sandman
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Stanton, J. William
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Steelman
Steiger, Ariz.
Steiger, Wis.
Stratton
Stubblefield
Stuckey
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thomson, Wis.
Thornton
Towell, Nev.
Treen
Udall
Ullman
Van Deerlin
Vander Jagt
Veysey
Vigorito
Waggonner
Walsh
Wampler
Ware
White
Whitehurst
Whitten
Widnall
Wiggins
Wilson, Bob
Wilson, Charles H., Calif.
Winn
Wolff
Wright
Wyatt
Wydler
Wylie
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Young, Ill.
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Young, Tex.
Zablocki
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Alexander
Ashbrook
Aspin
Badillo
Barrett
Bergland
Biaggi
Bingham
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Bolling
Brademas
Brotzman
Burgener
Burke, Calif.
Burke, Fla.
Burton
Carney, Ohio
Chappell
Chisholm
Conyers
Cotter
Coughlin
Culver
Danielson
Delaney
Dellenback
Dellums
Denholm
Dennis
Dingell
Drinan
Duncan
du Pont
Edwards, Calif.
Evans, Colo.
Foley
Ford
Fraser
Froehlich
Giaimo
Gibbons
Green, Oreg.
Griffiths
Gross
Gunter
Hansen, Wash.
Harrington
Hechler, W. Va.
Heinz
Helstoski
Holifield
Holtzman
Howard
Johnson, Colo.
Jordan
Karth
Kastenmeier
Ketchum
Koch
Lehman
Litton
Long, Md.
Luken
McKay
McKinney
Mallary
Matsunaga
Mazzoli
Mezvinsky
Mitchell, Md.
Moakley
Moorhead, Pa.
Mosher
Nedzi
Nix
Obey
Owens
Pike
Pritchard
Quie
Quillen
Railsback
Rangel
Rees
Reuss
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Rodino
Roybal
St Germain
Sarbanes
Schroeder
Seiberling
Smith, Iowa
Stanton, James V.
Stark
Steele
Stokes
Studds
Thompson, N.J.
Thone
Tiernan
Vander Veen
Vanik
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Wilson, Charles, Tex.
Yates
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Bevill
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Camp
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Clay
Conlan
Diggs
Dorn
Frenzel
Gettys
Gray
Guyer
Heckler, Mass.
Ichord
Kazen
Kuykendall
Lujan
Macdonald
Milford
Patman
Pickle
Poage
Powell, Ohio
Reid
Rooney, N.Y.
Runnels
Ruppe
Shriver
Stephens
Williams

So the resolution was agreed to.

The Clerk announced the following pairs:

Mr. Rooney of New York with Mr. Williams.
Mr. Bevill with Mr. Lujan.
Mr. Diggs with Mr. Blatnik.
Mr. Carey of New York with Mr. Ichord.
Mr. Stephens with Mr. Kuykendall.
Mr. Gettys with Mr. Ruppe.
Mr. Reid with Mr. Blackburn.
Mr. Kazen with Mr. Frenzel.
Mr. Clay with Mr. Gray.
Mr. Macdonald with Mr. Butler.
Mr. Pickle with Mr. Guyer.
Mr. Runnels with Mr. Camp.
Mr. Milford with Mr. Shriver.
Mr. Dorn with Mr. Conlan.
Mr. Patman with Mrs. Heckler of Massachusetts.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. STRATTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the Senate bill (S. 2770) to amend chapter 5 of title 37, United States Code, to revise the special pay structure relating to medical officers of the uniformed services.

The SPEAKER. The question is on the motion offered by the gentleman from New York.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the Senate bill S. 2770, with Mr. Flowers in the chair.

The Clerk read the title of the Senate bill.

By unanimous consent, the first reading of the Senate bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from New York (Mr. Stratton) will be recognized for 30 minutes, and the gentleman from New Jersey (Mr. Hunt) will be recognized for 30 minutes.

The Chair recognizes the gentleman from New York, (Mr. Stratton).

Mr. STRATTON. Mr. Chairman, I yield myself 7 minutes.

Mr. Chairman, on behalf of the Committee on Armed Services, I bring to the floor today S. 2770, which would authorize increased pay differentials for physicians, dentists, optometrists, and veterinarians.

Mr. Chairman, we are now in the process, as everybody is aware, of attempting to make the Volunteer Armed Forces work. We have found that the two categories which represent the most difficult personnel problems of the uniformed services in the voluntary environment are enlisted men in certain skilled categories and health professionals. Two weeks ago this House passed a bill to deal with the first problem, a bill to increase the enlistment bonus and reenlistment bonus for enlisted personnel in the armed services.

Today we bring to the Members the second phase of this legislative drive, a bill to meet the second problem, a bill which provides additional pay incentives in order to attract and retain a sufficient number of physicians and other health professionals.

For some years now, Mr. Chairman, we have paid, in addition to special monthly pay, a differential called continuation pay to physicians and dentists. This continuation pay has run as high as $8,700. So even when the draft was in effect, we had to pay this additional money to retain physicians.

It, therefore, should come as no surprise that with the elimination of the persuasion that the draft provided, we have to pay substantially higher bonuses in order to retain a sufficient number of doctors in our Armed Forces and in order to attract them into the Armed Forces.

Now, because this bill allows a maximum of $15,000 a year bonus and because four health professional categories are included in the bill rather than physicians alone, there has been, as we have heard during the presentation on the rule, considerable confusion, and many Members are asking: Why do we have to pay such bonuses to optometrists, to veterinarians, and to dentists?

Well, we should understand clearly that it is not necessary under this bill to pay anybody a bonus at all. This is permissive legislation. It is permissive, and it is only to be paid in cases where it is certified that there is a serious shortage.

Second, the $15,000 is not the floor but, rather, it is the maximum. There is no minimum figure.

It is not contemplated, for example, that any bonus will be paid at this time to dentists, optometrists, or veterinarians. This is a standby legislation and it will be available if it is passed today, so that it can be used when and if the shortages develop. It is the same kind of standby legislation that we passed a couple of years ago. The bonus authority for those professionals would be used only begining next year if the expected shortage develops, and in any case it is not contemplated that the maximum figure of $15,000 is going to be paid to dentists, optometrists, and veterinarians. When it is required, they will be paid a proportionate amount sufficient to increase retention in their specialty to the desired level. That proportionate amount would vary to some exent depending on what they can expect to get on the outside.

For example, it is estimated eventually that dentists will be paid bonuses of approximately one-half of those paid to physicians and that optometrists and veterinarians would be paid bonuses in the $3,000 to $5,000 range.

So let us not be confused. This bill is one that is easy to demagog against. You can say why should we pay $15,000 to a veterinarian? The point is we are not going to pay $15,000. We are going to pay only what is necessary to get enough veterinarians in the armed services to insure the quality of the meat and the food that our servicemen are eating.

These are not firm estimates that I have given, of course, because no bonus is required at this specific time. The exact figure will depend on what the exact circumstances are at the given time.

Mr. Chairman, questions have been raised, also because it is alleged that the committee did not have exensive testimony with regard to the dentists, optometrists, and veterinarians and because of the fact that the Defense Department indicated they need only the bonus authority now for physicians.

A case could be made, I suppose, for limiting this bill to physicians right now. That is what the subcommittee considered and that is what the subcommittee, in fact, reported and it is what the other body did as well. However, the full committee in considering this matter determined by a wide margin that these other medical specialties ought also be included in the bill on a permissive basis, and that action, as I said earlier, was consistent with the past committee and House action with regard to these specialties.

Mr. LEGGETT. Will the gentleman yield to me at that point?

Mr. STRATTON. I yield to the gentleman.

Mr. LEGGETT. Is it not a fact that the Department of Defense sent our committee a letter under date of April 2 of last year at the time when we were considering holding hearings on the general legislation? Is it not a fact that they said in one paragraph in the letter that historically the most difficult officer group to retain in active duty beyond the first tour is that of the health care professions? A major cause of this difficulty is the disparity between the income of these professions in a military status and their civilian counterparts. As the 1971 quadrennial review indicated, this gap is significant and is likely to continue in the future. They referred there, of course, to all of the classes that the gentleman just mentioned.

Mr. STRATTON. The gentleman from California is absolutely correct. That is the position that the Department of Defense took 2 years ago, and it is the position they took a year ago when they asked us to reenact the special pay legislation which had originally been enacted by the subcommittee under the direction of the gentleman from Texas (Mr. FISHER).

I may also say, since the gentleman from California has brought that point up, the letter read on this floor a moment ago by the gentleman from New York (Mr. PEYSER) that indicated that the Department of Defense was opposed to our bill actually does not say that.

The CHAIRMAN. The time of the gentleman has expired.

Mr. STRATTON. Mr. Chairman, I yield myself 7 additional minutes.

Here is what Mr. Cowan's letter actually says:

> There is no need at this time for special pay legislation covering any of the other health professions . . . the most immediate and critical problem in the health professions area involves Medical Corps officers.

Well, we do not dispute that. We do not dispute that the Medical Corps has the most urgent priority. That is what the committee has been saying all along. But we think we know something of the problems that occur with legislative scheduling, and is it not better to have the medicine in the medicine closet before you get the temperature and before you get the sore throat, rather than having to rush out to the drugstore when the illness hits, and perhaps find the drugstore closed?

In the 92d Congress, Mr. Chairman, as I have stated, the House passed H.R. 16924, which would have provided bonuses of up to $12,000 a year for physicians, dentists, veterinarians, and optometrists. This was done on the basis of a projected shortage that the Defense Department told us 2 years ago was going to develop when the draft came to an end. Now we have had the draft come to an end, and nothing has happened certainly in the meantime to make the projections any more encouraging. In fact, comparative earnings available in civilian life have been increasing and, therefore, including these professionals in the present bill, is certainly consistent with the action the House took in the 92d Congress, recognizing that the Defense Department recommended a year ago a bill to revise the special pay structure for members of the uniformed services, and that is the document the gentleman from California (Mr. LEGGETT) was referring to a moment or so ago, and that letter requested the reenactment of a portion of the provisions in the bill passed in the 92d Congress.

At the time that our hearings were held the Defense Department indicated it still supported the Special Pay Act, and was prepared to testify in favor of it whenever we took it up as separate legislation. So any statement by Defense Department officials to the letter that was sent to the Senate is really not to the contrary, and would in any event be inconsistent with the position of the Department that they took up to and including the time of the committee hearings.

For those Members who may be interested in the Defense Department position, it is contained on page 144 of the hearings where Mr. McKenzie indicated that the shortage with respect to dentists is not serious this year, but it becomes more serious next year, and increasingly serious the third year. There is no question but that we will have a procurement and retention problem in the Dental Corps.

For instance, if your son is in the Navy and he gets a toothache, would you not like to have the dentists available when the need for treatment of that toothache occurs, rather than having the House delay action on an emergency bill while he is still suffering from that toothache?

The four professions in this bill, Mr. Chairman, have been historically shortage areas. There has been some sneering because we put in optometrists and veterinarians. These are the health professions who were called by Selective Service when the draft was operating. These are also the four professions that have received special pay in the past. The Department of Defense projected that there will be a shortage ranging from 10 to 20 percent in these specialities over the next 4 years.

Mr. Chairman, the committee has made some changes in the bill, and I will try quickly to run through them.

First of all, the Senate bill provided a maximum bonus of $10,000 a year, and we have provided $15,000 a year, and the Defense Department supports that. We know this, that the critical period when a young man or young woman decides to get out of the armed services and go into private practice is at about the ranks of lieutenant commander and major. They are then getting under $20,000, and they know that they can earn $40,000 or more on the outside. Who can expect somebody to stay in the service if there is that much of an opportunity for gain on the outside? Because of that we recommend that we give these people the extra $15,000 to bring their salaries up to $35,000, and then perhaps they will stay in the service and provide some experience in the Medical Corps in the armed services.

When we put in the bonus incentive we eliminated the continuation pay, so actually the extra cost is less than the $15,000 indicates.

The Senate limited bonuses to officers in the grade of O-5, which are lieutenant colonels or commanders. Our committee extended the bonus to grade O-6, colonels or Navy captains because the Surgeons General of the three services testified that these colonels, and captains in the Navy, are extremely necessary——

The CHAIRMAN. The time of the gentleman has again expired.

Mr. STRATTON. Mr. Chairman, I yield myself 2 additional minutes.

In an effort to try to retain people in the armed services, we recently created a Medical University of the Armed Forces, the inspiration of the distinguished chairman of our committee, the gentleman from Louisiana (Mr. HÉBERT), and that is going to be built here in this city out at Bethesda. But if we are going to have a medical college of the armed services which will bring career medical personnel into the services, we need to give them the best kind of training, and these senior officers are the ones who can do that training best.

Flag and general officers will get no bonus, but would continue under the present continuation pay system. The Department of Defense had indicated that it intended to use the bonus authority only to prevent pay inversions. This can be done with continuation pay.

The Senate bill also was limited just to the Armed Forces. We have included doctors of the Public Health Service—and, incidentally, that means that we include doctors for the Indian Health Service.

As the Members know, the bill was extended to include dentists, veterinarians, and optometrists. Finally, the bill does exclude from getting this bonus those who are serving an initial, active duty obligation and who are undergoing either intern or residency training.

The committee bill would be effective on the 1st of April and result in an additional cost of $59 million in the current fiscal year and $106 million in fiscal year 1975, and the cost is projected at about that level through fiscal year 1978. Of this $106 million—incidentally, we hear talk about all of these "Christmas tree" add-ons—$75 million is for the physicians, $26 million is for the dentists, and we come down to only $3 million for veterinarians and $2 million for optometrists.

The CHAIRMAN. The time of the gentleman has expired.

Mr. STRATTON. Mr. Chairman, I yield myself 2 additional minutes.

Let me just say that I hope that this bill will be speedily enacted because it is urgently needed. This summer some 3,500 of the doctors who are still in the service under the draft will be released. We desperately need this legislation so that we can continue to provide adequate medical service for our young men and women in the armed services.

Mr. FISHER. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield to the distinguished gentleman from Texas.

Mr. FISHER. I thank the gentleman for yielding.

The gentleman referred to comparable legislation which was approved by this House in the 92d Congress. It will be recalled that at that time we were warned by the Surgeons General of the pending shortage because of the expiration of the draft. We know today that their projections were very accurate and that there is a developing shortage. It is becoming more realistic today, of course, as time has gone along. I am sure the gentleman who has presented this case so well recognizes that we are up to the point now where there is no more time for delay, but immediate action is imperative.

Mr. STRATTON. The gentleman from Texas is absolutely correct. What we are trying to prove here today, I might say to the gentleman, is simply to reenact the legislation which he so ably got out of this House 2 years ago and without any of the problems that we seem to have attached to this bill. In fact, if it had not been for the other body, we would have that legislation on the books today.

Mr. HUNT. Mr. Chairman, I yield 7 minutes to the gentleman from New York (Mr. MITCHELL).

Mr. MITCHELL of New York. Mr. Chairman, it was suggested during the debate on the rule that there was insufficient opportunity to study this issue because of the lack of hearings. I heartily disagree with that position. I should like to state that the issue of incentive pay for physicians, optometrists, and veterinarians has been discussed and debated by both Houses of Congress for years. Because these professions have been subjected to the so-called doctors' draft and have been drafted as health professions, Congress has singled them out among all the other health professions for incentive pay.

And as early as June 1973 the House Armed Services Committee considered extended special pay provisions for the four professions until June of 1975. Moreover legislation dealing with incentive or bonus pay was proposed by DOD in 1972 and passed by this House, as has been alluded to before. Last year's bill was H.R. 16924. This legislation would have authorized the DOD to pay bonuses to officers in any of the health professions which were experiencing severe retention problems. It was not acted upon by the Senate, as has been stated, so DOD resubmitted its proposed legislation in 1973 with very similar provisions. When no action was taken on this proposal by the other body, DOD submitted a new bill limiting special pay and bonuses for reenlistments to physicians only. This was passed and sent from the Senate as S. 2770.

I would like to state that there has been a great deal of discussion. The issue has been discussed and debated ad nauseam by past Congresses and information on the manpower problems in these professions has been available since that time. The facts warrant the inclusion of dentists and optometrists and veterinarians within S. 2770. Each group faces long education and manpower shortages in the services and they have suffered low retention rates and lack of continuity in all the medical professions. They live with the full knowledge that a much more lucrative pay scale awaits them in private practice.

According to DOD, the projected shortage of military dentists and optometrists by 1978 will be 18 percent; of veterinarians, 20 percent. According to my calculations the general retention rate for dentists, optometrists, and veterinarians throughout all the branches average roughly 15 percent. About 85 percent of them do not return once their obligated service is completed. It is important to realize that this 15-percent retention rate means that out of 100 incoming health professionals, the military keeps only 15 after 2 years. This I state is a pretty sorry record.

These retention problems relate primarily to the fact that civilian health practitioners far outdistance their military counterparts in income. I have the DOD figures, and according to them after 3 years a civilian optometrist earns $25,000 on the average; a dentist, $32,000; a veterinarian, $22,000. After 12 years a civilian optometrist earns $42,000; a dentist, $38,000; a veterinarian, $31,000. Present pay scales for military dentists, optometrists, and veterinarians are light years away from these civilian averages.

We must make some attempt, given the Voluntary Army concept, to narrow this gap. We get what we pay for. If the gap between the civilian and military pay scales continues to widen we will be shortchanging the members of our armed services and their families in health care services. These factors—the shortages, retention rates, and pay disparities—have been addressed in the past by Congress. One partial solution was the military health scholarship program, which subsidizes a student's professional education on a yearly basis in return for 1 obligated year of service in the military for each year of education provided.

Yet this scholarship program, which is costly, does not prevent the health professional from leaving the services once he has fulfilled his obligation. It is incentive for entering the military, but not for remaining within the military. On the other hand S. 2770 attacks the problem of retention.

For example 123 optometry students are enrolled under the military scholarship program. They incur 1 year of obligated service for each year of subsidization. The costs are considerable. A military scholarship student would have his tuition, instruments, books, and fees paid directly by DOD, besides receiving $400 per month for 9 months and approximately $600 per month for 3 months of active duty. At one of the schools of optometry the breakdown is as follows: tuition, $5,200; instruments, $500; books, $300; fees, $150; which is approximately $6,150 plus income of $5,400, for a total of $11,150. That is just one of the colleges, and this is probably on the high side. But the total cost to subsidize this young man's education is $11,150 each year.

The total cost for all 423 students would be more than $1 million. This is a sizable investment and we will lose most all of them once their obligated service is completed, unless we do something about it. We should protect this investment. We do not. S. 2770 will. Let us not forget that S. 2770's provision for bonus reenlistments up to $15,000 is only discretionary—only discretionary.

The Secretary of Defense will not spend any amount of money that is not needed. From my investigation, and I have talked with several military professionals in these three health care fields, I doubt that the Secretary would need to spend much, if any, of the $15,000 to retain these people after the 2 years of obligated service is completed. If we merely pass S. 2770 and provide for the additional $350 a month after 2 years at $100 a month, it will solve most of our retention problem.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HUNT. Mr. Chairman, I yield the gentleman from New York 1 additional minute.

Mr. MITCHELL of New York. Mr. Chairman, I would like in conclusion to say briefly that S. 2770 makes very sound fiscal sense. The basic problem, the retention rate of doctor participants in the subsidized programs averages less than 15 percent and is as low as 1 percent.

The major reason for the retention problem is that the service professional earns far less than the income of his civilian counterpart in civilian life.

A vast majority of these doctors could be retained by increasing the $100 monthly incentive pay to $350 after 2 years of service.

Since it costs approximately $10,000 to subsidize each year of obligated service, we would be saving $7,000 per military professional for each one we are able to retain.

I think we have to get away from this revolving door policy of losing most of our doctors after a very brief obligated service is completed by passing S. 2770. I strongly urge its favorable consideration.

Mr. STRATTON. Mr. Chairman, I yield 3 minutes to the distinguished chairman of the committee, the gentleman from Louisiana (Mr. HÉBERT).

Mr. HÉBERT. Mr. Chairman, I merely rise to reexpress what I said briefly under the rule. We now have the opportunity to vote up or down on these changes that have been made to the bill. As far as I am personally concerned, I will support my committee, as I always have done. The committee comes to the House with the support of the House Committee on Armed Services by a good vote, five to one. This is the opportunity to offer any amendment Members desire, to strike from the bill anything they care to strike or to add to the bill anything they care to add. I shall accept that as the will of the House. That was the one thing I was fighting for, against the efforts of the gentleman from Wisconsin to prevent the vote of the House.

I want to say in one very emphatic manner that what we do today is not mandatory or compulsory. This bonus in this legislation is permissive. Not one dollar has to be spent by the military for a bonus for any of these professions. The military in its own judgment can expend the funds.

May I pause to pay particular tribute to the subcommittee that considered this so long, particularly the gentleman from New York (Mr. STRATTON) and the gentleman from New Jersey (Mr. HUNT) and the other members of the subcommittee and Mr. FORD, the counsel. They have done an outstanding job. They have received a vote of confidence of the House Committee on Armed Services. I am sure they will appreciate the support of the Members who I hope will display the same ardor and enthusiasm that I intend to give to it.

Mr. STEIGER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. HUNT. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin (Mr. STEIGER).

Mr. STEIGER of Wisconsin. Mr. Chairman, I am deeply grateful to the distinguished gentleman from New Jersey for yielding to me this time.

Mr. Chairman, I voted for the rule. I concur with the distinguished chairman of the Armed Services Committee in that I think this is a matter that deserves the attention of the House. It is something with which this House ought to act in the very near future. The decision ought to be made on the substance, the question as to whether or not the Committee on Armed Services was correct in the decision to add to the Senate bill, or whether or not there are in fact some medical professionals who were left out of the bill as reported by the Committee on Armed Services.

I, for one, intend to vote for an amendment, if it is offered, to strike from the bill those portions other than medical doctors that were added by the Armed Services Committee. I do believe that this subject is one that could be more carefully considered by the Armed Services Committee and by the House at some future time.

If that fails, however, Mr. Chairman, then I have an amendment pending at the desk which I intend to offer, which would add to the medical professionals that would be eligible for this bonus. That is, podiatrists and Ph. D. psychologists. I have noted with great interest the approach that has been taken by the Armed Services Committee in pointing to the action taken in the 92d Congress when this House passed H.R. 16924. I was one of those who very strongly supported the passage of the bill. I thought it was necessary, and I was disappointed that the other body did not take action.

However, the Members will note if they look at the debate on that bill and the committee report, among those listed by the Department of Defense in the critical categories for bonuses were in fact doctors of medicine, dentists, podiatrists, optometrists, veterinarians, and psychology Ph. D.'s. Thus, I am somewhat uncertain as to the reason why the Armed Services Committee decided to add optometry and veterinary medicine and did not decide to add podiatry and psychology.

I think the logic that was present in the 92d Congress, in the bill that was passed, is every bit as present in this bill. Thus, the deficiency in the bill, if we do not strike out those that were added by the Armed Services Committee, is that it did not include those critically needed professions for which there is a case; and those two professions include podiatry and pyschology Ph. D.'s.

Mr. LEGGETT. Mr. Chairman, will the gentleman yield?

Mr. STEIGER of Wisconsin. Mr. Chairman, I yield to the gentleman from California.

Mr. LEGGETT. Mr. Chairman, I wish to commend the gentleman for his position, where he indicates that he wants to add on podiatrists and medical psychologists. I think his prior position is not consistent with his vote 2 years ago.

We considered adding on these two additional professions, but we thought that we could do that by proper amendment on the floor. What we wanted to do was show that this matter had been considered by this House as a body, some of the health professions of 2 years ago. We consistently tried not to fractionalize the health professions.

Doctors, of course, are the most important. There should be some 13,000 or 14,000 at least, but there are not. Then, dentists are next most important in volume of numbers. We do have less than a thousand optometrists; we have three or four hundred veterinarians, and of course veterinarians, as the gentleman knows, do not necessarily treat dogs and cats but are the food nutrition experts in most of our hospitals and in other areas of food and feeding in military service.

Of course, podiatry is important because we still have an infantry that depends on its feet, and we need foot specialists to make that infantry work. So, this is a matter that has been thoroughly studied. The doctors will cost $75 million on an annual basis beginning next year. The dentists will cost about $25 million, and all of the other professions, including the podiatrists and clinical psychologists—if the gentleman's amendment carries—all others combined will be about $6 million, or about 6 percent of this bill. The gentleman is adding, by the amendment he intends to offer, about 1 percent to the total cost of the bill.

Certainly, I think it is warranted, and I commend the gentleman for bringing up that point.

Mr. STEIGER of Wisconsin. Mr. Chairman, I thank the gentleman for that statement and for his contribution.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. STEIGER of Wisconsin. Mr. Chairman, I yield to the gentleman from New York.

Mr. STRATTON. Mr. Chairman, I just want to comment on the gentleman's amendment in this respect: In the 1972 legislation, as the gentleman, I think is aware, we did not spell out any particular health professions.

We simply said, "the health professions." So that technically the gentleman is correct. Under that legislation, conceivably a bonus could be paid to podiatrists or to clinical psychologists.

Mr. STEIGER of Wisconsin. Mr. Chairman, let me just comment on that point.

I concur fully that it did not spell out, in the way this bill does in specifics, the health professions. However, the committee report that accompanied that bill, and with the understanding that the Committee on Armed Services had with the Department of Defense in terms of what was listed in the critical category, listed medical doctors, dentists, podiatrists, optometrists, doctors of veterinary medicine and clinical psychologists.

Mr. STRATTON. Yes. Mr. Chairman, the legislation dealt with projected shortages. So it turns out that we have no shortage whatsoever, in podiatrists, and none is projected through this year, or until 1978. The projected shortage for psychologists is only 3 percent, as projected through fiscal year 1977.

Mr. STEIGER of Wisconsin. Mr. Chairman, I recognize the point the gentleman is making.

To answer the argument concerning shortages, I will only say to the gentleman respectfully that there is a far greater argument which is equity. If we do it for these, then, by golly, it seems to me the only reasonable, fair, and equitable position would be to take in all in the health care field, rather than to deal with only some of the critical categories. In addition, this authority is permissible and if there is no shortage then no bonus needs to be paid.

If we look, for example, at the projected earnings capability of a podiatrist in the civilian economy versus the military, we find that they get in their first 3 years of service something like $13,588 with housing and other benefits, as contrasted with an income of $21,550 in the civilian economy.

So I would say to the gentleman from New York, that I think there is every reason to modify the bill if the amendment to strike does not succeed. It does, as the gentleman from California has pointed out, provide about $1 million in additional costs when we include clinical psychologists and podiatrists. It does take care of what I consider to be reasonably needed services for military men and for women in the military on a permissible basis.

We now have 41 podiatrists in the Army, 13 in the Navy, 10 in the Air Force, and we have 50 new commissioned podiatrist billets in the Armed Services. There are 235 clinical psychologists in the military at the present time.

Mr. Chairman, I urge support for my amendment.

Mr. STRATTON. Mr. Chairman, I yield 3 minutes to the gentleman from Alabama (Mr. NICHOLS).

Mr. NICHOLS. Mr. Chairman, I thank the distinguished chairman of the subcommittee for yielding time to me.

Mr. Chairman, since veterinarians were included by the full committee in the markup session of S. 2770, I would like to very briefly comment on the present strength of veterinarians in all branches of the military service and anticipated shortfalls which are predicted by the Department of Defense in the immediate years ahead.

But first let me remind this body that doctors of veterinary medicine, like medical doctors and like dentists must also undergo a rather lengthy period of schooling before they are licensed to practice veterinary medicine. The average veterinarian graduating today spends almost 8 years in college. This is equal to dental education requirements and approaches that of medical doctors.

It is a demanding profession and requires extensive background in chemistry, anatomy, pathology, bacteriology, psychology, and surgery. I should add that there are only 19 schools of veterinary medicine throughout the country, and consequently students who aspire to become doctors of veterinary medicine are selected under a quota system from their respective States, and like dentists and medical doctors, only the very highest qualified students are accepted into our accredited veterinary schools.

Their duties in the military service are varied and quite extensive. They are charged with the responsibility of food service; sanitary conditions of each and every military installation throughout the country; they do considerable medical research toward preventing the spread of disease in both humans and animals; and of course to these duties they care for both large and small animals on post.

Like medical doctors there is an overall scarcity of doctors of veterinary medicine in America, and the average veterinarian is doing quite well in his civilian practice. Last year's average income of America's veterinarians, 6 years out of college, was $30,000, and so Mr. Chairman, veterinarians can and do earn a substantial income in civilian practice, and unless there are professional incentives provided they are simply not going to be attracted to the military, and hence I believe that there ought to be some incentives provided for doctors of veterinary medicine.

Now, as to the anticipated shortfalls, I am advised by the Department of Defense that they are presently authorized as of June 30 this year 855 veterinary officers and that we actually have on board in all branches of the military 806 veterinarians, a shortfall of some 6 percent. I am further advised that out of an anticipated need of 800 veterinarians for 1975 through 1978, that we may anticipate actual veterinarians in uniform to approach 750 during 1975, reducing to 720 in fiscal 1976, and further reducing down to a low of 620 by 1978. This low figure would, of course, represent a shortage in excess of 20 percent of the needed veterinary officers.

Unless incentives such as are contained in this bill are available to attract and retain veterinary officers in the uniformed services we are simply going to come up short in this important field and for this reason I strongly support and urge the support of my colleagues of Senate Bill 2770.

Mr. STRATTON. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Florida (Mr. BENNETT) who is the original author of this special pay legislation.

Mr. BENNETT. Mr. Chairman, I strongly support this legislation.

In response to remarks made earlier as to why we do not include other people because it would be only fair and equitable to do so, let me say that the criterion here is to try to approach problems where we have a shortage of particular types of educated people who can get a lot more money on the outside and who we hope will be attracted by this legislation to stay in the service.

We would not be justified in using a different criterion. If we did, we would have to consider historians, artists, lawyers, and a host of other people who have advanced degrees, in many cases at least as advanced as a physician, and we would have to pay them on that basis whether in short supply in the services or not.

On the contrary, this is a bill which is designed to try to bring into the services the needed professional aid required and to do equity among those brought in by paying them an equitable sum of money. If we start equating only the educational aspects of people outside and paying them on that basis, we would not be doing what the main thrust of this bill is designed to do, that is to attract professional people who are needed and in short supply in the services.

Mr. Chairman, I believe this is a workable and sound bill that can go to the Senate and be enacted into law, and I hope we will do just that.

I do not think I am being melodramatic to say that our military health system dramatically needs legislative input to meet an emergency in fact.

Soon, very soon, we are not going to have enough physicians to conduct this health system unless we enact this legislation. This House passed a bill similar to what we have before us in the second session of the 92d Congress—only to see it not be acted on in the Senate. As a result of this inaction, the Defense Department now has requested expeditious relief from the Congress. The Senate has acted and now it is up to us.

In 1972, when this legislation was originally considered, it was apparent a severe shortage of military physicians would occur as the fruits of the Berry Plan, or doctor's draft, dried up. That situation has now arrived. In a total existent force of approximately 11,500 physicians, this summer will see the departure of 3,500 physicians, with an equal number scheduled to depart during the summer of 1975. If you subtract these 7,000 from the present total, even with certain accessions, the number left is alarmingly insufficient. And if it is alarming to you and me, you can imagine how infinitely more alarming it is to our military men and their families who depend on these physicians for necessary medical care.

The Senate bill set the maximum amount of this permissive bonus authority at $10,000. The Department of Defense has requested authority to go up to $15,000 where necessary. The $15,000 figure is appropriate. The $15,000 reported by our committee is not based on guesswork, rather our hearings indicated that when asked in a survey as to the effect of different amounts of bonus money on their decision to extend their military duty, a significant number of these physicians reacted favorably to this amount and not so to lesser amounts.

A $15,000 bonus is a lot of money, but it still does not place these physicians in complete parity with their civilian counterparts and intentionally so. While we do not expect to match the salary structure for civilian physicians, we must at least be in the same ball park in order to allow the military health system to remain viable.

If we do not act now, we will certainly be faced with a future situation that may not be resolvable in any manner. For the health of the military health system, I urge support of this legislation.

Mr. STRATTON. Mr. Chairman, I yield 3 minutes to the gentleman from Georgia (Mr. BRINKLEY).

Mr. BRINKLEY. Mr. Chairman, I rise in support of this legislation.

There is a case to be made and there is much to be said for paying a man or a woman exactly what he or she is worth, taking into account his or her ability and training. To pay less than that is robbing him of something to which he is entitled. An abundant supply of personnel does not detract one iota from that principle, and I do not believe that the American people or the American taxpayer would want to take advantage of anyone by paying less than what he or she is worth.

In the past years in my service in Congress I think I have been very close to the medical profession and I think I know something about them, their training and the skills required of them. I certainly want them to have a full seat at the table and to be a meaningful and continuing part of the military services.

This pay incentive bill is also an investment in the future of our military services and will attract the best in the professions and it will retain them without retraining costs.

I think we need to attract professionals to the armed services, especially among the medical professions, the clinical psychologists, the veterinarians, podiatrists, dentists, optometrists, all of them.

Much has been said about an all-volunteer army and the fact that we might have difficulty in achieving it. Now I think the two most important ingredients toward the success of an all-volunteer army are, first, good housing, and that means providing enlisted men with good barracks, for those who are single, and good family housing for the married men and women; and then I think the second most important thing is to provide good health services. And that goes to the quality of the physicians available. I think we want to be very adequate with them so as to attract able and dedicated personnel in the first place, and so as to retain them in the second place.

This goes to eye care, it goes to teeth care, and right on down the line. What is there more precious than good vision?

So, Mr. Chairman, I rise in wholehearted support of this legislation. I do not believe we should ever be pennywise and pound foolish. I think we need generosity when it comes to dealing with people, and attracting the top talent should be the order of the day. I think the military service is that important. I think the men and women who serve our country deserve the best—and the "best" themselves deserve fair, competitive remuneration.

Mr. HUNT. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, because statements have been made about the lack of testimony on certain specialties in the bill and because amendments will be offered to delete some health professions from the bill, a few remarks about the committee procedure on the bill appear in order.

The Department of Defense stated an urgent requirement for the authority in the bill for dealing with the retention of physicians. Because of the desire for prompt action and the pressure of other work, the subcommittee which considered the bill limited itself to departmental witnesses. The subcommittee indicated it will take up special pay for other health professionals later in the session.

The Department of Defense indicated that it continued to support a general special-pay bill it has proposed earlier in the Congress which dealt with the other health professionals, but also said it did not object to the inclusion of these other principal health professions as long as it did not delay the bill.

Our committee and the House approved legislation in the 92d Congress which would extend bonus authority to these other health professionals. Defense Department statistics indicate that shortages of varying amounts will begin to appear in the professions of dentistry, veterinary medicine and optometry next year. Therefore, the full committee, in its consideration of S. 2770, elected to include dentists, veterinarians, and optometrists at this time so that the Department of Defense would not have to seek additional authority later in the year. Since the Stratton subcommittee had indicated its intention to take up these specialties in a few months in the special pay act, it seemed reasonable to include them in the bill now.

The vote in the committee to include optometrists and dentists was 21 to 12. It came after almost 2 hours of discussion. The vote was on an amendment to an amendment to include dentists.

The original amendment—to include dentists—as amended—to include optometrists and veterinarians—was then approved 32 to 6.

The committee acted in a free and open meeting, consistent with the rules of the House. It is now up to the House to act. I hope the House will support the bill.

Mr. Chairman, much has been said about S. 2770 today, and as to why we need it, and why we should or should not have it, so I would just like to take this time to bring to the attention of the Members the real reasons why we need it. I wish that everybody in this House could visit the Naval Training Station at Orlando, Fla., and see the special medical attention and examination that is given to our incoming naval recruits, and that they could also visit the great dental section that is located down there, and so that they could see the fine work that they do on the teeth of the young men and women coming in there—and I am sure the Members now know that the Orlando Training Base is coeducational.

Also I wish that the Members could be there to see the work that optometrists do in finding the young men and women who have gone into service who have deficient eyesight, and most of them never knew this until they came there. If the Members could be there to see these things, then I am sure that they would know the reason why we seek to pass S. 2770 today.

Mr. Chairman, I believe that the chairman of the full Committee on Armed Services, the gentleman from Louisiana (Mr. HÉBERT) for whom I have the greatest respect, has put this bill into proper perspective when he said earlier that either you want a bill or you do not want a bill, and that is where we stand today.

I think that much credit should go to the distinguished gentleman from New York, our colleague, Mr. STRATTON, for the work that the gentleman has put in on this bill, and for the very succinct arguments the gentleman put up today, and for the clarifying statements the gentleman made on this bill I think should leave no doubt in anyone's mind as to what they should do.

I think, too, that perhaps the Members should know about another area on the eastern seaboard where we have a very concrete example on why this bill should be passed. There we have Fort Dix, N.J., with a large army hospital. That army hospital treats many of the outpatients in that area, many of the men and women who are veterans go there for treatment. We have living in that general area around roughly 60,000 retired service people. I get mail from women whose husbands have been in the service, and who have given birth to their children at that hospital when their husbands were in service, asking me to see if I can get them back into the hospital again for the birth of another child because their husbands are now no longer in the service, and, of course, as the Members know, that is not permissible.

Mr. LEGGETT. Mr. Chairman, will the gentleman yield?

Mr. HUNT. I am happy to yield to the gentleman from California (Mr. LEGGETT).

Mr. LEGGETT. Mr. Chairman, I appreciate the gentleman yielding to me on that point, because I think that most of us have all had that same experience. We have all got military installations and hospitals in our districts, and we are all plagued with mail from retired veterans and their dependents because they cannot be served on those bases. The Committee on Appropriations has made the point that the Champus type program of treating these people on the outside has cost the country in excess of half a billion dollars, and they have said, "Let us use the military hospitals." But how can we use the military hospitals, I would ask the gentleman, unless we can get the proper professionals to put inside?

Mr. HUNT. That is exactly why we need this bill today. I thank my colleague from California for his contribution.

Let me come down a little bit further. Let me explain to the Members why we need this. Many of us who are on the Committee on Armed Services have likewise served our time in the services, not as a penal institution but as a duty to our country. I can recall my time in a combat area when I was hit, and my regimental surgeon who came to treat the gunshot wounds appeared to be a bit naive. I asked him what he was in private life. He said he was a gynecologist and obstetrician. That was before we had the co-educational processes in the armed services or women's lib. I want to tell in all sincerity all of the gals who are in this great body that they had better support this bill, because we are coming more and more to the fact that we need obstetricians and gynecologists in the armed services. We did not need them back in the days when I was in service, because we were treated for gunshot wounds. I do not think the classification can be otherwise extended except by a wide range of imagination, but we do need these people. We need this bill primarily because it is going to be a stopgap measure between now and 1978.

This is not a bill that says, "Now we shall pay this money." This is a bill that is permissive, and it says, "If the money is needed, if the incentive is needed, then the Department of Defense has the leeway to extend to them the added emoluments of money insofar as the bonus is concerned" but until that time comes, we must be ready to do exactly what we have promised the men in service that we would do, that is, to take care of them physically, to take care of their dental work, to make sure they can see, and all of the other related health requirements that go with it. This is what we are supposed to do, and this is what this bill will do. It will guarantee that between now and 1978 when the armed services graduates from the medical schools will come onstream, hopefully we will have a new crop of professionals and have this money that we can use in case we need it.

Mr. CHAPPELL. Mr. Chairman, will the gentleman yield?

Mr. HUNT. I yield to the gentleman from Florida.

Mr. CHAPPELL. I thank the gentleman for yielding.

Did the Department of Defense request the bill in this form, or was it limited to the physicians and the dentists?

Mr. LEGGETT. Mr. Chairman, would the gentleman yield so I may assist in an answer?

Mr. HUNT. I yield to the gentleman from California.

Mr. LEGGETT. The Department of Defense under date of April 2, 1973, asked for legislation for bonuses for all of the health professions up to $15,000, and this bill gives bonuses for most professions up to $15,000. They asked for special pay legislation which we enacted partially last year, and they did not ask for the special pay in precisely the form of this bill, but, as I understand the objections to this legislation, it is not necessarily to give special pay, but the special bonus provisions.

The Department of Defense is on record requesting that assistance.

Mr. CHAPPELL. Will the gentleman further yield?

Mr. HUNT. I yield to the gentleman from Florida.

Mr. CHAPPELL. I thank the gentleman for yielding.

I understand what the gentleman is saying is that insofar as special pay, this bill was not requested, but as to the classification that the medical people requested, their request was limited to physicians; was it not?

Mr. LEGGETT. The request for bonuses at this time was limited to physicians, mainly to drag it out of the Senate and to get our bill that we had passed 2 years ago rejuvenated.

Mr. HUNT. Let me answer the gentleman further on that. The bill, for the edification of my colleague, the gentleman from Florida, came up in 1972 and encompassed at that time all of the medical services, all of the professional services, so that at that time it included in the bill, as the gentleman recalls—I am sure he supported it with us—all of the categories that we have encompassed in this bill today.

So what we have today is essentially about the same bill that we had then, except that we had spelled out in category those portions of the professions which are allied together in the health services. It is the same thing; it simply is spelled out in category.

Mr. CHAPPELL. Will the gentleman yield further?

Mr. HUNT. I yield to the gentleman from Florida.

Mr. CHAPPELL. What was the recommendation of the subcommittee to the full committee on this bill?

Mr. HUNT. On the recommendation of the subcommittee, the subcommittee voted it out and the full committee voted it out by an overwhelming majority in the full committee.

Mr. CHAPPELL. I understand that but did the subcommittee recommend these other provisions?

Mr. HUNT. No, it did not.

Mr. CHAPPELL. It added on these other provisions in the bill?

Mr. HUNT. No, it did not. As I recall, it was the physicians.

Mr. STRATTON. Mr. Chairman, if the gentleman will yield I will respond.

Mr. HUNT. I will yield to the gentleman from New York.

Mr. STRATTON. Mr. Chairman, the subcommittee limited the bill exclusively to physicians. We had a 3-to-2 vote in the subcommittee and it was the full committee that added dentists, optometrists, and veterinarians, I will say to the gentleman from Florida.

Mr. CHAPPELL. I thank the gentleman.

Mr. STRATTON. Mr. Chairman, if the gentleman will yield further, I think the point the gentleman from California (Mr. LEGGETT) is making is correct. The DOD wanted this legislation on a standby basis for all health professions in 1972. They came back in 1973 and said that since we had not enacted that special pay bill, they still wanted it and they wanted bonuses up to $15,000 for all these professionals.

Finally in 1974, or at the end of 1973, as the situation became more urgent, they were willing to place their top priority on physicians simply as a matter of urgency but they still wanted the standby legislation for the others.

Mr. HUNT. I thank my colleague, the gentleman from New York.

To go a little bit further, today some mention was made on the floor about a letter which had been received from Dr. James R. Cowan, who is now part of the establishment of the Secretary of Defense. This letter was brought to the floor of the House and we had not seen it prior to that time. I happen to know Dr. Cowan and I would like to read a portion of the letter for clarification and I can state now what Dr. Cowan meant when he stated this in the letter:

> The most immediate and critical problem in the health profession involves the Medical Corps officers.

That we agree with and we have said that consistently. Later on he said:

> Other categories in the health field should be kept under close and continuing review.

That is exactly what we intended to do by this bill. This bill does not say we intend to pay them now. It is permissive and says we can use it. That is exactly what Dr. Cowan meant. I would like to have talked with Dr. Cowan and warned him before this letter was sent as to how it would be interpreted. This seems to be at the crux of the problem in the House these days, that is to go back and give broad interpretations.

Let me say finally that I would like to ask how many Members of the House today are willing to gamble on having no physicians and no dentists and no optometrists available to treat the men who are in the armed services in case they require those services. I have just enumerated those services. How many of the Members are willing to answer the mail from the mothers or will have the courage to stand up and face the mother who complains because her son or daughter had an accident because he could not see and did not realize what was going on, that an optometrist was not available to take care of him and had been denied him because the House of Representatives would not pass this bill. How many Members are ready if the doctor is needed and we do not have him and have a short-fall in 1976 and 1977 before these become available in 1978, to hear the mother say: "My son passed away because you denied him medical service he was entitled to"? How many Members can stand up to that? Not one. They will all backwater and crawfish because they all know as I do that we should try to provide the services in the health fields for those men and women who are in the armed services, and provide them until 1978, with these stopgaps, until our own Armed Services Medical College catches up on the short-fall.

We have no draft in the medical health professions. It has ceased. Perhaps Members would like to reinstate that draft just for doctors and for health officers, and if the Members do, I challenge anyone to introduce that bill saying that we should have a draft for doctors and dentists and optometrists and veterinarians. Members do not have the courage to do that. All some can do is to come to the floor and find fault with a good bill. The Members have been told that either we bring this bill up and pass it today or we will not have this bill. We will not have a bill. That is how simple it is.

Mr. CHAPPELL. Mr. Chairman, will the gentleman yield?

Mr. HUNT. I yield to the gentleman from Florida.

Mr. CHAPPELL. I thank the gentleman for yielding. I take this position. I believe the people of this country are interested in having us have a look at this and other bills on the basis of need. I completely concur that there is a need for physicians and dentists.

There is the necessity for providing incentive, but I think from all the recommendations which I have been able to ascertain from the Department of Defense, their concern is about physicians and dentists at this time. It is not about the others.

I, for one, am willing to stand up and say "yes," we are going to provide everything we can to get doctors and keep doctors in the service and dentists in the service or anybody else we need; but I am willing as we consider this legislation to go on the basis of demonstrated need and solve that need as we go along, rather than anticipting a need in the future that we might not get into at this time.

So I am willing to give that kind of answer and accept it and I believe the gentleman is, too.

Mr. HUNT. By the same token, is the gentleman willing to say to them when their sons are denied the opportunity to have glasses prepared for them and there is no one to do that, is he prepared to say it should not be done?

Mr. CHAPPELL. Not, not at all.

Mr. STRATTON. Mr. Chairman, I have no further requests for time.

Mr. LEGGETT. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. Yes, I yield to the gentleman.

Mr. LEGGETT. Mr. Chairman, this bill, as reported by the Armed Services Committee, constitutes a continuation of a policy agreed on by the House and the Department of Defense several years ago. The 92d Congress passed and sent to the Senate a bill which would have granted the Secretary of Defense the authority to pay bonuses of up to $12,000 to military health professionls if they agreed to serve a specified number of years on active duty. Although this bill was never acted on in the Senate, the House clearly put itself on the record by a 337 to 35 vote as favoring this approach to solving the problem of retaining military health professionals.

In requesting this legislation, the Department of Defense stated that—

> Traditionally, the most difficult officer group to retain on active duty beyond their first obligated tour is that of health care professionals. A major cause of the difficulty is the discrepancy between the income of the military health professional and his civilian counterpart. As the 1971 Quadrennial Review of Military Compensation indicated, this gap is likely to continue into the future.

This single paragraph sums up both the problem and its cause. It is significant that while Defense could have limited these remarks to physicians, they did not; the phrase "health professionals" was used because the problem is not confined to physicians. Obviously, then, the solution must also apply to the health professions, not just to physicians.

Exactly which health professions are in the greatest shortage was addressed in the hearings held on the Defense proposal in September of 1972. Dr. Vernon McKenzie, then Assistant Secretary of Defense for Health and Environment, told a subcommittee of the Armed Services Committee:

> I have used the situation of physicians as an example because the physician is the central figure in the health team, but our situation with regard to other health professions is just as critical. In fact, in the case of dentists the shortages would occur next year rather than in fiscal year 1975 because we do not have a supply of Reserve dental officers in a deferred status as we do with medical officers in the Berry Plan.

Later in the hearings, Dr. McKenzie stated:

> There are a few other professionals that we believe it will be necessary to attract with bonuses during the first year, such as veterinarians and optometrists. . . . Accordingly, we plan to offer a bonus . . . to selected officers with less than 10 years of active duty.

I cite this Defense Department testimoney as evidence of the strong need that has been demonstrated by the Department. The evidence also indicates that that position has not changed; by letter of April 2, 1973, Defense has requested of the 93d Congress a measure very similar to that passed by the House in 1972, and has much the same language in requesting it. That request has not been withdrawn.

The policy that the Defense Department and the House have agreed on is a sound one, backed by facts. A few of those facts are:

By fiscal year 1975, the Armed Forces will be 17 percent short of dentists and 15 percent short of veterinarians and optometrists;

Particularly in the early years of their careers, military compensation cannot compete with earnings available to these health professions in the civilian sector;

All of these specialties are critical enough to have been subjected to the "doctor's draft" over the last 5 years; and

The "doctor's draft" is no longer available; so we can expect to see many fewer health professionals voluntarily entering the services at current rates of pay.

There is little the Secretary can do to reverse this outward flow of experienced health professionals unless we give him the tools to work with. That is what the bill reported by the Armed Services Committee attempts to do.

There are several points which have been raised in opposition to this bill that I would like to address. It has been alleged that the Defense Department did not request the additions to this bill; but by letter of April 2, 1973, the Department did in fact request legislation almost identical to that which passed the House in the 92d Congress. That proposal contains a bonus provision identical to the one in S. 2770 for health professionals, not just physicians.

It has also been alleged that no evidence was presented to show that there are shortages in any of these professions. In fact, I presented such evidence regarding optometrists and veterinarians at the markup session of the Armed Services Committee, and I would like to insert that into the record at this point. Additionally, the subject of shortages in the health professions was dealt with at some length in the hearings held by Subcommittee No. 2 in late 1972.

On the subject of hearings, it has further been alleged that no hearings were held on the subject of the committee's amendments to S. 2770. It is true that there have been no hearings on this subject in the 93d Congress; however, there were extensive hearings into this matter in September of 1972, and those hearings have been printed and available for some time. The committee has been monitoring the problem of military manpower in the health professions for a long time, so the charge that we were legislating in the blind just does not wash.

I have left the least objection to last just because it is so wildly improbable. It has been suggested that the Secretary of Defense would be paying $20,000 bonuses without bothering to find out if there is a shortage. First, there is no way to make the bonus figures in this bill add up to $20,000 a person no matter how hard you try. The best you can do is $19,200, and that is the absolute ceiling which has been proposed only for a very few physicians. Second, the bill requires a finding by the Secretary that the specialty involved is in fact critical. This should lay to rest any fears of an unjustified windfall to undeserving recipients.

ARMY AND AIR FORCE VETERINARY STRNGTH PROJECTIONS

Fiscal year (4th quarter)	Army			Air Force		
	Authorized	Actual[1]	Net	Authorized	Actual	Net
1974	507	481	−26	348	325	−23
1975	465	443	−22	344	310	−34
1976	450	434	−16	342	289	−53
1977	450	407	−43	340	268	−72
1978	450	363	−87	340	258	−82

[1] The "actual" figures for the Army Veterinary Corps are superficial; for example, the end fiscal year 1974 strength of 481 is obtained through bringing 54 officers on active duty in June rather in July to meet urgent requirements. Losses in July 1974, the first month of fiscal year 1975, will reduce this figure to 458. By September 1974 the actual strength will be only 432. This same situation will prevail in the ensuing years through fiscal year 1978.

AMERICAN VETERINARY MEDICAL ASSOCIATION,
Washington, D.C., February 12, 1974.
HOUSE ARMED SERVICES COMMITTEE,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE: The American Veterinary Medical Association appreciates the opportunity to provide a written statement to the committee concerning compensation of military veterinarians and, in particular, the effect of S2770 on these skilled health professionals.

Because of the complexity and magnitude of this problem, this letter will serve as a transmitting vehicle for a fact sheet which describes the situation clearly and concisely. It is sufficient for this letter to aid or reinforce the following key points:

a. The absence of the draft has resulted in a severe shortage of military veterinarians.

b. There is a national shortage of veterinarians which will become more severe annually.

c. The shortage has resulted in improved income to the civilian veterinary medical practitioner and has created a wide disparity in life stream income between civilian and military veterinarians.

d. Military veterinarians have received $100 per month special pay since 1953. This amount has been unchanged for over 20 years.

e. Military veterinarians provide the mobility and response required to provide the first line of defense when national emergencies due to livestock disease are declared. The shortage will hamper severely the effectiveness of the response capability.

INCLUSION OF MILITARY OPTOMETRISTS UNDER S. 2770's SPECIAL PAY AND BONUS PROVISIONS

S. 2770 should be amended to include military optometrists under its Bonus and Special Pay provisions.

The 571 optometrists in the Armed Services are the primary providers of basic vision care for the entire military.

OPTOMETRY RETENTION RATES

Yet, since 1966, the retention rates for noncareer military optometrists have ranged from *10% for the Army, 7% for the Navy and 3% for the Air Force.*

These figures spell critical problems for the military in meeting the vision care needs of the Armed Services. The constant turnover of optometrists creates a continuing instability in one of the military's crucial health components.

FUTURE OPTOMETRY MANPOWER SHORTAGES

Moreover, DoD's projection on the *shortages of military optometrists* in the next three years is *5% in 1975, 10% in 1976 and 15% in 1977.*

CIVILIAN OPTOMETRY PAY SCALES

What's more, the average income of an optometrist in private practice is approximately $32,000 per year. Lucrative incomes in private practice make it increasingly difficult for the Armed Services to attract qualified young optometrists.

Therefore, military optometry's critical retention rates and future manpower shortages, which are related to the military's lack of income incentives, can only be rectified by 1) *increasing their present special pay from $100 to a graduated rate extending from $100 for the first two years of service to $350 for service after two years,* and 2) *by giving the Secretary of the DoD the authority to use, if needed, bonus reenlistment payments up to $15,000.*

Since, in the past, optometry officers, along with medical and dental officers, have been singled out by the Congress for special pay benefits, the following two amendments to S. 2770 are timely, relevant and necessary.

Mr. STRATTON. Mr. Chairman, I just want to wind up the debate on this measure first of all by paying tribute to the members of the subcommittee who have worked so hard on this legislation and who are responsible for bringing the legislation out: on the Democratic side, the gentleman from Alabama (Mr. NICHOLS); the gentleman from Wisconsin (Mr. ASPIN); the gentleman from California (Mr. LEGGETT); the gentleman from California (Mr. DELLUMS); and the gentleman from South Carolina (Mr. DAVIS).

On the Republican side, the gentleman from New Jersey (Mr. HUNT) who has just spoken so ably; the gentleman from Ohio (Mr. POWELL); and the gentleman from New York (Mr. MITCHELL).

The only other point that I want to say in addition is in response to the point raised by the gentleman from Florida (Mr. CHAPPELL) a moment ago. It seems to me it is a question whether we want to put the aspirin in the medical closet before it is needed or wait until we have to have it and then find perhaps the drugstore is closed. It is just that simple.

We pride ourselves on being able to come up with legislation quickly when an emergency arises; yet we all know the difficulties we had with the emergency energy bill. We can see the difficulties we are having with this bill.

The Department of Defense has told us they expect critical shortages with dentists next year; they expect shortages with other professions very possibly in ensuing years.

Does it not make more sense as we are going through the legislative process to put the legislation on the books on a standby basis and it only needs to be used when the emergency arises?

Therefore, we have put the medicine in the medicine chest. If the shortages do not arise, we do not have to lose and nobody will be losing any money. That is the basic question.

I urge approval of the bill in the form offered by the committee.

Mr. MURPHY of New York. Mr. Chairman, I take this opportunity to speak in behalf of my proposal to extend the bonus pay provision of S. 2770 to medical officers of the commissioned corps of the U.S. Public Health Service. As you know, compensation for medical officers of the commissioned corps is determined in exactly the same manner as that for the military services. Under acts considered by the Senate and House Armed Services Committees in the past to adjust and add compensation for physicians, the committees have continued to recognize the PHS corps as one of the uniformed services and have asserted time and again a claim to a commonality of interests and responsibilities among these public servants. To end this special relationship and to create a disparity in levels of remuneration for medical officers in the uniformed services would have disastrous consequences for the health of Americans. This is especially true now, at a point in time when the Public Health Service is at a critical crossroads in its history.

The Public Health Service has been charged by Congress with major responsibilities for maintaining, improving, and upgrading the health of this Nation. Programs for which commissioned corps personnel are required for execution and operation include: First, supporting the development of and improvement in the organization and delivery of comprehensive health services for all Americans, as well as providing direct health-care services to specific Federal beneficiary populations, such as members of active duty, uniformed services personnel, seamen, American Indians, and Alaska Natives; second, conducting and supporting research in the medical sciences, promoting the dissemination of knowledge in these sciences, and developing programs of health education and training to insure an adequate supply of qualified health manpower in the Nation; and third, identifying health hazards to which Americans are subject and developing standards for control and elimination of such hazards.

For purposes of fulfilling its obligations in this critical responsibility, the Public Health Service commissioned corps has estimated its total physician need for July 1974 at the 1,200 level. This total need is determined by the sum of an existing shortage of 300 physicians and an anticipated turnover by July of an additional 900 physicians. Present and foreseen supply of physicians will reduce total need by 700 and leave the commissioned corps with a net shortage of approximately 500 physicians.

This anticipated shortage has been aggravated by the end of the military draft in June 1973. For 25 years recruitment of physicians into the commissioned corps was accomplished primarily through the mechanism of allowing a physician to fulfill his military obligation to the Government by agreeing to serve in the corps for 2 years. Since the expiration of the draft law, the corps has already experienced considerable difficulty in recruitment of health personnel.

Applications for physician positions in the corps are down 60 percent.

Any further disparity between the salary level of physicians in the commissioned corps of the Public Health Service and physicians in the Armed Forces can only exacerbate a serious recruitment problem.

As Members are aware, the Committee on Merchant Marine and Fisheries held hearings last April and May, which I chaired, on the administration's proposal to dismantle the major portion of the Public Health Service hospital system. During these hearings, and from my previous involvement in this area, I became intimately involved in the problems of and the potential of the Public Health Service hospitals—not simply as they directly affect the health and welfare of our seamen, but also as they contribute to our Nation's health.

Among other things, these hearings revealed that the quality and level of health care rendered at these hospitals are directly related to the quality and quantity of staff available to provide care. The commissioned corps has traditionally supplied these facilities with professionals whose qualifications, motivation, and devotion are of the highest caliber known in this country. If for no other reason than to reward quality of service and dedication which we are too apt to take for granted, the bonus supplement should be extended to these medical officers.

As I see it, the beneficiary also has a vital interest in this issue of remuneration for commissioned corps physicians.

From his point of view, to limit the proposed bonus provision solely to military physicians and thereby reinforce a dangerous shortage of medical officers in the commissioned corps would serve only to diminish and demean the quality and level of care available at Public Health Service hospitals.

It is the consumer of care, the beneficiary entitled to health care by law who would suffer most in this situation.

To aggravate a doctor shortage at Public Health Service hospitals means, ultimately to transfer a burden and cost to the beneficiary. For medical officers in the commissioned corps, there are virtually no barriers to career opportunities outside the Public Health Service, especially at a time when this Nation faces a limited supply of health manpower. Without the proposed supplementary salary incentive the corps physician is likely to simply leave the corps to seek such opportunities. For the Public Health Service beneficiary, on the other hand, an alternative to medical care outside the system which Congress has provided him may not exist and, in fact, in many cases does not exist. For tens of thousands of people, doing without necessary medical care would be the only alternative.

But there is even more at stake here.

To refuse to apply the salary bonus to the commissioned corps physician would likely deal the final death blow to hospitals which for too long have suffered the consequences of an unrelenting and remorseless policy of attrition and neglect.

As such, it would deprive the Nation of an unusual opportunity for experimentation in health-care delivery. Our hearings last spring revealed that it is possible for PHS hospitals to be innovators for a hospital industry that is fragmented and subject to a seemingly uncontrollable escalation of costs. PHS hospitals could prove the ideal testing ground for developing a system of greater productivity in the Nation's hospitals, involving more efficient manpower utilization, more effective employment of equipment, and new treatment procedures.

Lessons learned in Public Health Service hospitals could and should be applied in private hospitals across the country.

Further, our hearings suggested that the PHS hospital system is in a unique position to provide and demonstrate alternative methods of health-care delivery, to serve as regional centers for medical research activities. This Nation needs new initiatives in its approaches to health problems; medical services designed to improve the quality and accessibility of care; and the development of career health personnel to execute America's health policy.

One such program has demonstrated that all the necessary ingredients exist in the PHS hospital system to provide a basis for demonstration and experimentation. The Emergency Health Personnel Act, first enacted in 1970, provided the hospital system with a new direction and a pioneering responsibility.

The act, reauthorized in 1972, gives the Public Health Service the authority to provide—through the PHS hospital system—health care and services to those Americans living in rural and urban areas of our Nation that have critical shortages of health personnel. The National Health Service Corps is specifically directed, under the terms of this legislation, to use the facilities of the Public Health Service to provide service and care in these underserved areas.

I point out to Members a variety of other community service and research activities in which the PHS hospital system is involved and which demonstrate its capacity to assume leadership in the health field.

The hospitals share specialities services when such services are unavailable in the local communities. Under the partnership for health legislation, provision was made to discourage the duplication of expensive health services—by sharing resources. The PHS hospitals have followed through on this.

The Seattle PHS facility, for example, provides the largest number of bone marrow transplants in the world.

The Staten Island hospital has provided 50 percent of the community's needs for renal dialysis.

The New Orleans facility has five renal dialysis units.

The cooperative hypertension study conducted through Seattle, San Francisco, Staten Island, New Orleans, and Boston Public Health Service hospitals is one of the few long-range evaluations of the treatment and control of high blood pressure in America.

Clinical research in cancer and cardiovascular disease is being conducted at Baltimore, San Francisco, and New Orleans.

The PHS hospital system also participates in a number of health manpower training and development activities. The system offers medical internships and a variety of residencies. Several medical schools rotate their students through a PHS hospital as a part of their clinical experience. The physicians' assistant program at the Staten Island facility is one of the five programs accredited by the American Medical Association. Agreements with 75 schools of nursing, physical therapy, pharmacy, and other health professions provide on-the-job training experience for students as a basic portion of their degree requirements.

The possibilities for experimentation afforded by a hospital system so rich in experience and expertise are numerous.

Individual PHS hospitals could serve as focal points for the development of communitywide health delivery systems through technological support and coordination of fragmented community efforts. They could coordinate medical research and training activities in a community in order to maximize the sharing of resources and to minimize duplication of effort. Or a PHS hospital could serve as a regional headquarters of a trained cadre of health professionals organized to respond with required personnel and equipment to aid the ill and injured in a natural disaster.

The possibilities are infinite.

But it is not possible to pursue new directions in health care delivery, to provide new solutions to health care problems in this country without an adequate supply of qualified personnel.

Just as quality health care at a Public Health Service hospital requires the availability of highly qualified and dedicated health professionals, so too does innovation demand the supply of unexcelled expertise which may be drawn upon for leadership and guidance. By extending the bonus pay provisions to the commissioned corps physician, the Congress will be going a long way toward eliminating shortages of manpower in the corps, providing compensation which begins to be competitive with income levels in the private sector, guaranteeing quality health care to beneficiaries of the Public Health Service system, and offering an unparalleled opportunity for innovation in health-care delivery in this country.

Mr. Chairman, for all these reasons, I support the provision in S. 2770, which extends the bonus pay provision for military doctors to medical officers of the commissioned corps of the U.S. Public Health Service.

I urge all Members to do likewise.

Mr. MEEDS. Mr. Chairman, I rise in support of the inclusion of Public Health Service physicians in S. 2770, as reported, a bill to revise the special pay structure relating to medical officers of the uniformed services.

The Federal Government has an obligation to provide health services to Indian tribes.

This obligation stems from the unique relationship between the Federal Government and the tribes, which relationship is documented in the U.S. Constitution, together with treaties and statutes.

To meet this obligation, a necessary item is the Federal employment of physicians who can deliver the required services where Indians are located.

The Bureau of Indian Affairs provided health services to Indian tribes until 1955.

The Department of Health, Education, and Welfare then assumed the responsibility of Indian health care through its Indian Health Service under the Public Health Service.

Since that time, the health of Indians has substantially improved, but Indian health is still significantly worse than that of the general population.

The Indian birth rate is twice that of other Americans, yet the Indian infant mortality rate is 1½ times the national average.

The incidence of tuberculosis, respiratory disorders, and gall bladder illnesses, is significantly higher in Native Americans than in the general population.

Otitis media, infection of the middle ear, also continues to be a leading cause of disability in Native Americans.

While every other American can expect to live 71 years, Native Americans can expect to live to age 65 years.

As chairman of the House Indian Affairs Subcommittee, I have been made well aware of the shortage of physicians already experienced by the Indian Health Service since the end of the draft on June 30, 1973.

Like the other uniformed services, the Public Health Service and the Indian Health Service depended on the draft to meet their professional personnel needs.

The Public Health Service now employs approximately 2,500 physicians out of a full force of 2,800.

As of July 1, 1974, PHS expects approximately 900 to 1,000 vacancies unless some pay incentive is provided to retain those whose period of service ends this year.

Between 150 and 200 of these vacancies are expected to occur in the Indian health service alone, out of a possible full force of 500 physicians.

Indian reservations are remote areas and physicians are not generally attracted even to rural areas.

There are few attractions to an Indian reservation in an isolated area far from the Anglo-American social and cultural centers and the modern conveniences many of us take for granted.

The only incentive that can be offered to attract and retain physicians in the Indian Health Service is higher pay in the form of special pay rates and special bonus pay for continuous active duty for a specified number of years.

The Public Health Service has many vital national health and health research programs.

The Indian Health Service is only one of its many programs serving the American people.

I believe that the health of the first Americans—the Indians—and the many other beneficiaries of the Public Health Service is of great importance to the Nation's well-being as a whole.

I support the inclusion of Public Health Service physicians in S. 2770 and urge enactment of the bill.

Mr. KAZEN. Mr. Chairman, I support S. 2770, because I believe it is a good start on meeting a major problem. The shortage of medical professionals, as we have been told, is one of the most difficult personnel problems of the armed services. The figures are contained in the committee report. They tell us that only one-sixth of the physicians on active duty are true volunteers. Another one-sixth serve because of obligations incurred in military-subsidized training programs, and two-thirds came in through the doctor draft.

I believe most Members know that "volunteer" physicians come in for only 2 years. Under present force levels, some 3,500 young physicians will be eligible for release this summer and as many more next summer, and the Department of Defense estimates only 1 percent of these numbers will be retained.

I have talked with these young doctors in San Antonio, a major military center, as well as the people in the Air Force Association and the Association of the U.S. Army who have been deeply concerned about the problem. They tell me that a young doctor in military service, with all his pay and allowances, receives about $20,000 a year. They also tell me that the median income of civilian doctors in the 5th year of practice is $43,000—more than twice as much as the doctor in uniform.

The mathematics of the question are simple. If we are to have a medical force adequate to meet our needs—and we must recognize that we must consider needs as manpower to take care of casualties if war should come again—we must provide adequate financial rewards. I believe this bill meets that need.

I would not want to assure my fellow Members that I believe this solves the problem. I remind you that I began these comments by saying the bonuses would be a good start. But I say here that if we think we are going to buy good medical care with money alone, we fail to understand these young men.

I know from my conversations with them that most of them will genuinely and honestly say, "It's not the money; it's the principle of the thing." By that, they mean that they only want to remain in service if they can be assured ample opportunity to practice their skills, and the essential ingredient is patient availability. That means that the Department of Defense must see to it that they can treat dependents and military retired personnel. Certainly there are human reasons for providing medical care for the wives and children of our men in uniform—or the husbands of our women in uniform—just as we have a continuing obligation to our retired military. But there are two sides to this coin.

The doctor in uniform who is limited to the active duty forces for his patients will have a few accident cases, an occasional appendectomy and perhaps some hernia surgery. But remember that the man on active duty who has serious health problems gets a medical discharge. I trust my point is clear: We must assure our health professionals that their skills will be kept sharp by actual practice of medicine. Dependents and retirees provide the patient load that will fill this need. If these young doctors know that, and know we plan to see that they are adequately paid, I believe we can achieve the force level in the health services that we need.

We know that we have enacted statutory provision for military medical care for retirees and dependents, but we also know that the Department of Defense is eliminating this care at some installations, because of the personnel shortage. Our need now is to retain doctors in service, and I believe I have shown that we must be concerned about adequate patient availability for the doctors as well as proper payment for their services.

I, therefore, urge support for this bill, with awareness that we must continue to work on solutions for medical service problems.

The CHAIRMAN. Pursuant to the rule, the Clerk will now read the committee amendment in the nature of a substitute, printed in the reported bill as an original bill for purposes of amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 5 of title 37, United States Code, is amended as follows:

(1) Section 302 is amended to read as follows and the item in the chapter analysis is amended to correspond with the revised catchline:

"§ 302. Special pay: physicians, dentists, veterinarians or optometrists

"An officer of the Army or Navy in the Medical or Dental Corps or in the Medical Service Corps if he is designated as an optometry officer, an officer of the Army in the Veterinary Corps, an officer of the Air Force who is designated as a medical, dental, veterinary, or optometry officer, or a medical, dental, veterinary, or optometry officer of the Public Health Service, who is on active duty for a period of at least one year is entitled, in addition to any other pay or allowances to which he is entitled, to special pay at the following rates—

"(1) $100 a month for each month of active duty if he has not completed two years of active duty in a category named in this section; or

"(2) $350 a month for each month of active duty if he has completed at least two years of active duty in a category named in this section.

The amounts set forth in this section may not be included in computing the amount of an increase in pay authorized by any other provision of this title or in computing retired pay or severance pay."

(2) That portion of the first sentence of section 311

(a) preceding clause (1) is amended to read as follows:

"(a) Under regulations to be prescribed by the Secretary of Defense or by the Secretary of Health, Education, and Welfare, as appropriate, an officer of the Army or Navy in the Medical or Dental Corps above the pay grade of O–6, an officer of the Air Force who is designated as a medical or dental officer and is above the pay grade of O–6, or a medical or dental officer of the Public Health Service above the pay grade of O–6 who—".

(3) By adding the following new section after section 312a and by inserting a corresponding item in the chapter analysis:

"§ 313. Special pay: medical, dental, veterinary or optometry officers who execute active duty agreements

"(a) Under regulations prescribed by the Secretary of Defense or by the Secretary of Health, Education, and Welfare, as appropriate, an officer of the Army or Navy in the Medical or Dental Corps or in the Medical Service Corps if he is designated as an optometry officer, an officer of the Army in the Veterinary Corps, an officer of the Air Force who is designated as a medical, dental, veterinary or optometry officer, or a medical, dental, veterinary or optometry officer of the Public Health Service, who—

"(1) is below the pay grade of O–7;

"(2) is designated as being qualified in a critical specialty by the Secretary concerned;

"(3) is determined by a board composed of officers in the medical, dental, veterinary or optometry profession under criteria prescribed by the Secretary concerned to be qualified to enter into an active duty agreement for a specified number of years;

"(4) is not serving an initial active duty obligation;

"(5) is not undergoing intern or residency training; and

"(6) executes a written active duty agreement under which he will receive incentive pay for completing a specified number of years of continuous active duty subsequent to executing such an agreement;

may, upon acceptance of the written agreement by the Secretary concerned, or his designee, and in addition to any other pay or allowances to which he is entitled, be paid an amount not to exceed $15,000 for each year of the active duty agreement. Upon acceptance of the agreement by the Secretary concerned, or his designee, and subject to subsections (b) and (c) of this section, the total amount payable becomes fixed and may be paid in annual, semiannual, or monthly installments, or in a lump sum after completion of the period of active duty specified in the agreement, as prescribed by the Secretary concerned.

"(b) Under regulations prescribed by the Secretary of Defense or by the Secretary of Health, Education, and Welfare, as appropriate, the Secretary concerned, or his designee, may terminate, at any time, an officer's entitlement to the special pay authorized by this section. In that event, the officer is entitled to be paid only for the fractional part of the period of active duty that he served, and he may be required to refund any amount he received in excess of that entitlement.

"(c) Under regulations prescribed by the Secretary of Defense or by the Secretary of Health, Education, and Welfare, as appropriate, an officer who has received payment under this section and who voluntarily, or because of his misconduct, fails to complete the total number of years of active duty specified in the written agreement shall be required to refund the amount received that exceeds his entitlement under those regulations. If an officer has received less incentive pay than he is entitled to under those regulations at the time of his separation from active duty, he shall be entitled to receive the additional amount due him.

"(d) This section does not alter or modify any other service obligation of an officer. Completion of the agreed period of active duty, or other termination of an agreement, under this section does not entitle an officer to be separated from the service, if he has any other service obligation.

"(e) The Secretary of Defense and the Secretary of Health, Education, and Welfare shall each submit a written report each year to the Committees on Armed Services of the Senate and House of Representatives regarding the operation of the special pay program authorized by this section. The report shall be on a fiscal year basis and shall contain—

"(1) a review of the program for the fiscal year in which the report is submitted; and

"(2) the plan for the program for the succeeding fiscal year.

This report shall be submitted not later than April 30 of each year, beginning in 1975.".

(4) By repealing sections 302a and 303 and the corresponding items in the chapter analysis.

Sec. 2. The amendments made by this Act become effective on April 1, 1974. Except for the provisions of section 313 of title 37, United States Code, as added by section 1(3) of this Act, which will expire on June 30, 1976, the authority for the special pay provided by this Act shall, unless otherwise extended by Congress, expire on June 30, 1977.

Mr. STRATTON (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendment in the nature of a substitute be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. Are there any amendments?

AMENDMENT OFFERED BY MR. ASPIN TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. ASPIN. Mr. Chairman, I offer an amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. Aspin to the committee amendment in the nature of a substitute: Page 7, strike out line 4 and all that follows thereafter down through line 20 on page 11 and insert the following: That chapter 5 of title 37, United States Code, is amended as follows:

(1) Section 302 is amended to read as follows and the item in the chapter analysis is amended to correspond with the revised catchline:

"§ 302. Special pay: physicians

"An officer of the Army or Navy in the Medical Corps, an officer of the Air Force who is designated as a medical officer, or a medical officer of the Public Health Service, who is on active duty for a period of at least one year is entitled, in addition to any other pay or allowances to which he is entitled, to special pay at the following rates—

"(1) $100 a month for each month of active duty if he has not completed two years of active duty in a category named in this section; or

"(2) $350 a month for each month of active duty if he has completed at least two years of active duty in a category named in this section.

The amounts set forth in this section may not be included in computing the amount of an increase in pay authorized by any other provision of this title or in computing retired pay or severance pay.".

(2) The following new section is added after section 302a and a corresponding item is inserted in the chapter analysis:

"§ 302b. Special pay: dentists

"An officer of the Army or Navy in the Dental Corps, an officer of the Air Force who is designated as a dental officer, or a dental officer of the Public Health Service, who is on active duty for a period of at least one year is entitled, in addition to any other pay or allowances to which he is entitled, to special pay at the following rates—

"(1) $100 a month for each month of active duty if he has not completed two years of active duty in the Dental Corps or as a dental officer;

"(2) $150 a month for each month of active duty if he has completed at least two years of active duty in the Dental Corps or as a dental officer;

"(3) $250 a month for each month of active duty if he has completed at least six years of active duty in the Dental Corps or as a dental officer; or

"(4) $350 a month for each month of active duty if he has completed at least ten years of active duty in the Dental Corps or as a dental officer.

The amounts set forth in this section may not be included in computing the amount of an increase in pay authorized by any other provision of this title or in computing retired pay or severance pay.".

(3) That portion of the first sentence of section 311(a) preceding clause (1) is amended to read as follows:

"(a) Under regulations to be prescribed by the Secretary of Defense or by the Secretary of Health, Education, and Welfare, as appropriate, an officer of the Army or Navy in the Medical Corps above the pay grade of O–6, an officer of the Air Force who is designated as a medical officr and is above the pay grade of O–6, a medical officer of the Public Health Service above the pay grade of O–6, an officer of the Army or Navy in the Dental Corps, an officer of the Air Force who is designated as a dental officer, or a dental officer of the Public Health Service who—".

(4) By adding the following new section after section 312a and by inserting a corresponding item in the chapter analysis:

"§ 313. Special pay: medical officers who execute active duty agreements

"(a) Under regulations prescribed by the Secretary of Defense or by the Secretary of Health, Education, and Welfare, as appropriate, and approved by the President, an officer of the Army or Navy in the Medical Corps, or an officer of the Air Force who is designated as a medical officer, who—

"(1) is below the pay grade of O–7;

"(2) is designated as being qualified in a critical specialty by the Secretary concerned;

"(3) is determined by a board composed of officers in the medical profession under criteria prescribed by the Secretary concerned to be qualified to enter into an active duty agreement for a specified number of years;

"(4) is not serving an initial active duty obligation;

"(5) is not undergoing intern or residency training; and

"(6) executes a written active duty agreement under which he will receive incentive pay for completing a specified number of years of continuous active duty subsequent to executing such an agreement;

may, upon acceptance of the written agreement by the Secretary concerned, or his designee, and in addition to any other pay or allowances to which he is entitled, be paid an amount not to exceed $15,000 for each year of the active duty agreement. Upon acceptance of the agreement by the Secretary concerned, or his designee, and subject to subsections (b) and (c) of this section, the total amount payable becomes fixed and may be paid in annual, semiannual, or monthly installments, or in a lump sum after completion of the period of active duty specified in the agreement, as prescribed by the Secretary concerned.

"(b) Under regulations prescribed by the Secretary of Defense or by the Secretary of Health, Education, and Welfare, as appropriate, the Secretary concerned, or his designee, may terminate, at any time, an officer's entitlement to the special pay authorized by this section. In that event, the officer is entitled to be paid only for the fractional part of the period of active duty that he served, and he may be required to refund any amount he received in excess of that entitlement.

"(c) Under regulations prescribed by the Secretary of Defense or by the Secretary of Health, Education, and Welfare, as appropriate, an officer who has received payment under this section and who voluntarily, or because of his misconduct, fails to complete the total number of years of active duty specified in the written agreement shall be required to refund the amount received that exceeds his entitlement under those regulations. If an officer has received less incentive pay than he is entitled to under those regulations at the time of his separation from active duty, he shall be entitled to receive the additional amount due him.

"(d) This section does not alter or modify any other service obligation of an officer. Completion of the agreed period of active duty, or other termination of an agreement, under this section does not entitle an officer to be separated from the service, if he has any other service obligation.

"(e) The Secretary of Defense and the Secretary of Health, Education, and Welfare shall each submit a written report each year to the Committee on Armed Services of the Senate and House of Representatives regarding the operation of the special pay program authorized by this section. The report shall be on a fiscal year basis and shall contain—

"(1) a review of the program for the fiscal year in which the report is submitted; and

"(2) the plan for the program for the succeeding fiscal year.

This report shall be submitted not later than April 30 of each year, beginning in 1975.".

Page 11, line 24, strike out "(3)" and insert "(4)".

Mr. ASPIN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. STEIGER of Wisconsin. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present. The call will be taken by electronic device.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 129]

Addabbo
Alexander
Anderson, Ill.
Badillo
Bevill
Blackburn
Blatnik
Butler
Camp
Carey, N.Y.
Chisholm
Clark
Clay
Conlan
Culver
Dennis
Diggs
Dingell
Dorn
Drinan
Eckhardt
Fraser
Frelinghuysen
Frenzel
Gettys
Gray
Gubser
Guyer
Heckler, Mass.
Huber
Hutchinson
Jarman
Kazen
Kluczynski
Kuykendall
Lujan
McClory
McKinney
Madigan
Maraziti
Martin, Nebr.
Mayne
Milford
Minshall, Ohio
Patman
Pickle
Poage
Powell, Ohio
Reid
Robison, N.Y.
Rooney, N.Y.
Rooney, Pa.
Runnels
Ruppe
Shriver
Sisk
Smith, N.Y.
Steed
Stephens
Wiggins
Williams
Yates

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. FLOWERS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 2770, and finding itself without a quorum, he had directed the Members to record their presence by electronic device, whereupon 370 Members recorded their presence, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. When the Committee rose the gentleman from Wisconsin (Mr. ASPIN) had been recognized.

The gentleman from Wisconsin is recognized for 5 minutes in support of his amendment.

Mr. ASPIN. Mr. Chairman, the amendment which I have just offered is an amendment to the bill which would in effect put the bill back to where it was when it came out of the subcommittee.

Mr. Chairman, in the full committee was where we added the dentists, the optometrists, the veterinarians, and almost added the lawyers. The bill that came out of the subcommittee was a rational bill. We had held hearings on the bill up to that point, that is the bill that included just the physicians. That was the bill which was just the emergency legislation that the Department of Defense had requested. That was the bill which the administration is supporting. That was the bill the subcommittee sent to the full committee.

Mr. Chairman, the position of the Department of Defense has been the subject of some discussion here during today's debate.

Originally the Department of Defense made a request for this legislation just to cover the physicians. During the field day that we had in the full committee when all of these other ornaments on the Christmas tree were added on, the Department of Defense said that their position was that they did not object to any other measure being added on, but they still would like to have the bill just for the physicians.

Now we have a piece of paper, a letter, from Mr. Cowan, the Deputy Secretary, which has been sent to Mr. STENNIS that the position of the Department of Defense right now is that they would prefer legislation just to deal with the physicians.

Mr. Chairman, in voting for this amendment, which would be the amendment to strip all of the ornaments from the Christmas tree, we are not doing it with any prejudice against those other ornaments. There always has been, and there still is, a commitment for later in the year to have a hearing and to have some legislation on special pay for all of these other things. It is not just the veterans and the optometrists and the dentists who will be heard at that time; the podiatrists will be heard, and the clinical psychologists, and the nurses. We want to hold hearings to determine whether we should have those.

Mr. Chairman, we do want to hold hearing on these other matters, on these other pieces of legislation, on these other medical bonuses. We do want to hold hearings; we do want to have some legislation; in fact, we are more likely to get some legislation if they are all in there together. If we pass the medical bonuses and cover some of them in this bill, it is less likely that we are going to get the legislation covering the others later in the year. I think it is important that we vote for just the doctors today. That is the bill which we ought to have.

The point is that this bill right now costs us more than it was supposed to—$31 million more. The military pay costs are increasing at all times. The military pay costs are really damaging us. If we are going to do something about that, we have got to stop putting in money without any hearings, without any evidence to show that it is needed. We need the hearings before we can go ahead with the bonuses for the other groups.

It has been said many times during the day that the money in this bill is discretionary. It is not entirely discretionary. There is $350 a month which is not discretionary. Some of it is discretionary; some of it is not; but even the amounts that are discretionary there is going to be pressure to increase the pay and it will be hard to resist.

The Department of Defense has in fact already caved in. They have already said they are going to pay the dentists at two-thirds of the rate of the doctors, and they are going to pay the optometrists and the veterinarians at one-third of the rate of the doctors. So it is not going to be discretionary. So do not count on the Secretary of Defense to save the taxpayers any money.

Mr. Chairman, we are dealing with legislation which is very short term. It is talking about how we ought to have standby authority because in so many years down the line we are going to have shortages. It says we do not have a shortage of dentists now; we do not have a shortage of optometrists now; we do not have a shortage of veterinarians right now; but we will have at some time in the future, so let us put it in and allow it in the future. It is a waste of money until we get it. Besides, this bill runs out in 1977. By 1977 this bill will be finished. It expires at that time.

Mr. Chairman, I urge adoption of the amendment

The CHAIRMAN. The time of the gentleman has expired.

Mr. BERGLAND. Mr. Chairman, will the gentleman yield?

Mr. ASPIN. I yield to the gentleman from Minnesota.

Mr. BERGLAND. Mr. Chairman, I recognize that the elimination of the draft has caused manpower shortages in the Armed Services of the United States. I certainly recognize, and fully support, our responsibility to provide adequate health care for active military personnel and their dependents.

My questions are: How many doctors are needed by the Pentagon and how many are needed by the general public.

According to the Pentagon, their average patient-doctor ratio is 610 to 1. The Department of the Navy claims it is worse than that, but when pressed, admitted to a ratio of only 750 to 1.

Mr. Chairman, it is not unusual for doctors in the Seventh Congressional District of Minnesota to provide services to 5, even 7, times that number of patients.

The Department of Health, Education and Welfare does not consider there is a shortage of doctors unless the ratio reaches 1,500 to 1; 20 of the 28 counties in my district fall within this criteria; and 55 of Minnesota's 87 counties qualify. Rural or urban, this trend of shortages is found throughout the country.

My efforts to have doctors who hold a commission under the Armed Services Berry plan diverted to these acute shortage areas have met with a complete lack of concern on the part of the military for the deep needs of the civilian population. A total unwillingness to even weigh the merits of individual cases. Their attitude is, we want him—you look elsewhere.

If it were a case of greater, or at least equal need on the part of the military, I would not be asking my questions. But it seems to be wants rather than realistic needs that govern their policies.

As we consider providing bonuses and incentives to retain doctors in the military services, I think we should also review the claimed needs of these services and ask ourselves if we could not make a more honest and fair allocation of medical services, one of our most limited resources.

Why is it that the Armed Services can ask and receive adequate medical personnel and our rural health needs are not being met even minimally?

Mr. LEGGETT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman's amendment is not well taken. We have considered, as I indicated on the rule, legislation to help out all of the health professions for the last several years. The gentleman is not entirely frank with this House when he says, Let us take care of the doctors now and then let us come back and have a very neat hearing on all of the other health professions and really decorate that particular part of the Christmas tree totally separately.

The gentleman knows very well that we did this in a very regular way 2 years ago. We wanted to give the DOD exactly what they asked for, the discretion to provide the incentives for the health professions if they needed it by regulation. But what happened? After we passed that bill, as we previously indicated, that bill went to the Senate and it died.

I can assure this House if we want vacant military hospitals, if we want excessive costs in the CHAMPUS program which are now exceeding one-half a billion dollars a year we will have them. Why? Because the Appropriations Committee says our military hospitals are not being used. And why are they not being used? Because they do not have the doctors and dentists and the eye people and veterinarians to do the work, to handle the dependents and the retired.

I do not think there is a single military hospital in the United States today that is fully utilized. The main reason for that is very simple. We just do not have the personnel.

When the gentleman from Wisconsin says we do not have a shortage today in veterinarians, we do have, but the shortage is only of the magnitude of 5 percent, but it is going to be 10 percent next year and 15 percent the year after that. The same goes for the optometrists. We are talking about only a small number of people, maybe a few hundred veterinarians and maybe less than a thousand optometrists.

But what happens when we cannot handle these people in house? They have to go downtown. The costs are not going to be covered under a program like this? No, we are going to have to pay for them under the very expensive CHAMPUS program, which runs up the military costs.

A great deal has been said about the high cost of personnel and we are spending on the order of $50 billion a year to take care of the fringe benefits and the housing benefits and the pay and the bonus benefits of our military businessmen and civilians who go along with them.

The $31 million we pay in this bill to help out primarily the dentists and perhaps 20 percent of the increase to help out the other professionals is not a large amount. I say if we want to be myopic and if we want to be pennywise and pound foolish, we should go along with the amendment and strike out the $31 million and say we have made our economy vote for the day. But I will tell the Members we are going to have to pay it back in spades on the CHAMPUS program and in many very hidden ways on some of the other pieces of legislation.

The Department of Defense has asked for this legislation. They asked for it last year. They asked for it the year before. We are giving it to them because we have got a bill that is dead over in the Senate. Somebody has said, I believe the gentleman from Wisconsin, that parts of this bill are going to be operative immediately and they are talking about the $350 special pay for some of the people who have been in longer than 2 years. But if we kill the special pay for veterinarians, the $100 for them was enacted in 1953, and if we were to have a simple cost-of-living escalator on that item, we would be paying the $350. So if that was good legislation in 1953, it is good legislation today. It is not a very expensive program.

I think if we want to avoid a doctor draft and not be mousetrapped by the Department of Defense and have the Department of Defense come back to us and say, "We have got to have the draft again, boys," we will then say, "Why do you have to have it?"

They will say, "Because there are certain specialties we cannot get volunteers for and we have to have a general draft because we cannot draft just the doctors but we have to have authority to draft everybody." If we want to avoid that situation and avoid being mousetrapped by the Department of Defense, let us turn down this amendment and accept the cogitations of the Armed Services Committee which I think are rather thoroughly thought out. They were well thought out in 1972 and last year. We have a great deal of testimony and recommendations from the Department of Defense. We can avoid I think reinstating the draft, but we have got to give the authority to the Department and give discretionary authority to them so they have the tools. This is the kind of bill they need.

Mr. STRATTON. Mr. Chairman, I move to strike the last word.

I think the Members of the House are familiar with this amendment. I do not intend to take the full 5 minutes. This is an amendment that would eliminate the dentists, the optometrists, and veterinarians.

I think the basic question is whether we are going to try to put the medicine in the medicine cabinet before it is needed or whether we are going to wait until we get sick and then get the medicine and maybe the drug store will be closed on that particular night.

The Department of Defense wanted this measure on a standby basis 2 years ago. They asked for it last year. All we are doing is giving them this legislation on a standby basis so it can be used.

It is permissive legislation. It is only going to be used if shortages develop. It is not going to be used if they are not developing; so it is not a Christmas tree. It is not going to bust the budget or anything of that kind.

Mr. Chairman, I urge the amendment be defeated.

AMENDMENT OFFERED BY MR. CHAPPELL AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. ASPIN TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. CHAPPELL. Mr. Chairman, I offer an amendment as a substitute for the amendment offered by the gentleman from Wisconsin (Mr. Aspin) to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. Chappell as a substitute for the amendment offered by Mr. Aspin to the committee amendment in the nature of a substitute:

Page 7, strike out line 4 and all that follows thereafter down through line 20 on page 11 and insert the following: That chapter 5 of title 37, United States Code, is amended as follows:

(1) Section 302 is amended to read as follows and the item in the chapter analysis is amended to correspond with the revised catchline:

"§ 302. Special pay: physicians and dentists

"An officer of the Army or Navy in the Medical Corps, an officer of the Air Force who is designated as a medical officer or dentist or a medical officer or dentist of the Public Health Service, who is on active duty for a period of at least one year is entitled, in addition to any other pay or allowances to which he is entitled, to special pay at the following rates—

"(1) $100 a month for each month of active duty if he has not completed two years of active duty in a category named in this section; or

"(2) $350 a month for each month of active duty if he has completed at least two years of active duty in a category named in this section.

The amounts set forth in this section may not be included in computing the amount of an increase in pay authorized by any other provision of this title or in computing retired pay or severance pay.".

"§ 313. Special pay: medical officers and dentists who execute active duty agreements

"(a) Under regulations prescribed by the Secretary of Defense or by the Secretary of Health, Education, and Welfare, as appropriate, and approved by the President, an officer of the Army or Navy in the Medical Corps or Dental Corps or an officer of the Air Force who is designated as a medical officer, who—

"(1) is below the pay grade of 0–7;

"(2) is designated as being qualified in a critical specialty by the Secretary concerned;

"(3) is determined by a board composed of officers in the medical profession under criteria prescribed by the Secretary concerned to be qualified to enter into an active duty agreement for a specified number of years;

"(4) is not serving an initial active duty obligation;

"(5) is not undergoing intern or residency training; and

"(6) executes a written active duty agreement under which he will receive incentive pay for completing a specified number of years of continuous active duty subsequent to executing such an agreement;

may, upon acceptance of the written agreement by the Secretary concerned, or his designee, and in addition to any other pay or allowances to which he is entitled, be paid an amount not to exceed $15,000 for each year of the active duty agreement. Upon acceptance of the agreement by the Secretary concerned, or his designee, and subject to subsections (b) and (c) of this section, the total amount payable becomes fixed and may be paid in annual, semiannual, or monthly installments, or in a lump sum after completion of the period of active duty specified in the agreement, as prescribed by the Secretary concerned.

"(b) Under regulations prescribed by the Secretary of Defense or by the Secretary of Health, Education, and Welfare, as appropriate, the Secretary concerned, or his designee, may terminate, at any time, an officer's entitlement to the special pay authorized by this section. In that event, the officer is entitled to be paid only for the fractional part of the period of active duty that he served, and he may be required to refund any amount he received in excess of that entitlement.

"(c) Under regulations prescribed by the Secretary of Defense or by the Secretary of Health, Education, and Welfare, as appropriate, an officer who has received payment under this section and who voluntarily, or because of his misconduct, fails to complete the total number of years of active duty specified in the written agreement shall be required to refund the amount received that exceeds his entitlement under those regulations. If an officer has received less incentive pay than he is entitled to under those regulations at the time of his separation from active duty, he shall be entitled to receive the additional amount due him.

"(d) This section does not alter or modify any other service obligation of an officer. Completion of the agreed period of active duty, or other termination of an agreement, under this section does not entitle an officer to be separated from the service, if he has any other service obligation.

"(e) The Secretary of Defense and the Secretary of Health, Education, and Welfare shall each submit a written report each year to the Committees on Armed Services of the Senate and House of Representatives regarding the operation of the special pay program authorized by this section. The report shall be on a fiscal year basis and shall contain—

"(1) a review of the program for the fiscal year in which the report is submitted; and

"(2) the plan for the program for the succeeding fiscal year.

This report shall be submitted not later than April 30 of each year, beginning in 1975.".

Page 11, line 24, strike out "(3)" and insert "(4)".

Mr. CHAPPELL (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. CHAPPELL. Mr. Chariman, this is the first time in my experience in Congress of finding myself in opposition to the Committee on the Armed Services. The subcommittee in this particular instance brought this bill to the full committee with physicians only in it. The full committee, for some reason, expanded the bill to include other professions which the Department of Defense said was no need for including.

I want to make it clear I am not opposed to veterinarians. I am not opposed to the other health services. I feel however, that this is no time to be expanding upon what the Department of Defense clearly says is its need. This is no time to be expanding our expenditures unnecessarily.

I have a letter in here which is addressed to Senator Stennis from the Secretary of Defense. I want to read the pertinent paragraph:

> The main purpose of this letter is to advise you that the position taken on this matter by Secretary Clements approximately four months ago remains unchanged and that, consequently, there is no need at this time for special pay legislation covering any of the other health professions.

The letter is dated March 25, 1974.

I think this is a time when we need to be talking about frugality. It is not a matter of putting aspirin in the shelf or on the shelf to be used at a future time. It is a matter of considering the current and anticipated need. That is what we ought to be doing. That is what the amendment proposes to do. The amendment to the amendment simply adds the dentists, because there is a demonstrated need on an incentive basis for physicians and dentists.

We ought to limit this bill, at this time, to those two professions where the need is demonstrated, where the Department of Defense clearly says it is needed and not to others before the anticipated or real need occurs.

At another time, as we proceed with the military budget and as we proceed with legislation on the special pay and other matters, we can then consider expansion to other professions if need be. I think we owe it to the American people in this year to do everything we can to solve our problems on the basis of need and what is right. At this moment it is right to put the two in and at this moment it is wrong to expand.

Mr. LEGGETT. Mr. Chairman, will the gentleman yield?

Mr. CHAPPELL. Mr. Chairman, I yield to the gentleman from California.

Mr. LEGGETT. Mr. Chairman, the gentleman puts great credibility on what is the latest statement of the Department of Defense. Of course, if he does that, does that not then preclude consideration of dentists, optometrists and veterinarians if the gentleman believes that can be correct?

Mr. CHAPPELL. Mr. Chairman, my position simply is this: That oral surgeons, as I understand it, are physicians. If they intended to include physicians, who are part of the profession, it includes them. Let us be sure of their demonstrated need. I understand exactly what the gentleman is saying.

Mr. Chairman, I am not yielding further.

Now, Mr. Chairman, the demonstrated need on the part of the physicians' staffing is a report many Members are familiar with, a 1973 Department of Defense study which clearly shows that the need through fiscal 1974 is for some 11,300. This authorization is going to give us something around 13,000 physicians in authorization. There is no question but what this is going to give the Department of Defense what is needed. Adding to it as a matter of clarification to take care of oral surgeons and others who might be classified as physicians to take care of the dental needs of our armed services.

Mr. Chairman, I urge the adoption of the amendment to the amendment.

Mr. MITCHELL of New York. Mr. Chairman, will the gentleman yield?

Mr. CHAPPELL. Mr. Chairman, I yield to the gentleman from New York.

Mr. MITCHELL of New York. Mr. Chairman, I would like to ask the gentleman if he is aware of the differences in shortages between dentists, optometrists, and veterinarians? Does the gentleman know which of the professions has the most severe shortage?

Mr. CHAPPELL. Mr. Chairman, the severe shortage is with, clearly, doctors.

Mr. MITCHELL of New York. Mr. Chairman, I am talking about the other three.

Mr. CHAPPELL. Mr. Chairman, according to my information and my contact with the Department of Defense, there is no shortage and problem except for physicians and dentists.

Mr. MITCHELL of New York. Mr. Chairman, I would like to point out to the gentleman that the shortage in veterinary medicine is the most severe, 20 percent. Substantially 18 percent in optometry, and dentistry is less than either of those two.

Does the gentleman know also that the cost to retain dentists in the bill is something like $26 million, and to retain veterinarians, $3 million; optometrists, $2 million? Is the gentleman aware of this?

Mr. CHAPPELL. Mr. Chairman, let me say this: I intend to support this amendment. If the amendment is not agreed to, I intend to support the amendment, because that is clearly where it is demonstrated that the need is and where the Department of Defense says it has difficulty.

Mr. STRATTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, of course the committee is in favor of the dentists, because we have included the dentists in the bill. I think, rather than going through this parliamentary procedure of having this amendment decided, somebody else offering to put the optometrists back into the Aspin amendment and somebody else putting the veterinarians back, we ought to vote down all these amendments and get to the bill.

Mr. Chairman, I oppose the amendment.

Mr. HUNT. Mr. Chairman, I move to strike the last word.

Mr. MITCHELL of New York. Mr. Chairman, will the gentleman yield?

Mr. HUNT. Mr. Chairman, I yield to the gentleman from New York.

Mr. MITCHELL of New York. Mr. Chairman, I just want to speak very briefly against the amendment. This is the same procedure we went through in committee. I would like to point out the error in the Chappell amendment. If he is trying to save money, he is sure going about it in a backward fashion, because the group he is trying to include costs about five times as much as the two we are excluding combined. Also, the shortage is more severe in veterinary medicine and optometry than it is in dentistry. The Department of Defense was quick to point this out to us.

Mr. Chairman, I would like to say that, contrary to Mr. ASPIN's assertions, there has been ample opportunity for study. The committee voted 32 to 6 to include optometrists, dentists, and veterinarians. There is strong documentation that we will have a severe shortage in these fields in the very near future. To eliminate the shortages, Mr. Chairman, we have got to pay the price. We have got to retain the young men. We have got to offer them more money, because they are getting paid about twice as much in civilian life as in the military.

The nicest part of this whole bill is that we are only going to spend about $3,000 a year to keep some people who are costing us $10,000 a year to get. For every one of these young professionals we retain at $3,000 a year, we do not have to replace them at $10,000, so there is a savings of $7,000.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. CHAPPELL), as a substitute for the amendment offered by the gentleman from Wisconsin (Mr. ASPIN), to the committee amendment in the nature of a substitute.

The amendment offered as a substitute for the amendment to the committee amendment in the nature of a substitute was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin (Mr. ASPIN), to the committee amendment in the nature of a substitute.

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. ASPIN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 194, noes 201, not voting 37, as follows:

[Roll No. 130]

AYES—194

Abzug
Adams
Addabbo
Alexander
Anderson, Ill.
Archer
Ashbrook
Ashley
Aspin
Badillo
Baker
Barrett
Bauman
Bell
Bergland
Biaggi
Bingham
Blatnik
Bolling
Brademas
Brasco
Breckinridge
Brooks
Brown, Calif.
Brown, Mich.
Brown, Ohio
Burgener
Burke, Calif.
Burke, Fla.
Burlison, Mo.
Burton
Carney, Ohio
Chappell
Chisholm
Clawson, Del
Cleveland
Cohen
Collier
Conable
Conte
Cotter
Coughlin
Culver
Daniels, Dominick V.
Danielson
Davis, Wis.
Delaney
Dellenback
Dellums
Denholm
Dennis
Dent
Diggs
Dingell
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Calif.
Erlenborn
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fish
Foley
Ford
Forsythe
Fraser
Frey
Froehlich
Giaimo
Gibbons
Gilman
Ginn
Goodling
Grasso
Gross
Gunter
Haley
Hamilton
Hanna
Hansen, Wash.
Harrington
Harsha
Hastings
Hays
Hechler, W. Va.
Heinz
Helstoski
Holifield
Holtzman
Howard
Huber
Hungate
Johnson, Colo.
Jones, Okla.
Jordan
Karth
Kastenmeier
Ketchum
Koch
Kyros
Lehman
Litton
Long, La.
Long, Md.
Luken
McCollister
McDade
McFall
McKay
McKinney
Macdonald
Mallary
Martin, Nebr.
Mathias, Calif.
Matsunaga
Mazzoli
Mezvinsky
Minish
Mitchell, Md.
Moakley
Moorhead, Pa.
Mosher
Moss
Nix
Obey
O'Hara
Owens
Patten
Peyser
Pike
Podell
Powell, Ohio
Quie
Quillen
Railsback
Rangel
Rees
Regula
Reuss
Riegle
Rinaldo
Robison, N.Y.
Rodino
Rosenthal
Rostenkowski
Roush
Rousselot
Ryan
St Germain
Sarasin
Sarbanes
Schneebeli
Schroeder
Seiberling
Shoup
Shuster
Sisk
Slack
Smith, Iowa
Snyder
Stanton, J. William
Stanton, James V.
Steele
Steelman
Steiger, Wis.
Stokes
Stuckey
Studds
Sullivan
Symington
Symms
Taylor, Mo.
Thompson, N.J.
Thone
Tiernan
Udall
Van Deerlin
Vanik
Vigorito
Waldie
Whalen
Widnall
Wilson, Charles, Tex.
Wyatt
Wyman
Yates
Young, Ga.
Young, S.C.

NOES—201

Abdnor
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Arends
Armstrong
Bafalis
Beard
Bennett
Boggs
Boland
Bowen
Bray
Breaux
Brinkley
Broomfield
Brotzman
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burke, Mass.
Burleson, Tex.
Byron
Carter
Casey, Tex.
Chamberlain
Clancy
Clausen, Don H.
Cochran
Collins, Ill.
Collins, Tex.
Conyers
Corman
Crane
Cronin
Daniel, Dan
Daniel, Robert W., Jr.
Davis, Ga.
Davis, S.C.
de la Garza
Derwinski
Devine
Dickinson
Donohue
Downing
Edwards, Ala.
Eilberg
Fisher
Flood
Flowers
Flynt
Fountain
Frelinghuysen
Fulton
Fuqua
Gaydos
Goldwater
Gonzalez
Gray
Green, Oreg.
Green, Pa.
Griffiths
Grover
Gubser
Gude
Hammerschmidt
Hanley
Hanrahan
Hansen, Idaho
Hébert
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holt
Horton
Hosmer
Hudnut
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Tenn.
Kemp
King
Lagomarsino
Landgrebe
Landrum
Latta
Leggett
Lent
Lott
McClory
McCormack
McEwen
McSpadden
Madden
Mahon
Mann
Maraziti
Martin, N.C.
Mathis, Ga.
Mayne
Meeds
Melcher
Metcalfe
Michel
Miller
Mills
Mink
Mitchell, N.Y.
Mizell
Mollohan
Montgomery
Moorhead, Calif.
Morgan
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nedzi
Nelsen
Nichols
O'Brien
O'Neill
Parris
Passman
Pepper
Perkins
Pettis
Preyer
Price, Ill.
Price, Tex.
Randall
Rarick
Rhodes
Roberts
Robinson, Va.
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Roy
Roybal
Ruth
Sandman
Satterfield
Scherle
Sebelius
Shipley
Sikes
Skubitz
Smith, N.Y.
Spence
Staggers
Steed
Steiger, Ariz.
Stratton
Stubblefield
Talcott
Taylor, N.C.
Teague
Thomson, Wis.
Thornton
Towell, Nev.
Treen
Ullman
Vander Jagt
Vander Veen
Veysey
Waggonner
Walsh
Wampler
Ware
White
Whitehurst
Whitten
Wilson, Bob
Wilson, Charles H., Calif.
Winn
Wolff
Wright
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Ill.
Young, Tex.
Zablocki
Zion
Zwach

NOT VOTING—37

Bevill
Biester
Blackburn
Butler
Camp
Carey, N.Y.
Cederberg
Clark
Clay
Conlan
Dorn
Frenzel
Gettys
Guyer
Hawkins
Heckler, Mass.
Kazen
Kluczynski
Kuykendall
Lujan
McCloskey
Madigan
Milford
Minshall, Ohio
Patman
Pickle
Poage
Pritchard
Reid
Rooney, N.Y.
Runnels
Ruppe
Shriver
Stark
Stephens
Wiggins
Williams

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENTS OFFERED BY MR. STEIGER OF WISCONSIN TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. STEIGER of Wisconsin. Mr. Chairman, I offer a series of amendments to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendments offered by Mr. STEIGER of Wisconsin to the committee amendment in the nature of a substitute: Page 7, lines 9 and 10, strike out "or optometrists" and insert ", optometrists, podiatrists, or psychologists".

Page 7, line 13, immediately after "optometry" insert ", podiatry, or psychology".

Page 7, line 15, strike out "or optometry" and insert "optometry, podiatry, or psychology".

Page 7, line 16, strike out "or optometry" and insert "optometry, podiatry, or psychology".

Page 8, lines 20 and 21, strike out "or optometry" and insert ", optometry, podiatry, or psychology".

Page 9, line 1, immediately after "optometry" insert ", podiatry, or psychology".

Page 9, line 3, strike out "or optometry" and insert ", optometry, podiatry, or psychology".

Page 9, line 4, strike out "or optometry" and insert ", optometry, podiatry, or psychology".

Page 9, line 10, strike out "or optometry" and insert ", optometry, podiatry, or psychology".

Mr. STEIGER of Wisconsin (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read, printed in the Record, and that they may be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. STEIGER of Wisconsin. Mr. Chairman, the amendments I offer today propose to qualify commissioned podiatry and psychology—Ph. D.—officers in the uniformed services for the "special and bonus pay" benefits contained in S. 2770. These benefits, presently proposed for doctors of medicine, osteopathy, dentistry, optometry and veterinary medicine, are equally deserved by doctors of podiatric medicine and psychology—Ph. D.—the substantive reasons for which I will subsequently evaluate.

First, however, a word of explanation, since I was among those who supported the previously defeated amendment of my distinguished colleague, Mr. Aspin. His effort was designed to return the legislation to what it was originally intended to be—an emergency measure, recommended and supported by DOD, giving the administration the necessary authority to counter a growing problem it faced in recruiting and retaining medical corps personnel. And since each of the Surgeons General—Army, Navy, and Air Force—has testified that no such emergency exists at this time with respect to recruiting and retaining other health professionals in the uniformed services, it was my strong opinion that—as a first priority—the "emergency situation" which prompted S. 2770 in the first place be the only issue debated here and now. This seemed particularly valid, since both the Senate Armed Services Committee and the House Armed Services Subcommittee on Military Compensation have already agreed to examine later this session the "special pay needs" of other health professionals in the uniformed services.

But the full House Armed Services Committee, contrary to the recommendation of its own Subcommittee on Military Compensation and the full Senate, chose to "doctor-up" S. 2770 by adding to the bill's beneficiaries dentists, optometrists and veterinarians. And since the House has earlier this afternoon chosen to follow the full committee's lead, I would hope, for reasons of equity, my amendment might merit favorable consideration and support.

In addition to "equity", however, a clear precedent also exists for my amendments. When the House passed H.R. 16924 late in the 92d Congress, 6 months prior to the effective date of a "zero draft environment", authority was therein given DOD to pay "bonuses" as needed to those health professions of critical importance to the military. Among those health professions listed by DOD in this "critical category" included, in addition to those presently specified in S. 2770, doctors of podiatric medicine and psychology—(Ph. D.). But the 92d Congress adjourned before the Senate could consider this House-passed bill and the measures have been once again introduced in the Congress, where they are presently pending items of business in both the Senate and House Armed Services Committees.

In keeping with this previous action by the House, with which my amendments today are fully consistent, I would urge a favorable vote to bring needed equity to the measure. Otherwise, should S. 2770 pass the House in its present form and in some way carry at the conference committee level, the ball game would be over, since what had been proposed to be an "emergency bill" dealing with medical doctors would have become an unjustifiable, inequitable and pseudo comprehensive military health professionals' special pay measure.

Podiatrists in the Military

U.S. Army	41
(1 colonel; 9 majors; 29 captains; and 2 1st lieutenants).	
U.S. Navy	13
U.S. Air Force*	10
Psychologists in the military (Ph.D.)	235

*50 new commissioned podiatry billets in the USAF have recently been approved by the Surgeon General. Within three years, a minimum of 60 podiatry billets will be occupied in this branch of military service.

All my amendment would do is simple. It would add the clinical psychologist and podiatrists. It is justified and is an amendment legitimately designed to take care of the men and women of the armed services from head to toe.

Mr. STRATTON. Mr. Chairman, I rise in opposition to the amendment.

I think we are all familiar with the issue. This is an attempt to add something more to the bill, to add psychologists and podiatrists. The fact of the matter is that the information provided to us by the Department of Defense shows there is absolutely no shortage in the podiatrists and only a very minor shortage is anticipated in the clinical psychologists. The fact of the matter is that of the four professionals included in the bill, which the House sustained a moment ago by the vote, those are the ones that have traditionally suffered through the draft and traditionally received special pay. I think that is as far as we ought to go and I think we should reject the amendment offered by the gentleman from Wisconsin (Mr. Steiger).

Mr. MATSUNAGA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am pleased to express my support for the amendment offered by my friend, the distinguished gentleman from Wisconsin (Mr. William Steiger), which would add to the bill authority for special pay and bonuses to podiatrists and optometrists.

As the House will remember, both of these professions were included in similar legislation passed by this body in 1972. The Defense Department considered them, along with dentistry, optometry and veterinary medicine, "critical health professions." That legislation died in the Senate.

The incremental cost of adding these two professions to the bill should be minimal. I understand, for example, that there are only about 75 podiatrists currently on active military duty. But the principle involved here is an important one, Mr. Chairman. If the Congress expects to make the voluntary Army work, it must be willing to provide the incentive tools needed to attract the skills the military requires.

I believe it is important to emphasize that, as far as annual bonuses authorized by the amendment are concerned, they are completely discretionary on the part of DOD. Not until a shortage in a particular profession actually appears will a bonus be offered to attract and retain people in that profession.

No one contends, Mr. Chairman, that an emergency shortage of podiatrists or psychologists exists today. But neither do the Armed Forces face an emergency shortage of any of the health professionals other than medical doctors. There is fully as much justification for including these two critical health specialties in this legislation.

One final point, Mr. Chairman: It is expected that, by 1978, just 4 years from now, we can expect a reasonable supply of health professionals from the Uniformed Services Health Academy. Until then, Congress should provide the authority for DOD to maintain the necessary level of health professionals in all of those areas deemed critical by the services.

I therefore urge the adoption of the pending amendment.

Mr. PIKE. Mr. Chairman, will the gentleman yield for a question?

Mr. MATSUNAGA. I yield to the gentleman from New York.

Mr. PIKE. Mr. Chairman, does the gentleman not think under the circumstances it would be appropriate also if we added the acupuncturists?

Mr. MATSUNAGA. There is no shortage of acupuncturists. In fact there are no acupuncturists in the Army.

Mr. WOLFF. Mr. Chairman, will the gentleman yield?

Mr. MATSUNAGA. I yield to the gentleman from New York (Mr. Wolff).

Mr. WOLFF. Mr. Chairman, not in a facetious vein, but as I understand it chiropractors are included under medicare. Would it not be in order, if we are taking the podiatrists and the psychologists, to consider the chiropractors?

Mr. MATSUNAGA. I am not certain about the situation.

Mr. LEGGETT. Mr. Chairman, if the gentleman will yield for an answer to that, there are no chiropractors in the medical services.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin (Mr. Steiger) to the committee amendment in the nature of a substitute.

The question was taken, and the Chairman announced that the noes appeared to have it.

Mr. STEIGER of Wisconsin. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment to the committee amendment in the nature of a substitute was rejected.

The CHAIRMAN. Are there further amendments?

If not, the question is on the committee amendment in the nature of a substitute.

The committee amendment in the nature of a substitute was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. FLOWERS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (S. 2770) to amend chapter 5 of title 37, United States Code, to revise the special pay structure relating to medical officers of the uniformed services, pursuant to House Resolution 1017, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted in the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. SCHERLE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 291, nays 106, not voting 35, as follows:

[Roll No. 131]

YEAS—291

Abdnor
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Arends
Armstrong
Ashley
Bafalis
Bauman
Beard
Bell
Bennett
Bingham
Blatnik
Boggs
Boland
Bowen
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burke, Calif.
Burke, Mass.
Burleson, Tex.
Byron
Carter
Casey, Tex.
Chamberlain
Chappell
Clancy
Clausen, Don H.
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Collins, Tex.
Conable
Corman
Crane
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, Ga.
Davis, S.C.
de la Garza
Dellenback
Dent
Derwinski
Devine
Dickinson
Donohue
Downing
du Pont
Eckhardt
Edwards, Ala.
Eilberg
Erlenborn
Esch
Eshleman
Evans, Colo.
Fascell
Fish
Fisher
Flood
Flowers
Flynt
Forsythe
Fountain
Frelinghuysen
Frey
Fuqua
Gaydos
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gray
Green, Oreg.
Green, Pa.
Grover
Gubser
Gude
Gunter
Haley
Hamilton
Hammerschmidt
Hanley
Hanrahan
Hansen, Idaho
Hansen, Wash.
Harsha
Hastings
Hébert
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holifield
Holt
Horton
Hosmer
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kemp
King
Kyros
Lagomarsino
Landgrebe
Landrum
Latta
Leggett
Lent
Long, La.
Lott
Luken
McClory
McCollister
McCormack
McDade
McEwen
McFall
McKay
McSpadden
Macdonald
Madden
Madigan
Mahon
Mallary
Mann
Maraziti
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Meeds
Melcher
Mezvinsky
Miller
Mills
Minish
Mink
Mitchell, N.Y.
Mizell
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nelsen
Nichols
O'Brien
O'Neill
Parris
Passman
Patten
Pepper
Perkins
Pettis
Peyser
Podell
Preyer
Price, Ill.
Price, Tex.
Randall
Rarick
Regula
Rhodes
Rinaldo
Roberts
Robinson, Va.
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rostenkowski
Roush
Rousselot
Roy
Ruth
Sandman
Sarasin
Satterfield
Scherle
Schneebeli
Sebelius
Seiberling
Shipley
Shoup
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, J. William
Steed
Steele
Steelman
Steiger, Ariz.
Steiger, Wis.
Stokes
Stratton
Stubblefield
Sullivan
Symington
Taylor, Mo.
Taylor, N.C.
Teague
Thompson, N.J.
Thomson, Wis.
Thornton
Towell, Nev.
Treen
Udall
Ullman
Van Deerlin
Vander Jagt
Veysey
Waggonner
Waldie
Walsh
Wampler
Ware
White
Whitehurst
Whitten
Widnall
Wiggins
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wright
Wyatt
Wydler
Wylie
Wyman
Yatron
Young, Alaska
Young, Fla.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—106

Abzug
Adams
Addabbo
Ashbrook
Aspin
Badillo
Baker
Barrett
Bergland
Biaggi
Bolling
Brademas
Brasco
Brotzman
Burgener
Burke, Fla.
Burlison, Mo.
Burton
Carney, Ohio
Chisholm
Clawson, Del
Conte
Conyers
Cotter
Coughlin
Davis, Wis.
Delaney
Dellums
Denholm
Dennis
Diggs
Dingell
Drinan
Dulski
Duncan
Edwards, Calif.
Evins, Tenn.
Findley
Foley
Ford
Fraser
Froehlich
Fulton
Giaimo
Grasso
Griffiths
Gross
Hanna
Harrington
Hays
Hechler, W. Va.
Heinz
Helstoski
Holtzman
Howard
Huber
Karth
Kastenmeier
Ketchum
Koch
Lehman
Litton
Long, Md.
McKinney
Mazzoli
Metcalfe
Michel
Mitchell, Md.
Moakley
Nedzi
Nix
Obey
O'Hara
Owens
Pike
Powell, Ohio
Pritchard
Quie
Quillen
Railsback
Rangel
Rees
Reuss
Riegle
Robison, N.Y.
Rodino
Rosenthal
Roybal
Ryan
St Germain
Sarbanes
Schroeder
Shuster
Stanton, James V.
Stuckey
Studds
Symms
Thone
Tiernan
Vander Veen
Vanik
Vigorito
Whalen
Wolff
Yates
Young, Ga.

NOT VOTING—35

Bevill
Biester
Blackburn
Butler
Camp
Carey, N.Y.
Cederberg
Clark
Clay
Conlan
Dorn
Frenzel
Gettys
Guyer
Hawkins
Heckler, Mass.
Kazen
Kluczynski
Kuykendall
Lujan
McCloskey
Milford
Minshall, Ohio
Patman
Pickle
Poage
Reid
Rooney, N.Y.
Runnels
Ruppe
Shriver
Stark
Stephens
Talcott
Williams

So the bill was passed.

The Clerk announced the following pairs:

Mr. Kluczynski with Mr. Clay.

Mr. Bevill with Mr. Cederberg.

Mr. Rooney of New York with Mr. Frenzel.

Mr. Stark with Mrs. Heckler of Massachusetts.

Mr. Kazen with Mr. Hawkins.

Mr. Carey of New York with Mr. Kuykendall.

Mr. Reid with Mr. Biester.

Mr. Clark with Mr Blackburn

Mr. Runnels with Mr. McCloskey.

Mr. Pickle with Mr. Butler.

Mr. Dorn with Mr. Camp.

Mr. Milford with Mr. Guyer.

Mr. Gettys with Mr. Conlan.

Mr. Patman with Mr. Lujan.

Mr. Stephens with Mr. Minshall of Ohio.

Mr. Shriver with Mr. Ruppe.

Mr. Talcott with Mr. Williams.

The result of the vote was announced as above recorded.

The title was amended so as to read: "An act to amend chapter 5 of title 37, United States Code, to revise the special pay structure relating to medical officers and other health professionals of the uniformed services."

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. STRATTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks in the RECORD on the bill (S. 2770) just passed.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PERSONAL EXPLANATION

Mr. BIAGGI. Mr. Speaker, I was not present yesterday when the House voted on House Resolution 937, authorizing funds for the expenses of the Committee on Internal Security. In my absence, I was incorrectly paired as against the resolution.

I wish to correct now the impression made by this mistake. I am a strong supporter of the House Committee on Internal Security, and have consistently voted for their budget ever since I came to Congress.

I believe the House Committee on Internal Security is one of the most important means by which we protect the internal security of this country. It has done effective and important work in the past, and I hope will continue to do so. If I had been present, I would definitely have voted for House Resolution 937.

PERMISSION FOR MANAGERS TO HAVE UNTIL MIDNIGHT TO FILE CONFERENCE REPORT ON H.R. 12253

Mr. PERKINS. Mr. Speaker, I ask unanimous consent that the managers have until midnight tonight to file the conference report on (H.R. 12253) to amend the General Education Provisions Act to provide that funds appropriated for applicable programs for fiscal year 1974 shall remain available during the succeeding fiscal year and that such funds for fiscal year 1973 shall remain available during fiscal years 1974 and 1975.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky.

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, and I shall not object, has this matter been cleared with the ranking minority member on the committee?

Mr. PERKINS. Yes, it was yesterday and we did not reach agreement. We have today.

Mr. ROUSSELOT. Mr. Chairman, may I understand the nature of this request?

Mr. PERKINS. Yes. It is on the Tydings amendment to permit the school boards to have another school year to spend the money.

The SPEAKER pro tempore (Mr. DANIELSON). Is there objection to the request of the gentleman from Kentucky?

There was no objection.

CONFERENCE REPORT (H. REPT. No. 93-965)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the amendment of the Senate to the text of the bill (H.R. 12253) to make certain appropriations available for obligation and expenditure until June 30, 1975, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

That, (a) as used in this section, the term "applicable program" means any program to which the General Education Provisions Act applies.

(b) (1) Notwithstanding any other provision of law, unless enacted in express and specific limitation of the provisions of this section—

(A) any funds appropriated to carry out any applicable program for the fiscal year 1973; and

(B) any funds appropriated to carry out any applicable program for fiscal year 1974;

shall remain available for obligation and expenditure until June 30, 1975.

(2) Nothing in this section shall be construed to approve of the withholding from expenditure or the delay in expenditure of any funds appropriated to carry out any applicable program for fiscal year 1973 beyond the period allowed for apportionment under subsection (d) of section 3679 of the Revised Statutes (31 U.S.C. 665).

SEC. 2. Paragraph (2), (3), (4), and (5) of section 428(a) of the Higher Education Act of 1965, and all references thereto, are redesignated as paragraphs (3), (4), (5), and (6) thereof, respectively, and such section 428(a) is amended by striking out paragraph (1) thereof and inserting in lieu thereof the following:

"(1) Each student who has received a loan for study at an eligible institution—

"(A) which is insured by the Commissioner under this part;

"(B) which was made under a State student loan program (meeting criteria prescribed by the Commissioner), and which was contracted for, and paid to the student, within the period specified by paragraph (5); or

"(C) which is insured under a program of a State or of a nonprofit private institution or organization which was contracted for, and paid to the student, within the period specified in paragraph (5), and which—

"(i) in the case of a loan insured prior to July 1, 1967, was made by an eligible lender and is insured under a program which meets the requirements of subparagraph (E) of subsection (b) (1) and provides that repayment of such loan shall be in installments beginning not earlier than sixty days after the student ceases to pursue a course of study (as described in subparagraph (D) of subsection (b) (1)) at an eligible institution, or

"(ii) in the case of a loan insured after June 30, 1967, is insured under a program covered by an agreement made pursuant to subsection (b).

shall be entitled to have paid on his behalf and for his account to the holder of the loan a portion of the interest on such loan at the time of execution of the note or written agreement evidencing such loan under circumstances described in paragraph (2).

"(2) (A) Each student qualifying for a portion of an interest payment under paragraph (1) shall—

"(i) have provided to the lender a statement from the eligible institution, at which the student has been accepted for enrollment, or at which he is in attendance in good standing (as determined by such institution), which—

"(I) sets forth such student's estimated costs of attendance, and

"(II) sets forth such student's estimated financial assistance; and

"(ii) meet the requirements of subparagraph (B).

"(B) For the purposes of clause (ii) of subparagraph (A), a student shall qualify for a portion of an interest payment under paragraph (1) if such student's adjusted family income—

"(i) is less than $15,000, and—

"(I) the amount of such loan would not cause the total amount of the student's loans insured by the Commissioner under this part or by a State or nonprofit private institution or organization which has an agreement under subsection (b) to exceed $2,000 in any academic year, or its equivalent, or

"(II) the amount of such loan would cause the total amounts of the loans described in clause (I) of this subparagraph of that student to exceed $2,000 in any academic year or its equivalent, and the eligible institution has provided, with respect to the amount of such loans in excess of $2,000, the lender with a statement recommending the amount of such excess; or

"(ii) is equal to or greater than $15,000, and the eligible institution has provided the lender with a statement evidencing a determination of need and recommending a loan in the amount of such need.

"(C) For the purposes of paragraph (1) and this paragraph—

"(i) a student's estimated cost of attendance means, for the period for which the loan is sought, the tuition and fees applicable to such student together with the institution's estimate of other expenses reasonably related to attendance at such institution, including, but not limited to, the cost of room and board, reasonable commuting costs, and costs for books;

"(ii) a student's estimated financial assistance means, for the period for which the loan is sought, the amount of assistance such student will receive under parts A, C, and E of this title, plus other scholarship, grant, or loan assistance;

"(iii) the term 'eligible institution' when used with respect to a student is the eligible institution at which the student has been accepted for enrollment or, in the case of a student who is in attendance at such an institution is in good standing (as determined by such institution);

"(iv) the determination of need and the amount of a loan recommended by an eligible institution under subparagraph (B) (ii) and the amount of loans in excess of $2,000 recommended by an eligible institution under subparagraph (B) (i) (II) with respect to a student shall be determined by subtracting from the estimated cost of attendance at such institution the total of the expected family contribution with respect to such student (as determined by means other than one formulated by the Commissioner under subpart 1 of part A of this title) plus any other resources or student financial assistance reasonably available to such student.

"(D) In addition, the Commissioner shall pay an administrative cost allowance in the amount established by paragraph (3) (B) of this subsection with respect to loans to any student without regard to the borrower's need. For the purposes of this paragraph, the adjusted family income of a student shall be determined pursuant to regulations of the Commissioner in effect at the time of the execution of the note or written agreement evidencing the loan. Such regulations shall provide for taking into account such factors, including family size, as the Commissioner deems appropriate. In the absence of fraud by the lender, such determination of the need of a student under this paragraph shall be final insofar as it concerns the obligation of the Commissioner to pay the holder of a loan a portion of the interest on the loan.".

SEC. 3. Section 428(a) of the Higher Education Act of 1965, as amended by this Act, is amended by adding at the end thereof the following new paragraph:

"(7) Nothing in this or any other Act shall be construed to prohibit or require unless otherwise specifically provided by law, a lender to evaluate the total financial situation of a student making application for a loan under this part, or to counsel a student with respect to any such loan, or to make a decision based on such evaluation and counseling with respect to the dollar amount of any such loan.".

SEC. 4. Clause (H) of paragraph 428(b) (1) of the Higher Education Act of 1965 is amended to read as follows:

"(H) provides that the benefits of the loan insurance program will not be denied any student who is eligible for interest benefits under section 428(a) (1) and (2) except in the case of loans made by an instrumentality of a State or eligible institution;".

SEC. 5. Section 2(a) (7) of the Emergency Insured Student Loan Act of 1969 is amended by striking out "July 1, 1974" and inserting in lieu thereof "July 1, 1975".

SEC. 6. The amendments made by section 2 shall be effective forty-five days after enactment of this Act and be applicable to a loan for which a guarantee commitment is made on or after that date.

And the House agree to the same.

CARL D. PERKINS,
JOHN BRADEMAS,
JAMES G. O'HARA,
ALBERT H. QUIE,
JOHN DELLENBACK,
Managers on the Part of the House.

CLAIBORNE PELL,
JENNINGS RANDOLPH,
HARRISON A. WILLIAMS,
EDWARD M. KENNEDY,
WALTER F. MONDALE,
THOMAS F. EAGLETON,
ALAN CRANSTON,
WILLIAM D. HATHAWAY,
PETER H. DOMINICK,
JACOB K. JAVITS,
RICHARD S. SCHWEIKER,
J. GLENN BEALL, JR.,
ROBERT T. STAFFORD,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the House to the amendment of the Senate to the text of the bill (H.R. 12253) to make certain appropriations available for obligation and expenditure until June 30, 1975, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amended H.R. 12253 by striking all after the enacting clause and inserting in lieu thereof a new text, and by amending the title. The House amended the new text substituted by the Senate amendment by inserting a new substitute text. The differences between the Senate and House amendments and the substitute agreed to by the committee of conference are noted below, except for minor clerical corrections, conforming changes made necessary by agreements reached by the conferees and minor drafting and clarifying changes.

CARRYOVER OF FUNDS APPROPRIATED FOR APPLICABLE PROGRAMS

The House amendment to the amendment of the Senate amends section 414(b) of the General Education Provisions Act to allow for the obligation and expenditure through June 30, 1975, of impounded FY 1973 funds for certain education programs which were made available in FY 1974, and of all FY 1974 appropriated funds for education programs administered by the Office of Education.

The Senate amendment contains a similar provision which accomplishes the same result without amending the General Education Provisions Act. The House recedes.

The Senate amendment also contains a provision that the authority provided in the Senate amendments for an additional period of time in which to expend funds for certain education programs for FY 1973 which were impounded is not to be construed to approve of the delay in expenditure or of the withholding of such funds. The House amendment to the Senate amendments to the bill contain no comparable provision. The House recedes.

GUARANTEED LOAN INTEREST BENEFIT ELIGIBILITY

The Senate amendment amends section 428(a) of the Higher Education Act, as amended, to remove the requirement that the amount of insured student loan needed be determined as a condition of eligibility for interest payments for borrowers whose adjusted family incomes are below $15,000. The House amendment removed this requirement for borrowers whose adjusted family incomes are below $15,000 and who are borrowing no more than $1,500 in a given academic year. The House recedes and concurs in the Senate amendment with a further amendment removing the need determination requirement for borrowers with adjusted family incomes below $15,000, who are borrowing no more than $2,000 in a given academic year.

The main effect of the Conference Report is to change the circumstances under which a formal needs analysis is required as part of the subsidized guaranteed loan program.

If a student with an adjusted family income of less than $15,000 applies for a loan which would cause the total amount of guaranteed loans during an academic year to be $2,000 or less, no needs analysis is required and the educational institution does not make a recommendation to the lender. In effect, a request for a loan of $2,000 or less automatically entitles the student to interest subsidies on any such loans made.

If a student with an adjusted family income of less than $15,000 applies for a loan which would cause the total amount of subsidized loans to exceed $2,000 for an academic year, a needs analysis is required. Conferees wish to stress that the needs analysis is to help the institution determine what amount, if any, to recommend in excess of $2,000. For the purpose of such recommendation, the $2,000 loan for which the student is eligible for a subsidy shall be treated as a contribution from the student's resources. The results of a needs analysis are in no way intended to affect the student's automatic eligibility for a subsidized loan of up to $2,000 for the appropriate academic period. In fact, when such a needs analysis shows no need for an amount in excess of $2,000, the information relating to the needs analysis should not be made a part of the student's application and that application would be treated as if the requested loan was for $2,000.

The conference agreement is not intended to change the manner in which applications are treated for students whose adjusted family incomes are $15,000 or more. Although these students can qualify for interest subsidies on loans up to $2,500 per year, the institution must carry out a formal needs analysis and report on the student's application to the lender the results of such a needs analysis together with the institution's recommendation for a subsidized loan related to the student's need.

It is the express intention of the conferees that nothing in this legislation may be utilized as a basis for rules, regulations, guidelines or other administrative efforts to require any form of needs assessment except in the circumstances specifically set forth in the bill, and described in this joint statement—nor may such administrative devices be utilized in any effort to require lenders to engage in loan counseling, to make a judgment as to the family's capacity to assist the student financially, or to limit their loans according to any estimate of anticipated family contribution, except as provided by law.

The amendment further requires, for all loans, that the school advise the lender of the cost of attendance for such a student, and the amount of that student's financial assistance under parts A, C, and E of title IV of the Higher Education Act, or any other scholarship, grant or loan.

In making such needs assessment as is permitted, the amendment prohibits the use of any family contribution schedule developed by the Commissioner of Education under the basic educational opportunity grant program.

The House amendment states that nothing in this or any other Act shall be construed to prohibit a lender from evaluating the total financial situation of a student making application for a loan under this program, or from counseling a student with respect to any such loan, or from making a decision based on such evaluation and counseling with respect to the dollar amount of such loan. The Senate amendment contained no comparable provision. The Senate receded, with a further amendment stating that nothing in this or any other Act "shall be construed to prohibit or require, unless otherwise specifically provided by law" the lender activities listed above.

The House amendment makes a technical conforming amendment to Clause H of paragraph 428(b)(1) of the Higher Education Act. The Senate bill contains no comparable provision. The Senate recedes.

The House amendment extends for one year, from June 30, 1974 to June 30, 1975, the expiration date of the authority of the Secretary of Health, Education, and Welfare to prescribe a "special allowance" payable to lenders by the Commissioner of Education, in excess of the 7% interest payable under the program. The Senate amendment contains no comparable provision. The Senate recedes.

The House amendment makes the provisions of Section 2 effective sixty days after the enactment of the legislation, with respect to loans for which a guarantee commitment is made on or after such date. The Senate amendment was made effective thirty days after enactment. The Senate recedes with an amendment changing the sixty days to forty-five days.

CARL D. PERKINS,
JOHN BRADEMAS,
JAMES G. O'HARA,
ALBERT H. QUIE,
JOHN DELLENBACK,
Managers on the Part of the House.

CLAIBORNE PELL,
JENNINGS RANDOLPH,
HARRISON A. WILLIAMS,
EDWARD M. KENNEDY,
WALTER F. MONDALE,
THOMAS F. EAGLETON,
ALAN CRANSTON,
WILLIAM D. HATHAWAY,
PETER H. DOMINICK,
JACOB K. JAVITS,
RICHARD S. SCHWEIKER,
J. GLENN BEALL, JR.,
ROBERT T. STAFFORD,
Managers on the Part of the Senate.

REFORM OR POLITICAL COMPROMISE?

(Mr. CHARLES H. WILSON asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. CHARLES H. WILSON. Mr. Speaker, several weeks ago the Select Committee on Committees, chaired by RICHARD BOLLING, Democrat of Missouri, made its report of suggested changes in the House committee structure. Although their proposals have been referred to by some, mostly select committee members themselves, as reforms, the truth is that the Bolling package is in many instances a hypocritical mixture of political deals and change for the sake of change.

In fact, what emerges in their final recommendations obviously contradicts their initial intent, which to significantly decrease the number of standing committees of the House. After dispensing with considerable rigamarole about A or B committees, it becomes clear that the net change is a loss of only one committee. Through a process ruled by political Darwinism, not the interests of reform, the select committee did, however, arrive at proposals for jurisdictional changes and the elimination of one extremely important committee, the Post Office and Civil Service Committee.

Many of my colleagues now realize that the Bolling committee proposals will not have a beneficial effect on the operations of the House, and I doubt that the proposals will ever be implemented.

Unfortunately, very little investigative reporting has been done on the subject, however, and many citizens are unaware that Bolling committee "reform" is a misnomer.

Last week, however, the widely respected young reporter for the Federal Times, Bob Williams, turned his incisive critical eye upon the select committee recommendations and outlined some serious problems which would face Federal, and especially postal, workers if the proposals were ever ratified.

His article from the March 27, 1974, issue of the Federal Times follows:

Compromised by Missouri

(By Bob Williams)

A sharp Democrat from Missouri is intent on making some fundamental changes to the life styles of the men who represent U.S. Postal Service employees.

In itself this drive for the topsy-turvy is not a bad idea, but such a move—providing it is bought by the House of Representatives—could temporarily at least leave the work force without one of its most effective forums in Washington.

The man is Rep. Richard Bolling, chairman of the Select Committee on Committees, a House member for a quarter of a century.

Bolling wants to abolish the Post Office and Civil Service Committee, which despite the collective bargaining advantages of postal reorganization, remains one of the best instruments for change that USPS workers possess.

The Missourian's rationale at this point is not particularly important. What is noteworthy is that the PO&CS Committee, particularly the subcommittees headed by Reps. Jim Hanley and Charley Wilson, has done yeoman work in keeping the postal service straight during the last three years.

It seems clear that revelations of the discredited Westinghouse Corp. job evaluation contract, disclosures of hanky panky in the selection of postal bond underwriters and reports on the bulk mail system boondoggle would never have seen the light of day had it not been for Rep. Thad Dulski and his boys.

On second thought it may be advisable to examine the reasons Bolling wants to quash the committee. He is convinced, as are many others on Capitol Hill, that the House must be reorganized.

In any reorganization, heads must fall and kingdoms must be partitioned. In this shakeup, it is the post office committee that has been tagged for a footnote in the history books.

Several years ago this might have been a wise choice, but it is my conviction that the PO&CS Committee, especially those two subcommittees with postal oversight functions, has grown in stature. It is no longer a second rate House unit congressmen reluctantly join only because there is no place else to go.

Most of those on the committee are doing an excellent job. They do their homework. And they have enviable reputations. Wilson and Hanley know that postal service. They are not afraid to tackle the issues.

Dulski has emerged as a force to be reckoned with. H. R. Gross, minority leader, while not always on the side of federal workers, nevertheless keeps the bureaucrats on their toes. Jerome Waldie has fearlessly pushed for employee rights.

There are others, but why belabor the obvious? The committee is no longer a haven for lightweights, misfits and neophytes of either party.

And it is because of this that the Bolling plan is incomprehensible. Congressional reorganization makes sense so long as it doesn't kill a good thing.

This is the situation: Bolling's committee as this issue went to press was preparing to report a bill that would dismantle the post office committee.

Under the plan, postal oversight functions would be transferred to the Labor Committee. This does not mean the same team would be in charge. Several staffers predicted substantial changes in committee assignments.

One of Bolling's experts predicted the measure could go to the House floor for a vote as early as April 23.

This does not guarantee the House will endorse the Bolling blueprint. But observers concede that a real fight must be waged if the committee is to be salvaged.

A final note: Consider this excerpt from a letter by Donald N. Ledbetter, president of the National Association of Postal Supervisors. It was sent to every member of the House.

"We realize that members of Congress cannot become expert in all fields. The members of the Committee on Post Office and Civil Service, however, have become experts not only through their years of service but also through their active interest in postal and other federal activities.

"This knowledge is not gained overnight. If the PO&CS Committee is absorbed by other committees, we can foresee a lessening of interest in postal affairs and postal insight . . ."

That would be unfortunate.

JOSEPH F. FRIEDKIN, DISTINGUISHED PUBLIC SERVANT

(Mr. de la GARZA asked and was given permission to address the House for 1 minute, and to revise and extend his remarks and include extraneous matter.)

Mr. de la GARZA. Mr. Speaker, I take pleasure in calling to the attention of my colleagues the achievements of a man who today, April 2, 1974, rounds out 40 years of distinguished public service.

I refer to Joseph F. Friedkin, U.S. Commissioner on the International Boundary and Water Commission, United States and Mexico.

This is an agency of the utmost importance to my district, the 15th Congressional District of Texas, which borders on the Republic to the South. I, therefore, have firsthand knowledge of the tremendous value of Commissioner Friedkin's work. He is a dedicated public servant of the highest caliber.

Joe Friedkin joined the United States-Mexico International Boundary Commission in 1934 shortly after his graduation from Texas Western College, now the University of Texas at El Paso. From the first, his thorough and competent work marked him as a man destined for high achievement.

Under U.S. Commissioner L. M. Lawson, he carried out for the United States the field studies on water uses and flood control in preparation for the negotiation of the 1944 water treaty with Mexico. During World War II he was a major in the Corp of Engineers, serving as assistant to the president of the Mississippi River Commission.

On his return to civilian life in 1946, he was placed in charge of the San Diego office of the U.S. section of the International Boundary and Water Commission. The agency was at that time taking up its new and greatly expanded responsibilities resulting from the conclusion of the 1944 water treaty.

In 1952 he was assigned to the El Paso headquarters of the U.S. section as a principal engineer. In that capacity he supervised for the United States the engineering, construction, operation, and maintenance activities in the rapidly developing joint international projects along the 1,900-mile boundary with Mexico. These included the completion of Falcon Dam, near Zapata, Tex., and the early investigations, planning, and design for Amistad Dam, near Del Rio, Tex.

These two projects together have achieved probably the highest practical control of the Rio Grande in the Lower Rio Grande Valley of Texas. They have substantially decreased the incidence of flooding from the river and insured the valley a greatly augmented and dependable water supply.

On April 2, 1962, President Kennedy appointed Joe Friedkin U.S. Commissioner. That date marked the beginning of the most fruitful phase of his career. The last 12 years have been packed with one remarkable achievement after another undertaken by the Commission for the benefit of the people of the United States-Mexican border. High among these benefits is additional flood control for residents of the Lower Rio Grande Valley.

The list of accomplishments is long and varied. It includes the following:

1963—Chamizal Boundary Settlement—Commissioner Friedkin served as technical adviser to the Department of State in the negotiations leading to the settlement of that century-old dispute. He was in charge of the relocation of people, railroads, bridges, and highways in the city of El Paso at a cost of $45 million.

1961–74—International Colorado River Salinity Control Problem—Serving as technical adviser to the Department of State, Commissioner Friedkin coordinated efforts with the seven Colorado River Basin States, helping to devise the basic elements of the first major agreement concluded in 1965 and subsequently renewed through 1972. He similarly served Ambassador Brownell in negotiations leading to the definitive solution now before the Congress for implementation.

1967—International Tijuana River Flood Control Project—He negotiated an agreement with Mexico for the international project as desired by San Diego. Construction awaits completion of local arrangements.

1967—International Rio Grande Salinity Problem—Commissioner Friedkin concluded a satisfactory agreement with Mexico for a solution designed to preserve the quality of Rio Grande Waters in the Lower Rio Grande Valley.

1964–69—Construction of the International Amistad Dam—Joe Friedkin was the U.S. official responsible for the joint construction with Mexico of this $100 million project.

1969–74—Lower Rio Grande Flood Control Improvement Project—He negotiated with Mexico a revised division of Rio Grande flood waters. He then planned and supervised construction of works costing $31 million to provide assured river flood control for the Lower Rio Grande Valley.

1971—International Nogales Clean Water Project—Commissioner Friedkin negotiated an agreement with Mexico for enlargement and relocation of this international sanitation project for adjoining Mexican and U.S. communities.

1970–74—1970 Boundary Treaty with Mexico—He served as technical adviser to the Department of State in the negotiation of what has been described as the most comprehensive boundary agreement ever concluded by the United States. It resolves ownership of all disputed and uncertain tracts, and provides a basis for preventing such disputes and uncertainties in the future. He is responsible for the implementation now under way.

Numerous awards and honors have deservedly been bestowed on Commissioner Friedkin. In 1964 the Department of State conferred on him its "Superior Honor Award" for initiative and enterprise in this discharge of his duties as U.S. Commissioner. In 1968 President Johnson accorded the Commissioner the personal rank of Ambassador. In 1969 Joe Friedkin was named one of the "Top Ten Public Works Men of the Year" by Kiwanis International and the American Public Works Association.

Mr. Speaker, I have known and worked with Commissioner Friedkin before and since my election to Congress in 1964. Through all these years I have observed his determination, not only to improve relations with our neighbor to the south that fall within his reponsibilities, but also to improve the quality of life for the people living along the United States-Mexican border. I speak from personal experience when I say that his is indeed a career of public service in the highest tradition.

I extend to my friend, Joe Friedkin, my sincere personal appreciation, and I respectfully ask all of my colleagues to join with me in extending to Commissioner Friedkin our official commendation for his dedication to duty. That dedication relates not only to his official position but also, and above all, to the best interests of his country.

TIME AND THE PRESIDENT'S TAXES

(Mr. VANIK asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. VANIK. Mr. Speaker, today as we witness the spectacle of the President's lawyers seeking to delay the issuance of the report on the President's taxes which has been long promised by the Joint Committee on Internal Revenue Taxation, we must be mindful of the fact that time is working vigorously to save the President money on his tax obligations.

The statute of limitations has already run out on the President's 1969 tax returns on which the President claimed a tax saving of $63,333 for the highly questionable gift of his papers. If the finding of the joint committee—or if the Internal Revenue Service over which the President remains as overlord—fails to make a deficiency finding on the President's 1970 tax return before April 15—the statute of limitations will permit the President to prevail in his 1970 savings of $32,099 for the questionable gift.

Engineered delay and IRS oversight will save the President almost $100,000 in his potential tax liability.

In the Wall Street Journal of today there is an interesting article which outlines the manner in which the Internal Revenue Service handles an average taxpayer. The article follows:

UNHAPPY RETURNS: IRS AUDITS TAXPAYERS WITH VARYING FERVOR, ONE COUPLE DISCOVERS

(By David McClintick)

WEST CALDWELL, N.J.—As far as Robert and Frances Crissy know, they have only one important thing in common with Richard and Pat Nixon. Both couples' tax returns are being audited by the Internal Revenue Service.

Under public and congressional pressure, the IRS is checking the Nixon returns a second time and presumably is doing a thorough job. The first audit, as has been well documented, was cursory.

But the Revenue Service has been thorough from the start with the Crissys. Their case, in fact, shows just how deeply the IRS can dig if it chooses to and how the agency's thoroughness can vary from one taxpayer to another. That variation in audit ardor isn't lost on the Crissys. "We have nothing to hide but it's discouraging to realize the IRS doesn't treat everyone the same," Bob Crissy says.

Apart from demonstrating that audits can differ, the Crissy case also shows how both taxpayers and the IRS make mistakes, and how an audit can be useful in correcting errors on both sides.

A FRIEND OF THE FAMILY

Tax audits normally are secret, but the Crissys invited The Wall Street Journal to examine details of their audit, including their financial records, tax returns and correspondence with the IRS. In addition, this reporter, posing as a friend of the Crissys, sat in on a three-hour session at which an IRS agent and his supervisor questioned the Crissys about their returns.

Bob Crissy—a slender, 60-year-old six-footer with close-cropped gray hair—is self-employed and maintains his office in a converted bedroom on the second floor of his home, a modest, two-story yellow frame house in this quiet New York City suburb. Frances, Bob's 60-year-old wife, is a retired school teacher.

Mr. Crissy makes roughly half his living by selling sophisticated printing equipment in the eastern U.S. The other half comes from inventing printing devices and selling the patents on them to manufacturers. For 1972, the year in which the IRS seems most interested, Mr. Crissy paid $7,573 in federal taxes on an adjusted gross income of $34,039.

As an independent businessman who travels a lot, Mr. Crissy takes a range of tax deductions familiar to millions of Americans. Among many other things, he writes off business travel expenses, the cost of his home office, and the part of his country-club dues and bills attributable to business entertaining.

Mr. Crissy keeps detailed records to support his deductions, but it appears they aren't detailed enough for the IRS.

A FOUR-DAY INVESTIGATION

Revenue Agent Thomas H. Zick of the Newark IRS office sent a form letter to Mr. Crissy last Aug. 31 saying the Crissy 1972 return had been selected for audit. (Later the IRS told Mr. Crissy it also would audit 1971.) Mr. Zick, a modishly dressed man in his 20s with a mustache and fashionably long brown hair, spent four days in Mr. Crissy's office in October and November. Armed with pencils, large lined pads of paper and a portable calculator, he pored over Mr. Crissy's cancelled checks, receipts and other records, asking questions as he went.

Fran Crissy, who travels frequently with her husband, keeps many of the records. She maintains a daily diary of activities, noting car, meal and hotel expenses, the clients Mr. Crissy calls on, and whom and where he entertains. Checks and receipts to document the expenditures are kept in envelopes. At the end of each month, Mrs. Crissy enters the expenses and payments on large gray-green lined sheets of paper by category and adds up the grand totals at the end of the year. A lawyer prepares their tax returns.

Mr. Crissy estimates he missed at least $1,000 in earnings by staying home those four days to answer Mr. Zick's questions instead of being on the road. But that initial examination turned out to be only a prelude to a three-hour session at the Newark IRS offices on Friday, Jan. 18.

The Crissys and I arrive at the 13th-floor IRS offices in Newark's modern federal office building just before 9 a.m. (Mr. Crissy's lawyer didn't attend the session. The lawyer says he thinks in many cases it's better strategy for the taxpayer to go alone.) We're shown into a small, windowless, fluorescent-lit conference room with tan walls and ceiling. The room is sterile and uncomfortably chilly. Mr. Zick closes the door, which bears a bright blue "Do Not Disturb" sign, and the four of us sit down around a rectangular table. A few minutes later we're joined by Mr. Zick's supervisor, James Hall, who is slim and fortyish, has a receding hairline and wears black-rimmed glasses.

QUESTIONS ABOUT CUSHIONS

Mr. Zick questions the Crissys on dozens of individual expenses they deducted for 1972.

"What's this $68 check to Austin Cushion & Canvas for?"

"It's for cushions I use as part of a display at conferences," Mr. Crissy says. The agent asks him to produce an invoice as proof. (The invoice, which Mr. Crissy had at home, confirmed the payment was for cushions but didn't say precisely what use they were put to, as the IRS would prefer.)

Mr. Zick says $100 seems like a lot to spend for postage in one month. Mr. Crissy disagrees and says he sometimes spends $200 on a single mailing of material to potential clients.

The agent asks about a $104.47 check to Montgomery Ward. Mr. Crissy says it was for a filing cabinet.

After several such exchanges, Bob Crissy begins to get angry. The pitch of his already rather high voice rises. He thumps the floor with his foot. "This is pretty goddamn picayune when the President of the country pays almost no tax," he says.

The IRS agents don't react or respond to this bitter remark immediately, though Mr. Hall later admits to us that many taxpayers currently being audited are angry about the Nixon disclosures and says this may make the IRS's tax-collecting job more difficult. "Our system depends on voluntary self-assessment, everybody filing an honest return," he says. "If they don't do this, the system breaks down. We can't audit everybody. If they see the President getting away with something, they're less likely to be honest."

(The comparison with Mr. Nixon seems particularly apt in the light of Tom Zick's repeated requests for documentation that the Crissys spent money as they claimed. The IRS didn't ask for documentation to support the President's main deductions in its first audit of his returns, even though his write-offs cut his tax bill below $1,000 on his $200,000-plus income in each of two years.)

Mr. Zick, meanwhile, continues scrutinizing the Crissys' deductions. He says a taxpayer's meals while he's away from home overnight on business aren't deductible. The Crissys look shocked. Mr. Hall, the supervisor, quickly corrects the agent. Those expenses are deductible.

Mr. Zick notes that the amounts of the checks for a particular period sometimes don't add up to the total amount deducted. Bob Crissy explains that he doesn't always get a receipt for small expenditures. "I tell you what, Tom. Why don't you just follow me around and get receipts from every taxi driver and subway clerk I see. Maybe that would satisfy you. I don't have the time."

Again, Messrs. Zick and Hall show no anger. They obviously are trained to ignore taxpayer grumblings and remain polite.

CHALLENGING DEDUCTIONS

The IRS men also challenge Mr. Crissy's deduction of his country-club expenses and legal fees associated with patent applications. And they question the way he depreciates some of his business property.

Questioning of the legal-fee deduction demonstrates a common IRS tactic in an audit—taking advantage of taxpayer ignorance. An agent will assert that the law covering a particular matter runs clearly against the taxpayer, when in fact the law may be vague, contradictory or even lean in the taxpayer's favor.

In attempting to justify a finding that Mr. Crissy's legal fees should be capitalized (written off over a period of years) rather than deducted for the year they're incurred, Agent Zick cites an Internal Revenue regulation that calls for capitalizing such fees under certain circumstances. But he neglects to mention that the regulation mightn't apply in the Crissy case and that other regulations appear to support a straight deduction.

SILENCE AND FOOT-TAPPING

The Crissys admit they made at least one rather serious mistake on their return. Mrs. Crissy, for instance, totaled both principal and interest payments made on a small bank loan and the entire payment of $1,334 was deducted. Only interest is legally deductible.

There are long periods of silence as Mr. Zick writes down long columns of figures from the Crissy records. Mr. Crissy continues to look annoyed and tap his foot. Fran Crissy leafs through a pamphlet the IRS men give her on keeping travel and entertainment records. Supervisor Hall scans a copy of the 1973 version of "Your Federal Income Tax," the IRS's primary publication on how to fill out returns.

More than two hours after the session began, Messrs. Zick and Hall leave the room to confer and Bob Crissy continues grumbling.

"Don't fret, honey, life's too short," Fran Crissy says. Bob isn't appeased. "You could spend half your life with these guys, and that isn't my idea of how to spend it," he replies.

The two IRS men return. They haven't reached a final judgment on the 1972 return (and at last report still hadn't), but they remind the Crissys that their 1971 returns also will be audited. Mr. Hall mentions, however, that the 1971 audit will be confined to the items questioned in 1972 and that 1970 won't be audited at all.

"Gee, that's sporting of you," Mr. Crissy gibes.

The Crissys' experience tends to support a widely held belief that if the IRS audits a person once, it probably will audit him again.

The IRS has audited Bob Crissy three times in the past. It got a combined total of $504 in extra tax from him in an audit covering 1959 and 1960, and $900 for 1969. Mr. Crissy's favorite audit, however, was of his 1966 return. By his account, at least, the agent, after looking through his records said: "It's obvious that you aren't trying to cheat us, Mr. Crissy, but it wouldn't look good on my record if I let you go for nothing. So why don't we just pick a nominal sum and that will be that. I have some shopping to do."

Bob has forgotten exactly what they settled on but says he believes it was under $20.

GENERAL LEAVE

Mr. GOLDWATER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of this special order on the right of privacy, and to include extraneous material.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

CONGRESSIONAL COMMITMENT TO PRIVACY

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. GOLDWATER) is recognized for 60 minutes.

Mr. GOLDWATER. Mr. Speaker, the preservation of the rights of privacy of all Americans is a vital national issue. We have called this special order to serve notice that Congress intends to act to restore this personal liberty of all our citizens. The collectors of information must be held to high standards to insure against abuse. The intrusions so prevalent in this electronic age must be strictly controlled.

Joining me today as principal sponsors of this special order are the gentlemen from New York (Messrs. KOCH, HORTON, and KEMP), the gentleman from California (Mr. EDWARDS), and the gentleman from Pennsylvania (Mr. MOORHEAD).

We represent a bipartisan coalition diverse in our political philosophy but united in the goal of enacting right to privacy legislation.

We strive to correct the imbalance now existing between the public need for information and private rights against undue collection of personal facts.

We call for an end to secrecy of personal files, for individuals to be able to inspect and correct their files, and control their use.

Mr. Speaker, I welcome my colleagues who have come to discuss privacy issues this afternoon.

Mr. Speaker, these days, applying for or renewing your drivers' license is getting like being processed by the police for a criminal offense. Almost all States require the applicant's social security number and 29 States and the District of Columbia now provide photographs on drivers' licenses. Considerable additional information is being placed in motor vehicles and drivers' license files making up small dossiers, in some cases.

One of the more onerous practices is that some 14 States, when a person is photographed for his or her license, a negative of each photograph is placed on file. The citizen is normally unaware of this practice. These negatives create a statewide file on mug shots on virtually every adult.

Laws and regulations are only part of the solution to reduce unwarranted intrusions into personal privacy. Corporations manufacturing computers, electronics and photographic equipment should exercise restraint in encouraging excessive data surveillance. I am pleased to call attention to the fact that Polaroid Corp. produces identification cards as do other firms. However, they have refused to supply equipment where they believe control rather than simply administrative requirements are intended. We need more of this corporate responsibility.

FIFTY-FOUR MILLION CREDIT FILES

Mr. Speaker, the volume of credit files in active use in the United States is staggering. According to recent statistics, each of the five largest investigatory reporting firms has an additional 37 million reports on these and other individuals. When we hear the statement "there is a record on you," we seldom need to challenge it. But we must begin asking how many such records are kept, where they are located, and what they contain. I have proposed legislation to permit these questions to be answered for every person about whom records are maintained.

The following table clearly demonstrates the scope of information on hand in but one area of recordkeeping.

OPERATING STATISTICS FOR 5 LARGE INVESTIGATIVE REPORTING FIRMS

Company	Number of files, 1972	Total number of investigative reports, 1972	Insurance reports, 1972	Credit reports, 1972	Employment reports, 1972	Inspector man-years, 1972	Consumer Interviews since April 1971
Retail Credit	46,000,000	13,731,049	12,537,328	152,437	1,041,284	(1)	135,662
Service Review	50,000	3,396,812	3,375,889	(2)	20,923	738	(1)
Hooper-Holmes	2,500,000	1,443,661	1,368,439	25,734	49,488	361	5,708
O'Hanlon	4,000,000	492,298	492,298	(2)	(2)	(1)	1,299
American Service Bureau	1,970,000	784,379	781,241	(2)	3,138	1,160	980
Total	54,520,000	19,848,199	18,555,195	178,171	1,114,833		

[1] Not available.
[2] Negligible.

Source: Data submitted by each firm.

COMPLAINTS ABOUT THE SOCIAL SECURITY NUMBER

Mr. Speaker, public opposition to the social security number being used as a universal identifier is deeply felt by a great many Americans. Commercial and government interests which go blithely along demanding a person's number on every type of transaction are only asking for a public hostility which will soon overturn these practices.

I am not against the use of identification numbers on bank accounts, student records, or any other occasion where this will serve to separate different files, expedite transactions, and raise the level of accuracy. However, the social security account number was never intended for that purpose. It is the identification number for people's pension system. I have sponsored legislation to disallow this number for any purpose but that called for by statute. Let the people's dignity be restored by abandoning once and for all this practice.

To illustrate personal feelings over the use of the social security number let me include actual quotations from letters I have received from persons living in 15 different States.

> "The state of Pennsylvania is going to have this (SS) number on our drivers license and hunting license starting next year . . . this is frightening, 1984 is here . . ."
>
> "The hassle that is incurred upon me with SS bothers me the most. Many places won't cash your check without your SS number . . . you purchase stock, they want your SS number . . . you open a bank account, they want your SS number . . . you rent a car . . ."
>
> "I resent the need for me to put this (SS) number on my physical for the FAA."
>
> "It seems everytime I turn around I am asked for my SS number . . . the bureaus both state and federal want it for boat ownership (federal documentation), auto driver's licenses, applications for Mississippi state auto tags, etc. etc."
>
> "You are on the right track . . . I am 43 years old and I have always prided myself on paying my bills and being honest and truthful. I recently had to go to a lot of trouble to get a bad credit report removed from my name because I had an argument with a merchant over a $16.00 bill for bad merchandise. It was only through the help of a man in the Retail Credit Assn. that I was able to do this, and I was cleared . . . isn't that one hell of a set of circumstances to have to get together to clear a bad credit report for $16 when I have money in savings certificates."
>
> "The last time I registered to vote (with the Women's League of Voters) on the registration slip there was a space for the SS number . . . the very thought that SS should even be linked up to voting is a disturbing thought."
>
> "For some time, many I know, and myself, have been worried about that situation and having to use the SS number on all documents. Germany and Russia started that way to gain control of everyone and everything they did."
>
> "There are very few, if any, persons who have not at one time or another been victimized by information obtained from computer banks . . . you have my full support."
>
> "Seems we can't even save a few dollars now and then without some spy selling the information to a credit reporting agency and they in turn publish the information in printed form and mail to other subscribers. This in turn fires up the promoters who would like to talk us out of the last dollar we've got."
>
> "The over zealous efforts of those who insist upon making hay out of credit information—it even extends to telephone directory publishing companies and those publishing city directories, who lease lists of addresses to businesses and finance companies—have become a nightmare for the average private citizen."
>
> "There is almost no privacy left now. When I enrolled at the LA Valley College in Van Nuys, would you believe on one of their forms they gave you to fill out they asked if you took the pill, had hot flashes . . . and about 20 more questions just as personal and NONE OF THEIR BUSINESS. Now, they want our medical records to be available to HEW . . ."
>
> "As files expand and become interconnected through various communication links, the possibilities for unauthorized access will surely grow."
>
> "I am a computer system analyst with 18 years of continual professional involvement in data processing . . . the updating of computer-stored arrest record is no different than the updating of a name and address file. Unfortunately, most systems developed during the past 20 years have been unable to update records rapidly, accurately or even efficiently. There is little doubt in my mind that a person once entered into the Criminal History File would be, and remain for all time, as "guilty as he ever was, or worse yet, might be."
>
> "My mother is elderly, living in Illinois, and thinks that she must have her SS number tattooed on her brow.'
>
> "I believe that in another year each person's toilet tissue will have to bear his SS number so that the government will be able to compute how many times a year the individual flushes his toilet!"

Mr. KOCH. Mr. Speaker, will the gentleman yield?

Mr. GOLDWATER. I yield to the gentleman from New York.

Mr. KOCH. I thank my colleague from California for yielding.

Mr. Speaker, I first want to thank the Speaker for sitting with us this afternoon at this late hour. I know that he establishes, as he has established commitments over the past, the congressional commitment for privacy. I want to thank him on behalf of the sponsors for his being with us. I am just very proud to be sponsoring with my congressional colleagues this Commitment to Privacy.

Mr. Speaker, I am very pleased to be sponsoring the congressional commitment to privacy with our colleagues, Barry Goldwater, Jr., Don Edwards, William Moorhead, Frank Horton, and Jack Kemp. And, we are honored to have you presiding during this special order. Many Members are in agreement that the area of personal privacy needs the attention of the Congress. The issue of privacy is one that transcends political partisanship and we are working together to develop ideas to help us deal with the problem in a balanced and comprehensive way. Congress must focus its attention on the massive collection of information and compilation of dossiers that are taking place. Recordkeeping, both computerized and manual, has already become a hydra-headed monster.

An individual does not really know who has the information about him, or how many agencies or corporations are using it or for what purposes. He has no mechanisms for providing explanations, or to add mitigating facts. And, most important there are no limits on what can be collected either by the Government or the private sector.

There should be a strong new disincentive for the establishment of unnecessary files on individuals. Where records are maintained, they should be treated more carefully and with more respect than presently is the case. Irrelevant, incorrect and dubious material must be weeded out.

To protect this right of privacy, I have introduced legislation in each Congress since the 91st Congress. It was 5 years ago in 1969 that I introduced the first Federal Privacy Act.

That bill pending before this Congress is H.R. 667 as amended, now known as H.R. 12206 and H.R. 12207 and it was recently the subject of hearings before the House Government Operations Committee. It responds to the problem that individuals face today in not knowing what Government agencies maintain files on them—and most important whether these files contain erroneous, irrelevant and sometimes unfairly damaging material. My Federal Privacy Act, which now has 96 cosponsors, requires that any Federal agency maintaining manual or automated records on a person, organization or corporation, permit the person to inspect his own record and have copies made at his own expense; permit the person to supplement the information contained in his own record; permit the removal of erroneous information of any kind, and provide that all agencies and persons to whom the erroneous material has been previously transferred be notified of its removal; require the notification of the person if the record is disclosed to any other agency or person not employed by the agency maintaining such record; prohibit the disclosing of information of any kind in the record to individuals in the agency other than those who need to examine the record in the performance of their duties; and finally, would require the maintenance of a record of all persons inspecting such records. Exceptions would be made in the case of records required by Executive order to be withheld in the interest of the national defense and foreign policy and investigatory files compiled for criminal law enforcement purposes.

H.R. 12207, creates a Federal Privacy Board to supervise the administration of the provisions in the bill. It would permit an appeal by an individual seeking the removal of erroneous or misleading information contained in his file. The Board would also hear complaints that an agency had not complied with other requirements of the bill. The Federal Privacy Board would also establish what an agency could collect, and limit the collection to material relating to the agency.

There are presently numerous agencies collecting information about individuals—the Department of Defense, Social Security Administration, Internal Revenue Service, and the Civil Service Commission to cite a few. All kinds of information are collected: academic achievement, health, court cases, credit standing, census data, police records, birth and marriage, employment history, loyalty-security clearances, military service records, and tax returns.

Often the data is acquired by Government agencies from private sources—not necessarily using skilled investigators. The combination of fact, opinion and rumor may create a false picture. This bill would allow the individual the right to rebut any false or incomplete information which might, under ordinary circumstances, be used against him without his full knowledge.

To extend the central premise of this

legislation to all computerized data banks, not just Federal data banks, I introduced with Mr. BELL from California on August 1, 1973, H.R. 9786 to regulate the use of all computer data banks in the country. This bill will not prevent the collection of valid data either by private or governmental agencies, but will impose reasonable controls on what can be collected, or how it can be dispersed so as to protect the privacy of our citizens.

It is about time that the Federal Government establish a national policy regarding computers and computer abuses in the interests of protecting the privacy of our citizens. No amount of State legislation will insure that residents of another State will be protected. We must have Federal oversight in this matter.

Under the bill, all data banks, State, local government and private, would be required to register with the Federal Privacy Board. The Board would issue guidelines for the collection, and maintenance of information to assure that the material in a person's file is correct, current and pertinent to the approved purpose of the data system.

This bill is similar to Sweden's national law covering the operation of data banks containing personal information.

In 1971, I introduced a bill, which is H.R. 694 in this Congress, which extends the same disclosure requirements contained in H.R. 667 to the House Internal Security Committee. It requires the committee to notify persons of files maintained on them and to allow such persons to examine their files, and supplement the information in the record. An accurate record of the names and positions of all persons inspecting such records and the purposes for which the inspections were made must be maintained.

There is a special dimension to the privacy problem created when the executive branch of the Government collects information about the legislative branch. The problem emerged in 1972 when then Acting Director of the FBI, L. Patrick Gray admitted that the FBI had been maintaining files on Members of Congress. His concession came only after columnist Jack Anderson had discovered FBI files on Representatives FRELINGHUYSEN, REUSS, FAUNTROY, Speaker ALBERT, FORD, and others.

It has been revealed by the media that the FBI has made available files on Members of Congress and the public for the purposes of intimidation. The New York Times on February 25 stated:

> The source recalled one Senator who had been told of an investigation concerning his daughter, a college student who had "gotten involved in demonstrations and free love," and a Republican Representative who had been told the Bureau possessed evidence indicating that he was a homosexual. "We had him in our pocket after that," the source said of the Representative. He added that he could not recall the Senator, a liberal Democrat, ever criticizing the FBI in public.

When I ascertained that the FBI had been accumulating dossiers on Members of Congress, I along with Congressmen BENJAMIN ROSENTHAL and JONATHAN BINGHAM asked the Director of the FBI to provide us with our respective files. The FBI did not do so and so the three of us initiated a lawsuit to compel the opening of those files to us. Subsequent to the lawsuit, FBI Director Kelley announced he was modifying his prior refusal to make our files available to us. I have received my file which includes newspaper clippings, a flyer which lists my opposition to the ABM, my correspondence with the FBI on the subject of dossiers, my testimony against Acting Director Patrick Gray's confirmation before the Senate Judiciary Committee and a fact sheet which opened my file with the FBI when I was elected. That fact sheet is very interesting and I am setting forth the information exactly as it appears.

> NOVEMBER 7, 1968.
>
> U.S. GOVERNMENT MEMORANDUM
>
> Mr. Bishop.
> Mr. A. Jones.
> Edwin I. Koch (D-New York), Congressman-elect—17th District.
>
> DETAILS
>
> On 11-5-68 Democrat Edwin I. Koch of New York City, was elected to the 17th Congressional District seat held by retiring Repr. Theodore R. Kupferman (R). Koch who was born in 1924 in New York City attended the College of the City of New York and received his LL.B. degree from New York University. He is a former councilman and has been a Democratic leader since 1963.
>
> INFORMATION IN BUFILES
>
> A check of Bureau indices reflects no reference identifiable with Koch.
>
> RECOMMENDATION
>
> None. For information.

If the FBI failed to ascertain correctly what my name was, it has always been Edward and never Edwin, one cannot help but speculate on what other inaccuracies its voluminous dossiers contain. There is no question that there must be limitations on the kind of information collected and how it is used. There is a balance to be maintained, however, between the need for information and the need for personal privacy. The problems have been recognized. Now we must make certain we deal with them, not with more studies, but with legislation long overdue.

I have initiated legislation, cosponsored by 21 other Members of Congress, to prohibit the FBI from maintaining files on the Congress, except where they are required in pursuit of a criminal investigation, or as part of an investigation where a Member might be appointed to the executive or judicial branch. Other than these two areas, there is no bona fide reason to maintain files on Members of Congress by the executive. And, the practice of doing so should cease. The bill would require the destruction of FBI files on Members of Congress after a period of 60 days. Each Senator and Representative would have the opportunity during the 60-day period to examine the contents of his or her file.

I would like, Mr. Speaker, at this time to discuss in greater detail one recent victory in the area of privacy. On March 22, Defense Secretary James R. Schlesinger authorized the removal of separation program numbers and reenlistment code numbers from all discharge papers. As you know, the Honorable LES ASPIN from Wisconsin and I have been urging that this decision be made and we are the sponsors of legislation to effect that change. We were pleased to see that at the urging of over 50 Members of the House who were cosponsors of the bill, and through the efforts of House Armed Services Chairman F. EDWARD HÉBERT, the administration changed its policy in this matter, voiding the necessity for legislative action.

At the time of discharge, a serviceman is given a discharge paper, DD Form 214, Report of Separation from Active Duty, which contains a numerical code specifying the specific reason for release. The code, called separation program numbers—SPN's—can unfortunately penalize a veteran for life. The code numbers and what they designate, while intended to be confidential, have become publicly known. The consequent invasion of privacy may never end for a veteran with a prejudicial SPN. Employers who have been able to get copies of the number designation often use this information in an adverse way, undoubtedly preventing veterans from obtaining jobs when they were either equally or better qualified than the nonveteran applicant.

The SPN numbers which appear on honorable as well as undesirable and dishonorable discharges can be pejorative. In fiscal year 1973, 35,640 servicemen who received honorable or general—under honorable conditions—discharges were also branded with a SPN marking them as unsuitable; 21,000 were identified as possessing "character and behavior disorders"; 10,000 others were labeled as suffering from "apathy, defective attitudes, and an inability to expend effort constructively," and nearly 3,000 were simply charged with "inaptitude."

Not one of these veterans was guilty of an offense under military or civilian law, and not one of them was allowed a hearing before an administrative board—nor was he permitted counsel. The SPN was in every case an arbitrary decision made by others, and the serviceman could have been completely unaware of its meaning or significance.

Under the new rules, the SPN's will be maintained in the file of the individual and releasable only at the request of the veteran.

Also, DOD regulations will provide that a veteran who would like a new discharge paper without a SPN number of reenlistment code number will be able to request it from the Defense Department as a result of this new policy.

However, I feel that it is not enough to let the veteran request a new discharge certificate. A great part of the problem has to do with the fact that veterans do not know that the SPN's exist on their discharge papers. I believe that the DOD should send without a request to all those veterans discharged since the ealy 1950's when SPN's were instituted, updated DD forms 214—superseding the discharge paper issued when they were discharged from the service—which would not show these SPN's or reenlistment code numbers.

I have written to Defense Secretary Schlesinger urging that he comply with this suggestion. I also believe that there can be coercion on the part of employers who request that veterans authorize the release of SPN's to them. I propose that the information not be supplied to an employer or third parties even with the veteran's consent, so as to protect the veteran against undue pressure. If my colleagues in the House concur, I would urge them also to write to Secretary Schlesinger.

I originally became interested in the subject of SPN's as a result of an inquiry made by a serviceman who advised me that he was being given a discharge which would bear on it a reference to his "suspected homosexual involvement." At that time my inquiry was directed to the fact that this particular serviceman was being denied the opportunity of contesting the allegation and so I commenced the correspondence which begins with my letter of July 7, 1971. The issue developed however, so as not simply to involve this one serviceman but ultimately to involve tens of thousands of servicemen. When I sent my first letter, I did not know what a SPN number was. I do now and there can be few victories that can provide as much satisfaction as this one, in that in a relatively short war with the Department of Defense beginning with July 7, 1971, and ending with the announcement of Defense Secretary Schlesinger on March 22, 1974, a wrong was righted and tens of thousands of veterans will benefit.

The correspondence follows:

House of Representatives,
Washington, D.C., July 7, 1971.

Secretary Melvin Laird,
Department of Defense,
Washington, D.C.

Dear Mr. Secretary: I have on occasion received complaints from young men in the Army who have been discharged as the result of their being homosexuals. The discharge which they receive as I understand it is often less than honorable and obviously has a chilling effect upon their personal and professional lives after they leave the service.

I would appreciate your advising me whether the barring of homosexuals in the Armed Forces is by law or by regulation, and if the type of discharge they receive, which often appears to be punitive, is by law or regulation. I would appreciate receiving your comments on this matter and informing me, if the policy is governed by regulation, whether you would consider changing those regulations so as to permit honorable discharges to those discharged for homosexual conduct.

Further, I should like your point of view on the proposal advanced by some that private homosexual conduct off the base should not bar service in the Armed Forces. Prime Minister Pierre Trudeau summed up my feelings when he said "the state has no business in the bedrooms of the nations."

Sincerely,

Edward I. Koch.

Assistant Secretary of Defense,
Washington, D.C., July 20, 1971.

Hon. Edward I. Koch,
House of Representatives,
Washington, D.C.

Dear Mr. Koch: This is in response to your letter of July 7, 1971, regarding Department of Defense policy concerning homosexuals in the Armed Forces.

The enclosed Fact Sheet regarding Department of Defense policy on homosexuals in the Armed Forces is provided for your information. No changes are contemplated regarding this policy.

The policy regarding the type and character of administrative discharge governing the separation of homosexuals from the Armed Forces is contained in Department of Defense Directive 1332.14, "Administrative Discharges," dated December 20, 1965 [Sections VII.G 6, and 1.2). A copy is enclosed for your information.

The nature of a discharge issued as a result of being adjudged by court-martial is specifically governed by Federal statute, 10 United States Code 925. This section encompasses all unnatural sexual intercourse between humans or between humans and animals. Some homosexual relations could come within the provisions of this section. The maximum punishment which may be imposed for a violation of Section 925 is outlined in paragraph 127c, Table of Maximum Punishment, *Manual for Courts-Martial, supra* as follows:

By force and without consent: Dishonorable Discharge, confinement at hard labor for 10 years, total forfeiture of all pay and allowances.

With a child under the age of 16 years: Dishonorable Discharge, confinement at hard labor for 20 years, total forfeiture of all pay and allowances.

Other cases: Dishonorabe Discharge, confinement at hard labor for 5 years, total forfeiture of all pay and allowances.

The accused may be charged with assault with intent to commit sodomy in violation of 10 United States Code 934. The maximum punishment in violation of Section 934 is a Dishonorable Discharge, confinement at hard labor for 10 years, and total forfeiture of all pay and allowances.

The *Manual for Courts-Martial* is an Executive Order of the President of the United States as prescribed by Section 836, 10 United States Code. All branches of the Armed Services are bound by its provisions.

I trust that the information provided will be of assistance to you. Your interest in matters pertaining to the Military Services is appreciated.

Sincerely,

Leo E. Benade,
Major General, USA,Deputy Assistant
Secretary of Defense.

House of Representatives,
Washington, D.C., August 11, 1971.

Secretary Melvin Laird,
Department of Defense,
Washington, D.C.

Dear Mr. Secretary: I am writing to you with further reference to the question of homosexuals in the Armed Services, about which I wrote to you on July 1, 1971.

While I do not approve of the Department of Defense's policy to discharge all homosexuals automatically from the military, I would like to direct this letter to change which could be made in current policy regarding the type of discharge given to homosexuals. When referring to a homosexual in this letter, I mean only a consenting adult who has engaged in homosexual acts on his or her own time and not in public.

Apparently, each branch of the service has a certain discretion in deciding how such an individual is to be discharged, and that such persons usually are not given court martials but are discharged administratively. According to existing regulations as set forth in the Department of Defense Directive No. 1332.14, December 20, 1965, a homosexual could be given administratively either an honorable (Unsuitability G–6) or undesirable (Unfitness I–2 or Misconduct J–1) discharge.

With an undesirable discharge, it is my understanding that any veteran benefits to which an individual might otherwise be entitled can be cut off at the discretion of the administering agency. Furthermore, the discharge papers are marked "under terms other than honorable" accompanied by a code number signifying sexual deviation. This type of discharge is, in effect, a harsh, punitive measure, one that hardly reflects the contemporary and more enlightened attitude of society today towards an individual's sexual preferences.

Not only is present military policy on this matter cruelly out of date, but I believe that what little discretion exists relating to the method of discharging homosexuals is being abused. By way of illustration, I refer you to SECNAV Instruction 1900.9, April 20, 1964, which in my estimation encourages Naval personnel to give undesirable discharges to any homosexual or suspected homosexual. On the first page of this document, paragraph 4f states:

"When processing an individual by administrative action in accordance with this instruction and when the conditions prompting such action are essentially voluntary participation in aberrant sexual activity, the separation of the individual will normally be characterized as having been "under conditions other than honorable." Administrative processing of cases should therefore contemplate such an ultimate disposition."

I cannot see that homosexual behavior in the military is an "offense" which merits this type of discharge. While it is apparent that the leaders of the military, in order to maintain discipline, feel it necessary to exclude homosexuals; there is no need to gratuitously punish them with an undesirable discharge.

Usually these individuals are being punished for a failure to comply with the special dictates of an artificial society which they were forced to join. Many, no doubt, were unaware of their homosexual tendencies before joining the service. Furthermore, the present policy of indicating the reason for discharge as sexual deviation constitutes an invasion of privacy. The military can, of course, keep its own records indicating why an individual was separated, but that information ought not in any way be made public.

What might be argued by some to be the concern of the military in one's personal life while an active military duty certainly ought not to be the concern of others in civilian life.

I would hope that you would give serious attention to this matter and advise me whether or not you would be willing to alter present Department of Defense policy, so that homosexuals, as defined in this letter, are given honorable discharges. Particular attention should be given to issuing new directives to supersede any documents such as SECNAV 1900.9 referred to above.

Sincerely,

Edward I. Koch.

Assistant Secretary of Defense,
Washington, D.C., August 19, 1971.

Hon. Edward I. Koch,
House of Representatives,
Washington, D.C.

Dear Mr. Koch: This is in response to your letter of August 11, 1971, requesting that the Department of Defense alter current discharge policy so that a homosexual would be given an honorable discharge when the consenting adult engages in homosexual acts on his or her own time and not in public.

We cannot agree that Department of Defense policy concerning the discharge of homosexuals, as enumerated in my letter of July 7, 1971, is "cruelly out of date and does not reflect the contemporary and more enlightened attitude of society."

It is noted that in your reference to paragraph 4f, SECNAV Instruction 1900.9 dated April 20, 1964, the following was omitted:

"Whenever a higher character of separation is found to be warranted upon departmental review, such will be effected and command submitting case shall take pains to note all circumstances favorable to the individual which would affect the type of discharge to be awarded."

Accordingly, we do not believe this paragraph, when considering its full meaning and coupled with the total intent of the Instruction, encourages the issuance of undesirable discharges to homosexuals.

At the time a person is separated from the military service he is furnished a DD Form 214 (Armed Forces of the United States Report of Transfer or Discharge) which reflects the type of discharge, reason and authority. A separation designator number instead of a narrative statement is used to reflect the reason for separation. This is done to afford the individual who receives a less than honorble discharge some protection from stigmatism which could result from words used to describe the reason for his discharge. The release of these separation designator numbers is closely monitored and provided only to governmental agencies indicating a "need to know." Accordingly, this information is not made a matter of public knowledge.

I trust that the information provided will be of assistance to you. Your interest in matters pertaining to the military services is appreciated.

Sincerely,

Leo E. Benade,
Major General, USA, Deputy Assistant Secretary of Defense.

House of Representatives,
Washington, D.C., January 7, 1972.
Maj. Gen. Leo E. Benade, USA,
Deputy Assistant Secretary of Defense, Department of Defense, Washington, D.C.

Dear General Benade: I am writing to you with further reference to the question of homosexuals in the Armed Services. I thank you for the response which you sent and which I am enclosing.

I assume from the reference to paragraph 4f, SECNAV Instruction 1900.9, that it is your intent that the Department of Defense whenever possible will provide an honorable separation as opposed to an undesirable discharge to homosexuals. I would appreciate being provided with the number of undesirable discharges issued as the result of homosexual activity each year for the last 5 years, and, if the records are available within that same period, the number of honorable discharges issued to homosexuals.

With respect to the separation designator numbers and your belief that they are not a matter of public knowledge, may I tell you that they indeed are. Employment agencies are well aware of these numbers and as I am sure are many others. What purpose does it serve to place the designator number on the discharge when that information can be kept in the file? In view of that, I would ask you to consider reviewing a change in this area.

Thank you for your interest in this matter.

Sincerely,

Edward I. Koch.

DEPARTMENT OF DEFENSE—ADMINISTRATIVE DISCHARGES HOMOSEXUAL TENDENCIES

	Honorable	General	Total
1967	64	414	478
1968	230	322	552
1969	254	192	446
1970	250	182	432
1971	204	214	418
Total	1,002	1,324	2,326

	Sexual perversion			
	Honorable	General	Undesirable	Total
1967[1]				
1968	117	294	654	1,065
1969	140	370	586	1,096
1970	119	481	419	1,019
1971	93	439	235	767
Total	469	1,584	1,894	3,947

[1] Data not available.

Assistant Secretary of Defense,
Washington, D.C., January 17, 1972.
Hon. Edward I. Koch,
House of Representatives,
Washington, D.C.

Dear Mr. Koch: This is in response to your letter of January 7, 1972, requesting additional information on the matter of homosexuals in the Armed Forces.

The enclosed chart depicts, the administrative discharges issued for homosexual tendencies or sexual perversion during fiscal years 1967–1971.

In regard to your comment regarding separation designator numbers (SDN) being public knowledge, it is re-emphasized that the Department of Defense does not make SDNs a matter of public knowledge.

It should be noted that the purpose of DD Form 214 is threefold: (1) provides the recipient with a brief record of a term of net service during his current term of service, (2) provides various Governmental agencies with an authoritative source of information, and (3) provides the military service information for administrative purposes. The form serves a multitude of purposes and the elimination of data such as "reason for separation and authority" would drastically reduce the value and use of the document. For example, the elimination of SDNs from the data element "reason for separation and authority" on the DD Form 214 would cause a lengthy delay by the Veterans' Administration in determining an individual's eligibility for veterans' benefits inasmuch as a time-consuming search and review would have to be made of the veteran's record which is retired to the appropriate record center of the Service upon his discharge.

While the Department of Defense is committed to a periodic re-examination of policies relating to the preparation of and the inclusion of data on the DD Form 214, no changes are contemplated concerning the elimination of SDNs from the document.

I trust the information provided will be of assistance to you. Your interest in matters pertaining to the Armed Forces is appreciated.

Sincerely,

Leo E. Benade,
Major General, USA,
Deputy Assistant Secretary of Defense.

Assistant Secretary of Defense,
Washington, D.C., February 4, 1972.
Hon. Edward I. Koch,
House of Representatives,
Washington, D.C.

Dear Mr. Koch: This is in response to your letter of January 28, 1972 regarding homosexuals.

The administrative discharge statistics provided in my letter of January 17, 1972 represents the complete break out of data maintained by this office.

Thank you for your letter.

Sincerely,

Leo E. Benade,
Major General, USA, Deputy Assistant Secretary of Defense.

House of Representatives,
Washington, D.C., February 29, 1972.
Congressional Liaison,
Department of the Navy,
Washington, D.C.

Dear Sir: I am writing to you concerning RM3 Robert A. Martin, Jr., [redacted], AF South Box 148, FPO New York 09524.

In view of the gravamen of the charges against him and what the effect of a general discharge given for homosexuality will have on his career in the future, I believe justice requires that he be given a court martial, as he has requested, so that he might defend himself against the charges.

It was never intended, in my judgment, to permit discharges under less than honorable conditions as a way of allowing the Navy to avoid proving charges in a serious case. He is aware of the penalties that might flow from a conviction at a court martial which are greater in degree than those from administrative proceedings, and he is willing to take his chances because he believes he is not guilty of the charges.

I would therefore appreciate your giving him the opportunity to defend himself in court and your advising me of the disposition of the matter.

Sincerely,

Edward I. Koch.

House of Representatives,
Washington, D.C., January 28, 1972.
Maj. Gen. Leo E. Benade, USA,
Deputy Assistant Secretary of Defense, Department of Defense, Washington, D.C.

Dear General Benade: Thank you for your letter of January 17th responding to my earlier correspondence concerning homosexuals in the Armed Services.

Because the military's definition of "sexual perversion" includes more than homosexual acts between consenting adults it is impossible for one to interpret how many of those undesirable discharges, listed in your table of administrative discharges, were for homosexual activity between consenting adults. Only a comparison of honorable, general, and undesirable discharges specifically relating to homosexual activity between consenting adults would reflect the military's present policy towards this so-called "offense." If you have such specific figures, I would appreciate receiving them.

It appears from your letters that the Department of Defense has no intention at this time of altering its present policy regarding homosexuals. While I do not want to prolong this correspondence endlessly, I do want to state that in my opinion your reasons for refusing to eliminate SDN's from discharge-papers are not persuasive. If and when the Department of Defense conducts a "periodic re-examination of policy, I trust the elimination of SDN's will be approved, for indeed their meaning is public and their effect harmful.

Sincerely,

Edward I. Koch.

House of Representatives,
Washington, D.C., March 12, 1973.
Maj. Gen. Leo E. Benade,
Deputy Assistant Secretary of Defense,
Department of Defense,
Washington, D.C.

Dear General Benade: We had some correspondence in 1971 and 1972 concerning DOD discharge policy. In a letter to me of January 17, 1972 you stated that "In regard to your comment regarding separation designator numbers (SDN) being public knowledge, it is re-emphasized that the Department of Defense does not make SDN's a matter of public knowledge".

Recently, a news reporter requested the list defining the Separation Program Numbers, which allegedly was unavailable. It was readily supplied to him by the Army. I understand, too, that companies are able to obtain this list and use it to evaluate an applicant for a job.

I am most concerned that the information you gave me last year regarding this matter was misleading. I understood from you that this information is not available, that it is not a matter of public knowledge. Now, I know that you give it out to anyone who calls and requests it. And, that a person who has an individual's SPN number from his discharge papers can readily check this code list to see what that individual's separator designator number or separation program number signifies.

I ask you to discontinue listing these numbers on the discharge papers. The numbers serve no purpose except to make more difficult or destroy the possibilities of an individual's obtaining a job.

Sincerely,

EDWARD I. KOCH.

WASHINGTON, D.C., *March 23, 1973.*

Hon. EDWARD I. KOCH,
House of Representatives,
Washington, D.C.

DEAR MR. KOCH: This is in response to your letter of March 12, 1973, regarding the availability of lists of Separation Program Numbers (SPN's).

I appreciate your feelings in this matter. The release of a partial list of SPN's to a news reporter by an individual in the Army is of concern to this office. Unfortunately, the reporter obtained the list through an Army activity which was not a user of the SPN's, nor responsible for the administration of discharge practices and procedures. Accordingly, we have taken action to reiterate the Department's policy that SPN lists will be restricted from non-governmental organizations and individuals. You may be assured that this policy will continue to be closely monitored by this office and by the Military Departments.

Notwithstanding the above, a new set of SPN's has been developed by a special joint service committee. Estimated date of publication of the new SPN's is June 1, 1973. In accordance with a Department of Defense Instruction, the list of new SPN's, including supplemental lists will be stamped "For official use only" and will be restricted from non-governmental organizations and individuals.

I trust that the information provided will be of assistance. Your continued interest in matters concerning the Military Services is appreciated.

Sincerely,

LEO E. BENADE,
Lieutenant General, USA,
Deputy Assistant Secretary of Defense.

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 29, 1973.

Maj. Gen. LEO F. BENADE,
Deputy Assistant Secretary of Defense,
Department of Defense,
Washington, DC.

DEAR GENERAL BENADE: I have your letter of March 23. The fact that the SPN code is known to those who would not otherwise be authorized makes my original comments on this matter in my letter of March 12 even more relevant. You can change that listing every month and someone will give out the information, and it will adversely affect many of the returning veterans—and for no good purpose. If you require the information for your files, why not keep it in those files? Why continue to put it on the discharge papers?

I reiterate, there is no valid reason for such action to continue. I urge you to revise the policy and to cease including the SPN listing on discharges.

Sincerely,

EDWARD I. KOCH.

WASHINGTON, D.C., *April 5, 1973.*

Hon. EDWARD I. KOCH,
House of Representatives,
Washington, D.C.

DEAR MR. KOCH: This is in response to your letter of March 29, 1973, regarding Separation Program Numbers (SPN's).

Although it is recognized that differing views will continue to be expressed on the use of SPN's on the DD Form 214, the information on the form, including SPN's, is necessary for administrative and statutory purposes. Nevertheless, this matter has and will continue to be scrutinized to insure that our discharge policies and procedures are consistent with the Department's policy which protects against invasion of an individual's privacy. Interestingly enough, it should be noted that one reason these numbers were originally used in the early 1950's was to preserve privacy, since they were substituted for fuller, written explanations of the circumstances of an individual's discharge.

Thank you for your letter.

Sincerely,

LEO E. BENADE,
Lieutenant General, USA,
Deputy Assistant Secretary of Defense.

HOUSE OF REPRESENTATIVES,
Washington, D.C., April 12, 1973.

Hon. ELLIOT RICHARDSON,
Department of Defense,
Washington, D.C.

DEAR Mr. SECRETARY: We are very concerned that the Department of Defense refuses to change its policy regarding Separation Program Numbers (SPN's). Today a letter was received from Lt. Gen. Leo Benade insisting that the use of SPN's on the DD Form 214 (discharge papers) is necessary for administrative and statutory purpose. We do not think so. Those numbers which indicate the underlying reason for the discharge allegedly, according to Lt. Gen. Benade, are restricted from "non-governmental organizations and individuals." Yet, we know, as does he, that the list of SPN numbers is easily available to reporters and indeed, we understand that one of the major American veterans organizations prints a book including SPN numbers and their classifications. What is the effect of providing these SPN numbers in this way? It is in fact to prejudice employers against certain veterans seeking jobs. To illustrate one of the most glaring situations: the same SPN number which applies to someone discharged for addiction to heroin is also used for an individual discharged for smoking marihuana. The SPN number designates one as a homosexual or alcoholic and, without question, will affect in an overwhelming prejudicial way the opportunities of those veterans to secure employment.

The Pentagon statement supports the SPN code numbers stating they are needed to determine a serviceman's eligibility for veterans benefits, his current selective service classification and his future potential for military service. That information can surely rest in the file without public revelation. Don't you agree?

We understand that this matter was called to your attention at a recent hearing by Senator Harold Hughes and that you indicated that you were unfamiliar with the matter and would look into it. We would appreciate knowing what your conclusion after an examination of the facts is.

We are introducing legislation which would ban the use of the SPN numbers on discharge documents or any other instrument available to the public. We hope, however, because the Congressional process, as you know so well, is so slow, that you will use your administrative powers to end this serious situation now. Returning veterans have other burdens to bear in securing employment and housing and re-entering civilian life. We do not think it fair to place the additional burden of SPN's on their shoulders.

We would very much appreciate your giving our request your immediate consideration and ending the practice.

Sincerely,

LES ASPIN,
EDWARD KOCH.

HOUSE OF REPRESENTATIVES,
Washington, D.C., April 23, 1973.

Hon. ELLIOT RICHARDSON,
Department of Defense,
Washington, D.C.

DEAR MR. SECRETARY: We have received your interim reply of April 18, 1973 in response to our letter regarding Separation Program Numbers.

As you know, Lieutenant General Leo Benade states in a March 23 letter to Representative Koch that a new set of SPNs has been developed by a special joint committee. The estimated date of publication of the new SPNs is June 1, 1973.

We oppose the use of any SPNs, new or old. And, having researched the matter even further, we find that there are even additional codes on discharge papers well known to those in the public interested in being aware of their meaning which have the same impact as the SPNs.

For instance, on line 11c the AR number which gives the statutory authority for the discharge appears before the SPN number. Thus, even if the SPN number were changed, one could tell from the AR number with some amount of specificity, what the reason was that the man was discharged. Even the reenlistment code number indicates a man might not be eligible to reenlist because he did not score high enough on the Army Qualification Battery.

What good is accomplished by changing one code, when there are correlated codes that can given a great deal of information about the veteran to employers who as a matter of course require to see the discharge papers. Why should anyone be able to ascertain from the discharge paper things about a veteran that he might not even know himself.

We wish to reiterate that where legitimate information exists that the military needs for its own records, it can be retained in the confidential file on that former serviceman held by the military, but that it would not be made public. There is no reason they should be used to reward or by inference punish these veterans.

We are not only now asking that the SPN numbers be removed but also these other codes which give the same information be eliminated. Does it make sense to place a former serviceman at a disadvantage with someone who was not in the military at all? That is what we are doing when we provide an employer information, sometimes adverse, to the veteran applying for a job.

These men, now veterans, certainly deserve better from us.

Sincerely,

EDWARD I. KOCH,
LES ASPIN.

ASSISTANT SECRETARY OF DEFENSE,
Washington, D.C., June 15, 1973.

Hon. EDWARD I. KOCH,
House of Representatives,
Washington, D.C.

DEAR MR. KOCH: This is in further reply to your joint letters of April 12, 1973 and April 23, 1973, with Congressman Les Aspin, regarding Separation Program Numbers and other information on discharge documents.

Former Secretary Richardson has deferred any decision on this matter to Secretary-designate Schlesinger, and directed that this matter be re-studied by his staff and by the Military Services. The results of this new study should be available about July 16, 1973.

In my letter of March 23, 1973, I mentioned that a new set of SPN's was due to be published by June 1, 1973. We now expect to have these new codes approved and available to the Services by July 1, 1973. The total number of SPN's will be reduced from 530 to 126.

We will inform you as significant events occur. Your interest in matters pertaining to the Military Services is appreciated.

Sincerely,

LEO E. BENADE,
Lieutenant General, USA., Deputy Assistant Secretary of Defense.

COMMUNICATIONS RECEIVED

The unnecessary and grievous harm to an individual resulting from unfortunately common knowledge as to what the code numbers designate, and the consequent invasion of privacy which may never end for a veteran with a prejudicial SPN is graphically illustrated by the following tragic letter I received:

Congressman Edward I. Koch: Congressman Koch I am writing to you for some help—you being a Veteran of World War two you know what the services are like and you know what discharges can do to people and there life in this sick society. I received a general discharge under honorable condition September 25, 1958. Reason SDN–363–AFR–39–16 from the Air Force. I was told there wasn't anything wrong with it. I came from Alabama out to Sandiego California in January 1966 and went to work at R—— Corporation in Chula Vista, Calif. three weeks' after Filling out Job applicant and Security Forms listing Jobs and type of discharges received my name has been drug thru Slimmy Filth by Foreman and worker and even to Where I live and When I go to town I am treated like I have the Plague. I have been to the Veteran Administration and asked them What Is Wrong With a General discharge Under Honorable Conditions and What a AFR–39–16 Reason SDN–363 mean't they said they did not know and that I should get the Red Cross are a lawyer to help me that they couldn't. I Went to the District attorney In Chula Vista and asked what I could do about being Slandered and If I could see R— Corporation Security File own me. He said unless I could get a Witness to Swear he heard me being slandered that I had best forget It and that R— Corporation could have a Security File own me and that they did not have to Show It to me. I asked What Would happen If I beat Hell out of them he said I could get 6 months to ten year. Plus being Sued by them.

I know we are living in a sick society with all the corruption all for a dollar that is worth 21 cents. Congressman Koch the only thing I am guilty off is letting boredom and disgust and bad food and whiskey break me after 14 months of 18 month tour in England where while drunk and depressed I tried to commit suicide and if anyone says different they are a dam lier. What I need is a complete copy of everything in my Air Force files including my medical records to clear my name if there is any justice in this country. If you can help me I would appreciate it. My old Air Force number was AF Rank A2/C C.M.G. Congressman Koch you are my last hope of getting help and justice.

Thank you.

——, ———.

U.S. House of Representatives,
Washington, D.C., June 28, 1973.

Lt. Gen. Leo E. Benade,
Deputy Assistant Secretary of Defense,
Department of Defense,
Washington, D.C.

Dear General Benade: You have indicated in your previous letters a belief that the use of SPN's on discharge certificates was for "administrative and statutory purposes" only, and that such inclusion does not offset the privation of privacy for the veteran.

I include for your edification a photocopy of the latest in a series of communications from citizens who are considerably aggrieved by the rank injustice the inclusion of SPN's have caused. The present case being submitted is especially sad, and holds the potential for real tragedy, as I think you will agree. However, for every complaint received, there are surely thousands of people who are suffering silently as a result of Defense Department policy.

I reiterate my point made in earlier communications and not fully spoken to by you: not only the codes and designations of the SPN's be kept confidential, they should not be entered on the discharge certificate at all. I would very much appreciate it if you could have the submitted case investigated and communicate to me its disposition.

Sincerely,

Edward I. Koch.

Congress of the United States,
House of Representatives,
Washington, D.C., July 6, 1973.

Howard H. Callaway,
Secretary of the Army, Department of the Army, The Pentagon, Washington, D.C.

Dear Mr. Secretary: May I congratulate you on your new appointment and confirmation as Secretary of the Army. In your thoughtful letter of May 19, 1973 you mentioned the welcoming of suggestions as to how to make the Army better.

As you may be aware, I have been engaged in trying to have Separation Discharge Numbers deleted from the discharge papers of all veterans, past and present, as well as forbidding the dissemination of the SPN designation to any private person or entity. At present, the widespread knowledge of these designations especially by employers, constitutes an invasion of privacy, as well as being tantamount to a denial of due process.

I am seeking both through administrative and legislative means to rectify this totally unfair practice. I urge you to make a recommendation to Secretary Schlesinger against the continuation of this policy.

In addition, would you kindly send the list of new Separation Program Numbers and the study on this issue that is scheduled to be made available about July 16, 1973 according to the enclosed letter of General Benade, Deputy Assistant Secretary of Defense for Military Manpower Policy.

I wish you success in your new post and hope that we may have an open and friendly working relationship.

Sincerely,

Edward I. Koch.

Assistant Secretary of Defense,
Washington, D.C., July 18, 1973.

Hon. Edward I. Koch,
House of Representatives,
Washington, D.C.

Dear Mr. Koch: This is an additional interim reply to your joint letters of April 12, 1973, and April 23, 1973, with Congressman Les Aspin, regarding Separation Program Numbers (SPN's) and other information on discharge documents.

First, our review of Separation Program Numbers and Reenlistment Codes has not been completed. You can be assured that any decisions resulting from this review will be sent to you as soon as possible.

Second, the Standardization of Data Elements and Codes has been approved. While it has been approved for publication within the Services, implementation and use by the Services will not be earlier than July 1, 1974. Even this projected date may not be firm for all of the Services. The essence of this standardization is the adaptation of 126 SPN's from 530 previous SPN's of all of the Services.

We will continue to keep you informed.

Sincerely,

Leo E. Benade,
Lieutenant General, USA, Deputy Assistant Secretary of Defense.

July 31, 1973.

Hon. Edward I. Koch,
House of Representatives,
Washington, D.C.

Dear Mr. Koch: The Secretary of the Army has asked me to reply to your letter concerning the Separation Program Designators.

Your continuing interest in the preservation of individual privacy is appreciated and the Army shares this concern. As you are aware, the recording of Separation Program Designators is the mechanism by which the military departments certify to other interested Government agencies the nature of a veteran's service. By this procedure, the Executive branch implements the statutes providing veterans perferences for a wide range of benefits. It also serves important statistical purposes in our continuing attempt to improve our personnel management practices. Thus, the objective of our recommendations to the Department of Defense has been to attempt to strike a balance between these governmental needs and the individual's right to privacy.

As an initial action, you may be interested in knowing that we have designated our current listing of Separation Program Numbers as "For Official Use Only." This was done to assist in restricting knowledge of the specific basis for separation to the government agencies that may need this information. While the final position has not been determined by the Department of Defense, we understand that a new regulation listing Separation Program Designators will also be "For Official Use Only" and will be a joint service publication for which the Department of Navy has primary proponency. The new regulation has not yet been published, but when it is, you will be provided a copy.

You may be assured that this area has our continuing interest and your comments and thoughts are appreciated.

Sincerely,

John L. Naler,
Chief, Investigations and Legislative Division.

House of Representatives,
Washington, D.C., September 7, 1973.

John L. Naler,
Chief, Investigations and Legislative Division, Department of the Army, Washington, D.C.

Dear Mr. Naler: I have your letter with regard to SPN numbers. So what's new? You continue to defend the use of the SPN designators and the defense is based on the fact they are to be used "For Official Use Only" when you know, or at least should know, that the code becomes available to private employers. I have already stated to you that whatever information you believe to be appropriate for your files in order to provide the interested government agencies with information they need regarding the nature of a veteran's service can be maintained in a confidential file, and does not require that it be placed on the veteran's discharge paper for all to see.

If only you would read some of the letters I have received from individuals who have suffered as a result of the divulgence on their SPN numbers to unauthorized persons and the consequent embarrassment to them, even you would change your mind.

Sincerely,

Edward I. Koch.

Assistant Secretary of Defense,
Washington, D.C., November 16, 1974.

Hon. Edward I. Koch,
House of Representatives,
Washington, D.C.

Dear Mr. Koch: This letter is in further reply to your inquiry regarding Separation Program Numbers (SPN's).

During his confirmation hearings before the Senate Armed Services Committee on June 18, 1973, Mr. Schlesinger deferred a final judgment on the subject of SPN's until a second Department of Defense study was completed. We have just completed this thorough review, and we have again concluded that there is no total solution which will balance the competing interests of safeguarding the rights of those who served honorably and received a favorable discharge, and, at the same time, preventing or minimizing stigmatization of those who receive adverse discharges or codes.

Critics have alleged that SPN's unduly stigmatize veterans who are discharged with honorable discharges but for adverse reasons. In such cases, the nature of their service is categorized as honorable, but the individual's potential for future service is limited by the reason for discharge (e.g., inaptitude). These ex-service members are normally released prior to completing their tour enlistment. Representing this view, several bills which would delete any coding of the reason for discharge from discharge certificates have been introduced in both Houses of Congress.

As a result of the previous August 1972 study, no changes were made in the basic SPN policy, although the Secretary of Defense directed that three related actions be taken:

1. SPN's were made "For Official Use Only."

2. A small number of SPN's had been supplemented by narrative explanations. These narrative explanations were removed.

3. SPN's were examined to determine whether additional SPN's were needed in order to allow more differentiation of the reasons for discharge, especially in the areas of drug and alcohol abuse. The drug abuse discharge authority was identified as requiring more differentiation to provide for administrative discharge on the basis of unsuitability or unfitness. This change is in the final stages of coordination.

In addition, we have standardized the 530 SPN's of the Military Services to 126 common identifiers. These will be implemented on July 1, 1974, at the beginning of the next Fiscal Year.

The most recently completed study considered a wide range of alternatives to our present policy. We concluded that in no case would a change effectively remove the stigmatization of the relatively few who are adversely discharged without significantly depriving the vast majority of veterans who are favorably discharged of their right to a military document which would provide ready assistance to veterans' benefits, civilian employment or reenlistment. For instance, if SPN's were deleted from separation documents:

1. Those adversely discharged would gain little because the reason for discharge is fact and is documented in the personnel record. The Freedom of Information Act requires that upon application of the veteran, such information must be released to him. Thus, any employer may continue to require documentation from the individual of the reason for his discharge.

2. Those favorably discharged would not have ready access to Veterans Administration benefits nor to a readily available employment reference to assist them in their transition to civilian life. Once the individual realized that this information would be of value to him he would have to apply to the Services or to the National Personnel Records Center for the information. As noted above, the Freedom of Information Act requires that the information be released to the individual. Therefore, no gain would be made over the present system.

Even if SPN or reenlistment coding were deleted from the Department of Defense Form 214, "Report of Separation From Active Duty," other personnel information on the form could contain adverse implications. For instance, low rank at discharge, AWOL or confinement time, total length of service less than full enlistment, or the lack of a good conduct medal—all provide clues to the reader who is knowledgeable of military service.

We thus reaffirmed our position in favor of the veteran who serves honorably and who is discharged under favorable circumstances. The DoD Form 214, the summary of pertinent personnel information including SPN's and reenlistment codes, is necessary to protect his equity in the quality of his military service.

Enclosed is a fact sheet that discusses this subject in more detail.

As a matter of information, an identical letter has been forwarded to Chairmen John C. Stennis of the Senate Armed Services Committee and F. Edward Hébert of the House Armed Services Committee, to Senators Hughes and Symington, and to Congressmen Aspin, Conyers, and Drinan, in response to their previous inquiries.

I trust that this information will be of assistance to you. Your interest in matters pertaining to the military services is appreciated.

Sincerely,

LEO E. BENADE,
Lieutenant General, U.S. Army, Deputy Assistant Secretary of Defense.

FACT SHEET: USE OF SEPARATION PROGRAM NUMBERS (SPN's) ON DD FORM 214

I. BACKGROUND INFORMATION: TYPES OF DISCHARGES

There are three types of administrative discharges—honorable, general or undesirable—and there are eleven general grounds upon which a member may be administratively discharged from the Armed Forces:

1. Expiration of Enlistment
2. Convenience of the Government
3. Resignation—Own Convenience
4. Dependency or Hardship
5. Minority
6. Disability
7. Unsuitability
8. Security
9. Unfitness
10. Misconduct
11. Resignation in lieu of court-martial

An honorable or general discharge may be issued to an individual who is separated for any of the eleven reasons. An undesirable discharge may be issued only if an individual is separated for one of the last four listed grounds. Even in these cases, however, the individual may receive an honorable or general discharge; the issuance of an undesirable discharge is permissive, not manadatory.

In addition to administrative discharges, punitive discharges (bad conduct and dishonorable) are issued only as a result of sentence by court-martial.

Honorable and general discharges are considered under honorable conditions; undesirable, bad conduct dishonorable discharges are under less than honorable conditions.

II. SEPARATION PROGRAM NUMBERS ON DD FORM 214

When an individual is separated from a Military Service, he is furnished:

A discharge certificate: honorable, general, undesirable, bad conduct, or dishonorable.

A DD Form 214, "Report of Separation From Active Duty." (formerly entitled, "Armed Forces of the United States Report of Transfer or Discharge")

SPN's are data processing identifiers of reasons for discharge. An individual's SPN is placed on the DD Form 214 in conjunction with the regulatory authority for the discharge or separation from military service. SPN's are not placed on the discharged certificate.

The DD Form 214 is a concise source document, completed by the Services and used by them and other government agencies. Copies are furnished to the Veterans Administration (VA) and the Selective Service System (SSS). It is of value to the individual as immediately available documentation of his military service and often serves as an employment reference.

There are approximately 35 categories of personnel information on the DD Form 214 which the Services use for statistical reporting, research and sampling. Although the Services are its prime users, the decision to add, delete, or change parts of the form during the last 20 years has been jointly made by its governmental users. These decisions have been guided by the desire to improve the form and to increase the capability to make certain determinations, such as the former serviceman's potential for future military service; his eligibility for veterans' benefits; and his current Selective Service classification. At a minimum, 20 of the 35 categories of information on the form are necessary in varying degrees to make these determinations. The SPN is one of these data elements.

There is a SPN for each reason for separation. Examples of separations other than discharges are retirement, dismissal, release from active military service, and separation to continue active duty in another status. The information for the individual's DD Form 214 is extracted from the individual's personnel record. It is possible to receive an honorable or general discharge (both are under honorable conditions) and receive a SPN which is considered adverse. Examples of this situation are when the SPN reflects drug abuse, failure to pay debts, or homosexuality. The specific nature of service may have been honorable but the potential for future service is limited by the reason for discharge.

The original copy of the DD Form 214 is given to the individual. The Department of Defense does not provide information to employers. Information from personnel records is released only to the individual, his authorized agent, and governmental agencies who have a legitimate need for the information. As a practical matter, employers may demand that an individual present his DD Form 214 as a condition of employment.

The need for the SPN on the individual's copy of the DD Form 214 can best be illustrated by its use by one of the document's secondary users, the Veterans Administration. Physical disability is a reason for discharge. There are approximately 20 different reasons for a physical disability discharge, some of which might be considered to have an adverse connotation. In order for the Veterans Administration to advise former servicemen promptly and accurately of their eligibility for benefits under various Public Laws (disability compensation, vocational rehabilitation, in/out patient medical treatment, disability pension), the VA uses the physical disability reason shown on the individual's copy of the document. Such prompt determination is of extreme importance to disabled former servicemen.

In addition, the vast majority of our veterans benefit by having a prior employment reference readily available for presentation to prospective employers. Even if the SPN were deleted from the DD Form 214, no practical gain would be made. Many prospective employers would continue to require prior employment references and either would not hire the veteran or would hire him conditionally, until he obtained the information. The individual would have to request the information from the Services or the National Personnel Records Center, and the Freedom of Information Act requires that this information be provided to him. The decision to provide this information to the prospective employer would still, as exists today, remain with the individual. The end result could well be a decision by prospective employers to avoid hiring recently discharged veterans because they lack timely and complete prior employment references.

If DoD no longer provides the individual with a document usable as an employment reference and if he later requests information, we would be tasked to research and provide the information to him from his personnel files as required by the law. Our present system of issuing the DD Form 214 saves considerable workload and expenses in answering personnel inquiries. In addition, present procedures require the serviceman to review and sign the DD Form 214 at the time of separation. This procedure validates the accuracy of the information on the form and forecloses claims that the serviceman did not know the reason for his discharge.

III. RECENT REVIEWS OF SPN POLICY

A study of SPN policy was completed in August 1972 which reviewed the practices and procedures relating to the use of SPN's on the separation document for consistency with Department of Defense policy which protects against the invasion of privacy of the individual. These practices and procedures were analyzed in detail and it was determined that they were necessary for legitimate administrative and statutory purposes, and were consistent with the policy against invasion of privacy. However, three actions were directed:

1. Master lists of SPN's would be marked "For Official Use Only" and their use limited to Governmental agencies.
2. No narratives would be used in conjunction with SPN's. This would afford the individual additional protection from possible stigmatization which could result from words being used to describe the reason for discharge.
3. An examination of SPN's would be made to see if additional SPN's were needed to permit greater differentiation in the reasons for discharge.

These actions have been completed. New SPN's were developed to provide greater differentiation of drug and alcohol abuse. In addition, the 530 SPN's of all the Services were standardized to 126 joint SPN's. These new SPN's should be implemented on July 1, 1974, at the beginning of the next Fiscal Year.

A second review of SPN policy was completed in October 1973. This study considered a wide range of alternatives to our present policy. We concluded that in no case would a change effectively remove the stigmatization of the relatively few who are adversely discharged without significantly depriving the vast majority of veterans who are favorably discharged of their right to a military document which would provide ready assistance to veterans' benefits, civilian employment or reenlistment.

DoD thus reaffirmed its position in favor of the veteran who serves honorably and who is discharged under favorable circumstances. The DoD Form 214, the summary of pertinent personnel information including SPN's and reenlistment codes, is necessary to protect his equity in the quality of his military service.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., February 13, 1974.
Lt. Gen. LEO E. BENADE,
Deputy Assistant Secretary of Defense, Department of Defense, Washington, D.C.

DEAR GENERAL BENADE: I am still concerned with the problem of SPNs and the refusal of the Pentagon to change its policy in this matter. The policy I refer to of course is set forth in your letter of November 16, 1972.

In that letter you refer to two studies conducted by the Department of Defense, one completed in August '72 and the other in October '73. I would appreciate your providing me with copies of these two studies.

I would appreciate your expediting this request.

Sincerely,

EDWARD I. KOCH.

MARCH 21, 1974.

DIRECTOR,
Correspondence and Directives Division, OASD(A), The Pentagon, Washington, D.C.

DEAR SIR: This letter written on behalf of Congressman Edward I. Koch, is a formal request pursuant to the Freedom of Information Act, 5 U.S.C. § 552, for access to two Defense Department studies pertaining to the use of Separation Program Numbers (SPN's). These studies, one in August 1972 and the other in October 1973, are referred to in a letter from Lieutenant General Leo E. Benade, Deputy Assistant Secretary of Defense, to Congressman Koch on 16 November 1973. (A copy of that letter is enclosed for your convenience). Congressman Koch requested these studies on February 13, 1974, which request was denied in a letter from Lieutenant General Benade on March 12, 1974.

If we do not receive a substantive response to this letter within 10 days, we will consider the request denied.

Very truly yours,

RAYMOND T. BONNER.

CONGRESS OF THE
UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., March 27, 1974.
Secretary JAMES R. SCHLESINGER,
Department of Defense,
Washington, D.C.

DEAR MR. SECRETARY: Your recent action in authorizing the removal of Separation Program Numbers and reenlistment code numbers from all discharge papers deserves congratulations and support. It is a decision which, as you know, has been urged for a long time by many Members of Congress.

However, I feel that it is not enough to merely let the veteran request a new discharge certificate. A great part of the problem has to do with the fact that veterans do not know that the SPNs exist on their discharge papers. Their employers might know it—but they do not. Consequently, it is difficult to imagine that any substantial percentage of veterans would be aware they can request new papers.

It is the responsibility of the Department of Defense to guarantee that the rights to privacy of veterans is assured. To do this I believe that the DoD should send to all those veterans discharged since the early 1950s, when SPNs were instituted, updated DD Forms 214—superceding the discharge paper issued when they were discharged from the service—which would not show these SPNs or reenlistment code numbers.

I also believe that there can be coercion on the part of employers who request that veterans authorize the release of SPNs to them. I propose that the information not be supplied to an employer or third parties, even with the veteran's consent, so as to protect the veteran against pressure.

I urge your immediate consideration of these provisions in developing your regulations on this issue and I would appreciate your advising me of your position as soon as possible.

Sincerely,

EDWARD I. KOCH.

Mr. GOLDWATER. I thank the gentleman from New York (Mr. KOCH) for his contribution. I certainly recognize him as one who has been greatly concerned in this area of privacy.

I should like to recognize at this time, the gentleman from New York (Mr. HORTON), one of our sponsors on the special order.

Mr. HORTON. Mr. Speaker, I thank the gentleman from California for yielding this time to me. I want to commend him and Mr. KOCH for their initiative on this special order.

Mr. Speaker, I am proud to serve as a sponsor of this special order to emphasize the congressional commitment to privacy. The six sponsors of this discussion represent both parties and a broad spectrum of political view points. We are united, however, by mutual concern for threats to individual privacy and by our hope that the Congress will even more vigorously pursue efforts to safeguard the individual in our society.

The climate has never been more propitious for congressional action. That is so because the administration has joined the call for privacy initiatives. The President said in his state of the Union address:

> One measure of a truly free society is the vigor with which it protects the liberties of its individual citizens. As technology has advanced in America, it has increasingly encouraged on one of those liberties that I term the right of personal privacy. Modern information systems, data banks, credit records, mailing list abuses, electronic snooping, the collection of personal data for one purpose that may be used for another—all these have left millions of Americans deeply concerned about the privacy they cherish. The time has come, therefore, for a major initiative to define the nature and extent of the basic rights of privacy and to erect new safeguards to insure that those rights are respected.
>
> I shall launch such an effort this year at the highest levels of the administration, and I look forward again to working with this Congress in establishing a new set of standards that respects the legitimate needs of society and that also recognizes personal privacy as a cardinal principle of American liberty.

Consistent with this statement, the President has created in the White House a Domestic Council Committee on the Right of Privacy. It is chaired by Vice President FORD and includes several high-ranking administration officials. This committee is directed to examine four areas of concern:

Federal Government methods of collecting information on people and of protecting that information;

Procedures which would permit citizens to inspect and correct information held by public and private organizations;

Regulations of the use and dissemination of mailing lists; and

Ways that we can safeguard personal information against improper alteration or disclosure.

I am pleased to note that the one suggestion which the Domestic Council Privacy Committee has already made has been accepted by the President: in accordance with a recommendation approved unanimously by the House Government Operations Committee, an Executive order granting the Agriculture Department access to the tax returns of over 3 million American farmers has been revoked.

I welcome the President's initiative in the area of privacy, and I welcome his action in invalidating an ill-conceived Executive order. I hope that these acts are indicative of a genuine effort to be of assistance to those of us who have been attempting for many years to preserve citizens' rights to privacy.

Mr. Speaker, I am privileged to serve as ranking minority member of the Committee on Government Operations, which has demonstrated a strong interest in protecting citizens' rights to privacy over the past decade. Its Special

Subcommittee on Invasion of Privacy, of which I was a member, was established in 1964. This panel performed highly useful investigations in such areas as electronic surveillance, data banks, mail covers, and psychological testing.

For the last several years, the Government Operations Committee's concern for privacy rights has been manifested primarily through the Foreign Operations and Government Information Subcommittee, of which I have also been a member. That subcommittee, ably chaired by our colleague from Pennsylvania, Mr. MOORHEAD, has held important hearings on privacy implications of advanced information technology, Government use of polygraphs, and use of private information by Government employees.

The Foreign Operations and Government Information Subcommittee is currently considering a bill by the gentleman from New York (Mr. KOCH) to grant individuals access to records about them maintained by Government agencies. I am hopeful that constructive legislation based on the concepts of this measure will be forthcoming.

Mr. Speaker, I would like to draw attention to another bill which is now pending before the Foreign Operations and Government Information Subcommittee—a bill which I have sponsored for several years to protect individuals whose privacy is threatened because their names and addresses appear on Federal mailing lists.

In 1970, Wendell Ames, an eminent doctor in my congressional district, reported to me that he received solicitations from a firearms merchant shortly after registering as a gun collector with the Alcohol, Tobacco, and Firearms Division of the Internal Revenue Service. The firearms company was using what appeared to be duplicates of the IRS mailing label. Inquiries revealed that the IRS was selling lists of individuals who had registered as collectors of guns at a cost of less than one-tenth of 1 cent per name. The dangers inherent in this practice are obvious. Fortunately, I can report that following my inquiries, the IRS agreed to cease the sale of lists of gun collectors, but they persisted in making lists of gun dealers available.

Surveys of Federal agencies have revealed that there is no pattern, no rhyme nor reason to Federal agency policy on the subject of mailing lists. Some agencies make lists available on a regular basis—citing the Freedom of Information Act as authority. Others deny access to all such lists—again citing the Freedom of Information Act. In fact, the policy of the Federal Government is no policy at all.

My bill, H.R. 3995, would clarify this situation by setting a reasonable governmentwide policy which protects individual privacy while adequately safeguarding the public's right to know. H.R. 3995 is limited to prohibiting a Federal agency from distributing lists of names and addresses of individuals—either employees or those having business with an agency, where such lists are to be used for commercial purposes or other solicitation or for purposes prohibited by law.

Mr. Speaker, I urge my colleagues to examine the hearing record on my bill as it will demonstrate the tremendous potential abuse that can result without a clear Government policy on the availability of literally thousands of Government-held lists. More than 60 of my colleagues have joined me as a sponsor of the bill and I hope that others will lend their support to this proposal.

Mr. Speaker, the participants in this special order will set forth an impressive record of congressional initiative in the privacy area. I have described briefly the important work that has been ongoing in our Government Operations Committee and I know that my colleague, Mr. MOORHEAD, will expand on the contributions his subcommittee has made. Equally impressive is the work of the Judiciary Committee, particularly related to criminal justice records. But despite the progress we are making, I remain convinced that the Congress is not now equipped to deal with privacy issues on the level those issues demand.

For that reason, I have sponsored legislation for many years to create a Select Committee on Privacy to give breadth and forward thinking to assaults on individual privacy.

The House, traditionally the democratic institution closest to the people, has the obligation and duty to inform itself fully about the range of threats to individual privacy. Because of the immense power of the new technologies of data collection and processing, behavior control, and communication, all of which affect privacy and other individual rights, we need our own source of expertise if we are to legislate in the best interests of the Nation. The select committee could provide that source and would be equipped to understand and evaluate the long-term effects so often overlooked in our rush to deal with immediate problems. Its fundamental task would be to give visibility to ideas now buried within the Federal bureaucracy, in private business, or in academic circles before they erode the integrity of the individual citizen or dictate future American lifestyles. I am confident that our discussions today will demonstrate the need for this type of forum in the House.

Mr. GOLDWATER. I thank the gentleman from New York for his contribution and certainly also recognize the contribution the administration has given by its indication of action currently in appointing the Vice President to head this Commission.

Mr. Speaker, I yield now to the gentleman from Arkansas (Mr. ALEXANDER).

Mr. ALEXANDER. Mr. Speaker, I am pleased to join my colleagues in this effort to focus attention on one of our most precious rights as citizens of these United States—the right to privacy.

The American experiment in democracy rests on the belief that Government meddling in matters of individual concern is an evil, as Jefferson said, "no less obnoxious when it is essential." While the Constitution confers no absolute right to be let alone, it does limit the scope of permissible Government intrusion and demands a special sensitivity to the right of privacy in those areas in which it is not strictly prohibited. The Founding Fathers knew that a free government must consciously limit itself in order to safeguard "the right of the people to be secure in their persons, houses, papers, and effects."

We are faced with a threat to that right. One of our own making over which we exercise at present only minimal control. That threat is the unprecedented capacity and need by government at all levels to digest information. The capacity of the bureaucracy to handle mountains of often personal data is of course the product of computer technology. The need to do so derives from the increasing demand on our governmental institutions to organize, plan, in short govern, a complex society. But as Jefferson observed, this need makes the practice no less obnoxious and so we must be alert to the ever present possibility of abuse.

For this reason, I and a number of my colleagues were disturbed by the publication of Executive Orders 11697 and 11709 which granted authority to the Department of Agriculture to inspect the personal tax returns of 3 million American farmers. This authority was as comprehensive as it was unprecedented. Apparently any employee of USDA could be authorized by the Secretary to inspect the tax return of any farmer. The House Subcommittee on Foreign Operations and Government Information of the Committee on Government Operations, on which I serve, learned in testimony from the Office of the Attorney General and the Department of the Treasury, that these orders were prepared as a prototype for future tax return inspection orders.

As I stated on February 19, 1974:

> These executive orders present the frightening prospect that the administration is attempting to begin the process of making personal income information of whole classes of people available to various departments and agencies without regard to the private nature of the information, or protecting individuals from possible abuse.

Such a development would hardly be a proper safeguard for that right of privacy described by the President as a "cardinal principle of American liberty."

I am pleased to note that after concentrated and sustained pressure from the Congress, the public, a perceptive member of the press—Alan Emory, of Watertown, N.Y., Daily Times—and the IRS itself, this improvident grant of authority has been rescinded by Executive Order 11732 on March 24, 1974.

Unfortunately, the chilling specter raised by these orders continues. I am alarmed by the technical capacity of government to retrieve from its computer banks a dossier on individuals combining bits and pieces of data gleaned from many sources. The collection of such information is easily justified as enhancing administrative convenience and efficiency; it is just as easily subverted into a genuine, sinister force. An enlightened public should not quickly forget the articulated desire of an ex-White House official, John Ehrlichman, to make the Internal Revenue Service "more politically responsive."

Potential political operatives zero in on IRS files for the same reason that the Congress must now step in to assure their integrity and continued confidentiality: an individual's tax return contains a wealth of information about his private affairs, his job, his income, his charitable interests, his family responsibilities. The accurate reporting of all of these matters is indispensable to the administration of our Federal tax system. The remarkable candor shown by the American people each April 15 should not be taken for granted. Congress must take immediate steps to guarantee that the information so gathered is not used for any other purpose not specifically authorized by law.

Any statistical data needed by the administrative arm of the Government should be collected by the Bureau of the Census, the body established by the Congress for that purpose. It is interesting to speculate on why, if USDA believed this type of information was vital to its operations, it eliminated from its 1974 budget all funds for a farm census. Administrative efficiency is a goal to be sought in Government. But the possibility of individual tax returns becoming the bedtime reading of politicians or bureaucrats is simply too high a price to pay for it.

I do not presume that such was the intention of those in the executive branch who supported this relaxation of the confidentiality of IRS files. But the classic atmosphere of personal privacy is a political climate in which each person decides for himself what personal information he will share and with whom he will share it. And as Mr. Justice Brandeis said:

> The greatest dangers to liberty lie in insidious encroachment by men of zeal, well meaning but wtihout understanding.

I wish to make a part of the RECORD several news stories on this controversy written by Alan Emory of the Watertown, N.Y., Daily Times:

[From the Watertown (N.Y.) Daily Times, Oct. 29, 1973]

FARM TAX SNOOPING SCRAPPED

(By Alan Emory)

WASHINGTON.—The Agriculture Department has decided temporarily, in the face of a hostile reaction from Congress, farmers and civil liberties groups, to shelve President Nixon's order allowing it to inspect individual tax returns of farmers.

Assistant Attorney Gen. Robert G. Dixon, Jr., had said the order was drawn up as a model so that tax returns could be used for statistical purposes by other federal agencies. He insisted there was no intent to invade farmers' privacy because the department wanted only "group data" and not data on individual farmers "which would certainly be a matter of great concern."

CONCERNED

"Mr. Dixon should have been greatly concerned," a House Government Operations sub-committee reported, "because that is precisely what the Department of Agriculture was authorized to get."

The Statistical Reporting Service in the department had felt that, despite steadily refined programs of reporting by farmers, still greater precision was necessary. It obtained from President Nixon an executive order—in broad language in January and modified in March—allowing the Agriculture Department to obtain names, addresses and gross income or product sales of farmers from Internal Revenue Service records.

Ironically, the IRS itself had strongly opposed providing personal information from tax returns.

Although the Nixon order affected 3,000,000 farmers, no public or press announcement was made by the White House or the Agriculture Department. The order and regulations were published in the Federal Register, which, one farm spokesman said, was "not every-day reading for the average farm family." No farm leaders were consulted.

DATA VITAL?

Rep. Bill Alexander, D., Ark., said if the data were vital to Agriculture Department operations, as claimed, then President Nixon would not have wiped out farm census funds from his fiscal 1974 budget.

Several congressmen and IRS officials favor giving the Agriculture Department names and addresses of farmers and letting the department ask the farmers for the financial information sought.

"No one asked a single farmer whether he was willing to share this personal financial information with the department," Alexander said.

He asked whether the order would prove a model for the Commerce Department to inspect tax returns of businessmen, the Housing and Urban Development Department to examine returns of homeowners receiving government-insured loans, the Labor Department to look at wage earners' returns or the Health, Education and Welfare Department to pry into returns of doctors and teachers.

Dixon said the Justice Department was not requested to express "any policy judgment," and it did not. Alexander called this a "blatant disregard for the rights of private citizens."

HALTED PLANS

J. Richard Grant, an official of the Statistical Reporting Service, said that the opposition had halted any department plans to pursue access to farmers' data with the IRS "directly."

In an interview, he said that the department had no access to "individual names and addresses" through census data and deplored the "misinformation" about department need for the details and what would be done with them.

Donald O. Virdin, former IRS disclosure staff chief, told the House panel, headed by Rep. William S. Moorhead, D., Pa., that it would be "no problem to provide the Agriculture Department quickly with names and addresses of the 3,000,000 farmers "if that is all Agriculture wants."

The committee said most farmers would probably be glad to furnish the information if they knew how it would help them and they were assured it would be kept confidential and used just for statistical purposes.

The Justice Department had said that the original, broadly-worded Nixon order that was later changed, "was prepared by the Department of the Treasury—as a prototype for future tax return inspection orders."

Alexander called that a "frightening prospect that the administration is attempting to begin the process of making personal income information of whole classes of people available to various departments and agencies without regard to the private nature of the information."

The House Government Operations Committee recommended that the IRS give the Agriculture Department only names, addresses and taxpayer identification numbers and no personal financial data unless the individual voluntarily consented in writing after an Agriculture Department request.

Several congressmen are drafting legislation making tax returns explicitly confidential, with the only loophole approved by Congress.

[From the Watertown (N.Y.) Daily Times, Feb. 26, 1974]

ISSUE OF FARM INCOME TAX INSPECTION TO BE TURNED OVER TO NEW COMMISSION

(By Alan Emory)

WASHINGTON.—President Nixon says the issue of his controversial executive order allowing the Agriculture Department to inspect key features of individual farmers' income tax returns will be turned over to a new federal commission on privacy headed by Vice President Ford.

The President was asked at his Monday night news conference how he explained the executive order—and a Justice Department opinion saying it should serve as a "a model" for all executive departments—in the light of his strong defense of confidentiality for White House papers and his new protection-of-privacy policy for individual citizens.

Nixon conceded that he had not specifically raised the question of tax returns in his privacy message Saturday, but he wanted it considered, along with credit bureau computerized files on individuals.

Not only business concerns, but the federal government itself has taken action that could "impinge" on privacy, Nixon admitted.

The President said the whole question should be considered by his new commission.

Nixon, however, did not offer to withdraw the order which has drawn sharp criticism among farm groups and in Congress, nor did he comment on the Justice Department opinion, which many observers believe opens the door for widespread abuse of income tax return confidentiality by a host of federal agencies.

The Internal Revenue Service had objected to the Nixon order, issued early in 1973 and then slightly modified.

[From the Watertown (N.Y.) Daily Times, Feb. 28, 1974]

IRS IGNORES NIXON ORDER ON FARMERS TAX RETURNS

(By Alan Emory)

WASHINGTON.—The Internal Revenue Service has indicated privately it will not enforce President Nixon's executive order authorizing Agriculture Department examination of key parts of farmers' individual income tax returns.

However, Agriculture Secretary Earl L. Butz has twice refused congressional requests to shelve the order.

President Nixon said Monday night that the wisdom of the order—which the Justice and Treasury Departments say will serve as a "model" for other federal agencies—would be studied by a new commission headed by Vice President Ford.

Rep. Jerry Litton, D., Mo., who uncovered the order, held hearings on it and is sponsoring legislation to tighten IRS rules about allowing others to see tax returns, said the measure had a "good chance" in the House Ways and Means Committee.

He said the IRS was supporting the legislation, but unofficially, since it conflicted with the executive order.

Litton said, in an interview, Nixon's move amounted to authorizing the Vice President to determine whether action Nixon himself had taken was "proper."

The Congressman said that was "strange," since the President had not given Ford much authority in any other field.

When Litton originally introduced legislation to kill the Nixon order, but permit the Agriculture Department to obtain just farmers' names and addresses, the department cold-shouldered the idea and would not even comment on it.

After Litton sponsored his measure to tighten the IRS rules about who could see tax returns, however, the department indicated an interest in the first bill.

Litton said he had been surprised when listening to President Nixon's State of the Union message, to hear "a man who proposed opening up 3,000,000 tax returns talking about privacy."

Litton said the Agriculture Department had been asked if it placed so much importance on getting facts that it needed tax return details, and officials said it did.

If that were true, he then asked them, why were funds for an agricultural census struck from the budget.

"I have yet to get an answer," he told a reporter. "The census form goes to every farmer. A tax return sampling woud not be as complete. Either they need the information or they don't."

According to Litton, the first request for the order on tax returns went to George P. Shultz, then director of the Office of Management and Budget, but nothing happened. Three years later the order was drafted at the Treasury Department, where Shultz was secretary.

"Why wait three years and then give the Agriculture Department broader authority than it asked for?" Litton asked. "The department did not want to look at the tax returns, but the executive order not only authorized it to, it spelled out how the department should do it."

Litton recalled that former Nixon aide, John D. Ehrlichman, had promoted a policy of making the IRS "more politically responsive" and theorized that the administration wanted the order on farmers' returns because "if they could get away with that they could try another field later."

The Congresman said the House Government Operations Committee, as well as one of its subcommittees, had asked Butz to hold up on implementing the executive order and that he refused.

[From the Watertown (N.Y.) Daily Times, Mar. 1, 1974]

IRS STILL OPPOSES SCRUTINY OF RETURNS

(By Alan Emory)

WASHINGTON.—The split within the Nixon Administration over opening up individual income tax returns is coming closer to the surface.

Internal Revenue Commissioner Donald C. Alexander, plainly uncomfortable over an executive order by President Nixon designed to allow all federal agencies a shot at individual returns says he is insisting his agency "guard the taxpayer's right of privacy."

The Nixon order, issued last year without a public hearing or any notice is drawing increasing fire in Congress, from farm groups—since it applies to Agriculture Department inspection of individual farmers' returns—and civil liberties organizations.

Rep. Bill Alexander, D-Ark.—no relation to the commissioner—one of the first to uncover the order and ask for Congressional action—calls it a "massive invasion of the rights of privacy of an entire class of Americans" and "an extremely dangerous precedent to all other groups of citizens of whatever occupation."

Despite the Nixon order Commissioner Alexander revealed in a letter to Rep. William S. Moorhead, D-Pa., his agency is limiting "a mailing list of names and addresses of farmers."

Alexander said he supported legislation to make tax returns "explicitly confidential" except for tax administration and enforcement—a House Government Operations subcommittee on foreign operations and government information.

Moorhead is the sub-committee chairman.

Alexander says tax returns should be "confidential and private" unless Congress "clearly specifies" to the contrary.

He said the IRS was barring tax returns to outsiders except where there are "sound reasons" for their availability, and it was "consistently applying such a disclosure philosophy" while working toward a goal of "ensuring the confidentiality of federal tax return data."

Alexander said his policy on inspection of farmer's tax returns by Agriculture Department officials was to limit access to names and addressed. The sub-committee recommended that no personal financial data from the returns should be provided unless individual taxpayers gave his voluntary consent "in writing."

"Ideally," the sub-committee said, "the farmers could provide this information directly to the Department of Agriculture."

The IRS says that in the first half of 1970 it made 14,000 tax returns available to the Department of Justice and Labor, the Federal Communications and Securities, the Exchange Commissions, the Federal Home Loan Bank, Renegotiation, and National Labor Relations Board, the small Business and Social Security Administrations and the Post Office Department.

The House Ways and Means Committee is expected to start hearings soon on a series of bills to protect tax returns sponsored, among others, by Reps. Jerry Litton, D., Mo.; Charles Thone, R., Neb.; Jack F. Kemp, R., Buffalo, and Barber B. Conable, Jr., * * * Alexander.

[From the Watertown (N.Y.) Daily Times, Mar. 5, 1974]

BUTZ SAYS FARMERS' INCOME TAX RETURN INSPECTION IS A JUDGMENT MATTER

(By Alan Emory)

WASHINGTON.—Agriculture Secretary Earl L. Butz says it is "essentially a matter of judgment" whether his department's inspection of individual farmers' income tax returns "involves invasion of privacy."

Butz made the comment in a letter to Rep. William S. Moorhead, D., Pa., chairman of a House Government Operations sub-committee. The sub-committee had asked Butz to shelve using the access to the tax returns until after it had completed its inquiry into the issue.

President Nixon last year issued an executive order allowing the income tax inspection without any public notice or hearing. It was published in the Federal Register.

The Justice and Treasury Department say it was designed as a model for all the executive agencies.

Ironically, when former Agriculture Secretary Clifford M. Hardin originally requested, in 1970, certain farm data that could be matched with names of farm operators obtained from sources outside the Internal Revenue Service he said specifically he was not seeking an examination of individual tax records.

Butz told Moorhead in June, 1973, that "no employe" of his department would examine any individual tax return under the authority of the Nixon order, but he refused to put the authority in cold storage.

"The list development procedure we have in mind is clearly in the public interest," he insisted.

In July he told Moorhead that the "effectiveness of the security handling of data" by the staff of his Statistical Reporting Service "has not been challenged."

PAARLBERG COMMENTS

Don Paarlberg, director of agricultural economics for the department, said the department had never sought the inspection authority and maintained the original draft had been broadened during reviews by the Treasury and Justice Departments.

Last June Assistant Attorney Gen. Robert G. Dixon, Jr., said, "The original order was prepared by the Department of the Treasury in language designed to serve as a prototype for future tax return inspection orders."

A modified order, he said, was "approved as to form and legality."

Paarlberg confirmed the broad intent of the order by declaring, "We understand the first order was designed as a model to be used by other departments."

According to Rep. Jerry Litton, D-Mo., author of a bill tightening procedures for inspecting individual tax returns, even the revised Nixon order leaves a farmer's return "an open book."

It authorizes examination of tax returns to obtain any information so long as it can be construed to mean "a measure of size of the farming operation of the taxpayer," he said in a letter to the House Ways and Means Committee.

Rep. Charles Thone, R-Nebr., author of another tax return safeguard bill, says there would be a lot less exposure of returns if the Agriculture Department obtained its statistical data from the Census Bureau as authorized by the White House.

At one point in last year's hearings, Paarlberg commented, "We do not care which department they come from."

"I do very much," Thone snapped back.

Litton, who was curious as to why Nixon had issued the order if the Agriculture Department had not asked for it, recalled that when it was being worked up, a couple of Watergate figures were active in the Treasury Department.

One was G. Gordon Liddy, who masterminded the break-in of Democratic National Committee headquarters and had been employed in the office of general counsel, and another was John Caulfield, who was a staff assistant to the assistant treasury secretary for enforcement and then director of enforcement of the Bureau of Alcohol, Tobacco and Firearms.

A third Watergate figure, former Presidential Counsel John Dean, had recommended the Internal Revenue Service zero in on political targets by making a requested audit "of a group of individuals having the same occupation."

Under questioning by Rep. Bill Alexander, D-Ark., who helped uncover the executive order and trigger last year's hearings, Paarlburg said he was not sure whether the decision not to publish the order or announce it publicly had come in a phone call from the Treasury Department "or whether it came from the President's staffman." He said he had been in touch with both.

He said, however, he had not talked to indicted Nixon aides H. R. Haldeman and John D. Ehrlichman.

Alexander said that blanket authority to inspect individual tax returns of any group, as the Nixon order provided, "clearly constitutes an invasion of the right of privacy of that group."

"Is this evidence of a master plan of the federal government to oversee the private affairs of every group of citizens?" he asked in his latest newsletter to constituents.

He raised the possibility that it might open the door for eventual Commerce Department inspection of returns of homeowners receiving Federal Housing Administration-insured loans, Labor Department inspection of returns of wage earners and Health, Education and Welfare Department inspection of returns of doctors and teachers.

Mr. GOLDWATER. Mr. Speaker, I thank the gentleman for his words.

I would like to add that the gentleman along with his colleague, the gentleman from Nebraska (Mr. THONE) were very instrumental in persuading the White House that this was in fact a bad move and a direct question of personal privacy. I think the general public owe the gentleman from Missouri (Mr. ALEXANDER) and the gentleman from Nebraska (Mr. THONE) a debt of gratitude for getting this order rescinded.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. GOLDWATER. I yield to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Speaker, I appreciate having the opportunity to join with my colleagues in an expression of concern about the congressional commitment to privacy. This commitment is rooted in the oath of office we take swearing to uphold the principles of the Constitution. Unfortunately, many of the legislative proposals we have approved in recent years have ignored this basic right of American citizens, and I believe it is important that we discuss here today the meaning of this responsibility, and how we, as legislators, can regain the confidence of the Nation by affirming our commitment.

My discussion will be limited to specific areas which are related to my committee assignments on the Post Office and Civil Service Committee and the Banking and Currency Committee.

First. Congressional commitment to privacy and the census. In recent years, many Members have expressed concern that the very nature of the personal questions asked in a decennial census violate the privacy of American citizens. As ranking minority member of the Census and Statistics Subcommittee, I share this concern. The mandatory questions being asked on census forms probe extensively the most intimate details of Americans' lives and go far beyond the constitutional intent of the census—to count the people in order to determine congressional districting. The subcommittee plans to undertake an in-depth study of laws and regulations relating to the confidentiality of statistical data collected by Government agencies, and I fully endorse this effort.

Last week the subcommittee concluded hearings on legislation relating to congressional approval of the content of economic census questionnaires. The questions asked in an economic census or in a decennial census may constitute just one form of invasion of privacy. In testimony before the subcommittee, Congresswoman EDITH GREEN brought out that another important concern is that the paperwork burden which is imposed on American citizens by their Government is in itself an invasion of privacy and an intrusion on the lives of our citizens. The economic census—a questionnaire that is completed in its entirety over a 2-year period—being just on example. We also have Occupational Safety and Health Act reporting requirements, wage and price control reporting requirements, IRS reporting requirements—the list is endless, Mr. Speaker. The paperwork burden required by the legislation we approve is an important factor which is often overlooked, and demonstrates that our commitment to privacy goes far beyond obvious considerations.

Second. Congressional commitment to privacy and the banking industry. In connection with our responsibilities as members of the Banking and Currency Committee, Congressman CLAIR BURGENER and I introduced a bill last session, H.R. 10021, the Right to Financial Privacy Act. This legislation is designed to protect the constitutional rights of citizens of the United States, and to prevent unwarranted invasions of privacy by prescribing procedures and standards governing the disclosure of financial information by financial institutions to Federal officials or agencies. I believe this legislation is necessary to preserve the confidential relationship between financial institutions and their customers and the constitutional rights of these customers. Enactment of this bill would insure that the individual has the same rights of protection against unwarranted disclosure of records maintained in the financial institution as he would have if these records were maintained in his own possession.

The bill we introduced would allow the disclosure of a customer's records only if: the customer specifically authorizes the disclosure; the financial records are disclosed in response to an administrative subpena or summons providing the individual is notified by certified mail and directs the financial institution to comply, or the financial institution is served with a court order directing it to comply, which is issued after the customer has been notified and has an opportunity to challenge the subpena or summons; a search warrant is obtained by the Federal official or agency which is served on both the customer and the financial institution; or a judicial subpena is issued with a copy being served on the customer and 10 days pass without notice that the customer has moved to quash the subpena.

Similar financial privacy bills have been introduced in the Honuse but the Rousselot-Burgener bill differs in that it does not preempt State and local laws regulating disclosure of customer information. Like legislation to govern actions by State and local officials and agencies has passed the California State Assembly and is now pending before the California State Senate. It is entirely possible that State legislative bodies might also wish to establish such regulatory controls as are appropriate to their individual requirements. H.R. 10021 would regulate only those actions of Federal officials and agencies. Other financial privacy bills extend the regulating provisions to also govern actions by State and local officials and could possibly be in conflict with States rights.

Also, other versions would only allow a financial institution to notify law enforcement officials of violations of criminal law suspected of being committed against the financial institution itself. The Rousselot-Burgener bill recognizes that in some rare instances the financial institution could have reason to suspect other violations of criminal law.

Passage of this legislation would be an important step in assuring an individual's right of privacy, and I urge my colleagues to review this important bill and consider it favorably when it comes before this House for vote.

Another instance where the banking system has been used as a tool to invade the privacy of American citizens is the Bank Secrecy Act—Public Law 91-508. Yesterday the U.S. Supreme Court handed down a ruling, and by a vote of 6 to 3 upheld the constitutionality of the domestic reporting and recordkkeeping requirements in title I of this act. In dissent, Associate Justice William O. Douglas argued, and rightfully so, that this act has "saddled upon the banks of this Nation an estimated bill of over $6 million a year to spy on their customers." Justice Douglas further makes the point that, "Unless we are to assume that every citizen is a crook, an assumption I cannot make," it is "sheer nonsense" to claim that every citizen's bank records are important in tax and criminal investigations.

Mr. Speaker, we in Congress are responsible for the Bank Secrecy Act which I believe does, in fact, violate the constitutional rights of the citizens of this Nation. In connection with the Supreme Court ruling yesterday, Associate Justice William Rehnquist in agreeing with the decision has reportedly said, "that depositors must wait until their records are seized before they can claim in court that their privacy rights are threatened." He did not rule that banks must notify their customers nor did he guarantee success for the customers when they do go to court. This statement emphasizes the need for the Congress to take action immediately, not only to repeal the provisions in title I which require the American banking system to spy on its customers, but to also enact my bill, H.R. 10021, to protect a customer's privacy.

The California Bankers Association was involved in initiating this challenge to the Bank Secrecy Act. They have effectively stated the unconstitutional provisions in the act in their brief which was filed with the court, and I believe that every Member who is concerned with our commitment to privacy will be interested in the following excerpt from this brief summarizing the arguments:

SUMMARY OF ARGUMENT

(1) The announced purpose of the Bank Secrecy Act is the recording and retention of bank records having "a high degree of usefulness in criminal, tax or regulatory investigations or proceedings." The Act and implementing regulations, in alleged pursuit of that purpose, require banks to monitor *every* bank account in the United States, and to copy and retain virtually every piece of paper that passes through the American banking system. As a result, and since the checks one writes reveal the intimate details of a citizen's financial, social and political life, banks are being forced to compile an exhaustive profile on virtually every adult member of the American community.

(2) There is almost no relationship between the Bank Secrecy Act's basic purpose—the detection, apprehension and conviction of criminals—and the requirement that virtually every piece of paper passing through all 200 million American bank accounts be copied and retained. Even if one were to assume that every crime committed in the United States would somehow be revealed

by the perpetrator's bank account—including those such as homicide and forcible rape that have little or nothing to do with banks and banking—*less than 4.4%* of the bank accounts in the United States would be involved. Quite apart, then, from all other objections, the wholesale surveillance of every bank account in the United States is a witless enterprise.

(3) The indiscriminate, mass surveillance of every bank account in the United States is unnecessary and inappropriate. There are any number of alternate, reasonable means available. As such, the Bank Secrecy Act violates due process. See, e.g., *Helvering* v. *City Bank Farmers Trust Co.*, 296 U.S. 85 (1935) and *N.A.A.C.P.* v. *Alabama*, 337 U.S. 288 (1964).

(4) The Act violates the Fifth Amendment right of due process by imposing two separate and unreasonable requirements on the American banking industry.

First, the Bank Secrecy Act plainly violates the limitations this Court has imposed on compulsory recordkeeping. There is virtually no relationship between the objectives of the Act and the mass surveillance of every bank account in the United States. The records required have no specific purpose. They have *nothing* to do with the regulation of banks and the banking business. They destroy the Fifth Amendment limitations this Court has imposed on the use of required records against the recordkeeper. See, *Shapiro* v. *United States*, 335 U.S. 1 (1948); *Marchetti* v. *United States*, 390 U.S. 39 (1968); *Grosso* v. *United States*, 390 U.S. 62 (1968).

Second, the Act violates economic due process by requiring banks to spend approximately $6.1 million each year to make and retain records they do not need or want—$6.1 million a year to spy on their customers.

(5) In *United States v. Powell*, 379 U.S. 48 (1964), *Donaldson v. United States*, 400 U.S. 517 (1970) and *Couch v. United States*, 409 U.S. 322 (1973), this Court set forth various safeguards against the unlawful use of the government's summons and subpoena power against third-parties. By requiring banks, among others, to record and retain writings that would otherwise belong to the maker (e.g., checks, deposit slips, etc.) the recordkeeping required by the Bank Secrecy Act transfers title and possession to the banks. This destroys the practical and legal ability of a citzen under investigation to assert the Fourth and Fifth Amendment rights outlined in *Powell, Donaldson* and *Couch*.

(6) The privacy and anonymity protected by the First Amendment includes the confidentiality inherent in bank-customer relations. By allowing the Treasury Secretary unlimited discretion to include or exclude banks and bank accounts from its recordkeeping requirements, the Bank Secrecy Act violates the rule that intrusions on First Amendment rights be narrowly drawn, reasonable and definite. See, e.g., *Niemothko v. State of Maryland*, 340 U.S. 268 (1951).

(7) The wording of the Bank Secrecy Act and the government's arguments to this Court confirm that the recordkeeping provisions are the handmaiden of the Act's automatic reporting requirements. Since the reporting requrements plainly violate the First, Fourth and Fifth Amendments, the Act's recordkeeping provisions are unconstitutional for the same reasons.

(8) Finally, since its members are being injured, the California Bankers Association has standing to assert their constitutional rights. (*Sierra Club v. Morton*, 405 U.S. 727 (1972)). In addition, the CBA has standing to assert the constitutional rights of its members' customers. Those rights are fundamental and the banks appear to be the only parties affected by the Act's recordkeeping requirements in a position to assert this constitutional challenge. See, *Eisenstadt v. Baird*, 405 U.S. 438 (1972).

In conclusion, Mr. Speaker, I sincerely hope that we can start a new trend in Congress. A trend that will result in our protecting American citizens' privacy instead of violating it, a trend that can only be accomplished by less Federal control and intervention.

Mr. GOLDWATER. I thank the gentleman. He is absolutely right. It is time for the farmers and the American people to review this procedure, to look where we are going. The technological age has brought many rapid advances in many areas of our lives. One of the great areas is in the multitudinous use of computer technology to record information about individuals.

It reminds me of the same situation that occurred with supersonic transportation. At one time we were building supersonic transportation at such a rate until we had to stop and say, "Where are we going? What effect does this have on human life?"

I think we have to do that in the area of computers in this technological age and stop and say, "Where are we going in our personal lives?"

This commitment by the Congress is a good one. I congratulate my colleague for his contribution in his area of expertise.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield further?

Mr. GOLDWATER. I yield to the gentleman from California.

Mr. ROUSSELOT. I know the gentleman has worked long and hard on this subject. It has taken some time for all the Members to gather together the information on this sweeping matter of rights.

Mr. GOLDWATER. Mr. Speaker, if I might also mention to my friend, the gentleman from California, not only his interest in the census data, but the fine contribution of a former colleague, Mr. Jackson Betts, made many years prior to our involvement. Certainly he paved the way and aroused our interests and our concern. I think we all owe him a compliment for his contribution.

Mr. LAGOMARSINO. Mr. Speaker, will the gentleman yield?

Mr. GOLDWATER. I yield to my friend and colleague, the gentleman from southern California (Mr. Lagomarsino).

Mr. LAGOMARSINO. Mr. Speaker, I commend my very good friend and colleague from California and from my own county, Mr. Goldwater; Mr. Koch, the gentleman from New York, and others who are bringing this special order to our attention and allowing us to participate in it. I do not think there is any subject the American people are more concerned about and want us to do something about than this question.

Mr. Speaker, more than 2,400 years ago, the Greek orator Pericles noted that one of the hallmarks of a free society is "mutual toleration of private conduct." The common law precept that a man's home is his castle, finds expression in the English Magna Carta. And our own Constitution guarantees the right of the people to be secure in their persons, houses, papers and effects.

Despite this admirable, and nonpartisan, historical commitment to privacy as a prerequisite of free society, we find ourselves today facing a very real threat to this right. The challenge comes not from without, but from within. Our own technology threatens to render the guarantees of our Constitution useless. And unless we act now, just as our forefathers did and their fathers before them, we may find ourselves the slaves rather than the masters of our modern information systems.

Mr. Speaker, I have some Greek antecedents, but I have more Roman blood, and I remember from my history books what happened when the Roman Empire became topheavy with bureaucracy and redtape. It collapsed of its own weight, and became ripe pickings for renegades. This issue is not a partisan issue. It transcends ideologies. It goes to the root of what governments are created to do. Our Republican form of government was created to do those things that the people find difficult to do for themselves, and no more. The people, whom we serve, have reserved to themselves all other rights and authority. And when Government, or any private group, gains such power over the private conduct of its citizens that by its very operation it threatens their security, then it is time to act.

The people of California 2 years ago enacted an amendment guaranteeing their right to privacy. I believe they did this, not because they wanted an increase in criminal activity, obviously, but because they wanted a decrease in governmental activity. In our society, where an honest man's word is his reputation, where a presumption of innocence is the law, perpetual surveillance is anathema. And when it is conducted on a pervasive scale, often without even the knowledge of the people or an opportunity for challenging an individual dossier, then the time has come to sound the alarm.

I believe the Congress should act now to renew the commitments made in the Constitution and in our laws for the right of free citizens to be secure. Secure in their persons, in their houses, papers and effects, and in their private lives.

If we do not make this commitment, if we do not act now to gain control over the paper bureaucracy, public and private, which is beginning to pervade our lives, we will wake up, 2,400 years after Pericles set out the limits of government interference in private affairs, in the year 1984. Let us pray that day never comes.

Mr. Speaker, my colleague from California (Barry M. Goldwater, Jr.) is working steadfastly to restore rights of privacy in America. He recently spoke before a seminar sponsored by the National Bureau of Standards. I include his remarks:

SPEECH BY CONGRESSMAN BARRY GOLDWATER, JR. TO NATIONAL BUREAU OF STANDARDS COMPUTER SECURITY CONFERENCE

A distinguished former colleague of mine, Congressman Jackson Betts, who was one of the pathfinders in promoting legislation to protect privacy, once said: "Privacy is not simply an absence of information about us in the minds of others; rather, it is the control *we* have over information about ourselves."

I am pleased to be a congressional participant in the conference sponsored by the Institute for Computer Sciences and Technology, here today.

Since coming to Congress almost five years ago, I have become increasingly concerned about the growing menace privacy invasion poses to the American citizen.

Early last year, I decided to initiate certain proposals to assure the American citizen that he would indeed have control, as mentioned by Congressman Betts, over information compiled and retained about him.

An initial report was to work very closely with the Secretary of Health, Education, and Welfare prior and after the release of the very extensive HEW study entitled "Records, Computers, and the Rights of Citizens". This report was released last July.

I was most impressed with this study, and in order to carry out its specific recommendations, I introduced two bills.

One, "The Freedom of Information Act", H.R. 11275, is basically aimed at accomplishing the following three objectives:

(1) To guarantee individuals the right to find out what information is being maintained about them in computerized systems and be able to obtain a copy of it upon demand.

(2) To allow a person to contest the accuracy, pertinence, and timeliness of any information in a computer-accessible record about him.

(3) To require record-keeping organizations to inform individuals on request of all uses made of information being kept about them in computerized files.

Shortly after introducing this bill, I joined with Massachusetts Governor Francis Sargent, Senator Edward Brooke, and Congressman Michael Harrington, in an administrative petition with the Justice Department, which asked former Attorney General Elliot Richardson to terminate operation of the F.B.I. administered offender files, which are a part of the National Crime Information Center, until he had issued formal regulations to safe-guard the rights of individual citizens.

Additionally, I introduced a bill to amend the Social Security Act, that would give each individual in this country the right to refuse to disclose his or her social security number. Then too, organizations with the authority to use the number would be prohibited from disclosing the number to organizations that lack such authority.

This legislation is designed to prevent the social security number from becoming a "standard universal identifier" that can be used by computers to track all the errors, omissions, and/or sins of an individual from cradle to grave.

Other actions included the introduction of legislation to require consumer reporting agencies to allow a consumer to inspect credit records, legislation to protect individuals from statistical reporting systems, and a bill to establish a Select Committee on Privacy in the House of Representatives.

Recent events indicate that more and more people are becoming concerned about privacy invasion. This is a good sign, because I have always maintained that the worst enemy of privacy is not the computer—its worst enemy is apathy and ignorance.

I am pleased that the President addressed himself to privacy in his recent state of the union address. Just a few days ago, he announced the formation of a commission on the issue of privacy and data banks in our country.

Suffice to say, it does us little good to attack the computer—it is only an instrument of man. What must be attacked is the computer mentality—the kind of faceless bureaucracy in and out of government that seeks to make the computer a supreme being.

The potential of privacy invasion is always present in a sophisticated computer operation. Remarkably, the misuse of information held about individuals in computer systems has been held to a minimum. But the potential for misuse is still there, and certainly data surveillance has grown to very menacing proportions due to the technological advances which alter such information to be given multiple use and consolidation through automated systems.

Substantial increases in demand for personal reports by government agencies, private systems, and social science researchers have intensified the severity of the problem.

As you know, it is not enough for us to discuss the technology of the computer and speak of privacy in an abstract fashion. We must resolve, at this conference, and in very other private and public forum to do what is necessary to protect our constitutional right to privacy.

Let us make no mistake about it, the computer already knows more about most of us than we know about ourselves. The amount of data held in computer systems is enormous. Think about it for a moment. The list includes tax returns, census responses, social security data, military records, security files, finger prints, FHA and VA mortgage guarantees, credit records, health data, and social research involving individuals. Such examples are barely the tip of the iceberg.

I say tip of the iceberg because every time Congress passes legislation giving the Federal Government added responsibilities and power, more paperwork is created and consequently more information is known about the individual citizen.

Of course, this is a sobering thought, but what can we do about it?

Initially, we must understand our right to privacy and how important it is to protect this right. Secondly, we must rely on wise laws that protect our privacy rights.

We must remember that our citizens give the government personal information on what should be on a confidential basis and for a specific purpose. Americans deserve the assurance that this information will not be used for any other purpose in the future. But, do we have this assurance? Not necessarily, I fear.

Several years ago a House Congressional Committee discovered that the confidentiality of Government files is a myth. Such files sometimes float from agency to agency. Federal investigators in some instances are given access to information far removed from the subject of their inquiry. Folders sit open for inspection on desks and in the "in" and "out" baskets of many government offices. Outright "leaks" of information occasionally come to light.

Of course, this is interesting, you say. But, then you add that the government has never mis-used the information about you, so why worry? But, I submit that this may not be the case in the future unless we begin to embark on a course to make certain that it will not be misused.

It is always possible for unscrupulous men in high places to apply unethical standards to the use of confidential information. One of history's leading examples is the detailed European census that was in effect long before the advent of Hitler. Tragically, this census provided a convenient and efficient tool for Nazi use in many European nations. In some countries like Czechoslovakia, statistical data already available facilitated the Nazi takeover.

Impossible here? Not necessarily. Erroneous data or information, whether computer-stored or not, can lead to bizarre occurrences that constitute a blatant invasion of privacy.

Two years ago 15 men wearing beards and dirty clothes took a battering ram and knocked down the door of a *suspected* violator of a Federal gun law. Did this happen in Soviet Russia? No, it happened near Washington, D.C. The suspect was a law-abiding citizen, who only collected harmless antique weapons. He is now totally paralyzed—his life is in shambles. The ruffians who perpetrated this crime? They were officials of the U.S. Treasury Department, and they broke into the victim's home on faulty information that he was in violation of the 1968 Gun Control Act.

This is not a remote example. Earlier this year, the same thing happened to a family in Winthrop, Massachusetts. A couple and their daughter, who was ill, were awakened in the middle of the night when state and Federal lawmen broke down two doors to their home on a narcotics raid. The policemen had entered the wrong home.

Of course these are clear-cut examples of privacy invasion. There should be no question that they also violated the fourth amendment to the constitution.

But, there are other examples almost as sinister in nature. I have received numerous letters from American citizens describing examples of data bank and Social Security number abuse. Each letter seems to detail a new horror story worse than the one before. Some of the letters have actually come from computer systems analysts in the field of data processing.

The protection of personal files in all data systems deserves immediate attention on the part of both the government and the private sector. I would like to challenge this conference to not only exchange ideas and make recommendations to assure the privacy of individual data subjects in computer operations, but I would like to see a definitive statement emanate from this conference calling for a restoration of freedom of privacy.

It is not difficult to determine the adverse potential of today's technology on our right to privacy. What is difficult is making certain our traditional liberties and beliefs can be secure against growing technological onslaughts against privacy.

Mr. GOLDWATER. Mr. Speaker, I thank my colleague from California (Mr. LAGOMARSINO) and recognize him for the contributions he has made to this issue and his concern while he served in the State House in California.

Mr. EDWARDS of California. Mr. Speaker, the day of Big Brother and constant surveillance is already upon us. Regularly we read or hear about a new Government program that necessitates the gathering of some new information on certain individuals or class of individuals. One's social security number is no longer just used in the administration of social security benefits as it was originally intended. It has become the identifier for almost every citizen in this country: it is used on driver's licenses, banking applications, school applications—in some schools grades are dispensed by social security number—all credit applications, and a host of other documents that one signs in their daily lives. Only this past Sunday in the Parade section of the Washington Post was the reading public informed about the extent of unsubstantiated information that goes into school records. We were also informed by that same article that law enforcement agencies, military agencies, or other agencies of authority are given unfettered access to these records upon request.

The intrusion upon privacy of the citizens of this country has been slow and unobtrusive for the most part to this point. The agencies collect a little more information today, a little more information tomorrow, and pretty soon there is a complete dossier on every individual in this country. The irony of this situation is that the individual on whom this information is collected is not allowed to review the records and to challenge the information. The files are transmitted freely throughout the country and very important decisions affecting the future of these individuals are made with unblinking eye and unquavering hand. It is too easy to deny a person an education because he was arrested when he was 16 years old. It is too easy to stop one's insurance coverage on his car because he keeps a dirty house. It is too easy to deny housing to someone because his previous neighbor said that he had loud parties. It is too easy to make a decision without checking on the facts. And as each day passes more and more people are being caught in a record prison unable to free themselves even with the truth.

The situation now becomes even more insidious with the dawning of the age of the computer. Proliferation of computer data banks, investigatory agency upon investigatory agency is almost a seamless web of Government intrusion upon the individual. The problem is becoming acute. The technological advances in computer science develop not only an ease in obtaining information but also an insatiable appetite by public and private industries to collect every possible piece of knowledge on every possible citizen. The abuses to our right of privacy are excessive. Unfortunately the practice of collecting extensive information on our citizens has gone unquestioned by the American public. It has been only in recent years that some of our citizens have become appalled by this massive collection mania for information. The problem will not be alleviated by the waving of some magic wand in Congress. We cannot correct all the abuses with one piece of legislation. Each individual kind and type of abuse will have to be found and dealt with by a separate piece of legislation. In this manner, we begin to seal the loopholes through which public and private agencies spy on the citizens of this country.

The Subcommittee on Civil Rights and Constitutional Rights of the House Committee on the Judiciary, of which I am chairman, have spent over 2 years studying the abuses caused by the dissemination of arrest records and other criminal justice information. In 1971 I introduced H.R. 13315, a bill that proposed to regulate the dissemination and use of criminal arrest records. An arrest record or "rap sheet" is simply a sheet on which notations of arrests are made and most frequently do not even carry the disposition of the charge. According to FBI statistics, law enforcement agencies make some 8.6 million arrests per year for all criminal acts, excluding traffic offenses. Of these arrested, approximately 4 million are never prosecuted, or have the charges dismissed. Yet, these 4 million arrests annually are inserted on individuals' "rap sheets" and become a part of what is considered criminal records. Unfortunately, these arrest records when circulated are treated much the same as a conviction record. There is no evidence yet presented that a person arrested and never convicted is any more of a job risk, credit risk, tenant risk or student risk than any other citizen. Yet every police agency, school, credit corporation, prospective employer and all other public and private agencies want desperately to have knowledge on arrest records as though it provides a certain and revealing insight into a person's character. These raw criminal arrest records time and time again reach out and injure people who have never been involved in any illegal or criminal act and their use is widespread.

During our extensive hearings on arrest records we became aware of the existence of the National Crime Information Center maintained at the national level by the Federal Bureau of Investigation. Members of the subcommittee toured the National Crime Information Center's facilities and viewed its operation. The NCIC is part of a telecommunications system throughout the country that connects potentially all law enforcement agencies with each other. This system permits the rapid exchange of criminal information with any inquiring law enforcement agency. The NCIC itself began by collecting information on stolen items and wanted persons. But since its inception that part of the NCIC that deals with active criminal offender records has grown and is continuing to grow. These computerized criminal histories are searched as a part of identification service that the FBI provides for agencies of Federal and State governments and other authorized institutions, including savings and loan associations and national banks, which seek information on an individual's arrest record for the purpose of employment clearances and licensing. I personally was somewhat shocked at the time of my viewing these installations to find that there were no statutory parameters that guide the operations of the dissemination of criminal information; they were operating on a statement of principle promulgated by its advisory policy board. As if this was not frightening enough, I became aware that the advisory policy board is made up entirely of criminal justice officials. This dramatically points up the inherent conflict of interest in allowing this massive system that affects the lives of every citizen of the United States to regulate itself. We have always maintained and our Constitution requires civilian control over the military—this constitutional analogy should not be lost here.

With the knowledge of this massive national computerized system exchanging information throughout the country, I introduced in August of 1973 H.R. 9783 that would provide for the protection of the right of privacy in the dissemination of criminal justice information. Earlier this year our subcommittee added to its consideration Senator ERVIN's comprehensive bill on criminal justice information systems and the Department of Justice bill dealing with the same subject. We have since held several days of hearings on these three bills. Our witnesses have included the Attorney General of the United States, William Saxbe, the Director of the Federal Bureau of Investigation, Clarence M. Kelley, Mr. Arnold Rosenfeld, the Director of the Massachusetts Criminal Histories Systems Board and representatives of the Department of Defense, the Civil Service. Much knowledge has been imparted to the members of our subcommittee in this very complex and threatening area. It has become apparent with each passing day that congressional regulation and oversight in this area is mandated. We can no longer wait for self regulation by these agencies, public and private, nor for the system to work itself out. We must move on every front to shore up the rights of privacy of the citizens of this country against the ever encroaching threat of the massive accumulation of unrestricted information.

Justice Brandeis noted many years ago that the makers of our Constitution undertook to secure conditions favorable to the pursuit of happiness. They sought to protect Americans in their beliefs, their thoughts, their emotions, and sensations. They conferred as against the Government the right to be left alone—the most comprehensive of rights and the right most valued by civilized man. To protect that right, every unjustified intrusion by the Government upon the privacy of the individual, whatever means employed, must be deemed a violation of the fourth amendment. And so I believe to protect our constitutional rights, and perhaps even the Constitution itself, we now have the awesome obligation of turning the tide against Big Brother and constant Government surveillance which is already upon us.

Mr. BROWN of California. Mr. Speaker, poetry can often bring the levity required to see the deeply sensitive human situation we are talking about when we speak of rights of privacy. Under the all-knowing hand of a technocratic state, our cemeteries may well be lined with headstones with personal identification numbers rather than names chisled on them. A message from such an era comes in the form of this poem by W. H. Auden:

THE UNKNOWN CITIZEN

(To JS/07/M/378 this marble monument is erected by the State)

He was found by the Bureau of Statistics to be
One against whom there was no official complaint,
And all the reports on his conduct agree
That, in the modern sense of an old-fashioned world, he was a saint,
For in everything he did he served the Greater Community.
Except for the War until the day he retired
He worked in a factory and never got fired,
But satisfied his employers, Fudge Motors, Inc.
Yet he wasn't a scab or odd in his views,
For his Union reports that he paid his dues,
(Our report on his Union shows it was sound)
And our Social Psychology workers found
That he was popular with his mates and liked a drink.
The Press are convinced that he bought a paper every day
And that his reactions to advertisements were normal in every way.

Policies taken out in his name prove that he was fully insured,
And his Health-card shows he was once in hospital but left it cured.
Both Producers Research and High-Grade Living declare
He was fully sensible to the advantages of the Instalment Plan
And had everything necessary to the Modern Man,
A phonograph, a radio, a car and a frigidaire.
Our researchers into Public Opinion are content
That he held the proper opinions for the time of year;
When there was peace, he was for peace; when there was war, he went.
He was married and added five children to the population,
Which our Eugenicist says was the right number for a parent of his generation,
And our teachers report that he never interfered with their education.
Was he free? Was he happy? The question is absurd:
Had anything been wrong, we should certainly have heard.

Mr. GIAIMO. Mr. Speaker, the right to be left alone—the right to privacy—is one of our most fundamnetal and cherished rights. Yet this right is constantly being eroded by computer data banks, copying devices and other products of a refined technology. In short, invasion of privacy has become another word for efficiency, as Government and business seek to learn more about individual citizens than they have a need or right to know.

We are all familiar with wire-tapping, official eavesdropping and political spying. But let us not forget the more subtle forms of invading someone's privacy. Unauthorized financial disclosure by banks and other institutions, the release of telephone and business records, the denial of rights of access to information collected on an individual, the selling of mailing lists, the abuse of credit ratings, the expanded use of social security numbers as an identification reference, the use of mandatory census questions, unsolicited commercial telephone calls—all these practices are an infringement of the right of privacy.

Congress must compose a legislative response to this wholesale invasion of individual privacy, at the same time balancing the right to be left alone against the proper needs of society. Nineteen eight-four, only a decade away, must not be a target date for fulfilling George Orwell's chilling prophecy of an all-regulated society. Private lives are private affairs. Public freedoms have little meaning when personal liberties are diminished.

We need legal safeguards to eliminate indiscriminate public use of an individual's telephone, school, army and bank records, to name a few. The privacy of these records must be guaranteed to prevent the unscrupulous from misusing the information they hold. Individuals must have the right to inspect records concerning them held by Federal agencies and private businesses. A means must also be devised to allow individuals to correct these records if they contain erroneous or misleading information. I am one of the original sponsors of H.R. 8375, legislation that would do precisely this, and I am pleased to note that the Government Operations Committee has held 2 days of hearings on this and similar bills. I urge my colleagues to act favorably on this measure when it is reported to the House floor.

This legislation is only the beginning of what we need to do. The task is enormous, for ultimately we must inspect the inspectors. But it is a task worth pursuing, and necessary to pursue. We must stop Big Brother.

Mr. MELCHER. Mr. Speaker, the late author George Bernard Shaw, in a speech in New York in 1933 said:

> An American has no sense of privacy.
>
> He does not know what it is.
>
> There is no such thing as privacy in this country.

We have come a long way since then. It is hard for me to imagine what Mr. Shaw would be saying if he were alive today and could see the mistrust and the indignation of our citizens that have developed in the last few years as computers have recorded and stored information on every facet of our private lives for any one of a hundred purposes. It is clear to me that the American people have a very real sense of privacy which they now see as being threatened as never before—whether by businesses wanting to know whether a person deserves a credit card, or by Government officials wanting the Internal Revenue Service to become more "politically responsive" by taking a closer look at tax returns of those on "enemy" lists.

I am pleased to speak today in support of a renewed congressional effort to protect the rights of our citizens to the privacy they want and deserve.

The greatest potential for invasion of privacy is that of Government, whether through conscious policy decisions or by actions of overzealous individuals. A shocking example of this is Executive Order 11697 issued by President Nixon in January of 1973. That order, which the administration refused to rescind until a few days ago when it bowed to congressional pressure, would have granted broad authority for the opening up of Internal Revenue Service taxpayer returns and files on 3 million farmers to the Department of Agriculture, supposedly for statistical purposes. The sinister part of the order is that it was drafted by the Treasury Department, over objections of the Internal Revenue Service, to serve as a model for allowing other Government agencies to have access to private income tax information.

In view of recent exposure of attempts to use the IRS politically, the implications are frightening. For this reason I have joined with Mr. Litton and other concerned Members in sponsoring legislation (H.R. 12349) to strictly limit disclosure of information gathered by the Internal Revenue Service. That disclosure would be allowed only to appropriate Government representatives for tax administration and law enforcement purposes. Legislation such as this is vitally needed to prevent abuses of power by Government and to protect our right to privacy—to make sure we have no future fights over Executive orders such as 11697.

Another less sinister, but perhaps as far-reaching threat to our privacy is that of the credit reporting companies and systems. Here the problem is probably more a matter of mistakes and information misinterpretations stored in a computer that come back to haunt a citizen applying for credit or even a job. When credit is denied or a job given someone else, the person may never know that he was the victim of a computerized sandbagging job. We have made some progress in requiring that credit information compiled about a person be disclosed upon request and an opportunity be given for correcting that information. But more should be done.

Congress has made progress at attempting to assure the American people their right to privacy. But we must continue to work at it. I am sure George Bernard Shaw would have liked someone to prove him wrong—about lack of privacy for Americans, and Congress should demonstrate that there is such a thing as individual privacy in this country—and that it must be preserved and protected.

Mr. SEIBERLING. Mr. Speaker, in recent years hundreds of thousands of veterans have been unfairly subjected to an invasion of privacy by the Defense Department's policy of placing certain highly prejudicial information on their discharge papers. This information specifies what the Defense Department calls the "reason for separation" from active duty and is known as a "separation program number"—SPN—which appears usually in coded form.

In fact, the information has almost nothing to do with the reason why an individual is discharged. Instead, it represents an attempt by DOD to classify the character of service beyond what is permitted by the classification of types of discharge—honorable, general, undesirable, bad conduct, dishonorable. The SPN may classify the veteran as a drug abuser, alcoholic, shirker, liar, bed-wetter, homosexual, sexual deviant, or simply as an "antisocial" person.

The use of a classification system containing SPN's constitutes more than an invasion of individual privacy by the Defense Department. The system makes it possible for private employers to gain access to personal and perhaps unfounded information about job applicants. Placing an adverse SPN on an individual's discharge papers can make it impossible for him to obtain a job, even if he has an honorable discharge.

Last year I conducted an investigation of corporate employment practices concerning veterans, especially those with less-than-honorable discharges. The results are summarized in the Congressional Record of November 28, 1973. My investigation showed that there was massive employment discrimination against veterans with less-than-honorable discharges. Over 40 percent of the Nation's largest corporations admit discriminating against veterans with general discharges, even though the Defense Department asserts that these discharges are "under honorable conditions."

Over 80 percent of the large corporations require veterans to submit a copy of their DD–214—discharge papers—

when applying for a job. And 20 percent admit they have lists to decode the SPN's while others indicated that they would like to have the lists, which the Defense Department classifies as "official use only." There is no telling what happens to SPN information once it gets into the private sector. It may work its way into data banks to which hundreds of private users have common access. The General Accounting Office is now investigating the possibility of such abuse.

On March 22, Armed Services Committee Chairman F. Edward Hébert announced that the Defense Department was discontinuing its policy of placing SPN-type information on the DD-214 received by every serviceman when he is discharged. Under the new policy, however, SPN's would be assigned to the serviceman upon his discharge, but they would not appear on the DD-214. In addition, the new policy appears to permit the release of SPN-related information to private employers upon the request of the veteran.

The Defense Department's new policy has not yet been finalized in the form of regulations. When regulations are issued, there is a substantial likelihood that private employers will require veterans to request release of the information as a precondition to any job decision. While 20 percent of the large corporations admit having lists to decode SPN's many more may try to take advantage of the opportunity to obtain information which would be available. The new policy could encourage private corporations to pressure the veteran to request release of the SPN-related information. In many cases such information is irrelevant to future job performance. But whether or not it is relevant, such an invasion of privacy cannot be justified or tolerated.

Mr. Speaker, I have just received answers from the Defense Department to a series of questions which I sent them earlier this year on the subjects of SPN's and types of discharges.

The Defense Department's letter speaks for itself, indicating quite clearly that DOD feels no moral or legal responsibility for veterans with unfavorable types of discharges or those with adverse SPN's.

Especially disturbing are the DOD answers to questions 9 and 17. The Defense Department states that the standard of proof required to award an adverse SPN is "that which is sufficient to persuade the recommending commander and the discharge authority that the reason for discharge and the character of service is warranted and appropriate." DOD states further that the standard of proof for awarding a general or undesirable discharge "is not determined by reference to issuance of either a general or undesirable discharge. Rather, the standard of proof is based on the reason for discharge." Perhaps the imprecise standards help explain why so few veterans are able to change their types of discharges or SPN's. I cannot believe that these standards of proof are not violative of constitutional due process of law.

I am also very disturbed by the Department's inclusion in its list of reasons for the rise in the rate of unfavorable discharges the "necessity to identify and discharge members who do not meet retention standards, especially during times of reduction of forces." Are we to accept higher rates of adverse discharges because the Defense Department is reducing forces? Why does the Defense Department feel it must brand servicemen as unsatisfactory in order to meet new force levels?

I was also interested in the answer to question 26, where DOD states that it is unaware of any studies supporting or rejecting the notion that the type of discharge is generally a good predictor of future civilian job performance.

Mr. Speaker, I do not know what the answers to all of the questions would have been before the change in SPN policy. I do know that the answers now furnished paint a picture of a Defense Department unconcerned with what happens to veterans with unfavorable types of discharges and adverse SPN's. I am somewhat surprised at the lack of regard for the rights of servicemen about to be discharged, who may forever be branded because of the Defense Department's disregard for their privacy.

I think that the Defense Department has a moral and a legal obligation to respect the privacy of servicemen and veterans. I have asked the Secretary of Defense to prohibit the disclosure of SPN information to private employers, even if the veteran requests the release of that information.

Armed Services Committee chairman said, in announcing the new policy:

> The nature of the discharge should speak for itself, and that should be it as far as the discharge papers handed to the veteran are concerned. It is tough enough for a veteran with an honorable type discharge to become gainfully employed these days without carrying the additional burden of something that may not be relevant to a particular job as a civilian.

I agree.

Mr. Speaker, so that the Members and the public may have a better understanding of the Defense Department's policy on SPN's and types of discharges, I will tomorrow ask unanimous consent that the Defense Department's answer to my letter appear in the Record.

Mr. STARK. Mr. Speaker, as author of the Right to Financial Privacy Act of 1973, a bill cosponsored by 102 of my colleagues, I am pleased to add to the discussion today on this most pressing issue.

I was also a plaintiff in a case on the constitutionality of the Bank Secrecy Act that this bill would amend, and the Supreme Court yesterday handed down its long-awaited decision. The Court in effect chose to skirt the issue by finding that the plaintiffs didn't have standing—and thereby threw the issue back into the lap of Congress where it was first created.

The Congress passed the Bank Secrecy Act in 1970 with the intention of assisting the war on crime. Its purpose was to facilitate the gathering of information on suspected criminals by permitting any Government official to have access to individual bank records. In addition, banks were required to report "unusual" currency transactions to the Secretary of the Treasury as well as all domestic transactions over $10,000. The banks, then, were to act as investigators for the Government—to spy on their own customers.

I filed suit with the ACLU and the California Bankers Association and got an injunction against those reporting provisions of the act. However, since the recordkeeping requirements were upheld, we appealed the decision, as did the Government from the other side, and it was thus cross-appealed up to the Supreme Court.

The Court's decision, therefore, was in a sense disappointing. However, in not addressing the constitutional issues, they left the way open for legislative remedy. And in fact, the dissenting opinions of Justices Douglas, Marshall, and Brennan and the concurring views of Powell and Blackmun can be interpreted as urging legislative relief to a problem that was caused by legislation.

I am hopeful that the Banking Committee, of which I am a member, will soon hold hearings on the Financial Privacy Act. If we act promptly it will be possible to pass this momentous legislation before the end of the session.

As my colleagues are well aware, this is perhaps one of the most critical issues of the time. Even the President has expressed a new-found concern for the safeguard of privacy and legitimized it by creating Gerald Ford's Commission on Privacy. Clearly then, this is the time to pass the necessary legislation. We cannot let this momentum pass us by.

For the interest of my colleagues, I would like to include in the Record some excerpts from a statement I made last summer on the Financial Privacy Act and some of my own experiences with abuses of confidence:

EXCERPTS FROM A STATEMENT BY MR. STARK ON THE FINANCIAL PRIVACY ACT

The bill I have introduced, H.R. 9424, resolves all the ambiguities in existing law relating to an individual's financial records. It clearly safeguards the individual's right to privacy with respect to his financial transactions and history. Specifically, the Right to Financial Privacy Act establishes four means of access to private records held by financial institutions: customer consent, administrative subpenas and summonses, search warrants, and judicial subpenas. Correspondingly, the act places an obligation on the financial institutions not to disclose information from customer records unless one of the above requirements has been met. In addition, it is stipulated that the information obtained by the Government must be used only for those purposes for which it was originally solicited.

The need for this act, while not resulting directly from the Bank Secrecy Act, stems from subsequent controversy over the precise interpretation of an individual's fourth amendment rights. At Senate hearings held last year on legislation to amend the recordkeeping laws, the Secretary of the Treasury admitted that subpenas are not required for the release of financial information. He suggested that as the 1970 act had not specifically addressed the matter of access to records, the Treasury could not take arbitrary administrative action to do so. It was therefore up to a bank to determine whether or not a subpena was necessary before records would be provided without the consent of the customer. The Treasury would take no position to supersede the bank's judgment.

In this situation, the privacy of a customer's financial records is dependent on the whim of his bank. Without his knowledge or consent, his entire financial history may be divulged. As he is unaware of official scrutiny, he cannot possibly challenge the dissemination of the information. There are no safeguards to protect this confidentiality.

In June 1972, I filed suit with the northern California ACLU and the California Bankers Association to test the constitutionality of this reporting system. The suit, asking for an injunction of the Bank Secrecy Act on the grounds that it authorized illegal search and seizure, was later joined by the Wells Fargo Bank. Bank of America representative Robert Fabian publicly voiced his own similar objections to the dangers inherent in the reporting provisions of the Act. He declared that "the regulations could undermine people's confidence in the banking system and the Government."

A Federal judge in San Francisco issued a temporary restraining order to prevent the act from taking effect. Subsequent to an appeals court decision, the Supreme Court is now deciding whether or not to hear the case.

This bill that I have introduced is not inconsistent with the essence of the Bank Secrecy Act. It recognizes the critical need for a thorough system of recordkeeping and reporting and upholds the requirements for reporting of information, subject to the previously mentioned limitations. Finally, the bill explicitly limits to two situations the Secretary of the Treasury's ability to require an institution to transmit reports or to keep records on customers. Such reports must either be required by the Internal Revenue Code, or by a supervisory agency. This, then, effectively repeals contrary provisions of titles I and II of the Bank Secrecy Act. However, I do not believe that their deletion in any way weakens the Bank Secrecy Act, or undermines its intent. Instead I believe it can only strengthen it, by removing any lingering doubt over possible or potential unconstitutional applications of its provisions.

This bill has already stimulated discussion. In particular, two areas of doubt have been raised, and I would like to attempt to answer them at this time. The first is criticism raised by certain members of the law enforcement sector—that the limits placed on the Secretary's right to obtain reports will inhibit important criminal investigation. I believe that the legal processes still open to any law enforcement officer under this Act are sufficient. This act simply guarantees that customers be notified and have an opportunity to respond to any attempt to gain access to their records except where the standard of probable cause has been met. Within the bounds of the fourth amendment rights, that is all that is constitutionally possible.

Others have objected to consideration of this act at this time on the grounds that airing of the issue may bias the upcoming decision of the Supreme Court to review the appeals case. It must be remembered, however, that legislative action will take precedence over court action in such a way as to render that appeal inoperative. If passed, this act answers all the charges filed in the original California suit.

I would like to include for the information of my colleagues an excerpt from a supporting statement by the California Bankers Association. On July 19, the Association wrote that:

> We should make it clear that, although the Association places a high value on maintaining the financial confidentiality which bank customers have come to expect, it certainly does not wish to deny in any way the necessary prerequisites of effective law enforcement. The Association feels, however, that it owes its highest responsibility to the banking public who have entrusted some of their most personal records of private financial affairs to our care. The public expects these records to be held in the highest confidence and the California Bankers Association welcomes legislation which would safeguard their expectations.

Mr. FRASER. Mr. Speaker, privacy is a basic right. But the growing network of information-gathering activities is threatening our constitutional right to privacy and individual freedom.

The law offers the individual protection against physical surveillance, but virtually none against data surveillance.

Computers make the vast collection of data on individuals collected by Government and private sources a danger to all residents of our country. This private information often includes highly personal, unverified hearsay and gossip. Illegal or even legal access to this data and the exchange and selling of such information without the knowledge of the individual involved endangers the basic right to privacy.

A person who voluntarily fills out a form, takes a psychological test, or has a physical examination may not consider or anticipate that confidential information resulting from these acts may well wind up in a computer and follow him for the rest of his life, affecting the course of his life.

One of the more startling examples of Government invasion of privacy was the Executive order—now fortunately rescinded—which gave the Department of Agriculture the power to inspect Federal tax returns of farmers "needed for statistical purposes."

We are all affected by the indiscriminate use of data collected—through credit records that often contain misinformation or computer mistakes; through health record data banks used by life, health and accident insurance companies; through bank records, military records, school records, and juvenile records. There is even a Government controlled data bank of information on children of migrant farmworkers. Intelligence gathering operations are carried out by some 20 Federal agencies and by State, county, and city agencies. There are many more examples of data collecting mechanisms such as airline computers, television surveys, psychiatric reports, and polygraph tests.

Recordkeeping may appear harmless on the surface. But we must have safeguards that will protect against the dangers inherent in this massive collection system.

Data surveillance is a chilling specter, intimidating and demoralizing.

I am committed to legislation that will guard against unwarranted access to such data.

Mr. MOSS. Mr. Speaker, we are frequently asked whose privacy is being invaded and how. What follows are a number of stark and freightening examples demonstrating how some law enforcement organizations and businesses have intimidated individual citizens. Hopefully these examples will serve to reenforce our commitment to the basic right of privacy for every American, for when one citizen's right is abused, all Americans suffer.

INDIVIDUALS VICTIMIZED BY INVASIONS OF PRIVACY

The $100,000 punitive damage suit of James C. Millstone against O'Hanlon Reports, a New York-based retail credit reporting firm, goes to trial Feb. 19 in federal court in the eastern district of Missouri (72–C224–4). Millstone, assistant managing editor of the St. Louis Post-Dispatch and, incidentally, a member of the White House enemies list, is a classic unfair credit reports victim. He was turned down for auto insurance in 1971 because O'Hanlon reported that "a poll of four neighbors proved" Millstone had a "lack of judgment," undisciplined kids, a prior history of evictions and a bad "attitude." Millstone received insurance coverage elsewhere but under the current Fair Credit Reporting Act, could receive only a verbal account, not a copy of his credit report from O'Hanlon. He then had difficulty getting the firm to correct its report, which proved to contain inaccurate allegations from one disgruntled neighbor in Washington, D.C.

A Princeton University faculty member, Galen L. Cranz, has filed a similar suit, with the aid of the ACLU of New Jersey, in federal court in Trenton (CA 1858–73). She was denied auto insurance on the basis of a Retail Credit Co. of Georgia report that mentioned that she was living with a man to whom she was not married. A Minneapolis woman suffered the same fate ("immoral behavior" according to Safeco Insurance Co. and Service Review Inc.) but the state insurance commissioner may reverse the insurance cancellation as arbitrary.

A young couple were returning home to San Francisco one evening a year ago when they were stopped by Santa Clara County sherriff's deputies, eventually handcuffed, held at gunpoint and locked up overnight on charges of auto theft. The arresting officers had queried the San Francisco city and county criminal justice data bank and learned that the couple's Falcon had been reported stolen a year earlier. Police had failed to enter into the computer the "pink slip" record that the car had been recovered by its rightful owners. Eighteen hours after arrest, the pregnant woman and her husband were released. They have filed a $250,000 suit against Bay Area law enforcement agencies. "Not an isolated instance," according to their attorney, Bruce Krell of San Francisco.

It is in California where a San Francisco police cadet was fired for stopping a polygraph test about his sexual preferences and activities.

Arrest Records.—When Brad Shipp was named to the Fairfax County Board of Education in Virginia, it seemed like a great triumph for a 17-year-old high school senior. But the distinction turned promptly into a possible nightmare when members of the Board of Supervisors insisted upon seeing Shipp's arrest record after he revealed two arrests for the possession of marijuana. Virginia law forbids dissemination of juvenile records without the permission of the juvenile or the court. Shipp was saved when the Board deadlocked 4–4 and failed to reach the necessary majority to pass a motion asking Juvenile Court for Shipp's records. He is now serving as a member of the school board.

Arrest Records.—After Charles A. Tosh, an organizer for the Retail Clerk's Union, and others were arrested at a labor demonstration at a Buddies Supermarket in Fort Worth, the security director for the market tried to get the arrest records and mug shots of those arrested. First he tried asking his brother, the Dallas police chief, but was turned down. Then he called a buddy on the Fort Worth police force. This time he was successful, and the Buddies Supermarket displayed mug shots and "rap sheets" of the union organizers so that employees would be discouraged from voting for union representation.

When Tosh saw the anti-union posters, he hit the roof. The company was displaying the photo and arrest record of Charles Tosch, no relation to Tosh the organizer. Tosch was a convicted felon; Tosh had been arrested on minor charges and released.

The Fifth Circuit Court of Appeals (72-3017, June 22, 1973) held that the Fort Worth policeman's release of arrest records did not constitute "state action" and that Tosh's right to privacy was not violated by the company or the police. Toshs's lawsuit did succeed in showing that the Fort Worth policemen, like others around the country, make any of their 40,000 arrest records available to private security officers, as well as to other law enforcement agencies.

Arrest Records.—An enthusiastic 17-year-old youth was arrested at a rock concert in Columbia, Md., last fall and accused by a private security guard of throwing a rock. He denied the charge. The guard later disappeared, and so the charge was dropped and the youth's criminal file destroyed. However, the reference card to the charge remains in Howard County juvenile files and the young man is attempting to have it purged. "This could plague him the rest of his life," said his father.

Purging.—Among the 16 counts on which Baltimore State's Attorney Samuel A. Green was found guilty this month was a charge of accepting a $750 bribe to expunge the record of a Maryland man obsessed with the idea of having an arrest record (a 1971 gambling charge that was dropped because the man had no knowledge of the operation).

A U.S. District Court in San Diego last November refused damages for a woman ordered to undergo a strip search by border guards who noticed Chicano activist literature in her car. Nothing illegal was found. A $13 million suit has been filed against Macy's by seven employees who claim the firm illegally tapped their phones in the San Francisco store for seven months.

Mr. BADILLO. Mr. Speaker, I am pleased to join my colleagues in this special order to signal a congressional commitment to privacy.

The age of technology has brought with it a flood of data banks, credit reference bureaus, computer lists, and government records with personal information on virtually every living American including allegations and rumors about spending habits, job histories, driving records, relationships with neighbors and fellow workers, academic performance, and even personality quirks. These and a host of other specifics are gleaned both from records filled out by the subject and from clandestine interviews with informants who are not necessarily well-informed about the subject but eager to volunteer what they know anyway.

The American people are entitled to be concerned about the big brother aspects of having the details of their private lives available on computer printouts for whoever has statutory authority or perhaps just the right connections to scan them. Evidence is available to us right now concerning unwarranted intrusion into the individual's constitutional right to privacy, and we in the Congress will have to take a stronger role in regulating, or even eliminating, some of the uncontrolled reporting and recordkeeping practices both among private enterpreneurs and agencies at all levels of government.

We have been given clear evidence that the credit ratings which affect a person's very reputation are often compiled on the flimsiest of information, sometimes exaggerated or falsified because of the financial premiums for investigators who submit unfavorable reports on individuals. Anyone who has ever been questioned about an acquaintance by Federal Government investigators is aware of the opportunity for malicious reporting and the deposit of unverified raw data into Government files that may remain observable by certain authorities for the duration of the subject's lifetime.

Because of the potential for abuse, and in fact because of increasing reports of actual abuses in the gathering and recording of private data on individuals, I am pleased that the Congress appears ready to move toward protecting the personal rights of the American people.

Mr. Speaker, I have cosponsored bills to require Government agencies to advise citizens what records are being kept concerning them, to limit the sale or distribution of mailing lists by Federal agencies, to restrict the authority of Federal agencies to inspect individual income tax returns, and to guard personal privacy by regulating automatically processed files.

One of the greatest risks to our civil liberties now and in the future is the invasion of our personal lives through computerized data banks, wiretapping, and interception of correspondence. In anticipating the threat and acting quickly, we can put permanent limits on the snooping and secret information-gathering whose results accumulate in private and Government dossiers.

The privacy of the individual is one of our most cherished tenets. We have the opportunity to shore up and give real meaning to that important freedom. The legislation introduced by the Members participating in this special order should be among our highest priorities for the remainder of the 93d Congress.

Mr. ROSENTHAL. Mr. Speaker, the promise that each individual will be free from governmental surveillance of his or her political beliefs and activities is perhaps the most fundamental guarantee in the Bill of Rights, yet we find that his guarantee is increasingly being abused.

In the last decade there has been a vast increase in the maintenance and dissemination of all kinds of personal records by governments. These records contain personal information about virtually every aspect of the private lives of American citizens—from political dossiers to bank and credit records.

The dimensions of the dossier problem are already staggering and are steadily growing. For example, there are approximately 2,500 credit bureaus in the country with records on more than 131 million persons, all of which are regularly sold and disseminated. The Defense Department and the FBI compiled between 1968 and 1972 in the area of political surveillance a computerized index of more than 25 million names of persons who had taken part in civil rights or antiwar activities and were regarded as potential civil disturbance risks.

The profound danger of these files is that the individual may be totally unaware of the existence of these records and totally unaware of the contents. The impact and the existence of them may only become known in extraordinary circumstances. Yet the effect of the contents of the file may be earth shaking upon disclosure to employers, creditors, banks, or other agencies.

Often these dossiers create assumptions about people on the basis of anecdotal information about their past, and then condition the future of their lives on those frequently false assumptions. The individual seeking employment may suddenly find that a dossier has been compiled, containing false or erroneous information, that may eliminate him from contention for a job. For instance, the Federal Civil Service Commission has files on 1.5 million persons suspected of "subversive activities" and therefore, blacklisted for employment.

The subject of privacy has been studied extensively by congressional committees and subcommittees and by prestigious governmental and private agencies. It is now time for substantive legislative and administrative action to be taken to protect the right to privacy.

Several steps must now be taken to curb the antidemocratic tendencies of dossier-building. First of all, control must be established over data collection and computerized data banks maintained both by private and government agencies. Prohibitions must be established against the gathering and storing of information relating to the lawful political activities of individuals. Perhaps most importantly, every person about whom personal data is stored should be notified of that fact and given access to his dossier to check its accuracy and propriety.

I wish to direct your attention to an article "Your Past May Be a Prison" by John H. F. Shattuck which dramatically highlights the importance and the need for legislation in this area. Only strong and prompt action to safeguard the right of privacy will convince the Nation's citizens of the sincerity of their legislators and leaders in protecting individual privacy. Mr. Shattuck's article follows:

[From the National Council of Jewish Women, October 1973]

Your Past May Be a Prison

(By John H. F. Shattuck)

About two years ago Robert Meisner received a letter informing him that his car insurance was being canceled because of an adverse credit report prepared by a nationwide commercial credit reporting agency. Never having had credit problems before, Mr. Meisner managed to find out, after a series of angry letters and telephone calls to his insurance company, that the report indicated his son was "a long-haired hippie suspected of drug use." The source of the report was never disclosed to Mr. Meisner. Since his son had no police record of any kind and was characterized as a model student by his high school principal, the insurance company eventually reinstated the Meisners' insurance in order to minimize the bad publicity resulting from Mr. Meisner's tenacity. Retail Credit Company, which had prepared the report, however, refused to expunge the erroneous and damaging information in the Meisner dossier—one of more than 50 million in its files—and it could not be compelled to do so under any existing law.

The Meisner case is symptomatic of the problems of a dossier society. Governmental and private activity to counter perceived threats of crime and subversion is a growth industry. The heart of this activity is record keeping. In the last decade there has been a vast increase in the maintenance and dissemination of all kinds of personal records—computerized records of arrests not resulting in convictions, political dossiers on private citizens who exercise their rights of free speech and assembly, medical and welfare records of persons who qualify for government assistance, bank records of private depositors in federally insured banks, credit records like the one that caused trouble for Robert Meisner, and a seemingly endless variety of other kinds of personal information about virtually every aspect of the private lives of American citizens.

These data collection and dissemination practices tend to trap those who get caught by them in a "record prison." It is difficult for a person to escape the effects of his increasingly bulky "record" because allegations of past misdeeds and judgments about him follow him whenever he seeks a job, a license, credit, housing, admission to school, or a host of other social benefits.

One ACLU client, for example, a former Post Office employee, was forced to resign when he was placed under investigation for mailing obscene letters. He was subsequently cleared of the charge but the Post Office refused to reinstate him and agreed only to make a notation in his federal Civil Service file that he had been cleared. Several years later, the man was disqualified for state employment by the Utah Civil Service Commission, on the basis of a file check which turned up evidence of prior "immoral conduct." Apparently the clearance notation had not been computerized with the rest of the man's employment record.

The major evils of these anecdotal records are their persistence and increasingly wide exchange. Bank records, for example, provide a detailed-account of a person's political contributions and membership in private clubs or other organizations. By federal statute enacted in 1970 the Secretary of the Treasury is now empowered to require banks to microfilm and maintain for periods up to five years all checking transactions, and to make reports about such transactions to the Secretary, who, in turn, can make them available to other government agencies. All these financial records, therefore, are available to the government without any notice to the depositors, whose privacy and right to political anonymity are quietly subverted.

In terms of the sheer quantity of available data of private persons, the dimensions of the dossier problem are staggering. There are, for example, approximately 2,500 credit bureaus in the country with records on more than 131 million persons, all of which are regularly sold and disseminated. Of the more than 7.5 million arrests which are recorded each year, 3.5 million do not result in convictions but continue to be recorded and widely disseminated for a variety of purposes, including employment screening. A 1967 study of employment agencies in the New York area indicated that 75 percent would not accept for referral an applicant with an arrest record and no conviction.

A similar study by the U.S. Employment Service in Washington revealed that only about 15 percent of job applicants with records of convictions or arrests could be placed. In the area of political surveillance, the Defense Department and the FBI between 1968 and 1972 compiled a computerized index of more than 25 million names of persons who had taken part in civil rights or antiwar activities and were regarded as potential civil disturbance risks. The federal Civil Service Commission has files on 1.5 million persons suspected of "subversive activities" and therefore blacklisted for employment. Moreover, those examples are only the tip of the iceberg.

Some of the least dramatic records can have the most profound impact, but are never known to their subjects, or only become known in extraordinary circumstances. Mark Isaacs is a professor at Temple University. Three years ago his eight-year-old son David was killed in a highway accident, and during the course of litigation David's school records were obtained by the lawyers. When Mark Isaacs read these records his outrage at what they contained prompted him to write an article, "The Secret File of David Isaacs, Age 8," which was published in the Philadelphia Inquirer. One anonymous comment in the file stated, "Refuses to use left hand. Dislikes being reminded to try." David's father pointed out. "Of course he refused; of course he disliked nagging. He had an orthopedic problem on his left side. . . ." In another part of the article Mark Isaacs indicated that "two months before he was killed David was given a standard psychological test. . . . The comments appended by the school psychologist fascinate me. This time the comments are signed. 'Subject boy had bad associates,' the psychologist declared. 'The bad associates were his parents. . . . David's feelings of superiority, if they do exist, are bolstered through parent attitudes.' "

David Isaacs' school records represent all that is wrong with the dossier society. Data gathering and dissemination frequently work the way a tracking system works in a school: they create assumptions about people on the basis of anecdotal information about their past, and then condition the future of their lives on those assumptions. For this reason these practices are often antithetical to a free and open society which allows people the opportunity to improve their lives.

Several things should be done to curb the antidemocratic tendencies of dossier-building. First, there should be a flat prohibition against gathering and storing information relating to the lawful political activities of individuals. Second, legislation outlawing the storage or dissemination of hearsay or anonymous derogatory information should be enacted. Third, procedures should be devised for expunging or preventing the dissemination of records of arrrests which do not result in convictions. Fourth, we must evolve a procedure analogous to the economic bankruptcy process whereby an individual can gain a "discharge" from his past. Just as the commercial process cannot function without a procedure enabling participants to attempt a fresh start, the social system cannot function without a procedure enabling individuals to obliterate the residue of their past errors. Finally, every person about whom personal data is stored should be notified of that fact and given access to his dossier to check its accuracy and propriety. Under a new federal statute, the Fair Credit Reporting Act, subjects of credit investigations must be notified that they are being investigated, but they have no right under the statute to see their reports. One way of starting this mammoth notification task would be to compile an exhaustive citizens' guide to files of personal information in the federal government.

A remedial program with these general features would begin to reduce the danger to freedom inherent in the dossier society. The alternative is to march bravely toward a new world in which privacy and freedom are replaced by suspicion and security, and the secret computer printout reigns supreme.

Mr. STEELMAN. Mr. Speaker, the congressional commitment to privacy must be hard-hitting, immediate, and two-edged. For too long unjustified secrecy and privacy have proliferated throughout government, and for too long the government has, in the name of efficiency and law and order, and sometimes unintentionally, violated the citizens inherent right to privacy.

These two democratic rights, the right of know, and the right to privacy, have helped build that vital dimension of difference that sets America apart from most other nations of the world.

When the Freedom of Information Act was enacted in 1966 we were all confident that a new era of Government accessibility was being ushered in. But those of you who have tried, or have read about the unsuccessful and arduous processes involved, know that the Freedom of Information Act does not always work. There is still too much information being withheld, and there is still too much delay in responding to requests for information. There is no persuasive logic, certainly no commitment to democratic principle, in those arguments, that claim that without secrecy and covertness, modern and efficient government cannot function. Are we not, by such arguments, trying to preserve our democracy, by methods that by their very nature threaten its health and well being.

These matters are serious, and that is why I am working on legislation that will amend title 5 of the United States Code, to make freedom of information a fact, and not just an act.

But as my honorable colleague from California has emphasized, the right to know is only half the issue, the right of privacy is its necessary complement. With the increase in the use of the social security number as a standard universal identifier, and the indiscriminate and uncontrolled assimilation of personal information into hundreds of data banks, there is a grave threat that national dossiers will become a fact. At best, this is a frustrating and annoying invasion of privacy, and at worst, it may threaten a denial of status and benefits without due process of law.

I ask that we create an alliance of commitment to insure that our right to privacy, and the right to know are not empty words, but strong, powerful realities.

Mr. HEINZ. Mr. Speaker, I express my thanks to my colleagues Mr. Horton and Mr. Goldwater for giving the Members of the House this opportunity to express our commitment to privacy.

One natural outgrowth of an increasingly technological society is the dangerous proliferation of computerized personal records on every individual. Such devices, while perhaps well intentioned, deprive people of the privacy that should be their right. In addition, while it is quite easy for incorrect or misleading information to creep into one's file, once there it is considerably more difficult to get it removed. To cite some examples:

Last year a professor's wife in Texas lost her auto insurance because her credit bureau listed her as an alcoholic. She never drinks.

In New York a young woman has been fighting a Civil Service Commission order that she be fired from her job as a substitute postal clerk. It had been learned from her FBI computerized file that while a student, the woman, exercising her first amendment rights had taken part in a campus demonstration while at Northwestern University, and that she had been a member of SDS, a legally constituted organization.

In Massachusetts last year Gov. Francis Sargent had given a full pardon to a former felon who had kept his record clean for 10 years. He moved to a State 1,000 miles away and enrolled at a community college. However, after running a routine police check with the new State's computer file and having learned of the man's past conviction, the president of the college expelled him. The listing did not include the full pardon. Even after Massachusetts officials had verified the facts of the case, the president refused to readmit the man to the school.

There have even been cases of employees stealing computer files on magnetic tape and using such information for their own purposes.

Whether it be protection from unfair credit reports, from unwanted pornographic materials, from needless harassment by junk mail, or protection against unfair discrimination based on one's background, each citizen has a right to expect that the government will take whatever action is necessary to insure individual privacy. This trend toward centralization of personal information at the expense of individual rights must be stopped!

On January 3, 1973, I introduced legislation, H.R. 632, that in my opinion, goes a long way toward protecting individuals against invasions of privacy. This bill would prohibit the sale or distribution of mailing lists and other information without the consent of those people whose names appear on the list. Other bills concerned with privacy are also pending before the Congress, and I hope that strong action will soon be taken. Clearly, it is long overdue.

An employee of the Book-of-the-Month-Club—membership 1.5 million—reports:

> The saddest thing of all is reading letters that begin, "Dear Computer, I know there are no humans there."

I urge this Congress—with action as well as with words—to go on record as being determined to help make this society a little more human, and a little less machine. People must come first. It is up to us to see that they do.

Mr. RANGEL. Mr. Speaker, the steady and uncontrolled invasion into the private lives of American citizens must not continue unchecked by Congress. The use of information obtained for one purpose which subsequently becomes part of a data bank for entirely different purposes is a process we must closely watch and tightly control.

I would like to submit the following article which identifies a potentially dangerous invasion into the privacy of American citizens in methadone programs in the Washington, D.C., area:

[From the Washington Star-News, Oct. 28, 1973]

Footprints "Identify" Methadone Patients

(By Lawrence Feinberg)

Under a sign of a large green foot, Washington's narcotic treatment administration has collected about 5,000 footprints during the past two years in an effort to keep track of the methadone it dispenses.

"They laughed at us when we started," recalled Ronald J. Nolfi, who heads the agency's footprint project. "What's a footprint? But now they see it works."

The agency promises to keep the names of the heroin addicts it treats confidential. But Nolfi said it also needs a way to make sure that the same person using more than one clinic to collect methadone, an addictive, inexpensive heroin substitute.

"A lot of people have a lot of emotional prblems about giving fingerprints," said Dr. William Washington, NTA's acting director, "even though we assure them they won't go to the police."

The solution, since early last year, has been to collect footprints, which like fingerprints, are different for every individual but which the FBI doesn't keep.

Nolfi and two assistants classify every footprint they take. They use the right foot only and file the prints by the large green foot which is really a bath towel. Their office also has a foot-shaped ashtray, and a foot-shaped note pad, called "Footsie Notes."

Each day the footprints of addicts signing up for treatment are checked in the files. If the same prints are there already, NTA counselors try to sort out the identity problem and make sure no one is getting more than one dose of methadone a day either to use themselves or sell illegally.

Since the footprinting started, Nolfi said, about 20 addicts have been caught trying to go to more than one clinic. About 250 others, he said, have been found trying to get back into the program after dropping out without telling that they had been in before.

Even though many hospitals take footprints of babies to make sure they won't be mixed up, Nolfi said nobody classified footprints and stored them until NTA set out to do so.

The system for classifying was worked out by the National Bureau of Standards. It uses the lines and swirls on the ball of the foot.

The patterns under the big toe are called the core area. They are divided into seven basic types. For patterns that don't fit into a basic group, there is an eighth category called "accidental patterns."

The lines under the four smaller toes are called the secondary area, and they are divided into nine basic patterns.

To finish the classification the distance is measured in millimeters from the center of the core area to the point where the lines diverge.

To do the classifying takes about a minute, said James Schmidlin, a technician at the NTA center at 20 H St. NE. To search the files takes about 10 minutes more.

There are no names in the files to make sure they are confidential, just code numbers, which are matched elsewhere. But on the back of each footprint card there is basic information about the patient, his drug habit and treatment.

Schmidlin said only one patient has refused to go through with the footprinting, and very few raise any objections.

One reason for the lack of fuss, he said, is that the files really are kept confidential. Another is that the footprinting is made part of the regular medical exam, and is quick and clean. It's not done with ink, but with a clear liquid which reacts with a chemical coated on the card without leaving any stains on the foot.

The cost of each print is about 15 cents, but overall the program has cost $50,000, provided by the Law Enforcement Assistance Administration.

Since this summer the five other programs dispensing methadone in the Washington area also have been taking footprints of their patients and checking them against the NTA files.

The White House Special Action Office on Drug Abuse prevention is trying to have footprint files kept by drug treatment programs elsewhere in the country, but so far no one outside the Washington area is doing it.

Mr. MYERS. Mr. Speaker, resolving the issues related to right to privacy requires expert assistance. I am pleased that the National Bureau of Standards, Institute for Computer Sciences and Technology has taken privacy and security in computer systems as a main focus of their mission. Two conferences have been sponsored by the Institute bringing together several hundred computer specialists and information users in the Federal and State scene and the private sector.

By way of introduction to defining and reestablishing privacy rights, Dr. Ruth Davis led a group of speakers who described the nature and scope of these problems.

I believe this summary of their presentations would be of value to my colleaques and include herein:

Privacy and Security in Computer Systems

There is a tendency to confuse the issues of privacy, confidentiality and security with respect to recordkeeping and computers. Dr. Ruth Davis, Director, Institute for Computer Sciences and Technology, National Bureau of Standards, outlined the essential differences between these issues and established a framework for unambiguous discussion and solution of these problems.

Privacy is a concept which applies to *individuals*. In essence, it defines the degree to which an individual wishes to interact with his social environment and manifests itself in the willingness with which an individual will share information about himself with others. This concept conflicts with the trend toward collecting and storing personal information in support of social programs of various importance. The government's role often makes the supplying of this information mandatory—thus, creating a direct and acute compromise of the individual's privacy. Under this circumstance, the burden of protecting personal data is all the more important.

Confidentiality is a concept that applies to data. It describes the status accorded to data and the degree of protection that must be provided for it. It is the protection of data confidentiality that is one of the objects of *Security*. Data confidentiality applies not only to data about individuals but to any proprietary or sensitive data that must be treated in confidence.

Security is the realization of protection for the data, the mchanisms and resources used in processing data, and the security mechanism(s) themselves. *Data Security* is the protection of data against accidental or unauthorized destruction, modification or disclosure using both physical security measures and controlled accessibility techniques. *Physical Security* is the protection of all computer facilities against all physical threats (e.g., damage or loss from accident, theft, malicious action, fire and other environmental hazards). Physical security techniques involve the use of locks, badges (for personnel identification), guards, personnel security clearances and administrative measures to control the ability and means to approach, communicate with, or otherwise make use of, any material or component of a data processing system. *Controlled Accessibility* is the term applied to the protection provided to data and computational resources by hardware and software mechanisms of the computer itself.

From these definitions, it is possible to see that there is no *direct* relationship between privacy (a desire by individuals, groups or organizations to control the collection, use or dissemination of information about them) and security (the realization of the protection of resources), although they are interrelated. Several speakers pointed out that a perfectly secure computer could be used in such a way as to violate individual privacy. However, this should not be construed as an excuse for not creating secure computer systems since the thrust of earlier remarks was to the effect that legislatively defined rules for assuring privacy are now levying a security-oriented environment on government (and possibly private) data systems.

2.3 SOCIAL IMPLICATIONS

Dr. James Rule, Professor of Sociology, State University of New York at Stony Brook, presented a sociologist's view of the privacy question. He observed that the issues of privacy are social-political-human rather than technological and that the question of how far to go in computer-based recordkeeping on people is a political/social question in which the rights/needs/interests of the individual must be weighted against the rights/needs/interests of "institutions (social, political, commercial, etc.). In his view, determining the proper balance between individual privacy and institutional needs and interests will involve even more agonizing choices in the future than it does now. To illustrate his point, he described a hypothetical situation revolving around the use of computerized recordkeeping control of crime. In the hypothetical (but potentially feasible) situation, statistical methods of behavior analysis are used to predict individual criminality before it occurs. Assuming that such a system could be assured of even-handed administration, would such a system be desirable and would it justify the extensive recordkeeping on *all* individuals necessary to make it work?

2.4. LEGISLATIVE ACTIONS

As a result of the early warnings and studies of the privacy issue that have taken place in this country over the past 7–8 years, a number of legislative actions have taken place or are contemplated. For example, three Federal Acts have been passed in recent years relating to the issue of privacy. These are the Freedom of Information Act, which provides for making information held by Federal agencies available to the public unless it comes within a category exempted by the Act; the Federal Reports Act, which establishes procedures for the collection of information by Federal agencies and the transfer of confidential information from one agency to another; and the Fair Credit Reporting Act, which requires consumer credit reporting agencies to adopt procedures which are fair and equitable to the consumer with regard to confidentiality, accuracy, relevancy and proper use of such information. The Fair Credit Reporting Act also established the right of the individual to be informed of what information is maintained about him by a credit bureau or investigatory reporting agency.

In addition to these pieces of legislation, numerous bills have been introduced in Congress which propose to strengthen the rights of individuals with respect to confidentiality of data, prevent invasion of privacy, establish standards for the collection, maintenance and use of personal data, or limit the uses to which personal data can be put without written consent of the affected individual. It was also reported at the Conference that the Department of Health, Education and Welfare (DHEW) is implementing (internally) the recommendations contained in the Report of the Secretary's Advisory Committee on Automated Personal Data Systems.

The 50 State governments have pending numerous bills concerned with protection of individual privacy and data confidentiality. Massachusetts and Iowa have already passed significant legislation in these areas, providing higher standards of personal privacy protection than the Federal Government. Still other States have extensive legislative proposals that would impose extensive regulatory and technological constraints on the operation of personal data systems.

At the local level, a number of municipalities have passed ordinances to provide protection of computerized personal data.

While all of this legislative activity is not completed, it is indicative of the political response to the aforementioned public awareness and concern over individual rights and privacy.

2.5. THREATS

Threats to individual privacy and technological threats to computer-based information systems were the two themes repeatedly stressed by the various speakers. While the threat to individual privacy and liberty was predominant and seen to be mostly associated with the unregulated collection and use of personal data, a number of the speakers cited the technological threats as being those most bothersome to the operators of information systems.

Most of the speakers agreed that the threat to privacy was one that required legal and regulatory remedies and was not basically a technological problem. All speakers agreed, however, that technology was required to help enforce the legal and regulatory steps. Furthermore, a number of speakers noted that unless there were sound technological foundations for controlled access to computer systems, the legal and regulatory actions would be largely wasted.

In addition to the basic and somewhat diffused threat to individual privacy posed by the collection and use of personal data, several speakers cited an additional problem of misappropriation and misuse of data by people who are authorized access in connection with their jobs. While the problem of misuse of data would appear to be one solved by legal measures providing stiff penalties for violators, several speakers indicated that it was in part technological since the contemporary systems have so little in the way of controlled access mechanisms that it is difficult to restrict access *within* a data base and to account for its access and usage.

The degree of difficulty and the cost associated with providing security and controlled access to computer-based recordkeeping systems is a function of the type of access being permitted, the capabilities of those performing the access, and the type of computer system (whether dedicated, shared, local or remote access, etc.) on which the recordkeeping system is based.

Mr. HUDNUT. Mr. Speaker, today I am pleased to join my colleagues in a special order regarding the congressional commitment to privacy. I am glad to have the opportunity to express my personal concern for retaining and restoring this vital individual liberty in America.

In this computer age, it is easy to obtain information about an individual. Much concern has been voiced over the extent to which citizens' privacy is being invaded. We see this in the accumulation of personal data in computer banks and other such means which constitutes a threat to the privacy of every American citizen. There are some who look upon individual tax returns as the greatest source of such information.

The assurance provided the American people that information voluntarily given on Federal tax returns will be carefully protected from disclosure and improper use is one the basic concepts underlying this country's system of collecting taxes and I want to assure that protection. I am cosponsoring legislation (H.R. 10977) which will further restrict accessibility to taxpayers' tax returns.

Even though the matter which precipitated this bill; namely, the move to check tax returns of farmers' ostensibly for the purpose of obtaining information on which to base farm programs, has been resolved, it is my hope that the Ways and Means Committee will grant early and favorable action so the authority for inspection of individual tax returns by Federal agencies will be severely restricted.

Mr. ASHBROOK. Mr. Speaker, during my seven terms in Congress I have been deeply concerned about the increasing centralization of power in the Federal Government and the tendency of that Government to intrude more and more frequently into the personal lives of its citizens. I strongly believe that our citizens cannot afford any further erosion of their privacy.

Therefore, I was one of the first to urge the administration to revoke a controversial Executive order which allowed the Department of Agriculture to obtain personal financial information from the income tax returns of farmers. A little over a week ago my position was upheld and the President rescinded his order.

I have also moved to repeal legislation which allows the Secretary of Health, Education, and Welfare and officials under him to look at private medical records of people who receive medicare assistance. I believe that doctor-patient records are confidential and should not be given to Government officials.

These two incidents are part of the bigger issue of privacy for every American. At a time when technological progress is making it possible for the government to compile more and more information on all Americans, there is much room for misuse of the information collected.

Dr. Jerome B. Wiesner, president of the Massachusetts Institute of Technology, has warned in an article that—unless we act now to place safeguards on the "informational revolution"—George Orwell's "1984" could come to America Without endorsing all of Dr. Wiesner's opinions or proposals, I do believe that his statement should be read as widely as possible. Therefore, I include the following excerpt from his article with my remarks:

THE INFORMATION REVOLUTION—AND THE BILL OF RIGHTS

(By Jerome B. Wiesner)

The way in which we use and control the great new capabilities being created by the information revolution will shape the future character of our society; it may be said, indeed, to be shaping it already. Technology has been providing mankind with new tools and new opportunities for a long time and, in response, society has evolved new institutions and has changed its physical form. Sometimes these responses have been comfortable and swift, as in the case of the telephone and radio, at other times, they have been halting and painful, requiring repeated trials with many errors to find a new equilibrium that was comfortable for the society.

KNOWLEDGE IS POWER

For a long time, the rate of technological progress was sufficiently slow to enable society to adapt to the required change without permanent distortion of values. The pace of change is now very swift. We say "time is shorter now", and that is why we are faced with our present problem. To make the matter particularly urgent, information threatens to undue that subtle balance achieved in the Constitution between the people and the state which avoids anarchy on the one hand and tyranny on the other. Nowhere is it more true that "knowledge is power." Information technology puts vastly more power into the hands of government and the private interests that have the resources to use it. To the degree that the Constitution meant for the power to be in the hands of the "governed," the widespread collection of personal information poses a threat to the Constitution itself. There is also no doubt that technology can be and has been used to assist in the violation of the Bill of Rights. But it must be remembered that the violations are made by humans, not by machines. To my non-legal mind, there is even the question of whether the Bill of Rights, drafted in a simpler time, is adequate to protect man in his relation to the modern state and, whether there isn't a need for additional amendments providing protection for the individual against possible new infringements of his liberties.

Because many of our difficulties stem from the unforeseen side effects of technology or from the misuses of technological capabilities, there is a growing resentment and antagonism toward science and technology. There is also a widespread feeling that mankind would be better served if we could retreat to a simpler time. Given the present size of the world's population and the complexities of modern society, this hardly seems possible. In fact, I am firmly convinced that only through the sophisticated and careful use of technology can we create a truly decent society. In this circumstance, we must learn to manage technological change effectively for the common good. This, it seems to me, is the particularly important and urgent task of the Congress. Many committees of the Congress are concerned with aspects of this problem (such as the present hearings on the SST), but there is little focus on the overall task.

1984 COULD COME UNNOTICED

Modern information technology provides the potential to add to our general well-being and to enhance human freedom and dignity if properly used by extending our muscles, brainpower and material resources. Yet it also threatens to ensnarl us in a social system in which controls could essentially eliminate human freedom and individual privacy. Improperly exploited computer and communication technology could so markedly restrict the range of individual rights and initiatives that are the hallmark of a free society and the foundations of human dignity as to eliminate meaningful life as we appreciate it. In other words, 1984 could come to pass unnoticed while we applauded our technical achievements:

The great danger which must be recognized and counteracted is that such a depersonalizing state of affairs could occur without specific overt decisions, without high-level encouragement or support and totally independent of malicious intent. The great danger is that we could become "information bound", because each step in the development of an "information tyranny" appeared to be constructive and useful. I suspect that it would be much easier to guard against a malicious oppressor than to avoid being slowly but increasingly dominated by an information Frankenstein of our own creation. (Though we should recognize, I believe, that an effective means of citizen surveillance and intimidation could also provide attractive opportunities for a would-be dictator.)

CONTROL OF INFORMATION

Present and growing capabilities for surveillance and control are made possible by modern communication and computational techniques. It is very clear that such capabilities, through data-centralization and manipulation, will continue to grow at an ever increasing rate as our understandings of communications, computation and cognitive processes expand. At the same time, it is obvious that means for effective record keeping, information gathering, and data processing are essential needs of a modern society. The problem is to determine how to reap the maximum assistance from modern technology in running a better society and at the same time, how to keep it from dominating us.

In order to do this, we may have to adopt some stern measures in the form of very strict controls on who can do what with private information about any individual in the society. The present capabilities in information collection have already led to clear-cut infringements of citizens rights. In fact, even without technological assistance, there have been serious violations of the Constitutional protections by many agencies of the government and by many private organizations. Furthermore, the awareness of security dossiers has inhibited many people in their political activities.

WHAT KIND OF SOCIETY ARE WE BUILDING?

There is one specific point which I would like to stress. The issue of constitutional rights is but one dramatic aspect of the major problem of our time; namely: given so many options by a rapidly developing technological capability, what kind of a society are we going to allow to be created for ourselves and for our descendants? We live at a moment in history—I believe a unique moment—when the decisions we make, the paths we take, will shape the future of man's world for a long time to come. Technology allows us exciting opportunities for shaping a world to our liking, but it also poses the possibilities of a disastrous misstep. People everywhere have begun to appreciate that the thoughtless applications of technology on a large scale, done with the best of intentions and for the most constructive purposes, can frequently have large-scale destructive—at least, very unpleasant—side effects. We have slowly come to realize that we can intervene into the workings of the physical world on a scale and in ways that actually threaten man's survival on this planet. Fortunately there is a widespread reaction against such careless actions; witness the growing concern for the environment and the growing disenchantment with war, particularly nuclear war, as an instrument of foreign policy.

THE EFFECTS OF SMALL-SCALE VERSUS LARGE-SCALE APPLICATIONS

We are also beginning to understand that we can affect man's social and psychological environments in equally disturbing ways. We have learned one particularly important lesson about all of this. It is that technological innovations that are wholly constructive when employed on a small or moderate scale can, with increased and constant application, have such serious impact on the environment or on the society that massive efforts are required to offset their disastrous side effects. Sometimes a technical innovation can affect both the physical and psychological environments. The automobile, electric power and the aeroplane all illustrate this point.

The early manufacturers of automobiles hardly anticipated that their machines would produce the Los Angeles smog, the blight of our cities, or the malaise of the suburbs. And even today, the individual user of a bit of technology such as the automobile, a pesticide or a polluting detergent clearly believes that his personal gain greatly outweighs the environmental hazards that his small transgression produces. On the other hand, it is perfectly obvious that citizens of our country are sufficiently concerned about these problems to be willing to legislate against pollution even at the price of considerable inconvenience and cost. They are ready to spend substantial sums of money for less destructive products and large sums to undo the environmental damage from the past.

WEAPONS CONTROL

An important lesson can be learned too from our efforts to control weapons systems. It is much easier to stop the application of a specific piece of technology on a specific technique or a new strategy before it has been developed or widely applied, than after the fact. For example, it was relatively straightforward for the United States and the Soviet Union to agree to prohibit the introduction of nuclear weapons in outer space or on the ocean sea beds because these weapons did not exist. In contrast, it has proven impossible to curtail the emergence of anti-ballistic missile systems, even in the face of widespread agreement that they can't be effective, because they do exist and the decision to halt their development and deployment is contrary to the interests of large groups of people. It is perfectly obvious that this is a generally applicable theorem. If we want to avoid traumas from the mis-application of technology in the future, we should learn to recognize the inherent environmental or social threats in an early stage of a new technological development. I think that this point is particularly important in the matter of preserving privacy and freedom. The motto "eternal vigilance is the price of liberty" applies here with special meaning.

SURVEILLANCE OF PEOPLE

Modern electronic aids are not required for the operation of a comprehensive surveillance operation. In fact, the very effective security systems run by the Defense Department and the FBI during and after World War II made only modest use of electronic information storage and retrieval. But such systems were consequently quite expensive and also limited in the number of people that they could watch over closely. They frequently bogged down when presented with too much information. Large-scale data systems now operated by government bureaus and even private credit bureaus maintain files on tens of millions of people with no difficulty whatsoever. Furthermore, as you know, interconnecting communication networks allow information in separate files to be coordinated and centralized with great ease. In addition, as the software for data analysis becomes more sophisticated, it will be possible to simulate patterns of behavior for individuals and social groups and attempt to predict or anticipate their behavior with the purpose of maintaining better surveillance on individuals who, in one sense or another, might represent a threat to someone having access to the data system.

TECHNICAL SAFEGUARDS ARE NOT ENOUGH

There are those who hope that new technology can redress these invasions of personal autonomy, existing or prospective, that information technology makes possible, but I don't share this hope. To be sure, it is possible and desirable to provide technical safeguards against unauthorized access to data banks or information transmission systems.

It is even conceivable that computers could be programmed to have their memories fade with time and to eliminate specific identity when the information was being processed to provide social profiles, etc., and such safeguards are highly desirable, but the basic safeguards cannot be provided by new inventions. They must be provided by the legislative and legal system of this country. We must face the need to provide adequate guarantees to individual privacy.

SPECIFIC NEEDS

I am a communications specialist, not a legal expert, and consequently, I hesitate to propose specific legislation. However, I have spent considerable time thinking about the issues involved and I would like to mention several specific needs which I see. These are:

(1) A watchdog authority, perhaps an independent agency, possibly a division of the General Accounting Office, perhaps the FCC, to review regularly the public and private information gathering and processing activities within the country. The agency should have the authority to examine the nature and extent of such activities and should report its findings to the Congress and the public.

(2) Congress should set rigid limitations on permissible surveillance activities and establish much stronger safeguards than now exist against misuse of data-file information.

(3) Action should be taken as quickly as is feasible to re-establish public confidence in the sanctity of the boundaries of an individual's physical and psychological living space. His will require a number of steps. Outlawing some activities such as the free exchange of private information, collecting data not needed by an agency, etc., will help a good deal. Acknowledging publicly the extent of permissible surveillance and by whom is also important. Requirng disclosure of non-security type data to the concerned individual seems possible in many situations. In the few situations where this will not work, as in national security matters, judicial controls should be strong.

(4) Technical means of insuring data security and safeguarding privacy should be developed vigorously and their use required.

A BALANCE BETWEEN THREATS TO FREEDOM—AND FREEDOM

We should be prepared to accept the cost of considerable inefficiency in our various social and governmental processes to safeguard our privacy and, as I judge it, our freedom, dignity, happiness and self-respect. By costs, I mean both the financial costs and the loss of a degree of control that the state might otherwise have over genuinely threatening individuals such as criminals and violent revolutionaries. Our task is to achieve a proper balance between the ability to cope with individual threats to the society and its capability to abridge the freedom and happiness if its members. In countries where the legal system cannot be counted on, the people are at the mercy of the administrator and they must hope that the bureaucracy will be benign. Such a situation smothers freedom. Because I believe that an "information tyranny" poses a very serious threat to the survival of a free society in our country, I vigorously recommend that Congress take whatever steps are necessary to bring the Bill of Rights up to date.

Mr. REGULA. Mr. Speaker, my colleagues, Messrs. GOLDWATER and KOCH have my thanks for taking this special order to discuss the need for the establishment of a national privacy policy.

Examples of our need for such a policy are found in the everyday lives of all Americans, from the welfare mother to the corporate vice president: Eligibility regulations for food stamps and aid for dependent children; social security numbers for identification purposes; credit cards and credit data banks, a thriving business in consumer lists and personal information requested in census questionnaires, to name a few.

In this House alone there are 207 different sponsors of 102 different bills and resolutions relating to the protection of privacy. In April of last year, the House Government Operations Subcommittee on Foreign Operations and Government Information held hearings on Federal use and development of information techniques. Their findings and the evidence seems compelling that the Government must begin to pay more attention to the effect of its actions and the actions of the commercial world upon the rights and privileges of private citizens as guaranteed in the Bill of Rights.

The ramifications of data collected can and should be controlled in the first instance by the Federal Government's exercise of self control. Government data bank proposals should be studied to insure that data gathering is in furtherance of a purpose rather than self perpetuation. Data once collected should be reviewed and if no longer relevant, destroyed. Perhaps most important is the question of an individual's access to the records and data maintained about himself. One of the basic tenants of our system of law is the right to confront a witness or an accuser and to cross-examine him in order to elicit the truth. The written word or computer punch card bears witness as eloquently as the spoken word. The right of access to and challenges of data bank information by the subject of that information could, if excerized under the same or similar rules, only instill confidence in and aid our governmental processes.

An amendment which I cosponsored to the Freedom of Information Act that would increase public access to Government information passed the House on March 14. That bill would permit Federal courts to review Government information to decide if it should be released to the public and would give judges authority to require a prompt response to a citizen's request for information.

This is but a step in the right direction.

A serious evaluation of rules for data sharing and confidentiality should be made and boundaries should be drawn. Discretion is required in revealing data from one organization to another. In order to protect the privacy of the individual involved, he should have the opportunity to be informed of data sharing and offer his consent.

From Federal to State to local action, the question of privacy is involved. It is only through continued evaluation and new Government policies that we will really be capable of offering privacy to Americans in every realm of society.

Mr. ANDERSON of Illinois. Mr. Speaker, in 1933 in an address in New York City, George Bernard Shaw stated categorically that—

> An American has no sense of privacy. He does not know what it means. There is no such thing in the country.

In the more profound meaning of the word connoting the relationship between the citizen and his government, Shaw's words could not possibly be more misleading, because the Government of the United States was conceived and organized largely for the purpose of protecting the privacy of the citizen from unwarranted encroachments by his government and fellow citizens.

The first amendment prescribes that "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof." "No Soldier shall, in time of peace be quartered in any house, without the consent of the Owner, nor in time of war, but in the manner prescribed by law," reads the second. The fourth amendment guarantees the right of the people "to be secure in their person, house papers and effects." The fifth amendment guarantees that the people shall not "be deprived of life, liberty or property, without due process of law." The ninth amendment, moreover, states that "the enumeration in the Constitution, of certain rights, shall not be construed to deny or disparage others retained by the people."

No less than 5 of the 10 Bill of Rights ratified in 1791 guarantee directly the sovereignty of the people in the pursuit of privacy in the broad sense. Indeed in each of the first 10 and subsequent amendments to the Constitution the watchword is the protection of the citizen in the pursuit of his private interests from the unwarranted intrusion of the Government. In the past year when it has so forcefully been brought to our attention that men in the highest offices in the land have paid little more than lipservice to these principles, it might behoove each of us in the quiet and security of his own home to re-read the founding protections and principles legitimized by the Constitution.

I am reminded of an observation made by Walter Lippman that—

> Those in high places are more than the administrators of government bureucracies. They are more than the writers of laws. They are the custodians of the nation's ideals, of the beliefs it cherishes, of its permanent hopes, of the faith which makes a nation out of a mere aggregate of individuals.

The 102 bills and resolutions presently pending before the committees of this body, sponsored by nearly half the Members of this body, are surely concrete examples that this body is intent upon protecting the ideal of privacy.

All of the body of law that has been developed in the nearly 200 years of this Nation's life did not deter those who for political reasons in 1972 transgressed many of the freedoms guaranteed our people by the Constitution. Few of us would be so naive as to believe that any law, or group of law, no matter how comprehensive or wise, will deter all of those of like inclinations in the future. But our ongoing efforts to protect and guarantee those freedoms as best we can serve notice to all that if the price of freedom is eternal vigilance, then it is a price we shall willingly pay.

Mr. ABDNOR. Mr. Speaker, in 1896 the captain of the American ship Herbert Fuller was murdered on high seas. After the crime was discovered, Brown, a sailor, was put in irons and the vessel was headed for Halifax, Nova Scotia. Before it reached there Brown charged Bram, the first mate, with the commission of the crime, saying that he saw him do it. Bram was then also put in irons. On the arrival at Halifax, Power, a policeman and detective in the government service at that place, had a conversation with Bram. He testified that he made an examination of Bram, in his own office, in the city hall at Halifax. From the conversation, Bram was indicted at Boston for the commission of the crime.

The conversation, from which a confession of guilt was determined, was the central point of contention in the appeal in Bram against United States argued October 1897. In the decision the court questioned the circumstances of the interrogation.

> Before this examination had taken place the police detective caused Bram to be brought from jail to his private office, and when there alone with the detective he was stripped of his clothing, and wither whilst the detective was in the act of stripping him, or after he was denuded, the conversation offered as a confession took place.

Bram had been accused by Brown of committing the crime and the conversation which took place while the defendent was stripped and interrogated by a clothed detective was ruled by the court to be inadmissable evidence of guilt. The court argued that this confession, under these circumstances, could not be considered voluntary and that—

> The impression is irresistibly produced that it must necessarily have been the result of either hope or fear, or both, operating on the mind.

I bring up the issue of this case involving psychological duress because I think that it is an important analogy to the situation that occurs every day in the United States. Private citizens of the United States every day go to agencies that extend credit and are confronted by a situation where the loan officer they speak with has a file giving a portrait of that individual's credit standing. These files contain not only records of performance relative to the credit standing of that individual, but also information concerning his personality and history that has mysteriously entered his file without the knowledge of the applicant.

Like Bram, our average consumer has been indicted by an anonomous Mr. Brown. Like Bram, our average consumer goes to be questioned by a credit officer or a job interviewer under psychological duress. Bram's confession was declared illegal because he was stripped of clothing and was interrogated by a clothed investigator. Our citizens are interviewed by a questioner who has information about the applicant and that applicant does not even know what information is in that file. Like Bram, our average citizen is under similar psychological pressure because he is deprived of information which is privy to his request for a job or a loan.

Congress and the courts have an obligation to protect the rights of citizens of the United States. The present practice by organizations and agencies which involves the accumulation of files of information which are used to determine whether an individual will be accepted for a job or for a loan presently puts our citizens under psychological duress.

An example of this was brought strikingly close to the homes of my constituents in South Dakota. The Department of Agriculture requested and received permission to privately audit, examine and process the private tax returns of farmers in South Dakota and across this country. Farmers were to be subjected to, what is in my mind, the unjust and illegal perusal of their private, confidential tax returns. This is exactly my point of contention. Private citizens, in this case honest farmers, were deprived of their rights of privacy and due process by a Government agency which sought to accumulate information and use that information in dealings with these individuals. Their intentions may have been honorable. Their intentions may have been designed to serve the general welfare of the country. But the point remains that the privacy of our citizens was violated. The right of due process was abrogated, placing these individuals under psychological duress.

We are here today to discuss the importance of privacy and confidentiality. There is a need for us to protect the privacy of individual citizens whose rights are being violated by the accumulation of information and data and the processing of that information which critically affects their opportunities in the social and economic life of this country.

There will continue to be huge data banks of information on individuals in this country and this information will continue to be used to determine acceptability for requests for job employment or credit application or what have you. But the individual has the right to protect himself from misuse of this information. Our citizens have a right to know the contents of the files which are pertinent to their requests.

I hope that Congress will begin to seriously look into adopting measures to protect the privacy and rights of our citizens where these vast systems of data accumulation and processing affects his welfare. I urge Congress to begin investigation into ways of insuring that information accumulated without the knowledge or consent of individuals in this country does not prejudice his rights to due process and privacy. I urge Congress to begin now to protect the rights of confidentiality and privacy of all our citizens.

Mr. MOSHER. Mr. Speaker, I am pleased to be one of those participating in this unique and important special order on the Congressional Committee to Privacy, although I admit to doing so with somewhat mixed emotions.

On the one hand, those of us here today must extend our deepest gratitude and congratulations to those Members of this House who have worked so long and hard to put this forum together. They deserve enormous credit, for they have done their work well. I am confident that this special order will stand for some time as one of the principal records of the Government's responsibility in the area of privacy.

But on the other hand, none of us can take much joy from the fact that here we are, on the floor of the U.S. House of Representatives, trying to make some sense out of why it is that we Americans are apparently watching the erosion of one of our most fundamental rights—the right to privacy. That process of erosion is a profoundly important and compelling development of our age. It strikes at the very heart of our constitutional system.

I intend to outline later in these remarks legislation that I will be introducing to provide a new and significant dimension to the guarantees that come to all Americans as a result of the fourth amendment.

The erosion of privacy is a hydra-headed monster. It takes many forms—from the distribution and selling of mailing lists, to the collection and storage of information by the Government, to wiretapping and other technically sophisticated invasions of our lives.

It seems to me that this latter invasion—the invasion of our freedoms as guaranteed under the fourth amendment—is the most profoundly important area of concern we are considering here.

When Government agents are turned loose at the whim of bureaucrats and politicians to search our homes, seize our papers, and tap our telephones without any prior judicial approval, the most important liberties of a free people are eroded.

Those who founded our country, and presumably those who defended it in World War II, understood the importance of these liberties. Searches by the King's revenue agents in the 1700's and knocks on the door in the night in Nazi Germany were repugnant to our ideas of individual rights. In an important way, that was what World War II was all about. We fought to preserve our right to speak, our right to worship, and our right to vote. No less important is the right to remain secure in our homes.

Under our form of government, unreasonable searches and seizures are not cleansed by being wrapped in claims of national security. Surely, every official can convince himself that his action is important to the well-being of the Nation. In America we cherish individual freedom so much that the test is not whether the official can convince himself—but whether he can convince a judge.

On June 15, 1970, the President of the United States, by his own admission, approved a plan to tap our phones, to open our mail, and to engage in surreptitious entries—all without court approval.

It has been claimed by the White House that this plan was never implemented, and that it remained in force for only 5 days, when it was rescinded.

But there is every reason to believe now that every activity described in the 1970 plans was then undertaken by our Government.

An Intelligence Evaluation Committee was created which conforms precisely to the Intelligence Activities Group (IAG) of the 1970 plan.

An FBI memorandum dated September 16, 1970—only 3 months after the approval of the 1970 plan—for the first time approved the use of campus sources, aged 18 to 21.

Surreptitious entries were undertaken, such as at the office of Dr. Fielding. Other unexplained entries have occurred at the home of CBS newsman Dan Rather, the office of ABC newsman Bill Gill, at the office of Senator Lowell Weicker, and other places where Watergate related material was seemingly the object of the entry.

Telephones have been tapped as in the case of columnist Joseph Kraft.

Mail of American civilians has been opened as demonstrated by documents secured by Senator WEICKER.

Apologists for the 1970 plan have attempted to defend it under the cloak of national security, a vague doctrine which when unchallenged can too often lead to the gross abuse of individual freedom. The extent to which the national security concept has led to an erosion of our constitutional guarantees was demonstrated on July 25, 1973, when Senator HERMAN TALMADGE of Georgia asked John Ehrlichman whether the national security concept was broad enough to authorize a President to approve murders. Ehrlichman replied, "I do not know where the line is, Senator." The idea that our constitutional rights may be invaded by moral eunuchs who cannot foreclose even murder is nothing short of appalling.

Senator TALMADGE also asked Mr. Ehrlichman whether he remembered from his law school days "a famous principle of law that came from England and also is well known in this country, that no matter how humble a man's cottage is, that even the King of England cannot enter without his consent." Ehrlichman replied, "I am afraid that has been considerably eroded over the years, has it not?"

Such invasions of our personal security, and such distortions of the national security concept, offend our most historic freedoms. In 1765 Lord Mansfield established the proposition that the judgment of an independent magistrate is necessary before such rights can be invaded.

In 1772 the Committee of Correspondence of our Thirteen Colonies prepared a List of Infringements and Violations of Rights. Revenue officers of the King had been invading their homes and conducting searches without any judicial approval. The committee wrote:

> Thus our houses and even our bedchambers are exposed to be ransacked, our boxes, chests & trunks broke open, ravaged and plundered by wretches, whom no prudent man would venture to employ . . . whenever they are pleased to say they suspect there are in the house wares &c for which the duties have not been paid.

Before our Constitution was adopted, colonial legislators provided protection to the citizen against unlawful searches and seizures by executive officers. The Pennsylvania Declaration of Rights of 1776 provided in article X:

> That the people have a right to hold themselves, their houses, papers, and possessions free from search and seizure, and therefore warrants without orders or affirmation first made, affording a sufficient foundation for them, and whereby any officer or messenger may be commanded or required to search suspected places, or to seize any person or persons, his or their property, not particularly described, are contrary to that right, and ought not to be granted.

Similar provisions were found in the Virginia Declaration of Rights of 1776, the Delaware Declaration of Rights of 1776, the Maryland Declaration of Rights of 1776, the Massachusetts Declaration of Rights of 1780, the New Hampshire Bill of Rights of 1783, and the Vermont Declaration of Rights of 1777.

Our Founding Fathers, looking at the abuses in England and Colonial America, desired to protect the individual from officious searches and seizures by bureaucrats and executive officers. They provide in the fourth amendment that—

> The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no Warrants shall issue, but upon probable cause, supported by Oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized.

Mr. Ehrlichman to the contrary notwithstanding, these historic safeguards have vitality even today. In United States against United States District Court for the Eastern District of Michigan, Mr. Justice Powell held on June 19, 1972, for a unanimous court that—

> These Fourth Amendment freedoms cannot properly be guaranteed if domestic security surveillances may be conducted solely within the discretion of the executive branch. The Fourth Amendment does not contemplate the executive officers of Government as neutral and disinterested magistrates. Their duty and responsibility is to enforce the laws, to investigate and to prosecute. *Katz* v. *United States, supra,* at 359–360 (Douglas, J., concurring). But those charged with this investigative and prosecutorial duty should not be the sole judges of when to utilize constitutionally sensitive means in pursuing their tasks. The historical judgment, which the Fourth Amendment accepts, is that unreviewed executive discretion may yield too readily to pressures to obtain incriminating evidence and overlook potential invasions of privacy and protected speech.

He also stated that—

> The Fourth Amendment contemplates a prior judicial judgment, not the risk that executive discretion may be reasonably exercised. This judicial role accords with our basic constitutional doctrine that individual freedoms will best be preserved through a separation of powers and division of functions among the different branches and levels of Government. John M. Harlan, Thoughts at a Dedication: Keeping the Judicial Function in Balance, 49 A. B. A. J. 943–944 (1963). The independent check upon executive discretion is not satisfied, as the Government argues, by "extremely limited" post-surveillance judicial review. Indeed, post-surveillance review would never reach the surveillances which failed to result in prosecutions. Prior review by a neutral and detached magistrate is the time tested means of effectuating Fourth Amendment rights. *Beck v. Ohio,* 279 U.S. 89, 96 (1964).

He concluded by pointing out the dangers of official surveillance which has not received prior approval of a court:

> Official surveillance, whether its purpose be criminal investigation or on-going intelligence gathering, risks infringement of constitutionally protected privacy of speech. Security surveillances are especially sensitive because of the inherent vagueness of the domestic security concept, the necessarily broad and continuing nature of intelligence gathering, and the temptation to utilize such surveillances to oversee political dissent. We recognize, as we have before, the constitutional basis of the President's domestic security role, but we think it must be exercised in a manner compatible with the Fourth Amendment. In this case we hold that this requires an appropriate prior warrant procedure.

The issues which Mr. Justice Powell addressed were not hypothetical. The real tragedy of Watergate is not to be found in the breaking and entering, the plans for prostitution, the payoffs, or the perjury. It is instead, a personal tragedy which we all share. It is the erosion of our constitutional liberties which we inherited as a free people.

This threat to liberty did not steal upon us in the middle of the night on June 17. It germinated in the Red scare after World War I.

It was nurtured as we allowed our government to round up thousands of loyal Americans during World War II—Americans whose only crime was their Japanese ancestry.

And it grew during the 1950's when good men fell silent before the rage of Senator Joe McCarthy.

So we were ready for the maturity of the assault on our Constitutional rights which was uncovered in the wake of Watergate.

The time has come for us to decide. We either believe in the fourth amendment or we do not. If we do, and if the American people are to retain these safeguards, we must act now to give them meaning to our fourth amendment guarantees. We must be sure that never again, can any executive officer, on his own, open our mail, tap our telephones, or break into our houses on the pretext that it involves national security. When national leaders would subvert our liberties in the name of "security," we should remember the words of a letter from the Pennsylvania Assembly to Gov. Robert Morris in 1755:

> Those who would give up essential liberties to purchase a little temporary safety, deserve neither liberty or safety.

Mr. Speaker, I can report to the House that legislation is now being prepared to meet "head on" this aspect of the crisis of privacy. Although I am not now in a position to release the details of the prospective bill, for it is currently only in final draft form and several perfecting adjustments are still necessary, I can promise the Members that it will provide a new, and I believe a welcomed, initiative to shore up the American public's sagging confidence in its institutions of government.

The legislation I am speaking of is being put together by our former colleague, now the senior Senator from Maryland, CHARLES MATHIAS. He has indicated to me that he will be introducing his bill in the near future, and he is especially anxious that any and all Members of the House who may wish to join his effort be given an opportunity to do so.

Briefly, this legislation will call for a mandatory Federal court order before the Government is permitted in any way to intercept communications, conduct electronic surveillance, surreptitious entry, open mail, procure records of telephone, bank, credit, medical or other business or private transaction.

Additionally it provides—and this is of critical importance—that all such court orders, together with official transcripts of the appropriate court proceedings, shall be forwarded to the Committees on the Judiciary of both the House and Senate for proper review.

That provision assures that the Congress of the United States will assume a necessary and proper role in assuring that the protections guaranteed to all Americans by the fourth amendment are not subverted, ignored or in any other way mishandled by either of the other two branches of Government.

Mr. McCLORY. Mr. Speaker, recently I introduced a bill to regulate the dissemination of criminal justice records (H.R. 13164). The right to privacy has gained well-deserved recognition lately, and I am pleased to participate in this special order today on the subject of congressional commitment to privacy.

While recognizing the right to personal privacy in noncriminal areas, this bill does not seal up the records and thus handcuff the police. The arguments for not sealing up arrest records after a certain number of years are persuasive. The premise of the argument is that while rights should be protected continuously, if those rights are not being violated or offended, there is no compelling reason to restrict harmless action not inconsistent with those rights. I know of no empirical evidence to suggest that law enforcement agencies through the country are abusing the use of criminal justice records.

In an effort to protect society as a whole, all criminal justice records should be available to law enforcement agencies to afford them adequate tools in performing their safeguarding function. The right of privacy is not abridged when the police use their own records to investigate suspected offenders of the law.

As all citizens, one convicted of a previous crime has a right to privacy. This right to privacy should guarantee that the record not be used for certain nonsensitive, civil employment situations, but, Mr. Speaker, I believe that one convicted of a crime forfeits his right to privacy at least with respect to the criminal record resulting from the commission of and subsequent conviction of the crime.

Mr. Speaker, many have discussed the potential for abuse in this area. The possibility for abuse of this information, as long as it is confined within law enforcement agencies, is minimal, especially when the value of this information to the agencies is considered.

I am sure that FBI Director Kelley was in agreement with this notion when he testified before the subcommittee considering this legislation that—

> If only ten murderers or kidnappers repeated their crime outside the statutory time frame, is not this enough to warrant criminal justice agencies access to offender records which might provide leads in subsequent murder or kidnapping investigations?

I hope, Mr. Speaker, the Judiciary Committee will carefully weigh the several proposals before it and arrive at a balanced recommendation on this important subject.

Mr. McKINNEY. Mr. Speaker, today's special order to express the congressional commitment to privacy could not have been scheduled at a more opportune time. For there is no subject of greater concern to each and every American today than the right to privacy.

This right covers a host of areas. It includes our right under the fourth amendment to be secure in our persons, houses, papers, and effects against unreasonable searches and seizures. It means security in being able to control the collection and distribution of information about oneself. It means confidentiality in bank transactions. It means being able to make telephone calls without fear of wiretaps. It means freedom to say, do, and believe what one wishes without fear of surveillance. It means contributing to causes and organizations without fear of being included on someone's enemies list. In short, privacy is a personal freedom, the citizen's right to live without interference from others.

The American's concern over privacy stems not just from Watergate revelations—although these have enhanced our citizens' fear of "Big Brother" Government—but has been compounded over the years for hardly a day goes by that some new outrage is not reported. For example, this past Sunday's Parade magazine carried an article relating to incredible consequences which may befall an adult merely because of records kept on him as a child in elementary school.

The American experience, ever since the days of our Founding Fathers, has been imbued with the spirit of personal rights and liberties. This spirit developed from the history, character, and the circumstances of the frontier and has been reinforced by the millions who came to us to escape some form of oppression in their native lands—social, political, religious or economic. They wanted to escape restrictions of one sort or another which prevented them from being or doing or believing what they wished. They enriched American life in many ways but perhaps most of all in their passionate devotion to the concept of freedom as it has developed here. That concept is embodied not only in the Constitution and the Bill of Rights but also in a way of life. To them it meant the inherent right to make what you can of yourself in every way, without being told what to think, do or say, and without fear of Government reprisal.

But what of the present situation? In the short space of less than 200 years we have witnessed the consistent erosion of the basic right of privacy. We are now a great industrial nation of a wholly different type from the America in which the American concept of freedom had its genesis and growth. Jefferson thought democracy and our ideals of liberty would fail when our population became "piled on each other" as in the Europe he knew in his time. Have we reached this stage? Do the economic and technological changes we have achieved necessitate corresponding changes in what men consider freedom? Does our computer technology necessarily mean depersonalization and a loss of freedom for the individual American? Does our urban society mean we are to be constantly subject to barrages of intrusion into our private lives? At this point in our history we must determine whether we are to be a people who control their Government or a Government that controls its people.

My interest in the issue of privacy is not recent. In fact, one of the first bills I cosponsored when I came to Congress in 1971 was a privacy bill, designed to guarantee an individual's knowledge of and access to records concerning himself which are maintained by Government agencies.

However, Mr. Speaker, I must admit I had not realized to what extent there was citizen concern about privacy until recently when one of my older constituents, distressed over medicare reimbursement, refused to give me his social security number so I could check with the Social Security Administration regarding his case. Very simply, my constituent feared Government retribution. How could I assure him that seeking information regarding medicare is his privilege as an American citizen, that in a democracy he has the right to seek clarifying information and to secure a hearing, if necessary, on his complaint? How can I assure this citizen and the many others who share his fear that his name would not be included in a file as a potential trouble-maker? How do I assure him that his is a Government committed to protection of individual rights and liberties? My constituent has been reading the newspapers and listening to news reports; he knows, as we all know, that simple acts, statements or inquiries can and have been interpreted in a different fashion than intended and have been included in Government dossiers. He knows, as we all know, of the host of actual and potential intrusions into individuals' private lives, from political surveillance to computer data banks and the expanding use of social security numbers as a means of identification.

Today there is fear among our citizens because of the abuses of the individual right to privacy. And this Congress must act to conquer that fear. For fear in itself is degrading; it easily becomes an obsession; it produces hate of that which is feared. Already there is citizen distrust; already there is citizen fear; are we to live to see citizen hate of their Government because of fear? While eternal vigilance is the price of liberty, our lot today seems to be eternal anxiety about our liberty.

But mere concern, mere prating about privacy will get us nowhere.

We must enact legislation to control all kinds of automated files on individuals, for the mushrooming unguarded, uncontrolled data banks pose an obvious threat to civil liberties and the potential for injury is magnified by the very real possibility that a person's record will be inaccurate or misleading. I speak not just of Government computer systems but the programs of private industry as well. The privacy problem posed by the $20-billion data-gathering business and the 7,000 or so Government computers which hold information on citizens' private lives is enormous.

Congress can make a start toward fulfilling our responsibilities in this area by

enacting legislation curtailing the use and dissemination of criminal arrest and other law enforcement records, particularly the FBI's National Criminal Identification Center's program. While I believe it is important that the FBI compile pertinent data for effective crime control, I question the registering of names and actions of all persons who have any kind of contact with law enforcement officials. When a system includes unproven accusations, arrests not followed by convictions, allows agencies not connected with law enforcement to have access to these confidential records; when people without criminal records are recorded for noncriminal acts, suspicions or for political beliefs, then we have an intolerable violation of privacy and civil liberties.

We must give a conscience to our computers and deal with our citizens as individuals, not as numbers on a card. Retention in data banks of every aspect of our lives, including uncorroborated statements with no opportunity for the individual to review and correct his record, has a very chilling effect on the full expression of first amendment rights.

Congress must take steps to protect the privacy of bank records and credit ratings; make major improvements in the Fair Credit Reporting Act; protect the confidentiality of the individual tax return so these forms will no longer be used as a tool of Government harassment. We must also limit decennial census questions to prevent unnecessary and undue invasion of the Government into the privacy of its citizens.

The growing use of the social security number as a means of identification not relating to the individual's social security account, is an issue of gravity to be investigated. Even the practice of the Government selling mailing lists of names and addresses of individuals to private commercial businesses can be an invasion of privacy. Individuals should have the right and a practical means of preventing the Government from including them on such lists.

Undoubtedly most difficult of all our tasks, we must come to grips with the problems raised by illegal and improper wiretaps, political surveillance, domestic spying plans, illegal searches and seizures, infiltration and harassment of dissident groups, use of agents provocateurs, and the whole raft of related abuses which have come to public attention in the past few years. Such actions constitute a brutal attack on our Bill of Rights, on our right of privacy. Government surveillance of political activity stifles the free expression of ideas and discourages participation in the political process, the very basis of our democratic system. Congress cannot avoid the hard decisions of how the Government's police powers ought to be used and what kinds of investigations, by what agencies, are necessary and legitimate. A limit must also be found and placed upon what can be done in the name of "national security."

Concern over protection of the right of privacy has been evoked by representatives of the entire political spectrum, from those labeled conservative to those considered liberal. Indeed, this is an issue that transcends all labels for it is an issue fundamental to our system of Government, intrinsic to our individual liberties and to our future as a democracy. Innumerable articles have been written on the issue of privacy, advocating various approaches and solutions to the problems we face; advisory committees have been established within the various Federal agencies and they have issued reports, most notably the Department of Health, Education, and Welfare's report on "Records, Computers and Rights of Citizens." Innumerable legislative proposals have been introduced in the Congress on the subject of privacy. Certainly with this wealth of materials at hand the Congress can band together and enact meaningful and effective legislation in this field, to insure that the abuses that have occurred are not repeated, to insure that our right of privacy does not become a mere abstraction.

Mr. Speaker, today we express the congressional commitment to the right of privacy. Let us give meaning to our words by meeting our responsibilities, enacting legislation to insure that the constitutional guarantee of privacy is more than just words and thus reinstill in our citizens confidence that their Government does indeed respect the freedoms guaranteed in the Constitution.

Mr. MOAKLEY. Mr. Speaker, I join my colleagues on both sides of the aisle in urging Congress to enact legislation which will guarantee every American protection of our right to privacy. This special order is evidence that there is growing bipartisan support for this legislation to be passed into law.

If this legislation is to be effective, it must apply to all of the information maintained under an individual's name, and all information kept in other files. It must apply to information obtained from an individual, and information obtained from sources other than the individual whose files it is in.

We must not allow the serious problems which have resulted from the introduction of computer technology into the area of recordkeeping eclipse many other equally important issues.

A vast amount of information is still maintained in manual files. Even though the data in these files is available from one source, and computer files are available from many, sometimes hundreds of sources, manual files must be as carefully controlled as computer files. All personal dossiers maintained by Federal agencies must be strictly supervised if every American is to be sure that the Federal Government will not invade his or her privacy.

Even more importantly though, the information gathering process must be carefully controlled. Unnecessary information must not be collected. Inaccurate data must not be retained.

For example, we should direct our attention to the misuse of the postal service and the telephone system as means of gathering personal information. The information gathered from these sources, by tracing who contacts who, is often misleading. It is clearly an invasion of the right to privacy. Legislation must control the use of these services, and other inaccurate means of collecting data.

We must determine when it is proper and necessary for data to be collected, and how it may be collected. We must decide what constitutes improper information gathering, and when it should be illegal.

Equally important to regulating the means of data collection, is the need to monitor the accuracy of the data collected. Every individual must be permitted to see files maintained under his or her name, and information on themselves maintained in files under other names as well. Everyone must be made aware of the existence of his or her files.

People must be able to challenge Federal agencies that certain data should be removed from their files because it is either inaccurate or misleading. In order for this to be feasible, a regulatory board will have to be established.

An individual must be given ample notice before his or her file is released, so that an appeal of the decision to release that file is possible.

This legislation should require that every agency keeping personal records establish strict rules regulating the distribution of information contained in their files. These regulations should then be approved by Congress. Congress must maintain oversight in this area.

For Congress to consider regulations of hundreds of agencies would be a cumbersome task. This task would be greatly simplified if a board were established.

It is important that this board be independent of other Federal agencies. It must be composed of representatives from the broad spectrum of people involved in law enforcement, civil liberties and the legal profession. It must not become an arm of either the FBI, or of the Justice Department.

A complaint often heard against this proposal is that the cost would be too great. I find this response unsatisfactory. This board will be small in light of other Federal agencies and boards, and its function is vital. I do not see how anyone respecting the Constitution can say that freedom is not worth the price of this board.

Whatever guidelines we set up will be insufficient. The same is true for regulations adopted by Federal agencies. There must be a regulatory board to make decisions on individual cases as they arise. It is to the advantage of both Government agencies and people whose files are concerned for this board to exist to expedite the decisionmaking process.

Law enforcement officers often cannot afford time delays. Most people would not bother to appeal decisions for their files to be released or to have information removed if the appeals process were complicated.

I am inserting into the record information relating to the Massachusetts experience with a regulatory board.

Because Massachusetts has been in the forefront of the fight to protect the right to privacy, I am aware of the struggle which exists between the Federal Government and State and local governments in the area of recordkeeping. Massachusetts has refused to participate in the FBI's National Crime Information Center because of this conflict and has also risked losing many benefits offered by the Federal Government because of this.

Massachusetts law provides that records shall be carefully scrutinized before they are released. Massachusetts provides for the expungement of many types of criminal records after a period of time and does not keep a record of unsubstantiated accusations.

The NCIC computer, on the other hand, keeps all of this information. After an individual was no longer in the Massachusetts criminal files, he could very well remain in the NCIC files and his record—forgotten by the State with the authority to prosecute him—will be retained by the Federal Government.

This raises two very serious questions. The first is a constitutional problem. Why should the Federal Government have control over data collected by States fulfilling the constitutionally mandated responsibilities? The answer is that it should not. This question is not limited to matters of criminal histories either. All records kept by States to help implement their laws should be under those States' control.

If a State feels that those records should be expunged, then the Federal Government should automatically expunge that same information.

The second question is a practical one which arises directly out of the problem I have just described. How can a State protect the rights of its citizens by carefully regulating the release of data unless there are correspondingly strong Federal rules? As long as the information in a State's files is available through Federal data banks to hundreds, if not thousands, of Federal, State, and local officials, a State cannot. That is why Massachusetts has been unwilling to participate in the NCIC or in other national data centers.

If every State in the Union passed strict laws to regulate the release of personal data, those laws would be worthless unless there were correspondingly strong laws on a national level. It is imperative that the national laws be as strong as the strongest State laws, and that they be enforceable.

I hope that the day is not too far away when we will rise in support of a bill which will guarantee every American his or her right to privacy. It is important that this legislation be considered soon, but it is also important that this issue be treated comprehensively, and with great care.

As you well know, what we are dealing with is basic to the American concept of freedom. The rights of every individual are sacred to the people of the United States. And we as legislators must also hold those rights to be sacred. What is at stake is the very essence of our democracy.

TESTIMONY ON PROPOSED REGULATIONS FOR CRIMINAL JUSTICE INFORMATION SYSTEMS

(By Arnold R. Rosenfeld)

I would like to thank the Chairman for the opportunity to appear here today and comment, on behalf of the Governor of Massachusetts and the state Criminal History Systems Board, on the proposed regulations governing the dissemination of criminal record information and criminal history information.

I will divide my statement into four parts: background, general comments on the content of the regulations, specific problems with the regulations, and suggestions for remedial action.

Let me first provide you with some background on our perspective. We believe Massachusetts has played an important role in encouraging the federal government to come to grips with the important issues to be considered here today.

As a result of our examination and analysis of the information needs and practices of our criminal justice agencies, we recognized that they were at the same time grossly misused by a myriad of other public and private agencies for purposes never originally intended or understood. These misuses included employment and credit checks, social welfare agency checks, and many others.

We, therefore, planned out a carefully constructed automated system, obtained legislative authorization for it, and set up strict laws and rules to insure its integrity. We purposely limited discretion, because when you're dealing with an issue as sensitive as individual privacy, it should not be subject to executive whims.

We recognized from the outset, however, that regardless of how stringent we made the safeguards in Massachusetts, if we participated as planned in NCIC, they were only as good as what would exist in other states or in the federal government. And we recognized that such participation would be to our advantage.

Since we felt strongly about privacy, we wanted to be sure that the federal government and other states understood our position. Governor Sargent, therefore, wrote to the Attorney General and expressed our concern. Our Criminal History Systems Board carried out our statute, which had strong privacy provisions. We were rewarded with a suit brought by the Small Business Administration and the Defense Investigative Service.

We pressed on, however. Governor Sargent joined in a petition to require the Justice Department to promulgate regulations. This petition stressed privacy concerns and the need to regulate NCIC especially. The suit was dropped and we were informed that legislation was being drafted and that rules would soon be promulgated.

We believed that we were being heard. It is now clear that we are not being taken seriously and that the commitment of this administration to improved privacy of data banks is just words.

In the introductory statement of these regulations, we note that the "purpose of these regulations is to afford greater protection of the privacy of individuals who may be included in the records of the FBI, criminal justice agencies receiving funds directly or indirectly through LEAA, etc."

In our opinion, Mr. Chairman, this is the closest these regulations come to requiring the FBI to do anything to protect anyone's privacy as far as its responsibility is concerned with NCIC.

These regulations require the states to develop a plan within an extremely short time and to file a series of reports on action to be taken. The requirements are quite comprehensive, and except for a few specifics, we generally agree with them.

Subpart C requires nothing by the FBI. It is a statement of what they presently do now in operating NCIC. The only new items are section 20.33 and 20.34, which limit access and dissemination and provide the individual the right to look at his own record. There is no interpretation of the issues raised by these two items, which are extremely complex. In our draft regulations, interpretation of these two matters took more than thirty pages.

It is clear to us that the Department of Justice has not understood the concerns of the petition, or it has missed the whole issue, or the President's statements on privacy have no meaning. We wanted regulations to govern this system, not a description of the system. We wanted interpretations and definitions, not a statement about the discretion of the Director of the FBI. We wanted procedures to correct mistakes and remedy inaccuracies, not a statement of regulations that were already in existence.

Let me now be specific.

Section 20.2—The Definitions—we believe raises some problems. Section 20.2(b) is completely inadequate. It does not define intelligence. This is essential because of the sensitivity of this type of information. Criminal justice agency, as defined in 20.2(d), uses the principal function test. We found this to be confusing without further specification. The sealing provision does not really involve sealing, if it allows the information to be used by criminal justice agencies.

We feel we can comply without great difficulty with Subpart B, with one exception. Section 20.22(a)(1) includes access by agencies authorized by federal executive order. This is contrary to our statute. So is section 20.33(b) which is similar. We do not believe federal executive orders should be able to overrule states' statutes. If these agencies have a legitimate right to these records, let them go to the Congress for their authority, as was suggesed by the previous Attorney General.

I believe that most other states will have difficulty meeting the requirements of Subpart B, but we will not.

Subpart C really defies specific comment. It does not even purport to regulate NCIC. I will comment only on Section 20.35, which establishes the Advisory Policy Board. It is solely at the discretion of the Director of the FBI, and while it provides for broader representation than before, it still is police oriented. In any event, the Advisory Committee really has no power.

As a result of our review, we believe that the Department should actually prepare regulations governing the NCIC system. These regulations place great burdens on the states and more on the federal government. If this system is to truly operate so as to achieve the purpose stated in the introduction, then both the federal and state governments must establish careful safeguards.

Mr. BAFALIS. Mr. Speaker, anyone who has ever read George Orwell's classic "1984" has expressed dismay at the complete lack of individual privacy portrayed in the book.

This sense of outrage transcends political philosophy.

One's right to privacy is a very basic, almost innate instinct. It is also one which has been the hallmark of all free forms of government. In fact, the individual's right to privacy makes the most definite distinction between freedom and totalitarian or communistic forms of government.

Unfortunately, we seem to be confronted now with a serious erosion of this right to privacy in our society. While we in the United States have not yet reached the state where television cameras constantly monitor every move we make as was the case in "1984," there is little doubt that our personal privacy is being threatened.

In recent years, there has been a tendency on the part of big government and big business to encroach upon the individual's right to privacy of information about his activities, his finances and his lifestyle in general. Computers and data banks all over the country are chock-full of details concerning the background of millions of Americans.

This can only be viewed as a very dangerous trend.

Privacy is defined in Webster's as "the quality or state of being apart from company or observation." In view of the events of recent years, however, perhaps this definition should be amended to read "privacy is the control over the facts and figures of one's own life."

Unfortunately, the problem we are discussing has become so broad that it is virtually impossible for an individual to have this control over the facts of his own life.

Therefore, it is up to the Congress of the United States to take the remedial action necessary to reverse this trend.

And, I am pleased to note, the outlook on this matter is bright. As of mid-March, some 102 bills, sponsored and cosponsored by 207 Members of Congress, had been introduced in the House. In the Senate, various privacy bills have the backing of 62 of the 100 Senators.

I, personally, have sponsored legislation to protect the confidentiality of individual income tax returns. While it is necessary for the Internal Revenue Service to compile the data on individual returns to insure that all Americans pay their fair share of the cost of Government, there is no reason for that information to be available to anyone else.

It is far past time for the development of a Code of Fair Personal Information Practices to establish safeguards to protect individuals from those agencies which collect information. There have been too many cases of gross inaccuracies perpetuated to the detriment of an individual's credit rating and, more importantly, his reputation.

We should take every possible step to limit the use of the Social Security number as a universal identification number. Bills to accomplish all these goals have been introduced in the Congress, as have a number of others. So the effort is being made.

But more is needed. We, as Members of Congress, must push relentlessly to obtain the legislative action necessary to see that these vital bills are approved by Congress and become public law. Only in this way can we provide the individual with the safeguards necessary to protect his continued privacy.

I am hopeful we will be able to enlist all the Members of this body in a broad, bipartisan effort to see that this is accomplished.

Anything else could well mean "1984."

Mr. COUGHLIN. Mr. Speaker, among the ideals that America was founded upon, perhaps none is more important than the right to individual privacy. Interwoven with the Constitution and the Bill of Rights is the guarantee that every citizen is entitled to the broadest measure of personal privacy. Our judicial system has recognized this right and has moved, at all levels, to preserve and protect it.

However, the continued advance of technology poses the threat of unprecedented invasions of privacy. Sophisticated new techniques have been developed which could not have been foreseen at the time the Bill of Rights was adopted, techniques of information gathering which have become commonplace and are available to overzealous bureaucrats, misguided public officials, and aggressive businessmen.

The individual citizen, who is often unaware that he is being victimized, is virtually helpless to combat this unseen enemy. It is the responsibility of Congress to delineate the rights of the individual confronted with this threat, to legislate protections for him and to restrict and regulate the use of methods of information gathering and surveillance which, by their nature, infringe on the right to privacy and are therefore inimical to our fundamental ideals. Americans should not come to expect that their right to privacy will be infringed. Congress must take the necessary action to insure that this does not occur.

I believe there is an ominous correlation between the growth of huge bureaucracies, including the Federal Government, and a growing sense that it is necessary and proper to obtain information about people and their activities without their knowledge or approval. Personal familarity with individuals is beyond the capacity of most organizations. Consequently, they resort to questionnaires, computers, data banks, identification numbers, credit checks, or other impersonal means to make judgments concerning individuals which they consider relevant to their business. In this way, invasion of privacy becomes legitimized and accepted as common practice.

This trend is a dangerous one. If allowed to continue unregulated, it will lead to a society in which an individual's right to privacy is all but forgotten. That right is already under attack and we must act now to ward off further encroachments.

As a Congressman who has been apprehensive about this trend, I have sponsored bills to deal with specific situations in which the potential for abuse has been outstanding. I have sponsored legislation to require all Federal agencies maintaining records on an individual citizen to apprise him of the existence of the records, to permit him to inspect them and to furnish supplemental or explanatory information to the file. In addition, I am sponsoring bills which would limit the sale or distribution of mailing lists by Federal agencies and restrict agency access to Federal income tax returns. Responsible safeguards such as these will provide a first step toward insuring that the right to personal privacy will not be violated by the massive Federal bureaucracy where the temptation to impersonalize individual citizens, to gather often unnecessary or irrelevant files, and to share this information freely among agencies, magnifies the potential for abuse.

However, the problem of privacy, like the principle, is not confined to the policies and actions of the Federal Government. It pervades the realm of business relations as well as State and local public policy. Therefore, a piecemeal approach to privacy protection legislation, concentrating primarily on Federal policies, is destined to fall far short of the broad reforms that are needed.

Banks and other credit institutions, law enforcement agencies, and employment bureaus are but a few of the organizations in which confidential information is elicited and in which that information may be subsequently misused. While the Fair Credit Reporting Act of 1970 was a significant step in eliminating some of the more glaring abuses that have occurred, it is too narrow in scope to implement a national commitment to the right of privacy.

By the same token, the Federal establishment must take the lead to ensure that the privacy of all citizens is respected if meaningful legislation is to be enacted covering the private sector. Regrettably, the actions of the Federal Government have not been exemplary. The past year has been filled with reports of secret dossiers, inspection of tax returns, break-ins, and rummaging of personal and confidential files, as well as surreptitious electronic surveillance on the part of Federal officials. These are surely the most despicable violations of the right to privacy. These are deliberate and knowing efforts to abridge fundamental rights and for this reason are demeaning to those who are a party to them.

Perhaps the most flagrant and abused invasion of privacy has been the unauthorized use of wiretapping. Under the guise of national security more than a dozen taps on the phones of high government officials and newsmen have been admitted by the Justice Department and indications are that the actual number may be even higher. No comprehensive approach to guaranteeing the right to privacy can fail to deal with the sensitive issue of wiretapping. Existing safeguards enacted by Congress as part of the Omnibus Crime Control and Safe Streets Act of 1968 limiting wiretaps to investigations of certain specific crimes and requiring prior court authorization have not been sufficient to curb excesses in this area and further legislation is needed. The violation of civil liberties inherent in telephone taps, invading the privacy of not one but countless unsuspecting individuals, is so severe and so repugnant to our basic rights and freedoms as to be justified in only the most extreme national security emergencies and then only with prior court approval. The task of striking the proper balance between the individual's right to privacy and the exigencies of national security is a difficult one. The Congress can and must play an active role in this determination.

Mr. THONE. Mr. Speaker, on February 7, 1973, I warned that the Executive order giving the U.S. Department of Agriculture power to examine all farmers' income tax returns could destroy America's faith in its tax system.

In a telegram to the President and to the Secretary of Agriculture asking that the order be rescinded, I pointed out that this was the first instance of any Federal agency being given power to examine the returns of all people engaged in one occupation. I stressed that other agencies would follow suit if the precedent were allowed to stand. The Federal Communications Commission would be asking for the returns of all corporations and leading executives engaged in broadcasting. The Interstate Commerce Commission would be seeking returns of corporations and individuals engaged in transportation. The Labor Department would be asking for returns of labor union executives.

Two committees of the House of Representatives—Agriculture and Government Operations—held hearings on this matter. I am fortunate to be a member of both committees. As a result of the work of these two committees and of the pressure of Members of Congress on the administration, the Executive order authorizing examination of farmers' returns has been revoked.

I am not satisfied, however. If an Executive order could be issued once, it could be issued again. We must have legislation to protect the privacy of all income tax returns and to prevent their being pawed over by officials of various Federal agencies. I am a cosponsor of proposed legislation that would greatly restrict and control the inspection of income tax returns.

When a person makes out his income tax returns, he may reveal many personal and private matters. Our tax system has been the most successful of any in the world. Our citizens voluntarily tax themselves by completing income tax forms. If the information they impart to the Internal Revenue Service is not held in the strictest confidence, our tax system could be ruined. Most importantly, we must uphold and guarantee the right of citizens to be free from unnecessary and unwarranted snooping into their affairs by Government officials.

Mr. KEMP. I thank the gentleman for taking this time. Mr. Speaker, on some issues before this House, there must be no retreat from our resolve. The insuring of adequate safeguards to protect the individual's right to privacy is such an issue.

When liberty is threatened, no measure is adequate unless it guarantees the protection of that liberty. I am proud, therefore, to cosponsor this special order on the right to privacy.

The right to privacy is the right to be let alone—the right to be left alone. It is a right which forms the basis for such protections as those shielding the individual against unwarranted searches and seizures, electronic surveillance, snooping investigations and "fishing expeditions," and the inspection of personal papers, records, and effects. Much of our Bill of Rights—our first 10 amendments to the U.S. Constitution—is predicated upon this right to privacy.

Support for the individual's right to privacy is a feeling which runs deeply in the spirit of our Anglo-American heritage. As Mr. Justice Brandeis observed in his 1928 opinion in Olmstead against United States, the makers of our Federal Constitution recognized the significance of man's spiritual nature, of his feelings, and of his intellect. They knew that only a part of the pain, pleasure, and satisfaction of life is to be found in material things. They sought to protect Americans in their beliefs, their thoughts, their emotions, and their sensitivities. They conferred, over and against the Government itself, a right to be let alone—a right to privacy—the most comprehensive of rights and the right most valued by civilized men. It is this right which gives the individual the force of law to say to an agent of the Government, "No, you cannot come into my house or into my life, by any means, without my consent or the full requirements of law and due process."

PRIVACY MEASURES ARE MAKING HEADWAY

Important measures before this House, insuring further the right to privacy, are making headway. As the gentleman from California (Mr. GOLDWATER) has indicated in his remarks today, as of March 13 there were 207 different sponsors and cosponsors of 102 bills and resolutions in the House in this subject field, with 62 Senators making or cosponsoring similar proposals in the Senate. I think this reflects strongly the concern of Members—and the citizens they represent in these Halls—on this matter.

I have said much on the subject of privacy before today, and my colleagues are making many more valuable contributions to the dialogue on this issue today. I do not wish, therefore, to take the time of this House in simply repeating that which has already been said.

I wish, however, to concentrate my remarks today on a few crucially important items. I speak of these particular, substantive actions:

First, the successful Goldwater-Koch-Kemp amendment to the proposed Federal Energy Administration Act, H.R. 11793;

Second, the announced rescission of Executive Orders 11697 and 11709, highly controversial orders which had given the U.S. Department of Agriculture authority to inspect the Federal tax return of farmers;

Third, the consideration of measures to either prohibit or limit the procedural operability of so-called mail covers;

Fourth, the successful amendment which I offered on the protection of pupil rights to the proposed Elementary and Secondary Education Act Amendments, H.R. 69, an issue closely related to the protection of privacy;

Fifth, my intention to offer, at the earliest possible opportunity, remedial legislation addressed to the subject of protecting the privacy of records maintained by school systems on pupils; and,

Sixth, a recent commitment to me by the Commissioner of Internal Revenue to review de novo all IRS procedures and regulations which might be construed as potentially infringing upon the right to privacy and to insure, in any revisions of those regulations, that adequate safeguards for protection of that right are required.

Let me comment on each of these matters.

SUCCESSFUL GOLDWATER-KOCH-KEMP AMENDMENT TO THE PROPOSED FEDERAL ENERGY ADMINISTRATION ACT

The right to privacy must be carefully protected, especially so when it could be endangered by the collection, storage, and use of information by Federal agencies. The exchange of information between such agencies, as well as its use as a basis for litigation, requires that such information be gathered under the strictest procedures, stored with full confidence, and used properly.

On March 7, the gentleman from California (Mr. GOLDWATER) and I cosponsored an amendment to H.R. 11793, the proposed Federal Energy Administration, the intended successor to the Federal Energy Office. That amendment requires that to protect and assure privacy of individuals and personal information, the Federal Energy Administrator is directed to establish guidelines and procedures for handling data pertaining to individuals. He shall provide in such guidelines and procedures a reasonable and expeditious method for each individual data subject to:

Be informed if he is the subject of such data;

Gain access to such data;

Contest the accuracy, completeness, timeliness, pertinence, and necessity of retention or inclusion of such data.

The Administrator shall also take necessary precautions to assure that no indiscriminate transfers of data pertaining to individuals is made to any other person, organization or government agency.

We were supported in the offering of this amendment by the gentleman from New York (Mr. KOCH). The breadth of support for measures to further insure the right to privacy can be seen easily from the sponsorship of this amendment: Mr. GOLDWATER, a conservative; Mr. KOCH, a liberal, and myself, a moderate. This broad, bipartisan support bodes well for the enactment of future legislation.

The amendment was accepted, on a division vote, by a plurality of 86 percent "ayes." That, too, bodes well.

I hope that the Senate will accept the language of this amendment. I urge them to do so. If this bill becomes law, it should certainly carry within its provisions the safeguard amendment we offered.

INQUIRY INTO EXECUTIVE ORDERS 11697 AND 11709

There was a time when citizens could assume that, except for examinations by IRS itself, their Federal income tax returns were reasonably safe from the prying eyes of other Federal agencies—whether the intentions behind such searches were malevolent or well-meaning. One knew when he sent in that most personal document each April 15—your Form 1040 and related papers—that it was a confidential matter just between him and the IRS, unless of course he did something illegal or improper.

Unfortunately, that confidential treatment of Federal tax has been recently endangered. In early 1973, upon the advice of his counsellors and presumably with good intentions, the President signed

Executive Order 11697—subsequently amended by Executive Order 11709. These Executive orders allowed the U.S. Department of Agriculture to inspect—at its option—the tax returns of any—or all—of our Nation's millions of farmers. I will take the Department's recent word that there was no evil intent behind the order, but that disclosure misses the real point of concern. The motive is not important; the effect is.

After all, anyone can develop a rationale for the inspection of tax returns. The Department of Agriculture, in this instance, stated it wanted the information only to compile statistics about farmers that might be useful in formulating farm policies. But such similar "good motives" could raise the possibility of the Department of Commerce wanting returns on businessmen, or of the Federal Housing Administration on homeowners, or the Department of Labor on union members. The list could be endless.

Two Members of this body spotted the dangers of these Executive orders and brought them to the attention of the Members. I think the House owes a debt of thanks to the gentleman from Missouri (Mr. Litton) and the gentleman from Arkansas (Mr. Alexander) for exposing these orders.

The administration has now announced its intention to rescind these two Executive orders. I commend the administration for such action, but it should be viewed only as a first move of many steps which need to be taken to insure adequately the protection of privacy, especially with respect to the confidentiality of tax returns. I believe remedial legislation may still be required.

THE CONSIDERATION OF LEGISLATION TO PROHIBIT OR RESTRICT THE USE OF MAIL COVERS

On March 26, I addressed this House on the need for legislation on the subject of mail covers. This was a matter which was brought to my attention as a result of correspondence and discussions with attorneys and professors involved in the privacy issue.

What is a mail cover?

In a mail cover, information appearing on the outside of envelopes intended for a specified addressee is recorded, without his knowledge, by postal employees before the letters are delivered. The addressee has no idea that this information is being recorded about his incoming mail; that mail simply is left in his box or office each day, as usual. This information, which includes the postmark and return address of the addresser, is then given by the postal service to the Government agency which requested the cover be imposed.

What makes the use of mail covers an unconscionable practice is not only that they invade a person's right to privacy but also—because they are perceived even by the agencies using them as being of questionable color of law—that their use is seldom ever disclosed in a trial for fear that evidence ascertained through them will be ruled inadmissible. But, the evidence is used, nonetheless, without making disclosure of from where the authorities first got an indication of its existence or nature—the mail covers.

Since disclosure of the use of mail covers is suppressed, no one has an accurate fix on the extent of their use. Hearings before the Subcommittee on Administrative Practice and Procedure of the Senate Committee on the Judiciary, conducted in 1965, showed an acknowledged existence of 730 separate covers on a date certain in 1964. That is believed to be substantially greater than the number of wiretaps in effect at that point in time. A 1968 study of the Columbia University School of Law, showed a decline in the number of mail covers in effect, but showed a widespread existence of their possible abuse.

In order to ascertain more accurately the extent of mail cover uses today, I have written to the Postmaster General, E. T. Klassen, asking for current information on the number of mail covers in effect and on the source of the request for the use of those mail covers, per agency.

I have not yet introduced remedial legislation. I did propose in my remarks of March 26 the consideration of a draft text, one which would prohibit outright the use of mail covers. I have not actually introduced remedial legislation to date, however, for I believe a determination must first be made as to which course of action would be the most effective to pursue: Either an outright prohibition, such as that suggested on March 26, or a proscriptive amendment to title 18, United States Code, which would permit the use of mail covers in a specifically authorized set of criminal investigations but only then if prior court approval were obtained. The former would be similar to the current code requirements with respect to the authorization of wiretaps in criminal investigations, as those basic requirements are now set forth at 18 U.S.C. 2516 (1) and (2) coupled, however, with an additional requirement for prior court approval.

I have solicited the views of the Postal Service on the manner in which it would prefer to move forward with remedial legislation, for I believe strongly the Postal Service could use this legislation to protect itself as much as I want that legislation to protect the individual citizen.

I hope to report to the House the progress on this issue of mail covers at the earliest possible opportunity. I think it merits the attention of all of us.

THE PROTECTION OF PUPIL AND PARENTAL RIGHTS

Nothing could be more intrinsically intertwined with the right to privacy than the protection of the sanctity of mind and body, a sanctity which can be subtly eroded by various behavior modification measures.

On March 27, I offered two amendments to H.R. 69, the proposed Elementary and Secondary Education Act Amendments of 1974. These amendments, which were accepted on voice vote, would insure protections against invasions of the sanctity of pupils in our schools and against infringements on parental rights.

These amendments, if enacted into law, require that no child shall participate or be used in any research or experimentation program or project, or in any pilot project, if the parents of such child object to such participation in writing, and that the moral or legal rights or responsibilities of parents or guardians with respect to the moral, emotional, or physical development of their children shall not be usurped in the administration of these programs.

Nothing is more essential to the right to privacy, the right to be let alone, than the right to individuality, a right intrinsic in the moral, emotional, and physical development of each person. Programs and projects which seek to modify behavior, or moral values, or physical abilities—for the purpose of achieving modification as deemed appropriate by the modifier, not necessarily the student or the parent—can invade or infringe upon that right. Too often these programs and projects can lead to either conformity or uniformity of behavior, something which inherently denies the right to be different. And, too often, these programs and projects use pupils almost as if they were guinea pigs, to test out the viability of new methods, often forgetting the impact such testing—and the failure of methods—could have on the pupils.

I urge the Senate to accept these amendments and the committee of conference to preserve them in the final version of the bill.

PROTECTION OF STUDENT RECORDS AGAINST DISCLOSURE

Another area of serious concern has begun to surface during the past several months.

I speak of the potential misuse by disclosure of extensive information about pupils, maintained in the various public and private school systems.

What began more than a century and a half ago to keep registers on enrollment and attendance has grown to grotesque proportions.

Educators have constructed elaborate information gathering and storage systems, all in the name of efficiency, adding a piece here and there, tinkering with new components, assuming all the while they were creating a manageable servant for school personnel. But what they failed to foresee was the swift development of modern technology and the widening employment of that technology by a social system increasingly bent on snooping.

The growth of student records into an all-inclusive dossier came in response to the increasing centralization and bureaucratization of schools. Another contributing factor was the emergence of education's ambitious goal of dealing with "the child." Out of that context grew such specific actions as the National Education Association's 1925 recommendation that health, guidance and psychological records be maintained for—on—each pupil, and the American Council on Education's 1941 development of record forms that gave more attention to behavior descriptions and evaluations and less to hard data on subjects and grades. By 1964, the U.S. Office of Education was listing eight major classifications of information to be collected and placed in the student record.

How much has the system grown? Let me cite my State of New York. Let me cite New York City's public school system as my specific example.

According to a highly informative article by Diane Divoky, entitled "Cumulative Records: Assault on Privacy," which appeared in the September 1973 issue of the magazine, Learning:

> The ultimate mushrooming of records may have been reached in the massive New York City school system—largest in the nation. There, the records required or recommended for each child involve, if nothing else, a staggering amount of book work. A typical, rainbow-hued student dossier in New York carries:
>
> A buff-colored, cumulative, four-page record card that notes personal and social behavior, along with scholastic achievement, and is kept on file for 50 years;
>
> A blue or green test-data card on which all standardized test results and grade equivalents are kept, also for 50 years;
>
> A white, four-page, chronological reading record;
>
> A pupil's office card;
>
> An emergency home-contact card;
>
> A salmon-colored health record—one side for teachers, the other for the school nurse and doctor;
>
> A dental-check card;
>
> An audiometer screening-test report;
>
> An articulation card, including teachers' recommendations for tracking in junior high school;
>
> A teachers' anecdotal file on student behavior;
>
> An office guidance record, comprised of counselors' evaluations of aptitude, behavior and personality characteristics;
>
> A Bureau of Child Guidance file that is regarded, though not always treated, as confidential, and includes reports to and from psychologists, psychiatrists, social workers, various public and private agencies, the courts and the police;
>
> And all disciplinary referral cards.

The perspective of a Federal legislator here is severalfold.

First, the maintenance of student records is almost totally a matter of State and local jurisdiction.

Second, while there must be protection of the information contained in these records, it must also be available for a sufficient internal use within the school system itself to permit adequate attention to matters involving the actual education of the student.

Perhaps there is an answer. At many colleges and universities, the transcripts of students and graduates are not released unless the student or graduate specifically gives his consent to the release of that transcript to a specified party. That might be a good guide to follow here—that there could be a release of information contained in these records, except for clearly defined internal purposes within an education system or systems, only when the parent or guardian of the student gave written, prior consent, or, once the student has reached the age of majority, he give it himself.

I have this problem under intense scrutiny at this time.

I hope to be able to report to the House and to introduce any appropriate remedial measures at the earliest opportunity.

This is certainly a matter which should should not go without redress.

REVIEW OF IRS REGULATIONS

Immediately following the Christmas recess, I had brought to my attention the existence of a number of regulations within the Internal Revenue Service. The possible content of these regulations, not to mention their potential application by agents, concerned me greatly.

On January 7, I wrote to Donald Alexander, the Commissioner of Internal Revenue, making inquiry about the existence and content of the following regulations, which I recite by name and number:

> Methods to Achieve Intelligence Mission, 9141.2;
>
> Reporting Informant's Communications, 9271.3;
>
> Confidential Expenditures for Information, 9372;
>
> Electronic or Mechanical Eavesdropping, 9383.5;
>
> Surveillance, 9383.7;
>
> Entrapment, 9385;
>
> Arrests Without Warrants, 9444;
>
> Searches Without Warrants, 9452;
>
> Seizures Incident to Searches Without Warrants, 9452.4;
>
> Electronic Eavesdropping Devices, 241.44; and,
>
> Use of Raid Kits, 284.51.

A lesson of history is that the most disliked man in any society at any time in history is "the tax collector." I understand that. But, after reading just the titles of these regulations, I began to wonder if maybe there was not more of a reason for that feeling—in our day and age—that we just have to "pay up" each April 15.

I received a response from the Commissioner on February 4, and I want to share excerpts from it with my colleagues today, for they show—according to the Commissioner—that there are efforts to safeguard individual rights and not infringe upon them. Perhaps, but the courts will ultimately have to make that decision. Nonetheless, the Commissioner stated, in part:

> The various documents cited are not secret; almost all of them are available for public inspection in our Freedom of Information Reading Room in the National Office and have been provided to requesters under the Freedom of Information Act.
>
> Furthermore, these documents do not contain illegal instructions or promote invasions of privacy, but reflect the Internal Revenue Service's concern that the rights of citizens be respected. The instructions are intended to assure fair and proper treatment of investigative subjects. . . . In short our instructions are proscriptive in nature rather than prescriptive. We are now reviewing these documents again to assure that our instructions fully reflect our current practice and goals.

I do not want to be too harsh on the Service, but I think certain things should be pointed out, from practice and from the letter itself.

No regulation is any more self-restricting than the agent using it on a daily basis. With the thousands of agents within the Service—the preponderant majority of which are highly competent, I am sure—can one really be sure that all individuals are safeguarded fully every time one of these regulations is used? Inherent to the size of the Service and nature of the confrontation, probably not.

The fact that "almost all of them" are available does not mean that "all" of them are available. And it is interesting that one must use the processes of the laborious and time-consuming requirements of the Freedom of Information Act to get them—those which are available to the public.

The question of whether they contain "illegal" instructions begs the question, for the fact that they are regulations promulgated pursuant to law makes them "legal." What it does not do is make them necessarily the right law, reflecting the right policies, which should be passed and instituted to protect fully the right to privacy.

The statement that they do not "promote" invasions of privacy is still no safeguard that such invasions are not committed.

Again, I am not here to infer that the Service has made a practice of violating the rights to privacy. I do, however, believe that in a quasiadversarial position between the Government—IRS on one hand and the taxpayer on the other—that the taxpayer might sometimes not receive full benefit of the allegedly protective regulations.

One particular thing is important—over and above all else: I intend—and I invite other Members to join with me—to hold the Commissioner fully to his commitment that the regulations are, first, under review, and, second, that they will insure adequately the right to privacy.

I use this opportunity, further, to request the Committee on Ways and Means, particularly as it considers such measures as Executive Orders 1697 and 11709, to review the current regulations cited, as well as any revisions made in them. I think such an inquiry would be fully consonant with the responsibility assigned this Body by the Constitution to protect individual rights.

MUCH TO BE DONE

Mr. Speaker, I want to take an additional moment to express my gratitude for the outstanding work which some Members are doing on this issue. I speak primarily of Mr. Goldwater, Mr. Koch, Mr. Horton, Mr. Moorhead, and Mr. Edwards of California. I am pleased to have joined them in many mutual efforts in this regard.

These measures are but small steps—all be they important ones—toward safeguarding the right to privacy. Much more needs to be done.

I am committed to this task, and I invite my colleagues to join with me in this struggle.

Mr. LUJAN. Mr. Speaker, as a participant in today's special order expressing a commitment to privacy, I would like to add my voice to those of my colleagues in support of this fundamental freedom.

I have introduced five separate pieces of legislation on this; the Right to Financial Privacy Act, an amendment to the Freedom of Information Act, a bill to establish a Select Committee on the Right to Privacy, another to prohibit the use of an individual's social security number as a universal identifier, and finally one to provide for fair personal information practices.

The right to privacy of our citizens has been invaded and legislation such as I have sponsored can reverse this trend. We in this country pride ourselves on independence and our individuality; we resent the idea of others having easy access to our records. Furthermore, I believe that the practice of government and private industry establishing and maintaining data banks on citizens is being overused. This has become so outlandish that information about individuals is placed in these data banks from such diverse sources as church records, marriage licenses, pet registrations, hospital and doctors' files, and even hotel registrations.

I am concerned about the irreparable harm and damage many individuals suffer because of the quantity and quality of information collected and used. Much of it is gossip, biased opinion, unverified fact, misunderstanding, and misinterpretation.

I have learned of a case where a man in his mid-thirties was passed over for a major promotion in a large firm because a data bank revealed he had larceny tendencies. This information, it was learned too late, came from a prank when he was in grade school. It just so happened that the boy was involved with several others in taking some gym clothes and hiding them in the rafters. There was no indication of other criminal activity in his records.

Collecting and distributing this type of information is not in accord with the principles on which our country was founded, and our work here today can correct this injustice. Let us get started.

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, two of the major issues in Government today are the lack of credibility and invasion of privacy. Our citizens are beginning to question whether our Government tells the truth and, perhaps even more ominous, are beginning for the first time to fear their own Government. These developments constitute an evil trend which the people of any free society can only find intolerable.

On that point, let me say this. The Congress of the United States has a duty like the Supreme Court to interpret the Constitution and make it a living reality. We have a responsibility to do this through the enactment of laws implementing the letter and spirit of that great document. And we are going to do it.

The House Foreign Operations and Government Information Subcommittee is currently considering legislation to make certain that Americans have access to Government files, records, and dossiers kept on them. In all but law enforcement cases leading to criminal prosecutions, and properly classified files, citizens would have inspection and correction rights.

This landmark legislation, in my view, will be a giant step in protecting the right to privacy—and making certain that Government is the servant of the people and not their master. I hope every Member of this House will support this legislation.

Mr. Speaker, I am proud to be the chairman of the Foreign Operations and Government Information Subcommittee. Its Members on both sides of the aisle are all able advocates of the rights to freedom of information and personal privacy.

Through the years, the subcommittee has conducted pioneer investigations into the Government's use of polygraphs, telephone monitoring devices, and advanced information technology and their implications on the right to privacy.

Last year we conducted an investigation into two Executive orders which would have permitted the Department of Agriculture to extract certain personal financial information from the Federal income tax returns of 3 million American farmers. This investigation culminated in revocation of the two privacy-invading orders by the President.

I might say, Mr. Speaker, that the House Committee on Government Operations has shown a deep interest and concern in the protection of personal privacy for almost two decades. In 1964, it formed the Special House Subcommittee on Invasion of Privacy which investigated the psychological testing of Federal employees and schoolchildren, mail covers, electronic surveillance devices, trash snooping, credit bureaus, data banks, and other privacy questions.

Our studies over the years show there is a clear potentiality with the sophisticated and advanced technology of today of almost unlimited invasions of privacy if Government is not carefully watched and checked.

Overall, these inquiries add up to what only can be characterized as a most disturbing picture. Meanwhile, the Watergate investigations have brought out new brush strokes of blackness on the same canvas.

We have heard the details of Tom Charles Huston's White House plan to intensify Government surveillance in the name of improving domestic security.

As you may recall, the plan was briefly approved by President Nixon despite its unconstitutionality and objections from the late FBI Director, J. Edgar Hoover. It was later rescinded.

Watergate also brought out the existence of lists of "political enemies" who were to be targeted for income tax audits and other possible adverse Government actions. All of America finally found out to what evil extent the privacy invaders of Government had gone. And it was frightening. The first and fourth amendments contained in the Bill of Rights to the Constitution were under vigorous attack.

But fortunately, the barricades were manned by an aroused Congress, a great and fearless free press and many concerned Americans who put their country above partisan political considerations. In the event any of my colleagues believe I am alleging the privacy invaders inhabit only one administration, they would be most mistaken.

Privacy invasions of our citizens have permeated every recent administration in recent decades. The disease must be eradicated. Each Member of Congress—each citizen—regardless of party—must join together in the battle line to keep it strong—despite who the President is—Republican or Democrat.

My colleagues, we have heard much about preserving the Presidency. I submit the real question is: Are we going to preserve the Constitution?

Mr. DRINAN. Mr. Speaker, when President Nixon announced his support for the right of privacy in the state of the Union message, it was greeted with guarded praise. After all, a great number of the assaults on citizen privacy had been perpetrated by officials in the Nixon administration, by his reelection committee, and, in some cases, by Mr. Nixon himself. After reviewing these events in a statement to this body on February 6, 1974, I noted:

> Thus it was with a touch of irony that we heard, in this Chamber a few days ago, a Presidential pledge to take steps to protect the right of privacy. While we can rant about the demagoguery of it all, perhaps the wisest course is to note that we may have gained another ally in the battle against governmental excesses.

Recognizing that Nixon statements in the area of civil liberties are frequently not implemented in practice, I added: "But time will demonstrate whether Mr. Nixon is merely a sunshine patriot and summer soldier."

Since that state of the Union promise, Mr. Nixon has had myriad opportunities to advance the protection of privacy. On those occasions, he has given the American people half measures supported by half truths. Each time Mr. Nixon could have struck a resounding blow for securing citizen solitude, he merely administered a wrist slap. It is now clear that, when it comes to the battle against access to matters considered confidential by our constituents, Mr. Nixon and his appointees are indeed a troop of summer soldiers.

For the past several weeks, the Subcommittee on Civil Rights and Constitutional Rights of the House Judiciary Committee, of which I am a member, has been holding hearings on proposals which would regulate the storage and dissemination of data collected by criminal justice agencies. One of those measures under consideration, H.R. 12574, is the administration bill introduced on February 5, 1974. I should note that the interest of the subcommittee, under the able leadership of DON EDWARDS, in this subject antedates the administration bill by many, many months. We conducted hearings last session, for example, without any support from the Nixon administration.

Thus I was surprised and pleased when H.R. 12574 was introduced on February 5 and when Attorney General Saxbe appeared on February 26 to endorse at least some measure to guarantee the right of privacy by regulating the storage and distribution of criminal records. The problem, needless to say, is enormous. The FBI alone maintains almost 160 million sets of fingerprints, and arrest records of a substantial portion of those individuals. Arrest data, with or without dispositions, are in turn circulated to any Federal agency which requests them, to State and local agencies for law enforcement, employment, and licensing purposes, and to certain banking institutions. In addition a number of other Federal agencies, such as the Department of Defense, maintains files on individuals which are distributed to other Federal agencies—and perhaps other non-Federal institutions.

The testimony by Mr. Saxbe unfortunately was misleading and uninformed. He was unaware, for example, of the restrictions which a decision of the U.S. District Court for the District of Columbia placed on the dissemination of arrest records. In *Menard* v. *Mitchell*, 328 F. Supp. 718 (D.D.C. 1971), appeal pending, the court enjoined the Department of Justice from distributing the plaintiff's arrest record to other Federal agencies not engaged in law enforcement—except for employment purposes—and to State and local agencies not engaged in criminal justice activity. That decision is presently on appeal to the U.S. Court of Appeals for the District of Columbia.

Provisions on the administration bill, H.R. 12574, would drastically alter the decision in Menard. The bill allows for the distribution of arrest records—if a final disposition has not been reported—to Federal and State agencies—and even private institutions—for purposes unrelated to law enforcement if authorized by State or Federal statute, or by Executive order. In addition Mr. Saxbe failed to inform us that some of these non-Menard uses may unfortunately still be authorized by provisions of appropriation bills. For example, the Supplemental Appropriations Act of 1972 permitted the FBI to disseminate arrest data which Menard had prohibited.

Clarence Kelley, Director of the FBI, provided even less support for the protection of information collected by criminal justice agencies. With respect to fingerprint cards with arrest data, the present policy of the FBI is to destroy them when the individual reaches the age of 80, or 7 years after death, whichever comes first. Even the administration's weak bill would modify that practice to some degree. Yet Mr. Kelley was not in favor of it. He was totally against any provision which would limit access by law enforcement agencies to arrest records, even if the arrest resulted in no conviction, or no further action was taken by the prosecuting authorities.

Finally the subcommittee also received testimony from David Cooke, Deputy Assistant Secretary of Defense, on the same subject. Although the Department of Defense—DOD—is not, according to Mr. Cooke, in the law enforcement business, it nonetheless would like unlimited access to arrest data compiled by the FBI and other police agencies. DOD argues that such information is vitally important in determining employability, whether an employee should be retained, and status for security clearance purposes. At the same time, DOD concedes that it has never denied employment, severed an employee, or refused clearance solely because of an arrest, or even a conviction record.

Why then does DOD want the material? "So that we have a picture of the whole man," responds Mr. Cooke. That, of course, was presumably one of the reasons why the plumbers entered the office of Dr. Lewis Fielding seeking the psychiatric records of Daniel Ellsberg. And presumably why the plumbers—or the White House or whoever—allegedly kept a tap on Morton Halperin's telephone many months after he had left Government service—and while he was advising Democratic Presidential candidates.

One of the most ominous parts of Mr. Cooke's testimony was his proposal to amend the pending bills to prohibit State and local governments from imposing more stringent safeguards on arrest data. In other words, Federal agencies would have unlimited access to local arrest records no matter what restrictions are imposed by State law. And that suggestion is not made benignly. Mr. Cooke testified that DOD could not complete employment or security checks of citizens from States which would not make such information available.

The result: a loss of jobs and security clearances—and thus defense contracts—to residents of States which seek stronger protections against the release of arrest data. In the Commonwealth of Massachusetts, for example, Mr. Cooke stated that thousands of citizens have already been adversely affected because my State refuses to give DOD arrest data. Thus even the person with no arrest record at all suffers because the Defense Department says it cannot complete its investigation without it.

The matter of State regulation of arrest data is, of course, not a two-way street with Mr. Cooke. He believes that State and local governments should be allowed to enact more "liberal" access statutes authorizing the release of arrest data to any person, group, official, or institution they wish. What States could not do, under the DOD proposal, is to pass more stringent regulations.

What does all this signify? It is simply this: that President Nixon and administration officials, while professing to be in favor of protecting privacy, are doing all they can to scuttle proposals which would secure that basic right. The public disagreements among and contradictory statements by Nixon appointees, such as Mr. Saxbe, Mr. Kelley, and Mr. Cooke, could adversely affect the chances for passage of a strong bill. It leads me to wonder whether Congress and the American people have again been the victims of administration double-dealing.

Mr. RARICK. Mr. Speaker, this Nation's commitment to the principle of the individual's rights to privacy has a long and honored history. Yet, the growing invasion of our citizens' privacy by agencies of the Federal, State, and local governments, as well as by independent agencies and businesses, is alarming to Americans.

Dossiers containing information on almost every American citizen are tucked away in computer data banks and files all over the country. A brief list of some of the records and information which may have been collected on each of us is frightening: Adoption, airline flight record, arrests, bank accounts, bank loans, birth, car registrations, census, church records, consumer credit, conviction records, customs, divorce, draft status records, driver's license and record, drug prescriptions, employment, FBI, fingerprints, food stamps, general health, gun registration, ham radio registration, hotel, hospital, immigration, insurance, job application, library cards, marriage, medicare, medicaid, military, mortgage, newspaper morgue files, passport, pet registration, police, pilot registration, political activity, private investigators' records, psychiatric, school security clearance, social security, stocks and bonds transactions, subscription mailing lists, telephone, universities, utilities, voter registration, and welfare.

This is by no means a complete list of the official records maintained on our people. Modern communications and computer techniques place this information within easy access of anyone who wants to obtain it. A centralization of this mass of private and official information has a chilling, intimidating effect on even the most freedom loving, independent citizen.

The celebrated burglary of "Dr. Ellsberg's psychiatrist's office," to illegally obtain the confidential medical records of a dissident political figure, made front page headlines and focused the public's attention on the question of privacy. The "Plumbers' Unit" became a household word and trials and convictions followed.

But scant attention has been given to the legalized burglary of confidential medical records by the Professional Standards Review Organizations—PSRO—which became law on January 1, 1974. This radical concept of government intervention into privacy, through computerization of confidential medical records, would accomplish on a nationwide scale what the "Plumbers" failed to do.

I mention PSRO's invasion of individual privacy as an example of how far Government snooping into the personal affairs of its citizens can go, with the consent and approval of Congress. Even though it did not intend to allow legalized invasion of doctors' offices and privileged doctor-patient communication and records, the 92d Congress, and many of us here today, passed this law. Authorizing HEW's unelected army of bureaucrats to pry into the medical history of our people.

PSRO was passed in the last minute rush of the 92d Congress, tucked away in the massive Social Security Act as a Senate amendment added in conference. It is so easy for Congress to unwittingly grant authority to the Federal agencies which, under bureaucratic interpretation, infringes on our people's rights.

Professional Standards Review Organizations establish a network of interlocking committees reaching from the offices of local doctors all the way to the Secretary of Health, Education, and Welfare. They are responsible for establishing national standards of diagnosis, treatment and care of medicare and medicaid patients. The medical history of some 50 million patients and 10 million hospital admissions are presently subject to PSRO monitoring.

But this law allows PSRO to monitor, not only medicare and medicaid patients, but it also empowers them to inspect the medical and hospital records of everyone treated by a medical doctor or admitted to a hospital. We are told that this wholesale invasion of confidential medical records is necessary for HEW to establish and computerize national "norms of health care, based on typical patterns of practice." If this must be done, there is no doubt that it cannot be accomplished without resorting to violating the privacy of the poor, the aged, and the sick in this country.

The right of privacy, in the past, sacred in medical relationships, will be violated without benefit of a search warrant, court order, or authorization by the patient. These safeguards of individual liberty will not stand in the way of HEW's PSRO inspectors.

No matter how well-meaning, careful, and trustworthy our HEW officials and employees are, the very compilation and storage of this private information lends itself to fear of abuse. No agency is immune from improper exercise of power, as we have seen in recent years.

If this Federal seizure of medical records sounds farfetched to some of our colleagues. I should like to point out that in my State of Louisiana we have already had an example of this happening. All the admission records of a private psychiatric hospital near New Orleans were demanded and received by HEW last year. This was done without court order or search warrant, and certainly without the knowledge or consent of the individual patients who had sought treatment for mental problems. Do not think that it cannot happen, it is already happening.

Medical records will become public records. The PSRO section of the Social Security Act sets penalties for disclosure of the information collected by the local PSRO's. However, under existing law, not changed by the PSRO section, disclosure of information contained in HEW files can be made in accordance with regulations established by the Secretary. Section 1106, paragraph B, allows the Secretary to honor requests for information:

> If the agency, person or organization making the request agrees to pay for the information and services requested . . .

Not only is this invasion of privacy, but it is invasion of privacy for a profit.

Professional standards review organizations and the threat they represent to the sense of security and individual control of the private and confidential aspects of our lives, is but one example of the privacy issue we are addressing here today. By our congressional commitment to the Rights of Americans to maintain their privacy from undue government interference, we are opposing this type of legalized surveillance of our people.

Already the medical societies of California, Illinois, Indiana, Kentucky, Louisiana, Maine, Michigan, Nebraska, Nevada, Oklahoma, Texas, and Virginia have approved resolutions seeking repeal of PSRO or opposing any participation in the program.

This question of privacy, and the infringement of that right by government at all levels and by private companies, goes to the very foundations of our constitutional government. It is not merely the loss of medical doctors' right to maintain medical confidentiality, as in the case of PSRO. At stake here is the very question of whether or not in a government of laws rather than of men, laws can be used to restrict the basic liberties as secured under the Constitution.

I am encouraged by this participation today, and its show of congressional support for individual freedoms, that we can curb this frightening trend in America today.

Mr. RHODES. Mr. Speaker, the computer era has brought many benefits to our Nation, both in increased business capacity and in our personal lives. Along with the good however, problems have arisen regarding data storage and the availability of information about the private lives of millions of Americans. It is time that we take an in-depth look at what is being done—and take steps now to protect personal privacy in the future.

There are, at present, 54 nationwide organizations which have 750 data banks containing extensive information on 130-million citizens. These dossiers are, in too many instances, readily available to persons, business firms, or other agencies. We need to review our policies with regard to both data collection and data availability or dissemination.

In a recent series of articles, the New York Daily News has related some of the personal disasters arising from misuse of private information. While much of this raw data is hearsay, it does give rise to a concern over the potential scope of the underlying problem. One man had his credit ruined and his business reputation shattered by vicious allegations made by a spiteful neighbor during a routine credit organization check. In addition, the man was unable to find out what malicious information was being used against him. As another example, we all recall the celebrated case in which an auto insurance firm refused to renew a policy because they did not like the way the potential buyer kept house.

Like it or not, we have become a nation of snoopers. Data is now collected by various sources and can be collated from these numerous sources and put together into a dossier that represents an overt intrusion into the privacy of individuals. In most cases, the victim is unaware that his neighbors, fellow workers or possibly even his laundry man have been queried about his habits, his occupation or his home.

Privacy is an extremely perishable commodity. It is one of the civil liberties that differentiates life in the United States from that of totalitarian governments, where life belongs to the State. We cannot sit idly by and allow dictatorship by data to gain a foothold in our country.

One alarming aspect of the data decade is the interchange of information. I am told that some State agencies have sold the names of license holders to peddlers of automotive accessories. Supposedly confidential medical records are sometimes exchanged by insurance firms. Credit information is linked into a gigantic nationwide complex. "This personal information may be collected without the consent of the individual; without provision to check its accuracy; and without control over its dissemination." This was the summation of the dangers of today's data crisis by a special Commission on Privacy from the State of Massachusetts.

There are some who now propose that each of our citizens be given an identifying number to wear from the cradle to the grave. We are not machines, we are people. We have a constitutional prerogative of freedom in the pursuit of happiness, and should not have the ominous shadow of the automated data center hanging over us or dictating the terms of our lives. We are already deluged with numbers—from social security and zip codes to telephone numbers that continue to grow in length. We do not need more numbers, but we do need more opportunity to retain human dignity and individual identity.

We must take a firm first step toward heading off 1984. We must remove the Orwellian threat of a helpless citizen enmeshed in the coils of an all powerful punchcard system. A key element of this effort would be a requirement that individuals be given access to information about them which is used. Responsibility must be placed on those collecting and disseminating information to vouch for its accuracy. The misuse of data must be stopped by allowing the individual to ban use of information collected for one purpose to be used for another. We need to review our data collection and dissemination policy now. I believe that H.R. 12574, H.R. 12575, and H.R. 10042 provide an excellent opportunity for beginning this urgent task.

A process that today may produce only the irritation of unwanted junk mail, or pestiferous phone calls on behalf of unneeded products, can speedily develop into a time bomb, ticking away in an individual's data file, which one day can explode with devastating results for his or her future.

Much as I dislike to add more Federal regulations to an ever-increasing pyramid of Federal power, I feel that in this instance we are justified—and obligated—to protect the welfare of our individual citizens from depredations by data, from unscrupulous exploitation of reports on their private lives.

I feel that H.R. 10042 is an important piece of legislation—an 11th hour precept to the Bill of Rights. In today's omniverous computer world, the right of privacy must be protected here in America—the greatest bastion of individual freedom anywhere on Earth.

Mr. LITTON. Mr. Speaker, in recent weeks, President Nixon following the advice of Vice President FORD, revoked a year old Executive order which authorized the U.S. Department of Agriculture to inspect the tax returns of our Nation's 3 million farmers. This Executive order was fraught with abuse since its issuance had opened the door to unwarranted intrusions into the privacy of the American farmer and had established a precedent for future government investigation of the tax returns of entire classes of our citizens.

The fact that this unprecedented Executive order remained in effect for a full year and the fact that by revoking it the administration has in effect admitted its potential for abuse, clearly demonstrates that our tax laws must be changed to see to it that such a dangerous order is never again issued.

Accordingly, last October I introduced H.R. 10977, designed to insure and protect the confidential information that the citizens of this Nation entrust in good faith to their Government.

My bill, if enacted, will substantially alter the present treatment of tax returns, making the data contained therein information that is inherently private rather than inherently public.

Under the terms of my bill, now commonly referred to as the "Taxpayer Privacy Act," tax returns will be available for inspection by specified Government entities, solely for the legitimate purposes of tax administration and/or law enforcement. This proposal would in no way hinder the Internal Revenue Service or the Department of Justice in the prosecution of tax evasion or tax fraud. Moreover, quick enactment of "The Taxpayer Privacy Act" will insure the confidential status of tax returns filed by the American taxpayer and will permanently close the door to potentially unlawful invasions of personal privacy.

For well over a year now, I have been doing all that I could to block what I consider an administration scheme to bare information contained in individual Federal tax returns.

On January 18, 1973, President Nixon issued Executive Order 11679 authorizing the Department of Agriculture to inspect income tax returns filed by persons having farming operations. This order applied to returns filed for taxable years beginning on or after January 1, 1967. The President's stated purpose for the order was to allow the Department of Agriculture to obtain data from farm operations for statistical purposes only. It did not indicate specific data to be gathered. On January 23 new Internal Revenue Service regulations went into effect to implement the Executive order.

Neither the Executive order nor IRS regulations limited the type or amount of information that could be released to the Department of Agriculture. The January 23 IRS regulation stated:

> The Secretary of the Treasury, or any officer or employee of the Department of the Treasury with the approval of the Secretary, may furnish the Department of Agriculture (for the purpose of obtaining data as to the farm operations of such persons) with the names, addresses, taxpayer identification numbers, or any other data on such returns or may make the returns available for inspection and the taking of such data as the Secretary of Agriculture may designate.

The President issued a revised Executive Order No. 11709 on March 27, 1973. The revised order permitted Department of Agriculture inspection of farmers' tax returns in accordance with amended IRS regulations. These regulations limited the scope of the data which could be obtained compared with the regulations issued with the prior Executive order. The new regulations provided that only "names, addresses, taxpayer identification numbers, type of farm activity, and one or more measures of size of farm operations such as gross income from farming or gross sales of farm products," would be furnished the Agriculture Department.

In the original Executive Order 11679 any employee of the USDA with permission of the Secretary of Agriculture, was given authority to examine any and all tax returns of citizens showing farm income or expenses as long as they could justify such examinations by saying it was for statistical purposes. The President rescinded his order on March 27 and issued Executive Order 11709. However, under 11709, farmers' tax returns were still potentially an open book. In the revised Executive order, any employee of the USDA with permission of the Secretary of Agriculture had the authority to examine any and all farmers' tax returns and to obtain any piece of information from such tax returns as long as that information can be construed to mean a measure of size of the farming operation of the taxpayer. Close examination of the tax returns will clearly show that almost any piece of information on the return will be considered a measure of the size of the taxpayers' farming operation.

It is very significant to note that these Executive orders were formulated as a model or prototype for future Executive orders opening tax returns for similar statistical uses by other Federal agencies. In response to a congressional inquiry last year, the Justice Department said:

> The original order was prepared by the Department of the Treasury in language designed to serve as a prototype for future tax return inspection orders.

My proposed Taxpayer Privacy Act would prevent Executive orders from ever being used for such unwarranted invasions of privacy.

My proposal explicitly states that all tax returns are confidential and private records and may be opened to inspection only by the following persons at such times and in such manner as the Commissioner of the Internal Revenue Service by regulations prescribes:

First, the taxpayer or his attorney; second, officers and employees of the Internal Revenue Service, the Treasury Department, and the Justice Department for tax administration and economic stabilization purposes; third, shareholders of record owning 1 percent or more of a corporation; fourth, tax officials of the States, the District of Columbia, territories or possessions; fifth, the Ways and Means Committee of the House, Finance Committee of the Senate, and Joint Committee on Internal Revenue Taxation or by other specifically authorized committees of Congress; sixth, the Attorney General, his assistants, and U.S. attorneys in the performance of official duties or for litigation; and seventh, officers and employees of the Executive Department if necessary for legitimate law enforcement purposes.

Last year, several congressional committees held hearings on the confidentiality of Federal tax returns. In particular, these hearings focused on Executive Order 11697 and 11709. As a result of these hearings, the House Committee on Government Operations unanimously recommended that our tax laws be amended "to make tax returns explicitly confidential, except as otherwise limited for tax administration, enforcement, and other purposes approved by Congress." The present Commissioner of the Internal Revenue has endorsed this principle of confidentiality. And most recently two of the Nation's leading newspapers in back-to-back editorials have encouraged the Congress to quickly enact, and for the executive branch to endorse, legislation which will insure the confidential status of information contained in citizens' tax returns.

Mr. Speaker, for the RECORD, I wish to insert an editorial from the March 22, 1974, edition of the Washington Post and a related editorial from the March 4, 1974, edition of the Washington Star-News:

THE MISUSE OF TAX RETURNS

President Nixon has advanced the cause of personal privacy by revoking the year-old executive order which allowed the Agriculture Department to examine the tax returns of the nation's 3 million farmers. The cancellation, which was recommended by Vice President Ford's new committee on privacy, was long overdue, because the executive order involved should never have been issued at all.

This controversy has been a good example of the way in which bureaucracies, if not carefully watched, can chip away at citizens' rights without meaning to do any damage at all. The order was issued, in essence, because the Agriculture Department wanted to collect a large amount of information on farmers' incomes and decided it would be more convenient to consult the files of IRS than to ask individual farmers to provide the sensitive data directly and voluntarily. But by giving USDA blanket permission to look at the tax returns of a whole class of citizens, President Nixon approved a major departure from past practices, under which agencies had been allowed access to tax returns only when probing some individual's activities.

Executive Order 11697 thus raised serious privacy issues, as Rep. Jerry Litton (D-Mo), Rep. Bill Alexander (D-Ark.) and others protested. The order was doubly troubling because, according to a Justice Department memorandum, it was meant to be a "prototype" for similar broad searches of IRS files by other agencies. Thanks to a House government operations subcommittee probe and the resistance of the IRS, the Agriculture study was never carried out. Now, finally, the entire exercise has been abandoned.

Another case, involving the Office of Education, also suggests that agencies may be getting more sensitive to taxpayers' rights of privacy. This case involves the program of basic educational opportunity grants, aid given to college students from low-income families. Since the grants are based on complicated calculations of need, the program's administrators understandably want to be able to verify the income data which applicants submit. The problem is how this should be done. Last year, the application form included this affidavit:

> I (We) certify that I (we) have read this application and that it is accurate and complete to the best of my (our) knowledge. I (We) authorize the United States Commissioner of Education, or his representative, to obtain from the District Director of Internal Revenue with which it was filed, a

copy of the 1972 Federal Income Tax Return upon which the computation of expected family contribution is based, in order to verify the foregoing statement. I (We) further agree to provide, if requested, any other documentation necessary to verify information reported on this form.

Thus every applicant, whether or not he could decipher the fine print, was—as the price of the application—allowing the agency to inspect his tax return without further notice. An agency spokesman says that the language was meant primarily as a warning against fraud and that no such searches have actually been made. Indeed, somebody had some second thoughts about the whole procedure, because the language in this year's form is slightly bigger and much better. It reads:

I (We) certify that I (We) have read this application and that it is accurate and complete to the best of my (our) knowledge. I (We) agree to provide, if requested, any documentation, including a copy of my (our) 1973 Federal Income Tax Return, necessary to verify information submitted on this form.

Such changes are encouraging—but the privacy of tax returns should not depend on bureaucratic second thoughts. IRS Commissioner Donald C. Alexander agrees. He has endorsed a House Government Operations Committee recommendation that federal tax returns should be made explicitly confidential by law, with Congress—and only Congress—deciding what exceptions are justifiable in the interests of law enforcement and other public purposes. This is a simple, sensible approach. Vice President Ford's committee should endorse it and Congress should act on it right away.

MISUSE OF TAX RETURNS

There was a time when citizens could assume that, except for examination by Internal Revenue Service agents, their federal income tax returns were reasonably safe from the prying eyes of curiosity seekers and others with more mischievous or malevolent motives.

But it's getting so that congressional committees have little trouble getting returns for investigations of one sort and another, and the forms seem to float hither and yon among officials in the executive branch without much thought to the traditional obligation of confidentiality.

This was dramatically demonstrated the other day in the disclosure of a White House memorandum which said President Nixon suggested in June 1969 that his staff be given access to the returns of former presidents so he could learn what deductions they had taken. While Mr. Nixon has denied seeing the returns and doesn't recall asking aides to obtain them, the memorandum was written by a former aide at a time when Mr. Nixon seemed intent on making use of every loophole available—and some that had been closed off—to lower his tax bill. That such use of tax returns is illegal apparently made little difference to the White House.

That is distressing enough but now we have an even more ominous invasion of the taxpayer's right to the privacy of his returns. Only recently some members of Congress discovered that President Nixon in early 1973 issued an executive order allowing the Department of Agriculture to examine the tax returns of the nation's three million farmers.

Apparently there was no evil intent in the department's wish to examine the returns. Evidently it wanted to compile statistical information about farmers that might be useful in formulating farm policies. But regardless of the motive, the mass examination of tax returns by any governmental agency not involved in the enforcement of income tax laws is completely unjustified.

We agree with Representative Alexander of Arkansas who saw the presidential order as foreshadowing a "frightening prospect" that other departments and agencies will be given access to personal income information of various classes of people. He raised the possibility, for example, of the Department of Commerce wanting to look at returns from businessmen, the Federal Housing Administration wanting to inspect returns from homeowners, or the Department of Labor wanting to examine returns of union members. Lest anyone think Alexander is far off base, a Justice Department official was quoted as saying that the presidential order was drafted as a model so that tax returns could be used for statistical purposes by other federal agencies.

President Nixon has made a big thing lately of the right to privacy. He also has protested allowing congressional committees investigating Watergate and impeachment to "paw" through White House records on a "fishing expedition." If Mr. Nixon is serious about protecting privacy, he could start with rescinding the order involving farmers' tax returns. Neither the farmer nor any other citizens want Washington bureaucrats pawing through their income tax returns on a fishing or any other kind of expedition.

If the President doesn't rescind the order, the Congress ought to do it through legislation that would prohibit any such flagrant misuse.

At this point I wish to commend those cosponsors of my bill who fought so hard and well to have this unwise order revoked. I especially commend Representative BILL ALEXANDER of Arkansas; Representative BILL MOORHEAD of Pennsylvania; Senator LLOYD BENTSEN of Texas; Mr. Norman Cornish of the House Government Operations Committee; and a first-rate journalist, Mr. Alan Emory, of the Watertown, N.Y., Daily Times. Their efforts on behalf of the public's right of privacy is one of the brighter aspects of an otherwise depressing drama that has unfolded before us during the past year.

Also, I feel that the President's decision to revoke Executive Order 11697 is an excellent step in the right direction, reflecting his recognition that the original order was, in fact, a serious mistake. At the same time, I am deeply concerned that this situation may recur in one form or another, particularly in light of the 1973 Justice Department opinion suggesting that the order now rescinded serve as a "prototype" for all other Federal agencies. The Taxpayer Privacy Act is intended as a safeguard to provide assurance that this kind of potential abuse will not recur, and will not serve as a "prototype."

Mr. Speaker, the excesses of a government pose threats to the basic rights of the governed. While the revocation of Executive Order 11709 was an admirable response to outraged protest, the American people deserve the full protection afforded by my bill, H.R. 10977, and by S. 3238, introduced by Mr. BENTSEN, the distinguished Senator from Texas.

I urge my colleagues—in both Houses of the Congress—to support these efforts to protect the precious right of privacy of the American people, a right whose circumvention or outright breaching can lead to an ever growing assault upon those other rights that also are vital and indispensable parts of our American heritage.

Mr. TIERNAN. Mr. Speaker, much attention has been focused on the Government intervention into our privacy. Wiretaps and eavesdropping devices often violate the citizens fundamental rights to privacy. It is very important to protect these rights but there is one area where privacy works a true hardship on the American citizen. This is the field of corporate privacy. Corporations often have tight disclosure policies. By keeping private most of their activities, the possibility of fraud is greatly heightened. One example of the magnitude of fraud that can be perpetrated is the Equity Funding case. I would like to enclose an article from the Wall Street Journal on Equity Funding. This article highlights the hardships that can be caused when a corporation is capable of keeping their records secret from the investing public.

The article follows:

[From the Wall Street Journal, Mar. 29, 1974]

MANY PEOPLE'S DREAMS CAME CRASHING DOWN WITH EQUITY FUNDING

(By William E. Blundell)

"Every day I wake up and wonder what will happen to me," says Peggy Rahn, a 74-year-old widow living in a small New York apartment. Her bankbook says she has $900 left in the world. Her Social Security payments don't quite match her rent. After working for 55 years and always being self-sufficient, she is being inexorably pushed toward the welfare rolls. She wishes she had never heard of Equity Funding Corp. of America, in which she invested $7,000.

Across the Hudson River in New Jersey is a man who is keeping a terrible secret. In failing health, he yearns for retirement but still drags himself to work. His worried wife and son don't understand why. Self-employed, without any Social Security benefits coming, he cannot bear to tell them that most of what he has saved over the years now is so much wallpaper. He put the money, more than $25,000, into the 9½% bonds of Equity Funding.

In a town in Nebraska, a college student needed medical attention his family couldn't afford. They borrowed on their assets so he could make a surefire investment that would pay the doctor bills. The investment was the common stock of Equity Funding. His treatments have been delayed, and his father and mother try not to let him see how hard-pressed they are.

These are only a few of the lives touched by the Equity Funding scandal, one of the biggest and most audacious securities frauds in history. Today, almost a year to the day since an astonished public learned that Equity Funding was a house of cards, countless thousands of people continue to pay a price for the manipulations of a few. One figure tells part of the story. At the beginning of 1973, before word of bogus insurance and inflated assets at Equity Funding went whispering down the canyons of Wall Street, the company's common stock had a market value of about $288 million. Today it is worth nothing. So are the company's bonds and warrants.

WHAT IT MEANS

This, of course, does not mean that securities holders should throw all their certificates away. Equity Funding now is being reorganized under Chapter 10 bankruptcy proceedings, and it is expected to emerge as a new company that will issue new securities to satisfy claims of defrauded investors. But trustee Robert Loeffler warns that the new stock, at first anyway, would be worth only a tiny fraction of the price the market placed on Equity Funding securities before the scandal broke. "There just isn't enough in the company to support that kind of value," he says flatly.

The potential losses from Equity Funding means most to small investors—the butchers and bakers and candlestick makers who risked sizable percentages of their savings. For them, Equity Funding means a pinched household budget, a vacation untaken, a new home still a dream, wearing old clothes because they can't buy new ones, or a blighted retirement. There is much bitterness.

"Where were the men who were supposed to watch out for us little people?" asks a Long Island resident whom we will call Larry. "They tell you it's all safe, all regulated, so they can get you to invest. Then you find out it's still nothing but a big crapshoot, and you're marked for a loser. Would you ever believe an insurance company that size going bust? Aren't they supposed to be like the Rock of Gibraltar?"

"DON'T WORRY"

Larry, who is retired, put $21,000 in Equity Funding bonds. When the company's securities plunged in value upon rumors of fraud, Larry called his broker. "He said, 'Don't worry; even if they stole $20 million, the company has more than a hundred million in assets,'" Larry recalls. Now Larry and his wife no longer can take their usual vacation in Florida or anywhere else, she isn't buying any new dresses, and the two are struggling just to meet household expenses.

Larry's fellow victims are a diverse lot, including eight members of the Bruni family in Havertown, Pa., who belong to an investment club with $2,000 in Equity Funding; teachers in Ohio; the present and future student bodies of Princeton, Amherst, Wilillams, Sarah Lawrence and sundry other schools; children in Pittsburgh with learning disabilities; the innocent employes of Equity Funding itself, and at least one reporter for this newspaper, who bought $3,000 of the 9½% bonds "just to get better interest on my money than in a bank."

To those hardest hit, the potential financial damage is often compounded by pervading despair. One 30-year-old bachelor from Sherman Oaks, Calif., a small-business man with most of his savings tied up in $22,500 of Equity Funding securities, says: "I've had to pound and grind to make that, I can't count the nights I've set up sighing and saying to myself, 'Everything you worked for for years is gone.'"

The bachelor businessman also developed a bizarre physical reaction. After morbidly brooding over every word written in this newspaper about Equity Funding in the first few days after the swindle had been exposed, he found himself getting stomach pains at the very sight of The Wall Street Journal and had to stop reading it altogether for a while. But another victim, Lydia Bowne, says that the "whole thing was like a novel, fascinating," and has a scrapbook several inches thick filled with clippings. An employe of Bankers National Life, an Equity Funding subsidiary based in Parsippany, N.J., Miss Bowne wound up with 500 shares of Equity Funding exchanged for her good stock in Bankers National when the two firms merged.

To others, the strain of keeping their losses secret from friends and family is nearly unbearable. "I don't know how much longer I can do it, but I have to," says one man who invested for retirement. "How can I tell my wife I lost most of the money we were going to retire on? I don't know what it would do to her, and I'd die of shame."

Larry, the Long Island resident, and his wife fear loss of status if their friends learn that they now are strapped. "Nobody knows the trouble we're having. Nobody can," he declares. "My wife would commit suicide or something."

A special place in the ranks of the fraud victims belongs to those unfortunates who bought just before trading was halted. The student in Nebraska bought 500 shares just minutes before the New York Stock Exchange halted trading in the common stock March 27 of last year. An hour or so before, a law student from Brooklyn, Lloyd Somer, put the money he had earned from his job the previous summer into 100 shares. "I know you take a risk whenever you invest, but I certainly didn't expect to blow the whole bundle in one morning," Mr. Somer says. He isn't in the market anymore.

BUYING IN IGNORANCE

Diverse as they are, many victims have one thing in common. They bought Equity Funding in ignorance, relying on casual tips from friends and brokers and not doing much homework on the company themselves. Peggy Rahn, the 74-year-old New York widow, says she bought because she once worked for a man who was a friend of Michael Riordan, a former Equity Funding chief executive who died in a mud slide in 1969. Numerous bondholders bought under the mistaken belief that the bonds were of top-grade investment quality.

But given the nature of the fraud, in which audited financial statements turned out to be figments of the imagination, homework probably wouldn't have made most potential investors overly suspicious anyway. One who did study the company, did attend annual meetings and was still taken is Carl McWade, a semiretired market-research specialist in Los Angeles.

"I met some of those guys (the company's top executives) at the 1972 annual meeting," he says, "and they looked fine to me—clean-shaven, clean shirts, nicely dressed. They certainly didn't look like crooks, and there wasn't any reason to think anything was wrong."

In early 1973, however, his stock, purchased at more than $42 a share, fell to $27. Deciding that it was time to get some first-hand information, Mr. McWade called Samuel Lowell, then executive vice president of Equity Funding. Just general market conditions, Mr. McWade recalls Mr. Lowell as having said. The stock went to $21, and Mr. McWade picked up the phone again.

He says that this time Mr. Lowell said he suspected that someone was conducting a bear raid on Equity Funding and that company executives were urging "our friends back East" to buy the stock, which he expected to soar to $70. Reassured, Mr. McWade held on. A few days later, trading was halted, and the scandal was made public. Mr. Lowell now is under federal indictment with 21 other defendants in the Equity Funding case.

HOW THE FUNDS WERE AFFECTED

Individuals who invested directly in Equity Funding represent only a fraction of those affected by the fraud. Tens of thousands of others, most of whom don't even realize it, are also victims. They are the ultimate beneficiaries of various trusts, pension funds and endowments stuck with Equity Funding securities.

To the men overseeing these large diversified funds, the Equity Funding debacle is only a minor setback, not unexpected in an era when money managers are investing in speculative stocks and bonds for growth and higher income, and not just in blue chips for safety. "If you bought nothing but the AT&Ts of the world, you'd get nothing but an AT&T return, and that isn't good enough. You can't achieve the overall results we've achieved without taking some risks," says Paul Firstenberg, financial vice president of Princeton University.

If the $500 million Princeton Endowment Fund has to take a loss on the $1.3 million it has invested in Equity Funding, it will be barely noticeable. Neither would a $10.8 million loss on its Equity Funding securities mean much, relatively speaking, to the State Teachers Retirement System of Ohio, which has $2.6 billion in assets. Nor would a $50,000 loss to the trust providing income for the Laughlin Children's Center in Pittsburgh, which treats youngsters with learning disabilities.

That's one way of looking at it. But the fact remains that to the extent that these investments are losses, the beneficiaries of these funds will be the poorer. For example, $50,000 covers a third of the annual operating budget of the children's center. At the colleges holding Equity Funding, the potential loss can be translated into salaries for professors and scholarships for students.

EQUITY'S EMPLOYES

As a class, probably no group has suffered as much as the present and former employes of Equity Funding who were innocent of any wrong doing. While the fraud was going on under their noses, they bought heavily in their company's stock, borrowed on it in some cases, and put their friends and relatives into it.

Larry Williams, an attorney and chief of compliance at Equity Funding, believed his bosses when the rumors flew and the stock fell; he urged his brother, who manages their father's affairs, to invest. On Monday, March 26, he did, buying $10,000 of stock for the senior Mr. Willams. The next day trading was stopped. "Stanley Goldblum (the former chairman and president) assured me—he swore up and down—that there was nothing, absolutely nothing, wrong," Mr. Williams says. "God, what a fool's paradise I was living in."

Then there are all the Equity Funding employes who had to be let go during the past year because there wasn't any work left for them. "People above the clerical level have had a terrible time getting new jobs," says Mr. Loeffler, the trustee, who tries to help them. "It's nothing personal, nothing to do with the employe himself. It's just that no company seems to want a personnel file in its records with the words 'Equity Funding' in it."

Mr. LONG of Maryland. Mr. Speaker, on July 30, 1973, I introduced the first bill to stop the then recently revealed White House practice of recording the conversations of important officials in the Government, diplomats, and even White House staff members—without their knowledge. My "no recording without notification" bill, H.R. 9667, would effectively plug the loophole in the 1968 Omnibus Crime Control and Safe Streets Act which now allows secret taping not only in the White House, but anywhere so long as merely one of the participants knows. Under that statute, if "A" and "B" are conversing, "A" could secretly record the conversation without "B's" knowledge—no law would be broken. Under my bill, all parties to a communication must be notified before the conversation may be recorded legally.

The courts would, of course, retain the power to authorize wiretaps for investigations of criminal or espionage activities; H.R. 9667 would simply stop the type of secret bugging which, as pointed out by one U.S. district court judge, has been allowed "to proliferate without judicial supervision."

The "no recording without notification" bill has been cosponsored by 27 Members of Congress. And President Nixon's most recent state of the Union message recognized the need for various legislative proposals to protect the individual's rights to privacy. The President added:

> And I look forward again to working with this Congress in establishing a new set of standards that respect the legitimate needs of society, but that also recognize personal privacy as a cardinal principle of American liberty.

I feel confident the majority of Americans would support the objectives of H.R. 9667, and I hope for its early passage by this session of Congress.

Mr. RODINO. Mr. Speaker, I certainly commend our distinguished colleagues who have sponsored this special order on the congressional commitment to privacy.

We in America are now struggling to find a solution to reestablish the rights of personal privacy in the computer age. I am particularly pleased that my Judiciary Committee's Subcommittee on Civil Rights and Constitutional Rights is actively working on various proposals designed to help strike that delicate balance between the legitimate needs of law enforcement for information which is protective of the public welfare and that most prized but elusive civil liberty of the individual right to privacy.

It is encouraging to realize that we are not alone in this effort. As a delegate to the NATO North Atlantic Assembly for some years, I am very aware that our country is but one of a host of nations facing this challenge. We can certainly benefit by considering the work already done, and the conclusions thus far reached, of the other advanced nations of the world.

Mr. Speaker, I think it is highly significant that the Council of Europe—representing 17 European countries—has been preparing a policy on individual privacy vis-a-vis electronic data banks in the private sector for 3 years. In September 1973, the Council's Committee of Ministers adopted a resolution on this issue. I believe the Congress should carefully study the succinct and realistic statement of 10 principles of privacy over information collection, maintenance, use and dissemination that these 17 nations have together been able to develop. It bears the mark of people sensitive to their liberties in a fast-moving, technological age. I include what can well be termed the Council of Europe's "Ten Commandents on Information Privacy" herein.

[Council of Europe, Committee of Ministers]

RESOLUTION (73) 22—ON THE PROTECTION OF THE PRIVACY OF INDIVIDUALS VIS-A-VIS ELECTRONIC DATA BANKS IN THE PRIVATE SECTOR

(Adopted by the Committee of Ministers on 26 September 1973 at the 224th meeting of the Minsters' Deputies)

The Committee of Ministers,

Considering that the aim of the Council of Europe is to achieve a greater unity between its member States;

Conscious of the already widespread and constantly increasing use of electronic data processing systems for records of personal data on individuals;

Recognising that, in order to prevent abuses in the storing, processing and dissemination of personal information by means of electronic data banks in the private sector, legislative measures may have to be taken in order to protect individuals;

Considering that it is urgent, pending the possible elaboration of an international agreement, at once to take steps to prevent further divergencies between the laws of member States in this field;

Having regard to Resolution No. 3 on the protection of privacy in view of the increasing compilation of personal data into computers, adopted by the seventh Conference of European Ministers of Justice,

Recommends the governments of member States:

(a) to take all steps which they consider necessary to give effect to the principles set out in the Annex to this resolution;

(b) to inform the Secretary General of the Council of Europe, in due course, of any action taken in this field.

ANNEX

The following principles apply to personal information stored in electronic data banks in the private sector.

For the purposes of this resolution, the term "personal information" means information relating to individuals (physical persons), and the term "electronic data bank" means any electronic data processing system which is used to handle personal information and to disseminate such information.

(1) The information stored should be accurate and should be kept up to date.

In general, information relating to the intimate private life of persons or information which might lead to unfair discrimination should not be recorded or, if recorded, should not be disseminated.

(2) The information should be appropriate and relevant with regard to the purpose for which it has been stored.

(3) The information should not be obtained by fraudulent or unfair means.

(4) Rules should be laid down to specify the periods beyond which certain categories of information should no longer be kept or used.

(5) Without appropriate authorisation, information should not be used for purposes other than those for which it has been stored, nor communicated to third parties.

(6) As a general rule, the person concerned should have the right to know the information stored about him, the purpose for which it has been recorded, and particulars of each release of this information.

(7) Every care should be taken to correct inaccurate information and to erase obsolete information or information obtained in an unlawful way.

(8) Precautions should be taken against any abuse or misuse of information.

Electronic data banks should be equipped with security systems which bar access to the data held by them to persons not entitled to obtain such information, and which provide for the detection of misdirections of information, whether intentional or not.

(9) Access to the information stored should be confined to persons who have a valid reason to know it.

The operating staff of electronic data banks should be bound by rules of conduct aimed at preventing the misuse of data and, in particular, by rules of professional secrecy.

(10) Statistical data should be released only in aggregate form and in such a way that it is impossible to link the information to a particular person.

Mr. ADDABBO. Mr. Speaker, I rise to join my colleagues in discussing the congressional commitment to privacy, a subject which is timely and basic to the preservation of our system of government. The President of the United States recently addressed the Nation on the subject of privacy and many Members of Congress have addressed this subject in recent months.

The increasing concern about the right of privacy in the United States is understandable in light of the growth of Government agencies at the Federal, State, and local level and the staggering volume of records maintained by those agencies. The potential abuse of power inherent in this process was illustrated by the activities and proposed activities of those involved in the Watergate scandals.

The list of issues related to the question of privacy is a long one, making it even more difficult to find solutions to the problems in protecting the public from abuses. These issues include assuring access to individuals whose records are maintained by Government agencies, assuring confidentiality of Internal Revenue returns, controlling the disclosure of information by financial institutions, limiting the sale of mailing lists and other lists by private companies, and the growth of computers and data banks as potential invaders of privacy.

Several bills have been introduced in the Congress on each of these subjects and many other related issues. These bills are pending before several congressional committees. The President has made an effort to coordinate activities in the field by directing the Domestic Council to recommend appropriate action.

Because the protection of individual privacy is so basic an element of a free society, this effort requires a bipartisan approach and that is why the administration and the Congress must work together to find effective means to protect the individual against invasions of privacy.

The restoration of public confidence rests in large part on our ability to guarantee fairness and respect for the rights of the individual in Government's relationships with the public. The multifaceted subject of privacy requires our attention now and our action as soon as possible. The records maintained by Government agencies must become models for private business so that Government can regulate where necessary the growth of data banks in the private sector. This can only be done if Government sets an example of fairness in assuring that records are kept to a minimum and where kept they are verified by, assuring access to individuals involved and by effectively barring access to others.

Congressional interest in this issue is evident by the participation by House Members in this discussion today. The extent of congressional commitment to privacy must be illustrated by affirmative action in the weeks and months ahead to protect the individual from abuse and potential abuse of the right to privacy.

Mr. COTTER. Mr. Speaker, I am pleased to join the discussion on privacy which was organized by Congressmen MOORHEAD, KOCH, and EDWARDS. Today our country faces the prospect of a major issue being resolved through nondecision. Will we allow the inertia of technological advance and Government bureaucracy to encroach on the individual American's right to privacy? I believe we cannot afford to let our chance to preserve privacy pass by without effective action on the part of Congress. The courts cannot take the sweeping affirmative action needed to safeguard privacy, and our Executive has conducted itself in such a way as to intrude on, rather than protect these rights. While it was rather strange to hear the President call for legislation on privacy given the administration's track record, nevertheless I applaud this initiative.

Almost every time an American citizen applies for an automobile license, a checking account, a credit card, or one of a hundred similar items, his name and some personal information wind up in a file cabinet or a data bank belonging to a private business or the Government. It seems fair that everyone should be assured that this information would be used only for the intended purpose and seen only by those who receive the information from the individual. And yet the American consumer cannot today be safely assured of this degree of privacy.

Not only does this personal information float around to other businesses or agencies, it often gets used for many purposes other than the original intent of the individual. What is most appalling is that access to these files is open to almost everyone except the person who is the subject of the file.

The Federal Government alone controls over 800 personal data systems under 50 different agencies. By the end of 1975, private businesses will have over 250,000 computers with some 800,000 remote data terminals in operation.

Congress must commit itself now to halt the conscious or unconscious attack of the "computer era" on the individual's right to protect personal information as private information. I have long supported stricter control of Federal files which contain personal information. I am a cosponsor of a bill to create a Select Committee on Privacy and of the Right to Financial Privacy Act of 1973. Enactment of this legislation would be a step toward protecting our rights to privacy. It is time for all of us to make a conscious decision on this problem, rather than let unthinking technological inertia bring us to a world of no privacy, a world not of our own choosing.

Mr. KYROS. Mr. Speaker, I am proud to join distinguished House Members on both sides of the aisle in calling attention to the right of privacy by means of this special order. Not only is this a timely issue, it is also a fundamental and basic one to all Americans.

At this time, Mr. Speaker, it would perhaps be most helpful for me to call the attention of my colleagues to an outstanding article which appeared last year in the Federal Communications Bar Journal. Written by Jeremiah Courtney, this lengthy and exhaustive study discusses the effects of electronic eavesdropping and wiretapping on American life. I commend my colleagues' attention to this excellent history and outline of this major national problem, but because of its length, I include only its conclusion in the RECORD at this point:

ELECTRONIC EAVESDROPPING, WIRETAPPING AND YOUR RIGHT TO PRIVACY

(By Jeremiah Courtney)

CONCLUSION

Today's right to privacy is the culmination of a legal metamorphosis, accomplished after decades of painstaking, laborious legal creativity. Originally conceived as a guardian of property, the right to privacy has now emerged as a panoply over the privacy of the person. The result is that all Americans are guarded by a "zone of privacy" that follows them continuously throughout their day-to-day trip through life. One's zone of privacy may contract or expand to fit the particular circumstances, but it is always present to at least a limited extent. The right to private communications is simply one of the facets of the individual's right to privacy, a segment of the legal wall defining a person's zone of privacy.

The right to privacy holds tenaciously to life. It is a vulnerable right, constantly imperiled by the forces of our crowded, technological society. Yet, the right to privacy is essential to the American way of life, for it helps to prevent the individual from being transformed into an Orwellian robot whose life is incessantly monitored so that he will function in conformance with the demands of an impersonal society.

If the fragile right to privacy is to exist, it must be defended zealously. It will require a particular and continuing sensitivity on the part of the FCC Commissioners to every threat to the privacy of communications. It will also require that each and every one of us will have to resist the temptation to use the surveillance weapons that modern technology has bestowed upon us. Finally, we can no longer react apathetically to disclosures of illegal surveillance, as the general public has in the Watergate Caper and as the FCC did when its Wiretapping Caper became the subject of Congressional inquiry. For each intrusion into privacy pushes us that much closer to tyranny.

SUMMARY

The following summary is included, at the usual risks of oversimplification, as an aid to those who desire a quick reference guide to the laws that shield us all from electronic surveillance:

1. All Americans have a right to privacy—"the right to be left alone." The right to privacy emanates from the guarantees in the Bill of Rights, particularly the Fourth Amendment prohibition against unreasonable search and seizure.

2. The Fourth Amendment's warrant requirement governs not only the seizure of tangible items but extends as well to the seizure of words or conversations by wiretapping or electronics eavesdropping. The Fourth Amendment protects people rather than places. It stands as a safeguard against governmental intrusion into any area where a person has a justifiable expectation of privacy.

3. Title III of the Omnibus Crime Control and Safe Streets Act of 1968, 18 U.S.C. §§ 2510–2520, imposes an overall ban on wiretapping and electronic eavesdropping. It prohibits the interception, use of disclosure of any *wire* or *oral* communication, as well as the manufacturing and sale of snooping devices.

4. Title III permits federal and state governments, after court authorization, to wiretap and eavesdrop to facilitate the investigation of a wide range of crimes. However, the police do not need permission to utilize electronic surveillance in certain emergency situations. The federal law also does not limit the President's power to authorize the use of electronic surveillance to protect the national security.

5. Failure to comply with the Federal law subjects the interceptor to stiff criminal and civil penalties. No evidence obtained through illegal surveillance is admissible as evidence in any court in this country.

6. Neither Title III nor the Constitution, as presently interpreted, protect oral or wire communictaions from interception when it is accomplished with the consent of one of the parties to the communication. This fosters participant or consensual monitoring, whereby one party has the power to make public an ostensibly private conversation. This has led to practices such as the recording of conversations without the knowledge or consent of the other parties. Such practices have a stultifying effect on the justifiable expectation of privacy standard and, if prevalent, can destroy the spontaneity of informal conversations. Title III prohibits this practice only when done for criminal or tortuous purposes.

7. Officers, employees and agents of any communications common carrier, whose facilities are used in the transmission of wire communications, can intercept such communications in the course of its normal rendition of service or to protect its property. Random monitoring is permissible only to conduct quality control checks. The common carrier may not monitor employee calls for such unrelated purposes as establishing that only authorized calls are made by its employees.

8. Federal law allows the Federal Communications Commission to intercept, use or divulge wire or oral communications in the normal course of its monitoring responsibilities to enforce the Communications Act of 1934.

9. Section 605 of the Communications Act of 1934, long the sole federal protector of privacy, now applies only to radio communications. The privacy of radio communications is protected to a limited extent by the Section's prohibition against interception and divulgence of such communications. Interception and disclosure of a radio communication can be accomplished only upon authorization by the sender. The prohibition of Section 605 does not apply to public broadcasting, communications transmitted for the use of the general public, or to those communications relating to ships in distress. Violations are punished by fine and imprisonment.

10. Interception results when any person listens to a radio transmission when this person is not a party to the communication or is not in the presence of one who is a party. A violation of Section 605 occurs whenever a non-party uses information he heard over the radio for his own benefit or discloses such information to any other person without the consent of the sender.

11. The FCC may intercept radio calls and use the information obtained for the purpose of enforcing the Communications Act of 1934 and the Commission's Rules, but not for general crime detection purposes.

12. The FCC permits the use of mechanical recording devices to record telephone conversations as long as the use is identified by a "beep" on interstate telephone calls.

13. The Commission's Rules prohibit the use of any radio device, required to be licensed, for the purposes of eavesdropping without the consent of *all* the parties to the particular conversation.

14. Monitoring a shared radio channel, for the purpose of effective shared use, does not appear to be a violation of Section 605. However, it would be a violation of Section 605 to divulge either the existence or contents of the monitored conversations to any person without the consent of the sender. This may include the act of reporting the improper use of a shared radio channel to the FCC.

Mr. WHITE. Mr. Speaker, I would like to begin my remarks by commending the gentleman from California for his efforts to secure Members an opportunity to speak out on this most important issue of privacy. Individual privacy is a time-honored and sacred institution in this country. If it is to survive in an era of ever expanding computer technology, we must take steps to insure that frivolous and unreasonable demands for personal information are not placed upon individuals by private institutions and governments. Efforts must likewise be made to make certain that personal data, once collected, are used only for legitimate purposes made known to the individual at the time such data is furnished.

Proponents of individual privacy will be glad to know that the Subcommittee on Census and Statistics, of which I am chairman, has begun an in-depth study of laws and regulations relating to the confidentiality of statistical data collected by various Government agencies, with a view toward ascertaining whether such laws and regulations adequately protect individual privacy. Initial efforts in this study are being directed toward developing a compendium of existing confidentiality rules and regulations—something which does not exist at present. We intend to make this compendium available in the form of a House report. Should study of the compendium indicate a need for hearings and/or legislation, I shall not hesitate to take the appropriate action.

It is my sincere hope that this effort will serve to assure that personal information located in Government files will not be misused.

Mr. PODELL. Mr. Speaker, I am pleased to be participating in this special order. The question of privacy is one of great importance to me, not only as a legislator, speaking for my constituents, but as an individual trying to make a secure life for myself and my family. I am not for a moment deluded by the thought that I, simply because I am a Member of this distinguished body, am therefore protected from abuses of my privacy. On the contrary, it is because I hold the position in life that I do, that I know how very vulnerable this precious right is to abuse and infringement by both the Government and private industry.

I could no doubt tell you any number of horror stories about men and women whose lives were ruined by errors in reporting their past histories by firms specializing in such work. It is most difficult to accept the need for these firms in a complicated industrial society that runs on credit, because many of these firms abuse their privileges.

True, we must know if a person is credit worthy, if he can pay his bills and if he is making enough money to meet his mortgage payments. But do we really have to know about his living habits, or whether he can get along with his neighbors, or even what brand of cigarettes he smokes? What does any of this have to do with being credit worthy?

The problem is one that grows each time you write a check or use your credit card. Banks are now required to keep records of each and every transaction you make, and the Federal Government has access to these records without you ever knowing about it. This is a law that we passed not too long ago, and which the President signed, and which the Supreme Court of the United States upheld only yesterday.

Surely this violates our privacy in conducting our own business transactions, but the Supreme Court does not think so, and there is no provision in the law for protecting your right to the privacy of your own bank records.

If you belong to the Book-of-the-Month Club or hold a Bank Americard, you have unwittingly made yourself eligible for the honor of receiving hundreds of pieces of unwanted mail every year—junk mail. Your name and address have been bartered and sold, like common merchandise, to direct mail advertising companies, and you get nothing from it but higher postal rates and an invasion of your personal privacy.

Your life could be ruined, absolutely and beyond repair, by a faulty report by a firm such as Retail Credit Bureau of America, which is under no obligation whatsoever to make sure that the data it has on you in its dossier—and you can be sure that this firm, or another one just like it, does have a dossier on you—is correct or up to date.

True, you have the right to request to see your record, but in getting your record you are put into a double blind situation. You must supply the company you are seeking disclosure from with your name, address, social security number, current address, past addresses for the last 5 years, and with similar information for your spouse. If they did not have much information on you before you made the request, simply by the act of making the request they will have enough to complete the rape of your privacy.

There is a distressing trend in this country to forming data banks. Such banks already exist for medical information, and are being formed for information on criminal records. These banks are being formed right now, and so far there is no way of controlling their formation or regulating their use. There is no way of making sure that they will not be subject to abuse, and there is no way of requiring them to be accurate in their information.

In short, we are silently looking on as institutions are being set up which will throw a shadow of big brother over the land.

Privacy is a precious right, and as such must be guarded diligently. We can never be too secure in our right to privacy, and there can never be too many laws enforcing our security in this right. The great misfortune of our society is that there are not enough such laws, and as a result, the average citizen, the consumer, the wage-earner, is at the mercy of big Government and big business. They know more about him and his family that he may know himself, and everything they know can and will be used against him. They are under no obligation to make sure their information is correct, nor are they under any obligation to inform the persons involved that they are part of a statistic in a data bank, or a file in a credit bureau.

The Federal Government seems to be running to excess in ways to invade our personal privacy, and the Supreme Court does not seem to be ready or willing to curb this distressing trend. The President's Commission on Privacy is a step in the right direction, but it will be a long time before that Commission produces any concrete results, and I fear that the President will ignore the recommendations of this Commission as he has the recommendations of so many other commissions set up by him in the past.

Therefore it comes down to the Congress. The responsibility is ours. If we do not take positive action, and take it immediately, to safeguard the right of each and every citizen to be secure in the privacy of his home, and in his business transactions, there will be no right of privacy left for us to safeguard.

I am taking this opportunity to introduce a piece of legislation which I hope will serve to curb come of the abuses we have been discussing here today. It is a bill designed to control the sale of names and addresses to companies that compile mailing lists for the purpose of direct mail advertising.

It requires the written permission of any individual whose name and address is sold for use on such a list. This will be one among many bills designed to increase the degree of privacy we now enjoy, and I feel that this is an essential element in safeguarding that right. For if our right to control the use of our names and addresses is taken away from us, how can we ever be secure in our God-given right to personal privacy?

Mr. CHARLES H. WILSON of California. Mr. Speaker, I am pleased to participate today in the special order requested by the gentleman from New York (Mr. KOCH) on the subject of privancy. On December 13th of last year, I spoke in support of House Resolution 633 to establish a Select Committee on Privacy. However this jurisdictional matter is settled, whether by Select Committee or Subcommittee, I must stress the need for Congress to fully evaluate the effects of technology on the operations of government, on the democratic institutions and processes basic to the United States, and on the basic human rights of all our citizens. While technology is advancing at an unparalleled rate and influencing every aspect of American life I feel that Congress has not taken the time to first understand and then to possibly set legislative guidelines controlling such applications of technology.

I might add that it is indeed ironic that the Nixon administration which has seen no need for an investigation of the U.S. citizen's right to privacy, now embraces this particular issue—perhaps 5 years too late.

During the previous Congress, I had the honor to chair the Census and Statistics Subcommittee of the House Post Office and Civil Service Committee. Our subcommittee explored in great deal the methods and procedures used by the Census Bureau in taking the 1970 Census. We were particularly concerned about the plethora of detailed questionnaires from the Census Bureau and other departments and agencies of the Federal Government which our citizens are required to answer. While I recognize the real need by the Government to obtain this data which will help to justify, continue, and support programs that benefit the entire community, it is doubly important to ensure that people's privacy is protected so that they do not rebel against the information gathering process and refuse to cooperate in future censuses and questionnaires.

I have therefore introduced H.R. 7762, which would amend title 13, United States Code, to assure confidentiality of information furnished in response to questionnaires and inquiries by the Census Bureau. This bill was reported out of the House Post Office and Civil Service Committee on June 4th, and has been placed on the Union Calendar. The bill would also extend the responsibilities for confidentiality to all officers and employees of the Federal Government. H.R. 7762 is identical to a bill I introduced in the 92d Congress, and during the hearings which I chaired, it was shown time and time again by hundreds of concerned and sometimes irate citizens who communicated with us that they were anxious indeed about the preservation and protection of their personal privacy. But they were only a small sample of a much larger number of Americans who are similarly situated and similarly motivated. Recent surveys had demonstrated to the satisfaction of the subcommittee that an overwhelming number of U.S. citizens feared the regulation of their lives by computers and ancillary electronic hardware.

I believe that there is a profound need for all-encompassing review and recommendations for control of Federal prying and snooping into the private lives of American citizens. Recent abuses by Government prosecutors in the Ellsberg case are perhaps a classical case of the individual's personal rights being violated by an overzealous, all-powerful, and in this case, unlawful bureaucracy.

Mr. Speaker, the time has come for the Congress to legislate greater safeguards to protect the American's essential right to privacy. For, as perhaps the most astute of the framers of our Constitution, James Madison, warned us:

> I believe there are more instances of the abridgement of the freedom of the people by gradual and silent encroachment of those in power than by violent and sudden usurpations.

Mr. HUNGATE. Mr. Speaker, I am pleased to be able to speak today on an issue which reaches to the very fibers of our democratic system—the right to privacy. This right is both one of the most important and most pervasive rights of the citizen, and it is a right very often easily overlooked by a government pursuing one mission or another. Custody of the individual's information resources now seems to be in the hands of unseen and unknown administrators, bureaucrats, and computer operators.

The issue of privacy has been in the forefront of governmental activity for almost three decades now. Concern for individual privacy has long existed in Missouri. In 1959, Senator Tom Hennings of Missouri held hearings on the encroachment of the Federal Government into the privacy of its citizens, which stated:

> Anybody who uses a telephone does so at his own risk and, in effect, anyone who engages in conversation surrenders his right of privacy to anyone else who manages to overhear what he says. . . . This probably is sound legal doctrine in any police state . . . but neither the United States nor any of the sovereign States have yet gone totalitarian.

In 1968, his successor in the Senate, EDWARD V. LONG, commented:

> The right of privacy encompasses the freedom of the individual to share or withhold from others, according to his own selection, his thoughts, his beliefs, his emotions, his actions, and his past. It is an affirmative claim to human dignity—a claim to an inviolate personality.

His successor, Senator TOM EAGLETON, has a distinguished record on behalf of individual liberties, and protection of their necessary adjunct, a free press. Last year, 1973, he introduced the News Source Protection Act, which would assert "The privilege against compulsory disclosure of sources of confidential information is not so much a privilege for the press as it is a privilege for the public."

In 1970, many people were referring to the U.S. Census as the "1970 inquisition." A concerned Missouri citizen wrote to Senator ERVIN concerning the census:

> In a true Republic such delving into private lives would not even be considered . . . Our hope lies with a few men of common sense, such as yourself, and the overwhelming desire of the majority of the citizenry for a return to the precepts of our founding fathers.

It is high time legislation is enacted to begin to guarantee the right of privacy, as it rightfully should be. When the next census is taken, for example, we should be interested in counting people and not toilets and televisions.

Recognizing the need of a government for information does not recognize a governmental right willfully and randomly to invade one's privacy and then treat such information as another computer file. On February 19, 1974, I was more than happy to cosponsor H.R. 13880, introduced by our distinguished colleague, ED KOCH. There has perhaps not been a better time in our history to begin to reassert our system's values and to once again guarantee protection for those "unalienable rights" we often treat as mere rhetoric.

Mr. BAUMAN. Mr. Speaker, much is said and written about privacy and the degree to which it is abridged in this day and age. But too little attention is given to the root cause of the loss of so much of our individual privacy; the inexorable expansion of Federal agencies and bureaucracy.

From the Census Bureau to the Federal Home Loan Bank Board, in scores of Federal agencies and bureaus, the amount and type of personal, private information which is required of an individual by the government is enormous. Many of you will recall a controversy several years ago when the Census Bureau sent out forms to thousands of citizens across the country requiring them to inform the Federal Government, under penalty of law, about how many toilets they had in their homes, and whether they were indoor or outdoor. Many more serious disclosures of personal, private information are required of our citizens daily by Federal edict.

A great deal of legislation has been introduced in the Congress which attempts to minimize the invasions of privacy which these Federal agency requirements produce. But while I would certainly endorse many of these efforts, I believe we should come to grips with the fact that they are a natural byproduct of the size and power of big government. As government has grown, and it has grown at a staggering rate, so too has governmental invasion of privacy.

One who knows well the insatiable appetite of the Federal bureaucracy for personal data is the former Director of the Office of Economic Opportunity, Howard Phillips. Mr. Phillips now directs a project known as Public Monitor at the American Conservative Union, and he has prepared the following brief commentary on the subject of government bureaucracy and the right to privacy:

BUREAUCRACY A THREAT TO PRIVACY

(By Howard Phillips)

> Intrusions on the privacy of each citizen increase as the size and power of government increase. For every "benefit" we receive, there is a corresponding surrender of independence.
>
> A bureaucracy which delivers social services is in a position to insist that the recipients of such services entrust to the agents of bureaucracy even the most personal information about their medical histories and family lives. Students whose education is underwritten with Federal dollars must respond to questionnaires which spell out their inner values and aspirations. Beneficiaries of government-backed credit must fully disclose the records of their financial history.
>
> Further, when we rely on government, whether for food stamps or aspirin or legal services, how free can we be to challenge excessive intrusions? If the outreach worker helped us get a hospital bed when we needed it, might we not lose access to future help if we declined to acquiesce in a recommended sterilization procedure?
>
> He who pays the piper calls the tune. Whatever government "gives" in services, it takes away from our opportunity to define the course of our private lives. The government which subsidizes defines the terms on which the subsidy may be provided.
>
> Privacy increases as bureaucratic power declines.

Mr. DELLUMS. Mr. Speaker, I congratulate the gentlemen from California (Mr. GOLDWATER and Mr. EDWARDS), the gentlemen from New York (Mr. HORTON and Mr. KOCH) and the gentleman from Pennsylvania (Mr. MOORHEAD) for bringing this critical issue before the Congress.

For it is up to us here in the peoples' branch of Government to act quickly to protect the people of this Nation from the already too numerous encroachments upon their personal privacy.

It is frightening enough for a public official to realize that he is not only under constant public scrutiny, but that many aspects of our private lives are being watched—often illegally—day and night. But when I read of the lists and practices of various means of keeping tabs on millions of our constituents, then I am indeed alarmed about the future of the individual in this Nation which was founded and dedicated to individualism.

Too often we hear the claims that notions of privacy are inconsistent with the needs of a huge, technocratic, bureaucratized society. Yet it is only because we have allowed this Nation to become so huge, so technology-oriented, so bureaucratized that these assaults on privacy have increased.

And so, while I strongly endorse the need for positive legislative action to restore individual privacy, I also warn that this action cannot come within a vacuum—and that we must analyze also what caused the loss of privacy and what ethical and institutional changes must also be accomplished before we realize this important goal.

Mr. O'BRIEN. Mr. Speaker, one of the most basic rights a citizen has, the right to personal privacy, has fallen to a deplorable state. As Senator LONG so succinctly stated:

> Modern Americans are so exposed, peered at, inquired about and spied upon as to be increasingly without privacy, members of a naked society.

This speech was delivered to the Association of Federal Investigators on February 25, 1965, more than 9 years ago.

Since then, private insurance and credit agencies and such governmental agencies as the FBI, CIA, Secret Service, Department of Health, Education, and Welfare, and social security have gathered together scraps of information until today, there are dossiers on more than 100 million Americans.

The widespread use of computers with their vast capacity for compiling, storing, and swiftly retrieving these records compounds the problem.

One aspect of the privacy question that has attracted high level attention is the maintenance of criminal history records.

Each year an estimated 50 million Americans are arrested for some violation of the law. In 20 to 30 percent of these cases, charges are dropped immediately. In addition, 2 million of the 8.7 million arrested for nontraffic violations are not convicted.

The arrest information is diligently filed with one or several local, State, or Federal computer data banks. However, the record rarely shows the actual disposition of the case.

This sort of inaccuracy can cost a person his reputation, job opportunities or a legitimate credit rating. Even when a file is sealed or destroyed at one data bank, there is no guarantee that the information is not available at another bank. The reason is that data banks pass information from one to another similar to the Biblical woman who spread rumors like feathers in the wind.

The same problems apply to school records and financial histories that also follow a person through life. In many cases, individuals do not even know these records are kept. Even when they do, the subjects of the files have difficulty gaining access to the file and cannot challenge the accuracy of information it contains. Ironically, anyone labeling himself a "potential employer" or "potential landlord" has easy access and can study these records at length.

Such insidious invasions of personal privacy shake the very foundation of our constitutional right "to be informed of the nature and cause of the accusation and to be confronted with the witnesses against" us.

For these reasons, I introduced H.R. 11245 and cosponsored H.R. 9935, two pieces of legislation designed to correct at least some of the abuses of privacy.

The first of these, entitled the Fair Information Practices Act, would: forbid the maintenance of secret personal data systems; provide a means for an individual to find out what information about him is contained in a record and how it is used; allow the subject to prevent information about him collected for one purpose to be used for another without his consent; and give the subject a means for correcting or amending records containing identifiable information about him. Furthermore, any organization creating, maintaining, using or disseminating records of identifiable personal data would have to assure the reliability of the data for its intended use and would have to take precautions against misuses of the data.

The second bill forbids inspection of income tax returns by any Federal agency except under a Presidential order expressly identifying the person who filed the return.

As my colleagues may remember, the Secretary of Agriculture was granted permission last year to authorize any departmental employee to inspect a farmer's tax returns to determine the size of his farming operation. Fortunately, President Nixon recently rescinded that permission.

This bill would reduce the possibility of such wholesale examination of tax returns in the future for purposes other than collecting taxes.

These measures would safeguard citizens against snooping practices that reduce life to a fishbowl existence. Therefore I urge your support for this legislation.

Mr. BURGENER. Mr. Speaker, one of America's great champions of individual freedom and liberty is Senator BARRY GOLDWATER, of Arizona. He is looked upon as a symbol of leadership and good judgment in Washington. Recently, he testified before the Senate Subcommittee on Constitutional Rights on his concern over the right to privacy in America. It is an eloquent statement. This message should be read by all, especially by those of us in the Congress empowered by the people to legislate protections of human liberty.

Mr. Speaker, I am proud to include Senator GOLDWATER's statement with my remarks:

WHO WILL PROGRAM THE PROGRAMMERS?

(Testimony by Senator BARRY GOLDWATER before the Senate Subcommittee on Constitutional Rights, March 6, 1974)

Mr. Chairman, it is a pleasure to join you today in your latest hearings on the subject of Computers and Privacy, a matter which I believe you investigated extensively in 1971. Though the primary focus of your current hearings is upon the use of criminal justice data banks, I know you are interested in the general subject of personal data bank systems and the ominous trend to national population numbering.

Mr. Chairman, I will devote my testimony to this broader subject because I have introduced legislation, S. 2810, which is now pending before this subcommittee, to establish safeguards for the individual regarding the keeping, use and accuracy of automated personal data systems of all types. The credit for having initiated the bill should honestly fall upon the shoulders of my son, Congressman Goldwater, Jr., who first introduced it in the House last September.

Mr. Chairman, we are not speaking about an alarmist's flight of fantasy. The computer era is already upon us. There are currently 150,000 computers in use in the United States, and some 350,000 remote data terminals. Conservative estimates indicate that there will be 250,000 computers and 800,000 terminals by 1975. Over 10% of all business expenditures on new plant and equipment in America is currently spent on the computer and its subsidiary systems.

Revolutionary changes in data storage have taken place or are imminent. Computer storage devices now exist which make it entirely practicable to record thousands of millions of characters of information, and to have the whole of this always available for instant retrieval. For example, the National Academy of Sciences reported in 1972 "that it is technologically possible today, especially with recent advances in mass storage memories, to build a computerized, on-line file containing the compacted equivalent of 20 pages of typed information about the personal history and selected activities of every man, woman, and child in the United States, arranging the system so that any single record could be retrieved in about 30 seconds."

On larger systems today, the basic unit of time measurement is the nanosecond—one billionth of a second. It is hard for us to conceive but one nanosecond is to one second what one second is to 33 years!

Distance is no obstacle. Communications circuits, telephone lines, radio waves, even laser beams, can be used to carry information in bulk at speeds which can match the computer's own. Cross-country, trans-Atlantic, and inter-stellar transmission between computer units is now feasible.

Time sharing is normal. The time sharing systems with which we are familiar today are adequate for up to 200 users who are working at the same time. But we are now hearing of a system whereby it is feasible for there to be several thousands of simultaneous users or terminals.

An international body of experts who surveyed this subject in 1971 concluded that it is likely that, within the next 20 years, most of the recorded information in the world will be on computers and more than half the telephone calls will be communications to and from computers.

What does all this mean to you and me? How are we personally involved or associated with these developments? All we have to do is think of our daily lives.

Details of our health, our education, our employment, our taxes, our telephone calls, our insurance, our banking and financial transactions, pension contributions, our books borrowed, our airline and hotel reservations, our professional societies, our family relationships, all are being handled by computers right now.

As to strictly governmental records, it was calculated in 1967 that there were over 3.1 billion records on individual Americans stored in at least 1,755 different types of Federal agency files. Need I remind anyone that unless these computers, both government and private, are specifically programmed to erase unwanted history, these details from our past can at any time be reassembled to confront us?

Also, I might mention census data, which most of us think as being sacrosanct. Even census statistics, forbidden by law from disclosure in identifiable form, can be quite revealing.

The Census Bureau operates a popular line of business selling statistical summaries broken down into census tracts covering urban neighborhoods as small as a thousand families each. Any person or any organization can purchase this information which, while not containing specific names, does give a detailed outline of a small sector of the population, with size and type of housing, the way people travel to work, their type of work, their ages and sexes, all in a given neighborhood.

This information could be very valuable to those who would manipulate or influence social conduct. Matching other lists which already exist, relatively simple computing equipment can enable anyone wanting to know to determine the location of all persons in a small category. Thus, we can lose our anonymity without knowing it. Without our awareness, we become vulnerable to the possibility that this information can be put to use by administrative planners or policy makers for purposes of our social manipulation or conditioning.

If this were not enough, I might remind my colleagues that in 1966, the then Bureau of the Budget brought before Congress a comprehensive proposal to create a vast computerized national data center which would serve at least 20 different federal agencies. The people who proposed and evaluated this recommendation for the government, testified at House hearings on the matter that there was no way to avoid keeping records about specific individuals and individual attributes in this data center. Each of the government witnesses admitted that the records that would be included in the central data bank would leave a trail back to particular individuals.

Although this idea was put aside for the moment, after being exposed in the glare of Congressional scrutiny, the time to think about the future is now. We must design the safeguards, and set the standards, of personal privacy now while a national numbering system is still only a mental concept. We must program the programmers while there is still some personal liberty left.

The question we must face was posed by Malcolm Warner and Michael Stone, a behavioral scientist and a computer scientist, who ask in their book, The Data Bank Society:

"If one central source has all the data concerning our life history, and is bent upon regulating our behavior to conform to the prescribed goals of society, how can this be opposed? Only by the society demanding that sufficient thought be taken before the threat becomes a fait accompli.

What these writers recognize is that a welfare-statism society, in order to control its members, needs information. Total control requires total information. On the basis of this information, conclusions can be drawn, plans can be made, for directing us.

Other writers reach the same conclusion. Paul Muller and H. Kulhmann, writing in the International Social Science Journal, conclude that:

"Integrated information-back systems, at least looked at from the aspect of privacy, might bring with them the imminent danger of a one-sided alternation of the relationship between institutions and individuals, with the possibility of the individual's becoming open to scrunity by the institutions, while the institutions themselves remained as complex and 'inscrutible' as before. . . ."

Mr. Chairman, what we must alert to is that the computer society could come about almost by accident, as computers proliferate and integrate.

We did not start to build a nationwide telegraph network in the 1840's, only independent telegraph links. But it was not long before we had an integrated national network.

We did not start to build a nationwide telephone system in the 1890's. Yet, today we have a highly integrated telephone network.

Automated information systems have the same qualities as communications systems. It is cheaper to share information by tying together independent systems than by building a great number of duplicative systems.

Thus, we are building today the bits and pieces of separate automated information systems in the private and government sectors that closely follow the pattern to the present integrated communication structure. The direction of growth is clear. Increasingly, data stored in computer memory banks is being shared by several users. Independent credit systems built to cover small areas find it economical to cross-connect. Airline systems swap information back and forth to get reservation information on individuals.

It is no wonder that in the summer of 1972, the International Commission of Jurists, in publishing a study on the right to privacy in ten Western nations, concluded that: "The latest and potentially the greatest threat to privacy is the recording, storing, and dissemination of personal information by computers.

Mr. Chairman, it is the theme of my testimony that, as we move closer and closer to a fully data-banked society, privacy must be planned beforehand. It is for us to determine today just how much freedom shall remain for the individual in the future.

Mr. Chairman, I would propose to answer this challenge by legislating into law a Federal code of safeguard requirements for automated personal data systems, the first law of its kind in America.

My proposal is generally consistent with the recommendations of the Secretary's Advisory Committee on Automated Personal Data Systems of the Department of HEW. This landmark report, canvassing the total impact on the individual, is a logical starting point from which Congress can begin to mold its own solutions.

The basic proposals of the Secretary's Committee, as I have incorporated them into S. 2810, are these:

1. There must be no personal data system whose very existence is secret.

2. There must be a way for an individual to find out that information about him is in a record and how that information is to be used.

3. There must be a way for an individual to correct information about him, if it is erroneous.

4. There must be a record of every significant access to any personal data in the system, including the identity of all persons and organizations to whom access has been given.

5. There must be a way for an individual to prevent information about him collected for one purpose from being used for other purposes, without his consent.

The only exception which my bill would make from these general rules is where I believe it is necessary to protect a broader national interest in the public safety, particularly in the categories of classified foreign affairs and defense secrets and criminal justice records which are pertinent to legitimate law enforcement purposes. If the exemptions of my bill are not broad enough, I am willing to make needed changes for the public safety. In this time of highly organized criminal forces who are mobile worldwide, I feel strongly that we should not tie the hands of those who would protect us in back of themselves.

Mr. Chairman, another important provision of my bill would stop the growing use of the social security number as a national population identifier. There already have been issued a total of 160,000,000 social security numbers to living Americans.

These numbers are used not only for the social security program, but for State unemployment insurance programs; for Federal and State taxpayer identification; for identification of all Civil Service employees; for registration of all purchasers of United States Savings Bonds and other government securities; to identify FAA pilot records; to identify all recipients of State old age assistance and medicare benefits; to identify the retirement records of all Civil Service retirees; for Veterans Administration hospital admission numbers; to locate the medical histories of many Indians; as the Service number of all military personnel; to identify all customers of banks, of savings and loan associations, of credit unions, and of brokers and dealers in securities; for use in receiving drivers licenses; to identify all applicants and beneficiaries of public assistance programs; to identify aliens working in the United States; and to identify children in the ninth grade and above in many school systems, among other uses not mentioned.

No statute or administrative rule prohibits use of the account number in other record systems. Indeed, an Executive Order by President Roosevelt is still in effect requiring that any Federal agency establishing a new system for personal identification must use the Social Security number.

Mr. Chairman, it is time to halt this drift towards reducing each person to a number. Professor Charles Reich has aptly referred to the idea of giving each person a population number as tying a tin can around him. All the rest of his life, he would have this tin can jangling along behind him. We would all become marked individuals.

A national population number would deprive us of what anonymity we each retain as individuals. Once identifiable to the administrator in government or business, by an exclusive number, we would become vulnerable—to being located wherever we are, to being manipulated to being conditioned, to being coerced.

It is my belief, Mr. Chairman, that in order for the individual to truly exist, some reserve of privacy must be guaranteed to him. Privacy is vital for the flourishing of the individual personality.

By privacy, I mean the great common law tradition that a person has a right not to be defamed whether it be by a machine or a person. I mean the right "to be let alone"—from intrusions by Big Brother in all his guises. I mean the right to be protected against disclosure of information given by an individual in circumstances of confidence, and against disclosure of irrelevant embarrassing facts relating to one's own private life, both elements having been included in the authoritative definition of privacy agreed upon by the International Commission of Jurists at its world conference of May, 1967.

By privacy I also mean what the Supreme Court has referred to as the embodiment of "our respect for the inviolability of the human personality" and as a right which is "so rooted in the traditions and conscience of our people as to be ranked as fundamental."

Mr. Chairman, I call upon Congress to protect the right of privacy by enacting the safeguards I have proposed. In addition, I call upon the Executive Branch to take the following immediate steps.

First, the President should announce privacy requirements under section 111 of the Federal Property and Administrative Services Act of 1949, which allows him to establish "uniform Federal automatic data processing standards" for all computers used by Federal agencies. Second, a Citizen's Guide to Files should be issued by each government agency, specifying the nature of each of its files containing information about individuals; the class and number of persons covered; the uses to which the file is put; and whether individuals have access to any of their records in the file. Third, the President should cancel the Executive Order of 1943 which now spreads the use of the social security number.

What we must remember, Mr. Chairman, is that privacy in a data bank society must be planned. Privacy, as liberty, is all too easily lost. I urge that you act now while there is still privacy to cherish.

Mr. VEYSEY. Mr. Speaker, one of the fundamental rights granted by the fourth amendment to the Constitution is protection against unlawful search and seizure. In recent years, the courts have wisely extended this to include the individual's right to privacy.

Until the advent of computer technology, the spectrum of problems concerning the invasion of privacy was limited by geography. Now, however, there is a series of national data banks that can spit out the life history of almost any individual who has ever purchased a house or bought an automobile. The ease with which this information can be obtained by almost anyone for a small fee makes it imperative that standards be established to determine who has rightful access to such information and for what reasons it may be disseminated. This is a broad and complex problem today. There is a need to develop statistical data to interpret the socioeconomic trends that continually mold the culture of this Nation, but there is a fine distinction to be drawn between data collected for justifiable purposes and the secondary purposes for which the data is sometimes used.

The agencies that collect data relative to the extension of credit and the sale of life insurance perform a necessary service for the Nation's financial institutions. We must not severely restrict the legitimate services performed by these agencies; yet, we must develop adequate controls whereby information on an individual's personal affairs cannot be bought and sold indiscriminately.

In our efforts to control unwarranted invasions of individual privacy, we must take adequate precautions that we do not unduly handicap law enforcement activities. Data banks such as the one compiled by the National Crime Information Center have been criticized, but they provide an invaluable service to local law enforcement activities. A fugitive on the run can easily disappear, but in a matter of minutes, local police officials can check with the National Crime Information Center and turn a citation for a traffic offense in Florida into the apprehension of a murder or kidaping suspect wanted in California.

The function of organizations that compile criminal statistics should be reviewed by the Congress, and if the need exists, minimum standards can be established as to the type of information that can be recorded, the length of time it can be held, and a convenient method for finding and correcting any errors that may occur.

The agencies that collect and maintain such information systems must be held responsible to see that their personnel comply with the statute. Civil damages awarded by court decision should be limited to compensatory rather than punitive damages, and adequate provisions must be included for criminal action against those who deliberately violate the statutes.

Mr. Speaker, this is a matter of prime importance, and I am pleased to see the interest that has developed in support of this legislation. I urge my colleagues to join with us in finding a reasonable solution to this problem.

Mrs. HOLT. Mr. Speaker, I would like to commend my colleagues for taking the initiative in focusing congressional attention on the important issue of personal privacy.

The rapid growth of Government and advanced communications technology has resulted in serious incursions into the domain of personal privacy. This issue knows neither philosophical nor partisan boundaries. The right to individuality is treasured by many institutions in America. Elected officials and national organizations which span the entire philosophical spectrum are united in their concern over the erosion of personal privacy and committed to safeguarding this democratic right.

Recently, the 185th general assembly of the United Presbyterian Church adopted "Guidelines for the Preservation of Privacy" along with recommendations for the implementation of these guidelines. They are positive steps which deserve serious consideration. I would like to include an excerpt of this document at this point:

GUIDELINES FOR THE PROTECTION OF PRIVACY

We call upon public and private agencies to provide for maximum protection of privacy in their dealings and transactions with each other and with individuals; and through self-regulation to meet at least these minimum guidelines for the collection, retention, and dissemination of personal data:

1. Determine beforehand whether the information to be gathered is necessary and relevant to the purpose for which it is sought, so as to minimize the amount of unduly personal, potentially injurious material that is collected and preserved.
2. Limit information systems to specific uses and justify the objectives, methods, and effects of any collection of personal data.
3. Give the subject prompt notice and ready access to such information. (We recognize that certain government agencies collect information on criminal activities where notice and access are controlled by established rules of law and procedure.)
4. Provide means for rapid correction of erroneous data, and the opportunity to expunge irrelevant or obsolete recorded data, such opportunity to be available to both the custodian and the subject of the data.
5. Provide effective safeguards to prevent accidental or unauthorized interception, input, or destruction of data.
6. Require effective safeguards for waiver of privacy and authorization of access to personal data executed by individuals and given to business, professional, and governmental bodies.
7. Limit the use and transfer of information in such systems, and monitor their expansion into enlarged data-sharing operations.

Mr. FAUNTROY. Mr. Speaker, I am extremely pleased to have the opportunity to join in this special order on privacy. The issue is one which we in this Congress must address with a vigor that will assure all Americans and the entire world that we mean what the words in our fourth amendment so clearly say.

Last year, it was my privilege to speak on this issue. While some of the facts are now a little dated, I am going to enter this statement as my contribution to this order, because I think that some of the issues then raised have been forgotten. Some of the issues seem to have gone away, because political campaigns for the Presidency have gone away—at least for a little while—and we have a new FBI Director and a new Army composed of volunteers.

Perhaps some things have changed. But, I think it is good for us to refresh our memories on the horrors that have gone before in order that we do not allow ourselves to become complacent. If these transgressions have occurred once, they can occur again and again unless we take positive steps to end it.

The responsibility is ours—it is not the responsibility of anyone else. We are the peoples representatives and it is time that we assure them that we have not forgotten them and their right to be free Americans in a year when that question has been raised more vividly and clearly than at any other time in our Nation's history.

The speech follows:

PRIVACY AND POLITICAL SURVEILLANCE

(By WALTER E. FAUNTROY)

Privacy—that precious and most elemental of man's rights—defined by Justice Brandeis in an 1890 law review article as "the right to be let alone" is rapidly become more and more difficult to secure. I do not know how it has happened—perhaps, it has been the long years of war and international crisis that have created it. But we have become an "uptight society." The climate resembles the tempest set loose after the Korean War known as McCarthyism. Some in our society are afraid of "plotters" and "subversives", and find them everywhere, even among those advocating peaceful social change.

In response to the admitted increase in wiretapping, eavesdropping, and other forms of surveillance, people have become increasingly afraid to communicate ideas or express opinions particularly if they be politically unpopular. Debugging of telephone lines, private homes and businesses has become a new industry. Some people accept the weekly visits from the electronics expert as a necessary fact of life. Even the House has had to retain the services of an independent electronics firm to make periodic checks to discover hidden microphones in its facilities. As *Newsweek* observed in an article published last year and so aptly titled, "Is Privacy Dead?" "Somewhere in the roll of expanding population, vast economy, foliating technology and chronic world crisis, individual Americans have begun to surrender both the sense and reality of their own right to privacy . . .".

Justice Brandeis showed great wisdom in his dissenting opinion in the first wiretap case to reach the Supreme Court, *Olmstead* v. *United States*, decided in 1927, when he credited the Framers of the Constitution with having "conferred, as against the government, the right to be left alone—the most comprehensive of rights and the right most valued by civilized man." (277 U.S. 438, 478)

In view of the present revelations of governmental intelligence activities, Brandeis showed unusual foresight when he also wrote in his *Olmstead* dissent:

"Now subtler and more far reaching means of invading privacy have become available to the government. Discovery and invention have made it possible for the government, by means far more effective than stretching upon the rack, to obtain disclosure in the court of what is whispered in the closet." (277 U.S. at 473)

Brandeis urged that to protect the right of privacy nothing less than prevention of "every unjustifiable intrusion by the government upon the privacy of the individual, whatever the means employed, must be deemed a violation of the Fourth Amendment."

The difficult question for all of us, particularly federal, State and local law enforcement officers to decide is where intrusions upon our privacy are justifiable. On both the public and private levels, our complex economy requires some collection of data on each of us is necessary so that welfare plans can be designed to adequately service our needs and so the schools, hospitals, restaurants, department stores and airlines can extend immediate credit or otherwise serve the needs of the millions of people they must serve but have never seen before.

But, just because some intrusions on that essential part of our individuality are necessary and indeed inevitable does not mean that we should blindly accept all encroachments on our privacy. The nearly miraculous capacity of modern science and technology that have increased the powers of government and private industry to manipulate or interfere in the lives of individuals often stuns us into the belief that nothing can be done to reverse the destruction of our privacy. Surely one of our greater dangers is the perpetuation of this very attitude of hopelessness at a time when we are developing a technology that can manufacture miniature microphones or even adopt novel uses of laser beams to transmit sound and remove walls and distance as barriers to those who would attempt to seize our innermost secrets and search our thoughts.

While the subject of this discussion is invasion of privacy generally, it would seem to me that the issues raised by surveillance by federal officials highlights the dangers to our liberties. For us in the District of Columbia, distinguishing between local and federal activity is very difficult because local and federal are intertwined. I will focus on federal activity today that invades the privacy of citizens largely because we, unfortunately, know so little about activity by local government. It has been shrouded in a veil of secrecy, without the national exposure that has recently been thrown on federal activity. I hope we can learn more soon so that remedial action by concerned local government and the Congress can begin on this front as well. The time cannot be too soon. But I think it's fair to say that the patterns of local and federal interference are similar, and that in many situations local officials supplement and assist federal surveillance.

The area in which government investigation causes the most serious threat to our constitutional rights is in the area of political surveillance conducted in the name of national security. The first revelations of our present domestic spy networks came through disclosures made by former Army Intelligence Officers, and later reinforced by testimony before hearings conducted by the Senate Constitutional Rights Sub-committee, of widespread use of military intelligence agents to spy on politicians or those who express views critical of administration foreign policy. The surveillance has not been limited to persons who could be considered radical. Senator Sam Ervin charged, after hearing testimony from a former Army agent assigned to political surveillance in Illinois, and confirmed by others, that Army surveillance agents have spied on Senator Adlai E. Stevenson, III, former Illinois Governor Otto Kerner and about eight hundred other civilians in Illinois alone. The military intelligence group which was the subject of the revelations—the 113th with jurisdiction over the Middle West, allegedly began their concentration on civilian surveillance as early as June, 1968, and continued at least until June, 1969, the date at which the informant, Agent John M. O'Brien, received his honorable discharge from the Army. The dossiers collected on State and local officials, political contributors, newspaper reporters, lawyers and church figures, including such diverse people as Governor George Wallace, Abner J. Mikva, and Bobby Seale, occupy over 120 feet of space at Region 1 Headquarters in Chicago. I might add that it has been reported that my name is among those contained in such dossiers.

Army, Navy and Air Force intelligence units also mingled on the floors of both the 1968 Democratic and Republican Conventions with unsuspecting delegates, allegedly without the knowledge of convention leaders and party officials to, according to the official explanation, assist the Secret Service in the protection of Presidential candidates. Away from the Convention floors themselves, agents also operated from store fronts and hotel rooms and toured the cities of Chicago and Miami in unmarked vans, intercepting telephone and radio messages and feeding all their gathered information to the Pentagon.

To assure ready availability of these and other similar reports, the Army distributed them over a nationwide teletype service completed in 1967 that gives every major troop command in the United States daily and weekly reports on virtually all political protests occuring anywhere in the United States. The Army CONUS (Continental United States) Intelligence Program provided blanket surveillance of civilian political activity, according to the *Washington Monthly* with reports sent to the F.B.I. and the Justice Department's interdivisional intelligence unit, despite suits brought by the American Civil Liberties Union and Congressional and public protest. The reports are stored by the Justice Department which Senator Ervin has said, without contradiction, stores names and data on at least 13,000 citizens.

Sometimes the data gathered by the military agents approaches the level of absurdity. There is a story that has been widely circulated of an agent who had been following Mrs. Coretta King during one of her speaking tours that would be humorous were it not for the pervasive fear created in our society by these intelligence activities and the damage that these collected reports can do to a person's reputation. The agent had been making regular reports on Mrs. King's activities and telephoned his superior to report that she had referred repeatedly to her late husband's "dream". Back came the other, "Find out what that dream was . . ."!

The disclosure of F.B.I. files stolen from Media, Pennsylvania, gave us all a rude awakening into the reality of where the central focus of this most-effective intelligence gathering agency's activities may lie. I must agree with the statement of Representative Henry Reuss, who upon learning that a file had been kept on his daughter, said:

"The F.B.I. has an important responsibilty to investigate crime. Its mission is not to compile dossiers on millions of Americans, Congressman's daughters or not, who are accused of no wrongdoing. They should stick to their mission." (Washington Post, April 13, 1971, p. A3)

The records stolen from Media indicate that the F.B.I. believed that the function of monitoring of political activities is nearly as important as its main function—detection of crime and apprehension of criminals. An analysis by the so-called "Citizens Commission to Investigate the F.B.I." revealed that forty percent of the stolen documents involved investigations of a political nature. Of the documents on political activity, two involved surveillance of right-wing organizations, ten of immigrants, and over 200 involve leftist or liberal organizations. Of the sixty percent concerned with crime, twenty-five percent of the documents involved bank robberies; twenty percent involved murders, rape and interstate theft; seven percent involved draft resistance; seven percent involved A.W.O.L. cases; and one percent involved crime, mostly gambling (*New York Times*, May 13, 1971, p. 18).

The stolen records gave us a frightening glimpse into an intelligence gathering process which, if allowed to continue, will lead to ever increasing restraint on political expression. The documents suggest that the subjects of investigation include not only the well-known domestic terrorists, a form of self-protection we realize is to some extent necessary, but also obscure persons only marginally suspected of illegal activity. Included in the stolen documents were orders or discussion of orders from J. Edgar Hoover that all student groups "organized to project the demands of black students" be investigated, that an investigation be undertaken of a Boy Scout leader who wanted to take his troop to the Soviet Union for a month or longer be investigated to determine if any attempts had been made by Soviet Intelligence agencies to recruit them, and other subjects giving us a preview of the growing world of "1984" around us now.

Student militancy on college campuses was of particular concern to Mr. Hoover as is indicated by his following memorandum, dated November 4, 1970, which said in part:

"Increased campus disorders involving black students pose a definite threat to the nation's stability and security and indicate needs for increase in both quality and quantity of intelligence information on Black Student Unions and similar groups which are targets for influence and control by violence-prone Black Panther party and other extremists . . .

"We must target informants and sources to develop information regarding these groups on a continuing basis to fulfill our responsibilities and develop such coverage where none exists."

One of the documents is quite interesting in that it reveals that the increasing infiltration of black power and peace groups by F.B.I. informers was designed, directly as well as indirectly, to chill political expression. A newsletter from the Philadelphia Bureau Office instructs agents to increase their interviews with persons from the New Left because—

"It will enhance the paranoia endemic in these circles and will further serve to get the point across there is an F.B.I. agent behind every mailbox.

"In addition . . . some will be overcome with the overwhelming personalities of the contacting agents and volunteer to tell all—perhaps on a continuing basis." (New York Times, March 25, 1971, p. 33).

When we look at who the F.B.I. proposed to use or is using as informants, we get even more of an Orwellian chill. One document encouraged local police departments to actively recruit Boy Scouts as informers. The Boy Scout program known as "Operation Safe" (Scout Awareness for Emergency) was actively carried out, at least in Rochester, New York. Identification cards were given to each of the boys with police, F.B.I. and other emergency telephone numbers written on the back. They were asked to watch out for and report any unusual activity or lack of activity in neighbors' homes, plus many other things, including criminal and "suspicious acts—persons loitering . . . around schools, neighborhoods and parks."

F.B.I. documents indicate the Rochester operation has been successful in recruiting 20,000 "extra eyes and ears for the police department." How can we expect to maintain the slightest degree of personal privacy if thousands of naturally curious Boy Scouts are encouraged to use their eyes and ears for the F.B.I.?

Other documents indicate that care should be taken by persons who might be considered suspicious or dangerous by the F.B.I. to avoid quarrels with their spouses. Last January, the F.B.I. was told by an informer that it would be a good time to contact the wife of a Black Panther because she was "very angry" at her husband "now and may be receptive." Other relatives have been unwittingly used as informants by F.B.I. agents. The mother of a college co-ed from Drexel Hill, Pennsylvania, was called by an agent who identified himself as "a friend passing through Philadelphia" and was thereby able to gain information on the girl's whereabouts and activities.

Wiretapping and electronic surveillance provide another area threatening individual privacy. While the F.B.I. had been tapping telephones for years before Congress passed Title III of the "Omnibus Crime Control and Safe Streets Act of 1968", that Act gave the first official sanction on both the federal and state levels to an odious practice by which the private conversations of hundreds of innocent parties could be intercepted and recorded without their knowledge to provide incriminating evidence against a comparative few.

The Supreme Court made wiretapping and eavesdropping more difficult when it gave its opinion in *Katz* v. *United States,* which overruled the famous *Olmstead* I. Olmstead had held that wiretapping violated the Fourth Amendment prohibition against unlawful searches and seizures only when there had been an actual physical trespass on the property of the petitioner. *Katz* ended this rather technical property-based concept of search and seizure, and the theory advanced in later decisions that there are constitutionally protected areas beyond which eavesdropping or wiretapping could be conducted without violating the Constitution. *Katz* had been convicted of illegally transmitting wagering information over the telephone in interstate commerce on the basis of recordings of his side of telephone conversations obtained from listening and recording devices attached to the outside of a public telephone booth. The Court of Appeals for the Ninth Circuit affirmed Katz' conviction because "there was no physical entrance into the area occupied by" Katz. Also, the public telephone booth could hardly be considered to be a "private" area. But the Supreme Court reversed the conviction because of its realization that—to quote the language of the Court's opinion:

"[T]he Fourth Amendment protects people, not places. What a person knowingly exposes to the public, even in his home or office, is not a subject of Fourth Amendment protection.

"But what he seeks to preserve as private, even in an area accessible to the public may be constitutionally protected." (389 U.S. at 351–352)

The Court found that the surveillance in that case might have been valid had it been authorized by a search warrant issued by a magistrate informed of the need for such investigation, specifically on the basis on which it was to proceed, and of the precise intrusion upon privacy it would entail. This magistrate, who would be more "neutral" than the law enforcement officer pursuing suspects, under the Court's opinion, should have been given power to oversee the search by requiring officers to report periodically on their progress, or provide other similar safeguards to assure that the authority provided by the warrant was not exceeded.

In Title III, Congress provided federal and state officers, whose states adopted similar statutes, a procedure for obtaining a search warrant for wiretapping or eavesdropping which Congress believed would meet Constitutional requirements set by the Supreme Court.

John Mitchell was not lax in his use of this new authority. In a speech to the Kentucky Bar Association, he revealed that from January, 1969 to March, 1971, 315 Federal court-authorized wiretaps, including 51 extensions, were executed. The wiretap law has apparently provided similar incentives to the states. In 1969, the latest year in which complete figures are available, eight States—New York, New Jersey, Arizona, Colorado, Florida, Georgia, Maryland and Rhode Island—obtained 269 intercept authorizations of which 241 were actually installed. During 1969, law enforcement officers were granted ample time to develop evidence. The average length of time for the initial installation authorization was 26 days with an average of 22 days granted for extensions. However, the actual period of operation of these devices varied from three hours to 220 days. The total period of time in which wiretapping or eavesdropping devices were in operation in 1969 was 9,019 days and 3½ hours.

But the reported taps constitute only the tip of the surveillance iceberg. Title III contains several exceptions to the prerequisite that the petitioner obtain court approval prior to beginning a tap, the most dangerous one being the national security exception. Under the law, the President may authorize the Attorney General to engage in wiretapping or eavesdropping without court authorization or supervision whenever he considers it necessary to preserve the national security. The Justice Department has interpreted this law as permitting them to use electronic surveillance devices against so-called "domestic subversives" as well as foreign subversives.

The "domestic subversive" may be nothing more than a person dissenting from Administration foreign or domestic policies. When we look at the names of some of the people who have been the object of F.B.I. taps in recent years—the late Dr. Martin Luther King, Muhammed Ali, Bobby Baker, Sister Elizabeth McAlister, and some of the leading Las Vegas gamblers—we must conclude that the net spread to catch "internal subversives" may be very broad indeed. When we realize that the standard employed by the Justice Department to describe the occasions on which domestic national security wiretaps and bugs may be authorized—where there are "attempts of domestic organizations to use unlawful means to attack and subvert the existing structure of government"—we cannot help but be struck by the wide discretion and broad power this would authorize. Particularly in times of deep political division, of change, of high emotion and exaggerated rhetoric, this standard would deliver the privacy of many of us to the discretion of the Attorney General of the day who may or may not exercise it wisely.

Time does not permit discussion of all the methods by which "Big Brother" is building its dossiers on increasingly large numbers of us such as taking photographs of demonstrators or of college students assembled to hear controversial speakers such as Dr. Spock. The issues created by these governmental activities, however, are the same and are magnified when we consider their increased ability to store and recover almost instantaneously such fragment of personal data as may be stored on any of us. For example, J. Edgar Hoover once informed the Senate Constitutional Rights Subcommittee that the National Crime Information Center has almost 2.5 million active records in its computerized files which are linked to 104 law enforcement and control terminals in fifty states and Canada. The arrest records of the hundreds of innocent bystanders picked up in the Mayday dragnet in the District of Columbia and subsequently released without trial are probably among the data now in those terminals.

Hoover assured the Committee in his statement that the system "has been so designed as to pose no threat to individual privacy." Since no specific detail was provided as to how individual privacy is to be protected by this system that was designed to provide "a more efficient and rapid means of handling and exchanging information," we apparently are expected to trust the F.B.I. Director to use his files wisely and well.

The Army and F.B.I. files are not the only dossiers maintained on political activists. Senator Ervin has revealed that the U.S. Passport Office keeps a secret "lookout file" of 243,135 persons who Director of the Passport Office, Frances Knight says are "of questionable citizenship." The Secret Service maintains files on "about 50,000 persons" who might attempt to harm or embarrass the President or other high government officials. The Internal Revenue Service tapes store details from tax returns of 75 million citizens which are available at cost to the states and the District of Columbia. Many other agencies maintain similar information, also.

William Rehnquist has told the Senate Constitutional Rights Committee that the Nixon Administration will oppose any legislation that would hamper its domestic intelligence-gathering activities. He said that the Administration "will vigorously oppose any legislation which, whether by opening the door to unnecessary and unmanageable judicial supervision . . . or otherwise, would effectively impair this extraordinarily important function of the federal government." He also argued that the gathering of intelligence information does not violate anyone's constitutional rights.

I am not advocating elimination of all criminal records or an end to surveillance of persons who in fact create a real threat to government. But why should the man who searches our thoughts and words be subject to any lesser control than the man who searches a room under authority of a court-issued search warrant? The intelligence gathering process has grown because our ability to more easily gather, store, and use volumes and types of evidence previously unattainable, and by the fact that many agencies are unable to distinguish between dissent and subversion. The attempts to choke off political discussion and dissent has created deep-rooted suspicions between generations, races and political groups, which have greater potential for destroying our country than the conspirators and subversives the Administration tirelessly pursues. As Alan Barth recently wrote in expressing the apprehension created by disclosure of the stolen F.B.I. files and the extent of surveillance of domestic activity:

"The fear itself is a disease more dangerous than 'subversion.' It paralyzes the interplay of political forces and ideas that makes the American system work."

We do not yet know enough to offer final solutions to this dilemma. Obviously greater judicial supervision and control of intelligence gathering, both on the federal and local level, should be a first step toward solution. We have always valued the imposition of the neutral magistrate between the law enforcement officer who has a personal stake in successfully solving a crime and the person he pursues, and this concept belongs in this most comprehensive form of search as well. Obviously, a wide ranging Congressional investigation is in order to plumb the depths of the intelligence network in our country. Court cases and stolen files have only given us a glimpse of the iceberg that threatens to limit any effective political dialogue in this Country, hinders First Amendment freedom of association, and, if not controlled may eventually sink this Ship of State.

Mr. PEPPER. Mr. Speaker, I am pleased to join in this special order to express my long standing concern over the invasions of privacy that have increasingly encroached upon the freedom of the individual. I especially want to point up an aspect of this problem which may not be covered by another of my colleagues.

Our mammoth record-keeping and modern communications make even a charge of wrongdoing a threat to the individual throughout his life. While we must press our fight against criminal activity, as I have done as chairman of the House Crime Committee, we must always be conscious that our goal is not to stigmatize but to rehabilitate and restore to full citizenship those who may have been involved in some crime or wrongdoing. This is especially true of our young people, who account for an exceptionally large amount of certain types of crime and who must be salvaged and diverted from such behavior if we are to avoid creating a permanent class of criminals, a large class of individuals who cannot resume normal patterns of life and livelihood and who are doomed to perpetrate crime after crime upon their law-abiding neighbors.

I would like, therefore, to call to the attention of this body an excellent article written by Judge Charles E. Cashman, an outstanding Minnesota juvenile judge, on the problem of confidentiality in juvenile proceedings. The following is a condensed version of his article in the August 1973 issue of Juvenile Justice:

Confidentiality of Juvenile Court Proceedings: A Review

(By Charles E. Cashman)

Fundamental to the philosophy of the juvenile law is the characterization of the nature of juvenile court proceedings as noncriminal. The laws of the various states establishing juvenile courts seek to assure the noncriminal aspect of juvenile proceedings by providing for the confidentiality of the juvenile court record. Minnesota defines the juvenile court record as including any and all police records pertaining to juveniles and thereby extends confidentiality to the entire record.

Most, if not all, adherents of the juvenile court philosophy probably agree that the provisions of the Minnesota code found in one form or another in other jurisdictions, constitute the cornerstone of the juvenile court itself. In fact, it seems fair to state that these provisions not only justify, but are indeed essential to the very existence of this unique court.

Notwithstanding the mandate of the United States Supreme Court in the case of *In re Gault*, 18 L.Ed.2d 527, juveniles do not yet have all the rights which are historically attendant to criminal proceedings involving adults. For example, at least at the time of this writing, there is no right to trial by jury, nor is there a right to bail. It is suggested that the promise of noncriminality and confidentiality is in the nature of a contract by the state with the juvenile wherein certain rights ordinarily accorded to a citizen in our judicial system are relinquished by a juvenile in return for the assurance of confidentiality and the protection from a stigmatic record.

The noncriminal nature of juvenile court proceedings has been given lip service by both state and federal courts throughout the United States. There is every indication, however, that in actual practice confidentiality of juvenile court proceedings is not adhered to much of the time. Justice Musmanno of the Pennsylvania Supreme Court, dissenting in the case of *In re Holmes supra*, vividly describes the situation:

"The Majority is of the impression that the adjudication of delinquency of a minor is not a very serious matter because "No suggestion or taint of criminality attaches to any finding of delinquency by a juvenile court." This statement stamps the judicial imprimatur on the declaration of Section 19 of The Juvenile Court Law that: "No order made by any juvenile court shall operate to impose any of the civil disabilities ordinarily imposed by the criminal laws of the Commonwealth, nor shall any child be deemed to be a criminal by reason of any such order or be deemed to have been convicted of crime." These words are put together so as to form beautiful language but unfortunately the charitable thought expressed therein does not square with the realities of life. To say that a graduate of a reform school is not to be "deemed a criminal" is very praiseworthy but this placid bromide commands no authority in the fiercely competitive fields of every-day modern life.

"A most disturbing fallacy abides in the notion that a juvenlie court record does its owner no harm. The grim truth is that a juvenile court record is a lengthening chain that its riveted possessor will drag after him through childhood, youthhood, adulthood and middle age. Even when the ill-starred child becomes an old man the record will be there to haunt, plague and torment him. It will be an ominous shadow following his tottering steps, it will stand by his bed at night and it will hover over him when he dozes fitfully in the dusk of his remaining day.

"It is equally a delusion to say that a juvenile court record does not handicap because it cannot be used against the minor in any court. In point of fact it will be a witness against him in the court of business and commerce; it will be a bar sinister to him in the court of society where the penalties inflicted for deviation from conventional codes can be as ruinous as those imposed in any criminal court; it will be a sword of Damocles hanging over his head in public life; it will be a weapon to hold him at bay as he seeks respectable and honorable employment. It is easy to say that the record will not be used in court but it already has been introduced in this case against Joseph Holmes in the imperishable dockets of several courts, it has been printed in the briefs which the world can read, and it will be published in the decisions of the Superior and Supreme Courts.

"It would not be kind to name the many figures in the world of sports, politics, entertainment and letters who have been embarrassed, harassed and encumbered because of a juvenile court record. And when I see how the intended guardian angel of the juvenile court sometimes nods at the time that the most important question of all—innocence or guilt—is being considered, I wonder whether some of these public figures may not have been unjustly tainted in their childhood."

There were many who felt that Justice Musmanno, with his flair for the dramatic, was prone to overstatement. He, and those who supported his position, were dismissed summarily as mere cynics. Unfortunately, or fortunately, depending upon one's point of view, Justice Musmanno's words proved to be prophetic as the language of the United States Supreme Court in the case of *In re Gault, supra* illustrates. In the *Gault* case, Justice Fortas in the majority opinion stated:

"Beyond this, it is frequently said that juveniles are protected by the process from disclosure of their deviational behavior. As the Supreme Court of Arizona phrased it in the present case, the summary procedures of juvenile courts are sometimes defended by a statement that it is the law's policy "to hide youthful errors from the full gaze of the public and bury them in the graveyard of the forgotten past." This claim of secrecy, however, is more rhetoric than reality. Disclosure of court records is discretionary with the judge in most jurisdictions. Statutory restrictions almost invariably apply only to the Court records, and even as to those the evidence is that many courts routinely furnish information to the FBI and the military, and on request to government agencies and even to private employers. Of more importance are police records. In most states the police keep a complete file of juvenile "police contacts" and have complete discretion as to disclosure of juvenile records. Police departments receive requests for information from the FBI and other law enforcement agencies, the Armed Forces, and social service agencies, and most of them generally comply. Private employers word their application form to produce information concerning juvenile arrests and court proceedings, and in some jurisdictions information concerning juvenile police contacts is furnished private employers as well as government agencies."

A further example of the disenchantment with this aspect of the juvenile court proceeding is contained in "Task Force Report: Juvenile Delinquency and Youth Crime" published by the President's Commission on Law Enforcement and Administration of Justice. In a chapter of the Task Force Report entitled "The Juvenile Court—Quest and Realities," the following statement is made on page 91:

". . . dour sociological critics urge that it (juvenile court) contributes to juvenile crime or inaugurates delinquent careers by imposition of the stigma of wardship . . .", and, again, on pages 92 and 93, the following is stated:

"Social scientists familiar with the juvenile court and its problems in the main agree that one of the great unwanted consequences of wardship, placement, or commitment to a correction institution is the imposition of stigma. Such stigma, represented in modern society by a 'record,' get translated into effective handicaps by heightened police surveillance, neighborhood isolation, lowered receptivity and tolerance by school officials, and rejections of youth by prospective employers. Large numbers of youth appearing in juvenile court have lower class status or that of disadvantaged minorities, whose limited commitments to education already puts them in difficulties in a society where education increasingly provides access to economic opportunity. Given this, the net effect of juvenile court wardship too often is to add to their handicaps or to multiply problems confronting them and their families.

"Lest these seem to animadversion or imprecise charges, consider the hard facts that social welfare agencies can be identified which as a matter of policy, without delving into the facts of the case, arbitrarily refuse to accept as clients youth who have been wards of the juvenile court. The reality of stigma due to wardship is also borne home by the firmed policy of the Armed Forces, which may make it the grounds for rejection, or most certainly the bar to officer candidacy. The paradoxical expression of stigma often colors the statements of probation and correctional officers, even judges, who at certain stages of a youth's progress through juvenile court and beyond, openly label him as a type destined for failure.

"Proposals, laws, and administrative action to preserve the anonymity of juvenile court proceedings through closed hearings, sealing case records, and expunging records are probably worthy moves, but it is vain to expect them to eliminate the stigma of wardship and contacts with the juvenile court. In smaller communities, as one judge observed, 'Everyone knows about juvenile court cases anyway.' In larger communities strongly organized police departments can be expected to resist rigorous controls over delinquency records detrimental to their efficiency, and will search for ways to circumvent them. Employers denied information from juvenile courts often get the desired facts from the police.

"Expunging records is not the simple operation it may seem. In California it requires initiative from the party concerned and usually the assistance of an attorney; the procedure necessitates a hearing, and it may be complicated or impossible if a person has been a juvenile ward in more than one county. Private and public organizations can and do protect themselves by including questions about a juvenile record on application forms for employment or for occupational licenses, indicating that perjured replies will be grounds for rejection. The applicant has the unpleasant 'damned if you do, damned if you don't' choice of lying or revealing damaging facts about himself. Finally, it is doubtful whether total anonymity of juvenile court hearings and records is in the public interest.

"While the successful management of stigma by individuals is not impossible, the necessary insights and social skills are not given to many people, least of all immature youth or those struggling with other status handicaps. A number of social psychologists, including the author, believe that social rejections provoked by such stigma may reinforce a self-image held by the individual that he is no good or that he can't make it on the outside. They may feed a brooding sense of injustice which finds expression in further delinquency, or they may support, strengthen, and perpetuate ideological aspects of delinquent subcultures. In this sense the juvenile court may become a connecting or intervening link of a vicious circle in which delinquency causes delinquency."

The application of confidentiality even varies from county to county within a state despite the fact that the same law applies to each county in any given state. This failure to comply with the provision for confidentiality and noncriminality has had devastating and grossy unfair, as well as unjust, consequences to the future of young people who have had occasion to appear in a juvenile court. As the U.S. Supreme Court stated, "The evidence is that the juvenile courts, as well as the police, routinely furnish information to the FBI, the military, various governmental agencies and even to private employers." For example, applications for enlistment in the military insist upon full disclosure of all juvenile court appearances and dispositions under the threat of court martial and dishonorable discharge from the service for fraudulent enlistment. It is not unusual for employment applications and applications for a fidelity bond to similarly require disclosure of a juvenile court record.

It is submitted that the practices of the juvenile courts, and of law enforcement authorities in general, with respect to the matter of confidentiality and noncriminality, represent a failure to live up to the promise of the juvenile court philosophy and in fact constitute an outright violation, not only of the spirit, but of the letter of the law itself. What is perhaps even more serious, these practices constitute a betrayal of the trust in the juvenile court process by those juveniles who, upon being petitioned into court, candidly and forthrightly tell all as well as by their parents who encourage them to do so. More than anything else, these practices have caused the proceedings in the juvenile court to be equated with a criminal proceeding—more than anything else, the practices demand the application of basic due process to juvenile proceedings in the same way as they are to a criminal proceeding and, more than anything else, have precipitated, indeed necessitated, the mandate directed to the juvenile court by the U.S. Supreme Court in the case of *In re Gault, supra*.

Students of the juvenile court system appear to be of two minds: (1) those who feel that rigid adherence to complete confidentiality as a basic concept of the juvenile court system, is both desirable and idealistically correct but that in actual practice it cannot be accomplished and, even if it could be accomplished, to do so would precipitate a torrent of reaction, both private and official, resulting in legislation which would eliminate what confidentiality now exists and possibly bring down the entire juvenile court system as well; and (2) those who feel that complete and rigid adherence to confidentiality is not desirable, does not make sense and is, in fact, not ideally or otherwise, a concept of the juvenile court system and, more importantly, that its application would release upon society unstable and dangerous persons or at least protect such persons from detection by an otherwise unsuspecting public.

To those who argue that confidentiality is desirable but not practical, it may be said that it is not up to the juvenile court to decide whether it is practical or not. It is simply a matter of the court and the law enforcement authorities complying with the letter of the law where there are provisions similar to those existing in Minnesota. In those states not having laws specifically prescribing confidentiality, it is a matter of the court adhering to a fundamental concept of the juvenile court system. It should be fairly clear that, in the name of the best interest of the juvenile and his rehabilitation, the juvenile court system constitutes some abridgment of constitutional and other rights and protections usually thought to be available to every citizen of this country. This abridgment contemplates, if not requires, some consideration in the way of a commitment not otherwise available to a person in court—it is suggested that confidentiality is such a commitment. If this commitment cannot be kept by the juvenile court itself, then, indeed, the court and the entire specialized system of juvenile justice ought to be abolished. So it is that the court should not decline to honor the commitment of the juvenile court system simply because of an anticipated reaction of the public acting in the person of its legislature. If the legislature wants the law changed, let it change the law but not the court fail to carry out the law for fear of what the legislature may or may not do.

With respect to those judges that feel confidentiality is not desirable and that to adhere to it would turn loose on the unsuspecting public the unstable, the dangerous, the psychotic and the psychopathic, an answer seems to be quite apparent. Most, if not all, juvenile courts have available some process whereby a juvenile offender may be referred to the prosecuting authority for handling as though the juvenile were an adult. In Minnesota this process is described as a reference for prosecution. The discretion to refer for prosecution is vested in the juvenile court. In some states, however, the discretion rests with the county attorney in choosing the forum for prosecution or litigation of the problem. In any event, this discretion is premised on the amenability of the juvenile involved to juvenile court processes or the public safety not being served under the provisions of laws relating to juvenile courts. Therefore, when the court proceeds with a matter, there is an implied finding that the person before the court is, in fact, a child markedly lacking in judgment, maturity and experience and, presumably is not, and should not be, accountable to the same degree as an adult.

If the court feels that it is dealing with a person who is so unstable or so dangerous that public safety would be jeopardized, presently or in the future, by a confidential record, then, most assuredly, such a court may refer the matter for prosecution as an adult. Two things would thereby be accomplished, (1) the hearing and the record would be made public and, (2) the young person charged would have the full protection of all constitutional, statutory and case law guarantees available in the state's criminal law process. All of the rights of the individual historically sacred in this country as expounded in *Miranda, Escobedo, Gideon, Mapp* and other landmark cases in the U.S. Supreme Court and the various state supreme courts, would then be available to juveniles just as they are now to any other U.S. citizen.

In other words, the juvenile court's discretion to waive or retain jurisdiction seems to place a responsibility on the juvenile court to make some determination as to the kind of person it is dealing with in any given case. Wherein it determines that one is a juvenile then that person should be accorded the protection a child should have. On the other hand, if the court determines that a person, though a juvenile by age, is accountable as an adult, then that person should be accorded all the rights of an adult, not just part of them. To hold otherwise is to unjustly expose thousands upon thousands of essentially normal and innocent young people to the damaging consequences of a juvenile court record. It is said that the juvenile court system is rehabilitative in nature. It cannot be rehabilitative if the mere appearance in a juvenile court creates a record which will afflict a person for life and may thwart worthwhile careers and ambitions. It is a delusion to argue otherwise. If juvenile court proceedings cannot be kept confidential then it should be recommended that the entire juvenile court system be abolished and that the state should seek enforcement of its criminal laws in the regular processes of criminal court proceedings wherein the accused has the full protection and benefit of constitutional, statutory case law.

Mr. HARRINGTON. Mr. Speaker, I welcome the opportunity to participate in this special order on privacy, organized by my colleagues, Congressmen KOCH, GOLDWATER, HORTON, MOORHEAD, KEMP, and EDWARDS of California. It is heartening that so many Members of the House should join together to address such an important issue.

There has even been some encouragement from the White House in the area of privacy. President Nixon has at least recognized that Government encroachment into the rights and freedoms of individuals is a serious and growing problem, although his solution—yet another advisory commission—leaves something to be desired. Still, I hope that today's bipartisan display of support for protection of privacy is indicative of improving prospects for enactment of legislation strengthening the individual rights of citizens.

Basic rights and freedom are being violated daily by the computerized data banks now assembled on millions of American citizens. Criminal arrest records are virtually unregulated today. In thousands of cases, citizens are harmed by information on these arrest files which is inaccurate or incomplete. Most serious is the failure to require an indication on arrest records of the disposition of a criminal charge.

Mr. Speaker, almost a year ago, a particularly perceptive article on the subject of criminal arrest records appeared in the Sunday New York Times. I commend this article, "Have You Ever Been Arrested," by Aryeh Neier, to the attention of my fellow colleagues:

Have You Ever Been Arrested

(By Aryeh Neier)

On Jan. 18, 1970, Paul Cowan was arrested in Brooklyn for possession of marijuana. Two months later the charge was dismissed. In September, 1970, Cowan moved to Boston. He applied for a license to drive a cab. On Feb. 15, 1971, a hack license was issued, but a week later, on February 22, he was ordered to report to the Boston Police Department's Bureau of General Services and informed that his license was being revoked. The reason: a routine check with the Federal Bureau of Investigation had disclosed that an "open" charge of possession of narcotics was pending against Cowan in New York. He protested that the charge had been dismissed. No good. On March 12, 1971, Paul Cowan received formal notice that his license had been revoked because he was "not a suitable person to be so licensed." Cowan's story is unusual in only one respect. He found out why he lost his job. Most people who are denied jobs because of arrest records are never told the reasons.

In 1967, the President's Commission on Law Enforcement issued a series of comprehensive reports on crime in America that are still considered the definitive findings on the subject. The commission found that 58 per cent of white urban males, like Paul Cowan, will be arrested at some time during their lives. (The figure for nonwhite urban males is 90 percent, for U.S. males in all categories 50 per cent; for all females it is 12 per cent.) Like Paul Cowan, many of those arrested are not convicted. In fact, of about 8.6 million persons arrested in 1971 for all criminal acts other than traffic offenses, nearly 4 million were not convicted. They are presumed innocent. In practice, they often suffer consequences as grave as if they had been guilty.

The F.B.I. is the major source of arrest-record information. As a matter of routine, almost all police departments in the country forward to the bureau for filing the fingerprints of persons they have arrested. (All persons fingerprinted upon induction into the armed services are also on record in the F.B.I. fingerprint files.) Testifying in the case of *Menard* v. *Mitchell* in 1970, a bureau official reported that, on the average working day, the bureau received 29,000 sets of fingerprints. Only 13,000 came from law-enforcement agencies. The remaining 16,000 sets were sent in by banks, insurance companies, government employers (municipal, county, state, and Federal), licensing agencies and the like. In return, these agencies received from the F.B.I. whatever information it had in its files on the 29,000 persons involved. That's how Paul Cowan's Brooklyn arrest record got to the people who give out hack licenses in Boston.

While the bureau has been very efficient about gathering and disseminating arrest records, it has been fairly careless about including data on the disposition of the cases. In the Menard case, the special agent in charge of the F.B.I.'s Identification Division, Beverly Ponder, got a little testy when questioned about this by a volunteer lawyer for the National Capital Area Civil Liberties Union, Raymond Twohig:

Twohig. Does the F.B.I. make any effort to obtain final dispositions where requests are received for arrest records? Before disseminating those arrest records?

Ponder. We urge the contributors [to the F.B.I. fingerprint files] to submit to us final dispositions, but we don't go out and try to pick them up.

Under further questioning, Ponder testified that there is no statistic available within the F.B.I. on the final dispositions that have been recorded in the bureau's files and that he knew of no way to make an intelligent estimate of them. That helps to explain how it happened that the Boston hack-licensing people weren't told that the charges against Paul Cowan had been dismissed.

Some employers are not interested in arrests, only convictions. One such, it was thought, is the Federal Civil Service Commission. Mr. Ponder was asked about that by Twohig:

Twohig. Is the F.B.I. aware that recently Federal job-application forms were changed, and the question which asked if the applicant was arrested now asks if he has been convicted?

Ponder. Yes, I am aware of that.

Twohig. Do Federal agencies, in particular civil-service commissions, receive at present all information about arrests—or only arrests with convictions—when they apply to the F.B.I.?

Ponder. They receive all the material that appears on the identification records.

Twohig. And that includes conviction and non-conviction arrests?

Ponder. That is correct.

The circumstances of this case were that Dale Menard, a former Marine, had been arrested by the Los Angeles police for "suspicion of burglary." He was never convicted or even prosecuted. In fact, it is not clear that a crime was committed by anyone. Menard had the misfortune to be sitting on a park bench in a neighborhood where the police had received a telephone complaint about a prowler. With the help of the National Capital A.C.L.U., Menard sued to remove his arrest record from the files of the F.B.I. and to stop the F.B.I. from reporting his record to potential employers. Menard's suit has been in court for more than five years. It has been heard twice by Federal District Courts and twice by the United States Court of Appeals in the District of Columbia, where it is now awaiting decision.

Back in June, 1971, the Menard case was the subject of a controversial decision by Federal District Judge Gerhard Gesell. He ordered the F.B.I. to stop distributing arrest records to anyone but law-enforcement agencies and then only for law-enforcement purposes. Gesell found "that Congress never intended to or did in fact authorize dissemination of arrest records to any state or local agency for purposes of employment or licensing checks." He concluded that the arrest-record distribution system "is out of effective control."

Congress acted quickly to overturn the order. A bill introduced by Senators Alan Bible and Howard Cannon of Nevada was passed which made F.B.I. arrest data available to "any non-law-enforcement official or agency" authorized to get the information by state or local law. The two Senators said they were particularly concerned that the information be available to Nevada's gaming industry so that people with arrest records would be kept out.

The case for the bureau's role of maintaining and disseminating arrest records was recently set forth by L. Patrick Gray 3d, acting director of the F.B.I., in a written response to a question from Maryland's Senator Charles Mathias Jr., of the Senate Judiciary Committee, which was considering Gray's nomination as permanent director of the F.B.I. Gray wrote:

"The arrest-record files of the F.B.I. Identification Division as well as those of many state and local identification bureaus are replete with lengthy arrest records of longtime hoodlums and members of organized crime whose arrests never resulted in conviction. Many sex offenders of children are not prosecuted because parents of the victim do not want to subject the child to the traumatic experience of testifying. Others are not tried because key evidence has been suppressed or witnesses are, or have been, made unavailable. The latter situation is not uncommon in organized-crime cases. To prohibit dissemination of such arrest records would be a disservice to the public upon whom they [persons with records] might prey again."

Gray went on to speculate about "the potential school teacher with two prior rape arrests and no convictions" and "a police applicant with a prior Peeping Tom arrest and no conviction." Given these possibilities, "the rationale for disseminating arrest records not supported by convictions is substantial," said Gray.

Protesting this viewpoint, Ralph Temple, the lawyer who recently argued Dale Menard's current appeal, has commented: "That turns the Constitution upside down—it presumes guilt." Temple, who is legal director of the National Capital A.C.L.U., is trying to persuade the U.S. Court of Appeals in the District of Columbia that punishment by record dissemination, without trial and conviction, violates the Constitutional guarantee of due process of law.

Opposition to the dissemination of arrest records is mounting elsewhere. Representative Don Edwards of California and Senators Quentin Burdick of North Dakota and Sam Ervin Jr. of North Carolina are leading a fight to pass legislation prohibiting the F.B.I. from disseminating arrest records that do not result in convictions. Two United States Courts of Appeals have also recently found that questions about arrest records are racially discriminatory. Citing these court decisions, the New York City Commission on Human Rights issued "guidelines" on Jan. 4, 1973, stating that "it will be considered an unlawful discriminatory practice for employers or employment agencies to ask of any applicant or employee any questions relating to arrest records" or to solicit the information from another source. Illinois has passed a law making it an unfair labor practice to deny a job because of an arrest record.

The guidelines of the City Commission on Human Rights were an outgrowth of several days of hearings last year on employment difficulties faced by people with arrest records and people with conviction records. Those hearings were, in part, a result of the commission's earlier hearings on the employment practices of the Board of Examiners of the New York City Board of Education, which licenses teachers for the New York City public schools. The hearings had produced testimony about such things as the denial of teacher licenses to people arrested in civil-rights demonstrations in Mississippi. Another Board of Examiners case involved a young man, David Mills (not his real name), who had been convicted of a misdemeanor in New York City Criminal Court in December, 1969. In February, 1970, Mills applied for a license as a substitute teacher in the public schools. In May, 1970, he was summoned before the Board of Examiners to explain the circumstances of his conviction. At the time, Mills' conviction was on appeal, and he was assured by two examining officers that if it was reversed, he would have no difficulty getting a license.

In October, 1970, the Appellate Court unanimously reversed Mills' conviction "on the law and the facts." Mills immediately took a copy of the decision to the Board of Examiners. He then started to get a runaround. Even though he had taken the license examination the previous February, he was told for the first time that he now needed a "nomination" from a specific high school that wished to employ him. Next, he was told that his application had to be approved by the Board of Education's Department of Personnel. In late November, the Department of Personnel approved the license but the Board of Examiners still refused to issue it, claiming more time was needed to investigate Mills' "criminal" record. Finally, with delay piled upon delay, Mills filed suit against the Board of Examiners to compel it to issue the license. In the face of the lawsuit, the Board of

Examiners finally granted Mills his license in March, 1971.

The first court case to be decided on the basis that inquiries about arrest records are racially discriminatory was *Gregory* v. *Litton Systems*, a case brought by the American Civil Liberties Union of Southern California. At first glance, Earl Gregory, a Los Angeles black, seems an unlikely candidate for a test case. He had a record of no fewer than 14 arrests. Gregory had sought a job as a sheet-metal mechanic. Although he was otherwise qualified, he was turned down because "Litton's standard policy," it was stipulated in court, "is not to hire applicants who have been arrested on a number of occasions beyond minor traffic offenses."

Gregory's trial indicated that his arrest was not unusual. Dr. Ronald Christensen, one of the authors of the Report of the President's Law Enforcement Commission, who appeared as a witness, testified, that a person who has been arrested once tends to accumulate additional arrests during his lifetime, the average for a white man being 7; for a black man the lifetime average is 12.5. Christensen and another prominent analyst of crime statistics, Dr. Marvin Wolfgang, also testified that on one large category of arrests—on "suspicion" or for "investigation"—blacks were arrested about four times as often as whites. As an indication of how much importance could be attached to these arrests, Dr. Wolfgang cited a study of "investigation" arrests in 1964 in Baltimore, which revealed that 98 per cent of the persons arrested were released without further proceedings. The court also heard extensive testimony about studies which showed that persons who had been arrested on a number of occasions performed as efficiently and honestly on the job as persons who had never been arrested.

Litton Systems argued that the "business justification for considering a person's arrest record in determining whether or not to hire him is the same as considering a record of conviction. . . . It is not a fact, and it cannot be assumed, that all arrests which did not result in conviction are unfounded." The testimony by Christensen and Wolfgang proved to Litton "that people with arrest records are arrest-prone, and that the proneness increases with the number of prior arrests. There is business justification in declining to hire people with arrest records because the employer has a legitimate reason in not wanting to hire people who are more likely to be absent when they are arrested. . . ." While Litton cited no other "business justifications," the firm expressed a certain pique that it was being singled out for attack. An inquiry about arrest records, Litton told the court, "is one of the most common employment practices known to man. Almost anyone who has ever applied for a job has answered this type of question . . . the employer who does not obtain and utilize arrest information in determining whether or not to hire is the exception, not the rule."

Litton's arguments about the frequency with which employers rely on arrest records are supported by a February, 1972, report issued by the Georgetown University Law Center. The report was prepared under a grant from the U.S. Department of Labor. It found that "the existence of arrest records is all-pervasive in our society and that millions of individuals may be hampered in the efforts at finding jobs and pursuing careers because of such records." Most state and county governments inquire about such records on job-application forms, according to the Georgetown report. Sometimes arrest records are absolute barriers to public employment, the report says, but more commonly they restrict applicants to low-skill jobs.

In its first decision in the Dale Menard case, the U.S. Court of Appeals in the District of Columbia cited a study showing that 75 per cent of the employment agencies in the New York area will not accept for referral applicants with arrest records. Another survey cited by the court showed that, of 75 employers, 66 would not consider hiring a man who had been arrested for assault although he had been acquitted.

The fact that Litton's policies were no worse than those of other employers did not deter a Federal court from awarding Earl Gregory $4,400 in damages because of the inquiry about his arrest record. In February, 1973, that judgment was upheld by the U.S. Court of Appeals in California.

The most sweeping action against arrest records was a recent decision by the Supreme Court of Colorado. The court ruled that arrest records of persons not convicted must be expunged unless the police can demonstrate the need to retain a particular record.

Dorothy Davidson, executive director of the Colorado A.C.L.U., was the plaintiff in the suit. She had been arrested in 1968 while trying to act as an observer at a police-hippie confrontation in Denver. (These arrests are an occupational hazard for local A.C.L.U. directors. In 1968, there were similar arrests in four other states. I was the director of the New York C.L.U. at the time and was arrested observing an antiwar demonstration in Manhattan's Washington Square Park. None of us were convicted.) The court found expungement of arrest records necessary because "the record here is devoid of any facts showing . . . the ability of the [Denver police] department to keep them confidential."

Only expungement can keep arrest records confidential, as has been demonstrated in New York. In 1964, the New York State Identification and Intelligence System was established. It was not supposed to be available for private-employment checks. However, in 1969, the State Legislature passed a law requiring the fingerprinting of all employes in the securities industry, one of the state's largest. Prints are now checked against the six million on file with N.Y.S.-I.I.S. and the information is given to the State Attorney General, who makes it available to the employers. In his first report on the program, Attorney General Louis Lefkowitz announced with great pride that several hundred employes had been found to have "criminal records" and that many were fired. About half of those fired had no record of convictions, only arrests. A Federal District Court dismissed the New York Civil Liberties Union challenge to the fingerprinting and the decision was upheld on appeal.

Fingerprinting of employes had been sought by the securities industry as a means of trying to stop thefts. Fear of crime is always the reason for compiling and disseminating arrest records. The records presumably tell us whom we should fear and thus enable us to shield ourselves from them. The trouble is that people with records don't simply disappear from the face of the earth. They continue to live in our cities, many of them in our black ghettos. Having used their records to keep them out of our places of employment, we still have to live with them. Are they less likely to commit crimes because we can keep them from getting jobs?

Job problems are not the only consequences of arrest records. Consider the case of Mildred Brown. She has lived in a housing project on Manhattan's East Side for 20 years. The New York City Housing Authority recently found that she was "ineligible for continued occupancy on the ground of non-desirability," a finding based in large part on her son's arrest record. While no comprehensive studies have been done on housing problems growing out of records of arrests not followed by convictions, Mrs. Brown's case is not unusual.

Arrest records also affect chances for admission to educational institutions, opportunities for financial credit, and, as Litton's arguments about "arrest-prone" people suggest, they increase the likelihood of re-arrest. A young black man in Washington, D.C., recently filed suit to stop police harassment growing out of his arrest record. He had been arrested while a senior in high school in May, 1970. In January, 1971, he was acquitted of a robbery charge because of an apparent case of mistaken identity. He is now a college student and a National Merit Scholarship winner. According to his court complaint, on at least three occasions police have shown his photograph in neighborhoods where crimes have been committed, seeking to have him identified as the criminal in some new crime. Each time this has been done, his family and acquaintances have been interrogated anew.

People with arrest records are natural targets for investigation when new crimes are committed. Inevitably, arrests follow. Being "arrest-prone," therefore, is often a function of having been arrested. The practice is to "round up the usual suspects," as police Capt. Louis Renault (played by Claude Rains) put it in the film "Casablanca."

Each year, law-enforcement agencies grow more efficient in disseminating records. The bureau's Identification Division, which was receiving 29,000 sets of fingerprints daily in 1970, is only a manual system operating through the U.S. mail. Recently, to supplement this service, the bureau established a computerized system, the National Crime Information Center, to speed the exchange of records with local law-enforcement agencies around the country.

Private industry is in the record-keeping and record-selling business in a big way. The biggest firm in the business. Retail Credit Company of Atlanta, has more than 7,000 employes, maintains dossiers on about 45 million people and produces more than 35 million reports a year. The member firms of a trade association known as the Associated Credit Bureaus, which among them do a business of close to $1-billion a year, maintain files on about 110 million Americans. The information in these files is sold to creditors, employers and landlords.

Much of the information sold by the credit bureaus comes from law-enforcement files. There is no indication that the F.B.I. gives any information directly to a credit bureau. However, the F.B.I. has been notoriously loose in policing the further distribution of the records it disseminates. Here is the testimony on this point of Special Agent Ponder at the Menard trial:

Q. Is there any procedure whereby the F.B.I. or any division of the F.B.I. inquiries into the uses to which the arrest information is put by contributing agencies?

A. No.

Q. Are any restrictions imposed by the F.B.I. on the use to which that information is put?

A. Yes. Official business only.

Q. Are there memoranda or orders indicating that there is a restriction?

A. It is right on the record itself.

Q. Are there any form letters that are sent to contributing agencies explaining what "official business only" means?

A. Well, in years gone by we have brought this to the attention of contributors, that this information is disseminated strictly for official use only.

The questioning of Ponder took place on Dec. 17, 1970. Subsequently, he supplied for the court record the F.B.I.'s most recent notice on the issue, a memorandum from the late J. Edgar Hoover dated Oct. 18, 1965. If the records were used for other than "official uses," Hoover warned, "this service is subject to cancellation." No other penalty was mentioned.

The laws of many states provide that juvenile records are confidential. However, they have been as readily available as all other records. The F.B.I., which respects all state and local laws which confer access to records on various agencies, disregards state laws governing confidentiality. Special Agent

Ponder was asked in the Menard trial, "Are there any differences in dissemination practices with respect to juveniles and adults, of arrest records?" His complete reply was: "No."

The New York State Identification and Intelligence System also gives out juvenile arrest records. When I asked the director of the agency about this, he told me that N.Y.S.I.I.S. understood the law to make the disposition of a juvenile-arrest confidential, but not the underlying arrest.

The widespread availability of law-enforcement records has created a pariah class of millions of persons made up of ex-convicts and people arrested but not convicted. That pariah class is the crime problem, or at least a large part of it. Crime is centered in those cities and those parts of cities where people go when they are trying to escape their past records. The time-honored way of escaping was to lie when asked, "Have you ever been arrested?" As law-enforcement agencies and private companies improve the efficiency of their dissemination of records, lying no longer works. The truth about the past record catches up, no matter where a person moves.

Shocking as the notion might be, those lies served an important social purpose. When a man with an arrest record could lie his way into a job, all of us had a little less to fear. Today, when we expose the lie, we simply insure that one more person won't be able to escape his arrest record and integrate himself into society.

Judicial and legislative action to control the use and distribution of arrest records will not have much impact for a long time to come. The records of people arrested in the past have often been so widely circulated as to make it very difficult, if not impossible, to prevent them from continuing to haunt people for years to come. But action has to start sometime, and the best time is now. There is even a small sign that the F.B.I. is concerned. At the hearing last Feb. 28 to decide whether he should be confirmed as F.B.I. director, L. Patrick Gray testified that he had "purged inactive arrest records of individuals age 80 and older from the fingerprint files." All the octogenarians I know who are out looking for jobs are very grateful.

Mr. BUCHANAN. Mr. Speaker, we are today 10 years away from the 1984 of George Orwell, but to many of us, the Big Brother of which he wrote is with us already.

It is unfortunate that as the Federal Government has expanded to meet the needs of the American public, the rights of that same public to conduct its affairs in private has been sublimated to expediency, but this is not the way it was originally intended.

The framers of the Constitution spoke to this right in adopting the fourth amendment to protect the right of the people "to be secure in their persons, houses, papers, and effect."

But today, there is hardly a citizen anywhere in this land of more than 205 million people who is not recorded one way or another within the Federal bureaucracy.

The armed services, the Social Security Administration, the Veterans' Administration, the Internal Revenue Service, the Justice Department, the Census Bureau and the Bureau of Labor Statistics, to name but a few, have dossiers on many millions of Americans. The accuracy of this vast amount of information is, at best, questionable and, in most instances, the individual has no access to the files compiled on him and no opportunity to correct any misinformation.

The information, true or false, is shared with other agencies and, in some instances, nongovernmental agencies. Too often there has been the public release of raw information, in the form of rumors, gathered by one agency or another.

But it is not only the Federal establishment which is at fault. Private companies and organizations are often even greater offenders. An individual applying for a credit card from one company is often subjected to a flood of advertisements and solicitations from other organizations who purchased the mailing list of the original firm. In some instances not only the name and address of the individual involved, but other personal information is disclosed.

We have taken some action to protect the individual, such as the enactment of the Fair Credit Reporting Act of 1970, but it would appear that additional steps are necessary and many measures have been proposed.

I am concerned, however, that Members of Congress may not take these invasions of privacy quite as seriously as the average American because our lives are so exposed to public scrutiny. It is my hope that we will not become innured to the ever encroaching invasions on the privacy of our constituents. To the average American citizen, the right to privacy is a very real right which needs to be strengthened.

Mr. Speaker, I am happy to join with my colleagues in a commitment to privacy and urge that this verbal commitment be transcribed into actions which will restore to fact the right to privacy which exists too often only on paper.

Mrs. HECKLER of Massachusetts. Mr. Speaker, today's special order provides a welcome opportunity for this body to express its strong commitment to every American's inherent right—the right to privacy. I trust today's discussions will not only be a forum for enlightened discussion, but will also be legislatively productive.

Solitude for one's self and one's thoughts is essential in a free society. And yet, intrusions of privacy grab the headlines each day. The invasions are myriad—unauthorized drug searches, illegal wiretapping, false credit records, unrequested distribution of legal, mood-changing drugs, psychosurgery, and extensive student records concealed from the child's parents. It is these very abuses of authority which prompted me to introduce legislation which would create a Select Committee on Privacy.

Loss of privacy often occurs without fanfare and unbeknownst to the citizens affected. It is for this reason that the Congress desperately needs an ongoing watchdog committee which would discuss current and potential invasions of privacy while at the same time recommending corrective legislation. The Congressional committee structure as it now stands encourages a shotgun approach to congressional inquiry. No one committee has been delegated the responsibility for continuous study of the broad privacy issue and different facets thereof. Upholding the privacy of American citizens through the best congressional means available is far too important to delay 1 day longer.

The Select Committee on Privacy would have authority in numerous areas. Behavior modification in grammar school children would certainly be a priority issue. Thousands of elementary school students are administered amphetamines or Ritalin to alter their behavior because they have been labelled restless, inattentive, or uncomfortable with discipline. What schoolchild is not restless and inattentive at times.

Another area of overriding importance is the massive files collected by banks, credit unions, or the Federal Government. Though these files are reportedly "secure," numerous examples exist of selling collected data, access to sensitive material by unauthorized persons, merging of scattered files into complete "dossiers," and so forth. The real tragedy of these incidents lies in the often inaccurate information contained therein of which the person being studied has no knowledge. Disaster to livelihood, home, family and belongings have been known to occur as the result of gross misinformation.

One of the most frightening invasions of privacy has come to light only within the past few years. Psychosurgery and lobotomy operations which irreversibly mutilate healthy brain tissue in order to deal with psychological problems are most controversial. The potential unrestricted use of such operations to control patients exhibiting aggressive tendencies is alarming indeed.

These are only a very few of the numerous examples of privacy abuses. However, the mere existence of such illustrations magnifies the crying need for formal congressional oversight. The Select Committee on Privacy which I have proposed and continue to support would be a viable tool in guaranteeing the right to privacy of all Americans while at the same time controlling the innumerable abuses existing today.

Mrs. BURKE of California. Mr. Speaker, today's communications technology makes it possible to store virtually limitless amounts of information, and disseminate that information with almost unimaginable speed, from one point to another. This technology is being used to lay the groundwork for a vast national communications network, a potentially awesome weapon in this Nation's fight against crime. The application of this technology to other areas of investigation has undoubtedly facilitated the detection of persons engaged in "suspicious activities," of persons who might be "bad credit risks," and indeed, of persons of every conceivable character and any given description: the only technical limit to this system is the extent of the information on file.

While making the greatest possible use of these resources, however, we must keep in mind the U.S. Constitution, which provides that the people have the right to be secure in their persons and property from "unreasonable searches and seizure," the right to receive and impart information and ideas without fear of harassment and to associate in public and in private with others of like mind, the right "not to be deprived of life, liberty and property without due process of law," and the right to be free from self-incrimination—in short, a Constitution which provides for a right to personal privacy.

And yet we are familiar with a host of cases in which each of these constitutional guarantees has been broken, because of a devotion to investigative techniques which abhor constitutional limitations. Have we not seen a number of citizens, some prominent and some publicly unknown, "investigated" and "documented" because of group-affiliations which someone has deemed "unacceptable" or "suspicious"? How many times has an individual accused of having committed a crime been found innocent of all charges, but the fact of his having been charged placed "on file" and allowed to plague him for the rest of his life?

Too often, errors in files and in printouts cannot be corrected because of the limited access given to the very individuals who are being investigated and discussed. Credit reporting has created a massive network of information, often faulty, that is not corrected and which continues to libel individuals without their knowledge.

The probability of an unregulated network of information being mislabeled and misdirected against an individual is a substantial danger in our computerized society. This afternoon I applaud the efforts of my colleagues who realize that limits have to be set, and a balance struck in the interest of both law enforcement and constitutional, democratic government.

Mr. QUIE. Mr. Speaker, one of the biggest reasons for the United States breaking away from England was the right of privacy. Again, we find as we near the Bicentennial of the United States, the private citizen's right of privacy is again being eroded. It has confronted us in criminal matters, credit information distribution and computer data collection. It is no longer just a question of whether a man is entitled to privacy in his home, but whether his thoughts and actions will be placed on the public record against his wishes or without his knowledge.

The Bill of Rights and other parts of our Constitution preserve for each person a number of rights. Considered together, the basis for many of these is a right of privacy—it is the philosophical basis for freedom of speech, assembly, and religion and for protection from unreasonable searches and seizures and self-incrimination. Moreover, the 9th amendment states that the enumeration of rights in the Constitution is "not to be construed to deny or disparage other rights retained by the people," and by means of the due process clauses of the 5th and 14th amendments, each person is entitled to an explanation as well as an opportunity to explain in any confrontation with a Federal or State government or entity.

While an individual may not be put on the rack to make him inform on himself, this has not kept the Government and private associations from collecting data on him. My concern is that it is without his consent or knowledge, may be inaccurate, and its uses are unknown. The fact is, such great potential exists or is being realized in the collection, storage, and recall and dissemination of computer data on individuals, that an individual's life may be reviewed in a matter of minutes without his knowledge or explanation.

Data collection and dissemination is not confined to credit ratings and reports or income tax returns, but includes many other areas of life where information is collected. Monthly, the Privacy Report, published by the American Civil Liberties Union Foundation, details these other instances. The March 1974 Privacy Report carried an item that the social security numbers of professors at the State University College at Geneseo, N.Y., will be recorded with the courses they teach so that the university system can automatically correlate data on every teacher's course load, enrollments, salary, rank, and class hours. Students then discovered that they were not allowed to see the files kept on them by the student placement office even though they felt that they had a right to see their own files.

And, this past weekend, a popular Sunday supplement—Parade, March 31, 1974—ran an article on the invasion of privacy in our public schools. The following is one illustration of several in the article:

> A parent is informed by a guidance counselor, about to write a college recommendation for her son, that his "psychological" file labeled him a "possible schizophrenic" back in elementary school.

In this case, the mother was not aware such a file existed.

The magazine reported it is becoming more and more common for schools to collect "soft data" on children and their parents and allow access to this data to many persons, but not the parents or the child. The article lists instances of reports on parents' attitudes and activities and children's behavior and psychology. The danger is that these reports are subjective comments, recorded without challenge, and possibly stigmatizing the child or his family with the broadcast ramifications.

It is time for Congress to act. It must act to define a right of privacy, and it must assess each other piece of legislation with due regard to that right. In the case of the Federal Government, Congress should limit the collection of data, open files to the individual concerned, and allow the individual an opportunity to comment and have his comments become a part of that file. With regard to the States and their agencies, Congress should assess its aid programs to see that Federal funds are not spent in contravention of a policy of a right to privacy or even that the States and its agencies must act positively with regard to such a right before qualifying for Federal aid. In the case of private information collectors, Congress should open all files to the individual concerned, when that file may be used by others than the collector, and allow the individual the opportunity to comment and have his comments become part of the file. In all cases, the individual must be given some control over the dissemination of information about him.

Ms. ABZUG. Mr. Speaker, I wish to compliment my colleagues, Mr. KOCH, Mr. GOLDWATER, Mr MOORHEAD, Mr. HORTON, Mr. EDWARDS, and Mr. KEMP, for taking this special order to express the congressional commitment to privacy. The field of privacy is a broad one, relating as it does to an individual's control over all knowledge or data about himself whether such data be collected by the private sector or by Government agencies, by the military branch or in connection with criminal investigations. As has been pointed out, there have already been over a hundred different bills and resolutions introduced in the House in the privacy field during this Congress and our approach has been somewhat fragmented. I have today introduced a bill which strives to cover some of the essentials in this area and which I hope will be useful. Although my bill is narrow in scope in that it attempts to deal only with an individual's control over information collected about himself by Federal agencies, the remedies provided are broad—broad enough to assure the individual citizen of adequate protection in the collection, maintenance, and disclosure of data about himself.

Several of us here today have taken an active role in attempting to protect the individual citizen from violations of privacy and other individual rights perpetrated by the Government in the guise of its legitimate functions. This was long before privacy received the imprimatur of a formal group within the Domestic Council, headed by Vice President GERALD FORD, long before the protection of privacy became a "fashionable" legislative subject. In the mid-sixties, a few voices in the Congress spoke out, but their warnings seemed to fall on deaf ears. Books by law professors Alan Westin and Arthur Miller widened the discussion. In July 1973, the report of the Secretary's Advisory Committee on Automated Personal Data Systems, Records, Computers, and the Rights of Citizens was issued and has dominated the field. It is a most compelling document and should form a basis for any legislation in this field. Finally, and most recently, we had official administration recognition of the dangers of invasion of privacy when President Nixon created his Committee on the Right of Privacy last February.

Among my colleagues who have worked long and hard in the privacy field is one of the cosponsors of today's special order, Mr. KOCH, who has introduced several bills dealing with persons' access to files maintained by Government agencies. Preliminary hearings on two of these bills—H.R. 12206 and H.R. 12207—were held before the Foreign Operations and Government Information Subcommittee of the Government Operations Committee, of which I am a member, last February. During these hearings, several witnesses made suggestions, many of which were agreed to by Mr. KOCH, of ways to provide additional safeguards to individuals in today's computerized, mechanized, and highly bureaucratized Federal Government. Although the more limited approach reflected in these bills may have been viewed as the optimum to be accomplished only a short while ago, I feel that the day has come when a strong privacy bill can be enacted. One need only look at the list of supporters of this special order to see that concern for privacy cuts across all partisan and ideological lines. We should certainly be able to rally bipartisan support for a stronger, more precise bill which will afford adequate protection and remedies to individuals regarding information collected, maintained, and disclosed by Federal Government agencies.

Having long taken an active role in this area and feeling strongly about the need to protect individuals against violations of their privacy, I have drafted a bill which incorporates many of the best provisions of Mr. Koch's bills with others pending in the House, including Mr. Goldwater's bill, H.R. 11275, pending in the Judiciary Committee. Although the scope of my bill is similar to Mr. Koch's, I have attempted to adopt the suggestions made in discussions before our subcommittee in order to provide wider protection to the individual in the collection, maintenance, and use of personal data, including safeguards against improper alteration or disclosure of such information. Thus, my proposal attempts to place some limitations on the kinds of information collected by Government agencies. The root of the problem lies in the collection process—in the amount of unverified, irrelevant, and often erroneous data that finds its way into individuals' files. Further, by providing individuals with access to their own files and the opportunity to correct such files by the removal of both irrelevant and erroneous material, limitations are imposed on the maintenance of data. Third, the use made of such data is restricted by requiring individuals' consent before disclosure of their files or, where disclosure may be required by law, prior notification and an opportunity to object. Beyond that, my proposal would define exemptions from its coverage in much more precise and enforceable terms.

This is one area where I feel that most proposed privacy legislation has been grossly deficient—in providing loosely defined exemptions for criminal justice information and for national security. First, let me discuss the criminal justice system. My legislation specifically includes records in this area, because I believe we cannot make an exception of one of the most abused areas and then expect the people of this country to feel we have produced a serious piece of legislation. The only exception I have made in this area is "records that have been opened and are being used in pursuit of an active criminal prosecution." Those records will not be disclosed to the individual, but unlike other bills, that will be the limit of such nondisclosures. I believe the time has come to recognize that there are "datamaniacs" abounding in law enforcement agencies, people who collect everything about everybody with little or no thought as to the information's possible use in a constructive way. Once this information has been collected, it take on a validity by the mere fact that it exists in law enforcement files and puffs out a cloud of suspicion in the minds of people who collect it or review it later. The mystique of "law and order" endows such dubious data with a respectability far greater than its sources should create.

If "law and order" is discredited as a precondition for secrecy, similarly the phrase "national security" should no longer be used as a pretense to excuse violations of privacy. Thus, my bill limits the national security exception to three areas—where disclosure would endanger the active military plans or deployment of U.S. forces, reveal details about current military technology or weaponry, or endanger the life of any person engaged in foreign intelligence activities of the United States. Actions taken in the past under the color of national security have, in my judgment, created a clear and present danger to a legitimate concept of national security and I do not believe it is intelligent to add more yards to the national security blanket so beloved by people in authority.

Others have suggested quite properly that a Federal Privacy Board could assure that the sensible information standards and practices which have been praised so widely on the floor today are followed within the executive branch. Enforcement mechanisms are essential to anything which presumes to call itself legislation. We must fix the responsibility for enforcing the law and order we seek to impose in a period so fraught with lawlessness and disorder. I support a privacy board for that primary purpose, but I also hope that we will see fit to empower it with sufficient authority to have a cleansing effect throughout the entire privacy area.

In the beginning, its first task will be to publicize the existence of data banks containing personal information. "Records, Computers, and the Rights of Citizens" and Mr. Goldwater's bill both have this ringing sentence which I have used in my own bill:

> There must be no personal data recordkeeping system whose very existence is secret and there must be a way for an individual to find out what information about him is in a record and how it is used.

In order to make that declaration a reality, we cannot rely on the individual agencies themselves, nor can we depend on an Attorney General to ferret out all the systems. Only an independent and strong privacy board can fulfill this educational task.

One of the great obstacles to the success of the privacy campaign thus far has been the lamentable fact that nowhere, either in the Congress or in the executive, or in the society at large, has there been a single group whose sole function has been the preservation of privacy. A Federal Privacy Board with jurisdiction to consider how information is collected in the first place as well as to control its centralization and dissemenation could provide a focus for all those truly interested in making a reality of the Bill of Rights.

Mr. FASCELL. Mr. Speaker, it is a privilege to join our colleagues today in this discussion of the congressional commitment to privacy.

In recent years much use has been made of the somewhat elusive phrase—"quality of life." There is a very important aspect of the "quality of life" concept that has been threatened increasingly and which must have our attention. I speak of each citizen's right to protect his individuality—his privacy.

We are all seriously concerned with the erosion of public confidence in elected and appointed officials. Government seems somehow to have gotten away from the people, to have grown so large that individuals can no longer identify with it. Citizens feel, I believe, that they have no access to Government, that Government acts arbitrarily, and that when Government so acts they have no manageable or easily available means to effectively respond or appeal.

But as Government has become seemingly less accessible to individuals, individuals have, so to speak, become much more accessible to Government.

It has been common knowledge for some time that various agencies of Government maintain files on individual citizens. We have all been shocked, however, to learn the extent of such recordkeeping and the manner in which the records have been used.

The growing computer capability—the abilty to feed vast amounts of information into computers, store it, and retrieve it almost instantaneously—has vastly increased the potential for misuse of Government information. Prof. Arthur Miller, of George Washington University's National Law Center, wrote in a recent article on privacy that the technological ability to collect and disseminate information is virtually unlimited. Professor Miller wrote:

> What is technologically possible will be done.

While I do not necessarily agree with his conclusions, I regret that his assessment of the use of our technical ability is probably accurate unless we enact safeguards and controls.

At a time when public confidence is waning in a government which seems to be unapproachable, and when a growing technological capability exists for invading the lives of individuals, action must be taken to give individuals the right and the means to find out what files the Government maintains regarding them and to review and supplement them.

The very existence of vast Government records on individuals is alarming enough. The least we can do is provide adequate statutory safeguards, so that those records will not be misused.

I have joined our colleague Congressman Ed Koch in sponsoring the Federal Privacy Act, legislation which I feel would make a significant step toward providing the necessary safeguards for the use of Government files. The bill would do much, I believe, to protect the individual's interests.

Essentially the bill would provide the following:

> Require each agency that maintains records to notify persons when their records are

to be disclosed to any other agency or to any person not employed by the agency maintaining the record;

Permit any person to inspect his own record and have copies made at his expense;

Permit any person to supplement the information contained in his record by the addition of any document or writing of reasonable length;

Require that erroneous information brought to the attention of the agency be removed from the record and that each agency and person to whom the erroneous material has previously been transferred be notified;

Restrict access to the records to those in the agency who must examine the record to perform their job; and

Require the record holding agency to keep an accurate record of the names and addresses of all persons to whom any information has been transmitted.

While this bill may not solve all the problems visited upon our citizens by the Federal bureaucracy, I believe it would be a large step in the right direction. Allowing the people to see information concerning themselves and upon which decisions affecting their lives will be made will help restore faith in our democracy. No longer would individuals be uncertain just what information was utilized and by whom when they request agency action in a matter important to them. And no longer would they be penalized by the damaging effects of erroneous information.

People would again believe themselves to be more than just a number in an agency computer when they see that they must be consulted in matters of personal importance. The individual would have an input and could insure that his records are accurate and up to date.

There are a number of other legislative proposals pending in the House which would also make important steps toward insuring individual privacy and liberty. But as the sponsors of this discussion have pointed out, the fragmented approach to congressional action may have slowed progress in enacting broad-purpose legislation.

I commend the sponsors of this debate, and hope that it will lead to cohesive action by the House to enact effective controls over the collection and use of information by the Government and eliminate the continued risk of unwarranted and unacceptable invasions of privacy.

Mrs. SULLIVAN. Mr. Speaker, I am happy to join the gentleman from New York (Mr. Koch) a member of the Subcommittee on Consumer Affairs, in this discussion of the worrisome and frequently frightening aspects of the widening scope of invasion of privacy of the American people. As our population has increased and become more urbanized, and the management levels of business enterprises and of Government agencies become more and more separated from the individuals with whom their institutions deal—separated by increasing layers of public and private bureaucratics—the citizen becomes a disembodied social security number, credit card number, taxpayers' account number, and name and address on a computerized mailing list. He seldom has any personal relationship with the owner of any business with which he deals; he has little or no contact with any responsible official in a bank with which he has his account—in fact he may bank by mail and withdraw by check and never set foot in the bank; although he may have a mortgage with a mutual savings and loan association and thus be a member of the association, the chances are that he never attends an annual meeting of the association or attempts to take any part in the operations of the institution; on the job he may be known only by his immediate supervisors and the limited number of workers with whom he comes in daily contact.

Although the average urbanized citizen may feel that he moves in a kind of general anonymity, except among his friends and immediate neighbors and coworkers and fellow club members and so on, there is a great deal known about him by a great many people he does not know and who have no personal interest in him whatsoever. These strangers, who may have an occasional business or professional interest in some aspect of his life, know, or can find out quickly and economically, virtually all there is to learn about his economic status, his credit worthiness, his reliability, integrity, general reputation, mode of living, personal habits, military record, taxpaying experience, political inclination, religious affiliation, police record, medical history, and a great many other things about him that he may or may not be willing to volunteer to perfect strangers without knowing how or when that information might be used. And often the information is slanted, or false, or at least incomplete and misleading.

FROM KINDERGARTEN TO THE GRAVE

The March 31 edition of Parade distributed with many Sunday newspapers gave us all something of a shock when it described the records being accumulated in the schools of this country about children from elementary school on up—teacher descriptions or criticisms of the character or emotional stability or abilities of youngsters which, in many instances are withheld from parents but could be used to damage the child in later years. Apparently, one's life becomes an open book from kindergarten to the grave.

Ideally, all of us should be empowered to protect our privacy as completely as we would like—to have control over the information about us we wish to allow anyone to have. As a people, however, we have surrendered by law—by laws written by the democratically elected representatives of the people—many of our inherent rights of privacy. For instance the 16th amendment to the Constitution provides the authority under which the Government compels us all to report every cent of our income and pay taxes thereon. We are compelled by law to answer census questions every 10 years. In applying for certain benefits available from the Government, such as food stamps for low-income families, citizens must divulge the most intimate of financial details down to the cash value of life insurance. In addition, in applying for employment, insurance, or credit from any public or private source the individual is called upon to lay bare facts about himself or herself that he or she would prefer be held confidential by those to whom the information is being given. Eventually, however, much if not most of this information finds its way into a computer somewhere where it is stored and held for the instant retrieval for the information of anyone who can establish a so-called legitimate business interest in having the information. These may or may not be people with whom the individual is consciously interested in doing any business.

THE START OF LEGISLATIVE PROTECTIONS

The proliferation of data banks in and out of Government has been a source of deep concern to numerous committees and Members of Congress over the years. It took concrete legislative form for the first time early in 1968 when Congressman Clement Zablocki, of Wisconsin, offered an amendment to the truth in lending title of the Consumer Credit Protection Act, as it was being debated on the House floor on January 31 of that year, a provision which would have limited and regulated the kind of personal information compiled and sold for a fee by credit bureaus. The Zablocki amendment raised many questions which could not be answered satisfactorily on the House floor when it was offered that day, and it was defeated. But it was revived by Mr. Zablocki in more carefully defined legislative form in the next Congress and became the nucleus of what is now the Fair Credit Reporting Act of 1970—title VI of Public Law 91-508, which created a new title VI to the Consumer Credit Protection Act of 1968.

The Zablocki bill itself was never acted on in the House in the 91st Congress, nor was a much more comprehensive bill which I introduced in that Congress as chairman of the Subcommittee on Consumer Affairs and on which we held hearings in the subcommittee. Unfortunately, when it came time to act on my bill in the subcommittee during the final weeks of the 91st Congress, we were never able to get a quorum of the subcommittee to begin markup sessions. The revised legislation was extremely controversial, and that fact may or may not have been a factor in our inability to get a quorum for markup sessions.

HOW THE FAIR CREDIT REPORTING ACT WAS ENACTED

In the meantime, however, the Senate had passed a Fair Credit Reporting Act modeled pretty much along the lines of Congressman Zablocki's bill and then tacked it on as a Senate rider to a House bill dealing with bank secrecy. That is how we were able to get into conference on the Fair Credit Reporting Act before the 91st Congress adjourned. The Democratic members of the House conference committee, Representatives Patman, Barrett, Sullivan, and Reuss, proposed a series of strengthening amendments to the Senate-passed measure intended to bring it more into conformance with the bill I had introduced in the House and on which our hearings were conducted in the subcommittee. Some of those amendments were accepted by the Senate conferees and some were not. Looking back on that conference committee in 1970, I think it is now clear that if the House conferees had prevailed in conference on the disputed areas of this legislation, most of the criticisms now being voiced about the Fair Credit Reporting Act would not now be made.

The Fair Credit Reporting Act has accomplished a great deal of good in enabling individuals to find out the kind of information which is being circulated about them by credit bureaus and to require correction of erroneous or incomplete information. It requires the removal of obsolete information—in most instances, information more than 7 years old. It limits the purposes for which personal data can be made available. It provides for recourse by the consumer who has been damaged by credit bureau negligence.

DEFICIENCIES IN THE STATUTE

The most glaring deficiency in the Fair Credit Reporting Act is one which we fought over long and hard in conference, but the original Senate provision prevailed. It provides that a consumer may obtain from the credit bureau the "nature and substance of all information" in the consumer's file. The House conferees offered an amendment to delete the words "nature and substance of" so as to permit the consumer to examine all the information in his file, except for specified items such as medical data or the sources of investigative information.

It is in the area of investigative consumer reporting, where the credit investigators interview neighbors, former employers, ex-wives or ex-husbands, or anyone they can find who might be able to provide adverse information about an individual's intimately personal life, that the limitations on the consumer's right to see all of the information in his file lead to suspicion that the full file is not being disclosed. The Federal Trade Commission's efforts to check compliance with the disclosure requirements of the act have been stymied, at least temporarily, by a ruling of the District Court for the District of Columbia that the FTC itself cannot have access to the complaining consumer's file.

In my mind, the other area of most serious shortcoming in the act is its failure to provide the FTC with authority to issue regulations which would have the force and effect of law in setting out compliance procedures, power such as the Federal Reserve Board has under the Truth in Lending Act to issue binding regulations, as contained in the Fed's regulation Z.

TESTIMONY BY SHELDON FELDMAN OF THE FTC

Mr. Speaker, because of its potential importance in protecting the consumer's rights of privacy, it is essential that we strengthen the Fair Credit Reporting Act to carry out more of the objectives the House conferees tried to write into the law nearly 4 years ago.

Mr. GOLDWATER. Mr. Speaker, in conclusion of this special order, let me just say that we recognize this question of privacy, not as a partisan effort or a partisan issue, because it is a problem that plagues all of us, whether we be Republican or Democrat, liberal or conservative. It is a people problem, whether they are children or adults.

It is one that is long overdue, long in coming, for us to examine where we have come and how we got to where we are today, and to bring those safeguards into the systems that were created with all good intentions to record and file information on our individual persons.

The most secret thing we have is our liberty in personality. This is a privilege which we should enjoy and protect, and one which this Congress, this body, should make a full commitment to protecting and establishing the proper safeguards in all types of legislation that we pass here on the floor.

Mr. Speaker, I commend my colleagues who have joined in sponsoring this special order today, and those who have contributed for the Record in this congressional commitment on privacy.

IN MEMORY OF CONGRESSMAN CECIL RHODES KING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. Holifield) is recognized for 60 minutes.

Mr. HOLIFIELD. Mr. Speaker, I rise to pay my respects to the family of the Honorable Cecil King who served in the House of Representatives for 26 years. He was elected to Congress in the fall of 1942 to fill the vacancy caused by the death of Representative Lee Geyer. He was also elected to the 13 succeeding Congresses.

When Congressman King voluntarily retired in 1968, he was the ranking member of the important Committee on Ways and Means. His work on that committee was intensive and dedicated.

Early in the Truman administration he saw the need for medical and hospital aid to the poor and aged people of California and the Nation. He sponsored legislation to bring into existence a system of medical and hospital aid when that social purpose was very unpopular. Particularly strong opposition was voiced by the American Medical Association. Doctors were mobilized to political opposition in every subsequent election. This opposition came in financial aid to his political opponents and in mailings in opposition to what the docttors termed "socalized medicine" to the patients of each doctor in the King congressional district—the 17th.

Congressman King never retreated in his vigorous advocacy of medical aid to the aged. From his original advocacy in the Truman years there finally emerged various pieces of legislation. The programs of medicaid and medicare were finally legislated into reality. The long years of sponsorship and advocacy finally succeeded. To Congressman Cecil King belongs great and lasting credit for the final accomplishments. Literally millions of Americans now receive medical and hospital benefits from the modern Federal legislation now enacted into law.

Cecil King was a true champion of the poor and oppressed. He supported all of the great social programs to make life better for millions of Americans. His pioneer advocacy of legislative measures to obtain better health, better education, housing, and protective legislation for labor finally bore fruit.

Congressman King was burdened by poor health in the last 6 or 7 years before his death in March of this year.

All of his friends who knew of his sterling worth grieve because of his passing and we join in extending our sympathy to his wife Gertrude and the other members of his family.

Mr. BROWN of California. Mr. Speaker, I thank Mr. Holifield, the distinguished chairman of the Committee on Government Operations and the dean of my State's delegation, for yielding the floor so that I may join him and many of our colleagues in paying tribute to our late friend, Cecil King. This is not the first time that the Congress has seen fit to demonstrate its regard for Cecil King. On July 2, 1952, the House was debating whether or not to vote authority for the continuation of the King committee's investigations—which had already exposed massive corruption within the Internal Revenue Bureau. During the course of debate one gentleman after another took the floor to express the appreciation and respect which Members of the House felt for the work of Mr. King and his subcommittee of Ways and Means. The Democratic chairman of the House Administration Committee, Mr. Stanley of Virginia, spoke of the tremendous savings to the taxpayers that would result from the work of the King committee. The Republican senior minority member of the House Administration Committee, Mr. LeCompte of Iowa, praised the nonpartisan fashion in which the investigations had been carried out. Others taking the floor included Mr. Halleck, of Indiana, the Republican floor leader; Mr. Carl Hinshaw, Republican dean of the California delegation; Mr. Deane of North Carolina, Democratic chairman of the Subcommittee on Accounts; Mr. Leroy Johnson of California, Republican member of the Armed Services Committee; Mr. Doughton of North Carolina, Democratic chairman of the Committee on Ways and Means; and Mr. Reed of New York, Republican senior minority member of the Ways and Means Committee and dean of his State's delegation.

The nearly universal praise accorded Cecil King in July of 1952 was not won easily. Just 6 months earlier the Washington Post, in an article headlined "King Risking Future In California Probe," speculated that Cecil might be committing political suicide. The January 6, 1952, article, written by Post reporter George T. Draper, began with the line, "Rep. Cecil R. King (D-Calif.) is about to enter a political lion's den by taking his tax-investigating subcommittee to San Francisco." The Post story went on to explain that "a no-holds-barred exposure of the Federal tax agency might easily knock the props out from under California's wobbly Democratic Party," while anything less than an all-out investigation "would bring cries of 'Whitewash' from the Republican press, and possibly jeopardize King's own political future."

Well, Cecil King did conduct an all-out investigation. It led to the dismissals or forced resignations of more than 100 officials, and to the indictment and in some cases conviction of several revenue collectors in connection with tax fraud cases and bribery. "California's wobbly Democratic Party," as the Post termed it, seems to have survived well enough to be currently in control of both houses of the State legislature and to represent a majority of our congressional delegation, with even firmer strength expected after this year's elections. The press, far from crying "whitewash," praised the courage and integrity which characterized the investigations, applauding Cecil King for his nonpartisan approach. And his own political future continued for 16 additional distinguished years in the House, until Representative King retired at the end of 1968.

Mr. Speaker, there are many accomplishments, honors, and important positions that will always come to mind when the name of Cecil King is mentioned.

Some have already been mentioned here today by our colleagues, and others will yet be mentioned. I join in honoring the memory of Cecil King for these many significant achievements and distinctions. But when I think of Cecil King—particularly this year—the first thing I remember is his philosophy: fight corruption wherever you find it, and let the political chips fall where they may. And perhaps we can take some small measure of solace, as we mourn the loss of this great American, in the hope that we will all profit from the example he set for us nearly a quarter of a century ago.

Mr. BOB WILSON. Mr. Speaker, all of us were saddened to learn of the death of our former colleague, Cecil King, who served with great distinction in this House for 26 years. Those of us who knew and worked with him during his career here remember him as a highly able legislator whose gentle manner and fairmindedness were always present in his dealings with us. Many of our Government programs to bring improved medical care to the aged are standing monuments today of his diligent labors on the House Ways and Means Committee.

As the dean of the California delegation, Cecil always cooperated with those of us on the Republican side whenever a bipartisan effort was needed to deal with a problem affecting our great State.

Few have given so much time and energy in public service to his constituents, his State, and his country as Cecil King. Even though he is gone from these Halls and this Earth, the memory of this great American and his ideals will live on and I, for one, am honored to have served with him in Congress.

Mr. CORMAN. Mr. Speaker, it is with deep sorrow that I join my colleagues today in paying tribute to one of our most honored and dedicated former colleagues. Cecil Rhodes King was known to all for his warm kindness and his constant willingness to help his fellow man. His readiness to champion the cause of those in need was noted both in his public work as a legislator and privately to all of those who knew the warmth of his friendship here in the House.

Cecil King was a perfectionist in everything he did. He read extensively and devoted long hours to studying the issues. He was meticulously prepared to debate any measure appearing before him, and could always be counted on to supply the cool balm of reason to a volatile situation. President John F. Kennedy once praised him highly as one of the few persons who had mastered the English language.

His outstanding work on the Ways and Means Committee earned him the respect of all of his colleagues. He considered his finest accomplishment to be the battle he led in the 1960's for health care legislation. His efforts culminated in the enactment of the medicare program. Those who are now enjoying the benefits of this landmark legislation owe a great debt to Cecil King, one of the unsung heroes of the battle waged for its passage.

As a senior member of the California delegation, Cecil King was the first to extend a hand of welcome when I arrived as a freshman Congressman. Over the years, until his retirement in 1969, I continued to benefit from his wisdom and counsel. He has been sorely missed by the Members of this body and his death is a great loss to all of us who had the privilege of knowing him well.

My heartfelt sympathy goes out to his wife Gertrude and to his daughter.

Mr. BELL. Mr. Speaker: I wish to join my colleagues in expressing sentiments in honor of the late Congressman, Cecil King.

Mr. King was a Congressman from Los Angeles County who served his constituents in Congress in 1942 until 1969.

Mr. King served as a private in the U.S. Army during World War I. Then, in 1932, he became a California legislator. He served in this position until 1942, when, by special election, he became Congressman.

Mr. King served on the House Ways and Means Committee, the Joint Internal Revenue Taxation Committee, and the Non-Essential Federal Expenditures Committee. He was one of the two Congressmen to serve on the U.S. Common Market Negotiations team and was the congressional adviser to United Nations Trade and Development. In 1967, Cecil was the chairman of the California congressional delegation. His contributions throughout his 13 terms in the House of Representatives were highly commendable and exemplify the excellence of choice made by his constituents for their Representative.

Mrs. HANSEN of Washington. Mr. Speaker, our colleague, Cecil R. King, was a sensitive and sensible Member of this House for 26 years before he decided to retire in 1968. Those of us who served with him recall his important leadership on the Ways and Means Committee and his good judgment as a member of the Committee on Committees.

In his passing, my deepest sympathy is extended to his wife, Gertrude, and his daughter. I know that he will be missed because he was beloved.

Cecil King was an enlightened and erudite man who understood the complexities of domestic economics and world affairs. His intelligence and thinking were crucial factors that helped build an era of mankind's greatest prosperity.

During those same years of service, Cecil King was a viable and stalwart force within the leadership of the House as a member of the Committee on Committees. His recognition of talent capabilities and of the interests of his fellow Members was greatly responsible for the development of fine leadership within the House of Representatives.

Cecil King, in his deserved and earned retirement, was missed but consulted. In his passing all of us remember and are inspired by the standards of excellence and the examples of benevolence which remain as his legacy to the House, the country, and to mankind.

Mr. HOSMER. Mr. Speaker, I want to join with my colleagues in paying tribute to a courageous and distinguished member of the California delegation, the Honorable Cecil Rhodes King. It has been my privilege to have known him since I first came to Congress in 1953.

Before his retirement from Congress in 1968 he had been reelected to 13 succeeding Congresses serving from August 25, 1942 to January 3, 1969. Prior to coming to Washington he established himself as a valiant leader of the California Assembly for 10 years. In addition he was a successful businessman in the Los Angeles area.

Besides serving as the ranking member of the House Ways and Means Committee, Cecil served on the Joint Committee on Internal Revenue Taxation and the Joint Committee on Nonessential Federal Expenditures.

Cecil R. King first made headlines when he served as the chairman of the House Ways and Means subcommittee that began an exhaustive investigation into the Bureau of Internal Revenue scandals in the early 1950's.

In the 1960's he represented the United States on the Common Market negotiating team and was a congressional adviser to the United Nations Conference for Trade and Development.

He said upon his retirement from the House of Representatives in 1968 that he thought his greatest achievement came during the 87th Congress when he coauthored the administration's medicare bill.

In an example of statesmanship that truly shows the measure of the man, I would like to read a letter to his constituents that he read before Congress on August 28, 1953.

It goes as follows:

> For the past 11 years I have had the privilege of serving my district as its Representative in the Congress of the United States. My office and staff and I have tried sincerely to serve our constituents to the very best of our ability and take pride in the reputation our office has gained for promptness and efficiency in handling congressional services.
>
> It is not enough to render competent and efficient service. A Member of Congress must stand up and be counted on every type of legislation. My record of attendance is one of the best in the Congress, and I have

> never dodged a vote or evaded an issue. I believe it is my duty to inform my constituents as to the position I have taken.

And in a letter to his constituents dated August 28, 1953, he wrote:

> In conclusion, as your representative in Congress I have introduced legislation which I believed would prove a benefit to the people of the 17th District and the Nation. I have conscientiously endeavored to serve you as your Representative in Washington to bring credit and distinction to our district. If I have achieved some measure of success, it has been with guidance that I have welcomed on all important Congressional matters. This has been a gratifying partnership in public affairs.

Mrs. Hosmer and I join in extending our heartfelt sympathies to his lovely wife Gertrude and family.

Mr. CHARLES H. WILSON of California. Mr. Speaker, it was with great sadness that I learned of the death of former Congressman Cecil R. King, yet it is with pride that I remember my association with this compassionate and brilliant man who more than ably represented his district in Congress for 26 years.

When I came to Washington in 1963 as a freshman Congressman from California's 31st District, Cecil King was always ready to lend me the wisdom of his experience so that I could best carry out my responsibilities as an elected official. Help was always mine as needed from Cecil King, the dean of our California delegation.

Yet those who gained the most help from this man are those who knew him not at all. Each and every person in this great country who has had the advantage of medical assistance under the medicare plan owes a debt of gratitude to Cecil King, for it was largely through his untiring efforts that this significant advance in health care has become the reality we know today. Cecil himself, upon his retirement in 1968, marked this as the achievement of his lifetime.

The recognition he received for this monumental accomplishment speaks of the man he was. To Cecil King, the welfare of others in all regions and in all walks of life was as important as that of his neighbors and friends. He considered the health of Americans our greatest strength and asset. It was a tremendously worthy cause, and one for which he fought unceasingly.

A beautiful region of southern California reflects another of his many achievements, for it was largely through his efforts that Redondo Beach became sheltered in a harbor. Today thousands of avid fishermen enjoy casting their lines from a rocky promontory, and thousands more have a snug harbor in which to berth precious sailing crafts. In a tribute to his vision, King Harbor in Redondo Beach bears his name.

Cecil King's intelligence and legislative expertise were recognized in his committee assignments, the House Ways and Means Committee and the Joint Committee in International Revenue Taxation and Non-Essential Federal Expenditures. His untiring work as congressional adviser to the U.N. Conference for Trade and Development and the U.S. Common Market negotiating team will long be remembered with enormous bipartisan respect. He was by nature a diplomat, able to achieve effective compromise without incurring rancor.

All Members of Congress join me in this tribute to our friend, our peer, and our respected colleague who taught us so much about how to legislate and how to live. Our hearts and thoughts are with his wife Gertrude, his daughter Mrs. Louise Bonner, and his sister Gladys Rose.

A great public servant now rests forever, but he has left the world a better place for having been among us.

Mr. VAN DEERLIN. Mr. Speaker, Cecil King had a life of service and accomplishment matched by few of his colleagues.

He spent 26 years in the House, rising to dean of the California delegation. As ranking majority member of the Ways and Means Committee, he was the main House author of the act establishing the medicare program. Years before, in the early 1950s, he led a special investigations subcommittee which uncovered tax irregularities resulting in the dismissal or resignation of more than 100 Truman administration officials.

When I first came to Congress 11 years ago, Mr. King was unstinting in the guidance and counsel which he offered to new Members.

I am indebted to him for his efforts, as a member of the Democratic Committee on Committees, in helping to arrange my assignment to the Interstate and Foreign Commerce Committee, where I still am serving.

His investigative work was widely noted at the time but is little remembered now. This is a shame, because with the distrust of Government institutions that is so widely felt today, there is more need than ever for men and women of Mr. King's caliber and unimpeachable integrity.

He was also an authority on international trade, having represented the United States in Common Market negotiations and also having been a congressional adviser to the United Nations Conference for Trade and Development.

A man's greatest memorial is what he has done, and for this reason Mr. King will be warmly remembered by his associates in the State and National legislatures.

Mr. JOHNSON of California. Mr. Speaker, I rise today to join the gentleman from California, our good friend and colleague, CHET HOLIFIELD, to pay tribute to an old friend and former colleague, Cecil King.

During my first 10 years in the House of Representatives I was privileged to serve with Cecil King. As a legislator and a Representative of the State of California I benefited greatly from his advice and counsel. For this reason alone, my personal loss by his retirement and now by his passing is deep. More than that, Albra and I have considered Cecil King and his good wife personal friends of long standing so our loss is even deeper.

Looking back over the 13 terms in Congress which spanned many difficult years starting in the early days of World War II before the tide of battle had changed and lasting through the fifies and the turbulent sixties, we all recognize many changes, many advances were made in the Federal Government during that more than a quarter of a century. Much of the good accomplished during this period can be attributed directly to the dedicated and untiring efforts of people like Cecil King. Of all his personal accomplishments to which Cecil King contributed his knowledge and skill probably the greatest were in the field of social security.

He contributed tremendously toward the expansion of this program, especially in the area of adequate medical assistance to the elderly. One of the greatest advances since social security first came into being is medicare. Millions upon millions of American citizens today are living out their retirement years without the threat of medical disasters because of Cecil King's efforts in bringing the medicare program into being. This program alone will stand as a monument to the type of service which Cecil King gave to his Nation. This service also should stand as an example to those of us who are left behind in the Halls of Congress, and her family our sincere sympathies at this time.
an example which all of us should follow with pride.

Albra joins me in wishing Mrs. King

Mr. ANDERSON of California. Mr. Speaker, it was with a deep sense of personal loss that I learned of the passing of my friend and predecessor, the Honorable Cecil King, a Member of the House of Representatives from 1942 until 1968.

Our friendship developed many years ago, when we were both in public office in the southwestern portion of Los Angeles County—I, as mayor of Hawthorne, and he, as a very able State assemblyman. During this time, I enjoyed his support, and I always made every effort to aid him in his campaigns.

I found him to be an articulate and effective spokesman for programs designed to help our State and country surmount those difficult times of our history. And, invariably, I agreed with his logical and consistent positions on the issues.

Later, he successfully sought to broaden his constituency and representation by running for the U.S. Congress, thus giving the entire country the benefit of his knowledge and experience as a solver of problems. And, at that time, I ran for, and was elected to, the State assembly, and attempted to carry on his outstanding work in the California Legislature.

As a local public official, I certainly knew that he was loved and admired by the people of his assembly district; but until I arrived in Sacramento, I was unaware of the great respect he commanded from his colleagues in the State legislature.

And, then, when I succeeded him in Congress, I found the same admiration and respect for him by his coworkers in the House of Representatives.

Undoubtedly, Cecil King has left a legacy of achievement and outstanding service on both the State and National level—a legacy that will carry on for many years, remembered by generations to come for a life of devoted work on behalf of the people of our country.

Mr. Speaker, the citizens of the South Bay area of Los Angeles, the State of California, and the entire Nation owe a debt of gratitude to the late Congressman Cecil King for his many contributions to our society.

While I am certainly proud to be his successor in this body, I am also humbled by the fact that Cecil King can never be replaced in the hearts and minds of those who knew him, and those who knew of him and his works.

My wife, Lee, joins me in sending our heartfelt condolences to Mr. King's wife Gertrude, their daughter Louise Bonner of Torrance, and his sister Gladys Rose of Hawthorne.

Mr. PETTIS. Mr. Speaker, it is an honor to join my colleagues in paying tribute to a former Member of this House whose recent and untimely death has saddened us all.

I had the privilege of getting to know the late Honorable Cecil R. King in 1967 during my first term in Congress when we both served as Representatives from California. By that time Cecil had been a Congressman for 15 years, serving with great distinction on the Ways and Means Committee. He retired just 2 years after I arrived, but in the brief time I knew him I became a great admirer of his legislative knowledge and ability to get things done.

I now serve on the same Ways and Means Committee on which Cecil served with such effectiveness and know that I could do nothing better than to emulate the fine example he set both in the committee and in this House.

Cecil King will be greatly missed by all of us lucky enough to have known him. Mrs. Pettis joins me in expressing our deepest sympathy to his family at this time of terrible loss.

Mr. DANIELSON. Mr. Speaker, like all my colleagues from California, I am greatly saddened by the death of Cecil R. King. Although I was not a Member of Congress while Cecil King served here, I had the privilege of working with him when I was an assistant U.S. attorney and later in the private practice of law in Los Angeles, and also when I served in the California Legislature. We all knew that Cecil was diligent in his work and could always be counted on to watch out for the best interests of our State.

I greatly regret his passing and would like to express my condolences to his widow, Gertrude King.

GENERAL LEAVE

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order today, our late departed colleague, the Honorable Cecil King of California.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

INCREASING OIL IMPORTS—POTENTIAL FOR DISASTER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Idaho (Mr. HANSEN) is recognized for 15 minutes.

Mr. HANSEN of Idaho. Mr. Speaker, when the temporary relaxation of the Arab oil embargo was announced, Americans breathed a collective sigh of relief. Unfortunately, the mistaken assumption that the crisis is over has lulled many Americans into a false sense of complacency that we can return to "consumption as usual." Optimistic predictions are being made that the Arabs will decide to expand oil production and that prices will be lowered. These predictions might not be realized. A renewal of hostilities in the Middle East, evidenced by some disturbing incidents in the last few days, could portend another embargo situation for the United States. The greater danger lies, however, in a normalization of oil import trade with the Middle East that will eventually lead to a higher level of energy dependence for the United States.

Our total energy requirements are rising at a rate of between 4 percent and 5 percent a year. If this trend continues, demand for oil will rise from the present level of 16.5 million barrels a day to 30 million barrels of oil per day by 1985, even if optimistic projections are realized for the expansion of supplies from other fuel sources.

Domestic oil production is currently 9.3 million barrels a day. Oil from Alaska is expected to rise to 2 million barrels a day by 1980. Oil from the Outer Continental Shelf and oil shale would contribute only a modest amount by 1980, given the significant leadtime required to bring such ambitious operations on line. Thus, by 1980, domestic oil supplies are unlikely to exceed 12 million barrels a day. The balance of 18 million barrels a day must be met by imports, which will cost between $25 to $35 billion per year. By 1985, our bill for foreign oil could rise to between $54 and $70 billion per year. It would be well to remember that the holders of these outflowing dollars do not have to buy goods in the United States. They may well elect to purchase scientific equipment and industrial goods from high technology countries that have lower prices—such as England, France, Japan, West Germany, and Russia. Just at the time when our need for competitive capability will be the greatest, the high prices of American goods and services could isolate us from world markets. We would be in a vicious and inescapable circle: paying an increasingly higher price for energy, which would in turn push up prices, which would make our goods more expensive and less competitive on the world market, where we will be forced to turn for capital to finance our foreign oil bill.

The oil import dilemma can be addressed by three options: First, to forsake our reliance on imports, but this would be a simplistic and impractical overreaction. Second, we could continue our oil dependence, increasing at historical levels, and attempt to pay the astronomical bills. The third option involves a fuel conservation effort to curb demand, and an oil stockpile to guard against sudden disruptions in imports. The oil stockpile concept has been advanced by the Ford Foundation's energy policy project. Two options are available in this concept: First, developing oil in place and then "shutting in" the field; and second, buying and storing oil in salt domes or tanks. The costs for such a stockpile, based on current oil prices, would range from $8 billion for a year's supply purchased and stored, to $16 billion for developing and capping reserves in the ground. Of course, the developed reserves could continue to supply oil long after the stored oil reserves had been depleted.

Drawbacks to the oil stockpile concept include the difficulty of building up a stockpile in the first place, given the current shortage situation. We would have to either increase our oil imports by a factor of one-third, or cut demand by 10 percent for a year.

As we develop our national energy policy objectives, we must consider not only the reliability of our energy sources and the costs involved, but also the international implications of our actions. If we continue to increase our reliance on foreign oil imports, will we not be in competition with our trading partners for the same Middle East oil? What repercussions will occur in the field of international trade if all nations simultaneously try to increase exports to pay for foreign oil imports—will restrictive import policies be adopted? Will our relations with the less developed world be strained by our competition with them for oil? Will they retaliate by withholding other key resources which we need for our industrial sector? How will these actions contribute to the possibility of international monetary instability? What are the strategic implications of increasing our reliance on foreign fuel? What about the growing energy imbalance between the United States and the Soviet Union? These are but a few of the questions that must be answered as we develop our long-range energy policy objectives.

The implications of reliance on imported oil must be clearly understood by the American people. Right now, I fear that our sense of relief over the relaxation of the embargo has dulled our perception of what could happen in the future as a consequence of our preoccupation with conspicuous consumption.

Those of us who are privileged to serve in Congress have the abundant data on the long-range energy problem that should enable us to get a clear vision of what will be required to meet this crucial challenge. We have, also, the responsibility to inform our constituents of the full implications of the energy problem for themselves and their children. We also have a duty to formulate energy policies that are in the long-range best interests of the Nation. We will do America a great disservice if we yield to the temptation of short-range convenience at the expense of her long-range well being.

THE SOVIET ENERGY INVESTMENT PROHIBITION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. Dent) is recognized for 5 minutes.

Mr. DENT. Mr. Speaker, I am joined by my colleague, the gentleman from New Jersey (Mr. Rinaldo) in introducing legislation which would ban any U.S. Government-supported investments in energy development in the Soviet Union. This bill is identical to the one offered in the Senate by the junior Senator from Pennsylvania (Mr. Schweiker).

I am taking this action in light of the recent ruling by the Comptroller General of the United States, that the Export-Import Bank transactions of low-interest loans to Communist countries are illegal without individual Presidential determinations submitted to Congress, that these Eximbank transactions are in the national interest.

In the face of the General Accounting Office's determination, the Attorney General, acting at the request of the President, has issued his own interpretation which purports to make these outrageous loans legal.

If the Congress does not act, the Eximbank will move to approve the application for a $49.5 million loan to finance oil and gas exploration in Eastern Siberia and for a $7.6 billion loan for the North Star gas development project in Western Siberia.

I ask support of my colleagues for this legislation which will kill all U.S. Government-supported investment in Russian energy development during our own energy crisis. If we are going to subsidize energy development, it must be here in our own country.

I call to the attention of my colleagues, the text of the bill which follows, and the editorial on this subject appearing in the New York Times of March 14, 1974:

H.R. 13880

A bill to prohibit Soviet energy investments

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Soviet Energy Investment Prohibition Act".

Sec. 2. No department, agency, or instrumentality of the United States Government may directly or indirectly provide assistance to finance or otherwise promote the export of any commodity, product, or service from the United States if the intended use of such commodity, product or service involves energy research and development, or energy exploration in the Union of Soviet Socialist Republics.

[From the New York Times, Mar. 14, 1974]

Siberian Gas

The Administration's dubious proposal to channel billions of American investment dollars into developing the Soviet Union Siberian natural gas fields has run into a well-timed legal barrier. On political and strategic grounds, beyond the technical point of law involved, the Congress would do well to grasp this unexpected opportunity to subject the Siberian venture to harder scrutiny.

Acting on a request by Senator Schweiker, Republican of Pennsylvania, the General Accounting Office has barred the Export-Import Bank from extending credits for the first part of the project pending a legally required statement from the White House that the project would be considered in the "national interest." Without an initial credit of $49.5 million, the ambitious Yakutsk exploration plan would probably die aborning.

The notion of a vast Soviet-American joint venture in the energy field had a certain superficial attraction when it was first broached two years ago, both as a tangible expression of an emerging détente and as a possible means of opening promising new energy sources.

Even then there were skeptics, including this newspaper, who questioned the plan's justification on both technological and commercial grounds, to say nothing of the security implications. With the passage of time, those doubts have become stronger than ever.

Vast new supplies of natural gas could admittedly provide an alternative to petroleum now imported from the Middle East, but this would simply be trading one politically unreliable source of energy for another equally vulnerable to the policy evolution of a foreign government. It is hard to see the "national interest" in pumping an eventual $6 billion, or much more, into developing Soviet energy sources when the investment could be well or better applied inside this country.

Strongly championed by Secretary of State Kissinger, the Siberian natural gas projects have become a symbol of the Administration's policy of détente. But the genuineness of the Soviet interest in détente has been cast increasingly in doubt by Moscow's attitudes in Europe and the Middle East. However valuable a mood of reduced tensions between the two superpowers, political atmosphere is not something to be bought by economic transactions that cannot be justified on their own merits. The Siberian natural gas development has yet to pass this test.

LABOR—FAIR WEATHER FRIEND—XIX

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. Gonzalez) is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Speaker, it has been said, and repeated by the AFL–CIO News, that I am some kind of unionbuster. That is not true.

When I was in the Texas Senate, nobody had a better record in support of the positions endorsed by labor than I did. This did not help me very much, because organized labor was very weak in Texas then. And later on, when I decided to run for statewide office, labor would not endorse me, because it was felt that I was maybe a little too radical, and maybe I could not win. But at the time I was the only person in Texas who was willing to run and be identified as a labor candidate. That was a pretty early indication to me that at least some folks in the labor movement were more interested in protecting their own position than sticking by those who supported their union principles.

But I was not dismayed. I understood the situation then, and I understand it now.

When I was elected to Congress, I hired my staff on the basis of merit, and my administrative assistant, when I came here, was the former president of the Texas CIO. I would not have hired that man if it had been a question of whether or not he was a political asset. The business community was more than a trifle upset, but this was a good and effective man, and he stayed. I would not have undertaken this if I had been antilabor.

And later still, when I was able to bring about the construction of a special category World's Fair in San Antonio, which created the greatest construction boom ever to hit that city, I insisted that the construction be carried out with union rules and paying union scale—and using union labor whenever possible. I did this over the strenuous objections of many people of vast influence in this event, and in the community. I do not think I would have taken on that effort if I had been antiunion.

And as long as I have been in the Congress, labor has examined my voting record and found it as good as any, year after year, session after session. This would not be so if I did not believe in and support the basic principles of unionism.

So how is it possible that now I am supposed to have a "union-busting attitude." The answer is that I do not, and that the AFL–CIO has allowed itself to be misled and abused by a small group of people it has subsidized for years, and whose greatest achievement has not been to organize workers, but to foment opposition to me. Maybe they did not know how the cash was being spent—the AFL–CIO is a big organization—but I am telling them now. I have been a good friend of labor, and now I am asking for a little friendship in return.

I am not asking any favors of labor. I have never done that. All I am asking is that the lies publicly issued and endorsed by the AFL–CIO and its so-called Labor Council for Latin American Advancement be retracted, and I get an apology that is long past due. It should not be any big thing for me to get a little decent treatment. I am waiting, but I do not hear anything from those responsible. Don Slaiman, Franklin Garcia, Maclovio Barraza, and all their pals—I do not hear anything from them. Dónde Estás, Maclovio? Where art thou, Maclovio?

RHODESIAN CHROME

The Speaker pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. Diggs) is recognized for 5 minutes.

Mr. DIGGS Mr. Speaker, I would like to insert for the thoughtful attention of my colleagues a letter to the editor of the Athens, Ohio, Messenger which appeared on January 21, 1974, concerning several articles which were written by James J. Kilpatrick on the Rhodesian chrome issue. The letter follows:

Alternate View

Editor, The Messenger:

The Messenger has carried several articles by the conservative columnist, James J. Kilpatrick, regarding the American position on the international sanctions imposed against the white minority regime of Ian Smith in Rhodesia. The most recent of these, published on December 28, 1973, was filled with a series of half truths, misleading arguments and outright slander aimed at the leaders of several black African states. Since the U.S. House of Representatives will soon consider and the Senate has already passed a bill requiring renewed compliance with United Nations sanctions preventing the importation of chrome and other metals from Rhodesia, the readers of the Messenger should be aware of alternative points of view.

Kilpatrick argues that the Senate "may have touched bottom" and set "some sort of record for hypocrisy, for expedience and for reckless disregard of the future" when it voted to resume sanctions against Rhodesia. He states that the earlier Senate action to ignore sanctions against Rhodesian minerals (promoted by Senator Harry F. Byrd, Jr. and known as the Byrd Amendment) was necessary to assure availability of "indispensable" chrome ore and to prevent the United States from becoming dependent on the Soviet Union for its supply of that metal. What he neglects to mention is that the U.S. was buying significant quantities of high grade Soviet ore well before the imposition of sanctions against Rhodesia. He also fails to tell his readers that America possesses a large enough stockpile of this metal to fill all domestic needs for several years and strategic needs for longer than that. In fact, President Nixon advised Congress that the U.S. should dispose of a major portion of this unnecessarily large surplus at the very time that Senator Byrd claimed that the importation of Rhodesian ore was vital to our national security.

If there was "hypocrisy" in this matter, it can be found in the Byrd Amendment which put the United States in outright, flagrant violation of its treaty obligation to the United Nations. The United States voted for these mandatory sanctions in the Security Council and was therefore obligated under international law and its own solemn treaty relationship with the UN to comply. Instead, for the most marginal reasons of national security, the Congress determined that we would become an international outlaw violating sanctions against Rhodesia as a matter of national policy. The Nixon administration has joined Senators Humphrey, Kennedy and McGee in seeking to restore sanctions.

Those who favor the repeal of the Byrd Amendment have noted that African nations may begin to deny us their oil, cobalt, copper and other minerals if we continue to buy chrome from Rhodesia. To Kilpatrick this position represents capitulation "to possible ultimatums from a gang of tinpot tyrants, one party dictators, and murderous practitioners of genocide . . ." Can African pressure on the United States to bring its policies into conformity with international principles which America itself supported be termed blackmail? However the worst part of Kilpatrick's assertion is his slur on African leaders. To be sure General Gowan, the leader of Nigeria, heads a military government. However when Kilpatrick reminds us of alleged genocide against the Ibo people, he has totally ignored the remarkable reconciliation of the hostile parties since the Nigerian civil war and the visible evidence that General Gowon is fulfilling his promise to return his country to civilian rule by 1976. To classify Gowon as a "tinpot tyrant" totally misrepresents the emergence of this man as a responsible national leader and increasingly prestigious international figure. It is also true that Kenneth Kaunda, the President of Zambia has moved his country toward a single party state. What Kilpatrick fails to mention is the great sacrifice that Kaunda and his people have made to lessen the dependence of their landlocked countries in the renegade Rhodesian regime. If the dislocations caused by Kaunda's adherence to high principles have occasioned the unfortunate suppression of opposition, this hardly justifies the epithet "tinpot tyrant" or "one-party dictator."

The gravest distortion in Kilpatrick's article is his attempt to portray Rhodesia as a "peaceful and civilized" democratic regime. To be sure Kilpatrick is technically correct when he observes that "In Rhodesia, blacks vote, sit in Parliament, own property, attend an integrated university." What he fails to say is that these facts conceal tokenism on a flagrant scale. Under the existing system, the 5.6% white minority will for the foreseeable future control fifty seats in the Rhodesian parliament while the 94.4% black majority will control fifteen. In education, land holding, jobs and other areas vital to their advancement, blacks are exposed to a level of disability and discrimination, akin to apartheid in South Africa, which will prevent them from assuming their rightful role in their country. The vast majority of Rhodesian blacks repudiated this white supremist independence from Britain in a recent referendum on a proposed agreement to end the crisis. "Civilized" Rhodesia detains large numbers of Africans without trial in concentration camp conditions because of their advocacy of majority rule. It is for these reasons that Britain, the United States and the world community have refused to recognize Rhodesia's unilateral declaration of independence.

The Rhodesian issue is important to Southeastern Ohio because several large producers of ferrochrome are in our area. Over three hundred workers at Foote Mineral's plant in Steubenville are losing their jobs since their plant can no longer compete with the cheap ore processed by exploited black labor in Rhodesia. Union Carbide in Marietta is a major importer of Rhodesian chrome and favors the lifting of sanctions. This company, which claims to be concerned about the strategic need for chrome, has invested heavily in Rhodesia and, in taking advantage of low cost black labor, has deprived American workers of their livelihood. It seems that Union Carbide values its profit margin more than the national interest after all!

Readers of the Messenger who agree with our analysis should be sure to contact their Representative, Congressman Miller to express their views. Our Congressman is, unfortunately, one of those who favors the continued importation of Rhodesian chrome. We also hope the Messenger will take care to include correspondents who sympathize with black African needs and desires in order to balance the views of apologists for the white supremacist regimes like Mr. Kilpatrick. We are appreciative of this chance for "equal time" to reply.

Richard F. Weisfelder, 102 Sunnyside; Sung Ho Kim, Plaza Apartments No. 6; Edward Baum, 20 Sunnyside; Edward C. Hayes, 176 N. Congress; Denise Marshall, 78 E. State St.; Ronald J. Hunt, No. 2 Monticello Village, Apt. 303; Felix V. Gagliano, 11 Roosevelt Drive; Alan R. Booth, 26 Elmwood Place.

THE CONGRESSIONAL ADVISORY LEGISLATIVE LINE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. YATRON) is recognized for 5 minutes.

Mr. YATRON. Mr. Speaker, today I am sponsoring a piece of legislation which I feel represents a worthwhile effort to achieve a more open and responsive legislative branch. The congressional advisory legislative line would implement an 800 toll-free telephone number line, within the House Information Systems "bill status office," to afford the American people with an accessible, immediate service by which they may obtain information relating to the status of pending legislation before the Congress.

The CALL bill would carry the bill status concept one step further and I believe it represents a sound and desirable investment in reaching out to the American people—while at the same time allowing the people to reach the Congress.

Not only am I intrigued with the potential expansion of the computerized services which have been implemented in the House, but I feel that the 800 toll-free concept is particularly worthwhile. Countless corporations and industries throughout the United States are participating in the 800 concept, as for many Federal agencies and departments—the IRS, Social Security, the Consumer Product Safety Commission, FEO, and so on. The listing is expanding. Should not the legislative branch, which is considered to more closely represent and serve the people than any other branch of Government, utilize such telephone service?

In initiating computerized services here on Capitol Hill, the Congress has taken a significant leap into the 20th century. The possibilities are, of course, numerous and interesting. In 1975, it is expected that a much-improved telephone service system will be implemented. The House Administration Committee, through the Information Systems Office, is able to conduct a traffic study to determine exactly how many telephone lines would be required by the CALL 800 system. An accurate determination can be made by utilizing the telephone company computers. This is being done. I do not feel that the cost of implementing and maintaining the Congressional Advisory Legislative Line would be prohibitive; on the contrary, my view is that it would be a sound and worthwhile investment.

The Director of the Information Systems Office, Dr. Frank Ryan, provides able direction in operating our House computer services. His staff is capable and efficient and we are indeed fortunate in now having these services. Chairman WAYNE HAYS of the House Administration Committee provides effective and responsible legislative leadership. They are to be commended on the caliber of service extended through the bill status office.

The National Enquirer, which actually has the largest circulation of any newspaper in the Nation, recently publicized the services of the bill status office. It was reported that anyone may call 202/225-1772 and avail themselves of this informational advantage. The transformation to the 800 system would be beneficial to the people, without having to make a long distance telephone call.

Mr. Speaker, the text of the Congressional Advisory Legislative Line appears below, as do the names of the CALL bill cosponsors. Additional expressions of interest are still being received and I am hopeful that others will cosponsor.

Every avenue should be explored, in our efforts here in the Congress, to enable the American people to become closer to their legislative branch. A good point at which to begin—no doubt, one of many worthwhile ideas—is to implement the Congressional Advisory Legislative Line.

The text follows:

TEXT OF LEGISLATION

A bill to establish an office within the Congress with a toll-free telephone number, to be known as the Congressional Advisory Legislative Life (CALL), to provide the American people with free and open access, on an immediate basis, to information relating to the status of legislative proposals pending before Congress

SEC. 101. There is established within the Information System of the Congress an office, to be administered by the existing Information Services System, which compiles information relating to the status of pending legislative proposals before Congress, in order to make such information available to all persons within the United States who wish to inquire as to the status of legislation. Such office shall have a toll-free telephone number line.

SEC. 102. The Committee on House Administration shall make such arrangements as it deems necessary and appropriate to provide proper implementation of the toll-free telephone number, and to employ such personnel as is necessary to administer the information, including the employment of adequate bi-lingual personnel to provide information to those Spanish-speaking Americans who may wish to use these services. Upon completion of all administrative arrangements for providing such information, the Committee shall notify the Members of the House of Representatives and the Senate, and persons of the communications media, of the telephone number, and any procedures as to its use, as determined by the Committee.

SEC. 103. There are authorized to be expended from the contingent fund of the House of Representatives such sums as are necessary to conduct the preliminary implementation of this Act.

CALL Bill Co-sponsors:

Bella Abzug, Jonathan Bingham, John Buchanan, Yvonne Burke, Charles Carney, Shirley Chisholm, Cardiss Collins, Paul Cronin, John Dent, Ed Derwinski, Frank Denholm, Dante Fascell, Bill Gunter, Michael Harrington, Henry Melstoski, Larry Hogan, Elizabeth Holtzman, Clarence Long, James Mann, Spark Matsunaga, Parren Mitchell, Joe Moakley, John Murtha, Claude Pepper, Bertram Podell, Alan Steelman, Gerry Studds, Larry Williams, Lester Wolff, Antonio Won Pat.

IMMIGRATION AND NATURALIZATION SERVICE SEMINAR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. EILBERG) is recognized for 5 minutes.

Mr. EILBERG. Mr. Speaker, I wish to announce that another meeting in a series of seminars is scheduled for Monday, April 8, to be conducted by the Immigration and Naturalization Service. This seminar will commence at 9:30 a.m. in room 2237 Rayburn House Office Building.

Representatives of the Immigration and Naturalization Service will discuss general procedures governing immigration into the United States from the Eastern and Western Hemispheres, petition procedures for obtaining immigrant visas, the steps to be taken in acquiring a labor certification and the requirements for obtaining refugee status.

In addition, the discussion will include a description of the alien registration requirements applicable to permanent resident aliens, the terms and conditions relating to the admission of nonimmigrant aliens, requests for asylum, deportation and the various administrative remedies which may be available to deportable aliens.

Staff members of congressional offices, particularly those who handle immigration and citizenship matters, are invited to attend this seminar.

BYPASS PROVISION FOR NON-PUBLIC SCHOOL STUDENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. THOMPSON) is recognized for 5 minutes.

Mr. THOMPSON of New Jersey. Mr. Speaker, during the recent debate on the amendments to H.R. 69, I commented on the effect of an amendment being offered by Mr. MEEDS concerning a bypass provision for non-public-school students. These comments are printed in the CONGRESSIONAL RECORD of March 26, 1974, on page H2149. Since these comments might raise a number of questions concerning the basic provisions in the law for the participation of non-public-school students, I feel it would be helpful to restate my comments on this matter during the original debate on ESEA in 1965:

> Services and arrangements provided for non-public-school students must be special as distinguished from general educational assistance.
>
> The decision about the best arrangement for providing special educational assistance under title I is left to the public education agency of the school district, under the constitution and laws of the State.
>
> Thus, public school boards could make available the services of such special personnel as guidance counselors, speech therapists, remedial reading specialists, school social workers who would reach the non-public-school children in the public schools or through public services in the nonpublic school buildings, or through mobile services, or through ETC, or through comunity centers, et cetera. But these special services would not be part of the regular instructional program of the nonpublic schools. Thus, nonpublic schools could not get general classroom teachers in history, English, mathematics, and social studies.

These comments were printed in the CONGRESSIONAL RECORD on March 26, 1965, page 5895.

I feel it is important to reiterate this statement because it has the same validity today as it had during the original debate. Therefore, it may serve to prevent any misinterpretation of my more recent remarks with regard to the availability of teaching services provided in the nonpublic schools.

Finally it should be noted that the loan to nonpublic schools of materials and equipment restricted to use for secular or nonreligious educational purposes has been part of the ESEA since its inception in 1965.

A study of the 1965 debate from March 24 through March 26 of that year will show that Mr. CAREY of New York to whom I referred in my recent comments was in full agreement with the statement as quoted here.

A SOLUTION TO JAPANESE COMPETITION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. GAYDOS) is recognized for 5 minutes.

Mr. GAYDOS. Mr. Speaker, Motorola, Inc.'s experience tells the story of what is happening to many segments of American industry much better than do scores of graph-laden bureaucratic reports.

Motorola is an old hand in the electronics business and was among the pioneers in developing television manufacture and acceptance in this country, and, indeed, around the world.

But now we are in an era of Japanese expansion in this field, and Motorola has found it no longer can compete head-to-head in the U.S. market with Japanese imports made at lower labor cost and enjoying governmental subsidies in one form or another.

After suffering losses in its TV division for 5 straight years, Motorola has accepted a ready solution to its problem—the same solution which, I fear, is facing far too many once profitable U.S. businesses. It is selling out its losing division to a Japanese buyer, the multibillion-dollar electronics firm of Matsushita.

With Motorola TV under its belt, Matsushita, already heavily into U.S. sales, will have some 15 percent of the total American TV business and be hard on the heels of Zenith and RCA, both of which can expect stiffer competition in the future.

Time magazine has this to say:

> It (Matsushita) will acquire three Motorola plants in the U.S. and one in Canada, giving it a North American manufacturing base far larger than that of Sony, which became the first Japanese TV company to manufacture in the U.S. by building a plant in 1972 in San Diego.

In defending the Motorola deal, we are told it will be far better to have Matsushita making TV sets here and using American workers than to have had it increasing shipments from Japan. Motorola chairman, Robert W. Galvin, told Time that Matsushita will be able to put more money, effort and energy into the business than Motorola could muster and concluded:

> It will be able to turn our people on as a new coach does.

Such a statement is disturbing, a statement which sums up, in my opinion, the sorry result of the years in which our companies have been compelled by governmental policy to suffer unfair Japanese competition while we have refused to take proper countermeasures. Japan still has the upper hand. The country thrives under our defense shield in the Far East, spared equitable military costs of its own while we pick up the entire staggering bill. And we make no effort to correct this. Instead, we keep on taxing our businesses and people to pay the costs, in effect, of Japan's safety. Japan also continues to encourage exports by tax concessions and subsidies and to block imports by every means possible so as to protect Japanese manufacturers.

The effects of the imbalance—this refusal by us to safeguard our companies in the same degree that Japan safeguards its own—are showing in case after case similar to that of Motorola across this country. Motorola's TV business was forced into the red by Japanese competition. Now the business is being sold to a Japanese competitor and thousands of Americans will find themselves working for the very people who, a generation ago, were supposed to have lost an aggressive war we were supposed to have won. Who would have thought, as that war raged, that our complacency in face of a business challenge ever would allow Japanese economic aggression within our own borders to become a serious problem?

I have brought other reports on matters such as this to the attention of the Congress and intend to keep calling for Government action against foreign encroachment in our industry until something is done about it. This Nation has never been one to surrender. And I do not want to see it surrendering by stages in the battle for the American market, let alone for other markets in the world.

SETTING THE RECORD STRAIGHT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. McFALL) is recognized for 5 minutes.

Mr. McFALL. Mr. Speaker, once again the President has taken to the Nation's airways. And once again the record needs to be set straight.

I commend to your attention the following response to the President by Congressman OLIN TEAGUE for 18 years chairman of the House Veterans' Affairs Committee, and without question the most respected expert on veterans' affairs in the Nation:

APRIL 2, 1974.

Congressman Olin E. Teague, Ranking Democratic Member of the House Veterans' Affairs Committee, and former Chairman of that Committee for 18 years, in response to the President's message on veterans' affairs delivered Sunday, made the following statement:

"The President is being completely misinformed about problems in the Veterans' Administration and the source of these problems. The Agency does not need more studies. It needs a change in top level management. I can see little in the actions proposed by the President which will be of benefit.

"The problems of the Veterans' Administration and its program are directly traceable to the incompetence of its Administrator, Don Johnson. The President's action in appointing the VA Administrator to conduct an investigation of late delivery of veterans' education checks and a review of the medical program is something like putting the fox in charge of the hen house. It would appear that the Administration would by now have had enough of self-investigation.

'The serious problems in the Administration of the veterans' education and training program are the direct result of Johnson's incompetence. He appointed a Director of Education with no background or experience in Veterans' Administration programs. The individual appointed as the Deputy Director of the education program had no background in the administration of veterans' programs, and reportedly was appointed on a political basis.

"The President referred to establishing a crack management team to take a hard look at the services the Veterans Administration provides. A good place to start would be the Director of Planning and Evaluation of the Agency who is supposed to perform just such a function. That individual was brought to the VA from CREEP shortly after the November election. Career personnel were shuffled around to make a job for this individual and this resulted in one of the agency's most competent man being removed from a key spot where he supervised the computer program for education.

"It certainly is not reasonable to expect anything constructive from Administrator Johnson's investigation of the medical program. He has done nothing during his five years in office but obstruct attempts to improve VA medical services. For several years he has appeared before the Appropriations committees of the Congress and opposed any attempts to add funds to the medical program and contended that no additional funds were needed. Despite this, Congress in the last several years has added about one-half billion dollars to the appropriations for veterans medical services. At one time the nurses in the Veterans Administration hospitals at Portland, Oregon, Miami, Florida and some hospitals in the New England area threatened to walk out because of the shortage of funds, equipment and needed personnel. Congress made funds available over Johnson's protests, and later directed that he add 1,000 nurses to the system. Johnson has completely wrecked the leadership of the Department of Medicine and Surgery. Last fall he began a calculated campaign of harassment against the Chief Medical Director, the Deputy Chief Medical Director and the Executive Assistant. Presidential Counsellor Mel Laird interceded and Dr. Marc J. Musser was reappointed for another four year term as Chief Medical Director. Despite White House intercession, Johnson has continued his harassment of Dr. Musser and this led to Dr. Musser's decision several weeks ago to resign. Johnson's harassment of Dr. Musser was brought to the attention of the White House in late February. The Deputy Chief Medical Director resigned several months ago and the medical program is now without leadership.

"In an effort to assure adequate staffing in Veterans Administration hospitals, Congress passed a law directing certain staffing improvements. This met with strong objections from Johnson who contended that such specific legislation was not necessary.

"The kinds of staffing deficiencies which Johnson has failed to recognize is exemplified in a condition cited by the Director of one of VA's major hospitals. The Director stated: 'What happens at this hospital should not be permitted to continue. For the past several weeks we have been operating at almost absolute capacity. On the weekend and holiday recently observed for George Washington's birthday the warls were crammed with patients and the Admitting Office saw almost as many patients on Monday, February 18th, a holiday, as they did on Monday, February 11th, a nonholiday. The nurse on duty in the admitting area was busy drawing blood, taking laboratory specimens, doing EKG's, while the office force was the usual skeleton holiday crew. The staff on wards throughout the hospital for the 3-day holiday weekend was a barebone minimum, i.e., one nurse and one nursing assistant for a 41 bed ward with more than 10 incontinent patients, etc., etc. Limited to laboratory staff was available with others on standby or call back and with similar arrangements for radiology, cardiology, etc. For the three days with all wards busy providing patient care there were no clerical personnel to help the physicians and the nurses who had to answer their own phones, complete their own paperwork and records, run errands, etc. Perhaps at a small, quiet, relatively inactive hospital the VA could get away with this sort of thing but for these conditions to exist here is both tragic and dangerous.

" 'By being able to schedule the expanding ambulatory care and outpatient activities over a 7 day period we could more easily manage the current chaotic peaks and valleys which at times completely crush our physical facilities and tax our limited staff to the utmost. From comments with my colleagues at similar hospitals to this one, they share my views.'

"Similar conditions in the VA medical program have repeatedly been called to Administrator Johnson's attention and others in the Administration from many sources including the House Veterans Affairs Committee. However, Johnson has repeatedly ignored all such suggestions to improve veterans' care.

"Against this background, the President apparently expects Administrator Johnson to conduct an eight week investigation into problems of the medical program.

"The fiasco in the delivery of checks to veterans and schools has been well known to everyone for the last year. In March the House Committee on Veterans Affairs wrote to Johnson and stated, 'It is becoming increasingly apparent that there are not sufficient staff available in the field offices to handle the administration of the education program . . . we would appreciate being advised at the earliest possible time, and no later than March 1, as to your estimates of needed additional personnel for the improvement of this program.' In response to this query, Johnson stated, 'We do not believe more people at this time would solve our problem. Additional staffing requires a minimum of six to eight months' training before it becomes productive . . . therefore, it is our opinion that a request for more people in the benefits area is not warranted.' Within the last week, VA queried the Directors of its field offices and asked what additional personnel would be needed to get the education program on a current basis. The Directors responded by requesting over 1500 additional personnel, additional equipment and many programming changes.

"As the President indicated, press representative Sara McClendon had no difficulty determining that the education program was in trouble, but at this point, there is no indication that Administrator Johnson either perceives the nature of his problems or knows what to do about it. Now he is being directed by the President to make a self-investigation and report on his own failure to properly organize and administer his Agency. Obviously, very little can be expected from such a self-investigation.

"The President reiterated his recommendation for an 8% increase in education benefits. He neglected to advise the public, however, that Congress is already working on this matter, and on February 19, by a vote of 382-0, the House of Representatives passed a bill which would increase education assistance allowances by 13.6%, the amount necessary to bring rates in line with increases in the consumer price index since the last increase.

"We are puzzled that in any survey of veteran problems the President would neglect to mention the need for cost-of-living increases for service-connected disabled veterans and survivors. An increase of approximately 15% will be required to adjust these payments to changes in the consumer price index since the last increase. We have completed Subcommittee hearings on this subject and expect to mark up the bill this week.

"The President also spoke at some length in his radio message about the plight of Vietnam veterans in securing jobs upon their return to civilian life. He stated that more than 350,000 of these returning servicemen found themselves unemployed and indicated that he had launched a six-point program to correct this situation June 1971. Congress enacted Public Law 92-540, which among other things, mandated the immediate hiring of 67 federal veteran employment specialists to aid in securing employment for young Vietnam-era veterans. One year after enactment of that law, the Administration had failed to add a single person and even today, less than half of those slots are filled.

"The Veterans Administration has had one of the most efficient nonpartisan group of professional employees in the government. Actions of Administrator Johnson to politicize the Agency and his failure to deal effectively with the Agency's problems have brought morale in the Veterans Administration to the lowest point that I have seen it in twenty-five years.

"Veterans Affairs have never been permitted to become a partisan issue in the Congress. The House Veterans Affairs Committee has tried to work with the White House staff to bring problems to its attention. Problems relating to the education and training program and the medical program have been discussed in detail with the representatives of the White House and these problems have been well known for some time by the Administration.

"Appropriations for the Veterans Administration have risen from $7 billion in 1969 to $13.6 billion proposed for 1975. Practically all of these funds go into direct benefits for veterans. The problem in VA is one of administration, not appropriations.

"We had thought the White House would recognize that the deficiency is in the top administration of the Veterans Administration. Instead Johnson is being told to go investigate himself. I frankly doubt that the information which has been furnished the White House has been made available to the President. The only possible solution at this point is a change in the top administration of VA."

THE COMMODITIES FUTURES MARKETS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. SMITH) is recognized for 5 minutes.

Mr. SMITH of Iowa. I have been privileged to chair a subcommittee of the House Small Business Committee which for the past couple of years has gathered information and conducted hearings concerning problems in the commodities futures markets. There had never been an in-depth study of the subject matter since the passage of the Grain Futures Act back in 1922. The nature of trading in commodities futures has changed tremendously since that time and the volume of trading as well as the number of commodities traded has grown by leaps and bounds.

For many years it has seemed to me that the average person in the United States had little appreciation of the manner in which commodities futures markets affects them in business or as a consumer. Through these markets there has been an attempt to provide a tool which could reduce the risk of those in the business of producing, handling, transporting, processing, and otherwise merchandizing, commodities. Suddenly more people have become aware of the tremendous impact that these markets have upon them. Part of this is a result of the tight supply and demand situation and of the abuses of the commodity market system which appeared last year.

However, this awareness must also be accredited to the excellent job of investigative reporting and communicating the problems of this very involved and technical area to the people by the news media during the past year. Leaders in uncovering the inadequacies and in the art of communicating the problems with the Commodity Exchange Commission, the law and the regulations were Clark Mollenhoff, George Anthan, Jim Risser and others from the Des Moines Register and Tribune who with a series of articles were able to describe the situation in such a way so that the average person could understand it better. Other media have also since been of considerable help as individual cases of abuses or a lack of sufficient regulatory activity have occurred.

These articles carried by the news media and the hearings held have been sufficient to generate a wide range of suggestions concerning remedial action and to provide sufficient interest in finding a way to make the commodities futures markets better serve the interests of producers, handlers, processors and consumers.

The committee has not completed action on the report, documenting the problems in detail and calling for the passage of legislation. The Agriculture Committee has utilized the information gained by our investigation and I believe has done a remarkable job of moving quickly in response to the needs, and to provide a legislative remedy designed to meet the situation. Although the legislation which will soon come to the floor may not be 100 percent in accordance with the legislation recommended by our committee, it closely parallels it and I commend Chairman POAGE and the committee for their favorable action.

For those who are interested in the details and back-up material, a reading of the report will be necessary; but, for others who may not have time for that detailed a study, I am setting forth in the RECORD at this point a summary of the recommendations for action:

RECOMMENDATIONS

The report, which will be published soon, recommends legislation to:

A. Create a new full time independent regulatory agency with authority and responsibility to constantly exercise surveillance over the commodities markets and to prevent and correct abuses and manipulations, with the authority to:

1. Bring actions in its own name and through its own attorneys in the Federal courts in order to seek injunctions to prevent violations of Federal statutes and enforce civil money penalties;

2. Bring complaints against violators which could result in substantial civil money penalties and imprisonment;

3. Require additional delivery points for commodities to assure that the speculators cannot demand more than cash value for commodities;

4. Regulate the margin requirements;

B. Prohibit floor brokers and futures commission merchants from trading for themselves in any commodity in which they handle customer orders;

C. Require exporters of commodities to report the details of all sales to a foreign country or company within 48 hours and require the Commission to make this information and other pertinent data available to the public on a timely basis;

D. Authorize and require the General Accounting Office to conduct reviews and audits of the Commission and report thereon to Congress to help assure that the Commission is fulfilling its responsibilities;

E. Bring all commodities traded on the futures markets under regulation;

F. Authorize other actions to stabilize the markets, prevent abuses and protect customers who invest in commodity futures.

The report also recommends that the Commodity Exchange Authority:

A. Use a two-pronged approach to the policing of floor trading practices consisting of a program of selective investigations of trading practices of individual situations and a program of market-wide practice investigations, and increased the number of such investigations;

B. Disseminate all pertinent and helpful information on trading, transportation situation, exports, etc., on a regular, timely basis, including the issuance of reports showing the market share held by large longs and shorts on a daily basis;

C. Increase market surveillance efforts to a level sufficient to insure all cases indicative of manipulation are pursued to conclusion in a timely manner; and take direct and immediate actions against the offending traders and exchanges;

D. Take more timely and aggressive actions against violators of the Act;

E. Develop adequate safeguards to insure foreign governments or companies do not use our commodity futures markets to manipulate commodity prices;

F. Undertake a feasibility study of matching futures trades electronically.

In addition, the report calls for:

A. Establishment of a Government-initiated or guaranteed insurance fund to protect commodity investors;

B. Development of a contingency plan to deal with massive grain sales to foreign interests such as occurred in huge 1972 grain sales to Russia;

C. Establishment of a national grain re-

serves policy designed to meet our opportunities and responsibilities as a world food supplier and to help avoid the kinds of situations which are most conducive to permitting a squeeze or manipulation of the commodities markets.

PUBLIC DISCLOSURE

(Mr. PODELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PODELL. Mr. Speaker, on January 24, members of the New York delegation and others received from the New York Times what amounted to a demand for each Member's "net worth," plus a copy of his most recent income tax return. We were given the option of adding "explanatory material" and were promised that the Times "would get back" to us if they "have any questions."

Mr. Speaker, it is not every day you get an offer like that, and so it was a matter of genuine interest to the 60-member congressional delegation from the States of New York, New Jersey, and Connecticut. Along about the time we got to seizing on this rare opportunity, the Times decently amended its request for our complete income tax returns by limiting it to sources of income and the amount of taxes paid.

It was a generous move on the part of that noble institution to relinquish its domain over our truly private affairs, such as medical problems and expenses, charitable contributions, tithing, and so forth, and it somewhat eased the concern of Members about what seemed a gross invasion of personal privacy by one of our fastidious protectors of personal privacy and freedom of the press.

It was a high-minded decision, in keeping with the Times' own interpretation of the Golden Rule. And so, generally, within the broad confines of each Member's ability and inclination to do so, there has been a good response to the unusual no-nonsense invitation tendered by the newspaper for the congressional delegations to speak to their sources of income in the Times' search for possible conflicts of interest.

As for myself, I can think of nothing more politic than public disclosure. I have repeatedly taken the enlightened view of these things and truly believe the public has a right to know whether or not a politician is unjustly enriching himself, if their Congressman pays his taxes, how much his taxes are, and generally from where he derives his income. This is just as true for public officials as it is for those who seek public office.

To provide for a complete financial profile of elected officials and office-seekers—to remove that gnawing doubt about special interests they may be beholden to—I have proposed complete public financing of all campaigns for Federal elections. I would like to see that adopted in this session of Congress.

So that there will be no public question about my own income, taxes, or investments, I herewith list, generally, the pertinent information as it existed at the close of December 1973:

First. The sources of my income in addition to my congressional salary derive from a one-third interest in the law firm of Podell and Podell, 160 Broadway, New York, N.Y.; a modest income from interest on a savings account; as well as a one-third interest in a number of stocks which are owned by my law firm.

The stocks which the law firm owns are as follows: Granite Management, IBM, KMS Industries, Mapco Inc., American Home Products, and G. D. Searle, in addition to some State bonds and municipal bonds. The firm also owns five other stock issues whose value in 1973 was worthless—worth even less today.

Personally, as an individual, I own no stock except as a beneficial trustee for my three children I nominally hold 400 shares of Con-Edison stock.

Second. Income taxes paid: While the accountant has not yet prepared my taxes for 1973, it is estimated that my 1973 tax will be as follows:

Federal income tax	$36,000
New York State income tax	13,000
New York City income tax	3,100
Total estimated tax	$52,100

Inasmuch as my 1973 tax figure is not final, I herewith set forth the 1972 tax which was paid as follows:

Federal income tax	$27,064
New York State income tax	10,408
New York City income tax	2,387
Total income taxes paid	$39,859

Third. I own no real estate other than my home in Brooklyn, in which my equity represents the value of my home over and above an existing mortgage of approximately $18,000.

I have no other business interests in partnerships, corporations, trusts, or foundations, nor am I liable for any unsecured indebtedeness.

THE OIL INDUSTRY: UNJUST PROFITS

(Mr. KLUCZYNSKI asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KLUCZYNSKI. Mr. Speaker, the United States has always been thought of as a country where there was enough of everything for everybody. It was this belief that led our fathers and grandfathers to seek to become American citizens so that they might experience its freedoms and enjoy its wealth. And it is a belief that is so strong that it survived the depression and has given hope to the poor. In our lives we have all sought to share our resources and build a heritage to pass on to our children. However, in the last year, this belief has been challenged as many of our surpluses have become shortages, because we have not had sufficient supplies of fuel to keep the machines of industry running.

Today, as the poor, the elderly, the worker, and the small businessman struggle to pay increased costs on set incomes, there is one part of our economy which does not seem to be experiencing the difficulties facing the average American citizen. While the rest of us sacrificed so that we could have enough money to pay more to buy less heating fuel to keep our homes cooler this winter, and while we had to wait in long lines to buy gas—if it was available—at higher prices, one industry was having a good year.

Whatever may have been the cause of the energy crisis, and however many of us may have suffered, the oil industry certainly profited. Profits are the basis of the capitalistic system, and when businesses raise their prices to protect their profit margins, the interest of business and Government are identical. For, after all, the Federal Government has a great interest in industry profits. But, when companies raise their prices and increase their profits, the interest of Government and business is no longer the same. And while profits under normal circumstances are to be encouraged, increased profits by companies producing basic needed goods during times of shortage are suspect.

The year 1973 was a very good year for oil companies. Occidental Petroleum's profits increased 665 percent, and Gulf's increased 306 percent. Exxon's profits rose 59 percent, and Phillips Petroleum's profits rose 55 percent. Sun Oil, Union Oil, Mobil, Texaco, and Continental Oil all increased their profits by more than 40 percent.

Because of these increased profits and the sacrifices made by the American people, and particularly by the poor and those on fixed incomes, I have voted for legislation which would have forced a rollback in prices for gas and heating fuels. If the citizen must make sacrifices to avoid unequal and unfair distribution of fuels, then the companies responsible for those shortages should also be required to make sacrifices and be prevented from increasing their profits during this period.

In 1970, the House Select Committee on Small Business, on which I serve, issued a report calling upon the administration to establish an agency to monitor the supply and demand of energy to insure that the isolated shortages existing then did not spread. Had this been done, many of the problems we faced this winter could have been avoided.

The Small Business Committee issued another report, in which I also concurred, which called upon the Federal Trade Commission to investigate the anticompetitive practices which exist in the oil industry, and that investigation has resulted in charges being brought against eight oil companies. But that case is complicated and will take years to resolve, and the time for help is now.

Price increases accompanied by increased profits in a time of scarcity can no longer be tolerated because of the injustices they inflict upon the poor, the elderly, and the worker, and I will continue to support legislation which will guarantee adequate supplies of fuel to all citizens at reasonable and fair prices, and which will prevent oil companies from making unjust profits during this shortage.

ELECTION CAMPAIGN FINANCE REFORM

(Mr. SANDMAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SANDMAN. Mr. Speaker, I call to the attention of the House what can happen when hysteria overrides commonsense in an attempt to accomplish election reform.

The action taking place in my own State is a shining example of why the Congress of the United States should not be stampeded into public financing of campaigns. The following is a story which should have appeared in the columns of Robert Ripley which he always entitled "Believe It or Not." It is the story of the new administration in Trenton, N.J., which, in an attempt to achieve early fulfillment of a campaign pledge, has presented a public financing measure to a legislature which that administration controls by an overwhelming proportion—greater than 3-to-1 in both houses.

The New Jersey bill, to a large extent copies portions of both the Kennedy bill (S. 2780) and the Cannon bill (S. 3044), now being considered in the U.S. Senate. Both of these measures attempt to circumvent the requirements of the 14th amendment by requiring the candidates to first be able to raise a large sum of money on their own before they are entitled to any public financing. This theory is also adopted in the New Jersey proposal.

At the outset, it must be remembered that the new chief executive in New Jersey received more than two times as much in campaign contributions in last November's election as did his opponent. A huge portion of the total $1.5 million the new chief executive received, something like $350,000, came from the AFL–CIO through various means.

Now, the newly elected chief executive of New Jersey has even asked the legislature to pass his public financing bill without question—without adequate public hearings. I am attaching a copy of an article in the Philadelphia Evening Bulletin of March 26, 1974, which gives an accurate account of the Governor's position. Also attached is an editorial of that same newspaper which, on March 28, 1974, attacked the actions of the New Jersey Governor. Many other responsible newspapers throughout the State made similar editorial attacks.

Let us examine what the New Jersey bill does. First of all, it only applies to the Governor's reelection campaign in 1977. At that time, any candidate who chooses to run against him in the general election only, provided he first has raised $50,000, will thereafter receive $2 from the State treasury for every $1 he raises on his own. In other words potential candidates are knocked out of the ring in New Jersey unless they can first prove that they have $50,000. That is a principle that has been opposed by the electorate since the beginning of time. The public has rejected the idea that you have to be wealthy to run for office.

EQUAL PROTECTION

In my judgment, the New Jersey proposal is just as unconstitutional as the two Senate bills are. They all violate the equal protection clause of the 14th amendment. They do not treat all candidates equally. That rule cannot be circumvented by merely requiring the candidates to raise a certain amount of money.

What is even worse in the New Jersey situation is that if a major labor union, such as the AFL–CIO, is permitted to make its donation through its multiple chapters throughout the country, and if in 1977 it repeats its performance for the New Jersey Governor by giving him another $350,000, then that by itself would give the Governor an additional $700,000 of money from the taxpayers for a reelection campaign "kitty" totaling a whopping $1,050,000.

I hope the New Jersey Legislature meets in 48 hours to consider this legislation and when the legislators do, I hope they will show better judgment than the Governor has. I urge that the proposed public financing legislation be rejected.

CONSTRUCTIVE CHANGES

There are some areas of reform where constructive changes can be made. If the goal is to eliminate the necessity of candidates to raise huge sums of money to be elected, wouldn't it be a good idea if we attempted to eliminate some of the great expenses?

The largest expense by far, specifically in the metropolitan areas, is television advertising. Since television stations now endorse candidates, why don't we make certain that the television stations are not in conflict of interest when they accept, for instance, $150,000 for advertising from a political campaign fund? Does not that have some bearing on the station's attitude toward the candidates when it comes time for endorsements?

We can erase all conflicts of interest in this connection. Since television broadcast stations are under Federal regulation by the FCC, I suggest that no television station shall be allowed to accept any money from any candidate in any form whatsoever. This will accomplish two things: It will eliminate the blatant conflict of interest, and it will cut campaign advertising costs tremendously, most likely in half for many candidates.

By the same token, the television media should be encouraged to continue their very excellent service to the public by providing free and equal time in forums and debates to candidates for public offices.

If we are going to eliminate the large contributor, let us be fair and eliminate all large contributors—labor unions as well as corporations or, for that matter, any kind of political action organization. It is just as wrong for an oil company or combination of oil interests to give $350,000 to a candidate as it is for labor unions to contribute that same amount for the re-election of the Chairman of the U.S. Senate Labor Committee, as they did in 1970.

It is also wrong for any kind of organization to contribute huge amounts, regardless of what its name may be. Therefore, I recommend that no organization of any kind, whether it is a corporation, trade union or political action organization, should be permitted to contribute more than $1,000 to any candidate for the U.S. Senate or House of Representatives and not more than $5,000 to the campaign of candidates for the Presidency. Further, no individual should be permitted to contribute more than $500 to any candidate for any Federal office.

Let us also remove forever that one area that causes the most trouble. Cash contributions in any amount should be prohibited. There are various proposals to limit the amount of cash contributions that can be received, but those proposals are invitations for devious people to skirt, such as by giving cash in the names of every member of a family, including aunts, uncles, nieces, nephews and cousins. Therefore, the only remedy is to legislate that no cash be used in political campaigning.

Public disclosure laws serve a very worthwhile purpose. I firmly believe that public disclosure should be continued in any election reform law.

Mr. Speaker, when this House considers anybody's version of public financing, such as the Kennedy or Cannon bills, let us make sure that someone is prepared to explain how the proposals meet the equal protection clause of the 14th amendment. In my opinion, for any public campaign financing law to be constitutional, it must treat all candidates running for the same office in the same manner—that means the same amount of money.

Under the Kennedy bill, a candidate who can raise $10,000 or more would receive up to $90,000 of tax money. To be fair, we should give the same amount to every one of the candidates running in that particular election which means not only the major candidates, but also all of the independent candidates.

Now, let us be very honest about what will happen when this becomes the law of the land. There will be so many candidates that no election machine ever invented will be able to accommodate all the names.

Let us also take a close look at what would happen in a statewide election for Federal office under the Cannon bill. A U.S. Senate candidate running in California would be entitled to $2 million of public funds as would his opponent, provided that he was able to raise $125,000 on his own. All of the other candidates who have less than $125,000, running against the same Senator, would receive nothing from the public funds under the Cannon bill. How in heaven's name are those candidates treated equally as required by the 14th amendment of the U.S. Constitution?

Public financing of campaigns is a very expensive proposition. And the concept has no end to its ramifications. If done in the true spirit of what is intended, it will promote herds of candidates for every public office and this, in itself, will positively destroy the two-party system in this country.

PEOPLE CAN SPEAK ON PUBLIC FINANCING—BYRNE FAILS TO HALT CAMPAIGN BILL HEARING

(By James Weinstein)

TRENTON.—A public hearing on the Byrne's Administration bill to publicly finance gubernatorial campaigns will be held here Thursday, despite opposition by the Administration.

Assemblyman James Florio (D-Camden), chairman of the Assembly Committee on State Government and Federal and Interstate Relations, said the decision to hold the hearing is a "compromise" between the committee and Administration.

The committee is charged with reviewing the public financing bill before it is cleared for a vote by the entire Assembly.

Members of the Administration, including the governor, have attempted to convince Florio and other Democrat members of the committee to forego the public hearing.

Yesterday, Florio met with Byrne and agreed to "pass on to the other committee members" the governor's opposition to the hearing.

Following yesterday's Assembly session, however, the ten-person committee met in special session and voted unanimously to hold the hearing. There are eight Democrats and two Republicans on the committee.

The Administration is opposed to the hearing because it will delay the bill's enactment into law. The governor also fears opponents of the measure will use the hearing to "torpedo" it, Florio said.

The Administration opposition was countered by a strong determination of Democrat committee members not to fold under executive branch pressure.

Assemblyman Edward Hynes (D-Bergen), a committee member, said "it will be in the Administration's best interests to hold a public hearing, even if the governor doesn't know it."

The bill will provide public funds on a matching basis for gubernatorial candidates in a general election campaign while at the same time limiting individual contributions to $600.

Both the bill and pressure by the Administration to avoid a public hearing have drawn criticism from at least one public interest lobby in the capital.

Common Cause, the citizen's lobby, yesterday charged the financing measure is inadequate because it "fails to cover primary and legislative elections, and that spending limits are too high."

Common Cause representatives intend to testify at the public hearing and as a result were highly critical of Administration attempts to push the measure through without a public session.

The hearing will be held from 10 A.M. to 2 P.M. in the Assembly chambers of the State House, Florio said. With the hearing a week earlier than originally expected, it should clear the lower house by April 4, the date scheduled by the Administration for such action.

THE NEW POSTAL SERVICE AND ITS EFFECT ON CERTAIN PUBLICATIONS

(Mr. BUCHANAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BUCHANAN. Mr. Speaker, I have received a letter from one of my constituents raising some important questions concerning the operation of the Postal Service which I feel should be brought to the attention of my colleagues.

It would indeed be adverse to the national interest if, in its zeal to operate along the lines of a business-for-profit rather than as a public service like the rest of the Government, the Postal Service becomes a party to the destruction of publications which are of great value educationally or culturally, but can only be distributed through the mails.

Mr. Cunningham's own publications, Southern Living and Progressive Farmer, are so distributed. These magazines, because of their large circulation, will be strong enough to face this challenge, but many low income rural families which receive these and similar publications will doubtless have to drop their subscriptions as runaway postal prices force subscription costs up.

A great disservice will, in the process, be done to these low-income citizens by their Government.

Some economically weaker publications, which are nonetheless qualitatively excellent will doubtless not survive.

Mr. Speaker, Mr. Cunningham's letter provides another reason for this one Member to wonder if the Congress has made the right decision in attempting to make the Postal Service anything other than an arm of Government serving the people even in uneconomic ways where this is in the public interest.

It is my profound hope that the reading of this letter, which follows, will make my colleagues wonder, too:

THE PROGRESSIVE FARMER,
Birmingham, Ala., March 4, 1974.

Hon. JOHN BUCHANAN,
Longworth House Office Building,
Washington, D.C.

DEAR JOHN: This may be the longest letter I have ever written, and one of the longest you have received. It is a letter to which I have devoted more time and thought than any I have prepared. For nearly a decade I have served on Washington committees dealing with postal matters, and the thoughts in this letter are not expressed lightly or carelessly.

It is a matter of utmost importance that you and I find the middle ground on the postal rates issue.

You are a key legislative stalwart of the Administration which dissolved the post office department as it existed for nearly 200 years. I, on the other hand, represent the publications which continually fight inflationary costs in order that we may disseminate information of interest to our readers at the lowest possible cost to these readers. Your constituents are our subscribers and readers. Their interests and well being are more important than our own corporate concerns or your own political concerns.

Freedom of communication is basic in our society and under our system of government. This freedom must be preserved if our system of government is to continue to be the model for the world that it now is. Only an enlightened and fully informed electorate can insure its preservation.

The electorate can be kept fully informed only by economical distribution of information concerning every facet of our society—financial, political, cultural, agricultural, and the everyday business of living and earning this living.

The focal point of all this is the rapid and exorbitant increases in postal rates since the system was changed from a service organization to one which is supposed to be a self-supporting business.

These rate increases will have three devastating effects on your constituents and ours:

1. They will be among the most dramatic and visible price increases in a mounting sea of inflation. And isn't it something when a supposedly businesslike government agency leads the way on inflation at a time when every thoughtful citizen is concerned about this problem.

2. They will inhibit freedom of communication by killing some publications and crippling others.

3. They will exert a strong influence on the type of magazines and books that will be published in the future. Obviously those with affluent subscribers, i.e., Palm Beach Life, Wall Street Journal and Fortune, will be able to pass along the rate increases. Perhaps not so obvious is the tremendous competitive advantage this will give to the girlie and other sensational publications which are largely sold on newsstands versus those which have relied on mail distribution and have no alternative. A glance at the following July-December 1973 figures confirms this:

NEWSSTAND SALES AS A PERCENT OF TOTAL CIRCULATION

Magazine and percent newsstand sales

Viva	97.7
Penthouse	96.5
Oui	92.3
Playboy	76.3
Popular Mechanics	18.8
Popular Science Monthly	17.9
Mechanix Illustrated	16.0
Catholic Digest	13.0
Field and Stream	13.0
Esquire	12.7
Sunset	10.8
Reader's Digest	9.8
Atlantic Monthly	9.7
Newsweek	9.6
Psychology Today	8.8
Time	6.4
Southern Living	4.5
Intellectual Digest	4.4
Sports Illustrated	3.9
Horticulture	1.7
Business Week	0.5
National Geographic	0.0
Boy's Life	0.0
American Girl	0.0
Today's Education	0.0
V.F.W. Magazine	0.0
The Rotarian	0.0
Family Health	0.0
Progressive Farmer	0.0
Farm Journal	0.0
Scouting	0.0
The United Church Observer	0.0

First class letter mail rates have just increased 25 percent—from 8 cents to 10 cents. Additional increases will be large and frequent under the present system. You may be certain that Congress and the Postal Service will hear from a lot of people who believe this 25 percent is inflationary and will inhibit their communications with family, friends, and their government.

Far more inflationary is the hidden cost to taxpayers of soaring second-class postal rates. Rate increases of about 130 percent have been approved, and proposed new increases will make the total as much as 200 percent higher than in 1971. The annual amount our company will pay for these increases exceeds our total after-tax profits for Progressive Farmer and Southern Living. We know the end is not in sight. Some publications will be able to pass these costs along, and others will die because they cannot. Whoever heard of a business killing its customers in the name of efficiency?

If such increases continue to be rubber-stamped regardless of their effect on the Nation, how can you expect the public and business to believe that our Government is determined to halt inflation? Or that you wish to stop the trend toward more and more government controls in our economy and at least slow down the soaring increases in the cost of living?

John, it is very discouraging for us to send as much money as we do to Washington and then have our Government and the Postal Service we patronize so heavily try to brand us as a subsidized business prospering at the expense of the taxpayer. There is such a maze of overlapping taxes to be paid that it is difficult to unravel the mess. But, a detailed study we have made in our company shows that for every dollar our stockholders keep we are sending $28 to $30 in taxes to federal, state, and local governments.

Such large postal rate increases are a serious mistake, but the drastic consequences I am predicting, will result from the much larger future increases which are inevitable under the present system. The concept of exclusivity in postal service has not yet become an institutional government process. It is still reversible. But in a few more years there will be no turning back. People will just shake their heads and recall that it all started under the Nixon Administration. Basically, the present U.S. Postal Service philosophy is an attack on the communications system that made American self-government possible. Whatever happened to the concept of the post office as a service to the people?

It is strange that we find it necessary to argue that easy access to information is an essential ingredient of self-government. This principle of freedom was given the highest possible priority by the founding fathers; it was enshrined in the Bill of Rights; its implications have been expounded by wise men for 200 years.

John Adams, second president of the United States, expressed it this way, "The preservation of the means of knowledge among the lowest ranks is of more importance than all of the property of rich men in the country."

Our fourth president, James Madison, said, "Knowledge will forever govern ignorance, and a people who mean to be their own governors must arm themselves with the power that knowledge gives. A popular government without popular information is but a prologue to a tragedy."

Alex deTocqueville, the most profound foreign observer of American democracy, showed that he understood what made this country great when he wrote, "The more I consider the independence of the press in its principal consequences, the more I am convinced that in the modern world it is the chief, and, so to speak, the constitutive element of liberty."

During the nineteenth century and the first two-thirds of this century, Congress frequently reaffirmed the principle that there was a strong national interest in the circulation of magazines, newspapers, and books at low cost. During these years our elected officials in Washington did not see the postal system as a business, nor as a means of raising revenue for the Government. They saw it in its higher role as a fundamental weapon in the armory of an informed public. Their philosophy stimulated an extraordinary increase in the diversity of magazines, books, and newspapers, and in the size and reach of their circulation. This historic approach had and still has particular significance for Alabama and the South, where libraries, bookstores, and newsstands are few and far between. Our educational lag will be perpetuated if we continue on our present course of raising postal rates and curtailing postal service.

For many years now, our Government has striven to narrow the financial, educational and cultural gap between lower income families, blacks, and inner-city dwellers and the upper income, predominantly white, suburban population. Won't very high postal rates be a strong centrifugal force that will move them further apart?

In the unprecedented turmoil of the last few years, whether for good reasons or bad, we seem to have lost sight of many of the values treasured by our founding fathers. Congress relinquished direct control of what had been a fundamental ingredient of self-government in turning the system over to the U.S. Postal Service. This Postal Service freely admits that its decisions and policies are based on its balance sheet, and the shift is being made to exorbitant postage rates that will make the system "pay its way." U.S. Postal Service propaganda claims, in national advertising which we help pay for, that mail users are charged exactly what it costs to process and deliver their mail. This is simply not true, and I believe Postal Service management knows that this is misleading propaganda. A college freshman with one course in accounting knows that cost allocation is not an exact science. Every businessman knows that numbers of this kind are subject to extreme variations depending upon the cost accountant's viewpoint and motives.

At present, the Postal Service attributes about half its costs to classes of mail. The other half is defined as institutional. These institutional costs are assigned judgmentally to various classees of mail. In the many years Congress fixed postal rates, no issue was more controversial than post office cost accounting procedures. Does anybody really think that a solution to the problem has been worked out and that every citizen pays exactly what it costs to deliver his mail?

You know that more people are affected, and the Postal Service and congressmen receive more complaints when first-class postage rates go up than when other classes, which are largely paid for by businesses, are increased. Obviously, this is a powerful influence on the judgment of those involved in allocating costs.

You will remember the report of the Kappel Commission. This Commission's long and intensive study of the postal service was the most comprehensive review I know of, and it was largely accepted by the Congress. That Commission, itself, recognized the faults of postal service cost-ascertainment systems and took a strong position against any fully-allocated cost system. Why is the Postal Service so devoted to this concept and why does the Administration allow it?

Don't you see that this concept must eventually lead to differential mail rates and to the closing of post offices that lose money, many of which are in Alabama and other Southern states? Can you imagine what this ill-founded system will eventually determine to be the cost of delivering a package to the more remote regions of the country? Do you know that half the U.S. rural population lives in the South and that Alabama is one of the most rural states in the Nation? I hope you understand how important this matter is to your constituents and ours.

You are aware of the fact that many Alabama post offices are losing money. With the Postal Service running "like a business," with fully-allocated costs, why not close those money-losing post offices? Sears, Roebuck and General Motors would do it that way. Is it in the public interest to keep those post offices open? Of course it is. The public would not and should not accept their being closed. So, they are subsidized as they should be. How is *that* subsidy allocated?

Contradictions are everywhere in the new U.S. Postal Service. For example, the Government claims that the U.S. Postal Service is no longer "in politics." There is much evidence that it is more deeply involved in Washington politics than ever. (I have seen copies of propaganda their lobbyists used with you and other congressmen.)

We were told, but did not believe, that the new post office system would provide continuity and stability of management. Do you know that the results are just the opposite? For example, the Postal Rate Commission has had three chairmen in three years, and the turnover of commissioners has been high. One vacancy currently exists, and the present chairman was appointed just weeks ago. He formerly was Deputy Administrator of Veteran Affairs and General Counsel of the Veterans Administration. So far as I know, none of the commissioners has had postal experience, nor do any of them have the needed understanding of, or experience in, publishing or any other heavy mailing businesses.

It is also contradictory to hear our President point to the inadequacies of TV for covering national news and other developments, while he is endorsing policies which further weaken the medium of responsible printed words. This is done when higher and higher postal rates interfere with the balance we had for many years among the mass media in the United States.

In view of contradictions like these, it isn't surprising that government credibility is so low. Just a few days ago a top administration spokesman referred to this severe credibility problem. Some people in Washington seem to think the credibility problem was created by distorted mass media news coverage. But, how can the Government expect people to believe it when its policies are so terribly contradictory.

The perspective of history may reveal that this Administration and the Congress will make their greatest mistake if Postal Service policy is allowed to destroy the unique "easy-dissemination-of-information" feature of the American way of life.

We all know that the Executive Branch has gained power in relation to the Legislative Branch. Too much so, I think, and many congressmen seem to agree. Do you know that the biggest transfer of potential power ever released by Congress was shifting the Postal Service from Congress to a control by boards and commissioners appointed by the Executive Branch? What that did was to put the machinery in place for a president to control the press. Not by censorship, but in a much simpler, quicker way—economic strangulation of the troublemakers. Believe me, it can be done now.

Of course, you are told this setup is more efficient. Conceivably it could be more efficient—in the same sense that Nazi Germany at its peak was one of the efficient societies of our time. No thoughtful person ever said that free elections, democracy, open debate, the free flow of information to the masses, and other features of the American system lead to efficiency.

John, a Postal Service spokesman advocating this radical change in the American system has the audacity to claim, as quoted in a recent issue of Time magazine, that there is no longer a need to bind the Nation together through an inexpensive communications system. I doubt that he ever understood, much less agreed with the Jeffersonian rationale, which is that more general diffusion of knowledge will yield a better social and political order. Other Postal Service officials have made the same foolish argument. They argue that the postal service should be regarded as a utility.

Evidently they don't understand that, compared to postal rates, utility rates are relatively easy to establish. There are at least one hundred yardsticks to determine what electricity or gas should cost, and no utility is a complete legal monopoly without factual basis for rate making like the Postal Service. Public Service Commissions responsible for setting utility rates are, in some instances, elected by the people; and other organizations are competitive with the utilities.

It is ironic that leaders in such key positions miss the real significance of the role played in our society by the Postal Service. Their perspective robs them of the satisfaction they might feel from their work if they understood the service better. They remind me of the well-known story of the man who encountered three stone masons at work. He asked them one by one what they were doing. The first said, "I'm just a common laborer." The second said, "I'm laying blocks of stone." The third replied, "I'm helping build a great cathedral."

It will be tragic to see this trend toward restraining the flow of information to the masses continue unbridled. About ten years from now here is what is likely to happen: Some congressman will introduce a bill calling for Government action to fill the information void. And he will be able to make a strong case. The facts will support his contention that the written press is controlled by and read by the elite who can afford to pay exorbitant prices for good magazines, out-of-town newspapers, and books. He will propose that the Government fill that void. It will be interesting to see how congressmen who supported an exclusive postal service back in 1973–74 will vote on his bill.

You don't have to wonder what it will be like after his bill passes. Go today to Tashkent, the cotton producton center of Russia, and pick up a pamphlet on cotton growing. You will find its text made up of Communist propaganda, records of the Nation's various five-year plans, and a little information on cotton culture.

There will be no way to separate politics and propaganda from the material designed to fill the information void when our magnanimous Government steps in, at that future date, to correct the problems created by short-range thinking during this present cynical era which I do not expect to last forever. And the cost of such a government information program will be staggering in comparison to what it would cost right now to preserve a two-centuries-old system of easy-flowing information.

John, a concerned and dedicated Congress, many years ago, made our "free-and-easy dissemination of information" philosophy possible. This philosophy helped to make America great. It helped make rural America the best educated and most productive area of its kind in the world. And now, you and your colleagues have an opportunity to change a national misdirection in policy that threatens to destroy that priceless philosophy. Do you agree that something should be done? What, if anything, are you in favor of doing? The Hanley Bill was killed. What alternative do you suggest to prevent further erosion of the freedom you and I cherish? The remedy lies with Congress.

Sincerely yours,

EMORY CUNNINGHAM,
President and Publisher.

SARA KAZNOSKI—A FIGHTER FOR HUMAN DIGNITY

(Mr. HECHLER of West Virginia asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HECHLER of West Virginia. Mr. Speaker, when the roll is called for those who stood up for human rights and human dignity, the name of Sara Kaznoski will always stand tall among them. She is a pillar of strength and a leader among the widows of the 78 coal miners who died in the terrible coal mine tragedy at Farmington, W.Va., in November of 1968. Sara Kaznoski is still maintaining her vigil for human dignity as described in the following article from the March 31 Central West Virginia Guardian:

LAST WIDOW CONTINUES HER VIGIL

THE BODY SEARCH CONTINUES: A WIDOW WAITS AT CONSOL NO. 9

(NOTE.—When Sara Kaznoski's husband died in a coal mine explosion in 1968 she bought "the nicest cemetery plot I could get him." But today, more than five years later, the gravesite is still empty; despite what may be the longest body search in American mining history, Mrs. Kaznoski's man, and 22 of his fellows, remain trapped in unlifted West Virginia rubble. Tom Tiede reports from the scene of the long, long wait.)

FARMINGTON, W. VA.—Until recently, Sara Kaznoski had the sympathy and support of much of the nation.

The 1968 disaster at Consolidation Coal Company's No. 9 mine killed 78 men and so injured the public conscience that people near and far joined widow Kaznoski in condemning the company safety procedures and demanding that every lost miner be found and "returned home."

But slowly, predictably, the public support vanished.

When the U.S. Congress passed new laws concerning mine safety, many who used the Consol No. 9 holocaust as a rally point felt satisfied enough to go to other causes. When the Consol Company let it be known that the $6 million being spent on the continuing search should be used to expand coal mine employment, local sympathy gave way to pragmatism.

Finally, when the widows were each offered $10,000 by mine owners, in exchange for a possible end to the hunt, even the anguished began to mellow.

Now it seems only Sara Kaznoski is on the front lines of this war of attribution. She says she refuses to be begged, bought or broken off. "I want my husband out of there. I want all the remaining husbands out of there. I want them buried in Christian earth, with proper flowers about. I want these men to rest in peace."

The history of this nasty coal mine incident indicates that what Sara wants, Sara often gets. A coal miner's daughter, now slim and pleasantly blonde at 60, Mrs. Kaznoski was among the first to recognize the Consol No. 9 disaster as a battleground.

She says no one from the company "ever came to say I'm sorry," and at first began to treat the disaster as routine.

It wasn't. It was the worst mine tragedy in six decades, so Mrs. Kaznoski organized a miners' widows committee to bring the point home to Consol; the committee's chief goal, of course, was complete body recovery.

The company naturally did not like the pressure. Nor did executives cherish the idea of spending money to dig for anything but coal. Several Consol officials made intemperate remarks. Early on, the company said there was not much use trying to evacuate the dead men because explosion fires "likely cremated everybody."

Mrs. Kaznoski's committee, however, persevered. Though neither state nor local regulations mandated anything else than routine search attempts. Sara's widows invoked the ageless law of the coal miner:

"If I'm trapped, I'll never be abandoned. No matter how long it takes, someone will come and get me."

Faced with public relations complexities, Consolidated Coal has been reluctantly obeying that law since; Consol crews continue to work five days a week clearing out the rubble from 10 square miles of mines, more than 100 miles of mine tunnels.

"The search," says one worker, "has been an unprecedented pain in the butt."

The search has also been somewhat successful. Crews have recovered 55 of the 78 dead—14 of them in one recent week alone. Recovered bodies are now decomposed beyond visual recognition (identification is made by company employes, not anxious widows), but the remains have put the lie to Consol's early theory of ashes among the rocks; most men are intact, dead often of asphyxiation and not even their chewing gum has been melted.

Yet, although the major portion of the search seems to be accomplished and only 17 miles of tunnel remain to be cleared, there is no certainty that the job will be completely finished. Local sentiment seems now to favor an early end to the matter. "Six million to dig out old bones?" yelps a local. "It's a waste. I say seal off the remaining tunnels as a sort of cemetery inviolate."

The mining company says that, too. Only not so bluntly. Negotiating with United Mine Workers Union attorney Ken Yablonski Consol agreed to pay each widow the $10,000 compensation and also continue the No. 9 search "so long as it is safe, reasonable, and practical to do so."

Yablonski thinks the agreement is sound, not only for the compensation but because "It puts the company signature on a statement to continue the search. As of now, they could stop looking tomorrow. This agreement at least insures they will continue searching until it's no longer possible to do so."

To date, 70 of the 78 widows have signed the agreement. Sara Kaznoski is the most enthusiastically adamant of the holdouts. "Never, never," she says. "All the company wants is a way out of the search. If we all sign, the hunt will end inside a month."

There are those here who feel the Kaznoski obstinacy must be rooted in something more than lingering grief. She's being called "mixed up," a "headline grabber," even "crazy." Such complaints betray short memories, says a regional newswoman.

"It was Sara," she says, "who made the company jump, and it was Sara who has stood up for the little people. She made the company return the husbands' personal effects; she won the right for widows to keep the company welfare cards (free clinic use); if it weren't for her, Consolidation would have forgotten both men and families long ago."

Of course, the company may still forget both men and families. But with Sara Kaznoski around, not very easily. Every other day the widow is on the phone with an executive, cornering a federal man in the shopping district, or crawling over the rubble at a worksite:

"How's it going? Anything new?"

"If we ever do stop," says one excavation worker, with naught but respect, "I think old Sara will come down here and start removing the stones herself."

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. FOLEY (at the request of Mr. O'NEILL) for Monday, April 1, on account of illness.

Mr. GUYER (at the request of Mr. RHODES), for the week of April 1, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. CRONIN) to revise and extend their remarks and include extraneous material:)

Mr. HENSEN of Idaho, for 5 minutes Wednesday, April 3.

Mr. LANDGREBE, for 30 minutes, Thursday, April 4.

Mr. BAFALIS, for 1 hour, May 8.

Mr. ARMSTRONG, for 1 hour, May 8.

Mr. HANSEN of Idaho, for 15 minutes, today.

Mr. HORTON, for 15 minutes, today.

(The following Members (at the request of Mr. STUDDS) and to revise and extend their remarks and include extraneous matter:)

Mr. DENT, for 6 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. DIGGS, for 5 minutes, today.

Mr. MURPHY of New York, for 10 minutes, today.

Mr. YATRON, for 5 minutes, today.

Mr. EILBERG, for 5 minutes, today.

Mr. THOMPSON of New Jersey, for 5 minutes, today.

Mr. GAYDOS, for 5 minutes, today.

Mr. RODINO, for 10 minutes, today.

Mr. MCFALL, for 5 minutes, today.

Mr. SMITH of Iowa, for 5 minutes, today.

Mr. ROSTENKOWSKI, for 10 minutes, on April 3.

Mr. RANGEL, for 60 minutes, on April 4.

Mr. ASPIN, for 10 minutes, on April 4.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. KOCH, to extend his remarks in the body of the RECORD, notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $1,306.25.

Mr. EDWARDS of California and Mr. MOORHEAD of California (at the request of Mr. KOCH) to follow the remarks of Mr. KOCH.

Mr. MATSUNAGA, in the body of the RECORD, prior to the vote on the Aspin Amendment.

Mr. LEGGETT (at the request of Mr. STRATTON) to include extraneous matter in two instances during debate on S. 2770.

(The following Members (at the request of Mr. CRONIN) and to include extraneous matter:)

Mr. ESCH in three instances.

Mrs. HECKLER of Massachusetts.

Mr. KEMP in three instances.

Mr. BELL.

Mr. STEIGER of Arizona in two instances.

Mr. HUBER in two instances.

Mr. SHRIVER in three instances.

Mr. ZION.

Mr. WYMAN in two instances.

Mr. HOSMER in two instances.

Mr. MALLARY.

Mr. MATHIAS of California.

Mrs. HOLT.

Mr. RAILSBACK.

Mr. ARCHER in two instances.

Mr. PRICE of Texas.

Mr. REGULA.

Mr. LANDGREBE in 10 instances.

Mr. HANRAHAN.

Mr. LOTT.

Mr. ANDERSON of Illinois in two instances.

Mr. BUCHANAN in four instances.

Mr. FINDLEY in two instances.

Mr. BROWN of Michigan.

Mr. CARTER in five instances.

Mr. BAUMAN in two instances.

Mr. HORTON in two instances.

Mr. GROSS.

(The following Members (at the request of Mr. STUDDS) and to include extraneous matter:)

Mr. WALDIE in three instances.

Mr. DELANEY.

Mr. ROSENTHAL in five instances.

Mr. STARK in 10 instances.

Mr. RARICK in three instances.

Mr. GONZALEZ in three instances.

Mr. BRADEMAS in six instances.

Mr. HUNGATE in two instances.

Mr. NIX.

Mr. LITTON in two instances.

Mr. OWENS in 10 instances.

Mrs. GRASSO in 10 instances.

Mr. BERGLAND in three instances.

Mr. HAMILTON.

Mr. DANIELSON.

Mr. DE LA GARZA in 10 instances.

Mr. MURPHY of New York.

Mr. SARBANES in five instances.

Mr. CLARK.

Mr. MURTHA.

Mr. REES.

Mr. EVINS of Tennessee in three instances.

Mr. RIEGLE.

Mr. KAZEN.

Mr. LEHMAN in 10 instances.

Mr. BURTON.

Mr. GUNTER.

Mr. HARRINGTON.

Mr. ASPIN in 10 instances.

Mr. TIERNAN.

Mr. BURKE of Massachusetts.

Mr. JAMES V. STANTON.

Mr. ANDERSON of California in two instances.

Mr. CONYERS in two instances.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 969. An act relating to the constitutional rights of Indians;

S. 1341. An act to provide for financing the economic development of Indians and Indian organizations, and for other purposes;

S. 1836. An act to amend the act entitled "An Act to incorporate the American Hospital of Paris", approved January 30, 1913 (37 Stat. 654); and

S. 2441. An act to amend the act of February 24, 1925, incorporating the American War Mothers to permit certain stepmothers and adoptive mothers to be members of that organization.

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. HAYS, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills and joint resolution of the House of the following title:

H.R. 12341. An act to authorize sale of a former Foreign Service consulate building in Venice to Wake Forest University;

H.R. 12465. An act to amend the Foreign Service Buildings Act, 1926, to authorize additional appropriations for the fiscal year 1974; and

H.J. Res. 941. A joint resolution making an urgent supplemental appropriation for the fiscal year ending June 30, 1974, for the Veterans' Administration, and for other purposes.

ADJOURNMENT

Mr. KOCH. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 10 minutes p.m.) the House adjourned until tomorrow, Wednesday, April 3, 1974, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2124. A letter from the Assistant Secretary of Agriculture, transmitting tables to be inserted in the previously submitted report of the Departments of Agriculture and Housing and Urban Development on financial and technical assistance provided for nonmetropolitan planning district during fiscal year 1973, pursuant to 42 U.S.C. 3122 (c); to the Committee on Agriculture.

2125. A letter from the President and the National Executive Director, Girl Scouts of the United States of America, transmitting the 24th annual report of the Girl Scouts (H. Doc. No. 93–250); to the Committee on the District of Columbia and ordered to be printed with illustrations.

2126. A letter from the Commissioner of the District of Columbia, transmitting a draft of proposed legislation to authorize the District of Columbia to enter into the Interstate Parole and Probation Compact, and for other purposes; to the Committee on the District of Columbia.

2127. A letter from the Commissioner of the District of Columbia, transmitting a draft of proposed legislation to provide for the recovery from tortiously liable third persons of the cost of medical and hospital care and treatment, funeral expenses, and salary payments furnished or paid by the District of Columbia to members of the Metropolitan Police Force and the District of Columbia Fire Department; to the Committee on the District of Columbia.

2128. A letter from the Chief Scout Executive, Boy Scouts of America, transmitting the 1973 annual report of the Boy Scouts (H. Doc. No. 93–251); to the Committee on Education and Labor and ordered to be printed with illustrations.

2129. A letter from the Chairman, National Advisory Council on the Education of Disadvantaged Children, transmitting the Council's annual report for 1974, pursuant to 20 U.S.C. 241(c); to the Committee on Education and Labor.

2130. A letter from the U.S. Commissioner of Education, Department of Health, Education, and Welfare, transmitting his fourth annual report on activities under the General Education Provisions Act, pursuant to 20 U.S.C. 1231a, including a report on advisory committees and councils as required by 20 U.S.C. 1233g, a summary report on the administration of Public Law 81–815 (school construction in areas affected by Federal activities) and Public Law 87–874 (financial assistance to local educational agencies) as required by sections 642(c) and 242(c) of title 20, United States Code, and a table of programs to be included in the Catalog of Federal Education Programs required by 20 U.S.C. 1331b(9); to the Committee on Education and Labor.

2131. A letter from the Acting Secretary of State, transmitting the annual foreign assistance report of the President for fiscal year 1973, pursuant to 22 U.S.C. 2417(a); to the Committee on Foreign Affairs.

RECEIVED FROM THE COMPTROLLER GENERAL

2132. A letter from the Comptroller General of the United States, transmitting a report on the Department of Defense stock funds relating to accomplishments, problems, and ways to improve; to the Committee on Government Operations.

2133. A letter from the Comptroller General of the United States, transmitting a report on the Department of Labor's restructured Neighborhood Youth Corps out-of-school program in urban areas; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LONG of Louisiana: Committee on Rules. House Resolution 1025. Resolution for the consideration of H.R. 13163. A bill to establish a Consumer Protection Agency in order to secure within the Federal Government effective protection and representation of the interests of consumers, and for other purposes (Rept. No. 93-964). Referred to the House Calendar.

Mr. PERKINS: Committee of conference. Conference report on H.R. 12253 (Rept. No. 93-965). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MILLS:

H.R. 13870. A bill to amend the Social Security Act to establish a national health insurance program for all Americans within the social security system, to improve the benefits in the medicare program including a new program of long-term care, to improve Federal programs to create the health resources needed to supply health care, to provide for the administration of the national health insurance program and the existing social security programs by a newly established independent Social Security Administration, to provide for the administration of health resource development by a semi-independent Board in the Department of Health, Education, and Welfare, and for other purposes; to the Committee on Ways and Means.

By Mr. DOMINICK V. DANIELS (for himself, Mr. Esch, Mr. Perkins, Mr. Quie, Mr. Gaydos, Mr. Meeds, Mr. Burton, Mrs. Grasso, Mr. Dent, Mr. Badillo, Mr. Steiger of Wisconsin, Mr. Forsythe, Mr. Peyser, Mr. Sarasin, Mr. Thompson of New Jersey, Mr. Brademas, Mr. Hawkins, Mr. Ford, Mr. Clay, Mrs. Chisholm, Mr. Biaggi, Mr. Lehman, and Mr. Benitez):

H.R. 13871. A bill to amend chapter 81 of subpart G of title 5, United States Code, relating to compensation for work injuries, and for other purposes; to the Committee on Education and Labor.

By Ms. ABZUG:

H.R. 13872. A bill to amend title 5, United States Code, to provide for the privacy of individual's records maintained by Federal agencies; to the Committee on Government Operations.

By Mr. BERGLAND:

H.R. 13873. A bill to amend the Wild and Scenic Rivers Act by designating a segment of the Upper Mississippi River in the State of Minnesota as a study river for potential addition to the Wild and Scenic Rivers System; to the Committee on Interior and Insular Affairs.

By Mr. BROWN of Ohio (for himself, Mr. Broyhill of North Carolina, Mr. Burgener, and Mr. Erlenborn):

H.R. 13874. A bill to establish a Consumer Protection Agency in order to secure within the Federal Government effective protection and representation of the interests of consumers, and for other purposes; to the Committee on Government Operations.

By Mr. BROWN of California:

H.R. 13875. A bill to amend the Agricultural Trade Development and Assistance Act of 1954, to prohibit the use of foreign currencies under title I of this act for common defense; to the Committee on Agriculture.

By Mr. CLARK:

H.R. 13876. A bill to amend title 38 of the United States Code in order to provide service pension to certain veterans of World War I and pension to the widows of such veterans; to the Committee on Veterans' Affairs.

H.R. 13877. A bill to amend section 5051 of the Internal Revenue Code of 1954 (relating to the Federal excise tax on beer); to the Committee on Ways and Means.

By Mr. DANIELSON:

H.R. 13878. A bill to terminate the Airlines Mutual Aid Agreement; to the Committee on Interstate and Foreign Commerce.

By Mr. de la GARZA (for himself, Mr. Young of Texas and Mr. Kazen):

H.R. 13879. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Nueces River project, Texas, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. DENT (for himself, and Mr. Rinaldo):

H.R. 13880. A bill to prohibit Soviet energy investments; to the Committee on Banking and Currency.

By Mr. ESCH (for himself, Mr. Ruppe, and Mr. Brown of Michigan):

H.R. 13881. A bill to transfer the Office of Economic Opportunity to the Department of Health, Education, and Welfare, and to extend certain programs under the Economic Opportunity Act of 1964; to the Committee on Education and Labor.

By Mr. FRASER:

H.R. 13882. A bill to amend title 39, United States Code, to eliminate certain restrictions on the rights of officers and employees of the U.S. Postal Service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. HARRINGTON (for himself, Mr. Reid, Mr. Conte, and Mr. Cohen):

H.R. 13883. A bill to insure that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced, or entitlement thereto discontinued, because of increases in monthly social security benefits; to the Committee on Veterans' Affairs.

By Mr. HÉBERT (for himself and Mr. Bray) (by request):

H.R. 13884. A bill to amend section 9441 of title 10, United States Code, to provide for the budgeting by the Secretary of Defense, the authorization of appropriations, and the use of those appropriated funds by the Secretary of the Air Force, for certain specified purposes to assist the Civil Air Patrol in providing services in connection with the noncombatant mission of the Air Force; to the Committee on Armed Services.

By Mr. HINSHAW:

H.R. 13885. A bill to amend title 38 of the United States Code to make more equitable the procedures for determining eligibility for benefits under the laws administered by the Veterans' Administration, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 13886. A bill to provide for determination through judicial proceedings of claims for compensation on account of disability or death resulting from disease or injury incurred or aggravated in line of duty while serving in the active military or naval service, including those who served during peacetime, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. JOHNSON of Pennsylvania:

H.R. 13887. A bill to amend the Export Administration Act of 1969, to provide a formula to control the exports of wheat, soybeans, and corn from the United States, and for other purposes; to the Committee on Banking and Currency.

H.R. 13888. A bill to amend title 38 of the United States Code in order to provide service pension to certain veterans of World War I and pension to the widows of such veterans; to the Committee on Veterans' Affairs.

By Mr. KARTH:

H.R. 13889. A bill to amend section 5051 of the Internal Revenue Code of 1954 (relating to the Federal excise tax on beer); to the Committee on Ways and Means.

By Mr. LEGGETT:

H.R. 13890. A bill to authorize the Secretary of the Interior to conduct a total water management study, Solano County, Calif.; to the Committee on Interior and Insular Affairs.

By Mr. LITTON:

H.R. 13891. A bill to amend the Occupational Safety and Health Act of 1970 to provide that the Administrator of the Small Business Administration may render onsite consultation and advice to certain small business employers to assist such employers in providing safe and healthful working conditions for their employees; to the Committee on Education and Labor.

By Mr. MINISH:

H.R. 13892. A bill to amend the Natural Gas Act to secure adequate and reliable supplies of natural gas and oil at the lowest reasonable cost to the consumer, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MOAKLEY:

H.R. 13893. A bill to provide scholarships for the dependent children of public safety officers who are victims of homicide while performing their official duties, and for other purposes; to the Committee on Education and Labor.

By Mr. NELSEN (for himself, Mr. Carter, Mr. Hastings, and Mr. Hudnut):

H.R. 13894. A bill to amend the Clean Air Act; to the Committee on Interstate and Foreign Commerce.

By Mr. PODELL:

H.R. 13895. A bill to amend title 39, United States Code, with respect to regulation of the sale of subscription and membership lists; to the Committee on Post Office and Civil Service.

By Mr. PRICE of Illinois (by request):

H.R. 13896. A bill to amend the Atomic Energy Act of 1954, as amended, to delete the requirement that Congress authorize amounts of special nuclear material which may be distributed to a group of nations; to the Joint Committee on Atomic Energy.

By Mr. ROE:

H.R. 13897. A bill to establish a National Foreign Investment Control Commission to prohibit or restrict foreign ownership control or management control, through direct purchase, in whole or part; from acquiring securities of certain domestic issuers of securities; from acquiring certain domestic issuers of securities, by merger, tender offer, or any other means; control of certain domestic corporations or industries, real estate or other natural resources deemed to be vital to the economic security and national defense of the United States; to the Committee on Interstate and Foreign Commerce.

H.R. 13898. A bill to create a Joint Congressional Committee on Foreign Investment Control in the United States; to the Committee on Rules.

By Mr. ROY:

H.R. 13899. A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 to prohibit the Secretary of Transportation from imposing certain seatbelt standards, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ROYBAL (for himself, Ms. Abzug, Mr. Brown of California, Ms. Chisholm, Mr. Drinan, Mr. Eilberg, Mr. Hechler of West Virginia, Mr. Helstoski, Ms. Holtzman, Mr. Rangel, Mr. Stark, and Mr. Yatron):

H.R. 13900. A bill to regulate commerce by assuring adequate supplies of energy resource products will be available at the lowest possible cost to the consumer, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WHITE:

H.R. 13901. A bill to amend title 10 of the United States Code to provide that no enlisted member of the Armed Forces may be separated from service under conditions other than honorable solely by administrative action, and for other purposes; to the Committee on Armed Services.

By Mr. WYMAN (for himself, Mr. Powell of Ohio, Mr. Martin of North Carolina, Mr. Treen, Mr. Heinz, Mr. Widnall, Mrs. Holt, Mr. Broyhill of Virginia, Mr. Denholm, Mr. Dulski, Mr. Robinson of Virginia, Mr. Symms, Mr. Moorhead of California, Mr. Winn, Mr. Nichols, Mr. Ichord, Mr. Price of Texas, and Mr. Charles H. Wilson of California):

H.R. 13902. A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 to prohibit the Secretary of Transportation from imposing certain seatbelt standards, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. YATRON (for himself, Ms. Abzug, Mr. Bingham, Mr. Buchanan, Ms. Burke of California, Mr. Carney of Ohio, Ms. Chisholm, Ms. Collins of Illinois, Mr. Cronin, Mr. Dent, Mr. Derwinski, Mr. Denholm, Mr. Fascell, Mr. Gunter, Mr. Harrington, and Mr. Helstoski):

H.R. 13903. A bill to establish an office within the Congress with a toll-free telephone number, to be known as the Congressional Advisory Legislative Line (CALL), to provide the American people with free and open access to information, on an immediate basis, relating to the status of legislative proposals pending before the Congress; to the Committee on House Administration.

By Mr. YATRON (for himself, Mr. Hogan, Ms. Holtzman, Mr. Long of Maryland, Mr. Mann, Mr. Matsunaga, Mr. Moakley, Mr. Pepper, Mr. Podell, Mr. Steelman, Mr. Studds, Mr. Williams, Mr. Wolff, Mr. Won Pat and Mr. Murtha):

H.R. 13904. A bill to establish an office within the Congress with a toll-free telephone number, to be known as the Congressional Advisory Legislative Line (CALL), to provide the American people with free and open access to information, on an immediate basis, relating to the status of legislative proposals pending before the Congress; to the Committee on House Administration.

By Mr. ZWACH:

H.R. 13905. A bill to amend title II of the Social Security Act to increase from $2,100 to $3,600 the amount of outside earnings permitted each year without any deductions from benefits thereunder; to the Committee on Ways and Means.

By Mr. BOWEN (for himself, Mr. McSpadden and Mr. Young of South Carolina):

H.R. 13906. A bill to provide indemnity payments to poultry and egg producers and processors; to the Committee on Agriculture.

By Mr. BROWN of Michigan (for himself, Mr. Gilman, Mr. Byron, Mr. Breaux, and Mr. Walsh):

H.R. 13907. A bill to regulate Federal campaign contributions and expenditures; to the Committee on House Administration.

By Mr. BROWN of California (for himself and Mr. Gunter):

H.R. 13908. A bill to amend the Internal Revenue Code of 1954 to provide that advertising of alcoholic beverages is not a deductible expense; to the Committee on Ways and Means.

By Mr. BROYHILL of North Carolina:

H.R. 13909. A bill to assure, through energy conservation, end-use rationing of fuels, and other means, that the essential energy needs of the United States are met, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CLEVELAND:

H.R. 13910. A bill to amend section 203 of the Federal Water Pollution Control Act to provide for State certification; to the Committee on Public Works.

H.R. 13911. A bill to amend section 206 of the Federal Water Pollution Control Act to authorize the payment of interest on certain reimbursements; to the Committee on Public Works.

By Mr. CONYERS (for himself, Ms. Abzug, Ms. Chisholm, Ms. Collins of Illinois, Mr. Badillo, Mr. Dellums, Mr. Corman, Ms. Burke of California, Mr. Harrington, Mr. Hawkins, Mr. Edwards of California, Mr. Helstoski, Mr. Podell, Mr. Mitchell of Maryland, Mr. Rosenthal, Mr. Stark, Mr. Stokes, Mr. Waldie, and Mr. Young of Georgia):

H.R. 13912. A bill to establish certain rules with respect to the appearance of witnesses before grand juries in order better to protect the constitutional rights and liberties of such witnesses under the fourth, fifth, and sixth amendments to the Constitution; to provide for independent inquiries by grand juries, and for other purposes; to the Committee on the Judiciary.

By Mr. DELLENBACK:

H.R. 13913. A bill to amend the Land and Water Conservation Fund Act, as amended, to provide for collection of special recreation use fees at additional campgrounds, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. FRASER:

H.R. 13914. A bill to regulate the conduct of campaigns within the District of Columbia for nomination or election to the offices of Mayor, Councilman, and member of the School Board by establishing expenditure and contribution limitations applicable to such campaigns, by establishing requirements for reporting and disclosure of the financing of such campaigns, by establishing an independent agency of the District of Columbia to administer election laws generally, and for other purposes; to the Committee on the District of Columbia.

By Mr. KEMP:

H.R. 13915. A bill to amend the Internal Revenue Code of 1954 to relieve employers of 50 or less employees from the requirement of paying or depositing certain employment taxes more often than once each quarter; to the Committee on Ways and Means.

By Mr. MATSUNAGA (for himself, Ms. Abzug, Mr. Badillo, Ms. Chisholm, Mr. Conyers, Mr. Danielson, Mr. Fraser, Mr. Johnson of California, Mr. McSpadden, Mr. Moss, Mr. Murphy of New York, Mr. Podell, Mr. Roncalio of Wyoming, Mr. Stark, and Mr. Young of Alaska):

H.R. 13916. A bill to provide for additional Federal financial participation in expenses incurred in providing benefits to Indians, Aleuts, native Hawaiians, and other aboriginal persons, under certain State public assistance programs established pursuant to the Social Security Act; to the Committee on Ways and Means.

By Mr. MOAKLEY (for himself, Mr. Stark, Mr. Owens, Mr. Lehman, Mr. Mitchell of New York):

H.R. 13917. A bill to provide assistance and full time employment to persons who are unemployed and underemployed as a result of the energy crisis; to the Committee on Education and Labor.

By Mr. PERKINS:

H.R. 13918. A bill to amend title 28 of the United States Code to provide for Federal payment of certain expenses of States in connection with habeas corpus proceedings in Federal courts; to the Committee on the Judiciary.

By Mr. PRICE of Illinois (for himself Mr. Holifield, and Mr. Hosmer):

H.R. 13919. A bill to authorize appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes; to the Joint Committee on Atomic Energy.

By Mr. RIEGLE:

H.R. 13920. A bill to impose temporary quotas on motor vehicles imported into the United States from foreign countries which do not allow substantially equivalent market access to motor vehicles manufactured in the United States; to the Committee on Ways and Means.

By Mr. CHARLES H. WILSON of California:

H.R. 13921. A bill to regulate commerce by assuring adequate supplies of energy resource products will be available at the lowest possible cost to the consumer, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HORTON:

H.J. Res. 964. Joint resolution to proclaim April 30, 1974, as a National Day for Humiliation, Fasting, and Prayer; to the Committee on the Judiciary.

By Mr. JARMAN:

H.J. Res. 965. Joint resolution to authorize the President to issue a proclamation designating the month of May 1974, as National Arthritis Month; to the Committee on the Judiciary.

By Mr. BRADEMAS:

H. Con. Res. 454. Concurrent resolution to authorize the printing as a House document "Our Flag", and to provide for additional copies; to the Committee on House Administration.

H. Con. Res. 455. Concurrent resolution to provide for the printing as a House document "Our American Government. What Is It? How Does It Work?"; to the Committee on House Administration.

By Mrs. GRASSO (for herself, Mr. Burke of Massachusetts, Mr. Conte, Mr. Cotter, Mr. Giaimo, Mr. McKinney, Mr. Sarasin, and Mr. Studds):

H. Con. Res. 456. Concurrent resolution expressing the sense of the Congress with respect to the price of refined petroleum products; to the Committee on Interstate and Foreign Commerce.

By Mrs. GRASSO:

H. Con. Res. 457. Concurrent resolution expressing the sense of the Congress with respect to the price of refined petroleum products; to the Committee on Interstate and Foreign Commerce.

By Mr. HOGAN:

H. Con. Res. 458. Concurrent resolution requesting the President to proclaim March 26, 1975, as National Day of Concern for Political Prisoners in the Soviet Union; to the Committee on the Judiciary.

By Mr. HUNGATE:

H. Res. 1021. Resolution to express the sense of the House with respect to the allocation of necessary energy sources to the tourism industry; to the Committee on Interstate and Foreign Commerce.

By Mr. LEGGETT:

H. Res. 1022. Resolution impeaching Richard M. Nixon, President of the United States, for high crimes and misdemeanor; to the Committee on the Judiciary.

By Mr. RANGEL (for himself, Miss Jordan, Mr. Roybal, and Mrs. Chisholm):

H. Res. 1023. Resolution creating a select committee to conduct an investigation and study of the health effects of the current energy crisis on the poor; to the Committee on Rules.

By Mr. RANGEL (for himself, Mr. Moakley, Mr. Mitchell of Maryland, Mr. Lehman, Mr. Pepper, Mr. Dellums, Mr. Badillo, Mr. Mazzoli, Mr. Won Pat, Mr. Helstoski, Mr. Clay, Mr. Conyers, Mr. Hawkins, Mr. Young of Georgia, Mr. Fauntroy, Mr. Diggs, Mr. Quie, Mr. Nix, Mr. Koch, Mr. Harrington, Mr. Metcalfe, Ms. Abzug, Mr. Burke of Massachusetts, Mrs. Burke of California, and Mr. Stokes):

H. Res. 1024. Resolution creating a select committee to conduct an investigation and study of the health effects of the current energy crisis on the poor; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII,

411. Mr. HANSEN of Idaho presented a memorial of the Legislature of the State of Idaho, relative to interference with laws of nature governing the efficiency of engines of science; to the Committee on Science and Astronautics.

PETITIONS, ETC.

Under clause 1 of rule XXII,

417. Mr. BINGHAM presented a petition of the Legislature of Rockland County, N.Y., concerning eligibility of naturalized citizens for the Presidency of the United States; which was referred to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

A DISCUSSION OF THE ADMINISTRATION'S PROPOSED ECONOMIC ADJUSTMENT ACT

HON. HOWARD H. BAKER, JR.

OF TENNESSEE

IN THE SENATE OF THE UNITED STATES

Tuesday, April 2, 1974

Mr. BAKER. Mr. President, one of the important legislative matters before the Committee on Public Works this year is the Administration's proposal for a new economic adjustment assistance program.

Our Subcommittee on Economic Development, under the able leadership of Senators Montoya and McClure, has scheduled a hearing on S. 3041 which was introduced with bipartisan support earlier this year.

William W. Blunt, Jr., Assistant Secretary of Commerce for Economic Development, recently outlined the administration's proposal in a speech before the National Governors Conference. Because I believe it will be helpful for my colleagues to read and understand the administration's position on this issue, I ask unanimous consent that a copy of Secretary Blunt's speech be printed in the Extensions of Remarks.

There being no objection, the speech was ordered to be printed in the Record, as follows:

Discussion by William W. Blunt, Jr.

March 6, 1974.

The proposed Economic Adjustment Assistance Act is designed to improve the abilities of States and communities to adjust to future economic changes and to implement longrange solutions to problems in currently distressed areas. It is structured to provide State and local officials with greater flexibility in spending Federal funds to assist distressed areas, in the expectation that such an approach will be more successful in reducing unemployment and raising income levels in these areas.

DECENTRALIZING DECISIONMAKING RESPONSIBILITIES

A primary goal of the proposed act is to return to States and communities the principal responsibility for deciding how to use Federal assistance to achieve program objectives. Since State and local officials are closest to the problems, they are in the best position to analyze area needs and set priorities for addressing them. The proposed program not only places these responsibilities at State and local levels, but also insures that those who set priorities have the power to see that funds are expended in accordance with them.

This decentralization of decision-making responsibilities is accomplished through the automatic allocation to States of a minimum of 80 percent of the funds available under the proposed act. The division of these funds among States is based on a formula that recognizes State and community needs, taking into account population dispersal, land area, and unemployment and income levels. The remaining funds are allocated to States on a discretionary basis to meet special needs arising from State, regional, or local problems, or from Federal actions such as the closing of large installations.

In recognition of the importance of basing funding decisions on priorities developed through a problem identification and analysis process, the proposed act requires that each State develop an economic adjustment plan. The plan, which is to be submitted by the Governor, is to specify the target areas selected for economic adjustment assistance and the general objectives for each area. To insure that the knowledge and insights of those working at community, county and multi-county levels are reflected in these plans, the proposed act requires that local government and multijurisdictional entities assist in its preparation.

This emphasis on the planning process is strengthened by linking the preparation of State plans to the actual obligation of allocated funds. The proposed act requires that State economic adjustment plans be approved by the appropriate Federal Regional Administrator before the funds allocated to a State are made available to that State. These Federal Regional Administrators, whose functions will be outlined later, are responsible for reviewing State plans and approving them if they are consistent with the proposed act and any regulations issued by the President.

There is, however, an exception to this rule. Allocated funds may be released to a State prior to approval of a State plan for use in preparing that plan. Thus, States are entitled to use part of their allocations under the act for financing the preparation of their economic adjustment plans.

Since funds are given to a State as a block grant, a State has complete direction as to how they are used, as long as they are consistent with the general purposes of the act. As a result, States have the ability to fund a liimted number of areas, or even one area, thereby providing each area with sufficient resources to resolve its economic problems. Furthermore, States may use funds in areas before economic distress becomes acute.

The block grant approach maximizes State and local responsibility for planning and carrying out economic adjustment efforts. It permits States, and areas within States, to develop and implement their economic adjustment plans in conjunction with related programs, such as those under the recently enacted Comprehensive Employment and Training Act and under the Rural Development Act. It would also permit coordination with the programs proposed by the Administration in the Better Communities and Responsive Governments bills.

State and community planning for economic adjustment can also be accomplished on a more rational basis because funds are appropriated a year in advance of actual allocation to the States. Thus, the problems inherent in developing plans in a vacuum, with little or no information as to the resources that will be available for implementing those plans, are eliminated.

AUTHORIZING A BROAD RANGE OF ASSISTANCE

Under the proposed act, States have a broad range of tools at their disposal, and these tools may be used for a variety of purposes. States may offer assistance through grants, loans, subsidies, loan guarantees, tax rebates or other forms of aid to public entities, private profit and non-profit organizations, and individuals. This assistance can be used to support not only the kinds of projects and activities that are currently funded by EDA, but other appropriate economic adjustment efforts as well. Among the types of State aid specifically authorized by the proposed act are assistance for public facilities, public services, business development efforts, planning, technical assistance, and administrative costs.

STRENGTHENING REGIONAL PLANNING AND COORDINATION

The proposed act also authorizes interstate compacts to permit States to work together on common economic adjustment efforts. States participating in these multi-State organizations may use funds allocated under the proposed act for joint adjustment effort expenses. If regional organizations are formed, they may require member States to submit their plans to them for review or approval. Such participation by multi-state organizations should assure that State plans reflect regional adjustment needs.

DECENTRALIZING FEDERAL ADMINISTRATION

The principal Federal authority and responsibility under the proposed act is given to ten Federal Regional Administrators, one for each Standard Federal Region. These Federal Regional Administrators are appointed by the President and are responsible for reviewing State plans, obligating funds to the States, and evaluating performance by the States in using the funds. The Administrators have no authority to make project-by-project allocations of Federal assistance as the Economic Development Administration does under the Public Works and Economic Development Act of 1965.

The Federal Regional Administrators are required by the proposed act to work with other Federal agencies whose programs affect area economies, and are permitted to participate in the activities of Federal Regional Councils to promote interagency cooperation. It is anticipated that the President will delegate to the Secretary of Commerce responsibility for the central Federal administrative and policy functions outlined in the act.

EXTENDING EDA FOR TRANSITION PERIOD

Although the proposed Economic Adjustment Assistance Act is designed to replace the Public Works and Economic Development Act of 1965, it extends EDA for one year in order to provide an orderly transition to the new program. Accordingly, the President's budget for fiscal year 1975 includes $205 million for EDA and the Title V Commissions. The budget also includes an additional $100 million as initial funding for the economic adjustment program, as well as $25 million for Indian development, requested for the Department of the Interior. This will provide a total of $330 million for economic development and adjustment programs in fiscal year 1975, including the Indian program, an increase of nearly $50 million over the 1974 level.

In summary, the Economic Adjustment Assistance Act provides the basis for a substantial improvement in the ability of States and communities to adjust to economic changes and prevent unnecessary distress and hardship. Its implementation would represent a significant step toward achieving the goal of making government more effective by returning power to State and local authorities.

CORTEZ GROWERS ASSOCIATION CELEBRATES 50TH ANNIVERSARY

HON. ROBERT B. (BOB) MATHIAS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. MATHIAS of California. Mr. Speaker, the Cortez Growers Association, which is located in Cortez, Merced County, Calif., will celebrate its 50th anniversary on April 19, 1974. This association was founded in 1924 by four non-English-speaking alien Japanese farmers. Since that time, the Cortez Growers Association has overcome numerous obstacles, including the relocation of its members during World War II to the War Relocation Center in Amache, Colo., to become one of the most influential farm cooperatives in California.

The Cortez Growers Association was incorporated in California as a nonprofit corporation by Mr. N. Morofuji, Mr. S. Yonejama, Mr. Y. Kuwahara, and Mr. Z. Yuge. Because of their language barrier and the volume of their business, they found it necessary to band together in order to hire someone to represent them and market their crops.

The purpose of the association, as described by George Yuge, who is President of the association and the son of one of the organizers, is:

> To improve the bargaining position of its members in securing the best possible price for its produce, to buy essential items at an advantageous price, and to provide services which are necessary for its grower-members.

An editorial and news article from the March 24 edition of the Modesto Bee provide some good background material and an explanation of the success of the Cortez Growers Association. I commend these newspaper articles to my colleagues.

The articles follow:

A GOLDEN YEAR FOR CORTEZ GROWERS

If there ever was a story of success through unflagging cooperation in the face of shattering adversity, it is the story of the Cortez Growers Association.

It was formed in 1924 from within the colony of Japanese immigrants who had settled after World War I along Cortez Road in the Delhi-Ballico area of northwestern Merced County.

This was no small feat in itself for the four original founders, whose status as aliens prohibited landholding and whose unfamiliarity with the English language complicated their dealings.

Yet they managed, surviving severe depressions in crop prices and showing amazing resiliency and the flexibility to change their crops and produce for the market.

The association was growing strong and prosperous by the time World War II struck. Within months all members of the colony, aliens and citizens alike, were evacuated to war relocation centers.

Four years later they returned to their land, revived their association, later opening their membership to Caucasians.

Throughout these trying times the association was sustained by the industriousness of its members, the fine quality of the crops they produced and the strong spirit of cooperation they developed—a spirit which has been passed on to the second and third generations of those hardy founders.

As the members celebrate the 50th anniversary of their organization, we salute the Cortez Growers Association and its president, George Yuge, the son of one of the founders. They have helped and are helping America to fulfill its promise.

CORTEZ GROWERS: A HALF CENTURY OF SUCCESS

(By Harold Geren)

An organization which admittedly had little going for it in the outset but managed to survive the Depression and a world war, last night celebrated its 50th anniversary in ceremonies in the Hotel Covell Fable Room.

The Cortez Growers Association, which received its incorporation papers in 1924 with four non-English speaking members, has grown to one of the most influential farmer cooperatives in the state.

RETAINS INTENT

From those first four Japanese members, its membership has expanded to 62 today. And more than 200 members and guests were present last night to observe the Golden Anniversary.

The association of 50 years ago is not the same as today—many different crops are harvested—but "the intent and purposes of the founders are still paramount: To improve the bargaining position of its members in securing the best possible price for its produce, to buy essential items at an advantageous price, and to provide services which are necessary for its grower-members," according to Board President George Yuge.

Yuge, whose father was one of the four original members, collected historical data on the organization, compiled it in a 25-page booklet and presented it to members and guests attending the ceremonies last night.

DATE TO REMEMBER

It was on April 18, 1924, that four growers, representing 190 acres of tree and truck crops, received official notice of their incorporation as a non-profit organization. The four included N. Morofuji, Y. Kuwahara, S. Yoneyama and Z. Yuge.

"This was the beginning of Cortez Growers Association, a farm cooperative conceived and born of an ethnic group, a group of alien Japanese farmers," Yuge writes.

MEMBERSHIP GROWTH

By law, however, aliens were prohibited from leasing, renting, or purchasing farm land but the four worked around the law by forming individual corporations naming their naturalized citizen offspring as chief stockholders.

"In actuality, the original organizers and membership of the association was for many years composed totally of corporations," according to Yuge.

During its first year of operation, the association had increased to 11 members. In addition, a packing house was constructed at a cost of $757 at the present location on Cortez Avenue adjacent to the Santa Fe Railway tracks.

REVAMPED FACILITIES

Many additions were made to the original structure and have since given away to entirely different operations with the switch from one crop to another. Almond hulling machinery has replaced fruit and vegetable packing facilities. A peach slab is used for centralized delivery. And commercial truck scales stand in place of a dehydrator for grapes.

The association offers a complete line of fertilizers and chemicals to its members at reduced rates.

It was a leader in bulk handling of almonds. Board meeting minutes note the first bulk deliveries were made in 1953, at least 15 years ahead of the overall industry.

LABOR HOUSING

In addition, the association was a leader in bulk harvesting of wine grapes with the switch to gondolas completed in 1954.

Cortez Growers was one of the first farm organizations to construct housing for farm laborers. Yuge notes 'by 1955 the Mexican Bracero program had become a reality. Farm workers were practically non-existent. No one wanted to work on a farm." The firm built its own labor camp which housed 90 workers in 1955 and enlarged it to house 120 single men the next year.

After the Bracero program ended in 1965, following "severe opposition from the public," the association entered the migrant family housing program by constructing 50 plastic, accordion-type shelters for migrants. Families living in the shelters, which have since been rebuilt with wood, were free to seek agricultural employment anywhere they chose.

Hard times hit the organization during World War II, although it had operated from the outset with "very limited working capital."

WAR EVACUATION

Writes Yuge: "The declaration of war between the United States and Japan on Dec. 7, 1941, affected everyone's way of life in the United States. This was especially true in Cortez, an isolated area populated mostly by alien Japanese and their citizen offspring.

Dec. 7 was a Sunday, but the association was operating as usual. It was nearing the end of the carrot shipping season, and the carrot pack line was operating at full capacity. When the news of the attack on Pearl Harbor was announced over the radio, it became a matter of immediate decision whether to continue with the carrot packing operation on a business-as-usual basis or to suspend operations and wait for developments.

BACK IN BUSINESS

"Would the American public be so aroused that it would refuse to buy produce grown by people from Japan? It was decided the packing would continue, and so the 1971 carrot season was completed."

At a membership meeting on Feb. 7, 1942, it was recommended that all aliens be requested to withdraw their membership from the association in favor of a joint custodian arrangement.

Following several meetings of association directors completing arrangements for a management agent to operate the 1,900 acres of property, evacuation of all members was complete in May, 1942. After spending the duration of the war at the War Relocation Center in Amache, Colo., association members returned to Cortez and were officially back in business on Feb. 1, 1946.

While the organization is still predominantly comprised of Japanese ancestry members, its ranks were opened to other growers in the late 40s. In 1949, Hilmar Blaine became the first Caucasian to sit on the board.

Last night's festivities saw numerous honors bestowed on past members, officers and managers. Current President Yuge presented Sam Kuwahara, who served as the organization's first year-round manager (from 1932 until 1947), with a silver, engraved bowl commemorating his years of service.

MANAGE, THEN JOIN

Yuge said "our association has the distinction of having four past managers now on its membership rolls which should say something for the organization."

Other managers cited were David Zollinger, 1961–70; Don Toyoda, 1951–61 and Ken Miyamoto, 1947–51.

Kuwahara went on to serve as president in 1963.

SMALL BUT SUCCESSFUL

Past presidents lauded include Nobuhiro Kajioka, 1964; Yoshia Asai, 1961–62; Mark Kamiya, 1956–59; Harry Kajioka, 1942–50, and Yuge who has served 12 terms in the office (1951–55, 1960, 1965–68 and 1972–74).

Because of the background of many members, portions of the program were presented in the Japanese language, with interpretations provided for others.

The current manager is Jerold Bookwalter, "who hasn't saved enough yet to go into farming," according to Yuge.

Even with a membership of 62, the organization might be considered small by some standards. It is an interesting success story, however, for those four founders who undoubtedly did not realize it would grow into its size of today.

Cortez is in Merced County, but the association is closely tied to Turlock across the county line. And all its produce is grown on some 3,000 acres within a two-mile radius of association facilities.

CONGRESSIONAL REFORM IN THE 93D CONGRESS

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. ANDERSON of Illinois. Mr. Speaker, the question is often asked of me, "What if anything is the Congress doing to improve its deplorable 21-percent job performance rating as reflected in a recent Harris poll?" First, in all fairness, I think it should be pointed out that the Congress has never consistently enjoyed a very high rating in the public mind. While our low ratings have often been justified, so too we have often been saddled with bum raps. Congress has received its highest ratings when working in tandem with a President of the same political party, and even then the ratings may have been unjustified as motion is confused with progress and good intentions with good legislation.

There can be no question that things move slower when the White House and Congress are ruled by opposing parties. Obviously, it takes more time to reconcile and compromise opposing policies and programs, and the resulting public frustration always seems to fall heaviest on the Congress. At the same time, the friction inherent in such a situation can be a healthy factor in terms of revitalizing a Congress too long dependent on the executive branch. This has clearly been the case over the last few years, and the Congress is once again coming to the fore as an institution. The present Congress may well prove to be the most reform-minded in recent history. In the House we have opened committee deliberations to the public and will soon vote on a comprehensive overhaul of our committee system. This Congress has enacted a war powers bill and is approaching final action on an omnibus budget reform, impoundment control bill. And we are also tackling the difficult problems of Executive privilege and campaign finance reform.

At this point in the RECORD, Mr. Speaker, I wish to include an article written by Bruce R. Hopkins in the January 1974, issue of the American Bar Association Journal, entitled "Congressional Reform Advances in the Ninety-third Congress":

CONGRESSIONAL REFORM ADVANCES IN THE NINETY-THIRD CONGRESS

(By Bruce R. Hopkins)

For those who watch Congress and seek consequence in the ebbs and flows of relations between the legislative and executive branches, 1973 was an incomparable year. There were to be sure myriad and notable developments in congressional reform during the first session of the Ninety-third Congress, which ended in late December. Yet, of greater significance were the events that led to a confrontation between the president and the other branches of government and became an extraordinary subject of conversation and concern during the past year.

Usually the province of constitutional law tomes, the terms "separation of powers," "executive privilege," and "impeachment" became household words. The scope of executive power was commonplace discussion, principally as a result of televised hearings of the Senate Select Committee on Presidential Campaign Activities, which began last May. A constitutional struggle was joined when the president refused to release tape recordings of his conversations with aides and various documents allegedly bearing on the Watergate affair. The refusal brought subpoenas from the Senate committee and the special Watergate prosecutor, sparking a historic court test of the separation of powers doctrine.

The federal district court ordered the president to turn the tapes over to the court (360 F. Supp. 1) and was upheld in a modified order from the United States Court of Appeals for the District of Columbia Circuit. When a proposed "compromise" of the issue was rejected by the special prosecutor, the president fired him, caused the resignation of the attorney general and his deputy, and later agreed to release the controversial tapes. Several days later the White House claimed that two of the tapes never existed.

The action brought by the Senate select committee for the tapes was dismissed on jurisdictional grounds. The Senate reacted by declaring its approval of the subpoena activities of the select committee (S. Res. 164) and by passing legislation (S. 2641) to confer jurisdiction on federal district courts over actions brought by the select committee to enforce subpoenas.

The disclosure that the vice president was the subject of a grand jury investigation for violation of criminal statutes triggered a national debate over whether a president or vice president may be indicted while holding office. Vice President Agnew's resignation on October 10 spared courts a battery of constitutional questions and implemented for the first time the use of the Twenty-fifth Amendment, under which the president nominates a successor vice president for confirmation by a majority vote of both the House and Senate.

The president's relationship with Congress deteriorated considerably. Many believe that congressional attempts to regain lost power, such as the enactment of the war powers measure, were encouraged and facilitated by the watergate developments. It seems clear, however, that, while the scandals cannot be discounted, most of the progress made by Congress on this front was inevitable, as much preparatory work had been accomplished in preceding years and because the matter of restoration of congressional authority came to the fore last year.

During its first session the Ninety-third Congress attempted more—many more—ways to reform and strengthen itself as an institution than nearly any previous Congress. If these efforts are continued throughout the second session, this should be remembered as one of the great "reform" Congresses.

Much of what has been undertaken and accomplished lies outside the scope of revision of congressional procedures and in the broader—and generally more significant—domain of congressional-executive relationships. Often resulting from virtual power struggles with the president, accomplishments range the separation of powers spectrum, affecting executive privilege, the sharing of war powers, impoundment of appropriated funds, budget priorities and spending levels, and appropriate exercise of the presidential veto. Although somewhat overshadowed by these more momentous events, Congress also has made or is in the process of making notable changes in its internal rules, some to implement the changes in executive relationships and some in more traditional "congressional reform" areas: the seniority system, the closed rule, the role of the party caucus, coordination and expedition of appropriations bills, and the jurisdiction of legislative committees.

The House and Senate are changing, not only in institutional terms of rules and structure, but also in the nature of the membership. In the Senate the establishment is shifting away from conservative Southern Democrats to more liberal Midwesterners and Northerners of both parties. In the House the traditional, ever-present resistance to change is declining, largely the result of the retirement or defeat of senior members and an unusual rate of turnover in membership generally. In both the House and Senate nearly one half of the members have served less than six years in Congress. This new composition is less resistant to reform proposals.

Another factor having an impact is the "public interest" lobby. In the past reform was an inside job, typically the effort of a coalition of interested representatives and senators. Members of Congress remain the essential ingredient, of course, but they are more and more being assisted and encouraged by groups such as Common Cause, the League of Women Voters, the various Nader organizations, and the Committee for Congressional Reform, the last a coalition of fifty national organizations.

Congressional reformers began their push for the Ninety-third Congress even before the first session began on January 3, 1973. This process was helped by comparable attempts at the outset of and during the Ninety-second Congress—modification of the seniority system, strengthening of the party caucuses, reallocation of subcommittee chairmanships, recorded teller votes, and electronic voting. In December of 1972 hearings on reform conducted by an *ad hoc* Senate committee developed the theme that Congress must reassert itself as a coequal branch of government and to do so must first or at least concurrently reform its internal ways of functioning.

The Ninety-third Congress, with both houses controlled by the Democrats, convened in a mood of antagonism toward the Republican president, chiefly because of the escalation of bombing in Vietnam without congressional consultation, the extensive impoundments of appropriated funds and the invoking of executive privilege.

The initial congressional reform activity in the opening session occurred in the party caucuses. Senate Republicans further modified the seniority system by agreeing to allow Republicans on each committee to select the ranking party member, subject to ratification by the full Senate Republican Conference and with both sets of votes a matter of public record. House Democrats decided to conduct an automatic vote on all committee chairmanships in the caucus at the start of each Congress, by secret ballot if requested by one fifth of members present. The House Democratic Caucus also voted to guarantee all Democrats in the House one major committee assignment.

On opening day Democrats in the House rammed through two rules changes that grant the majority party more control over the scheduling of House business. Now the House may vote on four rather than two days each month on noncontroversial bills under the quicker suspension of the rules procedure.

The House also may now by majority vote rather than unanimous consent decide to begin its sessions earlier than the regular opening time of 12:00 noon.

For the first time in sixteen years there was no battle in the Senate over easing the filibuster rule.

House Democrats voted to open all House committee and subcommittee hearings and executive (bill drafting) sessions to the public unless there is a specific public vote to operate in secrecy. In another significant rules change, House Democrats voted to curb the closed rule as used by the Ways and Means Committee to bar floor amendments on tax and other legislation, by permitting fifty Democrats to force the party caucus to consider an amendment. Under this procedure, if the caucus approves the amendment, the Democratic members of the Rules Committee would be directed to allow a vote on it in the House. These rules changes were approved by the full House in March. At the same time the Senate voted only to permit committees to adopt rules for open meetings.

WAR POWERS RESOLUTION ENACTED

If any single activity in Congress illustrates the efforts being made to reinstate the symmetry of powers between the branches envisioned by the Constitution, it is the enactment of the war powers resolution (Public Law 93-148) late in 1973. The passage of this resolution, climaxing three years of work in both houses, reflects the fact that legislation has become necessary to limit the power of the president to commit American military forces to combat in foreign lands without congressional approval, even though the Constitution expressly grants Congress the power to declare war. In recent years presidents have assumed this authority themselves, nearly ignoring Congress.

The war powers resolution requires the president to consult with Congress in "every possible instance" before committing military forces to hostilities overseas. If the president introduces combat forces to hostilities abroad absent a congressional declaration of war, he must promptly report to Congress his reasons for assuming this authority. The report would have to be submitted by the president to Congress within forty-eight hours of the introduction, stating the circumstances necessitating the action, the constitutional and legislative authority under which the action was taken, the estimated scope and duration of the hostilities or involvement, and such other information as may be requested. Subsequent reporting is also required at least every six months.

The military forces would have to be withdrawn if Congress did not give its approval to the president's unilateral action within sixty days. Congress could simply declare war or extend the sixty-day period. The president would not be bound by the sixty-day requirement if the hostilities involved an armed attack upon the United States. Congress could decree an earlier approval or withdrawal by passing a concurrent resolution.

The resolution states that the president may not derive authority to introduce military forces abroad from any provision of an authorization or appropriation act or from ratification of any treaty, unless Congress specifically states that authority is being conferred. The resolution further states that it is not intended to alter the constitutional authority of Congress or the president or be construed as granting any authority to the president concerning the involvement of military forces he would not have in the absence of the resolution.

The resolution should greatly contribute to a restoration of balance between the president and Congress in war-making authority. It was certain that the president would veto the resolution as, in the words of a White House aide, "a matter of principle." The veto came on October 24, 1973, with the president stating that the measure is "both unconstitutional and dangerous to the best interests of our nation." In a significant legislative defeat for the president, however, both houses overrode the veto four days later, forcing the resolution into law (Public Law 93-148). This was the first veto the Ninety-third Congress managed to override, having failed in eight previous attempts.

A prelude to the war powers bill was the timely and unexpected success Congress had in passing legislation to deny appropriations for United States military undertakings in Indochina absent advance congressional consent. The move began in June when the Senate Foreign Relations Committee added the ban to a State Department authorization bill, and the full Senate overwhelmingly passed the measure and sent it to a House-Senate conference. Earlier a milder version of the ban attached to a supplemental appropriations bill was approved by the Senate. The latter version was accepted by the House but vetoed by the president. But both houses passed a similar ban as part of a continuing appropriations resolution. Keeping the pressure on, the Senate added a Cambodia bombing prohibition to a routine measure to extend the debt ceiling.

Faced with the prospect of having to veto this essential legislation to avoid technically leaving much of the government without spending authority and in an illegal deficit position, President Nixon agreed to a compromise. During debate on a revised supplemental appropriations bill (H.R. 9055), the president sent word to Congress that he would accept a cutoff as of August 15, 1973, on bombing in Indochina. This was accepted by the House and Senate, and all of the affected legislation, except the debt ceiling bill from which the ban was deleted, was modified accordingly.

Thus it was that Congress, despite years of frustration with the Vietnam War, helped substantially to bring our combat activities in Indochina to a halt by exercising its ultimate power: cutting off appropriations. The bomb halt measure was signed into law by the president on July 1, 1973 (Public Law 93-50).

EXECUTIVE CONTINUES TO IMPOUND FUNDS

One of the gravest constitutional questions confronting both the Ninety-third Congress and the courts is executive impoundment of appropriated funds. Congress maintains, and many courts have so held, that when it enacts an authorization bill, appropriates funds for the programs, and mandates the obligation and expenditure of the funds, the president must spend the money for the purposes for which appropriated, unless the Anti-deficiency Act applies. However, President Nixon has insisted that he has an inherent right under the Constitution to refuse to spend appropriated funds in order to hold down government spending, for other purposes relating to the economy, or to set priorities for allegedly competing needs. Although the courts have not sustained these views, the executive branch continues to impound funds.

Both houses have passed remedial legislation concerning impoundment control by Congress. The House version (H.R. 8480) would require the president to notify Congress and the comptroller general within ten days whenever he impounds funds. This bill would provide a procedure pursuant to which either the House or Senate could require the president to end the impoundment within sixty days after notification of the impoundment action. The comptroller general would analyze each executive impoundment message, give his opinion as to the legality of the action, and inform Congress of any impoundment not reported by the president. The comptroller general would be empowered to bring suit against any executive branch official to force compliance with the anti-impoundment law.

Debate on the measure indicated considerable feeling on the part of House members that presidential impoundments are a reflection of an inability of Congress to decide among competing priorities, that this forces the executive to make spending cuts, and that the ultimate answer is not impoundment control but budget reform. To assuage these members, the House bill would impose a congressionally mandated spending ceiling of $267.1 billion. Nonetheless, the majority of House members appear interested in minimizing a president's ability to use impoundment as an item veto to thwart the collective judgment and determination of Congress.

Yet the imposition of a spending ceiling would run at cross purposes, at least with respect to fiscal year 1974, with the anti-impoundment thrust of the bill. This is because the president would be directed to impound funds—within certain guidelines—as necessary to keep federal spending at $267.1 billion. While this impoundment would be congressionally directed, it would grant the president considerable ability to withhold funds for the purpose of negating congressional intent.

Earlier the Senate passed its version of an impoundment control bill (S. 373). Both bills have an identical goal: improved congressional scrutiny of and authority over impoundment. The Senate bill, however, would require cessation of any impoundment not approved within sixty days by action of both House and Senate, require the comptroller general to determine whether an impoundment is within the scope of the Anti-deficiency Act, and permit Congress to disapprove only part of an impoundment.

The House and Senate versions were unresolved in conference as the first session ended. The final version is stalled in part because some members are concerned that passage of the bill would constitute recognition of greater impoundment authority in the presidency than they believe exists under the scheme of government envisaged by the Constitution. In the meantime, Congress seems content to await the outcome of the multitude of anti-impoundment suits in the courts. Congress has facilitated these actions by enacting and extending a joint resolution (Public Law 93-52), which grants jurisdiction to federal courts to hear impoundment suits brought with respect to funds appropriated for a particular fiscal year after the close of the year.

CONGRESS REASSERTS POWER OF PURSE

One of the most important undertakings thus far by the Ninety-third Congress has been a resurgence of its effort to regain control over the determination of federal priorities and spending—a reassertion of Congress's power of the purse. Congress began forfeiting this power years ago when it enacted the Budget and Accounting Act of 1921. Today the result is a presidential budget request that, while initially conceived as only a recommndation, has become the budget in the executive's mind, and an omnipotent Office of Management and Budget that through its apportionment authority can effectively thwart congressional mandates.

Congress has been working on a number of plans to give it control over national spending. Details of the proposals vary, but essentially what is emerging is a scheme whereby Congress would set revenue and spending levels in each session by means of a concurrent resolution drafted by House and Senate budget committees. These committees would be aided by a congressional Office of the Budget, analogous to the executive's O.M.B. Authorization measures would have to be passed by a date certain early into the year, followed by enactment of a resolution setting a spending ceiling and by subsequent enactment of appropriations bills later in the year. The federal fiscal year would be changed to commence on October 1. Both bills contain varying versions of procedures by which excessive appropriations would be reconciled with the spending ceiling, either by effecting cutbacks in spending or passing revenue raising legislation.

The Senate Committee on Government Operations worked on budget control legislation during most of 1973 and has sent its bill (S. 1541) to the Senate. The House Rules Committee has reported the proposed Budget Control Act (H.R. 7130), the product (along with S. 1641) of a joint study committee on budget control. Other bills—the Congressional Budgetary Review Reform Act (S. 905) and the Fiscal and Budgetary Reform Act (S. 1030)—also have been introduced. Another proposal (S. 1214) would require copies of agencies' budget requests to be forwarded to Congress when sent to the president.

Critics of these and like measures contend that the budget committees would become conservative and inflexible supercommittees dominated by senior members of the House and Senate Committees on Appropriations, the House Ways and Means Committee, and the Senate Finance Committee. Others maintain that the scheme would be ineffective, that Congress should adopt a multiyear (for example, three-year) budget, and should combine the authorization and appropriations processes.

Quarrels persist over the means, although nearly everyone in Congress agrees on the end: Congress must regain control over the expenditure of federal funds. Congress could play no greater role on the domestic scene than to establish procedures for the maintenance of its authority over setting priorities by means of the budget and federal spending.

LEGISLATION REQUIRES CONFIRMATION OF APPOINTEES

The Ninety-third Congress has endeavored mightily to extend the Senate's power to confirm presidential nominations to a wider range of executive branch officials. The effort began early in 1973 as part of an adverse reaction to the impoundment of appropriated funds. The House and Senate passed legislation (S. 518) requiring Senate approval of appointees to the positions of director and deputy director of the Office of Management and Budget, including approval of the incumbents in those positions. However, the president vetoed the measure, and the House sustained the veto.

In the meantime, however, comparable legislation was being initiated. The Senate and House have passed bills (S. 37, S. 2045, H.R. 11137) requiring confirmation of future appointees to the O.M.B. posts, as well as of the executive secretary of the National Security Council and the executive director of the Domestic Council. The Senate passed a bill (S. 590) requiring that future appointments of other executive branch officials be subject to Senate confirmation. The Senate has also approved legislation making appointees to the Cost of Living Council subject to Senate confirmation (S. 421).

The Senate Democratic Caucus approved a resolution requiring nominated cabinet officers and other executive branch officials, as a prerequisite to confirmation, to agree to appear and testify before Senate committees in response to a request and to give a commitment to testify when requested. The Senate committees are complying with this policy of the majority party.

The House early in 1973 passed a resolution (H. Res. 132) to establish a Select Committee on Committees to study the organization, jurisdiction, and operation of all House committees. The hearings and panel sessions conducted by the select committee, which were the most significant development in the first session of the Ninety-third Congress leading toward internal reform of Congress, explored the allocation of committee responsibilities, staffing needs, and use of computers.

The select committee is expected to propose ways to eliminate duplicative work by and the overlapping of jurisdictions of House committees and to control the creation of subcommittees. The committee also will advocate mechanisms for intercommittee cooperation on legislation, such as a joint referral system, a bill referral appeals process, joint hearings, and greater use of *ad hoc* committees. It is further expected to propose that the House organize itself before the opening of the first session of a Congress, so as to make more productive use of the opening weeks, and to suggest reforms in the areas of congressional oversight procedures and the scheduling of business.

PROCEEDINGS ARE TELETYPED TO MEMBERS' OFFICES

The House Subcommittee on Legislative Reorganization has proposed House rules changes with respect to an increase in the membership requirement for recorded teller votes, leadership control over the extent of quorum calls, and the handling of nongermane amendments by House conferees in conference committees.

The Joint Committee on Congressional Operations has established a pilot system for immediately reporting congressional proceedings by teletype to members' offices. This is designed to contribute to the efficient use of members' and staffs' time and to provide summaries as valuable planning and reference materials. The joint committee also held hearings on the subject of the constitutional immunity of members of Congress and is continuing to issue reports summarizing pending court actions involving Congress.

Prompted by recent disclosures concerning political campaign gifts, Congress set about to reform the campaign financing laws. Chief among the measures under consideration are bills providing for public financing of federal elections (S. 1103, S. 1954), which have been the subject of hearings by a subcommittee of the Senate Committee on Rules and Administration. Other pending legislation includes the proposed Campaign and Election Reform Act (S. 1766) and the Campaign Mail Act (S. 1096). The House Subcommittee on Elections is holding hearings on election campaign reform legislation.

The House on numerous occasions during 1973 broke with its established operating procedures with respect to tax legislation. For the first time since 1929, legislation from the House Ways and Means Committee (H.R. 3577) was granted an open rule. Ways and Means and other committees held several open executive sessions. The House Rules Committee granted a rule to permit a nongermane "tax reform" floor amendment to a debt-ceiling measure (H.R. 11104), although the committee subsequently reversed itself.

Three subcommittees of the Senate Committee on Government Operations and the Judiciary Committee held joint hearings on "executive privilege" legislation (S. 2432, S. Con. Res. 30) relating to congressional and public access to official government information, and they have begun final preparation of the measures. Hearings have also been held on a measure (S. 1923) to require federal agencies to keep congressional committees fully and currently informed.

The Senate Subcommittee on Separation of Powers held oversight hearings on the activities and procedures of executive agencies. The separation of powers subcommittee also has approved a bill (S. 1472) to permit Congress to review and disapprove executive agreements (rather than only treaties) between the United States and other nations.

The Senate Judiciary Committee and a subcommittee of the House Judiciary Committee held hearings on proposed legislation to establish an Office of Special Prosecutor independent of the executive branch. The House Judiciary Committee has reported such a bill (H.R. 11401) to the House.

CAUSE OF CONGRESSIONAL REFORM HAS ADVANCED

The Ninety-third Congress has forthrightly approached the related subjects of internal reform and interbranch relationships along a wide range of fronts. Several of these efforts, such as caucus rules changes, the war powers measure, cessation of Indochina war activities, and the broadening of the Senate's power to "advise and consent," culminated in success in 1973. Other items, such as impoundment and budget control legislation, may be enacted before the close of the second session. The groundwork for further progress is being laid in still other areas. The Ninety-third Congress thus far has significantly advanced the cause of congressional reform. Additional reforms lie ahead this year.

INCOME TAX RETURN FOR 1973

HON. WILLIAM L. HUNGATE

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. HUNGATE. Mr. Speaker, in accord with my regular practice since coming to Congress, I again disclose my income as shown by my most recent income tax return for the year 1973, due and filed in the year 1974.

My joint personal income tax return, form 1040, line 9, shows my congressional salary of $42,500. Line 11 shows interest income of $836. Line 12 shows other income as $4,990, consisting of an accounting for receipts to my nonpolitical Legislative Service Fund of $4,411, income from honoraria, musical compositions and recordings of $998, and a rental loss of $419, primarily due to fire loss in July 1973.

My total income, as noted on line 13, was $48,326, less line 14 of $5,429, consisting of adjustment for allowed congressional living expenses attending Congress in Washington, D.C., $3,000, and $2,429 for stationery, travel, and office operating expenses in excess of reimbursement, leaving an adjusted gross income of $42,897, as shown on line 15.

Form 1040, schedule A, shows total deductions of $11,385 on line 41, consisting of State and local taxes of $3,144.82, interest paid of $1,101.22, charitable contributions of $1,374.50, and allowable medical and dental deductions of $150. Miscellaneous deductions due to casualty loss, dues, and storage were $444.90, nonpolitical committee, that is, newsletters, questionnaires, were $3,156.65. Bulletins, district office expenses, printing and recording expenses were $1,244.60. Miscellaneous congressional expenses consisting of constituent entertainment, newspapers, periodicals, and so forth, were $768.75.

The total income tax, Form 1040, line 16, is $7,592.18, less a tax credit of $25, noted on line 17, making the total income tax of $7,567.18, shown on line 18. Line 19 shows the total self-employment tax of $80, making the total amount due of $7,647.18, shown on line 20. The total net Federal income tax withheld, line 22, was $11,330.40. There was an overpayment per line of $3,683.22, of which a refund of $2,083.22 was requested, leaving the balance of $1,600 overpaid to be credited on the 1974 estimate. The Missouri State income tax paid was $1,137.

I do not own any stocks or bonds.

In accordance with the Federal Election Campaign Act of 1971, Public Law 92–225, all receipts and expenditures of campaign funds are handled by the Hungate for Congress Committee, Identification No. 007820, Don Thompson, treasurer, Troy, Mo., and I have no direct control over such funds. That fund filed its own income tax returns for 1972 and 1973 and showed no income and no income tax due.

A LETTER TO THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE

HON. FRANK M. CLARK

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. CLARK. Mr. Speaker, the attached letter was sent certified mail today to Secretary Caspar Weinberger in response to a letter I received addressed to me, but was of such a general nature concerning the Department, I cannot but assume it went to all Congressmen. I would like this inserted in the Congressional Record of April 2, 1974.

The letter follows:

Congress of the United States,
House of Representatives,
Washington, D.C., April 2, 1974.

Hon. Caspar W. Weinberger,
Secretary, Department of Health, Education, and Welfare, Washngton, D.C.

Dear Mr. Secretary: Your letter of March 28 arrived in my office this morning, and I must say I was very surprised when I read it.

Your last paragraph stated to "please let you know personally if you feel that the Department is not responding appropriately to your inquiries". How does one reach you? I have been trying since last fall to get an appointment with you concerning research training grants in pediatric hematology. I have had correspondence with your Department since the fall of 1972 concerning this. Dr. David Nathan, Chief, Division of Hematology, Associate Professor of Pediatrics of the Harvard Medical School, has had correspondence with you dating back more than a year. Congressman Tip O'Neill is to attend this meeting and his office has been trying to help me get a meeting with you, to no avail.

Dr. Nathan is to attend the meeting along with Joe Giusti, Director of The Pennsylvania State University, whose daughter Susan has a very serious blood condition.

Your letter said a good place to start is in your Congressional Liaison Office—what a farce. I used to think Katrina Schulhof did a pretty fair job, but she apparently has become too important with her job or herself to bother returning my calls. Her assistants I find very incapable. In fact, why do you have a Liaison Office at all?

Since you have extended yourself to the point of putting out a letter stating how to find information in your Department, why not start with yourself and have your secretary contact me or my Administrative Assistant, Mrs. Farlow, to set up a meeting? Please don't refer this letter to your Liaison Office as I don't want to bother any further with their inefficiency.

I am also putting this letter in the Congressional Record of April 2 for you to read. Your letter, although addressed to me, was of such a general nature concerning the Department, I cannot but assume it went to all Congressmen. I, therefore, felt my Colleagues would also want to read it.

Sincerely,

Frank M. Clark,
Member of Congress.

FORMER ILLINOIS BAR PRESIDENT CALLS FOR END OF LEGAL AID ABUSE

HON. SAM STEIGER

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. STEIGER of Arizona. Mr. Speaker, about a year ago the administration was trying to close down the largely wasteful Office of Economic Opportunity. This year we are going to be asked to vote on legislation to make permanent the most objectionable part of that so-called antipoverty effort, the Legal Services program. Mr. President, I am sorely afraid we are making a rash judgment. However, I recognize that there is still time for a rethinking of the Legal Services Corporation. I most earnestly hope that my colleagues give that idea the serious rethinking it requires.

Few items on our agenda have received the prolonged and heated attention that the Legal Services in its pros and cons has. I am glad of that national debate. I do not think it has been fully adequate yet, however, so I would wish it could continue longer. I believe that the opinion of the majority of Americans has not been really heard; I also believe that the opinion of the legal profession and the organized bar has been insufficiently represented.

By way of evidence for that last statement, I offer a letter, which was originally sent to Mr. Howard Phillips, then Acting Director of OEO, at the time he had testified before Congress regarding his plans for the future of OEO. This letter, from Henry L. Pitts, a former president of the Illinois State Bar Association, commends Phillips for his efforts, and indicates his desire that lawyers for the poor should represent the poor, not ideological causes. I think it is typical of the sentiment in the heartland regarding legal services, and I would urge all my colleagues to listen more closely to such voices from the country before making any rash decisions on the future of Legal Services.

Hackbert, Rooks, Pitts,
Fullagar and Poust,
Chicago, Ill., February 28, 1973.

Mr. Howard J. Phillips,
Director, Office of Economic Opportunity, Washington, D.C.

Dear Mr. Phillips: I have read with interest an article that appeared in the *Chicago Tribune* on Monday, February 26, which included an extensive account of the questions and answers growing out of a conference which you had with newsmen concerning your administration of the Office of Economic Opportunity. Notwithstanding the obvious tone of the "when did you stop beating your wife" questions, I was much impressed with your articulation of what I believe to be a sound approach to the administration of OEO.

I have more than the usual interest that all lawyers should share in the legal services program of the OEO for two reasons. First, I was president of the Illinois State Bar Association during a period when we were trying to carry out a program under the aegis of the OEO with disappointing results which brought sharper realization of the economic waste which seemed to me inherent in carrying out the views of some of the Washington representatives. Secondly, as a member of the House of Delegates of the American Bar Association I have been close to the controversy between Vice President Agnew and some elements of the bar on one aspect of the legal services program. While all of us should agree that a lawyer must represent his client with complete fidelity I don't think that is the real basis for the controversy. I have observed that many of those who parade under that banner are actually more interested in advancing their own social and political views than they are in serving the individual legal needs of the poor. In short, I think that lawyers represent clients and not causes.

I wish you well in your efforts to bring some new direction to this program.

Sincerely,

Henry L. Pitts.

NATIONAL SMALL BUSINESS ASSOCIATION PROPOSES PROGRAM OF CATCH-UP GROWTH FOR SMALL BUSINESS

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. EVINS of Tennessee. Mr. Speaker, as you know, the National Small Business Association recently presented its legislative program to the Select Committee on Small Business of the House, and more than 100 Members and/or their administrative assistants attended this briefing.

Mr. Speaker, you were most kind to take the time from your busy schedule to appear at the briefing and greet and welcome the officials and members of the National Small Business Association.

Your expression of keen interest in the survival of American Small Business is deeply appreciated.

In this connection, I place in the RECORD herewith the highlights of the program and presentation by Ken Anderson, president of the National Small Business Association and president of Artex International, Inc., Highland, Ill.; Carl Beck, president, Charles Beck Machine Corp., King of Prussia, Pa.; Milton Stewart, president, Clarion Capital Corp., New York, N.Y.; and Thomas Rothwell, partner, Rothwell, Cappello & Berndtson, Washington, D.C.

The highlights of their recommendations follow:

First. The adoption, enactment, and implementation of a 15-year program that will double the share of the market now held in each industry by small and medium-size business.

Second. Establishment of a separate, Cabinet-level department within the executive branch of the Federal Government—a Department of Small Business. This will insure that the 10 million small- and medium-size businesses have proper representation and clout within Government to advance its cause and defend its interests.

Third. A two-tier statutory principle must be substituted for the "equality of treatment" concept so that the smaller companies will be favorably treated throughout the whole range of law.

Fourth. The writing, by Congress, of a "Tax Magna Carta for American Small Business," which would have three parts:

Enactment of the Evins-Bible small business tax simplification and reform bill; modification of the capital gains tax to spur investment in small business; and review of other provisions of the tax code to include either scrapping or updating the inequitable fixed-dollar concepts. It would turn the tax code into a hard-driving battering ram which will enable small business to recoup the position which it has lost.

Fifth. A progressive transactions tax on mergers and acquisitions, all in the public interest.

THE RIGHT TO PRIVACY

HON. JAMES C. CORMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. CORMAN. Mr. Speaker, an individual's right to live his life without arbitrary and unreasonable interference by the Government is so fundamental as to be beyond dispute. It is reflected in the Bill of Rights and has been judiciously protected by the Supreme Court in a series of landmark cases.

Yet, that right is slowly eroding. The application of new technologies to old bureaucratic methods has created an information gathering and retrieval system of staggering dimensions. Tens of millions of raw, unchecked files on persons having only the most routine dealings with the Federal Government threaten its very existence.

The Defense Department, Justice Department—including the FBI—Social Security Administration, Civil Service Commission, and Internal Revenue Service are a few of scores of Government bureaus and agencies maintaining such files. The information contained in them is sometimes false, often misleading, and usually based on hearsay.

Present law does not require an agency to notify an individual that it is keeping a file on him. Nor does it allow a person to inspect his file or to add supplementary material. The result is that, among other things, an individual may be unjustly denied a job, full veteran's benefits, a Federal loan, or a Government contract.

For this reason, I have cosponsored legislation which would require each Government agency maintaining personal files to: First, notify the individual that a record exists; second, notify the individual of all transfers of such information; third, disclose information from such records only with the consent of the individual or when required by law; fourth, maintain a list of all persons inspecting such records; and fifth, permit the individual to inspect his records, make copies of them, and add supplementary information.

This should only be the beginning. More legislation is needed to restrict the use of corporate personal information and to regulate the proliferation of companies whose business it is to maintain such files.

The need for individual privacy is essential to our way of life. Any arbitrary and unreasonable intrusion, no matter how minor, cannot and should not be tolerated by the American people. For the cumulative effect of these minor violations is a Government viewed with suspicion and a society bereft of individual freedom and dignity.

GERMANS CALL FOR GREATER ATLANTIC COOPERATION

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. FINDLEY. Mr. Speaker, a Youth for Federal Union Conference, attended by a number of young American and German political leaders, was held recently in Bad Liebenzell, West Germany.

Under discussion were various ways of promoting Atlantic Union, a concept which envisions the bringing together of the democracies of our Western European Allies with the United States and Canada, in a single federal government.

The federal principle is perhaps the supreme American contribution to the art of democratic government. The suggestion that it be utilized in an effort to achieve a more effective unity with the North Atlantic States, a unity which would represent a massive advance in political institutions, is a tribute to the American past, as well as a road to the future.

Despite the differences which have developed in recent years between the United States and some of our NATO allies, support for the Atlantic Union is broad. For example, several prominent German leaders, including Dr. Helmut Kohl, chairman of the Christian Democratic Union, Mr. Franz-Joseph Strauss, the head of the Christian Socialist Party, and Mr. Walter Scheel, the German Foreign Minister, addressed the youth conference. They praised the concept of Atlantic Union, pointing to the challenge to freedom presented by the Warsaw Pact as evidence of the need for closer Atlantic cooperation.

I would also like to note the declaration by the British Atlantic Youth. Speaking eloquently as representatives of the main political parties and of none, they conclude with a call for an eventual political union of the Atlantic peoples.

The texts are as follows:

ADDRESS BY MR. FRANZ-JOSEF STRAUB, CSU PARTY LEADER

The political development during the very last few weeks has shown the importance of a close German-American alliance. I did not only agree on that point with my American opposite numbers in Washington last month, but I also stressed this during the last few days in the German Bundestag as well as in various statements in front of the German and European public. The solidarity between Germany, the free Europe and the United States of America is based on common philosophical and political ideals, which have to prove their worth again and again, and for which we have to stand up unitedly. The proof of this attitude can only grow from a close philosophical and political contact, from mutual understanding and personal friendship, and must particularly find response in our youth, because it is they who will govern the world. It is the task of all of us to work towards the object that this world will be able to live in freedom. To this effect I wish the best of success for the Youth for Federal Union Conference in Bad Liebenzell and for its work.

ADDRESS BY MR. WALTER SCHEEL, FOREIGN MINISTER OF THE FEDERAL REPUBLIC OF GERMANY

The conference of Youth for Federal Union is a welcome occasion for me to send you my cordial congratulations. With this I connect my acknowlegement of the work you achieved. Your activities for Good German-American relations will also be of great importance for the future strengthening of the Atlantic Alliance as well as for the cohesion of the partnership. I wish you the best of success for the conference.

ADDRESS BY DR. HELMUT KOHL, CHAIRMAN OF CHRISTIAN DEMOCRATIC UNION, GERMANY

Ladies and Gentlemen: You have chosen the problem of Atlantic relations to be the core of your conference program and you will discuss this subject from several aspects. In doing so you stand up for a central theme of our days, at times in which European-American relations are not good, let alone the German-American relationship which is not far away from the freezing point.

This situation confronts us Germans and Europeans with urgent tasks which we may not neglect, if we do not want to suffer immeasurable damage. We have to proceed from the realization that only alliance with America guarantees European security. The idle talk of neutralization of the Federal Republic or Europe, which occurs here and there, is thus disposed of anyhow.

However, we can only assure ourselves of a durable partnership with the USA, if we, as Europeans, create the necessary preconditions: integration in all areas in order to be able to act politically as one community. Europe's lamentable attitude during the current oil and energy crisis makes us drastically realize the importance of this demand.

At the same time, however, we have to turn our minds to the philosophical and sociopolitical challenge by the communist states of Eastern Europe. We may not counter this only materially or remain in a position of preserving only. We must counter it in an offensive way—offensive by the further development of our social order. European politics therefore must be pre-eminently freedom-oriented social politics.

Only an attractive Europe from the sociopolitical point of view will contribute to the surmounting of inner-European tensions, will encourage social justice and will thus be able to make a contribution in solidarity to social and economic progress in our world.

Only a unified Western Europe will be able to assume its due position enjoying equal rights with its partner America in the framework of a newly formed Atlantic Alliance.

Both demands, however, can only be realized, if all groups within our population, and particularly our youth, are convinced of the importance of a unified Europe. You are taking one step in this direction by driving the concept and commitment for Europe and Atlantic partnership further home to German and American youth leaders. For this gratitude is due to you.

I wish you the best of success for the conference.

Atlantic Youth Declaration

We, the undersigned, young citizens of the United Kingdom representative of the main political parties and of none, address this Atlantic Declaration to our fellow citizens in the United Kingdom, Europe, and North America, and to the Governments of all European and Atlantic countries, in the hope that the need for Atlantic Unity will not be neglected.

We believe that the liberties of individuals and the territorial integrity of Nations are fundamental bastions of free civilised peoples.

That these bastions are preserved in the Atlantic Community.

That Unity within the Atlantic Community is essential to the preservation and furtherance of these ideals.

That the forces of international disharmony present a threat to the peace and freedom of the democratic peoples of the Atlantic Community.

We further believe in social harmony and economic justice within States and urge that due regard be given to policies which bring about that harmony.

In the need for greater ties amongst western youth, particularly bearing in mind the almost universal acceptance of votes at eighteen.

In youth exchanges between western Europe and north America, in the extension of European and American studies, and in joint educational exchange programmes from the two continents.

In an extended trade partnership between the European Economic Community and North America as a basis of an Atlantic Economic Community and its attendant desirable political consequences.

In more measures to ensure common defence among the Atlantic peoples with defence contributions fairly shared among respective countries.

In a united Europe as an outward-looking political and economic system.

In the eventual political union of the Atlantic peoples.

Recognising that by joining the respective strengths of the Atlantic peoples the whole world is more likely to be ensured of a lasting peace and prosperity.

JUDGING THE PRESIDENT

HON. JEROME R. WALDIE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. WALDIE. Mr. Speaker, as a member of the House Judiciary Committee, I was asked by Ms. Blake Fimrite, of Newsday, to describe my position on the difficult responsibility of passing judgment on the President of the United States. My comments as published in Newsday follows:

Judging the President

It would be difficult for any person to approach the responsibility of passing judgment on the President of the United States without, at some point, feeling private doubts and experiencing some sense of inadequacy and, even, apprehension.

Even to pass judgment on Richard Nixon as a private person and not as a President presents some difficulty to me. Confronted with Richard Nixon only as a private individual, I would be deeply involved with a sense of personal sympathy for a man whose career and fortunes have proven ultimately tragic, not only for the country, but for him and his family. The extent of his personal responsibility for his plight only slightly mitigates my sympathy for a human being reduced to the pitiful remnants of reputation that Mr. Nixon now possesses.

But it is not as a private person judging another private person that I am asked to confront and judge the performance of President Nixon. It is, instead, as a member of the House of Representatives sworn to uphold the Constitution and to perform the constitutional responsibilities of my office. Among those responsibilities at this moment in history is the solemn, unwelcome duty of determining if the President has committed impeachable offenses in violation of the Constitution.

As a member of Congress judging a President, I seek to insulate myself from some of the doubts, misgivings and uncertainties that I would possess as an individual not entrusted with this constitutional obligation.

It has not been easy to free myself from all self-doubt and hesitation. Like most Americans, I was raised with—and have never lost—the tinge of awe and veneration we attach to the office of the presidency. And I have generally felt almost equal awe and respect for its occupant.

But perhaps too much awe and veneration have been granted to those who have occupied the office in recent years, and that has contributed to the tendency of Presidents to consider themselves more important than their office. That is why a President can confuse his personal "diminution" with a "diminishing of the office of the presidency."

President Nixon is all too aware of the tendency of most Americans to practically enshrine their Presidents. It is his knowledge of this characteristic that has prompted the arrogance he has lately displayed in seeking to deny access to evidence in his possession sought by those official bodies investigating presidential misconduct. The President has imperiously ordered one special prosecutor to be fired because of his insistence on probing for truth; he has imperiously ordered another special prosecutor to cease seeking additional evidence from the White House; and he has given every public indication that his arrogance will similarly extend to the House Judiciary Committee conducting the impeachment inquiry.

As President Nixon has succumbed to the tendency to believe he is entitled to veneration and to enshrinement; as he has increasingly manifested conduct exemplifying his personal conviction that he is "larger than life"—that the President is more important than the presidency—he has brought about a convincing metamorphosis in my personal attitudes toward this particular occupant of the office.

My awe and reverence have disappeared. I have begun to experience unease and uncertainty at the possibility of the President continuing in office and continuing to believe his fate is more important than the fate of his country.

And so, finally, I find no trepidation, no fear, no uncertainties, as I approach the responsibility of judging the President of the United States.

In the final analysis I participate with eagerness. I am fully persuaded that for future Presidents to be deserving of the veneration and respect that past Presidents have received, we must judge—and judge clearly—those Presidents who tarnish and diminish their office. That responsibility is no occasion for reluctance or misgivings—it is an occasion for determination and resolve.

AIDING SOUTH VIETNAM

HON. ROBERT J. HUBER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. HUBER. Mr. Speaker, the House will be called upon this week to decide whether or not to provide some insurance for our large and costly investment in a non-Communist Vietnam or whether to invite North Vietnam to conduct yet another large-scale invasion of that already devastated land. In my opinion, the Richmond Times-Dispatch of Friday, March 29, 1974, made a case for additional aid very well and I commend it to the attention of my colleagues. The article follows:

Aiding South Vietnam

Predictably, senators like Edward Kennedy, D-Mass., and George McGovern, D-S.D., who would have abandoned South Vietnam to the Communist wolves when the going was tough for the United States are leading the fight to throw Saigon to the pack now that American troops no longer have to fight in that Asian land.

The Senate "doves" have lined up against a Pentagon proposal to shift $474 million in left-over authorizations to help South Vietnam meet its defense costs, which have risen because of petroleum price increases and general inflation. Unless Congress permits this boost, it is anticipated that South Vietnam will be forced to curtail acutely its military operations.

But, unpredictably, the liberal faction has received some succor from Sen. Barry Goldwater, R-Ariz., the dean of Capitol Hill conservatives. Goldwater said he thought he could support Kennedy's amendment because Vietnamese inflation was no reason for boosting congressional ceilings on military aid for Saigon. Besides, Goldwater said: "For all intents and purposes, we can scratch Vietnam. I think it's evident that the South will fall into the hands of the North."

Now, that is the kind of straightforward talk that has helped make Goldwater a hero to many Americans, but it is not—we would submit—the kind of sensible reasoning that equally should be expected from that eminent conservative. For if the senator would examine his statement, he would have to conclude that logically he should oppose not just the requested supplemental allocation for South Vietnam but also the $1.1 billion basic amount for that nation's defense. For if the anti-Communist cause is manifestly moribund in Vietnam as Goldwater implies, then not one dollar more should be spent there.

But the evidence is that South Vietnam's future in the face of continuing Communist aggression is far from being hopeless. Since the agreement calling for the withdrawal of American combat forces was signed 14 months ago, the South Vietnamese have tenaciously held provincial capitals and major population centers in spite of North Vietnam's infiltration of some 130,000 troops into the south in violation of the agreement. The American Security Council, after a recent fact-finding mission that included conservative Rep. Philip M. Crane, R-Ill., concluded that the next two years would be crucial to the ability of South Vietnam to remain a non-Communist nation.

"It would be a mistake of historic proportions," the group said, "should Congress accept now the argument of critics who contend that the U.S. participation in the defense of South Vietnam was all wrong and that the U.S. should cut its losses and abandon the South Vietnamese as a hopeless cause."

If for no other reason, Congress ought to be interested in South Vietnam's success in order to protect a huge American investment already made there: 50,000 lives and $130 billion. But beyond that concern, Americans ought to have somewhere amid their boredom and self-centered concerns, at least a tiny spark of compassion for the brave people of South Vietnam who do not want to be conquered and who are resisting with all their might.

NUECES RIVER PROJECT IN TEXAS

HON. E de la GARZA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. DE LA GARZA. Mr. Speaker, in conjunction with my colleagues the Honorable JOHN YOUNG and the Honorable ABRAHAM KAZEN, I am introducing today a bill authorizing the Department of the Interior to construct, operate, and maintain the Nueces River Project in Texas.

This bill is similar to legislation previously introduced in the House but provides for a greater degree of local participation.

The project calls for the construction of Choke River Dam and Reservoir on the Nueces River. The reservoir would be a source of added water supply for the large and growing city of Corpus Christi.

My bill authorizes the appropriation of $50 million. Prior to the appropriation of any Federal funds, however, local interests would make a contribution of of $15 million. Upon completion of the work this sum would be applied as a credit to the repayment obligation of the local entity—in this case, the city of Corpus Christi—for municipal and industrial water service.

Mr. Speaker, this much-needed project has long been discussed. The State of Texas found it to be feasible and in the public interest. It has the wholehearted support of the city officials of Corpus Christi and all other communities in the area. Extensive studies have shown the Choke Canyon site to be the most economically feasible in meeting the water needs of the area. The Interior and Insular Affairs Subcommittee on Water and Power Resources last November held onsite hearings on the project.

It is time to move ahead on this important and necessary project.

AGAINST PSRO'S

HON. TRENT LOTT

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. LOTT. Mr. Speaker, every American has a right to privacy. Nowhere is this most fundamental principle more essential than in lawyer-client, priest-penitent, and doctor-patient relationships. But these privileged relationships and the right to privacy are being eroded daily.

There has been a disturbing trend in recent years for some organizations and Government agencies to collect and exchange medical records as a matter of routine. Patient's records have actually been punched into computers where they are made available to credit agencies, insurance agencies, and others who want the information.

Even more disturbing, though, is a section of Public Law 92–603 which is commonly called professional standards review organizations—PSRO. This Federal law will require millions of Americans to have their medical records fed into data banks and exposed to clerks and other bureaucrats before patients can be reimbursed for their health care expenses.

Section 1155(a)(1) of Public Law 92–603 says, in part—

> Notwithstanding any other provision of the law, but consistent with the provisions of this part, it shall . . . be the duty and function of each Professional Standards Review Organization for any area to assume, at the earliest date practicable, responsibility for the review of the professional activities in such area of physicians and other health care practitioners and institutional and non-institutional providers of health care services and items for which payment may be made (in whole or in part) under this Act.

Paragraph (4) of the same section continues:

> Each Professional Standards Review Organization shall be responsible for the arranging for the maintenance of and the regular reviews of profiles of care and services received and provided with respect to patients, utilizing the greatest extent practicable in such patient profiles . . . Profiles shall also be regularly reviewed on an ongoing basis with respect to each health care practitioner and provider to determine whether the care and services ordered or rendered are consistent with the criteria specified . . .

This means all physicians' records must be made available to the bureaucracy, and that laymen will be authorized to inspect these records as well as doctors' offices. In addition, physicians will be required to keep patient profiles for regular review by clerks and bureaucrats.

It is easy to find reasons for investigating the private lives of citizens. Some argue that the Government needs more information about individuals in order to legislate wisely, while others assert that such information is essential for national security.

Arguments such as these, however, can lead to excesses. The theft of the Pentagon papers, credit data banks, and the use of social security numbers to collect information that is in no way related to Social Security Administration are prime examples of the extremes to which some people in Government will go.

Unfortunately, PSRO law not only invades the right to privacy enjoyed by every American; it violates the confidentiality of the privileged doctor-patient relationship.

HON. WILLIAM S. MAILLIARD

HON. PHILLIP BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 25, 1974

Mr. BURTON. Mr. Speaker, I should like to congratulate and extend my best wishes to my distinguished colleague, Bill Mailliard, as he assumes his new responsibilities as United States Ambassador to the Organization of American States.

In our years of service together, I have valued his friendship and I will continue to do so.

Bill Mailliard has represented the people of California and the Nation with honor, ability, and integrity.

He has, as a Member of the House, reflected great credit on a proud San Francisco name and in this new post he will, I am sure, continue to gather new honors in the service of the people of this Nation.

Bill Mailliard is the only Member of Congress to serve simultaneously as the ranking minority member of two committees; the House Foreign Affairs Subcommittee on International and American Affairs and the House Merchant Marine and Fisheries Subcommittee on Panama. Both of these committees have specific jurisdiction over matters relating to the Organization of American States.

Bill Mailliard has worked to preserve and protect open space. He has sponsored legislation which established the Farallon National Wildlife Refuge, the Point Reyes National Seashore and the Muir Woods National Historic Monument.

He was the lead coauthor of my legislation establishing the Golden Gate National Recreation Area.

His authorship of the Merchant Marine Act of 1970 was of critical importance to the San Francisco Bay Area because of its incentives for increased shipbuilding and added employment.

Bill Mailliard voted his convictions and supported legislation which many might have avoided. He voted his conscience on such issues as busing and the Vietnam war, although his position might have run contrary to a sizeable segment, if not a major segment of his constituency. Bill and I differed markedly on the Vietnam war.

While Bill Mailliard's work in the last few years has been heavily concentrated in the area of foreign affairs, he has demonstrated an extreme alertness and awareness of our domestic problems; one example of his interest has been his continuing efforts to secure funding for low- and moderate-income housing for both San Francisco and Marin counties.

Bill Mailliard is a man of stature and character who brings to his new assignment the good will and esteem of all who have been privileged to work with him this body.

He has my most sincere best wishes and congratulations.

A TRIBUTE TO JOE ROBERTS

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. MURTHA. Mr. Speaker, if all the tickets Joe Roberts has sold, for one good cause or another over the past 40 years, were laid end to end they would reach all the way from here to heaven.

Joe Roberts has made a life's work out of service and it is a happy occasion for me—and a genuine privilege as well—to join with you tonight in paying tribute to a man who has given freely of his time and energy to civic and religious causes without number.

It is difficult to identify some small part of his work in the time we have here this evening. There are so many areas in which he brings the benefit of his talents for organization, for determination and accomplishment.

So many good and worthwhile activities, from the Boy Scouts where he is a member of the executive board of the Adm. Robert Peary Council, to a directorship at Mercy Hospital in Johnstown.

His awards are numerous and do not begin to cover his very substantial and excellent record of fund raising and civic endeavor.

Back in 1962 the Cresson Mens Club voted him Man of the Year, and in 1971 he received the Humanitarian Award from the United Cerebral Palsy Association.

He received the Citation of Appreciation Award from the American Legion and Home Health Service Award from the Northern Cambria County Home Health services: Numerous Girl Scout awards; pride in excellence awards from the Southern Alleghenies Planning and Development Commission; the Muscular Dystrophy Award for 1966–67. And the Urban Service Award from the Community Action Council.

Where does he find the time—the energy?

This man belongs—heart, soul, and body—to these organizations, he belongs as a participating, actively committed, concerned human being.

Yes, it has been said—and truly—that the strength of America is to be found not in her armies nor in her industrial or military might, but in her people; in the character and quality of individual men and women dedicated to the common good. Voluntarism is not only a great American tradition, it is the mainstay of the democratic system. It is that citizen participation without which free government cannot endure.

Pick an area of interest and involvement—an area that has an immediate importance and Joe Roberts will be found in the forefront.

Ecology—Conservation—as a member of the Cresson Sportsmen Association you can be sure that he has supported the principles that make our air fresh and our waters clean in an environment that allows us to live in harmony with nature.

Education? As a member of the board of directors of Mount Aloysius Junior College he has an abiding desire to prepare our children for the contribution they will make to our society.

At this very moment there is a letter on my Washington desk with Joe's name on it, regarding a project which, if funded, would enable Mount Aloysius to survey the immediate community in depth, to determine its unmet educational needs and to design programs responsive to those needs as well as implement and evaluate those programs.

Now, of particular interest in this area, as you know, is the need for mining and railroad revitalization currently being projected as part of the solution posed by the current energy crisis. We must have answers to develop the techniques to assume a competitive stance. This project would produce a manual for management of educational and operational change in 2-year private institutions of private education. This same manual could be used in similar institutions.

I have been in contact with Sister Cecilia Meighan and Dr. Gardiner on this project, of course, and it is my intention to do all in my power to see to it that this work on junior college capability is funded. I mention it here as one example of the far-reaching interests of Joe Roberts. He asks that I do what I can—and I respond—because I know what is characteristic of Commissioner Roberts. He asks for what is good for Mount Aloysius—and for what, eventually, will be of benefit for the entire community—the entire congressional district.

Yes, Commissioner Roberts represents that sense of community concern and community involvement of which I have spoken. While satisfactorily discharging the duties of his office, he has also given dedicated service to such varied causes as scouting for boys and girls, the Order of Moose, the Pennsylvania Association for Retarded Children, the Red Cross, the Goodwill Industries, hospital work of various sorts. All this reflecting his commitment to the health and well-being of the whole community, as well as a lively interest in that spirit of fellowship that gives extra meaning to his life.

In these troubled times for America, times in which the values and ideals of our past are often neglected or derided, he has upheld the basic elements of any free society—loyalty to God and country. His patriotism has found expression in the American Legion. His deep religious faith has found its larger outlet in the work of the Knights of Columbus and the Holy Name Society.

In times as these, there is a greater need than ever before for active religious commitment. Mere formal or external piety is not enough. There must be a genuine investment of self in the worship and mission of the church at every level. And that giving of self must proceed from a deep inner confidence in God and in his good will for man. Commissioner Roberts is no stranger to such a faith, as those who know him can testify.

He has made public service a way of life and a source of good for all. We know that these are days in which public service is often distrusted. There is a widespread loss of confidence in the integrity of public life and public service. The more valued, then, to see a man like Joe Roberts, whom we honor here tonight, for helping restore the dimensions of respect and the precious ingredient of trust without which no nation can live.

"While we have time" wrote the Apostle Paul, "Let us do good unto all men."

Truly that has been the guiding principle for Commissioner Roberts—and it is that kind of life which we recognize with gratitude—

Joe Roberts is no ordinary man.

While he speaks softly and, in his own gentle way moves mountains, there is nothing flamboyant about him that would indicate his tremendous drive and zeal. We, here in Cambria County, are immensely fortunate in having benefitted from his extraordinary sense of service.

God grant that he will continue to serve the people—and his church—for many, many years to come.

And let me say this. Joe Roberts—while I have been saying these grand words in your praise—I say with all respect that you have no need of a single syllable from me. Your life is of itself a commendation.

I wish you every good thing—for you, your children, and those grandchildren of whom you are so proud. With luck, they may follow in your outstanding tradition of service and brotherly love.

HONOR OUR VIETNAM VETERANS

HON. MARJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mrs. HOLT. Mr. Speaker, I would like to take this opportunity to express the Nation's profound gratitude to our Vietnam veterans. Although March 29 was set aside as the day on which we honor our Vietnam veterans, I would hope that their achievements at the price of great personal sacrifice would be etched permanently into the American conscience, and that we would remain constant in our recognition of the debt we owe these brave men through the ensuing years.

As we enter our second year of peace, an honorable peace secured by the loss of thousands of our young men, by the lifetime of disability and suffering of many thousands of others, and by the displacement of the private lives of so many more, I earnestly hope that we will recognize our debt to our veterans. What more concrete evidence could we present to them than the passage of equitable legislation drafted to assure those who have returned of full employment and responsive educational benefits?

I know that my colleagues join me in this commitment as we honor the dedication and the valor of our Vietnam veterans with heartfelt awareness of their contribution to their country and to the free world.

LET'S GIVE FREE ENTERPRISE A CHANCE TO WORK

HON. ROBERT PRICE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. PRICE of Texas. Mr. Speaker, as is consistent with my standing policy, I insert the text of my current newsletter in the RECORD:

BOB PRICE REPORTS

LET'S GIVE FREE ENTERPRISE A CHANCE TO WORK

Our economy suffers from an energy shortage which has spawned shortages in fertilizer, synthetics and other vital products as well as gasoline, butane and diesel fuel. The energy shortage stems from many years of Congressional actions which have discouraged exploration and production to the point where increased demand hasn't been met. Now we hear pleas for more government controls. More government controls spell more trouble. 30 months of price controls haven't worked. Congress should let controls expire April 30 and give free enterprise a chance to work. Free enterprise has worked well in the past and will again, if we let it!

Local water resources and local economic development are areas that need constructive assistance. That's why I hosted Rural & Community Development Symposiums with County Judges and Commissioners; and why I am seeking re-study of Mississippi water import proposals, based on recent crop prices, and why I am working for funding progress for soil and water quality project for Red River and tributaries.

Better water quality will result in more water for municipal and irrigation uses.

PRICE BILLS AND KEY VOTES

Passed by House:

H.R. 11873 to assist animal disease research.

New Bills Introduced:

H.R. 12842 to repeal Daylight Saving Time.

H.R. 12969 to raise ceilings for guaranteed farm ownership and operating loans.

H.R. 13207 (with 26 cosponsors) to toughen federal kidnap penalties.

H.R. 13348 to increase disabled veteran and war widow assistance.

H.R. 13297 to repeal Occupational Safety and Health Act (OSHA).

H. Res. 849 to disapprove Congressional pay raise (with 11 cosponsors).

H. Res. 975 to oppose giveaway of Panama Canal.

KEY RECENT VOTES

Opposed minimum wage.

Opposed amendment which would have prolonged energy shortage by killing production incentive (defeated, 163–216).

Supported bill to increase veterans' educational benefits (passed).

Supported Water Resources Development Act with construction authority for chloride control structure on South Fork of Wichita River (passed, 374–4).

Opposed federal debt increase (passed, 253–153).

Opposed foreign aid increase through International Development Association (rejected, 155–248).

Supported legislation to aid development of solar power (passed).

WATER FOR NORTHWEST TEXAS

Everyone in Northwest Texas knows the importance of improved water quality and quantity, but officials in Washington are still refusing to move on water import plans.

In response to my request that the once-rejected Lower Mississippi water import plan be re-assessed using today's higher agricultural product values, the Corps of Engineers has responded it feels the project still would not be economical and failed to make a complete re-evaluation at this time. Although the Corps did agree that increased water supplies for West Texas are needed to continue municipal and industrial growth and irrigation in future years, the Corps contended that estimated annual costs of the import plan are four times annual benefits and estimated construction costs are $16 billion plus the cost of building new power generation facilities.

This leaves us in a difficult position, but we must encourage the Corps to recognize the full importance of an adequate water supply for municipal and industrial use and for irrigation to produce the food and fiber this nation will need in future years. I am continuing my efforts to obtain a re-hearing in the Congress on the matter of water importation for Texas.

Good News in the soil and water conservation area is the new Rural Environment Conservation Program (RECP), a replacement for the REAP program. Under RECP, growers can request annual and long-term agreements designed to share costs of conservation practices. This is consistent with legislation I introduced calling for continuation for REAP program benefits.

Farmers plowing up any drought out wheat should be sure to report the action to local ASCS offices to insure history credit and be eligible for possible disaster benefits later.

Encouraging water news for many localities involves funds I have worked for totaling more than $800,000 delivered in the last three months alone. These include:

FHA grant and loan for King-Cottle Water Supply Corporation in continuing support for a new water system for 225 rural families and businesses in Foard, King and Cottle counties; and

EPA grants to support new or improved wastewater treatment facilities in Bellevue, Burkburnett, Henrietta, Pampa, Amarillo, Dalhart, Archer City, Canyon and Tulia.

STOP PANAMA CANAL GIVE-AWAY

In an effort to halt any give-away of the Panama Canal, I have offered a resolution of opposition in the House.

The U.S. built the canal and has a legal right to its ownership and use "in perpetuity." Some $2,397,400,000 in U.S. taxpayer funds used in construction is still outstanding and would be lost if the canal were given away. Some 70% of cargo tonnage passing through the canal either originates in, or is destined for, the U.S.

The Panamanian government has changed 13 times since World War II, five times violently. That does not demonstrate the stability necessary to guarantee us future use, and the U.S. shouldn't lose control of such a vital trade link which also enables ship movements for our own national defense.

A STRONG DEFENSE IS VITAL

As a member of the House Armed Services Committee, I know our country must be so strong that no nation will dare attack us. The military and civilian personnel at Sheppard AFB near Wichita Falls, as well as the management and employees of several industries in Northwest Texas, significantly contribute to the strong national defense posture which serves as the basis for world peace, as well as contributing to local economies.

This year's Defense budget is $85.8 billion, $6.3 billion higher than for FY '74. Much of this increase is for personnel cost increases, procurement and more research and development. The committee has the task of detailed analysis of each item in Defense budget.

JANE FONDA, LOBBYIST FOR WHOM?

When Jane Fonda broadcast her pleas over Hanoi radio, I asked that she be prosecuted for treason, and I still believe she and her kind should be prosecuted. The U.S. Department of Justice, however, has taken a weak posture on this.

When Ms. Fonda and her husband Tom Hayden (SDS founder and member of the "Chicago Seven") brought a campaign to Capitol Hill and obtained use of House Committee rooms to "educate" staff employees, I circulated a letter to all of my House colleagues pointing out their favorable publicity in a Communist Hanoi newspaper and questioning just who they represented in their lobbying efforts.

The concern of my colleagues resulted in a colloquy in the House Chamber in which 33 Members, including myself, participated.

Ms. Fonda has now apparently ceased her Congressional lobbying effort.

THIRTEEN-MILE-HIGH STACK OF MR. SIMON'S WASTEPAPER

HON. BILL GUNTER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. GUNTER. Mr. Speaker, my comments today might more appropriately have been made yesterday, April 1, or April Fool's Day. In this instance, it is the taxpayer who has been played for a fool. I refer to the extraordinary action of Mr. William Simon, Administrator of the Federal Energy Office, in ordering a $12 million printing job, for which no funds had been appropriated by Congress, to produce 4.8 billion gas ration coupons that will not be needed. This collection of waste paper in the form of unneeded gas ration coupons, if put in one stack, would reach 13 miles into the sky.

Mr. Simon acknowledges that he failed to obtain congressional approval of the expenditure of funds for the purpose of printing 4.8 billion gas ration coupons and indicated it was a sort of oversight.

Mr. Speaker, I realize $12 million oversights are all too common in the administration of the executive branch.

However, if we are to believe the rumors and press reports, the author of this $12 million mistake is about to be nominated as Secretary of the Treasury.

It does not give me unbounded confidence in Mr. Simon's qualifications for the job, I confess, that his primary accomplishments so far as head of the Federal Energy Office have been to completely foul up gasoline allocations to all areas of the country while, at the same time, illegally expending $12 million in tax funds to provide a 13-mile-high stack of waste paper that the taxpayers must also now pay to house in Government warehouses somewhere.

Mr. Simon has indicated he will ask Congress to retroactively legitimize his illegal expenditure of funds and to thusly correct his oversight.

I have asked the House Appropriations Committee to disapprove this request, Mr. Speaker, and submit for the attention of my colleagues the text of a letter I have today addressed to the chairman, Mr. Mahon.

It would seem to me that as a minimum requirement for the Senate's approving any forthcoming nomination of Mr. Simon to be the new Treasury Secretary, his much-touted abilities ought to first be put to a practical test by requiring that he find a way to sell this monstrous accumulation of wastepaper to any available bidders.

Given the current paper shortage, there ought to be some market for these curiosities Mr. Simon had printed up in such abundance, and perhaps by selling the gas ration coupons for recycling, some small amount of the total tax funds wasted can be redeemed.

If Mr. Simon is successful in this test of his ingenuity, I confess I still shudder that his confirmation as Treasury Secretary would also put him in direct charge of all those printing presses over at the Bureau of Engraving and Printing, and there is no telling what he might be printing next, perhaps a 13-mile high stack of $2 bills with pictures of Mr. Simon on the face.

I do not presume to advise the Senate in its business, Mr. Speaker, but I do urge the House Appropriations Committee not to make itself a party to an illegal expenditure of $12 million in tax funds by retroactively approving this costly bungling.

The text of my letter follows:

House of Representatives,
Washington, D.C., April 2, 1974.

Hon. George H. Mahon,
Chairman, House Appropriations Committee, U.S. Capitol Building, Washington, D.C.

Dear Mr. Chairman: It recently came to my attention that even following the clear indications the Arab oil boycott would be lifted and the announcement by the President that we would not have gasoline rationing, the Bureau of Engraving and Printing, nevertheless, continued to work feverishly with their presses at top speed to print 4.8 billion gas ration coupons that will never be needed.

This collection of wastepaper, which if put in one stack would reach 13 miles into the sky, cost the taxpayers over $12 million.

My point in addressing this to your attention, however, is the acknowledgement by Mr. Simon reported in the press that through an oversight, no appropriation for an expenditure of funds for this purpose was ever requested or enacted and that a violation of the law thereby appears to have been committed. It was further reported that Mr. Simon intends to seek retroactive approval of this illegal expenditure of $12 million in tax funds.

I am therefore writing to request that the Appropriations Committee conduct a thorough investigation of the apparent bypassing of the Appropriations Committee in this instance and which resulted in the illegal expenditure of funds, and that you report your findings in some appropriate manner to the full House. I am further requesting that the Appropriations Committee disapprove Mr. Simon's request for retroactive approval of the printing of gas ration coupons.

Sincerely yours,

Bill Gunter,
Member of Congress.

RECORD FARM-RETAIL SPREAD

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. FINDLEY. Mr. Speaker, I have been looking forward to hearings on meat prices since November when I first wrote to Chairman Poage urging that they be held. It was my contention then, as it is today, that consumers are not getting a fair shake at the meat counter. I am gratified that the subcommittee chaired by Joseph Vigorito began hearings today. Consumers are paying inordinately high retail prices for beef compared to the returns farmers receive for their animals.

Traditionally, when the price of the basic raw material in a finished product decreases or increases in value the retail price of the finished product reflects with reasonable promptness this decrease or increase. This has not been the case with meat products. As the table below shows, while farm receipts for USDA choice grade beef have plummeted by 22 cents from record highs, retail prices have dropped only 6 cents.

Admittedly there are reasons for a slight widening of the farm-retail spread. Increasing costs of energy, rising wages, higher transportation costs and other factors have all contributed to some increase. Nevertheless, one would expect the price of the hamburger to follow substantially any changes in the cost of the steer.

When the retail price freeze on beef was lifted on September 10, overly fat cattle, some weighing in excess of 1,300 pounds flooded the market. Consumers who had spent the summer attuning themselves to beefless meals did not rush to buy the meat as had been expected and livestock prices plunged. But retail prices for September actually rose slightly over August prices. Some grocery officials said openly at the time that they were keeping beef prices high to compensate for losses incurred when they bought black market beef during the price freeze. Small comfort to the consumer, and a sad commentary on merchandising.

Preliminary March estimates from USDA data show a decline in retail beef prices. But they also show that farm cattle prices declined even more sharply downward, resulting in the largest farm-retail spread in history. Of the $1.44 per pound which consumers paid for beef during March, only 86.5 cents went to the farmer. A record 57.5 cents went to the middlemen. It is not the actual price which matters here. It is the width of the far-retail spread. This shows where a rise or drop in prices goes.

The competitive marketplace system is on trial today in the public mind. Consumers and farmers alike are upset at the current situation. Mr. and Mrs. Average Consumer wonder how much real price competition actually exists at the retail, wholesale and processing levels. Plenty exists at the farm end. The breeding and feeding of cattle is one of the most diversified and intensely competitive economic activities in our Nation. Cattle producers take high risks year after year, and accept the ups and downs of this competitive market.

When cattle leave the feed lots, however, what are the competitive facts? It is in the off-farm chain of events that the consumer is now taking a beating.

It is my hope that the subcommittee hearings will unearth some explanations for the current situation and discover the causes of the all-time record farm-retail spread. It is surely more than pure concidence that chain stores have been advertising meat price reductions within the past 2 weeks. If subcommittee hearings on the price of beef can bring down hamburger 15 cents a pound—as seems to be the case—then perhaps what the consumer needs are more frequent hearings of this sort.

RETAIL PRICE, FARM VALUE AND FARM-RETAIL SPREAD FOR USDA CHOICE GRADE BEEF—JULY 1973–MARCH 1974

[In cents]

	Retail price	Farm value	Farm-retail spread
July	136.3	96.7	39.6
August	144.2	108.5	35.7
September	144.9	91.9	53.0
October	136.0	83.2	52.8
November	134.9	80.0	54.9
December	134.4	79.6	54.8
January	143.0	96.9	46.1
February	150.0	94.5	55.5
March [1]	144.0	86.5	57.5

[1] March data based on preliminary estimates from unpublished USDA data.

Source: Price Spreads for Farm Foods, Monthly Supplement to Marketing and Transportation Situation, Economic Research Service, USDA.

PROPOSES REDUCTION IN NUMBER OF IRS COMMISSIONERS

HON. ROBERT O. TIERNAN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. TIERNAN. Mr. Speaker, I have made several technical improvements in the legislation I proposed to establish an independent commission to enforce the Internal Revenue laws, and am introducing this new bill today.

The major technical change in this reorganization bill I am introducing is the reduction in the number of Commissioners from five to one. After consultation with several persons experienced in administering the tax laws, I believe a system with a single Commissioner will facilitate the enforcement of these laws. But I feel it is imperative to place the control of the tax laws in an independent agency.

The basic premise of our income tax laws is to raise revenues to finance the Federal Government. But this purpose often has been subjugated because of the whims of the political party in power. We have seen political enemies often subjected to undue investigation and harassment while allies often receive extremely favorable treatment.

Tax laws should be administered as tax laws, not weapons or rewards used by the administration in power. We need an independent commission to assure the integrity of our taxing system. We must be assured that a large campaign contribution will not make the IRS look the other way when the contributor files his tax return. And we must also be assured that threatened harassment will not silence political objections.

This independent commission will take away the opportunity for political interference. I urge my colleagues to support this legislation and work for its passage this session.

TRIBUTE TO CAPT. JOHN H. ANTHONY

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. ANDERSON of California. Mr. Speaker, Dr. Albert Schweitzer once said:

> I don't know what your destiny will be, but one thing I know: the only ones among you who will be really happy are those who have sought and found how to serve.

And among the many in our society who serve humanity, the City of Hope selects a "Man of the Year" who symbolizes the excellency and devotion embodied in service to one's fellows.

The 1974 recipient of this honor is no different than his predecessors, nor is he different from those who will follow, in that each continuously seeks to improve the conditions and eliminate the adversity which confronts mankind.

The man selected by the City of Hope to receive this signal honor is Capt. John H. Anthony, an individual who has served his community through business, civic involvement, and social organization.

Educated in England, Captain Anthony attained the rank of Master in 1941, at the age of 32.

During World War II, he served in the British Merchant Marine and saw continuous action, participating in the North African landings and the Italian landings. In addition, Captain Anthony made the infamous Murmansk-Archangel run.

And in 1945, he was appointed to command troop ships, a capacity in which he finished his sea career in 1947.

In December 1947, Captain Anthony was promoted to Marine Superintendent in Charge of the Pacific Coast—headquartered in Los Angeles—for Furness-Withy & Co., an organization he first became associated with in 1924.

Then, on July 29, 1954, he became a naturalized U.S. citizen.

The next year, Captain Anthony joined the Associated Banning Co., as executive assistant to Harold Germain, the president of the company. Nine years later, he was appointed president of the organization.

In 1967, Associated Banning Co. was absorbed by Metropolitan Stevedore Co. and Captain Anthony was appointed president of the merged companies, a position he still holds.

As a leader of the shipping and stevedoring industry, Captain Anthony serves as the president of the Marine Exchange-Long Beach/Los Angeles Harbor, the president of the Los Angeles Steamship Association, a member of the board of directors of Master Contracting Stevedores Association of the Pacific Coast, a member of the board of directors of the Pacific Maritime Association, and as chairman of the Los Angeles/Long Beach Sub-Steering Committee.

Captain Anthony's successful career has not been without its tribulations—the overcoming of which would not have been possible without the aid and support of his wife of 39 years, Isabel Logan, a Scottish lass.

Mr. Speaker, it gives me great pride to joint with the City of Hope in saluting this outstanding gentleman, Capt. John Anthony, who certainly, according to Dr. Schweitzer, has enjoyed a "really happy" lifetime of service.

COMPETITION IN THE ENERGY INDUSTRIES

HON. RICHARD W. MALLARY

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. MALLARY. Mr. Speaker, during this session of Congress, we have been preoccupied by debate over energy resources. We have dealt with the subject in a piecemeal fashion but have failed to determine what out overall Federal policy is, and ought to be, with respect to the development and sale of energy resources.

Few of my colleagues, Congressmen FISH, FRELINGHUYSEN, HORTON, and WHITEHURST, and I have recently completed a study of "Competition in the Energy Industries." We found, as it is widely acknowledged, that there is a high degree of concentration in the energy industries. This concentration allows the behavior of the large, integrated firms to be cooperative rather than competitive.

To insure that the producers are responsive to increases in the demand for energy and that the prices charged by the companies are determined by the free market rather than an oligopoly of the producers, we feel that the Federal policy actively should foster free competition in the energy industries.

We have developed a series of recommendations which we feel could encourage expansion of the domestic energy production in a competitive fashion. I would like to submit for the RECORD, the substance of the recommendation and the findings of our report. Briefly, our recommendations are that the Congress—

One. Require integrated oil companies to divest themselves of their retail marketing and distribution operations.

Two. During periods of shortage and before divestiture is completed, require suppliers of crude oil and refined petroleum products to reduce deliveries by the same percentage to all consumers without preference to affiliated companies or franchises.

Three. Abolish the percentage oil depletion allowance.

Four. Require large, integrated energy companies to disclose corporate information relating to costs, profits, inventories, and reserves.

Five. Reduce tax incentives for foreign investment by completely restructuring the tax credit granted for royalty payments to foreign governments.

Six. Deregulate the prices of crude oil and natural gas; impose a windfall profits tax on "old" oil and "old" natural gas.

Seven. Impose an excess profits tax which would be waived on profits which are plowed back into investment in expanded domestic production.

Eight. Redistribute increased Federal revenues to consumers via the tax system in order to partially offset higher energy prices.

The recommendations follow:

CONCLUSIONS AND RECOMMENDATIONS REGARDING COMPETITION IN THE ENERGY INDUSTRIES

GOALS OF FEDERAL POLICY

The central goals of federal policy with respect to the energy industries should be:

(1) the encouragement of expanded domestic exploration, production, and refining capacity for all energy sources;

(2) the promotion of free competition in order to ensure (a) that producers are responsive to increases in demand and (b) that prices are determined by the free market, not by a sellers' oligopoly.

1. Incentives for expanding domestic production

We believe that present increased energy prices will encourage expanded production. In addition, we believe that the government can effectively encourage further increases in domestic production by reducing incentives for foreign investment and eliminating disincentives for domestic expansion.

In the past, government regulatory and tax policy—often supported by oil lobbyists—has made domestic expansion less profitable than foreign investment. For example:

Oil import quotas created uncertainty regarding the availability of future crude supplies and, therefore, discouraged the construction of domestic refineries.

Permitting oil companies to take a tax credit on royalty payments to foreign governments encouraged investment abroad at the expense of investment in domestic production.

Regulation of natural gas prices discouraged the exploration and development of domestic reserves.

Some observers have doubted that the rearrangement of investment incentives would ensure an adequate increase in production. These observers have argued that the energy companies' strategy relies on curtailing supply, thereby ensuring upward pressure on price. We do not believe that the evidence entirely supports this allegation. In fact, the energy companies have been eager to expand production when domestic expansion has appeared to be profitable—viz., the Alaska pipeline, drilling in the Santa Barbara Channel, development of off-shore and oil-shale reserves, rapid expansion by most oil-owned coal companies.

In short, energy companies have followed a policy of maximizing profits. Unfortunately. business conditions—often engendered by governmental policies and supported by the oil industry—have made expansion of domestic production unprofitable. If these disincentives to domestic investment are removed, we believe that the energy companies' self-interest will lead them to expand their domestic exploration, production, and refining capacity. Especially in light of the high price of domestic crude, it is clear that the energy companies will now be able to make a greater profit by expanding production than by withholding it.

2. Promotion of free competition

While relying on corporate "self-interest" to increase supply, we must guard against "self-interest" being developed to the detriment of the public interest. Therefore, we believe that free competition must be promoted if we are to achieve our energy goals.

The principal competitive forces in the energy industry which check the oligopolistic power of the large, integrated companies are the independent producers, refiners and marketers. It is important to protect the viability of these firms (1) in order to encourage the responsiveness of large, integrated energy companies to increases in demand and (2) in order to check the price-setting power of the large, integrated firms.

The viability of the independents has been threatened in two ways:

First, during the recent shortage, major oil companies have tied up supplies of crude and refined products within vertically-integrated distribution channels, cutting off sales to independent marketers and refiners. Some observers allege that the majors' cut-off of supplies to independents represents a premeditated attempt to curtail competition. Others claim that the cut-off was a legitimate and prudent response to the need for supplying the majors' own retail outlets. In any case, it is clear that the major producers' ownership of retail outlets has been detrimental to the interests of independent marketers and, hence, detrimental to free competition.

Second, integrated oil companies have shifted profits from the refining stage to the crude production stage in order to take maximum advantage of the depletion allowance. Due to the artificially high crude prices and the artificially low refining profits caused by this manipulation, non-integrated refiners have suffered.

In general, we believe that independent marketers and refiners (as well as available free market foreign supplies) have served as a significant check on price increases in the past. In order that independents may continue to play this role in the future, the government must protect them from such practices as (1) curtailing deliveries to independent competitors and (2) reducing independents' profits by setting artificial prices—practices which are anti-competitive in their effect regardless of their intent.

RECOMMENDATIONS

In order to encourage expansion of domestic energy production and in order to promote competition in the energy industry, we recommend that Congress:

(1) Require integrated oil companies to divest themselves of their retail marketing and distribution operations. Prohibiting affiliations between refiners and marketers would foster the equitable distribution of refined products among all retail outlets. In addition, such a divestiture would arrest the major brands' current trend toward carving out monopolistic regional marketing enclaves. This divestiture should be gradual and orderly, so that supply disruptions do not occur and so that these holdings can be sold at a fair market price.

(2) During periods of shortage and before divestiture is completed, require suppliers of crude oil and refined petroleum products to reduce deliveries by the same percentage to all consumers without preference to affiliated companies or franchises.

(3) Phase-out the percentage oil depletion allowance. This would eliminate the incentive for integrated companies to shift profits from the refining stage to the crude production stage. Ending this market distortion would provide relief for independent, non-integrated refiners, whose low profits reflect the artificially low refining profits set by integrated companies.

Prices and profits have already risen more than enough to offset the loss of corporate revenue that this would entail.

(4) Require large, integrated energy companies to disclose corporate information relating to costs, profits, inventories and reserves. The government must have complete access to this information not only in order to discover anti-competitive practices but also in order to make informed decisions in the areas of allocation and rationing, tax incentives, and federal support for research and development.

(5) Reduce tax incentives for foreign investment by completely restructuring the tax credit granted for royalty payments to foreign governments. This would remove one of the principal incentives to priority investment in foreign production.

(6) De-regulate the prices of crude oil and natural gas; impose a windfall profits tax on "old" oil and "old" natural gas. De-regulation is a necessary part of ending market distortions, removing obstacles to increasing production, and discouraging consumption of a scarce good. Specifically, deregulation would eliminate the market chaos created by the $4-per-barrel disparity between old and new oil.

We recognize, however, that permitting the price of old oil and natural gas to rise to the market level will temporarily create windfall profits—profits which are irrelevant to the encouragement of new production. Therefore, we propose that a windfall profits tax be imposed on the difference between the present price and the price after de-regulation. This tax would gradually be decreased and phased out. The tax levels should be high enough to substantially equalize the price of "old" domestic crude oil with recently discovered oil, oil from stripper wells, and foreign oil. The phasing out of the tax should be gradual enough so that there would be no incentive to limit production in the hopes of deferred profits.

(7) Impose an "excess profits" tax which would be waived on profits which are plowed back into investment in expanded domestic production. Excessive profits which should be defined as profits in excess of a reasonable return on invested capital—should be reduced or eliminated by the above recommendation regarding the windfall profits tax and changes in foreign tax credits and the depletion allowance. If "excessive" profits remain, however, we believe that the Congress should encourage the energy companies to use them for expanded production rather than expanded dividends. This could be done by placing a tax on "excess" profits which are not reinvested in an approved manner. Since energy companies are currently investing in expanded production at a rapid rate, this provision would merely ensure the continuation of present positive trends.

We recognize that even reinvested profits remain profits nonetheless. Because of this fact, some observers have argued that excess profits should be taxed away for reasons of equity regardless of their end-use. We believe, however, that the nation's list of priority policy goals must place the need for expanded domestic production ahead of the desire to impose punitive taxes.

(8) Redistribute increased federal revenues to consumers via the tax system in order to partially offset higher energy prices. Three of the above recommendations—the windfall profits tax on old oil and natural gas, the termination of the depletion allowance, and the restructuring of the foreign royalty credits system—would increase federal revenue. By returning this money to consumers, the effect of high energy prices on individuals' overall budgets will be minimized.

The redistribution of the increased revenues should be made by tax credits to those who file and pay federal income tax as well as by an increase in direct payments to recipients of Social Security, Railroad Retirement, or welfare or other transfer payments. By immediate adjustment of withholding schedules and rapid increases in transfer payments, the depressing effect of these taxes would be alleviated and a fairer distribution of the revenues would be possible.

We favor a redistribution formula which would increase the size of the per capita rebate if retail prices increase. Deregulation of crude prices would, of course, put upward pressure on retail prices. However, federal revenues from the windfall profits tax would rise in proportion to crude and retail prices. Therefore, the amount redistributed through the tax, pension, and welfare systems could be varied according to average retail prices.

Some observers have suggested that prices cannot be allowed to rise above certain levels because of inflationary ramifications for the economy as a whole and for "emotional reasons", regardless of a federal per capita rebate scheme. Most economists argue, however, that supply and demand for gasoline will achieve equilibrium well below unacceptable price levels. For example, Milton Friedman argues that the market will "clear" at less than 75 cents per gallon. Another study puts that figure at 59 cents per gallon. Coupled with redistribution of increased federal revenues, these prices do not seem too high a price to pay for (1) eliminating gasoline lines and (2) the more efficient allocation of gasoline that market-regulated demand would produce.

The adoption of these eight recommendations would represent an effective and responsible program toward (1) providing incentives for expanding energy supplies and reducing demand and (2) promoting free competition and, hence, fair prices and a responsive market. While encouraging these goals, our recommendations also strive to lessen the hardships caused for consumers by high energy prices.

ARAB BLOC MUST LOWER PRICE FOR OIL

HON. LOUIS C. WYMAN

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. WYMAN. Mr. Speaker, I have repeatedly stressed that the price being charged the rest of the world for Arab oil bears no relation to lifting cost and is, in fact, unreasonably, and unnecessarily high. Because it is so high and because this oil is a necessity for such nations as

Japan and others that are oil-short, a consequence of the excessive charges is grievous imbalances in payments, huge cost increases and runaway inflation for these countries.

Governments of the oil-short nations, representing most of the world, are not going to stand idly by while their economies go to blazes. Unless the Arab bloc voluntarily lowers its oil price it is predictable that there may be forced an eventual confrontation that would make the recent Mideast conflict look like a picnic.

There is no sense in this and it is to be fervently hoped that the Arab leadership will recognize the problem and deal with it on a constructive and rational basis before the confrontation is reached. Time is running out on this, as witness the editorial comment in last night's Washington Star-News which is of interest in this connection.

> WORRIES FOR TOKYO
>
> Japan is facing unprecedented problems that cloud the future of its economic miracle and could affect the future development of its postwar democracy. The main new element, of course, is the price of oil, together with zooming prices for all sorts of commodities and raw materials for which the country is enormously dependent on imports.
>
> Consumer prices already are rising at an annual rate of 20 percent, and the government has just been forced to allow increases averaging 62 percent on refined petroleum products. Japan is undergoing a rare inflationary experience for a highly industrialized country, and it is sure to increase the militance of Japanese workers who already are seeking 30-percent wage increases in their "spring offensive."
>
> The general increase in costs is bound to make Japanese goods less competitive in world markets, to the extent that other nations are able to hold their own inflation at less virulent levels, as seems to be the case. Some Japanese industries—like steel—will still have advantages in efficiency, but it will require a big turnabout to overcome a payments deficit that reached $10 billion last year and was $1.2 billion in February alone. Japan needs to export in vast quantities to keep its crowded population of 103 million working and reasonably happy.
>
> That means the ruling conservative politicians have a problem, as well as their big-business collaborators whose operations went largely unquestioned in the years of spectacular success. The Liberal Democrats led by Prime Minister Tanaka face difficulty holding on to their modest majority in the upper house of Parliament, in elections to be held this summer. The major looming issue is inflation. Japan's tradition of consensus politics could give way to increasingly direct confrontations.
>
> Tokyo obviously must come up with some convincing answers for assuring its constituents a good life through the economic trials that lie ahead, in a country that also must solve substantial problems in housing, welfare and the environment. Hard work and business imagination brought off the postwar recovery. Some additional elements of political genius may be needed to keep the miracle going.

This was emphasized earlier last month by an interesting editorial comment by Mr. Arthur Arundel of radio station WAVA when on March 20, 1974 Mr. Arundel said:

> The amount of money the raw wealth of Arab oil shieks has over the past few years become something of a legend. But what has happened in recent months has simply reached the absurd.
>
> The sudden and massive increases of oil prices has literally, overnight, doubled the entire national incomes of virtually every oil country in the Middle East.
>
> On a per capita basis, the situation in these tiny Persian Gulf states is even more unbelievable. In Qatar, average income will go from $5,800 last year to $17,400 this year. And, in Abu-Dhabi it could reach a dizzying $45,000 a year for every man, woman, and child in the country. That compares with about $6,000 in the U.S., supposed to be the world's most powerful industrial nation.
>
> These new riches are, of course, not evenly distributed with the have-not nations of the Middle East. Egypt, for instance, which has no oil will continue to have an average per person income of about $240.
>
> The toughest impact of the new oil prices is not really on us in the United States, it is on the already grinding poverty of the less developed poor countries of the world now paying an extra $10 billion a year for energy imports. That is more than all of the development assistance money which these depressed countries now receive from all the rest of the world combined. India, for instance, which spent $420 million on oil in 1973, will pay more than three times that amount for oil in 1974.
>
> The huge question now is what these few small oil rich nations will do with the some $90 billion in oil money which they will get this year alone, for with even the most ambitious spending on their own internal development, they can use only a small fraction of it?
>
> Among the ideas is a sort of "PL 480" program for oil under which poor countries could buy energy supplies from these newly rich nations at reduced prices and easy credit terms. Much in the same way they have obtained surplus U.S. food commodities in the past. But, given the enormous dislocation of the world monetary system, these would still be only cosmetic measures.
>
> But, the die has been cast on all this for the Arab nations have now effectively nationalized and taken control of the oil fields which western companies had built over the past quarter of a century.
>
> And, the huge amounts of money they have is already going into such new directions as buying stock interests in all sorts of other American companies which itself leads to new possibilities. For, if the Arabs should gain control of a couple of major U.S. companies such as Ford or General Motors, then the U.S. Government could just nationalize them and take it all back.
>
> At any rate, and more seriously, it is a dangerous and to the poor nations on earth, a harshly cruel game the Arabs are playing.

WHY DO WE HAVE SO MANY SHORTAGES IN AMERICA NOW?

HON. JERRY LITTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. LITTON. Mr. Speaker, as a Democratic Congressman, perhaps the political course of action for me to follow in this time of shortages would be to place the blame on the Nixon administration, big business, or a Communist conspiracy.

As a freshman Member of Congress, maybe I could just place the blame on both Congress and the administration and suggest that now that I am in Congress, I will work to see that it does not happen again.

But I think that course of action which would better serve those I represent would be to try to explain why we have such shortages. I fully recognize it is dangerous for me to attempt to explain our present shortages because some might interpret my explanation as meaning I am supporting or defending those actions which caused the shotages. I am not defending those actions which caused the shortages, but simply trying to explain how the shortages occurred.

The American people can deal with shortages. What bothers them is the unknown. It is this same unknown that is bothering the business world which results in fewer business expansions, causing more unemployment and creating even more shortages.

Having to wait in line an hour for gasoline is obviously disturbing. Shortages of paper, lumber, and auto parts is frustrating to people, businesses, and the economy, but we have shown we can live with it. What bothers us the most is not knowing if we will have to wait in line for 3 hours next week to get gas or if we can get any paper at all next month. It is bad to be hungry, but much worse to be hungry and not know how long you are going to remain hungry or how much worse it might get.

With different segments of our society each pointing its finger at the other as the cause and with more apparent interest in placing blame than in finding solutions, it is easy to see why big business, the Congress, and the White House are held in such low esteem at present by the majority of the American people.

FIRST STEP IS TO ADMIT THAT SHORTAGES EXIST

Obviously the first step toward solving any problem is to admit the problem exists. Millions of barrels of oil were wastefully used last summer because Americans were unwilling to listen to a crippled U.S. Government. In May of last year, 5 months before the Mideast war and the resulting Arab oil boycott, I said I feared the developing energy crisis would force a lowering of speed limits to 50 or 55 miles per hour by the end of the year.

And yet during the heavy driving months in late spring and the summer when we should have been stockpiling fuel so as to give us sufficient leadtime to head off this shortage, we were using more gasoline than we consumed the previous year. Who was to blame—the American people who would not believe or the Government which had apparently had conducted its affairs in such a way as to cause the American people not to believe what they said?

SECOND STEP IS TO UNDERSTAND THE SHORTAGE

The second step one must take in solving a problem is to understand the problem. It is easier for people to make the kind of personal sacrifices that must be made if they understand how the problem developed, how long it might continue, and how severe it might become.

Uusually a crisis is created when a series of events occur at or near the same time. For example, the break-in at Watergate, while serious by itself, became a governmental crisis only when combined with a number of events.

Many of the shortages in America today are the result of a series of events which by themselves would not have had a major impact on our economy, but when combined, created crisis conditions. The coming together of some events created the kind of climate which can lead to shortages. Sometimes one event leads to another and sometimes one shortage leads to another shortage. The energy crisis is a good example of how a series of events led to the shortage and how the shortage in one fuel helped create a shortage in another fuel. The energy crisis is also a good illustration of how the shortage in one area can lead to the shortage in another seemingly unrelated area.

Who among those involved in finding the great oil reserves in Alaska in 1968 would have thought that in March 1974, we would still not have started a pipeline to bring that oil to America? Who in the 60's would have thought that by the 70's we still would not have deepwater ports, productive offshore drilling, or operational nuclear plants? Who could have predicted that we would finally get around to cleaning up the air at the same time we started running out of energy reserves?

The Clean Air Act of 1970 not only shifted our powerplants from coal—of which we have plenty—to oil, but to low sulfur oil which is limited in supply. Who would have thought that a country with 6 percent of the people of the world using a third of the energy of the globe would place emission control devices on automobiles, sharply reducing efficient use of gasoline in an area which constitutes more than one-third of our total consumption of all energy fuels—at the same time our use of fuel was outstripping our production of fuel? And at the very time the effects of these acts were to come together, who would have thought the major producer of oil, the Arab world, would decide to embargo their exports to the United States?

It is obvious from these statements that I do not think the major oil companies go together and decide to create the oil crisis. Neither do I think President Nixon created it to take our minds off Watergate or to repay favors to oil companies for their $5 million in contributions.

While I do not think big oil companies conspired to create the shortage, neither do I think they have done all they can or should have done to solve the shortage. I also think they have taken advantage of the situation to achieve economic benefits and objectives. Their unwillingness to provide the American people and the Congress with satisfactory answers has been most disturbing to me. I am equally disturbed at the inability of Congress, as well as the White House, to create meaningful and responsible energy legislation which might offend large compaign contributors from the oil industry. Consequently, I have cosponsored a resolution calling for the creation of a nine-member Select Committee of the House of Representatives to study the relationship between big oil companies and the fuel shortage.

In spite of the many unanswered questions concerning the energy crisis, I hope I have shown that it was the culmination of many events. The fact that these events happened at or near the same time is why we had a crisis. Divorce, war or bankruptcy may be triggered by one event, but usually are caused by several events which by themselves may not be of major concern.

Most businessmen can usually withstand one or two setbacks in a year. What most cannot withstand are a series of setbacks in 1 year. A farmer can usually withstand a flood or drought, but can he be expected to withstand a flood, fire, drought, disease and crop failure all in 1 year? We would expect our Government to withstand several of the events mentioned earlier as contributing to our energy crisis. Unfortunately our Government was not prepared to handle all of these events at one time.

WHY DID WE RUN OUT OF ALL FUELS "ALL OF A SUDDEN"?

I have had some ask me why we ran out of gasoline "all of a sudden." I reply that you can fill your car with 20 gallons of gasoline, drive all morning, afternoon and evening and when you run out you will run out, "all of a sudden." The point is, we have been running out of fuel over a period of the last few years. Unfortunately, as our demand for gasoline was beginning to exceed supply, we kept using more and we kept passing more laws which provided for less efficient use of it. The three primary factors which came together to create the fuel shortage are: first, increased demand, second, a peaking of domestic production, third, less efficient use of energy.

The first noticeable fuel shortage occurred in natural gas. What followed was a chain reaction as the shortage of one fuel caused a shift in consumption to other fuels resulting in a situation where it appeared as if we ran short of all fuels at about the same time. For years our Government has regulated the price of natural gas at the wellhead so low that we discouraged exploration for natural gas while encouraging its use at artificially low prices.

In recent years our natural gas supplies have been so low in comparison to demand that many industrial hookups were made on an "interruptible basis" meaning that the business had to have alternative sources of fuel before they were put on natural gas. This was in anticipation of natural gas shortages.

About two-thirds of our propane is made from natural gas so when we experienced a shortage in natural gas we also experienced a shortage in propane. The natural gas shortage also caused businesses on an interruptible contract to shift to their alternate fuels which were usually middle distillates creating a shortage in this line of fuels.

The Government, fearful of unheated homes in the winter and serious shortages in middle distillates, asked refineries to shift production from gasoline to heating oil and other middle distillates. This created shorter supplies of gasoline and caused refineries to cut back on gasoline production at a time when they began to build stockpiles of gasoline for spring and summer driving.

Now you say—alright, I understand how we could be short of most petroleum products at about the same time, but explain why we suddenly end up with shortages of all kinds of products at about the same time?

WHY DID WE RUN OUT OF SO MANY THINGS "ALL AT ONCE"?

First let me answer that by saying that frequently the same set of circumstances that go together to create the shortage of one product also go together to create the shortage of another. Second, the shortage of one product can be the main cause of the shortage of another seemingly unrelated product. Third, a number of our shortages occurred in basic commodities such as steel, oil, lumber or raw agricultural products which are used in the production of a wide assortment of products in America.

For example, we now have serious shortages in nitrogen fertilizer in the United States as well as throughout the world. The fertilizer shortage in the United States means we will produce approximately 22.5 million tons less grain this year than we would if we did not have the shortage. This is almost twice as much grain as was sold to Russia in the famous Russian wheat deal. While headlines talk of predictions by bakers of a dollar a loaf for bread by the end of the year—I do not buy this prediction and I do not think the bakers do either—few have taken note of the fact that the fertilizer which we do not have this year would produce enough extra grain to make 50 billion loaves of bread which is a 5-year supply of bread—or 170-year supply of corn flakes—for the entire population of the United States.

Earlier I said we had a shortage of natural gas and that the shortage of one product could lead to the shortage of another. Did you know that all nitrogen fertilizer in America is made from natural gas?

As you might expect, there are other contributing factors to the fertilizer shortage. Fertilizer profits were low in the 1960's, causing some big companies to get out of the fertilizer business. Low profits meant that few plants were being built. Just as worldwide demand for fertilizer increased, the American Government instigated a domestic price freeze. Fertilizer plants frozen at record low price and profit levels were unable to expand production to meet increased demand. We had a similar situation which, coupled with strikes in Canada against railroads and newsprint mills, caused a shortage of paper in America.

As the price of fertilizer on the world market increased well above that of the frozen price in America, fertilizer companies started exporting their fertilizer abroad, creating an even greater fertilizer shortage in America. Farmers in Red China could buy American fertilizer last year, but many American farmers could not buy it at any price.

This was a situation we saw duplicated in many products as their prices were frozen at times of low profit margins while world demand increased. This encouraged exports or caused the shifting of production away from those items frozen at unprofitable levels.

There are other factors which contributed to the fertilizer problem. A big factor was the Government's decision to encourage farmers to plant all available acres which will put nearly 20 million additional acres in production in 1974. A second factor is that many of these acres have not had fertilizer for many years, meaning they will need heavier than normal applications. Since many of these acres were marginal to begin with, this means they will need heavy fertilization. An additional factor increasing the demand for fertilizer is the increased price for grain, justifying heavier than normal fertilizer use.

Any of these factors which increased demand plus those mentioned earlier which reduced supply could have occurred without creating a major fertilizer shortage. It was a combination of situations and the pressure of one on the other that caused our present serious fertilizer shortage which will influence food supply and subsequently the price of food to American consumers this year and the next.

Shortages or surpluses occur when supply and demand got out of line. In the case of energy, we had both reduced supplies and increased demand. In the case of fertilizer where we are actually producing more fertilizer for domestic use this year than last, the shortage in America is more a matter of demand outracing supply. However, supply could have kept up with demand had it not been for the factors I mentioned which discouraged production and encouraged export.

A LOOK AT FOOD SHORTAGES

A similar situation occurred in food last year. Did you know one of the reasons why baby chicks were drowned and a meat shortage occurred last year was became of a change in the sex life of a fish off the coast of Peru? This fish, called the anchovy, is one of the main sources of protein for the world. A change in temperature of the water off the coast of Peru, together with overfishing, caused the government to halt the fishing for anchovy. This caused increased demand for soybeans, a major source of protein. Remember the skyrocking prices paid for soybeans last year? This resulted in shifts to other protein sources and subsequently to shortages of these proteins. In other words, the shortages of one protein source caused the shortage of another. It appeared as if we became short of all protein sources at once.

This automatically increased the cost of feed for livestock producers. This caused food prices to increase. Instead of encouraging farmers to produce more food to offset increasing food prices, the Government did just the opposite—they froze the price of food at the very time the cost of feed to produce food was increasing.

This resulted in farmers drowning baby chicks because the cost to feed them in many cases would bankrupt the farmer. The food freeze also caused farmers to send milk cows, beef cows, pregnant sows and hens to market. It is true farmers can often increase profits by producing more, but when their cost of production exceeded the market price they could receive because of the retail food price freeze, farmers were forced to reduce herd numbers in an effort to reduce losses. And this is what they did. The reduced herd numbers resulting from the ill-conceived price freeze caused lower meat supplies which are affecting meat prices even this year. Threats of boycotts and calls for export embargoes frightened farmers and discouraged them at the very time they should have been encouraged to produce more.

Just imagine that you own a farm—you have room to keep between 10 and 100 sows this winter. You hear that consumers plan to boycott meat, and that there may be food price freezes. Because of this, you decide to keep 10 sows and not 100. Irresponsible talk of boycotts by those supposedly interested in the consumer resulted in less food being produced and higher food prices.

And so we saw a shortage of anchovy help cause a shortage of soybeans, which led to a shortage of all protein, which raised the price of livestock feed, which raised the price of meat, which led to food price freezes, which resulted in less meat being produced, which caused meat shortages, which caused even higher food prices. It really was not that simple, but I think you can see how a shortage in one product helps create a shortage in another, and how one event leads to another with a combination of events, creating a crisis condition in one or more products.

WAS OUR ECONOMY VULNERABLE TO A SHORTAGE SITUATION?

Of course, one must admit that the economic climate in America was such that it made it easier for the series of events to occur that I have described and for them to have a bigger impact than normal on the supply of goods. An inadequate growth in our economy followed by economic controls set the stage for some of the events I have mentioned which eventually led to shortages in America.

Real growth—the economy's expansion less the influence of inflation—has not been as high as it should have been in recent years. In other words we have been underproducing. While demand for goods was increasing in America, it was increasing at an even faster rate—especially for agriculture and raw products—on the world market. This caused many American products to be sold abroad, creating unexpected shortages in America. Added to this was the devaluation of the American dollar twice in 14 months which made American products far cheaper abroad.

Then along came price controls which froze prices in America at a time when demand and prices were going up around the world. This caused many products to be priced higher on the world market than on the American market. Thus, price controls served to create many shortages in America by encouraging the export of products priced higher abroad than the frozen price in this country.

Some manufacturers shifted production from one item to another to escape production of items frozen at marginal profit levels. This created shortages in some items. Ordinarily these shortages would have driven the prices up for these products, attracting manufacturers to enter the market to produce the product in short supply. However, because of the price freeze this did not happen. As a result we have had shortages of many items.

At this point I think it would be well to point out that in a free enterprise situation, shortages are usually of a short duration. This is true because short supplies of certain products increase the price of these products, encouraging production of the product in short supply and discouraging the consumption of its use because of the higher price.

How high the price goes before demand backs off to equal supply to avert a shortage depends on the elasticity of the demand. Products with a highly elastic demand are those where an increase in price results in a similar decrease in demand and where a decrease in price results in a similar increase in demand for the product. Products with an inelastic demand are those where people are more interested in the product than price which means that significant increases and decreases in price are not followed by a similar increase or decrease in buying.

For example, there is a very inelastic demand for food. In the case of most products, when the law of supply and demand is allowed to work its will without government intervention, we see prices go up a little when there is a shortage of a product. Because of the slightly higher price, some people decide not to buy the product. This reduction in demand provides a downward pull on price, meaning that the price did not have to go up too much to bring supply and demand back in line.

However, in the case of food, people do not quit buying food when food supplies are reduced and prices go up. In such cases, we have the same number of people bidding against each other for reduced food supplies. As a result, a 1 percent decrease in food supply can cause a 3 to 4 percent increase in the price at retail level. The inelastic demand for food can work just as quickly against the producer. Since people can eat only so much food regardless of the price, a slight surplus of food results in substantial price reductions to the producer.

Products with a highly inelastic demand will go up very high in price when there is a shortage of the product. Products with a highly inelastic demand are usually essential products or low in price in relation to the role performed by the product. Water, air, and food are essential and cheap in relation to the role performed. People need all three regardless of price. This is why shortages in food are translated so dramatically into higher food prices. This is also why a steady supply of food is so important to both the consumer and the producer. Dramatic price changes create economic hardships for both. An understanding of this relationship is essential to an understanding of farm programs. I might add that one of the big contributing factors to short supplies of food in America last year was inaccurate estimates on the part of the USDA as to what our food needs would be in 1973.

Another item with an inelastic demand—although not as much as that for food—is gasoline. A slight increase in the price of gasoline will not cause many to quit driving. This means that if higher prices are used to bring supply and demand of gasoline together, the price would have to go awfully high. In the meantime millions of Americans with limited incomes would face extreme economic hardships. This is why the Government often gets involved when simply letting the law of supply and demand work its will may appear the best solution. Unfortunately, the handling of such programs by the Government is such that frequently they result in discouraging production of the product in short supply.

Usually you will find shortages more likely among those products with a reasonably inelastic demand where product availability is almost more important than price. This would include such things as spare parts for a car or tractor, toilet tissue, steel assembly units for a big machine, etc. In cases where the product was not as essential as food or low in price compared to the role played (such as buttons for a shirt), a reduction in the product availability would have caused a price increase which would have been met with reduced demand, bringing demand in line with supply without creating a shortage.

WHAT ABOUT HALTING EXPORTS?

Some might suggest an embargo on exports to solve the shortage problem. Keep in mind the best way to solve a problem of shortage is to get more of the product produced. Embargoing exports of paper or fertilizer is no way to encourage the building of more fertilizer plants or paper mills in this country. Added to this is the balance of trade problem. We cannot buy the increasingly expensive oil from abroad without selling something in return. Trade is a two-way street. You cannot buy more than you sell for very long any more than you can take more out of your bank account than you put in. In 1971 and 1972 for the first time in the great productive history of America since 1893, we bought more goods than we sold. In order to reverse this, we must increase exports. Often those products in short supply on the world market are also in short supply in America. A continual trade deficit will ultimately lead to more shortages and higher domestic prices.

Before you consider embargoing exports, take a good look at what this action has done to the Arab market for oil. In the short term, the Arab embargo has driven the price of oil up. But, it has also caused every major country in the world to start massive efforts to find alternative sources of energy. When we embargoed the export of soybeans to Japan, a product we produce far in excess of our domestic needs, we caused the stable Japan market to develop other sources of supply for soybeans to turn to alternate sources for protein.

I am convinced the Arabs made a big economic mistake when they embargoed oil exports. At the time of the embargo, the United States was becoming increasingly dependent on Arab oil. Our oil production in America had peaked out. Had the Arabs waited another 5 years before showing their hand and awakening America in a dramatic way, our country might have been so dependent on the Arab world for oil that we might have reached the point of no return. Because they showed us what we should have recognized, we now have enough time to develop our own energy supplies without being dependent on any country for something so vital as energy. I can assure you my votes in Congress will be directed toward that objective.

I have long supported the free enterprise system and thought of the law of supply and demand as being better than most we write in Congress. In the case of the energy crisis where the supply of oil is in the hands of a few, whether it be a few countries or a few companies, the law may not be permitted to work properly and the economic impact on large segments of the population would be too great in the short run. I might add when the supply of any product is in the hands of a very few, the price may be dictated by design more than demand.

A SUMMARY OF THE CAUSE OF THE SHORTAGES

In summary, shortages in America have been created by a combination of economic factors rather than any sinister force. These include: underproduction in America; increased demand for goods and services at home and abroad; economic price controls which discouraged production and actually encouraged exportation of products in short supply coupled with two devaluations of the dollar in 14 months which made American goods far cheaper abroad.

Added to this is the fact that a shortage in one product creates a shortage in another. For example, plastic and synthetic fibers are made from petroleum products. A shortage in petroleum products creates a shortage in synthetic fibers which in turn creates a shortage in cotton, and so forth, and so forth.

I fear we are going to see the same domino theory affect unemployment. One of the reasons the administration wanted people to turn down their thermostats as a way to conserve fuel was because this would not put anyone out of work. Let us assume that the Government is able to spread the shortage around in a fair way—not likely—and that fuel use will be cut back in nonessential areas—leisure driving as opposed to operating a factory. Even then the unemployment rate will go up.

In the first place, gasoline stations will stay open fewer hours, causing some to be out of work. With people driving fewer miles, they will buy fewer cars, tires, and so forth. Some who work for the tire company or auto company will, therefore, be out of jobs. Those who work at companies which sell products to those who work at the tire company will be laid off. And so the chain goes on. Just as a shortage in one product can create a shortage in another, a reduction in jobs in one area can cause a reduction in jobs in another.

I do believe the effects of these shortages would be less severe if the Government were more honest with the people. While I have been in Washington, I have seen too many reports which appear to me to be "wishes" rather than accurate estimates of economic conditions. It is almost as if the Government thought it could make something happen by saying it was going to happen. As a result, many American people do not feel they can trust their Government. The American people would be far better able to contend with these shortages if they knew what caused them, how severe they might be, and how long they might last.

I might add that fear of or anticipation of a shortage can by itself create a shortage. Talk that there might be a shortage of a product can cause such unusually heavy purchases of that product that a shortage is created and this in turn can create even heavier demand for a product which before the rumor was in plentiful supply.

I remember the story of the man who opened a hot dog stand. Through hard work, good hot dogs, and imaginative advertising, he soon had hot dog stands throughout the country. He advertised the biggest hot dogs in America. He had signs on the highway, radio commercials, regular newspaper ads and exciting television commercials. One day his son came home from college and told his dad that things were going to get worse. He told his dad that the economy was in trouble and business was going to drop off. So the man closed some of his stands, cut back on the size of his hot dogs and cut back on his billboard, newspaper, radio and television advertising. And just as his son had predicted—business did get worse.

As a freshman Member of Congress, I realize I may not be able to solve some of these problems, but at least I can make an honest effort to explain them to those I represent so they will be better able to cope with them.

Blaming the shortages on those who are already unpopular may be the political thing to do, but it will not bring about solutions and it will not make it any easier for people to cope with the problem. I am convinced that by working together we can solve these problems of shortages and that the first step toward finding solutions is a frank and honest understanding of the problem.

MID-DECADE CENSUS

HON. JAMES A. BURKE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. BURKE of Massachusetts. Mr. Speaker, an extremely worthwhile editorial appeared recently in the Patriot Ledger, published in Quincy, Mass. The editorial clearly points up the need for enactment of legislation to provide for a mid-decade census. I am sure my colleagues will be impressed by the practical and straightforward recommendations which the Patriot Ledger makes in this area, and I hope that all of them will join me in working for enactment of legislation in this area.

The editorial of March 26 follows:

MID-DECADE CENSUS

Back in 1970, the mid-decade census—having a federal census every five years in-

stead of every 10 years—looked like a good idea whose time had come.

The Census and Statistics Subcommittee of the House Post Office and Civil Service Committee held hearings in September of that year, heard complaints about the 1970 census, and made one major recommendation—that the census should be conducted every five years. The panel's support for the mid-decade census was unanimous, and it also had the endorsement of the director of the Bureau of the Census and then-Mayor John V. Lindsay of New York City.

Dr. George H. Brown, then census director, noted, "In view of the growing importance of census-type information and the growing rate of change of our society, it appears that a census every five years is now appropriate."

And that's the point: rapid change outpacing the important statistical data the census provides. The census is more than a body count, important as that is. It relates to the political life of the nation in providing the data for drawing up congressional districts. It bears on the allocation of federal and state funds to communities, on business plans for plant location and market strategy, on economic planning and government policy-making.

But it wasn't until Aug. 3, 1972, that the House Post Office and Civil Service Committee reported out a mid-decade sample survey of population to be taken in 1975 and every 10 years thereafter, in a bill which also sought to protect the confidentality of information provided by individuals during a census. That bill, however, expired without a House vote.

Last April, the committee tried again, but the bill was never granted a rule for House action because of opposition among the House leadership to the confidentiality provisions. Now the mid-decade census bill—without the confidentiality provisions—is back before the committee's Census Subcommittee, which has scheduled a markup session for this Thursday, after which the bill will go to the full committee and is likely to be reported out. (In the Senate, a bill introduced in January, 1973, by Sen. John Tower, R-Texas, for a mid-decade census has received no attention and has not been given a hearing.)

If there is to be a mid-decade census, and we think it would be valuable, Congress had better get going, for the mid-decade is only nine months away.

TRADE REFORM ACT OF 1973

HON. ROGER H. ZION

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. ZION. Mr. Speaker, I am pleased that we are talking and negotiating with the Soviet Union. If words can replace bullets, I am for it.

Shipping highly technical, sophisticated electronic equipment—that helps the Russians develop weapons that could lead to our destruction is another matter.

Our colleague, BEN BLACKBURN of Georgia has done an excellent job of evaluating recent and projected exports of U.S. goods that significantly contribute to the Russian war machine. I hereby submit his testimony on the subject as presented to the Senate Committee on Finance:

REPRESENTATIVE BLACKBURN SUPPORTS H.R. 10710, HOUSE-PASSED TRADE REFORM ACT AS HELPFUL IN SLOWING DOWN EXPORT OF U.S. TECHNOLOGY TO SOVIET WAR MACHINE

Mr. Chairman, I appreciate the opportunity to appear before this distinguished committee in its deliberations of H.R. 10710, "The Trade Reform Act of 1973."

I voted with the majority of the House of Representatives when it passed this bill last December 10th (272–140). Prior to that final passage, I voted for the Freedom of Emigration Amendment to Title IV. This was a critical amendment. It would have the effect of cutting off further U.S. Government credits to finance American exports to the Soviet Union. And it would deny the Soviet Union the most favored nation status it seeks on behalf of its export to this country, unless Soviet leaders allowed free emigration of their citizens.

Through all of the latest Moscow-originated public relations talk, hand-shaking, smiling photographs, and carefully-gauged communiques, one chilling fact penetrates loud and clear:

Henry Kissinger has returned without agreement on that all important second stage of nuclear strategic arms limitations (SALT II).

It is my understanding that, in diplomacy, as in law, a quid pro quo is basic to any sincere relationship.

I suggest that, for all of the talk of improved relationship with the Soviet Union, I find little indication that the Soviet leaders are giving us anything but ominous threats covered but thinly with a bit of double talk here and there.

With all the window dressing ripped away, this is the "something" that we can expect to receive from them in return for the ever-broadening range of concessions, subsidies—even gifts—that they continue to receive from us.

There is, therefore, an urgent need for us to separate the hard, cold facts of "detente" from the deadly euphoria of "detente."

It is my purpose, today, to call this Committee's attention to what I consider the most ominous symptom of the total "detente" syndrome: The manner in which U.S. and British computer technology, together with other U.S. technology, continues to make its massive contribution to the continued buildup of an ever-more-sophisticated and deadly Soviet war machine.

For example: We know that U.S. and British computer technology has enabled the Soviet leaders to advance development of their feared MIRVs from two to four years.

This bill, with its Freedom of Emigration Amendment, will have the effect of, at least, slowing down this dangerous outflow of our most advanced technology into the ever-growing Soviet war machine.

Lenin boasted: "When the moment comes for the hanging of capitalism, the capitalists will bid for the hemp."

As a consequence of White House-demanded Congressional relaxation of export controls in behalf of the Soviet Union, all too many U.S. corporations have stumbled over themselves in their unwitting eagerness to prove correct Lenin's ominous prophecy.

This is no credit to the long-range intelligence of corporate leaders. It is even lesser credit to the leaders of our Government who, lulled by their own rhetoric about "detente," have lost contact with the realities of communism, its ways and wiles, and its ultimate goal: World domination.

These leaders have ignored, certainly, the definition of "detente" given, last September, by Soviet Communist Party Chairman Leonid Brezhnev to his Politburo and to East European Communist Party leaders.

As summarized by U.S. Defense and State Department officials the Brezhnev definition is this:

"To the Soviet Union, the policy of accommodation does represent a tactical policy shift. Over the next 15 or so years, the Soviet Union intends to pursue accords with the West and at the same time build up its own economic and military strength.

"At the end of this period, in about the middle nineteen-eighties, the strength of the Soviet bloc will have increased to the point at which the Soviet Union, instead of relying on accords, could establish an independent, superior position in its dealings with the West."

Actually, there was nothing new about the Brezhnev thesis. From the beginning, Soviet Leaders have often changed tactics; but only as a temporary means toward achievement of the ultimate goal.

That, at least in 1968, Dr. Henry Kissinger appeared to understand these basic Marxist-Leninist tenets and tactics was suggested by certain of the statements which he set forth.

Only last Tuesday, a *Washington Star-News* analysis reminded us of this 1968 Kissinger quotation:

"There have been at least five periods of peaceful coexistence since the Bolshevik seizure of power, one in each decade of the Soviet state. Each was hailed in the West as ushering in a new era of reconciliation and as signifying the long-awaited final change in Soviet purposes.

"Each ended abruptly with a new period of intransigence, which was generally ascribed to a victory of Soviet hardliners rather than to the dynamics of the system."

Referring to Dr. Kissinger's latest mission to Moscow, the *Star-News* analysis added this observation:

"Secretary of State Henry A. Kissinger's scene-setting mission . . . is surrounded with the diplomatic trappings of great events in the making and major achievements within each. But the signs are abundant that the current stage of the U.S.-Soviet detente is reaching the end of a phase, and that the current 'era of reconciliation' is nearing the natural close."

It is most significant that this observation was written on the same day that the news wires were carrying glowing accounts from Moscow of how the American Secretary of State and Soviet Communist Party Chairman Brezhnev had publicly vowed that their so-called "detente" was "irreversible."

Much less reported was the infinitely more significant statement by Mr. Brezhnev that the "alternative" to detente "is war."

Unfortunately, just as their so-called "detente" is on Mr. Brezhnev's terms, so would be the "alternatives." It would be *his* "war."

One of Communism's oldest, most basic tenets is that the Communist Party must never engage in so-called "adventurism"; that is, a Communist power must never start a war without advance assurance of victory. Like his predecessors, Mr. Brezhnev continues to build for the day when his unleashing of Soviet military might against us will enjoy such advance assurance.

Unfortunately, laymen—in government, the media, the public—continue to think of military power in the traditional terms of guns, and planes, and tanks, and ships, and bombs—including nuclear bombs. We fail to appreciate that the very heart of latter 20th Century weaponry is the computer.

Told that U.S. computers are being sold to the Soviet Union, Most Americans feel no alarm. But they should.

The computer is not simply a calculating machine. It is an entire system. Big operational structures such as missile forces, require computers; so do ships, airplanes, missiles and space vehicles.

Until recently, direct export of U.S. computers was restricted by export control regulations. Even so, the origin of today's Soviet systems can be traced to the United States. Following World War Two, the Soviet Union received computers almost entirely from West European plants of IBM.

The earliest American computer sale to the Soviet Union that can be traced was a Model

802 National-Elliott sold in 1959 by Elliott Automation, Ltd., of the United Kingdom. National-Elliott is a General Electric subsidiary.

In 1966, Standard Cables and Telegraph, Ltd. installed a Standard 7 x 8 instrument landing system at Moscow's D. Sheremetyeva Airport. Standard Cables was then a subsidiary of ITT.

In 1968, a second-generation Control Data Corporation 1604 System was installed at the Dubna Soviet Nuclear Facility near Moscow.

In 1972, Control Data sold the Soviet Union a third-generation CDC 6200 system computer.

For these systems, Control Data's operating statement has improved by about $3 million in sales over the past three years. And the Soviet Union has gained 15 years in computer technology.

As 1969 ended, it was estimated that Western computer sales to all of Communist Europe and the U.S.S.R. were running at $40 million per annum. In great part, three came from American subsidiaries.

In 18 months during 1964–65, Elliott Automation delivered five Model 503 computers to the U.S.S.R. The Elliott 503 ranged in price from $179,000 to more than $1 million, depending on its size.

By the end of 1969, General Electric-Elliott Automation sales to Communist countries were four times greater than in 1968.

This market accounted for one-third of General Electric-Elliott's computer exports. Other G.E. machines, including a Model 400 made in France by Compagnie des Machines Bull, were also sold to the U.S.S.R.

Olivetti-General Electric of Milan, Italy, also has been a major U.S.S.R. supplier of G.E. computers.

In 1967, Olivetti delivered $2.4 million worth of data processing systems to the U.S.S.R. This was in addition to Model 400 and Model 115 machines already sold.

In 1967, English Electric sold the U.S.S.R. its System Four Machine with microcircuits. This machine incorporated RCA patents. It was similar to the RCA Spectra 70 series.

Over the years, the U.S.S.R.'s largest single supplier of computers has been International Computers and Tabulation, Ltd. of the United Kingdom. The latter also licenses RCA technology. It has supplied at least 27 of 33 large computers to the Soviet Union.

In November, 1969, five of the firm's 1900 series computers valued at $12 million, went to the U.S.S.R.: These were large, high-speed units with integrated circuits. Without question, they were well in advance of anything the Soviets were able to manufacture in the computer field; even by copying previously-imported technology.

These machines are capable of solving military and space problems. But, being machines, they cannot distinguish between military and civilian problems. There is no way that a Western firm or government can prevent Soviet use of computers for military work.

In 1970–71, came the ultimate insult:

The Soviets indicated that if International Computers, Ltd. of Great Britain was allowed to sell two big, fast, highly-sophisticated 1906A computers, American scientists would be allowed to participate in further research at the Serpukhov Institute of High Energy Physics. The key equipment at Serpukhov, including the bubble chamber, had come from the West.

The Soviets gave "ironclad" guarantees not to use these new British (RCA) 1906A computers for military research. But, gentlemen, we don't know how to prevent the Soviets from using the 1906A for military purposes against us.

Business Week of April 28, 1973, published word that the Soviet Union had contracted for an IBM third-generation 370 computer system. The price: A reported $10 million.

According to the *Washington Post* of July 6, 1973, and the *Wall Street Journal* of August 8, 1973, James Binger, Chairman, Honeywell Incorporated, Minneapolis, told a Moscow news conference his firm had begun negotiation with the Soviet government on two contracts involving several million dollars.

During a recent aviation-space industries exhibition, Soviet interests were noted. U.S. companies at the exhibition included: Westinghouse Electric Corporation, Bendix Corporation, Collins Radio Company, Texas Instruments, Inc., Boeing Corporation, United Aircraft Corporation, Lockheed Aircraft Corporation, Raytheon Corporation.

U.S. News and World Report of January 28, 1974, said International Business Machines and the Univac Division of Sperry-Rand were competing in two areas for contracts for two data systems for Soviet aviation.

Red Star, the official organ of the Soviet Army used the Remington-Rand Univac computer to illustrate an article on Soviet computers with captions translated into the Russian language.

In *Science* magazine of February 8, 1974, Mr. Wade B. Holland, Editor, Rand Corporation's *Soviet Cybernetics Review*, stated:

"There are no rigid standards. Getting a license to export depends on how much weight you can throw or whether your timing is right.

Even as I am worried about the export of computer technology to the Soviet war machine, I am worried about export of precision grinding machines for manufacture of precision miniature ball bearings.

Ball bearings are an integral part of many weapons systems; there is no substitute. The entire Soviet ball bearing production capability is of Western origin. All Soviet tanks, all Soviet military vehicles, run on ball bearings manufactured on Western equipment—or on copies of Western equipment.

All Soviet missiles, all Soviet related systems—including guidance systems—have bearings manufactured on Western equipment—or on Soviet duplicates of Western equipment.

Bryant Chucking Grinding Company, Springfield, Vermont, has been a major supplier of ball bearings processing equipment to the Soviet Union.

In the 1930s, when the U.S. Government and corporations were providing massive infusions of industrial technology into the Soviet Union, Bryant shipped 32.2% of its output to the U.S.S.R. In 1934, Bryant shipped 55.3% of its output to the U.S.S.R.

In 1959, under the then slightly relaxed restrictions commensurate with Khrushchev-decreed "peaceful coexistence," Bryant was able to sell 46 Centalign B machines to the U.S.S.R. In 1960 the U.S.S.R. placed an order for 45 similar Bryant machines. The U.S. Department of Commerce indicated willingness to grant Bryant an export license. Bryant accepted the order. It was not filled, however, because of Defense Department objections that the machines would be used for production of bearings utilized in strategic components for Soviet military end items.

The Bryant-Commerce Department effort to export the Bryant machinery resulted in an investigation by the U.S. Senate Subcommittee on Internal Security. The Subcommittee's report stated:

"We are now concerned . . . the decision to grant the license was a grave error."

Yet, in 1972, the Commerce and State Departments approved Bryant's export to the Soviet Union of 164 precision grinding machines of a new-generation so sophisticated as to be able to manufacture miniature ball bearings to tolerances of 25th millionth of an inch.

If this, in itself, is not a bit chilling to those who recognize the importance of such precision equipment in the hands of the Soviet Union permit me to add the information that while, in that manner, the Soviet's war machine gained 164 of these machines; while the United States, reportedly has never owned more than 77 of them.

Recent reports about agreements signed by General Dynamics Corporation with the Soviet State Committee for Science and Technology are also disturbing. The five-year agreement for scientific and technological cooperation covers such defense-related fields as ships and shipbuilding, telecommunications equipment, asbestos mining and processing, commercial and special purpose aircraft, computer-operated microfilm equipment, and navigations and water buoys.

Also upsetting is Fairchild Corporation's agreement with Communist Poland for sale of U.S. integrated circuit technology used extensively in modern weapons systems and in third-generation computers.

The February, 1974 issue of *Armed Forces Journal International* reports this: The Soviets are asking major U.S. aerospace firms (Boeing, Lockheed, McDonnell Douglas) to sell them, on a major scale, the manufacturing technology and managerial expertise to build wide-bodied commercial jet liners.

Development of the Kama River truck factory will undoubtedly contribute further to Soviet military capability. Quite obviously any truck can haul troops and ammunition to the front as easily as it can transport corn from the field.

In the Soviet view, the competition between Communism and U.S.-based non-Communism for scientific and technological superiority relates especially to direct military power. For there, as Soviet leaders have always seen it, rests the key to their ultimate goal of world domination. It follows, therefore, that strengthening the Soviet armed forces must forever have first call on all scientific-technological resources and capabilities.

Because, again and again, Soviet scientific-technological resource capabilities have ranged from inadequate to dismal failure, U.S.-based superior resources have been tapped. As they have been, so shall they continue to be—unless—the Congress of the United States shuts off the supply of this which, like the U.S. scrap metal of the 1930s must one-day find its end result in a Soviet-inflicted nuclear Pearl Harbor.

I respectfully commend this problem to the attention of this Committee. I do so with great concern. I do so in the hope that serious consideration be given to badly-needed legislation to bring an end to what should never have been started. Provision to the Soviet Union and other Communist countries of anything which, by any stretch of the imagination, could possibly be used for military purposes against us.

Mr. Chairman, again, I thank you for this opportunity. I thank the Committee for its attention. I request, most sincerely, serious consideration to the facts which I have set forth, and to my plea for sanity in the name of U.S. freedom.

MASS TRANSIT NEEDS IN DADE COUNTY, FLA.

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. LEHMAN. Mr. Speaker, Hon. John B. Orr, Jr., mayor of Metropolitan Dade County, Fla., recently testified before the Subcommittee on Transportation of the House Public Works Committee on H.R. 12859, the Unified Transportation Assistance Act of 1974.

Mayor presented his statement on behalf of the U.S. Conference of Mayors, as well as to spell out the enormous needs for mass transit assistance in south Florida.

Mr. Speaker, I fully agree with Mayor Orr, and am inserting his testimony into the RECORD for the attention of my colleagues:

TESTIMONY BY HON. JOHN B. ORR, JR.

Mr. Chairman, members of the Committee, I am John B. Orr, Jr., Mayor of Metropolitan Dade County, Florida, and a member of the Transportation Committee of the U.S. Conference of Mayors. I am here on behalf of the Conference of Mayors as well as Metropolitan Dade County. The U.S. Conference of Mayors is the national association of cities of over 30,000 population, represented by their chief elected officials, their mayors.

I appreciate this opportunity to appear before this Committee to comment on H.R. 12859, the Unified Transportation Assistance Act of 1974. An analysis of that bill is submitted to the Committee as part of our formal presentation.

Rather than addressing myself to the specific provisions of UTAP, allow me to present the views of the U.S. Conference of Mayors on a national transit legislation program for 1974. As the Committee will see, our proposals demonstrate the funding level for UTAP is woefully inadequate. I will then describe our situation in metropolitan Dade County, and justify why we need a fixed guideway transit system.

NATIONAL TRANSIT LEGISLATIVE PROGRAM FOR 1974

A massive positive national program for improving and expanding public transportation facilities and operations in our urban regions, as well as in smaller communities, is now mandated by a combination of critical factors. Besides the sheer necessity of providing greater mobility for people as a prime public service, these critical factors also include the pressing necessity to utilize efficiently—and conserve—our sources of energy and the real threat that life itself, as we know it in our urban areas particularly, could become grievously injured if drastic measures are not taken to protect the environment.

Our new national program for improving and expanding public transportation must have a thrust comparable to the all-out effort and support that we have given to space exploration. Further, this new thrust for public transportation must be elevated to the crash-program level comparable to space exploration, free from the time-consuming restraints of red tape that so often hampers the legislative and administrative process.

With such a thrust as the over-riding objective, the following program is proposed for action in 1974:

A combined effort by Congress and the Administration to increase to at least $3 billion a year the capital grant program of the Urban Mass Transportation Administration. This program should be assured for a minimum of $15 billion for the next five years, with full realization that this outlay may have to be increased as time goes by because of inflationary pressures and the identification of new needs.

A combined effort by Congress and the Administration to provide, for the first time at the federal level, an adequately funded program of financial assistance in the operation of public transportation systems. State and local governments no longer can bear the responsibility of providing financial assistance for transit operations alone. The time for federal government help is long overdue. As a beginning, the federal government should provide $600 million a year in financial assistance for transit operating costs.

The adoption by the federal government—again through a combined effort by Congress and the Administration—of an emergency program calling for an outlay of at least $400 million in 1974 to help expanding transit operating fleets as quickly as possible. For the most part, such an emergency program would be directed toward placing more buses on the streets. It also would require the cooperation of the automobile manufacturing industry in tooling up to produce the buses we need. In this respect, we must think in terms of crash-efforts that were successful in providing aircraft in times of war.

An immediate refinement of the Federal Highway Act, which, as adopted in 1973, gave public transportation, for the first time, a share of the assured source of funds of the Highway Trust Fund. Such refinement of the Federal Highway Act shold be directed not only toward placing public transportation on a par with consideration given highway improvements, but also toward national and region-wide planning on the basis of total transportation needs. The ultimate goal should be the creation of a single Transportation Trust Fund.

The elimination without any further delay of all impediments which thus far have made ineffective the highly desirable procedure to providing federal aid for transit improvements through the so-called contract authority procedure. This procedure, already incorporated in federal legislation, is designed to assure the necessary funding over a period of years—such as a span of five to ten years—so that public transportation systems can carry out the large projects which cannot be accomplished overnight or in a single year. This contract authority procedure is an excellent idea, but it must be made to work.

In taking this immediate action, we must, of course, keep in mind long range goals—such goals as developing a National Urban Transit Plan and Policy. Such a national plan and policy should be developed as quickly as possible.

It has been suggested that a National Urban Transit Plan and Policy should be developed by the Department of Transportation and Congress by 1977. There is, however, a real danger in setting such a deadline four years from now. It could lead to procrastination providing we do not set earlier deadlines for planning. While longer range planning may be an ideal objective for many reasons, we also should not lose sight that planning is also an immediate and continuing process. Immediate and continuing planning must go hand in hand with long range planning.

Most important of all is the mandate for immediate action at the federal level.

Coupled with the need for immediate action is another extremely important factor.

A massive program with increased funding for public transportation will have little chance of success if Congress and the Administration do not provide the assurance that large appropriations of funds will actually be provided for public transportation systems.

There must be the immediate elimination of the impediment that has stalled many transportation improvements in recent years.

The impediment and barrier has been the impounding of transit appropriations by the Office of Management and Budget.

To appropriate funds for public transportation but then to impound the funds is a practice that no longer can be tolerated.

Such was not the case for space exploration. Such cannot be the case if we are to meet the pressing needs for improved and expanded transportation on earth.

This can only be effected if four factors come together:

First, local control over urban transportation projects;

Second, full flexibility between highways and mass transit, capital and operating costs;

Third, adequate and guaranteed funding to meet all needs; and

Fourth, a single Transportation Trust Fund.

I shall now demonstrate, through the experiences of Metropolitan Dade County, Florida, the justification for the National Transit Legislative Program of the U.S. Conference of Mayors.

Urbanized Dade County is a 20th century American city of 1.3 million, with relatively low density development spread over many miles. Though there is a downtown, the Central Business District of Miami, it provides only 8% of the jobs. There are 12 other main employment centers scattered throughout the urbanized area.

The County has completed its authorized Interstate Highway System and other urban freeways. These roads are badly overcrowded in rush hours and traffic moves very slowly. In 1972 there were at least 50 miles of arterial streets and freeways carrying 150% of their designed capacity, and at least 100 other miles of arterials carrying 115% of capacity. Since 1972, vehicle registration and gasoline consumption, and therefore miles driven, have increased 18%, and almost no new roads have been opened. When traffic exceeds designed capacity on roads, the result is that it slows down.

The bus system is publicly owned and has been gradually improving service. But buses currently do not provide adequate transportation. The running times are slow and service between many points is not available.

We have a transportation "problem" in Dade County. Mobility is limited, inefficient, slow and expensive. The private car is relied upon disproportionately. The large elderly population, many of whom cannot drive, and the poor and the young who do not have cars, are severely restricted in their mobility. The transportation problem limits employment opportunities because the people can't get to the jobs and restricts the capacity of many residents to participate in the full variety of our community life.

In moving to solve this problem, we have concluded that we cannot put additional reliance on the private car. Indeed, we cannot use the automobile to the extent we now do. The facilities for automobiles are used to capacity. The roads and streets are full and the city is full of roads. Parking lots are full and the city is full of parking lots.

At the present time, 22% of our urban land, and over 40% of the Central Business District, is devoted to roads and parking lots.

We cannot increase that capacity without unacceptable costs. To build more freeways means destroying homes or businesses. To create more parking means taking more space from what the city is for.

Our city has spread out largely because of the automobile, and this spread contributes to our transportation problem. To try to build more automobile facilities would require greater dispersal as commercial, industrial and residential uses are converted to roads and parking.

We need to encourage greater concentration of facilities.

Let us look at this matter from the point of view of the function of cities. What are cities for? Why are there cities? The reason for cities is to create the *marketplace*—of ideas, of goods, of culture. The marketplace requires direct confrontation between people. Physical concentration is necessary for confrontation.

To a large extent, the private automobile hinders this function simply by taking up too much space—in streets and for storage.

Streets are crucial elements in the marketplace, as they tie facilities together and make communication possible. Streets filled with auto traffic become barriers instead of facilitators of communication.

We must also remember that cities are dependent on the resources of the land that supports them, and cannot consume resources beyond the capacity of that land to produce. The private automobile, used as the primary transportation mode, already clearly is straining the resource base of the world's cities. Even smaller cars are profligate in their consumption of fuel, metals and other products.

I hope that, in planning for the transportation future, we can set aside the question of air pollution. This health problem, caused mostly by cars, is increasing in severity in Dade County yearly, and causes intolerable situations in many cities. Apparently, there will be cars that produce minimal pollution by latter in this decade.

We must bring about a change in transportation practices, changing many trips from private car to public modes.

To achieve this, we must proceed in two ways simultaneously—improving public transit while discouraging autos.

There are two strategies for reducing auto use. One is pricing—increasing the cost of gas, parking, tolls; the other is withdrawing resources—reducing space, parking and streets, and limiting fuel.

The pricing strategy is a license to drive for those who can afford it. If cars hurt cities, there is no justification for this license.

I believe we should withdraw resources from the private car and devote some of those resources to the public modes. I see no evidence that America can afford both cars and transit. We should widen sidewalks so pedestrians can move, create bus lanes and bicycle lanes from street space formerly devoted to cars, husband our fuel resources, giving buses and trains all they need, and change our ordinances to limit new parking facilities, instead of requiring them in new buildings. We should withdraw the resources of street space, parking space and fuel.

I believe these measures are a matter for local government. We in Dade County are starting to accept our responsibility. On one major commuter route, we are closing two lanes to private cars, creating a bus lane and a carpool lane. On another overcrowded freeway route, we are adding a lane, but it will only be used by buses.

But at the same time, public transit must be improved. It must be made faster, more reliable, more comfortable, more convenient and reasonably priced.

Since public transportation is in fact cheaper, as I will show, I want to see a situation where transit is so good people can have the choice of giving up a car and saving money. To do this, transit must provide transportation that competes with the service qualities of the automobile.

It is in the transit improvement side of the strategy that we need federal help. And it seems to us equitable and appropriate that this help should be forthcoming.

We need the federal help because the costs of adequately improving transit are beyond the financial capacity of the nation's cities. As a general matter, the basic revenue source for cities, the property tax, is at a level where any increase would approach confiscation, and would impose unfair hardships.

There is a strong federal interest in improving mobility in urban areas. Fuel and materials conservation is a national matter. Many urban areas are multi-state so we are dealing with interstate commerce. As a mobile citizenry, the ability to move about in any city, affects us all.

Let me address myself now to the question of the kind of transit that we need. We in Dade County studied this issue and opted for a grade-separated, fixed guideway backbone system, supplemented by express feeder buses. It is not an "either/or" system, but a comprehensive and balanced approach that builds upon and improves existing capacity. We considered and rejected an all-bus system. We cannot continue reliance on cars. We balanced the considerations of service and cost. We committed ourselves to a $700 million system, and passed a $132.5 million general obligation bond issue.

Let me spell out the reasons for our decision to choose this system.

1. *Cost*—It has been suggested that fixed guideway transit systems are unjustifiably expensive. In fact, fixed guideway systems are cheaper than freeways. In urban Dade County, a four lane freeway costs $15 million per mile. The land and guideway for our system will cost $12 million per mile. The capacity of a four lane freeway is 10,000 persons per hour. Our system will handle up to 15,000 persons per hour and I might note that the Toronto system can carry 39,000 persons per hour.

The freeway requires four times as much land.

It has been suggested that the job could be done by improvements in bus service that would require far less capital. This question involves a definition of the *job* that needs to be done. To provide the service characteristics that will challenge the car, the rail system is necessary.

The capital costs are clearly higher than for buses alone. You pay more, but you get more. Over half, $400 million, of our costs is for construction of the guideway. It is the guideway which gives the advantages of speed, safety, comfort and lower noise pollution.

The rail cars cost more than buses. Our 380 vehicles will cost $225,000 each, and will seat about 70. A new bus today costs $38,000 and seats about 50. The rail car will be depreciated over 20 years while the bus has an economic life of only 10. Nevertheless, the rail car costs $160 per seat per year while the bus costs about $85.

But again, you get more. The rail vehicle provides the advantages of speed, comfort, quiet, safety, and less pollution, and provides greater service.

While capital costs are higher, operating costs will be lower for our rail system.

The rail system will cost only 41% of what buses cost to operate—46¢ per vehicle mile compared to $1.11 for buses. The rail vehicles are substantially larger than buses. The reason for this is the labor intensiveness of buses. When you add capacity, you add drivers to the same extent. Labor costs are 61¢ of the bus costs of $1.11 per mile. With rail, labor costs are 56% of rail operations, 26¢ of 46¢.

Let us look now at the advantages of rail.

2. *Speed*—The rail system has a clear advantage in speed. Presently, the average speed for all buses is 11 m.p.h. This is reduced somewhat in rush hours. The average automobile speed is 23 m.p.h., but in rush hour this is lowered to the 11–12 m.p.h. level of buses. The average speed of our rail system will be 23 m.p.h. There will be no reduction in rush hour.

The average speed of the trains will be twice the current level for buses, equal to that of cars—but twice the rush hour car average. Bus speeds can be improved on some routes by making express lanes and bus-only lanes, but the opportunities are limited.

Currently, the bus trip the length of Miami Beach takes one hour. The transit schedule will be 18 minutes. There is little opportunity for improving bus schedules on this route. Miami Beach to downtown Miami now takes 45 minutes by bus. The transit will take less than 20.

3. *Service*—Our investigations gave us no evidence that the bus can offer the quality of service that a fixed guideway car can. The rail cars are smoother in ride and in acceleration and stopping and are roomier. Buses cannot provide the facilities that make it easier for the elderly. Rail cars can be entered without steps. The smoother ride is far easier for the infirm.

4. *Pollution*—With present technology, buses cause far more air pollution and the multiple sources make abatement difficult. The electric system produces pollution at only one source, so reduction is simplified. Bus pollution is emitted where people are, while electric generation emissions are generally away from concentrations of people.

We saw no evidence that buses can be made as quiet as the rail cars. Much of the rail system will be elevated, removing the source of noise from the pedestrian and residences.

5. *Safety*—The national experience is that rail transit has half of the accidental injury rate of bus transit.

6. *Utilization*—Part of the conventional wisdom about public transportation is that rail systems cannot work except where there is high density residential and business development and highly concentrated travel into and out of a central business district.

We believe that, on the contrary, a large geographic area like ours requires the high speeds possible only by rail for successful transit. It is the speed that gives our system the flexibility that can enable people to travel by transit. Our system will run to within walking distance of 380,000 residents and 302,000 jobs.

BEEF CATTLE INDUSTRY

HON. ROBERT PRICE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. PRICE of Texas. Mr. Speaker, as a fourth generation rancher and cattlefeeder myself, I want to see the $20 billion beef cattle industry prosper and grow as I feel this is one of the great examples of a pioneer free enterprise industry which produces the No. 1 nutritious food for the American family. Beef.

Mr. Speaker, live cattle prices have come down 15 percent to 20 percent during the past month, resulting in cattle feeders suffering losses of $75 to $125 per head on meat animals marketed; and retail beef prices have not come down proportionately; and current retail prices for beef have apparently met some consumer resistance; and retailers drastically reduced their featuring of beef following the truckers' strike.

The public is getting hit with higher retail prices for beef at the same time farmer's prices are going down.

The spread between retail prices and farm prices for choice beef jumped 10 cents per pound for the week ended February 16. Retail beef prices increased from an average of $1.48 per pound in mid-February to an all-time record of $1.53 per pound at the same time that farm prices for choice steers had fallen $12 per hundred pounds.

Prices for live cattle have been falling since mid-February, while there are indications that retail prices and the retail spread are at, or close to, record highs.

It is time for retail prices to reflect the lower prices for live animals. It would be helpful if retailers were to promote beef through special sales programs. If retail stores would reduce their profit margins to something like normal levels, they could pay the farmers more, or charge consumers less, or both.

The beef industry groups assure consumers that ample supplies of beef cattle are available now and for the next several months—and that they should be able to buy beef cheaper.

I have several suggestions that we might follow in order to help not only the beef producer but also the consumer. They are as follows:

First. That chain stores be urged to continue and expand the featuring of beef and do all possible to move the current oversupply of beef that has stacked up in feedyards and in cold storage; and

Second. That the DOD of the United States be urged to modify their specifications for beef purchases and move forward their purchase dates, in order to take advantage of current low prices; and purchase domestic beef for our overseas bases.

Third. That Congress and the administration take steps to immediately end the economic stabilization program on food, which has not been successful but which has disrupted normal marketing patterns of beef and caused cattle feeders to lose an estimated $1 billion since September; and

Fourth. That the meat grading branch of the U.S. Department of Agriculture be urged to change present grading standards, taking into consideration that we have a shortage of grain in the country, that cattle gain less efficiency during the last 30 to 40 days of normal feeding—it takes more pounds of grain per pound of gain to put on the excessive fat—and that the upper end of the present U.S. good grade is acceptable to most consumers; and

Fifth. That cattle feeders support and help National Cattlemen's Association and the National Livestock and Meat Board in their efforts to maintain liaison with chain stores and to expand the promotion of beef.

My real concern today is that unless something is done immediately, the cattle feeders will be bankrupt and will not be able to continue feeding cattle. As a cattle feeder myself, I know first-hand that the losses, which have been sustained within the last few months and weeks, are only indicative of the overall situation facing every cattle feeder in the business. Not only will the present low prices of fat cattle break those who are feeding cattle, but it will also shake the banks and the other financial loan companies that have been loaning large amounts of money to develop and keep the cattle industry in business. If this happens, the cattle feeding industry will be set back years.

Not only is the cattle feeding industry in jeopardy at the present time but so is the future meat and food supply of the Nation. The present disastrous prices of fat cattle are also having a serious effect on cow-calf operations. It takes years to build a cow herd to supply the steers and heifers for feeders. For adequate supplies of beef in the future, it is imperative that steps be taken to alleviate this situation in the cattle industry.

Some people have argued that export controls should be applied to grain to drive prices down. Although it is true that grain farmers have had higher prices for their grain this past year than in many years previous, their costs have also doubled. Consequently, even with the higher prices, many farmers will not break even. Grain sorghum, I believe, will fight any thought of export controls on grain. This is not the answer to the cattleman's problems.

The grain farmers are dependent upon the cattle feeders and the consumers are dependent upon both for their future food supply. I encourage you to help in every way possible to get the cattle feeders back on an even pattern of business without so many unusual interruptions from Government and economic agencies.

The cattle industry has always helped itself in the past. They have initiated intensive beef promotion campaigns, soliciting the help of supermarket chains in featuring beef and also assuring them of a constant supply as long as prices remain favorable for production.

The cattle feeding industry has been plagued with boycotts, price freezes, truck strikes, increased costs of feeding and so many factors wrecking its normal operation that one wonders how any industry could be expected to survive with these problems.

Consumers can expect a gradual return to more stability of beef supplies and prices if the Government does not again disrupt the beef production and marketing system.

The ill-advised beef price freeze of 1973 caused problems for consumers as well as the cattle industry—artificial beef shortages, abnormal fluctuations in beef supplies and prices, and, at times, higher retail prices than would have prevailed under continued operation of a free market.

The only solution to these problems is to eliminate artificial controls on agriculture and food, particularly where commodities like beef are involved, and let the free market system work. In this way, we can help assure greater longrun beef supplies, with more stable prices for consumers and adequate returns for producers.

One of the freeze-caused disruptions was a recent supply-demand situation which brought the largest drop in live cattle prices in history—decreases of up to $20 per hundredweight in the fall of 1973. Because of high feed and other costs, along with the disastrous break in cattle prices, our feeding industry lost money at a rate of one-quarter of a billion dollars per month. You know full well that no cattle feeder can stay in business and keep producing beef for very long with losses of $100 or more per head.

The larger beef supplies did bring slight reductions in retail prices before Christmas and consumers enjoyed good beef values.

However, the industry as well as myself had warned the Government, placements of cattle in feedlots were reduced in 1973 because of the freeze, high costs and prospective losses. Feeders still are not back to levels which permit most feeders to break even or show a profit. We will need consistently strong cattle prices if feedlots are to meet today's high costs and have the incentive to go on producing beef in desired volume.

We must recognize, though, that we may never again see the very cheap meat and food of former years. The energy shortage, worldwide demand for feed and food and sharply higher production costs will not permit beef prices as low as the public became accustomed to. The shortages and costs of grain, fertilizer, protein supplements, feed phosphates and even baling wire are contributing to the rising costs, while limiting the production of food. Some supply shortages stem in large measure from the price control system and its distortions of an agricultural economy which can function efficiently only under the law of supply and demand.

Also, when the Congress banned use of the cattle growth stimulant stilbestrol in 1973, beef suppliers were reduced by the equivalent of 1 million head, and feed costs jumped by as much as 15 percent—still another factor in higher costs to consumers. If we are to produce the good protein food which is in demand, we cannot afford to eliminate—on a technicality of an unwise law—a production whose safety was proven in 20 years of use. DES has been reinstated but is of very little value because of uncertainty to reimpose the ban plus restrictive guidelines for its use.

The cattle industry also recognizes the seriousness of the energy shortage and will do all it can to conserve fuel. I also must emphasize that adequate beef supplies depend on fuel supplies for all segments of the production and marketing system. A shortage in just one place, like cattle delivery trucks, can and did disrupt the entire system.

We may not see lower beef prices during the balance of 1974, but we can hope for more stability of supplies and prices if the present price control law is not renewed. Price controls on beef have been tried 4 times in the past 28 years, and not once has this mix of politics and economics worked to the benefit of either consumer or the cattle industry.

The cattle feeding industry is heading for a wreck, unless the market situation turns around quickly. Even though the first three-quarters of 1973 were very profitable for feeders, they have suffered unprecedented losses the last 5 months, because of: First, Government interference in the form of a discriminatory price freeze last July; second, the energy crisis, which caused a "recession" psychology, resulting in consumers buying less beef; third, the truckers' strike; and fourth, increased feed costs.

On January 1, 1973, Texas had 2,215,000 head on feed; on February 1, 1974, we had 2,340,000 head on feed—a 5.6-percent increase. Marketings in February and March have been so slow, I estimate that 30 percent of the cattle that should have been marketed in February and March have been carried over to April. This means we will have a long supply for the next several months or an abundance of cattle for consumers.

Regarding cattle losses, the average loss is running from $100 to $125 per head, depending on how much the owner paid for the feeder calves. The biggest loss that I have been able to confirm was $178 per head.

An example: One company that marketed 27,569 head in October-November-December lost $2,289,901 or an average of $83.06 per head. On 10,175 head marketed in January and February, their losses were $566,215 or an average of $55.65 per head.

In Texas, we should market 398,700 head per month. If the average loss is $143 per head, we are losing in Texas alone at the rate of $1,900,000 per day, $13,303,000 per week or $57,014,000 per month.

Grain sorghum on March 1 cost feeders $5.30 per hundredweight. That's an 18-percent increase since October 1—$4.50, a 74-percent increase since May 1—$3.05 and double that of November 1, 1972—$2.50. The total feed costs now are about $110 per ton, compared to about $65 per ton a year ago.

Since it takes 9 pounds to 10 pounds of feed to put on 1 pound of gain, the cost of gain has increased from about 30 cents per pound a year ago to about 53 cents per pound in March. These figures include interest on investment and normal death loss.

Most feedyards in Texas are custom feedyards, meaning that they furnish "room and board" for the customer's—owner's—cattle. Many customers are going out of business, however. If this continues, the percent occupancy in feedyards could drop below the breakeven level—normally about 80 percent—and cause some feedyards to go out of business. Also, some feedyards that feed their own cattle could go out of business soon, if the losses on cattle continue.

You may ask, Will the smaller feedyards—under 10,000 head capacity—stay in business? Yes, but only if they can get the financing. While there are some economies to be gained in size, some of the smaller feedyards, if they are efficient, probably will be able to reduce overhead and compete with the larger ones.

What will it take to stop the big losses? The only way to stop losses for cattle already purchased and on feed is for chain stores to lower prices, feature more beef and move more beef. Consumers prefer beef and will buy more of it, if they can afford it. As retail sales pick up, the excess of heavy cattle—over 1,100 pounds—in feedyards, which are depressing prices now, will clear out and prices for all cattle will improve.

For cattle not yet on feed, it appears the only way to prevent a loss is for the feeder to pay less for the replacement feeder calves. At today's price for fat cattle—$41 per hundredweight—and today's price of grain—$5.30 per hundredweight—and this means feeder calves will have to be purchased for about $31 per hundredweight—instead of the present 40 to 50 cents per pound if they are to break even. However, this jeopardizes the cow-calf operator and soon he will be losing money.

Of course, the preferred way out would be for fat cattle prices to increase; then everybody in the industry could make a fair profit. This means that fat cattle would have to sell for about $50 to $55 per hundredweight, considering today's cost of grain and feeder calves.

Additionally, placements during February were down about 30 percent, compared to the same month last year. This means there could be a short supply of fat cattle coming out during the summer, which would mean higher prices for consumers. If feeders continue to buy fewer replacements or to pay less for them—both of which they are sure to do—it will mean that farmers and ranchers who produce the feeder calves will probably have to sell them below cost. Thus, they will stop the expansion of their cow herds, which amounted to a 5 percent increase last year, and consumers will feel the effects 2 or 3 years from now. If the consumer demand for beef continues, as it surely will, then the shorter supplies will mean higher prices for beef in 2 or 3 years.

As I said before, the solution is not price controls. That is the cattle industry's biggest problem now—Government price controls, which upset the marketing patterns of cattle. The beef industry responds to and adjusts to the law of supply and demand remarkably well. Cattlemen want to increase production—to supply the consumer demand—and will do so, if left alone.

Another problem facing the cattle industry is the suspension of meat import quotas. On December 21, 1973, the Secretary of Agriculture announced that meat import quotas, which the President suspended for 1973 would be suspended for 1974. As you know, this suspension applies to fresh, frozen and chilled beef, veal, mutton and goat meat subject to the 1964 meat import law.

This meat will be able to move freely into the United States without restrictions except for meeting the usual inspection and health standards and tariff regulations.

The Secretary has stated that this suspension of quotas is expected to continue throughout the entire calendar year of 1974. However, as required by law, he will review the situation every 3 months. Should marketing conditions change substantially, the suspension of quotas will be reconsidered.

Furthermore, on January 2, the Secretary estimated that the United States would import 1 billion 575 million pounds of fresh meat this year.

We cannot expect to significantly increase the domestic supply of beef in this country, and thus provide our consumers with a continuing large supply of beef at reasonable prices, if we continue to import such increasingly large amounts of meat. Massive importation which undermines the ability of a domestic industry to produce in quantities capable of meeting domestic consumer demand does nothing to fight inflation over the long run. What we need is sufficient incentives for the meat industry to increase supplies to the point where consumers can obtain the meat they want at prices they can pay.

The food sector seems to catch more public flak than any other sector of our economy. Consumers always feel that they pay too much for food.

They will grumble about the price of a new automobile once every 3 to 5 years. They will grumble about the price of a dress occasionally. They will complain about the rent when it increases. They will shake their heads in dismay over the price of new furniture when they make an occasional purchase.

But food—that is different. At least three times a week, and often three times a day, "It costs too much."

Mrs. Housewife echoes it. The college student in the dormitory echoes it. The truck driver at the lunch stop echoes it. The pensioner echoes it. The person tearing out food stamps at the checkout counter echoes it.

"If we could just roll back food prices," they say, "we could eat more food and better food and still have more money available to spend for the luxuries of living."

This philosophy is held, consciously or unconsciously, by perhaps more Americans than any other economic concept. The concept is false. It simply does not work that way.

Nevertheless, periodically pressures to "do something" build up in our society—first through the consumer route, then fanned by politically ambitious but economically irresponsible advocates, the movement eventually finds political expression of such force that governments succumb to the pressures and take strictly counterproductive action in the form of strict price controls in the food industry.

Shortly everybody learns, "We've been wrong again."

Those who fail to learn from the mistakes of history are condemned to repeat them. Economic history is no exception.

We wrote another chapter last summer in the history of counterproductive manipulation of food prices. When we slapped ceilings on meat prices, for example, great hurrahs went up from some consumer groups—"Aha; at least we have forced the hand of Government to take action against the selfish special interests in the food industry."

The victory was short-lived. Quickly baby chicks were destroyed. Poultry flocks were liquidated. Pregnant sows were sent to slaughter. Milk cows were marked for the block.

Within weeks the very consumers who had clamored for lower prices and for price rollbacks realized that everything was not going according to plan.

Every chick destroyed represented drumsticks that would never reach the meat counter. Every hen slaughtered represented dozens of eggs that would never be cartoned. Every pregnant sow headed for market represented pork chops that would not be eaten 8 months later. Every dairy cow turned into beef represented milk that would not be on the table.

The lesson was quickly and painfully relearned that low consumer prices are not the sole key—indeed not even the important key—to better living. Production is the answer. We live better only when we have more of the things we want and need—and the only way to get more production is to let stronger prices induce producers to turn out more. In turn, increased supplies keep prices in line.

Farmers are no exception to this economic truth. We have just harvested record crops in 1973, and for 1974 American farmers will turn on their production spigot as never before. While some of this production may be response to patriotism or to exhortations by the Agriculture Department and the agriculture colleges the great bulk of it is purely and simply response to stronger market prices.

This is an incentive-oriented society. Some people call it a profit-oriented society. Call it what you will—but experience has shown us, over and over again, that there is no substitute for economic incentive in getting added production.

We ignored that experience last summer. We took the bureaucratic approach. We were wrong again—dead wrong.

For a little while after that lesson, everybody knew we had made a mistake. Our politicians knew it. Our bureaucrats knew it. Our economics professors knew it. Our consumers knew it.

All of us want the affluent life. We want plenty of wholesome, healthful, nutritious, and palatable food at reasonable prices. Experience has demonstrated, time and again, that the best way to obtain that food is when responsible profit is a viable incentive for farmers to produce it.

In other words, unless something changes soon the next big shortage will be beef and red meat. USDA's new cattle on feed report hangs out the warning signal that feedlot owners are continuing to cut placements in the face of high costs and substantial losses on every animal they finish for slaughter.

The total number of cattle on feed was 13,637,000 head as compared to 14,432,000 January 1, 1973—a decline of 795,000 head or 6 percent. That includes an increase of 4,000 head in the 27 States which feed very few cattle—575,000 in all 27 this year—making the decline 799,000 in 23 major feeding States for which statistics are compiled quarterly.

The 6-percent decline does not tell the whole story. The report shows placements down 15 percent in the 23 States in the October-December quarter. It shows December placements off 24 percent in the seven States reported monthly. Decline was 24 percent in September, 25 percent in October, and 8 percent in November.

By weight groups, here is what USDA found in the lots January 1:

[In thousands]

All cattle and calves	Jan. 1 1973	Jan. 1 1974	1974 as percent of 1973
Less than 50 lb	1,946	1,516	78
500 to 699 lb	3,847	2,977	77
700 to 899 lb	4,346	4,161	96
900 to 1,099 lb	3,076	3,404	111
1,100 lb and over	646	1,004	155
Total	13,681	13,062	92

Placements in 1973 dropped in every month except January and March, ranging up to the 24 percent declines in September and December. In seven States on which monthly data is compiled, 1973 placements were off 2,373,000 compared to 1972. Marketing for the year fell 1,033,000 leaving a deficit in the number in the pens of 1,340,000.

There are supposedly many hefty feeders waiting to get into lots which could be ready for market in a relatively short feeding period. But there is no sign that the lots are filling up yet, or will soon. USDA economists calculated in December a 1,050 pound steer would have to bring $55.25 a hundredweight to pay the cost of production in the third quarter of 1973. It is more now, and prices have not risen close to $55 yet.

If what lies ahead is indicated by past performance, placements will be off around 2 million head the first half of 1974—January through June.

Over the past 5 years, feeders have put 56 to 59 percent of animals for the feeding year into the lots in July-December, averaging 57.4 percent. The other 42.6 percent was placed in the January-June period. If this pattern applies this year, only 9.5 million cattle will go into lots in the first half of 1974, which is 2,300,000 short of a year ago.

The biggest on-feed cutback in January was Iowa's, at 207,000 or 11 percent. Colorado cut 120,000; Kansas, 90,000; Nebraska 56,000 and Texas 40,000.

Only six States showed a little gain and their total gain was 64,000.

Thus, it remains a mystery for me to figure out where the extra market cattle are coming from in the second quarter, as foretold by the USDA. They are not in the feedlots as they ought to be.

An economic fact that is currently asserting itself dramatically on food supplies in the United States and around the world is that if consumers want more of a product, they must offer some incentive to get it. That incentive, most of the time, is money.

It is not the nature of the agriculture business to expect high price guarantees for increasing production. Farmers know that prices go both up and down from a myriad of factors. What they do have to have, however, if they are going to make the added investments to produce more, is at least an opportunity to make more profit.

Beef production is an excellent example in the United States. The amount of beef reaching U.S. tables now as compared to several years ago is relatively much greater than the total number of cattle in this country now as compared to years ago.

For many years, the increase in beef production came in a large part from increases in efficiency on the farm. For instance, once upon a time steers were pastured until they were 3 or 4 years old before they were sent to market as "grass fat." Now, virtually all steers are fed grain and reach market at choice grade at only 2 to 8 months of age. On January 1 of 1973, the farms of this country had 11,651,000 milk cows. In 1935, they had 26 million. On the other hand, in 1935, the number of beef cows on farms was only about 14 million head, while on January of 1973 it was 41 million. With the smaller number of dairy cows, more milk is produced than in 1935. But with more of cattle being beef animals which produce more meat than the dairy variety, total meat production is much greater than it used to be.

In addition, once it was customary to slaughter a large number of calves, particularly those in the dairy breeds, to produce veal. Now, virtually all calves are fed to top slaughter weights of 1,000 pounds or more, and this, of course, means more meat than if they were slaughtered at 200 to 300 pounds.

All of these things were done by farmers in response to demand and in an effort to make more money.

But in recent years, all the readily apparent efficiencies that would tend to greater beef production appear to have been accomplished.

The Nation's dairy herd is about at a minimum to produce the milk needed. Grass fat cattle are a thing of the past. Virtually all cattle are fed grain so that they reach slaughter weights early, and they are bigger because they are grain fed. Hardly any calves go to slaughter as vealers.

Thus, in recent years, the only way to get more beef for the heavy demand in the United States has been for prices to indicate to farmers and ranchers that they could make more money if they increased the size of their herds. This meant holding back heifers to produce more calves. And as time goes on, the only way to get more beef will be to raise more cattle.

The only way this country can get more forage supplies—pasture—is for the beef market to indicate to farmers it will be profitable to spend the money necessary for pasture improvements.

Virtually all of the Nation's grazing land now is being utilized. Much of it, in the Far West and in mountainous areas, cannot be improved upon with present technology.

In other words, ranchers cannot get profitable returns from the great expense of spreading fertilizer on vast acreages in moisture-deficient areas.

But they can improve pastures in the more humid areas by the use of fertilizer, brush control and by seeding improved grasses, all of which takes money.

Up to this point, the greatly increased beef cow herd has been able to find grazing because of decreases in numbers of other grazing animals. For every beef cow added since 1920, one horse, mule or dairy cow has disappeared and left its forage to feed the beef animal. Sheep numbers also have declined, thereby leaving more grass for cattle. There has been some comeback in the number of horses but not enough to approach the total of 26.7 million head in 1918.

The point is, that because of a rather static demand for pasture, the price structure has historically not provided a vigorous incentive to expand forage output.

Now it is no longer possible to reduce, percentagewise, the number of horses, dairy cattle and sheep as was the case earlier.

So, if consumers of this country want more beef, and more pasture is needed for the beef cow herd, then the market structure will have to be such as to pay for pasture improvement. Present pasture rental rates in many States are not enough to induce much of such improvements.

Obviously, as more cattle are being fed grain, more grain is needed and this accounts for the great increase in utilization of corn and grain sorghums in recent years in the United States, along with those quantities fed hogs and poultry. Handling grain going from farms to feedlots of various kinds now is a big business.

In most years in the past, grains have been in surplus. But not now. Foreign and domestic demand appear to be taking all U.S. farms can produce. This year, all Government restrictions on production are off. Presumably, all available acres will be used. Of course, more acres may be made productive, if money is spent improving them.

At any rate, it does appear that many of the efficiencies that so easily led to greater and greater production in this country have been accomplished. If demand is to grow, as it seemingly will in this country and abroad, then consumers should be aware of an apparent economic fact. They will have to pay what it takes to get the added production.

This situation does not automatically suggest fantastic prices. But it does indicate prices promising a real possibility of a profit to the farmer who makes the investment to produce more. I may mean that the era of low farm prices has ended for good.

AN OUTSTANDING SEASON FOR THE EXETER HIGH SCHOOL BASKETBALL TEAM

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. YATRON. Mr. Speaker, I would like to pay tribute to the 1973–74 basketball team of Exeter High School. Through the outstanding performance of the players, this squad earned the Class B second place honors of the Pennsylvania Interscholastic Athletic Association. The team compiled an impressive 30–3 record, the most wins ever by a Berks County scholastic team.

Coach Rod Hand certainly deserves high praise for his role in leading the team through this superb season. The members of the team have earned praise for their obvious ability to excel and their willingness to cooperate in a team effort. The players on this year's squad were: Michael Barrasso, Charles Booker, James Brizek, Michael Ciabattoni, Craig Conrad, Kevin Conrad, Michael Edwards, Thomas Farina, Richard Hendel, David Hinnerschitz, John Kubovsak, John Leinbach, Steven Meyer, Vincent Roberts and Ralph Stock.

This team has brought much honor to their school and their community. It is a pleasure to extend my warmest congratulations to Coach Hand and these fine young men and to bring their achievements to the attention of my colleagues.

CAUTION ON OFFSHORE DRILLING

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. BAUMAN. Mr. Speaker, in view of the report issued by the Council on Environmental Quality regarding offshore oil drilling, it would be well for us in the Congress to pause and consider its implications. Brian Henley writes in the Eastern Shore Times of Ocean City, Md., and points up the need to take a cautious approach in a very sensitive area of environmental concern. I include the editorial at this point:

[From the Eastern Shore Times, Mar. 28, 1974]

OFFSHORE OIL—UNDER CONSIDERATION BY NIXON

(By Brian Henley)

After nearly a year of study, the President's Council on Environmental Quality announced last week that development of oil and gas rigs off the coast of Ocean City and other Atlantic resorts would pose serious environmental, economic and social problems.

Some of the findings by the council, which held a hearing on potential offshore oil and gas development in Ocean City last fall, are startling and deserve consideration by all residents of our coastal city.

The council learned that onshore development of refineries and other industries related to support of the oil firms could drastically alter the characteristics of this or any other resort.

Instead of clean beaches, we could have oil stained sand. Instead of clean water, we could have pollutants from refineries and petro-chemical plants. Instead of clean, ocean air, we could have airborne particles foreign to most of us. Instead of plenty wildlife, we could have over developed farm land or oily marsh and wetlands.

The President's council also discovered that much of the income generated by offshore oil production and related onshore industries would likely go to incoming businesses and populations. Most tourist based industries now found here would board their doors and seek cleaner lands.

The probability of a spill reaching shore from the Baltimore Canyon—an area just off this resort's coast said to be filled with undersea oil—would be about 10 to 20 per cent. The area is now a popular fishing ground and supports two major businesses here now—commercial and sport fishing.

Not surprising, the council also determined that: the closer the rig is to shore the sooner a spill will likely hit the beaches; drillers off our coast would find Atlantic storms and weather conditions more severe than those found in the North Sea, a factor which could lead to more frequent spills; and, oil spills would stand a greater chance of reaching this beach during the summer and spring. If a slick occurred during those seasons, the resort would have no chance to repair damage to the beach before the height of the tourist season.

The findings by the council, along with their unpublished recommendations, now go to the President for his consideration. Nixon has indicated that he wants further exploration of offshore oil and gas in an effort to meet runaway domestic energy needs.

The President, like most of us, has been caught in a headlock not only by Watergate, but by the oil industry which has set its sites on coastal oil fields, no matter what happens to towns like Ocean City.

Area officials, residents, and all others should now, while certain moves are under consideration in the White House on offshore development, implore the President to seek oil elsewhere lest we all be run off this coast.

ARGUMENTS AGAINST THE CPA AMENDMENTS

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. HORTON. Mr. Speaker, I would like to acquaint my colleagues with the reasons why I will not be supporting the amendments which I understand will be offered to the CPA bill, H.R. 13163. I am inserting in the RECORD my March 29 letter to OMB Director Roy Ash which discusses the proposals he made in a letter to the committee of March 13.

I am also inserting an analysis of the three very major amendments to the committee bill which are included in the Brown substitute bill, H.R. 13810. The Brown amendments, in my opinion, would pull the teeth of the consumer advocate and render meaningless the skeleton authority that would remain.

The material follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 29, 1974.

Hon. ROY L. ASH,
Assistant to the President,
The White House,
Washington, D.C.

DEAR ROY: I do very much appreciate the support the Administration has given to our joint efforts at developing an effective, yet responsible Consumer Protection Agency bill. Because of your continuing interest in producing the best possible legislation, I do want to acquaint you with the reasons why the Committee did not accept the amendments you suggested in your letter of March 12, 1974. I am sorry we did not have an opportunity to discuss your suggestions before the letter was sent. If you think it would be helpful, I would, of course, be happy to sit down with you in an attempt to reach an understanding of the issues involved.

INTERROGATORIES

Of course, you realize as I do that deleting the interrogatory section is not a viable alternative.

You go on to suggest that if deletion of the section is not possible, the Committee bill should be changed so that the host agency would have to agree to a CPA showing of merit before issuing interrogatories. Your approach was specifically considered by the subcommittee and full Committee, but not adopted. Instead the present language was included, whereby the regulatory agency may refuse to issue the interrogatories on the basis of certain findings it makes on the adequacy and appropriateness of the request. This emphasizes the regulatory agency's right to refuse to issue interrogatories. We also added a provision allowing the proposed respondent to petition the regulatory agency for reconsideration of the decision to issue interrogatories. And, of course, the respondent has a right to seek judicial review of the regulatory agency's decision that the interrogatory would not be unnecessarily or excessively burdensome to the respondent. Under the Committee bill, in any court test of the agency's decision to send an interrogatory, it would be necessary to disprove the regulatory agency's findings and not the CPA's statement of the necessity for the interrogatory.

You also suggest that the word "pending" is ambiguous and should be removed from the language prohibiting CPA interrogatories where they involve information pertinent to "pending proceedings". Leaving the word in is intended to make clear that the CPA cannot use interrogatories when a proceeding has been initiated and subpena power or other compulsory process is available to the CPA and other parties. The interrogatories are to be used in the discharge of the CPA's investigatory responsibilities. When warranted by the resulting information, they may result in a CPA request to the appropriate regulatory agency that it initiate a proceeding. If the regulatory agency felt that the information collected by interrogatories prior to the proceeding was relevant and valid, then it would be foolish of us to insist in statute that the information acquired by the CPA be re-collected, any more than information now gathered by a regulatory agency pursuant to interrogatories during an investigation on its own initiative, has to be re-collected when a proceeding is started. If the regulatory agency felt the interrogatory information was not relevant or valid, then it could, of course, refuse to accept it or insist it be collected anew.

INFORMATION AVAILABILITY AND DISCLOSURE

You recommend that the word "voluntarily" be put back in section 10(b) (6) (B) of the Committee bill which gives the CPA access to trade secret information in other agencies unless it is claimed the information was not obtainable without a promise to treat it as a trade secret and, therefore, confidential. This word was taken out in subcommittee at the request of certain business and consumer groups. If it were restored, it would encourage business to request a confidential label for almost all information it submitted. The Committee felt the CPA should have a right to see information the Congress has authorized governmental agencies to obtain in view of the CPA's role as advisor to the Congress and the President, and its responsibility to investigate practices which are harmful to the consumer interest.

In deference to the other agencies, the bill makes special provision for information received from another Federal agency within any of the exempt categories of the Freedom of Information Act, including the trade secret category. In such cases, the CPA must conform to any notice from a Federal agency that the information is not to be disclosed to the public, or may be disclosed only in a particular form or manner. Thus each Federal agency is assured full control over disclosure of such information after it goes to the CPA.

Second, the bill contains a number of provisions specifically directed toward the protection of business confidential information. It prohibits public disclosure of trade secrets and other confidential business information. Under the Freedom of Information Act, nondisclosure of such information is authorized but not mandated. Thus the bill goes beyond the Freedom of Information Act in placing a positive and nondiscretionary obligation upon the CPA to protect trade secrets and commercial or financial information. Existing law, such as 18 USC 1905, which makes it a criminal offense for a Federal employee to release confidential information, would also apply, of course.

JUDICIAL REVIEW

You suggested that the CPA Administrator be required to make an affirmative showing before he could be allowed to involve himself in a judicial review where he had not participated in the case below. The Committee rejected this approach at the suggestion of the American Bar Association and the Administrative Conference of the United States. They argued that forcing a hearing on the showing that the case would further the interest of justice would unnecessarily delay the judicial review, requires meeting an "extraordinarily indefinite" criterion, and would put him at a distinct disadvantage since in the majority of cases participation below in no way affects an aggrieved person's right to seek judicial review. The Committee felt a better way to handle the problem was to require the CPA, unlike other persons, to seek a re-hearing of the case before seeking judicial review. To emphasize the right of the court to dismiss a petition for judicial review based on considerations of equity, we allow courts to dismiss a case if they feel it would be "detrimental to the interest of justice". The Committee approach keeps the attention of the parties focused on getting at the issues of the case without causing undue delays and still giving the court clear authority to reject frivolous or unwise cases or cases where further litigation would be inordinately costly or otherwise unduly prejudicial to a company's interests.

Your second point is that we should allow a regulatory agency a reasonable time rather than the 60-day period included in the bill to decide on a petition for re-hearing. This language was included to assure that neither the CPA nor the regulatory agency would be able to delay final action simply through inaction. We felt the regulatory agency would be sufficiently acquainted with the record of its subject proceeding and would be able to pass on a petition for a re-hearing within 60 days. The provision would also permit the CPA to allow the agency additional time to make a decision if the CPA felt the delay would not be prejudicial to the interests of consumers.

EXEMPTIONS

You suggest in your letter that it would be "virtually impossible" to separate the "national security or intelligence functions" from the other functions of the Departments of State and Defense and the Atomic Energy Commission. I think that statement goes too far in that, indeed, there are numerous areas, such as Army civil works and surplus equipment disposal, where one can clearly identify non-security aspects. In the State Department case, for example, I would think the CPA might be interested in tariff agreements. It must be remembered that under the terms of our bill, the CPA can participate only to the extent that other persons may participate, such as business groups. If others are allowed to submit data and arguments, there is no reason to deny the same opportunity to the CPA.

You also raise a question about the prohibition against CPA involvement in collective bargaining and other management-labor matters. I think the only area where there could possibly be any involvement is in those NLRB proceedings involving unfair labor practices. The Committee felt it unwise to allow the CPA to involve itself in such hard-fought labor-management contests, which do not directly involve determinations of wages, hours, or other cost factors, but only assure appropriate conditions for employers and employees to negotiate such matters between themselves.

REPRESENTATION IN JUDICIAL PROCEEDINGS

You suggest that the Justice Department be given an opportunity to decide if it wants to represent the CPA in court proceedings. Under our bill, the only court proceeding in which the CPA itself would intervene as a party would be that in which the CPA seeks or joins in judicial review of an agency decision. In many cases, the Justice Department would be representing the regulatory agency involved. In such cases the Justice Department would be confronted with a conflicting interest. The Committee felt both the CPA and the Justice Department would be put in an untenable position if the CPA had to first show its case to the Justice Department to get it to disqualify itself before being able to then argue against the lawyers of the Justice Department representing the regulatory agency.

CRIMINAL INVESTIGATORY MATERIALS

Finally, you suggest that investigatory files prepared in connection with criminal cases be exempted from disclosure to the CPA. I would point out that the FBI is exempt from CPA involvement by the terms of the Committee bill; and this, for the most part, accommodates any concern over criminal investigatory files. In other cases, as you may be aware, investigations generally result in civil action, although occasionally, criminal action may be undertaken. In any case, the investigation develops one record, principally civil in nature, and it would be next to impossible to distinguish the criminal material from the civil material. The Committee felt it would be wrong to close the civil investigatory files of the agencies just because at one point there may be an additional criminal charge filed as well based on the same information.

Kindest personal regards.

Sincerely,

FRANK HORTON.

ANALYSIS OF MAJOR AMENDMENTS INCLUDED IN THE BROWN BILL, H.R. 13810

PROHIBIT JUDICIAL REVIEW OF LEGAL WRONGS SUFFERED BY THE CPA IN REPRESENTING CONSUMERS

Basic to our system of government is the notion that if someone is treated illegally or improperly by an agency of the government, he may ask a court to order the agency to act within the law. I expect an amendment will be offered which would allow the CPA to seek judicial review only in cases involving its "access to information or to an opportunity to represent consumers in a proceeding or activity." In other words, legal wrongs sustained by the CPA while representing consumers would not be subject to judicial review. Such a proposal would put the CPA in a clearly inferior position to business and other advocates. The Committee bill essentially grants judicial review "to the extent that any person, if aggrieved, would have a right of judicial review by law." In the interests of fairness and parity, I feel the CPA should be given the rights to judicial review that are accorded by law to other persons.

LIMITS CPA PARTICIPATION IN ADJUDICATORY PROCEEDINGS TO THAT OF AN AMICUS

Regulatory proceedings of the Federal government can be divided generally between rule making and adjudications. The former category results in agency rules which have the force of law. The adjudications at issue determine whether laws have been violated. The laws involved are civil, not criminal, although sometimes a criminal action may be discovered in investigating a civil violation. I understand an amendment will be offered which would disallow the CPA from fully participating in such adjudications. The Committee bill limits CPA involvement where punishment is being considered. The reason the Committee did not limit participation in all proceedings is that in most of these cases the determination of whether a law has been violated involves consideration of the applicability of standards of law or rules to certain practices. Many major revisions in regulatory standards have come through adjudications. We cannot restrict the CPA's right to involve itself in those cases where major issues on the scope or applicability of regulatory laws and rules are decided. It should be noted that under the Committee bill, there is no diminution of the alleged violator's rights to due process and procedural fairness, and he can fully protect his rights through the courts, even in cases where the CPA is participating.

MAKES NO PROVISION FOR INFORMATION-GATHERING BY THE CPA FOR INVESTIGATIONS OUTSIDE FORMAL PROCEEDINGS

One of the most difficult issues for the Committee was deciding how much information-gathering ability the CPA should have. Some favored broad authority to collect information by direct subpena issued by the CPA itself; others felt it should have no ability at all to gather information relevant to serious consumer concerns. The Committee felt that because of the CPA's role as advisor to the Congress and the President and proposer of action to the appropriate regulatory agencies, it ought to have some limited information-gathering ability that would be compatible with our existing regulatory system. The Committee solution was to authorize the CPA to *request* regulatory agencies to issue interrogatories, if they had the authority to do so. If an agency does not have authority to issue the interrogatory requested by the CPA, it will not be able to do so under the committee bill. The CPA would have to make a showing as to why the interrogatory was necessary. The regulatory agency could refuse to send the interrogatory if it felt the CPA has not made a good case for the interrogatory, or if it felt it would be unnecessarily burdensome to the Federal agency or the persons to whom the interrogatory was addressed. The Committee bill provides, therefore, a carefully-prescribed right to gather information. I understand an amendment will be offered which would disallow any such information-gathering. Such an amendment is undesirable in view of the carefully-prescribed language in the bill, which adds nothing to in any way broaden the scope of Federal information-gathering authority which Congress has already authorized by statute for specific existing agencies.

NATURALIZED CITIZENS SEEKING OFFICE

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. BINGHAM. Mr. Speaker, on January 28, I introduced House Joint Resolution 880 which would amend the Constitution to enable all citizens of the United States to be eligible to hold the office of the President.

I was pleased to learn that the Legislature of Rockland County, N.Y. has overwhelmingly adopted a resolution declaring their support for this amendment.

The resolution, which I have formally introduced for referral to the Committee on the Judiciary, follows:

RESOLUTION NO. 224 OF 1974

Memorializing the House of Representatives concerning naturalized citizens seeking office

Whereas, it is in the public interest that naturalized citizens be permitted to run for the office of President and Vice President of the United States, and

Whereas, Congressman Bingham has introduced such legislation in the United States House of Representatives, now therefore be it

Resolved, That the Legislature of Rockland County hereby memorializes the United States House of Representatives to give favorable consideration in support of the constitutional amendment introduced by Congressman Bingham that would allow naturalized citizens to run for the office of President and Vice President of the United States, and be it further

Resolved, That the Clerk to the Legislature be and she is hereby directed to send a copy of this resolution to the President and Vice-President of the United States, the United States Senators representing the State of New York, and to the appropriate members of the House of Representatives from districts which incorporate parts of Rockland County in their districts, urging each of the above to take whatever action may be necessary and appropriate to support the constitutional amendment that would allow naturalized citizens to run for the office of President and Vice-President of the United States.

EXTENSION OF OEO WITHIN DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

HON. MARVIN L. ESCH

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. ESCH. Mr. Speaker, today I join with my colleagues, the Honorable PHILIP RUPPE and the Honorable GARRY BROWN in introducing legislation designed to preserve and extend the Office of Economic Opportunity within the Department of Health, Education, and Welfare.

Our bill would extend existing OEO programs for 3 more fiscal years, but would transfer responsibility for operating these programs out of the Office of the President and into an office under the supervision of an Assistant Secretary.

It is time to recognize that whether OEO remains a separate agency, there continues to be a pressing need for a single office to monitor, operate, and direct Federal assistance to the poor and disadvantaged, be it in HEW or elsewhere.

The programs of OEO have matured from the crisis ridden days of the 1960's to provide what is now one of the few major vehicles for involvement of the disadvantaged in helping themselves. While Congress is not in complete agreement over the effectiveness of all OEO programs, the transfer would allow an orderly review over the next 3 fiscal years.

Our bill extends for 3 years, urban and rural community action programs, day care projects, community economic development and other poverty programs.

We have long believed that OEO must be reformed—not abolished—and that OEO has become a vital tool in helping the poor to help themselves.

Community action agencies have played an important role in assisting development of urban and rural America.

Poverty remains one of the greatest social ills of our Nation and it exists primarily in the urban centers and rural areas. I know that in our districts OEO-supported CAP agencies are working effectively in funding and building better communities. Whether it be services to senior citizens, health programs, providing jobs or helping to develop housing and other public facilities, CAP's have been effective mechanisms of Federal assistance in Michigan.

Presently, the OEO subcommittee of the Education and Labor Committee is considering the fate of OEO. We would urge the Members to carefully consider our proposal, which we believe is the most logical way to insure a continued Federal focus on the problems of the disadvantaged.

U.N. ADDS TWO LANGUAGES

HON. JAMES J. DELANEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. DELANEY. Mr. Speaker, I insert into the CONGRESSIONAL RECORD a very interesting article written by Mr. Don Shannon of the Los Angeles Times, which discusses a recent decision by the United Nations to expand to six the number of working languages to be used by this world organization.

The key points made by Mr. Shannon focus on the cost factors involved to accommodate each new working language, the need for more interpreters and the increased workload necessary to translate and process each language. This leads up to the question of how long the United Nations can function efficiently and economically if further working languages are permitted. The full text follows, and I trust my colleagues will find the article enlightening reading:

TWO ADDITIONAL LANGUAGES TO COST U.N. MILLIONS

EXPANDED USE OF CHINESE AND ARABIC THREATENS TOWER OF BABEL ON EAST RIVER

(By Don Shannon)

UNITED NATIONS.—A 38-story Tower of Babel is threatening to become a reality here with the United Nations about to make Chinese a full working language and Arab nations demanding that Arabic be made the sixth working language of the world organization.

Even with a moderate start in the next two years, the expanded use of Chinese will add $1 million to the two-year budget period 1974–75. The addition of Arabic would cost more, because the program would be starting from scratch.

The changes will also require physical alterations in the General Assembly, the Security Council, and the meeting rooms of the headquarters building, which have provided simultaneous translation for a maximum of five languages and now must accommodate a sixth. In practice, there were rarely more than four sets of interpreters working in the United Nations during the first 25 years because the Nationalist Chinese delegations, here until 1971, usually spoke English to lighten the economic burden on the Secretariat.

With the arrival of Peking's representatives, the practice came to an abrupt end and all their speeches have been delivered in Chinese. The unaccustomed workload put a strain on the staff of 13 interpreters, whose number has been nearly doubled since. Even recently, however, there have been awkward gaps in the Security Council debates when a relief interpreter failed to appear on time.

The Advisory Committee on Budgetary Questions estimated that the full use of Chinese in the coming two years would require the United Nations to print 18,000 pages of translations instead of the token amounts now published. To do this would mean the hiring of 84 Chinese-language experts beyond those now on the payroll and 16 temporary employes during the annual General Assembly sessions.

Secretary General Kurt Waldheim suggested a "more cautious and pragmatic approach," aiming at only 8,000 pages of translations a year for the first stage, a goal which could be met with recruitment of 39 full-time employes and eight temporary ones.

Qualified interpreters and translators are hard to find, however, and the secretary general predicted that even the reduced number of jobs would not be filled during the first year. The heightened activity will mean additional high-priced office space in mid-Manhattan because the 38-floor Secretariat building long ago ran out of room. But by far the greatest item will be salaries, more than 80% of the $1,050,000 estimate.

No budget calculations are available for the addition of Arabic to the working languages. This would call for changes ranging from an additional interpreters' booth in the Assembly hall, the Council, and a dozen meeting rooms to the modification of all the individual listening equipment. Seats for delegates, the press and the public—about 7,100 in all—are wired to receive simultaneous interpretation of only five languages—English, French, Spanish, Russian, and Chinese—at present.

At least 18 interpreters would be needed to get Arabic started, and the addition would call for increases in the five existing language sections as well. Here is where the problems arise—English-Arabic or even English-French-Arabic speakers may be relatively numerous in the United States, but Arabic speakers capable of simultaneous interpretation of Chinese or Russian are a rarity.

A question that already has been raised—the elevation of other languages to official status—is what arouses the fear of an eventual glass Tower of Babel on New York's East River.

Arabic won its support largely on the grounds that it is spoken by 18 member states, but their total population is only 120 million, and their various dialects differ considerably. Economically and culturally more significant, German is spoken by three member states with a population of 85 million, while Portuguese is spoken by more than 100 million in two nations. Cases could be made for other tongues but even the addition of one more would involve a geometric progression in the work and the cost of keeping the United Nations going.

A TRIBUTE TO THE HONORABLE WILLIAM S. MAILLIARD

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 25, 1974

Mr. MURPHY of New York. Mr. Speaker, may I take this opportunity to say a few words in tribute to our distinguished colleague, the Honorable William S. Mailliard, who is leaving us to become the permanent representative of the United States to the Organization of American States.

Bill Mailliard and I have served together for 12 years on the Merchant Marine and Fisheries Committee. His broad expertise and grasp of maritime matters and foreign affairs has been evident to all of us. His counsel and advice have been invaluable, not only to his colleagues, but to me in particular.

Bill Mailliard has served this country his State, and his district in the House of Representatives for 21 years. Prior to that he had already completed a distinguished career as a naval officer, during which he held positions of high responsibility and was decorated for valor. In this service he established an interest and a competence which he carried into the Reserves where he obtained flag rank. As is characteristic of this energetic and dedicated public servant, he now goes on to further service of importance to the Nation in the field of foreign service.

Reluctantly his colleagues see this distinguished American leave the House. We wish him the best of luck as the U.S. permanent representative to the Organization of American States.

THE IMPORTANCE OF LIBRARIES IN AMERICAN LIFE

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. BRADEMAS. Mr. Speaker, the March 1974 edition of Parents' magazine carries an excellent article by Dr. Jean E. Lowrie, president of the American Library Association, which describes the importance of library services in our society and the hostility of the Nixon administration to continued Federal support for libraries.

As Dr. Lowrie writes:

> Since the time of President Eisenhower, the Federal government has recognized its responsibility, along with the state and local governments, to see that every American has access to a library. And by this support, the government has acknowledged that libraries are a national resource as well as a state and local one.

Mr. Speaker, in the fiscal 1974 Labor-HEW appropriations bill, Congress rejected President Nixon's suggestion that we terminate Federal support for our libraries, and included $175 million for school, college, and public libraries.

The President's 1975 budget requests only $25 million earmarked for libraries, and I am confident that Congress will, once again, reject the administration's ill-considered proposal.

But because Dr. Lowrie's comments so persuasively document the importance of Federal assistance for American libraries, I insert her article at this point in the RECORD:

YOUR PUBLIC LIBRARY NEEDS YOU: SUPPORT FEDERAL LIBRARY FUNDING

(By Dr. Jean E. Lowrie)

A public library in Georgia puts the problem one way: "We have struggled to continue our Right to Read program on our own. Now we find that we have to close it down for lack of funds. People came to our class, with its informal atmosphere, who would go to no other." A mother in Indiana writes to her Congressmen about a blind son who recently learned to read "talking books" provided through the local library, but now the special library service is endangered by a proposed cut-off of federal funding. And a public school officer in Kansas says, "Our local property taxpayer is carrying a heavy burden and no end in sight . . . we need federal help to buy materials to place in all our school libraries."

In countless instances, small grants from the federal government have made the difference to libraries, perhaps to your own neighborhood public library or bookmobile, or your children's school library.

Since the time of President Eisenhower, the federal government has recognized its responsibility, along with the state and local governments, to see that every American has access to a library. And by this support, the government has acknowledged that libraries are a national resource as well as a state and local one. Though less than five per cent of public and school library funds, on the average, come from the federal government, this small contribution often makes a dramatic difference in vital services in hundreds and even thousands of communities.

Today there are three major library programs assisted by federal funding. Under Title II of the Elementary and Secondary Education Act of 1965, federal assistance was granted to all of the 50 states for the purchase of elementary and secondary school library resources. As a result, libraries were created in thousands of schools where there had been none before, and existing library collections were updated and expanded. The Elementary and Secondary Education Act—including its school library program—has been amended, and its funding extended by Congress over the years.

An earlier statute, the Library Services and Construction Act, also better enables states, cities, towns, and counties to improve their public libraries to carry out special programs for the disadvantaged, the handicapped, and the homebound.

The third library program supported by the government under the Higher Education Act of 1965 gives assistance to public and private institutions of higher education.

From the outset, the Nixon administration has recommended major cutbacks in these national library programs, but Congress has voted to continue federal support. Last year, the Administration recommended abrupt termination of all library programs, but once again Congress voted to maintain them. The alarming question of whether federal funding will suddenly be cut off continues to plague libraries throughout the nation, however, for this Administration has an unprecedented record of refusing to spend the money voted by Congress. It was only after the pressure of public sentiment, legal suits, and Congressional urging that the President released impounded funds this January and signed a current appropriations bill which provides some money for library programs.

Libraries cannot long survive neglect. Once their collections fall behind, the cost of updating them becomes prohibitive. Every American who values libraries should write to his legislators in Washington, D.C. thanking them for voting to continue federal library assistance despite the Administration's plan to end it. Your support voiced now, may help to guarantee the future existence and assure the high quality of your community's school and public libraries.

JAYCEES WELCOME TO CASTRO VALLEY

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. STARK. Mr. Speaker, the Jaycees of America are an organization of young men dedicated to developing leadership abilities of their membership toward skillful decisionmaking, planning, organizing, and implementing action projects to solve community problems. Jaycees are men between the ages of 21 and 35 who are motivated in "Service to Humanity" and their record of accomplishment is testament to these young men of action.

Community involvement in all phases of city activities make the Jaycees a most valuable resource of informed and knowledgeable citizen participants. Their skill and expertise will now become activated within the Castro Valley environs.

It is my pleasure to announce that for the first time, a Jaycees chapter will be opened in Castro Valley, Calif. On April 5, there will be charter night ceremonies and installation. At this time, I would like to pay tribute to the incoming officers of the new Jaycees of Castro Valley. The new officers are as follows: President, Bill Bland; State director, Rodman Dickson; internal vice president, Gregory Knight; external vice president, Patrick Fain; treasurer, Jon Orellana; and secretary, Norman Kellogg.

I know they will be a credit both to their new chapter and to the community they serve. I welcome the Jaycees to Castro Valley. I am proud they are my constituents and I am privileged to salute them before my colleagues today.

DAVID G. OSTERER

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. LEHMAN. Mr. Speaker, on March 21, 1974, David G. Osterer was the guest of honor at a testimonial dinner given for him by the Condominium Executive Council of Florida. It was a well-deserved honor for David G. Osterer personally, and it is also a tribute to him as an outstanding symbol of those who well earned their retirement but have without compensation and often without public recognition worked long hours effectively to make south Florida a better community for all of us.

Testimonial follows:

OUR FRIEND DAVID G. OSTERER

While other men content themselves to spend their days playing golf and sunning at the pool, David Osterer has dedicated his time and energy to us and our problems. His unselfish dedication to fair play and the protection of common as well as human rights has made Arlen a better place to live.

Whether alone or in Committee, he has constantly protected the rights of each condominium owner.

Undaunted by barrages of attorneys and not so subtle innuendos, David's vision broke the legal quagmire of resistance and brought a new concept to Florida, a concept of fair play and ethics.

No longer was a condominium owner at the mercy of the developer or his agents. There was a voice to protect him. David's efforts were instrumental in producing a contract that was a model and example to be followed.

His history reveals that wherever there was a mountain to climb, an injustice to be fought, a human need, a hopeless cause to be championed, no matter how great the odds, David Osterer was there.

What prompts such a man to spend his life representing his fellow man, seeking the redress of their grievances, volunteering his time to protect the rights of others—interceding on behalf of those with only a small voice, and demanding they be heard—magnifying their ideas, presenting a forum for their needs?

What makes a man fight unceasingly for human dignity? What makes him a staunch advocate of democratic principles undaunted by pressure groups and ineptitude? What makes him seek the spirit of cooperation and understanding for his fellow man?

Perhaps, it can be most clearly understood by David's own words, "The volunteers of our country are the backbone of a free democratic society. Volunteers seek out and understand problems long before legislative correction. Volunteers are always in the vanguard of progress, social, as well as, political. They are the conscience of America. Without the free spirit of volunteers, a bureaucracy, or even worse, a dictatorship would ensue".

To volunteer, to serve unselfishly on the behalf of others, to be dedicated to the relief of human grievances, to seek ethical approaches to the solving of common problems; these are the achievements of David Osterer.

All this, David, you have done. Thank you.

YOUR FRIENDS AT ARLEN.

SOME NOTES ABOUT . . . DAVID G. OSTERER

David G. Osterer is a man of dynamic energy and social foresight as well as academic distinction—his Honorary Doctor of Humanities (L.H.D.) comes from Philathea College, Ontario—so that one finds it hard to paint a brief word-portrait that will do justice to someone with so broad a spectrum of social interests and humanitarian activities.

Originally, he was a businessman and, prior to his retirement, Dave had served as President of New Rochelle Precision Grinding Corporation and as Chairman, (now retired), and Founder of the Induction Heating Corporation and, also, as Founder and Chairman of the Board, (now retired), of the A.M.F. Thermatool Corporation.

Dave has become known as a man who is always ready to exert himself for a worthy cause and to donate his time, his energy, his knowledge, and, above all, his concern, to helping those less fortunate than himself. These qualities have been helpful in such positions as the Board of Directors of Harrison Community Synagogue, the Board of the National Conference of Christians and Jews, and the Board of St. Agnes Hospital Association. He has also served as President of the United Cerebral Palsy Association of Westchester County, New York, from 1958 to 1970. Dave is also active in lodge work, being 32nd degree Mason and Shriner (Mecca Temple) and a holder of the Eloy Alfaro Grand Cross and Diploam (T.C.E.A.).

Dave also served on the Youth Services Advisory Board of Westchester County. It is no wonder that the B'nai B'rith awarded him the coveted Human Rights Award in 1965 along with Mr. Roy Wilkins.

Dave Osterer has always been a friend in need and in deed, not only to those who could reciprocate his generosity, but to those who could not, and were never even aware that it was he who had made their lives a little brighter and happier. This is especially true of his tireless efforts to better the lives of the handicapped. To them, he is a very special friend, and they know him on an intimate and special basis. His 15 years of devoted service were recognized by his receipt of the Jimmy Vejar Memorial Award given by the Westchester County Cerebral Palsy Association.

Having now seen his long career in the commercial, fraternal, philanthropic and other areas, (he is now also Executive President of the Condominium Executive Council of Florida), crowned by this newest award to add luster to that long line before, he would probably tend to agree with that philosopher who once said, "that the noblest honor and highest award a man can ever win is the knowledge held deep within him that he has been of service to his fellow man."

ANTIBUSING AMENDMENT

HON. ROBERT P. HANRAHAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. HANRAHAN. Mr. Speaker, I wish to take this opportunity to indicate my strong support for Congressman ASHBROOK's antibusing amendment which was successfully added to the Elementary and Secondary Education Act, H.R. 69, by the House on March 27, 1974, by a vote of 239 to 168. If I had been present, I would have voted for this amendment.

I have long felt busing to achieve racial integration is an ineffective and disruptive method which can destroy the sound concept that made this Nation's elementary and secondary education system great, the neighborhood school system. Studies have indicated that busing has, at best, only a marginal impact on improving the educational opportunities for children. Equally important is the obvious safety disadvantages of continually busing children over long distances.

As a result of my firm conviction that busing for racial integration is a waste of the taxpayers' money, I have signed discharge petitions circulated by both Congresswoman GREEN and Congressman BEARD which would allow the House of Representatives to act on House Joint Resolution 95, the antibusing proposed constitutional amendment.

Only the fact that I had pledged my word I would make an important speaking engagement, prevented me from voting for the Ashbrook amendment. I wish the record to be made very clear as to my position on the important subject of busing for racial balance.

POW-MIA MEMORIAL TO BE DEDICATED APRIL 6

HON. JAMES A. BURKE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. BURKE of Massachusetts. Mr. Speaker, I was personally very gratified to hear recently that the Freedoms Foundation at Valley Forge, Pa., will be dedicating the POW-MIA Memorial on April 6, 1974. It was very heartwarming to learn that this historic monument to the brave Americans who fought in the Vietnam conflict has been cast from over 7,000 POW-MIA bracelets which were presented for this purpose by those who wore them during the long years of this conflict. Indeed, the sacrifices of these American soldiers for the ideal of individual liberty shall not be allowed to fade from the mind of American man.

I urge my colleagues to stop and reflect for a minute on the sacrifices these Americans have made.

The following is the announcement of the tribute to our MIA's and POW's:

General Harold K. Johnson, United States Army, Retired, President, Freedoms Foundation at Valley Forge; The Board of Directors; The Council of Trustees; cordially invite you to attend a Ceremony Dedicating The Prisoner of War and Missing in Action Memorial, which has been cast from over 7,000 POW–MIA Bracelets Presented By Their Former Wearers During the Vietnam Conflict and the dedications in the Medal of Honor Grove of The Massachusetts Area and The Alaska Area; Saturday afternoon, the sixth of April, at one thirty o'clock, at Freedoms Foundation at Valley Forge, Valley Forge, Pennsylvania.

You may bring guests. In the event of inclement weather, all three dedications will be conducted in the Main Foyer, Martha Washington Building.

BAN THE HANDGUN—XXXVIII

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. BINGHAM. Mr. Speaker, many people living in high crime areas believe possession of a handgun will protect them against crime. Rarely is this so. Much more frequently, the gun ends up killing or injuring its owner, a family member, a friend, or a well-meaning stranger. In the case recounted below, three firemen barely escaped with their lives when an elderly man, thinking they were robbers, fired at them through his front door. The story appeared in the March 28 edition of the New York Post:

Thought They Were Burglars: He Shoots at Firemen

(By Cy Egan)

It was one of those near tragedies bound to happen in a city where many citizens live in fear of crime.

At 1:30 this morning, John J. Irving, a 76-year-old real estate broker, awoke in the secondfloor apartment where he lives alone at 1809 Seventh Av., between 110th and 111th Sts., and heard terrific pounding on the door.

Irving says he was sure burglars were trying to break in because the apartment had been looted twice in recent months, and early last night police had come to the six-story building to search for a prowler in the basement.

The elderly man said he was unaware there was a fire in the building and that the pounding was by three firemen trying to enter to fight flames creeping upward from a blaze that had started in garbage at the bottom of a dumbwaiter shaft.

The firemen—Dennis Crosby, Francis Bernard and John Thomasian—said they had shouted and rung the doorbell to no avail and then had removed two cylinder locks from the door with a special tool only to discover that it was bolted from the inside. They heaved their bodies against the heavy metal panel in an effort to force it in.

The frightened broker said he didn't hear the shouts or the doorbell—only the pounding.

He said he went to dial the police emergency number, but the telephone was dead, a malfunction that police later speculated might have been caused when a line was severed by the flames downstairs.

Irving grabbed a licensed .38-caliber pistol he keeps in the apartment for protection. He said he went to the door and shouted to find out who was there, but he got no response and the pounding kept up.

The firemen claimed they heard no shouts before shots rang out and three bullets ripped through the door—one bouncing off Crosby's chest without penetrating his rubber coat, the second whizzing past Bernard's head, and the third dropping to the floor where Thomasian had fallen to his knees.

Other firemen meanwhile had managed to control the fire from below; police came and took Irving into custody.

The firemen were treated at St. Luke's Hospital, Crosby for a slight chest bruise, Bernard for ringing in his ears and Thomasian for bruises of his knees.

Fire officials said the door's thickness had slowed down the bullets and saved the men from more serious injury.

At the W. 123d St. station, Irving was charged with reckless endangerment—a misdemeanor—but he was not held. Instead, he was given a "desk ticket" for a later appearance in court and allowed to go home.

A policeman who answered the phone put it simply:

"What can you do to a 76-year-old guy who thinks he's defending his home?"

THE OCTOBER 24, 1973, ALERT

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. HAMILTON. Mr. Speaker, on Wednesday, the Committee on Foreign Affairs will be considering a resolution of inquiry introduced last week by Congressmen MICHAEL HARRINGTON and PETE STARK. This resolution seeks to obtain documents related to the October 24, 1973, alert which occurred during the later stages of the October Middle East war which followed what the Defense Department called "a number of indicators that led us to believe the Soviet Union was putting itself in a position to move troops into the Middle East."

In correspondence with the CIA, the State Department, and the Defense Department over the last 5 months, I have been seeking unclassified information relating to the evidence on which the alert was instituted; who made the decisions and who attended the meetings leading up to the alert; the exact tone and content of the various Soviet notes delivered to the United States during the tense moments of that day; and why a precautionary measure of a Defense condition—Defcon—3 was necessary.

The correspondence which follows is incomplete, but these letters do indicate that many important questions still need to be answered for the public record.

Mr. Speaker, because of the confusion and seeming contradictory statements that exist concerning the events of October 24, the State and Defense Departments should be more open with the American people and state precisely what happened that evening and exactly what indicators led our officials to believe that a strategic alert was necessary.

Yesterday, I inserted into the RECORD this series of letters but one important letter to the Department of Defense was inadvertently left out and therefore I am reinserting the correspondence.

The letters follow:

HOUSE OF REPRESENTATIVES,
Washington, D.C., November 20, 1973.

Hon. JAMES R. SCHLESINGER,
Secretary, Department of Defense,
Washington, D.C.

DEAR MR. SECRETARY: In the Subcommittee on the Near East and South Asia's ongoing hearings on the October Middle East war and its aftermath, we want to explore the reasons for the United States alert of October 24, 1973 and its implications. To that end, we would like to have your comments in open session testimony or in letter form because you were present during the meetings leading up to the alert.

Specifically, we are interested in three problem areas. First, we would like your description of the step-by-step decision-making process leading to the implementation of the alert, including a description of how, when and by whom the alert was effected. Second, we would like to know why you felt the particular type of alert that was instituted was, in fact, necessary. And, third, we would like to know more about the demands and performance of the Soviet Union during the events leading up to our move.

I would appreciate an early response to this inquiry.

Sincerely,

LEE H. HAMILTON,
Chairman, Subcommittee on Near East and South Asia.

WASHINGTON, D.C., *January 23, 1974.*

Hon. LEE H. HAMILTON,
Chairman, Subcommittee on Near East and South Asia, Washington, D.C.

DEAR MR. CHAIRMAN: Secretary Schlesinger has asked me to reply to your letter of November 20, 1973, in which you inquired about the US military alert of October 24. We have conducted extensive research to determine whether additional information is available over that provided by Secretary Schlesinger during his news conference on October 26, 1973. The only additional information was provided by Secretary Kissinger through various public statements. Answers to your specific questions follow; however, a copy of Secretary Schlesinger's news conference report is attached for more detailed information if desired.

The first of your specific questions refers to implementation of the alert and the process by which decisions regarding the alert were taken. An abbreviated meeting of the National Security Council, chaired by Dr. Kissinger, was held at about 11 p.m. on the night of 21 October 1973. Secretary Schlesinger, Mr. Colby and Admiral Moorer attended. The decision to notify the commands of an enhanced readiness condition was made by Secretary Schlesinger at about 11:30 p.m. and he instructed Admiral Moorer, left the White House about 2 a.m. and returned to the Pentagon to take further action on a series of decisions made during the meeting. The President was in complete command during the course of the evening and approved the entire package about 3 a.m. the morning of October 22.

You also ask why the particular type of alert that was chosen was, in fact, necessary and what actions and demands of the Soviet Union prompted that conclusion. There were a number of indicators that led us to believe the Soviet Union was putting itself in a position to move troops into the Middle East. This was in addition to the Soviet buildup of naval forces in the Mediterranean, associated with the possibility of actions taking place that might have involved US Naval forces. The Soviets had comprehensively alerted their airborne forces. Soviet airlift, required to move these forces, stood down from previously high activity. The standing down, along with the alerting of airborne forces, plus certain ambiguous developments which Dr. Kissinger has referred to, suggested the possibility of a movement that was unilateral on the part of the Soviet Union and we took the normal precaution of adjusting our Defense condition (DEFCON) status. We chose DEFCON 3, an intermediate condition, as a precautionary measure. The DEFCONs range from the lowest, DEFCON 5, to the highest alert, DEFCON 1. We chose DEFCON 3 as the minimum or lowest degree of readiness required under the circumstances by most of the forces involved.

Regarding your last question, I would not feel it appropriate for me to comment on US-Soviet diplomatic communications which are really a prerogative of Dr. Kissinger.

I hope this information is helpful to you.

Sincerely,

JAMES H. NOYES,
Deputy Assistant Secretary, Near Eastern, African and South Asian Affairs.

Letter No. 3

WASHINGTON, D.C., *February 20, 1974.*

Mr. JAMES H. NOYES,
Deputy Assistant Secretary of Defense, Near Eastern, African and South Asian Affairs, Washington, D.C.

DEAR MR. NOYES: Thank you for your letter of January 23, 1974 in response to my letter of November 20, 1973 to Secretary Schlesinger concerning the October 24th grade 3 alert of United States Armed Forces during the Middle East conflict.

Your letter raises several questions which need clarification. I would like answers to the following queries:

1. You state that "the President approved the entire package about 3 a.m. the morning of October 22." Do you mean October 22 or October 25? Did the President approve separately the 11:30 p.m. October 24 move made by Secretary Schlesinger to "notify the commands of an enhanced readiness condition"?

2. You mention that "there were a number of indicators that led us to believe that the Soviet Union was putting itself in a position to move troops into the Middle East." What were each of those indicators? How many troops did we estimate that might be involved? On what basis did we make that estimate?

3. You also mention the "Soviet buildup of naval forces in the Mediterranean." When did this buildup occur? How many more ships above the 1973 average were involved and what types of ships were they? Where were these ships headed? Did we have any knowledge or firm intelligence that any of the ships had nuclear weapons aboard, and, if so, how many ships had them, and what types were they? Did any ships that were known to be in Egyptian ports prior to the war, to our knowledge, have nuclear weapons aboard?

4. You state that the naval buildup could be "associated with the possibility of actions taking place that might have involved U.S. naval forces." Where were our naval forces? Why might action have occurred and on what basis do you make that assertion? What were we protecting or blockading? What was the proximity of our ships to the Soviet Union ships?

5. You state the "Soviets had comprehensively alerted their airborne forces". How many airborne units were involved? How many had been already alerted in the earlier days of the October war?

6. You state that "the Soviet airlift stood down from previously high activity". What precisely does that mean? What was the daily average of airlifts to Egypt and Syria for each day from October 13th until October 25th?

7. You indicate that all these factors suggested "the possibility of a movement that was unilateral on the part of the Soviet Union." Was this possibility suggested because we refused to go along with the Soviets in trying to enforce or implement the October 22nd ceasefire? Why weren't we more forceful in getting the end to the fighting between October 22 and October 25th? On what evidence and basis was the possibility of unilateral Soviet intervention suggested? Why was the Defense Department acting on the "worst possible scenario" that the evidence might have suggested? Why is not a plausible interpretation to say that the United States was "using a sledge hammer to crack a nut"?

I would appreciate your early consideration of these questions.

With best regards.

Sincerely yours,

LEE H. HAMILTON,
Chairman, Subcommittee on the Near East and South Asia.

WASHINGTON, D.C., *March 8, 1974.*

Hon. LEE H. HAMILTON,
Chairman, Subcommittee on the Near East and South Asia, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your letter of February 20 seeking further information concerning the October alert of U.S. armed forces during the Middle East conflict. I am replying on behalf of Mr. Noyes who is out of the city at the moment. He has, however, approved the substance of this letter. The comments and answers below are keyed to your numbered questions.

1. You are right, of course, concerning the date of the alert. It was October 25th, not the 22nd. We regret any confusion caused by this typographical error. As we have already said, the President was in complete command during the course of the evening, and he clearly approved the order given by Secretary Schlesinger on the night of October 24th.

2.–6. Your requests covered in questions 2 through 6 involve data which we can provide on a classified basis. As to your question concerning the standing down of the Soviet airlift, the meaning is simply that this airlift which had previously been engaged in moving large quantities of cargo to Egypt and Syria suddenly stopped moving cargo; this sudden stand down or halt could well have meant that the airlift was being prepared for a shift to a troop-lift operation, particularly in view of the fact that Soviet airborne units had been alerted and some ambiguous diplomatic representations had been made which opened the possibility of unilateral Soviet military involvement in the Middle East.

These factors also apply, of course, to your question 7. Under the circumstances, the U.S. acted with firmness. The indications were strong and to have acted otherwise would have been most imprudent, in our judgment. The interpretation you have suggested—"using a sledge hammer to crack a nut"—is not plausible because, as the course of events demonstrated, (1) U.S. handling of the situation worked and we have built from those decisive hours on into a highly constructive relationship in the area with all parties involved—Soviets, Egyptians, Israelis, the Syrians, and others, and (2) the evidence at the time as well as historical analysis of Soviet behavior does not suggest that the U.S. response was disproportionate to the challenge. On the contrary, U.S. decisiveness and resolve probably prevented a development, at worst, seriously endangering world peace and, at least, heavily complicating any prospects for the kind of constructive evolution in the Middle East which the U.S. now leads.

I hope that the above comments, while not complete answers to all of your questions, will be of assistance. In the meantime, we are gathering classified data to reply to the remainder of your questions and will make arrangements to deliver these materials to you in the next few days.

Sincerely,

GLENN E. BLITGEN,
Acting Director, Near East & South Asia Region.

WASHINGTON, D.C., *November 5, 1973.*

Hon. HENRY A. KISSINGER,
Secretary of State, Washington, D.C.

DEAR MR. SECRETARY: During your press conference on October 25 you indicated that, within one week, you would be able to put before the American people the facts relating to the United States alert of October 24, 1973. To my knowledge, no such statement relaying the pertinent facts has appeared.

In the Subcommittee on the Near East and South Asia's ongoing hearings on the October Middle East war and its aftermath, we want to explore the alert and its implications. To that end, we would like to have your comments in open session testimony, and if you cannot appear, we would like to have the testimony of someone else who was present during the meetings leading up to the alert.

Specifically, we are interested in four problem areas. First, we would like a description of the step-by-step decision-making process leading to the implementation of the alert. Second, we would like to know why the particular type of alert that was instituted was, in fact, necessary. Third, we would like to know more about the demands and performance of the Soviet Union during the events leading up to our move. And, finally, we would like your assessment of the implications of this Soviet-American crisis on our bilateral relations, on the stability of Soviet leadership and on reducing world tensions through the elimination of resort to confrontation politics.

I would appreciate an early response to this inquiry.

Sincerely,

LEE H. HAMILTON,
Chairman, Subcommittee on Near East and South Asia.

DEPARTMENT OF STATE,
Washington, D.C., November 27, 1973.

Hon. LEE H. HAMILTON,
Chairman, Subcommittee on Near East and South Asia, House of Representatives.

DEAR MR. CHAIRMAN: The Secretary has asked me to reply to your letter of November 15 concerning his October 25 press conference comments about making available the facts which led up to the President's decision to place U.S. forces on alert on October 24, 1973.

Since the date of your letter, the Secretary has addressed that question in a press conference on November 21. He explained then that, because we are now moving towards peace negotiations, which we expect to conduct with the cooperation of the Soviet Union, he did not believe any useful purpose would be served if the United States recited confidential communications that had taken place, and tried to recreate an episode of confrontation that hopefully has been transcended.

We are now making steady progress in achieving a consensus among the parties to convene a peace conference in mid-December, which would be under U.S.-Soviet co-chairmanship. The Secretary therefore remains strongly of the opinion that it would serve no useful purpose at this time to review the events leading up to the alert. The full facts, and full considerations leading to the President's decision, will be made public at the appropriate time.

In the meantime, the Secretary has asked me to assure you that he looks forward to a thorough discussion of the entire Middle

East situation at his executive session meeting with the Foreign Affairs Committee on Wednesday.

Sincerely,

MARSHALL WRIGHT,
Assistant Secretary for Congressional Relations.

WASHINGTON, D.C., *November 20, 1973.*

Hon. WILLIAM E. COLBY,
Director,
Central Intelligence Agency,
Washington, D.C.

DEAR MR. COLBY: In the Subcommittee on the Near East and South Asia's ongoing hearings on the October Middle East war and its aftermath, we want to explore the reasons for the United States alert of October 24, 1973 and its implications. To that end, we would like to have your comments in open session testimony or in letter form because you were present during the meetings leading up to the alert.

Specifically, we are interested in three problem areas. First, we would like your description of the step-by-step decision-making process leading to the implementation of the alert, including how, when and by whom the alert was effected. Second, we would like to know why the particular type of alert that was instituted was, in fact, necessary. And, third, we would like to know more about the demands and performance of the Soviet Union during the events leading up to our move.

I would appreciate an early response to this inquiry.

Sincerely,

LEE H. HAMILTON,
Chairman,
Subcommittee on Near East and South Asia.

CENTRAL INTELLIGENCE AGENCY,
Washington, D.C., November 29, 1973.

Hon. LEE H. HAMILTON,
Chairman, Subcommittee on Near East and South Asia, Washington, D.C.

DEAR MR. CHAIRMAN: Thank you for your letter of 20 November 1973 requesting my comments, in open session, or in letter form, on the reasons for the United States alert of 24 October 1973 and its implications.

As you know, I have always responded to requests from the Chairman of the Foreign Affairs Committee that I appear in executive session to testify on matters within the Agency's competence and the Committee's purview. So far as the alert about which you inquire is concerned, the Agency's role was limited mainly to providing intelligence information. This information was based primarily on sensitive sources and methods and, therefore, is not suitable for discussion in open session.

The decisions, and the specific steps, leading to the implementation of the alert were not within the responsibility of this Agency, and, hence, I am in no position to comment on them.

Sincerely,

W. E. COLBY,
Director.

WILLIAM S. MAILLIARD

HON. CHARLES W. WHALEN, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 25, 1974

Mr. WHALEN. Mr. Speaker, my first opportunity to work directly with the distinguished gentleman from California, Mr. Mailliard, came when I was appointed to the House Foreign Affairs Committee 2½ years ago. From the beginning, I was pleased to learn that Bill always was more than willing to give a hearing to views that undoubtedly would be contrary to his own. I feel very fortunate to have served with Bill, and I want him to know how much his even-handed dealings with other minority members and his innumerable courtesies shown to us are greatly appreciated.

Bill now leaves the House of Representatives following 22 years of service to the people of California and to the Nation. He becomes the Permanent Representative of the United States to the Organization of American States, a position for which he is extremely well qualified. I join my House colleagues in congratulating Bill on his congressional accomplishments and in wishing him continued success as he enters the diplomatic ranks.

DEDICATED HELP FOR KIDNEY FOUNDATION

HON. MARVIN L. ESCH

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. ESCH. Mr. Speaker, too often the efforts of citizens dedicated to helping the less fortunate go unnoticed. I rise to accord deserved recognition to Mrs. Bettie Guilds of Plymouth, Mich., and her associates who have given so much of their time to aid the Kidney Foundation of Michigan.

Mrs. Guilds, with help from Mr. and Mrs. David Caswell and Mr. and Mrs. George Ball of Garden City and Mr. and Mrs. Don Chartrands of Livonia, is working hard to raise money for the Kidney Foundation through her camping organization called Go-For-Resters.

The following article from the Livonia, Mich., Observer and Eccentric explains the program which I hope will be of interest to many of my colleagues:

FOR KIDNEY MACHINE: CAMPING PATCHES HAVE A MISSION

Kidney patches sold to aid the Kidney Foundation of Michigan are the bag of members of the Go-For-Resters camping organization.

Its members in Garden City, Westland, Livonia and Plymouth are preparing hundreds of arm patches to sell to the 10,000 campers who attend the spring roundup of the National Campers and Hikers Association. Patches cost 60 cents apiece.

Chairman of the patch drive for the Go-For-Resters, a local chapter of this camping organization, is Mrs. Bettie Guilds, 43220 Devon Lane, Plymouth.

Her assistants are Mr. and Mrs. David Caswell and Mr. and Mrs. George Ball of Garden City and Mr. and Mrs. Don Chartrands of Livonia.

Mrs. Guilds became interested in the problem of kidney disease while a patient some time ago in Wayne County Hospital. Although the disease was not her problem, she became aware of it through the daily visits of a neighbor who worked there as a nurse.

Not long after her recovery, she suggested the "adoption" of the Kidney Foundation of Michigan as its charity by the Go-for-Resters, an organization of which she is an enthusiastic member. She also helped design the red and white patch they now sell.

Perhaps those who enjoy traveling to remote areas were particularly impressed by the foundation's effort to bring kidney machines closer to patients who formerly had to travel hundreds of miles weekly to reach hospitals with the equipment needed to prolong their lives.

In order to survive, those whose kidneys have failed must have treatments three times a week to cleanse their blood. These treatments must continue the rest of their lives, or until matching kidney donors are found for transplantation.

At a cost of $3,000, the Go-For-Resters have already purchased one machine and are working to raise money for a second.

One such machine is based at Little Traverse Hospital, Burns clinic, in Petoskey. This mobile kidney center travels to Grayling and Traverse City, some 70 miles away, and to Sault Ste. Marie on the northern border of U.S.

At each location it parks near a hospital to connect into the building's electric and plumbing systems and to be close to a doctor in case of emergency.

Thirty minutes after the vehicle has been parked, two machines in the mobile center begin a three to four-hour process of cleansing impurities from the bloodstreams of the first of the day's schedule of four patients.

Anyone interested in purchasing kidney patches may contact Mrs. Guilds.

REMOVE SOCIAL SECURITY EARNINGS LIMIT

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. ARCHER. Mr. Speaker, one of the major problems in our present social security law has been the earnings limitations imposed on those persons receiving social security benefits when they earn over $2,400 a year or over the $200-a-month limitation. These individual citizens who desire to continue leading useful and productive lives as members of the work force are penalized by having their social security benefits reduced for every dollar earned above this limitation. We should encourage, not discourage, those older citizens desiring a continuation of their productive years. This present inequity in the law should be removed by the elimination of the earnings limitation for social security recipients. An excellent article by Senator BARRY GOLDWATER advocating this position appeared in the American Association of Retired Persons News Bulletin in February 1974. The article follows:

REPEAL THE EARNINGS LIMITATION

(By Senator BARRY M. GOLDWATER)

The earnings limitation of Social Security benefits should be repealed. By "earning ceiling," I mean the outrageous penalty which the law imposes on the person otherwise eligible for Social Security who earns more than $2,400 per year. As the law now stands, an individual receiving Social Security is denied one dollar for every two dollars he earns over this $2,400 exempt amount, until his benefits are cut off completely. The only exclusion is for persons 72 and older.

This restriction is wrong. It is wrong logically, and it is wrong morally. It is an outrage against millions of citizens who have made years of contributions out of their hard-earned salaries. It is an affront to the working man who has lived faithfully by the best rules of the American system. Let us remember that these citizens have not been a burden on the welfare rolls. They have not been out tearing up the flag, blocking traffic, or shouting obscenities in the streets. If there are any individuals in society who should deserve the top priority attention of their government, it is these law-abiding, working persons.

I have charged that the earnings limitation is wrong morally. This is because Social Security should not be a contract to quit work. It is also wrong morally because each citizen should be able to earn an income, without unfair restrictions, to the full limit of his ability and initiative.

I further condemn the earnings ceiling as being wrong logically. This is because a person who is penalized is usually the one with the greatest need for more income than his Social Security benefits could provide. Did you know that income from investments—stocks, bonds, rentals, and so forth—is not counted in determining whose benefits shall be reduced? No, it is only the individual who continues to work who is penalized.

Here we have the utterly illogical situation where a really wealthy person might draw tens of thousands of dollars a year from his investments and still, at the same time, receive his full Social Security check. Yet the man who has worked for a salary all of his life and who might need to continue working as a matter of his economic survival cannot do so under the law without being penalized. To this, I should add that a person who does lose his Social Security benefits on account of working suffers a reduction in his disposable income larger than the amount of the benefits he is losing. This occurs because for each dollar in tax-free Social Security benefits which the person loses, he exchanges for it a shrunken dollar earned which is reduced by Federal, state and local taxes and by all the expenses incidental to his work, including ironically continued payroll contributions for the Social Security which he is not receiving.

According to the best estimates I can get from the Social Security Administration, there are at least 2.5 million Americans aged 65 to 72 or their dependents who are directly affected by the earnings ceiling. About half of these individuals earn enough so that they receive no benefits at all, and most of the rest earn enough so that their benefits are reduced. Another category of about 500,000 persons may be receiving their full benefits, but are intentionally holding their earnings down because of the limitation.

It is time this statutory shackle was removed—completely. It is true that some progress has been made in liberalizing the restriction. In 1972, for example, an amendment passed which lifted the ceiling from $1,680 to $2,100. This followed a motion by me to abolish the ceiling entirely, which was defeated on a voice vote. Then in June of 1973, Congress raised the ceiling higher to $2,400. I am disappointed to report that an amendment boosting the ceiling to $3,000 and lowering the exempt age to 70 was dropped in conference in late 1973, after originally having passed the Senate by a vote of 88 to 1.

But, even if the amendment had prevailed, it would not be enough. In my opinion, workers who have contributed from their earnings over a lifetime of work are entitled, *as a matter of right*, to receive benefits when they reach the annuity age. I repeat, Social Security beneficiaries are not wards of the government. They are not on relief. They are not objects of charity. They are self-respecting Americans who have paid for the benefits which they will receive in old age.

Social Security payments are not gratuities from a benevolent government. They are a repayment of our own earnings, which we have deposited in trust as a regular contribution deducted from our salaries and from our employers on our behalf. This method was designed from the start as a guarantee that benefits would be paid as a matter of right, not of charity.

In fact, not too many people know this, but as the program was first reported by the Committee on Ways and Means in 1935, there was no earnings test at all. Thus, a total repeal of the test today would restore the program to its original form.

The first Advisory Council on Social Security in 1938 also described the contributory program as one in which payments would be "afforded as a matter of right." When Congress acted on the council's report by passing the Social Security Amendments of 1939, both the Ways and Means and Finance Committees reaffirmed this concept by declaring that "by granting benefits as a matter of right it preserved individual dignity."

The concept of an individual earning a *right* to his benefit was restated approvingly by the Advisory Councils of 1948, 1958, and 1965. Finally, we have the assurance of Dean J. Douglas Brown, who has worked with the development of the Social Security program since its beginning, that from the start it was meant that the plan should "provide benefits as a matter of right."

I propose that we make these promises a truth by repealing the earnings test entirely for all of our older citizens.

JAMES FARLEY TO RECEIVE THE LAETARE MEDAL OF THE UNIVERSITY OF NOTRE DAME

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. BRADEMAS. Mr. Speaker, I am pleased to call to the attention of Members of the House to the announcement of last week that the Honorable James A. Farley, former Postmaster General of the United States under President Franklin D. Roosevelt, has been chosen to receive the Laetare Medal for 1974, the highest honor conferred by the University of Notre Dame.

I ask unanimous consent to insert at this point in the RECORD the text of an article concerning the award to Mr. Farley.

The article, published in the March 27, 1974, issue of The Observer, follows:

JAMES FARLEY TO RECEIVE ND'S LAETARE MEDAL

James A. Farley, an internationally prominent Catholic layman for more than 40 years, has been chosen to receive the 1974 Laetare Medal, Notre Dame's highest honor.

The choice of Farley, Postmaster General under Roosevelt and currently honorary chairman of the Coca-Cola Export Corporation, to receive the award, given annually since 1883 to outstanding American Catholics, was announced Saturday (March 23) on campus by Fr. Hesburgh.

"In a day when the craft of politics is held in low esteem by the general public," Fr. Hesburgh said, "it is well for us to honor a man who practiced it with both integrity and affability."

Although Farley never held a high elective political office, he became a major influence in the Democratic Party in the 1930's. Born the son of an Irish brick manufacturer in Grassy Point, N.Y., in 1888, Farley completed high school and worked 15 years for Universal Gypsum Company as a bookkeeper, company correspondent and salesman. His first foray into politics was his election as town clerk from Stony Point, N.Y., in 1911, and he moved up through various state Democratic party positions to state party chairman in 1930, the year Franklin Delano Roosevelt was re-elected governor of New York state by the unprecedented plurality of 725,000 votes.

Farley became Roosevelt's field man as the governor looked toward the 1932 Democratic presidential nomination, and no one was more effective at the traditional approach to party workers—the personal letter, the long distance call, and the handshake. The indefatigable Farley was Roosevelt's floor leader at the 1932 Democratic convention which nominated the New York governor for the presidency. After Roosevelt's election, Farley became Postmaster General in his cabinet and also national chairman of the Democratic party. He remained a mentor of the president and a familiar figure at the White House, and in August, 1936, took a leave without pay from his cabinet post to run Roosevelt's second campaign, which resulted in a landslide victory.

It was after this victory that Farley revealed himself as good a customer of the mails as an administrator of them. He sat down and dictated more than 36,000 personal letters to Democratic workers from all over the country, exhausting six secretaries in the process. Even today at 85, his trademark green signature goes at the bottom of an average of 120 letters a day, and on his birthdays some 6,000 cards and letters are received—and each is personally acknowledged.

Two other traits biographers never fail to mention are Farley's pleasant nature and his phenomenal memory for names and faces. The former quality earned him the nicknames "Gentleman Jim" and "Genial Jim," and the latter is surrounded by legends about those whom Farley met on occasions separated by several years and still recognized with an effortless first-name handshake.

Farley split with Roosevelt over the third-term issue, resigned as Postmaster General in August, 1940, and campaigned only perfunctorily for Roosevelt's third term. Just before the Democratic convention in 1944, he resigned as national party chairman to dramatize his opposition to a fourth term.

Several biographers have commented on Farley's honesty while in office. Although his Postmaster General's salary was $15,000 he left the cabinet in debt because he insisted that a building materials firm he had started in 1929, and in which he still had a business interest, should not solicit orders where his influence would count and should reject all public business offered.

The year he left the cabinet was also the year that Farley was elected chairman of The Coca-Cola Export Corporation, and he has worked as hard as ever as the number one salesman for the soft drink company. Only after a heart attack in 1972 did he cut back from a schedule which in 1971 included 131 luncheons and 105 banquets, most of them sponsored by groups interested in foreign trade. In May of last year he was appointed honorary chairman of The Coca-Cola Export Corporation. He continues to arrive at his New York City Coca-Cola office at 9:15 a.m. each morning and walks the three blocks back to his Waldorf-Astoria apartment between 4 and 4:30 p.m. in order to rest before dinner. A widower since the death of his wife, Elizabeth, in 1955, Farley has two married daughters and a son as well as 10 grandchildren. His biography includes a long catalogue of civic, religious and fraternal activities and honors, including some two dozen honorary degrees from colleges and universities.

While Farley has had reservations about some recent directions of his party, he has retained the honorific title of "Mr. Democrat." Last year, fellow Democrats honored him as part of the last hurrah to New York City's National Democratic Club building at 233 Madison Ave., which the party was leaving after almost a half century. A reporter who was present wrote, "It was a great night for Jim Farley. The honor bestowed on him was reserved in the past for Democratic presidents such as FDR, Truman and Johnson."

Farley joins a list of Laetare Medal winners which includes President John F. Kennedy (1961), Clare Boothe Luce (1957), Sargent Shriver (1968), Supreme Court Justice William J. Brennan, Jr., (1969), and Dorothy Day (1972). The medal is normally presented at Notre Dame commencement exercises, scheduled this year for May 19.

VIETNAM VETS SHOULD GET BETTER BREAK

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. LEHMAN. Mr. Speaker, we have set aside this day, March 29, to honor our 2,500,000 Vietnam veterans, and to make up to them for the hollow and empty return they were given a year ago in contrast to the nationwide attention which was focused on our 566 returning POW's.

There have been few, if any, hometown parades; no parades down Fifth Avenue like the one given to our first astronauts. With the change in the Nation's perspective of the Vietnam war has come also a change in the way many persons view our returning veterans. Not only has the veteran to deal with problems of inadequate assistance from the Federal Government, but employer suspicions about drug abuse and discrimination against the handicapped.

The President has said that:

> Fulfilling the Nation's obligation to its veterans is a matter of justice and national honor.

Few would quarrel with that. But the facts are that the national obligation has not been met.

In the words of one veteran, the $220 per month payments to cover tuition and living expenses is "starvation with honor." In the old days, a veteran got a monthly living allowance of $75, and regardless of where he went to school, the Government paid the bill.

With costs of instruction at colleges and universities increasing substantially each year, $220 means less and less. I have received letters and calls from constituents who are forced to drop out of school because they cannot afford to support their families and go to school at the same time. Others are receiving their checks way behind schedule.

Despite this, the Administration requested only an 8-percent increase in educational benefits, and on this day, Vietnam Veterans Day, VA Benefits Director Odell W. Vaughn appeared before a House subcommittee to say that the Administration is "unalterably opposed" to any tuition supplements.

At the same time, the Administration wants to lift the ceiling on military aid to South Vietnam by $474 million to $1.6 billion. U.S. aid to South Vietnam, even without this increase, will reach almost $2 billion in fiscal year 1974.

In not-so-subtle terms, the Administration is sending the message that President Thieu is higher on the list of priorities than the young Americans who fought there.

Mr. Speaker, I insert in the Record an article from the September 4, 1973, Washington Post which summarizes the report made by the Educational Testing Service on educational benefits for Vietnam veterans:

[From The Washington Post, Sept. 4, 1973]

Viet Vets Said To Get Less Aid

(By Tim O'Brien)

A study by the Educational Testing Service for the Veterans' Administration has concluded that the World War II GI Bill provided greater educational benefits for returning war veterans than does the current legislation.

This conclusion comes after repeated VA efforts to promote the present GI Bill as equal to its World War II predecessor.

The study, for which the VA contracted after being ordered to do so by Congress last year, said: "In general, the 'real value' of the educational allowance available to veterans of World War II was greater than the current allowance being paid to veterans of the Vietnam conflict, when adjustments are made for the payment of tuition, fees, books and supplies."

"When educational allowances for the Vietnam veteran are adjusted for the average tuition, fees, books and supplies at a four-year public institution, the benefits remaining are insufficient to meet the veteran's estimated living expenses," the study said.

Taking into account the greatly increased costs of living and education since the late-1940s, the study said, "the World War II veteran was generally better off."

The VA has consistently maintained that the 1972 GI Bill is as good as, and in some ways surpasses, the World War II legislation. In a letter to The New York Times in March, VA Administrator Donald E. Johnson said the "present single veteran allowance of $1,980 for a school year is nearly three times the World War II allowance and gives most veterans more monetary assistance than after World War II, even allowing for inflation and increased school costs."

VA officials are vocally unhappy with the study the agency commissioned. One Educational Testing Service consultant associated with the report said the VA is already preparing a list of changes it wants made.

The study is to be sent to Congress this week.

The single Vietnam era veteran today gets $220 a month while enrolled in an educational institution—or $1,980 for a typical academic year. These funds are to help defray all educational costs, including tuition, subsistence, transportation, books, supplies and housing.

The World War II GI Bill provided in 1948 for a subsistence allowance of $75 a month plus a direct payment to the institution for tuition, fees and books up to a maximum of $500 a year.

The report says that, while the Vietnam veteran attending a public institution has educational benefits slightly higher than his World War II counterpart, he is severely disadvantaged with respect to the veteran of World War II if he desires to attend a private institution, "either vocational, technical or of higher learning."

"The five-fold increase in the average tuition of four-year private institutions by 1973, coupled with the cost of books and supplies, requires the Vietnam veteran with current benefits of $1,980 to raise an additional $136 just to meet educational costs—leaving literally nothing for subsistence,"

"The current level of educational benefits, when adjusted for the payment of tuition, fees and supplies, represents a significantly smaller proportion of average monthly earnings than did the subsistence allowance paid to the veteran of World War II," the study says.

"It is apparent that inflation and a rising standard of living have taken their toll on the Vietnam veteran's benefits and that his 'real ability to purchase post-secondary education has diminished with respect to his World War II counterpart.' "

The study also found that while other federally funded student aid programs are available to veterans, it appears that participation by Vietnam veterans "has been relatively small."

The Educational Testing Service is a private Princeton, N.J., firm that conducts surveys, aptitude tests and special analyses for education-related clients.

Congress ordered the VA commission the study during its deliberations on last year's GI Bill legislation. The VA was to have transmitted the results of the study to Congress and the President by April of this year. But the VA did not request proposals from testing firms until May, and the contract to ETS was finally awarded on May 25.

As a result, an ETS staffer said, "we were under an extraordinary time pressure. For a study of this magnitude, the VA ought to have been more on its toes."

Some of the study's other conclusions:

"Educationally disadvantaged" Vietnam veterans—those who have not completed high school or the equivalent—are more unlikely to apply for GI Bill benefits than their World War II or Korean War counterparts;

Black veterans of Vietnam do not participate in GI Bill benefits at anywhere near the levels of white Vietnam veterans;

While the VA claims to have contacted over 80 per cent of the black Vietnam veterans to inform them of their opportunities under the GI Bill, only 9.5 per cent of the black veterans say they have ever received help or advice from the VA.

Along with these findings, the study showed that the Vietnam soldier was on the average more educated than the World War II or Korean War serviceman. Fifty five per cent of the World War II vets did not have a high school education at the time of their discharge. Only 20 per cent of the Vietnam veterans find themselves in the same circumstances.

OUR GRACIOUS EMISSARY

HON. GARNER E. SHRIVER

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. SHRIVER. Mr. Speaker, I include the following editorial from the Topeka, Kans., Daily Capital which pays tribute to Mrs. Richard M. Nixon, the First Lady, for her effective representation of our Nation at the inaugurations of the presidents of Venezuela and Brazil:

Our Gracious Emissary

President Richard Nixon could have paid the newly elected presidents of Venezuela and Brazil no higher honors than he did by choosing his wife, Pat, to head the U.S. delegation to represent him at their inaugurations.

With her usual grace and dignity, mingled inseparably with her modest charm, our

First Lady most certainly presented that image of sincere friendship so deseperately needed in Latin American countries.

Mrs. Nixon was in Venezuela for three days of ceremonies marking the inauguration of Carlos Andres Perez, the fifth freely elected president in that oil-producing country's history.

Delivering personally a letter to President Perez from President Nixon, she added a personal touch by delivering in person an invitation to Perez to visit the United States.

Although the United States is the biggest oil customer of Venezuela, it is not likely the President asked his wife to discuss oil diplomacy with President Perez, but it will be a subject for future conversations with American officials.

Things had changed in Brasilia, capital of Brazil, since Pat Nixon and her husband, then vice president, visited Bazil in 1956. Brasilia then was but a dream, she said, and termed it now as "fantastic."

Mrs. Nixon was accorded the usual state welcome in Brasilia, and also was greeted by several busloads of children from the American school there.

She not only attended the inauguration of Gen. Ernesto Geisel, newly elected Brazilian president, but also paid her respects to Mrs. Scylla Medici, wife of the outgoing president, Emilio Garrastazu Medici.

President Nixon has long recognized that Pat is one of his greatest political assets. She also could prove to be one of the nation's best ambassadors of friendship.

Friendship and trust must be the foundation of all successful diplomatic relationships among nations. Her visit could spark new understanding and mutual concern between the United States and our neighbors to the south.

They are in sore need of repair.

HEARINGS ON H.R. 8722

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. CONYERS. Mr. Speaker, I am pleased to announce that the Subcommittee on Crime of the House Committee on the Judiciary will hold its second hearing on H.R. 8722, which would amend section 1201 of title 18 of the United States Code to mandate the assistance of the FBI in certain missing person cases. The hearing will be held on Wednesday, April 10, 1974, at 10 a.m., in 2141 Rayburn Office Building. The witness will be Assistant Attorney General Henry E. Petersen.

The legislation under consideration was drafted, in part, because of the failure of the FBI to investigate the case of Karen Levy, a New Jersey college student who disappeared after accepting a ride in New York State from a stranger. The subcommittee's hearing on H.R. 8722 indicated several facts which could have triggered the investigative assistance of the FBI, but did not.

Since the subcommittee's hearing on February 27, the Criminal Division of the Department of Justice announced that it has initiated a new policy of reviewing decisions of field personnel not to investigate missing person cases indicating possible violations of the Federal kidnaping statute. In his letter of March 18 to the subcommittee, Assistant Attorney General Petersen, alluding to the Levy case, said:

> You may be assured that in the future the review by this Division will be more full and complete than the evaluation in the Karen Levy case.

During a markup session on March 21, the subcommittee decided to defer further action on H.R. 8722 until it had an opportunity to carefully study this new policy. The subcommittee is particularly concerned with the permanence of the policy. And it will be the intent of the hearing to determine precisely how it will be implemented by the Department.

Those wishing to testify or submit a statement for the record should address their requests to the Committee on the Judiciary, U.S. House of Representatives, Washington, D.C. 20515.

HARLEY STAGGERS STAND ON GUN CONTROL

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. DINGELL. Mr. Speaker, there recently came to my attention a wire service story from West Virginia in which an official of a trappers' association criticized several of that State's Congressmen for what he thought to be their position on gun control. One of those criticized was my dear friend and colleague, HARLEY O. STAGGERS. He was accused of being "antigun, antihunting, and antitrapping."

This puzzled me quite a bit because, for as long as I have known him in Congress, HARLEY STAGGERS has been a faithful supporter of the constitutional right to keep and bear arms. His opposition to oppressive or ill-conceived firearms legislation has been so steadfast over the years that I cannot imagine how there could be any confusion about it.

The gentleman from West Virginia is too modest to claim any credit for this, so I think, as one of his friends, I should take a few moments to set the record straight.

I have never known HARLEY STAGGERS to vote for any measure that would threaten the right of a responsible citizen to own and lawfully use firearms.

Moreover, I have never known him to vote for any law detrimental to hunting or trapping.

HARLEY STAGGERS has owned guns and enjoyed shooting all his life. In 1927, when he was in the Citizens Military Training Corps, he was chosen as a member of its national rifle team. That year, he went to Camp Perry and shot in the national matches, which was then—and I think, still is—the highest level of rifle and pistol competition in the United States.

HARLEY and I both have taken great pleasure in hunting—I know he still has several guns of his own. He taught both of his sons to shoot, same as I did, and if anybody thinks he is against trapping, he does not know that when HARLEY was a youngster, he had his own trap line which he worked to earn a little spending money.

He can be proud of his record on gun legislation. He voted against passage of the Gun Control Act of 1968. He believed then, as I did, that the criminal does not pay any attention to firearms regulations, and that such laws usually encumber only the honest citizen. Unfortunately, the bill passed anyway, though I believe our skepticism was justified: our experience with this law in the last 5 years confirms the futility of trying to curb crime by legislating against guns, rather than against criminals.

On the other hand, when sportsmen urged Congress to eliminate an absurd provision of the Gun Control Act of 1968—the recordkeeping requirements on the sale of rifle and shotgun ammunition—he was in favor of that amendment. I am glad to say it passed and became law.

There also has been a sensible proposal to extend this recordkeeping exemption to .22 rimfire ammunition. Sportsmen favor this amendment and so does he. We both voted for it in 1970, but we have not been able to get it through the Senate.

So, I really do not know why a few of his folks back home are questioning his stand on gun legislation. HARLEY STAGGERS has made it plain that he wants his sons to continue to enjoy the right to own guns and to hunt, the same as he himself has enjoyed it. I think the people of West Virginia can count on HARLEY STAGGERS being guided by that objective.

GASOLINE PRICES TO INCREASE THIS SUMMER

HON. ELLA T. GRASSO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mrs. GRASSO. Mr. Speaker, last week, William Simon, Director of the Federal Energy Office said that gasoline prices this summer would increase more on the east coast than elsewhere in the Nation because of the East's heavy dependence on expensive imported oil.

The lifting of the Arab oil embargo will, of course, mean more oil for New England, and for this we are grateful. The alleviation of long lines at gasoline pumps is a welcome respite for Connecticut residents from the hardship they endured during the current fuel shortage.

Yet, this added oil and the gas made from it will be coming to my region at still higher prices, adding to the extreme burden already placed on Connecticut family budgets by inflation in areas such as food and fuel. One FEO official has indicated that while the price of regular gasoline will increase to between 60 and 65 cents a gallon nationwide this summer, easterners might end up paying around 70 cents a gallon.

Connecticut and New England rely on imports for much of their gasoline. Direct foreign imports of gasoline sold in Connecticut have been estimated at as high as 5 percent, compared with about

1.3 percent nationwide. Moreover, about half of the gasoline used in eastern States like Connecticut is produced by refiners along the east coast which get most of their crude oil from import sources.

In addition, independent petroleum marketers are being driven out of business because they are finding it close to impossible to obtain domestic petroleum from the major oil companies. In the past, these independents have been an effective source of competition badly needed in the petroleum industry to keep prices at reasonable levels. However, the heavy reliance of these marketers on high-priced imported oil has meant the slow dissolution of this important sector of the petroleum industry.

What is true of gasoline is also true of residual and heating oil. Connecticut and New England rely heavily on oil to heat homes and to run electric generating plants and factories. The region gets some 25 to 30 percent of its distillate stock, including heating oil and over 90 percent of its residual oil directly from foreign imports. Only the mild winter New Englanders experienced over the past few months averted a heating oil disaster. And now, with the lifting of the embargo and the coming of spring, they must look to further increases in their utility bills piled atop the increases they have already experienced due to higher oil prices.

Mr. Speaker, the FEO's regulation governing allocation of petroleum and petroleum products clearly states that one of the criteria for an adjustment of allocation is to maintain equitable distribution of these products, including gas, "at equitable prices among all regions and areas of the United States and sectors of the petroleum industry." With the Emergency Allocation Act of 1973, the Congress gave the FEO a mandate to provide equitable petroleum product supplies at equitable prices.

In my opinion, for Mr. Simon and the FEO to permit wide divergence in the prices of gasoline among regions of the country or sectors of the petroleum industry is tantamount to a failure on their part to carry out the expressed will of the Congress.

This opinion is not shared by all those involved in the allocation program, however. Indeed, there is one interpretation at FEO which sees the intent of Congress in this area solely as prohibiting discrimination in the sale of petroleum products by individual oil companies like Exxon or Shell. According to this interpretation, equitable prices are not guaranteed under the allocation program for regions of the country or sectors of the petroleum industry.

It is my belief that the Congress' intent in the pricing of gasoline and other oil products must be restated in a clear and precise form. For this reason, I have introduced a concurrent resolution to put the Congress on record again as favoring equitable prices for equitably allocated petroleum supplies.

I urge my colleagues to support this important resolution.

HON. WILLIAM S. MAILLIARD

HON. GEORGE H. MAHON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 25, 1974

Mr. MAHON. Mr. Speaker, among the fine and able men who have served in Congress during recent administrations is the gentleman from California, William S. Mailliard. He has written an excellent record of public service in the Congress, serving his constituents, his State and his Nation with distinction.

Much has already been said by my colleagues about this distinguished American, but I want to join with others in taking note of the outstanding service which he has rendered as a Member of Congress. He is one of those solid men in our Government whose presence and wisdom will be missed when he departs these legislative halls at the end of this session.

His leadership as the ranking Republican on the Foreign Affairs Committee and as the No. 2 Republican on the Merchant Marine and Fisheries Committee has been outstanding and these committees will suffer a serious loss with his departure.

Bill Mailliard, I am sure, will find numerous ways to continue serving his fellow man. I shall be wishing him well in his further activities.

A CONSPIRACY AGAINST BLACK NEWS?

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mr. RANGEL. Mr. Speaker, in a recent column in the Washington Post, William Raspberry raised disturbing questions about the coverage of black people in the mass communications media.

The question of discriminatory coverage by the media is a question that should concern us all, for if the leadership of our minority communities is denied access to the significant communications media on certain issues, we all are less informed than we should be of how a significant portion of our population views important national issues.

I hope that this thought-provoking article will be read carefully by my colleagues.

[From the Washington Post, Feb. 18, 1974]

A CONSPIRACY AGAINST BLACK NEWS?

(By William Raspberry)

"We are being ignored, disregarded and made to feel worthless. The major press of the country has evolved to the point where it ignores black news and black leadership."

Jesse Jackson, director of the Chicago-based People United to Save Humanity (PUSH), was at pains to make clear that he was not sore just because the press hadn't given him the coverage he thought he warranted.

"No, I'm not talking just about me," he said in a telephone interview last week. "But I get around the country quite a bit and I'm talking about what I see. I'm looking at a tendency, a trend, as I travel.

"I was in Philadelphia a week ago at Rev. Leon Sullivan's church, which holds about 2,800 people. Well, they tell me there were something like 5,000 people there to hear me, all out in the street and everywhere. Now there was a time when (the press) would have had to deal with what kind of force could draw that many people.

"It was the same thing Monday and Tuesday at two other churches. But looking at the papers you wouldn't have thought it was anything important or significant."

Was it anything important or significant? Just what was Jesse Jackson saying in Philadelphia that warranted such massive inattention?

"We weren't talking about (Mayor Frank) Rizzo is a racist and so forth, if that's what you mean. We were talking about basic issues, like how do you measure black progress and what do you do about the fact that only 10 out of the top 400 jobs in the city and county governments are held by blacks. We were talking about the absence of black editors on all the newspapers."

But according to Jackson, they might just as well have been talking into the wind so far as media coverage was concerned.

"It was the same thing when I talked to 2,500 people in Seattle. The coverage was zap. When I was in Youngstown, there were three TV news cameras there, but only one (station) put it on the news, and even that one didn't show the audience."

As Jackson sees it, it no longer suffices to talk about news judgments as the reason for the noncoverage. For him it's: conspiracy.

"Look, I'm not just talking about Jesse Jackson. During this whole Watergate thing, was there any idea of asking black leaders for their opinions? We're most affected by the energy crisis, but who talks to us about it? Who talks to us about wage-price guidelines? Dissent is being eliminated—at least any serious dissent.

"You can get in the paper if you want to talk about crime or nigger movies or Roy Wilkins being 'too old' or my analysis of Mrs. King. But start talking about economic policy and you're out of your territory."

A lot of blacks, leaders and led, share Jesse Jackson's misgivings over the dwindling coverage of black America, although not all would share his conclusion that a national conspiracy exists in the press.

One of the things that has happened is that black people are no longer a subject of major government policy debates, both because administration appears to have taken to heart Patrick Moynihan's strategy of "benign neglect" and because Watergate and oil have pre-empted the attention of the government.

From the President's point of view, reinstituting programs seriously designed to aid black people would simply open up another controversy for a man who has controversies aplenty already. But since it was government activity (or government reaction to black activity) that used to produce most of the media coverage of black America, the "benign neglect" shows up in the press as well.

But why, Jackson wonders, has the press gone into relative silence during a time when black activity is on the increase? "Look, we've gone from 400 to more than 2,800 black elected officials nationwide, from three to 16 congressmen, and from zero to 100 black mayors. Don't tell me we're not in the news because we haven't been doing anything. Niggers are working their ——— off, and with more sophistication then ever.'

And with more success. Which also is part of the media-coverage problem. The next black man elected mayor of a medium-size town probably won't make Page One outside the state: too commonplace. Nor are there the headline-generating massive demonstra-

> tions (or the need for them) that were useful in getting civil rights legislation enacted.
>
> To a large degree, that coverage was more concerned with white people than with blacks, anyway. Black people were the subject of the news stories, but they became news only when their activities intersected with white interests.
>
> Now that blacks are increasingly concerned with developing strength without direct reference to how white people might react, they may have become less interesting, less newsworthy, to white people.
>
> Which is a major part of what Jackson is talking about: The fact that the newspapers and television outlets are white, rather than public.
>
> "You read The Post, the Sun-Times and the New York Times, and there's no way you get the impression that Washington is 71 per cent black, that Chicago is 45 per cent black, that New York is 30 per cent black."

MILITARY AID TO SOUTH VIETNAM

HON. MARVIN L. ESCH

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. ESCH. Mr. Speaker, this week we will be voting on the Department of Defense supplemental. Included in that supplemental is $474 million for military aid to South Vietnam. I wanted to take this opportunity to share with my colleagues an editorial by Mr. Eric Sevareid concerning that portion of the supplemental:

> CBS EVENING NEWS
>
> MARCH 25, 1974.
>
> ERIC SEVAREID. It is now ten years since the United States invited itself into South Vietnam in a large way, four years since we invited ourselves into Cambodia—hardly a patch of South Korea where we've been settled in for nearly a quarter century. There, it's troops as well as money. In Indochina, as they say, it's only money. When we incursed into Cambodia four years ago, even so sophisticated a man as Doctor Kissinger was positive we would not have another tar baby on our hands. Just a military in and out, he said; no commitment to support that regime. Four years later, the cost is running to more than three hundred million a year—arms, advisors, food, all the rest of it. And no one has any convincing terminal date in mind. For South Vietnam, the Pentagon now asks an extra four hundred, seventy-four million this year, to get it up around the billion-and-a-half the Pentagon had counted on before Congress did some cutting.
>
> And Senator Goldwater, of all people, is against the supplement and has produced dismay in conservative circles. Scratch South Vietnam, he says; the communists are going to take it over anyway. That, of course, is just a guess. What is certain is that the communist build-up of men and weapons in the South is heavy and will continue. What is also certain is that the South, which dominates air, sea, and all the big population centers, will continue to try to maintain its superiority. It will therefore continue to demand and expect massive American help. The fact seems to be that the vitality of the whole Vietnamese economy has come to rest on American aid. What that government raises in taxes and bond sales, customs and help from other countries amounts to hardly one-sixth of the money the U.S. pours in each year.
>
> The cry of our military is "more," the cry of diplomats, like our present ambassador there, is "more." Their cry will always be "more." Each fiscal year will reveal a special emergency, the increased price of oil for Saigon, or a new Russian weapon will appear on the scene, or Peking will utter ominous noises. The Saigon forces will never be up to date for the simple reason that weapon technology never ceases to change. It's like Paris fashions. Nobody's in style for more than a year.
>
> Those supporting the new supplementary money requests, like The Washington Star News, claim the point is that an investment of fifty thousand lives and a hundred, thirty billion or so must not be written off. Investment is a curious term for a tragic blunder. In any case, the real point is that Congress must make it clear to Pentagon and Saigon, in one way or another, that sums of this magnitude shall have a terminal date. If not, we will be paying them five, ten, fifteen years from now.

THE MOUNTING ATTACK ON FREE SPEECH AT AMERICAN UNIVERSITIES

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. CRANE. Mr. Speaker, the American university is in a great deal of trouble. While the campuses are no longer erupting in violence, the unfortunate fact is that freedom of speech is being seriously challenged and, more and more, unpopular or divergent points of view are not being provided with a forum.

In response to pressure from the Black Law Students Association at Harvard, for example, a scheduled debate between Roy Innis, the executive director of the Congress of Racial Equality and Dr. William Shockley, a physicist and Nobel Prize winner, was canceled.

This incident, and others which have occurred at campuses throughout the country, renders particularly relevant a warning issued by a group of prominent scholars from the United States and abroad who conducted a 4-day discussion in Venice on "The Crisis of the University." They noted that, even though overt violence and intimidation have diminished, "concessions to expediency are being made every day."

I have served in the university community and have visited many campuses in recent years. The kind of thought control being imposed upon the American academic community is the antithesis of what the university is intended to be. It was my hope that with the passing of the militant New Left this attempt at eliminating freedom of speech would be behind us. Unfortunately, this is not the case.

Recently, the distinguished scholar, Prof. Edward Banfield, was shouted down as he attempted to deliver a lecture at the University of Chicago. His host, the distinguished economist, Dr. Milton Friedman, was insulted and threatened. The result was that the lecture was never delivered. In a manner reminiscent of the young Nazis who imposed their own form of thought control upon the universities of Germany, freedom of speech was halted at the University of Chicago.

Discussing this event, and the tendency of university officials to acquiesce in the demands of violent protestors, Chicago Today, in its editorial of March 22, 1974, noted:

> Trying to explain to yowling brats what is meant by free speech—why it is important to protect the circulation of all ideas, including unpopular and distasteful ones—is a waste of time. But their inability to grasp such grownup concepts as freedom cannot be allowed to endanger freedom . . . The picture of police arresting demonstrators may be distasteful. The picture of police protecting freedom of speech by breaking up a gang out to destroy it would seem to us rather gratifying.

Following is the editorial from Chicago Today:

> CENSORSHIP BY MOB
>
> We had another demonstration Wednesday of how easy it is for a really determined gang of storm troopers to censor ideas they don't like. Demonstrators invaded the University of Chicago's Breasted Hall, took over a scheduled lecture by political scientists Edward Banfield, howled down the speaker and his host, economist Milton Friedman, insulted and threatened the audience, and finally forced a surrender. After more than an hour of this oafish terrorism—during which university officials kept the building locked and refused to summon police—Banfield's lecture was called off.
>
> The demonstrators were members of the "Committee Against Racism," a coalition of louts including Students for a Democratic Society and the People's Labor Party. None of these groups has any importance except for their ability to break up other people's gatherings, but that ability is worth worrying about.
>
> These are emotionally underdeveloped types—6-year-old minds in mature bodies—and concepts like free speech are beyond them. Their view of life is that of most normal 6-year-olds: What gratifies them is good, what displeases them is evil [or, as they would say, fascist.]
>
> We recognize the university's dilemma in dealing with these brawlers. Officials feared that calling in police to arrest them would make "martyrs" of them. But their solution was to make martyrs of the audience instead, and that is not good enough.
>
> Trying to explain to yowling brats what is meant by free speech—why it is important to protect the circulation of all ideas, including unpopular or distasteful ones—is a waste of time. But their inability to grasp such grownup concepts as freedom cannot be allowed to endanger freedom; that, we think, is the important point.
>
> The picture of police arresting demonstrators may be distasteful. The picture of police protecting freedom of speech by breaking up a gang out to destroy it would seem to us rather gratifying. A lot more gratifying then seeing a university surrender to a mob of self-appointed censors.

In another editorial concerning this unfortunate incident, the Chicago Daily News of March 22, 1974, includes an editorial which notes:

> Professor Banfield was charitable about the incident, and said the university had no choice but to be "patient and reasonable." That's the scholarly approach, to be sure. But when a handful of students sets out to subvert the freedom of expression that is the essence of scholarship, there ought to come a limit to patience.

I wish to share with my colleagues the following editorial from the Chicago Daily News, entitled "Setback for Free Speech," and insert it in the Record at this time:

Setback for Free Speech

The scenario at the University of Chicago this week followed the same dismal track seen on many a campus in recent months. Just as a scheduled lecture was about to begin, a band of student protesters took over, shouting, waving banners and hurling insults. The speech had to be canceled.

The speaker in this case was Prof. Edward C. Banfield, a political scientist at the University of Pennsylvania. Without waiting to hear what he had to say, the disrupters branded him a "racist" and free speech at the university suffered another blow.

Similar incidents have occurred at the University of Illinois Circle Campus and at Harvard, Princeton and other schools. The most frequent targets have been psychologist Arthur Jensen and physicist William Shockley, whose controversial views on education and genetics have also been branded "racist." On at least one occasion, a scheduled debate between Shockley and Roy Innes, national director of the Congress on Racial Equality, had to be called off because of threats of disruption.

In most cases the protests have been linked to members of the Students for a Democratic Society (SDS), which long ago forfeited its right to describe itself as "democratic." But whatever radical group or groups are involved, the tactics bear a shameful resemblance to those of the minions of Hitler and Stalin, and have no place on American soil. Their use on a campus dedicated to the free exchange of ideas is especially deplorable.

It isn't necessary to endorse the views of Banfield, Jensen or Shockley to defend their right to express those views. If they have merit, they will win support; if not, they will fall of their own weight. But to shut off debate by violence is the worst possible way to resolve the issue.

Prof. Banfield was charitable about the incident, and said the university had no choice but to be "patient and reasonable." That's the scholarly approach, to be sure. But when a handful of students sets out to subvert the fredom of expression that is the essence of scholarship, there ought to come a limit to patience.

LOS ANGELES POLICE RELAY RUN

HON. THOMAS M. REES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. REES. Mr. Speaker, on May 10, 13 Los Angeles policemen will gather on the Capitol steps to begin a 3,820 mile relay run to Los Angeles City Hall.

The officers, representing the Los Angeles Police Revolver and Athletic Club, will make their run in just over 20 days to mark National Police Week, May 12–18.

The runners and 19 other Los Angeles policemen supporting their effort hope that the run will foster better rapport between policemen and the people they seek to protect. The Juvenile Opportunities Endeavor Foundation—JOE—is making arrangements for youngsters in certain cities to run with the police officers to establish better relations between youth and the police.

Among the supporters of this run is Daylin, Inc., a Beverly Hill company, from which grew the JOE Foundation. Daylin and its chairman of the board, Amnon Barness, lent manpower for a major fundraising campaign to underwrite the costs of the run.

Among those who are assisting are Chic Watt, senior group vice president of Daylin; Peter Grant and Ron Reider, director and associate director of communications for Daylin; Hal Phillips, Daylin public relations consultant; and Ruth Frauman, executive director of JOE.

Mr. Speaker, I urge you and the other Members of Congress to be present at 10 a.m., May 10, on the Capitol steps to support and encourage these men as they begin their long journey.

WHISKY MAKING, LEGAL OR OTHERWISE

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. CARTER. Mr. Speaker, most of my colleagues are aware of Kentucky's traditional association with whisky making, legal or otherwise; and the "otherwise" has been the source of countless stories over the years. I am pleased to include for the Record one such story from the book "Joe Creason's Kentucky":

Story From the Book "Joe Creason's Kentucky"

Charles M. Summers, now a Campbellsville attorney but for years a moonshine whisky still-busting "revenuer" for the Treasury Department, calls attention to a badly deteriorated farm situation that no doubt has escaped the eagle-eye of Congress.

He points out that some industrious farmers who used to run off an occasional batch of moonshine—and who, consequently, he came to know professionally—have stopped making the stuff. And their farm income has suffered drastically as a result. So, he wonders, if some farmers are paid not to raise various crops by taking their land out of production and putting it in the soil bank, why not a similar payment for farmer-moonshiners who take their stills out of production?

It was a conversation in the privacy of his law office that made him aware of the seriousness of this situation. Each year Summers prepares income-tax returns for a number of farm people who once did a bit of moonshining on the side and who were the targets of some of the investigations he used to conduct, usually with his long-time partner Quinn Pearl. This particular day a farmer who had been nailed once years back by Pearl on a raid he missed came into Summers office to have his tax computed.

"Did you make a lot of money farming last year?" Summers asked.

"Naw," the client replied. "I ain't made no money on that farm since Quinn Pearl chopped up my last still!"

RETIREMENT OF WILLIAM S. MAILLIARD

HON. B. F. SISK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. SISK. Mr. Speaker, I certainly want to join with my colleagues at this time in paying tribute to our departing California colleague, Bill Maillard.

I am especially glad, however, that his retirement from Congress does not mean the loss of his outstanding talents as a public servant. The Organization of American States is now receiving as its ambassador from the United States a man of singular ability in the field of foreign affairs, Bill having served as ranking member of the House Foreign Affairs Committee for so long.

The closeness of the entire California representation in Congress has also benefited by his leadership of the Republican delegation.

Having served with me during my entire service in the House, I can say with all candor that we will miss Bill here but that the country will be richer for his assumption of this new post which is of such importance to the reationships of all the countries of the Western Hemisphere.

SENATE—*Wednesday, April 3, 1974*

The Senate met at 11 a.m. and was called to order by Hon. Hugh Scott, a Senator from the State of Pennsylvania.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Almighty God, who hast called us to serve the Nation in times heavy with crisis and fraught with peril, strengthen our hearts and minds that we may worthily measure up to the role Thou hast ordained for us. In a world uncertain about many things, make us certain of Thee.

Deliver us, O Lord, from ineptitude and cowardice, from moral paralysis and spiritual inertia. In our day when cleverness often is lifted above goodness and cunning above character, give us the purity of life and honesty of purpose to keep Thy commandments and walk in Thy ways. Use us this day and every day so that at the end each of us may be able to say, "I have kept the faith."

In the Redeemer's name, we ask it. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. Eastland).

The second assistant legislative clerk read the following letter:

U.S. Senate,
President pro tempore,
Washington, D.C., April 3, 1974.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. Hugh Scott, a Senator from the State of Pennsylvania, to perform the duties of the Chair during my absence.

James O. Eastland,
President pro tempore.

Mr. HUGH SCOTT thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Tuesday, April 2, 1974, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

QUORUM CALL

Mr. HUGH SCOTT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. Stevenson). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRANSACTION OF ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business, for not to exceed 15 minutes, with statements therein limited to 3 minutes.

THE PRESIDENT'S VISIT TO MOSCOW

Mr. HUGH SCOTT. Mr. President, some discussion is beginning to arise as to the President's expected visit to Moscow. I do not know the extent of that planning, but I do think that if it is deemed necessary to follow up the work of the SALT II negotiators, to support the efforts of the Secretary of State, to further the advantages of détente, the President should go, and he should go with the full support of the American people.

I believe it is well for us to get back to the old Vandenberg thesis that politics stops at the water's edge, and I think that most Members of Congress feel the same way.

I believe, too, that whatever domestic problems we have and whatever problems the President has at home ought not obscure the search for peace which is the universal desire of mankind. They ought not interfere with the efforts of our Chief Executive to negotiate better relations with any country. Nor should the President be harassed or put in a defensive position by the kind of criticism that would tend to dilute the full impact of his authority in dealing, as Chief of State, with the chiefs of state of other nations.

Before this question boils up into a matter of such national discussion as to have in itself some effect on our foreign policy, all of us should remember that our first duty is to the security of our Nation, to the continued search for peace, and to support all those in whom the people have vested the responsibility for executive action in that direction.

I support what the distinguished senior Senator from New York (Mr. Javits) said today, as reported to me, along these lines. I also join in a comment of his that the prerogative—and, more than prerogative, the constitutional obligation—of Congress be kept in mind scrupulously; that if agreements emerge, they shall, if so warranted, be framed in the form of treaties, for the advice and consent of the Senate; or, if in the form major executive agreements, for the concurrence of both bodies of Congress.

The role which Congress plays is constitutional. The responsibilities which Congress has were clearly delineated in the discussions of the Founding Fathers. The confidence of the people in such agreements as are made, looking toward peaceful solutions, is essential; and that can be obtained through the concurrence of Congress and of the President. Therefore, I think we also have a duty not to do anything which would diminish our opportunities in this particular time of our national life.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. HUGH SCOTT. I yield.

Mr. MANSFIELD. Mr. President, I compliment the Senator for a very statesmanlike utterance. I agree with him completely; and I hope that what we both say this morning will be taken at face value, because we mean what we say.

Mr. HUGH SCOTT. I thank the distinguished majority leader.

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEATH OF PRESIDENT GEORGES POMPIDOU

Mr. MANSFIELD. Mr. President, it is with a sense of sadness and regret that I note the death of the President of France, Georges Pompidou.

President Pompidou was the successor to the late, great Charles De Gaulle, who did so much to restore dignity, prestige, and, in a certain sense, power to the Fifth French Republic.

President Pompidou performed extremely well under most difficult circumstances. We in the Senate, on both sides, mourn his passing and express our deepest condolences and sympathy to his family.

May I say that I have always had an especially warm place in my heart for France, because of the fact that if it had not been for the French Army at Yorktown—and they numbered more than the Americans—had it not been for the French fleet off the Virginia capes, had it not been for the French treasury, which in considerable part financed the American Revolution, there might not be a United States of America today.

So it is in tribute to the country and the man who headed that country, who was its Chief of State, that at this time I express the condolences of the Mansfield family personally, and I am sure in conjunction with my distinguished colleague, the Republican leader, the condolences of the Senate as a whole.

Mr. HUGH SCOTT. Mr. President, if the distinguished majority leader will yield, I do express on behalf of ourselves and of the Nation the sorrow of the United States at the passing of the distinguished Chief of the French State, Monsieur Pompidou.

We are indebted to the people of France, as the people of France were later, in turn, to become indebted to us.

I would like to see a return to the relations between France and the United States, a renewed spirit of Comte de Rochambeau, and Marie Joseph Paul Yves Roch Gilbert du Motier, the Marquis de Lafayette.

I believe that is possible, whether the successor to Monsier Pompidou be Valery Giscard d'Estaing or Jacques Chaban-Delmas, or whoever it might be.

I do hope that we would be able to put aside our mutual abrasions which occur from time to time and remember that when Monsieur Pompidou was here relationships improved. The majority leader and I were with Monsieur Pompidou at the time of his visit to New York. We regarded him as a great statesman. We express our sincere condolences to his family.

I conclude with the hope that we can find a way to better our relationships with France, because that is important to us, to France, the European Community, and the world.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. HUGH SCOTT. I yield.

Mr. MANSFIELD. May I say that we are important, each to the other.

Mr. HUGH SCOTT. That is precisely so.

QUORUM CALL

The ACTING PRESIDENT pro tempore. Is there further morning business?

Mr. HUGH SCOTT. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. HUGH SCOTT) laid before the Senate the following communication and letters, which were referred as indicated:

Addendum to Report on Nonmetropolitan Planning Districts

A letter from the Assistant Secretary of Agriculture transmitting, pursuant to law, four tables on nonmetropolitan planning districts funded by the Department of Housing and Urban Dvelopment (with accompanying papers). Referred to the Committee on Agriculture and Forestry.

Decrease in Appropriations for the Department of Health, Education, and Welfare, 1974 (S. Doc. No. 93–69)

A communication from the President of the United States requesting a decrease in fiscal year 1974 appropriations for the Department of Health, Education, and Welfare in the amount of $783,000,000 (with accompanying papers). Referred to the Committee on Appropriations, and ordered to be printed.

Report on Final Determination of Claims of Certain Indian Tribes

A letter from the Chairman of the Indian Claims Commission transmitting, pursuant to law, its report of its final determinations with respect to the claims in the matters of: James Strong, et al, on behalf of the Chippewa Tribe v. United States; Red Lake, Pembina, and White Earth Bands of Chippewa Indians, et al, v. United States; and Robert Dominic, et al, on behalf of the Ottawa Tribe of Indians v. United States (with accompanying papers). Referred to the Committee on Appropriations.

Report on Adequacy of Pays and Allowances of the Uniformed Services

A letter from the Assistant Secretary of Defense transmitting, pursuant to law a report on the adequacy of pays and allowances of the uniformed services (with accompanying papers). Referred to the Committee on Armed Services.

Proposed Legislation by the Government of the District of Columbia

A letter from the Mayor-Commissioner of the District of Columbia transmitting a draft of proposed legislation to authorize the District of Columbia to enter into the Interstate Parole and Probation Compact, and for other purposes (with accompanying papers). Referred to the Committee on the District of Columbia.

A letter from the Mayor-Commissioner of the District of Columbia transmitting a draft of proposed legislation to provide for the recovery from tortiously liable third persons of the cost of medical and hospital care and treatment, funeral expenses, and salary payments furnished or paid by the District of Columbia, to members of the Metropolitan Police force and the District of Columbia Fire Department (with accompanying papers). Referred to the Committee on the District of Columbia.

Report of the Secretary of State

A letter from the Acting Secretary of State transmitting, pursuant to law, a report relating to foreign assistance, U.S. Government trade and sales transactions, assessed contributions to international organizations, receipts of foreign currency and foreign currency payments returned by the U.S. Government, and exports of arms, ammunition, and implements of war (with an accompanying report). Referred to the Committee on Foreign Relations.

Report of the National Advisory Council on the Education of Disadvantaged Children

A letter from the Chairman of the National Advisory Council on the Education of Disadvantaged Children transmitting, pursuant to law, the annual report of the Council for fiscal 1974 (with an accompanying report). Referred to the Committee on Labor and Public Welfare.

Report on the 1974 Summer Youth Jobs Programs

A letter from the Secretary of Labor transmitting, pursuant to law, the report on the 1974 summer youth jobs programs (with an accompanying report). Referred to the Committee on Labor and Public Welfare.

Annual Report of the Girl Scouts of America

A letter from the National Executive Director of the Girl Scouts of the United States of America transmitting, pursuant to law, its annual report (with an accompanying report). Referred to the Committee on Labor and Public Welfare.

Delegation of Authority by the Commissioner on Aging

A letter from the Secretary of Health, Education, and Welfare transmitting, pursuant to law, a plan for the delegation of certain authorities to act by the Commissioner on Aging. Referred to the Committee on Labor and Public Welfare.

Proposed Legislation of the Department of Health, Education, and Welfare

A letter from the Secretary of Health, Education, and Welfare transmitting a draft of proposed legislation to transfer the duties and authority of the Director of the Office of Economic Opportunity to the Secretary of Health, Education, and Welfare, and for other purposes (with accompanying papers). Referred to the Committee on Labor and Public Welfare.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the ACTING PRESIDENT pro tempore (Mr. HUGH SCOTT):

A joint resolution of the Legislature of the State of California. Referred to the Commitee on Public Works:

"AJR 73

"Assembly Joint Resolution No. 73 relative to Federal parking regulations

"Whereas, The communities of the Los Angeles metropolitan areas are dependent upon automotive travel for business and commerce to a unique degree; and

"Whereas, The Administrator of the Environmental Protection Agency is granted the authority under the Clean Air Act Amendments of 1970 to prescribe and enforce regulations for a national ambient air quality standard, including the imposition of parking fee surcharges and an annual parking tax, in the event an acceptable state implementation plan is not submitted; and

"Whereas, Pursuant to regulations proposed under such authority, no new parking facility with parking capacity for 250 or more motor vehicles, or any parking facility that will be modified to increase parking capacity by 250 or more motor vehicles, may be constructed without first obtaining written approval from the Administrator of the Environmental Protection Agency; and

"Whereas, Such action and other actions for which the agency has grants of authority would have severe and adverse effects upon commerce and travel in the whole of southern California, an area presently, and for a considerable time in the future, lacking adequate mass transportation alternatives to the automobile; and

"Whereas, The authority which has been granted to the Environmental Protection Agency is so broad and of such magnitude that it should be exercised only by an elected legislative body; now, therefore, be it

"*Resolved by the Assembly and the Senate of the State of California, jointly*, That the Legislature of the State of California respectfully memoralizes the President and the Congress of the United States to initiate action to repeal the authority of the Administrator of the Environmental Protection Agency to implement the proposed regulations relative to the construction or modification of parking facilities, or to exercise any other regulatory power regarding parking granted to the Environmental Protection Agency by the Clean Air Act Amendments of 1970, without the express consent of the Congress; and be it further,

"*Resolved*, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to each Senator and Representative from California in the Congress of the United States, and to the Administrator of the Environmental Protection Agency."

A resolution of the House of Representatives of the State of Hawaii. Referred to the Committee on Foreign Relations:

"H.R. No. 267

"House resolution urging the President and Congress of the United States to do all in their power to account for and repatriate the missing-in-action and prisoners-of-war in Southeast Asia

"Whereas, it has been one year since the Cease-Fire Agreement ending United States participation in the Southeast Asia conflict; and

"Whereas, the Cease-Fire Agreement states (Article 8b), that all prisoners-of-war shall be repatriated and all missing-in-action accounted for; and

"Whereas, over 1,200 Americans are still missing and unaccounted for in Southeast Asia; and

"Whereas, forty-four (44) of these men were known to be alive in captivity; and

"Whereas, six (6) of those listed as missing-in-action are Sons of Hawaii; and

"Whereas, the people of the State of Hawaii have expressed great concern over the fate of these men; now, therefore,

"Be it resolved by the House of Representatives of the Seventh Legislature of the State of Hawaii, Regular Session of 1974, that the President and Congress of the United States be urged to do all in their power to account for and repatriate the missing-in-action and prisoners-of-war in Southeast Asia; and

"Be it further resolved that certified copies of this Resolution be transmitted to the President of the United States and the presiding officers of the U.S. Senate and House; and

"Be it further resolved that certified copies of this Resolution be transmitted also to

Ms. Dawn Perry, President of POW/MIA Concern, Mrs. Carol Ann Patrick Marino and Mrs. Peggy Strumfels."

A joint resolution of the Legislature of the Commonwealth of Virginia. Referred to the Committee on Foreign Relations:

"SENATE JOINT RESOLUTION 51

"Expressing the sense of the General Assembly of Virginia relative to the Hay-Bunau-Varilla Treaty of 1903

"Whereas, in nineteen hundred and three, the United States of America was granted sovereignty over the Panama Canal Zone in perpetuity; and

"Whereas, the Panama Canal is essential to the defense and national security of the United States of America; and

"Whereas, the Panama Canal is of vital importance to the economy and interoceanic commerce of the United States of America and the remainder of the free world; and

"Whereas, valuable exports from Virginia go through the Panama Canal to distant reaches of the globe; and

"Whereas, under the sovereign control of the United States of America, the Panama Canal has provided uninterrupted peacetime transit to all nations; and

"Whereas, the traditionally unstable nature of Panamanian politics and government poses an implicit threat to the security of the interests of the United States of America served by the Panama Canal; and

"Whereas, the Republic of Panama possesses neither the technical and managerial expertise to effectively operate and maintain the Canal nor the capability to meet the growing demands placed upon the Canal; and

"Whereas, the Canal represents a five billion dollar investment on the part of the people of the United States of America; now, therefore, be it

"Resolved by the Senate, the House of Delegates concurring, That the General Assembly of Virginia requests that the Congress of the United States' reject any encroachment upon the sovereignty of the United States of America over the Panama Canal and insist that the terms of the Hay-Bunau-Varilla Treaty of 1903 as subsequently amended be adhered to and retained; and

"Be it further resolved, That the Clerk of the Senate send copies of this resolution to Richard M. Nixon, President of the United States; Gerald R. Ford, Vice President of the United States; Henry A. Kissinger, Secretary of State; Carl Albert, Speaker of the House; J. William Fulbright, Chairman, Senate Foreign Relations Committee; and to each member of the Virginia Delegation to the Congress of the United States."

A joint memorial of the Legislature of the State of Washington. Referred to the Committee on Foreign Relations:

"SENATE JOINT MEMORIAL No. 131

"*To the Honorable Richard M. Nixon, President of the United States, and to the President of the Senate and the Speaker of the House of Representatives and to the Senate and House of Representatives of the United States, in Congress assembled, and to the International Joint Commission:*

"We, your Memorialists, the Senate and House of Representatives of the state of Washington, in legislative session assembled, respectfully represent and petition as follows:

"Whereas, The International Joint Commission, established by the treaty of 1909 between the United States and Great Britain to adjust disputes involving the use, obstruction, or division of the boundary waters between the United States and Canada and to adjust other disputes arising along the boundary between the United States and Canada, has been conducting a study of the Point Roberts area, a portion of the state of Washington contiguous to the Province of British Columbia, through a body it has created known as the International Point Roberts Board; and

"Whereas, The Washington state legislature commands the attention of the United States Government to Senate Joint Memorial 69-7 transmitted to the President and Congress in April 1969 requesting formation of a commission to discuss the problems of Point Roberts; however, the specific concerns expressed in that memorial have not been addressed, nor has the continuing participation of all affected and interested parties been realized; and

"Whereas, The Washington state legislature has not been formally invited to participate in the International Point Roberts Board study; and

"Whereas, No political subdivision of the state of Washington or local government thereof has been formally invited to participate in said study, and

"Whereas, The Washington state legislature is now engaged in a formal study of the Point Roberts area, as evidenced by the attached Senate Concurrent Resolution; and

"Whereas, The Washington state legislature is concerned whether the International Joint Commission is acting properly within the scope of its treaty powers by considering a proposal to create an International Park of three thousand square miles which will significantly affect the people of the state of Washington;

"Now, therefore, Your Memorialists respectfully ask that the International Joint Commission discontinue its study of the future of Point Roberts until the authorized county and state agencies complete the land use plan and actions now in process and the Washington State legislature submits any recommendations that may then be deemed appropriate.

"Be it resolved, That copies of this Memorial and its attached Senate Concurrent Resolution be immediately transmitted to the President of the United States, the President of the Senate of the United States, the Speaker of the House of Representatives of the United States, to each member of Congress from the state of Washington and to each member of the International Joint Commission.

"And be it further resolved, That copies of this Memorial and Concurrent Resolution be transmitted to the Prime Minister of Canada and the Canadian Federal Parliament, and to the Premier and the Provincial Parliament of British Columbia."

A joint memorial of the Legislature of the State of Idaho. Referred to the Committee on Commerce:

"HOUSE JOINT MEMORIAL No. 20

"A joint memorial to the Honorable Senate and House of Representatives in the Congress of the United States assembled

"We, your Memorialists, the Senate and House of Representatives of the State of Idaho assembled in the Second Regular Session of the Forty-second Idaho Legislature, do hereby respectfully represent that:

"Whereas, the efficiency of engineering and mechanical devices is governed by predetermined laws of science; and

"Whereas, artificial barriers to the most efficient operation of such tools of industry inevitably result in increased costs of operation both in terms of dollars spent and energy consumed; and

"Whereas, the full consequences of such artificial barriers have rarely been given adequate consideration in legislation adopted to impose regulatory standards for operation of such devices; and

"Whereas, few members of Congress possess the expertise to adequately assess the impact of artificial barriers to efficiency; and

"Whereas, as a consequence they adopt laws without fully understanding their impact; and

"Whereas, there are laws now in effect which seriously impair the efficient operation of the engines of science, namely those engines run by steam, gasoline and diesel, to the detriment of the general society as is manifested by the fuel crisis.

"Now, therefore, be it resolved by the Second Regular Session of the Forty-second Idaho Legislature, the House of Representatives and the Senate concurring therein, that we urge the Congress of the United States to be cognizant of their limitations and to restrain themselves from unnecessary and unwarranted interference with the unalterable laws of nature governing the efficiency of operation of the engines of science, and we recommend to Congress a careful reconsideration of such legislation already enacted.

"Be it further resolved that the Chief Clerk of the House be, and he is hereby authorized and directed to forward copies of this Memorial to the President of the Senate and Speaker of the House of Representatives of Congress, and to the Senators and Representatives representing this State in the Congress of the United States."

A concurrent resolution of the Legislature of the State of Indiana. Referred to the Committee on Foreign Relations:

"CONCURRENT RESOLUTION XXXI

"A concurrent resolution memorializing the President and Congress to obtain full disclosure of the actual number of prisoners of war and accounting for servicemen missing in action, and to obtain the prisoners' immediate release

"Whereas, Over one year has elapsed since the hostilities in Viet Nam were ended by treaty; and

"Whereas, Complete return of all prisoners of war, with full disclosure of those missing in action was agreed to in said treaty; and

"Whereas, There are a number of American servicemen missing in action who have not been adequately accounted for; and

"Whereas, Evidence from various reliable sources continues to come to light that a number of American servicemen are still being held prisoner, some under very inhuman conditions: Now, therefore, be it resolved by the Senate of the General Assembly of the State of Indiana, the House of Representatives concurring:

"SECTION 1. In the interest of all Americans we urge the President and Congress to take all appropriate action to obtain the quick release of all remaining American prisoners of war and also to obtain a full accounting of all American servicemen missing in action.

"SECTION 2. The Secretary of the Senate is hereby directed to forward copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives of the Congress of the United States, and to all members of Congress from the State of Indiana."

A resolution of the House of Representatives of the Commonwealth of Massachusetts. Referred to the Committee on Commerce:

"RESOLUTIONS MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO ENACT LEGISLATION FOR THE PROTECTION OF THE MASSACHUSETTS FISHING INDUSTRY

"Whereas, Valuable coastal and anadromous species of fish and marine life off the shores of the United States are in danger of being seriously depleted and, in some cases, of being extinct; and

"Whereas, Stocks of coastal and anadromous species within the nine-mile contiguous zone and three-mile territorial sea of the United States are being seriously depleted by foreign fishing efforts beyond the existing twelve-mile fisheries zone near the coastline of the United States; and

"Whereas, International negotiations have so far proved incapable of obtaining timely agreement on the protection and conservation of threatened species of fish and marine life; and

"Whereas, There is further danger of irreversible depletion before efforts to achieve an international agreement on jurisdiction over coastal and anadromous fisheries result in an operative agreement; and

"Whereas, It is therefore necessary for the United States to take interim action to protect and conserve overfished stocks and to protect our domestic fishing industry; and

"Whereas, These findings adversely affect the future of the Massachusetts fishing industry and the health and welfare of its people; therefore be it

"*Resolved,* That the Massachusetts House of Representatives respectfully requests the Congress of the United States to enact legislation known as the Studds-Magnuson Bill (H.R. 8665), an act to extend on an interim basis the jurisdiction of the United States over certain ocean areas and fish in order to protect the domestic fishing industry; and be it further

"*Resolved,* That copies of these resolutions be forwarded by the Clerk of the House of Representatives to the President of the United States, the presiding officer of each branch of Congress and to each member thereof from the Commonwealth."

A resolution of the Senate of the State of Rhode Island. Referred to the Committee on Banking, Housing and Urban Affairs:

"SENATE RESOLUTION

"Memorializing Congress to urge the Department of Housing and Urban Development to implement and provide funds for section 23—leased housing program in the State and to provide funds for the construction of homes for the elderly

"*Resolved,* That the senate of the state of Rhode Island hereby respectfully memorializes the congress of the United States to urge the Department of Housing and Urban Development to implement and provide funds for Section 23—Leased Housing Program in the state and to provide funds for the construction of homes for the elderly; and be it further

"*Resolved,* That the secretary of state be and he hereby is authorized and directed to transmit duly certified copies of this resolution to the senators and representatives from Rhode Island in the congress and to the speaker of the United States House of Representatives and the president of the United States senate."

A concurrent resolution of the Legislature of the State of South Carolina. Referred to the Committee on Interior and Insular Affairs:

"A CONCURRENT RESOLUTION

"*To Memorialize the Congress of the United States to Initiate Necessary Procedures to Provide for an Investigation of an Apparent International Oil Monopoly Which is Doing Great Damage to the Economy of This Country and Causing Great Inconvenience and Hardship to the People.*

"Whereas, this country is suffering from an acute shortage of oil, gasoline and petroleum products related thereto; and

"Whereas, the efforts of the federal agencies concerned with the energy shortage are apparently inadequate to control the production, importation and refining of necessary fuel products for home and industry; and

"Whereas, it is of momentous importance to determine the actual causes of the fuel shortage, and it is the opinion of many that this shortage is a contrived conspiracy of the international oil monopoly.

"Now, therefore, *Be it resolved* by the Senate, the House of Representatives concurring:

"That the General Assembly hereby memorializes the Congress of the United States to initiate necessary procedures to provide for an investigation of an apparent international oil monopoly which is doing great damage to the economy of this country and causing great inconvenience and hardship to the people.

"*Be it further resolved* that copies of this resolution be forwarded to the President of the United States Senate, the Speaker of the House of Representatives and each member of the South Carolina Congressional Delegation in Washington, D.C."

A joint memorial of the Legislature of the State of Washington. Referred to the Committee on Commerce:

"ENGROSSED SENATE JOINT MEMORIAL NO. 134

"*To the Honorable Richard M. Nixon, President of the United States, and to the President of the Senate and the Speaker of the House of Representatives, and to the Senate and House of Representatives of the United States, in Congress assembled:*

"We, your Memorialists, the Senate and House of Representatives of the State of Washington, in legislative session assembled, respectfully represent and petition as follows:

"Whereas, The fisheries resource is of paramount importance to the economy of the State of Washington, both for commercial and sports purposes; and

"Whereas, Recent studies indicate that fleets of commercial fishing boats outside the territorial jurisdiction of the state of Washington are taking the great majority of fish which would ordinarily return to the waters of Washington State;

"Now, therefore, Your Memorialists respectfully pray that the Administration and the Congress cooperate in taking immediate action by whatever steps may be necessary to protect this invaluable Washington State resource.

"Be it resolved, That copies of this Memorial be immediately transmitted by the Secretary of State to the Honorable Richard M. Nixon, President of the United States, the President of the United States Senate, the Speaker of the House of Representatives, and each member of Congress from the State of Washington."

A joint memorial of the Legislature of the State of Washington. Referred to the Committee on Finance:

"HOUSE JOINT MEMORIAL NO. 17

"*To the Honorable Richard M. Nixon, President of the United States, and to the President of the Senate and the Speaker of the House of Representatives, and to the Senate and House of Representatives of the United States, in Congress assembled:*

"We, your Memorialists, the Senate and House of Representatives of the State of Washington, in legislative session assembled, respectfully represent and petition as follows:

"Whereas, The strength, stability and profitability of American enterprise is founded upon the full span of working years of its collective work force; and

"Whereas, Most enterprises have established pension plans, generally funded in large part either by direct employee contributions or by employer contributions in lieu of wages, and predicated upon the principle that long-time service to the nation's commerce and industry merits a measure of economic security upon retirement; and

"Whereas, A 1971 United States Senate subcommittee study indicated that only a small minority among American wage and salary workers enrolled in pension plans is in actual fact eligible for any pension benefits upon retirement; and

"Whereas, Inadequate funding, the absence of vesting, the lack of portability, and the closure of workplaces owing to bankruptcy, obsolescence, or environmental problems all operate to deprive workers of anticipated economic security in old age; and

"Whereas, Despite growing citizen awareness and concern about the serious and sometimes tragic inadequacies of private pension plans throughout the nation, no meaningful protective legislation in this area has yet been enacted by the Congress;

"Now, therefore, Your Memorialists respectfully pray that the Congress enact legislation to consider portability, and require adequate funding, reasonable vesting provisions, insurance against involuntary termination of pension plans, and other appropriate measures to safeguard the hard-earned and richly-deserved pension rights of employees in private industry.

"And be it further resolved, That copies of this memorial be immediately transmitted by the Secretary of State to the Honorable Richard M. Nixon, President of the United States, to the President of the United States Senate, and the Speaker of the House of Representatives, to both the Senate and the House of Representatives of the United States, and to each member of Congress from the State of Washington."

A joint memorial of the Legislature of the State of Washington. Referred to the Committee on Public Works:

"SENATE JOINT MEMORIAL NO. 106

"*To the Honorable Richard M. Nixon, President of the United States, and to the President of the Senate and the Speaker of the House of Representatives, to the Senate and House of Representatives of the United States, in Congress assembled:*

"We, your Memorialists, the Senate and House of Representatives of the State of Washington, in legislative session assembled, respectfully represent and petition as follows:

"Whereas, The two cities of Lewiston, Idaho and Clarkston, Washington are the commercial and trading centers of the area and by the 1970 census, including their urban environs, had a combined population in excess of thirty-seven thousand people; and

"Whereas, The cities of Lewiston and Clarkston are presently connected by a single bridge across the Snake River which carries U.S. Highway 12, a federally aided primary route extending from Aberdeen, Washington to Detroit, Michigan; and

"Whereas, Downstream from the two cities the United States Army Corps of Engineers is now constructing the Lower Granite Dam on the Snake River creating a reservoir scheduled for filling in 1975; and

"Whereas, The planned normal pool level of the reservoir will be higher than the normal free flowing high water mark which was the basis for construction thirty-five years ago of the only bridge between the two cities; and

"Whereas, The existing bridge structure would restrict river traffic in view of the size of craft and barges now being used on the river and would necessitate frequent bridge openings; and

"Whereas, On an average day in calendar year 1972 there were twenty-two thousand two-way vehicular trips across the existing bridge; and

"Whereas, With the lift span of the present structure in the open raised position, passage between the two cities is blocked and traffic congestion along U.S. Highway 12 often extends into the metropolitan centers of both cities creating additional traffic problems; and

"Whereas, The comprehensive plan for each city includes a proposal for a second span across the Snake River at sufficient elevation so as not to interfere with normal navigation in the planned pool behind the Lower Granite Dam; and

"Whereas, Funds for this project are not available from the highway programs of the state of Washington, the County of Asotin, or the city of Clarkston;

"Now, therefore, Your Memoralists respectfully pray that the Congress begin immediate action to appropriate the funds necessary to construct a bridge across the Snake River between the cities of Lewiston, Idaho and Clarkston, Washington.

"Be it further resolved, That copies of this Memorial be immediately transmitted by the Secretary of State to the President of the United States, the President of the Senate of the United States, the Speaker of the House of Representatives of the United States, and to each member of the Congress from this state."

A resolution of the Legislature of the Trust Territory of the Pacific Islands. Referred to the Committee on Interior and Insular Affairs:

"Resolution No. 1–1974

"A resolution relative to requesting the United States Congress to reimburse the Mariana Islands District Legislature for the funds that it expended for the collection, investigation and presentation of the war claims for the Mariana Islands District

Whereas, in August, 1965, the Mariana Islands District Legislature started its intensive effort to collect, record, investigate and to present to the United States Congress all meritorious claims of the people of the Mariana Islands District; and

"Whereas, the collection of these claims was done between 1965 and 1971 at an out-of-pocket cost to the Legislature of $39,000.00; and

"Whereas, because of this effort, the claims of the people were accurately recorded and preserved for consideration by the Micronesia War Claims Commission that was established under Public Law 39–92; and

"Whereas, since the basic work on the claims has been completed, the Micronesian Claims Commission does not have to spend the funds that have been made available from the United States Congress to duplicate this work, which represents a substantial monetary savings; and

"Whereas, the resources of the Mariana Islands District Legislature are extremely limited and many worthwhile community projects were sacrificed in order to provide funds for the collection of the war claims, which should be refunded for use for the benefit of the people;

"Now, therefore, be it resolved by the 4th. Mariana Islands District Legislature, Third Regular Session, that the United States Congress be and hereby is requested to reimburse the Mariana Islands District Legislature for the funds that it expended for the collection, investigation, and presentation of the War Claims for the Mariana Islands District; and

"*Be it further resolved* that the President certify to and the Legislative Secretary attest the adoption hereof and thereafter transmit copies of the same to the Chairman of the Appropriations Committee for the U.S. House of Representatives, the Chairman of the Senate Appropriations Committee, the Senate Committee on Interior and Insular Affairs, the Committee on Interior and Insular Affairs for the U.S. House of Representatives, the Honorables Lee Metcalf, Ted Stevens, Quentin N. Burdick, Bennett Johnson, Daniel K. Inouye, Frank E. Moss, Henry Belmon, Philip Burton, Patsy T. Mink, Lloyd Meeds, Spark Matsunaga, and Thomas Foley."

A letter from the Michigan Plant Manager of Dakota BakeNServ, Inc., in opposition to the abandonment of certain rail service in Lower Michigan. Referred to the Committee on Commerce.

A resolution of the Utility Workers Union of America, AFL–CIO, urging passage of the National Health Security Act (S. 3 and H.R. 22). Referred to the Committee on Finance.

A resolution of the Public Affairs Luncheon Club of Dallas opposing the agreement to terminate the Treaty of 1903 and to maintain the present Panama Canal Treaty. Referred to the Committee on Foreign Relations.

A resolution of the Public Affairs Luncheon Club of Dallas, Texas, opposing the Seabed Treaty. Referred to the Committee on Interior and Insular Affairs.

A resolution of the Legislature of Rockland County, New York, relating to the eligibility of a citizen to hold the office of President. Referred to the Committee on the Judiciary.

A resolution of the National Peach Council, Martinsburg, West Virginia, concerning the Occupational Safety and Health Administration. Referred to the Committee on Labor and Public Welfare.

A resolution of the Assembly of the Greater Anchorage (Alaska) Area Borough concerning the initiation of an urban planning study through the U.S. Army Corps of Engineers. Referred to the Committee on Public Works.

REPORT OF COMMITTEE

The following committee report was submitted:

By Mr. HARRY F. BYRD, JR., from the Committee on Armed Services, with amendments:

S. 383. A bill to encourage persons to join and remain in the Reserves and National Guard by providing full-time coverage under Servicemen's Group Life Insurance for such members and certain members of the Retired Reserve up to age sixty (Rept. No. 93–769).

REPORT ENTITLED "EXAMINATION OF PRESIDENT NIXON'S TAX RETURNS FOR 1969 THROUGH 1972"—REPORT OF A COMMITTEE (S. REPT. NO. 93–768)

Mr. LONG, from the Joint Committee on Internal Revenue Taxation, submitted a report entitled "Examination of President Nixon's Tax Returns for 1969 Through 1972," which was ordered to be printed, by unanimous consent.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following favorable reports of nominations were submitted:

By Mr. SPARKMAN, from the Committee on Banking, Housing and Urban Affairs:

James L. Mitchell, of Illinois, to be Under Secretary of Housing and Urban Development; and

James W. Jamieson, of California, to be a member of the National Credit Union Board.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. TALMADGE, from the Committee on Agriculture and Forestry:

Galen B. Brubaker, of Virginia, and Dennis S. Lundsgaard, of Iowa, to be members of the Federal Farm Credit Board, Farm Credit Administration.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time and referred as indicated:

By Mr. TALMADGE:

S. 3297. A bill for the relief of Donald Wayne Morrison. Referred to the Committee on the Judiciary.

By Mr. CRANSTON (for himself and Mr. Williams):

S. 3298. A bill to amend the Public Health Service Act to promote the health and welfare of children in need of adoption by facilitating their placement, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. DOMINICK:

S. 3299. A bill entitled the National Science Foundation Authorization Act of 1975. Referred to the Committee on Labor and Public Welfare.

By Mr. BROCK:

S. 3300. A bill to amend the National Housing Act to provide a statutory basis for the continuing administration by Federal Housing Administration of the standard risk programs under such Act. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. JACKSON (for himself and Mr. Fannin) (by request):

S. 3301. A bill to amend the act of October 27, 1972 (Public Law 92–578). Referred to the Committee on Interior and Insular Affairs.

By Mr. HUGH SCOTT (for himself, Mr. Mansfield, Mr. Stennis, Mr. Thurmond, Mr. Humphrey, Mr. Goldwater, Mr. Robert C. Byrd, Mr. Griffin, and Mr. Taft):

S.J. Res. 202. Joint resolution designating the premises occupied by the Chief of Naval Operations as the official residence of the Vice President, effective upon the termination of service of the incumbent Chief of Naval Operations. Referred to the Committee on Armed Services.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CRANSTON (for himself, and Mr. Williams):

S. 3298. A bill to amend the Public Health Service Act to promote the health and welfare of children in need of adoption by facilitating their placement, and for other purposes. Referred to the Committee on Labor and Public Welfare.

OPPORTUNITIES FOR ADOPTION ACT OF 1974

Mr. CRANSTON. Mr. President, it is most fitting that we are introducing today, shortly after the fourth North American Conference on Adoptable Children met here in Washington, S. 3298, the proposed "Opportunities for Adoption Act of 1974." Joining with me in introducing the bill are the distinguished chairman of the Committee on Labor and Public Welfare (Mr. Williams) and the chairman of the Labor Committee's Subcommittee on Children and Youth (Mr. Mondale). S. 3298 would add a new title XIV—adoption assistance programs—to the Public Health Service Act. It is designed to promote the health and welfare of children in need of adoption by:

Encouraging States to subscribe to uniform adoption regulations so that legal and jurisdictional obstacles to adoption might be eliminated;

Encouraging States to enter into adoption assistance agreements with adoptive parents so that financial obstacles to adoption might be alleviated; and

Providing for the establishment of a National Office of Adoption Information and Services to insure quality standards for adoption services and postadoption counseling.

Mr. President, the need for this legislation is clear. It is estimated by informed sources that there are at least 60,000 infants awaiting adoption nationwide and an additional 110,000 children waiting in foster homes or in institutions because they are in legal limbo, are physically or mentally handicapped, or are otherwise difficult to place, due to their age or racial background. The tragedy of the adoption situation today is that the adopting public remains mostly white, wedded to the idea that adoption means a healthy white infant, whereas only about 20,000 of those included in the estimate of 170,000 children waiting fall into this category.

The legislation we offer today, Mr. President, is thus intended to benefit these 150,000 hard-to-place children. There are 7,800 to 8,600 in foster homes in California alone.

In introducing S. 3298 we are not attempting to interfere with the traditional role of the State in regulating domestic relations as they pertain to adoption. Rather, we are attempting to give leadership for the implementation of a plan of action, involving concerned agencies and public and private groups dealing with adoption, designed to overcome the longstanding barriers to interstate adoption—barriers which hinder the healthy and beneficial adoptive placement of so many thousands of children.

In 1971 the Children's Bureau granted funds to the Child Welfare League of America for a project designed to identify the specific legal and policy provisions and practices that constitute common impediments to adoption. The study, undertaken by Roberta Hunt for the League's Research Center and entitled "Obstacles to Interstate Adoption," examines the varying and sometimes conflicting ways in which the States strive to achieve both socially desirable and legally incontestable adoptions.

Among the obstacles she summarizes are the following:

First. Conflicting termination or relinquishment proceedings among and even within States which result in a situation where the adoption of a child in one State would not be recognized as valid were the family to move to another State.

Second. Local emphasis of laws and policies restricting the right to consent to adoption to executives of local agencies, thereby prohibiting the transfer of guardianship from State to State. This results in a situation where adoptive parents must go to the State of the child's origin to file a petition. And in some States, laws restrict the filing of petitions to residents of that State.

Third. Conflicting State laws and policies regarding the termination of guardianships: The laws of one State making no provision for the termination of guardianship except in proceedings for adoption; the laws of another State requiring such termination even before the adoptive placement is made.

Fourth. Diversity in State adoption laws on the question of when an adoption decree may be granted.

Fifth. The existence of "importation and exportation of children" laws in some States which, while enacted to provide safeguards for the children, constitute an obstacle to interstate adoption since the original purpose of these laws was to block the movement of children across State lines.

Sixth. The absence of uniform or coordinated interstate adoption assistance policies, for expenditures such as transportation, especially where older children are involved and preliminary visits across State lines are needed. In addition, the diverse provisions for subsidizing unusual adoption costs present obstacles to interstate adoption. For example, where a family in a State having adoption subsidy arrangements adopts a hard-to-place child from another State, that family will often be ineligible for subsidy assistance unless the other State also has a subsidy arrangement.

In her report, Ms. Hunt also suggests possible solutions to these obstacles, but concludes by citing the need for leadership in implementing a plan of action toward those solutions. Our bill attempts to promote this leadership.

Section 1401 of the proposed new title provides for the establishment within HEW of a "Committee on Uniform Adoption Regulations" to review current conditions, practices, and laws relating to adoption and to propose to the Secretary uniform adoption regulations which would facilitate the finding of suitable adoptive homes for children. The committee would be composed of representatives of national, State, and local child welfare organizations and representatives of other groups interested in facilitating the objectives of adoption agencies, as well as the Chief of the Children's Bureau in HEW.

Section 1402 of the proposed new title would provide Federal grants to States for the purpose of assisting them in meeting certain adoption costs. The grants would be available only to those States implementing programs consistent with the regulations proposed by the committee and finalized by the Secretary within 24 months after enactment of this bill. In this way, the bill is designed to provide an incentive to States to review their adoption laws and policies and make them consistent with uniform regulations aimed at alleviating the barriers to interstate adoption.

But the adoption assistance grants to States, Mr. President, are vitally important in themselves. They would be made available in the respective States to State agencies principally responsible for services to families and children. These agencies would then allocate funds to public and private nonprofit agencies meeting certain standards of quality, the establishment of which are required by the bill. Funds under this act could be used to—

First. Assist agencies in meeting certain costs involved in the adoptive placement of children with special needs—defined in the bill as individuals between the ages of birth and 18 years who are physically, emotionally, or mentally handicapped, members of a sibling group, members of a minority group, children having other impediments—including age—to their adoption, or children for whom an adoptive placement has not been made within 6 months after such child is available for adoptive placement.

Second. Assist agencies in meeting costs of providing prenatal and postpartum services to mothers, voluntarily planning to place their children for adoption, who are unable to assume such costs, but only to the extent that there are not alternative sources of bearing the costs of such services readily available under other Federal or State programs in the community, such as medicaid, maternal and child health services, or neighborhood health centers. We believe this provision is important, Mr. President, for two reasons. First, it would provide expectant mothers, who do not feel able to raise their offspring, the financial assistance needed to carry their pregnancies to term, while better assuring them that their offspring will be placed in the healthy and beneficial adoptive situation afforded by agency adoptions. Such women might otherwise feel no alternative but to resort to abortion or to infant adoption black marketeers. Second, this provision would relieve agencies of some of the costs they now bear for such purposes and enable them to direct their limited resources to furthering the placement for adoption of children with special needs.

Mr. President, the developing tide of grey and black market adoptions in these times of declining birth rates was discussed last year in a New York Times feature article of February 20, 1973, by Judy Klemesrud, in which she presented an in depth analysis of this growing problem, which I will ask to be printed in the RECORD at the conclusion of my remarks.

Third. Assist agencies in meeting costs of providing professional counseling and other social services to children in need of adoption, and to prospective and actual adoptive parents and foster parents to help them provide a supportive and healthy family environment;

Fourth. Provide assistance directly to adoptive parents in defraying the costs of special services to children required as a result of conditions which existed prior to their placement, up to an amount not exceeding the amount which similar services would cost the State were it to provide them as the guardian of these children. These special services are defined in the bill as including medical, dental, surgical, physical therapy, and psychotherapy services, and other services necessary for the well-being of the child; and

Fifth. Provide assistance directly to prospective adoptive parents, who would consider adoption but for their economic inability to meet a child's needs, in defraying the postplacement and postadoption costs of supporting children with special needs, in amounts of assistance determined by the Secretary to be adequate to enable them to assume the responsibility for raising such children.

Thirty States and the District of Columbia have enacted forms of so-called adoption subsidy legislation which include provisions incorporating the areas of support I have just discussed. Mr. President, I will ask that a list of those States be printed at the conclusion of my remarks.

Mr. President, in addition, I would like to point out that we have included a provision in the bill—section 1402(c)—requiring the Secretary to take such steps as he deems necessary to encourage and facilitate the consideration of comprehensive adoption assistance legislation by those States which have not enacted such legislation.

Mr. President, subsidized adoption has proven to be much less costly than institutional care, and in many instances, less costly than long-term foster care. Under either of these alternatives, the obligation of the State as guardian to support the child will generally continue until the child is 18.

Cost-effectiveness aside, however, Mr. President, the major importance of the concept of assisting adoptive parents in meeting special costs associated with adoption is that such assistance has proven to be vitally helpful in alleviating the difficulty of finding permanent homes for children with special needs and giving these children identification with their own mom and dad.

My own State of California has a successful adoption assistance program carried out pursuant to a bill named for its author, my good friend, State Senator Mervyn Dymally. By 1973, 704 children with special needs had been placed in permanent adoptive homes in Los Angeles County alone. The county estimates it saved nearly $8 million just in 1970 and 1971 by removing children from foster homes and placing them in adoptive homes. Here are two examples of the value, in human and cost-effectiveness terms, of the Los Angeles County program.

Jerry, who is now 8, was born with a brain dysfunction. He also suffers from myopia, hearing loss, and congenital heart disease. Jerry lived in various foster homes in Los Angeles County until he was finally placed for adoption in February 1973 by the Los Angeles County Department of Adoptions.

The family who adopted him has one child of its own and is giving Jerry the love and special attention he especially needs because of his physical and learning handicaps. They are getting $137 a month from the county for 3 years to help them correct some of Jerry's problems.

This compares with the $189 a month the country spent and would have had to continue spending for 10 more years until Jerry was 18 in order to keep him in foster homes. The total savings to Los Angeles County will amount to $19,080.

Debby, 4, had been in a foster home. She and her 5-year-old brother, Jim, who was living in another foster home, were adopted by the same family. Since their new father was only irregularly employed in the construction business and Jim needed special therapy, Los Angeles County paid the family $126 a month for Jim's medical care for a year.

If both children had remained in foster homes until they were 18, it would have cost the county $150 a month per child. This subsidized adoption enabled the county to save $47,088.

The net savings, after subtracting the foster home payments and the adoption assistance payments, to the county from these two cases alone is $66,168.

I will also ask to print in the RECORD, at the conclusion of my remarks, Mr. President, a most impressive and succinct report on the benefits of subsidized adoption prepared for the Illinois General Assembly. The case histories included in this report speak for themselves in providing a convincing justification for the concept of adoption assistance grants.

Finally, Mr. President, section 1403 of the proposed new title provides for the establishment of a National Office of Adoption Information and Services in the Children's Bureau of HEW's Office of Child Development. The Office would be the principal agency for carrying out the provisions of the new title.

The Director of the Office would be charged with the responsibility of conducting an educational program on adoption, evaluating and measuring the impact of the programs authorized by the new title, and ensuring that adoption agencies receiving assistance authorized under the new title subscribe to standards of quality which he would prescribe. The office would also provide for, directly or by contract or grant, the operation of a national adoption information exchange system to assist in the location of children in need of adoption and in placing them in healthy adoptive homes. A similar provision was included in the Senate-passed version of H.R. 3153—section 141—of the Social Security Amendments of 1973 now pending in conference.

I shall include the full text of S. 3298 in the RECORD at the conclusion of my remarks, Mr. President, but before I do so, I wish to acknowledge the many groups and individuals who have generously responded to our requests for assistance and information in our efforts to develop this legislation. They include staff members of the Child Welfare League of America, the American Academy of Pediatrics, the American Public Welfare Association, the National Conference of Commissioners on Uniform State Laws, the National Conference of Catholic Charities, the U.S. Children's Bureau, Julian K. Brantley of the Children's Home Society of California, Dorothy C. Williamson, former Chief of Adoption Services, San Bernardino County, California Welfare Department; and Walter A. Heath, Director, Department of Adoptions, county of Los Angeles. Their advice and constructive suggestions have been invaluable, and I am most grateful for their cooperation.

I intend to work closely with my good friend and colleague on the Labor and Public Welfare Committee (Mr. MONDALE), who serves as chairman of the Committee's Subcommittee on Children and Youth, on which I also serve. I am hopeful that we can move ahead promptly in the Subcommittee to schedule hearings on S. 3298 so that it can move swiftly through the legislative process.

Enactment of this legislation, Mr. President, would serve to benefit those in our Nation most deserving of our attention—the homeless children who have no alternative but to look to all of us for their future.

Mr. President, I ask unanimous consent that there be printed in the RECORD at this point the text of S. 3298, followed by the list of States with adoption subsidy laws, the New York Times article, and the Illinois General Assembly Report on Subsidized Adoption.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 3298

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Opportunities for Adoption Act of 1974".

AMENDMENT TO THE PUBLIC HEALTH SERVICE ACT

SEC. 2. The Public Health Service Act is amended by adding at the end thereof the following new title:

"TITLE XIV—ADOPTION ASSISTANCE PROGRAMS

"FINDINGS AND DECLARATION OF PURPOSE

"SEC. 1400. The Congress hereby finds that many thousands of children from birth through minority remain in institutions or foster homes because of legal and other obstacles to their placement in permanent adoptive homes; that adoption is usually most conducive to the health and welfare of such children; and that there is an even greater number of persons seeking to adopt who are unable to do so because of the scarcity of infants and children without obstacles to their placement. It is, therefore, the purpose of this Act, in order to promote the public health and welfare, to facilitate the elimination of obstacles to adoption, and to locate children in need of adoption and facilitate the placement in permanent adoptive homes of such children, particularly children with special needs, by—

"(1) promoting the establishment of uniform adoption regulations in the States and territories of the United States in order to eliminate jurisdictional and legal obstacles to adoption;

"(2) providing Federal financial assistance to States for the purpose of assisting certain public and private nonprofit agencies and certain adoptive and prospective adoptive parents in meeting certain costs of adoption in order to remove or alleviate the financial obstacles which present serious barriers to adoption by qualified persons; and

"(3) providing for the establishment of a National Office of Adoption Information and Services in the Department of Health, Education, and Welfare to (A) ensure quality standards for adoption services (including pre-placement and post-placement and post-adoption counseling and standards to protect the rights of children in need of adoption) and (B) provide for a national adoption information exchange system.

"COMMITTEE ON UNIFORM ADOPTION REGULATIONS

"Sec. 1401. (a) The Secretary shall appoint a Committee on Uniform Adoption Regulations (hereinafter referred to as the 'Committee') to be composed of representatives of National, State, and local child welfare organizations and representatives of other groups interested in facilitating the objectives of adoption agencies, and the Chief of the Children's Bureau in the Office of Child Development, Department of Health, Education, and Welfare, or his designee.

"(b) The Committee shall—

"(1) review current conditions, practices, and laws relating to adoption, with special reference to their effect on facilitating or impeding the finding of suitable adoptive homes for children and the completion of suitable adoptions;

"(2) propose to the Secretary uniform adoption regulations which would facilitate adoption; and

"(3) report its proposals to the Congress and the President not later than 18 months after the date of enactment of this section.

"(c) Following receipt of the Committee's proposals, but not later than 24 months after the date of enactment of this section, the Secretary shall publish the proposed uniform adoption regulations in the Federal Register for comment and, after soliciting and giving due consideration to the comments of interested individuals, groups, and organizations and consulting further with the Committee, he shall issue and publish final uniform and he shall issue and publish final uniform adoption regulations which shall apply in the administration of the grant program established pursuant to section 1402. Nothing in such uniform adoption regulations shall be deemed to conflict with the provisions of any interstate compact in operation pursuant to which States are making, supervising, or regulating placements of children, and no State shall be denied a grant under section 1402 because of its participation in or implementation of any such compact.

"(d) Members of the Committee, other than those regularly employed by the Federal Government, while serving on business of the Committee, shall be entitled to receive compensation at a rate not in excess of the daily equivalent of the rate payable to a GS–18 employee under section 5332 of title 5, United States Code, including traveltime; and, while so serving away from their homes or regular places of business, they may be allowed travel expenses (including per diem in lieu of subsistence) as authorized by section 5703 of such title for persons in the Government service employed intermittently.

"GRANTS FOR ADOPTION ASSISTANCE AND SERVICES

"Sec. 1402. (a) The Secretary, in accordance with regulations which he shall prescribe, shall make matching grants to States for allocation, by State agencies principally responsible for services to families and children, to public and private nonprofit adoption agencies which meet standards of quality prescribed pursuant to section 1403(b)(3) for the purpose of assisting—

"(1) such agencies in meeting the cost involved in the adoptive placement of children with special needs (including locating suitable homes and providing preplacement and post-placement and post-adoptive counseling to children in need of adoption and to prospective and actual adoptive parents);

"(2) such agencies in meeting the cost of providing prenatal and postpartum services to mothers, voluntarily planning to place their children for adoption, who are unable to assume such costs, in order to protect the health and welfare of both the mother and child; but only to the extent that assistance under other Federal or State programs in the community in question is not readily available to provide adequately for such services;

"(3) such agencies in meeting the cost of providing for professional counseling and other social services to children in need of adoption, and to prospective and actual adoptive parents and foster parents to assist them in providing a supportive and healthful family environment;

"(4) adoptive parents in locating and, where appropriate, defraying the cost of, post-placement and post-adoption special services to children requiring such services as a result of conditions which existed prior to their placement, up to an amount not exceeding the amount which similar services would cost the State in question were it to provide or secure such services as the guardian of such children; and

"(5) prospective adoptive parents, who would consider adoption but for their financial inability to meet a child's needs, in defraying the post-placement and post-adoption cost of supporting children with special needs, in amount of assistance determined by the Secretary to be adequate to enable such adoptive parents to assume responsibility for raising such children.

"(b) The Secretary, in cooperation with State agencies principally responsible for services to families and children, shall, in carrying out the provisions of clauses (4) and (5) of subsection (a) of this section, insure that the requirements of this subsection are met.

"(1) Annual reviews of the need for continuing such assistance shall be made. At the time of such review and at other times during the year when changed conditions, including variations in medical opinions, prognosis, and costs are deemed by the State to warrant such action, appropriate adjustments in assistance payments may be made based upon changes in the needs of the child. Any parent who is a party to an adoption assistance agreement may at any time in writing request, for reasons set forth in the request, a review of the amount of any payment or the level of continuing payments. To the extent not inconsistent with the applicable law of the State in question, (A) such review shall be begun not later than thirty days after the receipt of such request; (B) adjustment in the amount of assistance provided may be made retroactive to the date the request was received by the State agency; and (C) if the request is not acted upon within thirty days after it has been received by the State agency, or if the State agency modifies or terminates an agreement without the concurrence of all parties, any party to the agreement shall be entitled to a hearing under the applicable provisions of the State administrative procedure regulations.

"(2) Assistance pursuant to clauses (4) and (5) of subsection (a) of this section shall be made only pursuant to an adoption assistance agreement entered into by the State agency principally responsible for services to families and children and the adoptive parents concerned prior to completion of the adoptive process. Such agreement may provide that assistance payments may be made before such adoption becomes final.

"(3) In determining the appropriate amount of assistance to be provided pursuant to clauses (4) and (5) of subsection (a) of this section, due consideration shall be given to the recommendations of any adoption agency eligible for assistance under this section and presently supporting a child with special needs in foster care or institutional care, and any foster parent having such a child in his home.

"(4) A system shall be established in such State under which, with respect to a child who has been in foster care in such State for at least six months after such child is considered legally available for adoptive placement, the foster parents providing care to such child will be notified of the possibility of the financial assistance for adoptive placement authorized by this section. If such parents wish to file application to adopt the child and are found, after study, to be appropriate adoptive parents for the child but for their financial inability to meet the child's needs, they shall be provided all necessary assistance in completing the legal and procedural requirements necessary to effectuate adoption, and appropriate assistance, including payment for legal fees and court costs, pursuant to an adoption assistance agreement.

"(c) The Secretary shall take such steps as he deems necessary to encourage and facilitate the consideration of comprehensive adoption assistance legislation by those States which have not enacted such legislation.

"(d) The Secretary, in carrying out the provisions of subsection (a) of this section, shall ensure that at such time as the final uniform regulations referred to in subsection (c) of section 1401 are published in the Federal Register, only States adopting and implementing, within an appropriate period of time which he shall determine, programs consistent with such regulation shall remain eligible for grants under this section.

"(e) For the purposes of this title—

"(1) the term 'children with special needs' means those individuals between the ages of birth and eighteen years who are physically, emotionally, or mentally handicapped, members of a sibling group, members of a minority group, children having other impediments (including age) to their adoption, or children for whom an adoptive placement has not been made within six months after such child is available for adoptive placement;

"(2) the term 'adoptive parents' includes single persons able to meet the developmental needs of prospective adoptive children;

"(3) the term 'special services to children' includes such medical, dental, surgical, physical therapy, psychotherapy, and other services as are necessary for the well-being of the child; and

"(4) the term 'State' means the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands.

"ESTABLISHMENT OF THE NATIONAL OFFICE OF ADOPTION INFORMATION, AND SERVICES

"Sec. 1403. (a) There is hereby established in the Children's Bureau of the Office of Child Development of the Department of Health, Education, and Welfare a National Office of Adoption Information and Services (hereinafter referred to as the 'Office') which shall be headed by a Director (hereinafter referred to as the 'Director') who shall be appointed by the Secretary upon the joint recommendation of the Director of the Office of Child Development and the Chief of the Children's Bureau. The Office shall be the principal agency for carrying out the provisions of this title.

"(b) It shall be the duty of the Director, in accordance with regulations which he shall prescribe, to—

"(1) conduct a continuous educational program on adoption and to prepare, publish, and disseminate to all interested parties, private and public agencies and organizations and governmental bodies educational materials regarding adoption and adoption assistance programs;

"(2) measure and evaluate the impact of the programs authorized by this title and, not later than 90 days after June 30 of each year, prepare and submit to the Secretary for transmittal to the President and the Congress a report on such evaluation, which shall include, but not be limited to (A) the number of children placed in adoptive homes under adoption assistance agreements during the year preceding the annual report and the major characteristics of such children; and (B) the number of children currently in foster care for six months or more, and the legal status of such children;

"(3) ensure that adoption agencies receiving assistance authorized under this title subscrbe to standards of quality, which he shall prescribe, for adoption services (including pre-placement and post-placement and post-adoption counseling and standards to protect the rights of children in need of adoption) and comply with the requirements of title VI of the Civil Rights Act of 1964, as amended (42 U.S.C. 2000d); and

"(4) notwithstanding any other provision of law, provide for the operation of a national adoption information system, utilizing computers and modern data processing methods, to assist in the location of children in need of adoption and in the placement in adoptive homes of children awaiting adoption, and for the promotion of cooperative efforts with any similar programs operated by or within any State or foreign country.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 1404. There are authorized to be appropriated for the fiscal year ending June 30, 1974, and the succeeding three fiscal years, such sums as may be necessary to carry out the purposes and provisions of this title."

STATES WITH ADOPTION SUBSIDY LAWS

California, Colorado, Connecticut, Delaware, District of Columbia, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucy, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, Nevada, New Jersey, New York, North Dakota, Ohio, Oregon, Rhode Island, South Dakota, Tennessee, Texas, Utah, Vermont, Washington (State), Wisconsin.

[From the New York Times, Feb. 20, 1973]

Adoption Costs Soar as Births Decline

(By Judy Klemesrud)

Childless New York couples, made desperate by the current shortage of healthy white infants, are turning to the legal but often expensive field of private adoption.

In this nonagency procedure—widely known as the "gray market"—lawyers arrange for couples to acquire a baby at a total cost, including legal and medical expenses, that may range as high as $25,000. Although the procedure is legal in all but two states (Connecticut and Delaware), critics have questioned the high costs.

Behind the baby shortage lie the pill and other modern contraceptive devices, liberalized abortion laws and the lessening of the stigma once attached to unwed motherhood.

The adoption agencies, which once were able to provide a steady stream of white infants at fees ranging from $500 to $2,000, have found that their sources have virtually dried up. A result: Waiting lists of from three to five years for a baby.

The agencies have shifted their emphasis to children who used to be classified as "hard to place": They are either black or of mixed race, over the age of 2, or physically handicapped. The Children's Bureau of the United States Department of Health, Education and Welfare estimates that 60,000 of these children are now available for adoption, 1,050 of them in New York City.

"Gray market" adoption differs from "black market" adoption—which is illegal—in that the black market involves bypassing legal procedures to directly sell a child for something of value (usually money), or it involves outright fraud—such as the falsification of a birth certificate.

But what both the "gray" and "black" procedures boil down to is the ability to pay. And generally, the fees are sky high.

"There is no law about legal fees—we can charge any fee that we want to," said Walter Lebowitz, a Miami lawyer who was acquitted there last November on charges that he sold an infant to a couple for $7,000—$5,500 in legal fees and $1,500 in medical expenses.

The judge ruled that the case was a legal adoption and that the fees were all legitimate adoption expenses. Since then Mr. Lebowitz has written 200 pages of a book about himself and the case, with the working title of "The Baby Seller." He hopes that it will become a best seller.

And what does he define as a black market adoption? "Oh, we recently had one of those in Florida," he replied. "A lady sold her baby for a car. Now that's clearly black market."

In private adoption (known as "independent adoption" in some states), a couple generally go to an adoption lawyer who is either already in touch with a pregnant woman or knows other lawyers who may be. (There is a group of about 40 lawyers across the country who frequently work together.) The couple then agree to pay the mother's medical expenses and all legal fees. Of course, the use of a second lawyer raises the cost. In any event, the total ranges from $3,000 to $25,000.

Once the mother officially relinquishes the baby in court, adoptive parents in New York are investigated by the city and the report is turned over to either Surrogates or Family Court, which have the final say on whether the adoption will be permitted. Court approval means the parents will receive a birth certificate in their name and that the original certificate will be locked away.

In agency adoptions, the agency does all of the investigating—before the baby is given to the couple. With private adoptions, the city investigation comes after the placement and is much more cursory.

The private placements, however, are rarely turned down. "We have to find something really drastic for that to happen," a city investigator said.

According to Joseph M. Reid, executive director of the Child Welfare League of America, a total cost of $10,000 for a baby involved in a "gray" or a "black" procedure is becoming "rather normal."

"What we're hearing about these days are $25,000 babies," Mr. Reid said. "This is a very serious situation and one that may develop into a very critical one.

"The baby business is expanding rapidly all over the country, judging from what people in the child welfare field are telling me," he added. "These profiteers are using any method they can, including hiring someone on a campus to keep an eye out for pregnant girls, hiring someone to watch maternity homes for new arrivals—and even accosting doctors, lawyers and social workers for the names of pregnant girls."

There is very sketchy evidence available as to the extent of such adoption abuses as sky-high fees, falsification of records, illegal payment to mothers and blackmail following some illegal transactions. Court cases such as the one involving Mr. Lebowitz are rare, although district attorneys in New York and Miami, where many of the shadier dealings occur, said "investigations" in this area were now under way.

In New York, selling babies is a Class A misdemeanor, punishable by a one-year jail sentence and a $1,000 fine for each act. In Florida, it is a felony, and the offender faces a fine of up to $5,000 and up to 5 years in prison.

"You rarely find prosecution in this area," Mr. Reid said, "because it is a very messy situation. There is a baby involved, and a family involved, and they generally don't want to testify."

Nationally, the percentage of private adoptions compared with agency adoptions has held steady over the years, even though the total number of adoptions is rapidly declining due to the baby drought.

In 1970, the last year for which Government figures are available, 69,600 children were adopted through agencies and 19,600 were adopted privately. In New York State, the figures for 1971–72 were 4,457 agency placements and 1,637 private placements.

Ten New York area couples who were interviewed about their experiences with private and black market adoptions all vehemently refused to have their names used, for fear of cutting off their contacts for future adoptions, or because they feared that the children they had already adopted in this manner might somehow be taken away from them.

Here are some of their stories:

A Brooklyn Heights couple learned through a lawyer friend of a man who allegedly had a steady supply of white babies born of prostitutes. The man visited the couple at their home a few nights later and said he knew of two babies who would be born in a few months.

If the couple agreed to his $5,000 fee, he said, one of the pregnant women would check into a hospital under the name of the Brooklyn Heights wife, and the baby's birth certificate would bear the couple's names. No adoption proceedings would therefore be necessary. The couple pondered this highly illegal offer for an hour, then dismissed it as "sordid."

An East Side couple in their early 40's, who had been rejected by an adoption agency as being "too old" to adopt, received a telephone call one evening. It was from a Manhattan lawyer whom they had never met, or even heard of.

"I may be able to help you," he said, sympathetically. "If you like, I will mail you photographs of some handsome single young men and beautiful single young women. For $10,000, you can choose the couple you want to make the baby for you." At last report, the couple were still considering the offer.

A Jewish couple from the Caribbean decided they wanted that rarest commodity in the baby market—a Jewish baby. So they called a Miami lawyer and said that money was no object. A few days later they flew to Miami with $12,000 in cash and flew home the same day with the baby.

Several of the couples who have adopted privately spoke highly, almost reverently, about their lawyers, and said they would have no hesitancy about going through the process again.

"The only thing that bothered me was the $700 that was unaccounted for in our adoptions," said a Westchester County woman who, with her husband, adopted two babies privately through a Manhattan lawyer before the market dried up. (Each adoption cost around $2,500, including legal and medical fees.) "But my husband says that's the way you play this game," she added.

Other lawyers, such as Helen Hope of Miami, a former airline stewardess who is one of about 10 Miami lawyers who specialize in private adoptions, send itemized lists to their clients showing every single expense in the adoption.

When does the cost of a private adoption become "excessive"? Observers of the adoption field say anything more than $1,000 for the lawyer and a total cost of more than $3,000 is questionable, with certain exceptions. Sometimes, for example, the cost can soar much higher due to unexpected medical expenses. A New Jersey couple who had planned to pay $3,000 wound up paying $6,500 because the mother required extensive surgery following the birth of her baby.

Lawyers hear of babies in several ways: Referrals from obstetricians and abortion counselors, who, lawyers say, often get kickback fees; contacts on college campuses; from the pregnant woman or her family, and from prospective adoptive couples who find pregnant women through their own sources.

Among the better known adoption lawyers in New York are Joseph Spencer, of 545 Fifth Avenue, who is sometimes called "the dean of private adoption"; Terry Milburn, who works out of her home at 670 West End Avenue; Stanley B. Michelman, of 250 West 57th Street, whose specialty is babies born in this country of visiting German and Austrian mothers; Leonard N. Tarr, of 40 Exchange Place, whose babies are sometimes called "Tarr babies," and Emanuel H. Pavsner, of 630 Third Avenue.

Mr. Tarr, who was also a stockbroker, could not be reached for an interview. He is serving the eighth month of a two-year prison sentence in the Federal Correctional Institution in Danbury, Conn., for perjury in a Securities and Exchange Commission case. He will be paroled March 7.

Mr. Pavsner received a three-year suspension last March from the Association of the Bar of the City of New York for "converting to his own use" money he received as a guardian for two elderly men designated as "incompetents." The sums involved were $17,690 and $17,887, according to bar association records.

Mr. Pavsner, who is still arranging adoptions, was one of three Manhattan lawyers who were visited recently by a New York Times reporter and a male friend who were posing as a prospective adoptive couple.

At the meeting, which was held on a Saturday morning, the day after the initial telephone conversation, Mr. Pavsner told the couple that for $10,000 they had a good chance of getting a baby by the end of February. He did not mention his suspension, but said that another lawyer would handle the court proceedings.

The parents, he said, were an 18-year-old Jewish girl and a 19-year-old Protestant boy, both college students from middle-class backgrounds. He said the girl did not know she was pregnant until it was too late for an abortion.

Mr. Pavsner, a modly dressed man in a navy turtle-neck and a goatee, spent 20 minutes taking a thorough written biography of the couple, including detailed information about their financial status. Then he said that if the couple were interested, they would have to pay him $10,000, which would be put in escrow in case the baby was not perfect.

"If the baby has any defects or is a mongoloid," he told the couple, "you will get the next available baby."

Mr. Pavsner said that both the couple and the pregnant girl and her family would be given each other's names—which is in opposition to agencies' policies of strict anonymity—and each would have the right to decide on the other's qualifications.

Mr. Michelman, the second lawyer who was visited, told the couple that for approximately $6,200 he could probably arrange for them to have a baby within six to eight months. The mothers he deals with, he said, are German and Austrian girls who are found by his associates in Europe.

"The mother flies to New York in her ninth month and is housed in a private home until she gives birth at Flower and Fifth Avenue Hospitals," he said. "I work with three German-speaking doctors there, and they give the girls excellent care."

Mr. Michelman said he had arranged 45 similar adoptions, and that, so far, only one woman had decided to keep her baby and take it back to Europe.

He said his portion of the $6,200 would be $2,250. "I know that's a lot of money for an hour's paper work and two court appearances," he said, "but we do take very good care of the girl while she's here."

When the couple called Joseph Spence, they were told that he would be unable to see them before the end of March, and that he charged $100 for an hour's consultation. He added that the "situation was grim," and that the couple would probably have to wait two years for a baby.

However, when the "husband" indicated that money was no object, Mr. Spencer told him, "Well, I do take certain cases in my home in Jackson Heights." An appointment was set for the following week in his office.

Two days later, Mr. Spencer called the couple and told them that a Philadelphia lawyer, who usually handles babies from Greece, Italy and Yugoslavia, knew of a white American infant who was about to be born. The cost was $9,500, plus an additional $2,500 fee for Mr. Spencer.

"If you're not interested," Mr. Spencer said, "we can still have the meeting in my office on Monday." The appointment was confirmed the next day by letter, which informed the couple that Mr. Spencer's fee for an hour's consultation had risen to $250. The couple canceled the appointment.

The following week, Mr. Spencer was interviewed in his office by the reporter, who he did not know was a member of the couple who had seemed so eager to adopt a baby.

The lawyer, a wizened man with a full head of silver hair, refused to discuss his fees, saying only that "when you go to the best, you pay more. That's why Louis Nizer can command $5,000. That's why I get more than other people."

Mr. Spencer said he abhorred the practices of certain profiteering lawyers whom he called "buccaneers," but said he often dealt with them when his clients desperately wanted a baby and agreed to pay their inflated fees.

"Money talks in this business," he said. "It's gotten to the point where babies that are supposed to go to my clients are being snatched right out from under our noses for more money. There's a terrific hunger out there, and the people who will suffer are those in the $15,000–$16,000 bracket or less, because they'll never be able to afford to adopt—unless they have wealthy parents."

Mr. Spencer said that even though it was illegal, he thought there was nothing wrong with an adoptive couple giving a gift of money to the mother for her baby in addition to legal and medical expenses. The way to circumvent the law in this case, he said, is to give the mother $750 to $1,000 "for living expenses."

"I feel philosophically that a mother who is doing this noble thing should be rewarded for her pain and suffering," he said.

Many child welfare experts say the only answer to adoption abuse is to put all adoptions in the hands of agencies. Such a situation now exists in Connecticut and Delaware, and similar legislation has been introduced but defeated in recent years in Florida and California.

"The all-agency system has been absolutely successful in preventing independent adoptions in Connecticut," said Robert Budney, that state's chief of adoption and unwed mother services. "About a dozen couples try to arrange independent adoptions a year, but that's only because they're ignorant of the law."

The system has been in effect there since 1959, and allows adoptions only through public or private adoption agencies. The public agencies charge no fee; the private agencies' fees are figured on a sliding scale based on a couple's income. Religion becomes a factor only when a mother requests that her child be placed with a couple of a particular faith.

Proponents of private adoption in New York are critical of what they consider to be the archaic and sanctimonious practices of agencies as they are now set up here, as well as of the agencies' long waits for babies, their impersonality, and their rigid requirements that make it difficult for middle-aged people to adopt and virtually bar adoptions across religious lines.

"We just didn't want to go through the humiliation that applying at an agency involves," said one Queens mother who had adopted a child privately. "They ask you such personal questions, like all about your sex life and the size of your house."

Judge Nanette Dembitz of the New York City Family Court, who has presided over hundreds of adoption proceedings, said that the occasional result of a system in which money is the most important factor in getting a child was the "obnoxious practice" of babies going to "undesirable parents."

"I think all private adoptions should be abolished," she said. "But first we must have a sufficient network of agencies that are truly nonsectarian and do not act arbitrarily. That would be the ideal situation."

SUBSIDIZED ADOPTION—A REPORT TO THE ILLINOIS GENERAL ASSEMBLY

(By Edward T. Weaver, Director, Department of Children and Family Services)

This report on subsidized adoption is submitted by the Department of Children and Family Services to members of the Illinois General Assembly in compliance with Public Act 76–1683, approved on October 6, 1969. The law amended the Act establishing the Department by adding the following language:

"The Department may provide financial assistance, and shall establish rules and regulations concerning such assistance, to persons who adopt physically or mentally handicapped, older and other hard-to-place children who immediately prior to their adoption were legal wards of the Department. The amount of assistance may vary, depending upon the needs of the child and the adoptive parents, but must be less than the monthly cost of care of the child in a foster home. Special purpose grants are allowed where the child requires a special service but such costs may not exceed the amounts which similar services would cost the Department if it were to provide or secure them as guardian of the child. The Department shall report to the General Assembly on the cost benefit of this program by April 1, 1970."

Accordingly, by official regulation effective November 14, 1969, the subsidized adoption program was implemented. Subsidized adoption is a plan by which the Department continues financial involvement beyond the legal consummation of an adoption of a child for whom the Department had responsibility by court order or surrender immediately prior to adoption. It makes adoption possible for children who would otherwise remain in tax-supported foster care until they reach adulthood. Included are children who cannot be placed for adoption through existing resources because of age, race, physical and/or mental condition, or other serious impediments.

Because of the program's newness and the need to familiarize staff with the criteria and procedures to be employed, only one subsidized adoption was completed in 1969. However, by March 20, 1970, a total of 45 applications for subsidized adoption had been approved, and the program was gaining momentum in each of the Department's eight regions throughout the state.

A careful, conservative projection of anticipated savings to the State of Illinois that will be realized while these 45 children grow to maturity has been set at $292,518. This figure was computed, at current dollar rates, by subtracting the total anticipated costs of the subsidies until the children reach 18 from the higher total of boarding care payments which the state would have to assume if it maintained guardianship of the children until they reach their majority. Known extra costs to the state to facilitate the adoptions—e.g., payment of a significant one-time medical or dental bill—have been deducted in arriving at the projected dollar benefit.

There will also be savings in administrative costs because Department caseworkers will no longer provide supervision of the child, which is required for youngsters in foster family care who remain under state guardianship. However, because the sample of approved cases is small and staff need time to become familiar with the processing of subsidized adoption (which represents an administrative cost), no attempt was made at this time to project the anticipated savings in administrative expenses. If the volume of children accepted under this program grows significantly, the savings in this area will be considerable.

All 45 children for whom subsidized adoption has been approved are being adopted by their foster parents. Twenty-two of the youngsters are white, 20 are black, two are of mixed race, and one is an American Indian. Thirty-two of the children are under five years of age. Some are physically handicapped. Some are mentally retarded. Some are older children who have been with the same foster parents for years and for whom placement in another home would definitely be traumatic for them.

The following examples have been taken from case records, with only the names of the individuals changed. They illustrate how the subsidized adoption program benefits the children, the adoptive family, and the taxpayer.

Margaret, 8, and Sarah, 5, are sisters. Joseph, 3, is a half-brother. All were victims of severe physical and mental abuse.

Margaret was brain damaged and is emotionally disturbed as well as retarded. She also suffers partial paralysis of the vocal cords from being choked, an incident which resulted in her stepfather's being sent to prison.

Sarah is a borderline retardate who was raped at age three and suffered other severe parental abuse and neglect.

Joseph was also abused in his former home and is a very slow learner.

These youngsters were placed in August, 1967, with a foster mother who has given them the love and security they so desperately need. The foster mother is divorced and works the night shift at a hospital as a licensed practical nurse. Her salary is $356 per month, and she has been receiving $290 per month from the Department for care of the three foster children. A young woman reared by the foster mother and now living in her home provides supervision for the youngsters when the foster mother is at her job. To enable her to adopt the children whom she has grown to love as her own, the foster mother is willing to reduce the Department's monthly care payments to $185 and to pay a lawyer to represent her in the three adoptions.

The Department has approved subsidized adoption. The dollar savings to the State of Illinois will amount to an estimated $22,900. In human terms, the "savings" to the children from obtaining a permanent home is inestimable.

Mary is a "hard-to-place" child. She is black and was born 8 years ago with a left arm stumped and malformed. Since she was one week old, Mary has lived with Mrs. Jenkins, a widow who is poor in material terms but rich in love for her foster child. Mary has called Mrs. Jenkins "Mom" as long as she can remember. They have been through much together, including the first fitting of a prosthesis on Mary's deformed arm. The prosthesis will need to be replaced two or three more times as Mary grows to maturity.

Mrs. Jenkins cannot afford a substantial loss of income, but she does want to adopt Mary. The Department has approved a subsidized adoption in which the agency will reimburse her for the lawyer's fee and will continue responsibility for Mary's medical care. The continuing monthly subsidy will be $75, or $17 less than the agency now pays for Mary's foster care. The estimated savings on "out-of-pocket" expenses over the next 10 years: $3,903.

Jimmy and Jonah are 4½-year old twins who were born prematurely. Both have a hare lip and cleft palate. For some time, the boys received medical care, through the University of Illinois' Division of Services for Crippled Children, at a specialized cleft palate clinic. Both have undergone successful surgery for repair of the defects, but Jonah still has an opening in his palate. Consideration is being given to a further operation.

A physician says "physically they are about like 2½-year olds and also in their apparent mental and social development. It is not realistic to assume they will ever reach normal intelligence or size." A psychologist is less fearful of mental retardation and believes the boys may continue to develop to "a low average to average intelligence potential."

Before the boys were six months old, the Department arranged through a private agency to place them with the Morris foster family. According to the caseworker, "much of the progress and continued development can be attributed to the Morris' support, incredible patience, and constant effort in behalf of the twins. Mr. and Mrs. Morris and their other children realize the limitations that the twins have physically and intellectually and accept their limitations with understanding and love."

Mr. Morris, an $810 a month design engineer, and his wife have adopted four children already, all of whom were "hard to place" by reason of physical or mental handicap or racial background. They range in age from six to seventeen years of age. Payments provided by the Department for care of the twins have represented the family's only income in addition to Mr. Morris' salary. However, the family recently received placement of a three-month old mulatto child whom they will ultimately adopt.

The subsidy agreement worked out with Mr. and Mrs. Morris, enabling them to adopt the twins, calls for the Department to provide a $75 monthly subsidy per child instead of the $115 per month per child boarding care fee. The Department will also assume responsibility for the legal fees, plus any medical treatment, speech therapy, or special education costs relating to the twins' handicaps.

The dollar savings to the State of Illinois over the next 13 years is estimated at $12,120.

Jerry, a six-year-old black youngster has been considered for adoption by several families, but plans have fallen through in each instance. This handsome, intelligent youngster has an allergic condition that has required treatment by a specialist nearly every week for the past two years.

Jerry has been in the Washburn foster home since he was one week old. Both the foster mother and the foster father, who was forced into early retirement because of a ruptured spleen, want to adopt Jerry. The child has assumed their last name and knows no other parents.

The family income is based on the father's Social Security and disability pension. The couple has cared for other foster children in the past, and will continue to do so. However, Jerry is the only adoptable youngster who has been with them on a long-term basis. In fact, in 1967, when it became apparent that Jerry's chances for adoption were quite slim, a long-term placement agreement was entered into with the family. The Washburns agreed to pay full clothing costs with the Department paying just the regular boarding care fee, without a clothing allowance.

Subsidized adoption will facilitate agency withdrawal from the case through payment to the family for legal fees for the adoption and by agreement to underwrite the cost of Jerry's medical treatment for the allergies. He is expected to need this type of medical treatment for only two or three years.

The savings that will accrue to the State of Illinois as a result of subsidizing Jerry's adoption has been estimated at $9,924.

Pamela is 5 and has been in the same foster home since she was four months of age. She did not become adoptable until she was more than 2½ years of age, well past the baby stage which appeals to most potential adoptive parents. Her foster mother and foster father, a steelworker who makes $400 per month, had not pursued the matter of adoption aggressively because they could not afford to hire a lawyer.

The case record states: "There is a strong emotional bond between the child and the prospective adoptive parents. Placement with this family has given the child a secure early childhood. To make any other plan for the child would be destructive, traumatic . . ."

The agreement recently approved by the Department of Children and Family Services calls for the agency to pay the family for necessary legal work to complete the adoption. This one-time fee will be more than offset by the foster parents' willingness to terminate the $81 monthly child care payments entirely. The savings, projected until Pamela reaches age 18, amounts to $15,782. Equally important, the parents and child are benefited by a program which enables them to become a permanent family.

Success of this program will not reduce Department efforts to find new parents for adoptable children. On the contrary, by moving into adoption the backlog of children who form the hard core of the "hard to place," Department staff will be in a better position to engage in enterprising efforts to recruit applicants for adoption of minority race or handicapped children as they are released for adoption.

Policies and procedures utilized in the subsidized adoption program are currently under review, but processing of initial applicants suggests no major problems. Appropriate safeguards have been built into the procedures for determining a family's eligibility for subsidized adoption. For example, the prospective adoptive parents must submit their most recent federal income tax return along with their application for a subsidy.

It is too early for the Department to make far-reaching claims of success in cost/benefit terms. However, the examples cited earlier demonstrate that subsidized adoption is a bold new approach to meet the needs of "hard to place" children and that it has significant potential for conservation of public funds. The savings that may be effected by reducing, or at least controlling, worker caseloads should, moreover, not be overlooked. A significant long-range benefit of this program is likely to be more effective utilization of the time of child welfare workers. If workers spend more time providing preventive services that hold families together, they reduce the need to place children outside their own homes, either in foster care or in adoption.

By Mr. DOMINICK:

S. 3299. A bill entitled the National Science Foundation Authorization Act of 1975. Referred to the Committee on Labor and Public Welfare.

Mr. DOMINICK. Mr. President, I am pleased today to introduce the authorization bill for the National Science Foundation's 1975 program. It is very fitting, I think, that the approaching 25th anniversary of NSF's creation by Congress should be marked by plans for the most vigorous program of fundamental research in NSF history—an increase of 25 percent in the funding level over the current year. It is also most appropriate that NSF—the only Federal agency that supports the entire range of science—is being asked to play a significant role in the accelerated national effort to use that science in the service of society.

These are complementary efforts, and it is extremely desirable in my view that there be this central point in the Federal Government, as NSF provides, where basic and applied work in science are brought together. In this way the full potential that science has to offer, for both the short and the long term, stands a greater chance of being accurately assessed and realized. NSF's ability to carry out these responsibilities is further enhanced by the fact that the NSF Director, Dr. H. Guyford Stever, is also the President's Science Adviser. In the role he must constantly assess the contribution that all areas of science can make to the Nation.

This bill authorizes $788.2 million for the National Science Foundation's programs in the coming year, including $5 million for the special foreign currency appropriation. This is an increase of $141.8 million above the current year's program level of $646.4 million.

I find particularly interesting the proposed plans for bringing NSF's basic and applied research programs and its education programs to bear on the energy problem. Some $253 million will be directed at accelerating the national effort toward energy self-sufficiency.

Of this total, $130 million will involve the search for basic knowledge needed in the energy area, ranging from studies of little-understood phenomena in chemistry, physics, and the behavior of materials, to ecological, and economic processes involved in alternative solutions to the energy problem. Also included in the $253 million total is the sum of $103 million in the RANN program—Research Applied to National Needs—which will support applied research dealing with energy. This will focus particularly on the development of solar and geothermal energy as well as other nonconventional energy sources such as wind and ocean temperature gradients, and on the environmental consequences of energy extraction and conversion. Over $3 million is also included for graduate traineeships and postdoctoral training in energy-related areas, to help assure an adequate supply of the trained manpower we are going to need in the years ahead.

I believe this program is to be commended as a carefully-developed, forward move, drawing on the Foundation's versatile skills encompassing a wide range of disciplines, to assist the Nation in solving our energy needs.

In this regard I note with particular pleasure that $50 million is requested for NSF's solar energy research program for the coming year—a four-fold increase over this year's funding level. Under the RANN program, which began in 1971, NSF was the first Federal agency to take the initiative in solar energy research for domestic use.

It has moved ahead rapidly in a number of solar energy areas, particularly with an excellent program to bring systems for solar heating and cooling of buildings to the point where they can be commercially developed. The administration last year designated NSF as the lead agency for solar agency research. This rapidly growing program is particularly gratifying in view of the specific directives to NSF from its Senate authorization committee, in both the 1973 and 1974 authorization, to increase its support of research on nonconventional energy resources with particular reference to solar energy.

In addition to mobilizing its efforts in a broad attack on the energy problem, the Foundation will also continue many vital programs that are being carried out under its support and direction. These include continued construction of the very large array—VLA—for radio astronomy, which will have a sensitivity and resolution unmatched anywhere in the world; continued support for our Arctic and Antarctic programs, including completion of the new South Pole station next winter; support for the important ocean sediment coring program, the global atmospheric research program, and the international decade of ocean exploration, all of which are making significant contributions to our understanding of the Earth's crust and the oceans and atmosphere that enclose it and maintain the cycle of life on it.

The Foundation's restructured science education program for fiscal 1975 will be funded at the level of $61.4 million. New programs are being supported to meet changing educational requirements in the 1970's. These include course development to train practitioners as well as researchers; projects to give more students a basic understanding of science; and efforts to improve the skills of elementary and secondary school students. All of these are directed at increasing the flexibility of scientific and technical manpower to meet the changing needs of society and at increasing the general public's understanding of science and how it interacts with society.

In addition to these areas, the budget for 1975 includes a stress on research on National R. & D. Assessment and on Science and Technology Policy and Energy R. & D. Policy, in support of the NSF Director's role as the President's Science Adviser.

Mr. President, I ask unanimous consent that the bill and a sectional analysis of this legislation be printed in the Record.

There being no objection, the bill and analysis were ordered to be printed in the Record, as follows:

S. 3299

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is hereby authorized to be appropriated to the National Science Foundation for the fiscal year ending June 30, 1975, to enable it to carry out its powers and duties under the National Science Foundation Act of 1950, as amended, and under title IX of the National Defense Education Act of 1958, out of any money in the Treasury not otherwise appropriated, $783,200,000.

Sec. 2. Appropriations made pursuant to authority provided in sections 1 and 4 shall remain available for obligation, for expenditure, or for obligation and expenditure, for such period or periods as may be specified in Acts making such appropriations.

Sec. 3. Appropriations made pursuant to this Act may be used, but not to exceed $5,000, for official consultation, representation, or other extraordinary expenses upon the approval or authority of the Director of the National Science Foundation, and his determination shall be final and conclusive upon the accounting officers of the Government.

Sec. 4. In addition to such sums as are authorized by section 1, not to exceed $5,000,000 is authorized to be appropriated for fiscal year ending June 30, 1975, for expenses of the National Science Foundation incurred outside the United States to be paid for in foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United States.

Sec. 5. This Act may be cited as the "National Science Foundation Authorization Act, 1975."

Sectional Analysis

A bill to authorize appropriations for activities of the National Science Foundation, and for other purposes.

Sec. 1.—This section authorizes appropriations to the National Science Foundation for fiscal year 1975 in the amount of $783,200,000, equal in total to the amount shown in the President's Fiscal 1975 Budget, including the amendment for energy research.

Sec. 2.—This section provides that appropriations made pursuant sections 1 and 4 shall remain available for obligation and expenditure for such period, or periods, of time as may be specified in appropriations acts.

Sec. 3.—This section authorizes an allowance of up to $5,000 for official consultation, representation, and other extraordinary expenses to be expended at the discretion of the Director.

Sec. 4.—This section authorizes, in addition to the funds appropriated by section 1, an appropriation for fiscal year 1975 not to exceed $5,000,000 for expenses of the National

Science Foundation incurred outside of the United States to be financed from foreign currencies which are determined by the Treasury Department to be in excess of the normal requirements of the United States.

Sec. 5.—This section permits the citation of the Act as the "National Science Foundation Authorization Act, 1975."

By MR. BROCK:

S. 3300. A bill to amend the National Housing Act to provide a statutory basis for the continuing administration by Federal Housing Administraiton of the standard risk programs under such act. Referred to the Committee on Banking, Housing and Urban Affairs.

THE FEDERAL HOUSING ADMINISTRATION ACT

Mr. BROCK. Mr. President, today I am introducing the Federal Housing Administration Act of 1974 which would create an independent Federal agency for unsubsidized Federal Housing Administration programs.

The time has come to consider carefully the role of the Federal Government in its basic unsubsidized housing programs and the present condition of FHA. It is no secret that the FHA is experiencing deepening difficulties and it is assumed by many in Congress that these troubles essentially stem from all of the programs that this agency administers. This is only partly true. It is both inaccurate and unfair to dam all of FHA's programs because of the difficulties it has experienced in those areas which are subsidized.

Earlier this month the Senate completed work on S. 3066, the Housing and Community Development Act of 1974. This act went a long way toward simplifying and strengthening the Federal Government's role in assisting housing. But it does not go far enough. The most workable solution is to totally sever the subsidized from the unsubsidized housing programs for which the Department of Housing and Urban Development—HUD—is responsible and to create an independent Federal insuring agency which will be responsible for the administration and proper execution of FHA's original standard risk unsubsidized programs.

The legislation which I am introducing does not desert such subsidized programs as the Congress wishes HUD to pursue. It made specific allowance for cooperation between the independent FHA and HUD or other agencies in carrying out subsidy programs for which HUD or other departments are responsible.

By providing a clean break between the unsubsidized and subsidized programs for which FHA is now responsible, HUD is put in a far better position to marshal its resources to resolve the housing problems of the cities and to develop and utilize sound workable subsidy programs to that end. A sound insurance program, such as the FHA unsubsidized program now backed by Mutual Mortgage Insurance Fund, and a subsidy program, which is in reality a Government guarantee, are not the same and cannot be managed by common principles and personnel. I believe we will get a great deal better service out of both the subsidized and unsubsidized programs if they are completely separate as to the agencies responsible for their management.

A separate Federal agency should not be anathema to either the Congress or the administration. Such independent agencies often have been created before, the Federal Home Loan Bank Board being a classic case in point. You will remember the Board was once a part of the Housing and Home Finance Agency until it was made a separate independent agency by the Housing Amendments of 1955.

The preservation and strengthening of FHA's basic insured programs would provide the basis on which we could halt the severely declining housing starts. Total FHA insured loans have been decreasing at an alarming rate for the past year and FHA activity is now at its lowest point since 1951. The 1973 figures show only 83,000 unsubsidized and subsidized new units were insured with only a small portion of this total being unsubsidized. This trend cannot be permitted to continue.

The proposed Federal Housing Administration Act of 1974 is the tool by which we can begin to mount a strong program to assure that the FHA can provide extremely needed housing to forgotten moderate-income Americans.

Succinctly stated, this legislation would:

First. Create an independent Federal agency for the purpose of administering the sound, unsubsidized mortgage insurance functions of the Federal Housing Administration;

Second. Charge this new agency with the responsibility of maintaining sound standards of property and credit underwriting and of maintaining a self-supporting operation;

Third. Transfer to the new agency the appropriate insurance reserves and related liabilities of FHA's unsubsidized programs, including the Treasury backstop of the agency's debentures; and

Fourth. Provide authority by which the new agency could handle the mortgage insurance requirements for housing for which subsidies may be granted, with the proviso that such housing subsidies would be administered by a different agency of the Federal Government.

Technically, my proposal is addressed to existing law, and the references in it are primarily to the existing National Housing Act. I recognize that if, after action by the House of Representatives, S. 3066 becomes law, these technical references would need to be adjusted. I voted in favor of S. 3066, but I am aware that the House is in the process of what may be a lengthy consideration of similar omnibus housing legislation. The proposal I am making today should not await final action on these legislative efforts; it is timely for the Senate to consider this proposal now.

I welcome the comments of the Members of the Senate and urge all Senators to support the concept embodied in my proposal.

I ask unanimous consent that a section-by-section analysis be printed in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS: FEDERAL HOUSING ACT OF 1973

Section 1: Short title.

Section 2: This section sets forth the purposes of the bill.

Section 3: This section amends the National Housing Act by adding to it a new Title XIV which is then set forth.

Section 1401—Creation of FHA: This section creates a new government corporation, called the Federal Housing Administration (FHA) in the executive branch, outside the Department of Housing and Urban Development, to carry on mortgage insurance programs.

Section 1402—Existence, powers of FHA: This section gives the FHA permanent existence, and provides for its powers to continue without interruption until the corporation is formally dissolved by Congress, makes the FHA a resident of the District of Columbia for purposes of venue in civil suits, and establishes the FHA's principal office in the District of Columbia with authority to set up offices in other places as needed.

Section 1403—Board of Directors: This section provides that the FHA is to be governed by a 6 member Board of Directors, and a Commissioner who is also Chairman of the Board. Other members of the Board are the Chairman of the Federal Home Loan Bank Board, the Chairman of the Federal Reserve Board, the Secretary of the Treasury, the Secretary of the Department of Housing and Urban Development, and the Comptroller of the Currency, or their delegates. No member of the Board may, during his time in office, be an officer or director of a mortgage financing institution or hold any stock in such an institution.

Section 1404—Powers, duties of Board: This section sets forth the responsibilities of the Board of Directors of the FHA. The Board is to exercise general direction and supervision over the functioning of the FHA. The Board must approve actions taken by the Commissioner in setting maximum mortgage amounts, fees and premiums, and mortgage market interest rates.

Section 1405—FHA Commissioner: This section establishes the Commissioner of the FHA as the administrative and executive head of the corporation. He is to be appointed by the President for a six year term, may be reappointed for an additional six year term, and may be removed for cause by the President. In addition to supervising the day to day operations of the FHA, the Commissioner is charged with advising the Board and the President on housing matters under the scope of the Act and providing information and technical assistance on the subject of housing to state and local governments.

Section 1406—Liaison with Congress: This section makes the Commissioner responsible for maintaining liaison with Congress for the FHA, and with making a yearly report to the President for submission to the Congress on the FHA's activities.

Section 1407—Assistant Commissioners, General Counsel, other employees: This section provides for the appointment of up to three assistant commissioners, and a general counsel, with the approval of the Board. Such other employees as the FHA may need are to be appointed by the Commissioner under the civil service laws.

Section 1408—Transfer of functions from HUD: This section transfers to the FHA all of the functions, powers and duties now committed to the Department of Housing and Urban Development under certain sections contained in Title I and Title II of the National Housing Act.

Section 1409—Insurance of Financial Institutions: This section embodies the former section 2 of Title I of the National Housing Act. It empowers the Commissioner to insure loans made for the purpose of financing the renovation and repair of existing structures and the building of new structures including the financing of the purchase of a mobile home to be used as a principle residence. The Commissioner is authorized to set standards for the type of improvements and repairs which can be insured, and minimum standards for mobile homes and the sites on which they are to be located. Maximum mortgage amounts, maturity periods, and premium charges for the obligations to be insured under this section are provided in subsection (b). Subsection (c) empowers the Commissioner to deal with any obligations or real property assigned to him in connection with foreclosure or the payment of insurance. Subsection (d) authorizes the Commissioner to transfer insurance when the loan is sold by one financial institution to another. Subsection (e) authorizes the Commissioner to waive compliance with regulations prescribed by him under this section under certain circumstances. Subsection (f) authorizes the Commissioner to set premium charges for the insurance issued under this section. Subsection (g) provides that payments made by the Commissioner to an approved financial institution for loss under this section are to be incontestable, in the absence of the institution, after two years. Subsection (h) authorizes the Commissioner to make rules and regulations to carry out the provisions of this section.

Section 1410—Insurance of Mortgages: This section contains the provisions formerly found in section 203 of Title II of the National Housing Act. Subsection (a), contains defintions of terms found in the rest of the section; Subsection (b) authorizes the Commissioner to insure mortgages which are eligible under this section and to make commitments for the insuring of such mortgages. Subsection (c) sets forth the criteria which must be met for a mortgage to be eligible for insurance under this section. Included are standards as to mortgage amount, loan to value ratio, and length of maturity period for different kinds of housing. Under this subsection the Commissioner is to determine credit standards to be met by mortgages, interest rates and other terms and conditions of the mortgage to be insured, and the minimum amount of cash which must be paid by the mortgagor as a down payment. Under subsection (d), the Commissioner fixes the premium charges for the insurance of mortgages. Subsection (e) provides that any contract of insurance issued by the Commissioner is to be conclusive evidence of the eligibility of the loan or mortgage for insurance, and that the validity of any contract of insurance is to be incontestable after it has been issued to a financial institution or mortgagee. Subsection (f) provides for the insurance of mortgage loans made to reconstruct single family homes destroyed by flood, fire, hurricane, earthquake, storm, riot, or other catastrophe, under the Disaster Relief Act of 1970. Subsection (g) empowers the Commissioner to insure mortgages in outlying areas or small communities where he finds that it is not practical to obtain conformity with many of the requirements for mortgages on housing in built up urban areas. Subsection (h) provides that loans secured by mortgages under this section shall not be taken into account for purposes of computing the amount of real estate loans which a national bank may make in relation to its capital and surpluses or its time and savings deposits. Subsection (i) provides for insurance of home improvements loans on certain types of housing. Subsection (j) provides for the Commissioner to insure mortgages on vacation or seasonal homes subject to certain standards and under certain circumstances.

Section 1411(a) provides for the payment of insurance by the Commissioner, and attendant proceedings including foreclosure, conveyance of title and assignment of claims by the mortgagee, issuance of debentures and certificates of claim in lieu of cash if the Commissioner elects to do so, and payment of the costs of foreclosure. Subsection (b) authorizes the Commissioner to consent to release of the mortgagor or the property from the lien of the mortgage. Subsection (c) prescribes the form and denominations of debentures to be issued under this section. Subsection (d) deals with the execution negotiability, terms, and tax exemption of debentures issued under this section. Subsection (e) governs the issuance of certificates of claim under this section. Subsection (f) governs the disposition of any excess of proceeds of sale over amounts paid by the Commissioner upon conveyance to him of the property, as well as with the settlement of certificates of claim. Subsection (g) gives the Commissioner the power to deal with, in all respects, and in his discretion, any property conveyed to him in exchange for debentures and certificates of claim. Subsection (h) provides that no mortgagee or mortgagor is to have any right or interest in any property or claim conveyed or assigned to the Commissioner, and that the Commissioner does not owe any duty to any such mortgagee or mortgagor with respect to the handling or disposition of such property or claim. Section 1411(i) provides for the determination of the rights of the mortgagor or mortgagee upon foreclosure or payment in full of the obligation. Subsection (j) provides that the Commissioner is authorized to include in the amount of debentures which he issues in payment of insurance, amounts reasonably incurred by the mortgage in the course of foreclosure for protecting and operating the property, and conveying the property to the Commissioner.

Section 1412—Mutual Mortgage Insurance Fund: This section provides for the continued maintenance of a General Surplus Account and a Participating Reserve Account within the Mutual Mortgage Insurance Fund. Subsection (b) provides for the allocation of aggregate net income or loss sustained by the Mutual Mortgage Insurance Fund between the General Surplus Account and the Participating Reserve Account by the Commissioner. Subsection (c) provides that after a mortgagor has paid his mortgage in full, and the insurance thereon has thereby been terminated, the Commissioner is to distribute to such mortgagor his share of the Participating Reserve Account. Subsection (d) provides that the determination of the Commissioner as to any amount to be paid out of the Participating Reserve Account to a mortgagor shall be final and conclusive and no mortgagor or mortgagee is to have any vested right in any credit balance or be subject to any liability arising out of the mutuality of the Fund.

Section 1413—Rental Housing Insurance: This section embodies the former section 207 of Title 2 of the National Housing Act. Subsection (a) contains the definitions of terms used later in the section. Subsection (b) authorizes the Commissioner to insure mortgages on rental housing designed to provide housing for families at moderate rentals. The mortgagor may be either a public housing authority or a private developer. A public housing entity must be one which is regulated by Federal or state law as to rents, charges, capital structure, rate of return, or methods of operation, and such a private developer must be regulated by the Commissioner as to these same items for as long as the insurance remains in effect. Subsection (c) sets forth maximum mortgage amounts and loan to value ratios for projects insured under this section along with the Commissioner's authority to change such amounts with the approval of the Board. Subsection (d) provides for the payment of premium and appraisal charges for the insurance of mortgages under this section. Subsection (e) gives the Commissioner the authority to adjust premium charges upon final payment of the mortgage. Subsection (f) provides for the payment of insurance to the mortgagee upon default by the mortgagor, and the terms and conditions of such payment, including the conveyance to the Commissioner of title to the property, the assignment to him of all claims of the mortgagee against the mortgagor, and the payment of insurance to the mortgagee. Subsection (g) provides for the issuance by the Commissioner of certificates of claim as part of the payment of insurance under this section, together with debentures and cash. The subsection also provides for the disposition of any excess realized upon the sale of property over the amount of insurance payments made. Subsection (h) provides for the issuance of debentures in payment of insurance issued under this section. Subsection (i) sets forth the form and denominations of such debentures. Subsection (j) provides for the acquisition of title to property by the Commissioner by means of voluntary conveyance or foreclosure under this section. Subsection (k) gives the Commissioner authority to deal with property acquired by him under this section, and likewise to pursue and settle all claims assigned to him under this section. Subsection (l) sets forth the rights of the parties in the case of default or payment of the mortgage under this section. Subsection (m) provides for reissuance of insurance issued prior to the enactment of the National Housing Act amendments of 1938. Subsection (n) provides for a service charge to be paid by the mortgagor for a mortgage assigned to and held by the Commissioner.

Section 1414—Labor Standards: This section provides for application of the prevailing area wage rate standards of the Davis-Bacon Act to construction upon which there is a mortgage insured under this Act.

Section 1415—Cooperative Housing Insurance: This section embodies the provisions of the former section 213, of Title 2 of the National Housing Act. This section provides for insurance of mortgages on cooperative housing projects owned and operated by a non-profit cooperative ownership housing corporation or trust, a non-profit corporation or non-profit trust organized for the purpose of construction of homes for members of the corporation or beneficiaries of the trust, or a mortgagor which will sell the property or project to a non-profit corporative housing corporation or trust. Terms and conditions of mortgages to be insured under this section are prescribed in subsections (b), (c), (d), and (e). Subsection (j) provides for supplementary cooperative loans for improvements or repairs of the property covered by such a mortgage, and cooperative purchases and resales of memberships, subject to terms and conditions set forth in the subsection. The provisions of section 1415 are to be funded by the Cooperative Management Housing Insurance Fund. Under subsection (1) the fund is to continue to have a General Surplus Account and a Participating Reserve Account, and upon termination of the insurance obligation by payment of an insured mortgage or loan, the Commissioner is authorized to distribute a share of the Participating Reserve Account to the mortgagor or borrower.

Section 1416—Insurance of Commitments: This section authorizes the Commissioner to process applications and issue commitments for insurance of mortgages even though the permanent mortgaging financing may not be insured under this Act, and also gives the Commissioner the authority to insure mortgages where the mortgagor is not the occupant of the property by reason of military service where he intends to occupy the property upon discharge from military service.

Section 1417—Appraisal for Home Buyers: This section requires that the purchaser of property approved for mortgage insurance under this Act be provided by the seller of builder with a written appraisal of the property prior to the sale of the property.

Section 1418—Builder's Cost Certification: This section provides that no mortgage covering new or rehabilitated multifamily housing is to be insured unless the mortgagor has provided the Commissioner with a cost certification showing that the approved percentage of actual cost equalled or exceeded the proceeds of the mortgage loan, or that any excess is to be paid forthwith to the mortgagee for application to reduction of the principal obligation of the mortgage. The terms "new or rehabilitated multifamily housing," "approved percentage," and "actual cost," are all defined in this section.

Section 1419—Voluntary Termination of Insurance: This section authorizes the Commissioner to terminate insurance under this Act upon request of the borrower or mortgagor, and the financial institution or mortgagee, and payment of a termination charge.

Section 1420—Acquisition of Mortgages to Avoid Foreclosure: This section gives the Commissioner the right to acquire the mortgage, upon payment of insurance benefits to the mortgagee, for the purpose of avoiding foreclosure by the mortgagee.

Section 1421—Mortgage Insurance for Condominiums: This section provides for mortgage insurance for condominiums. It sets forth the terms and conditions for mortgages to be insured, and in addition to individual mortgages, provides for insurance of blanket mortgages under certain circumstances and subject to certain terms and conditions.

Section 1422—Transfer of Assets, Liabilities: This section transfers the personnel, assets, contracts, property, unexpended appropriations, etc., used in the programs under the sections of the National Housing Act being transferred, to the new FHA. Subsection (b) provides that the FHA is to assume all existing insurance in force arising from the programs transferred to it under this Act, and provides for the transfer to the FHA of the Mutual Mortgage Insurance Fund, the Cooperative Management Housing Insurance Fund, and a portion of the General Insurance Fund.

Section 1423—Further Powers, Duties of Commissioner: This section provides for the establishment of mortgage fees, interest rates, and premium charges sufficient to meet the expenditures of the FHA and provide adequate reserve funds. Subsection (a) also empowers the Commissioner to sue and be sued in his official capacity, and to appoint advisory bodies to assist him. It is also provided that all civil suits to which the FHA is a party are to be deemed to arise under the laws of the United States. Subsection (b) authorizes the Commissioner to contract with other government agencies for use of their services by the FHA and for the use of the FHA's services by such other agencies, and authorizes the Commissioner to cause a seal of office to be made for the FHA and for judicial notice to be taken thereof. Subsection (c) authorizes the Commissioner to delegate his functions, powers and duties to such officers and employees of the FHA as he designates. Subsection (d) authorizes the Commissioner to issue temporary and permanent regulations to implement the programs, administration and activities of the FHA.

Section 1424—Power To Borrow Money, Invest Money; Issuance of Debentures: This section authorizes the FHA to borrow from the Treasury such funds as the Board deems necessary for insurance purposes. Subsection (b) provides for investment of money of the FHA not otherwise employed in obligations of the United States or obligations guaranteed as to principal and interest by the United States. Subsection (c) provides for the banking or checking accounts of the FHA. Subsection (d) provides for the Commissioner to set the rate of interest on debentures issued pursuant to this Act in payment of insurance claims, and specifies that such insurance claims may be paid in cash if the Commissioner so elects. Subsection (e) provides that debentures and other obligations of the FHA shall be exempt from all state and Federal taxation, and the FHA, including its franchise, capital, reserves, surplus, and income shall be exempt from all state and Federal taxation, except that the FHA's real property may be taxed as other real property is taxed. Subsection (f) provides for the preparation and printing of notes debentures, bonds, or other obligations needed by the FHA. Subsection (g)specifically authorizes the FHA to acquire, hold, and dispose of real property. Subsection (h) gives the FHA free use of the United States mails in the same manner as other departments of the government.

Section 1425—Authority of Federal Instrumentalities To Purchase FHA Mortgages: This section authorizes other federal instrumentalities, including federally chartered banks and savings and loans associations, currently authorized to purchase mortgages insured under the National Housing Act, to purchase mortgages insured by the FHA.

Section 1426—Non-Abatement of Actions: This section provides for non-abatement of actions by or against agencies whose functions are being transferred by this Act. Subsection (b) provides that all powers and authorities conferred by this Act are to be cumulative and in addition to any powers and authorities otherwise existing, that all actions taken prior to the effective date of this Act by agencies and officers whose powers are being transferred by this Act are to remain in full force and effect until they are modified or rescinded, and that reference to the officer or agency whose powers are being transferred in the other Federal, state or local law is to be understood to mean the new FHA or the Commissioner.

Section 1427—Annual Audit: This section provides for the auditing of the affairs of the FHA annually by the General Accounting Office, and the rendering of a report of the results of that audit.

Section 1428—Savings Clause: This section provides for severance of any part of the Act which might at a future time be declared unconstitutional, and for the continued validity of the remainder of the Act.

Section 1429—Certain Sections Repealed: This section repeals certain portions of the National Housing Act.

Section 1430—Effective Date, Temporary Appointments: This section establishes the effective date of the Act as sixty (60) days after its approval, and provides for the appointment of officers by the President on an acting basis pending final approval of the President's permanent appointments by the Senate.

By Mr. JACKSON (for himself and Mr. FANNIN) (by request):

S. 3301. A bill to amend the act of October 27, 1972 (Public Law 92–578). Referred to the Committee on Interior and Insular Affairs.

Mr. JACKSON. Mr. President, by request, I send to the desk on behalf of myself and the Senator from Arizona (Mr. FANNIN) a bill to amend the act of October 27, 1972 (Public Law 92–578), which established the Pennsylvania Avenue Development Corp.

Mr. President, this draft legislation was submitted and recommended by the Pennsylvania Avenue Development Corp. and I ask unanimous consent that the executive communication accompanying the proposal from the chairman of the corporation be printed in the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

PENNSYLVANIA AVENUE
DEVELOPMENT CORP.,
Washington, D.C., March 19, 1974.

Hon. GERALD R. FORD,
President, U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Transmitted herewith for referral to the appropriate committee is a draft bill prepared by the Pennsylvania Avenue Development Corporation "To amend the Act of October 27, 1972 (Public Law 92–578)". The proposed legislation is designed to amend several sections of the Corporation's enabling statute and thereby enhance its capabilities to plan and redevelop the north side of Pennsylvania Avenue betwen the Capitol and the White House.

The first section of the draft bill would provide the Corporation with the usual authority for non-competitive hiring of experts and consultants for limited periods of time. In view of the Corporation's sole task, essentially that of a small planning and development agency, temporary requirements for the services of experts in architecture, design, engineering, and urban economics have frequently arisen, and such requirements are expected to escalate. It has proved to be difficult to produce these needed services by contracting for finished work-products under existing contracting authority and applicable regulations. The proposed amendment would improve the process of development planning by permitting the Corporation to hire experts within the limits of section 3109 of title 5, United States Code, but without regard to advertising.

The second section of the enclosed draft bill would reinstate the expired moratorium on construction within the development area, and continue it until such time as the Corporation's plans are expected to have been fully reviewed by Congress. The Corporation's enabling law prohibited construction, alteration, etc., within the development area except by permission from the Corporation upon a finding that the proposed work would be in conformity with the development plan. This moratorium expired one calendar year after enactment of the legislation on October 27, 1973. The Corporation, however, was not staffed and funded until eight months after passage of its Act, with the result that the moratorium was in effect for only the first four months of the planning process. The restoration of the moratorium would permit the development plan to be prepared and reviewed by the designated agencies and Congress unhampered by nonconforming construction in the interim.

The third and last section of the draft bill would amend the authorization for appropriations to provide for funding of the Corporation's operating and administrative expenses in fiscal year 1975, and in succeeding fiscal years.

For the reasons stated above, prompt favorable consideration of the enclosed draft bill is requested.

The Office of Management and Budget has advised that, from the standpoint of the Administration's program, there is no objection to the submission of this proposed legislation to Congress.

Sincerely,

E. R. QUESADA, *Chairman.*

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 200

At the request of Mr. MCINTYRE, the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 200, a bill to require that new forms and reports, and revisions of existing forms, resulting from legislation be contained in reports of committees reporting the legislation.

S. 411

At the request of Mr. McGee, the Senator from Arizona (Mr. Goldwater) was added as a cosponsor of S. 411, to amend title 39, United States Code, relating to the Postal Service, and for other purposes.

S. 482

At the request of Mr. Taft, the Senator from North Carolina (Mr. Helms) was added as a cosponsor of S. 482, to amend the Internal Revenue Code of 1954 to allow an income tax credit for the costs of maintaining the exterior appearance and structural soundness of certain historic buildings and structures.

S. 483

At the request of Mr. Taft, the Senator from North Carolina (Mr. Helms) was added as a cosponsor of S. 483, to amend the Act of October 15, 1966, relating to the preservation of certain historic properties in the United States.

S. 1812

At the request of Mr. McIntyre, the Senator from North Carolina (Mr. Helms) was added as a cosponsor of S. 1812, a bill to improve the coordination of Federal reporting services.

S. 1818

At the request of Mr. Gurney, the Senator from North Carolina (Mr. Helms) was added as a cosponsor of S. 1818, to authorize POW's use of the Golden Eagle Passport.

S. 2279

At the request of Mr. Hatfield, the Senator from Kansas (Mr. Pearson) was added as a cosponsor of S. 2279, for the relief of certain Korean orphans.

S. 2359

At the request of Mr. Hartke, the Senator from North Carolina (Mr. Helms) was added as a cosponsor of S. 2359, a bill to amend title II of the Social Security Act so as to liberalize the conditions governing eligibility of blind persons to receive disability insurance benefits thereunder.

S. 2422

At the request of Mr. Mathias, the Senator from Iowa (Mr. Clark), the Senator from Ohio (Mr. Metzenbaum), and the Senator from Montana (Mr. Mansfield) were added as cosponsors of S. 2422, to establish a National Center for the Prevention and Control of Rape and provide financial assistance for a research and demonstration program into the causes, consequences, prevention, treatment, and control of rape.

S. 2445

At the request of Mr. McIntyre, the Senator from North Carolina (Mr. Helms) was added as a cosponsor of S. 2445, a bill to amend the provisions of the Social Security Act to consolidate the reporting of wages by employers for income tax withholding and old-age, survivors, and disability insurance purposes, and for other purposes.

S. 2690

At the request of Mr. Muskie, the Senator from Indiana (Mr. Bayh) was added as a cosponsor to S. 2690, a bill to amend title XVIII of the Social Security Act to liberalize the conditions under which posthospital home health services may be provided under part A thereof, and home health services may be provided under part B thereof.

S. 2695

At the request of Mr. Muskie, the Senators from California (Mr. Tunney), New York (Mr. Javits), and Texas (Mr. Tower) were added as cosponsors to S. 2695, a bill to amend the Public Health Service Act to provide for the making of grants to assist in the establishment and initial operation of agencies which will provide home health services.

S. 2801

At the request of Mr. Proxmire, the Senator from New Mexico (Mr. Montoya) was added as a cosponsor of S. 2801, to amend the Food, Drug, and Cosmetic Act with respect to safe vitamins and minerals, and for other purposes.

S. 2938

At the request of Mr. Jackson, the Senator from Massachusetts (Mr. Kennedy), the Senator from Washington (Mr. Magnuson), and the Senator from North Dakota (Mr. Burdick) were added as cosponsors of S. 2938, the Indian Health Care Improvement Act.

S. 3096

At the request of Mr. Cranston, the Senator from Wyoming (Mr. McGee) was added as a cosponsor of S. 3096, a bill to amend the Small Business Act to provide for loans to small business concerns affected by the energy shortage.

S. 3225

At the request of Mr. Gurney, the Senator from Kansas (Mr. Dole), and the Senator from Maryland (Mr. Beall) were added as cosponsors of S. 3225, to amend the Export Act of 1969 to curtail exports of petrochemical feedstocks.

S. 3259

At the request of Mr. Taft, the Senator from Kansas (Mr. Dole) and the Senator from Vermont (Mr. Stafford) were added as cosponsors of S. 3259, a bill to amend the Rail Passenger Service Act of 1970 in order to authorize certain use of rail passenger equipment by the National Railroad Passenger Corporation.

ADDITIONAL COSPONSOR OF A RESOLUTION

SENATE RESOLUTION 257

At the request of Mr. Pastore, the Senator from Massachusetts (Mr. Brooke) was added as a cosponsor of Senate Resolution 257, to amend the Standing Rules of the Senate to establish a procedure for requiring amendments to bills and resolutions to be germane.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974—AMENDMENTS

AMENDMENTS NOS. 1141 AND 1142

(Ordered to be printed and to lie on the table.)

Mr. ALLEN submitted two amendments intended to be proposed by him to the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

AMENDMENT NO. 1146

(Ordered to be printed, and to lie on the table.)

Mr. CLARK submitted an amendment, intended to be proposed by him, to Senate bill 3044, supra.

EXTENSION OF NATIONAL LABOR RELATIONS ACT TO EMPLOYEES OF NONPROFIT HOSPITALS—AMENDMENT

AMENDMENT NO. 1143

(Ordered to be printed and to lie on the table.)

Mr. TOWER. Mr. President, on behalf of Senator Ervin, Senator Griffin, and myself, I am today submitting an amendment to S. 3203. The amendment is similar to my bill, S. 853, which I introduced last year. However, it does contain significant modifications that are in part a result of hearings that were held on this legislative proposal in the 91st Congress by the Subcommittee on Separation of Powers of the Senate Judiciary Committee.

The amendment would provide for the trial of all unfair labor practice cases in U.S. district courts. Representation cases would remain under the exclusive jurisdiction of the National Labor Relations Board.

The amendment would retain the Office of General Counsel in its present form so as to assure the availability of a Federal prosecutor to any person deeming himself aggrieved by virtue of the commission of an unfair labor practice. An individual who wishes to file an unfair labor practice would, under the amendment, be able to bring that complaint to the General Counsel or file a private action. Should the General Counsel decide not to prosecute the complaint, the individual would still be able to file an action on his own.

This represents an improvement over the legislation I had previously introduced. My bill would have vested the authority to bring an action with U.S. attorneys. Constructive criticism was put forth against this suggested change since it was felt that too great a burden would be placed on the U.S. attorney's offices. Therefore, the amendment which Senator Ervin, Senator Griffin, and I are today offering would retain the General Counsel to serve as a possible Federal Prosecutor.

Mr. President, there are a number of reasons why this amendment would vastly improve the effectuation of Federal labor policy. I believe that the reforms advocated by this amendment are long overdue. In fact it was in 1953 that the House Education and Labor Committee recommended that the Board be divested of jurisdiction over unfair labor practice cases.

Mr. President, the NLRB has limited authority by statute to make judicial determinations whether unfair labor practices have been committed. I have never been convinced by any argument that this jurisdictional grant should lie with the Board rather than with the Federal Court system. The nature of the Board itself, highlighted by its constant change in membership, helps to illustrate the causes of the great deal of criticism it has received through the years. Litigants and potential litigants are at a loss to know exactly what the current status of the law is on a specific labor law issue.

Our courts are the proper place for the resolution of labor law disputes. Whereas the Board responds to labor law depending on the swing in membership dictated by which particular administration is in office, the Federal courts are uniquely capable to give the proper respect for the doctrine of stare decisis while at the same time recognizing the changing concerns of the American people and our industrial society.

The amendment would provide for a creation of a private right of action. This change is consistent with comparable rights of action found in similar social legislation, such as the Fair Labor Standards Act and title VII of the Civil Rights Act. The need for a private right of action is due to the enormous amount of power granted by statute to the General Counsel. The General Counsel has the total authority to decide whether any action will be undertaken on behalf of the charging party. His decision is unappealable and unreviewable by the executive, legislative or judicial branches. This kind of procedure is bad public policy and certainly inconsistent with traditional constitutional safeguards. During the hearings on my original proposal, Senator Ervin best expressed this feeling:

> I might state my objection to the power of the General Counsel is not based upon any General Counsel's activities. I am fundamentally opposed to a proposal for such monarchial powers in any human being. I do not think any human being who ever lived ought to have the right to give a man or deny a man access to the temple of justice. I would not even trust myself to exercise that autocratic power.

Mr. President, this proposal is not being raised at this time because of any sharp or extraordinary criticism I might lodge against the current Board or the current General Counsel. As a matter of fact, I believe that the so-called Nixon Board and the current General Counsel have generally carried out their responsibilities in good faith and with a full understanding of the responsibilities which have been vested in them. The fact that I may agree with some of this Board's recent decisions and the fact those with opposing philosophical tendencies, both within and without Congress, have sharply criticized those decisions only emphasizes the turmoil which the present system has caused and the overall need for the broad reform herein suggested.

Mr. President, I urge my colleagues to give this Tower-Ervin-Griffin amendment their careful consideration. I ask unanimous consent that the text of the amendment be printed in the Record at this point.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

Amendment No. 1143

On page 1, between lines 2 and 3, insert the following:

TITLE I—EXTENDING COVERAGE TO EMPLOYEES OF NONPROFIT HOSPITALS

On page 1, line 3, strike out "That" and insert in lieu thereof "Sec. 101."

At the end of the bill add the following new title:

TITLE II—PROVIDING FOR TRIAL OF UNFAIR LABOR PRACTICE CASES IN THE UNITED STATES DISTRICT COURTS

Sec. 201. Section 3(d) of the National Labor Relations Act is amended by striking out "trial examiners and" in the second sentence, and by striking out "Board" the second time it appears in the third sentence and inserting in lieu thereof "courts".

Sec. 202. Section 4(a) of such Act is amended by striking out "examiners" in the second sentence, and by striking out the fourth sentence.

Sec. 203. Section 9(d) of such Act is amended to read as follows:

"(d) Whenever the validity of a certification of a bargaining representative by the Board under this section is in issue in a proceeding before a court under section 10, the clerk of the court shall notify the Board of that fact. Within fifteen days after the date such notice is received the Board shall file such certification, together with the record on which it was based, with the court."

Sec. 204. Section 10 of such Act is amended to read as follows:

"PREVENTION OF UNFAIR LABOR PRACTICES

"Sec. 10. (a) The district courts of the United States, the district court of the Virgin Islands, and the United States District Court for the District of the Canal Zone shall have jurisdiction, as provided in this section, to prevent any person from engaging in any unfair labor practice listed in section 8 affecting commerce.

"(b) Any person aggrieved by any such unfair labor practice may, within six months after the date on which such unfair labor practice occurred, either (1) file and prosecute such a complaint in any court specified in subsection (a) having jurisdiction of the parties, or (2) file a charge of such unfair labor practice with the General Counsel of the National Labor Relations Board and request him to file and prosecute such a complaint. Whenever a person aggrieved by an unfair labor practice is prevented by reason of service in the Armed Forces from filing a charge or complaint he may do so within six months after the date of his discharge.

"(c) Whenever a charge is filed with the General Counsel of the Board under this section, he shall promptly serve a copy of the charge upon the person against whom such charge is made. Within a reasonable time thereafter, he shall file a complaint with the appropriate court and prosecute such complaint, in the name of and on behalf of the person who filed the charge, unless he determines that the charge is frivolous, or otherwise without basis in law or fact, in which case he shall promptly notify the parties of such determination. After receiving such notice, the charging party may file and prosecute a complaint under subsection (b) on his own initiative; and the period beginning with the date on which he filed the charge with the General Counsel of the Board, and ending with the date on which he received such notice, shall not be counted in determining whether the six-month period specified in subsection (b) has expired. The General Counsel of the Board shall give priority to charges of unfair labor practices within the meaning of subsection (a)(3) or (b)(2) of section 8 and paragraph (4)(B) or (C) of section 8(b) over all other unfair labor practice charges filed with him.

"(d) Proceedings under this section shall be tried by the court without a jury. Except as otherwise provided in this section, the Federal Rules of Civil Procedure shall apply in each such proceeding. If a master is appointed pursuant to Rule 53 of the Federal Rules of Civil Procedure, such master shall be compensated by the United States at a rate to be fixed by the court, and shall be reimbursed by the United States for necessary expenses incurred in performing his duties under this section. Any court before which a proceeding is brought under this section shall advance such proceeding on the docket and expedite its disposition.

"(e) The court may grant such temporary relief or restraining order as it deems appropriate pending final disposition of any proceeding under this section, but only after publicly hearing testimony of witnesses with opportunity for cross-examination in support of the allegations of a complaint made under oath, and testimony in opposition thereto, if offered; and only after the court finds—

"(1) that one or more acts constituting an unfair labor practice have been committed and will be continued unless restrained;

"(2) that substantial and irreparable injury to the complainant will follow;

"(3) that as to each item of relief granted, greater injury will be inflicted by the denial of relief than will be inflicted by the granting of relief; and

"(4) that complainant has no adequate remedy at law. The Act of March 23, 1932, entitled 'An Act to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes' shall not apply to any proceedings under this section, except that section 10 of such Act, providing for expeditious review of temporary injunctions, shall apply with respect to any temporary relief or restraining order issued under this section.

"(f) If the court finds that any person named in the complaint has engaged in or is engaging in any unfair labor practice is charged in the complaint, the court shall enjoin such person from engaging in such unfair labor practice, and shall order such person to take such affirmative action, including reinstatement of employees with or without back pay (but not including the payment of damages in any other form), as may be necessary to enforce compliance with the provisions of this Act which such person is found to have violated. Where an order directs reinstatement of an employee, back pay shall be required of the employer, or the labor organization, or both, in such proportion as the court shall assess responsibility for the discrimination suffered by him. No order of the court shall require the reinstatement of any individual as an employee who has been suspended or discharged, or the payment to him of any back pay, if such individual was suspended or discharged for cause. In determining whether a violation of section 8(a)(1) or section 8(a)(2) has occurred, the determination shall not be affected by whether the labor organization concerned is affiliated with a national or international labor organization.

"(g) For the purposes of this section courts shall be deemed to have jurisdiction of a labor organization (1) in the district in which such organization maintains its principal office, (2) in any district in which its officers or agents are engaged in promoting or protecting the interests of employee members, or (3) in any district in which the unfair labor practice is alleged to have occured. The service of legal process upon such officer or agent shall constitute service upon the labor organization and make such organization a party to the suit."

SEC. 205. Section 11 of such Act is amended by striking out "and section 10" in the matter preceding paragraph (1); by striking out "or proceeded against" in the first sentence of paragraph (1); and by striking out "Complaints, orders." in paragraph (4) and inserting in lieu thereof "Orders".

SEC. 206. Section 14(c) of such Act is repealed.

SEC. 207. (a) Any proceeding under section 10 of the National Labor Relations Act which is pending before the National Labor Relations Board on the date of enactment of this Act shall be continued by the Board if the hearing provided for in subsection (b) of such section, as in effect immediately prior to the enactment of this Act, has been completed, and if, within thirty days after the date of enactment of this Act, the person aggrieved by the unfair labor practice in question requests the Board to continue the proceeding. Upon request of any such person, the General Counsel of the National Labor Relations Board shall appear and represent such person in proceedings under this subsection before the Board and the courts. The Board shall act in such proceeding, and its action may be enforced or reviewed by the courts, in the same manner and with the same effect as if this Act had not been enacted, except that—

(1) any enforcement proceeding under section 10(e) shall be instituted by the party seeking enforcement of the Board's order, or the General Counsel of the National Labor Relations Board, and thereupon the Board shall certify and file in the court a transcript of the entire record in the proceedings;

(2) the Board shall not appear in any proceeding under section 10(e) or 10(f); and

(3) if the court orders additional evidence to be taken in any proceeding under section 10(e) or 10(f), it shall be taken before a master designated by the court; the master shall be compensated by the United States at a rate to be fixed by the court, and shall be reimbursed by the United States for necessary expenses incurred in performing such duties.

(b) Where the Board has issued an order under section 10 of the National Labor Relations Act before the date of enactment of this Act, a proceeding in court for the enforcement or review of such order may be instituted after such date in the same manner and with the same effect as though this Act had not been enacted, except that the provisions of paragraphs (1), (2), and (3) of subsection (a) of this section shall apply to such proceedings.

(c) Any proceeding under section 10 of the National Labor Relations Act which is pending in any court on the date of enactment of this Act shall be continued as if this Act had not been enacted.

(d) Where a charge of an unfair labor practice is pending before the National Labor Relations Board on the date of enactment of this Act, and the hearing provided for in section 10(b) of the National Labor Relations Act, as in effect immediately prior to the enactment of this Act, has not been completed, and time limit provided for in section 10(b) of such Act, as amended by this Act, for filing a charge or complaint based on the same acts has expired, a charge or complaint may nevertheless be filed under such section at any time within thirty days after the date of enactment of this Act.

ELEMENTARY AND SECONDARY EDUCATION ACT AMENDMENTS OF 1974—AMENDMENT

AMENDMENT NO. 1144

(Ordered to be printed and to lie on the table.)

Mr. GURNEY. Mr. President, I am planning to offer an antibusing amendment to S. 1539, the Education Amendments of 1974.

I stress the term "antibusing" to point out the difference between my amendment and that language contained in title VIII of the bill. I propose to strike the existing title VIII and insert instead antibusing language similar to that recently passed by the House.

Specifically, this amendment prohibits forced busing for desegregation to any but the next closest school to the student's home. Even busing this distance must be a "last resort" after some seven other remedies, or combinations thereof, have been tried and proved ineffective. In addition, this language affords the Swann protection against busing which would endanger the student's health or educational process.

Another important part of this amendment prohibits practices which deny equal educational opportunity. This includes practices such as deliberate segregation, discrimination in employment and assignment of faculty, and failure to take action to overcome language barriers. In other words, this amendment presents a constructive, rather than destructive approach to the task of providing an equal education for everyone.

Once a school system is desegregated, the amendment provides that no subsequent population shift shall, per se, constitute a cause for civil action for a new desegregation plan.

Before taking civil action, the attorney general must notify a school district of violation, and must certify to the appropriate district court that no remedial action has been taken after a reasonable time.

The amendment provides for reopening of existing court order cases, so that they may be modified to comply with this bill.

Finally, court orders shall be terminated if a court finds that a unitary school system exists.

I believe this amendment represents a sane and workable solution to a problem which is causing frustration, anger, and even violence among our people and in our schools. Time and again, the newspapers report incidents of racial violence and disruption in our schools; time and again parents and other interested citizens voice loud objections to the practice of forced busing; time and again we here in Congress engage in lengthy debate on this issue; and yet time and again Congress has refused to take a decisive stance.

This present Senate bill, for example, purports to prohibit busing. What we have in this bill without my amendment is not antibusing at all. On the contrary, this title might be aptly substituted "The Handyman's Guide on How To Bus."

The bill provides that no provision of this act shall be construed to require busing to overcome racial imbalance. This is legalese for buckpassing. The present bill doesn't prohibit busing—it merely signals the courts to use some other statute or legal precedent as the authority for forced busing orders. And that is exactly what the courts are doing.

Furthermore, and I think this is perhaps the most crucial point, there is absolutely no prohibition on the courts to halt busing orders. It is the courts who order busing, and it is the courts who will continue to order busing as long as this Senate language stands.

The Senate provision is no more than a restatement of language which is already law—title VIII of Public Law 92-318, to be exact. Why, we might ask, should we be reconsidering the same language? If this same language is so effective, then why is it still necessary for us to be dealing with the busing question at all? If the law is so effective, then why are there still dozens of bills pending in both the House and Senate to do away with busing?

I think the answer is clear. The people are not satisfied. They know that this smoke-screen language means nothing when it comes to stopping busing, and the people are pretty fed up with this whole show.

The amendment I am proposing represents what I feel to be the most effective statutory remedy available and I hope that my colleagues will join me in this effort.

I ask unanimous consent that a copy of my amendment be printed in the RECORD at this point.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 1144

On page 384 beginning with line 1, strike out through line 8 on page 388 and insert in lieu thereof the following:

TITLE VIII—EQUAL EDUCATIONAL OPPORTUNITIES SHORT TITLE

SEC. 801. This title may be cited as the "Equal Educational Opportunities Act of 1974".

PART A—POLICY AND PURPOSES

DECLARATION OF POLICY

SEC. 802. (a) The Congress declares it to be the policy of the United States that—

(1) all children enrolled in public schools are entitled to equal educational opportunity without regard to race, color, sex, or national origin; and

(2) the neighborhood is the appropriate basis for determining public school assignments.

(b) In order to carry out this policy, it is the purpose of this Act to specify appropriate remedies for the orderly removal of the vestiges of the dual school system.

FINDINGS

SEC. 803. (a) The Congress finds that—

(1) the maintenance of dual school systems in which students are assigned to schools solely on the basis of race, color, sex, or national origin denies to those students the equal protection of the laws guaranteed by the fourteenth amendment;

(2) for the purpose of abolishing dual schools solely on the basis of race, color, sex,

thereof, many local educational agencies have been required to reorganize their school systems, to reassign students, and to engage in the extensive transportation of students;

(3) the implementation of desegregation plans that require extensive student transportation has, in many cases, required local educational agencies to expend large amounts of funds, thereby depleting their financial resources available for the maintenance or improvement of the quality of educational facilities and instruction provided;

(4) transportation of students which creates serious risks to their health and safety, disrupts the educational process carried out with respect to such students, and impinges significantly on their educational opportunity, is excessive;

(5) the risks and harms created by excessive transportation are particularly great for children enrolled in the first six grades; and

(6) the guidelines provided by the courts for fashioning remedies to dismantle dual school systems have been, as the Supreme Court of the United States has said, "incomplete and imperfect", and have not established a clear, rational, and uniform standard for determining the extent to which a local educational agency is required to reassign and transport its students in order to eliminate the vestiges of a dual school system.

(b) For the foregoing reasons, it is necessary and proper that the Congress, pursuant to the powers granted to it by the Constitution of the United States, specify appropriate remedies for the elimination of the vestiges of dual school systems.

PART B—UNLAWFUL PRACTICES

DENIAL OF EQUAL EDUCATIONAL OPPORTUNITY

SEC. 804. No State shall deny equal educational opportunity to an individual on account of his or her race, color, sex, or national origin, by—

(a) the deliberate segregation by an educational agency of students on the basis of race, color, or national origin among or within schools;

(b) the failure of an educational agency which has formerly practiced such deliberate segregation to take affirmative steps, consistent with part D of this title, to remove the vestiges of a dual school system;

(c) the assignment by an educational agency of a student to a school, other than the one closest to his or her place of residence within the school district in which he or she resides, if the assignment results in a greater degree of segregation of students on the basis of race, color, sex, or national origin among the schools of such agency than would result if such student were assigned to the school closest to his or her place of residence within the school district of such agency of providing the appropriate grade level and type of education for such student;

(d) discrimination by an educational agency on the basis of race, color, or national origin in the employment, employment conditions, or assignment to schools of its faculty or staff, except to fulfill the purposes of subsection (f) below;

(e) the transfer by an educational agency, whether voluntary or otherwise, of a student from one school to another if the purpose and effect of such transfer is to increase segregation of students on the basis of race, color, or national origin among the schools of such agency; or

(f) the failure by an educational agency to take appropriate action to overcome language barriers that impede equal participation by its students in its instruction programs.

BALANCE NOT REQUIRED

SEC. 805. The failure of an educational agency to attain a balance, on the basis of race, color, sex, or national origin, of students among its schools shall not constitute a denial of equal educational opportunity, or equal protection of the laws.

ASSIGNMENT ON NEIGHBORHOOD BASIS NOT A DENIAL OF EQUAL EDUCATIONAL OPPORTUNITY

SEC. 806. Subject to the other provisions of this title, the assignment by an educational agency of a student to the school nearest his place of residence which provides the appropriate grade level and type of education for such student is not a denial of equal educational opportunity or of equal protection of the laws unless such assignment is for the purpose of segregating students on the basis of race, color, sex, or national origin, or the school to which such student is assigned was located on its site for the purpose of segregating students on such basis.

PART C—ENFORCEMENT

CIVIL ACTIONS

SEC. 807. An individual denied an equal educational opportunity, as defined by this title may institute a civil action in an appropriate district court of the United States against such parties, and for such relief, as may be appropriate. The Attorney General of the United States (hereinafter in this title referred to as the "Attorney General"), for or in the name of the United States, may also institute such a civil action on behalf of such an individual.

EFFECT OF CERTAIN POPULATION CHANGES ON CIVIL ACTIONS

SEC. 808. When a court of competent jurisdiction determines that a school system is desegregated, or that it meets the constitutional requirements, or that it is a unitary system, or that it has no vestiges of a dual system, and thereafter residential shifts in population occur which result in school population changes in any school within such a desegregated school system, such school population changes so occurring shall not, per se, constitute a cause for civil action for a new plan of desegregation or for modification of the court approved plan.

JURISDICTION BY THE ATTORNEY GENERAL

SEC. 809. The appropriate district court of the United States shall have and exercise jurisdiction of proceedings instituted under section 807.

INTERVENTION BY ATTORNEY GENERAL

SEC. 810. Whenever a civil action is instituted under section 807 by an individual, the Attorney General may intervene in such action upon timely application.

SUITS BY THE ATTORNEY GENERAL

SEC. 811. The Attorney General shall not institute a civil action under section 807 before he—

(a) gives to the appropriate educational agency notice of the condition or conditions which, in his judgment, constitute a violation of part B of this title; and

(b) certifies to the appropriate district court of the United States that he is satisfied that such educational agency has not, within a reasonable time after such notice, undertaken appropriate action.

ATTORNEYS' FEE

SEC. 812. In any civil action instituted under this Act, the court, in its discretion, may allow the prevailing party, other than the United States, a reasonable attorneys fee as part of the costs, and the United States shall be liable for costs to the same extent as a private person.

PART D—REMEDIES

FORMULATING REMEDIES; APPLICABILITY

SEC. 813. In formulating a remedy for a denial of educational opportunity or a denial of the equal protection of the laws, a court, department, or agency of the United States shall seek or impose only such remedies as are essential to correct particular denials of equal educational opportunity or equal protection of the laws.

PRIORITY OF REMEDIES

SEC. 814. In formulating a remedy for a denial of equal educational opportunity or a denial of the equal protection of the laws, which may involve directly or indirectly the transportation of students, a court, department, or agency of the United States shall consider and make specific findings on the efficacy in correcting such denial of the following remedies and shall require implementation of the first of the remedies set out below, or of the first combination thereof which would remedy such denial:

(a) assigning students to the schools closest to their places of residence which provide the appropriate grade level and type of education for such students, taking into account school capacities and natural physical barriers;

(b) assigning students to the schools closest to their places of residence which provide the appropriate grade level and type of education for such students, taking into account only school capacities;

(c) permitting students to transfer from a school in which a majority of the students are of their race, color, or national origin to a school in which a minority of the students are of their race, color, or national origin;

(d) the creation or revision of attendance zones or grade structures without requiring transportation beyond that described in section 815;

(e) the construction of new schools or the closing of inferior schools;

(f) the construction or establishment of magnet schools; or

(g) the development and implementation of any other plan which is educationally sound and administratively feasible, subject to the provisions of sections 815 and 816 of this title.

TRANSPORTATION OF STUDENTS

SEC. 815. (a) No court, department, or agency of the United States shall, pursuant to section 814, order the implementation of a plan that would require the transportation of any student to a school other than the school closets or next closest to his place of residence which provides the appropriate grade level and type of education for each student.

(b) No court, department, or agency of the United States shall require directly or indirectly the transportation of any student if such transportation poses a risk to the health of such student or constitutes a significant impingement on the educational process with respect to such student.

(c) When a court of competent jurisdiction determines that a school system is desegregated, or that it meets the constitutional requirements, or that it is a unitary system, or that it has no vestiges of a dual system, and thereafter residential shifts in population occur which result in school population changes in any school within such a desegregated school system, no educational agency because of such shifts shall be required by court, department, or agency of the United States to formulate, or implement any new desegregation plan, or modify or implement any modification of the court approved desegregation plan, which would require transportation of students to compensate wholly or in part for such shifts in school population so occurring.

DISTRICT LINES

SEC. 816. In the formulation of remedies under section 813 or 814 of this title the lines drawn by a State, subdividing its territory into separate school districts, shall not be ignored or altered except where it is established that the lines were drawn for the purpose, and had the effect, of segregating children among public schools on the basis of race, color, sex, or national origin.

VOLUNTARY ADOPTION OF REMEDIES

SEC. 817. Nothing in this title prohibits an educational agency from proposing, adopting, requiring, or implementing any plan of desegregation, otherwise lawful, that is at variance with the standards set out in this title, nor shall any court, department, or agency of the United States be prohibited from approving implementation of a plan which goes beyond what can be required under this title, if such plan is voluntarily proposed by the appropriate educational agency.

REOPENING PROCEEDINGS

SEC. 818. On the application of an educational agency, court orders, or desegregation plans under title VI of the Civil Rights Act of 1964 in effect on the date of enactment of this title and intended to end segregation of students on the basis of race, color, or national origin, shall be reopened and modified to comply with the provisions of this title. The Attorney General shall assist such educational agency in such reopening proceedings and modifications.

LIMITATION ON ORDERS

SEC. 819. Any court order requiring, directly or indirectly, the transportation of students for the purpose of remedying a denial of the equal protection of the laws shall, to the extent of such transportation, be terminated if the court finds the defendant educational agency is not effectively excluding any person from any school because of race, color, or national origin, and this shall be so, whether or not the schools of such agency were in the past segregated de jure or de facto. No additional order requiring such educational agency to transport students for such purpose shall be entered unless such agency is found to be effectively excluding any person from any school because of race, color, or national origin, and this shall be so, whether or not the schools of such agency were in the past segregated de jure or de facto.

TERMINATION OF COURT ORDER

SEC. 820. Any court order requiring the desegregation of a school system shall be terminated, if the court finds the schools of the defendant educational agency are a unitary school system, one within which no person is to be effectively excluded from any school because of race, color, or national origin, and this shall be so, whether or not such school system was in the past segregated de jure or de facto. No additional order shall be entered against such agency for such purpose unless the schools of such agency are no longer a unitary school system.

PART E—DEFINITIONS

DEFINITIONS

SEC. 821. For the purposes of this title—

(a) the term "educational agency" means a local educational agency or a "State educational agency" as defined by section 801 (k) of the Elementary and Secondary Education Act of 1965;

(b) the term "local educational agency" means a local educational agency as defined by section 801(f) of the Elementary and Secondary Education Act of 1965;

(c) the term "segregation" means the operation of a school system in which students are wholly or substantially separated among the schools of an educational agency on the basis of race, color, sex, or national origin or within a school on the basis of race, color, or national origin;

(d) the term "desegregation" means desegregation as defined by section 401(b) of the Civil Rights Act of 1964; and

(e) an educational agency shall be deemed to transport a student if any part of the cost of such student's transportation is paid by such agency.

PART F—MISCELLANEOUS PROVISIONS

REPEALER

SEC. 822. Section 709(a)(3) of the Emergency School Aid Act is hereby repealed.

SEPARABILITY OF PROVISIONS

SEC. 823. If any provision of this title or of any amendment made by this title, or the application of any such provision to any person or circumstance, is held invalid, the remainder of the provisions of this title and of the amendments made by this title and the application of such provision to other persons or circumstances shall not be affected.

Amend the Table of Contents by striking out title VIII and items 801 through 806, and inserting in lieu thereof the following:

TITLE VIII—EQUAL EDUCATIONAL OPPORTUNITIES

Sec. 801. Short title.

PART A—POLICY AND PURPOSE

Sec. 802. Declaration of policy.
Sec. 803. Findings.

PART B—UNLAWFUL PRACTICES

Sec. 804. Denial of equal educational opportunity.
Sec. 805. Balance not required.
Sec. 806. Assignment on neighborhood basis not a denial of equal educational opportunity.

PART C—ENFORCEMENT

Sec. 807. Civil actions.
Sec. 808. Effect of certain population changes on civil actions.
Sec. 809. Jurisdiction by the Attorney General.
Sec. 810. Intervention by Attorney General.
Sec. 811. Suits by the Attorney General.
Sec. 812. Attorney's fees.

PART D—REMEDIES

Sec. 813. Formulating remedies; applicability.
Sec. 814. Priority of remedies.
Sec. 815. Transportation of students.
Sec. 816. District lines.
Sec. 817. Voluntary adoption of remedies.
Sec. 818. Reopening proceedings.
Sec. 819. Limitations on orders.
Sec. 820. Termination of court orders.

PART E—DEFINITIONS

Sec. 821. Definitions.

PART F—MISCELLANEOUS PROVISIONS

Sec. 822. Repealer.
Sec. 823. Separability of provisions.

INDEPENDENT SAFETY BOARD ACT OF 1974—AMENDMENTS

AMENDMENT NO. 1145

(Ordered to be printed, and to lie on the table.)

Mr. CANNON (for himself and Mr. MAGNUSON) submitted an amendment, in the nature of a substitute, intended to be proposed by them, jointly, to the bill (S. 2401) to promote safe transportation of people and property in commerce by establishing the National Agency for Transportation Safety as an independent agency of the United States to investigate transportation accidents, to make recommendations for avoiding such accidents, to represent the safety interests of the public before regulatory agencies, and for other purposes.

NOTICE OF CHANGES IN HEARINGS ON THE OMNIBUS CIRCUIT JUDGESHIP BILL

Mr. BURDICK. Mr. President, I wish to announce that the hearing of the Subcommittee on Improvements in Judicial Machinery on the omnibus circuit judgeship bill, S. 2991, previously noticed for April 23, 1974, will be held in room 6202, Dirksen Office Building at 10 a.m., rather than in room 2228, Dirksen Office Building.

Also, Chief Judge Kaufman of the Second Circuit will testify on April 10, rather than on April 23 in room 2228, Dirksen Office Building, and Judge Heaney of the Eighth Circuit will testify on April 23, rather than on April 10, in room 6202, Dirksen Office Building, as previously noticed in the RECORD of March 20, 1974.

NOTICE OF GI BILL EDUCATION HEARINGS

Mr. HARTKE. Mr. President, as chairman of the Veterans' Affairs Committee, I would like to announce that the Subcommittee on Readjustment, Education, and Employment which I am privileged to chair will continue hearings on S. 2784, the Vietnam Era Veterans Readjustment Assistant Act of 1974, H.R. 12628, and other measures pertaining to the GI bill educational assistance program for veterans, at 10 a.m. on April 10 and 11. Those interested in testifying or in submitting a statement or other materials for the consideration of the subcommittee should contact Mary Whalen of the committee's staff at 225–9126.

In addition, field hearings on Vietnam era veterans readjustment assistance are also scheduled for April 18 in Bloomington, Ind., and in Columbia, S.C., on April 20. Finally, 2 days of hearings dealing first with specific aspects of institutional qualification for, and administration of, GI bill benefits; and second, with employment assistance for veterans will be scheduled for the month of April.

NOTICE OF ROOM CHANGE FOR HEARINGS ON SECTION 128 OF STANDBY ENERGY EMERGENCY AUTHORITIES ACT

Mr. JACKSON. Mr. President, on behalf of the Senate Committee on Interior and Insular Affairs and the Senate Subcommittee on Permanent Investigations, I want to announce a room change for the hearings in section 128 of S. 3267, the Standby Energy Emergency Authorities Act, scheduled for Thursday, April 4, at 10 a.m.

The morning session has been moved to room 1202 of the Dirksen Senate Office Building. The afternoon session will be held in room 3110 of the Dirksen Office Building as originally planned.

NOTICE OF HEARING BEFORE SELECT COMMITTEE ON NUTRITION AND HUMAN NEEDS—WIC FEEDING PROGRAM

Mr. HUMPHREY. Mr. President, on Friday, April 5, I will be privileged to chair a hearing before the Select Committee on Nutrition and Human Needs, to examine questions surrounding the WIC supplemental nutrition program for pregnant women and for infants and children.

The hearing will be held in room 1318 of the Dirksen Senate Office Building, and will begin at 10 a.m.

Six witnesses are scheduled to testify

on several aspects of the WIC program and its administration by the U.S. Department of Agriculture.

A very important study has recently been completed, providing some of the first solid scientific evidence linking low birth weight and learning difficulties. We have long suspected this connection, but now there are hard scientific data. The witness presenting this testimony will be Rosalyn Rubin, Ph. D., associate professor and project director of the University of Minnesota Department of Special Education.

Other witnesses will include:

Edward C. Hekman, Administrator, Food and Nutrition Service, USDA.

Dr. George Cunningham, M.D., M.P.H., president of the Association of State and Territorial Maternal and Child Health and Crippled Children's Directors, Piedmont, Calif.

Miss Patricia Fitzgerald, WIC administrator, Illinois Department of Public Health, and Dr. Mani Sashankar, administrator of the East St. Louis, Ill., East Side Health District.

Robert Waln, chairman of the Tribal Health Board, Rosebud Reservation, Rosebud, S. Dak.

Among questions we intend to explore are the continuing failure of USDA to write satisfactory regulations for the administration of the WIC program; insufficient funding of the program, with applications for sponsorship far in excess of the program's budget capabilities, and related problems.

NOTICE OF HEARINGS ON SENATE JOINT RESOLUTION 119 AND SENATE JOINT RESOLUTION 130

Mr. BAYH. Mr. President, the Senate Subcommittee on Constitutional Amendments is scheduling further hearings on two proposed amendments to the Constitution: Senate Joint Resolution 119, for the protection of unborn children and other persons, and Senate Joint Resolution 130, to guarantee the right of life to the unborn, the ill, the aged, or the incapacitated. This hearing will be held on Wednesday, April 10, in room 1202, Dirksen Senate Office Building at 10 a.m.

Any persons wishing to submit statements for the hearing record should contact the Subcommittee on Constitutional Amendments, room 300, Russell Senate Office Building, Washington, D.C. 20510.

ADDITIONAL STATEMENTS

CONGRESS MUST REVISE ADMINISTRATION'S FISCAL YEAR 1975 BUDGET

Mr. HUMPHREY. Mr. President, the President's budget is his most important message to the American people. It outlines the Nation's commitments and priorities, the manner in which the Government is to attack the problems that face us. And it projects the political ideology of the administration.

A budget is more than a document of cost accounting. It represents the President's view of the Nation as it is and as it should be. It is a document of political philosophy, of expenditures and revenues, of priorities and commitments.

In examining the fiscal 1975 budget, one fact stands out: in only one area has the President made a clear commitment—national defense. With this exception, there were no priority decisions made in assembling this budget. Most programs just continue along not quite keeping pace with inflation.

The fiscal 1975 budget is essentially a "stand pat" budget. It makes no new initiatives. It moves us no closer to the goals we have set before ourselves.

The President has discussed national health insurance, but the budget explains that this program is not to begin until 1977. He has urged welfare reform, but there is no proposal in the budget. The President has proposed raising the level of unemployment insurance benefits, but again not until 1977. With the exception of national defense, this is a do-nothing budget.

America's working families cannot accept massive layoffs, surging prices, and economic stagnation. The failure of the present administration to address such problems effectively, threatens the livelihood of our workers and puts the well-being of their families on the line.

This is the time for an aggressive assault on our Nation's economic ills, and not the time for the "neutral" budget we have been presented by the President.

AN OVERVIEW OF THE FISCAL YEAR 1975 BUDGET

The fiscal year 1975 budget requests expenditures totaling $304.4 billion in the 1975 fiscal year, $29.8 billion above 1974, and estimates receipts of $295 billion, leaving a budget deficit of $9.4 billion.

The major increases in outlays in fiscal year 1975 over 1974 are shown in table I. Also shown are the percentage changes that they represent. Mr. President, I ask unanimous consent that this table be included in the RECORD at this point in my remarks.

TABLE 1.—ESTIMATED INCREASE IN FISCAL 1975 OUTLAYS AND AUTHORITY BY FUNCTION

[Dollar amounts in billions]

	Outlays increases over fiscal year 1974		Authority increases over fiscal year 1974	
	Amount	Percent	Amount	Percent
National defense	7.2	8.9	6.9	7.8
International affairs and finance	.2	5.6	−0.6	−12.2
Space research and technology	.1	3.0	.2	6.8
Agriculture and rural development	−1.3	−32.4	.8	11.4
Natural resources and environment [1]	1.5	20.7	−3.7	−38.0
Offshore oil receipts	.9	12.4	.9	12.4
Commerce and transportation	−.1	−0.9	−8.4	−36.6
Community development and housing	.2	4.0	1.4	28.8
Education and manpower	0.7	6.6	−2.3	−16.6
Health	3.0	13.0	1.9	7.1
Income security	15.1	17.7	11.0	11.8
Veterans	.3	2.5	0.3	2.1
Interest	1.4	4.9	1.4	4.9
General government	(2)	0.4	0.4	6.3
General revenue sharing	0.3	0.4	0.2	2.5
Allowances	1.3	(3)	1.8	(3)
Undistributed intragovernmentals	−0.8	−7.6	−0.8	−7.6
Total	29.8	10.8	11.3	3.6

[1] Excludes all offsetting receipts, mainly from offshore oil.
[2] Less than $50,000,000.
[3] Not computed.

Mr. HUMPHREY. Mr. President, it is most useful to review the percentage changes with the rate of inflation in mind. For, in a world of rising prices, allowing spending levels, in dollar terms, to rise less than inflation is equivalent to an actual reduction in activity. Therefore, I suggest we keep in mind that during 1973, consumer prices rose 8.8 percent and wholesale prices rose 18.2 percent.

NATIONAL DEFENSE

To examine the budget, we must first separate defense spending from civilian spending.

The fiscal 1975 budget shows obligational authority for the Defense Department increasing from $87.1 to $92.6 billion, and the Department of Defense argues that the increase is required to cover pay and price increases.

However, the actual defense spending increase planned by the administration would total almost $10 billion. Included in the $87 billion is a $2.1 billion supplemental request for new weapons. Normally, supplemental appropriations are reserved for such things as emergencies or cost overruns. To make a supplemental request for new weapons when there is no emergency is abnormal and creates a misleading impression about the relative size of the fiscal 1974 and 1975 defense budgets. If we move this $2.1 billion out of 1974 and into 1975 where it properly belongs, then the total DOD obligational authority for 1974 is $84.8 billion and for 1975 it is $94.7 billion.

If we accept DOD's estimate of the increase necessary to cover inflation, we observe an increase in constant dollars of almost $4½ billion. However, when we examine the controllability of national defense spending and observe that nearly 70 percent of this spending is relatively controllable in any one year, there can be no doubt that this administration places its highest priority on increasing national defense spending in real terms.

Outlays for national defense will rise from $76 billion in fiscal 1973 to an estimated $80.5 billion in 1974 and $87.7 billion in 1975. This reverses the downward trend that took place beginning in 1969 when outlays reached the Vietnam war peak of $81.2 billion. Table II shows national defense outlays in current dollars from 1969 to 1975:

Table II.—National defense outlays—fiscal years

[Billions of current dollars]

1969	81.2
1970	80.3
1971	77.7
1972	78.3
1973	76.0
1974 (estimate)	80.6
1975 (estimate)	87.7

While I have always agreed that we must maintain a strong national defense, defense spending should not be rising at this time. The improved relations with the Soviet Union and China have reduced tensions between those two countries and ourselves. The withdrawal of U.S. forces from the war in Vietnam has sharply curtailed expenditures for that costly engagement. The Strategic Arms Limitation Treaty should result in a slowing down of the nuclear arms race.

It is also clear to me that civilian and military personnel levels in the Defense

Department could be substantially reduced without diminishing the national security of the United States. The same holds true, I believe, for a number of foreign bases maintained by the U.S. Armed Forces around the world.

The most objectionable increase in the defense budget is the $1 to $4 billion added by the White House to stimulate our domestic economy. The use of the defense budget for this purpose, as admitted by the Secretary of Defense, is, in my opinion, the wrong way to push our sluggish economy ahead. Economists representing all spectrums of political and economic philosophy agree that increased military spending produces fewer jobs, less income, and more inflation than almost any other possible use of such funds by the Government.

The United States is fully capable of maintaining a Military Establishment second to none in the world without further increasing the already extremely high defense budget. The present baseline defense force structure was described by the administration last year as sufficient to meet our military requirements. The real costs of our forces should not be increased. A strong case can be made for reducing the size of our defense forces, rather than for increasing them as is proposed in this year's budget.

DOMESTIC PROGRAMS

Turning to the civilian side of the budget we get a different picture. Total civilian outlays are estimated to rise from $194.1 billion in fiscal 1974 to $216.7 billion in fiscal 1975—an increase of $22.6 billion. Now let us examine this change to see how much of it reflects administration decisions.

The largest increase comes in various income security programs—social security, adult welfare, unemployment compensation, food stamps, and so forth. This represents $15.1 billion of that total $22.6 billion. The administration had little say in this increase. These programs were enacted into law by Congress—usually over the administration's objections—and they are considered uncontrollable in preparing the President's budget. Another increase was for medicare and medicaid—$2.7 billion. Again, the costs are beyond the President's control. The budget shows increased spending for interest on the national debt, civilian pay raise to compensate for inflation, and various other items over which the President has no control.

However, there remains a critical portion of the domestic program budget over which the President has direct control and which reflects administration policies and priorities on meeting the needs of the people of America.

The following is a brief outline of what the President is proposing in his fiscal 1975 budget for some major domestic Federal program areas.

1. EDUCATION

The Nixon administration's budget request for education programs administered by the Department of Health, Education, and Welfare totals $6.15 billion for the fiscal year 1975.

This represents a $14 million increase over appropriations for the current fiscal year. However, with the impact of inflation, the Federal Government will actually be reducing the real value of its education support by 6 to 8 percent.

We must increase Federal assistance to our schools to provide quality education for all Americans, with less reliance on the inequitable property tax. The administration's budget for education fails to make the needed commitment to education, as exemplified by the current controversy between Congress and the President over continued assistance to our elementary and secondary schools.

2. HEALTH

The major Nixon administration initiative in the fiscal 1975 budget was to be its national health insurance proposal. However, when the rhetoric is eliminated, one finds no money in the budget to support this proposal until the 1977 fiscal year.

In the meantime, the administration proposes cutting $546 million from the level of this year's Department of Health, Education, and Welfare health program budget authority, excluding medicare and medicaid, bringing the proposed level for fiscal year 1975 to $4.8 billion.

Federal support in fiscal 1975 would be reduced, in real terms, by from 16 to 18 percent.

The major programs destined for the administration's axe are: Hospital construction, the regional medical program, community mental health centers, training for health personnel, and grants for alcoholism treatment.

The administration's attempt to confuse the public by vastly overstating its commitment to health programs, at the same time it is cutting controllable programs, is the kind of political double talk that destroys the credibility of Government with the people.

3. MANPOWER

Despite a huge jump in unemployment from 4.6 percent in October to 5.2 percent in February, and predictions that unemployment will top 6 percent this year, the administration's budget proposes spending about the same amount in fiscal year 1975 for manpower training and public service jobs as it will this year.

Manpower training spending will be $4.83 billion in fiscal 1975 compared to $4.81 billion in fiscal 1974. The $600 million program for public service jobs from July, 1974 to June, 1975 would create only 85,000 jobs. However, the number of people without jobs has already risen by 700,000 from October 1973 to February 1974.

At a time when a major initiative by the Federal Government is needed to get people back to work, the administration has adopted a "wait and see" policy.

The fiscal 1975 budget holds out little hope for expanding job opportunities to our Nation's nearly 5 million unemployed persons.

4. POVERTY PROGRAMS

The Nixon budget once again calls for dismantling or parceling out poverty programs run by the Office of Economic Opportunity.

In continuing its retreat from responsibility toward the economically deprived in our Nation, the administration has requested no funds in fiscal 1975 for the OEO programs. All OEO programs will expire on June 30 of this year if Congress permits the administration to have its way.

Last year we were successful in keeping these programs alive through passage of a $329 million appropriation for the agency. Hopefully, Congress will again thwart the administration's efforts to dismantle these important programs.

5. ENERGY

The President requested an 81% increase in fiscal 1975 obligations for energy related research and development, up from $999.1 million to $1.8 billion.

While the administration's focus is still concentrated to too great an extent on nuclear power, there is a welcome modest shift of resources toward fossil fuels and other sources of energy. The increase requested for solar energy, up from $13.8 million in fiscal 1975 to $50 million in fiscal 1975, is particularly welcome.

However, I believe we must authorize levels of support for the various sources of energy in 5-year plans. Only with such indications of longer term levels of Federal support can the public and private institutions that must carry out this research and development work make the long term commitments of staff and resources that are necessary.

In general, I believe that these important programs can be funded at more reasonable levels than proposed in the administration's budget without increasing the budget deficit. We can also afford to undertake the new initiatives outlined in my remarks without substantially increasing the level of Federal spending. However, to do this we must cut back on some of the excessive spending proposals in the fiscal 1975 budget, particularly in the area of national defense. And we must also increase the effectiveness and equity in our tax system.

FISCAL YEAR 1975 BUDGET IMPACT ON MINNESOTA

The fiscal 1975 budget will do very little to help Minnesotans solve the many serious problems that we face. In many cases the funds available to our State and local governments will be significantly less than in prior years. The following are some important examples.

1. RURAL DEVELOPMENT

Minnesota would receive about $200,000 for water and sewer grants in fiscal 1975, or $5.8 million less than has been authorized for our State by Congress. Minnesota would receive only 20 percent—$200,000—of its authorized level for business and industrial development grants. The $6 million received by Minnesotans under the USDA's rural conservations in 1973 will be sharply reduced.

2. POVERTY PROGRAMS

There are now 35 Community Action agencies with 875 employees operating in Minnesota. Twenty-eight of these CAP's, funded by OEO, received $4.2 million in Federal funds in 1973. The Nixon administration budget would completely halt all Federal assistance to these agencies. Minnesota's CAP's would either fold or have to receive funding from the State or local governments. Further, the ability of the State to continue the $4.7 million 1973 Headstart program without continuation of the CAP's is doubtful.

3. HOUSING AND URBAN DEVELOPMENT

During fiscal year 1973, Minnesota received almost $40 million under the five grant programs the administration hopes to consolidate in its Better Communities Act. However, given the need to have new housing and community development legislation enacted and regulations prepared by HUD before these programs are implemented, it is likely that only about $11.7 million will be available for these purposes in Minnesota in the coming year.

4. ECONOMIC DEVELOPMENT

The President's proposed new economic adjustment assistance program, outlined in the fiscal 1975 budget, will cost Minnesota millions of dollars. Minnesota would only receive about $1.6 million in Federal funds under this program in fiscal 1975 compared to $6.7 million in 1973 under the EDA and Upper Great Lakes Regional Commission programs it is supposed to replace.

5. EDUCATION

The impact of the Nixon administration's proposed consolidation of education grants on Minnesota is impossible to calculate precisely at this time. However, the total national increase of only $200 million in the consolidated program would make any increase for our State quite small.

The elimination of education aid to school districts with substantial numbers of children whose parents are employed by the Federal Government, as proposed by the President, would cost 56 school districts in our State over $3 million.

6. HEALTH

The fiscal 1975 budget would phase out the Hill-Burton program of funding for priority hospital construction. Minnesota has been receiving approximately $3 million annually under this program.

7. MANPOWER

While no specific figures are available, the significant reduction in funds available for public employment in the fiscal 1975 budget, when compared to previous years, and the new requirements for eligibility, are likely to result in fewer federally funded public service jobs in Minnesota. It is highly unlikely that the level of funding would approach the $21 million provided to Minnesota in fiscal 1973.

8. ENVIRONMENT

Continued impoundment by the Nixon administration of EPA sewage treatment construction funds means that in fiscal years 1973, 1974, and 1975 Minnesota will have lost a total of $170 million. In fiscal 1975 we are expected to receive about $64 million for this purpose.

HUMPHREY PROPOSALS FOR IMPROVING THE 1975 BUDGET

Several important steps must be taken by Congress to convert the "stand pat" Nixon administration budget into a series of programs and spending priorities that respond to the needs of America in the next few years.

While I do not claim to have the final answer to all our problems, I have been working on several specific legislative proposals that I believe would improve the fiscal 1975 budget in a number of important respects.

First, I believe that we must make a major commitment as a nation to develop the capacity to design our future rather than be forced to resign ourselves to it. The energy crisis and mass migration from rural America to our cities, are merely two recent examples of our complete failure to anticipate problems before they are upon us.

I have introduced legislation calling for the establishment of a "Balanced National Growth and Development Policy" and the creation of a series of institutions, at the local, State, and national level, to develop this policy and translate it into action.

The time is long overdue for the development of the policies and institutions needed to help our people cope with the rapidly changing and increasingly complex problems of the 20th century.

The Congress too must be modernized. The growth of power in the Presidency is at least in part a consequence of hardening of the arteries in Congress. While a powerful Chief Executive is needed in a modern democracy, all Americans lose if this is allowed to occur at the expense of a weakening in the influence of the "peoples branch" of Government—the National Legislature. While important steps have been taken to reform the budget process and increase the availability of expert assistance to Congress, more must be done. In the Modern Congress Act of 1974, S. 2992, I have proposed a series of steps that should be taken to move the Congress toward becoming a more effective and efficient institution.

More specifically, Congress should act immediately to reduce the impact of the energy crisis on American workers. I have offered legislation, the Energy Emergency Employment Act of 1974, S. 3027, that would provide an expanded program of training, counseling, and financial assistance, as well as public service jobs, to individuals who have lost their jobs as a result of the energy crisis.

Increased aid to education by the Federal Government is also needed. I have called for the creation of an education trust fund in the National Education Investment Act, S. 1817, to substantially expand Federal aid to our elementary and secondary schools. Such a fund would make it possible to move rapidly to equalize the opportunity for quality education, at the elementary and secondary level, for every child in America. It would also reduce the onerous and inequitable burden of the property tax on our citizens.

The continued sharp rise in the costs of health care for Americans, coupled with inadequate and frequently inaccessible health care resources, demand a continued Federal commitment to promoting medical research and health facilities, services, and increased professional manpower, as well as the establishment of a comprehensive national health insurance program for all our citizens. My legislative proposals have also addressed particular areas of urgent importance—the needs of the physically and mentally handicapped, the chronically ill and disabled, children and mothers whose lives are crippled by severely limited medical treatment and poor nutrition, and millions of elderly persons for whom the denial of home health services has meant despair and suffering.

I am also concerned that our growing Federal spending on energy research and development fully develop the potential of all energy sources. In particular, the potential of the inexhaustible, and cleanest source of energy—the Sun—must be thoroughly investigated. To date, solar energy has been given only limited attention by those responsible for the Federal energy research and development effort. To correct for this shortcoming and to assure an adequate long-term focus on solar energy, I have introduced the Solar Energy Research Act of 1974, S. 3234. This legislation would establish an Office of Solar Energy Research and authorize a $600 million development program to be undertaken during the next 5 years. I believe that such a focus and longer term commitment is essential, if we are to meet our future energy needs at the lowest possible cost to American consumers.

To better define the actual costs required for an effective system of national defense, and to help achieve a clearer perspective on the numerous factors that determine national security in an age of increasing interdependency among nations, I have proposed the creation of a Joint Congressional Committee on National Security.

Historically, matters of national security have been dealt with by a number of congressional committees. Each deals with its own piece, be it military spending and weapons systems, foreign trade policy, or treaties and political agreements, and none has the responsibility to look at the big picture and all of the interrelationships that exist.

I believe that such a joint committee would provide Congress with the kind of focus and perspective it needs to adequately assess the major questions of America's security.

One of our Nation's most urgent requirements is for the establishment of a system of reserves for our major grains. Such a system would assure an element of food security to our own people and to those in other nations who rely on our food production for their sustenance. Such a system would also provide our farmers with the added security of a Government purchasing system to build reserves in times of surplus grain production. I have introduced the Consumer and Marketing Reserves Act of 1974 to establish such a system.

We must also take the lead in the creation of an international grain reserves system. Such a system, in which all producing and consuming nations would share the benefits of the system as well as the burdens of its management, would greatly increase world food security. This would be of particular value to the world's poor, many of whom live on the verge of starvation in the food deficient areas of the world.

These are but a few of the many proposals that Congress should adopt to convert the timid Nixon administration fiscal 1975 budget into the vital program of action that America needs in the mid-1970's.

THE ECONOMIST REPORTS NORTH VIETNAM CAMPAIGN AGAINST AMERICAN AID TO SOUTH VIETNAM

Mr. HELMS. Mr. President, recently the noted London-based journal, The Economist, published a perceptive analysis of an ongoing campaign by the North Vietnamese to persuade the Congress of the United States to cut back on economic aid to South Vietnam. This analysis is strikingly similar to that made by Graham A. Martin, U.S. Ambassador to South Vietnam in a telegram made public in response to an article published in the New York Times. Both the Times article and Ambassador Martin's analysis of it appeared in the Record on March 21, 1974, at page 4187.

The thrust of the Economist report is that for the next several years, the battle in South Vietnam will be one centered around South Vietnam's economy. By posing a large military threat to the Government of South Vietnam, the North Vietnamese hope to limit the extent to which the South Vietnamese can pare down their armed forces and thereby divert economic resources into the nonmilitary sector of the economy. The Economist points out—

> The real war is not the see-saw struggle for scraps of land; it is a test to see which side's national structure holds out the better.

While the North Vietnamese have their problems, Mr. President, they also have ready and generous backers. Therefore, I feel that our allies and friends in the south must count on the continued support of the United States in this struggle of economic attrition. The end of this economic support, more than any battlefield victory, is the primary goal of North Vietnamese strategic thinkers and planners, who know that any further cuts in American aid will be slicing into red meat rather than merely being a trimming of fat. In this regard, the Economist points out that—

> North Vietnam's friends will do everything they can to persuade Congress to order those cutbacks, by the familiar tactics of selective outrage. Every effort that the South Vietnamese government makes to recover lost ground in what is still its territory is represented as an affront to peace. The issue of political prisoners is still trotted out at regular intervals—the argument being that since South Vietnam's rulers, under war conditions, are tougher on dissidents than democratic governments are expected to be in peacetime they might as well be replaced by communists. Since communists, pleading military exigency, do not allow foreign investigators to tour their jails and rehabilitation camps, these are rarely mentioned.

Mr. President, already we have heard these arguments, and heard them repeatedly, in the debate over further aid to South Vietnam, and I am sure that we shall hear them some more before the debate has ended. And let us not delude ourselves, Mr. President, into thinking that we have any leverage over the North Vietnamese by our threats of denying them American economic aid to rebuild their country. This will not stop their imperialist aggression in the South.

The Economist's analyst has hit the nail right on the head:

> They are chasing the chimera of an American handout for themselves much less than the very real possibility that Congress can be persuaded to cut into the subsidies that keep South Vietnam going. This is one reason why it suits them to play a waiting game for a year or two longer.

Mr. President, so that our colleagues may have the benefit of the Economist's excellent analysis, I ask unanimous consent that the Economist article entitled "The Sword Pulled Aside" be printed in the Record at the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Economist, Mar. 16, 1974]

The Sword Pulled Aside

The next big push in South Vietnam by the North Vietnamese and the Vietcong may not now come this year, and very likely not next year either. The aim of North Vietnamese government presumably remains what it always was: to unite Vietnam under a communist government. But the North Vietnamese appear to have reached the conclusion that an attempt to bring that about by sending their army into the attack again in the next year or two would either be defeated, or must be abandoned for other reasons. The sword suspended over South Vietnam's head may for the moment have been withdrawn.

There are many signals of this change of tack. Not much has been seen or heard of General Giap, the principal architect of the great offensives of 1968 and 1972, over the past six months. In a major resolution, the Hanoi politburo recently declared that the economic reconstruction of North Vietnam is its immediate priority. Still more revealing is a Vietcong document captured earlier this year (the so-called Cosvn resolution 12) which shows that the communists are thinking in terms of a campaign that could last until 1980, and will be physchological and economic as much as military.

It has been suggested that the North Vietnamese are playing things quietly in the hope of getting a large amount of aid from the Americans. If they indulge in such hopes at all—and they know as well as anyone how hard it has become to squeeze any kind of aid out of Congress, most of all for so recent an enemy—the idea is almost certainly marginal to their calculations. To begin with, North Vietnam is receiving about as much economic aid as it can usefully absorb from its Russian and Chinese backers, who sent a million tons of rice last year. Spanking new tractors, generators and machine tools are piled up along the road between Hanoi and Haiphong. Even the Swedes are contributing.

So American money is not a sufficient reason for the communists' restraint. But the North Vietnamese, having seen how American aircraft and American-made anti-tank missiles defeated their armoured units two years ago, will be inclined to hold back from a new offensive until they are quite sure that the Americans are unable to do anything to resist it. The effort they have put into restoring their anti-aircraft defences shows that, despite Watergate, they still think President Nixon is capable of hitting back. Their tactic is therefore to wind down the war to a pitch they judge the South Vietnamese economy cannot stand, but American opinion can accept without reacting.

For the next couple of years this will be largely a war for South Vietnam's economy. The military threat limits the extent to which the South Vietnamese can pare down their armed forces, the biggest drag on the country's weak economy. The real war in Vietnam today is not the see-saw struggle for scraps of land; it is a test to see which side's national structure holds out the better. The North Vietnamese have their problems too; they have not yet recovered from the effects of the American bombing, or from the typhoons that wiped out a fifth of their rice crop last year. They are short of manpower, and above all of skilled management. But they have reliable, and generous, outside backers. The South Vietnamese, in contrast, cannot be very confident about the future generosity of the Americans.

South Vietnam's war is still paid for in American dollars. But at a time of unprecedented world commodity prices, American economic aid has been pruned back from $385m in 1972 to $320m last year. Congress is being asked to approve an additional $150m this year, but it may take a struggle to maintain even the 1973 aid when the issue comes up next month. Yet the need is obvious. South Vietnam's economic troubles are the result of bad luck as well as the distortions of war. The price of fuel in Saigon has been multiplied by 10 in the past two years. Inflation is running an an annual rate of 50 per cent, and real wages have dropped to a third of what they were in 1964. The effects of all this on morale can be imagined.

THE NEXT CUT WOULD DRAW BLOOD

The South Vietnamese picked up expensive habits from the Americans but now, out of necessity, they are learning not to throw money away by the bucketful in wasted ammunition or redundant consumer goods. The average South Vietnamese battalion is operating on a fifth of the ammunition and a tenth of the fuel that used to be consumed by an American battalion. The problem is that—short of a miraculous off-shore oil discovery—there is no way that South Vietnam can make itself anywhere near self-sufficient in the rest of this decade. Further cuts in American aid will be slicing into the red meat, not the fat.

North Vietnam's friends will do everything they can to persuade Congress to order those cutbacks, by the familiar tactics of selective outrage. Every effort that the South Vietnamese government makes to recover lost ground in what is still its territory is represented as an affront to peace. The issue of political prisoners is still trotted out at regular intervals—the argument being that since South Vietnam's rulers, under war conditions, are tougher on dissidents than democratic governments are expected to be in peacetime they might as well be replaced by communists. Since the communists, pleading military exigency, do not allow foreign investigators to tour their jails and rehabilitation camps, these are rarely mentioned.

Such arguments will be heard repeatedly in the debate over aid for South Vietnam. The North Vietnamese are chasing the chimera of an American handout for themselves much less than the very real possibility that Congress can be persuaded to cut into the subsidies that keep South Vietnam going. This is one reason why it suits them to play a waiting game for a year or two longer.

GRIZZLY BEARS—KILL OR PROTECT?

Mr. CRANSTON. Mr. President, on March 20, 1974, I had printed in the Record a copy of my letter to John R. McGuire, Chief of the U.S. Forest Service. In that letter I asked Forest Service officials to suspend the annual grizzly bear hunting season in the national forests which surround Yellowstone National Park until a study by the Interior Department on the endangered status of the grizzly bear could be completed.

I am extremely disappointed in the response I have received from the Forest Service. I have written to Chief McGuire again to emphasize my deep concern that the grizzly bear will be well on its way to extinction before any action is taken to protect the animal.

I ask unanimous consent that the response from the Forest Service to my letter of March 14, and my most recent letter to the Forest Service be printed in the Record.

There being no objection, the letters were ordered to be printed in the Record, as follows:

Forest Service,
Washington, D.C., March 19, 1974.

Hon. Alan Cranston,
U.S. Senate,
Washington, D.C.

Dear Senator Cranston: This is in response to your recent request that the Forest Service suspend all grizzly bear hunting activities on the National Forest lands surrounding Yellowstone National Park.

The Forest Service has been under intense pressure from several national conservation organizations, as well as a large number of individuals, to close the National Forest lands in Wyoming and Montana to hunting of grizzly bears.

According to our attorneys, we have such authority. However, it has been and continues to be our policy to rely on the States to set regulations governing the hunting of resident game species on National Forest administered lands. As you know, the Western States are sensitive to the "State's Rights" question as it relates to the management of resident wildlife species. We have been informed by Director James White of the Wyoming Game and Fish Department, that he would vigorously oppose any attempt by the Forest Service to regulate hunting of grizzly bears on National Forest lands in Wyoming. Also, such an attempt would be counter to our Memorandum of Understanding which is the basis of our cooperative wildlife work with the Wyoming Game and Fish Commission.

Grizzly bear hunting in Wyoming is on a very limited basis and hunters have been particularly unsuccessful in the spring hunt. In the past two years, only one bear has been killed in the spring hunt. On March 12, 1974, the Wyoming Game and Fish Commission passed a regulation prohibiting the baiting of grizzly bears in the Yellowstone ecosystem. This restriction should further curtail the opportunity of taking grizzly bears in Wyoming. It is difficult to believe that this level of legalized hunting is a threat to the bears in the Yellowstone ecosystem. If it is, we can only conclude that the grizzly bear certainly needs to be given the protection of the Endangered Species Act, at least in this ecosystem.

We recognize the need for the best and most complete data that is possible to obtain on both the grizzly bears and their habitats. Therefore, the Forest Service is participating in a joint grizzly bear study with the National Park Service, the Bureau of Sport Fisheries and Wildlife, and the involved States. As the study team assembles new data and develops recommendations for management, these data will be considered with the States in improving up present management of grizzly bears and their habitats. In the meantime, the best data we have supports the States contention that the few bears taken by legalized sportsmen hunting is not a threat to the continued existence, viable populations of bears on the National Forests surrounding Yellowstone Park.

Sincerely,

Everette R. Doman,
(For John R. McGuire, Chief.)

U.S. Senate,
Washington, D.C., March 28, 1974.

John R. McGuire.
Chief, U.S. Forest Service,
Washington, D.C.

Dear Mr. McGuire: I have received your letter of March 19, 1974 about the grizzly bear hunt which will begin April 1, 1974 in the National Forests which surround Yellowstone National Park.

I take little comfort in your statement that during the past two years, only one bear has been killed in the spring hunt. You fail to note that during the fall hunting season, hunters are much more successful in killing grizzly bears for which hunting permits have been granted. Three more grizzly bears were killed during the fall season last year. In addition, four more bears were killed last fall by people other than sports hunters.

However, at issue is not the success or failure of the grizzly bear hunt during a particular season but the fact that this animal, which is threatened with extinction and for which we have no accurate population count, is the subject of persecution.

The Department of the Interior, under the authority of the Endangered Species Act of 1973, (Public Law 93–205), will initiate a study this week to determine both the population status of the grizzly bear and the extent to which this animal is endangered with extinction. I believe the Forest Service has the responsibility and the obligation both under Section 7 or P.L. 93–205 and under Forest Service regulations 36 CFR 261.111, to take action to ensure that the grizzly bear's continued existence is not jeopardized in any way until the Interior Department study is completed and the data evaluated.

You state that to close the National Forest lands in Wyoming and Montana to hunting of grizzly bears would be counter to the Memorandum of Understanding between the two states and the Federal government relating to the management of resident wildlife species.

Extinction can be thwarted if we act in time. Therefore, the intent in temporarily halting the grizzly bear hunt is not to interfere with a state's right to manage its own resident wildlife but rather to ensure that an animal species—whose survival is of universal ecological concern—is not extinguished in the course of a jurisdictional dispute.

If the Wyoming Game and Fish Department will not defer the beginning of the spring hunting season, I believe the Forest Service must use its legal authority to do so, temporarily, until the Interior Department study is completed.

By not acting, the Forest Service is gambling with the survival of one of Amerca's greatest symbols of native wildlife. I urge the Forest Service to take the temporary action necessary to protect the grizzly bear.

Sincerely,

Alan Cranston.

RECYCLING ROAD MATERIAL

Mr. GURNEY. Mr. President, I have had the recent opportunity to become familiar with a new concept in road construction and repair by a Florida company utilizing chemical soil stabilization, which involves the process of recycling old asphalt pavement overlays.

Mr. President, in my home State of Florida, 97 percent of the State-maintained highway system is constructed of asphalt cement. During the recent oil embargo, supplies of asphalt fell off sharply, thereby creating shortages and backlogs in the areas of road construction and repair. The resurfacing projects requiring immediate attention alone faces an estimated $100,000,000 backlog due to the shortage. Mr. President, we are all pleased that the oil embargo has been lifted; however, we must remember that the possibility still exists that the reimposition of this embargo could easily take place at any time. Therefore, we must encourage research into methods that conserve these valuable materials and enable us to plan ahead in maintaining our Nation's highway system.

The conventional method of road rebuilding and repairs, in which asphalt is dug up and hauled away to the dumps, not only wastes the substances and depletes our supplies of aggregates, but also poses a substantial solid waste disposal problem.

The method used by this Florida company is a simple one. Old asphalt is cured and bonded into a pavement equal or superior to new plant mix asphalt. This new process involves scarifying the existing roadway, dirt or asphalt, by breaking it into chunks. The chemical SA–1, which is dissolved in water, is applied to the surface, softens to a "mud" then is graded and compacted, finally hardening into a new asphalt surface.

This new method represents not only a great savings in raw materials, but a substantial financial savings as well. It takes about 10 times as much asphalt, plus a roadbed of rock, limestone, or other such bed materials to build a road the conventional way.

Using the chemical soil stabilizer, it is estimated that for a 20-foot-wide road with an 8-inch limerock base and a 1-inch asphalt overlay, such costs would only be $1,600 per mile. However, for a comparable job using the traditional method, the cost would run somewhere in the neighborhood of $4,000 to $5,000 per mile. Thus using the new method of chemical soil stabilization, a savings of almost one-third can be realized.

This chemical soil stabilization process may also be used for road repairs at a cost of approximately 5 cents per square yard. This method has been employed in several Florida communities, and recently at Miami International Airport with great success. Not only were cost and time to complete the job substantially reduced, but the roads have shown no signs of wear.

Mr. President, it is interesting to me, that although tests have proven roads constructed by this chemical soil stabilization process are equal or superior to roads constructed with conventional asphalt, builders refuse to take this new method seriously. Skepticism causes most builders to rely on conventional methods.

Mr. President, this new process represents a much-needed relief to the high cost of roads, and the utilization of this method also makes solid ecological sense.

I feel that every Member of Congress should be familiar with this new process, and investigate the possibilty of employing chemical soil stabilization in their own State.

In an effort to familiarize the Senate with this technological advancement in road construction, I have referred a copy of this new process to the Senate Commerce Committee, and I hope that this information will prove valuable in their study during the consideration of S. 1122, the Recycling Expansion Act of 1973 of which I am a cosponsor.

GEORGES POMPIDOU

Mr. HUMPHREY. Mr. President, I had the privilege of personally knowing the late Georges Pompidou, President of the Republic of France. He was a gracious and kind man, an effective leader, and a person of strong will. France has lost a leader who continually endeavored to succeed in achieving the great vision of Charles de Gaulle: the economic and political unification of Europe. President Pompidou carried on ably in the footsteps of his predecessor.

Throughout his tenure in public office, Georges Pompidou often expressed disagreement with the United States on key policy issues affecting the NATO Alliance and America's role in relation to the European Economic Community. Despite these differences, George Pompidou never questioned the basic historical foundation of friendship which has existed between France and the United States. This is an important fact which many Americans have forgotten as we attempted to deal with some of these differences in views.

The death of President Pompidou should cause us to reflect on the nature of Franco-American relations. I believe that we have been all too ready to misinterpret the French search for a European identity as a basic expression of anti-Americanism. I see no threat from a unified Europe. Indeed, throughout my public life I have actively promoted the idea. I am confident that the United States can effectively and fairly compete in the economic arena with a more unified Europe.

I strongly believe that there is no reason for a unified Europe to work counter to the basic international political objectives of the United States. This is especially the case if allies establish formal mechanisms of consultation and policy formulation. It is my hope that France would join in the establishment of such formal machinery which would tend to minimize the differences and conflicts which may arise.

Mr. President, in paying tribute to President Pompidou I wish to state that I do not believe we can afford to stray from our basic heritage of friendship and trust with France. It is in the interest of the United States to continue our efforts to work with this great nation and to resolve any differences that may exist within the context of cooperation and consultation.

SPACE SHUTTLE PROCESSING WORTH $2 BILLION ANNUALLY

Mr. GOLDWATER. Mr. President, recent testimony before the Senate Aeronautical and Space Sciences Committee reveals that the space shuttle can enable commercial processing in space having a market value of well over $2 billion.

Although the Space Shuttle has been fully justified as a money saving way of launching payloads into space, we now are beginning to see other uses for this vehicle—uses dimly perceived a year ago.

On October 31, the Aeronautical and Space Sciences Committee received testimony from David Keller, manager, advanced programs, Space Division of the General Electric Co. Mr. Keller told the committee that he had been able to identify more than 100 process areas which might be produced or manufactured in space and for which demand exists. He selected only 10 areas as examples which meet the three basic criteria of market demand, technical and economic feasibility.

Mr. President, I ask unanimous consent to place Mr. Keller's 10 selected areas in tabular form in the RECORD.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

Space processing area:	*Annual value (in millions)*
10 typical vaccines	over $1,000
Livestock sperm	422
DC rectification and regulation crystals	100
Tungsten carbide components for oil pumps and valves	60–85
Aircraft turbine blades	36
Acoustic wave devices	100
X-ray targets	18
Glasses (scientific and optical)	10
Computer memory devices	380
Development of small electric motors	56
Total	2,182

Mr. GOLDWATER. Mr. President, the total comes to well over $2 billion a year; and the $2 billion total could well turn out to be a minimum figure, because only 10 areas of processing are covered.

Let us look at just three items on Mr. Keller's list:

First, we have a category entitled "10 typical vaccines" with an annual market value of over a billion dollars, and I quote:

> The first group of applications is in the field of biological and pharmaceutical products—vaccines, serums, blood fractions, enzymes, and the like. The industry has spent millions of dollars over years of constant research to develop methods for refining and purifying these substances in production quantities. This is necessary because even infinitesimal traces of impurities can cause harmful side effects or disorders, and because the concentration of the active agents in some experimental vaccines is too low to make them really effective.
>
> Such components can be separated or concentrated with a high degree of precision by a process called electrophoresis, a technique used routinely in medical laboratories today. It involves the application of extremely weak, electrical fields to solutions, causing biologicals to migrate and separate. Earth's gravitational force, however, causes settling and convection currents. Consequently, the liquids must be confined in very thin films or membranes, thus limiting the usefulness of the procedure to small-quantity testing. Gamma globulin, the blood fraction used as a specific treatment for several diseases, was first identified by the electrophoretic method.
>
> Because no settling or convection should occur in a Zero-G environment, electrophoresis could be used as an on-line processing technique for quantity production to separate desirable components from impurities. Two small experiments have already been performed on the Apollo flights, beginning the development of this promising space processing technique.
>
> The processing of each of the ten most-used vaccines could be done advantageously by this method. It is difficult to quantity the social benefits of such products. Economically, however, let's project a market in which the usage level of vaccines by all nations were to approach that of the United States. This would require the processing of only one ton per year total of ten typical vaccines with an estimated annual value over a billion dollars.
>
> Dr. Milan Bier, research biophysicist at the University of Arizona, among others, has cited the potential for the electrophoretic method in obtaining high purity blood proteins and other fractions not obtainable by existing methods. Such fractions could give earlier and surer detection of diseases such as hemophilia and anemia.
>
> Space processing holds promise for the separation of Iso-enzyme to be used in the production of specific antibodies. These substances produce specific antibody reactions to specific disorders and diseases.
>
> Their isolation and analysis in space could lead to early and positive identification of certain cancers, sickle cell anemia, diabetes, and specific types of hitherto undetectable heart ailments.

The second item, "livestock sperm," has an annual value of $422 million and could bring the American consumer better and cheaper meat and at the same time provide a better living for the Nation's farmers. Mr. Keller described the market in these terms. I quote:

> Electrophoresis in space could also yield immense benefits to agriculture and help alleviate recurring meat and protein shortages. This could be done by processing the sperm of livestock so as to control the sex of their offsprings. Two kinds of chromosomes have been identified and it is known that they are responsible for sex differentiation. We can't isolate large quantities of them in pure form on earth, but space processing may enable us to do so, and thus increase the benefits of sex specification to artificial insemination. Thus we could increase the number of females or milk or brood stock, and the number of males for greater meat poundage, in whatever proportion we chose. The market benefit is almost impossible to estimate, but one authority has said that economies of 422 million dollars a year would accrue to the farm animal industry alone.

Third is an item called "DC rectification and regulation crystals," having an annual value of at least $100 million a year. The technology involved in this item has been demonstrated on Skylab and clearly holds the potential for saving huge quantities of energy. According to Mr. Keller, here is what is involved, and I quote:

> Public utilities people have known for a long time that direct current distribution systems have significantly less loss. Also, the growing concern over environment has led to intensive study of DC systems which would use underground cabling to conserve open space and improve the use of valuable right-of-way land.
>
> These DC systems have tested out well in prototype form, but one critical component need has been identified—the large crystals that are used to rectify and regulate the current. The requirement is for crystals up to six to twelve inches in diameter, but gravitational effects in ground-

> based crystal processing limit the available crystal size to two to four inches.
>
> We believe crystals of the required size can be grown in the gravity-free environment of space, where they will form homogeneously and with almost perfect internal symmetry. A Federal Power Commission engineer's estimate of 350 new generating plants over the next 20 years raises the possibility of 100 million dollars a year in demand for such crystals. The additional benefits to power producers and consumers would be considerable even if DC distribution were used for only part of the contemplated systems.

Mr. President, I believe the Keller testimony shows that the space shuttle can be justified through commercial processing alone. And, as we move closer to the 1980's, I believe that even greater commercial applications will come to light. When you add the benefits of commercial processing to the host of other space shuttle missions, there can be little doubt that the Nation will reap huge benefits.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, it has been a full quarter-century since the Genocide Convention was first submitted by President Truman to this body for ratification. Despite three favorable reports from the Committee on Foreign Relations, the Senate has yet to act on this humanitarian treaty. This year the treaty did reach the floor but a filibuster blocked a vote on the treaty's merits.

As the section of individual rights and responsibilities of the American Bar Association put it, there is a temptation of critics to say that the Convention is "fighting the last year." After all, it was a product of the world's revulsion at the atrocities of World War II. But the Convention deals with an issue that remains current.

The report of the individual rights section of the ABA puts it best:

> Ratifications and accessions keep coming in all the time—Nepal was the latest in January of 1969. America's friends ask, 'Where are you?'; America's foes say, 'You see what we mean. . . .'
>
> More important, more tragic, is the fact that threats and acts of genocide are in no sense remote. In Africa, in the Middle East, Southeast Asia, in the Mediterranean, and the Caribbean, it is clear that ethnic hatreds, war with hunger and depredation as weapons, brain-washing and torture are not of the past. If the excesses of World War II have not quite been repeated, the Genocide Convention may have had a part to play. No one can say that the concerns of that treaty are not the concerns of today and tomorrow.
>
> It may well be that the Genocide Convention has already been violated, even by those who have joined it. Magna Carta was violated many times in English history; the American Bill of Rights was violated many times—indeed continues to be violated all too often. So are the Fourteenth Amendment and the Fifteenth Amendment. But none could gainsay their importance, and their overall effectiveness.
>
> It is too early to tell whether the Genocide Convention will take its place alongside Magna Carta and the Bill of Rights. It is too late to pretend it does not matter.

Mr. President, there can be no more eloquent plea for Senate action on the Genocide Convention. I urge my colleagues to heed this call.

THE NEED FOR THE CREATION OF A JOINT COMMITTEE ON ENERGY

Mr. ROTH. Mr. President, the senior Senator from Minnesota (Mr. HUMPHREY) and I introduced legislation to create a Joint Committee on Energy to provide a focal point for energy policy within the Congress. The absence of a Government policy on energy in spite of the crisis, hardship, and confusion brought on by the scarcity of oil, and the frenzied efforts of Congress to cope with the resultant problems attests to the urgency of this legislation.

The removal of the oil embargo has given us the opportunity to pause in our efforts to cope with problems of immediacy—keeping people warm, sustaining industrial production and jobs, satisfying agricultural needs, and providing for transportation of goods and people. This pause must become a time of constructive change and not an excuse to relax our efforts to find solutions to our energy problems. To do so would be stupid and shortsighted. The embargo is altogether too tenuous, for the destructive forces of the embargo cannon held by the Organization of Petroleum Exporting Countries could be unleashed at any time. Even with the embargo lifted, we must still manage the impact of the $15 billion which the high prices of Arab oil is expected to exact from the purchasing power of the American consumer.

The only real answer to the threats posed by the oil producing nations and the shortage of energy resources within this country is through a comprehensive workable national energy policy. It is all too obvious that this policy will not evolve from the fragmented, disconnected, helter-skelter approach to energy legislation in which we are engulfed. However, I am confident that the Joint Committee on Energy, proposed by Senator HUMPHREY and me, would be of great assistance to Congress in asserting positive rather than fragmented leadership in energy matters.

The Congress has the opportunity and obligation to put aside its self-interests and personal ambitions and resist the political pressures which have prevented the passage of any legislation that would increase the supply of oil and energy. Members of Congress, the public and the press have deplored the lack of leadership by Congress in putting forth an effective program for meeting the energy needs of our Nation. We must take a look at all aspects of the problem rather than the piecemeal approach which has so often brought out the same witnesses saying the same things before the same people cloaked with different committee identifications.

Congress needs and should have the capability that would be provided by Senate Joint Resolution 200. With the professional advice and information available from a joint committee, the committees of Congress having legislative jurisdiction over energy matters could more effectively exercise the leadership and direction necessary for the development and implementation of a coherent Government energy policy. It is my hope that this policy will encompass the following kinds of things:

A major research and development program that will make this Nation self-sufficient in the early 1980's. It should include specific schedules and goals for the use and development of all potential sources of energy.

A large range plan for addressing the energy policy issues that may evolve over the next 10 to 20 years.

A program that will promote competition and tax reform.

Allocation and standby rationing programs for use in meeting future emergencies. We must have programs that will insure fairness and an opportunity for individuals or groups who believe they have been treated unfairly to be heard.

A concept that encourages participation by this country with other nations in seeking solutions to the energy problems plaguing the world community. While this concept should emphasize cooperation and mutual assistance, it should put other nations on notice that we will not be coerced by foreign embargoes or other forms of oil blackmail.

Adoption of a conservation program that will cut energy consumption to the degree that has been accomplished previously only in time of war. Conservation should be accepted as a duty, not an option, by the American people, and it will be if Congress provides a program that merits their confidence and sacrifices.

The time is ripe for the Congress to create a Joint Committee on Energy to provide the legislative committees and the individual members with sound advice on the varied and complex facets of a responsible national energy policy. With such a policy, we can progress toward self-sufficiency and toward a healthy, expanding economy, with jobs for a growing population. Senate Joint Resolution 200 merits the studied consideration of all Members of this great body.

USDA REPORT CONFIRMS RURAL TRANSPORTATION CRISIS

Mr. HUMPHREY. Mr. President, the U.S. Department of Agriculture has recently completed an interim report on "Transportation in Rural America." This study, and a more comprehensive report to be submitted to Congress this fall, was undertaken as a result of Senate passage of an amendment which I offered in the summer of 1973 to the Agriculture, Environmental, and Consumer Protection Appropriations Act for 1974.

While the final report will provide more detailed analysis, the interim report makes some important observations.

Most importantly, the report concludes that—

> There appears to be an immediate need for reexamination of the transportation situation in rural America." The present great concern over the problem of moving people and goods from place to place in rural America suggests that "stresses may have reached the crisis stage."

It is about time that the administration and the Congress recognized that rural America faces a transportation crisis. I have been warning USDA, the Department of Transportation, and the ICC, for the past several years, that neglect of our rural transportation system will cost all Americans dearly. The conclusions of this study clearly call for specific policy and program proposals by the administration to deal with this problem.

The USDA study clearly supports my contention that the rural transportation crisis in 1973 was real. By midwinter 1973, "reported grain car shortages exceeded 27,000 cars per day, compared to 500 cars per day a year earlier." While somewhat lessened, "this situation has continued into early 1974." In an agricultural sector that relies primarily on rail for shipping grain, such shortages are intolerable. Yet, virtually nothing has been done by any of the responsible Federal agencies to significantly reduce these critical shortages. And, Mr. President, 20 million additional acres of field crops will have to be moved during the 1974–75 crop year.

The report also shows that the price impact of the breakdown in rural transportation was immediate—

> In early 1973—the price spread between inland production areas and ports increased from a normal 25 cents per bushel to an average 70 cents per bushel for soybeans.

The price spread for other grains was also well above historic levels. And the impact on international shipping was also severe. The USDA study shows shipping prices virtually exploded:

> Average charter rates per ton for grain under foreign flag from Gulf ports to Antwerp-Rotterdam-Amsterdam destination increased from an average of $3.26 in 1972 to $13.13 in 1973. Rates climbed even more between other origins and destinations.

Another important finding of the report relates to the serious problem of rail line abandonments. This problem has been a serious deterrent to progress in rural areas of the country for years.

However, rail line abandonments have reached unprecedented levels during the last 2 years and, as I pointed out during debate on my amendment calling for a 2-year moratorium on abandonments, which passed the Senate this winter, unless a reasonable transportation system for rural America is designed and supported we may be faced with the greatest "Immovable Feast" in the history of man. Prices in our cities may soar and some people overseas may starve, while America's farmers produce a bumper crop that rots on the ground because it cannot be moved to market.

The study notes that—

> Abandonment proposals have been submitted at an increasing rate in recent years. . . . The 266 applications filed in 1973 involved more than 4,400 miles, a record mileage for any year since ICC assumed responsibility for abandonment proceedings. Also there were more than twice as many applications in 1973 as in any year during the 1960's, except 1969. Mileage in 1973 was nearly double that for every year of the 1960's.

Very significantly, the study notes that—

> During 1960 through 1973, 97 percent of the ICC decisions made on applications authorized abandonments.

One reason for the ICC's lopsided batting average is hinted at by USDA in discussing a study of specific abandonment cases. The authors of this study reported that—

> None of the cases that were reviewed considered aggregate impacts of abandonments on communities, but effects on railroads were always considered.

Mr. President, this policy of only looking at one side of the ledger must be ended. In many cases, the loss of rail service has meant that a rural community withers away. The social and economic loss to these communities is severe and should be calculated along with the costs of continued service to the railroad. As logical and reasonable as this procedure would be, it has, incredibly, not been followed.

The USDA Interim Report makes another very important observation, one that I have made many times in the past in offering legislation to save rural rail lines. The authors state that—

> Upcoming decisions such as those which will soon be made for the Northeast rail system are in a sense irreversible. If we cast our lot with rail abandonments (as the Administration apparently has) a reemergence of need for rail services in those areas could not be easily met.

In an age of growing concern for our environment, of revolutionary changes in fuel prices, and of mounting interest in achieving a more balanced distribution of our Nation's population, the administration's policy of mass rail abandonments must be halted and its implications reassessed. USDA is certainly correct in pointing out the irreversible nature of rail abandonments, the policy of this administration. During a time of such great change in the economic basis of transportation economics; namely, fuel prices, it is highly inappropriate to pursue any irreversible policy. The unknowns are simply too great to take these kinds of decisions today.

Mr. President, there are a number of additional important facts and observations regarding rural transportation problems brought to light by this preliminary report that warrant the careful scrutiny of all those in the Congress, the administration, and the public concerned with rural development in our Nation.

I ask unanimous consent that this important interim report on "Transportation in Rural America" be printed in the RECORD. USDA's Economic Research Service is to be complimented for a job well begun, I am awaiting their final report with great interest. The members of the Senate and House Appropriations Committees are to be applauded for their support of this important study.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

[From the Economic Research Services, U.S. Department of Agriculture]

TRANSPORTATION IN RURAL AMERICA

(An interim report)

This report is a preliminary response to a request by the United States Senate and the House of Representatives. In H.R. 8619, the Agriculture, Environmental and Consumer Protection Appropriations Act of 1974, the U.S. Department of Agriculture was directed "to analyze existing data relative to the current crisis in rural transportation and provide the House and the Senate with a summary of the information."

The report is based on data from numerous sources, earlier studies, and comments by persons familiar with the problems considered. A more complete report on the continuing study will be developed by the fall of 1974. It has already become clear that many of the problems require more intensive research. Also, a more comprehensive situation and outlook program on supply, demand and prices in agricultural transportation is needed. Several areas deserving special study are identified.

SUMMARY

Shippers of agricultural products have been concerned because of shortages of railcars, trucks, and barges when grain elevators were full and livestock and perishable commodities were ready for shipment to markets. Since late 1972, shippers have been frustrated because of worsening problems in transporting grain and soybeans for export. Also, fertilizer and other inputs have been delayed in reaching rural areas.

Railroads carrying grains and soybeans to Gulf ports, through which two-thirds of such exports flow, responded to increased demand but were still not able to meet shipper needs. Because of Mississippi River flooding during 1973, barge movements did not match those of 1972. Thus, barges played relatively little role in moving the increase in grain exports. Trucks and barges were scarce and rates rose sharply.

Although foreign commitments were met, moving the greater exports worked hardships on some shippers, particularly those with limited storage capacity on light density rail lines. Some grain elevators reported financial hardship because they were forced to hold larger than normal stocks at record grain prices and high interest rates. Financial penalties resulting from the inability to meet grain sales contracts added to problems.

Railroads are the mainstay of our grain transportation system, but several railroads are in bankruptcy and the industry return on investment has been around 3-percent. Shippers complain of deteriorating service, rising rates and railcar shortages. Rail reorganization analyses for the Midwest-Northeast region identify 25 percent of rail line in the region as potentially excess.

The perennial railcar shortage might be eased by better utilization of equipment. However, a pricing system that allocates freight cars to the most urgent demands may be needed to avoid shortages during peak periods.

Linehaul railroad mileage has been declining and abandonment proposals are being submitted at an increasing rate. Nevertheless, in aggregate, rural areas have probably not been severely affected to date. Whether future abandonments will limit capacity of the railroads to adequately serve agriculture is not yet clear.

U.S. studies, mainly for corn-soybean areas suggest that some reduction in rail lines would probably reduce costs of grain handling and transportation. Somewhat similar studies in Canadian wheat areas also suggest that reduced mileage would decrease costs. Questions remain, however, on how local areas and individual farmers would fare.

Some rural people are concerned that rural roads cannot carry the heavier traffic that might result from rail abandonment—especially in major grain areas. The few available statistics suggest that rural roads have been somewhat improved in recent years, but their present adequacy is unknown.

Perishables and livestock now move mainly by truck. Recent heavy demand increased prices and made truck services hard to obtain, partly because some trucks shifted to moving grain. Also, smaller numbers of refrigerated rail cars meant that trucks were required to carry an even larger share of the perishables. The energy crisis, by increasing fuel prices and slowing speeds, adversely affected trucking relatively more than other modes.

Although limited by waterways and seasonality, barges are major carriers of bulk commodities and fertilizers. Available evidence suggests that dry cargo barge capacity has generally increased and barges gained a larger share of the total bulk freight market in the past decade. As in the case of exempt trucks, exempt barge rates provide a system of rationing barge services that is linked to supply and demand. Laws further easing barge regulation were recently enacted.

Transportation affects industrial location and rural development. The relative importance of transportation varies by industry but how transportation interacts with other factors is yet to be measured.

Among suggestions for further research included in the report is the development of economic models capable of continuing analysis of long-run demands for and supply of transportation services in rural areas. We also need to keep current on how shifts in demand for transportation in the general economy may affect agriculture. Other major areas needing special study are the effects of rail abandonment, improved railcar pricing mechanisms, the adequacy of rural roads, and the relationship of transportation to rural development.

INTRODUCTION

Moving goods from place to place in rural America has always been a problem. Yet, to say that there have always been problems is not enough. The present great concern suggests that stresses may have reached the crisis stage. Either the problems have become worse or the public has become less tolerant of the system's shortcomings: In either case, there appears to be an immediate need for reexamination of the transportation situation in rural America. What follows can be viewed as a beginning in that reexamination.

Forces causing concern

Major shifts in world markets have greatly increased demand for agricultural products, especially for grain and soybeans. The U.S. has moved from the restrictive production policies of the preceding four decades to policies encouraging full utilization of agricultural resources. At the same time, large quantities of stored commodities have moved into market channels to meet growing demands.

The dollar value of our agricultural exports has been rising over several years and was up almost 88 percent in 1973 compared with a year earlier. The volume of agricultural exports gained by 30 percent in 1973, accounting for about two-fifths of the value increase. A reduction in world cereal and protein feed production in 1972, a decision by the USSR to maintain livestock production, rising world incomes, and the devaluation of the dollar added to the foreign demand for U.S. products.

If demand for U.S. agricultural commodities were largely based on internal requirements, as has occurred in some years, demand for transportation services would fluctuate relatively little. However, surges in exports will probably mean that our transportation system will continue to be subject to year to year fluctuation in demand from agriculture. Without adequate planning, a transportation system geared for the average year can be expected to produce crises in future years when export demand is strongest. But, carrying excess capacity to meet surges in demand imposes costs in years of lower demand. Thus, there is an ongoing need to keep abreast of the transportation supply and demand situation for agriculture.

While much of the transportation crisis has been viewed as a problem of moving agricultural products to markets, there have also been serious problems in shipping fertilizer and other inputs into rural communities. Because the same transportation system serves both types of movements, the problems are clearly interrelated.

Our approach

This report considers the roles and performance of the transportation system in serving agriculture and rural areas. However, because much of the transportation system is regulated, the findings also reflect on the effectiveness of regulation and on the provisions of highways and other transportation facilities by local, State and Federal Governments.

We will briefly summarize present knowledge and define areas for further research. However, the report is not comprehensive. Additional areas of concern will be treated in the final report. The discussion will draw on existing data, on studies of various aspects of transportation problems, and on comments by concerned rural spokesmen. The final report will include a list of references.

The beginning section of this report reviews recent experiences in meeting the surge in demand on the transportation and distribution system resulting from sharp increases in exports that began late in 1972. A second major topic considered is transportation system capacity. Discussion centers on the ability of the several modes to move agricultural commodities from a fully employed agriculture. Longer term structural problems are also identified. The final section deals with the relationship between transportation and rural development.

REVIEW OF RECENT EXPERIENCE

Beginning in late 1972 and continuing into 1974, there have been frequent complaints by farmers, elevator operators and others concerning the inability of the grain marketing and transportation system to meet demands placed on it by rural users. Frustration because of the inability of affected individuals and businesses to find immediate solutions added to stresses. Substantial increases in agricultural commodity exports were associated with full elevators, grain on the ground, and shortages of railcars, trucks, and barges for moving grain.

Complications which arose from the inability to meet the demand were evidenced by abnormal routing in transporting commodities, use of equipment and facilities for moving grains that had rarely or never been used for grains, shifts to higher cost modes of transport, and bidding up of truck and barge rates. Stopgap efforts by shippers, carriers, and the Interstate Commerce Commission (ICC) were apparently inadequate. The transportation system is said to have had especially serious problems in moving commodities in outlying areas.

Effects of increased exports

In the fourth quarter of calendar 1972, the impact of wheat, feed grain and soybean sales to the Soviet Union and record sales of feed grains and soybeans to buyers elsewhere in the world began to strain the U.S. transportation system. A late start in beginning the shipments to the USSR aggravated the situation. During the fall of 1972, rates on exempt barges down the Mississippi River to the Gulf began to increase, approaching or exceeding rail rates in some cases. With barge capacity limited, grain shippers turned to railroads for transportation to Gulf ports, through which two-thirds of our wheat, feed grain, and soybean exports flow. Barge shipments peaked in late November and then tapered off in anticipation of winter conditions. Reports of railcar shortages rose rapidly as barge loadings declined and trucking of grain to nearby Lake ports was reduced.

The transportation and distribution system bottlenecks which began in late 1972 worsened in early 1973. By midwinter, reported grain car shortages exceeded 27,000 cars per day compared to 500 cars per day a year earlier. Many Gulf port elevators became jammed with grain, causing cars to wait for unloading. Problems were most significant at West Gulf ports where most of the hard red winter wheat destined for the Soviet Union was handled. Most of this wheat moved between late December 1972 and late May 1973. Because the railroads could deliver cars to individual port elevators faster than the elevators were unloading them, the Association of American Railroads began to "embargo" ports where backups occurred or were expected. Such embargoes, forbidding the billing of cars by railroads to port elevators with abnormally large numbers of cars waiting to be unloaded, were common during 1973. These tieups reflected back to country elevators as "railcar shortages." That is, individual country elevators were unable to obtain railcars as needed to ship grain.

In addition to higher barge and truck rates, increased transportation demands caused abnormally large grain price differentials between country points and export delivery points. These differences were especially large in early 1973 when the price spread between inland production areas and ports increased from a normal 25 cents per bushel to an average of 70 cents per bushel for soybeans. The differential rose to 50 cents per bushel for corn and 40 cents for hard winter wheat.

Reopening of the Lake ports in early April helped ease the crisis but reported railcar shortages remained high throughout the year. Though somewhat lessened, the car shortage situation has continued into early 1974.

What caused shipment problems to become serious in 1972–73? Clearly, much of the problem was related to the sharp increase in exports, especially wheat and corn. Together, these two commodities accounted for an increase in exports of more than one billion bushels between 1972 and 1973. That increase followed a more than half billion bushel increase in corn and wheat exports the preceding year. The volume of exports of the two commodities was more than 2.4 times as large in 1973 as in 1971. To meet the challenge, the transportation system would have needed much excess capacity before the increase in demand or the ability to expand capacity sharply as demand surged.

Increases in exports in 1972 and 1973 show that the transportation and distribution system did respond to the greater demand. Railroads handled much of the increase. In fact, rail grain and soybean movements were up nearly one-fourth in 1973, while U.S. grain production increased less than one-tenth. Excess capacity reflected in idle cars in the first half of 1972 evaporated into car shortages later in the year. Further increases in car loadings were then more difficult to obtain.

Barges are also important movers of grain and soybeans. Interior river movements accounted for somewhat more than a billion bushels in 1972. However, barge shipments which occur mainly during the April-December period were smaller in 1973 than in 1972. A major reason for the decline was heavy spring flooding on the Mississippi in 1973. Timing of barge and ship arrivals in ports also caused problems as barges often waited for ships to unload. Because they were unable to increase movements, barges played a relatively limited role in moving the increases in grain exports.

Had all gone well on internal grain movements, there might still have been problems in export shipments. Increased worldwide demand for shipping and a tight ship supply, aggravated by the fuel shortage, resulted in sharply higher ocean freight rates in 1973. For example, average charter rates per ton for grain under foreign flag from Gulf ports to Antwerp-Rotterdam-Amsterdam destinations increased from an average of $3.26 in 1972 to $13.13 in 1973. Rates climbed even more between other origins and destinations.

Effects on shippers

Despite the grain transportation problems, one fact stands out—the extremely large foreign commitments of 1973, as well as our domestic needs, were met. Nevertheless, the success may have been achieved at substantial cost. Because the burden of these costs was uneven, some shippers seem to have suffered unduly while others were less affected. The stress on getting grain to ports in a brief period probably caused some smaller country grain elevators to be bypassed. Larger, easily accessible elevators with high throughput capability apparently had fewer problems.

Shippers with the most serious transportation problems were generally at more distant locations and often were served by low-density branch lines. For example, based on an Agricultural Marketing Service, U.S. Department of Agriculture management survey of elevators, problems were especially severe in northern and western grain producing areas of the Plains in November 1973. Difficult situations were increasingly reported in Southern Minnesota, Eastern Iowa, Illinois, Indiana and Ohio as the 1973 corn crop was marketed and transportation problems grew because lake shipments and river barge movements were curtailed during the winter months. Problems remained through February 1974, but fewer areas were reporting them.

Some shippers experienced problems before the seriousness of the situation was widely recognized and they expected to continue having problems. For example, a representative of an Iowa cooperative indicated that "For the past five years our cooperative has suffered because of a transportation crisis. . . . In the past four weeks we have moved by rail 32 cars, one-half being open-top coal cars. At this rate it will take two years to move our inventory, not taking into consideration the grain inventory that is still on the farm."

Country elevators often had contracts to sell their grain with payment on delivery to buyers but were unable to meet sales commitments. In addition, high prices and high interest rates on unmoved inventory increased capital requirements and restricted cash flows to farmers as well as elevators. Elevator managers were sometimes forced to refuse business at a time of record grain prices. Together these factors caused financial problems for some elevators. They also forced farmers to seek new markets and pay more to transport their grain to more distant points.

Elevators with limited grain loading facilities and minimum car holding capacity were often situated on lines that could not support jumbo hopper cars. As we will discuss later, the number of general purpose boxcars has declined rapidly and those remaining were unable to meet needs of country elevators on lines with load restrictions. Further, small shippers located on branch lines generally could not take advantage of lower rates associated with unit trains and larger hopper cars.

Small shippers were the ones most in need of alternatives to rail shipment. But this alternative was not always available. Truck numbers were often not sufficient and costs were above regulated rail rates. Shippers using trucks also faced another problem during spring months. Weight limits on state and county roads seriously limited loads that trucks could carry. To the extent that small shippers were more often forced to seek alternatives to rail transport, this was a problem for small shippers.

The question of equity between large and small shippers requires a great deal more study. Additional evidence on the question needs to be gathered before a firm conclusion is drawn. We believe there is need for a study of the trade-offs between gains in efficiency in grain handling and transportation through larger scale and possible problems associated with lessening of competition and increasing concentration.

We also need to improve forecasting of both the demand for transportation services and the availability of services in rural areas if we are to avoid adverse effects of transportation inadequacies in the future.

THE QUESTION OF TRANSPORTATION CAPACITY

Agricultural producers and rural industries question whether they will receive adequate and reasonably priced transportation services during coming years. They see inadequate transportation as a possible continuing constraint on production and marketing. Freight transportation equipment is largely general purpose in character; agriculturally related traffic accounts for less than one-fifth of the total. The overshadowing role of nonagricultural traffic means that unique requirements of agriculture may receive less than adequate attention.

The increases in agricultural exports have made us more aware of problems that can arise when demand exceeds transportation system capacity. However, these are not the only problems causing concern about the transportation system.

Railroading: A troubled industry

Railroads are the mainstay of our grain transportation system. But many railroads are in trouble, as evidenced by several bankruptcies in the Midwest-Northeast Region and an industry return on investment around 3-percent. Railroad problems are also implied by complaints of shippers concerning deteriorating service, rising rates, and a shortage of railcars.

Reorganization appears to be the practical solution for railroads that have fallen into serious physical disrepair and financial insolvency. Even so, there is apprehension on how the reorganization of the Midwest and Northeast railroads and other pending legislation might affect rail service for rural areas. Because about 25 percent, or 15,575 miles, of the Midwest and Northeast railroad mileage has been identified as potentially excess, many communities are concerned. That 96 percent of traffic could still be served by rails, according to analyses by the U.S. Department of Transportation, is reassuring. Yet, not all communities will be as fortunate, and those that are most likely to lose are seeking answers. Very few studies on the costs and benefits of rail reorganizations and restructuring are available. Thus, it is difficult to draw conclusions on the efficiency and equity of proposals that are offered.

Rail Mileage and Abandonment

Linehaul railroad mileage, which is related to the ability of railroads to serve all areas of the Nation, reached its peak of 254,000 miles in 1916. Although construction often preceded demand for rail service, farms as well as industries, businesses, and communities that grew near the railroads soon depended on them as the main mode of transportation. Since 1916, mileage has continually decreased and is still declining. U.S. linehaul railroads declined from about 217,000 miles in 1960 to an estimated 204,000 miles in 1972—an average yearly decrease of about 1,000 miles.

Abandonment proposals have been submitted at an increasing rate in recent years. As of 1973, the ICC had permitted abandonment of nearly 66,000 miles of railroad track since the Transportation Act of 1920. Abandonment applications filed with ICC for 1971 through 1973 involved more than 11,000 miles of rail line. The 266 applications filed in 1973 involved more than 4,400 miles, a record mileage for any year since ICC assumed responsibility for abandonment proceedings. Also, there were more than twice as many applications in 1973 as in any year during the 1960's, except 1969. Mileage involved in 1973 was nearly double that for every year of the 1960's.

Most ICC actions on applications to abandon result in approval. During 1960 through 1973, 97 percent of the ICC decisions made on applications authorized abandonment; 3 percent were denied.

Rail abandonment creates conflicting interests with railroads on one side and shippers and communities on the other. From the railroads' viewpoint, abandonment of excess track is necessary because of the financial drain from operation of unprofitable lines. It is contended that many rail lines do not carry enough goods to pay their way. Thus, unless they are abandoned, such lines operate at the expense of the total rail system. On the other hand, shippers and communities depending on railroads incur losses when abandonment occurs. Relocation of some facilities may be possible, but where there is substantial investment in fixed plant, managers generally prefer to resort to alternative modes of transportation.

Although there has been considerable abandonment and total rail mileage is down, evidence of large scale loss of important rail segments serving agriculture is lacking. Thus far, abandonment itself does not appear to have greatly affected the capacity of railroads to serve agriculture in aggregate. There may have been local instances where abandonment has seriously affected rural communities, but there are also many more cases where businesses have turned to other modes while railroads were still in operation. Uncertainty about future abandonments may be of more concern than those of the past.

To learn more about how rural areas would be affected, we reviewed a number of U.S. and Canadian studies.

U.S. rail abandonment studies.—A contractor for the U.S. Department of Transportation examined differences between anticipated and actual effects of abandonments. ICC hearing records for ten cases involving substantial shipper and community opposition were analyzed. Major findings were:

Protestants have, in general, accurately predicted financial effects of abandonment in terms of increased shipping costs and continued viability of operations without rail service.

Larger organizations were better able to adjust and absorb increased shipping costs due to abandonment.

Many marginal operations have been forced out of business due to abandonment, and some organizations have experienced lower profit margins. Most firms, however, have survived, adjusted and prospered.

According to the authors, none of the cases that were reviewed considered aggregate impacts of abandonment on communities, but effects on railroads were always considered. Because the burden of proof that abandonment would be desirable has been on the railroads in the past, this finding is not unexpected. The impact of shifting from rails to highways was generally not assessed.

Another study, prepared by Iowa State University for the U.S. Department of Transportation, deals with a corn-soybean production area. The study considered a number of rail line options, varying numbers of subterminals, and several transportation alternatives. Results showed the highest net revenue to the farmers and shippers in the several county study area would occur by using 115-car trains operating continuously between Gulf ports and six subterminals in the counties. Only 27 percent of 1971 rail lines would be maintained and the system would yield 8.7 cents more per bushel to the study area than the traditional single-car system. Only 32 percent as many covered hopper cars as under the traditional system would have been required.

The Iowa State government examined abandonment in another type of study in the same general area. Based on the ICC "34-car rule," which would shift the burden of proof in abandonment cases from the railroads for track producing less than 34 carloads annually, Iowa could lose around 19 percent of the State's nearly 7,500 miles of rail line through abandonment. Because branch lines in Iowa accommodate the needs of agriculture and branch lines are generally abandoned first, abandonment could severely affect agriculture in the State.

The analysis considered two branch lines qualifying for abandonment under the ICC's "34-car rule." Benefits and costs were estimated under: (1) Tax forgiveness; (2) direct payments; (3) State ownership; and (4) non-intervention responses to abandonment. Direct subsidies were found to maximize benefits over costs while maintaining rail service.

An unpublished U.S. Department of Agriculture memorandum reported on a preliminary analysis of ICC dockets associated with 29 proposed and authorized abandonments involving 635 miles of track in agricultural areas. About one-third of the 114 grain elevators located on abandoned lines would be completely cut off from rail service. The remaining two-thirds were either serviced by other railroads or were at branch line terminal points. Local opposition to abandonment was found to be light and groups representing farmers were scarce. Letters from several elevator operators showed no objection to abandonment if motor-rail services were substituted at previous all-rail rates. Some elevator operators favored trucks because they provide better service.

Canadian abandonment studies.—Rail abandonment studies have not been identified for major wheat areas of the U.S. However, because we thought results from Canadian studies might be applicable, several were reviewed. Account should be taken of differing U.S. conditions.

The Canadian economy is highly dependent on grain exports. Any reduction in costs could directly benefit producers or slow upward cost trends. Grains from prairie provinces move by rail, under "Crow's Nest Pass" rates estimated to be less than 50 percent of total costs. Wheat is marketed through the Canadian Wheat Board.

Thirteen government-sponsored studies of grain handling and transportation examined: (1) The ability of the system to satisfactorily handle large volumes of grain; (2) the system's effectiveness in moving desired types, grades and quantities of grains to ports quickly; and (3) costs of handling and transportation.

Abandonment of light traffic rail lines and their small scale grain handling facilities was seen as "imperative if producer costs are not to rise significantly." Rationalization could reduce handling costs by 2.3 cents per bushel while increasing trucking cost by about 0.7 cents per bushel. Railroads estimated cost savings at 5.7 cents per bushel. The resulting system initially would retain about 3,600 of the existing 5,000 country elevators. The rail system would be reduced by slightly more than 5,500 miles to about 13,800 miles. Further reductions in elevators to about 2,300 by 1980 and slightly more than 500 by 1990 were envisioned.

In another approach to rationalization, using costs developed in earlier studies and unit train rates, the most economical grain handling and transportation system for the Prairies was found to be 80 inland terminals rather than the 5,000 country elevators now existing. High investment costs were expected to be offset by savings in handling and transportation. Present facilities would be replaced gradually.

Another Canadian study dealt with grain handling and transportation in a smaller area of the Prairies where both elevator and railway companies now use cross-subsidization within their operations to maintain services to grain farmers in the study area. By simulating abandonment, tests were made for alternative systems. Rationalization under the minimum cost assumption would reduce total per bushel costs for collection, handling and distribution from 33.73 to 29.55 cents per bushel. However, a rationalized system would need to find ways to reduce charges to farmers. Farmers would have no incentive under current pricing arrangements to agree to rationalization unless truck services were provided. The author cautioned that broad regional studies may fail to show problems that would occur for small areas or individual farmers as a result of rationalization. Conversely, small area rationalization studies may not be representative of larger regions.

The general question of abandonment.—Our nation and its rural areas are faced with important decisions. What happens in the next few years will help set the stage for coming decades and generations. Upcoming decisions such as those which will soon be made for the Northeast rail system are in a sense irreversible. If we cast our lot with rail abandonments, a reemergence of need for rail services in those areas would not be easily met.

On the other hand, a decision for retention of the present system in its entirety appears to mean either deteriorating services for many areas or long term capital investments that would, in some cases, be difficult to justify. There is need to analyze inadequacies and problems throughout the transportation system and work toward a transportation network that matches projected needs and involves all modes. Toward this end, immediate effort and increased resources are required to improve long-run projections of demand for transportation services in rural areas. Added resources are also needed to keep current on the supply of transportation services to agriculture and rural areas, and on how such services may be affected by shifts in demand for transportation in the general economy. Economic models need to be developed that are capable of continuing analysis of these problems. The models would incorporate information on factors affecting demand for the different modes of transportation by agriculture and rural areas as well as other sectors of the economy, alternative shipping patterns, response capabilities of trucks, railroads, and barges, and costs of alternative modes. The models could also aid in evaluating needed control mechanisms and in forecasting long-term demands to aid in investment and regulatory decisions of local, State and Federal governments and the transportation industry.

Freight Car Problem—Number, Capacity, Utilization or Allocation?

The "freight car shortage" is a perennial problem for agriculture and it intensified during the recent period of increased foreign shipments. The problem is usually stated to be an inadequate fleet. However, there are indications that the problem for the grains may be as readily solved by improving car utilization as by increasing car numbers. There are as yet unanswered questions regarding equipment supply for the perishables.

There were 1.7 million freight cars of all types in December 1972, about 13 percent fewer than in 1960. Some 83 percent of these cars were owned by railroads; the remaining 17 percent by car companies and shippers. The "common boxcar," a type once used in most grain shipments, declined by nearly half or about 309,000 cars between 1960 and 1972—by far the greatest decline for any type of car. During the same period, the number of special, equipped boxcars increased from about 55,000 to 181,000.

Large covered hopper cars, capable of carrying up to 100 tons of grain, have contributed to an increase in average railcar capacity and to the railroads' ability to move grain. Covered hopper car numbers have nearly tripled since 1960 and increased more than 10 percent during 1973. About 142,000 were owned by railroads and 44,000 by shippers at the beginning of 1973. Covered hopper cars now account for two-thirds of the capacity of all cars normally considered usable in hauling grain.

While the number of freight cars declined in recent years, the average car size increased from about 55 tons in 1960 to nearly 70 tons by 1972. Cars installed in 1972 averaged 86 tons, compared with 59 tons for cars retired during the year. The increase in average car capacity offset the declining number of cars and total freight car capacity increased—especially toward the end of the last decade. Capacity of class I railroads was more than 96 million tons in 1971, up about 5 percent since 1960. There was also a trend toward heavier loading as capacity increased. The average carload increased from about 44 tons in 1960 to 56 tons in 1972.

Standard measures of utilization must be used cautiously. For example, some of the average daily car mileage increases, from about 46 miles in 1960 to 56 miles in 1972, may have occurred because trucks have taken shorter haul freight traffic, including some agricultural commodities, from railroads. Also, competition with motor freight which left railroads with longer hauls, may partly explain the tendency for freight car turnaround time to increase in recent years.

In any case, there may be considerable potential for increasing efficiency in equipment use. A recent study suggests that freight cars spend only 12 percent of their time in line-haul movement. Some 40 percent is spent loading and unloading and nearly half either awaiting movement or sitting idle.

Several innovations initiated in the rail industry have improved or have potential for improving utilization and operating efficiency of the system. For example, use of heat sensing devices, roller bearings and better lubricants, have reduced the hotbox or overheated journal bearing setout rate from 4.43 per million car miles in 1960 to an estimated 0.46 in 1972.

In addition, the railroads have shown increases in "piggy-backing" from 550,000 in 1960 to over 1.3 million in 1973. This indicates that intermodal coordination in the container field is possible. However, containerization has not grown rapidly in agricultural transportation. The feasibility of containers for such transportation has been demonstrated for products such as lettuce, tomatoes, radishes, oranges, grapefruit, peaches, and for animal products such as hanging beef and frozen poultry. Only small amounts of bulk agricultural products have moved in containers. Soybeans for human consumption are being shipped to Japan and test shipments of dry edible beans have been made to Europe.

Unit trains and rent-a-trains of 65 or more cars operated as a unit have reduced switching and improved efficiency in grain shipments. Computerized car location and coordination is also being used to improve car utilization.

Whether it is more economical to increase the capacity of the fleet or speed the flow of the present fleet is a matter for further research. Neither method is likely to solve the car shortage problem for agriculture and rural areas without either excess capacity or control mechanisms to force other sectors of the economy to share equipment during periods of peak rural demand. Some research has been done, and some is now underway, on means for developing a pricing system capable of allocating freight cars to the most urgent demands. More is needed, however.

Competition to Railroads

Railroads have not been successful in keeping some types of traffic on rails. Since 1960, the volume or traffic moved by railroads has increased from 579 billion intercity ton miles to over 785 billion, but railroad traffic as a percentage of total freight traffic has declined from over 44 percent in 1960 to about 38 percent in 1972.

Truck competition for movement of both family needs and farm inputs and outputs, has stripped the railroads of highrated traffic in most rural areas. Backhauls for trucks and truck-barge movements also have taken substantial bulk traffic, such as grains, as have pipeline movements of petroleum and liquid fertilizers for farm use. Truck-barge competition has been keen in States bordering inland navigable rivers. The growth in the share of the market by other modes has been in part attributed to present regulatory practices. All rail traffic is regulated, while trucking, the major competition, is 42 percent regulated, and only a small part of water traffic is regulated.

New technology in the form of containerization and intermodalism, new innovations such as carpooling and unit trains, and increased capacity through the installation of larger cars, all appear to be potential methods for growth in rail traffic and possibilities for retaining the railroads' share of the market. In addition, the railroads have a comparative advantage in long hauls because they are more fuel efficient than trucks.

Highways and trucking—A different set of problems

Trucking and highway questions are so interrelated that they merge into a single set of problems. Because of its dependence on the road system, trends in the trucking industry reflect improvements in highways. For example, the interstate system was a major factor in the growth of long-haul trucking. Better road systems improve the competitive position of the trucking industry and may lessen freight traffic carried by other modes. However, the dependence of trucking on roads also implies that if we expect trucks to provide service where rail abandonment occurs, an adequate rural road system will be needed

A search for data shows that little is known about the adequacy of rural roads. Although some information is available on agricultural trucking, additional information is needed for thorough studies. For example, data from the Census Truck Inventory and Use Survey could be improved by increasing the size of the sample.

RURAL ROADS AND HIGHWAYS

Although most rural traffic is for other than agricultural purposes, the rural road situation has important implications for farmers and others with agricultural interests. Nevertheless, there is a surprising lack of information at the Federal level on the rural road network, too little to determine whether there are serious problems. Some individuals suggest that our farm to market road system is entirely neglected and rapidly deteriorating. While recognizing that rural roads are often inadequate, there are some indications that the rural road system has improved in recent years.

Increases in size and distance between local marketing and distributing firms have generated longer local trips. While these longer trips do not always lengthen the distance traveled on "farm-to-market" roads, they do affect local truck-size economics. They also create needs for road improvements which often have not been met.

The real question is: Do our rural roads adequately meet the current needs of farmers and other rural people? And, if the rural rail network were reduced, would rural roads carry the heavier traffic? It is from this viewpoint that we discuss the meager statistics on this aspect of the rural road situation.

An evaluation of the rural road system's ability to meet future transportation demands should consider both mileage in the road system and the condition of the roads. We know that the total rural road system in the United States in 1972 consisted of about 3.2 million miles of which 2.3 million were under local control. State controlled roads accounted for 0.7 million miles; those under Federal control, 0.2 million. Some three-fourths of rural road mileage was surfaced and one-fourth nonsurfaced in 1972. While total existing U.S. road mileage increased by 5 percent between 1962 and 1972, surfaced rural mileage increased about 9 percent and nonsurfaced rural mileage decreased by more than 19 percent.

The load-bearing ability of roads is another indicator of the road system's ability to meet heavy transport demands. Of the 2.4 million miles of surfaced rural roads in 1972, only about 0.5 million were rated as having high load-bearing capacity, but this was an increase of 30 percent from 1962. Another consideration in appraising road capacity is changes in size of loads carried. The average load on rural roads increased by more than 70 percent between 1960 and 1970, and loads of 40,000 pounds or more increased by 90 percent.

Some constraint on the capacity of the highway system may be imposed by bridges as well as by the conditions of roads. The age, type and condition of bridges can inhibit traffic, such as heavy grain trucks, on rural roads. The National Bridge Inspection currently being conducted by the States is an attempt to appraise the adequacy of bridges. The U.S. Department of Transportation has requested each State to submit data for inventoried bridges. Three-fifths of the States have submitted data but analysis has not been completed.

The question of adequacy of rural roads needs considerably more study before definite conclusions can be drawn. Unless more satisfactory data can be uncovered during coming weeks, it seems clear that a proposal for field collection of data regarding the adequacy of rural roads and bridges will be in order. Also, a study is needed of the relative economics of public ownership and improvement of rail lines to be abandoned versus necessary improvements in the road system if railroads are abandoned.

Trucking

Trucking, which now accounts for about one-fifth of the ton miles of all freight shipments, has become an increasingly important segment of the U.S. transportation industry in recent years. Total truck registrations increased from less than 13 million to nearly 20 million between 1963 and 1972 with more than three-fifths of the increase occurring after 1967. Available data suggest that total truck mileage increased by about 40 percent between 1967 and 1972—even more rapidly than truck numbers.

Agricultural trucking has also expanded significantly. Fresh fruits and vegetables from the West, Southwest and Florida; poultry and eggs from the South; livestock from every State; and meats from the feeding-slaughtering areas of the Midwest and Southwest all move by truck over the highway system. Trucks used mainly on farms for agricultural purposes increased from about 3.6 million in 1963 to 4.3 million in 1972—a gain of nearly one-fifth. For-hire trucks may also carry farm products, but are not counted as agricultural trucks. As a result of their slower rate of increase, agricultural trucks declined from 28 percent of all trucks in 1963 to less than 22 percent in 1972. Relatively greater increases in nonagricultural trucking are probably explained by more rapid growth in the general economy than in agriculture and by the effect of the interstate highway system on traffic flows.

Among factors leading to growth in trucking are greater emphasis on manufacturing of lightweight high-valued goods, better highways, higher weight limits, larger trucks, dispersion of manufacturing in urban areas, industrial development in rural communities, and timely door to door and other service possibilities. Trucks allow freedom to pick up or deliver from widely scattered points and can make several stops to complete a load or delivery. The flexibility of trucks can eliminate double handling and often provide faster service than railroads.

Altogether, agricultural trucks were estimated to have traveled more than 37 million miles in 1972, an increase of about one-third since 1967. Nearly two-fifths of such trucks were driven fewer than 5,000 miles; only 8 percent were driven 20,000 miles or more, but they accounted for over one-third of total mileage.

More than two-thirds of all agricultural trucks were classified as light trucks. Such light trucks, including pickups and panels, have limited potential for moving large quantities of bulk commodities to distant markets. Nevertheless, these vehicles accounted for nearly three-fourths of the reported truck miles.

From the Census of Agriculture we know that more than 80 percent of all farms with sales of $2,500 or more reported having at least one truck and nearly 30 percent of such farms reported two or more trucks during 1969. Also, larger farm operations were somewhat more likely to have trucks. For example, more than 95 percent of farms with sales of $100,000 or more had one or more trucks and about three-fourths had two or more.

The trucking industry is exempt from ICC regulation in movements of unmanufactured agricultural commodities in truckload lots. The agricultural exemption applies to common, contract, and private carriers who contract for agricultural shipments. Also, agricultural products are often carried with exempt status in preference to empty backhauls by regulated truckers and trucks operated by nonagricultural firms for hauling their own freight.

There has clearly been a shift from rail to truck movement of perishable commodities. Although data on unregulated trucking are unavailable, rail movements of 10 major perishable commodities have declined around one-third since the early 1960's, and much of the diversion of perishables from rails to trucks occurred before 1960. Because nearly all receipts were by truck, Federal-State Market News Service ceased reporting modal shares of receipts of some perishables at markets in the 1950's. Data for 1972 domestic market unloads of fresh fruits and vegetables show nearly 65 percent of shipments to be by truck, about 30 percent by rail or boat, nearly 5 percent by rail-truck (piggyback) and a fraction of one percent by air. However, the data are incomplete and it is likely that truck shipments are even more important for perishables than indicated.

Preliminary results from a recent ERS study of livestock transportation showed that nearly all cattle purchased or sold by handlers and feedlots were moved by truck. Most larger cattle shippers used services of for-hire carriers. In general, shippers reported that cattle were in good or excellent condition on arrival and when account was taken of distances hauled, there was little difference in condition between private and for-hire carriage.

Although service was judged generally satisfactory by most respondents, nearly 57 percent of livestock handlers and about 11 percent of feedlots reported that trucking services were especially hard to obtain during some months in 1972—generally September, October and November. Peak demand for trucks for grain shipments apparently added to the temporary shortage of for-hire cattle trucking services that normally occurs in the fall.

The energy crisis, by increasing fuel prices and slowing speeds, has adversely affected trucking more than other bulk freight modes. These problems can be expected to increase trucking costs. Some of the costs will be passed back to farmers and shippers while others will increase consumer prices. Higher rates will also tend to make trucking less competitive with other modes. Where possibilities exist, some shippers will probably seek lower cost alternatives to trucks.

Dramatic increases in wholesale diesel fuel prices reflect the fuel shortage. The index of prices (1967=100) average 106.5 for 1970 and was at 113.9 in January 1973. By June 1973, it reached 158.1 and hit 326.2 in December. Prices had declined somewhat by February 1974 when the index was at 283.0.

To gain a better perspective on the effect of the energy crisis on agriculture, studies are needed on possible economies in fuel use and gains in efficiency resulting from reduction of empty truck backhauls in rural areas.

The dearth of data on the trucking of unmanufactured agricultural commodities is as marked as that on the condition of rural roads. The Census of Transportation has not as yet collected data on the flow of these commodities. Clearly, more effort must be devoted on a continuing basis in both these areas if problems are to be identified and corrected. Some exploratory effort is now underway for trucking, but more is needed. And, we have found no data on the operations of common-carrier truckers into, out of, and among rural communities. Some complaints are heard about service quality and withdrawal of service to communities.

Water transportation—Some limits

Dry cargo barge capacity on U.S. waterways has generally increased in the past decade according to a study recently submitted to the Congress by the Department of Transportation. The gain resulted from increasing numbers of barges and use of larger vessels. There were nearly 1,800 dry cargo barges in December 1972—about one-fourth more than in 1962. In 1972, about 80 percent of these barges were on the Mississippi River and the Gulf Intracoastal Waterway Systems which handle the bulk of barge grain shipments. Barge size, which averaged more than 1,100 tons in 1972, was up more than 200 tons from 1962.

Although water transportation is relatively inexpensive, there are constraints to the greater use of waterways. For example, locks on the upper Mississippi and Missouri Rivers cannot handle large tows and reportedly cannot easily be made adequate. Also, flooding during the months of heaviest use can seriously affect commodity shipments and add to the burden on other modes such as occurred in 1973. Winter freezing closes both barge traffic on northern river routes and shipping on the Great Lakes. Winter navigation on the Lakes is being discussed, but its feasibility has yet to be measured. In addition, because of lower speeds and longer distances on waterways, barge movements are slower than those on other modes.

Barge traffic, though limited by available waterways, seasonal operations, and lower speeds, has several advantages compared to other modes. Perhaps one of the most important is free use of waterways. Expansion and improvement in the system of inland waterways and lessening of other constraints on barge capacity has improved the competitive position of barges. Between 1940 and 1970, the share of intercity freight transported on inland waterways increased from 3.6 to 10.5 percent of the U.S. total. During that period, intercity freight traffic tripled while inland waterway traffic increased nine times.

Exempt for-hire barges, which are not subject to ICC regulation, are responsible for 85 percent of grain and soybean traffic on domestic internal waterways. Such barges have a competitive edge over both regulated barge traffic and regulated traffic on other modes. Exempt water carriage offers grain shippers and barge operators flexibility in pricing not available with regulated traffic. Exempt barge rates thus provide a system of rationing that is linked to supply and demand. In grain movements, such flexibility aids by more nearly matching the supply of barges with seasonal demands. Rate increases for grain shipments during periods of peak demand may attract barges from other uses, increase speed by use of more power, and encourage coordination of arrivals and departures to save time.

Shippers, particularly larger shippers, generally favor the present unregulated barge system with unpublished rates while regulated carriers see the system as unduly competitive, according to opinions reported in the DOT study. Increased competition and more flexibility would result from further lessening of regulation. For example, the Secretary of Transportation recommended to Congress that the restriction to no more than three dry bulk commodities in a single tow be repealed. In addition, repeal of the regulation forbidding combined tows of regulated and unregulated commodities was recommended. These recommendations were recently enacted into law.

TRANSPORTATION AND RURAL DEVELOPMENT

In addition to its effects on agriculture, transportation affects the nine out of ten nonmetropolitan families who do not depend on farming as their chief source of livelihood. Changes in the availability or cost of transportation may bring new industries into rural areas or close long-established businesses. Thus, the transportation system helps shape rural development. Possible changes in factors affecting availability of transportation services, such as increased fuels costs or railroad abandonments, require analysis to determine their probable impact on the rural economy and settlement patterns in rural areas.

Transportation is one of several factors affecting industrial location. However, study of the effects of transportation without considering other important factors may be misleading. The significance of transportation in industrial location is not clear, but its relative importance varies from one industry to another. For example, a coal-fired generating plant must have inexpensive transportation for coal. But a producer of precision instruments, electrical products, or other high value per unit of weight products, may be more interested in quality of service.

Several lines of research could help us understand the relationship between transportation and rural development. For example, we need to know much more about how transportation interacts with other factors in influencing the location of industry in rural areas. And we need to analyze how its importance compares with these other factors, including labor.

The relative cost and importance of alternative forms of transportation also requires study. For example, if a railroad branch line, which serves a business without truck service is abandoned, its effects on the local economy may be severe. Abandonment of a branch line serving industries that can easily switch to trucks might have relatively little effect. Knowledge of the role of transportation in location of industries would permit better analyses of the probable effects of railroad abandonments. In addition, further research on rail abandonment might indicate whether present fears of communities concerning declining property values, loss of jobs, and lessened prospects for economic development are warranted.

Finally, research is needed to define alternative futures for areas which may be hurt by transportation changes. If it is not economical to maintain all of the present rail system, for example, better guidelines are essential to help assess where businesses that are less dependent on railroads might be developed.

NEED FOR BIKEWAY CONSTRUCTION

Mr. BUCKLEY. Mr. President, on March 12, I was pleased to introduce S. 3159, legislation authorizing $20,000,000 a year in grants toward the construction of bicycle paths.

I developed this legislation because I believe that any Federal transportation program must provide for a balancing of needs, including the need for the opportunity to bicycle in our urban areas—whether the cycling is for commuting or for recreation. The bill would provide 80 percent of the cost for a bikeway.

Yesterday, the Wall Street Journal's editorial page carried a column by Burt Schorr entitled "Exposé of Sorts on Riding a Bike." Mr. Schorr writes of his experiences riding a bicycle on the crowded streets of Washington, an experience shared by an increasing number of people. The information he provides in the article should prove of interest to anyone seeking to foster a truly balanced urban transportation program.

Mr. President, I ask unanimous consent that Mr. Schorr's article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EXPOSÉ OF SORTS ON RIDING A BIKE

(By Burt Schorr)

WASHINGTON.—For the bicycle commuter, getting there is *all the fun*.

Never mind the bus fumes, the sadistic drivers, the unexpected downpours, the glass-peppered gutters and the assorted other hazards. Viewed from a bicycle seat, even the brownest urban landscape becomes an open-skied panorama of small sights and sounds lost when travelers abandoned the canal boat and the horse.

Cycling has acquired panache too. A new Corvette or Cadillac may stir grander illusions of power and sexual magnetism, but a lean athlete on a 10-speed Gitane or Schwinn, like Jascha Heifetz playing the Kreutzer Sonata, inspires deeper and more subtle feelings.

Or so it seems to a bicycle commuter whose own silhouette on a rusty three-speed Sears, Roebuck model is more mindful, perhaps, of Henny Youngman playing Camptown Races. Neither is this commuter's daily 1.2 miles of bicycling very heroic, leaving, as it does, another 10 miles of the roundtrip to be completed by city bus. Still, it does begin in a cloud of morning-fresh air, move at hedge-top levels past pink azaleas and yellow forsythia and last long enough in each direction to warm the blood without dampening the collar.

So much for the effusions of an enthusiast, however. Consider now the thoughts of Eric Hirst, a very serious energy analyst on the staff of the Oak Ridge National Laboratory. Mr. Hirst isn't interested in panoramas, the Kreutzer Sonata or pink azaleas. What he tells us, instead, is that figured in 1971 dollars, the energy needed to operate a bicycle costs 2.57 cents a mile. Period.

With gasoline heading for 70 cents a gallon and sirloin at $1.89 a pound, that may not sound like much. But for this commuter, who always took comfort in the thought that his bicycle ride, at least, didn't cost a penny, Mr. Hirst's calculation comes as a bigger jolt than a street full of thumb tacks. Based on an estimated 200 roundtrips a year, it means I'm shelling out $6.18—which inflation no doubt has pushed to well over $7 by now—in hidden energy costs annually. Multiply that by the estimated 65 million bicycles on the road these days and one could imagine the U.S. smack in the middle of a bicycle energy crunch, if not crisis.

Happily, "Energy Use For Bicycling," as Mr. Hirst's analysis is titled, assures us that just the opposite is the case. In 20 pages (funded by the National Science Foundation), he proves beyond dispute that the bicycle requires one heck of a lot less energy than the automobile. Conclusion: Ride a bike and save energy—or, as Mr. Hirst states it, "if 10% of the urban auto travel conducted during daylight and in good weather for trips of five miles or less were shifted to bicycles, the savings in 1971 would have been 180 trillion British thermal units, 1.8% of total urban automobile energy use."

That may not sound like much, but, of course, Mr. Hirst is talking about substituting the bike for the car only for short trips in the city—and then only once in every 10 such trips. Cyclists have suspected for quite some time that bikes save energy. But until Mr. Hirst came along, no one ever nailed down the facts with such relentless precision.

For, as Mr. Hirst sees it, there's a lot more to bicycle energy than merely pushing pedals. Indeed, muscle power accounts for only 110 of 1,340 BTU's that his analysis associates with a single mile of biking. (A BTU being the quantity of heat needed to raise by one degree Fahrenheit a pound of water whose temperature is approximately 39.2 degrees.)

First, it takes extra food to fuel those muscles. And behind that food are expenditures of energy for everything from producing fertilizer to harvesting. By Mr. Hirst's calculations these expenditures work out to 790 BTU's per mile.

Then there are 210 BTU's per mile associated with the manufacture, transportation and sale of new bikes; 290 BTU's for repairs, maintenance and tires; and—of interest to any cyclist ever squeezed between truck and shoulder—the 50 BTU's per mile per bike that Mr. Hirst allots to the construction and maintenance of bikeways he envisions spanning metropolitan America some happy day.

What about the commuter who has had three bikes stolen in as many years? Don't the growing number of thefts clash with the Hirst assumption that a commuting machine will last for 10 years? "Irrelevant," the bicycle energy expert footnotes, "because stolen bicycles can still be used."

"From the standpoint of society," Mr. Hirst explains from his temporary post at the Federal Energy Office here, "if someone rips off your bike it means you have brought his bike for him, but society as a whole hasn't lost any bicycles."

While he's on the telephone, Mr. Hirst confides some further thoughts that have occurred to him since completing his study. Riding his own 10-speed machine up the bike path from Mt. Vernon to Washington the other Sunday for example, he was surprised to encounter "dogs, people and all kinds of cyclists—some cutting in and out, others who scarcely knew how to ride." As a result of this experience, Mr. Hirst believes his published calculation of bikeway capacity at 5,900 bicycles per hour is wrong; perhaps 3,000 per hour would be a safer maximum.

Another complication, notes Mr. Hirst, is one of accounting—do you charge the costs of bicycle commuting to transportation, recreation or exercise? As a bicycle commuter at the Oak Ridge lab in Tennessee, Mr. Hirst says his 40-minute roundtrip run provided all the exercise he desired. But when a change in office location forced him to begin carpooling instead, he began swimming thrice weekly in the municipal swimming pool. He now offers the tentative hypothesis that "if the cyclist rides to work in lieu of jogging or something else, the extra time on the bicycle should be charged to exercise or recreation, not transportation."

And so, bicycle commuters, there you have it—the definitive study. Fuel yourself with steak and your commuting costs will seem to go out of sight. But charge them off to exercise and recreation and they'll come right down again. And any way you figure if you're going to enjoy yourself—but, of course, you know that already.

FOR SOME SENIOR CITIZENS—OLDER YEARS ARE GOLDEN YEARS

Mr. HUMPHREY. Mr. President, recently I read two fine articles dealing with the positive side of old age and how some individuals have succeeded in making these years truly golden. It is very satisfying to know that many elderly individuals continue to lead happy useful and productive lives.

"It's No Sin To Be 75," an article in the Washington Post, points out some startling statistics. People over 60 account for more than two-thirds of the world's creative output in medicine, science, government, and the arts, according to a recent study. For instance, William O. Douglas has served on the Supreme Court for 34 years and he claims he has no plans to retire. The article also cites 75-year-old Golda Meir's strenuous business schedule from 7 a.m. until 1 or 2 the next morning. According to Mrs. Meir's doctors, her health has improved since she took office in 1969.

Another article, entitled "Old Age: A Case of Spirit, Not Chronology," and appearing in the New York Times, describes the active and fulfilling lifestyles of five women, all of them past 75. Mrs. Rosalba Joy, for example, a professional storyteller, travels around the northeast to women's clubs, colleges, and church groups telling legends and folktales. According to Mrs. Joy:

> I do not memorize my stories. I live them.

And Mrs. Ida Martus, who broke her hip almost 3 years ago, continued to partake in those things she loved, namely the theater and teaching.

Mr. President, the contribution of our elderly people is too often brushed aside by younger generations of people in too much of a hurry to notice. The contributions being made by older citizens can be an inspiration to all of us, if we will only take a moment now and then to observe what these people are doing for America.

Mr. President, we in this body are normally concerned with the problems of the elderly. Admittedly they are many and deserve our attention. But, I think its important to remind ourselves occasionally of the contribution these people make—in a wide variety of ways—to the quality of American life.

Mr. President, I ask unanimous consent that these two inspiring articles be printed at this point in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

It's No Sin To Be 75

(By Rita Ciolli)

People over 60 account for more than two-thirds of the world's creative output in medicine, science, government and the arts, according to recent study.

Bernard Baruch became the U.S. representative to the United Nations Atomic Energy Commission and formulated the Baruch proposals for international control of atomic energy at 76; George Bernard Shaw won a Nobel Prize when nearing 70; Golda Meir, the 75-year-old prime minister of Israel, is the woman most admired in the U.S., according to the latest Gallup Poll.

Mrs. Meir keeps up an exhausting schedule, rising at 7 a.m. to tend to the business of Israel until 1 or 2 the next morning.

"It's no sin to be 75," she says. Her doctors continue to be amazed by her health, which they say has improved since she took power in 1969.

Supreme Court Justice William O. Douglas, who has served 34 years on the nation's highest court, has no known plans to retire. Douglas, 75, has a heart pacemaker and a 29-year-old wife, Cathy. He credits both with keeping him active. When quizzed about his age or his health, Douglas always points to the example of his predecessor, Oliver Wendell Holmes, who retired from the court at 90 and did some of his best work after 80.

People whose lives center on the arts rarely retire. George Abbott, 86, directed the current revival of "The Pajama Game," his 116th Broadway production. Abbott, who flew back to his island in Florida after opening night, is rewriting some of his earlier plays, which he hopes to produce soon. Abbott says he put as much time and work into the restaging of "Pajama Game" as he did in the original production. "How can you stop working when you're doing something you love?" he asks.

Ida Kaminska, grande dame of Yiddish theater, says she never intends to stop working. Mrs. Kaminska, 75, says she has started her life anew many times in responding to the challenge of keeping the Yiddish theater tradition alive around the world. Having just published her autobiography, "My Life, My Theater," Mrs. Kaminska's next venture is to try her hand at film directing. "I can't be happy if I can't work," she says.

Old Age: A Case of Spirit, Not Chronology

(By Lisa Hammel)

This is about five women, all of them past 75. But they are not old.

"I'm too interested in the things I'm doing to have time to be old," Rosalba Joy said firmly.

Disappearing into her minuscule kitchen, she emerged moments later with a teapot and a plate of seaweed cookies, poured the spicy tea—redolent of oranges—and then lowered herself into a not very comfortable looking chair in the living room of her sparely furnished apartment.

Mrs. Joy is a professional story-teller, a career she began—after years of acting and out-of-town directing—when her husband (a journalist and writer) died about 20 years ago.

Every month, "rain or blizzard or shine," Mrs. Joy travels around the Northeast to women's clubs, colleges, church groups, telling legends and folk tales.

Does she read them from a book?

"Never!"

"Reading," she went on, drawing herself up indignantly, "is not story-telling. It makes me furious when people say, 'You do read so well,' because I never take anything out with me. I just come on and tell the stories."

What a feat of memory then, to have about 85 stories sitting in one's mind.

Mrs. Joy smiled, and her face creased into hundreds of well-tracked lines. "People are always saying after programs, 'What a marvelous memory you have.' And I just smile like a pussycat and say, 'Thank you.' But the thing is, I don't memorize my stories. I live them."

And then there's the Food Conspiracy. The Food Conspiracy? It turned out to be a food-buying cooperative, whose meetings are held every Monday night at Mrs. Joy's home. "I'm also involved in a tenants' group," she said. "I've been going down to City Hall fighting to keep rents down. It's deadly, but you have to do it." Mrs. Joy also meets with a group of older people.They say they don't know what to do with their time; I cannot understand it," Mrs. Joy said. "The other day, I took over a whole bunch of things I'd made—like Mexican cloth appliqué pictures. It was not a great hit."

Stella Sweeting Fogelman lives alone in an apartment with eight rooms, five baths and a magnificent view of Central Park. She grew up in Fall River, Mass., the daughter of a letter carrier.

"My folks couldn't afford to send me to college," she said, leading the way through rooms full of Orientala and other memorabilia brought back from her travels.

She's been making up for that deficiency ever since. As soon as she could, she sent herself to college and ended up with three degrees, including a Ph.D. She specialized in educational administration, and "taught every grade from first to graduate."

And if that wasn't enough, she's been taking courses at the New School (where she also taught) since 1920. At the moment she's studying Spanish there. "Today," she said, waving a small blackboard covered with Spanish phrases, "we have to be bilingual."

But Stella Fogelman, blond and bespectacled, who walks fast and talks fast ("I can't seem to slow down"), also spends a lot of time just having fun.

"I'm out entertaining six or seven days a week. I just like people. And the terrors of the city don't bother me. I'm not going to live bottled up. My life today isn't much different from what it was when my husband was living. [He was a textile manufacturer, and died in 1966.] Its the foundation that determines how you continue on."

Her concession to advancing years is minimal. Mrs. Fogelman said she doesn't lift heavy things anymore. "Now I push and pull," she noted as she dragged out a chair.

"I have total recall," said Estelle Frankfurter, as she stood at the door of her antiques-filled apartment. She was right. She does.

The small, sharp-witted woman, who seems more to flutter down and perch on chairs than sit, recalled vivid details of her past life—many years of it spent in Washington as a member of the National Labor Relations Board.

Today, much of her time is given to volunteer activities, among them, working two days a week with youngsters at P. S. 20 on the Lower East Side.

When Miss Frankfurter first decided to tutor for the New York City School Volunteer Program after her retirement nine years ago, she made one condition: the school would have to be within walking distance of her apartment on Park Avenue. The agency was a little surprised when it was discovered that "walking distance" meant "no more than three miles."

"I wouldn't know how to ride there," she said. "And I've never missed a day, except when I had an eye operation."

But as soon as school is over, she heads abroad and spends the nine weeks hurtling around foreign parts—on a bus.

Judith Epstein, a tiny plumpish woman, seems to move in sunshine. Her large living room is a spectrum of sunny yellows, her manner is warm and her expressive face is constantly being overtaken by the crinkliest of smiles.

Time—having enough of it—has always been something of a problem for her. She was twice national president of Hadassah, has done volumes of public speaking, traveled to Israel more times than she can remember, and now will be promoting a book she helped edit on the history of the organization.

"If you practice for an hour and a half every morning [Mrs. Epstein is taking piano lessons] and go to Hadassah every afternoon and do the marketing and look after the house and you have a family and you entertain a good deal—good conversation, intellectual stimulation, is one of our great joys" . . .

She shrugged expressively, and smiled.

"And there's the dancing," she said, as her husband, Moses, a retired textile manufacturer, walked into the room. "We love to dance. We used to go to the dansants, but you can't find them in New York any more. Now we dance mainly when we go away.

"My mother said once, you have to establish your life line before you need it. The only horror I have of old age is the physical inability to do what I want."

Ida Martus broke her hip almost three years ago. Complicated by arthritis, it has still not fully mended and she has to use a metal walker to get around.

"It doesn't slow me down too much," she said as she led the way into her pleasant living room.

Mrs. Martus, who was an English teacher for many years, also had another love—the theater. For several decades, she worked for the City Center as liaison between school groups and the company, a job she left only a few years ago.

Theatergoing is still an important part of her life—the walker notwithstanding. So is entertaining the constant stream of visitors who come to her because she can't get out much ("I cook and they help with the serving").

"I don't feel old," she said, "when I talk to people and the conversations are good. There's no old age when your mind keeps going."

Ida Martus has not had the easiest of lives. Was there anything she particularly regretted?

"Yes," she said, a little sadly. "I left my job when I was 74. I retired too young."

OIL: THE POLICY CRISIS

Mr. BROOKE. Mr. President, ABC News has made a significant contribution to the continuing debate on oil policy with a documentary entitled: "Oil: The Policy Crisis." Aired on March 20, this excellent piece of broadcast journalism gets right to the heart of the present controversy, outlining clearly the major decisions and actions which have led to today's shortages. It should be most helpful to all of us as we forge a new oil policy which hopefully will correct these past mistakes. I ask unanimous consent that the text of this broadcast be printed in the Record.

There being no objection, the text was ordered to be printed in the Record, as follows:

ABC News Closeup—Oil: The Policy Crisis

Senator Henry Jackson. The truth, the whole truth and nothing but the truth . . .

Jules Bergman. Eight weeks ago, after the first shockwave of the fuel shortage, top executives of the major oil companies were called to testify before a Senate Investigating committee——

Annon M. Card. Mr. Chairman, I'm Annon M. Card. I'm a Senior Vice President of Texaco, Incorporated.

David Bonner. Mr. Chairman, I'm David Bonner, Executive Vice President of Gulf Oil Corporation; President of Gulf Oil, U.S.

Senator Henry Jackson. We have determined that the seven companies' stocks of crude oil and refined products were as high or higher at year end in 1973 as they were one year earlier. We also know that the nation's distress is extremely profitable to the oil industry.

David Bonner. We have not heard a shred of evidence to support these accusations. On the contrary, you have our sworn statement that these charges simply are not true. We are reputable businessmen. We are not cheaters and gougers and we resent any inference from any quarter that we are.

Jules Bergman. Question: Government policy has been aimed at providing a plentiful supply of oil, but today fuel is scarce and its price is sky-rocketing. Why?

Abundance or scarcity?

Is it an energy crisis or an economic or policy crisis?

Question: Oil companies have reported record profits since the gas and oil shortage began, yet gas and oil prices continue to rise. Why?

Question: Government policy was aimed at strengthening domestic oil production. Yet the rate of oil drilling and refinery construction has declined here at home for the last 15 years. Why?

Senator Russell Long. I think it's the fault of Congress and the fault of the President. Congress and the President have yielded to the political pressures and they have not informed the American people the way they should have been informing them, that what appears to be a good short-term answer is not a good long-term answer.

Jules Bergman. I'm Jules Bergman—and this program is a primer on oil and oil policy. It is designed to help understand the current crisis.

If there is confusion in the public mind on the so-called energy crisis today, the problem did not begin yesterday or last October.

In the next hour, we will look behind the headlines. We will examine this question: Has government policy protected the public or has government followed policies more likely to benefit the oil companies at public expense?

If shortage is the current curse, the major problem that has always faced the oil industry has been too much oil, not too little.

There has always been—and there still is—a staggering amount of oil in the world. There is a single field in the Middle East, for example, which contains half as much oil as the United States has ever used.

In the Middle East, crude oil is abundant and extremely cheap to produce. But even here in America, where oil is less plentiful and more costly to produce, there may be as much as 300 billion barrels still in the ground.

The enormity of the world's petroleum reserves has always been a problem for oil producers. The reason is simple. If too much oil reaches the market at any one time, prices drop and so do profits. The result has been a continuing struggle by oil interests—often with government assistance—to restrict production so that prices won't fall. And, it is price, not supply, as we shall see, that is the crucial factor in the energy equation.

Professor M. A. ADELMAN. As the price of oil goes up, crude oil reserves—proved and potential—tend to go up with it because much more oil now becomes worth drilling for and producing that previously wasn't.

WILLIAM VEITCH. The nature of the energy crisis is an economic one.

GARLAND MERRELL. It's a crisis of price primarily.

JULES BERGMAN. It all begins with drilling—from a few hundred to more than twenty thousand feet down and then pumping it out of the ground. Oil is our single most important and most versatile energy source. It supplies about half of our need for power and fuel. In a way, oil is a resource too precious to burn.

A huge petro-chemical industry is based on oil—manufacturing many thousands of products from plastics to medicines. Common as all these uses and products are, the oil business is still shrouded in mystery for most of us.

From wellhead to refinery and from tankers and pipelines to gas stations and home oil tanks, the U.S. oil industry is a technological maze so complex that few outside the business understand it . . . an economic enigma that the oil industry has never told the public much about . . . This much is certain . . . the raw product, up to now, has been unbelievably cheap and yields high profits . . .

The automobile—abundant fuel, superhighways, and a government generous to the oil industry—did much to shape America.

Answers to some of the questions about the oil industry today may be found in the early history of oil and government.

With the invention of the internal combustion engine, and the coming of the "horseless carriage" the oil business had its first bonanza. Up to this time, the main produce of oil was kerosene.

Gasoline, the volatile ingredient of oil was just a nuisance by-product to be gotten rid of. But with the invention of the auto, gasoline became indispensable and the automobile—an American institution.

There were nearly half a million cars on the road by 1910. By then the first of the great oil empires—John D. Rockefeller's Standard Oil Company had been built around the oil fields of the East—in Ohio, Indiana, and Pennsylvania.

The oil rush was on. Standard Oil had already reached out to establish itself in other parts of the country. The really big strikes were made in the Southwest. Oklahoma Congressman Tom Steed recalls those early days:

Congressman TOM STEED. It took crazy guys to drill. The Great Cromwell field was drilled by people that were crazy. The smart boys said, well there's no oil there, but there was . . . I think the first well was drilled in Oklahoma in 1907 and they've been expanding ever since.

In those days, you know, they didn't know how to keep the well from being a gusher . . . that's where the word gusher, it would gush out over the derrick and they had casing crews that would run in and they get right in this great stream of oil and turn the valves and shut it off and they'd get oil all over them, just bathed in it . . .

JULES BERGMAN. John D. Rockefeller shrewdly recognized that the risk in the oil business lay in the exploration for crude oil. So he concentrated his efforts in the refining part of the business. But he had little taste for competition.

Through Standard Oil, Rockefeller gained control of the bulk of the nation's refining capacity which gave him a corner on the oil market.

"The day of combination is here to stay," Rockefeller once said. "Individualism is gone, never to return."

Transportation of crude from oil field to refinery also came under the control of the oil companies. From the oil producing state of Louisiana, Senator Russell Long:

Senator RUSSELL B. LONG. A major company, like Standard Oil, could freeze you out. They could fix it up so you couldn't move your oil. You might have a lot of it there but you had the obligation to produce and sell oil along with the . . . the right to drill for oil . . . and . . . they had the power to conthol those railroads and you couldn't move it, so they'd freeze you out. That happened to my father, by the way. One reason that he was a very successful politician was that the major oil companies broke him when he tried to be an oil man.

JULES BERGMAN. With mounting public sentiment against monopoly—the government finally moved against Rockefeller.

ANNOUNCER. Document: "Every contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce . . . is hereby declared to be illegal." The Sherman Anti-Trust Act of 1890.

JULES BERGMAN. After years of court battles, a 1911 order from the Supreme Court forced the Standard Oil trust to split into 34 separate companies, each in a different region.

But, the Standard Oil anti-trust case is at least as important to us today for what it *did not* do as for what it did.

It did not eliminate the potential for lessening competition.

It resulted in not one, but a number of companies, each of them operating in all phases of the oil business—Standard of California; of Indiana; of Ohio; of New York, now called Mobil and Exxon—the largest of them all was formerly Esso—Standard of New Jersey.

Gulf Oil—The Texas Company—and others followed similar routes of vertical development . . .

Today, the petroleum industry is dominated by about 18 integrated companies—called "majors."

They own or control the product through the four basic levels—crude oil production—refining—transportation . . . whether through pipelines, tank-ships or tank trucks—and marketing . . . wholesale and retail.

This is called "vertical integration." Oil industry spokesmen say this is the most efficient way of serving the public interest, but Democratic Senator Frank Moss of Utah believes it lessens competition . . .

Senator FRANK E. MOSS. This means that the same company is the explorer and driller and producer of oil . . . He owns the pipeline that he puts it into . . . He sends it on to the refinery, refines it, puts it in another pipeline and sends it out to the retail outlet, and finally puts it in the consumer's gas tank. Therefore, he controls the thing from one end to the other . . . And, this has enabled the oil companies to be virtually independent of a free, competitive market.

JULES BERGMAN. Martin Lobel is a Washington attorney who represents a group of independent gasoline marketers.

MARTIN LOBEL. First of all, the major oil companies are all in joint ventures throughout the entire world. If you take a look at this last offshore lease sale for crude oil in federal lands . . .

AUCTIONEER. The next bid is a joint bid of Chevron, Amoco and Union of Cal. The amount of this bid is forty million three hundred ninety-two thousand dollars.

MARTIN LOBEL. Almost all of the bids were joint ventures between Exxon and Mobil, Mobil and Texaco, Texaco and Exxon . . . They all deal together. They exchange gasoline together. They exchange it with each other through the pipelines which they own.

CLIFTON C. GARVIN. The petroleum industry, I believe, is one of the most competitive industries of any, it's highly competitive in the market place, with a wide range of service stations; it competes for opportunities to explore and look for crude oil . . .

Exploration, primarily, is a very high risk kind of thing. You saw recently where they had a sale in the off-shore in the Gulf of Mexico, and the industry spent something like a billion and a half dollars just for the right to go look and prospect for oil. Sometimes the assessment of these risks are so great, and the money costs are so great, it's deemed advisable to share that risk.

JULES BERGMAN. In the gasoline market, Exxon and the other majors have competed largely by promoting their brand names . . . names that are familiar to every motorist.

But, most of the price competition has come from independent marketers who buy gasoline wherever they can get it, and sell it cheap.

Senator Moss—

Senator FRANK E. MOSS. The independents have brought what degree of competition there is in the industry. They've kept the price of gasoline down within reach of the ordinary consumer pretty well, until recently. What the independents did was to buy gasoline and other products at a spot price on the market. They'd cut the price of gasoline to the consumer 2 or 3 or 4 cents, whatever it is . . . we've all seen these little cut-rate stations and, as I say, they're being squeezed out of business.

JULES BERGMAN. The Federal Trade Commission—in a staff report last summer—charged that the major oil companies had helped create the fuel shortage. The report charges that the majors had used the shortage to drive independent gasoline dealers out of business.

ANNOUNCER. Document: "These major firms, which consistently appear to cooperate rather than compete in all phases of their operation, have behaved in a similar fashion, as would a classical monopolist: they have attempted to increase profits by restricting output."

JULES BERGMAN. The report was met by strong criticism from industry and some sectors of government. Nevertheless, as a result of the staff report, the Federal Trade Commission last July 18th filed an action against the eight largest oil companies.

ANNOUNCER. Document: "Respondents . . . have contributed to the non-competitive structure of the petroleum industry . . . (and) . . . as alleged herein . . . operated to prevent free and open competition."

JULES BERGMAN. Frank Ikard, President of the American Petroleum Institute—

FRANK N. IKARD. I think the courts will find that there's no basis for it. This matter of competition is one that's been within the oil industry, has been viewed by the Department of Justice, many of the courts and all kinds of anti-trust actions and up to this point in time, and I know of nothing that would change that, the, all the findings have been that there are competitive forces at work and I'm sure that'll be the case here.

JULES BERGMAN. The Federal Trade Commission charges are also strongly denied by the 8 oil companies named. The case is likely to take years to resolve.

One constant in this country's tortured search for an energy policy has been the generosity of the American consumer and taxpayer to the oil industry.

There were four government policies principally responsible for this—a patchwork combination of tax advantages and import and production restrictions—the oil depletion allowance . . . demand prorationing . . . foreign tax credits . . . and import quotas.

These are not the only policies that have affected the oil industry. But they are significant because their effect has been to hold oil company taxes down, and consumer prices high.

We will try to explain each of these policies and how they helped bring this country to the fuel emergency that we have been facing.

The first of the tax breaks granted the oil companies is the oil depletion allowance. Enacted in 1926, it allows those who produce oil to take a flat percentage deduction—now 22 percent—on their income from each well.

Oklahoma Congressman Tom Steed explains:

Congressman Tom Steed. Now, when the oil comes out of the ground, that's it. You're out of business. So, each barrel you take out depletes the amount of oil there and this is an incentive to help you get back the heavy investment you have to make to produce it.

Garland Merrell. We produce a barrel of oil out of the ground and when we can no longer get it out, then we have the risk of going to spend anywhere from 15,000 to 15,000,000 dollars looking for another barrel of oil. So this is the reason for this.

Jules Bergman. Senator Philip Hart is chairman of a Senate subcommittee that has investigated the effects of government oil policies.

Senator Philip A. Hart. It's encouraged discovery . . . all around the world, but not here.

Mind you, here's a policy that was established to encourage domestic discovery to make us more self-reliant, and yet they permitted the depletion allowance to be applied also if you were drilling the well in Saudi Arabia.

Senator Russell B. Long. It hasn't helped us to have the industry here that we should have had. Looking back on it, I think if we had given the depletion allowance here and not to American companies when they drill overseas, it would have come nearer to meeting the purpose we had in mind for it.

Jules Bergman. In 1930, there was a fabulous oil strike in East Texas . . .

It followed other big strikes in Oklahoma.

Poor farmers, struggling amid the Great Depression, suddenly found there was untold wealth beneath their feet.

The result was pandemonium—an oil boom that has been described as the greatest treasure hunt America has ever seen.

The market was soon glutted with oil—the price plunged and there was enormous waste.

In both Texas and Oklahoma, the governors sent in the National Guard to shut down the oil fields.

A system of prorationing was begun. The production of each well was limited and the overall production was limited to the amount that could be sold at a profitable price.

John Murphy. Market demand proration came in with the East Texas oil field. We had Seminole, Oklahoma City, then East Texas, and we had a giant surplus of crude oil in the United States. The surplus was so great that the buyers would not pay the producers a realistic price. Crude went to ten cents a barrel and at that price, you just took an oil well and what we call gutted it—you opened it wide open, got all the oil out you could and abandoned it . . .

Poured the salt water in, and recovered maybe 10% of the oil the well would have made if it was produced properly. But to produce it properly, you have to restrict the production . . .

You can't restrict production with 10 cent oil, so the Texas Railroad Commission was formed and we shut in East Texas, and put a market demand proration where we only produced the amount of oil that there was market for.

Jules Bergman. In the present fuel shortage, demand prorationing is no longer holding down production. It undoubtedly prevented a lot of waste in the days of overproduction. But its real purpose was to keep prices up by restricting production. And, as Professor Morris Adelman of MIT, one of the world's leading oil economists, points out, it resulted in fewer large, efficient wells being drilled—the very kind we need most today.

Professor M. A. Adelman. It tended to inhibit the search for large, low cost deposits of oil. Because that kind of search tends to be expensive and the oil man wants to think twice before he puts a lot of money into finding a big pool which he will be permitted to produce only very slowly and at high cost.

Melvin Moran. Why would anybody in their right mind spend forty or fifty thousand dollars to drill a well worth $14,000? Well, of course, they wouldn't and that was a low point in exploration because it just didn't pay to drill when you could only sell approximately seven barrels a day.

William Veitch. Well, we're paying for it now. Was it economical? We're paying for it, people are . . . can't fill their gas tanks. We said a long time ago, we said at that time, there was no reason to have prorationing.

Jules Bergman. Until the early 50's, America supplied most of the world's oil . . . but the Middle East was soon to become a major center of production.

Massive reserves of oil were discovered in the Persian Gulf in time to meet the growing demands of the industrial boom after World War II. There was concern in the cold war atmosphere of that period that if a way weren't found to bolster the economies of the new oil-producing nations, they—and their vast mineral wealth—might slip behind the iron curtain. So, in 1950, a tax ruling was secretly ordered by the National Security Council. Under this ruling, American oil companies could subtract monies paid to foreign governments for oil from their United States tax bills. The result was a sharp increase in payments to the foreign governments. The oil sheiks got rich and the American taxpayer helped pay the bill.

White House aide Peter Flanigan explains the policy—and its purpose—

Peter M. Flanigan. As a matter of fact the oil companies pay taxes, but they pay taxes abroad and take them as a deduction against their U.S. taxes. The question however is not what taxes they pay . . . they do pay them, but rather do they get for the American people the oil, the gasoline, the heating oil that they want at a competitive price.

Senator Walter Mondale. In the United States, if an oil company pays royalties to an owner of oil properties, that's a deduction from business expenses. Overseas it's considered a tax and is accredited, a hundred percent of it is just taken off the tax bill, I mean it's incredible.

Senator Henry M. Jackson. Simply stated they could offset all the taxes over there against their corporate taxes here, which meant that they were paying taxes, many companies, down as low as 2% instead of a 48% tax.

Dr. John M. Blair. It is probably the principal reason why the major oil, international oil companies have not expended more of their activity and their resources toward the task of finding more sources of oil in this country.

S. David Freeman. I think that the part of it that perhaps is most exasperating to the citizens today is to learn that we're giving incentives for people to drill overseas in countries that are embargoing oil to us, so that we're . . . we have incentives now for the industry to drill in the wrong place.

Jules Bergman. The foreign tax credit undoubtedly helped keep America—and American oil companies—on good terms with foreign oil governments. But there is now good reason to doubt whether it helped America's energy supply.

Until last May American consumers were allowed only limited quantities of the cheap foreign oil their tax dollars had helped produce. The reason was a system of quotas to restrict imports of foreign oil. The quotas were begun in 1959.

S. David Freeman. During those days, oil could be imported for a dollar or a dollar and a half a barrel, less than domestic oil, so we had domestic oil as a sort of an island, a high priced island, and we had this wall that kept us insulated from the rest of the world, and the wall was the oil import quota system.

Jules Bergman. Why were the import quotas kept so long when they forced the American consumer to pay higher prices for oil?

Peter M. Flanigan. Simply because that was the way to encourage more production here. They were kept long because we needed the production here. That's why we're better off than our friends abroad.

Senator Philip A. Hart. Well, it surely hasn't made us self-reliant, that's point number one. It didn't meet that objective. What it really did was protect the domestic price of crude from the competition of the cheaper Middle Eastern oil.

Second, it encouraged them since they had this massive crude supply in the Middle East and couldn't bring it in here to put their money for the construction of refineries into Europe or some place else where they could bring their cheap Middle East oil in without any quota.

Brit Hume. Why do we have a shortage of fuel today?

Dr. John M. Blair. We have a shortage of fuel primarily for the reason that we have a shortage of refining capacity. And that shortage of refining capacity, in turn, is a legacy of the failure of the oil companies to keep up with demand in their construction of refining capacity.

Jules Bergman. Why weren't new refineries started two or three or four years ago?

Clifton C. Garvin. Well, there's been a lot said about that and the very simple reason was it wasn't economically attractive to build refineries in this country during that period of time.

Robert Engler. The new refineries built with American consumer and, in effect, taxpayer money have been built abroad, because the exciting new markets are markets in Europe and in Asia.

S. David Freeman. While the oil in the world was abundant and cheap, we kept it out. Now that apparently it is becoming scarce and expensive, we seem to be more and more dependent on it.

Senator Russell B. Long. The major oil companies are in business to make a profit and they did what you'd expect them to do. They're going to produce the oil where they can produce it the cheapest and they're going to sell it where they can sell it the highest and that's just what they did.

They could make more profits by developing the capacity of Saudi Arabia to produce oil than they could developing the capacity of the United States to produce oil.

S. David Freeman. I'm not as shocked as some people that the oil industry is not delivering the goods because, you know, we've seen this, this trend coming, and quite frankly protecting the public against emergencies such as an Arab embargo is essentially a responsibility of government, and I would feel that the failure here is a failure of government policy.

Jules Bergman. Professor Adelman, is this an energy crisis or an oil policy crisis?

Professor M. A. Adelman. I think it's mostly an oil policy crisis—long run there's certainly no energy crisis except what we make for ourselves.

Jules Bergman. The contradictions of federal oil policy are obvious. The import quota system and demand prorationing were intended to build a strong domestic industry. They didn't do that. Moreover, the depletion allowance for foreign production and tax credits for royalties paid abroad were actually encouraging the major American oil companies to explore and produce outside the United States. The resulting uncertainty of crude oil supplies led to a lag in our refining capacity. These policies, working at cross-purposes, cost Americans billions in higher prices and taxes. Some facts on how they came about—and why—will be examined next.

Lobbying and having friends in high places is an accepted part of American political life. Almost every member of Congress, for example, can be identified with one so-called special interest or another. The object: to secure favorable legislation, the best possible treatment by government agencies, or to promote a good image and sometimes just good will.

Since the early days of oil, friends of the industry or oilmen themselves have found their way into the highest councils of government.

From the depletion allowance to the import quota system—and from Teapot Dome to Watergate—the relationship of the U.S. Government to the oil industry is a tale of power, politics and money.

In the 1920's, Andrew Mellon of Gulf was Secretary of the Treasury under three Presidents from Harding to Coolidge to Hoover. He was in office when Congress enacted the oil depletion allowance.

Oil was at the center of one of the great political scandals in U.S. history—the Teapot Dome Affair of the 1920's.

Harding was President. Secretary of the Interior Albert Fall was paid $125,000 by two oilmen to let their company drill for oil on public property in Wyoming. The land had been quietly transferred to the Interior Department from the Navy by the Harding administration. The Supreme Court later ordered it returned to the Navy. The court said the transfer was a result of conspiracy, corruption and fraud.

In 1931, the National Guard, as we mentioned earlier, was sent into East Texas to stop the oil boom that had driven prices down to a dime a barrel.

The order came from Governor Ross Sterling, the former President of the Humble Oil Company. The soldiers were under the command of a Chief Attorney of Texaco, who had gone on leave to enforce the martial law.

George McGhee, a veteran oilman, shown here later with President Kennedy, was Assistant Secretary of State in the late 1940's under President Truman. He was a sympathetic ally of oil when it pushed for the Foreign Tax Credit.

He is now on the board of Mobil Oil, one of the companies that benefits from the foreign tax credit.

Another oilman, Robert B. Anderson, was Secretary of the Treasury in the second Eisenhower administration. He was formerly President of the Texas Mid-continent Oil and Gas Association and a strong supporter of the depletion allowance in Congressional testimony.

Anderson was a member of Eisenhower's cabinet committee which recommended the import quota system . . . a recommendation later adopted without substantial change by President Eisenhower.

Meanwhile, Eisenhower himself was the beneficiary of the generosity of other oilmen, who paid the upkeep on his Gettysburg farm. The three oilmen insisted they invested in the farm as a business venture. But the Internal Revenue Service, after an investigation, concluded that their investments had been a gift. Included were landscaping, construction of a show barn, remodeling of one building on the property as a home for the President's son and remodeling of the main house. All told, it came to about $500,000.

In the 1950's and 60's, Senator Paul Douglas of Illinois, leading minority opposition, fought the depletion allowance in Congress, bucking powerful members of his own party—

Men like Lyndon Johnson of Texas, then-Senator majority leader . . . Senator Robert Kerr of Oklahoma—co-founder of the Kerr-McGee Oil Company—was a member of the Senate Finance Committee—Kerr once stated, "I represent the financial institutions of Oklahoma . . ."

Men like Sam Rayburn of Texas—speaker of the House of Representatives—who would turn his back and refuse to listen to one colleague whenever he spoke against the depletion allowance.

S. DAVID FREEMAN. In order for a President to get any sort of legislation through the Congress in the late 50's and early 60's, he had to make his peace with the leaders who usually exerted, as I understand it, some price in terms of favors for the oil and gas industry. So, you had a situation where the general public could care less and actually energy policy decisions were decided pretty much on the question of how will it affect you in Texas in the next election.

JULES BERGMAN. Although oil had plenty of friends in Congress, it tried to make more.

In 1956, Senator Francis Case of South Dakota announced that a plain envelope containing $2,500 had been given to his re-election fund. The money was in exchange for his vote in favor of a bill—strongly favored by the oil companies—to end the federal regulation of natural gas prices. Case said the payoff convinced him to oppose the bill.

Senator FRANCIS CASE. It makes it difficult for me to vote for the bill when it becomes evident that there must be some special profits in it for somebody so that they would take this much interest in how I was going to vote.

JULES BERGMAN. The Senate finally passed the bill, but the scandal over the money given to Case was enough to persuade President Eisenhower to veto it, even though he had originally supported the legislation.

Senator Moss recalls another incident:

Senator FRANK E. MOSS. This had to do with a man who was sent out to help in my campaign from Washington. I suppose it was the Democratic campaign committee, although I was not entirely sure of that . . . I was new, just running for the first time. And, he was helpful in my campaign. In the course of that he came to me and said, now, I can get you a 5,000—and sometimes it's moved to 10 . . . my memory is 5,000—dollar contribution, and the only commitment you'll have to make is that you will vote when the matter . . . if the matter . . . comes up in the Senate, to retain the depletion allowance at 27½ percent. This I knew was one of the issues that swirled around at that time. After considering it just a few moments, I said, well, of course, I need the money awfully bad, but I can't commit my vote in advance.

JULES BERGMAN. Oilmen gave heavily to President Nixon's 1968 campaign. And they got a promise from him to support the oil depletion allowance. In the President's 1972 campaign, there were huge contributions reported from oilmen. But, as the Watergate investigation disclosed, there were some contributions from the oil interests that were not reported. Three oil company officials have been convicted and fined for making illegal donations to the Nixon campaign from corporate funds.

Just before the present fuel crunch, import quotas were suspended. But President Nixon was urged four years ago to get rid of them by a task force led by Treasury Secretary George Shultz.

S. DAVID FREEMAN. I participated by being a member of the task force and, I think, the history is pretty well known. The task force recommended abolishing the quota system, but something happened on the way to the White House and it just didn't get implemented.

JULES BERGMAN. How much power do the oil companies have in Washington?

PETER M. FLANIGAN. I would say that they have no more power in Washington than other companies or citizens.

They have the right, in fact, they've got the responsibility of making their positions known. But in terms of getting those positions accepted, they are only going to be as good as their arguments. As good as their persuasiveness that what they want is in the national interest.

JULES BERGMAN. Why were oil import quotas so touchy an issue in the White House?

JOHN D. EHRLICHMAN. Well, they were a touchy issue because Texas is an important political state. Let's face it . . . And, John Tower and George Bush, and other political allies of the administration felt very strongly about this. Senator Long felt very strongly about it, and he's from Louisiana. He is the Chairman of an important committee, and the White House listened to the views of those members of Congress, and, obviously, looked ahead to the election of 1972, and was thinking about the situation in the oil states, which were important swing political states.

JULES BERGMAN. Today, the powerful Senate Finance Committee is headed by Russell Long of Louisiana, strongly identified with oil interests in his own state.

BRIT HUME. You speak from some experience in the oil business, I believe. Do you and your family have some investments in oil?

Senator RUSSELL B. LONG. We do. Most of what I own at this time is just something I inherited which is royalties. We're not in the drilling and producing end of it.

BRIT HUME. Do you still have any holdings in the oil industry?

Senator RUSSELL B. LONG. Some royalty interests, yes.

JULES BERGMAN. Mr. Ikard, it's been said that oil has a vast political influence. Does oil wield a lot of political power?

FRANK N. IKARD. I don't think the "oil industry," in quotes, as such, has any great influence. In fact, at the moment I think the attitude is such that there's a great deal of punitive action being talked about. I think we're involved in this rather ridiculous exercise of trying to elect a scapegoat for this energy situation.

And I think there's enough blame to go around for everybody. And the oil industry is certainly, at the moment, probably has less political influence, in the sense that you're talking about than any large major segment of our economy.

JULES BERGMAN. But down through the years it's been charged that oil had strong influence in Congress and the White House and has gotten pretty much what it wanted in government policy.

FRANK N. IKARD. Well I know that argument's been made. I don't happen to agree with it. I was in Congress part of that time, and I think I know a little bit about how those things, the legislative matters were developed. I think the whole economic climate was different, I think you're talking about men that were great advocates and strong representatives of the viewpoint that was shared by their constituency.

JULES BERGMAN. Professor Robert Engler, political scientist and author of the book, "The Politics of Oil."

ROBERT ENGLER. The United States Department of Interior is completely honeycombed . . . is completely controlled in the critical areas . . . or has been by the oil industry and the coal industry. Supporting this fact has been the fact that there's a network of advisory agencies. There may be 1,500 of them, at least, in the federal government; most of them not oil . . . but wherever oil and gas and related energy sources have a stake in a possible government action, you will discover federal personnel who either come out of the industry, as I said, or who find themselves undercut, essentially, by this network of advisory agencies. To be specific, in the Department of Interior there is a body called the National Petroleum Council, which is comprised of . . . about a hundred of the heads of major and some small oil companies, gas companies, trade associations. Their operations are advisory. If you do a study of almost any area of Department of Interior policy, you discover that their advice turns out to be policy, and that there is rarely either the independent staff . . . intelligence . . . or will to challenge this industry perspective.

JULES BERGMAN. A fundamental irony of the oil crisis is that while many blame the oil industry . . . the oil industry itself places the blame on Washington. At least for what has happened in the last few years.

The imposition of Federal price controls in 1971—the major oil companies contend—was a roadblock.

They said it removed their economic incentives to expand refineries and get more exploration started. Exxon president Clifton Garvin:

CLIFTON C. GARVIN. I feel that the oil industry has performed to explore for oil or to build new refineries commensurate with the economics. If they could see investing money, they would do so. And, if they could get a fair share of return for its investment for that for the shareholders, they did it.

JULES BERGMAN. Oil industry spokesmen cite mounting environmental pressures—after the Santa Barbara oil leak—as a major factor that stalled new offshore drilling and the construction of the Alaska pipeline.

Acknowledging that industry made mistakes, the American Petroleum Institute's Frank Ikard blames the wrong government decisions for domestic shortages.

FRANK N. IKARD. We have urged for a long time that there be more sales of offshore leases and that's all over the record, I mean. And, they did not come off and we, and, of course, I think this is well documented—our position on the Alaska pipeline, all the points that were made about the need of this oil in the lower 48—so we did, we did warn and talk a lot about it.

Dr. JOHN M. BLAIR. This argument, while it may have certain validity today and for very recent years, certainly doesn't apply to the failure, it doesn't excuse the oil industry for failure to expand capacity during the period of 1959 to 1967. It should be remembered that the oil, Santa Barbara oil spill did not occur until 1969. And what we're suffering from today is a failure on the part of the oil industry to build refining capacity during the preceding decade.

JULES BERGMAN. If industry blamed government for failure to approve new oil drilling and the Alaska pipeline, government blamed industry for failure to supply its real data on production and profits.

When John Ehrlichman, then Domestic Council Chief, took over Energy . . . he found himself unable to get true cost figures:

JOHN D. EHRLICHMAN. I never did feel that the industry was dealing with us in complete candor. Now, I don't know, I do know from my CIA information, for instance, that there's a lot of double-bookkeeping that goes on abroad, on the cost of oil. There, when you ask an oil company, what does this oil cost you—and they say X cents a barrel—you've got to go on and ask the next question . . . now is that your real cost or is that your stated cost?

CLIFTON C. GARVIN. Well, this is not true. There are, there's no question that in some countries there are books kept as he says for tax purposes, and then there are other books that are kept, if you will, for measuring the income statement lines, but these books are normally discussed and they're known by the IRS, they're known by responsible people in the government who ask for them.

JULES BERGMAN. So there were no secret books.

CLIFTON C. GARVIN. There are none to my knowledge.

JULES BERGMAN. What worries oil experts most is the lack of a coherent energy policy in Washington over the years. MIT's Professor Adelman.

Professor M. A. ADELMAN. I would say our government has no oil or energy policy of any kind. Various people in the government are trying to evolve one and I wish them luck.

WILLIAM E. SIMON. We have a very comprehensive energy policy, one that has been well-documented in several energy messages by our President.

It encompasses two main areas; One: the reduction of demand, and the other, the bringing on of additional supplies which will bring us the ability for self-sufficiency . . . Project Independence.

JULES BERGMAN. So it can be done?

WILLIAM E. SIMON. It not only can be done, it will be done. We are 85% self-sufficient in this country today, and not only can we achieve this ability for self-sufficiency, but I could see us becoming net exporters by the end of the next decade.

JULES BERGMAN. Historically, the oil companies always seem to have gotten pretty much their own way . . . import quotas, depletion allowances, foreign tax credits . . . that brought us to this point, somehow, of being short of domestic crude oil and short of refinery capacity . . . What guarantee is there we won't get into that dilemma again?

WILLIAM E. SIMON. What is going to make sure that we don't get in this fix? Well, the oil companies and the industry in general have responded to many economic disincentives, and our energy policy, many inactions and actions that were counterproductive over the last 20 years, have brought us to where we are today . . .

And the comprehensive energy policy that we have in place now, if followed, with government leadership, will lead us out of it.

JULES BERGMAN. But it was government policy that was wrong a decade or more ago?

WILLIAM E. SIMON. It was a combination of government actions as well as inactions. . . . There have been many charges both here in Washington and throughout this country, relative to the major oil companies' anti-competitive practice, and collusion, many things that they have reportedly done, and I think that the investigations that we'll go through—Congressional committees as well as the Federal Trade Commission this year, will be a very healthy thing—will bring out whatever evidence there is, that will corroborate, or once and for all, dispel, any of these suspicions. It is a very complex industry, one that invites suspicion and conspiratorial thinking on the part of many. And I welcome the opportunity to participate in these discussions as they ensue during the year.

JULES BERGMAN. We began this program by asking four basic questions.

The first—why is it that Federal policy, aimed at giving us a plentiful supply of oil—has resulted in scarce fuel and high prices? The answer, as we've seen: there were so many loopholes in those policies that the oil companies—to maximize short-term profits—by-passed the development of more costly domestic oil production and refining capacity.

The second question: Abundance or scarcity? Answer: there's a staggering amount of oil left in the world—an estimated one trillion, two hundred billion barrels . . . with up to 4 hundred billion barrels in the U.S. alone. The current shortage is temporary: the real problem is economic: as prices go up, so will the supply.

The third question: Why high profits yet high prices at the same time? The answer: U.S. policy encouraged major oil companies to develop highly profitable resources and markets overseas. The resulting decline in U.S. supply, aggravated by the Arab embargo, caused higher prices here and higher profits for the oil companies both here and abroad.

The fourth question: Why did we see a decline in domestic drilling, production and refinery capacity over the last decade? The answer: government policy—formulated with domestic politics in mind—failed to provide the critical incentives and guarantees required to force development of oil resources at home.

Oil is far too critical—as we discovered during the Arab embargo—for us to ever again let government policy get so out of control that the public's interest takes second place to private interest.

And if we haven't learned anything from all this, then we are in deep trouble. This is Jules Bergman. Good night.

HOW THE HARTKE TRADE BILL MIGHT HAVE AVERTED THE ENERGY CRISIS

Mr. HARTKE. Mr. President, 3 years ago, I stood before Congress and warned of the international trade and investment crisis which was then beginning to engulf us. At that time, I stated that disorders in our foreign trade—and I quote from my 1971 remarks, "would threaten the livelihood of most Americans and the status of this country as a world industrial leader."

Today, after two devaluations, the loss of thousands of domestic jobs, and blackmail in the international marketplace, we are in the very throes of that crisis. Its destructive effects continue unabated because we have failed to adopt a comprehensive course of assertive self-interest in world trade.

Unlike the Trade Reform Act (H.R. 10710), the Foreign Trade and Investment Act (S. 151) directly addresses the major irregularities and problems of international finance and their effect upon the American economy. Specific mechanisms are provided for plugging tax loopholes which provide an incentive to invest abroad, correcting our balance-of-payments deficits, assuring American jobs, and preserving our industrial base.

The administration's bill contains no provisions to remove tax breaks on overseas investment, to regulate the wholesale exodus of America's newest technology and production units, and to combat the rising prices in the United States caused by trade and investment problems. In short, the President's bill is obsolete and dysfunctional.

Unless we address ourselves to the real trade problems with a comprehensive trade bill, crises like the one we are experiencing in energy will continue and worsen. The Foreign Trade and Investment Act, which I first introduced in 1971 and then again in January of 1973, can avert future crises.

TAX LOOPHOLES, THE INTERNATIONAL OIL MONOPOLY AND THE U.S. DEPENDENCE ON ARAB OIL

The United States is now dependent upon the Arab world for its supplies of oil and gas because our present tax structure provided the economic incentive for gigantic U.S.-based multinational petroleum companies to go abroad rather than to produce more oil at home.

The single most direct tax loophole available to corporations which move abroad is the foreign tax credit. Our tax laws provide that foreign subsidiaries of the United States corporations may credit their foreign taxes paid against the foreign source income tax liability of the parent corporation.

The multinational oil companies earned $1,085,000,000 on mining and oil operations abroad in 1970, but because of their use of the foreign tax credit loophole, these firms paid not one penny in U.S. taxes on that income.

The Arabian American Oil Co—Aramco—a huge oil-producing consortium consisting of Exxon, Texaco, Mobil, Standard of California, and the Saudi Arabian Government, is the world's biggest petroleum producer and the world's largest moneymayer. But, they are very skimpy U.S. taxpayers. In 1973, the company had gross revenues of $8.7 billion and a net income or profits after taxes of $3.25 billion. How much did the U.S. Government get from them in taxes? No income tax, and a meager $2.7 million in payroll taxes.

Is Aramco an exception? By no means: One glance at this chart dispels that illusion:

U.S. TAXES PAID BY U.S. BASED MAJOR OIL COMPANIES IN 1972/1962–71

[In billions of dollars]

Company	Net income before taxes, 1972	Percent paid in U.S. taxes, 1972	Net income before taxes, 1962–71	Percent paid in U.S. taxes, 1962–71
Exxon	$3.700	6.5	$19.653	7.3
Texaco	1.376	1.7	8.702	2.6
Mobil	1.344	1.3	6.388	6.1
Gulf	1.009	1.2	7.856	4.7
SoCal	.941	2.05	5.186	2.7

Source: Senate Subcommittee on Multinational Corporations, Committee on Foreign Relations, U.S. Senate.

How has the foreign tax credit aided profitmaking? Here is an example of how three major international oil firms in 1970 significantly reduced its tax burden via the increasingly important mechanism of the foreign tax credit.

NET TAX BEFORE AND AFTER FOREIGN TAX CREDIT IN 3 MAJOR OIL COMPANIES IN 1970

[In millions]

Oil corporations	Total income	Net tax before FTC	Foreign tax credit	Net tax after FTC
A	$2,798	$168	$133	$35
B	2,651	231	213	18
C	2,135	114	101	13

Source: Philip Stern, "The Rape of the Taxpayer."

The operation of the foreign tax credit aids a privileged few multinational firms. For the solely domestic segment of the petroleum industry, this provision is a dead letter.

THE HARTKE SOLUTION

The termination of the foreign tax credit would put domestic production in a more competitive position with foreign development. And this is exactly what the Hartke trade package, if enacted in 1971, would have done—and if enacted in 1974, will do. The U.S. Geological Survey states that there are still 440 billion barrels of producible and undiscovered oil in the United States. This is enough to meet America's need well into the next century. The shift of the foreign tax credit to a deduction as proposed in my measure might well have provided the impetus to domestic production which, by this time, would have made us dependent on no one for oil.

The use of the foreign tax credit and deferral loopholes is not at all limited to oil producers overseas. They are readily available to large international manufacturing companies as well. My bill will plug both of these gaping loopholes. For example: Taxes on overseas profits of foreign subsidiaries would be taxes as soon as these profits are earned. There would be no tax deferral. As for tax credits, the Hartke approach would shift them to a deduction.

THE BALANCE OF PAYMENTS, IMPORTS AND AMERICAN JOBS

Between 1960 and 1971, the total volume of U.S. imports increased by 200 percent, while over the same period, the total volume of U.S. exports increased by only 120 percent. In 1971, the United States suffered a trade deficit of $2.2 billion—the first trade deficit since 1893. In 1972, the trade deficit increased to over $6 billion. The first 8 months of 1973 showed a trade deficit of $1.5 billion, however, the United States did show a small trade surplus for the total year of $1.7 billion.

But, much of this surplus in the trade account was due to the heavy exports of agricultural products and critical raw materials which caused severe shortages at home and brought on the rapid acceleration of inflation. Huge agricultural exports have meant hardship for the American consumer because of soaring prices and very little job creation as farming is a very low-labor content industry. Our trading policy and problems seem very similar to the developing nations'.

Our trade surplus is a mere aberration which will soon be wiped out by the increased price of oil imports. Walter Levy, a leading petroleum economist, has forecast a whopping $13 billion trade deficit in 1974 because of the increased prices of imported oil.

In the postwar years, the United States has been the only major country in the world whose share of world exports has decreased while its share of world imports has increased. In the space of a mere half-dozen years (1964 to 1970), the U.S. share of world exports fell by more than 11 percent while its share of imports rose by more than 17 percent.

Few American-made items can withstand the pressure. In the 1950's, only about 30 percent to 40 percent of the imports were comparable with U.S. products. Now, about three-quarters of the imports compete with U.S. items, according to the U.S. Department of Labor.

In a number of industries there has been an absolute loss of jobs—fewer workers today than a few years ago. In women's apparel alone, the number of workers declined absolutely by more than 40,000 between 1956 and 1971. In electronics, there was a loss of 109,000 jobs between 1966 and 1972, according to Labor Department figures. In shoe manufacture, jobs declined from 233,000 to about 200,000 in the past 5 years.

THE HARTKE SOLUTION

To meet these problems of future deficits in the balance of payments and job loss due to imports, I propose a system of quantitative import restrictions in which imports would continue to grow in concert with domestic production, preserving the 1965 to 1969 base period relationship.

Other countries make sure that their own markets are secure and protected. It is time we provided the same security for America. Listed below is a partial list of the quantitative restrictions perpetuated on foreign products by our trading partners. Take, for example, the case of Japan on page 3. They have an international tax of 150 to 220 percent on imported whisky. Compare this with the fact that the United States, in 1972, suffered a $723.4 million-dollar trade deficit in distilled alcohol alone. That amounts to 10.6 percent of the entire 6.8 billion U.S. trade deficit in 1972. In that year we exported a mere 4 million gallons of bourbon. What happens when a fifth reaches Japan. First, they put on the 35 percent GATT duty, then they add their landed costs—stevedoring, freight, insurance, and so forth. If this total exceeds $16 per bottle, they introduce another 220-percent duty. Below $16 they add a 150-percent tax. This brings the price of a fifth of American bourbon to $20. What has happened, in effect, is that the Japanese nontariff barriers have done to American spirits what Carry Nation with an ax and Bible could never have accomplished. This is not just an isolated example, but as you can see from this list, it is one of hundreds of nontariff barriers which discriminates against American products.

I ask unanimous consent that a list of quantitative restrictions on U.S. goods be printed in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

QUANTITATIVE RESTRICTIONS ON UNITED STATES GOODS

ARGENTINA

Quantitative restrictions (QR): Imports of automotive products, wheeled tractors from 12 to 120 hp., crawler tractors from 12 to 85 hp. embargoed. Valuation and Taxes (V&T): Nearly all imports except raw materials and capital goods need prior deposits of 40% c.i.f., which is held without interest for 180 days: imported tractors do not enjoy investment tax credit of up to 60% of liability given to domestic makes; taxes of 1.5% on c.i.f. value of all imports (0.3% if item is duty free); 4% surcharge on ocean freight charges; consular fee of 1.5% f.o.b. value of import, payable to consulate within whose jurisdiction commercial invoices to be notarized are issued; special steel fund tax of 2–20 pesos per net kilo of iron and steel products; special tax of 4–10% of forest products' c.i.f. value. Executive can establish minimum values on which import duties are levied on various officially designated products; excise tax on various products, which is specific on some and ad valorem on others. Health, Sanitary and Safety Restrictions (HS&S): Pharmaceuticals, cosmetics subject to prior registration in Argentina.

AUSTRALIA

QR: Licenses required for some types of machinery, metals, vehicles, clothing. V&T: Sales tax levied on landed value of wide range of industrial and consumer items, as follows: household goods 2½%; general 15%, luxury 25% (tax base for imports is their duty-paid value inflated by 20%). Other Restrictions (OR): Screen-time quotas in New South Wales require 15% of all films shown to be British and 2% Australian; all packaged products subject to arbitrary weights and measures limitations (uniform system due in Nov.). Government Aids (GA): exports of many chemicals subsidized (Australia has not subscribed to GATT declaration banning such subsidies).

AUSTRIA

QR: License required for lignite, except bituminous coal; cinematographic film, exposed and developed, except for toy projectors; fish, plastic bags, detergents, shirts (not knitted), lumber, artificial sweeteners, toilet soap, batteries. Quotas restrict penicillin, thyrothrium, antibiotics and medicaments containing antibiotics; wine, except sparkling wines in bottles. V&T: Border taxes ranging from 6.25 to 13% on all imports. Variable Levies (VL): on sugar, starch, and products made of these and other agricultural raw materials, in lieu of customs duties, skimming charges—based on price differentials between threshold and gate prices and consisting of fixed protective element plus a variable levy—may be collected. Currently in force: 20% a.v. plus 549 Austrian schillings per 100 kg. on core binders used in foundry work on basis of starch and dextrine; 20% a.v. plus 525 schillings per 100 kg. on starch-ether soluble in water, and starch esters. Government Procurement (GP): For all products and services, article regulating government purchasing provides that "if circumstances permit, only Austrian products shall be used and Austrian firms shall be engaged." Regulations do not apply to nationalized industries. EFTA members have equal opportunity with domestic firms under Art. 14 of Stockholm Convention. Draft law covering government procurement which eliminates discrimination against foreign firms submitted to parliament; enactment likely. QR: Antidumping procedures on all imports. Government establishes "guiding" or "minimum" prices for products which cause market disruptions. At present, minimum prices in force for cotton yarn, cotton fabrics, woolen fabrics, cardigans and pullovers of wool. Although imports of salt and products containing salt are liberalized, must be approved by Administration of the Austrian Salt Monopoly. State monopoly has sole right to import, produce and sell raw and processed tobacco and products. Industrially-produced raw spirits must be sold to the monopoly.

BARBADOS

QR: Licenses required for fish, plastic bags, detergents, some pharmaceuticals, shirts (not knitted), lumber, artificial sweeteners, toilet soap, batteries. V&T: Autos, initial registration tax of 20% on c.i.f. value; rum, beer, gasoline, diesel fuel. excise taxes on c.i.f. duty-paid value; clothing (not knitted), minimum c.i.f. value for Customs purposes; all imports except those in following list, surtax of 20% of c.i.f. duty-paid value; polishes, grease, hardware, implements and tools (ex. agricultural), lubricating oil, cosmetics and perfume, photographic appliances and accessories (ex. films), typewritten and parts, turpentine, wood headings and furniture, motor spirit for use in road vehicles, tobacco, snuff, beer and alcoholic beverages, motor vehicles and parts, surtax of 10% of c.i.f. duty-paid value.

BELGIUM-LUXEMBOURG

QR: Anthracite and coking coal, under quota restriction, licenses required; on broad variety of products, licenses required but freely granted for U.S. goods. Changes may be forthcoming in quota system for coking coal because of short supply. V&T: Transmission tax or lump-sum tax levied on all imported goods, generally 7% but may vary on certain commodities from 1% to 15% (transmission tax scheduled to be replaced by value-added tax Jan. 1, 1971); road tax based on fiscal horsepower levied on autos. GP: Belgium: For all products and services, foreign bids may be rejected if "for economic reasons it is essential that the contract should go to Belgian industry, subject however to the price differential not exceeding certain limits." (Price differential reported to be 10% normally.) Luxembourg: Art. 19 (12/29/56) stipulates that "in principle, products of foreign origin shall not be used if producers in Benelux Customs Union are able to supply the same quality at prices which are substantially the same." (Products of Benelux origin believed given 10% margin of preference. License to trade, which foreign bidders must have, issued only to nationals of countries having reciprocal arrangements.)

BRAZIL

QR: Licenses, based on proof of purchase of like amount of domestic caustic soda, required for caustic soda. Autos and motorboats priced in country-of-origin at above $3,500 incl. accessories, embargoed. Prior authorization for petroleum products required (assures full utilization of domestic production and LAFTA sources of supply before third country imports are allowed). V&T: All products, port improvement tax 1% levied on c.i.f. value and merchant marine improvement tax of 10% of freight charges; wide variety of processed or manufactured goods, industrialized products tax of 4–30% on c.i.f. duty-paid value; many products, minimum valuation system. GP: On all goods purchased for public account, public entities must give preference to locally manufactured goods and cannot import "nonessential" goods. State trading monopoly for packaged lubricating oil, petroleum, rubber. OR: On motion picture films, exhibitors must show one Brazilian feature for eight non-Brazilian films.

BURMA

GP: On products purchased for public account, Government purchasing agencies often issue tender notices with short bid deadlines. Government is sole importer. V&T: Luxury goods taxed 18.75%; standard goods, 12.5%; privileged goods, 6.25%.

BURUNDI

QR: Licenses required for all imports. V&T: Statistical tax of 3% on all imports.

CAMEROON

QR: Licenses required for all imports. For licensing, all trade classified into 3 categories: Franc Zone (free of restrictions); Common Market countries (separate import quotas); all other countries (more restrictive global import quotas); licenses not ordinarily issued for commodities available from Franc Zone; exchange quotas for all imports. V&T: Revenue tax up to 50% on all imports; turnover tax of 10% on c.i.f. duty-paid value on all dutiable imports (discriminatory in that certain countries are exempt from customs duties); additional tax of 5–35% on many products; minimum valuation system for used clothing. GP: Government procurement practices on products purchased for public account. OR: Bilateral trade agreements on various products (such agreements generally provide licensing guarantees to specified amounts of goods).

CANADA

QR: Used aircraft prohibited with some exceptions; used autos and other vehicles, manufactured before calendar year in which imported, with some exceptions, prohibited. V&T: Arbitrary valuation and surtax on gasoline-type fuels for use in internal combustion engines other than aircraft (surtax is equal to difference between export price and an arbitrary value of 10.5 cents for regular and 12.5 cents for premiums per imperial gallon). HS&S: Safety regulations on electrical equipment. OR: Canadian provinces reluctant to carry U.S. liquor brands in Government-operated monopoly stores; canned foods imports permitted only if in cans of sizes established by Canadian Gov't.

CENTRAL AFRICAN REPUBLIC

QR: Licenses required and exchange quotas established for all imports (for licensing trade classified in 3 categories—see description under QR for Cameroon); quota set for used clothing; used shirts embargoed. V&T: Revenue tax up to 50% on all imports; turnover tax of 10% on c.i.f. duty-paid value on all dutiable imports (certain countries exempt from customs duties); additional tax of 5–15% on textiles, men's and used clothing, radios, autos, trucks, eyeglasses; arbitrary valuation on used clothing

CEYLON

QR: Numerous manufactured articles embargoed; items on Import Schedule 1—drugs, feed additives, agricultural hand tools and implements, fertilizers, petroleum products, surgical belts and hearing aids, artificial dentures, artificial eyes and limbs, scientific glassware—licensed under quotas at official rate of exchange of 5.59 Ceylon rupees to the dollar; items on Schedule 2 (long list) licensed under quotas and imported at depreciated exchange rate; some 350 other items (Sched. 3), mostly industrial raw materials, machinery, chemicals, on open general license but also imported at depreciated exchange rate; multiple exchange rate practices affect all imports except those in Sched. 1, through a certificate scheme (Foreign Exchange Entitlement Certificates). OR: Drugs and pharmaceutical preparations must conform to British Pharmacopoeia, Int'l Pharmacopoeia, or the British Pharmacopoeia Code; State trading monopoly for fish, cement, textiles, newsprint, paper and paperboard, petroleum products, caustic soda, other products.

CHAD

QR: Licenses required and exchange quotas established for all imports: for licensing, all trade classified into 3 categories (see description under QR for Cameroon). V&T: Revenue tax up to 50% on all imports; turnover tax of 10% on c.i.f. duty-paid value on all dutiable imports (certain countries exempt from customs duties); additional tax of 5–45% on selected items; arbitrary valuation on used clothing.

CHILE

QR: Importers required to register (license) all imports with Central Bank through authorized commercial bank; prior deposit of 15–50% of c.i.f. value on some imports (advanced deposit of varying rates required depending on essentiality of product; deposit returned after goods have cleared Customs, and may be used toward payment of customs duties; this requirement being phased out); prior deposit of 10.000% of c.i.f. value on a few imports, including office machinery and public service vehicles; embargo on luxury goods; special ad hoc quotas on numerous products for government procurement and certain preferred activities. V&T: Turnover tax of 8% on c.i.f. duty-paid value for variety of processed or manufactured goods; port improvement tax of 2% on c.i.f. value, and merchant marine improvement tax of 10% of freight charges on all imports.

CONGO (BRAZZAVILLE)

QR: Licenses required and exchange quotas established for most imports; for licensing, all trade is classified into 3 categories (see description under QR for Cameroon). V&T: Import revenue tax of up to 50% on all imports; turnover tax of 10% on c.i.f. duty-paid value on all dutiable imports (certain countries are exempt from customs duties); additional tax of 5–15% on selected items; arbitrary valuation on used clothing. OR: Office National du Commerce is sole buyer and seller of all merchandise destined for "northern regions."

CYPRUS

QR: Licenses, generally granted freely, required on certain chemicals and chemical products, textiles and textile products, manufactures of base metals, wood products, and most nonelectrical machinery; other items imported without restriction from any country other than communist countries of Asia, Albania, and those with which Cyprus has bilateral agreements.

DAHOMEY

QR: Licenses required for all imports originating outside Franc Zone; annual global import quota establish for all goods not originating in EEC or from Franc Zone; matches, alcohol, alcoholic beverages, diamonds embargoed. V&T: Discriminatory 3-column tariff provides for 3 categories of countries, each assigned duties at different rate.

DENMARK

QR: Licenses required on oysters (except spat); ethyl alcohol or neutral spirits, undenatured, of a strength of 80° or higher; denatured spirits of any strength; ethyl alcohol, undenatured, under 80°. V&T: Value-added tax of 12½% on c.i.f. duty-paid value on almost all manufactured goods; in addition, excise tax on c.i.f. value on autos and motorcycles. GP: On all products, discrimination favoring domestic procurement accomplished by administrative action. EFTA members have equal opportunity with domestic firms under Art. 14 of Stockholm Convention. HS&S: Senate testing organizations for electrical equipment in Denmark, Finland, Norway, Sweden each apply separate standards for electrical equipment and require individual testing in country prior to certifying imports.

DOMINICAN REPUBLIC

QR: Certain products subject to exchange quotas; passenger cars valued at more than $2,000 embargoed; wide range of food items and household goods, smaller number of manufactured goods embargoed; wide range importable only under prepaid letter of credit; prior import deposit of 10%, or 40% of f.o.b. value for smooth period on wide range of products.

EAST AFRICAN COMMUNITY

(See Kenya, Tanzania, Uganda.)

FINLAND

QR: Global quotas mineral tar, coal tar distillation products, solvent gasoline, aviation gasoline, bitumen, unwrought silver, gold, platinum; individual licenses required for coal, coke, petroleum and shale oils, gasoline, aviation and heating kerosene, gas-oil and fuel oils, processed foods. V&T: Turnover tax of 12.4% on almost all manufactured goods; in addition, on autos and motorcycles; excise tax of 140% (higher of higher priced cars) of c.i.f. duty-paid value minus 2,500 Finmarks ($595). Excise tax on c.i.f. duty-paid value of alcoholic beverages, confectionery, sugar, matches, auto tires, tobacco products, mineral waters, liquid fuels, certain fats and foods. OR: State trading in alcoholic beverages, crude petroleum, grains; for passenger cars from certain bilateral trading countries, minimum down-payment of 30% with 20 mo. to pay balance and, from other countries, 50% down payment with 12 mo. to pay remainder; compound fertilizers require Ministry of Agriculture permit. HS&S: See HS&S for Denmark.

FRANCE

QR: Quantitatve restrictions and/or licensing on crystal diodes and triodes including transistors and parts, aircraft and parts, wine rosin, certain textiles, semiconductors, canned tuna, pertoleum products, numerous other goods; quota restrictions on watches, parts, V&T: Annual use tax on passenger cars (standard U.S. cars fall in highest tax bracket liable to payment in first year of $200; European cars generally pay $30); border tax of up to 33% on c.i.f. duty-paid value of most industrial products; excise taxes on whiskey, other grain spirits. GP: Administrative practices not codified. French public sector operates effective "Buy French" policy; "absolute priority" given to procurement of domestic products "equivalent" to offered foreign product.

HS&S: Pharmaceutical regulations ostensibly protect public health, but also protect domestic industry; virtual embargo on imports of pharmaceutical specialties packaged for retail sale; severe restrictions on bulk mixtures that cannot be easily analyzed. With few exceptions, "visa"—required before distribution of pharmaceutical specialties packaged for retail sale is permitted—is not granted for imported products.

QR: State monopoly on cigarettes, other manufactured tobacco (following move toward CXT, retail prices of U.S. cigarettes have been increased proportionately more than on comparable domestic brands—contravening undertaking on pricing which U.S. obtained from France in 1947); State trading in coal, paper for periodicals, pertoleum products; tripartite accord on electronic equipment (France, W. Germany, U.K. have drawn up accord to facilitate mutual acceptability of quality certification with membership open to all EEC and EFTA countries; it could lead to discrimination against U.S. goods); prohibition on advertising whisky, other grain spirits (wines, fruit-distilled spirits may be advertised).

GABON

QR: Licensing and exchange quotas for all imports. For licensing, all trade is classified into 3 categories—Franc Zone and Common Market countries, free of restrictions: Far East, imports not to exceed 10% of total imports from all countries combined during a given year; all other countries, quotas established annually on basis of lists submitted by all important importers. V&T: Revenue tax up to 50% on all imports; turnover tax of 10%, on c.i.f. duty-paid value for all dutiable imports (certain countries exempt from customs duties); additional tax of 5–15% on c.i.f. duty-paid value for petroleum fuels, lubricants, firearms; arbitrary valuation on used clothing.

GERMANY, FEDERAL REPUBLIC

QR: Quotas on certain kinds of: fish, wines, fabrics, household articles, and other items; licenses for all those U.S. nonagricultural commodities in which the U.S. has a significant exporter interest are now being granted automatically and without limit. V&T: Value-added tax of 11% on c.i.f. duty-paid value of industrial imports. OR: Tariff quota on pit coal, briquettes of pit coal and similar solid fuels manufactured from coal except for bunkering of seagoing vessels, and for production of coke under processing contracts (use of imported hard coal throughout W. Germ. is now permitted if qualified consumers can show that they are unable to satisfy requirements by purchases from EEC countries); tripartite accord on electronic equipment (see description under OR for France).

GHANA

Licenses required for most imports. V&T: purchase tax of 5% to 100% on vehicles; sales tax of 11½% on c.i.f. duty-paid value for most imports; excise tax of 2½–75% a.v. on sales price which includes c.i.f. duty-paid value for selected luxury consumers goods. OR: Most imports must be handled on 180-day credit terms.

GREECE

QR: Licenses required on List A items—products such as cosmetics, textiles. TV receivers, vehicles; licenses required on List B items—such as agricultural, mining, food processing and electrical machinery and spares; used machinery and spares except used earthmoving and roadbuilding equipment; quota for TV receivers. V&T: Turnover tax on all imports of 2.25–8.75%, on c.i.f. duty paid value (rates are 25% more than those on like domestic products, and are applied on c.i.f. duty-paid value which has been uplifted by 20–50%); tax of 10–70% on c.i.f. value for luxury goods; consumption tax of 10–70% on specific rates, or on c.i.f. duty-and-tax-paid value for consumer goods; discriminatory license tax and discriminatory registration tax on motor vehicles.

GP: Principle of nondiscrimination is administratively limited (purchases in excess of $50,000 may be limited to Greek suppliers; no international bidding if purchases can be made from countries with which Greece has bilateral clearing arrangements; foreign firms may be required to bid in association with Greek firm; guarantees of participation, performance applicable to foreign bids may be waived for domestic firms; Law 3215/1955 grants preference of 8% to Greek goods). OR: Maximum permissible length for taxis, 5m., and maximum permissible hp., 20 (Greek hp.). State trading in cigarette paper, kerosene, alcohol, matches, salt, playing cards saccharine, petroleum products. Screen-time quota for motion-picture films. Limit on terms of credit, or advance cash deposit requirements, for all imports (requirement more severe for luxury items, less stringent for products considered essential).

GUYANA

QR: Licenses required on alcoholic beverages, cigars, cigarettes, tobacco, extracts, mineral fuels, lubricants, toys, certain chemicals, other items. V&T: Special tax, for protection of home industries, on imports of chairs, footwear parts.

HAITI

QR: Licenses required for various products, exchange controls on all products; prior authorization for detergents, plastic articles, firearms & ammunition, rubber heels and soles, cotton fabrics (imports allowed only if domestic production fails to meet local demand); Christmas trees, used clothing, rags, hats, shoes, household linens and furnishings embargoed. OR: State trading in tobacco, matches, soap, detergents, cosmetics, textiles, tires, tubes, cement, various agricultural chemicals, household appliances, wine, beer, whisky, rum, toilet articles, nonagricultural machinery. State-licensed, private monopoly: TV sets and parts, fish, building construction materials.

ICELAND

QR: Global quotas for electric transformers, building board, certain furniture, ladies' stockings, brooms and brushes, works of art, reconstituted wood, fishing lines and cords, ropes; licenses required for paperboard cartons and containers. V&T: Sales tax of 11% on c.i.f. duty-paid value for all products except footwear, aviation gasoline, packaging, fishing equipment, aircraft; special tax on gasoline, tubes, tires. Special foreign exchange fee of 0.5% of declared customs value for cement, timber, reinforcement iron for construction. Foreign exchange fee of 0.5% of import price as stipulated by license for products subject to import licensing. OR: Prior deposit on all imports except petroleum, fishing gear, fertilizers, industrial raw materials (deposit must be placed with bank selling exchange equal to 15–25% of amount of foreign exchange purchased; deposit held for at least 3 months). State trading in tobacco, fertilizers, wine and liquor, perfumes, safety matches.

INDIA

QR: Licensing, exchange control, quota, embargo restrictions on all commercial imports. Special licensing terms for capital goods, heavy electrical plant, machine tools valued at $100,000 or more (such imports permitted if covered by long-term foreign loans or investments, private or governmental; also for maintenance and replacement and purposes requiring small cash payments. V&T: Licensing fees on all commercial imports; discriminatory excise tax on numerous products.

GP: On items purchased for public account, price preference of up to 40% accorded indigenous products. Administrative practices include issuing bid invitation on short deadline, failing to identify source of financing, restricting quotations or specs to British and Indian standards, renogtiating bids. OR: State trading in artificial silk yarn and thread, caustic soda, soda ash, newsprint, cement, fertilizer, petroleum products, mercury sulfur, tractors, printing and textile machinery, tires and other items determined from time to time; discrimination resulting from bilateral agreements on capital goods and other items; discriminatory import privileges on machine tools and on imports in general; restriction on appointment of foreign-controlled branches or subsidiaries.

INDONESIA

QR: Exchange controls on all products; embargo on batik-motif textiles, cigarettes, certain types of tires. V&T: Surcharge of 50–60% based on import duty for all except essential commodities; sales tax rates same for comparable imported and domestically produced goods except for semi-luxury textiles and tires; 1% tax on letters of credit for all products; ½% import tax, on c.i.f. duty-paid value, and ½% customs charge, on all products; excess profit levy of 15 rupiah or 250 rupiah per U.S. dollar value on import of a few items to which surcharges do not apply special retribution tax on most items on GATT schedules. OR: State trading for some essential items, prior deposit for all products.

IRELAND

QR: Licenses required for tobacco products; quotas set for superphosphates, certain hosiery and footwear, laminated springs for vehicles, spark plugs and metal components, certain bulbs, brushes, brooms, mops. V&T: Wholesale tax of 10% or 15%, or turnover tax of 2½% on c.i.f. duty-paid value for most imports.

ISRAEL

QR: Licensing under quota for a few imports (countries with which Israel has bilateral agreements are favored in issuing licenses for goods available from these sources). V&T: Purchase tax of 5% to over 100% on c.i.f. duty-paid value for many imports; discriminatory purchase taxes and annual property tax on autos; import surcharge on numerous products. OR: "Mixing" requirements on tractors (25–30% of value of imported wheeled tractors required to be Israeli-produced); prior deposit of 50% of value on all imports.

ITALY

QR: Quotas on tetraethyl lead, antiknock preparations, wine; licenses required for essential oils other than terpeneles, obtained from citrus, cork and products, certain vehicles. V&T: Turnover tax of 4% on c.i.f. duty-paid value on most imports; compensatory tax of 1.2-7.8% on c.i.f. duty-paid value for majority of imports; road tax on autos; administrative service fee (½%) and statistical fee (10 lira per unit) on all imports; excise tax on cigarettes. GP: 30% of Government purchasing reserved to Southern Italy and Islands for development. Ministry of Defense has recourse to foreign products only if domestic sources are unavailable or not suitable to needs. Gov. Depts. do not in principle have relations with foreign firms—only with firms legally established in Italy. OR: Screen-time quota on motion-picture films. State monopolies on cigarettes, nicotine products, salt, matches, flint, cigarette lighters.

IVORY COAST

QR: Quotas established for all imports; goods from France, Franc Zone countries enter freely (separate quotas apply to products from EEC countries and to rest of world); licenses required for all imports (from all countries outside Franc Zone, EEC); embargo on paint, detergents, matches, coffee-husking machines. V&T: Fiscal tax of 10-15% of c.i.f. value and statistical tax of 1% of c.i.f. value on all imports; value-added tax of 8-43%, normally 18% of duty-paid value, and special duty of 10% on c.i.f. value on most imports; arbitrary valuation for used clothing, footwear, petroleum products, soaps, radio receivers, other items. OR: Discriminatory pricing formula and visa requirements for pharmaceuticals.

JAMAICA

QR: Licenses required for many products, including asbestos cement pipes, earthenware pipes, metal structural forms, tiles, roofing materials, cement rubber products, metal furniture, aluminum holloware, garments, hosiery, detergents; embargo on autos with wheelbase of 116" or over, which prevents import of standardized U.S. cars.

JAPAN

QR: Quotas established for coal, gas oils, heavy fuel and raw oils, other petroleum oils, some chemicals and pharmaceuticals, leathers (excel. raw) and products, especially footwear, large turbines, office machinery incl. digital computers and parts, other products; automatic licensing (licenses freely granted but importer must submit imports for approval) for machinery, chemicals, drugs, processed foods, other products, license required for all imports. V&T: Internal tax of 150-220% on high-priced whiskies, brandies, auto (sales) tax of 15-40% and annual road tax of $100-$167 for large U.S.-sized cars, value uplift for customs purposes on a few imported goods, particularly parent/subsidiary transactions.

GP: On 14 categories of goods, including motor vehicles, electronic computers, aircraft, machine tools, agricultural and construction machinery, permission for procurement without open bidding granted by Cabinet Order 336 of Sept. 25, 1963. HS&S: Ban on foods containing unapproved food additives. OR: State trading for tobacco manufactures, alcohol of 90° strength or higher; on certain imports, weights must be indicated in metric measurements only; discriminatory credit restrictions on all imports; discriminatory treatment for premiums offered by importers and exporters of several products, such as air conditioners and instant curry; technical licensing requirement for heavy electrical equipment and possibly other products; restrictions on capital investment (many U.S. firms unable to establish facilities in Japan from which to direct sales, service operations because of such restrictions; *even obtaining minority interest in a Japanese corporation extremely difficult*).

KENYA

QR: Specific licenses required for many products, other imports enter under open general licenses; quotas on certain clothing. GP: Overseas procurement for Government handled through Crown Agents in London, giving British suppliers strong advantage. OR: State trading in dye-in-piece fabrics, khaki drill, colored fabrics, secondhand clothing, soap, detergents, salt, developed 35-mm. cinematographic films.

KOREA

QR: About 75 miscellaneous manufactured products embargoed. Quotas maintained on about 55 SITC classifications, including plastics, iron and steel structures, glass, manufactures of metal. All imports subject to licensing, but approval is automatic for most. V&T: Special Customs duty of 70% of "excess" profit on items normally dutiable at 40% or less, and 90% on those over 40% applied to most imports. Commodity tax of 2–70% of landed cost plus applicable duty levied on wide range of items. OR: Prior deposits of from 30–150% of import value required for most imports.

KUWAIT

QR: Embargoes in effect on alcoholic beverage, used trucks and buses, spiral weld steel pipe, medicines containing cobalt salts, industrial and medical oxygen gas, magnetizers, ethyl alcohol. Insecticides must be licensed. OR: Trade in asbestos pipe is run by a Government-sanctioned private monopoly.

MALAGASY REPUBLIC

QR: All imports subject to exchange quotas and licensing. Annual import program provides quotas for specified commodities from EEC countries other than France; global quotas for all other countries outside the Franc Zone. Special quotas apply to batteries for electric accumulators and alcoholic beverages. Prior authorization required for used metal casks and drums, used clothing, alcoholic beverages, used sacks and bags. New sacks and bags also embargoed, and partial embargo covers imports of cement into part of west coast. V&T: Import tax of 0–50% of c.i.f. value on most items. Consumption tax of 10–135% of c.i.f. duty-paid value on tobacco, footwear and alcoholic beverages. There is a charge of 300 francs per metric ton on cement. GP: Procurement practices are featured by short notification and administrative discrimination. OR: Beer container size is strictly regulated and beer with less than 4% alcohol is prohibited.

MALAWI

QR: Discriminatory licensing policy for some products does not require licenses from Sterling countries. GP: Overseas procurement handled through Crown Agents in London, giving British supplier strong advantage.

MALAYSIA

V&T: Surtax of 2% c.i.f. on most imports. Trucks and buses of non-Commonwealth origin pay 15% registration fee; Commonwealth suppliers pay none. GP: "Buy National" policy directs public agencies to pay up to 5% more for domestically-made goods. QR: as many as 100 items at any given time temporarily subject to specific licensing or quantitative restrictions. OR: Foreign-made films subject to screen-time quotas.

MALTA

QR: Embargoes machinery for producing stockings, refrigeration machinery, motor buses, water pumps, cement floor tiles, basketware of cane, willow or wicker, other items. Steel wool, certain items of men's and ladies' apparel and electrical wiring accessories subject to licensing.

MAURITANIA

QR: All goods imported freely from France and Franc Zone countries; special quotas for EEC, global quotas for rest of world. V&T: All imports subject to fiscal tax of 10–15% of c.i.f. value; Standard import tax of 20–30% of c.i.f. plus duty-paid value; turnover tax of 10–22% of c.i.f. value plus all other taxes; and statistical tax which is generally four CFA francs per unit. OR, State trading in percales and guinea cloth.

NETHERLANDS

QR: Various products subject to licensing; however, except for coal and coke, licenses automatically granted to U.S. products. V&T: Most imports pay a value-added tax with general rate of 12%; some necessities pay only 4%. Excise taxes on tobacco products, ethyl/propyl and isopropyl alcohol, beer, wine, petroleum products.

NEW ZEALAND

QR: 32% of value of imports subject to quotas or licensing. V&T: Sales tax on wide range of non-essential items: 20% for most; 30% for photo apparatus, watches, telescopes, stereoscopes, cigarette lighters; 40% for motor vehicles, motorcycles.

NICARAGUA

QR: Prior authorization required for cotton ginning plants and textile manufactures, industrial plants for pasteurizing milk, equipment to slaughter cattle and hogs, rubber tires and tubes. V&T: Most products subject to import surcharge of 30% of c.i.f. value.

NIGER

QR: Most products subject to exchange quotas and licensing from which Franc Zone countries are exempt; being removed gradually for EEC. No license issued if goods available in Franc Zone. Country and global quotas. Prior authorization on plastic articles, matches and soap. V&T: Taxes on c.i.f. value of all imports; fiscal, 10–15%; statistical, 1%; standard, 25% of c.i.f. duty-paid value (10% for industrial raw material and equipment); turnover, 10–22%. Arbitrary valuation on used clothing. Transaction tax of 10% (c.i.f.) on perfume, cotton, knitted goods, aluminum household utensils. Discriminatory excise taxes on cigarettes.

NIGERIA

QR: Many products subject to specific licensing. V&T: Surtax of 6.75% of amount of duty paid on all imports.

NORWAY

QR: Commercial vessels subject to licensing. V&T: Value-added tax of 20% c.i.f. duty-paid value on nearly all products (11% on capital goods for investment purposes); imports subject to traffic tax from which domestic goods moving in internal trade are exempted; progressive nature of automobile tax weighs more heavily on expensive models; trailers, buses, some motorcycles subject to 25% tax of c.i.f. duty-paid value plus traffic tax (35% for other motor vehicles). GP: Domestic and EFTA bidders get preference of 15% on all Government purchases. Monopoly control and price fixing on pharmaceutical products. OR: State trading in alcohol, medicines, fishing gear. Binding sole of all shoes must be made of single piece of natural leather, which precludes of artificial leathers such as "corfam." HS&S: Rigid technical standards for electrical items.

PAKISTAN

QR: Licenses required for private shipments of all but 14 items on Free List. Many products embargoed. U.S. autos virtually embargoed, as they must have landed cost of $2331 or less. V&T: Sales tax of 15% c.i.f. duty-paid value on most products, which are also charged a Defense tax of 25% of sales tax. Surcharge of 25% of customs duty on all except exempted machinery items. Equalization tax on landed cost of industrial raw materials and some other items from cheaper foreign sources is equal to difference between lowest- and highest-priced imports. OR: Remittance restrictions on motion picture films, and varying exchange rates apply to most other imports. State is sole importer of several metals, foods and artsilk yarns.

PERU

QR: Licenses required for all used machinery and new textile machinery. Indefinite embargo on many products, including footwear, radios, refrigerators, textiles and automobiles. V&T: Arbitrary customs valuation system. Statistical tax of 2% c.i.f. duty-paid value (3% c.i.f. if good is duty-exempt). All products arriving by sea must pay a maritime freight tax of 4% of ocean freight charges. Most products pay a surcharge of 10% of c.i.f. value. GP: Government agencies and institutions receiving government funds prohibited from importing goods produced domestically. OR: Prior authorization needed for pharmaceuticals, cosmetics, toilet articles, matches.

POLAND

State trading in all products; bilateral purchase agreements influence buying practices rather than price, quality, etc. Marketing practices restrict foreign firms' access to potential buyers.

PORTUGAL

QR: Global or bilateral quotas on about 50 items. Licenses required for all shipments valued at more than $87.50. Prior authorization needed for saccharine and foods containing saccharine. Used clothing is embargoed. V&T: Transaction tax of 7% (20% on luxuries) on 140% of c.i.f. duty-paid value of most products. Progressive sales tax on autos is particularly burdensome on higher-priced models. GP: Domestic and EFTA suppliers get preference on all purchases for public account.

RWANDA

QR: All products require licenses. V&T: Fiscal tax of 10–30% and statistical tax of 3% on c.i.f. value for most imports. Alcoholic beverages, petroleum, tobacco products subject to consumption tax.

SENEGAL

QR: Exchange quotas allocated to all countries outside Franc Zone; separate quotas for EEC. Certificates required for liberalized imports. Matches, some clothing and certain construction materials embargoed. V&T: Fiscal tax of 10–15% of c.i.f. value, turnover tax of 10–22% of c.i.f. plus all other taxes, statistical tax of four CFA francs apply to all imports. Most others also subject to standard tax of 20 or 30% of c.i.f. plus tariff plus fiscal duty plus statistical tax. Lubricants must pay 15.5–25.5 CFA francs per liter. HS&S: visa (which may be denied) required for pharmaceuticals: fee for visa application is high.

SIERRA LEONE

QR: A few products require specific licenses. V&T: automobile valuation based on engine size, which discriminates against high horsepower vehicles.

SOUTH AFRICA

QR: Most products require licenses; subject to sales tax of 5, 10 or 20%.

SOUTHERN RHODESIA

QR: Many luxury and domestically-produced goods require licenses or have quotas. Light and heavy built-up commercial vehicles embargoed.

SPAIN

QR: Import declaration required all liberalized goods. License (generally not granted) required for all used machinery and second quality goods. Motion pictures subject to screen-time quota. Global quotas in effect on about 58 categories. Others subject to bilateral import regime. V&T: Compensatory tax of form 3–15% on c.i.f. duty-paid value. Dubbing taxes on motion pictures (highest on U.S. films). Threatened "abnormal price" actions induce importers to pay prices which cancel out a low-cost producer's advantage. Import deposit of 20% c.i.f. on all products held for six months without interest (Decree in force through Dec. 1970). GP: Imports prohibited from projects involving government funds. Where Spanish products are unavailable, short bid deadlines often have effect of excluding foreign competitors. OR: State trading in certain types of coal, petroleum derivatives tobacco. Requirement that several synthetic fibers must be imported directly from factory discriminates against middle-man organizations, which must procure licenses.

SWEDEN

QR: Licenses required for all automobile imports. V&T: Value-added tax of 10 or 14% on c.i.f. duty-paid value of all imports. Sales tax is based on the c.i.f. duty-paid value of certain rugs, gold and silver items, precious stones. Certain furs subject to 2–10% tax on c.i.f. duty-paid value. Toilet articles and cosmetics pay a commodity tax of 50% of wholesale price. HS&S: Rigid technical standards for electrical equipment. OR: State trading in wines, spirits.

SWITZERLAND

QR: Licenses needed for trucks, cotton fabrics, jute textiles, clothing, certain carpets, and various minerals and chemicals. Quotas for wine in barrels. V&T: Road taxes and compulsory insurance rates based on horsepower. Turnover tax of 5.4% on c.i.f. duty-paid value of all products. OR: State trading in alcoholic beverages.

TANZANIA

QR: Specific licenses required for various products, other imports enter under open general license. OR: State trading for textiles, bicycles, motion-picture films, cement, matches.

TOGO

QR: Licenses for all products. V&T: Transaction tax of 18% of c.i.f. value plus all taxes. Statistical tax of 1% c.i.f. value. Warehouse tax of 1% c.i.f. value. Fiscal stamp tax of 3% of all duties and taxes. Special import tax of ten CFA francs per 100 kg. Luxury tax of 40 CFA francs on textiles, alcoholic beverages, perfumes. Tax of 125 CFA francs per ton of tobacco manufactures, jute goods. Lighthouse tax of 20 CFA francs per ton. Berthage tax of 125–510 CFA francs per kg.

TRINIDAD AND TOBAGO

QR: Domestically-produced items subject to strict import quota licensing, and in some cases prohibited. Soap, detergents, paper, cement, lead, air conditioners, cotton fabrics and furniture strictly controlled.

TUNISIA

QR: Global and bilateral quotas apply to most products. Licenses required for all goods from non-Franc Zone countries. Various goods are completely embargoed. V&T: Production tax of 15.5–19.9% on duty-paid value of all imports. Customs formality tax of 1.81% of landed cost of all items. Luxury goods pay consumption tax of 7.5–25% of duty-paid value and a National Defense Fund tax of 10% of either consumption tax or duty, whichever is higher. Perfume, soap, tires, petroleum products, explosives, other items subject to consumption duty of 11–100%. Wide variety of products subject to state trading.

TURKEY

QR: All products subject to licensing, with special consideration to items traded with bilateral agreement countries. Quotas on varied items. V&T: All goods imported by sea pay 5% port tax based on c.i.f. plus duty, surtax and customs clearance costs. All imports pay 15% surtax on customs duty, as well as stamp tax of 25% of c.i.f. value. Most pay discriminatory production tax ranging from 10–75% of c.i.f. value plus customs duty, customs surtax, port tax and customs clearing expenses. Foreign motion picture films pay a higher tax (41%) than domestic ones (25%). Automobile surtax varies according to weight and age. OR: Tobacco products, alcoholic beverages, salt, sugar, most agricultural equipment subject to static trading. 50% advance deposit required for goods on liberation list and quota list goods imported against letter of credit.

Guarantee deposits of 20, 50, 90, or 120%, depending on import list, required with import application. Smaller deposit (1–10%) on goods imported under certain investment programs.

UGANDA

QR: Specific licensing required for many products: other imports enter under open general license; quotas established for motor cars, station wagons, motorcycles; embargo on used clothing. GP: Overseas procurement for Government handled through Crown Agents in London, giving British suppliers strong advantage.

UNITED ARAB REPUBLIC (EGYPT)

QR: Import trade nationalized. About half of all tariff items embargoed. Exchange allocations imposed to meet commitments under bilateral agreements. V&T: Statistical tax of 1% c.i.f. value on all imports except wheat. Revenue tax of 10% on foreign-made non-essential goods, with 5% tax on essential food items. Pavement tax of 3% of sum of customs duty, statistical tax, revenue tax and applicable excise taxes applies to all imports. Porterage fee, also. All goods imported through UAR ports pay marine duty of 0.2% of c.i.f. value. Excise duties apply to variety of items, mostly consumer goods.

UNITED KINGDOM

QR: License required for coal, coke, and solid fuels, but none are issued. Quotas on cigars, jute cloth, rum, motion picture and TV films. GP: While no procedures have been published, purchasing departments when intending to place orders abroad try to find out whether the products can be obtained on competitive terms within the Commonwealth. Some administrative measure of preference is given to firms in development districts. Preference is also specifically given to computers of U.K. manufacture. EFTA members have equal opportunity with domestic firms under Article 14 of the Stockholm Convention. British Admiralty requires that lumber for which tenders are invited must originate in British Columbia. OR: Tripartite accord on electronic equipment (see description under OR for France).

UPPER VOLTA

QR. License required for all goods outside Franc Zone. EEC goods get preferential treatment. Used clothing embargoed. V&T: All imports subject to 5–20% fiscal tax; temporary development tax of 10% of c.i.f.; statistical tax of 1% c.i.f.; contractual tax of 2.25–25%; temporary maintenance tax of 1.5%; compensatory tax of 3%. OR: Medicaments not appearing in French Codex or authorized by Central Pharmaceutical Service prohibited.

URUGUAY

QR: Prior deposits of from 150–400% on private imports exceeding a given percent (averaging 80%) of past levels. Three-year financing required for most capital goods. V&T: Non-essential goods subject to surcharges of 10–300%; global customs charge of 18%. All imports pay: a port handling fee of $.025 per 100 kilograms of gross weight or $.33 per 100 pesos of valuation; consular invoice charge of 12% f.o.b. value; port charge of 12% c.i.f.; arbitrary customs valuation established for 80% of tariff items.

YUGOSLAVIA

QR: All imports subject either to commodity or exchange quotas, licensing, or exchange control. OR: Commitments to buy from certain supplying countries. End-users of raw materials and semimanufactures used in the shipbuilding, electric, textile and food industries given foreign exchange for import of these products in fixed ratio to exports.

RUNAWAY MULTINATIONAL FIRMS

Mr. HARTKE. In industry after industry, plants have folded up in the United States as multinational corporations simultaneously opened plants in other countries.

In the electronic trade, for instance, the Standard Kolman Co. closed its plant in Oshkosh, Wis., with 1,000 employees, and shifted the jobs to Mexico in 1970.

Emerson closed a plant of several thousand employees and set up shop in Taiwan. Bendix deserted 600 employees in York, Pa., and Long Island, N.Y., to open a plant in Mexico. Warwick Electronics transferred 1,600 jobs from Zion, Ill., to Mexico and Japan. General Instrument recently closed down two plants in New England although it employes 12,000 Taiwanese to make television parts. RCA transferred an operation from Cincinnati to Belgium and Taiwan displacing 3,000 workers.

Two thousand machinists lost their jobs in the General Electric plant at Utica, N.Y., between 1966 and 1972 as the company phased this operation out of the United States and into its subsidiary in Singapore where labor works for 18 cents an hour.

In 1971, International Silver exported more than 1,000 steelworkers' jobs from their plant in Meriden-Wallingford, Conn., to Taiwan. The stainless steel flatware formerly made in Connecticut is now imported from International Silver's affiliate in Nationalist China.

THE HARTKE SOLUTION

As long as America's tax policy makes it more profitable to invest abroad than at home, plants will continue to move overseas and the foreign export market will be increasingly supplied from foreign based plants instead of from domestic-based industry. The Hartke trade proposals provide dramatic new tools for meeting this challenge. Tax advantages for investing abroad would be removed so that domestic investment would be on an equal economic footing.

THE EXPORT OF AMERICAN TECHNOLOGY

Although most countries strictly regulate and protect their own technology, America has left this matter largely to the discretion of private business. According to the U.S. Tariff Commission's study of multinational firms, these supercompanies dominate the development of new domestic technology. The exports of this technology from multinational corporations outweigh imports by a factor of more than 10 to 1. These industries have been prominent generators of high technology exports from the United States.

One example of this practice is McDonnell Douglas' sale of the Thor-Delta launch system to the Japanese. The sophisticated technology which went into the construction of this system cost the American taxpayers millions of dollars in research and development funds.

THE HARTKE SOLUTION

Under present law, U.S. corporations are relieved of paying taxes on any income arising from the firm's transfer of a patent or similar right to foreign companies. This encourages U.S. firms to export their technology. The Hartke approach would repeal the tax-free treatment for U.S. companies' incomes from licensing and transferring patents to foreign companies.

CONCLUSION

We cannot ignore nor fail to correct the growing power of these giant multinational concerns. They feel no allegiance to any national entity. They support no government on ideological grounds. They have no qualms about investing in democratic or totalitarian, capitalistic or socialistic, civilian or military governments, as long as their profit goals can be realized.

Let me conclude with a reference to public opinion. Sentiment against multinationals runs so high, that the public—by a margin of almost two to one—currently thinks that the Federal Government should discourage, rather than encourage, the international expansion of U.S. companies. Many more simply do not buy the idea that corporate growth abroad has increased employment at home. Seven Americans out of ten are convinced that the main reason U.S. firms go abroad is "to take advantage of cheap foreign labor and that costs jobs here."

Here are the results of a nationwide public opinion survey conducted by the Opinion Research Corp. for businessmen. Forty-two percent of total public opinion is strongly opposed to expansion of U.S. companies abroad. Even a majority of the managers are opposed to expansion—37 percent opposed, against only 30 percent in favor of expansion. Perhaps most surprising are the results when broken down by party preference. Even the majority of Republican voters are on my side in this controversy. Republicans strongly oppose expansion—40 percent opposed to 30 percent in favor of expansion.

The Foreign Trade and Investment Act of 1973 is designed to put our industry on an even footing with foreign competition and make domestic investment just as attractive as investment abroad. By controlling predatory trade practices and regulating the American based transnational firm, the Hartke approach to trade policy will put America back on the path to a world of free and fair trade.

I ask unanimous consent that the public opinion survey be printed in the RECORD.

There being no objection, the survey was ordered to be printed in the RECORD, as follows:

OVERALL, THE PUBLIC FAVORS CURTAILMENT OF U.S. COMPANIES' EXPANSION ABROAD BY ALMOST A TWO-TO-ONE MARGIN

"In your opinion, do you think the federal government should encourage the expansion of U.S. companies abroad, or discourage their expansion?"

(In percent)

	Encourage	Discourage
Total Public	22	42
By occupation:		
Blue-collar	22	42
Clerical, sales	26	47
Professional, managerial	30	37
By party preference:		
Democrat	16	43
Independent	25	42
Republican	30	40

"Take no action," "No opinion" omitted.

Source: Opinion Research Corp.

McGraw Hill.

DEATH OF MRS. ROBERT MELVIN HITT, SR.

Mr. THURMOND. Mr. President, a gracious lady of South Carolina, Mrs. Weinona Strom Hitt of Bamberg, died March 8. She was the wife and mother of eminent newspaper editors in South Carolina and established a distinguished journalistic record of her own.

Her death at age 82 has left a deep void in the lives of the wide circle of family, friends, and associates who have mourned her passing. She and her husband, Robert Melvin Hitt, Sr., personified the profession of journalism in Bamberg for a half century. He served as editor of the Bamberg Herald from 1914 until 1950 when the newspaper was sold, then continued to serve as editorial writer until his death in 1963. Throughout all of these years Mrs. Hitt was a vital part of the newspaper in her community, continuing to write her column until the month before her death.

The tradition of excellence in journalism was well founded in their family. Their son, Robert M. Hitt, Jr., served as a distinguished editor of the Charleston Evening Post in Charleston, S.C., before his death 6 years ago. A grandson, R. M. Hitt III, now serves on the staff of the News and Courier of Charleston, S.C.

Mr. President, this outstanding lady has served her community in so many ways. She was a devout member of her church where she applied her service to her faith for many years. She was the first librarian of Bamberg and always worked in the interest of those around her. Mrs. Hitt was a much beloved person who is already greatly missed by those whose lives she touched.

I was privileged to attend the funeral and I was deeply touched by the sentiment and sadness expressed by the large crowd present.

The outpouring of sympathy and tribute following her death has meant much to her family. Surviving are two daughters, Mrs. T. B. Thrailkill of Bamberg and Mrs. Charles Stuckey of Charlotte, N.C., a sister, Mrs. C. W. Rentz, Jr., of Bamberg; a brother, James E. Strom of Silver Spring, Md.; 10 grandchildren and 7 great-grandchildren.

Mr. President, at the time of Mrs. Hitt's death, a number of newspaper articles, editorials, and tributes were published around the State. I ask unanimous consent that several of these newspaper accounts, as well as the funeral prayer and the funeral service remarks be printed in the Record at the conclusion of my remarks. They are as follows: "Mrs. Robert M. Hitt Dies in Bamberg," the State, Columbia, S.C., March 9, 1974; "Mrs. Robert M. Hitt Dies at Bamberg," the News and Courier, Charleston, S.C., March 9, 1974; "Mrs. R. M. Hitt, Bamberg Leader, Dies; Rites Set," the Augusta Chronicle, Augusta, Ga., March 9, 1974; "Mrs. R. M. Hitt Passes," the Advertizer-Herald, Bamberg, S.C., March 14, 1974; "Mrs. R. M. Hitt," Charleston Evening Post, Charleston, S.C., March 14, 1974; "Weinona Strom Hitt," the Advertizer-Herald, Bamberg, S.C., March 14, 1974; "Tributes to Mrs. Hitt," the Advertizer-Herald, Bamberg, S.C., March 14, 1974; A prayer tribute to Mrs. R. M. Hitt by Rev. C. Eugene Jones; and the funeral service for Mrs. R. M. Hitt by Dr James P. Carroll.

There being no objection, the items were ordered to be printed in the Record, as follows:

[From the Columbia (S.C.) State, Mar. 9, 1974]

Mrs. Robert M. Hitt Dies in Bamberg

Bamberg.—Mrs. Weinona Strom Hitt, 82, widow and mother of newspaper editors and a journalist in her own right, died Friday in Bamberg County Memorial Hospital after a long illness.

Born in Edgefield County, she was a daughter of the late Charles and Martha Bell Strom. She was a graduate of South Carolina Coeducational Institute in Edgefield.

Before her marriage she taught school and piano in Edgefield County.

Mrs. Hitt was married to the late Robert Melvin Hitt Sr., editor of the Bamberg Herald from 1914 until 1950, and editorial writer until his death in 1963. Mrs. Hitt worked with her husband on the Herald during these years. She remained with the Bamberg Herald after her husband's death, until the newspaper was sold to Carl Kilgus, editor of the Advertizer in December, 1972. At this time the two newspapers became the Advertizer-Herald, and Mrs. Hitt remained on the staff until three weeks before her death.

Mrs. Hitt was the mother of the late R. M. "Red" Hitt Jr., editor of The Charleston Evening Post from 1953 until 1968.

She was a member of First Baptist Church, a teacher in its Primary Department for 50 years and president of the Women's Missionary Union for many years.

Mrs. Hitt was also a member of the Friday Afternoon Book Club and was Bamberg's first librarian. She held an honorary life membership in the Apollo Music Club. Former Gov. Strom Thurmond appointed Mrs. Hitt the first woman to serve as colonel on the Governor's Staff.

Surviving are two daughters, Mrs. T. B. (Dorothy) Thrailkill of Bamberg and Mrs. Charles (Caroline) Stuckey of Charlotte; a sister, Mrs. C. W. Rentz Jr. of Bamberg; a brother, James E. Strom of Silver Springs, Md.; 10 grandchildren; and 7 great-grandchildren. A grandson, Robert Melvin Hitt III, was formerly with The State.

Services will be 3 p.m. today in First Baptist Church, with burial in South End Cemetery.

Cooner Funeral Home is in charge.

[From the Charleston (S.C.) News and Courier, Mar. 9, 1974]

Mrs. Robert M. Hitt Dies at Bamberg

Bamberg.—Mrs. Weinona Strom Hitt, 83, widow of R. M. Hitt, editor and publisher of the Bamberg Herald for some 40 years, and mother of the late Robert M. Hitt, Jr., editor of the Charleston Evening Post, died here Friday.

The funeral will be 3 p.m. Saturday at the First Baptist Church. Bureau will be in Southend Cemetery, directed by Cooner Funeral Home.

Mrs. Hitt was born May 21, 1890, in Edgefield County, a daughter of the late Charles Strom and Mrs. Martha Bell Strom. She graduated from South Carolina Co-Educational Institute in Edgefield and taught school and piano in Edgefield County. She later worked with her husband on the Bamberg Herald.

She remained with the Bamberg Herald after her husband's death until the newspaper was sold to The Advertizer in 1972. At that time the two newspapers became the Advertizer-Herald and Mrs. Hitt remained on the staff until three weeks prior to her death.

Mrs. Hitt was a member of the First Baptist Church, where she taught in the primary department for 50 years. She served as the first librarian in the Town of Bamberg. Former Gov. Strom Thurmond appointed Mrs. Hitt the first woman to serve as a colonel on the governnor's staff.

Survivors include: two daughters, Mrs. T. B. Thraikill of Bamberg and Mrs. Charles Stuckey of Charlotte, N.C.; a sister, Mrs. C. W. Rentz Jr. of Bamberg; a brother, James E. Strom of Silver Spring, Md.; ten grandchildren and seven great-grandchildren.

[From the Augusta (Ga.) Augusta Chronicle, Mar. 9, 1974]

Mrs. R. M. Hitt, Bamberg Leader, Dies; Rites Set

Bamberg, S.C.—Mrs. R. M. Weinona (Strom) Hitt, Sr., 82, of Bamberg, died Friday in the Bamberg County Memorial Hospital.

Funeral services will be held at 3 p.m. today in the First Baptist Church, with the Rev. Dr. James P. Carroll officiating, assisted by the Rev. Eugene Jones. Burial will be in the Southend Cemetery.

Mrs. Hitt was married to the late R. M. Hitt Sr., who was editor of the Bamberg Herald from 1914 until 1950, and editorial writer until his death in 1963.

Mrs. Hitt worked with her husband and remained with the Bamberg Herald after his death until the newspaper was sold in December, 1972 and Mrs. Hitt remained on the staff of the Advertiser-Herald until three weeks prior to her death.

She was a member of the First Baptist Church, where she served as a teacher in the primary department for 50 years, and as president of the Women's Missionary Society. She was a member of the Friday Afternoon Book Club, and served as the first librarian for the town of Bamberg. She held an honorary life membership in the Apollo Music Club. Former Gov. Strom Thurmond appointed Mrs. Hitt the first woman to serve as colonel on the governor's staff.

Survivors include two daughters, Mrs. T. B. Thrailkill, Bamberg, and Mrs. Charles Stuckey, Charlotte, N.C.; one sister, Mrs. C. W. Rentz Jr., Bamberg; and one brother, James E. Strom, Silver Spring, Md.

Cooner Funeral Home is in charge.

[From the Bamberg (S.C.) Advertizer-Herald, Mar. 14, 1974]

Mrs. R. M. Hitt Passes

Mrs. Weinona Strom Hitt, 82, of Bamberg, widow of the late R. M. Hitt, Sr., died early Friday morning in the Bamberg County Memorial Hospital, following an illness of several months.

Funeral services were held Saturday at 3 p.m. in the First Baptist Church, with the Rev. Dr. James P. Carroll, her pastor, officiating, assisted by the Rev. Eugene Jones. Burial followed in South End Cemetery, conducted by Coner Funeral Home.

Mrs. Hitt was born May 21, 1891, in Edgefield County, the daughter of the late Martha Bell and Charles Strom. She graduated from South Carolina Co-educational Institute in Edgefield, and taught school and piano in Edgefield County before marriage.

She was married to the late Robert Melvin Hitt, Sr., who was Editor of the Bamberg Herald from 1914 until 1950, when the newspaper was acquired by Lewis Brabham and P. E. Brabham. Mr. Hitt remained on the staff as editorial writer until his death in 1963. Mrs. Hitt worked faithfully with her husband during these years, a journalist in her own right. In 1958, Lewis Brabham sold his interest in the Herald to Mr. and Mrs. P. E. Brabham and in 1969, the Brabhams sold the newspaper to the Times and Democrat in Orangeburg, and Mrs. Hitt remained on the staff during both ownerships. In December 1972, the Bamberg Herald was sold to Carl Kilgus, Editor of the Advertiser, and the two county newspapers became known as The Advertiser-Herald. Mrs. Hitt continued to write for the newly named newspaper and her columns were read with much interest until three weeks prior to her death, when she became incapacitated.

She was a member of the First Baptist Church having served in many capacities. She was a teacher in the Primary Department for 50 years and served as President of the Woman's Missionary Society for many years.

She was a member of the Friday Afternoon Book Club and served as the first Librarian in Bamberg. She held an Honorary Life Membership in the Apollo Music Club. Former Governor Strom Thurmond appointed Mrs. Hitt the first woman to serve as Colonel on the Governor's Staff.

Her son, R. M. ("Red") Hitt, Jr., who was editor of the Charleston Evening Post, died six years ago.

Her grandson, R. M. Hitt, III, is now on the staff of the News and Courier in Charleston.

Survivors include two daughters: Mrs. T. B. Thrailkill (Dorothy) of Bamberg; and Mrs. Charles Stuckey (Carolyn) of Charlotte, N.C.; one sister, Mrs. C. W. Rentz, Jr., of Bamberg; and a brother, James E. Strom, of Silver Spring, Maryland. Also surviving are 10 grandchildren and 7 great grandchildren.

Active pallbearers were W. C. Huiet, W. R. Risher, J. T. Burch, Frank Fletcher Burch, Carl Kilgus and Pedie Hiers.

Honorary pallbearers were Dr. M. C. Watson, Dr. F. M. Dwight, Randolph Smoak, Sr., P. E. Brabham, G. B. Inabinet, Cecil Smoak, John D. Jones, H. N. Folk, Sr., Wistar Hartzog, N. F. Kirkland, Francis Morris, Clarence Brabham, D. F. Bradley, Carl Bishop, M. G. Gault, J. L. Strickland, H. D. Steedly, Wheeler Dukes, R. L. Coker, Norman Kirkland, Monroe Hiers, Herman Rice, Chadles F. Black, Henry Crider, Gene Schwarting, Sr., Virgil Hicks, Ben Clary, Ed Davis, J. M. Grimes, J. W. Hand, Sr., J. L. Hightower, J. R. Bradley, Sam Black, John Patton, and Laurie Smoak.

Out of town relatives and friends attending were: Dr. and Mrs. C. L. Stuckey, Charlotte, N.C.; Bob Stuckey, Charlotte, N.C.; Jane Stuckey, Louis Raynor, Charlotte, N.C.; Mr. and Mrs. E. H. Cannon and sons, Charlotte, N.C.; Thomas Thraillkill, Columbia; James E. Storm, Silver Spring, Md.; Mrs. R. M. Hitt, Jr., Charleston; Mr. and Mrs. R. M. Hitt III, Charleston; Mr. and Mrs. Gardner Miller, Charleston; Mr. and Mrs. Edward Moore, Chester; Mrs. R. C. Strom, McCormick; Mr. and Mrs. Harold Winn, McCormick; Mrs. Mary Riviere, McCormick; Mr. and Mrs. Luther Rentz, Greenwood, S.C.; Lee Strom, Ninety Six, S.C.; Sen. Strom Thurmond, Washington, D.C.; Mr. and Mrs. Tom Eady, Kelly and Suzanne, Columbia; Mrs. Caroline Flemming, Columbia; Bill Flemming, Kay, Louanne, Columbia; Mrs. Wilson Rentz, Columbia; Mr. and Mrs. A. J. Thrailkill, Fort Lawn; Mr. and Mrs. J. W. Outz, Susan, Fort Lawn; Mrs. Frances Fulmer, Columbia, Fort Lawn; Miss Ola Hitt, Aiken; Mr. Wayne Hitt, Morganton, N.C.; Mrs. Tom Overton, Charlotte, N.C.; Albert Ellison, Aiken; Mrs. Arthur Dodd, Atlanta, Ga.; Mrs. Marget Burch, Columbia; Mr. and Mrs. Ellison Capers, Columbia; Mrs. Nixie ree and Beth, Columbia; Mrs. Vernice Hinson, Columbia; Mr. and Mrs. Henry Stuckey, Malcolm, Orangeburg; Mrs. Juliette Carter, Lake City; Mr. and Mrs. Spier Daughtry, Savannah, Ga.; Mrs. Bernard Rushing, Nancy, Savannah, Ga.

[From the Charleston Evening Post, Mar. 14, 1974]

Mrs. R. M. Hitt

Wife and mother of newspaper editors, Mrs. Weinona Strom Hitt of Bamberg was a journalist herself. For many years she helped her husband, the late R. M. Hitt, put out the Bamberg Herald, a weekly newspaper. Her son, the late R. M. Hit, Jr., became editor of the Evening Post and was an able and popular citizen of Charleston. A grandson, R. M. Hitt III and a grandson-in-law, Gardner Miller, are now on the staff of The News and Courier.

A former school teacher and teacher of piano, and a Sunday school teacher for 50 years, Mrs. Hitt was a member of the Strom family of Edgefield County and a cousin of Sen. Strom Thurmond. Her death at age 82 has ended the life of an admirable woman.

[From the Bamberg (S.C.) Advertiser-Herald, Mar. 14, 1974]

Weinona Strom Hitt

When Mrs. Robert Melvin Hitt, Sr. was laid to rest Saturday afternoon, beside her husband, a vital chapter in the history of this newspaper, was closed. Closed because no one could ever replace, or even equal, her ability to relate to hundreds of readers, each week, the important events of the area. Her writings have created pages and pages of history, that will be cherished for many, many years. Her brilliant mind contained a prodigious supply of knowledge, all indexed away until it was needed. Now, she has laid down her life's work and gone to live in a better place—a place she looked forward to seeing.

One of our fondest memories of this beloved soul was her determination to do her job well, even when the pain in her physical body was so great. She had an inspiring, divine influence on those of us who worked with her near the end; and long ago, she molded around her, a pattern of honesty and kindness that has become embedded into those of us who worked years ago under her supervision and later, at her side.

Her work in the church was an important part of her daily routine. She taught in the Primary Department for half a century; she was President of the Women's Missionary Society for many years; and she served on numerous church committees. She instilled in her children, at an early age, how important the Church was, and at her bedside those last few day, this was the part of their lives they reminisced most about.

Her dedication to her husband was surpassed only by her dedication to her Lord, and she worked by his side all those long, hard years, when it was such a struggle to make ends meet. She was a loving wife and true friend to her journalist husband. Together they preserved history. When the Advertizer acquired the Bamberg Herald in 1972, and the idea of a name change was discussed, we wanted to preserve for her the "Herald" name, in exchange for the love and influence she had on us here at the Advertizer, so the name "Advertizer-Herald" was created.

Her long suffering has ended and she must be having a glorious reunion in Heaven. We loved her dearly.

[From the Bamberg (S.C.) Advertizer-Herald, Mar. 14, 1974]

Tributes to Mrs. Hitt

Bamberg County has lost one of its most beloved residents in the passing of Mrs. Robert Melvin (Weinona Strom) Hitt on Friday, March 8, 1974 after a serious and lingering illness while a patient in the Bamberg County Memorial Hospital when God in his infinite wisdom saw fit to take her to her Heavenly Home. Although not physically well for considerable time, she continued cheerful and interested in others.

For many years, she was associated with her late husband in gathering local news for The Bamberg Herald. Especially was she gifted in handling every minute detail of bridal events, births, deaths, "FOLKS AND THINGS", as well as day to day events.

Her usage and flow of eloquent language have caused folks in many towns and areas to anticipate each week reading the "News from Home."

Always modest and never seeking self glory, she filled a place in this community with grace and dignity.

She was an understanding wife, devoted mother, and loyal friend, who loved her church and as long as health permitted was active in every phase of Christian service.

She continued her news gathering for The Herald during the ownership of the Brabham Family, and later with the Advertizer-Herald of Carl and Betty Kilgus, not wishing to omit anything of interest that she knew about. Even on her deathbed she was interested in people and what they were doing and contributed her news column up until the very end.

Mrs. Hitt will surely leave a void in the daily lives of many who loved her and called her FRIEND.

We thank God for her life.—K. F. B.

TRIBUTE TO MRS. HITT

I wonder if I can possibly do justice to the person I'm attempting to write about. I speak of Mrs. R. M. (Weinona) Hitt. As for that, could anybody do her justice? I'm on the verge of following in the footsteps of a colored friend to the family when he asked the family if they wanted him to sweep the yard as usual, and as he swept the tears were running out of his eyes.

I guess my feeble efforts could be called a requiem. The Dictionary says a requiem can be a High Mass in the Catholic Church, or as I think of it, it can be a hymn in honor of the dead. Mrs. Hitt lived a Christian life. I KNOW. Back in the days when my wife taught school at rural Woodlawn she boarded with her mother on Carlisle Street in Bamberg, just a few steps from the Hitt's home. When I came in off the road, there I parked, too. That was my first acquaintance with Mr. and Mrs. Hitt, but as the years passed, that acquaintance thickened to at least a one way street in a deep friendship. Mrs. Hitt spent most of her life in the newspaper business. I spent most of mine both in the newspaper (Charlotte Evening News) and Magazines such as Colliers, Saturday Evening Post, Look, Farm Journal and Readers Digest. Many nights we kept the phone busy, talking about past history. Often she would call me. More often probably I would call her.

Mrs. Hitt, it seemed to me, began to fail in health after she had lost both her rather illustrious son, we called him "Red"—(Melvin) who was Editor of the Charleston Evening Post, and also lost her husband. She was then alone at home, except for Dorothy who lived nearby, and I'm sure very lonesome. But in bygone years, when she was raising her children I'm pretty sure there was nobody on Carlisle Street that was lonesome. "Red" was a preacher. Yes, that's right. Everything movable was buried on that block and "Red" always conducted the funeral. He had a nice, cooperative audience, too. There was my son, Wesley, Charles Henry Hutto, Govan Hutto, Jimmy Burch, Robert Hutto, Norman Kirkland, Billy Guess to follow "Red's" leadership. There was an old two story barn in my wife's mother's back yard and "Red's" pulpit was the little window at the top that was used to put hay through. What those boys couldn't think of in good clean fun, it couldn't be thought of. I remember once they had a Barnum and Bailey show in the back yard of one of the houses. A water hose began to dig itself into the ground. Evidently nobody thought to cut the water off. Anyway it dug itself underground and the combined strength of the whole gang couldn't pull it out. People came from rather long distances to figure it out.

I can remember another night when the screams of two or three women at various periods finally interrupted my reading and I went to investigate. They had made a large snake out of stuffed stockings, tied a rope to it and hid themselves. As people walked the street, the "snake began crawling out of the bushes right over their feet." Another scheme, they would use, they would borrow an unsuspecting person's wallet, tie a string to it and watch people try to pick it up. Yes, there was fun on that block, and I'm sure many were the times Mrs. Hitt sat alone with a perfect picture of these years passing in kalaidoscopic formation in her memory, and then, no doubt many were the tears she shed. I used to particularly enjoy kidding Mr. Hitt. He was a rabid prohibitionist from the time I first knew him, and he didn't spare the pages of his newspaper in letting the world know how he felt. Those were the days of prohibition when bootleggers right and left were getting rich. I told him once I'd like to take a little bet with him—that he could name the town and the hotel, I would check into that hotel at twelve midnight, and in less than fifteen minutes will have bought a quart of liquor. He didn't believe me, in the first place, but in the second place he said he wasn't a betting man. I would have won the bet. Liquor could be bought anywhere in the state, but never with his permission. He hated Life Magazine. I knew it and had a goodly number of laughs over that fact. Once Life came out with a particular scurrilous article about South Carolina. I carried the magazine in to him and asked him if he had seen it. He said no—that he had thrown every copy of Life in the waste basket without bothering to look at it because it made him mad and he didn't like to get mad.

When Mr. Hitt sold out to Katherine and Gene, they asked Mrs. Hitt to remain with them until they were thoroughly familiar with all the "ropes." She did, and wrote the column "Folks and Things." I often wondered if she knew everybody in the entire country.

Somehow, Mrs. Hitt, you are very close to me at this moment. I'm reasonably sure you're looking over my shoulder. You know now that death is not a monster, although I'm reasonably sure you've felt that way a long time. If those you left behind who are dear to you can feel that death in a lot of ways can be a friend, their hearts will feel broken no longer. Surely they will remember the experience of John, the true and loyal friend of Jesus. He started with Christ as a very young man. He made a lot of mistakes, but he was faithful. Finally, he was exiled on the Isle of Patmos by those who had no love for Christ. It was a foul place, but there are usually some sort of compensations. In John's case, God rolled the curtain back and let him see Heaven. What a marvelous report he gave us. "And God shall wipe away all tears from their eyes and there shall be no more death, nor sorrow, nor crying, nor pain."

Yes, Mrs. Hitt, loved ones are precious to us, but there inevitably comes a day when one is transformed before our eyes. We cannot talk to her, nor she to us. But like the refreshing sound of a waterfall or the melody of music comes the words "I am the resurrection and the life. He that believeth in me, though he were dead, yet shall he live. And whosoever liveth and believeth in me shall never die." Now we know. We KNOW our mother lives. Yes, Mrs. Hitt, you have walked with the Blest in that Mansion of rest. How happy you must be.—W. D. Chitty.

A Prayer in the Funeral Service of Mrs. Weinona Strom Hitt, March 9, 1974

(By the Reverend C. Eugene Jones, pastor of Trinity United Methodist Church, Bamberg, S.C.)

Our Father, we thank Thee that Thy Son, Jesus Christ our Lord, conquered death and brought life and immortality to light through the gospel. We praise Thee for His assurance of Thy house of many mansions, where He has prepared a place for us, that where He is, there we may be also. We thank Thee, above all, for our Lord's glorious resurrection from the dead, and for the sure hope of life with Him for evermore. Wherefore we rejoice in this hour for Mrs. Hitt whom we have lost on earth, but who is now with Thee. Though we sorrow for our loss, we thank Thee for her infinite gain, knowing that for Mrs. Hitt to depart yesterday to be with Christ is far better for her.

We thank Thee for Mrs. Hitt who has faithfully lived, and who has peacefully died. We thank Thee for all fair, pleasant, tender, sweet and precious memories of Mrs. Hitt and for all living hopes we have for her in the life to come. We thank Thee that Mrs. Hitt has died in the Lord, and who now rests from her labors, having received the end of her faith, even the salvation of her soul.

O Lord and Master, who Thyself didst weep beside the grave, and art touched with the feeling of our sorrows; fulfill now Thy promise that Thou wilt not leave Thy people comfortless, but wilt come to them. Reveal Thyself unto Thy sorrowing servants, and cause them to hear Thee say, "I am the resurrection and the life: he that believeth in Me, though he were dead, yet shall he live: and whosoever liveth and believeth in Me shall never die." Help them, O Lord, to turn to Thee with true discernment, and to abide in Thee through living faith, that they may find now the comfort of Thy presence.

Father, so fill their hearts with trust in Thee, that they may without fear commit Mrs. Hitt to Thy never-failing love for the life to come. O Lord, we pray Thee, give us Thy strength, that we may live more bravely and faithfully for the sake of those who are no longer with us here upon earth; and grant us so to serve Thee day by day that we may find eternal fellowship with them, through Him who died and rose again for us all, even Jesus Christ Our Lord, in whose Precious, Blessed Name we pray. Amen.

Funeral Service For Mrs. R. M. Hitt

(Dr. James P. Carroll, Pastor, First Baptist Church, Bamberg, S.C., Mar. 9, 1974)

In the 31st. Chapter of Proverbs, we find a beautiful word-portrait of a noble woman. Just as a master artist with paints and brushes brings out all of the features of a beautiful face on canvass, so the divinely-inspired writer, with carefully-chosen words, delineates the qualities of a beautiful life. As we look upon this word-portrait, we see that such a woman is the stay and confidence of her husband. "The heart of her husband doth safely trust in her." She is industrious, working "willingly with her hands". She is generous. "She stretcheth out her hand to the poor; yea, she reacheth forth her hands to the needy." She is kind. "She openeth her mouth with wisdom, and in her tongue is the law of kindness." She is worthy of the praise of her family. "Her children arise up and call her blessed; her husband also, and he praiseth her." She is possessed of that beauty which can come only to those whose lives are lived in fellowship with God. "Favor is deceitful and beauty is vain, but a woman that feareth the Lord, she shall be praised." She needs no eulogy, no praise from man. "Her own works praise her in the gates."

This, our dear loved one and friend, whose memory we honor this afternoon, might have sat for such a portrait. So many of the beautiful descriptions of a noble woman portray so aptly the qualities of her life. As we think of her, we cannot but remember Paul's description of love in the 13th. Chapter of First Corinthians. "Love suffereth long, and is kind; love envieth not; love vaunteth not itself, is not puffed up; doth not behave itself unseemly; seeketh not her own, is not easily provoked; thinketh no evil; rejoiceth not in iniquity, but rejoiceth in the truth; beareth all things; believeth all things; hopeth all things; endureth all things."

Over many years, her life has been woven into the very fabric of this Community. She was ever a vital part of all that was good. Through her writing, she preserved for countless people beautiful memories of important events in their lives. Future historians of our Community will find in her writings rich sources of information. She loved beautiful things-beautiful music, beautiful literature, beautiful art, beautiful flowers.

She loved all of the Churches and was deeply interested in their well-being, but she was completely devoted in her own Church, serving in countless official capacities. She served as President of the W. M. U. For half a century, she was a beloved Teacher of little children in Sunday School. She was a member of many important Committees over the years. But it was in her unofficial service that she was most distinguished. Always in attendance, always deeply concerned, always encouraging, always willing to do what she could. Mrs. Hitt's attitude toward her Church is so well expressed in the Hymn:

I love Thy Kingdom, Lord, the house of Thine abode,
The Church our blest Redeemer saved, with His own precious blood.
For her my tears shall fall, for her my prayers ascend.
To her my cares and toils be given, till cares and toils shall end.
Beyond my highest joy, I prize her heavenly ways,
Her sweet communion, solemn vows, her hymns of love and praise

One of her chief regrets during her illness was that she could no longer attend the Services of her beloved Church.

All of us will have our own personal memories of Mrs. Hitt. All of us will have our own sense of personal indebtedness for some particular favor received, and some particular blessing bestowed. We shall be recounting them in the years to come.

Her beloved and close-knit Family will have the most intimate and precious memories of all. They will remember her as a loving Mother and Grandmother, and Sister. Her Children will remember that:

She always leaned to watch for us,
  Anxious if we were late.
In Winter by the window,
  In Summer by the gate.
And though we mocked her tenderly
  Who had such loving care,
The long way home would seem more safe
  Because she waited there.
Her thoughts were all so full of us,
  She never could forget.
And so, I think that where she is,
  She must be waiting yet.
Waiting till we've come home to her,
  Anxious if we are late,
Watching from Heaven's Window,
  Leaning from Heaven's Gate.

During her last illness, Mrs. Hitt had a beautiful dream which gives us an understanding of her noble life. She shared her dream with her family because it was so real and meaningful to her. Her family shared the dream with me, and I now share it with you. She dreamed that she was trying to cross Jordan. Having never been a swimmer, or a lover of the water, she was having a very difficult time. In fact, in her dream, she feared that she would not make it across the River. On the other side, she could see some lambs, playing on the shore. One of them seemed to sense her difficulty, and, leaving the others, he swam out to where she was. Getting beneath her, the lamb supported her until she reached the shore. Then another lamb came and the two of them lifted her up and placed her on a cloud, and she floated away into the heavens.

This dream is symbolic of Mrs. Hitt's life. In early years, she trusted her life to Him who is "the Lamb of God which taketh away the sin of the world." Over these many years, she has served Him who "hath borne our griefs and carried our sorrows." Through her life, her theme has been expressed in the words of the Hymn:

Redeemed, how I love to proclaim it.
Redeemed by the blood of the Lamb;
Redeemed through His finite mercy,
His child, and forever, I am.

The Lamb of God whom she trusted, and served, and loved has borne her through the swelling current, and now, she is safe on Canaan's side. In his vision of Heaven, John says, "After this, I beheld, and, Lo, a great multitude, which no man could number, of all nations, and kindreds, and people, and tongues, stood before the throne and before the Lamb, clothed with white robes, and palms in their hands, and cried with a loud voice, 'Salvation to our God, which sitteth upon the throne and unto the Lamb'." And now, she is there. And again, John says, "They shall hunger no more, neither thirst any more; neither shall the sun light on them, nor any heat. For the Lamb which is in the midst of the throne shall feed them, and shall lead them unto the living fountains of waters. And God shall wipe away all tears from their eyes." (Revelation 7:9–17)

Redeemed—and so happy in Jesus;
No language HER rapture can tell.
We know that the light of the Lamb's
presence
With HER doth continually dwell.

DR. J. DUANE SQUIRES: NEW HAMPSHIRE'S NOTED HISTORIAN

Mr. McINTYRE. Mr. President, many Americans are giving their time and energies to insure an appropriate 200th birthday celebration for our great Nation. New Hampshire is fortunate in having as its bicentennial chairman a noted historian, an able administrator, and a patriotic American—Dr. J. Duane Squires.

Author of a four-volume history of the Granite State and a single volume history of the State for young readers, Dr. Squires has also contributed to government serving as a municipal judge.

His contributions to community, State, and Nation have been numerous and varied. Dr. Squires was recently honored by his election as Chairman of the Bicentennial Council of the Thirteen Original States. The council helps to acquaint the Thirteen Original States with each other's policies and activities relating to the observance of the Nation's approaching birthday. It also assumes leadership in the development of programs of interest and significance to the Thirteen Original States as a group.

All of these qualities distinguished Dr. Squires as New Hampshire's foremost historian. At this time I wish to take note of Dr. Squires' excellent writings. An article recently appearing in New Hampshire Echoes depicts John Stark as one of our finest Revolutionary patriots.

I ask unanimous consent that the article by Dr. Squires "John Stark—Portrait of a Patriot," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

JOHN STARK—PORTRAIT OF A PATRIOT

(By J. Duane Squires)

On the State House lawn in Concord stands a statue of John Stark, dedicated in 1890. In Statuary Hall, located in our nation's Capitol, is another statue of John Stark, accepted by Congress in 1894. And in Manchester is a notable questrian statue of this same man, unveiled in 1948. Four words of his, "Live free or die," became the official motto of New Hampshire in 1945 and now appear on the state's motor vehicle plates. The Granite State town of Piercy renamed itself Stark in 132, and Ohio has a Stark County named for him.

Who was this man to whom so much honor has been paid, yet of whom so little is known by people today This patriot grew up in a modest house by Amoskeag Falls on a site within what is now Manchester (The house in which he then lived still stands, although no longer on its original land. Carefully restored and transplanted to Elm Street, it is now a prized possession of the D.A.R.). Once a captive of the Indians, Stark was a veteran soldier by the time the Revolutionary War began, with a notable military career in the French and Indian War behind him.

In the hectic days after the clashes between Americans and British at Lexington and Concord in the spring of 1775. Stark went to Massachusetts. Soon he was named commanding officer of a regiment of more than 1000 New Hampshire militiamen who had flocked to the Bay Colony in sympathy with its cause. Colonel Stark commanded over 900 of these men at the Battle of Bunker Hill on June 17, a battle in which 1600 Americans inflicted great loss upon some of the most famous regiments of the British Army.

In 1776 Stark and his regiment—the First New Hampshire—crossed the Delaware River with General Washington on Christmas night. He aided mightily in defeating the British at Trenton. In August 1777, Stark, by now a Brigadier General, commanded the troops that defeated a British advance guard near Bennington, Vermont—a conflict which was the turning point in the Revolutionary War. In 1778 Stark was involved in the Rhode Island campaign. And in 1780 he was a member of the court martial which sentenced Major Andre to death for complicity in Benedict Arnold's treason. At the end of the war, John Stark was promoted to the rank of Major General in the Continental Army, a distinction he cherished for the rest of his life.

John Stark was married to Elizabeth Page of Dunbarton for almost 56 years. His pet name for his wife was "Molly," and many stories have been told of how he would affectionately address her by this cognomen. One of the most repeated concerns a rallying cry to his troops at Bennington in which he exhorted them to rout the Red Coats "or tonight Molly Stark sleeps a widow!"

The John Stark Highway commemorates his trek across New Hampshire on his way to the Battle of Bennington, and an impressive mural in the State Senate Chamber in Concord shows the General as he was leaving his sawmill in Derryfield to lead his militiamen to Massachusetts in 1775. But even so, his name and accomplishments are still not well known to the people of our state two hundred years after his deeds were the talk of the colonies.

Stark died in 1822. Later, when Congress accepted the Stark statue, Senator Jacob H. Gallinger of Concord would write: "Plain in appearance, awkward in manner, untrained in the arts of social life, uneducated and brusk, he, nevertheless achieved undying fame, and the luster of his name will never grow dim so long as men love honesty, admire bravery and recognize the grandeur of patriotic devotion to duty and to country . . ." It was an accurate description of a remarkable individual.

SENATOR LLOYD BENTSEN'S ADDRESS TO THE CENTER FOR THE STUDY OF THE PRESIDENCY

Mr. HUMPHREY. Mr. President, one of the issues before the American people concerns the nature and dimensions of the office of the Presidency. Questions about this office—its power and its relationship with the other branches of the Government—are matters of lively debate and serious study throughout our country.

On March 31, 1974, the Center for the Study of the Presidency held its fifth annual symposium in Reston, Va. One of the guest speakers was Senator LLOYD M. BENTSEN of Texas.

Senator BENTSEN articulated a thoughtful, reasoned conception of those elements which are part of the Presidency, and of the limits and opportunities inherent in the exercise of the responsibilities of that office. He puts into perspective the many demands which are made on the person who occupies the Presidency—requiring that person to be "not only Chief Executive and Commander-in-Chief, but skilled politician, analyst, planner, educator, leader, and example."

Mr. President, I believe that Senator BENTSEN's remarks go to the heart of many of the troubles we perceive in the Presidency today, and I ask unanimous consent that his address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS OF HON. LLOYD BENTSEN

It is a pleasure to join you today in this very timely and important discussion of the Office of the Presidency, which is being viewed with alarm on all sides these days.

On the one hand, there is widespread fear that the Office of President has become overpowerful. On the other, there is fear that it is on the verge of losing the power it needs to be effective.

I think it would encourage all viewers-with-alarm to know that this symposium is taking place. It certainly encourages me.

This is a far more constructive approach to citizenship than the one advocated by Gordon Strachan when he advised young people to stay away from government.

I want to congratulate all of you, and only for having been chosen to represent your colleges and universities here, but also for having placed the serious study of government high on your personal priorities.

This kind of commitment, plus such opportunities as this forum for the exchange of ideas, is promising for the future of the presidency and of democracy.

So I commend you for being here. And I commend Dr. Hoxie and the Center for the Study of the Presidency for both the concept and the implementation of this annual symposium.

I am grateful for the opportunity to participate in it.

Like many citizens, I have been giving a great deal of thought to the presidency—how it was conceived, what it has become, and what it can be, and must be in the future, if democracy is to flourish.

In sharing some of those thoughts with you, I want to make it clear that I am talking about the office, rather than any specific President. And I want to make it clear that there is a disturbing trend in the concept of the Presidency which started many years ago. It wasn't something that cropped up under the current Administration. And it was as much the fault of the Congress—a failure of Congress to assert its Constitutional role, over an extended period of time—as it was the fault of the Executive Branch.

I recognize that it is all too easy for a member of the Senate to take a critical view of the Executive. The adversary relationship between the two was built into our Constitution and the function of government depends on it.

Members of the Senate are not expected to always agree with the President—even if they belong to the President's Party. But we are expected to respect his concept and conduct of the office.

The concept of the Presidency has been changing over a period of time—and from my viewpoint, much of the change has not been for the better.

The recent turmoil surrounding that office is a clear signal that it is time to reexamine the role of the President in exercising the "just powers" conferred by the consent of the governed.

Before I continue, I would like to say that when I speak of the Presidency, I don't think of it as an office restricted to males only, and I have no difficulty visualizing a woman executive. But since such terms as "spokesperson" and "chairperson" don't trip naturally off my tongue, and I find "he-or-she" and "him-or-her" awkward encumbrances to communication. I will simply ask you to accept my remarks as applying to both sexes.

A President is required to be many things—to millions of people.

First of all, he must be a politician.

That may be a rash statement to make, in view of the distrust of politicians that is so rampant today. But I know you are mature enough to recognize the difference between good and bad politics, and to realize that no politics is a code for chaos.

A politician—in the best sense of the word—understands the forces that motivate people to action in a common cause. A politician has a philosophy of government, and the ability to translate that philosophy into programs.

To do this, he has to be able to work with the Congress, in a spirit of respect for the elected representatives of the people and respect for the balance of powers provided by the Constitution.

Moreover, he must be able to work with the leaders of his own party. To function effectively, he has to be the leader of his party. But he must also be willing to subject himself to the discipline of the party.

The President cannot conduct his office in a vacuum. He must have the support of his party to initiate programs and to make programs workable. Votes are not enough. Votes win elections—but they do not guarantee good government.

Our form of government depends on a strong two-party system, and on a sound working relationship between elected officials of both parties.

The President is in a unique position to promote that kind of relationship. Lyndon Johnson understood that very well. He was most effective in mobilizing bipartisan support for legislative programs.

In spite of all the jokes about his arm-twisting techniques and his "Come-let-us-reason-together" slogan, history can't ignore the unprecedented program of domestic legislation enacted during his administration.

His greatest successes were achieved by working with party support; his worst failures, by proceeding without it.

The role most commonly ascribed to the President is that of Chief Executive, charged with responsibility for executing the laws passed by the legislative branch. And executing them—as my friend Hubert Humphrey has said—does not mean killing them off, by arbitrary means of impoundment and freezing of funds allocated for authorized programs, or by the unconstitutional exercise of the veto power.

The Constitution does not give the President the prerogative of executing only those laws he happens to approve.

Respect for democratic principles demands that the President be willing to execute the laws enacted by Congress. That implies an understanding and appreciation of the separation of powers.

We have seen what I consider a dangerous erosion of that separation over the past three decades; since the end of World War II.

Americans have accepted this without undue concern because they tend to favor a strong President. But I think there has been some confusion in the past about what a strong President is.

Is it one who rides roughshod over the principle of separation of powers One who extends the power and authority of his office at the expense of other branches of government that are presumed to be co-equal?

We can't afford to be confused over the distinction between a strong President and a strong Government, a strong country.

My view of a strong President is one who acts decisively and competently within his constitutionally assigned limits, taking full personal responsibility for the conduct of the executive branch, its successes and its failures.

In what has been described as the most powerful and the most demanding job in the world today, this naturally requires a high degree of executive ability—which does not imply that the government should be, or can be, run as a business. The politician-President knows this is not so.

Governing is an art—not a business—although some of the lessons and techniques of the modern business world could certainly be used to better advantage in government.

But the executive-President knows, as Harry Truman knew, that the buck stops at his desk.

He is responsible for maintaining the structure of the executive branch at a manageable level, for supervising the functions of all the departments that are answerable to him—as he is answerable to the people.

So he must be skilled in delegating authority and in selecting capable people to whom he can delegate authority.

I think the measure of a President can very well be taken by the quality of his appointments.

As a wise man once remarked: A dishonest man cannot keep honest employees, for they will expose him; an incompetent man cannot keep competent employees, for they will be frustrated; and an inferior man cannot keep superior employees, for they will outshine him.

A strong President will surround himself with strong and effective advisers. He is, after all, the Chief Executive—not the sole executive.

Every member of the Cabinet, every agency head, should be an executive—and a highly competent executive—as well as an adviser to the President, who is then free to fulfill his function as Chief Executive.

And right here I would like to say that it is high time to return to the Cabinet system.

It has been downgraded and bypassed for too long.

Government is far too complex, and events move far too rapidly, to be managed by a White House clique.

The country is dangerously weakened when the Cabinet is supplanted by a team of faceless, anonymous advisers who pay allegiance only to the President.

There is no place in a democracy for an elite palace guard composed of men who have never been elected to office, and who have never been formally appointed to office with the Constitutional safeguard of Senate review and confirmation.

I believe we had too much spotlight on the White House and not enough on the Executive Departments.

The press is inclined to focus on the White House as the power center. That focus could be changed by a President who—by his appointments and his actions—turns the spotlight on the members of the Cabinet as spokesmen for their departments and for the Administration, in the areas of their expertise.

It is an unwise President who bypasses or usurps the function of the Cabinet. A President who is strong on foreign policy may be said to be "his own Secretary of State." I have heard that remark made of various Presidents, in tones of admiration.

But I am reminded of the saying that is popular in medical circles: "He who doctors himself has a fool for a patient."

No President—no matter how knowledgeable he is in foreign affairs—can serve as Secretary of State and Chief Executive at the same time.

Both jobs are more than full-time.

Personal diplomacy is at best a limited tool in a democratic government.

We have seen how government can fall apart at home while attention is focused abroad.

Moreover, the suggestion that one person and only one person can maintain good relations between our country and any foreign power is antithetical to democracy.

It denies the principle of continuity and advances the myth of indispensability.

Working agreements and alliances must be forged between governments—not the heads of government, with their limited tenure on life and office.

Now let me say a word about the President in his traditional role of Commander-in-Chief. That title does not demand a special background in military strategy, nor does it confer on him instant wisdom in military affairs.

It is, of course, essential for him to be able to act quickly and decisively when the nation's security is actually at stake. In such cases, he must rely on the best military advice he can get—plus his own good judgment. That judgment must be based on political as well as military considerations. The two can rarely be separated. It is a strength of our system that authority is vested in a civilian Commander-in-Chief who can make military decisions on the basis of his knowledge of political realities at home and abroad.

I see the President of the United States as an analyst and a planner. He must be constantly assessing the state of the nation, determining how well the laws are serving their intended purpose, and where they need to be amended or augmented and improved. From that viewpoint, he makes recommendations to the Congress. He presents a program. He does not necessarily wait for a program to be presented to him for approval, though he doesn't always oppose one simply because he didn't think of it first. He does not wait for public clamor to spur him to action.

While he deals with the realities of the present, he is always looking down the road, anticipating future problems and needs and moving forward to meet them. When the President fails to do this, the country lives in a perpetual state of crisis.

Every President has to look far beyond his own term of office. Continuity is the very essence of the Office of the Presidency.

The President must also be an educator, recognizing that the strength of a democracy depends on an enlightened electorate. Thomas Jefferson said, "If a nation expects to be ignorant and free, it expects what never was and never will be."

The issues on which a citizen needs to pass judgment today must be more complex than they were in Jefferson's time, but the citizen's capacity to grasp those complexities should never be underrated.

It is not enough that the President understand the issues. He must be willing and able to present them to the people, to win support for government policies, and to give citizens the background for making free choices.

Information is not to be confused with propaganda. The first requirement for information is truth—the good news and the bad. When the White House becomes a Good News Machine, the people are quick to detect it and to lose confidence.

Frequent press conferences, when the President and his Administration are subjected to open questioning by reporters, are essential to the free flow of information. Franklin D. Roosevelt made good use of the press conference as a medium of education, and supplemented it to good effect with his Fireside Chats to bring government closer to the people.

The President's attitude toward people is as important as his attitude toward information. Adlai Stevenson said: "Trust the people. Trust their good sense . . . Trust them with the facts, trust them with the great decisions."

The President must trust the people . . . and inspire their trust.

In short, he must be a leader. He is guided—he must be guided—by public opinion. But he would be a poor leader if he changed course with every shift in the polls. He has to have the courage of his own convictions, plus the ability to evaluate public opinion surveys, which can be impediments to leadership as well as valuable tools for decision-making.

A leader today must be able to recognize when the polls are inaccurate or inadequate reflections of public opinion—or when they are accurate reflections of uniformed opinion. Obviously, the man in the street doesn't have access to all the information that is available to the man in the Oval Office. This information cannot always be made public; but I believe the trend toward greater secrecy in government has weakened the credibility of leadership. A leader who expects people to follow has to level with them about where they are going—and why.

There is probably no office in the world today with great potential for influence by example than the Office of President of the United States. I am not referring to moral example alone; I think we are all agreed that character and integrity are prerequisites for the job. But the President has a unique opportunity to set an example of the democratic ideal for our own citizens and for people around the world, rejecting all the trappings of royalty and avoiding the slightest taint of special privilege.

The Office of the Presidency has deviated considerably from the original intent. It has become more remote, more exalted, more powerful. And it has become more distrusted and feared—both at home and abroad.

George Washington painted no mystical aura around the office. He insisted that "Mr." was a sufficient title for any American.

Thomas Jefferson walked from his hotel to his inaugural ceremony—and afterward sat at the cold end of the table at his boardinghouse, because no man there would give the new President a place at the warm end. No one thought of yielding one to the new President, any more than he would have thought of demanding it.

Of course we cannot go back to the simplicity of the old days. But it is still within the power of the President to set a tone that is in keeping with a democratic society, where hardships and sacrifices are equally shared.

During World War II, meatless days were observed in the White House as they were in any other household. When the King and Queen of England came to visit, Franklin and Eleanor Roosevelt entertained them with a picnic on the grounds of Hyde Park—where the guests dined on hot dogs.

In spite of modern demands for protection and security, Harry Truman was one of our most accessible Presidents. He got his exercise by taking brisk early morning walks through the streets of Washington—followed by a breathless retinue of reporters and a barrage of questions.

He kept his perspective by reminding himself, when faced with crucial decisions, that he was just an average American citizen—who happened to be occupying the Office of the Presidency at that particular time in history.

It is this perspective that needs to be restored and re-emphasized—by an open President, an accessible President, a democratic President spelled with a small "d", who makes no apology for democracy.

I realize I have placed a heavy burden on the shoulders of the President, requiring him to be not only Chief Executive and Commander-in-Chief, but skilled politician, analyst, planner, educator, leader, and example.

And you may wonder if there are any Americans who can fit the job description.

My answer is yes—thousands of them.

I reject categorically the undemocratic idea that there is only one person in either party who is uniquely qualified for the Presidency.

We may have shortages in this country, but there is no shortage of leadership. There is an abundance of talent to be tapped—and it is the responsibility of the political parties to tap it, so that they can offer the American people a choice of highly qualified candidates to occupy the Office of the Presidency.

SENATOR BEALL URGES GREATER LEGISLATIVE OVERSIGHT

Mr. BEALL. Mr. President, I am pleased to join Senator HUMPHREY in offering Senate Resolution 300 which would improve the ability of the Senate in the legislative oversight area.

My colleagues will recall that during consideration of the budget reform measure, Senator HUMPHREY and I were able to get together and combine amendments which both of us had introduced in this area. We offered that amendment and at the urging of the distinguished Senator from West Virginia, Senator BYRD, we withdrew the amendment following a commitment by Senator BYRD to conduct hearings on the measure by the Rules Committee. The 1970 Reorganization Act contemplated additional legislative review of programs which we enacted. While some improvements have been made, I do not believe that the results under the Legislative Reorganization Act have been satisfactory insofar as the legislative oversight function is concerned.

The resolution that Senator HUMPHREY and I are introducing today contains many of the provisions of my original amendment which was also included in S. 758, the Congressional Budget Control and Oversight Improvement Act, which I introduced last February 5, 1973.

Specifically, the resolution provides that each standing committee in the Senate will establish a Legislative Oversight Subcommittee. When a committee already has a subcommittee, with the responsibility to a subject matter, that subcommittee, assisted by the Legislative Review Subcommittee, is required to evaluate all programs under its jurisdiction every 3 years. However, if the subcommittee having jurisdiction fails to evaluate such programs during this period, the Subcommittee on Legislative Review would then be mandated to undertake the evaluation.

To make it absolutely certain that a review would be forthcoming once every 5 years, the General Accounting Office would be required to make a study and to report to the appropriate committee if the review had not been done either by the appropriate subcommittee or the new Legislative Review Subcommittee by the end of the fourth year. Thus, this resolution would guarantee that the vital oversight function of the Congress would be accomplished.

Now, Mr. President, this is not a criticism of the present work of the various standing committees. It recognizes, however, that most of these committees are overwhelmed with their present legislative workload and program evaluation must necessarily take second place to the business of enacting legislation.

Furthermore, in most cases the existing committee staffs are already overworked and spread too thinly. Also, I believe that there is a difference between oversight hearings and the type of evaluation that is contemplated under this resolution.

If this resolution is enacted, it would assure that an adequate, and not cursory review is made by the legislative committees in the Congress and I believe that it will greatly strengthen the role of the Congress and better enable us to carry out our legislative responsibilities.

Again, I am pleased to join Senator HUMPHREY in this effort and I am hopeful that the Rules Committee will give this proposal its early and favorable consideration.

THE WORK INCENTIVE PROGRAM

Mr. TALMADGE. Mr. President, the spiraling cost of public welfare and the ever-increasing number of people on relief is naturally a matter of grave concern to Congress and to every American taxpayer.

Recent reports from the administration indicate that public welfare rolls are declining to some degree. I hope this is true, and I hope it indicates that at least some progress has been made in breaking the welfare cycle for some people.

If this be the case, credit is due State administrations which are more stringently policing rules and regulations governing welfare cheating and eligibility requirements.

At the same time, in my judgment, a great deal of credit must also go to the work incentive program—WIN—which was strengthened by legislation and made more effective in the last Congress. I am particularly very proud personally of the initial success of legislation I sponsored to allow tax credits for private business and industries which hire and train welfare recipients—thereby getting them off the public dole.

There appeared in the March 29 edition of the Atlanta Constitution a news article on the outstanding success of the work incentive program in Macon County, Ga. The article points out how able-bodied people have been taken off welfare, trained for a job, and placed in gainful employment. I have maintained for a long time and I maintain now that increased education and job training, through a working partnership between government and private business, is the best solution and the most lasting solution to the welfare mess.

I bring this article to the attention of the Senate and ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WIN PLACING PEOPLE IN JOBS

(By Violet Moore)

MONTEZUMA.—With a name like WIN, how can you lose?

WIN stands for the new Work Incentive Program, a major state and national effort to help people on Aid to Families with Dependent Children (AFDC) become productive workers.

Since the summer of 1973, the Georgia Department of Labor's WIN office in Americas, cooperating with the Macon County Department of Families and Children Services, has placed 326 individuals in jobs ranging from policewoman to daycare attendant as a first step on the road to financial independence.

The large majority of WIN's clients are mothers of infants and school age children who are unable to work outside the home. The goal of WIN is to train the client in job skills, find her a job, and eventually reduce the AFDC grant she has been receiving or close out her case as a welfare recipient completely.

Arrangements for child care are made through FACS.

Mrs. Lucy Hatcher, manager of the WIN program in the counties served from the Americus office of the Georgia Department of Labor, describes the process this way:

"Every case we handle is special in some way. We must assess the client's skills or those she could acquire, find an employer who is willing to participate in her training, arrange for transportation, and continue to counsel her during the orientation period of two weeks, and throughout the probationary time of her employment.

For up to 12 months the employer is reimbursed by WIN for 50 per cent of the costs of her training.

One of the newer advantages to the employer who provides a job and training environment for a WIN client is the tax credit which recently went into effect. The Revenue Act of 1971 allows employers to claim a "Job Development Tax Credit" for hiring workers placed through WIN. The credit amounts to 20 per cent of the cash wages paid the employee during the first 12 months he works for the employer.

If, for example, the client's wages are $5,000, the employer's tax credit would be $1,000, and an employer hiring 25 workers at the $5,000 yearly wage would take a tax credit amounting to $25,000.

To illustrate how WIN goes into action, take the case of Norma McKenzie, 24, who was married, had two children, then was separated from her husband. She volunteered for the WIN program in April 1973.

As soon as she registered the Macon County Department of FACS referred her to Mrs. Hatcher's office in Americus. While they began looking for a job for her, Mrs. Cheryl York, her social worker in the Macon County FACS, helped her make arrangements for child care.

Virgil Carter, WIN's employer relations representative, contacted Mayor B. C. Bickley in Marshallville, explaining the advantages of hiring a WIN participant. After discussion with Police Chief Herbert Jones, they agreed to give the young woman a chance and, in November, Mrs. McKenzie was hired as police radio dispatcher, becoming the first woman to work with the Marshallville police department. She now provides total support for herself and two children.

One of the industries involved in the WIN program is Southern Frozen Foods Inc. of Montezuma. Twenty-one WIN clients have found gainful employment there. Besides the public service to the community in providing jobs for welfare clients and helping them toward financial independence, this major middle Georgia industry has a new labor source, and is entitled to a tax break on their first year at the plant.

The WIN program actually began with a training program in the late 1960's, which led to the employment-oriented WIN system which began in 1972. The program has been active in Middle Georgia since 1973.

The WIN staff at the Americus office consists of Lucy Hatcher, manager; two counselors, Ronald C. Moye and Clarence W. Short, both of Americus; employer relations representative, Virgil Carter, Montezuma; and job coach, Dorothy Hamilton, Smithville.

UNEMPLOYMENT COMPENSATION RELATING TO THE ENERGY CRISIS

Mr. FANNIN. Mr. President, the Senate Finance Committee conducted hearings yesterday on unemployment compensation relating to the energy crisis.

The committee was privileged to have the testimony of Mr. Ross Morgan, administrator of the employment division for the State of Oregon, and Mr. Harry Rothell, administrator of the Texas Employment Commission.

Mr. President, I think it is extremely significant that both of these gentlemen testified that special legislation is not needed at this stage of the economy. Further, Mr. Rothell pointed out that the increased claim loads in most of the States due to the energy crisis have not been excessive and that the regular State programs and the Federal-State extended programs have been adequate in those few States which have had extremely high claims actively. In fact, the State of Michigan, the State most hard hit by the fuel shortage, has just recently triggered in on the Federal-State extended benefit program.

Mr. President, I ask that the full statement of these experts be printed in the RECORD.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT BY ROSS MORGAN, ADMINISTRATOR, EMPLOYMENT DIVISION, STATE OF OREGON

Mr. Chairman, Members of the Committee, I am Ross Morgan, Administrator, Employment Division, State of Oregon.

I have been asked to respond to the question of whether special legislation related to unemployment insurance is needed as a result of the energy crisis.

Even though Oregon along with our neighboring states of Washington and Alaska have been among the leaders of the nation in high unemployment percentage rates, we do not believe special legislation is needed.

The work force in Oregon totals 1,029,000. Total unemployment stands at 68,900. The seasonally adjusted unemployment rate for the month of February was 5.7% compared with a national rate of 5.2%.

Total layoff due to the energy crisis reached a peak of 2,750 as of January 14. As of March 25, the number had declined to 1,340.

In addition to the energy crisis, Oregon's high unemployment rate is due to seasonal factors, national business downturn and unprecedented in-migration. At the same time, our growth rate continued well ahead of the national average. 36,800 more people were employed in February than the year-ago level. Thus, we have a healthy growing economy and at the same time, a high unemployment rate.

We believe that our present unemployment insurance program of 26 weeks along with the extended benefit program of 13 weeks is adequate to take care of the needs of the workers of our state. In Oregon, all workers are covered, both public and private, except domestic help and farm workers.

Our state will trigger "on" extended benefits the week of April 7. If the 120% factor had not been suspended, we would have triggered the last week in May. We anticipate paying extended benefits the balance of the year whether or not the 120% factor is suspended again.

Since initial enactment of the extended benefit program, the permanent state "on" and "off" indicators have not functioned as efficiently as anticipated. Many states did trigger "on" in 1971 and early 1972 due to the high unemployment at that time as was intended. However, several states continued to experience high unemployment over an extended period of time—notably Washington and Alaska. As a result, those states' unemployment rates, while high, did not qualify for continued extended payments. Congress has several times permitted suspension of the 120% factor that at first glance may appear desirable, but in some states it permits extended benefit periods to be established each year because of seasonal unemployment. The original purpose of the extended benefit program was to pay benefits when economic downturns occur and large numbers exhaust their regular claims. With the only requirement for an "on" indicator being 4%, Oregon would trigger extended benefits every year, as seasonal layoffs annually bring the rate well above this level. In fact, six per cent would start an extended period during most years—the mid-January rate during the last 10 years is 6.4 per cent. (Oregon's annual average rate is 4.0 per cent.) Oregon's exhaustion rate does not warrant payment of extended benefits each year. Only when the rate becomes extremely high in relation to normal do large numbers begin exhausting.

One possibility for eliminating the need

for continuing the suspension of the 120 per cent factor on "on" and "off" indicators is to amend the permanent indicators by deleting the 120 per cent factor on the "off" indicator but leaving it in the "on" trigger. If this had been in the original trigger provisions, most states would not have required the "special" suspension to continue payment of extended benefits as unemployment remained high (above 4.0 per cent).

Thank you for the opportunity to bring this testimony to your Committee. If you have any questions, I would be happy to respond.

STATEMENT BY HENRY ROTHELL, ADMINISTRATOR OF THE TEXAS EMPLOYMENT COMMISSION

Mr. Chairman and Members of the Committee, my name is Henry Rothell. I am the Administrator of the Texas Employment Commission. I have been engaged in the Administration of the Unemployment Compensation Program in Texas for 36 years.

I am appearing before this Committee today because I am greatly concerned about the various provisions of the several "Energy Crisis" Unemployment Bills introduced to pay additional unemployment compensation to individuals unemployed during the energy crisis.

All four of the bills listed in the notice of hearing have basic weaknesses. Senator Jackson's bill and Senator Ribicoff's bill would pay compensation to anyone whose unemployment was caused by the energy crisis—the "cause" factor would be almost impossible to deny in any case of unemployment.

Senator Kennedy's bill would pay additional benefits only to those who are covered under current programs—and would be of no assistance to those not covered under present programs. In addition it would pay bonuses to states which have higher unemployment rates during the crisis—but this could have just the opposite effect of that intended. For example, the state of Texas would probably qualify for a bonus while the state of Washington probably would not although Washington will be more adversely affected by the crisis.

Title II of the Administration's Bill introduced by Senator Bennett is highly discriminatory—it would pay additional benefits to unemployed in population areas of 250,000 or more but would give no assistance to less populated areas.

Mr. Chairman, the extreme differences in these four proposals indicate the wide difference in opinion as to just what action should be taken during this crisis for the unemployed.

All of these bills bear the mark of hurriedly drafted legislation. Further, no thought has been given to the question of whether the current unemployment compensation programs developed and passed by this Committee are meeting the present needs.

I would point out that the increased claim loads in most of the states due to the energy crisis have not been excessive and that the regular state programs and the Federal-State Extended programs have been adequate in those few states which have had extremely high claims activity. In fact, the state of Michigan, the state most hard hit by the fuel shortage, has just recently "triggered in" on the Federal-State Extended Benefit Program.

Mr. Chairman, I am suggesting that our present situation is not so severe that we should hurriedly enact any legislation which contains basic weaknesses.

I respectfully point out that we should immediately consider an amendment to our Federal-State Extended Benefit statute to correct the "state trigger" criteria. An alternative trigger provision is needed to permit a state to continue participating in the extended program when the rate of unemployment remains abnormally high. Such an amendment would make it unnecessary for Congress to further extend the waiver of the 120% factor.

This concludes my statement. I will be glad to try to answer any questions you have.

SUMMARY STATEMENT

1. All of the proposed bills have basic weaknesses and there are extremely wide differences in the proposals to handle the unemployment problem. They appear to be hurriedly drafted without full consideration of the problem.

2. The immediate crisis appears to have passed the crest since the claim loads have already turned downward and the regular unemployment programs developed and passed by this Committee have been sufficient to handle the increased claim loads.

3. An immediate amendment to the Federal-State Extended Benefit statute should be made with respect to the state "trigger" criteria. An alternative trigger should be added to permit a state to remain in the extended program when the rate of unemployment remains abnormally high.

Mr. FANNIN. Mr. President, the New York Times of March 24, 1974, contained an article entitled "It's Still Early, but Economy May Have Seen the Worst" which I would like to bring to the attention of my colleagues. This article points out that:

> Payroll employment rose in February and unemployment did not increase further, at least for the time being.

This is one of the factors that have led to a generally positive forecast and further validates the views of the two witnesses before the Finance Committee. I ask that the full text of the article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IT'S STILL EARLY, BUT ECONOMY MAY HAVE SEEN THE WORST

(By Edwin L. Dale, Jr.)

WASHINGTON.—The Administration's economists, with considerable but not unanimous support from private forecasters, believe that most of this year's downturn in the American economy has already taken place.

However, because of the necessary lag in statistics, the figures will still be showing declining output for at least another month. Figures for March and the first quarter will not be published until April and even May.

The Government normally makes an official forecast only once a year—at the time of the President's economic report to Congress in late January or early February. But the Government regularly updates its forecast without publishing the results. The latest updating was nearing completion last week, with most of the main February statistics in hand.

Without revealing specific numbers, officials now concede a sizable decline in the "real" gross national product in the first quarter. They believe the outlook for the second quarter is for a very small change in either direction—that is, for an essentially flat economy.

For the second half, they are projecting what is probably a somewhat stonger recovery than the "standard" private forecast. It is certainly stronger than a private projection of a rise in the G.N.P. of less than 1 per cent in each of the third and fourth quarters. This projection was disclosed last week in the composite forecast of 62 economists released by the National Bureau of Economic Research and the American Statistical Association.

One high official, commenting on the ending of the oil embargo, said last week: "Our best judgment was that there would be a recovery with or without the end of the embargo. The embargo's end removes some of the downside risk in the second quarter and helps to assure the recovery in the second half."

In other words, the lifting of the Arabs' embargo on oil shipments to the United States has not significantly changed the Administration's economic forecast for the rest of this year. The end of the embargo has simply added to the Administration's confidence that the script, including an upturn in the second half of the year, will be followed.

Herbert Stein, chairman of the Council of Economic Advisers, has said there might be a favorable effect on automobile sales but that otherwise the embargo's end would not change things much.

Other officials have noted the risk of a serious decline in consumer buying generally because of the over-all atmosphere of confusion and uncertainty. They feel that this risk, too, may now be lessened.

Testifying last week in opposition to a general tax reduction to spur demand, Secretary of the Treasury George P. Schultz told the Senate Finance Committee that "we think the odds are decisively" in favor of a recovery without special stimulus.

He added, "The forces for revival would be further strengthened if the oil embargo comes to an end and oil output in the Persian Gulf area increases." And he implied that the economy might be at its low point this month.

What statistics so far this year have reinforced the generally positive forecast? Here they are:

Payroll employment rose in February and unemployment did not increase further, at least for the time being.

The great bulk of the 2 per cent decline in industrial production since November has been energy-related—automobiles and electric power.

Housing starts apparently hit bottom at the end of 1973 and have since turned up, though the big jump in February may have been a statistical fluke.

Manufacturers' orders have continued at a high level and backlogs of unfilled orders have continued to rise.

Personal income, which declined in January, resumed its rise in February.

The early-March survey of business intentions confirmed that plant and equipment spending would be strong throughout the year.

Inflation is another matter. While there has been some mildly encouraging news about prices of commodities and raw materials in recent weeks, no one expects the price figures to look really good at any time this year. What is urgently hoped for is "deceleration," with less inflation at the end of the year than at the beginning.

Mr. Shultz testified last week: "It is fair to say, I think, that the second half of 1974 will be a crossroads for the future of inflation in America. The situation will be sensitive to an acceleration of inflation. Economic activity will be rising.

"It will be a condition in which, if the economy moves ahead too fast, we could get a step-up in the inflation rate from which it will be hard ever to retreat."

But this very emphasis on the danger of inflation is evidence of growing confidence that the danger of recession is receding. Only events, of course, will tell if such confidence is well-founded.

TOURISM

Mr. GURNEY. Mr. President, on March 29 and April 1, hearings were held before the Senate Commerce Committee, Subcommittee on Foreign Commerce and Tourism focusing on the problems faced by the tourist industry due to the energy crisis.

As my colleagues here in the Senate are well aware, the tourist industry is of vital importance to the millions of Americans who not only depend upon tourism for their livelihood, but who also depend upon this industry for a means of necessary relaxation.

At these hearings, I stressed the importance of including the tourist industry within any petroleum allocation program enforced by the Federal Government. I also urged the establishment of a Tourism Advisory Board within the Federal Energy Office, and I was most pleased to learn that during his testimony before the committee, Deputy Administrator John Sawhill assured the chairman of these hearings, the Honorable Senator INOUYE, that such a board would be established within the near future.

I respectfully request that my testimony before these hearings be printed in the RECORD at the end of my remarks.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

TESTIMONY BEFORE THE SENATE SUBCOMMITTEE ON FOREIGN COMMERCE AND TOURISM

I am pleased to have the opportunity to be here this morning for the opening session of these tourism hearings. Coming as they do on the heels of the worst energy crunch since World War II, these hearings could not be more timely. Tourism is not just a way for people to relax; it is both a livelihood and a way of life for millions of Americans.

In 1972, for instance, the tourist industry contributed approximately $61 billion to the U.S. economy according to the U.S. travel service. It also provided direct employment to many others. And, in many places—like Florida—tourism constitutes a major part of the economy.

As a matter of fact, tourism is one of the three leading industries in 46 of the 50 states of this nation. In Florida, of course, tourism is the biggest single industry, accounting for 15% of the state's total GSP (gross state product) for 1973. And, I understand its also the biggest industry in the home state of our distinguished chairman, Sen. Daniel K. Inouye, Hawaii, and also in the great state of Nevada.

Employmentwise, Tourism means jobs—either directly or indirectly—for almost three quarters of a million Floridians. The biggest single site industry in Florida is Disney World—which employs roughly 10,000 people while providing enjoyment for millions.

What had, and still has, all these people concerned is that the effect of the energy crisis is double barreled. Not only do people need fuel to run their tourist enterprises, but, for them to do any business, the tourists must have the fuel to reach them. Florida's particular problem is that, of the 25 million tourists that visited the state last year, 80% came by car.

As a consequence, last month's gasoline shortages really hit the state's tourist industry hard. Every gauge we have—car counts, welcome station information and turnpike toll data—indicates that auto travel into the state was off about 30% in January, almost 40% in February, and nearly 50% in the early part of March. While bus, train and plane ridership to Florida all increased during the same period, the increases were not sufficient to offset the decline in auto travel. As a result, the tourist industry in Florida suffered a dropoff of an estimated 15%.

However, before I get into specific details, let me make one point that I don't believe can be emphasized enough and that point is, regardless of how our gas situation has eased recently, we are still going to face shortages for quite some time and there is no guarantee that another oil embargo won't come along and put us back where we were a month ago. The worst thing we could do is think that our troubles are over, or that we can relax and let ourselves slide back into old habits.

Instead of a solution to the energy crisis what we have is a reprieve and we should take advantage of it to plan for future contingencies. Tourism is just as important to the American economy and the American people as any other industry. People need a vacation to be effective on the job, and making vacations enjoyable is a full time job that provides income for a substantial number of people. When thought of that way, tourism is not unpatriotic, nor is it some sort of luxury that we simply cannot afford.

There is no reason why tourism and continued conservation of fuel—both of which are necessary—cannot go hand in hand. Vacation travel accounts for only a small part of total auto gas consumption—only 2.1% compared to 84% for commuter travel—and even that can be reduced by increased usage of more efficient means of transportation.

For instance, a study published by the American Society of Civil Engineers last year, points out that buses get 125 passenger miles per gallon, and trains 80 passenger miles per gallon compared to 32 passenger miles per gallon for the average American car. Greater use of such concepts as car carrying trains, charter bus tours, train trips and reduced rates for weekend mass transit travel can make traveling not only more fuel efficient but also more convenient, comfortable, and relaxing. America has become wedded to the automobile by choice, not by necessity and there is no reason why adjustments in the mode of travel cannot be made without compromising the enjoyment of the trip.

Along these lines, I have just proposed that Amtrak initiate an auto-ferry service between Indianapolis, Indiana and Poinciana, Florida for receational vehicles. This service would complement not only the regular Amtrak auto-ferry service that is about to be instituted between these two cities, but also the privately owned auto-train service that runs from Lorton, Virginia, to Sanford, Florida. The savings would be considerable since Florida is rapidly becoming a haven for recreational vehicles. In fact, recent studies show that one out of every four Floridians lives in a mobile home with more mobile homes coming down every day.

Another suggestion that has been made is the expansion of Amtrak passenger train service wherever feasible. Last year, even though passenger train ridership increased over 1972, only 4% of the visitors to Florida came by train. This year, Amtrak reports that ridership to Florida was up over 54% in February, but given the fact that train ridership (intercity plus commuter) last year was 64% less than it was twenty-five years ago, there is certainly room for improvement.

Mr. Chairman, along with transportation, one of the major concerns of the tourist industry is the impact of the energy crisis on employment.

To offset this impact, I have also proposed legislation that would increase the fuel allocation to any state whose unemployment rate increased five tenths of one percent or more as a direct result of the energy crisis. As long as we are going to have a mandatory fuel allocation program, it only makes sense to allocate gas where it is needed the most and what better test is there of need than an indication of rising unemployment.

I have also introduced legislation that would establish a new formula for the distribution of gasoline to states. Presently, the Federal Energy Office's allocation formula is based solely upon a percentage adjustment of gasoline consumption in 1972, and state motor vehicle growth. The formula I have proposed requires the Administrator of the Federal Energy Office to allocate motor gasoline according to a state's 1972 population census; the gasoline sales tax receipts of each state; the gasoline consumption increases within each state on a quarterly basis; and the 1973 motor vehicle license tag registration within each state, in determining an equitable gasoline allocation. Such a broad based formula would increase the likelihood of each state getting it's fair share of whatever gasoline is available.

Passage of proposals like these, plus implementation of air, rail and bus transportation alternatives would go a long way towards alleviating gasoline shortages that the federal office estimates will run in the neighborhood of 5% this summer.

However, this list of suggestions is by no means all inclusive. Each state has its own particular tourism problems, for which unique or localized solutions are often the only answer. Given these circumstances, it is vital that state and local agencies concerned with the effects of the energy crisis be able to deal with the Federal Energy Office in an effective and unified manner. Therefore, on March 4th, I wrote a letter to Energy Administrator William Simon urging him to create a tourist advisory board within the Federal Energy Office to make sure that, in our well-intentioned efforts to conserve fuel, we do not overlook the impact that energy saving efforts might have on the tourist industry.

As of this date, the Federal Energy Office has not acted upon this proposal. Therefore, today I am offering legislation to establish a tourism advisory board within the Federal Energy Office. FEO must acknowledge tourism as a legitimate industry, and I feel that with the establishment of a tourism advisory board within FEO and the appointment of tourist specialists to this board, FEO will be better able to make policy decisions that affect this nation's tourist industry.

Therefore it has become evident that the time for rhetoric has passed and the time for offensive action is at hand. I have just completed arrangements for a major conference on tourism to take place within the near future in Florida. It will be participated in by representatives of all tourist oriented industries throughout the state as well as all Florida Chambers of Commerce and other representatives including national level representatives from the executive and legislative offices of government. More details on this special action conference will be released by my office next week.

Generally speaking, the problems the tourist industry in my home state faces can be broken down into three categories.

The first is the difficulty travelers have getting to Florida.

The second deals with the difficulty people have getting around Florida once they arrive.

The third consists of the cumulative effect of the first two on business and employment.

I have already touched on the subject of the difficulty people have had getting to Florida, but, for the benefit of the sub-committee, which I think can benefit from a more detailed and specific case history, let me go into the facts and figures a bit more thoroughly.

As I indicated previously, auto travel into Florida dropped sharply as the energy crisis worsened. In January 1974, 30% fewer travelers dropped by Florida's welcome stations than did so in January 1973. In February, 38% fewer auto travelers stopped in and, during the first three weeks of March, 47% fewer people stopped by than had done so the year before. In addition, the Florida State Department of Tourism reported that, during the first week of February—to list an example—auto travel into Florida on five major highways—I–10, I–75, I–95, U.S.–1 and U.S.–98—was down 32% from the previous year. Moreover, data collected by the Florida turnpike authority—operators of the nationally famous Sunshine State Parkway—indicated that, during the first 20 days of February, auto traffic dropped 13.4% and toll revenue dropped 20%.

The toll revenue figure points up the importance of including gasoline tax receipts in any fuel allocation formula. Not only do tax or toll receipts give a pretty good idea of current fuel usage, but they also indicate economic impact on both business enterprises and state revenues.

As I also indicated, the alternatives to auto travel picked up some of the slack but not enough to keep business up to its previous levels.

For instance, the airlines, despite fuel shortages of their own, were able to carry more passengers on fewer flights. National, Eastern, Delta, United and Southern all reported increased bookings during January and February.

Also, Amtrak figures show that passenger train travel to Florida picked up considerably as the energy crisis deepened. On the New York to Florida run, ridership increased 54% in February 1974 compared to February 1973 and on the Chicago to Florida run, the increase was 58%.

And, finally, buses have picked up their share of the load.

Even so, many people rather than leave their car home or run the risk of running out of gas, simply called off their plans to go to Florida on vacation. Many feared that even if they did not get stranded enroute, there might not be enough gas to see the state once they got there.

Such fears discouraged not just would be out-of-state tourists, but also in-state residents. Of course, Florida had no monopoly on long lines at the gas station but, because it is a tourism state, the effect was magnified. Simply put, a shortage of gas meant a shortage of tourists which in turn, meant economic hardship for Floridians, on top of the frustration of having to wait in line for gas.

Of course, geography complicated matters even further. In February, the gasoline situation was such that South Florida—the area below Interstate 4 which runs between Tampa and Daytona Beach—was hard hit by fuel shortages, while North Florida had relatively few problems. I mention this only to stress the fact that fuel allocations within the state are often as much a part of the problem as fuel allocation between the states.

Polls taken by the American Automobile Association (Triple-A) tell more eloquently than I can what all this meant for the visitor to Florida as well as the residents. For instance, during the week of February 18–23, of the 278 gas stations polled by Triple-A, 92 were completely out of gas, 99 more were limiting purchases, 159 were closed on Saturdays and almost all were closed on Sundays.

In Dade County—the Miami area—7 of the 16 stations polled were limiting purchases. In Orange County—the Orlando area—12 of the 20 stations checked were limiting purchases and 5 more were out entirely. In Bradenton—on the lower Gulf Coast—7 of the 13 stations monitored were out of gas and none of the 13 was open on *either* Saturday or Sunday. In Hillsborough County, the Tampa area, 5 of the 10 stations surveyed were either out of gas or limiting purchases. And, finally, in the area around and to the south of the Kennedy Space Center, of 37 stations contacted, 20 were out of gas, 13 more were limiting purchases and only 6 were operating on the weekends. With figures like those, the Florida tourist industry was lucky not to have suffered worse than it did.

As it was, the impact on business and employment—the third category under consideration here—was considerable. Statewise, the Florida Department of Commerce's poll of 100 accommodations showed that tourism has dropped anywhere from 8% to 22% since the beginning of December. And in some areas the dropoff was even worse. For instance, in St. Augustine, which is totally dependent on the automobile for its tourist business, has reported a 15% drop and even in the Miami area—which about half of our tourists visit—business has declined 8%–15%.

The tourist attractions in Florida, were equally hard hit.

At Disney World, which has a monthly payroll of $1 million, attendance dropped 8% during the first two months of the year. As a result of the slump, some 1,700 workers were laid off in January, 630 of whom were permanent employees. While some of these were hired back in anticipation of the Easter season, the fact remains that jobs were lost and could be lost again if we do not take heed of the danger signals.

Cypress Gardens, likewise, reported that business was down about 10% from last year. In turn, they cut back on their work force by about 10%.

Attendance at the Miami Seaquarium was down 24.5% for the month of January. Also showing declines that month were: Parrot Jungle—30% and Monkey Jungle—34%.

Lion Country in Palm Beach County got into severe trouble as a result of the energy crisis. Busch Gardens, in Tampa, showed an attendance decline of 30% in February, the NASA Tour Center reported a dropoff of visitor tours of 27%, and two attractions—Railbow Springs and Sponge-O-Rama—had to close down altogether.

All in all, the Florida Department of Commerce reports that unemployment claims resulting from the energy crisis jumped 9 to 10%. Energy layoffs pushed the December state unemployment rate up 0.3% to a level of 3.3%, and had it not been for the end of the oil embargo, it would have gone even higher.

I could go on with statistics of this type, but rather than do that, let me stress once again that we should not take these figures lightly. At almost anytime, the Arab oil embargo could be reapplied and we would soon find ourselves face to face with a rapidly mounting stack of statistics of an even more gloomy nature. And even if the oil embargo is not reapplied, we must learn to live with the fact that the good old days of seemingly endless supplies of cheap energy are gone forever.

However, I should also stress that conserving fuel and finding new alternatives to deal with energy shortages is in no way inconsistent with the existence of a healthy tourist industry. In fact, such efforts should complement tourism, given American ingenuity, may well make leisure travel an even more enjoyable pastime for millions of Americans.

At this point, I would like to express my appreciation to the distinguished Senator from Hawaii, Senator Inouye, and to the other members of this subcommittee for holding these hearings. From them I hope will emerge the broad outlines of a policy that will reassure millions of Americans that the wonderful word vacation will never lose its charm or meaning.

WAGE AND PRICE CONTROLS

Mr. STEVENSON. Mr. President, on March 26, the Banking Committee voted not to report any economic stabilization legislation. The result is that existing law will simply expire on April 30 unless some action is taken.

The issue, however, is not yet dead. Serious inflation is still with us and most economists predict that more is in store. A way must still be found to protect the economy against a new surge of inflation and renewed pressure for more controls. I, therefore, ask unanimous consent that my remarks before the Banking Committee at its markup session on wage and price controls be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

REMARKS BEFORE BANKING COMMITTEE ON WAGE AND PRICE CONTROLS

The question is not whether to continue controls—it is how to insure that wage and price controls are ended for good so that the President does not have to come back to the Congress for new controls.

When wage and price controls were first imposed in August of 1971, consumer prices were rising at an annual rate of 4.4%. The hardship inflicted on wage earners, housewives, people on fixed incomes, and others whose incomes were rapidly eroding brought irresistible pressures to erect an economic stabilization program. Wage and price controls constituted a serious interference with the marketplace, but were justified, it was believed, by the spiraling rise in prices.

Today, it is generally agreed that wage and price controls should be ended, except in the petroleum sector.

The danger is that if controls are not dismantled carefully, the forces which led to their imposition will lead to their reimposition.

The nation is suffering the worst inflation since the end of World War II. In 1973 alone, consumer prices rose by more than 9%. By February of this year, they were rising at an annual rate of over 15%. Wholesale prices in 1973 rose by more than 18%. In February, they had risen more than 20% above their levels just one year ago. Meanwhile, real incomes were falling. At the end of 1973, they were 3% below their level at the beginning of the year; at the end of February of this year, they had fallen 4.5% below those of a year ago.

More than 70% of the February wholesale price rise was due to fuels, metals, farm products, and processed foods and feeds. These are basic commodities and their increased prices will show up at each stage of the production cycle.

Their full impact has not yet been felt. Almost 47% of the economy, as measured by the wholesale price index, is still under controls. When they are suddenly lifted, prices will surge upward. Moreover, wholesale prices take time to filter through to the consumer level. When that happens, the pressure to reimpose controls could again become irresistible. If an inflation rate of under 5% was enough to bring about controls in August of 1971, who can say that 15% will not be enough in 1974?

When controls were abruptly terminated at the end of Phase II, inflation was being held to an annual rate of 3.6%. When controls were suddenly lifted, consumer prices exploded and a freeze was imposed. This occurred despite widespread dissatisfaction, even in high government councils, with any form of economic controls. It could happen again.

That is why it is imperative that decontrol be structured in a way which prevents a new surge of inflation and insures that when controls are dismantled, they will not be reimposed again.

The compromise bill which Senator Johnston and I developed was intended to do that. It would provide for rapid decontrol within six months, but would insure that decontrol is accomplished in an orderly fashion. The transition to a free market—the goal for which we all strive—would be accompanied by increased production of commodities in short supply and price and wage restraint. The President would be given adequate power to enforce promises to increase production and exercise price and wage restraint. The wage earner would be protected with due consideration of his right to cost of living and productivity increases. Most important, this bill would help assure that we have seen the last of wage and price controls.

With a precipitous abandonment of the economic stabilization program, we would be in for a new period of uncertainty. Decontrol commitments will be difficult to obtain, impossible to enforce. Prices will continue their climb; real earnings will continue their decline. All those who cannot readjust their incomes rapidly enough will continue to suffer—and even more than in the past.

This is a wealthy nation suffering declining personal income, rising unemployment, declining industrial production, and an epidemic of shortages. For an already discredited government to simply walk away from controls with no provision for the transition risks the free enterprise system and invites political instability, as well as more economic distress. Instead of returning to a free market, the future is placed in doubt.

The purpose of the compromise bill is not to continue controls; its purpose is to protect those who cannot protect themselves and make possible, this time, orderly and permanent decontrol. The alternative for the short run is to abandon the fight against inflation—and this would, in the words of one distinguished economist, be "grossly irresponsible."

HEALTH CARE CRISIS: NO SIMPLE REMEDY WILL CURE OUR ILLS

Mr. MUSKIE. Mr. President, I am pleased to commend to the attention of the Senate an article by our distinguished colleague from Colorado, Senator HASKELL, on "Health Care Crisis: No Simple Remedy Will Cure Our Ills." Senator HASKELL's article, which appeared in the Denver Post on March 24, 1974, provides an insightful analysis of the problems besetting our health care system.

From his analysis, Senator HASKELL concludes that solving our "health care crisis" will require a "comprehensive, multifaceted solution." He suggests that such a comprehensive national health plan must include many elements, including: coverage against costs of catastrophic illness and health care for those most in need, such as the elderly or low income; varied health care systems; improved medical manpower training and distribution; more aggressive health research; and expanded public health programs.

Mr. President, Senator HASKELL's article is a welcome addition to the congressional discussion about national health policy. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HEALTH CARE CRISIS: NO SIMPLE REMEDY WILL CURE OUR ILLS

(By Senator FLOYD K. HASKELL)

Crisis is not a word of which I make casual use. Unfortunately, though, it accurately describes the state of health care in America.

At the outset, let me make clear that I am not saying that we do not have good doctors, or that they are not committed to the well-being of the people. I am proud of the fact that American medical personnel are the best trained in the world. Our nation is far ahead of any other in medical research and technology simply because we have the most capable and dedicated medical professionals.

Still, the health care industry is crisis-beset because of the increasing inability of people all across the country—white, black, brown and red, middle class and poor, young and old—to obtain adequate health care. This is due to a number of distinct, but related problems; high costs, inefficient distribution of physicians among specializations and geographical areas, and an absence of medical care that is designed not only to treat us when we are ill but also to keep us well.

We are all acquainted with the exorbitant cost of health care and health insurance: Health care prices—the most inflationary factor in the general economy—have soared from a total cost of $10 billion in 1950 to well over $90 billion this year. For the average American family, that means that a hospital room which cost $37 a day in 1968 costs over $100 a day now; it means that the average wage earner works one month a year just to pay his health care and health insurance bills. For older Americans, inflation has increased average yearly health expenditures from about $350 just a few years ago to nearly $800 today.

Unfortunately, health insurance, whether private or public, fails to take up the slack for most individuals who need medical care. The old joke is sad but true: The insurance coverage that most Americans have is known as the "Buffalo Plan"—if you are run over by a herd of buffalo, you are fully covered; otherwise you should be either very healthy or very wealthy.

More than 35 million Americans have no hospital insurance; more than 70 million have no diagnostic laboratory insurance; more than 110 million have no doctor's office or home visit insurance that will adequately cover costs.

And neither Medicare nor Medicaid have made a significant impact on this cost crisis. Medicare covers only about 45 per cent of the health care bills of the elderly and, in fact, most older Americans pay more today for medical care than they did before Medicare was enacted. Inflation is to blame. Similarly, Medicaid is a sharply limited program in terms of the number of people covered and the scope of services that are paid for. Medicaid has fueled the rate of inflation in the health industry and the high costs we live with today too often keep people away from the help they need.

The high cost of health care and the growing inadequacy of health insurance unquestionably imposes the most severe burdens on those most in need—the elderly and the poor.

Death and disease rates in the poorest states far outdistance the rates of the wealthier states, and illness generally is twice as frequest an occurrence among the poor as among the non-poor. A poor child has twice the chance of dying before he is 35 than does a child who is not poor—in part because of the fact that in our inner cities there is an average of one doctor for every 12,000 residents, as compared to suburban areas that often have one doctor for every 200 residents.

But the inability to obtain adequate, reasonably priced medical care also is a problem for millions whose income is above the poverty line. Ask any parents where they can take a sick child at nighttime or on a weekend. Ask those who live in the 5,000 communities that have no doctor at all what they do for medical help. Talk to miners and chemical workers who often contract respiratory ailments what they must do to locate a qualified X-ray technician. Ask the average American what he does when he has a stroke and spends three or four weeks in the hospital—at a cost that may equal one half his annual income—and how he will pay for that catastrophe.

How can we solve the health care crisis? Of one thing I have become absolutely convinced: There is no answer to this question.

Providing funds for the education of more medical personnel, or building more hospitals, or even providing a plan to assure the availability of health insurance for all Americans will not individually solve the crisis.

To pour vast amounts of federal funds into the present health care system without any other federal action will only create further distortions in demand, in pricing and in resource allocation without improving the quality of health care or addressing the geographic maldistribution of doctors.

Insurance coverage of all medical payments for all Americans, regardless of their incomes, would exaggerate the failings of the Medicare and Medicaid programs—we would unwittingly contribute to the soaring rate of inflation and, hence, push care yet further from the reach of those who need it most and can afford it least.

And we would be ignoring the special medical needs of the geographic areas that are without physicians, the environmental health dangers that pose special threats to the physical well-being of rural and inner city lower income Americans, and the vital need to provide the financial incentives necessary to assure our people the freedom to choose from among varying forms of health care delivery systems, including the traditional fee-for-service system and preventive care, pre-paid health maintenance systems.

I am especially concerned about the availability of preventive health care systems. We must provide incentives for a health care system designed to keep people well in addition to treating them when they are ill. As a practical matter, preventive health care will go a long way toward keeping the over-all cost of medical care to a minimum because treatment costs a great deal less the sooner we discover a medical problem. More importantly, though, preventive health care will make us a healthier, more productive and happier people.

I am also very much concerned about the distribution of medical personnel. We have an over-all shortage of doctors and we have an imbalance between general practitioners and medical specialists. General practitioners are those on whom we most depend for preventive medical care. Today, we need 50,000 additional general practitioners across the country. Yet last year our nation's medical schools had to turn away nearly 20,000 qualified applicants because there simply was not enough room for them. And in some areas of the country, experts say, there are too many specialists, while in other areas there are too few.

Another element of a truly effective national health care policy will have to be a serious effort to discover and remedy the most serious causative factors of major illnesses and killing diseases.

For example, almost half the deaths of adult males in our society are caused by cardiovascular disease. There is important evidence that smoking, lack of exercise and poor diets, and not a lack of medical care as such, are strong contributors to heart disease.

Another great killer is cancer. For example, nearly 13,000 women a year die from cervical cancer. Preventive medicine must include a broadscale research attack on the causes of these dread diseases.

In the same vein, consider for a moment the environmental causes of ill health, especially those that face lower income Americans. For many of America's poor, housing policy and sanitation are integral elements of any truly effective national health policy.

Of what use is a neighborhood clinic to a child whose brain has been permanently damaged because he ate chips of lead-based paint? Are we fooling ourselves and the rural poor when we provide occasional treatment for children who suffer from dysentery and then allow them to return to a dirty water supply after treatment?

Just two years ago, a Senate committee heard testimony from two doctors who had diagnosed 27 cases of kwashiorkor and marasmus in a Colorado migrant population of 300. These are the most severe forms of protein malnutrition, previously thought to exist only in the underdeveloped world. Food, too, is integral to preventive health care. Americans must be afforded the ability to purchase the food they need, whether through adequate employment safeguards, public service employment if necessary, or otherwise.

The poor must be a principal focus of our national health care plan, but since the crisis spreads itself so far across income ranges, government policy also will have to address the needs of millions of Americans who are not poor—but would be if struck by a catastrophic illness. That possibility is not one that I have just imagined: A recent study by the National Cancer Foundation demonstrated that a catastrophic illness can reduce a middle income family to poverty in less than two years.

Thus, in my view, a meaningful national health plan will have to take several approaches if we are to at once keep costs down (and keep taxes down) and improve the quality and availability of health care.

I think that at a minimum such a plan will have to include the following elements:

Assurance that all Americans have available to them health insurance that will protect them against the costs of catastrophic illnesses, and special assistance to the persons most in need, our elderly and lower income persons, to purchase such insurance. This does not mean that the government should provide insurance for everyone.

Assurance that all Americans have available a variety of health care delivery systems from which they shall be free to choose the one they most prefer, including preventive, prepaid health care programs. This means that the government will have to step up sharply its assistance for Health Maintenance Organizations and the like.

Establishment of a vigorous medical manpower program that will open up space in medical schools to qualified applicants, encourage students to enter fields of study that are presently experiencing shortages, and provide incentives for professionals to practice in geographical areas that are without doctors.

Establishment of a more aggressive program for research into the causes of the worst diseases in America, heart disease and cancer, as well as others that affect the lives of millions, such as arthritis.

Re-establishment of an aggressive public health program that will address itself to the environmental health needs of rural areas, inner cities and migrant populations.

All of this will cost money. But it need not mean more taxes—and it should not mean that.

If we are to address all of the areas I have outlined, we shall have to reorder the general priorities of the nation's budget, a goal that I promised to pursue when I campaigned for the Senate and which I am pursuing.

We shall also have to trim off the waste that presently exists in the nation's health care bill—the waste that is the target of preventive medical care programs.

Finally, we shall have to spread the available resources for health care among the several objectives I have discussed.

I am willing to commit myself to a generous expenditure of the nation's resources in order to improve the health of the American people and in order to stem the strangling rate of inflation in the health care industry. At the same time, I shall do my best to see to it that those resources go where they are most effective and where they will most help the people who are most in need.

Insurance protection for middle class and poor Americans against catastrophic illnesses is unquestionably a national necessity, as is additional assistance for the elderly and those unable to procure ordinary health insurance.

The coverage of health insurance must be improved, and the federal government shall have to put its weight behind an upgrading of the policies available to people. We must begin to aggressively pursue preventive health care through government programs of assistance to those who seek to establish such programs. Research efforts and resolution of environmental crises that cause ill health must likewise be central elements of our national health policy.

The health care crisis is a complex one—it will require a comprehensive, multifaceted solution. Legislative proposals presently before the Senate present a number of different approaches to various elements of the crisis, although none comprehends the over-all program that I have suggested is necessary. Unless our policy addresses all sides of the health issue, we shall have to live with an ever worsening health care crisis.

SUPPLEMENTAL AID TO SOUTH VIETNAM

Mr. ABOUREZK. Mr. President, most Americans have been repelled by our experience in South Vietnam—a misadventure which has caused unparalled woe to the fragile relationship between those in government and those being governed. The unprecedented distrust in the leaders of this country is a direct result of the fraudulent and misleading representation of fact which has emanated from administration spokesmen in recent years—especially in regard to our involvement in South Vietnam.

While it should not be surprising to see lingering elements of this deception continuing today, it is still as repulsive and regrettable—and even more awesomely significant—to see it happen in our very midst today. The cable from Ambassador Graham Martin, released yesterday by Senator KENNEDY, is an illustrious example of the justified cause for mistrust by the American people. This is especially so in light of what the cable said. States Ambassador Martin:

> I think it would be the height of folly to permit Kennedy . . . the tactical advantage of an honest and detailed answer.

In other words, the Ambassador is saying that the truth would very seriously jeopardize administration efforts for additional millions of dollars to prop up the Saigon regime, so let us withhold the truth. Unfortunately, it has been this rationale which has pervaded the standard operating procedure of the Nixon administration in years past. It is to Secretary Kissinger's credit that his superior judgment and foresight enabled a clearer understanding of State Department rationale on the part of the Congress for current American policy toward Indochina.

He should certainly be commended. As for Ambassador Martin, I believe that the Senate ought to carefully review his current status and the circumstances surrounding this incident to determine whether or not he is fit for the position he now holds. This incident together with the Ambassador's recent abrasive attack on the New York Times for its report on U.S. aid to Vietnam does raise some questions.

A recent editorial in the Washington Post stated the situation very succinctly:

> In Graham A Martin, President Thieu of of South Vietnam has a warm friend and a forceful and highly placed advocate, you might say. The catch is that Graham Martin is not the ambassador to South Vietnam to Washington. He is the American ambassador to Saigon.

The Post goes on to say that Ambassador Martin's recent action is a—

> Throwback to the bad old days of one-sided, self-serving over-simplified reporting on Vietnam and, as such, is altogether out of line with the more nuanced requirements of a policy that no longer needs to depend for its effectiveness on misleading the American people.

Considering this recent cable, it would seem that "misleading the American people" remains as the policy in the American Embassy in Saigon.

Ambassador Martin has strongly advocated that we allow the Saigon Government another $476 million in supplemental aid—not only for this year, but for every year in the indefinite future. I believe that this would be a serious mistake. It is a mistake for several reasons. Not only can we not afford to dole out another half-billion dollars to this corrupt regime every year, we simply cannot afford the increased commitment to South Vietnam—militarily or politically.

Recently, several experts testified on the supplemental request for South Vietnam before the Armed Services Committee in the Senate. One of the experts was Mr. Guy Gran who is a research associate of the Indochina Resource Center. Mr. Gran has devoted a great deal of time on the issue of aid to South Vietnam in recent years and offers a rare insight into the question as it faces us today.

Mr. President, I ask unanimous consent that the full text of his testimony before the committee be printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

TOWARD PERPETUAL WAR OR A POSSIBLE PEACE

The Military Assistance Service Funded (MASF) program is the principal overt and legislated channel through which the United States sends military aid to the Republic of South Vietnam (RVN) and to the Royal Laotian government. For FY 74 this program now has a ceiling of $1.126 billion of which $1.022.1 billion is for the RVN. In the supplemental bill under consideration the Nixon Administration wishes to raise the MASF ceiling by $474 million, using pipeline funds, to restore precisely the amount cut by Congress from the original request.

It would be well at the onset to consider that the MASF monies are only a part of the direct and indirect military aid to the government in Saigon. Additional military support results from all the piasters generated by $295 million of commodities under the

Food for Peace program and some if not most of the piasters from the c. $200 m. Commodity Import Program. Additional aid is being channeled through excess defense articles, piaster purchases, and military service money. There is no reason to believe that three decades of covert CIA activities, in Indochina, squandering both their own and DOD resources, with and without legal authority or Congressional knowledge, has come to a halt in FY 74. Finally, the RVN benefits from the American military presence elsewhere in Southeast Asia. An early FY 74 estimate of such costs was $1.1 billion. A recent UPI report contained a DOD estimate that the sum of DOD activities in Southeast Asia would cost $3.4 billion this fiscal year.

The investment of another $474 million requires judgments about political, military and legal realities in Indochina. It also necessitates judgments about the integrity of information concerning such issues released by the Executive branch. I shall argue that the basic political and military arguments advanced on behalf of this level of aid are not supported by empirical evidence. A major portion of the MASF program is not in keeping with the legal provisions of the Paris Agreement. The relevant information released by the Executive is deliberately distorted and incomplete. In sum, our policies are still designed to seek the impossible, the buying of total and permanent political victory with lavish bribery and military force.

INFORMATION IS POWER

These are harsh conclusions. To reach them one must examine both evidence and the manner it comes to light. Most obviously neither the Congress nor the public has much information that should be available. It is monumentally absurd that the justification for this request, for example, should be classified. Classification implies that knowledge by the enemy would imperil national security. All parties in Indochina have a rather clear idea of how much and what kind of American aid enters Vietnam every year. The enemy this Administration is afraid of is the Congress and the taxpayer who pays the bill. That in itself is a damning commentary on the Administration's estimate of the value and persuasiveness of its policies in Indochina. By accepting such a system Congress further weakens its potential for critical examination and effective control. For any critic can thus be dismissed because he "doesn't have all the facts."

One concrete example is quite relevant. DOD would prefer that most of Congress and all independent researchers like myself not know how much MASF money goes to the RVN each quarter. The required quarterly report to Congress is thus kept secret. Woe if the left hand knew what the right were doing. New USAID statistics show that we supplied the RVN with at least $1.5 billion in MASF aid in the seven months prior to the Paris Agreement. By a modest extrapolation, it is apparent that every quarter we perpetuate the present war would cost the taxpayer at least $400 million in direct military aid through the MASF program. The first quarter of FY 74, however, saw $613.3 million spent, a fact which says much about the Pentagon's attitude toward the role of Congress.

Classification depends upon never having to define in an intellectually rigorous fashion the idea of national security. Should that day ever come, the result would provoke a series of legal actions that would make Watergate look like shoplifting from a dime store. In the meantime the Executive cannot, at least, reduce the issue entirely to a series of pontifications that "I have all the facts and you will have to trust me". Instead selected information, supportive of official policy, is released through testimony, news conferences and briefings, and leaks to sympathetic journalists. To put it crudely the intellectual environment is manipulated by propaganda.

Testimony before Congressional committees is a very effective weapon for the Executive. The parade of Cabinet officials and bemedaled military officers has a considerable effect on the viewers. It is hard not to link respect for the position with the incumbent and his ideas. Critical reflection is not the result. DOD Vietnam testimony on the FY 74 budget can be reduced to an endless series of unproved and unchallenged assertions about what the PRG and DRV could and would do and what is legal under the Paris Agreement.

Occasionally a DOD witness was indeed pressed for evidence. The replies came "according to intelligence reports," "our best estimates show," or "DOD lawyers have concluded." I'm not privy to closed session; doubtless you have been shown classified pictures and documents. One tank does not 600 make. More importantly, the intellectual value of such reports is limited. Anyone who watched former CIA Cambodian specialist Samuel Adams testify last summer on the size of the Khmer Rouge force, or who has read news accounts carefully, or studied the literature on the U.S. intelligence community, knows that such estimates are often made on extremely flimsy evidence, must travel through often hostile bureacracies, and are used by witnesses for political rather than intellectual purposes. This is not to argue that DOD estimates are inherently or invariably wrong. It is, however, to suggest that they cannot stand alone as definitive proof of any thesis.

The other favorite forum through which the Administration manipulates Congress and the public is the media. Far too many stories in the most reputable newspapers are based on backgrounders or leaks of material just declassified which journalists accept in abysmally uncritical fashion. For the last year, and doubtless before, the consideration of Vietnam money bills in Congress has coincided with stories of threatened offensives by Hanoi. This bill has provoked a new round and began by a recent story of Drew Middleton in the *New York Times*.

Middleton, citing "qualified sources," provides a long list of precise quantities of weapons and supplies supposedly moving from the North Vietnam to the PRG areas. Careful reading indicates, however, that this buildup has been going on since January, 1973; if the Pentagon had a historian, he would suggest that the build-up began many years prior. The Pentagon report showed that more than 90% of the air defense weaponry and much of the rest are in Quang Tri, a PRG stronghold. That the PRG might be contemplating defending themselves against Thieu's endless encroachments did not occur to the writer or his sources. In another exercise in double standards Middleton lists new and improved roads and bridges in PRG areas in a manner that the reader thinks of them as offensive weapons. Why, then, are the roads and bridges we build in RVN areas always considered as economic development and humanitarian assistance?

In 1974 techniques of selective classification, manipulation, and dissembling are not likely to be sufficient. The Administration and its supporters have also begun mudslinging. If the empirical evidence doesn't support your position, then try to destroy the credibility of the critic. Thus in Ambassador Martin's recent tirade, *New York Times* writer David Shipler is a propagandist, using "deliberate and gross distortions" as part of a Hanoi based plot "to bring influence to bear on selective, susceptible but influential elements of American communications media." The American Ambassador in 1964 didn't like David Halberstam, either.

One trusts that Congress is sophisticated enough to notice that the Administration provides no evidence to support its slander and that if its Vietnam policies were sensible it would not be vulnerable to substantive criticism. As I shall argue, the choices for Congress are greater and more complex than the two in Ambassador Martin's simplistic universe wherein the United States endlessly subsidizes the Thieu government or delivers it into the hands of Hanoi.

THE ADMINISTRATION POSITION

In the course of numerous Congressional appearances and public statements since the Paris Agreement, Administration spokesmen have formulated and reformulated a small number of basic arguments which serve to justify the MASF program and the present level of military aid to RVN. All of these themes are designed to paper over two unspoken and unproven presumptions, that without such aid the government of Nguyen van Thieu would collapse, a result that is not in the national interest of the United States. By not verbalizing such assumptions, the Administration does not have to defend them.

Instead, the following arguments are trotted out on each occasion. The PRG, more or less directed by Hanoi, is endlessly and flagrantly violating the Paris Agreement; our military aid to Thieu is designed to insure the stability of the ceasefire agreement. We must continue to beware of communist plans for aggression; witness the steady infiltration of men, tanks, and other weapons along an improving infra-structure. Any drastic cut in MASF spending would signal Hanoi, unbalance the situation and invite attack. The equipment, supplies, services, and training provided by the MASF program are indispensable to the final stage of Vietnamization which will soon permit the RVN forces to stand entirely on their own. Finally, any reduction in military aid and resultant political transformation would be contrary to the basic United States objectives of worldwide equilibrium and orderly change.

I submit that none of these arguments rests on a sound conceptual or empirical base. Each is designed as part of an edifice that serves to protect a series of myths deemed necessary to the political and psychological health of the current Administration and the nation. This is not the time to explore the costs this government and its citizens pay for such myths. It is, however, apropos to explore the fallacies of the preceding paragraph.

That the PRG violates the Paris Agreement far more than the RVN and is primarily (or exclusively) responsible for its failure has been the core argument carefully nurtured by Saigon and Washington spokesmen since January 27, 1973. Such spokesmen have successfully manipulated most uncritical journalists and headline writers and doubtless a majority of the public as well. Few journalists travel out into the rural areas and interview participants to determine the precise circumstances of each incident. Thus more stories than not begin "Saigon spokesmen reported". Restrictions placed on journalists, classification of embarrassing material, and intimidation of potential witnesses by U.S. and RVN authorities also work against an objective record.

Not all Saigon correspondents and American editors can be easily seduced. A careful examination of the last years press reports show a consistent pattern. Those stories based on investigative journalism rather than official hand-outs almost always revealed some evidence that the provocateur of the ceasefire violation was not the PRG but rather the RVN. Excerpts from more than one hundred articles were assembled recently in a compendium by the Indochina Resource Center. The reader can examine the primary evidence and draw his own conclusions.

This is not to argue that the issue is black and white, that the PRG never violates the Agreement. The PRG does respond with violence to RVN nibbling operations, does move against RVN outposts which intrude in basically PRG areas and does occasionally carry out punitive raids in response to extreme provocations like the RVNAF terror bombing of Loc Ninh, the PRG capitol in late November, 1973. In addition local PRG units do respond to pressure with pressure and do take initiatives with sometimes irresponsible and tragic results; the mortar shell in the school yard at Cai Lay comes recently to mind.

But the sum of these military actions is not the coherent plan of aggression Saigon and Washington paint. It is instead the RVN for whom one can document a steady stream of military operations to gain rice, people, and territory. One can also document some remarkably candid comments by Thieu and other RVN leaders outlining their general policies and attitudes toward the Paris Agreement. The clearest indication of the absurdity of the Administration position is, however, this simple reality. In PRG areas the Paris Agreement is disseminated and discussed everywhere; in RVN areas it is forbidden to be printed or distributed.

If it is demonstrably the RVN which pursues the consistent policy of aggression, our aid to Thieu cannot logically be said to be insuring the stability of the ceasefire. Since January 27, 1973 there have been 120,000 to 150,000 Vietnamese casualties. To use a word like stability at all is nothing less than Orwellian newspeak. What U.S. military goods and services do accomplish was summarized very clearly in a *New York Times* review article recently, an article of such value that I add it as Appendix A to this testimony.

These valuable military goods and services have a sharp political impact. They are indispensable to the South Vietnamese Government's policy of resistance to any accommodation with the Communists. Militarily, the extensive aid has enabled President Nguyen Van Thieu to take the offensive at times, launching intensive attacks with artillery and jet fighters against Vietcong-held territory.

Furthermore, the American financed military shield has provided Mr. Thieu with the muscle to forestall a political settlement. He has rejected the Paris Agreements provision for general elections, in which the communists would be given access to the press, permission to run candidates and freedom to rally support openly and without interference from the police.

Mr. Thieu has offered elections, but without the freedoms.

It is this basic stalemate which has forced the PRG to military measures, to maintain at least modest pressure while waiting to see if Thieu's own internal economic contradictions destroy him.

The Administration's third and most ancient argument is that we must guard against incipient aggression by Hanoi. The evidence isn't there. Captured COSVN documents on 1974 PRG strategy, a portion of which were leaked to the press in early January, speak at most of limited military pressure and maintaining unhindered supply routes. The *Baltimore Sun* article adds a typical fabrication—"A further goal intensified attacks on selected areas in government-controlled territory." Given the political values of all those who work with the material between their capture of the documents in Vietnam and the publication of selected ideas therefrom in this country, especially the abysmal track records of longtime partisans in the intelligence community like William Colby and George Carver, this kind of presentation is not at all credible. If the Administration wants to make a really believable case, let it collect *all* of the *original* documents that are relevant in one place and permit independent scholars to make separate studies. Let the Administration also lay bare the precise methodology it uses at each step. That neither of these things happen is a considerable commentary on both bureaucratic will to power and the intellectual vulnerability of the Administration position.

Even if the Administration now produces damning new evidence, as Ambassador Martin threatened to do, it still must deal with physical realities and the conclusions of the North Vietnamese National Assembly. Both the PRG and the DRV are simply too poor in resources to sustain a major attack over any period. The DRV has just made a basic decision in favor of economic reconstruction and social renewal. In this effort they are apparently quite dependent on outside help. Thus military plans for the South have been limited to enough support to maintain the status quo. In sum, unless conditions change drastically, there will be no major offensive.

If there is not an imminent offensive, what is one to make of the infiltration of men and material the Administration is constantly pointing to? Troops have been going from DRV to PRG areas, perhaps as many as 70,000 in the last year if one gives credence to undocumented Administration claims. At the same time it was recently revealed that 40 to 50,000—mostly sick and wounded—have been allowed to return North. Given the meager reliability of such figures, one can only conclude that the infiltration rate is far below the rate which presaged the 1968 and 1972 offensives. If there is a surplus going South, it violates the intent of the Paris Agreement. However, by the RVN's own recent figures, its soldiers have killed 46,668 communists in the last year. The Agreement permits one-for-one replacement. The Administration's position is thus valid only for those who cannot add and those who insist that the PRG alone must abide by a ceasefire that does not exist.

I will agree that the current public evidence would indicate that the number of tanks, anti-aircraft installations, and pieces of road-building equipment in PRG areas has increased in a year. Tanks are normally an offensive weapon. One wonders how the Administration could document each of the 600 it claims have infiltrated since the Agreement. How many of these tanks belong to the PRG pre-ceasefire buildup comparable to the billion dollar war chest we lavished on the RVN in late 1972? It does take longer for a PRG tank to arrive than an RVN F5A. Some of the subsequent tanks are surely replacements for destroyed vehicles. The rest are indeed violative of the Agreement and designed to provide the PRG with a credible threat, certainly far less than what its opponents are up to.

Given the beleaguered condition of the PRG territory anti-aircraft weapons are predictable. Does the Administration expect the PRG to suffer daily raids by RVN Skyraiders and A-37's in silence? Given the fractionated nature of PRG territories would not any normal government begin to consolidate its territories by building roads? Especially given the presence of an aggressively hostile million man army chewing away at one's territory? In any case, where in the Paris Agreement does it forbid the building of roads? Physical evidence does not, in sum, have to be viewed solely through the political perspective of the Administration.

A fourth Administration argument, that a drastic cut to Thieu would signal Hanoi and unbalance the situation, is a masterpiece of sophistry. Any level of aid to Thieu sends a plethora of signals to all concerned. The preeminent signal to Hanoi now is that the United States is willing to subsidize infinite aggression by Thieu. A cut in military aid that ended such behavour would be taken by Hanoi as a gesture that the United States was really interested in the peaceful settlement of the Vietnamese conflict envisaged by the Paris Agreement. The deletion of the present $474 million supplemental would be at most an augur of that policy. In the meantime one cannot speak of and the Agreement did not intend, the present as stability. Such a stability may be acceptable to the Administration, but 120 to 150,000 Vietnamese dead or wounded in a year is not a form of stability the Congress should wish to share responsibility for.

The Administration raises two further arguments. One is that the MASF program is imperative to the final stage of Vietnamization. The program is imperative, but it is imperative only to the scale and type of war we have insisted that the RVN pursue. This was a function of our technological choices and political goals. Total Vietnamization is a myth. It is very clear from the recent New York Times article, my Appendix A, or from any close examination of the RVN budget figures, that the United States will pay $1.5 to $2 billion a year for military aid to the RVN for many years to come if it persists in present policies. RVN personnel will not soon, if ever given their lack of motivation, be able to take over the highly technical military jobs now held by DOD contract personnel. The RVN cannot ever conceivably generate sufficient domestic resources to finance the ammunition and ordnance intensive style of warfare it was accustomed to by the United States. After thirty years we are still trying to make up for lack of political persuasion by military force.

The final and most general Administration argument revolves around the notions of worldwide stability and orderly change.

As Elliot Richardson put it last year, the United States must honor its obligations because of the "essentially psychological" "structure of international stability". Such a world view subsumes too many faulty and self-serving perceptions of modern history to be fully dealt with here, but a few comments are in order. This refurbished domino theory presumes incorrectly that Secretary Kissinger's idea of world stability is good for the United States and its allies. What is good about it for the penniless slum dweller in Saigon or New York? In a world of finite resources and environment the tiny population of the United States enjoys a vastly disproportionate share of the world's wealth and struggles to maintain its position. At the same time the MNC's are busy teaching the have-nots the pleasures of having. It is quite apparent that the interests of the MNC's, the United States, and the Third World are in many ways mutually antipathetic. If the Administration wishes America to become something other than an ever more beleaguered bastion of wealth, it had better put far more resources and effort into the institutionalization of the substance of change rather than the rhetoric of stability.

THE MILITARY AND POLITICAL SITUATION

If the MASF program can only be justified by such suspect documentation and uncompelling rhetoric, one can well imagine how and to what ends the program operates in the field. As presently constituted the MASF program is broken down into three budgetary categories. Under procurement we provide weapons, vehicles, ammunition, air ordnance, and aircraft. Of the aircraft 116 F5A's are really for MAP countries from which the F5A's were borrowed in late 1972, and the rest are 71 new F5E's for the RNAF. Under operations and maintenance we provide diverse supplies, contract operations, training, shipping and variety of small programs including police support. These two giant categories are each about half of the MASF program; some $40 million in personnel support, uniforms and rations apparently, forms a third category.

The United States is, of course, quite successful in the physical process of delivering equipment. One Pentagon official recently admitted "we shipped so much stuff to South Vietnam in the two months prior to the cease-fire, plus what went since, that a large new resupply of tanks, artillery pieces, and planes would only sit around the docks in crates." The problems develop once the material reaches the shores of Vietnam. From there on are the ubiquitous and endless signs of futility, waster, stupidity, and tragedy which indicate as clearly as ever that the present political goals are still perpetuating an impossible task for the American and RVN armed forces.

Ammunition is by far the largest component of the MASF program, almost $300 million of the $554.8 million spent on the RVN forces during the first quarter of FY 74. The high expenditure rate is partly political; if much ammunition wasn't used, it would be much harder to convince the American Congress that there was a war on that still needed support. The high rate is, however, primarily a function of the tactics of Vietnamese commanders who need to look busy without losing men. An illuminating report of the results appeared last summer.

The South Vietnamese were reportedly expending vast quantities of artillery ammunition in what is known here as "H and I fire" (for harassment and interdiction). This is a form of artillery firing in which there is no specific target. But shells are pumped into a general area in an attempt to reduce enemy activity there. . . .

American sources say they have learned that in Indochina, the more guns and ammunition are available, the more the armies in the field will use them.

"After we cut down the ammo supply," one well informed officer said, "we found out that the South Vietnamese were still outshooting the enemy by 20 to 1, but the overall total was that much lower."

The Pentagon has not, however, imposed any *meaningful* limits, for it is confident that it can ignore authorized levels and return to Congress later for supplemental requests. The situation has not changed since last summer. James Markham toured PRG areas in mid-February and found random harrassment shelling of civilian areas everywhere he went.

About half of the MASF program thus goes to a wasteful and essentially meaningless exercise attempting to terrorize Vietnamese who choose to live in PRG areas. Little territory is won, and the RVN knows that it is incapable of military victory. Instead a vast million man bureaucracy rolls on, filling its institutional imperatives in its most culturally acceptable way—violence. That violence is a cultural norm, that children and even young adults have never known peace, is perhaps even more tragic than the incredible waste of resources and labor.

Another enormous portion of the MASF program is occupied by the supply and maintenance of aircraft and other complex technological hardware. Leaving aside for the moment the legal implications of operation and maintenance, consider the future potential of this operation. The U.S. has never Vietnamized logistics; about 1,150 DOD contract personnel still run the basic logistics effort for the RVN forces. It is conceivable that over a decade Vietnamese could handle most of these tasks, given the pay incentive and motivation necessary. But these are unlikely, and, the potential for corruption would be so enlarged that the system itself would be severely jeopardized.

It is in the maintenance of aircraft that the basic contradiction of the MASF program are most clearly illuminated. We are supposed to be teaching the Vietnamese how to take care of the extremely complex aircraft engines we have given the RVNAF. A Vietnamese is intellectually as capable as anyone, but the culture of war destroys both ability and interest in learning. New York Times correspondent David Shipler pinpointed two factors: profound war weariness wherein the pressure for peace blankets any other desire, and resentment over wage differentials where Vietnamese get $10 to $35 a month and Americans up to $1,000 a week working in the same plant. These are impossible conditions to overcome, and even under unreachable ideal circumstances many of these jobs take at least five to ten years to develop sufficient expertise. The American military aid program is thus a potentially permanent operation.

The MASF program entails a number of other less expensive activities most of which are cloaked in considerable secrecy. One that is both morally reprehensible and politically counterproductive in the extreme deserves brief attention here. That is the ongoing American support of the police and prison system of the RVN. At this point in time the dollar amount of direct support may not be great; AID general counsel says that AID is no longer channeling police commodities funded by the MASF program (c $9 million in FY 74). Little, however, prevents DOD from direct grants, or from using the CIA. Little also prevents the budgetary subsidies provided by the PL 480 and CIP programs to end up as police support.

Neither the explicit prohibition of the Paris Agreement nor the even more precise language of SEC 112 of the FY 74 Foreign Aid Appropriation Act (PL 93-240, January 2, 1974) seem to be deterring the Administration from this most profound intrusion in internal Vietnamese affairs. The January study mission of the conservative American Security Council wrote "a handful of U.S. civilian technicians continue to provide advice in the operation of a newly installed computer system which keeps tabs on more than 10 million South Vietnamese." David Shipler's research uncovered these current practices:

. . . South Vietnamese National Police continue to receive regular advice from Americans . . . two high-ranking officers said they and their staffs met frequently with the Saigon station Chief of the C.I.A. and his staff. Sometimes, he said, the C.I.A. Chief asks the police to gather intelligence for him, and often they meet to help each other analyze the data collected.

A police official confirmed that in some provinces "American liaison men" who work with the police remain on the job . . . Local policemen still refer to "American police advisers."

This is not an academic issue, for the police are not an apolitical force. They are an essential part of the apolitical and military apparatus which Thieu uses to suppress all opposition, not simply the communists. It is not merely that this represents total abrogation of the Paris Agreement. It is not merely the gross inhumanity of arresting and abusing tens of thousands of political prisoners. It is the political result. With no opportunity for peaceful political resolution of conflicts as the Paris Agreement called for, opponents of Thieu are forced to return to methods of violence.

The war in Vietnam, and the enormous MASF program which fuels it, are not proceeding on the present tragic and expensive path without guidance. Both President Nixon and President Thieu have equated their personal honor and their national security with the survival of the latter. If there were peace, Thieu would have to demobilize much of his military manpower. This is a dire economic necessity for any real future as an economically independent state. But in so doing, Thieu would lose the tight socio-political control he now enjoys over all government employees. If his policies represented the needs of the majority, he could stay in power. But Thieu represents the interests of a wealthy minority; to abandon the economic interests of his closest supporters would end his career abruptly. The only solution is enough war ("no peace, no war") to avoid the dilemma.

The deletion of this $474 million in supplemental aid would not seriously deprive Thieu. It would leave him a little shorthanded at worst. More importantly, it would communicate a message from the United States Congress that the American people are not going to pay $2 to $3 billion a year forever so that Thieu does not have to come to terms with the political and economic needs of his own people. Such a message at this point in the year would give Thieu several months and considerable incentive to prepare for peace. The Administration, by its FY 75 request of $1.6 billion, is quite willing to pay the price; 120,000 Vietnamese casualties a year is not too great a moral burden for the Executive branch. I do not think that the American people have the same set of moral standards and fiscal priorities.

THE LEGAL SITUATION

Thirteen months after the signing of the Paris Agreement, the Administration and a majority of Congress, the media, and the public consider it a dead letter. This is a considerable tribute to the Administration's propaganda campaign. In operation before the ink was dry, the Administration plan proceeded simultaneously along two paths. Secretary Kissinger and other spokesmen created a fundamentally novel interpretation of various key phrases and passages which in sum came to mean that the United States could continue any kind of aid or interference it wished that was not explicitly proscribed. At the same time the Administration and the RVN orchestrated the charge (previously addressed) that the PRG was continuously violating the Agreement; then, when caught in blatant violation, the Administration was in a position to and did argue that the Agreement was thus essentially inoperative and the United States was not bound to abide by it.

This successfully disposed of the Paris Agreement in the United States, but not in Indochina. The PRG and its supporters knew that the United States was legally bound not to interfere in the internal affairs of the Vietnamese. How such words applied to the anomalous situation wherein one state is essentially an economic parasite of another, was unhappily not spelled out in the Agreement. The only area of precision was in military aid. Article 7 permits piece-for-piece replacement "of armaments, munitions, and war material". It is to this phrase and its application to the MASF program under consideration here that I shall limit my legal argument.

Certain international commissions were designated by the Agreement to define the permissible military items and supervise their arrival. This did not happen so in the early spring of 1973, DOD created its own list. This list defined 13 categories of "armaments", 8 categories of "munitions", and 8 categories of "war material." Taken together these 29 categories correspond almost precisely to those items which appear under the DOD category of procurement. The Paris Agreement, by DOD's own interpretation, limited American aid to procurement items.

This list was picked up in Saigon by Senate staff members and was incorporated into the Committee Report of S. 1443 (The Foreign Military Sales and Assistance Act). This bill was passed by the Senate but the Vietnam provisions died in conference. It would not be inappropriate to attempt this legislation again for the situation has not changed. Indeed, after endless denials in many FY 74 hearings, one DOD lawyer was finally pressed to discuss precisely what the Paris Agreement did and did not allow.

His response was a marvel of the bureaucratic mind in an impossible legal dilemma.

Mr. Forman . . . under the bill passed yesterday (S. 1443), the executive branch would be limited to furnishing only armaments, munitions, and war material. Now that is a category of equipment and supplies far more narrow than the terminology in the statute which applies to other countries, namely defense articles and defense services. The words, "armaments, munitions, and war materials" were taken from the peace agreement signed in January. *Those words, as defined by the Department of Defense for the purpose of complying with the peace agreement*—the definitions are set forth in the Senate Foreign Relations Committee Report, pages 26 to 27—*do not include* . . . the contract services which we are providing to the Vietnamese with civilian personnel. It does not include spare parts on consumables. It does not include subsistence. It does not include petroleum products . . . we couldn't provide overhaul and repair services.

DOD has developed here an essentially schizoid position. In one universe was the Paris Agreement with DOD dutifully supplying a law abiding definition of the parameters of its activity. In another quite separate universe is the actual operation of the MASF program continuing quite as though the Paris Agreement had never happened. Such a clever semantic voyage, linking the bureaucratic imperative of survival and the political goals of the Administration, should not, however, succeed in drawing attention away from the main point.

More than half of the MASF program is not in keeping with the Paris Agreement. Neither are the activities of the CIA or the indirect military subsidies provided by the Food for Peace and Commodity Import Programs. The elimination and or restructuring of these programs cannot be done without political changes Thieu and the Administration are most unwilling to make. The way out of the legal dilemma, the financial drain, the moral vacuum, and the politics of repression are all to be found in the accommodations envisaged in the Paris Agreement. There is no other path to peace.

CONCLUSIONS AND RECOMMENDATIONS

The Administration approaches the issue of military aid to the RVN with an air of inevitability entirely unjustified by the realities in Vietnam. Secretary Schlesinger describes a cease-fire that has not worked as well as he had hoped, as though this process happens in some remote world we have no control over. He speaks of inflation as though the American taxpayer could care less about taking up the further burden. He describes needed program readjustments as though these were justifications for the program. He hopes that Congress will simply push the funds through to get the issue out of the way. I hope that this Committee will accept Secretary Schlesinger's initial challenge early this year to examine critically all of the assumptions and programs in the enormous defense bills now before you. The MASF program would be an ideal place to start.

I would like to close with these formal recommendations.

(1) that the language and the additional spending authority for the MASF program be deleted from the supplemental bill

(2) that in lieu thereof the following language be inserted:

"None of the funds appropriated herein, none of the funds heretofore appropriated, and none of the local currencies generated as a result of any legislated program may be used by any department, agency, or employee for the support of military or civil police in South Vietnam, for the support of Vietnamese court and prison systems of any kind, and for the support of surveillance, identification, and computer training activities in South Vietnam related to police, criminal, or prison matters."

(3) that the appropriate Committee(s) of Congress undertake a serious review and field investigation of the aspects of the MASF program raised herein before a decision on FY 75 funding levels is taken.

NEW TOP LEADERSHIP NEEDED AT THE VETERANS' ADMINISTRATION

Mr. CRANSTON. Mr. President, on Friday of last week, Vietnam Veterans Day, I submitted lengthy remarks on the floor regarding the tragic inadequacy of many of our benefits and service programs for returning veterans. I noted that the VA had failed totally to provide the moral leadership needed to awaken the Nation to its responsibilities to provide justice for those who served their country in time of need.

Today, Mr. President, I received an extremely sad letter from Dr. Marc J. Musser, Chief Medical Director of the Veterans' Administration for the last 4 years, explaining, in response to my request to him, the circumstances which brought about his decision to resign as Chief Medical Director less than 3 months after he had accepted reappointment to that position for a second 4-year term. Previously, Dr. Musser told me that he had signed his retirement papers March 22 because "my effectiveness as medical director has been compromised and undermined." His retirement will take effect April 15. Dr. Musser was named to a second 4-year term January 5.

Mr. President, I ask unanimous consent that the full text of Dr. Musser's letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MARC J. MUSSER, M.D.,
Washington, D.C., April 3, 1974.

Hon. ALAN CRANSTON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CRANSTON: In response to your letter, I must regretfully confirm my retirement from the Veterans' Administration on April 15, 1974.

As I think you are aware, this decision was neither easy nor of sudden origin. Take last year, when the end of my four year appointment as Chief Medical Director of the Department of Medicine and Surgery was forthcoming and the question of reappointment was raised, I was forced by a variety of unpleasant circumstances to conclude that my effectiveness as Chief Medical Director had been sufficiently compromised and undermined as to make untenable any consideration of acceptance of a reappointment. However, upon the intervention of Mr. Melvin Laird, then Domestic Counselor to the President and Dr. James Cavanaugh, Assistant Chairman of the Domestic Council, who stressed the critical importance of my continuing leadership of the Department of Medicine and Surgery, I reconsidered and accepted reappointment for four more years. During the course of these negotiations, I think Mr. Laird wrote you in regard to the agreements which had been reached between him, the Administrator of Veterans' Affairs, and me. These agreements were further refined in subsequent conferences with Mr. Laird and Dr. Cavanaugh.

In my letter of acceptance to the Administrator, dated November 21, 1973, I stated these agreements as follows:

1. That the Chief Medical Director will have full authority to operate the Department of Medicine and Surgery in accordance with existing statutes and in proper relationship to the Administrator of Veterans' Affairs.

2. That the Chief Medical Director will have the authority to recommend for the Administrator's approval appropriate assignments to the staff of the Department of Medicine and Surgery and that these staff members will be responsible to the Chief Medical Director.

3. That Dr. Benjamin B. Wells will remain as Deputy Chief Medical Director for an indefinite period.

4. That Mr. Ralph T. Casteel will remain as Executive Assistant to the Chief Medical Director for the immediate future.

Subsequent events, however, have been most discouraging to me, and have made it clear that the basic conflict between the Administrator and me is incapable of resolution. This is all the more distressing with the realization that during the first three years as Chief Medical Director, I enjoyed an exceedingly pleasant and productive relationship with the Administrator. In that period, much was accomplished to improve the medical care of American veterans. However, I have always believed that when one finds he can no longer work constructively and in harmony with one's boss, one has no choice but to get out.

Thus, once again, and in spite of all that has gone before, circumstances have forced me to conclude my authority and effectiveness as Chief Medical Director have been nullified for all practical purposes.

Totally dependent as the Department of Medicine and Surgery is upon the Controller, General Counsel, Office of Personnel, and the Office of Management and Planning, all under the direction of the Administrator, the assistance and support they must provide cannot be counted upon in the presence of an antagonistic and uncooperative Administrator. The loss of seven key Departmental officials (six physicians) has seriously jeopardized the ability of the Central Office elements to fulfill their responsibilities. The infiltration of the Department by personnel selected and appointed by, and with direct access to, the Administrator has virtually eliminated any possibility of functional integrity within the Department. The imposition of tighter and tighter management controls and surveillance have deprived the Department of the flexibility it once had, thereby seriously limiting its ability to deal quickly with new and unexpected needs and problems.

When finally I was able to obtain approval of a Director of my Management Appraisal Staff, I was required to accept a man chosen by the Administrator as the Deputy Director. On February 25, 1974, I formally recommended to the Administrator my selection for Deputy Chief Medical Director. To date, no response to this recommendation has been received.

I trust the new Chief Medical Director will either not be faced with problems of this nature or will be able to resolve them rapidly.

Finally, I would like you to know how much I have appreciated the sustained support and consideration you have given to the Department of Medicine and Surgery—in the interest of better medical care for American veterans—during my tenure.

Sincerely,

M. J. MUSSER, M.D.

Mr. CRANSTON. Yesterday, Mr. President, I issued a statement, which I am reiterating for the benefit of my colleagues today, announcing that the Subcommittee on Health and Hospitals, which I chair, of the Veterans' Affairs Committee, will conduct a full inquiry into the circumstances that led the Chief Medical Director to resign from the Veterans' Administration just 3 months after his reappointment. These hearings, which will begin April 23, will probe the basic control and direction of the VA's Department of Medicine and Surgery over the past year. Veterans' Administrator Donald E. Johnson will be called to testify under oath, as will Dr. Musser and other former top VA officials whom Mr. Johnson has forced out.

Mr. President, these hearings had originally been scheduled for last October after Mr. Johnson, over Dr. Musser's objections, imposed a total reorganization on the Department of Medicine and Surgery and appointed, over Dr. Musser's objections, a so-called Associate Chief Medical Director for Operations—a position unauthorized by statute—which he filled with a layman who has consistently run to the Administrator behind Dr. Musser's back, undercutting him and undermining his authority and effectiveness as the head of the Department, and seven new Directors of Field Operations, five of whom were laymen, created by his reorganization. I postponed the hearings when, following months of intercession at the White House by me and Congressman OLIN TEAGUE of Texas, the ranking majority member of the House Committee on Veterans' Affairs and until 1972 its chairman for 18 years, Dr. Musser's reappointment was finally directed by the President himself.

Mr. President, I ask unanimous consent to print in the RECORD at the conclusion of these remarks a full documentary history of the original scheduling of these hearings and the apparent settlement of the matter made last October, including a very lengthy and detailed letter which I sent, in draft at White House request, to Melvin Laird, then Domestic Counselor to the President, on October 11. This letter and most of this correspondence has not previously been made public because of our very strong desire to retain the able leadership which Dr. Musser has provided for the Department of Medicine and Surgery over the last 4 years. Instead, now—almost 6 months to the day after Mr. Laird's reassurances to me in his October 5 letter—a man universally recognized by the medical community as an extremely capable, compassionate, dedicated professional, nonpartisan in his approach to medical matters, has been driven out of the VA by Mr. Johnson.

Mr. President, over the last several months, Mr. TEAGUE and I have been in frequent contact with the White House on the continued deterioration of the situation confronting the Chief Medical Director. I have been in personal contact with the Vice President and, most recently, with James H. Cavanaugh, associate director of the President's Domestic Council, in an effort to save the situation

Congressman TEAGUE and I have had interpreted Dr. Musser's reappointment on January 5 as a sign of a truce in Mr. Johnson's war of attrition. But in discussions with Dr. Musser which I initiated, he told our staffs early last month of the "intolerable situation confronting him" and of his intention to resign. He also informed Jim Cavanaugh of this orally on March 14 and by letter on March 22.

Mr. President, this brings me to the question of the continued reign as the head of the Veterans' Administration of Donald E. Johnson. Yesterday "Tiger" TEAGUE issued an absolutely unprecedented blistering attack on Mr. Johnson's "incompetence" as Administrator and called for "a change in the top administration of VA." I joined him in this plea.

In his statement, Mr. TEAGUE said that Mr. Johnson's "failure to deal effectively with the agency's problems has brought morale in the VA to the lowest point that I have seen it in 25 years." Twenty-five years' perspective is tough to beat. Based on my 5 year's, there is no question in my mind of the accuracy of that description of the depths of VA morale at this time.

Mr. President, for the benefit of all my colleagues, I ask unanimous consent that there be printed in full in the RECORD at this point Mr. TEAGUE's extremely pointed and thorough statement released yesterday.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY HON. OLIN E. TEAGUE

Congressman Olin E. Teague, Ranking Democratic Member of the House Veterans Affairs Committee, and former Chairman of that Committee for 18 years, in response to the President's message on veterans affairs delivered Sunday, made the following statement.

"The President is being completely misinformed about problems in the Veterans Administration and the source of these problems. The Agency does not need more studies. It needs a change in top level management. I can see little in the actions proposed by the President which will be of benefit.

"The problems of the Veterans Administration and its programs are directly traceable to the incompetence of its Administrator, Don Johnson. The President's action in appointing the VA Administrator to conduct an investigation of late delivery of veterans' education checks and a review of the medical program is something like putting the fox in charge of the hen house. It would appear that the Administration would by now have had enough of self-investigation.

"The serious problems in the Administration of the veterans education and training program are the direct result of Johnson's incompetence. He appointed a Director of Education with no background or experience in Veterans Administration programs. The individual appointed as the Deputy Director of the education program had no background in the administration of veterans program, and reportedly was appointed on a political basis.

"The President referred to establishing a crack management team to take a hard look at the services the Veterans Administration provides. A good place to start would be the Director of Planning and Evaluation of the Agency who is supposed to perform just such a function. That individual was brought to the VA from CREEP shortly after the November election. Career personnel were shuffled around to make a job for this individual and this resulted in one of the agency's most competent men being removed from a key spot where he supervised the computer program for education.

"It certainly is not reasonable to expect anything constructive from Administrator Johnson's investigation of the medical program. He has done nothing during his five years in office but obstruct attempts to improve VA medical services. For several years he has appeared before the Appropriations committees of the Congress and opposed any attempts to add funds to the medical program and contended that no additional funds were needed. Despite this, Congress in the last several years has added about one-half billion dollars to the appropriations for veterans medical services. At one time the nurses in the Veterans Administration hospitals at Portland, Oregon, Miami, Florida and some hospitals in the New England area threatened to walk out because of the shortage of funds, equipment and needed personnel. Congress made funds available over Johnson's protests, and later directed that he add 1,000 nurses to the system. Johnson has completely wrecked the leadership of the Department of Medicine and Surgery. Last fall he began a calculated campaign of harassment against the Chief Medical Director, the Deputy Chief Medical Director and the Executive Assistant. Presidential Counsellor Mel Laird interceded and Dr. Marc J. Musser was reappointed for another four year term as Chief Medical Director. Despite White House intercession, Johnson has continued his harassment of Dr. Musser and this led to Dr. Musser's decision several weeks ago to resign. Johnson's harassment of Dr. Musser was brought to the attention of the White House in late February. The Deputy Chief Medical Director resigned several months ago and the medical program is now without leadership.

"In an effort to assure adequate staffing in Veterans Administration hospitals, Congress passed a law directing certain staffing improvements. This met with strong objections from Johnson who contended that such specific legislation was not necessary.

"The kinds of staffing deficiencies which Johnson has failed to recognize is exemplified in a condition cited by the Director of one of VA's major hospitals. The Director stated: 'What happens at this hospital should not be permitted to continue. For the past several weeks we have been operating at almost absolute capacity. On the weekend and holiday recently observed for George Washington's birthday the wards were crammed with patients and the Admitting Office saw almost as many patients on Monday, February 18th, a holiday, as they did on Monday, February 11th, a nonholiday. The nurse on duty in the admitting area was busy drawing blood, taking laboratory specimens, doing EKG's, while the office force was the usual skeleton holiday crew. The staff on wards throughout the hospital for the 3-day holiday weekend was a barebone minimum, i.e., one nurse and one nursing assistant for a 41 bed ward with more than 10 incontinent patients, etc., etc. Limited laboratory staff was available with others on standby or call back and with similar arrangements for radiology, cardiology, etc. For the three days with all wards busy providing patient care there were no clerical personnel to help the physicians and the nurses who had to answer their own phones, complete their own paperwork and records, run errands, etc. Perhaps at a small, quiet, relatively inactive hospital the VA could get away with this sort of thing but for these conditions to exist here is both tragic and dangerous.

" 'By being able to schedule the expanding ambulatory care and outpatient activities over a 7 day period we could more easily manage the current chaotic peaks and valleys which at times completed crush our physical facilities and tax our limited staff to the utmost. From comments with my colleagues at similar hospitals to this one, they share my views.'

"Similar conditions in the VA medical program have repeatedly been called to Administrator Johnson's attention and others in the Administration from many sources including the House Veterans Affairs Committee. However, Johnson has repeatedly ignored all such suggestions to improve veterans' care.

"Against this background, the President apparently expects Administrator Johnson to conduct an eight week investigation into problems of the medical program.

"The fiasco in the delivery of checks to veterans and schools has been well known to everyone for the last year. In March the House Committee on Veterans Affairs wrote to Johnson and stated, 'It is becoming increasingly apparent that there are not sufficient staff available in the field offices to handle the administration of the education program . . . we would appreciate being advised at the earliest possible time, and no later than March 1, as to your estimates of needed additional personnel for the improvement of this program.' In response to this query, Johnson stated, 'We do not believe more people at this time would solve our problem. Additional staffing requires a minimum of six to eight months' training before it becomes productive . . . therefore, it is our opinion that a request for more people in the benefits area is not warranted.' Within the last week, VA queried the Directors of its field offices and asked what additional personnel would be needed to get the education program on a current basis. The Directors responded by requesting over 1500 additional personnel, additional equipment and many programming changes.

"As the President indicated, press representative Sara McClendon had no difficulty determining that the education program was in trouble, but at this point, there is no indication that Administrator Johnson either perceives the nature of his problems or knows what to do about it. Now he is being directed by the President to make a self-investigation and report on his own failure to properly organize and administer his Agency. Obviously, very little can be expected from such a self-investigation.

"The President reiterated his recommendation for an 8% increase in education benefits. He neglected to advise the public, however, that Congress is already working on this matter, and on February 19, by a vote of 382–0, the House of Representatives passed a bill which would increase education assistance allowances by 13.6%, the amount necessary to bring rates in line with increases in the consumer price index since the last increase.

"We are puzzled that in any survey of veteran problems the President would neglect to mention the need for cost-of-living increases for service-connected disabled veterans and survivors. An increase of approximately 15% will be required to adjust these payments to changes in the consumer price index since the last increase. We have completed Subcommittee hearings on this subject and expect to mark up the bill this week.

"The President also spoke at some length in his radio message about the plight of Vietnam veterans in securing jobs upon their return to civilian life. He stated that more than 350,000 of these returning servicemen found themselves unemployed and indicated that he had launched a six-point program to correct this situation June 1971. Congress enacted Public Law 92–540, which among other things, mandated the immediate hiring of 67 federal veteran employment specialists to aid in securing employment for young Vietnam-era veterans. One year after enactment of that law, the Administration had failed to add a single person and even today, less than half of those slots are filled.

"The Veterans Administration has had one of the most efficient non-partisan group of professional employees in the government. Actions of Administrator Johnson to politicize the Agency and his failure to deal effectively with the Agency's problems have brought morale in the Veterans Administration to the lowest point that I have seen it in twenty-five years.

"Veterans Affairs have never been permitted to become a partisan issue in the Congress. The House Veterans Affairs Committee has tried to work with the White House staff to bring problems to its attention. Problems relating to the education and training program and the medical program have been discussed in detail with the representatives of the White House and these problems have been well known for some time by the Administration.

"Appropriations for the Veterans Administration have risen from $7 billion in 1969 to $13.6 billion proposed for 1975. Practically all of these funds go into direct benefits for veterans. The problem in VA is one of administration, not appropriations.

"We had thought the White House would recognize that the deficiency is in the top administration of the Veterans Administration. Instead Johnson is being told to go investigate himself. I frankly doubt that the information which has been furnished the White House has been made available to the President. The only possible solution at this point is a change in the top administration of VA."

Mr. CRANSTON. Last Sunday, the President made a radio address, which Mr. TEAGUE will answer this Saturday, in which he called for more talk, but no more action. Unfortunately, that has been the story of this administration's record on veterans' affairs—all rhetoric and promises, but negativism toward numerous congressional legislative initiatives and very low-grade performance in implementing many new programs mandated in the law. I detailed these failures at length in my Vietnam Veterans Day statement last Friday, Mr. President.

The President on Sunday, in fact, called for two more studies, both to be headed by Mr. Johnson. As to the new Interagency Committee, the other gentlemen on that committee certainly have not demonstrated in their performance a particular sensitivity to or concern for meeting the needs of today's veteran. In short, they like Mr. Johnson are part of the cause, not the solution, to the problem.

As to President Nixon's announcement Sunday that he has directed Mr. Johnson to make a personal tour of VA hospitals and clinics and report his findings in 60 days, "TIGER" TEAGUE likens this self-investigation to putting the fox in charge of the hen house." I would say it is more like putting Dracula in charge of the blood bank.

Under Donald Johnson, Mr. President, the VA has become a hapless, helpless giant, hamstrung by dictates of the Office of Management and Budget, and stultified by demoralizing personnel and contract policies motivated largely by politics and favoritism.

The VA has been at the beck and call of White House political considerations. The agency readily absorbed 13 former employees of the Committee to Reelect the President—CREEP—awarded contracts under procedures which the General Accounting Office has found improper, agreed to an ill-advised cost-overrun settlement against the advice of VA's own professional contract and construction experts, engaged in Presidential campaign activities, and proposed legislation to cut back compensation and pension benefits for millions of veterans.

Mr. President, incompetents, former campaign officials, ex-CREEPS, and inexperienced, underqualified administrators have been placed in a number of important positions in the VA's Department of Veterans' Benefits, the Department of Medicine and Surgery, the Administrator's Office, and the Planning and Evaluation Service over the last year.

At the same time, high-level officials have been forced out, including Deputy Administrator Fred Rhodes, Deputy Chief Medical Director Dr. Benjamin Wells, and Chief Benefits Director Olney Owen.

And now Dr. Musser is the latest and most shocking casualty in Mr. Johnson's war of attrition against competence in the VA.

Mr. President, this reign of terror must end. The effectiveness of the VA professional management has already been seriously compromised. Programs are malfunctioning left and right. The inability of the VA leadership to acknowledge its management, computer, and personnel deficiency problems is a major part of the problem confronting the benefits program, especially the payment of GI bill checks.

The Los Angeles area has been the most hard hit by the VA's maladministration of the new advance payment requirement we wrote into the law in 1972 to get money to veterans at the start of the school year. Instead, as of this past December and January, more than 12,000 veterans had to be given urgent GI bill payments, because they had received no checks or too few, even though they had enrolled in school at the start of the fall. Scores more veterans continue to contact my offices in California and here, because they still are way behind in payments or have not yet received payments for the spring semester.

I held a hearing in Los Angeles on January 17, 1974, to probe into this matter, and plan to continue to followup on it very fully until it is completely rectified.

Mr. President, Senators will recall that for 19 days severely disabled Vietnam-era veterans from the American Veterans Movement carried out a sit-in in my Los Angeles regional office to try to bring national attention to their grievances regarding the benefits and services they were—or, rather, were not—receiving from the VA and to achieve a meeting with Donald Johnson. After repeated urgings on my part, Mr. Johnson finally agreed to go to Los Angeles on Thursday, February 28. He flew there on that Wednesday night and then refused to walk up six flights of stairs from the VA regional office, where he was ensconced, to meet with the veterans, several of them in wheelchairs, in my office.

There was no meeting that day and Mr. Johnson flew back to Washington on Thursday night.

Friday, March 1, I talked to him urging him to return to meet with the veterans publicly in my office. He did that night, not I suspect because of what I had said, but rather because, there is good reason to believe, the White House directed him to return to Los Angeles and meet with the veterans.

A 2-hour meeting finally took place between Mr. Johnson and the American Veterans Movement disabled veterans on Saturday, March 2. But the point is, Mr. President, that Mr. Johnson's arrogant, insensitive, intemperate behavior in Los Angeles that Friday aroused a response among Californians unlike any reaction I have ever seen to a particular action by a public official.

Over the last 4 weeks, I have received 150 pieces of mail dealing with Mr. Johnson's fitness to be Administrator of Veterans' Affairs. Only four found his conduct that Thursday appropriate.

The overwhelming majority, 146, wrote me condemning Mr. Johnson's intransigent, unresponsive attitude and behavior and demanding his ouster. The same adjectives characterizing him, such as "arrogant," "conceited," "pompous," "unresponsive," "insecure," and "bureaucratic," ran throughout these letters from veterans, nonveterans, young, old, men, and woman, in a remarkably consistent theme.

Mr. President, the Veterans of Foreign Wars, the Disabled American Veterans, and the Paralyzed Veterans of America have issued statements calling for a replacement of Mr. Johnson as Administrator of Veterans' Affairs. Mr. President, I ask unanimous consent that there be printed in the Record communications from these organizations.

There being no objection, the communications were ordered to be printed in the Record, as follows:

April 3, 1974.

Hon. Alan Cranston,
Chairman, Health and Hospitals Subcommittee, Committee on Veterans' Affairs, U.S. Senate, Washington, D.C.

My Dear Mr. Chairman: The Veterans of Foreign Wars is extremely pleased with your announcement that your Subcommittee will conduct a "full inquiry into the circumstances that led the Chief Medical Director to resign from the Veterans Administration just three months after his reappointment."

In my telegram of April 2 to the President, I stated that the needs of the Veterans Administration hospital system and medical programs are evident, and no further study by the Veterans Administration is required.

Apparently Veterans Administrator Don Johnson has never told the President about the volumes of evidence which your Subcommittee has compiled in its oversight capacity of veterans medical care, which has produced overwhelming evidence of the needs of the Veterans Administration hospitals and veterans medical care. You will recall that the Veterans of Foreign Wars presented the results of its own survey of Veterans Administration hospitals to your Subcommittee, which revealed that more than about one-half of all veterans applying for veterans hospital care to a Veterans Administration hospital never made it to a Veterans Administration hospital bed. A root cause was the arbitrary refusal of Veterans Administrator Johnson to request necessary funds to hire the personnel and provide quality medical care as intended by Congress.

To the Veterans of Foreign Wars it is patently absurd to assign the Veterans Administrator to conduct an in-House investigation and report back to the President on Veterans Administration hospitals, which problems Veterans Administrator Johnson has personally created and presided over during the past four years.

This makes your scheduled hearings most important to veterans throughout the nation. We are extremely hopeful that Veterans Administration officials, including Veterans Administrator Don Johnson, will be called upon to testify, and that they be placed under oath, so that the truth can be ascertained. The Veterans of Foreign Wars will provide your Subcommittee with evidence that Veterans Administrator Johnson has failed to continue the high standards and administrative ability of his predecessors. In fact, the Veterans of Foreign Wars will furnish your Subcommittee with evidence that Veterans Administrator Johnson has demonstrated an almost complete lack of ability to get along with Congress, the press, and the Veterans of Foreign Wars. He has surrounded himself by cronies and political appointees who have insulated him from learning the truth or if he does know the truth, he doesn't know what to do about it.

For the good of this Administration and the welfare of veterans, it is imperative that the White House fulfill its promise which was made more than a year ago that Veterans Administrator Johnson be relieved of his position as Veterans Administrator.

It should be emphasized that the Veterans of Foreign Wars has but one objective, and that is that the veterans of this nation be provided the highest quality medical care as authorized by Congress and to which all veterans are entitled.

The Veterans of Foreign Wars looks forward to having the privilege of testifying at your scheduled hearings on why Doctor Musser has resigned just three months after his reappointment for four years.

With kind personal regards, I am,
Sincerely,

Ray R. Soden,
Commander in Chief.

(The following is a copy of a telegram sent to the President in response to his recent radio broadcast concerning veterans and their problems. Due to its contents it is quoted in its entirety:)

Washington, D.C., *April 2, 1974.*

The President,
The White House,
Washington, D.C.

I was completely baffled by the contents of your recent address to the Nation concerning veterans and veterans benefits.

It was announced several times by radio news personnel that you would speak on legislation. You reiterated your recommendation of a stingy 8% increase in education rates when it is well known the Congress will enact legislation authorizing substantially greater increases.

The recommendations of your administration concerning the National Cemetery system are grossly inadequate. They fail miserably to provide the honor of burial in national cemeteries reasonably close to areas of veterans residences. The proposal to eliminate the VA burial allowance is a shame on the Nation.

The pension "reform" program as proposed in your message to the Congress and by the Administrator of Veterans Affairs would in reality deny pensions to 75% of new applicants in the future because of retirement pay and earnings of spouses. This recommendation is inconceivable.

GI home loans for Vietnam veterans are practically nonexistent. Unemployment for Vietnam veterans is on the increase. The least your administration could do for veterans in need of jobs is to insist that governmental contractors—all of them—be required by law or executive order to give veteran preference to Vietnam veterans; and, in addition, teeth must be placed in the law or the order that would require fine and/or imprisonment if found guilty of violation. This type consideration was, and is being used today for certain segments of our society—why not for our Vietnam veterans?

The establishment of a committee of cabinet members chaired by the administrator of veterans affairs offers no hope of effective recommendations for solutions of existing problems in the administration of veterans benefits. Their personal knowledge is essentially nil and it can be presumed they will merely vote on a final report prepared by designated underlings who are likewise without the knowledge and judgment skills in this area essential for accurate conclusions and effective recommendations.

After administering large scale educational programs since the end of World War II, it is contemptuous for the administrator of Veterans Affairs to offer ridiculous excuses for check delays which in many instances have caused young veterans to discontinue educational pursuits. How Office of Management and Budget personnel can contribute to the solution of this continuing and inexcusable problem is certainly not evident. The answer is hard work and innovative approaches, including placement of VA personnel—perhaps Vietnam veteran students employed for this purpose—on campuses to insure prompt submission of institutional certifications and reports as required.

It is absurd to assign the administrator of Veterans Affairs to personally check and personally report on VA hospital and medical problems. This is somewhat analogous to the fox inspecting the chicken coop. It would be inane to expect the administrator of veterans affairs to submit an adverse report on hospital and medical programs for which he has been responsible for five years.

The needs of the Veterans Administration hospital system and medical programs are evident and no further study is required. They include increased funds, additional staff personnel, higher salary rates for many physicians, more special medical programs, effective admission system which will insure the admission and treatment of each veteran sufficiently ill to warrant hospitalization, a crash construction program to add hospital beds and skilled nursing home beds, revised domiciliary facilities, and modernization of existing facilities including air conditioning, and, perhaps even more important, the reestablishment of the integrity and authority of the position of chief medical director.

Shortly after your message to Congress, and revelation of the VA 1975 fiscal year budget request, I addressed you to emphasize that inadequacies of your legislative recommendations and the inept administration of veterans benefits, particularly the multitudinous delays of veterans payments, particularly educational program payments. No response has been received to date.

I again urge you to reconsider and revise your legislative recommendations and to place competent leadership at the helm of the Veterans Administration and in other vital positions in that agency to insure availability of first quality medical care and apt administration and prompt payment of direct benefits.

I respectfully request a prompt response.
Sincerely,

Ray R. Soden,
Commander in Chief.

April 2, 1974.

President Richard M. Nixon,
The White House,
Washington, D.C.

Dear Mr. President: The Disabled American Veterans, and those whom we represent, can no longer tolerate the frustrating inefficiency and bureaucratic bungling displayed by the Veterans Administration since the appointment of Donald E. Johnson as Administrator of Veterans Affairs. Recent events prove beyond doubt that Mr. Johnson and members of his politically-appointed staff are totally incapable of coping with the problems facing the American veteran, particularly the service-connected disabled veteran. You have been completely misled by Mr. Johnson and other incompetent advisors on veterans affairs concerning these problems and their solutions. And the nation's veterans have been misinformed time and time again by a Veterans Administrator who refuses to abide by Congressional mandates, including expenditures for additional facilities and personnel. Furthermore, we strongly oppose the whitewash which will result from the self-investigation of Veterans Administration deficiencies as ordered in your message of Sunday, March 31, 1974. In addition, Donald Johnson and Roy Ash, OMB Director, have already demonstrated their total inability and unwillingness to cooperate with Congress in maintaining recommended standards of VA benefits. As such, the DAV must protest their appointment to direct your study of all Veterans Administration services. We respect and appreciate your expressed concern for this Nation's veterans, even though your appointed advisors have failed to conscientiously acquaint you with the numerous problems which confront the wartime disabled veteran and his dependents. Your concern can best be expressed by action, not mere words.

For the sake of all U.S. veterans, we urgently implore that VA Administrator Donald E. Johnson be replaced immediately by the appointment of a man whose first and sole interest is the American veteran. This official must be fully assured of authority to administer the VA program without any interference or control whatsoever from either the Office of Management and Budget or the Department of Health, Education and Welfare. Otherwise, further chaos and mismanagement are guaranteed. We must also insist that any study of the Veterans Administration be entirely removed from the responsibility of those who have already contributed much towards destroying the Nation's time-honored system of veterans benefits. No compromises are acceptable. No puppet appointment responsible to OMB and/or HEW will be tolerated. The sooner you replace Mr. Johnson as Administrator, the sooner America's veterans will again receive the benefits and services intended by the Congress and the American public. More than two and one-half million wartime disabled veterans and their families await your immediate and affirmative action in this most urgent matter.

Sincerely,

JOHN T. SOAVE,
National Commander, Disabled American Veterans.

DISABLED AMERICAN VETERANS

CINCINNATI, OHIO, April 2.—The Disabled American Veterans (DAV) has asked President Nixon to fire Donald E. Johnson, Administrator of Veterans' Affairs.

In a telegram to President Nixon this afternoon, DAV National Commander John T. Soave, asked for Johnson's replacement by ". . . a man . . . whose first and sole interest is the American veteran."

Soave pointed to the Veterans Administration's record of ". . . frustrating inefficiency and bureaucratic bungling . . ." since Johnson was appointed Administrator, and charged that recent events ". . . prove beyond doubt that Johnson and his ranking administrative staff are totally incapable of coping with the problems facing the American veteran, especially the service-connected disabled veteran."

Charges that Johnson has seriously damaged the VA and has misled the President regarding the rampant inefficiency within his agency have been more and more frequent in recent months.

In February, newspaperwoman Sarah McClendon electrified a nationally televised presidential press conference by stating flatly that Johnson had deceived and misled the President regarding the VA's handling of GI Educational Benefit checks. Chronic mishandling and tardiness of the checks has been a complaint of Vietnam-era veteran college students for nearly three years.

Johnson has also been charged with destroying the morale within the VA medical program, and specifically with forcing the resignation of both the Chief Medical Director and Deputy Chief Medical Director through a campaign of calculated harassment.

Soave requested that any study of the VA be entirely removed from the responsibility of those who have already contributed much toward destroying the Nation's time-honored system of veterans' benefits.

This was in reply to the President's suggestion over the weekend that a "crack management team" be set up by Johnson and Office of Management and Budget Director Roy Ash to analyze the management of the Veterans Administration.

The DAV National Commander accuses Johnson of being, "a puppet of the Office of Management and Budget."

In his telegram Soave told the President, "The sooner you replace Mr. Johnson as Administrator, the sooner America's veterans will again receive the benefits and services intended by Congress and the American public. More than two-and-one-half-million wartime disabled veterans and their families await your immediate and affirmative action on this most urgent matter."

The DAV is the Nation's third largest veterans' organization, and is the Congressionally-chartered voice of America's wartime, service-connected disabled veterans.

EDITORIAL MEMO

Yesterday, (April 2), John T. Soave, National Commander, Disabled American Veterans, sent a telegram to President Richard M. Nixon calling for the immediate replacement of Donald E. Johnson as Administrator of Veterans Affairs. A copy of that telegram is attached.

Commander Soave will be available for interviews in Washington this afternoon (April 3) and all day tomorrow (April 4). He may be contacted through National Service Headquarters, Disabled American Veterans, 1221 Massachusetts Ave., N.W.; PHONE: 737-2434. Commander Soave will be staying at the L'Enfant Plaza Hotel.

JOHN J. KELLER,
National Service Director.

Mr. CRANSTON. Mr. President, there is no assurance that a change in leadership at the VA will create a responsive, sensitive, creative, courteous agency willing and able to fill the void in moral leadership in veterans' affairs.

Mr. President, last Friday, at Veterans' Affairs Committee hearings and in my Vietnam Veterans' Day statement, I called for a resurgence of national conscience to deal effectively with the plight of today's veterans. I ask unanimous consent, Mr. President, that my opening statement at that hearing be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

OPENING STATEMENT BY SENATOR ALAN CRANSTON, HEARING OF VETERANS' AFFAIRS COMMITTEE, MARCH 13, 1974

I am pleased to be here this morning and am grateful to Chairman Hartke and to the Chairman of the Subcommittee on Compensation and Pensions, Senator Talmadge, for inviting me to sit with the subcommittee this morning to receive testimony on several bills relating to compensation and dependency and indemnity compensation which are before the subcommittee. I want to thank my two colleagues for scheduling for hearing at the same time my bill, S. 2363, to improve the program of assisting disabled veterans in purchasing automobiles and adaptive equipment.

It is now not a question of whether compensation and dependency and indemnity compensation rates *should* be raised but rather a question of *how much* that raise should be. These bills we have before us, introduced on behalf of the committee by Senator Talmadge for compensation benefits, S. 3067, the Disability Compensation Act of 1974, and S. 3072, the Dependency and Indemnity Survivors Act of 1974, introduced by Chairman Hartke, are bills that will go a long way towards helping those living on fixed incomes, in particular the 2,179,000 veterans receiving compensation for service-connected injuries, and the 375,000 widows of those who died from service-connected conditions. There is an urgent need for action now on these bills, and I am proud to cosponsor them.

With respect to my bill, S. 2363, it seeks to improve and expand on Public Law 91-666, which I authored in the Senate in the 91st Congress when I was chairman of the former Subcommittee on Veterans Affairs of the Committee on Labor and Public Welfare.

The purpose of S. 2363, in which I am joined by Chairman Hartke and Senator Randolph, is to clarify some aspects of chapter 39, to expand eligibility to other seriously disabled service-connected veterans not now eligible, and to assure that the adaptive equipment provided will include all those devices necessary to ensure the safe and healthful operation of the vehicle by the eligible veteran. Mr. Chairman, I submitted for printing on March 8 an amendment (No. 1006) to the bill to require the VA to carry out a research and development program in the field of adaptive equipment and adapted conveyances, and to coordinate these activities with the Department of Health, Education, and Welfare under the authority established in the rehabilitation act of 1973, Public Law 92-112, which I joined with Senators Randolph and Stafford in authoring on the Labor Committee last year.

Mr. Chairman, I ask unanimous consent that the text of S. 2363 and my amendment No. 1006 (with technical modifications) be printed in the hearing record along with my introductory remarks on them and the other two bills before us.

I want to point out, Mr. Chairman, and make it very clear, that there is now some coordination between the Department of HEW and the Veterans' Administration, but the authorities in present law make the Department of Health, Education, and Welfare the principal partner. My amendment to S. 2363 would make the VA an equal partner in coordinating these activities and give the VA more control over the coordinated activities and the monies which are expended under this program.

I believe that the Veterans' Administration has made a good start in its adaptive equipment research and development program. But it has not done enough. That program needs to be expanded so as to apply to the fullest the benefits of our vast scientific and technological knowledge and achievement to solve the multiple and complex transportation and office problems confronting seriously handicapped persons. In the new rehabilitation act, we required HEW to enter this field far more actively, and I am sure that these two agencies together can make more progress, and that this way we can ensure that the Federal Government's effort and resources in this field are utilized to the fullest for the benefit of all handicapped veterans and other handicapped individuals who need these types of adapted conveyances and adaptive equipment.

There have been great difficulties in the implementation of Public Law 91–666 since its enactment. Despite repeated urgings on my part, the VA has yet to publish adaptive device safety standards as required in section 1902 of chapter 39. We want to explore further this morning the reasons for this and where the VA now stands three years later.

S. 2363 will attempt to correct several important deficiencies in the program that have been well documented in correspondence I have initiated with the VA in oversight of this program as chairman of the Subcommittee on Health and Hospitals, and in the cases individual veterans have brought to my attention.

First, the bill would remove the inequitable limitation now governing the eligibility of Vietnam-ERA veterans for chapter 39 assistance. Presently, unlike World War II and Korean conflict veterans, Vietnam-ERA veterans must meet more stringent line-of-duty criteria. That is, in order to be eligible, they must have been injured both in the line of duty as well as during the direct performance of duty. Yet similarly disabled World War II or Korean conflict veterans are eligible for automobile grants and adaptive equipment assistance if they satisfy the line of duty criteria alone. This basic inequity would have been removed had the House agreed to the Senate version of H.R. 370 in the 91st Congress; and I might add, the administration has also proposed legislation to correct this inequity.

Second, the bill would provide that all those who served after January 31, 1955, which is considered the end of the Korean conflict era, and before August 4, 1964, would be newly eligible for the chapter 39 automobile assistance grant and adaptive equipment. This change would follow the philosophy embodied in the enactment in 1972 of Public Law 92–328, with the provision which I authorized in this committee to equalize the so-called peacetime veteran with those who served in wartime for the purposes of disability compensation. This same concept was contained in my bill, S. 59, now Public Law 93–82, the Veterans' Health Care Expansion Act of 1973, which among other things, removed this distinction for purposes of eligibility for V.A. hospital care and medical services. Further, it conforms with the provision in S. 3072 before us today to eliminate the peacetime distinction in the death compensation program.

I believe the historical dates chosen for the so-called war periods tend to be arbitrary, and it is inequitable to retain a peacetime distinction for the purposes of chapter 39 when it has been or will be removed for the purposes of V.A. disability compensation, death compensation, and health care. I appreciate the V.A.'s support for this feature of S. 2363.

Third, the bill provides for an increase in the basic automobile grant allowance from $2,800 to $3,300. This allowance is awarded on a one-time basis to those veterans eligible under this chapter. This increase is designed to match the rise in the cost of automobiles since passage of the last increase in 1970. In fact, the Senate originally passed a $3,000 figure that year which was lowered to the $2,800 level in a compromise with the House figure of $2,500.

The increase we then proposed was based on the fact that the cost of the average size American automobile in 1970 was between $3,000 and $4,000. Figures provided by the Chevrolet Division of General Motors show that the list price of a 1974 standard two-door model of automobile with power steering, power brakes, automatic transmission, and air-conditioning was over $4,000. The percentage increase in this bill above the 1970 Senate-passed $3,000 figure is a modest 10 percent, while the actual percentage increase from 1970 to 1974 in automobile prices for this size car is about 15 percent. Even with an adjustment for the removal of the automobile excise tax in effect in 1971, this is certainly not an extraordinary raise in the grant.

I am thus astounded that the V.A. can assert with a straight face that there is no need for a raise in the basic grant because, they say, average automobile prices have not increased in the last 3 or 4 years. The question must be, however, the cost to the disabled veteran of the kind of vehicle he needs, not the cost of the average automobile to the average consumer.

Further, the bill requires the V.A. administrator to assure that driver training is available at every V.A. hospital and, where appropriate, at V.A. regional offices and other medical facilities to those disabled individuals eligible for assistance provided by this chapter. It also includes express authority for the administrator to provide training for those who may not be eligible for chapter 39 assistance but who may need such training as part of their total rehabilitation in a V.A. hospital. The V.A. now has 13 such programs in the Nation, and I understand that another hundred are under consideration. These efforts will be expedited and expanded by express statutory authority for these programs, such as S. 2363 would provide, and that way we can assure that the training these severely disabled veterans received will be of the first-rate quality they deserve.

The bill also authorizes the administrator to pay for liability insurance for the eligible veteran during the period in which he is taking such training.

I also am pleased to note that the administration, in a rare outburst of constructive thinking on veterans' legislation,, has endorsed these last two features of the bill as well. In fact, at first I wondered whether the V.A. forgot to clear its report with the Office of Management and Budget. But the absurdity of the V.A.'s opposition to an equitable cost-of-living increase in the automobile grant bears the unmistakable imprint of the "not-so-jolly Green Giant's" heavy hand and miserly penny-pinching at the expense of disabled veterans.

I want to thank the Veterans of Foreign Wars, the disabled American veterans, and the paralyzed veterans of Ameria for their strong support of S. 2363 and the assistance they have given me and my staff in developing the provisions of that bill.

I am pleased to join with Senator Talmadge in these hearings this morning and look forward to reviewing the testimony both on the compensation and dependency and indemnity compensation bills as well as on my bill. I hope that we can move forward in all three of these areas quickly so that the service-connected disabled veteran and his widow and survivors may have their incomes brought up to parity, and the benefits which my bill will provide can be expeditiously enacted into law.

I must now ask the chairman and our witnesses to please excuse me, since I must leave to chair a hearing of my small business subcommittee of the banking committee. I have left some questions with Chairman Talmadge on S. 2363 and will submit others for the record.

Mr. CRANSTON. Mr. President, the answer, I have come to believe, to provide effective, bipartisan, responsive leadership, and advocacy for veterans' affairs in the Nation is a major restructuring of the Veterans' Administration. I expect to introduce major legislation to achieve this shortly after the Easter recess.

In the meantime, and because I realize that a basic restructuring of the VA will require substantial further study and debate and close consultation with veterans organizations, governmental theorists, and many of my colleagues, I plan to propose a more immediate remedy. Next week I will outline my proposal for an independent bipartisan Commission on Veterans' Rights, modeled on the Civil Rights Commission, to be established within the Federal Government. This new Commission would be appointed by the President and the Congress to serve as a watchdog agency for the total operation of the VA as well as all other Federal, State, and local programs affecting veterans, and to become a forceful advocate for equity and justice for veterans in our society.

Mr. President, I ask unanimous consent that there be printed in the Record exchanges of correspondence I had this past fall with the White House and the VA regarding Dr. Musser and the DM & S reorganization.

There being no objection, the correspondence was ordered to be printed in the Record, as follows:

September 21, 1973.

Hon. Donald E. Johnson,
Administrator of Veterans' Affairs,
Veterans' Administration,
Washington, D.C.

Dear Mr. Administrator: For the past several months I have been receiving reports from constituents and other sources indicating that a major "shake-up" was in process for the Department of Medicine and Surgery (DM&S) for the purpose of removing effective decision-making authority from those accountable by statute for VA health care and placing it in the hands of those lacking proper authority who may or may not view their chief mission as devotion to first-class health care for our nation's veterans. I view these allegations with the gravest concern because I believe that the VA health care program should be non-political and run in accordance with the highest professional standards by medical leadership.

I have reviewed your September 18, 1973, press conference statement regarding the DM&S reorganization, and read news reports of that conference and talked to a number of persons who were present. My prior concerns are now heightened by this reorganization which places direct line responsibility for all VA patient care programs on a non-physician—appointed, according to my information, without consultation with the Chief Medical Director, and places directly under this new lay official seven Directors of Field Operations (replacing the present four Regional Medical Directors)—also apparently appointed without such prior consultation, five of whom are also non-physicians.

Since the announcement of the reorganization two days ago, I have received very heated protests from leaders in the medical education community and from veterans organizations. I am also unable to find statutory authority for the new "Associate Chief Medical Director" position. I find no such position authorized in section 4103 of title 38 which establishes the office of the Chief Medical Director and specifies the officers of it in very clear ranking. I also note that when it was desired to create a new Associate Deputy Chief Medical Director and two new Assistant Chief Medical Directors, statutory authority was sought and obtained.

I have also received reports that the new "Associate Chief Medical Director" whom you have appointed is making decisions without consultation with the Chief Medical Director and is in effect attempting to run the Department of Medicine and Surgery reporting directly to you. Any such arrangement would be a clear violation of sections 4101(a) and 4103(a)(1) of title 38 which provide, respectively, that the Department of Medicine and Surgery "shall be . . . under a Chief Medical Director" and that the Chief Medical Director "shall be the Chief of the Department of Medicine and Surgery and shall be directly responsible to the Administrator for the operations of the Department."

These statutory provisions evidence a clear Congressional policy that only the Chief Medical Director shall run the Department of Medicine and Surgery and that he "shall be a qualified doctor of medicine. . . ." I believe that these requirements indicate a very strong Congressional intent that the individual chiefly responsible for the Department of Medicine and Surgery, and certainly for all VA patient care, shall be a physician.

In order to inquire into these and other aspects of the announced reorganization, as well as the present method of operations within the Department of Medicine and Surgery, the Subcommittee on Health and Hospitals has scheduled an oversight hearing to begin at 9:00 a.m. on October 5, 1973. I request that you, the Chief Medical Director, Dr. Marc J. Musser, the Deputy Chief Medical Director, Dr. Benjamin Wells, and Mr. David Anton be present as the first witnesses at that hearing. The hearing should provide all concerned an opportunity to set the record straight and clear up any unfounded rumors.

If for any reason it is not possible for you to arrange all of the schedules of those involved at such time, I am prepared to schedule your appearances at any of the following times: the afternoon of October 9, or morning or afternoon of October 10, 11, or 12. Mr. Steinberg will be in touch with Mr. Bronaugh to attempt to arrange appropriate details.

Thank you very much for your continuing cooperation with the Subcommittee.

Sincerely,

ALAN CRANSTON,
Chairman, Subcommittee on Health and Hospitals.

SEPTEMBER 26, 1973.

Hon. ALAN CRANSTON,
Chairman, Subcommittee on Health and Hospitals, Committee on Veterans' Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I have your letter of September 21, 1973, advising of the hearing scheduled by your Subcommittee on Health and Hospitals concerning the recently announced reorganization of the Veterans' Administration's Department of Medicine and Surgery.

I am pleased to confirm the understanding, previously reached by the members of our staffs, that Dr. Musser, Dr. Wells, Mr. Anton, and I will appear before the Subcommittee during the morning of Thursday, October 11, 1973. At that time, we will respond to the matters raised in your letter and discuss other aspects of the reorganization.

Sincerely,

DONALD E. JOHNSON,
Administrator.

OCTOBER 3, 1973.

Hon. DONALD E. JOHNSON,
Administrator of Veterans' Affairs, Veterans' Administration, Washington, D.C.

DEAR MR. ADMINISTRATOR: This is further with regard to my letter to you of September 21 announcing a hearing of the Health and Hospitals Subcommittee on the October 1 Reorganization of the Department of Medicine and Surgery and your letter of September 26 agreeing to appear, along with Dr. Musser, Dr. Wells, and Mr. Anton, at such a hearing on October 11. I also request that Mr. Fred Rhodes, Deputy Administrator of Veterans Affairs, and Mr. Ralph Castille, Executive Assistant to the Chief Medical Director, be present to testify on October 11.

Finally, in view of information received subsequent to my previous letter and certain conflicts in the nature of the testimony expected, I have decided that the witnesses testifying from the Veterans Administration will testify under oath.

This letter is in confirmation of information conveyed to Mr. Bronaugh by Mr. Steinberg on this day.

Thank you for your continued cooperation with the Subcommittee.

Sincerely,

ALAN CRANSTON,
Chairman, Subcommittee on Health and Hospitals.

THE WHITE HOUSE,
Washington, D.C., October 5, 1973.

Hon. ALAN CRANSTON,
Chairman, Subcommittee on Health and Hospitals, Committee on Veterans' Affairs, U.S. Senate.

Hon. CLIFFORD P. HANSEN,
Ranking Minority Member, Subcommittee on Health and Hospitals, Committee on Veterans' Affairs, U.S. Senate.

Hon. WM. JENNINGS BRYAN DORN,
Chairman, Committee on Veterans' Affairs, U.S. House of Representatives.

Hon. JOHN P. HAMMERSCHMIDT,
Ranking Minority Member, Committee on Veterans' Affairs, U.S. House of Representatives.

DEAR ALAN: This follows up our phone conversation concerning the organization of the Department of Medicine and Surgery of the Veterans' Administration.

As I indicated to you, much of the concern has arisen from misunderstanding and uncertainty as to the manner in which the new organization will be implemented. I have gotten into this personally and can reaffirm to you that the current Administrator, Don Johnson, has agreed to remain in his position where he has served so well. There is no present disagreement between the Administrator and the Chief Medical Director, Dr. Marc J. Musser, over the organizational plan.

The organization plan recently announced for the Department of Medicine and Surgery is the result largely of work performed by a task force appointed by Dr. Musser. Some of the misinformation has to do with the interpretation placed on this plan by some individuals that the Deputy Chief Medical Director and Associate Chief Medical Director for Operations would not report through the Chief Medical Director but directly to the Administrator. This will not be the case. All personnel of the Department of Medicine and Surgery will report to and through the Chief Medical Director. Each personnel action taken in the Department of Medicine and Surgery by the Chief Medical Director is, of course, subject to the approval of the Administrator. The basic law fixes responsibility for all activities of the Veterans' Administration with the Administrator. The Administrator assures me that he has full confidence in the present Chief Medical Director. It is his intention to ask Dr. Musser to continue in his position when his present term expires in January. The reporting procedures and responsibilities are now clearly understood. It is my opinion that the new organizational concept should continue to move forward and be tried. I am confident that it can and will be successful.

With best wishes and kindest personal regards,

Sincerely,

MELVIN R. LAIRD,
Counselor to the President for Domestic Affairs.

OCTOBER 11, 1973.

Hon. MELVIN LAIRD,
Counselor to the President for Domestic Affairs, The White House, Washington, D.C.

DEAR MEL: I regret that I must write you further with regard to this whole matter of the VA Department of Medicine and Surgery. I am most grateful for the very prompt nature of your earlier response culminating in your October 5 letter to me. I know you believed, as did I, that the matter had been resolved by these earlier actions.

However, most regrettably, that does not seem to be the case. This letter is necessitated by the fact that there has been absolutely no movement by the present Administrator of Veterans Affairs to implement the arrangement agreed to in the third paragraph of your letter and the understandings subsidiary thereto arising from our several telephone conversations from October 3–5 (see my enclosed October 5 statement).

In fact, the situation, which had already reached almost crisis proportions as of October 5, has deteriorated still further in the past several days, both generally and in a number of specific respects, which I will enumerate later.

To begin with, several matters were treated in your October 5 letter in a way different from what I had understood to be our agreed-upon text based upon the substitute language I transmitted to you on October 4. When we discussed that language early that evening you stated that the text I submitted was agreeable except for matters which you then specified. Yet several additional changes were made which we did not discuss.

These deletions from the text take on special significance in view of the extraordinarily tense, totally counterproductive, and clearly intolerable situation which now prevails with respect to the present DM&S statutory leadership and the present Administrator, and I, therefore, will discuss these deletions in footnotes to appropriate portions of the text of this letter. Before providing some specific illustrations of the gravity of the present situation, I want to note that this situation existed to a major extent prior to your October 5 letter despite the indications to the contrary in the second paragraph, and the first sentence of the third paragraph, of your letter.

I decided not to raise objection initially to certain factual inaccuracies in those paragraphs because it was my hope and expectation that the misunderstandings and uncertainty between the current Administrator and the present Chief Medical Director would be resolved once the arrangements I believed we had agreed upon had been implemented. However, since the Administrator has taken no such implementation action—indeed has in three instances acted in clear contravention of the letter and understandings—I want to point out now certain respects in which your letter did not accurately disclose the underlying factual situation then existing:

1. There was and remains major disagreement—to put it mildly—between the current Administrator and Chief Medical Director.

2. There really has never been any "misunderstanding" whatsoever about "the manner in which the new organization will be implemented". It *is* being implemented, just as "some individuals" believed, by the Administrator and *his* agents, around, over, and under the Chief Medical Director.[1]

3. The recently announced reorganization plan was not, in any significant respect, "the result largely of work performed by a task force appointed by . . ." the Chief Medical Director.[1] In fact, as I am sure you will readily agree if you ask for copies of the final

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Footnotes at end of article.

reorganization chart and the chart as proposed by the DM&S task force, the differences far outnumber the similarities. The DM&S reorganization included an Executive Secretary for SMAG and an Executive Assistant to the Chief Medical Director both reporting directly to him—positions deleted entirely from the final plan. The DM&S plan included three Assistant and six Deputy Assistant Chief Medical Directors, whereas the final plan included five ACMD's and three Deputies. The DM&S plan specified ten Regional Medical Districts whereas the final reorganization included seven Districts. Most significantly, although I gather from our discussions you have been told to the contrary, the DM&S plan included no position of *Associate* Chief Medical Director, a position which is without statutory authority (see section 4103 of title 38, U.S.C.), or any other comparable No. 3 official in the Department.

It has been quite clear for the last year—since seven former employees of the Committee to Reelect the President came on the VA rolls, led by Frank Naylor and Michael Bronson—that the present statutory DM&S leadership has not been "running" that Department. Numerous decisions and personnel actions have been forced upon DM&S by the current Administrator or his agents.[2] As I told you in one of our phone conversations, the C.M.D. has been required to submit a lengthy list of names in recommendation for any single position from which list the Administrator has selected one person to appoint. And the Administrator on several occasions has selected a person named on a prior recommendation list for a position for which such person has never been "recommended" by the C.M.D. (The statute specifies that A.C.M.D. and Medical Director positions are to be filled "upon the recommendation of the Chief Medical Director" not "after receiving recommendations" for him.) [1]

Thus, the imposition and implementation of the October 1 reorganization—with the establishment of the statutorily unauthorized position of Associate C.M.D., filled by the Administrator with a person (Mr. David Anton) not approved or recommended by the Chief Medical Director—is merely a formalization and culmination of the steady erosion of the authority of the office of Chief Medical Director, as specified by title 38,[1] and of the authority of the present incumbent of that office, which has occurred over the last year.

I want to point out three actions taken contemporaneous with or subsequent to your October 5 letter which, in my judgment, ilustrate clearly that, despite the words of my October 5 statement based on my understanding with you, the Chief Medical Director is *not* "running" the Department; that, despite the words of your letter, all DM&S personnel are *not* reporting "to and through the Chief Medical Director"; and that each DM&S personnel decision is *not* being taken "by the Chief Medical Director, subject to the approval of the Administrator":

1. On October 5, Mr. Anton, without the knowledge of either the Chief Medical Director or the Deputy Chief Medical Director, apparently authorized the transmission to each VA Hospital Director of a directive that all hospital employment was to be maintained at the September 30, 1973, level.[1] It seems quite clear that Mr. Anton would not have acted without a direction from the Administrator or his office. It also seems clear that if Mr. Anton takes such direction, or issues such directives on his own, he is in a very real way the Chief Medical Director, himself.

2. On October 9, the Administrator submitted a written directive to the Chief Medical Director to move the location of the new Medical District No. 7 office from Los Angeles to San Francisco contrary to an agreement between the Administrator and the C.M.D. of two months earlier.

3. The same October 9 issuance directed the removal of the Director of that District, Mr. John Cox, whom the Administrator himself had announced as the Director at his September 18 press conference, ostensibly because of medical reasons.[2] (It should be noted that Mr. Cox's physician has advised the Chief Medical Director that Mr. Cox is now fit for further duty.)

The only conclusion I can reach from the above is that the current Administrator has not gotten the message (I am thus taking the liberty of directly sending him, as well as the Chief Medical Director, a copy of this letter). To date, he has not made the slightest attempt "to ask Dr. Musser to continue".[3] Rather, he continues to carry out a course of actions apparently calculated to undercut, undermine, and eventually make life intolerable for, the Chief Medical Director. The present Administrator refuses to discuss with the Chief Medical Director the question of the reappointment of the present Deputy Chief Medical Director, Dr. Benjamin Wells, whom Dr. Musser has indicated he very much wishes to retain, and he has continued his persistent efforts to force Mr. Ralph Casteel, Executive Assistant to the Chief Medical Director, and other key personnel in the Department in addition to Dr. Wells, out of their positions.

A final touch of intrigue in this most unfortunate record is as follows: the current Administrator has revealed that a telephone conversation between by Subcommittee counsel and the Chief Medical Director was monitored by the Administrator or one of his agents. This is clearly an unethical practice which is prohibited by the internal regulations of a number of Federal agencies—for example, the General Services Administration and the Federal Communications Commission. Although we have not yet had the opportunity to research this issue thoroughly, the monitoring of telephone conversations, without the consent of either party, seems to be contrary to June 16, 1967, and December 1, 1972, memoranda to Federal Government Executive Department and Agency Heads from the Attorney General. Moreover, Federal Government-wide regulations promulgated by the General Services Administration (§ 101–35.308–9(f)) prohibit "Installation of listening-in circuits, transmitter cutoff switches, and other devices for recording and listening to telephone conversations . . .", unless deviation is authorized in writing by the appropriate agency head as "essential to the effective execution of agency responsibilities or is required by operational needs (to be specified)." (§ 101–35.307–2.) My understanding is that, in fact, extension lines on the phone numbers of the Chief Medical Director and Deputy Chief Medical Director and others in their office have been run into the office of Mr. Anton and that a transmitter cutoff switch has been installed on his phone.

In conclusion, it seems to me that if Dr. Musser is to operate as Chief Medical Director now or under a reappointment, I feel he must be able to retain his key deputies and assistants and be able to eliminate the unauthorized Associate C.M.D. position. Yet he clearly is unable to do these things today.

Without early, swift, and decisive action to rectify this situation, I am afraid we are again bound for a major confrontation. I continue daily to receive letters from Medical School Deans across the country expressing the gravest concern about the present DM&S situation. Veterans organizations and others continue to urge that we proceed to reschedule our hearings postponed from October 11.

I know you have proceeded throughout in the best faith and with the utmost desire to cooperate as fully as possible. I am most appreciative of your efforts, and hope that you will be able to resolve finally this absolutely intolerable situation which is paralyzing the effective administration of the $2.7 billion VA health and hospital program.

With best regards,

Sincerely,

ALAN CRANSTON,
Chairman, Subcommittee on Health and Hospitals Committee on Veterans' Affairs.

FOOTNOTES

[1] Your October 5 letter deleted one sentence which had been in both your first draft and my proposed October 4 substitute—"as you know, the Chief Medical Director is a statutory position and, under the statute, he is directly responsible to the Administrator."—and substituted for it another which we did not discuss—"The basic law fixes responsibility for all activities of the Veterans' Administration with the Administrator.". There is a real substantive difference here, both in terms of a recognition of the statutory basis of the Chief Medical Director's office and in terms of the incorrect assertion in the new language that the statute fixes responsibility for *all* VA activities with the Administrator. That latter assertion is legally inaccurate, especially insofar as the operation of the Department of Medicine and Surgery is concerned. Although most authorities with respect to the Department do run directly to the VA Administrator, there are no less than nine specific authorities bestowed directly and solely upon the Chief Medical Director. (See section 4108(a)(1) (authority to make exceptions to permit health professionals to assume certain outside patient care responsibilities for periods of 180 days); section 4110(a) (appointment of disciplinary boards,—under regulations prescribed by the Administrator); section 4110(c) (designation or appointment of one or more disciplinary board investigators); section 4113 (detailing health professionals to professional meetings); section 4114(a)(3) (extension beyond one year of appointments of temporary health professionals); section 4114(c) (exception to citizen employment rule to permit employment of aliens when determined qualified citizen medical personal not recruitable); section 4114(d) (waiver of State licensure requirement for physicians and dentists or registration for nurses in certain cases); subchapter III of chapter 73 (designation of Regional Medical Education Centers; operation and supervision of such Centers; assignment of, and contracting for, teaching staff; and selection of personnel for training); and section 5001(a)(2) (perodic analysis of agencywide admission policies and records).) Ten title 38 provisions bestow *shared* responsibilities, that is, functions which can be carried out *only* with recommending action by the Chief Medical Director to the Administrator. (See section 4101(c)(1) (consultation with regarding concluding negotiation of agreement with National Academy of Sciences and regarding extension of time for NAS filing of report under such agreement); section 4103(a)(4) (recommendation to the Administrator with respect to the appointment of the eight Assistant Chief Medical Directors); section 4103(a)(4) (direct responsibility for operation of the Dental Service); section 4103(a)(5) (recommendation to the Administrator with respect to the appointment of Medical Directors); section 4103(a)(6) (direct responsibility for operation of the Nursing Service); section 4112(a) (nomination to the Administrator of members of the special medical advisory group); section 4112(b) (receipt, along with the Administrator, of advice from deans committees and other medical advisory committees); section 4114(a)(1) (recommendation to the Administrator with respect to appointments of health personnel); section 4115 (promulgation of

rules and regulations, with the Administrator's approval, for administration of DM&S); and section 5001(a) (prepare report for submission by the Administrator to Congress on results of admission policy and case analysis and number of additional beds and treatment capacities and appropriate staffing therefor needed).) Thus, the original sentence was an appropriate and accurate description of the overall statutory scheme with respect to DM&S responsibilities.

[2] My proposed October 4 substitute text made reference to the present understanding with respect to "the reporting and personnel procedures and responsibilities", whereas your final, as well as your original, text omitted reference to "personnel" procedures as being clarified in the letter. I fail to understand the reason for this deletion which, again, we did not discuss. The clarification and supposed "understanding", as I shall make clear later in this letter, was certainly as crucial with respect to authority to take *personnel* actions—that is, appointments and removals—as it was to *reporting* procedures and responsibilities.

[3] My proposed October 4 text stated that the Administrator intended "to immediately ask" Dr. Musser to continue "for another term". Your final letter reverted to your original proposal by deleting "immediately" and the reference to "another term". Yet there was no discussion between us on these points. This is more than semantical. I proposed the deleted words in order specifically to avoid exactly what has transpired since last Friday—continued uncertainty and confusion—by making clear that Dr. Musser's second four-year term appointment was to be effected immediately upon the clarification of the present Administrator's future status. The omission of the word "immediately" was called to the attention of your assistant by my Subcommittee Counsel as soon as the letter was received—at which point I was already on the plane for California. Your assistant responded that his understanding was that Dr. Musser was to be reappointed without delay.

STATEMENT OF U.S. SENATOR ALAN CRANSTON

Following is a statement by Senator Alan Cranston (D., Calif.), chairman of the Veterans Affairs Subcommittee on Health and Hospitals, in connection with a letter from Melvin R. Laird, Counsellor to the President for Domestic Affairs, which is being simultaneously released by the Senator and by the White House in Key Biscayne, Fla.:

In view of the letter I received today from Mr. Laird and understandings we reached in negotiations I have had with him over the past three days, I have cancelled next week's scheduled oversight hearings to receive testimony under oath about complaints of a personnel "shake-up" in the Veterans Administration which threatened to remove effective decision-making authority from the VA Chief Medical Director.

That letter and those understandings make clear that Chief Medical Director Dr. Marc J. Musser will run the VA Department of Medicine and Surgery and that he immediately will be asked to serve another four-year term when his present appointment expires on Jan. 4 1974.

I am most grateful to Mr. Laird for the fair and forthright way he has proceeded in this matter. The situation had reached almost crisis proportions, and his evenhanded approach has avoided a major confrontation and, in my view, a disastrous undermining of the professional nature of the VA medical program.

VA health care must be non-political and run in accordance with the highest professional standards by medical leadership.

Mr. Laird's willingness and effectiveness in resolving this situation bodes well for Congressional-Executive branch relations, not only because of the equitable result worked out but also because channels of communication, hitherto so tightly shut, are now open.

COMMITTEE ON VETERANS' AFFAIRS,
Washington, D.C., October 24, 1973.

Dr. MARC J. MUSSER,
Chief Medical Director, Veterans' Administration, Washington, D.C.

DEAR DR. MUSSER: Enclosed is a copy of the October 5, 1973, letter to me from Counsellor to the President for Domestic Affairs Melvin R. Laird regarding the Department of Medicine and Surgery, and a copy of a statement I released upon receipt of that letter expressing the understandings I reached with Mr. Laird leading up to and forming a background for his October 5 letter.

I am delighted to learn of the decision by the Administrator to reappoint you for a second four-year term as Chief Medical Director. There is a great need for continuity in the leadership of the Department of Medicine and Surgery as it proceeds to carry out the two major Public Laws (92–541 and 93–82) enacted over the past year. Despite the most regrettable confusion in the Agency over the last two weeks following the October 5 letter and statement, I now understand that you and the Administrator have reached agreement on the general terms and conditions under which your service as Chief Medical Director will continue.

In that connection, I am also extremely pleased to learn that the Administrator has asked Dr. Benjamin Wells to remain as Deputy Chief Medical Director and that your Executive Assistant, Mr. Ralph Casteel, will also remain with you in that capacity.

Although these personnel matters and your future status are now finally settled, there still remains to be determined the continued status of the new position of "Associate Chief Medical Director" to be established under the Administrator's proposed October 1 reorganization of the Department. Enclosed are copies of numerous letters I have received from heads of medical schools and other health institutions, as well as a veterans organization, expressing grave concern about the establishment of that new position and the process by which it was filled with a layman, Mr. David Anton.

I do not believe it is sufficient merely to state that Mr. Anton will report to you and your Deputy. In view of the great public anxiety which has been expressed over the process by which his appointment was made and the fact that a layman has been charged with direct line responsibility over the provision of VA medical care, I believe that a substantial structural change, in both the title and assigned responsibilities, must be made in the position held by Mr. Anton.

Additionally, I am enclosing a copy of my September 21, 1973, letter to the Administrator, regarding the proposed reorganization and my plan at that time to conduct oversight hearings on it, so as to make you directly aware of my view that the position of "Associate Chief Medical Director" is not authorized under title 38 and should, therefore, be abolished.

Accordingly, I would greatly appreciate your advising me at your earliest convenience of the status of Mr. Anton in the Department, specifically his lines of responsibility, the precise title of his job, and the description of his duties.

Again, I want to assure you of my great esteem for your past performance as Chief Medical Director and my complete confidence in your future leadership of the Department of Medicine and Surgery. I regret greatly the considerable unpleasantness and uncertainty which has surrounded your position over the past months, and trust that you and your principal deputies and assistants will proceed immediately to administer the Department in full conformity with applicable law and regulation and the highest principles of medicine.

With best wishes.

Sincerely,

ALAN CRANSTON,
Chairman, Subcommittee on Health and Hospitals.

VETERANS' ADMINISTRATION,
Washington, D.C., November 2, 1973.

Hon. ALAN CRANSTON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CRANSTON: Thank you for your letter of October 24, 1973 and for your expression of confidence in my stewardship of the Department of Medicine and Surgery of the Veterans Administration.

It is my opinion that the recent publicity dealing with the reorganization of the Department of Medicine and Surgery has concentrated excessively and unnecessarily upon the Office of Field Operations and the appointment of Mr. David Anton as its Director. It is not a new office. In the new table of organization, the Office of Field Operations is one of the eight major elements into which the total functions of the Department are broken down. One of these, the Office of Policy and Planning is directed by Dr. Howard Kenney, Associate Deputy Chief Medical Director, as provided by Section 4103(a)(3), Title 38. The others, Professional Services, Dentistry, Research and Development, Academic Affairs, Administrative Services, and Field Operations are directed by Assistant Chief Medical Directors, as provided by Section 4103(a)(4), Title 38. Two of these positions, Administrative Services (Mr. Arthur Farmer) and Field Operations (Mr. David Anton) are held by non-medical administrators, in accordance with the provisions of Public Law 93–82. All of these offices have great importance in the overall operation of the Department, and for the Department to operate efficiently and effectively, their functions are well defined, organized and coordinated.

The Office of Field Operations has the unique feature, however, of providing the Chief Medical Director with a control point for the many day to day transactions that must take place between Central Office and the hospitals and clinics in the field. Policies, plans, budget allocations, and other directions important to the operation of our field stations are transmitted *through* this office; reports of experiences of field stations, their needs, plans, problems and the like, are received by this office and transmitted to the Chief Medical Director, the Deputy Chief Medical Director and the appropriate elements of the central office organization for their actions. Our experience has indicated that a control point of this type is essential for the proper coordination and maximum efficiency of the total operation of the Department. However, it is neither a policy making nor a decision making office unto itself; its efficient functioning depends upon the manner in which it relates to other elements of the Department. That this is done is the responsibility of the Chief Medical Director, and it is from this responsibility that the administrative control of the Department by the Chief Medical Director is clearly established.

As I have indicated heretofore, Mr. Anton's official designation in the Department of Medicine and Surgery is as Assistant Chief Medical Director for Field Operations.

Because of the confusion and concern over the organizational title of Mr. Anton, Mr. Johnson has ordered that a more appropriate title be used. That recommendation will be submitted for his approval in a few days. In total candor, I should point out that out of the 45 key officials in DM&S Central Office, only six (6) have the same organizational title as their job classification title.

Since Mr. Anton has a Title 38, four year appointment, he does not have a job description.

Sincerely,

M. J. Musser, M.D.,
Chief Medical Director.

Committee on Veterans' Affairs,
Washington, D.C., November 6, 1973.

Dr. Marc J. Musser,
Chief Medical Director, Veterans' Administration, Washington, D.C.

Dear Dr. Musser: Thank you for your November 2 letter in response to my October 24 letter to you, regarding the Department of Medicine and Surgery of the Veterans Administration.

The content of your letter should be exceedingly helpful in setting forth the organizational responsibilities to be carried out by the Office of Field Operations under the direction of an Assistant Chief Medical Director, appointed pursuant to section 4103 (a) (4) of title 38. Your explanation that such Office will fuction as a transmittal point between you, the Deputy Chief Medical Director, and other appropriate Central Office DM&S activities and thus is not either a policy-making or a decision-making office, should serve to dispel the grave concerns that have been expressed by medical schools and other health institutions and veterans organizations about this situation.

In that connection, I hope that you and Mr. Johnson will move as rapidly as possible to remove the confusion which has been caused by the designation of the head of the Office of Field Operations as an "Associate Chief Medical Director" by making an appropriate redesignation of the title of that position. It would seem, in view of your very cogent description, in the second paragraph of your November 2 letter, of the parallel nature of the Field Operations Office with the five other Offices directed by Assistant Chief Medical Directors (also appointed pursuant to section 4103(a) (4) and in view of your statement that the "official designation in the Department of Medicine and Surgery [of the incumbent of that position, Mr. David Anton] is as Assistant Chief Medical Director for Field Operations . . .", that the redesignation should accord precisely with the statutory authority.

I must also add that I am puzzled by your statement "that out of the 45 key officials in DM&S Central Office, only six (6) have the same organizational title as their job classification title." First, you seem to note the inapplicability of whatever the above assertion is supposed to demonstrate, by stating in the next sentence that Mr. Anton "does not have a job description . . ." (which I take it is synonymous with "job classification") because he holds a title 38, four-year appointment. My point has been and continues to be that an individual appointed to a *statutory* office under title 38 should carry the official designation set forth in the statute as his organizational and only title.

In any event, I would appreciate receiving from you in due course an explanation of the discrepancies between the organizational titles and the job classification titles of the 39 key DM&S offcals to whom you refer, as well as a full explanation of the reasons for such discrepancies.

Finally, it is my understanding that VA personnel regulations require that persons holding title 38 four-year appointments shall be notified no later than 60 days in advance of the termination date of such appointments of whether or not the appointing official (in your case the Administrator) will reappoint such person. Since I believe that November 5 would have been the deadline for such notification in your case, could you please advise me whether or not you have received such notification from the Administrator and, if so, what was the content of such notification. In addition to indicating the current status of your position, would you also indicate the current status of Dr. Benjamin Wells and Mr. Ralph Casteel. I would appreciate your addressing yourself to these matters at your very earliest convenience.

With best wishes.

Sincerely,

Alan Cranston,
Chairman, Subcommittee on Health and Hospitals.

Veterans' Administration,
Washington, D.C., November 7, 1973.

Hon. Alan Cranston,
Chairman, Subcommittee on Health and Hospitals, U.S. Senate Committee on Veterans' Affairs, Washington, D.C.

Dear Senator Cranston: Thank you for your November 6 letter. I am pleased you found my description of the interrelationships between the various organizational elements of the Department of Medicine and Surgery of the Veterans Administration to be helpful in explaining some of the questions which have surfaced regarding the recent reorganization of the Department.

I have initiated a tabulation of the thirty-nine key officials in the Department of Medicine and Surgery, Central Office, whose organizational titles do not correspond to their job classifications. This will require a short period of time, but I will forward it to you as soon as it becomes available.

On November 5, 1973, the Administrator of Veterans Affairs notified me of his plan to renew my appointment as Chief Medical Director effective January 5, 1974. A copy of his letter is attached.

In regard to Dr. Benjamin Wells, the Administrator of Veterans Affairs notified him on October 31, 1973 that his assignment as Director of the Veterans Administration Hospital, Birmingham, Alabama had been postponed indefinitely. This was done in order to enable Dr. Wells to continue as Deputy Chief Medical Director during this period when many critical new programs are being implemented. The Administrator indicated that an appropriate date for Dr. Wells' transfer to Birmingham would be decided in the future.

When the Administrator of Veterans Affairs and I met with Dr. James Cavanaugh and Mr. Paul O'Neill on Friday, October 19, it was agreed that Mr. Ralph Casteel would continue in his assignment as Executive Assistant to the Chief Medical Director for the immediate future. It is my firm conviction that the most critical need at the present time is to establish the stability of the management of the Department of Medicine and Surgery of the Veterans Administration. For a number of reasons both Dr. Wells and Mr. Casteel will help immensely to do this if, indeed, I am reappointed as the Chief Medical Director. There probably has been no time in the recent history of the Department of Medicine and Surgery when as many critical issues and opportunities for growth and development have existed. The strength of the leadership which is available to the Department will determine the extent to which we can exploit the advantages which now are available to us.

Your continuing interest in and concern with the affairs of the Department of Medicine and Surgery are very much appreciated.

Sincerely,

M. J. Musser, M.D.,
Chief Medical Director.

Office of the Administrator
of Veterans' Affairs,
Washington, D.C., November 5, 1973.

Dr. Marc J. Musser,
Chief Medical Director, Veterans' Administration, Washington, D.C.

Dear Dr. Musser: In accordance with the provisions of Veterans Administration personnel policy manual, I wish to notify you that I plan to renew your appointment as Chief Medical Director, effective January 5, 1974.

This renewal will be made under the terms and conditions of our previous discussions. I fully expect that our agreements will be carried out with the mutual objective of providing the most effective administration of Veterans Administration medical programs.

Sincerely,

Donald E. Johnson,
Administrator.

Memorandum

October 31, 1973.

To: Deputy Chief Medical Director (10A) through Chief Medical Director (10).
From: Administrator (00).
Subject: Request for reassignment.

1. Referring to your memo of September 12 and my reply of October 1, as well as our several personal meetings, please be informed that I am modifying your request for reassignment by asking that you remain on duty as Deputy Chief Medical Director for an indefinite period.

2. If you will agree to delaying the previously agreed upon reporting date of December 1, it would serve the Agency well. The initial implementaation of recently passed legislation could, and would, be expedited if your services in the office of the Chief Medical Director were available.

3. It is, however, my intention to comply not only with your original request, but also with your repeated requests given verbally that you are still desirous of reassignment to the Birmingham VAH as the Hospital Director. When the reporting date is decided upon you will, of course, be given ample opportunity to prepare for the move as is customary.

4. You are requested to inform Dr. Richardson Hill and Mr. Clyde Cox that your reporting date has been postponed indefinitely. Please provide me with a copy of your communication to these individuals.

Donald E. Johnson.

Committee on Veterans' Affairs,
Washington, D.C., November 3, 1973.

Hon. Donald E. Johnson,
Administrator of Veterans' Affairs, Veterans Administration, Washington, D.C.

Dear Mr. Administrator: This letter is further with regard to my September 21, 1973, letter to you, the October 5, 1973, letter to me from Honorable Melvin R. Laird, Counsellor to the President for Domestic Affairs, my October 24, 1973, letter to Dr. Marc J. Musser, Chief Medical Director of the Veterans Administration, a copy of which I sent you at that time, Dr. Musser's November 2, 1973, response (copy enclosed), my November 6, 1973, reply (copy enclosed) to Dr. Musser's November 2 letter, and Dr. Musser's November 7, 1973 reply (copy enclosed) to my November 6 letter, all with regard to the organization and leadership of the VA Department of Medicine and Surgery.

Dr. Musser enclosed with his November 7 letter a copy of your November 5, 1973, letter to him in which you notified him that: "I plan to renew your appointment as Chief Medical Director, effective January 5, 1974." Given the great confusion and apparent misunderstanding which has been aroused in the medical school community, veterans organizations, and the press with regard to Dr. Musser's future status and the proposed October 1 reorganization of the Department of Medicine and Surgery, it seems to me that it would be most desirable if Dr. Musser's reappointment were actually made and publicly announced immediately. In this connection, there still seems to be some doubt at least in Dr. Musser's mind, as to when or indeed whether his reappointment will actually be effected, an inference which I draw from the statement in his November 7 letter, ". . . if, indeed, I am reappointed as Chief Medical Director."

Thus, I urgently wish to know on what date you intend to carry out your "plan" to reappoint Dr. Musser as Chief Medical Director and exactly when you intend to publicly announce such reappointment action. I must say that my concern over the fact that this has not yet been publicly done is heightened by the fact that you did not take the occasion—which would have seemed to me most opportune from numerous points of view—to make such an announcement when you addressed the Association of American Medical Colleges meeting on November 5, the same day of your letter to Dr. Musser notifying him of your reappointment "plan".

Another matter of serious concern to me contained in your November 5 letter to Dr. Musser is your statement that your renewal of his appointment "will be made under the terms and conditions of our previous discussions . . ." and your reference to "agreements" between you and Dr. Musser. In view of my deep and continuing concern about the future direction and leadership of the Department of Medicine and Surgery and the assurances I have been provided by Mr. Laird during the negotiation of, and those contained in, his October 5, 1973, letter to me, I felt it is essential that the Subcommittee and the public fully understand exactly what terms and conditions and agreements you plan to attach as conditions to Dr. Musser's continued service as Chief Medical Director.

The duties and responsibilities of the Chief Medical Director in many respects are derived directly from title 38: nine specific authorities are bestowed directly and solely upon the Chief Medical Director,[1] and ten responsibilities are shared with the Administrator, that is, they relate to functions which can be carried out only with recommending action by the Chief Medical Director to the Administrator.[2] It is, therefore, vitally important under all of the present circumstances that you advise us of precisely what terms, conditions, and agreements you intend to impose on Dr. Musser's reappointment to carry out his statutory and other duties and responsibilities as Chief Medical Director for another term.

I am most desirous of bringing this entire matter to a rapid and final resolution and conclusion so that all concerned can direct their attention to the vitally important responsibility of providing first quality and compassionate health care to our Nation's disabled veterans, as well as to the implementation of Public Law 92–541 and Public Law 93–82. I would, therefore, appreciate a reply at your earliest convenience to the two points on which I have requested clarification.

Thank you for your continuing cooperation with the Subcommittee.

Sincerely,

ALAN CRANSTON,
Chairman, Subcommittee on Health and Hospitals.

FOOTNOTES

[1] See section 4108(a)(1) (authority to make exceptions to permit health professionals to assume certain outside patient care responsibilities for periods of 180 days); section 4110(a) (appointment of disciplinary boards, under regulations prescribed by the Administrator); section 4110(c) (designation or appointment of one or more disciplinary board investigators); section 4113 (detailing health professionals to professional meetings); section 4114(a)(3) (extension beyond one year of appointments of temporary health professionals); section 4114(c) (exception to citizen employment rule to permit employment of aliens when determined qualified citizen medical personnel not recruitable); section 4114(d) (waiver of State licensure requirement for physicians and dentists or registration for nurses in certain cases); subchapter III of chapter 73 (designation of Regional Medical Education Centers; operation and supervision of such Centers; assignment of, and contracting for, teaching staff; and selection of personnel for training); and section 5001 (a)(2) (periodic analysis of agency-wide admission policies and records).

[2] See section 4101(c)(1) (consultation with Chief Medical Director regarding concluding negotiation of agreement with National Academy of Science and regarding extension of time for NAS filing of report under such agreement); section 4103(a)(4) (recommendation to the Administrator with respect to the appointment of the eight Assistant Chief Medical Directors); section 4103(a)(4) (direct responsibility for operation of the Dental Service); section 4103 (a)(5) (recommendation to the Administrator with respect to the appointment of Medical Directors); section 4103(a)(6) (direct responsibility for operation of the Nursing Service); section 4112(a) (nomination to the Administrator of members of the special medical advisory group); section 4112(b) (receipt, along with the Administrator, of advice from deans committees and other medical advisory committees); section 4114 (a)(1) (recommendation to the Administrator with respect to appointments of health personnel); section 4115 (promulgation of rules and regulations, with the Administrator's approval, for administration of DM&S); and section 5001(a) (prepare report for submission by the Administrator to Congress on results of admission policy and case analysis and number of additional beds and treatment capacities and appropriate staffing needed therefor).

VETERANS' ADMINISTRATION,
Washington, D.C., November 26, 1973.

Hon. ALAN CRANSTON,
Chairman, Subcommittee on Health and Hospitals, Committee on Veterans' Affairs, Washington, D.C.

DEAR SENATOR CRANSTON: This is in response to your letter of November 8 relative to your interest in the organization and leadership of the VA's Department of Medicine and Surgery.

As you know, I notified Dr. Marc J. Musser on November 5 of my intention to reappoint him as Chief Medical Director, effective January 5, 1974. On Wednesday, November 21, Dr. Musser advised me of his intention to accept this reappointment. I am, therefore, pleased to furnish you herewith a copy of our press release of this date, announcing his reappointment.

This agreement between Dr. Musser and myself is conditioned only upon his continuing to carry out the legal responsibilities of the office and to give maximum thrust to the policy initiatives of this administration in the field of veterans' medical care.

Sincerely,

DONALD E. JOHNSON,
Administrator.

VETERANS' ADMINISTRATION NEWS,
November 26, 1973.

The reappointment of Dr. Marc J. Musser as Chief Medical Director of the Veterans' Administration was announced today by Donald E. Johnson, Administrator of Veterans Affairs.

Originally named to the position January 5, 1970, Dr. Musser became the seventh Chief Medical Director since the modern VA Department of Medicine and Surgery was established by law in January 1946. His reappointment—extending to January 1978—provides a tenure of service matched by only one predecessor. Dr. William S. Middleton was VA's Chief Medical Director from 1955 to 1963.

As Chief Medical Director, Dr. Musser will continue to direct the largest medical complex in the United States. The VA medical system includes 170 hospitals and 205 outpatient clinics, and employs 7,600 regular-salaried physicians as well as some 20,000 nurses.

"I am delighted that Dr. Musser has accepted reappointment," Administrator Johnson said. "Under his capable leadership we can continue the dynamic progress I feel VA medicine has made during the past four years."

In accepting the new four-year appointment, Dr. Musser expressed appreciation for the confidence in his leadership evidenced by the reappointment action. "I am grateful," he added, "for the opportunity to carry on in this program so vitally important to our veterans, and to work with Administrator Johnson and a VA medical team, which I believe is outstanding in its competence and dedication."

The 63-year-old VA medical chief received his B.A. Degree in 1932 and his M.D. Degree in 1934, both from the University of Wisconsin. Following internship at the Kansas City, Mo., General Hospital, he completed his residency in medicine and neuropsychiatry at the University of Wisconsin, and then joined the university's medical school faculty in 1938.

He returned to the university medical teaching staff following four years Army service in World War II during which he attained the rank of Colonel and commanded the 135th Medical Group overseas.

He first joined the VA in 1957 as a member of the Houston VA Hospital staff where he also served as a professor of medicine at the Baylor University School of Medicine.

Moving to the VA headquarters in Washington in 1959 to head up all VA medical research, he later was promoted to direct both the agency's medical research and medical education programs, and then became the number two man for the entire medical department as Deputy Chief Medical Director.

In October 1966, he left VA to establish and direct the North Carolina Regional Medical Program, and also to chair a steering committee providing coordination for all of the nation's 55 regional medical programs. In the four years prior to his 1970 return to VA as Chief Medical Director, he also served as professor of medicine at the Duke University School of Medicine and the Charles Bowman Center of Wake Forest University.

Dr. Musser is a Fellow of the American College of Physicians and a member of the Central Society for Clinical Investigation, the Central Clinical Research Club, the Central Interurban Clinical Society, the Texas Academy of Internal Medicine and the American Medical Association. He is also a member of the Board of Trustees of the American Hospital Association and a past president of the Association of Military Surgeons of the U.S.

The author of many articles on clinical research and a wide variety of other medical subjects, he is married to the former Alice Balcuns Dryden, and lives in Arlington, Va.

COMMITTEE ON VETERANS' AFFAIRS,
Washington, D.C., November 30, 1973.

Dr. MARC J. MUSSER,
Chief Medical Director, Veterans' Administration, Washington, D.C.

DEAR DR. MUSSER: I am writing in further regard to your November 2 and 12, 1973, letters to me regarding, respectively, the appropriate position title for the DM&S Central Office officer directly responsible to you for field operations and the organizational titles and job classifications of key DM&S officials.

In your November 2 letter you state:

As I have indicated heretofore, Mr. Anton's official designation in the Department of Medicine and Surgery is as Assistant Chief Medical Director for Field Operations.

Because of the confusion and concern over the organizational title of Mr. Anton, Mr. Johnson has ordered that a more appropriate title be used. That recommendation will be submitted for his approval in a few days. In total candor, I should point out that out of the 45 key officials in DM&S Central Office, only six (6) have the same organizational title as their job classification title.

In your November 12 letter you listed the titles and grades of the so-called DM&S key officials referred to in your November 2 letter. It seems to me that the critical circumstance to be drawn from that list in connection with the designation of the appropriate organizational title for Director of the Office of Field Operations is that of the six persons officially designated as Assistant Chief Medical Directors, pursuant to section 4103(a)(4), all carry an organizational title as Assistant Chief Medical Director (for the appropriate Office) with the exception of the ACMD presently carrying the organizational title "Associate Chief Medical Director for Operations". It, therefore, seems to me that this latter organizational designation is out of line with the uniform organizational designations of the other ACMD's and that position should be given the organizational title of Assistant Chief Medical Director for Field Operations.

I would greatly appreciate your advising me as quickly as possible as to what recommendations you have submitted to Mr. Johnson in connection with the appropriate organizational title for that position and what action he has taken on that recommendation.

Thank you for your continuing cooperation with the Subcommittee.

Sincerely,

ALAN CRANSTON,
Chairman, Subcommittee on Health and Hospitals.

VETERANS' ADMINISTRATION,
Washington, D.C., December 26, 1973.

Hon. ALAN CRANSTON,
Chairman, Subcommittee on Health and Hospitals, Washington, D.C.

DEAR MR. CHAIRMAN: In reply to your letter of November 30, 1973, I am pleased to inform you that the Administrator of Veterans Affairs and I have agreed that the title for the office which Mr. David Anton presently occupies in the Department of Medicine & Surgery of the Veterans Administration will be Assistant Chief Medical Director for Field Operations.

May I also take this opportunity to wish you and the members of your staff a Very Merry Christmas.

Sincerely,

M. J. MUSSER, M.D.,
Chief Medical Director.

THE SINGLE PARENT

Mr. MATHIAS. Mr. President, WRC radio's "Urban Insight" program recently carried a most interesting discussion on the single parent—the unmarried man or woman, black or white, who has decided to become a parent by adoption. Almost every State in the Union now has a small but growing number of such people—widowed, divorced, or never married—who have worked sometimes against considerable odds to adopt their children. I have become aware of this phenomenon recently, as several single parents among my constituents have contacted me because of my membership on the Judiciary Committee, which has before it a bill to facilitate immigration of children adopted by single persons.

Mr. President, I would like to call the interview to the attention of my colleagues, and I ask unanimous consent that a transcript of the discussion be printed in the RECORD.

There being no objection, the transcript was ordered to be printed in the RECORD, as follows:

WRC "URBAN INSIGHT" MARCH 16, 1974

This is Dwight Ellis, your host for Urban Insight. This week we're going to be talking with three very unusual people. We're talking today with single adoptive parents. No doubt this is a new and unique term that many of you have not heard about yet, but we're going to find out quite a bit about this.

We have three guests. First of all, Kathy Sreedhar; Kathy is an American widow of an Indian. She has adopted a year-old infant from an orphanage in New Delhi, some years after her husband's death. She worked for the Peace Corps and is now working for AID.

We also have Chuck Ackerman, who has adopted three children whom he met during his tour in Viet Nam. His children are all-Vietnamese. I believe, Chuck, you also have a child by a previous marriage, correct? I might mention that Mr. Ackerman is in the Air Force and is detailed to the U.S. Arms Control and Disarmament Agency.

Last but not least, we have Hope Marindin. Hope adopted two newborn infants, two years apart, from the United States, I believe. Hope has never been married and works as a management analyst for the District of Columbia Government.

Welcome to Urban Insight! Perhaps you can tell me a little bit about this concept of single adoptive parents. Kathy?

KATHY. I don't know that it's really a concept. We're all very different from each other. We just happen to be single, either never-married or widowed or divorced, and we wanted children and had to work much harder than anybody else to get them.

DWIGHT. Why is it so difficult for a single parent to adopt a child, assuming that you have an adequate income, good moral character and things of that sort?

KATHY. It's very difficult now for anyone to adopt. The baby boom of 1965 is gone, and because of abortion and birth control and people keeping their own children, there are just very few children available even if you are a married couple and meet all those requirements. So what happens is that if there are few babies the agencies, if they are going to make judgments on who should get children and who shouldn't, they just put single parents on the bottom of the list.

DWIGHT. Chuck, I find your situation very interesting. You were in Viet Nam; you apparently met the three children whom you adopted while you were in Viet Nam. How did you come to meet these three children?

CHUCK. A civilian friend of mine who worked in an office there had met the three children out in town, and he had seen where they had some need to have someone to take care of them, and they started visiting with him quite a bit in his apartment. He worked for a company there—it was a contract with the government, but he had an apartment owned by the company. He had met the mother and she had agreed to let the children stay sometimes with him and he invited me out to meet them.

The mother was widowed; her husband had been killed, in fact, when she had a small baby, and she had the baby plus four other children. So she had to go out and work and she worked during the daytime as a secretary and she worked as a waitress type of person at night, till eleven o'clock. It was quite a difficult thing; it's even difficult in this country for a mother to take care of four children.

She had given up the smallest child to her sister so she could go out and work, and then she had four others. I met them through this friend of mine, and I thought I might like to adopt the children, so I talked to the mother then. I hadn't met her till then. She agreed and so we went through all the process of adoption.

I would have adopted all four, except that the Vietnamese have a rule about age differences. You have to be at least twenty years older than the oldest child you're going to adopt, and there was one girl who was within nineteen years of my age, so I couldn't adopt her. But my friend agreed to adopt her, the fellow that had introduced me to the children originally. She went to Hawaii to live with him. They all came over together, incidentally; the adoption was taken care of through the courts at the same time.

DWIGHT. How old are the children?

CHUCK. Right now, the oldest boy is fifteen; next oldest is a boy, thirteen; and there is a girl, eleven. They came over here two and a half years ago, and I met them in 1969.

There's a lot of rules about international adoptions and then you have to go through the U.S. Information Service. Viet Nam has quite a few restrictions, and then you have problems with the U.S. Government.

DWIGHT. I want to get to Hope. You have two infants?

HOPE. They're not infants now. I adopted Jerry at the age of four days, about three and a half years ago, in San Francisco; he's Spanish-Mexican. And then I adopted Caleb nineteen months ago when he was seven days old, in Alaska. He is half-Indian, half-Irish. And they're no longer infants, so I'm ready for a third child!

DWIGHT. Isn't it pretty expensive?

HOPE. It's not cheap; the largest expense is day care, I'd say, especially when they're younger. There is a very nice income tax deduction put through two years ago as an amendment to the income tax law, which permits you to deduct a good deal of what you spend on day care to enable you to work.

You know, single parent adoption is not illegal anywhere in the United States, and when single parents adopt they do so through the courts, so they fulfill all of the requirements of any state jurisdiction that they are adopting in. I said I was ready for a third child now; it's next to impossible to find a child now in the States, as Kathy has mentioned, so we're looking abroad. Kathy is chairman of an inter-country adoption committee for the Council of Adoptable Children in the Washington Metropolitan area. She is an expert on inter-country adoption for both couples and single parents.

DWIGHT. Do all three of you live in the Washington Metropolitan area?

HOPE. Chuck lives in Silver Spring; we live in the District.

DWIGHT. I believe, Chuck, your children; and Kathy, yours, would be of public school age?

KATHY. No, mine is 2½ and she goes to the HEW day care center.

CHUCK. Mine are public school age and they were when they came. They entered school immediately.

DWIGHT. Are they in public schools?

CHUCK. Right; they're in Montgomery County schools.

DWIGHT. I was going to ask if either of you would insist that your kids go to nonpublic schools.

HOPE. No, I'm going to try out Murch [elementary school in the D.C. public school system] when the time comes for Jerry. Especially with three kids!

KATHY. Why would you ask that?

DWIGHT. It would seem to me that because you're somewhat unusual—I don't want to make you out *that* unusual, but unusual—you might be a little more protective of your children, a little more concerned that they get—a little more so, maybe, than parents whose kids have two parents, that your kids got proper education and proper guidance in school. Consequently, possibly the private or parochial school route.

Chuck. Well, I have thought of that sort of thing, but it gets to be a problem, at least it is for me, to get a child to and from a private school. Generally they're not as close by as a public school. That has been one of the major considerations. Actually I probably would have my children in a church school, because since I adopted the children I have become married; I was married last April. My wife and I have talked about sending the children to a private school because they do have some special kinds of problems. Being foreign, they have a language problem.

Hope. They sure don't sound it on the phone.

Chuck. Sometimes when you get to some of the funny ways we use words, they have a little problem understanding what they are supposed to do.

Dwight. Do you speak Vietnamese?

Chuck. No, I never learned a word of Vietnamese.

Dwight. How do you communicate with them?

Chuck. Before they came I had a private tutor for them, during the time we were waiting. They apparently learned some English, although I didn't think so when I first heard them talk. But you are able to communicate. It's amazing how you can talk to a child. Show them the food, you know, and before you know it they learn English. But then, the subtleties in English; and second, they don't get the basics in grammar. Mine weren't; they have sort of skipped some of the things you have in school and there is just no way, they just don't make it up for them. They don't cover it. So I thought at one time that we would put them in a private school where they would get more individual attention.

Kathy. You said private schools; there are an awful lot of people who aren't single parents who go that route. And I guess I want to emphasize how different we are from each other. The only thing we have in common is that we happen to be single and we happen to want children.

In terms of independence; certainly I feel very independent myself and I think that's one thing that single parents share in common, and therefore we would like our children to be like that. Unlike being over-protective of the kids, I think we are much more—my kid at two years old can handle a full day of nursery school. Sure, she had a little trouble separating at first, but she's much more independent than most two-year-olds that I know.

Dwight. Being single, the two ladies: how do you proceed on problems with dates? Does having an adoptive child interfere with your social life at all?

Kathy. In terms of dating, my daughter has changed my life a good deal but she really hasn't changed my life style, meaning that my life style before was that I had a lot of close friends and I saw them in the evening—and I'm not a party-party type; that would be different—so I go visit them just as I always did. She comes along, plays with their kids and I talk to them or we all play together. That part of my life hasn't changed.

In terms of dates, I don't think anybody has ever either taken me out because of it or not taken me out because of her.

Hope. I can't imagine being attracted to a guy who said "I'll take you, but that kid, she's got to go."

Chuck. I think it's the same problem that a lot of people have, who are forced into single parenthood, particularly divorced women.

Hope. They go on dating; so do widows.

Chuck. I had two and a half years of dating after the children came and that was not a problem. I wouldn't have liked someone who didn't like the children. It may be a filtering process that I liked. I don't think I would like a wife who didn't like children.

The daughter I have by a previous marriage lives with my ex-wife, who lives in North Carolina. We only see her now and then. Typically our home is just the three Vietnamese children, and my wife and me.

Dwight. If a single adoptive parent has a child already, I wonder what effect this would have with adoptive children? Would there be much competitiveness for attention, problems with you as a parent, in relating to the natural child and the children who are not by birth?

Hope. Lots of couples have natural, biological children and have them adopted, and I don't think we would face any more problems than they have. I know a woman who is divorced and who has adopted a child on top of her existing two or three. She has never mentioned any specific problems on that score.

Chuck. Do you all belong to COAC? [Council on Adoptable Children] Most of the families seem like they have adopted a child after having their own—

Hope. And then sometimes have another child of their own, according to the newsletter.

Chuck. Things, I think, work out naturally.

Hope. But as I say it's hard to get children when you're a single parent, so we're looking abroad. And it is not illegal for a single parent to adopt from abroad, but it's difficult; it's slower. You have to take a slower route.

Dwight. You said earlier than it was not illegal for a single parent to adopt a child in this country, but you get all sorts of connotations that it is illegal, or not allowable. Are the policies around?

Kathy. The social work agencies have criteria that they use to judge whether you are going to be a suitable parent or not. Which may or may not have anything to do with whether you are a suitable parent—very, very traditional, a lot of them—the same race, the same religion, different sex from each other, age, not having too many children of your own—there are a lot of families with five children who are having a lot of the same problems that single parents are having, because nobody will give them a sixth even if they are great parents. Some of the agencies have requirements that the mother not work, even in a married couple. So that they make the determination of who is going to be a good parent, which is their right, but the determination, from my point of view, is not always the best in terms of judging suitability.

Dwight. Have you heard any talk of discrimination, where employers are concerned? Are there cases of employer discrimination against women who are single and have adopted?

Hope. They're pretty enthusiastic at my office. For a while my office was a hotbed of adoptive parents anyway, so there was a good deal of sympathy. I did have a supervisor once in a previous job who disapproved of the idea of a single person adopting on the grounds that every child should have two parents. We think so too—every child should have two loving parents, and we should all be saints. But in practice I think we—I think a responsible, well-balanced, well-established single parent, can offer *on the average* as much to a child as a married couple—we think. And in some cases, we're better for the child, I think—considering that one out of three marriages, is it, now, ends in divorce; the child goes through a good deal of trauma, which doesn't happen with a single parent. We're not passing on hang-ups about a spouse that we're fighting with; we're not terrified about making it on our own in the big world—we know we can earn our own living; we've done it for years.

To get back to inter-country adoption, we'd like to do it, but it is a slower route than for couples.

Dwight. You mentioned that the wait can be now from nine months to two years.

Kathy. The U.S. Immigration law has various categories under which someone can enter the United States. And if you adopted a child as a married couple you bypass all these categories. You fill out a form and your child comes in. But the immigration law reads that the form has to be filled out by "a U.S. citizen and spouse."

The history of that law: it was originally designed so that the GI's who were stationed in Europe after the war and picked up—or fathered—some children and brought them home to their wives wouldn't surprise their wives with all sorts of children. So they then said, "we'll pass a law so that the spouse has to agree." But the effect of the law is that single parents can't do that. Therefore, we're stuck. There are single parents all over the country who have adopted in Viet Nam or India or somewhere else and who have their children legally, and those children are sitting there and they can't come into the States because they have to wait until their number comes up on the immigration quota. They can't come in the same way as anybody else's children can come.

Dwight. Has that law been challenged?

Kathy. It hasn't been challenged in court—someone's thinking about that but it hasn't been challenged in court——

Hope. As class discrimination——

Kathy. As discrimination, right; but a bill has passed the House that just says "delete 'and spouse'" but it's sitting in the Senate Judiciary Committee, that has other things to worry about these days than single parents!

Dwight. Apparently you have a pretty large constituency of single adoptive parents in the Metropolitan area?

Hope. Actually, it isn't that large. Passionate, but not large; and growing, I guess.

Dwight. I note that in this area there is a blind college professor, a secretary at the telephone company, an economist, a child psychologist, a teacher at Gallaudet. And of course you three represented here.

Oh, gosh; running out of time. Let me get this, quick. Where could someone call to get information about single adoptive parents?

Hope. They could call me, Hope Marindin, at my office, 629-4793, or——

Dwight. That's all the time. You have been listening to Dwight Ellis, your host for "Urban Insight." "Urban Insight" is a prerecorded community affairs program on WRC. Thank you for listening; tune in next week.

DEFERRED CONSIDERATION OF FACILITIES AT DIEGO GARCIA

Mr. PELL. Mr. President, I warmly endorse the action today of the Armed Services Committee to defer for later consideration the administration's proposed expansion of facilities at Diego Garcia in the Indian Ocean.

This prudent action squares with the amendment which I introduced on February 26 to delete from the supplemental defense authorization bill the $29 million requested for this expansion.

I have strongly opposed the administration's proposal for converting a supposedly austere communications facility into a naval and air base in the presently unmilitarized Indian Ocean.

I do not believe that funds expended for this purpose is necessary in the defense of our national interest.

But I do believe that the establishment of this facility has potentially serious and very costly implications for our foreign and military policies.

The proposal has not been welcomed, and in many cases, loudly opposed by the littoral states of this vast ocean area. Within the proposal is contained the anatomy of a naval race. That is something the United States and the Soviet Union can ill afford.

In terms of cost effectiveness, an agreement with the Soviets on arms control in the Indian Ocean, I believe, offers the best solution. Senator Kennedy and I have introduced Concurrent Resolution 76 calling for talks to that end.

Finally, this deferment will meet a concern I share with Senator Symington that to authorize funds now for the expansion on Diego Garcia could result in their expenditure under a nonexistent agreement. I understand that there has been no signed or initialed agreement with the British, who own the island, for going ahead with the project. Who knows whether the new Labor government will confirm an agreement in principle of the former Conservative government? There are indications that the present government intends to reexamine the proposed expansion on Diego Garcia most carefully.

THE FOOD SHORTAGE

Mr. MATHIAS. Mr. President, there have been increasing signs that, despite the recent "green revolution" and recent actions by the U.S. Department of Agriculture to free additional farmland for production, the world may soon face a severe food shortage. This is a development of the most profound consequences for all world citizens. A widespread food shortage would place severe strains on international diplomacy and the conscience of all mankind.

This week's Newsweek magazine contained a brief summary and analysis of the probability and effects of such a food shortage. I ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Running Out of Food?

Perhaps in ten years, millions of people in the poor countries are going to starve to death before our very eyes . . . We shall see them doing so upon our television sets. How soon? How many deaths? Can they be prevented? Can they be minimized? Those are the most important questions in our world today.

When that apocalyptic warning was sounded by British author C. P. Snow five years ago, it was dismissed by many food experts as unduly alarmist. At that time, miracle seeds and fertilizers were creating a global "green revolution," and there was even talk that such chronically hungry nations as India would soon become self-sufficient in food. But today that sort of optimism is no longer fashionable. World stores of grain are at their lowest level in years—only enough to last for 27 days—and there are grim signs that the current shortage is not just a temporary phenomenon but is likely to get worse.

In the coming decades, some scholars believe, food scarcity will be the normal condition of life on earth—and not only in the poor countries but in the richer ones as well. Unless present trends are somehow reversed, says biologist J. George Harrar, "millions of people in the poor areas will die of starvation. But the affluent societies [including the United States] will experience dramatically reduced standards of living at home." Even Agriculture Secretary Earl Butz, a notorious optimist on the subject of food, concedes that Americans may have to substitute vegetable for animal protein. "We have the technology," Butz told Newsweek's Tom Joyce reassuringly, "to make better hamburgers out of soy beans than out of cows."

Even now, food shortages affect the entire world. In the last two years, famine has threatened India and visited widespread misery upon the sub-Sahara nations of Africa where an estimated quarter million people have died. Scarcely less shocking, half of the world's 3.7 billion people live in perpetual hunger. The industrial nations are swiftly buying up the dwindling supplies of food and driving up food prices so high that poorer countries cannot afford to pay them.

Prospects for the future are clouded by the old Malthusian specter of population growth. A year from now there will be 4 billion human beings on earth, and by the end of the century that figure is expected nearly to double to 7.2 billion. Food production is simply not growing fast enough to feed that many mouths, and it is unlikely to do so in the decades ahead. A complicating factor in the race between food and people is the burgeoning affluence in such parts of the world as Western Europe, Japan and the Soviet Union. Rising expectations in these areas have bred strong new demands on the world's food supplies. More and more people want their protein in the form of meat rather than vegetables, and this in turn has driven up the need for feed grains for the growing herds of livestock. "Affluence," argues economist Lester Brown, "is emerging as a major new claimant on world food resources."

To meet this proliferating demand for food, insists John Knowles, president of the Rockefeller Foundation, "the world's basic food crops must double in the next eighteen years." The more positive thinkers among the food experts are convinced that this can be done—basically by expanding the area of land under production and by raising the output of crops on the cultivated areas. The world has the means to do the job, they argue—*if* the underproductive countries would order their societies a little better, *if* the richer countries would pump larger amounts of capital and know-how into the less fortunate nations for the development of agriculture, *if* more irrigation and fertilizer were brought into play, *if* mankind would use its common sense.

Many students of the food crisis are far less optimistic. "We have just about run out of good land, and there are tremendous limitations on what we can do in the way of irrigation," contends Prof. Georg Borgstrom of Michigan State University. Economist Brown supports this view. "The people who talk about adding more land are not considering the price," he says. "If you are willing to pay the price, you can farm Mount Everest. But the price would be enormous."

Moreover, Brown and other experts do not expect the sea to solve the world's food problems. Huge fishing fleets have depleted many traditional fishing grounds, and the overall catch is declining. Anchovies, one of the major ingredients in animal feed, recently disappeared from the waters off Peru for two years—largely a result of over-fishing. Water pollution, too, is taking a heavy toll of fish life along the world's continental shelves. And much of the fish that is caught each year is being squandered. "Every year, Americans use tons of tuna fish in pet foods," one food expert points out. "But how much longer will we be able to afford the luxury of feeding our cats and dogs on food people could consume?"

Fertilizer, an essential element, is also becoming prohibitively expensive. Petroleum is a major source of fertilizer, and the towering price of oil thus has a direct effect on agriculture. Dr. Norman Borlaug, sometimes called the "father of the green revolution," has complained bitterly that Arab oil politics, aimed at the industrial countries, will eventually strike most heavily at the developing nations. "India," remarks Brown, "is really up the creek. As a result of the fertilizer shortage, grain production is likely to be off 6 to 9 million metric tons."

On top of all these problems, the world's farmers have been beset by weather conditions that threaten to dislocate food patterns around the world. According to some meteorologists, these changes in climate will probably be a long-range factor. For a variety of reasons, they point out, the earth seems to be cooling off, and this cooling process is causing a southward migration of the monsoon rains. This in turn is producing a dry-weather pattern stretching from the sub-Sahara drought belt through the Middle East to India, South Asia and North China. Even the U.S. could soon be at the mercy of the weather. Some meteorologists are predicting a cyclical return to drought in the Great Plains States—possibly even dust-bowl conditions. "Even a mild drought in this tight supply situation," said one Agriculture Department official, "could be a disaster."

Over the years, the U.S. supplied a staggering $20 billion worth of food to needy countries under Public Law 480, the so-called Food for Peace program. But in recent years, the program has been allowed to wither, and with food demand rising around the world, American farmers—encouraged by the Administration—have flung themselves into the business of exporting food on a strictly cash-and-carry basis. In the fiscal year ending in June 1972, the U.S. exported $8 billion worth of farm products; last year the figure reached $12.9 billion; and when this fiscal year ends in June it is estimated that it will have zoomed to $20 billion. The U.S. now views agricultural products not as a give-away item but as a way of earning the foreign exchange needed to pay for imports, including high-priced crude oil. "Food for crude" is the shorthand for the current policy at the Department of Agriculture.

With virtually all U.S. food surpluses committed to trade, not aid, it is difficult to see how the U.S. can continue to play its old role as provider of food to the world's hungry masses. And there are many people in Washington who do not see this as such a bad thing. "The worst thing we can do for a country," says a State Department official, "is to put it on the permanent dole. That would be an excuse not to solve its own problems, especially population. Now, our thinking is that feeding the world is an international problem, maybe one for the United Nations." That view was underlined last September when Henry Kissinger asked the United Nations to call a world conference on the problems of feeding the world. "No one country can cope with this problem," said the Secretary of State.

In response, the U.N. plans to hold a World Food Conference in Rome this November. Among the major proposals certain to be made are that the less developed nations discourage population growth and that the industrial nations work together to help feed the world's poor. Indeed, Dr. A. H. Boerma, the Dutchman who heads the U.N. Food and Agriculture Organization, has proposed a "world food reserve"—roughly like that of the Biblical Joseph, who advised the Pharaohs to store up grain in good years against future famines. But so far, the suggestion has been greeted with a total lack of enthusiasm in the U.S., Canada and Australia, the only countries in the world with significant food surpluses.

Resistance to an internationally controlled food reserve is easy enough to understand. Farmers fear that such vast stores of controlled food might, at some point, be unloaded on the world market, sending prices down in a dizzying spiral. And governments do not want to give up a formidable political weapon. In the politics of international food, agriculture may very well turn out to be the United States' ace in the hole. "We are not," declares one high-level Washington official, "going to throw that away too easily."

And so, to a very large extent, the U.S., as the greatest food producer in the world, will still be in a position to determine who gets food in the decades ahead; it will almost certainly be American food and American policy that answer the questions posed by C. P. Snow. "We are going to have some big moral decisions to make," says Sen. Hubert Humphrey. "We will be faced with famine situations in Africa, Asia and other parts of the world where there are victims of rising population and bad weather. But the question, I believe, is going to come down to whether Americans will be willing to cut down on their own consumption to help those poor people."

REAFFIRMING THE BILL OF RIGHTS: FINANCIAL PRIVACY

Mr. MATHIAS. Mr. President, on Monday the Supreme Court handed down its ruling on the cases challenging the constitutionality of sections of the bank secrecy law passed by the Congress in 1970. The Court unfortunately felt that the fundamental constitutional issues raised by these cases were not ripe for decision. Accordingly, it is now imperative that the Congress move promptly to correct its past oversights and insure that the banking system of America does not become a tool for the massive invasion of individual privacy.

Bills have been introduced in both the House and Senate to insure that the Federal Government could obtain needed information about financial transactions of bank customers without violating their civil rights. The Right to Financial Privacy Act, S. 2200, which I joined with Senators CRANSTON, BROCK, ERVIN, PACKWOOD, and TUNNEY in introducing last July, is now before the Senate Subcommittee on Financial Institutions. I am hopeful that prompt action can be taken on this legislation.

I ask unanimous consent that a syllabus of the Court's opinion be printed in the RECORD, together with a press statement which I issued concerning the Court's opinion, news articles and editorials about the opinion, and a statement I made concerning the need for congressional action at the time S. 2200 was introduced.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MATHIAS URGES ACTION TO SAFEGUARD PRIVATE BANK RECORDS

Senator Charles McC. Mathias, Jr. (R-Md.) said that the Supreme Court's Monday ruling on the 1970 Bank Secrecy law has handed the job of protecting privacy of bank records back to the Congress, where it rightly belongs.

The Supreme Court let stand the 1970 "Bank Secrecy" law which permits the Federal government to require banks to microfilm every bank transaction of every American. Mathias urged the Senate Subcommittee on Financial Institutions to act promptly on pending legislation to prevent disclosures of private bank records to government officials without proper procedural safeguards.

"An individual's bank account is not just another collection of paper. It is extremely revealing as to the details of the customer's personal and political life. It reflects with considerable accuracy an individual's exercise of his rights under our Constitution, and particularly his First Amendment rights."

"Abuse of individual rights is now encouraged by the fact that government personnel, by their own admission, obtain detailed information on individuals from financial institutions without any notice to or consent by any court or the individual bank customer. The legislation which I have sponsored would allow government agencies to obtain the information they need for proper purposes while ensuring that individual rights and liberties will be protected. This bill would permit agencies to obtain information by administrative subpoena, judicial subpoena, search warrants or with customer consent."

Mathias said the Supreme Court's opinion—California Bankers Association v. Schultz—sidestepped the fundamental Constitutional issues which surround this legislation. "The Court held that the requirements for record-keeping under the 1970 Act did not, by themselves, change the 'existing law' governing access to those records by the government. But the Court ignored that this 'existing law' is woefully inadequate, if not totally non-existent.

"We are still confronted with the fact that there are no reasonable guarantees that the fundamental Constitutional rights of American citizens will not be violated. Accordingly, it is now even more urgent that the Congress enact corrective legislation," Mathias said.

[Supreme Court of the United States, Syllabus]

CALIFORNIA BANKERS ASSN. *v.* SHULTZ, SECRETARY OF THE TREASURY, ET AL.

APPEAL FROM THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF CALIFORNIA

No. 72–985. Argued January 16, 1974—Decided April 1, 1974.*

The Bank Secrecy Act of 1970, which was enacted following extensive hearings concerning the unavailability of foreign and domestic bank records of customers thought to be engaged in illegal activities, authorizes the Secretary of the Treasury to prescribe by regulation certain bank recordkeeping and reporting requirements, the Act's penalties attaching only upon violation of the regulations thus prescribed. (Unless otherwise indicated, references below to the Act also include the accompanying regulations.) The Act is designed to obtain financial information having "a high degree of usefulness in criminal, tax, or regulatory investigations or proceedings." Title I of the Act requires financial institutions to maintain records of their customers' identities, to make microfilm copies of checks and similar instruments, and to keep records of certain other items. Title II of the Act requires the reporting to the Federal Government of certain foreign and domestic financial transactions. Title II, § 231, requires reports of the transportation of currency and specified instruments exceeding $5,000 into or out of the country, exception being made, *inter alia,* for banks and security dealers. Section 241 requires individuals with bank accounts or other relationships with foreign banks to provide specified information on a tax return form. Section 221 delegates to the Secretary of the Treasury the authority to require reports of transactions "if they involve the payment, receipt, or transfer of United States currency, or such other monetary instruments as the Secretary may specify . . ." § 222 providing that he may require such reports from the domestic financial institution involved, the parties to the transaction, or both, and § 223 providing that he may designate financial institutions to receive the reports. Under the implementing regulations only financial institutions must file reports with the Internal Revenue Service (IRS), and then only where the transaction involves the deposit, withdrawal, exchange, or other payment of currency exceeding $10,000. The regulations provide that the Secretary may grant exemptions from the requirements of the regulations. Suits were brought by various plaintiffs challenging the constitutionality of the Act, principally on the ground that it violated the Fourth Amendment, because when the bank makes and keeps records under compulsion of the Secretary's regulations it acts as a Government agent and thereby engages in a "seizure" of its customer's records. A three-judge District Court, through upholding the recordkeeping requirements of Title I of the Act and the foreign transaction reporting requirements of Title II, concluded that the domestic reporting provisions of Title II, §§ 221–223, contravened the Fourth Amendment, and enjoined their enforcement. Three separate appeals were taken. In No. 72–985, the California Bankers Association, a plaintiff below, asserts that Title I's recordkeeping provisions violate (1) due process, because there is no rational relationship between the Act's objectives and the required recordkeeping and because the Act is unduly burdensome, and (2) rights of privacy. In No. 72–1196, a bank plaintiff, certain plaintiff deposits, and the American Civil Liberties Union (ACLU) also a plaintiff, as a depositor in a bank subject to the recordkeeping requirements and as a representative of its bank customer members, attack both the Title I recordkeeping requirements and the Title II foreign financial transaction reporting requirements on Fourth Amendment grounds; on Fifth Amendment grounds, as violating the privilege against compulsory self-incrimination; and on First Amendment grounds, as violating free speech and free association rights. In No. 72–1073, the United States asserts that the District Court erred in holding Title II's domestic financial transaction reporting requirements facially invalid without considering the actual implementation of the statute by the regulations. *Held:*

1. Title I's recordkeeping requirements, which are a proper exercise of Congress' power to deal with the problem of crime in interstate and foreign commerce, do not deprive the bank plaintiffs of due process of law. Pp. 21–26.

(a) There is a sufficient nexus between the evil Congress sought to address and the recordkeeping procedure to meet the requirements of the Due Process Clause of the Fifth Amendment, and the fact that banks are not mere bystanders in transactions involving negotiable instruments but have a substantial stake in their availability and acceptance and are the most easily identifiable party to the instruments, make it appropriate for the banks rather than others to do the recordkeeping. *United States* v. *Darby,* 312 U. S. 100; *Shapiro* v. *United States,* 335 U. S. 1. Pp. 21–25.

(b) The cost burdens on the banks of the recordkeeping requirements are not unreasonable. Pp. 25–26.

(c) The bank plaintiffs' claim that the recordkeeping requirements undermine the right of a depositor effectively to challenge an IRS third-party summons is premature,

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*Together with No. 72–1073, *Shultz, Secretary of the Treasury, et al* v. *California Bankers Assn. et al.;* and No. 72–1190, *Stark et al.* v. *Shultz, Secretary of the Treasury, et al.,* also on appeal from the same court.

absent the issuance of such process involving a depositor's transactions. P. 27.

2. Title I's recordkeeping provisions do not violate the Fourth Amendment rights of either the bank or depositor plaintiffs, the mere maintenance by the bank of records without any requirement that they be disclosed to the Government (which can secure access only by existing legal process) constituting no illegal search and seizure. Pp. 28–30.

3. Title I's recordkeeping provisions do not violate the Fifth Amendment rights of either the bank or depositor plaintiffs. Pp. 30–31.

(a) The bank plaintiffs, being corporations, have no constitutional privilege against compulsory self-incrimination by virtue of the Fifth Amendment. *Hale* v. *Henkel*, 201 U.S. 43, 74–75. Pp. 30–31.

(b) A depositor plaintiff incriminated by evidence produced by a third party sustains no violation of his own Fifth Amendment rights. *Johnson* v. *United States*, 228 U. S. 457, 458; *Couch* v. *United States*, 409 U. S. 322, 328. Pp. 30–31.

4. The ACLU's claim that Title I's recordkeeping requirements violate its members' First Amendment rights since the challenged provisions could possibly be used to identify its members and contributors (cf. *NAACP* v. *Alabama*, 357 U. S. 440), is premature, the Government having sought no such disclosure here. Pp. 31–32.

5. The reporting requirements in Title II applicable to foreign financial dealings, which single out transactions with the greatest potential for avoiding enforcement of federal laws and which involve substantial sums, do not abridge plaintiffs' Fourth Amendment rights and are well within Congress' powers to legislate with respect to foreign commerce. *Carroll* v. *United States*, 267 U. S. 132, 154; *Almeida-Sanchez* v. *United States*, 413 U. S. 226, 272. Pp. 35–39.

6. The regulations for the reporting by financial institutions of domestic financial transactions, are reasonable and abridge no Fourth Amendment rights of such institutions, which are themselves parties to the transactions involved, since neither "incorporated nor unincorporated associations [have] an unqualified right to conduct their affairs in secret." *United States* v. *Morton Salt Co.* 338 U.S. 632, 652. Pp 39–43.

7. The depositor plaintiffs, who do not allege engaging in the type of $10,000 domestic survey currency transaction requiring reporting, lacking standing to challenge the domestic reporting regulations. It is therefore unnecessary to consider contentions made by the bank and depositor plaintiffs that the regulations are constitutionally defective because they do not require the financial institution to notify the customer that a report will be filed concerning the domestic currency transaction. Pp. 43–46.

8. The depositor plaintiffs who are parties in this litigation are premature in challenging the foreign and domestic reporting provisions under the Fifth Amendment. Pp. 48–51.

(a) Since those plaintiffs merely allege that they intend to engage in foreign currency transactions with foreign banks and make no additional allegation that any of the information required by the Secretary will tend to incriminate them, their challenge to the foreign reporting requirements cannot be considered at this time. *Communist Party v. SACB*, 367 U.S. 1, 105–110, followed; *Albertson* v. *SACB*, 382 U.S. 70, distinguished. Pp. 48–50.

(b) The depositor plaintiffs' challenge to the domestic reporting requirements are similarly premature, since there is no allegation that any depositor engaged in a $10,000 domestic transaction with a bank that the latter was required to report and no allegation that any bank report would contain information incriminating any depositor. *Marchetti* v. United States, 390 U.S. 39; *Grosso v. United States*, 390 U.S. 62; and *Haynes* v. *United States*, 390 U.S. 85, distinguished. Pp. 50–51.

9. The bank plaintiffs cannot vicariously assert Fifth Amendment claims on behalf of their depositors under the circumstances present here, since the depositors cannot assert those claims themselves at this time. See para. 8, *supra*. P. 47.

10. The contentions of the ACLU that the reporting requirements with respect to foreign and domestic transactions invade its First Amendment associational interests are too speculative and hypothetical to warrant consideration, in view of the fact that the ACLU alleged only that it maintains accounts at a San Francisco bank but not that it regularly engages in abnormally large domestic currency transactions, transports or receives monetary instruments from foreign commercial channels, or maintains foreign bank accounts. Pp. 51–52. 347 F. Supp. 1242, affirmed in part, reversed in part, and remanded.

Rehnquist. J., delivered the opinion of the Court, in which Burger, C. J., and Stewart, White, Blackmun, and Powell, JJ., joined. Powell, J., filed a concurring opinion, in which Blackmun, J., joined. Douglas, Brennan, and Marshall, JJ., filed dissenting opinions.

[From the Baltimore Sun, Apr. 3, 1974]

CRIME AND PRIVACY

There is a tragic aspect to the law enforcement problem. Many measures which inhibit or catch criminals also harass the innocent. It is not uncommon, in a controversy over a proposed measure, for both its law and order proponents and civil libertarian opponents to be right, as far as they go. The Bank Secrecy Act of 1970, which effectively ended bank secrecy, is such a measure.

The law authorizes the Secretary of the Treasury to require banks to record most transactions their customers make, and provide these records to investigators. The law is meant to prevent organized crime from laundering money abroad, to identify dirty money, to prosecute fraud and income tax exasion. It makes the prosecution a better match for the sophisticated law-breaker. The law also provides the government with the ability to learn about your private affairs, associations and even causes to which you might contribute by check, whoever you are. The bill was supported by distinguished law enforcers. It was opposed not only by civil libertarians, but by the banking industry, which saw it as an expensive red tape nuisance, and the financial community, which feared it would depress foreign investment in America. The administration initially supported and then opposed major provisions which became law anyway.

A constitutional attack on the law by the California Bankers Association, aided by the American Civil Liberties Union, has just failed before the Supreme Court. The court's frequent six-man majority upheld the law in the cases before it. The three liberals dissented because, in the words of Justice Douglas, they were "not yet ready to agree that America is so possessed with evil that we must level all constitutional barriers to give our civil authorities the tools to catch criminals." Justice Rehnquist for the majority chose not to confront the constitutional issues so much as to find that the particular plaintiffs lacked standing to raise them. Justice Powell and Blackmun, concurring, worried lest the government inspect smaller transactions, signalling that a 6–3 majority could potentially swing 5–4 the other way. The net result is to turn down the bankers and challenge the American Civil Liberties Union to find plaintiffs better able to show that the law violates their rights against unreasonable search and seizure and against incriminating themselves.

What the Supreme Court finds to be constitutionally permissible need not be good law. What Congress enacts, Congress may repeal or amend. President Nixon has promised a major inquiry into the issue of privacy. Surely the Bank Secrecy Act comes under this. In such an inquiry, the burden should be not merely on the opponents to show that the law has done actual harm, but also on the proponents to show that it has done actual good.

[From the Washington Post, Apr. 2, 1974]

BANK DATA ACCESS BACKED

(By John P. MacKenzie)

The Supreme Court rejected yesterday a massive attack on the Bank Secrecy Act of 1970, under which the Treasury Department can force banks to keep records of every financial transaction for possible Treasury inspection.

By a 6-to-3 vote the court upheld key portions of the law, in part because the government has not sought to use all of the law's powers. It postponed ruling on privacy claims made by individual bank customers.

The majority, in an opinion by Justice William H. Rehnquist, admitted that the act is so broad that it "might well surprise or even shock those who lived in an earlier era." But he said earlier generations were not plagued by organized crime and Swiss banks, two of the problems Congress faced four years ago when it enacted the law.

In dissent, Justice William O. Douglas argued that Congress and the Treasury had "saddled upon the banks of this nation an estimated bill of over $6 million a year to spy on their customers."

"Unless we are to assume that every citizen is a crook, an assumption I cannot make," said Douglas, it is "sheer nonsense" to claim that every citizen's bank records are highly useful for tax and criminal investigations.

The law was strongly supported by the Nixon administration. It grew out of congressional hearings on the difficulty of getting at records of bank transactions by organized crime figures and of tracing money exported and hidden in Swiss bank accounts.

As implemented by Treasury regulations, the law requires banks to record all customer checks and microfilm those over $100, to report all domestic transactions over $10,000 and to report all foreign transactions over $5,000.

Temporarily allied to challenge the law were several California banks and the American Civil Liberties Union. The banks complained of the cost and red tape for themselves and their customers. The ACLU represented individual bank depositors and expressed fears that its own membership lists would be exposed to prying government agents.

Only Justices Douglas, William J. Brennan, Jr., and Thurgood Marshall went along with that entire attack. Joining with Rehnquist in the majority were Chief Justice Warren E. Burger and Justices Potter Stewart, Byron R. White, Harry A. Blackmun and Lewis F. Powell, Jr.

Powell and Blackmun said in a concurring opinion, however, that "a significant extension" of its regulations by the Treasury Department would pose substantial and difficult constitutional questions."

"At some point," they warned, they might agree with the dissenters that privacy rights had been violated.

"In their full reach," said Powell, "the reports apparently authorized by the open-ended language of the act touch upon intimate areas of an individual's personal affairs. Financial transactions can reveal much about a person's activities, associations and beliefs."

Rehnquist brushed aside the banks' complaints about cost and red tape, saying the banks were flourishing under federal regulation. He noted that while it cost the Bank of America $392,000 in its first year of expanded microfilming, the bank had $29 billion in deposits and a 1971 net income of $178 million.

He rejected also the banks' argument that their customers would suffer because of inability to intervene and block a Treasury summons for their records. "Whatever wrong such a result might work on a depositor it works no injury to his bank," Rehnquist said.

As for the same complaint made by the customers, Rehnquist said they were premature, causing Justice Marshall to accuse the court's majority of engaging in "a hollow charade whereby (constitutional) claims are to be labelled premature until such time as they can be deemed too late."

Rehnquist said depositors must wait until their records are seized before they can claim in court that their privacy rights are threatened. He did not rule that banks must notify their customers nor did he guarantee success for the customers when they do go to court.

A lower federal court had sustained the requirements that banks keep detailed records and report large movements of currency abroad, but had struck down the reporting of domestic transactions as amounting to an unconstitutional search and seizure of personal records. The high court reinstated the domestic reporting provisions.

[From the Wall Street Journal, Apr. 2, 1974]

Bank Secrecy Act Upheld by Top Court, Backing Federal Access to Customer Data

Washington.—The Supreme Court upheld the Bank Secrecy Act, which gives the government broad access to bank customer records.

The court ruled six to three that the act was a valid attempt to detect illegal use of secret Swiss bank accounts and the "heavy utilization of our domestic banking system by the minions of organized crime. . . ."

In upholding the 1970 law, the Justices rejected claims by banks, depositors and the American Civil Liberties Union that the act violates various constitutional guarantees, including the right to be free from unreasonable searches and seizures. They had challenged provisions of the act requiring banks to record, retain and report to the government the details of certain financial transactions by bank customers.

The court's majority included the six Justices who frequently side with government authorities in challenges to their right of search and seizure. They are Justices Potter Stewart and Byron White, plus President Nixon's four conservative appointees: Chief Justice Warren Burger and Justices Lewis F. Powell, Jr., Harry Blackmun and William Rehnquist, who wrote the majority opinion.

ACT'S SWEEPING AUTHORITY

Mr. Rehnquist said there's "no denying the impressive sweep" of the Bank Secrecy Act, which authorizes the Treasury Secretary to adopt regulations carrying out the law's reporting and record-keeping requirements for banks and other financial institutions. He said the authority conferred "might well surprise or even shock those who lived in an earlier era. . . ."

But, Mr. Rehnquist said, "the latter didn't live to see the time when bank accounts would join chocolate, cheese and watches as a symbol of the Swiss economy. Nor did they live to see the heavy utilization of our domestic banking system by the millions of organized crime as well as by millions of legitimate businessmen."

The court's three liberal Justices—William O. Douglas, Thurgood Marshall and William J. Brennan Jr.—dissented, and all wrote separate opinions. Mr. Douglas said the act and the Treasury Secretary's subsequent regulations amount to a "sledgehammer approach to a problem that only a delicate scalpel can manage." By giving government agents access to the checks a citizen writes, Mr. Douglas said, the agent can ascertain the citizen's doctors, lawyers, creditors, political allies, social connections, religious affiliation, educational interests, reading materials and numerous other things.

Similar fears were expressed by Justices Brennan and Marshall. Mr. Marshall said: "Congress may well have been correct in concluding that law enforcement would be facilitated by the dragnet requirements of the act. Those who wrote our Constitution, however, recognized more important values."

REQUIREMENTS OF LAW

Under the act and subsequent Treasury regulations, financial institutions must maintain records of customers' identities, make microfilm copies of checks drawn on the institutions and keep records of certain other items. They also are required to report foreign financial transactions exceeding $5,000 and certain domestic transactions exceeding $10,000. The regulations also provide that the Treasury Secretary, in specified cases, may share the information with other government agencies.

The requirements were challenged in June 1972 by some individual bank customers, Security National Bank of Walnut Creek, Calif., the California Bankers Association and the ACLU. In September 1972, a three-judge federal district court held the domestic reporting requirements invalid, but upheld the act's foreign reporting and record-keeping requirements.

In upholding the record-keeping requirements, the Supreme Court said they were a proper exercise of congressional power to deal with crime in interstate and foreign commerce. The Treasury's rules don't constitute an illegal search and seizure, the majority said, because they involve the mere maintenance of records without any disclosure requirement. Nor do they violate the Fifth Amendment privilege against self-incrimination, the majority added, because "incorporated banks, like other organizations, have no privilege against compulsory self-incrimination."

The court also said the requirement for reporting foreign transactions was within Congress' authority to regulate foreign commerce.

In upholding the domestic reporting provisions, the Supreme Court rejected the banks' search and seizure claim by quoting from a 1950 Supreme Court decision that "neither incorporated nor unincorporated associations can plead an unqualified right to conduct their affairs in secret." The majority simply avoided similar search and seizure claims by individual customers, holding that they failed to prove they would be affected by the reporting requirement.

In a concurring opinion, Justice Powell cautioned that the Treasury's domestic reporting rules would pose "substantial and difficult constitutional questions" if extended to cover smaller transactions. Justice Blackmun joined the opinion.

[From the Congressional Record, July 19, 1973]

S. 2200. A bill to govern the disclosure of certain financial information by financial institutions to governmental agencies, to protect the constitutional rights of citizens of the United States and to prevent unwarranted invasions of privacy by prescribing procedures and standards governing disclosure of such information, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

FINANCIAL PRIVACY ACT OF 1973

Mr. Mathias. Mr. President, I am pleased to join my distinguished colleagues, Senators Cranston, Brock, Ervin, and Tunney, in introducing today a bill to insure that disclosures by financial institutions to Government officials and agencies of the details of private bank accounts are made in accordance with reasonable procedural safeguards. These safeguards have long been needed to protect the constitutional rights of individual Americans and to prevent unwarranted invasions of privacy by overzealous or misguided Government personnel. They are needed also to guarantee that citizens may have confidence that these important papers are handled in accordance with reasonable legal and constitutional procedures, and so that all Government agencies and officials who have need for this information can secure it with the full cooperation and support of the courts, financial institutions, and the individual bank customer.

As all of us know, an individual's bank account is not just another collection of paper. It is extremely revealing as to details of the customer's personal and political life. The information revealed by checks, other withdrawals, or deposits, mirror the activities of the account holder—the political causes he supports, the publications to which he subscribes, the debts he owes, the purchases he makes, the source of his income, and so forth. It reflects with considerable accuracy the individual's exercise of his rights under our Constitution, and particularly his first amendment rights. The information is no less revealing or critical if the account holder is a political, social, or religious organization than if he is a private citizen.

Because information in even poor bank accounts is so rich in details, it is quite understandably sought after by various Government agencies and officials. But, just as in other areas such as telephone conversations or private records maintained in homes, the same characteristics which make information contained in bank accounts useful to Government agencies also mean that basic individual rights and liberties can be trampled by abuse of the information or of the process by which the information is obtained. And, just as we have prescribed procedures by which the Government can obtain information in those cases without violating fundamental rights, so should we in the Congress now insure similar procedural safeguards for these critical records.

Abuse of individual rights is now encouraged by the fact that Government personnel seek to and do, in fact, examine copy and retain information from financial institutions without any notice to or consent by any court or the individual bank customer. The Government admitted to this practice in testimony last August before the Senate Subcommittee on Financial Institutions. The practice was defended as being in pursuit of noble objectives. And, although there are some disturbing instances in which the objectives appear less than noble, one need not question the Government's statement of objectives. For the fact remains that procedures which involve no judicial review, no notice, no showing of cause, threaten to violate, and do violate, rights of privacy which are protected by the Constitution and should be ensured by specific acts of Congress.

The financial institutions, which are not in a position to staunchly defend the interests or rights of their customers against unwarranted invasions by such agencies—particularly when the Congress and the courts have thus far failed to spell out what the rights of these customers are. These institutions have recognized that they are not in a position to balance the needs of the Government with the rights of individuals, and I am pleased that the effort represented by this bill has the support of the bankers associations at the State as well as the Federal levels.

The bill which we will introduce establishes a process which will insure that Government agencies can obtain the information they need for proper purposes while ensuring that individual rights and liberties will be protected.

This legislation is a refinement of bills which were introduced last year—S. 3814 sponsored by Senators Tunney and Brock and S. 3828 sponsored by Senator Ervin and myself. These bills were the subjects of public hearings on August 11 and 14, 1972, before the Subcommittee on Financial Institutions of the Senate Committee on Banking, Housing and Urban Affairs. The legislation we propose today takes into account the testimony presented at those hearings.

The bill we are introducing—the right to Financial Privacy Act of 1973—is being introduced today as well in the other Chamber by a number of Congressmen including the Honorable Wright Patman. The bill would prohibit Government agencies from obtaining records from financial institutions, and prohibit financial institutions from disclosing records to Government agencies and officials, except in accordance with four methods outlined by separate sections of the bill. These methods are customer consent, administrative summons, and subpenas, search warrants and judicial subpenas. The bill makes exceptions for information of such a general nature that it does not identify the individual customers, information required to be disclosed under the Internal Revenue Code, and information disclosed to Government agencies which supervise financial institutions providing that such information is solely for use in fulfilling such supervisory responsibilities.

The bill would limit the Government's power to require financial institutions to keep such records as are required by a supervisory agency or by the Internal Revenue Code. The bill provides civil and criminal penalties for violations of its sections.

S. 821—JUVENILE JUSTICE AND DELINQUENCY PREVENTION ACT OF 1974

Mr. MATHIAS. Mr. President, on March 5, 1974, the Senate Subcommittee To Investigate Juvenile Delinquency reported unanimously to the full judiciary Committee, S. 821, the Juvenile Justice and Delinquency Prevention Act of 1974.

I was pleased to have the opportunity to join in cosponsoring this legislation which is unique in both the scope of professional opinion which was made available to the subcommittee and in the direction of the programs outlined in S. 821.

Throughout the years which I have served on the subcommittee, I have become increasingly aware of the magnitude of the juvenile delinquency problem which faces our Nation. To learn of juvenile vandalism—to learn of 6- and 7-year-olds convicted of murder and of children as young as 9 years old charged with rape—to learn of statistics which indicate that up to 85 percent of juvenile offenders are later arrested and convicted as adults is a deeply disturbing and painful experience. It is equally painful to realize that our society for all its expert panels and for all its honest concern has yet to devise even marginally effective methods of dealing with this problem.

Seven years ago, the President's Crime Commission called juvenile delinquency and youth crime "the most serious single aspect of the present crime problem." And in the ensuing 7 years, we find that we are faced with an even more horrifying picture—our youthful citizens are not only committing more crime but they are turning to more violent crime. It is clear that our efforts—no matter how well intentioned—have failed to give to our children—the sons and daughters of the factory worker, the businessman, and the college professor—that elusive element which will guide them into productive adulthood and spare them the pain and further alienation now being experienced by youthful offenders.

In attempting to devise a unique method of dealing with this problem, the subcommittee had the benefit of 80 witnesses expert in every field relating to children involved in crime. One fact made clear is that in our most mobile of societies we have somehow left behind that sense of community which was so elemental to our forefathers. While we all feel this loss to one extent or another, the child in trouble, the child involved in the efficiency-conscious machinery of our judicial and penal systems, experiences the full impact of this painful loss of belonging.

S. 821 is unique in that it focuses its preventive and rehabilitative programs at the State and local community level. The bill provides for:

The establishment of a new Juvenile Justice and Delinquency Prevention Administration within the Department of Health, Education, and Welfare to provide comprehensive national leadership for the problems of juvenile delinquency and to insure coordination of all delinquency activities of the Federal Government;

The creation of a National Institute for Juvenile Justice to serve as a center for national efforts in juvenile delinquency evaluation, data collection and dissemination, research, and training. The Institute, through an Advisory Committee on Standards for Juvenile Justice, will be charged with developing recommendations on Federal action to facilitate adoption of standards for the administration of juvenile justice;

Federal leadership and coordination of the resources necessary to develop and implement at the State and local community level effective programs for the prevention and treatment of juvenile delinquency.

The authorization of substantial grants to States, local governments, and public and private agencies to encourage the development of programs and services designed to prevent juvenile delinquency, to divert juveniles from the juvenile justice system and to provide community-based alternatives to traditional detention and correctional facilities used for the confinement of juveniles; and

The amendment of the Federal Juvenile Delinquency Act, virtually unchanged for the past 35 years, to provide basic procedural rights for juveniles who come under Federal jurisdiction and to bring Federal procedures up to the standards set by various model acts, many State codes and court decisions.

S. 821 is also unique in that by stressing the development of community systems and services, it will strengthen the bond between a youngster and his society. My own State of Maryland now faces severe problems because of self-imposed limitations on institutionalizations of juveniles. Our need for more community facilities is very real and very urgent.

The American poet, Walt Whitman, recognized the importance of community and environment when he wrote:

> There was a child went forth every day; and the first object he look'd upon; that object he became; And that object became part of him for the day; or a certain part of the day or for many years; or stretching cycle of years.

By affirmative Senate action on S. 821, I think we shall have the opportunity to demonstrate the worth of this observation and give an opportunity to save youth for a productive role in society.

Mr. President, I ask unanimous consent that S. 821, as amended, be printed in the Record.

There being no objection, the bill (S. 821) was ordered to be printed in the Record, as follows:

That this Act may be cited as the "Juvenile Justice and Delinquency Prevention Act of 1974."

TITLE I—FINDINGS AND DECLARATION OF PURPOSE

FINDINGS

Sec. 101. The Congress hereby finds—

(1) that juveniles account for almost half the arrests for serious crimes in the United States today;

(2) that understaffed, overcrowded juvenile courts, probation services, and correctional facilities are not able to provide individualized justice or effective help;

(3) that present juvenile courts, foster and protective care programs and shelter facilities are inadequate to meet the needs of the countless neglected, abandoned, and dependent children, who, because of this failure to provide effective services, may become delinquents;

(4) that existing programs have not adequately responded to the particular problems of the increasing numbers of young people who are addicted to or who abuse drugs particularly non-opiate or polydrug abusers;

(5) that States and local communities, which experience the devastating failures of the juvenile justice system, do not presently have sufficient technical expertise or adequate resources to deal comprehensively with the problems of juvenile delinquency;

(6) that the adverse impact of juvenile delinquency results in enormous annual cost and immeasurable loss in human life, personal security, and wasted human resources;

(7) that existing Federal programs have not provided the direction, coordination, resources, and leadership required to meet the crisis of delinquency; and

(8) that juvenile delinquency constitutes a growing threat to the national welfare requiring immediate, comprehensive, and effective action by the Federal Government.

PURPOSE

Sec. 102. It is the purpose of this Act—

(1) to provide the necessary resources, leadership, and coordination to improve the quality of juvenile justice in the United States and to develop and implement effective prevention and treatment programs and

services for delinquent youth and for potentially delinquent youth, including those who are dependent, abandoned, or neglected;

(2) to increase the capacity of State and local governments, and public and private agencies, institutions, and organizations to conduct innovative, effective juvenile justice and delinquency prevention and treatment programs and to provide useful research, evaluation, and training services in the area of juvenile delinquency.

(3) to develop and implement effective programs and services to divert juveniles from the traditional juvenile justice system and to increase the capacity of State and local governments to provide critically needed alternatives to institutionalization;

(4) to develop and encourage the implementation of national standards for the administration of juvenile justice, including recommendations for administrative, budgetary, and legislative action at the Federal, State, and local level to facilitate the adoption of these standards;

(5) to guarantee certain basic rights to juveniles who come within Federal jurisdiction;

(6) to establish a centralized research effort on the problems of juvenile delinquency, including an information clearinghouse to disseminate the findings of such research and all data related to juvenile delinquency;

(7) to provide for the thorough and prompt evaluation of all federally assisted juvenile delinquency programs;

(8) to provide technical assistance to public and private agencies, institutions, and individuals in developing and implementing juvenile delinquency programs;

(9) to establish training programs for persons, including professionals, paraprofessionals, and volunteers, who work with delinquents or potential delinquents or whose work or activities relate to juvenile delinquency programs; and

(10) to establish a new Juvenile Justice and Delinquency Prevention Administration in the Department of Health, Education, and Welfare to provide direction, coordination, and review of all federally assisted juvenile delinquency programs.

DEFINITIONS

SEC. 103. For the purpose of this Act—

(1) the term "community-base" facility, program, or service means a small, open group or home or other suitable place located near the juvenile's home or family and programs of community supervision and service which maintain community and consumer participation in the planning, operation, and evaluation of their programs which may include, but are not limited to medical, educational, vocational, social, and psychological guidance, training, counseling, drug treatment and other rehabilitative services;

(2) the term "construction" includes construction of new buildings and acquisition, expansion, remodeling, and alteration of existing buildings, and initial equipment of any such buildings, or any combination of such activities (including architects' fees but not the cost of acquisition of land for new buildings). For the purposes of this paragraph, the term "equipment" includes machinery utilities, and built-in equipment and any necessary enclosures or structures to house them;

(3) the term "Federal juvenile delinquency program" means any juvenile delinquency program which is conducted directly or indirectly, or is assisted by any Federal department or agency, including any programs funded under this Act;

(4) the term "juvenile delinquency program" means any program or activity related to juvenile delinquency prevention, control, diversion, treatment, rehabilitation, planning, education, training, and research, including drug abuse programs; the improvement of the juvenile justice system; and any program or activity for neglected, abandoned, or dependent youth and other youth who are in danger of becoming delinquent;

(5) the term "local government" means any city, county, township, town, borough, parish, village, or other general purpose political subdivision of a State, and an Indian tribe and any combination of two or more of such units acting jointly;

(6) the term "public agency" means any department, agency, or instrumentality of any State, unit of local government, or combination of such States or units;

(7) the term "State" means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands.

(8) the term "Secretary" means the Secretary of Health, Education, and Welfare.

TITLE II—AMENDMENTS TO THE FEDERAL JUVENILE DELINQUENCY ACT

DEFINITIONS

SEC. 201. Section 5031 of title 18, United States Code, is amended to read as follows:

"§ 5031. Definitions.

"For the purposes of this chapter, a 'juvenile' is a person who has not attained his eighteenth birthday, or who has not attained his twenty-first birthday and is alleged to have committed an act of delinquency prior to his eighteenth birthday, and 'juvenile delinquency' is the violation of a law of the United States committed by a person prior to his eighteenth birthday which would have been a crime if committed by an adult."

DELINQUENCY PROCEEDINGS IN DISTRICT COURTS

SEC. 202. Section 5032 of title 18, United States Code, is amended to read as follows:

"§ 5032. Delinquency proceedings in district courts; transfer for criminal prosecution.

"A juvenile alleged to have committed an act of juvenile delinquency shall not be proceeded against in any court of the United States unless the Attorney General, after investigation, certifies to an appropriate district court of the United States that the juvenile court or other appropriate court of a State (1) does not have jurisdiction or refuses to assume jurisdiction over said juvenile with respect to such alleged act of juvenile delinquency, or (2) does not have available programs and services adequate for the rehabilitation of juveniles.

"If the Attorney General does not so certify, such juvenile shall be surrendered to the appropriate legal authorities of such State.

"If an alleged delinquent is not surrendered to the authorities of a State or the District of Columbia pursuant to this section, any proceedings against him shall be in an appropriate district court of the United States. For such purposes, the court may be convened at any time and place within the district, in chambers or otherwise. The Attorney General shall proceed by information, and no criminal prosecution shall be instituted for the alleged act of juvenile delinquency except as provided below.

"A juvenile who is alleged to have committed an act of juvenile delinquency and who is not surrendered to State authorities shall be proceeded against under this Chapter unless he has requested in writing upon advice of counsel to be proceeded against as an adult except that with respect to a juvenile sixteen years and older alleged to have committed an act after his sixteenth birthday which if committed by an adult would be a felony punishable by a maximum penalty of ten years imprisonment or more, if imprisonment, or death, criminal prosecution on the basis of the alleged act may be begun by motion to transfer of the Attorney General in the appropriate district court of the United States if such court finds, after hearing, that there are no reasonable prospects for rehabilitating such juvenile before his twenty-first birthday.

"Evidence of the following factors shall be considered, and findings with regard to each factor shall be made in the record, in assessing the prospects for rehabilitation; the age and social background of the juvenile; the nature of the alleged offense; the extent and nature of the juvenile's prior delinquency record; the juvenile's present intellectual development and psychological maturity; the nature of past treatment efforts and the juvenile's response to such efforts; the availability of programs designed to treat the juvenile's behavioral problems.

"Reasonable notice of the transfer hearing shall be given to the juvenile, his parents, guardian, or custodian and to his counsel. The juvenile shall be assisted by counsel during the transfer hearing, and at every other critical stage of the proceedings.

"Once a juvenile has entered a plea with respect to a crime or an alleged act of juvenile delinquency subsequent criminal prosecution or juvenile proceedings based upon such alleged act of delinquency shall be barred.

"Statements made by a juvenile prior to or during a transfer hearing under this section shall not be admissible at subsequent criminal prosecutions."

CUSTODY

SEC. 203. Section 5033 of title 18 U.S.C. is amended to read as follows:

"§ 5033. Custody prior to appearance before magistrate.

"Whenever a juvenile is taken into custody for an alleged act of juvenile delinquency, the arresting officer shall immediately advise such juvenile of his legal rights, in language comprehensive to a juvenile, and shall immediately notify the Attorney General and the juvenile's parents, guardians, or custodian of such custody. The arresting officer shall also notify the parents, guardian, or custodian of the rights of the juvenile and of the nature of the alleged offense.

"The juvenile shall be taken before a magistrate forthwith. In no event shall the juvenile be detained for more than twenty-four hours before being brought before a magistrate."

DUTIES OF MAGISTRATE

SEC. 204. Section 5034 of title 18 U.S.C. is amended to read as follows:

"§ 5034. Duties of magistrate.

"If counsel is not retained for the juvenile, or it does not appear that counsel will be retained, the magistrate shall appoint counsel for the juvenile. Counsel shall be assigned to represent a juvenile when the juvenile and his parents, guardian, or custodian are financially unable to obtain adequate representation. In cases where the juvenile and his parents, guardian, or custodian are financially able to obtain adequate representation but have not retained counsel, the magistrate may assign counsel and order the payment of reasonable attorney's fees or may direct the juvenile, his parents, guardian, or custodian to retain private counsel within a specified period of time.

"The magistrate may appoint a guardian ad litem if a parent or guardian of the juvenile is not present, or if the magistrate has reason to believe that the parents or guardian will not cooperate with the juvenile in preparing for trial, or that the interests of the parents or guardian and those of the juvenile are adverse.

"If the juvenile has not been discharged before his initial appearance before the magistrate, the magistrate shall release the juvenile to his parents, guardian, custodian, or other responsible party (including, but not limited to, the director of a shelter-care facility) upon their promise to bring such juvenile before the appropriate court when requested by such court unless the magistrate determines, after hearing, at which the juvenile is represented by counsel, that the detention of such juvenile is required to secure his timely appearance before the appropriate court or to insure his safety or that of others."

DETENTION

SEC. 205. Section 5035 of this title is amended to read as follows:

"§ 5035. Detention prior to disposition.

"A juvenile alleged to be delinquent may be detained only in a juvenile facility or such other suitable place as the Attorney General may designate. Whenever possible, detention shall be in a foster home or community-based facility located in or near his home community. The Attorney General shall not cause any juvenile alleged to be delinquent to be detained or confined in any institution in which adult persons convicted of a crime or awaiting trial on criminal charges are confined. Alleged delinquents shall be kept separate from adjudicated delinquents. Every juvenile in custody shall be provided with adequate food, heat, light, sanitary facilities, bedding, clothing, recreation, education, and medical care including necessary psychiatric, psychological, or other treatment."

SPEEDY TRIAL

SEC. 206. Section 5036 of this title is amended to read as follows:

"§ 5036. Speedy trial.

"If an alleged delinquent who has been detained pending trial is not brought to trial within thirty days from the date when such juvenile was arrested, the information shall be dismissed with prejudice, on motion of the alleged delinquent or at the direction of the court, unless the Attorney General shows that additional delay is unavoidable, caused by the juvenile or his counsel, or consented to by the juvenile and his counsel. Unavoidable delay may not include delays attributable solely to court calendar congestion.

RIGHTS

SEC. 207. Section 5037 of this title is amended to read as follows:

"§ 5037. Rights in general.

"A juvenile charged with an act of juvenile delinquency shall be accorded the constitutional rights guaranteed an adult in a criminal prosecution, with the exception of indictment by grand jury. Public trial shall be limited to members of the press, who may attend only on condition that they not disclose information that could reasonably be expected to reveal the identity of the alleged delinquent. Any violation of that condition may be punished as a contempt of court."

DISPOSITION

SEC. 208. A new section 5038 is added, to read as follows:

"§ 5038. Dispositional hearing.

"(a) If a juvenile is adjudicated delinquent, a separate dispositional hearing shall be held no later than twenty court days after trial unless the court has ordered further study in accordance with subsection (c). Copies of the presentence report shall be provided to the attorneys for both the juvenile and the Government at least three court days in advance of the hearing.

"(b) The court may suspend the adjudication of delinquency or the disposition of the delinquent on such conditions as it deems proper, place him on probation, or commit him to the custody of the Attorney General. Probation, commitment, or commitment in accordance with subsection (c) shall not extend beyond the juvenile's twenty-first birthday or the maximum term which could have been imposed on an adult convicted of the same offense, whichever is sooner.

"(c) If the court desires more detailed information concerning an alleged delinquent, it may commit him after notice and hearing at which the juvenile is represented by counsel, to the custody of the Attorney General for observation and study by an appropriate agency. Such observation and study shall be conducted on an outpatient basis, unless the court determines that inpatient observation and study are essential. No alleged delinquent may be committed to the custody of the Attorney General for study and observation without the consent of his attorney and his parent, custodian, or guardian. Unless the juvenile upon advice of counsel consents, no judge who has read or heard social data regarding an alleged delinquent as a result of such study, or in the course of a transfer hearing, shall preside over the hearing to adjudicate the delinquency of the juvenile. In the case of an adjudicated delinquent, such study shall not be conducted on an inpatient basis without prior notice and hearing. The agency shall make a complete study of the alleged or adjudicated delinquent to ascertain his personal traits, his capabilities, his background, any previous delinquency or criminal experience, any mental or physical defect, and any other relevant factors. The Attorney General shall submit to the court and the attorneys for the juvenile and the Government the results of the study within thirty days after the commitment of the juvenile, unless the court grants additional time."

JUVENILE RECORDS

SEC. 209. A new section 5039 is added, to read as follows:

"§ 5039. Use of juvenile records.

"(a) Upon the completion of any formal juvenile delinquency proceeding, the district court shall order the entire file and record of such proceeding sealed. After such sealing, the court shall not release these records except under the following circumstances:

"(1) inquiries received from another court of law;

"(2) inquiries from an agency preparing a presentence report for another court;

"(3) inquiries from law enforcement agencies where the request for information is related to the investigation of a crime or a position within that agency;

"(4) inquiries, in writing, from the director of a treatment agency or the director of a facility to which the juvenile has been committed by the court; and

"(5) inquiries from an agency considering the person for a position immediately and directly affecting the national security.

Information about the sealed report may not be released when the request for information is related to an application for employment, license, bonding, or any civil right or privilege. Responses to such inquiries shall not be different from responses made about persons who have never been involved in a delinquency proceeding.

"(b) The entire file and record of juvenile proceedings where an adjudication of delinquency was not entered shall be destroyed and obliterated by order of the court.

"(c) District courts exercising jurisdiction over any juvenile shall inform the juvenile and his parent or guardian, in writing, of rights relating to the sealing of his juvenile record. The information in these communications shall be stated in clear and nontechnical language.

"(d) During the course of any juvenile delinquency proceeding, all information and records relating to the proceeding, which are obtained or prepared in the discharge of official duty by an employee of the court or an employee of any other government agency, shall not be disclosed directly or indirectly to anyone other than the judge, counsel for the juvenile and the government, or others entitled under this section to receive sealed records.

"(e) Unless a child who is taken into custody is prosecuted as an adult—

"(1) neither the fingerprints nor a photograph shall be taken, without the written consent of the judge; and

"(2) neither the name nor picture of any child shall be made public by any medium of public information in connection with a juvenile delinquency proceeding."

COMMITMENT

SEC. 210. A new section 5040 is added, to read as follows:

"§ 5040. Commitment.

"A juvenile who has been committed to the Attorney General has a right to treatment and is entitled to custody, care, and discipline as nearly as possible equivalent to that which should have been provided for him by his parents. No. juvenile may be placed or retained in an adult jail or correctional institution.

"Every juvenile who has been committed shall be provided with adequate food, heat, light, sanitary facilities, bedding, clothing, recreation, education, and medical care, including necessary psychiatric, psychological, or other care.

"Whenever possible, the Attorney General shall commit a juvenile to a foster home or community-based facility located in or near his home community."

SUPPORT

SEC. 211. A new section 5041 is added, to read as follows:

"§ 5041. Support.

"The Attorney General may conduct with any public or private agency or individual and such community-based facilities as halfway houses and foster homes, for the observation and study and the custody and care of juveniles in his custody. For these purposes, the Attorney General may promulgate such regulations as are necessary and may use the appropriation for 'support of United States prisoners' or such other appropriations as he may designate."

PAROLE

SEC. 212. A new section 5042 is added, to read as follows:

"§ 5042. Parole.

"The Board of Parole shall release from custody, on such conditions as it deems necessary, each juvenile delinquent who has been committed, as soon as the Board is satisfied that he is likely to remain at liberty without violating the law."

REVOCATION

SEC. 213. A new section 5043 is added to read as follows:

"§ 5043. Revocation of parole or probation.

"Any juvenile parolee or probationer shall be accorded notice and a hearing with counsel before his parole or probation can be revoked."

SEC. 214. The table of sections of chapter 403 of this title is amended to read as follows:

"Sec.

"5031. Definitions.

"5032. Delinquency proceedings in district courts; transfer for criminal prosecution.

"5033. Custody prior to appearance before magistrate.

"5034. Duties of magistrate.

"5035. Detention prior to disposition.

"5036. Speedy trial.

"5037. Rights in general.

"5038. Dispositional hearing.

"5039. Use of juvenile records.

"5040. Commitment.

"5041. Support.

"5042. Parole.

"5043. Revocation of parole or probation."

TITLE III—JUVENILE JUSTICE AND DELINQUENCY PREVENTION ADMINISTRATION

ESTABLISHMENT OF ADMINISTRATION

SEC. 301(a) There is hereby created within the Department of Health, Education, and Welfare the Juvenile Justice and Delinquency Prevention Administration (referred to in this Act as the "Administration").

(b) There shall be at the head of the Administration a Director (referred to in this Act as the "Director") who shall be appointed by the President, by and with the advice and consent of the Senate.

(c) The Director shall be the chief executive of the Administration and shall exercise all necessary powers, subject only to the direction of the Secretary of the Department of Health, Education, and Welfare. The Director shall be Assistant Secretary.

(d) There shall be in the Administration a Deputy Director who shall be appointed by the President, by and with the advice and consent of the Senate. The Deputy Director shall perform such functions as the Director from time to time assigns or delegates, and shall act as Director during the absence or disability of the Director or in the event of a vacancy in the office of the Director.

(e) There shall be in the Administration an Assistant Director, who shall be appointed by the Director, whose function shall be to supervise and direct the National Institute for Juvenile Justice established under section 501 of this Act.

PERSONNEL, SPECIAL PERSONNEL, EXPERTS, AND CONSULTANTS

SEC. 302. (a) The Secretary is authorized to select, employ, and fix the compensation of such officers and employees, including attorneys, as are necessary to perform the functions vested in him and to prescribe their functions.

(b) The Secretary is authorized to select, appoint, and employ not to exceed three officers and to fix their compensation at rates not to exceed the rate now or hereafter prescribe for GS–18 of the General Schedule by section 5332 of title 5 of the United States Code.

(c) Upon the request of the Secretary, the head of any Federal agency is authorized to detail, on a reimbursable basis, any of its personnel to the Director to assist him in carrying out his function under this Act.

(d) The Secretary may obtain services as authorized by section 3109 of title 5 of the United States Code, at rates not to exceed the rate now or hereafter prescribed for GS–18 of the General Schedule by section 5332 of title 5 of the United States Code.

VOLUNTARY SERVICE

SEC. 303. The Secretary is authorized to accept and employ, in carrying out the provisions of this Act, voluntary and uncompensated services notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b)).

CONCENTRATION OF FEDERAL EFFORTS

SEC. 304. (a) The Secretary shall establish overall policy and develop objectives and priorities for all Federal juvenile delinquency programs and activities relating to prevention, diversion, training, treatment, rehabilitation, evaluation, research, and improvement of the juvenile justice system in the United States. In carrying out his functions, the Secretary shall consult with the Interdepartmental Council and the National Advisory Committee for Juvenile Justice and Delinquency Prevention.

(b) In carrying out the purposes of this Act, the Secretary is authorized and directed to—

(1) advise the President as to all matters relating to federally assisted juvenile delinquency programs and Federal policies regarding juvenile delinquency;

(2) assist operating agencies which have direct responsibilities for the prevention and treatment of juvenile delinquency in the development and promulgation of regulations, guidelines, requirements, criteria, standards, procedures, and budget requests in accordance with the policies, priorities, and objectives he establishes;

(3) conduct and support evaluations and studies of the performance and results achieved by Federal juvenile delinquency programs and activities and of the prospective performance and results that might be achieved by alternative programs and activities supplementary to or in lieu of those currently being administered;

(4) coordinate Federal juvenile delinquency programs and activities among Federal departments and agencies and between Federal juvenile delinquency programs and activities and other Federal programs and activities which he determines may have an important bearing on the success of the entire Federal juvenile delinquency effort;

(5) develop annually with the assistance of the Advisory Committee and submit to the President and the Congress, after the first year the legislation is enacted, prior to September 30, an analysis and evaluation of Federal juvenile delinquency programs conducted and assisted by Federal departments and agencies, the expenditures made, the results achieved, the plans developed, and problems in the operations, and coordination of such programs. This report shall include recommendations for modifications in organization, management, personnel, standards, budget requests, and implementation plans necessary to increase the effectiveness of these programs;

(6) develop annually with the assistance of the Advisory Committee and submit to the President and the Congress, after the first year the legislation is enacted, prior to March 1, a comprehensive plan for Federal juvenile delinquency programs, with particular emphasis on the prevention of juvenile delinquency and the development of programs and services which will encourage increased diversion of juveniles from the traditional juvenile justice system; and

(7) provide technical assistance to Federal, State, and local governments, courts, public and private agencies, institutions, and individuals, in the planning, establishment, funding, operation, or evaluation of juvenile delinquency programs.

(c) The Secretary may require departments and agencies engaged in any activity involving any Federal juvenile delinquency program to provide him with such information and reports, and to conduct such studies and surveys, as he may deem to be necessary to carry out the purposes of this Act.

(d) The Secretary may delegate any of his functions under this title, except the making of regulations, to any officer or employee of the Administration.

(e) The Secretary is authorized to utilize the services and facilities of any agency of the Federal Government and of any other public agency or institution in accordance with appropriate agreements, and to pay for such services either in advance or by way of reimbursement as may be agreed upon.

(f) The Secretary is authorized to transfer funds appropriated under this Act to any agency of the Federal Government to develop or demonstrate new methods in juvenile delinquency prevention and rehabilitation and to supplement existing delinquency prevention and rehabilitation programs which the Director finds to be exceptionally effective or for which he finds there exists exceptional need.

(g) The Secretary is authorized to make grants to, or enter into conrtacts with, any public or private agency, institution, or individual to carry out the purposes of this Act.

(h) All functions of the Secretary under this Act and all functions of the Secretary under the Juvenile Delinquency Prevention Act (42 U.S.C. 3801 et seq.), shall be administered through the Juvenile Justice and Delinquency Prevention Administration.

JOINT FUNDING

SEC. 305. Notwithstanding any other provision of law, where funds are made available by more than one Federal agency to be used by any agency, organization, institution, or individual to carry out a Federal juvenile delinquency program or activity, any one of the Federal agencies providing funds may be designated by the Secretary to act for all in administering the funds advanced. In such cases, a single non-Federal share requirement may be established according to the proportion of funds advanced by each Federal agency, and the Secretary may order any such agency to waive any technical grant or contract requirement (as defined in such regulations) which is inconsistent with the similar requirement of the administering agency or which the administering agency does not impose.

AMENDMENTS TO TITLE 5, UNITED STATES CODE

SEC. 306. (a) Paragraph (17) of section 5315 of title 5, United States Code, is amended to read as follows:

"(17) Assistant Secretaries of Health, Education, and Welfare (6), one of whom shall be the Director of the Juvenile Justice and Delinquency Prevention Administration."

(b) Section 5316 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"(131) Deputy Director, Juvenile Justice and Delinquency Prevention Administration."

INTERDEPARTMENTAL COUNCIL

SEC. 307. (a) There is hereby established an Interdepartmental Council on Juvenile Delinquency (hereinafter referred to as the "Council") composed of the Attorney General, the Secretary of Health, Education, and Welfare, the Secretary of Labor, the Director of the Special Action Office for Drug Abuse Prevention, the Secretary of Housing and Urban Development, or their respective designees, and representatives of such other agencies as the President shall designate.

(b) The Secretary of the Department of Health, Education, and Welfare shall serve as Chairman of the Council.

(c) The function of the Council shall be to coordinate all Federal juvenile delinquency programs.

(d) The Council shall meet a minimum of six times per year and the activities of the Council shall be included in the annual report required by section 304(b)(5) of this title.

(e) The Chairman shall appoint an Executive Secretary of the Council and such personnel as are necessary to carry out the functions of the Council.

ADVISORY COMMITTEE

SEC. 308. (a) There is hereby established a National Advisory Committee for Juvenile Justice and Delinquency (hereinafter referred to as the "Advisory Committee") which shall consist of twenty-one members.

(b) The members of the Interdepartmental Council or their respective designees shall be exofficio members of the Committee.

(c) The regular members of the Advisory Committee shall be appointed by the President from persons who by virtue of their training or experience have special knowledge concerning the prevention and treatment of juvenile delinquency or the administration of juvenile justice, such as juvenile or family court judges; probation, correctional, or law enforcement personnel; and representatives of private voluntary organizations and community-based programs. The President shall designate the Chairman. A majority of the members of the Advisory Committee, including the Chairman, shall not be full-time employees of Federal, State, or local governments. At least seven members shall not have attained twenty-six years of age on the date of their appointment, of whom at least three shall have been under the jurisdiction of the juvenile justice system.

(d) Members appointed by the President to the Committee shall serve for terms of four years and shall be eligible for reappointment except that for the first composition of the Advisory Committee, one-third of these members shall be appointed to one-year terms, one-third to two-year terms, and one-third to three-year terms; thereafter each term shall be four years. Any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed, shall be appointed for the remainder of such term.

DUTIES OF THE ADVISORY COMMITTEE

SEC. 309. (a) The Advisory Committee shall meet at the call of the Chairman, but not less than four times a year.

(b) The Advisory Committee shall make recommendations to the Secretary at least annually with respect to planning, policy, priorities, operations, and management of all Federal juvenile delinquency programs.

(c) The Chairman may designate a subcommittee of the members of the Advisory Committee to advise the Secretary on particular functions or aspects of the work of the Administration.

(d) The Chairman shall designate a subcommittee of five members of the Committee to serve as members of an Advisory Committee for the National Institute of Juvenile Justice to perform the functions set forth in section 505.

(e) The Chairman shall designate a subcommittee of five members of the Committee to serve as an Advisory Committee to the Secretary on Standards for the Administration of Juvenile Justice to perform for functions set forth in section 507.

COMPENSATION AND EXPENSES

SEC. 310. (a) Members of the Advisory Committee who are employed by the Federal Government full time shall serve without compensation but shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in carrying out the duties of the Advisory Committee.

(b) Members of the Advisory Committee not employed full time by the Federal Government shall receive compensation at a rate to exceed the rate now or hereafter prescribed for GS-18 of the General Schedule by section 5332 of title 5 of the United States Code, including traveltime for each day they are engaged in the performance of their duties as members of the Advisory Committee. Members shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by them in carrying out the duties of the Advisory Committee.

TITLE IV—FEDERAL ASSISTANCE FOR STATE AND LOCAL PROGRAMS

PART A—FORMULA GRANTS

The Secretary is authorized to make grants to States and local governments to assist them in planning, establishing, operating, coordinating, and evaluating projects directly or through contracts with public and private agencies for the development of more effective education, training, research, prevention, diversion, treatment, and rehabilitation programs in the area of juvenile delinquency and programs to improve the juvenile justice system.

ALLOCATION

SEC. 402. (a) In accordance with regulations promulgated under this title, funds shall be allocated annually among the States on the basis of relative population of people under age eighteen. No such allotment to any State shall be less than $200,000, except that for the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands, no allotment shall be less than $50,000.

(b) Except for funds appropriated for fiscal year 1974, if any amount so allotted remains unobligated at the end of the fiscal year, such funds shall be reallocated in a manner equitable and consistent with the purposes of this title. Funds appropriated for fiscal year 1974 may be obligated in accordance with subsection (a) until June 30, 1976 after which time they may be reallocated. Any amount so reallocated shall be in addition to the amounts already allotted and available to the States, the Virgin Islands, American Samoa, Guam, and the Trust Territory of the Pacific Islands for the same period.

(c) In accordance with regulations promulgated under this title, a portion of any allotment to any State under this part shall be available to develop a State plan and to pay that portion of the expenditures which are necessary for efficient administration. Not more than 15 per centum of the total annual allotment of such State shall be available for such purposes. The State shall make available needed funds for planning and administration to local governments within the State on an equitable basis.

STATE PLANS

SEC. 504. (a) In order to receive part A formula grants, a State shall submit a plan for carrying out its purposes. In accordance with regulations established under this title, such plan must—

(1) designate a single State agency as the sole agency responsible for the preparation and administration of the plan, or designate an agency as the sole agency for supervising the preparation and administration of the plan;

(2) contain satisfactory evidence that the State agency designated in accordance with paragraph (1) (hereafter referred to in this Act as the "State agency") has or will have authority, by legislation if necessary, to implement such plan in conformity with this part:

(3) provide for supervision of the programs funded under this Act by the State agency by a board appointed by the Governor (or the Chief Executive) (A) which shall consist of not less than twenty-one and not more than thirty-three persons who have training, experience, or special knowledge concerning the prevention and treatment of juvenile delinquency or the administration of juvenile justice, (B) which shall include representation of units of local government, law enforcement and juvenile justice agencies such as law enforcement, correction or probation personnel, and juvenile or family court judges, and public agencies concerned with delinquency prevention or treatment such as welfare, social services, mental health, education or youth services departments; (C) which shall include representatives of private organizations; concerned with delinquency prevention or treatment; concerned with neglected or dependent children; concerned with the quality of juvenile justice, education or social services for children; which utilize volunteers to work with delinquents or potential delinquents; community-based delinquency prevention or treatment programs; and organizations which represent employees affected by this Act, (D) a majority of whose members (including the Chairman) shall not be full-time employees of the Federal, State, or local government, and (E) at least one-third of whose members shall be under the age of twenty-six at the time of appointment and of whom at least three shall have been under the jurisdiction of the justice system;

(4) provide for the active consultation with and participation of local governments in the development of a State plan which adequately takes into account the needs and requests of local governments;

(5) provide that at least 50 per centum of the funds received by the State under section 401 shall be expended through programs of local government insofar as they are consistent with the State plan, except that this provision may be waived at the discretion of the Secretary for any State if the services for delinquent or potentially delinquent youth are organized primarily on a statewide basis;

(6) provide that the chief executive officer of the local government shall assign responsibility for the preparation and administration of the local government's part of the State plan, or for the supervision of the preparation and administration of the local government's part of the State plan, to that agency within the local government's structure (hereinafter in this Act referred to as the "local agency") which can most effectively carry out the purposes of this Act and shall provide for supervision of the programs funded under this Act by the local agency by a Board which meets the appropriate requirements of paragraph (3);

(7) provide for an equitable distribution of the assistance received under section 401 within the State;

(8) set forth a detailed study of the State needs for an effective, comprehensive, coordinated approach to juvenile delinquency prevention and treatment and the improvement of the juvenile justice system. This plan shall include itemized estimated costs for the development and implementation of such programs;

(9) provide for the active consultation with and participation of private agencies in the development and execution of the State plan; and provide for coordination and maximum utilization of existing juvenile delinquency programs and other related programs, such as education, health, and welfare within the State;

(10) provide that not less than 75 per centum of the funds available to such State under section 401, whether expended directly by the State or by the local government or through contracts with public or private agencies, shall be used for advanced techniques in developing, maintaining, and expanding programs and services designed to prevent juvenile delinquency, to divert juveniles from the juvenile justice system, to establish programs as set forth in section 403(11), and to provide community-based alternatives to juvenile detention and correctional facilities. The advanced techniques include but are not limited to—

(A) community-based programs and services for the prevention and treatment of juvenile delinquency through the development of foster-care and shelter-care homes, group homes, halfway houses, homemaker and home health services and any other designated community-based diagnostic, treatment, or rehabilitative service;

(B) community-based programs and services to work with parents and other family members to maintain and strengthen the family unit, so that the juvenile may be retained in his home;

(C) youth service bureaus and other community-based programs to divert youth from the juvenile court or to support, counsel, or provide work and recreational opportunities for delinquents and youth in danger of becoming delinquent;

(D) comprehensive programs of drug abuse education and prevention, and programs for the treatment and rehabilitation of drug addicted youth, and "drug dependent" youth (as defined in section 2(g) of the Public Health Service Act (42 U.S.C. 201(g));

(E) educational programs or supportive services designed to keep delinquents or youth in danger of becoming delinquent in elementary and secondary schools or in alternative learning situations;

(F) expanded use of probation and recruitment and training of probation officers, other professional and paraprofessional personnel and volunteers to work effectively with youth;

(11) provides for a statewide program through the use of probation subsidies, other subsidies, other financial incentives or disincentives to units of local government, or other effective means, that shall:

(A) reduce the number of commitments of juveniles to any form of juvenile facility as a percentage of the state juvenile population;

(B) increase the use of non-secure community-based facilities as a percentage of total commitments to juvenile facilities; and

(C) discourage the use of secure incarceration and detention.

(12) provides for the development of an adequate research, training, and evaluation capacity within the State;

(13) provide within two years after submission of the plan that juveniles who are charged with or who have committed offenses that would not be criminal if committed by an adult, shall not be placed in juvenile detention or correctional facilities, but must be placed in shelter facilities;

(14) provide that juveniles alleged to be or found to be delinquent shall not be detained or confined in any institution in which they have regular contact with adult persons incarcerated because they have been convicted of a crime or are awaiting trial on criminal charges;

(15) provide for an adequate system of monitoring jails, detention facilities, and correctional facilities to insure that the requirements of section 403 (13) and (14) are met, and for annual reporting of the results of such monitoring to the Secretary;

(16) provide assurances that assistance will be available on an equitable basis to deal with all disadvantaged youth including, but not limited to, females, minority youth, and mentally retarded or emotionally handicapped youth:

(17) provide for procedures which will be established for protecting under Federal, State, and local law the rights of recipients of services and which will assure appropriate privacy with regard to records relating to such services provided to any individual under the State plan;

(18) provide that fair and equitable arrangements are made, as determined by the Secretary of Labor, to protect the interests of employees affected by assistance under this Act. Such protective arrangements shall include, without being limited to, such provisions as may be necessary for—

(A) the preservation of rights, privileges, and benefits (including continuation of pension rights and benefits) under existing collective-bargaining agreements or otherwise;

(B) the continuation of collective-bargaining rights;

(C) the protection of individual employees against a worsening of their positions with respect to their employment;

(D) assurances of employment to employees of any State or political subdivision thereof who will be affected by any program funded in whole or part under provisions of this Act;

(E) training or retraining programs.

The State plan shall provide for the terms and conditions of the protective arrangements established pursuant to this section;

(19) provide for such fiscal control and fund accounting procedures necessary to assure prudent use, proper disbursement, and accurate accounting of funds received under this title;

(20) provide reasonable assurance that Federal funds made available under this part for any period will be so used as to supplement and increase, to the extent feasible and practical, the level of State, local, and other non-Federal funds that would in the absence of such Federal funds be made available for the programs described in this part, and will in no event supply such State, local, and other non-Federal funds;

(21) provide that the State agency will from time to time, but not less often than annually, review its plan and submit to the Secretary an analysis and evaluation of the effectiveness of the programs and activities carried out under the plan, and any modifications in the plan, including the survey of State and local needs, which it considers necessary; and

(22) contain such other terms and conditions as the Secretary may reasonably prescribe to assure the effectiveness of the programs assisted under this title.

(b) The Board appointed pursuant to Sec. 403(a)(3) shall approve the State plan and any modification thereof prior to submission to the Secretary.

(c) The Secretary shall approve any State plan and any modification thereof that meets the requirements of subsection (a) of this section.

(d) In the event that any State fails to submit a plan, or submits a plan or any modification thereof, which the Secretary, after reasonable notice and opportunity for hearing determines does not meet the requirements of subsection (a), the Secretary shall make that state's allotment under the provisions of 402(9) available to the public and private agencies in that State for Part B—Special Emphasis Prevention and Treatment Programs.

PART B—SPECIAL EMPHASIS PREVENTION AND TREATMENT PROGRAMS

SEC. 411(a) The Secretary is authorized to make grants to and enter into contracts with public and private agencies, organizations, institutions, or individuals to—

(1) develop and implement new approaches, techniques, and methods with respect to juvenile delinquency programs (as defined in section 103(4);

(2) develop and maintain community-based alternatives to traditional forms of institutionalization;

(3) develop and implement effective means of diverting juveniles from the traditional juvenile justice and correctional system;

(4) improve the capability of public and private agencies and organizations to provide services for delinquents and youths in danger of becoming delinquent; and

(5) facilitate the adoption of the recommendations of the Advisory Committee on Standards for Juvenile Justice as set forth pursuant to section 507(b).

(b) Not less than twenty-five per centum of the funds appropriated for each fiscal year pursuant to this Title shall be available only for special emphasis prevention and treatment grants and contracts made pursuant to this part.

(c) Among applicants for grants under this port, priority shall be given to private organizations or institutions who have had experience in dealing with youth.

CONSIDERATIONS FOR APPROVAL OF APPLICATIONS

SEC. 412. (a) Any agency, institution, or individual desiring to receive a grant, or enter into any contract under this part, shall submit an application at such time, in such manner, and containing or accompanied by such information as the Secretary may prescribe.

(b) In accordance with guidelines established by the Secretary, each such application shall—

(1) provide that the program for which assistance under this title is sought will be administered by or under the supervision of the applicant;

(2) set forth a program for carrying out one or more of the purposes set forth in section 404;

(3) provide for the proper and efficient administration of such program;

(4) provide for regular evaluation of the program;

(5) indicate that the applicant has requested the review of the application from the State and local agency designated in section 403, when appropriate;

(6) indicate the response of such agency to the request for review and comment on the application;

(7) provide that regular reports on the program shall be sent to the Secretary and to the State and local agency, when appropriate; and

(8) provide for such fiscal control and fund accounting procedures as may be necessary to assure prudent use, proper disbursement, and accurate accounting of funds received under this title.

(c) In determining whether or not to approve applications for grants under this title, the Secretary shall consider—

(1) the relative cost and effectiveness of the proposed program in effectuating the purposes of the Act;

(2) the extent to which the proposed program will incorporate new or innovative techniques;

(3) the extent to which the proposed program meets the objectives and priorities of the State plan, when a State plan has been approved by the Secretary under section 403 (b) and when the location and scope of the program make such consideration appropriate;

(4) the increase in capacity of the public and private agency, institution, or individual to provide services to delinquents or youths in danger of becoming delinquent;

(5) the extent to which the proposed project serves communities which have high rates of youth unemployment, school dropout, and delinquency; and

(6) the extent to which the proposed program facilitates the implementation of the recommendations of the Advisory Committee on Standards for Juvenile Justice as set forth pursuant to section 507(b).

PART C—GENERAL PROVISIONS

WITHHOLDING

SEC. 421. Whenever the Secretary, after giving reasonable notice and opportunity for hearing, to a recipient of financial assistance under this title, finds—

(1) that the program or activity for which such grant was made has been so changed that it no longer complies with the provisions of this title; or

(2) that in the operation of the program or activity there is failure to comply substantially with any such provision;

the Secretary shall notify such recepient of his findings and no further payments may be made to such recipient under this title (or in his discretion that the state agency shall not make further payments to specified programs affected by the failure) by the Secretary until he is satisfied that such noncompliance has been, or will promptly be, corrected.

USE OF FUNDS

SEC. 422. (a) Funds paid to any State public or private agency, institution, or individual (whether directly or through a State or local agency) may be used for:

(1) securing, developing, or operating the program designed to carry out the purposes of this Act;

(2) not more than 50 per centum of the cost of the construction of innovative community-based facilities for less than 20 persons (as defined in sections 103(1) and 103(2) of this Act) which, in the judgment of the Secretary, are necessary for carrying out the purposes of this Act.

(b) Except as provided in subsection (a) of this section, no funds paid to any public or private agency, institution, or individual under this Title (whether directly or through a State or local agency) may be used for construction as defined in Section 103(2) of this Act.

PAYMENTS

SEC. 423. (a) In accordance with criteria established by the Secretary, it is the policy of Congress that programs funded under this title shall continue to receive financial assistance providing that the yearly evaluation of such programs is satisfactory.

(b) At the discretion of the Secretary, when there is no other way to fund an essential juvenile delinquency program, the State may utilize 25 per centum of the funds available to it under this Act to meet the non-Federal matching share requirement for any other Federal juvenile delinquency program grant.

(c) Whenever the Secretary determines that it will contribute to the purposes of the Act, he may require the recipient of any grant or contract to contribute money, facilities, or services up to 25 per centum of the cost of the project.

(d) Payments under this title, pursuant to a grant or contract, may be made (after necessary adjustment, in the case of grants, on account of previously made overpayments or underpayments) in advance or by way of reimbursements, in such installments and on such conditions as the Secretary may determine.

TITLE V—NATIONAL INSTITUTE FOR JUVENILE JUSTICE

NATIONAL INSTITUTE

SEC. 501. (a) There is hereby established within the Juvenile Justice and Delinquency Prevention Administration a National Institute for Juvenile Justice (referred to in this Act as the "Institute").

(b) The Institute shall be under the general supervision and direction of the Secretary, and shall be headed by the Assistant Director of the Administration appointed under section 301(c).

INFORMATION FUNCTION

SEC. 502. The Institute is authorized to—

(1) serve as an information bank by collecting systematically and synthesizing the data and knowledge obtained from studies and research by public and private agencies, institutions, or individuals concerning all aspects of juvenile delinquency, including the prevention and treatment of juvenile delinquency;

(2) serve as a clearinghouse and information center for the preparation, publication, and dissemination of all information regarding juvenile delinquency, including State and local juvenile delinquency prevention and treatment programs and plans, availability of resources, training and educational programs, statistics, and other pertinent data and information.

RESEARCH, DEMONSTRATION, AND EVALUATION FUNCTIONS

SEC. 503. The Institute is authorized to—

(1) conduct, encourage, and coordinate research and evaluation into any aspect of juvenile delinquency, particularly with regard to new programs and methods which show promise of making a contribution toward the prevention and treatment of juvenile delinquency;

(2) encourage the development of demonstration projects in new, innovative techniques and methods to prevent and treat juvenile delinquency;

(3) provide for the evaluation of all programs assisted under this Act in order to determine the results and the effectiveness of such programs;

(4) provide for the evaluation of any other Federal, State, or local juvenile delinquency program, upon the request of the Secretary; and

(5) disseminate the results of such evaluations and research and demonstration activities particularly to persons actively working in the field of juvenile delinquency.

TRAINING FUNCTIONS

SEC. 504. The Institute is authorized to—

(1) develop, conduct, and provide for training programs for the training of professional, paraprofessional, and volunteer personnel, and other persons who are or who are preparing to work with juvenile and juvenile offenders;

(2) develop, conduct, and provide for seminars, workshops, and training programs in the latest proven effective techniques and methods of preventing and treating juvenile delinquency for law enforcement officers, juvenile judges and other court personnel, probation officers, correctional personnel, and other Federal, State, and local government personnel who are engaged in work relating to juvenile delinquency.

INSTITUTE ADVISORY COMMITTEE

SEC. 505. The Institute Advisory Committee established in section 309(d) shall advise, consult with, and make recommendations to the Assistant Director concerning the overall policy and operations of the Institute.

ANNUAL REPORT

SEC. 506. The Assistant Director shall develop annually and submit to the Secretary after the first year the legislation is enacted, prior to June 30, a report on research, demonstration, training and evaluation programs funded under this title, including a review of the results of such programs, an assessment of the application of such results to existing and to new juvenile delinquency programs, and detailed recommendations for future research, demonstration, training, and evaluation programs. The Secretary shall include a summary of these results and recommendations in his report to the President and Congress required by section 304(b)(5).

DEVELOPMENT OF STANDARDS FOR JUVENILE JUSTICE

SEC. 507. (a) The Institute, under the supervision of the Advisory Committee shall submit to the President and the Congress a report which—based on recommended standards for the administration of juvenile justice at the Federal, State and local level—

(1) recommended Federal action, including but not limited to administrative, bugetary, and legislative action required to facilitate the adoption of these standards throughout the United States; and

(2) recommends State and local action to facilitate the adoption of these standards for juvenile justice at the State and local level.

(c) Each department, agency, and instrumentality of the executive branch of the Government, including independent agencies is authorized and directed to furnish to the Advisory Committee such information as the Committee deems necessary to carry out its functions under this Act.

SEC. 508. Records containing the identity of individual juveniles gathered for purposes pursuant to this Title may under no circumstances be disclosed or transferred to any individual or other agency, public or private.

TITLE VI—AUTHORIZATION OF APPROPRIATION

SEC. 601. To carry out the purposes of this Act there are hereby authorized to be appropriated $100,000,000 for the fiscal year ending June 30, 1974; $200,000,00 for the fiscal year ending June 30, 1975; $300,000,000 for the fiscal year ending June 30, 1976; and $400,000,000 for the fiscal year ending June 30, 1977.

SEC. 602(a) Not more than 5 percent of the funds appropriated annually for the purposes of this act shall be used for the purposes authorized under Title III.

(b) Not more than 15 percent of the funds appropriated annually for the purposes of this act shall be used for purposes authorized under Title V.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer (Mr. HASKELL) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on April 2, 1974, he presented to the President of the United States the following enrolled bills:

S. 969. An act relating to the constitutional rights of Indians;

S. 1341. An act to provide for financing the economic development of Indians and Indian organizations, and for other purposes;

S. 1836. An act to amend the act entitled "An act to incorporate the American Hospital of Paris," approved January 30, 1913 (37 Stat. 654); and

S. 2441. An act to amend the act of February 24, 1925, incorporating the American War Mothers to permit certain stepmothers and adoptive mothers to be members of that organization.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is concluded.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will resume the consideration of the unfinished business, S. 3044, which the clerk will state.

The legislative clerk read as follows:

S. 3044, to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

The ACTING PRESIDENT pro tempore. The pending question is on agreeing to the amendment of the Senator from Alabama (Mr. ALLEN) No. 1059. Time for debate on this amendment is equally divided and controlled between the Senator from Alabama (Mr. ALLEN) and the Senator from Nevada (Mr. CANNON), with a vote thereon to occur at 12 o'clock noon.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum, with the time taken from both sides.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ALLEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending question is on the amendment of the Senator from Alabama, No. 1059.

Mr. ALLEN. Mr. President, the time is under control until 12 o'clock. Is that correct?

The PRESIDING OFFICER. Each side has 15 minutes. The vote will take place at 12 o'clock.

Mr. ALLEN. I yield myself 5 minutes.

Mr. President, the purpose of this amendment is to reduce the amount of permissible contributions to Presidential primary or Presidential general elections and House and Senate primaries and general elections.

Under present law, the existing law, there is no effective limit on the amount of contributions, and I feel that therein lies much of the problem, and that by limiting the amount of total overall contributions, the amount of total overall expenditures, and by limiting of the amount of individual contributions, the election process can best be reformed, and not by turning the bill over to the taxpayer and requiring that individual taxpayer, in half the cases, probably, to support the views and philosophies of candidates with whom they disagree, and taking out of the election process the voluntary participation by the electorate. That is the evil of public financing.

The bill, S. 3044, as it comes to us, provides that in Presidential nomination contests, the contributions can be matched, provided they are $250 or less in Presidential races and $100 or less in House and Senate races, and permitting candidates for the nomination for the Presidency to receive up to $7.5 million of public funds to aid them in their campaigns. But the bill, S. 3044, permits contributions far beyond the matchable contributions.

We have heard so much talk about, "Well, you have got to take care of the challenger in these various races. You have got to protect the challenger." It is admitted all the while that the incumbent, by reason of his being known, by reason of his name identification in the minds of the voters, by reason of the many favors he may have done for his constituents through the years, would be in better shape to attract larger contributions, and the challenger would be at a disadvantage in this country.

So this bill, while it matches contributions up to $250 for the President and $100 for the House and Senate, allows contributions to be made up to $3,000——

The PRESIDING OFFICER. The 5 minutes of the Senator have expired.

Mr. ALLEN. I yield myself an additional 3 minutes.

And in the case of a man and his wife, up to $6,000. That is something that is going to benefit the incumbent. That is not going to take care of the challenger.

The purpose of the amendment that is now pending, cutting contributions down to $250 for the President and $100 for the House and Senate, is to broaden the base of those participating in our elections. The proponents of reform say they want to eliminate the large contributions. I believe the $250 limit is going to eliminate the so-called large contributor. The $100 contribution for the House and Senate is going to eliminate the large contributor. That would put the incumbent and the challenger on exactly the same basis.

This whole process can be solved inside the framework of private financing, by the small contributor and still allow Federal matching. It seems Members of the Senate are going to insist on having their campaigns subsidized by the taxpayer. That vote is quite evident here in the Senate. Members of the Senate want to see the taxpayers finance their campaigns, because I had an amendment knocking Members of the House and the Senate out of the subsidy, and that amendment was voted down. So it is evident Senators are going to want public financing.

Therefore, let us limit the public financing to the amounts set out, $250 and $100, but let us chop off all amounts above that, because there seems to be something evil or sinister about contributions that are over $250 for the President and over $100 for the House and the Senate, because we are not allowing the Government to match these excessive contributions.

So if Senators want reform and not just public subsidy, let us cut these contributions down to where the campaigns can be financed by the average citizen of our country, which will encourage citizen participation in our election process. That is what the amendment does. It drastically cuts the amount that can be contributed.

We have heard a lot from Common Cause to the effect that, "Well, we want to cut these contributions down." Let us see if Senators who seem to be influenced by that plea—or demand, would be a better word—by Common Cause——

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ALLEN. I yield myself 1 minute.

Let us see if they are going to be for cutting contributions down to a realistic amount, an amount that would lead the average citizen to feel he has a part in the election process. Let us see if they want election reform or if they want Federal subsidy. That is the issue presented by this amendment.

I reserve the remainder of my time.

Mr. CANNON. Mr. President, I yield myself 5 minutes.

Mr. President, the problem of campaign reform is certainly not a black-and-white issue. It is not susceptible of very easy solutions. It requires a long time and a lot of lessons need to be learned before something is actually accomplished.

As a matter of fact, since I have been in the Senate, I have been involved in campaign reform bills. Since 1959 the Senate has either passed in the Senate or has reported to the Senate out of the committee a bill in 1960, another one in 1961, another one in 1967, which I may say passed the Senate by a vote of 87 to 0 and went to the House side, and then amendments were passed in August of 1971.

On top of that, S. 372 that we passed by an overwhelming vote last year and sent to the House, has not been acted on as yet.

I might say frankly, Mr. President, to the Senator from Alabama that I believe that had S. 372 been acted on by the House last year, I believe we would not have had the pressures we now have to get into the area of public financing. But we have had pointed out, as a result of the Watergate hearings, the unfortunate aspects of big money in campaigns. That is what we have tried to resolve. We have not done it completely, but we have tried to do it an an equitable fashion in the pending bill. We have left it so that the candidate need not go to public financing if he does not desire to.

On the other hand, we have limited the effect of big contributions and have made it so that only small contributed amounts can be used in computing the triggering factor in determining whether a person would be entitled to match the difference if he went the public funds route. We believe it is fairer, in that fashion, to a nonincumbent than to an incumbent, because it would give the challenger an opportunity to procure small contributions to get up to his triggering amount on an equal basis with an incumbent who might not have any trouble going out and raising larger amounts. But we do not let the incumbent use those larger figures in determining eligibility.

Much can be said on both sides of this issue. There is no special magic in many of the figures we have used.

For example, in the limit on expenditures, the Senator from Alabama correctly pointed out yesterday that last year was the first time we limited expenditures and then only as to a portion of the expenditures. In this bill we have tried to limit the overall expenditures. I must say frankly that I am certainly not wedded to the formula we have used here. If Senators feel the figure is too high, we ought to have a vote on an amendment to reduce it. We used the figure somewhat arbitrarily, I might say, but by looking at past experience in trying to determine what expenditures had been made, and recognizing the fact that too much money has been spent in Federal campaigns, not only in the congressional races, but most certainly in presidential and Vice-Presidential races.

So we came up with a formula of 10 cents per voter in a primary election for an eligible voter of voting age, and then 15 cents in a general election. We used a somewhat arbitrary figure of $90,000 in the House races. Actually, I felt, and I am sure some other members of the committee felt, last year, that this is a matter that the House itself ought to determine. So we used the arbitrary figure, as has been pointed out in the argument. Some Members of the House used less than that figure; some used much more.

So we used an arbitrary figure, hoping that the House would make a determination as to what the correct figure should be. I am not wedded to any of these figures. I would be willing to go along with a reduction in both the amount that could be spent in the primary or the amount we have in the bill, and the amount that could be spent in the general election, if that is consistent with the wishes of a majority of this body.

But we have seen, as a result of the Watergate hearings, the inherent danger of large contributions and the undue influence that is exerted, or at least is attempted to be exerted, by the making of tremendous contributions. Those are the sorts of things we want to do away with.

I do not often quote from the New York Times. But I read an editorial in the April 2 issue from which I shall read a part into the RECORD, because it expresses my views on this matter:

> Although small contributions are important, experience has shown that they are easier to raise at the Presidential level than in many Senatorial and Congressional contests. Even in Presidential races, the candidate who appeals to a passionate minority, a George McGovern or a George Wallace, is likely to have an easier time of it than a middle-of-the-road candidate.

I may say that in the discussion on this matter last year, the Senator from South Dakota (Mr. McGOVERN) on the floor of the Senate admitted that he had, or was forced, to take some large contributions—seed money—to get himself into a position to make a large solicitation for funds at a low level, because most of his money came from small contributors.

I continue to read from the editorial:

> Even those with devoted followings do not escape the need for large gifts or loans from wealthy individuals or interest groups to pay for campaign start-up costs, for direct mail solicitation of small givers, and to tide campaigns over rough spots. In short, if large contributions are not a wholly reliable substitute, there has to be an alternate source of funds, and that can only be public money.
>
> The choice is not between exclusive reliance on private money or on public money. In the best pluralistic tradition, the Senate reform bill provides a mixed system in which small and medium sized contributors perform a critical function but in which public money is available as the necessary alternative and supplement. It is a plan that deserves the support of all those such as Senators Weicker and Baker who genuinely favor cleaner elections.

Mr. President, I must say that I agree with the assessment of the importance of making some contributions available and providing access to public funds if we are going to do away with larger contributions. If we are going to rely on large contributions, as we have done in the past, then we could very well forget about public financing because some people could go out and raise large sums of money, and they will continue to do so if we do not have a limit.

We tried to get at that to some degree in S. 372 last year by fixing the amount of expenditures in the campaign. We used roughly the same formula in the bill in determining, this year, the amount that could be spent.

Yesterday the distinguished Senator from Alabama pointed out that what we ought to do is to try to shorten the campaign. The Senate has already acted on that point. I hope that the House will act on it. I am all for shortening the time of the campaign. That will do more to reduce the cost of a campaign, perhaps, than any other one thing, other than providing free time and free mailing privileges, which could certainly reduce the cost to the candidate as the Senator from Alabama suggested yesterday.

But even a former Member of the Senate, whom the distinguished Senator from Alabama quoted yesterday, pointed out that small contributions are the backbone of political financing.

The PRESIDING OFFICER. The 5 minutes of the Senator have expired.

Mr. CANNON. Mr. President, I yield myself additional time.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. CANNON. Mr. President, I agree with that statement. That is why we reduced the matching amounts to $100 in congressional races and to $250 in a presidential race. However, we do permit contributions up to $300 limit per person so that the person can get seed money and have an opportunity to start his campaign which is so important, as pointed out in the editorial from which I have just quoted.

One of the suggestions he made yesterday was to increase the tax credit or tax deduction and to make possible a gift tax deduction for this purpose.

We did not go that far on the gift tax. We did under title V, that has now been taken out of the bill, and I support the doubling of the tax deduction and/or the tax credit, and doubling the checkoff.

I might say the distinguished Senator from Alabama has found some fault with the checkoff provision by saying that in order not to be—that you have to check if you do not want the money used. I agree with him on that. I think it ought to be an affirmative action on the part of the taxpayer, so that if he wants his money used for that purpose, to go into the political fund, the $1, which I support increasing to $2 per person, then I think he ought to have the affirmative obligation of making a check to so indicate, and have that money go into the fund.

But I hope the Senate will not support the Allen amendment on this particular issue, even though I find myself in agreement with him to a very high degree on the basic principles of what we are trying to do. We just differ on some of the procedural aspects, as to what would get the job done.

Mr. President, I reserve the remainder of my time.

Mr. ALLEN. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 6 minutes remaining.

Mr. ALLEN. I yield myself 5 minutes.

Mr. President, the distinguished Senator from Nevada has not said one single thing that would detract from the wisdom of the amendment that is before the Senate. He speaks of cutting out large contributions, and that is just exactly what this amendment seeks to do. The question is, what is a large contribution?

Well, I feel like a $3,000 contribution is a large contribution. Under the bill, a $6,000 contribution would be permitted for a couple. I think that is a tremendous contribution, and I think that campaigns can be run on $100 limits for the House of Representatives and the Senate, and $250 for the Presidency.

If we do not limit all contributions in this fashion, we are going to have the incumbents able to get these $3,000 and $6,000 contributions, and the challengers will not be able to get them.

The purpose of this amendment is to cut the size of the incumbent's advantage down to where he would be on the same basis with the challenger.

Even at that, the challenger will have a disadvantage, because the incumbent can get more in contributions, even small contributions, than can the challenger. The challenger would be way behind the incumbent in contributions of up to $100, because the incumbent would get those contributions, and then the Government would compound that advantage by doubling the amount that the incumbent had received.

This amendment would go a long way toward eliminating the influence of large contributions. So if what we want is to limit the influence of large contributions—and the proponents say that is what it is—why not reduce drastically the amount of the contributions that can be made? That is all that can be matched, so what is the use of having this wide area between $250 and $3,000 or $6,000, as the case might be, and between $100 and $3,000 or $6,000, as the case might be? Why have that area where the incumbent would have this tremendous advantage of greater ability to obtain funds?

Mr. President, let us have true reform. Let us not just mouth a few pious platitudes, that this is the only way to reform the system and this is the way to get the influence of big money out of the campaigns, by turning the cost over to the taxpayers.

I have been interested to note that five out of the seven Watergate Committee members—and the Watergate Committee was charged with making recommendations for campaign reform—are opposed to public financing. They do not think it is such a good idea.

I believe the answer is in the realm of private financing, where a person has the right to contribute to the candidate of his choice. He will not have that right under the public financing feature in the general elections, where the money is paid by the taxpayers through the Federal Government.

As I pointed out yesterday, in the State of California the nominees of the two parties will receive from the Federal Government to conduct their general election campaigns for the Senate, from the public treasury, to each of those two nominees, $2,121,000, which is more than nine times what a Senator would earn as a U.S. Senator in the entire 6 years of his term.

If that is reform, I do not believe I know the meaning of the word, to just write a check, Mr. President, with no control over it whatsoever except post-election auditing.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. ALLEN. I yield myself 1 additional minute.

Mr. President, I do not believe that we ought to permit contributions of $6,000 to be made. I believe we should limit Presidential campaign contributions to $250, and House and Senate campaign contributions to $100. That is the amount that can be matched, and that is all that ought to be permitted to be contributed. That will get the influence of large contributions and large contributors out of the election process.

So I hope the amendment will be agreed to.

The PRESIDING OFFICER. The Senator from Nevada has 2 minutes remaining.

Mr. CANNON. Mr. President, I yield myself 2 minutes.

The Senator has made one proposition that I think does not truly represent the situation, when he says that an incumbent would be able to get $1,000 or $3,000 contributions, and then go to the Federal Government and get the matching funds. That is simply not true. Whatever amount——

Mr. ALLEN. Mr. President, if the Senator will yield, the Senator from Alabama did not say that. I said he would have greater ability to get the contributions up to $3,000. What I am trying to do is cut the permissible contributions down to what can be matched. The Senator must have misunderstood. The record will show.

Mr. CANNON. Perhaps I did. But I want to make it absolutely clear that the challenger and the incumbent would be on an equal footing with respect to the matching funds, the contributions which could be matched at the Federal level. If the candidate of either party receives funds in excess of the matching formula funds, those moneys then go to offset moneys that the Federal Government would not necessarily have to match, would not be able to match, as a matter of fact, and the overall expenditure limit would still be in effect. That would include moneys over and above the matching formula triggering funds, as well as those within those limits, for the purpose of the overall limitation.

So I would simply suggest to my colleague that if he supports this concept, we ought to have amendments to get the bill in the proper form. For example, if he feels that the amounts of expenditures permissible are too high, we ought to have amendments along that line, rather than try to add the type of amendments such as this one, which would make it impossible for a person to carry on a campaign without being able to get contributions of more than that amount, even according to Senator McGovern's own testimony, and he has had more experience than any other one person in raising tremendously large campaign funds from small contributors.

Mr. MATHIAS. Mr. President, will the distinguished chairman yield on that point for a brief comment?

Mr. CANNON. I yield.

Mr. MATHIAS. While I cannot claim to rival the scope of Senator McGovern's experience, I have perhaps the most recent experience. I announced earlier this year that I would take no contributions of over $100.

I am speaking in support of the amendment. Since December 21, 1973, it is interesting to note that more than 2,700 individuals have contributed to my campaign. No contribution has exceeded $100. The total amount has been over $45,000. Thus, the total average contribution has been approximately $16.25.

I could only say to the distinguished chairman that I have to be enormously encouraged by this kind of response.

Mr. CANNON. Let me ask the Senator, that is a period of 4 months. Is the Senator saying, then, that if he collects twice that amount in the next 4 months, which would be $90,000, and he adds that to the present $45,000, would that be enough to run his campaign, $135,000?

Mr. MATHIAS. I wish I could say yes to that, but there is another rule here, that in the course of a campaign public interest tends to rise, and the number of contributions, and perhaps the average size of the contribution, would rise with the interest as we come closer to the campaign.

Mr. CANNON. I would simply say to the Senator, based on his experience up to the present time, that if it continues in that fashion up to the primary, he will not have raised much more than half the amount that would be needed in Maryland.

Mr. MATHIAS. I thank the Senator from Nevada for his comments.

The pending amendment would limit contributions from any individual to $100 for congressional races and $250 for Presidential races. This amendment would not affect the public financing provisions of this bill, and thus must be considered in the context of the entire bill.

In such a context, the question is raised: Can candidates raise a substantial amount of funds in congressional contests from contributions in amounts of $100 or less?

Last December I announced on the Senate floor that I would make my reelection campaign this year an experiment to test that proposition, as well as a number of other reforms which have been proposed, debated, passed by the Senate in some cases, but not yet enacted into law.

Although the fundraising efforts for my campaign have not yet really gotten underway in a substantial way, the very early returns clearly show that the people will respond, and that sufficient funds can be obtained from small contributions.

Since December 21, 1973, more than 2,700 individuals have contributed to my campaign organization. No contribution exceeded $100. The total amount donated in this time has been over $45,000. Thus, the average contribution has been approximately $16.25.

I am enormously encouraged by these totals. They result principally from voluntary, unsolicited contributions and from returns on a preliminary test mailing which was sent out just before Christmas. The percentage of responses from this test mailing are more than double what is normally considered an excellent response. I am told that the percentage of responses may well exceed any other similar political mailing in our history. So, while the total number of persons solicited was small, the results clearly indicate that if the people believe in the candidate, know that their contribution is important, and feel that their small donation is significant, then they will respond.

I recognize, of course, that all candidates may not have the advantage of incumbency that I enjoy, having served 5 years in the Senate and 8 years in the House. And so I would not favor to impose by law such severe restrictions on candidates unless there were a realistic state of equality among candidates or some sort of compensatory public funding available to make up part of the money which a candidate sacrifices by refusing large gifts. In the context of a bill such as this, however, where significant public funds would be available, I believe we should all seriously consider whether political expenditures cannot be curtailed and therefore whether all contributions cannot be limited to the amounts suggested in the amendment of the Senator from Alabama.

The PRESIDING OFFICER. (Mr. Haskell). At this time, the hour of 12 o'clock having arrived, under the previous order, the Senate will proceed to vote on the amendment of the Senator from Alabama (Mr. Allen) No. 1059.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. Fulbright), the Senator from Alaska (Mr. Gravel), and the Senator from Iowa (Mr. Hughes), are necessarily absent.

I further announce that the Senator from Kentucky (Mr. Huddleston), is absent on official business.

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. Brock), and the Senator from Illinois (Mr. Percy), are necessarily absent.

I also announce that the Senator from Virginia (Mr. William L. Scott), is absent on official business.

I further announce that the Senator from Vermont (Mr. Aiken), is absent due to illness in the family.

On this vote, the Senator from Vermont (Mr. Aiken) is paired with the Senator from Illinois (Mr. Percy).

If present and voting, the Senator from Vermont would vote "yea" and the Senator from Illinois would vote "nay".

The result was announced—yeas 19, nays 73, as follows:

[No. 106 Leg.]

YEAS—19

- Allen
- Baker
- Bennett
- Biden
- Byrd, Robert C.
- Cotton
- Ervin
- Fong
- Hart
- Helms
- Hollings
- Mathias
- McClellan
- Pastore
- Pell
- Stennis
- Taft
- Thurmond
- Weicker

NAYS—73

- Abourezk
- Bartlett
- Bayh
- Beall
- Bellmon
- Bentsen
- Bible
- Brooke
- Buckley
- Burdick
- Byrd, Harry F., Jr.
- Cannon
- Case
- Chiles
- Church
- Clark
- Cook
- Cranston
- Curtis
- Dole
- Domenici
- Dominick
- Eagleton
- Eastland
- Fannin
- Goldwater
- Griffin
- Gurney
- Hansen
- Hartke
- Haskell
- Hatfield
- Hathaway
- Hruska
- Humphrey
- Inouye
- Jackson
- Javits
- Johnston
- Kennedy
- Long
- Magnuson
- Mansfield
- McClure
- McGee
- McGovern
- McIntyre
- Metcalf
- Metzenbaum
- Mondale
- Montoya
- Moss
- Muskie
- Nelson
- Nunn
- Packwood
- Pearson
- Proxmire
- Randolph
- Ribicoff
- Roth
- Schweiker
- Scott, Hugh
- Sparkman
- Stafford
- Stevens
- Stevenson
- Symington
- Talmadge
- Tower
- Tunney
- Williams
- Young

NOT VOTING—8

- Aiken
- Brock
- Fulbright
- Gravel
- Huddleston
- Hughes
- Percy
- Scott, William L.

So Mr. Allen's amendment (No. 1059) was rejected.

Mr. CANNON. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the Senator from Colorado is recognized.

AMENDMENT NO. 1124

Mr. DOMINICK. Mr. President, I call up my amendment No. 1124.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

TITLE V—POLL CLOSING TIME

Sec. 501. Simultaneous Poll Closing Time.—On every national election day commencing on the date of the national elections in 1976, the closing time of the polling places in the several States for the election of electors for President and Vice President of the United States and the election of United States Senators and Representatives shall be as follows: 11 postmeridian standard time in the eastern time zone; 10 postmeridian standard time in the central time zone; 9 postmeridian standard time in the Pacific time zone; 7 postmeridian standard time in the Yukon time zone; 6 postmeridian standard time in the Alaska-Hawaii time zone; and 5 postmeridian standard time in the Bering time zone: *Provided*, That the polling places in each of the States shall be open for at least twelve hours.

Mr. DOMINICK. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield to me for a unanimous consent request?

Mr. DOMINICK. I yield.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of the amendment by Mr. Dominick, Senator Stevenson be recognized to call up his amendment No. 977, and that there be a time limitation thereon of 40 minutes, to be equally divided and controlled in accordance with the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMINICK. Mr. President, I yield myself 5 minutes, and I say to my colleagues I think this is an interesting amendment. I talked a little about it last night.

The purpose of the amendment is to try to make Senator Bellmon's amendment inoperative insofar as criminal penalties are concerned and constitutional insofar as the rest of it is concerned. What the amendment does in accomplishing this is to say that in every time zone, the polling will be staggered, so that all the polls throughout the entire United States, including the Bering Straits area and Hawaii, will close at the same time.

In order to do that, and in order to be able to give everybody a proper chance to vote, we have a provision in the amendment that all the polls in each time zone must be open for 12 hours.

So that on the eastern seaboard, with eastern standard time, for example, it specifies that the polls would open at 11 in the morning and close at 11 at night. By the time you get to the Bering Straits, they would open at 6 in the morning and would close at 6 at night.

The effect of this is to say to the media or television, or whatever it might be, that there is no way by which you can predict what the results are, because you will not know what the results are until the closing time in any precinct, unless everybody has voted in one precinct by noon.

I suppose they can predict on that basis, but that is pretty unreliable, and by so doing there would not be the obvious opportunity, that there would be in the Bellmon amendment, of someone dropping off a sheet somewhere for money or otherwise, and have someone go ahead and publish it and then have someone try to enforce the law with criminal penalties. I voted against the Bellmon amendment because I thought it was unenforceable and that it was not in keeping with the rights of the news media under the first amendment.

This amendment means that the information will not be available, not by law but by circumstance. All polling places will be closing at the same time and no one will know the results in any time zone until all polls are closed. They will be open from 11 until 11 in the eastern standard time zone, from 10 to 10 in the central standard zone, from 9 to 9 in the Rocky Mountain area, where I come from, from 8 until 8 in the Pacific zone, and so on through Hawaii and the Bering Straits.

In order to make this effective it seems to me we should concentrate, first, probably on the presidential election of 1976 rather than trying to do it in the senatorial and congressional elections of 1974. I say this because although predictions are made in senatorial and congressional races, those races do not influence as many voters as the presidential election. It would be effective in every national election starting with the national election in 1976.

Last night the distinguished Senator from Nevada, my good friend Howard Cannon, brought up the question of expense. Frankly, most of the States that lie in a specific time zone have 12 hours of polling time, anyway. This happens in Colorado, it happens in Kansas, and in New York. I have been a watcher in many of these places on various occasions in the past, and unless they have changed the laws recently there are still 12 hours available and so there will be no additional expense, and if there is additional expense, it will be minimum.

It is interesting that in our election process, for reasons I am not sure of, we probably have less people voting that in any other affluent and economically viable free state in the world. Our average is extraordinarily low. I wish to give some figures in that regard. In 1964, the year Senator Goldwater ran for the presidency, only 62 percent of eligible Americans cast a ballot for one of the presidential candidates, that is, either Lyndon Johnson or Barry Goldwater.

In the off year congressional elections, the record is even worse. Less than 50 percent of Americans over 21 voted. On the other hand, in Europe, where uniform, nationwide voting hours are common practice—and granted in most of those countries there is a much smaller population—the percentages range from 87 percent in Denmark, which is quite small, to 72 percent in France, a country with which, as everyone knows, we are having some difficulty at the moment.

This might increase the number of people who feel they have the opportunity and privilege of going to vote when the horserace has not been decided by the electronic news media after the results are in from precincts.

The other day during the debate on the Bellmon amendment, the Senator from Minnesota (Mr. Humphrey) said that he felt the predictions made after polling places in the eastern time zone had closed affected his election for President in 1968. The Senator from Arizona (Mr. Goldwater) said that the news media had predicted after three precincts were in in the eastern time zone that he was going to be clobbered, and he said they were right.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DOMINICK. Mr. President I yield myself 2 additional minutes.

The PRESIDING OFFICER. The Senator from Colorado may proceed.

Mr. DOMINICK. Nevertheless, what I am saying in general is that we have a provision which, in my opinion, is a very bad provision. Second, we will not need that provision in force and we can get away from all enforcement problems if this amendment is agreed to. Third, it will not cost any more money. Fourth, we might get away from the problem of what is going to happen.

As the Senator from Rhode Island said in previous colloquy, some years ago the National Governors Conference recommended this provision in 1966. In addition, the chairman of the board of ABC, surprisingly enough, also has come out in favor of this type resolution of the problem.

Mr. President, when the National Governors' Conference favors this provision, when the chairman of the board of ABC favors the provision, and we have the criticism of people throughout the country who do not know whether it is worthwhile to vote after there have been electronic predictions, it seems to me that here we have an inexpensive way to take care of the problem.

Mr. President, I reserve the remainder of my time.

Mr. COOK. Mr. President, I yield myself 2 minutes.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. COOK. Mr. President, in the absence of the chairman of the committee, speaking of the ranking minority member of the committee, and speaking with respect to the amendment, it was interesting that last night on ABC News Mr. Reasoner and Mr. Howard K. Smith discussed this matter.

Mr. President, will the Senator from Nevada yield to me 3 minutes of his time?

Mr. CANNON. I yield.

Mr. COOK. I was amazed because they went back to the election of 1972 to sustain their point. At no time during the discussion between Mr. Reasoner and Mr. Smith did they give actual voting figures. They talked about the fact that "based on our predictions we have predicted so and so will carry such and such a State." This is the very point we got into in a discussion with the Senator from Minnesota (Mr. HUMPHREY) and the Senator from Oklahoma (Mr. BELLMON) the other day. Mr. Howard K. Smith proceeded to say that their studies showed there was no problem. I thought to myself what a lacing we would get if we stated that based on a study we had made it was shown that it does have an effect. It reminds me that they would have their own fox in their own chickenhouse.

I must say to the Senator from Colorado that one of the things they did say at the conclusion of their remarks blasting the Bellmon amendment and giving them right, not to make any flat figures, but to make predictions, and the president of ABC now is on the side of the Senator from Colorado, because he said if they wanted to resolve that problem they would stagger the voting hours so all returns would come in at the same time. So I do not know whether the Senator from Colorado wants a major network on his side in regard to his amendment, but I would have to say, in all fairness, he now has one.

Mr. CANNON. Mr. President, I yield myself 3 minutes.

I sort of have mixed emotions about this amendment, because I agree with the author of the amendment in principle as to what he is trying to do. I just have some reluctance about imposing these restrictions on the States. Again, I voted the same way he did on the Bellmon amendment. I think it was bad legislation, but the majority of our colleagues did not agree with us, even though some of them agreed with us last year, and some of them changed their positions, because it was defeated last year two to one, but it was passed a few days ago.

I cannot help but refer back to section 4 of article I of the Constitution, which says:

> The time, places and manner of holding elections for Senators and Representatives shall be prescribed in each State by the legislature thereof.

It is true that the section goes on to say:

> But the Congress may at any time by law make or alter such regulations, except as to the places of choosing Senators.

I hearken back to the initial statement there, where it was quite clear that it was the intent of the framers of the Constitution to leave it to the States to make their own determination as to the times of holding elections.

I personally do not find any fault with the Senator's amendment with respect to my own State, because it coincides somewhat with the times that we use, but I am thinking about the eastern part of the United States, where the polls could not open until 11 o'clock in the morning, in the State of Maryland, for example, unless Maryland decided it wanted to open them more than 12 hours a day, and, if it did that, it would have the problem of having to have another shift of workers or paying overtime to the people who were working.

So my basis of opposition to this amendment solely is that it ought to be left to the States to make the determination as to what hours will be set for holding the election, a time best suited to their needs.

I am fully cognizant of the fact that I did not support the Bellmon amendment, which precluded making any of that information public, and making it a criminal offense to do so. I can imagine someone being prosecuted because he called a friend on the phone in California and told him that the results of the election are such and such. There is a worse penalty for violation of that law than for transmitting illegal gambling information, I may say.

Mr. President, I am prepared to yield back the remainder of my time.

Mr. DOMINICK. Mr. President, I yield myself 30 seconds.

I ask unanimous consent that the Senator from Arizona (Mr. GOLDWATER) be added as a cosponsor of the amendment, along with the Senator from Tennessee (Mr. BAKER).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. DOMINICK. I yield.

Mr GOLDWATER. This is a subject to which, naturally, I have given quite a bit of thought. I would go further than the Senator's amendment; however, I am happy and honored to be a cosponsor.

I had thought of making election day a national holiday, which we did at one time, and making the day 20 hours long, starting at 6 one morning and ending at 6 another morning, and having the whole country on central time for that 1 day. That would eliminate all of the problems that seemingly would have come up in the reporting of early results from the East.

I think anything we can do to point up the importance of election day, regardless of how we go about it, is really the important thing.

If we can get only a bare majority of our people to vote, it would be well. Other nations, which have holidays on their election days, get 75 or sometimes 95 percent of the vote. That is a sad reflection on the state of apathy and disinterest of the citizens of this country. Frankly, we in politics have caused a lot of that, but we have to do everything we can to revitalize the interest of the people in the subject of politics.

I am very hopeful the amendment will be agreed to. I am happy the Senator has offered it.

I might say, by way of information for my colleagues, the only study I have ever seen on the subject of the influence of Eastern election results on Western voting was a doctor's thesis that was done at the University of Colorado. I long ago lost the paper, but he came out with some rather surprising results that are contrary to what we in politics believe to be the truth. He found it had very little effect, but I frankly believe it has a lot of effect. I think when people begin to hear how New York, Pennsylvania, and Ohio are voting, the people out in the boondocks of Arizona, Colorado, and California are likely to be influenced by that. I do not like to believe that Eastern thinking has that effect on the West, but, with all due respect, I think that is what happens.

Mr. DOMINICK. Mr. President, I thank the Senator, and I yield myself 1 minute.

This amendment would not restrict the polling hours to 12 hours. Any State can make it 24 hours or whatever amount it wants to. All it provides is that each time zone has to close at the same time. That is all it says.

I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Colorado (Mr. DOMINICK). The yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. Fulbright), the Senator from Alaska (Mr. Gravel), the Senator from Iowa (Mr. Hughes), and the Senator from Arkansas (Mr. McClellan), are necessarily absent.

I further announce that the Senator from Kentucky (Mr. Huddleston), is absent on official business.

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. Brock) and the Senator the Illinois (Mr. Percy) are necessarily absent.

I also announce that the Senator from Virginia (Mr. William L. Scott), is absent on official business.

I further announce that the Senator from Vermont (Mr. Aiken) is absent due to illness in the family.

The result was announced—yeas 49, nays 42, as follows:

[No. 107 Leg.]

YEAS—49

Allen
Baker
Bayh
Beall
Bennett
Biden
Buckley
Byrd, Robert C.
Case
Church
Cook
Cotton
Cranston
Curtis
Domenici
Dominick
Eastland
Fannin
Fong
Goldwater
Griffin
Hansen
Hart
Haskell
Hatfield
Helms
Hollings
Hruska
Humphrey
Javits
Mathias
McGee
McGovern
McIntyre
Nelson
Nunn
Packwood
Pastore
Pearson
Randolph
Roth
Schweiker
Sparkman
Stafford
Stennis
Stevens
Taft
Thurmond
Tunney

NAYS—42

Abourezk
Bartlett
Bellmon
Bentsen
Bible
Brooke
Burdick
Byrd, Harry F., Jr.
Cannon
Chiles
Clark
Dole
Eagleton
Ervin
Gurney
Hartke
Hathaway
Inouye
Jackson
Johnston
Kennedy
Long
Magnuson
Mansfield
McClure
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Pell
Proxmire
Ribicoff
Scott, Hugh
Stevenson
Symington
Talmadge
Tower
Weicker
Williams
Young

NOT VOTING—9

Aiken
Brock
Fulbright
Gravel
Huddleston
Hughes
McClellan
Percy
Scott, William L.

So Mr. Dominick's amendment was agreed to.

Mr. DOMINICK. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JAVITS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

THE PRESIDENT'S TAX RETURNS

Mr. LONG. Mr. President, I ask unanimous consent to file with the Senate a report of the Joint Committee on Internal Revenue Taxation, transmitting a report of the committee staff to the committee.

The PRESIDING OFFICER (Mr. Haskell). Without objection, it is so ordered.

Mr. LONG. I might add, Mr. President, that the document I have just submitted is a staff analysis of the President's tax returns, as requested of the committee by the President. This document is not fully available to the press at this point. We believe that it will be available at 2 o'clock, and that there will be copies made available in the caucus room of the Senate Office Building at that time.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The Senate continued with the consideration of the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

The PRESIDING OFFICER. Under the previous order, the Senator from Illinois is recognized to offer an amendment.

AMENDMENT NO. 977

Mr. STEVENSON. Mr. President, I call up my amendment No. 977, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistance legislative clerk proceeded to read the amendment.

Mr. STEVENSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. Stevenson's amendment (No. 977) is as follows:

On page 79, strike lines 6 and 7 and insert the following in lieu thereof:

"Sec. 401. (a) Any candidate for nomination for or election to Federal office who,".

On page 79, following line 21, insert the following new subparagraph and renumber subsequent subparagraphs accordingly:

"(1) the amount of each tax paid by the individual, or by the individual and the individual's spouse filing jointly, for the preceding calendar year: *Provided*, That for purposes of this subparagraph 'tax' shall mean Federal, State, or local income tax and any any Federal, State, or local property tax;".

On page 81, line 9, strike the words "of political parties" and insert the following in lieu thereof: "for nomination for or election to Federal office".

On page 84, strike lines 3 through 5 and insert the following in lieu thereof:

"(1) The first report required under this section shall be due thirty days after the date of enactment and shall be filed with the Comptroller General of the United States, who shall, for purposes of this subsection, have the powers and duties conferred upon the Commission by this section.".

Mr. STEVENSON. I ask unanimous consent that Mr. Basil Condos of my staff be granted the privilege of the floor during the debate and the vote on this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENSON. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. STEVENSON. Mr. President, title IV of S. 3044 requires financial disclosure by all elected Federal officials, highly paid Federal employees, and candidates for Congress in general elections.

Its provisions are a vast improvement over existing law, and I commend the Committee on Rules and Administration for reporting them out. This amendment would strengthen disclosure requirements in three important respects.

First, and perhaps most important, my amendment requires disclosure of the amounts of all income and property taxes paid. Recent revelations about the tax affairs of the President and former Vice President have created the impression that there are two sets of tax laws, one for the politicians and one for everybody else. There is only one way to convince the public that Federal officials pay their fair share of taxes, and that is by disclosing the amount of taxes they pay.

Second, this amendment expands the dislcosure requirements to include nonincumbent candidates for President and primary candidates for all Federal elective office. This will discourage persons with questionable financial backgrounds from seeking Federal office and will make available to the electorate information about the finances of all—not just some—candidates in Federal primary and general elections. It would place all candidates for Federal office on the same footing.

Finally, the amendment advances the effective date of the first disclosure from May 15, 1975, to 30 days after enactment. This maximizes the chances that financial disclosure will occur prior to the November elections.

This amendment strikes a fair balance between the public's right to know and the candidate's right to privacy. It does not require disclosure of each charity to which every candidate makes a contribution or his tax return. It requires disclosure of the amounts of taxes; and that is all. And that, Mr. President, ought to be enough to assure the public that the candidate has in fact paid his share of State and Federal taxes.

Financial disclosure is needed not so much, because of the wrongdoing it may expose or prevent, but because of the doubts it will lay to rest. The overwhelming majority of public officials abide by the laws they make and administer. The primary purpose of financial disclosure to convince the public that it can trust its elected representatives. There is no other way. Trust must be earned with facts; it cannot be elicited with empty words.

Watergate and other sordid events of recent months have shown us politics at its worst. In the actions of Judge Sirica, Elliot Richardson, Archibald Cox, and Leon Jaworski, it has also shown us public service at its best. Watergate could have occurred anywhere in the world, but only in a great and good nation could the subsequent effort to find the truth and do justice have been made.

The legacy of Watergate can be either lingering public cynicism and governmental drift, or more open and effective self-government. I believe we have the will and the vision to make the right choice, and that the enactment of financial disclosure legislation is an important part of that choice.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. CANNON. Mr. President, I yield myself 3 minutes.

I have sort of mixed emotions about this amendment. The full disclosure provision that is in the bill now before us was my amendment, and I thought it was quite comprehensive. It related, I thought, to every item that would reflect on a person's public life, that is, the source of each item of income, of reimbursement, of any gift that they might receive outside of the immediate family, the identity of assets held, the amount of liabilities, all transactions in securities, all transactions in commodities, and the purchase or sale of homes, and I thought we did everything in there that was necessary to have a full and complete disclosure. I did stop short of an amendment requiring them to file the income tax return which would carry with it the items the Senator from Illinois has suggested. I did that because many people have felt and still feel that everyone is entitled to some privacy and perhaps the only privacy left is that which is covered on the income tax return. But I may say, if this amendment is adopted, then the only thing that would be omitted would be contributions to charity. That would be the only thing I can think of that would not be covered under this disclosure feature.

I do not feel very strongly about it but I think it is a question of whether Congress wants to include all these people—not simply Congress—but to include civil servants with grade 16 and above, to include the military, and to include all members of the judiciary.

So I am prepared to yield back the remainder of my time and, at such time as it is appropriate, I intend to move to table the amendment, because it is just a straight up and down issue of whether we want to have complete disclosure to include the income tax return, or whether we do not, because, as I see it, the only thing remaining after we have this, is contributions to charity. I can well understand the reasons for the amendment. It arises out of the publicity given to the report filed here a few minutes ago.

ORDER FOR ADJOURNMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, when the Senate completes its business today, it stand in adjournment until 12 o'clock noon tomorrow.

The PRESIDING OFFICER (Mr. HATHAWAY). Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR PROXMIRE ON FRIDAY, APRIL 5, 1974

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Friday next, the distinguished Senator from Wisconsin (Mr. PROXMIRE) may be recognized for 15 minutes, after the two leaders or their designees have been recognized under the standing order.

Mr. GRIFFIN. Mr. President, reserving the right to object—may I inquire of the distinguished majority whip, is it the intention at that time that the vote on cloture will occur at 1 o'clock?

Mr. ROBERT C. BYRD. The vote on cloture will occur after the call to establish a quorum, which would begin at 1 o'clock.

Mr. GRIFFIN. I thank the Chair.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The Senate continued with the consideration of the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

Mr. HUGH SCOTT. Mr. President, an excellent, comprehensive editorial in today's Christian Science Monitor wraps up the entire campaign finance reform picture. In view of our continuing debate on this subject, I offer this outstanding article for the review of my colleagues.

I ask unanimous consent that this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE MONITOR'S VIEW: CAMPAIGN FINANCE REFORM

Campaign reform, made daily more imperative by the continuing flood of disclosures of massive abuses during the 1972 campaign, is not moving ahead through the Congress as fast as we would like. But it is moving. And prospects are reasonably good for a healthy reform bill.

The legislative situation is as follows:

The Senate has before it a comprehensive reform bill which was approved by the Rules Committee last month. It has been on the floor of the Senate for the last week. Sen. James Allen of Alabama, who was outvoted by the Rules Committee 7-to-1, is running a sophisticated filibuster effort on the floor. The first stage of his delay campaign was to offer a series of amendments. Fortunately these were defeated. He may next try to provoke a series of cloture votes and delay action long enough so the senators may feel compelled to move on to something else. The public should support a cloture move to cut short delay and let the Senate vote on the bill on its merits.

In the House, too, public backing is needed to keep campaign reform action going. The House is considering two bills. The first, the Anderson-Udall bill which was submitted to the House last year, embraces most of the Senate bill's desirable campaign reforms. The second bill is that emerging from the House Administration Committee under Chairman Wayne Hays. The Hays bill appears to be shaping up as a version asking the least change—but unfortunately it, not the Anderson-Udall bill, will be the basis for House action. Thus the task in the House will be to beef up the eventual Hays bill in the three areas it appears likely to be weak—in providing for a strong enforcement arm under an independent Federal Election Commission; in making sure campaign spending limits are set high enough so that rivals will have a fair chance to unseat incumbents; and in providing public financing for congressional as well as presidential races.

Representative Hays only a couple of weeks ago seemed determined to clamp procedural restrictions on his bill so the House would have to pass it or reject it, without democratic debate and amendment. Fortunately, after a stiff public rebuke catalyzed by a full-page Common Cause ad, Representative Hays has reportedly decided to let his committee's bill get the review by the House that it needs.

ITS SHAPE

What are the campaign finance reforms it is now hoped Watergate will bring?

Reform advocates put them into four main groups:

1. An independent enforcement body. Both the Senate bill and the Anderson-Udall bill would create a Federal Election Commission (FEC) with its own power to prosecute offenders. The Hays bill would omit the FEC and would leave enforcement in the Justice Department. The Nixon proposal would create an FEC, but would follow the Hays bill in leaving enforcement to the Justice Department. A conflict is posed by having the Justice Department—a Cabinet department within the executive branch shown vulnerable to political pressure by Watergate—police election finances. Reform advocates think the Senate/Anderson-Udall provision for independent enforcement will likely be passed.

2. Limits on contributions. The amount individuals or interest groups could contribute to campaigns varies in the Senate, Anderson-Udall, Hays, and Nixon versions. But limits appear likely to pass. The Senate bill would allow individuals to give a candidate $3,000 for a primary race, another $3,000 for the general election, for a total of $6,000 per candidate. An individual could give no more than $25,000 for all campaigns he wanted to cover. In the various versions, interest groups—such as the political action committees of business, labor, and public interest organizations—could be limited to a ceiling ranging from $2,500 to $6,000 in contributions to single candidates. But they could give in all House and Senate as well as presidential contests, without the $25,000 aggregate limit individuals would face.

3. Limits on campaign spending. The Nixon administration is against limits on campaign spending; the Hays and Senate versions include them, using different formulas. The Hays bill would set a $20 million limit on a presidential race, which appears a sufficient sum. But it would set a low House race ceiling, say of $50,000 or $60,000. Since in most recent tight House races spending passed the $100,000 mark, the low ceiling has been dubbed an "incumbents protection act" by reform advocates. Ironically, then, reformers want to keep campaign spending high enough so that incumbents don't swap the 2-to-1 advantage they now hold in attracting funds, for a law that would keep challengers from mounting a viable campaign.

4. Public subsidies for primary and general elections. Emerging proposals vary on this issue. The administration opposes any mandatory or voluntary public financing for any election. The Hays bill would make public financing of presidential general elections mandatory, the revenue to come from the existing tax checkoff system; but it would skip public financing for presidential primaries or for congressional races. The Senate bill would allow full public funding for presidential and congressional general elections, plus public funds in primaries on a matching basis. Some compromise is likely to develop.

The healthy inflow of tax-checkoff money on federal income tax returns now indicates there would be plenty in the Treasury to pay for a presidential primary and general elections in 1976. Raising the money for public funding of all federal elections thus should be no problem.

AND PURPOSE

The purpose of campaign finance reform is to reduce the influence of special interest money-givers to tolerable limits.

Reducing the amount an interest group can give any officeseeker to, say, $2,500 in a $100,000 campaign should keep politicians from being pocketed by big givers. When contributors can give as much as $20,000 or more as they do now, it is much harder for office holders to ignore their wishes.

The purpose of campaign finance reform is not to do away with influence groups, however. Lobbies presenting the views of business or labor or of the environmentalists should have the right to petition congressmen openly and to present their cases to the public. This is democratic procedure.

Nor is the purpose of campaign reform to weaken the present political system and eliminate entirely such rites as the fund-raising dinner. Abuses should be stopped. Interest groups should not be able to buy up seats at party dinners or earmark gifts for specific candidates. Functions like dinners help in rallying the faithful. But with such events as the $1,000-a-plate Republican and $500-a-plate Democratic fund-raising bashes in recent days; with most giving coming from interest groups, rallying the voters seems less the goal than raking in the dollars.

Nor need parties be weakened because candidates would be less dependent on them for financial support. The two major parties have been losing voter allegiance as it is, under the present system. They could perhaps regain influence among thoughtful voters if the parties stressed platform and policies more, and financial power less.

Again, the purpose of campaign finance reform is to hold the influence of money-giving to tolerable limits. When 90 percent of campaign contributions come from only 1 percent of the people, as is now the case, too much influence is clearly in too few hands.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on each of the two amendments to be offered by the Senator from Tennessee (Mr. BAKER), No. 1126 and No. 1075, there be a time limitation of 1 hour, to be equally divided and controlled in accordance with the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENSON. Mr. President, the pending amendment No. 977, does not require the disclosure of income tax returns. As the Senator from Nevada mentioned, it does not require disclosure of charitable deductions. It does not require disclosure of any other deductions; it requires only the disclosure of the amount of income taxes and property taxes.

The reason for the disclosure requirement should be painfully obvious to every Member of the Senate. The reason is that the public wants to make sure of the integrity of its tax system, it wants to make sure of the integrity of the political institutions in this country, and of its public men and women. Doubts in the public mind about whether all Federal officials are really paying their fair share of taxes are understandable; and the American people have a right to be reassured on that score. I do not expect the amendment will prevent wrongdoing or expose wrongdoing. I am sure that most public officials pay their taxes. This is for the benefit of the vast majority of public officials who are law abiding and who do abide by the laws which they make and administer, as well as for the public's benefit. Its primary purpose is to put to rest those suspicions and those doubts about not only the integrity of men and women in public office, and candidates running for public office, but about the institutions of this country, including its tax system.

Mr. CANNON. On the matter of property taxes, that is already a matter of public record so the Senator has not asked for anything that is not a matter of public record. The only thing the Senator is asking for is the amount of the income tax they file. The question is, does the Senator want to require everyone to make public the amount of his income tax? If the Senator does, he might just as well have them file the entire income tax return and make it public.

So far as I am concerned, I would just as soon make everyone's public and I may offer an amendment to that effect.

Mr. STEVENSON. If it is true that property taxes are a matter of public record, then there should not be any objection to that portion of the amendment. The fact is that information on property taxes is very difficult to obtain. In some States it is more difficult than in other States. This amendment would collect that information in one central place and make it easily available to the public.

On the other point, I feel strongly that public officials do have a right to privacy, and that their privacy should be protected. Disclosure of the income tax return would invade that right. This amendment is intended to strike the balance between the right of privacy on the one hand and the American public's right to know.

Mr. President, I am prepared to yield back the remainder of my time.

Mr. CANNON. Mr. President, I yield back the remainder of my time.

Mr. STEVENSON. Mr. President, I yield back the remainder of my time.

Mr. CANNON. Mr. President, I move to table the amendment of the Senator from Illinois (Mr. STEVENSON).

Mr. STEVENSON. Mr. President I ask for the yeas and nays.

There was not a sufficient second.

Mr. STEVENSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CANNON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CANNON. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nevada to table the amendment of the Senator from Illinois (Mr. STEVENSON).

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Alaska (Mr. GRAVEL), the Senator from Iowa (Mr. HUGHES), and the Senator from Texas (Mr. BENTSEN) are necessarily absent.

I further announce that the Senator from Kentucky (Mr. HUDDLESTON) is absent on official business.

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BROCK), the Senator from Maryland (Mr. MATHIAS), the Senator from Illinois (Mr. PERCY), and the Senator from Texas (Mr. TOWER) are necessarily absent.

I also announce that the Senator from Virginia (Mr. WILLIAM L. SCOTT) is absent on official business.

I further announce that the Senator from Vermont (Mr. AIKEN) is absent due to illness in the family.

I further announce that, if present and voting, the Senator from Illinois (Mr. PERCY) would vote "nay."

The result was announced—yeas 34, nays 55, as follows:

[No. 108 Leg.]

YEAS—34

Baker
Bennett
Bible
Buckley
Byrd, Harry F., Jr.
Cannon
Church
Cotton
Curtis
Domenici
Dominick
Eastland
Ervin
Fannin
Fong
Goldwater
Hansen
Hart
Hartke
Helms
Hruska
Long
McClellan
McClure
McGee
Moss
Nunn
Pell
Sparkman
Stennis
Taft
Talmadge
Tunney
Young

NAYS—55

Abourezk
Allen
Bartlett
Bayh
Beall
Bellmon
Biden
Brooke
Burdick
Byrd, Robert C.
Case
Chiles
Clark
Cook
Cranston
Dole
Eagleton
Griffin
Gurney
Haskell
Hatfield
Hathaway
Hollings
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Magnuson
Mansfield
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Muskie
Nelson
Packwood
Pastore
Pearson
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Stafford
Stevens
Stevenson
Symington
Thurmond
Weicker
Williams

NOT VOTING—11

Aiken
Bentsen
Brock
Fulbright
Gravel
Huddleston
Hughes
Mathias
Percy
Scott, William L.
Tower

So the motion to table was rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. CANNON. Mr. President, does the distinguished Senator from Illinois ask for a rollcall vote?

Mr. STEVENSON. Mr. President, I ask unanimous consent that the order for the yeas and nays be vacated.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ALLEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. Mr. President, I call up

amendment No. 1052 and ask that it be stated by the clerk.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk proceeded to read the amendment.

Amendment No. 1052 is as follows:

> SEC. 402. No Member of Congress shall accept or receive any honorarium, fee, payment, or expense allowance other than for actual out-of-pocket travel and lodging expenses from any source whatsoever for any speech, article, writing, discussion, message, or appearance other than in payment of his official salary and for official reimbursements or allowances from the United States Treasury.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. ALLEN. Yes; I am delighted to yield.

Mr. ROBERT C. BYRD. It is my understanding the Senator would want the yeas and nays on this amendment.

Mr. ALLEN. Yes.

Mr. ROBERT C. BYRD. Having discussed this amendment with the distinguished Senator, I understand it is agreeable with him if we get consent to vote on the amendment at the hour of 2:30 p.m. today.

Mr. ALLEN. That would be entirely satisfactory to me.

Mr. ROBERT C. BYRD. Mr. President, I propose a unanimous-consent request, without any division of time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COOK. Mr. President, will the Senator yield?

Mr. ALLEN. I yield.

Mr. COOK. Does the Senator have any idea how long he wishes to take on this amendment?

Mr. ALLEN. Well, I will speak all the time that another Senator does not wish to speak. If the Senator would wish to use the entire time, it would be satisfactory to the Senator from Alabama. I will yield any time the Senator desires to speak.

Mr. COOK. All I wish to do is clear up the time situation. I have no objection to the amendment. From my standpoint, I would be perfectly willing to accept the amendment. I was wondering, with the vote not occurring until 2:30, whether the Senator would wish to dwell on this subject until 2:30, or recess until a convenient time.

Mr. ALLEN. No, I do not think we ought to recess. I think this is a very important matter, which should be fully debated. I do not think we should recess. I think it would be well if the Senator could encourage other Senators to come in and listen to this discussion.

Mr. COOK. I would suggest that this is his amendment. I appreciate the suggestion that I encourage other Senators to come in and hear the debate, but it is his amendment, and I am sure he would want other Senators to come here.

Mr. ALLEN. I appreciate the distinguished Senator from Kentucky's sitting through the discussion. I hope he will lend his approving voice to the amendment. I understood him to say he was for the amendment.

Mr. COOK. That is right.

Mr. ALLEN. I apppreciate that position of the distinguished Senator. I believe it would be about the first amendment that we have agreed upon since this bill has been under discussion for the last 7 or 8 days.

Mr. COOK. I am not sure whether it is or not.

Mr. ALLEN. The Senator is for public financing, and the Senator from Alabama is not; many of the amendments have had that context in them.

Mr. COOK. I am not here to get into a colloquy with the distinguished Senator about the rest of the bill; it was just about this amendment.

Mr. ALLEN. I thank the Senator.

Mr. President, I think it might be well, in accordance with the custom, inasmuch as the clerk did not read the amendment except by title, to read what is in the amendment. The amendment proposed by the junior Senator from Alabama would add a new section to the bill, section 402, which is to be inserted on page 85, between lines 5 and 6. The following new section would be added:

> No Member of Congress shall accept or receive any honorarium, fee, payment, or expense allowance other than for actual out-of-pocket travel and lodging expenses from any source whatsoever for any speech, article, writing, discussion, message, or appearance other than in payment of his official salary and for official reimbursements or allowances from the United States Treasury.

That would include a Member of the House of Representatives or a Member of the Senate.

The figures that I noticed in a memorandum just the other day—I do not have the memorandum with me at the time, but this would be an important point—indicated that in 1972, Members of the Senate received more than $600,000 in honoraria or payments for speeches or appearances.

I have no hesitancy in offering this amendment, because the Senator from Alabama, since he first entered politics as a member of the Alabama State Legislature in 1939, has never accepted any fee, payment, honorarium, expense payment, or anything else of value whatsoever for any appearance or speech that the Senator from Alabama has ever made.

The Senator from Alabama takes the position that if he feels that it is a part of his duty and responsibility as a Member of the U.S. Senate to accept an invitation to speak or appear on a program, that appearance should be at the expense of the Senator from Alabama. That is the invariable custom the Senator from Alabama has followed for some 35 years, and he expects to continue that custom.

Much more important, though, than this amendment, which I anticipate will get a fairly good vote, was an amendment that the Senator from Alabama introduced some time ago. That amendment received very little notice in the media. It was an amendment that would have prevented——

Mr. COOK. Mr. President, will the Senator yield, so that we might ask for the yeas and nays?

Mr. ALLEN. Yes, I yield for that purpose.

Mr. President, I ask for the yeas and nays on this amendment.

The yeas and nays were ordered.

Mr. COOK. I thank the Senator.

Mr. ALLEN. Mr. President, the amendment the Senator from Alabama offered would have prevented any Member of the 93d Congress, the Congress which we are now in, from receiving any matching funds, or any Federal subsidy, in connection with a race for the Presidential nomination of either of the political parties for the Presidential term commencing January 20, 1972, which, of course, will be the position that will be at stake in 1976. A fairly good vote was cast for that amendment.

The Senator from Alabama took the position that if the public taxpayer subsidy was an idea whose time had come, then certainly a Member of Congress who favored the subsidy plan would have no objection, in order to get the principle enacted, to waiving his right or claim to any subsidy payment by the taxpayers which would aid him in furthering his political ambition in the race for the presidential nomination of one of the two major parties.

The Senator from Alabama felt that surely what was involved was not money, but principle. He felt certain that those who are pushing the bill—and it is quite obvious that some of the people who are pushing the bill are perpetual candidates for President—the Senator from Alabama thought that since there was so much interest in this principle, they would be willing to waive their claim to a subsidy in their race for the presidential nomination. But he was wrong about that. There was not a single Member of the Senate who was regarded as a possible or probable potential candidate for the Presidency who voted for the amendment of the Senator from Alabama—not a single one of them.

Mr. DOLE. Mr. President, will the Senator yield for a question?

Mr. ALLEN. I yield.

Mr. DOLE. Let me say, as a part of the question, that I share the view that the Senator expressed with reference to the amendment. I was wondering whether the Senator could not modify his amendment to include a Member of Congress, so as to prevent a Senator or Member of the House from receiving any such income. It might be fair to prevent him from receiving any other income, whether it be stocks, bonds, interest, or whatever else it may be.

Mr. ALLEN. If the Senator wishes to offer an amendment, the amendment will be open to amendment at 2:30 o'clock. There would be nothing to prevent the Senator from offering an amendment of that sort.

Mr. DOLE. The question is whether there might be any income different from an honorarium.. There might be income from some other source.

Mr. ALLEN. I have no opinion, one way or the other, on the Senator's proposal. But anything which makes use of the office of the U.S. Senator or Member of the House of Representatives is, I think, subject to regulation by Congress.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. ALLEN. I yield.

Mr. TOWER. As the Senator from Kansas has said, the outside income part would be waived.

Mr. ALLEN. I do not know about outside income.

Mr. TOWER. Would the Senator from Alabama agree to accept such an amendment?

Mr. ALLEN. I woud have to see the amendment.

Mr. TOWER. It occurs to me that what the Senator is proposing means that perhaps the people who, before they came to the Senate, had never accumulated any of the world's wealth, will not be allowed to make any additional income, while those who have inherited wealth may continue to enjoy such wealth. I hope that that never occurs.

Mr. ALLEN. The Senator from Alabama does not see it that way. The fact is that no Member of Congress should use his office for the purpose of obtaining outside honoraria or payments that he would not receive if he were not a Member of Congress.

Mr. TOWER. What about Members of Congress who were lecturers for honoraria before they came to Congress.

Mr. ALLEN. This does not control that. This just seeks to control the actions of Members of Congress while they are Members of Congress. Obviously that is all that can be controlled.

The Senator from Texas, on the expiration of his term of office, would be abel to obtain all the honoraria that anyone is willing to accord to him.

Mr. TOWER. What the Senator's amendment does is deny a professional lecturer or writer income from that profession after he becomes a Senator, but it does not deny a business man, lawyer, or farmer his income after he comes to the Senate.

Mr. ALLEN. Yes, but the Senator seems to overlook the fact that service in Congress is public service, whereas these other services the Senator is talking about are private services, and one private service added to another private service is all right. A private service added to a public service does not come out just right, in the opinion of the Senator from Alabama.

Mr. TOWER. Could a Senator use his public office to enhance his personal wealth by using the office to enhance his business interests?

Mr. ALLEN. This Senator does not have any business interests.

Mr. TOWER. This Senator does not, either.

Mr. ALLEN. What is the Senator arguing about, then?

Mr. TOWER. I am simply pointing out what I consider to be the shortcomings in the Senator's amendment.

Mr. ALLEN. The Senator has a right to argue against it, and also vote against it, and I imagine the Senator will be in the majority.

Mr. TOWER. Because he is prorich and antipoor, is that it?

Mr. ALLEN. That is what the Senator says. The Senator from Alabama does not see it that way.

Mr. President, going on with the amendment forbidding Members of the 93d Congress from running for President on the political subsidy provided by this bill: I say, Mr. President, that if we knock out of this bill—and the Senator from Alabama has tried to do that and failed—this tremendous subsidy for candidates for the Presidential nominations of the two parties, we would find practically all the wind out of the sails of this bill. This is a monumental subsidy, Mr. President, that is given to potential candidates for the Democratic nomination and the Republican nomination for the Presidency.

Mr. President, there are more candidates for the Presidency here in the halls of Congress than in any other area. From reading in the newspapers from time to time about the various candidates of potential candidates, it appears that there are some 8 or 10 in Congress that are regarded as candidates for the Presidency. None of them have made any outright announcements, but every single one of them will have the right to get from the Public Treasury up to $7.5 million, each.

Is that campaign reform? That adds a new element: in order to get that $7.5 million, it would be necessary for one of these candidates—and do not forget that this subsidy provision is going to increase greatly the number of candidates—to receive in contributions of up to $250 a like amount, because the matching is on a 50–50 basis.

I thought the argument had been made that one of the reasons that political campaigns are not conducted properly is that there is too much money being spent. Well, if that be stricken, why add this $7.5 million to the campaign funds of the various candidates for the Presidency? That would be doubling, I assume in most cases, what had been raised from private sources.

What ought to be done, Mr. President—and earlier today the Senator from Alabama offered an amendment that would have done so—is cut the amount of contributions to be made down to a maximum of $250 for Presidential races and $100 for congressional races. But it got mighty few votes, because there is no interest in cutting down on overall expenditures. There is no interest in that, as witness the Presidential nomination contests, adding $7.5 million to the $7.5 million that the candidate collects.

Another danger that I foresee, Mr. President, in this tremendous subsidy given to Presidential candidates, is in the fact that they do not have to go into these Presidential preference primaries. All they have to do is receive contributions and get them matched by the Federal Government, matched by the taxpayers. They could refrain from going into the primaries, conserve these tremendous sums of money, and go to the national conventions of the parties with a campaign fund for expenditures at the convention of up to $15 million.

Well, I do not say that anything improper would take place with a candidate or two candidates or three candidates being in Chicago or Miami at the national convention armed with $15 million in cash. That is possible under this bill. I do not know that a sinister use would be made of that $15 million. But I do not see that the Federal Government, the taxpayers of the country, should be called on to put up a subsidy of $7.5 million to everyone who wants to run for President and who can get out and raise a quarter of a million dollars. That is the requirement.

I guess you have to be 35 years old to get this money, but that would be the only requirement—that and getting $250,000 in contributions of not more than $250. So it could all be raised in one State; it could all be raised in one county, or it could all be raised in one city. It could all be raised by members of a pressure group, and once they raise the $250,000, they apply to the Federal Government to match them. It backs up and takes that in, and acts prospectively and retrospectively. It takes them all in, everything they have collected and everything they will collect in the future, on matching.

I believe that that amendment, if properly presented to the country, would receive the support of the American people, not making that money available to Members of Congress to set up the subsidy plan.

There has been talk about the danger of big contributions. Well, if Senators have any worry about big contributions, they ought to support the amendment I introduced earlier today—to limit the contribution to $250 to a Presidential fund for House and Senate. They are not worried so much about that. It seems to me that they are worried about wanting tremendous sums on which to run. That is what they want.

A time or two I have used the example of the State of California. I use that because that is a large State. Not only do they provide for matching half the contributions in the Senate race up to a $100 contribution, not only do they provide for matching all those contributions up to a total of $1,400,000 in a Senate race, which would be, potentially, possibly $700,000 from the Federal Government and $700,000 from the candidate—that is, in the primary—but once they get to the general election, what do they do?

The Federal Government writes them a check for each one of the candidates in the major parties. They may have financed half a dozen or a dozen candidates in the two primaries, but once that shapes down and it gets down to one on each party, they write each one of those candidates a check for $2,121,000. That is a pretty nice little "kitty" to be paid out of the taxpayers' pockets.

Mr. President, earlier this year, the Senate, when a proposal was submitted to it of raising the salaries of Members of Congress, House and Senate, by some $2,500—and the Senator from Alabama voted against that—the Senate by a top-heavy vote, as a result of strong public opinion against it, voted down that pay raise, even though it provided for only a $2,500-a-year raise for Members of the House and Senate.

Mr. President, what is the public going to think—if they are ever advised, and of course the news media are not going to do a great deal about advising the public—when they find out that we are setting up a fund of up to $7.5 million for each Member of the House and Senate that wants to run for President—$7.5 million, up to that amount?

I do not believe that the public will look with much favor on that. I do not believe the public, and I do not believe the citizens of California, would favor it for every candidate in both primaries out there running for the Senate, and then $2,121,000 for each candidate for the Senate in the general election.

If they balk at raising a Senator's salary by some $2,500, do you not think, Mr. President, they would choke on a $7.5 million fund for a Presidential candidate who is a Member of Congress?

I believe that they would. Do you not think, Mr. President, that they would look with disfavor on setting up a general election campaign financed to the extent of $2,121,000 for each party candidate for the Senate?

Why should such tremendous sums be spent, Mr. President, in taking the election process and removing it far from the grassroots, far from the people back home, at a time when we need to take more interest in our campaigns, when we need more voluntary participation, and not this mandatory contribution by the taxpayers?

Mr. President, on the general election subsidy, it would require the taxpayer—as a member of the great body of taxpayers throughout the country to help finance, because every taxpayer and every citizen has an interest in the condition of the Treasury and where the tax money goes—to pay for the campaign expenses of a candidate with whose views and political philosophy he is in strong disagreement.

Is that democracy? Is that reform, to put that burden on the taxpayer and say; "Whether you like it or not, your funds will be used to support a candidate whether you agree with his views or not"?

A dyed-in-the-wool conservative would be paying the campaign expenses, or helping to pay them, or an ultraliberal taxpayer would be required to help pay the expenses of an ultraconservative candidate.

I would much prefer the approach of the Senator from North Carolina (Mr. ERVIN) and the Senator from Tennessee (Mr. BAKER). Later on today, as I understand it, they will propose an amendment to knock out title I and substitute a provision giving the taxpayer a credit of half his contribution up to $300. In other words, that would be in effect a rebate of $150. That would let the taxpayer make contributions to anyone he saw fit, someone whose views more nearly coincided with his own.

So that sort of approach appeals to the Senator from Alabama. Certainly he would support that amendment.

Mr. President, getting back to the case of the situation in California—and it is the same picture throughout the country, although to a lesser degree, but naturally the figures are higher in California—the subsidy that the taxpayer would be giving each of the candidates for the Senate in the general election, this subsidy of $2,121,000—and I get that figure from information prepared by the Committee on Rules and Administration—I did not furnish it myself—after consulting the information, I see that my memory was right on it—the figure is $2,121,000.

Let us compare that with the salary of a U.S. Senator. There should be some relationship, I would assume, between the compensation paid to the holder of an office and the amount of his campaign funds. Let us see how that compares with the Government paying each of the Senate candidates $2,121,000. There is no provision about prudent management of this money. It is turned over to him, apparently, just in one big check. He can go out and hire his brother-in-law to be his campaign manager, at a big salary. He can give some cousin in the advertising business an override on his expenditures. He can set up a high-salaried campaign staff. The Government is paying it all, every dime of it. There is no requirement whatsoever for prudent management of this money. It just hands it over to him.

According to my arithmetic, a U.S. Senator would make, during his 6-year term, in the neighborhood of a quarter of a million dollars, slightly more. But the Government, the taxpayer—the regimented taxpayers, I might say, not the voluntary taxpayers—would be paying for his campaign fund 9 times as much as the Senator would earn in his entire 6-year term. There is something wrong somewhere with a situation such as this. That is what this bill provides. I am not making this up; I am not advocating it; as a matter of fact, I am condemning it. The Government would pay 9 times as much money to the Senator as he would earn in 6 years of service in the U.S. Senate, with not a single bit of control over that money, except that it is required to go for campaign expenses.

MR. TOWER. Mr. President, will the Senator yield for a question?

Mr. ALLEN. I yield.

Mr. TOWER. I agree with the Senator and his argument against public financing. I am strongly opposed to it. I do not quite see the relationship between the amendment the Senator has offered now to the issue of public financing, and I am wondering whether the Senator would accept an amendment in this form.

At the end of line 7, strike the period and insert in lieu thereof a comma and the following language:

> nor shall he accept any subsidy payment from the U.S. Treasury, nor shall he accept any income from any enterprise that is regulated or financed either wholly or in part by the government of the United States.

Mr. ALLEN. I am sorry; I did not hear the first two words. Would the Senator read it again or let me have a copy?

Mr. TOWER. I will be glad to provide the Senator with a copy.

At the end of line 7, strike the period and insert a comma and the following:

> nor shall he accept any subsidy payment from the U.S. Treasury, nor shall he accept any income from any enterprise that is regulated or financed either wholly or in part by the government of the United States.

Mr. ALLEN. I would suggest to the Senator that I would like to have a vote up and down on the amendment I have offered. If the Senator would like to offer it as an amendment, he would certainly have a right to do so; and I would be willing at this time, inasmuch as we have a vote scheduled at 2:30, to yield to him, if we can get unanimous consent, so much of that time as he would like to have in order to advocate his amendment.

Mr. TOWER. If I might ask the Senator a further question——

Mr. ALLEN. I would not want to dilute the amendment I have offered.

Mr. TOWER. This would not dilute it; it would strengthen it.

Mr. ALLEN. If the Senator feels that way about it, he is at liberty to offer an amendment.

Mr. TOWER. Does not the Senator feel that this is consistent with the amendment he is offering?

Mr. ALLEN. What the Senator from Alabama is seeking to reach is one thing. If the Senator from Texas wishes to reach something else, he has a right to offer an amendment.

Mr. TOWER. It is my understanding of the thrust of the Senator from Alabama's amendment that a Senator should not use his office to make additional money. What about a Senator who votes on an agricultural subsidy and yet receives that subsidy? What about a Senator who votes on the regulation of the securities industry and has income from securities?

Mr. ALLEN. Is the Senator talking about a Senator using his office to obtain additional funds? The Senator is talking about a Senator using his vote.

Mr. TOWER. Is he using his office to lecture, if perhaps it is a professional lecture? Why is it necessary that he use his office for a lecture fee?

Mr. ALLEN. I ask the Senator if he thinks that a Senator is as much in demand for lectures after leaving the U.S. Senate as he is while he is a Member of the Senate?

Mr. TOWER. It is very probable that membership in the Senate enhances one's ability to be invited to speak for honoraria. But it also occurs to me that a Senator does have the opportunity to vote on matters from which he may derive income. That is the thrust of this amendment.

Mr. ALLEN. I suggest to the Senator that he offer his own amendment. The Senator from Alabama has offered his. It would be up to the Senator from Texas to offer his amendment, if he thinks well of it.

Mr. TOWER. I am sorry; I did not hear the Senator.

Mr. ALLEN. Did the Senator offer an amendment?

Mr. TOWER. I will offer it as an amendment when the time of the Senator from Alabama has expired.

Mr. ALLEN. As I told the Senator, if he wishes time, the Senator from Alabama will yield him such time as he wishes, in order that he might offer his amendment and discuss it.

Mr. TOWER. All right.

Mr. President, I send to the desk an amendment and ask that it be stated.

Mr. ALLEN. How much time does the Senator wish?

Mr. TOWER. 3 minutes.

Mr. ALLEN. Mr. President, I ask unanimous consent that I may yield 3 minutes to the distinguished Senator from Texas.

The PRESIDING OFFICER. The Chair advises the Senator from Alabama that he has no time under his control.

The amendment will be stated.

The assistant legislative clerk read as follows:

> On page 1, line 7, strike the period and in lieu thereof insert a comma and the following:
>
> nor shall he accept any subsidy payment from the U.S. Treasury, nor shall he accept any income from any enterprise that is regulated or financed either wholly or in part by the Government of the United States.

Mr. TOWER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. TOWER. Inasmuch as this is an amendment to the amendment of the Senator from Alabama, on which the yeas and nays have been ordered, is it necessary to get the yeas and nays on this amendment, specifically?

The PRESIDING OFFICER. The answer is "Yes."

Mr. COOK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. COOK. If the Senator asks for the yeas and nays, he may have the yeas and nays.

The PRESIDING OFFICER. The Senator is correct.

Mr. COOK. But am I not correct, from a parliamentary point of view, that the yeas and nays on his amendment cannot take place until 2:30?

The PRESIDING OFFICER. The vote on the amendment of the Senator from Texas can come right now, if he has finished speaking.

Mr. TOWER. Mr. President, I ask for the yeas and nays on my amendment. I will ask for them as soon as we get enough Senators in the Chamber to provide a second.

Mr. President, while other Senators are coming to the floor, let me say that if we are going to bar one form of outside income from Members of Congress, I think we should bar other forms. I do not believe that anybody I know in the U.S. Senate uses his office in an untoward or unethical or illegal way to line his pockets. I believe there are a hundred honorable men here. But if the intent of this amendment is to remove any suspicion from Members of the Senate, it seems to me that we should go all the way.

It appears to me that the amendment I offer is entirely consistent with the letter and the spirit of the amendment offered by the Senator from Alabama.

Mr. COOK. Mr. President, will the Senator yield so we may ask for the yeas and nays?

Mr. TOWER. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second. The yeas and nays are ordered.

Mr. PELL. Mr. President, will the Senator yield for a question?

Mr. TOWER. I yield for a question?

Mr. PELL. In the Senator's amendment when it is stated that no Senator may accept a subsidy, would that include the subsidy of public financing?

Mr. TOWER. It would not include public financing, and that is explicit, in that public financing is expressly authorized. The subsidy would be such matters as agricultural subsidies, and other funds the Government offers as an inducement to do or not to do something, or to pursue or not to pursue a certain enterprise.

Mr. PELL. I thank the Senator.

Mr. COOK. Mr. President, will the Senator yield?

Mr. TOWER. I yield.

Mr. COOK. In other words let us take this example. This Senator voted in favor of the so-called Lockheed bill. I have no stock in any airline, any airline company, or anywhere else but if he had voted in favor of such a thing that would be in the nature of receiving a subsidy from the United States. Is that correct?

Mr. TOWER. In connection with that legislation I was the minority floor manager. I maintained that was not a subsidy but that it was a Government guarantee to them. But had someone here been a stockholder in Lockheed he could have been a beneficiary in that the Government guaranteed loans and keep the company from falling to its knees.

Mr. COOK. If we take that situation to be in the category of a loan guarantee, which I am willing to accept, let us take the receipt of a direct benefit. Take the so-called farm pond programs where they build ponds all over the United States.

Mr. TOWER. That would be included in the purview of my amendment. In addition, the interstate sales of securities in this country is restricted by the Securities and Exchange Commission, which would deal with any money from securities.

Mr. COOK. I know there are many types of direct agricultural subsidies. Would the Senator say this would be included in parities? As long as he sold his goods on the open market it would not be included.

Mr. TOWER. It would not be included, if he took the market regulated price. But if he took the subsidy, this would bar taking the subsidy, and he would have to go to the open market.

Mr. PELL. Mr. President, will the Senator yield further?

Mr. TOWER. I yield.

Mr. PELL. So that I can understand what the amendment provides, would this mean that if a Senator were a stockholder in a corporation and that corporation received a direct benefit of one sort of another from the Federal Government he would be prohibited by law from being in that position?

Mr. TOWER. He would not, provided that the corporation was not regulated or financed by the U.S. Government.

Mr. PELL. This really provides that all Senators must be sure that their investment portfolios do not include any industry affected by actions of the Federal Government, and that is every industry.

Mr. TOWER. I specify directly affected, through regulation or financing. I assume it would not apply to some business that is wholly without Government regulations, loans, financing, or funding.

Mr. HART. Mr. President, will the Senator yield?

Mr. TOWER. I yield.

Mr. HART Would a Senator who had on deposit funds in a savings account in a federally insured bank be subject to this provision?

Mr. TOWER. He would be subject to it because banks are regulated by the Federal Reserve System.

Mr. HART. Does the Senator think that that reaches a little broader than is needed or that is required in order that the people have confidence that we are not being influenced in our role here?

Mr. TOWER. I admit it is extreme, but where does one start? What should be considered legitimate and what should not be considered legitimate. To obviate doubt in anyone's mind we should go all the way.

Mr. PELL. Mr. President, will the Senator yield at that point?

Mr. TOWER. I yield.

Mr. PELL If the Senator goes all the way, as this amendment would do, it would mean that a Senator who has 100 shares in the XYZ corporation is not going to benefit; it would be impossible to count up the benefit to the infinitesimal part of a penny and he would be hard put, if he were lucky enough to have money, to know where to invest it.

Mr. TOWER. That is true. We make it difficult for people we confirm for the executive departments and agencies. We require them to put everything in a blind trust that might result in a conflict of interest. We virtually made Mr. David Packard take an oath of poverty before confirming him. I do not know why we cannot use that standard ourselves.

Mr. President, I am prepared to yield the floor.

Mr. COOK. Mr. President, will the Senator yield?

Mr. TOWER. I yield.

Mr. COOK. Would the Senator accept an amendment to his amendment, in the last sentence, which would say that the purchase of Government bonds and securities would be exempt from the amendment? I am a great believer in the purchase of Government bonds. I have bought them almost all my adult life and during a great deal of my young life. I try the best I can to get all the employees in my office to purchase them, to the best of their ability.

I am wondering because I feel strongly about making an investment in one's country and Government.

Mr. TOWER. I think the Senator has made an excellent point. I would be prepared to modify my amendment to that extent. If the Senator will frame such an amendment for me I would accept it.

Mr. President, in the interim, I suggest the absence of a quorum.

The PRESIDING OFFICER. Is there objection to the Senator modifying his amendment?

Mr. TOWER. We have to draft it first.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. COOK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, I ask unanimous consent that I may modify my amendment by adding a comma after the words "United States" and the words:

> Provided that any income from U.S. Government securities shall be exempt from this provision.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. Tower's amendment, as modified, to Mr. Allen's amendment is as follows:

> Nor shall he accept any subsidy payment from the U.S. Treasury, nor shall he accept any income from any enterprise that is regulated or financed either wholly or in part by the Government of the United States, provided that any income from U.S. Government securities shall be exempt from this provision.

Mr. ALLEN. Mr. President, I move to table the amendment offered by the Senator from Texas.

Mr. COOK. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the Tower amendment, as modified, to the Allen amendment. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. Fulbright), the Senator from Alaska (Mr. Gravel), and the Snator from Iowa (Mr. Hughes) are necessarily absent.

I further announce that the Senator from Kentucky (Mr. Huddleston) is absent on official business.

Mr. GRIFFIN. I announce that the Senator from Illinois (Mr. Percy) is necessarily absent.

I also announce that the Senator from Virginia (Mr. William L. Scott) is absent on official business.

I further announce that the Senator from Vermont (Mr. Aiken) is absent due to illness in the family.

The result was announced—yeas 44, nays 49, as follows:

[No. 109 Leg.]

YEAS—44

Allen
Bartlett
Bellmon
Bennett
Bentsen
Bible
Brooke
Byrd, Robert C.
Cannon
Case
Chiles
Cranston
Eagleton
Eastland
Ervin
Fong
Hartke
Haskell
Helms
Hollings
Humphrey
Inouye
Johnston
Kennedy
Long
Magnuson
Mathias
McClellan
McGee
Montoya
Moss
Muskie
Nunn
Packwood
Pell
Proxmire
Randolph
Sparkman
Stafford
Stennis
Symington
Taft
Talmadge
Young

NAYS—49

Abourezk
Baker
Bayh
Beall
Biden
Brock
Buckley
Burdick
Byrd,
Harry F., Jr.
Church
Clark
Cook
Cotton
Curtis
Dole
Domenici
Dominick
Fannin
Goldwater
Griffin
Gurney
Hansen
Hart
Hatfield
Hathaway
Hruska
Jackson
Javits
Mansfield
McClure
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Nelson
Pastore
Pearson
Ribicoff
Roth
Schweiker
Scott, Hugh
Stevens
Stevenson
Thurmond
Tower
Tunney
Weicker
Williams

NOT VOTING—7

Aiken
Fulbright
Gravel
Huddleston
Hughes
Percy
Scott,
William L.

So Mr. Allen's motion to lay on the table Mr. Tower's amendment, as modified, to Mr. Allen's amendment was rejected.

The PRESIDING OFFICER. The question recurs on the amendment of the Senator from Texas, as modified, to the amendment of the Senator from Alabama. On this question the yeas and nays have been ordered.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the yeas and nays be vacated and that we be permitted to have a voice vote.

Mr. ALLEN. I object.

The PRESIDING OFFICER. Objection is heard. On this question the yeas and nays have been ordered, and the Clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. Fulbright), the Senator from Alaska Mr. Gravel), and the Senator from Iowa (Mr. Hughes) are necessarily absent.

I further announce that the Senator from Kentucky (Mr. Huddleston) is absent on official business.

Mr. GRIFFIN. I announce that the Senator from Illinois (Mr. Percy) is necessarily absent.

I also announce that the Senator from Virginia (Mr. William L. Scott) is absent on official business.

I further announce that the Senator from Vermont (Mr. Aiken) is absent due to illness in the family.

The result was announced—yeas 56, nays 37, as follows:

[No. 110 Leg.]

YEAS—56

Abourezk
Baker
Bayh
Beall
Bellmon
Biden
Brock
Buckley
Burdick
Byrd, Robert C.
Cannon
Church
Clark
Cook
Cotton
Curtis
Dole
Domenici
Dominick
Fannin
Goldwater
Gurney
Hansen
Hart
Hartke
Hatfield
Hathaway
Hruska
Jackson
Johnston
Kennedy
Long
Magnuson
Mansfield
McGee
McGovern
McIntyre
Metzenbaum
Mondale
Moss
Muskie
Nelson
Pastore
Pearson
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Stevens
Symington
Thurmond
Tower
Tunney
Weicker
Williams

NAYS—37

Allen
Bartlett
Bennett
Bentsen
Bible
Brooke
Byrd,
Harry F., Jr.
Case
Chiles
Cranston
Eagleton
Eastland
Ervin
Fong
Griffin
Haskell
Helms
Hollings
Humphrey
Inouye
Javits
Mathias
McClellan
McClure
Metcalf
Montoya
Nunn
Packwood
Pell
Proxmire
Sparkman
Stafford
Stennis
Stevenson
Taft
Talmadge
Young

NOT VOTING—7

Aiken
Fulbright
Gravel
Huddleston
Hughes
Percy
Scott,
William L.

So Mr. Tower's amendment, as modified, was agreed to.

Mr. ABOUREZK. Mr. President, I have an amendment to the Allen amendment at the desk which I ask be stated.

The PRESIDING OFFICER. The amendment to the Allen amendment will be stated.

The assistant legislative clerk read as follows:

> On line 5, following "appearance", insert the words:
>
> "or any other compensation including but not limited to income from a law practice, stock and bond dividends and rentals,

Mr. ABOUREZK. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Dakota (Mr. Abourezk) to the Allen amendment.

On this question the yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. Fulbright), the Senator from Alaska (Mr. Gravel), the Senator from Iowa (Mr. Hughes), and the Senator from Louisiana (Mr. Johnston) are necessarily absent.

I further announce that the Senator from Kentucky (Mr. Huddleston) is absent on official business.

Mr. GRIFFIN. I announce that the Senator from Nebraska (Mr. Hruska) and the Senator from Illinois (Mr. Percy) are necessarily absent.

I also announce that the Senator from Virginia (Mr. William L. Scott) is absent on official business.

I further announce that the Senator from Vermont (Mr. Aiken) is absent due to illness in the famliy.

The result was announced—yeas 24, nays 67, as follows:

[No. 111 Leg.]

YEAS—24

Abourezk
Baker
Bellmon
Biden
Brooke
Buckley
Byrd, Robert C.
Church
Clark
Dole
Domenici
Gurney
Hart
Hartke
Hatfield
Hathaway
Mansfield
McGovern
McIntyre
Moss
Pearson
Stevens
Tower
Tunney

NAYS—67

Allen
Bartlett
Bayh
Beall
Bennett
Bentsen
Bible
Brock
Burdick
Byrd, Harry F., Jr.
Cannon
Case
Chiles
Cook
Cotton
Cranston
Curtis
Dominick
Eagleton
Eastland
Ervin
Fannin
Fong
Goldwater
Griffin
Hansen
Haskell
Helms
Hollings
Humphrey
Inouye
Jackson
Javits
Kennedy
Long
Magnuson
Mathias
McClellan
McClure
McGee
Metcalf
Metzenbaum
Mondale
Montoya
Muskie
Nelson
Nunn
Packwood
Pastore
Pell
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Sparkman
Stafford
Stennis
Stevenson
Symington
Taft
Talmadge
Thurmond
Weicker
Williams
Young

NOT VOTING—9

Aiken
Fulbright
Gravel
Hruska
Huddleston
Hughes
Johnston
Percy
Scott, William L.

So Mr. Abourezk's amendment to the Allen amendment was rejected.

Mr. McCLURE. Mr. President, few people question the conclusion of public opinion polls which show that the citizens of this country do not have a very high regard for the Congress, as an institution. We are all aware that recent ratings show the Congress in less favor than the President, despite his massive difficulties. I suggest that cynical political maneuvers such as the one we just witnessed do little to dispel this attitude. The people of this country are not stupid, Mr. President. They demand a degree of candor in our public dealings which is not met by political posturing. I do not mean to question the motives of any individual Senator, but the effort to load the amendment of the Senator from Alabama (Mr. Allen) in order to kill it should be too evident to pass notice. I am opposed to the Allen amendment, but I am not going to hide that behind a motion to table. Let those who voted for the substitute of the Senator from Texas (Mr. Tower) now reveal their motive by voting on adoption of the amendment as amended. Let no one be misled by looking only at one vote or the other by itself.

Mr. President, this kind of silly schoolboy activity does not lend great credit to our institutions which are under such constant attack today. I am sorry we sometimes act in a way which justifies the accusations of our critics.

Mr. BUCKLEY. Mr. President, I want the record to be clear as to why I am supporting the Allen amendment, and the amendments thereto, that would outlaw honoraria and other sources of outside income. I personally see no reason why a Senator should not supplement his income in such spare time as he may have. It is no secret that many of us need supplementary income to cover the full cost of servicing our constituents. Expense allowances for larger States simply are inadequate to cover all expenses. But if it takes adoption of this kind of pious and hypocritical nonsense to scuttle a bill that I am convinced will do profound harm to our political system, I will gladly cooperate.

Mr. CANNON. Mr. President, now that the folly of the last few minutes has had an opportunity to sink into my colleagues, may I pose a parliamentary inquiry?

The PRESIDING OFFICER (Mr. Helms). The Senator will state it.

Mr. CANNON. Does the question now occur on the Allen amendment as modified, as amended by the Tower amendment as modified?

The PRESIDING OFFICER. That is correct.

Mr. CANNON. And would the Chair advise whether a motion to table would now be in order?

The PRESIDING OFFICER. It would not be in order.

Mr. CANNON. Would the Chair state the reason why the motion to table would not be in order?

The PRESIDING OFFICER. A unanimous-consent agreement was entered into to vote on the Allen amendment. Therefore, a motion to table is not in order.

Mr. CANNON. Mr. President, was the unanimous-consent agreement to vote on the Allen amendment as modified, as amended and modified?

The PRESIDING OFFICER. The Chair is advised that the answer is "No," but the precedent prevails since there was unanimous consent on the Allen amendment, regardless of whether it was modified or not.

Mr. CANNON. Mr. President, I ask unanimous consent that it be in order to move to table the Allen amendment as modified, as amended by the Tower amendment, as modified.

The PRESIDING OFFICER. Is there objection?

Mr. ALLEN. I object.

Mr. PASTORE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. PASTORE. What is the ruling of the Chair?

The PRESIDING OFFICER. Objection is heard.

Mr. PASTORE. No; I mean with respect to the question of laying it on the table.

The PRESIDING OFFICER. The motion to table is not in order.

Mr. PASTORE. I make an appeal from the ruling of the Chair. I appeal the ruling of the Chair.

Mr. ALLEN. Mr. President, I call for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second. The yeas and nays are ordered. The question is, Shall the ruling of the Chair stand?

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MANSFIELD. If a Senator wishes to uphold the ruling of the Chair, does he vote yea or nay?

The PRESIDING OFFICER. He would vote "Yea."

Mr. MANSFIELD. And if he does not, he votes "Nay."

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. Mr. President, the Chair is correct in its ruling. The unanimous-consent request earlier was to vote on the Allen amendment at the hour of 2:30 p.m. By virtue of that order, a tabling motion would not be in order.

I hope, with all due deference to my distinguished friend from Rhode Island, that the Senate will not now vote to overrule the ruling of the Chair because if we do that we are going to overrule precedents going back a long way, and I think it is a very dangerous thing for the Senate to do.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. PASTORE. We had a unanimous-consent agreement to vote at 2:30 p.m. Why have we waited until 3:20 p.m. to do it?

Mr. ROBERT C. BYRD. Because amendments were offered to the amendment.

Mr. PASTORE. Why were they in order?

Mr. ROBERT C. BYRD. Because under the precedents, even though a vote is to occur at a given time on an amendment, any Senator is entitled to offer an amendment when the time has expired and have a vote on his amendment without debate.

Mr. PASTORE. Did the distinguished majority whip agree with the Senator from Alabama that this would be the situation on the unanimous-consent agreement?

Mr. ROBERT C. BYRD. The whip, and I am sure the Senator from Alabama, did not foresee all the amendments, but in accordance with precedent, may I say to my distinguished friend that I hope we do not overrule the ruling of the Chair.

Mr. PASTORE. Would it please my distinguished friend the whip if the Senator from Rhode Island were to withdraw his motion?

Mr. ROBERT C. BYRD. I wish the distinguished Senator would do that.

Mr. PASTORE. Mr. President, in order to accommodate the distinguished whip, I withdraw my motion.

Mr. COOK. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. COOK. Mr. President, I would suggest that the Senator ask unanimous consent to do so because he asked for the yeas and nays.

The PRESIDING OFFICER. It will take unanimous consent.

Mr. PASTORE. Mr. President, I ask unanimous consent to do so.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I wonder if the distinguished Senator from Alabama would now allow the Senator from Nevada (Mr. Cannon) to propound anew his unanimous-consent request that a tabling motion be in order.

Mr. HUMPHREY. Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. ROBERT C. BYRD. I yield.

Mr. HUMPHREY. I think that while we are discussing rules we should go a little further.

The unanimous consent agreement was to vote on the Allen amendment on an hour certain. There was not a unanimous consent to vote on the Allen amendment, as amended and as modified.

Mr. ROBERT C. BYRD. No, because no Senator could foresee that the amendment would be amended. When consent of the Senate is given to vote on a designated amendment at a designated time any Senator can offer an amendment, when time has expired, without debate and get a vote on it; but when the Senate gives consent to vote on an amendment at a given time, there has to be a vote on the amendment up and down, and there can be no motion to table.

Mr. HUMPHREY. Just to develop the record further because the rules are important, there was unanimous consent to vote on the Allen amendment.

Mr. ROBERT C. BYRD. That is correct.

Mr. HUMPHREY. Not the Allen amendment, as modified, as amended by the Tower amendment, as modified.

Mr. ROBERT C. BYRD. That is correct.

Mr. HUMPHREY. I wonder if we might not develop some record for future guidance: that when you get unanimous consent like this, it includes anything that might happen along the way. I do not think the unanimous-consent agreement prevails in light of all that has happened here.

Mr. ROBERT C. BYRD. If we did not follow the precedents, it would mean that in the future, if we got an agreement to vote on the Allen amendment at a certain hour, we would have a vote on it, and if the Senator from Minnesota came in at the last minute and wanted to offer an amendment to the Allen amendment he would be deprived of offering the amendment. Under the precedent he can now offer an amendment, even though without time to debate it.

There is one way to meet the situation the Senator is talking about. We could get unanimous consent to vote on the Allen amendment at 2:30, with the understanding that no amendments to that amendment be in order.

Mr. HUMPHREY. The only other point, I would say, is that it is also understood at the time you get the unanimous consent to vote on the Allen amendment, that it be as it may be modified because otherwise you are not establishing a clear line.

Mr. PASTORE. Is the Senator saying the unanimous consent agreement on the Allen amendment was made on the Allen amendment as introduced?

Mr. HUMPHREY. Exactly.

Mr. PASTORE. And now the Allen amendment has been changed; it is no longer the amendment agreed to. Something has been added. Does not that break the unanimous consent agreement?

Mr. ROBERT C. BYRD. No, because the Senator from Rhode Island, if he wished, would be entitled at 2:30 p.m., after all time has expired on the Allen amendment, to offer an amendment. He has that right.

I wonder if the Senator from Alabama would allow the Senator from Nevada (Mr. CANNON)—now that the Senator from Rhode Island has yielded on his point, which was very gracious of him—to make a motion to table?

Mr. ALLEN. Mr. President, reserving the right to object and I shall not object, in view of the request of the assistant majority leader, it occurs to me that two things evoke the most interest in the Senate in addition to public financing: Matters having to do with the pay of Senators and something having to do with the honorarium system. So I have no illusions that this amendment is going anywhere. Whether it is voted up or down, or up or down on a motion to table is not of too much concern, so I withdraw my objection.

Mr. McCLELLAN. Mr. President, I ask that the amendment that we are to vote on now be stated so that we may understand what it is.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 85 between lines 5 and 6 add the following new section 402, as follows:

SEC. 402. No Member of Congress shall accept or receive any honorarium, fee, payment, or expense allowance other than for actual out-of-pocket travel and lodging expenses from any source whatsoever for any speech, article, writing, discussion, message, or appearance other than in payment of his official salary and for official reimbursements or allowances from the United States Treasury, nor shall he accept any subsidy payment from the U.S. Treasury, nor shall he accept any income from any enterprise that is regulated or financed either wholly or in part by the Government of the United States, provided that any income from U.S. Government securities shall be exempt from this provision.

Mr. HUMPHREY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HUMPHREY. Does that include income from a bank where he may have been drawing interest?

SEVERAL SENATORS. Yes.

Mr. HUMPHREY. How ridiculous can one get?

Mr. CANNON. Mr. President, I ask unanimous consent that it be in order for me to make a motion to table the Allen amendment, as modified, as amended by the Tower amendment as modified.

The PRESIDING OFFICER. Is there objection?

The Chair hears none, and it is so ordered.

Mr. CANNON. Mr. President, I make such a motion. I move to table and I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of Mr. CANNON to lay on the table the amendment of Mr. ALLEN, as amended by the modified Tower amendment. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Alaska (Mr. GRAVEL), and the Senator from Iowa (Mr. HUGHES) are necessarily absent.

I further announce that the Senator from Kentucky (Mr. HUDDLESTON) is absent on official business.

Mr. GRIFFIN. I announce that the Senator from Nebraska (Mr. HRUSKA), and the Senator from Illinois (Mr. PERCY) are necessarily absent.

I also announce that the Senator from Virginia (Mr. WILLIAM L. SCOTT) is absent on official business.

I further announce that the Senator from Vermont (Mr. AIKEN), is absent due to illness in the family.

The result was announced—yeas 61, nays 31, as follows:

[No. 112 Leg.]

YEAS—61

Bayh
Beall
Bennett
Bentsen
Bible
Brock
Brooke
Byrd,
  Harry F., Jr.
Cannon
Case
Chiles
Church
Cotton
Cranston
Curtis
Dole
Domenici
Dominick
Eagleton
Eastland
Ervin
Fannin
Fong
Griffin
Hartke
Haskell
Hatfield
Hathaway
Hollings
Humphrey
Inouye
Javits
Johnston
Kennedy
Long
Mathias
McClellan
McGee
McIntyre
Montoya
Moss
Muskie
Nunn
Packwood
Pastore
Pell
Proxmire
Ribicoff
Scott, Hugh
Sparkman
Stafford
Stennis
Stevenson
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Williams
Young

NAYS—31

Abourezk
Allen
Baker
Bartlett
Bellmon
Biden
Buckley
Burdick
Byrd, Robert C.
Clark
Cook
Goldwater
Gurney
Hansen
Hart
Helms
Jackson
Magnuson
Mansfield
McClure
McGovern
Metcalf
Metzenbaum
Mondale
Nelson
Pearson
Randolph
Roth
Schweiker
Stevens
Weicker

NOT VOTING—8

Aiken
Fulbright
Gravel
Hruska
Huddleston
Hughes
Percy
Scott,
  William L.

So Mr. CANNON's motion to lay Mr. ALLEN's amendment, as amended, on the table was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House had passed the following Senate bills, each with an amendment, in which it requests the concurrence of the Senate:

S. 1585. An act to prevent the unauthorized manufacture and use of the character "Woodsy Owl," and for other purposes; and

S. 2770. An act to amend chapter 5 of title 37, United States Code, to revise the special pay structure relating to medical officers of the uniformed services.

The message also announced that the House had passed the following bills in which it requests the concurrence of the Senate:

H.R. 2537. An act for the relief of Lidia Myslinska Bokosky;

H.R. 3534. An act for the relief of Lester H. Kroll;

H.R. 4438. An act for the relief of Boulos Stephan;

H.R. 4590. An act for the relief of Melissa Catambay Gutierrez;

H.R. 5667. An act for the relief of Linda Julie Dickson (nee Waters);

H.R. 5907. An act for the relief of Capt. Bruce B. Schwartz, U.S. Army;

H.R. 7207. An act for the relief of Emmett A. and Agnes J. Rathbun;

H.R. 7682. An act to confer citizenship posthumously upon Lance Corporal Federico Silva;

H.R. 7685. An act for the relief of Giuseppe Greco;

H.R. 8101. An act to authorize certain Federal agencies to detail personnel and to loan equipment to the Bureau of Sport Fisheries and Wildlife, Department of the Interior;

H.R. 8586. An act to authorize the foreign sale of the passenger vessel steamship Independence;

H.R. 8823. An act for the relief of James A. Wentz;

H.R. 9393. An act for the relief of Mary Notarthomas;

H.R. 10942. An act to amend the Migratory Bird Treaty Act of July 3, 1918 (40 Stat. 755), as amended, to extend and adapt its provisions to the Convention between the United States and the Government of Japan for the protection of migratory birds and birds in danger of extinction, and their environment, concluded at the city of Tokyo, March 4, 1972;

H.R. 10972. An act to delay for 6 months the taking effect of certain measures to provide additional funds for certain wildlife restoration projects;

H.R. 11223. An act to authorize amendment of contracts relating to the exchange of certain vessels for conversion and operation in unsubsidized service between the west coast of the United States and the territory of Guam;

H.R. 12208. An act to confer exclusive jurisdiction on the Federal Maritime Commission over certain movements of merchandise by barge in foreign and domestic offshore commerce;

H.R. 12627. An act to authorize and direct the Secretary of the Department under which the U.S. Coast Guard is operating to cause the vessel Miss Keku, owned by Clarence Jackson, of Juneau, Alaska, to be documented as a vessel of the United States so as to be entitled to engage in the American fisheries;

H.R. 12925. An act to amend the act to authorize appropriations for the fiscal year 1974 for certain maritime programs of the Department of Commerce; and

H.R. 13542. An act to abolish the position of Commissioner of Fish and Wildlife, and for other purposes.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills:

H.R. 1321. An act for the relief of Dominga Pettit;

H.R. 5106. An act for the relief of Flora Datiles Tabayo; and

H.R. 7363. An act for the relief of Rito E. Judilla and Virna J. Pasicaran.

The enrolled bills were subsequently signed by the Acting President pro tempore (Mr. HUGH SCOTT).

HOUSE BILLS REFERRED

The following House bills were severally read twice by their titles and referred as indicated:

H.R. 2537. An act for the relief of Lidia Myslinska Bokosky;

H.R. 3534. An act for the relief of Lester H. Kroll;

H.R. 4438. An act for the relief of Boulos Stephan;

H.R. 4590. An act for the relief of Melissa Catambay Gutierrez;

H.R. 5667. An act for the relief of Linda Julie Dickson (nee Waters);

H.R. 5907. An act for the relief of Capt. Bruce B. Schwartz, U.S. Army;

H.R. 7207. An act for the relief of Emmett A. and Agnes J. Rathbun;

H.R. 7682. An act to confer citizenship posthumously upon Lance Corporal Frederico Silva;

H.R. 7685. An act for the relief of Giuseppe Greco;

H.R. 8823. An act for the relief of James A. Wentz; and

H.R. 9393. An act for the relief of Mary Notarthomas; to the Committee on the Judiciary.

H.R. 8586. An act to authorize the foreign sale of the passenger vessel steamship *Independence;*

H.R. 10942. An act to amend the Migratory Bird Treaty Act of July 3, 1918 (40 Stat. 755), as amended, to extend and adapt its provisions to the Convention between the United States and the Government of Japan for the protection of migratory birds and birds in danger of extinction, and their environment, concluded at the city of Tokyo, March 4, 1972;

H.R. 10972. An act to delay for 6 months the taking effect of certain measures to provide additional funds for certain wildlife restoration projects;

H.R. 11223. An act to authorize amendment of contracts relating to the exchange of certain vessels for conversion and operation in unsubsidized service between the west coast of the United States and the territory of Guam;

H.R. 12208. An act to confer exclusive jurisdiction on the Federal Maritime Commission over certain movements of merchandise by barge in foreign and domestic offshore commerce; and

H.R. 12925. An act to amend the act to authorize appropriations for the fiscal year 1974 for certain maritime programs of the Department of Commerce; to the Committee on Commerce.

ORDER FOR ADJOURNMENT UNTIL 11 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stands in adjournment until 11 o'clock a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

DIVISION OF TIME FOR DEBATE ON CLOTURE MOTION TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time for debate on the motion to invoke cloture tomorrow be equally divided between the Senator from Nevada (Mr. CANNON) and the Senator from Alabama (Mr. ALLEN).

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER THAT AMENDMENTS AT DESK BEFORE CLOTURE VOTE QUALIFY UNDER RULE XXII

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that tomorrow all amendments at the desk at the time the vote on the motion to invoke cloture begins, be considered as having been read by the clerk so as to qualify under the rule.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The Senate continued with the consideration of the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

The PRESIDING OFFICER. The bill is open to further amendment.

AMENDMENT NO. 1102

Mr. BROCK. Mr. President, I call up my amendment No. 1102 and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 75, between lines 4 and 5, insert the following:

"(3) This subsection does not apply to the Democratic or Republican Senatorial Campaign Committee, the Democratic National Congressional Committee, or the National Republican Congressional Committee."

On page 77, between lines 5 and 6, insert the following:

"(e) This section does not apply to the Democratic or Republican Senatorial Campaign Committee, the Democratic National Congressional Committee, or the National Republican Congressional Committee."

On page 77, line 6, strike out "(e)" and insert in lieu thereof "(f)".

Mr. BROCK. Mr. President, I offer this amendment to exempt in a limited fashion the two campaign committees of the Senate and the two campaign committees of the House simply because I do not believe that as the bill is written we could literally operate in support of our candidates under the existing language. I am not sure that that was the intent, but it is a matter of great concern to me, and I think it is important that we know the potential hazard for our two major parties in the proposed legislation as it may finally be enacted.

I think it is important that our parties not be weakened, but strengthened, by whatever action Congress takes. I would hope that in writing this particular bill we can provide that kind of sense of purpose with this amendment. The amendment simply exempts the House and Senate campaign committees from the specific limitations established for other political committees.

I have discussed the amendment at length with my colleagues, both those on the committee and those who are involved in campaign activities. I would hope the amendment will find favor on both sides of the aisle and that it can be expeditiously handled. I do not see the need for extended debate, so I reserve the remainder of my time.

Mr. DOMINICK. My immediate impression, when my colleague was offering his amendment, was that I would like to be added as a cosponsor.

Mr. BROCK. I thank the Senator.

Mr. President, I ask unanimous consent that the name of the Senator from Colorado be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROCK. I thank the Senator very much for his support.

Mr. CANNON. Mr. President, would the Senator explain just what he intends by this amendment now, in order that the RECORD may be clear?

Mr. BROCK. Mr. President, this amendment is to page 75, between lines 4 and 5. We are dealing here with a section—if I may find the place in the bill—which relates to limitation on expenditures generally. This limits expenditures made on behalf of any candidate for national office—in essence, limitations on contributions by political committees.

We have an exemption, under subsection (5)(b) on page 73, for the national committees, of 2 cents per voter, and an exemption for the State committees of 2 cents per voter, which is not counted toward the sum total. But under subsection (c)(1):

> No person may make any expenditure (other than an expenditure made on behalf of a candidate under the provisions of subsection (a)(4)) advocating the election or defeat of a clearly identified candidate during a calendar year which, when added to all other expenditures made by that person during the year advocating the election or defeat of that candidate, exceeds $1,000.

Mr. President, that simply is impossible for us to comply with. The purpose of these committees is to afford people an opportunity to give to a large agenda of candidates, and we cannot adequately support a House or a Senate candidate who is a viable candidate in any other sense of the word with that limitation.

What I am trying to do is simply say that the dollar ceiling on committee giving shall not apply to the Senate and House committees, but I would say to the chairman that this has nothing to do with the limit on how much a candidate can spend. We leave that as it is, intact. We simply are trying to afford to the committees an opportunity to support the candidates of their party, and the effort here is to strengthen the parties involved.

Mr. CANNON. So the net effect, as I understand it, then, would be that the Democratic or Republican central campaign committee and the Democratic national congressional committee or Republican national congressional committee could collect funds through contributions or dinners or otherwise, but would not be held to the limit imposed on the amounts committees could contribute to a candidate?

Mr. BROCK. That is right.

Mr. CANNON. They would be exempt from the $6,000 limit that we have in here now, that a committee could contribute to a candidate, in the light of the fact that these contributions collected would have come from a total source or a great number of people; is that correct?

Mr. BROCK. Exactly.

Mr. CANNON. And it is not the intention to attempt to vary the limit on expenditures that a candidate can spend, nor would it change the amount of money that a person himself could contribute to a candidate or to a political committee?

Mr. BROCK. By no method whatsoever would it affect either of those.

Mr. CANNON. Mr. President, in the light of that, I personally would have no objection to the amendment.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. BROCK. I am delighted to yield the floor.

Mr. ALLEN. I commend the distinguished Senator from Tennessee for the concern that he is manifesting with regard to the party system. The party system, it occurs to the Senator from Alabama, will be a near casualty if not a casualty of public financing, and I can certainly understand, since the Senator is an organization member, that he would be concerned about the party system.

But I am concerned that this amendment would constitute a great big loophole being created before this bill is even passed, and I would envision that as time goes on other loopholes will be created.

To create a loophole right at this time, before the bill even becomes law, seems to me to be unwise. I would like to inquire of the distinguished Senator if there would be any limitation whatsoever on a congressional campaign committee, either Republican or Democratic, on receipts that it may receive or expenditures it may make. Would there be any ceiling at all?

Mr. BROCK. I would assume, and I believe I am correct—if the chairman of the committee disagrees, he may correct the impression—that there are ceilings given under other sections of the bill. There would be no ceiling on what the committee could receive in sum total, nor would there be any ceiling on what the committee could spend, except as it applies to a specific candidate and the limitation in that particular candidate's campaign.

Mr. ALLEN. In other words, theoretically, then, the campaign committees could take in and disburse literally millions of dollars in furtherance of the candidacies of House and Senate Members; is that correct?

Mr. BROCK. I would say so.

Mr. ALLEN. And this money could be spent separate and apart from the campaigns of the Members of Congress, could it not?

Mr. BROCK. No, it is still subject, as the chairman has pointed out, to the limitations the bill imposes on an individual candidate.

Mr. ALLEN. Very well. But this money could be used to supplement the campaigns or the campaign funding of any candidate for the House of Representatives or the Senate that these committees selected?

Mr. BROCK. That is correct.

Mr. ALLEN. But that could add millions of dollars of receipts and expenditures, could it not?

Mr. BROCK. Well, I do not know that it would be added, because what the committees do is afford a vehicle for people to give broadly rather than specifically, if there are a few individuals left in the country who would prefer to give to the political party of their choice rather than trying to seek out candidates individually.

Mr. ALLEN. Well, would it be possible for an individual to give, say, $1 million to one of these campaign committees?

Mr. BROCK. No. Under other sections of the bill, that would be prohibited. We exempt here, by this amendment I have offered, the committees only from that section which limits the giving by a particular committee to a particular candidate. It does not change the limitation on political contributions on the part of any individual at all.

Mr. ALLEN. Well, it adds a section there under the provisions for limitations on contributions, and another one——

Mr. BROCK. They are both to the same section.

Mr. ALLEN. To the section on limitation on expenditures.

Mr. BROCK. No; the amendment here applies only to section 615, which is limitations on contributions. It does not affect the limitation on expenditures at all, as the Senator from Nevada has pointed out.

Mr. ALLEN. Well, what would be the maximum amount that could be received by a campaign committee, a senatorial or House campaign committee, from any contributor?

Mr. BROCK. There have been so many amendments that I may be a little confused on what is the present limit, but the same limit that would apply to giving to a campaign or to the national committees would apply here. I am not sure what the amendment says with respect to that—was it a $3,000 or a $6,000 limit?

Mr. ALLEN. If the committee is authorized to make contributions in any size, would the House or Senate Member be authorized to receive a contribution in any size?

Mr. BROCK. From these committees?

Mr. ALLEN. Yes.

Mr. BROCK. That is correct.

Mr. ALLEN. In other words, the senatorial or congressional campaign committees could get money from all over the country within certain limits and then funnel that without limitation as to the amounts into the campaigns of the various Members of the House and Senate; is that not correct? Provided it did no run over the amount he could spend, of course.

Mr. BROCK. That is right. If I may say to the Senator, the purpose of the section as originally written was to diminish and, hopefully, to eliminate the possibility of undue influence on the part of special interest groups who form committees for the purpose of legislative advocacy on a particular issue and raise a great deal of money and then give to those candidates who would support, say, a consumer protection bill, or who would be opposed to such a bill. For example, there is no similar situation as it relates to House and Senate campaign committees. These are party committees. They receive their funds from a broad base. We have thousands of contributors—hundreds of thousands—and the average contribution would be well under $100, I am sure, from both committees. I am sure I can speak for the Republican Party.

The contribution would be on a broad base, to incumbent and challenger alike. In the sense that this bill must preserve and enhance the party structure, as I know the Senator feels, and we share this concern with the bill as it is written, the bill, unless amended further, impinges on our ability as parties to support our own candidates.

Mr. ALLEN. Would it be impossible, as the Senator from Alabama sees it, then, for a candidate who has a legal right to spend $1 million in his campaign but, having collected only one-half that amount from private sources and from the party, could apply to one of these committees for a contribution—that is, theoretically—of half a million dollars; is that not correct?

Mr. BROCK. I think it is.

Mr. ALLEN. I am just wondering if that would be in the public interest, to allow these contributions to come in to a big fund there and have it parceled out without any limitation as to the amount. That is what worries me.

Mr. BROCK. May I say, there is a limit on the individual candidates and on how much he can spend.

Mr. ALLEN. Yes; but if he is running short, then the committee can give him a present of tremendous sums of money under the Senator's amendment; is that not correct?

Mr. BROCK. That is correct, I would say to the Senator, and I think that he would agree with the statement that this is far preferable to receiving a check from the Federal Treasury.

Mr. ALLEN. Yes; if he would accept this instead of the other provisions, that would be fine; but I am afraid that we will have the other provisions and what the Senator is adding to. If I thought his amendment would help defeat the bill, I would be for the amendment, but as it is now, it looks like a tremendous loophole to provide a method of making large contributions not otherwise permitted under the bill to various candidates for the House and Senate.

I wonder whether the same objective could not be accomplished, possibly, by increasing the amount that the committee can receive and expend rather than leaving it with the sky as the limit.

Mr. BROCK. Perhaps I have an unwarranted faith in our two parties. I do have that faith. I have enormous respect for both parties, for their adherence to their basic principles, in their belief in their own party philosophy and their belief in this country. I frankly fear no conflict of interest with the parties disbursing the money. I have a great deal of fear of a conflict of interest when the Federal Government, or when we, enhance vested interests. That is what I am trying to avoid.

I would point out to the Senator, if my figures are correct—and I think they are fairly close—that as of a month ago, our average contribution was something on the order of $23.75 in the Republican Party. We have survived and sustained ourselves simply because we have a huge number of people willing to participate in support of the party. By no definition can that $23.75 be sufficient to influence the election or the vote of an individual running for the Senate. But individual Senators do not have the capacity to establish that broad base in sufficient magnitude to warrant the confidence that they can finance their own campaigns.

It is the purpose of the committees not to finance a candidate's campaign. That must come essentially from his own State. But it is supportive in the early stages—at the genesis—of a campaign so that it will attract a broad level of support. The candidate must have a chance to win. Unless this exemption is given to Senate and House campaign committees, I think that what we will do will be to run the terrible risk of making the bill worse than it is. I share this concern with the Senator from Alabama, in the public aspect of it. But we will make the bill worse unless we afford the party some opportunity to support the people who adhere to the party's philosophy.

Mr. ALLEN. Would it be possible for contributors who might not want to appear on the report of a given candidate to make a contribution to the congressional committee, and then the congressional committee makes a contribution to the candidate without the identity of the contributor being made known?

Mr. BROCK. No contributor can, either directly or indirectly, overtly or covertly, or even implicitly, imply that he wants his funds to go to a particular candidate, without its being reported as a donation by the committee for the candidate. Even under current law in our own committee—I am not sure about my colleague's committee, but I would assume it is similar—we will take a campaign contribution for a particular Senator or challenger and report it forthwith. But we tell the contributor and the challenger that we do not operate a laundry in the Republican Party and have no interest in it whatsoever. We adhere religiously not only to the letter but the spirit of the law as it is today. We do report those, and we should.

Mr. ALLEN. Under the Senator's amendment, would a contribution to the committee be limited to $3,000?

Mr. ROTH. Yes, as I understand the bill, that is correct.

Mr. COOK. Yes, that is correct.

Mr. ALLEN. What would be the value of getting the same contributor to contribute to the candidate direct? What magic is there in going through congressional committees?

Mr. BROCK. I would say to the distinguished Senator from Alabama, for whom I have such enormous respect, that nothing at all is wrong with that. In many cases, this Senator would so advise a particular contributor. We do not have many $3,000 contributors. That is not the problem. What we are trying to do is to broaden the base of the party. As I said, the average contribution is $23.75 and we are trying to enlist large numbers of people. That, frankly, is not to give to the candidate broadly. Certainly we can support our candidate broadly. That is the kind of contribution I want to attract, and I think we can attract. If we do, then we have to have some method of exemption so that we can get the contributions in bulk. We could not physically handle the volume of each one individually, as the Senator was suggesting the $3,000 contribution, which we could do quite readily.

Mr. ALLEN. I thank the distinguished Senator for giving me this information. I will not stand in the way of the amendment. Rather, I would say, I should like to be recorded as voting "nay" on the amendment.

Mr. BROCK. I have nothing further, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Tennessee.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. ALLEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills:

S. 71. An act for the relief of Uhel D. Polly;

S. 205. An act for the relief of Jorge Mario Bell;

S. 507. An act for the relief of Wilhelm J. R. Maly;

S. 816. An act for the relief of Mrs. Jozefa Sokolowska Domanski;

S. 912. An act for the relief of Mahmood Shareef Suleiman; and

S. 2112. An act for the relief of Vo Thi Suong (Nini Anne Hoyt).

The enrolled bills were subsequently signed by the President pro tempore.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The Senate continued with the consideration of the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

Mr. BAKER. Mr. President, I call up my amendment No. 1126 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. BAKER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment, ordered to be printed in the RECORD, is as follows:

On page 78, line 16, strike the closing quotation marks and the second period.

On page 78, between lines 16 and 17, insert the following:

"§ 618. Prohibition of contributions other than by individuals

"Notwithstanding the provisions of sections 615 and 616, no person other than an individual may make a contribution. Violation of the provisions of this section is punishable by a fine of not more than $50,000, imprisonment for not more than five years, or both.".

On page 78, at the end of the matter appearing below line 22, insert the following:

"618. Prohibition of contributions other than by individuals.".

Mr. BAKER. Mr. President, this amendment would allow only individuals to make contributions to political campaigns. It would strictly prohibit contributions by organizations, associations, co-ops, caucuses, committees, or any other group which aggregate funds from its members and gives those funds in the name of a cause, interest, or section of the country.

Having served for over a year as vice chairman of the Senate Select Committee on Presidential Campaign Activities, I can conceive of no more effective way to eliminate the distortive influence of special interests than by banning group contributions altogether. Obviously, not all contributions by groups distort or, in any way, influence the political process. However, there is no effective way to eliminate the groups that do, short of prohibiting group contributions or segregated funds completely—and that is precisely what I propose to do.

I do not think corporations or labor unions should be permitted to contribute. They cannot now, but they do through AMPAC, BIPAC, COPE, and a half dozen other devices. Moreover, I do not think purely political action groups should be permitted to contribute.

They cannot vote. The American Medical Association cannot vote. The U.S. Chamber of Commerce cannot vote. Common Cause cannot vote—except as individuals. So, why should they be allowed to contribute. Only individuals can vote, and I believe only individuals should be allowed to contribute.

I do not wish to infringe upon the freedom of association. That freedom is guaranteed by the first amendment to the Constitution; and I do not believe that my amendment would diminish that right in the least. However, it would diminish the ability of groups to assert influence beyond what they wield by virtue of their numbers and that, in my judgment, is the way it should be.

Throughout the debate on S. 3044, I have heard repeated references to the inordinate influence of special interests as a primary defense for public financing. But, according to the study released last week by Common Cause, I was the top recipient of political contributions in 1972 from business committees; and I am positive that I could have raised the same amount of money from individual contributions if I had been required to by the law. The fact of the matter was, and is, that I am not.

The study released last week by Common Cause states that at least $14.2 million has already been raised this year by various groups and special interests to support candidates in the House and the Senate.

Mr. President, I might say that the aggregation of contributions by special interest groups is a matter that has been discussed widely in public forums and in private. There is a great distinction between those contributions which are legal, and those to which I refer as legal, but undesirable.

In my case, it was stated that $50,000 or thereabouts had been contributed by business interests. That is roughly 5 percent of the total amount of the money collected from over 10,000 individual contributors to my campaign in 1972. That 5 percent, I do not believe, is going to have any distortive effect by its numerical value and weight on my position on issues of the day. It should be eliminated.

In colloquy with the distinguished senior Senator from Massachusetts (Mr. KENNEDY) the other day he said:

> How would you eliminate the force and effect of business money and labor money if you did not go to public financing?

Mr. President, this is my answer. I would simply prohibit any contribution by any special interest group, and require instead that financial contributions be a matter of individual initiative, and only those qualified to vote, individual human beings, as distinguished from legal entities, organizations, associations, co-ops, and committees, be able to add their support for any candidate.

The Associated Milk Producers has collected $1.4 million; the American Medical Association has collected $889,000; the United Automobile Workers have collected $717,000.

These figures have been quoted by sponsors of the bill as proof of the need for public financing. And yet, even if we have public financing under the provisions of S. 3044, the ability of these groups to contribute to various campaigns will not be impaired. In fact, an amendment adopted narrowly last week doubles the contribution limitation imposed on groups of $6,000, applied separately to primaries, runoffs, special, and general elections. I understand that to mean that special interests can then contribute $6,000 to a candidate in the primary and an additional $6,000 in the general election, or a total of $12,000.

Virtually all public officeholders are not influenced in the least by $12,000. However, I suspect that some might be if that $12,000 were matched by three other committees or corporations of similar interest—interests which would then be represented by $48,000, and probably far more influence than they deserve. This is what I mean by the distortive effects of special interests.

The sponsors of the bill argue that S. 3044 is the only reasonable answer to this most serious problem. But, I respectfully urge them to tell me how they can make such a claim. Granted, S. 3044 imposes a limit on the amount individuals and groups can give to political candidates. But, S. 372 did that; and we could impose such limits without ever having to resort to partial or full public financing. Under S. 3044, any special interest can contribute up to $12,000 to a candidate if it is given separately in the primary and general election campaigns.

I realize that if a major party candidate reaches the required threshold during the primary campaign, he is eligible for a grant from the Treasury to the tune of 15 cents times the voting age population of the State or district. However, individuals or groups can still contribute if they wish, so long as their contribution is deducted from the subsidy provided by the Government. Moreover, in cases where an incumbent is contested, but not seriously challenged, and that incumbent decides against public financing, the special interests can contribute $6,000 in the primary and another $6,000 in the general election. So what has been done to protect the political process from special interests in this bill? They can still contribute at least $6,000, and possibly $12,000.

Limiting the total amount of their contributions is a significant improvement over what we have had in the past and what we have today; but I do not think it is enough to convince the American people that the financial influence of the special interests has been diminished, much less eliminated. That is why I propose that only individuals be allowed to contribute and that group contributions, particularly special interest contributions, be strictly prohibited. Otherwise, the $14.2 million which Common Cause reports has already been raised for House and Senate races will be given and public suspicion about corporations, labor unions, and others wielding inordinate political influence will continue.

In disclosing the study last week, a spokesman for Common Cause said:

> "Anyone who thinks the Watergate scandals have put special interest givers out of business had better take a close look at these figures." He went on to say that there is "no way to restore confidence in this system when the same old thing is going on."

This is precisely my point. The special interest givers are alive and well in 1974, Watergate and potential indictments not withstanding. Moreover, I could not agree more that confidence will only be restored if we correct the glaring abuses of past campaigns. Nevertheless, S. 3044, with the avid support of Common Cause, allows the same old things to continue. It will allow groups or organizations, whether they are occupational or otherwise, to distort the most sensitive of all processes. It will perpetuate the worst part of our electoral process. And it will continue the serious erosion of public trust in our major governmental institutions.

I cannot accept the argument that group contributions are necessary to adequately fund an effective two-party system. But even if they were necessary in the past, they certainly should not be under a new system of public financing, or even under a refined form of private financing through realistic tax incentives such as I have proposed with Senators ERVIN, TALMADGE, GURNEY and others.

I would be willing to bet, though, that under the provisions of S. 3044, in which the role of private contributors has been substantially reduced, the reduction will not be felt so much by the special interests as by the individual contributor. In fact, I doubt very seriously whether S. 3044 will reduce at all the number of special-interest givers. It may only reduce slightly the amount of money they can give to individual candidates.

Now, is that real reform? It seems to me that the only realistic way to eliminate the distortive effects of special interests is to prohibit contributions by groups altogether. They cannot vote. Only individuals can vote; and I, therefore, propose that only individuals be allowed to contribute. In my view, it would be the single most constructive improvement we could make in the political process, in the wake of the events of the past 2 years.

Mr. CANNON. Mr. President, I yield myself 3 minutes.

Mr. President, while the amendment of the Senator from Tennessee is very laudable in its objective—all of us want to see a reduction in the influence of special interest groups—it is sort of like throwing the baby out with the bath water. It is an overkill situation. It would put all political committees out of business, as well as other types of groups, over and above that of individuals. I do not think it is practical. I do not think a campaign could be carried on in this fashion, under the terms of the bill, as we have drafted it, if we are to prohibit any contributions from committees. And I do not see that it really achieves an objective that would be very helpful to the process.

I think the main thing that is going to result in a lessened influence in the political giver field is the fact that we have not required a complete and full disclosure and have limited the amount, so that a person cannot give more than $3,000, and in turn we have limited the expenditures.

So I would hope my colleagues would not support the amendment. As I said, I do not think it is a practical one. I think we are gradually getting ourselves into a position where it is going to be impossible to carry on political campaigns.

Mr. COOK. Mr. President, will the Senator yield me some time?

Mr. CANNON. I yield.

Mr. COOK. Mr. President, after my discussion the other day with the Senator from Connecticut, I find myself in a strange position with the amendment of my good friend and colleague from Tennessee. I, as he knows, have very serious reservations about the Federal Government's subsidizing and paying for political campaigns, but I also know that what the Congress giveth, the Congress can taketh away, and I think somewhere along the way we have to at least attempt to give things a try. I guess I find myself in the kind of situation where maybe we should try.

I know that we on this side of the aisle, as Republicans, are always told that all the big givers in the United States somehow or other are Republicans. I have just got to say, Mr. President, that in my State that "just ain't so."

Mr. BAKER. Mr. President, will the Senator yield so I may ask for the yeas and nays on the amendment?

Mr. COOK. I yield.

Mr. BAKER. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BAKER. I thank the Senator.

Mr. COOK. In my part of the country that just is not so. Somehow or other that is a much used and I must say, in all fairness, a much maligned remark, and I think my good friend from Minnesota would say there are some pretty good givers in the South other than Republicans, and they are Democrats.

Mr. HUMPHREY. Not so many.

Mr. COOK. They are not nearly enough, I am sure.

I ran my last campaign on a third of the money that the last two candidates, Democrat and Republican, ran on in my State, and I would like to feel this could work. I would like to feel that some day, if we try and we fail, this is what we will do. I do know that we passed a bill last year and we sent it over to the House, and it got nowhere, and I am sure there are those who say the Republicans are trying to do something about it and are against Government financing, but I think even the gentlemen in the news gallery would have to say it is not the Republican leadership position that is stopping the movement of the political campaign bills in the House of Representatives.

So I have just kind of taken the position that I want to send the House as much as I can so I can at least get something. Maybe that is a poor excuse. Maybe that is an easy way out. But I am awfully tired of being, somehow or other, blamed, and when we read an article in the morning paper we read that the Republicans attempt to stall something else. I hate to be grouped together in that way. I stand for what I stand, and we are here on the floor to stand up for the basic concepts and basic principles in which we believe. Somehow or other, I resent those kinds of characterizations that occur.

But I must say to the Senator from Tennessee that I wish he were right. He may very well wind up being right. I think in the meantime, as the process closes and as the process subjects itself to criticism, there are times when we have to look to different answers and at least try.

I have convinced myself that maybe we ought to try. I do not like it too much. I think what I dislike the most is the idea that we are really building two political parties, as we know them—the Democratic Party and the Republican Party. But nowhere does the Constitution say that there shall be two political parties in the United States. I think that we are saying that a third party will never see the light of day in this country, because the biggest portion of the money will go to the two principal parties, and that those who really wish to seek reform and make a major impact on the country will not be able to do it.

Abraham Lincoln was not a Republican all of his life. It was in 1854 that he joined another group and established the Republican Party. It was a minority party, because he came from the Whig Party. But he decided to change and that he should do something about the basic philosophy in this country. I really cannot see that happening, and it bothers me.

I look to the future. I look to 1976 and to 4 years later, and I see ourselves in this situation. We discussed it the other day. One party will get 40 percent and the other will get 50 percent. That is 90 percent. The other party gets one-ninth of that 90 percent, or 10 percent. That means that if there is $19 million, one party would get $9 million and the other party would get $9 million. That would leave $1 million for the other party.

How can a third party be an effective party in the United States philosophically, to impress its desire and philosophies on the American people, when only $1 million is going to be applied as against the parties with $9 million each at the polls?

This bothers me. It truly bothers me as to how we will freeze in something that the writers of the Constitution never intended us to do. My salvation is that what Congress can do, Congress can undo. If we can find a better way, we will find a better way. However, I do not honestly believe that in looking for a better way, maybe we will have to try this way. Maybe we will have to try to find a more equitable solution for equitable distribution in what we do.

I just cannot see how we can say to the American people that we have made honest givers out of them so that each one will give $100, and only $100, and that no organization can give more.

We have done this so many times that we cannot count them. We have said we have the Corrupt Practices Act saying how much Members of Congress can spend on our campaigns. It has not been done for 40 or 50 years or more. So if this is the route we are to take, I am afraid it will not be long before we do not know what we are to do. What are we to do? Are we to put a person in jail because he gives $50? Reports that have failed to be filed, and nobody is even concerned over doing anything about it.

So maybe we have to make a stark change, as bad as it may sound to me, and maybe find a way out of this to a better way. Maybe we have to go all the way over the hill before we find a way to get back. That would be a terrible thing. However, every time we make a slight change, we find a way to violate it, knock holes in it, and get around it.

So, Mr. President, I am going to vote against this amendment purely and simply because I think we have to reflect a consideration of the American people. Rightly or wrongly, we have made a remarkable change. Some people may totally dislike it. We may be putting the system in jeopardy. But then it is their system that is changed, and if they do not like it, it will be reflected in this Chamber.

Whether they like this system or not, we are not trying to make a change for our convenience. Certainly, some politicians have cheated. For everyone who made a contribution, somebody cheated.

Mr. President, I am opposing the amendment of the Senator from Tennessee because I think, on reflection, that we have tried, at least, to send to the House of Representatives a change that will be tremendous, but by now we have gotten no action at all. We will get some action, and up to now we have gotten no action at all.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. BAKER. Mr. President, I yield to the Senator from Kansas as much time as I have.

Mr. DOLE. Mr. President, I do not know how much time the Senator has, but I want to propound a question to the Senator from Tennessee.

In the discussion he defined the word "contribution." Is that limited only to money, or is it limited to so-called volunteer services? What is the meaning of "contribution" under the amendment?

Mr. BAKER. The definition of "contribution" in the body of the bill itself is unchanged As I understand the bill, that would include many things of value. It would not include, as I understand the description in the bill, the efforts of volunteer workers. It would include office rent, stationery, and things of that sort. The amendment in no way changes the definition in any section of the bill itself.

Mr. DOLE. Mr. President, a recent article of the Wall Street Journal—which I do not have before me—which speaks about the money spent in Cincinnati, Ohio, and Grand Rapids, Mich., where labor through paid volunteers, was used to work for the candidates and for the telephone banks.

It occurs to the junior Senator from Kansas whether it is a labor organization or one of the organizations mentioned by the Senator from Tennessee, whether or not they are paid volunteers, paid by the associations or paid by COPE or paid by the unions or paid by the milk producers, we are getting into another area that deserves some attention.

As I understand the amendment, I think it is a step in the right direction. This problem may be addressed in another amendment, but, as I understand the amendment, I think it is a step in the right direction.

I do not share the views expressed by my friend the Senator from Kentucky that we ought to do this because nothing else has worked, and that we will not have a first party, let alone a second or a third party. If we adopt such a financing plan, I think that the amendment of the Senator from Tennessee is a big step in the direction not only of disclosure, but also of limiting contributions to an individual. As far as I am concerned, this goes a long way toward cleaning up the process.

I support the amendment of the Senator from Tennessee.

The PRESIDING OFFICER. Who yields time?

Mr. ERVIN. Mr. President, will the Senator yield?

Mr. BAKER. I yield.

Mr. ERVIN. Mr. President, I am strongly in favor of this amendment. I think it is the right approach. I think it has a twofold virtue. It enables a party's candidates to get sufficient campaign funds if they have sufficient public appeal.

Furthermore, it interests the American citizens in the electoral process voluntarily, and not involuntarily as the bill does. I sincerely believe that this will come nearer to solving this problem than any suggestion that has been made at any time prior to this amendment, and I strongly support it.

Mr. BAKER. Mr. President, I am certain that the Senator from North Carolina has more experience on this problem than any other Member of this body. I appreciate his remarks.

Mr. BROCK. Mr. President, will the Senator yield?

Mr. BAKER. I yield.

Mr. BROCK. I commend the Senator for this amendment. I have great sympathy with it.

I would like to clarify one point, for the purpose of establishing legislative history, and that is, does the amendment inhibit the right of the Senate or House of Representatives Democratic or Republican campaign committees to support the candidates of their choice?

Mr. BAKER. It is my understanding that the effect of this amendment on the bill as a whole—has to do solely with those who can legally contribute; the amendment would require that only qualified voters be allowed to contribute to those committees. It would not prevent those committees, however, such as the Democratic or Republican congressional committees or campaign committees, from performing their function.

Mr. BROCK. And the committees could support the candidates of their choice?

Mr. BAKER. That is my intention. That is the way I interpret the amendment when read in context with the rest of the bill.

Mr. BROCK. I thank the Senator.

Mr. COOK. Mr. President, will the Senator yield?

Mr. DOLE. I yield.

Mr. COOK. If only qualified voters can contribute to that fund, which then, in turn, contributes to a candidate, if that fund is not a qualified voter how can it contribute to a candidate?

Mr. BAKER. Because there is another section of the bill which recognizes campaign committees.

Mr. COOK. In other words, the section the Senator is amending allows not only qualified voters, but campaign committees, to contribute to a candidate?

Mr. BAKER. That is right. The committees which are described in the bill itself, the central campaign committees, for instance, in section 310, and congressional and senatorial campaign committees which are referred to in the bill as well. We do not change that section, therefore we do not change their rationale, their reason for being, or the legitimacy of contributions by them.

Mr. DOLE. I thank the Senator very much, and I appreciate his intent and purpose.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. BAKER. I yield.

Mr. HUMPHREY. Do I correctly understand, in other words, that the COPE organization of the AFL–CIO, under the amendment, would be able to make a contribution?

Mr. BAKER. No, it would not.

Mr. HUMPHREY. What is wrong with that? It is a committee.

Mr. BAKER. Yes, but neither COPE, the Anti-Defamation League, the U.S. Chamber of Commerce, nor anything of that sort could contribute to one of the committees involved, except the senatorial or House committee of either party or its central campaign committee.

Mr. HUMPHREY. Why not, if the workers want to contribute $2 apiece, let the committee write out a receipt showing that they contribute $2, and put it into a fund? Why cannot someone make a contribution under the limitations of the bill? I do not think they ought to have an unlimited right, but if I understand, under the bill the maximum amount would be $6,000.

Mr. BAKER. That would be $12,000 for a primary and a general election; $6,000 if it is only one.

Mr. HUMPHREY. Yes.

Mr. BAKER. My reason for it, in answer to the question of the distinguished Senator from Minnesota, is that I think the aggregation of money in that way creates an enormous sum of money, in many instances, that has a distortive impact far beyond the importance of the individual committee, whether it is a labor organization, a business association, a cooperative, or COPE.

I think it is perfectly appropriate and much to be desired that the individual worker make his $2 contribution, but he should send that $2 contribution to the central campaign committee of a candidate, or a congressional or senatorial campaign committee, and not under the aegis or auspices of his company, his union, or any other group that itself is not a bona fide member of society.

This strikes at the very reason and rationale for this amendment, I might say to the Senator.

It is my belief that only individuals should contribute, and that special interest groups, whether they are business-oriented, labor-oriented, industry-oriented, geography-oriented, ethnic-oriented, or whatever kind of groups, should not be able to make these huge contributions that they do frequently make.

Mr. HUMPHREY. What about the Democratic or Republican Central Campaign Committees?

Mr. BAKER. They are specifically referred to in another section of the bill, and would continue to function, except that this amendment would preclude the receipt by those committees of contributions except from individuals.

Mr. HUMPHREY. Except from individuals?

Mr. BAKER. Yes.

Mr. HUMPHREY. But it would not prohibit those committees, as such, after they have garnered in the money from individuals, which is exactly basically what they do, from contributing up to the maximum of $6,000; is that right?

Mr. BAKER. It would not prohibit them from functioning as they now function.

The distinction, and the reason for it, is that the party system itself contemplates that the party will contribute to its nomineees and candidates, but that is distinguished from special interest groups, whether it be the milk industry, labor unions, or whatever.

Mr. HUMPHREY. Or the AMA?

Mr. BAKER. Or the ABA, or the Sierra Club. There is a legitimate reason for a party to try to elect its candidates.

Mr. HUMPHREY. The Senator does not call the Democratic National Committee a party as such, does he?

Mr. BAKER. Yes; there are two, one Democratic and one Republican.

Mr. HUMPHREY. Well, it is not a party, it is a national committee.

Mr. BAKER. I think that the party system in the United States is a blessing in many respects, and one of its great blessings is that it is so loosely knit that it is not inflexible, but it is strong enough and identifiable enough so that we know, for instance, that the Democratic National Committee, the Democratic Central Campaign Committee and the Democratic Congressional Committees are in fact a part of the Democratic Party.

No one doubts that. I think they add strength to the party system, and I have a great deal of respect for the two-party system, and believe this amendment will strengthen it rather than diminish it.

Mr. HUMPHREY. Just to get the record clear, then, once again, this amendment would eliminate, for example, any campaign funds from, let us say, the political action committee of the American Medical Association?

Mr. BAKER. That is correct.

Mr. HUMPHREY. Or the Chamber of Commerce?

Mr. BAKER. That is correct.

Mr. HUMPHREY. Or the insurance industry?

Mr. BAKER. Yes.

Mr. HUMPHREY. Or the labor movement?

Mr. BAKER. That is correct.

Mr. HUMPHREY. Or all the dairy cooperatives?

Mr. BAKER. Yes.

Mr. HUMPHREY. Or the Friends of the Wilderness?

Mr. BAKER. That is correct.

Mr. HUMPHREY. Or you name it; in other words, if they went out and solicited their membership for voluntary contributions, and they were truly voluntary contributions, they would still not be eligible under this particular amendment?

Mr. BAKER. This is absolutely correct.

Mr. President, I yield back the remainder of my time, if the chairman is prepared to yield back his.

Mr. CANNON. I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. Helms). All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from Tennessee. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. Fulbright), the Senator from Alaska (Mr. Gravel), the Senator from Iowa (Mr. Hughes), the Senator from Massachusetts (Mr. Kennedy), and the Senator from Ohio (Mr. Metzenbaum) are necessarily absent.

I further announce that the Senator from Kentucky (Mr. Huddleston) is absent on official business.

Mr. GRIFFIN. I announce that the Senator from New York (Mr. Buckley), the Senator from Illinois (Mr. Percy), and the Senator from North Dakota (Mr. Young) are necessarily absent.

I also announce that the Senator from Virginia (Mr. William L. Scott) is absent on official business.

I further announce that the Senator from Vermont (Mr. Aiken) is absent due to illness in the family.

The result was announced—yeas 36, nays 53, as follows:

[No. 113 Leg.]

YEAS—36

Allen
Baker
Bartlett
Beall
Bellmon
Bennett
Brock
Byrd, Harry F., Jr.
Chiles
Cotton
Curtis
Dole
Domenici
Dominick
Ervin
Fannin
Fong
Goldwater
Griffin
Gurney
Hansen
Helms
Hollings
Hruska
McClellan
McClure
Montoya
Nunn
Packwood
Pearson
Randolph
Roth
Taft
Thurmond
Tower
Weicker

NAYS—53

Abourezk
Bayh
Bentsen
Bible
Biden
Brooke
Burdick
Byrd, Robert C.
Cannon
Case
Church
Clark
Cook
Cranston
Eagleton
Eastland
Hart
Hartke
Haskell
Hatfield
Hathaway
Humphrey
Inouye
Jackson
Javits
Johnston
Long
Magnuson
Mansfield
Mathias
McGee
McGovern
McIntyre
Metcalf
Mondale
Moss
Muskie
Nelson
Pastore
Pell
Proxmire
Ribicoff
Schweiker
Scott, Hugh
Sparkman
Stafford
Stennis
Stevens
Stevenson
Symington
Talmadge
Tunney
Williams

NOT VOTING—11

Aiken
Buckley
Fulbright
Gravel
Huddleston
Hughes
Kennedy
Metzenbaum
Percy
Scott, William L.
Young

So Mr. Baker's amendment (No. 1126) was rejected.

THE INCOME TAX MATTER OF THE PRESIDENT

Mr. CURTIS. Mr. President, this morning I made a statement before the Joint Committee on Internal Revenue Taxation which outlines my position in reference to the income tax matter of the President of the United States, which had been referred to the Joint Committee on Internal Revenue Taxation. I ask unanimous consent that the statement be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

STATEMENT OF SENATOR CARL T. CURTIS BEFORE THE JOINT COMMITTEE ON INTERNAL REVENUE TAXATION, APRIL 3, 1974

Mr. Chairman, as you are aware, I have devoted a substantial amount of time to careful line-by-line study of the draft of the Staff's report on the gift of pre-presidential papers and the brief which Messrs. Rose and Gemmill submitted on behalf of the President, which I received last Saturday.

Let me say at the outset that to me it is clear that the Staff has made an exhaustive examination into the facts surrounding the controversy over the propriety of the income tax deductions claimed with respect to the papers. This task assigned to the staff was an onerous and extremely difficult assignment, in the performance of which the staff clearly has devoted an enormous amount of time and effort. I have always had a high regard for this staff. I therefore trust that neither you, my colleagues, nor the members of the staff will in any way view my comments as a criticism of the staff.

Having said that, however, I do have a few observations that I think must be made if we are to carry out our task to fairly and impartially seek the truth.

When we agreed to undertake a review of this question, I believed, and I think others did as well, that, by careful investigation, we could arrive at an agreement as to what the true facts were and then proceed to apply to those facts sound legal principles. It is now apparent to me that this is impossible. The facts are in dispute and competent lawyers are in apparent disagreement as to the proper legal principles.

Let us look at the factual disputes first. As I reviewed the staff's report, certain items of testimony literally cried out for cross-examination under oath. For example, questions have been raised about Mr. Erlichman's recollection of the President's statements of donative intent. For further example, take the testimony of Mr. Newman, the appraiser. He has modified his earlier statements of the facts. Was his subsequent recollection in fact more accurate than his original one, or was it the other way around? We don't know and we can't know absent his testimony under oath, and subject to the rigors of cross-examination. Similarly, there seems to be a question as to the understanding under which the GSA and the National Archives accepted possession of the President's papers on March 26 and 27, 1969. Some of the evidence indicates that the papers were received on those dates "for gift purposes." The staff has apparently gained the impression that the papers were perhaps received only for custodial purposes. Again, we cannot simply pick one version over another. The need for sworn testimony with full opportunity for cross-examination is clear.

There is another facet of the factual problem which troubles me. The staff's report calls into question whether the President intended to make a gift of some $500,000 worth of papers or whether he merely intended a gift which would give him the maximum tax benefit for 1969. Do we know that we have all of the facts on the critical question of donative intent? I respectfully suggest that we may not have in the staff report which was delivered to me last Saturday all of the information on this and other questions of fact. For instance, there is no mention of the letter from Mr. James E. O'Neill, Acting Archivist, to former Senator John Williams of Delaware dated December 7, 1973, which states that President Nixon's gift of papers was made on March 27, 1969. For further example, I found no reference to the Foundation which the President was reported to have formed in the forepart of 1969 which, I assume, was to be a Presidential Library such as Presidents Johnson, Eisenhower and Truman created. This might have a bearing on the issue of donative intent.

What all this means to me is that there are legitimate factual disputes and that we have no proper way to resolve them. Let me explain. It appears that the staff's report was based on interviews not under oath and at which the President's representatives were not present and thus had no opportunity for cross-examination. In my view, therefore, all we have accomplished with certainty so far is to establish that there are fundamental disputes as to the facts. The resolution of such factual controversies, particularly where the facts have legal significance as they do here, has, in our legal system, long been a function of the judiciary. This is proper. The courts are equipped to receive testimony under oath and to subject that testimony to cross-examination. Equally important, in resolving factual disputes the courts permit only that testimony which is competent and material to be admitted in evidence. For example, testimony which is hearsay and that which is unfounded opinion is disregarded because history has taught us that such testimony may be entirely wrong.

We are legislators and our procedures are not equipped to gather evidence under such standards. In short, as to the facts, a judicial approach, and nothing less, is required. We are not the persons to do so.

It also now appears that, even if we had an agreed statement of facts, which we do not have, we could not simply apply well-established principles of law to those facts as we originally thought we could do. This is because it now has become apparent there are honest differences of opinion as to what the law requires.

Let me illustrate. The staff's report states that a deed was required to effect the 1969 gift of papers because there were restrictions on their use. The President's counsel disagreed. They say that there was no need for a deed since it should have been assumed that the restrictions attached to the 1968 gift were equally applicable to the 1969 gift. As a matter of common sense, this is persuasive to me. Moreover, if I recall the principles of the law of gifts correctly, a deed is not an essential element of a gift of personal property. Additionally, the Presidential Libraries Act suggests a strong public policy in favor of gifts of papers. The President's counsel make much of this fact. It seems to me that some of their points are well-taken. Yet, it seems to me that the staff may disagree. I could go on, but these two examples illustrate to me that the legal principles are not as clear-cut as we had supposed they would be.

Since there are both fundamental factual disputes and disagreements over legal principles, what course of action should we take? In my view, there is only one proper course. We should let the matter be decided in a proper judicial forum. In fairness to the public, to the President, and to the truth, I see no other alternative. If the facts were undisputed and complete, and they are neither, perhaps we might make a judgment. But, at present, we have no basis for such a judgment.

I therefore propose that we let the IRS make its assessment and, if the President disagrees with the assessment, he, like any other taxpayer, may have his recourse to the courts. The Staff's exhaustive report may be forwarded to the IRS. If a majority of the Committee so desires, it may be made public together with an explanation of why, contrary to our original expectation, we could not properly reach a definitive conclusion.

If we cannot at this time agree on a decision to follow the course which I have outlined in the above paragraph, we should take ample time to study the Staff report and meet at a later date to determine our course of action.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The Senate continued with the consideration of the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

Mr. CANNON. Mr. President, I move to reconsider the vote taken on amendment No. 1102, for a technical correction.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nevada.

The motion was agreed to.

Mr. CANNON. Mr. President, that amendment appeared to remove the calendar limit on the $25,000 which an individual may contribute to all candidates and committees, as applied to Senate and House campaign committees. The colloquy showed that that was not the intent.

We have discussed the matter with the Parliamentarian and the legal counsel in order to get the correct wording; and I therefore move to amend that amendment as follows: On line 7, after the word "to" insert the following: "contributions made by".

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 1, line 7, after the word "to" insert "contributions made by".

Mr. CANNON. Mr. President, I say to my colleagues that all this does is to make absolutely clear that this does not remove the $25,000 overall contribution limit that we had written in the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

AMENDMENT NO. 1075

Mr. BAKER. Mr. President, I call up my amendment No. 1075.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. BAKER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

On page 35, line 14, strike out "tenth" and insert in lieu thereof "fifth".

On page 36, line 9, after "other than", insert the following: "the fifth day preceding an election and".

On page 36, line 15, after "filed on" insert the following: "the fifth day preceding an election or".

On page 63, beginning with line 11, strike out through line 5 on page 64.

On page 64, line 7, strike out "318." and insert in lieu thereof "317.".

On page 64, line 14, strike out "319." and insert in lieu thereof "318.".

On page 75, line 19, strike out "(a)" and insert in lieu thereof "(a) (1)".

On page 75, between lines 23 and 24, insert the following:

"(2) No person may make a contribution to, or for the benefit of, a candidate for that candidate's campaign for nomination for election, or election, during the period which begins on the tenth day preceding the day of that election and which ends on the day of that election.".

On page 76, between lines 2 and 3, insert the following:

"(2) No candidate may knowingly accept a contribution for his campaign for nomination for election, or election, during the period which begins on the tenth day preceding the day of that election and which ends on the day of that election.".

On page 76, line 3, strike out "(2)" and insert in lieu thereof "(3)".

On page 76, line 6, strike out "paragraph (1)." and insert in lieu thereof "paragraph (1) or (2).".

On page 77, between lines 5 and 6, insert the following:

"(e) No candidate, or person who accepts contributions for the benefit or use of that candidate, may accept a contribution which, when added to all other contributions accepted by that candidate or person, is in excess of the amount which is reasonably necessary to defray the expenditures of that candidate.".

On page 77, line 6, strike out "(e)" and insert in lieu thereof "(f)".

Mr. BAKER. Mr. President, it is my intention, if it is agreeable to the managers of this bill and the leadership, now that the amendment has been laid before the Senate, to reserve until tomorrow the debate on the amendment and the vote. It is 5:20 p.m., and if the leadership or the managers of the bill wish, I will be happy to proceed; but it appears now more appropriate to make this the pending business after the cloture vote tomorrow.

Mr. MANSFIELD. The Senator will be doing us a favor if he does that. I wish he would.

Mr. ROBERT C. BYRD. Regardless of the outcome of the cloture vote.

Mr. BAKER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BAKER. Does that require a unanimous-consent agreement? If it does, I so propound that request.

The PRESIDING OFFICER. It does not require unanimous consent.

Mr. BAKER. I thank the Chair.

Under those circumstances, I reserve my time until the appropriate point during the proceedings on tomorrow.

AMENDMENT OF DISTRICT OF COLUMBIA REVENUE ACT OF 1974—CONFERENCE REPORT

Mr. EAGLETON. Mr. President, I submit a report of the committee of conference on H.R. 6186, and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. Pell). The report will be stated by title.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (H.R. 6186) to amend the District of Columbia Revenue Act of 1947 regarding taxability of dividends received by a corporation from insurance companies, banks, and other savings institutions, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the Congressional Record of March 27, 1974, at p. 8536.)

Mr. EAGLETON. Mr. President, this conference has been cleared with both sides.

I rise in support of the conference report on H.R. 6186. This legislation must be viewed in the context of the Home Rule Act. The need for this legislation arose when the Civil Service Commission rendered an opinion indicating that the current appointed Mayor-Commissioner, Chairman, and members of the City Council of the District of Columbia would have to resign their offices in order to seek one of the elective offices created under the Home Rule Act. The legislation has a twofold purpose. First, it prevents a possible hiatus in governance in the District of Columbia by allowing the current appointed officials to run for elective office without resigning. Second, the legislation is intended to actively promote the widest possible participation in the first elections held under the Home Rule Act.

This legislation provides that persons employed by the U.S. Government or by the government of the District of Columbia shall be permitted to be candidates in the first elections for the offices of Mayor, Chairman, or member of the Council. Without this legislation, the Hatch Act, which prohibits Federal and District employees from taking an active part in political management or political campaigns, would have prevented such persons from being candidates. The legislation provides that an individual who works for the U.S. Government or the government of the District of Columbia who becomes a candidate may take an active part in political management or political campaigns in the elections for the office of Mayor, Chairman, and member of the Council. The exemptions apply only to candidates.

The exemptions are very limited and are intended to allow Federal and District employees to be candidates for these offices without resigning their employment. It is important to stress that participation in political management and political campaigns will still be prohibited by persons who do not qualify as bona fide candidates. It is also important to stress that all of the other provisions of the Hatch Act will continue to apply to both candidates and noncandidates.

The conference report limits the duration of the candidacy so as to insure as far as possible that only bona fide candidates will qualify for and continue to operate under the exemption. Candidacy is specifically defined as the period of time from which the candidate secures a nominating petition until: First, the day following the day he does not qualify to be a candidate by failing to secure the appropriate number of signatures; second, 30 days after he loses in the primary election; third, 30 days after he loses in the general election; or fourth, if elected, on the day he takes office.

The exemptions contained in the conference report applying to Federal and District employees will take effect on the day the residents in the District ratify the charter, May 7, 1974. These provisions will terminate, however, on January 2, 1975. This will insure that the exemptions will be available for only Federal or District employees who intend to run for office in the first elections held under the Home Rule Act.

In order to have the fullest assessment of the impact of this legislation, it is the sense of the managers of the conference that the U.S. Civil Service Commission should review the administration and operation of this legislation to determine its effect on elections in the District of Columbia and to report to the Congress on its findings and recommendations.

The conference report also adopts language which would exempt the offices of Mayor, Chairman, and member of the Council as established under the self-government legislation from the prohibitions against active participation in political management and political campaigns contained in the Hatch Act. The intent of this provision is to put these elected officials in the same position as elected State and local officials nationwide, and thereby allow them to be politically active.

In order to specifically deal with the possible hiatus in governance in the District of Columbia, the Commissioner of the District of Columbia and the members of the District of Columbia Council, including the Chairman and Vice Chairman, are exempted from the provisions of the Hatch Act prohibiting participation in political management and political campaigns for the first election. The operative effect of this section will be that the current appointed Mayor-Commissioner and City Council members would not have to resign their positions in order to run for elective office under the Home Rule Act.

This legislation is very limited in what it does do and intentionally so. Allow me to indicate specifically what the legislation does not do. The legislation does not exempt anyone from any provisions of the Hatch Act except that section which prohibits active participation in political management or political campaigns. The limitations on political contributions and services, political use of authority or influence, and influencing elections still stand.

Mr. President, I move the adoption of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Missouri.

The motion was agreed to.

INCREASES IN CERTAIN ANNUITIES

Mr. MANSFIELD. Mr. President, I ask unanimous consent that it be in order to call up S. 1866 at this time, and I do so pending the arrival of the distinguished Senator from Wyoming, the chairman of the Committee on Post Office and Civil Service, because the distinguished ranking Republican member has remarks to make which will be in contrast to what the chairman of the committee desires.

The PRESIDING OFFICER (Mr. Pell). Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 1866.

The Presiding Officer laid before the Senate the amendment of the House of Representatives to the bill (S. 1866) to provide increases in certain annuities payable under chapter 83 of title 5, United States Code, and for other purposes which was to strike out all after the enacting clause, and insert:

That section 8345 of title 5, United States Code, is amended by adding at the end thereof the following new subsection:

"(f) (1) Notwithstanding any other provision of this subchapter, other than this subsection, the monthly rate of annuity payable under subsection (a) of this section shall not be less than the smallest primary insurance amount, including any cost-of-living increase added to that amount, authorized to be paid from time to time under title II of the Social Security Act.

"(2) Notwithstanding any other provision of this subchapter, other than this subsection, the monthly rate of annuity payable under subsection (a) of this section to a surviving child shall not be less than the smallest primary insurance amount, including any cost-of-living increase added to that amount, authorized to be paid from time to time under title II of the Social Security Act, or three times such primary insurance amount divided by the number of surviving children entitled to an annuity, whichever is the lesser.

"(3) The provisions of this subsection shall not apply to an annuitant or to a survivor who is or becomes entitled to receive from the United States an annuity or retired pay under any other civilian or military retirement system, benefits under title II of the Social Security Act, a pension, veterans' compensation, or any other periodic payment of a similar nature, when the monthly rate thereof, is equal to or greater than the smallest primary insurance amount, including any cost-of-living increase added to that amount, authorized to be paid from time to time under title II of the Social Security Act.".

Sec. 2. (a) An annuity payable from the Civil Service Retirement and Disability Fund to a former employee or Member, which is based on a separation occurring prior to October 20, 1969, is increased by $240.

(b) In lieu of any increase based on an increase under subsection (a) of this section, an annuity payable from the Civil Service Retirement and Disability Fund to the surviving spouse of an employee, Member, or annuitant, which is based on a separation occurring prior to October 20, 1969, shall be increased by $132.

(c) The monthly rate of an annuity resulting from an increase under this section shall be considered as the monthly rate of annuity payable under section 8345(a) of title 5, United States Code, for purposes of computing the minimum annuity under section 8345(f) of title 5, as added by the first section of this Act.

SEC. 3. This Act shall become effective on the date of enactment. Annuity increases under this Act shall apply to annuities which commence before, on, or after the date of enactment of this Act, but no increase in annuity shall be paid for any period prior to the first day of the first month which begins on or after the ninetieth day after the date of enactment of this Act, or the date on which the annuity commences, whichever is later.

Mr. FONG. Mr. President, I rise to oppose S. 1866 as amended by the House.

I supported this measure as it was reported out by the Senate Committee on Post Office and Civil Service last year. The committee version of the bill was designed to help those Federal retirees and their survivors who are most in financial need by raising the annuity of each retiree or his survivor to the minimum amount payable to beneficiaries under social security. The social security minimum was $84.50 per month and this is still the minimum. The cost of the committee bill was $433 million.

As the bill was written by the committee, these annuities would increase whenever the social security minimum benefit increases.

However, during debate on S. 1866, the Senate amended the committee bill by adding two new provisions, only one of which is still in the version before us today. That amendment would increase by $20 a month the annuities of all Federal retirees who retired prior to October 20, 1969, not just the most needy retirees. A surviving spouse would receive an increase of $11 per month. The cost of this amendment is $1.5 billion.

Therefore, the total cost of S. 1866, as it is before us, is $1.9 billion. Because the $1.9 billion would be amortized over 30 years, interest charges would push the total cost over 30 years to $3.5 billion.

Under S. 1866, so as amended, 80 percent of all Federal retirees or their survivors—approximately 740,000 individuals—would receive these increases—even those retirees whose annuities right now are above the social security minimum monthly benefit. Only 210,000 of these individuals are currently below the $84.50 social security minimum.

The 740,000 individuals affected are those retirees—or their survivors—who retired prior to October 20, 1969, and whose annuities were computed on their average "high-5" salaries.

Only Federal employees who retired after October 20, 1969, have been allowed to compute their annuities based on their average "high-3" salaries. Obviously, the average "high-3" yields a higher annuity than the average "high-5".

The Congress in 1969 chose not to make the "high-3" provision retroactive, but only prospective. A retroactive law would have made the cost of the bill prohibitively high and would have added too large an amount to the existing deficit in the Federal retirement fund, which even in 1969, was $60 billion in the red.

Both the "high-5" and the "high-3" annuitants have been receiving automatic increases in Federal annuities based on percentage increases in the cost of living, since the 1965 act passed by Congress. Whenever the cost of living increases 3 percent or more above the base period, Federal annuities are increased by the same percent, plus an additional 1 percent. Since 1969, Federal annuities have increased 35.4 percent.

The automatic cost of living annuity increase law is a reasoned and fair method of increasing Federal annuities to compensate for increases in living costs. Annuities should not be increased in a haphazard manner as S. 1866 proposes.

The Congress would be establishing a very bad precedent by approving this legislation. If this measure is enacted, it will invite similar legislation in the future. Whenever liberalizations are made in Federal employee retirement laws for future retirees, the Congress will be subjected to intense pressures to give comparable dollar increases to past retirees, at no cost to them. It is the American taxpayer who is forced to bear the burden.

Using a median income family taking the standard deductions, the Library of Congress has computed that family's Federal income tax to be $1,085 per year. At that rate it would take the taxes of 1,751,152 taxpayers to pay the $1.9 billion one-time costs of this bill.

Using the same median income family's taxes it would take 3,220,000 taxpayers to pay the $3.5 billion 30-year amortization cost of this legislation.

The Federal retirement fund is right now $68.7 billion in deficit. Passage of this bill would increase that deficit by $3.5 billion, to $72.2 billion. Payments for this deficit will have to be made out of the General Treasury or else the fund will dry up. It is the general taxpayer who in reality will pay this $3.5 billion cost.

The Congress must act responsibly. Existing law already provides for increases in Federal annuities in line with cost-of-living increases. We should not today act in this haphazard manner to alter the basis for "high-3" and "high-5" retirees. If we approve S. 1866, then we should also consider repealing the automatic cost-of-living increase law.

I am sympathetic to the plight of the Federal retirees whose annuities are low. This is why I supported the cost-of-living increase law and the committee version of S. 1866. However, in giving an across-the-board increase as directed in S. 1866, we cannot provide sufficiently for those retirees and their survivors who really need financial help.

I most sincerely would like to help those whose annuities are low, but I do not believe S. 1866, as passed by the House, is the answer. I urge its defeat. As this measure in substance passed the Senate some time ago, I will not ask for a rollcall vote.

Mr. COTTON. Mr. President, will the Senator yield for a question?

Mr. FONG. I am happy to yield.

Mr. COTTON. I understand that this bill has been taken from the calendar, to be taken up at this time.

Mr. FONG. The Senator is correct.

Mr. COTTON. Is it a question of approving a House bill or a conference report?

Mr. FONG. This is to approve an amendment passed by the House. This is a Senate bill that went to the House; the House changed it and sent it back; but in substance it is the Senate bill except for a few deductions and a limitation of the provisions dealing with social security benefits.

Mr. COTTON. What did I understand the Senator to say was the approximate added cost?

Mr. FONG. It would be an additional $1.5 billion from the bill we passed in committee and it would cost $1.9 billion. The $1.9 billion would be amortized over 30 years; the interest charges would push the total cost over 30 years to $3.5 billion. As stated before the fund is now $68.7 billion in the red.

The Federal retirement fund is right now $68.7 billion in deficit, and with the passage of this bill we will increase that deficit by $3.5 billion to $72.2 billion in deficit.

Mr. COTTON. We are not adding to the amount the Senate previously passed?

Mr. FONG. The Senate passed a bill almost like this bill in substance. We added a provision for social security which was taken out by the House. The House has refined this bill somewhat so the cost is about the same.

Mr. COTTON. So this bill is somewhat less in cost to the taxpayers than the bill the Senate passed and sent to the House?

Mr. FONG. Yes.

Mr. COTTON. The Senate has already passed the bill. The object is most worthy. The Senator from New Hampshire has complete respect for and confidence in the managers of the bill and the committee. However, the Senator from New Hampshire cannot refrain from one observation. It is a matter of almost $2 billion——

Mr. FONG. $3.5 billion.

Mr. COTTON. $3.5 billion. That is not the increase?

Mr. FONG. The increase is $1.5 billion, but if we add the interest charges, it would run it up to over $3 billion.

Mr. COTTON. I count seven Senators on the floor at the end of the day, and no doubt we have to vote for this bill. The Senate has already voted for it. Undoubtedly, if we had all 100 Senators present, we would have to pass the bill.

Without casting any reflection whatsoever—the leadership knows I would be the last Senator to criticize it—at a time when we are screaming about the cost of Government, it is not too edifying a spectacle to act on a matter of $3 billion at half past 5 in the afternoon, when it has been announced that there would be no more votes, Senators are all gone, and just put it through with a skeleton force on the floor.

I think that is the sort of thing that is misunderstood. I do not say there is anything improper about it, because obviously the bill would pass even if the rest of the Senate were here. But we could wake up some morning and someone will say, "Yesterday you passed a $3 billion bill." One could say, "When did we pass it?" The reply would be, "You passed it on April 3." Every little thing seems to be undermining the confidence of the people in their public officials. Congress is held in low esteem. We have fallen behind even the used car salesmen and the billing given the White House. I just think it is the sort of thing we ought to vote on, but I will not, of course, attempt in any way to pit my judgment against the whole Senate's judgment, which has already voted for the bill, and which I suppose would be adopted by the leadership and by the committee and the Senators in charge.

Mr. MANSFIELD. Mr. President, if I may have the attention of the acting Republican leader and the manager of the bill, the chairman of the committee, and the ranking Republican member, I would like to make a suggestion.

I ask unanimous consent that the bill, which passed the Senate, I understand, by a vote of 70-some to 17, which has been changed——

Mr. FONG. 71 to 19.

Mr. MANSFIELD. 71 to 19, which has been changed very little as a result of the House action, and, as the distinguished Senator from New Hampshire has said, the Senate has already expressed its will, be taken up at 2 o'clock tomorrow afternoon; that there be a time limit of 1 hour, the time to be equally divided between the manager of the bill, the distinguished Senator from North Dakota (Mr. BURDICK), and the ranking Republican member of the committee, the distinguished Senator from Hawaii (Mr. FONG), and that it be in order at any time to ask for the yeas and nays on this matter.

The PRESIDING OFFICER. Is there objection?

Mr. MANSFIELD. Mr. President, it will be on the motion to concur.

Mr. COTTON. Mr. President, reserving the right to object, I want to assure—I do not think I need to assure—the majority leader that I was not trying to cast any reflection on the way the Senate's business is being handled. He is doing the very best he can.

Mr. MANSFIELD. Quite the contrary.

Mr. COTTON. I voted against this bill in the very small minority of 17 because it involved such a huge expenditure, but it passed the Senate. I do not expect that can be changed. I dislike to seem to be holding up the procedure, but I must say the majority leader is very patient and most generous in perhaps honoring the whim of a Senator who just has the feeling that that amount of money ought not be acted upon with as small a group as is present. I trust that I am not too unreasonable——

Mr. MANSFIELD. If the Senator will yield, quite the contrary. I think the Senator made a valid point. He was making no effort to hold up action tonight, but after listening to the Senator, I thought this unanimous-consent proposal would be the best way to face up to the issue with more Members on the floor. I hope that there would be no objection to the request.

Mr. GRIFFIN. Mr. President, if the Senator will allow me to reserve an objection, I wish to observe to the distinguished Senator from New Hampshire, who is always so accurate and so correct in his observations, that it is not as though we had not had a rollcall on this matter, because it is an important subject, and there is a lot of money involved; but I do wish to just say that it was before the Senate and, as the Senator has already pointed out, he was among that sturdy, hardy group that voted against it. Now we are, as I understand it, faced with what is more or less a procedural step here, where we are concurring in a House amendment which actually has reduced the cost of the bill—a step which I think does not necessarily remove the objections of the Senator from New Hampshire, but, as I understand it, it would be more or less voting again on a subject that we have already voted upon.

If the Senator from New Hampshire thinks that is what we should do, of course, I would have no objection, and the Senator from Montana is ready to do that, but I think it might not be quite so awful to act on this, as we do in so many other instances where a conference report is involved, and we are not really expanding on legislation that has already passed by rollcall vote.

Mr. COTTON. Mr. President, will the Senator yield?

Mr. MANSFIELD. Surely.

Mr. COTTON Mr. President, I agree entirely with the acting minority leader. This is a perfectly reasonable thing. We fought the thing out. The Senate worked its will. Seventeen Senators voted against it. I must correct myself—19 Senators voted against it. We will probably lose a few votes anyway. However, more than a dozen Senators voted against it.

The bill spends too much money. The House actually reduced it.

It is a reasonable request. Every Senator knows that no harm will be done by the passage of the bill tomorrow. It is going to pass. It has passed the Senate. The Senate has worked its will overwhelmingly.

So the Senator from New Hampshire is not suggesting that there is anything wrong about it. The Senator from New Hampshire is merely suggesting that, like Caesar's wife, we have now reached a situation in public life in this country today when I do not want to have any comment or have anyone be able to say after tomorrow that the Senate passed a $3.5 billion bill with only seven Senators on the floor. They will not be able to say that truthfully. The bill has already passed by an overwhelming vote. They will not say that the House has reduced the amount. Very few people will understand that. However, somebody can pick it up and say that a $3.5 billion bill was passed with only seven Senators on the floor. It would be an unjust accusation that would reflect on the leadership and on all of us. It will not take over 10 minutes to do it on tomorrow.

I think that the majority leader is most generous and understanding. I am not going to admit that it is a whim on the part of the Senator from New Hampshire. I think it preserves the appearance of the Senate by passing it properly.

I express my appreciation to the majority leader. I hope that he will be equally patient with the Senator from New Hampshire, who wants to be able to go home at the end of this session and retire and try to think of something good to tell his people. I might even want a rollcall vote on this once more.

It is very difficult. It presents a great difficulty when one who has been in Congress for 28 years and has shouted many times and fought and bled and died in many causes is about to leave the Senate and leave the country in many ways in much worse condition than when he entered Congress. I will use any excuse that I can find to avoid doing it.

Mr. MANSFIELD. Mr. President, will the Chair rule on the request?

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. McGEE. Mr. President, I want to point out that the Senate and the Government also are the richer for the presence of the Senator from New Hampshire. Maybe that will help to balance the budget.

Mr. MANSFIELD. I would point out that the country will be the poorer for his voluntary retirement.

Mr. COTTON. Mr. President, I thank my friends for their very generous remarks. However, I must say that the country is not very much richer.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that today, April 3, 1974, he presented to the President of the United States the following enrolled bills:

S. 71. An act for the relief of Uhel D. Polly;

S. 205. An act for the relief of Jorge Mario Bell;

S. 507. An act for the relief of Wilhelm J. R. Maly;

S. 816. An act for the relief of Mrs. Jozefa Sokolowska Domanski;

S. 912. An act for the relief of Mahmood Shareef Suleiman; and

S. 2112. An act for the relief of Vo Thi Suong (Nini Anne Hoyt).

ORDER FOR ADJOURNMENT UNTIL 10:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 10:30 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATORS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, after the two leaders or their designees have been recognized tomorrow under the standing order, I ask unanimous consent that the Senator from Minnesota (Mr. MONDALE) be recognized for not to exceed 15 minutes, and that following his remarks the Senator from Florida (Mr. CHILES) be recognized for not to exceed 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROCEDURE ON CLOTURE MOTION TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the hour of 11 o'clock a.m. tomorrow, the 1 hour of debate on the motion to invoke cloture begin running.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at the hour of 10:30 a.m. tomorrow.

After the two leaders or their designees have been recognized under the standing order, the Senator from Minnesota (Mr. Mondale) will be recognized for not to exceed 15 minutes.

Following the remarks by the Senator from Minnesota, the Senator from Florida (Mr. Chiles) will be recognized for not to exceed 10 minutes.

At the hour of 11 o'clock a.m. the Senate will resume the consideration of the unfinished business, S. 3044.

The time for debate on the motion to invoke cloture on S. 3044 will begin running at 11 o'clock a.m. Upon the expiration of 1 hour, the clerk will call the roll to establish a quorum.

Upon the establishment of a quorum, the Senate will vote by rollcall on the motion to invoke cloture. Therefore, the vote on the motion to invoke cloture will occur at about 12:15 p.m.

What will ensue thereafter will depend, of course, on the outcome of the motion to invoke cloture. If cloture is invoked, S. 3044 will be the unfinished business until it has been disposed of, with the exception of one item which I shall mention subsequently.

If the motion to invoke cloture fails, the Senate will then resume the consideration of amendments to S. 3044, with votes occurring during the afternoon.

In any event, at the hour of 2 o'clock p.m. tomorrow, the Senate will resume the consideration of the message from the House of Representatives on S. 1866. There will be a motion to concur in the House amendment to S. 1866, and there will be 30 minutes for debate on that motion. The distinguished majority leader has already secured the consent of the Senate that the yeas and nays may be ordered at any time thereon.

There will be a yea-and-nay vote on the motion to concur in the House amendment to S. 1866, and that vote will occur, if the full time of 30 minutes is taken, at about 2:30 p.m. tomorrow.

ADJOURNMENT TO 10:30 A.M.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until the hour of 10:30 a.m. tomorrow.

The motion was agreed to; and at 5:51 p.m. the Senate adjourned until tomorrow, Thursday, April 4, 1974, at 10:30 a.m.

NOMINATIONS

Executive nominations received by the Senate April 3, 1974:

INTERNATIONAL EXPOSITION ON THE ENVIRONMENT

James G. Critzer, of Washington, to be Commissioner for a Federal exhibit at the International Exposition on the Environment being held at Spokane, Wash., in 1974. (New position)

NATIONAL CORPORATION FOR HOUSING PARTNERSHIPS

The following-named persons to be members of the Board of Directors of the National Corporation for Housing Partnerships for the terms indicated:

For the remainder of the term expiring October 27, 1974:

Henry F. Trione, of California, vice I. H. Hammerman II, resigned.

For the term expiring October 27, 1975:

Charles J. Urstadt, of New York, vice Walter James Hodges, term expired.

For the term expiring October 27, 1976:

Raymond Alexander Harris, of South Carolina, vice Ray A. Watt, term expired.

IN THE NAVY

Adm. Worth H. Bagley, U.S. Navy, for appointment as Vice Chief of Naval Operations pursuant to title 10, United States Code, section 5085, in the grade of admiral.

HOUSE OF REPRESENTATIVES—*Wednesday, April 3, 1974*

The House met at 12 o'clock noon.

Rev. Mr. Charles A. Mallon, permanent deacon, St. Ambrose Church, Cheverly, Md., offered the following prayer:

The Lord God has given me a well-trained tongue, that I might know how to speak to the weary a word that will rouse them.—Isaiah 50: 4.

Almighty Father, bless this community of priests, prophets, and kings. As you begin Your daily work of renewal within each of them, help them to be reconciled to this calling.

Bring them to deeper understanding of this ministry of reconciliation which You have given each of them.

Father, grant to this body a holy and joyful acceptance of their individual and collective sufferings, frustrations, and defeats. Permit these hardships, Lord, to be counted among the redemptive sufferings of Your Son, our Lord, Jesus Christ, whose suffering continues to reconcile this Nation to You.

We trust, Lord, that this Nation and this body will continue to reflect the power of Your Holy Spirit, for we place ourselves as a nation subject to You and acknowledge that all glory and honor is Yours. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1017. An act to promote maximum Indian participation in the government and education of the Indian people; to provide for the full participation of Indian tribes in programs and services conducted by the Federal Government for Indians and to encourage the development of the human resources of the Indian people; to establish a program of assistance to upgrade Indian education; to support the right of Indian citizens to control their own educational activities; to train professionals in Indian education; to establish an Indian youth intern program; and for other purposes.

The message also announced that the Vice President, pursuant to Public Law 85–474, appointed Mr. Griffin to attend the Interparliamentary Union Meeting to be held in Bucharest, Romania, April 15 to 20, 1974.

THE REVEREND CHARLES A. MALLON

(Mr. GREEN of Pennsylvania asked and was given permission to address the House for 1 minute.)

Mr. GREEN of Pennsylvania. Mr. Speaker, I rise to take just 1 minute to thank the Reverend Mr. Charles Mallon for delivering the opening prayer this morning. I have known the Reverend Mr. Mallon almost all of my life. His father was an administrative assistant to me and to my father in Philadelphia. Starting in 1949, Mr. Joseph Mallon served in our Philadelphia office until 1971. The Reverend Mr. Charles Mallon is also an employee of this House in the Sergeant at Arms' office and has been for 12 years.

Mr. Speaker, what we witnessed today was a very unique thing, because the Reverend Mr. Charles Mallon is a permanent deacon of the Catholic Church. The diaconate is a renewed ministry resulting from Pope John's convening of Vatican Council II.

This is the first time in the history of the House that a deacon of the Roman Catholic Church has ever given the opening prayer. The diaconate, as it was known in the early church, went out of practice or use about the year 423. Its renewal allows married lay Catholics the opportunity for a ministry. Deacons may baptize, marry, and preach. They may do everything a priest of the Roman Catholic Church may do except celebrate Mass and hear confessions.

Reverend Mallon is now an assistant chaplain at the D.C. General Hospital on a part-time basis.

If I may be permitted a personal note I would like to extend my warmest personal wishes to his parents, Mr. and Mrs. Joseph Mallon, who are here today, to Charles' lovely wife, Arlene, his children, Charles, Colleen, Michael, and Mary Beth, who are on the floor today to witness this historic occasion.

Mr. Speaker, on behalf of the House I thank Mr. Mallon for his inspiring words this morning and note again the uniqueness of this occasion.

MAKING IN ORDER CONSIDERATION OF CONFERENCE REPORT ON H.R. 12253, GENERAL EDUCATION PROVISIONS ACT AMENDMENTS, ON THURSDAY, APRIL 4, 1974

Mr. PERKINS. Mr. Speaker, I ask unanimous consent that it be in order for the House to consider the conference report on H.R. 12253, to amend the General Education Provisions Act to provide that funds appropriated for applicable programs for fiscal year 1974 shall remain available during the succeeding fiscal year and that such funds for fiscal year 1973 shall remain available during fiscal years 1974 and 1975, on Thursday, April 4, 1974, since the report is unanimous.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

CALL OF THE HOUSE

Mr. SCHERLE. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 132]

Anderson, Ill.
Badillo
Bevill
Biester
Bingham
Blackburn
Blatnik
Brasco
Broomfield
Buchanan
Camp
Carey, N.Y.
Chisholm
Clark
Conlan
Conyers
Dellums
Diggs
Dingell
Dorn
Eckhardt
Esch
Fraser
Frenzel
Gettys
Gonzalez
Gray
Hansen, Wash.
Hébert
Heckler, Mass.
Hogan
Kastenmeier
Kazen
Kluczynski
Lujan
McKinney
Mosher
Murphy, N.Y.
Patman
Pickle
Poage
Rees
Reid
Rooney, N.Y.
Rosenthal
Runnels
Ruppe
Shriver
Smith, N.Y.
Stark
Stephens
Teague
Thompson, N.J.
White
Williams
Wolff
Wyatt

The SPEAKER. On this rollcall 375 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PERMISSION FOR COMMITTEE ON RULES TO HAVE UNTIL MIDNIGHT TO FILE CERTAIN PRIVILEGED REPORTS

Mr. LONG of Louisiana. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 13163, CONSUMER PROTECTION ACT OF 1974

Mr. LONG of Louisiana. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1025 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1025

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for consideration of the bill (H.R. 13163) to establish a Consumer Protection Agency in order to secure within the Federal Government effective protection and representation of the interests of consumers, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed four hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Government Operations, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider as an amendment in the nature of a substitute for the bill the text of the bill H.R. 13810 as introduced in the House on March 28, 1974. At the conclusion of the consideration of the bill H.R. 13163 for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or to the amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER. The gentleman from Louisiana (Mr. LONG) is recognized for 1 hour.

Mr. LONG of Louisiana. Mr. Speaker, I yield the usual 30 minutes to the minority Member, the distinguished gentleman from Ohio (Mr. LATTA), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1025 provides for an open rule with 4 hours of general debate on H.R. 13163, a bill to establish a Consumer Protection Agency.

House Resolution 1025 provides that it shall be in order to consider as an amendment in the nature of a substitute for the bill the text of the bill H.R. 13810 as introduced in the House on March 28, 1974.

The Consumer Protection Agency established by H.R. 13163 will be an independent agency within the executive branch of the Government, headed by an Administrator, who will be appointed by the President by and with the advice and consent of the Senate.

H.R. 13163 provides that the Consumer Protection Agency will have four principal roles: First, to represent the interests of consumers in proceedings and activities of Federal agencies; second, to receive and evaluate consumer complaints and to transmit them to the proper agencies; third, to gather, develop, and disseminate information relevant to consumer products, services, and problems; and fourth, to advise the Congress and the President on matters affecting the interests of consumers, and to recommend legislation needed to improve the operations of the Federal Government in the protection of the interests of consumers.

Mr. Speaker, I urge the adoption of House Resolution 1025 in order that we may discuss and debate H.R. 13163.

Mr. Speaker, I yield to the gentleman from Ohio (Mr. LATTA).

Mr. LATTA. Mr. Speaker, I think this is one of the more important bills the House will consider this session. We have been considering consumer agency legislation for quite some time and there has been considerable debate both pro and con. A number of questions have been raised relative to the various pieces of legislation. I think the bill this rule will make in order still needs considerable study by the House.

The purpose of H.R. 13163 is to establish an independent Consumer Protection Agency within the executive branch. The Agency is to be headed by an Administrator who is to be appointed by the President with Senate approval.

The functions of the Agency are the following: First, represent the interests of consumers before Federal agencies and courts; second, support research and testing leading to improved products; third, make recommendations to Congress and the President on consumer protection; fourth, inform consumers of matters of interest to them; fifth, conduct surveys on the problems of consumers; sixth, cooperate with State and local governments and private enterprise in protecting consumers; and seventh, keep the appropriate congressional committees informed.

In representing consumers, the Administrator may, of right, intervene as a party or otherwise participate in an Agency proceeding. He may institute or intervene as a party in a court proceeding involving judicial review of any Agency action affecting consumers. The administrator could act in court even where he did not participate in the Agency proceeding, unless this "would be detrimental to the interests of justice."

A number of amendments are going to be proposed. I am more than a little bit concerned about several features of this bill. The way this bill now stands this Agency, or representatives of this Agency, could practically tie this Government in knots and cause it to cease to function. I do not think we need an agency with such super power. This will be fully explained during debate.

Mr. Speaker, I think that the Members of the House should pay close attention to the debate on this legislation. I do not think this House gave adequate consideration to the legislation creating OSHA and EPA. I do not think I have to explain to the Members how these two agencies have on occasion needlessly injected themselves into the proper functioning of this Government. We have all had these complaints. By creating this agency with the powers now in the bill, we will have complaints like we have not seen before.

The authority to support research particularly bothers me. The Consumer Protection Agency legislation previously before the Rules Committee placed an obligation on the Agency or the taxpayers to perfect the defects found in consumer goods. This was one of the reasons I opposed this legislation as I was concerned that the taxpayers might be picking up the tab for research on private products. I do not think the taxpayers want to get into perfecting defects found in private products.

Should there be something defective with a new automobile, I do not think it is the responsibility of the taxpayers of this Nation to support research to perfect that defect in order that General Motors, Ford, or Chrysler, or some of the other automobile manufacturers might reap greater profits. Research is a legitimate expense of private industry —not one to be passed on to the taxpayers.

Mr. Speaker, I think when this legislation is debated and we get into the 5-minute rule, that proper amendments should be adopted to protect our taxpayers from picking up the costs for private research. The way the legislation reads at present, I am fearful that they might have to do exactly that.

Mr. Speaker, I yield 5 minutes to the gentleman from Ohio (Mr. BROWN).

Mr. BROWN of Ohio. Mr. Speaker, the rule providing for the consideration of H.R. 13163 recognizes an amendment in the nature of a substitute which I intend to offer at the appropriate time.

At this point, I should like to outline briefly my alternative bill, so that it may be kept in mind during the general debate on this most important and timely legislation.

The substitute bill to create a Consumer Protection Agency is, with the exception of seven differences, exactly the same as the bill reported by the Government Operations Committee.

Five of these differences originated as amendments sent to the committee by the White House as necessary for administration support. I should note briefly that, in the spirit of compromise, the administration supported the compromise CPA bill passed by this body during the last Congress, only to find that compromise seriously compromised in committee this Congress.

The remaining two differences originated as amendments which my good friend and colleague DON FUQUA and I offered in subcommittee and which were also offered in full committee. These two amendments were considerably liberalized versions of unsuccessful amendments offered by us on the floor during the debate on this subject during the 92d Congress. We also saw the need to compromise and make our amendments stronger.

I hasten to point out that all these amendments which now form the substitute were defeated during the committee process, but not necessarily knowingly rejected. Many amendments were defeated at both subcommittee and full committee levels by the most extensive use of general proxy voting I have seen in all my years in the House.

At one point it got so bad that almost one half of the committee membership was being voted by proxy.[1]

My alternative CPA bill, therefore, is offered in this chamber where it cannot be preyed upon by proxies. The seven differences, in brief, are as follows, the first five having originated as the Administration's amendments:

First. The exemptions section of the Brown substitute and the Holified-Rosenthal bill differ in two respects. My bill will not exclude from CPA advocacy and appeal major interests or organized labor, as would the Holifield-Rosenthal bill. My bill would also fully exempt the Departments of Defense and State from CPA intervention, while the Holifield-Rosenthal bill would only grant partial exemptions for these agencies.

Second. The Brown substitute would allow existing agencies to deny the CPA access to their criminal investigation files; while the Holifield-Rosenthal bill would force Federal agencies to produce such files for CPA review.

Third. The Brown substitute would allow existing Federal agencies to refuse any CPA requests for them to use their subpena power to get information only of interest to CPA; while the Holifield-Rosenthal bill would force existing agencies to use their subpena powers against individuals and companies which the CPA, alone, is investigating.

Fourth. The Brown bill would allow Federal agencies to refuse CPA access to trade secrets and confidential information which were voluntarily given to these agencies; while the Holifield-Rosenthal bill would force these agencies to disclose to the CPA virtually all such material given to the Federal Government in confidence.

Fifth. The Brown alternative would provide that the Justice Department would litigate court suits for the CPA, except where the Attorney General determines otherwise; while the Holifield-Rosenthal bill would require that the CPA hire and use its own trial lawyers.

Sixth. The Brown bill would allow the CPA to seek judicial review only of another agency's decisions where that agency refused to grant the CPA access to information to which the CPA has a right under the bill or where the CPA has been denied party status or any other CPA-requested opportunity to advocate consumer interests as provided in the bill. The Holifield-Rosenthal alternative would allow the CPA to seek judicial review of virtually any action, including inaction, of another agency, whether or not the CPA appeared before it.

Seventh. And finally, the Brown bill would not allow the CPA to become a party with equal rights to an agency prosecutor in that very small number of Federal adjudications in which a person, who has been formally charged with a violation of law, is being prosecuted before a Federal agency. The Holifield-Rosenthal alternative would allow the CPA to be such a second prosecutor in most such situations, limiting the CPA's right to party status only where the forum agency, itself, directly imposes a fine or a forfeiture upon a person found guilty.

Mr. Speaker, these are the seven differences between the Brown bill and the Holifield-Rosenthal bill, explained in the briefest terms. Seven differences, each one rather small, but in total providing for, I think, a more responsible new CPA. I shall explain these differences and their rationale at greater length during the general debate.

Mr. ASHBROOK. Will the gentleman yield?

Mr. BROWN of Ohio. I am glad to yield to my colleague from Ohio.

Mr. ASHBROOK. I certainly wish to commend the gentleman for bringing this matter to the attention of the House.

While the gentleman might be a little reticent to say that these differences are not so important, I want to say that I think they are very important, and I believe that they change the impact of the legislation.

I appreciate his stating the matter so clearly and succinctly for us.

Mr. BROWN of Ohio. I will say in response to the gentleman that these seven amendments taken together in the substitute bill will change the thrust of this legislation which came from the committee from that which would create an agency that would delay the interests of consumers by excessive consideration of regulatory decisions by the courts and change it to an agency which would be clearly admonished to advocate the interests of consumers as the agencies should be which are currently involved in trying to protect the public interest.

I have some difficulty in my mind with the fact the assumption is made in the basic legislation that consumer interest and the public interest are at variance. It seems to me that consumer interests ought to be embraced in the public interest and ought to be presented for consideration and agency decisions ought to be made with the public interest in mind.

Mr. ASHBROOK. I think each one of the Members will find one part of the current bill more offensive than the other. Personally I find most offensive the concept that the Consumer Protection Agency should be involved at every level of decision making and the right of appeal and be involved in all agency actions. I can see more problems and red tape in that particular proposal than in any other.

Mr. BROWN of Ohio. Let me say that the bill as it comes out of the committee gives the Consumer Protection Agency the right to ignore its responsibility to advocate the interests of consumers and then take Federal regulatory agencies to court and delay their decision and put that decision not in a specialist agency which knows something about the unique problems of that agency but, rather, in the hands of other figures like judges and courts and others who do not have specialized knowledge such as the Federal Communications Commission or the

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[1] March 21, 1974, Full Government Operations Committee markup on H.R. 13163, Transcript pp. 113–116. (19 proxies cast, 22 members present.)

Federal Power Commission or the Federal Trade Commission or the Securities and Exchange Commission or any one of the other agencies.

Mr. LATTA. Mr. Speaker, I would like to commend the gentleman from Ohio for his statement and for his work on this legislation.

I, as one Member of this House, appreciate his efforts.

Mr. Speaker, I have no further requests for time and reserve the balance of my time.

Mr. LONG of Louisiana. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Indiana (Mr. MADDEN).

Mr. MADDEN. Mr. Speaker, yesterday the Rules Committee, by a voice vote, held hearings on the pending rule which was reported to the House floor. I do hope that this rule, providing for the Congress to establish a permanent Consumer Protection Agency, is adopted without any major opposition.

I wish to commend Chairman HOLIFIELD, ranking minority member HORTON, Congressman ROSENTHAL, and other members of the Committee on Government Operations for the many days of hearings and hard work devoted to this consumer bill now under consideration.

During recent years, the Congress has made several efforts to pass legislation protecting the millions of consumers over our Nation from being victimized by some of the unscrupulous corporations, industries, conglomerate retailers, and others who have practiced profiteering and shady business operations resulting in great loss to the consumer public. Almost all segments of our economy, including big oil, chain retailers, manufacturers, and industry of all description have, on too many occasions, foisted on the consuming public inflated prices, misrepresentation, and inferior materials.

For the first time during my long service in Congress, a comprehensive, fair, and well-constructed consumer protection bill is being presented for enactment by this legislative body.

The American consumers, as a group, have never had a protection lobby in the legislative Halls of Congress. Some of our older colleagues remember, back in the historic Presidential campaign of 1948, one of President Harry Truman's most important planks was that he was proud to be a one-man institution in the executive department to exert every possible effort to be a "lobby" representative in the Federal Government in Washington for the millions of unprotected American consumers. This plank in his platform, more than anything else, brought about his unexpected victory in that close Presidential election race of 1948.

As on former occasions, lobbies representing special privilege interests are today exerting their powerful influence on Members of Congress to amend, weaken, and destroy this consumer protection legislation so that profiteering and special privilege groups over the country can continue to take unfair advantage of millions who constitute the buying power of our economy.

First. This bill establishes a Consumer Protection Agency as an independent department within the executive branch of the Government;

Second. To receive, evaluate, and respond to consumer complaints and to transmit complaints to Federal and other entities for appropriate action;

Third. To gather, develop, and disseminate information relevant to consumer products, services, and problems, and to promote testing and research by others in the interest of improving consumer products and services; and

First. To advise the Congress and the President on matters affecting the interests of consumers, and to recommend legislation needed to improve the operations of the Federal Government in the protection and promotion of the interests of consumers.

This legislation, after weeks of hearings and markup on the bill, was reported out of the Committee on Government Operations by a vote of 27 to 3, with general support from both Democrats and Republicans. I do hope this legislation is enacted, without any major changes, as recommended by the committee.

Mr. LONG of Louisiana. Mr. Speaker, I have no further requests for time.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BROWN of Ohio. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 372, nays 20, answered "present" 1, not voting 39, as follows:

[Roll No. 133]

YEAS—372

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashley
Aspin
Badillo
Bafalis
Baker
Barrett
Beard
Bell
Bennett
Bergland
Biaggi
Bingham
Blatnik
Boggs
Boland
Bowen
Brademas
Brasco
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton
Butler
Byron
Carter
Casey, Tex.
Cederberg
Chamberlain
Chisholm
Clancy
Clark
Clausen, Don H.
Clay
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Conable
Conte
Corman
Cotter
Coughlin
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, Ga.
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dent
Derwinski
Devine
Dingell
Donohue
Downing
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fish
Flood
Flowers
Flynt
Foley
Ford
Forsythe
Fountain
Fraser
Frelinghuysen
Frey
Froehlich
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Grasso
Green, Oreg.
Green, Pa.
Griffiths
Grover
Gubser
Gude
Gunter
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hanna
Hanrahan
Hansen, Idaho
Hansen, Wash.
Harrington
Harsha
Hastings
Hawkins
Hays
Hébert
Hechler, W. Va.
Heinz
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holifield
Holt
Holtzman
Horton
Hosmer
Howard
Huber
Hudnut
Hungate
Hutchinson
Ichord
Jarman
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kemp
Ketchum
King
Koch
Kuykendall
Kyros
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Long, La.
Long, Md.
Lott
Luken
McClory
McCollister
McCormack
McDade
McEwen
McFall
McKay
McKinney
McSpadden
Macdonald
Madden
Mahon
Mallary
Mann
Maraziti
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Milford
Miller
Mills
Minish
Mink
Minshall, Ohio
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murtha
Myers
Natcher
Nedzi
Nelsen
Nichols
Nix
Obey
O'Brien
O'Hara
O'Neill
Owens
Parris
Passman
Patten
Pepper
Perkins
Pettis
Peyser
Pike
Podell
Powell, Ohio
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quie
Railsback
Randall
Rangel
Regula
Reuss
Rhodes
Riegle
Rinaldo
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roy
Roybal
Ruppe
Ruth
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Satterfield
Scherle
Schneebeli
Schroeder
Sebelius
Seiberling
Shipley
Shoup
Shuster
Sikes
Sisk
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, J. William
Stanton, James V.
Steed
Steele
Steelman
Steiger, Wis.
Stokes
Stratton
Stubblefield
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Treen
Udall
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wydler
Wylie
Wyman
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—20

Ashbrook
Bauman
Burleson, Tex.
Clawson, Del
Collins, Tex.
Crane
Dennis
Dickinson
Fisher
Goodling
Gross
Jones, Okla.
Landgrebe
Martin, Nebr.
Quillen
Rarick
Roberts
Steiger, Ariz.
Symms
Wiggins

ANSWERED "PRESENT"—1

Johnson, Calif.

NOT VOTING—39

Anderson, Ill.
Arends
Bevill
Biester
Blackburn
Bolling
Camp
Carey, N.Y.
Carney, Ohio
Chappell
Conlan
Conyers
Diggs
Dorn
Frenzel
Gettys
Gray
Heckler, Mass.
Hunt
Kazen
Kluczynski
Litton
Lujan
McCloskey
Madigan
Murphy, N.Y.
Patman
Pickle
Poage
Rees
Reid
Rooney, N.Y.
Runnels
Shriver
Skubitz
Stark
Stephens
Ullman
Williams

So the resolution was agreed to.

The Clerk announced the following pairs:

Mr. Chappell with Mr. Arends.
Mr. Rooney of New York with Mr. Patman.
Mr. Bevill with Mr. Lujan.
Mr. Stark with Mr. Biester.
Mr. Carey of New York with Mr. Hunt.
Mr. Conyers with Mr. Kluczynski.
Mr. Murphy of New York with Mr. Diggs.
Mr. Reid with Mr. Madigan.
Mr. Rees with Mr. Anderson of Illinois.
Mr. Pickle with Mr. Blackburn.
Mr. Litton with Mr. McCloskey.
Mr. Carney of Ohio with Mrs. Heckler of Massachusetts.
Mr. Ullman with Mr. Camp.
Mr. Stephens with Mr. Shriver.
Mr. Gettys with Mr. Conlan.
Mr. Dorn with Mr. Williams.
Mr. Gray with Mr. Frenzel.
Mr. Runnels with Mr. Skubitz.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

STAFF REPORT OF PRESIDENT NIXON'S TAX RETURNS

(Mr. MILLS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MILLS. Mr. Speaker, I am transmitting to the House today, and Senator LONG is transmitting to the Senate, for the Joint Committee on Internal Revenue Taxation the following staff report, which represents an analysis of the President's tax returns for the years 1969 through 1972.

The committee has so far, and this is very important, examined only the introduction and summary of conclusions in this report. In releasing this report, the committee is doing so without expressing its own views on this report.

I say that is most important. The committee has not reached any conclusions in that respect, and I want to emphasize that this is the case, because I have said repeatedly that I could not reach a conclusion until I have had full time to study the report. We have not had that, but the joint committee felt that it was proper to release the report rather than have the report leaked.

There is a provision of law in the Internal Revenue Code which says that the committee cannot release information obtained with respect to a taxpayer's return until a report has been filed with the Congress. We are proceeding to abide by that provision of law, by now filing the report with the House, so it can subsequently be released to the public.

Mr. SCHNEEBELI. Mr. Speaker, will the gentleman yield?

Mr. MILLS. Mr. Speaker, I yield to the gentleman from Pennsylvania.

Mr. SCHNEEBELI. Mr. Speaker, I thank the gentleman from Arkansas for yielding to me.

Mr. Speaker, I would like to state that the approval for the release of this staff report has the concurrence of the gentleman from Illinois (Mr. COLLIER) and myself, the Republican members of the committee from the House. I emphasize what the chairman has said, that the release of this report does not indicate any conclusions on the part of the committee or any expression of the committee with regard to the report.

Mr. MILLS. Mr. Speaker, I might further add that there will be copies of the report available around 2 o'clock this afternoon.

Mr. BROWN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. MILLS. Mr. Speaker, I yield to the gentleman from Michigan.

Mr. BROWN of Michigan. Mr. Speaker, does the gentleman from Arkansas and the gentleman from Pennsylvania each agree with the mechanics of the way in which this report has been prepared and is being released?

Mr. MILLS. Mr. Speaker, we agree with the release of the report. I do not know anything yet about the mechanics. That is what we are trying to find out.

Mr. BROWN of Michigan. Mr. Speaker, does the gentleman from Arkansas and the gentleman from Pennsylvania each agree with the content to the extent that they have read the report?

Mr. MILLS. No, we have said specifically that we have not reached any conclusions with respect to any conclusion reached by the staff.

Mr. SCHNEEBELI. Mr. Speaker, will the gentleman yield further?

The SPEAKER. The time of the gentleman from Arkansas has expired.

(At the request of Mr. BROWN of Michigan and by unanimous consent, Mr. MILLS was allowed to proceed for 1 additional minute.)

Mr. SCHNEEBELI. Mr. Speaker, I would like to emphasize that the committee has had just about an hour to review with the staff in a very preliminary way what the findings of the staff are. We are not in a position to draw any conclusion.

Mr. MILLS. Mr. Speaker, we are trying to make it as emphatic as we can, that none of the members of the joint committee have reached any conclusions or had the opportunity to reach any conclusion.

Mr. O'HARA. Mr. Speaker, will the gentleman yield?

Mr. MILLS. Mr. Speaker, I yield to the gentleman from Michigan.

Mr. O'HARA. Mr. Speaker, could the gentleman from Arkansas advise the House what the plans of the committee are with respect to reaching a conclusion?

Mr. MILLS. Yes, we will continue with the matter. We do not intend to shirk committee responsibility.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. MILLS. Mr. Speaker, I will be glad to yield to the gentleman from Iowa.

Mr. GROSS. Does the press now have a copy of this report?

Mr. MILLS. The press does not. We cannot release it until there is transmission to the Congress.

The SPEAKER. The time of the gentleman from Arkansas has again expired.

(At the request of Mr. BURKE of Massachusetts and by unanimous consent, Mr. MILLS was allowed to proceed for 1 additional minute.)

Mr. BURKE of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. MILLS. Mr. Speaker, I yield to the gentleman from Massachusetts.

Mr. BURKE of Massachusetts. Mr. Speaker, I just want to say I concur with the statements made by the chairman and the ranking minority member.

Mr. BROWN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. MILLS. Mr. Speaker, I will be glad to yield to the gentleman from Michigan.

Mr. BROWN of Michigan. Mr. Speaker, recognizing realistically that a report to the Congress of this nature results in broad dissemination, can the gentleman from Arkansas and the gentleman from Pennsylvania each say, once again, that they agree with the mechanics of the release?

Mr. MILLS. I said specifically that I agree with the release but I am not yet familiar with the contents, other than the summary. All I know is what is in the introduction, and I know what is in the summary. I do not know how any of these conclusions were reached by the staff and that involves the mechanics of the operation of the staff, I take it.

Mr. BROWN of Michigan. Mr. Speaker, if the gentleman will yield further, does not the gentleman from Arkansas and the gentleman from Pennsylvania each believe that at least you two gentlemen should be more familiar with the report before it is released than you have indicated?

Mr. MILLS. Ordinarily, as far as I am concerned, I would agree with the gentleman; but we are here and concerned about a provision of the Internal Revenue Code. Anyone who should release any of this information prior to its submission to the House would be guilty of having committed a crime. I know and the gentleman knows that if two people know anything here in Washington, it is no longer a secret.

Mr. BROWN of Michigan. I thank the gentleman, but renew my concern about this report being released before the two Members of the House having the authority and the responsibility of the House on this subject, have agreed to the release of a report with which they admittedly are unfamiliar. If the criminal law has any application, it should have been a deterrent to any premature release of the report, or any portion thereof, by a staff member or anyone else, prior to its specific approval by the Joint Committee. Every fairminded person, irrespective of his personal or political predisposition regarding this matter, should be very disturbed.

CONSUMER PROTECTION ACT OF 1974

Mr. HOLIFIELD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 13163) to establish a Consumer Protection Agency in order to secure within the Federal Government effective protection and representation of the interests of consumers, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from California.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 13163, with Mr. BOLAND in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from California (Mr. HOLIFIELD) will be recognized for 2 hours, and the gentleman from New York (Mr. HORTON) will be recognized for 2 hours.

The Chair recognizes the gentleman from California (Mr. HOLIFIELD).

Mr. HOLIFIELD. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, before I start my explanation of the bill, I just wish to say that it will be the intent of the managers of the bill on both sides to expedite the consideration of this bill as much as possible.

We will try to confine ourselves to as short debate times as we need concerning each point, because we know that there is a dinner tonight which the Members on the minority side wish to attend, and there are also other obligations to be met by Members on the majority side. Therefore, we will try to expedite this matter as quickly as possible.

Mr. Chairman, I rise in support of H.R. 13163, the bill to establish a Consumer Protection Agency. I will make several general points and then outline briefly the basic features of the bill.

First. This bill has had a long period of development. House and Senate committees have been working on such legislation for at least 5 years. In the 91st Congress, the Senate passed a Consumer Protection Agency bill; in the 92d Congress, the House passed such a bill (H.R. 10835) by a vote of 344 to 44. Now, I believe, the Congress wants this bill and both houses are prepared to act upon it.

Second. The bill reflects a broad agreement within our committee. As a new clean bill, it was reported unanimously and sponsored by all 12 members of the Subcommittee on Legislation and Military Operations. The bill is sponsored by 34 of the 41 members of the full committee. The committee vote in reporting the bill was 37 ayes, 3 noes, and 1 present. In short, the Committee on Government Operations overwhelmingly endorses H.R. 13163.

Third. The bill has broad support among consumer, labor, Government, and professional groups. Among the latter, the American Bar Association and the chairman of the Administrative Conference of the United States are on record in favor of the basic legislation.

Fourth. The administration supports this bill. Mrs. Virginia H. Knauer, the President's Consumer Adviser, in remarks to the National Press Club on March 19, 1974, made a ringing endorsement of the bill and called for its prompt enactment. In a letter to me dated the same day, the Honorable Roy L. Ash, writing in the capacity of Assistant to the President, stated:

> As you know, the President has on several occasions expressed his support for a consumer representative program such as that proposed in this legislation. The administration supports the objectives sought to be achieved in H.R. 13163.

It is true that Mr. Ash favors some amendments to this bill, which may be proposed on the floor today, but the administration's support for the basic legislation is clear.

Fifth. Important segments of the business community also support the objectives of this legislation and the basic provisions of the bill. Among these are Montgomery Ward, J. C. Penney, and Giant Food Stores. As in the case of the administration, I am not saying that they support every particular, but they support the bill in its essentials. I am not pretending, however, that business organizations generally favor this bill. In fact, their lobbyists have been working overtime to kill it.

Sixth. The bill is well balanced and carefully drawn. We have had many discussions and conferences with business and consumer groups, and Government and independent experts, in an effort to develop a bill that is effective for the consumer and also fair to all business, Government, and other interests that may be affected. I believe we have done very well in this matter, and I, for one, am very proud of our committee achievement.

Seventh. This bill deserves to be passed. Consumers need the protection it would afford. Although most business organizations—as I have said—have voiced their opposition to the bill, I truly believe that it will be of benefit to business as well as to consumers. Honest business has nothing to fear. Those who sell shoddy merchandise and try to trick the consumer, of course, will find no comfort in this legislation.

Now I will speak briefly to the basic features of the bill:

H.R. 13163 establishes a Consumer Protection Agency as an independent agency within the executive branch of the Government. It is to be headed by an Administrator, assisted by a Deputy Administrator, both of whom are to be appointed by the President by and with the advice and consent of the Senate. The bill provides that the Administrator must be "exceptionally qualified" to represent consumer interests by reason of his training, experience, and achievements.

The Consumer Protection Agency will represent consumer interests in proceedings and activities of Federal agencies, handle consumer complaints, develop and disseminate consumer information, and advise the Congress and the President in matters of interest to consumers.

The key function is consumer representation, which is described in section 6 of the bill. The CPA will not be a regulatory agency but a consumer advocate. It will be authorized to appear in agency proceedings and have the same rights as business and other parties. In regard to other Federal activities, the CPA will have the same opportunities as others to comment or consult. The bill makes it clear that the CPA, in dealing with other Federal agencies, will have to observe their rules, regulations, and procedures. It also makes clear that the regulatory agencies will retain full responsibility and undiminished authority for the administration of laws for the regulation of trade and commerce.

Taken together, the provisions in the bill insure that the Administrator will be able, in an orderly and proper way, to appear before other Federal agencies, or to convey significant information, in pursuance of consumer interests, whatever the type of Federal agency proceeding or activity involved and however termed—whether described as formal or informal, structured or unstructured, adjudicatory or rulemaking. He may intervene or participate as a party when party rights are applicable, and in other situations he may participate or communicate in the same manner as anyone else. The two categories—proceeding and activity—cover the variety of possibilities—except where exemptions or qualifications are specifically stated in the bill—for effective exercise of the consumer advocacy function.

In one particular category of Federal agency proceedings, the Administrator may not intervene as a party but is limited to an amicus curiae role; namely, in Federal agency proceedings which seek primarily to impose a fine or forfeiture which the host agency may impose under its own authority. Such proceedings would be few in number, since agencies ordinarily do not have authority to impose fines or forfeitures but must seek enforcing action through the courts. However, the committee put this limitation upon the CPA in order to avoid any appearance of "dual prosecution" against a respondent. Keep in mind that technically there would be civil and not criminal proceedings, and so prosecution is not the proper word to apply. In the course of debate, you will hear from opponents of this bill much about "dual prosecution." It is not the CPA role to prosecute but to participate in cases where participation is valid; that is, where consumer interests are involved.

The CPA is accorded the amicus privilege not only in Federal agency proceedings which may lead to the direct imposition of fines and forfeitures, but in Federal court actions—other than those for judicial review—where the United States or any Federal agency is a party. If the CPA believes that the court action may "substantially affect the interests of consumers," he may transmit information and evidence to the Government attorney handling the case, and may appear, in the discretion of the court, as amicus curiae to present written or oral argument.

The bill also authorizes the CPA to seek or intervene in judicial review of any agency action which substantially affects the interests of consumers. In this respect, he may appeal only to the extent that any other person if aggrieved would have the right of judicial review by law. As you know, the Administrative Procedure Act permits judicial review to parties suffering legal wrong due to agency actions which are arbitrary, capricious, abusive of discretion, contrary to law or agency procedures, or unsupported by substantial evidence.

In the course of debate, you will probably hear two kinds of arguments concerning judicial review. There are some who oppose granting this right to the CPA, notwithstanding the fact that other aggrieved persons now have such a right by law. Then, there are those who believe that if the right of judicial review is accorded, the CPA should be authorized to appeal only when it participated in the Federal agency proceeding. The committee position, embodied in the bill, is that to assure equal protection for consumer interests, it is only fair and right to accord the CPA judicial review, and that prior participation should not be a replacement for its exercise. If it were, the CPA would be forced to make pro forma appearance in numerous proceedings merely to protect its appeal rights. Furthermore, as the report points out, the courts have granted standing to aggrieved persons who are not participants in prior proceedings.

In the handling of consumer complaints, the bill provides that business parties complained against will have an opportunity to comment, and public listings will display their comments along with the complaints.

The CPA may gather information by general surveys, by assembling data from other Federal agencies, and by requesting other agencies to send out interrogatories.

It is important to understand that the use of other agencies' interrogatories by the CPA is carefully qualified. First, the host agency must have such authority. Second, interrogatories may be used only for specified purposes; namely, where the health or safety of consumers is involved, or where consumer fraud or substantial economic injury to consumers are indicated. Third, the host agency may reject a request if it determines that the information sought will not satisfy those purposes, or if the request is irrelevant or likely to be too burdensome to the agency or to the outside persons affected. Fourth, the recipient of an interrogatory is given 30 days to petition a Federal agency for reconsideration. And fifth, the recipient, if he believes the request is unwarranted, may seek injunctive relief in the courts.

As is apparent, the use of the interrogatory power of host agencies is carefully hedged. At the same time, it is a useful and necessary part of the CPA's information-gathering activities, and I will oppose amendments to eliminate this limited authority. Frankly, it is a compromise between those who wanted a direct subpena and/or interrogatory power in the CPA and those who wanted the CPA to have no such information-gathering authority whatever. I believe it is a reasonable and workable compromise.

The bill bars the CPA from disclosing trade secrets or commercial or financial information of a privileged or confidential nature. Federal agencies may deny the CPA access to information classified in the interest of national defense or security and may withhold certain other types of information.

The bill contains a blanket exemption for the Central Intelligence Agency, the Federal Bureau of Investigation, and the National Security Agency. It also exempts the following functional areas: The national security or intelligence functions—and related procurement—of the Departments of State and Defense and of the Atomic Energy Commission; and labor disputes or labor agreements within the meaning of applicable Federal statutes.

The question may be asked: How does H.R. 13163 differ from H.R. 10835, which passed this House by an overwhelming majority in October 1971? The changes, in essence, are these:

First. Organizationally, the bill is much simplified. We have eliminated a dual office and administration arrangement. The bill provides for a single organization—the Consumer Protection Agency;

Second. The CPA is clearly authorized to participate in Federal agency "activities," in addition to "proceedings," on the same basis as anyone else. In this way, we make it clear that the CPA will not be excluded from any area of valid concern to consumers associated with the operations of Federal agencies;

Third. We have provided for the CPA to make use of the interrogatory authority of other agencies under carefully prescribed conditions;

Fourth. We have made more explicit the conditions for disclosing information to the CPA and the public, and for withholding certain types of confidential information; and

Fifth. Some specific exemptions for agencies and functions have been written into the bill.

Our committee has worked long and hard on this legislation, and we are very proud of the results. This bill has been listed by the leadership in both Houses as a priority item. It has broad support. I am confident that it will gain the overwhelming endorsement of the House.

If there was ever a time when the consumer is taking it on the chin, it is today. The consumer's dollar was depreciated by inflation 10 percent in 1973. The rate of inflation is increasing in 1974.

In addition to the price inflation which affects the prices of all items handled by legitimate business, there is a more deadly attack on the consumer's dollar—

That attack is the hidden fraud practiced by those who operate on the fringe of legitimate business. Their methods are the methods of the fast-talk salesmen, the quickbuck operators who use high pressure tactics, engage in deceptive packaging, charge exorbitant prices for shoddy goods, and sell below-standard merchandise.

This bill will give the defrauded consumer a place to go to and complain to a Federal agency charged with a mandate to protect other consumers against such fraud and deception.

The Members of this Congress who are candidates for reelection can strike a blow today against the jackals on the fringe of legitimate business.

It will give each of you an opportunity to go home and tell your people that this Congress came out with a long overdue piece of legislation, which will put the Federal Government on the side of legitimate business and the consumer.

Senator Dirksen once said:

> There is nothing so pregnant as an idea whose time has come.

The idea for consumer protection as a service of Government on behalf of the great unorganized millions of consumers will be born this year—in this 93d Congress.

Mr. HORTON. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, at the outset I would like to commend the gentleman from California (Mr. HOLIFIELD) for his leadership in bringing to the floor this bill H.R. 13163.

The time has come for this Congress to pass a Consumer Protection Agency bill and for the President to sign the bill into law. We have studied the problems of consumers for more than 12 years now. In the last two Congresses, we have seen one House—but not the other—pass appropriate legislation. Now we are in a period where the need for this legislation is more pressing than ever. It is incumbent upon this House, it is incumbent upon this Congress, and it is incumbent upon this President to enact a Consumer Protection Agency law now.

The committee bill quite simply corrects a problem that has long been recognized in our regulatory system; and that is that the interests of consumers are seriously under-represented relative to the interests of business. This problem does not call for new regulatory law or new regulatory agencies. Rather, it calls for an agency such as the one we are proposing; one which would be able to represent the consumers interests before the agencies of Government.

Our existing regulatory laws are built upon the concept that interested persons should present evidence in support of their positions and that the regulatory agencies, after considering the various points of view and the evidence presented, will make a final determination as to what is in the public interest.

This bill does nothing more than provide, for the first time, the proper level of representation for the consumer interest. But because it does this, it is probably the most important piece of consumer legislation since the regulatory agencies themselves were set up.

The bill presented to you by the Committee on Government Operations has broad support for two principal reasons: The first is that the committee made a sincere effort to negotiate with as many parties as possible in developing this bill. The second reason is that almost all interests recognized the need to accommodate the strong feelings of opposing interests. This bill balances the objectives of strong consumer representation with the legitimate concerns of business. Support for the balance achieved in the committee bill has come from the most responsible consumerists, such as the President's Special Assistant for Consumer Affairs, Virginia Knauer; the consumer affairs adviser to Giant Foods, Esther Peterson; the reputable Consumer Union; just to name a few.

My colleagues should also be made aware of the great pains the Government Operations Committee took in drafting this bill and that it has received the support of the major professional organizations involved in administrative practices. Its provisions have been studied by both the Administrative Conference of the United States and the American Bar Association; and they support the bill as written. The provisions of this bill have been sensibly designed and carefully drawn. H.R. 13163 is ready for enactment now.

Mr. Chairman, the committee bill is not some wild-eyed dream responsive to a few zealots disgusted with American society. And equally important, this bill is not an empty promise designed as a palliative for those who argue that more attention must be paid to the interests of consumers.

The Consumer Protection Act of 1974 was reported by the committee after long years of study and very careful deliberation. It would create an agency able to do a job that needs doing. It would create an agency able to rectify the dangerous imbalance that has developed in the attention given to business interests as opposed to the consumer interests by our governmental agencies. It is a bill which holds great promise for improving governmental policies affecting every one of your constituents.

Let me tick off the advantages of this bill to our constituents as consumers:

They will have an agency able to speak out for them in the councils of Government. They will have an agency to whom they can turn for information about what Federal programs exist to correct illegal or fraudulent activities on the part of that small segment of business which is unscrupulous. The CPA itself, of course, cannot directly act to prevent abuses or to make any governmental decisions solely in the interests of consumers. But it can urge those governmental agencies which have those responsibilities to fully meet them.

I think business will benefit from the creation of an effective and responsible consumer advocate. The CPA will be able to objectively analyze the facts and represent consumer interests in a fair, reasonable, and timely way in agency proceedings affecting business.

I think the CPA will be a strong voice speaking for more sensible governmental policies than we now find coming from self-appointed consumer representatives.

Finally, an agency of this sort would correct the impression of many that the regulatory agencies of Government are strongly under the influence of business. By creating an effective consumer advocate, we will demonstrate the Government's willingness to listen to the interests of the little man in the same way it now listens to the interests of business.

As I noted earlier, the committee has been working with numerous business and consumer groups and the administration to develop a bill that would be worthy of the widest possible support. We started out by informally agreeing with the administration on a series of principles to guide our decisions on what powers the CPA should have. These principles can be stated as follows:

The bill should create an advocate able to effectively argue the consumer interests before the agencies of Government whose actions affect those interests;

The Consumer Protection Agency's powers and responsibilities should be comparable to those of other interest advocates;

The CPA should serve as a focal point in the Government for information about Federal programs and studies of interest to consumers;

The Agency should be able to help consumers with complaints and locate the Government agency best able to help them; and

The CPA Administrator should advise the Congress and the President on improvements possible in Federal consumer programs and on needed legislation.

These principles define the objectives of the Consumer Protection Agency. We also agreed to principles which would define the scope of CPA authority. They are as follows:

The CPA is not to be a regulatory agency; it should not be able to issue rules, and it should not be able to order business to do anything;

The creation of the CPA is not to change any statutory authority or responsibility for the regulation of business, or for the administration or enforcement of any such law;

The Agency should not be able to usurp any powers or responsibilities of existing agencies. They should remain fully able to carry on their programs and control their proceedings just as they do now;

The powers of the CPA should be carefully tailored so that the new agency fits into the existing administrative system of the Federal Government, and does not disrupt or delay administrative proceedings;

The CPA should not be able to independently issue interrogatories or subpenas to anyone, or to harass business;

Trade secrets and other confidential information, particularly of business, should be firmly protected; and

Every precaution should be included to protect the legitimate rights of business to represent itself, and to allow business to protect itself under the principles of due process and procedural fairness.

All of these principles are reflected in the bill. Almost all consumer groups, some business groups, and the administration support these principles. Because of these principles and because these people care about enacting Consumer Protection Agency legislation as soon as possible, they are supporting this bill.

Of course, with a bill of this complexity, we were not able to please everyone on every provision. There remain some disagreements about the best way to implement these principles. OMB Director Roy Ash wrote our committee on March 13 requesting that we reconsider certain amendments. The committee did not choose to accept his suggestions for the reasons I outlined in a letter reprinted at page 9436 of yesterday's CONGRESSIONAL RECORD. I will not support these amendments today, should they be offered, because I believe the committee bill provides for more effective consumer advocacy and gives better protection to legitimate business interests. I invite my colleagues to study the arguments; I think they will see the wisdom of the committee bill.

I would also like to state that the bill which Mr. BROWN of Ohio will offer as an amendment in the nature of a substitute, H.R. 13810, does not fall within the category of minor alterations. His substitute contains three amendments which were offered at the subcommittee and full committee level and were decisively defeated. Provisions of his substitute would put the consumer advocate at a severe disadvantage in representing the interests of consumers. His substitute, in my opinion, would not create an effective consumer advocate. It would, in fact, destroy the principal concept of the bill—to equalize the powers of and representation ability of the consumer advocate with those already enjoyed by other interests. I have included my comments on these major three points in the material inserted in yesterday's CONGRESSIONAL RECORD.

As Virginia Knauer, the President's Special Assistant for Consumer Affairs, said the other day:

> The consumer can't wait another year; it's been too long already.

She talked of the attempts that were being made by the chamber of commerce and the Grocery Manufacturers of America to stop this bill. She said we must not allow this to happen. I quote her now:

> Statements that the CPA would give the consumers unfair advantage and excessive power are cynical distortions of professional lobbyists who know better. They know and I know that speedy action on the CPA bill is the only way to balance the kind of advocacy presently available to special interest groups and unavailable on the consumer side.

There is one further misimpression that I feel must be clarified as the House considers H.R. 13163. It is widely assumed that every time any government agency has to decide between further strong Federal intervention or nonintervention in a particular industry that the Consumer Protection Agency would automatically become an advocate for the strongest possible Federal role and the stiffest possible Federal regulation applied to industry. I think it should be pointed out that in a large number of conceivable cases, heavy handed Federal regulation would be against the best interest of consumers just as it would be against the best interest of certain industries. We all know that each time a Federal agency imposes a new set of stiff regulations on any industry the costs of complying with these regulations are passed on to American consumers. I feel one of the most compelling reasons for adopting this bill today is the outcry that is being heard across our land about the rapid rise in inflation and in the price of everything our consumers must purchase in order to live. Therefore, it is my judgment that the positions he takes on a myriad of Federal regulatory questions will be tempered with a serious concern for the resultant cost to consumers of the regulations that are being considered. I do not feel for example that a CPA would be expected to automatically push for stronger, more detailed and more costly Federal safety regulations as they apply to automobiles.

If the CPA were to be truly responsive to consumer opinions on a subject such as this, it may be that the CPA's voice would be raised against some of the mandatory Federal safety devices that are already required in currently manufactured cars. Who knows what position a CPA may take on a question like requiring air bags in automobiles? My guess is that on many such questions, we might find the CPA joining business in advocating that the Federal Government go slow in invading more and more areas of individual choice and individual freedom which consumers as well as business in America have come to cherish. That is why I say that a Consumer Protection Agency as conceived in the committee bill would provide a far truer and more tempered reflection of consumer interest and consumer opinion than we now find is being advocated by some self-appointed consumer spokesman outside of Government.

The Committee on Government Operations bring to this House for action a bill that is worthy of the support of every Member. The evidence in thousands of pages of testimony, the evidence in thousands of letters that have come in to each and every office of the Congress that the consumer needs an effective advocate to protect his interests; that he needs someone to help him through the maze of Federal agencies, is overwhelming.

This bill is one of the most important pieces of legislation to come before this Congress. It is one of the most important pieces of consumer legislation ever. I urge every Member of the House to support the committee bill.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. HORTON. I will be glad to yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate my colleague's yielding to me.

I was interested in the gentleman's comments and also in the comments of the gentleman from California concerning the problems of inflation. Is it not true that this Congress really shares that responsibility when we constantly appropriate more dollars than there are in the Treasury, and that really the major contributing factor toward inflation today is an overinflated Federal Government? What is this Consumer Protection Agency going to be able to do about that?

Mr. HORTON. Mr. Chairman, I do not think that the Consumer Protection Agency, the CPA, is designed as a regulatory or policymaking Agency. The Agency's role is to be an advocate for the interests of the consumer.

Mr. ROUSSELOT. In order to cut the expenses of the consumer or what?

Mr. HORTON. In addition, it is to be designated to appear before the various Federal agencies and departments of the Government to explain and to present the views of consumers.

So to the extent that it would present the views of consumers, it might very well have some impact on inflation.

Mr. HOLIFIELD. Mr. Chairman, I yield 10 minutes to the gentleman from New York (Mr. Rosenthal).

Mr. ROSENTHAL. Mr. Chairman, I rise in support of this bill.

It would be inappropriate to speak here today without commenting on the very prodigious, diligent, and enormous efforts made by my two colleagues on the Committee on Government Operations, the gentleman from California, Chairman Holifield, and the gentleman from New York, Frank Horton, the ranking minority member.

Without their cooperation, without their work, without their forceful support of the principles behind this bill, we would not be here today. This bill, this piece of legislation, will remain, I believe, as a monument to the gentleman from California (Mr. Holifield), a very distinguished monument. It will remain, I think, as his greatest achievement in this Congress. And for that service and that effort, I thank him. I thank him for his generous support and for his kindness, his cooperation, and his understanding in bringing this bill to the floor.

Mr. Chairman, there are three reasons why I think this bill is necessary. Perhaps I could rather briefly touch upon them, because I think each of those reasons has such significance and such merit that this bill warrants the support of every Member of the House and of this committee.

It is equally true that I would hope and expect that every member of this committee will join in defeating not only the substitute bill, but the amendments that will be offered to dilute the CPA's powers. I do not say that lightly.

This bill is like a fine watch. The committee has had virtually 5 or 6 years to consider this Agency; we have had 8 days of hearings in this Congress alone. We have been to the well three times. We have had reverses in the past, both in this body and in the other body.

Mr. Chairman, the legislation we bring to the Members today is a bipartisan compromise; it is a finely honed, well balanced bill that takes into account the needs and interests of all elements of our society.

It is my view that whether a Member perceives himself as a dedicated liberal or a dedicated conservative, and regardless of the fact that a Member sits on one side of the aisle or the other, all of us ought to be pleased with the opportunity we have to vote for this bill today.

The gentleman from New York (Mr. Horton) has suggested that this is one of the most important pieces of consumer legislation the Congress has ever considered. It is my view that this is the most important piece of legislation the U.S. Congress has considered in our generation. Let me tell the Members why.

First, I think we ought to understand why there is a vital need for this kind of bill. Why is there a need for another agency? Do we not have a proliferation of agencies now? Are there not hundreds of pieces of legislation relating to consumers on the books? Why do we need another one?

There are essentially three reasons why I think we are here today. The first is the rapid development of technological changes in our society. We should be very pleased that we have gained this enormously high standard of living in America, but what that has meant is that the average person, because of the technological growth and development in our country, is unable for himself to make value judgments in some cases because of the mechanical complexity of the products and services he is buying.

He knows nothing about the product's durability, its quality, or how long it will last. None of us has the technical expertise that is necessary to understand the mechanical and technical complexities of the products we buy, whether it be automobiles or television sets or radios or washing machines or refrigerators or tires or hundreds of other items.

Mr. Chairman, so many products are in this category—tires, for example. We go out and buy these things, and none of us has the slightest idea what we are buying or how much we should be paying or whether we are getting quality merchandise.

In the days of George Washington, when a man brought his horse in to be shod, he could stand around and watch and if he found the job to be unsatisfactory by his standards, he could simply say, "Try it again."

Well, nowadays when you bring your car in to be repaired you dare not cross a white line because the bell starts to ring and the insurance company runs out and a fellow in a white coat with no grease on his apron says you cannot talk to the man who repaired your car because maybe you will find out something.

Mr. Chairman, our society has developed in an enormously sophisticated technological age so that our 210 million consumers frequently lack the capacity to make the judgments which we ought to have in order to be able to make an independent and informed choice.

The second factor that makes a consumer agency essential is the enormous growth of monopoly and lack of competition in so many key industries of our society. Four automobile companies, for example, manufacture 85 percent of the automobiles made in this country. In many areas there is nothing even resembling either price or quality competition. We buy gasoline and we have no notion necessarily of the octane rating or the quality differences, if any, of the gasoline we buy. Even the price competition in many of these areas is extremely modest. In the purchase of food in the supermarkets in many communities in the United States there is no meaningful competition.

The consumer there suffers in several ways: one, in the inability to tell what is in the package or in the product and in the inability to have price and quality competition. Thus the consumer frequently is the victim of the motivational researcher and the Madison Avenue computer and the enticing television ads that all of us succumb to, both children and presumably sophisticated buyers. We are in many areas the victims of the marketplace because of monoply power.

Now, what about the Federal Government? The Federal Government has about 33 agencies and about 400 bureaus and subagencies presently managing consumer programs. In addition to that we have virtually a half a dozen or a dozen regulatory agencies that the Congress established with the avowed purpose of protecting not only the consuming interest but the public interest.

The fact of the matter is, the hard, cold, regrettable fact is, that there is a total lack of coordination among all of these programs. The regulatory agencies, I am sad to say, have been, in many cases, taken over by the industries they regulate. In many cases they are arbiters of competing industries. For example, the CAB, when it decides which airline to certify between Chicago and Miami or between New York and Los Angeles, decides which carrier it wants to keep economically viable and not which can provide the cheaper or the better quality service for consumers. The Federal Power Commission in deciding which of two companies should get a gas transmission line between Oklahoma and the Northeast does not decide as to which can provide better quality or more economical service but as to which of these competing economic forces it wants to reward in that kind of a case. The Agricultural Marketing Service, the Food and Drug Administration, the Federal Trade Commission, the Securities and Exchange Commission, all have a mandate to respond to the public interest, and in many cases they have failed to do that.

However, the single and most glaring omission in the Federal decisionmaking apparatus today is the "empty" chair weakness. All of the regulatory agencies have a quasi-judicial role to play. They really cannot be advocates for one side or the other. When they make decisions they sit behind a bench similar to a judge's bench in a courtroom and at one table is the business applicant or the proponent of the special point of view, the company, who has an absolute right to be there.

They are usually well represented by squadrons of lawyers, platoons of economists, battalions of investigators, and frequently the most sophisticated lobbyists in the country who are resident here in our great Nation's Capital.

At the other table, the consumers' side, there stands an empty chair.

All of us, Mr. Chairman—and I am sure that there is not a person in this Chamber who would not be shocked if he walked into a courtroom and saw that the plaintiff had a lawyer, but that the defendant did not; or saw that the prosecutor or the district attorney was represented, but that the defendant was not. And that all we have established through all of these past 40 years is a one-sided, inadequate system where special interests get represented, but consumers do not.

Essentially, the principal thrust of this bill is to fill that empty chair with a consumer's advocate, a consumer's ombudsman, who has the wherewithal and the capacity and the financial support to bring together necessary evidence, to bring together and to garner the facts to help present the point of view of the consumer, in that way enabling these regulatory agencies to make a decision in the public interest by taking into account the consumer's point of view.

The **CHAIRMAN** pro tempore (Mr. Moakley). The time of the gentleman has expired.

Mr. **HOLIFIELD.** Mr. Chairman, I yield 5 additional minutes to the gentleman from New York (Mr. Rosenthal).

Mr. **ROSENTHAL.** Mr. Chairman, your committee designed this bill so that it would have no regulatory or decisionmaking power whatsoever. All it has is the power of reason and persuasion. The power to appear before other Government agencies and regulatory bodies, across the board, with a wide ability to present evidence, to gather information so as to make a credible case to put forth an intelligent and persuasive argument on behalf of the interests of the the consumers.

It has no ability to make decisions, all it is going to do is to present the consumers' point of view.

Why did we do that? Because we think that this mechanism, this device will balance the enormous influence of special interest lobbyists over the regulatory agencies because they do have the ability to make decisions. All we want from this agency is to adequately present the consumers' point of view.

The substitute to be offered by the gentleman from Ohio (Mr. Brown) and some of the other amendments, all they would do is chip away at the modest opportunity of the CPA to present evidence and to present arguments.

So I urge the Members to resoundingly defeat not only the substitute bill, but all of the weakening amendments, because they would destroy the principles of this bill.

This bill is to give this agency the means to give the American consuming public a credible voice here in Washington. Outside consumers do not have the capacity or the wherewithal or the resources, or frequently the intellectual motivation, to represent the American consumer. We did not choose other vehicles to represent their point of view because this agency will make the apparatus work. It will be a balance wheel here in Washington. It will provide the oil and the grease for the creaking machinery that we have developed over these past 40 years. It will bring justice in the marketplace to all 210 million consumers. It is the most balanced and the most thoughtful and I think the most useful piece of legislation that the 93d Congress has yet to produce.

Mr. **HOLIFIELD.** Mr. Chairman, I yield such time as he may consume to the gentleman from Kentucky (Mr. Breckinridge).

Mr. **BRECKINRIDGE.** Mr. Chairman, I want to thank the gentleman from California (Mr. Holifield) and the ranking minority member, the gentleman from New York (Mr. Horton) and in particular the gentleman from New York (Mr. Rosenthal) and commend them for bringing before this House this legislation which I think constitutes landmark legislation. I rise in support of this bill.

Mr. **HORTON.** Mr. Chairman, I yield 3 minutes to the gentleman from Indiana (Mr. Landgrebe).

Mr. **LANDGREBE.** I thank the gentleman from New York for yielding at this time.

Mr. Chairman, I rise in opposition to this bill. If enacted, I believe that this bill will create another bureaucratic Frankenstein that will threaten the wellbeing of this country. The agency established by this bill would not be, as I understand it, charged with making regulations for private industry. That function has been reserved for other independent agencies like the Consumer Product Safety Commission. This agency would have power to oversee the actions of other Government agencies and to use their powers for collecting information.

If anyone thinks the myriads of executive agencies operate in near disorder now, let him consider what a superagency like the CPA would do. It would, for instance, have the power to compel private citizens to furnish information; it would exercise this power indirectly through other agencies. It would have the power of participating fully in litigation that involved other Government agencies and private companies, and even of reopening litigation that had been terminated by the decision of a court. This power alone will create chaos in the courts, as this new agency, which is granted by law the full status of an aggrieved party, intervenes in cases in which it decides the consumer has an interest.

This bill appears to be harmless to many. Its funding is modest compared to the amounts this Congress has appropriated for other agencies. It is also assigned some duties that may seem relatively insignificant when compared with the duties assigned to regulatory agencies. But appearances are deceiving in this case, just as they were in 1969 when Congress enacted the National Environmental Policy Act which contained a sleeper provision requiring government agencies to file environmental impact statements before undertaking any activities that might have a significant effect on the environment. Through that one provision of that one act, the environmentalists have virtually halted construction of many powerplants and delayed the construction of the Alaska oil pipeline.

Now with this bill, we are confronted with a similar provision that will enable the consumerists to cripple further our economy by overseeing the activities of the regulatory agencies and forcing them, if they need any further persuasion, to harass and intimidate the businessmen of this Nation until they go out of business. The consumerists will not be satisfied until they have made business failures, unemployment, and shortages permanent features of the American economy. They will not rest until consumers have nothing left to consume. They will not stop their efforts to increase Government control of the economy until every producer—without whom the consumers could not exist, for there can be no consumption without prior production—is out of business, or owned by the Government.

I believe that not only should Congress refuse to enact this bill, but also that those regulatory agencies like OSHA and the Consumer Product Safety Commission should be put out of business before they put business out of business.

Mr. HORTON. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio (Mr. BROWN).

Mr. SYMMS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Evidently a quorum is not present. The call will be taken by electronic device.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 134]

Anderson, Ill.
Archer
Arends
Ashley
Badillo
Bevill
Blackburn
Blatnik
Burke, Calif.
Camp
Carey, N.Y.
Chisholm
Clark
Clay
Conlan
Conyers
Corman
Dorn
Esch
Frenzel
Fulton
Gettys
Gray
Gubser
Hanna
Hansen, Wash.
Heckler, Mass.
Kazen
Kluczynski
Kuykendall
Landrum
Leggett
Lujan
McFall
McKinney
Martin, Nebr.
Murphy, Ill.
Murphy, N.Y.
Nichols
Patman
Patten
Pickle
Poage
Podell
Rees
Reid
Rooney, N.Y.
Runnels
Satterfield
Shriver
Stark
Stephens
Teague
Thompson, N.J.
Udall
Williams
Wilson, Charles H., Calif.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BOLAND, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 13163, and finding itself without a quorum, he had directed the Members to record their presence by electronic device, whereupon 375 Members recorded their presence, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. BROWN) for 10 minutes.

Mr. BROWN of Ohio. Mr. Chairman, most of us still can remember the heated debate on the Consumer Protection Agency bill when it came before us during the last Congress.

That 1971 bill was a bit too strong to suit me completely. Others felt it to be too weak. We all had strong feelings on the bill.

In fact, its floor manager, the distinguished chairman of the Government Operations Committee on which I serve, stated during the debate that he felt like the man in the revolution who is put against a cellophane wall and shot at from both sides.

But that 1971 proposal, the so-called Holifield bill was offered as a compromise, a compromise which did not satisfy everyone, yet could get the job done.

I joined in that spirit of compromise, as did a vast majority of us. We voted the bill out of the House by an impressive 344 to 44 majority.

I consistently have supported the concept of creating a Consumer Protection Agency to advocate the interests of consumers within the sprawling Federal Government. I reiterate my support for a CPA today.

I think consumers need such an independent Federal advocate to make sure their case is presented when important and far-reaching decisions affecting the consuming public are made.

I do not think, however, that consumers need a CPA of the type which is in the Holifield, Horton, and Rosenthal bills before this body.

I have the uneasy feeling that the great majority of consumers have absolutely no idea of what is being proposed in their good name under that bill, and would be dismayed if they were completely apprised of its intricate provisions.

I shall offer, at the appropriate time, a substitute bill for the Holifield-Rosenthal bill, the Brown substitute which is recognized as in order under the rule. But before comparing the two bills, it is necessary to state loudly and clearly what the CPA will not be under either of the alternative bills which are before us.

I want to put a stop to something which could result, indirectly, in our perpetration of a fraud upon consumers with either of these bills—thus further frustrating the bewildered American buyer.

Many of the Members and consumers I have talked with about this bill have somewhere gotten the impression that the CPA will somehow solve all their day-to-day problems: The local service station that fails to properly fix their car; the aluminum siding salesman who gets a mortgage on their house; the dishonest used car salesman; the slick bait-and-switcher in the appliance store; the plumber who never comes.

The new consumer agency will have no immediate impact on any of these day-to-day consumer problems. Rather the CPA is intended to be a salt seed in that huge billowing cloud of Federal bureaucracy, not an ombudsman for individual consumer complaints—we have Virginia Knauer for that at the Federal level, and hundreds of Virginia Knauers at the State and local levels.

Rather, the CPA will be involved in very complex and lengthy Federal administrative proceedings and court appeals involving such things as antitrust cases, rate settings, drug approvals, agricultural marketing orders, and a multitude of other complex matters which take months and even years to resolve.

The CPA will get results for consumers, but by assuring that existing Federal agencies do their jobs, existing agencies which often do not have the jurisdiction or the money or the time to chase fly-by-nighters.

The CPA will also be a very small agency, estimated in the committee report to average only 350 employees over a 5-year period. Why, there must be over 350 different Federal agency proceedings affecting consumers listed in one daily copy of the Federal Register, alone.

We must not expect miracles; the CPA will have to pick and choose its spots carefully for the greatest benefit to the most consumers.

Having said this, however, I do not want to leave the impression that the CPA under either of the bills will be a 98-pound weakling. Quite the contrary. As Oliver Wendell Holmes eloquently put it:

> The prize of the general is not a bigger tent, but command.

The CPA is to have unusual, and in some cases extraordinary powers with which to assure that the existing regulatory agencies take actions in the interests of consumers. Powers which are not generally understood outside this city, powers to act forcefully and relatively invisibly behind the bureaucratic facade to guarantee the results the CPA wants.

Which brings me to an appropriate point for returning to the history of the bills before us. The 1971 Holifield compromise bill was reintroduced without change during the first few days of this Congress. After hearings last spring, that was the last many of us on the committee who voted for that bill in 1971 saw of it. It went underground.

At our first subcommittee markup we were given a new bill and told it was a compromise. That is, a compromise of the Holifield compromise which had been worked out in staff negotiations not open to some of us who had bills in. We were also presented a series of so-called staff technical amendments to the new compromise, amendments which would have made a sensitive man blush at having to call them technical.

This was rather surprising to those of us on the subcommittee who had voted for the original Holifield bill in the spirit of compromise and who had openly advocated the changes we wished to see in the bill this Congress. Even more surprising was the fact that all major amendments offered by members were defeated in subcommittee, many, if not most, by proxy. Those of us with differing opinions never stood a chance.

In full committee, numerous amendments were offered attempting to return the Holifield-Rosenthal compromised compromise to something closer to the bill which passed this body in 1971.

But, again, the power of the proxy reigned supreme. After three all-morning markup sessions, sometimes heated and often confused, the full committee was able to approve only one amendment—we changed an "and" to an "or" to correct a printer's error.

The Holifield-Rosenthal bill will raise no cellophane walls. It is a neat ball of complex legalities—a ball many may be afraid to unravel because of its complexity and their unfamiliarity with the issues.

Without a complete alternative, I felt, the membership in considering the Holifield-Rosenthal compromise would be placed in a difficult situation similar to that which we faced in committee.

After all, this bill was only reported last week, received its rule only yesterday, and here we are with a complex new bill creating an entirely new agency of the Federal bureaucracy which will impact on every agency.

If it were the same bill as the one which passed last Congress, that would be one thing, but this bill has been compromised on the very points which were fought hardest and soundly defeated during the last Congress. This is some compromise.

For example, section 10(a) of the Holifield-Rosenthal compromise provides that the CPA may force any regulatory agency to use its subpena-type powers to obtain information for the CPA's own investigation of persons or companies.

A 1971 amendment would have granted the CPA the same type of subpena-by-proxy power, but, unlike the present bill, would have severely limited the CPA's use of that power to gaining information to inform the Congress, and only informing Congress about where another Federal agency failed.

Does anybody remember that Chairman HOLIFIELD characterized that amendment during the 1971 debate as the "Nader-Rosenthal amendment?"

Does anybody remember what the chairman, speaking for the majority of the Government Operations Committee and the administration, said about that Nader-Rosenthal amendment?

Here is what he said:

> MASSIVE SUBPENA POWER
>
> The amendment would enable the Consumer Protection Agency to require 50 Federal agencies to make their subpena power available to it for its own investigations. Business firms, labor unions, and other organizations would be subject to the collective subpena powers of the Federal Government at the instigation of the Consumer Protection Agency.
>
> TRADE SECRETS JEOPARDIZED
>
> The amendment would sidestep the protections in the Freedom of Information Act by requiring any Federal agency, on demand by the Consumer Protection Agency, to transmit confidential business information in its possession on the grounds that such information was needed to respond to a congressional request. Any Congressman could publicize the information.
>
> AGENCY OPERATIONS DISRUPTED
>
> The amendment would greatly expand the investigatory powers of the Consumer Protection Agency, backed up by the collective subpena powers of the Federal Government. It would enable the Agency to order all other Federal agencies, including regulatory commissions, to give first priority to its demands. The whole regulatory system of Government could be disrupted. (117 Cong. Rec. 9570, October 14, 1971, daily edition.)

And that 1971 amendment pales next to its 1974 compromise counterpart.

Who could ask for a better argument against the Holifield-Rosenthal compromise? I and the administration still agree with the House's original position on this power—we voted the amendment down in 1971 by a 218 to 160 majority

We are now offered a compromise on this issue—accept CPA subpena-by-proxy power for the CPA to use as it sees fit to protect the health or safety of consumers or to detect consumer fraud or substantial economic injury to consumers—in short to use whenever the CPA wishes. There are no safeguards worthy of the name in this provision.

The Brown substitute differs from the Holifield-Rosenthal compromise in this subpena-by-proxy area—our bill is silent on the subject, as was the 1971 bill. The CPA could request use of such power, and regulatory agencies would be left the discretion to comply.

The Brown substitute also differs with the Rosenthal-Holifield compromise in six other areas.

As to the scope of coverage, the Brown substitute does not have the prohibitions on CPA involvement in Federal action affecting labor disputes such as dock strikes and secondary boycotts which are found in the Holifield-Rosenthal compromise.

What is the committee afraid of, seeking and gaining such a blatant exemption as a compromise? After all, how many times have we heard that the CPA shall only intervene in matters substantially affecting the interests of consumers. Why exempt big labor?

If we are to believe the ardent proponents of the Holifield-Rosenthal bill, we need not worry about the CPA sticking its nose into something which does not affect consumers substantially or doing anything unusual with its powers.

I will tell you what big labor is afraid of—big labor is afraid of the same thing big business is afraid of, and little business is afraid of, and the administration is afraid of, and every agency in this city is afraid of, and I am afraid of—big labor is afraid of the tremendous power contained in the Holifield-Rosenthal compromised compromise. Big labor wants out.

Big labor does not want the CPA anywhere near the NLRB.

Excluding labor-oriented actions which substantially affect consumer interests would be the rankest form of hypocrisy, and we will have none of it in the substitute bill. Many labor disputes do affect consumers.

If we are going to exempt anyone, especially now that the compromise allows the CPA to participate in the informal, unstructured innerworkings of Federal agencies, we should fully exempt the Departments of Defense and State.

The Brown substitute does this, while the Holifield-Rosenthal alternative would only grant a partial exemption.

Do you realize that the Middle East negotiations clearly will result in a substantial impact on the interests of American consumers? Do you realize that the Holifield-Rosenthal compromise allows the CPA to intrude into such sensitive trade negotiations as a matter of right, and to review all of the papers generated by them and to appeal Secretary Kissinger's actions in this regard?

What, you say? Impossible, you say? Farfetched, you say? I say, tell that to the committee which exempted big labor.

I say we are creating an agency here to oversee other agencies which are acting in ways we did not expect.

If you believe in historic experience, the CPA will be no more reliable in this regard than any bureaucracy, and less so than most because of the great independence we grant the new unit.

The third difference between the Brown bill and the Holifield-Rosenthal alternative lies in a most sensitive area. The substitute would allow Federal agencies to refuse the CPA access to their criminal investigation files, the Holifield-Rosenthal compromise would force Federal agencies to turn over their criminal investigation files to the inquisitive CPA.

Who needs another Federal nose stuck into such sensitive matters, matters of which the person being investigated has no knowledge. The CPA should wait until formal charges are brought, just like anyone else—including the person charged—before learning all the details.

The fourth difference goes back to one of the original concerns expressed by the committee leadership and the administration during the debate in the last Congress—legitimate protection of trade secrets and confidential business information in the hands of Federal agencies.

The Brown substitute would allow Federal agencies to refuse the CPA access to trade secrets and confidential information given voluntarily to them in return for assurance of confidentiality.

The Holifield-Rosenthal alternative would prevent existing agencies from giving such assurance of confidentiality by forcing these agencies to turn over such information to the CPA where they could have gotten it through their subpena or other mandatory power.

It is just plain commonsense that the Holifield-Rosenthal compromised compromise would result in a severe burden being placed upon existing agencies.

These agencies will have to go to court for every scrap of sensitive information they want—only an idiot would voluntarily give a Federal agency his trade secrets and confidential information knowing the CPA could have them just for the asking.

Fifth, the Brown bill requires that the CPA, as with most agencies, shall be represented in court by the Justice Department unless the Attorney General decided that it would be inappropriate for the Department to represent the CPA in a particular case. The Holifield-Rosenthal compromise forces the CPA to hire its own trial attorneys.

Does anybody realize the scope of Federal activities affecting consumers? Consider the number of agencies and the literally millions of different actions they take.

Are we to believe that the CPA is to hire trial lawyers with expertise in food and drugs, securities, communications, import requirements, deceptive advertising, maritime laws, housing, transportation, and on and on and on—when the Justice Department has experienced litigators in every district in the country? No wonder, the bar asosciation is for it.

These five differences in the Brown substitute originated as administration amendments recommended in committee—amendments which never had a chance. They are explained in greater detail in a letter sent by Presidential Assistant Roy L. Ash to the Government Operations Committee, a copy of which is enclosed in the committee report, beginning on page 31.

I should note that one of the areas of the administration amendments, the one which would limit the CPA's power to seek judicial review, is omitted.

It is not that I do not agree with the administration's view that the far-reaching power in the Holifield-Rosenthal bill to allow the CPA to take other agencies to court should be restrained.

Substituted for the administration amendment is language contained originally in another amendment on this subject—an amendment originally offered by Congressman Fuqua and myself to allow the CPA to take other Federal agencies to court only to enforce its rights to represent consumers before these agencies and its rights to information.

Under the Holifield-Rosenthal alternative, if the final Government public interest decision of a regulatory agency does not satisfy the CPA, the Government, that is, the Consumer Protection Agency, will appeal that final Government regulatory decision to the Government courts. This is hardly a blow struck for decisive, effective, and consistent administration of our laws. Who will, who does, speak for the Government, the courts? Such public interest regulatory are set up by Congress because they are involved in specialized fields of highly technical matters needing special knowledge.

And, even more irrationally, under the Holifield-Rosenthal bill, the Consumer Protection Agency can appeal the final decisions of these other Federal agencies even when it has slept on its rights and has not acted as an advocate of the consumer interest in the original proceedings which led up to the public interest agency's decision.

Should the CPA be thus permitted to doze off, and then to delay the exercise of governmental decisions by a demand to the regulatory agency for an administrative rehearing or an attempt to unfinalize the decision in the courts?

Such a "justice delayed" process hardly seems designed to advance the interests of consumers, taxpayers, or the public. It is the kind of bureaucratic ambivalence, confusion, and indecisiveness which makes the redtape of the Federal Government so much of a laughingstock to our constituents.

I believe that we would rue the day that we put such judicial review power in the hands of nonregulatory agency cushioned from substantive responsibility—a lawyer with itself as a client.

In essence, no decision of the Federal Government would be final until we knew whether the Government's CPA would allow it to be implemented without challenge in a Government Court. Is it any wonder that our constituents hold in such low esteem the Congress and the Federal bureaucracy which we continue to complicate and fail to adequately oversee?

The seventh, and last, difference also originated in an unsuccessful Fuqua-Brown amendment offered in committee. It involves that very small handful of Federal agency adjudications of violations of law.

Under the Brown bill, the CPA is precluded from being a full party with rights equal to those of the Federal agency lawyer already prosecuting the case, but the CPA could participate as of right as a limited intervenor.

Under the Holifield-Rosenthal alternative, the CPA could enter virtually all such proceedings as a party and use all the prosecutorial tools available to the Government lawyer handling the case.

I find offensive the idea that an American, charged with an alleged violation of Federal law, should be prosecuted by two federally financed prosecutors with two different mandates in the same legal proceeding.

To my way of thinking, elementary fairness, not to mention common sense again, demands that the Federal Government, at least in the adjudication of a violation of law, should speak with one voice. And that should be the voice of the regulatory agency Congress created to adjudicate the violation in the public interest.

If an agency charged with protection of the public interest is not attuned to consumer interests in such adjudications, the most economical method of accomplishing that worthy motive would be to correct the flaw directly by legislation assuring that that public interest agency considers the consumer viewpoint in determining what is the public interest.

A less efficient, but still acceptable method would be for a Consumer Protection Agency to be allowed to present the consumer interest in such adjudications of law so that the consumer interest is clearly drawn to the host agencies' attention before they make a public interest decision.

But, the least efficient and most dangerous method is to establish the Consumer Protection Agency as it is in the Holifield-Rosenthal alternative as a second Federal prosector, "competing" against the host agency and, even more strangely, competing, in effect, against the public interest.

Consider the implications: To the extent that the host agency prosecutor follows a prosecution consistent with the CPA's prosecution, there will be wasteful duplication; to the extent that the two prosecutions are inconsistent, the accused will be trapped in a hearing room at the mercy of a schizophrenic Government.

And, remember, I am talking only about adjudications of alleged violations, not rulemaking, not ratemaking, not the vast majority of Federal actions.

Mr. Chairman, I would like to point out that, as a member of the Interstate and Foreign Commerce Committee, which has jurisdiction over most public interest regulatory agencies, I have been deeply disturbed by the bill. I have been disturbed by the willingness of those on the Government Operations Committee who have championed the compromised provisions in the Holifield-Rosenthal alternative to change in a fundamental way the functioning of governmental entities with which they have no committee familiarity and over which thier committee has no jurisdiction.

As you may know, the Senate CPA legislation was jointly referred to that body's Commerce Committee as well as to its Government Operations Committee—a wise precaution which of course cannot be taken in this House.

Finally, Mr. Chairman, let me give you my last reason for going to all this trouble—and undergoing possible political risk—to offer the membership a viable alternative. This last reason is not easy to admit, but I shall.

I remember clearly my reservations when the NEPA and OSHA legislation passed this body. But many of us left these reservations mostly unstated because those bills, as with the two before you now, were conceived out of goodness and we were too busy to learn their every little detail. Also, I confess, because they were very popular pieces of legislation.

The OSHA and NEPA bills could have been amended to prevent many of the problems they have generated, and yet could have remained viable pieces of legislation. But most of us didn't have the fortitude to take on all that responsibility and work. And we were wrong not to do so—whether or not we would have been successful.

But, problems arising out of NEPA and OSHA will be insignificant compared to the problems that would be generated by the Holifield-Rosenthal compromised compromise.

For those who share my concerns, you are offered a responsible alternative and an opportunity to stand up and be counted with those of us who support a reasonable substitute bill.

Mr. DENNIS. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Indiana.

Mr. DENNIS. Mr. Chairman, I would ask the gentleman from Ohio has the gentleman from Ohio any idea what explanation was given in this distinguished committee as to why we should subject big business and, as I understand it, small business, to the provisions of this bill, and at the same time exempt big labor, where consumer interests are concerned?

Mr. BROWN of Ohio. Mr. Chairman, in reply to the inquiry of the gentleman from Indiana, let me say that I would be glad to yield to the chairman of the committee or to the ranking member of the committee to make that explanation, or perhaps I should do so after I finish my statement.

Mr. DENNIS. I think it should be made by somebody, because to my way of thinking that is a very great discrepancy.

Mr. BROWN of Ohio. I am sure that point will want to be made, and I am sure it was just through an oversight that it has not been covered in the presentation that we have had up to this point.

Mr. CRANE. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I am happy to yield to the gentleman from Illinois.

Mr. CRANE. Mr. Chairman, I commend the gentleman from Ohio (Mr. BROWN) for the substitute that the gentleman has drafted. I think it is certainly in order, and is an attempt to correct some of the deficiencies, in my judgment, that exist in this bill.

But, with respect to the question raised by the gentleman from Indiana (Mr. DENNIS) in the opinion of the gentleman from Ohio does the gentleman not think that down the road that even organized labor will not come under the influence of this so-called Consumer Protection Agency?

Considering the premises involved in the establishment of this new agency, regardless of whatever concessions may have been made to exempt big labor in exchange for support for this bill, down the road would not the consumer czar ultimately get big labor, too?

Mr. BROWN of Ohio. I am sure that impact is possible in the way that CPA is set up. If the gentleman will permit me, I will go on and tell of some other things that we are into now.

Mr. CRANE. I thank the gentleman for yielding.

Mr. BROWN of Ohio. I will discuss the problems which will be created if this bill is passed as proposed by the subcommittee.

Mr. DEVINE. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Ohio.

Mr. DEVINE. I thank the gentleman for yielding.

I wish to commend him for his substitute. Recognizing that he is a very effective member of the Committee on Interstate and Foreign Commerce, I wonder if he has directed his attention as to how this supposed substitute would affect the Department of Transportation as contrasted with what the Holifield-Horton bill would do? I know those agencies come under the jurisdiction of DOT, such as the Federal Aviation Administration, the Federal Highway Administration, the Federal Railroad Administration, and the National Highway Traffic Safety Administration and so forth.

I understand the computer readout runs into hundreds of thousands of cases where this would affect it; is that true?

Mr. BROWN of Ohio. Not only that, but it would be impossible, if the Consumer Protection Agency in the Holifield-Horton bill had not entered into the protection of consumers early on, to wait until the decision by the agency involved was made, say, the ICC, and then appeal the decision of that agency for review, and then failing to get that review, appeal it to the courts.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HORTON. I yield 10 additional minutes to the gentleman from Ohio.

Mr. DEVINE. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Ohio.

Mr. DEVINE. I recognize the vast implications here, and I would commend the attention of the House to the substitute offered by the gentleman from Ohio.

Mr. HORTON. Mr. Chairman, I yield 1 additional minute to the gentleman from Ohio.

Mr. DEVINE. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. Mr. Chairman, I yield to the ranking minority member of the Committee on Interstate and Foreign Commerce, the gentleman from Ohio.

Mr. DEVINE. Mr. Chairman, under the Holifield-Rosenthal bill, can the Consumer Protection Agency hire and use its own trial lawyers in court?

Mr. BROWN of Ohio. Mr. Chairman, it would be able to under the bill before us, the Holifield-Rosenthal bill; be able to hire its own lawyers, and its lawyers would be free to operate as they see fit under the legislation as has been proposed.

Mr. DEVINE. That is not true under the Brown substitute?

Mr. BROWN of Ohio. Under the Brown substitute, the cases would be prosecuted under the Justice Department.

Mr. DENNIS. Mr. Chairman, will the gentleman yield?

Mr. BROWN. Mr. Chairman, I yield to the gentleman from Indiana.

Mr. DENNIS. Mr. Chairman, on that point, one of the things that concerns me with legislation of this character is the burgeoning bureaucracy we create, and the additional controls we impose over private enterprise and individual liberty in this country.

Mr. Chairman, the gentleman has mentioned OSHA and NEPA. We have all had that experience.

Mr. Chairman, the other thing that bothers me is on the very point of counsel, because I do not like to interfere with the constitutional symmetry of this Government which our forefathers created. We had three branches of Government, and we have built up a fourth.

Now, the normal way for the Government to go to court is through the Department of Justice, and I just wonder why we not only have to build up a new bureaucracy here which intervenes everywhere, as far as I can see, but also cannot even use the normal judicial branch of the Government. What is the reason for that?

Mr. BROWN of Ohio. Mr. Chairman, I share the gentleman's concern. I am not a lawyer, but I assume that this will provide work for numbers of lawyers. I will be glad to yield to our chairman of the full committee or the ranking member of the committee for an explanation, because I am sorry to say that I cannot give it.

Mr. DENNIS. Mr. Chairman, I thank the gentleman, and I hope someone does give us an explanation.

Mr. HOLIFIELD. Mr. Chairman, I yield 10 minutes to the gentleman from Florida (Mr. FUQUA).

Mr. FUQUA. Mr. Chairman and Members of the Committee, I would first like to pay tribute to the distinguished chairman of the Committee on Government Operations, the gentleman from California.

I know of no committee chairman with whom I have enjoyed working any more than the gentleman from California. Nor do I know a more diligent and cooperative chairman. We have worked to bring about a bill to protect consumers. He has been most generous and kind in protecting my rights as a member of the committee because there are some areas in which there are disagreements as to how the consumer advocate can work more efficiently.

I do want to commend the gentleman for his time and patience and hard work on behalf of this bill.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. FUQUA. Mr. Chairman, I yield to the gentleman from California.

Mr. HOLIFIELD. Mr. Chairman, I just want to say too that every member of the committee has appreciated the attitude of the gentleman from Florida. He is one of the most gentlemanly and cooperative members that I have ever served with on the committee. So he is certainly entitled to all the courtesies that have been accorded him by the Chair or by the other members of the committee.

Mr. FUQUA. Mr. Chairman, I appreciate the chairman's generous remarks.

Mr. Chairman, I want to say at the outset that I am a cosponsor of this bill and I voted for it in subcommittee and in full committee to report it to the floor. I supported the bill because I believe that we should have, as the gentleman from New York (Mr. ROSENTHAL) pointed out, someone to sit in that vacant chair at Federal agency hearings to represent the interests of consumers. That concept I accept and I support. I believe that it is in the best interests of consumers in this country.

However, I feel that this bill has some basic flaws that will cripple its effectiveness as an operating agency of government and will, on the other hand, not only clutter up the courts but put us in a position where Government is fighting Government. I think it is appalling that we will have Federal court cases, "The U.S. Government versus the U.S. Government."

Why cannot the Federal agencies arrive at a decision as to what the Government's position shall be? One of the problems I find today among my constituents and, I imagine, among the constituents of other Members, is the feeling that Government cannot function.

I think it is the responsibility of this Congress to try to see that Government does function efficiently, and we should not put another wrench in the wheel of effective Government.

Mr. Chairman, this Congress has created every one of the regulatory agencies that we have in this Government to protect the public interest. This Congress has the oversight over those regulatory agencies. If they are not carrying out the mandate of Congress in representing the public interest, as well as the consumer interest, whom do we blame? Should we come along and set up still another agency with power to take these regulatory agencies to court in order to review the mandate of Congress?

I do not think that is what Congress intended to do, and I do not think that is what we want to do today. We are saying that the CPA or the Consumer Protection Agency advocate has full authority to intervene in the regulatory agency's proceedings and activities.

That is fine. But somewhere we must decide where the final agency decision is to be made.

In the bill that we have before us today, one of the major flaws I find is the fact that the CPA can then appeal the final agency decision. After the advocate has participated in the regulatory proceeding, he can appeal the final decision to the courts for judicial review. That is in effect saying to the American people that we, the Congress, cannot provide adequate oversight for these agencies, and we are taking from the regulatory agencies, many of them handling extremely complicated matters, much of their authority—the Civil Aeronautics Board, Interstate Commerce Commission, Federal Power Commission, Tennessee Valley Authority, and the Food and Drug Administration, as well as many others that we have created.

We are saying that they are incapable of making a decision, and we are going to transfer that responsibility to the courts.

We have many talented and dedicated men who serve on the courts of this country, but many of these administrative areas are very intricate and are areas for specialists.

Mr. Chairman, I think the CPA should have a right to intervene in the decision-making process, but the final decision must be with the regulatory agency so far as the Government is concerned.

I feel that is one of the problems we have to face.

Another problem is identifying the consumer interest.

What is the consumer interest in automobiles? Is it safety, or is it cost, or is it the number of miles per gallon of gasoline we get? In the area of energy and gasoline, is it the availability, is it the cost, or is it the octane rating?

What will be the position of the CPA?

Mr. Chairman, I wish to point out to the Members what we are creating here and the powers of this new agency. We are not creating a Battle Monument Commission; we are going much further than that, I can assure the Members. One of the problems I think we will find is related to a very basic tenet of our Government. Under this bill we fail to understand the very fundamental difference between the Government's duty to protect the people and the people's right to challenge the Government.

We do not give the Federal regulatory agencies the same rights that we give Ralph Nader, the Sierra Club, Common Cause, or other various interest groups such as the ABA. Certainly the ABA supports this bill. They came before the committee. The president of ABA happens to be a very good friend of mine.

I can understand his interest in supporting this measure, as the gentleman from Ohio pointed out. This is lawyer's bill.

We had other people who testified before us, including the administrative conference. They said that probably the CPA should have the right of appeal, but we should be very careful and Congress should be very concerned about granting this authority.

Mr. Chairman, I think that we should adopt the amendment that I plan to propose, which gives the CPA the right to intervene and to present its arguments before the Federal regulatory agencies, but limits it to that so that a final Government decision can be made.

If we come back in later years and make a determination, as we have on many other pieces of legislation, that additional authority is needed we can then review its effectiveness and at that time grant that additional authority.

There was some concern expressed recently about another consumer-oriented agency, the Consumer Products Safety Commission, regarding congressional oversight. The committees charged with oversight in the House and the Senate got into a public argument with the CPSC recently as to whether Congress even had a role to play in overseeing that agency's activities.

I think we do have some very serious problems in the field of judicial review. Congestion of court calendars and basic question whether we should vest an agency with the same rights as the private citizen. We speak of parity between the rights of the private citizen and the CPA. The individual in this country should always have the right and the superior right to challenge the Government. This is distinctly different than government challenging government.

Mr. Chairman, my other concern relates to the dual prosecutor aspect of the bill. This sets up a case where the business man may have been charged with an alleged violation of law by one of Federal regulatory agencies. The regulatory agency may take one position vis-a-vis the individual and here comes the Consumer Protection Agency advocate possibly taking a different position on the matter. The poor businessman or citizen is being hit by both sides. Furthermore, if the final agency decision exonerates the individual, the CPA can appeal the decision to the courts.

Historically we have limited the Government to one position. I do not think we should modify that. Many times the consumer interest is not necessarily the same as the public interest.

I hope at the proper time, Mr. Chairman, to present these amendments to the House when we get under the 5-minute rule, and I certainly ask your most favorable consideration of them at that time.

Mr. HORTON. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania (Mr. GOODLING).

Mr. GOODLING. Mr. Chairman, a month or 6 weeks ago I stood in this very spot and said then what I was about to say was an exercise in futility. I want to repeat that statement today.

I said also Members of this body—at least too many of them, in my opinion—have lost all sense of fiscal responsibility. I want to stress that point with all of the power at my command.

I also said the chairman of the Committee on Appropriations, Mr. MAHON, had just told us a few days prior to that time that by the end of this fiscal year the interest on our national debt would be $29.1 billion per year. I did a little figuring, and my figures indicated that for every minute of every day of every week we will be spending $55,655 in order to pay the interest on that national debt.

Now, Mr. Chairman, turning to page 29 of this bill I read these three lines:

> There are hereby authorized to be appropriated such sums as may be required to carry out the provisions of this Act.

I would like to yield to somebody on the committee to indicate to me and to the Members of this House just what the price tag of this bill may be. Can anybody give us that figure?

Mr. HORTON. Mr. Chairman, will the gentleman yield?

Mr. GOODLING. I yield to the gentleman from New York.

Mr. HORTON. Mr Chairman, in reply to the inquiry of the gentleman from Pennsylvania, according to the report—does the gentleman from Pennsylvania have the report before him?

Mr. GOODLING. Mr. Chairman, I do not have a copy of the report in front of me at the moment.

Mr. HORTON. Mr. Chairman, will give the gentleman a copy of the report.

Mr. Chairman, I would refer the gentleman from Pennsylvania to the bottom of page 20, where it says:

> Your committee estimates the costs to be incurred under the provisions of H.R. 13163 over a 5-year period at approximately $50 million, based on the assumption that the CPA will employ an average of 350 persons. Estimate per year is as follows:

Fiscal year:	
1974	$1,000,000
1975	9,000,000
1976	10,000,000
1977	10,000,000
1978	10,000,000
1979	10,000,000

Mr. GOODLING. Mr. Chairman, I want to thank the gentleman from New York for giving us those figures.

If I were a gambling man, Mr. Chairman, I would be willing to give pretty good odds that those figures will probably multiply many times above those quoted in the report.

Mr. Chairman, the gentleman from Ohio (Mr. BROWN) spoke of duplication, and there is no question in my mind—and I am sure there is no question in the minds of others that there is entirely too much duplication in Government.

The gentleman from Ohio also stated that there will probably be 250 employed during the next 5 years. Here again I would be willing to give big odds that this is wishful thinking to think they will employ only 250 employees. We are duplicating. We have Virginia Knauer, who is performing pretty much the same function we are proposing here. I do not know how many employees she has.

Mr. Chairman, just this morning I attempted to secure other information, and I trust the Members will listen to these figures:

In October of 1972 we set up the Consumer Products Safety Commission. This was created as late as 1972. As of November 1973, there were 667 employees.

In looking over this list, and the list that I have here is supposed to be confidential, but I do not know why salaries in the Federal Government should ever be confidential, but it looks to me as though we have entirely too many chiefs for the Indians employed.

I will just go down this list and tell the Members how many people are employed in certain grades:

There are 17 in grade 3, 54 in grade 4, 74 in grade 5, 44 in grade 6, 136 in grade 7, 10 in grade 8, 39 in grade 9, 73 in grade 11, 58 in grade 12, 53 in grade 13, 53 in grade 14, 51 in grade 15, and 3 in grade 16.

Mr. Chairman, I had hoped to do a little figuring to determine the total dollar figure, but I did not have the time to do that.

As I say, we are building and building bureaucracies. Very recently we had four witnesses before a committee on which I serve, and I shall not mention the Department from which they came.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HORTON. Mr. Chairman, I yield 3 additional minutes to the gentleman from Pennsylvania.

Mr. GOODLING. Mr. Chairman, I thank the gentleman for giving me this additional time.

Mr. Chairman, when this bureaucracy came into being it was not much of a bureaucracy. The budget, as I recall, was $4 million. Today the budget of that same department is $440 million.

I told the witnesses—and they probably did not like what I said—but I told them I am amazed that I have lived as long as I have. There was no bureaucracy to tell me when to comb my hair, when to brush my teeth, or when to wash behind my ears.

Here we are, building bureaucracy upon bureaucracy. We have a home economist in, I would say, every county in the entire United States. We do in my Commonwealth of Pennsylvania. We have many, many of them. We have extension services doing a terrific job in this field of consumer education. Every high school today has home economists. They too are teaching home economy and consumer education to our students. The average consumer, in my opinion, does not need to have very much protection. I have dealt with consumers for many, many years, and I find that most of them are pretty intelligent and that they do not need people in Washington to tell them what to buy and what not to buy.

But thanks to some advocates, we have taught consumers to believe that some Great White Father lives in Washington, and only he can tell them what they shall or what they shall not buy. As I say, I consider this a very bad legislation, adding bureaucracy to bureaucracy. I trust that the bill will be defeated.

Mr. Chairman, I yield back the balance of my time.

Mr. HORTON. Mr. Chairman, I yield 10 minutes to the gentleman from Alabama (Mr. BUCHANAN).

Mr. BUCHANAN. Mr. Chairman, it is always a pleasure to follow my distinguished colleague, the gentleman from Pennsylvania, and I am pleased to follow him in the well today and to follow the philosophy that he has here expressed.

Mr. Chairman, we are fortunate in having on the Committee on Government Operations a chairman of real statesmanship who is a gentleman and a scholar, and who has always conducted the work of our committee with wisdom and with fairness. I must say that this bill is a lot less worse at this point than when he started with it. However, I am afraid I cannot share the enthusiasm which he and my distinguished leader on the Republican side, the gentleman from New York, feel for this bill in its present form. There are some reasons why I have these reservations.

In the first place, I am not certain that we are doing right in the very creation of another agency, another bureaucracy, to further interfere with and intervene for or against the people of the United States. The Congress has created a multiplicity of bureaucracies. We find ourselves as American citizens confronted with a government that has grown so large and so complex that no one even understands it, much less control it. Here, to try to solve some problems that may be real, we are adding another agency, another bureaucracy, to the multiplicity of already existing government units.

The new federalism which the President proposed to Congress is an approach that I think is a good approach in government. He said we need to trim down the size of the bureaucracy; we need to straighten it out; we need to get it into an efficient condition by reorganization. Through reorganization and through the revenue-sharing approach that he proposed to the Congress some years ago, we were to try to make the whole Federal establishment serve the people more efficiently and serve them better. We were going to try to return more power to the people and to lower levels of the government. We were going to try to straighten out this mess which Congress has made by the creation of all of these special-purpose bureaucracies stumbling over each other here in Washington and elsewhere around the country.

In this legislation we create a new bureaucracy and to add to those many agencies already charged with protecting the consumer interest—and those agencies of the Government, each one charged with protecting the public interest—another bureaucracy which will protect, we say, the consumer interest. I am not certain just how the consumer interest is at variance with the public interest, but I would assume that all of the regulatory agencies with which this agency will deal, being charged with the public interest and its protection, being charged with serving the people, are charged with protection of the consumer interest as well.

And I have real concern that we may be heading in the wrong direction. This concern is shared by at least some of the agencies of the Government.

There are powers given to this Consumer Protection Agency which will make it something of a super power among the agencies in that, unlike the rest, we can through the powers given to intervene in this agency find the Government taking itself to court or find an agency attempting to overrule the decisions of regulatory agencies that have expertise in very specific and technical fields, and transferring that authority to the Federal judiciary.

Perhaps Congress finds the judiciary is not heavily enough loaded already. Perhaps the Congress finds we need more bureaucracy or that the judiciary is in better condition to make technical judgments than the agencies with which the Congress has charged those judgments in the first place.

But there is reason for concern that this agency, instead of serving consumers or all the people, which is the way we define consumers, will instead further throw a monkey wrench into the wheels of Government and interfere with the functioning of the present bureaucracies and in their ability to serve the public interest.

My colleague from Alabama (JAMES ALLEN) from the other body wrote the Justice Department out of his concern about what a very similar Senate bill, that contained almost the identical provisions to this, would do, and the powers which the Justice Department addressed itself to in the letter, from which I am going to read excerpts, were contained in that Senate bill and are present in this bill as well. The response to my colleague in the other body from the Justice Department I will read in part pertaining to the concern of the Justice Department with some of the provisions that are also contained in this bill. The letter reads in part:

> S. 707 provides that, upon written request of the Agency's Administrator, all Federal agencies are authorized and directed to allow access to all documents, papers, and records which the Administrator deems necessary for the performance of his functions. Access may be denied: 1) if the information requested is classified in the interest of national security or defense; 2) if the information requested consists of policy recommendations

by agency personnel for internal agency use; 3) if the information requested concerns routine executive and administrative functions, not otherwise a matter of public record; 4) if the information requested consists of personnel and medical files; 5) or if the agency is specifically prohibited by law from disclosing such information [§207(c)]. Trade secrets and commercial or financial information shall not be disclosed to the Administrator unless the Administrator informs the agency that disclosure of such information is necessary in order to protect public health or safety, or to protect against imminent substantial economic injury due to fraud or unconscionable conduct. [§207 (e)]. Disputes over the disclosure of trade secrets or financial information shall be settled by the presumption that the Administrator is entitled to such information unless the Federal agency involved petitions the U.S. District Court for the District of Columbia for an order limiting or modifying the request.

The broad information-gathering powers of the Agency is a matter of grave concern to the Department of Justice.

The primary function of the Department is that of prosecutor; in the course of its duties, it conducts thousands of investigations which do not result in prosecution or any official action. We have always taken the position that prosecutorial files are privileged, and we believe it would be improper, in most instances, to open these files to other agencies. The need to protect confidential sources, danger of flight to avoid prosecution if the fact of investigations were known prematurely, and the unfairness of damaging innocent reputations of suspects ultimately exonerated are among the policy reasons supporting secrecy of investigative files. Yet this policy could be undermined by the broad information-gathering powers of the Administrator under this bill. The fact that the Department's main investigating branch, the Federal Bureau of Investigation, is exempted from the provisions of this bill does not exempt the Department's own investigative files, and hence does not eliminate the Department's objections to the Agency's overbroad information-gathering powers. [§ 405].

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Is the gentleman saying that the Justice Department files and the FBI files would be available to the Consumer Protection Agency?

Mr. BUCHANAN. In the opinion of the Justice Department, yes.

Mr. BROWN of Ohio. The gentleman does not mean the Internal Revenue Service files and the FBI files are not exempted?

Mr. BUCHANAN. The FBI files are exempted, but Justice is concerned that this exemption does not cover the Department's own investigative files.

Mr. BROWN of Ohio. I thank the gentleman.

Mr. Chairman, the agency's right to intervene in agency activities and actions raises serious questions peculiar to the functions of the Department of Justice.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HORTON. I yield the gentleman from Ohio 5 additional minutes.

Mr. DENNIS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Evidently a quorum is not present. The call will be taken by electronic device.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 135]

Adams
Arends
Badillo
Bevill
Blackburn
Blatnik
Camp
Carey, N.Y.
Chappell
Chisholm
Clark
Collier
Conlan
Conyers
Diggs
Dingell
Dorn
Esch
Ford
Frenzel
Gettys
Gubser
Hanna
Hansen, Wash.
Harsha
Hébert
Heckler, Mass.
Ichord
Jones, Ala.
Jones, N.C.
Kazen
Kemp
Kluczynski
Landrum
Leggett
Lujan
McFall
McKinney
Macdonald
Martin, Nebr.
Mathis, Ga.
Melcher
Murphy, N.Y.
O'Hara
O'Neill
Patman
Pickle
Pike
Poage
Rees
Reid
Rooney, N.Y.
Runnels
Shriver
Sisk
Stark
Steiger, Ariz.
Stephens
Stokes
Stuckey
Teague
Williams
Young, Alaska
Young, Ga.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BOLAND, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill H.R. 13163 and finding itself without a quorum, he had directed the Members to record their presence by electronic device when 368 Members recorded their presence, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama (Mr. BUCHANAN).

Mr. BUCHANAN. Mr. Chairman, at the time the quorum call intervened I was discussing a letter from the Justice Department to my colleague from Alabama in the other body, JIM ALLEN, who had written concerning legislation in that body which had provisions almost identical to those in this legislation, and the responses were equally appropriate. I had read to the committee the quote:

> The broad information-gathering power of the agency is a matter of grave concern to the Department of Justice.

Mr. BROWN of Ohio. Mr. Chairman, I asked the gentleman earlier, and I would like the gentleman to reiterate to me the substance of what it is that the gentleman is saying: Is it that the Department of Justice feels that its confidential criminal records would be compromised by the power of the Consumer Protection Agency under this legislation whereby they could go into the records of the Department of Justice; and would that apply to the FBI files, and would it apply to the files of the IRS, and other agencies?

Mr. BUCHANAN. It would not apply to the FBI except that the Department expressed concern that this exemption does not exempt the Department's own investigative files, and hence does not eliminate the Department's objection to the agency's overbroad information gathering powers.

The Department also expressed concern over other aspects of this legislation, and I quote:

S. 707 provides that whenever the Administrator determines that a Federal Agency proceeding subject to 5 U.S.C. §§ 553, 554, 556, or 557 may substantially affect an important interest of consumers, and where intervention is necessary to adequately represent an important interest of consumers, he may intervene as of right as a party or otherwise. [§ 203(a)]. The Administrator appears to have the choice of whether to intervene as a party or in a more informal posture.

In those agency activities which are not covered by § 203(a), be they formal or informal [see § 401(4)], the Administrator may as of right participate where the important interests of consumers may be substantially affected. This participation is limited in nature and allows the Administrator to submit information and briefs, but the Agency's position is not that of a party. [§ 203(b)].

The Agency's right to intervene in agency activities and actions raises serious questions peculiar to the functions of the Department of Justice. The principal purpose of S. 707 seem to be to afford representation of the consumer interest in rulemaking and adjudicatory proceedings of the regulatory agencies. Yet the broad definition of agency activity in § 401(4) would appear to allow the Agency to intervene whenever it is not intended that the Agency should participate and have a voice in prosecutorial decision-making, but that certainly may be an effect of S. 707.

Section 203(d) authorizes the Administrator, in the interest of consumers to request another Federal agency to initiate a proceeding or activity. If the agency declines to act, the Administrator must be notified in writing of the reasons for the agency's decision and the reasons shall be made a matter of public record.

The Department of Justice vigorously opposes this section of the bill. There is nothing in this bill which would prevent the Agency from requesting the Department to initiate a criminal prosecution. Although we handle criminal prosecutions on referral from many agencies, we rarely make public our reasons for not wishing to prosecute. Prosecutorial decisions are often based on fine distinctions of law, and technical judgments as to admissibility and probative weight of facts. A prosecutorial judgment might appear incorrect to the lay public. A prosecutor's decision might be made with an eye towards public opinion, rather than on the law and his professional judgment, if his reasons for not acting are to become part of the public record. Moreover, the prosecutor's duty to protect the innocent is undermined by the publicity incumbent in such a proposal.

A key aspect to S. 707 is the Administrator's right to obtain judicial review of any agency action if he participated below, or to intervene in a pending review of any agency action whether or not he participated below, unless his intervention or participation would be detrimental to the interests of justice. [§204(a)]. Where the Administrator has not participated in the agency proceedings, before he may obtain review he must petition the agency for a rehearing or reconsideration if such is required by law of any person. [§204(b)]

This right to obtain review appears to include review in all courts, including the Supreme Court. As such it runs counter to the traditional responsibility of the Solicitor General to authorize appeal or intervention by a government agency in any appellate court, and to present the government's position in the Supreme Court. We believe this would be an unwise departure from a proven practice. The Solicitor General's control over Federal appellate litigation insures that the government shall take consistent positions on common issues of law, and that only issues of overriding public importance will be presented to the appellate courts by the government, in factual postures which maximize the likelihood of a successful result. In recognition of this screening process, the courts, and especially the Supreme Court, have tended to give careful and sympathetic hearing to issues the government has chosen to present.

It is true that this Department, as the government's principal legal office, occasionally challenges an action of another Federal agency in a Federal Court. There are also occasions when the Department confesses error on an agency it is charged with defending, while permitting that agency to present its own position in court. But even in these rare situations it is the Solicitor General who determines that it is appropriate that one agency should oppose another in court. He makes such a decision only when he is persuaded that close and important issues of public policy, peculiarly appropriate for judicial resolution, are involved, and he has given due weight to the policy considerations outlined above.

If this independent authority is vested in the Agency, separate government agencies will be contending against one another in Federal courts on a regular basis, each asserting its own version of the "public interest". This unseemly spectacle can only undermine judicial respect for the integrity of the government and its agencies as litigants, and thus is likely to adversely affect government litigation over a broad spectrum. We believe that the Agency should not be authorized to initiate or to intervene in judicial proceedings to review agency action, except to enforce its own authority. Rather we would prefer a provision which would permit the Agency to submit information and views to a court in a pending proceeding to review agency action, but would not authorize initiation or intervention as a party in any such proceedings.

The bill provides that the Agency shall be represented by its own attorneys, except that when the Agency is sued the Administrator may request the Department of Justice to represent the Agency "pursuant to the direction of the Administrator to the same extent and in the same manner as it represents other Federal agencies". The traditional rule is that agency litigation is conducted by the Department of Justice under the direction of the Attorney General. 28 U.S.C. §516. We see no reason for treating the Consumer Protection Agency differently than other Federal agencies. Where agencies seek to take differing positions in court, it is the proper role of the Attorney General, as the government's chief legal officer, to determine which shall be the position of the government. In appropriate cases he can authorize one agency to present its own position, through its attorneys, while the Department presents the other agency's position as that of the government.

We would have no objection to representing the Agency when it is sued; however, the bill provides that such representation shall be at the direction of the Administrator but in a similar manner as we represent other agencies. This creates an ambiguity at least, and perhaps a conflict. When the Department represents other Federal agencies we maintain full control over the litigation and we do not act at the direction of the agency involved. Of course we always cooperate fully with the agencies in seeking to achieve their objectives in litigation, but we must oppose legislation which grants another agency final authority to direct litigation which we are conducting. Therefore, we would suggest that § 210(d) be amended by deleting the phrase "pursuant to the direction of the Administrator."

The Department therefore expressed concern with a number of areas of this bill's proposed powers for CPA, which would be corrected by the substitute to be offered by the gentleman from Ohio (Mr. Brown) and which version I would commend to my colleagues on the committee.

I am concerned lest this bill, for all its good intentions, do further damage to the Government, taking away from the regulatory agencies their rightful functions and transferring them over to the overburdened Federal judiciary; that it further inhibits the power of the whole Government to serve the whole people and the public interest. I am also concerned that this bill, as presently constituted, shall be another heavy burden on the free enterprise system of this country, which is the best friend consumers have had in the world, and the blow will fall most heavily upon the Nation's small businesses, already overburdened with regulatory and other Government agencies with powers to intervene in their lives. In this connection, I call the attention of my colleagues to the minority report signed by the gentleman from Arizona (Mr. Steiger) and by the gentleman in the well.

Finally, Mr. Chairman, I would urge my colleagues to take a hard look at the Brown substitute, because I believe that is the way we can best make the whole Government serve the people of the United States, who are not only consumers, but who are the citizens and the taxpayers, and who deserve the whole Government serving the whole public interest effectively, as this bill might help it not to do as well. I believe that the Brown substitute would provide an agency which might serve the interests of the consumers without damaging the interests of the people as citizens and as taxpayers.

I urge that when the time comes that the committee will give its support to the Brown substitute.

Mr. HOLIFIELD. Mr. Chairman, I yield 1 minute to the gentleman from New Jersey (Mr. Patten).

Mr. PATTEN. Mr. Chairman, the legislation being considered by the House today—the Consumer Protection Act—is truly historic, because it will help and protect every consumer in America.

I am happy and proud that I am a cosponsor of this bill, because I have always believed the rights of consumers are ignored, and that they do not receive the protection they need and deserve.

Since I entered Congress, thousands of my constituents have complained about the quality and performance of some of the products they purchased. Their voices of protest have been ignored and consumer laws have not been properly enforced, not only because consumers are not effectively organized, but also because they lack real representation before Federal agencies.

Under H.R. 13163, the voices of consumers will be heard—and respected. Consumer interests will be represented before Federal agencies for the first time. Mr. Chairman, due to this legislation—and the strong and courageous leadership of its chief sponsors, Mr. Holifield, Mr. Horton, and Mr. Rosenthal—the consumers of America will finally have representation and protection never enjoyed before. This is a day I will always remember—and so will consumers.

Mr. HOLIFIELD. Mr. Chairman, I yield such time as he may consume to the gentleman from Massachusetts (Mr. Moakley).

Mr. MOAKLEY. Mr. Chairman, I rise in support of H.R. 13163, the Consumer Protection Act of 1974.

Consider the American consumer.

Orphaned at birth by business, adopted reluctantly by Government, the consumer is told that those incestuous handmaidens of technology, the regulatory agencies, can protect him adequately—that he does not need an independent voice at the Federal level.

FAA, SST; FTC, DDT; FPC, O-I-L.

This alphabet does not spell protection. It spells neglect.

Clearly, the American consumer is not adequately represented in our Government. Congress must take this step to protect the rights of the largest and least represented special interest group in the Nation.

Congress has been dragging its feet on consumer legislation. There is no longer any excuse for delaying passage of this bill. The bill before us today is a compromise worked out in committee. It is weaker than many of us would like it to be, but it is strong enough that we can live with it. Some would like a weaker bill, but they too should be able to live with this compromise. It is a good compromise.

We must reject any attempt to further weaken this bill by amending it, or by accepting a substitute measure. Unless the Consumer Protection Agency is left with the power to be a litigant and an advocate, this bill is a farce. This issue is too important to the people of this Nation, and to my neighbors in Boston for us to weaken this bill.

Prices have been skyrocketing, and quality has been rapidly diminishing. We must act now, because the American consumer cannot afford to lose much more.

Already many people cannot afford to eat properly, or to live comfortably. Even more feel cheated because they are paying exhorbitant prices for inferior goods and services.

Clearly, the American consumer has been poorly represented. We must turn the tide on this critical problem. We must rectify this deplorable state of affairs immediately.

I urge my colleagues to support this bill as it was reported from committee. I commend the committee for arriving at such an equitable compromise.

Mr. HOLIFIELD. Mr. Chairman, I yield to the gentlewoman from New York (Ms. Abzug).

Ms. ABZUG. Mr. Chairman, first I would like to commend the chairman, the gentleman from California (Mr. Holifield) and my colleagues on the Committee, Mr. Rosenthal and Mr. Horton, for their leadership and their long arduous labor in developing this landmark legislation. Although I would have preferred a bill endowing the Consumer Protection Agency with more affirmative powers, I cosponsored H.R. 13163 because I felt that it would create an effective and responsible CPA which would assure adequate consumer representation at the Federal level and because I felt that this bill could be enacted into law with the broadest possible support. The American consumer has waited too long for representation in the halls of Government. After 5 years struggle and efforts to overcome opposition both from the administration and from business interests, the consumer can at last start to have his or her day in court. Passage of H.R. 13163 will represent a step forward and I urge my colleagues to support it.

In response to the fears expressed by my colleague from Ohio (Mr. Brown) I would remind him that all of the people in our country, taxpayers and citizens, are consumers. Contrary to what he fears, it will be very much in aid of the free enterprise system if we reconcile the role that each of us plays as citizens, as business people, farmers, and workers, with our fundamental role as consumers.

I think this bill is long overdue. It is a significantly interesting compromise of people of many different viewpoints. Because of that, many of us may have differences with it, but if we care about the situation of all Americans, this is the kind of bill that we should support.

The substitute, I think, is very timid. It really negates the obligation that we have at last to take care of the consumers of this country, who are really all of us. I oppose the substitute and urge that we defeat it so that we can go on and do our job.

I thank the chairman for yielding.

Mr. HORTON. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa (Mr. Mayne).

Mr. MAYNE. Mr. Chairman, I want to thank the gentleman from New York for yielding.

I rise to express a warning to the Members of this House who have been stampeded too often in recent years to go along and rubberstamp legislation which seemed very advantageous at the time, but which wound up putting very onerous, unworkable burdens on small businessmen, independent businessmen, and on the farmers of this country.

I should like to remind the Members of our experience with OSHA, the Occupational Safety and Health Act. We went down that primrose path without giving due consideration to its details and ramifications, and literally hamstrung a lot of small, independent businessmen so that it was literally impossible for them to continue in business.

Mr. HORTON. Mr. Chairman, will the gentleman yield?

Mr. MAYNE. I yield to the gentleman from New York.

Mr. HORTON. I thank the gentleman for yielding.

There has been a lot of talk about OSHA here today. I certainly recognize the gentleman's concern, but I should like to point out to the gentleman, first of all, that there was a lot of work done by the committee over a long period of time in developing this bill.

No. 2, this bill does not provide for a regulatory agency. A regulatory agency was what was provided for in the OSHA bill. All that is provided for here is an advocate to represent the consumers' interests. The only small businessman who is going to be hurt here is going to be the small businessman who is fraudulent, who is doing something to injure or hurt the consumer. All this agency can do is appear and represent the consumers' interests before these agencies.

Mr. MAYNE. I am also concerned about the impact of this bill on the ability of the Nation's farmers to produce adequate food.

I recall another bill which we passed overwhelmingly, the Environmental Protection Act, without realizing how sweeping were its provisions. The EPA came along and tried to establish some reasonable regulations which would make it possible for family farmers engaged in small livestock feeding operations to be exempt from the permit requirements of the act. But now so-called public interest law firms are suing the EPA to block these reasonable regulations, contending that the act provides absolutely no discretion to the Environmental Protection Agency for the exemption of any farmer in America from these onerous requirements.

I am very concerned that the same thing is going to happen, and that the farmers' ability to produce will be hampered further if this bill is enacted in its present form and fully implemented.

I see here in the Chamber my good friend, the gentleman from New York, the distinguished Congressman, Benjamin S. Rosenthal.

I am reminded that the present bill is to a very great extent based on his H.R. 14 and his proposals in the committee. To discover the intent of the proponents of this legislation we need only look to Congressman Rosenthal's statement to the House on the opening day of the hearings upon H.R. 14—pages E5820 through E5822 of the September 17, 1973, Congressional Record.

The distinguished Member from New York made it clear in his remarks last September that he intended to create a Consumer Protection Agency that would have authority to intervene in virtually every Federal Agency decision regarding agriculture production and marketing. He expressed concern that county and State agricultural stabilization and conservation service committees—ASCS committees—were elected by farmers and were composed only of farmers, and that they influence and administer important programs vital to consumers such as feed grain programs, acreage allotments, marketing quotas and long-term land retirement programs, and he voiced the objection that "there were no consumers and no consumer representation involved in those process."

He deplored the lack of consumer representative participation in agricultural policymaking at the Washington agency level, citing as examples Department of Agriculture decisionmaking regarding acreage production restrictions, import controls, export policies, grain sales, set-asides, land use programs designed for voluntary production adjustment, resource protection, and price, market, and farm income stabilization, USDA quality grade standards for meats, milk marketing orders, regulations regarding use of preservatives in meats, promotion of sale abroad of agricultural commodities such as soybeans and wheat. He contended enactment of his H.R. 14 would definitely end this situation, for it would enable the Consumer Protection Agency to intervene in Agency proceedings as a party, whether the proceedings are formal or informal, and whether or not they are attended by hearings.

It is clear from Congressman Rosenthal's remarks last September regarding H.R. 14 that it was his intent to grant the Consumer Protection Agency carte blanche authority to intervene and participate not only at the Washington level in agency proceedings, but also in the informal administrative processes of county and State ASC committees as they consider individual farms and farmers, and that he intended to grant the Agency power to appeal as a matter of right, and to litigate in the courts, any administrative decisions that the CPA considered as having an affect on consumers, whether or not the CPA had participated in the hearing or informal proceedings of the committee or agency.

I believe that same intent pervades the present bill, which is to a large extent based on H.R. 14, and the prospect of enacting legislation to establish a super agency, the Consumer Protection Agency, with authority to intervene in virtually every administrative decision of the USDA and of other agencies which affect farmers in their day-to-day operations and which regulate the small and independent businesses of this Nation is frightening to me.

In the floor debate on consumer legislation in the 92d Congress, Chairman Holifield admitted that administrative chaos would be guaranteed were agencies to be required to consult with the Consumer Protection Agency before any informal decision is made. He further stated that the CPA should not "attend every informal action, sit in on every conference of the commissioners or examiners of the agency, read every office memorandum that passes back and forth from one agency to another, and be around, day and night, to look over the shoulders and breathe down necks of agency officials."

But what is there in the present bill which would in any way prevent or inhibit this new Consumer Protection Agency from so exercising its powers and from unduly harassing not only the regulatory agencies so that they cannot effectively do their jobs—including protection of the consumer—but also the farmer and the small businessman so that they cannot efficiently produce needed foods and fibers or provide the market mechanism which has so efficiently provided the needs of American consumers in our system?

I am in sympathy with consumer protection, but I am not convinced that the present bill and the super agency it would create would ultimately benefit the consumer. The bill would give the new agency broad sweeping powers: to intervene into any U.S. Department of Agriculture meeting or action found by the CPA to be affecting consumer interests; to appeal any decision made by USDA officials, with the effect of tying up the daily operations of the Department for extended periods of time, reducing the Department's ability to take speedy action in order to meet emergencies; to subpena both departmental and private data for the CPA Administrator, whether or not that information was confidential; and to go to court to litigate any USDA action not to the liking of the CPA Administrator.

This legislation would establish a Consumer Protection Agency with such wide ranging powers that it could override the autonomy of USDA's internal operations. USDA and many executive branch agencies could well lose their right to make final decisions, to control their own internal actions, and to preserve their books and files. The broad grant to the CPA of the power to intervene in the affairs of established regulatory agencies would add complexities and could seriously impede actions favorable to consumers, particularly where the regulatory agency has been actively advancing consumer interests.

It is argued that the Consumer Protection Agency is needed because existing agencies have failed to adequately protect the consumer. But is it sound government to create one more agency when dozens of others allegedly are not doing their job? Is not the market system—with vigorous competition—a far more reliable protector of consumer interests and of the public interest?

I am very concerned that this bill is so sweeping that our farmers are going to be further handicapped in trying to meet the great crisis of production which confronts not only our Nation but also the whole world. I am afraid that well meaning consumers advocates are going to wind up with not enough food, because this bill is going to lead to another army of bureaucrats impeding the American farmers' ability to produce in a free enterprise system. This is serious most of all to the consumers. We have got to have a free agriculture able to function and meet this crisis.

I sincerely hope that we will adopt amendments here today or tomorrow which will place needed curbs and reasonable limitations on this proposed new agency so that it will not become an administrative monstrosity creeping into every phase of agriculture and business.

The bill in its present form would be a millstone about the neck of the American farmer and independent small business now. The American farmer already has enough Federal bureaucrats riding herd on him—he certainly has no need of still another Federal agency to tell him how to farm. If Congress continues to enact overreaching, "overkill" legislation such as the present proposal, we are not going to have any family farmers or small, independent businesses left—and consumers will not have to worry about the price of bread and meat and milk, for there will be none to be had.

Mr. HORTON. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois (Mr. CRANE).

Mr. CRANE. Mr. Chairman, in the August 17, 1970, issue of Barron's magazine, Caspar W. Weinberger said:

> There is a curious belief growing up that consumers are some group apart and that there are some specially anointed people who are the only ones who can speak for them. Neither you nor I can speak for consumers, they feel, unless we belong to the required organizations . . . well, I don't believe it. We are all consumers. We are all equally important because we all have an equal interest.

Consumers are mistakenly viewed—and so treated in the pending legislation—as a homogeneous group of individuals all with the same motivations, desires, needs, et cetera. Starting from such an erroneous assumption is bound to lead to erroneous conclusions. The interest of consumers is identical to the public interest, for the general public and the consumers are all one and the same. And unless I am mistaken the regulatory agencies we have set up over the past 70 years were designed to protect the public interest.

In a democracy, consumer needs and desires come to bear upon government through the elective process. It is therefore, the responsibility of the Congress to translate the divergent needs and desires of the people—consumers—into consensus programs and courses of action.

If executive agencies fail to follow the intent of Congress, the responsibility then comes back to the legislative body to clarify or make its instruction specific. To propose a Consumer Protection Agency is an admission that the executive agencies have failed to follow the intent of Congress and rather than meeting our responsibility we are pushing it off to another level of government. Why should the Congress seek to abrogate its responsibility to the electorate in the area of consumer affairs through legislative fiat, such as that contained in the proposed bill? Surely the transfer of power to the executive branch, due to congressional default, has reached dangerous proportions already. The tide needs to be turned in the opposite direction.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. CRANE. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I thank the gentleman from Illinois for yielding.

I wish to follow up a point the gentleman has made. I am sorry to see so many Members of the Congress suddenly have come to believe that we as Members of the Congress are incapable of representing the consumer. We are elected every 2 years and as elective representatives have better and more regular contact with consumers than unelected bureaucrats. We have an adequate input to the agencies about which all complaints have been made by my good friend, the gentleman from New York, who says the regulatory agencies do not represent the consumer.

But that is the job we in Congress have. Why do we have to set up another executive agency that will be further away from the consumer? Why cannot we as Congress be the consumer representatives? I always thought we had been. That is what our congressional casework is all about.

Mr. HORTON. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Chairman, the only point I wish to follow up on is that I think this Congress is a "consumer representative" better prepared to help consumers. I think that we are far better capable to represent the consumer as 435 Members who are elected every 2 years than another bureaucratic agency that Congress has created and to which we have given too much power.

My good colleague, the gentleman from New York, has constantly complained that we are shifting too much power to the executive branch. I agree with him. I think though this agency will do exactly the same thing.

This Congress has the capability of representing the consumers. We are close to them. That is our job. Most of the Members in this House go home every week or 2 weeks to make sure that we are in touch with the consumers.

I do not believe there is anybody better capable of representing the consumer than the House of Representatives.

Now here we are going to spread out even further in the executive branch more power to interfere with the free market system. My colleagues say that it will only be 350 people. My guess is that in less than 5 years it will be 2,000 or 3,000 bureaucrats, if it is anything like our past experience. With other independent agencies. So to try to make the argument that this is just a small little agency which will work for the little consumer flies in the face of history.

Mr. CRANE. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Illinois.

Mr. CRANE. Mr. Chairman, I simply want to commend the gentleman from California for his observations, and to remind Members of this body that it was Ralph Nader himself who cautioned Members of Congress a couple years ago that we are failing to exercise the appropriate legislative oversight responsibilities that we have. That goes to the point that my colleague, the gentleman from California, has made.

One further observation I might add: Institutionally, the free market has been the best protector of the consumer, bar none. Congress has often gotten in the way of consumer interests, particularly when it has bred a nasty brood of regulatory agencies and now it proposes to create the regulatory agency's agency.

The CHAIRMAN. The time of the gentleman has expired.

Mrs. SULLIVAN. Mr. Chairman, the bill H.R. 13163 "to establish a Consumer Protection Agency in order to secure within the Federal Government effective protection and representation of the interests of consumers" reflects many years of hard work and dedicated effort by innumerable consumerists in and out of elective office or public life. I am hopeful that this year we can finally enact legislation which will guarantee one of the cardinal principles of the consumer bill of rights first enunciated by President John F. Kennedy in his consumer message to Congress on March 15, 1962; that is:

> The right to be heard: To be assured that consumer interests will receive full and sympathetic consideration in the formulation of Government policy, and fair and expeditious treatment in its administrative tribunals.

The other three articles in President Kennedy's consumer bill of rights were:

> (1) The right to safety: To be protected against the marketing of goods which are hazardous to health or life; (2) The right to be informed: To be protected against fraudulent, deceitful, or grossly misleading information, advertising, labeling, or other practices and to be given the facts he needs to make an informed choice; and (3) The right to choose: To be assured, wherever possible, access to a variety of products and services at competitive prices; and in those industries in which competition is not workable and Government regulation is substituted, an assurance of satisfactory quality and service at fair prices.

EXPLOSION OF CONSUMER LAWS SINCE 1962

The Kennedy message of March 15, 1962, outlining a broad range of needed consumer legislation, was the first Presidential consumer message ever sent to Congress. Presidents Johnson and Nixon both subsequently sent consumer messages to Congress which generally adopted the Kennedy consumer bill of rights as their keystone. And, since 1962, we have made tremendous progress in writing into law many far-reaching proposals to implement the consumer bill of rights. This was particularly true under President Johnson whose consumer measures, which he vigorously pushed and prodded through Congress, constituted some of the most important achievements of his administration. But Presidents Kennedy and Nixon were also involved in the passage of some important consumer laws.

Among the landmark consumer measures enacted since the Kennedy consumer message of 1962 were:

In the field of health and safety—the Drug Safety Act of 1962, the Clean Air Act of 1963, the Drug Abuse Control Act of 1965, the Water Quality Act of 1965, the Highway Safety Act of 1966, the Child Protection Act of 1966, the Wholesome Meat Act of 1967, the Wholesome Poultry Act of 1968, the Toy Safety Act of 1969, the Environmental Quality Improvement Act of 1970, the Consumer Product Safety Commission Act of 1972;

And in other areas of consumer protection, stressing the right to be informed and the right to choose—the Consumer Credit Protection Act of 1968 which includes the Truth in Lending Act, the Fair Credit Reporting Act of 1970 which opens up credit bureau files to those whose reputations are jeopardized by the information contained therein, and the Fair Packaging Act of 1966. Undoubtedly, I have not covered the entire field. But the measures listed above illustrate the remarkable explosion of consumer legislation which followed the Kennedy message of 1962.

On the other hand, vital recommendations of President Kennedy to rewrite the Food, Drug, and Cosmetic Act of 1938 along the lines of a bill I have been introducing in each of the last seven Congresses as H.R. 1235 have still not been enacted.

ORIGINS OF CONSUMER PROTECTION AGENCY BILL

The bill now before the House, H.R. 13163, gives concrete legislative support to the idea put forward by President Kennedy a dozen years ago that the consumer has a right to be heard in all of the councils of government and in all of the deliberations of the regulatory agencies. I strongly support this bill, as I did a similar bill we debated and passed in the 92d Congress, but which did not become law, and one which was reported from the committee in the 91st Congress but died in the Rules Committee.

As I look back on the long history of this legislation—and it goes back a long time—I believe its origin lay in suggestions made by one of the outstanding pioneers of the American consumer movement, Dr. Colston Warne, president of Consumers Union since its founding in 1936, who had advocated establishment of a Department of Consumer Affairs which would bring together in one agency of Government many of the programs administered by a variety of Cabinet departments and executive agencies, programs which are supposed to operate primarily in the consumer's behalf, but often do not. Such legislation was introduced and ably promoted by Congressman BENJAMIN S. ROSENTHAL, but some others of us in the consumer field had misgivings about the vulnerability of such a department and its programs from the concerted attacks of all of the business lobbies concentrating their fire on one department.

I was therefore glad to join former Congressman Florence P. Dwyer of New Jersey, then the ranking Minority Member of the Committee on Government Operations, and the valued and fair-minded ranking minority member of my Subcommittee on Consumer Affairs of the House Committee on Banking and Currency, in a different approach in 1969, proposing to establish an agency sufficiently staffed with qualified experts to serve as a watchdog of and intervenor before all of the other Government agencies having regulatory authority in the consumer field, to make sure they did their jobs properly in the consumer's behalf.

The approach provided in the Dwyer-Sullivan bill eventually won wide support—the idea of an agency which would not itself regulate or operate consumer programs as such but would look over the shoulder of every Federal agency involved in such activity.

AMPLIFYING THE CONSUMER'S VOICE

The work done by Esther Peterson, Betty Furness, and Virginia Knauer as Special Assistant to the President for Consumer Affairs proved that this kind of operation can often be effective even with only a single dedicated woman and a few staff assistants to do the work, and indicated that with adequate funding and sufficient staff and broad statutory authority, a consumer watchdog agency could provide the consumer, finally, with an avenue for exercising his right to be heard in all of the councils of government where decisions are made which vitally affect every citizen as a consumer. The proposed new agency will have the power to amplify the consumer voice to a level where it must be heard.

I congratulate the chairman of the Committee on Government Operations, Mr. HOLIFIELD, and the ranking minority member, Mr. HORTON, and the other members of the committee who have introduced H.R. 13163, based on the extensive hearings held in that committee since the 1960's when Congressman ROSENTHAL began his drive for a Department of Consumer Affairs and set up the first of many hearings on this subject. I think we all recognize the many contributions made to this legislation by Ralph Nader and those associated with him, and I also want to cite the courageous support provided by Virginia Knauer and her willingness to fight for this legislation within the executive department.

Mr. Chairman, I urge approval of H.R. 13163 without crippling amendments. Too many people have worked too hard for too long on this legislation to have it die a third time because of imagined fears over its impact on business and industry. In all of the deliberations of Government agencies, business has always had full opportunity to be heard, and it will continue to have that right. But it is time for the consumer also to be heard in those councils—loud and clear—through an agency able to speak not only knowledgeably but with authority.

Mr. FASCELL. Mr. Chairman, I rise in strong support of H.R. 13163, the Consumer Protection Act of 1974. I was pleased to join with Chairman HOLIFIELD as a sponsor of this bill and to lend my support during consideration by the Government Operations Committee.

The fight to establish an independent consumer protection agency has been a long and difficult one, but I feel confident that the bill reported by the committee and under consideration today is a reasonable and effective approach in giving the consumer adequate representation in Government proceedings. This legislation is a vital part of the action which Congress must take to insure the American public access to Government, and an equal opportunity to present the consumers' case in Federal administrative and court proceedings involving issues which directly affect them.

Under the bill, the independent Consumer Protection Agency would be authorized as a matter of right to intervene as a party in formal and informal Federal agency proceedings and activities whenever the CPA Administrator determines that a "Federal agency proceeding or activity may substantially affect an interest of consumers." When the CPA is a party in a Federal agency proceeding, it would be authorized to request, and the Federal agency directed to issue, subpenas.

Of particular importance, is a provision which would authorize CPA to request a Federal agency to initiate a proceeding if the CPA Administrator determines it would be in the interest of the consumer and no such proceeding is under way. If the agency so requested fails to act, it must report its reasons to CPA for the public record.

The CPA would have the right to seek judicial review of an agency's refusal to act. It would also be authorized to seek judicial review of action taken by a Federal agency, as would any other party.

Under H.R. 13163, CPA would be authorized to receive, evaluate, develop, and act on individual consumer complaints by transmitting them to appropriate Federal or non-Federal sources. Further, the CPA would be authorized to compile and disseminate consumer information, and to encourage and support the development and application of methods and techniques for testing products.

An important and controversial provision of H.R. 13163 would authorize CPA to request any Federal agency to transmit to specified persons written interrogatories for information within that agency's jurisdiction. Such request would make clear the consumer interest involved in the request and the purposes for seeking the information. The bill requires the Federal agency to transmit such interrogatories unless it—the agency—makes a determination that the request: First, does not seek information that substantially affects the health or safety of consumers or is necessary to the discovery of consumer fraud or substantial economic injury to the consumer; second, is not relevant to the purpose for which the information is being sought; or third, is unnecessarily or excessively burdensome to the agency or the persons specified in the request.

Reservations have been expressed about this authority, and some have indicated they feel the interrogatory power might jeopardize business competition by disclosing confidential information transmitted to CPA. However, the bill expressly prohibits the public disclosure of trade secrets and other confidential business information. The bill also provides other guidelines for releasing test results to safeguard competition.

It is not the intent of the legislation to thwart development of the business community. The objective is quite to the contrary. A competitive business community is most clearly in the public interest, and I am confident that the CPA will exercise its authority in the manner most advantageous for the consuming public.

Mr. Chairman, I hope that the House will act favorably on this bill. The consumer must have the same representation capability that private organized interests have in agency proceedings. Establishment of an independent Consumer Protection Agency will provide such capability.

Mr. PODELL. Mr. Chairman, I rise in favor of H.R. 13163. It is not difficult to be in favor of such a proposal. The history of this country for the past 10 years has been one of increasing awareness by each and every citizen of the need for vigilance in his dealings with business and governments.

Informed consumers make for an informed electorate. Informed consumers make for a more efficient market system. They can make the system of supply and demand really work; perhaps for the first time there will be a market that will be truly responsive to the consumer's demands. Informed consumers were responsible for many of the more innovative actions taken by this Congress in the last several years.

Creation of a Consumer Protection Agency is simply the logical extension of a movement that has been growing and gaining adherents constantly over the last decade. The Federal Government is already to some extent in the business of safeguarding consumers' interests. The FDA, EPA, and a host of other Federal agencies have as part of their duties an obligation to see to it that consumers are protected.

But regrettably, these agencies often do not do a thorough job. It may be for lack of manpower, or for lack of money, or for any number of other reasons. Be that as it may, there are still a distressingly high number of products on the market that are not fully tested and not completely safe. There are still all too many businesses engaging in unfair trade practices. There are still too many instances in which the consumer is being given the run-around in trying to get a complaint corrected.

The Consumer Protection Agency we seek to create here today will not be a regulatory agency, but rather it will function as an ombudsman, representing the interests of consumers before Federal agencies and the courts. CPA, in its power to intervene in agency and court proceedings, will make sure that the small consumer, the man or woman who has scrimped and saved to buy a house, a car, or a piece of furniture or appliance only to find out that they got second-rate merchandise at first-rate prices, will be heard.

The administration is already gearing up to subvert the purposes of this legislation should we be bold enough to pass it. Apparently, President Nixon thinks business needs protection from consumers and not the other way around. Apparently the President and his employees at OMB never bought a defective piece of merchandise and then spent months trying to get their money back or have it repaired.

Apparently no one on the President's staff was ever injured by a defective product, and then had those physical damages compounded by the difficulty of trying to get some restitution for damages suffered.

Apparently neither the President nor anyone on his staff truly understands what it means to be a consumer in this country. It means that there is very rarely any place to turn when you have trouble. And then, if you do find an agency or organization who can help you, the administrative odds are stacked so strongly against you that you will likely give up in disgust and just write off the loss as tuition in the school of experience.

This should not be. There should be no reason why a dissatisfied consumer cannot gain satisfaction. There is no reason why potentially harmful or defective products should be released for sale to an unsuspecting public. There should be no reason why a consumer should have to buy a product in total ignorance of what it is, what it does, or what it contains.

Creating a consumer protection agency will certainly not harm business interests. To the contrary, I firmly believe that American business will improve a thousandfold as a result of this agency's activities. Do you know that in a recent public opinion poll, only 29 percent of American citizens had any confidence in American business? This figure is appalling, but perhaps the reason lies in the essential unresponsiveness of American business to the needs of the consuming public.

I can only say that if we do not pass this legislation without weakening amendments, we will be doing a great disservice to our consituents. I for one do not understand how we will be able to go home and campaign for reelection later this year, before crowds in which every person is a consumer, and say that we voted against legislation that would for the first time give official recognition and protect to their legitimate interests. I know I speak for the majority of Members here when I say that I am casting my vote proudly for H.R. 13163.

Mr. BROYHILL of North Carolina. Mr. Chairman, I support the substitute bill to be offered by Mr. BROWN of Ohio, H.R. 13810. I am gravely concerned about the broad powers provided in the committee's bill which would have the effect of disrupting the regulatory processes of the Federal Government.

The committee bill would provide the proposed Consumer Protection Agency with extraordinary powers to intercede in all Federal agency proceedings and would place this agency above the normal party of interest in rulemaking process which is followed by all Federal regulatory agencies. The Agency would be given vast powers to subpena information through the host agency whenever it participated in any Federal agency proceeding. In addition, the Agency would be able to appeal to the courts any final Federal agency action, whether or not it took part in the action to be reviewed.

The possession of such extensive power to control the regulatory processes of every Federal agency would, I feel, have the effect of providing an effective vote by this agency over decisionmaking powers which should, by law, be retained by the regulatory agencies. I am concerned that the powers to intercede provided the Agency in the committee bill will result in the setting of priorities not by the regulatory agencies which are charged with this function, but by the Consumer Protection Agency and the courts.

The committee bill appears to me to delegate to the Consumer Protection Agency many of the oversight functions which should properly be retained by the Congress. The legislative oversight power is one of the most important powers which the Congress possesses. In my opinion, we do not always exercise this power closely enough or often enough. But we should not delegate away this oversight authority over consumer interests and programs by the creation of a new and untried Government agency.

Let me give you an example of recent congressional activity in exercising oversight authority.

Last week, the Interstate and Foreign Commerce Committee's Subcommittee on Commerce and Finance, on which I am ranking minority member, held its first oversight hearings on the Consumer Product Safety Commission. This Commission was created by the Consumer Product Safety Act of 1972 and came into existence in May 1973. I was a cosponsor of the act which created this Commission and played a large role in the writing of the act.

The Commission was given broad powers to write rules setting safety standards for consumer products, to ban unsafe products by the rulemaking process, and to obtain swift court action for imminent hazards. The Commission was provided with a broad range of regulatory tools to obtain action to carry out its function. This newly established agency is moving expeditiously to examine a number of proposals, set priorities, and formulate consumer product safety standards in many areas. I am concerned that the powers provided to the proposed Consumer Protection Agency by the committee bill would unduly interfere with and delay the Commission's progress in these areas, and that we would find final decisions being made by the courts on matters which should be made by the Commission. In effect, the Consumer Protection Agency would have, by its power to appeal final agency action to the courts, the oversight authority over the Consumer Product Safety Commission which the Congress is now exercising.

The Commerce and Finance Subcommittee has held 2 days of oversight hearings on the Consumer Product Safety Commission and additional sessions are planned. Section 32(a) of the Consumer Product Safety Act provides for a 3-year authorization for the Commission, through fiscal year 1975. Before that time, the committee will be obligated to review the activities and operations of the Commission before granting it a new authorization of appropriations. The entire Congress will have the opportunity to vote on this matter at that time.

In order to strengthen the congressional oversight function of this new agency, I will offer an amendment to this measure to provide for a 3-year authorization of such funds as may be required to carry out the provisions of this act. This amendment would replace the present open-ended authorization contained in the bill and would, in effect, insure periodic congressional oversight over the Consumer Protection Agency and its activities. I intend to offer this amendment at the appropriate time, to both bills, and I urge its serious consideration and acceptance by the House.

Mr. Chairman, let us adopt the Brown substitute. This would establish a Consumer Protection Agency with adequate power to intervene in agency administrative proceedings and would avoid many of the problems created by the committee bill.

Mr. BINGHAM. Mr. Chairman, in February 1973, with the price of meat and poultry at record high levels, the Department of Agriculture advised turkey farmers to reduce production in the latter half of 1973, to assure "reasonable prices" to consumers. When the Department was considering this "public interest recommendation," who spoke for consumers?

Last spring when the price index of 31 foodstuffs jumped 21 points in 4 months, the Cost of Living Council began to consider what action to take to limit food price increases. During those deliberations, who spoke for consumers?

In December 1973, the Federal Energy Office made decisions about how to deal with the energy crisis, and drafted regulations to govern fuel allocations and a possible gasoline rationing system. During the decisionmaking process, who spoke for consumers?

In February 1974, the Federal Power Commission acted on a vote of 3 to 2 to aprove the sale of natural gas at 55 cents per thousand cubic feet, the highest price ever approved. When the FPC was considering that decision, who spoke for the consumer?

The answer, of course, is not one. And the same answer applies in thousands of Federal agency actions each year which directly affect the economic, health, and safety interests of consumers.

The spiraling cost of living clearly tops the list of pressing concerns of most people in this country. But individually, the consumer is practically powerless to affect the forces of the marketplace and he lacks the resources to make his voice heard effectively in the regulatory process. Congress has gotten into the unfortunate habit in recent years of delegating increasing discretion and action authority to executive agencies with only the broadest guidelines for protecting the consumer's, or the public's interests. Clearly, the American consumer needs a voice to represent his interests.

That voice cannot be provided adequately by privately financed consumer organizations. Many local, State, and national consumer organizations will attempt to speak for the American consumer this year on a variety of issues ranging from no-fault automobile insurance to mandatory wheat reserves to energy policy. But their budgets and the efforts they support cannot hope to compete with the might of special business interests. The American Petroleum Institute has a $15.7 million budget and employs 11 full-time lobbyists to make the voice of industry clear on future energy policy. The six major oil companies spend over $165 million a year on advertising alone, much of it designed to influence decisions of public policy. Every major business interest has full-time representation in Washington spending substantial amounts of money to make sure that their association and corporate needs are adequately heard before the agencies of Government. The result is that consumers will this year, as last year and the year before, be largely ignored and left out of Government policymaking.

Consumers do not lose out because the American Government is corrupt, but simply because all policymaking is an adversary process and in the day-to-day dealing of Federal departments, agencies, and regulatory commissions, no one represents the American consumer on a systematic basis. The Consumer Federation of America may file a comment on a proposed drug regulation; Consumers Union may testify at Product Safety Commission hearings on a product safety hazard; or a Nader group may issue a report on the regulatory failures of the CAB, the FTC, or the ICC. But these efforts are a drop in the bucket compared to the number of industry advocates. Robert Pitofsky, former Director of the Consumer Protection Division of the Federal Trade Commission, has described the ratio of business to consumer representation before that Commission as being approximately 100 to 1.

Today, as we did last year and the year before and the year before that, we are considering legislation to redress this inequity through the creation of a Consumer Protection Agency. I have sponsored such legislation in the 91st, 92d and 93d Congresses. In 1970 a consumer protection agency bill passed the Senate 74 to 4, but the House Rules Committee, by a tie vote, refused to let it go to the floor. In 1972, the House passed a bill but the Senate filibustered it in the last days of the session. Now we are trying again, and I hope this effort ultimately results in success.

H.R. 13163 is a carefully constructed compromise which establishes a Consumer Protection Agency as an independent agency within the executive branch of Government to protect and promote consumer interests before Federal agencies and courts by conducting studies and tests leading to a better understanding of consumer products, services and information, and by recommending legislation to Congress and informing the public on consumer issues.

The Agency would have the power to represent consumers by intervening as a matter of right as a party, or by participating in formal and informal proceedings and activities. Carefully drawn limits to such intervention by the CPA have been incorporated in the bill, including exemptions for such agencies as the FBI and the CIA from the purview of the Agency: limits on the disclosure of information by CPA to the public, States and local agencies; prohibitions on testing or issuing comparative ratings on products; careful procedures which must be used when CPA seeks to have other Federal agencies gather information in its behalf; and a prohibition on CPA intervention in State or local proceedings.

The Agency would have the right to go to court in its own name and with its own attorneys, rather than relying on the Department of Justice and its lawyers. CPA would receive, develop, and transmit consumer complaints to appropriate agencies. It could gather information by submitting written interrogatories to any Federal agency for transmission to businesses, and through direct access to documents, records and papers in the possession of Federal agencies except for limited kinds of documents such as classified papers, policy recommendations, personnel or medical files, or certain trade secrets.

A substantial attack on H.R. 13163 has been launched by certain business interests and, at their behest, the Office of Management and Budget, which has proposed a series of weakening amendments to the bill. The points of controversy revolve around the CPA's ability to intervene in court and agency proceedings, both formal and informal, and its access to information from business, industry, and government. These are all the old controversies which have arisen time and again in connection with this legislation. Opponents have charged that to give the consumer an advocate within Government will have the various agencies fighting with one another. They have charged that the agency cannot do its job because there is no one consumer interest, but many interests which may conflict. They have charged that such an agency will impose a burden upon legitimate businessmen.

All of these arguments have been answered before. Yes, the Consumer Protection Agency may end up in an adversary relationship with another agency of the Federal Government, but that already happens. It is nothing new for the Department of the Defense and the General Services Administration to appear before other agencies in proceedings where they have an interest. It is also not out of the ordinary to have two Federal agencies taking conflicting positions on public issues, as have the Departments of Justice and Commerce on the issue of patent rights in federally subsidized energy research and development.

It is also true that occasionally there may be a conflict between various consumer interests, in the field of trade for example. However, an advocate tries to determine a position that will best serve the broadest range of interests. Where that cannot be done, the advocate must try to reconcile conflicting interests. The CPA is being asked to do no more than is asked of the Department of Commerce, for example, when it must testify on legislation that may affect big businesses and small businesses differently. Furthermore, conflicts between consumers arise in only a small percentage of cases. No consumer benefits by false advertising. No consumer benefits from hazardous products.

Will the Consumer Protection Agency unduly burden businessmen? There are numerous protections from irresponsible action by the CPA written into the proposed legislation, some of which I have already mentioned. However, it is clear that some businesses have been engaged in fraudulent activities, have used misleading advertising, have marketed hazardous products. Is it unreasonably burdensome for the Government to protect the consumer against those businessmen?

Finally, let me point out that we are discussing here a fairly small agency. The bill authorizes "such sums as may be required," and the committee estimates the cost at about $10 million a year. It is not likely that such an agency will be out harassing too many honest businessmen. It is going to have its hands full just trying to handle the most flagrant cases that come before it.

No one who has followed the path of the regulatory process in Washington can believe that the consumer is presently being protected adequately by the many agencies and commissions that are supposed to regulate business but in fact are regulated by them.

The bill before us today can provide that protection. I urge my colleagues to support this legislation, and to oppose all weakening amendments so that we can at last create an agency to fight for the consumer.

Mr. BOLAND. Mr. Chairman, I would like to add my voice to those who have already spoken so persuasively in favor of H.R. 13163, which establishes a Consumer Protection Agency of independent status within the executive arm of Government. This leigslation is truly a landmark in buyer-seller relations in this country. It recognizes the obligation that Government has to protect in some basic way the American consumer from misrepresentation, chicanery, and substandard goods. In particular, it attempts to provide information to the consumer which will enable him to purchase more wisely and conserve more often.

The Consumer Protection Agency, as it will be called, will have four principal roles: It must represent the interests of consumers before Federal agencies and in the courts. It will process consumer complaints and invoke action by other Federal agencies where necessary. It will provide an information service relative to all products and services. Finally, it will advise the Congress on matters affecting consumer interests.

The powers the CPA will have to perform these duties will involve interrogatory power and the ability to appear in an amicus curae status before Federal courts pursuant to seeking judicial review of decisions by other Federal agencies. To the degree that it employs its powers, the CPA will perform what is essentially an ombudsman's task in representing citizens rights against even the Government itself. This is a bold and far-reaching experiment which will have implications in many aspects of consumer-vendor relations. Yet it comes at a time when ever higher prices and declining real income make viable, well founded choices by our citizens a vital priority.

Mr. Chairman, I feel that the bill now before us is a strong one. It is a measure nonetheless which will not allow the haphazard or willful disclosure of trade secrets or other confidential information. At a cost of an estimated $10 million per year, we will have afforded the consumers of this country the very real possibility of saving many times that amount in careful choices, made from a worthwhile selection. In addition to the abundance that has so long distinguished the history of the United States, we will have helped insure that from our abundance all will prosper in their dealings—be they buyers or sellers.

Mr. Chairman, the time for this legislation is long since due. The arguments for and against have been vented in both this Congress and in the last. I am convinced that the distinguished chairman and members of the Committee on Government Operations have rightly gaged the need for consumer protection in voting so convincingly for this measure. I urge its passage without amendment.

Mr. BADILLO. Mr. Chairman, the bill before us is the expression of a long overdue congressional commitment to the rights of the American consumer. Passage of the legislation will signal our recognition that the Government and all its entities spring from and do in fact belong to the people of this country, and should be keeping the public interest paramount in all official deliberations. Those business interests opposing the act are doing nothing less than attempting to deny to the people an effective advocate in Government proceedings substantially affecting their rights, an advocacy which those same special-interest groups already enjoy for themselves.

Apart from the efforts of Members of this body to represent the broader interests of their constituents, there is no instrument of Government presently mandated to protect the public in the complex and often obscure proceedings of agencies of the Federal Government. The Federal Trade Commission has from time to time seized upon an issue on behalf of the public interest, but we have never given that agency sufficient funds to range across the whole spectrum of the massive Federal bureaucracy.

In fact, it is an indictment of our inability to pass such legislation for two Congresses that present efforts to represent consumers are largely conducted by volunteer nonprofit private organizations. The Consumer Protection Act will remedy that deficiency by finally creating an institutionalized ombudsman to represent, respond to, and seek redress for the vast majority of Americans who have no organized lobby pursuing their interests here in Washington.

The Consumer Protection Act of 1974 will create a new agency to serve as consumer advocate in all Federal proceedings, to receive and investigate consumer complaints, to gather and publicize information on consumer products and services, and to advise the President and Congress on consumer interests, specifically regarding legislative recommendations.

Some of these functions, such as product testing, are already being performed by one Government agency or another, but public access to the results has always been impeded as much as possible by special interest advocates with close ties built up over years of relationships with Government bodies and officials. The Freedom of Information Act was one effort to loosen up the secrecy of the bureaucracy, but that statute of course requires affirmative action by an interested citizen, whereas the Consumer Protection Agency will have a continuing and prominent mandate to follow Government activities and give the widest public dissemination to developments of interest to the consuming public.

This legislation will authorize the Administrator of the Consumer Protection Agency to intervene in formal and informal proceedings of the Government, to communicate, advise, protest, and request consultations with appropriate officials. It will make subpena power available to the CPA, and enable it to introduce evidence in all hearings, examine and cross-examine witnesses, submit oral and written arguments, and initiate action where a legitimate consumer right is being denied or abused. Any Federal agency refusing CPA's request for action must state its reasons in writing for the permanent record, and the Consumer Protection Agency may then seek judicial review of such failure to act.

The new Agency will be empowered to appear as a friend of the court in proceedings involving attempts to levy fines or forfeitures and may also appear as amicus curiae in Federal court cases, though it would be denied interrogatory rights in both instances. The CPA will have access to all Government documents and records presently available to the public under the Freedom of Information Act, but it will also be able to procure certain confidential information it deems necessary if such information would normally be obtainable through compulsory process.

In keeping with its statutory role, the Consumer Protection Agency itself will be as public as possible in its activities and with its records. Consumer complaints will be kept on file in public reading rooms and be readily available, along with the record of actions undertaken in response to those complaints. It will not conduct product tests itself, but will be authorized to have such tests conducted by appropriate agencies and then to publicize the results of such testing.

Only the activities of the CIA, the FBI, and the National Security Agency—along with national security and intelligence functions of the Atomic Energy Commission and the Departments of State and Defense—will be exempt from the scrutiny of the CPA, which outside of these specific areas may even become involved in Government procurement or contract negotiations upon a showing of a substantial consumer interest.

I believe that this legislation is necessary, and I am convinced that it is comprehensive enough to bring into being a Consumer Protection Agency with real teeth and with a strong congressional mandate to represent the public interest at all levels of the government. There are signs of an increasing alienation of the American people from the activities of a Federal Government which appears to them ever more remote and less responsive to the public interest. The Consumer Protection Act of 1974 is an important bridge to regaining the public confidence without which government is irrelevant. I urge an overwhelming vote of approval for this measure.

Mr. BIAGGI. Mr. Chairman, I rise to speak in support of H.R. 13163 to establish a Consumer Protection Agency. This is a good bill, on behalf of a cause which I believe will soon become one of the most important domestic issues: the rights of the consumer.

The bill recognizes the need for better, more organized promotion of consumer interests, and pinpoints where this effort must begin: in the all important process of administrative decisionmaking in the Federal Government. Clearly, the private citizen does not have the resources to pursue his own and his fellow citizens' interests with great regularity. It costs to much money. Nor does the private citizen have the resources for ferreting out the innumerable instances of consumer abuse. What he needs is a lobby right at the center of power which can represent his interest both by finding the abuse in the first place, and then pursuing it with the resources needed to reach a just resolution.

The creation of an independent Consumer Protection Agency will do these two important things very well. Necessarily, any such agency must have broad power to intervene in all agency proceedings, and this bill gives the agency that right. Necessarily, any such agency must know the issues of concern to the citizens it will speak for. This bill meets this requirement by making the Consumer Protection Agency the focus to receive, evaluate, and respond to consumer complaints, as well as to be the transmitter of these complaints to other Federal agencies for action.

These two functions, advocacy and complaint handling, will concentrate in one place a considerable degree of expertise on the whole range of consumer problems. It is therefore right that the Consumer Protection Agency proposed in the bill be the prime source of continuing information on consumer matters. Accordingly, the bill makes the agency responsible for gathering, evaluating, and disseminating information beneficial to consumer products and services. It is also right that the Consumer Protection Agency be the policymaking adviser to the President and Congress on consumer affairs. The proposed agency will have a monopoly of experience and information and is, therefore, well suited to the position.

For all the reasons I have mentioned, I believe this is a sound and sensible bill. But that does not completely cover the question. We are, after all, proposing to create another Federal bureaucracy at a time when we have too many agencies and departments intruding into the lives of our citizens and trying to govern in the midst of a complex maze of conflicting Government bodies. It cannot be doubted that, when we can do without another Federal agency, we should.

But the cause of consumers is not just another cause. It is, as I have mentioned, capable of becoming and probably will become, one of the top domestic issues in this country. It will do so, I believe, because it is a cause whose success affects everyone. We are all consumers, whether we be businessmen, lawyers, doctors, or politicians. There are really no divisions of interest on the question of the rights of consumers. What benefits one is sure to benefit all.

We must, I think, recognize that in a time when the living standard of our country, high as it is, is being eroded by inflation that the value received for the money spent by our citizens is an important question. It is not just important in terms of purchasing the necessities of life, but in terms of fundamental fairness. A purchase is, or ought to be, a contract which both parties fulfill. There is no justice when the buyer must meet his side of the bargain, but the seller is not compelled to meet his. This breeds a disrespect for law and a contempt for fairness that is intolerable in our free society. Consumers do not have enough rights and remedies today to insure a mutual and fairly observed bargain. Only a massive consumer protection effort such as the one mandated in the bill under consideration today can do the job.

Moreover, we should not neglect the problems of safety involved in the interests of consumers. Every man, woman and child who buys a product in this country ought to have an absolute right against injury to them by that product as a result of someone else's mistake or carelessness. We must value life over property if we are to be a just society.

It is clear, then, that the cause is important. And there can be no doubt among those of us who make the laws in this country about the effectiveness of lobbying at the right time, and in the right place. Often we make laws on the basis of insufficient information because some interest or cause goes unrepresented. Today, as all of us know, the consumer's cause, the public's cause, goes unrepresented except by the overburdened member of the legislature himself. There is no other alternative than to create an institution which will serve that cause on a continuing basis.

Mr. Chairman, I urge the Congress to quickly pass this legislation and put a weapon into the hands of the people with which they can gain their just rights.

Ms. JORDAN. Mr. Chairman, the bill before us today, the Consumer Protection Agency Act, has been before the House of Representatives before and few new substantive issues, pro or con have emerged in the interim. The basic principles of the a Consumer Protection Agency are the same now as they were in 1970: An independent agency, fiscally autonomous from the Office of Management and Budget, headed by an Administrator appointed by the President and confirmed by the Senate, granted standing to obtain judicial review of any agency action reviewable under law, authorized to collect and disseminate information on its own initiative, capable of representing itself in all judicial proceedings, and commissioned to act on consumer complaints.

What has changed, and changed drastically, since this bill was last before the House of Representatives, is the plight of the consumer. We have seen the U.S. Government sell wheat to the Soviet Union without any concerted attempt to determine the resulting impact on the American family. We have witnessed a diminution of antitrust investigations in the energy and transportation industries, and we hear only after the fact, of decisions emanating from the Cost of Living Council—decisions which adversely affect our pocketbooks the very day we learn of them. A viable Consumer Protection Agency would be able to represent consumers inside the Government and mitigate some of those costly decisions. Only with the establishment of a strong Consumer Protection Agency will Federal agencies think twice before denying due administrative process, limiting public participation, closing meetings, and announcing decisions without prior notification in the form of proposed rules.

The House Government Operations Committee, under the leadership of its distinguished chairman, has reported to the floor a bill which I fully support. The basic concept of the bill is centered in section 6, enabling the Consumer Protection Agency to represent the interests of consumers in Federal agency proceedings and activities. The Administrator will have the authority to represent the consumer before Federal agencies during both formal and informal proceedings. Just as a corporation or an individual may request a conference with Federal agencies in order to discuss pending policies. The Consumer Protection Agency will have the same opportunity to request a conference on behalf of the consumer. I do not believe such authority will cause the Consumer Protection Agency to, unnecessarily, meddle in the ongoing affairs of Federal agencies. The Consumer Protection Agency is not to be a watchdog but a responsible advocate of consumer interests.

One of the issues which the committee faced, and which will be before the House in the form of amendments, is the issue of judicial review. The basic question is whether the Consumer Protection Agency should have the right to appeal an agency decision when the Consumer Protection Agency was not a party to the decision at a prior time. Amendments may be considered which would restrict CPA's right to judicial review to only those cases in which the CPA participated in the Federal agency proceeding below. I believe the Congress would unnecessarily be restricting the rights of an aggrieved individual, or the Federal agency authorized to act in his behalf, if such an amendment were adopted. As pointed out by both the American Bar Association and the Administrative Conference, to deny access to the courts to a party aggrieved by a Federal agency decision just because that party did not participate in a prior administrative proceeding may be a denial of due process. Although it has been alleged that the bill would confer the unprecedented status of a permanent aggrieved party and thus standing in the courts, to CPA. I fail to see any such language in the bill. If the party is not aggrieved, why would he seek court review in the first place? If the party is aggrieved, should the Congress deny him access to the courts merely because he is a consumer who did not participate in a prior administrative proceeding? I think not. I urge my colleagues to reject any amendments which restrict the CPA's rights of judicial review.

Mr. DONOHUE. Mr. Chairman, as a cosponsor of a measure identical to this bill before us, H.R. 13163, and as a member of the Government Operations Committee that favorably reported it, I most earnestly urge and hope that this long overdue consumer protection legislation will be overwhelmingly accepted and adopted without any weakening amendments.

It seems ironic, Mr. Chairman, that when we hear so much talk these days about equal rights and justice, and when every group and organization is demanding equality of treatment before the law and a listening ear within the Halls of Government, the largest single group, the consumer, has never had, and does not now have, equal representation within our Federal Government. A few years ago, you may recall, the late Senator Robert F. Kennedy, reminded us of this fact when he pointed out, that business has the Department of Commerce representing it, the farmer has the Department of Agriculture, workers have the Department of Labor, and most other groups have effective lobbyists to speak for them but the consumer must rely entirely upon the Congress.

Keeping this in mind, let us also remember the American public's right to be free from unnecessary and unreasonable risks and injuries. The discussion that has already taken place here clearly indicates that the American consumer has, for too long and in too many instances, been plagued with products that are unsafe and transactions that are unfair. Reliability and dependability, in too many situations, are forgotten qualities.

Thus it seems to me, Mr. Chairman, now is the time for this House to take the necessary steps, to effectively and reasonably correct the situation.

Let us remember that we are not alone in our concern. A very large number of labor, consumer, senior citizen, and women's groups share this concern and support the bill's passage.

Adoption of the legislation would result in the creation of a Consumer Protection Agency as an independent and nonregulatory agency within the executive branch, which would be authorized to represent the interests of consumers in proceedings and activities of Federal agencies, within certain limits. Also, the Consumer Protection Agency would be authorized to gather, develop and disseminate information that is relevant to consumer products, services, and problems.

In the light of our very recent experience with legislative difficulties arising out of the lack of specific information about oil and fuel supplies and reserves, this authority and service alone, Mr. Chairman, would seem to be sufficient to warrant our favorable judgment. The bill would further authorize the Consumer Protection Agency to receive, evaluate and respond to consumer complaints, and where necessary refer such complaints to other agencies for their appropriate action. Finally it would seek to promote testing and research by other agencies in the interest of improved consumer products and services.

In advocating this legislation, Mr. Chairman, I do not intend to imply fault or criticism of the very large responsible majority within our business community. We recognize and commend the conscientious effort they make to manufacture and produce goods that are safe and dependable, and conduct their affairs honestly and fairly. This bill is not directed toward them. Rather it is simply and solely directed toward the unprincipled and unscrupulous.

Mr. Chairman, the record will show that in the past I have supported similar legislation and because of my abiding interest in the consumer, I am again urging the House to place the consumer on a more equal footing with the seller. By approval of this bill, we will be giving the consumers a voice for their legitimate concerns, and an instrument wherein they can seek justice; we will be providing an effective means for reducing and preventing injuries associated with harmful and unsafe products; we will be protecting the conscientious and fair minded business community from the unprincipled and unscrupulous; and finally we will be making it possible for the American people to renew their faith and confidence in our free enterprise system. Therefore, I hope that this bill will be promptly and resoundingly adopted in the national interest.

Mr. KOCH. Mr. Chairman, the need for the creation of a Consumer Protection Agency, as proposed in H.R. 13163, is urgent. In recent years public awareness of consumer rights has skyrocketed. The findings of various consumer advocacy groups have received much attention. I doubt that this House will fail to create a consumer agency in the face of the public's interest in protecting itself from many of the ill effects of our massive, corporate production system. The question before this House is whether the public will be provided with that protection by a strong, effective agency, or whether it will merely be placated with an agency empowered to be little more than a public relations organization.

H.R. 13163 provides a major beginning of what is necessary to empower a Consumer Protection Agency to effectively contribute on the Federal level to the protection of the American consumer. Under H.R. 13163, the Consumer Protection Agency would represent consumer interests in formal and informal Federal agency proceedings. It could request subpenas and the initiation of proceedings—but only through a Federal agency which would have the option to decline the request. Under this bill, the CPA would have the right to seek judicial review of any Federal agency's actions with certain limitations including a provision that the new agency must petition the Federal agency for reconsideration of the disputed action before it can institute judicial proceedings.

Although my own feeling is that the Agency needs strong powers, these limitations are the result of an exemplary instance of the kind of compromise so necessary to the functioning of this Congress. I commend the success of Chairman HOLIFIELD and Mr. ROSENTHAL in fusing their differing legislative approaches to this matter. Unfortunately there are those who do not subscribe to the spirit of compromise with which this bill is offered. The weakening amendments which have been offered for this bill would fully emasculate the Agency. Mr. BROWN's substitute amendment would force the CPA to lean on the Justice Department and deprive the new Agency of any independence by forcing it to draw litigation services from that Department. It would severely limit the CPA's ability to gather information by taking away the Agency's ability to use interrogatory power. The substitution amendment would drastically limit the CPA's power to request judicial review and would relegate the Agency to amicus status in Federal agency proceedings as well as in court. I would like to mention my pleasure over the House's acceptance of the amendment proposed by Ms. ABZUG banning sex discrimination.

Mr. BROWN's substitute amendment and the other amendments offered to back up specific sections of the substitute represent an attempt on the part of special business interests to subvert a compromise bill whose provisions are demanded and needed by the public and the individual consumer. The administration has privately tried to pressure H.R. 13163's sponsors into altering the bill, while the administration's Assistant for Consumer Affairs has publicly offered support for the unamended bill. The administration knows what the vast majority of people want and need, but privately it has bowed to the same interests which are trying to turn this needed and potentially effective agency into a powerless bureaucracy. Labor, women's groups, ecologists, consumer advocates, and senior citizens' organizations support this legislation. The vast majority of Americans are frustrated consumers, they deserve effective protection. The Congress must not let them down.

Mr. WOLFF. Mr. Chairman, I rise in support of H.R. 13163, the Consumer Protection Act. As one who has cosponsored legislation to create a Consumer Protection Agency during the past two Congresses, I feel the time is long overdue for American consumers to have someone to represent them before Federal agencies and before the courts. For the past two Congresses, a substantial majority of the House and Senate has supported the establishment of an independent CPA, and yet the effort became bogged down by a Senate filibuster in the 92d Congress and by the House Rules Committee in the 91st. It is time now for meaningful compromise that will lead to action on behalf of the Nation's consumers.

Both my distinguished colleague from New York (Mr. ROSENTHAL) and the chairman of the House Government Operations Committee (Mr. HOLIFIELD) must be commended for their efforts in working together to get this bill on to the House floor. They have succeeded in working together to get this bill on to the the administration's major objections while protecting the right of consumers to be represented by an effective and strong CPA—hardly an easy task. I am hopeful that the recent reports indicating that the administration is backing away from this bill are inaccurate; there is very little more the House can do to show that it is willing to cooperate in good faith with the administration without betraying the consumer.

Mr. Chairman, the past year, with its fuel shortages, food shortages, raw material shortages and rampant inflation in every sector, has created more frustration for American consumers than during any other period I can remember. They feel they have nowhere to turn for redress of grievances or even to get answers to the many legitimate questions that confront them in today's complex marketplace. The American consumer's disgruntlement, which is justified, reflects adversely upon what is supposed to be our fair and efficient free market economy. We have always prided ourselves upon our free enterprise system; yet, it will be seriously undermined if it does not enjoy the confidence and trust of the buying public. By creating a strong and effective Consumer Protection Agency, we not only respond to the needs and concerns of the Nation's consumers, but in my mind we also act to fortify the free market economy which has served this Nation so well over the years.

Mr. Chairman, we need expanded consumer education programs, coordination between the Federal, State, and local governments and industry to foster consumer programs and more responsiveness on the part of these sectors to consumer interests. Most important, we need to provide a channel through which consumers can be assured of vigorous representation and protection. The bill we are considering today provides all of these things; at the same time, it does not infringe upon the rights of legitimate business concerns.

It is my hope that the creation of a Consumer Protection Agency will ultimately serve to foster this Nation's economic growth, by creating a relationship between industry and the consumer that is based on mutual trust and not upon the old axion of "caveat emptor." I urge my colleagues support for the Consumer Protection Act.

Mr. BRECKINRIDGE. Mr. Chairman, the postwar prosperity which this country has enjoyed for more than a generation has produced a consumer-oriented society wherein products once viewed as luxuries have today become common household items: Television, the three-car family, and boat and private plane as well as hundreds of other products have become a part of our way of life.

While there has been a plethora of products for the average consumer, his protection from predatory practices has been in relatively short supply. The Consumer Protection Act of 1974 constitutes landmark legislation in providing a voice and representation for the consumer. As a former Attorney General of Kentucky, I was intimately involved in the development of consumer protection programs at the State and local levels. I give my enthusiastic support to the measure before us today.

Although a number of regulatory agencies have evolved over the years to oversee various industries and business practices, the relationship between governmental regulators and the businesses which they regulate have long aroused the suspicions of consumers groups and private citizens.

As Kentucky's attorney general it was my privilege to contribute to the drafting of legislation ultimately making it possible for consumer interests to be represented before the various regulatory agencies of the State. Kentucky today has a well established and staffed consumer protection division within the attorney general's office—an independently elected office—which can be made a real party of interest with respect to consumer type litigation.

The legislation before us today would create at the national level the CPA function in a similar manner. The proposed new agency would act as an institutional consumers' advocate, roaming at large throughout the Federal Establishment with the power to intervene in such agency proceedings or activities as might affect the Nation's consumers. It would also be required that, with certain exceptions, the agency be given advance notice of moves affecting consumers in order that it may intervene when it chooses to do so. The Agency would be supplied with subpena powers to obtain documents and witnesses for the proceedings and, in most instances, it would be empowered to seek judicial review of unfavorable commission rulings. The Agency would also be authorized to gather information from other Federal agencies and non-Federal sources and to conduct its own conferences, surveys, and investigations concerning the needs, interests, and problems of consumers.

If I understand this matter correctly, the administration is itself divided over this bill; whereas White House consumer affairs advocate Virginia Knauer has announced her support of the measure, Mr. Roy Ash, the Director of the Office of Management and Budget continues to seek revision of the bill.

The months of hearings, and the cooperation on all sides shown in the committee in the drawing up of this bill, has produced for our decision an eminently fair and reasonable compromise of the conflicting fears, views, and interests of those involved. The CPA shall serve as a one-step shop to our citizenry's fragmented advocacy, and a prod in helping refine, sharpen, and improve the performance of her sister agencies.

I wish to once again commend Representatives ROSENTHAL, HOLIFIELD, and HORTON, and other members of the committee for their significant efforts and contribution in this difficult area of consumer affairs.

Mr. RANDALL. Mr. Chairman, as one of its cosponsors I support H.R. 13163, the Consumer Protection Act of 1974. Before proceeding let me say I am mindful that there have been expressed fears about the provisions of this bill. It has been argued that we are creating another agency that may become a burden to business, particularly small business. I have listened to these arguments. Like these critics, I try to avoid any regulation which is unnecessarily burdensome or which does not have a clear, purposeful objective.

But the real truth of the matter is the Consumer Protection Agency has no regulatory powers. The new administrator will have no regulatory powers. He will be only a consumer advocate. The CPA is no more or no less than a voice for the consumer before other regulatory agencies, which are referred to in the bill as host agencies.

At present consumers have little to say in the high councils of Government where decisions are made daily that affect their interest in the marketplace. No matter how those opposed to this bill my attempt to portray the CPA as something evil all that is provided is that when regulatory agencies are making rules or deciding issues that will have an impact on consumers, the CPA is empowered to say to these regulatory agencies, "be sure to take into account the concerns of the ultimate consumer."

This legislation is to give a voice to the one who pushes the cart at the supermarket, the one who pays the bill at the checkout counter. That is the essence, or the spirit or the sole and total objective of this legislation.

In passing it should be observed that if there was much wrong or much that could be found wrong with this bill, it should have surfaced in the committee. The vote in committee was 37 to 3 with 1 present. Thirty-four members of the committee cosponsored this bill, including myself.

While the administration today may not enjoy widespread popularity, this measure is nonetheless supported by the present administration. Mrs. Virginia Knauer made a strong endorsement as late as March 1974. Also I think it is significant that such great merchandising organizations as Montgomery Ward and J. C. Penney support the objectives of this legislation. A very large food retailer, Giant Foods, Inc., here in the District of Columbia, supports this legislation.

Of course, some business organizations have criticized or oppose the bill. I have studied the provisions of this measure. I think I know what it does and what it does not do. It is my considered conclusion that honest business has nothing to fear. Those who sell shoddy merchandise or set out to trim or to trick the consumer will, of course, not be comforted by this legislation.

It is for the foregoing reasons that I have no fear that this bill will do either any harm or adversely affect the business community. Why? Because the overwhelming majority of businesses operate in a fair and honest manner. It is a minority of businesses that engage in unethical practices. The purpose of this bill is to deter such actions and such practices.

The basic feature of the bill is to establish an independent agency, the Consumer Protection Agency, in the executive branch. That Agency will be headed by an Administrator at the appointment of the President. Let me emphasize that the key function of this legislation is consumer representation. It is not a regulatory agency but a consumer advocate. While the Consumer Protection Agency may appear before regulatory agencies in their proceedings, it will have only the rights of business or of other parties. The Consumer Protection Agency will be compelled to observe all the rules and procedures of the regulatory agencies.

In my judgment, the subcommittee that first reported out this measure deserves the commendation of the full committee and the House for providing that in certain instances the CPA is limited to appearances before regulatory agencies only as an amicus curiae. That limitation is provided to avoid the appearance of any "dual prosecution." The term "prosecution" is hardly the word to use because the provision for amicus curiae in those cases where a fine or forfeiture is involved will prevent the CPA from assuming the role of a prosecutor but instead only the role of a participant in the case. This means only the right to participate for the interest of the consumer.

Mr. Chairman, in these days of escalating inflation it seems to me the Congress should promptly pass legislation that will give the consumer advocate more authority than the now limited letterwriting. This is about all Mrs. Virginia Knauer can do at the present time. Those who cut corners in the business world know that is about all that can be done at present by very limited consumer agency now in the White House. This new legislation will authorize the CPA to receive, evaluate and proceed to act on consumer complaints by transmitting them to the appropriate Federal agencies and to monitor the responses and assure that action is taken. The complaint of the consumer will become public only if the complainant has not requested confidentiality and only after the party complained against has had 60 days to respond.

The fears of those who believe that trade secrets or financial information would be made accessible to competitors is without any real foundation. The truth is that the agencies may deny such information to the CPA if the agency has agreed to treat such information as privileged or confidential. That is the end of it, put differently, it would seem that the matter of privileged or confidential information would not be obtainable without an agreement. This same regulatory agency may withhold such information from CPA unless there is an agreement in writing which waives privilege or confidentiality.

Mr. Chairman, I supported the 3-year limitation on the bill which was not a part of the committee version. We all have high hopes of the successful implementation of this legislation. But the wise course, it seems to me, is to be sure that it is going to work as well as we hope it will. The best way to assure that is to provide a limitation which will permit review and reenactment rather than to have an open-end measure. Repeal and amendment could or might be much more difficult to achieve than an enacted extension after a trial period of 3 years. This time should provide a reasonable experience of the success or faults of this legislation.

I also supported an amendment to put a greater burden of proof on the CPA. Certainly this agency should not be relieved of the ordinary burden of proof which is required of an advocate or a plaintiff in a civil proceeding. It only makes sense that a complainant must establish with reasonable care and diligence the justness and fairness of the complaint. That is all the burden of proof means.

Finally, I support this legislation because its passage means that Congress at long last provides the machinery for the voice of the consumer to be heard. Put somewhat differently, this measure sets up a voice for consumers in all the Government regulatory agencies which for so long in so many instances have neglected or omitted to consider the concerns of the ultimate consumer.

Mr. MOAKLEY. Mr. Chairman, we must act now to protect the American consumer.

In my own city of Boston, prices are skyrocketing.

In 1 year, Boston food costs have jumped 19 percent, health costs 4 percent, and utilities an incredible 30 percent.

And all this at a time when housing costs went up over 9 percent and the overall cost-of-living in Boston remained the highest in the Nation, continuing to outstrip such notoriously expensive major cities such as Honolulu, San Francisco, and New York.

UTILITIES

The average consumer in Boston pays 30 percent more for electricity, gas, and oil than he did last year.

In addition, Boston's average homeowner is paying over $50 more this year to heat his house by gas than he did last year. If gas prices continue to go up at this rate, the price of gas heating could double in 10 years. At that time we could be paying $1,000 a year for gas heating.

Electricity costs many Bostonians twice as much this year as it did last year. A typical Boston consumer paid $27 for electricity for 2 months last year, and is now paying $54 for the same 2-month period.

Boston apartment dwellers are even worse off than Boston homeowners.

One of the most staggering price hikes has been on the price of residual fuel oil, the product most frequently used to heat apartments in Boston. The price is now double last year's levels and will undoubtedly be reflected in higher rents throughout Boston this year.

HEALTH CARE

The cost of health care has jumped drastically over the past few years in Boston.

A semiprivate room in Boston City Hospital cost $95 in 1971. Last year it cost $105. Now it costs $132 a day. This is an increase of nearly 40 percent in 3 years.

The average length of a stay in Boston City Hospital is 8 to 10 days. For this length of time, the cost of a bed alone runs over $1,000. Doctor's fees, special care, and use of special facilities is all extra. The total cost for a 9-day hospital stay could be over $2,000.

A patient who requires an extended stay can easily run up a bill over $30,000.

How many families have, because of medical costs, lost their savings or their homes we can never really know. But this I do know: it is unconscionable that a serious illness can destroy the security a man works a lifetime to build for himself, his wife, and his children.

The real answer is the kind of comprehensive health insurance proposed by Senator Kennedy and Representative Griffiths, which I am proud to have cosponsored.

But until such a plan becomes law—and even after such a plan is inaugurated—the Consumer Protection Agency would play an active role in assuring that Americans receive the best medical care available and guaranteeing that no illness could ever again destroy an American family.

FOOD PRICES

Six months ago in South Boston, we paid 65 cents for a half gallon of milk. Today it costs 74 cents.

In September, we paid 35 cents for a loaf of bread. In Jamaica Plain, that price is now 39 cents. We are warned that decreasing supplies of grain will force these prices still higher.

We should consider how different this situation might be if a Consumer Protection Agency had existed when the Russian wheat deal was negotiated.

This entire deal was entered into for the benefit of grain firms and speculators; no one in Government spoke for the homemaker who would have to cover these huge profits every time she went to the supermarket.

It is that gap which we can fill today by creating a fully independent Consumer Protection Agency which could have opposed Secretary Butz and even taken him to court to stop this project.

The Agency will be able to speak for the consumer and take on anyone—even another Federal agency—when our interests are at stake.

PROTECT THE CONSUMER

In fact, Mr. Chairman, I believe that an independent Consumer Protection Agency could respond to any case in which the consumer is unevenly matched against unfair situations.

Certainly there should have been a Consumer Protection Agency at the height of the energy crisis. Last winter we paid 35 cents for a gallon of gas. Last week I paid 60 cents in West Roxbury.

A Consumer Protection Agency could have made a powerful case against oil companies which have, in some cases, recorded profit increases of up to 200 percent while blaming higher prices on our use of fuel.

A Consumer Protection Agency could also plead the case of our hard pressed taxpayers. A taxpayer in my district who earns $10,000 and supports a wife and two children paid a higher tax rate last year than Texaco. If a Consumer Protection Agency were to truly attack unfair and discriminatory practices, it could start in no better place than the Internal Revenue Code.

Mr. Chairman, big business firms do not seem to care about the consumer. The Federal Government has never really taken up his case. Even the regulatory agencies intended to protect him are more often the servants than the watchdogs of industry.

We can bring this era of consumer neglect to an end by voting today to create a truly independent Consumer Protection Agency.

As President Harry Truman once said:

> The only people in America who don't have a lobby in Washington are the people themselves.

This would be their lobby.

Mr. EDWARDS of California. Mr. Chairman, the importance of the Consumer Protection Act of 1974 should not be underestimated. The strong support and equally powerful opposition this measure has received during more than 12 years of consideration are key indicators of its significance. H.R. 13163 has the potential to cause substantial changes in our economic, social, and political system.

The independent, nonregulatory Consumer Protection Agency established by this legislation would insure that consumers, probably the largest and most under-represented group in America, have some recourse for their complaints. The CPA would be authorized to represent consumers in Federal agency proceedings and in the courts. The powers granted to the agency by this bill have been very carefully designed to insure real consumer protection without jeopardizing the authority of other branches of the Government.

The measure we are now considering is the result of long and careful compromise by my colleagues, Congressman Holifield and Congressman Rosenthal. Both Mr. Holifield and Mr. Rosenthal have been unstinting in their dedication to the establishment of an effective consumer protection agency, fighting out right opposition from the Nixon administration and influential corporation lobbyists, and resisting weaker alternatives that would offer only token protections.

Efforts to amend this bill will only play into the hands of those who have used their influence and power at the expense of consumers. A CPA could have monitored the performance of Federal regulatory agencies during the last election; the ITT scandal, the milk deal, and the Russian wheat sales might have been prevented or nipped in the bud. Huge corporate campaign contributions could have been questioned and even stopped. This agency, representing American consumers in all Government proceedings, will give them clout equal to that of business interests whenever Federal decisions are made involving the health and economic welfare of the public.

I therefore support H.R. 13163 in its present form. It should be passed without amendment.

Mr. HORTON. Mr. Chairman, I have no additional requests for time.

Mr. HOLIFIELD. Mr. Chairman, I have no further requests.

The CHAIRMAN. If there are no further requests for time, the Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Consumer Protection Act of 1974".

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. BROWN OF OHIO

Mr. BROWN of Ohio. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. Brown of Ohio: Strike out all after the enacting clause of H.R. 13163, and insert the provisions of H.R. 13810, as follows:

That this Act may be cited as the "Consumer Protection Act of 1974".

STATEMENT OF FINDINGS

Sec. 2. The Congress finds that the interests of consumers are inadequately represented and protected within the Federal Government; and that vigorous representation and protection of the interests of consumers are essential to the fair and efficient functioning of a free market economy.

ESTABLISHMENT

Sec. 3. (a) There is hereby established as an independent agency within the executive branch of the Government the Consumer Protection Agency. The Agency shall be headed by an Administrator who shall be appointed by the President, by and with the advice and consent of the Senate. The Administrator shall be a person who by reason of training, experience, and attainments is exceptionally qualified to represent the interests of consumers. There shall be in the Agency a Deputy Administrator who shall be appointed by the President, by and with the advice and consent of the Senate. The Deputy Administrator shall perform such functions, powers, and duties as may be prescribed from time to time by the Administrator and shall act for, and exercise the powers of, the Administrator during the absence or disability of, or in the event of a vacancy in the office of, the Administrator.

(b) No employee of the Agency while serving in such position may engage in any business, vocation, or other employment or have other interests which are inconsistent with his official responsibilities.

POWERS AND DUTIES OF THE ADMINISTRATOR

Sec. 4. (a) The Administrator shall be responsible for the exercise of the powers and the discharge of the duties of the Agency, and shall have the authority to direct and supervise all personnel and activities thereof.

(b) In addition to any other authority conferred upon him by this Act, the Administrator is authorized, in carrying out his functions under this Act, to—

(1) subject to the civil service and classification laws, select, appoint, employ, and fix the compensation of such officers and employees as are necessary to carry out the provisions of this Act and to prescribe their authority and duties;

(2) employ experts and consultants in accordance with section 3109 of title 5, United States Code, and compensate individuals so employed for each day (including traveltime) at rates not in excess of the maximum rate of pay for grade GS–18 as provided in section 5332 of title 5, United States Code, and while such experts and consultants are so serving away from their homes or regular places of business, pay such employees travel expenses and per diem in lieu of subsistence at rates authorized by section 5703 of title 5, United States Code, for persons in Government service employed intermittently;

(3) appoint advisory committees composed

of such private citizens and officials of the Federal, State, and local governments as he deems desirable to advise him with respect to his functions under this Act, and pay such members (other than those regularly employed by the Federal Government) while attending meetings of such committees or otherwise serving at the request of the Administrator compensation and travel expenses at the rate provided for in paragraph (2) of this subsection with respect to experts and consultants;

(4) promulgate such rules as may be necessary to carry out the functions vested in him or in the Agency, and delegate authority for the performance of any function to any officer or employee under his direction and supervision;

(5) utilize, with their consent, the services, personnel, and facilities of other Federal agencies and of State and private agencies and instrumentalities;

(6) enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary in the conduct of the work of the Agency and on such terms as the Administrator may deem appropriate, with any agency or instrumentality of the United States, or with any State, territory, or possession, or any political subdivision thereof, or with any public or private person, firm, association, corporation, or institution;

(7) accept voluntary and uncompensated services, notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b));

(8) adopt an official seal, which shall be judicially noticed; and

(9) encourage the development of informal dispute settlement procedures involving consumers.

(c) Upon request made by the Administrator, each Federal agency is authorized and directed to make its services, personnel, and facilities available to the greatest practicable extent within its capability to the Agency in the performance of its functions.

(d) The Administrator shall transmit to the Congress and the President in January of each year a report which shall include a comprehensive statement of the activities and accomplishments of the agency during the preceding calendar year including a summary of consumer complaints received and actions taken thereon and such recommendations for additional legislation as he may determine to be necessary or desirable to protect the interests of consumers within the United States. Each such report shall include a summary and evaluation of selected major consumer programs of each Federal agency, including, but not limited to, comment with respect to the effectiveness and efficiency of such programs as well as deficiencies noted in the coordination, administration, or enforcement of such programs.

FUNCTIONS OF THE AGENCY

SEC. 5 (a) The Agency shall, in the performance of its functions, advise the Congress and the President as to matters affecting the interests of consumers; and protect and promote the interests of the people of the United States as consumers of goods and services made available to them through the trade and commerce of the United States.

(b) The functions of the Agency shall be to—

(1) represent the interests of consumers before Federal agencies and courts to the extent authorized by this Act;

(2) encourage and support research, studies, and testing leading to a better understanding of consumer products and improved products, services, and consumer information, to the extent authorized in section 9 of this Act;

(3) submit recommendations annually to the Congress and the President on measures to improve the operation of the Federal Government in the protection and promotion of the interests of consumers;

(4) publish and distribute material developed pursuant to carrying out its responsibilities under this Act which will inform consumers of matters of interest to them, to the extent authorized in section 8 of this Act;

(5) conduct conferences, surveys, and investigations, including economic surveys, concerning the needs, interests, and problems of consumers which are not duplicative in significant degree of similar activities conducted by other Federal agencies;

(6) cooperate with State and local governments and private enterprise in the promotion and protection of the interests of consumers; and

(7) keep the appropriate committees of Congress fully and currently informed of all its activities, except that this paragraph is not authority to withhold information requested by individual Members of Congress.

REPRESENTATION OF CONSUMERS

SEC. 6. (a) Whenever the Administrator determines that the result of any Federal agency proceeding or activity may substantially affect an interest of consumers, he may as of right intervene as a party or otherwise participate for the purpose of representing the interests of consumers, as provided in paragraph (1) or (2) of this subsection. In any proceeding, the Administrator shall refrain from intervening as a party, unless he determines that such intervention is necessary to represent adequately the interests of consumers. The Administrator shall comply with Federal agency statutes and rules of procedures of general applicability governing the timing of intervention or participation in such proceeding or activity and, upon intervening or participating therein, shall comply with Federal agency statutes and rules of procedure of general applicability governing the conduct thereof. The intervention or participation of the Administrator in any Federal agency proceeding or activity shall not affect the obligation of the Federal agency conducting such proceeding or activity to assure procedural fairness to all participants.

(1) Except as provided in subsection (c), the Administrator may intervene as a party or otherwise participate in any Federal agency proceeding which is subject to section 553, 554, 556, or 557 of title 5, United States Code, or to any other statute or regulation authorizing a hearing or which is conducted on the record after opportunity for an agency hearing.

(2) Except as provided in subsection (c), in any Federal agency proceeding not covered by paragraph (1), or any other Federal agency activity, the Administrator may participate or communicate in any manner that any person may participate or communicate under Federal agency statutes, rules, or practices. The Federal agency shall give consideration to the written or oral submission of the Administrator. Such submission shall be presented in an orderly manner and without causing undue delay.

(b) At such time as the Administrator determines to intervene or participate in a Federal agency proceeding under subsection (a)(1) of this section, he shall issue publicly a written statement setting forth his findings under subsection (a), stating concisely the specific interests of consumers to be protected. Upon intervening or participating he shall file a copy of his statement in the proceeding.

(c) Whenever the Administrator determines that the interests of consumers may be affected substantially by the results of any pending—

(1) Federal agency adjudication of an alleged violation of law required by statute to be determined on the record after an opportunity for hearing; or

(2) proceeding in a court of the United States to which the United States or any other Federal agency is a party,

the Administrator, upon his own motion or upon written request by the officer or employee who is charged with the duty of presenting the case in such adjudication or court proceeding, may (i) transmit directly to such officer or employee all evidence and information in the possession of the Administrator relevant to the interests of consumers which would be affected, or (ii) intervene as of right in such an adjudication or court proceeding as a limited intervenor for the purpose of presenting, orally or in writing, such evidence and information to the agency or court: *Provided, however,* That intervention by the Administrator in such an adjudication or court proceeding shall be timely made under the appropriate rules of practice or procedure of the agency or court, shall not cause undue delay, and shall be limited to the presentation of information within the possession of the Administrator and arguments based thereon.

(d) Except to the extent necessary to enforce his rights, as provided in this Act, to access to information or to an opportunity to represent consumers in a proceeding or activity of another agency, the Administrator shall not have standing to seek judicial review of any decision or action of another Federal, State, or local agency.

(e) When the Administrator determines it to be in the interests of consumers, he may request the Federal agency concerned to initiate such proceeding or to take such other action as may be authorized by law with respect to such agency. If the Federal agency fails to take the action requested, it shall promptly notify the Agency of the reasons for its failure and such notification shall be a matter of public record.

(f) Appearances by the Agency under this section shall be made by officers of the Department of Justice under the direction of the Attorney General; except, that if the Attorney General determines that the Department of Justice should not represent the Agency in any particular proceeding or action and notifies the Administrator of his determination, the Agency may appear on its own behalf through representatives designated by the Administrator.

(g) In any Federal agency proceeding to which the Agency is a party, the Agency is authorized to request the Federal agency to issue, and the Federal agency shall, on a statement or showing (if such statement or showing is required by the Federal agency's rules of procedure) of general relevance and reasonable scope of the evidence sought, issue such orders, as are authorized by the Federal agency's statutory powers, for the copying of documents, papers, and records, summoning of witnesses, production of books and papers, and submission of information in writing: *Provided, however,* That the authority granted by this subsection shall not apply to intervention by the Administrator in a Federal agency adjudication of an alleged violation of law required by statute to be determined on the record after an opportunity for hearing.

(h) The Agency is not authorized to intervene in proceedings or actions before State or local agencies and courts.

(i) Nothing in this section shall be construed to prohibit the Agency from communicating with Federal, State, or local agencies at times and in manners not inconsistent with law or agency rules.

CONSUMER COMPLAINTS

SEC. 7. (a) The Agency shall receive, evaluate, develop, act on, and transmit complaints to the appropriate Federal or non-Federal entities concerning actions or practices which may be detrimental to the interests of consumers.

(b) Whenever the Agency receives from any source, or develops on its own initiative, any complaint or other information affecting the interests of consumers and disclosing a probable violation of—

(1) a law of the Unted States,

(2) a rule or order of a Federal agency or officer, or

(3) a judgment, decree, or order of any court of the United States involving a matter of Federal law,

it shall take such action within its authority as may be desirable, including the proposal of legislation, or shall promptly transmit such complaint or other information to the Federal agency or officer charged with the duty of enforcing such law, rule, order, judgment, or decree, for appropriate action.

(c) The Agency shall ascertain the nature and extent of action taken with regard to respective complaints and other information transmitted under subsection (b) of this section.

(d) The Agency shall promptly notify producers, distributors, retailers or suppliers of goods and services of all complaints of any significance concerning them received or developed under this section.

(e) The Agency shall maintain a public document room containing an up-to-date listing of all signed consumer complaints of any significance for public inspection and copying which the Agency has received, arranged in meaningful and useful categories, together with annotations of actions taken by it. Complaints shall be listed and made available for public inspection and copying only if—

(1) the complainant's identity is protected when he has requested confidentiality;

(2) the party complained against has had sixty days to comment on such complaint and such comment, when received, is displayed together with the complaint; and

(3) the entity to which the complaint has been referred has had sixty days to notify the Agency what action, if any, it intends to take with respect to the complaint.

CONSUMER INFORMATION AND SERVICES

Sec. 8. (a) The Agency shall develop on its own initiative, and, subject to the other provisions of this Act, gather from other Federal agencies and non-Federal sources, and disseminate to the public in such manner, at such times, and in such form as it determines to be most effective, information, statistics, and other data concerning—

(1) the functions and duties of the Agency;

(2) consumer products and services;

(3) problems encountered by consumers generally, including annual reports on interest rates and commercial and trade practices which adversely affect consumers; and

(4) notices of Federal hearings, proposed and final rules and orders, and other pertinent activities of Federal agencies that affect consumers.

(b) All Federal agencies which, in the judgment of the Administrator, possess information which would be useful to consumers are authorized and directed to cooperate with the Agency in making such information available to the public.

TESTING AND RESEARCH

Sec. 9. (a) The Agency shall, in the exercise of its functions—

(1) encourage and support through both public and private entities the development and application of methods and techniques for testing materials, mechanisms, components, structures, and processes used in consumer products and for improving consumer services;

(2) make recommendations to other Federal agencies with respect to research, studies, analyses, and other information within their authority which would be useful and beneficial to consumers; and

(3) investigate and report to Congress on the desirability and feasibility of establishing a National Consumer Information Foundation which would administer a voluntary, self-supporting, information tag program (similar to the "Tel-Tag" program of Great Britain) under which any manufacturer of a nonperishable consumer product to be sold at retail could be authorized to attach to each copy of such product a tag, standard in form, containing information, based on uniform standards relating to the performance, safety, durability, and care of the product.

(b) All Federal agencies which, in the judgment of the Administrator, possess testing facilities and staff relating to the performance of consumer products and services, are authorized and directed to perform promptly, to the greatest practicable extent within their capability, such tests as the Administrator may request in the exercise of his functions under section 6 of this Act, regarding products, services, or any matter affecting the interests of consumers. Such tests shall, to the extent possible, be conducted in accordance with generally accepted methodologies and procedures, and in every case when test results are published, the methodologies and procedures used shall be available along with the test results. The results of such tests may be used or published only in proceedings in which the Agency is participating or has intervened pursuant to section 6. In providing facilities and staff upon request made in writing by the Administrator, Federal agencies—

(1) may perform functions under this section without regard to section 3648 of the Revised Statutes (31 U.S.C. 529);

(2) may request any other Federal agency to supply such statistics, data, progress reports, and other information as the Administrator deems necessary to carry out his functions under this section and any such other agency is authorized and directed to cooperate to the extent permitted by law by furnishing such materials; and

(3) may, to the extent necessary and authorized, acquire or establish additional facilities and purchase additional equipment for the purpose of carrying out the purposes of this section.

(c) Neither a Federal agency engaged in testing products under this Act nor the Administrator shall declare one product to be better, or a better buy, than any other product; however, the provisions of this subsection shall not prohibit the use of publication of test data as provided in subsection (b).

INFORMATION GATHERING

Sec. 10. (a) Upon written request by the Administrator, each Federal agency is authorized and directed to furnish or allow access to all documents, papers, and records in its possession which the Administrator deems necessary for the performance of his functions and to furnish at cost copies of specified documents, papers, and records. Notwithstanding this subsection, a Federal agency may deny the Administrator access to and copies of—

(1) information classified in the interest of national defense or national security by an individual authorized to classify such information under applicable Executive order or statutes and restricted data whose dissemination is controlled pursuant to the Atomic Energy Act (42 U.S.C. 2011 et seq.);

(2) policy recommendations by Federal agency personnel intended for internal agency use only;

(3) information concerning routine executive and administrative functions which is not otherwise a matter of public record;

(4) personnel and medical files and similar files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy;

(5) information relating to any investigation by such Federal agency of any suspected criminal activities of any person;

(6) information which such Federal agency is expressly prohibited by law from disclosing to another Federal agency; and

(7) trade secrets and commercial or financial information described in section 552(b)(4) of title 5, United States Code—

(A) obtained prior to the effective date of this Act by a Federal agency, if the agency had agreed to treat and has treated such information as privileged or confidential and states in writing to the Administrator that, taking into account the nature of the assurances given, the character of the information requested, and the purpose, as stated by the Administrator, for which access is sought, to permit such access would constitute a breach of faith by the agency; or

(B) obtained subsequent to the effective date of this Act by a Federal agency, if the agency has agreed in writing as a condition of receipt to treat such information as privileged or confidential, on the basis of its determination set forth in writing that such information was not obtainable voluntarily without such an agreement and that failure to obtain such information would seriously impair performance of the agency's function.

Before granting the Administrator access to trade secrets and commercial or financial information described in section 552(b)(4) of title 5, United States Code, the agency shall notify the person who provided such information of its intention to do so and the reasons therefor, and shall afford him a reasonable opportunity to comment or seek injunctive relief. Where access to information is denied to the Administrator by a Federal agency pursuant to this subsection, the head of the agency and the Administrator shall seek to find a means of providing the information in such other form, or under such conditions, as will meet the Agency's objections. The Administrator may file a complaint in court to enforce its rights under this subsection in the same manner and subject to the same conditions as a complainant under section 552(a)(3) of title 5, United States Code.

(b) Consistent with the provisions of section 7213 of the Internal Revenue Code of 1954 (26 U.S.C. 7213), nothing in this Act shall be construed as providing for or authorizing any Federal agency to divulge or to make known in any manner whatever to the Administrator, from an income tax return, the amount or source of income, profits, losses, expenditures, or any particular thereof, or to permit any Federal income tax return filed pursuant to the provisions of the Internal Revenue Code of 1954, or copy thereof or any book containing any abstracts or particulars thereof to be seen or examined by the Administrator, except as provided by law.

LIMITATIONS ON DISCLOSURES

Sec. 11. (a) The Agency shall not disclose to the public or to any State or local agency—

(1) any information (other than complaints published pursuant to section 7 of this Act) in a form which would reveal trade secrets and commercial or financial information as described in section 552(b)(4) of title 5, United States Code, obtained from a person and privileged or confidential; or

(2) any information which was received solely from a Federal agency when such agency has notified the Agency that the information is within the exceptions stated in section 552(b) of title 5, United States Code, and the Federal agency has determined that the information should not be made available to the public; except that if such Federal agency has specified that such information may be disclosed in a particular form or manner, the Agency may disclose such information in such form or manner.

(b) No authority conferred by this Act shall be deemed to require any Federal agency to release to any instrumentality, created by or under this Act, any information the disclosure of which is prohibited by law.

(c) In the release of information pursuant to the authority conferred in any section of this Act, except information released through the presentation of evidence in a Federal agency or court proceeding pursuant to section 6, the following additional provisions shall govern:

(1) The Administrator, in releasing information concerning consumer products and services, shall determine that (A) such information, so far as practicable, is accurate, and (B) no part of such information is prohibited from disclosure by law. The Administrator shall comply with any notice by a Federal agency pursuant to section 11(a) (2) that the information should not be made available to the public or should be disclosed only in a particular form or manner.

(2) In the dissemination of any test results or other information which directly or indirectly disclose product names, it shall be made clear that (A) not all products of a competitive nature have been tested, if such is the case, and (B) there is no intent or purpose to rate products tested over those not tested or to imply that those tested are superior or preferable in quality over those not tested.

(3) Notice of all changes or additional information which would affect the fairness of information previously disseminated to the public shall be promptly disseminated in a similar manner.

(4) Where the release of information is likely to cause substantial injury to the reputation or good will of a person or company, the Agency shall notify such person or company of the information to be released and afford an opportunity for comment or injunctive relief. The district courts of the United States shall have jurisdiction over any action brought for injunctive relief under this subsection.

PROCEDURAL FAIRNESS

SEC. 12. In exercising the powers conferred in section 5(b)(4) and section 7, the Agency shall act pursuant to rules issued, after notice and opportunity for comment by interested persons in accordance with the requirements of section 553 of title 5, United States Code, so as to assure fairness to all affected parties, and provide interested persons with a reasonable opportunity to comment on the proposed release of product test data, containing product names, prior to such release.

PROTECTION OF THE CONSUMER INTEREST IN ADMINISTRATIVE PROCEEDINGS

SEC. 13. Every Federal agency in considering any Federal agency action which may substantially affect the interests of consumers including, but not limited to, the issuance or adoption of rules, regulations, guidelines, orders, standards, or formal policy decisions, shall—

(1) notify the Agency at such time as notice of the action is given to the public, or at such times and in such manner as may be fixed by agreement between the Administrator and each agency with respect to the consideration of specific actions, or when notification of a specific action or proceeding is requested in writing by the Agency; and

(2) consistent with its statutory responsibilities, take such action with due consideration to the interest of consumers.

In taking any action under paragraph (2), upon request of the Agency or in those cases where a public announcement would normally be made, the Federal agency concerned shall indicate concisely in a public announcement of such action the consideration given to the interests of consumers. This section shall be enforceable in a court of the United States only upon petition of the Agency.

SAVING PROVISIONS

SEC. 14. (a) Nothing contained in this Act shall be construed to alter, modify, or impair the statutory responsibility and authority contained in section 201(a)(4) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 471(a)(4)), or of any provision of the antitrust laws, or of any Act providing for the regulation of the trade or commerce of the United States, or to prevent or impair the administration or enforcement of any such provision of law.

(b) Nothing contained in this Act shall be construed as relieving any Federal agency of any authority or responsibility to protect and promote the interests of the consumer.

DEFINITIONS

SEC. 15. As used in this Act—

(1) The term "Agency" means the Consumer Protection Agency.

(2) The words "agency", "agency action", "party", "person", "rulemaking", "adjudication", and "agency proceeding" shall have the same meaning as set forth in section 551 of title 5, United States Code.

(3) The term "consumer" means any person who uses for personal, family, or household purposes, goods and services offered or furnished for a consideration.

(4) The term "interests of consumers" means any concerns of consumers involving the cost, quality, purity, safety, durability, performance, effectiveness, dependability, and availability and adequacy of choice of goods and services offered or furnished to consumers; and the adequacy and accuracy of information relating to consumer goods and services (including labeling, packaging, and advertising of contents, qualities, and terms of sale).

(5) The term "State" includes any State or possession of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Canal Zone, Guam, American Samoa, and the Trust Territory of the Pacific Islands.

CONFORMING AMENDMENT

SEC. 16. (a) Section 5314 of title 5, United States Code, is amended by adding at the end thereof the following:

"(62) Administrator, Consumer Protection Agency."

(b) Section 5315 of such title is amended by adding at the end thereof the following:

"(99) Deputy Administrator, Consumer Protection Agency."

EXEMPTIONS

SEC. 17. This Act shall not apply to the Central Intelligence Agency, the Federal Bureau of Investigation, or the National Security Agency, or the Departments of State and Defense (including the Departments of the Army, Navy, and Air Force) and the Atomic Energy Commission.

APPROPRIATIONS

SEC. 18. There are hereby authorized to be appropriated such sums as may be required to carry out the provisions of this Act.

EFFECTIVE DATE

SEC. 19. (a) This Act shall take effect ninety calendar days following the date on which this Act is approved, or on such earlier date as the President shall prescribe and publish in the Federal Register.

(b) Any of the officers provided for in this Act may (notwithstanding subsection (a)) be appointed in the manner provided for in this Act at any time after the date of the enactment of this Act. Such officers shall be compensated from the date they first take office at the rates provided for in this Act.

SEPARABILITY

SEC. 20. If any provision of this Act is declared unconstitutional or the applicability thereof to any person or circumstance is held invalid, the constitutionality and effectiveness of the remainder of this Act and the applicability thereof to any persons and circumstances shall not be affected thereby.

Mr. BROWN of Ohio (during the reading). Mr. Chairman, I ask unanimous consent that the amendment in the nature of a substitute be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. CRANE. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Ninety-seven Members are present, not a quorum. The call will be taken by electronic device.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 136]

Alexander
Arends
Bevill
Blackburn
Blatnik
Burke, Calif.
Camp
Carey, N.Y.
Clark
Conlan
Conyers
Devine
Diggs
Dingell
Dorn
Drinan
Frenzel
Fulton
Gettys
Gubser
Hanna
Hansen, Wash.
Harsha
Hébert
Heckler, Mass.
Jones, Ala.
Kazen
Kluczynski
Landrum
Lehman
Long, Md.
Lujan
McKinney
Macdonald
Mathis, Ga.
Melcher
Mills
Minshall, Ohio
Mosher
Murphy, N.Y.
O'Hara
O'Neill
Patman
Pickle
Poage
Powell, Ohio
Rees
Reid
Rooney, N.Y.
Runnels
Ruppe
Shriver
Sikes
Stark
Stephens
Teague
Thompson, N.J.
Udall
Ullman
Wampler
Wiggins
Williams
Wilson, Charles H., Calif.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BOLAND, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 13163, and finding itself without a quorum, he had directed the Members to record their presence by electronic device, whereupon 369 Members recorded their presence, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The gentleman from Ohio is recognized for 4 minutes.

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Alabama.

Mr. BUCHANAN. Mr. Chairman, I ask unanimous consent that the gentleman from Ohio (Mr. BROWN) be allowed to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

Mr. HOLIFIELD. Mr. Chairman, reserving the right to object, we have had four quorum calls, none of which were effective because, by the time the quorum was counted, the Members had left the floor. This is wasting our time today.

It was the hope of the committee to finish this bill, and the leadership on both sides of the aisle have asked us to finish this bill tonight, and we are going to comply with the request of the leadership. The gentleman from Arizona (Mr. RHODES) and the Speaker, the gentleman from Oklahoma (Mr. ALBERT) have both said that they have reasons for asking us to finish this bill tonight. It is the hope of the managers handling this bill that we will be able to proceed, and to finish the bill expeditiously, so we do hope that there will not be further requests for additional time. The managers in this instance are not asking for additional time. We hope that we can get along with the business of the bill.

I might say that there are some committees that are leaving town tomorrow on committee business, and they have requested us to try to conclude the bill tonight, and we will try to do so. We have had several hours of debate. I want to be reasonable. I do not want to foreclose debate, but I hope that we can proceed in an orderly way and finish the bill, and either vote it up or vote it down.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The CHAIRMAN. The gentleman from Ohio (Mr. BROWN) is recognized for 9 minutes.

Mr. BROWN of Ohio. Mr. Chairman, this amendment in the nature of a substitute for the Holifield-Rosenthal bill is, I believe, a responsible alternative.

In the interests of time, I shall only remind the membership that the Brown alternative is the same as the Holifield-Rosenthal bill, except for the following seven differences which speak for themselves:

First. The exemptions section of the Brown substitute and the Holifield-Rosenthal bill differ in two respects. My bill will not exclude from CPA advocacy and appeal major interests in Federal action on labor matters, as would the Holifield-Rosenthal bill. My bill would however, fully exempt the Departments of Defense and State from CPA intervention, while the Holifield-Rosenthal bill would only grant partial exemptions for these agencies.

Second. The Brown substitute would allow public interest Federal agencies to deny the CPA access to their criminal investigation files, while the Holifield-Rosenthal bill would force Federal agencies including Justice to produce such files for CPA review.

Third. The Brown substitute would allow existing Federal public interest agencies to refuse any CPA requests for them to use the subpena power of the public interest agencies to get information only of interest to CPA; while the Holifield-Rosenthal bill would force existing public interest agencies to use their subpena powers against individuals and companies which the CPA, alone, is investigating.

Fourth. The Brown bill would allow Federal public interest agencies to refuse CPA access to trade secrets and confidential information which were voluntarily given to these agencies; while the Holifield-Rosenthal bill would force these agencies which have subpena powers to disclose to the CPA virtually all such material given to the Federal Government in confidence.

Fifth. The Brown alternative would provide that the Justice Department would litigate court suits for the CPA, except where the Attorney General determines otherwise; while the Holifield-Rosenthal bill would require that the CPA hire and use its own trial lawyers.

Sixth. The Brown bill would allow the CPA to seek judicial review of another agency's decisions only where that agency refused to grant the CPA access to information to which the CPA has a right under the bill or where the CPA has been denied party status (or any other CPA-requested opportunity) to advocate consumer interests as provided in the bill. The Holifield-Rosenthal bill would allow the CPA to seek judicial review of virtually any action, including inaction, of another agency, whether or not the CPA appeared before it in the initial consideration.

Seventh. And finally, the Brown bill would not allow the CPA to become a party with rights equal to those of an agency prosecutor in that very small number of Federal adjudications in which a person who has been formally charged with a violation of law is being prosecuted before a Federal agency. The Holifield-Rosenthal alternative would allow the CPA to be such a second prosecutor in most such situations, limiting the CPA's right to party status only where the forum agency, itself, directly imposes a "fine or a forfeiture" upon a person found guilty.

For those of you who wish to vote for a CPA bill, but who have reservations about the sweeping Holifield-Rosenthal proposal, I urge you to support this reasonable alternative.

Mr. HOLIFIELD. Mr. Chairman, the Brown amendment in the nature of a substitute for H.R. 13163 should be voted down. This is a gutting amendment. It would seriously reduce the effectiveness of the Consumer Protection Agency. To understand the harmful consequences of the substitute bill, its provisions must be read together and their consequences added up. It is difficult to relate all these provisions, because the bill is couched in terms very much like the committee bill. What the substitute does is delete some critical language, here and there, and make other changes not readily apparent without a detailed analysis and a deep understanding of the whole background of this legislation.

Since time for debate on amendments is limited, I will address my remarks to the worst features of the substitute bill. These are, in brief: First, greatly restricting the CPA's role as a party in Federal agency proceedings; second, denying to the CPA the right, which any aggrieved person has by law, to seek judicial review; and third, limiting seriously the CPA's right and opportunities to gather information. The Brown substitute also has other restrictive amendments, mainly those proposed by Mr. Roy Ash, which I will not have time to address.

The Brown substitute would confine the CPA's role to that of "limited intervenor" in Federal agency adjudications involving "alleged violation of law." There are many laws on the statute books, of course, in which consumers are interested, and consumers are vitally affected when these laws are ignored or deliberately disobeyed. There are laws concerning deceptive advertising and unfair trade practices, flammable fabrics, other unsafe or hazardous products, motor vehicle safety, and other laws too numerous to mention. It is essential that the CPA be a party in proceedings determining violations of such statutes. In the committee bill, we confine the CPA's role to amicus curiae only in a proceeding where an agency has direct authority to impose a fine or forfeiture. As I stated in my opening remarks in the general debate, there are very few agencies with such authority. In the substitute bill, the CPA would be excluded from full party rights in many more proceedings—enough to tie its hands and prevent it from being an effective consumer advocate. There is much fuzziness in the language of the substitute bill as to what the CPA could or could not do as a limited intervenor, but it is clear that the CPA would not be able to cross-examine other witnesses or to have the subpena or discovery rights of other parties in such proceedings.

The substitute bill also would strip the CPA, for all practical purposes, of the right to seek judicial review. The CPA would be denied the rights of other parties, or aggrieved persons whether or not they are parties, in proceedings. At present, attorneys representing business interests can appeal from adverse decisions of agencies. Why not the consumer advocate?

Finally, the substitute bill would take away the CPA's authority to request information to other agencies which have powers to issue interrogatories. Under the committee bill, such information would be sought to protect the health and safety of consumers, or where consumer fraud or economic injury are indicated. Why should the CPA be deprived of opportunities to obtain such information working cooperatively with established Federal agencies?

I believe that all the changes proposed in the substitute bill were fully considered and overwhelmingly rejected in the committee. I ask that they be rejected by this body as well. The substitute bill offers a clear choice between a strong effective bill and a weak and ineffective bill. While the consumer pays his money, you take your choice.

I might say Mr. Chairman that this bill is the Holifield, Horton, Rosenthal, Erlenborn, Wright, Wydler, St Germain, Brown of Ohio, Fuqua, Mallary, Moorhead of Pennsylvania, and Jones of Alabama bill. That is what the bill is which has been so frequently referred to as the Holifield-Rosenthal bill. I want the membership to know that it is the full membership of the subcommittee behind this bill.

Mr. McFALL. Mr. Chairman, will the gentleman yield for a question?

Mr. HOLIFIELD. I yield to the gentleman from California (Mr. McFALL).

Mr. McFALL. Mr. Chairman, there is just one vital point. I agree with what the chairman said and I certainly will support the committee in opposing the substitute.

Is there a provision in the bill for a businessman to have a right of judicial appeal from an adverse decision of a Federal agency under the legislation which the gentleman proposes?

Mr. HOLIFIELD. This is just one of the smoke screens which have been dropped by the opponents.

The bill does not have to give a businessman that right. He already has the right to judicial review under the Administrative Procedure Act (5 U.S.C. 702). The bill does not in any way affect that right. It gives an equal right to the Consumer Protection Agency, but does not take away the right of judicial review a businessman now has.

Mr. DENNIS. Mr. Chairman, I rise in support of the Brown substitute, as clearly it is, to one of my philosophy, a much better measure than the committee's bill. The failure of the committee bill in excluding labor alone from its provisions, while passing a measure to regulate business, would in itself be sufficient to reject it, to my way of thinking.

The Brown amendment takes that into consideration and changes it. In addition, the Brown substitute does not permit this regulation to apply to the Department of Defense or the Department of State, which certainly ought not to be allowed. It finally allows the Department of Justice to perform its normal functions of representing Government agencies in the courts.

In other words, the Brown measure maintains the ordinary constitutional construction of our Government in a manner that the committee bill does not.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. DENNIS. Of course, I yield to the distinguished chairman.

Mr. HOLIFIELD. Mr. Chairman, the gentleman asked for general debate. We were pushing for time then.

There are some questions in regard to this matter that he just now mentioned.

I will inform the gentleman that the following agencies have an unqualified right to be represented in court by their own attorneys:

The National Labor Relations Board; the Interstate Commerce Commission, the Equal Employment Opportunity Commission, except in the Supreme Court; the Consumer Product Safety Commission in certain cases; and the FTC after consultation with the Attorney General.

So those agencies all have the right to use their own attorneys.

Mr. DENNIS. Mr. Chairman, I would say to the distinguished chairman, I do not doubt that is true; but I do not think it is a good reason for doing it again, particularly in respect to an agency which can go into court and tell all the other agencies what they have to do and prosecute an individual businessman, even if they do not want to.

I would like to speak just a moment on the broader philosophical point in connection with this legislation. Since I have been a Member of this distinguished body, I have really been shocked at how little understanding of private business there is, what great indifference there is to private business and almost, I would say, hostility to private business that exists in some quarters.

Since I have been down here a little over 5 years, we have created EPA, OSHA, CPA, and I do not know how many regulatory agencies, to ride herd on private enterprise in this country.

I do not get a lot of mail from home from consumers complaining about American business. The little businessmen I represent, the farmers I represent, are all consumers themselves. We are all consumers. They do not write me and ask me to create another board, bureau, or commission, to ride herd on them or to be a general guardian for them, or to tell them how to live, or how to operate their own business; but what they do write me about all the time is, "Why do you pass these bills down here to make us fill out papers, fill out forms, ask permission to do this, ask permission to do that, and complicate my life? What do you think you are doing down there?"

I get a lot of that kind of mail. I do not know why we do not pay any attention to that. Everyone knows this is not much of a deliberative body, because nobody comes to hear much of the debate if he can help it; but I wonder sometimes if we are even a representative body.

I represent those people that write me. I do not represent Common Cause or Ralph Nader or these other organized minorities, or the big labor unions, which seem to have all the play in this body. Sometime we are going to have to give a little bit of attention to the ordinary man on Main Street, and back on the farm, who is trying to make a living and who is still the majority in this country and who is a consumer himself and who built this country.

I say to my friends here that some day there is going to be a reaction, maybe not this year, but sometime we are going to get a Congress up here which represents the American people for a change.

Mr. BUCHANAN. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, our distinguished committee chairman earlier expressed the desire of the leadership on both sides to facilitate the completion of the debate and voting on this legislation today. I feel sympathy for this problem, and hope the Brown substitute can be quickly approved. If, however, it does not prevail, then there are a number of Members who feel conscience bound to attempt to amend this legislation with various individual provisions of the Brown amendment, who will be offering those amendments, and I am sure the debate will be extended.

Mr. RHODES. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. Mr. Chairman, I gladly yield to the distinguished minority leader.

Mr. RHODES. Mr. Chairman, I thank the gentleman for yielding to me. I rise in support of the Brown substitute. I am in favor of consumer protection legislation. I think the Brown substitute would improve the bill.

Mr. BUCHANAN. Mr. Chairman, I thank the distinguished minority leader. I think he has spoken well and has spoken for me in his support of the Brown amendment. I will not extend the debate except to say that the Brown substitute incorporates reasonable suggestions made by the administration to the committee for a revision of this bill in ways that the administration felt would be an improvement.

In essence, this is what the Brown substitute does. It does contain some judicial review provisions that the gentleman from Ohio (Mr. BROWN) and the gentleman from Florida (Mr. FUQUA) submitted to the subcommittee which they felt would improve that section.

However, in essence, this is simply an attempt to improve this legislation. As one Member mentioned earlier, this bill has been reported out of our committee in some form three different times, and this is the third Congress in which it has been the case. I do feel that each time it has been improved a little, but if the Members want to pass really good consumer protection legislation, they should vote for the Brown substitute and do a service to the American people.

AMENDMENT OFFERED BY MR. BROYHILL OF NORTH CAROLINA TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. BROWN OF OHIO

Mr. BROYHILL of North Carolina. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute offered by the gentleman from Ohio (Mr. BROWN).

The Clerk read as follows:

Amendment offered by Mr. BROYHILL of North Carolina to the amendment in the nature of a substitute offered by Mr. BROWN of Ohio: Page 26, Line 2, delete section 18 in its entirety and substitute in lieu thereof the following:

"There are hereby authorized to be appropriated to carry out the provisions of this Act such sums as may be required for the fiscal year ending June 30, 1975, for the fiscal year ending June 30, 1976, and for the fiscal year ending June 30, 1977."

Mr. BROYHILL of North Carolina. Mr. Chairman, I offer an amendment to section 18 of the Brown substitute, regarding authorization of appropriations to carry out the provisions of the act. My amendment authorizes such sums as may be required for this purpose for fiscal years 1975, 1976, and 1977 and would replace the open-ended authorization presently provided in the bill.

My purpose in offering this amendment is to insure periodic congressional oversight over the proposed Consumer Protection Agency and its activities. By providing in the act a limited 3-year authorization, the Agency would be required to return to Congress for an extension of the act when the authorization has expired. At that time, the appropriate legislative committee would have the opportunity and the obligation to review thoroughly the programs, activities, and operations of the Agency to insure that the intent of the Congress was being carried out in the administration of the act.

I am firmly committed to the principle of continued and active congressional oversight over the many independent agencies which the Congress has established over the years. The usual process which occurs when the Congress creates a new, independent agency is that the agency has an open-ended authorization and submits its budget request, through the normal budgetary process, to the House Appropriations Committee. This committee reviews the budget request, along with all other such requests, in the context of the total Federal budget. The legislative committee which has jurisdiction over the agency does not have the opportunity to review either the budget or the programs, activities, and operations of the agency. It is only with the occurrence of a specific problem or the proposal of new legislative authority for the agency that the legislative committee would exercise its oversight authority.

I would like to call to the attention of my colleagues the Consumer Product Safety Act of 1972, which created the Consumer Product Safety Commission. This act, which was reported from the Interstate and Foreign Commerce Committee, created this independent regulatory agency to deal with the problems of product safety. The Commission was provided with specific authorizatons of appropriations for 3 fiscal years. At the end of fiscal year 1975, the authorizations of the Commission will expire unless the Congress passes additional legislation extending such authorizations. The Consumer Product Safety Commission is the only independent regulatory agency which now has such a limited authorization.

In the case of the proposed Consumer Protection Agency, it is not clear which congressional committee or committees will have oversight over the Agency. This bill was reported out of the Government Operations Committee, but the subject could fall under the jurisdiction of the Interstate and Foreign Commerce Committee.

Whichever committee is determined to have oversight authority over this proposed Agency, I feel it is important that that committee be required to exercise such authority at periodic and specified intervals. I am convinced of the usefulness and of the necessity of continued congressional review of the regulatory agencies which we in the Congress have created. Such a process, I feel, will contribute to the greater effectiveness of these agencies and will provide greater responsiveness to the public interest in the regulatory process.

I, therefore, urge the adoption of my amendment to provide a 3-year authorization for the proposed Consumer Protection Agency.

Mr. McCOLLISTER. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL of North Carolina. I yield to the gentleman from Nebraska.

Mr. McCOLLISTER. Mr. Chairman, the gentleman from North Carolina has made an excellent statement in support of congressional oversight of other governmental agencies. I wish to associate myself with the gentleman's remarks and give my support to his amendment to the amendment in the nature of a substitute.

Mr. HORTON. Mr. Chairman, I rise in opposition to the amendment in the nature of a substitute.

Mr. Chairman, I wish to point out to the members of the committee that the Committee on Government Operations has spent a lot of time in putting this bill together. We have worked very hard and very diligently. We have had 8 days of hearings, and this bill has been very carefully developed.

I want again to emphasize what was emphasized during general debate, namely, that this bill provides for an advocate for the consumer—nothing more, nothing less.

Members have talked about EPA, and Members have talked about OSHA. These are all regulatory agencies. The new proposal that we are making here to create a Consumer Protection Agency is not to create a regulatory agency; rather, it is to designate an advocate to appear and represent the consumer's interests.

Mr. Chairman, when those Members who are opposed to the committee bill get up and say that they are representing the consumers, they are not talking about the cases the bill involves. Because what the consumer needs is to have an advocate to speak for him in those proceedings before the Federal agencies where the consumer is not being heard now. Most Members do not appear in such proceedings.

Now, the amendment in the nature of a substitute which has been offered by the gentleman from Ohio (Mr. BROWN) has three very distinct gutting amendments in it. I have discussed them in the material inserted in yesterday's RECORD at page 9436.

The first would prohibit judicial review of legal wrongs which would be suffered by the Consumer Protection Agency in appearing in these various proceedings.

One of the things that has been basic to our American system has been the idea that all participants who are parties to an action should be treated fairly and equally. If business appears, they have the right of judicial review. According to the substitute which is proposed by the gentleman from Ohio (Mr. BROWN) this would only be provided in cases involving the Consumer Protection Agency's "access to information or opportunity to represent consumers in a proceeding or activity." In other words, if there were any legal wrong suffered by the Consumer Protection Agency advocate while he was representing consumers, that would not be subject to judicial review, and that is not fair. There should be parity with the rights of other parties who have an opportunity to appear.

The second point which I think is very important would limit the Consumer Protection Agency's participation in most adjudicatory proceedings to that of an amicus curiae.

Mr. ANDERSON of Illinois. Will the gentleman yield for a question on the first point he made, because it is rather important, to help me clear up some confusion in my mind?

Mr. HORTON. I yield to the gentleman from Illinois.

Mr. ANDERSON of Illinois. You are suggesting that any aggrieved party now has the right of judicial review even though he was not a party to the proceeding before a particular regulatory agency?

Mr. HORTON. No, I am not saying that, but that is often time. I am saying in the bill we have provided the right of judicial review. We have also provided that he has the right of judicial review only if he asks for a rehearing within 60 days if he has not appeared. The purpose of that is to prevent pro forma filings which the Consumer Protection Agency would make in order to protect his right of judicial review.

What the Brown substitute does is to eliminate any right of judicial review that the Consumer Protection Agency may have, and that is not fair.

Mr. BROWN of Ohio. That is not an accurate statement, if the gentleman will yield.

Mr. HORTON. I yield to the gentleman.

Mr. BROWN of Ohio. In the first place, it is not an accurate statement of your own bill. As a matter of fact, the Consumer Protection Agency is maintaining the right of subpena and all of these other things.

Mr. HORTON. Excuse me. I will not yield further. I want to make a statement here.

He does not have an independent right of subpena or interrogatories. He has to go to a host agency which has these rights and ask that they be used on his behalf.

Mr. BROWN of Ohio. That is correct.

Mr. HORTON. What I am talking about, as the gentleman will see, is judicial review.

Mr. BROWN of Ohio. He has the right of all the other agencies. The gentleman just spoke of the judicial review right stated in his own bill, but they are also stated in mine. The Consumer Protection Agency has the right to ask for judicial review if it deals with the right of advocacy for the consumer.

Mr. HORTON. Does the gentleman deny that his substitute says judicial review is only available in cases involving its access to information or its opportunity to represent consumers in a proceeding or activity?

Mr. BROWN of Ohio. That is right.

Mr. HORTON. The gentleman can get his own time. I want to make my point.

And then they can prohibit him where there are legal wrongs from having this right of judicial review.

Mr. BROWN of Ohio. If the gentleman will yield for elaboration and correction, if the host agency has not considered the rights of consumers or refused them the right to appear, he does have the right of judicial review. Is that not correct?

Mr. HORTON. I do not understand the gentleman's talking about host agencies. Are you talking about interrogatories or judicial review?

Mr. BROWN of Ohio. The host agency is trying to get the judicial review off.

Mr. HORTON. As I understand the gentleman's substitute, it provides that judicial review shall only obtain in those cases where it involves access to information or the opportunity to represent consumers in a proceeding or activity. That limits him so that he cannot seek judicial review if he has been legally wronged, and that is different from our bill.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. HORTON was allowed to proceed for 5 additional minutes.)

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield further?

Mr. HORTON. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, the language in my substitute provides that if the host agency, that is, the Federal Trade Commission, the Federal Communications Commission, the Securities and Exchange Commission, or any other regulatory agency which deals with consumer problems, the Consumer Protection Agency has the right to judicial review of a decision where the CPA has previously appeared.

Mr. HORTON. Whether or not he could appear.

Mr. BROWN of Ohio. That is right.

Mr. HORTON. But the point I am making, if he has appeared, and if he is legally wronged then he has no right of judicial review. And I am sure the gentleman from Ohio will agree with me that in instances where there is an aggrieved party, he has the right of judicial review. In our case, in the bill we have, he has that right.

Mr. BROWN of Ohio. If you turn it around and talk about how the legislation without my amendment affects the right of appearance, if the CPA does not appear to advocate the rights of consumers, the legislation gives him the right to ask for review of decisions of these agencies, and that, failing to satisfy the CPA with that decision, to take that decision to court.

Mr. HORTON. That is right.

Mr. BROWN of Ohio. And this extends endlessly the process.

Mr. HORTON. In the committee bill he would have to seek a rehearing. But that is not involved in the gentleman's substitute; is that right?

Mr. BROWN of Ohio. That is right, it is taken out of the gentleman's substitute.

Mr. HORTON. The second point I want to make is that the Brown substitute limits CPA participation in most adjudicatory proceedings to that of an amicus. Our bill provides that he can participate. I think that is a very important distinction.

The other point that I would like to make, is that the Brown substitute makes no provision for information gathering by the CPA for investigations outside of the formal proceedings. This puts the information gathering powers in the committee bill. What we have tried to do in the committee bill is to walk a very delicate line. There have been some groups that wanted the CPA to have direct subpena and interrogatory power. There are others who do not want them to have any information gathering rights.

The committee bill has provided for written interrogatories, but the CPA must go to a host agency which has that authority. I think that is a very important distinction, and I would like to read the language which is in H.R. 13163. On page 17, we provide that:

> To the extent required to protect the health or safety of consumers, or to discover consumer fraud or substantial economic injury to consumers, the Administrator is authorized to propose to any Federal agency, for submission to specified persons, written interrogatories or requests for reports and other related information, within such agency's authority.

And, Mr. Chairman, I underscore "within such agency's authority".

It does not go any further than that. That limits the right of the CPA to gather information. He has to go to an agency that has authority, and then he has to stick within the authority of that particular agency.

Then we provide that the agency has broad discretion as to whether or not they will issue the written interrogatories. That is all taken away by the Brown substitute.

I urge that the Members vote against the Brown substitute. This is a very important amendment, and one which would gut the bill. I think the bill is a very important bill. All it does is create an advocate to represent consumer interests, in the same manner as other parties appear before Federal agencies to represent their interests.

Mr. ROSENTHAL. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the substitute offered by the gentleman from Ohio (Mr. BROWN).

Mr. Chairman, it becomes rather trite to repeat that the Brown amendment guts the bill. What the Brown amendment does is attempt to take away from the bill and from the CPA all elements of fair play in the administrative agency and judicial system.

We must understand what the role of the CPA is.

I wonder if the gentleman from Indiana, a distinguished member of the Committee on the Judiciary, and for whom I have great respect, would follow the logic and see if the gentleman does not agree with me in the conclusion that I come to.

The gentleman from Indiana used the word "prosecutor," and he used it a number of times. This CPA advocate has no prosecutor function at all in any proceeding or activity under this bill. The CPA has the right to appear as a party and to present evidence. The CPA, if he feels aggrieved by the decision of the board or agency, has the right to appeal to the courts. I cannot conceive of anyone who is a member of the bar who sits in this Chamber who would find any area of disagreement with that procedure.

Mr. BROWN has found some fault both here and in the hearings with the fact that if the CPA does not appear below as a party, this bill gives him the right to appear in court. We have a number of restrictions on that right. The first is that if he appears below in the administrative proceeding hearing, he would then have to ask for a rehearing in the host agency. If that rehearing were denied or it were adverse to the interests that he supported, he would have the right to go into the U.S. district court, and in that court proceeding he would have to allege in his petition that it was timely, within the 60-day period application, that it was in the consumer interests and that there was not laches or delay. The court could deny the request for judicial review if it was not in the interests of justice. All of these things come under the area of fair play.

Another thing that Mr. BROWN seems to make much of is that this Agency would have subpena power. I, frankly, wanted the Agency to have subpena power. It does not have subpena power. It has to go to the host agency to gain subpena power.

Let me tell the gentleman from Ohio something. Every party in an agency or a court proceedings in the United States has the right to request a subpena. Why would the gentleman from Ohio deny this party—this party who has the public interest responsibility—the same procedural rights of due process that any private party is entitled to? There are no prosecutors. There is a very limited subpena power. There is a very limited power to appeal and intervene. Again, I repeat for the benefit of my friend, the gentleman from Indiana, who is a distinguished member of the Committee on the Judiciary, to use the word "prosecutor" is incorrect.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. ROSENTHAL. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. I thank the gentleman for yielding.

The first instance that the gentleman cited of hearings to set marketing orders, and so forth, obviously has no prosecutor, and nobody suggested they would. I stated, in my remarks introducing my substitute proposal that the areas in which the Rosenthal bill gives the CPA dual prosecutor authority are very limited. I said that when I made my presentation of my bill.

Mr. ROSENTHAL. Mr. Chairman, I will not yield further.

Why does the gentleman use the word "prosecutor"? This Agency appears as a party, not as a prosecutor—as a party with the rights and responsibilities of any party in the proceeding.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield.

Mr. ROSENTHAL. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. I thank the gentleman for yielding.

Where somebody has been accused of violating the law, and the Federal Trade Commission is prosecuting a case, what does the gentleman call the attorney—a prosecutor?

Mr. ROSENTHAL. This Agency will not appear in any criminal proceeding. We had a big to-do about that last year. We eliminated the word "penalties." It is permitted to appear in civil proceedings where a fine or a forfeiture is involved. There is no prosecution for any kind of criminal proceeding.

Mr. BROWN of Ohio. Would the gentleman also agree, if he will yield further, that the language of his bill is very burdensome upon the host agency? There is practically no way in the language of that bill that the host agency can refuse to give to the CPA the subpena powers that it has. In other words, the CPA has to ask for it.

Mr. ROSENTHAL. Let us pursue that. The gentleman suggests that it is burdensome on the host agency. I happen to believe—and I hope this does not violate our agreement—that the CPA ought to have the right itself to issue interrogatories. I felt that it was burdensome for the CPA to go to the host agency and to plead its cause as a pauper, but in an effort to compromise this bill with Mr. HORTON and Mr. HOLIFIELD, we made that very significant concession.

And thus the CPA goes hat in hand

to a host agency and says: "Please give me the interrogatories," and the host agency has the right to act or refuse to act.

Mr. HOLIFIELD. Mr. Chairman, I rise in opposition to the Broyhill of North Carolina amendment to the Brown of Ohio amendment.

The Broyhill amendment, in effect, limits the Consumer Protection Agency to 3 years. We are not creating a temporary agency. We are creating an agency for the protection of consumers, and the problems of consumers are going to be with us as long as we have an organized society and a free enterprise system.

Of course, the Congress can terminate this Agency at any time by repealing the enabling legislation or denying the funds for operation. I do not expect that to happen.

Furthermore, I do not believe it is the policy in this case—it may be good in some other cases—to create what would be a temporary agency with an uncertain future. As I said many times in creating this Agency we are planting a tree, a tree that will grow, that may require tending and pruning, but a tree that will endure and not be chopped off at the roots and allowed to wither and die for lack of nourishment and care.

So I say the Broyhill amendment brings in a new element. In the Federal Energy Agency bill, we limit it to 2 years because it is labeled as a temporary agency, and the administration asked for it as a temporary agency. But we create a permanent agency here, subject of course to the regular action of the Appropriations Committee in granting or denying funds at any time, and of the legislative committee in passing an act cutting it off, just as we may cut off any agency.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Chairman, I appreciate the gentleman yielding.

Why would the same principle we applied to the Energy Office not apply to this legislation; that is, just give Congress a chance to review it after 3 years? If it is a good Agency and if it does all these wonderful things that Mr. Nader and everybody else tells us it will, then we will have a chance to continue it. But I cannot understand why we do not just give it a life of 3 years and review it.

Mr. HOLIFIELD. I tried to tell the gentleman that. We put through the bill to provide research in energy as a permanent thing, and we put the Federal Energy Administration through as a temporary agency. The gentleman from North Carolina asked to make this a temporary Agency, and I do not think that is the purpose of the bill. I know it is not the purpose of the bill, and I know that the consumers of this Nation are being defrauded, and I know they will continue to need some help. Therefore, I say the Broyhill amendment should be voted down, and I hope the Committee will vote it down.

Mr. SYMMS. Mr. Chairman, I rise in favor of the amendment.

Mr. BROYHILL of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. SYMMS. I yield to the gentleman from North Carolina.

Mr. BROYHILL of North Carolina. Mr. Chairman, I would like to correct the statement that the chairman of the Government Operations Committee has made here. It is not my purpose by this amendment to say that this is going to be a temporary Agency. This is the only way I have to insure that we have adequate control or oversight over this new Agency. This is the only way I know that we can insure that the Congress is going to take the time to go into the activities of this Agency to determine what new authority they should have or what limitations they should have in the future. That is the purpose of my amendment.

Mr. SYMMS. I thank the gentleman from North Carolina.

Mr. Chairman, I rise in support of the amendment. I think the distinguished chairman's (Mr. HOLIFIELD) own admission that this Agency is here to stay if this legislation is enacted. He points out one of the most important points. The bill says in section 18:

> There are hereby authorized to be appropriated such sums as may be required to carry out the provisions of this Act.

I wonder who it is who is going to protect the consumers from inflation? I wonder who it is who is going to protect the consumer from debased currency?

I have often said that there is an old saying that: "The only thing the Government is good at, is waging war and debasing currency," and that saying comes to mind as we create more agencies: the Federal Energy Office, OSHA, Environmental Protection Agency, and now the Consumer Protection Agency.

I think, as far as I am concerned, that the entire concept of consumerism is a false premise. There is nothing about free enterprise involved in this at all. It is taking the premise that the Government and bureaucrats have better judgment than the people when they want to buy an appliance from General Electric or a Frigidaire refrigerator, what shall we do, rule out new competition?

I compromise my principles even to support the amendment of the gentleman from Ohio (Mr. BROWN). I think that this amendment makes a very distinct attempt to make the proposed Consumer Protection Agency walk before it runs. I need not remind Members of the mistakes we have made in the past by giving new agencies new powers without first evaluating the effects that such an agency would have. The amendment of the gentleman from Ohio (Mr. BROWN) will give us time to evaluate the needs of the proposed Agency and the requirements of its administration.

I am afraid that if we adopt the committee bill, we will all be back here in 3 years facing the same problems that we now face with OSHA and EPA. I, for one, do not need the aggravation that such a new boondoggle would provide for the country, and neither do my constituents.

While it is well known that the powers contemplated in this legislation would affect profoundly the anatomy of other areas of the Federal Establishment, it is important that all of us be aware of the extent and scope of the ways in which all officers of the U.S. Government will be subject to the directives and legal actions of the administrator and officials of the proposed Agency.

An examination of the language, and known legislative intent, disclosed at least 22 specific provisions in which nearly ever Cabinet department and their offices and bureaus of the executive branch—reaching into the Executive Office itself—regulatory boards and commissions, independent agencies and corporations will be subject to the will, and possibly the caprice, of the administrator. In the few areas in which some discretion remains, the Federal agencies will still be subject to the coercive threat of judicial review and adverse publicity which will follow conflicts between them and the CPA.

How does Congress justify the use of taxpayer funds to finance legal disputes on behalf of the "interests of consumers" in opposition to other Government agencies who are sworn to make decisions and take action in the whole public interest? I do not believe we can. This is why I support the Brown substitute.

If we must have a Consumer Protection Agency, then let us limit it in size, scope and power, as the bill of the gentleman from Ohio (Mr. BROWN) does, until we have a chance to evaluate its needs and impact.

I think the gentleman from North Carolina (Mr. BROYHILL) makes a good point by having congressional oversight on the amount of spending that will take place.

I would like to remind the Members again if we really want to do the American people and the consumers a real favor, we will start addressing ourselves in this Congress to repealing some of the already overburdened regulations the American people have to live with, instead of trying to set up more new Government agencies and boondoggles which do nothing, except to continue the rapid debasement of the American currency that is taking place daily. That is where the consumers are being hurt. That is the real problem. My colleagues, I urge your support of the Broyhill and Brown amendments—then on final passage vote against the entire proposition. The consumers of America cannot afford all the protection.

Mr. CRANE. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I have before me a copy of the "Dear Colleague" letter sent out by the distinguished minority chairman of the committee. In that letter he makes the observation, as many who have seen and who have read the letter know, that the reason why the committee rejected the recommendations of Mr. Ash, which are contained in the Extensions oi Remarks which the distinguished chairman put in the RECORD for us to see; he defines these as minor amendment suggestions by Mr. Ash and then suggests in the next paragraph that the bill for the substitute which we have under consideration, submitted by the distinguished gentleman from Ohio, does not fall within the category of minor alterations.

I have here both the letter to the ranking minority chairman, a member of the committee, as well as the salient points contained in the substitute introduced by the gentleman from Ohio.

I would like to, if I may, direct a question or two to the gentleman from Ohio on his substitute. As I look at the various provisions of his substitute, it seems to me that five of the seven basic recommendations here are, at least, indicated in the letter from Mr. Ash on the one hand, as well as other statements that have been made here on this subject this afternoon, to be totally consonant with the administration recommendations on any consumer protection agency; is that correct?

Mr. BROWN of Ohio. Mr. Chairman, the first of my recommendations which were made by me in suggesting the changes that are in my substitute are based on recommendations made by Mr. Ash, the Director of the Office of Management and Budget. The last two are what are known as Brown-Fuqua amendments. Mr. Ash also suggested modification of the judicial review procedure. However, we used the Brown-Fuqua judicial review approach rather than one recommended by Mr. Ash.

Mr. CRANE. Mr. Chairman, once again the gentleman generalizes that the overwhelming majority of the substitute which he has introduced to the committee bill is totally consonant with the recommendations made by Mr. Ash and are consistent with the administration recommendations for any consumer protection agency.

Mr. BROWN of Ohio. Mr. Chairman, I think the adoption of the Brown substitute would enhance the prospect that this bill will be signed into law.

Mr. CRANE. Mr. Chairman, I thank the gentleman for his response.

Mr. HORTON. Mr. Chairman, will the gentleman yield?

Mr. CRANE. Mr. Chairman, I am happy to yield to the distinguished ranking minority member.

Mr. HORTON. Mr. Chairman, I would certainly agree with the gentleman that five of the amendments that were recommended by Mr. Ash and which were discussed in committee and which were voted down. I assume they will be offered either in one form or the other and we will have an opportunity later to vote on each one of them.

The gentleman from Ohio (Mr. BROWN) has put those amendments in en bloc, so to speak.

In addition to that, though, he has included three additional amendments which are very much different and which do have the effect of gutting the bill. One of them is to prohibit judicial review of legal wrongs suffered by the Consumer Protection Agency in representing the consumer. Earlier, I talked about that.

The other is to limit CPA proceedings in adjudicatory proceedings, which again is a very important amendment which would take away the equality the bill gives to the CPA in adjudicatory proceedings.

The third would remove the provision for information gathering by the CPA for investigating outside formal proceedings, so those are very important amendments which have been included, which rightfully Mr. BROWN has indicated were the Brown-Fuqua amendments which were defeated in subcommittee.

Mr. CRANE. Mr. Chairman, I thank the gentleman for his remarks. I would only like to say, in listening to the Committee of the Whole House deliberating those separate amendments, there will be no resort to proxy in this body.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. CRANE. Mr. Chairman, I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, I take some offense at the suggestion that we deny the right of judicial review or legal wrongs. I do not know that anybody can deny that right. What we do is deny the right of judicial review of CPA when they did not initially express the interest of the consumer.

Mr. CRANE. Mr. Chairman, I thank the gentleman for his remarks. I urge my colleagues to support what I think is the enlightened substitute amendment of the gentleman from Ohio.

Mr. LANDGREBE. Mr. Chairman, I rise to speak against the amendments of Mr. BROYHILL and Mr. BROWN.

Mr. Chairman, I rise simply to explain my intended vote against both these amendments, and my real reason is because of the statement made by the gentleman from New York.

He says these amendments gut the bill. If they did that, I would vote for them, but they do not gut the bill; they still leave something.

Mr. Chairman, why is it that every time some sweet-sounding idea comes to this floor, we have got to pass something in the way of more harassment for the business people of this country? I have been in business 30½ years. We businessmen must price our products and services to our costs and I am telling you that when we have Federal, State, and local inspectors and agents standing in line to harass us, somebody has got to pay the bill and that somebody has to be the consumer. That is the only way we have to recover expenses incurred in dealing with these bureaucrats. In fact, the consumers in my district tell me that they cannot afford any more protection of that kind.

They would rather do some of that on their own by dealing with responsible merchants and buying name brand products.

Also of course, I, as a Congressman, handle many consumer complaints, as do many newspapers, radio and television stations.

Let me here emphasize that my biggest worry is our national debt. The interest on that national debt has doubled during the 6 years I have been a Member of Congress—rising from $14 billion in 1968 to $29 billion in 1975.

Where are we getting the money to set up these bureaus, staff them and pay for them? I doubt that there has ever been a bureau set up by this Government that did not grow and grow and grow.

Mr. Chairman, I am going to vote against these amendments, in the hope that they will fail and in the further hope that the bill will then be so bad that the majority of the Members of Congress find it totally unacceptable.

The CHAIRMAN pro tempore (Mr. NATCHER). The question is on the amendment offered by the gentleman from North Carolina (Mr. BROYHILL) to the amendment in the nature of a substitute offered by the gentleman from Ohio (Mr. BROWN).

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. BROYHILL of North Carolina. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 224, noes 177, not voting 31, as follows:

[Roll No. 137]

AYES—224

Abdnor
Alexander
Andrews, N.C.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Bafalis
Baker
Bauman
Beard
Bell
Bennett
Biaggi
Bowen
Bray
Breaux
Brinkley
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Butler
Byron
Carter
Casey, Tex.
Chamberlain
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collier
Collins, Tex.
Conable
Crane
Daniel, Dan
Daniel, Robert W., Jr.
Davis, Ga.
Davis, S.C.
Davis, Wis.
de la Garza
Dellenback
Dennis
Derwinski
Devine
Dickinson
Downing
Duncan
du Pont
Edwards, Ala.
Erlenborn
Esch
Eshleman
Evins, Tenn.
Findley
Fisher
Flowers
Flynt
Forsythe
Fountain
Frelinghuysen
Frey
Froehlich
Fuqua
Ginn
Goldwater
Goodling
Green, Oreg.
Gross
Grover
Gubser
Gunter
Guyer
Haley
Hamilton
Hammerschmidt
Hanrahan
Harsha
Hastings
Henderson
Hillis
Hinshaw
Hogan
Holt
Hosmer
Huber
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kemp
Ketchum
King
Kuykendall
Lagomarsino
Landrum
Latta
Lent
Litton
Lott
McClory
McCollister
McEwen
McKinney
McSpadden
Madigan
Mahon
Mallary
Mann
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Mayne
Melcher
Michel
Milford
Miller
Mitchell, N.Y.
Mizell
Montgomery
Moorhead, Calif.
Murphy, N.Y.
Myers
Nelsen
Nichols
O'Brien
Parris
Passman
Pettis
Pike
Preyer
Price, Tex.
Quie
Quillen
Railsback
Randall
Rarick
Regula
Rhodes
Roberts
Robinson, Va.
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rose
Roush
Rousselot
Roy
Ruppe
Ruth
Ryan
Sarasin
Satterfield
Scherle
Schneebeli
Sebelius
Shoup
Shuster
Sikes
Skubitz
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, J. William
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stratton
Stuckey
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thomson, Wis.
Thone
Towell, Nev.
Treen
Vander Jagt
Veysey
Vigorito
Waggonner
Walsh
Wampler
Ware
White
Whitehurst
Whitten
Widnall
Wiggins
Wilson, Bob
Winn
Wyatt
Wydler
Wylie
Wyman
Young, Alaska
Young, Fla.
Young, Ill.
Young, S.C.
Young, Tex.
Zion
Zwach

NOES—177

Abzug
Adams
Addabbo
Anderson, Calif.
Anderson, Ill.
Annunzio
Ashley
Aspin
Badillo
Barrett
Bergland
Biester
Bingham
Blatnik
Boggs
Boland
Bolling
Brademas
Brasco
Breckinridge
Brooks
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton
Carney, Ohio
Chisholm
Clark
Clay
Collins, Ill.
Conte
Corman
Cotter
Coughlin
Cronin
Culver
Daniels, Dominick V.
Danielson
Delaney
Dellums
Denholm
Dent
Diggs
Donohue
Drinan
Dulski
Eckhardt
Edwards, Calif.
Eilberg
Evans, Colo.
Fascell
Fish
Flood
Foley
Ford
Fraser
Fulton
Gaydos
Giaimo
Gibbons
Gilman
Gonzalez
Grasso
Gray
Green, Pa.
Griffiths
Gude
Hanley
Hanna
Hansen, Idaho
Hansen, Wash.
Harrington
Hawkins
Hays
Hechler, W. Va.
Heinz
Helstoski
Hicks
Holifield
Holtzman
Horton
Howard
Johnson, Calif.
Jordan
Karth
Kastenmeier
Koch
Kyros
Landgrebe
Leggett
Lehman
Long, La.
Long, Md.
Luken
McCloskey
McCormack
McDade
McFall
McKay
Macdonald
Madden
Maraziti
Matsunaga
Mazzoli
Meeds
Metcalfe
Mezvinsky
Mills
Minish
Mink
Mitchell, Md.
Moakley
Mollohan
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murtha
Natcher
Nedzi
Nix
Obey
O'Hara
Owens
Patman
Patten
Pepper
Perkins
Peyser
Podell
Price, Ill.
Pritchard
Rangel
Reuss
Riegle
Rinaldo
Robison, N.Y.
Rodino
Roe
Rooney, Pa.
Rosenthal
Rostenkowski
Roybal
St Germain
Sarbanes
Schroeder
Seiberling
Shipley
Sisk
Slack
Smith, Iowa
Stanton, James V.
Steele
Stokes
Stubblefield
Studds
Sullivan
Symington
Thompson, N.J.
Thornton
Tiernan
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Waldie
Whalen
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Wolff
Wright
Yates
Yatron
Young, Ga.
Zablocki

NOT VOTING—31

Arends
Bevill
Blackburn
Camp
Carey, N.Y.
Cederberg
Conlan
Conyers
Dingell
Dorn
Frenzel
Gettys
Hébert
Heckler, Mass.
Kazen
Kluczynski
Lujan
Minshall, Ohio
O'Neill
Pickle
Poage
Powell, Ohio
Rees
Reid
Rooney, N.Y.
Runnels
Sandman
Shriver
Stark
Stephens
Williams

So the amendment to the amendment in the nature of a substitute was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN pro tempore. The question is on the amendment in the nature of a substitute offered by the gentleman from Ohio (Mr. BROWN), as amended.

RECORDED VOTE

Mr. ROSENTHAL. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 176, noes 223, not voting 33, as follows:

[Roll No. 138]

AYES—176

Abdnor
Andrews, N.C.
Archer
Arends
Armstrong
Ashbrook
Bafalis
Baker
Bauman
Beard
Boggs
Bowen
Bray
Breaux
Brinkley
Broomfield
Brotzman
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Butler
Byron
Carter
Casey, Tex.
Chamberlain
Clancy
Clausen, Don H.
Clawson, Del
Cochran
Collier
Collins, Tex.
Conable
Crane
Daniel, Dan
Daniel, Robert W., Jr.
Davis, Ga.
Davis, Wis.
de la Garza
Dellenback
Dennis
Derwinski
Devine
Dickinson
Downing
Duncan
Edwards, Ala.
Erlenborn
Esch
Eshleman
Fisher
Flowers
Flynt
Fountain
Frelinghuysen
Frey
Froehlich
Ginn
Goldwater
Goodling
Gross
Grover
Gubser
Guyer
Haley
Hammerschmidt
Hanrahan
Harsha
Hastings
Hebert
Henderson
Hinshaw
Hogan
Holt
Hosmer
Huber
Hudnut
Hunt
Hutchinson
Jarman
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Kemp
Ketchum
King
Kuykendall
Lagomarsino
Landrum
Latta
Lent
Lott
McClory
McCollister
McEwen
Madigan
Mann
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Mayne
Michel
Milford
Miller
Mitchell, N.Y.
Mizell
Montgomery
Moorhead, Calif.
Mosher
Myers
Nelsen
Nichols
O'Brien
Parris
Passman
Pettis
Preyer
Quie
Quillen
Railsback
Rarick
Rhodes
Roberts
Robinson, Va.
Roncallo, N.Y.
Rose
Rousselot
Ruppe
Ruth
Satterfield
Scherle
Schneebeli
Sebelius
Shoup
Shuster
Sikes
Skubitz
Smith, N.Y.
Snyder
Spence
Steiger, Ariz.
Steiger, Wis.
Stuckey
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thomson, Wis.
Thone
Towell, Nev.
Treen
Vander Jagt
Veysey
Waggonner
Wampler
Ware
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Winn
Wyatt
Wylie
Wyman
Young, Alaska
Young, Fla.
Young, S.C.
Zion
Zwach

NOES—223

Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Ashley
Aspin
Badillo
Barrett
Bell
Bennett
Bergland
Biaggi
Biester
Blatnik
Boland
Bolling
Brademas
Brasco
Breckinridge
Brooks
Brown, Calif.
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton
Carney, Ohio
Chappell
Chisholm
Clark
Clay
Cleveland
Cohen
Collins, Ill.
Conte
Corman
Cotter
Coughlin
Cronin
Culver
Daniels, Dominick V.
Danielson
Davis, S.C.
Delaney
Dellums
Denholm
Dent
Diggs
Donohue
Drinan
Dulski
du Pont
Eckhardt
Edwards, Calif.
Eilberg
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fish
Flood
Foley
Ford
Forsythe
Fraser
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Gonzalez
Grasso
Gray
Green, Oreg.
Green, Pa.
Griffiths
Gude
Gunter
Hamilton
Hanley
Hanna
Hansen, Idaho
Hansen, Wash.
Harrington
Hawkins
Hays
Hechler, W. Va.
Heinz
Helstoski
Hicks
Hillis
Holifield
Holtzman
Horton
Howard
Hungate
Ichord
Johnson, Calif.
Jones, Ala.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Koch
Kyros
Landgrebe
Leggett
Lehman
Litton
Long, La.
Long, Md.
Luken
McCloskey
McCormack
McDade
McFall
McKay
McKinney
McSpadden
Macdonald
Madden
Mahon
Mallary
Maraziti
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Mills
Minish
Mink
Mitchell, Md.
Moakley
Mollohan
Moorhead, Pa.
Morgan
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Nedzi
Nix
Obey
O'Hara
Owens
Patman
Patten
Pepper
Perkins
Peyser
Pike
Podell
Price, Ill.
Pritchard
Randall
Rangel
Regula
Reuss
Riegle
Rinaldo
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Rooney, Pa.
Rosenthal
Rostenkowski
Roush
Roy
Roybal
Ryan
St Germain
Sarasin
Sarbanes
Schroeder
Seiberling
Shipley
Sisk
Slack
Smith, Iowa
Staggers
Stanton, J. William
Stanton, James V.
Steed
Steele
Steelman
Stokes
Stratton
Stubblefield
Studds
Sullivan
Symington
Thompson, N.J.
Thornton
Tiernan
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waldie
Walsh
Whalen
Widnall
Wilson, Charles, Tex.
Wolff
Wright
Wydler
Yates
Yatron
Young, Ill.
Young, Tex.
Zablocki

NOT VOTING—33

Bevill
Bingham
Blackburn
Camp
Carey, N.Y.
Cederberg
Conlan
Conyers
Dingell
Dorn
Frenzel
Gettys
Heckler, Mass.
Kazen
Kluczynski
Lujan
Minshall, Ohio
O'Neill
Pickle
Poage
Powell, Ohio
Price, Tex.
Rees
Reid
Rooney, N.Y.
Runnels
Sandman
Shriver
Stark
Stephens
Williams
Wilson, Charles H., Calif.
Young, Ga.

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

Mr. BUCHANAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I do not intend to take the time of the House, but it is my desire to offer those amendments recommended by Mr. Ash on behalf of the administration, or whatever of those amendments are not otherwise offered.

However, if we can obtain permission that they may be considered en bloc, I would be more than glad to simply offer the Ash recommendations as amendments to this bill, en bloc, if I can have that privilege.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from California.

Mr. HOLIFIELD. Mr. Chairman, under the circumstances, I think I would have to ask that the bill be open for amendment at any point, in order to accommodate the request made by the gentleman.

Mr. Chairman, I do make that request at this time. I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point. That will enable the gentleman to offer the five amendments he has referred to and thereby save the time of the House.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The bill reads as follows:

STATEMENT OF FINDINGS

SEC. 2. The Congress finds that the interest of consumers are inadequately represented and protected within the Federal Government; and that vigorous representation and protection of the interests of consumers are essential to the fair and efficient functioning of a free market economy.

ESTABLISHMENT

SEC. 3. (a) There is hereby established as an independent agency within the executive branch of the Government the Consumer Protection Agency. The Agency shall be headed by an Administrator who shall be appointed by the President, by and with the advice and consent of the Senate. The Administrator shall be a person who by reason of training, experience, and attainments is exceptionally qualified to represent the interests of consumers. There shall be in the Agency a Deputy Administrator who shall be appointed by the President, by and with the advice and consent of the Senate. The Deputy Administrator shall perform such functions, powers, and duties as may be prescribed from time to time by the Administrator and shall act for, and exercise the powers of, the Administrator during the absence or disability of, or in the event of a vacancy in the office of, the Administrator.

(b) No employee of the Agency while serving in such position may engage in any business, vocation, or other employment or have other interests which are inconsistent with his official responsibilities.

POWERS AND DUTIES OF THE ADMINISTRATOR

SEC. 4. (a) The Administrator shall be responsible for the exercise of the powers and the discharge of the duties of the Agency, and shall have the authority to direct and supervise all personnel and activities thereof.

(b) In addition to any other authority conferred upon him by this Act, the Administrator is authorized, in carrying out his functions under this Act, to—

(1) subject to the civil service and classification laws, select, appoint, employ, and fix the compensation of such officers and employees as are necessary to carry out the provisions of this Act and to prescribe their authority and duties;

(2) employ experts and consultants in accordance with section 3109 of title 5, United States Code, and compensate individuals so employed for each day (including traveltime) at rates not in excess of the maximum rate of pay for grade GS–18 as provided in section 5332 of title 5, United States Code, and while such experts and consultants are so serving away from their homes or regular place of business, pay such employees travel expenses and per diem in lieu of subsistence at rates authorized by section 5703 of title 5, United States Code, for persons in Government service employed intermittently;

(3) appoint advisory committees composed of such private citizens and officials of the Federal, State, and local governments as he deems desirable to advise him with respect to his functions under this Act, and pay such members (other than those regularly employed by the Federal Government) while attending meetings of such committees or otherwise serving at the request of the Administrator compensation and travel expenses at the rate provided for in paragraph (2) of this subsection with respect to experts and consultants;

(4) promulgate such rules as may be necessary to carry out the functions vested in him or in the Agency, and delegate authority for the performance of any function to any officer or employee under his direction and supervision;

(5) utilize, with their consent, the services, personnel, and facilities of other Federal agencies and of State and private agencies and instrumentalities;

(6) enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary in the conduct of the work of the Agency and on such terms as the Administrator may deem appropriate, with any agency or instrumentality of the United States, or with any State, territory, or possession, or any political subdivision thereof, or with any public or private person, firm, association, corporation, or institution;

(7) accept voluntary and uncompensated services, notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b));

(8) adopt an official seal, which shall be judicially noticed; and

(9) encourage the development of informal dispute settlement procedures involving consumers.

(c) Upon request made by the Administrator, each Federal agency is authorized and directed to make its services, personnel, and facilities available to the greatest practicable extent within its capability to the Agency in the performance of its functions.

(d) The Administrator shall transmit to the Congress and the President in January of each year a report which shall include a comprehensive statement of the activities and accomplishments of the Agency during the preceding calendar year including a summary of consumer complaints received and actions taken thereon and such recommendations for additional legislation as he may determine to be necessary or desirable to protect the interests of consumers within the United States. Each such report shall include a summary and evaluation of selected major consumer programs of each Federal agency, including, but not limited to, comment with respect to the effectiveness and efficiency of such programs as well as deficiencies noted in the coordination, administration, or enforcement of such programs.

FUNCTIONS OF THE AGENCY

SEC. 5. (a) The Agency shall, in the performance of its functions, advise the Congress and the President as to matters affecting the interests of consumers; and protect and promote the interests of the people of the United States as consumers of goods and services made available to them through the trade and commerce of the United States.

(b) The functions of the Agency shall be to—

(1) represent the interests of consumers before Federal agencies and courts to the extent authorized by this Act;

(2) encourage and support research, studies, and testing leading to a better understanding of consumer products and improved products, services, and consumer information, to the extent authorized in section 9 of this Act;

(3) submit recommendations annually to the Congress and the President on measures to improve the operation of the Federal Government in the protection and promotion of the interests of consumers;

(4) publish and distribute material developed pursuant to carrying out its responsibilities under this Act which will inform consumers of matters of interest to them, to the extent authorized in section 8 of this Act;

(5) conduct conferences, surveys, and investigations, including economic surveys, concerning the needs, interests, and problems of consumers which are not duplicative in significant degree of similar activities conducted by other Federal agencies;

(6) cooperate with State and local governments and private enterprise in the promotion and protection of the interests of consumers; and

(7) keep the appropriate committees of Congress fully and currently informed of all its activities, except that this paragraph is not authority to withhold information requested by individual Members of Congress.

REPRESENTATION OF CONSUMERS

SEC. 6. (a) Whenever the Administrator determines that the result of any Federal agency proceeding or activity may substantially affect an interest of consumers, he may as of right intervene as a party or otherwise participate for the purpose of representing the interests of consumers, as provided in paragraph (1) or (2) of this subsection. In any proceeding, the Administrator shall refrain from intervening as a party, unless he determines that such intervention is necessary to represent adequately the interest of consumers. The Administrator shall comply with Federal agency statutes and rules of procedure of general applicability governing the timing of intervention or participation in such proceeding or activity and, upon intervening or participating therein, shall comply with Federal agency statutes and rules of procedure of general applicability governing the conduct thereof. The intervention or participation of the Administrator in any Federal agency proceeding or activity shall not affect the obligation of the Federal agency conducting such proceeding or activity to assure procedural fairness to all participants.

(1) Except as provided in subsection (c), the Administrator may intervene as a party or otherwise participate in any Federal agency proceeding which is subject to section 553, 554, 556, or 557 of title 5, United States Code, or to any other statute or regulation authorizing a hearing, or which is conducted on the record after opportunity for an agency hearing.

(2) Except as provided in subsection (c), in any Federal agency proceeding not covered by paragraph (1), or any other Federal agency activity, the Administrator may participate or communicate in any manner that any person may participate or communicate under Federal agency statutes, rules, or practices. The Federal agency shall give consideration to the written or oral submission of the Administrator. Such submission shall be presented in an orderly manner and without causing undue delay.

(b) At such time as the Administrator determines to intervene or participate in a Federal agency proceeding under subsection (a)(1) of this section, he shall issue publicly a written statement setting forth his findings under subsection (a), stating concisely the specific interests of consumers to be protected. Upon intervening or participating he shall file a copy of his statement in the proceeding.

(c) In—

(1) any Federal agency proceeding seeking primarily to impose a fine or forfeiture which the agency may impose under its own authority for an alleged violation of a statute of the United States or of a rule, order, or decree promulgated thereunder, or

(2) any action in any court of the United States to which the United States or any Federal agency is a party,

and which in the opinion of the Administrator may sustantially affect the interests of consumers, the Administrator upon his own motion, or upon written request made by the officer or employee who is charged with the duty of presenting the case for the United States or the Federal agency in the proceeding or action, may transmit to such officer or employee all evidence and information in the possession of the Administrator relevant to the proceeding or action and may, in the discretion of the Federal agency or court, appear as amicus curiae and present written or oral argument to such agency or court.

(d) To the extent that any person, if aggrieved, would have a right of judicial review by law, the Administrator may institute, or intervene as a party, in a proceeding in a court of the United States involving judicial review of any Federal agency action which the Administrator determines substantially affects the interests of consumers, unless, where the Administrator did not intervene or participate in the Federal agency proceeding or activity involved, the court determines that the Administrator's institution of or intervention in the judicial proceeding would be detrimental to the interests of justice. Before instituting a proceeding to obtain judicial review in a case where the Administrator did not intervene or participate in the Federal agency proceeding or activity, the Administrator shall petition the Federal agency for rehearing or reconsideration of its action if the Federal agency statutes or rules specifically authorize rehearing or reconsideration. The petition shall be filed within sixty days after the Federal agency action or within such longer time as may be allowed by Federal agency procedures. If the Federal agency does not act finally upon such petition within sixty days after filing thereof, or within any shorter time, less five days, as may be provided by law for the initiation of judicial review, the Administrator may institute a proceeding for judicial review immediately. The participation of the Administrator in a proceeding for judicial review of a Federal agency action shall not alter or affect the scope of review otherwise applicable to such agency action.

(e) When the Administrator determines it to be in the interests of consumers, he may request the Federal agency concerned to initiate such proceeding or to take such other action as may be authorized by law with respect to such agency. If the Federal agency fails to take the action requested, it shall promptly notify the Agency of the reasons for its failure and such notification shall be a matter of public record. To the extent that any person, if aggrieved, would have a right of judicial review by law, the Agency may institute a proceeding in a court of the United States to secure review of the action of a Federal agency or its refusal to act.

(f) Appearances by the Agency under this section shall be in its own name and shall be made by qualified representatives designated by the Administrator.

(g) In any Federal agency proceeding to which the Agency is a party, the Agency is authorized to request the Federal agency to issue, and the Federal agency shall, on a statement or showing (if such statement or showing is required by the Federal agency's rules of procedure) of general relevance and reasonable scope of the evidence sought, issue such orders, as are authorized by the Federal agency's statutory powers, for the copying of documents, papers, and records, summoning of witnesses, production of books and papers, and submission of information in writing.

(h) The Agency is not authorized to intervene in proceedings or actions before State or local agencies and courts.

(i) Nothing in this section shall be construed to prohibit the Agency from communicating with Federal, State, or local agencies at times and in manners not inconsistent with law or agency rules.

CONSUMER COMPLAINTS

SEC. 7. (a) The Agency shall receive, evaluate, develop, act on, and transmit complaints to the appropriate Federal or non-Federal entities concerning actions or practices which may be detrimental to the interests of consumers.

(b) Whenever the Agency receives from any source, or develops on its own initiative, any complaint or other information affecting the interests of consumers and disclosing a probable violation of—

(1) a law of the United States,

(2) a rule or order of a Federal agency or officer, or

(3) a judgment, decree, or order of any court of the United States involving a matter of Federal law,

it shall take such action within its authority as may be desirable, including the proposal of legislation, or shall promptly transmit such complaint or other information to the Federal agency or officer charged with the duty of enforcing such law, rule, order, judgment, or decree, for appropriate action.

(c) The Agency shall ascertain the nature and extent of action taken with regard to respective complaints and other information transmitted under subsection (b) of this section.

(d) The Agency shall promptly notify producers, distributors, retailers or suppliers of goods and services of all complaints of any significance concerning them received or developed under this section.

(e) The Agency shall maintain a public document room containing an up-to-date listing of all signed consumer complaints of any significance for public inspection and copying which the Agency has received, arranged in meaningful and useful categories, together with annotations of actions taken by it. Complaints shall be listed and made available for public inspection and copying only if—

(1) the complainant's identity is protected when he has requested confidentiality;

(2) the party complained against has had sixty days to comment on such complaint and such comment, when received, is displayed together with the complaint; and

(3) the entity to which the complaint has been referred has had sixty days to notify the Agency what action, if any, it intends to take with respect to the complaint.

CONSUMER INFORMATION AND SERVICES

SEC. 8. (a) The Agency shall develop on its own initiative, and, subject to the other provisions of this Act, gather from other Federal agencies and non-Federal sources, and disseminate to the public in such manner, at such times, and in such form as it determines to be most effective, information, statistics, and other data concerning—

(1) the functions and duties of the Agency;

(2) consumer products and services;

(3) problems encountered by consumers generally, including annual reports on interest rates and commercial and trade practices which adversely affect consumers; and

(4) notices of Federal hearings, proposed and final rules and orders, and other pertinent activities of Federal agencies that affect consumers.

(b) All Federal agencies which, in the judgment of the Administrator, possess information which would be useful to consumers are authorized and directed to cooperate with the Agency in making such information available to the public.

TESTING AND RESEARCH

SEC. 9. (a) The Agency shall, in the exercise of its functions—

(1) encourage and support through both public and private entities the development and application of methods and techniques for testing materials, mechanisms, components, structures, and processes used in consumer services;

(2) make recommendations to other Federal agencies with respect to research, studies, analyses, and other information within their authority which would be useful and beneficial to consumers; and

(3) investigate and report to Congress on the desirability and feasibility of establishing a National Consumer Information Foundation which would administer a voluntary, self-supporting, information tag program (similar to the "Tel-Tag" program of Great Britain) under which any manufacturer of a nonperishable consumer product to be sold at retail could be authorized to attach to each copy of such product a tag, standard in form, containing information, based on uniform standards relating to the performance, safety, durability, and care of the product.

(b) All Federal agencies which, in the judgment of the Administrator, possess testing facilities and staff relating to the performance of consumer products and services, are authorized and directed to perform promptly, to the greatest practicable extent within their capability, such tests as the Administrator may request in the exercise of his functions under section 6 of this Act, regarding products, services, or any matter affecting the interests of consumers. Such tests shall, to the extent possible, be conducted in accordance with generally accepted methodologies and procedures, and in every case when test results are published, the methodologies and procedures used shall be available along with the test results. The results of such tests may be used or published only in proceedings in which the Agency is participating or has intervened pursuant to section 6. In providing facilities and staff upon request made in writing by the Administrator, Federal agencies—

(1) may perform functions under this section without regard to section 3648 of the Revised Statutes (31 U.S.C. 529);

(2) may request any other Federal agency to supply such statistics, data, progress reports, and other information as the Administrator deems necessary to carry out his functions under this section and any such other agency is authorized and directed to cooperate to the extent permitted by law by furnishing such materials; and

(3) may, to the extent necessary and authorized, acquire or establish additional facilities and purchase additional equipment for the purpose of carrying out the purposes of this section.

(c) Neither a Federal agency engaged in testing products under this Act nor the Administrator shall declare one product to be better, or a better buy, than any other product; however, the provisions of this subsection shall not prohibit the use or publication of test data as provided in subsection (b).

INFORMATION GATHERING

SEC. 10. (a) (1) To the extent required to protect the health or safety of consumers, or to discover consumer fraud or substantial economic injury to consumers, the Administrator is authorized to propose to any Federal agency, for submission to specified persons, written interrogatories or requests for reports and other related information, within such agency's authority. Such proposal shall set forth with particularity the consumer interest sought to be protected, and the purposes for which the information is sought. The Federal agency shall promptly transmit the interrogatories, or requests for reports and other related information, to the persons specified in the proposal, unless the agency determines that the interrogatories or requests—

(A) do not seek information that substantially affects the health or safety of consumers, or is necessary in the discovery of consumer fraud or substantial economic injury to consumers;

(B) are not relevant to the purposes for which the information is sought; and

(C) are unnecessarily or excessively burdensome to the Federal agency or the persons specified in the proposal.

If the Federal agency determines not to transmit the interrogatories or requests, it shall inform the Administrator promptly with a statement of the reasons therefor. Upon receipt of any responses to the interrogatories or requests, the agency shall promptly transmit them to the Administrator. When the Federal agency transmits the interrogatories or request, the recipient shall have not more than thirty days to petition the agency for reconsideration. If there is no response within a reasonable time, the agency shall initiate such action as may be necessary to compel response or otherwise obtain the information unless it determines in writing that such action would be unnecessarily burdensome to the Federal agency and would seriously impair its functions.

(2) Nothing in this subsection shall be construed to authorize the inspection or copying of documents, papers, books, or records, or to compel the attendance of any

person, or shall require the disclosure of information which would violate any relationship privileged according to law.

(3) The Administrator shall not exercise the authority under paragraph (1) of this subsection if the information sought—

(A) is available as a matter of public record;

(B) can be obtained from another Federal agency pursuant to subsection (b) of this section; or

(C) is for use in connection with his intervention in any pending Federal agency proceeding against the person to whom the interrogatories are addressed.

(4) In any judicial proceeding concerning requests or interrogatories issued under this section, the Federal agency may move to substitute the Administrator as plaintiff or defendant, and thereafter, if the court in its discretion grants such a motion, the Federal agency shall cease to be a party to such proceedings.

(b) Upon written request by the Administrator, each Federal agency is authorized and directed to furnish or allow access to all documents, papers, and records in its possession which the Administrator deems necessary for the performance of his functions and to furnish at cost copies of specified documents, papers, and records. Notwithstanding this subsection, a Federal agency may deny the Administrator access to and copies of—

(1) information classified in the interest of national defense or national security by an individual authorized to classify such information under applicable Executive order or statutes and restricted data whose dissemination is controlled pursuant to the Atomic Energy Act (42 U.S.C. 2011 et seq.);

(2) policy recommendations by Federal agency personnel intended for internal agency use only;

(3) information concerning routine executive and administrative functions which is not otherwise a matter of public record;

(4) personnel and medical files and similar files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy;

(5) information which such Federal agency is expressly prohibited by law from disclosing to another Federal agency; and

(6) trade secrets and commercial or financial information described in section 552 (b)(4) of title 5, United States Code—

(A) obtained prior to the effective date of this Act by a Federal agency, if the agency had agreed to treat and has treated such information as privileged or confidential and states in writing to the Administrator that, taking into account the nature of the assurances given, the character of the information requested, and the purpose, as stated by the Administrator, for which access is sought, to permit such access would constitute a breach of faith by the agency; or

(B) obtained subsequent to the effective date of this Act by a Federal agency, if the agency has agreed in writing as a condition of receipt to treat such information as privileged or confidential, on the basis of its determination set forth in writing that such information was not obtainable without such an agreement and that failure to obtain such information would seriously impair performance of the agency's function.

Before granting the Administrator access to trade secrets and commercial or financial information described in section 552(b)(4) of title 5, United States Code, the agency shall notify the person who provided such information of its intention to do so and the reasons therefor, and shall afford him a reasonable opportunity to comment or seek injunctive relief. Where access to information is denied to the Administrator by a Federal agency pursuant to this subsection, the head of the agency and the Administrator shall seek to find a means of providing the information in such other form, or under such conditions, as will meet the agency's objections. The Adminstrator may file a complaint in court to enforce its rights under this subsection in the same manner and subject to the same conditions as a complainant under section 552(a)(3) of title 5, United States Code.

(c) Consistent with the provisions of section 7213 of the Internal Revenue Code of 1954 (26 U.S.C. 7213), nothing in this Act shall be construed as providing for or authorizing any Federal agency to divulge or to make known in any manner whatever to the Administrator, from an income tax return, the amount or source of income, profits, losses, expenditures, or any particular thereof, or to permit any Federal income tax return filed pursuant to the provisions of the Internal Revenue Code of 1954, or copy thereof or any book containing any abstracts or particulars thereof to be seen or examined by the Administrator, except as provided by law.

LIMITATIONS ON DISCLOSURES

SEC. 11. (a) The Agency shall not disclose to the public or to any State or local agency—

(1) any information (other than complaints published pursuant to section 7 of this Act) in a form which would reveal trade secrets and commercial or financial information as described in section 552(b)(4) of title 5, United States Code, obtained from a person and privileged or confidential; or

(2) any information which was received solely from a Federal agency when such agency has notified the Agency that the information is within the exceptions stated in section 552(b) of title 5, United States Code, and the Federal agency has determined that the information should not be made available to the public; except that if such Federal agency has specified that such information may be disclosed in a particular form or manner, the Agency may disclose such information in such form or manner.

(b) No authority conferred by this Act shall be deemed to require any Federal agency to release to any instrumentality, created by or under this Act, any information the disclosure of which is prohibited by law.

(c) In the release of information pursuant to the authority conferred in any section of this Act, except information released through the presentation of evidence in a Federal agency or court proceeding pursuant to section 6, the following additional provisions shall govern:

(1) The Administrator, in releasing information concerning consumer products and services, shall determine that (A) such information, so far as practicable, is accurate, and (B) no part of such information is prohibited from disclosure by law. The Administrator shall comply with any notice by a Federal agency pursuant to section 11(a)(2) that the information should not be made available to the public or should be disclosed only in a particular form or manner.

(2) In the dissemination of any test results or other information which directly or indirectly disclose product names, it shall be made clear that (A) not all products of a competitive nature have been tested, if such is the case, and (B) there is no intent or purpose to rate products tested over those not tested or to imply that those tested are superior or preferable in quality over those not tested.

(3) Notice of all changes or additional information which would affect the fairness of information previously disseminated to the public shall be promptly disseminated in a similar manner.

(4) Where the release of information is likely to cause substantial injury to the reputation or good will of a person or company, the Agency shall notify such person or company of the information to be released and afford an opportunity for comment or injunctive relief. The district courts of the United States shall have jurisdiction over any action brought for injunctive relief under this subsection.

PROCEDURAL FAIRNESS

SEC. 12. In exercising the powers conferred in section 5(b)(4) and section 7, the Agency shall act pursuant to rules issued, after notice and opportunity for comment by interested persons in accordance with the requirements of section 553 of title 5, United States Code, so as to assure fairness to all affected parties, and provide interested persons with a reasonable opportunity to comment on the proposed release of product test data, containing product names, prior to such release.

PROTECTION OF THE CONSUMER INTEREST IN ADMINISTRATIVE PROCEEDINGS

SEC. 13. Every Federal agency in considering any Federal agency action which may substantially affect the interests of consumers including, but not limited to, the issuance or adoption of rules, regulations, guidelines, orders, standards, or formal policy decisions, shall—

(1) notify the Agency at such time as notice of the action is given to the public, or at such times and in such manner as may be fixed by agreement between the Administrator and each agency with respect to the consideration of specific actions, or when notifictaion of a specific action or proceeding is requested in writing by the Agency; and

(2) consistent with its statutory responsibilities, take such action with due consideration to the interest of consumers.

In taking any action under paragraph (2), upon request of the Agency or in those cases where a public announcement would normally be made, the Federal agency concerned shall indicate concisely in a public announcement of such action the consideration given to the interests of consumers. This section shall be enforceable in a court of the United States only upon petition of the Agency.

SAVING PROVISIONS

SEC. 14. (a) Nothing contained in this Act shall be construed to alter, modify, or impair the statutory responsibility and authority contained in section 201(a)(4) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 481(a)(4)), or of any provision of the antitrust laws, or of any Act providing for the regulation of the trade or commerce of the United States, or to prevent or impair the administration or enforcement of any such provision of law.

(b) Nothing contained in this Act shall be construed as relieving any Federal agency of any authority or responsibility to protect and promote the interests of the consumer.

DEFINITIONS

SEC. 15. As used in this Act—

(1) The term "Agency" means the Consumer Protection Agency.

(2) The words "agency", "agency action", "party", "person", "rulemaking", "adjudication", and "agency proceeding" shall have the same meaning as set forth in section 551 of title 5, United States Code.

(3) The term "consumer" means any person who uses for personal, family, or household purposes, goods and services offered or furnished for a consideration.

(4) The term "interests of consumers" means any concerns of consumers involving the cost, quality, purity, safety, durability, performance, effectiveness, dependability, and availability and adequacy of choice of goods an services offered or furnished to consumers; and the adequacy and accuracy of information relating to consumer goods and services (including labeling, packaging, and advertising of contents, qualities, and terms of sale).

(5) The term "State" includes any State or possession of the United States, the District

of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Canal Zone, Guam, American Samoa, and the Trust Territories of the Pacific Islands.

CONFORMING AMENDMENT

SEC. 16. (a) Section 5314 of title 5, United States Code, is amended by adding at the end thereof the following:

"(62) Administrator, Consumer Protection Agency."

(b) Section 5315 of such title is amended by adding at the end thereof the following:

"(99) Deputy Administrator, Consumer Protection Agency."

EXEMPTIONS

SEC. 17. This act shall not apply to the Central Intelligence Agency, the Federal Bureau of Investigation, or the National Security Agency, or the national security or intelligence functions (including related procurement) of the Departments of State and Defense (including the Departments of the Army, Navy, and Air Force) and the Atomic Energy Commission, or to a labor dispute within the meaning of section 13 of the Act entitled "An Act to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes", approved March 23, 1932 (29 U.S.C. 113) or of section 2 of the Labor Management Relations Act (29 U.S.C. 152), or to a labor agreement within the meaning of section 201 of the Labor Management Relations Act, 1947 (29 U.S.C. 171).

APPROPRIATIONS

SEC. 18. There are hereby authorized to be appropriated such sums as may be required to carry out the provisions of this Act.

EFFECTIVE DATE

SEC. 19. (a) This Act shall take effect ninety calendar days following the date on which this Act is approved, or on such earlier date as the President shall prescribe and publish in the Federal Register.

(b) Any of the officers provided for in this Act may (notwithstanding subsection (a)) be appointed in the manner provided for in this Act at any time after the date of the enactment of this Act. Such officers shall be compensated from the date they first take office at the rates provided for in this Act.

SEPARABILITY

SEC. 20. If any provision of this Act is declared unconstitutional or the applicability thereof to any person or circumstance is held invalid, the constitutionality and effectiveness of the remainder of this Act and the applicability thereof to any persons and circumstances shall not be affected thereby.

The CHAIRMAN. The Chair will state to the gentleman from California (Mr. HOLIFIELD) that he would like to dispose of the committee amendment first. Then the Chair will recognize the gentleman from Alabama (Mr. BUCHANAN) as well as other Members who wish to offer amendments.

Mr. HOLIFIELD. I thank the Chair.

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Page 18, line 6, strike out "and" and insert in lieu thereof "or".

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. HOLIFIELD. Mr. Chairman, I believe that is the only committee amendment to the text of this bill.

The CHAIRMAN. The gentleman from California (Mr. HOLIFIELD) is correct.

AMENDMENT OFFERED BY MR. WRIGHT

Mr. WRIGHT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WRIGHT: On page 10, line 6, strike out "unless" and insert "except that"; and

On line 9, strike out "determines that" and insert "shall determine whether"; and

On lines 9 and 10, strike out "or intervention in"; and

On line 10, strike out "detrimental" and insert "necessary".

Mr. WRIGHT. Mr. Chairman, I would like to say first of all, that I support the purposes and the basic philosophy of this legislation. I supported a similar bill when it was before us 2 years ago. I supported this present bill in the committee, and I want very much to be able to support a constructive, well-balanced bill on the floor of the House this year.

At the outset, I wish to compliment and congratulate the distinguished gentleman from California, the chairman of our committee, and the distinguished ranking minority member for having diligently attempted to produce a balanced piece of legislation. I believe, however, that the bill contains two major deficiencies which render their provisions out of harmony with the basic thrust of the philosophy of the legislation.

The first of those deficiencies I would correct by this amendment. The bill, as presently drafted, would grant to the consumer advocate an almost absolute right to initiate judicial review over a decision of any duly constituted regulatory agency of this Government if he unilaterally, in his independent judgment, disagreed with that decision on the part of the regularly constituted governmental agency.

The bill extends to him the right to initiate judicial review even in cases where he has not seen fit to participate in the careful, deliberative considerations that went into the rendering of the initial judgment on the part of the regularly constituted agency.

It lets him second-guess every decision of every regulatory agency of Government that is covered in the bill, whether or not he saw fit to participate in its initial deliberations.

Now, that is an unparalleled right. Nobody else has that right, not being a participant in the initial proceeding, to be able to initiate judicial review without first establishing justiciable cause or grievance.

Mr. Chairman, I think he ought to have the right to participate with full powers of advocacy in the initial proceeding. I would not diminish that right. I think he ought to have the right to participate in a judicial review if it is initiated by an aggrieved party. I think he even ought to have the right in extreme cases, where he can establish to a court that he has a justifiable cause, to initiate judicial review in cases where he has not been a party to the original proceeding. My amendment would leave these rights and powers intact.

However, I do not believe this Congress should confer upon some individual yet unnamed the blanket status of an aggrieved party without his having to establish grievance or without his having to bear any burden of proof to establish to a court that it was in the interest of justice to entertain his motion. This bill requires the court to entertain his motion except where the court could find that it was "detrimental to the interests of justice," making a negative determination. As the only illustration given in our lengthy hearings to justify such a finding as that would be the offloading of a shipment of perishable fruit.

In all other cases the consumer advocate, if he simply did not like what was decided after the hearing of the evidence and the careful weighing of all the testimony had been performed by the regularly established agency, could then set himself up as a sort of czar or preferential second guesser and haul that agency into court.

What, you may ask, is wrong with that? I think it is wrong in the first place to create a deliberate adversary relationship that pits the Government against itself. I believe it is unwise to repose this much power, unparalleled in any of our other judicial proceedings, in one man, however well intentioned he may be. I think it is wrong to burden the courts with a proliferation of litigation when they are already suffering from overcrowded dockets. I think it is wrong, finally, to subject citizens of the United States to what might amount in one sense to double jeopardy.

For all of these reasons I believe it would be in the interests of a better balanced bill, a fairer bill, and a more palatable bill, for us simply to shift that burden of proof onto him who would come in after the fact and seek to initiate a judicial review.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, at the request of Mr. ROSENTHAL, Mr. WRIGHT was allowed to proceed for 5 additional minutes.)

Mr. ROSENTHAL. Could my distinguished colleague, a member of the committee, the gentleman from Texas, tell us specifically what his amendment will do?

Mr. WRIGHT. Yes. And I will give the gentleman a copy of the amendment. It is availabe at the desk. It is exactly the same amendment that I offered in the committee, I will say to my friend from New York.

It would place upon the consumer advocate the burden to establish, if he sought to initiate a judicial review where he had not seen fit to participate initially in the administrative proceeding, that it was in the interest of justice. The court would make a determination and would not be compelled to entertain his motion.

Mr. ROSENTHAL. You find no fault with the language in the bill that permits judicial review where he appears at the initial proceeding?

Mr. WRIGHT. No. I think a party to the initial proceeding should have a right to initiate judicial review. Others have this right, and he should have it also.

Mr. ROSENTHAL. So during the course of your presentation when you referred to government against government or agency against agency, that was not really relevant to your amendment, was it?

Mr. WRIGHT. Yes. I think it is relevant, I say to my friend, and it is in this sense: We are creating in the bill, unless we adopt this amendment, a sort of superagency of the Government with the power to look over the shoulders of other agencies and let them go through with their regular orderly proceedings, and then, if he does not like them, he has the additional power to get into court and make them defend their decisions whether or not he is aggrieved and whether or not he can establish a justiciable case.

Mr. ROSENTHAL. Is the gentleman aware that the American Bar Association disagrees with that position of the gentleman?

Mr. WRIGHT. I am not at all certain. If the gentleman from New York says that it does, then I am sure he has something upon which to base such a statement, and I would certainly accept his statement, but I know a great many members of the bar who agree with my position.

Mr. ROSENTHAL. I might also point out that the Administrator of CPA, if this amendment were adopted, could defeat the purpose of the amendment by filing pro forma appearances in every instance.

The reason the committee did not adopt the gentleman's amendment is simply that we did not want to have him compelled to appear at every proceeding as a matter of form, and that we felt it would be more burdensome than in those proceedings where he was denied the right to appear to have to ask for permission to appear.

Mr. WRIGHT. Mr. Chairman, the gentleman from New York may have a point there, but I would say that our publicly stated philosophy of the bill was to give to him the same powers and rights, no more and no less, that other parties would have.

Yet in this instance the bill as drafted would give him a power that is unparalleled, because no one else has such power. Any other party, in order to come into court for judicial review, must establish first that he is aggrieved. The bill does not require the Consumer's Advocate to establish any grievance.

Mr. ROSENTHAL. He has to do two things: petition for a rehearing, and then if he is aggrieved by that rehearing, then he as to file certification in the court that the consumer interests would not be appropriately protected if he did not appear. And then he must certify that it is not burdensome.

Mr. WRIGHT. I do not disagree with what the gentleman is saying. I am simply pointing out that the bill places the burden upon the court to make a negative finding before it could decline to entertain his request for a judicial proceeding. I do not believe it ought to be done that way. It is not normally done that way, and it has not been done that way generally in the history of American jurisprudence. We ought to put the consumer advocate on the same level as everybody else. He ought to have the same rights, neither more nor less, as those against whom he would appear in an adversary relationship. I think such a change would reduce the criticism of this bill, and the fear on the part of some people that we are creating a czar.

I do not believe that there is any necessity for the polarization that has developed over this bill. Some people on the one hand have the view that all the regulatory agencies are corrupt, and that, therefore, we have to put a watchdog over them.

Mr. ROSENTHAL. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I will yield to the gentleman from New York after I complete this analysis.

As I say, there are some people who have the broad view that all of the existing agencies of the Government are corrupt, and that we have to create a watchdog to hail them into court when they do something that he does not like. Then there is the other view which holds that this is a czar who is going to ride roughshod over these agencies.

I do not think it is necessary to create that kind of polarity. I think we ought to create the careful and equitable balance of authorities and powers that will not give rise to either apprehension. And that is what I think this amendment would do.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ROSENTHAL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would like to briefly respond to my distinguished friend, the gentleman from Texas (Mr. WRIGHT).

No one who supports this bill, or no one who is in opposition to the gentleman's amendment, feels that the existing regulatory agencies are corrupt. In some cases some people feel that the regulators and the interests that are regulated have too close a relationship.

The whole thrust of this bill, the whole reason for it, the whole mandate of it, the whole necessity for it is to fill that empty consumer chair that is at the regulatory agency's quasijudicial proceeding. That is all. Nothing more than that.

What we are trying to do, and it is replete throughout this bill, is to give the advocate no more and no less rights than any other person.

In a proceeding—and the gentleman from Texas (Mr. WRIGHT) agrees with this point—in a proceeding where the administrator appears at the regulatory hearing on the agency level, he has an automatic right of appeal. Anybody ought to have that right. What we did here, and the gentleman from Texas (Mr. WRIGHT) objects to it, in the committee bill we have said that even if he did not appear at an administrative proceeding, we envision circumstances where he would not choose to appear in every proceeding, and we did not want him to have to go out and get a mimeograph machine to file pro forma appearances so that he could appear at every proceeding merely to protect his legal rights—that is an absurd legal responsibility, and impractical.

What we have done, as a good, useful and intelligent alternative to that, so that he does not have to appear at every proceeding, but if a decision comes down that he feels aggrieves a majority of the consumers, if he does not appear at every proceeding, he can go back and file a petition for a rehearing, and if he is aggrieved by this decision he can then appeal in court. And if there is a valid consumer interest involved, and if the decision is adverse to the consumer's interests, and if it would not be contrary to the interests of justice, the appeal could be granted. He is limited by the 60-day appearance before the agency, and he is limited by the reasonable laches rule.

The American Bar Association supports this proposition. Mr. Scalia, the chairman of the Administrative Conference, supports the bill's language. The amendment would change the burden of proof, and it would mandate on this administrator the responsibility to appear in every single administrative proceeding to protect his appellate rights. I think that would be impractical and an unwise thing to do.

Mr. DENNIS. Mr. Chairman, will the gentleman yield?

Mr. ROSENTHAL. I yield to the gentleman from Indiana.

Mr. DENNIS. I thank the gentleman for yielding.

It is an unusual thing for a man to have a right to appeal at all when he does not appear. I wanted to ask the distinguished gentleman if there is any criterion or standard in the bill to guide the advocate, or does he just on his own decide when he thinks he is aggrieved or someone else is aggrieved? It seems to me he confers his own jurisdiction upon himself.

Mr. ROSENTHAL. No. There are specific restrictions and limitations laid out in the bill in statutory language as to the kinds of situations that he is permitted to appear in. It defines the consumer's interests. It defines the limitations and the responsibility of certification. We do not give him any rights that responsible people would not have given under the circumstances. The only difference between Mr. WRIGHT's position and the committee's position is we say, Do not burden him with having to appear all the time; but if he finds there is a unique case in which he had not appeared and in which the consumer's interest had been aggrieved, then let him apply for a rehearing, and let him appeal. All we are giving him is the right to appear in court, no other right, no decisionmaking right, no regulatory right, no final-say right. The only right that we bestow on him is the right to go into court and make his presentation to the court.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. ROSENTHAL. I yield to the gentleman from Texas.

Mr. WRIGHT. I thank the gentleman for yielding.

I think the gentleman is making a good statement, basically a very honest statement. I think the gentleman would admit that, contrary to his early statement, this bill confers a blanket status on this consumer advocate as an aggrieved party without his having to establish that he or the interests he represents have been aggrieved. He is thus getting powers and status not conferred upon others.

Mr. ROSENTHAL. It gives him the right under the bill to petition for a rehearing and to go into court under narrowly prescribed circumstances.

Mr. WRIGHT. Would the gentleman agree that it compels the court to entertain his motion?

The CHAIRMAN. The time of the gentleman has expired.

AMENDMENT OFFERED BY MR. FUQUA AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. WRIGHT

Mr. FUQUA. Mr. Chairman, I offer an amendment as a substitute for the amendment offered by the gentleman from Texas (Mr. WRIGHT).

The Clerk read as follows:

Amendment offered by Mr. FUQUA as a substitute for the amendment offered by Mr. WRIGHT: On pages 10 and 11, delete in its entirety subsection 6(d) and its heading, and insert in lieu thereof the following new subsection (d):

"(d) Except to the extent necessary to enforce his rights, as provided in this Act, to access to information or to an opportunity to represent consumers in a proceeding or activity of another agency, the Administrator shall not have standing to seek judicial review of any decision or action of another Federal, State or Local agency."

On page 11, strike the last sentence in subsection 6(e).

Mr. FUQUA. Mr. Chairman, I rise to offer the amendment that I referred to earlier during general debate. As discussed here this evening, we are creating now a new realm of Federal judicial activity.

Congress created the Federal regulatory agencies and Congress has the responsibility in oversight matters to make sure that these agencies are carrying out the mandates of Congress. But what we are doing in the CPA bill is giving one arm of Government the right to appeal the decision of another arm of Government. When is this going to cease? We do not grant this to anybody else. We do not have any agency that goes around appealing the decisions of other agencies. We do not give other Federal agencies the same rights that the Members and I have as private citizens or as Ralph Nader has or as other interested parties enjoy.

It is a very fundamental philosophical point that the governed shall always be able to challenge the Government. And this bill changes that. We have heard about parity and about this being a balanced bill. It is not. It is tilted in favor of Government. The people who are governed, the citizens, the taxpayers should always have the right to challenge the Government.

That is what we are doing in this bill and my amendment attempts to correct that.

I think the amendment offered by the gentleman from Texas (Mr. WRIGHT) is good and I intend to support it should mine fail.

The administrative conference pointed out, although we may want to consider judicial review, we ought to make sure the Congress knows what it is doing when it gives this power. As I said earlier, I can certainly understand the American Bar Association supporting this measure, because it is going to increase the load on the court. I think we should carefully consider if an agency is not carrying out the mandate of this Congress, and it should be our responsibility to go and change that agency and give it the teeth it needs to do the job we feel it should.

So, Mr. Chairman, I urge members of this Committee to support this amendment so that we will not have Government challenging Government. This is what it does. Government challenging another agency of the Government.

This is why people are concerned. The Government will not work, because Government does not have the opportunity. There are so many other agencies of the Government which are working in behalf of the consumer. We are all concerned about the consumers' interests and this agency should have the right to formally enter the proceedings, but when the interests of the consumer have been considered and a decision rendered, then it should end and not go on endlessly in court proceedings.

I urge the adoption of my amendment.

Mr. HORTON. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Florida (Mr. FUQUA).

Mr. Chairman, we are getting into a rather technical field here and I am afraid that sometimes we might not follow what is involved as closely as might be necessary.

The amendment which has been offered by the gentleman from Florida (Mr. FUQUA) to the amendment offered by the gentleman from Texas (Mr. WRIGHT) is basically a gutting amendment.

The Wright amendment is, I think, a rather minor amendment, but I oppose it too, because I think it would create some problems and we have had testimony from the head of the Administrative Conference of the United States to that effect.

But let me try to explain what the Fuqua amendment would do so that Members understand it. The Fuqua amendment would literally take away the right of judicial review if the CPA is an aggrieved party, because what the Fuqua amendment says is:

Except to the extent necessary to enforce his rights—to access to information or to an opportunity to represent consumers in a proceeding or activity of another agency, the Administrator shall not have standing to seek judicial review of any decision or action of another Federal, State or local agency.

Now, that would limit the right of judicial review of the CPA to only those two instances. So if he appeared and was an aggrieved party, other parties would have the right of judicial review and he would be denied that. The basic foundation of American jurisprudence is that all parties are treated equally, and what we would do by the Fuqua amendment would be to remove that parity.

I hope that the Fugua amendment will be defeated, because it could deny the opportunity for the Administrator to have the same right of judicial review that other parties have.

Mr. FUQUA. Mr. Chairman, will the gentleman yield?

Mr. HORTON. I yield to the gentleman from Florida.

Mr. FUQUA. Mr. Chairman, the gentleman has said that all these parties have the same rights; but is there any other Federal agency that can sue other Federal agencies; can the gentleman cite an example?

Mr. HORTON. Oh, yes.

Mr. FUQUA. But they are very, very rare; it is not a common practice.

Mr. HORTON. Well, what we have done in the committee bill is to provide that where the Administrator has not appeared in an agency proceeding, he can have the right of judicial review, providing he meets certain unusual conditions.

The Wright amendment wants to provide an additional burden on him in the event he has not appeared.

The Fuqua amendment does not even give him that right to appear. I am sure the gentleman will agree that his amendment would provide a very unusual procedure with regard to a party to an agency proceeding.

We are not talking about when he is not a party. We are talking about when he is a party.

The Fuqua amendment is an unusual one, because it denies the right of judicial review to the Administrator when he is an aggrieved party and has appeared; is that not correct?

Mr. FUQUA. The gentleman is correct; but what we are doing, we are creating another department of Government over Federal regulatory agencies.

Mr. HORTON. I want to answer that. We are not creating another level of Government. Any party to a proceeding has the right of judicial review. It that party is aggrieved, he has a right of appeal. Now that right would be denied by the Fuqua amendment.

Mr. FUQUA. We ask that the consumer be heard in the agency and I support that right; but also I feel we should not have Government agencies taking other Government agencies to court, and particularly regulatory agencies. It has been established by this Congress that we have the oversight in what we are doing. We are transferring a regulatory right to another agency.

Mr. HORTON. The regulatory agency procedure is to hear parties; a party could be the CPA. If the CPA has been aggrieved it should have the same parity, the same fairness, as any other party.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. HORTON. I yield to the gentleman from Texas.

Mr. ECKHARDT. I think the gentleman is absolutely right. To give an example of what he is saying, what we are attempting to do here, before the Subcommittee of Commerce and Finance when we were writing the product safety bill originally, we had been urged to include a public representative within that agency. Members on the other side very properly, I think, urged that that party be built into the agency and would not be a separate part. Therefore, we accepted the bill.

The consumer representative is not a superagency. He is merely a representative, a party to the proceeding.

Mr. HORTON. That is correct.

Mr. Chairman, I urge that both the Fuqua and the Wright amendments be defeated.

Mr. WYDLER. Mr. Chairman, I rise in support of the Wright amendment.

Mr. Chairman, quite frankly, I feel very close to this amendment, because I offered what is essentially the substance of this amendment in the subcommittee when we originally were marking up this bill. There are a lot of wild statements in regard to amendments to this bill. We hear that if any amendment is offered that seeks a balance or fairness, it is going to destroy the interests of the consumer and things of this nature, which are gross overstatements.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. WYDLER. I yield to the gentleman from California.

Mr. HOLIFIELD. Is the gentleman speaking of the Fuqua amendment or the Wright amendment?

Mr. WYDLER. No; I am speaking of the Wright amendment.

Mr. HOLIFIELD. But not in support of the Fuqua amendment?

Mr. WYDLER. I do not speak in support of the Fuqua amendment. As a matter of fact, I intend to oppose the Fuqua amendment because I think it goes too far. However, I feel the Wright amendment is a very fair amendment. Quite frankly, it is a fairness amendment.

Let us understand, there is just one very simple principle involved in the Wright amendment, and that is this: After you have had your administrative proceeding below and the consumer protective advocate has not involved himself in that proceeding, and he then decides he does not like the decision that came out of that proceeding and would like to go into court, even though he has slept on his rights to that time, under the bill, as we have it, he would be allowed to do that.

The only way he could be stopped would be for the other Government agency to go into court and say, "Your Honor, we do not think you should let him come into court."

Under the Wright amendment, the consumer protective advocate himself, upon trying to go into court, after having slept on his rights, would have to convince the court in the first instance that there was some good reason why he slept on his rights and why he now wishes to go into court.

In other words, he should bear the burden of explaining his failure to involve himself in the proceedings at the first instance. It just sounds to me like elementary fairness and putting the burden on the person who should bear the burden because he slept on his rights.

Mr. Chairman, I just want to deal with one issue which seems to me to be the only significant issue or argument raised against this particular amendment. That was made by the gentleman from New York (Mr. ROSENTHAL). I call that the "mimeograph" argument. He argues that as a result of changing the burden of proof, we would require the consumer protective advocate to file a notice of appearance in every case. The answer to that is very simple. We may have forced him to do that anyway; there are requirements in the committee bill we have before us that requires him to file for rehearing and do various other things if he wants a review, so he might well decide that he is going to eliminate all that by filing a notice of appearance in every single case.

Quite frankly, that is an extreme argument. I do not think any responsible person will run the agency in that manner. I do not think in any event we will be faced with it. I do not think it is a significant argument.

I think the proposal offered by the gentleman from Texas (Mr. WRIGHT) is just elementary and fair, a fairness amendment. I really do not understand why we resist it so much. It seems to me to put the burden where it belongs.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. WYDLER. Mr. Chairman, I yield to the gentleman from Florida.

Mr. FASCELL. Mr. Chairman, it seems to me the amendment would preclude any right of appeal. I would remind the gentleman——

Mr. WYDLER. No; it does not do that at all. As a matter of fact, it is the same——

Mr. FASCELL. Let me finish the question.

Mr. WYDLER. The gentleman made a statement, and I cannot accept the statement as a premise for the question, because the statement is not a fact.

Mr. FASCELL. Mr. Chairman, I will agree the gentleman does not accept the premise. The question is whether or not, under the general rule of law which says that, if you have not exhausted your administrative remedies, you have no right in court, and if that is true and in this case the administrator of the agency not having appeared below, under what conditions under this amendment would he have a right to appear? How could he get around that obstacle?

Mr. WYDLER. Mr. Chairman, it would truthfully be exactly the same grounds in either case, because, if he is challenged under the committee bill, presumably he is going to have to go into court and put forth some good reason why he should be allowed to appeal. It is just going to be a question of the burden of proof, but the factual situation is going to be the same.

However, I believe the burden should be on the person that did not protect his rights at the administrative level. That seems to me to have always been the law, and I do not know why it should be different in this case.

Mr. HORTON. Mr. Chairman, will the gentleman yield?

Mr. WYDLER. Mr. Chairman, I yield to the gentleman from New York.

Mr. HORTON. Mr. Chairman, the reason why the committee adopted the procedure it did was to eliminate the fact that the CPA would file pro forma appearances.

Mr. WYDLER. That is the mimeograph argument.

Mr. HORTON. Well, it may be, but that is the point; that the CPA administrator would have the right to protect his rights to appear in every agency proceeding so that then he would be a party.

The CHAIRMAN. The time of the gentleman from New York has expired.

(By unanimous consent Mr. WYDLER was allowed to proceed for 1 additional minute.)

Mr. WYDLER. Mr. Chairman, I tried to deal with that, before. For all I know, he may decide to file a pro forma notice of appearance in every case in order to avoid the requirements of this section.

If we say that he will file to avoid the need for a rehearing or anything, other limitation, I think that argument does not seem to be a particularly strong argument, because he can avoid the entire effect of this section if he decides to do that, by filing a notice in every case. He may decide to do so; I do not think he will.

I do not think that a sensible, sound administrator is going to go around throwing notices of appearances in every administrative proceeding of the Federal Government, so I do not think that is a persuasive argument.

Mr. BUCHANAN. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Florida (Mr. FUQUA).

I will not take 5 minutes to explain my position, but I wish to point out to the Members of the House that a few minutes ago my distinguished leader on the Republican side, the gentleman from New York, in his concern that Members understand the amendments now before us, said that this is a technical matter.

This is the best reason I know for this committee to support the Fuqua amendment, because the fact is that what we are doing, with the powers we are giving this agency, as unamended, is that we are transferring to the overburden Federal judiciary final decisions on all sorts of technical questions that have already been settled in regulatory agencies, even in those cases where the Consumer Protection Agency did not participate in the proceedings of that agency itself.

Mr. Chairman, I say that it is an excellent argument for agreeing to this amendment.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Texas.

Mr. WRIGHT. Mr. Chairman, this is, of course, as the gentleman said, a technical thing. I think the essence of it is clearly understandable to the Members of the House by a reading of the very first clause in the subsection.

Now, the gentleman from New York

(Mr. Horton) has said that the CPA ought to have the right, if aggrieved, to institute judicial proceedings, just as any other party would. I agree with that. However, if we will read the bill, beginning at the top of page 10, it is clear. It states as follows:

> To the extent that any person, if aggrieved, would have a right of judicial review by law, the Administrator may institute * * *

In other words, it confers upon him, without any establishment of proof, the status of an aggrieved party. Nobody else in law has that status conferred upon him by legislation. Other parties must establish that they are aggrieved or that they have a justiciable case in order to institute a court review, but not this fellow.

So it is pretty simple really, when we get right down to it. We want to put him back or, rather, I would put him back in exactly the same position as everybody else against whom he might appear as an adversary.

That is what I propose.

Mr. BUCHANAN. Mr. Chairman, I wish to say that I believe this committee ought to at least support the amendment offered by the gentleman from Texas (Mr. Wright). However, I suggest it would be even better to support the amendment offered by the gentleman from Florida (Mr. Fuqua).

Mr. HORTON. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from New York.

Mr. HORTON. Mr. Chairman, I just want to make it clear that the language the gentleman from Texas was reading is basically the language of the Wright amendment. In other words, the gentleman has the same language in his amendment.

Mr. WRIGHT. The gentleman is correct.

Mr. HORTON. Mr. Chairman, the language the gentleman from Alabama referred to is the language of the Fuqua amendment, which eliminates or deletes the language which the gentleman from Texas was talking about.

Mr. BUCHANAN. Mr. Chairman, much of what I said would apply to the Wright amendment as well, because it at least limits this authority.

If the Members want to vote to burden down the already overburdened Federal judiciary and replace those agencies in which the Congress has placed its confidence to make technical decisions and decisions to protect the interests of the people and institute an agency that would willy-nilly take the rest of Government to court at the drop of a hat whenever it wishes, then the Members will vote against these amendments.

If the Members want to fully support the public interest, then we should vote for the Fuqua amendment, but if we want to improve the legislation, we should at least vote for the Wright amendment.

Mr. HOLIFIELD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I wish to take just one-half minute in order to apprise the Members that the committee believes that both the Fuqua amendment and the Wright amendment should be voted down.

Mr. GROSS. Mr. Chairman, I move to strike the necessary number of words.

Mr. Chairman, I take this time to say that after listening to the debate which has taken place in the last 45 minutes, I am beginning to wonder whether there are enough law schools in this country to turn out the lawyers that will be required to administer this bill.

Instead of a Consumer Protection Agency bill, it has the appearance of being another lawyers' welfare bill.

Mr. FASCELL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the substitute, by the admission of the sponsor, denies the right of appeal of the agency. The amendment offered by the gentleman from Texas, which would place the burden on the agency itself to prove its position in court and shift the burden to the courts to make the decision, means that the petitioner has to prove his right to the case.

Under general law, where you have not exhausted your administrative remedies, I do not see how the administrator under the language would have any right to appeal. It destroys the objective of the section and the bill. Both the Fuqua amendment and the Wright amendment, change a very fundamental concept of this legislation and both of them should be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. Fuqua) as a substitute for the amendment offered by the gentleman from Texas (Mr. Wright).

The question was taken and on a division (demanded by Mr. Fuqua) there were—ayes 48, noes 78.

RECORDED VOTE

Mr. THONE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 149, noes 241, not voting 42, as follows:

[Roll No. 139]

AYES—149

Abdnor
Archer
Arends
Armstrong
Ashbrook
Bafalis
Baker
Bauman
Beard
Bowen
Brinkley
Broomfield
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Byron
Carter
Casey, Tex.
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cochran
Collins, Tex.
Daniel, Dan
Daniel, Robert W., Jr.
Davis, Ga.
Davis, Wis.
Dennis
Derwinski
Devine
Dickinson
Downing
Duncan
Edwards, Ala.
Erlenborn
Eshleman
Fisher
Flowers
Flynt
Frey
Froehlich
Fuqua
Ginn
Goldwater
Goodling
Green, Oreg.
Gross
Gubser
Guyer
Haley
Hammerschmidt
Hanrahan
Hébert
Henderson
Hinshaw
Hogan
Holt
Hosmer
Hudnut
Hunt
Hutchinson
Ichord
Jarman
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Kemp
Ketchum
King
Kuykendall
Lagomarsino
Landgrebe
Latta
Lott
McClory
McCollister
McEwen
Mahon
Mann
Martin, Nebr.
Martin, N.C.
Mathis, Ga.
Mayne
Michel
Milford
Miller
Mizell
Montgomery
Moorhead, Calif.
Nichols
Passman
Price, Tex.
Quie
Quillen
Railsback
Rarick
Regula
Rhodes
Roberts
Robinson, Va.
Rose
Rousselot
Ruth
Satterfield
Scherle
Schneebeli
Sebelius
Shoup
Shuster
Sikes
Skubitz
Smith, N.Y.
Snyder
Spence
Stanton, J. William
Steiger, Ariz.
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thomson, Wis.
Thone
Towell, Nev.
Treen
Vander Jagt
Veysey
Waggonner
Wampler
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Winn
Wyatt
Wylie
Wyman
Young, Alaska
Young, Fla.
Young, Ill.
Young, S.C.
Zion

NOES—241

Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Aspin
Badillo
Barrett
Bell
Bennett
Bergland
Biaggi
Biester
Bingham
Blatnik
Boggs
Boland
Bolling
Brademas
Brasco
Bray
Breaux
Breckinridge
Brooks
Brotzman
Brown, Calif.
Brown, Mich.
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton
Carney, Ohio
Chamberlain
Chisholm
Clark
Clay
Cleveland
Cohen
Collier
Collins, Ill.
Conable
Conte
Corman
Cotter
Coughlin
Cronin
Culver
Daniels, Dominick V.
Danielson
Davis, S.C.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dent
Diggs
Dingell
Donohue
Drinan
Dulski
du Pont
Eckhardt
Edwards, Calif.
Eilberg
Esch
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fish
Flood
Foley
Ford
Forsythe
Fountain
Fraser
Frelinghuysen
Fulton
Gaydos
Giaimo
Gibbons
Gilman
Gonzalez
Grasso
Gray
Green, Pa.
Griffiths
Grover
Gude
Gunter
Hamilton
Hanley
Hanna
Hansen, Idaho
Harrington
Harsha
Hastings
Hawkins
Hays
Hechler, W. Va.
Heinz
Helstoski
Hicks
Hillis
Holifield
Holtzman
Horton
Howard
Hungate
Johnson, Calif.
Jones, Tenn.
Jordan
Karth
Koch
Kyros
Leggett
Lehman
Lent
Litton
Long, La.
Long, Md.
Luken
McCloskey
McCormack
McDade
McFall
McKay
McKinney
McSpadden
Macdonald
Madden
Madigan
Mallary
Maraziti
Mathias, Calif.
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Mills
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Moorhead, Pa.
Morgan
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nedzi
Nix
Obey
O'Brien
O'Hara
Owens
Parris
Patman
Patten
Pepper
Perkins
Pettis
Peyser
Pike
Podell
Preyer
Price, Ill.
Pritchard
Randall
Rangel
Reuss
Riegle
Rinaldo
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rosenthal
Rostenkowski
Roush
Roy
Roybal
Ruppe
Ryan
St Germain
Sarasin
Sarbanes
Schroeder
Seiberling
Shipley
Sisk
Slack
Smith, Iowa
Staggers
Stanton, James V.
Steed
Steele
Steelman
Steiger, Wis.
Stokes
Stratton
Stubblefield
Stuckey
Studds
Sullivan
Symington
Thompson, N.J.
Thornton
Tiernan
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waldie
Walsh
Whalen
Widnall
Wilson, Charles, Tex.
Wolff
Wright
Wydler
Yates
Yatron
Young, Ga.
Young, Tex.
Zablocki

NOT VOTING—42

Ashley
Bevill
Blackburn
Butler
Camp
Carey, N.Y.
Cederberg
Conlan
Conyers
Crane
Dorn
Frenzel
Gettys
Hansen, Wash.
Heckler, Mass.
Huber
Kastenmeier
Kazen
Kluczynski
Landrum
Lujan
Minshall, Ohio
Mosher
Nelsen
O'Neill
Pickle
Poage
Powell, Ohio
Rees
Reid
Rooney, N.Y.
Rooney, Pa.
Runnels
Sandman
Shriver
Stark
Stephens
Teague
Ware
Williams
Wilson, Charles H., Calif.
Zwach

So the amendment offered a substitute for the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. WRIGHT).

The vote was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. ROSENTHAL. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 236, noes 147, not voting 49, as follows:

[Roll No. 140]

AYES—236

Abdnor
Alexander
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Archer
Arends
Armstrong
Ashbrook
Ashley
Bafalis
Baker
Bauman
Beard
Bell
Bennett
Biaggi
Blatnik
Boggs
Bowen
Bray
Breaux
Brinkley
Broomfield
Brotzman
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Byron
Carter
Casey, Tex.
Chamberlain
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collier
Collins, Tex.
Conable
Conte
Coughlin
Daniel, Dan
Daniel, Robert W., Jr.
Davis, Ga.
Davis, S.C.
de la Garza
Delaney
Dellenback
Denholm
Dennis
Derwinski
Dickinson
Downing
Duncan
du Pont
Edwards, Ala.
Erlenborn
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Findley
Fisher
Flowers
Flynt
Forsythe
Fountain
Frelinghuysen
Frey
Froehlich
Fulton
Fuqua
Ginn
Goldwater
Gonzalez
Goodling
Gray
Green, Oreg.
Gross
Grover
Gubser
Gunter
Guyer
Haley
Hammerschmidt
Hanley
Hanrahan
Harsha
Hastings
Henderson
Hillis
Hinshaw
Hogan
Holt
Hosmer
Howard
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kemp
Ketchum
King
Kuykendall
Lagomarsino
Landgrebe
Latta
Lent
Litton
Long, La.
Lott
McClory
McCloskey
McCollister
McDade
McEwen
McKay
McSpadden
Madigan
Mahon
Mallary
Mann
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Mayne
Milford
Miller
Mitchell, N.Y.
Mizell
Mollohan
Montgomery
Moorhead, Calif.
Murphy, Ill.
Myers
Natcher
Nichols
O'Brien
Owens
Parris
Passman
Patman
Perkins
Pettis
Preyer
Price, Tex.
Quie
Quillen
Railsback
Randall
Rarick
Regula
Rhodes
Roberts
Robinson, Va.
Robison, N.Y.
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rose
Rostenkowski
Rousselot
Roy
Ruppe
Ruth
Satterfield
Scherle
Schneebeli
Sebelius
Shipley
Shoup
Shuster
Sikes
Skubitz
Smith, N.Y.
Snyder
Spence
Stanton, J. William
Steed
Steiger, Ariz.
Steiger, Wis.
Stubblefield
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thomson, Wis.
Thone
Thornton
Towell, Nev.
Treen
Van Deerlin
Vander Jagt
Veysey
Waggonner
Walsh
Wampler
White
Whitehurst
Whitten
Widnall
Wiggins
Wilson, Bob
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wydler
Wylie
Wyman
Young, Alaska
Young, Fla.
Young, Ill.
Young, S.C.
Young, Tex.
Zion

NOES—147

Abzug
Adams
Addabbo
Anderson, Calif.
Annunzio
Aspin
Badillo
Barrett
Bergland
Biester
Bingham
Boland
Bolling
Brademas
Brasco
Breckinridge
Brooks
Brown, Calif.
Burke, Calif.
Burke, Mass.
Burton
Carney, Ohio
Chisholm
Clark
Clay
Collins, Ill.
Corman
Cotter
Cronin
Culver
Danielson
Dellums
Dent
Diggs
Dingell
Donohue
Drinan
Dulski
Eckhardt
Edwards, Calif.
Eilberg
Fascell
Fish
Flood
Foley
Ford
Fraser
Gaydos
Giaimo
Gibbons
Gilman
Grasso
Green, Pa.
Griffiths
Gude
Hamilton
Hanna
Hansen, Idaho
Harrington
Hawkins
Hays
Hechler, W. Va.
Heinz
Helstoski
Hicks
Holifield
Holtzman
Horton
Johnson, Calif.
Jordan
Karth
Kastenmeier
Koch
Kyros
Leggett
Lehman
Long, Md.
Luken
McCormack
McFall
McKinney
Macdonald
Madden
Maraziti
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Mills
Minish
Mink
Mitchell, Md.
Moakley
Moorhead, Pa.
Morgan
Moss
Murphy, N.Y.
Murtha
Nedzi
Nix
Obey
O'Hara
Patten
Pepper
Peyser
Pike
Podell
Price, Ill.
Reuss
Riegle
Rinaldo
Rodino
Roe
Rosenthal
Roush
Roybal
Ryan
St Germain
Sarasin
Sarbanes
Schroeder
Seiberling
Sisk
Slack
Smith, Iowa
Stanton, James V.
Steele
Steelman
Stokes
Stratton
Studds
Sullivan
Thompson, N.J.
Tiernan
Udall
Ullman
Vander Veen
Vanik
Vigorito
Waldie
Whalen
Yates
Yatron
Young, Ga.
Zablocki

NOT VOTING—49

Bevill
Blackburn
Butler
Camp
Carey, N.Y.
Cederberg
Conlan
Conyers
Crane
Daniels, Dominick V.
Davis, Wis.
Devine
Dorn
Frenzel
Gettys
Hansen, Wash.
Hébert
Heckler, Mass.
Huber
Kazen
Kluczynski
Landrum
Lujan
Michel
Minshall, Ohio
Mosher
Nelsen
O'Neill
Pickle
Poage
Powell, Ohio
Pritchard
Rangel
Rees
Reid
Rooney, N.Y.
Rooney, Pa.
Runnels
Sandman
Shriver
Staggers
Stark
Stephens
Stuckey
Teague
Ware
Williams
Wilson, Charles H., Calif.
Zwach

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. WRIGHT

Mr. WRIGHT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WRIGHT:

On page 17, line 23, strike out "unless" and insert "if"; and

On page 18, line 1, strike out "do not"; and

On page 18, lines 5 and 6, strike out all that follows "(B)"; and insert "are relevant to the purposes for which the information is sought"; and

On page 18, line 7, after the word "are" insert "not".

Mr. WRIGHT. Mr. Chairman, this amendment is basically akin to the amendment which the committee just adopted. It is founded on the same premise, namely, that the burden of proof rightly belongs with him who seeks to gain information from the public in an interrogatory.

The bill as it is presently drafted contains this one other deficiency, in my opinion, which should be corrected. I believe if we do correct it, we will make the bill a better and more palatable, more evenly balanced and fairer legislative instrument.

The bill as presently written would permit the consumer advocate to propound an interrogatory or a request for information to any citizen of the United States and would compel that citizen to respond and give that information upon receipt of that interrogatory from the regulatory agency through which it was channeled. The bill would place upon that regulatory agency an obligation to send that interrogatory out and to compel responses from American citizens to questions relating to their business or their persons unless it were able to make some specified negative findings.

Therefore, the presumption would be that any time the consumer advocate wanted to get information from any individual, the interrogatory would be sent out and, under the bill as presently drafted, the individual presumptively would be compelled to respond.

Now, what is wrong with that? Let me explain the potential danger I see in it. All of us have been appalled and shocked, I know, by the recent disclosures of the existence in administrative Government of "enemy lists." All of us have become acutely aware of the possible menace of governmental snooperism, and apprehensive of the spectre of Big Brotherism. I do not believe it would be sound public policy for the Congress, which is so increasingly concerned with the rights of privacy and so newly awakened to insidious invasions of individual privacy, to create any agency in Government which would have a presumptive right to compel information from private citizens without first having the responsibility to demonstrate that the information it seeks is relevant to some ongoing inquiry and that it will serve some legitimate governmental purpose.

That is all this amendment involves. I would not deny to the consumer advocate the right of propounding relevant and necessary interrogatories and I would not deny to the parent agency through which those interrogatories would be sent the right to send them out and compel response, but I believe I would place the burden of proof upon him who seeks to demand information from a private citizen of the United States. I do not think I would place the burden of proof on the individual citizen, as the bill does, to prove it unnecessarily burdensome or irrelevant, because the individual citizen often has no wherewithal upon which to make that proof.

So this amendment is a protection for the individual citizen. I think it is in harmony with the basic thrust of the bill. It gives the consumer advocate power to gather information, but it does not give him unparalleled power.

Mr. HOLIFIELD. Mr. Chairman, if the gentleman will yield, the gentleman from Texas (Mr. WRIGHT), of course, as always, is very persuasive, but would not the gentleman from Texas agree that when the CPA Administrator has an interrogatory that he submits it to the old-line host agency, and that then that old-line host agency has to make the determination as to these points before the interrogatory is sent to the citizen?

Mr. WRIGHT. Yes. I think that is the way it should be. My amendment would reinforce that relationship by giving the host agency a modicum of discretion in the matter.

Mr. HOLIFIELD. And in most instances there would be no interrogatory to an individual citizen, it would be to an institution of one kind or another?

Mr. WRIGHT. Perhaps so, Mr. Chairman, but we cannot be certain of that. The bill does not so stipulate.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ROSENTHAL. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Texas.

Mr. Chairman, this amendment is another example of an unnecessary restriction on CPA authority which will only adversely affect its ability to protect the interests of consumers. In order to obtain answers to interrogatories under H.R. 13163, the CPA must transmit the interrogatories to the host agency which shall promptly transmit them to designated persons, unless it determines that they are, first, irrelevant; second, unnecessarily burdensome to the Federal agency or persons specified therein or; third, do not seek information that substantially affects the health or safety of consumers, or is necessary in the discovery of consumer fraud or substantial economic injury to consumers. The amendment reverses this and requires the host agency to make a positive determination with respect to every interrogatory transmitted to it on each of these three criteria. That is, the host agency must determine that the interrogatory in question is relevant, is not unnecessarily or excessively burdensome to the Federal agency or the person specified in the proposal, and seeks information that substantially affects the interests of consumers or is necessary in the discovery of consumer fraud or substantial economic injury to consumers.

By requiring such determinations, this amendment will create an inordinate and unnecessary amount of paperwork for host agencies, slowing down considerably the process for gathering essential and timely information from private individuals on matters of substantial interest to consumers. In its present form, section 10 contains adequate safeguards to protect the interests of persons to which interrogatories are sent. Not only may the host agency refuse to transmit an interrogatory for any of the reasons specified earlier, under section 10(3) the Administrator of the CPA may not issue interrogatories if the information is, first, available as a matter of public record; second, can be obtained from another Federal agency pursuant to subsection (b) of section 10, or third, is for use in connection with his intervention in any pending Federal agency proceeding against the person to whom the interrogatories are addressed. The amendment does not enhance the protections of private parties against improper requests for information. It merely makes it more difficult for the CPA to obtain the information to which it is entitled by enveloping CPA requests for answers to interrogatories in bureacratic redtape. This amendment can only hurt the interests of consumers.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. WRIGHT).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. BUCHANAN

Mr. BUCHANAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BUCHANAN: Page 19, line 11, strike out "pending".

Mr. BUCHANAN. Mr. Chairman, first let me say to the committee what I did not do. I do not intend to offer the numerous amendments that I had earlier intended to offer today. I did not offer the stronger amendment to the same section that the Wright amendment just amended, which Mr. Ash recommended as one alternative in his letter. The gentleman from Texas took the second alternative, of a milder amendment, and I supported that, and I am not offering the stronger. But I do want to do one thing that the administration requested of the committee and was recommended in the Ash letter, and that is, and I quote Mr. Ash:

> We understand that the sponsors of this bill do not intend to permit use of information acquired by interrogatories in Federal agency proceedings involving respondents from whom such information was acquired. The term "pending" on line 11 of page 19 is ambiguous with respect to future Federal agency proceedings and, accordingly, it should be deleted.

Mr. Chairman, this is a very modest amendment. It clarifies the purpose that I understand to be the intention of the committee already. It is an administration request and a reasonable one.

Mr. Chairman, I urge that my amendment be adopted.

Mr. HOLIFIELD. Mr. Chairman, what this amendment really does is this: It would significantly, in my opinion, limit the interrogatory powers available to the CPA through the host agency. What it does is prevent the use of information gained through interrogatories in any proceeding. It strikes out the word "pending" and says "any proceeding"—pending or otherwise—"against the person to whom the interrogatories are addressed."

The committee bill limits such use only in pending proceedings. Why should the ban on the use of information be for all kinds of proceedings? This is a significant amendment, although it just strikes out one word. A vote for this amendment in my opinion, would seriously curtail the CPA's interrogatory powers as given to it in the bill.

The Chairman, I ask for a vote against the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama (Mr. BUCHANAN).

The amendment was rejected.

Mr. WYATT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, enough is enough. We, who have given our country OSHA and NEPA and other attempts at handholding, have not learned our lesson. How much further should we go with our sloganized elixirs and academic attempts to cure every conceivable human shortcoming by Federal legislation? In my opinion, the establishment of a brand-new Consumer Protection Agency is going too far.

Probably the most significant measure of congressional reform that this or any other Congress could adopt would be to delete popular titles from pending legislation. I think that each of my colleagues might find it less traumatic to vote their objective conscience on legislation merely entitled H.R. 13163 than a bill carrying the cosmetic label, "Consumer Protection Act." The unfortunate, but traditional, tendency has been to vote for a bill with a title like "The Consumer Protection Act"—rather than attempt to explain to a constituency how one could possibly vote against "consumers."

Well, I am a consumer—and I do not intend to vote against myself—but I do intend to vote against this bill. I do so because I believe that the substance of this legislation will not ultimately protect consumers—it will injure them.

Proponents of this Consumer Protection Agency have alleged that such an independent entity; is essential to monitor all other Federal agencies. This situation exists, they claim, because all of our regulatory agencies have been "captured" by the very interests they are supposed to regulate.

My own experience does not support this hypothesis.

I am bewildered by the suggestion that all of our existing Federal agencies are in some way corrupt, and the best way to resolve this is through the creation of a new uncorruptable agency.

If there is a group of individuals waiting in the wings for the opportunity to release their ethical consumer concerns through a newly established Consumer Protection Agency—why do they not merely hire on with existing agencies and delete the unnecessary step?

We all tend to speak of "consumers" as if they were invented in the late 1960's.

We envision them as a group whose interests have been slighted and whose concerns have been ignored. But who are American consumers if they are not the same American public that Government has been serving for nearly 200 years?

We do not need a new, all-powerful Consumer Protection Agency. We already have a Federal Government, working with a $300 million budget, designed to assist consumers from cradle to grave. We particularly do not need the Consumer Protection Agency that is proposed in H.R. 13163 because its authority is loosely defined and its goals are totally uncertain.

H.R. 13163 is the proverbial "pig in a poke." It has all the cataclysmic potential of an ostensibly tame gorilla. Its unpredictable consequences should not be forced upon the country. I urge my colleagues to disregard the appealing title and vote against this unnecessary bill.

The burden we have placed on the honest businessman by way of reports and paperwork has now reached almost unbearable proportions. No one should be fooled either by this title. Someone has to pay for this big new proposed monster, and it is the taxpayer, disguised in this bill as the consumer. The consumer will ultimately pay and there is no other way.

AMENDMENT OFFERED BY MR. DENNIS

Mr. DENNIS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DENNIS: Page 11, line 16, strike out lines 16, 17, and 18 and substitute for the matter so stricken the following:

"(f) Appearances by the Agency under this section shall be made by officers of the Department of Justice under the direction of the Attorney General; except, that if the Attorney General determines that the Department of Justice should not represent the Agency in any particular proceeding or action and notifies the Administrator of his determination, the Agency may appear on its own behalf through representatives designated by the Administrator."

Mr. DENNIS. Mr. Chairman, this is a simple amendment but I think it is an important one. What it does in section 6(f) on page 11 is strike out the language which says that the Administrator, the advocate, can appear in agencies or court proceedings by his own representatives and it provides that appearance of the agency in proceedings in court or before in agency shall be made in the regular manner through the Department of Justice.

I think that is important, because one of my objections to many of the things we do around here is this fourth layer of Government, which was never contemplated by the Founders, which we have created with these regulatory agencies. In order to keep the constitutional symmetry of the Government as far as we can I think we ought to let the regular departments perform their regular functions when they can.

We have a Department of Justice which is one of the first departments of this Government we ever had, dating back to George Washington. It is designed for the purpose of representing Government agencies in court. It has a good staff, so why should we not use it?

I would like to point out this goes all the way up to the Supreme Court. The Solicitor General of the United States represents the Government in the Supreme Court of the United States. Why should he not do this instead of having some new-fangled staff created for this particular agency?

Someone said a minute ago that this was a lawyers' relief bill or something of that kind. I suppose I should not become angry if that were true, but this amendment is designed to meet that contention. I do not regard this as a consumer proposition, or a partisan proposition, or a liberal proposition, or a conservative proposition.

Maybe Members would like to proliferate agencies to take care of people, but who wants to proliferate staffs of lawyers and provide new jobs for members of the bar when we have a huge department designed for the very purpose of doing that?

I think we ought to get back to first principles. We ought to use the department, we ought to use the Solicitor General in the Supreme Court, we ought to let the normal processes operate instead of creating an expensive, new, unnecessary legal staff for this agency.

So I urge the support of the amendment on that basis.

Mr. HORTON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, in the first instance I want to point out that this is not an unusual procedure. Representation by other agencies where they have their own attorneys in court occurs in many agencies and I would like to list some of them: FCC; Department of Agriculture; Maritime Commission; Maritime Administration; and AEC in connection with certain proceedings for judicial review, subject to the overall responsibility of the Attorney General for court proceedings; the Equal Employment Opportunity Commission, except in Supreme Court cases;

The Consumer Product Safety Commission in connection with imminently hazardous product cases; the NLRB; the Wage and Hour Division of the Department of Labor, subject to the direction and control of the Attorney General; the Solicitor of Labor under the Occupational Safety and Health Act, subject to the direction and control of the Attorney General, and excepting Supreme Court cases; the Interstate Commerce Commission; the National Transportation Safety Board and the FAA upon request of the Attorney General; the Federal Trade Commission in court proceedings under the Federal Trade Commission Act may elect to appear by its own attorneys after consulting with the Attorney General. This is the Alaska Pipeline Act.

The point that should be made here is that under the act what we have done is permit the agency to appear in its own name by qualified representatives.

What the amendment proposed by the gentleman would do would give the Attorney General the opportunity to decide whether or not he was going to appear. This would mean that the CPA would have to present its case.

Well, certainly the Attorney General is going to appear for the regulatory agency involved, so it would create a conflict of interest. The committee felt that because of this possible conflict of interest that the Consumer Protection Agency should not be put in this position.

Therefore, I hope the amendment is defeated.

Mr. DENNIS. Mr. Chairman, will the gentleman yield?

Mr. HORTON. I yield to the gentleman from Indiana.

Mr. DENNIS. It seems to me that the trouble with the bill is the conflict of interest that is working against itself. It would be better to have the regular judicial department decide whether or not these questions should be taken up and litigated.

Mr. HORTON. I do not think the Government is operating against itself. The CPA is going to appear in behalf of consumer interests. If the gentleman's amendment is adopted it may put the Attorney General in a conflict of interest where the CPA would have to present its case and also the Attorney General would have the regulatory case. It would be a conflict of interest and they could not be properly represented.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana (Mr. DENNIS).

The question was taken; and on a division (demanded by Mr. DENNIS) there were—ayes 32, noes 68.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. BROYHILL OF NORTH CAROLINA

Mr. BROYHILL of North Carolina. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BROYHILL of North Carolina: Page 29, line 2 delete section 18 in its entirety and substitute in lieu thereof the following:

"There are hereby authorized to be appropriated to carry out the provisions of this Act such sums as may be required for the fiscal year ending June 30, 1975, for the fiscal year ending June 30, 1976, and for the fiscal year ending June 30, 1977."

Mr. BROYHILL of North Carolina. Mr. Chairman, this is the same amendment I offered to the substitute earlier which was adopted by a vote of 224 to 177. Unfortunately, it fell when the substitute fell.

This is an amendment that I call the Assurance of Periodic Congressional Review and Oversight of Regulatory Agencies Amendment.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL of North Carolina. I yield to the gentleman from California.

Mr. HOLIFIELD. I am constrained by the efficacy of the vote on the previous time when the gentleman presented this to say that I believe it is the will of the House that this amendment be approved. I have no objection to it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina (Mr. BROYHILL).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. ASHBROOK

Mr. ASHBROOK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ASHBROOK: Page 28, line 12, strike out "or".

Page 28, lines 13 and 14, strike out "or the national security or intelligence functions (including related procurement)of".

Page 28, line 16, strike out "and" and insert in lieu thereof ", or".

Page 28, line 17, strike out all that follows "Energy Commission" down to and including "171)." on line 25 and insert in lieu thereof a period.

Mr. ASHBROOK. Mr. Chairman, simply stated, this amendment would, in effect, reverse the Holifield bill. As it stands now, CPA is not exempted from State and Defense Department activities, and the labor disputes are exempt. The effect of this amendment would be to completely exempt the State Department and Defense Department.

Members might ask why. In the first place, how do we separate the activities of the State and Defense Departments which are proposed for exemptions under the bill? It does state that it would exempt them where there is national security and intelligence functions involved.

In a way, that is somewhat ridiculous because all the functions of the State and Defense Departments are basically integrated to further their constitutional responsibility, which is foreign relations, the foreign policy, and the national security responsibilities of the U.S. Government. How in the world do we separate those? We cannot.

Therefore, in effect, my amendment would exempt across the board the State Department and the Defense Department. As far as labor is concerned, the Holifield bill would keep the CPA out of labor dock strikes and so forth, truck boycotts, which could deprive drivers and homeowners of heating oil and gasoline. To me, this is a very interesting paradox. As far as the former portion is concerned, CPA's could become involved, in effect, in Middle East negotiations; could bring suits possibly to open up the petroleum reserves of the Navy because there is a consumer interest in availability of gasoline and of home heating oil, but if a labor dispute would be involved in the same area, the Holifield bill says, "Stay out of this particular area."

So, in effect, what this amendment does is to reverse the position of the Holifield bill to exempt the State and Defense Departments, while at the same time bringing in labor disputes as an area where CPA's could properly become involved.

Mr. DENNIS. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. Mr. Chairman, I will yield to the gentleman from Indiana.

Mr. DENNIS. Mr. Chairman, I would like to associate myself with the gentleman's amendment. I really almost defy anybody to explain why we should interfere with the Defense or the Department of State in a bill of this kind. As far as leaving labor out of the bill, as the bill does—and the gentleman's amendment would correct that—I cannot conceive how we would adopt a bill of this kind regulating every kind of business in the country in the interest of the consumer and deliberately leave out labor disputes which certainly affect consumers.

I think the gentleman is performing a real service. I would like to point out that this is the third time, I think, that I have asked the question this afternoon: What is the rationale for exempting labor? I have not had an answer yet. Does the gentleman know why the distinguished committee members did that?

Mr. ASHBROOK. I have no answer to that, not being a member of the committee. I am struck by the same apparent paradox the gentleman from Indiana cites.

I would further add, in conclusion, that it is apparent on its face that the Defense Department and Department of State are not involved in regulatory functions, and to allow the CPA's to become involved in any aspect of their overall operations, as it is fair to say the Holifield bill does, trying to exempt the national security and intelligence functions of these two Departments, but their constitutional responsibility is such that they have across-the-board, integrated responsibilities to further our foreign policy, foreign relations, or our defense capability.

How one can separate that, I do not know. I think that is the basic reason for exempting the two Departments.

Mr. HOLIFIELD. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman from Indiana (Mr. DENNIS) asked for an explanation, and I hope that I can give him one that is persuasive.

First, we will take the labor section, which the committee exempted.

The bill exempts labor disputes and labor agreements within the meaning of certain statutes codified in 29 U.S.C. 113, 152, and 171. As the first exemption, it excludes labor injunction suits under the Norris-LaGuardia Act; second, the proceedings before the National Labor Relations Board to elect or determine employee bargaining representatives and to prevent unfair labor practices; and the third is: assistance in the negotiation of labor agreements by the Federal Mediation and Conciliation Service. Your committee considered that the Consumer Protection Agency cannot make a significant contribution in such suits or proceedings, which do not involve the determination of wages, hours, or conditions of employment by the Federal courts or agencies, but only assure that these are negotiated between employers and employees themselves in accordance with fair labor practices.

Mr. Chairman, we have a body of law, a well-defined body of law, in all of these fields for procedures both by management and by labor, and I might say that we were thinking as much on behalf of management as we were on behalf of labor, because Congress has set up these laws which prescribe how to hold these determinations of representation and all that sort of thing.

We just did not think that either management or labor would want to have another agency come in and interfere with the laws and the practices which we have set up in the Congress. I think that is a pretty persuasive reason for exempting them.

Now, let us get to the national security part of this matter. The named agencies—and I will not go over them again—and national security and intelligence functions are excluded because of their sensitive nature and the remote likelihood of their direct involvement with consumer interests. Suggestions were made that entire agencies should be exempt, such as the Department of Defense and the National Aeronautics and Space Administration. Since the involvement of the CPA in an agency's affairs, in the ways prescribed in the bill, depends upon the existence of a significant and valid consumer interest—he has to prove that to begin with—we saw no point in trying to rate agencies according to the probabilities of their association with consumer matters and to determine which should be excluded and which not.

If an agency does not generate a consumer issue meriting the CPA's attention, it will be automatically excluded—like the Corps of Engineers, let us say, for instance. In any case, the CPA can participate only in those agency activities where other persons may participate in some manner under agency rules or practices.

Mr. Chairman, we felt that we were doing the right thing and the well-balanced thing, and we thought that we were actually accommodating both management and labor.

Mr. DENNIS. Mr. Chairman, will the distinguished committee chairman yield?

Mr. HOLIFIELD. Yes, I will yield.

Mr. DENNIS. Mr. Chairman, I am sure that the distinguished Chairman would concede that labor disputes certainly do attract consumer interest. The point I am making is that we have regulated everything else in connection with consumer interests.

Mr. HOLIFIELD. No.

Mr. DENNIS. Mr. Chairman, I remember a year or two ago here an instance where the people in my part of the world could not even ship their grain because of labor disputes, and here we are talking about consumers.

Mr. HOLIFIELD. Mr. Chairman, I understand that, but as I said before—and I do not want to be repetitive—we felt that the great body of labor law which has been passed by the Congress and which has functioned over the years was adequate to control these particular interchanges between labor and management, and we thought that management and labor both seem to be satisfied with it.

So we concluded: Why should we interfere in this type of matter?

Mr. Chairman, I ask for a vote against the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. ASHBROOK).

The question was taken, and the Chairman announced that the noes appeared to have it.

Mr. ASHBROOK. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

AMENDMENT OFFERED BY MS. ABZUG

Ms. ABZUG. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Ms. Abzug: Page 29, line 1, add the following new section:

"SEX DISCRIMINATION

"Sec. 18. No person shall on the ground of sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity carried on or receiving Federal assistance under this Act. This provision will be enforced through agency provisions and rules similar to those already established, with respect to racial and other discrimination, under Title VI of the Civil Rights Act of 1964. However, this remedy is not exclusive and will not prejudice or cut off any other legal remedies available to a discriminatee."

Page 29, line 2—renumber section 18 to become section 19.

Page 29, line 6, renumber section 19 to become section 20.

Page 29, line 17, renumber section 20 to become section 21.

Mr. HOLIFIELD. Mr. Chairman, will the gentlewoman yield?

Ms. ABZUG. I am glad to yield to the chairman.

Mr. HOLIFIELD. The chairman understands that this is now in the law, the nondiscrimination against sex. Is that not true?

Ms. ABZUG. No. Sex discrimination is prohibited under title 7 of the Civil Rights Act, which relates employment by firms with 15 or more employees, but sex discrimination is not prohibited under title 6, which relates to federally assisted activities. This amendment says that no person shall on the ground of sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program of this particular act.

Mr. HOLIFIELD. I will only say this to the gentlewoman: I am in the fortunate position of being married to a lady and I have four daughters and a number of grandaughters. I feel that the gentlewoman's amendment should be accepted. I want to get away from here as soon as possible and I want to have a home to go home to.

Ms. ABZUG. Thank you, Mr. Chairman.

I yield to the gentleman from New York (Mr. Horton).

Mr. HORTON. Mr. Chairman, I will accept the amendment.

Ms. ABZUG. Thank you, Mr. Horton.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from New York (Ms. Abzug).

The amendment was agreed to.

Mr. ROUSSELOT. Mr. Chairman, I move to strike the necessary number of words and rise in opposition to this bill.

Mr. Chairman, I rise to express my strong opposition to H.R. 13163, "Consumer Protection Act of 1974." In my opinion this bill could more properly be called either the "Consumer Regulation Act of 1974" or the "Special Interest Protection Act of 1974." Some Members apparently consider this legislation inevitable and intend to support it regardless of its merits, but there are three major reasons why I believe this bill should be defeated:

First. The bill is fundamentally defective, because it is based on the assumption that Congress can establish a single agency to act as an advocate for "consumers" as a class. The fact is that there are as many consumers as there are citizens, and their interests are as diverse as one can imagine. No single Federal agency could possibly represent them all.

Second. Since it is impossible for a CPA to represent the diverse interests of all consumers, it will inevitably develop that the CPA will represent some consumers while other consumers will be left unrepresented. By establishing a mechanism for the determination of the consumer interest, the CPA will provide a perfect outlet, and a $10 million yearly budget, for the lobbying activities of groups, such as those promoted by Ralph Nader, which speak in the name of consumers on behalf of special interests. Consumers whose interests happen to differ from those of the "dominant" consumer lobby of the moment will not only be left unrepresented by the CPA but will also have to overcome the handicap of having their tax dollars used to support the opposing position. I am quite sure that if this bill becomes law these consumers will feel that it is they, and not the producers of consumer goods, who are being regulated.

Third. Finally, I believe that the creation of a Consumer Protection Agency which is empowered to intervene at whim in court and administrative proceedings will create a chaotic situation which will hamper, rather than promote, the administration of justice. The ability of the CPA to hold up final determination of an issue will serve to enhance the power of the consumer lobby at the expense of denying justice to the parties involved, and to the public as well; for the public, we should remember, has an interest in the speedy resolution of legal and administrative disputes.

An additional concern with this bill has been that there will be no effective means of overseeing the activities of the monster we are creating. It was therefore extremely comforting to learn that my colleague Mr. Fuqua has appointed himself "an unofficial oversight committee of one to keep a close watch on this new agency." I should like to take this opportunity to offer whatever assistance and moral support I can contribute to this "committee's" efforts, for if this agency lives up to the expectations of those of us who oppose it today, Mr. Fuqua, and the American consumer, will need all the help they can get.

The CHAIRMAN. If there are no further amendments, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Boland, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 13163) to establish a Consumer Protection Agency in order to secure within the Federal Government effective protection and representation of the interests of consumers, and for other purposes, pursuant to House Resolution 1025, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. BUCHANAN

Mr. BUCHANAN. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. BUCHANAN. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. Buchanan moves to recommit the bill H.R. 13163, to the Committee on Government Operations.

Mr. BUCHANAN. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The question was taken.

RECORDED VOTE

Mr. HOLIFIELD. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 293, noes 94, not voting 45, as follows:

[Roll No. 141]

AYES—293

Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Arends
Ashley
Aspin
Badillo
Bafalis
Barrett
Bell
Bennett
Bergland
Biaggi
Biester
Bingham
Blatnik
Boggs
Boland
Bolling
Brademas
Brasco
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton
Carney, Ohio
Chamberlain
Chisholm
Clark
Clausen, Don H.
Clay
Cleveland
Cohen
Collier
Collins, Ill.
Conte
Corman
Cotter
Coughlin
Cronin
Culver
Daniels, Dominick V.
Danielson
Davis, S.C.
Delaney
Dellenback
Dellums
Denholm
Dent
Derwinski
Diggs
Dingell
Donohue
Downing
Drinan
Dulski
du Pont
Eckhardt
Edwards, Calif.
Eilberg
Erlenborn
Esch
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fish
Flood
Flowers

Foley
Ford
Fountain
Fraser
Frelinghuysen
Frey
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Grasso
Gray
Green, Oreg.
Green, Pa.
Griffiths
Grover
Gude
Gunter
Guyer
Hamilton
Hanley
Hanna
Hanrahan
Hansen, Idaho
Hansen, Wash.
Harrington
Harsha
Hastings
Hawkins
Hays
Hechler, W. Va.
Heinz
Helstoski
Hicks
Hillis
Hinshaw
Hogan
Holifield
Holtzman
Horton
Howard
Hungate
Hunt
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, Tenn.
Jordan
Karth
Kastenmeier
King
Koch
Kuykendall
Kyros
Lagomarsino
Latta
Leggett
Lehman
Lent
Litton
Long, La.
Long, Md.
Luken

McClory
McCloskey
McCormack
McDade
McFall
McKay
McKinney
McSpadden
Macdonald
Madden
Madigan
Mallary
Maraziti
Mathias, Calif.
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Mills
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Morgan
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nedzi
Nix
Obey
O'Brien
O'Hara
Owens
Parris
Patman
Patten
Pepper
Perkins
Pettis
Peyser
Pike
Podell
Preyer
Price, Ill.
Pritchard
Quie
Railsback
Randall
Rangel
Regula
Reuss
Rhodes
Riegle
Rinaldo
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose

Rosepthal
Rostenkowski
Roush
Roy
Roybal
Ruppe
Ryan
St Germain
Sarasin
Sarbanes
Schroeder
Seiberling
Shipley
Shoup
Sisk
Skubitz
Slack
Smith, Iowa
Snyder
Staggers
Stanton,
  J. William
Stanton,
  James V.
Steed
Steele
Steelman
Steiger, Wis.
Stokes
Stratton
Stubblefield
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, N.C.
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Veysey
Vigorito
Waldie
Walsh
Wampler
Whalen
Whitehurst
Widnall
Wilson, Bob
Wilson,
  Charles, Tex.
Winn
Wolff
Wright
Wydler
Wyman
Yates
Yatron
Young, Alaska
Young, Ga.
Young, Ill.
Young, Tex.
Zablocki

NOES—94

Abdnor
Archer
Armstrong
Ashbrook
Baker
Bauman
Beard
Bowen
Bray
Breaux
Buchanan
Burgener
Burleson, Tex.
Byron
Carter
Casey, Tex.
Chappell
Clancy
Clawson, Del
Cochran
Collins, Tex.
Conable
Daniel, Dan
Daniel, Robert
  W., Jr.
Davis, Ga.
de la Garza
Dennis
Duncan
Edwards, Ala.
Eshleman
Fisher
Flynt

Froehlich
Goldwater
Goodling
Gross
Gubser
Haley
Hammer-
  schmidt
Henderson
Holt
Hosmer
Hudnut
Hutchinson
Jones, N.C.
Kemp
Ketchum
Landgrebe
Landrum
Lott
McCollister
McEwen
Mahon
Mann
Martin, Nebr.
Martin, N.C.
Mathis, Ga.
Mayne
Milford
Miller
Montgomery
Moorhead,
  Calif.
Nichols

Passman
Price, Tex.
Quillen
Rarick
Roberts
Robinson, Va.
Rousselot
Ruth
Satterfield
Scherle
Schneebeli
Sebelius
Shuster
Smith, N.Y.
Spence
Steiger, Ariz.
Symms
Taylor, Mo.
Teague
Towell, Nev.
Treen
Vander Jagt
Waggonner
White
Whitten
Wiggins
Wyatt
Wylie
Young, Fla.
Young, S.C.
Zion

NOT VOTING—45

Bevill
Blackburn
Butler
Camp
Carey, N.Y.
Cederberg
Conlan
Conyers
Crane
Davis, Wis.
Devine
Dickinson
Dorn
Forsythe
Frenzel
Gettys

Hébert
Heckler, Mass.
Huber
Jones, Okla.
Kazen
Kluczynski
Lujan
Michel
Minshall, Ohio
Moorhead, Pa.
Mosher
Nelsen
O'Neill
Pickle
Poage
Powell, Ohio

Rees
Reid
Rooney, N.Y.
Runnels
Sandman
Shriver
Sikes
Stark
Stephens
Ware
Williams
Wilson,
  Charles H.,
  Calif.
Zwach

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Hébert for, with Mr. Sikes against.

Until further notice:

Mr. O'Neill with Mr. Crane.

Mr. Rooney of New York with Mr. Camp.

Mr. Rees with Mr. Blackburn.

Mr. Carey of New York with Mr. Devine.

Mr. Charles H. Wilson of California with Mrs. Heckler of Massachusetts.

Mr. Reid with Mr. Cederberg.

Mr. Bevill with Mr. Butler.

Mr. Pickle with Mr. Davis of Wisconsin.

Mr. Conyers with Mr. Kluczynski.

Mr. Stark with Mr. Frenzel.

Mr. Moorhead of Pennsylvania with Mr. Conlan.

Mr. Runnels with Mr. Dickinson.

Mr. Stephens with Mr. Huber.

Mr. Gettys with Mr. Lujan.

Mr. Dorn with Mr. Williams.

Mr. Jones of Oklahoma with Mr. Nelsen.

Mr. Forsythe with Mr. Powell of Ohio.

Mr. Mosher with Mr. Shriver.

Mr. Michel with Mr. Ware.

Mr. Sandman with Mr. Zwach.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks and include extraneous material on the bill (H.R. 13163) just passed.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

INTRODUCTION OF BILL TO ESTABLISH A JOINT COMMITTEE ON ENERGY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Idaho (Mr. HANSEN) is recognized for 5 minutes.

Mr. HANSEN of Idaho. Mr. Speaker, I am introducing, today, H.R. 13936, a bill to establish a Joint Committe on Energy. The new joint committee would supplant the Joint Committee on Atomic Energy, and the present statutory concept of unified thorough Committee oversight of the development of atomic energy would be expanded to include equivalent centralized consideration of research and development programs involving all energy sources and related utilization technologies.

As I explained on the floor of the House several days ago in an expression of opinion respecting the dimensions of our energy problem, I believe that before this decade has passed the posture of our energy deployment capabilities will conspicuously emerge as the number one consideration—outstripping all political, economic, and environmental factors and issues.

Recent trends indicate to me that if we do not act now to confront the long-range implications of our energy requirements as forthrightly and effectively as possible, we could experience an energy deficiency of as much as 30 percent by the mid 1930's, degenerating to an outright catastrophe by the end of this century. This dismal scenario, which amounts to National suicide, would represent an abject failure by our democratic institutions to function in a responsive manner.

I am concerned because it could happen, but enthusiastic over the prospect of organizing and instituting a comprehensive national R. & D. effort that would make such dismal eventuality improbable. But in order to avoid serious energy gaps by the mid-1980's, we must get started now.

There are two major parts to the comprehensive national energy R. & D. effort that must be organized and initiated without delay. One part is on the way. On December 19, last year, we, in the House—I am proud to say—passed a bill which, when enacted into law, will constitute an excellent framework for the formulation and execution of a fully coordinated, thorough national R. & D. program in energy fields. I refer to the ERDA bill (the Energy Reorganization Act of 1973) which would establish an independent Energy Research and Development Administration (ERDA) to exercise central responsibility for policy planning, management and conduct of R. & D. programs and projects involving all promising energy sources and utilization technologies.

ERDA would be comprised of the Atomic Energy Commission's operational and developmental expertise and facilities, the talents of the Office of Coal Research, personnel and resources of the Bureau of Mines' "energy centers" and synthane plant, and additional wherewithal transferred from other Federal agencies. By such efficient realinement and consolidation of key components of our national strength in energy R. & D., the new executive agency will quickly be prepared to deal comprehensively with all energy R. & D.—fossil fuel forms, nuclear programs, solar energy, geothermal processes, advanced conservation techniques, and other promising areas.

The Government Operations Committee in the Senate has recently completed its final round of hearings on a similar ERDA measure, and I believe the Senate will soon have the opportunity to approve an ERDA bill. ERDA has the administration's strong support, and I have every reason to be confident that the President will be pleased to sign it into law.

The other major part of the national R. & D. effort must be organized and instituted without delay would be accomplished by the bill I am introducing today.

The high degree of success of our atomic energy program has been attributable, to a great extent, to the unique congressional committee which was created in 1946 as part of the landmark Atomic Energy Act of 1946, and which has functioned continuously to this day in a manner according with the highest standards of devotion to duty and excellence that either House can set for itself. I am privileged to be a member of that committee—the Joint Committee on Atomic Energy—and my judgment respecting the membership and staff is based on long hours of study, special education, and homework on my parties well as my direct participation in the performance of the joint committee's duties for over 3 years. No potentially developable source of energy has had the careful, intensive, thorough scrutiny of the Congress that has continuously been applied to the development of atomic energy. This imbalance must now be adjusted—not to diminish the nature or extent of the congressional oversight mechanism in regard to nuclear programs, but rather to extend to the whole spectrum of potential sources of clean energy and new utilization technologies an equivalent system for complete, coordinated congressional understanding and consideration.

My bill would replace the 18-member Joint Committee on Atomic Energy with a new Joint Committee on Energy composed of 28 members, 14 from each House. The jurisdiction of the joint committee would be enlarged to encompass all energy R. & D. within the purview of our overall national energy R. & D. program. The jurisdiction would essentially parallel ERDA's scope of responsibilities, including the concept of completely separating AEC's licensing and regulatory functions from the Commission's developmental and operational activities.

In line with this concept, the Joint Committee on Energy would not have oversight responsibility in regard to nuclear licensing and related regulatory functions, except to the extent that such functions involve security or R. & D. implications. These nuclear licensing functions would be subject to normally applicable committee jurisdictions—in other words, the Interstate and Foreign Commerce Committee in the House or, under the proposed House resolution measure to restructure the committees, the Energy and Environment Committee.

Mr. Speaker, with ERDA installed in the executive branch and the Joint Committee on Energy in the Congress we will have formed the two pillars of our collective will and strength that will be necessary to support and bring to fruition our great national quest for self-sufficiency in clean energy sources. We cannot afford to do less. We cannot afford to procrastinate. These steps must be promptly and forthrightly taken.

I include as part of my remarks the text of H.R. 13936.

H.R. 13936

A bill to amend the Atomic Energy Act of 1954, as amended, in order to establish a Joint Committee on Energy

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Atomic Energy Act of 1954, as amended, is amended—

(1) by striking out "Atomic" in subsection 110.;

(2) by striking out "ATOMIC" in the chapter heading of Chapter 17;

(3) by striking out section 201 and inserting in lieu thereof the following:

"SEC. 201. MEMBERSHIP.—There is hereby established a Joint Committee on Energy to be composed of fourteen Members of the Senate to be appointed by the President of the Senate, and fourteen Members of the House of Representatives to be appointed by the Speaker of the House of Representatives. In each instance not more than eight Members shall be Members of the same political party."; and

(4) by striking out section 202 and inserting in lieu thereof the following:

"SEC. 202. AUTHORITY AND DUTY.—The Joint Committee shall make continuing studies of the activities of the Atomic Energy Commission, and of problems relating to the development, use, and control of atomic energy, excluding all aspects of the licensing and related regulatory activities of the Atomic Energy Commission other than those involving the common defense and security or research and development. The Joint Committee shall also make continuing studies of problems relating to research and development of other energy sources and energy utilization technologies, including aspects pertaining to production, transmission, storage, and conservation, and to the activities and responsibilities of Government agencies relative thereto. The Commission shall keep the Joint Committee fully and currently informed with respect to all of the Commission's activities and matters, other than the excuded licensing and related regulatory aspects referred to above. The Department of Defense and any other Government agency shall keep the Joint Committee fully and currently informed with respect to all activities of and matters within such agency relating to the development, utilization, or application of atomic energy, or to research and development of other energy sources and utilization technologies. Any Government agency shall furnish any information requested by the Joint Committee with respect to the activities or responsibilities of that agency in the field of atomic energy or in research and development pertaining to other energy sources and utilization technologies. All bills, resolutions, and other matters in the Senate or in the House of Representatives relating primarily to research and development of energy sources and utilization techniques, or to the development, use, or control of atomic energy other than the expected licensing and related regulatory aspects referred to above, shall be referred to the Joint Committee. The Members of the Joint Committee who are Members of the Senate shall from time to time report to the Senate, and the Members of the Joint Committee who are Members of the House of Representatives shall from time to time report to the House, by bill or otherwise, their recommendations with respect to matters within the jurisdiction of their respective Houses which are referred to the Joint Committee or otherwise within the jurisdiction of the Joint Committee."

SEC. 2. The International Atomic Energy Agency Participation Act of 1957 (Public Law 85–155), as amended, and all other statutes in which the term "Joint Committee on Atomic Energy" appears are amended by striking out "Atomic" in said term.

SOCIAL SECURITY AND TAX ADJUSTMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ROSTENKOWSKI) is recognized for 10 minutes.

Mr. ROSTENKOWSKI. Mr. Speaker, today, I have introduced three bills which I believe will correct certain inequities in the existing application of the Internal Revenue Code. While these bills were brought to my attention by residents of Illinois, their reach would extend far beyond the borders of my own State.

The first bill would amend title 218 of the Social Security Act to provide that a policeman or a fireman who has social security coverage pursuant to a State agreement as an individual employee and not as a member of a State or local retirement system may elect to terminate such coverage if he subsequently was required to become a member of such a local retirement system. The reason for this legislation is quite simple. The social security system has traditionally exempted employees of governmental units that were covered by an adequate alternative plan sponsored by that unit. Unfortunately, if an employee is under social security and the unit later requires that he make contributions into a newly established pension plan of the municipality, he cannot stop paying into social security. The effect of this is many growing suburban areas and small towns that have recently established municipal pension plans is that employees are forced to pay into both social security and the new plan. As a result, their net salaries in these communities are lower for the same job than in an adjoining community which had a preexisting pension plan and was thus not under social security. I think that this legislation will help eliminate this inequity which has made social security a factor to be overcome in some community's efforts to recruit top personnel.

My second bill would eliminate another duplication in the social security system.

It is designed to prevent discriminatory collection of social security and unemployment taxes with respect to an employee who, during the year, works for more than one employer. Under the bill two or more employers of the same employee, upon notice to the Internal Revenue Service, would be able to enter into an agreement whereby such employers would pay the social security and unemployment tax attributable only to that part of the employee's compensation which does not exceed the respective wage base to which such taxes apply. If neither employer pays compensation equal to the respective wage base, one employer would pay tax on his compensation to the employee and the remaining employers would pay the tax on that part of wages in excess of such compensation up to the respective wage base.

Regardless of the amount of compensation paid by each employer, the aggregate tax may be shared by the employers on whatever basis they agree.

For example, social security and unemployment taxes are imposed on wages paid to an employee with a limit on the amount subject to tax. Presently, the limitation is $13,200 for social security and $4,200 for unemployment. In some instances, an employee of related corporations may perform services of potential benefit to one or more of these corporations during the same year. In many cases, he has been treated by the Internal Revenue Service as a separate employee of each of the corporations for which he performs services, and the wages he receives are attributed to each of these corporations. As a result, the $13,200 or $4,200 limitation on wages is applied to the compensation attributed to each company separately rather than to the total compensation received by the employee. Consequently, the payroll taxes collected with respect to the employment may be, and very often are, based on compensation considerably in excess of the statutory limit. While the employee may obtain a refund of any excess social security tax paid, the employers may not. This bill prevents that hardship from occurring.

Precedent for this proposed technique for alleviating discriminatory double taxation of employers of the same employee is found in the case of railroad retirement taxes. This same principle should be adapted to other employment taxes.

My third bill would adjust the investment tax credit on leased urban mass transit properties. Under existing investment tax credit provisions, property owned or used by a governmental unit is not eligible for the 7 percent investment tax credit. This means that the Government as lessor cannot pass the tax credit through to its lessee as is normally permitted a lessor. In enacting this provision, Congress apparently did not contemplate the situation toward which this legislation is directed. Congress was concerned about the circumstances wherein public funds are solely used in making the investment in personal property, and in that case did not wish the lessee of the investing governmental unit to have the credit passed through to it by the lessor.

The situation which has come to my attention involves the investment in mass transportation equipment by the Illinois Central Railroad which, because under the Federal law they could not take ownership of the property involved, were denied the investment tax credit.

The proposed bill would permit the lessor-governmental unit to pass the credit through to its lessee of qualified urban mass transit property. The amount of the credit would be based on the private entity's payment toward the cost of the property during the first 5 years of the lease. The Federal Government's grant is not included in the computation of the investment tax credit available to the lessee.

The investments by the private entities in new commuter car equipment serve the congressional purposes in adopting the Urban Mass Transportation Act of 1964. Such purposes are: First, to assist in the development of improved urban mass transportation facilities, equipment, techniques, and methods; second, to encourage the planning and development of areawide urban mass transportation systems; and, third, to provide assistance to State and local governments in financing such systems, all with the cooperation of public and private mass transit companies. The subject bill would also be consistent with the congressional intent of the tax laws to allow the tax credit to lessees where the investment in qualified property is not made solely by a governmental unit.

The proposed legislation would aid the development of urban mass transit facilities and systems. It would offer a clear incentive to private entities engaged in the public transportation industry which are requested to bear part of the total cost of acquiring commuter equipment when the funds are not available to the local governmental authority. It would lessen the penalty incurred by the private entity in being denied ownership of the equipment and the resulting tax benefits. While Chicago appears in the forefront in illustrating the cooperative effort of public and private interests to resolve the mass transportation problems, other urban areas obviously intend to follow suit and the subject legislation would encourage such joint effort. There is ample reason to believe that Congress should view with favor this type of investment incentive designed to aid in solving a complex nationwide problem.

There is also reason to believe that such recognition would promote the development of such innovative transportation projects as sky buses, monorails, and moving sidewalks. If such incentive were available, common terminals between publicly and privately owned transportation systems could be financed by a combination of public and private moneys to provide improved facilities for the traveling public.

In one instance the Illinois Central Railroad leased commuter cars for a period of 25 years and was required to pay the nonfederal portion of the cost of 130 commuter cars in 1971 and 1972 during construction of the equipment in an amount approximating $13.3 million. The commuter line would have purchased a one-third interest in the commuter cars for $13.3 million but was unable to do so because of the requirements of the Urban Mass Transportation Act of 1964. The cars are, and must be, owned by the mass transit district involved. Had the railroad been permitted to purchase an interest in the equipment, the legislation I now introduce would be unnecessary. The railroad would have been eligibile for the tax credit on its investment and also would have been taking accelerated depreciation on the equipment. The mass transit district involved is a governmental agency without taxing power. In order to secure the one-third local or State share for construction of the equipment, the transit district had to resort to the railroad for assistance. Without the railroad's payment the project would not have proceeded.

What is also unfortunate is that the $13.3 million investment is not permitted to be included in the railroad's rate base for determining its commuter fares and, therefore, the railroad will probably receive no return on this substantial investment. The commuter operations have resulted in a loss over the last few years. The railroad's commuter operations are not expected to permit a reasonable return even on the substantial existing investment in commuter operations wholly apart from the $13.3 million investment.

I cite but one example. In the Chicago area there are other instances of the local portion of the investment in new transportation equipment being paid by the private transportation entities involved. Congress has expressed its concern about the problems in securing an efficient mass transportation system throughout the Nation. Obviously, there will be required coöperation of the governments involved and the private mass transit companies. The legislation I introduce would encourage cooperative efforts of interested parties toward resolving our mass transportation problems.

JUDICIARY COMMITTEE SHOULD CONSIDER LEGAL SERVICES

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from California (Mr. GOLDWATER) is recognized for 10 minutes.

Mr. GOLDWATER. Mr. Speaker, in both the House and the Senate, the legal services corporation bills have come out of the committees which deal with antipoverty and social problems. Thus, the House Committee on Education and Labor and the Senate Labor and Public Welfare Committee considered the legislation. At several points during the Senate debate the point was made that the Judiciary Committee should be the one considering the matter, since so much of the bill dealt with matters affecting the judicial process, the legal profession, and law enforcement.

I also am of the persuasion that the Judiciary Committee ought, at least, to have some input into the bill, some chance to influence its drafting, since the legal profession and matters relating to it affect the judicial branch of government first and foremost. I realize that the Judiciary Committee, especially in the House, is exceptionally busy this year, and has been for some time, and that this has been advanced as an argument why that committee should not discuss legal services. I ask, Mr. Speaker, what is the rush? If the Judiciary Committee cannot consider the bill this month, very well, then let us wait a few months until they can consider it. Their suggestions and advice would be invaluable, I am sure. Remember, we are talking about a permanent program, one that may last as long as our lives. In such terms, a few months matter little. Some critics have claimed this bill has the potential for socializing the legal profession in 10 or 15 years—such charges should not be taken lightly. The Judiciary Committee should be consulted when the stakes are that high.

I have culled a number of articles from the Clearinghouse Review which indicate the nature of cases concerning the judicial process in this country that legal services attorneys have gotten themselves involved in. I commend my colleagues' attention to these articles, which implicitly reveal the political bias of the legal services efforts as well:

Philadelphia Blacks Challenge Pattern of Police Harassment and Intimidation

3415. Alexander v. Rizzo, (E.D. Pa.). Plaintiffs represented by Charles H. Baron, Daniel E. Farmer, Robert B. Nicholas, William M. Eichbaum, John David Stoner, Peter W. Brown, and Harvey N. Schmidt. Community Legal Services, Inc., 313 South Juniper Street, Philadelphia, Pa. 19107. Of counsel, Harold I. Goodman, David Scholl, Bruce Endy, and Barry Permut [Here reported: 3415A Complaint (24 pp.); 3415B Memorandum of Law in Support of Plaintiffs' Motion for Leave to Take Immediate Discovery (4 pp.).]

The complaint alleges that the 600,000 black persons in Philadelphia have been subjected to a regular pattern of police harassment and intimidation in disregard of their fourth amendment rights. Plaintiffs claim that defendants have authorized and encouraged investigations of alleged crime by making wholesale, warrantless, dragnet arrests of persons as to whom there was no probable cause for believing that they had committed any crime. The complaint recites incidents where dragnet operations followed the killing of a police officer, with numerous arrests, re-arrests, and interrogation of blacks. They contend that this conduct deprived plaintiffs of their liberty without due process and the equal protection of the law guaranteed by the fourteenth amendment. They seek injunctive relief against the alleged police conduct.

Suit Seeks To Halt Police Harassment in Buffalo, N.Y.

3589. Build of Buffalo, Inc. v. Sedita, (D. N.Y.). Plaintiffs represented by Herman Schwartz, Richard Lipsitz, David Gerald Jay, Edward I. Koren, Corwin R. Putrino, 1 Niagara Square, Buffalo, N.Y. 14202. [Here reported: 3589A Complaint (26 pp.).]

Plaintiffs, in this class action, individuals and community organizations, allege police harassment over a period of several years taking the form of individual acts of violence, intimidation, humiliation, unlawful detentions usually not resulting in the filing of any charges, and other acts of police misconduct. Plaintiffs argue that the acts of the police officers and officials involved in this case are illegal, improper and unrelated to any legitimate activity in which the Buffalo Police Department, or its members may properly engage in the course of performing their duties, and that such acts violate plaintiffs' first, fourth, fifth, sixth, eighth, ninth, thirteenth, and fourteenth amendment rights, as well as rights guaranteed under Title 28 U.S.C. § 1343, and Title 32 U.S.C. §§ 1981, 1982, 1983, 1986, 1988, 1989, and 1990. Sought is declaratory and injunctive relief, mandatory damages and the appointment of a special Master as Receiver of the Buffalo Police Department.

Arrest Records of Juvenile Demonstrators Ordered Sealed and Expunged

6178. *In re* S.I.A., *formerly In re Doe,* No. Demo (1)–J–71 (D.C. Super. Ct., Fam. Div., Jan. 11, 1973). Respondents represented by Lawrence H. Schwartz, Public Defender Service, 601 Indiana Ave., NW, Washington, D.C. 20001; Stanley Herr and Julian Tepper, NLADA National Law Office, 1601 Connectcut Ave., NW, Washington, D.C. 20009, Alan K. Kaplan, 2121 Virginia Ave., NW, Washington, D.C. 20067, John Rigby, 1229 Nineteenth St., NW, Washington, D.C. 20036; Richard T. Seymour, Washington Research Project, 1823 Jefferson Pl., NW, Washington, D.C. 20036. Amicus curiae, Donald B. King, National Juvenile Law Center, St. Louis University School of Law, 3642 Lindell Blvd., St. Louis, Mo. 63108. [Here reported: 6178B Order to Seal Records (3 pp.). Previously reported: 6178A Amicus Brief (34 pp.), 5 CLEARINGHOUSE REV. 418 (November 1971).]

The court has ordered to be sealed the arrest and related records of 622 juvenile 1971 Mayday demonstrators, who were arrested but against whom charges were not pressed. The court further ordered that thereafter the "child himself and all persons, institutions or agencies having notice of this order, although not named in this order, must reply with respect to any inquiry about the child that no record exists wtih respect to such child, and the child himself may reply with respect to such inquiry that no record exists concerning him."

The sealing order covers all records generated by the arrests including all case and social records, and all law enforcement recods and files of the children. It requires the police department, social services division, court clerk and any other person or agency with knowledge of the order to seal or otherwise expunge all records in their possession concerning the child and to furnish a certificate of compliance to the court. Disclosure, receipt or use of information concerning the child in violation of this order is punishable by fine or imprisonment.

Cry of Black Youths: Harassment and False Prosecution

4450. C.O.B.Y., Inc. v. Grady (S.D. Fla., file 1970). Plaintiffs represented by James Keenan, 113 E. Parish St., Durham, N.C.; Stephen K. Johnson, Benjamin R. Patterson, 132 S.W. Avenue B, Belle Glade, Fla. 33430, (305) 996–5266. [Here reported: 4450A Complaint (13 pp.); 4450B Amended Complaint (5 pp.); 4450C Plaintiffs Memo of Law (29 pp.).].

When C.O.B.Y., a black community action group, was formed, plaintiffs solicited donations. Defendants, mayor, city manager, police chief, etc.—are now charging them with extortion. Plaintiffs argue that this bad faith prosecution has a "chilling affect" on their first amendment rights as interpreted in *Dombroski v. Pfister,* 380 U.S. 479 (1965). Hence, they contend it ought to be federally enjoined. Plaintiffs further argue that the extortion statute is overbroad, vague, and infringes on their right to free speech and should therefore be declared unconstitutional on its face. Plaintiffs, citing a long list of unprovoked police attacks in recent months, additionally seek to enjoin the harassment of Belle Glade's black citizenry.

Challenge Police Action in 1969 Berkeley Demonstrations

2442. Kessel v. Madigan, No. 51868 (D. Cal. May, 1969). Plaintiffs represented by Peter Haberfeld, Alan S. Koenig, Carol Ruth Silver, Don P. Kates, Jr., Laurence Duga, Doron Weinberg and Thomas Frank, Berkeley Neighborhood Legal Services, 2229 Fourth Street, Berkeley, Calif. [Here reported: 2442C Plaintiffs' Memorandum (17 pp.); 2442D Answer and Counterclaim (19 pp.); 2442G Plaintiffs' Answer to Counterclaim (3 pp.). Previously reported: 2442A Complaint (25 pp.); 2442B Supplemental Memorandum (7 pp.), 3 Clearinghouse Rev. 146 (Oct. 1969).]

In a class action suit growing out of police conduct during 1969 Berkeley, California demonstrations, plaintiffs sought preliminary injunctive relief against defendants from engaging in alleged unlawful police action. Plaintiffs alleged violations of the first, fourth, eighth, and fourteenth amendments, and 42 U.S.C. §§ 1983–88.

In reply to defendants' motion to dismiss, plaintiffs argue that their case is not mooted by the possibility that defendants may refrain from repeating their unlawful conduct in the future, or because of changed circumstances which presently prevent defendants from engaging in such conduct, since the previous unlawful conduct has the present and continuing effect of deterring plaintiffs from engaging in constitutionally protected activities. Further, plaintiffs contend that they have presented a claim upon which relief can be granted under the Civil Rights Acts. Defendant answered that a September 19, 1969, order dismissing the complaint on the merits is *res judicata;* that suits for damages provide an adequate remedy at law precluding equitable relief sought; and that all incidents alleged, if they did occur, occurred during a "period of the existence of a state of extreme emergency" in Berkeley, and were justified by "the existence of probable cause for arrest, reasonable misunderstanding of law or fact, or the duty of central riots and unlawful demonstrations."

Plaintiffs answered defendants' counterclaim for declaratory and injunctive relief arguing that the counterclaim does not invoke the court's jurisdiction, fails to join indispensable parties, fails to present a case or controversy and does not state a claim upon which relief can be granted.

Adult Attempts to Expunge Juvenile Arrest Record of Specific Charges

4437. Dugan v. Camden Police Department, L 3 5503–68 PW and A–1560 (N.J. Super. Ct., App. Div., filed Aug. 3, 1970). Plaintiffs represented by David H. Duggan, III, Camden Regional Legal Services Inc., 647 Viola St., Camden, N.J. 08104. (609) 966–1132. On the brief: Leonard H. Wallach, Allen S. Zeller, Michele Bates. Of counsel, Leonard H. Wallach, Law Student Clinic, Rutger Law School Bldg., Point and Pearl Sts., Camden, N.J. 08102, (609) 964–2012. [Here reported: 4437A Complaint (3 pp.); 4437B Answer (1 p.); 4437C Pre-Trial Brief (10 pp.); 4437D Super. Ct. Judgment (2 pp.); 4437E Brief of Plaintiff-Appellant (18 pp.).]

Plaintiff brings an action to have his arrest record expunged and to supplement it with a past finding of juvenile delinquency. Dugan's police records reflect that when he was seventeen he was arrested and charged with indecent assault on a minor, later amended to disorderly conduct.

While the trial court recognized that it was the public policy to protect juveniles against the stigma attached to a criminal offense committed while a juvenile, that a juvenile court could not adjudicate a specific charge, and even after stating "I am going to grant you the relief you are after," all the court would do was supplement the record with the finding of juvenile delinquency, not expunge the arrest charges.

On appeal Dugan argues that both legislative policy and a state supreme court decision prohibit the indiscriminate and uncontrolled disclosure of juvenile indiscretions, and therefore, his record must reflect only a finding of delinquency, not the specific offense charged. He argues that since his police record violates state law, he is thereby deprived of his equal protection rights. Finally plaintiff argues that since the trial court scheduled the case for trial prior to his motion for summary judgment return date, he was deprived of its procedural value in violation of equal protection of the law.

Police Harassment of Yippies Challenged as Improper Police Activity

2863. Manis v. Donovan, (N.D.N.Y., filed Jan. 1970). Plaintiff represented by Onondaga Neighborhood Legal Services, Inc., 227 Gifford Street; Syracuse, N.Y. 13202. [Here reported: 2863A Complaint (5 pp.).]

Plaintiff maintains a class action consisting of all residents of Onondaga County who evidence through long hair, unconventional dress and flower-decorated cars, an unorthodox hippie appearance. Defendants are members of the New York State Police. Plaintiff asserts that the defendants have subjected and are subjecting plaintiff and members of his class to a pattern of conduct consisting of harassment, intimidation, and humiliation solely on account of their appearance and exercise of an unpopular life style. He alleges that a defendant police officer stopped plaintiff, who was driving his auto, and verbally harassed plaintiff and searched his auto without a warrant. Plaintiff claims that he was deprived of his right to freedom from illegal search as secured by the Fourth and Fourteenth Amendments and 42 U.S.C. § 1983. He asserts that although defendants have knowledge of the systematic pattern of harassment and intimidation inflicted upon members of plaintiff's class, defendants have refused to take any disciplinary action. The complaint alleges that the acts of harassment have no justification and are unrelated to proper police activity. Plaintiff claims that he has suffered mental anguish and public humiliation, and demands damages and injunctive relief enjoining defendants from such a pattern of harassment and illegal searches.

Seek to Enjoin City Council Paying For Legal Defense of Police Indicted by Federal Grand Jury

5608. Cruz v. Los Angeles City Council (Cal. Super. Ct., Los Angeles County, March 24, 1971). Plantiffs represented by Errol J. Gordon, Stanley P. Berg, 1006 E. Pacific Coast Highway, Long Beach, Cal. 90806, (213) 591-8771; Kenyon F. Dobberteen, Toby Rothschild, Los Angeles Neighborhood Legal Services of East Los Angeles, 5228 Whittier Blvd., Los Angeles, Cal. 90022, (213) 266–6550; Mason, Breyer, Bryant, Dikles and Randolph, Los Angeles Neighborhood Legal Services of Watts, 10925 S. Central Ave., Los Angeles, Cal. 90002, (213) 564–6971; Carl E. Jones, 1140 Crenshow Blvd., Los Angeles, Cal. 90008, (213) 931–1423; Anthony Castanares, 639 S. Spring St., Los Angeles, Cal. 90014, (213) 627–8822. [Here reported: 5608A Petition for Writ of Mandate (9 pp.); 5608B Points and Authorities (22 pp.).]

Plaintiffs, minority citizens and taxpayers of Los Angeles, seek a writ of mandate and injunctive relief to prevent the Los Angeles City Council from providing funds for the legal defense of three city policemen indicted by a federal grand jury. The policemen were indicted under 18 U.S.C. § 242 for violation of Mexican-American citizens' civil rights during a shooting incident. Subsequently the Los Angeles City Council held a hearing on the matter and voted to provide funds for the legal defense of the indicted policemen finding specifically that they acted in good faith within the scope of their employment and in the public's interest as statutorily required before funds can be made available.

Plaintiffs contend that the City Council's decision was an abuse of its discretion because it was based on incompetent evidence which violated due process gurantees. Plaintiffs also argue that the Council's actions violate the supremacy clause asserting that individual's civil rights as protected by federal statutes supersede any interest the city might have in providing legal funds pursuant to a state statute. Standing is based on plaintiffs' status as taxpayers and as members of the class protected by the civil rights statute under which the policemen were indicted. Plaintiffs regard a writ of mandate as a proper remedy since the Council acted as an adjudicatory administrative body by holding a fact finding hearing. Further, plaintiffs' requested injuction is intended to restrain the alleged illegal disbursement of municipal funds.

CHALLENGE REPEATED ARRESTS OF HIPPY MINORS

4529. Youth Coalition for Self-Deefnse v. Berkeley Police Department, Civ. No. C–701682LHB (N.D. Cal. August 7, 1970). Plaintiffs represented by B. E. Bergensen, III, Barbara Rhine, Youth Law Center, 795 Turk St., San Francisco, Cal. 94102, (415) 474–5865; Stephen M. Bingham, Carol Ruth Silver, Alan S. Koenig, Berkeley Neighborhood Legal Services, 2229 Fouth St., Berkeley, Cal.; Joseph C. Rhine, 2424 Pine St., San Francisco. Of counsel, Susanne Martinez, Thomas McPherson, Jeffery Stearnes, 795 Turk St., San Francisco, Cal. [Here reported: 4529C Reply Brief (23 pp.). Previously reported: 4529A Complaint (20 pp.); 4529B Memorandum of Points and Authorities (43 pp.), 4 Clearinghouse Rev. 384 (December 1970).]

Plaintiff, a coalition of community organization, filed a class action alleging that the Berkeley Police Department engaged in a deliberate policy of indiscriminately arresting minors of hip appearance, purportedly under the authority of California Law providing for the apprehension of minors who are absent from their homes without parental consent, or who are not subject to adequate parental or adult supervision. The police allegedly had not attempted to restrict their arrests to minors who are ill or under the influence of drugs or alcohol, or who are suspected of committing a crime. Plaintiff contends that this policy violates the privileges and immunities and commerce clauses and the first, fourth, sixth, eighth, ninth and fourteenth amendments of the Constitution.

In its reply brief, plaintiff stressed that the state law fails to meet the constitutional requirement that statutes infringing on freedom of association must be narrowly drawn to define and punish specific conduct as constituting a clear and present danger to a substantial interest of the state, and that the police's "dragnet" approach to implementing the law ignores the fourth amendment's protection against arrest without reasonable cause. Moreover, plaintiff asserts that "(t)he harmful and chilling effect of First Amendment rights by the Berkeley Police Department is manifest, and unless enjoined, will go far towards the creation of a police state." Plaintiff seeks a declaratory judgment, an injunction against further administration of a policy of indiscriminate arrests, and deletion of arrest records already compiled.

Dismissal of Disorderly Conduct Charge for Calling Policeman a "Pig"

7140. Kansas City v. Wilcott, No. 0471 (Mo. Cir. Ct., Dec. 11, 1971). Defendant represented by James A. Kushner, Legal Aid and Defender Society of Greater Kansas City, Inc. 2920 E. 31st St., Kansas City, Mo. 64128, (816) 861 9388. [Here reported: 7140A Partial Transcript on Proceedings (7 pp.); 7140B Suggestions in Support of Defendant's Motion to Quash the Information and Dismiss the Action (13 pp.); 7140C Defendant's Request for Findings of Fact and Declaration of Law (2 pp.); 7140D Suggestion in Opposition to Motion to Quash and Dismiss (5 pp.); 7140E Reply Suggestions in Support of Defendant's Motion to Quash the Information and Dismiss the Action (4 pp.).]

The court held that calling a police officer a "pig" is constitutionally protected speech. Although the court recognized that the word is offensive and insulting, it was uttered without the necessary intent to provoke a breach of the peace. The judge accordingly sustained the motion to quash and dismiss the action.

Defense counsel argued that Section 26.10 of the Kansas City Code was vague in violation of due process. The ordinance does not state the kind of conduct nor the necessary facts that constitute an intent to provoke a breach of the peace. It also fails to inform the defendant of the nature and the cause of the accusation in violation of the sixth amendment. Its vagueness allows for the selective and discriminatory enforcement by the prosecution.

The mere utterance of the word "pig" in the presence of a police officer rendered the defendant liable for disorderly conduct under the ordinance. Such restriction of speech is not justified by the clear and present danger test. Thus, the ordinance abridged the defendant's first amendment guarantee to freedom of speech.

Amicus Brief Supports Expungement of Juvenile Arrest Records Arising From "May Day" Arrests

6178. *In re* Doe (D.C. Super. Ct., Juvenile Branch, 1971). Amicus curiae, Donald B. King, National Juvenile Law Center, St. Louis University School of Law, 3642 Lindell Blvd., St. Louis, Mo. 63108, (314) 533–8868. [Here reported: 6178A Amicus Curiae Brief (34 pp.).]

This case concerns the expungement of juvenile arrest and court records. The case arose out of the May Day demonstrations in Washington, D.C., where the police procedures resulted in the mass arrest of many juveniles whose cases eventually came under the jurisdiction of the juvenile court. Although charges have been dismissed or apparently will be dismissed against the class of individuals represented by petitioners, their police records remain and, in some instances, have been released to the police departments in their home towns.

Petitioners have filed this action to expunge these records. Their arguments include the following: maintenance of the arrest records seriously impairs substantial juvenile rights, no public interest is served by keeping the records, the unique circumstances surrounding the arrests dictates expungement, due process is violated because there has either been no petition filed or no adjudication hearing held. maintenance of the records serves as an indirect restraint on the exercise of constitutional rights, and the juvenile court philosophy supports expungement. It is important to note that the amicus brief contains a fairly detailed bibliography of materials relevant to the question of expungement of juvenile records.

QUESTIONS ABOUT GREECE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. FRELINGHUYSEN) is recognized for 10 minutes.

Mr. FRELINGHUYSEN. Mr. Speaker, early last February, I spent a day and a night in Athens, en route to the Middle East, South Asia, and Vietnam. In the brief time at my disposal, I met with the Greek Prime Minister and their foreign minister, both of whom received me with the utmost courtesy. I conferred also with Ambassador Tasca and members of his staff, and met informally with a group of distinguished exparliamentarians.

My overall impression of the current Greek political scene, on the basis of this limited exposure, is one of uneasiness, mixed with foreboding. The mood of confidence which was evident at the time of my previous visit, in the fall of 1971, has changed to one of uncertainty and drift. Exactly where the Government of Greece is drifting is not clear—in fact, just who actually controls that government is difficult to discern.

I make these observations reluctantly, Mr. Speaker, and with some misgivings. Certainly I have no desire to promote unconstructive congressional reactions, which would serve only to exacerbate an already sensitive and complex United States-Greek relationship. As Members will recall, I have consistently opposed a course of confrontation with the military leadership of Greece by congressional fiat. I have argued against the imposition of rigid limitations on the President's ability to deal with this problem on a discretionary basis, as I have felt such restrictions were not helpful in bringing about the internal changes which we seek, but which we cannot impose. It has seemed to me wiser to maintain our contacts with those in power, rather than arbitrarily to negate whatever influence we may still have with the Government of Greece.

What is clear to me, after my most recent discussions with Greek and American officials, is that at the present time there is no movement—or even a pretense of movement—toward elections, nor even toward a more diversified political representation within the government structure.

Some promises were made just after the November coup, but there is now no such talk. Although there were indications that Prime Minister Papadopoulos was making a serious effort to broaden his political base before his overthrow last fall, this is now a subject of purely academic interest. For the moment at least, there appears to be little ambiguity about the present government's position on this important issue.

Other ambiguities, however, remain. An attempt has apparently been made to enhance the government's image by placing reputable civilian officials in key positions, but it is obvious, even to an outsider, that these individuals are charged with implementing rather than formulating official policy. At the same time, I should add, even the government's critics indicated to me that these civilian leaders, unlike some of their predecessors, are untainted by charges of corruption or scandal. This is, however, only one bright spot on an otherwise clouded horizon.

Rumors abound that a power struggle is currently in progress, and that the military is now divided into competing factions, with no one group in a position of dominance. This, in turn, may be contributing to a state of temporary governmental paralysis.

In the meantime, there are indications that the alienation of citizens from their government is spreading, not only among students and intellectuals as in the past, but also among the previously quiescent middle class. Inflation, which had been kept under fair control prior to 1973, is now an additional complication. Gasoline, for instance, sells for $2.50 per gallon, the highest rate in Europe.

There could be real danger, Mr. Speaker, if there should be growing opposition from moderate elements in the Greek political spectrum. Such a development could be given impetus by the recent arrest of the former Center Union political leader, George Mavros. One can only wonder what conceivable purpose that arbitrary, ill-advised action was intended to achieve.

Through the years of the Papadopoulos regime the U.S. Government evolved a policy that protected the mutual security interests of both Greece and the United States, particularly in the context of our NATO relationship. Our policy also has reflected America's fundamental belief that these security interests would best be served over the long-run if Greece would return to a government enjoying broad popular support. Since experience has shown that the evolution of the political situation in any country depends largely on internal developments brought about by its own people, that is probably the best policy for the United States to continue to adhere to.

Recently, Secretary Kissinger, in his confirmation hearings before the Senate, discussed the nature of this country's role in the internal developments in other countries. While not discussing the Greek situation directly, the Secretary did set out the guidelines that underlie our policy. His comments on the issue of human rights are particularly relevant:

> There is no question about where we stand on this issue morally and individually. Nor is there any question about where we stand as a government. We favor the exercise of human freedoms by all countries. The difficulty arises as to what the United States as a government should do in the conduct of our foreign policy, and to what extent we should make specific results dependent on essentially domestic developments in various countries.
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> "This is a hard question to answer in the abstract. But on the whole, our principle has been that we should focus our first attention on the exercise of the foreign policy of the countries with which we are dealing.

The Secretary went on to comment that this view of the conduct of foreign relations would not preclude us in our individual capacities—obviously enhanced if one happens to hold an official position—from pointing out to foreign leaders the impact of certain developments in their country on their relations with the United States, and on the public conscience in the United States. That, Mr. Speaker, is the pure and simple intent of my remarks today.

THE FERTILIZER SHORTAGE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. RAILSBACK) is recognized for 5 minutes.

Mr. RAILSBACK. Mr. Speaker, over the past several weeks, I have heard from and met with many Illinois farmers who are facing very real problems obtaining fertilizer. Small independent suppliers are losing their usual allotments, and many of their customers are then faced with no source of supply at any price. Those who are fortunate enough to obtain supplies are having to pay inflated prices. Many of these customers are small farmers.

On March 21, the Department of Agriculture issued a report on the present supply of fertilizer in relation to current demand. The report shows nitrogen in the tightest supply position. A total of 44 States report a nitrogen shortage; 41 States indicate a phosphate shortage; and 39 States report a potash shortage. Shortages of mixed fertilizer were reported by 42 States.

I am deeply concerned about the shortages indicated in this report, and the consequences for the American farmer, the consumer, and our overall economy

This year, the Department of Agriculture has urged all-out crop production, and the American farmer is eager to comply. The demand for U.S. farm products is at an all-time high, both from domestic and foreign markets.

But the expectation of a greatly increased harvest this year is seriously threatened by the fertilizer shortage. Fertilizer is a basic agricultural input. American agricultural yields are highly dependent upon fertilizer; 96 percent of our planted acreage is fertilized, and added nutrients may account for 30 percent of our annual yield.

Since 1970 domestic consumption of fertilizer has reached 40 millions tons a year. This year, with 20 million additional acres available for cultivation, fertilizer demand has risen 10 to 12 percent.

Approximately 60 American firms operating about 90 plants produce nitrogen fertilizer. They are currently operating at 95 percent of capacity and will produce 5 to 8 percent more fertilizer this year than they did in 1973. The 30 plants which produce phosphate fertilizer are also operating near capacity, although their production will increase only slightly over the 1973 figure.

Unfortunately, this leaves the U.S. fertilizer supply far short of current demand. The Department of Agriculture predicts a 5 percent shortage of nitrogen fertilizer in 1974. The fertilizer industry puts the figure at 15 percent. The industry feels that the Department is presenting too optimistic an estimate, while the Department claims that the industry has over-estimated the farmers' needs and that individual farmers have placed orders in several places, not expecting all of them to be filled.

Regardless of which forecast one accepts, the fact remains that a serious shortage exists, and the American farm harvest will be less because of the shortage. In fact, the grain harvest may be 22.5 million tons less than it would be if fertilizer demands could be met. Should this be the case, predictions that food prices will level off later this year may not materialize. There will be less food than anticipated in the marketplace, and it will eventually cost the consumer more. The Government must take action to minimize the economic impact of the fertilizer shortage on our economy.

The fertilizer shortage is worse than it has to be in certain parts of the country because the distribution system is not functioning efficiently. Shipments are not reaching their final destinations at the crucial time. Farmers must have fertilizer available locally at the right moment to assure high crop yields.

I was encouraged a few weeks ago by Secretary Butz' request that the Interstate Commerce Commission designate 4,000 additional rail cars to transport fertilizer from Florida to the Midwest. But the response by the ICC was disappointing. The agency allocated only 1,100 rail cars. We just cannot allow transportation bottlenecks to hinder the movement of available fertilizer supplies, reduce our harvest, and cause further increases in food prices.

As a partial, short-term solution to the fertilizer shortage, the industry should be encouraged to buy as much fertilizer as possible on the world market. Some fertilizer is now available from international markets, though at prices substantially higher than U.S. prices. Perhaps to avoid large discrepancies in price between supplies that are imported and those produced by domestic plants, suppliers could blend their foreign and domestic supplies and average their prices.

As a long-range solution, the Government must encourage expansion of the domestic fertilizer industry, especially the production of nitrogen fertilizer. Businessmen will not invest millions of dollars in the construction of new fertilizer until they are assured of a constant, adequate supply of natural gas—the basic ingredient from which nitrogen fertilizer is made. It is clear the Government must rethink its allocation of fuels and its classification of industries that are important to food production.

The fertilizer shortage is a problem we cannot afford to ignore. Unless we take affirmative action quickly, it will have serious consequences on the American economy—not only in 1974, but for years to come.

VIVE POMPIDOU

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. FINDLEY) is recognized for 10 minutes.

Mr. FINDLEY. Mr. Speaker, the chief of state of America's oldest ally, President Georges Pompidou of France, is dead. President Pompidou was the epitome of the French ideals of liberty, equality, and fraternity, ideals which we have shared since our own Constitution was established almost 200 years ago. All through those years France and the United States have alternated in inspiring and sustaining each other.

Pompidou was the first President of the Republic of France elected by universal suffrage ever to visit the United States and address a joint session of Congress. In February of 1970, U.S. relations with France were somewhat strained as they have been in recent months. Then, as now, there was a basic difference over Middle East policy. But the President of France came to America nevertheless and spoke eloquently of the many common goals and principles which our two countries shared in addition to the occasional differences.

I remember President Pompidou's 1970 visit with special pride because I had encouraged it, and because only a few weeks previous to it I had been in Paris meeting with French officials. Among the men I met was Michel Jobert, the chief of cabinet to Pompidou and now foreign minister. I assured them that the Congress and others in the United States would give their President a warm and respectful reception. Indeed, the Congress of the United States did.

In his address to Congress, President Pompidou cited our two nations' "friendship which reaches both into a distant and a recent past, into the struggles waged together, the invaluable services rendered, whether long ago for your independence or 25 years ago—as no Frenchman has forgotten—for our liberation." He described our countries' friendship as "living and active" because "over and above interests which sometimes are bound to differ, there are common ideals which unite us and command our action." he said:

> Such is first of all, love of liberty, that is, the firm desire to safeguard our own freedom, to maintain it in our institutions, to defend it if necessary against any external threat.

This love of liberty was, of course, the touchstone of our initial relationship with France during our war for independence. It has sustained that relationship from the plains of Saratoga to the beaches of Normandy.

The second great ideal which President Pompidou believed we shared in common was the desire for peace. He told the Congress:

> The Alliance which unites us has no other aim but to defend, were it necessary, our freedom and our independence. It threatens no one; it rejects all spirit of aggression. France, having known war only too well, seeks merely to safeguard her own peace and to facilitate, within her means, the re-establishment or maintenance of this peace throughout the world.

With these great guiding principles, President Pompidou led France on a course which at times differed markedly from our own, but which always preserved the basic friendship and principles which unite us. In truth, it can be said that the Middle East policy which France advanced in 1970 became the Middle East policy to which the United States repaired after the war in 1973—unflinching support for United Nations Resolution 242.

Pompidou saw in 1970 a need in the western alliance for understanding and good relations with the Arab world as well as with Israel.

Pompidou spoke of a far-reaching vision which he held for all mankind, a vision which could be brought to reality only through cooperation between the United States and France. He said:

> So many necessary and exciting tasks await us, if we are allowed to devote ourselves to them. With you, as with us, there is poverty which is not yet overcome, human dignity which is far from always being guaranteed. There are innumberable perils stemming from technical and scientific progress and problems by the growth of enormous and often inhuman cities. There are whole continents around us where underdevelopment nurtures want. We have no duty more imperious than to help them develop without seeking to make them dependent; decolonization must be coupled with an active cooperation whereby the richer nations assist the less-favored without encroaching on their independence. Poverty is proud, let us respect it as such but let us help it.

For what should Americans remember Georges Pompidou? For his love of liberty, peace, and cooperation with the United States, even when he viewed France's own national interests as diverging slightly from our own.

> Liberty, peace, cooperation. These are what closely unites us because they correspond to our common concept of life and of the destiny of mankind. Of course, there are times where immediate interests prevail. Sometimes these words—liberty, peace, cooperation—are distorted and they are used for less honorable ends.
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> We know full well that men are not perfect and states even less so. But our ambition must be to resist the lurking temptations of individual or national selfishness.
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> Never have men seemed so divided yet never have they been so close.

His words have special meaning today, and it is one of the gratifying compensations of nature that his death, unfortunate though it is, should bring into focus his wise counsel of yesterday.

Perhaps Pompidou's death and the gatherings and communication on an international basis that this sad occasion will cause will draw public attention as never before to the wisdom expressed in his 1970 address to the Congress.

His words then were heard but not heeded. They were drowned out by the controversy over the sale of French fighter planes to Libya. He saw the virtue of establishing and maintaining a constructive influence in Arab capitals. Now the United States has seen fit, wisely, I think, to establish and broaden its own credentials and influence in Arab capitals. All the world is the better for this transition.

Pompidou was destined to succeed the legendary figure, Charles deGaulle. He measured up to this immense challenge with distinction and a greatness of spirit that will enrich long into the future Atlantic relations—and the cause of liberty for all mankind.

THE CRIME OF APARTHEID

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. DIGGS) is recognized for 5 minutes.

Mr. DIGGS. Mr. Speaker, I would like to insert for the thoughtful attention of my colleagues a publication of the Unit on Apartheid of the United Nations entitled "International Convention on the Suppression and Publishment of the Crime of Apartheid" issued in December 1973.

It is a matter of deep regret that the United States did not support this convention.

The text follows:

INTERNATIONAL CONVENTION ON THE SUPPRESSION AND PUNISHMENT OF THE CRIME OF APARTHEID

(NOTE. On 30 November 1973, the United Nations General Assembly adopted—by 9 votes to 4, with 26 abstentions—the International Convention on the Suppression and Punishment of the Crime of Apartheid, and appealed to all States to sign and ratify it is soon as possible. It requested all Governments and inter-governmental and non-governmental organizations to acquaint the public as widely as possible with the text of the Convention which, it considered, would be an important step towards the eradication of the policies and practices of apartheid.

(This issue of "Notes and Documents" contains the text of the Convention.)

The States Parties to the Present Convention,

Recalling the provisions of the Charter of the United Nations, in which all Members pledged themselves to take joint and separate action in co-operation with the Organization for the achievement of universal respect for, and observance of, human rights and fundamental freedoms for all without distinction as to race, sex, language or religion,

Considering the Universal Declaration of Human Rights, which states that all human beings are born free and equal in dignity and rights and that everyone is entitled to all the rights and freedoms set forth in the Declaration, without distinction of any kind, such as race, colour or national origin,

Considering the Declaration on the Granting of Independence to Colonial Countries and Peoples, in which the General Assembly stated that the process of liberation is irresistible and irreversible and that, in the interests of human dignity, progress and justice, an end must be put to colonialism and all practices of segregation and discrimination associated therewith,

Observing that, in accordance with the International Convention on the Elimination of All Forms of Racial Discrimination, States particularly condemn racial segregation and *apartheid* and undertake to prevent, prohibit and eradicate all practices of this nature in territories under their jurisdiction,

Observing that, in the Convention on the Prevention and Punishment of the Crime of Genocide, certain acts which may also be qualified as acts of *apartheid* constitute a crime under international law,

Observing that, in the Convention on the Non-Applicability of Statutory Limitations to War Crimes and Crimes Against Humanity, "inhuman acts resulting from the policy of *apartheid*" are qualified as crimes against humanity,

Observing that the General Assembly of the United Nations has adopted a number of resolutions in which the policies and practices of *apartheid* are condemned as a crime against humanity,

Observing that the Security Council has emphasized that *apartheid,* its continued intensification and expansion, seriously disturbs and threatens international peace and security,

Convinced that an International Convention on the Suppression and Punishment of the Crime of *Apartheid* would make it possible to take more effective measures at the international and national levels with a view to the suppression and punishment of the crime of *apartheid,*

Have agreed as follows:

ARTICLE I

1. The States Parties to the present Convention declare that *apartheid* is a crime against humanity and that inhuman acts resulting from the policies and practices of racial segregation and discrimination, as defined in article II of the Convention, are crimes violating the principles of international law, in particular the purposes and principles of the Charter of the United Nations, and constituting a serious threat to international peace and security.

2. The States Parties to the present Convention declare criminal those organizations, institutions and individuals committing the crime of *apartheid.*

ARTICLE II

For the purpose of the present Convention, the term "the crime of *apartheid*", which shall include similar policies and practices of racial segregation and discrimination as practised in southern Africa, shall apply to the following inhuman acts committed for the purpose of establishing and maintaining domination by one racial group of persons over any other racial group of persons and systematically oppressing them:

(*a*) Denial to a member or members of a racial group or groups of the right to life and liberty of person:

(i) By murder of members of a racial group or groups;

(ii) By the infliction upon the members of a racial group or groups of serious bodily or mental harm by the infringement of their freedom or dignity, or by subjecting them to torture or to cruel, inhuman or degrading treatment or punishment;

(iii) By arbitrary arrest and illegal imprisonment of the members of a racial group or groups;

(*b*) Deliberate imposition on a racial group or groups of living conditions calculated to cause its or their physical destruction in whole or in part;

(*c*) Any legislative measures and other measures calculated to prevent a racial group or groups from participation in the political, social, economic and cultural life of the country and the deliberate creation of conditions preventing the full development of such a group or groups, in particular by denying to members of a racial group or groups basic human rights and freedoms, including the right to work, the right to form recognized trade unions, the right to education, the right to leave and to return to their country, the right to a nationality, the right to freedom of movement and residence, the right to freedom of opinion and expression, and the right to freedom of peaceful assembly and association;

(*d*) Any measures, including legislative measures, designed to divide the population along racial lines by the creation of separate reserves and ghettos for the members of a racial group or groups, the prohibition of mixed marriages among members of various racial groups, the expropriation of landed property belonging to a racial group or groups or to members thereof;

(*e*) Exploitation of the labour of the members of a racial group or groups, in particular by submitting them to forced labour;

(*f*) Persecution of organizations and persons, by depriving them of fundamental rights and freedoms, because they oppose *apartheid.*

ARTICLE III

International criminal responsibility shall apply, irrespective of the motive involved, to individuals, members of organizations and institutions and representatives of the State, whether residing in the territory of the State in which the acts are perpetrated or in some other State, whenever they:

(*a*) Commit, participate in, directly incite or conspire in the commission of the acts mentioned in article II of the present Convention;

(*b*) Directly abet, encourage or co-operate in the commission of the crime of *apartheid.*

ARTICLE IV

The States Parties to the present Convention undertake:

(*a*) To adopt any legislative or other measures necessary to suppress as well as to prevent any encouragement of the crime of *apartheid* and similar segregationist policies or their manifestations and to punish persons guilty of that crime;

(*b*) To adopt legislative, judicial and administrative measures to prosecute, bring to trial and punish in accordance with their jurisdiction persons responsible for, or accused of, the acts defined in article II of the present Convention, whether or not such persons reside in the territory of the State in which the acts are committed or are nationals of that State or of some other State or are stateless persons.

ARTICLE V

Persons charged with the acts enumerated in article II of the present Convention may be tried by a competent tribunal of any State Party to the Convention which may acquire jurisdiction over the person of the accused or by an international penal tribunal having jurisdiction with respect to those States Parties which shall have accepted its jurisdiction.

ARTICLE VI

The States Parties to the present Convention undertake to accept and carry out in accordance with the Charter of the United Nations the decisions taken by the Security Council aimed at the prevention, suppression and punishment of the crime of *apartheid,* and to co-operate in the implementation of decisions adopted by other competent organs of the United Nations with a view to achieving the purposes of the Convention.

ARTICLE VII

1. The States Parties to the present Convention undertake to submit periodic reports to the group established under article IX on the legislative, judicial, administrative or other measures that they have adopted and that give effect to the provisions of the Convention.

2. Copies of the reports shall be transmitted through the Secretary-General of the United Nations to the Special Committee on *Apartheid.*

ARTICLE VIII

Any State Party to the present Convention may call upon any competent organ of the United Nations to take such action under the Charter of the United Nations as it considers appropriate for the prevention and suppression of the crime of *apartheid.*

ARTICLE IX

1. The Chairman of the Commission on Human Rights shall appoint a group consisting of three members of the Commission on Human Rights, who are also representatives of States Parties to the present Convention, to consider reports submitted by States Parties in accordance with article VII.

2. If, among the members of the Commission on Human Rights, there are no representatives of States Parties to the present Convention or if there are fewer than three such representatives, the Secretary-General of the United Nations shall, after consulting all States Parties to the Convention, designate a representative of the State Party or representatives of the States Parties which are not members of the Commission on Human Rights to take part in the work of the group established in accordance with paragraph 1 of this article, until such time as representatives of the States Parties to the Convention are elected to the Commission on Human Rights.

3. The group may meet for a period of not more than five days, either before the opening or after the closing of the session of the Commission on Human Rights, to consider the reports submitted in accordance with article VII.

ARTICLE X

1. The States Parties to the present Convention empower the Commission on Human Rights:

(*a*) To request United Nations organs, when transmitting copies of petitions under article 15 of the International Convention on the Elimination of All Forms of Racial Discrimination, to draw its attention to complaints concerning acts which are enumerated in article II of the present Convention;

(*b*) To prepare, on the basis of reports from competent organs of the United Nations and periodic reports from States Parties to the present Convention, a list of individuals, organizations, institutions and representatives of States which are alleged to be responsible for the crimes enumerated in article II of the Convention, as well as those against whom legal proceedings have been undertaken by States Parties to the Convention;

(*c*) To request information from the competent United Nations organs concerning measures taken by the authorities responsible for the administration of Trust and Non-Self-Governing Territories, and all other Territories to which General Assembly resolution 1514 (XV) of 14 December 1960 applies, with regard to such individuals alleged to be responsible for crimes under article II of the Convention who are believed to be under their territorial and administrative jurisdiction.

2. Pending the achievement of the objectives of the Declaration on the Granting of Independence to Colonial Countries and Peoples, contained in General Assembly resolution 1514 (XV), the provisions of the present Convention shall in no way limit the right of petition granted to those peoples by other international instruments or by the United Nations and its specialized agencies.

ARTICLE XI

1. Acts enumerated in article II of the present Convention shall not be considered political crimes for the purpose of extradition.

2. The States Parties to the present Convention undertake in such cases to grant extradition in accordance with their legislation and with the treaties in force.

ARTICLE XII

Disputes between States Parties arising out of the interpretation, application or implementation of the present Convention which have not been settled by negotiation shall, at the request of the States Parties to the dispute, be brought before the International Court of Justice, save where the parties to the dispute have agreed on some other form of settlement.

ARTICLE XIII

The present Convention is open for signature by all States. Any State which does not sign the Convention before its entry into force may accede to it.

ARTICLE XIV

1. The present Convention is subject to ratification. Instruments of ratification shall be deposited with the Secretary-General of the United Nations.

2. Accession shall be effected by the deposit of an instrument of accession with the Secretary-General of the United Nations.

ARTICLE XV

1. The present Convention shall enter into force on the thirtieth day after the date of the deposit with the Secretary-General of the United Nations of the twentieth instrument of ratification or accession.

2. For each State ratifying the present Convention or acceding to it after the deposit of the twentieth instrument of ratification or instrument of accession, the Convention shall enter into force on the thirtieth day after the date of the deposit of its own instrument or ratification or instrument of accession.

ARTICLE XVI

A State Party may denounce the present Convention by written notification to the Secretary-General of the United Nations. Denunciation shall take effect one year after the date of receipt of the notification by the Secretary-General.

ARTICLE XVII

1. A request for the revision of this Convention may be made at any time by any State Party by means of a notification in writing addressed to the Secretary-General of the United Nations.

2. The General Assembly of the United Nations shall decide upon the steps, if any, to be taken in respect of such request.

ARTICLE XVIII

The Secretary-General of the United Nations shall inform all States of the following particulars:

(*a*) Signatures, ratifications and accessions under articles XIII and XIV;

(*b*) The date of entry into force of the present Convention under article XV;

(*c*) Denunciations under article XVI;

(*d*) Notifications under article XVII.

ARTICLE XIX

1. The present Convention, of which the Chinese, English, French, Russian and Spanish texts are equally authentic, shall be deposited in the archives of the United Nations.

2. The Secretary-General of the United Nations shall transmit certified copies of the present Convention to all States.

BASIC EDUCATIONAL OPPORTUNITY GRANTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. MEZVINSKY) is recognized for 5 minutes.

Mr. MEZVINSKY. Mr. Speaker, the budget which the President recently submitted to Congress proposes a drastic restructuring of Federal support programs for higher education. Similar to last year's proposal, it would terminate many current aid programs of demonstrated value and concentrate the bulk of Federal funds in the new basic educational opportunity grants—BOG's.

Although the administration claims that it is merely redirecting—not reducing—Federal funds, the increase in BOG's would in no way compensate for the cutbacks in institutional assistance and in other forms of student aid. BOG's are aimed primarily at low-income students. Although this addresses a critical problem, it ignores the legitimate needs of middle-income students. The existing student aid programs provide greater flexibility than the BOG's in meeting individual student needs. And, although the BOG program might assist a greater number of students, the individual student would receive a smaller amount of aid, increasing pressure on States and institutions to make up the difference. A lack of funds with which to provide basic educational services might very well force many institutions to turn away students whether or not they had the required tuition in hand. Institutions of higher learning are already under tremendous financial stress. The President's budget would further hamper them in their efforts to meet their responsibilities to their students.

Determining national policies and priorities is the prerogative of Congress, not the executive branch. I am very hopeful that my colleagues will again resist the administration's attempt to use the appropriations process to reduce the quantity and impair the quality of Federal aid to higher education.

STATEMENT OF CONGRESSMAN JOHN M. MURPHY ON THE INTRODUCTION OF A VIETNAM VETERAN BILL OF RIGHTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. MURPHY) is recognized for 10 minutes.

Mr. MURPHY of New York. Mr. Speaker, veterans of the Vietnam war are bitterly protesting—and rightly so—because they have received fewer benefits in many vital areas as compared to veterans of previous wars.

All of a sudden everyone has found the Vietnam veteran and wants to do something for him—and quick.

There is currently pending before the appropriate committees of the Congress, legislation that, if enacted, would cure many of the ills that have befallen the 7 million Vietnam era veterans. The resolution I introduce today is a call to the members and the chairmen of these committees, and, indeed, to the entire Congress to give veterans' legislation the highest order of priority and to move as swiftly as possible to enact it into law.

I realize many Members of this body have been working tirelessly in behalf of the veterans; however, without a full commitment by every Member of this Congress, we will not be able to handle veterans' needs which appear to have peaked at this time and now approach crisis proportions.

I realize most of us want to forget the tragic war in Southeast Asia. But I implore you not to forget the men who fought in it.

These young men fought an unpopular war—where over 45,000 unsung heroes lost their lives defending a defenseless country against an assault from tyranny. Many of them were in the House Caucus Room on Friday, March 29, 1974. They bear the scars of battle wounds and terrible memories which will remain to haunt them the rest of their lives.

For their patriotism and obedience to the law of the land, the United States owes them a debt that can never be paid in full.

But, as I told them on Friday, Mr. Speaker, they must be treated with the same honor we have always bestowed on those who have sacrificed a part of their lives to serve their country.

Providing benefits and programs which compensate the ex-serviceman in full measure for his service to his country is an obligation which has historically been met enthusiastically by the American people. Veterans of service in this century, either during war or peacetime, have received benefits commensurate with the sacrifices they made, in the understanding that the veteran has many times endured hardship and an interruption in his private life in order to serve his country.

Today, however, after a controversial war in Southeast Asia that most Americans want to forget, we have allowed veterans benefits to lag behind the needs of the GI Joes of the 1960's and 1970's who answered their country's call. There were no victory parades for these young men, no wild street celebrations—it all ended with a whimper. And now large numbers of them face reemployment and adjustment problems much more severe than those faced after World War I, World War II, and Korea.

In an effort to correct this vast oversight in meeting our obligation to today's veteran for my own part I have devoted substantial time and energy to the enactment of new veterans legislation designed to meet their reentry needs.

The principal bill in my program is the Veterans Comprehensive Education Act which was written to meet the financial needs of today's veteran who returns to school or college following his service. The bill would abolish the current system of straight benefit payments to GI's and substitute direct payments by the Veterans' Administration to schools and colleges attended by veterans.

This formula worked successfully after Korea, and insures that any veteran who desires to return to vocational school, college, or certain job training programs may do so. The formula also provides generous subsistence payments to veterans based on their marital status and dependent status. The House Veterans Committee is currently holding hearings on this and similar legislation and I will be testifying and speaking for my bill in the weeks to come.

Under my plan, the VA would pay veterans' tuition as well as laboratory, library, health, infirmary, and other similar fees, in addition to also paying for books, supplies, equipment, and other necessary expenses, including board and lodging. This was the intention of today's GI bill, but skyrocketing education costs have made the fixed benefits schedule inadequate and obsolete, even in the face of increases passed this year in the House and Senate.

Additional legislation I have introduced would provide: changes in the computation of active duty training for education benefits; expanded employment opportunities for veterans following discharge; expanded educational opportunities for handicapped veterans; removal of the time limitation within which programs of education for veterans must be completed, and revised and enlarged readjustment assistance; job counseling, training, and placement services for veterans.

A major concern has been the problem of drug addiction in the military and of course among veterans of military service. I have been in the forefront of the effort to provide effective treatment and rehabilitation services for veterans, especially from Southeast Asia where the problem was so acute.

Many of these military addicts, the GI who became hooked in the service of his country, are true casualties of that war. They went into the service drug free and with no criminal records. Today the criminal population of New York City has been swollen by these servicemen who end up in our jails and our free dope clinics—and the same is true in other American cities.

There are several hundred thousand Vietnam era veterans currently residing in the city of New York. The addiction services agency estimates that of the Vietnam era veterans in New York City there are over 10,000 men who are addicted or abusing drugs not now in treatment. I would estimate based on discussions with agency officials that this figure may be as high as 30,000 or 40,000 veterans not in treatment living in New York City during the past few years.

The Nixon administration offered these ex-GI addicts 30 days of detoxification, discharge, and simple referral to a VA hospital for further treatment. This approach has failed miserably. Out of the tens of thousands of drug users there were never more than 1,000 ex-GI's in treatment in VA programs in the whole United States at any given time. They refused to go. My position as outlined in legislation I have proposed would provide for:

The civil commitment where necessary of a drug addicted serviceman to the Federal program for drug treatment for a period of up to 42 months of medical treatment and rehabilitation.

The establishment of an outreach program within the Department of Defense to review discharge records and move aggressively into our communities to retrieve as many addicted veterans as possible and locate them in federally sponsored addict treatment programs in their own localities.

A new program within the Department of Defense to inform former addict veterans and the treatment personnel of our Nation's drug rehabilitation programs of the DOD recharacterization policy.

A provision to enable the convening of review boards in our major population centers to enable the ex-serviceman to appear personally. This will mitigate the unconscionable practice of making the veteran pay his own travel expenses across the country to come to Washington in order to plead on his own behalf.

By this large-scale commitment to assisting today's veteran, I do not mean to suggest that we can ignore the needs of older veterans. And one day the Vietnam veterans will all be older veterans. So we must continue to insure that various increases and changes in social security benefit programs and medicare in no way diminish the benefits available to veterans. And as we move toward a comprehensive program of national health insurance, I will work to insure that the veterans continue to receive full statutory protection within a veterans hospital system second to none.

Mr. Speaker, whatever our personal view of the war in Southeast Asia, we must recognize that today's veteran carries all the burdens American soldiers have traditionally carried in wartime. He is a modern hero, no more, but certainly no less, than those before him. And as such he is entitled to gratitude and understanding from his countrymen, and I am determined to insure that we do not fail in that obligation.

Over and over again, I have heard the despair of a Vietnam veteran who can find no one who understands his unique problems. And his problems are unique. They even have a name for his condition—PVS—Post Vietnam Syndrome. But his friends, his family, the people he passes in the street, even the guy in the bar who will not buy the vet a drink, do not understand.

Some veterans attribute this behavior to some failure on their part and they cannot understand it.

Of course they cannot understand it. The problem is not with them.

It is with the people here. We sent them to fight in a war—a war we could not even commit ourselves enough to to win. A war some could not even commit themselves enough to to lose. The guilt does not lie with the veteran—it rests with the Nation. The people of America want to forget the war—blot it out of their minds. And in the process they have forgotten the veteran.

This lapse is most evident in the administration—at least until a few days ago.

Until an internal memo caught up with him, the President thought the unemployment picture for veterans was looking up. Apparently he had to change his statement at the last minute when the facts were made known to him last Friday. Unemployment is still a stark reality to Vietnam veterans far out of proportion to the rest of the labor force.

Current efforts to upgrade educational aid to veterans is meeting the same weak responses from the White House. On the recently debated GI education bill, the President wanted to increase educational benefits by only 8 percent, the House by 13.9 percent, and the Senate by 44 percent. I hope the House will accept a figure close to the Senate's.

These are only a few of the more acute areas facing the veteran. The resolution I introduce today calls on Congress to recognize a bill of rights for Vietnam-era veterans. It calls for the Congress to provide the best this country has to offer in medical aid, job opportunities, educational benefits, on-the-job training, counseling for service-connected disabilities, small business loans, housing benefits, low-cost GI insurance, and a veterans health insurance program. The resolution also calls for the elimination of discriminatory discharges, a 10-point hiring preference to Vietnam veterans by the Civil Service Commission, and a 15-point hiring preference to disabled Vietnam veterans by the Commission. Finally, the resolution calls for a Veterans' Administration which is responsive to the needs of the Vietnam-era veteran.

Much of what is called for in my resolution is in the legislative process at this very moment. Because of the urgency of veterans' needs at this point in time, however, I feel Congress must make a special effort to push veterans' legislation before millions of veterans are lost beyond retrieval. I urge Members to support this resolution.

The resolution reads as follows:

CONCURRENT RESOLUTION

Whereas, the Congress recognizes the right of all wounded and disabled veterans to the finest medical, psychological, educational and therapeutic attention available; and

Whereas, the Congress recognizes the right of Vietnam veterans to have available job opportunities and special programs to provide same; and

Whereas, the Congress recognizes the right of Vietnam veterans to receive educational benefits equal to those afforded veterans of previous wars; and

Whereas, the Congress recognizes the right of Vietnam veterans to on-the-job training programs equal to the efforts made by the U.S. government for veterans of previous wars; and

Whereas, the Congress recognizes the right of Vietnam veterans to have available counseling programs to handle readjustment problems related to service connected problems such as dishonorable discharges, alcohol dependence and narcotic addiction, combat related traumas, etc.; and

Whereas, the Congress recognizes the right of Vietnam veterans to have available small business loans under the same conditions as those given to veterans of previous wars; and

Whereas, the Congress recognizes the right of Vietnam veterans to have available the same housing benefits, including counseling and loans as veterans of previous wars; and

Whereas, the Congress recognizes the right of Vietnam veterans to have available low cost G.I. insurance under the same conditions as those given to veterans of previous wars; and

Whereas, the Congress recognizes the right of Vietnam veterans to a Veterans Administration as responsive to their needs as it has been to the needs of veterans of previous wars; and

Whereas, the Congress recognizes the right of Vietnam veterans to a veterans health insurance program for moderate cost dental and medical coverage; and

Whereas, the Congress recognizes the right of Vietnam veterans to an equitable discharge certificate which eliminates discriminatory Separation Program Numbers; and

Whereas, the Congress recognizes the right of Vietnam veterans to a ten point hiring preference by the Civil Service Commission, and in the case of disabled Vietnam veterans, a fifteen point hiring preference; and

Whereas, a crisis point has arrived for the seven million Vietnam veterans in all of the areas listed above; Now, therefore, be it

Resolved by the House of Representatives (*the Senate concurring*), That the appropriate Committees and Subcommittees of the House and Senate take immediate action on the legislation currently pending before them that was specifically designed to solve the problems outlined above taking into account the current inflationary spiral and the urgency of the needs of the Vietnam veterans; and

That the House and Senate proceed with all due haste to process the above legislation and forward it to the President for his signature into law.

KISSINGER-TACK "AGREEMENT ON PRINCIPLES" FOR PANAMA CANAL TREATY: A FAILURE OF U.S. DIPLOMACY

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. **Flood**) is recognized for 10 minutes.

Mr. **FLOOD**. Mr. Speaker on February 7, 1974, in Panama City, R.P., U.S. Secretary of State Henry A. Kissinger and Panamanian Foreign Minister Juan A. Tack signed an eight-point "agreement of principles" to serve as guidelines to govern the negotiation of a new treaty for the Panama Canal.

Stripped of its ambiguities, contradictions, and sophistries, this agreement is a blue print for an abject and ignominious surrender of U.S. sovereign rights, power, and authority over what is the jugular vein of the Americas. Specifically, it contemplates, without the prior authorization of the Congress, the abrogation of the original 1903 Treaty, elimination of its provisions for U.S. sovereign control of the Canal Zone in perpetuity, transfer of U.S. jurisdiction over the zone to Panama, giving Panama greatly increased benefits from toll revenues, including the placement of Panamanians in the administration of the canal, its protection and defense, and in the making of vital decisions for a major increase of canal capacity, which authority is already possessed by the United States under existing treaty provisions. In this light, the agreement constitutes the most disgraceful diplomatic episode in American history.

Despite the failure of major organs in the mass news media, the alarm has been sounded and the sovereign people of the United States are reacting with resounding letters to Members of Congress from all parts of the Nation in strong protest against the projected giveaway of U.S.-owned territory and property. In addition, there have been many articles by well-informed writers exposing what has transpired at Panama, among them Allan C. Brownfeld, a capable young writer of Washington, D.C., and Harold Lord Varney, president of the Committee on Pan American Policy of New York.

When these two appraisals of recent events at Panama are read in connection with the February 7, 1974, Joint Statement of Secretary Kissinger and Foreign Minister Tack, the magnitude of the proposed giveaway will be clearer.

Of the highest significance there have been introduced in the Congress some 18 multisponsored identical resolutions in defense of continued undiluted U.S. sovereignty over the zone territory and canal and influential Members of both Houses have made known their intended resistance to the projected surrenders.

As has been stated on many occasions, Panama is a land of endemic revolution and endless political intrigue. When the Kissinger-Tack agreement is evaluated objectively there is no wonder that its proposals are not only incredible to Latin-Americans but also conducive to ridicule and contempt. Certainly at this juncture in world power politics the United States must not allow itself to be shown up as a "paper tiger."

To facilitate a critical perusal of the February 7 Kissinger-Tack Joint Statement, I quote it along with the indicated Varney and Brownfeld articles as parts of my remarks:

[From the Review of the News, Feb. 27, 1974]

PERIL IN PANAMA

(By Harold Lord Varney)

The Nixon Administration has now openly committed us to surrender of the Panama Canal. While the moves that have led to this disaster have been obscured by doubletalk, it is easy now to trace the pattern.

The first break in the American position of strength occurred in 1969, when the White House announced the resumption of negotiations with Panama for a new treaty. These had been broken off in 1967 when Panama rejected the draft of an earlier renegotiation in which the United States had made major concessions. Had President Nixon refused to agree to new talks the United States would have continued to hold the winning hand in the situation. Dictator Omar Torrijos saw the agreement to continue the talks as a plain sign of American funk, and it emboldened him to raise the ante.

There followed a curious series of statements by members of the Nixon Administration, all carefully redefining and weakening our Panama policy. They were obviously inspired by a single source, reportedly the office of Henry Kissinger. First came the controversial statement by Under Secretary of State Charles A. Meyer, pledging that the United States never again would intervene with force in Latin America—not even in the case of a Communist takeover. Then there was the 1972 statement of David H. Ward, Mr. Nixon's new treaty negotiator, advocating the ceding to Panama of U.S. authority in the Isthmus and the ultimate termination of U.S. sovereignty in the Canal Zone. And then came the 1973 address before the Panama City Rotary Club by U.S. Ambassador Robert M. Sayre, employing the Marxist rhetoric openly to acknowledge that the Canal Zone is a "colonial enclave."

An even more revealing move was the hush-hush meeting in Panama City on February 15, 1973, between Henry Kissinger's personal representative, William Jordan, and Panama's tinpot dictator, General Omar Torrijos. The censored *El Panama America* described it as "the forerunner of a Kissinger-Torrijos meeting to break the stalemate in the Canal treaty negotiations." It was this anticipated final confrontation which brought the protracted Panama debate to a climax. Mr. Kissinger did indeed go to Panama City to speak the final word. It was a word that has stunned self-respecting Americans and raised Congressional anger to a fever pitch. The word was that the United States would surrender.

THE COMMUNIST ROLE

The debate over whether General Torrijos is a Communist or a Marxist is only a matter of semantics. It is the same sort of meaningless argument that was raised about Allende of Chile.

In 1968, Torrijos executed the coup that put him in power in tandem with Major Boris Martinez, an open Marxist. Fearing that Martinez might dispute with him for supreme power, Torrijos quickly exiled him along with some of the noisier leaders of the Panama Communist Party. This was designed to reassure Washington. But, once his power was consolidated, Omar Torrijos made a sharp turn to the Left. At the moment, some sixty members of the last elected Congress, the core of Panama's anti-Communists, are in exile.

Before taking power, Torrijos was a member of the People's Party, which is a catch-all for Panamanians who favor Communist policies but avoid the Communist name. As dictator, he has surrounded himself with members of the People's Party.

There is even an unconfirmed but widespread report that as early as 1971, when Soviet Premier Kosygin visited Cuba, Omar Torrijos, Foreign Minister Juan Tack, and University Rector Romulo Escobar Bethancourt secretly visited Cuba and conferred with Kosygin. Shortly afterward, Bethancourt, an identified Communist, visited Castro openly and conferred with Cuban officials. Torrijos was thereafter a darling of the Cuban press. And, in the international picture, Castro has backed Torrijos without reservation, playing an important part in setting the stage for the United Nations Security Council meeting in Panama City in 1973 which, with Cuban Ambassador Raul Roa leading the uproar, degenerated into an ugly attack on the United States and demanded that the United States get out of the Canal Zone.

There is certainly significance in the fact that, with Kissinger on his way to Panama City to surrender the Canal Zone, Leonid Brezhnev visited Cuba to confer with Castro. Soviet Russia is clearly trying to move into the Caribbean and means to play a hand in

Panama as well as Cuba. The recent Kissinger kowtow in Panama City gives off a familiar odor—this time of a Torrijos-Castro-Kissinger pact. The loser, as in all of Secretary Kissinger's operations, will be the United States.

With the proposal of the Nixon "Partnership" to replace the Monroe Doctrine, the United States has shown itself to be a paper tiger. If we continue to do so, the Soviets will soon be operating the Panama Canal and dominating the whole of the Caribbean as thoroughly as they do Cuba.

[From the Anaheim Bulletin, Mar. 1, 1974]

A FAILURE OF U.S. DIPLOMACY

(By Allan C. Brownfeld)

Washington.—In early February, 1974, the United States and Panama concluded an agreement that will guide the negotiations of a new Panama Canal treaty, eventually transferring sovereignty over the waterway to the Panamanians.

The agreement, whose eight principles include a statement that there shall be "a fixed termination date," was signed in a solemn ceremony by Panama's Foreign Minister, Juan Antonio Tack, and Secretary of State Henry Kissinger.

As envisioned in the declaration and underlined in a speech by Mr. Kissinger, the new treaty would give Panama a sense of equality with the United States for the first time, ultimately ending the grant "in perpetuity" of the 550-square mile Canal Zone laid down by the canal treaty of 1903.

This agreement overlooks the historic fact that the U.S. acquired sovereign control "in perpetuity" over the Canal Zone by means of the 1903 treaty with Panama, which is still in effect. We do not rent or lease the Canal Zone but bought it outright and paid the full purchase price $10 million. The terms "rent" or "lease" are not used in the Treaty with Panama but the word "grats" is used in the Treaty nineteen times.

In addition, the U.S. has paid every expense of building and maintaining the Panama Canal. By 1973, our net investment in the Canal and the Canal Zone totaled almost $5.7 billion. The original cost of constructing the Canal has never been amortized and we have operated the Canal as an interoceanic public utility available to the maritime nations of the world at tolls which are generally agreed to be just and equitable.

The principles under which the new treaty is being negotiated, states Sen. Strom Thurmond, R-South Carolina, "are self-contradictory and invite disaster. They deny the minimum necessary conditions under which the United States can operate, maintain, and defend the Canal. There is no way in which defense can be based on split jurisdiction, when the ultimate authority rests with the weaker party, and the primary interests rest with the stronger. Either we would lose the canal completely in a crisis, or we would be driven to take armed action that would flout the principles of international law and bring down upon us the censure of the civilized world. Neither course is acceptable."

TWO ENDS

Senator Thurmond declared, "The withdrawal of U.S. authority from the Canal Zone will have a dangerous impact upon the stability of the Western Hemisphere and, indeed, the peace of the world . . . By every test, the Canal Zone is U.S. territory; the only right retained by Panama is that of a residuary legatee in the event that we cease to operate, maintain and defend the canal. . . I do not think that our sovereignty should be negotiable."

Last year, just before the special meeting of the U.N. Security Council at Panama City, a majority of the members of the Senate Armed Services Committee wrote a letter to President Nixon in which they declared, ". . . it is our view that U.S. policy should be ordered towards two ends. In the short range, we should use our diplomatic channels to make it absolutely clear to Panama and to the other nations represented at the special U.N. session that we will not brook any encroachment upon our present operational and jurisdictional rights in the Zone, and that we stand ready to protect American lives, property, and obligations. In the long range we must reverse the current trend and work with Panama to help her understand that the best guarantee of her sovereignty, security, prosperity and nationhood lies in maintaining the historic grant of sovereignty to the U.S. in the Canal Zone."

This letter was signed by Senators Symington, Tower, Harry Byrd, Ervin, Thurmond, Dominick, Nunn, McIntyre and William Scott. Senator Thurmond, speaking in the Senate after the latest negotiations had been disclosed, noted, "The announced action of Secretary Kissinger runs directly counter to such ends. The unprecedented action of 'initialing' a 'statement of principles' leading to treaty negotiations creates a situation in which the Senate is presented with an accomplished fact in which the essential points have been conceded before the negotiations begin. There is, indeed, nothing of consequence left to negotiate once we surrender our rights . . . "

The fact is that if we gave up the Canal Zone, we would be entrusting the security of the Canal to one of the most unstable countries in the Western Hemisphere. Discussing the history of Panama, just since World War II, Rep. Philip M. Crane, R-Ill., a former Professor of History, notes, "Enrique Jimenez became President under a new Constitution. He served until the elections of 1948 which were declared a fraud, and was succeeded by Daniel Chanis. Police Chief Jose Remon forced Chanis to resign and Roberto Chiari was declared President. The Supreme Court voided Chiari's appointment, and Arnulfo Arias took office. Police Chief Remon pressured Arias out of office and Alcibiades Arosemena was put in. He served about a year . . ."

The story is lengthy. Bringing it up to date, Representative Crane notes that Arnulfo Arias was inaugurated in October, 1968, and "After just eleven days, Arias was overthrown by the guard and Col. Omar Torrijos, the present dictator, seized control and abolished the Constitution."

Wresting control of the Panama Canal from the U.S., states Rep. Daniel Flood, D-Pa., is a key Soviet goal and is "part of the global struggle for domination of strategic areas and waterways." Why Secretary Kissinger seems willing to assist the Soviets in this task is difficult to understand. Perhaps it is another part of the price we have agreed to pay for "detente."

JOINT STATEMENT BY THE HONORABLE HENRY A. KISSINGER, SECRETARY OF STATE OF THE UNITED STATES OF AMERICA, AND HIS EXCELLENCY JUAN ANTONIO TACK, MINISTER OF FOREIGN AFFAIRS OF THE REPUBLIC OF PANAMA, ON FEBRUARY 7, 1974 AT PANAMA

The United States of America and the Republic of Panama have been engaged in negotiations to conclude an entirely new treaty respecting the Panama Canal, negotiations which were made possible by the Joint Declaration between the two countries of April 3, 1964, agreed to under the auspices of the Permanent Council of the Organization of American States acting provisionally as the Organ of Consultation. The new treaty would abrogate the treaty existing since 1903 and its subsequent amendments, establishing the necessary conditions for a modern relationship between the two countries based on the most profound mutual respect.

Since the end of last November, the authorized representatives of the two governments have been holding important conversations which have permitted agreement to be reached on a set of fundamental principles which will serve to guide the negotiators in the effort to conclude a just and equitable treaty eliminating, once and for all, the causes of conflict between the two countries.

The principles to which we have agreed, on behalf of our respective governments, are as follows:

1. The treaty of 1903 and its amendments will be abrogated by the conclusion of an entirely new interoceanic canal treaty.

2. The concept of perpetuity will be eliminated. The new treaty concerning the lock canal shall have a fixed termination date.

3. Termination of United States jurisdiction over Panamanian territory shall take place promptly in accordance with terms specified in the treaty.

4. The Panamanian territory in which the canal is situated shall be returned to the jurisdiction of the Republic of Panama. The Republic of Panama, in its capacity as territorial sovereign, shall grant to the United States of America, for the duration of the new interoceanic canal treaty and in accordance with what that treaty states, the right to use the lands, waters, and airspace which may be necessary for the operation, maintenance, protection and defense of the canal and the transit of ships.

5. The Republic of Panama shall have a just and equitable share of the benefits derived from the operation of the canal in its territory. It is recognized that the geographic position of its territory constitutes the principal resource of the Republic of Panama.

6. The Republic of Panama shall participate in the administration of the canal, in accordance with a procedure to be agreed upon in the treaty. The treaty shall also provide that Panama will assume total responsibility for the operation of the canal upon the termination of the treaty. The Republic of Panama shall grant to the United States of America the rights necessary to regulate the transit of ships through the canal, to operate, maintain, protect and defend the canal, and to undertake any other specific activity related to those ends, as may be agreed upon in the treaty.

7. The Republic of Panama shall participate with the United States of America in the protection and defense of the canal in accordance with what is agreed upon in the new treaty.

8. The United States of America and the Republic of Panama, recognizing the important services rendered by the interoceanic Panama Canal to international maritime traffic, and bearing in mind the possibility that the present canal could become inadequate for said traffic, shall agree bilaterally on provisions for new projects which will enlarge canal capacity. Such provisions will be incorporated in the new treaty in accord with the concepts established in principle 2.

IRS MUST ACT IMMEDIATELY ON PRESIDENT NIXON'S TAXES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. Vanik) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, today, the staff of the Joint Committee on Internal Revenue Taxation made public an examination of the President's tax returns from 1969 to 1972 and came to the finding that the President owes $476,431. However, it also must be noted in its report that the payment of $171,055 would be a voluntary action by the President, since the tax claim for 1969 would be outlawed by the 3-year statute of limitations.

Up to the present time, the Internal Revenue Service has made no finding with respect to the President's taxes. Unless a finding is made by the Internal Revenue Service, the determination made by the staff of the Joint Committee has a purely advisory affect, since this committee does not have legal power to enforce payment.

In fact, due to the statute of limitations, if the Internal Revenue Service does not make a deficiency claim against the President by April 15, 12 days from now, the President would not be obligated to pay $93,410 and interest of $16,638 which the staff of the Joint Committee believes to be due and owing for 1970 taxes.

The claim against the President for unpaid 1970 taxes cannot be pressed unless the Internal Revenue Service takes appropriate action immediately. The IRS must confirm the finding of the Joint Committee in full or in part and serve on the President notice of deficiency on his 1970 taxes if it is to stop the tolling of the statute of limitations, which would otherwise wash out this part of the clam.

The integrity of the Internal Revenue Service and the tax system of the United States upon which this country so much depends will be critically threatened, unless the Internal Revenue Service moves forward at once to immediately protect the claim against the President for unpaid taxes.

THE POST AND THE PRESIDENT

(Mr. WAGGONNER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. WAGGONNER. Mr. Speaker, the Washington Post has again attacked President Nixon.

There is nothing new to this—except this time they have said editorially that the President is unable to conduct foreign policy effectively because his Watergate-related problems are causing him trouble on the home front.

Coming from the editorial writers on Post, such a statement is an outrage.

If the President is unable to conduct foreign policy—which is an absolutely incorrect statement—the Washington Post must bear a large part of the blame. The Post has been riding Richard Nixon since he took his hand down after taking the oath of office back in January 1969.

In the most relentless siege of the presidency in history, the Post has worked overtime in an effort to discredit President Nixon. In story after story, editorial after editorial, the Washington newspaper has tried every way possible to give the President the black eye.

Now they have the audacity to say that he is unable to function on the foreign policy front. If such were true—and it is certainly not—they must accept blame themselves.

So much for the vendetta of the Washington Post. Now let us look at the truth—or lack of it—behind their conclusion.

To say that President Nixon's problems with Watergate make it impossible for him to conduct foreign policy simply does not hold water.

One has only to look at the détente with Russia and China, the honorable end to the war in Southeast Asia, the masterpiece of diplomatic peace efforts in the Middle East to see that the Post is way off base.

Today we are talking with the Russians and the Chinese instead of running a continuing cold war with the Communist bloc. thanks to Richard Nixon. We have brought our men home from the Southeast Asian combat; and no American is dying on a foreign battlefield, thanks to Richard Nixon.

And who—6 months ago—would have believed that Arab and Israeli would sit down to talk peace in a Middle East which has known nothing but war for a generation? But, thanks again to our President, we are now approaching not just a Middle East cease-fire, but we are building a foundation for a lasting peace in one of the most critical and troubled spots in the world.

Finally, the President sends his Secretary of State to Russia as a preliminary to a new summit with the Russians and the Post comes up and says the reason Henry Kissinger did not achieve a major breakthrough was because they do not think the President can make good on his promises because of Watergate. It seems to me that the pessimistic sounds that followed Kissinger's Russian trip came from the press who covered the trip—not from the Kissinger party or the Russians, who said exactly the opposite.

So, the Post says the President cannot run the country because of his troubles here at home—the troubles that the Post has continually stirred.

I say that the President can run the country—because he is running it—despite the Washington Post.

ANN ARBOR AND YPSILANTI, MICH., LEAD THE WAY

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I would like to bring to the attention of the House a vote which took place yesterday in Ann Arbor and Ypsilanti, Mich. reported in today's newspapers. The vote reduced the penalty for the use and sale of marihuana to a $5 fine.

I bring this to the attention of the House because I believe that the Congress should enact national legislation which would decriminalize the personal use and possession of marihuana. The Shafer Commission established that 24 million Americans have tried marihuana at least once, that 8,300,000 still use the drug occasionally, and that 500,000 are heavy users. The Shafer Commission's most recent figures as of February 1973 showed that 26 million Americans, or 16 percent of the adult population, has used marihuana at least once, and that 13 million Americans smoked marihuana on a regular basis. The number of potential felons under the law that thus exist is simply staggering. This wholesale disregard for the marihuana statutes by a substantial segment of our population can only serve to bring law in general into disrepute and public contempt.

We must remove the present savage penalties that apply to the mere possession of marihuana. The Javits-Koch bill, S. 746 and H.R. 6570, was first introduced on January 6, 1973. The House sponsors are KOCH, BADILLO, CONYERS, EDWARDS, HARRINGTON, PODELL and RANGEL. I urge our colleagues to cosponsor the legislation and the Committee on Interstate and Foreign Commerce to hold hearings on this legislation.

NATIONAL CEMETERY FOR FLORIDA

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, I am introducing a bill today to establish a national cemetery at Eglin Air Force Base in Florida. I have consistently favored the location of a national cemetery on this site, as well as a general broadening of the national cemetery program.

Almost since the beginning of our Republic, it has been the policy of a grateful Nation to make available gravesites for those who gave their lives in defense of the United States. This is as it should be for each national cemetery serves to remind us all that the price of freedom is dear but the price of slavery is unthinkable.

Now we have come to the point in time when it seems too little attention is being paid the tradition of national cemeteries. None have been established since 1950. The tremendous number who served in the Armed Forces in recent years plus the heavy casualties of the war in Vietnam have resulted in an ever increasing demand for cemetery space for deceased veterans and servicemen. National cemeteries now in existence are rapidly becoming unavailable to those in need simply because of lack of space. The number of grave sites required for veterans of World War II is growing year by year. The same is true of veterans of the Korean conflict who deserve the honor of resting with their comrades. I am told that Arlington Cemetery is expected to be declared completely filled sometime in 1976.

Florida has one of the largest concentrations of veteran population in the country. Our Florida veterans number almost 1½ million. In addition to serving the Florida veterans a cemetery in western Florida will also serve Alabama and other nearby southern States. We must provide the widows, relatives and friends of these men reasonable accessibility to a cemetery where their spouse, relative or friend has been buried. It is inconceivable that our Nation not honor the men who bravely fought by denying them burial in a national cemetery near to the largest concentration of people who can visit it.

Certainly there are obstacles in the attempts to expand our available cemetery space. There is the high cost of land and the far greater expense of converting this land to cemetery use. At Eglin Air Force Base, however, there is ample land which could be used for this purpose without cost to the Government.

For a decade, the policy of the Veterans' Administration has been to provide cash benefits for burial payments to veterans to ease the demand for cemetery space. But burial in a national cemetery is a unique and perpetual honor which a subsidized private burial cannot duplicate. Every veteran deserves the option of burial in a national cemetery if he so chooses.

The national cemetery problem is a real and pressing issue which we cannot ignore. We must do something now. I urge the Veterans' Affairs Committee to take swift and favorable action on this needed legislation.

VITAL SPEECHES OF THE DAY

(Mr. SIKES asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, the publication, Vital Speeches of the Day contains a very interesting discussion on inflation by A. Bruce Johnson, associate professor, University of West Florida, at Pensacola.

This speech offers a very interesting discussion of the problems of inflation and suggests a new, generally overlooked solution. The author proposes to transfer the store of value, or standard of deferred payments, function of money to contractual instruments; this would leave money with only a single function, that of a medium of current exchange.

In an age when inflation is the most serious threat to our security as a Nation, it is well to consider all the alternatives. The speech provides very interesting reading and it deserves careful consideration.

Inflation And Money Markets To Debauch the Currency

(By A. Bruce Johnson)

In his syndicated column Art Buchwald once asked his readers, "Where does the word inflation come from?" Answer: In 1887 there was a bar and grill owner in San Francisco named George Inflation. One day he failed to receive a shipment of booze from the East. Since the demand for booze was great, George Inflation decided to charge 15 cents for a shot of whiskey, instead of the standard 10 cents. He also made the shot glass smaller. This did not stop his customers from buying booze, so he raised the price to 20 cents, then 25 cents. The other bars in San Francisco raised their prices accordingly and when their customers complained the other bar and grill owners would say, "Blame it on Inflation." Thus inflation soon became a part of the English language.

Buchwald's second question was, "Why is everyone so fascinated by inflation? Answer: Because there are so many things that you can do with it. You can hold it; you can turn it around; you can spiral it; you can send it sky high; you can let it get out of hand; you can try to curb it; restrain it; stop it; and during feeding hours, you can go to the bank and watch it eat up your savings.

Inflation certainly eats into purchasing power of fixed monetary assets and fixed incomes, and we can do many things with inflation—including put a stop to it—if we are willing to pay the cost.

But before considering what can be done to stop, or at least curtail inflation, perhaps we should insure we know the definition of inflation. Mr. Art Buchwald, not being an economist, can be excused for his erroneous definition of inflation; unfortunately, the mistake he has made is the same mistake some economists and high level public officials make. George Inflation in San Francisco in 1887 raised the price of a shot of whisky, not because of inflation but because of a shortage in the supply of whisky. Imbalances in supply demand conditions will, under free market conditions, correct themselves over time. The sharp rise in food prices recently is not so much due to inflation as mis-management by government through negotiating increased exports of grain without first dismantling agriculture support programs designed to restrict production of food.

In other words, inflation is not a price rise due to temporary shortages in supply or increases in demand, nor are price changes due to the business cycles. Inflation is a monetary phenomenon whose root cause is an excess of money and credit in the economic body. Inflation is *a long-run rise* in the general level of all prices.

It is important that these distinctions be kept separate. In this sense, the term bottleneck inflation is a misnomer because the price rise referred to is not due to inflation but a temporary shortage in supply. If inflation exists and the economy is on the upswing of the business cycle, prices and interest rates will rise and the portion attributable to inflation and the portion to the cycle cannot be determined accurately. The point however is, there is a distinction and it should be recognized conceptually.

Why do we suffer from inflation? The answers are legion but perhaps they can be categorized in three broad frameworks: 1) A group of economists whom I refer to as Neo-Keynesians, who think that money is important, but not very important, have been advisors to Presidents and Congressmen too long, 2) Excessive credit creation, and 3) A failure of the Congress to comply with a constitutional provision requiring them to regulate the value of money. Let us consider these three points.

Who are the Neo-Keynesians? "We are," as Milton Friedman says, "all Keynesians" to a degree, for we all owe a debt of gratitude to John M. Keynes and his 1936 book, *The General Theory*. Neo-Keynesians in contrast to plain economists seem to forget Keynes was writing during the great depression and prescribed a government interventionist approach into the private sector to bolster aggregate demand. To a Neo-Keynesian a government dollar in the income stream is no different than a private investment dollar. They seem to forget *The General Theory* was speaking to a closed economy. The Neo-Keynesian attitude toward debt is the size of Federal Debt is not too important for "we owe it to ourselves." Fiscal policy is much more important than monetary policy. Maintaining the optimum level of aggregate demand is of overriding importance, full employment (whatever that means) shall be attained by adjusting, or fine tuning aggregate demand through fiscal policy. The Neo-Keynesians take the position that at the level of full employment price stability is a norm, free reserves of the banking system will not be monetized, therefore monetary policy is not too important. Inflation, if it occurs is a cost-push phenomena; correct it with wage-price controls.

Dr. John Exter, speaking recently in Pensacola, took his degree in economics from Harvard University some 30 years ago. He said he had not succumbed to the Neo-Keynesian attitude because he is so constituted he calls a spade a spade. He is a classmate of Paul Samuelson and knows economics as Walter Heller and Arthur Okun. It is his view that members of the school of thought I am calling Neo-Keynesians (Exter called them Keynesians) are intellectually arrogant. Perhaps that is too harsh, but certainly they are interventionists.

The second reason for inflation, excessive credit creation stems from the fact that budget deficits during periods of full employment induce overly expansive monetary policy and the fact that there is little or no deterrent against government resorting to printing press dollars, government gains from inflation.

To visualize the process of credit and money creation I will draw on one of Dr. Exter's analogies. Imagine an inverted pyramid that can grow. The upside down pinnacle holds the credit base—the substance upon which the upper portion of the pyramid rests; the upper portion contains paper IOU's. A nation under a gold standard has gold as its credit base; the number of paper IOU's that fill the upper portion of the inverted pyramid are limited by a fixed ratio of credit to gold; and the paper IOU's can be converted to gold on demand. Under a gold standard—gold provides a bench-mark estimate of value and a limit to the number of IOU's a nation can print or allow to be printed. Gold acts here as a bridle on a horse, it prevents galloping inflation. It prevents creation of excessive IOU's (checking accounts) to finance federal budget deficits and excess credit expansion. Because of its restraining influence, gold is referred to by the Neo-Keynesians as a "barbarous relic."

The first break-down in the gold standard came in 1922 when the great nations agreed to a gold exchange standard. In addition to gold as a credit base in the small end of the pyramid, nations could also include some paper, IOU's of trading partners; such as pounds, francs, marks, escudos, etc.

In the 1960's, in the United States, the gold base for domestic credit expansion was entirely eliminated when the Congress repealed the law that Federal Reserve Notes ($ bills issued) required a 25 per cent gold reserve and when they also eliminated the 25 per cent gold base against commercial bank reserves. With this action the IOU's (credit) of the U.S. became what John Exter calls "IOU Nothings." There was now no limit to the creation of credit and money for the base itself became paper. U.S. Government bonds and bills. The pyramid could grow continuously so long as holders and creators of IOU's could pass them to others.

How is the credit base expanded? Text books call the process open market operations—by the Federal Reserve "purchasing" government securities—usually bills—in the open market. The words "purchase government securities" is a mis-nomer. The money represented by the Feds check when it buys government securities doesn't come from taxes, it doesn't come from Reserve Bank earnings, nor is it borrowed. The money represented by the check is created by the stroke of a pen. The check, in any event, ends up as a deposit in a bank or banks. The reserves (credit base) of the commercial banks are increased by the amount of the check. Since we have a fractional reserve banking system, the banks can, in turn, issue more of their own IOU's i.e., create checking accounts for customers and thus create more money. The pyramid grows with the weakest holders of new IOU's being added to its top. Excessive paper in the system causes the value of that paper, i.e., money to fall in relation to goods and services—that is inflation.

The Neo-Keynesians refer to a 1 percent to 2 percent rate of inflation as no inflation; a spade is a spade, any rate of inflation is inflation. They also mis-use the word "borrow" in reference to methods of financing public debt necessary to service deficits in budgets. If tax revenues accruing to the Treasury are insufficient to meet government spending outlays, the Treasury issues IOU's called Government Bonds. If you or I, the private sector, buy these borrowing instruments this is true government borrowing for our command over resources is transferred to the federal government—there is no increase in aggregate demand. But suppose you and I, representing the private sector, refuse to buy these bonds for one reason or another. Further suppose the banks are loaned up, i.e., have no free reserves. This is no deterrent to further credit creation. Through open market operations the Federal Reserve can literally *give* reserves to the commercial bank who in turn swap this gift, on a multiple basis, for the newly issued Treasury Bonds; the banks add the bonds to their total assets and credit the Federal Government with checking accounts of the same dollar amount. These newly created checking accounts are then used to pay government expenses. Newly created government debt has been monetized. Printing press dollars have been created. If excess demand already exists in the economy this debt monetization, in contra-distinction to real borrowing, is purely inflationary. It is in this sense that overly expansive fiscal policy can breed overly expansive monetary policy. Government obligations have to be paid whether or not said payment expand the money supply.

The foregoing raises the question why monetization of federal debt may become necessary even when inflationary. I would suggest the first reason is because "potential" gross national product as used with the full employment budget concept is not potential, rather, it is outside the production possibilities curve in the never-never land of Alice in Wonderland, as it were. The long-run real growth rate of the economy has not been as high as 4.4 percent annually, the currently used expectation. It is closer to the 3.5 percent rate previously used at the anchor year 1955. Gross national product in constant 1958 dollars was, $440 billion in mid-year 1955 when the full employment budget surplus was zero. Projecting this $440 billion dollar GNP at a reasonably expected growth rate of 3.5 percent per annum yielded a potential GNP in mid-1972 of $789.6 billion. As projected by the Council of Economic Advisors at the higher rate, potential GNP was supposed to be $820 billion. At the given point in time this level of GNP appears not to be sustainable, even if attainable. The difference between the $820 billion estimate and the more realistic $789.6 billion estimate is $30.4 billion in 1958 dollars, or $44.1 billion in current 1972 dollars. Therefore, real "full employment" may be far below GNP estimates of government planners.

This is to say, on the basis of the foregoing "guesstimate" of the level of "full employment" if there were no gap in GNP on the basis of the above approach, using the "guesstimate" of the Council of Economic Advisors at the same point in time there would be a gap of some $44.1 billion. This would, in turn justify larger budget deficits. The science of economics is not so exact. The inflationary experience of recent years would suggest prudence through underestimating rather than overestimating potential GNP.

Or to restate the foregoing another way, if government spending is authorized at the high level such that it would be matched by tax revenues if the economy were at the "potential" level, but the "potential" level is not sustainable, it is obvious continuous budget deficits will occur. Experience since 1960 seems to justify this conclusion.

Regardless of how financed, raids of the Treasury into the money markets tend to drive interest rates up and crowd-out private bidders. The higher interest rates induce the Federal Reserve to expand the money base which has, in recent years at least, resulted in a multiple expansion of the money supply at average rates in excess of 3.5 per cent annually. One of the reasons for this is that the barometer the Federal Reserve Board of Governors has used for open market operations has been "money market conditions," in true Neo-Keynesian style, with little or no attention to changes in monetary aggregates. Hopefully this policy is now changing. But to the extent the commercial banks absorb reserves by "buying" the newly created bonds or bills, federal debt is monetized and government obligations are paid with "printing press" checking accounts, i.e., dollars.

For the remaining reasons why a government may resort to inflationary measures, or "issue money" the work of Phillip Cagan is pertinent. If a government cannot fully finance its expenditures either from directly levied tax revenues, authorized by the Congress, or real borrowing it has two backdoor avenues open to it. It can (1) impose an unlegislated tax (which should be unconstitutional) on cash balances by monetizing debt, or "issuing money," (2) increase real governmental revenue as a by-product of (1) because a rise in the price level reduces the real value of the total indebtedness. These will be referred to as (a) the unlegislated tax effect and (b) the wealth effect, respectively. It would be well to remember the legal distinction here between appropriation authorizations to spend *vs* authorizations to tax. The mechanics of imposing the unlegislated tax is the same as monetization of debt but here the frame of reference is associated with law because only the Congress, under Constitutional provisions, has the right to impose taxes upon the people. Thus, in this sense monetary manipulations, which operate as silently as a ship-in-the-night, can circumvent law. Through such measures, the government, the public sector, can increase its share of the pie of Gross National Product at the expense of the private sector by simultaneously increasing real revenue and reducing the real value (though not nominal value) of its indebtedness.

In addition to the above, the government gains from inflation when income tax rates on nominal income remain constant. As nominal income of persons rises while real income remains constant, tax payers are continuously thrown into higher tax brackets. Under a progressive income tax system real income to the government is continuously augmented as tax rates are not deflated at a rate commensurate with the rate of inflation of the yardstick, the dollar. So-called "fiscal dividends" as propagandized by the Neo-Keynesians have been proven to be another mirage of that school.

What might be done to improve the situation? Money serves two basic functions, (1) as a medium of exchange and (2) as a standard of deferred payments or store of value. Obviously, during periods of inflation money cannot perform its second function, as a store of value. I would recommend that we take away from the dollar its store of value or measure of deferred payments function and transfer this function to legal instruments, contracts.

But to do this requires successful communication with the legal profession and law makers.

Consider the legal framework in relationship to the monetary unit, the dollar. In law a "dollar is a dollar" regardless of the time periods involved or the intensity of interim inflation. The judicial system's failure to recognize the economic reality that the value of money does in fact change over time is equivalent to legal fiction. If general judicial note of this real world condition is not recognized how can equal justice under law prevail with respect to monetary judgments? An understanding of this attitude is made more difficult in consideration of the fact that the maker of the law of the land, the Congress of the United States, is directed by the U.S. Constitution not only to "coin money" but to "regulate the value thereof."

Rightly or wrongly as to choice of method, the Congress until 1933 did attempt to comply with Constitutional requirements by pegging the dollar to gold. Once Congress assumes a responsibility provided for under the Constitution, thereafter Congress has no right of choice, it *must* carry on said responsibility. To change the "rule of the game" in mid-stream has the same effect as amending the Constitution, by default. To amend the Constitution is not the prerogative of the Congress: "The provisions of these solemn instruments are not advisory, or mere suggestions of what would be fit and proper but commands (in law) which must be obeyed—." In 1933, when it was made illegal for citizens to own gold, the gold standard for domestic purposes was abolished. This action is within the prerogative of the Congress. However, the Congress did not at the same time provide for any other method to "regulate the value thereof," and this omission is not within the powers of the Congress. If the drafters of the Constitution recognized instability of the monetary unit in the sense of inflation and deflation, in contradistinction to Adam Smith's higgling and jiggling of prices, why then have the people and the legal profession permitted Congress to default under the Constitutional mandate? This aspect of reestablishing a proper framework of law, while purely legal, requires the assistance of economists in the promotion of communication and understanding both among and between the separate professions.

Reference is now made to a method that Congress could choose to "regulate the value thereof," i.e., the value of money. One can regulate value if he explicitly recognizes any changes in the yardstick by which said value is measured. The choice of the method herein proposed raises the two main questions of (a) the legal necessity and (b) the economic wisdom of relieving the dollar of its function as a standard of deferred payments and the transfer of this function to obligational instruments. Thus regulating the value of money entails a legal affirmation that the yardstick, the ratio of nominal dollars to real value, can and does change over time. Economists generally recognize this. If this is recognized any argument that the dollar serves as a store of value, or standard of deferred payments becomes a *reductio ad absurdum*. It would follow logically, that fulfillment of any contracts should consider whether or not the yardstick used has changed its dimensions over the life of the contract. If so, adjustments would seem in order, i.e., adjustment of nominal dollar terms of the contract to real value terms by use of a price index, such as Consumer Price Index. Thus a constancy of value in discharging obligations (deferred payments) could be maintained as though the purchasing power of the dollar had not changed, when in fact it had changed.

The monetary unit, the dollar, would then become recognized as performing only its primary function, that of a medium of exchange. If from one time period to another there occurred a change in the purchasing power of the dollar in terms of real goods and services, the change would be compensated for by adjusting the nominal dollar terms of the obligation. It might be said that under such conditions the economy would be operating with phantom stable prices.

In conclusion, it might be well to note this proposal is certainly not new. One of the first economists to propose "an authoritative standard of purchasing power independent of the currency" was Alfred Marshall, who said: "I shall argue—that the only effective remedy—is to be sought in relieving the currency of the duty, which it is not fit to perform, of acting as a standard of value—." What is new, is that this plan encompasses *all* types of long term obligational arrangements, non-retroactive, and that it be made effective not as a recommendation but required by law. However, upon completion of a contract, terms could be modified by mutual assent of parties concerned; *freedom* of individual initiative would not be violated. The type of law envisioned would foster economic justice and promote the free enterprise system. The legal necessity thus derives from justice considerations in that all members of society, at whatever level, would be protected in contractual arrangements against unearned losses or gains attributable to inflation (deflation). This type of law would tend to remove types of institutional constraints that led to wage-price controls that were imposed on the economy August 15, 1971.

Finally, may I quote from John M. Keynes:

"Lenin is said to have declared that the best way to destroy the Capitalistic System is to debauch the currency—Lenin was certainly right. There is no subtler, no surer means of overturning the existing basis of society other than to debauch the currency. The process engages all the hidden forces of economic law on the side of destruction; and does it in a manner in which not one man in a million is able to diagnose."

HONORS FOR CONGRESSMAN CLAUDE PEPPER

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, my good friend and distinguished colleague, the distinguished gentleman from Florida (Mr. PEPPER) recently received deserved recognition in his home city of Miami. In two events, awards were given by Miami organizations for outstanding service by Mr. PEPPER to his constituents and for mankind during his years of distinguished service in the Congress.

On February 24, CLAUDE was awarded the America-Israel Friendship Bronze Medallion Award by the American Mizrachi Women during their Florida Council Conference in Miami Beach.

This award exemplifies the work CLAUDE has done on behalf of better relations between this Nation and Israel and is well deserved.

On March 13, CLAUDE and his wife, Mildred, were jointly honored by being named Man of the Year by the Miami Beach Chamber of Commerce.

Mrs. Pepper was included in the award because, as was explained by the chamber official Arthur Courshon "Mildred runs the Pepper family."

There is no doubt that both Mildred and CLAUDE richly deserve this additional recognition for the work and sacrifice in public service beginning in 1929 has entailed.

I am pleased to join his good friends in Dade County, in Florida and in the Nation in applauding CLAUDE and Mildred Pepper.

I enclose clippings which further describe the awards from the Miami Sun Reporter of February 21 and from the Miami Herald of March 21:

[From the Sun-Reporter, Feb. 21, 1974]

PEPPER RECEIVES AWARD

Mrs. Alfred Finkelstein, president of the Florida Council of American Mizrachi Women, announces the annual all day conference on Sunday, in the French Room of the Fontainbleau Hotel, inviting the entire community.

Mrs. Leo Oster and Mrs. Morris Zellner, chairmen of the conference, have planned the afternoon session from 1 to 4:30 p.m. Films will be shown and Mrs. Alfred Stone, Council coordinator and national vice-president, will moderate the plenary sessions with panelists from the Women's Division of the Greater Miami Jewish Federation together with the local Mizrachi Women mentioned above including Mrs. Fred Wang, Council Membership Chairman. From the Federation there will be Mrs. Burton Levey, immediate past president, and Mrs. Sol Landau, vice-president and head of the education department. From Mizrachi Women's national roster there will also be a prominent personality. There will be a stimulating question and answer period.

Climaxing the afternoon will be the formal dinner in the same French Room at 7 p.m., at which the Hon. Claude Pepper will be presented with the American-Israel Friendship Bronze Medallion Award by none other than Richard (Dick) Stone, Secretary of State, who was the first Florida recipient of this coveted award three years ago.

[From the Miami Herald, Mar. 21, 1974]

BOTH PEPPERS ARE CHAMBER'S "MAN OF THE YEAR"

(By John McDermott)

It took 38 years of being married for U.S. Rep. Claude Pepper to find out that his wife, Mildred, runs his family—and his life in Congress.

But he found out for sure Wednesday night at the Diplomat Hotel in Hallandale. The occasion was the annual dinner of the Miami Beach Chamber of Commerce.

In a unique citation, the veteran Democratic congressman, from Dade's 14th district, and his wife were named recipients of the Chamber's "Man of the Year" award. Pepper's first term in Congress began in 1929. He was elected to the U.S. Senate in 1936.

Arthur Courshon, Miami Beach banker and a top finance official in the Democratic Party, told the dinner guests, "I know who really runs the world . . . who runs the Pepper family . . . it's Mildred."

Courshon, with tongue in cheek, said Mildred "had good judgment until she made a mistake—a mistake that began the moment she decided to marry Claude." They were married in 1936.

He referred to the 73-year-old Pepper, as "the fellow who works for Mildred."

The crowd applauded enthusiastically.

Courshon recited some of the highlights of Pepper's colorful past, including his role as a "sounding board" for the late President Franklin Delano Roosevelt.

He also said that Pepper was "a man ahead of his time" for having sponsored national health insurance in the 1940s and for expressing views that all Americans are created equal—he was "color blind."

Courshon hailed Pepper for having made an imprint not only in Dade County and the nation, but throughout the world during his years in Washington.

The chamber presented the Peppers with an impressionistic portrait of themselves, painted by Tony Scornavacca.

President Nixon sent a telegram saying, "Pat and I wholeheartedly share in the Chamber's admiration and affection."

The President added that the Chamber's tribute to Pepper's years of public service "reflects sentiments that are echoed by all of those who have followed your remarkable career."

Barton Goldberg, president of Jefferson National Bank, was installed as the new Chamber president. He succeeds president James McDonald.

Also sworn in at the 53d anniversary dinner were vice presidents Leon Manne, Jay Jason, Jim Wade, Larry Abermon and Bob Frehling.

NORMAN ALLEN IS LEGEND AMONG KENTUCKY JOURNALISTS

(Mr. PERKINS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PERKINS. Mr. Speaker, when the expression "gentleman of the press" is used, there is no more apt reference than to an old friend of mine, Norman Allen of Prestonsburg. Recently the Ashland Daily Independent wrote a profile of Norman, and I think a reading of the profile will back up my comment. Norman says what he thinks, and he is a pretty clear thinker—an attribute which could be given to many of our eastern Kentucky journalists. Mr. Speaker, I insert the article about Norman Allen, owner and editor of the Floyd County Times, in the RECORD:

[From the Ashland (Ky.) Daily Independent, Mar. 31, 1974]

ALLEN IS LEGEND AMONG KENTUCKY JOURNALISTS

(By Gurney Johnson)

PRESTONSBURG.—On his desk sits a poster-picture of an old hound dog scrambling over a barbed wire fence. It bears a Walt Whitman quote:

"From this hour, freedom! Going where I like, my own master . . ."

The desk, which is a legend in itself, belongs to Norman Allen, owner and editor of the Floyd County Times.

He has been the editor of the weekly newspaper for 47 years. Last week's edition was Volume XLVI, No. 14. That means Norman Allen has put out the Floyd County Times 2,392 times.

"I wrote the whole first edition by hand—that was in 1927—because I didn't have a typewriter," Allen said with a smile.

Norman Allen and his Floyd County Times span almost a half century. When he started his newspaper Prestonsburg was a little town of about 1,200 people spread out over four or five blocks. It has now grown into a thriving little community of about 4,700.

And, Allen probably knows most of them. People walk in off the street to pass the time of day, discuss fishing or maybe the unfortunate passing of an old friend.

Or, an advertiser stops by to remind him that "Norman, you forgot our ad this week." He rummages through the papers on his desk and admits that he did leave it out. The advertiser nods his head and politely adds, "Well, maybe you'll think of it next time."

Norman Allen seems to never take his hat off. His colorful, quiet approach to the problems of life—with "going fishing" as a principal solution—has brought him wide respect among Bluegrass journalists.

He is a legend in his own right. Norman Allen stories are told throughout Eastern Kentucky and the entire state.

One story about his perpetually cluttered desk, which Allen will only concede "might be true," involves a birth announcement he is said to have found buried beneath a pile of paper.

He put it in the newspaper and a few days later received a letter from a little girl pointing out that he was seven years late on her birth announcement.

Several stories concern his deaf dog, Dal, who died about five years ago. When Allen went out to collect the news, for 10 years, Dal was never far behind.

"He would follow anyplace I went. If a door cracked open, he'd go inside. And, you know, when he was here at the office, he insisted on lying on a desk. I always had an office dog, but after Dal died, I got out of the dog business."

The Floyd County Times, which now has a circulation of 8,300, is respected in newspaper circles. It is often cited as a principal source of research on Eastern Kentucky for the past 40 years.

A newspaper is no better than its editorial policy. Allen has taken a hard stand for what he thinks is right and he has done it with integrity.

"It's always been my practice not to make any difference in this person and another. Everybody's name goes in. If it was my own son his name would go in with the rest.

"I'm a Democrat but I never tried to force my political views on the people. We never supported any candidate except Bert Combs for governor. We're non-political. I have my thinking but never take part in any campaigns."

His journalism has always been strongly tempered with a love for his native Eastern Kentucky and its people. The issues that have raised his ardor the most in recent years have been the ones that have had the biggest effect on his country and people—strip mining and welfare.

"I'm outspoken on things I feel are detrimental to the county. The coal people think I'm against them due to my strip mine stand, but I got sense enough to know there wouldn't be much here without coal. The hills, forests and streams should be protected. There should be something left when the coal is all gone.

"Any industry should comply with the law. We have some responsible coal operators. Eastern Kentucky is not dying. The only thing that can kill this country is to destroy its beauty, its streams and forests, gut it, and leave nothing in its place."

Concerning welfare, he points out that "there's the aged and sick and some people who honestly want work and can't get it. The government is responsible for part of it. People saying if I make so much they'll cut me off.

"There's hundreds of garden plots in this county that haven't been disturbed. If the government would furnish seed and tell them 'we'll furnish the know how in planting and canning,' it would restore a little pride and give them something to do.

"Diversity of industry is what we're needing. Coal mining doesn't give enough men jobs—especially strip mining."

Newspapering has been Norman Allen's life for the past 50 years, since that first job with the Big Sandy News in Louisa.

He was teaching all eight grades in a one-room school near Hueysville when he got into the business. He was 21-years-old and had been teaching for four years, sometimes as many as 86 pupils.

"That was the hardest work I ever did. It was the only job I ever had I wasn't sorry when I quit."

"I had always been an omnivorous reader and got to thinking that I'd like to be able to express myself like that. I was working as a stringer for the Cincinnati Post and Courier-Journal when the Courier had an essay contest. I wrote a thing on the Constitution and won the contest."

M. F. Conley, owner of the Big Sandy News, saw the essay, liked it, and wrote a letter to Allen offering him a job.

After working there for a year, Allen decided he needed some education in journalism. He enrolled in the University of Kentucky as a special student and stayed one semester before getting a job on the Lexington Leader at $30 a week.

After eight months, he was state editor and homesick for Floyd County.

"My father and some people wanted me to start a newspaper here, so in 1927 I started the Floyd County Times. My dad got about 100 of his friends out in the county to subscribe to it. I never had the nerve to ask anybody to subscribe to a paper that hadn't published yet."

That initial publishing venture lasted only eight months. Allen built the paper's circulation up to about 1,100 and then "a bakery next door caught fire and burned us out."

"I almost got out of the newspaper business. We didn't have a cent of insurance and I had just gotten married and owed for all my furniture."

Although the Times didn't publish for a couple of months, Allen came back and bought the rival Prestonsburg Post and merged it into the Floyd County Times.

The Times was once again off and running, publishing continuously until the 1955 flood when the Big Sandy River forced Allen to miss an edition. He hasn't missed an edition since. Not even in February of 1973 when faulty wiring caused a fire which gutted building and destroyed much of his modern offset equipment.

"I edited it from home and got it out the next week. We printed two weeks like that, didn't miss an issue."

In reflecting on almost half a century Allen remembers best the bloody years and the depression.

"There was awhile here a week didn't go by that we didn't have at least one murder. In the late 20s and 30s I've written as high as five in one week. Isolation caused a lot of it. There were no roads or transportation. Boys would congregate at beer joints. Everybody had a gun on his hip. One commonwealth attorney called it the bloodiest soil on the Western hemisphere.

"I've made a living and educated a family. It hasn't always been easy. One time, during the depression, I had to sell my typewriter to pay a grocery bill. During the depression I took apples, cabbages, anything that enabled people to keep reading the paper and us eating."

Although one of his sons is doing all the photography and most of the news, Allen still writes all the editorials and his weekly column, "This Town—That World."

"I'm hoping my children can take it over one day. I want to get out of here before they carry me out."

Then leaning back with his pipe and reflecting on the years, he added, "I've thought of getting out of it several times but I don't know what else I could do. As long as I'm able to mosy around, I'm not going to sit down."

Norman Allen, who has only worked for two men in his life, has been his own master. As the slogan of his paper advertises, he has spent that life "Speaking of and for Floyd County."

IT'S ONLY FAIR

(Mr. PODELL asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. PODELL. Mr. Speaker, on the first of this month a considerable number of my constituents received their monthly supplemental security income assistance checks. These payments are made under the program recently passed by the Congress to provide for a basic level of income to those who are aged, blind, or disabled. Tomorow and the next day, many of the elderly who are receiving SSI payments will also be receiving their April social security checks.

Those social security checks will be 7 percent greater than the checks they received in March, the first stage of an 11-percent increase in benefits which we also recently enacted. Unfortunately, SSI checks to the elderly will be reduced by a proportionate amount.

In January of 1974, when the SSI program was instituted, a basic level of payments was established to give the very poorest of the elderly in our society a guaranteed minimum income. The word "minimum" is hardly descriptive, for the maximum payment under SSI is $140 a month, and most recipients get considerably less. When supplemental payments to the elderly are reduced, it defeats the entire purpose of setting a minimum income floor for them. A floor is supposed to stay level, not rise and fall in conjunction with other forces. The supplemental payments are designed to provide a certain minimum level of income, and this is not being done if these payments are reduced as social security benefits rise. But that is the present state of the law.

Now I ask you, Mr. Speaker, where is the sense in this? Where is the fairness or the justice? When we passed the increase in social security benefits, it was to give more money to those living on fixed and pitifully small incomes, to help them withstand the ravages of inflation. What good does it do them, when with one hand we give the elderly more money, and then take it away with the other hand? How can we in good conscience say that we are helping the aged, and the blind and disabled, those segments of our population who are among the poorest and the hardest hit by inflation, when we permit laws to stay on the books that allow such things to happen.

My district office has been swamped by the pleas of the elderly receiving both SSI and social security payments, asking me to do something, anything, so that they will have the extra money they counted on when they learned that a benefit increase had been enacted. In fact, there was one elderly couple in my district who actually suffered a net loss in monthly benefits as a result of this so-called increase.

This was, indeed, a cruel April Fools' joke to play on the people who are receiving SSI payments. So many of my constituents look to this as their sole source of income, and a pitifully small source it is. I cannot in good conscience sit idly by and tell the people who voted for me that there is nothing I can do to help them.

We knew this problem would arise when the original legislation was before us. If only our foresight was as good as our hindsight now seems to be. But it is not and, therefore, we must do everything possible, and do it as soon as possible, to end this intolerable inequity.

I am today introducing legislation to amend the Social Security Act to provide that increases in social security benefits will not result in a proportionate decrease in SSI payments. I am also calling at this time for immediate hearings on this legislation, in the hope that Congress will move quickly to enact this proposal into law and thereby end once and for all a cruel injustice we are committing against this Nation's elderly.

BILL TO RAISE CONSERVATION FUND TO $900 MILLION

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, I am today reintroducing a bill, along with 32 of our colleagues, to amend the Land and Water Conservation Fund Act of 1965 to increase the annual authorization for the fund from $300 to $900 million. The fund is used by State governments on a 50–50 matching basis to acquire and develop recreation lands, and by Federal agencies like the National Park Service to acquire lands needed to satisfy national conservation goals.

The land and water conservation fund has been very useful in meeting certain needs for outdoor recreation. The States have responded enthusiastically to the program. Many States—such as Ohio, New York, Florida, and California, among others—have succeeded in raising large sums to match their share of the State portion of the fund. States are given 3 years to obligate funds, which gives them and their political subdivisions time to make plans and obtain money needed for their matching share. According to the Bureau of Outdoor Recreation—BOR—which administers the fund—

> Over the life of the program practically no money has reverted because it was unobligated in this three-year period.

The apportionment system used by BOR is as follows: Two-fifths divided equally among the 50 States and three-fifths divided among "55 States" on the basis of need—5 percent for contingencies, 30 percent on the basis of total "State" population, and 25 percent on the basis of population of SMSA's in the State. The following is BOR's State-by-State breakdown of the estimated fiscal year 1975 apportionment of $196 million:

Estimated fiscal year 1975 apportionment of $196,000,000

	Apportionment
Alabama	$3,201,660
Alaska	1,700,300
Arizona	2,519,580
Arkansas	2,315,740
California	13,575,940
Colorado	2,731,260
Connecticut	3,280,600
Delaware	1,859,060
Florida	5,369,420
Georgia	3,653,440
Hawaii	2,001,160
Idaho	1,813,000
Illinois	7,755,720
Indiana	4,137,560
Iowa	2,716,560
Kansas	2,532,320
Kentucky	2,921,380
Louisiana	3,324,160
Maine	1,923,740
Maryland	3,807,300
Massachusetts	$4,827,480
Michigan	6,459,180
Minnesota	3,390,800
Mississippi	2,335,340
Missouri	3,917,060
Montana	1,826,720
Nebraska	2,206,960
Nevada	1,841,420
New Hampshire	1,848,280
New Jersey	5,838,840
New Mexico	1,963,920
New York	12,230,400
North Carolina	3,716,160
North Dakota	1,768,900
Ohio	7,435,260
Oklahoma	2,733,220
Oregon	2,597,980
Pennsylvania	8,145,760
Rhode Island	2,112,880
South Carolina	2,710,680
South Dakota	1,790,460
Tennessee	3,336,900
Texas	7,607,740
Utah	2,147,180
Vermont	1,697,360
Virginia	3,856,300
Washington	3,381,000
West Virginia	2,283,400
Wisconsin	3,688,720
Wyoming	1,662,080
District of Columbia	782,360
Puerto Rico	1,492,860
Virgin Islands	72,640
Guam	78,520
American Samoa	60,880
Apportioned to States	186,985,000
Contingency	9,015,000
Total appropriated	196,000,000

Unfortunately, the funds available under the present program are falling far short of meeting the national needs for outdoor recreation land and facilities. Traditionally, park programs have taken a back seat to other State and local priorities. Only in recent years, has outdoor recreation been recognized as an important and basic human need. At the same time, with the rapid disappearance of suitable open space, particularly around our central cities, fewer opportunities have been available for outdoor recreation. And the need grows more acute every year.

Although 78 percent of the Nation's population live in cities, only 11 percent of State park lands are located near urban areas. The problem is one of funding. Many State park projects have been located in rural areas, where open space is more available and land prices are cheaper.

The problem is the same on the Federal level. The annual share of the fund for eligible Federal agencies is about 33 percent of the total authorization. This is not enough to meet our country's growing needs. For example, the National Park Service estimates it will require well over $400 million—with the additions of Big Thicket and Big Cypress—to acquire lands already authorized by Congress. This is a conservative figure; some estimates put that total as high as $2 billion. Yet the Park Service share of the fund for fiscal year 1975 is only about $71 million. It receives no new funds in fiscal year 1974. At this erratic, low rate of funding, it will be many years before sufficient park lands can be acquired. And in the meantime, land prices are escalating rapidly and many key parcels of land can be lost forever to development.

The fund is derived from a number of sources, including revenues from leases on offshore oil wells. These revenues are expected to reach $6 billion in fiscal year 1974 and $8.2 in fiscal year 1975. The Secretary of the Interior has announced plans to increase offshore oil drilling by tenfold, which would more than cover a threefold increase in the fund.

The purpose in using these oil revenues for the Conservation Fund has been to convert a natural resource that is being depleted into a natural resource that will not be depleted, one which all our people can share. And as we increase the rate at which we deplete our oil resources, we should also increase the rate at which we protect and improve our environment. Otherwise we would be allowing a substantial cut in the percentage of offshore oil revenues going into the fund.

Mr. Speaker, the following are the Members who have joined me in cosponsoring this legislation: Ms. Abzug, Mr. Badillo, Mr. Bell, Mr. Bingham, Mr. Brown of California, Mr. Cleveland, Mr. Dellums, Mr. de Lugo, Mr. Edwards of California, Mr. Ford, Mr. Frey, Mr. Gude, Mr. Harrington, Mr. Hamilton, Mr. Hechler of West Virginia, Mr. Leggett, Mr. Morgan, Mr. Lujan, Mr. Mollohan, Mr. McCormack, Mr. Moakley, Mr. O'Hara, Mr. Quie, Mr. Rostenkowski, Mr. Riegle, Mr. Roush, Mr. Sarbanes, Ms. Schroeder, Mr. Vanik, Mr. Charles H. Wilson of California, Mr. Charles Wilson of Texas, and Mr. Young of Georgia.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Rees (at the request of Mr. O'Neill), for today and Thursday, April 4, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Cronin) to revise and extend their remarks and include extraneous material:)

Mr. Goldwater, for 10 minutes, today.

Mr. Frelinghuysen, for 10 minutes, today.

Mr. Railsback, for 5 minutes, today.

Mr. Findley, for 10 minutes, today.

(The following Members (at the request of Mr. Vander Veen) and to include extraneous matter:)

Mr. Diggs, for 5 minutes, today.

Mr. Mezvinsky, for 5 minutes, today.

Mr. Murphy of New York, for 10 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. Flood, for 10 minutes, today.

Mr. Vanik, for 5 minutes, today.

Mr. Fountain, for 60 minutes, on April 10.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the re-

quest of Mr. Cronin) and to include extraneous material:)

Mr. Quie in two instances.
Mr. Wyman in two instances.
Mr. Hosmer in two instances.
Mr. Beard.
Mr. Shoup in three instances.
Mr. Lott.
Mr. Broyhill of Virginia.
Mr. Archer.
Mr. Symms in two instances.
Mr. Baker.
Mr. Thone.
Mr. Huber in two instances.
Mr. Clancy.
Mr. Scherle in 10 instances.
Mr. Whalen.
Mr. Steiger of Wisconsin.
Mr. Frelinghuysen.
Mr. Robison of New York.
Mr. Esch.
Mr. Myers.
Mr. Ashbrook in five instances.
Mr. Hogan in two instances.
Mr. Bob Wilson in three instances.

(The following Members (at the request of Mr. Vander Veen) and to include extraneous matter:)

Mrs. Burke of California in 10 instances.
Mr. McCormack.
Mr. James V. Stanton.
Mr. Fraser in five instances.
Mr. Fisher in four instances.
Mr. St Germain in five instances.
Mr. Rarick in three instances.
Mr. Gonzalez in three instances.
Mr. Stokes in five instances.
Mr. Stark in 10 instances.
Mr. Roy.
Mr. Edwards of California.
Mr. Badillo in two instances.
Mr. Mitchell of Maryland.
Mr. Murtha.
Mr. Ullman in three instances.
Mr. Dellums in 10 instances.
Mr. Leggett.
Mr. Alexander in 10 instances.
Mr. Brown of California in 10 instances.
Mr. Hungate.
Mr. White.
Mr. Rogers in five instances.
Mr. Flowers in three instances.
Mr. Dulski in three instances.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1017. An act to promote maximum Indian participation in the government and education of the Indian people; to provide for the full participation of Indian tribes in programs and services conducted by the Federal Government for Indians and to encourage the development of the human resources of the Indian people; to establish a program of assistance to upgrade Indian education; to support the right of Indian citizens to control their own educational activities; to train professionals in Indian education; to establish an Indian youth intern program; and for other purposes; to the Committee on Interior and Insular Affairs.

ENROLLED BILLS SIGNED

Mr. HAYS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 1321. An act for the relief of Dominga Pettit;

H.R. 5106. An act for the relief of Flora Datiles Tabayo; and

H.R. 7363. An act for the relief of Rito E. Judilla and Virna J. Pasicaran.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 71. An act for the relief of Uhel D. Polly;

S. 205. An act for the relief of Jorge Mario Bell;

S. 507. An act for the relief of Wilhelm J. R. Maly;

S. 816. An act for the relief of Mrs. Jozefa Sokolowska Domanski;

S. 912. An act for the relief of Mahmood Shareef Suleiman; and

S. 2112. An act for the relief of Vo Thi Suong (Nini Anne Hoyt).

ADJOURNMENT

Mr. VANDER VEEN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 1 minute p.m.) the House adjourned until tomorrow, Thursday, April 4, 1974, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2134. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the food stamp program account, Food and Nutrition Service, Department of Agriculture, has been reapportioned to reflect a more accurate estimate of requirements, pursuant to 31 U.S.C. 665; to the Committee on Appropriations.

2135. A letter from the Secretary of Interior, transmitting a draft of proposed legislation to enable the Secretary of the Interior to provide for the operation, maintenance, and continued construction of the Federal transmission system in the Pacific Northwest by use of the revenues of the Federal Columbia River Power System and the proceeds of revenue bonds, and for other purposes; to the Committee on Interior and Insular Affairs.

2136. A letter from the Acting Secretary of the Interior, transmitting a consolidated financial statement for the electric power generating projects and the transmission system comprising the Federal Columbia River Power System, pursuant to 16 U.S.C. 835j; to the Committee on Interior and Insular Affairs.

2137. A letter from the Chairman, Indian Claims Commission, transmitting the final determinations of the Commission in Docket No. 84, *the Six Nations, by Dean Williams, et al.; the Seneca Nation of Indians; the Cayuga Nation, by Stewart Jamison, et al.; the Oneida Nation, by Julius Danforth, et al.; the Seneca-Cayuga Tribe of Oklahoma; the Oneida Nation of New York; the Oneida Tribe of Indians of Wisconsin; the Tuscarora Nation,* Plaintiffs v. *the United States of America,* Defendant, and docket No. 300–B, *the Stockbridge Munsee Community, the Stockbridge Tribe of Indians, and the Munsee Tribe of Indians, by Arvid E. Miller and Fred L. Robinson,* Plaintiffs, v. *the United States of America,* Defendant, pursuant to 25 U.S.C. 70t; to the Committee on Interior and Insular Affairs.

2138. A letter from the Attorney General, transmitting a draft of proposed legislation to amend the Comprehensive Drug Abuse Prevention and Control Act of 1970 to provide appropriations to the Drug Enforcement Administration on a continuing basis; to the Committee on Interstate and Foreign Commerce.

2139. A letter from the Securities and Exchange Commission, transmitting the Commission's 39th Annual Report, covering fiscal year 1973, pursuant to 15 U.S.C. 78w(b), 79w, 80a–45(a), and 80b–16 and 22 U.S.C. 286k–2, 283h(b), and 285h(b); to the Committee on Interstate and Foreign Commerce.

2140. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204 (d) of the Immigration and Nationality Act, as amended [8 U.S.C. 1154(d)]; to the Committee on the Judiciary.

2141. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation, together with a list of the persons involved, pursuant to section 244(a)(1) of the Immigration and Nationality Act, as amended [8 U.S.C. 1254(c) (1)]; to the Committee on the Judiciary.

2142. A letter from the Secretary of Health, Education, and Welfare, transmitting the sixth annual report on medicare, covering fiscal year 1972, pursuant to 42 U.S.C. 1395*ll* (b) (H. Doc. No. 93–252); to the Committee on Ways and Means and ordered to be printed with illustrations.

Received From the Comptroller General

2143. A letter from the Comptroller General of the United States, transmitting a report on progress and problems in developing nuclear and other experimental techniques for recovering natural gas in the Rocky Mountain area; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MILLS: Joint Committee on Internal Revenue Taxation. Report on the examination of President Nixon's tax returns for 1969 through 1972 (Rept. No. 93–966). Referred to the Committee of the Whole House on the State of the Union.

Mr. McSPADDEN: Committee on Rules. House Resolution 1026.—Resolution providing for the consideration of H.R. 12565. A bill to authorize appropriations during the fiscal year 1974 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, and other weapons and research, development, test and evaluation for the Armed Forces, and to authorize construction at certain installations, and for other purposes (Rept. No. 93–967). Referred to the House Calendar.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 11013. A bill to designate certain lands in the Farallon National Wildlife Refuge, San Francisco County, Calif., as wilderness with amendment (Rept. No. 93–968). Referred to the Committee of the Whole House on the State of the Union.

Mr. PRICE of Illinois: Joint Committee on Atomic Energy. H.R. 13919. A bill to authorize appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes. (Rept. No. 93–969).

Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

By Mr. J. WILLIAM STANTON:

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

H.R. 13922. A bill to provide for the orderly transition from mandatory economic controls, continued monitoring of the economy and for other purposes; to the Committee on Banking and Currency.

By Mr. ANDERSON of California:

H.R. 13923. A bill to amend the Internal Revenue Code of 1954 to provide an additional intemized deduction for individuals who perform voluntary public service by working for certain organizations; to the Committee on Ways and means.

By Mr. BEARD (for himself, Mr. Dan Daniel, Mr. Collins of Texas, Mr. Bafalis, Mr. Davis of Georgia, Mr. Baker, Mr. Whitehurst, Mr. Ketchum, Mr. Treen, Mr. Fisher, Mr. Mann, Mr. Robert W. Daniel, Jr., Mr. Lott, Mr. Gunter, Mr. Spence, Mr. Young of Florida, Mr. Talcott, Mr. Devine, Mr. Derwinski, Mrs. Holt, Mr. Froehlich, Mr. Bob Wilson, Mr. Dennis, Mr. Abdnor, and Mr. Jones of North Carolina):

H.R. 13924. A bill to amend the Occupational Safety and Health Act of 1970, and for other purposes; to the Committee on Education and Labor.

By Mr. BEARD (for himself, Mr. Martin of North Carolina, Mr. Montgomery, Mr. Archer, Mr. Rarick, Mr. Shuster, Mr. Burgener, Mr. Huber, Mr. Robinson of Virginia, Mr. Goldwater, Mr. Powell of Ohio, Mr. Bauman, Mr. Shoup, Mr. Parris, Mr. Winn, Mr. Scherle, and Mr. Kuykendall):

H.R. 13925. A bill to amend the Occupational Safety and Health Act of 1970, and for other purposes; to the Committee on Education and Labor.

By Mr. BIAGGI:

H.R. 13926. A bill to establish rational criteria for the mandatory imposition of the sentence of death, and for other purposes; to the Committee on the Judiciary.

By Mr. BROWN of California (for himself, Ms. Abzug, Mr. Bingham, Mr. Dellums, Mr. Drinan, Mr. Harrington, Mr. Helstoski, Mr. Metcalfe, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Obey, Mr. Rangel, Mr. Rees, Mr. Rosenthal, Mrs. Schroeder, Mr. Stark, Mr. Thompson of New Jersey, Mr. Tiernan, Mr. Waldie, and Mr. Young of Georgia):

H.R. 13927. A bill to authorize a 5-year extension of the period of temporary admission into the United States for certain residents of Chile who are in the United States as nonimmigrant aliens, and for other purposes; to the Committee on the Judiciary.

By Mr. BROYHILL of Virginia (for himself and Mr. Frelinghuysen):

H.R. 13928. A bill to amend the Foreign Service Act of 1946 to allow credit for service with Radio Free Europe and Radio Liberty for purposes of retirement; to the Committee on Foreign Affairs.

By Mr. DENT:

H.R. 13929. A bill to amend title 5, United States Code, to permit employees of Federal executive agencies and individuals employed by the government of the District of Columbia to engage in certain political campaign activities; to the Committee on House Administration.

H.R. 13930. A bill to amend title 5, United States Code, to permit State and local officers and employees to engage in certain political campaign activities; to the Committee on House Administration.

By Mr. FROEHLICH:

H.R. 13931. A bill to amend title 39, United States Code, to provide for the mailing of letter mail to Senators and Representatives in Congress at no cost to the sender, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 13932. A bill to amend the Internal Revenue Code of 1954 to exempt septic tank pumping units from the manufacturers excise tax on automotive and related items; to the Committee on Ways and Means.

By Mr. FULTON:

H.R. 13933. A bill to extend certain programs under the Economic Opportunity Act of 1964, and for other purposes; to the Committee on Education and Labor.

H.R. 13934. A bill to amend title 5, United States Code, to restore or grant family member status for coverage under the Federal employees health benefits program of a child under age 22 who lost or was not granted such coverage because of marriage later terminated by divorce or death of spouse; to the Committee on Post Office and Civil Service.

H.R. 13935. A bill to amend the Internal Revenue Code of 1954 to allow a credit against income tax to individuals for certain expenses incurred in providing higher education; to the Committee on Ways and Means.

By Mr. HANSEN of Idaho:

H.R. 13936. A bill to amend the Atomic Energy Act of 1954, as amended, in order to establish a Joint Committee on Energy; to the Committee on Rules.

By Mr. HÉBERT (for himself and Mr. Bray) (by request):

H.R. 13937. A bill to amend title 37, United States Code, to refine the procedures for adjustments in military compensation, and for other purposes; to the Committee on Armed Services.

By Mr. HELSTOSKI:

H.R. 13938. A bill to amend the Internal Revenue Code of 1954 to provide that a taxpayer conscientiously opposed to participation in war may elect to have his income, estate, or gift tax payments spent for nonmilitary purposes; to create a trust fund (the World Peace Tax Fund) to receive these tax payments; to establish a World Peace Tax Fund Board of Trustees; and for other purposes; to the Committee on Ways and Means.

By Mr. MURTHA:

H.R. 13939. A bill to direct the Comptroller General of the United States to conduct a study of the burden of reporting requirements of Federal regulatory programs on independent business establishments, and for other purposes; to the Committee on Government Operations.

By Mr. PEPPER:

H.R. 13940. A bill to amend the Social Security Act to establish a national health insurance program for all Americans within the social security system, to improve the benefits in the medicare program including a new program of long-term care, to improve Federal programs to create the health resources needed to supply health care, to provide for the administration of the national health insurance program and the existing social security programs by a newly established independent Social Security Administration, to provide for the administration of health resource development by a semi-independent board in the Department of Health, Education, and Welfare, and for other purposes; to the Committee on Ways and Means.

By Mr. PEYSER:

H.R. 13941. A bill to correct certain inequities regarding the making and termination of appointments under Executive Order No. 11521, relating to veterans readjustment appointments for veterans of the Vietnam era, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 13942. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for expenses incurred by a taxpayer in making repairs and improvements to his residence, and to allow the owner of rental housing to amortize at an accelerated rate the cost of rehabilitating or restoring such housing; to the Committee on Ways and Means.

By Mr. PODELL:

H.R. 13943. A bill to amend title II of the Social Security Act to provide that increases in monthly insurance benefits thereunder (whether occurring by reason of increases in the cost of living or enacted by law) shall not be considered as annual income for purposes of certain other benefit programs; to the Committee on Ways and Means.

By Mr. RAILSBACK:

H.R. 13944. A bill to prohibit for a temporary period the exportation of ferrous scrap, and for other purposes; to the Committee on Banking and Currency.

By Mr. ROONEY of Pennsylvania:

H.R. 13945. A bill to amend section 5051 of the Internal Revenue Code of 1954 (relating to the Federal excise tax on beer); to the Committee on Ways and Means.

By Mr. ROONEY of Pennsylvania (for himself, Mr. Nix, and Mr. Barrett):

H.R. 13946. A bill to amend the Comprehensive Drug Abuse Prevention and Control Act of 1970; to the Committee on Interstate and Foreign Commerce.

By Mr. ROONEY of Pennsylvania (for himself, Mr. Preyer, and Mr. Carney of Ohio):

H.R. 13947. A bill to amend the Federal Trade Commission Act to provide that under certain circumstances exclusive territorial arrangements shall be deemed lawful; to the Committee on Interstate and Foreign Commerce.

By Mr. ROSTENKOWSKI:

H.R. 13948. A bill to amend section 218 of the Social Security Act to provide that a policeman or fireman who has social security coverage pursuant to State agreement as an individual employee and not as a member of a State or local retirement system may elect to terminate such coverage if he is subsequently required to become a member of such a retirement system; to the Committee on Ways and Means.

H.R. 13949. A bill to amend the Internal Revenue Code of 1954 to avoid duplication of tax imposed under the Federal Insurance Contributions Act and the Federal Unemployment Tax Act in the case of employers of the same employee; to the Committee on Ways and Means.

H.R. 13950. A bill to amend the Internal Revenue Code of 1954 to provide that the investment credit shall apply to certain leased commuter cars; to the Committee on Ways and Means.

By Mr. SEIBERLING (for himself, Ms. Abzug, Mr. Badillo, Mr. Bell, Mr. Edwards of California, Mr. Bingham, Mr. Brown of California, Mr. Cleveland, Mr. Dellums, Mr. de Lugo, Mr. Ford, Mr. Frey, Mr. Gude, Mr. Harrington, Mr. Hamilton, Mr. Hechler of West Virginia, Mr. Leggett, and Mr. Morgan):

H.R. 13951. A bill to amend the Land and Water Conservation Fund Act of 1965 to increase the authorization of appropriation for the Land and Water Conservation Fund; to the Committee on Interior and Insular Affairs.

By Mr. SEIBERLING (for himself, Mr. Lujan, Mr. Mollohan, Mr. McCormack, Mr. Moakley, Mr. O'Hara, Mr. Quie, Mr. Rostenkowski, Mr. Riegle, Mr. Roush, Mr. Sarbanes, Ms. Schroeder, Mr. Vanik, Mr. Charles H. Wilson of California, Mr. CHARLES WILSON of Texas, and Mr. YOUNG of Georgia):

H.R. 13952. A bill to amend the Land and Water Conservation Fund Act of 1965 to increase the authorization of appropriation for the Land and Water Conservation Fund; to the Committee on Interior and Insular Affairs.

By Mr. SIKES:

H.R. 13953. A bill to provide for the establishment of a national cemetery within the Eglin Air Force Base Reservation, Fla.; to the Committee on Veterans' Affairs.

By Mr. STEIGER of Arizona (for himself, Mr. JOHNSON of California, and Mr. UDALL):

H.R. 13954. A bill to authorize the Secretary of the Interior to engage in a feasibility investigation of a water supply delivery system for the city of Yuma, Ariz.; to the Committee on Interior and Insular Affairs.

By Ms. ABZUG:

H.R. 13955. A bill to amend title 39, United States Code, to eliminate certain restrictions on the rights of officers and employees of the U.S. Postal Service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. COTTER:

H.R. 13956. A bill for the relief of certain orphans in Vietnam; to the Committee on the Judiciary.

By Mr. FLYNT:

H.R. 13957. A bill to abolish the Commission on Executive, Legislative, and Judicial Salaries; to the Committee on Post Office and Civil Service.

By Mr. FROEHLICH:

H.R. 13958. A bill to amend title XVIII of the Social Security Act to provide that the determination of the "reasonable charge" for services furnished in any State by a physician or other person under the supplementary medical insurance program shall be made on the basis of the prevailing and customary charges for similar services throughout such State rather than on the basis of the corresponding charges in a particular locality; to the Committee on Ways and Means.

By Mrs. MINK:

H.R. 13959. A bill to amend the Federal Aviation Act of 1958 to require certain air carriers to grant free air transportation to certain attorneys and witnesses attending proceedings before the Civil Aeronautics Board and to require the Board to hold public hearings in additional locations; to the Committee on Interstate and Foreign Commerce.

H.R. 13960. A bill to provide that local governments may receive reimbursement from the United States for protection provided by such governments to visiting Federal and foreign governmental officials; to the Committee on the Judiciary.

By Mr. TEAGUE (by request):

H.R. 13961. A bill to amend section 203(b) of the National Aeronautics and Space Act of 1958; to the Committee on Science and Astronautics.

By Mr. WHITEHURST (for himself and Mr. ROBINSON of Virginia):

H.J. Res. 966. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. FORSYTHE:

H. Con. Res. 459. Concurrent resolution expressing the sense of the Congress with respect to the imprisonment in the Soviet Union of a Lithuanian seaman who unsuccessfully sought asylum aboard a U.S. Coast Guard ship; to the Committee on Foreign Affairs.

Mr. Mr. MURPHY of New York:

H. Con. Res. 460. Concurrent resolution expressing the sense of Congress with respect to a bill of rights for Vietnam veterans; to the Committee on Veterans Affairs.

By Mr. RODINO:

H. Res. 1027. Resolution to provide funds for the Committee on the Judiciary; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mrs. BURKE of California:

H.R. 13962. A bill for the relief of Dea Lay-Hong; to the Committee on the Judiciary.

By Mr. McCLORY:

H.R. 13963. A bill for the relief of Trinidad P. Yumul, and minor children, Randy Eugene Richardson and Raymond Yumul; to the Committee on the Judiciary.

By Mrs. MINK:

H.R. 13964. A bill for the relief of Pham Manh Quynh; to the Committee on the Judiciary.

By Mr. PARRIS:

H.R. 13965. A bill for the relief of Lt. Comdr. Rodney H. Lovdal; to the Committee on Armed Services.

EXTENSIONS OF REMARKS

PRAISE FOR THE VOLUNTEER FIREMEN

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. BAUMAN. Mr. Speaker, representing as I do more than one half of the counties of Maryland, most of them predominately rural in character, I have become well acquainted with one group of dedicated public servants who receive no compensation other than the respect of their fellow citizens. I am speaking, of course, of the volunteer firemen.

In an age when citizen participation and involvement are often avoided, these men are willing to give of their time and energy to help others.

I include in my remarks an excellent statement concerning the volunteer firemen which appeared in the Maryland State News, and which is written by Joe Bachelor, Sr., an instructor at the University of Maryland Fire Service Extension. It is called "The Volunteers."

The article follows:

MARYLAND FIRE OFFICIAL PRAISES "THE VOLUNTEERS"

(By Dan Tabler)

COLLEGE PARK, MD.—Six months ago, more or less, a Canadian broadcaster by the name of Gordon Sinclair sat in front of his microphone and did a two-minute, 48-second commentary on "the good Americans" that has been picked up, recorded and sold over a million copies.

A take-off on Sinclair's now-famous prose was given before the Kent and Queen Anne's Volunteer Firemen's Association March meeting in Millington by Joe Bachelor, senior instructor at the University of Maryland Fire Service Extension. He called it "The Volunteers."

I thought it deserved exposure to people other than volunteer fire fighters, and asked him to send me a copy. Here 'tis:

The volunteer firemen took another pounding in the newspapers this morning. Their renown and popularity hitting the lowest point ever known in this community. Their splendid service has apparently been forgotten and this observer thinks it's time to speak up for the volunteers as the most generous and possibly the least appreciated people in America.

As long ago as 30 years ago, when I first joined the volunteer fire service, I heard stories of disasters. Who rushed in and gave of themselves to help? The volunteers did! They have helped control emergencies at every crossroads in this county. Today they are in trouble and no one cares.

Thousands of citizens have been lifted out of their problems by volunteer firemen who poured out countless hours of their time. None of those citizens is today willing to give an hour of his time in return.

When the volunteers saw the need for a full time fire force to support their thinning ranks, they established paid positions, and their reward was to be insulted and pushed aside in their own fire stations. I was there! I saw it!

When great vision and enthusiasm was needed in the past to build modern fire defenses for a growing community, the volunteers planned and implemented new stations and communications centers and fire prevention bureaus and training programs. I'd like to see the people who are gloating over the erosion of the volunteer fire service to point to just one achievement which doesn't have its roots in what the volunteers established in the years gone by.

Come on! Let's hear it! Does anybody else in town leave the security of his own home at three o'clock on a winter morning to fight his neighbor's fire for free? Does anybody else in town, without hesitation, ruin his only good suit while pulling an unknown stranger from a crushed car on the highway? Is anybody else in town, without pay, willing to perform the hours of unglamorous and unseen work necessary to plan for the future, to maintain emergency equipment and to train?

You talk about the "professional" fire fighter and you get a man doing a job for 40 or 48 or 56 hours a week. You talk about the volunteer fireman and you get a man who lives, breathes, eats, sleeps and loves fire fighting above all else.

You talk about problems and the volunteers will admit they have them. No group as diverse and as large as the volunteer firemen, is going to be always perfect.

When the volunteers look back on this period, who could blame them if they said, "The hell with the rest of you! Let someone else fight your fires! Let someone else bloody his hands at your accidents! Let someone else pay the taxes to buy the services we've so willingly given free!"

When the community needed the support of the volunteers, they were ready and willing to serve. When the volunteers need the support of the community, nobody is willing to extend a hand.

I can name you 500,000 times when the volunteers have raced to the help of other people in trouble. Can you name me even one time when someone raced to the help of the volunteers in trouble? I don't think most communities even take the time to say, "Thanks".

The volunteer firemen have done it alone, and I'm one citizen who's damned tired of hearing them kicked around. They will come out of this with their morale high, and when they do, they are entitled to thumb their nose at the people who are gloating over their present trouble.

Finally, it is sad to note today, when the volunteer's need is so great and their numbers are so few, that nobody, but nobody, seems to care.

TIFFANY CHAIRMAN SPEAKS OUT FOR FREE ENTERPRISE

HON. H. R. GROSS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. GROSS. Mr. Speaker, in this era of big government, with more and more interference, control, and management coming from Washington to the detriment of our individual freedoms and our economic well-being, it is refreshing to see instances of American businessmen speaking out for the principle of free enterprise which made our Nation great.

One company, Warner & Swazey, comes instantly to mind because of its long history of advertisements extolling virtues of freedom for individuals and enterprise.

More recently, a message from Mr. Walter Hoving, chairman and chief executive officer of Tiffany & Co., came to my attention. In the company's annual report, Mr. Hoving speaks out forcefully and compellingly against the constant and all too often irrational monkeying with the economic machinery of this country by Washington.

I include Mr. Hoving's remarks for insertion in the RECORD at this point:

A PERSONAL WORD

I would like to say a few words about the fact that business is increasingly facing economic problems that are largely artificial and arbitrary but which are foisted upon it by unwise government regulation. So many of these problems have been created by politicians, both here and abroad, who seem to have an irresistible compulsion to throw monkey wrenches of one kind or another into the economic machinery. Politicians, apparently, fail to comprehend that they are undermining the right of people to be free of constant economic tinkering by government.

Individually, many politicians seem sensible enough, but when two or more are gathered together they tend to concoct some incredibly idiotic schemes. Almost all such schemes have been tried since the days of Imperial Rome without success, but perhaps it is too much to expect that politicians will learn from history.

So what should be done?

First of all, politicians must stop foisting ill-conceived schemes on the public. Second, they should repeal the idiotic ones that are plaguing us now. Then they should let the Private Responsibility System have the freedom it needs to let the market economy do what it alone can do.

After all, the gross profits of private enterprise alone generate all the money that pays for all wages, all taxes, all interest, all dividends, all services, all future growth, and all benefits whether performed by government or by someone else.

The only time government pays for anything is when it increases the public debt, or resorts to deficit financing, which, of course, eventually comes out of the hides of the people by creating inflation with which we are all too familiar.

I believe business and those who have investments in business should take a firmer stand in these matters and let their voices be heard with much more vigor than in the past. This is of vital importance not only for business but for everything that business supports including government itself.

CUMULATIVE STUDENT RECORDS: A POTENTIAL ABUSE OF THE RIGHT TO PRIVACY—PART I

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. KEMP. Mr. Speaker, the House engaged in an extensive colloquy this afternoon on the crucially important subject of more effectively assuring the individual's right to privacy—his right to be left alone—his right to be let alone. I was honored to be one of the principal cosponsors of that colloquy.

As I indicated in my earlier remarks this afternoon, there is growing concern over the potential abuse and improper disclosure of information now maintained and used by the public and private school systems throughout the country—extensive information on the social and economic background, attitudes and behavior, performance and ability, and health of pupils within those systems. The gentleman from California (Mr. GOLDWATER) placed a highly informative article, authored by Diane Divoky and appearing in last weekend's issue of Parade magazine, into the RECORD of our proceedings yesterday.

These student records contain—in addition to essential factual information relating to the actual education of the pupil—subjective evaluations made by teachers and other school officials, evaluations which are often unverified by supervisors or other instructors, and evaluations which often reflect the biases—intentionally or unintentionally—of the evaluators themselves.

Because the information stored in these elaborate systems follows the student as he or she goes through the learning process, from one teacher to another, from one school to another, often from one school system to another, and because this information is subjective and involves the most sensitive of data which can be ascertained about an individual, we must come to grips with the potential abuses which can arise from the disclosure of this information. In many, if not most instances, this information is available to such diverse entities as the military services, actual or potential employers, and institutions of higher learning.

There are some potential invasions of privacy which affect less than the whole population. This potential abuse of school records, however, affects everyone who has even gone to a public or private school—in other words, virtually all of us.

It is important that the Congress—in its sphere—and the State legislatures in their spheres—for education is primarily a matter of State and local jurisdiction—get a handle on this matter as soon as possible.

As I indicated in my earlier remarks, I have this matter under intense scrutiny, and I hope to be able to report to the House and to introduce appropriate remedial legislation at the earliest opportunity. This is certainly a matter which should not go without redress.

The Parade magazine article which was included in our proceedings by Mr. GOLDWATER was a condensation of an extensive article which appeared in the September 1973 edition of Learning, also authored by Diane Divoky. At this point in the RECORD, I insert the first half of that article:

CUMULATIVE RECORDS: ASSAULT OF PRIVACY

(By Diane Divoky)

It all started innocently enough back in the 1820s, when schools in New England began keeping registers of enrollment and attendance. In the 150-odd years since, the student record has grown to grotesque proportions. Like Frankenstein's monster, it now has the potential to destroy those it was created to protect.

Educators have constructed this monster in the name of efficiency and progress, adding a piece here and there, tinkering with new components, assuming all the while they were creating a manageable servant for school personnel. But what they failed to foresee was the swift development of modern communications technology and the widening employment of that technology by a social system increasingly bent on snooping.

The growth of the record into an all-inclusive dossier came in response to the increasing centralization and bureaucratization of schools. Another contributing factor was the emergence of education's ambitious goal of dealing with the "whole child." Out of that context grew such specific actions as the NEA's 1925 recommendation that health, guidance and psychological records be maintained for each pupil, and the American Council on Education's 1941 development of record forms that gave more attention to behavior descriptions and evaluation and less to hard data such as subjects and grades. By 1964, the U.S. Office of Education was listing eight major classifications of information to be collected and placed in the student record.

More recently, the Ohio Department of Education took a hard look at state laws requiring the keeping of such records and sounded a note of warning: "When construed with other statutes which give school authorities wide discretionary power . . . it [is] obvious that schools may collect any kind of information they desire concerning pupils." Power of that magnitude, admonished guidelines for Ohio administrators, must be handled with great care and discretion.

The ultimate mushrooming of records may have been reached in the massive New York City school system—largest in the nation. There, the records required or recommended for each child involved, if nothing else, a staggering amount of book work. A typical, rainbow-hued student dossier in New York carries:

A buff-colored, cumulative, four-page record card that notes personal and social behavior, along with scholastic achievement, and is kept on file for 50 years;

A blue or green test-data card on which all standardized test results and grade equivalents are kept, also for 50 years;

A white, four-page, chronological reading record;

A pupil's office card;

An emergency home-contact card;

A salmon-colored health record—one side for teachers, the other for the school nurse and doctor;

A dental-check card;

An audiometer screening-test report;

An articulation card, including teachers' recommendations for tracking in junior high school;

A teachers' anecdotal file on student behavior;

An office guidance record, comprised of counselors' evaluations of aptitude, behavior and personality characteristics;

A Bureau of Child Guidance file that is regarded, though not always treated, as confidential, and includes reports to and from psychologists, psychiatrists, social workers, various public and private agencies, the courts and the police;

And all disciplinary referral cards.

In New York and elsewhere, as the records began to contain more detailed and varied information, they took on lives of their own; they became, somehow, more trustworthy and permanent than the quixotic people they represented. Read the cumulative folder of a student—131 IQ, strong language skills, musical talent, loss of vision in one eye, permissive home—and then meet the child, if he doesn't come on bright, articulate, humming a little and self-assured in spite of a squint, something, one feels, must be wrong. And it's not likely the record will be blamed.

As the process of information collection in the schools snowballed—a few more forms for the guidance department, a few more facts for state agencies, another set of teacher commitments for a new tracking plan—almost no one stopped to weigh the implications of recording so much hard and soft data about children and their families. There was little thought given to development of clear policies and practices by which student and parental rights of privacy might be balanced against the needs of the school and other social agencies to know, or to guarantee, that material contained in records was accurate and pertinent.

Thus, by 1970, almost any government agent could walking into a school, flash a badge and send a clerk scurring to produce a file containing the psychiatric and medical records of a former student. It was unlikely that the student would even know about the intrusion into his private life. A mother could be cooly informed that she had *no right* to see the records that resulted in her child being transferred to a class for the mentally retarded. A father attending a routine parent-teacher conference about his outgoing son could discover in the boy's anecdotal record comments that he was "strangely introspective" in the third grade, "unnaturally interested in girls" in the fifth, and had developed "peculiar political ideas" by the time he was 12—judgments that the father could neither retroactively challenge nor explain.

Case histories such as these helped motivate sociologists David A. Goslin and Nancy Bordier of the Russell Sage Foundation to undertake a survey of the record-keeping practices of 54 representative school districts. They found that the systems maintained as part of their permanent files widely varied information on students. Almost all kept informal teacher-made anecdotal records, special health data, notes on interviews with parents and students, correspondence from home, records of referrals, delinquency reports and other "high security" data. Nearly three fourths of them also kept personality ratings, samples of student work, diaries and autobiographies. One third recorded the race and religion of students, almost a half recorded students by nationality, and half kept photographs on the record forms. The research team also discovered that anyone from the school psychologist to a front-office clerk might be responsible for feeding information into the permanent file. (One interesting sidelight: The records were consistently little used by teachers and school staff, a finding that flew in the face of the official rationale that the dossiers were needed to guide teachers in their relations with individual students).

Goslin and Bordier also found that CIA and FBI agents had access to the entire student files in more than half the school systems, as did juvenile courts and health-department officials. Local police had access to complete files in almost one third of the systems. But parents—those citizens with primary legal and moral responsibility for the child—had access to the entire files in fewer than 10 percent of the systems. Some superintendents reported that parents were denied access to their children's records even when they possessed the legal right to inspect them. "What is particularly significant," the researchers noted, "is the impression that school officials have strong reservations about giving parents very much information (other than routine grade reports and sometimes achievement-test scores) about the content of evaluations that are continually being made of their children."

As a follow-up to the Goslin-Bordier study, the Russell Sage Foundation convened in 1969 a group of prominent educators, lawyers and social scientists to consider the ethical and legal aspects of school record keeping and to develop guidelines for the collection, maintenance and dissemination of these records. The conference report began: "There are clear indications . . . that current practices of schools and school personnel relating to the collection, maintenance, use and dissemination of information about pupils threaten a desirable balance between the individual's right to privacy and the school's stated need to know." It pointed to these abuses:

"Information about both pupils and their parents is often collected by schools without the informed consent of either children or their parents. Where consent is obtained for the collection of information for one purpose, the same information is often used subsequently for other purposes.

"Pupils and parents typically have little or, at best, incomplete knowledge of what information about them is contained in school records and what use is made of this information by the school.

"Parental and pupil access to school records typically is limited by schools to the pupil's attendance and achievement record (including standardized achievement-test scores).

"The secrecy with which school records usually are maintained makes difficult any systematic assessments of the accuracy of information contained therein. Formal procedures permitting parental or pupil challenges of allegedly erroneous information do not exist. An univerified allegation of misconduct may therefore . . . become part of a pupil's permanent record.

"Procedures governing the periodic destruction of outdated or no longer useful information do not exist in most systems.

"Within many school systems, few provisions are made to protect school records from examination by unauthorized school personnel.

"Access to pupil records by nonschool personnel and representatives of outside agencies is, for the most part, handled on an ad hoc basis. Formal policies governing access by law-enforcement officials, the courts, potential employers, colleges, researchers and others do not exist in most school systems.

"Sensitive and intimate information collected in the course of teacher-pupil or counselor-pupil contacts is not protected from subpoena by formal authority in most states."

The report concluded that "these deficiencies in record-keeping policies . . . constitute a serious threat to individual privacy in the United States." It suggested guidelines for record keeping based on these principles: (1) No information should be collected about students without the informed consent of parents and, in some cases, the child. (2) Information should be classified so that only the basic minimum of data appears on the permanent record card, while the rest is periodically reviewed and, if appropriate, destroyed. (3) Schools should establish procedures to verify the accuracy of all data maintained in their pupil records. (4) Parents should have full access to their child's records, including the right to challenge the accuracy of the information found therein. (5) No agency or persons other than school personnel who deal directly with the child concerned should have access to pupil data without parental or pupil permission (except in the case of a subpoena).

In 1972, the Sage Foundation tackled the subject once more and found that, in spite of the distribution of 100,000 copies of its guidelines, "the vast majority of schools in this country still do not have records policies which adequately protect the privacy of students and their parents."

The researchers also noted that a good policy may not begin to solve record problems. In one school system visited by a researcher, a written policy was drawn up by a committee composed entirely of counselors. As a result, "the social worker thought it did not apply to her records, the mechanics teacher who had considerable informal contact with local employers thought that it only applied to formal requests for information handled by the registrar, and one of the principals regarded it as of the utmost importance to stay on good terms with local employers by telling them in detail of all the behavior problems potential employees had experienced while in school."

The Sage reports and guidelines helped fuel a growing national alarm about threats to privacy posed by our technological and bureaucratic society, and several educational groups subsequently took public positions insisting on the confidentiality of records. In 1971, the NEA, which 46 years before had urged more comprehensive record keeping, approved the *Code of Student Rights and Responsibilities*, which asserts that the "interest of the student must supersede all other purposes to which records might be put," and urges strict policies to protect the rights to privacy of students and parents. It suggested that junior high school students have joint control with their parents over their own records, and high school students, total control.

Recently, a few local school boards, notably those in Des Moines, Iowa, and Jefferson City, Missouri, have adopted regulations to safeguard records. Des Moines allows parents and students to see the records, asks written consent of them before any information is released to anyone else, and gives them the power to determine which records may never be released to anyone.

On the state level, Oregon has given parents the right to inspect the total record, Delaware grants students 14 years or older control over the release of information from their own records, and New Mexico guarantees any public school student the right to inspect his own record. Both New Mexico and Oregon have moved to keep records confidential from outsiders. Oregon law prohibits the release of records to anyone other than the parents and child. The New Mexico board of education policy statement says that "government investigative agencies as such have no inherent legal right to have access to student files and records," and the board bars them from access without the student's permission or a court order. New Hampshire prohibits schools from keeping records that "reflect the political activities or beliefs of students."

Some educators and parents, discouraged with waiting for legislators or school administrators to act, have sought to take the reins in their own hands. In San Francisco, a group of black teachers and counselors are working for the elimination of all records except for a small card of hard data. They argue that the image of a folder as some capacious pocket into which all sorts of alleged wrongdoings and bad marks can be dropped has a bad psychological effect on students, that the folders consistently contain indefensible and gratuitous negative comments but little about the student's real educational ability, and that these biased comments are used authoritatively by the schools, particularly by guidance counselors, who see a folder as a kind of bible. "Black students' folders tend to be at least half an inch thicker than those of white children," one of the committee members said, "which tells you something about the child even before you open the folder."

The manner in which the thick folders of a group of junior high school students in Washington, D.C., were handled is now the basis of *Doe v. MacMillan*, a case before the U.S. Supreme Court. The suit was triggered when the House Committee for the District of Columbia, in preparation for its annual hearings on the D.C. schools, sent investigators out to gather up the cumulative records of students. Copies of actual test papers, disciplinary reports and evaluations—defamatory if not libelous materials—were reproduced with the students' names still on them. The report was then published by the committee's chairman, entered in the Congressional Record and circulated about the country. Parents sued the individual congressman as well as the school board, principal and teachers. Sovereign immunity protections in the District of Columbia complicated the case, but the U.S. Supreme Court recently ruled that the congressmen had no special immunity "from local laws protecting the good name or the reputation of the ordinary citizen" and remanded the case to the Court of Appeals for further action. Not coincidentally, the D.C. board of education established regulations for protection of records just as the complaint was filed.

The second half of the article from Learning will appear hereafter.

CAPITOL CONTACT ENCOURAGES CITIZEN PARTICIPATION IN GOVERNMENT

HON. GARNER E. SHRIVER

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. SHRIVER. Mr. Speaker, an interesting and valuable public service project called "Capitol Contact" has been initiated by KTVH, channel 12, in Wichita, Kans.

The television station has undertaken this project to help its viewers communicate with their representatives in Topeka and Washington. Viewers have been invited to send their letters expressing their opinions to the TV station, and the station, in turn, is transmitting the communications to the appropriate representatives.

"We realize that the majority of our viewers do not know how to reach their representatives. We are offering to do it for them," KTVH officials have explained.

In establishing this project, KTVH not only is sending constituent comments from its prime viewing territory, it is serving people from throughout the State. Each Member of the Kansas congressional delegation in Washington is receiving, on a regular basis, comments from their constituents. In addition, "Capitol Contact" reaches appropriate State officials including the Governor, State senators, and representatives.

It is helpful to me to receive the opinions of my constituents, and I believe this project will stimulate greater citizen participation in representative government at all levels.

"DÉTENTE: THE BALANCE SHEET," AN ARTICLE BY HANS J. MORGENTHAU

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. BRADEMAS. Mr. Speaker, I insert in the RECORD the text of a most thoughtful article by Dr. Hans J. Morgenthau, Leonard Davis distinguished professor of political science of the City College of the City University of New York.

The article "Détente: The Balance Sheet," was published in the March 28, 1974, issue of the New York Times.

The article follows:

DÉTENTE: THE BALANCE SHEET

(By Hans J. Morgenthau)

Détente has had a bad press of late on both sides of the fence that was once called the Iron Curtain. A national weekly writes of "Détente: End of Illusions." A Soviet general states that "political détente cannot be durable and irreversible if the arms race continues." On the other hand, the President and Secretary of State inform us that détente serves the purpose of avoiding nuclear war.

In order to gain perspective on such sweeping statements it may not be superfluous to remind oneself of the liberal meaning of détente.

The word refers to the previous existence of tension that has been abated or eliminated in consequence of détente.

Since there have been many tensions between the United States and the Soviet Union on different levels of social interaction and in different geographical locations, it is futile to raise the question of whether or not détente as an abstract, comprehensive concept has worked.

It makes sense only to ask whether or not previously existing specific tensions have been abated or eliminated by the policies of President Nixon and Leonid I. Brezhnev. When posed in such concrete, specific terms, the question requires a positive answer with regard to three kinds of tensions that have in the past poisoned the relations between the superpowers.

One manifestation of détente is the removal from over-all Soviet-American relations of the ideological fervor that during the Cold War transformed every contest into a Manichean conflict between good and evil, making negotiated settlements virtually impossible. This ideological decontamination has improved the atmosphere, an improvement that in an intangible fashion has improved the chances for the negotiated settlement of substantive issues.

Another manifestation of détente is the substantial settlement of the German question through West German recognition of the territorial status quo in Central Europe and, more particularly, of the East German state, and through agreement on the international status of West Berlin.

Finally, the 1972 agreements on the limitation of strategic arms, regulating the competition for offensive nuclear weapons and virtually eliminating that for defensive ones, have paved the way for the current strategic-arms negotiations and have thereby at least temporarily abated the tensions concomitant with an unregulated nuclear-arms race.

That short list of instances where détente has been successful is counter-balanced by a long one of issues that have remained unaffected by détente and may even have been aggravated by its partial achievement.

That is particularly true of Europe, where the conferences on European security and on mutual and balanced troop reductions are deadlocked and where the very fact of détente in Central Europe and the apparent overall détente between the United States and the Soviet Union have accentuated the disintegrative tendencies within the North Atlantic Treaty Organization.

In the Middle East, the two superpowers compete for power and influence, as they do in the countries bordering on the Indian Ocean. The thrust of Soviet expansion from the eastern Mediterranean through the Middle East to South Asia, supported by rapidly increasing naval power and movement in to the empty spaces left by the liquidation of the colonial empires, is likely to create new points of tension.

Two factors are bound to put into question the few instances of real détente achieved: the deadlock of the present strategic-arms negotiations and the American reaction to certain domestic policies of the Soviet Union.

The Soviet general quoted here on "political détente" has indeed a point. The continuation of an unlimited nuclear arms race will create tensions wiping out the limited gains made by détente thus far.

For since each side will suspect the other of seeking a first-strike capabilitiy, such an arms race will introduce an element of instability into the present balance of terror, which—and not détente—has actually prevented the outbreak of nuclear war.

While this development is still a matter of conjecture, the negative impact of the domestic policies of the Soviet Union upon détente is an observable fact.

American concern with these politicies is not, as Soviet spokesmen would have it, meddling in the domestic affairs of another country. Rather it reflects the recognition that a stable peace, founded upon a stable balance of power, is predicated upon a common moral framework that expresses the commitment of all the nations concerned to certain basic moral principles, of which the preservation of that balance of power is one.

As long as the excesses of domestic brutality in the Soviet Union indicate the absence of such a common moral framework, détente can only be limited and precarious.

CONGRATULATIONS TO DR. AUGUSTUS S. ROSE

HON. ALPHONZO BELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. BELL. Mr. Speaker, last week Mr. Donald E. Johnson, Administrator of Veterans' Affairs, informed me of his approval of Dr. Augustus S. Rose as a distinguished physician with the Veterans' Administration.

Dr. Rose, chairman of the Department of Neurology at the UCLA Medical School, will be one of only nine members of this program. President of the Academy of Neurology, director of the American Board of Psychiatry and Neurology, and a member of both the American Neurology Association and the American Board of Psychiatry and Neurological

Diseases and Stroke of the National Institutes of Health are just a few activities that give evidence to the prominence that Dr. Rose has shown in the field of neurology.

Dr. Rose has been senior consultant to the Veterans' Administration for over 20 years. He has the universal acceptance of his colleagues and will be a valuable asset to the Distinguished Physicians Program. I know my colleagues join me in congratulating Dr. Rose on this occasion.

EXCESS CONGRESSIONAL SPENDING MEANS HIGHER TAXES

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. COLLINS. Mr. Speaker, congressional spending continues to zoom and this is bound to mean higher taxes. More spending means more inflation, because inflation begins with the excessive spending that we are doing right here in Congress.

About this time of year the citizens back home feel the impact. When their income tax bill comes in they wonder why Congress spends so much money. Some of them suggest that the answer is to tax the rich.

As I picked up yesterdays' newspaper I read an interesting editorial written by Dick West in the Dallas News. He was talking about this reaction from the grassroots and pointed out very candidly that taxing the rich is no solution. We are talking about $304 billion of Government spending and before we get through, it will be much larger. It is like Abraham Lincoln once said:

> God must have loved the poor people; He sure made plenty of them.

When it comes to taxes, the middle class, the solid American citizen right there in the middle, is the one who gets caught with the taxes because he is the one who makes up the great bulk of the American income. And he does not enjoy or see the benefit of paying excessive taxes when they are not needed.

Dick West is one of the best known conservative voices in America. He has a lot of commonsense, and he relates it all in a pragmatic analysis of life just as it is. Here is West's editorial from yesterday morning's Dallas News.

EDITORIAL

(By Dick West)

It's that time of year again—letters written to this column for comment are feverishly indignant over the cost of government and the income tax necessary to pay for it.

From a small Oak Cliff businessman, who requests that his name not be used: "I really get burned up when it comes time to fork up to Uncle. Why don't they make millionaires—or those who make, say, over $50,000 a year—pay these damn taxes? The little guy can't do it."

From J. W. Ellender of Houston: "I thought Lyndon Johnson was the last of the big spenders, but Nixon is spending three times what old Lyndon did and the Republicans have the gall to call themselves conservatives."

"What burns me up," says E. L. Ossiker of Fort Worth, "are these no-gooders on welfare who sit around all day, pay $5 a month for rent and watch color TV while I work like a dog just to pay my own bills. I'm tired of paying taxes to keep them up."

It is human—and understandably so—for the "little fellow" to want the rich to pay these tax bills. They've got it, haven't they?

Here's the hitch: There's not enough of 'em.

If the federal government should spend $300 billion the next fiscal year, that would be at a rate of around $6 billion a week which would be nearly a billion a day.

If you take away 100 per cent of the income of everyone making a million dollars a year, you would have $624 million. This would not finance one day's operation of the federal government.

Make everybody with an income over $50,000 a year pay the cost of government? In 1971, there were 430,000 people making over $50,000 a year. They paid income taxes totaling $12.3 billion.

If Washington plans to spend around $6 billion a week, then the taxes paid by everybody making over $50,000 would run the government only two weeks.

I well remember spending a weekend at the LBJ Ranch—

He was worried about being the first president who would have a budget of $100 billion. Now, only eight years later, a president who ran as a Republican conservative has a budget of more than $300 billion.

Considering the fact that he had to finance a costly war in Southeast Asia, Johnson did a better job of controlling federal expenses than Mr. Nixon has.

In his first full year in office (1964), Johnson spent $97 billion. In his last year (1968) it had increased to $172 billion, a 5-year gain of $75 billion. Nixon has had about the same increase since 1969.

Inflation accounts for a good hunk of these gains, but, the main pressure for ever-increasing expenditures is political.

Ever since the days of the New Deal, our economy has been geared to government spending.

In Eisenhower's administration, Secretary of Agriculture Ezra Taft Benson whacked farm subsidies. The result was a stormy revolt in the Midwest farm belt.

The national income dipped, and the subsidies were quickly restored as letters to the White House vowed vengeance at the polls.

In 1969 and 1970, Mr. Nixon tightened the strings and there was a mild recession. The President's standing in the Gallup poll dropped. Spending was resumed at a higher level than ever.

The future? You haven't seen anything yet, if a new "family assistance" welfare plan goes on the books and Ted Kennedy's socialized medicine program is enacted.

The budget could easily go to $475 billion overnight. This would mean that the average per-capita cost of government would be around $7,000 compared with $4,500 now.

Welfare has far surpassed national defense as the monster which devours the biggest hunk of the national budget. Defense and related activity will cost $85 billion in Mr. Nixon's proposed $300-billion budget; "social services," including welfare, will cost more than $120 billion.

VIETNAM VETERANS DAY

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. WOLFF. Mr. Speaker, on Friday, March 29, 1974, I had the privilege of speaking before a large assembly of Vietnam veterans who represent the Intercollegiate Veterans Association, at the State University of New York at Farmingdale. These young men were gathered together, on Vietnam Veterans Day, to discuss veterans' benefits, or the lack thereof, and to listen to the remedies available to them. I was honored to appear before them and offer my thoughts on the dilemma in which they find themselves. Many of them are unable to take advantage of their rightful educational benefits, since they cannot meet even the initial tuition payments for many State schools. I had the opportunity to speak about a bill I feel would do much to erase the present inequities in the GI bill, H.R. 12543, that includes, among other things, the very important direct tuition payment provision.

I would like to include, following these remarks, a copy of my speech to the veterans that day:

Today was designated by the President as Vietnam Veterans Day—a time for our country to pause and reflect on the gratitude we have for our Vietnam veterans, who have returned for those who will never return, and for those whose fate is still unknown, the MIAs. I support this proclamation. Vietnam Veterans Day is a nice gesture but this Nation can show her gratitude to you in only one way . . . and that is not with windy rhetoric or limp testimonials or even on a day of praise a year. We must pay our debt to you, our survivors of Vietnam, just as we did for World War II veterans. Our debt—our national commitment to you—is the same. Why should you men and women who fought so hard and so long in an unpopular war so far from our shores, receive less than World War II vets?

You don't need frills and candy promises. We owe you an education, we owe you an educational allowance that will let you attend the school of your choice. And we owe you a living allowance so you can pay your rent and buy food—so you can live—while going to school.

The House of Representatives unanimously passed the new G.I. bill in February, and just yesterday, the Appropriations Committee approved its funding. The new G.I. bill increases the so-called subsistence allowance by 13.6 percent. Thirteen point six percent. It doesn't even sound good on paper and it looks even worse in dollars and cents. Thirteen point six percent boils down to 29 dollars and 92 cents more a month. That means that you will now receive a grand total of about 2 hundred 50 dollars a month to pay for tuition, books, supplies and rent and food and gasoline. Your thirteen point six percent will be gobbled up by inflation by the end of this year. The new G.I. bill is a timid step in the right direction. I originally proposed a 25 percent increase in benefits. My proposal was voted down. It was killed by those who thought that such an increase was too much to give the Vietnam vet.

The new G.I. bill would give you 10 years instead of the original eight years, to use your rightful benefits. I tried to get the time limitation eliminated completely. It is simply unfair to force veterans to use up their benefits within some arbitrary time limit, but my proposal was again voted down. This two-year extension will certainly help the veterans of the Korean war and the cold war finish their education. Their eligibility runs out in two months. But what about the Vietnam vet?

The present G.I. bill does not even afford equal educational opportunities for each veteran. Vets who live in states where the cost of a public education wears a high price-tag are actually discouraged from seeking a higher education. But veterans from States like Texas and California, where the price of an education is far below the national average, can afford school and live very modestly on their subsistence allowance.

Consider this example: In New York State, public education costs over 7-hundred-50 dollars. In California, the average cost of public schooling is one hundred-60 dollars. Compare the prices for yourself and consider that the vet in New York receives the same assistance as the vet in California.

How can this be? Why should we discriminate against our veterans simply because they happen to live in a state with high priced education? We in NY State contribute more taxes than any other state and we have more vets than any other state. I am outraged at this inequity. I have introduced an amendment to the new G.I. bill which would eradicate this injustice. My bill would provide a payment to the vet for tuition costs above $400 per school year with a ceiling of one thousand dollars. Here's how it would work:

The veteran would pay the first four hundred dollars himself, and the VA would reimburse him for any additional tuition costs up to a total of one thousand dollars.

The Veterans Affairs Committee started holding hearings on my bill yesterday and I am pleased to be able to tell you that we have gained over sixty co-sponsors for this provision. But we need more . . . we need your help. We need you to add your voices to the others in calling out for equal opportunities for all vets, regardless of where you live. Yesterday, the V.A. came out against this bill.

This country recognized its obligation to the World War II vet. We paid for all tuition expenses, directly to the colleges, the World War II vet chose what college or school to attend. He wasn't shuffled off to just state schools the way he is now. Many World War II vets went to private colleges. And in addition, the World War II vet received a monthly allowance just for living expenses. And that living allowance is the equivalent of what the vet receives today to cover everything.

We must not allow all the flag waving that goes on during commemorative days such as this, to obscure our vision. We must look for the day when all vets receive their rightful benefits. We must work for that day and not lose sight of our goal. We must have peace with honor, with justice—we can't enjoy that peace unless you enjoy the help to which you are entitled. You fought for us. Now it is time you have all of us fighting for you.

THE VIETNAM-VETERAN BLUES

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. ROSENTHAL. Mr. Speaker, the war in Vietnam was a shameful chapter in American history, and now that the United States has extricated itself from that quagmire, it seems there are those who want to forget everything connected with it.

The major victims of that approach are the Vietnam veterans. The war may have been wrong and unpopular, but, as the New York Times pointed out—

> That does not diminish the Nation's debt to those who served in it.

That same edition of the Times, Friday, March 29, contained an article by two Vietnam veterans offering their perspective on the issue. The authors are John P. Rowan, who is a member of my staff, and William J. Simon, a Ph. D. candidate in European history at City University of New York. Their very fine column follows:

THE VIETNAM-VETERAN BLUES

(By John P. Rowan and William J. Simon)

On March 29, 1973—a year ago today—the last American prisoner of war returned from North Vietnam. Recently, President Nixon proclaimed today Vietnam Veterans Day, marking the first anniversary of that homecoming.

In the intervening year some of those men have died, some have dined at the White House, and still others have become spokesmen for what might be called a "remember-that-wonderful-war" campaign.

The war was not wonderful for the prisoners, the Vietnamese on both sides, for the soldiers who made it home in one piece or for those with pieces missing.

Peace for the ordinary serviceman who has not dined at the White House has involved waiting on an unemployment line, a run-around from public agencies while trying to get a job, getting into and paying for school, and avoiding the war news in the newspapers.

Vietnam veterans as a group have the highest unemployment rate of any minority. They suffer from the discriminatory practices of a Government that refuses to offer benefits equaling those given to their fathers who served in World War II and from employers who do not offer meaningful jobs.

Even if a veteran has managed to get a job and hold it for a while, the chances are that he is going to be among the first to be laid off because he lacks seniority on the job. After World War II, the various civil service agencies hired veterans. Today, even with bonus points for veterans there is a hiring freeze for new Federal employes, leaving only the postal service as the last recourse for young veterans, at a low pay rate.

The private sector has not provided meaningful employment for veterans, partly because of the myth that everyone who was in Vietnam ate heroin for breakfast. The young veteran is unwilling to accept menial positions.

Educational benefits today do not begin to approach those received by World War II veterans. There is a bias against those who choose to go to a college. Those who enter trade schools or on-the-job-training programs receive educational and unemployment benefits, but veterans enrolled in college only receive educational benefits. Yet even after finishing a trade school, a veteran finds there are often no jobs.

The $220 a month a single veteran now receives cannot possibly pay for the tuition costs of more than $2,500 a year of many private colleges. The Government paid full tuition benefits after World War II; today full benefits could not only assist veterans but save many private institutions that face serious financial problems.

It is an understatement to say that care at veterans hospitals is not what it could be. Billions are spent on defense but only pennies, by comparison, for providing fully staffed hospitals, physical-rehabilitation programs and vital outpatient facilities for all veterans. The inadequate final physical a G.I. received at the Oakland Army Base hours before being discharged failed to identify mental and physical problems a veteran might have encountered months later.

Not too many people want to talk about the war, what happened to the Vietnamese and what happened to America. And nobody wants to talk about the veteran because he did not win a noble victory over a craven enemy. His only victory was surviving.

Now the veteran has a struggle to gain acceptance from a country that does not want to admit it acquiesced in allowing the war to happen in the first place. Should the veteran have to make himself socially acceptable to the country, or should society try to make up for its rejection of him?

The country cannot undo the damage to servicemen who were in Vietnam, to the families deprived of their son, to those forced to feign psychological disorders to avoid military service, and to still others who remain in self-exile.

The President cannot bring about the proper climate of national acceptance for the Vietnam war by signing a proclamation. A national sense of responsibility can only be achieved at the community level by seeking out young veterans and attempting to reintegrate them into society.

TESTIMONY FOR THE URBAN EMPLOYMENT ACT

HON. JAMES V. STANTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. JAMES V. STANTON. Mr. Speaker, as I noted in my statement of yesterday, I joined with leaders of business, labor, and local government of the city of Cleveland in testifying before the House Economic Development Subcommittee in support of H.R. 5808, the Urban Employment Act.

I would now like to insert into the RECORD the testimony given by Richard L. DeChant, vice president of the Greater Cleveland Growth Association:

TESTIMONY OF RICHARD L. DECHANT, VICE PRESIDENT, GREATER CLEVELAND GROWTH ASSOCIATION

The migration of business from central city to suburb in America is commonly viewed as "caused" by the conditions within central cities themselves:

Lack of land to expand, or to make possible the conversion of production from a multi-story operation to a more efficient, one-floor type operation;

Lack of land for employee parking;

High cost of land, when it *is* available;

Security problems;

Traffic congestion;

The list of central city "causes" could go on.

However, these are not really so much the causes as they are simply the symptoms. The real causes of this central city problem are broad economic trends, shaped by government policies and incentives which have traditionally subsidized suburban growth at the expense of central cities. For example:

Federally subsidized superhighways give competitive advantages to suburban industrial park development and cut transportation time to those who must travel from outlying areas into central cities. In central cities, where these highways converge, tremendous dislocations occur in both industrial and residential neighborhoods. Relocation assistance is required, of course, and this assistance usually compounds the problem by financing movement to those suburbs which the new highways serve. In the process, hundreds of acres of property are removed from the central city's property tax duplicate.

Housing is another area in which federal government subsidies give competitive advantages to suburban locations. FHA and VA mortgage guarantees have traditionally worked against central cities, where many residential areas have been "red-lined". Middle income families move out. Companies follow their labor force. Left behind are the lower income, competing for fewer jobs. The tax base suffers once again.

There are other examples which could be cited.

My purpose is not to discredit federal policies which provide incentives for one purpose or another. They are necessary to achieve certain goals which our national leaders have set. What I do wish to point out is that these incentives often work to the disadvantage of this nation's central cities, its poor, its minority groups, its newly arrived immigrants, its uneducated. This imbalance of assistance must be redressed.

H.R. 5808 is a step in that direction.

Why are the incentives available under the bill vital to Cleveland?

To answer this question, I must provide some perspective on Greater Cleveland's economy, on how new jobs are generated within that economy, and on what local organizations, like the Greater Cleveland Growth Association and the City of Cleveland's Department of Human Resources and Economic Development, are doing to encourage economic development within our central city.

Greater Cleveland's economy grows principally through the expansion of existing firms—80% of all new job opportunities are generated in this way. Historically, new business ventures have accounted for only 20% of employment growth.

By applying this growth rate, 4:1, to the type of economic activity which occurs within the *City* of Cleveland, the problem which H.R. 5808 would help alleviate is revealed. 92% of employment in metropolitan Cleveland* is in manufacturing. The balance of jobs are in retail business, business services including transportation, and government.

Although manufacturing employment constitutes only 32% of *metropolitan* employment, it accounts for more than 50% of employment *within* the City of Cleveland. In fact, more than half of all the manufacturing jobs in metropolitan Cleveland are located in the City of Cleveland.

Manufacturing is obviously the anchor of the city's economy, and the city depends on the expansion of its manufacturing firms for a large share of its job growth. This growth has been arrested, however, because manufacturing firms must often move out of the city when they wish to expand. The city does not possess the most vital resource to a manufacturing firm considering expansion: *Land.*

Land on which to build;

Land which can be used for employee parking;

Land in reserve for additional expansion in the years ahead.

Because cities like Cleveland lack this land, manufacturing firms are forced to move out, at great expense and with frequent bitterness toward "a city which doesn't seem concerned about losing its manufacturing base."

I assure you that the concern *is* there. Unfortunately, the tools which are needed to express that concern are not.

The scenario which develops after firms move out is familiar.

The city's employment base, rather than expanding, diminishes.

Left behind are those who are unable to get to the new work-place, and who for one reason or another are excluded from living there.

The central city's income and property taxes dwindle, leaving less money than before to finance public services vital to those businesses which remain, as well as to city residents.

Vacant industrial buildings are vandalized and burned. Neighborhoods deteriorate rapidly.

The process then repeats itself, with fear becoming yet another factor encouraging businesses to leave for "greener pastures."

There are negative effects even beyond the limits of the central city. As businesses move out to new locations, public expenditures are required to provide services and facilities which the central city *already possesses*: New roads, water systems, sewer systems and treatment facilities, municipal buildings . . .

We duplicate and reduplicate public services and facilities in our flight from central cities, diverting huge amounts of money from more productive uses. The federal government is an investment partner in much of this waste.

Cleveland's response to the problem just described has been encouraging, yet we do not possess the resources to mount an effective challenge to an overwhelming trend.

First of all, the Greater Cleveland Growth Association and the City of Cleveland, through its Department of Human Resources and Economic Development, have forged a cooperative and mutually supportive program of business retention and expansion.

The Growth Association established a "Business Contact Program" in 1972 to help individual companies solve problems which threaten the fulfillment of expansion programs, or, in some cases, threaten the continuation of the company in operation.

In 1973, 536 companies were served through this program, 111 of these in some significant way. Five companies cancelled relocation plans as a result of assistance they received, and fourteen others were able to carry out expansion plans. The job impact: Nearly 1,500 jobs created and retained.

The program relies for its effectiveness on the cooperative efforts of a large number of concerned businessmen, labor leaders, and public officials who commit their time and energy to solve business problems.

Our principal partner in the public sector is the City of Cleveland's Department of Human Resources and Economic Development.

The Department of Human Resources and Economic Development, in turn, has a highly innovative "area industrial organization" program to which the Growth Association provides support. This program, which Mr. Joseph Furber will describe more fully, is directed at helping companies within Cleveland's industrial neighborhoods to work together to solve common problems. It is a program other cities might wish to adopt.

Cleveland has also been fortunate in the assistance it has received from the State of Ohio's Department of Economic and Community Development and the federal Economic Development Administration, of the United States Department of Commerce. In particular, without the technical and public works grant assistance of EDA during the past five years, much of what we have accomplished could not have been achieved.

Despite our efforts, we in Cleveland recognize that we still lack vital development tools. Our Business Contact Program has revealed that the two major problems confronting expansion-minded manufacturing companies in Cleveland are: 1) The availability of land at a reasonable cost in the vicinity of their current location; 2) Financing incentives which would encourage growth in the central city rather than relocation to the suburbs.

It is our belief that H.R. 5808 would assist in the solution to both of these problems. Its provisions for land bank grants and land bank loans would enable the City of Cleveland to compete on better terms with owners of suburban industrial property. Its provisions for business loans and loan guarantees would provide that added incentive to companies which are considering expansion but which are unable to do so through conventional financing mechanisms.

For these reasons, we strongly urge your favorable consideration of this most important piece of legislation.

UNION POLITICAL PAYOFFS

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. MICHEL. Mr. Speaker, from time to time here on the House floor and on other occasions, I have made the point that there really should be more attention given to the support, other than political contributions, provided for certain candidates for public office by organized labor. An editorial appearing in the March 27, 1974, edition of the Peoria Journal Star is directed to the issue of union political payoffs and I would hope that those friends of ours in the media who seem to be on the lookout for abuses in the area of campaign financing might be interested enough to take a closer look at activity of the nature mentioned in the editorial.

I place the editorial in the Record:

[From the Peoria (Ill.) Journal Star]

Union Political Payoffs

(By C. L. Dancey)

This Congress and the Washington press, alike, do not really seem bent on a general clean-up of Washington and an end to dubious political practices.

Watergate hasn't quite outraged them to that extent.

Whatever abuse of power took place in 1972, and by whom, still takes precedence as if it were the biggest problem of 1974 ONLY if it has the chance to involve President Nixon.

In that pursuit, investigation never seems to either come up with a definitive result—or ever to end. After each batch of "inside" materials, there is always another subpoena and another demand for MORE records and MORE tapes, again and again.

They are searching, searching, searching—and never satisfied with what they find.

And yet, as zealous as this effort has been regarding, for example, corporate campaign contributions (which are illegal, as such), no such zeal is visible regarding union practices, no subpoenas are going out, and virtually no demands to look at the books being made.

In the corporate situation, there is stumbling occasionally across more than they seem to want to know—like Congressman Wilbur Mills and Senator Hubert Humphrey's receipts of aid from the milk lobby. (Both "didn't know it was done", responses which are identical with the President's response—but seem to produce a far different reaction, somehow.)

But the real inertia comes in dealing with "soft money" from the unions, where only an inside-the-union lawsuit among machinists, themselves, provides a glimpse of how this works.

"Education funds" for a union's own members only are free of the ban on political contributions made from membership dues of the union—but this "in house" lawsuit reveals some very strange "education" activities involving a good deal more than the membership people. It also exposes other "soft money" devices, such as renting hotel space on behalf of the union and "making it available" or having people on the union's payroll whose actual work is on the campaign staff of the candidate.

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*Metropolitan Cleveland-Cleveland SMSA: Cuyahoga, Lake Geauga, and Medina counties.

You get the idea. Covering campaign activities directly is the device and thus relieving the candidate of that expense without donating the money directly. The candidate doesn't report it and can scale down his spending reports, and the union evades the law to provide hidden support, both.

It's a fascinating technique and Congressmen are very familiar with it. I have seen Mr. Meany, under oath, tell a Congressional committee that unions make no political contributions—and then add, gratuitously, with a laugh they do spent money on "education." At that sally, the whole committee joined in the laughter.

I take that to suggest a rather widespread understanding of what "education" really means, and that these "soft money" cheats around the law are long practiced and both widely practiced and widely known to congressmen.

Yet, in its present fever for reform, Congress has shown no curiosity about such practices which are not only as illegal as corporate contributions—but so devious as to demonstrate downright conspiracy to violate the law.

The investigative mood is not "even-handed."

Meanwhile, many candidates this year will suffer, it appears, both from Watergate on the one hand and from being watergated at the same time by hidden, illegal financial support of their opponents.

Why don't the various investigating bodies into "campaign activities" put out a few more subpoenas, and bring in a few more union-congressmen relations and financial?

We could stand to look at some of those records, too.

STATEMENT OF PRESIDENT MANGUM OF CAST IRON SOIL PIPE INSTITUTE

HON. WALTER FLOWERS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. FLOWERS. Mr. Speaker, my good friend and fellow townsman from Tuscaloosa, Robert B. Mangum, recently appeared before the Senate Committee on Finance to deliver a statement on behalf of the Cast Iron Soil Pipe Institute, of which he is president. He is a leading citizen of our community, being president of the Central Foundry Co. of Tuscaloosa.

Mr. Mangum calls attention to an interesting omission under present law pertaining to the imposition of countervailing duties for a product subsidized by a foreign government. The law makes it mandatory that the Secretary of the Treasury level such countervailing duties once he has announced that the country of origin has provided a subsidy. Present law does not, however, set a time limit for the Secretary to complete his investigation of complaints. Mr. Mangum poses the provocative question: Since the American businessman is required to meet many deadlines in dealing with the executive branch of the Government, should not the executive branch be required to meet deadlines also?

It is a great honor for me to be able to incorporate into the RECORD Mr. Mangum's statement:

STATEMENT BY ROBERT B. MANGUM

I am Robert B. Mangum, president of The Central Foundry Company, which is one of the leading manufacturers of cast iron soil pipe and related fittings. Our principal foundry is in Alabama but we have additional plants in Pennsylvania and New York. I am also president of the Cast Iron Soil Pipe Institute whose members produce more than 95 percent of the industry products. All of us make our cast iron products from used automobile motor blocks and bodies and similar cast iron items. Every day we see our only source of iron depleted by the transfer of such "scrap" metal to foreign countries. We are hurt by that, believe me! What really hurts the most, however, is for that metal to come back into our domestic markets as "dumped" or "subsidized" products at prices with which we cannot compete, because we have an entirely different type of relationship, both by law and by custom, with our skilled American workers than do some nations which have a different ideology and relationship to their workers.

In the past 20 years our industry has been involved in at least five dumping investigations. The last two involved shipments from Poland. Whatever relief, if any, we have obtained has been, to put it bluntly, "too little, too late". We are convinced that the Treasury and the Bureau of Customs both have taken an inordinate and totally unjustified length of time to provide relief, if indeed it is provided at all.

We spent years of effort to obtain a ruling that foreign cast iron pipe and fittings must be marked with the country of origin. Why shouldn't all products be so marked so as to prevent commingling of foreign with domestic products with the result that American purchasers are unable to make a choice between domestic and foreign-made products? For years foreign-made cast iron soil pipe and fittings were not marked in this respect simply because the Treasury erroneously included them in an excepted category in which they should not have been included. What reason is there for us to believe that if Treasury is given the discretion it now seeks it will exercise better judgment than it has in the past? We do not believe that it will.

Now, let me tell you of our most recent unhappy experience with Treasury. Since June 23, 1969, four years and nine months ago, we have had pending a petition for the imposition of countervailing duties for cast iron soil pipe and fittings imported from India. No relief is yet in sight although we have furnished positive evidence of subsidation by the government of India. So, you can easily understand our industry's deep concern with respect to Title III of the pending bill.

An article dealing with our petition appeared in the press following testimony before the House Ways and Means Committee in 1973. This article was published in the August 14, 1973 issue of American Metal Market.

When we pursued this matter, Treasury officials stated that a matter of "policy" was involved *but they never told us what that policy was*. Members of the House Ways and Means Committee inquired as to why the Secretary of the Treasury had not acted but they were not given a meaningful answer either. Upon pursuing the matter further, top ranking administration officials advised us that they hoped to gain such wide latitude in discretionary areas under the pending bill that they did not propose to take any action under the law as it now stands.

The law currently provides for the *mandatory* levy of countervailing duties once the Secretary of the Treasury has announced that the country of origin has provided a subsidy. Unfortunately for us, however, the law does not set any time limit within which Treasury must complete its investigation as to whether or not there was payment of such subsidy. This permits Treasury to avoid the levy by not making the announcement. In our case there is really no need for any substantial investigation—certainly not one of almost five years duration—because Treasury could have confirmed the information which we provided on this subject within a matter of a few days.

We believe that the Executive Branch of the Government is not going to make such findings but, on the contrary, will keep the investigation on the "back burner" until it is granted the discretionary power which it is seeking and that when this is done the discretion will be exercised to the detriment of American manufacturers.

The House, in its consideration of the bill, decided to delete the provision for the exercise of this discretionary power but still permitted a suspension of the countervailing duty requirements for a period of four years during negotiations under the provisions of this bill.

Even so, we are greatly concerned that the Administration will attempt to interpret this suspension as granting it authority to exercise its own discretion as to whether, if at all, and in what situations, if any, the imposition of countervailing duties will be undertaken. That appears to be what it actually is doing now rather than enforcing the mandatory provisions of the law.

Now I would like to speak specifically to several amendments which we believe to be required to protect American industry from what may be a serious curtailment of the protection which Congress obviously intends for it to have. Section 303(a)(1) provides that "the Secretary of the Treasury shall determine within twelve months after the date on which the question is presented to him, whether any bounty or grant is being paid or bestowed". This section should be amended so as to require the determination to be made within six months instead of twelve. There is no reason why the time element should be so long and there are many why it should be as short as possible to minimize the disruption of the American market.

We are much more deeply concerned, however, with Section 303(a)(4) which provides that "whenever . . . the Secretary concludes from information presented to him . . . that a formal investigation is warranted he shall forthwith publish notice of the initiation of such investigation in the Federal Register". Please note that there is no time limitation whatever as to when, if ever, the petition must be presented to the Secretary for consideration. Publication as to the initiation of the investigation should be required within some statutory period of time. We suggest that such publication, in fairness to all parties, take place within 30 days after an industry files a petition for the levy of a duty. We are driven to the inescapable conclusion that Treasury wants to have complete freedom to take whatever action it wants to, whenever it wants to, or to take no action whatsoever! It must not be permitted to so thwart the will of Congress.

We also believe that Section 321 likewise be amended so as to require publication of notice of the initiation of an investigation within 30 days following the filing of a petition. The Tariff Commission already has a statutory limitation of only three months to investigate and to decide the question of injury in those cases in which the Treasury has found that dumping exists. Business judgments must be made expeditiously. Why can't the Treasury accomplish its task within seven months?

We also believe that Section 321(b) should be amended by omitting the words "or in more complicated investigations within nine months". I do not know exactly what the term "more complicated investigations" is intended to mean. I suspect that it may be interpreted to mean that the Treasury should be granted a substantially longer period of time to investigate complaints involving exports from Socialist countries. From our experience with dumping cases involving Polish exports, we see no justification whatever for granting this additional period of time. The present law does not differentiate between nations and there should not be any special circumstances (such as unwillingness to furnish information) which can be interpreted as involving "more complicated investigations". The grant of power to substantially extend the period of time for the completion of investigations which are loosely characterized as "more complicated" simply creates a fertile field for granting extensions of time for little or no reason at all. The American businessman has to meet many deadlines in dealing with the Executive Branch. Why should not it be required to meet a few deadlines itself when deciding whether to grant relief or not to do so?

This brings me to one final point. Our experience in the Polish cases has demonstrated the fact that, in dealing with certain nations, no one knows the values of their currencies or their actual production or distribution costs; nor how they compute their sales prices either for domestic consumption or for export. All foreign trade is conducted through state trading companies which are government owned and controlled. As we understand it, Treasury contends that it cannot readily obtain information necessary to properly investigate dumping or subsidy charges. This is a sad commentary. If foreign exporters who send their merchandise to this country for sale in competition with American-made products will not tell the American government whether their products are being "dumped" or being "subsidized", as the case may be, then there is a very simple answer. Their products should be denied entry until they provide such information. We, the American businessmen, realize that we must compete in our own markets with foreign-made products but aren't we entitled to start out on a somewhat equal basis?

Our only hope for relief is with the Congress. The members of Congress are the elected representatives of some two hundred-ten million people, each of whom has a right to come to you when he believes he has been ill-treated by the Executive Branch or any other agency of the Federal Government and to seek your aid. That is why I am here, as the representative of my industry. We have full confidence that you will give careful thought and attention to our problem. We also hope that you will find some way to convince the Executive Branch (particularly Treasury) that when you, the Congress, enact a law providing that the assessment of countervailing duties are mandatory, after payment of a subsidy by the exporting country is established, you mean exactly what you said when you enacted the law and that Treasury has no alternative but to follow that law.

KENNEDY FAMILY AWARD

HON. DAN ROSTENKOWSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. ROSTENKOWSKI. Mr. Speaker, I have just been informed by Mrs. Eunice Shriver, executive director of the Joseph P. Kennedy, Jr., Foundation, that the publisher of the Chicago Tribune, Mr. Clayton Kirkpatrick, and his staff have been honored by the Kennedy Foundation with the 1974 Kennedy Family Award for their outstanding coverage of the Illinois Special Olympics.

One of the articles which led to the Tribune's receiving this award appeared August 11, 1973. The article was judged by the foundation's Selection Committee to best portray the striving, joy, and achievement of the Special Olympics. A copy of the article by award-winning columnist, David Condon, follows:

Special Olympics Open

(By David Condon)

(Top o' the Wake: "I had a shot at regular Olympic competition as a member of Panama's basketball team, but I've never had a thrill like the one these kids gave me today."—Candlelight Singer Lee Pelty.)

Hundreds of young athletes were milling in Grant Park by 8 a.m. yesterday. An evening of banqueting, dancing, and finding new friends was behind these young champions from the far sectors of Illinois. Now was a fresh morning. Now was the hour . . . the start of the campaign in track and field, in the swimming tanks, and on the basketball courts.

This was the rainbow hour. And it wasn't a pot of gold dangling at the end of the rainbow that intrigued these youngsters, champions all.

It was a gold medal that awed them. A medal modeled after those always awarded the world champions in the genuine Olympics. And believe me: No Olympian ever coveted an international gold medal more than yesterday's Grant Park athletes coveted their prizes.

This was one of sport's finest moments. The sun became warmer and the athletes shed warm-up jackets. Some of the younger tykes wandered off, probing here and there around the tents and facilities, but all were cautiously watched by John J. McDonnell and his security force.

Young boys and girls sprinted thru warm-up exercises. A few joked with sports celebrities like Ziggy Czarobski, Leon Hilliard, John Lattner, Mickey Rottner, or big-cigared Ben Bentley. Others answered interview questions for Mort [Son of John and Abra] Edelstein, the columnist.

Volunteer ladies found business brisk providing eye-opening coffee for visitors and officials. Everywhere you turned there was a smartly-uniformed member of the Chicago Fire Department or the Chicago Police Department.

The clock hit 9, and the hundreds of athletes—in genuine gold, yellow, orange, blue uniforms—swarmed around the officials' platform. These kids don't run very fast, sometimes they don't hear very fast, but now they bent all ears forward to listen intently.

Patrick L. O'Malley, the distinguished president of the Chicago Park District, was welcoming them to the annual Illinois Special Olympics for the Mentally Retarded.

Big deal, you say; a bunch of handicapped kids playing like for-real athletes.

I'll say it was a big deal. That's why O'Malley stayed overtime, postponing a flight to New York for the meeting where he will be welcomed as the newest member of Trans-World Airlines board of directors.

I'll say it was a big deal! That's why Richard J. Daley perspired in the sunshine while we endured the routine of opening ceremonies. That's why our mayor finally stepped to the mike and welcomed the champs to this greatest city in the world. Many, of course, come from corners of this city and suburbs. But for some of the young athletes, it was their first visit to the big tent. We can excuse them if their attention occasionally wandered from the speeches to the Grant Park greenery, to the vast John Hancock building, or to the planes buzzing off from Meigs Field.

Not that the speeches went into overtime. Lt. Gov. Neil Hartigan, one of the founders of the Special Olympics, set a new world's record for brevity as he welcomed the participants on behalf of the state.

Hartigan's record was tied in the welcome from Tom Meagher, president of Chicago's Mentally Retarded Olympian Program—the group that supervises approximately $100,000 in yearly financing for the Illinois Special Olympics. After all, these kids didn't come to hear talk . . . they came to play.

So very quickly Mary Rose Burge [Independence Park] and Pamela McClure [Washington Park], both Olympians, raced to help the U.S. Navy recruiters raise the Stars and Stripes.

Candlelight Theatre's Lee Pelty rendered the Star Spangled Banner, and 1,200 young voices sang gladly, happily. Jeff Lemke, 17, from West Pullman Park, ran with the Oympic torch. Just like the Olympic games—except in the real Olympics they don't have one of Commissioner Bob Quinn's snorkels to lift the flame-bearer to the torch. You should have seen those kids go popeyed at seeing that snorkel. They seldom see snorkels in Teutopolis.

There was applause for Anne McGlone Burke, whose fertile mind originated the Olympic type competition for the mentally retarded.

Then Edmund L. Kelly stepped forward. Ed, another ex-athlete, is general superintendent of the Chicago Park District, which sponsors the Special Olympics. In best Avery Brundage fashion, Ed thundered: "I now declare these Special Olympic games officially opened."

The kids raced to the pits, the tracks, the arenas, the pools, The first gold medal winner was William Carpenter of Wood River, Ill., who negotiated the boys 16–18 mile in 5:17.2 He was followed to the line by John Murphy, Bill Reinschmidt, Richard Henry, Larry Bruce, Keith Crowfoot.

The competition was underway, for sure . . . and that's what these contests are all about.

Bottom o' the Wake: "In welcoming you, I assure you that the Special Olympics are one of the most important events in Chicago this year."—Mayor Richard J. Daley.)

NORTH VIETNAM'S CURRENT STRATEGY

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. ARCHER. Mr. Speaker, the withdrawal of U.S. troops from South Vietnam and the signing of the Paris Agreement has not ended the war in South Vietnam. North Vietnam still remains determined to conquer the south and put all of Vietnam, as well as Cambodia and Laos, under the control of the rulers in Hanoi.

The negotiations which have been proceeding during the past year at the La Celle St. Cloud Conference have revealed the difficulties of negotiating a secure and lasting peace in this turbulent area of Asia. Negotiators have failed to reach agreement on major issues such as national elections, the establishment of a council on national reconciliation, and safeguards to secure the democratic liberties of the Vietnamese people.

It has become evident that the Communists have been less than faithful in keeping their part of the agreement. Communist violations of the Paris Agreement number over 39,000 including the shelling of bases of the Republic of Vietnam and terrorist activities directed against civilians. For example, on March 9, 1974, the Communists fired on the Cai Lay primary school, an incident which resulted in the death of 32 schoolchildren and the wounding of 34 other children. The Communists have also attacked the aircraft of the International Commission of Control and Supervision and fired at its headquarters. They have demanded a reduction in the ICC personnel and the ICC budget, actions which would paralyze the organization which has been designated to control the implementation of the Paris Agreement. The Communists have continually urged their supporters to gain more land and control more of the population in South Vietnam.

Speculation has been rampant over the next major activities of the Communists. Some observers expected the Communists to launch another Tet offensive in the early part of this year but the Tet holidays came and passed without a major Communist offensive. The leaders in Hanoi are patient and are willing to try various tactics to secure control of South Vietnam. A penetrating analysis of the Communist strategy appeared in the March 16, 1974, issue of the respected British publication, the Economist:

North Vietnam's Current Strategy

The next big push in South Vietnam by the North Vietnamese and the Vietcong may not now come this year, and very likely not next year either. The aim of the North Vietnamese government presumably remains what it always was: to unite Vietnam under a communist government. But the North Vietnamese appear to have reached the conclusion that an attempt to bring that about by sending their army into the attack again in the next year or two would either be defeated, or must be abandoned for other reasons. The sword suspended over South Vietnam's head may for the moment have been withdrawn.

There are many signals of this change of tack. Not much has been seen or heard of General Giap, the principal architect of the great offensives of 1968 and 1972, over the past six months. In a major resolution, the Hanoi politburo recently declared that the economic reconstruction of North Vietnam is its immediate priority. Still more revealing is a Vietcong document captured earlier this year (the so-called Cosvn resolution 12) which shows that the communists are thinking in terms of a campaign that could last until 1980, and will be psychological and economic as much as military.

It has been suggested that the North Vietnamese are playing things quietly in the hope of getting a large amount of aid from the Americans. If they indulge in such hopes at all—and they know as well as anyone how hard it has become to squeeze any kind of aid out of Congress, most of all for so recent an enemy—the idea is almost certainly marginal to their calculations. To begin with, North Vietnam is receiving about as much economic aid as it can usefully absorb from its Russian and Chinese backers, who sent a million tons of rice last year. Spanking new tractors, generators and machine tools are piled up along the road between Hanoi and Haiphong. Even the Swedes are contributing.

So American money is not sufficient reason for the communists' restraint. But the North Vietnamese, having seen how American aircraft and American-made antitank missiles defeated their armoured units two years ago, will be inclined to hold back from a new offensive until they are quite sure that the Americans are unable to do anything to resist it. The effort they have put into restoring their anti-aircraft defences shows that, despite Watergate, they still think President Nixon is capable of hitting back. Their tactic is therefore to wind down the war to a pitch they judge the South Vietnamese economy cannot stand, but American opinion can accept without reacting.

For the next couple of years this will be largely a war for South Vietnam's economy. The military threat limits the extent to which the South Vietnamese can pare down their armed forces, the biggest drag on the country's weak economy. The real war in Vietnam today is not the see-saw struggle for scraps of land; it is a test to see which side's national structure holds out the better. The North Vietnamese have their problems too: they have not yet recovered from the effects of the American bombing, or from the typhoons that wiped out a fifth of their rice crop last year. They are short of manpower, and above all of skilled management. But they have reliable, and generous, outside backers. The South Vietnamese, in contrast, cannot be very confident about the future generosity of the Americans.

South Vietnam's war is still paid for in American dollars. But at a time of unprecedented world commodity prices, American economic aid has been pruned back from $38.5m in 1972 to $320m last year. Congress is being asked to approve an additional $150m this year, but it may take a struggle to maintain even the 1973 aid when the issue comes up next month. Yet the need is obvious. South Vietnam's economic troubles are the result of bad luck as well as the distortions of war. The price of fuel in Saigon has been multiplied by 10 in the past two years. Inflation is running at an annual rate of 50 per cent, and real wages have dropped to a third of what they were in 1964. The effects of all this on morale can be imagined.

THE NEXT CUT WOULD DRAW BLOOD

The South Vietnamese picked up expensive habits from the Americans but now, out of necessity, they are learning not to throw money away by the backetful in wasted ammunition or redundant consumer goods. The average South Vietnamese battalion is operating on a fifth of the ammunition and a tenth of the fuel that used to be consumed by an American battalion. The problem is that—short of a miraculous off-shore oil discovery—there is no way that South Vietnam can make itself anywhere near self-sufficient in the rest of this decade. Further cuts in American aid will be slicing into the red meat, not the fat.

North Vietnam's friends will do everything they can to persuade Congress to order those cutbacks, by the familiar tactics of selective outrage. Every effort that the South Vietnamese government makes to recover lost ground in what is still its territory is represented as an affront to peace. The issue of political prisoners is still trotted out at regular intervals—the argument being that since South Vietnam's rulers, under war conditions, are tougher on dissidents than democratic governments are expected to be in peacetime they might as well be replaced by communists. Since the communists, pleading military exigency, do not allow foreign investigators to tour their jails and rehabilitation camps, these are rarely mentioned.

Such arguments will be heard repeatedly in the debate over aid for South Vietnam. The North Vietnamese are chasing the chimera of an American handout for themselves much less than the very real possibility that Congress can be persuaded to cut into the subsidies that keep South Vietnam going. This is one reason why it suits them to play a waiting game for a year or two longer.

ADDRESS BY HON. JOHN SCALI, U.S. AMBASSADOR TO U.N.

HON. RALPH S. REGULA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. REGULA. Mr. Speaker, it was my great honor to introduce U.S. Ambassador to the United Nations, John Scali, at the Malone College Spring Convocation in Canton, Ohio, where Ambassador Scali received an honorary doctor of letters degree.

Ambassador Scali was at Malone College as part of "John Scali Day" in Canton, Ohio. Canton is proud of its favorite and illustrious native son who speaks for the United States in the United Nations.

The convocation address given at the college by Ambassador Scali, entitled "Global Response to a Global Challenge," provides a thoughtful analysis of the importance of the United Nations in our time and deserves to be read by opinion leaders through this Nation. For this reason, I insert his remarks in the Record:

Address by Ambassador John Scali

President Randall, Congressman Regula, Mayor Cmich, Faculty, students of Malone College, and citizens of Canton, friends all, I thank you for inviting me to speak to you today, for this warm welcome home, and for the honor you do me here. I certainly had no expectation, that when I left Canton 38 years ago, that my official return would be so long delayed. I am sincerely grateful and greatly flattered that you have permitted me this occasion to disprove so conclusively Tom Wolfe's thesis that "you can't go home again".

I want to take this opportunity to speak to you about what your Government is trying to achieve in international affairs and the part that the United Nations plays in this effort. I believe that historians will record 1973 as the year that the United Nations reasserted itself as a significant factor in international relations, when it became fashionable to speak approvingly of the United Nations and no longer chic to speak disparagingly of the Glass Palace on the East River in New York.

I suspect that historians will also record that one single challenge that the United Nations successfully met in 1973 made it worth the entire 4.7 billion dollars that the United States has contributed to its support since the organization was founded in 1946. The challenge I am speaking of, of course, was the October War in the Middle East, the longest, and the bloodiest and potentially the most dangerous war in that area for three decades.

I believe that without the existence of the United Nations, there might not now be peace, that the fighting in the Middle East might have continued and even expanded.

I am not sure what our future would hold for us today if it were not for the structure which we and our allies put into place at the end of World War II—the United Nations.

It was this international organization which organized an earlier U.N. peacekeeping force, only to withdraw it just before war broke out in 1967. Despite its lack of success as a permanent peacekeeper, this force achieved a reputation for effectiveness and impartiality in that part of the world during its brief existence. Without this first United Nations peace-keeping force, I believe there would have been little chance for the success of the second.

I believe therefore, that the United Nations is not only on its way to re-establishing the prestige and role that its founders had hoped for, but that in the years to come, the United Nations will play an increasingly important part in maintaining the peace, and in leading the way to an enduring settlement in the Middle East. The United Nations has shown itself to be a necessary and significant complement to bilateral diplomacy, that sort of intimate diplomacy which is necessary to pave the way toward more general efforts to disengage hostile forces and resolve disputes.

Let me invite you for a moment to remember just what happened in the Middle East last year. War broke out on October 6. Two weeks later our Secretary of State flew to Moscow, as it became clear that this was a different kind of war. Time, unfortunately, had only improved the capacity of the belligerents to inflict damage on one another, and there was every evidence that this could be the fiercest Arab-Israeli conflict ever. At this point, Secretary Kissinger intervened at President Nixon's direction, by flying to Moscow.

As a result of his intensive talks there, the United States and the Soviet Union, for the first time in history, agreed to introduce jointly, a resolution in the Security Council on October 21, calling for an immediate cease-fire, a cease-fire where all sides would stay in place. The Security Council debated the US-Soviet proposal, and how I remember this, into the wee hours of the morning, adopting it about 2:00 a.m. on October 22.

At the time this framework for peace was being established in the Security Council, the Israelis having recovered from their initial setback, had succeeded in crossing the Suez Canal and were moving rapidly to cut off large Egyptian forces trapped on the east bank of the Suez Canal. Despite the Security Council resolution, the fighting along the Canal continued. The United States knew that if there were to be any hope of a lasting peace, any chance of avoiding a confrontation between the Soviet Union and the United States, that the fighting had to be quickly brought to a halt. Washington and Moscow consulted urgently once more. In addition, there were closed door talks in New York between the Ambassador of the United States and that of the Soviet Union. As a result of these discussions, we, and the Soviet Union agreed once more, and proposed a second resolution which the Security Council again passed. This resolution on October 23, called once more on the parties to stop fighting and return to the lines of October 22.

About that time, American Intelligence received conclusive evidence that the Soviet Union had put elite troops on full military alert despite detente, despite the fact that they had just sponsored two joint resolutions with us in the Security Council, and despite the many ongoing negotiations which depended on a lasting, friendly US-Soviet relation. Certain Soviet divisions were raised to 100 per cent readiness. The Soviet Air Force moved its planes which had been carrying arms to the Egyptians, the Syrians, and others, to airfields near three airborne Soviet divisions. Within 12 hours, according to our calculations, Soviet troops could begin arriving in the Middle East.

Because of this unmistakable threat, President Nixon ordered American forces to a high state of readiness, called Condition Three. Many of you, undoubtedly have read or heard varying accounts of whether this alert was necessary. Ladies and Gentlemen, as one who sat near the hot seat at that moment, I can assure you that it is my view that it was, and that if President Nixon had not ordered that alert, future historians would have judged him irresponsible in moment of crisis.

President Sadat, if you recall, had appealed publicly on October 24 for the United States and the Soviet Union, jointly, to rush troops to the Middle East to help enforce the United Nations cease-fire. We had made clear our opposition to this proposal, because we did not believe Soviet and American troops in close proximity in the Middle East would promote enduring peace. Such a move, in our view, would only inflame an already tense situation. But it was becoming increasingly clear that the Soviets thought differently, that they were preparing to act unilaterally, with the excuse that they were only responding to President Sadat's appeal.

On October 25, the Soviet Union, with no warning, sent about 100 military officers to Cairo, with every indication that they were the advance landing party of many more to come. These officers were, the Soviets claimed, to act as "truce observers." At this point, President Nixon sent to Chairman Brezhnev a strongly worded note, making clear that if the Soviets sent more "observers", there inevitably would be a military confrontation in the Middle East. Even more important, this kind of development would certainly endanger our joint policy of detente and set back our cherished hopes for increased East-West cooperation everywhere.

The fact that we went on military alert—and made it generally known that we had—persuaded the Soviets that perhaps they had better take a new reading of the situation. For 18 hours, ladies and gentlemen, those who made decisions within our Government, did not know what the Soviet response would be. Only after those 18 hours did the Soviets agree that, if the United States did not wish to send units to join the Soviets, Moscow would then consider an alternative. That alternative was a United Nations peacekeeping force.

Now that decision by the Soviets, I submit, was an important and an historic one. It was of critical importance for the future of detente, and for the future of the United Nations. The ability of the United States and the Soviet Union to move away from confrontation to agreement was made possible by the greater degree of understanding that President Nixon had labored to build over several years. This had made it clear that President Nixon would not be bluffed, would not back away, in moment of crisis. But, had it not been for the prior experience of a United Nations peace force, in this region, and its earned reputation for impartiality and effectiveness, the Soviet Union and the United States would not have had this quick alternative to a continued confrontation.

I ask you this question: If on October 25 there had been no peace structure in place, no precedents, could the United States and the Soviet Union have succeeded in organizing an international peace force so quickly? Could they have enlisted the support of the rest of the world community? If it had not already existed, could they have succeeded in organizing an impartial force outside the United Nations in time to persuade the belligerents that it would make a difference?

Thus, when I say that the UN has been the indispensable element in maintaining peace, I say it with the full knowledge that the dramatic advances in our bilateral relations that we have worked so hard to achieve could not have been maintained in the absence of the structure for peace provided by the UN.

There are three important differences between the United Nations Emergency Force that exists today in the Middle East, that blue-helmeted army which is now keeping both sides apart, and the one that existed earlier, when it was sent to meet an earlier Middle Eastern war in 1956.

Number one, this is a peace force that the Soviet Union supports financially for the first time in history, according to an assessment levied by the United Nations on the Soviet Government. Moscow boycotted the last force.

Number two, it is a multi-nation force; one which while excluding the Big Powers is world-wide in its representation, with units from North and South America, Africa, Asia and Europe. The last force was mainly West European.

And, number three, this new force is carrying out its task with the complete understanding that no single government can force it to leave without the approval of the Security Council of the United Nations. This eases the deep Israeli fear that the UN fire brigade will flee at the first puff of smoke, as the Israelis claim they did in 1967 when the Egyptians demanded it.

I submit to you that these are three important and historic differences.

I might also ask you to bear in mind that our share of this force comes to 8.6 million dollars. Compare that, ladies and gentlemen, to the 2.2 billion dollars in emergency military aid for Israel, which Congress voted only a few months ago. Peace may be less dramatic than war, but it is much cheaper.

In 1974, the United Nations will continue to contribute to the maintenance of peace in the Middle East and to provide a framework for negotiations toward a lasting settlement. But 1974 brings with it also, new sources of tension, new issues to test the established patterns of international cooperation. In 1973 the Middle East crisis presented a challenge to the development of closer relations between East and West. The economic issues of 1974—commodity shortages, inflation, and other newly encountered obstacles to economic growth—presents a challenge to a much wider range of international relationships.

In the United States the long gas lines have given evidence to the gap between world supply and demand for energy. In other parts of the world bread lines call attention to an even more basic disparity between world supply and demand for food.

On one hand, the global demand for commodities continues to rise as a result of unchecked population growth and rising standards of living. On the other hand, the supply of goods is increasingly limited by environmental considerations, artificial distortions of trade and production, outdated patterns of investment and distribution, and a real shortage of available resources.

The United Nations and its subsidiary organizations are deeply engaged in this whole complex of issues. The International Monetary Fund is developing a new world monetary system to replace the gold exchange standard. Gold exchange standard. They and the World Bank are exploring means to insure that the new wealth of the oil producing countries, does not lie unused, but that it is employed to help others as well as themselves. In August a United Nations World Population Conference will meet in Bucharest. In November a United Nations World Food Conference will open in Rome.

The United Nations is presently exploring the possibilities of solar and geothermal energy. Two of the newer UN agencies, one for the environment, and the other for industrial development, are just beginning to grapple with the basic problem of how States should manage industrial growth.

In just a little more than two weeks from today, the United Nations General Assembly will meet in Special Session, demanded by

Algeria, to take a broad look at the whole range of issues involved in relations between the raw material producing countries and consumer nations. This is a subject of great interest to the United States. We are, after all, not only the greatest consumer nation in the world, but also the greatest producer of raw materials, and one of the largest exporters. One must hope that this forthcoming General Assembly will encourage cooperation between consumer and producer countries and not confrontation which can only hinder the solution to the world's pressing economic problems. It would be naive to look to this one meeting for specific new answers to the complex issues. But we do hope this General Assembly will draw greater attention to such things as

The consequences of recent rises in the price of oil for the economies of consumer States, particularly those States least able to bear the additional costs.

and

The pressing need to pursue international cooperation on these issues in all of the forums in which such discussion is already going forward.

and, finally,

The link between the economic health of the industrialized States and the prospects for development in the third world.

Thus, I believe that history will record that in 1973 the United Nations reversed a decade-long decline in public esteem. But in 1974, we have an even bigger task. I have spent one long, rather hectic year at the United Nations, pledging to speak realistically to the American people and to the world. I have said—so often, that I no longer like to hear it—that I am against creating a river of resolutions which make no difference. I am against rhetoric for rhetoric's sake. I want realistic, visible results; results which flow from healthy compromise. I do not want to stand as Horatio at the bridge, holding back the floods of meaningless resolutions and torrents of unrealistic rhetoric.

I am pleased to say that we are making progress. But the United Nations is an organization of 135 members of whom the United States is only one. We can persuade, cajole, and exercise considerable influence, but we cannot command. If the United States ever enjoyed an automatic majority in the United Nations, we do so no longer. Ultimately, the ability of the United Nations to meet the challenge of 1974 depends upon whether a majority of other members share our enthusiasm for a revitalized UN, our belief in an interdependent world, and our commitment to international cooperation.

As I have said, I am personally determined that the United States Government will play its part in this noble task. The United Nations has proved, and will prove again, that in time of crisis, it is an indispensable weapon of peace.

Ladies and gentlemen, I ask you for your support in our efforts to strengthen this institution. As we seek to move from confrontation to negotiation in many areas of the world, there should be new optimism that the United Nations can fulfill the hope of its Charter, that it can become a center where man gathers to "practice tolerance and live together as good neighbors and to unite our strength to maintain international peace and security."

This ends my formal remarks and before I close, I would like to address a few personal comments to the students.

This has been a very special occasion for me today. I stand before you with a warm and a full heart. And as you ponder the day when you will seek the road to travel, outside the campus, I wish you well. I wish you also, some problems and some hardships, so that you can measure the joys that will also come. Above all, I wish you peace and I wish you love. Thank you.

INFLATION, A FOE

HON. GARRY BROWN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. BROWN of Michigan. Mr. Speaker, as April 30 approaches, interest mounts in what will Congress do with respect to the administration's request to extend, in at least a limited way, the Economic Stabilization Act of 1970.

In view of the recent negative Senate action, it is obvious that substantial opposition exists to the extension of this wage and price control authority. Frankly, I seriously doubt the wisdom of a continuation of the authority to impose mandatory controls and even the standby authority some have suggested with mandatory controls being applicable to only one or a few segments of our economy.

However, I know that Dr. John T. Dunlop, the Director of the Cost of Living Council, is most sincere regarding his concern about excessive inflation in these limited segments of the economy, especially in the health care field, and has only the public interest and welfare in mind in his support of this aspect of the administration's proposal. In addition, I agree with Dr. Dunlop that a worthwhile and useful purpose could be served by a continuation of the Cost of Living Council "as a Cabinet-level agency to work directly with the complex problems of inflation, without mandatory controls" and that "the Government needs a continuing center of action, short of mandatory controls, to increase supply and capacity and to moderate wage and price increases."

In short, I could support this limited structure and activity of the Cost of Living Council, but am well aware of the political impracticality of proposing the same in the context of the present controversy over the extension of the Economic Stabilization Act.

Inasmuch as I feel Dr. Dunlop's remarks in this regard, from which the above-cited quotes have been extracted, would be of interest to our colleagues, I am repeating his views as printed in the New York Times, Sunday, March 31, 1974:

INFLATION, A FOE

(By John T. Dunlop)

I have heard a great many comments on my recent statement that our experience with inflation suggests no one truly knows how to control inflation—at least the type of inflation we have had in the last year.

Certainly we do not know how to constrain inflation by adapting our political institutions' taxing and spending, our private and public decision-making on wages and prices or our relations with the rest of the world. These are serious long-term problems that cannot be resolved by comprehensive mandatory controls or by returning to the so-called free market of pre-August, 1971.

The unique inflation of 1973–74 was largely unforeseen by all analysts, regardless of economic or political persuasion. As Walter E. Heller has said, "This was a year of infamy in inflation forecasting."

Today's inflation has been highly concentrated in primary products—feed grains, fibers, metals and petroleum. Two-thirds of the increase in wholesale prices has been in food and energy, and the inflation has been worldwide. The Economist's index of world commodity prices (in dollars) rose 54.4 per cent in the year ended Feb. 20, 1974, with the increase accentuated by the devaluation.

Nevertheless, on a relatively brighter note, consumer prices have increased in the United States at a lower rate than in many industrial countries. The nonfood and nonfuel items in the consumer price index increased 4.5 per cent in the year from January, 1973, to January, 1974.

The economic climate of 1973–74 has been markedly different from Phase 1 and most of Phase 2 (Aug. 15, 1971 to Jan. 11, 1973). Economic growth was extremely rapid in the first half of 1973 as the primary manufacturing industries pushed capacity levels in such sectors as steel, aluminum, fertilizer, cement, oil refining and paper.

That rapid growth put strong pressures on prices, as did cost pressures derived from worldwide raw-materials prices. The failure to apply tighter controls or to use a "stick in the closet" had little, if anything, to do with the rate of inflation we have experienced, despite much of the rhetoric of the spring of 1973.

In the current economic environment, stabilization authorities have had a very narrow course to navigate.

On the one hand, too stringent controls would reduce current output, destroy incentives to expand capacity and lead to abnormally large exports if not a system of extensive export controls. But too loose controls would result in larger present and future price increases, place even greater pressures on the wage structure and more certainly lead to industrial strife.

Therefore, the two beacons of more supply and price and wage moderation have dominated all Cost of Living Council activities during the last year.

This country is close to the limits of what wage and price controls can do in the present economic environment in all but a few cases. While prices received by farmers have increased 33 per cent over a year ago, controls can only hold down price increases by food manufacturers and limit retailers' profit margins. Yet, tighter control measures on farm products have been shown to restrict agricultural output and excite the powerful agricultural interests in Congress.

The answer lies in increasing agricultural production, imports and productivity. And those steps take some time.

When production is pushing capacity in many primary industries, the urgent need is for prices that encourage expansion and permit imports. When living costs have increased so much, and profits have increased within control standards, wages should be allowed to adjust more flexibly to the economic and industrial relations realities of each situation to avoid disrupting this era of constructive labor peace.

Under present circumstances, the necessary labor-management participation cannot be achieved for the continuation of a general controls program as George Meany of the A.F.L.–C.I.O. made abundantly clear on March 6. Accordingly, the policy of deliberate and orderly decontrol, save for a few sectors, should be completed by April 30.

But inflation is a continuing and long-run problem in all Western societies. All governments regardless of economic or political complexion are likely to be engaged with these issues for a long time.

Fiscal and monetary policy, including exchange-rate adjustments, will not be seen by public opinion to be enough. Neither the expenditure nor tax side of fiscal policy is susceptible to rapid or reliable adjustments, and Congress is not well organized for coherent expenditure and tax decisions. Monetary policy suffers from the trauma of being held responsible for turning a boom into a recession.

And the society is unwilling to pay very much in terms of unemployment, economic growth, labor-management peace and freedom from regulation to achieve price stability. When citizens come down to realistic choices among these hard options, a degree of inflation is often perceived to be the lesser of other evils, despite the noise over inflation.

Wage and price controls, even in a different type of inflation climate than experienced in 1973–74, are a limited and special purpose tool. They tend to wear out. They have a relatively limited life wherever they have been used in Western countries.

While we recommend phase-out of comprehensive mandatory controls now, we need to avoid the twin fallacies that they are a powerful constraint to inflation or that they are the cause of most present shortages and are an unmitigated disaster.

Rather, the truth is that direct wage and price controls can make an incremental contribution to economic stability in some circumstances and in some sectors for a limited period, such as in the health area (in the last two and a half years).

The Administration has urged that Congress approve the continuation of the Cost of Living Council as a Cabinet-level agency to work directly on the complex problems of inflation, without mandatory controls, except in a few sectors.

The program should have two main centers of action:

To increase supply, particularly in areas where governmental policies have a significant impact, as in agriculture, transportation and construction.

To work with the private sector to increase capacity and productivity and to improve the structure and performance of collective bargaining without mandatory controls.

Imaginative and pragmatic cooperation in these areas should help in the longer run to develop an economy less prone to inflation. Our present knowledge and capacity to develop effective programs of inflation restraint require humility and modesty.

Inflation will not simply go away. The market alone will not automatically produce price and wage increases within socially and politically tolerable limits. Politics cannot ignore the problem or easily stay away from programs that deal directly with inflation and its symptoms. The Government needs a continuing center of action, short of mandatory controls, to increase supply and capacity and to moderate wage and price increases.

These problems are not solely economic; they involve complex issues of economics and politics. They will be of central concern to all citizens and to all major countries for a long time. It is imperative that everyone—consumers, labor, business and government—reflect and grapple with these issues.

As it has been said, "When one lacks the will to see things as they really are, there is nothing so mystifying as the obvious."

THE PLANETARY CRISIS AND THE CHALLENGE TO SCIENTISTS—AN ADDRESS BY MARGARET MEAD

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. BRADEMAS. Mr. Speaker, as Congress moves again to consider energy legislation, I insert in the RECORD the text of a most thoughtful address on the energy crunch.

The address, delivered to the New York Academy of Sciences on December 6, 1973, is by Dr. Margaret Mead, the distinguished curator emeritus of the American Museum of Natural History.

The text of Dr. Mead's address, which appears in the March 1974 issue of AGB Reports, the publication of the Association of Governing Boards of Universities and Colleges, follows:

THE PLANETARY CRISIS AND THE CHALLENGE TO SCIENTISTS

(By Dr. Margaret Mead)

The energy crunch, which is being felt around the world—in Japan, in Europe, in the United States—has dramatized for us a world-wide situation and a world-wide opportunity to take stock of how the reckless despoiling of the earth's resources—here in America and all over the world—has brought the whole world to the brink of disaster. It also provides the United States, its citizens, its government, its scientists, and its leaders of business and labor with a magnificent opportunity to initiate a transformation in our present way of life. Our present way of life was conceived in a spirit of progress, in an attempt to improve the standard of living of all Americans through the increasing capability of technological development to bring previously undreamed of amenities within reach of the common man. But this search for a better life has—especially since World War II—taken a form which is untenable, and which this planet cannot support. The overdevelopment of motor transport, with its spiral of more cars, more cement highways, more pollution, more suburbs, more commuting, has contributed to the near-destruction of our great cities, the disintegration of the family, the isolation of the old, the young, and the poor, and the pollution not only of local air, but also of the earth's atmosphere. Our terribly wasteful use of electricity and of nonrenewable resources are likewise endangering our rivers, our oceans, and the atmosphere which protects the planet.

HOW—AND WHERE—TO TURN AROUND

The realization that a drastic transformation is needed has steadily increased. But the problem has been how to turn around? How to alter our dependence on motor transport? How to persuade the individual citizen enmeshed in a system in which he and his wife and children are imprisoned without one car, two cars, three cars, that change is possible? How to stop building enormous, uneconomical buildings which waste electricity night and day, all year round? How to break the deadlock between environmentalists, bent upon enacting immediate measures to protect an endangered environment, and industry, itself caught in the toils of a relentless compulsion to expand? How to alter our own course and not injure the young economies of the developing countries, desperate to obtain the barest necessities of food and water and light for their hungry millions, clamoring for one per cent of our gross national pollution!

A YOUNG CATASTROPHE

Even though the present rate of development of energy use and resource use is only some twenty-five years old, it has been so much taken for granted in the industrialized countries that it has seemed almost impossible to turn around short of some major catastrophe . . . some catastrophe which would destroy millions of lives.

A CRISIS WHOSE TIME HAS COME

The catastrophe has now arrived, not in the form of the death of millions in an inversion over a large city, but in the energy crunch. The causes may be debated, will be debated: how much blame to assign to government mismanagement, how much to the recent war in the Middle East, how much to the action of the oil-producing countries for whom oil represents their only bargaining resource, how much to manipulation by companies that control oil, natural gas, coal, and the processing steps between producer and consumer, how much to the intention of producers to defeat environmental measures, how much to the maneuvers of exporting countries to strengthen their currencies. But in a more basic sense, these triggering events do not matter and focusing on them can in fact divert our attention from a much more important issue—how we are to take advantage of the crisis to move toward a way of life which will not destroy the environment and use up irreplaceable resources, not destroy large sections of the country by ripping off the surface of land in strip mining and by killing rivers, lakes, and the smaller seas like the Baltic and the Barents Seas. We can easily be diverted into acrimonious accusations instead of concentrating on what measures must be taken.

WASTE AND POLLUTION ARE THE STATUS QUO

The crisis is here and some kind of crisis activities will be undertaken. Some measures have been taken. More are underway. But we have the opportunity to use the crisis to transform our own economy, to take the lead in a transformation which is needed right around the world, to aim not for a shallow independence but for a genuine responsibility. We must not be content with half-measures, with small, mean palliatives following the Administration's assurance that all that is needed is fewer Sunday drives to visit mother-in-law and lowered lights on Christmas trees—to be followed very soon by a return to normal waste and pollution. We must not return to complacency over a situation in which our major nutritional disease is over-nutrition, while millions of Americans are on the verge of starvation and while we are only six per cent of the world's population, we are using thirty per cent of available energy resources. The crisis can and must be used constructively.

NEW STANDARDS FOR VITAL CHANGE

During the inevitable disorganization of everyday life, business, industry, and education, we will be taking stands, making decisions, learning new habits and new ways of looking at things, and initiating new research into alternative technologies in transportation, agriculture, architecture, and town planning. It is vital that these activities move us forward ino a new era, in which the entire nation is involved in a search for a new standard of living, a new quality of life, based on conservation not waste, on protection not destruction, on human values rather than built-in obsolescence and waste.

THOSE WHO KNOW WHAT CAN BE DONE CAN PRESS FOR WHAT MUST BE DONE

As scientists who know the importance of accurate information, we can press immediately for the establishment of an enquiry with subpoena power to ascertain from the energy industries the exact state of supplies and reserves in this country. As scientists, concerned with direction of research and the application of scientific knowledge to a technology devoted to human ends, we can press for a massive project on alternative and environmentally safe forms of energy—solar energy, fusion, other forms. Such a project should be as ambitious as the Manhattan Project or NASA, but there would be no need for secrecy. It would be aimed not at destroying or outdistancing other countries, but at ways of conserving our resources in new technologies which would themselves provide new activities for those industries whose present prosperity is based on oil and motor transport and energy-wasting, expensive synthetic materials.

TANDEM PROBLEMS—SOCIAL AND TECHNOLOGICAL CHANGE

Those of us who are social scientists have a special responsibility for the relationship between measures that are to be taken and the way in which the American people and American institutions will respond. For example, we have abundant information on the responses of Americans to rationing during World War II. If there is to be gasoline rationing, we have to consider the importance of built-in flexibility and choice. In the United States, a rationing system will only be experienced as fair and just if it discriminates among the needs of different users; recognizes that workers have to get to work, that many people work on Sundays, that different regions of the country will need different measures. Without rationing, we will set one set of users against another, one part of the country against another, encouraging such narrowly partisan measures as severance taxes through which oil-rich states will benefit at the expense of the residents of oilless states. Rationing is a way of making the situation genuinely national, involving each American in the fate of all Americans.

DEFINE A TRANSITION PERIOD

But while some form of rationing or allotment—or the same procedure by some other name—will be necessary, it will be important to consider that the American people have experienced rationing only as a temporary measure in wartime or as an abhorrent practice of totalitarian countries. There will be danger that rationing may simply accentuate the desire to get back to normal again, with "normal" defined as where we were when the shortage hit us. What we need to do is to define all measures taken not as temporary but as *transitional* to a saner, safer, more human life style. How can we make the present period into a period of tooling up for smaller cars, rapid research, and preparation for entirely new forms of transportation, of utilities, of energy generators? Such mechanisms can be found. In the past, war, revolution, and depressions have provided the dire circumstances within which society's technologies and social institutions have been transformed.

UNLIKE THE AFTERMATH OF WAR OR PESTILENCE, THE WORLD CANNOT RENEW THE PAST

Our present situation is unlike war, revolution, or depression. It is also unlike the great natural catastrophies of the past—famine, earthquake, and plague. Wars are won or lost, revolutions succeed or fail, depressions grind to an end, famine and plagues are over after millions have died. A country rebuilds, too often in the same spot, after an earthquake. The situation we are in is profoundly different. An interdependent, planetary, man-made system of resource exploitation and energy use has brought us to a state where long range planning is crucial. What we need is not a return to our present parlous state, which endangers the future of our country, our children and our earth, but a movement forward to a new norm—so that the developed and the developing countries will be able to help each other. The developing countries have less obsolescence, fewer entrenched 19th-century industrial forms to overcome; the developed countries have the scientists and the technologists to work rapidly and effectively on planetary problems.

CREATE AN ETHICAL AWARENESS AND SOCIAL BOND TO REPLACE NATIONALISM WITH HUMANISM

This country has been reeling under the continuing exposures of loss of moral integrity and the revelation that ubiquitous law-breaking, in which unenforceable laws involve every citizen, has now reached into the highest places in the land. There is a strong demand for moral reinvigoration and for some commitment that is vast enough and yet personal enough to enlist the loyalty of all. In the past it has been only in a war in defense of their own country and their own ideals that any people have been able to invoke total commitment—and then it has always been on behalf of one group against another.

A MORAL CONFLICT WITHOUT AN ENEMY—UNLESS IT IS US

This is the first time in history that the American people have been asked to defend themselves and everything that they hold dear *in cooperation* with all the other inhabitants of this planet, who share with us the same endangered air and the same endangered oceans. This time there is no enemy. There is only a common need to reassess our present course, to change that course and to devise new methods through which the whole world can survive. This is a priceless opportunity.

SCIENCE CAN CREATE THE METHODS FOR NEW LIFESTYLES, BUT MEN MUST SEE THE VIRTUE OF PRACTICING THEM

To grasp it, we need a widespread understanding of the nature of the crisis confronting us—and the world—a crisis that is no passing inconvenience, no byproduct of the ambitions of the oil-producing countries, no figment of environmentalists' fears, no byproducts of any present system of government—whether free enterprise, socialist or communist or any mixture thereof. What we face is the outcome of the inventions of the last four hundred years. What we need is a transformed life style which will be as different from our present wasteful, shortsighted, reckless use of the earth's treasures as the present 20th century world is from the agrarian world of the past. This new life style can flow directly from the efforts of science and the capabilities of technology, but its acceptance depends on an overriding citizen commitment to a higher quality of life for the world's children and future generations on our planet.

CUMULATIVE STUDENT RECORDS: A POTENTIAL ABUSE OF THE RIGHT TO PRIVACY—PART II

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. KEMP. Mr. Speaker, I include the second and concluding section of the article, "Cumulative Records: Assault on Privacy," by Diane Divoky, which appeared in the September 1973 issue of the magazine, Learning.

The section follows:

But even the best-intentioned policies don't guarantee ethical practices. A fair record policy in a suburban school district near Cleveland fell into disrepute when it was learned that students were regularly given the job of transporting records from one building to another and were just as regularly snooping on each other.

A California law passed in 1959 assures parents of the right to inspect their children's cumulative records, but local school officials frequently refuse access or fail to inform them of the privilege.

California's state education code also forbids school employees from giving out personal information about pupils to anyone except specified officials. That didn't stop one district administrator, acting in advance of a school board hearing into the suspension of a student, from publicly announcing that the boy had been guilty of "serious violation of manners, morals and discipline." Three years later, the courts found that the public statement was based on nothing more than allegations of the school superintendent, and the student was awarded damages.

So while scattered improvements in the national picture have indeed occurred, school records continue to provide an easy route for invasion of privacy. Perhaps the worst abuses of school record keeping in America occur, despite well-established guidelines to the contrary, in the country's biggest and reputedly most liberal city, New York.

During the months that the author served on the New York City board of education's committee to revise student records (as chairman of the subcommittee on safeguarding and dissemination), these incidents occurred:

A secretary at a private tutoring agency, calls a public junior high school to inquire about a child's reading level. The principal opens the child's record and gratuitously informs the unseen caller that the child has a history of bedwetting, his mother is an alcoholic, and a different man sleeps at the home every night. When the disclosures are reported to the board of education, the principal denies the incident and his immediate superiors back him up.

A teacher of a child entering a new school gets this summary of the student's past academic year: "A real sickie—absent, truant, stubborn and very dull. Is verbal only about outside, irrelevant facts. Can barely read (which was huge accomplishment to get this far). Have fun."

A black father who works for the school system has a friendly teacher show him his bright daughter's "confidential" record. In it is a five-page critique of how his own community activities as a "black militant" are causing his daughter to be "to challenging" in class.

Yet New York State has the clearest regulations in the nation concerning student records, thanks to a series of administrative and legal decisions dating back to 1960. In that year, the Levittown board of education directed that parents be permitted access to all the school records of their children, including evaluation, guidance notes and merical, psychiatric and psychological reports. A dissenting board member appealed the decision to the New York State commissioner of education. The result was a landmark ruling, *Matter of Thibadeau*, which specified that as a matter of law, parents have access to all their children's school records.

Yet in the following year, the administration in a neighboring New York school district refused to allow either the father or the private physician treating the former's son to see the boy's records. The father went to court, and the decision, *Van Allen* v. *McCleary*, stated: "It needs no further citation of authority to recognize the obvious 'interest' which a parent has in the school records of his child." The court added that the parent's right to see the records stems from "his relationship with the school authorities as a parent who under compulsory education has delegated to them the educational authority over his child." Since both the Thibadeau and Van Allen rulings affected all New York State school systems, they became the basis for the detailed *Manual on Pupil Records* distributed to all school personnel.

Handed that clear mandate to allow parents access to records, how did the New York City school system respond? In May 1962, the board of education sent a special circular to all schools stating that most data in records—guidance notes, medical and psychological reports, social agency reports—"are not part of the official school record and are, therefore, not to be made available for parents to inspect." The system restated that policy in 1964 and 1969, insisting it was "in conformity with State regulations."

In 1970, the New York City system, disturbed by the publicity surrounding the Russell Sage guidelines and fearful of lawsuits, took a small step forward for privacy. It appointed an impressive committee of school department and civic representatives to review and help shape its policies.

An incident during the policy revision process said a good deal about the power of bureaucrats to ignore or override policy. The committee, hearing that school employees were regularly providing sensitive information about students to outside agencies, urged the chancellor to order an end to the practice until a new policy was settled on. He did so. Fifteen days later, under pressure from school administrators, he rescinded the order. During that short period of time, 28 separate and distinct categories of outsiders had called the board of education to complain that their usual sources of information about students had been cut off. They included FBI agents, military intelligence officers, welfare workers, policemen, probation officers, Selective Service board representatives, district attorneys, health department workers and civil service commission officers.

Inside education's own house, the most vocal opponents to giving parents access to student records are those who write and maintain the most sensitive and inferential records: the guidance counselors. In 1961, the American Personnel and Guidance Association issued a policy statement on the use of records that asserted that counselors have the right to decide which records parents should see and how those records should be interpreted to parents. The counselors generally argue this way: What if the child reveals a conflict with his parents that would only be aggravated if the parents knew what the child had said? What if a child tells of a home situation that may be defamatory or even illegal but is important to record for the future counseling of the student? What if parents misinterpret the professional notations of counselors? What if the child needs someone outside his home to confide in?

The other side of that argument is that if information is so delicate or painful that parents shouldn't see it, it probably shouldn't be in a school folder at all. Counselors answer that student evaluations will be badly watered down if those writing them know parents will see them—a statement that raises provocative questions about the school's views of the parents of their students, and its honesty in dealing with them.

Dealing with this issue, the *Buffalo Law Review* pointed out in 1970 that when a school evaluates a child, it is acting *in loco parentis*, because evaluation is a parental function that has been extended to the school. But "once the school authority insists on keeping its evaluation of a child *secret*, then it introduces into the domain of parental prerogative and oversteps its legitimate *in loco parentis* authority, for it is obvious that a parent can control publication of his evaluation of his own child and can keep secret from the world at large such evaluation."

There are, of course, circumstances in which the best interests of a child and inspection of his records by his parents may conflict. However, definition of those circumstances is made difficult by an unresolved ambivalence about whom counselors and school psychologists serve. If the counselor's client is the student, then the counselor should guard the pupil's records and interests zealously against all other parties, including other school employes. But if his client is the school system that pays him, and his job is trying to help adjust that student to the existing educational environment, then the counselor or psychologist might feel free to share personal information about the student with other educators and government agencies but not with parents, who become a sort of third party. Counselors who are used by school systems primarily to discipline truants and misbehavers unavoidably feel that the institution, not the child, is the client. Administrators all too often evaluate counselors not on the well-being of the child but on the thickness and currency of his record folder.

Perhaps the biggest problem faced by all concerned is the fact that we live today in a world of technologically recorded, maintained and communicated information. In 1968, the Phoenix, Arizona, Union High School System introduced a cumulative record system that enabled any staff member to pick up any phone in his school, push a button, dial a code number, dictate comments about a student into a remote recorder and play back comments made by other staff members. The comments, recorded on magnetic tape or a plastic disc in a central records room, are then transcribed by a typist onto pressure-sensitive labels that are entered in the student's permanent file. A clerk sorts the transcriptions, and they are delivered to the appropriate guidance counselor for inclusion in the cumulative record. Color coding identifies the kind of information contained on each gummed label—health, attendance, discipline or financial. Efficient, unquestionably. But what happens if a teacher calls in a comment at the end of a bad day and two weeks later regrets it, but the information has already made its way to the storage system? What if the typist misunderstands the diction? What if the staffer dials a wrong number? The potential for abuse is staggering.

The state of Florida already has a centralized record-keeping computer system, which employs an IBM 1230 Optical Scanner to enter data for all pupils from the ninth grade on up into a computer. These items appear: Social Security number, grade, school, address, type of curriculum, date and place of birth, citizenship, health and physical disabilities, sex, race, religion, marital status, family background, languages spoken at home, academic record, test record, honors-work record and extracurricular activities. Iowa and Hawaii are installing similar systems.

Just last April the New York State Education Department asked 85 school districts to supply the names and addresses of all students who have received psychological or social work services; have a history of truancy, delinquency, drug abuse or alcoholism, or a "potentially disabling emotional, physical or mental handicap"; or have attended classes for unwed mothers, for the "socially maladjusted," or in drug-abuse prevention. In no cases were parents asked for permission to release the information.

Many systems complied. In one that didn't, Commack, New York, the director of pupil personnel services said his district would not send the names along "until I receive a statement . . . that they will not be put in a computer. . . ." The Nassau (County) Psychological Association took a strong stand against the information release, telling all schools: "Releasing this information without securing authorization from the parent or guardian is inimical to the professional behavior of the psychologist."

Even the federal government, not the greatest defender of privacy rights in recent times, has begun to show some concern about the possible adverse effects of computerizing personal records. An HEW task force on data banks, concerned at first primarily with the recent push to require Social Security numbers of all children entering schools, has broadened its inquiry to include a wide range of other record problems. Another HEW group has been studying how records contribute to the systematic classifying and inappropriate labeling of schoolchildren.

What is often described as California's "pioneering" work in social control suggests ways in which schools inadvertently may feed information about their students into Big Brother computers. With funds from Title I of the Omnibus Crime Control and Safe Streets Act of 1968, the California Council on Criminal Justice has set forth on the mission of making "Californians safe from crime." CCCJ funds a statewide program called "Correctionetics." It computerizes and centralizes all juvenile records, including information on psychiatric treatment. Under state law, children down to the age of six years who have been identified as being "in danger of becoming delinquent" can be declared "pre-delinquent" and thus become a California Youth Authority statistic with a juvenile record.

As if that weren't enough, CCCJ is looking for other potential problems that might be computerized. One program, funded for two years, instructed kindergarten teachers in sophisticated methods of identifying "target students"—those five-year-olds whose social and academic profiles were similar to those of adolescents who ended up in juvenile courts.

Suddenly, an unwary kindergarten teacher has become, in effect, a government intelligence agent.

Mr. Speaker, I think, upon a careful reading of this article, that one can more easily ascertain why this matter is of intense interest to myself and my colleagues.

The extent of information stored and used, and the potential abuses which arise therefrom, simply must be addressed by this and State legislative bodies.

I am committed to that task.

NATIONAL MARINE ENGINEERS SPEAK OUT AGAINST OIL TAX LOOPHOLES

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. BINGHAM. Mr. Speaker, the National Marine Engineers Beneficial Association has published an informative, well-written pamphlet that explains the multibillion dollar tax loopholes enjoyed by the oil industry, and their effect on the American consumers' pocketbook. I commend its clarity to those of my colleagues who still believe that what is good for "big oil" is good for the rest of us:

TAX-FREE BILLIONS IN NEW PROFITS FOR OIL COMPANIES

U.S. oil corporations are piling up billions of dollars a year in brand-new income . . . using soaring Middle East oil prices and U.S. tax loopholes to collect exorbitant profits from foreign oil production.

Each tax loophole adds millions of dollars more each day to oil corporation bank accounts.

But others lose out:

The American consumer pays higher prices for oil.

The American Government loses millions—perhaps even billions—in taxes that should be paid.

The American worker loses job opportunities because the tax loopholes encourage overseas investment and the U.S. jobs go with it.

The oil corporations are using the oil depletion allowance and the foreign tax credit to keep from paying their fair share of taxes. These two tax loopholes should be repealed so everyone can get a fair deal.

THE ROLE OF THE TAX LOOPHOLES: HOW THE AMERICAN PEOPLE PAY FOR OIL COMPANY PROFITS

When the price of oil goes up in the Middle East, everyone pays more. Everyone—except the U.S. oil corporations. That's because every time Middle East countries raise the price of oil, U.S. oil corporations gain more in profits.

Who gets hurt? The American consumer pays higher prices for oil. The government loses more and more tax money that should justifiably go to the U.S. Treasury. How do the oil companies do it? By using tax loopholes big enough to drive a giant multinational corporation through.

LOOPHOLES ON TAXES

The *oil depletion allowance* is one such loophole. It lets the oil corporations take 22% of the selling price of a barrel of oil and subtract it from their taxable income. So every time the selling price rises, their tax deduction rises too, because they take the same 22%—but on the higher price . . . which means more dollars saved by the oil companies.

The *foreign tax credit* is the other loophole. The foreign tax credit law allows corporations to subtract, from U.S. taxes owed, dollar for dollar, all taxes paid to foreign governments. Oil corporations pay taxes to foreign countries on the oil they extract from the fields. Since the foreign tax per barrel is higher than the U.S. tax rate, they don't pay any U.S. taxes at all. Instead, some tax credit is left over, or excess.*

The excess tax credit represents the difference between the higher foreign tax and the lower U.S. tax. The oil companies can take this difference and subtract it, dollar for dollar, from the taxes they owe to the U.S. government on profits made in their other overseas operations—shipping, pipelines, refining, marketing, petrochemicals, etc. The tax credit encourages the corporations to invest overseas because they can use that credit to keep from paying U.S. taxes on their profits earned abroad, but they cannot apply it against profits earned in the U.S.

RISING PROFITS

With the tax credit and oil depletion loopholes, profits of U.S. oil corporations are climbing almost as fast as oil prices. The price of a barrel of oil is *four times* as high as it was in 1972, while the profit from a barrel of oil is *five times* higher.

Barrels of oil become barrels of gold for U.S. oil corporations using the tax loopholes.

The oil companies have two different ways to save: through the depletion allowance or through the tax credit. Either choice yields handsome profits—depending on the company's circumstances.

PROFITS PER BARREL OF OIL

	Posted price per barrel	Selling price per barrel	With tax deduction (not counting depletion allowance)	With tax deduction (counting depletion allowance)	With tax credit (not counting depletion allowance)
1972---	$2.48	$1.90	5¢	9¢	63¢
1974---	11.65	8.30	49¢	94¢	$3.38

PROFITS PER BARREL (1)

Without depletion allowance or tax credits

You can first see what would have happened if oil companies had neither loophole.

For instance, assume that they had to treat the taxes they pay to the governments of the producing countries as simple tax *deductions*.

That's the way individuals and corporations deduct the taxes they pay to state and local governments here in the U.S. They're not able, for instance, to credit them—dollar for dollar of state and local taxes—against the tax they pay to the federal government.

If the oil companies simply had to list those overseas taxes as deductions, and assuming they did not have the benefit of a depletion allowance on foreign oil, the oil company profits in 1972 would have amounted to 5 cents a barrel, based on a selling price that year of $1.90 a barrel. By 1974, when the selling price had grown to $8.30 a barrel, profits would have increased to 49 cents a barrel. The four-fold increase in price would have multiplied profits by a factor of ten, even without the use of tax loopholes.

PROFITS PER BARREL (2)

With depletion allowance

The next set of circles shows the profit which the percentage depletion allowance adds, still assuming that the companies take their taxes to the foreign government as a *deduction* rather than as a credit. If they do that, the depletion allowance nearly doubles their profit. Oil company profits would have been about 9 cents a barrel based on the 1972 selling price of $1.90, as opposed to 5 cents without the depletion allowance. And again, the four-fold increase in prices produced a ten-fold increase in profits. Profits with the depletion allowance and a *deduction* for foreign taxes grew to 94 cents a barrel at the $8.30 selling price of 1974.

PROFITS PER BARREL (3)

With tax credit only

This is a very handsome profit to show from just the production of crude oil, but some of the major companies can do even better with the help of the foreign tax credit loophole. For those oil companies which have plenty of profits from other foreign operations, and, which compute their U.S. taxes on foreign income on the "overall limitation" method which lumps together foreign income and credits, profits per barrel increase geometrically. The taxes paid to the producing governments become invaluable as an immense tax shelter for all other earnings.

The tax credit loophole starts with the posted price, on which U.S. oil corporations make their foreign tax payments. This is set artificially high by the Middle East countries. With this higher base, U.S. oil corporations pay higher foreign taxes than the U.S. taxes they would owe, so they always have excess tax credit. As the posted price gets higher, the U.S. government loses ever more in tax revenue—because it loses tax money which would have had to be paid on the profits of the companies' other foreign operations, but which get exempted because of the excess tax credit.

But while the U.S. government loses, all company profits soar. Under the 1972 price of $1.90, profits became 63 cents a barrel—more than 12 times higher than the 5 cents a barrel profit with a simple tax deduction and no depletion allowance. The four-fold boost in price to $8.30 in 1974 pushed profits up more than five times—from 63 cents to $3.38 a barrel.

A CHOICE OF LOOPHOLES!

Either way, the oil companies have their choice of loopholes: the depletion allowance or the tax credit. Either way, the oil companies win, and the American consumer and the U.S. Treasury lose.

It used to be even worse. Before 1970, the oil companies were allowed to use both loopholes together. They could pile up excess tax credits on the value of the depletion allowance. Half of that double loophole—that is, the use of the depletion allowance for excess tax credit—was finally plugged.

Now it's time to plug the other half of the loophole—by eliminating the tax credit altogether.

PROFITS ON 4 BILLION BARRELS

No matter how it is figured, these per barrel profits run into the billions of dollars for the oil corporations. Middle East oil production, at an estimated four billion barrels a year, would bring in healthy profits to U.S. oil corporations—even without using the tax loopholes. If the oil companies were required to take just the standard tax deduction and were not given the benefit of the depletion allowance, the 49¢ per barrel profit at the $8.30 price would bring in an annual $2 billion in profits. Then the U.S. Government would bring in healthy profits to U.S. oil taxes, instead of being shut out entirely.

This $2 billion profit nearly doubles when the companies use the loophole depletion allowance—to $3.8 billion a year on 4 billion barrels of oil. And using the tax credit loophole at an $8.30 selling price, the companies would gain profits on four billion barrels that would amount to more than $13.5 billion annually.

U.S. oil corporations could make a substantial profit without the tax loopholes. By using the loopholes, on top of soaring oil prices, their profits soar—going into corporate treasuries or into further investment overseas.

Either way, the U.S. loses out. The government collects no taxes, and oil investments continue to grow abroad. That's no way for the U.S. to become self-sufficient in the energy crisis.

IN SUMMARY

These two tax devices don't serve America's needs. The loophole depletion allowance and the loophole tax credit clearly work against our best interests.

It is time to plug those tax loopholes: so that America can get the benefits from profits the U.S. oil corporations make on foreign oil production.

So that America can benefit from the search and production of oil—and other energy sources—within its own borders.

CASE FOR A FEDERAL OIL AND GAS CORPORATION—NO. 16

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. HARRINGTON. Mr. Speaker, I wish to insert into the RECORD an article which recently appeared in the Pennsylvania Department of Agriculture's Weekly News Bulletin, in which Pennsylvania Agriculture Secretary Mr. Jim McHale called for the establishment of a Federal Oil and Gas Corporation.

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* The excess credit can be applied to profits earned the previous two years and the subsequent five years in other overseas operations. The inclusion of the amount in profit assumes that there are sufficient profits and dividends from other overseas operations to realize the benefits of this excess

In a speech before the National Farmers Union meeting in Milwaukee, Wis., on March 13, Mr. McHale charged that the major oil companies are deliberately withholding energy supplies in order to drive up prices, and stated that the best way to combat such a situation is to create true competition in the petroleum industry by establishing a Federal Oil and Gas Corporation.

Mr. McHale's speech is, I feel, a useful indication that the constituency for the Federal Oil and Gas Corporation concept extends beyond consumers in urbanized areas to rural, agricultural areas. In general, the speech is illustrative of the growing public support for the Corporation, and I would like to direct my colleagues' attention to Mr. McHale's remarks.

The article follows:

NEED COMPETITION TO KEEP OIL INDUSTRY HONEST

Pennsylvania Agriculture Secretary Jim McHale, addressing the National Farmers Union Convention March 13 in Milwaukee, Wis., called for establishment of a federal fuel corporation that would compete with the private oil industry.

He said government development of fossil fuel reserves on government land is needed to combat the energy shortage which has triggered a fertilizer shortage and, in turn, the threat of a food shortage.

McHale also said federal funding was necessary to strengthen farm cooperatives so they can compete in the market place against the increasingly consolidated power of the food industry.

He said a national land use plan should be formulated to keep plowland permanently in the hands of farmers. Such a plan, he said, should include establishment of federal and state land transfer banks that would help farmers sell their poor agricultural lands for development. "These are the people who should benefit from increased prices of development land," said McHale, "rather than speculators and big land corporations."

McHale charged the current energy crisis was contrived by the oil industry to gain higher prices at the gas pumps and to drive out independent dealers.

"Instituting a confusing allocation program is not the answer," said McHale. "A better one is to establish a Federal Oil and Gas Corporation that can provide true competition against private oil companies."

Citing reports by geologists, McHale indicated that 60 to 70 percent of all oil and gas yet to be discovered in the United States is on publicly owned land. "There is no reason," he said, "why these valuable resources should not be discovered and developed by a government corporation for use by their owners—the citizens."

McHale told the convention delegates he did not think "the public fully understands that the game the oil industry is playing with our fuel has caused a serious shortage of chemical fertilizers which could bring about a national emergency of food shortages and skyrocketing consumer prices."

He said total fertilizer stocks are down 43 percent, "and yet we will require ten percent more fertilizer because we are putting 20 million more acres of land in production this year over last year in a desperate attempt to rebuild our depleted grain stocks. The fertilizer shortage is worldwide. In India alone fertilizer tonnage will be 40 percent short of demand. The grim fact is that many people in the world will go hungry this year."

While the fertilizer shortage is helping to trigger a food shortage, McHale said the situation could be aggravated by a monopolized food industry.

McHale said, "The food situation, I believe, will get worse because of the vertical integration that is now taking place in the food industry. What we have seen occur in the oil industry—withholding of supplies and a doubling of prices in a year—can also occur in a food industry which is rapidly monopolizing."

He said, "The best way to restore competition in the food industry is to make a sizeable public investment in building up farm cooperatives that can bargain down the fuel and machine monopolies and gain efficient marketing channels to consumers."

AUTOMOBILE FREE TRADE ACT

HON. DONALD W. RIEGLE, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. RIEGLE. Mr. Speaker, today I am introducing into the Congress the Automobile Free Trade Act. This act is designed exclusively for the equity of our domestic American automobile companies and workers and if enacted would reduce many of the discriminatory tariff and nontariff barriers that now block the free trade access of American-built automobiles into foreign markets.

EQUIVALENT MARKET ACCESS FOR AMERICAN CARS

This bill is intended to deal exclusively with the artificial barriers and constraints that have arisen in the international automobile market and the problem of inequitable market access presently existing between major trading nations. In drafting this act, however, I have specifically exempted the tariff schedule that applies to the United States-Canada Automobile Agreement—which would remain intact. As to other major automobile-producing countries, the bill is designed to bring about the same market access in foreign countries for American-built automobiles that automobiles manufactured in those foreign countries presently enjoy in the United States. To be more precise, any country exporting automobiles to the United States would be required to restrict those exports to the average unit level of the calendar years 1971, 1972, and 1973, unless and until they offer American manufactured cars equivalent duty levels and the same nominal nontariff fees in their countries that their automobiles face here in the U.S. market. In other words—temporary import ceilings would be established until equal trade access is achieved for American-built automobiles on a country by country basis. The bill is, therefore, temporary in nature and would take effect within 30 days after enactment.

AMERICAN CARS BEAR HEAVY DUTY

There is a marked difference between the duty applied by the United States on cars of foreign manufacture imported into the United States and the equivalent levies imposed by those countries on cars of American manufacture. In the current tariff schedule the rate of duty applied to passenger automobiles imported into the United States is 3 percent. This is substantially less than the duty applied to American automobiles imported into Japan, for example, where a 10-percent duty is applied, or the Common Market countries such as Germany, Italy, France, and the United Kingdom, where the agreed upon rate is 11 percent. In most cases this means that an equivalent American car must bear an additional $220 of artificially higher cost—a severe and unfair handicap that prevents equitable competition and trade.

DUTY BASE IS HIGHER FOR AMERICAN CARS

Beyond this substantial tariff inequity, it is not unusual to find that the duty base on which this levy is applied is also higher on cars of American manufacture. Most countries that could import American cars further restrict fair competition by including freight and insurance costs in their duty base calculation, whereas the United States accepts a foreign valuation of the vehicle without these added charges. Japan, for example, includes these costs in their valuation with the resulting increase in duty that must be ultimately borne by the consumer. This of course tends to artificially price American cars out of the Japanese market.

DISCRIMINATORY NONTARIFF BARRIERS

There is ample evidence of the economic barriers that have been designed by many countries to artificially restrict the importation of U.S.-manufactured automobiles. The Automobile Manufacturers Association has compiled voluminous data on these barriers. It is evident from this material that while higher levies and a greater duty base are impediments to the sale of American cars abroad, the most discriminatory economic barriers are in the nontariff areas. Data culled by the Automobile Manufacturers Association for the year 1972 shows that a variety of nontariff techniques are also used to restrain competition. For example, Japan applies a commodity tax of 40 percent, Belgium a value-added tax of 25 percent, Italy a compensation tax of 7 percent, Norway an import tax of 67 percent, and England a purchase tax of 30 percent. In most cases, these taxes are applied to the duty-paid value, rather than manufactured cost and ingenous administrative procedures assures their application exclusively to American-manufactured cars.

SMALL AMERICAN CARS AVAILABLE

The criticism that American manufacturers do not make a car for the European or Japanese markets is inconsistent with the facts. American Motors has been struggling to market a small car for decades and when Ford and General Motors entered the small car market, the barriers to their exportation remained. Today the Pinto and Vega are priced competitively in the world market but are still denied fair market access in many developed nations. The American worker is not being given a fair shake. Unfair trade barriers have resulted in the loss of American jobs—and we will continue to lose American jobs until these inequities are corrected. It is essential to the strategic well-being of the United States that these trade injustices be eliminated. The reduction in tariff that has already been negotiated by GATT is nominal and in no way deals with the constraints that have been fashioned by most countries to exclude U.S. automobile products.

U.S. NONTARIFF BARRIERS ARE NOMINAL

While the United States levies its own nontariff barriers, these sales, registration, and personal property taxes, which are imposed in varying amounts on automobiles sold in the States, are far smaller than the equivalent levies on U.S. vehicles sold in Europe or Japan. In fact in Japan each prefecture levies its own annual tax on all registered vehicles that discriminates considerably against larger vehicles.

U.S. MANUFACTURERS BYPASS PROBLEM

U.S. manufacturers, in many cases, have tried to cope with these tariff and nontariff barriers by investing capital in manufacturing capability abroad. But this has been at the expense of the American worker—it means exporting jobs. If we view our domestic automobile industry in national terms, there can be no meaningful separation between capital and labor. As one of the more labor intensive industries, the auto industry oftentimes serves as the industrial base of many developed nation's economy and is said to create one out of every seven jobs in a developed nation's economy. We must not allow our domestic auto industry to be further damaged by unfair international trade practices.

SUMMARY

In summary, today's international automobile market is not a free market. It is highly constrained, discriminatory and biased against cars built in America, be they standard sized, compacts, or subcompacts. The partial reduction in tariffs brought about through the General Agreement on Tariffs and Trade, while helpful, have not come close to creating a condition where fair and free trade can take place with respect to automobiles. So tariff inequity remains. But the bigger problem today is in the nontariff area and much needs to be done before the American worker can effectively compete within an economic trading framework that is fair. American technology and productive efficiency cannot possibly hope to overcome such massive and artificial constraints to trade. This act is desperately needed and will do much to strengthen our American automotive productive capability, help our American auto workers, and serve the basic goal of fair and free trade.

H.R. 13920

A bill to impose temporary quotas on motor vehicles imported into the United States from foreign countries which do not allow substantially equivalent market access to motor vehicles manufactured in the United States

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Automobile Free Trade Act".

SEC. 2. Within 30 days after the date of the enactment of this Act, the President shall—

(1) determine those foreign countries which allow, or will allow, market access in respect to motor vehicles manufactured in United States which is substantially equivalent to the market access allowed by the United States in respect to motor vehicles produced in such countries; and

(2) publish in the Federal Register a list of such foreign countries.

SEC. 3. The total quantity of motor vehicles manufactured in any foreign country not included on the list published pursuant to section 2 of this Act which may be entered after June 30, 1974, and before January 1, 1976, shall not exceed the average annual quantity of motor vehicles manufactured in such country and entered during calendar years 1971, 1972, and 1973.

SEC. 4. The Secretary of Commerce shall compute the quantities provided for in section 3 on the basis of available import data and shall certify to the Secretary of the Treasury the amounts which may be entered from each foreign country. The Secretary of the Treasury shall take such actions as may be necessary to ensure that the amounts which may be entered do not exceed these quantities.

SEC. 5. As used in this Act—

(1) The term "entered" means entered, or withdrawn from warehouse, for consumption in the customs territory of the United States.

(2) The term "motor vehicles" means automobile trucks, motor buses, and other motor vehicles for the transport of persons or articles as specified in items 692.02, 692.04, and 692.10 of the Tariff Schedules of the United States (19 U.S.C. 1202).

IN TRIBUTE TO MARTIN LUTHER KING ON THE ANNIVERSARY OF HIS DEATH

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. RANGEL. Mr. Speaker, tomorrow, April 4, 6 years after his tragic death, we will take a special order to honor the work and life of Dr. Martin Luther King and other great black leaders who have led the struggle for freedom, equality, and justice for all people in this Nation.

The historic achievements of Dr. King were only partly measurable while he lived. The seeds of brotherhood and human justice which he planted in Selma, Memphis, Birmingham, and other landmarks of civil rights movement have flowered into a growing black political power. This is represented by the recent election of blacks as mayors in major cities across the United States, the election of the first black Representatives from the South since reconstruction and the formation of political power that is the Congressional Black Caucus. Martin Luther King refused to remain silent when he encountered injustice. Whether it was a boycott of buses in Birmingham or support for a strike, the people knew that his involvement would not end until their goals had been achieved.

"Injustice anywhere is a threat to justice everywhere," Dr. King stated once. With that conviction he pursued goals that we should once again commit ourselves to. Yet it is indeed tragic that programs such as those administered by the Office of Economic Opportunity have faltered through underfunding and a lack of support on the part of the present administration to promote the ideals of Dr. King and the human rights movement.

Dr. King had a deep faith in freedom representative government and America. His great faith in mankind—in the people's capacity to do what was right—sustained this great leader in his crusade for the rights of all citizens, and keeps his memory alive in the hearts and minds of all of us who were inspired by his work and his life.

BUSING CAN WORK

HON. SHIRLEY CHISHOLM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mrs. CHISHOLM. Mr. Speaker, last week the House passed an amendment to H.R. 69 which may set back the cause of civil rights and equal education for everyone. The amendment in question is the "Michigan" amendment, which prohibits busing by court or HEW order and allows school desegregation plans already in effect to be reopened and modified.

The Supreme Court has ruled that local school districts have an affirmative responsibility to remedy school segregation and that busing is, under certain circumstances, one of those remedies. I have stated that busing is a necessary stopgap to deal with the inequalities of the educational system, and that the real remedy would be the end of discrimination in society in general and housing in particular. This amendment is merely an unconstitutional attempt to send the issue of equal educational opportunity back to the Dark Ages under the guise of establishing national standards to remedy school segregation. Furthermore, it has proven that busing can work, even in communities which experienced massive disruption in the early days of the implementation of busing.

Pontiac, Mich., is a case in point. After a troubled start 2½ years ago which included everything from the bombing of empty buses to attempts at driving buses full of children off the road, the schools have calmed down. School officials note that blacks and whites are becoming friends after remaining voluntarily separated for a full year after busing began. According to the superintendent, the Pontiac school system experienced greater tranquillity in 1972–73 than in any of the previous 5 school years, and a full 3 of those years were prior to busing. One school official complained that a major problem was that—

> It may take several years before they (the children) completely overcome all the ugliness they learned from their elders.

Maybe those who are so quick to damn busing ought to learn a lesson from that quote and ask the kids how they feel.

Southern cities have shown no less a propensity for making desegregation through the use of busing work, and again most of the credit should go to the students themselves. In Memphis, Tenn., students told of their fears when busing first began, and some students even admit to crying at the prospect. They are quoted now in quite a different state of mind, making such comments as "It's one of the greatest things that ever happened" in a Washington Post interview, and recognizing the problem as one of having prejudiced parents more than anything else.

The House has made the same mistake as the prejudiced parents might have made, mixed in with more than a little election year maneuvering. Hopefully the Senate will not adopt a similar amendment.

THIEU TIGHTENS STRONG-ARM POLITICAL CONTROL OVER SOUTH VIETNAM

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. DELLUMS. Mr. Speaker, supporters of the Thieu regime are glowing in their praise of the democratic fashion in which Thieu governs.

However, anyone who would confuse Thieu's system of military yoke and a vast police-terrorism-prison network with democratic principles is absolutely unaware of what is really happening in South Vietnam.

A recent article by George McArthur of the Los Angeles Times describes new village level controls instituted by Thieu, and is an important perspective on the repressive tactics employed by Thieu and his cohorts.

The article follows:

Thieu Extends Control More at Village Level

(By George McArthur)

SAIGON.—While South Vietnamese President Nguyen Van Thieu recently has been making political capital by strengthening his civilian government at the top, he has quietly been extending military control more thoroughly than ever at the bottom.

Without a public announcement or fanfare, he has given his approval to what some officials call the village militarization plan. Although the project is a good bit less sweeping than that title suggests, it will still bring life in the countryside more under army control than ever before.

It is indicative of how seriously Thieu views South Vietnam's political and economic future that he has gone ahead now with the plan that has been kicking around the bureaucracy for about six years. Previously it was always sandbagged by entrenched civil servants, provincial officials, policemen and others who would be downgraded. Early in February, however, Thieu ordered the plan into operation in the five northern provinces just below the 17th parallel demilitarized zone.

As the manpower becomes available, the project will be extended to threatened border districts and ultimately to most of the 3,000 or so villages in the country.

Although South Vietnam quite obviously has been under military control for many years, the administrative machinery of the military generally stopped at the district level—roughly the equivalent of an American county. A captain normally serves as a district chief and his tentacles reached down to the village level through varying militia outposts, police stations and such. Elected village officials handled a good bit of the administration, and local security was in the hands of policemen and militiamen usually from the area.

Under the village militarization plan—much of which remains unclear—young lieutenants will now be placed directly in the villages as sort of super advisers. The local police will be downgraded. Inevitably, criticis claim, local power will gravitate to the military officers on the spot.

Manpower is also a serious problem. Some of the village level officers will be drawn from regional force militia outfits that hardly have great reserves of administrative talent. Some officials estimate that perhaps 25,000 officers and men will be needed to staff the village posts—and this number of trained men simply is not presently available. Starting in January, the government instituted special courses at the officers' training center in Thu Due for cadets destined for the new project. The course leans heavily on information the government has amassed on the Viet Cong infrastructure in the south.

Despite such courses, it will be months, if not years, before genuinely well-trained officers are available. Meanwhile, the government evidently intends to go ahead and take the risk that the project might founder as many similar schemes have in the past, from administration by men of dubious competence.

Some officials privately state that Thieu felt forced to go ahead with the project since he saw no prospect that the Paris cease-fire agreements, signed just over a year ago, were going to bring any genuine reconciliation in the south. He felt that the villages—and particularly the border villages—needed military stiffening for the political struggle that continues in the countryside (unlike the major urban areas where the Viet Cong have long been quiescent if not eliminated).

On the other hand, Western diplomats in Saigon say that the project is simply one more setback for popular government in the countryside, following on the decision early this year to cancel the scheduled popular election of civilian province chiefs.

The project obviously is part of Thieu's overall strategy to retain power for himself and, in his view, to strengthen the government machinery sufficiently to withstand any renewed offensive—subversive or direct—from North Vietnam.

Thieu's strategy began to unfold late last year when he carefully orchestrated a Senate election. He then used his overwhelming legislative majority to change the constitution, enabling him to run again in three years. Simultaneously, he has made his Dan Chu (Democracy) Party into the sole significant political party in the country.

Within the past month, he has completely reshuffled the cabinet, retired 10 over-age or shopworn generals, fired the colonels running one-quarter of the country's 44 provinces, trimmed half a dozen special assistants from his personal staff and swept out dozens of other officials, including the colonel who bossed one of the world's leakiest customs services.

Much of this was more or less forced upon Thieu by the worldwide energy crisis, which compounded a domestic economic slump increasingly visible each day since the American military withdrawal a year ago.

Many Western experts in Saigon—and quite likely the Communist rulers of North Vietnam—feel that South Vietnam's economic situation will reach grim proportions within six months or so unless American economic aid is sharply increased.

Faced with continuing Communist pressure from outside South Vietnam and economic hard times within. Thieu is likely to rely more and more on the army, which remains the basis of his power.

WASHINGTON REPORT: A TURNING POINT IN EDUCATION

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. HAMILTON. Mr. Speaker, 1974 is shaping up as a turning point for the Federal role in education.

This week the House approved amendments to the Elementary and Secondary Act of 1965, which is the major source of Federal aid for public education. Between 1966 and 1973 a total of $13 billion has been appropriated for various programs, with annual appropriations now at $2.19 billion.

Everyone agrees that the present system, featuring a myriad of aid programs, needs improvement. Gradually those who have favored the Federal Government's money being spent on fairly specific national needs, as determined in Washington, and those who want the States to have the money to spend as they see fit, have drawn back from confrontation and begun to cooperate. A consensus is developing among educators, the Congress, and the President that Federal aid to education must be better managed, with fewer restrictions from Washington, less paperwork, and a bigger voice in spending the money for State and local officials. The result is substantive change, but not an abdication of Federal controls, and a basic shift in direction.

In the major title of the act, funds are provided for grants to local education agencies with concentrations of children from low-income families. The assumption of the act is that there is a high correlation between family income and educational achievement. The money is used for a variety of programs, but most of the aid is concentrated on the basic skills of reading, writing, and mathematics. A debate rages about the effectiveness of the act. The money has not brought equal educational opportunity to all American students—an expenditure of $175 a year for each student has been the pattern of the program, and could not accomplish everything—but without such extra funds there would be little chance of breaking the cycle of deprivation that ensnares so many of the poor. Many approaches used under this act have failed, but more are succeeding and reports now are beginning to indicate significant gains in reading and mathematics in many school districts. The act is making a difference in the education of disadvantaged students.

The major controversy on the extension of the act centered on the formula for distributing the money to the States and local school districts, with urban, suburban and rural factions, as well as poor and wealthy States, contending against each other. The House this week approved a more equitable distribution of the funds than the present system which has become skewed heavily in favor of wealthier States.

The House amendments also consolidated several categorical aid programs, pulling together existing programs for flexibility, convenience, and simplification. The consolidation will mean one allocation of money instead of eight, one State plan instead of five, and one application from a local school district instead of eight. The amendments also authorize the extension of Federal funds to local school districts where enrollments are increased because of Federal activities, a type of assistance valuable to several Ninth Congressional District school districts.

The House wrestled with school desegregation, adopting a provision that would permit busing only as a last resort and then allow no student to be bused farther than the next closest school to his home. The alternatives to busing that must be shown ineffective before busing could be allowed, include assigning schools closest to home—taking school capacities and natural physical barriers into account—permitting students to transfer from a school with a majority of their race to a school with a minority, revising attendance zones or grade structures, and constructing new schools and closing inferior schools.

The Congress has an obligation to provide Federal guidelines and resources for constructive alternatives to massive busing to achieve desegregation and to improve educational opportunities for minority group children. The effort in this provision was to strike a balance between legislation of doubtful constitutionality, which completely denies courts the use of certain remedies, and the current practice of lower courts of imposing transportation remedies which seem to exceed the requirements of either the Constitution or sound educational policy.

CHANGES NECESSARY IN OCCUPATIONAL SAFETY AND HEALTH ACT

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. BOB WILSON. Mr. Speaker, I am pleased to join with my distinguished colleague from the State of Tennessee, Mr. BEARD, in cosponsoring his legislation to make certain changes in the Occupational Safety and Health Act.

Like many Members, I have received a considerable volume of mail from small businessmen and other interested constituents regarding the difficulties they have encounterel in the administration of OSHA. Many of these letters have urged outright repeal of the legislation.

There is no question that the goal of OSHA is a commendable one. Every American deserves the right to work in a healthy and safe environment, without the danger of loss of life or livelihood as a result of a job-related injury.

Unfortunately, the net result of the Department of Labor's often overzealous implementation of the Occupational Safety and Health Act has been distrust and defiance on the part of some employers who feel that the Department's actions have been both capricious and dictatorial. When employers who in the pre-OSHA era considered job safety an integral part of their business operations are antagonistic to the Department of Labor, its inspectors, and attendant mountains of paperwork, the purpose of the legislation is surely defeated.

For this reason, I am cosponsoring Mr. BEARD's legislation to bring about a more constructive and positive atmosphere toward OSHA practices, without in any way jeopardizing the safety or health of the worker. This legislation does not reduce the standards of coverage, but outlines new procedures to assure that employers are able to work in coordination with, rather than opposition to, the Department of Labor to achieve a safe and healthful environment for every American workingman.

I urge my colleagues' support of this legislation.

BAN THE HANDGUN—XXXIX

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. BINGHAM. Mr. Speaker, in San Francisco, Calif., there has been an alarming outbreak of seemingly related shootings since January. Recently the 11th victim of this 3-month long massacre, fell. Whatever the perpetrator's purpose or motive is, his deeds are made far easier by the Members of Congress who will not disarm him, who will not get the handguns off the streets and out of the reach of terrorists and murderers. The following article is reprinted from the April 2 edition of the New York Post:

THE 11TH KILLING IN FRISCO

An all-out manhunt was on in San Francisco today for a lone gunman who shot a Salvation Army cadet to death and critically wounded his woman companion in what was believed to be the latest of a series of militant-style killings in that city.

Two-hundred men—one tenth of the city's police force—were thrown into the search for the slayer, who walked up to the pair as they stood at a bus stop last night and opened fire without a word.

Killed was Tom Rainwater, 21, of Santa Barbara, Cal. His companion, cadet Linda Story, 21, of Hayward, Cal., was rushed to Mission Emergency Hospital in critical condition with two wounds in the back.

Authorities labeled the shootings "Zebra," the same code name for 10 random slayings committed on the city's streets last December and January. In each of those killings, the victims—like Rainwater and Miss Story—were white, and the assailants were black.

An alarm was broadcast after last night's shootings for a black man in his 20s, about 5-foot-10, 170-pounds, and wearing an Army fatigue jacket, jeans, a watch cap and tennis shoes.

The shootings occurred on Geary Blvd. in the city's Western Addition, several blocks from the Salvation Army training school where Rainwater and Miss Story were assigned.

RETURNS TO SCHOOL

Police said the pair had gone out for a snack and were returning to the school when they were shot. The killer fled on foot.

"The only thing that doesn't fit the militant pattern is the failure of whoever is responsible to claim credit and seek publicity," said San Francisco police operations officer Mark Swensen.

"Usually, in these cases, you get some sort of message, but we haven't heard a word. We don't know whether the shooting was some kind of weird initiation rite or just the act of a nut."

Similar silence followed the killings of six persons and the wounding of two over the span of a few days in December and the shooting of five persons—four fatally—in a two-hour period last Jan. 28.

In those cases, the lone gunman fled in a car driven by a second man. Police said every car in the city of similar description had been checked out, but no leads had been turned up.

AID FOR SOUTH VIETNAM

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. ARCHER. Mr. Speaker, this Congress will soon consider a request for $474 million in military aid for South Vietnam. This aid is designed to assist the South Vietnamese in defending themselves from aggression from North Vietnam. The American commitment in this area, costly in American lives, has succeeded over the past decade in building a strong South Vietnamese army so that the citizens of South Vietnam can defend themselves.

An editorial which appeared in the Washington Star-News on March 25, 1974, entitled "Scratching South Vietnam" discusses some key considerations regarding our military assistance to this embattled Asian nation.

SCRATCHING SOUTH VIETNAM

It is not particularly surprising that Senator Edward M. Kennedy and a number of his liberal colleagues should be leading a fight to block a Pentagon request for $474 million in additional military aid for South Vietnam this year. If the Senate doves had their way, South Vietnam would long since have been denied the means of defending itself against aggression from the North and the struggle for survival ended once and for all.

It is very surprising, on the other hand, to hear Senator Barry M. Goldwater lending his support to the Senate doves in blocking the transfer to South Vietnam of leftover Defense Department funds. As Goldwater put it the other day with characteristic bluntness: "For all intents and purposes, we can scratch Vietnam. I think it's evident that the South will fall into the hands of the North."

This is a brutal and quite possibly self-fulfilling prophesy. If South Vietnam is denied the military and economic aid on which its survival depends, it is indeed likely that the North will take over the country and its 18 million brave people. But it happens that South Vietnam is by no means on the verge of falling at this point. Goldwater's pessimism, it would seem, arises from a profound and most unfortunate ignorance of the situation in the country today.

Despite severe economic strains caused by the American departure from South Vietnam, the nation is more than holding its own against continuing Communist pressure. The North Vietnamese control considerable territory in sparsely populated parts of the country. In violation of the peace agreement, they have continued a massive infiltration of forces—130,000 troops by conservative estimate, some 600 tanks, long-range artillery and anti-aircraft batteries. Within South Vietnam, they have built a complex of twelve airfields, an oil pipeline and a road system.

For all this, however, they have failed in heavy fighting to make appreciable military gains. The Saigon government controls all of the major population centers and provincial capitals. The threat, to be sure, shows no signs of abating. But the South Vietnamese appear more determined than ever to defend their country and increasingly confident of their ability to do so.

In this situation, it is utter nonsense to talk of "scratching" South Vietnam and reneging on the solemn pledges of assistance that have been made. The amounts that will be needed will depend on how quickly the economy can be brought under control and the amount of military aid furnished to North Vietnam by China and the Soviet

Union. The point is, however, that the United States has already invested 50,000 lives and more than $130 billlion in the defense of South Vietnam. And for all their own problems, one suspects that the American people do not want to see that investment written off.

MOSCOW'S HAND ON THE PUMP

HON. ROBERT J. HUBER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. HUBER. Mr. Speaker, a recent editorial in the Washington Post of March 20, 1974, points out how badly the Soviet Union treated its European trading partners during the recent Arab oil embargo. The Soviets had it both ways. They encouraged the Arabs to shut off the flow of oil to the West and then jacked up the price to their customers in Western Europe. How anyone can still believe that the United States would be allowed uninterrupted access to Soviet oil or gas as a result of any future trade arrangement is beyond understanding. The editorial follows:

MOSCOW'S HAND ON THE PUMP

A sobering comment on Moscow's reliability as a supplier of natural gas and oil is contained in recent accounts of its dealings with two veteran customers in Western Europe. Finland, for one, found that the Russians raised their price last fall to the level of the world price set by the oil cartel. This added at least half a billion dollars to Finland's annual energy bill. But the price of the goods which the Finns sell to Russia remained the same. So great was the shock that the socialist premier of Finland was led to compare the additional burden, five per cent of GNP, to the postwar reparations which Moscow imposed on the Finns—about two per cent of GNP. By their particular political dependence on the Soviet Union, the Finns are locked into this one-sided arrangement, which illustrates all too well the economic aspect of "Finlandization."

In respect to West Germany, the Russians evidently realized during the oil panic last fall that they could get a higher price by exporting elsewhere. So they slowed and then stopped delivering crude oil, though a contract had been in force for more than 15 years. They had contracted to deliver 3.4 million tons of crude in 1973; actual deliveries were 2.86 million tons. Exploiting Germany's temporary duress, the Russians pushed their price to $18 a barrel. Veba, the German oil buying agency, then suspended its contract with the Russians. It was put back into effect, at new higher prices, only a few days ago.

Meanwhile, Moscow Radio has just felt compelled to deny an Iranian newspaper's report that the Soviet Union is buying natural gas cheap from Iran and selling it dear in the West. Even if the Kremlin wanted to perpetrate such an uncomradely deed, Moscow Radio says, it couldn't because there is no pipeline. But there *is* a pipeline—a fact which has to be set against Moscow Radio's denial.

The Soviet Union has made a good thing in the past about being a fair and reliable trad*ing partner*. This reputation has served it well, the Economist recently noted, in inducing West Europeans to deliver large quantities of steel pipe and other equipment, against promises to be paid in future oil or gas. Yet in the Finnish case, the Russians jacked their prices through the roof. With Germany, they simply stopped delivering for a while and then resumed the flow but, again, at much higher prices. In brief, neither on the supply front nor the price front have they treated their traditional customers well—customers with whom they have no outstanding political differences, moreover. If the Russians began to run short of energy themselves, as many foreign experts expect they will, would they fulfill their contracts for export sales? These are matters which must be taken into account in the United States' own deliberations on the advisability of making large long-range investments in Soviet gas and oil.

TRIBUTE TO JULIA BUTLER HANSEN

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. BADILLO. Mr. Speaker, I rise to pay tribute to a respected colleague, JULIA BUTLER HANSEN, who has chosen to end her outstanding public career with this session of the 93d Congress.

JULIA BUTLER HANSEN is one of the truly wise and progressive legislators it has been my privilege to know. Though my few terms are dwarfed by JULIA's 14 years in the House and by her 37 years of public service, I want to make it clear that her effective chairmanship of the Democratic Committee on Organization, Study, and Review has enhanced the careers of younger Members serving today and those to be elected to future Congresses. It was her vision and leadership that mobilized the Hansen committee behind proposals to end the practice of awarding committee chairmanships solely on the basis of seniority, to allow a Member to serve on no more than two legislative committees, ann to allow no Member to chair more than one legislative subcommittee.

These three reforms opened up the proceedings of this body and represented a real advance toward democratizing the House of Representatives. The history of the House will give JULIA BUTLER HANSEN a prominent place for those recommendations adopted in the Democratic caucus on January 20, 1971. Before the end of that year, no fewer than 113 Members held subcommittee chairmanships, a remarkable departure from the past in the dispersal of higher responsibility to more than one-fourth of the Members of the House.

JULIA will be remembered for her compassionate and successful legislative endeavors on behalf of American Indians, for her work in conservation, and for her early insights into the need for new sources of energy.

JULIA BUTLER HANSEN is one of the most highly respected Members of the U.S. House of Representatives. More than that, she is a helpful, wise, and humane person who will leave behind monuments to her effectiveness and a large debt of gratitude. I wish her well in her richly deserved retirement.

PUBLIC SAFETY OFFICER'S BENEFIT ACT OF 1974

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. BIAGGI. Mr. Speaker, the House is expected to be considering the Public Safety Officer's Benefits Act of 1974 in the next few days. The bill will provide $50,000 Federal payment to the surviving dependents of public safety officers killed in the line of duty. It is long overdue.

The wide support this bill has received is exemplified by such private citizens as Mr. Ordway, P. Burden, of New York. Mr. Burden has been a supporter of law enforcement since his college days. As a Harvard Law School student, he was named to head a corps of volunteer student marshalls used during the 1970 civil disorder in Cambridge, Mass. In 1966, at 21 years of age, Mr. Burden was named an auxiliary policeman in Cambridge, and has been actively supporting law enforcement ever since.

Burden is typical of the wide support this legislation enjoys beyond the police and public safety officer organizations around the country. Through Mr. Burden many organizations like "The Hundred Club of Massachusetts", "The Hundred Club of Connecticut", "The Hundred Club of New York", and many other private citizen organizations, have rallied support for this legislation.

These organizations have been partially fulfilling the need for support of public safety officer's widows when their husbands have been killed protecting the public safety. The work of these organizations has been outstanding and in so many cases gone unpublicized.

It is not my intention at this time to try to get long overdue credit for these private citizen organizations that have been helping policemen's families when the public safety officer is killed protecting us. What I am trying to do is to show that through these committees of "Hundred Clubs," and people like Mr. Burden who support them, the need and wide support of this legislation has been well demonstrated.

Certainly few will deny that it is virtually impossible for many small police departments to pay death benefits to widows and families of officers killed in the line of duty. We also recognize that many criminals who have been arrested and convicted of killing police officers have come from cities, towns, and counties other than the ones in which they commit the killing.

The logic and need for this bill cannot be denied, and it is to people like Mr. Burden and his "One Hundred" clubs that we are indebted for trying to take care of these people who must be covered by this legislation. These "Clubs" will continue to grow, hopefully all over the country, but I pray that some wives and loved ones of police officers killed in the line of duty will not have to go unhelped because there are not enough Burdens or "Hundred Clubs" to take care of this problem.

There should not be a dissenting vote on this bill when it comes to the House floor for vote.

FUNCTIONS OF THE VOLUNTEER FIREMEN

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. MURTHA. Mr. Speaker, to many people the chief function of the local fireman is no more than parading on Memorial Day. But many know that the volunteer fireman is a true man of distinction—not because of his advertised preference for any particular product of commerce—but because he is a volunteer.

Volunteers in other job areas are becoming rare, unfortunately. However, the volunteer fireman stands out. Not only does he seek no pay for his great services to the community but, in many places, he contributes to the upkeep of the fire department and helps with the purchase of equipment through his work in the operation of carnivals.

I have always been impressed with the sense of civic responsibility displayed by volunteer firemen. After reading the following article by Bill Graff I came to better understand how the fireman is perceived by the people in the community. Bill Graff, assistant editor of the Evening Gazette, was a member of the Blairsville Fire Department for 22 years before retiring. He attained the rank of assistant fire chief before ending his career which included seven stints as an instructor at the Westmoreland County Fire School at St. Vincent College in Latrobe. This article is in reply to comments he has heard from people watching firemen at work, and from questions firemen hear.

It is an excellent article and one that firefighters and nonfirefighters alike will find extremely interesting.

Here is the article, Indiana Evening Gazette, Thursday, February 21, 1974, by Bill Graff:

"What took you so long to get here?"

Most firemen have heard this comment many times, primarily coming from a neighbor or curious bystander. Occasionally the victim of the fire will ask the same question.

But by and large . . . firemen are on the scene in a matter of minutes. For those requiring their services, however, it seems like hours since the alarm was turned in. That's human nature and most firemen cast the comment off.

Still . . . a good question sometimes deserves a reply and this is hopefully the answer.

Let's set up two hypothetical fires . . . one during daylight hours . . . the other in the middle of the night. One is a summer day alarm . . . the other a mid-winter call.

The phone rings in the police station and the dispatcher answers. "This is Mrs. Margaret Rathbaughn. My house is on fire. Call the firemen. I live along Route 217. Please hurry!" The dispatcher hears the click and knows the frightened woman has hung up before telling whether firemen should go north or south on Route 217. He punches the fire alarm button and starts the sirens sounding to alert the firemen. In the meantime, he's trying to look up Mrs. Margaret Rathbaughn's telephone number in the phone directory.

Firemen start for the door and their vehicle as soon as they hear the siren. They jump into the car and head for the fire hall.

"Where's the fire?" they ask. The fire hall phone is ringing and the first man in answers. It is the dispatcher telling them a house is on fire along Route 217 north of Blairsville. He successfully located the woman's phone number and location in the phone directory.

The officer-in-charge tells what equipment is to be dispatched and the trucks roll out headed for the fire. The big siren finally drones down to silence. Two minutes have passed since the dispatcher pressed the button to activate the siren and the first two trucks are on the way.

The route to the fire is relatively free of traffic. Police have stopped traffic near the fire hall and the trucks can roar around the corner.

It's daylight. The temperature is in the 50's, the time is 2:35 p.m. and approximately 23 of the 64 members have immediately responded to the fire siren. If the situation warrants more men can be summoned by a second alarm.

The first truck arrives at the fire scene within seven to eight minutes from the time Mrs. Rathbaughn had first called in the alarm.

"What took you guys so long to get here?" someone asks a fireman.

Now let's look at a fire alarm called in at 2:20 a.m. on a January morning where thermometers have plummeted to 16 degrees above zero.

The telephone rings in the police station. The disptacher picks up the fire phone and hears: "This is Mike Pollitskie from Blairsville RD 2. Get the firemen here right away my house is on fire." The dispatcher says: "Now don't hang up until you tell me where your house is located." He gets a reply like "I can't talk, my house is burning up."

The dispatcher hits the siren button and dials the fire hall phone. The first fireman in the door answers the phone and the dispatcher relays what he has heard and says he's trying to find a better address.

The second fireman in delivers bottled gas for living and says he knows where Mr. Pollitskie lives. More firemen arrive and start dressing in the warm night suits. A driver, an officer and four men are dispatched on the first truck as the siren goes silent. Less than 30 seconds later the second truck rolls out.

The roads are icy and treacherous but the driver realizes this and also knows his job is to get the truck and men to the blaze safely. He knows there are men who were awakened from a deep sleep hanging on to the big truck now cruising along at 35–40 miles per hour. The men are still dressing as they hang from the moving truck. Biting cold numbs their faces and hands. Tears fill their eyes as the biting wind never stops. Their hearts are still pounding at a quickened pace because that's how a fireman reacts to an emergency and danger.

A steep grade, narrow winding road, slippery curves, and knowledge of the human cargo aboard tend to make the driver extra cautious.

The truck crests a hill and firemen take a deep breath . . . they see the fire in the sky and know their work is cut out for them even before they arrive. They ask themselves: Is anyone trapped? Are there children involved? Is there water nearby? Is the house near a road? How long will we be there? Will I make it to work today?"

The truck pulls in at the blaze and people start screaming. The officer in charge quickly sizes up the fire and tells the men what to do.

The time: Just nine minutes from the time the wail of the siren chased these firemen from their warm beds and security of the homes and families.

And then the question: "What took you guys so long to get here?"

Then there is the snide comment often heard: "Well they're volunteers, not paid firemen." That comment hurts.

It is doubtful whether one volunteer fireman out of the nearly 500,000 in Pennsylvania considers himself a volunteer when it comes to fighting fire, saving lives, or risking their own lives and livelihood.

Paid firemen do a job and receive remuneration. Volunteer firemen do the same job, take the same risk, hear the same comment, and seldom receive any thanks for their services.

Volunteer firemen also go around begging for donations to help purchase fire equipment and even the clothing on their backs. Paid firemen don't have to do this.

Volunteer firemen save taxpayers thousands upon thousands of dollars each year by providing service their city brethren must pay for.

And volunteer firemen get hurt and are killed, just like their paid counterparts. But volunteer firemen are just that . . . volunteers doing their selected job to the best of their ability.

They work under handicaps their paid brothers seldom encounter such as have to build dams on small streams to obtain water to extinguish fires; laying hose across muddy fields, under railroad tracks and to ponds on farms.

Yet when these same men respond to alarms at all hours of the day and in all kinds of weather . . . they nearly always hear someone ask: "Hey! What took your guys so long to get here?"

CECIL R. KING

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. ROYBAL. Mr. Speaker, it is with a deep sense of personal loss that I join the members of the California delegation in taking special note of the passing of our friend, former colleague and past dean, Cecil R. King.

Cecil King was a dedicated and hardworking legislator who served with distinction for more than two decades as a Member of the House of Representatives. He represented the 17th Congressional District of California from 1942 until he retired in 1968. And during that time he not only witnessed many great moments in legislative history but himself contributed significantly to the health care legislation of the 1960's. The Medicare Act that he coauthored will stand through the years as a reminder of his immense sense of concern and dedication in this area.

His death last month represents a great loss to his friends in the Congress, the State of California and the Nation that he loved and served so long and so well. To his family and friends I extend my sincere sympathy and condolences.

AMERICAN AID TO INDOCHINA

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. DELLUMS. Mr. Speaker, the following chart gives a breakdown of the magnitude of American assistance requested for fiscal 1975 and outlays for fiscal 1974 in Southeast Asia:

BREAKDOWN OF AMERICAN ASSISTANCE

Fiscal year 1975 New Obligational Authority (NOA) Requested and fiscal year 1974 Outlays for South Vietnam, Laos, Cambodia and Thailand.[1]

SOUTH VIETNAM

[*In millions*]

Fiscal year 1975 NOA requested:	
Postwar reconstruction assistance [2]	$600.0
Food for Peace (PL 480) [3]	NA
International narcotics control [2]	NA
Subtotal	600.0
Military assistance service funded (MASF) [4]	1,925.0
Total	2,525.0
Fiscal year 1974 outlays:	
Postwar reconstruction assistance	300.0
Public Law 480	250.0
Selected countries and organizations (development loan)	50.0
Food and nutrition sector	60.0
International narcotics control	.2
Subtotal	660.2
MASF	829.5
Total	1,489.7

LAOS

Fiscal year 1975 NOA requested:	
Postwar reconstruction assistance	55.0
Public Law 480	NA
Population and health programs	.6
International narcotics control	1.6
Subtotal	57.2
Military assistance program (MAP) [3]	90.0
Total	147.2
Fiscal year 1974 outlays:	
Postwar reconstruction assistance	40.0
Public Law 480	NA
Population and health programs	.6
International narcotics control	1.5
Subtotal	42.1
MASF (until fiscal year 1975, Laos is supplied under DOD budget	78.0
Total	120.1

CAMBODIA

FY 1975 NOA requested:	
Postwar Reconstruction Assistance	$110.0
PL 480	NA
International Narcotics Control	0.0
Subtotal	110.0
MAP	390.0
Total	500.0
FY 1974 outlays:	
Postwar Reconstruction Assistance	95.0
PL 480	180.0
International Narcotics Control	0.0
Subtotal	275.0
MAP	342.3
Total	617.3

THAILAND

FY 1975 NOA requested:	
Food and nutrition sector [2]	2.4
Population and health sector [2]	2.0
Education and human resources sector	1.0
International Narcotics Control	5.4
Subtotal	10.8
MAP	60.0
Total	70.8
FY 1974 outlays:	
Security Supporting Assistance	7.4
Population and health	2.4
Subtotal	9.8
MAP	38.5
Total	48.3
Regional Support Costs—FY 1975	9.0
Inter-regional Support Costs—FY 1975	18.9
Total	27.9

FOOTNOTES

[1] Sources: The Budget of the United States Government—Fiscal Year 1975; Department of State; Agency for International Development (AID).

[2] NOA requests under the jurisdiction of the Committee on Foreign Affairs.

[3] PL 480 costs estimates for FY 1975 are not set at this date due to present state of price in the world food market, according to AID.

[4] The MASF FY 1975 figure for South Vietnam includes $475 million to be requested as a supplement to the FY 1974 budget.

11500 BANANAS ON PIKE'S PEAK

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. HOSMER. Mr. Speaker, H.R. 11500, the bill to abolish surface mining under the pretext of regulating it, provides that the mine operator, in using explosives, must prevent any change in the course, channel, or availability of ground or surface water.

Since explosives are used to break up rock so it can be removed from above the coal seam, and since their use will create cracks which extend to the surface, I would like to learn how surface water—rainwater, that is—could be kept out of them.

This is just another of those cases of legislative illogic in H.R. 11500, which literally will not hold water. It is as crazy as trying to grow bananas on Pike's Peak.

A SEMBLANCE OF CONTROL

HON. HOWARD W. ROBISON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. ROBISON of New York. Mr. Speaker, as one who made a commitment to himself—and to his constituency—several months ago, not to in any way prejudge the guilt or innocence of the President in the "Grand Inquest" now underway in this House to seek to determine whether or not there is probable cause indicating the President may have, himself, committed an "impeachable offense" or offenses, the following editorial from today's Wall Street Journal is a timely expression of opinion and a warning, as well, on the dimensions of responsibility we all bear in this regard. I commend its consideration by all my colleagues:

A CHANGE OF VENUE

We paid a visit to Washington, D.C., in the last few days and came away wondering if the President of the United States could get a fair trial in our nation's capital. The city seems so totally in the grip of Watergate fever that those elected representatives who will soon be sitting in solemn judgment of the President appear to have lost control of events, and are in danger of being swept along by an impeachment machine that could turn the proceedings into a lurid Roman circus.

What seems to be happening is that Congress is demonstrating how difficult it is to suspend judgment, to presume the innocence of the accused before the taking of evidence, testimony and cross-examination. By its example it reveals why the law courts of the Western democracies for centuries have deemed the formalities and rituals of a criminal proceeding to be of such paramount importance. There is now no one in Congress, Democrat or Republican, urging even minimal rules of conduct for the juries and the judge, and the system of justice that the people provide the lowest and the highest is being suspended because Richard M. Nixon is in the dock.

We see members of Congress routinely predicting the President will quit sooner than face the music. We see them openly announcing their intention to impeach, even before they know what the charges will be, if indeed there are charges. Senate Majority Leader Mansfield and Wilbur Mills of the House blithely predict there are enough votes in the House to impeach, which can only be described as bandwagon politics. Jimmy the Greek, the Las Vegas oddsmaker, conducts a private poll to detect which way members are leaning and, incredibly, gets responses. The franking privilege is being used to promote grass-roots impeachment petitions. And all over Capitol Hill there are lists being drawn up of Senators "likely" to convict and "likely" to acquit.

It's as if, during the trial of the "Chicago Seven," the jurors were premitted to pop up periodically to excoriate the defendants, Jimmy the Greek allowed in the jury box to conduct a running poll of sentiment that he could flash back to Vegas, and Judge Julius Hoffman allowed to collect petitions for conviction that he could lay before the court.

In a criminal proceeding, there is good reason why the defense is allowed to participate in jury selection, challenging prospective jurors it believes would be prejudiced. There's good reason, in a sensational case involving a heinous crime, for the judge to order a change of venue when his court is overwhelmed by passion. And there's good reason, when an untarnished jury can be found in such a case, to sequester it from outside influence during the trial.

Of course, all these precautions are impossible in an impeachment proceeding. The President can't help pick his jury. Congress can't be sequestered from the influences of the press. And Capitol Hill can't be moved to Cedar Rapids or Salt Lake City. Nor should any of these things be done even if it were possible.

But this makes it all the more important that Congress get a grip on itself and agree on formalities and rituals appropriate to a Grand Inquest, to require rules of conduct that will have the effect of changing venue from a court ruled by passion to one composed.

The Mansfields, Scotts and Alberts cannot simply wash their hands of responsibility, arguing they have no authority to impede the free speech or activities of freely elected Congressmen. If Congress would agree to rules of conduct, its leaders would per force have the power to at least verbally censure transgressors. The mere existence of a code, where there is none now, would provide a sobering frame of reference for the great majority in Congress who would otherwise say or do anything because of the provocative climate that prevails.

And if the leaders of Congress can't bring themselves to regain a semblance of control over these events, at least individual members of the House and Senate can make personal commitments to contribute nothing to the carnival that encroaches. Those who have already allowed themselves to slide can begin by straining mightily to suspend judgment, elbowing aside the oddsmakers and pollsters and asking their staffs to do the same. They can begin too by resisting the outrage or resentment they might feel over the way the accused insists on his rights and loudly proclaims his innocence.

If this be done, it will be possible for the President of the United States to get a fair trial in Washington, D.C., and however he is ultimately judged the American people will be able to say that justice was done.

NEXT ECONOMIC PHASE: PHASE-OUT

HON. ALBERT H. QUIE

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. QUIE. Mr. Speaker, I commend the editors of Farm Journal in their April issue for joining the ranks of those calling for expiration of the Economic Stabilization Act on April 30. Calling the wage and price control program a debacle, Farm Journal lucidly describes the disastrous effects the program has had upon agriculture and how controls led us down a path of soaring shortages and higher prices.

Although the decision is 4 weeks away, I hope the Congress will be wise enough to allow the authority for wage and price controls to expire.

The article follows:

GOODBYE AND GOOD RIDDANCE—TO CONTROLS

Unless Congress performs last-minute artificial respiration, price and wage controls will expire April 30.

The attitude at their passing stands in sharp contrast to the fanfare with which controls were greeted in August, 1971. Many of the same businessmen, labor leaders and consumers who welcomed them then are more than ready to see them go now.

Why such disillusionment? And what have we learned, if anything, from this experience?

Controls may delay, but they cannot prevent, price and wage increases. That's the main thing we've learned once again. Because controls treat symptoms—not root causes—of inflation.

You saw that first-hand a year ago when they slapped controls on food. In quick-turn businesses like broilers, producer reaction was immediate: They killed baby chicks rather than incur losses by feeding uncontrolled feed to price-controlled broilers. Cattle feeders still suffering from that policy error today, wish they could have done likewise.

Even after that debacle, many people still believed that controls had been helpful overall. Now, as businessmen and consumers watch the inflation rate climb toward 10%, they're not so sure. Price controls in 1971 and '72 are directly responsible for many of the shortages and high prices troubling us today.

Fertilizer is a classic example. As we point out on page 17, an over-expanded fertilizer industry lost $68 million in 1968, $160 million in 1969, another $45 million in 1970. The industry probably would have resumed expansion when grain prices turned up in 1972—if prices hadn't been frozen at loss levels.

CONTROLS DAMAGED THE ECONOMY IN MANY WAYS

Writing in a recent issue of the *Harvard Business Review*, C. Jackson Grayson, Jr., former head of the Price Commission, gives these examples:

1. Controls distorted international trade by encouraging export and discouraging import of the very products needed to relieve our shortages.

2. Controls disrupted necessary market signals by stopping *all* increases, including ones telling business to "Make more" or consumers to "Use less."

3. Controls froze prices at low profit levels at the very time we needed capital to get the economy moving again. Profits declined from 6.2% in 1966 to 3.6% in 1970; controls kept them there.

4. Controls became "a security blanket." They caused business and labor to depend on controllers rather than their own actions.

5. Most dangerous of all . . . "Controls misguided the public by drawing attention away from the real causes of inflation—fiscal policies, currency devaluations, tax rates, trade policies, productivity, etc."

We brought controls upon ourselves through a long series of self deceptions:

We thought we could fight the Viet Nam war without paying for it—and started a roaring inflation.

During the 1960s, we thought we had discovered the secret to uninterrupted expansion. We went too long without a correction in our economy—expanded too much then cut back too sharply in 1969–70.

After debasing our currency overseas with war and the gush of foreign aid, we delayed devaluation too long. Our steel industry, on its knees at the mercy of imports in 1971, is operating flat out today.

We kidded ourselves that we were paying for it all by circulating ever more money.

Grayson was alarmed by the readiness of businessmen to accept more and more central direction. He quotes historian Edward Gibbon to illustrate his fears:

"In the end, more than the Athenians wanted freedom, they wanted security. They wanted a comfortable life and they lost it all—security, comfort and freedom. When the Athenians finally wanted not to give to society but for society to give to them; when the freedom they wished for most was freedom from responsibility; then Athens ceased to be free."

WHERE TV REALIZES ITS POTENTIAL

HON. DONALD D. CLANCY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. CLANCY. Mr. Speaker, television often has been referred to, and with some reason, as a vast wasteland. Therefore, it is always gratifying to watch a fine program, or programs, which sensibly and wholesomely educate, inform, or entertain.

One of the best examples of television living up to its potential has been demonstrated by WCET–TV in Cincinnati, Ohio. In an elementary school in Lincoln Heights, WCET programing proved to be a great aid in inspiring and improving reading abilities in students.

I direct my colleagues' attention to the following article which appeared in the March issue of Children's Television Workshop Newsletter:

TEC TURNS SCHOOL ON TO READING

The Electric Company was credited by elementary school teachers and officials in the Cincinnati suburb of Lincoln Heights with playing a major role in revitalizing reading interest and skills among students who watched the series daily on an experimental multi-channel closed circuit videotape system installed in the Fall of 1972.

The impressive results of two sets of standardized achievement tests were cited by Ernest Ector, principal of the 780-pupil Lincoln Heights Elementary School where the TV system was installed, to show that second and third graders exposed to the system and to the Electric Company for a school year were five and six months more advanced in acquisition of reading skills than previous second and third grades not exposed to the system. These results were in marked contrast to the situation three years earlier when 75 per cent of Lincoln Heights School District students tested well below appropriate achievement levels for their ages and grades and some elementary school students were trailing contemporaries in other schools in reading achievement by as much as two and three years.

Ector credited the gains to his school's intensified reading program that was built mainly around use by teachers of the videotape system and the Electric Company. The series was the program most frequently used in the first year of the system's operation. It was the only program shown almost continuously all day long and was available to teachers any time during the day. The Electric Company and Sesame Street, which was shown to Early Start, kindergarten and first grade classes, were assigned two of six in-school channels that feed, along with the on-air broadcasting of Cincinnati's educational station, WCET–TV, educational material to monitors in every classroom.

The WCET–TV staff, including Charles

Vaughan, president and general manager, and Mrs. Marjorie McKinney, director of instructional television services first conceived of the idea of tackling a no-progress-in-reading-achievement trend with a highly flexible closed-circuit system tailored to meet teachers' needs.

With a population of 7,000, Lincoln Heights is the largest all-black city in Ohio and possibly the nation. Severe reading and math deficiencies among its 1,800 students were revealed in testing in 1970 when the local school district was merged with its larger more affluent and primarily white neighbor, the Princeton City School District.

A crash remedial reading and math program instituted by school officials resulted in some gains but, according to Ector, the conclusive improvements in reading began with the installation of the videotape system suggested by WCET-TV. The first indications that Lincoln Heights students were indeed closing the gap in reading achievement came in the form of results from Gates-MacGinitie standardized tests administered in May 1972 and again in May 1973 after the new system had been in operation for eight months.

The tests, according to Ector, showed that second graders in 1973 were five months more advanced in acquisition of vocabulary and six months more advanced in reading comprehension than their non-viewing counterparts a year earlier. Third graders, the test showed, were five months ahead in vocabulary and three months ahead in comprehension of the previous third grade, said Ector, who also reported that the Gates-MacGinitie results were substantiated by Stanford Achievement Tests administered in May 1972 and October 1973. "We finally reversed a no-progress trend that is still evident in other area schools," the principal said. "We were finally making progress in reading achievement."

FLEXIBLE SYSTEM

The WCET-TV staff—which not only originated the idea for the system but also designed it, obtained funding, oversaw its installation and maintains it—recognized the need for a totally flexible system that would put maximum control in the hands of the teachers. This meant equipping each classroom (40 in all) with a 23-inch color TV monitor and six sets of earphones. Teachers have found the earphones especially handy when singling out individuals and small groups for special attention. The educational material seen on the in-school system is taped from Channel 48 (WCET) and commercial stations by the system's operator using a videotape recorder (VTR). Six other VTR's broadcast previously taped material to the school's channels. THE ELECTRIC COMPANY and SESAME STREET are taped automatically each day by the control room operator, while other educational TV programs are taped and used only when requested by teachers who are kept apprised of upcoming educational programs by WCET.

The entire cost of the system, underwritten by the General Electric Aircraft Engine Group, the Ford Motor Company Fund (separate from the Ford Foundation) and the Andrew Jergens Foundation, was $42,250. The outlay included expenditures for the 40 monitors, 240 sets of earphones, seven VTR's, 50 videotapes, peripheral control room equipment and two years of servicing.

Teachers like Tom Hinkle feel that having the videotape system is, in his words, "Like having another arm." About THE ELECTRIC COMPANY, Hinkle asid, "That show stays With the kids. Weeks later they remember segments with material I'm trying to teach." He's noticed that even though his second graders are exposed to THE ELECTRIC COMPANY in school they go home and watch it again. "This type of thing is great reinforcement. It's kind of like bringing the home and school together," he said.

Mrs. Anzola MacMullen, head of the school's resource center where the videotape system's control room is located, said that THE ELECTRIC COMPANY has had a definite impact on students. "It's most obvious in the way the kids are using the library. Circulation is up and there is much greater interest in using the center especially on the part of third-to-sixth graders," she explained, and then added that teachers and students come clamoring down to the control room to find out what's wrong when a system malfunction interrupts THE ELECTRIC COMPANY.

JANE FONDA AND THE HOUSE COMMITTEE ON INTERNAL SECURITY

HON. ROBERT J. HUBER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. HUBER. Mr. Speaker, on Monday, April 1, 1974, the House considered funding for the nine standing committees. Circumstances did not permit me to make the remarks that I had prepared to deliver at that time in support of the work of the House Committee on Internal Security, so today I would like to include these comments for the record. A massive propoganda campaign has been undertaken, Mr. Speaker, to obtain amnesty for the draft dodgers and deserters from the Vietnam war. Many decent people, including some of our colleagues, have urged amnesty, some for humanitarian reasons. But the prime movers in the amnesty campaign are the same Jane Fondas and Tom Haydens that encouraged the draft dodging and desertions in the first place.

Hayden and Fonda have even used congressional space to organize a group of 75 staff members to promote their propaganda. Mr. Dickinson and a number of our other colleagues have called attention to this.

The House Committee on Internal Security has provided much information on Hayden, Fonda, and their supporters. The committee's travel bill hearings covered the pro-North Vietnamese propaganda activities of this group. The committee's hearings on attempts to subvert our military provided further evidence of the disruptive tactics of persons like Fonda and Hayden, who seem to express Hanoi's point of view.

One of the arguments raised by the supporters of this campaign is that there was an amnesty after the Civil War. What they neglect to mention is the fact that this covered only the defeated enemy who agreed to lay down his arms. It did not cover the cowards, draft dodgers, and deserters who refused to serve their country during the war.

President Abraham Lincoln, who has gone down in history as a great humanitarian, made this comment on the Fondas and Haydens of his day, "the Copperheads":

> Long experience has shown that armies cannot be maintained unless desertions shall be punished by the severe penalty of death. The case requires, and the law and the Constitution sanction, this punishment. Must I shoot a simpleminded soldier-boy who deserts, while I must not touch a hair of a wily agitator who induces him to desert? This is none the less injurious when effected by getting a father, or brother, or friend, into a public meeting, and there working upon his feelings till he is persuaded to write the soldier-boy that he is fighting in a bad cause, for a wicked administration of a contemptible Government, too weak to arrest and punish him if he shall desert. I think that in such a case to silence the agitator and save the boy is not only constitutional, but withal a great mercy.

No one today recommends the death penalty for desertion. Particularly since we did not silence the agitators, but allowed them to induce the young people to desert or dodge the draft.

The problems that our Government faced when Abraham Lincoln wrote the above quoted letter on June 12, 1863, are being faced by our Government now. The "Copperheads" of today, the enemy sympathizers and propagandists, are not only still vocal but now have access to mass communications media which did not exist in Lincoln's day.

By all means punish those who violated our laws. But punishment by law must be tempered with mercy, based on the facts of each individual case. But we should have no mercy for those who continue to propagandize on behalf of our country's enemy—an enemy that continues to murder innocent civilians in Vietnam. Nor should we pay attention to the shrill cries of the Fondas and Haydens that the law should not punish those that they induced to commit crimes.

The Internal Security travel bill (H.R. 16742, 92d) was supported by a majority of this House in the last Congress. During the last session the committee reported out a similar bill, H.R. 8023. This bill would provide punishment for unauthorized travel to areas in which U.S. forces are in combat. Such travel had been used by the present-day "Copperheads" to aid the enemy and disrupt our Armed Forces. I urge support for H.R. 8023 when it comes to the floor and support for the Internal Security Committee's Appropriation.

POSTPONING ACTION ON FEDERAL LAND-USE PLANNING LEGISLATION IN 1974

HON. DICK SHOUP

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. SHOUP. Mr. Speaker, I would like to insert the following resolution, which was adopted by the Montana State Legislature, into the CONGRESSIONAL RECORD to show the strong feelings of my State against Federal controls in the land-use planning area.

A RESOLUTION OF THE SENATE OF THE STATE OF MONTANA URGING THE U.S. HOUSE OF REPRESENTATIVES TO POSTPONE ANY ACTION ON FEDERAL LAND-USE PLANNING LEGISLATION IN 1974

Whereas, the people of Montana value the right to own and use property with minimum government regulation and prefer such regulation at the local government level where prompt appeal and review are possible, and

Whereas, legislation pending before the Congress in bill number H.R. 10294 would turn upside down this long-cherished right of property owners by requiring state governments to control land-use decisions in accordance with federal guidelines, and

Whereas, the Congress should not enact H.R. 10294 or any legislation with a similar formula for federal control, but should consider alternatives for improving local government planning and state planning without infringing on the rights of private property.

Now, therefore, be it resolved by the Senate of the State of Montana:

That the House of Representatives of the Congress is urged to take no further action on H.R. 10294 for the duration of the 1974 session of Congress.

Be it further resolved, that the Secretary of the Senate send copies of this resolution to the Honorable John Melcher and the Honorable Richard Shoup, Representatives from the State of Montana.

FOR A STRONG NATIONAL DEFENSE, WE MUST HAVE STRONG RESERVE COMPONENTS

HON. CHARLES THONE

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. THONE. Mr. Speaker, General Lucius D. Clay, Jr., USAF, Commander in Chief of the North American Air Defense Command, spoke to the Nebraska State National Guard Association on March 30, 1974, in response to my invitation to him. He gave an important message there which I want to share with my colleagues.

First, may I also summarize my views which I expressed at this Lincoln, Nebr. meeting.

I believe the present Department of Defense policy to reduce Reserve strength is a terrible mistake.

Since the Soviet Union can support a member of its armed forces for perhaps 25 percent of our cost, the United States ought to use part-time military personnel wherever we can. This would alllow for a larger percentage of our defense budget to be used for modern equipment, research and development.

The Department of Defense has proposed lowering Reserve and National Guard strength by 40,000 people and eliminating 15 of the 92 flying units of the Air National Guard in the next 3 years. The Department of Defense is also hindering recruitment and retention in Reserve Forces by not supporting extension of fringe benefits available to full-time military personnel to part-time armed services men and women.

Between 1968 and 1975, the average annual pay and benefits of a full-time member of the U.S. Armed Forces will have risen from $5,500 to $11,000. In this time of greatly escalating costs for full-time military personnel, it makes great good sense to rely upon part-time personnel for every assignment they can handle.

And Reserve Forces can perform many missions in superior fashion, as General Clay testified in his remarks which follow:

ADDRESS BY GEN. L. D. CLAY, JR. USAF CINC NORAD/CONAD, COMMANDER ADC

As Comander in Chief of NORAD, I have a vested interest in our whole Guard concept. Guard units have been a part of the air defense mission for 20 years.

Army Guard firing batteries have comprised over half of our NIKE-HERCULES force. Nearly 20 percent of the entire Air National Guard is assigned the ADC fighter interceptor mission. In fact, Air Guard fighter squadrons make up almost 75 percent of my interceptor forces today, and last year alone they flew 41,000 intercepts and 948 practice scrambles.

So the National Guard means a great deal to me. I have seen, firsthand in NORAD, as well as in Vietnam—when I was the Air Force Commander there—that the Guard can handle the active mission, and handle it well, indeed.

Guardsmen have racked up some outstanding performances through the years, including Korea, Vietnam, and the recent Middle East alert. In the air defense business, the only NIKE battery ever to achieve back-to-back perfect scores in annual service practice was an Army Guard outfit in San Francisco. In the 1973 annual service practice, the Army Guard rate was 94.6%—better than the active forces.

The only unit to achieve a perfect score in the William Tell fighter interceptor weapons competition was an air Guard entry from Jacksonville.

And last year, the Spokane Air Guard Squadron won the ADC Weapons Loading Competition at Tyndall AFB. This was the first year the Air Guard was invited to participate, and the Spokane Air Guard pilots beat 15 other active and Guard entries hands down. In 39 Air Guard operational readiness inspections over the last two years, only one unit turned up a failure. Two were rated outstanding. All the rest met satisfactory ADC standards.

I think these are impressive records! There are many, many more I could cite from peace-time and war-time service.

Throughout the years, Guardsmen have proven they are not second best to their active force counterparts.

In recent times, the Guard has been asked to take on a larger portion of the air defense burden. And, we are giving you the machinery to do it with.

Your own Lincoln Air National Guard Squadron is a good example. Some 10 years ago, the unit was flying F-86's and the old RF84F's. Today they have RF-4C Phantoms—one of our latest reconnaissance aircraft.

There have been many changes since the early 1960's, both in and out of the Guard.

Change has been a constant trademark in military concepts and structure.

NORAD is a good example.

In 1960, NORAD was at the peak of air defense with systems to counter an air attack.

The Command had approximately 1400 fighter interceptors, 210 air defense artillery batteries protecting our cities and strategic centers, 460 long-range search radars, 22 semiautomatic ground environment direction centers with 24 command and control backup sites.

Almost a quarter of a million men and women of the Canadian and U.S. forces were assigned to NORAD. They were engaged in air defense activities at more than 300 bases.

The 1200 Soviet bombers . . . about 200 of which were intercontinental in range . . . comprised the predominant threat against us.

In a few short years after Sputnik I was launched in 1957, it became apparent that Soviet Intercontinental Ballistic Missile capability—(ICBM)—was developing. Limited numbers of ICBMs were observed in their operational force. Although they had no submarine launched ballistic missiles at that time—the SLBMs—we were aware of their active research and development in that field too.

As the size of the Soviet ICBM force grew, it was joined by SLBMs—both programs were given major emphasis. Meanwhile, the bomber threat remained relatively constant.

Soviet developments in space were also moving at a similar rapid pace following Sputnik I.

In 1961, our records show they had 35 satellites in orbit. More important, they had the know-how to expand both thru scientific and military space technology. By the mid-60s it became increasingly obvious that the main threat of Soviet strategic nuclear bombers was being superseded by ICBMs against which there was no defense—further, it was apparent that the Soviets had the potential to put weapons in space.

For NORAD it meant a shifting of the gears and a re-tooling of our concepts and our defensive apparatus to meet a changing threat to our national security.

New missile warning and sophisticated space surveillance systems came into the Command. The first, completed in 1964, was the Ballistic Missile Early Warning System (BMEWS), consisting of three huge radars in Alaska, Greenland and England. These new generation radars produced an electronic warning fan covering the polar approaches to the continent and gave us early warning of a missile attack. Today, this system is still one of our most reliable sources for missile detection and tracking.

As the decade of the 1960's wore on, NORAD's job continued to change with the threat, and reductions began on the Command's anti-bomber defenses, specifically the fighter interceptor force, its supporting systems and bases, personnel, the complex of long-range conventional radars, and anti-aircraft artillery weapons. Annual trimming of conventional air defense forces came around as regular as birthdays.

From the 1400 aircraft peak of the early 1960's, NORAD's fighter interceptor force today is down to around 530 aircraft in 27 U.S. squadrons and three Canadian Forces squadrons—the latter guarding the northern approaches to Canada. Of the 27 U.S. squadrons, seven are regular force units, 20 are Air National Guard.

The U.S. forces of NORAD will be further cut to 336 aircraft in 20 U.S. squadrons—6 Regular and 14 Air National Guard—by 1 July 1976. And by mid-1975 we will be down to around 70,000 personnel from a high of nearly 250,000 in 1961.

By the end of this year our present 48-battery surface-to-air missile force, provided by the U.S. Army, will be completely eliminated.

During the reductions in conventional defense forces, new missile warning systems and hardware were integrated into the command such as Over-the-Horizon Forward Scatter Radar, geosynchronous early warning satellites, and new generation phased array radar facing our southern approaches. These new systems—combined with BMEWS, and DEW Line and our network of SLBM warning radars give us a global air and space surveillance capability that guarantees against surprise attack of any kind.

To me it says that over the years NORAD is a command with a changing mission. What does this mean? Since 1961 the relatively simple task of defending against a bomber attack has evolved into the more complicated mission of controlling sovereign airspace of the U.S. and Canada—providing limited defense against bomber attack—and perhaps most important of all—providing global surveillance, warning and assessment of ballistic missile attack.

The Secretary of Defense, James Schlesinger, in presenting the fiscal year 1975 budget to Congress, recognizing the changing air defense mission, said, Because it is not possible to mount an antiballistic missile defense in the face of the Strategic Arms Limitation Treaty, it does not seem practical to maintain a full defense against the manned bomber.

In his reasoning he said—we must recognize at the present time the Soviet Union can hit any city in the United States that it desires: that there is no protection in nuclear war provided by air defenses so long as the Soviets depend primarily upon ballistic missiles; therefore, we are eliminating those components of the air defense systems which are designed to protect American cities against bomber attack in nuclear warfare.

How then, will NORAD pursue its job today?

First, in the manned aircraft we are retaining a limited fighter interceptor capability to control our sovereign airspace in peacetime and have the wherewithal for limited defense in the event of manned bomber attack. Our small regular and Air Guard fighter force which is spotted around the periphery of our nation could be augmented if the need arises by the fighters of the Tactical Air Command stationed in the United States, as well as Navy and Marine Corps fighters assigned to U.S. bases or in port at any given time.

While the complex of long-range search radars for bomber defense is being reduced, we will maintain the Distant Early Warning Line across our northern perimeter in the Arctic, and peripheral radar coverage for the continental United States and southern Canada.

For better radar detection of aircraft we are well along in the development of the Over-the-Horizon Backscatter system. Four of these radars would give us 360° coverage of our entire landmass from the ground up out to distances far in excess of present coverage.

Our present radar network can only be described as aging. It is expensive to maintain. The OTHB system would permit us to have a more effective screen of coverage at small costs in dollars and people.

Also, we are currently sharing some radars with the Federal Aviation Administration and future plans call for us to go into a full joint use program with FAA.

All these will provide us early warning of air attack, give us an ability to detect an intrusion of our sovereign airspace and the capability to determine the identity and purpose of the intruder.

Looking ahead, advanced fighter interceptors could be useful to continental defense to replace our aging F–106s whose normal life span has been extended by modifications. Two advance fighters are earmarked for the U.S. Air Force and the Navy. They are the AF F–15 Eagle and the USN F–14 Tomcat.

Extremely important to control of our air sovereignty is an Airborne Warning and Control system—the AWACS. It is a modified version of the Boeing 707–320 that would enhance our peacetime control of national airspace. In wartime AWACS would give tactical and air defense forces a truly survivable command, control and surveillance capability. It would in effect put our ground radar stations and our command and control in the air, making it practically invulnerable to attack and extend our air defense perimeters far beyond our current limits.

More than five hundred million dollars has been requested in the FY 75 budget for procurement of 12 AWACS aircraft.

Second, on Ballistic Missile Warning we have deployed a number of sensing systems that are involved in detection and tracking functions. These will give us knowledge of weapons passing through space or originating in it . . . wehre they have come from and where they will impact.

NORAD's worldwide missile warning network is good and getting better.

In the past six years, BMEWS, our first missile warning radar, has been joined by a forward scatter over-the-horizon radar missile detection system.

The name is confusing but the job it does is good. The tail fire of any missile rising from the Eurasian landmass is detected immediately after launch and reported to our Cheyenne Mountain computers.

An eight-site submarine launched ballistic missile warning system is also in place on our Pacific and Atlantic coasts . . . including the Gulf area.

We have early warning satellites in synchronous orbits. They give us instant warning of sub-launched missiles as well as land launches.

These four systems, working together, give us greater reliability and capability to meet a diversified threat . . . they also provide us a highly accurate confidence factor in assessing any missile launch.

What about the future in this area? Upgrading of the SLBM warning network is needed.

Funds have been requested in the Fiscal Year 75 budget to replace it with phased array radars similar to those incorporated in detection elements of the Safeguard antiballistic missile system. These new radars, one on each coast, would replace the eight conventional radar sites we now have on the coasts.

We must rely on redundancy in our systems. The more different ways you can detect something as speedy as ballistic missiles, the less chance there is of either missing it or mistaking something else for a missile . . . when it may be a phenomenon of nature. There is no place for false alarms in the missile warning business.

The presence of more than 2000 ICBMs and submarine launched missiles in the Soviet operational arsenal make it imperative that our surveillance and warning capability preclude anyone from launching a missile without our National Command Authorities having almost instantaneous real time knowledge of the event.

Third, in space surveillance, the NORAD Space Detection and Tracking system is doing a herculean job. More than 20,000 units of sighting data from worldwide sensors are fed each day to our 16 computer systems inside Cheyenne Mountain.

NORAD's computer catalog has grown from 35 orbiting objects in 1961 to more than three thousand today.

Since the Soviet Sputnik was launched, over seven thousand orbiting objects have been detected and cataloged. Incidentally, of those, 7,000 objects in orbit—many of which are space debris—over four thousand have re-entered the earth's atmosphere and burned out. They come down about one a day. The time and location of each object's re-entry and decay in the earth's atmosphere is predicted to insure that a decaying object is not mistaken for an incoming missile.

We must know where every orbiting object is in space at any given time and what's going to happen to it, so that we are not taken by any surprises. And we do know.

As of today, 257 of the current orbiting objects in space are Soviet satellites with payloads. The United States has 351 payload satellites in space.

Although we have no active defense against ballistic missiles at this time, we will realize a limited capability in early 1975 with the operational deployment of the Safeguard system site near Grand Forks, North Dakota. It will protect the Minuteman missile field in that area.

A second site at Washington, D.C., is permitted under the SALT agreement, but there are no plans to procure the system for that area.

We are finishing facilities in Cheyenne Mountain for command and control of the Safeguard antiballistic missile system.

I have pointed out many of the changes that have evolved in NORAD over the past years, outlined where we are today and tried to peek into the future.

I would like to finish by tying it into the broad concept on which it is based.

The recently concluded Strategic Arms Limitation Treaty—called SALT I—fixed the total number of missile launchers that the Soviet Union and the United States may possess.

The concept behind SALT I was that if relatively equal forces for destruction were available to both the Soviet Union and the United States, there would be no incentive for either country to initiate nuclear war. We are both constrained to abide by the rules because of the power represented in the other nation's offensive weapons.

If that is true, it seems to me one of the things that insures detente is the certainty the offensive force will survive if we are attacked. And it also seems to me if our offensive force is to survive, one of the critical elements of survivability is advance warning.

This warning has thus assumed an entirely new position in our national defense strategy.

For the past twenty years we have subscribed to an equation that deterrence is the sum of strategic offense and strategic defense.

Perhaps that equation has been adjusted by the ICBM and man's ability to orbit all sorts of packages around the earth.

Perhaps the equation should now read deterrence is the sum of strategic offense plus strategic warning. I think it should.

Warning enhances the survival of our strategic offensive forces by furnishing sufficient time to launch out from under a surprise attack. It provides credibility to our retaliatory forces.

NORAD has moved from a primary role of defense against air attack to one of providing timely and accurate warning of an attack of any kind. Simultaneously, we will continue to carry out the job of policing continental airspace and preparing for actual bomber defense if that need arises.

Here is where the present and future role of the Guard grows more important in the defense of the continent.

I foresee an increasing reliance on Guardsmen to police U.S. air approaches and to maintain our air sovereignty.

I think you can look forward to continual updating of weapons systems. For example, many of our Air Guard interceptor units, now flying the aging F–102, are being equipped with the F–106, the best interceptor we have. And I've already cited the example of the unit here at Lincoln.

As one of many active duty commanders who rely heavily on the National Guard for mission accomplishment, I can say without qualification: You've proven equal to the task.

Keep up the good work. Never in our history has a close relationship between Guard and active forces been so important to our Nation's security.

MONTANA'S COMPREHENSIVE PLANNING FOR THE DEVELOPMENT OF ENERGY AND OTHER RESOURCES

HON. DICK SHOUP

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. SHOUP. Mr. Speaker, as an indication of the concern of the people of the State of Montana, the Montana Legislature has introduced Resolution H.R. 88 on the long-range comprehensive planing for the development of energy and other resources, which I submit into the RECORD:

MONTANA RESOLUTION H.R. 88

A resolution of the House of Representatives of the State of Montana informing the Montana congressional delegation and appropriate Federal agencies, of the interest of Montana in long-range comprehensive planning for the development of energy and other resources.

Whereas, Montana is entering into a period of unprecedented development of its natural resources, which will have a far reaching influence upon the quality of life in the state, and in the surrounding region, and

Whereas, there is a need to develop and maintain mechanisms to assure the development of coal and other natural resources in a proper, environmentally sound, and socially compatible manner, and

Whereas, the gathering and coordination of social, economic, and environmental information, on a regional basis, is essential for intelligent planning and development, and must be undertaken, immediately in advance of large scale development. Now, therefore, be it

Resolved by the House of Representatives of the State of Montana:

That the Federal Energy Commission be requested and urged to initiate regional planning programs which will determine and identify the social, economic, and environmental impact of energy and resources development in Montana and adjacent states.

Be it further resolved, that a copy of this resolution be sent to the Montana Congressional delegation soliciting their support for such research proposals.

PRELIMINARY RETURNS FROM LAMAR BAKER'S FOURTH ANNUAL OPINION POLL QUESTIONNAIRE

HON. LAMAR BAKER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. BAKER. Mr. Speaker, the returns to my Fourth Annual Opinion Poll Questionnaire have been coming back in sizeable numbers. My staff and I are engaged in the task of tabulating these returns and although it will be several weeks before we are able to complete this tabulation, we do have the results from a weighted sample in which each of the 11 counties in the Third District is represented on a proportionate basis according to the number of households in each county.

The trends established on the basis of this sample are most interesting. I am finding that an overwhelming percentage, 84 percent of those responding want President Nixon to fill out his term. The others who seek either impeachment or resignation are evenly divided, but combined, they represent only 16 percent of the total.

Some 70 percent of those responding are against any form of national health insurance which is financed out of tax revenues, and 82 percent are against the proposal to finance Federal political campaigns out of tax revenue, but 55 percent of the respondents feel that candidates for public office should make full disclosure of their personal finances.

It is interesting to note that only 32 percent of those responding favor the continuation of wage and price controls beyond the April 30 expiration date.

On energy-related questions, my poll shows that people in the Third District are evenly divided on where to place the responsibility for the petroleum shortage. The major oil companies are blamed by 36 percent while the wasteful practices of society in general are blamed by another 36 percent. The remainder feel that Government is responsible. Only 7 percent of those responding are for gas rationing as a means of conserving energy, while a majority, 67 percent favors the 55 miles per hour speed limit on our highways as the best means. A total of 26 percent favor year-round daylight savings time. Only 20 percent vote for the complete abolition of stripmining.

Other questions in the questionnaire deal with the sources of information and advice for making consumer decisions, TVA hiring practices and foodstamps for strikers. On the latter, I find it interesting to note that 83 percent of those responding, feel that Congress should reconsider its action of last year and vote to ban foodstamps for strikers. My poll also carries a question which asked about neighborhood needs where my assistance might be required. I have not compiled percentages on the replies to this question because the people who answered "yes" have written separate letters to amplify the dimensions of the problems.

My questionnaire provided space for husband and wife to record individual votes. For the purposes of this representative sample, I have combined all of the responses and figured the percentages irrespective of these separate breakdowns. I am able to make this observation, however; in most instances, husband and wife share the same viewpoint on the questions.

The questions and the percentages in each case are as follows:

QUESTIONNAIRE

1. Considering the President of the United States, do you favor:

a. Impeachment, 8 percent.

b. Resignation, 8 percent.

c. Filling out his term, 84 percent.

2. In making consumer decisions, do you rely mostly on:

a. Ralph Nader, 4 percent.

b. Consumer Reports, 36 percent.

c. Other, 60 percent.

3. To conserve energy, do you favor:

a. Year-round daylight savings time, 26 percent.

b. Federal gas rationing, 7 percent.

c. A 55 mph speed limit, 67 percent.

4. Do you favor the TVA arrangement with organized labor that Union members should receive preference over non-union members in employment?

Yes, 16 percent; No, 84 percent.

5. Whom do you consider responsible for the petroleum shortage?

a. Government, 28 percent.

b. Major oil companies, 36 percent.

c. Wasteful practices of society in general, 36 percent.

6. Do you favor a national health insurance program for everyone financed by tax revenues?

Yes, 30 percent; No, 70 percent.

7. Do you favor the continuation of wage and price controls after the April 30 expiration of the present law?

Yes, 32 percent; No, 68 percent.

8. Do you favor financing Federal political campaigns out of tax revenue?

Yes, 18 percent; No, 82 percent.

9. Do you think all candidates for public office should make full disclosure of their personal finances?

Yes, 55 percent; No, 45 percent.

10. Would you favor the complete abolition of stripmining?

Yes, 20 percent; No, 80 percent.

11. Should Congress reconsider and vote to ban foodstamps for strikers?

Yes, 83 percent; No, 17 percent.

PENSION REFORM: REAL OR SHAM?

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Ms. ABZUG. Mr. Speaker, in yesterday's New York Times was a letter to the editor from Prof. Merton C. Bernstein of Ohio State University, one of the Nation's leading pension experts. In his letter Professor Bernstein takes the media to task for not adequately informing the public about what was really contained in the House- and Senate-passed pension reform bills.

Professor Bernstein notes some of the glaring inadequacies and omissions in the two versions of the bill that that have passed the respective bodies and which now are awaiting appointment of the House conferees.

I commend the letter to the attention of all my colleagues:

PENSION "REFORM" BILL: CLAIMS AND SAD FACTS

To the EDITOR:

The March 6 Times editorial hailing House passage of the pension "reform" bill represents a basic failure to inform the public, echoed by Newsweek's "Pensions: Reform, at Last," (March 11).

The news columns of neither ever reported the sad, not-so-simple facts of what the Senate- and House-passed bills provided. The few news stories that appeared in print or over the air essentially parroted the claims of bill sponsors (with one recent exception in The Times which was very circumspect, as you will see).

Chief among private-pension shortcomings are the small percentages of benefits achieved. So, a Senate subcommittee study of plans covering some 6.9 million participants (a very large sample, indeed) over a nineteen-year period (1951–69) found that only 4 per cent obtained benefits. Among those separated under plans requiring fifteen years of service for vesting, 92 per cent went away empty-handed; for plans requiring ten years for vesting, the losers came to 72 per cent.

The hailed House bill gives employers and unions three choices for vesting: 25 per cent after five years' credited service, increasing to 50 percent after ten years and 100 per cent after fifteen or 100 per cent after ten years or 50 per cent when age and service (minimum of five years) equals 45—growing to 100 per cent when the combination is fifty. Under this formula, employer and union (if there is one) where these criteria are not met will, naturally enough, pick the least costly, hence least protective, formula. (To oversimplify, unions do this because ex-employees are ex-members.) Under this scheme, a canny employer with a young work force can completely avoid vesting—which means no pension improvement and worsened employment for older persons.

But there's more. Under the House-passed bill, unless an employee has five full years of employment after Jan. 1, 1969, all service before that date can be ignored. With extensive layoffs and many plans which give part-year credit for less than a full year's work, many can be caught by this sleeper inserted at the last minute.

But there's more yet. None of the vesting requirements need take effect before 1976 (two years hence). For collectively bargained plans, they do not take effect until the last bargained plan expires or 1981, whichever is first. Only recently, I stumbled onto a major industry where the regular bargaining agreement is for a term of three years but the pension plan for six. There may be a lot of this going on behind closed doors.

But there's even more yet. The vesting provisions—which would be pathetically weak if they went into effect tomorrow—will be phased in after the effective date. So, starting in the late 1970's, or as late as 1981, the 25 per cent vesting provision will be 12½ per cent—worth about $3.12 a month under a typical blue-collar plan.

If that's private pension reform, make mine Social Security. What's so dreadfully disappointing is the utter failure of the press at least to report that some pension experts consider the "reform" as fraudulent as the plans it purports to improve.

MERTON C. BERNSTEIN,
Professor of Law,
Ohio State University.
COLUMBUS, OHIO, *March 19, 1974.*

VIRGINIA'S EIGHTH DISTRICT VOICES ITS OPINION

HON. STANFORD E. PARRIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. PARRIS. Mr. Speaker, recently my office received and tabulated 32,308 responses to a questionnaire which was mailed out to 155,000 Eighth District households. This poll gives my constituents the opportunity to express to me their opinions on prominent national and local issues.

Concerning the present impeachment dilemma, results indicate that residents of the Eighth District are substantially divided over whether President Nixon should be impeached and compelled to leave office. They are generally concerned over what should be done to restore public confidence in the Office of the Presidency. These results are very similar to those obtained in a February nationwide Gallup poll. This, in fact, supports what was recently presented in a U.S. News and World Report article, in which it was maintained that the Eighth District of Virginia essentially is composed of "national citizens"—that is—residents of the area range "from farmers and smalltowners to suburbanites and people who live under typical urban conditions. Thousands of them are Government workers from every section of the country." This is the reason why, in my estimation, the results of my poll are particularly significant. I urge my fellow colleagues to take notice of the Eighth District responses as I believe they mirror the feelings of the Nation as a whole.

On other matters surveyed, poll results indicate that the majority of Eighth District residents oppose mandatory gas rationing, favor retaining daylight savings time, believe that wage and price controls have been ineffective, and are opposed to a "right to life" amendment prohibiting abortion. Poll results further showed an almost even division on the questions of whether President Nixon has been fairly treated by the news media, whether environmental restrictions should be relaxed because of the energy crisis, and over the issue of election campaign financing.

Locally, my constituents overwhelmingly believe that the Lorton Reformatory is not being properly administered by the District of Columbia Department of Corrections, and a clear majority favors completion of Interstate Route 66.

At this time I would like to insert into the RECORD a copy of the recent questionnaire and the exact statistical responses:

RESULTS OF EIGHTH DISTRICT QUESTIONNAIRE DISTRIBUTED BY U.S. REPRESENTATIVE STAN PARRIS

GAS RATIONING

1. Would you favor the mandatory rationing of gasoline? Yes, 36.0. No, 60.7. Undecided, 3.3.

DAYLIGHT SAVINGS TIME

2. Do you favor retaining Daylight Savings on a year-round basis? Yes, 62.8. No. 35.1. Undecided, 2.1.

ENVIRONMENT

3. Do you favor relaxing environmental requirements and standards in an effort to ease the fuel crisis? Yes, 47.1. No. 49.7.

WAGE AND PRICE CONTROLS

4. Do you believe the present wage and price controls have been effective and should be continued? Yes, 17.8. No. 74.8. Undecided, 7.4.

ABORTION

5. Do you support changing the Constitution by adoption of a "right-to-life" amendment which prohibits abortions? Yes, 27.7. No. 70.3. Undecided, 3.0.

WATERGATE

6. Do you feel President Nixon has been fairly treated by the media in its coverage of Watergate? Yes, 50.4. No, 45.8. Undecided, 3.8.

IMPEACHMENT

7. Do you think President Nixon should be impeached and compelled to leave the Presidency? Yes, 39.8. No, 46.3. Undecided, 13.9.

Impeachment Results by Area: Alexandria: Yes, 42.7; No, 44.7; Undecided, 12.6. Fairfax County: Yes, 35.4; No. 48.8; Undecided, 15.8. Prince William County: Yes, 41.3; No. 45.7; Undecided, 13.0.

ELECTION REFORM

8. Do you favor complete Federal financing of election campaigns and the prohibition of all private contributions? Yes, 51.3. No, 46.3. Undecided, 2.4.

TRANSPORTATION

9. Do you favor completion of Interstate Highway 66 from the Beltway (I-495) to Washington, D.C., to help solve Northern Virginia's transportation problem? Yes, 66.2. No, 26.4. Undecided, 7.4.

LORTON REFORMATORY

10. Do you believe that the Lorton Reformatory is being properly administered by the D.C. Department of Corrections? Yes, 6.3. No, 79.5. Undecided, 14.2.

VOTING

11. Are you registered to vote in the 8th Congressional District of Virginia? Yes, 80.0. No, 19.3. Undecided, 0.7.

ISSUES AND COMMENTS

12. What do you believe are the most important issues facing the U.S. today?

Inflation, 86.1.
Energy, 73.2.
Lack of Confidence in Officials, 71.1.
Leniency in Courts, 53.5.
Need for Mass Transit, 50.4.
Total number of responses: 32,308.

VOICE OF REASON ON IMPEACHMENT

HON. TRENT LOTT

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. LOTT. Mr. Speaker, as a member of the House Judiciary Committee currently investigating the validity of serious accusations against the President, I am daily reminded of the awesome responsibility associated with such an impeachment inquiry. I am also very mindful of the fact that the nonpartisan forces of reason and justice must ultimately prevail if we are to serve the best interests of this country.

To be sure, these are hard and difficult times for all Americans. For that very reason, I find it particularly reassuring to know that the calm voice of reason can still be found at the grassroots level of America. I point with pride to an editorial published recently in one of the Nation's newest daily newspapers, the South Mississippi Sun of Biloxi-Gulfport, Miss., whose editors have approached the question of impeachment with an impressive sense of fairplay.

Accordingly, I submit the following editorial for inclusion in today's RECORD and encourage my colleagues to endorse its refreshing call for clarity on the question of impeachment:

LET US CLARIFY "IMPEACHMENT"

There are hard times ahead for the House Judiciary Committee and President Nixon's White House legal team as the move toward an impeachment trial gains steam.

The U.S. Constitution says a president may be impeached for "treason, bribery, or other high crimes and misdemeanors."

There is no trouble about interpreting treason or bribery, and neither will figure in Mr. Nixon's impeachment trial, should one be held. But an argument rages over how to define "high crimes and misdemeanors."

It should not be lost upon any of us that this argument is the basic issue. The President's lawyers have narrowed the constitsutional definition down to this: a high crime or misdemeanor must be not only "a criminal offense, but one of a very serious nature committed in one's governmental capacity."

This means, for example, that if Mr. Nixon's tax returns are found to have been fraudulent, that can't be grounds for an impeachment trial because the wrong-doing had nothing to do with his "governmental capacity."

There is also something disturbing about the White House insistence that the crime must be "of a very serious nature." Mr. Nixon's lawyers seem to be saying it would be proper enough for a president to commit a crime that isn't "very serious in nature" and still escape impeachment. If that's what they mean, that won't wash with the American public who have a right to expect their chief executive to display exemplary conduct.

On the other hand, the House Judiciary Committee lawyers are saying a president could be brought to trial for acts "undermining the integrity of office, disregard of constitutional duties and oath of office, arrogation of power, and abuse of the governmental process."

That sounds too broad. A House and Senate determined to get rid of a president could easily interpret presidential acts and decisions that were proper and sound as being impeachable offenses under the vague and broad definition Judiciary Committee lawyers have proposed.

The Congress faces a very serious responsibility in this matter. And after it has been brought to a conclusion, one way or another, a committee of the best legal minds in the Congress should consider a constitutional amendment to spell out more clearly the definition of an impeachable offense.

The processes for impeachment have existed as originally written without clarification for 187 years. It's time to clarify that important constitutional matter once and for all.

JOHN ROCHE URGES SEATO BE ABANDONED

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. LEGGETT. Mr. Speaker, some time ago I delivered a speech on the floor of the House entitled "SEATO is Dead; Let's Bury It Before It Stinks." I am, therefore, pleased to see that Mr. John Roche has followed my lead, although no doubt by pure coincidence. His article entitled "SEATO Deserves Quiet Burial as Fake, Letterhead Alliance" is, I believe, largely on target. It appeared in the AFL–CIO News of March 30, 1974.

Mr. Roche, as we all remember, was the White House "resident intellectual" during the latter part of the Johnson administration. He was chiefly noted for his rather enthusiastic derogation of the intellectual powers of those who disagreed with President Johnson's Vietnam policy.

Now he appears to have changed his views. He points out, correctly, that the SEATO treaty was meaningless from the beginning, in that it did not obligate anybody to do anything. It had meaning only in the dream world of John Foster Dulles. Our military action in Vietnam acquired a semblance of legality only in 1964 when Members of Congress, including this Member, were so gullible as to grant President Johnson the approval he requested in the Tonkin Gulf resolution.

Mr. Roche is also correct in pointing out that repeal of SEATO will not preclude future foreign misadventures. Nevertheless, SEATO does provide one of the props by which the administration attempts to maintain a military presence in Southeast Asia even though that presence serves no national interest. It should be repealed.

I insert Mr. Roche's article at this point in the Record:

SEATO Deserves Quiet Burial as Fake, Letterhead Alliance

(By John P. Roche)

The Southeast Asian Treaty Organization (SEATO), established by that indefatigable pact-monger, Sec. of State John Foster Dulles, at Manila in September 1954, is currently under critical scrutiny by the Senate Foreign Relations Committee. As one who opposed the Manila Treaty in the first place (on the ground that it was a fake, a letterhead alliance), I will be delighted to see the organization given a decent burial. (The corpse has been in the international morgue now for almost 20 years.)

I am, however, bemused on the ground on which eliminating SEATO is justified. Dulles proclaimed it an "Asiatic Monroe Doctrine," and the critics seems to take this assertion at face value, blaming SEATO for our intervention in Vietnam and launching a parade of horribles in which we find ourselves enmeshed in the defense of Thailand and the Philippines.

There was a wacky quality about SEATO from the outset. The charter members were the United States, Britain, France, Australia, New Zealand, Pakistan and the Philippines. Notably excluded were the Chinese Nationalist government on Taiwan and Korea. (Moreover, Australia and New Zealand were separately linked to the United States by another treaty: ANZUS.)

When the Indian government began to howl, the United States provided an "understanding" tbat the alliance was only directed against Communist agression; it could not be invoked by Pakistan against India.

Dulles was nonetheless overjoyed: he had a passion for treaties. In February 1955, he told the Foreign Policy Association that "the total of these treaties is a mutual security system which, starting from the Aleutian Islands in the north, runs in a great arc to the South Pacific. This constitutes a defensive bulwark for freedom in that part of the world."

One would like to think he did not believe it—he was a man of considerable intelligence—but the evidence indicates a singular capacity for autohypnosis.

Vietnam got into the SEATO act by a back door: a protocol extended the provisions of the alliance to Cambodia, Laos and South Vietnam. (Cambodia pulled out, and the 1962 Geneva agreement on Laos theoretically removed that "nation.") When in the 1960s the crunch came in Vietnam, SEATO was used as a justification for American intervention, but in fact the only states that contributed armed forces were Thailand, Australia and New Zealand. The largest Asian contingent came from Korea which was a nonmember. The British, Pakistanis and French pretended SEATO did not exist, and the Philippines sent a contingent of noncombatants.

Yet those who blame SEATO for our Vietnam intervention, and who see it as a source of future "adventures," have never read the small print. Dulles, extremely sensitive to Senate opinion (Senators Mike Mansfield and Alexander Smith of New Jersey accompanied him to Manila and signed the treaty), insisted on the inclusion in the pact of a statement that each nation would act to meet a threat "in accordance with its constitutional processes."

In other words, a Chinese attack on, say, Pakistan would not automatically trigger an American response. If the United States reacted, it would be according to its constitutional process, i.e., a declaration of hostilities by Congress.

Or, and here we come to the dicey issue, a delegation by Congress to the President to exercise the war power at his discretion. In January 1954, for example, Congress passed the so-called "Formosa Resolution" authorizing President Eisenhower to use American forces "if necessary to assure the security of Formosa and the Pescadores."

Sen. Wayne Morse denounced this as a "predated authorization" to go to war. He was absolutely correct—which brings us to the Southeast Asia (Tonkin Gulf) Resolution in August 1964. Section 2 of this document states explicitly that "in accordance with its obligations under (SEATO), the United States is, therefore, prepared, as the President determines, to take all necessary steps, including the use of armed force, to assist (Vietnam)."

The SEATO guarantee to Vietnam would thus have been meaningless had the United States not acted according to its "constitutional processes." To revert to the theme, SEATO was a horse dead at the post and should be quietly buried. But the burial would not necessarily keep us from intervening in, say, the Philippines. The decision would rest, as always, in the wisdom of Congress.

THIEU'S POLITICAL PRISONERS: THE PLIGHT OF THE BUDDHIST MONKS

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. DELLUMS. Mr. Speaker, any South Vietnamese citizen who dares either to proclaim neutralist feelings or is supportive of the Paris Peace Agreement runs the risk of being jailed—without trial—as a political prisoner.

Independent estimates have said that Thieu has jailed as many as 200,000 political prisoners—and most of the funds used to support this vast prison system are supplied by American taxpayers.

Recently, Thieu jailed a large group of Buddhist monks who were protesting some of Thieu's policies. The following news articles describe the situation:

[From the Washington Post, Mar. 12, 1974]

Saigon Buddhists in Protest

Saigon, March 11.—Several hundred Buddhist monks are reportedly holding a hunger strike inside Saigon's main prison to protest their confinement on charges of draft-dodging.

A well-known government critic, Mrs. Ngo Ba Thanh, went to the prison with a group of Western reporters this morning to talk to the protesting inmates.

Her group was turned away by prison officials and some film taken by the reporters was confiscated.

Mrs. Thanh called the monks political prisoners and said she plans to protest their imprisonment to the International Commission of Control and Supervision charged with overseeing the cease-fire here.

Government spokesman Nguyen Quoc Cuong said he had no official comment on the incident, which came just after the government and Vietcong completed a major round of prisoner exchanges last week.

In that exchange, Saigon received about 700 prisoners and turned over about 3,500 prisoners to the Vietcong. Several of these reportedly declined to go to the other side and have been returned to Saigon, where they are being kept in prison.

These include student leader Huynh Tan Mam, charged with threatening national security during student demonstrations in 1971, Huynh Van Trong, a former assistant to President Nguyen Van Thieu charged with contacting Communists agents, and former National Assembly deputy Tran Ngoc Chau, also charged with contacting Communists agents.

A government spokesman said the three will be released after going through the training program of the "Open Arms" agency for defectors from the Communist side.

The three are said to consider themselves members of a third political force here, neither pro-government nor pro-Communist. Mrs. Thanh is considered a third force leader.

President Thieu has taken the position that the activities of these and other third force members have benefited the Communist side, so the three prisoners have been officially treated as Communists.

Mrs. Thanh was freed several months ago from a prison where she had been held on charges of threatening national security.

She is now free in Saigon and although policemen apparently follow her and she has been prevented from talking with large groups of reporters on some occasions, she freely sees reporters on an individual basis.

With U.S. aid essential to South Vietnam's economy and army, the government is particularly sensitive on the prisoner issue, which is carefully watched on Capitol Hill.

The government recently released a booklet containing photographs of the prisoner exchanges and stating that most of the government prisoners returning from Vietcong prisons were ill, malnourished and had endured "cruel physical and mental torture."

On the other hand, the booklet said, prisoners returned to the Communists had been well-treated and cared for.

Reporters did not view the prisoner exchanges because procedures for allowing them to do so were never agreed upon by the two sides.

The booklet also said that, since the January 1973 ceasefire, the Saigon government has returned 26,750 prisoners to the Vietcong side and received in return only 5,428.

The government charged that it should have received a total of 31,818 military prisoners.

In a recent regular weekly press briefing, a Vietcong spokesman charged that the government "is still detaining 200,000 civilian prisoners belonging to the Provisional Revolutionary Government and to other forces in South Vietnam."

The government contends that there are only somewhat more than 30,000 civilian prisoners in its entire prison system now.

The U.S. embassy here has studied the prison statistics and controversy here and officially agrees with the government figure.

[From the New York Times, March 12, 1974]

Buddhist Delegation Is Halted in Effort to Visit Saigon Jail

Saigon, South Vietnam, March 11.—A delegation of Buddhist leaders and opponents of the Government was turned away from the gate of a Saigon prison today when its members tried to visit 200 to 300 inmates reportedly on a hunger strike inside.

After rejecting the group's request for entrance to the walled compound, Chi Hoa prison officials confiscated film and tape recordings belonging to newsmen from the Columbia Broadcasting System, the National Broadcasting Company and several other organizations that were covering the event.

REFUSED THE DRAFT

The director of the prison, Lieut. Col. Phan Van Hai—who served tea in his office to the newsmen while he was confiscating their film—explained somewhat apologetically that the seizure had been ordered by top National Police officials. He said there was a standing rule against taking photographs of the prison, although he held out the possibility that the films might eventually be returned.

The hunger strike, said to have begun on Feb. 27, reportedly involves Buddhists and members of the Cao Dai sect who have been imprisoned for refusing induction into the army. They have said they had religious objections to military service, but Colonel Hai said today that they were not monks, merely young men trying to avoid the draft.

The delegation of about 20, led by the Venerable Phap Lan of An Quang Pagoda, termed the men "religious prisoners."

Mr. Lan said he was concerned about the health of the prisoners, 10 or 20 of whom he had heard were very sick.

Colonel Hai said that the inmates had stored food in their cells and were all in good health. He refused to allow newsmen inside to see for themselves, saying that only the Minister of the Interior could permit such a visit. The South Vietnamese Government has rarely allowed press tours of its prisons.

While the newsmen were inside the prison the delegation returned, and witnesses said later that the members tried to force their way through the gate but were warned off by a policeman who fired a single shot into the air.

[From the Philadelphia Inquirer, March 13, 1974]

Monks Seized in South Vietnam

Saigon.—A Buddhist leader said Tuesday that South Vietnamese police arrested 142 Buddhist monks from his pagoda in the town of Can Giuoc, 12 miles south of Saigon.

The leader, Thich Thien An, 34, of the militant An Quang Buddhist faction, said he did not know why the arrests were made, but speculated that they might be linked to an antigovernment demonstration he and about 20 other Buddhists held Monday in front of the Chi Hoa prison in Saigon.

In a letter to President Nguyen Van Thieu made available to newsmen, An said policemen "infiltrated" into the Khanh Ninh pagoda Tuesday morning and "herded" the monks away.

STATE OF WEST VIRGINIA RESOLUTION

HON. LAWRENCE J. HOGAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. HOGAN. Mr. Speaker, I am pleased to see that the senate of the State of West Virginia has passed Senate Resolution 10, memorializing the Congress of the United States to approve House Joint Resolution 261, an amendment to the Constitution guaranteeing the right to life to all unborn.

I wish to commend Senator H. Darrel Darby for his sponsorship of this resolution and the Senate of West Virginia for its support for human life.

I wish to insert in the Record the text of the resolution at this point:

Senate Resolution No. 10

Memorializing the Congress of the United States to approve House Joint Resolution No. 261, introduced on January 30, 1973, proposing an amendment to the Constitution of the United States guaranteeing the right to life to the unborn, the ill, the aged or the incapacitated.

Resolved by the Senate:

That the Congress of the United States be urged and requested to approve the amendment to the United States Constitution introduced in House Joint Resolution No. 261, which reads as follows:

"Proposing an amendment to the Constitution of the United States guaranteeing the right to life to the unborn, the ill, the aged or the incapacitated. To be ratified by the states within seven years of Congressional approval.

ARTICLE

Section 1. Neither the United States nor any state shall deprive any human being, from the moment of conception, of life without due process of law; nor deny to any human being, from the moment of conception, within its jurisdiction, the equal protection of the laws.

Section 2. Neither the United States nor any state shall deprive any human being of life on account of illness, age, or incapacity.

Section 3. Congress and the several states shall have the power to enforce this article by appropriate legislation and, be it

Resolved further, That the Clerk of the Senate notify the Congress of the United States of this action by forwarding to the appropriate officers of each House of Congress a certified copy of this Resolution.

DEFICIENCIES IN THE FAIR CREDIT REPORTING ACT

HON. LEONOR K. SULLIVAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mrs. SULLIVAN. Mr. Speaker, in the special order of Mr. Goldwater and others on invasion of privacy, beginning at page 9337 of yesterday's Record, my remarks beginning at page 9393 and concluding near the bottom of column 1 of page 9394 refer to the deficiencies of the Fair Credit Reporting Act and to testimony before my subcommittee on this matter. The material which should have followed was not included.

The testimony of Sheldon Feldman, Assistant Director of the Federal Trade Commission for Special Statutes before the Subcommittee on Consumer Affairs last year is the best critique I have seen of the shortcomings of the Fair Credit Reporting Act. Mr. Feldman has been in charge of the enforcement of this statute for the FTC since the law went into effect in April 1971. His proposals for amendments to the act will be incorporated in an omnibus bill now being prepared to expand the scope of consumer safeguards in the Consumer Credit Protection Act of 1968 of which the Fair Credit Reporting Act is now title VI.

The material referred to is as follows:

Statement of Sheldon Feldman, Assistant Director for Special Statutes, Federal Trade Commission, on the Fair Credit Reporting Act Before the Subcommittee on Consumer Affairs, Committee on Banking and Currency, House of Representatives, July 24, 1973

Good morning, Madam Chairman. On behalf of the Federal Trade Commission, I welcome the opportunity to present the Commission's views on the Fair Credit Reporting Act.

It is common knowledge that the economy of this country is a credit economy. While there are various reasons for this phenomenon, the fact is that the utilization of and reliance upon consumer credit, which today exceeds 150 billion dollars, is the American way of life.

Serving this credit economy is a vast and, until recently, unnoticed network of companies collecting, storing and selling information that is used in making business decisions about consumers. The FCRA represents an attempt at balancing two crucial and often competing interests—the need of creditors, as well as insurers and employers, to have quick and inexpensive access to information about applicants, and the need—in fact the right—of consumers to know and be able to challenge and correct what is reported about them for commercial purposes. As we near the twenty-first century, the mobility and consumption of our citizenry, and the needs of commerce, converge to demand a special concern about consumer reporting. While all segments of the industry are legitimately concerned about unreasonable restraints and increased costs in connection with the conduct of their business, others are, or should be, concerned about insuring that the fundamental principles of fairness and "due process" for consumers are not being gradually eroded to satisfy the expediencies of our commercial society.

As you know, the Fair Credit Reporting Act is the first Federal regulation of the vast consumer reporting industry. Its basic purpose is to insure that consumer reporting agencies exercise their responsibilities with fairness, impartiality, and a respect for the consumer's right to privacy. The law seeks to require consumer reporting agencies to adopt reasonable procedures for providing information to credit grantors, insurers, employers and others in a manner that is fair and equitable to the consumer with regard to confidentiality, accuracy, and the proper use of such information.

The Commission's enforcement efforts under the Act have included the wide dissemination of a 46 page booklet explaining the industry's compliance obligations, with illustrative forms for certain disclosures; production of a consumer education pamphlet and buyer's guide on the Act to aid consumers in understanding their rights; and the publication of six formal Interpretations after conducting public hearings and considering over 1000 written comments. These Interpretations, which are advisory in nature:

Prohibit publication and distribution, by credit bureaus of books containing consumers' credit ratings, called "credit guides", unless encoded to insure consumers' anonymity;

Allow the use of certain kinds of "protective bulletins" which identify check forgers, swindlers and the like—provided no information in them is used in establishing the subjects' eligibility for credit, insurance or employment;

Require that consumers be informed by prospective lenders when they are denied credit on the basis of information furnished by loan exchanges;

Require that when an insurance company uses a state motor vehicle report to deny or increase the cost of a consumer's insurance, it inform him of that fact and of the state agency's identity;

Permit consumer reporting agencies to prescreen prospects' names for credit worthiness for direct mail solicitations, provided the user certifies that every person on the list furnished by the credit bureau will receive the solicitation; and

Conclude that reporting activities of federal agencies such as the Civil Service Commission are not currently included within the scope of the FCRA.

The staff's FCRA enforcement program included several surveys to ascertain compliance, one of which covered all major life insurance companies, since they are the nation's primary users of investigative-type consumer reports. The Commission concluded two FCRA investigations by issuing final orders covering six credit bureaus for alleged violations of the FCRA (*The Credit Bureau of Columbus, et al.*, Docket C-2333 and *Credit Bureau of Lorain, et al.*, Docket C-2287).

The surveys and investigations proved to be extremely valuable in determining the impact of this new law and in providing a basis for the development of recommendations for legislative improvements in the Act.

Our experience in attempting to administer the FCRA during the last two years persuades us that while the basic approach of the legislation is sound, Congress should reconsider and recast certain provisions which have proved to be inadequate. Equally important, we are convinced that the specific changes which we recommend today will not create major compliance problems for the industry, or impose any significant increase in the cost of doing business for reporters or users. Therefore, we deem it appropriate at this time to make specific recommendations for strengthening this law, because we have concluded that, as enacted, the Fair Credit Reporting Act has not fulfilled its stated goals.

The major shortcomings of the FCRA will be discussed in six categories. We have also taken the liberty of appending to this statement the language which we recommend to effectuate the proposed changes.

1. CONSUMER REPORTING AGENCY DISCLOSURE

There are two principal problems here. First, the consumer is not entitled to see, copy, or physically possess his file when he goes to a credit bureau to determine what information the credit bureau has on him (Sec. 609(a)). The contents of the file are read to the consumer, who must take the interviewer's word that all information, recipients and sources are disclosed. Consumers complain that this manner of disclosure is most unsatisfactory, and that as the proportion of "sensitive" (personal) or adverse information in the file increases, the extent of full disclosure diminishes.

It is consideerd essential that Secs. 609 and 610 be rewritten to provide for actual, personal inspection by the consumer, with the opportunity to copy (write down) the contents of the file or, at nominal cost to the consumer (not to exceed 10¢ per page), to make copies of the file. Because the "file" will often consist of numerous sheets of paper placed in an envelope, some of which are incomprehensible or insignificant, the choice of inspection and/or a copy of the file should be left to the consumer. Personal inspection is considered absolutely necessary. Further, provision should be made requiring the interviewer to translate the "common language" code used by the reporting industry into layman's terms. This can be accomplished during the interview and is a valid reason why merely providing a copy of the file often would not constitute adequate disclosure.

Second, although the consumer is entitled to a free-of-cost in person interview when adverse action is taken, he must pay the long distance toll charges when a consumer report is furnished by a consumer reporting agency that is geographically distant (Sec. 610(b)(2)). With increasing regularity, computerization permits companies to furnish consumer reports on a nationwide basis. This situation occurs in hundreds of instances daily, and telephone toll charges are a major deterrent to receiving disclosure. We believe that such charges are in the nature of normal operating business expenses and should be absorbed by the Consumer Reporting Agency when the call is prompted by adverse action based upon that agency's report.

2. INVESTIGATE REPORTING AUTHORIZATION AND DISCLOSURE

The adequacy of the disclosure to the consumer that an investigative consumer report will be made (Sec. 606) is open to serious question. We find the obscure, two-stage disclosure that such a personal investigation "may be made" wholly unsatisfactory.

The statutory approach of Sec. 606 must be reversed. Consumers do not notice or comprehend the Sec. 606(a) disclosure, and the approach of Sec. 606(b) is equally inadequate. The only remedy for this unfortunate situation is requiring an *authorization*, without which an investigative report may not be prepared. The user has a realistic and reasonable option: order a noninvestigative consumer report at once and with no advance notice to or authorization from the consumer (such a routine business inquiry may be deemed authorized by implication when a consumer applies for a benefit) *or* obtain specific, express authorization to delve into the consumer's private affairs (such a personal third party investigation is *not* authorized by implication when one applies for a benefit such as credit, insurance or employment).

3. USER DISCLOSURE

There are four aspects of Section 615 that should be improved. First, concerning the scope of the user's disclosure, the consumer is not entitled to a copy of the information that was furnished to a third party, irrespective of whether that information resulted in adverse action against him (Sec. 615(a)). It is important to broaden the user's disclosure requirement to include the name, telephone number, and street address of the credit bureau, as well as the specific *reason* for the denial of credit, *identifying the information responsible* for the adverse action. Currently, only the reporter (name and address of the credit bureau) is disclosed.

Second, imposing the requirement upon a user of a consumer report to provide *a copy* of the report, along with its more explanatory Sec. 615(a) notification, is considered necessary so that the consumer will be armed with the exact information on which the user based his adverse decision. This requirement would not be unduly burdensome to a user, whereas it might be if *all* reports had to be furnished, irrespective of whether the user subsequently took adverse action. In the event that the credit bureau's report were oral, which happens with regularity, an adequate substitute for a copy of the report would be furnishing a brief summarization of the user's notation of the information that was taken over the telephone.

Third, the notification requirement in Sec. 615(a) applies to a denial of credit, insurance, or employment, but is entirely inapplicable when other adverse action is taken, such as refusal to rent an apartment, denial of a license, and so on. Since the aim of the act is to promote accurate reporting, any adverse action should trigger the user's disclosure.

Finally, it is necessary to expand the requirement that users notify consumers of adverse action taken on the basis of third party information (*i.e.*, from a source *other* than a consumer reporting agency), since the current notification requirement applies only to a denial of *credit* (Sec. 615(b)). For example, when insurance is denied or the cost increased because of third party information (*e.g.*, direct inquiry to neighbors, employers, etc.), no disclosure of any kind is required. Moreover, the two-stage Sec. 615(b) disclosure must be eliminated. It is time-consuming, obscure, and unsatisfactory to user and consumer alike.

4. SCOPE OF THE FCRA

Application of the protections afforded by the FCRA depends entirely upon the triggering term "consumer reporting agency". That is, unless the "person" collecting or reporting information comes within the narrow framework of that definition, the information furnished by that person cannot be construed as a "consumer report" and none of the objectives or concomitant benefits of the Act apply (Sec. 603(f)).

We recommend amending the Fair Credit Reporting Act to include within the definition of "consumer reporting agency" the Civil Service Commission and other governmental agencies performing similar employment reporting functions. Thus, such agencies would be subject to the same restrictions placed upon others who provide pre-employment investigations and guarantee the same safeguards to subjects of their reports as are provided to those on whom pre-employment reports are prepared in the private sector.

The question of whether the Civil Service Commission (hereinafter sometimes CSC) and other government agencies which prepare pre-employment reports are "consumer reporting agencies" subject to the FCRA arose in the Spring of 1971 when an informal interpretation was requested. A request for a formal interpretation subjecting the CSC to the provisions of the FCRA came in December 1971 from private counsel representing a government employee who had been refused access to his Civil Service employment file.

In early 1972 we made informal responses to the parties requesting a statement of our position, stating that the CSC is not a "consumer reporting agency" within the meaning of Sec. 603(f) of the FCRA. A formal interpretation to this effect was published in the Federal Register on October 7, 1972.

The Commission reasoned that the language of Sec. 603(f), "cooperative nonprofit basis" and "third parties", could not reasonably be construed to apply to CSC reporting activity in the absence of any legislative history to indicate that such a result was intended. It was reasoned that, had Congress intended to subject Federal Government agencies to compliance with the FCRA, it would first have obtained testimony and other information concerning the probable effects on the agencies being considered for inclusion in the Act's coverage.

Prior to the proposed formal interpretation's effective date, comments urging that it be withdrawn or amended to subject the CSC to the Act were received from five sources: Senator William Proxmire, the author of the Act; the Consumer Federation of America; Consumers Union; American Postal Workers Union; and the Institute for Public Interest Representation, Georgetown University Law Center. In addition to discussing statutory construction, the comments made the following contentions:

1. The information collected and disseminated to other agencies by the CSC is exactly the same as that sought to be regulated under the FCRA. As the October 7 Interpretation states: "In the course of its operations, the U.S. Civil Service Commission collects and files data concerning current and potential employees of the Federal Government. This data may include commentary on such matters as the subject's character, general reputation, personal characteristics, or mode of living, and the information is routinely transmitted to various branches of the Government." Thus, the reasons for regulating CSC conduct in the collection and handling of data for pre-employment reports are the same as those which led to the passage of the FCRA. The employee's need for privacy and accuracy is the same regardless of whether his employer is the Federal Government or a private business.

2. If the Act is not amended to include the CSC in its coverage, potential and present Federal employees will be denied the same rights guaranteed to persons employed or seeking employment in the private sector. The number of nonmilitary Federal employees is currently estimated at 2.7 to 2.8 million. The number of persons who fall into the category of "potential employees" may be estimated from the statistic that in fiscal 1971 the CSC processed 2.3 million applications.

3. The Federal Government should set an example of fairness for the private sector, rather than being exempt from the constraints placed upon other employers.

4. The exclusion of the CSC is inconsistent with the purposes of the Act, one of which was the protection of citizens from investigations by the Federal Government. Section 608 prohibits governmental agencies from obtaining any information (except name and address) from consumer reporting agencies for "nonpermissible" purposes, including law enforcement purposes. However, government agencies receiving CSC reports, which may include data obtained from consumer reporting agencies, can make whatever use of it they wish, without restraint.

The legislative history and anomalous results lead one to conclude that the exclusion of the CSC from the FCRA may have been a Congressional oversight. What few references in the legislative history there are to the problem are inconclusive. The exclusion of the Civil Service Commission, however, is inconsistent with the basic purposes of the Act. On the one hand, we know of no circumstances which would make application of the Act to the CSC unduly burdensome. That some inconvenience to Federal agencies is acceptable to Congress is demonstrated by the inclusion of Section 608, as just mentioned, despite protests of officials of governmental agencies whose law enforcement activities would be hampered by that limitation (see *Hearings,** at 603–607 (letters from Hugo A. Ranta, Acting General Counsel of the Treasury; Richard G. Kleindienst, Deputy Attorney General; and Winton M. Blount, Postmaster General)). On the other hand, since the kind of reports prepared by the Civil Service Commission do not differ materially from those prepared by consumer reporting agencies, the need of present and potential Federal employees for privacy and accurate reporting is no less, and the number of individuals left unprotected is huge.

We conclude that, in the absence of evidence that compliance with the FCRA would constitute a crippling burden for the CSC, there is no reason to maintain the defect in the Act which is caused by its exclusion. We therefore recommend that Congress consider amending the Fair Credit Reporting Act to include the Civil Service Commission and any agencies performing similar functions within the definition of "consumer reporting agency".

5. ADMINISTRATIVE ENFORCEMENT OF FCRA

There is an apparent inconsistency between two provisions of the Act which has been seized upon by some consumer reporting agencies to deny FTC investigators access to their files. This is typified by the matter of *FTC v. Retail Credit Co.* (Civil Action No. 1508–72, D.D.C., decided April 23, 1973), an administrative subpoena enforcement action precipitated by RCC's refusal to grant access to or provide copies of consumer files, except within the framework of the provisions of Sec. 604. The District Court held that the Commission's authority under FCRA Sec. 621 and FTC Act Sec. 9 was inadequate to authorize FTC access to consumer reports, in view of the proscription in Sec. 604 against furnishing a "consumer report" unless there is a court order (Sec. 604(1)), or written instructions from each consumer whose file is involved (Sec. 604(2)). The Commission's request for an order granting access was treated as a request for a "court order" pursuant to Section 604, which was granted subject to certain notice procedures.

While the Commission maintains that Sec. 621 does supersede or at least can be reconciled with Sec. 604, and is appealing the *Retail Credit* decision, the Act should be clarified to permit the orderly process of administrative enforcement.

6. CIVIL ENFORCEMENT OF FCRA

The civil liability sections of the FCRA (Sec. 606(c), Sec. 610(e), Sec. 616, and Sec. 617) do not appear to be effective to deter noncompliance. The chances of recovery of damages under the Act are sufficiently remote, and the amount of recovery so insignificant that private legal redress is virtually nonexistent (see *Miller v. Credit Bureau of Washington, D.C.*, where plaintiff was vindicated on the facts but recovered no damages; Civil Action No. SC–29451–71, D.C. Superior Ct. decided June 22, 1972). Except when plaintiff is a lawyer, as was the case in *Miller*, it is unlikely that a disinterested attorney would take an FCRA case as the statute is presently constituted. To our knowledge, not one dollar of damages has ever been judicially awarded to a plaintiff in a civil suit brought under the FCRA.

While the awarding of liquidated damages in civil suits seeking redress for violations of consumer protection statutes is considered harsh by some, the resultant degree of compliance is measurably enhanced when such damages are available. The obvious example is the Truth in Lending Act, where the minimum $100 civil liability for non-compliance has resulted in a high degree of compliance (see FTC National Survey of Truth in Lending Compliance, published April 1971) and a substantial amount of private civil activity (in addition to over 75 private actions enumerated in Senator Magnuson's recently published survey dealing with class actions, the scope of civil Truth in Lending litigation is by now common knowledge among the private bar). A similar approach is deemed essential to insure a correspondingly high degree of compliance with the FCRA. The recommended $100 minimum recovery for negligent non-compliance would be limited to individual as distinguished from class actions.

OTHER CONSIDERATIONS

Finally, the Commission has considered two additional problem areas under FCRA that have been the subject of much debate, and some proposed legislation. In both instances, an attempt was made to balance the cost and adverse impact on affected businesses against the benefits to be derived by consumers. In each area, the consumer-oriented goal will be accomplished indirectly, by incorporation of the other above-discussed proposals, without imposing major burdens upon the consumer reporting industry.

First, since most consumers are completely uninformed on the subject of consumer reporting (*i.e.*, what is a "credit bureau", what are its functions and purposes, what kind of information is on file, etc.), some critics of FCRA have argued that it is essential that the consumer be notified by each consumer reporting agency, *at some stage in the collecting and/or reporting process*, about the existence of a file maintained on the consumer. Currently, of course, there is no provision for such notification.

Before enactment of FCRA there was considerable debate about an original proposal to require consumer reporting agencies to notify consumers about the existence of a file on them. The practical problems of notifying all consumers who are the subject of an existing file are very real. The postage and related costs for such notification by a large bureau such as the one in Metropolitan Washington, D.C. could amount to well over $200,000.

Further, thousands of consumers who are so notified are likely to be unnecessarily concerned and seek disclosure of what is in their file. Since we are not recommending deletion of the current right to charge a nominal amount for consumr reporting agency disclosure when it is not prompted by adverse action taken on the basis of a consumer report (specified in Sec. 612), the unnecessary inconvenience and cost to the consumer (most large metropolitan bureaus charge at least a $4.00 fee) are also factors which militate against adding an across-the-board notice requirement. The other amendments which are proposed, if adopted, are designed to insure the degree of compliance and full disclosure that should more than compensate for absence of a broad notice requirement.

The second problem area is the issue of relevancy in consumer reporting, particularly in investigative consumer reporting.

It is argued that investigative consumer reports often contain irrelevant information that has no place in a legitimate consumer report. While we share the consumers' concern about thhe scope and content of some investigative reports, we are convinced that imposing the limitation of collecting "relevant" information is neither feasible nor appropriate. What is irrelevant to an auto insurer may be relevant to a life insurer or employer. What is relevant to one life insurer (*e.g.* morals) may be irrelevant to another. The proposed changes that would require obtaining an express authorization,

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**Hearings on Fair Credit Reporting Before the Subcomm. on Consumer Affairs of the House Comm. on Banking and Currency*, 91st Cong., 2d Sess., (1970).

and receipt of a copy of the report from both user and reporter, plus requiring disclosure of *investigative sources* (note revised Sec. 609(a)(2)) should provide ample protection to consumers in the area of investigative reporting. These changes should also constitute a built-in deterrent to collecting and reporting clearly irrelevant information.

In closing, an analogy may be illuminating. Possibly because of the success realized in enforcing compliance with the Truth in Lending Act, the problems incident to administering the Fair Credit Reporting Act appear to be particularly prominent. The former is a relevatively clear, effective law, implemented by equally cogent, and, for the most part, effective regulations. It was designed to achieve basically one purpose—to insure that all creditors disclose the cost of consumer credit in a uniform and meaningful way so that consumers can readily compare the cost of credit. In addition to reaching all types of consumer creditors and all forms of consumer credit, its provisions for multiple liability (civil, criminal and administrative) are effectively designed to insure compliance. The FCRA is clearly distinguishable on each of those grounds. It has become apparent to us that until the FCRA is strengthened from the standpoints of coverage, clarity and liability, its enforcement will remain difficult and unsatisfactory, and its goals largely unfulfilled.

Thank you for the opportunity to present the Commission's views on the Fair Credit Reporting Act.

THE THINGS WHICH MEN CAN DO

HON. MIKE McCORMACK

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. McCORMACK. Mr. Speaker, I commend to you a forward-looking speech given by Mr. Thornton F. Bradshaw, president of the Atlantic Richfield Co., at a dinner held by the California Institute of Technology on January 14, 1974. The speech follows:

THE THINGS WHICH MEN CAN DO

(By Thornton F. Bradshaw, president, Atlantic Richfield Co.)

For most Americans, I would guess, the energy crisis appeared at first to be just one more of those relatively minor but nonetheless deeply annoying personal trials that seem to be characteristic of our time. Lining up for gasoline, watching the TV picture shrink during a brownout, reading something in the paper about still another utilities rate hike—when were they going to solve these problems and get things back to normal?

But gradually the annoyance began to blend into an emerging reality that was neither small nor temporary. Something indeed had gone very wrong. Our economic-social game plan—in essence producing more of everything into the indefinite future—was clearly out of whack. The frantic rate of material growth that we had come to consider normal was not only exposed as anything but normal but also clearly not sustainable. In other words, the throw-away society expired of sheer overindulgence—A.D. 1973.

Thus we have entered, mostly unawares and surely unprepared, the new era of scarcity. And the question that faces all of us tonight, particularly those of us in the university world, is what our response to this challenge will be—because it is certainly the most profound challenge our generation and the next will be called upon to deal with.

The purely physical side of the problem is not difficult to perceive, though it wasn't widely understood until the Arab oil embargo—our economic Pearl Harbor—occurred in October. With or without the embargo, however, and whether or not you buy the oil-company-conspiracy theory, the United States is emphatically short of petroleum and all other useable forms of energy.

Energy is the cause celebre of the moment, of course, and the issue that has earned me and my colleagues in the industry a number of hard looks and harder words. I am afraid we are going to have to get used to that because the energy problem is going to be with us for a long, long time—even if the Arabs have a change of heart tomorrow and start pumping all out. I won't get into the reasons for saying that. If you read anything more current-events-oriented than the National Philatelic Review you know the specifics of the energy debate as well as I do. It's a well-covered story.

But energy is only one item on our vanishing commodities list. We seem to be running out of practically everything. Food is scarce and expensive. Arable land is low. And we're apparently heading for a host of raw material scarcities including bauxite, copper, lead, zinc, manganese, magnesium, and iron ore. The situation is producing a hoarding psychology. Johnny Carson talked about the paper shortage on his show recently and the Safeway stores in the Baltimore-Washington area reported that they were cleaned out of every piece of paper down to the last napkin the next day.

But amid all shortages, the crisis of scarcity is certain to generate at least one surplus. I am speaking of prophets, and not the financial kind, though in certain cases that may happen too. I refer to the emergence of men and women who, in the words of the poet Archibald MacLeish, are "familiar with the shape of the future and willing to share their familiarity with others."

The trouble is, they usually are prophets of doom. MacLeish was talking at a university commencement in 1941 and his concern was with those who believed that the tide of Nazism that had engulfed Europe was an irresistible movement of history that could not be usefully opposed. "Such prophecies," MacLeish said, "are prophecies of defeat, prophecies of negation, prophecies not of the things which men can do but of the things which men cannot do."

I think we may take encouragement from the fact that those particular gloom theorists were wrong. In fact, thus far at least, the prophets of doom have always been wrong. And some of them, most perhaps, have been quite sincere. Robert Malthus, for example, the English economist and demographer, predicted an unpleasant end to the species in an essay published in 1798. Since population must always increase faster than production, Malthus reasoned, people would always exist on the edge of starvation. While all the results aren't in, it does seem clear that Malthus was wrong because he failed to foresee the new and more productive methods of agriculture that men would invent.

Much more recently the Club of Rome made its well-known judgment that the world had reached the limts of growth because each potential road to expansion was in some way effectively barred, either by a shortage of raw material, environmental problems, or some other factor. I believe that the Club of Rome's theory will turn out to be as erroneous as the Malthusian theory because it, too, ignores the great x-factor—mankind's remarkable ability to cope with his condition.

The historian Barbara Tuchman has this to say about the human factor: "As our century enters into its final quarter I am not persuaded despite the signs that the end is necessarily doom. The doomsayers work by extrapolation. They take a trend and extend it, forgetting that the doom factor sooner or later generates a coping mechanism.

I have a rule for this situation, too, which is absolute. You cannot extrapolate any series in which the human element intrudes. History—that is, the human narrative—never follows and will always fool the scientific curve."

Well, I don't know how the crisis of scarcity is going to resolve itself but, relying on the Tuchman theory, I do believe that there are many things which men—and women—can do, indeed must do, to convert what could very well be an impending disaster into an opportunity of a very real kind. But to do this we must not only examine the economic and social implications of shortage, but the moral implications as well. We must not only plan to live with less than we have had, but we must also closely examine the assumptions underlying our living patterns. In the process we may discover, or perhaps rediscover, a philosophy of life that we had lost amid the discarded wrappings of the throw-away society.

It is quite clear that an era of energy and raw material shortage will change the present status of nations—the haves, the have-nots, and the dispossessed—and will change ways of life within those nations.

In a world of energy shortages and raw materials shortages the highly developed, highly interdependent societies clearly have the most to lose. The United States is entering into a period of economic pause due to the energy cutback. We don't know how severe it will be.

We are short somewhere between 2.5 million and 3.5 million barrels of oil a day and the impact of that shortage will translate inevitably into personal inconvenience and in some cases real hardship. And yet given time, given a whole-hearted adoption of the conservation ethic, given a government energy policy transcending in intelligence and flexibility anything we have had in the past, and given a vigorous energy industry, we *can* cope. We can make it through the next three to four decades by developing fully and using carefully the fossil fuel deposits that exist within our borders. And when they are gone, perhaps in 40 years or so, we hope that we will then be ready to turn to the essentially inexhaustible resources of solar and nuclear power.

Europe and Japan are far more vulnerable to the oil weapon as their recent behavior toward the Arab nations—with the conspicuous exception of the Netherlands—has emphasized. The United States needs Arab oil to sustain a reasonable rate of growth during the next decade or so, or until our alternate sources of energy such as oil shale and tar sands and liquefied and gasified coal can begin to power our cars and light our houses and drive our factories. But Europe and Japan have *no* alternate energy sources. For them it is Arab oil or economic paralysis.

And so the first large implication of the crisis of scarcity is an inevitable realignment of traditional have and have-not nations and a redefinition of their economic powers. The U.S. with six percent of the world's population will no longer have the freedom to use 35 percent of the world's energy.

We may find something of a comedown but one with rich compensations. A more prudent use of energy can produce a controlled but reasonable rate of growth that will sustain our economic strength but do so with a greater degree of attention to the human factor. If uninhibited growth means a Los Angeles that is twice as big and twice as crowded and twice as polluted as it is now, then I don't want any part of it or of any other motorized megalopolis of the future.

But other industrialized societies will have more severe adjustments to make in this approaching realignment of the haves and have-nots. I do not expect the advanced nations of Western Europe to be suddenly reduced to a poverty-stricken impotence. Such a fate is unthinkable. But France, Germany, Italy and the rest of Europe, as well as Japan, must nevertheless begin to address the problems of employment, transportation, leisure, and so forth in ways consistent with a reduced level of material prosperity vis-a-vis the rest of the world. The only industrialized nations that I can think of which will avoid the effects of this kind of economic realignment are the U.S.S.R. and Canada because of the balance that exists in those nations between industrial capacity and raw material availability. But the rest of the industrialized nations—the U.S. included—must plan ways in which to provide a quid pro quo to the countries which have raw materials to export. If Britain wants Arab oil, for example, she must give in return not a currency which is easily debased but a service of some kind, probably technological assistance.

If she wants copper from Zambia, she must be prepared to do the same, acutely conscious that the exchange is no longer between a superior and an inferior culture but between two increasingly equal parties bargaining with each other in the world marketplace on even terms and against a background of mutual respect.

Maintaining an economic balance between consuming and producing nations will obviously require considerable restraint on the part of the consumers and particularly on the part of the United States. Whatever balloons may have been floated to the contrary, the hard fact is that there is no conceivable way other than a full-scale depression for this country to achieve energy independence by 1980. Even if we are able to limit our growth to an annual average of 3.5 percent instead of the 4.5 percent of recent years, we can expect to do little more than slightly depress the rising curve of demand and thereby lessen to some degree the amount of oil we will have to import from the Middle East.

Finally, the industrialized nations must change the thrust of science in order to, first, provide new energy and raw material forms and, second to provide the basis for the new lifestyle. Much of the burden for this shift will necessarily fall on centers of research such as Caltech. I will have more to say about that development in a moment.

In underdeveloped countries that are rich in raw materials—primarily in the Middle East and in Africa, though to a degree in the Far East and South America—other problems are beginning to surface in the realignment process. One of them, not surprisingly, is money. They literally have too much of it, at least in terms of their own internal investment needs. We have developed figures showing that if the Arab nations produce oil according to our projected requirements, by 1976—two years hence—they will have built up a floating balance of about $150 billion. By 1980, again assuming that they produce all the petroleum we ask, monetary reserves in Arab hands will amount to more than $300 billion.

Since loose investment capital in such incredible volume would wreak havoc in the strongest of the world's monetary systems, we must take what measures we can to limit oil imports. Excessive reliance on Arab oil also poses security threats that we are only too aware of. But whatever limitations we attempt to impose, the Arabs will be selling us oil and a lot of it for years to come, though probably not in the amount we would like.

They will also be selling it to Europe and Japan and developing nations that can afford it. And so the question arises as to how countries such as Saudi Arabia will handle their new affluence. And the political power that comes with it.

Will the raw materials rich countries make the same mistakes we have made, falling into the "more is better" trap? Or will they make more responsible and more livable decisions, particularly with regard to the needs of their third world neighbors? The feeling is growing, even within the Middle East itself, that the oil-rich countries should be using their wealth to provide development capital for countries such as Egypt, Syria, Jordan, and so forth rather than giving them weapons of war. An Arab Marshall Plan—perhaps a Faisal Plan—would siphon off funds which could not be profitably invested in the industrialized nations anyway and could take over some of the aid to developing countries which the industrialized nations, burdened by ever higher energy costs, could no longer shoulder.

Indeed it is the third world, where the deprived scratch out marginal existences in places such as India, Southeast Asia, and Central America, that is most gravely menaced by the crisis of scarcity. For the third world the problem may be very simply stated: in a developing shortage of materials and a developing scarcity of energy resources, how can poor nations avoid losing all hope for further advancement?

With the international market pressuring the price of fuel ever higher, how can nations with neither resources nor industrial capacity obtain energy sufficient for their basic needs? These countries have no leverage to exert, no bargaining pressures to apply. They can only hope that the balance of humanity will respond to their condition and act forthrightly to remedy it.

There you have the triple implication of the crisis of scarcity—industrialized nations abruptly and permanently losing the base of their prosperity, cheap raw material imports, while simultaneously having to cut back grossly wasteful lifestyles; emerging raw material rich nations swamped by an embarrassment of riches and power; third world nations threatened with the possibility of being priced out of the small percentage of the world market they are now able to control.

But, as we have been frequently reminded in recent days, the Chinese character for the word "crisis" is made up of two others—one meaning danger, the other meaning opportunity. The crisis of scarcity thus presents an opportunity as well as a danger to all of us. For those of us in the industrialized nations it can mean the development of a lifestyle more in tune with nature and with our basic needs as humans. If the fuel shortage means we can't go back to nature in a $15,000 recreational vehicle because it only gets five miles a gallon, we still can go back on foot, and undoubtedly find it more recreational in the bargain.

If the crisis forces us to pay more attention to our basic needs—needs such as clean air and water, reasonable material affluence, and an end to the throw-away society—then it will have proved to be an opportunity indeed.

If the crisis enables the raw materials producing countries to develop their full strengths and potential without aping the mistakes of the industrialized nations, it surely will help to correct the chronic material and political imbalance which is perhaps the single greatest threat to peaceful coexistence of the human family. Indeed, if the crisis awakens men to a fuller realization of their fundamental interdependence, then it can mean a renewal of hope for the third world peoples. Selfishness and overindulgence having failed, we can perhaps turn to the task of fashioning a more just distribution of the world's goods.

In fact, I strongly believe that while the adjustments we face will be far from simply decided or easily made, the shortages of energy and materials are in the final analysis more opportunity than danger—particularly for private institutions of higher education such as Caltech. The greatest raw material the world possesses is human talent. And the greatest hope we have for the creation of a better world is the profitable use of that talent—through individuals and through human institutions.

Caltech is one of the institutions that has done great service in the past. With the proper level of support and continued encouragement, that record of service will prove, I am sure, only a prologue to far greater contributions to the scientific, social, and moral orders. I will always be grateful that I was here to share in the initiation of a new era of growth not only for Caltech but for the broad cause of human progress in which it serves.

IN OPPOSITION TO ADDITIONAL MILITARY AID FOR SOUTH VIETNAM

HON. CHARLES W. WHALEN, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. WHALEN. Mr. Speaker, earlier this week 75 of my colleagues and I advised the House membership of our opposition to raising the $1.126 billion ceiling which Congress has placed on military aid to South Vietnam in fiscal year 1974. The Department of Defense now wants to augment that ceiling by $474 million, a 42-percent increase.

Innumerable organizations throughout the country have written of their support for our efforts to defeat DOD's request. For the information of all Members, I am inserting several of these communications in light of the upcoming debate on the issue:

Lawyers Committee on American Policy Towards Vietnam,
New York, N.Y.

Statement on Aid to South Vietnam

Congress is presently considering an Administration request that the ceiling for the present fiscal year, which began last July 1, be raised from $1.26 billion (approved by Congress late last year) to $1.6 billion. The arrogance of this request for an additional $474 million in supplemental military aid for South Vietnam is particularly startling because it corresponds almost exactly to the amount of money Congress cut during the regular appropriation processed last fall.

The Department of Defense witnesses have told Congress that unless a quick $474 million is sent off to Saigon, Thieu's military operations would have to be sharply curtailed. And for the coming year, the Administration seeks $2.4 billion for Vietnam aid, plus another $463 million to support American military forces based in Southeast Asia. In the first year of so-called peace, the United States expense for weapons and ammunition in Vietnam was only 25 per cent under the level of corresponding programs in the heavy war year of 1972.

What is ominous is the unstated assumption that the United States is committed to keep the war going on Thieu's terms. Having successfully barred direct combat in Southeast Asia, Congress should not be lured into action which would permit a continued drift into war by proxy. The Congress, having called a halt to U.S. involvement in military operations in Southeast Asia, must resist the efforts by the Executive Branch to subvert this Congressional directive.

Moreover, it must be noted that the Administration's request, if granted, would constitute a violation of Article 7 of the Paris Cease-Fire Accord which allows replacement of arms only "on the basis of piece-for-piece, on the same characteristics and properties." Instead of solemnly observing the terms of an Accord to which the United States is a signatory, the Administration is flagrantly violating the explicit provisions of that Accord.

The hard fact is that the Nixon Administration is providing the Thieu regime with weapons and ammunition to carry on a "cease fire war" that has claimed 85,000 casualties and turned some 800,000 Vietnamese into refugees since the Paris Agreements were signed in January 1973.

The extent of present US involvement in Vietnam was described by New York Times correspondent David K. Shipler (February 25, 1974) in a detailed account of the current military aid program to the Saigon government. American civilian technicians were supposed to have been phased out by the end of last year, but, Shipler reports, 2,800 remain in Vietnam to keep. Thieu's aircraft, communications and other sophisticated military systems in operation. According to Shipler Americans employed by the Defense Department and the Central Intelligence Agency are covertly serving as military and police advisers. In violation of the Paris agreement, and this, he says, has given Thieu "the muscle to forestall a political settlement" as called for in the accords. Indeed Shipler points out, it actually "breaks the spirit of the accords."

Shipler's dispatch detailed the irreplaceable role played by U.S. military men in the daily functioning of Thieu's air force and army—and the continued role of the CIA in Thieu's police activities—in clear violation of the Paris Agreement.

It is shocking to observe that in the second year of "peace with honor," the Nixon Administration is continuing to fuel the conflict to the tune of over $2 billion in aid each year. In the light of our pressing domestic needs here at home, this massive cost is indefensible.

America's real remaining obligations in Indo-China today are not to the Thieu regime but to the Indo-Chinese people—the millions of war victims, political prisoners and refugees, suffering under the Thieu regime. The worst thing we can possibly do for the peoples of Indo-China is to continue funding the arms of war.

To what end should America provide funds to fuel Thieu's war machine?

A poignant answer was offered last month by Robert C. Ransom, a New York corporation lawyer whose son was killed in Vietnam six years ago. Early this year Ransom went to Vietnam in the hope, as he later wrote in The New York Times, that he "might find some consolation for his loss if there was evidence that his sacrifice had somehow served the Vietnamese people." What he found was "a total police state" of corrupt officials, impoverished refugees and neglected invalids. "The Paris peace agreement," he wrote, "was supposed to guarantee the right of self-determination to the Vietnamese people through democratic liberties and elections. It was supposed to provide the honor in my son's death. It is doing neither."

NATIONAL COUNCIL OF THE
CHURCHES OF CHRIST,
Washington, D.C., March 27, 1974.

DEAR CONGRESSMAN: On behalf of the National Council of Churches, I want to communicate to you our opposition to any increase in the ceiling on military assistance for South Vietnam. Last December Congress reduced the ceiling requested for military assistance to South Vietnam for fiscal 1974 from $1.6 billion to $1.126 billion. Now, in seeming contempt of that action, the Pentagon is seeking to restore by means of a supplemental bill (H.R. 12565) the full amount of that reduction—$474 million. This precedes a further request for fiscal 1975 of another $1.6 billion.

Last year the Paris Peace Agreement on Ending the War and Restoring the Peace in Vietnam created a framework for transferring the conflict from the battlefield to the political arena. Yet in December, 1973, Thieu announced that no national elections would be held as called for by the Agreement, and that he was ordering offensive military operations against areas held by the other side. Meanwhile, he continues to hold thousands of Vietnamese in prison for offenses no greater than advocating a neutralist position. The Senate Subcommittee on Refugees has reported that during the first year of the peace agreements, more than 50,000 Vietnamese were killed and over 800,000 people were made refugees.

The killing and the violations of the Peace Agreement will not stop so long as we underwrite every request the Thieu government makes. If Congress ratifies this increase, it threatens to start us down the road once again of ever-deepening involvement. Surely our experience has taught us something about the folly of that course.

A month ago the Governing Board of the National Council of Churches adopted a resolution (enclosed) calling upon the Congress to "cease military assistance to the Republic of Vietnam as long as that nation fails to comply with the provisions of the Paris Peace Agreement, or fails to provide to its citizens freedom of speech, or of the press, or the right of the citizens peaceably to assemble or to petition the Government for a redress of grievances." I urge you, therefore, to support amendments that will be proposed on the House floor to eliminate from H.R. 12565 the $474 million increase in the ceiling for military aid to South Vietnam.

I have also taken the liberty of enclosing for your information another resolution adopted by the Governing Board last month, entitled "Resolution on Impeachment of the President of the United States."

Sincerely,

JAMES A. HAMILTON,
Assistant General Secretary,
Washington Office.

UNITED AUTO WORKERS,
Washington, D.C., March 29, 1974.

DEAR REPRESENTATIVE: As incredible as it may seem, the Administration is seeking an increase in the authorization for the current fiscal year for military aid to South Vietnam. The request is contained in a supplemental defense authorization bill (H.R. 12565) which is expected to be taken up soon by the full House.

You recently received a letter signed by Congressmen Pike, Esch, Nedzi, Addabbo, Giaimo, Conte and Whalen indicating their intention to offer an amendment to delete the additional authorization of $474 million. On behalf of the UAW, I urge most strongly that you support this amendment.

In our judgment, there is no way in which the Administration's request can be justified. The Congress dealt with this issue last year, and the supplemental request simply represents a terribly ill-advised attempt by the Pentagon to get this year what it was denied last year.

The people of America should not be asked to do more militarily than they already have for South Vietnam. The supplemental request is totally unjustified and should be overwhelmingly rejected by the Congress. We hope that you agree and that you will vote for the amendment to delete the $474 million for military aid to South Vietnam.

Sincerely,

JACK BEIDLER,
Legislative Director.

UNITED CHURCH OF CHRIST,
CENTER FOR SOCIAL ACTION,
Washington, D.C., April 1, 1974.

DEAR REPRESENTATIVE: We are writing to express our deep concern about continuing and increasing American military aid to South Vietnam. We believe that the Administration's present policy seriously threatens the prospects for success of the Paris Peace Agreement of January 27, 1973, and could lead to even deeper U.S. involvement in continued war.

As a nation we have expended the lives of tens of thousands of our young men and billions of dollars to arrive at a peace agreement. We believe that now America should support that agreement with increased diplomatic efforts rather than undermine it with a policy of continuing military support to only one of its two South Vietnamese signatories.

In the interest of fulfilling the hopes of the American and Vietnamese people for peace, we urge you to vote against the Administration's request for an additional $474 million of military aid to Saigon for Fiscal Year 1974. We also ask that the Congress eliminate or significantly reduce the $1.6 billion of military aid to the Thieu government for Fiscal Year 1975.

You have our hopes and prayers for success is the search for a lasting peace in Indochina.

Yours sincerely,

Most Rev. Thomas J. Gumbleton, Auxiliary Bishop, Roman Catholic Archdiocese of Detroit; Bishop John Wesley Lord, Executive Co-ordinator, Bishops Call for Peace and Self-development of Peoples, United Methodist Church; Robert V. Moss, President, United Church of Christ; Rabbi Alexander M. Schindler, President, Union of American Hebrew Congregations; Kenneth Teegarden, General Minister and President, Christian Church (Disciples of Christ); and William P. Thompson, Stated Clerk of the General Assembly, United Presbyterian Church, USA.

BAKERS CRY WOLF

HON. ALBERT H. QUIE

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. QUIE. Mr. Speaker, I was delighted to see the Farmer magazine in its March 16 issue do a bangup job on the bakers who recently predicted Americans would be paying $1 for a loaf of bread.

As the Farmer points out, the "$1-a-loaf ballyhoo" did not hurt wheat prices.

Yesterday, I checked with the Department of Agriculture for its present prediction for wheat production. The 1974 crop report appears to be healthy indeed. Farmers are expected to plant 70.7 million acres of wheat this year, 19.8 percent above last year's 59 million acres.

Clearly, consumers do not face a bread shortage and I happily commend the article to the attention of my colleagues:

THE $1-A-LOAF BALLYHOO FROM BAKERS DOES NOT HURT WHEAT PRICE

Bless those bakers: Wheatmen are offended by the miller and baker talk of $1 bread, but you can say this for it: Such scare talk does not hurt the price of wheat although ironically that's just what the bakers and millers object to. What's really bugging them is the fact that they now have to shop around for wheat, just like those foreigners and everybody else. No more taxpayer-supported supply in the CCC at nicely-managed prices awaiting their beck and call. The bakers' talk of bread rationing, no hotdog buns at ballgames, etc., has made them look mildly ridiculous even here in Washington. As executive-VP Jerry Rees of the National Association of Wheat Growers put it, "The bakers seriously damaged their credibility with their wolf, wolf cry of a dollar-a-loaf." But Rees thinks a "growing number" of the bakers are finding out that the big problem is transportation, not shortage; that the cheap appeal to consumers "is a hoax."

A MOST PRECIOUS RIGHT

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. ALEXANDER. Mr. Speaker, yeserday, during the discussion in the House of one of our most precious rights we as citizens of this great Nation have—the right of privacy—I inserted into the RECORD a number of news stories by Alan Emory on congressional efforts to put an end to one threat to that right. The threat to which I refer was from the recently rescinded Presidential Executive orders allowing the Department of Agriculture to pry into the income tax returns of the Nation's 3 million farmers.

I believe this series of stories will be of particular interest to our colleagues and would like today and tomorrow to make additional articles and other material pertinent to this discussion a part of the CONGRESSIONAL RECORD.

The news article follow:

[From the Watertown (N.Y.) Daily Times, Mar. 7, 1974]

INVADING FARMERS' PRIVACY

More than a year ago, President Nixon issued an order, reportedly at the request of the Department of Agriculture, permitting the department to inspect the individual income tax returns of 3,000,000 farmers. Fortunately, reaction was so sharp that the department last fall temporarily abandoned its plan. Now into the picture enters Secretary Earl Butz. In his typically insensitive way, the Secretary says that whether or not his department's inspection of returns is an invasion of privacy is "essentially a matter of judgment."

Americans who have always assumed that their income tax returns were matters between them and the Internal Revenue Service, and no one else, are learning from this governmental effort that such is not the case. Indeed, conflicting reports on how the executive order came about raises questions of intent and purpose. Furthermore, by the time the final draft of the order was ready, the Departments of Treasury and Justice had also played a role.

Apparently the Agriculture Department's Statistical Reporting Service wanted the names, address and gross income or product sales of farmers from the Internal Revenue Service in order to obtain better data. The order, it turns out, was to serve as a model for other agencies. Puzzling, however, is the statement by an Agriculture Department official that the department had never sought the authority to inspect income tax returns.

The author of a bill to tighten procedures to safeguard the privacy of income tax returns is right when he says that the Nixon order leaves a farmer's return an open book.

Other peculiarities about this long episode relate to the way the order was presented and whose judgment was the more understanding and sympathetic.

Anything as important as the examination of 3,000,000 tax returns should be cause for complete and candid announcement where the public could see it. Official compliance came through publication in the Federal Register. But how many farmers have access to the Register? In fact, how many who are supposed to even read the Register?

As for genuine sensitivity, the one agency which has conducted itself with understanding has been the Internal Revenue Service. The Department has said it will not enforce the executive order. On the other hand, Secretary Butz insists on infuriating and alienating the farmers by refusing to comply with a congressional request that the orders be shelved until a House Government Operations subcommittee completes its inquiry into this issue.

Finally, why would not the Census Bureau be the more appropriate agency to approach in obtaining the data the Agriculture Department wants? And if the statistics are so terribly vital, why shouldn't the administration support funds for a special farm census from which the desired information could be derived?

From inspecting farmers' returns, it is a short step to inspecting the tax details of businessmen and anyone else, no matter how he earns a living. This executive order should be scrapped immediately and legislation passed assuring that income tax returns are as confidential as Americans have been led to believe.

[From the Washington Post, Mar. 11, 1974]

ADMINISTRATION ORDER PERILS PRIVACY OF TAX RETURNS

(By Alan Emory)

The Nixon administration has laid down a policy that could open the individual tax returns of almost every citizen to a broad range of federal departments. It runs contrary to the President's own policy of confidentiality of certain White House documents and conflicts with his new program designed to protect individual privacy.

The policy centers on an executive order, once modified, which President Nixon issued early in 1973, allowing the Agriculture Department to examine the tax returns of the country's 3 million farmers. At the time, there was no press announcement from the White House or the Agriculture Department. The order was published in the Federal Register, which, as one farm spokesman has observed, "is not everyday reading for the average farm family."

Don Paarlberg, director of agricultural economics for the department, says the order is "inoperative" but it is still in effect.

Mr. Nixon told a questioner at his Feb. 25 news conference that he thought the order should be considered by a new privacy committee headed by Vice President Ford.

Rep. Jerry Litton (D-Mo.), who discovered the order and held hearings on it, called it "strange" that Ford should be assigned to determine whether Mr. Nixon's action had been proper.

The real impact of the Nixon order is contained in an advisory opinion written by Assistant Attorney General Robert G. Dixon Jr., who says it was drawn up as a model so that tax returns could be used for statistical purposes by other federal agencies.

The order was "prepared by the Department of the Treasury . . . as a prototype for future tax-return inspection orders," Dixon said. This comment prompted Rep. Bill Alexander (D-Ark.) to observe that it constitutes a "frightening prospect that the administration is attempting to begin the process of making personal income information of whole classes of people available to various departments and agencies without regard to the private nature of the information."

Litton recalled that former Nixon aide John D. Ehrlichman had promoted a policy of making the Internal Revenue Service "more politically responsive" and wondered if the administration favored the order on farmers' returns because "if they could get away with that they could try another field later."

Actually, the IRS was dead set against the Nixon order all the way.

In a recent letter to Rep. William S. Moorhead (D-Pa.), chairman of a House Government Operations subcommittee that looked into the order, IRS Commissioner Donald C. Alexander declared that he insists his agency "guard the taxpayer's right of privacy."

He says he will not allow the Agriculture Department to obtain anything more than "a mailing list of names and addresses of farmers." The commissioner says he supports legislation to make tax returns "explicitly confidential" except for tax administration and enforcement.

Alexander says tax returns should be "confidential and private" unless Congress "clearly specifies" to the contrary.

The House Ways and Means Committee is preparing to hold hearings on legislation, sponsored by Reps. Litton, Alexander, Jack F. Kemp (R-N.Y.) and Barber B. Conable Jr., (R-N.Y.), and others, designed to tighten the rules of privacy on individual tax returns.

The stand of IRS' Alexander put him at odds with Agriculture Secretary Earl L. Butz, who twice rebuffed congressional requests to put the Nixon executive order in deep storage.

Butz says it is "essentially a matter of judgment" whether his department's inspection of individual farmers' tax returns amounts to an "invasion of privacy."

"The list development procedure we have in mind is clearly in the public interest," he told Moorhead.

Coincidentally, when former Agriculture Secretary Clifford M. Hardin originally requested, in 1970, certain farm data that could be matched with the names of farm operators obtained from sources outside the IRS he said he specifically was not seeking an examination of individual tax records.

Butz told Moorhead last year "no employee" of his department would examine an individual return under the Nixon order's authority, but he refused to ask that the order be scrapped. He said, instead, that the "effectiveness of the security handling of data" by the staff of his Statistical Reporting Service "has not been challenged."

Paarlberg maintains the department never sought the tax-return inspection authority, but that Treasury and Justice Department reviews had broadened it.

"We understand the first order was designed as a model to be used by other departments," he said.

When Rep. Charles Thone, (R-Neb.), asked why the Agriculture Department could not obtain its statistics from the Census Bureau as authorized by the White House, Paarlberg replied, "We do not care which department they come from."

"I do very much," Thone snapped back.

Paarlberg said he was not sure whether the decision not to announce the order publicly had come in a phone call from the Treasury Department "or whether it came from the President's staff men." He had been in touch with both, but he did say he had not talked to indicted Nixon aides Ehrlichman and H.R. Haldeman.

When John W. Dean III was Mr. Nixon's counsel he recommended that the IRS zero in on political targets by making a requested audit "of a group of individuals having the same occupation."

Congressman Alexander says blanket authority to inspect individual tax returns of any group "clearly constitutes an invasion of the right of privacy of that group."

He raises the possibility that the Commerce Department might inspect returns of businessmen it deals with; those of homeowners getting Federal Housing Administration-insured loans; union members dealing with the Labor Department, and those of individuals receiving grants or aid from the Department of Health, Education, and Welfare.

In fact, in the first half of 1970 the IRS made available 14,000 tax returns to the Justice and Labor departments, Federal Communications and Securities and Exchange commissions, Federal Home Loan Bank, Renegotiation and National Labor Relations boards, Small Business and Social Security administrations and the old Post Office Department.

At one point Litton sponsored a bill to kill the Nixon order and allow the Agriculture Department just farmers' names and addresses. The department cold-shouldered the measure and refused comment.

After Litton introduced another bill to tighten IRS rules about who could see the returns, the department indicated an interest in the earlier legislation.

The congressman said he had asked why farm census funds were stricken from last year's budget and "I have yet to get an answer. The census form goes to every farmer. A tax return sampling would not be as complete. Either they need the information or they don't."

According to Litton, the question of farm information came up when George P. Shultz was budget director in 1970, but nothing happened. Three years later the order was drafted at the Treasury Department, where Shultz was secretary.

Former IRS disclosure staff chief Donald O. Virdin says there would be no problem giving Agriculture the names and addresses of farmers quickly "if that is all Agriculture wants."

Assistant Attorney General Dixon says the Justice Department was never asked to express a "policy judgment" on the Nixon order so it didn't.

IRS Commissioner Alexander says his agency is working toward a goal of "ensuring the confidentiality of federal tax return data."

Against a backdrop of IRS investigations of tax returns of White House "enemies" and the President's strong defense of confidentiality on White House documents and tapes, the continued existence of his 1973 executive order has Congress and the IRS worried.

The Paarlberg "inoperative" comment does not satisfy them.

Litton says he listened to President Nixon's State of the Union message and was surprised to hear "a man who proposed opening up 3 million tax returns talking about privacy."

[From the Watertown Daily Times, Mar. 13, 1974]

TAX ORDER CALLED "THREAT TO PRIVACY"

(By Alan Emory)

WASHINGTON.—Sen. James L. Buckley has asked President Nixon to "rescind immediately" the President's controversial executive order on income tax returns.

The New York Conservative-Republican's message to the White House, calling the order an implicit invasion of privacy, has not been made public. It was dated Monday.

The 1973 Nixon order, which is being widely interpreted as a threat to the privacy of almost all individual income tax returns, has started to alarm Republicans, including some of the President's staunchest backers in Congress.

The Nixon policy, laid down in the executive order last year, authorizes the Agriculture Department to examine the tax returns of individual farmers, but the Justice and Treasury Departments have broadened the interpretation so that it serves as a "Prototype" for all federal agencies.

Nixon told a press conference Feb. 25 he would turn the issue over to a new committee studying privacy headed by Vice President Ford.

In his letter to Nixon, Buckley wrote:

"If you believe the executive order in question is not an invasion of privacy, then I think it would be in the interest of all Americans if you explained why this is so.

"If, on the other hand, this is an invasion of privacy, then your immediate rescinding of the executive order would be the best possible way of undoing the damage that has been or might be done by implementation of the order."

The directness of the New York Conservative-Republican's language was considered significant.

Although Don Paarlberg, director of agricultural economics, maintains the Nixon order is "inoperative," there has been no attempt to withdraw it, and Agriculture Secretary Earl L. Butz has flatly rejected Congressional requests that it be shelved.

The Buckley comments were pointed up today by the reaction of Senate Republican Leader Hugh D. Scott of Pennsylvania, who sided with Internal Revenue Commissioner Donald C. Alexander's refusal to give the Agriculture Department anything more than farmers' names and addresses.

Alexander's position constitutes defiance of the Nixon order.

A top Scott aide said the Senator "was not pleased" with the Nixon executive order and predicted, "There will be a move to deny what they are attempting to do."

A spokesman for a high Republican Party official said it was "quite evident, with the mood today being what it is, that the executive branch will be the loser on this."

Buckley's letter cited this reporter's question to Nixon about the executive order Feb. 25 and the President's response.

"I would like to take this opportunity to request that you put an end to the invasion of privacy implicit in Executive Order 11709," Buckley told the President, "by rescinding it immediately, rather than awaiting the recommendations that may be issued by the commission.

[From the Watertown Daily Times, Mar. 14, 1974]

NIXON'S FARMERS TAX RETURN POLICY GIVEN

(By Alan Emory)

WASHINGTON.—President Nixon's controversial executive order opening up farmers' tax returns to the Agriculture Department applies to all returns going back to 1967.

The guidelines for the order can be changed at any time by the President without advance notice or publicity.

Don Paarlberg, the Agriculture Department's economics chief, says he "would not be willing" to ask that the order be rewritten specifically to apply only to gross income—the index the department considers the best measure of farm size.

At one point in last year's hearings of the House Agriculture Committee, Rep. Jerry Litton, D., Mo., asked Harry C. Trelogan, administrator of the department's Statistical Reporting Service, "what measure do you want?"

"I do not know at this stage what is the best measure." Trelogan replied.

"Do you not think you should before you ask us to open up the tax returns?" Litton came back.

Although the Nixon Administration refused to budget funds last year for the periodic farm census. Trelogan concedes that "we can come out with some accurate results at less cost with a sampling procedure" than by using tax returns.

Paarlberg explained his "reluctance" to ask for a further refinement of the Nixon order by saying it might block the department from a sampling that might appear necessary later.

"So instead you sought such a broad authorization that you would be able to obtain any information from any farmer's tax return that would indicate any measure of size," Litton declared.

"No." Paarlberg said.

"That is what it says." Litton came back. "One or more measures."

"When I tell my secretary she can have (one or more) days off, that is not very restrictive," he added.

Paarlberg says gross income or gross sales are usually the best measure of size and "there may be particular cases in which we would want, as a measure of size, say for a cattle feeding operation, the number of animals fed or a dairy operation, the number of cows."

"Does the tax return tell you how many cattle I fed last year?" Litton asked.

"The direct answer to your question is no," admitted William J. Smith, chief of the Internal Revenue Service's business statistics staff.

"It does not?" persisted Litton. "No, sir," said Smith.

Litton said if gross sales were all the department wanted the order could have said that.

Paarlberg said when initial farm organization and civil liberties protests started resounding over the first Nixon order, which was broader, he went to Agriculture Secretary Earl L. Butz, who told him "See if you can get that order rewritten and get it rewritten just as tight as can be done so that there will not be a danger of breach of confidentiality.

Paarlberg said he worked with the Treasury Department and "with the people at the White House, and they were most cooperative."

"Everybody is a winner in this thing and there are no losers," he argued.

House Agriculture Committee records include a March 8, 1967, letter from Undersecretary of the Treasury Joseph W. Barr to Agriculture Secretary Orville L. Freeman, advising Freeman to make sure that when he signed a tax return inspection request he make sure "personally that all other avenues of information are foreclosed and that information on the return is essential."

Paarlberg was quoted last year as saying, "We do not want to see their profit or loss statements or how they figured their taxes. If any one violates that, I am going to see he gets fired and you can quote me."

INVASION OF PRIVACY

HON. LAMAR BAKER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. BAKER. Mr. Speaker, much concern has been voiced over the extent to which the privacy of the American citizen is being invaded. We see this in the accumulation of personal data in computer banks, and this constitutes a threat to the privacy of every American citizen. For many years, Members of the House of Representatives have been concerned about the invasion of privacy of Americans.

Privacy is control over knowledge about oneself; it is not just the absence of information, but also the feeling of security of controlling the information available about ourselves. Americans must be assured that their private and personal lives will not be invaded through Government regulation. In the past, the spotlight has been focused on such issues as a proposal to create a Federal Statistical Data Center, lengthy debate over enactment of the Fair Credit Reporting Act, and the number, size, and pervasiveness of Federal data banks.

I want to express to my colleagues, Mr. Speaker, my very deep concern about privacy. This is a fundamental individual right recognized by everybody. We must be extremely careful to prevent individual liberties from slipping through our fingers and into the pot of Federal regulation.

MONTANA SUPPORTS THE CONCEPT OF FEDERAL LEGISLATION FOR IMPROVED REFORESTATION AND BALANCED MANAGEMENT PRACTICES ON FOREST LANDS

HON. DICK SHOUP

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. SHOUP. Mr. Speaker, I wish to submit into the RECORD Senate Joint Resolution 0044 which states the support of the Montana Legislature for reforestation of national forest lands.

A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA SUPPORTING THE CONCEPT OF FEDERAL LEGISLATION FOR IMPROVED REFORESTATION AND BALANCED MANAGEMENT PRACTICES ON FOREST LANDS

Whereas, demands upon the nation's forest resource base have spiraled upward and shortages of goods and services from the forest now threaten the public health and welfare; and

Whereas, the two greatest opportunities to increase timber supplies to meet the nation's growing necessities lie in:

(1) improving the level and intensity of sustained yield management on federal lands, particularly the national forest, where inadequate reforestation has gone from bad to worse; and

(2) motivating over four million small non-industrial private woodland owners, who represent over three hundred million acres of some of the nation's finest forests producing land. A significant portion of this land lies idle or only partly productive. Now, therefore, be it

Resolved by the Senate and the House of Representtaives of the State of Montana: That the Congress should appropriate sufficient funds to the Secretary of Agriculture to immediately step up reforestation of national forest lands, within the context of a balanced management program for the national forests. Be it further

Resolved, That, in order to initiate a meaningful program to bring about reforestation of forest lands, Congress should significantly increase the appropriation under PL 93–86, the Agriculture and Consumer Act of 1973, above the 10 million dollars currently earmarked for a forestry incentive program on non-federal lands, and that the Secretary of Agriculture immediately increase the 5% allocation of this amount to the Western States to a level more commensurate with the value of our timber resources and need. Be it further

Resolved, That copies of this joint resolution be sent to the Honorable Mike Mansfield and the Honorable Lee Metcalf, United States Senators; the Honorable John Melcher and the Honorable Richard Shoup, United States Representatives; to the Secretary of the United States Department of Agriculture; and to the Chief Forester in the United States Department of Agriculture soliciting their support.

THIEU'S POLITICAL PRISONERS: WHO IS HUYNH TAN MAM?

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. DELLUMS. Mr. Speaker, as Congress debates Nixon administration requests that billions in tax dollars be handed over to the Thieu regime, I think it is important for us to know how those funds are utilized. And, unfortunately, too many of our tax dollars are used to support one of the world's largest police states and by far the largest political prisoner system in the world.

The following document tells the story of just one of the estimated 200,000 political prisoners—but I am sure that the story is very typical. Magnify this picture by a factor of 200-thousand, and the concept that our tax dollars are going for support of such a system is nauseating.

The document follows:

WHO IS HUYNH TAN MAM? AND WHY ARE YOU PAYING TAXES TO KEEP HIM IN JAIL?

Huynh Tan Mam is the former President of the Vietnam National Student Union, President of the General Association of Saigon Students and, prior to his arrest, was studying at the University of Saigon Medical School. Mam's last arrest was on May 1, 1972. He was recently moved to an unknown location in south Vietnam's prison system.

Mam is one of the most popular and charismatic student leaders in Vietnam and has spent most of the last five years in jail. He has been tortured frequently. Although physically disabled by his beatings, Mam continues to organize within the prisons. The following article is excerpted from a letter written last summer from jail by Mam to his friend, Don Luce, an organizer for the Indochina Mobile Education Project. Luce was the individual who revealed the existence of the infamous "Tiger Cages" on Con Son island.

The drawings accompanying the article are by Buu Chi, a former law student at the University of Hue. Buu Chi is presently being held in Chi Hoa prison awaiting trial before a military court. The sketches were done by Buu Chi while in prison.

Both Muynh Tan Mam and Buu Chi were arrested for their political activities, not for criminal acts. They are prisoners of conscience. One of Mam's arrests was so transparently fraudulent that the south Vietnamese Supreme Court ordered his immediate release.

From the time you returned home, I have had no opportunity to write you. First, before being arrested in January, 1972, I and also my friends, were constantly searched out by the police force and had to be hidden from place to place. But I could not escape from their net. On January 5, I was caught by plainclothes police before the Medical University Building. After three months of "investigation" at Saigon Municipal Police Station and one month at Police General Headquarters where I was locked in a dark cell, beaten up with truncheons and lighted by three 500-watt bulbs, I was handcuffed and at gun point, transferred to Chi Hoa Prison. By now, after more than 1½ years in Saigon prisons I have something to show you and the American people. To you, a dedicated American friend to whom the Vietnamese people must be grateful for your help, and to the American people, a people with a tradition of freedom and democracy which I always deeply admired and those people now directly involved in the political realities of Vietnam.

It is, I think, the responsibility of individuals to speak the truth and expose lies. The truth that I encountered on every side is relating to the situation of political prisoners in South Vietnam, and their welfare, especially to those who are part of the Thieu opposition, which commits the only crime of asking for peace and the means of democracy that had been promised them.

A Police State with torture—South Vietnam has around 40,000 university students, while the police force contains around 200,000 members, from plainclothes police to heavy armed units and more than a dozen main military and civilian agencies. The repression machinery operates at and spreads to every district, every village with the absolute power of arrest, confinement, and liquidation of all citizens. As a South Vietnamese Senator observed: "anyone in Vietnam with a gun can pick people up."

In the cities, the police network, notably the Special Branch of the Police, the plainclothes police, and the Combat Police are considered the most brutal instruments of repression of political opponents, and students, rounded up at peace demonstrations and rallies: that is, the fringes of anti-government activities. By night these plainclothes men with American guns could swoop down houses and arrest yau and only God knows where they dragged you.

At police stations, during "investigation periods" all means of torture and physical abuse are the interrogation method to set up the files which are used to convict people. My schoolmate, Nguyen Huy Diem, head of Student Representative Body of the Medical Faculty, after many days of pervasive beating by truncheons and wooden sticks, has been forced to sign a "confession" accepting "adherence to the Communist Organization." "You must choose between liberation Student Union and Municipal Corps of Liberation," the torturer-interrogator-policeman told him. But my friend, though in agony, was determined to neglect the accusation by not signing any false dossiers. At the end, the police had made his file into a very vague accusation: "the accused had relations with elements considered dangerous to the national security."

Other barbaric tortures are also applied to the students. Two of the most painful and lasting forms are: "submarine trip" and "airplane trip." The first is that the student is plunged into a barrel filled with water, his hands and feet have been bound. The police used rubber-covered truncheons, beat against the sides of the barrel with all their force. The water conducts these blows to the internal organs of student's body. First, it makes the victim feel terrible pain in the neck and the abdomen, then he vomits blood and falls unconscious. If you have been tortured in this way three times, you have to take to your bed for three months and you will never recover. The "airplane trip" is hanging the victim by the arms behind the back with a rope hung from the ceiling. After five to ten minutes he immediately loses consciousness. This manner of torture is repeated several times in a night, until you say what they want you to.

There is more. The history of crimes that these police have committed could be described in thousands of pages—with all manner of torture and physical abuse. A friend of mine named Le Cong Giau, from science faculty, was beaten up at Saigon Municipal Police Station, from early August, to the end of October of last year. He was so badly tortured that he was paralyzed below the waist and his left arm and was unable to wake up by himself. In these three months he endured beatings routinely during "administrative time" as the police explained. It means eight hours per day. Although I lack proper instruments, I diagnosed his physical state and am surprised that he remained alive after being tortured in this way. The deaths are not, I think, in dark interrogation rooms in the police agencies. Recently, after the Paris Agreement, Mr. Pham van-Hi, Chairman of trade union of bank employees in Saigon, has been tortured to death which was disguised as suicide by Thieu's cannibals. We should not be surprised if we learn that their policies are briefly summed up in a popular saying among them: "If you are innocent, they beat you until you repent." If you don't repent, they beat you until you die." I also know that Americans existed at these agencies and that Saigon's police called them "Thoi tri mein Hoa Ky" (American collaborators).

Because Thieu, with American backing, has not a just cause and thus no popular loyalty, he must use the tools of police and military forces to suppress anti-government activities. The torturing is a means to menace the people's spirit and strengthen his dictatorship over the cities in the south. The more he is in power, the more the people struggle against him. . . .

One of the most revealing violations of the Agreement, on a political basis, of Thieu, concerns the confinement and treatment of political prisoners. Confinement and treatment—while American POWs have come home and military personnel of both sides have been released, a hundred thousand at least of political prisoners are still locked in Saigon's various places from the Island to the mainland, from central to obscure provincial jails. . . .

In a letter smuggled to me last week from Con-Son Island, one of my friends has described today's "tiger cages" built by the American company RMK–BRJ with a fund of $400,000 in 1971, from the U.S. government after the disclosure by your hands and two U.S. congressmen of the infamous "tiger cages" in 1970. A part of the letter reads "after the discovery of the tiger cages at camp 2 in 1970, and because of the anger of public opinion at home and abroad, the Saigon government cannot maintain the old type of tiger cages, but their pervasive, slowly destroying policies toward country-loving people still existed and continued. To this end, they built a new camp numbered 7 and officially named "Discipline Camp," but prisoners preferred to call it "the disguised tiger cages". . . .

Late in March, the Field Military Court was going directly to Con-Son prison and sentenced by night more than 4500 people who were held without trial for years and turned them into regular prisoners with crimes such as robbery and draft-dodging in order to avoid releasing them. . . .

"Although there were still a lot of empty cells," continued the letter, "they had put three or four people in each one. It was so hot inside, the oxygen quantity was very limited, no mats and plenty of mosquitos and gnats, a great majority of us suffered yaws. In five months, we had not been given soap and we were only allowed washing ourselves one time in three or four days, each for five minutes. If we were late, we were beaten up by the trusties. The food ration, always insufficient and rotten, was decreased to the point that prisoners could not sleep at night because of constant hunger. Water was scarce, dirty and unboiled. Medical care was practically nonexistent.

"In a series of repressions occuring from early April to the end of May, the Island authorities used combat police to attack Camp 4, where women prisoners were detained. They used tear and nausea gas grenades into rooms and picked up more than 20 women and separated them at Sectors A and B; seven of them have babies from two to five years old. . . ."

On the other hand, through the treatment by which they behaved prison authorities used to regard prisoners as beasts, not as human beings. That is the reason they would beat us to death or let diseases discharge our lives. Warden Nguyen-van-Ve, who was director of Con-Son prison in 1970, and called the 'father of the tiger cages', recently reappointed head of the Island, had declared by mid-April, before a political prisoners' group: "now it is needless for us to kill you. We will let you die of malady." He spoke truly. Being underfed and living under sordid conditions, prisoners suffer severe diseases; from 30 to 40% of all prisoners on the Island are infected with, according to medical approval, tuberculosis. Intestinal diseases, Beriberi, peptic ulcers, hemorrhoids, dysentary, nervous breakdowns are also common among prisoners. Pictures that appeared in the *Los Angeles Times* of March 4th, 1973, showed the paralyzed and atrophied people freed from Con-Son. But they are the survivors. How many people have been unable to endure savage conditions and have given up and left their lives on the Pine-clad hillside cemeteries on the Island? I think it is not fewer than tens of thousands between 1954 and this day. "The death rate at Con-Son prison was about ten percent of the total prisoners per year. This number has increased in recent years," said my friend, a student from Catholic worker and youth organization in May, as he was unconditionally released. . . .

It is hardly surprising that the physical welfare of prisoners had deteriorated since we learn that the food ration is being cut from 80 grams to 20 grams per day and other necessities are neglected. In each meal, there is a fish equal to a finger and a string of vegetables.

The darkness of intentions—evident proofs of inhumane treatment of political prisoners by Thieu's regime have revealed the responsibility of the U.S. government. Thieu, with the recalcitrance of a militaristic puppet, has refused to release political prisoners and, due to cynicism, he publicly pretends they do not exist. His claim challenges world opinion. In Chi Hoa now, political prisoners have an insignia attached to their shirt. For example, my prisoner name and number insignia is Huynh Tan Mam, no: 227MTCT. The MTCT stand for Mat Tran Chinh Tri which means 'political front'. . . .

For these reasons, I think the U.S. Government directly bears the responsibility for the plight of political prisoners still in Thieu's hands. For example, the plight of more than half of the 75 people who are still locked in Room 3, Camp 6B of Con Son prison. These people are being paralyzed and gradually forced to die. All of them have been detained from 10 to 15 years.

I am however, of the belief that the American people will not keep silent before the agony of these victims. After all, they, and also the Vietnamese people, will see the rays of sunshine and go on to build a peaceful future. Because we have been, and are, struggling by blood and years spent in the darkness and terror of prisons, for peace and independence.

With love and friendship.

HYUNH TAN MAM.

COST OF THE UNITED STATES RISING

(By Don Luce)

During the past 6 years the U.S. has spent at least $131,700,000 on the South Vietnamese police and prison systems. Repression has increased steadily since 1967, the year General Nguyen Van Thieu won the presidential election and promptly jailed the runner-up for five years.

In 1964, there were only 10,000 National Police in south Viet Nam; by 1973, American funding had allowed that force to grow to over 120,000.

A close inspection of the facts shows that, contrary to the provisions of the Peace Accords, the U.S. is still supplying tremendous amounts of police aid. Senator Edward Kennedy asserted, in a June 4, 1973 speech before the Senate that "The administration is covering up its true intentions and deceiving Congress and the American people."

Senator Kennedy then documented the following funds going to "public safety" programs.

Item	Charged to—	Amount
Police computer training.	Technical support	$869,000
Direct police training	Public administration	256,000
Police Telecommunications.	Public works	1,505,000
Public safety	Unliquidated obligation.	1,285,000
National police support.	do	2,472,000
Corrections system support.	do	30,000
Public safety supplies	Budget request, Department of Defense.	8,800,000
Total		15,217,000

"And presumably there is more buried elsewhere!" Senator Kennedy added.

And there is indeed more aid buried elsewhere. The piasters generated by the sale of goods donated to the Saigon government under the Food for Peace and Commodity Import Programs are used to support the police and prison systems of the Saigon government. The amounts provided in calendar years 1972 and 1973 alone total $4,000,000. The piaster aid to the south Vietnamese repressive police and prison system increased by more than a million dollars in 1973 over 1972.

Item	1972 (in piasters)	1973 (in piasters)
Police	533,000,000	1,000,000,000
Prisons	69,000,000	50,000,000
Telecommunications	133,000,000	264,300,000
Total	735,000,000	1,314,300,000
Total in dollars	$1,500,000	$2,600,000

NO FURTHER RENEWAL OF ECONOMIC CONTROLS

HON. ROBIN L. BEARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. BEARD. Mr. Speaker, I am pleased to be able to rise in the House today to voice my strong opposition to the continuation of any economic controls after the last day of April.

As one of the handful of Members who voted against these artificial, dangerous controls, I fervently hope that they will be allowed to pass into well-deserved oblivion at the end of this month.

Mr. Speaker, I believe in the free enterprise system. I have received literally hundreds of letters and telegrams from small businessmen and working people from all walks of life in my district, urging that the controls be lifted. These people realize, as I do, that the free market can take care of itself. They believe, as I do, that it is best to leave it alone, save to promote competition and prevent monopolies.

These controls have been like a poorly built dam: They have caused shortages in the natural stream of our economic life by diverting our commodities away from the domestic consumer, downstream, so to speak. Mr. Speaker, to allow these controls to expire will let our free enterprise system flow forward, straight, and strong, delivering badly needed goods and services to our people here at home and allowing all to make a decent living.

STUDY WOULD REDUCE WHITE HOUSE POWER

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Ms. ABZUG. Mr. Speaker, in a study requested by the Senate Watergate Committee, a panel of 12 members of the National Academy of Public Administration has concluded that many of the fundamental and disturbing questions surfaced by Watergate stemmed "from centralization of power in the White House." Further, the panel stated that the responsibility for agency management properly resides in agency heads—not in the White House staff nor in the Executive Office of the President.

The report makes a number of proposals which deserve our serious consideration. I agree with a number of them.

The report recommends "a strict numerical limit on the number of political aides available to the President, with the balance of the White House staff subject to the political activity limitations of the Hatch Act."

In the panel's review of the "public service," it said there was an important distinction to be drawn between political officers and careerists. It concluded that, insofar as Watergate disclosures are concerned, the political officers displayed "little appreciation or understanding of the special ethical responsibilities of public service," and appeared to have little "prior experience in—government, or indeed, in the administration of any large organization."

The report said, on the other hand:

> Over 90 years produced incontrovertible evidence that the career services will discharge assigned duties responsively and capably when they are responsibly and capably led.

The panel emphasized to the select committee that—

> This report is not directed to the identification of individual misdeeds or culprits. Rather it is an effort to identify underlying sources and pitfalls and to suggest changes in American government and administration which will help make future Watergates less likely and will improve the effectiveness and credibility of democratic government.

Other recommendations included:

First. Complete depoliticization of the Department of Justice with all personnel "from top to bottom" placed under the Hatch Act. All attorneys in the Department to be covered under a tenured career system and the Attorney General precluded from advising the President on political or personal matters.

Second. Until the Justice Department is depoliticized, the creation of a Permanent Special Prosecutor with a fixed term of office and independent authority to prosecute malfeasance in high office and in the conduct of political campaigns.

Third. Joint public and private funding of congressional and Presidential elections with a $25,000 limit per year, per family on all political contributions; not more than $10 of such donations could be in cash. All left-over campaign funds not transferred to the party organization would revert to the general fund of the U.S. Treasury. A new Electoral Commission of distinguished citizens would be created to oversee Federal election practices. Violators would be prosecuted by the Permanent Special Prosecutor.

Fourth. Rejection of proposals for a single 6-year term for the President and for any change toward a parliamentary system of government. The report said "both a strong, single Chief Executive and a strong Congress" were necessary.

Fifth. Provision for a number of temporary "Secretaries without portfolio" to take on special assignments which cut across the functional lines of established agencies and departments.

Sixth. An educational campaign, or if necessary statutory or constitutional change, designed to show that the framers of the Constitution intended "a President or other official may properly be impeached and removed from office for major offenses to the society and the State without being beheaded, jailed, fined, indicted, or even indictable." The panel concludes that impeachable acts properly include "major crimes, misconduct in office, or neglect of duty."

Seventh. Review and improvement of the Freedom of Information Act and continued vigilance on the part of Congress, the courts, and the citizenry to deal with Executive misuse of "National security" classifications and claims of "Executive privilege."

Eighth. Strict enforcement of the laws and regulations forbidding political considerations in career personnel actions.

A list of the members of the panel, selected for their extensive background as practitioners, scholars, or both, in Federal public administration are:

Frederick C. Mosher (Chairman), Doherty Professor of Government and Foreign Affairs—University of Virginia;

Alan K. Campbell, Dean, Maxwell School of Citizenship and Public Affairs—Syracuse University;

Frederic N. Cleaveland, Provost—Duke University;

Thomas W. Fletcher, President, National Training and Development Service;

Bernard L. Gladieux, Director—Knight, Gladieux & Smith, Inc.;

Roger W. Jones, Board Member—National Civil Service League;

Harvey C. Mansfield, Sr., Professor of Public Law and Government—Columbia University;

John D. Millett, Vice President and Director of the Management Division—Academy for Educational Development;

James M. Mitchell, Director, Advanced Study Program—The Brookings Institution;

Harold Seidman, Professor of Political Science, University of Connecticut;

Robert F. Steadman, Consultant—Committee for Improvement of Management in Government (CED); and

Richard E. Stewart, Senior Vice President—Chubb & Son, Inc.

Bertrand M. Harding, an academy member recently retired from the Federal service, served as the panel's staff director. Richard L. Chapman and Erasmus H. Kloman, senior research associates on the academy staff, also assisted the panel.

VETERANS' CREDIT CARD

HON. JOEL T. BROYHILL

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. BROYHILL of Virginia. Mr. Speaker, there is a crisis in communication today between the Veterans' Administration and many of our deserving veterans, their widows, and dependents.

In comparison to the millions taking advantage of veterans benefits the number we are not taking care of may be comparatively small, but if it is only a "baker's dozen" it is too many.

The trouble comes on payday and largely for veterans trying to further their education. I have asked the Administrator of the VA and the President's Veterans Task Force to consider my proposal to establish a nationwide credit card eligibility and computer system to help veterans to receive rapid service on their claims to obtain their rights. My letter to the VA Administrator contains the details of my Veterans' Credit Card proposal to speed up VA's disbursement of veterans benefits.

My letter of April 1 follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., April 1, 1974.

Mr. DONALD E. JOHNSON,
Administrator of Veterans Affairs, Veterans Administration Building, Washington, D.C.

DEAR MR. JOHNSON: As you are well aware my Congressional office receives a large number of calls, visits and letters from Veterans having difficulty communicating with your agency, or who are perplexed over the paperwork required in obtaining their rights.

It is my understanding that under the President's direction you are setting up a task force for the purpose of alleviating this and other situations troubling and disappointing Veterans in obtaining benefits voted them by Congress.

I commend to your task force's attention the suggestion of setting up a credit-card sized identification and computer system for all eligible Veterans and their widows and dependents. It is my understanding that a similar system is already in use by your Department of Medicine and Surgery and is working successfully. I believe this could be expanded to include all Veterans eligible for education benefits, home-buying and job assistance.

Much of the difficulty encountered by Veterans is the lateness of VA checks due to lost paperwork, delayed paperwork, failure to inform VA of changes in address and misunderstandings in respect to duration and primacy of school or on-the-job training rights.

A Veteran's eligibility credit card, setting forth the "C" number, Social Security Number, eligibility rating and the expiration dates thereof, seems to me to be a practicable solution to many of your problems. In conjunction with a computer card imprint system for the Veteran's credit card, tied in with local Post Offices, Veterans who move or are otherwise delinquent in notifying VA of changes in status or who fail to fill out proper forms would have a central place for short-term action in obtaining checks. There is a Post office in almost every community in America, certainly in every college community, but such is not the case with VA installations. A veteran presenting his credit card to a local Post Office, with leased computer or telephone connections to authorized check-writing facilities of the Federal government, seems to me to be a 21st Century recognition of the facts of life concerning today's communication needs.

The VA can be proud of its services to Veterans in most areas under your jurisdiction. The one area of seemingly constant grief to Veterans and your agency, as well, lies in the apparent lack of up-to-date communication facilities. I urge your serious consideration of the proposals set forth above. With your concurrence in this matter, I will be happy to present to the Congress of the United States whatever legislation is needed to implement this proposal.

With best wishes, I am.

Sincerely,

JOEL T. BROYHILL,
Member of Congress.

WILLIAM BUCKLEY'S COMMENTS ON HISC'S "ABOLITION"

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. ASHBROOK. Mr. Speaker, Nikita Khrushchev, former head honcho of the Comunist Party of the Soviet Union—and therefore of the U.S.S.R.—once remarked at a conference that he would bury the U.S.A. Where better place to begin the interment process than with the Federal Government's security agencies, including the House Internal Security Committee?

William F. Buckley, Jr., charter member of the postwar conservative cadre and eloquent spokesmen and defender of legitimate establishment endeavors, asked rhetorically in his news column, "Why Bury Security Committee Now?" He observed:

> It always has been faddish to wish to eliminate the internal security committee, mostly because its targets speak reliably through echo chambers that reach us all; and because it is chic to treat Communists and such as decorative creatures that enliven dull parties, such as at Leonard Bernstein's house.

It struck Mr. Buckley as extraordinary—as indeed it must also the majority of the House Members who voted overwhelmingly on Monday in favor of HISC's 1974 operational funds that:

> The only committee of the House of Representatives charged with concerning itself ongoingly with the problem of internal security should be redundant.

On Monday, April 1, the committee's opponents in the House—who numbered only 86 when all the runs were tallied, had selected the gentleman from Massachusetts (Mr. ROBERT DRINAN) as their leadoff batter against HISC's 1974 appropriations. In principle, this was a sound game plan because the distinguished gentleman was after all, an ostensible player on the home team. However, as Billy Buckley indicated, the gentleman had gone "down to Washington, consented to—indeed sought out—membership" on the committee, because "he wanted to bore from within. About this he is utterly candid."

True, the New England Representative had been openly frank about his intentions having conceded publicly that he would "collapse the committee from within." But, by the same token, can one not hope that, having done so, he would again, in 3 days rebuilt it?

Mr. Buckley's article of March 17, 1974, in the Washington Star News, follows:

WHY BURY SECURITY COMMITTEE NOW?

(By William F. Buckley, Jr.)

The annual report of the House Committee on Internal Security is interesting in several respects; not least for an exchange way back near the end between the committee's chairman, Mr. Richard Ichord of Missouri, and a fellow Democratic member, the Reverend Robert F. Drinan of Massachusetts.

Fr. Drinan's interest in internal security is to be compared to, oh, Richard Nixon's interest in lepidoptera. Though that is not actually correct: Fr. Drinan, like a few other congressmen and senators, is interested in internal security in the sense of wishing to do away with those who are interested in internal security. It is as if Richard Nixon, indifferent to butterflies, wished to extinguish all butterfly activities.

That is why the Jesuit from Boston, when he went down to Washington, consented to—indeed sought out—membership in what used to be called the House Committee on Un-American Activities. He wanted to bore from within. About this he is utterly candid. He begins his Additional Views, in the annual report, with the sentence: "Born of a reflexive fear of communism now outmoded, the House Internal Security Committee, a shadow of its evil past, continues to exist out of congressional inertia."

Well, a lot of things continue to exist out of congressional inertia, and a lot of things don't exist that should exist on account of congressional inertia, and a lot of people are in Congress on account of citizens' inertia, but the notion that it is "outmoded" to fear a country that possesses hydrogen bombs and a lust for world domination, and a second country that is developing its hydrogen bombs and shares that lust for world domination, is hardly outmoded.

In my case, save only the fear of Hell, which I presumably share with Fr. Drinan, I can't think of anything one could reasonably fear more than communism-cum-hydrogen bombs. As for the committee's "evil" past, I recommend the book, *The Committee and Its Critics*, Putnam, 1962, edited by myself.

It always has been fadish to wish to eliminate the internal security committee, mostly because its targets speak reliably through echo chambers that reach us all; and because it is chic to treat Communists and such as decorative creatures that enliven dull parties, such as at Leonard Bernstein's house. Accordingly, Congressman Bolling has proposed that the House committee be abolished and made, instead, a casual part of the Judiciary Committee.

These shifts tend to have a symbolic rather than a purely administrative meaning, as such as Fr. Drinan realize: He is very enthusiastic about the idea, confident that it would mean, in effect, an end to the committee.

It seems to me extraordinary that in a season when so very much criticism, much of it correctly, has been made against Richard Nixon's invocation of national security, that the only committee of the House of Representatives charged with concerning itself ongoingly with the problem of internal security should be thought redundant. Is it really exclusively up to the President to worry about these things? If the President is going to wiretap people in order to stop leaks of vital information, what laws should he consult? Who is better equipped to make intelligent recommendations on the matter than a congressional committee charged to look after the requirements of the internal security?

Tom Charles Huston has been widely pilloried for his secret plan to guard the security of the White House, and of the political parties at Miami. Why is it unreasonable to expect congressional guidance on such matters, and, again, who is better equipped to give it than those who study the problem, seeking a judicious balance between individual freedom and the demands of internal security? You would think that Fr. Drinan was for once in his life concerned to save money. Yet we are talking about a miserable budget of a half million dollars.

The latest publication of the committee is on the Symbionese Liberation Army. Unlike the press, the committee is armed with subpoena power, and can get answers to questions which can serve as the foundation for useful legislation. What's wrong with that?

Let Fr. Drinan go back to Cambridge and confess there that he finally voted to urge Congress to continue to concern itself with the internal security. Surely he can find a law that would protect his freedom publicly to express his repentance? Who knows, such a law might have been drafted from recommendations made by the old, evil House Committee on Un-American Activities.

TAX REFORM LEGISLATION FOR THE OIL INDUSTRY

HON. AL ULLMAN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. ULLMAN. Mr. Speaker, I would like to bring to the attention of all the

Members a letter from one of my constituents, Mr. John Daniel of Klamath Falls, Oreg. As you know, the Ways and Means Committee has been considering the question of oil taxation for some weeks now, and Mr. Daniel's letter goes to the heart of the issues before the committee. Since the decision the Congress must eventually make in this matter will have a profound impact on energy production and consumption in our country for many, many years, I would like to include Mr. Daniel's letter at this point in the Record:

DEAR MR. ULLMAN: I understand that your committee is now considering tax reform legislation for the oil industry. I urge you to support elimination of the percentage depletion allowance, the crediting of foreign royalty payments against federal income taxes, and the write-off of intangible expenses. Though oil industry profits are much higher than the corporate average, I support these changes largely for a different reason. The effect of these present tax favors to the oil industry is to artificially lower the prices of petroleum products on the market, thus nurturing demand and consumption. Individuals, and especially business, that consume greater than average quantities of petroleum products are therefore receiving a *de facto* federal subsidy—which means that ultimately the general taxpayer is footing the bill.

Clearly, our new priorities must call for a tax structure that will discourage the profligate consumption of oil (and all energy resources) rather than continue to encourage such consumption. Removing the present oil industry subsidies will allow the free market place to operate in setting oil product prices at what they actually *cost*, instead of at an artificially low level. Oil companies assert that they need these subsidies to develop new reserves, but it seems to me the current escalated market price of petroleum eliminates the need for the subsidies, if a need ever existed.

For Americans—individual consumers and business alike—to be able to deal with our energy problems, the price of energy must reflect its scarcity. We have become energy gluttons, conditioned to believe our resources are illimitable. It is an oversimplification to assume that the problem is merely to develop new energy resources; we must at the same time strive to curb our enormous appetite for energy—an appetite that has grown too huge for the earth to sustain. Peripheral measures such as the 55 mph speed limit help, but tax reform legislation is of far more fundamental importance.

Sincerely,

JOHN DANIEL.

THE AMERICAN RIGHT TO PRIVACY

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. STOKES. Mr. Speaker, President Nixon has belatedly recognized that privacy exists. Nixon's deeds more than his radio statement make a strong case for increased protection for the right to privacy. Privacy is a vital national concern which must receive increased attention if it is to be preserved against the onslaught of technology and bureaucracy. An excellent response to Nixon's radio statement on privacy was made by Aryeh Neier, executive director of the American Civil Liberties Union:

RESPONSE BY ARYEH NEIER, EXECUTIVE DIRECTOR, AMERICAN CIVIL LIBERTIES UNION, TO THE ADDRESS BY PRESIDENT RICHARD NIXON DELIVERED ON FEBRUARY 23, 1974, "THE AMERICAN RIGHT OF PRIVACY"

Last Saturday, President Richard Nixon said that if government "fails to respect its citizens' right to privacy, [it] fails to respect the citizens themselves." Most Americans would agree with that statement. It is good to see President Nixon expressing such sentiments. While there is a certain irony in the fact that this President made that statement, anyone devoted to the right of privacy can only welcome the President's profession of concern.

Unfortunately, there was a glaring omission from the President's statement. It is so significant and remarkable an omission that it is difficult to believe it was accidental. The President rightly noted that, "Careers have been ruined, marriages have been wrecked, reputations built up over a lifetime have been destroyed by misuse or abuse of data." However, he discussed these problems entirely in the context of data-banks created for the collection and dissemination of information for consumer credit, social welfare, insurance and criminal justice purposes. At no time did President Nixon so much as mention the problems of political surveillance. Furthermore, there was no hint of concern with political surveillance in the detailed background paper that was issued in conjunction with President Nixon's speech by the Office of the White House Press Secretary.

The problem of political surveillance has been highlighted by the Watergate disclosures of the past year. However, it is not a new problem. For more than a half century, the Federal Bureau of Investigation has been collecting data on persons engaging in lawful political activity. The F.B.I. infiltrates peaceful political organizations, photographs participants in lawful demonstrations, peruses the bank records and tax returns of political dissenters, records their names and exchanges intelligence data with many other governmental agencies. A deliberate purpose of this activity, as an internal Bureau memorandum has instructed agents, is "to get the point across that there is an F.B.I. agent behind every mailbox." Such other federal government agencies as the Immigration and Naturalization Service, the Department of Health, Education and Welfare, the Passport Division of the State Department, the Secret Service and the intelligence divisions of the various military services have all compiled banks of dossiers on political dissenters. In addition, most urban police departments have had their own political surveillance systems. In a recent court case, the New York City Police Department admitted that it alone had maintained files on the peaceful and lawful political activities of about a million persons. Political data banks are also maintained by Congressional committees and by private agencies which make a business out of selling this information to employers.

Surveillance of lawful political activities is often justified by the claim that its purpose is to protect our national security. The shibboleth of national security is also invoked as the reason for keeping secret from the American public many of the activities of its government. It is high time to abandon these claims of national security. We cannot achieve security by methods which destroy the basic freedoms of the society we seek to protect. A functioning democratic society cannot endure unless its citizens can engage in political activities free from an all encompassing sense of being observed and recorded. The tone of life and spontaneity of spirit which should characterize a free society cannot survive in an atmosphere in which a person's every deviation from the political norm is noted by government snoopers and stored for future reference. The consequence of such intensive monitoring of political activities and associations must inevitably be the drastic curtailment of any society's capacity for diversity and freedom.

For the most part, this country's political surveillance apparatus has grown up in the absence of any legal authority to support it. It has appeared to have a life of its own and our elected officials seem unable to control the snoopers in the F.B.I. and in the other agencies which gather domestic political intelligence. It hardly seems possible to engage in a serious effort to reestablish the right to privacy if the entire question of political surveillance is evaded, as it was evaded by President Nixon in his speech last Saturday.

In the areas that he did touch upon, the President made a number of commendable comments. He noted that credit is often withheld on the basis of inaccurate data; that jobs may be denied because of arrest records not updated to show that charges were dropped or the person found innocent; and that what a person gives to his church or his charity is his own personal business. To deal with these problems, President Nixon said, "We need more than just another investigation and just another series of reports." Quite right. However, the President failed to note that there are bills presently pending in Congress which effectively address all these problems and other pressing problems vitally affecting the right to privacy. Among these bills are:

Senate bill 2360—This bill which was introduced by Senator William Proxmire, would reform the practices of the credit industry by requiring agencies seeking a report on a person to obtain his or her consent. It would also give the person about whom a credit report was compiled the right to inspect and obtain a copy of his or her file; require expungment or correction of incomplete information; limit dissemination to those authorized by the subject of a report; and ban the collection of data about political views, race, religion, and of uncorroborated hearsay.

Senate bills 2963 and 2964 which were introduced by Senators Ervin and Hruska and House Bill 9873 introduced by Representative Edwards would severely restrict the dissemination of arrest records not followed by convictions and would limit the wholly promiscuous dissemination of conviction records.

Senate bill 2200 introduced by Senator Cranston and House bill 9424 introduced by Representative Stark would require formal legal process or customer permission when the government tries to examine an individual's bank records.

Senate bill 2810 introduced by Senator Goldwater and House bill 10042 introduced by Representative Barry Goldwater, Jr. would place important controls on government data banks returning control over personal information to the individual to whom it relates.

Senate bill 2820 introduced by Senator Nelson would eliminate all wiretapping that is not, at the very least, authorized by a warrant granted by a court.

Senate bill 2318 introduced by Senator Ervin would prohibit the military from spying on civilian citizens.

A number of these bills have wide support in the Congress. For example, Senator Ervin's bill to ban political surveillance over civilians by the military has 34 co-sponsors in the Senate. Support for such specific measures from the President could help greatly in getting them adopted. If President Nixon means what he says when he states, "We need action," he should lend his support now to such specific measures. Unfortunately, that is not what the President has yet done. While he stated that we need "more than just another investigation," he has set in motion just such an investigation. President Nixon has created a Committee of government officials chaired by Vice President Ford to tackle the problem of privacy. He has directed that Committee to begin to provide a series of measures to protect privacy within four months. If the Committee follows the President's directions, it should be ready to begin proposing measures by the end of June. That will be close to the time that the Congress will adjourn for the summer in this, an election year. In all likelihood, it would mean no Congressional action at all in 1974.

Despite shortcomings, President Nixon's expressions of concern about privacy are a very valuable contribution. I urge the President to make good on the concerns he has stated. He can do so by giving timely support to some of the specific measures to protect privacy now pending in Congress. And, perhaps even more significantly President Nixon can do so by enlarging his horizons to encompass the most serious of the many intrusions on the right to privacy: the problem of political surveillance. If we cannot keep our rights to speak and associate from being noted and recorded by Big Brother for possible use against us, then the right to privacy will not exist.

AMERICAN AGRICULTURE: AN ESSENTIAL PART OF OUR FOREIGN POLICY

HON. WILLIAM R. ROY

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. ROY. Mr. Speaker, recently, Far-Mar-Co., Inc., of Hutchinson, Kans., the Nation's largest grain cooperative, placed advertisements in several newspapers and magazines. Entitled "$9.3 Billion Will Buy a Lot of Oil," the advertisement pointed to the significant contribution of agricultural exports in this Nation's 1973 trade surplus.

I ask that the text of this advertisement be reprinted below, because it expresses in a few words the extraordinary importance of American agriculture:

[From the Washington Star-News, Mar. 24, 1974]

$9.3 BILLION WILL BUY A LOT OF OIL

American agricultural exports totaled $17.7 billion in 1973. With a $9.3 billion surplus.

That spectacular accomplishment wiped out the $7.6 billion non-agricultural deficit. Leaving this nation with a $1.7 billion trade surplus.

Our first favorable balance of trade since 1970.

Farm exports were a key factor in stabilizing the dollar. In strengthening our international trade posture. And in helping pay for much needed oil and consumer goods that help all Americans live better and more comfortably.

In fiscal 1973, on a gross basis, agricultural exports generated income of over $28 billion. And 60% of it was non-farm income. More than 450,000 non-farm jobs were directly or indirectly related to the assembling, processing, and distributing of agricultural commodities for export.

American agriculture. It's time to recognize it as an essential part of our foreign policy.

This ad is being sponsored by Far-Mar-Co., Inc., as part of its continuing efforts to speak out on behalf of agri-businessmen throughout the U.S. Far-Mar-Co. is the nation's largest grain cooperative representing over 300,000 farmers in an eight-state area: Nebraska, Missouri, Colorado, South Dakota, Iowa, Wyoming, Oklahoma, and Kansas.

Far-Mar-Co., Inc./Wiley Building/Hutchinson, Kansas 67501/(316) 663-3321.

ROZELLE RULE

Hon. Yvonne Brathwaite Burke

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mrs. BURKE of California. Mr. Speaker, no matter how much a professional athlete earns—and in some instances, it is substantial, although his athletic career is usually short lived, depending on the sport in which he is engaged—he cannot call himself a free man under present legal restrictions.

He or she is, in essence, a chattel of the professional club's ownership. Under present regulations, an athlete cannot contract with another athletic organization until he is given an unconditional release. He can be "blacklisted" for attempting to take independent action, and he cannot sign with a second team until he plays out his option and the first team is adequately compensated for his switch.

The Supreme Court, in the Curt Flood case, upheld baseball's exemption from antitrust prosecution, but the Court did indicate that Congress could remove this exemption.

I believe that it is now time to give professional athletes the same right enjoyed by any worker—the right to contract and work for anyone he wishes. An athlete should not be "owned" by his employer. And, since a professional athlete's career is so short, he must be free to negotiate for the best working conditions he can.

Therefore, to reverse this condition of servitude, I am happy to cosponsor H.R. 12397 and 12754 to prohibit enforcement of the reserve clause and practices, such as blacklisting and the so-called Rozelle rule. I trust that Congress will act promptly to help the men and women who provide such wholesome entertainment and diversion for the American public.

U.S. GOVERNMENT SOURCE SAYS: "NO MAJOR NORTH VIETNAMESE OFFENSIVE PLANNED"

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. DELLUMS. Mr. Speaker, according to a recent article by Jack Foise of the Los Angeles Times, about 10,000 American troops will soon be withdrawn from Thailand because "both governments are satisfied that the North Vietnamese are planning no major offensive in neighboring Vietnam now that the 'dry season' is nearing its end."

This is an important revelation, because only this week we have received conflicting reports from both the State Department and the American Embassy in Saigon which warn of an impending North Vietnamese offensive.

And this sort of contrast poignantly indicates how supporters of our corrupt policies in Indochina attempt to manipulate situations to fit their daily needs.

As in the past, I am sure that when Congress finishes its debate on military aid to Thieu, we will once again have a change of viewpoint from Saigon, and that the impending offensive will have been stymied.

Plus ça change, plus c'est la même chose.

The Los Angeles Times article follows:

U.S. FORCE IN THAILAND TO BE SHARPLY REDUCED

(By Jack Foisie)

BANGKOK.—The U.S. and Thai governments Friday announced a sharp reduction in American military forces in Thailand—a cutback of about 10,000 men, mostly airmen, and a small reduction in B-52 bombers.

The move, slated to begin in mid-May and to be completed by the end of the year, comes about apparently because both governments are satisfied that the North Vietnamese are planning no major offensive in neighboring Vietnam now that the "dry season" is nearing its end.

This would leave about 27,000 Americans in Thailand as a "standby" retaliatory force with conventional air strike capacity.

The reduction, which the announcement said was formally agreed to only Friday by the Thai prime minister and the U.S. ambassador, reflects a general lessening of U.S. concern over Indochina developments, sources said.

In Friday's joint communique, Thai Prime Minister Sonya Thammasak was credited with determining that the "security situation" in Indochina was such that about one-fourth of the remaining Americans-in-uniform in Thailand could withdraw.

Authoritative sources said the communique reflected more than the belief that the threat of big enemy action in Indochina had subsided. It also indicated a desire by both Thais and Americans to reduce the "giant profile" of the U.S. Air Force units remaining in Thailand. The Thais are trying to improve their relations with the People's Republic of China, and the Pentagon is trying to cut overseas spending.

At peak, the U.S. armed forces in Thailand numbered about 48,000 men. Even after a year of "cease-fire agreements" in Vietnam and Laos, and an end to American bombing of Cambodian rebels last August, the U.S. command here had only pared down by 10,000 men—in small unit departures. Six of seven American air bases in Thailand remain open.

The new cut of another 10,000 probably will result in the closing of another base, and a modest reduction in the B-52 force at Utapao, a complex designed for long-term use. The Utapao big bombers, which smashed at Hanoi near war's end, currently remain at full strength of more than 50.

SOUTH VIETNAM ATTACK ALLEGED IN VIOLATION OF CEASE-FIRE

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. BROWN of California. Mr. Speaker, President Nixon is never reluctant to take advantage of any opportunity to claim responsibility for achieving peace in Indochina, for ending the war in Southeast Asia. Indeed, in the State of the Union address, Mr. Nixon proudly announced,

> The United States is at peace for the first time in a decade.

These remarks are not only premature, but misleading as well.

The fact is that the war continues to rage in Indochina, over a year after the Paris peace agreement was signed. The fact also remains that the United States continues to subsidize, at a rate of over 80 percent, the operation of the corrupt Thieu regime. It is particularly fitting, on this day preceding congressional consideration of the request by the Department of Defense of an additional $474 million for aid to South Vietnam, to again underscore that the United States is still funding a war effort in Indochina.

We hear of repeated direct violations of the cease-fire agreement; it is in this regard that I offer the following Washington Post article of March 25, 1974:

SOUTH VIETNAM ATTACK ALLEGED IN VIOLATION OF CEASE-FIRE

(By Philip McCombs)

TINHBIEN, VIETNAM.—South Vietnamese troops attacked Communist forces across the Cambodian border from this town last August in an apparent violation of the Paris cease-fire agreement, according to sources here.

The battalion-sized operation, including dozens of U.S. supplied armored vehicles, was launched in support of Lon Nol government troops under pressure following the Congressionally ordered bombing halt in Cambodia, the sources said.

"It was a secret operation because the ARVN [Army of the Republic of Vietnam] was afraid to be caught violating the cease-fire agreement," said one South Vientamese officer here.

Chapter seven of the January 1973 cease-fire agreement forbids the introduction into Cambodia by foreign countries of "troops, military advisers and military personnel, armaments, munitions and war material."

Saigon's military spokesman, Col. Le Trung Hien, denied in Saigon that there was any cross-border operation here.

"Before the cease-fire, ARVN conducted such operations from time to time in hot pursuit of the enemy, but there have been no cross-border operations since the cease-fire even in hot pursuit," he said.

Saigon is particularly sensitive on such questions now because the U.S. Congress is considering further military aid requests for South Vietnam and studying the use to which aid is put.

Despite Trung's denial, at least three reliable and independent sources here, one of them a high-ranking ARVN officer, confirmed that the cross-border operation took place and provided details.

It could not be learned whether Phnom Penh requested the intervention or Saigon undertook it unilaterally.

Until last Aug. 15, when the deadline for American bombing in Cambodia took effect, Cambodian troops occupied a wedge of territory across from this town 115 miles west of Saigon and 70 miles south of Phnom Penh.

The Vietnamese here used to sit on their porches and watch American jets dive-bombing the hills where Khmer Rouge and North Vietnamese army positions were located.

Every once in a while—at night—there would be a B-52 strike, too. People here say the earth would shake and the air would be filled with fire.

But all that changed with the bombing halt. The Communists moved toward this town and the Cambodian government troops retreated.

The South Vietnamese came to their aid, but in the end the Communists won, driving both forces back across the border and into South Vietnam.

In the course of the battle, the sources said, 20 South Vietnamese amphibious armored vehicles were destroyed and the communists captured seven others in good condition.

After the battle, the South Vietnamese took the battered Cambodian government battalion, about 400 troops, a few miles east of here to a branch of the Mekong River. The battalion then went by boat to Phnom Penh.

On the high ground near here, people point across a wide, flat valley to what they say are Khmer Rouge positions in the hills on the other side.

The "seven mountains," rocky hills that straddle the border, stand isolated on the vast Mekong rice plain. They are one of the few natural hiding places in the delta and formerly a key North Vietnamese infiltration route into South Vietnam.

The Communists have been shelling Tinhbien regularly from the other side of the border for the past several months, according to people here, and the South Vietnamese have been answering with artillery fire.

A man who lives on the edge of town closest to the Cambodian border, which is not clearly defined but which lies less than a mile northwest of here, said people in the town are always afraid of Communist attacks.

"The Khmer Rouge shot a shell in here the other morning and wounded a woman and a child," he said.

Cambodian refugees here from Khmer Rouge zones say that relations between the Khmer Rouge and the North Vietnamese continue to be strained over questions of sovereignty.

The Communists allies operate separately for the most part, according to these refugees, and the Khmer Rouge demand detailed itineraries before allowing North Vietnamese units to make any moves inside areas controlled by the Khmer Rouge.

Such strains seem to arise chiefly because of deep-seated racial and cultural animosities between Cambodians and Vietnamese. This makes the South Vietnamese aid to Cambodian government troops here all the more interesting.

RAIL SERVICE IN INDIANA

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. HAMILTON. Mr. Speaker, on February 1 the Department of Transportation issued a report, "Rail Service in the Midwest and Northeast Region," which contains proposals that would severely cut rail service in Indiana. The report, required by the Regional Rail Reorganization Act of 1973—Public Law 92-236—ignores major criteria for railroad planning set forth in the act. At the public hearing of the Interstate Commerce Commission's Rail Services Planning Office in Indianapolis, March 12, 1974, I presented a statement opposing the DOT report.

I include the statement at this point:

I am Lee H. Hamilton, U.S. Representative in Congress from the Ninth District, Southeastern Indiana. Thank you for this opportunity to testify at this public hearing of the Rail Services Planning Office concerning the impact of the Department of Transportation Report, *Rail Service in the Midwest and Northeast Region*.

The wholesale abandonment of rail trackage proposed by the DOT would create unwarranted hardship for the people of Southeastern Indiana. The Department of Transportation has elevated a narrow and questionable definition of profitability above other standards set by the Congress in the Regional Rail Reorganization Act.

A quarter of all trackage in the country—or over 15,000 miles of track—would be scrapped if the DOT proposal is approved, and Indiana would be especially hard hit. At a time when transportation policy ought to concentrate on ways to expand the use of railroads, which are by far the most energy-efficient means of moving people and freight, this proposal is unacceptable.

The DOT has doomed rail service for much of Indiana, and in the 9th Congressional District in Southeastern Indiana the Department's proposals would result in havoc to the regional economy and the needs of commerce. I want to strengthen rail service, not eliminate it.

In summary, the impact would be as follows:

Now, ninety-nine communities in Indiana's Ninth District have rail service. The Department of Transportation proposes service to only twelve communities. Instead of 125 freight stations, there would be only twelve.

Now, 17 of the 19 counties that lie wholly or partly within the District have rail service. The Report would limit service to only eight counties.

Now, 17 feeder lines serve District communities. The Report would abandon twelve lines, partially close two more, and leave only three completely open.

I trust the Members of the Rail Services Planning Office will listen attentively to the distressed pleas of economic hardships by state and local officials as they testify before you, and I also trust you will be sensitive to the necessity of adequate rail service to all of Indiana's major industries.

May I also suggest that you explore systematically the relationship between increased traffic and improved service. Many 9th District constituents suggest to me that traffic would rise sharply if service were improved.

The fundamental error of the DOT Report is that it places total emphasis on the objective of creating a "financially self-sustaining" rail system, and is insensitive to the other criteria required by the Congress in developing the Final System Plan. These criteria include, among other things, the need for rail service, environmental impact, and minimization of job losses and associated unemployment.

I appreciate your attention to these remarks, and I am confident the RSPO will analyze rail service from the broader perspective of the criteria of the Regional Rail Reorganization Act.

LEGAL SERVICES: PUBLIC VERSUS PRIVATE

HON. EARL F. LANDGREBE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. LANDGREBE. Mr. Speaker, the debate surrounding the establishment of a national Legal Services Corporation has been conducted in terms of nonessentials—proceeding from the premise that such a corporation should exist, proponents and opponents alike argue only over—how much power it should have. The question they should be debating is: Should we even have a legal services program financed at public expense?

Aside from the moral issue of forcing taxpayers to finance the legal services of someone who may turn around and sue them, there is much evidence that private legal services organizations could provide much better service at less expense. In Indianapolis, Ind., for example, two organizations have been working side by side, both allegedly attempting to help those who cannot afford to pay with their legal problems. One is the OEO-funded Legal Services and the other is the independent, privately supported, Legal Aid Society. In 1972 the Government Legal Services organization was staffed by 19 attorneys with a budget of $526,000. They handled a total of 3,213 cases, an average of 169 cases per lawyer with an average cost of $163.70 per case. The private Legal Aid Society, on the other hand, was staffed by only 4 lawyers who managed to handle 5,455 cases, an average of 1,364 per lawyer at an average cost of $14.60 per case. The private group's overall budget was $80,000, less than 20 percent of the funds available to the Government operation.

Given evidence such as this, why are not those who profess concern with providing legal services to the poor advocating at least consideration of private instead of public legal services programs?

The answer to this question lies in the history of the OEO-funded legal services program, which is replete with evidence of political abuses. Specifically, with instances of the use of public funds for the promotion of a variety of liberal-left causes.

If their goal was to provide legal services to those who cannot afford to pay, the advocates of such services would be opting for private programs. Obviously, however, their goal is a legal services program that can be used for political advocacy. And for this purpose, a private organization would not work—people would not voluntarily donate funds to those who would promote a philosophy of destruction of liberty and freedom. Thus, they need a public legal services organization so that the Government will, by use of the power of taxation, collect their funds for them.

INCREASING THE QUOTA OF THE CAPE VERDE ISLANDS

HON. FERNAND J. ST GERMAIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. ST GERMAIN. Mr. Speaker, the existing immigration quota from the Cape Verde Islands of Portugal is a mere 200 persons annually, and that figure has maintained for too many years. We Rhode Islanders value our citizens of Cape Verdean origin as a productive, hard-working segment of our State's population. They are represented and distinguished in every profession. They are teachers, public servants, merchants and laborers, and have made many valuable contributions to the quality of life in Rhode Island. The House of Representatives of the General Assembly of the State of Rhode Island, taking note of the low immigration quota, passed on the 15th day of March, 1974, the following house resolution memorializing the Congress of the United States to enact legislation to increase the immigraton quota for people from the Cape Verde Islands of Portugal from 200 to 600 annually.

State of Rhode Island House Resolution

Resolution memorializing the Congress of the United States to enact legislation to increase the immigration quota for people from the Cape Verde Islands of Portugal from 200 to 600 annually

Resolved, That the general assembly of the state of Rhode Island hereby respectfully memorializes the congress of the United States to enact legislation to increase the immigration quota for people from the Cape Verde Islands of Portugal from 200 to 600 annually; and be it further

Resolved, That the secretary of state be and he hereby is authorized and directed to transmit duly certified copies of this resolution to the senators and representatives from Rhode Island in the congress.

WNBC-TV CAMP TENT SAFETY SERIES CONTINUES

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. PEYSER. Mr. Speaker, WNBC-TV in New York continues to run its excellent series on the flammability of camp tents. This series has already gained nationwide acclaim, and for this reason, I would like to make the third installment in the series available to my colleagues:

[From WNBC-TV Sixth Hour News, Mar. 25, 1974]

Flammable Tents

Jim Hartz. Earlier this month we had a report on the hazards of pup tent fires. Like most people, we were startled by the flammability of the material used in the manufacture of most of the tents on the market these days; today we have a follow-up report on a fabric that could make tents completely safe.

As the result of a recent story we did on the intense flammability of pup tents, we've received a number of inquiries from viewers, both by telephone and by letter, on what they can do to flameproof existing tents. Well, we've checked with a number of sources and found out that it can be done, but it's very unreliable. What happens is, the flameproofing washes off in the rain.

We've set up two tents here at the Fire Department Training Center on Welfare Island to demonstrate to you the problems with existing tents; and also we'll show you what can be done with new fabrics to make tents safer.

In case you missed our earlier report, here's what happens when a flame is touched to an ordinary pup tent. (Film Clip.)

As we reported in our first story, most of the tents people now have are made of canvas and paraffin; those are the tents which are real fire hazards. In the last few years there have been at least seven deaths and twenty-five gross disfigurements in such tent fires. We have no idea how many minor injuries have been suffered, very largely because people just aren't aware of the danger. But since our report two new laws have been proposed for New York.

Okay, now we're going to try to do the same thing with this tent.

First of all, take a cigarette, put it directly on the material and hold it. And nothing happens. In fact, it put out the cigarette.

Alvord. Even if the Scouts do engage in an aggressive campaign, how far can they really go in making sure that standards are met and also the people buy the tents? (Background voices.)

Director. Well, I think this is the thing that we need to get to. At the present time, there are three states that have minimum standards for tents in regard to flame retardancy. And we feel that this thing should be carried out in terms of the government urging that all tent manufacturers clear across the country—because three states is not enough.

Alvord. Isn't the real key to this the industry, the people who make the tents in the first place?

Director. Yes it is. And the industry has adopted a flame-retardant finish that is approved and will work. The problem is that they've got to go to the Federal Government, they've got to convince the Federal Government that they are doing something about it, that they will be willing to patrol their own industry. But they've got to be more aggressive about it.

ALVORD. So, efforts to promote flame-resistent tents are beginning, but nevertheless, millions of American campers will go into the field this spring and summer, camping in tents whose canvas will burn quickly and tragically, and whose labels don't tell them so.

Ken Alvord, WNBC/TV News.

HARTZ. There is an indication now that the industry may take action and a move is underway to get some effective federal standards as to labeling and fire retardancy. We will be watching those developments.

YOUNG TESTIFIES ON VETERANS BILLS

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. YOUNG of Florida. Mr. Speaker, recently I had the privilege of testifying before the House Veterans' Affairs Committee's Subcommittee on Compensation and Pension, on behalf of three bills which I introduced last year. I feel these bills are of special importance to certain groups of veterans, and would therefore like to present my testimony to my colleagues and urge them to support these bills when they come before the House:

TESTIMONY OF HON. C. W. BILL YOUNG BEFORE THE SUBCOMMITTEE ON COMPENSATION AND PENSION, HOUSE VETERANS' AFFAIRS COMMITTEE ON H.R. 3623, H.R. 6290, AND H.R. 6427

Mr. Chairman, I want to thank the members of the Subcommittee for providing me with this opportunity to testify on behalf of three bills which I have introduced to aid our veterans, especially our disabled veterans. As one who has testified on several occasions before this subcommittee, I know that it shares my continued concern over the veterans of this country and their special needs.

H.R. 3623 provides for adjustment assistance to prisoners of war of the Vietnam era because of the inhumane circumstances of their incarceration; a former POW may receive, under this bill, $30 per month for each year or portion of a year that he was detained as a prisoner of war, up to a maximum of $150 per month.

Mr. Chairman, I watched, along with millions of other Americans, as our returning POWs disembarked and were greeted by their families. The physical marks of their long captivity were apparent even then, and as their tales of torture, deprivation, and mistreatment were told, I realized that these men had suffered as much or more than men who were wounded in battle. My bill recognizes this suffering and provides payment as if our POWs had suffered a disability.

The Congress has done very little thus far to provide compensation to our POWs for the long years of suffering which they have undergone on behalf of their country. Even less has been done for their families. I trust in the judgment of this subcommittee to remedy this defect and provide to our POWs this form of disability compensation for the sufferings which they have endured.

H.R. 6290 would amend title 38 of the United States Code to stabilize and "freeze" as of January 1, 1973, the Veterans Administration Schedule for Rating Disabilities, 1945 edition, and extensions thereto. I am sure my colleagues on the subcommittee are aware of the background of this legislation, so I will touch on it only briefly. The Veterans Administration had proposed in late 1973 sweeping changes in VA disability compensation schedules which, by drastically reducing disability ratings and thereby pensions, would have saved $160 million. I shared the shock and dismay of the millions of veterans who found themselves faced with imminent cuts as the nature of their disabilities were downgraded as an economy move. And I shared their pleasure in learning that President Nixon himself ordered the VA to rescind its proposals.

However, there is nothing now in the law to prevent the VA from trying these high-handed tactics once again. Unless the Congress resumes formal responsibility for managing the rating schedule, our veterans remain under constant threat of having their pensions reduced at the whim of the VA. H.R. 6290 would remove that threat by freezing the rating schedule as it now stands and requiring that any future changes be approved by the Congress before being implemented.

Finally, H.R. 6427 provides additional monthly compensation to those veterans who are totally disabled as a result of combat injuries. Such veterans are a very special group of men—they have made an enormous physical sacrifice for their country, and have done so on the field of battle. It is in recognition of this special sacrifice that I propose we give these men—many of whom are permanently confined to wheelchairs and restricted in the scope of life they can enjoy—a small additional sum monthly. They have difficult adjustments to make and special expenses to meet because of their total disability. Extra monthly compensation is one thing that a grateful Nation can provide to those so severely injured on the field of battle.

In conclusion, Mr. Chairman, I urge the subcommittee's favorable consideration of the foregoing three bills, and its continued attention to the problems and needs of America's veterans.

ANNOUNCEMENT OF HEARINGS ON FEDERAL EMPLOYMENT PROBLEMS OF THE SPANISH SPEAKING

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. EDWARDS of California. Mr. Speaker, the Civil Rights and Constitutional Rights Subcommittee of the House Committee on the Judiciary will conduct a series of hearings on the Federal employment problems of the Spanish speaking. On Monday, April 8, 1974, the Civil Service Commission will present the most recent statistics on Spanish speaking employment in the Federal government agencywide. On Wednesday, April 10, 1974, Mr. Edward Valenzuela will testify on behalf of IMAGE, a Spanish speaking employees' group.

Hearings on April 8 and 10 will commence at 10 a.m. in room 2226 Rayburn House Office Building, Washington, D.C. Persons wishing to submit statements for the record may write to the Judiciary Committee, 2137 Rayburn House Office Building, Washington, D.C. 20515.

NEW FRONTIERS IN LEARNING

HON. WILLIAM J. SCHERLE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. SCHERLE. Mr. Speaker, one of the most productive uses of title III ESEA funds has been shown in development of the Southwest Iowa Learning Resources Center (LRC) located in Red Oak, Iowa. It has made invaluable progress in evolution of innovative learning techniques and has accumulated an impressive store of teaching materials available to communities throughout Iowa. Federal funding provided the initial impetus for the LRC, but local support has enabled expansion of its facilities and services to educators. All this has been accomplished through the determined efforts of its founder, William Horner, and hundreds of interested citizens statewide. We applaude the imagination and foresight of these energetic Iowans. I know my colleagues will be interested in the following description of the learning resources center, a blueprint for action nationwide.

WHAT IS THE LRC?

In 1966, in rural southwest Iowa, William Horner, a Junior High School Language Arts teacher, applied for a grant under the sponsorship of the Red Oak Community Schools, and with the support of twenty-one additional school districts. The Title III, E.S.E.A. grant, through the United States Office of Education, provided funds for a system of daily ordering and delivery of audiovisual materials to each building in the twenty-two school districts in eight counties. The grant also provided for the installation of a planetarium and other services for the area to promote "lifelong learning." Local businessmen provided the support to construct a building and the Southwest Iowa Learning Resources Center (LRC) was born with William Horner serving as its Director.

During the first year, numerous in-service training workshops were held at LRC and in area schools to orient the teaching staffs of the school districts in the basic use of audiovisual materials. A film library of over 1500 titles was established, in addition to a complete complement of tape recordings, slides, transparencies, 8mm loop cartridges, 8mm films, filmstrips, flat pictures, and a variety of teaching kits. The LRC facility, and its materials, were made available to community groups as well as students and faculty in the schools.

During the second year, the LRC became the area depository for the Title II, E.S.E.A., book library (now over 15,000 volumes), and the scope of LRC services continued to expand.

As the Title III, E.S.E.A., funding period came to a close in the third year, the LRC was phased into a locally supported, nonprofit, tax-exempt educational organization. The president of each of the eight County Boards of Education served on the LRC Board of Directors, along with President Horner.

The County Boards now provide LRC a base support of $5 per pupil supplemented by $3 per pupil from each of the twenty-two local school districts. All counties and school districts contribute each year on a voluntary basis. To further demonstrate their support for the LRC, the eight County Boards of Education (May, 1973) voted a special assessment of $32,000 to maintain the high quality film library which now contains 3,000 titles.

By its third year, it was apparent that LRC had outgrown the 4,000 square feet in the original building. In 1970, therefore, an old building at 401 Reed Street, Red Oak, was purchased and remodeled to provide three floors of working area—giving the LRC three times the space it formerly occupied.

From the beginning of the project, Ron Curtis (Director of Education for LRC) has been experimenting with innovative applications of media, such as using the polaroid camera as the curriculum for special education students and studying feature films in the classroom. Curtis' work led to LRC's being named a model film study site, accompanied by a small grant from the American Film Institute, in 1968.

Foreseeing the need for a course of study in the understanding of contemporary mass media, LRC applied for and was awarded a Title III, E.S.E.A. grant in 1970 for the development of its "Media Now" program—an individualized, packaged lab course for high school students.

As a result of the development of "Media Now," the Department of Public Instruction of the State of Iowa has awarded a Title III, E.S.E.A., dissemination grant to enable the LRC to share the course with the entire state. Training of teachers and adoption of "Media Now" has now occurred in nearly one hundred high schools in the state of Iowa. Iowa State University began offering the "Media Now Adopter Course," a course of study for prospective teachers of the mass media in 1972. Iowa State has now made the course a requirement for graduates of the Departments of Journalism, Telecommunications, and Education. A grant from the National Endowment for the Arts, Washington, D.C., allowed the LRC to expand its training to include seventy-five media teachers from seven states in a program called "Summer of '73."

Another major program, "Project Discovery," directed by Roy Bastian and funded by the Special Needs and Career Education Section of the Iowa Department of Public instruction, is now operative, developing exploration "packages" in career education with a "hands on" emphasis. Students are introduced to the "packages" at the Junior High School level. This program makes it possible for students to have the choice of exploring a wide range of vocations through the simulated "work activity" of the packages. Assessment instruments and counseling techniques incorporated in "Project Discovery" make it a vitally-needed addition to school curricula throughout the United States.

Another current project, "Lifelong Learning," directed by Philip Olive, funded by the State Library Commission of Iowa and the Commission on the Aging, represents the fulfillment of the initial goal of the LRC to provide learning programs for all age groups from preschoolers to senior citizens. A special 16mm film library provides residents of nursing homes and county homes in a fifteen-county area in Southwest Iowa with enrichment and entertainment. Workshops for the Activity Directors from these homes offer additional training and information for special projects carried out in the homes. These workshops are funded by the Public Health Service at the Regional Office of Education, Kansas City, Missouri.

The LRC is also a distributor of in-service training material for nursing home employees. Materials (35mm filmstrips and cassette tapes) purchased by the Health Facilities Association of Iowa are made available to all nursing homes in the state of Iowa.

The Regional Rural Reading Program, funded by Title I B&C, is conducted in five school districts of the area. Wanda Morgan, Reading Clinician from the LRC, travels from school to school each week working with children and the Title I reading teachers.

Another LRC program, a preschool day care center, was established in Des Moines with the Des Moines Independent School District acting as the Local Education Agency. The United Methodist Church Conference provided one-third funding, with the Social Security Act, Title IVA, providing the other two-thirds. At this Center, which is known as "Soul Street," new methods of teaching and learning for three and four year olds are being tested and proven.

Every program undertaken by the LRC must meet the following criteria:

(a) It provides a much needed service or product to people not available *anywhere* else.

(b) It has an evaluation design that will prove (or disprove) its value statistically.

(c) It has the potential to "stand on its own feet" financially at the termination of its original funding.

Most recently, a publishing division—located in a separate building with a complete line of high efficiency equipment—has been added to LRC capabilities.

New ideas must be converted to tangible materials if real change is to occur. And *change* is the LRC. Witness: Complete cable television studio is now being planned with free LRC TV Channel 4 going "on the air" by the summer of 1975, and other new programs are currently in the planning stages.

A 1969 LRC media presentation concluded with six words that say as much today as they did then—"*. . . and this is just the beginning.*"

HOW LONG DO WE FEED THE WAR?

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. STARK. Mr. Speaker, when the House considers the Defense Department supplemental shortly, I hope my colleagues will consider information provided recently by a Philadelphia Inquirer editorial and a letter to the editor of the New York Times:

[From the Philadelphia Inquirer, Mar. 29, 1974]

HOW LONG DO WE FEED THE WAR?

It's 14 months since the signing of the Paris peace agreements bringing that celebrated "peace with honor" to Vietnam. Yet there is no peace.

In 1973 alone, a Senate subcommittee reported recently, more than 50,000 Vietnamese were killed in the "cease-fire." That's slightly more than the total American combat deaths in eight years. In addition, more than 800,000 Vietnamese were driven from their homes last year alone.

All of which justifies Secretary of Defense James R. Schlesinger's understated observation, in his annual defense posture statement to Congress, that the "cease-fire has not worked as well as we had hoped."

It does not justify the Pentagon's urgent requests to spend even more to step up the military struggle.

For the current fiscal year, the Pentagon is calling on Congress to spend an additional $474 million for emergency military aid to the Thieu regime. If the money is not forthcoming, the Pentagon warns, South Vietnamese forces must "severely curtail" their operations in mid-April.

For the coming fiscal year, the Nixon Administration wants Congress to give South Vietnam about $2.4 billion in aid, two-thirds military and one-third economic, about 65 percent more than Congress approved this year.

Will it never end?

Have we learned nothing from 24 years of involvement in that unhappy peninsula?

Obviously, both sides in Vietnam share the blame for failing to implement the rickety structure of peace. Yet "our side" can have little incentive for coming to peace if it can count on America's continued commitment to war.

The U.S. cannot and will not "walk away" from the destruction it has wrought, but it must not add to it. Congress can begin by withholding funds for any purpose except to implement the "Agreement on Ending the War and Restoring Peace in Vietnam."

[From the New York Times, Mar. 19, 1974]

SAIGON: DOLLARS FOR JAILS

To the Editor:

If there are "only 35,139 prisoners of all types" in South Vietnam, as reported by former U.S. Ambassador to Saigon Elbridge Durbrow and others after their recent tour, why does the U.S. still find it necessary to budget an estimated $20 million a year for Saigon's police system, four times the amount it gives for hospitals in South Vietnam? And why are there some 120,000 security personnel and over 600 detention centers in a country the size of an average U.S. state?

As for the "ulterior motives" and "foreign" connections of those who allege that up to 200,000 political prisoners have been detained in the South—which the Ambassador's group, the American Security Council, suggested should be investigated—they are "foreign" only to the kind of thinking which believes it rational to contribute to the decimation of the population, the maiming of millions, the arrest of countless thousands for trying to improve the situation, the uprooting of one-third of the population and the destruction of much of the landscape for up to a century, all least a relatively small country become Communist at exactly the same time that our country is making basic compromises to get along with Communist Russia and China.

Amnesty International, with its headquarters in London, is proud to be "foreign" in that sense. Together with many other organizations with reliable sources in Vietnam, we believe that many tens of thousands will remain in jail even if the latest efforts to exchange a few thousand civilian detainees as called for over a year ago are completed, an insurmountable obstacle to real peace and a mockery of American policy in Vietnam.

Meanwhile, the State Department replies to letters of inquiry about specific cases among some 2,500 individual "prisoners of conscience" worked for by Amnesty International with the statement, "It would not be appropriate for the U.S. Government to interject itself into individual prisoner cases involving either Vietnamese side."

If so, we must also end with a question: Why has the United States spent well over $100 billion in the name of protecting "free choice" in Vietnam, when Saigon arrests anyone who tries to assert basic freedoms?

JAMES P. HARRISON,
Amnesty International.

New York, Feb. 28, 1974.

OSHA—THREE DOWN AND MORE TO GO

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. STEIGER of Wisconsin. Mr. Speaker, it will soon be 3 years since enforcement of the Occupational Safety and Health Act began, and it is crucial that we now take a good hard look at the development of the law to date.

Last month, Richard F. Schubert, Undersecretary of Labor, did just this in a speech before the 53d Annual Massachusetts Safety Conference in Boston. The Select Labor Subcommittee of the House Education and Labor Committee is in the process of holding oversight and amendment hearings on OSHA and I feel his speech would be a constructive addition to the debate.

I would like to take this opportunity to share his speech with my colleagues:

OSHA–THREE DOWN AND MORE TO GO

The State of Kansas once had a safety law that contained what I consider to be the only sure guarantee of safety that I have ever seen. The key provision of the law read something like this: "When two trains approach each other at a crossing, they shall both come to a full stop and neither shall start up until the other has gone."

I'm sure there were no accidents on that line, but it did have the unfortunate side effect of making the trains awfully late.

Almost three years ago the majority of American workers gained the protection of a new safety law. That law was designed to provide safe and healthful workplaces not by stopping the engines of production, but by practical, common sense measures. It sought to reduce the toll of death, disease and disability, not through creating one more enormous intrusive, omnipresent Federal bureaucracy, but by building on the great strengths of the Federal system—through reliance on State action.

The law, signed on December 29, 1970 and taking effect on April 28, 1971, was also not the result of any partisan or one-sided action. Instead, it reflected the finest workings of a much maligned system. For this law would never have come into being, despite the need, despite the late Secretary of Labor Jim Mitchell's earlier efforts, if it had not been for bipartisan support, Democrats and Republicans working together. It would not have become law unless both Houses of the Congress worked together, and it would not have become law unless it had had the support of organized labor and representatives of business and management who are affected by the regulations issued under the bill.

So, when we hear that our system isn't working, when we hear about too much partisanship, or about conflicts between this or that interest—let's point to this Occupational Safety and Health Act as not only one of the finest pieces of legislation to be produced in this century, but also as solid evidence that, despite our differences, this government of ours does work for the good of the American people.

Now, when I stress cooperation rather than conflict, I do not mean to suggest that the law or the agency it created—OSHA—have had completely smooth sailing. That would bring us out of the real world where imperfect men and imperfect institutions create friction as they strive in differing ways toward perfectability.

No, OSHA's growing years have not been without their full measure of scrapes and bruises and, yes, mistakes. But as one who watched this legislation move through the Congress and then participated in the task of making it work, I can assure you that the mistakes stemmed not from malice but from inexperience and from a not unnatural desire to move as quickly as possible because, in the most literal sense, human lives depended upon fast action.

So, mistakes were made during those early months.

But those mistakes were not often repeated. Indeed, we have transformed them into the raw material of improvement.

And certainly, OSHA has not been shielded from criticism during its effort to move from infancy to adulthood in three years. If we could take all of our critics and lay them end to end—and often that's what I've wanted to do—they might even reach a conclusion. Yes, criticism has been plentiful. We haven't had to call upon Mr. Simon's office to increase our allocation. And that criticism has come from both sides of the labor-management bargaining table and, in fact, from many who have never been near a bargaining table. More than one hundred bills to amend the law have been introduced in Congress, many of which would weaken the Act, several of which would repeal it, all of which have failed. These efforts have failed because the goal of a safe and healthful work environment has continued to be a basic priority for this Administration, and because the support of thoughtful, responsible business and labor and professionals in the field of safety continues to outweigh the efforts of OSHA's critics.

I think the Congress will continue to reject efforts to weaken the protections provided by OSHA for one, simple, over-riding reason. This is not a law dealing with some arcane set of regulations. This is not a law that involves the dusty dry questions of reshuffling tariff rates, or perfecting international agreements about who owns outerspace or who can explore the underside of the Arctic ice. This law deals with the appalling number of deaths and injuries suffered at work by the working men and women of America. It is as real as flesh and blood.

One of the most overused and misused words in the English language is the word "vital." We hear that a sandbar possesses a vital military significance, or that this or that new proposal is vital to our national or international interest. But when we look at OSHA, we can say without qualification that *this* is indeed vital—it is vital because it deals with human life.

We have tried to keep that concept foremost in our minds as we devise and improve ways of enforcing the law. And, as I am sure you are aware, this is no easy task. Not only does the Federal Job Safety and Health Law cover virtually every private employer in the land—more than 5 million of them and over 60 million of their employees, but it deals with the complications of jobs in factories, on farms, in shops, and at a multitude of construction sites. Not only does it involve this great quantity of employers and workers, and in a variety of work situations, but it operates in the most complex and dynamic technology in the history of man, a technology that is producing new materials and methods—and their associated safety hazards—at enormous speed.

In the process, we have been on the receiving end of all kinds of advice, ranging from the extreme of closing down certain industries because substances used in the industry may prove to be harmful, to the other extreme of moving slowly because tough standards and enforcement could mean an employer going out of business.

While OSHA has, and will continue, to stress human safety over any other consideration, we have tried to strike the kind of balance that produces safe conditions without at the same time throwing people out of work by forcing an employer to close his doors.

That balance consists of tough enforcement procedures, motivation for the maximum voluntary compliance, and creation of a Federal-State safety and health partnership.

In short, ours has been the policy of combining a catalyst with a stick.

How has that policy worked out over the past three years?

I think the statistics are beginning to look impressive. One dimension of those statistics involves inspections. By the end of last year, OSHA had conducted 117,000 workplace inspections. These produced over 76,000 citations with proposed penalties of more than 10 million dollars.

It must be emphasized that these inspections were carried out by Federal compliance officers. While this is the way we must proceed now, it is not the way I believe we should proceed in the future, and not the way that the law envisages that we proceed. For we hope to see the States join in this program by administering their own job safety and health laws, with financial assistance from OSHA. At the moment, 25 States have received approval to operate programs that offer protection "at least as effective" as the Federal program. Another 23 States or jurisdictions have submitted plans for approval, including the Commonwealth of Massachusetts. By next summer we expect to see more than 1800 State inspectors working with us examining the workplaces of this country. The Department is pushing toward decentralizing its functions in pace with the progress being made by States and localities.

We have already moved toward major decentralization in our Manpower programs. We hope to move in the same direction in Job Safety and Health.

But we can only move in that direction with cooperation by the States. And this cooperation must take the form of assurance that State efforts will match the enforcement level of the Federal program from the beginning, and will continue to do so while being carefully monitored by safety Federal personnel in the field and in Washington.

The standards being enforced by these inspectors have been adopted from previously recognized national consensus standards together with new regulations drawn up by OSHA itself with help from the public. Most States have been adopting OSHA regulations while 6 or 7 localities have chosen to issue their own.

OSHA has devoted an increasing amount of time to issuing health standards dealing with the often hidden or long delayed ill effects produced by health hazards in the workplace. For example, last summer OSHA issued emergency regulations limiting employee exposure to pesticides. It has also formulated regulations concerned with exposure to certain cancer-causing substances. These produced a considerable furor because they were a new experience for the farmers and industries concerned. Currently, the problems of excessive noise exposure, heat stress, vinyl chloride, and a host of chemical substances are being examined. To give you some idea of the magnitude of the problem involved with the latter, the Department of Health, Education and Welfare estimates that there are more than 25,000 potentially toxic substances in our workplaces.

I mentioned that ours is a policy of the catalyst and the stick.

And I suppose you have been wondering when I am going to stop talking about the stick and begin talking about the catalyst.

While everyone understands the stick of enforcement, and seems to measure performance by how often and how vigorously that stick is used, we feel that the catalytic function of OSHA is far more important. For it is neither possible nor desirable for government to station an inspector at the door of each and every business establishment. Therefore, a major thrust of OSHA's efforts involves training, educating and motivating voluntary compliance with the law.

The aim of this catalytic effort is to make both employer and employee aware of their respective rights and responsibilities under the law. It is also designed to create an awareness of workplace hazards and the ways of eliminating those hazards *before* the inspector knocks on the door. Both labor unions and trade associations have joined OSHA in this effort. And, as you are aware the National Safety Council, through local councils such as your own, is conducting training for small and medium-sized employers to advance the aim of maximum voluntary compliance. I consider this to be a key element in our approach and a basic contribution to the increased effectiveness we expect.

As we approach the three year anniversary of OSHA we certainly are not able to quantify or measure its impact the way we tally housing starts or freight car loadings or the movement of the unemployment rate. As far as OSHA statistics are concerned, we are essentially in the Book of Genesis. There just are no statistics available to compare with those being collected now, for previous statistics were collected voluntarily, and included only disabling injuries. As you know, OSHA, in compliance with the law, seeks to publicize a complete and accurate account of the number of injuries and illnesses suffered on the job. The bookkeeping system devised to achieve this end is just beginning to bear statistical fruit.

We now know that in calendar year 1972 one out of every ten workers experienced a job related injury or illness. This reinforces our perception of the scope of the problem. But it provides no indication of progress or lack of progress.

And yet, perhaps it does. I mentioned earlier the dimension of health and safety inspections. The statistics on injury and illness form a second dimension. There is yet a third, one even less subject to precise measures, but just as real, and perhaps more important in the long run. That is the dimension of *perception*.

People will put up with the most extreme deprivations—hunger, cold, lack of freedom—until they perceive of themselves as hungry, cold, or enslaved.

And workers and employers will put up with unsafe and unhealthful conditions until they perceive of them as unsafe and unhealthful, and until they perceive that working in filth, in noise, surrounded by danger, is not the equivalent of the Second Law of Thermodynamics or the Ten Commandments, but something that *can be changed*.

And there is considerable evidence of change going on in this basic area of perception. We see it in the newsletters of labor unions, in the publications of trade associations, in the advertisments of safety equipment manufacturers, in the farm journals, and in the columns of our newspapers.

People are writing about job safety and health, they are talking about it, they are thinking about it—*and they are acting.*

If I were forced to say in a few words what has happened in job safety and health during these past three years, I think perhaps I might say that we see the goal not of guaranteeing the impossible, but of moving as fully and rapidly as we can toward what is possible; not of claiming that we have been successful, but that we are succeeding; not to claim that we have no problems, but that we are moving ahead toward solutions; not that we have fashioned the ultimate safety and health program, but that, in large measure through the help of organizations such as yours, we have caught a clear and compelling view of what such a program might be.

THIEU'S AMBASSADOR ATTEMPTS TO MISLEAD CONGRESS

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. DELLUMS. Mr. Speaker, last month, the South Vietnamese Embassy sent me and I assume all other Members, a copy of Ambassador Phuong's February 26 letter to the editor of the Washington Post. Since virtually every sentence of his letter is a fabrication and directly relates to legislation I have introduced, I wish to respond to some of the Ambassador's most blatant and shocking falsehoods which I feel must be clarified for my colleagues.

He suggests that implementation of the Paris Agreement is only in his side's interests and not that of the provisional revolutionary government—PRG. If this is the case, why does the Thieu regime keep millions of refugees penned up in camps like animals, refusing them the right to return to the villages of their birth? Why has the Thieu regime refused to release tens of thousands of political prisoners, and arrested many thousands more since the ceasefire? Why has Thieu crushed opposition political parties, refused to allow a free press, and consistently disrupted opposition meetings? Clearly, all these actions which violate the Paris Agreement suggest that it is General Thieu's side which fears to implement it.

Each time the PRG has offered to allow the basic political freedoms necessary for elections throughout both zones, the Thieu regime has countered with the demand that the PRG agree first to an election date. Ambassador Phuong again repeats this position, adding that "we are not interested in only partial implementation"; that is, in allowing the people under Thieu's control these basic freedoms. His position directly contradicts article 11 of the Paris Agreement which provides for full democratic liberties "immediately" after its signing. His position cannot be taken seriously: the Ambassador is, in effect, asking the PRG to set a date for elections before knowing whether they or the neutralists will be allowed to publish their own newspapers, hold meetings, or even run for office without being shot or imprisoned—which is the present situation.

The Ambassador's claim that "full implementation" of the Paris agreement would "perpetuate the coexistence of two Vietnams" is incredible and suggests the Ambassador may not even be familiar with the document. The very first article of the agreement states that Vietnam is one country. The fifth of nine chapters in the agreement is entitled "The Reunification of Vietnam and the Relationship between North and South Vietnam," and begins "the reunification of Vietnam shall be carried out step by step through peaceful means."

The Ambassador repeats unverified charges of "North Vietnamese" infiltration making an offensive "imminent." The Thieu regime has been predicting an "imminent" North Vietnamese offensive for 15 months now, most loudly whenever American assistance bills are slated for congressional consideration. Not only has no such offensive occurred, the only offensive so far has been by General Thieu himself, as reported in the Post on January 5, 1974. Frankly, a growing number of my colleagues are tired of, and insulted by, this fatuous and transparent scare tactic.

Until the Thieu regime accepts the PRG's offer to allow full democratic liberties in both zones, it is impossible to assess the charge that the PRG is interested only in "partial" implementation of the accords. For the moment, however, it is the PRG which has proposed full implementation of each article of the agreement, and General Thieu who has refused to recognize the neutralists, held illegal village and senatorial elections, and generally made a mockery of both the spirit and letter of the agreement.

The Ambassador's claim that "our way of life is definitely much better" than that of his opponents is a bit unclear. Whose way of life? That of the tens of thousands of prostitutes now unemployed after the departure of American troops? That of millions of refugees reported to be suffering from lack of proper diet and land several months ago by two U.S. officials in a letter to the Senate Subcommittee on Refugees? That of the millions of other orphans, amputees, widows, and lower class urban dwellers who are forced to go without adequate food and housing because of corruption and war-spending by General Thieu? Or does the Ambassador perhaps mean the tiny group of high military and civilian officials who are now living a life of unspeakable luxury in Saigon while millions suffer, when he refers to "our way of life?"

Reporters visiting PRG zones have reported uniformly that the people living there are healthy and believe in their government. American journalists have reported vast progress in reconstruction, redistribution of land, the existence of health clinics and schools in the smallest hamlets. PRG villages are reported to be clean and well-kept, there seems to be an absence of serious corruption, and though the people are poor, what exists is shared equitably. It is not at all clear that General Thieu's "way of life" is better than that of his opponents. It will become more believable were he to open his jails, let the refugees out of his camps, and allow his people freedom of speech and meeting.

The Ambassador's attempt to deny legitimacy to General Thieu's considerable opposition within South Vietnam is perhaps the most serious of his distortions. He refers to the "so-called Provisional Revolutionary Government," ignores the neutralists, and claims that the basic conflict is "between Hanoi and Saigon." In fact, however, the PRG is not only a reality, but is one of "two parties" recognized in the Paris Agreement as exercising joint sovereignty over South Vietnam, along with General Thieu's administration. These two parties, along with a third segment—the neutralists—are to meet together to decide on elections to decide who will rule South Vietnam. Until this happens, General Thieu's government does not represent the "Republic of Vietnam." Nor can it reasonably claim to be on an equal footing with Hanoi. General Thieu's group is the only Vietnamese party in Vietnam which has a foreign power paying over 85 percent of its bills. Ambassador Phuong's claim that the basic conflict is between Hanoi and Saigon is a bit grandiose, since "Saigon" is wholly a creature of the United States and could not exist a day without it.

I am sure that when my colleagues understand the Ambassador's claims not only violate the agreement, but doom the United States to unending war and adventurism in Indochina—at a cost of over $3 billion this year alone—they will join me in voting against the impending request by the Nixon administration for $474 million in extra military funds for Thieu for this year alone.

And, beyond that, I am also sure they will support further measures—such as my legislation precluding direct U.S. reintervention, nonhumanitarian aid to either party violating the agreement and aid to Thieu's police and prison system.

For, contrary, to the Ambassador's claims, responsibility for war or peace does not lie only with Hanoi. It lies at least as much with a Congress being asked to continue funding a massive military and police apparatus in violation of an international treaty, the American national interest, and the goal of democracy for which 50,000 Americans died.

My views of Ambassador Phuong's letter are complemented by the following letter to the Washington Post from Mr. Fred Branfman, the codirector of the Indochina Resource Center here in Washington, and I would now like to insert his letter into the Record at this point:

What Are We Underwriting in Vietnam?

It is hardly "obvious to everyone," as South Vietnamese Ambassador Phuong suggested in this space on February 26, that his government is anxious to observe the Paris Agreement.

Indeed, the overwhelming consensus in diplomatic and journalistic circles—as I found during a visit to South Vietnam last June and July—is that the Thieu government was opposed to signing the agreement in the first place, and has resisted its implementation ever since.

If the Thieu government wishes to observe the agreement, why does it refuse to allow millions of refugees to return to the villages of their choice and instead forcibly resettle them in marginal areas? Why has it denied the existence of a Third Force, legally recognized in the Paris Agreement, and why has it refused to allow the Third Force to organize openly? Why has the Thieu government held village and senatorial elections, recently pushed an amendment through the National Assembly allowing Mr. Thieu to run for a third term, when none of these actions are provided for in the Paris Agreement?

And, most importantly, why has the Thieu government not only refused to release tens of thousands of political prisoners—as estimated by the U.S. Senate Appropriations Committee—but continued to torture and arrest new ones? Why has it refused to allow any international body, including the International Red Cross, to inspect civilian detainees? (Ambassador Phuong's claim to Post reporter Laurence Stern on the Agronsky TV show January 23 that the Red Cross had visited prisons in July 1973 and issued a highly "favorable "report is blatantly untrue.)

It is interesting to note that Ambassador Phuong does not attempt to answer such questions in his letter. Instead, he simply states that "we are not interested in only partial implementation of the Paris Agreement. We strive for its full implementation, to its final step which is general elections. . . ." In other words, he does not claim that there is freedom or democracy in Thieu government zones. He says that the other side must agree to a date for general elections before democratic freedoms can be allowed.

This position clearly violates the Paris Agreement, Article II of which provides for full democratic freedoms "immediately" after its signature. This position also cannot be meant to be taken seriously. The Thieu government is in effect asking the other side to surrender—by agreeing to an election before it knows whether the Thieu government will stop its present policy of torturing and jailing neutralists and Communists alike, refusing to allow opponents the right to publish freely or even hold meetings.

Most significantly for Americans, however, Ambassador Phuong's government is making a mockery of everything that 50,000 Americans were officially sent to South Vietnam to die for. Ambassador Phuong's letter makes it clearer than ever what we are underwriting in Vietnam: a dictatorship which is an insult to every democratic ideal this country holds dear.

HOUSE IS FAR CRY FROM GRAND JURY

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. MICHEL. Mr. Speaker, a column by Mr. Richard Wilson appearing in the April 1, 1974, edition of the Washington Star-News rebuts the often stated analogy between the House of Representatives and a grand jury proceeding and all of us in this body would do well to read this carefully and thoughtfully.

I insert the text of the column at this point in the Record:

House Is Far Cry From Grand Jury

(By Richard Wilson)

Saying that the "votes are there" in the House of Representatives to impeach President Nixon is roughly comparable to stating that a grand jury is prepared to indict before it has heard and assimilated the evidence on which an indictment would be based.

This, nevertheless, is the attitude reflected by Sen. Mike Mansfield's recent statement on "the votes are there," and while it might be deplored it cannot be denied.

Matters have taken a serious turn for the worse for President Nixon in the House of Representatives even before the Judiciary Committee has received all the evidence, much less assimilated it.

The attitude of the Democratic leadership should serve to explore the idea that the House of Representatives is acting merely as a grand jury presenting the evidence to the Senate for judgment. This is a convenient pretext for congressmen who wish to straddle the issue of President Nixon's guilt or innocence.

Resemblances between the House and a grand jury in a criminal proceeding are largely rhetorical. The differences are real. A grand jury is responsible to a judge and takes instructions from him. The House is responsible to no superior authority and makes its own rules.

A grand jury operates—theoretically, at least—in secret. The House of Representatives does not. How a grand jury votes is not made public, nor are its debates. The House debates and votes in public. If it votes without at the same time letting the public know the evidence on which votes are based the public will ask why. A grand juror suffers no public consequence of his action. A congressman risks his political livelihood.

Finally, a congressman voting for impeachment authorizes "managers" on the part of the House to go before the Senate and press for conviction.

The congressman who votes for impeachment votes for a public, televised trial of many weeks duration which will focus the attention of the nation and the world to the virtual exclusion of any other public matter.

The congressman voting for impeachment becomes an accuser in his own right publicly and is not wrapped in the protecting anonymity of a grand juror as a single member of a large group.

The grand jury parallel is very strained and this is one reason why it is yet to be seen if the "votes are there," or remain there, for the impeachment of the President.

A bill of impeachment can be broad or narrow. But surely it must be accusative. Can it merely say: The President might be involved in a criminal conspiracy. We do not know. Let the Senate decide? Is that enough to bring a President of the United States before the Senate's bar of judgment?

Must not the bill of impeachment assert that the President was, in fact, involved in a criminal conspiracy? That would be the way of a grand jury. And that is exactly the way a good many congressmen do not wish to vote.

But unless they do so in overwhelming bipartisan majority they face the prospect which Sen. Mansfield also emphasizes that more than one-third of the Senate will disagree and the President will be acquitted.

So, there is much more to it than just the votes being there at any particular time to impeach President Nixon. The consequences of casting such a vote must be measured by each congressman.

THE 17TH DISTRICT WATERGATE QUESTIONNAIRE RESULTS

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. ASHBROOK. Mr. Speaker, I have just completed a poll of the 17th Congressional District of Ohio. The questionnaire gives in depth attention to Watergate. The response has been very good. Almost 15,000 citizens expressed their views on this important issue. Many persons also included a letter or written comments along with the questionnaire. I am pleased to have the opportunity to learn just what the residents of the 17th district are thinking about this issue.

The results of the poll are as follows:

1974 WATERGATE POLL—CONGRESSMAN JOHN M. ASHBROOK, 17TH DISTRICT, OHIO

[In percent]

	Republicans	Democrats	Independents
1. Do you consider the issue of Watergate:			
(a) Very important	20	65	54
(b) Important	23	21	15
(c) Somewhat important	27	8	16
(d) Not important	29	8	14
2. The attention being paid to Watergate by the media is—			
(a) Too much	75	24	38
(b) Sufficient	20	49	40
(c) Not enough	3	26	22
3. The attention being paid to Watergate by the Congress is—			
(a) Too much	63	18	29
(b) Sufficient	25	29	25
(c) Not enough	11	51	39
4. Who do you think is responsible for Watergate?			
(a) High-level Presidential advisers	32	32	29
(b) Relatively low-level Presidential advisers	7	2	5
(c) Committee to Re-elect the President	35	22	22
(d) President	11	43	43
(e) Republican Party	3	7	7
(f) Democratic Party	14	5	6
(g) Media	12	4	9
5. What is your opinion of the President's credibility at this time?			
(a) I have as much confidence in him as I did in 1972	48	10	17
(b) I still have confidence in him but not as much as in 1972	29	7	18
(c) He used to have my confidence but he doesn't any more	19	26	33
(d) He never had my confidence	4	43	31
6. How do you compare President Nixon to his predecessors?			
(a) I feel he is doing better than either Kennedy or Johnson	58	14	21
(b) I feel he is not doing as well as Kennedy or Johnson	11	67	50
(c) Disappointed in his performance but consider it no worse than that of Kennedy or Johnson	28	14	22
7. Do you think that the government paid for some improvements at President Nixon's San Clemente and Key Biscayne residences that should have been paid for by the President himself?			
Yes	47	86	76
No	45	11	15
8. Do you think President Nixon underpaid his income taxes?			
Yes	42	81	74
No			
9. In the Watergate issue, which of the following concerns you the most?	46	12	19
(a) President's advisers involved in questionable or even illegal activities	70	36	38
(b) President authorizing so-called plumbers unit which undertook such activities as the breaking and entering of the office of Daniel Ellsberg's psychiatrist	8	24	21
(c) Federal Government expenditures on the President's San Clemente and Key Biscayne homes	4	10	12
(d) The discharge of Special Prosecutor Archibald Cox	5	15	12
(e) The missing and partially erased tapes	10	32	28
10. Did the President's Operation Candor?			
(a) Bring forth the truth	21	8	6
(b) Further confuse the issue	15	28	23
(c) Provide new facts but left you unsatisfied	17	8	9
(d) Left you somewhat unsatisfied	11	6	8
(e) Left you dissatisfied	13	36	37
(f) I didn't know it was going on	14	12	13
11. Do you think the President should—			
(a) Remain in office	72	21	32
(b) Resign	11	40	26
(c) Be impeached	6	30	29
(d) Remain in office but be censured by the Congress	10	12	13
12. Do you believe the President has the right to disobey the directives of a properly issued subpena from a court of law?			
Yes	52	15	21
No	40	82	72
13. Do you believe the President has the right to disobey the directives of a properly issued subpena from the House Judiciary Committee which is now considering impeachment?			
Yes	53	14	22
No	38	80	66
14. If the following circumstances were to happen or be proven, do you think the President should be impeached?			
(a) If the President ordered the burglary of the office of Daniel Ellsberg's psychiatrist	17	41	40
(b) The President personally participated in the planning of the Watergate operations	34	58	52
(c) If the President was personally involved in the coverup of White House involvement in the Watergate operations	23	62	53
(d) If the President was directly or indirectly involved in the Watergate tape erasures or lost tapes	19	55	49
(e) If the President refuses to obey a properly issued court subpena	15	49	43
(f) If the President refuses to obey a congressional subpena from the House Judiciary Committee	14	46	41
(g) If the President refuses to obey a congressional subpena from the Senate Watergate Committee	8	39	34
(h) Other	9	1	10
(i) Under no circumstances	38	1	16
15. In his state of the Union message, President Nixon said "1 year of Watergate is enough." What do you think?			
(a) I agree that 1 year of Watergate is enough	65	17	30
(b) If the President and his advisers had let the facts come out, 1 year of Watergate would heve been enough	19	33	27
(c) The facts should come out whether it takes another year or even more	15	52	43
16. With the involvement of his very closest advisers such as Robert Haldeman and John Ehrlichman and even the Attorney General of the United States, John Mitchell, in the Watergate controversy, what is your opinion on the involvement of President Nixon?			
(a) They kept him in the dark	61	14	23
(b) There is no way he could not have known	8	22	20
(c) If he didn't know what was going on he was a very poor President	28	62	54
17. While the facts are not all known and may never be, everyone has a "gut" opinion for whatever it's worth. What is yours?			
(a) I believe in President Nixon and feel he has been victimized	33	7	12
(b) I think President Nixon may have shown some bad judgment in the selection of his advisers but I don't believe he did anything wrong or illegal	40	12	17
(c) I don't think he helped plan Watergate but I think he was in on the coverup	16	15	16
(d) I think he is guilty of one act of deception after another and would not be surprised if he were guilty of illegal actions, too	14	68	55
18. Special Watergate Prosecutor Leon Jaworski contends that more material is needed to finish the investigation to which he has been assigned. Do you think that the President should turn over the requested materials?			
Yes	35	80	71
No	57	17	22
19. How do you rate Watergate and Chappaquiddick?			
(a) About the same	20	14	20
(b) Watergate is more serious	24	64	55
(c) Chappaquiddick is more serious	52	19	20
20. Do you feel the news media investigated and reported on the Ted Kennedy-Chappaquiddick incident as thoroughly as they did in the Nixon-Watergate incident?			
Yes	7	40	35
No	89	56	55
21. What should be the position on Watergate of a Member of Congress who is of the same party as President Nixon?			
(a) Defend the President	11	4	4
(b) Defend the President and attack the opposition	11	2	3
(c) Support the President wherever possible and do not criticize him	22	5	7
(d) Support where possible, criticize where justified	35	24	24
(e) Call them exactly as you see them no matter what	25	66	64

PRO AND CON ON IMPEACHMENT

Speaking in favor of impeachment, Congressman Jerome R. Waldie, Democrat of California stated:

"This Nation is now confronted with a Constitutional crisis of unprecedented proportions. Recent events are the culmination of President Nixon's repeated attempts to institutionalize his notion that the Executive has unlimited powers and is accountable to no one.

"In firing the Special Prosecutor and abolishing his entire office, in forcing the resignation of the Nation's top two law enforcement officers, and in defying the orders of one of the Nation's highest courts, Mr. Nixon has made it abundantly clear that he does not intend to obey the law of the land, nor keep promises made to Congress, nor abide by his oath of office made twice to the people.

"Consequently, I have introduced a Resolution of Impeachment in the House of Representatives. If there were any other recourse, even within reasonable sight, of restoring public confidence in government; of assuring that the President obeys the Constitution and the laws of the land as every other American must; and of determining that the President actually did not authorize, concur in, or cover up burglary, breaking and entering, illegal wiretapping, espionage, and perjury—I would then not have taken this course of action.

"We are left, therefore, with the alternative Archibald Cox pointed out after being fired. He said: 'It is now up to Congress and the people to uphold the principle that ours is a government of laws, not of men.' Congress and the people are left with only one way to vindicate the rule of law and the constitutional structure of the Nation. That way is impeachment."

Speaking in opposition to impeachment, Congressman John J. Rhodes, Republican of Arizona stated:

"Impeachment at this time is out of the question.

"Impeachment was devised by the founding fathers as the ultimate weapon against the rule of a tyrant. It depends on a clear demonstration, based on facts, that the individual in question is guilty of high crimes and misdemeanors.

"What 'high crimes' are President Nixon accused of? None, as far as I know. What President Nixon did was to propose an alternate remedy to the controversy surrounding the White House tapes which would in mind have satisfied both the desire of the court as well as his own insistence that Presidential conversations remain confidential. This proposal would have also avoided a Constitutional crisis and was agreed to by virtually every principal in the Watergate case with the exception of special prosecutor Archibald Cox.

"Was it a high crime for the President to fire Mr. Cox? Of course not. We do not impeach our Presidents for making dramatic personnel changes. Recall the controversial decision of President Truman to fire General MacArthur. There was the same sense of outrage among some Members of Congress, and one Member even introduced an impeachment resolution. Nothing came of it.

"The desire which all of us share to know the true facts of Watergate will be satisfied, if the process of justice is permitted to follow its normal course. However, those of us in the Congress do the Nation and the American people a grave disservice by talking about impeachment—the ultimate Constitutional action—until the facts warrant it."

I generally agree with Congressman Waldie:

	Percent
Republicans	12
Democrats	63
Independents	43

I generally agree with Congressman Rhodes:

	Percent
Republicans	74
Democrats	24
Independents	27

(Since some people checked more than one response, the percentage totals of certain questions may exceed 100 percent.)

THREE CHEERS FOR SOCIETY OF INDIVIDUAL LIBERTY

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. SYMMS. Mr. Speaker, this Congress is familiar with protests from one group or another seeking special interest legislation, favors, or benefits. All too frequently, Congress bows to the demands of these small groups, whether the demands made are just or not, SIL, 304 Empire Way, Philadelphia, Pa.—is a different group making an unusual demand.

It is my belief that Congress had best take notice of the growing complaints of the American taxpayer. There is a taxpayers' "revolt" in this country and those of us who make the tax laws and spend the funds received by the Treasury should be aware of this protest.

Now, we in Congress are aware that the average taxpayer has been griping about his taxes since they were first imposed. This is natural because hardly anyone enjoys seeing his earnings appropriated for uses of which he may or may not approve. Even those who completely favor the foreign and domestic policies and programs of the Government will complain that inefficiency in carrying out objectives or loopholes in the tax code cause them to pay more than what they consider their "fair share" to be.

What has been missing from the taxpayers' protest is a philosophical basis for objecting to taxation. This lack has allowed Congress to ignore these protests for a long time and keep on voting for more and more governmental spending, supposedly for the "public good."

Now that basis—philosophical objection to the principles of taxation—is being provided and is attracting taxpayer interest.

Last year, the Society for Individual Liberty sponsored a "National Tax Protest Day" on April 14. In a short space of time, they organized tax protests in 23 cities. These protests were widely reported in the local media. Again this year, the Society for Individual Liberty is planning a National Tax Protest Day on April 13. Tax protests will take place in more than 45 cities, including Washington, D.C. on the steps of the Capitol.

Unlike many complaining taxpayers, the members of SIL are not asking that other citizens or the rich or business should be taxed more to relieve them. They are, in principle, opposed to the unwilling collections of funds from any group. Unlike other taxpayer groups, SIL does not approve of taxation for some purposes or programs while demanding an end to taxation for other purposes. SIL is opposed to taxation for all programs—even those that the membership feels are worthwhile and of benefit to themselves.

The following quotations from an SIL pamphlet illustrates their positions:

> That which a government may properly do is no different in essence from that which individuals may do. Governments are nothing more than a collection of individuals organized for some purpose, preferably protection. If a single individual does not possess the right to do something, then there is no way that an association of individuals can suddenly possess this so-called right. All that which is immoral for the individual to do is immoral for a group of individuals to do, no matter how lofty the ends they proclaim or how divinely inspired they claim their association to be. Since an individual has no moral right to take money or property from others without their approval, a "government" cannot have acquired the moral power to do so.
>
> It is argued that taxes are necessary to support services of government. It is claimed that garbage would lay knee deep in the streets if trash removal wasn't provided by government; that muggers and rapists would roam at will without government police on hand; that the commuter train and bus lines would cease to exist if turned back to private enterprise. Why, we might ask, would men be so foolish to allow such services to cease without the government's intervention? Do men go bare foot because the shoe industry is still a private operation? Do men forget to report to their jobs every morning because the government does not yet provide them with alarm clocks? Of course not.
>
> It is ridiculous to assert that rational men would fail to voluntarily support services they need if they were not forced to do so. And it is ridiculous as well as immoral to force men to support services they do not use and do not value, just because one man or group of men think they know what is best for everybody else. Government services performed today could be provided just as well by free market enterprisers. People would pay for what they desire.

I think our duty as Members of Congress is clear. We have to ask ourselves before every vote if we believe that the users of a program would voluntarily support it. If they will, then we should work toward finding alternative, voluntary methods of funding programs; that is, market solutions. If a program would not be supported by those who benefit from it or by those with charitable impulses, then that program should not be undertaken as it is coercive and destructive of human liberties. We must also end the monopoly status enjoyed by Government-sponsored activities. If a program or institution is truly unique, and cannot exist unless initiated by Government, then it should be able to pass the test of competition.

We must expand our vision beyond the traditional, illiberal way of conducting Government. Taxation is destructive of human liberties. Citizens of America are not irresponsible children; they should be treated as adults and allowed to assume the responsibilities that Government is only too happy to usurp. Congress must stop playing God with the fortunes and lives of the individual American citizen. Three cheers for the "Society for Individual Liberty" and their efforts for helping to light the candle of rationality in the darkness of the racial, intellectual, collectivist, soil that is day by day smothering freedom in America.

SENATOR GEORGE D. CLAYTON, JR.

HON. WILLIAM L. HUNGATE

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. HUNGATE. Mr. Speaker, behind each of us who serve here, we find, undergirding our form of government, outstanding men and women who, through public service in their local communities, insure America's success. Such a person was the late Senator George D. Clayton, Jr., of Hannibal, Mo. Senator Clayton was a successful businessman, public servant, and one who found time to give of himself and his funds to community service. We shall miss him, but we are grateful for the example he set for others to follow.

The following article from the Hannibal Courier-Post provides an insight into this fine and dedicated man:

GEORGE CLAYTON, 76, DIES

George D. Clayton Jr. of 9 Stillwell Place, former Missouri State Senator and president of George D. Clayton and Sons Inc. died at 3 p.m. Sunday at a hospital in Rochester, Minn. Funeral services are pending at the Smith Funeral Home.

Mr. Clayton was born Dec. 15, 1897 in Hannibal to George D. and Mary Morrison Clayton. He was married June 6, 1928 to Marietta Gentry and she survives.

Mr. Clayton served as a state senator from 1933–1941 and was a delegate to the state constitutional convention in 1943. He was chairman of the Missouri Resource and Development Committee for 15 years and was mayor of Hannibal from 1947 to 1950.

A member of the Levering Hospital Board of Directors, Mr. Clayton also served as president of the Hannibal Chamber of Commerce in 1943 and was past president of the Lions Club. He was a veteran of World War 1 and a member of the American Legion.

Mr. Clayton was secretary-treasurer of the Clayton Federal Savings, which is a division of Roosevelt Federal Savings and Loan of St. Louis. He was a member of Hannibal Catholic Church.

In addition to his wife, he is survived by a daughter, Mrs. Lloyd A. (Susan) Stark Jr., Louisiana and two sons, George D. Clayton III, New London and Robert M. Clayton II, Hannibal; six grandchildren and one great-grandchild.

Prominent in civic affairs for many years Mr. Clayton is remembered by George Pace, manager of the Chamber of Commerce, "as a man who proved that an outstanding businessman could not only conduct his business well, but who also concerned himself with his community and his state."

Pace added, "Mr. Clayton was generous with his time as well as his money and was the type of man who contributed greatly to the community in which he lived. Active in many civic clubs throughout Hannibal he was also a participant in the programs of the Chamber as he served as past president."

Morton Weaver, president of the Hannibal National Bank and a member of the Levering board of directors said of Mr. Clayton, "we had done business together for more than 40 years and were closely associated on the hospital board. He was an invaluable member of the board and we are going to miss him."

Mr. Clayton was characterized by Bayard Plowman "as an awfully good citizen who was always doing something for his community."

SMALL BUSINESS ADMINISTRATION CITED FOR JOB WELL DONE

HON. JOHN T. MYERS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. MYERS. Mr. Speaker, the Small Business Administration under the direction of our former colleague, the Honorable Thomas S. Kleppe, deserves credit for its excellent track record on behalf of the small business interests of our Nation. One example of the consistently professional job on the part of the men and women who make up the SBA team was brought to my attention by John Coddington, president, Eagle Magnetic Co., Inc., of Indianapolis. The Indiana Office of SBA, headed by Director William Miller, was recently honored as one of the best in the Nation. Mr. Coddington's letter gives us some idea of the reason for this honor:

EAGLE MAGNETIC CO., INC.,
Indianapolis, Ind., March 28, 1974.

SMALL BUSINESS ADMINISTRATION,
Washington, D.C.
Attn: Mr. Thomas S. Kleppe,
Head Administrator.
Subject: Letter of Accommodation.

DEAR MR. KLEPPE: I imagine you receive quite a few letters on a complaint or gripe of some nature. We at Eagle Magnetic Company would like to express our gratitude for your organization, professional personnel, and assistance. In particular Mr. Robert Gastineau of your Indianapolis, Indiana office exhibits all of these qualities, obviously your direction and goals.

The U.S. News & World Report of March 25, 1974 on pages 21 and 22 titled "The Toll of Shortages On Small Business", your comments place one problem in clear focus. Mr. Kleppe, I am concerned about all small business of which we are one. I am detecting an attitude of late in many of my counterparts which I dislike, one of a "loser". Our forefathers would have been in big problems if, as they had come to the various mountain ranges, had said we do not have a 747 and cannot get over them. Our generation has had it easy. Where is the winning spirit of how to achieve goals rather than excuses of ways not to achieve goals?

Eagle has gone from Zero Billing to over $440,000 in three years working out of profit, and presently have a backlog of $600,000 plus. We are in a new 7200 square foot plant, and loaded with equipment. This was achieved by a lot of hard work, a winning attitude, and considerable help from the Small Business Administration—SCORE is one example of this assistance.

People need to be complimented on doing a good job, and your organization has accomplished exactly this. What more can one expect from you? If you receive any more complaints tell them: Say a little prayer to their God, stop looking for excuses, work harder, develop a "winning attitude", and Small Business Administration will be there to back them up.

Mr. Kleppe, feel free to send a copy of this letter to any of your departments or field offices—perhaps it will give them a boost in morale for the job they all have done. People have a tendency to forget a thank you—Thank You.

Sincerely,
JOHN L. CODDINGTON,
President.

MOAKLEY ON IMPEACHMENT

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. HARRINGTON. Mr. Speaker, my colleague from Massachusetts (Mr. MOAKLEY) spoke March 23 at the awards dinner for the Boston Jaycees. On that occasion, he formally announced his intention to vote for impeachment on the basis of information now available.

I would like to share his remarks with my colleagues:

SPEECH OF HON. JOE MOAKLEY, BOSTON JAYCEES AWARDS DINNER

While scholars debate whether President Nixon has tried to upset the Constitutional balance of power between the executive and the legislative branches, we in New England *know* he has made drastic alterations in the focus of national political power and in the values asserted by that power.

The attentions of the Nixon administration have been focused on the south and the west. So have the favors. The Southern White House, the Western White House, Nixon's first choices for seats on the Supreme Court, are symbolic evidence.

New England's defunct military installations, our high unemployment rate, and our spare regional purses, are the *concrete* evidence.

Barry Goldwater publicly announced his wish to cut off the eastern part of the nation and let it float out to sea. Richard Nixon may be more soft spoken, but he has carried a very big dredge.

Nixon's promise to "bring us together" has a particularly hollow and cynical ring in New England. But his efforts to exclude our influence, impoverish us economically and politically, should be of concern to the entire nation.

For New England is more than the cradle of American democracy. We have served also as the guardian of democratic values and institutions placing great importance on tradition, the collective wisdom handed down through time.

Any administration that turns its back on us, ignores its own history and diminishes its own greatness.

The cloud of shame that hangs over Washington today may well issue from the Nixon administration's disregard for the traditional historic values, so deeply a part of our New England heritage.

The President has blithely lumped together the very serious scandals of his administration with the burglarizing of Democratic headquarters. His explanation for this omnibus crime package is just too much zeal.

But something more than mischievous excess has occurred in Washington. The traditional safeguards of our legal order appear to have been overturned.

Information that could not be obtained legally, was sought illegally at the direction of men in positions of public trust.

Financial support for partisan political purposes that was not otherwise forthcoming, appears to have been extorted by a high ranking officer of the law, and other men close to the President.

Influence and power were used to gnaw away at the foundations of our society. Thus, the President's number one man was found reaching down into private industry to direct that an individual be fired if he did not comply with that official's "unofficial" request for information.

So, if the Nation's press won't turn their backs on Watergate and let our Chief Executive concentrate on the business of the people, then perhaps it is because Watergate is the business of the people.

And if responsible citizens are still wallowing in Watergate, then maybe it is because Watergate is a pervasive and venal swamp of political corruption and scandal. Perhaps relief can only come from confronting the problem through the legal processes so designed. Maybe then we can concentrate on the other business of the people.

The name of the legal procedure for such confrontation is impeachment.

Specifically, impeachment is a determination by the House of Representatives that solid grounds or probably cause exists to believe that the President has committed high crimes or misdemeanors.

Once an impeachment resolution is passed, it is sent to the Senate. Thereafter, the Senate conducts a trial to determine guilt or innocence. The Chief Justice of the Supreme Court presides with the Members of the Senate serving as jurors.

I do not regard impeachment as a mean partisan weapon, usable only for congressional revenge. I see it rather as the provision in our Constitution that allows for a fair judgment of the conduct and behavior of the Executive through legal procedures, once his conduct and behavior have been seriously questioned.

Impeachment may well be the only method we have to cleanse the stain of lawlessness that has spread throughout Government.

I want to emphasize that impeachment is not a way of assuring that the Chief Executive does not abuse his power or misuse his trust. I do not hold, as some do, that impeachment rests in the Constitution as a preventative but essentially toothless threat.

Rather, I agree with Alexander Rickel, the distinguished Yale law professor who asserts that the inner structure of our Government, the checks and balances, are the first line defense against abuse.

These checks and balances were designed to be self-executing and insure accountability. They are the unwritten guards. They are responsible for the practice of *conferring* between the branches. They are responsible for the practice for *deferring* in time of crisis to flexibility and unity.

If we come to the point where we need to enforce this balance, [and we have:] Where we need to demand this accountability, [and we have] where rigidity and prerogative are asserted *against* flexibility and unity—then something has already broken down. Turning our backs will not restore the order on which this government and this society rest. Choice is not the issue for those of us in Congress—duty is.

A few weeks ago I read an article in the New York Times written by Anthony Lewis. It was entitled "accountability."

Lewis asked the reader to imagine a large corporation with a powerful president who makes it company policy to keep ultimate control of the operation in his own hands.

In the course of one year, 16 of his close associates are charged with serious crimes. His personal lawyer, the company's former counsel, two members of his staff, the vice president, all plead guilty.

Two other staff members are tried and convicted. Nine more are indicted including the president's top personal assistant and the heads of two major subsidiaries. At a stock holders meeting the president of the corporation says he knew nothing of what was happening and that he is innocent of any wrong doing. Yet, he refuses to let the stock holders or their representatives see the record of his own dealings.

I won't belabor Lewis' analogy except to say that as businessmen, you obviously know that under such circumstances the corporation president could not escape responsibility.

He would be expected to make a full accounting or resign.

Accountability is what impeachment is all about. The question before the nation is not simply whether the president personally committed a crime or a misdemeanor. Rather, whether he countenanced others to do so. The trial need not lead into the oval room. It need only lead to the White House lieutenants.

The first congress to serve under the constitution gave the chief executive the power to dismiss his subordinate government officers. Their purpose was to assure acocuntability . . . to make the president responsible for his subordinates to the point of impeachment if he allowed their misconduct.

A judgment must be made to determine whether Preident Nixon has discharged his duty in this connection. Events and disclosures have forced the issue.

Let's be realistic. Richard Nixon is already on trial. He is being tried by the media and he is being tried by each of us. We will be tried by history.

Let us meet this crisis squarely . . . conduct this trial properly. Let us use the established safeguards of the judicial process to protect Richard Nixon's personal rights. Let us use the provisions of the constitution to protect ourselves. The issue is bigger than the president. This issue is the presidency. It may well be the government.

Above all, let us remember that this whole mess began because people who should have known better did not trust in our political processes or our traditional legal procedures. They measured their patriotism by their devotion to an individual man. They sought to ensure the well being of the nation, so *they* claim, by circumventing its laws.

The *only* way out of this quicksand of ideological expediency is diligently to return to the rule of law.

The words of the constitution have meaning. They are the only imperatives to which we should be committed.

English history demonstrates that high crimes and misdemeanors is a category of political crimes committed against the state by public men. This category includes acts in violation of their public trust and duties; dealings injurious to the state: subverting the constitution; maladministration.

To those who fear that impeachment would rock our national stability and destroy the people's faith in their government. I answer that we are already in the eye of the storm.

Domestic problems of the day go unmet. The President devotes much energy and many tax dollars to the preparation of his periodic explanations and self defense.

A truckers strike results in a nationwide shut down. Violence, even murder ensue. It is not the chief executive who steps forward to settle the strike but the Governor of Pennsylvania.

Energy bills are vetoed. Locally each community does its best to deal with the panic and chaos that result from insufficient gasoline and inadequate distribution. In Washington many government workers take annual leave just to wait in line. In West Virginia miners strike, unable to drive to work.

There is an absence of executive initiative—an absence of a coordinated, coherent national policy.

Oil companies make record profits. Individual service stations—small entrepreneurs—close down by the hundreds throughout the Nation . . . not enough gas.

The Shah of Iran says the U.S. is importing as much oil as ever. Simon says the Shah is irresponsible. No one investigates the conflicting claims.

Farm prices are up over 36% above a year ago. Reports that shortages are artificial persist. The Government announces it will soon lift all controls.

Confidence is shaken. Credibility is absent. They will not be restored by Mr. St. Clair's rewriting of the Constitution through deceptive, self-serving interpretations.

When a lawyer of such distinction lifts examples out of context and ignores the more salient evidence on the political nature of impeachable crimes, one can only conclude that he is counting on public indifference. That there is a game plan based on the belief that a nation weary from revelation, stunned by scandal, will willingly take an amnesiac and accept any face-saving solution just to return to business as usual.

In response I offer as an alternative that we let history record that this generation of Americans, weary from a divisive war in Indochina; wracked with inflation; stunned by corruption; tense over the state of the world; plagued by racial and other social problems; was courageous enough to accept the heartbreaking reality of the need for impeachment proceedings.

Let history record that we conducted a fair trial; reached a just decision; and in so doing renewed our faith in the commitment to democracy and the rule of the law.

EAST TECHNICAL HIGH SCHOOL HALL OF FAME

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. STOKES. Mr. Speaker, it gives me great pleasure to call the attention of all my colleagues in the Congress to an event of great significance, which will occur in Ohio's 21st Congressional District on Sunday, April 7, 1974. At that time, Cleveland's renowned East Technical High School will induct the first members in its new Sports Hall of Fame. The Sports Hall of Fame has been established to honor the many athletes and coaches who, over the years, have distinguished themselves, East Tech, the city of Cleveland, and the United States of America by excelling in the field of sports throughout the world. A banquet commemorating the event will be held at the Sheraton-Cleveland Hotel.

It is especially fitting that the first persons to be enshrined in the Sports Hall of Fame are some of the most able and well remembered sports figures in Cleveland's history. Track stars like Jesse Owens, Harrison Dillard, and Dave Albritton need no introduction to anyone who has followed their long and successful careers as competitors on the U.S. Olympic team and civil leaders. Football great Johnny Behm and basketball star La Moyne Porter will join them in the Hall of Fame for their many achievements in their respective sports.

Three former coaches will also be enshrined on this occasion in recognition of their great contributions to the world of sports. Sam Willaman, Ivan Greene, and the late Frank Civiletto were all highly respected coaches who turned out literally dozens of outstanding athletes during their years at East Tech and Central High School, which later merged with East Tech. In years to come, these fine men and others who have made East Tech a veritable sports powerhouse will surely provide much inspiration to those who follow in their illustrious footsteps.

Mr. Speaker, I know all my colleagues in the Congress join me in congratulating both East Technical High School and the first entrants into its Sports Hall of Fame on this memorable occasion.

VIEWPOINT: THE UNITED STATES AT WAR IN INDOCHINA

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. BROWN of California. Mr. Speaker, we are all aware that the United States is still assisting South Vietnam enormously, both economically and militarily—1 year after the Paris agreement. We are supporting President Thieu in his successful effort to block free elections, resulting in a regime that is dictatorial, with little regard for its people and their freedom. We are supporting the South Vietnamese prisons that are currently overflowing with political prisoners, many who have done no more than claim neutrality. There are also reports of increased CIA participation in Thieu's police activities, which is in clear violation of the Paris agreement.

It is behavior such as this that is absorbing $1.126 billion yearly of our funds for South Vietnam. The DOD is now asking Congress to stimulate such activities by providing an additional $474 million. This request is obviously ignoring the fact that Congress previously deleted $474 million from the DOD request for the express purpose of limiting our involvement in South Vietnam.

To further delineate our overinvolvement in South Vietnam, I would like to read an article that was published by the Indochina Resource Center, which is a concise report on the placement of our funds and on our growing involvement in Thieu's military endeavors:

VIEWPOINT: THE UNITED STATES AT WAR IN INDOCHINA

President Nixon State of the Union Message, January 30, 1974: "The United States is at peace for the first time in a decade."

Exchange on "Bill Moyer's Journal", WNET–TV. January 9, 1974: "Moyers: Are you saying that a President can tell the people too much?

"Gen. Haig: . . . Yes, I think, in general, there are times when American leaders had best maintain a degree of secrecy . . . If you translate it to the military ethic . . . 'Do what I say because I say so. I expect no questions. I expect immediate response.' That's very applicable to the very question you've asked."

President Nixon's State of the Union message was widely criticized for its overoptimistic predictions concerning energy and the economy. Its most incredible passage, however, the claim that the U.S. is now "at peace"—has gone largely unnoticed.

The reason Mr. Nixon's Orwellian claim has been so unthinkingly accepted has been the Administration's success in conveying the impression that the Indochina war is no longer an American conflict. Even critics now commonly use terms like U.S. "underwriting" or "fueling" of a war among Vietnamese.

In fact, however, the Nixon Administration is now waging war in Indochina, not merely supporting it. Several major revelations during February made this clearer than ever.

The first was the official admission—for the first time in the war—that the U.S. is directly supplying well over 80% of all income of the Thieu Government (see special insert).

The U.S. clearly has the leverage to force Thieu to accept policies he finds unpalatable, e.g. when it forced Thieu to sign the Paris Agreement. Since then, however, U.S. policy and that of Thieu have been indistinguishable. For example, the Nixon Administration demanded $474 million in supplemental funding for Thieu—1 month after his announcement of an unprovoked offensive into PRG zones and 5 weeks after he had canceled elections.

The clearest evidence of U.S. war making, however, was a major piece by N.Y. Times correspondent David Shipler detailing the irreplaceable role played by U.S. military men in the daily functioning of Thieu's air force and army—and the continued role of the CIA in Thieu's police activities—in clear violation of the Paris Agreement. (February 25). Senator McGovern's charge that the U.S. MIA search teams might be involved in spying activities (denied by the State Department), the revelation that U.S. pilots had been killed since the ceasefire (Far Eastern Eco. Review, February 11), and the charge by a U.S. airman that U.S. personnel are being re-introduced into Laos (Rolling Stone, March 14) also pointed up the direct U.S. war-making role.

Administration attempts to hide its war-making continued to unravel in February, however. The most significant setback was its being forced by a suit from Congressman Aspin to reveal the amount of arms it had shipped to Saigon since the ceasefire—information it had steadfastly classified on grounds of "national security" for the past year. This sets a precedent for what may become a flood of such forced disclosures in the months to come. Similarly, a refusal by the State Department to allow the Government Accounting Office to look into U.S. funding of South Vietnamese prisons (announced February 9) may arouse more congressional suspicion than acquiescence.

It took 15 years and one million Vietnamese deaths before the Pentagon Papers officially confirmed that the U.S. had been unilaterally imposing a succession of unpopular regimes on the South Vietnamese people since 1954.

This time—as February statements by Senators Cranston, Humphrey, McGovern, and Congressman Dellums indicated—the public and Congress may realize much sooner that the U.S. remains fully at war in Indochina, a war that can only grow unless action is taken to stop it.

Gwertzman, N.Y. Times, Feb. 3: "President Nixon has personally assured President Lon Nol (of) 'maximum possible assistance' to his government. . . . Mr. Nixon was reported to be taking a personal interest in Cambodia . . . The president said in his latest letter that 'the continuing warfare . . . results solely . . . from the unreasoning intransigence of the North Vietnamese and Khmer Communist supporters.' "

During February it became clearer than ever that the Administration is following a domestic "low-profile" on its war-making in Indochina. Apparently feeling it more advantageous to claim that the "war is over", it consistently attempts to hide or de-emphasize its Indochina activities.

The most dramatic recent example was Mr. Nixon's letter to Lon Nol, clearly intended to strengthen Lon Nol against his many rivals. Mr. Nixon made no attempt to obtain a public or congressional mandate for this letter, which was released in Phnom Penh and not announced in the U.S. Indeed, had an alert Times reporter not noted mention of the letter in a wire service story from Phnom Penh, it might have passed virtually unnoticed here.

The Administration's main hope, clearly, was that the widely-reported Khmer Rouge shellings of Phnom Penh might increase anti-communist sentiment enough to enable it to continue U.S. intervention.

It is not clear, however, that this strategy will work. As Philip McCombs of the Washington Post pointed out, after all, these Khmer Rouge shellings—some of the most destructive of civilian centers by guerrillas in the history of the war—were roughly equal to one American bombing raid of some 30 tons. (U.S. planes dropped over 500,000 tons of bombs on Cambodia, flying some 100,000 sorties from 1969–August 15, 1973.)

Thus, although a strong case could be made against Khmer Rouge shellings of Phnom Penh, it seems unlikely that Americans criticizing civilian terror raids would be very convincing. As it would seem even more unlikely that such criticism of the Khmer Rouge could lead to a resumption of American terror raids.

McCombs, Wash. Post, Feb. 3 and Feb. 13: "Refugees (from Khmer Rouge zones near Kompong Thom) said they had seen no Vietnamese Communists in their area for a year or two . . ."

"With the official death count mounting past 150, wounded past 500 and with 1000 houses burned and perhaps 5000 or more homeless, the (Khmer Rouge) shelling is surpassing in casualties the accidental bombing last August of the town of Neak Loung by an American B52 bomber . . ."

South Vietnam also provided an example of the Administration's defensive domestic posture.

The situation in Saigon continued to decay. Senator Nguyen Van Huyen, President of the Senate and a staunch Catholic and anti-Communist, and Senator Vu Van Mau, leader of the Buddhist faction in the Senate, had together controlled the Senate prior to last August's "elections" in which their slates were not allowed to run. The denunciation of Thieu by both men in January, after Thieu had rammed through the amendment allowing him to run for a third term, virtually completed Thieu's political isolation in South Vietnam.

Mr. Thieu's rather puzzling cabinet reshuffle Feb. 17–19 which left 80% of the former ministers still in the cabinet, and retained members from all competing cabinet factions, clearly did not remedy the situation. And throughout February, reports of widespread corruption (Wash. Post, Feb. 25), forcible retaking of land from peasants by land-owners (AP, Feb. 1), and terrorizing of the population by Saigon soldiers (Chr. Sci. Monitor, Feb. 14) continued to mount.

The social and political problems, together with Saigon's deteriorating economy, clearly necessitates more U.S. aid than ever to hold things together. And the Nixon Administration—while demanding this aid and clearly worried about domestic opposition to it—still refused during February to drop its "low-profile" policy and attempt to build up public support for Thieu. For the time being it has instead chosen to rely upon semi-official groups, like that of the defense industry-funded American Security Council, to counter domestic critics.

The American Council's 4½ day trip to South Vietnam clearly had semi-official status, and was designed to counter growing domestic opposition in the U.S. to Thieu. The ASC's team consisted of two former U.S.

Ambassadors, a conservative U.S. congressman, and a number of spokesmen for the radical right.

Although both U.S. Ambassador Martin and U.S. Military Chief Murray have both refused to meet with the New York Times, both men spent long periods with the team. In addition, the team visited Con Son island for a day despite the fact that the Thieu government has denied access to its civilian prisons to everyone from the International Red Cross to the U.S. Senate Subcommittee on Refugees staff to the international press corps to U.S. Catholic Bishop Gumbleton.

The American Security Council report, therefore, may be a harbinger of the basic tactics the Nixon Administration intends to employ against its domestic critics in the year to come. At least temporarily relying on surrogates, it will place more emphasis on trying to destroy the credibility of its critics through red-baiting than attempting to either justify the Thieu regime's activities or change Thieu's policies.

UNITED STATES NOW SUPPLIES 86.3 PERCENT OF THIEU'S TOTAL RESOURCES

(NOTE.—The following chart was recently supplied by the U.S. Agency for International Development. For the first time in the war it *officially* outlines in the clearest way possible the fact that the U.S. is responsible for over 85% of the Thieu government's total resources. It is important to note, moreover, that during 1973 the U.S. was forbidden by the Paris Agreement from interfering in the internal affairs of Vietnam. The 86.3% of the Thieu government's resources supplied by the U.S. is divided up as follows:)

1973 INCOME INTO SOUTH VIETNAM

	Amount (millions)	Percent
U.S.-supplied income equals 86.3 percent:		
U.S. military aid	$2,270.5	66.8
U.S. commodity import program	300.0	8.8
U.S. food for peace	143.0	4.2
U.S. project aid	86.1	2.5
U.S. loan	50.0	1.4
Import revenues due to U.S. presence (minimum)	91.44	2.6
GVN-generated income equals 13 percent:		
Direct taxes	58.6	1.7
Indirect taxes	283.2	8.3
Import revenues	10.16	.2
Currency additions	30.7	.9
Bond sales	30.3	.8
3d country aid	40.0	1.1

KEY TO FOLLOWING CHART

Line (1) The GVN did accomplish a modest gain in direct taxes during 1973. For a population of 20 million, however, the $3 per capita raised in taxes is a telling indictment of the GVN's political appeal. Line (2) Although we have counted all $283.2 million in "indirect taxes" as internally-generated, in fact 30% of indirect taxes during the war were generated by the U.S. presence, and a substantial portion of such "indirect taxes" are still derived directly from the U.S. presence. Line (3) Virtually all import revenues are derived from U.S.-subsidized imports. Nonetheless, we have estimated the GVN's internally-generated import revenues at 10% of the total, a rather high estimate. Line (4) This simply means that the GVN printed up new currency, thus stimulating inflation. Line (5). The GVN borrowed on the future here, presumably from the national bank. Line (6). The 1973 "loan" was from the U.S., those in 1974 will come from a variety of countries and institutions like the World Bank. Lines (7-10) These are 4 *overt* and *admitted* categories of U.S. funding. Inflation has meant that they amount to a declining amount of real aid and thus declining living standards. The 1974 "military aid" figure of $1.026 billion is not taken seriously by the Indochina Resource Center, since it cannot be correlated with the requests of $1.6 billion for FY 1974 and $1.6 billion for FY 1975. Line (12) This indicates that portion of American aid which enters GVN budget accounting. The budget is quite obviously a small portion of what it takes to keep the GVN in existence.

SOUTH VIETNAM GOVERNMENT BUDGETS BY CALENDAR YEARS 1964–74

[In millions of dollars]

	1964	1965	1966	1967	1968	1969	1970	1971	1972	Estimated 1973	Estimated 1974
1. Direct taxes	12.3	12.7	11.7	19.4	24.4	28.1	35.4	34.0	39.6	58.6	65.6
2. Indirect and other domestic taxes	87.7	124.1	128.3	135.6	138.1	158.9	190.3	199.0	201.5	283.2	301.6
3. Import revenues	63.0	70.9	215.8	177.5	158.9	275.5	328.8	379.6	114.3	101.6	96.9
4. Addition to currency supply	63.0	255.7	131.7	117.5	249.4	86.5	98.2	154.8	40.1	30.7	93.8
5. Bond sales	15.2	27.1	17.7	11.6	40.0	28.6	13.1	75.7	121.4	30.3	NA
6. Loans from foreign countries										50.0	100.0
7. U.S. AID project assistance	46.3	6.57	184.1	324.8	224.1	153.0	115.9	9.57	72.2	86.1	201.7
8. U.S. C.I.P.	104.8	157.5	259.9	165.2	104.4	176.1	182.3	239.4	225.6	300.0	240.0
9. U.S. food for peace	33.9	48.2	76.3	153.3	138.3	94.1	121.0	81.8	118.1	143.0	160.0
10. U.S. military aid	181.8	268.9	862.0	1,203.5	1,054.5	1,608.2	1,692.6	1,882.5	2,382.6	2,270.5	1,026.0
11. Third country grant aid	19.9	19.9	19.9	20.0	20.0	26.0	20.6	28.3	34.2	40.0	60.0
Grand total	627.9	1,050.7	1,907.4	2,328.4	2,152.1	2,632.3	2,798.2	3,170.8	3,356.6	3,394.0	2,345.6
12. Counterpart contribution to the budget	129.5	174.5	301.2	277.7	177.4	190.6	239.5	267.4	305.0	400.2	390.2
Total GVN budget	292.5	382.2	657.0	610.2	498.8	653.1	794.0	880.0	675.4	855.6	854.3
Conversion rate (VN$/US$)	(81/1)	(79/1)	(120/1)	(160/1)	(168/1)	(192/1)	(226/1)	(294/1)	(412/1)	(512/1)	(604/1)

I hope this article has helped in persuading you that $474 million should not be added to the amount the Department of Defense has been given for aid to South Vietnam, and even that the $1.126 billion they already have has not been used in an appropriate manner.

U.S. AID TO THIEU

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. MITCHELL of Maryland. Mr. Speaker, I feel that it is important that articles like the following are brought to the attention of the Members of Congress. We, after all, are directly responsible for the continued funding of the Vietnam war. The article is taken from the Thoi-Bao Ga, a magazine published by the Vietnam Resource Center.

U.S. AID TO THIEU

According to U.S. military sources quoted in the October 3, 1973 issue of the *New York Times*, during the first six months after the signing of the Paris agreements, the U.S. provided the Saigon Air Force alone with 142,000 bombs, rockets and flares and 13.8 million of small-arms ammunition. In clear violation of Article 7 of the Paris agreements, the Pentagon announced plans to replace Saigon's F-5A fighters with more advanced F-5E's, which as one Defense Department official explained, "are not to replace attrition per se, or losses, they are to modernize the Vietnamese Air Force."

Of course, the Saigon Air Force requires training in the use of these new fighters, and to this end, the Pentagon hinted that South Vietnamese pilots are being trained at Williams Air Base in Arizona as well as in Vietnam (*Hearings of the Committee on Armed Services*, Part 8, August, 1973.) Even the most recent Defense Department appropriations include substantial allocations for "off-shore training of ARVN personnel," "funds for the operational support of the field advisors from all services assigned to Military Assistance Command-Vietnam," appropriations for a "psychological warfare campaign conducted by the United States Information Service and Military Assistance Command-Vietnam," and a host of other appropriations. The number of MAC–V field advisors is given as 6,326 persons (*Hearings of the Committee on Appropriations*, Part 5, July, 1973.) In addition, the Pentagon's own figures indicate that there are now 12,000 Marine and Air Force personnel in South Vietnam (*Hearings of the Committee on Armed Services*, Part 8, August, 1973). Then there are several thousand civilian advisors under Defense Department contract and "public safety officers" (i.e., prison and police advisors, intelligence advisors, and advisors for the pacification and the Phoenix programs) attached to the U.S. embassy in Saigon and to the various consulates in other parts of the country.

The total number of Americans listed openly as military advisors is over 24,000, or close to the total number of American advisors during the late months of the Kennedy administration, when, according to the Nixon administration, the Vietnam war was really precipitated.

Besides the maintenance of such a large force, the United States has also organized its command structure in Vietnam to better carry out Washington's intentions. The Defense Attache Office, headed by General John Murray and attached to the command headquarters of General John Vogt in Thailand, now takes over MAC-V responsibilities for commanding the Saigon army and police forces. The office of the Special Assistant to the Ambassador for Field Operations (SAAFO) is now directing the pacification and the Phoenix programs. The U.S. Agency for International Development (USAID) still continues to train, equip and advise the Saigon police. And the four American consulates in Da Nang, Nhatrang, Bien Hoa and Can Tho are in effect the new American military command headquarters for the Saigon army in military regions numbers I, II, III, and IV respectively.

THIEU'S "MODEL" REFUGEE CAMPS

As far as the refugees are concerned, even those who had been transferred to the southern provinces so as to be able to "take advantage of new economic opportunities" are living in abject misery. The heart-rending conditions of those "lucky" refugees who had been transferred from the central provinces of Binh Dinh, Quang Ngai and Quang Nam to the districts of Ninh Tho and Long Hai in Tay Ninh province is described in a detailed study which was serialized in *Dai Dan Toc*, a Saigon daily, from November 1 to 20, 1973. This study is highly censored by the Thieu regime; there are big blank spaces on the printed pages indicating last minute "chiseling out" (*duc bo*) by the authorities. However, what remains of the study is that more than half of the refugees transferred had escaped to go back to their former provinces in spite of the threat to their lives, the danger along the road, the lack of money for transportation, and the knowledge that their original villages had been completely razed and their former lands destroyed. Those refugees who are left behind said that they too would brave death to escape the two new settlements in Tay Ninh.

The reasons are many and we can only briefly summarize some of them here. First of all, the Saigon regime is still conducting military operations in the areas, and the refugees are frequently killed and wounded. Then the camps are built in the middle of bodies of stagnant water where mosquitoes thrive. The houses in the camps are "just like cows' pens," with "tattered coconut-frond walls" and "low corrugated iron roofs which bake the occupants" during the daytime. Each house, only large enough to "contain 5 beds, serve as living quarters for 5 families," each "family is given a rectangular space similar to a stall for a horse or buffalo." To be able to get a piece of virgin land outside the camp to build a house on, each family has to pay at least 10,000 piasters. While this amount of money represents about two months salary for a Saigon soldier, it is a huge sum for most refugee families. The refugees also claim that the government gives them no food and no help in seeking employment. The local Cao Dai churches only help them with some food during the first 9 or 10 days, in return for their labor. Eighty per cent of the refugees in Long Hai have no employment at all. Those who could find work such as reaping and thrashing rice for landlords earn next to nothing while being abused in many ways.

In order to survive almost all of the refugees have to go to the mountains to dig up roots. This has been the chief means of livelihood for the refugees. The mountains are distant from the camps, and in order to get there one has to have a bicycle. Only those with savings can afford this luxury, since an old second-hand bicycle costs over 10,000 piasters. Even so, there are just too many refugees and roots are getting extremely hard to find, and some families have to go for days without even this food, even though the roots are somewhat toxic, causing the eyes to become yellow and the eyesight to blur. Nor are greens anywhere to be found, for everything has been eaten. Because of the lack of food, some mothers do not have any milk for their babies and so even some two month old babies have to suck on the roots. A mother became so desperate that she borrowed a bicycle from a neighbor and went and stole some manioc roots from the land of a certain landlord. The landlord caught her and beat her with the trunk of a bamboo until the bamboo broke. That night the woman was allowed to crawl home to her two children (for her legs had been completely broken and she could no longer walk) but the landlord kept her borrowed bicycle, saying that he would give it back only after she brought him a head of a pig. Her neighbors chipped in to buy the landlord a pig's head, but they could not buy her life back for her. She died soon thereafter, leaving her orphaned children behind. At Long Hao marketplace in Long Hai, there are people who sell their children and wives. There are others who have just quietly taken the lives of everyone in their families to escape the suffering. Such are only a few brief sketches of the lives of the refugees in these two "model" camps.

The situation concerning the refugees of Phu Tai in Binh Dinh province, as documented in the November 18 and 20 issues of the Saigon daily, *Dien Tin*, is even worse. According to the accusation of 5 deputies of the Saigon Lower House from Binh Dinh and Qui Nhon provinces, Thieu's own lieutenants have burnt 2,700 houses in Phu Tai camp, depriving 14,000 refugees of their shelters. The purpose of the burning is to drive the refugees to the An Tuc camp in the mountain area, where no planting is possible and to cover up the fact that the aid in terms of rice, money and corrugated iron roofing that was supposed to go to the refugees (amounting to some 2.5 billion piasters) had been all stolen by the officials. But as reported in the December 1, 1973 issue of *Dien Tin*, instead of doing anything about this situation, the Thieu regime arrested the whole staff of Deputy Nguyen Huu Thoi, one of the deputies who accused the Thieu regime of the crime. They have been jailed since November 29. According to Deputy Huyn Van Tru, in the same issue of *Dien Tin*, not only does this violate constitutional rights of Deputy Thoi but it also runs against the fact that one of the persons accused had admitted his crime. The Saigon regime also accused the Deputy of "working for the Communists" for accusing the Saigon authorities of burning the Phu Tai camp and threatened that if the Deputy persisted in his accusation, he would be eliminated.

THE "RICE WAR"

The refugees are not the only ones who are suffering. According to Deputy Vu Cong Minh, "the inhabitants of the Western provinces are now caught in a dying situation because of the government's policy of economic blockade." The Deputy said that he raised his voice asking for help because the lives of the inhabitants of the areas are being seriously threatened. One of the reasons of the sorry state of affairs is the confiscation for rice from the rural population by the Saigon authorities. But even if the authorities did not confiscate rice from the population so indiscriminately, the official demands for rice from the provinces are enough to cause serious hunger. According to the November 16, 1973 issue of *Dien Tin*, the IV Corps commanders have promised to send Saigon 75,000 tons of rice in November and 165,000 tons of rice in December, 1973. This is about equal to the total amount of rice delivered to Saigon during the first 6 months of 1973, according to the April-June, 1973 USAID *Vietnam Economic Data* bulletin.

Perhaps Thieu realizes the full meaning of his doings (or undoings), because for the past few months he has issued warnings of an imminent attack by "Communist forces." This is used as an excuse for brutally squashing any organized protests on the part of the population as well as for getting more military and economic support from the U.S. government. To get American support, Thieu has used tactics ranging from commandeering the peasants of Binh Duong province to dig anti-tank trenches to protect against an alleged impending attack (*New York Times*, December 11, 1973), to declaring that Hanoi has about 400,000 troops in the South and is planning a large-scale offensive (Reuters, January 1, 1974). What is so ominous is that instead of rebuking Thieu for his obvious lies and his blatant provocations, it is reported in the January 6, 1974 issue of the *New York Times* that President Nixon, Secretary of State Kissinger, and Secretary of Defense James R. Schlesinger have approved plans asking Congress for increased arms aid to the Thieu regime. They want "to provide Saigon with modern sophisticated weapons in a total aid package of about $1 billion." This is after Congress had already voted over $1 billion worth of military aid, with $813 millon through the military aid program and $200 million through the "Food For Peace" program. This should be measured against the statement by Defense Secretary Schlesinger on November 30, 1973, that the United States was prepared to resume bombing Vietnam because "the North Vietnamese are preparing for an offensive," the implication of Kissinger's statement about bombing the daylights out of Hanoi to make sure that the agreements stick, and the charge by the PRG of frequent reconnaissance flights by U.S. planes over PRG territories. Who knows, an American president on the brink of impeachment may find a way out by resuming the war. For who would have the guts to carry through with impeachment of an American president who is carrying out a war to stop "Communist aggression?" And once such a war started, who would stop it? The lessons of the Vietnam war—and later of the Indochina war—ought to be perfectly clear.

—*Vietnam Resource Center staff*.

A "REAL DIRT FARMER" ANSWERS PRESIDENT

HON. DAWSON MATHIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. MATHIS of Georgia. Mr. Speaker, while the Nixon administration and the U.S. Department of Agriculture are maintaining that the American farmer never had it so good, I continue to receive scores of letters and phone calls from farmers who live in the "real world" painting quite a different picture. Today I received a copy of a letter addressed to the President written by one of my constituents who describes himself as a "real dirt farmer." I think his letter, in contrast to glossy USDA pronouncements, realistically articulates the plight of the American farmer, and I commend it to the attention of my colleagues:

TWIN CITY, GA.,
March 20, 1974.

President RICHARD M. NIXON,
White House,
Washington, D.C.

DEAR MR. PRESIDENT: Your speech last night prompted me to write this letter. First, I would like to introduce myself to you; I am a college graduate; 44 years old; a farmer;

President of the local Farm Bureau; on the State Farm Bureau Board; on the State Cotton Commission; on the Secretary of Agriculture Advisory Committee for Cotton; Chairman of the Federal Land Bank Association of Vidalia's Board; on the local Bank Board; selected as one of the four outstanding young farmers of America in 1965; selected by Ford Motor Company for foundation award for efficiency in farm management; a general farmer, having 1980 acres of land with a big investment in growing cotton, corn, soybeans, cattle, hogs, and peanuts. I have two sons in agricultural school that want very much to be farmers themselves.

In your speech you said that the American farmer has never had it so good. Mr. President, I think you have been grossly ill-advised. You said "Soybeans had been $14.00 which was too much." Granted but, I do not know any farmers that got this price, even a high of $10.00 while in the hands of the stockbrokers. But we as farmers using soybean meal in our feed had to pay the price within this range. The cattle prices were higher last year, but let's remember that a large number of these were in big company owned feed lots. Do you realize that it takes 2½-3 years to produce cattle for slaughter plus a lot of feed? You said the way to make the prices cheaper for the American housewife is to produce more. I say the way to shortages and much higher prices is to break the American farmer which could very well happen this year. I know farmers that are selling out, their equipment is wearing out, their fences are falling, their buildings are dilapidated, and more than anything else the unrest among them and this fear of going broke. To substantiate these fears, I would like to state some facts:

Fertilizer that costs $52/ton last year is now $98/ton.

Nitrogen that cost $65/ton last year is now $150/ton.

Diesel fuel that was 18.1c/gallon is now 30c/gallon.

Gasoline that was 22.8c/gallon is now 30c/36.6c less tax.

L. P. Gas that was 21c/gallon is now 30c/gallon.

Equipment prices are out of sight when available.

In other words, Mr. President, how can we the farmer of this great country survive under these conditions when everything we have to sell has already gone down? Hogs that are costing 40c per pound to produce are bringing 32c per pound at the market. Cattle that is costing 45c per pound are bringing 40c per pound. Prices of cotton are 60c per pound, if you can find a buyer. In 1973 if you received 80c per pound for cotton, you really received 95c per pound (including 15c per pound government payment). Corn is $3.00 per bushel, which is good if you are the seller; but, if you are the feeder at livestock prices this is not good at all. Soybeans are above $6.00 per bushel, which is good if you were able to store them and did not sell them last year. However, most of these are in the hands of the brokers.

Mr. President, I do not know where you get your advice, except from Mr. Butz and the United States Department of Agriculture, but certainly there is a real difference if you are a real dirt farmer and earn your living from agriculture rather than being an agricultural economist and an expert. How many of these people in U.S.D.A. have, or, are really engaging in the production of food and fiber crops? I know my friends Phil Campbell, Bill Lanier, and Will Irvin have at one time depended upon agriculture for their livelihood. But I beg of you to call them in and get them to tell you the real truth as to why they themselves are not farming. Mr. President, I am not criticizing you or anyone in your administration, but I beg of you to review the whole situation and to better understand that the farmer is not the one that causes high prices at the food counter. However, we are the people who are really getting the blame which is very unjustified.

We are all aware of the fact that the American farmer makes up less than 5% of the nation's population and this figure has been growing smaller. In view of the present agricultural economic facts, some of which I have mentioned, we the American farmer seriously request that the apparent communication gap be closed so that the facts can be disclosed to the public without giving undue blame. Our concern and request is not only for the present day farmer, but also we are aware of the fact that the present agricultural economic factors are not encouraging to young farmers who sincerely want to go into this very important industry. Our crops are used to feed and clothe the people of this country, as well as being one of the most important tools in trade with other countries.

Sincerely,

DOLAN E. BROWN.

FALCONS OF BRISTOL, CONN., WIN CLASS B STATE CHAMPIONSHIP

HON. ELLA T. GRASSO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mrs. GRASSO. Mr. Speaker, on March 15 St. Paul High School's Falcons of Bristol, Conn., clinched the class B State championship with a breathtaking 71–70 overtime victory over determined Daniel Hand High School of Madison.

For St. Paul the remarkable feat—coming as it did in the last 10 seconds of an overtime period—was a fitting culmination of a highly successful season. Together with the team's other tournament wins, the championship game proved decisively that St. Paul clearly deserves the worthy designation of "Cardiac Kids."

In the tournament final, Coach Gary Palladino's Falcons demonstrated the same determination, coolness under pressure, team spirit, and resourcefulness that were so much a part of their earlier tourney victories. St. Paul captured all five of their tournament wins in the last seconds of each game by a combined total of a mere nine points. Counting the final, three of their victories were taken by only one point.

Through each palpitating contest Coach Palladino's calm and even hand guided his charges to victory. In addition, the St. Paul basketball fans never lost a bit of confidence and enthusiasm through all of their team's tough encounters.

It is with great pride that I extend hearty congratulations to Coach Palladino, his players, and to all the students, teachers, and parents of St. Paul—in short to everyone who had a part in this marvelous triumph.

Mr. Speaker, for the benefit of my colleagues, the following story from the Bristol Press about St. Paul's championship win is inserted:

[From the Bristol (Conn.) Press, Mar. 16, 1974]

ST. PAUL WINS IT ALL, SCORE TYPICAL

(By Charlie Hibbert)

NEW HAVEN.—Of course, it had to be overtime. It had to be decided by one point.

And St. Paul had to win.

It was like reaching the end of a dime store novel, being told whodunit, then realizing that the clues have been there all along. What other way could St. Paul win the state Class B basketball championship than with another numbing, last-second triumph, with the added drama of an overtime period tossed in for good measure.

The Falcons completed their astonishing drive to the championship at the New Haven Coliseum Friday night by defeating Daniel Hand of Madison 71–70, thus bringing the City of Bristol its first CIAC hoop title, since 1934.

Astonishing not because St. Paul won, but the manner in which the team did it. The five tourney games were decided by a total of nine—that bears repeating, nine—points, including three one-point contests. And all five contests were decided in the last 10 seconds.

After beating Guilford on Frank Owsianko's 30-footer at the buzzer earlier this week in the semi-finals, St. Paul decided to put this one away "early." The clinching points came with three seconds remaining in the overtime when the Falcons' John Majewski converted a clutch one-and-one opportunity at the foul line.

St. Paul then surrendered the final basket of the game (it was the first time the team hasn't needed the last hoop) to cut the margin back to one point.

The taller, more muscular Hand team appeared to have matters going its way on several occasions in the second half as the Madison team gained a solid 51-33 rebounding advantage. With two exceptions, meanwhile, St. Paul was not enjoying a particularly strong shooting night.

Those exceptions made the difference, however. Mark Noon, a cinch choice as the game's Most Valuable Player, connected on 14 of 19 field goal atttempts and finished with 33 points, while Brian Corbin was deadly from the perimeter as he hit on seven of 10 shots for 14 points. As a team St. Paul was 30 for 65 from the field.

The big men carried the scoring burden for Hand, meanwhile, as forward Mark McNamara netted 22 points, center Dave Fries had 20, and forward Brendan VanDeventer 14.

St. Paul shot well in the opening period and took a 20–10 lead, but it obviously wasn't in the script for the Falcons to win an easy one. Hand shaved the margin to 34–31 at the half, then finished the third period with 10 consecutive points to take a 48–44 lead into the final quarter.

When Hand's Jeff Farmer scored a rebound basket in the opening seconds of the fourth period to give his team its biggest lead at 50–44 St. Paul was clearly in trouble, but it didn't take long for the Falcons to get back into the game. Noon and Tom Kurban scored consecutive hoops on rebounds, and the Hand lead was slashed to two.

St. Paul eventually tied the game at 53–53 with 4:22 to go on an Owsianko layup. VanDeventer hit a free throw for Hand, but then Corbin popped in two in a row for St. Paul and Majewski followed with a jumper with 2:31 to play to give the Falcons a 59–54 edge.

Hand called a time out with 2:20 showing, then wasted no time moving back into contention. VanDeventer hit from the sideline with 2:06 to go, and Noon was fouled under the basket in the same sequence. Mark missed his free throw at the other end, however, and McNamara then tallied for Hand to make it 59–58.

A pair of St. Paul turnovers enabled Hand to move ahead as Fries was fouled by Owsianko in a rebounding scrap with 1:06 remaining, and the Hand center converted the one-and-one to make it 60–59.

St. Paul retaliated by going to its strength, clearing the way for Noon to work one-on-one against Hand's Bobby Isleib. Noon beat Isleib to the hoop on a drive, scored a layup while being fouled, and converted the free throw to make it 62–60 with 54 seconds showing. A McNamara jumper 11 seconds later tied it again, then St. Paul held on for the final shot.

The Falcons called a time out with 10 seconds to go, then tried to work the ball to Noon again for the big shot. Hand played exceptional defense, however, and St. Paul was forced to settle for an off-balance 20-footer by Majewski at the buzzer. The way things were going in the tournament one would have almost expected the ball to go in, but it hit the rim and dropped out, causing the overtime.

An unusual four-point play by St. Paul with 1:47 left in the extra period actually decided the game. After Fries and Noon traded hoops St. Paul regained possession and looked for the go-ahead score. Noon passed the ball to Corbin, who tossed in an 18-footer to make it 66–64. As Corbin released the ball, however, Noon took an elbow from Farmer, the foul was whistled, and Mark stepped to the line for a one-and-one try. He made both shots, and St. Paul had a 68–64 advantage.

Another McNamara score cut the gap of two points with 1:10 left, but then St. Paul started to freeze the ball. Majewski was fouled with 36 seconds to go, making the first shot but missing the second. Fries then scored on a rebound with 19 seconds to go to carve the margin down to one at 69–68, but Hand was still in a position where it had to foul to get the ball back.

Majewski was finally fouled by VanDeventer with three seconds left, and after a time out John sank both shots to wrap up the victory. McNamara then scored at the buzzer to leave the final margin, fittingly, at one point.

St. Paul, rated No. 15 in the tourney, finishes the season with the best record in school history, 17–8, while Hand, ranked fifth, concludes the year at 19–6.

It was a banner evening for Hartford County Conference teams as South Catholic defeated Naugatuck 71–57 in the second game of the twin bill to capture the Class A title. It was the second time in three years the league has had two champions. East won Class A and Northwest took Class B two years ago. Northwest then defended its B title successfully last year. The double header drew a crowd of 6,479, a new CIAC record.

St. Paul (71)	Fld	Fl	Pts
Kurban	3	0	6
Noon	14	5	33
Owsianko	3	1	7
Majewski	2	5	9
Corbin	7	0	14
Pellitier	1	0	2
Totals	30	11	71

Hand (70)	Fld	Fl	Pts
Farnier	4	1	9
McNamara	11	0	22
Fries	6	8	20
Isleib	0	0	0
Cassell	2	1	5
VanDeventer	6	2	14
Barry	0	0	0
Totals	29	12	70

TESTIMONY IN SUPPORT OF THE URBAN EMPLOYMENT ACT

HON. JAMES V. STANTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. JAMES V. STANTON. Mr. Speaker, I am today inserting into the RECORD another of the statements given in conjunction with my own before the House Economic Development Subcommittee on April 1. This is the testimony in support of the Urban Employment Act, H.R. 5808, offered by Joseph P. Furber, commissioner of economic development for the city of Cleveland. Mr. Furber's work in the field of economic development has been widely praised, and so I am especially pleased to have his support in this effort:

REMARKS PREPARED FOR THE ECONOMIC DEVELOPMENT SUBCOMMITTEE OF THE HOUSE PUBLIC WORKS COMMITTEE

(By Joseph P. Furber, Commissioner of Economic Development, City of Cleveland, April 1, 1974)

The division of economic development of the department of human resources and economic development, in the city of Cleveland, Ohio, is specifically charged by ordinance 254–A–68 (September 23, 1968) to—

". . . plan and implement progams to attract new business and industry and to assist the expansion or relocation of existing business or industry; to coordinate the activities and facilities of, and to cooperate with, public and private agencies in the area of industrial development and expansion, and to relate Federal and State assistance programs to the economic needs of the community."

Though the division has not been specifically charged with the responsibility for business and industrial retention, it is our belief that the sentence beginning ". . . and to cooperate with public and private agencies . . ." gives us this mandate. Therefore, it seems important to preface these remarks with the statement that our most important effort is business and industrial retention. The establishment of a healthy business climate achieved through a successful retention program logically represents the best long-range plan for a mature city's business expansion.

As you gentlemen are well aware, more than 80 percent of all business expansion is produced by existing business and industry. For that very reason our economic development strategy in Cleveland has been to concentrate upon the "Bird in the Hand" as opposed to the "Bird in the Bush."

The problems encountered by mature urban centers can be classified as follows: Municipal services, obsolescence and productivity, economic dislocation, pollution abatement, and land acquisition.

In the case of municipal services, a diversified industrial base has historically enabled Cleveland to grow. However, though the Cleveland S.M.S.A. continues to grow and prosper, economically speaking, the city has failed to keep pace with the region. Local efforts to develop and release even minimal supportive funds are further reduced because of the departure and closings of tax-paying employers. The resulting loss of real income to city employee and employer creates a greater dependency upon the city of Cleveland for expanded municipal services. Only a vital and healthy city economy is capable of delivering these services. The fiscal stability of the city can only be achieved by retaining, expanding and attracting a solid tax base. H.R. 5808 addresses itself to this problem.

The general obsolescence and marginal productivity of capital, land, labor and entrepreneurship need to be studied with an eye to finding innovative concepts capable of overcoming the disadvantages of a physically deteriorating and mature industrial region. The use of human resources in affected industrial areas, to function as a talent bank of leadership, needs exploration. Human resources are as worthy of venture capital investment as are land, buildings, and equipment, and perhaps of more lasting value. Local sources of capital need to be shown the advantages of encouraging economic vitality within the city. H.R. 5808 acts as an incentive for local investment in central cities.

Economic dislocation occurs when employees are unable to follow an employer when he moves to a suburban industrial park. The availability of housing and transportation tend to sever his economic ties most effectively. Good public transportation needs to be assessed in the light of whom it is designed to serve. Most certainly, it should best serve those members of its tax base most in need of its service.

Technological advancements occasion still more job losses to the least skilled. Because they lack the technology or training needed for our changing job market, they join the dislocated. A labor-rich manufacturing industry must remain competitive to stay within the city. The more current move to service industries is not conducive to increasing personal property taxes nor to a large labor force. H.R. 5808 encourages central city firms to solve these problems and remain close to the workforce which also conserves energy in this time of need.

The effects of increasingly vigorous enforcement of the Environmental Pollution Act, though urgently needed to halt the city's pollution in balance with the conservation of energy currently mandated, also coincides with Cleveland's economic decline. Every effort should be pursued which will help bring together those affected, so as to reduce the impact and cost of pollution abatement. H.R. 5808 offers a way to overcome this problem by permitting investment in the latest machinery and equipment.

The land available for industrial expansion within a mature city is generally more costly, less accessible, and more difficult to assemble in usable parcels. Available land may contain homes; be landlocked by railroads; used for drainage; revert to a prior zoning; or be subject to a variance upon sale; seem threatening to a councilman, etc. There are many reasons for this plight, and a thorough study and identification of the impediments to assemblage of usable land needs to be done. Attention should be focused upon the proven concept of an improved land bank in the city of Cleveland. H.R. 5808 specifically addresses itself to industrial land banks.

Now I would like to focus on how H.R. 5808 will help Cleveland's urban economy, particularly with reference to specific industrial and commercial needs.

The act expresses a concern about business losses and industrial outmigration from the central cities, that speaks directly to Cleveland's situation. For example, in 1973, the city planning commission reported that between 1966 and 1971 the city lost 12,058 jobs and 258 firms. This has contributed to an unemployment rate that is double the national average. On the other hand, the surrounding suburbs in this same five-year period gained 2,564 jobs and 107 firms. The city planning commission further estimated that between 1970 and 1975, 60,000 men and 10,000 women will join the labor force, while 20,000 persons will retire. Of the 50,000 persons looking for work, there will only be about 30,000 jobs available. Thus, the present employment outlook is not encouraging for Cleveland.

In keeping with our local legislative mandate, we have initiated and continue to support, four nonprofit development corporations which are working for the industrial and commercial well-being of the localities wherein they are located. Two additional area groups are in the process of being organized, and they are the Collinwood Area Development Corporation and the St. Clair Addison Road Area. The existing local development corporations are the Woodland East Community Organization, the Lakeside Area Development Corporation, the Detroit Shoreway Community Development Organization and the Buckeye Area (Cleveland) Development Corporation.

All of these groups are excellent vehicles through which to carry out the intent of the proposed legislation, H.R. 5808.

Item—These area development corporations are self-help in nature and are representative of large and small industries and commercial establishments. They are concerned about both the present problems and the future of the neighborhoods of the central city where they are located.

Item—As such, these groups cooperate closely with the city and would therefore represent excellent vehicles through which funds could be granted or loaned as spelled out in title VIII of this legislation.

Item—They account for a sizable number of the jobs and taxes upon which the economy of the city depends, i.e., Ladco, 6,100 jobs; WECO, 2,500 jobs; DSCDO, 4,500 jobs; BADC, 1,400 jobs; SCARA, 5,800 jobs; and CADCO, 600 jobs.

Item—They are legal entities in that they are incorporated with the State, and at the same time qualify for tax exempt status under the IRS Code 501(c) (3) or (c) (4).

Item—Each corporation is grounded on sound socio-economic studies which set forth rationale for the said corporation and the recommendations for action on felt needs of resident firms.

These corporations are already involved in the following projects: Auxiliary police patrols; neighborhood cleanup campaigns in cooperation with residents; area beautification as via shade tree planting; coordination with city hall resources and agencies; enhancing a sense of community via street festivals, newsletters, and other community efforts; summer employment of youth; neighborhood employment where and when legally possible.

A number of these nonprofit corporations are presently making comprehensive analyses of their needs and are projecting short and long-range plans that will lead to programs for area development and in-town industrial parks. These include the following:

Mini-bus systems, internal and external to the area; ways to alleviate crowded parking conditions which are having serious consequences for residents and merchants as well as the flow of trucking suppliers, and customers for industrial firms; establishment of industrial clinics to meet OSHA standards; working with city hall to vacate and/or pave streets, install high intensity lighting, rezone contingent property for industrial usage, and acquire vacant housing and demolish it for plant expansion or parking needs.

In short, these area development corporations are ready, able, and most importantly, willing—to avail themselves of parts A and B of this act, through loans and grants for land banks, building rehabilitation or demolition, and the like. The division of economic development is ready, willing and able to assist. H.R. 5808 opens the door.

Another area where this act will prove of vital benefit is in reference to part C "urban industrial development loans", i.e., to aid in financing any project in the central city for the purchase or development of land and facilities, and to guarantee loans for working capital made to private borrowers by private lenders.

Support for this provision stems from the numerous retention cases that come to the attention of our department, specifically those firms which are in need of funds for land, plant facilities, or working capital. Usually they are not in a position to secure financing from private lenders, or if they are, they cannot secure the necessary collateral from third parties such as government lending programs. It must be remembered, in this connection, that Cleveland continues to have a conservative banking climate. They are not prone to make loans to business establishments involving any significant degree of risk—as where the firm may be small, or in the incubation stage; or where it is located in what is perceived to be a transitional or insecure neighborhood. Certain of these firms could receive the necessary private financing if they moved out of the central city. Thus, the provision of loans and loan guarantees for businesses in Cleveland will fill a much needed gap and help to prevent the flight of jobs and industry to the suburbs.

Gentlemen, in conclusion I ask you to accept the three basic premises upon which our economic development strategy in the city of Cleveland is built:

1. A job is an integral part of man's environment;

2. Cleveland exists, as do other cities, to fulfill two economic needs: As a place to work and as a place to live; and

3. Central cities are handicapped due to the fact that they hold legal jurisdiction over a geographic area that does not correspond to the sphere of their economic influence.

In my opinion, the only Federal agency that has addressed itself to the economic problems of mature urban centers is the Economic Development Administration of the U.S. Department of Commerce. H.R. 5808 continues and expands upon that agency's good work.

ADDITIONAL SUPPORT FOR FREEDOM OF INFORMATION ACT AMENDMENTS

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, another leading American newspaper has praised the action of the House in passing H.R. 12471, our bill to strengthen the Freedom of Information Act of 1966 (5 U.S.C. 552). The Des Moines Register in a recent editorial specifically referred to the amendment that is contained in H.R. 12471 that would permit Federal courts to review, in camera, Government documents ordered withheld because of security clasification markings, thereby undoing the mischief resulting from the Supreme Court's ruling in the *Mink* case last year.

As the editorial so accurately states:

Giving an Administration an unreviewable right to hide information through the use of secrecy stamps is tantamount to making the Freedom of Information Act worthless. The House is on the right track with its action on court review. Congress as well as private citizens have a "need to know" and a right to assurance that "national security" isn't being used to hide information that belongs in the public domain.

Mr. Speaker, the full text of the editorial follows:

[From the Des Moines Register, Mar. 25, 1974]

LIMITING OFFICIAL SECRECY

The U.S. House has taken a step toward lifting the veil of government secrecy by voting to give the courts power to look behind the secrecy stamps placed on government documents.

The Freedom of Information Act is supposed to give the public access to a wide range of government information. However, the act exempts from disclosure nine classes of information, including matters "specifically required by executive order to be kept secret in the interest of the national defense or foreign policy."

This exemption enables an administration to withhold documents simply by stamping them secret or giving them a similar security classification.

A circuit court of appeals ruled in 1972 that judges are empowered under the Freedom of Information Act to examine classified documents and order the non-secret portions disclosed. But the U.S. Supreme Court declared last year that judges are not authorized to do this under the act. The court said the law "makes wholly untenable any claim that the act intended to subject the soundness of executive security classifications to judicial review at the insistence of any objecting citizen."

Justice Potter Stewart agreed with the majority, but he was sharply critical of Congress. Justice Stewart declared:

"[Congress] has built into the Freedom of Information Act an exemption that provides no means to question an executive decision to stamp a document 'secret,' however cynical, myopic, or even corrupt that decision might have been . . . Without disclosure . . . factual information available to the concerned executive agencies cannot be considered by the people or valuated by the Congress. And with the people and their Congress reduced to a state of ignorance, the democratic process is paralyzed."

Justice William Douglas added:

"The much advertised Freedom of Information Act is on its way to becoming a shambles. Unless federal courts can be trusted, the executive [branch] will hold full sway and make even the time of day 'top secret' . . . The executive branch now has carte blanche to insulate information from public scrutiny whether or not the information bears any discernible relation to the interests sought to be protected by [the exemptions] of the act."

The House has taken these rebukes to heart by voting to give judges authority to examine documents whose disclosure is sought, to determine whether information is being withheld by use of illegal or improper security classifications.

Giving an administration an unreviewable right to hide information through the use of secrecy stamps is tantamount to making the Freedom of Information Act worthless. The House is on the right track with its action on court review. Congress as well as private citizens have a "need to know" and a right to assurance that "national security" isn't being used to hide information that belongs in the public domain.

VIETNAM POLICY QUESTIONS

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Ms. HOLTZMAN. Mr. Speaker, despite the Paris Peace Agreement, war still rages in South Vietnam. This administration is fueling that conflict not only by giving moral support to the Thieu regime but by making substantial military commitments. The persistence of that conflict is of course tragic for the Vietnamese, but also—given President Nixon's policies—threatens to engulf us again in war.

Tomorrow we will have a chance to stop this drift toward war and to say "no" to the continued support of the Thieu regime by voting against the $474 million President Nixon has requested for military aid to South Vietnam.

In this respect I have found the following two articles insightful and informative, and I commend them to my colleagues in preparation for tomorrow's vote. The first is an editorial which appeared last week in the New York Times. The second is an article written by the Indochina Resource Center. It is thought provoking and raises serious questions about our policies in Vietnam which merit further investigation. The articles follow:

VIETNAM AGAIN

The news from Southeast Asia is beginning to have a morbidly familiar ring. In an engagement Monday Vietnamese forces suffered their heaviest casualties since the signing of cease-fire fourteen months ago. In fierce fighting on the same day Cambodian insurgents captured a major city twenty miles from Phnom Penh.

In Washington the Defense Department is asking Congress for urgent new military aid to South Vietnam, and the American Ambassador in Saigon is warning that the "people of the world" will be exposed to "enormous dangers" if the United States fails to provide wholehearted support for President Nguyen Van Thieu. Those who dare to question the continuing United States military effort, says Ambassador Graham Martin, are only succumbing to the insidious influence of Communist North Vietnam.

There is scarcely a pretense any more that the Vietnam truce agreement has brought respite from war. Pentagon witnesses told a Congressional committee this week that, unless a quick $474 million is sent off to Saigon, President Thieu's military operations would have to be sharply curtailed next month. And for the coming year, the Administration seeks $2.4 billion for Vietnam aid, plus another $463 million to support American military forces based in Southeast Asia. In the first year of so-called peace, the United States expense for weapons and ammunition in Vietnam was only 25 per cent below the level for corresponding programs in the heavy war year of 1972.

Neither North nor South Vietnam has shown any interest in implementing the elaborate and patently unwieldly political provisions of the Paris accords. If this comes as no surprise, what is ominous is the undated assumption that the United States is committed to keeping the war going, on President Thieu's terms. Having successfully barred direct combat involvement in Southeast Asia, the Congress is entitled now to be wary of continued drift into war by proxy.

HOW U.S. MILITARY AID VIOLATES THE PARIS AGREEMENT

The Nixon Administration agreed in signing the Paris Agreement to withdraw all war material and U.S. military personnel from South Vietnam (Article 5). The only military aid specifically mentioned by the Paris Agreement is "piece-for-piece, of the same characteristics and properties" as war material expended after the ceasefire. (Article 7.)

There are numerous indications, however, that the United States has violated both Article 5 and Article 7 by:

(1) Providing the GVN's army, air force and navy far more war material than simple "piece-for-piece" replacement would allow. On February 20, 1974, for example, Congresswoman Bella Abzug received an official memorandum from the U.S. Agency for International Development. On page 3 of this memorandum, it states that in calendar year 1972 U.S. military aid to South Vietnam was $2,382.6 billion, in calendar year 1973, it was $2,270.5 billion. On the other hand, official GVN statistics report that 39,587 ARVN soldiers were killed in 1972, whereas in 1973 ARVN killed had declined to 13,822. This is only one indication that combat was substantially lower in 1973 than it was in 1972. The fact that the Nixon administration maintained military aid in 1973 at the same level as in 1972 is clear indication that it far exceeded mere "piece-for-piece" replacement.

(2) Using military aid moneys to fund activities not allowed under Articles 5 and 7. In a February 12, 1974, letter to Congresswoman Patricia Schroeder, for example, the Comptroller General of the United States reported that $1,022.1 billion in military aid appropriated to South Vietnam in Fiscal Year 1973 was divided up as follows:

(a) "Operation and Maintenance—$622.9 million."

(b) "Procurement—$358.8."

(c) "Military personnel—$40.4 million."

Of these three aid categories, only "procurement" is specifically allowed under the Paris Agreement (and then only on a basis of "piece-for-piece" replacement).

It seems clear to us that "operations and maintenance," which includes providing oil to keep Thieu's machines of war functioning, flying equipment in and out of Vietnam, repairing computers, is definitely outlawed by the prohibitions in Articles 4, 5, and 7 against U.S. "military involvement" (Article 4) U.S. "armaments, munitions and war material" (Articles 5 and 7).

The open admission by the Comptroller General that the United States is supplying $40.4 million for "military personnel" is perhaps the single most convincing proof of the Nixon administration's blatant violation of the Paris Agreement. All U.S. military personnel, "including technical military personnel," are clearly outlawed by article 5.

The myth that military personnel who have remained are really "civilians" has been constantly exposed in the American press. (See the *Baltimore Sun*, November 28, 1973; *U.S. News and World Report*, February 4, 1974; *The New York Times*, February 25, 1974.)

(3) Providing the GVN's army, airforce and navy with new weapons which are *not* of the "same characteristics and properties," as allowed by Article 7.

The most blatant example of this was the announcement that the Nixon Administration would begin sending F5Es to replace the GVN's F5As. The *Washington Star-News* reported on January 8, 1974, "Some officials privately admit that the F5E resembles the F5A in name only." The *New York Times* reported on February 25, 1974, that the "F5E fighter planes (are) to replace the slower, less maneuverable and less heavily armed F5As."

In fact, however, the F5E is an entirely different plane from the F5A, as different as the F5A itself from the A37 that the F5A replaced. The following comparison makes this clear:

	A37	F5A	F5E
First flight demo	1954	1959	1972
Acceleration (foot per second)	400	271	458
Combat radius (miles)	230	170	350
Bomb load (pounds)	4,100	6,200	7,000

Sources: "Aviation Week and Space Technology," Forecast and Inventory Issue, Mar. 11, 1974; "Military Aircraft of the World," by John Taylor and Gordon Swanborough; "Great Britain," Charles Scribner and Sons, 1973.

(4) Flying military missions into the Democratic Republic of Vietnam, South Vietnam, Laos and Cambodia from Thailand. The Nixon Administration agreed to "stop all its military activities against the territory of the Democratic Republic of Vietnam by ground, air and naval forces, where they may be based," in Article 2. In Articles 4 and 20, it agreed to a similar cessation of military activities in South Vietnam, Cambodia and Laos.

U.S. Brigadier General James Hildreth, however, was reported on January 11, 1974, to have confirmed to visiting western newsmen at Udorn Airforce base that U.S. airmen were flying missions into South Vietnam, Cambodia and Laos. He went on, in fact, to state that they were receiving "combat pay." (See *L.A. Times*, January 11, 1974.)

Senator Harold Hughes, revealed on March 12, 1974, that he has information indicating that over 2,000 American airmen were flying at least 6 days each into Indochina each month from Thailand, receiving "combat pay."

On November 30, 1973, moreover, the *Washington Post* reported that American spokesmen in Saigon had refused to confirm or deny that charge that the U.S. was flying into the DRV, after previously denying it November 10. The DRV has, before and since, continually charged U.S. spy flights over its territory.

These officially admitted military flights into Indochina are clearly outlawed by the Paris Agreement, even were they simply the "reconnaissance" flights American officials claim they are. The past history of such flights, however, is that information gathered from them is used both for bomb damage assessment (BDA) and targeting for new bomb strikes. There is every reason to believe that these "reconnaissance" missions are an integral part of an American-directed bombing campaign carried out in bombers with the markings of the GVN and Lon Nol airforces. Other indications of this include the revelation that Americans were listed as killed-in-action at Udorn Airforce Base after the ceasefire (see the *Far Eastern Economic Review*, February 11), and the report that American military personnel were being sent into Laos in civilian clothing. (*Rolling Stone*, March 14)

Suspicions that the United States has been giving military aid in direct violation of the Paris Agreement have also been fueled by two other factors: (1) The refusal of the U.S. in South Vietnam to allow its influx of arms into South Vietnam to be inspected by the press or neutral observers (the ICCS has not yet been allowed to observe "piece-for-piece" replacement through previously designated checkpoints.) (2) The refusal by the DOD for nearly a year after the signing of the Agreement to reveal the amount of war material and ammunition it was funneling into Saigon. This information was refused on the grounds that it was "classified" and "essential to national security." Finally, in January 1974, Congressman Aspin threatened to sue under the Freedom of Information Act. At this point the DOD partially relented, releasing information which had previously been described as "classified." It refused to release its figures, however, on how much war material the GVN had on hand as of January 27, 1973,—thus making any effective checking—even on paper—impossible. Real checking—which would mean going to South Vietnam—has proven quite impossible.

RETURNS IN ON HOGAN CONSTITUENT POLL

HON. LAWRENCE J. HOGAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. HOGAN. Mr. Speaker, on March 29, I issued a press release on the results of my recent public survey undertaken in my district.

I wish to have the release inserted in the RECORD at this point:

RETURNS IN ON HOGAN CONSTITUENT POLL

Congressman Larry Hogan (R–Md) reported this week that his constituents in Prince George's County favor impeachment of President Nixon by a slim margin and are about equally divided on whether the President should resign, according to results of a poll taken in the Fifth District over the past 90 days.

Rep. Hogan found the attitudes to date "surprisingly strong" in comparison with similar national polls taken during the same period, which reflect about 25 percent of the nation favoring resignation and 26.5 percent feeling impeachment should be voted.

Of approximately 2,800 who responded to the poll, 1,438 or 51.2 percent declared they felt the President should be impeached, while 1,092 or 39 percent opposed it. On the question of resignation, the tally was 1,298 or 46.3 percent in favor, 1,273 or 45.4 percent opposed. About 200 were "undecided" on each question.

A similar poll taken in nearby Northern Virginia by Rep. Joel Broyhill indicated 45.1 percent of those residents favored "removal of the President from office," and another by Rep. Stanford E. Parris reported 40 percent were in favor of impeachment while 46 percent opposed impeachment.

A member of the House Judiciary Committee, which is charged with the impeachment investigation, Congressman Hogan reiterated his announced policy of not being swayed by the results of the poll. He said he is "keeping an open mind until the evidence is in (and is) refusing to pre-judge the issue until we have all the facts before us." He said he included the questions on impeachment and resignation because representatives of the news media have been repeatedly seeking this information from him.

He also pointed out that the questionnaire was part of a "Larry Hogan Report" newsletter, mailed in January, which included an article on impeachment.

Congressman Hogan also found "an expected dissatisfaction with the way the President and the Congress have dealt with the energy crisis." Of those responding, 1,584 or 56.5 percent were not satisfied in this area, while only 290 or 10.3 percent approved and 307 were undecided.

"I have considered the so-called energy crisis a matter of major import in this session of Congress." Rep. Hogan declared, "and have been pressing in several areas of concern in recent weeks.

"To meet a basic weakness in the system, I have proposed a Council on Energy Policy within the Executive Office of the President to develop long-range plans and oversee the nation's energy utilization," he reported. "Further, I have co-sponsored measures designed to stimulate efforts in the fields of solar energy, stepped up geothermal energy research and environmentally acceptable methods of drilling for off shore oil. Additionally, we must develop better technology for extracting shale oil, which is in plentiful supply." Hogan said a Subcommittee of the House Judiciary Committee has been holding hearings on off shore drilling.

Of more immediate impact, he added, are efforts undertaken by the Congressman and other members of the Maryland Delegation to ensure adequate gasoline supplies to the State from officials of the Federal Energy Office—which resulted in an additional 8.8 million gallons of gasoline sent into Maryland last month.

Further, the preliminary gasoline allocation for March "has been substantially increased," as a result of efforts by the Maryland Delegation which convinced federal officials of the "unrealistic and arbitrary" nature of the State's gasoline allocation, previously based upon consumption in 1972.

Rep. Hogan also reported that 60.8 of those responding to his poll approved of the manner in which he has been representing them in Congress, while only 19 percent disapproved. About 16 per cent reported they were undecided.

Geared particularly to federal government employees living in the district were two questions related to legislation being considered by the Post Office and Civil Service Committee on which Rep. Hogan serves.

About ten percent of those responding felt their privacy had on occasion been invaded and nearly 21 percent reported they had been subjected to "undue pressure to contribute to a fund drive for a charity or to purchase savings bonds."

Hogan added that many letters were also received citing various problems encountered within his district. "We have initiated action to help solve these situations," Hogan said.

DEBATE ABOUT IMPEACHMENT OF PRESIDENT

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. BOB WILSON. Mr. Speaker, debate about impeachment of the President is still our No. 1 activity, and much of that debate centers on whether the impeachment of the President should be considered only on the constitutional basis of his having committed "treason, bribery, or other high crimes and misdemeanors."

A very interesting paper on this subject has been written recently by a noted Washington lawyer, Oscar Robert Strackbein, who is purportedly interested in the legal aspect of impeachment.

I insert the Strackbein paper "Crime as the Sole Basis of Impeachment" and an editorial from the San Diego Union in the RECORD:

CRIME AS THE SOLE BASIS OF IMPEACHMENT

(By O. R. Strackbein)

It is urged today in many quarters that impeachment of a president of the United States may be based on grounds other than the commission of a crime by the president. That this represents a dangerous doctrine will become evident if we consider some of the attendant consequences of acting on such a premise.

It is dangerous because it opens the door to considerations the limits of which are nowhere defined. It invites an open season for any who may be trigger-happy or those who may harbor a personal dislike or hatred of the man in the White House, or who for political reasons or for philosophical differences would like to dismiss the current occupant of the presidency.

What is meant here is the type of miscarriage of which in later days and on more mature reflection we might be ashamed. The concern is perhaps best elucidated through a quotation from Walter Bagheot (1826–77) English economist, essayist and journalist. In his study of Sir Robert Peel, mid-19th century prime minister of England, he commented on the change in outlook brought on by the passage of time. At the outset of his sketch of the prime minister he said:

"Most people have looked over old letters. They have been struck with the change of life, with the doubt on things now certain, the belief in things now incredible, the oblivion of what now seems most important, the strained attention to departed detail, which characterize the mouldering leaves. Something like this is the feeling with which we read Sir Robert Peel's Memoirs. Who now doubts on the Catholic question? It is no longer a 'question'. A younger generation has come into vigorous, perhaps into insolent, life, who regard the doubts that were formerly entertained as absurd, pernicious, delusive. To revive the controversy was an error. *The accusations which are brought against a public man in his own age are rarely those echoed in after times.* Posterity sees less or sees more . . . Time changes much. The points of controversy seem clear; the assumed premises uncertain. The difficulty is to comprehend the 'difficulty' ". (Emphasis added).

On a later page of the same sketch Bagheot comments on the hanging of a Mr. Bellingham who had assassinated the prime minister of England, Mr. Perceval. Said Bagheot some fifty years later:

"In that day there was no more doubt that he ought to be hanged, than there would now be that he ought on no account to be hanged".

In another biographical study of English statesmen Bagheot had occasion to mention a comment on our President Lincoln in the midst of the Civil War. Sir George Lewis, who was successively Chancellor of the Exchequer, Home Secretary and Secretary of War in England during the period of our civil war, asked:

"What will the North do if they beat the South? To restore the old Union would be an absurdity. What other state of things does that village lawyer, Lincoln, contemplate, as the fruit of victory? It seems to me that the men now in power at Washington are much such persons as in this country get possession of a disreputable joint-stock company. There is almost the same amount of ability and honesty".

Bagheot himself added "After almost three years of experience it would be difficult to describe Washington more justly".

So times do change and so do the estimates of incumbent public officials.

If the judgment of a president under impeachment or under an impeachment resolution is permitted to turn on considerations other than the commission of a crime by the incumbent, the emotions, passions, partisanship of the day will almost as surely as the judges are human intrude themselves into the decision.

It is noteworthy that in debates over television or in the opinions expressed by newspaper columnists the participants range themselves, one would think almost unconsciously, on opposite sides according to the political spectrum in which their philosophy places them. Their judgment, as reflected by their contentions is shaped by the inner matrix of their thought. Only the most impeccable and withdrawn judge is able to free himself from such influence. He is very rare today even among judges; and much more so outside of the judiciary in this day of political activism.

A judgment in an impeachment proceeding, to be even reasonably free of political prurience must be separated from the very possibility of it by an impervious partition, or it will be infected; and if it is so infected, any decision rendered in it will stand as a blot on our generation. To establish any criterion for impeachment of the president lying beyond what has been legislatively termed a crime, would open the sluices to the waters of conscience that have been polluted by political activism. There is no way, humanly possible by which it could be avoided.

If we desert the law on the grounds that not all that is legal is necessarily moral, we move into a hazy field that gave rise to the seemingly endless religious wars of Europe a few centuries ago, which arose because they surged around considerations that were matters of opinion. One would hope that we could skirt such a morass without feeling morally tainted. If the thousands of laws that have been placed on our statute books since we set up our government do not yet cover all crimes of which we have experience, something must be amiss with our eminent lawmakers of the past hundred and eighty years. How fine a legal mesh do we need, to make sure that moral lepers do not escape justice? Or do the seemingly outraged moralists wish to superimpose an extra-legal mesh of their own fashioning without exposing it to the electorate and the legislature beforehand?

[From the San Diego Union, Mar. 19, 1974]

Congress Facing Test

With a consistency born of constant introspection this newspaper has found ample reason for its dedication to the principles that have made our Constitution the bulwark of the Republic.

These principles have been put to the test many times in the two centuries of our nation's existence. Through war and diplomatic crisis abroad, through political and social crisis at home the American Constitution has survived with a durability rivaling the Magna Carta.

Today it faces a challenge that will test its strength in terms as sobering as any of the many crises it has weathered in its long and luminous history—a national scandal, a scandal of misused power, conspiracy and deception.

And the President—the President of the United States of America—is suspect, in the eyes of a segment of public opinion, of complicity in the sordid affair.

Unlike some of the communications media we have carefully avoided condemning the chief executive on inferential grounds. In our eyes Mr. Nixon is wholly innocent of any wrongdoing, whatever, unless and until there is incontrovertible proof to the contrary. Like the humblest citizen before a Grand Jury, he should not even be charged unless it is the result of a decent hearing in a suitable forum.

In terms of the Constitution, there is only one such forum. It is the House of Representatives and, events having progressed to their present emotional and volatile state, it would represent the deepest of injustice to the President were he not now accorded the dignity and legal finality of a constitutional hearing by that body.

There was a time—months ago—when there would have been no justification for enduring the strength-sapping trauma of a constitutional examination into the actions of the chief executive. That time is long past. The peace of mind of 200 million Americans, fairness to the President—the healthy survival of our system—now demand that we follow the procedure designed by the Founding Fathers.

The impeachment inquiry should not be shunned or evaded. As the President himself said last Friday, the House of Representatives should move swiftly. With the full cooperation of the President, there is no reason why the matter should not be brought to a vote promptly. Thereafter, everyone involved should abide loyally by the results. If the House of Representatives concludes that there are no adequate grounds for impeachment, so be it. The requirements of our system will have been served and we can, in good conscience, re-address our national attention belatedly to the serious affairs of state.

If, on the other hand, the House were to put its formal approval behind a Bill of Impeachment, the President would then, and only then, stand indicted and the next constitutional step should be taken in the Senate.

Either way a most awesome responsibility rests on the Congress—a responsibility to behave not only with probity and prudence but with a minimum of emotion and political bias. There has not been, in recent recollection, an equal test of congressional quality.

STOP THE PANAMA CANAL GIVEAWAY

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. RARICK. Mr. Speaker, there is a great deal of propagandizing today by powerful interests, dedicated to the surrender of the Panama Canal. The public is being told that we must relinquish this vital waterway to the unstable Government of Panama in order to maintain good relations with our Latin American neighbors. This appeasement notion was questioned recently by a highly respected Latin American writer, now a U.S. citizen, Mario Lazo. Mr. Lazo's comments, which have appeared in newspapers throughout this country, are interesting, especially since he is familiar with the prevailing attitudes toward the canal issue south of our borders.

Mario Lazo was born in Washington, D.C., in 1895 when his father was Ambassador to the United States from the Central American county of Guatemala. His mother was a Cuban. He holds law degrees from Cornell and the University of Havana. In World War I he served as a captain of infantry with the American Expeditionary Force in France. After the war he went to Havana, where he founded and headed a law firm which was to become one of the most respected and successful in Latin America. The U.S. Government was one of his many clients.

At the time of the Bay of Pigs in 1961 Mario Lazo was arrested and threatened with execution. His wife Carmen saved his life and helped him escape to the United States. After 6 years of research he wrote "Dagger in the Heart," widely acclaimed as the authentic account of how and why Cuba was delivered to the Communist Empire.

The roots of both Carmen's and Mario Lazo's families go back to the earliest colonial days of Latin America. Carmen's ancestors arrived in Cuba in 1520, only 28 years after Columbus; Mario's 15 years later.

Carmen and Mario say:

> We know our people, except for the politicians, the Latin American reaction to a giveaway of the Panama Canal would be, at first, incredulity; later, one of ridicule and finally, even of contempt. The Latin Americans would ask themselves whether America any longer had the will to maintain her prestige and responsibilities.

So that our colleagues may have benefit of another viewpoint, besides the onesided slant we have been getting from the canal giveaway crowd, I insert Mr. Lazo's article following my remarks:

Stop the Panama Canal Giveaway!

(By Mario Lazo)

Large crowds lined the streets of Panama City on February 7, 1974 to watch the motorcade conveying the U.S. Secretary of State, Henry Kissinger, and the President of the Republic of Panama and his Foreign Minister to the Legislative Palace to sign an agreement on the guiding principles for negotiating a new Panama Canal Treaty. Many waved the red-and-blue Panamanian flag. Some held placards insulting the United States. Not a single American flag was in evidence.

It was a significant episode in contemporary history: the Secretary of State was about to commit the United States to give away ownership of one of her most valuable assets. No similar surrender had been attempted since the nation was founded in 1776.

The agreement signed that day contains the following "fundamental principles" to guide the negotiators in formulating the new treaty: the original 1903 treaty will be abrogated, the "concept of perpetuity" eliminated and "United States jurisdiction" over the canal terminated. After the canal is given to Panama, the latter "as territorial sovereign, shall grant to the United States of America, for the duration of the new interoceanic canal treaty . . . the right to use the lands, waters and airspace" needed to operate and defend the canal jointly with Panama. The consent of Panama will be required should the United States wish to "enlarge canal capacity." The new treaty is to have a "fixed termination date" but the agreement contains the vague and seemingly contradictory principle that when the new treaty expires, Panama will continue to permit the United States to operate and defend the canal, again jointly, although "Panama will assume total responsibility for the operation of the canal."

There is nothing vague, however, about the fact that from the moment such a treaty becomes effective the United States will be able to act only if Panama consents.

For over 60 years Panama has lived off the canal. But since Nasser got away with seizing the Suez Canal in 1955, Panamanian politicos have dreamed of little else than taking over the Panama Canal. They have continually vilified the United States and incited their population against it. Some Americans, self-styled "liberals" and assorted appeasers, have applauded these tactics, arguing that in the "new world order" unilateral control of the canal is obsolete.

But the rights of the United States to the Panama Canal were bought and paid for. The nation has no obligation to renounce or modify these rights in favor of politicians anywhere, or of the appeasment-minded at home.

By the treaty of 1903 the United States

bought, for cash plus an annuity, a strip 50 miles long and 10 miles wide, through a pestilential tropical zone wracked by fevers, but containing the most feasible pass between the Atlantic and Pacific Oceans.

The Americans who went to work in this inhospitable environment wrought a miracle in 11 years. They created a disease-free interocean waterway which remains to this day one of the wonders of the world. Then, for 60 years the United States operated the canal for the benefit of the commerce of all nations. This achievement forms one of the most inspiring records in history—and those who have profited most from it are the citizens of Panama. Had it not been for the United States they might still be crossing the isthmus on muleback, as they did for centuries under Spain and for many years under Colombia.

American taxpayers contributed more than 350 million gold dollars to build the canal, a sum worth many times that amount in the depreciated currency of 1974. This included the cost of digging through Culebra Cut and erecting the locks and dams and the hospitals and machine shops needed for the gigantic enterprise. The figure does not include the large and continuing defense installations.

The public vessels of Panama and Colombia are put through the locks free of charge, but the ships of the United States and all other nations pay a standard toll that has not been raised in 60 years. The annuity paid by the United States to Panama is by now many times the amount originaly stipulated. More than two-thirds of the approximately 18,000 workers in the Canal Zone are citizens of Panama. Various properties in Panama, worth many millions, have been deeded back to Panama by the United States without charge. A trans-Isthmian automobile highway, across Panamanian territory and paralleling the Canal Zone, was constructed by the United States for Panama without cost, but Panama has failed to maintain it in good condition. A great bridge, also at no cost to Panama, connects Panama City with the western half of the country.

The United States has been fair and generous, but every modification of the 1903 treaty has provoked progressively more extravagant demands. Panamanian politicians portray Americans within the Zone as monsters and Communists throughout the hemisphere make common cause with them against the United States. The lesson of history—that appeasement rarely appeases—has evidently not been learned by the State Department as it now embarks on a misguided effort to turn off the spigot of hatred in Panama against the nation that has converted a deadly swampland into a garden surrounding the magnificent waterway.

The unhappy Suez experience under Egyptian control hardly recommends Panamanian domination of an international canal indispensable to world commerce and to the security of the United States and its allies. The decision to give away America's most important asset in Latin America to a turbulent country that has had 59 presidents in 70 years defies common sense. Political upheavals are chronic in Panama. Its present rulers do not disguise their intimate relations with Communist Cuba.

With Soviet Russia already entrenched in the Caribbean, we can easily imagine the fascinated satisfaction with which the Kremlin observes this American performance in Panama. But there can be no doubt about the ultimate reaction in Latin America. The Latinos know power and they respect power. What they deride and distrust is weakness, appeasement and surrender.

My wife Carmen and I are Latin Americans and the roots of our families go back to the earliest colonial times. We know our people. Those of us who are not politicians would look upon a Panama Canal giveaway with incredulity, ridicule and even with contempt. We see that while the United States appears to have become immobilized by the spirit of detente, the Soviets are moving forward confidently and rapidly on every front. We ask ourselves whether the United States any longer has the will to maintain its prestige and responsibilities.

But this dark chapter has not yet been finally written. At the signing ceremony on February 7th, Dr. Kissinger said that he was speaking in the President's name. The President, however, cannot bind the nation by treaty without the concurrence of two-thirds of the Senate membership. Furthermore, Sect. 3 of Article IV of the Constitution provides that "The Congress shall have the power to dispose of . . . the territory or other property belonging to the United States." Thus the surrender of the canal requires the consent of the House of Representatives as well as of the Senate.

Some appeasers argue that in the nuclear age the canal is obsolete, so why not let Panama have it. But no around-the-clock operation that lifts 15,000 ships a year across the continental divide, moving them quickly, safely and economically from one ocean to the other, is obsolete. Except in the sense that in case of nuclear war all things may be obsolete. Rather than weaken herself, America should strengthen her deterrent weapons and, at the same time, carry out plans, already drawn, to increase the canal lock facilities sufficiently to accommodate all U.S. naval vessels other than the large carriers.

From the moment any treaty of the kind projected should become effective, America would lose mastery of a waterway which is vital to her security. Her hands would be shackled and the handiwork of her sons destroyed.

Let the alarm be sounded across the nation.

THE NEW ARMY

HON. RICHARD C. WHITE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. WHITE. Mr. Speaker, an excellent article on the Army's medical evacuation program being conducted at William Beaumont Army Medical Center in El Paso has been authored by Mr. Bart Lanier Stafford, III, of that city and published in February 1974, issue of Stardust magazine, a publication devoted to the Order of the Eastern Star throughout the country. Since Mr. Stafford's article reflects the new Army in such an excellent light, I feel it would be extremely beneficial to share its message with my colleagues, and others:

The New Army

The Medical Evacuation Program, with headquarters at William Beaumont Army Medical Center, El Paso, Texas, is a helicopter version of "Ramparts," complete with portable EKG units, radio-telephone communication with a hospital doctor and manned by specially trained paramedical personnel.

The total program, started at Brooke Army Medical Center, Fort Sam Houston, San Antonio, Texas, was designed to provide competent emergency medical assistance to civilian and military accident and/or disaster victims. The proposed service was to utilize the expertise, training and dedication of "chopper" pilots and paramedical personnel returning from Vietnam.

The basic concept employed the use of the medical helicopter as an emergency rescue vehicle that could reach a given point faster, easier and with a more complete emergency team than could an ambulance. The helicopter was never meant to be just a faster ambulance or to provide care for accident victims who could be aided by more conventional means. It was not meant to provide assitance in early labor of pregnancy, for example, or for appendicitis or for simple fractures, no matter how far removed the people might be from the nearest medical facility.

Med-Evac was specifically designed to render competent medical aid to those accident or disaster victims who need complex medical care at the scene, or for injuries in which the time factor for medical attention would alleviate extreme suffering or would mean the ultimate difference between life and death. At a cost to the government of $400.00 per flight hour per helicopter, it is easy to see why Doctor Alvis L. Barrier, Chief of Medical Operations for the helicopter program at William Beaumont Army Medical Center would be most reluctant to send a Med-Evac team aloft to bring back an automobile accident victim whose only complaint was a bad case of jitters and a broken toe.

The 36 members of the 283rd Med-Evac Helicopter Detachment, with Major Eldon Ideus as Commander and Captain Jay Costello as Associate Commander, have been especially selected and trained for the work of saving life and limb under the most difficult physical circumstances imaginable. The 36 men include highly competent young Warrant Officers and their paramedical crews, strong and confident in the knowledge that they are engaged in worth-while missions of mercy, yet fully cognizant of the risks of flight once their "bird" is aloft. Helicopter flight can be risky in inexperienced hands but these young men, with their Vietnam experience, understand their craft under all conditions. Their prior experiences loomed large in the thinking of every member of the team who was interviewed. They did not mind committing their crews and patients to flight if lives could be saved, but they were not about to go aloft on a superficial mission in which life was not at stake. Thus, careful screening takes place before a helicopter is sent aloft. The doctor determines if there is a genuine serious medical emergency. The helicopter crew makes the decision regarding the severity of the weather and the possibility of making a safe landing on difficult terrain. It is a team effort for the benefit of all concerned.

Each bird has a maximum flying speed of 120 knots per hour, or 140 mph, and can cover a distance of 300 miles without refueling. Because of the vast distances in the southwestern USA, there are many refueling stations at strategic locations in order to extend the rescue service throughout this region. The longest medical mission flown to this date has been a trip of 350 miles to Zuni Pueblo in northwest New Mexico, with refueling stops at Holloman AFB in Alamogordo, NM and Kirkland AFB in Albuquerque, NM. On at least one occasion, three helicopters have been aloft at the same time. The crew averages five missions per week.

There are at present seven Med-Evac centers in the USA. These are pilots programs for a proposed network of such "medical emergency life support systems" to cover the entire nation and meet civilian and military needs.

Beginning in February of 1974, a sophisticated program of medical emergency "cross-training" was instituted and supervised by Doctor Barrier, Chief, WBAMC ER and Chief of Medical Operations for the 283rd. Under this program, the four crew members of each helicopter all receive intensive training in emergency medical techniques to enable them to function as a whole medical team.

The medic on the bird thus has three fully-trained partners to assist him in the mission. Specialist James Kozma, the medic of the helicopter Dustoff 471, served as a combat field medic in Vietnam, and then, upon his return to the States, had five weeks of exacting training at Brooke Army Medical Center, and was accredited by the State of Texas as a licensed paramedic. Actually, considering the medic's experience in Vietnam, plus the other training sessions that all such Med-Evac medics have, the military paramedic is uniquely trained with no real equivalent in other paramedical specialties.

Should the need arise, Specialist Kozma or any of the eight other medics on the team, is competent to "breathe" a patient, perform a tracheal puncture to establish an airway, start intravenous fluid, place a pneumatic splint on a fracture, etc., and, upon the doctor's orders, administer some specific drugs to a patient. Under the new program, however, the four members of each helicopter crew will be practically interchangeable in many phases of the treatment of a disaster victim on the ground or in the air.

Lt. Colonel John Davis, a senior Hospital Administrator at WBAMC, explained that all of the details of any rescue mission filter into the Emergency Room at William Beaumont. The Emergency Room Crisis Area is designed specifically for the evaluation and treatment of any life-threatening emergency that might arise. Supporting the Emergency Crisis Area is the Trauma Center, Surgical Intensive Care Unit, the Medical Intensive Care Unit, the Coronary Care Unit and the Labor and Delivery Unit. All of these specialized service units are linked to the Emergency Room and Doctor Barrier by an intrahospital "hot line" system for instant communication.

Other services that are linked to the hot line system are the Airfield Crash Unit and the 283rd Medical Evacuation team's helicopter hangar at Biggs Airfield. Thus, should the need arise, medical instructions can be immediately forthcoming from the Medical Officer to any of the units listed. The helicopter's medic may, for example, relate by radio that a coronary patient has gone into deep shock en route to the hospital. Immediately the Coronary Care Unit becomes active in instructing the medic aboard the helicopter as to the most effective treatment to be given the patient. Preparations are also made at Beaumont to receive the patient and the proper unit is made ready for his arrival.

And so . . .

Out in the boondocks of West Texas, 41 miles northeast of Van Horne in the foothills of the Delaware Mountains, a car speeds along a dark and narrow country road. An elderly man is driving two companions home from a distant lodge meeting. Suddenly, a white-tail doe looms up in the headlights of the speeding automobile. The driver swerves sharply to avoid hitting the doe but the right front wheel of the car drops into the shallow arroyo and the car flips over three times and finally lands on its top with horn stuck and blaring into the still night. It is 12:10 a.m.

The driver of the vehicle is dead. One of his passengers has a broken neck and multiple contusions on face and head, bleeding profusely. The second occupant of the car has been thrown free onto the field, has a fractured arm and severe head injuries.

The blaring horn attracts the attention of the nearest rancher, who struggles into his clothes and drives to the scene of the accident in his battered pickup truck. The rancher looks at the accident victims, dashes back to the house and calls the Sheriff of Culberson County, giving the nature and vague descriptions of the injuries together with the approximate location. It is now 12:37 a.m.

The Sheriff calls long distance to the Emergency Room of William Beaumont Army Medical Center in El Paso, giving the accident details that he knows to Doctor Barrier, plus the cordinates on the map to W. O. Barajas who has by this time been connected to the conversation by conference phone extension at Biggs Airfield.

The ball is now in Doctor Barrier's experienced hands. It is now his medical decision to make. Can a life be saved if the helicopter is dispatched to the scene of the accident? Does the extent of the injuries reportedly sustained by the auto's passengers warrant the risk involved in sending the Med-Evac team and helicopter aloft at night to a distant desert some 135 miles away? The decision hinges upon the unconsciousness and serious bleeding of the patients reported by the sheriff. One man, or both, may die if assistance is not immediately forthcoming. This is no broken toe. This is a major accident. Life or death hangs in the balance. The vote, of course, is for life. The word is GO!

Dr. Barrier speaks over the phone to W. O. Barajas in the helicopter crew's "ready room" at Biggs AFB two and half minutes away from Beaumont. "Sounds to me like a severe accident with multiple patients, bad bleeding, possible shock, possible broken neck. It's a "go" mission. Can we make it?"

Aircraft Commander Jose Barajas, a native of El Paso, checks the coordinates on the map on the wall above his phone, notes the latest weather report, and then says, "We'll be off the pad in three minutes!" It is his decision to make; if he had said the weather was too bad or the terrain of the accident site was too difficult to negotiate, the Huey would have remained in the hangar.

Doctor Barrier then says, "I'm going on this one. Pick me up over here!" It is now 12:47 a.m. The backup helicopter crew at Biggs is altered and goes on active duty, awaiting the next accident and the next takeoff.

The Trauma Unit at Beaumont is alerted. The military Police and the post Fire Department are notified that Huey is on the way over from Biggs to pick up Doctor Barrier. The area surrounding the landing pad at the south side of the hospital must be free of traffic.

At 12:49 a.m., Doctor Barrier dons his flight suit and makes for the landing pad on the double. The bird is overhead.

At 12:49 a.m., Doctor Barrier and the crew of the helicopter Huey are airborne and on their way toward the auto accident 41 miles northeast of Van Horne, a distance of 135 miles as the crow or the helicopter flies. Aboard their $315,000 craft, they know that they have $5,000,000 worth of the most advanced medical equipment. They also know that they constitute a highly qualified team of medical experts. They further know that there is an expert team of doctors, nurses and corpsmen awaiting their return to Beaumont. But most important of all, they know that their mission is one of life-saving mercy, that their sole function is to save lives, that without their expertise and their dedication human beings will die tonight. It is this realization that they are members of a worthwhile project that drives these men forward with relentless enthusiasm and boundless courage.

The flight path of the helicopter has been cleared with the FAA unit at El Paso International Airport by way of the control tower at Biggs AFB. Flight priority has been granted, and all aircraft in the vicinity have been alerted.

While the Huey is in flight. Doctor Barrier keeps in contact by radio with a deputy sheriff at the scene of the accident, the sheriff who is en route there and the WBAMC Emergency Room.

At 1:45 a.m., 55 minutes out of William Beaumont, the helicopter circles the area in the barren boondocks where the accident took place. Crew Chief, Specialist Edward Bentley, from El Paso, has sighted the whirling red light of the deputy sheriff's car and the bird starts its descent.

At 1:47 a.m. the Huey is on the ground, its powerful searchlight illuminating the gruesome scene. The up-turned car, the dead man, the two injured passengers. Now the Med-Evac team roars into high gear, time is of the utmost importance. The ambulance coming from Van Horne will eventually pick up the dead man, but the two men who are still alive need immediate medical attention if they are to survive.

The rescue team swings into action. Breathing must be maintained first. Then bleeding must be stopped. IV's are started. Finally the bandages and splints are applied. The two men are then carefully lifted into the Huey, each on a field stretcher.

At 2:17 a.m., the Huey revs up, and starts home to Beaumont. Doctor Barrier and Medic Kozman attend to the two injured patients. The Trauma Unit is notified in more specific detail of the extent of the injuries to the two men. By now the intravenous tubes have started delivering life-giving fluids into each man from the suspended IV softpacks. These softpacks are used on such flights because the overhead intravenous bottles that are usually used in hospitals require the pull of gravity to sustain the flow of the fluid. In the helicopter, however, the intravenous container may be hung anywhere (on a level with the patient or even below him) and the flow of liquid is maintained because of the inflatable cuff that is attached to the softpack that forces the liquid out of the bottle. These inravenous fluids will replenish the vital body fluids lost through bleeding.

At 3:10 a.m., Pilot Russ Wingate of El Paso radios the control tower at Biggs AFB of his impending arrival in that area, requesting flight clearance. Beaumont receives this news at the same time, for all of the Huey's communications are monitored by the Emergency Room.

Doctor Barrier is now on the radio to the Emergency Room. An orthopedist and a neurosurgeon and two general surgeons are required to treat the two patients that the Huey is bringing to Beaumont. The Trauma Unit is on ready alert.

It is now 3:13 a.m. The M.P.'s have cleared the area of the landing pad at Beaumont. The fire truck is ready. An ambulance eases onto the runway as the sound of the helicopter's motor is heard in the distance. All is now in readiness for the arrival of the Med-Evac helicopter as it nears the landing pad, hovers overhead for an instant and then settles gently onto the concrete of the landing field.

Another mission of mercy has been completed. W.O.'s Barajas and Wingate, Specialists Bentley and Kozma are now ready to return the Huey to the hangar at Biggs AFB. Doctor Barrier goes in the ambulance 150 yards to the Emergency Room with the two patients and will complete the initial stabilization of the patients. It is now 3:18 a.m.

Inside the Trauma Unit an atmosphere of controlled emergency activity prevails. The doctors, nurses and corpsmen will have a busy night, but they know that they are among the best equipped in the world to continue with the professional medical care that began in the cactus and sagebrush desert of west Texas, 135 miles and approximately one hour distant by helicopter.

The facility for such emergency disaster treatment as has been outlined here at Beaumont is the best in the entire area. Lt. Colonel Davis, Major Ideus, Captain Costello and Doctor Barrier have worked unceasingly to make it so. Whatever new equipment comes to their attention remains fixed in their minds until it is procured for their unit. The spirit that predominates in this facility is infectiously optimistic. These men are completely centered around the concept that saving human life is of primary importance.

It is, however, as in all large organizations, the men of the helicopter teams, the Warrant Officers and specialists with extensive field experience in the forsaken jungles and rice paddies of Vietnam, who make the difference between a routine helicopter flight exercise and a dedicated rescue mission in the dark of a desert night. And so, it is the 36 crew members of the 283rd Med-Evac rescue team, operating six helicopters, who fly the missions, who slog through dusty desert terrain, who slip and skid and stumble up rocky mountain paths to retrive the injured and administer emergency medical care. They work as a team, these officers and these specialists, in their lifesaving missions and they know their value and are justly proud of it. As Specialist James Kozma, medic aboard the Huey said, "In Med-Evac I can see a definite purpose in my life. I am helping to save lives. We are working to benefit mankind."

And, though James Kozma is a modest and retiring man, sort of like a gangling junior college halfback, he really put it on the line for us all. Because you see, this is the new army and this is a new breed of man in the new army, and we should all join in being glad that this is so, and be proud, of the new drive and thrust toward helping humanity that these men show in such rich abundance.

DR. ARTHUR C. LOGAN

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. STOKES. Mr. Speaker, last December when I returned to the United States from Africa, I was grieved to learn that a very good friend of mine, Dr. Arthur C. Logan, had died.

He was one of those rarities in our society—a doctor who had time for people, a man who believed in the dignity of man and practiced that belief. A black man, he was deeply engaged in a struggle for equal opportunity for his people. A compassionate man, he worked diligently for the eradication of poverty. A gentleman, he had the firmness of deep, inner convictions.

These words of eulogy by the directors and staff of United Neighborhood Houses suggest both the nobility of the man and the warmth of response he received from the people he worked with and served.

Following his untimely death the Knickerbocker Hospital, with which Dr. Logan was associated for many years, was renamed the Arthur C. Logan Memorial Hospital. The renaming is appropriate, not only for the great contribution Dr. Logan made to the hospital, but also for the even greater contribution Dr. Logan made through the hospital to its primary community—the 600,000 predominantly black and Puerto Rican residents of West Harlem, in New York City.

Roger Wilkins, former Assistant U.S. Attorney General, has written a moving reminiscence of Dr. Logan and the significance of his work for the poor and the black of Harlem. I commend it to the attention of my colleagues:

[From the New York Times, Mar. 11, 1974]

Grandma's Hands

(By Roger Wilkins)

Bill Withers is a black man and he sings brilliant and moving songs. Usually, he's made them up himself. He sings one song called "Grandma's Hands." One day recently, a friend of mine and I were listening to it and she said, "You know, black people have a thing about grandmothers. We're always talking about grandma."

Well, that's right and I'm going to try here to tell just why.

A long time ago, when Fifth Avenue was a two-way street and my mother was a widow, she would take me down to Greenwich Village or maybe to my uncle's office when it was down on 14th Street. After a while, we'd get on the No. 2 bus to go back home. It would go all the way up through the luxury of Fifth Avenue to 110th Street and turn left there and then it would turn again and go straight up Seventh Avenue through the center of Harlem to 155th Street. It would turn left again and go up over the bridge to Edgecombe Avenue and then would go north some more. We would get off at 160th Street because that's where we lived. My grandmother would usually be sitting there on a bench looking down over Coogan's Bluff at the Polo Grounds or across the Harlem River to Yankee Stadium.

I'd kiss her and ask the two of them, my mother and my grandmother, if I could go off to play. They'd say yes. They would watch me go on up the 160th Street hill to find my friends. More often than not, I'd find them playing Chinese handball around on St. Nicholas Avenue—just off 160th. That was the best place to play that game because it was the longest uninterrupted wall space around. Four or five of us would play there for hours. The only trouble was, it was right under the window of Dr. Logan's office. And a lot of times, too much noise for him.

So, he'd come out and say something. He was a big man even then and he kept on getting bigger. Like a shaggy old bear, he was. He looked white and had light eyes and a gentle voice. He was a very gentleman. And he'd say, "You boys are going to make my patients even sicker with all that noise." He'd be kind of smiling or laughing all the time he was talking to us. We'd say: "Oh, we're sorry, Dr. Logan. We'll be quiet." Then he'd look at me because I was the smallest and the lightest and the sickliest and he'd ask me if I could beat the other boys yet. I would smile and say, "I'm getting better, Dr. Logan." He'd pat me on the bottom and say, "Good going, son." That was music to the ears of a little boy whose father had recently died.

When I would get sick, Arthur C. Logan would come over and tell my grandma—Gram, I called her—how to take care of me. The reason my grandma took care of me was that in our household—as in so many black households—the mother had to work and the grandma stayed home and reared the child. So, after Dr. Logan told her what to do, my grandma would put her hands on me and rub the salve on my fevered body.

The first place I would want to go when I got well enough to go out was the library, just down on 160th Street. She would look at me for a long time with those wise, hurt, tender, loving old eyes. Then she'd let me go because there was no place she would rather have had me spend my time.

But I didn't understand that look. It was the same one that she and my mother would give men when I ran up 160th Street to play. I didn't understand that look until I grew up and felt the pain—that special kind of pain that black men and women who are trying to fight for justice and to make it in a world of white power are sure to have. Grandma knew I'd have it when I grew up and she did her best to pack all her strength and all her honor into my frail and growing body.

When I grew up and got the pain, Grandma's hands weren't there to make me feel better any more. But Arthur Logan's were. When I would hurt in my spirit or in my body, he would lay on his hands to make me better. And he would do it for people named Jackie, and Duke and Martin and Bayard and Kenneth and Whitney and Vernon and a lot of others, too. And all of us in our turn would lay our hands on as much black pain as we could bear, and then a little more. It was like passing on grandma's hands—that's what it was.

So, the other day, they changed the name of a hospital up in Harlem from Knickerbocker to the Arthur C. Logan Memorial Hospital. And the ambulances have that name painted on them too. My first reaction on seeing that was to cry. But then, things became clearer. The people working in that hospital and driving those ambulances have grandma's hands, too.

So, the next time you see an ambulance with the words, Arthur C. Logan Memorial Hospital written on it, smile as I do, because it means that grandma's hands are alive and at work just where they ought to be. Uptown.

CHEMICAL AND BIOLOGICAL WARFARE PLANS AND PROGRAMS

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. ASPIN. Mr. Speaker, the distinguished gentleman from Utah (Mr. OWENS) has firmly established his reputation as one of the most important spokesmen for an urgent review of the Nation's chemical and biological warfare plans and programs. He recently addressed a symposium of the American Chemical Society on this important subject. His remarks, which are printed below, are deserving of careful reading by all those interested in CW treaties, international conferences, the status of stockpiles and what the future holds:

The Need for a Public Examination of U.S. Chemical Warfare Policies—Treaties; Stockpiles, and the New Binary Chemical Warefare System

(Address by Representative WAYNE OWENS, Democrat of Utah, Los Angeles, Calif., April 1, 1974)

It is a real privilege to be here in the company of so many distinguished scientists, engineers, and other technically trained individuals. No matter how experienced in meeting with various groups a non-scientifically trained politician may become, there is always some degree of hesitancy when we meet with individuals with a high degree of technical specialty. We in the Congress tend to deal in more general terms in our legislation since most legislation affects broad non-technically oriented segments of our society. As a freshman Congressman, I feel particularly honored to be given this opportunity to join you in addressing the subject of the Nation's chemical warfare policies because I have come to believe that this topic warrants renewed national attention—and very specifically by our chemists and engineers.

Although not an expert, I am not totally unfamiliar with the subject of chemical warfare. I have in my district in Utah one of the largest stockpiles of chemical warfare material in the United States. We also have in our State the largest test center for chemical weapons in the Nation and so I have become aware of many of the issues associated with both the testing and the storage of these weapons. It is because my State has played such an important role in chemical warfare programs that I became very involved in the subject. This involvement led to my curiosity as to just how our Nation developed the programs which led to the establishment of such facilities.

One of the first chemical warfare issues which I have attempted to understand was the basis for the CW policy which we seem to be following. Although we have yet to ratify any international treaty on chemical warfare, we do seem to have an operating policy of sorts which has evolved within the Executive Branch of the government basically by the Joint Chiefs of Staff. This is a policy which states, very simply, that we do not intend to be the first to use chemical warfare agents in war but we fully intend to retain the right to the capability to retaliate in kind, if some other Nation should attack us with these weapons first. Underlying this philosophy, has been a military theory that a foreign nation can be deterred from using chemical agents if that nation knows that chemical agents will be used in response. But this policy was originally established when we did not have the enormous nuclear warfare deterrence capability which we now possess.

I do not have the time, during these introductory remarks, to go into the details of the evolution of this policy, but just as a brief background for the several points I wish to make, and to place the comments of the following speakers in perspective, I understand the policy evolved basically as follows. CW weapons were used quite effectively during WWI—primarily because of the advantages of surprise and poor defensive capability by all forces involved. The international abhorrence of chemical warfare which followed WWI led to the development of several proposals for treaties, from which the Geneva Protocol of 1925 was developed, as most acceptable. This treaty basically prohibits the use in war of all chemical and biological weapons. The U.S. participated actively in the negotiations which led to this policy and the Protocol was eventually referred in 1927 to the Senate Foreign Relations Committee for ratification. Because it was not expected to pass, it was not put to a vote in the Senate. President Truman withdrew the treaty from the Senate 20 years later in 1947 and it was not sent to the Senate again until August of 1970 when President Nixon returned the Protocol for ratification. President Nixon reserved, however, the right to use chemical weapons in retaliation, and added that use of herbicides and riot control agents would be considered to be prohibited by the Protocol. While originally opposed to ratification of the Protocol, it is my understanding that the American Chemical Society now supports a position that the Protocol should be ratified without the exclusions on herbicides and riot agents cited as necessary by the President.

The Protocol has not yet been reported out by the Senate Foreign Relations Committee, primarily because of that disagreement over the exclusion of the herbicides and riot agents. But there have been other negotiations going on at Geneva to try to develop a more comprehensive CW treaty which would limit research, development, test, engineering, production and stockpiling of chemical warfare agents.

The U.S. representatives have not specifically offered a proposal at Geneva. We have claimed, rather, that the issue of classifying the toxic agents and resolving the issue of inspection must be solved before any treaty proposals themselves can be examined. Other nations have proposed treaties, but no progress is being made because of the difficulty of resolving the issue of verification. In the meantime, the policy of retaliation in kind, as expounded by President Roosevelt during WWII, and reiterated later by President Nixon, continues as our operative CW policy. With regard to biological warfare, this Nation unilaterally destroyed our stockpiles of biological agents and the UN Convention on Biological Weapons quickly followed this U.S. action. This Convention is also before the Senate for advice and consent to ratification.

Briefly then, this is where we are now, on treaties: The Senate Foreign Relations Committee has not reported out the Geneva Protocol because of disagreement about the exclusion of herbicides and riot control agents. Apparently the American Chemical Society also disagrees with the President as do a majority of the UN members and a considerable number of U.S. citizens and Congressmen. No action has been taken by the Senate Committee on Foreign Relations with regard to the Biological Warfare Convention. And the U.S. is limiting its discussions at Geneva to the classification and verification problems instead of moving to establish an acceptable treaty.

I find it just a little difficult to follow our government's reasoning that our intelligence community can figure out enough of the Soviet intentions and capabilities in chemical warfare to justify a U.S. CW stockpile for a deterrent capability, but that same intelligence gathering community could not determine whether the USSR might or might not be complying with any treaty which might be negotiated.

Is verification that difficult? We said that we were not concerned about the issue of verification of BW treaty compliance because, in part, verification was easier. I doubt that the BW verification problem is much simpler. How did our analysts know, for example, that our potential enemies reached the same conclusions that our forces reached about the impracticalities of BW? Clearly, the priority of verification bears reconsideration, but you will hear more about the problems of verification later this morning.

I am deeply disturbed by the astonishing ambivalence of this country's CW policies. As recently as August, 1973, one of our own U.S. representatives to the chemical warfare arms control and disarmament negotiations at Geneva was saying:

"My Government is continuing to seek workable means of restricting chemical weapons and to practice restraint in its own program. In this connection, I should point out that the United States has not produced any lethal chemical weapons since 1968 and in fact has been phasing out parts of its CW stockpile for years. We hope that this restraint by the United States will contribute to our mutual efforts in seeking effective international limitations on chemical weapons."

There are serious inconsistencies between our actions at Geneva, and the current Army request for appropriations to begin our production of binary artillery shells. We are suddenly proposing to begin the production of new chemical weapons—after telling the USSR and the world that we were not manufacturing new chemical weapons and were, in fact, reducing our chemical stockpiles.

Thus, in the midst of these Congressional and international considerations and the stalling that is going on at Geneva, at the very moment that we are telling the world that we are practicing CW restraint, we find the U.S. Army has made public its intentions to begin the production of a binary chemical weapon for the complete restructuring of our chemical warfare stockpile.

Thus justification for this new weapons system is a stated need for increased safety in handling of CW munitions, plus, finally, recognition that our CW stockpile of munitions is slowly deteriorating in storage. But until we have resolved the policy questions of whether, in the light of military realities, our defense posture is improved by CW capability, it is the height of National irresponsibility to accelerate the CW arms race by building a complete new chemical nerve agent system.

I know the standard arguments presented by the military proponents for a chemical stockpile. A major potential opponent is reported to have a lethal chemical option. Therefore, we *must* have a threat of retaliation to prevent the first use of chemicals. Since a first use of chemicals would probably kill the forces surprised by that use, the initial advantage would go to the first user. General Abrams has said, incidentally, that the USSR's capability to defend against a CW attack is much greater than our own defense capability. With both forces equally balanced in chemical warfare capability, our rationale goes, a stalemate would result. If one force could not defend as well or attack as well with nerve agent capability as the other force, the weaker force would succumb to the chemical attack. Such a weaker force would then be required to escalate to the next order of devastation—that of nuclear war—or admit defeat. In a stalemate of chemical defense and offense, and short of nuclear war, the force with the maximum and most effective conventional forces and logistic and tactical ability would succeed.

The military logic which flows from all of this is that stockpiles of chemical weapons will deter the use of chemical weapons. Personally, I fail to see how a nation undeterred from the use of CW weapons by the threat of nuclear retaliation would be deterred by the threat of chemical retaliation. Any attack with chemical weapons upon our troops in Europe would be made by troops already wearing protective equipment, so what destructive power does our chemical retaliation have with that attacking force? None at all, I submit. Don't we think Russia has figured that out? If we know that chemical retaliation against an enemy with superior defensive capability will not overcome those forces—will not, in fact, put those forces out of combat but will only slow them down because they must wear awkward protective clothing, and Russia knows that point, and we know Russia knows, and we know Russia knows we know Russia knows, I submit we've never thought this thing through.

This same view is shared by more knowledgeable analysts than I am. These analysts do not agree that a stockpile of nerve-gas is a deterrent against CF attack. The briefings which I have heard from the military, when compared with the views expressed by more objective analysts, suggest to me that our stockpile of CI weapons probably does not function as a deterrent at all, but rather provides us only with the capability of slowing down that enemy by forcing him to wear cumbersome protective equipment. Thus, the U.S. could force the same degree of decreased mobility on an enemy that the U.S. would suffer in the event of attack. Neither side would gain an advantage except for the first user, and that will not be the U.S. The real deterrent would be a better operational capability in a toxic environment—better defensive capability, or—the threat of a more devastating retaliation should chemical weapons be used against us. As with nuclear deterrence, the threat of CW retaliation logically could lead, and already might have led, to construction of a greater capability by an enemy, so that should the decision be made to launch a first strike with CW, it would be done in such a manner and on such a massive scale, that retaliation would of necessity have to be more devastating in nature to prevent total defeat. The logistics of our CW no-first use policy, to the best of my knowledge, does not contemplate such a massive CW retaliatory concept. Thus our nuclear deterrence must of necessity play the major role in such a policy. I wonder what the U.S. military war games in the European theatre show, in a situation where a potential enemy does use chemical agents on a massive and surprise scale. Would an enemy be deterred from such a strike by an opponent's capability to launch a retaliatory response against an isolated airfield or on a limited front?

Other points which I find inconsistent with this military logic is that apparently our West European allies do not believe that CW deterrence is of sufficient importance to include stockpiles in their own force structures yet it is in their backyard that such a battle would occur not in this country. Further, we really do not know whether the strong defensive posture of potential enemies and their apparently excellent defensive capability is a response to our own threat, or to their own plans to initiate chemical attack, or both—in any event we have been advised that Russia has a better defensive capability than we do—and this would seem to me to further weaken our deterrent posture. Of what use are stockpiles in the United States for immediate tactical response on a large scale in the European theatre? And how could we use CW in this country? for this country's defense?

When we add to these theoretical arguments about the deterrent value of chemical stockpiles, the arguments about the immediate need to begin production of binary chemical weapons, the problem becomes even more confusing, and more potentially dangerous in terms of the arms race. The availability of binary munitions will make it much simpler and much safer for nonnuclear nations to safely get into the CW business. If the U.S. proceeds to restructure its stockpiles while treaty negotiations are underway, it suggests that we are not serious about CW disarmament and lessening world tension in this area. The Director of our own Arms Control Agency has already pointed out the negotiating handicaps which such a procurement would entail; and finally, if verification is a problem with conventional CW munitions, it will be impossibly difficult with binary munitions—which can be handled as ordinary explosive munitions until the second commercially available ingredients are added.

The CW arms race must be slowed and if at all possible eliminated. Our advances in biochemistry are permitting us to gain the intimate knowledge about toxic substance which may some day permit us to develop such exotic substances that we will be able to carry out the science fiction attacks which have been hypothesized in the past—behavior modification, selective attack against ethnic groups with specific gene deficiencies; etc. Is this in humanity's interest—or even in our national interest?

We must take this problem seriously. We began the examination of this issue with a great deal of national interest in 1969. The President unilaterally announced the intention of this country to destroy its biological warfare stockpiles. We don't know whether other nations have actually followed suit. In fact, if some of the Nations of the world actually had BW capabilities, they may still have this capability if they did not arrive at the same conclusions that we did. We decided that we did not need BW weapons. While I do not favor lowering the nuclear threshold, I do believe that we can construct a strategy which would permit us to make known our intentions with nuclear weapons which would make prohibitive any tentative use of chemical weapons for any objective short of total war and annihilation. We certainly should not begin a new arms race by adopting a binary chemical weapon while we are apparently at a stalemate position at the present time with regard to chemical weapon parity. to disturb this parity at this critical time could well destroy attempts at negotiation and set off new arms races.

Many citizens of this country interpreted the President's announcements in 1969 as meaning that the United States was also cutting back on its chemical warfare programs. In fact, U.S. negotiators at Geneva said just that during discussions in 1973. Chemical and biological warfare have been intricately associated in the minds of our citizens for decades. It is not surprising to find, then, that there have been so many adverse reactions to the Army proposals to begin procurement of new chemical weapons.

And Congress must be thoroughly informed on the status of our CW arms treaties discussions so that the Army's plans about chemical agents can be considered in their full implication—both as to the costs in the Defense budget and the potential impact on arms control negotiations. We may find that we can postpone this procurement and allow our arms control negotiators the time needed to resolve the problems of verification and treaty development. We may also find that arguments that CW capability is a deterrant, when forced out into the public forum will indicate clearly are not credible, that CW deterrent posture is really not necessary, or logical, in a nuclear era.

For more than 40 years we have accepted the statements of military strategists, apparently based on secret war gaming, our Nation to maintain at great cost two separate systems, both primarily for the sole purpose of deterring the use of such weapons. Obviously, we cannot discard all of our deterrent capability—the climate of today's world is not that amicable.

It seems to me that we are strong enough militarily indeed we have the moral strength and obligation, to make the first real gesture toward CW arms control. We should delay the adoption of the binary chemical system and devote the talents of our best and most highly placed policy makers to our negotiations on both CW and nuclear arms control. We do not jeopardize the status quo of current CW capabilities by delaying the binary chemical munition because it is the same nerve agent which we currently have in our stockpile. We do not give away any technological edge by delaying further engineering and testing of the binary—we have been working on the system for almost 20 years. We may encourage not only arms control but discourage other nations from embarking on their own production of CW weapons if we as world leaders indicate our willingness to take more time to discuss this issue before committing our resources to further CW weapons construction.

This symposium is an important part of the public examination of our CW policies. Your society has been very instrumental in the past in the actions taken in the Congress on chemical weapons systems. It is now quite apparent that the Congress will provide an opportunity in the very near future, in at least one and perhaps both Houses, for a more complete examination of these policy issues. Congress which in theory makes the laws in this country, should make known its views on the course of action our Nation is following on chemical warfare policies. We need your advice and counsel and I encourage you to communicate your thoughts on this subject to your Senators and representatives. The issue is important. In these days of continuing turmoil we must exhibit an air of National stability of purpose and high credibility in our statesmanship.

The report of the National Academy of Sciences on herbicides use in Vietnam is now available. This report does not provide any unequivocal answers with regard to the questions relevant to the Geneva Protocol, but the availability of the report will hopefully enable the Senate to resume its considerations of the President's request for advice and consent to ratification. If we can first, secure this ratification, second, prepare a proposal which can become the subject of negotiations at Geneva with regard to controls for research, development, testing, production and stockpiling of chemical agents, and thirdly, reach an understanding on verification, we will have achieved gigantic strides towards lessening one more subject of world tension. If on the other hand, we, as a Nation, find that there is no alternative to maintaining a CW stockpile, then we need to insure that our long range plans are carried out as effectively as possible to prevent the reoccurrence of the terrible mistakes which have already occurred in the management of our existing stockpiles of CW munitions.

Clearly then, Congress, responsible under our Constitutional System of Self Government, to give direction to National Policy, must enter this vital discussion.

RIGHT OF PRIVACY

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. ROUSSELOT. Mr. Speaker, at this point in this important special order on the subject of the individual's right of privacy, I would like to include the remarks of my colleague, Representative BARRY GOLDWATER, JR., as he presented them in an address delivered in California recently. The title is "Restoration of Personal Privacy and Individual Rights."

The remarks follows:

RESTORATION OF PERSONAL PRIVACY AND INDIVIDUAL RIGHTS

(Address by Representative BARRY M. GOLDWATER, JR.)

The pursuit of human liberty and dignity brings us together today. In this vital cause, let us call on all Americans to join a crusade for personal privacy. In this spirit, I want to share some ideas and insights today.

Awareness of gradual, but growing intrusions on personal freedom is spreading rapidly. Civic and patriotic groups, the academic community and many Members of Congress have the commitment. We are on the attack and we will succeed!

Nothing short of a national battle plan must be formulated in Congress and by state governments to reverse the insidious denuding of every person's personal privacy and individual rights. Furthermore, the ability of the government and big business to indiscriminately exchange private information about any individual must be stopped.

ZONES OF PRIVACY

I am concentrating on the area of information protection, sometimes termed data surveillance. This is not to suggest I am unaware of other forms of privacy invasion. All too many forms of violations of personal liberty can be found in the current news:

Watergate was an invasion of privacy.

The break-in of Dr. Ellsburg's psychiatrist's office was an attack on privacy.

Unwarranted wiretapping and physical surveillance are intrusions of privacy.

Behavioral modification of small children or persons in penal institutions invade personality and individuality.

Similarly, collecting sensitive personal facts about individuals, handling it in a careless or inaccurate manner, selling or transferring files without the consent of the giver, these too are invasions of privacy.

GROWING CONGRESSIONAL COMMITMENT

For almost a decade, a few isolated voices in Congress and throughout America have proposed remedies to privacy invasion. The commitment has been slow in coming, but I see real signs of its arrival. I point to recent adoption by the House of my privacy amendment to the Federal Energy Administration bill. To the best of my knowledge, this was the first time an amendment of this nature was included in a measure establishing a new agency of the federal government. The amendment requires the agency to protect and assure the privacy of personal information collected or used by the Administration.

It also requires the Administrator to establish guidelines and procedures for handling individual identifiable personal data.

I pledge to offer more privacy amendments. When legislation comes to the House where information on individuals is involved, specific guarantees of confidentiality must be included. If privacy is ignored, I will make privacy requirements heard!

CONTROLLING DATA SURVEILLANCE ACTIVITIES

As we think of the concept of privacy in the modern context, it means protected rights of personality. Privacy is invaded when an individual is required to divulge sensitive personal facts about himself.

This may be in answer to a government questionnaire, applications for assistance or any type of information collecting requirement. If personal information sought conforms to minimum needs, privacy is less threatened.

Once personal information enters a record system, its confidentiality must be protected. This is the case if the information is used only for the purpose it was taken, and data managers take care for its accuracy and validity. Once the need for this information has ended, it is the duty of the users to halt further transfer or release of the data, and in accordance with a specific policy, purged from the system.

There are four reasons for the call to privacy action, each supported by the fact this prudent attention to private rights has not been respected. Excesses by government and private data collectors and users are alarming the public. This has escalated due to unresponsiveness and insensitivity to individual concern over personal files. Technological innovation has magnified the privacy dangers, because of automation of information handling. Collection, processing, and analysis by computers and telecommunications give new dimensions to manual methods of record keeping.

Public understanding of this threat to their civil liberties has elevated privacy as a priority national problem. Confidence in government has fallen, and in part because of distrust in government information practices.

THE CONCEPT OF PRIVACY

To more clearly understand the practical and philosophical basis of this attack on personality, let us look to our Western development of man, and of social order from three centers. They are Jerusalem, Athens, and Rome.

The idea of society and of community in the presence of God came from Jerusalem. The Greeks gave us reason and philosophy—the systematic search for knowledge and truth.

Socrates, Plato, and Aristotle believed that social order is founded on human person, on human relationships and actions. The state, then, had the necessity to reflect the order or chaos of the citizens' inner lives, which could be seen in their outward lifestyle.

Some of the ancient Greeks, notably Plato with his *Republic,* were seeking perfect wisdom and justice.

But these philosopher kings have never really existed. The Greeks conceived a State founded on law. At that time, a main objective of law was to restrain the rulers. Law was to substitute for fear and coercion as the means for ruling. It was meant to lead men to the cultivation of virtue, to insure liberty. This required raising common interests above special ones. Law was to correct injustice and to educate men to love justice.

The concept of privacy as a human value began in these early times. The individual was the basis of society, a social order based on laws, where men were seeking knowledge, truth and justice. Religion also played an important part in developing the concept of privacy.

IMPORTANCE OF LAW AND RELIGION

Greek and Roman law evolved from family custom. The family was rooted in its land, the land of their ancestors and which supported the family.

This is more clearly described among the Romans. Cicero asked, "What is there more holy than the house and the land of each individual citizen? Here is his altar, here is his hearth, here are his household gods. Here all his sacred rights, all his religious ceremonies, are preserved."

These were the origins of our own sense of "patriotism." Literally, patriotism meant love of the land and love of our fathers.

Religion was vitally important to understanding the ancient family and the society which evolved from it. From it was established marriage, paternal authority, and fixed relationships. The rights of property and inheritance were consecrated during these times. This is the same religion, after having enlarged and extended the family, that formed a still larger association: the city.

The city was to be ruled in the same manner as the family. From it came all the institutions as well as the private law of the ancients.

Then, the importance of the family and family love became badly distorted. Instead of one individual, and one family being foremost, a new political life was created—the ruler. This was the father image raised to the level of hero or god.

We must not overlook the principles these Greeks and Romans left us. The law, respect for the family, and patriotism number among them. Omitted, however, was moral and ethical direction for the state.

EARLY CHRISTIAN INFLUENCES ON GOVERNMENT

Christianity has done much to fashion the politics and forms of government of Western history. St. Augustine brought together Mosaic law, Socratic philosophy, and natural law. He believed that a state and the politics of a people should reflect the society's understanding of themselves. With moral and ethical direction he called for a hierarchy of ends, putting aside the unimportant.

We should seek the highest ends, according to St. Augustine. These higher goals followed moral precepts and by following such objectives, St. Augustine believed a person's life would be marked by charity, love and freedom.

THE DOCTRINE OF FREEDOM

The doctrine of freedom is essential to privacy. Freedom to obtain ends beyond mere things—mere materalism. Freedom to pursue higher ends. But to do this we must have free will. All of these early concepts are falling into place. The importance of the *individual and family,* the *creation of laws* as a substitute for fear and coercion. To seek higher goals, we must have *free will,* and *free choice.*

There are enemies of freedom as we well know. Perhaps the greatest ones lie within ourselves: fear, desire, and ignorance. Forces outside ourselves appeal to our fears. We know of people who have sold their freedom for money, security, position. Here is the key blunder of people who will use freedom to gain short run benefits. These misled people think freedom is not a spiritual or intellectual quality, but a material one.

This materialism blunder can easily lead to the view that men with more *things* are bound to be somehow freer and happier than men without them.

Such a notion has been important to the development of our modern technocracy. Life today is based on a system for the production and consumption of things in ever-expanding quantities. We might ask ourselves if a man with everything is freer than a man with nothing?

LOSING OUR DIRECTION

Where and how did we lose our way? Our short historical review shows we lost our way when we gave so much importance to material values, and not human ones.

We have placed *material security* over *intellectual freedom.* We let big government take over our *personal responsibilities,* and those of our churches and charities. We let government educate us, house us and direct our cultural experience.

Now, we wonder why this collapse in our rights to be left alone, after we have permitted, and even *asked,* the government to do it for us.

Our generation worships social utility, and the rationalism so prominent in science today. Science, like all philosophy, *had* been dedicated to the search for wisdom. Now the scientists do not seek simply to understand nature, but try to control it.

THE MATERIALISTIC CONCEPT OF MAN

Science and technology are justly credited with giving us bountiful progress, and in large measure this has been to our advantage. However, I think we must look again to see if all the new methods and apparatus for development are making us slaves to new masters.

Are not many of these political and social techniques to regulate the flow of all goods and services really controlling our choices and opportunities?

This is the modern economic view of man. Every television commercial underscores the consumer society. We are told we will be happy and satisfied if we have enough *things.* Moral qualities are irrelevant.

This economic view of man dominates our lives! By itself, it is an immoral view. I submit this kind of concept of man motivated the Nazis who propelled it to a horrible zenith. Unfortunately, these notions explain much of the modern world.

TECHNOCRACY OR TECHNOLOGY

I want to state here and now that I am not launching an attack on technology as such. There are really two concepts: technology and technocracy. There is the one that stands as a kind of intermediary between men and their environment. This has produced the club and the wheel, and is neutral in the molding of human destiny. Technocracy is the product of that applied science which evolved when the scientists, infected by rationalism, sought to cure the ills of the world. They developed solutions which they believed would erase suffering, end hunger, provide riches, and generally secure everyone's welfare. This is the claim that suffering, hunger, and poverty could be abolished by an act of will, or more precisely, by government money.

It is this technocracy that limits freedom. For in a technocracy, men must choose only the most efficient techniques to achieve desired ends, to the detriment of every other standard, like beauty or humanity. Determining the most efficient means for a project requires an accumulation of facts, then more facts, to explain the ones already collected. So many facts that techniques of fact-finding and collecting have become a special field of development. The accumulation of facts, the collection of data, becomes so vast an enterprise that ordinary logic cannot embrace it. The computer has spawned the "technical mind." This is a peculiarly 20th century phenomenon.

Lines of verse or the lines of a painting may differ, but facts once established will not. So with the technical mind, unlike the poetical or artistic, every technical mind is just like every other technical mind.

This means that one man with a technical mind is as able as every other man with a technical mind. It says that one man with a technical mind is as able as any other to do a technical job. Everything distinctive, individual, or superior in terms of qualities of a man's mind is not relevant.

Everything centers on the quantitative; down with qualitative dimensions or values. If there are no jobs except technical ones, everyone will function according to the same common, and may I say low, standard.

THE CYBERNETIC STATE

Another result of the vast accumulation of facts is that it makes for an extremely complex society. This is technocracy. Will it function according to the will of the public? No. Can the mechanisms of society be operated by bureaucrats? No. Only *technocrats*.

Since ours is becoming an essentially mechanical state, it is vital that all its parts operate smoothly. If the flow of mail in one area is interrupted, it is enough to declare a national emergency and call in the Army. This was actually done during the mail strike a few years ago.

If some scheduled air flights are disrupted by criminal hijackers, it is enough to subject all of us to a close search. We probably take the search for granted, as if we never travelled freely. Here we are getting to what is the overall meaning of my message today.

My concern has to do with our reasons for surrendering to the tyranny of technocracy. For there is no question we are surrendering.

And what I am talking about is *tyranny*. As our country has been mobilized into a technical society, the more we have become technocracy's servants. We have been asked again and again to place technical accomplishment at the top of our list of human values. Technocracy requires order, as absolute as possible.

Here we have one of the root causes of society's demand to apprehend and punish those who disrupt order. A penchant for order has blinded people to overlook the purposes prompting disorderliness. A student demonstration is reported largely for its disorderly characteristics, almost overlooking the motivations of the participants.

I am not condoning disorders, or disorderly conduct. But I am suggesting that society is often missing the point by worshipping order.

Our need for order has led us to appeal to the technicians, to lead the search and to devise the means, the techniques, to effect change. The state becomes not only the main source for the development of the techniques of social control, but its agencies are also the chief beneficiaries of the techniques. Guarding against the evolving technobureaucratic establishment must be a great challenge to all of us.

PROGRAMMING THE PROGRAMMERS

We have traced a long historical road today . . . leading to 1984 and beyond. We must defang Big Brother. We are the generation to withstand Future Shock. But I trust you will not think I am speaking about an alarmist's flight of fancy. The computer-telecommunications era is already upon us.

There are currently 150,000 computers in use in the United States, and some 350,000 remote data terminals. Predictions have been made indicating there will be 250,000 computers and 800,000 terminals by 1975. Revolutionary changes in data storage are taking place.

It is possible today to build a computerized on-line file containing the compact equivalent of 20 pages of typed information about the personal history and selected activities of every man, woman and child in the United States.

In this system any single record can be retrieved in about 30 seconds. Few can deny that we are approaching a data bank society. My objective is not to undo or slow down technical advancement, but rather to put men *over* machines.

Let us insert private rights into the programs of the programmers. Let us restore human dignity as the cardinal principle, rather than worship the gods of efficiency and economy. We must manipulate the manipulators.

The dehumanists of technocracy should have the back seat in the reshaping of our destinies.

THE CONGRESSIONAL COMMITMENT

There are now more than 300 members of the United States Congress, both House and Senate, who have sponsored one or more of the 60 different approaches to restoring rights of privacy of Americans.

Each of these different remedies strikes at a particular evil or abuse. What is really needed is a broadly framed measure incorporating the best solutions. It must include all kinds of information collection practices, whether maintained on computers or in traditional filing methods.

Private organizations and businesses must be required to conform to these standards. Fortunately, a recent Department of Health, Education and Welfare Advisory Commission Report on Automated Personal Data Systems set out good recommendations for a Code of Fair Personal Information Practices.

I was given the opportunity by Secretary Weinberger and former Secretary of Justice Elliot Richardson to introduce legislation implementing the report in the House.

The basic proposals of this legislation are:

There must be no personal data system whose very existence is secret.

There must be a way for an individual to find out what information about him is in a record, and how that information is to be used.

There must be a way for an individual to correct information about himself, if it is erroneous

There must be a record of every significant access to any personal data in the system, including the identity of all persons and organizations to whom access has been given

There must be a way for an individual to prevent information about him collected for one purpose from being used for other purposes, without his consent

EXECUTING THE BATTLEPLAN

This is a bi-partisan, patriotic, and civil liberties issue. I am glad the President has called for a review of this situation, by way of a four-month study directed by Vice President Ford.

I met with the Vice President earlier this month in Washington, and suggested that instead of merely studying the issue further, the committee should take the best ideas from government reports and congressional proposals. These should be sent to the Congress, with the endorsement of the President, before July.

We have before us a unique opportunity to make the 93rd Congress the Right to Privacy Congress.

Should we fail to seize this challenge now, and act upon it, the spectre of technological tyranny will become reality.

We must not let this happen.

VOA AND SOLZHENITSYN

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. ASHBROOK. Mr. Speaker, recently I contacted James Keogh, Director of the U.S. Information Agency, to express my concern over the reluctance of the Voice of America to broadcast into the Soviet Union extensive excerpts of Alexander Solzhenitsyn's book, "Gulag Archipelago." This work which is strictly prohibited in the Soviet Union deals dramatically and factually with the existence of the concentration camp system in the Soviet Union—an area that the Soviets obviously do not want publicized.

I have received a letter from Mr. Keogh in which he details the coverage given to news about Solzhenitsyn and about his book. Keogh does write:

> What VOA has not done is use its own polemics to attack the Soviet Union . . . We considered—but decided against—reading on the air large segments of the book.

Margita E. White, Assistant Director of Public Information for USIA, in a letter to the New York Times of March 17, 1974, quoted Mr. Keogh further:

> We do not—as the official radio voice of the United States—indulge in polemics aimed at changing the internal structure of the Soviet Union. To read from the book would be far outside the normal style of Voice of America programming and would tend to reinforce Soviet charges that the United States is utilizing these events as a political weapon . . .

In other words, Mr. Keogh seems to be admitting that the broadcasting of extensive excerpts of the "Gulag Archipelago" by the VOA would have a strong impact in the Soviet Union.

Alexander Solzhenitsyn has written on the inability of the West to deal with the reality of Soviet power:

> The timid civilized world has found nothing with which to oppose the onslaught of a sudden revival of barbarity, other than concessions and smiles.

At this point I include in the Record the text of Mr. Keogh's letter to me as well as the text of an open letter to the Congress of the United States from the "Committee for Human Rights In The Soviet Area" at the University of Massachusetts, Amherst, Mass.:

U.S. Information Agency,
Washington, D.C. March 29, 1974.

The Honorable John M. Ashbrook,
House of Representatives.

Dear Congressman Ashbrook: This is in response to your letter of March 18 expressing concern over the Voice of America's coverage of Alexander Solzhenitsyn's book, *Gulag Archipelago*.

Recent news columns have interpreted the fact that VOA is not reading extensive excerpts of this book as a decision to soften VOA coverage of events in the Soviet Union. This is utterly untrue. There has been no change in policy regarding broadcasts to the Soviet Union. Nor has VOA changed its approach to the substance or frequency of news or political programming.

VOA has covered the developing Solzhenitsyn story fully and factually as it has covered other aspects of the dissident movement in the U.S.S.R. Since *Gulag Archipelago* was published on December 28, the book and Mr. Solzhenitsyn's plight have been reported almost hourly in VOA newscasts in languages of the Soviet Union. In that period of time, these broadcasts carried some 2,500 news stories on the Solzhenitsyn case, adding up to more than 40 hours of broadcast time. In addition, the VOA broadcasts to the Soviet Union in that same period of time carried 95 hours of special reports on the Solzhenitsyn story, including reviews of the book, and comments by public figures and journalists in the U.S. and abroad. This adds up to a total of 135 hours of straightforward broadcasting between December 28 and March 6.

What VOA has not done is use its own polemics to attack the Soviet Union on this issue. This is consistent with enunciated U.S. foreign policy. We considered—but decided against—reading on the air large segments of the book. To do so would have been a sharp departure from the normal VOA programming pattern and would have duplicated the programming of Radio Liberty which is broadcasting the text of the book to the people of the Soviet Union. Thus, I believe, the Voice of America and Radio Liberty fulfill their separate missions.

It is my sincere hope that this information will help establish the record.

Sincerely,

JAMES KEOGH, *Director*.

COMMITTEE FOR HUMAN RIGHTS
IN THE SOVIET AREA,
Amherst, Mass.

The undersigned members of the campus community at the University of Massachusetts in Amherst wish to draw your attention to the following statement, prepared by the local COMMITTEE FOR HUMAN RIGHTS IN THE SOVIET AREA, which they endorse.

Is abstract sympathy the only response we are permitted with respect to Soviet dissidents, emigration rights for Soviet Jews, and the general plight of people living under totalitarian regimes in the Soviet area?. Officials in charge of United States foreign policy seem to say as much: These humanitarian concerns, though praiseworthy, must remain sterile, lest they interfere with the cold calculations of the politics of detente.

Why should that be so? Is it really in our interest? Considering that these "cold calculations" seem to have resulted mainly in one-sided concessions to the Soviet Union, they should be subjected to close scrutiny. It is possible, for instance, that the administration takes this stand—as it does in the case of the Trade Reform Bill—because it feels under pressure to fulfill its end of some sort of understanding reached perhaps in connection with the end of open warfare in Vietnam. On the other hand, the notion that concern wtih conditions in the Soviet Union conflicts with rational policy making may be simply due to a failure to perceive clearly the implications of Soviet domestic conditions and of the struggle of Soviet dissidents for the long-term interests of the United States. This is the issue we want to explore.

We believe that it is wrong as well as dangerous to leave the state of the Soviet domestic regime out of our assessment of international power relations. At the basis of United States policy is the search for a stable peace. The totalitarian nature of the Soviet internal regime affects this policy both indirectly and directly. Therefore, we are concerned that the case of Soviet dissidents and related issues not be treated only as isolated matters of moral concern with endangered individuals. They should be seen in the full context of Soviet totalitarian controls, and of what they mean for the preservation of peace.

The greatest danger lies, to our thinking, in the area of communications. We are unable to tell the Soviet people about our own intentions. They are unable to find out for themselves what the world is like outside their country. They are also unable to communicate freely with each other, and with their writers and thinkers, to find out about the true state of their country and their own potentialities for change. Between them and us, as well as between one Soviet citizen and another, there stands the regime's near-absolute monopoly of information.

The purpose to which this information monopoly is put is the creation of myths bolstering and sustaining the totalitarian regime. To justify its existence and rigor, the regime needs to keep alive the image of an external enemy. At the same time, it also needs to keep up the image of a Western world of cruel poverty and injustice on the brink of imminent economic and social collapse. ("Can black people in the U.S. own cars?" was one typical question addressed recently to an American.) The falseness of the image of a threatening West is clear to anyone who knows about prevailing Western attitudes toward military budgets and economic assistance to the Soviet Union. However, internally, it helps the regime to exploit the profound emotions of patriotism for the loyalty of its subjects, and support of its military machine and expansionist stratagems.

Therefore, to preserve our own security and be able to divert the world's resources to more productive ends than armaments, *we need to make the elimination of the Soviet monopoly of information a priority policy objective*. Only if the Soviet people learn the truth will they be able to activate their own social energies and put their rulers under the constraint of their opinion and will, as we do ours. Only then will our negotiated agreements have a solid basis, instead of being subject to the risks of arbitrary changes of mind or hidden intentions of uncontrolled leaders.

Do we have the practical means to influence the course of events in that direction? Definitely yes. We are convinced that our communications technology is sufficiently advanced, or can be developed, to penetrate the regime's information monopoly on a more effective scale than has been the case so far. Furthermore, with some degree of imagination, it should be possible to tie our various economic and other concessions effectively to concrete Soviet counterconcessions that would provide for a free and unrestricted travel of people in both directions, and for a free flow of information. While some may object to this as interference in Soviet domestic affairs, we believe that it is a legitimate interference since it promotes world peace as well as human rights.

Unless the connection between the domestic regime of the Soviet Union and our security is clearly understood, the warnings addressed to us by Andrei Sakharov, the dissident Soviet physicist and perceptive political analyst, will have been in vain:

"Detente without democratization, detente in which the West in effect accepts the Soviet rules of the game, would be dangerous. It would not really solve any of the world's problems and would simply mean capitulating in the face of real or exaggerated Soviet power . . . As a result, the world would become helpless before this uncontrolled bureaucratic machine . . . It would pose a serious threat to the world as a whole."

We count on you to use the influence of your office to counter these dangers by practical and legislative measures. In this instance, our traditional sense of decency and human solidarity goes hand in hand with our most selfish interest in peace and security. And even though tangible results may not be within immediate reach, they are of such vital importance to us that they ought to be pursued steadily, consistently, and relentlessly until they *are* reached.

Thank you.

Prof. VACLAV HOLESOVSKY, *Chairman*.
Prof. HOWARD BROGAN, *Vice-Chairman*.
Prof. LASZLO TIKOS, *Secretary-Treasurer*.

A SYNOPSIS OF THE PRECEDING LETTER

Beyond plain human decency, Americans have a selfish interest in supporting the struggle of Soviet dissidents for democratization of the Soviet Union. This is why:

Americans want a truly stable peace, not peace by five or ten-year installments; and disarmament without risks to their security. The Soviet rulers, on the contrary, need to make their subjects believe that they are threatened by the United States. In this way, they justify the militaristic rigors of their regime and maintain themselves in power. To accomplish this, the population must be kept in the dark about the true facts. At the same time, the Soviet rulers themselves engage in threatening military maneuvers. Therefore, a high-priority goal of the West and the United States ought to be to penetrate the Soviet information barrier and let the Soviet people know the true facts. Only then will they have reason to restrain their rulers. As long as we are dealing with uncontrolled Moscow bureaucrats and generals, negotiations will be built on sand. Only democracy in the Soviet Union can provide a solid basis for *bona fide* negotiations and peace.

THE LIST OF SIGNATURES TO DATE
(MARÇH 31, 1974)

Tomas Aczel (English).
Donald M. Austern.
Solomon Barkin (Econ.).
Meyer W. Belovicz (Business).
Normand Berlin (English).
Norman A. Brown (Theater).
Richard Carey Jr.
Anne Marie Casey.
Joan M. Centrella.
Robert L. Chew (GRS).
Margaret Cornell (English).
Clyde Crowson, D.D.S. (Health).
Helen F. Cullen (Math.).
John T. Daley (Phys. Plant).
Deborah W. Dauray.
Allen N. David.
Catherine M. Delizia.
Carol Drew (Phys. Plant).
Edward Feit (Polit. Science).
Andrew Fetler (English)
Marshall Fine.
Peter Fliess (Polit. Science).
Harvey Friedman (Labor Center).
Laurie B. Gan.
Sheldon Goldman (Polit. Sc.).
Haim Gunner (Envir. Eng.).
H. Richard Hartzler.
Wiilliam E. Heronemus (Civ. Eng.).
Emily P. Hoffman.
Richard A. Hoffman (Agric. Eng.).
Paul Hollander (Sociology).
Lynn Hudson.
Ethan Katsch (Legal Studies).
John D. Kendall.
Thomas Krajeski.
Joseph J. Lake (Slavic Lang.).
Daniel LeBlanc.
John W. Lederle (Polit. Sc.)
Cathy M. Levin
Guenter Lewy (Polit. Sc.).
E. Ernest Lindsey (Chem. Eng.).
James A. Lockhart (Botany).
Arnold Mandelstam.
Robert J. McCartney (Liaison).
Surinder K. Mehta (Sociology).
Rabbi Aryeh Meir (Hillel).
Lary A. Midura.
Lucien Miller (Comp. Lit.).
Justin Milliun.

Jadwiga A. Moczulewski (Libr.).
Arthur B. Musgrave (Journal.).
Elaine M. Noury (Water Res.).
Leon M. Noury (Water Res.).
Claudine Penchina (Physics).
Dennis J. Perry.
Barry Pritzker.
John Putnam.
Rev. J. Joseph Quigley (Newman Center).
William N. Rice.
Larry S. Roberts (Zoology).
Michael D. Roth.
Simon Rottenberg (Economics).
Paul F. Saagpakk (English).
Howard D. Segool (Com. Tech.).
Ruth M. Seligman (Mass. Review).
Doug Stanley.
Normand Strautin.
Joseph E. Szala (Public Health).
Mahra L. Teirmanis.
Bernard K. Turner (Publ. Safety).
Irene S. White (Biochem.).
Merit P. White (Civil Eng.).
Janet D. Williams.
Fay Zipkowitz (Library).
Alexander August (Northampton).
George D. Tomasetti (Northampton).
Dr. John W. Hilt (Amherst).

THE AMNESTY ISSUE

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. BOB WILSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

HOW CAN WE FIND WAY OUT IN AMNESTY ISSUE?

(By John Pinkerman)

America has a long tradition of compassion, of mercy—and of amnesty.

America also is a nation of laws. The laws are for all the people in a democratic society, despite the degradation of this tradition by people in the highest level of government.

With this background, we are seeing a new debate, in Congress, on television and in the written press, over the issue of blanket or general amnesty for those who deserted the country in the Vietnam War. Included is general or total amnesty also for those who fled the country as draft dodgers even before they had a chance to desert while in military uniform.

The views on amnesty generally are rigid and more emotional than have been views on almost any controversial issue of the last 50 years. There are those who say President Nixon was rather quick to grant parole—or amnesty—to Teamsters Union boss Jimmy Hoffa; and soon the Republicans got political support from the Teamsters. There are those who say ex-Vice President Spiro Agnew got the ultimate in amnesty when he was allowed to plead "no contest" to one tax fraud charge, with a prearranged sentence of a $10,000 fine and three years probation which in effect is no restraint of any kind. This, most of us would agree, was a slap on the wrist compared to what happens to others who indulge in tax fraud.

There are many other cases of "amnesty" in high places. So, say those who cite Hoffa, Agnew and hundreds of other unsavory cases, why not amnesty for all of the thousands who deserted their military buddies and their country in time of war, and for those who defied the draft laws of the nation!

Those who support total amnesty remind us that the Vietnam War was a national disgrace—and most of us would agree that this is true. These leaders of the amnesty drive appeared before Congress and have talked of every man's right to make the moral determination as to whether he will obey the nation's laws. They have quoted Abraham Lincoln on "binding up the nation's wounds" and they have quoted others on the need to "bring the country together" in these anguished times by welcoming home the deserters and draft dodgers as if they had done nothing more wrong than taken a sabbatical from their national—and legal—responsibilities.

On the extreme "other side"—you might call it the right vs. the total forgiveness of the left—there are those who want every deserter and every draft dodger to go to prison; some would even object to a fair trial. They also cite several precedents; in fact, they also quote Lincoln in their own harsh view of any kind of mercy.

Most of those who served in Vietnam, in Korea, in World War II and in World War I are a bit shy of total amnesty. Parents who lost boys in the Vietnam War, and in the other wars, are betwixt and between—they are too sad to be angered by desertion, but not quite ready to forgive the draft dodgers and those who left fellow servicemen to die.

Army Lt. Gen. Leo E. Benade, deputy assistant secretary of defense for military personnel policy, is one who has a professional and perhaps valid fear of total amnesty. "Any legal precedent," he told Congress, "that would undermine the sanctity of military obligations and sworn oaths would be dangerous to the security of the nation." We surely would be in a dangerous position if, when attacked by a foreign enemy as in World War II, every young man realized he had legal precedent to say no to the responsibility that he help defend his country.

Somewhere between what the liberals are demanding and what the opponents of amnesty are demanding, there is room for American mercy under the law. There is vast difference, it seems, between a draft dodger and a deserter who has taken an oath to do his duty. There is some degree of difference in every one of the 500,000 Vietnam era cases of desertion and draft dodging—home conditions, mental state of the individual, motive and degree of desertion and defiance of the law. These are individual cases and should be so treated.

The House Judiciary Committee has nine bills for various types of amnesty. It is hoped the Congress will not be stampeded either by the very powerful voices demanding total amnesty or the sullen voices of retribution. If Hoffa and Agnew deserved amnesty, so do a certain number of Private John Does—all within the compassion and the legal traditions that have made America the great nation it is.

GRAHAM A. MARTIN: WHOSE AMBASSADOR?

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. DELLUMS. Mr. Speaker, were it not so ludicrous, the recent antics of Ambassador Graham Martin might be considered amusing.

Martin has initiated a one-man lobby on behalf of the Thieu regime—and in doing so, has seriously assailed both the Congress and the American people.

In his myopic defense of the Thieu regime, Martin overlooks that the vast majority of the American public are absolutely set against large-scale American intervention in Vietnam.

The following Washington Post editorial asks: "Whose Ambassador?" It is a question we should give serious consideration:

[From the Washington Post, Mar. 14, 1974]

WHOSE AMBASSADOR?

In Graham A. Martin, President Thieu of South Vietnam has a warm friend and a forceful and highly placed advocate—a fine ambassador, you might say. Indeed, Mr. Martin's recent attack on a New York Times report on American aid to Saigon—an 18-page attack which Mr. Martin asked the State Department to make public—could hardly have pleased President Thieu more. It mirrored precisely Mr. Thieu's own view that the fount of all criticism of his rule is Hanoi.

The catch is that Graham Martin is not the ambassador of South Vietnam to Washington. He is the American ambassador to Saigon. This would seem to be an elementary distinction but Mr. Martin, in his blinded devotion to President Thieu, has evidently lost sight of it. We have his devotion (and his low boiling point) to thank for the fact that he has come out from behind the wall of discretion, behind which professional diplomats ordinarily work, in order to challenge a reporter for the Times.

It is, first, outrageous that Mr. Martin should preface his challenge with the suggestion that press and congressional criticism of South Vietnam is being orchestrated by Hanoi. The charge is false—and mischievous. That an American career envoy in the year 1974, should be sniping in a cheap political way at the motives of Vietnam policy critics is a sad commentary on how little the old cold-war-oriented hands have learned from our Indochina experience. Moreover, it is an old and unworthy ploy for an official to disdain to talk with a reporter on grounds that the reporter is "biased," and then denounce him for alleged errors. In short, Mr. Martin is paying a heavy price for Mr. Thieu's affection.

Secondly, Mr. Martin's critique is a throwback to the bad old days of one-sided, self-serving, over-simplified reporting on Vietnam and, as such, is altogether out of line with the more nuanced requirements of a policy that no longer needs to depend for its effectiveness on misleading the American people. We had thought, or hoped, the objective now was to help move the Vietnamese parties toward a real settlement. By the evidence of Mr. Martin, however, the policy is to supply President Thieu the resources and encouragement to let him sidestep the Paris accords and to keep pressing the war. For it is obvious that Mr. Thieu, seeing Mr. Martin's uncritical devotion to him, can have little incentive to heed whatever cautions the U.S. Government may simultaneously offer. We apparently have here a classic case study of how an ambassador loses influence with the government to which he is accredited.

As to the specifics of the aid program as discussed by the Times and Mr. Martin, we believe, as we have previously said, that Congress should itself go deeply into the whole program. The Times article charged that American military aid "continues to set the course of the war"; various American violations of the Geneva accords were alleged. During these allegations, Ambassador Martin responded that the course of the war is set by "the continuous and continuing Communist buildup" and by Saigon's response to "actual military attacks mounted by the other side." These are, we submit, differences of perception which the Congress ought to try to clarify before it votes further aid for South Vietnam. The administration is asking for $1.45 billion in military aid in fiscal 1975—up from the $829 million approved in 1974. Whatever total it finally approves, the Congress should be convinced that the money is being given in an amount and in a way designed to reinforce the Paris accords, not to undermine them.